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# Congressional Record

PROCEEDINGS AND DEBATES OF THE 106<sup>th</sup> CONGRESS, FIRST SESSION

## SENATE—Friday, July 16, 1999

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

### PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, we begin this day with the amazing assurance of Your lovingkindness. We hear Your word to us through Jeremiah, "I have loved you with an everlasting love; therefore with lovingkindness have I drawn you."—Jeremiah 31:3.—We respond with the grateful words of the psalmist: "How precious is Your lovingkindness, O God."—Psalm 36:7. "Because Your lovingkindness is better than life, my lips shall praise You."—Psalm 63:3.

As Your lovingkindness captures our thinking, we feel Your acceptance, forgiveness, and compassion. There is nothing we can do that will make You stop loving us but there is something we can do to realize Your love for us. We can love ourselves as loved and forgiven by You, and we can dedicate this day to communicating Your lovingkindness to the people around us. Remind us that practical, positive acts of lovingkindness heal the one who does them and those who receive them. Alert us to people who need Your lovingkindness through us and make this a "do it and say it" kind of day. Through our Lord and Saviour. Amen.

### PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore. Senator ABRAHAM is designated to lead the Senate in the Pledge of Allegiance.

The Honorable SPENCER ABRAHAM, a Senator from the State of Michigan, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

### RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader, Senator ABRAHAM, is recognized.

### SCHEDULE

Mr. ABRAHAM. Mr. President, today the Senate will immediately begin debate on cloture to the Social Security lockbox legislation for 1 hour, with a vote to occur at approximately 10:30 a.m. For the information of all Senators, that vote will be the only roll-call vote during today's session of the Senate.

Following the vote, Senator COVERDELL will be recognized for 1 hour of morning business. Senators KERREY and BREAUX will be in control of the second hour.

I thank my colleagues for their attention.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Michigan.

### PRIVILEGE OF THE FLOOR

Mr. ABRAHAM. Mr. President, before we proceed, I ask unanimous consent that privileges of the floor be granted to Sandy Davis, a detailee from the Congressional Budget Office working with the staff of the Budget Committee, during consideration of S. 557.

The PRESIDING OFFICER. Without objection, it is so ordered.

### RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

### GUIDANCE FOR THE DESIGNATION OF EMERGENCIES AS A PART OF THE BUDGET PROCESS—Resumed

The PRESIDING OFFICER. Under the previous order, there will now be 1 hour of debate evenly divided between the two leaders prior to the cloture vote on amendment No. 297 to the instructions to the motion to recommit the bill S. 557.

Pending:

Lott (for Abraham) amendment No. 254, to preserve and protect the surpluses of the social security trust funds by reaffirming the exclusion of receipts and disbursement from the budget, by setting a limit on the debt

held by the public, and by amending the Congressional Budget Act of 1974 to provide a process to reduce the limit on the debt held by the public.

Abraham amendment No. 255 (to amendment No. 254), in the nature of a substitute.

Lott motion to recommit the bill to the Committee on Governmental Affairs, with instructions and report back forthwith.

Lott amendment No. 296 (to the instructions of the Lott motion to recommit), to provide for Social Security surplus preservation and debt reduction.

Lott amendment No. 297 (to amendment No. 296), in the nature of a substitute (Social Security Lockbox).

Mr. ABRAHAM. Mr. President, I yield myself such time as I might need.

We find ourselves once again on the Senate floor. As I said to the Senator from New Jersey, some years back there was a movie called "Groundhog Day" in which the main character in the movie kept waking up each day in the same exact setting in which he found himself the previous day. Somehow that movie's theme seems to be playing itself out in this debate about the lockbox. We are once again to have a cloture vote to simply try to obtain the opportunity to have a vote on the amendment which was offered by myself, along with Senator DOMENICI and Senator ASHCROFT, to the underlying legislation.

We have previously tried to accomplish this without success. It is very frustrating because if we obtain cloture today, we would get this vote, but this legislation would then be open to further amendment by any Senator who wished to change its composition.

So I start the debate by pointing out to all my colleagues that all we are asking for is a chance to have a vote on one amendment.

Now, this past 4 days we have been debating the Patients' Bill of Rights. I remember back a few weeks ago the entire Senate was virtually shut down so a group of Senators who wanted to have that issue considered could have the entire issue considered and a full range of amendments brought up and voted on, and we did that. Here all we are asking for is a chance to have a vote on one amendment to a broader bill. I hope we will get the chance to do so.

The reason for that is very simple. Across my State, and I think across this country, Americans continue to want to see their Social Security dollars protected. They want to make sure every single dollar they send to Washington in their payroll taxes for Social Security is preserved and not spent on other programs or used for tax cuts or for any other purpose but for their Social Security protection. They want to make sure today's beneficiaries are protected. They want to make sure future beneficiaries are protected. So do the advocates of this amendment. It is not just one side that advocates this, as far as I can tell, because just in the last few weeks we have heard from the White House that the President, too, shares our view that we ought to have a Social Security lockbox.

It does not seem to me very clear why, as a result of that, we cannot have a vote on this proposal. If others have additions or deletions or counter-proposals, they will have their chance because the underlying bill will still be subject to further amendment. But those of us who think this is the right approach want to have a chance to have this approach ultimately debated and be voted on. We have been trying and trying without success. I hope today we can continue down the path we started just a few days ago when we ultimately obtained cloture on the motion to proceed.

As I open this debate, I implore Members on both sides of the aisle to give those of us who are advocating this amendment a chance to have a vote on it. If you have your own ideas, bring those, too, and once we have voted on this amendment, we will vote on yours. But let us at least get the ball rolling. If everybody is as strongly for a lockbox as they profess, then let us have a chance to start the debate, and let us start with this amendment which was the first one offered.

Mr. President, at this point I yield the floor.

The PRESIDING OFFICER (Mr. VOINOVICH). Who yields time? The Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair.

As stated by our colleague and friend from the State of Michigan, we are kind of looking at the same thing again. He likened it to "Groundhog Day." I would say it is "deja vu all over again." That was said by a great philosopher in New Jersey, Yogi Berra.

What are we talking about? What we are discussing is whether or not the people on this side of the aisle and the people up there and the people out there will have a right to have their views included in this debate.

It is pretty simple. We are talking about a lockbox. A lockbox is a place where you can preserve treasure, where you can preserve family records, jewelry, et cetera. But I never heard of a

lockbox where they put in one article of value and leave out the rest.

What we are hearing is that we are going to protect Social Security's surpluses, but we are not going to do anything, according to the majority, to extend the solvency of Social Security. We are not going to do anything to include Medicare's solvency. People do not get into these programs until they are 65 years old. At that time, do you want to have to worry about whether or not health insurance is going to be available? Do you want to worry whether that retirement fund is going to be there for your children who are now hard at work trying to take care of their needs while they also prepare for their retirement? The Republicans are saying: Leave it to us; we will figure out a way to take care of it some day off in Wonderland.

The fact of the matter is, yes, we want to engage in an honest debate about this. It is not just let us have our vote. Let them have their vote means that under the proposal they have offered, this side gets no votes and the people we represent across this country get no opinion expressed. Look at the polls and see what they think about who is going to do the best job to protect Social Security and Medicare. They are going to say the Democrats are the people who worry most about it.

We are beginning to look at an examination of process, a process that a lot of people do not understand, even some in this body, but certainly across the country people do not understand it: Cloture motions.

Amendments, allow us to discuss them. Pure and simple, that is the way the American people want us to talk to them. Will they allow us, the Democrats, to register our view of how this Social Security so-called lockbox is going to look? Does it do the job the American people want? Or are we using terminology that has a certain ring to it that has no value?

That is the question. I say to my friend from Michigan, let us have some amendments so that we do not have to, up or down, just take what the Republicans have offered. Let us debate it. It is a big enough proposal, I think.

Yes, it has reared its ugly head several times. The fact of the matter is, we have not yet gotten to see the whole body there. We do not understand all the ramifications. At least the public does not understand them.

Give us a chance to have some amendments. They are saying: No, the first thing we are going to do is move on to the Abraham-Domenici-Ashcroft proposal.

We do not want to do it that way. We are going to do our darndest to protect the American people. We are going to insist we have a lockbox that includes solvency for Medicare extended by 20 years, extend Social Security by 30

years or 40 years, and try during that period of time to work it out so it is extended for 75 years.

That is what our mission ought to be—look ahead and not simply try to shut things down and offer as a juicy incentive a tax cut that is best for the wealthiest in this country.

It is \$1 trillion for the cost of the House Republican tax cut. Out of that, they take \$55 billion away from Social Security to help it along. They take \$964 billion of the surplus to help that tax cut along. The American people are more interested in putting food on the table, providing for their education, and protecting their parents' health care in the future than they are about that kind of tax cut.

We want to give a tax cut, too. Everybody loves tax cuts. The difference is, we love them for the majority of the people where it counts. We love them because we want people to receive adequate child care, and we want to know they can take care of the elderly when medical services are necessary. It is not just tax cuts for tax cuts. No, tax cuts for political purposes is what we are looking at—tax cuts for the wealthy.

This economy is boiling. You cannot get help to do this. You cannot get help to do that. You want to buy a house. The housing market is exploding. If you want to go into fancy items such as boats and airplanes, you have to wait 3 years to get delivery on them. I do not feel sorry for a guy who has to wait 3 years for a new airplane. The fact of the matter is, that is where that money will go with a tax cut, and not into the homes of people who worked all their lives to save a few bucks and provide for their retirement, as well as for their medical care needs.

That is what this debate is about, and I hope that our colleagues will stick together on this side and insist that we have a chance to offer people's amendments. That is what we are discussing. We are not discussing anything else. There is no trickery. Let us express a view that maybe, if people listen to it, they will consider it and, if not, then we have the votes. They are the majority. They are going to get their way; we know that, but I do not think that is a good way to serve the public.

Mr. President, I ask the distinguished Senator from Michigan, shall we switch sides?

Mr. ABRAHAM. That will be fine, back and forth.

Mr. LAUTENBERG. I yield the floor.

Mr. ABRAHAM. Mr. President, before I yield the floor, I, once again, for all Senators, make the following point: We are not seeking cloture on the underlying bill. It will still be subject to amendments that I believe the Senator from New Jersey is referencing. I do not know what those amendment are. They can be brought up if we obtain

cloture. All we get is a chance to vote on our amendment. I cannot figure out why we are not being allowed a chance to vote on our amendment. I will continue to make that point today.

I yield such time as he may need to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I thank the Senator. The Senator from New Jersey said, "This side gets no votes." I wrote it down word for word. The Senator from New Jersey said, "This side," meaning the Democratic side, "gets no votes." Does the Senator from New Jersey realize that this is a cloture motion on the amendment? This is not a cloture motion on the bill. The cloture motion on the amendment simply says that we get a vote on our amendment. After the amendment is adopted or rejected, the bill is still there, and it is open for amendment. The amendment which we adopt, if we adopt it, will be open to amendment. The Senator can amend it. He can substitute it. He can eliminate it. He can do whatever he wants. He will get all the votes he wants.

The Senator from New Jersey said, "Let us have some amendments." How many amendments does the Senator want? I will be happy to listen. How many amendments would the Senator from New Jersey like?

Mr. LAUTENBERG. I cannot speak for our leadership, but he has been waiting for a response from the majority leader as to whether or not amendments are going to be permitted. The Senator from Pennsylvania knows only too well that when we talk about this amendment, we are talking about the bill; we are talking about the issue. We are not talking about some abstract condition.

Mr. SANTORUM. Mr. President, reclaiming my time, the Senator knows, once we put the amendment in the underlying bill, it is then open and subject to amendment which the Senator can offer. In fact, he has an unlimited right in the Senate to offer amendments to the underlying amendment. All we are doing is asking to put in this budget bill an underlying amendment for the membership to then amend to its heart's content, vote as many times as the Senator from New Jersey wants to vote.

As we have seen in the last 4 days, we had multiple amendments. We had, what? We had an underlying bill. We had an underlying bill that was a Democratic bill and an underlying bill that was a Republican bill. All I am saying is let us put our underlying bill in place, and then my colleagues can have all the fun they want in trying to craft different amendments to that or substituting their own version of it.

The Senator from New Jersey said: All we want is an honest debate. We are trying to get an honest debate.

Let's put the measure in the underlying bill and have at it. Let's have a full and open debate. Maybe we can get a unanimous consent agreement to be on this for a couple of days and allow amendments on both sides. That is the way we do things in this body. All of us are willing to do that. I am certainly willing to do that. I am certainly willing to give the Democrats the opportunity to put forward their lockbox proposal and willing to put forward amendments to our lockbox proposal.

I welcome an open, honest, and fair debate, but we cannot get there, as the Senator from New Jersey knows, unless we have a bill with which to start. We cannot start amending nothing. We have to amend something. What we are trying to do is put something in place to start the ball rolling.

I understand the Senator would like to have a Democratic bill start the process. I understand that. As he knows, we have to start somewhere, and putting our bill up first, as the majority, is not an irrational thing to suggest as a starting point, as long as we give you the right to amend, which we do.

This vote does not limit your rights at all. It limits no rights on your side. You have all the full rights that a Senator has and that the minority has under the current set of rules. So this idea that this side has no votes or this side has no amendments is not factual. You have unlimited amendments and unlimited rights to amend this proposal.

This proposal simply says: Every dollar coming into Social Security should be used for Social Security. The Senator from New Jersey said: Well, the House tax cut uses Social Security money. If it does, guess what. We will have a vote right here on the Senate floor in which 60 Senators will have to say: We want to spend Social Security for that tax cut.

I do not think you will get 60 votes. I know you will not get 60 votes. This Senator will not vote for it. I know a lot of Senators over here who will not vote for using Social Security surplus funds for any tax relief.

I am perfectly willing—in fact, advocating—to use the onbudget surplus to give relief to the taxpayers of America. In fact, giving them that relief will help to buy the food and the medicines and other things the Senator just talked about. It is important to do that. We do not have to do everything for everybody. We can actually let people keep their own money and do it themselves. I think people would have the preference of doing it that way.

As to the idea that we have the power right now to stop raids on Social Security, we do not. We do not. We saw that last October. What happened last October was that the President got together with the leaders over there, and they raided the surplus, the Social Security

surplus. We did not have the courage or the opportunity with a vote to stop it.

If we pass this lockbox proposal, any Senator has the right to ask for a vote, and 60 Senators would have to get up and say: I would rather spend that money on whatever program or spend that money, in a sense, on tax relief. And you need 60 votes. That is a real protection for Social Security.

I, for the life of me, cannot understand why the Senate Democrats are now the only group of people in Washington, DC—and I daresay the country—who are opposing this. You have the President of the United States, a Democrat, who wants this. You have 99 percent of the Democrats in the House of Representatives who voted for it. You have every Republican who is supporting it.

The only group of people in the country, that I can see, who are against having Social Security money for just Social Security are 45 Members on the other side of the aisle. I am not too sure they understand what the American public wants and what everybody else has figured out is the right policy for America.

So I encourage the Senator—maybe his staff did not give him the correct information—to look at what this cloture motion does. It limits no rights for the minorities—none. You have unlimited right of amendment after this cloture motion is agreed to and we vote on this amendment. Then we can have the full and fair debate.

I am sure our majority leader, who cares very deeply about this bill—Social Security is very important to him—would devote as much time as necessary on the Senate floor to have that kind of debate, to get the kind of measure that can pass and be signed by the President, and we can begin the process of protecting Social Security.

I reserve the remainder of our time.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Before recognizing the Senator from South Carolina, I will tell you, the Senator from Pennsylvania has been here long enough that he has knowledge of the process. I have been here longer. I, too, have a knowledge of the process.

No matter what you say, if you are going to shut down the amendment process—which the majority has successfully done—you are not going to get amendments. You can say, we will take all the amendments.

I just heard the Senator from Pennsylvania make a commitment, I assume for the Republican majority, when he said: I have no objection to any amendments you want to offer.

Did I mischaracterize the Senator from Mr. Pennsylvania?

Mr. SANTORUM. I would have no objection to any amendments you have

with respect to the Social Security lockbox, absolutely. Let's have a debate on Social Security. Let's have a debate on the Social Security lockbox.

Mr. LAUTENBERG. I thank the Senator.

#### UNANIMOUS-CONSENT REQUEST

Mr. LAUTENBERG. I ask unanimous consent that the cloture vote be vitiated, that the motion to recommit and the amendments be withdrawn, and that the bill be considered under the following time limitations:

That there be up to a dozen amendments for each leader, or his designee; that the amendments deal with the subject of lockbox protections for Social Security and Medicare, budget reform, and the availability of prescription drugs for seniors; and that the amendments be subject to relevant second-degree amendments.

Mr. SANTORUM. Reserving the right to object.

The PRESIDING OFFICER. Is there objection?

Mr. SANTORUM. Reserving the right the object. That unanimous-consent request does not focus on the Social Security lockbox; it focuses on everything in the world; thereby, I would have to object because it is not about the Social Security lockbox. So I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LAUTENBERG. With all respect, then with the subject of lockbox protections for Social Security and Medicare reform—and we can leave it at that—that the amendments be subject to relevant second-degree amendments.

Mr. SANTORUM. Reserving the right to object, the Senator from New Jersey knows Medicare is not funded out of the Social Security trust fund.

Mr. LAUTENBERG. That is exactly the problem.

Mr. SANTORUM. So to expand the debate—

Mr. LAUTENBERG. I thank the Senator. That is exactly the problem.

The PRESIDING OFFICER. Is there objection?

Mr. SANTORUM. So I would have to object.

Mr. ASHCROFT. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LAUTENBERG. You heard it. Medicare is not included.

Finally, we have a frank admission on the floor of the Senate. Medicare is left out. So all of you who are like Senator HOLLINGS and I, with blonde hair up top, may not be concerned at all about where we go with our Medicare solvency—it may be too late for us—but there are other people in the line who may want to use it.

Mr. President, I yield 5 minutes to my friend from South Carolina.

Mr. HOLLINGS. Mr. President, you heard the objection. We asked for 12 amendments—just a dozen, not unlimited—and there was objection.

I have three amendments. One is a true lockbox. I made the motion back in 1990, as a member of the Budget Committee, for the lockbox. We reported it out 19 to 1. I then went on the other side of the aisle and got the late Senator John Heinz from Pennsylvania, and he and I joined together, and by 98 votes—when the present distinguished Senator from Pennsylvania said everybody, that was everybody then; all except 2—98 Senators voted for the lockbox, passed it, it passed the House, and it was signed on November 5, 1990, by President George Bush.

But they do not obey it; they do just as the Abraham amendment presently before the body. When you use that expression, “paying down the debt,” what they do is take the Social Security money and use it for any and every thing but Social Security. That is what is occurring.

We presently owe Social Security \$857 billion. That is why I have three amendments.

The true lockbox is to keep a reserve, as we require under the 1994 Pension Reform Act for corporate America; I say we are going to do the same thing for Government America.

I have a second amendment with respect to actually getting a return since we are using Social Security money. We only get a 5-percent return on these special Treasury securities. Standard & Poor's shows from 1990 to 1998 the real return on private securities is 14 percent and the nominal return is 18 percent.

Since we passed this in 1926, over the 72-year period, including the Depression, we have a 10.9-percent return on average.

So I think if you are going to use our money, do not use it on the cheap, do not get a free ride. Pay in the 10.9 percent rather than the 5.6 percent, and we begin to rejuvenate Social Security rather than drain it. Otherwise, I want to cut out the monkeyshines of the chairman of the Budget Committee, calling over to the Congressional Budget Office and saying: Give me \$10 billion more. How does he do it? He uses different economic assumptions.

Under the law, under section 301(g) of the Budget Act, they are required to use the same economic assumptions as contained in the budget resolution. But rather than maintaining those particular assumptions, they just make new assumptions. We had nothing to do with it. I am on the Budget Committee. We were never called or notified or anything else of the kind. All of a sudden we find out there is \$10 billion left for defense. There is another \$3 billion for transportation, another \$1 billion. Already we have busted the caps, just by a telephone call, \$14 billion.

I have three amendments. I am ready to offer them, but they won't let us offer them. That is why I am not voting for cloture. Everybody ought to un-

derstand what is going on. They won't let it be treated as an unlimited measure, as we always have had discourse in the Senate in my almost 33 years, until this kind of control. We had to fight to get up the Patients' Bill of Rights. We had to hold up all the appropriations bills. Now we can't even get an objective discussion of Social Security because they know how to gear it. They have it geared where they are going to pay down the debt, always talking lockbox, lockbox, lockbox.

They are in violation right now of the 13301 lockbox, and they will continue to do so. It is all politics, election 2000.

I thank my distinguished colleague. I yield the floor and reserve the remainder of our time.

Mr. SANTORUM addressed the Chair. The PRESIDING OFFICER (Mr. HAGEL). The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, before I yield to the Senator from Missouri, one of the sponsors of this legislation, I remind the Senator from New Jersey and the Senator from South Carolina, the President spoke in favor of the Social Security lockbox. He said he wanted a Social Security lockbox, period. He didn't talk about Medicare.

Nobody is talking about Medicare. No one in this town has talked about commingling two separate trust funds. I don't know what kind of great admission the Senator from Pennsylvania supposedly made. It is something that is obvious to every taxpayer. There are two separate trust funds, one for Medicare and one for Social Security.

To suggest that we should commingle those funds is a very dangerous suggestion. I think that is what the Senator from New Jersey is intimating. That is not what the President wants. That is not what the House wants, Democrats and Republicans. It is certainly not what we want.

If the Senator from New Jersey is suggesting that, I think he is alone on a very dangerous suggestion and one that is not healthy for either fund. That is certainly something we will not allow to have happen in the Senate.

I yield 5 minutes to the Senator from Missouri.

Mr. ASHCROFT. Mr. President, I thank the Senator from Pennsylvania for his insightful comments. There are two distinct funds. To commingle those funds would be irresponsible—not only irresponsible, but it would go against the intentions of the American people in developing those two separate funds for separate purposes. I believe we should proceed to do what we responsibly should do with the money we have taken from the American people for Social Security, and that is to make sure that we spend the money for Social Security, for which we taxed the American people saying we would use it for Social Security.



We have spent a little time this morning in the Senate jargon of exchanges on procedure. It is enough to make the head of a Philadelphia lawyer swim, with all deference to the Senator from Pennsylvania. The American people are not interested in convoluted explanations of Senate procedure. They want to know why is it that this body alone stands between them and the integrity of protecting Social Security resources for the exclusive use of Social Security.

They have heard the President of the United States come forward—belatedly come forward, but he has come forward—and say: I want a lockbox for Social Security. Those are his words. Not a lockbox for Social Security that starts doing other things for other trust accounts, a lockbox for Social Security.

They have watched as the House of Representatives voted 416 to 12. Talk about bipartisan support; talk about a near unanimous vote. You have it in the House of Representatives. They see on the Republican side of the Senate a very strong desire, reflected now in our sixth effort to get the Democrats to break the filibuster against reserving Social Security taxes for the use of Social Security. We are determined to keep voting to break this logjam. The American people have seen that everyone wants this: The President, the overwhelming majority of House Democrats, and Republicans, all but 12 of a 435-Member body want a lockbox, and we need it in the Senate.

President Clinton's budget this year, prior to his endorsement of the lockbox, would have spent \$158 billion out of the Social Security trust fund over the next 5 years. That is the kind of thing we need to guard against. The President has now said we need to guard against that.

In March, Senator DOMENICI and I introduced S. 502, the Protect Social Security Benefits Act, which would have instituted a point of order preventing Congress from spending any Social Security dollars for non-Social Security purposes. In April, the Senate budget resolution included language endorsing the idea of locking away the Social Security surplus. The language in the Budget Act passed unanimously. Those on the other side of the aisle have passed this language already, including the point of order process. Also in April, Senators ABRAHAM, DOMENICI, and I introduced the Social Security lockbox amendment, about which we have been talking today.

In May, the House of Representatives overwhelmingly passed Congressman HERGER's measure to protect the Social Security surplus, and the vote there was 416 to 12. That is an amazing vote for the House of Representatives.

In late June, after Senate Democrats had blocked four efforts to proceed to the lockbox, after Senate Democrats

had said, we won't let you move to this, President Clinton announced that he had changed his position and that he finally supported a lockbox that would protect 100 percent of the Social Security surplus. His quote is this: "Social Security taxes should be saved for Social Security, period." Not Social Security taxes should be saved for Social Security and tax cuts, no, and Medicare, no, and anything else; it is Social Security, period. That happens to be what Senator ABRAHAM, along with Senator DOMENICI and I, has brought to the floor as an amendment. That happens to be what we are asking Senate Democrats to allow us to move forward on.

A few days after the President's announcement, we obtained a motion to proceed on the lockbox. But now we are faced, again, with the prospect of Senate Democrats blocking a forward motion on this lockbox concept. The House has voted for it. The President has come out in favor of it. Senate Republicans support it. The American people are demanding it. Senate Democrats still stand in the way.

Over the next 5 years, Social Security taxes will bring in an estimated \$776 billion in surpluses—not just in revenue, \$776 billion in surpluses. The lockbox would protect every dollar of those current Social Security surpluses for future obligations to America's retirees.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. ABRAHAM. Would the Senator from Missouri like additional time?

Mr. ASHCROFT. Thirty seconds.

Mr. ABRAHAM. The Senator from Missouri is yielded whatever time he needs.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, we have five times previously been denied this, in spite of the House vote, in spite of the President's endorsement, in spite of the overwhelming support of the American people. I ask Members of this body to vote to give us the opportunity to make the progress necessary to protect 100 percent of the Social Security surpluses so they can be used to strengthen, and provide integrity to, the Social Security system.

I thank the Senator from Michigan for this opportunity to speak, and I thank the Chair.

The PRESIDING OFFICER. Who yields time? Who seeks recognition?

Mr. LAUTENBERG. Mr. President, under a quorum call, how is the time charged?

The PRESIDING OFFICER. It will be charged to the side that requests the quorum call.

Mr. ABRAHAM. Mr. President, I gather the Senator from New Jersey does not choose to yield time at this point.

Mr. LAUTENBERG. That is correct.

Mr. ABRAHAM. Then I yield up to 5 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 5 minutes.

Mr. THOMAS. Mr. President, I won't even take 5 minutes. I want to share some of the frustration I have about where we are, trying to move forward with what I think is one of the most important issues before us and, of course, that is Social Security. Everybody is talking about it, of course, and they say, oh, yes, we want to do something. When the time comes, how many times have we been frustrated in trying to get to what is essentially the first step to do something about Social Security? That, of course, is to have a lockbox, take the money coming in for Social Security and put it there so that we can do something with Social Security.

So this is clearly the first step that we have to take. I think this is the fifth time we have been trying to move forward with this. Each time all the people on the other side of the aisle say they are for Social Security, and the President says he is for Social Security, but they never want to do anything. I guess maybe this is part of the frustration that has been building up over the last month or so, and this week there has been frustration.

I think it is time to invoke cloture and move forward on the lockbox issue to make sure the American people who are paying into Social Security, particularly young people who are starting to work and putting their money aside, will have some hope that there will be benefits for them. And we do that only by moving forward with our lockbox. I suggest that we do that. I thank the Senator for the time.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? Who yields time? If no one yields time, time will be charged equally to both sides.

Mr. ABRAHAM. Mr. President, I inquire as to how much time remains on each side. We want to reserve some time for the Senator from New Mexico to close on our side, and I wanted to know how much that would be because we do want to make a closing argument.

The PRESIDING OFFICER. The majority has 10 minutes remaining, and the Democrats have almost 16 minutes remaining.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABRAHAM. Mr. President, I suggest the absence of a quorum and ask

that the time be charged equally to both sides.

Mr. LAUTENBERG. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, it is my understanding that the Republicans have 10 minutes and the minority has 16 minutes.

The PRESIDING OFFICER. The Republicans have 9 minutes 30 seconds; the minority has 15 minutes remaining.

Mr. DOMENICI. I would like to use 3½ minutes, if I might.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. DOMENICI. Mr. President, this is a very simple proposition. The American people, by overwhelming odds, would like us to take every single penny of the Social Security trust fund and lock it up so it can't be spent. The issue is not only a Republican issue; the President of the United States has said we should lock it up. He didn't say lock up something for Medicare; he said lock up the trust funds for Social Security, period.

Senator DASCHLE, leader of the minority, said very recently that there ought to be some common ground. We ought to lock up the Social Security trust fund. What are we doing on the floor? We have six times tried to get an amendment up—not a bill, not a final action but an amendment, after which you can have amendments to your heart's desire.

We can't get the other side to agree that we will do that. We will have limited debate on that amendment, after which they can have all the debate and all the amendments they wish. It is only the amendment that we would like to get voted on. Why? Because it is time that, rather than talking about making sure we don't spend under the pressure of emergencies and all kinds of other things, we don't spend the Social Security trust fund money.

Now, the President of the United States came our way already. He said lock up 100 percent. At one time in his budget, he said lock up 62 percent. He came with us and said lock up every single penny.

That is what we are trying to do. We are trying to get a vote on doing that, after which time, if the Democrats see fit, they can muddy the water and bring up amendments on other issues, and if we had time today, we could debate the foolhardy issue that even Democrats think makes no sense—that we should take the surplus that belongs to the people of the United

States and put it into the Medicare trust fund with IOUs to be paid for by increased taxes on our children later on. We can debate that if you would like. But that is not the issue.

The issue is Social Security money, the senior citizens' pension money. Time is wasting. The pressures to use it are growing. The opportunities to come to the floor and say let's spend it, with the passage of each day, are getting closer and closer. Somebody will say we need this for something. Who knows what. It could be agricultural policy for America or any kind of thing you can dream up.

I say to my friends on the other side, let's get on with it and let's close the debate on the amendment. Then we can open the debate after that vote occurs on anything you wish.

I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I commend the able Senator from New Mexico on what he has said. Social Security money is for Social Security. It should not be used for anything else. Now is the time to nail this thing down so no question will arise in the future. There are demands now for everything, but this is a particular trust fund. It belongs to the Social Security fund, and we should keep it there and not let it get away. I again commend the able Senator from New Mexico.

Mr. DOMENICI. I thank the distinguished Senator.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG. Mr. President, we are debating a proposition that I think probably lends some confusion to the recognition of what it is we are attempting to do. One can call it a lockbox, a safe deposit box; call it what you will. I say we want a lockbox, too, but we want a lockbox that is without holes, without rust, without a broken lock on it. We want a lockbox that is secure, that holds our valuables, and that no one can get their hands on, and that is the Social Security lockbox that cannot be used.

Our friends over there say they want to keep it from being a pot for people to reach into when they want to spend money. The fact of the matter is that they create a condition as a result of the structure of their bill, their proposal, that says that if the economy turns sour, in fact, perhaps this country could be put into default, unless Social Security is used, because of overarching criteria, then that is what is going to happen. Social Security will be that safe deposit box that is now open for other purposes in Government.

I hear the plea for letting the debate get started. But we have been waiting to hear from the majority leader—our leader and the majority leader; that is where these discussions take place—

that he has a commitment that we can offer amendments.

We have a commitment from the Senator from Pennsylvania. He said he had no objection to our having amendments. But we haven't heard that from the top.

That is what we are asking for; that is what I tried to do with a unanimous consent agreement.

I said: OK. Let's talk about a dozen amendments that our two leaders can agree upon. Let's talk about that. Let's put that aside, and then we can end the debate. But they do not want to do that.

The majority has the upper hand. That is life in the Senate. They are not going to let us get our amendments up because—even though they say, yes, you will have all the amendments you want—the fact is there is a system here. Everybody in this Chamber knows there is a system. It is called the amendment tree. Once you fill it up with first-degree amendments followed by second-degree amendments, the majority leader always has the privilege of initial recognition, and you shut down the amendment possibilities.

Let's stop fooling each other. Let's stop trying to fool the people out there in the countryside. Do they want Medicare included as a security measure, as a safe deposit measure, as a lockbox measure? Ask them. Let's have a vote on that. Let's have it straight up or down. Do you want Medicare?

I heard a statement made today that, no, the Republicans don't want Medicare included. Let the public hear that. Let the public hear that the one measure for protecting health may not be of concern to them. It is fine with me. I just want to make sure the record is clear that people understand what we are saying.

Look at this. The Republican House committee proposes a tax cut of \$1.19 trillion. In order to accomplish that, they are going to have to take \$55 billion from the Social Security surplus and \$964 billion from the onbudget surplus.

We are using arcane language to try to pull the wool over the people's eyes.

Say it straight. They on that side of the line don't want Medicare included. We want Medicare included on this side of the line. We want to lock up Social Security, and we all agree a lockbox is a desirable thing, a place where those funds are going to be protected. We are saying you can't touch the Social Security surplus.

Remember this: In 10 years, forecasts being as they are, we expect to have almost a \$1 trillion surplus in non-Social Security funds. That is pretty astounding. Imagine, we could be out of public debt in 2015, barely 15 years from now—not only the public debt but anything. It would be an unheard of condition in terms of a major government around the world. The fact of the matter is it

would be certainly a benchmark that people never thought would arrive.

We are trying to do it. We are saying we support a modest tax cut for those who really need it—a targeted tax cut for child care, savings accounts, and health care for the elderly. But friends over here want to use it to spread the tax cut around for all of the benefit. It would go largely to the wealthiest in the country.

I once again ask if we can get an agreement. It can be done away from the microphones or it can be done in front of the microphones. Give us the assurance that we can have amendments and not be barred by second-degree amendments and not barred by other parliamentary procedures. We would be happy to consider a different position, but we are not going to do it knowing full well that once we step over the line we are in a trap that is going to silence our voices in terms of any modifications. We are talking about just the motion to proceed. Just let us get started.

The fact of the matter is this amendment would be a substitute for an underlying bill. It would be the bill itself. We have to be on guard for the public interest. That is where we are going to stand.

I urge my colleagues to vote against cloture until we understand fully what this debate is about for the benefit of the public.

It has been suggested that we are filibustering it. We just had a major bill go through this Chamber yesterday, and we were allowed a limited number of amendments. In 3 days, we had 11 amendments that were considered. That was it. That was the most we could negotiate, instead of as it used to be with an open process. If it took a long time, it took a long time.

I remember working through the night until 6 in the morning. We don't do that anymore. We shut down nice and early so we are not too tired at the end of the day.

But I say the time is the property of the public. They let us use it. We ought to use it fully instead of shutting down the debate and shutting down the opportunity for the American people to understand what is really taking place.

It is tough. It is tough because the route that is being used is kind of inside-the-beltway stuff.

How much time remains on both sides?

The PRESIDING OFFICER. The Senator has 6 minutes on his side, and the majority side has 6 minutes as well.

Mr. LAUTENBERG. Mr. President, the unanimous consent that we are operating under had a call for a vote at 10:30. Is that right?

The PRESIDING OFFICER. That is correct.

Mr. ABRAHAM. Mr. President, I yield 2 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 2 minutes.

Mr. SANTORUM. I thank the Chair.

Mr. President, the Senator from New Jersey said we should have Medicare included in this lockbox proposal. The President of the United States said: I can't believe the Republicans don't want to include it. He just finds that incredulous.

The Senator should talk to his own President. His own President doesn't want Medicare included in this lockbox proposal. The President has been clear.

Social Security money should be used for Social Security, and once you say it can be used for Medicare, it can be used for Medicare, it can be used for education, or for whatever.

I can tell you that Social Security recipients want Social Security to be used for Social Security. They do not want to expand the program to include other things. In fact, one of the biggest complaints I hear from seniors is that if you would quit taking money out of Social Security for every program that comes down the line, Social Security would be OK.

I think if we took a poll it would be overwhelming not to include any program—any program—other than Social Security in Social Security.

I also find it incredulous that he said there is a hole in the Social Security lockbox.

We wrote a provision in this bill; if we were in a recession, because we hold the debt limit, there could be a default on the credit of the United States. Is the Senator suggesting we should allow the United States to default? Isn't that what the provision says? I ask the Senator from New Mexico if he can explain that.

Mr. DOMENICI. Absolutely. The Secretary of the Treasury made some objections to the original bill because it was too rigidly drawn in case of emergencies. We took care of that.

We also took care of the problem we had with reference to the end of the year and the way the surpluses come and go because of the way you collect taxes in large quantities in other parts of the year a little bit.

We fix that, too.

Mr. SANTORUM. So the Senator from New Jersey, when he objected to our "hold" on the lockbox, his objection is counter to what the administration demanded of us to fix in our lockbox?

Mr. DOMENICI. Absolutely.

Mr. LAUTENBERG. Mr. President, I don't know why it is not clear, but we have said and we mean that Social Security funds, surpluses, are sacrosanct. They are untouchable.

The Medicare solvency we want to create comes out of the non-Social Security budget surplus. We have talked about this 60 times. Apparently the message has not gotten through. We want to do it. We want to deal with it.

By the admission of some on that side, Medicare isn't part of the thinking in this. If it is not part of the thinking now, I wonder when it will be.

There is also an opportunity, if I may suggest with a degree of temerity, that Social Security funds can be used in the name of Social Security reform. That is kind of a catch-all. It says if we can't get it one way, we will get it another way. We face the specter of a huge tax cut that is being proposed. It is not much different here from on the House side. We are talking about something close to \$800 billion.

We understand each other very clearly. The question is, Does the public understand why we are? We want to save Social Security, and we want to save Medicare. We want to increase the solvency of Medicare, and we are committed to a reform of both programs. During that period, it is said by the President that we will extend the life of both of these programs even longer than the 50-some years for Social Security and the 20 years for Medicare.

That is where we are, my friends.

If we are ready to conclude the debate, I am prepared to yield back our time—if we are prepared.

Mr. ABRAHAM. We are not.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, how much time does the majority have?

The PRESIDING OFFICER. The majority has 3 minutes 53 seconds.

Mr. ABRAHAM. I yield to the Senator from New Mexico such time as he consumes.

Mr. DOMENICI. Mr. President, I want to clarify this from the standpoint of what a Democrat on the other side who is well versed in this had to say about this issue. On March 22, 1999, Senator BREAU, on a CBS newscast, avoided criticism of Clinton. Senator BREAU said: Some people want an issue of Medicare rather than solving the problem. They talk about wedge issues.

Senator BREAU added that one of the problems is that some people want an issue out of Medicare rather than solving the problem. They talk about wedge issues.

Are you going to have a tax cut or are you going to save Medicare?

That is old politics, he said. I think the American people are tired of it. They want us to solve the problem, not give them political slogans.

Now, to stand on the floor of the Senate and even imply that the proposed tax cuts in the budget resolution of \$782 billion over a decade would in any way infringe upon the Social Security trust funds is to confuse the public of America, and it is exactly what the distinguished Senator from Louisiana is saying—sloganizing, making an issue by slogans.

Secondly, if there is any implication that there are not sufficient reserves in

our budget to take care of Medicare, that is an absolute error and an untruth. There are huge amounts of money left over after the tax cut. In fact, it approaches \$450 billion that is not allocated to anything during the next decade other than what we choose to use it for in the Congress.

I remind everyone, the President said we can fix Medicare with how much? Forty-eight billion dollars will give us prescription drugs, he said. We had \$90 billion left over in our budget resolution that was unspent, and now, with the new estimates, there is more money there. We can fix Medicare, put this money in a lockbox, have the tax cut, do that by the end of this year, and fix things for American seniors on both fronts: Lock up the money that is theirs and fix Medicare.

To talk about this trust fund as if it has something to do with fixing Medicare is an absolutely erroneous stating of the situation in the Senate and in the fiscal policy of America.

Mr. LOTT. Mr. President, I will wrap up by using leader time.

Mr. LAUTENBERG. Then I can use the rest of our time.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, the overwhelming recommendation by the House Republicans says use Social Security funds if necessary.

But there is an issue beyond that. It is quite apparent, if you use \$792 billion for tax cuts, it reduces the possibility that you can pay down the debt. That is where we would like to go. We want to get rid of this constant threat of higher interest rates. We want to be able to be free to take care of the needs we have to operate our society, our country.

There is no confusion about where we are. We want to protect Social Security. We want to protect Medicare out of non-Social Security surpluses. That is where we are. One ought not confuse it with discussions about other things: A, Do you want to protect Medicare? B, How? That is the question. That is what we would like to have answered.

I hope my colleagues will stick together and say we want to have an open debate, we want to continue to discuss the issues, and not to be shut down on this pretense that this cloture vote will take care of the problems.

The majority leader is on the floor. We all have great respect for him. We would love to be able to be assured of amendments. I know our leader has been interested in a discussion of that and is awaiting the majority leader's response. If we knew that, perhaps we could be reacting differently.

The PRESIDING OFFICER. The Senate majority leader.

Mr. LOTT. Mr. President, I yield myself such time as I might need for leader time. I know Members expect to vote at 10:30. I will try to be brief.

I am compelled to make a couple of points. First of all, our Republican budget plan reduced the national debt by \$1.9 trillion. That is the most significant and the only real contribution of reducing the debt in our lifetime. The point I want to make is, the American people overwhelmingly support the idea of the Social Security lockbox.

After resistance, the President even adopted that exact word, that he supported a Social Security lockbox. I don't know what the numbers are but in the high seventies, 80 percent of the American people think this is something we should do: Take all of the Social Security taxes, the FICA tax, and set them aside for what they were intended—Social Security, and only Social Security, a lockbox.

OK, so we advocated that—Senators DOMENICI, ABRAHAM, SANTORUM, and others. And finally the President apparently checked the polls and said: Oh, yeah, me, too; I want a lockbox.

Then the House voted for a lockbox—not as tight as this one, not as good as this one—with a vote of 415-12. Even the Democrats in the House of Representatives voted overwhelmingly without a lot of shenanigans, playing around, distractions, and a dozen amendments. They voted for the lockbox. Apparently they got serious.

Now, here comes the point: We go down in our bipartisan meeting to the White House on Monday to meet with the President. I am hopeful. I am optimistic. In fact, I come out and say: Yes, maybe we can have a lockbox; work together on Medicare reform; we can get some tax relief.

Let me tell Members what happened. We go in there. The first subject I brought up was the Social Security lockbox. The President said: We need to do that. I'm with you. We can do that.

Senator DASCHLE said: Yeah, we ought to do that.

What happened?

I go out and say: We are going to get this done.

The President hasn't lifted a pinkie since—nothing. All he has done is run around and whine and threaten that he is going to veto a legitimate Patients' Bill of Rights bill, the health care needs of the people of this country. That is all he has done all week—maybe a fundraiser or two, but he has done nothing to help us get a Social Security lockbox.

So I invite, in fact I challenge, the President: Talk to the Democrats in the Senate, Mr. President. They are the only obstacle to setting aside Social Security in a lockbox for Social Security.

That is what I have to deal with all the time. I get a lot of soft soap: Oh, yes, we will work together; we will get it done. And then nothing. If the President wants a Social Security lockbox,

make one call, Mr. President, one call. Call Senator DASCHLE and say: Get it done. And we will get it done next Monday.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. We yield back our time.

#### CLOTURE MOTION

The PRESIDING OFFICER (Mr. ROBERTS). All time is yielded back. Under the previous order, the Chair directs the clerk to read the motion to invoke cloture.

The assistant legislative clerk read as follows:

#### CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the pending amendment No. 297 to Calendar No. 89, S. 557, a bill to provide guidance for the designation of emergencies as a part of the budget process:

Trent Lott, Pete Domenici, Rod Grams, Michael Crapo, Bill Frist, Michael Enzi, Ben Nighthorse Campbell, Judd Gregg, Strom Thurmond, Chuck Hagel, Thad Cochran, Rick Santorum, Paul Coverdell, James Inhofe, Bob Smith, Wayne Allard.

#### CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

#### VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on amendment No. 297 to Calendar No. 89, S. 557, a bill to provide guidance for the designation of emergencies as part of the budget process, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will now call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) and the Senator from Montana (Mr. BURNS) are necessarily absent.

I further announce that, if present and voting, the Senator from Montana (Mr. BURNS) would vote "yea."

Mr. REID. I announce that the Senator from California (Mrs. BOXER), the Senator from Connecticut (Mr. DODD), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 52, nays 43, as follows:

[Rollcall Vote No. 211 Leg.]

#### YEAS—52

Abraham	Campbell	DeWine
Allard	Chafee	Domenici
Ashcroft	Cochran	Enzi
Bennett	Collins	Fitzgerald
Bond	Coverdell	Frist
Brownback	Craig	Gorton
Bunning	Crapo	Gramm

Grams	Lott	Smith (OR)
Grassley	Lugar	Snowe
Gregg	Mack	Specter
Hagel	McConnell	Stevens
Hatch	Murkowski	Thomas
Helms	Nickles	Thompson
Hutchinson	Roberts	Thurmond
Hutchison	Santorum	Voinovich
Inhofe	Sessions	Warner
Jeffords	Shelby	
Kyl	Smith (NH)	

## NAYS—43

Akaka	Feinstein	Mikulski
Baucus	Graham	Moynihan
Bayh	Harkin	Murray
Biden	Hollings	Reed
Bingaman	Inouye	Reid
Breaux	Johnson	Robb
Bryan	Kennedy	Rockefeller
Byrd	Kerrey	Roth
Cleland	Kohl	Sarbanes
Conrad	Landrieu	Schumer
Daschle	Lautenberg	Torricelli
Dorgan	Leahy	Wellstone
Durbin	Levin	Wyden
Edwards	Lieberman	
Feingold	Lincoln	

## NOT VOTING—5

Boxer	Dodd	McCain
Burns	Kerry	

The PRESIDING OFFICER. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The distinguished majority leader is recognized.

Mr. LOTT. I thank the Chair.

UNANIMOUS-CONSENT REQUEST—  
H.R. 1555

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now turn to H.R. 1555, the intelligence authorization bill, and under the provisions of the agreement of May 27, 1999, following the reporting of the bill by the clerk, I would send an amendment to the desk regarding national security at the DOE.

The PRESIDING OFFICER. Is there objection?

Mr. REID. There is an objection.

The PRESIDING OFFICER. Objection is heard.

Mr. LOTT. Mr. President, I am surprised by this objection by our Democratic colleagues. This issue concerns two very important matters: one, the intelligence authorization for the year, and also the very important Department of Energy reforms as a result of the Chinese espionage that has occurred during the last several years within the Department of Energy.

Needless to say, this issue needs to be debated in the Senate. I am truly sorry our Democratic colleagues do not want to debate it at this time.

I have urged the President, the National Security Adviser, Sandy Berger, and the Secretary of Energy to engage this issue. The headline should read: Senate resolves how in the future the Department of Energy will handle these matters to stop the leaks of very important nuclear weapons information from our labs.

That should be the headline, that we are working together to resolve this problem, instead of the situation where the Secretary of the Department of Energy is still trying to have a diffused system of reporting. There should be only one person who is reported to on the matters of national security at our nuclear labs, and that is the Secretary of Energy, and it should go straight to him and from him to the President of the United States. Surely we can work this out.

Having said that, I now move to proceed to H.R.—

Mr. REID. Will the Senator yield?

Mr. LOTT. I will be glad to yield.

Mr. REID. I say to the majority leader, there are ongoing discussions. There was a hearing today in the Senate on this very issue. There are meetings that are going to take place today on that issue. I have spoken to the Secretary of Energy as recently as last evening.

We are really trying to work something out. I think parties on both sides are trying to work something out. I think it would be to everyone's best interest that when we do bring this up, there is some degree of certainty that it will be resolved.

We also understand, without any question, the importance of the intelligence authorization bill. Senator KERREY, the ranking member of this committee, has expressed, on numerous occasions, how important it is we move this legislation. So I say to the leader and Members of this body, we are doing our utmost to resolve this issue as quickly as possible.

Mr. LOTT. I am glad to hear that.

INTELLIGENCE AUTHORIZATION  
ACT FOR FISCAL YEAR 2000—  
MOTION TO PROCEED

## CLOTURE MOTION

Mr. LOTT. But having said that, I now move to proceed to H.R. 1555, and I have sent a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

## CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to H.R. 1555, the intelligence authorization Bill:

Trent Lott, Pete V. Domenici, Paul Coverdell, Jesse Helms, Chuck Hagel, Judd Gregg, Slade Gorton, Craig Thomas, James Inhofe, Frank Murkowski, Jon Kyl, Jim Bunning, Tim Hutchinson, Connie Mack, Rick Santorum, Richard Shelby.

## CALL OF THE ROLL

Mr. LOTT. Mr. President, I ask unanimous consent that there be 1 hour for

debate, beginning at 9:30 a.m. on Tuesday, to be equally divided, of course, in the usual fashion between Senator DOMENICI and Senator DASCHLE, or their designees, and that the cloture vote occur at 10:30 a.m. on Tuesday, July 20, and the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Is there objection?

Mr. REID. There is not.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I now withdraw the motion to proceed.

The PRESIDING OFFICER. The motion is withdrawn.

## MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDER OF PROCEDURE

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I understand the distinguished Senator from Georgia has time allocated this morning. I am asking his indulgence that I might speak for a period not to exceed 5 minutes and to yield within that period a brief moment or two to our distinguished colleague, Senator HAGEL.

Mr. COVERDELL. Mr. President, it is my understanding we do have an hour under my control, or my designee. I will designate up to 5 minutes. I ask the indulgence of the Senator from Virginia because I have a flight to accommodate as quickly as we can.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

NOMINATION OF RICHARD  
HOLBROOKE

Mr. WARNER. Mr. President, I address the Senate regarding Executive Calendar No. 135, the nomination by the President of the United States of Richard Holbrooke of New York to be the Representative of the United States of America to the sessions of the General Assembly. That was presented to the Senate by the distinguished chairman of the Foreign Relations Committee, Mr. HELMS, on June 30, 1999. Following the favorable reporting by the Committee. It is now pending.

I have been in this magnificent body, privileged by the State of Virginia, for 21 years. I fully recognize the rights of Senators to place holds on nominations. I respect that right. I respect

them for the reasons they have done it. I have done it myself, although sparingly. But in my judgment, the urgency for the Senate to address this nomination is increasing daily. I urge the Senate to proceed to an up-or-down vote because the United States of America, in my judgment, is increasingly in need of having a very powerful voice at the U.N.

Ambassador Holbrooke, in my judgment, is eminently qualified. He is well experienced with the complex issues in the Balkans.

I ask unanimous consent that at the end of my remarks there be printed an article in today's Washington Post.

The PRESIDING OFFICER. Without objection, it is ordered.

(See Exhibit 1.)

Mr. WARNER. It covers the following:

Five weeks after the end of bitter ethnic war and the arrival of NATO troops in Kosovo, growing confusion among Western officials, local politicians and Kosovo's population about who controls the province is hampering efforts to begin rebuilding its tattered economy and political structure and social services.

The essence of this article captures a concern of this Senator, that the men and women in the Armed Forces, be they wearing the uniform of the United States or the uniform of our other NATO allies, all under the command of an American officer, General Clark, are at increasing personal risk because the United Nations is not able, perhaps for valid reasons, perhaps for invalid reasons, to take up their allocation of responsibilities and relieve the burdens from the troops so they can restrict their responsibilities to professional military duties.

I believe we should proceed with this nomination, have a vote up or down. Hopefully, this nomination will be approved by the Senate, and we can have a strong voice to enter into this very serious situation in Kosovo. We have invested billions of dollars. We have put at risk tens of thousands of lives, the men and women of the Armed Forces of this country and other countries, to reach the conclusion we now have of relative stability, in clear contrast to the cruel ethnic cleansing inflicted upon the people of Kosovo.

I think the time has come. I ask those who have reasons to be further considering this nomination—I am actively working to resolve those problems—to weigh the risk to the men and women of the armed forces of all nations involved in Kosovo.

#### EXHIBIT 1

[From the Washington Post, July 16, 1999]

#### KOSOVO'S NEW ADVERSARY: CONFUSION

(By R. Jeffrey Smith)

PRISTINA, Yugoslavia, July 15—Five weeks after the end of a bitter ethnic war and the arrival of NATO troops in Kosovo, growing confusion among Western officials, local politicians and Kosovo's population about

who controls the province is hampering efforts to begin rebuilding its tattered economy, political structures and social services.

The Western allies are preparing an ambitious multibillion-dollar program to repair war damage and bring stability to Kosovo and the surrounding region for the first time in at least a decade. But the effort has already become bogged down by major disagreements among the rival claimants to power in the Serbian province.

In the resulting power vacuum, Kosovo's myriad problems are multiplying. Thousands of vacant buildings, homes and businesses are being taken over by squatters, some of whom are investing in new, unlicensed enterprises whose legal basis is unresolved. No one is sure who owns public enterprises or who is to benefit from their revenues now that most Serbian officials have left and hundreds of thousands of ethnic Albanian refugees have returned.

With municipal offices otherwise unoccupied, former members of the rebel Kosovo Liberation Army are taking up positions as local administrators even though they lack any legal authority. Even so, the former rebels are making decisions and issuing edicts whose long-term viability is open to question.

In the meantime, fire departments have no trucks, hospitals have no ambulances or equipment, gas stations have no fuel. Electricity and water supplies function only intermittently, and telephone service is available only in parts of Pristina, the Kosovo capital, and a few other towns. Without a trained police force, "the level of lawlessness is stable on the high side," one senior Western official said.

But no one knows who to complain to—or where.

According to NATO, the United Nations—officially in charge of reestablishing a civilian government—is the top authority. But almost no one here seems to heed, or even recognize, the U.N. presence. Many civilians still regard NATO and its 32,400 troops as the ultimate arbiter on civil matters. Other residents say unelected ethnic Albanian representatives, led by KLA members, are in charge.

Moreover, the KLA and the United Nations have begun to joust over matters both large and small. In one such encounter, Jay Carter, the senior U.N. official in charge of civilian government here, told a senior KLA official that all state-owned property in Kosovo is now under U.N. control. But Visar Reka, the KLA official, said he responded that "You're not the owner, you're just the manager; Albanians are the owners."

Reka and others who work in the offices of KLA political leader Hashim Thaqi, who has been named prime minister of a provisional government, say they have the authority to run the province until elections next spring. But U.N. officials refuse to recognize this claim. "To me, [Thaqi] represents the KLA, not the government; we are clear on this," said Brazilian diplomat Sergio Vieira de Mello, the interim U.N. administrator in Kosovo.

Even so, the United Nations itself is unsure how far its legal mandate extends and recently asked its lawyers to review what authority its officials are entitled to assert. In particular, the lawyers are looking at whether revenues from state-owned enterprises, such as electric and water utilities, must be placed in escrow until Kosovo's legal status is resolved or can be spent without input from authorities in Belgrade, the capital of both Yugoslavia and its dominant re-

public, Serbia. Kosovo's final legal status—whether it will remain part of Serbia, for example—is likely to take years to resolve.

For now, no one knows for sure what Yugoslavia—and its Serbian leadership—owns or is entitled to control in Kosovo. "Ownership is one of the toughest problems we face," said de Mello, who is being replaced this week by Bernard Kouchner of France. "If it is state-owned, it is the U.N.'s, at least during the interim administration. If it's private, we are in serious trouble."

Kosovo's ethnic Albanian majority is reasserting itself in the wake of the withdrawal of Serb-led forces and the flight of tens of thousands of Serbs from the province. More than 660,000—or roughly 85 percent—of the ethnic Albanians who fled or were expelled from the province have now returned, each expecting to have considerably more say in Kosovo's governance.

Meanwhile, the government in Belgrade has complained repeatedly that provisions in the June 12 cease-fire accord offering Serbia at least a token role in policing borders and monuments in Kosovo have not been respected. It has also denounced talk of creating an independent currency for the province and has claimed rights to revenues from state-owned mines and power plants.

Much of the confusion stems from the uncertain status of the agreement signed by ethnic Albanian leaders and Western officials in France last March, which set out in dozens of pages what the new government here would look like. But Serbian officials never accepted the document, and nothing was written to replace it when the cease-fire accord was signed. Since then, the United Nations, NATO and local leaders have had to renegotiate which of its provisions will be followed.

KLA officials, for example, complain that the United Nations got off on the wrong foot by demanding that jobs at city halls, utilities and state-owned media be apportioned equally among Serbs and ethnic Albanians. The intent was to demonstrate evenhandedness and to help persuade Kosovo Serbs to stay here. But the plan angered ethnic Albanians, who expected that jobs would be divided according to their proportion of the overall population—now hovering at 95 percent.

"It means a new slavery," said Ram Buje, a KLA political official now employed in Thaqi's office, of the proposed 50-50 split. When asked about the split last Friday, de Mello indicated he was unaware of it and called inappropriate. By Sunday, U.N. officials agreed that 330 ethnic Albanians will eventually work alongside just 60 Serbs at the city hall in Pristina, a likely model for other towns. But the city hall was closed Tuesday after the most prominent Serb there was badly beaten by an ethnic Albanian mob, which claimed he had committed atrocities during the war.

The ethnic Albanian leadership has not been the only source of friction for the U.N. mission. A U.N.-appointed consultative council was to have been established Tuesday, which would have the power to confirm the selection of mayors for each of Kosovo's 29 municipalities. It was supposed to have two representatives from longstanding ethnic Albanian political parties, one from the KLA, two independent ethnic Albanians, two Serbs, a Turk and a Muslim. The Belgrade government's local representative was not invited, de Mello said, "because the others won't come if he is there."

But some KLA officials last week created a new party that will not be represented, and

the two Serbs picked by de Mello—Serbian Orthodox Church Bishop Artemije Radosavljevic and Serbian Resistance Movement leader Momcilo Trajkovic—announced last weekend they would boycott the commission on grounds that Serbs and Serbian interest are not being adequately protected. As a result the council has yet to get off the ground.

De Mello acknowledged that it remains to be seen how the council will be replicated “at the district or . . . municipal level, where democratic institutions will truly be tested.” Buje, the Thaqi aide, has in the meantime stepped into the vacuum by appointing mayors for 25 municipalities—all but the four in which Serbs compose a majority of the local population.

“We are the people who know all the business,” Buje said, but the government “is a mosaic. We know this is an international protectorate, but it’s all mixed.”

#### WHO’S RUNNING KOSOVO?

The U.N.? Bernard Kouchner, the U.N. administrator in Kosovo, faces a situation in which disputes over control have bogged down reconstruction efforts.

NATO? Many in Kosovo still regard NATO, commanded by Gen. Wesley K. Clark, as the ultimate arbiter on civic matters, but NATO says it’s the United Nations.

The KLA? Kosovo Liberation Army leader Hashim Thaqi says the rebels have authority over Kosovo for now, but the United Nations refuses to recognize this claim.

Mr. WARNER. Mr. President, I yield to my distinguished colleague, Senator HAGEL.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HAGEL. Mr. President, I echo what my friend, the distinguished chairman of the Senate Armed Services Committee, has said.

It is not wise policy nor responsible governance for the greatest power on earth to hold captive one of the most important and responsible positions in this government, a position that has an effect and consequence to all of our allies as well as our adversaries. It is a constitutional mandate for this body to act with responsibility, aside from dispatch, and to move on this. I personally think holds are irresponsible. I understand the tradition of this body. I am new to this body, but I would go so far as to say, if you wish to hold someone, have the courage to take a stand on the floor of the Senate. Come before the American public and say why that hold is to be put on and why it is so important to hold captive such a critical position for this country, for our allies, for the representation of American values and standards across the world.

To put in jeopardy our men and women in uniform who defend this Nation, as the distinguished chairman of the Armed Services Committee has so directly stated, is irresponsible. I support strongly what the senior Senator from Virginia is saying. This body should have the courage to bring this nomination up and vote straight up or down. Let every Member be recorded.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I rise to continue the remarks so forcefully

made by our beloved chairman of the Armed Forces Committee, the Senator from Virginia, and the Senator from Nebraska, as regards the nomination before us on the calendar for the position of permanent representative to the United Nations.

I would like to make the point—and I have served in that role—that this is a Cabinet position. It has been from the time of President Eisenhower when Henry Cabot Lodge was in the Cabinet. It is one of the oldest traditions of this body that a President is entitled to and must have his own counselors. Be they right-minded or wrong-minded, they are the President’s judgment and they are his responsibility.

This office is a Cabinet office of the highest importance, as the Senator from Virginia has said, in mediating urgent international issues. But there is an awesome principle. Once, almost a half century ago, the Senate did reject a Cabinet nomination of President Eisenhower. It was not a proud moment for the Senate. We have not done it since, for the good reason that we ought not to do it ever.

I plead with the Senate to respect this prerogative of the other branch. I hope I will not seem mischievous if I repeat the remarks of my friend from Nebraska who said the day may come when there is a President of the other party. And indeed that could come very shortly. I do not predict it, but that is the way we work here. That President would want to choose his Cabinet members and would be entitled to do so, for all the errors they may make or not. That is the constitutional form of government in which we live. Let us, sir, support that regime of two centuries, unparalleled in the history of democratic government, based upon this principle of the separation of powers and the President’s right to choose.

I yield the floor.

Mr. WARNER. Mr. President, I thank my colleagues.

Yesterday, the Armed Services Committee had a briefing on the Balkan Task Force from the Department of Defense. I put the question to the uniformed officers: Is there a correlation between the absence of strong leadership in the U.N. and risk to our troops? Their response was a definitive yes.

I thank the distinguished Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

#### TAX CUTS

Mr. COVERDELL. Mr. President, I recognize the distinguished Senator from Missouri for up to 10 minutes.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. ASHCROFT. I thank the Chair, and I thank the Senator from Georgia. I thank the Senator from New York for his allowing me to accommodate a pre-

viously developed schedule. When I had asked for time during this special order, I had anticipated being able to begin at about 11, so I appreciate the indulgence of my colleagues.

This morning the Senate voted on a Social Security lockbox to protect every dollar of Social Security, protect the surplus and the integrity of Social Security. We were not able to do that. We had a majority of the Senate vote in favor of it, but there is still the filibuster on the part of others who are unwilling to guarantee a vote on this issue.

The supporters of the lockbox believe the money Americans pay for Social Security ought to go for Social Security, period. That happens to be the language of the President of the United States who has endorsed that position. But Social Security taxes are only one of the many taxes, as we all know, that are placed upon the American people. Too many taxes, forms of taxation, proliferate in this place. These taxes place an enormous \$1.8 trillion burden on the American people annually. That is 1.8 trillion, trillion being a thousand billions and a billion being a thousand millions. It is more money than one can virtually imagine.

These taxes also bring in more money than the Government needs. It is amazing. What we have is a Government which is charging more in taxes than it needs in order to provide services. I find it interesting that over the next 10 years there will be a trillion dollars more than are needed to provide the services we now provide.

Normally, if you go into a store and you give them \$20 and you are buying something worth \$8, they give you change. When you pay in excess of what you need to buy the product you are getting, they give you change. I think the U.S. Government ought to do that. We ought to say: There is a surplus coming in. The people have paid more than is needed for these services. We ought to give the money back.

If a store owner came to me and said: You have bought two bottles of milk and you get some change from your \$10 bill, but instead of the change, I want to give you six more bottles of milk, I would say: Wait a second.

I think the American people want some change. They want change in the way Government is consuming their resources. I believe it is time for us to begin to address the idea that we have tax relief for the American people.

Never before in history have we paid as high a tax as we pay today—State, local, Federal taxes—and a lot of the State taxes are really disguised Federal taxes. I say that because the Federal Government forces the State governments to do things. Then the State government has to charge the people for that. The truth of the matter is, it is a mandate from the Federal Government. It is an expense occasioned by



the demand of the Federal Government through the system. And when you put all of our taxes together, they are higher than any time in the history of the country—higher than in wartime, the First World War, Second World War, Korean war, Vietnamese war, Gulf war; you name it, we are higher than ever before. Now, it seems to me we ought to be asking ourselves with whom we are at war. I had one taxpayer say to me: I think you are at war with the American people, because we are taxing them the way we are.

I think the American people deserve a break. The Republicans in Congress agree with that. We believe we should return the tax overpayment. Senator ROTH has offered an \$800 billion tax cut over the next 10 years. This tax cut is deserved; it has been earned. The American people are the ones who are responsible. This Congress didn't create the surplus. The American people earned the surplus. It is just as if you hand \$20 to the grocer and you are entitled to change; it is money you earned.

It is the same with the American people who are overpaying for Government services now, creating a surplus. It is money they earned. They earned it, and we should return it. So we should change the slogan of Washington from, "You send it, we spend it," to, "You earned it, we returned it."

I think one of the things we ought to do as we begin to provide relief to the American people is to scrub out of our system those things that are discriminatory and those things that are harmful, pernicious punishments in the Tax Code, especially punishments for things that are very important to our culture. One of those things is marriage.

I don't believe there is an institution in this country more important to the future of America than marriage. We want people to be married. We want the durable, lasting commitments of families to undergird this culture with the kind of principles and responsibilities and values that will keep us from having really serious social problems. I believe we will minimize the difficulties and trauma we have in this culture if we have strong marriages, things we need to minimize such as the tragedies we experience.

What we find out when we look at our Tax Code is, for the last several years Americans have been paying a tremendous penalty in taxes merely because they are married; \$29 billion is paid by people as a penalty to the Tax Code simply because they are married, and 21 million couples pay that penalty. It is an average of \$1,400 per couple, per year. That is over \$100 a month. Think of the food, the shoes, the schoolbooks, the entertainment that could pay for. That is at least a very nice vacation for that family. Think of the relief to families if we

simply say, we are not going to punish you for being married.

It is time for us in Congress to say that among those items of tax relief, we sure ought to be doing something about the marriage penalty. This CRS study projected that over the next 10 years the average household will be paying \$5,000 extra in taxes than it needs to pay. We ought to address that.

I think the Roth plan will return that hard-earned money to those who earned it, the American people. I urge the American people to call the Congress and urge us to give them the change they deserve, give them their money back. They earned it, and we should return it. It is time for us to get together with Senator ROTH and support an idea that he has, and get our ideas in that measure, of refunding the \$800 billion in tax overpayments that the American people are scheduled to make in just a very few years.

I thank the Senator from Georgia.

Mr. COVERDELL. Mr. President, I yield now to the distinguished Senator from Idaho up to 10 minutes.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I thank Senator COVERDELL of Georgia for asking for a special order this morning to talk about taxes, where we are with taxes in our country, and where the Senate Finance Committee and the House Ways and Means Committee are at this moment as we begin, within a few weeks, a very important national debate on reducing the overall tax burden for the American people.

For a few moments this morning, let me talk about that tax burden and try to put it in context with other times in our history when the American people cried out for tax relief and the Congress heard them and the Congress respectfully responded.

Today's total tax burden is the highest since World War II, according to the Office of Management and Budget. I know when I came here in the 1980s, the World War II tax level was always used as the index. It was less than we had to pay during the wartime tax of World War II. At that time, that was the highest ever registered in our Nation. But now we have broken that mark. I will repeat that. The OMB now says that the peacetime tax burden of the average American taxpayer is higher than it has been at any time since World War II.

Tax receipts as a percentage of the gross domestic product amounted to 20.5 percent last year, will grow to 20.6 percent this year, and will reach 20.7 percent next year.

Recently a new administration estimate predicted the largest budget surplus in the history of our country, with the highest taxes ever, and the highest budget surplus ever.

The Congressional Budget Office has confirmed this optimistic forecast.

According to the President's estimates, last year's was the largest surplus in history. It will be larger this year, and will extend for the next 15 years.

That is a lot of optimism. But even conservative economists suggest that the budget surplus, as we now know it, is going to extend well into the future.

Over the next 10 years, a non-Social Security surplus will be at approximately \$1.1 trillion. Over the next 15 years, the non-Social Security surplus could get as high as \$2.9 trillion. Once again, these are reasonably conservative estimates on reasonably conservative growth in the Federal budget. Growing surpluses, but still no net tax cut? That is what our President is saying. Look at all of this money we are going to have to spend beyond what would be considered a reasonable level of spending at the Federal level. President Clinton won't recognize the income taxpayers' burdens, despite a \$2.9 trillion overpayment over the next 15 years.

I am not going to talk about surpluses anymore. I am going to talk about overpayment. The American taxpayer is overpaying what they should have to pay for the Government they are getting at this moment. Yet from the White House there is not one word about reasonable and responsible tax relief for the American taxpayer. That is why our Senate Finance Committee and the House Ways and Means Committee are fashioning tax reductions at this moment.

The income taxpayers' burden is the heaviest in history, in terms of a total tax burden. The personal income tax burden stands at 9.9 percent of the gross domestic product, and, that is not just the highest since World War II, but the highest ever. It is higher than the 7.9 level when the President took office. It is higher than the 7.8 level of the gross domestic product when John Kennedy, a new President, came into office, and said: Let's stimulate the economy by producing a major tax cut. Of course, we remember the history of that. It was not unlike the model that Ronald Reagan brought to office and convinced the Congress to produce a tax cut to stimulate the economy.

Our President thinks this economy is so good that you don't need to do that. That is not the issue. Our economy is strong, and we want to keep it strong, growing, and providing jobs. The way you do that is to insure that you don't drain the American public of their ability to spend for their families, and to save and invest in the growth of that future economy.

The tax burden we have today is higher than the 9 percent level Jimmy Carter left office with, which produced the tax cuts, or at least the stimulus for the tax cuts, that Ronald Reagan brought to this Congress in the early 1980s.

It is the highest level since World War II, and that was 1946 when it was 7.2 percent, and we were taxing at a high level to finance a war effort, the most major war effort ever conducted in the history of this country.

According to Clinton's own budget office, his 9.9 percent level is the highest recorded level of personal income tax receipts ever reached in the history of this country. Clinton is the undisputed champion of personal income tax burden.

You are the undisputed champion of that personal income tax burden and not one word from you, Mr. President, on a right and responsible level of tax reduction on the highest burden ever in the history of our country.

Under President Clinton, personal income tax receipts have grown at an average annual rate of 9.7 percent. That is 75 percent faster than the economy's average annual growth rate of 5.3 percent. That is faster than the wages' and salaries' average annual growth rate of 5.6 percent. In other words, Mr. President, your tax rate increase is outstripping all levels of growth in this country—both personal and public. That is faster than personal income's average annual growth rate of 5.2 percent. That is faster than payroll taxes' annual growth rate of 5.6 percent. That is 4½ times faster than the 2 percent average annual growth rate of gross private savings of this country.

Highest surpluses in high history; highest non-Social Security surplus in history; highest non-payroll tax surplus in history; highest personal income tax receipt burden in history.

What should we do? Cut personal income taxes, is what we ought to be doing. Yet, Mr. President, not a word from you.

What about the marriage penalty that the Senator from Missouri was talking about a few moments ago? What about death tax relief? Every time I walk off from a plane in my home State of Idaho, I hear from the small businessperson, or a farmer, or a rancher, who are at a time in their lives when they want to transfer the ownership of their life's work to their son, or to their daughter, and can't because the Federal Government steps in and destroys the American dream by saying: Give me at least 50 percent of the value of the life's work, and then I will let you pass the rest of it on to your family; and, in doing that, the son, or the daughter, or the son-in-law or the daughter-in-law spends the rest of their life trying to pay once again for that business, for that farm, for that ranch, and, in the end, they have to sell it just to pay the tax.

Mr. President, please. What about the American dream? Join with us in eliminating the death tax.

The fact that we have a \$2.9 trillion surplus totally apart from Social Security means we can still protect Social

Security and buy down the public debt. In addition to these things, we could cut income taxes and return income tax surpluses to the overburdened taxpayer.

Everyone can see this connection. It is not a difficult thing to understand the highest income tax burden and the highest surplus in our country's history. When I say it is easy to see, that is everyone except President Clinton. Right on this Hill, his defenders won't even talk about a tax reduction.

Clinton wants to raise taxes. Understand me. Here is the President, after all of the statistics and facts I have just given you, who brings the budget to the Hill this year, and in it are tax increases. According to the Congressional Budget Office, President Clinton's budget raises \$96 billion in new taxes over the next decade. I mean, Mr. President, where in the heck are you coming from? With surpluses unlike we have ever had before, certainly in this Senator's history, and you want to raise taxes? That is roughly a 10-percent surplus surcharge over the next 10 years on the American taxpayer.

In case you haven't forgotten, let me give you a little of the Clinton tax history. It is important the Senate understand this is a President who campaigned in 1992 on the promise to cut taxes. Then, in 1993, once elected, he raised taxes by \$240 billion. After that, in 1995, President Clinton confessed—I was not in the room at that time, but here is the quote: "People in this room are still mad at me at that budget because you think I raised your taxes too much."

His own quote: "Well, it might surprise you to know I think I raised them too much."

That is the inconsistency of this President on this issue, and now with 2 years of a budget surplus under our belt, and with \$2.9 trillion over the next 15 years in non-Social Security budget surpluses, Mr. President, join us in reducing the overall tax burden on the American people, and work with us to give a strong, responsible tax reduction to the taxpayers and to the economy of this country.

Bill Clinton breaks promises to cut taxes and makes promises to raise them.

No wonder Bill Clinton is the undisputed champion of personal income taxes.

Bill Clinton may have a choice—whether to keep his word or not, whether to raise taxes when there is a surplus or whether to veto a tax cut when there is a surplus.

For this Congress there should be no choice.

This Congress should cut taxes on the overtaxed American people.

We should do it if we had to cut spending to do it—as we have before.

We do not even have to cut spending to cut taxes when there is trillions

more than is necessary to run an already bloated government.

When not one cent of this surplus comes from Social Security.

We have nothing short of a moral imperative to return the money to the taxpayers who sent it.

While it may be Clinton-able, it is unconscionable to do otherwise.

Mr. COVERDELL. Mr. President, I commend the Senator from Idaho for his very illuminating remarks.

I now yield to the distinguished Senator from Minnesota for up to 10 minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. GRAMS. I congratulate the Senator from Georgia for putting together this special order on taxes. If we don't talk about it, if we don't act on it, as sure as day follows night, Washington will spend this surplus unless we do something. It is a very important issue, and I appreciate the opportunity to join in.

A few minutes ago the Senate cast another important vote in an attempt to lock away every penny of the Social Security surplus for Americans' retirement security. If enacted, this lockbox legislation would effectively end the practice of allowing the Government to spend Social Security money on other Washington "wish list" programs.

I take this opportunity also to commend Leader LOTT, Chairman DOMENICI, and Senators ABRAHAM and ASHCROFT for their leadership on this very important issue. I believe stopping the Government from raiding the Social Security trust fund is an essential first step to ensure Social Security will be there for current beneficiaries, the baby boomers, as well as their children and grandchildren. I am pleased this remains our No. 1 priority.

We will protect Social Security, preserve Medicare, and dramatically reduce the national debt, while providing major tax relief. Republicans are pleased that President Clinton agrees that shoring up Social Security and Medicare should be our Nation's top priority. But the difference is that President Clinton talks about it and Republicans are ready to act on it.

A good example is the President's commitment to work out a Social Security lockbox compromise when talking with the leadership this past Monday. Yet here we are again, another cloture vote, and no agreement. Where is the action to back up that type of commitment?

The Republicans are determined to achieve these goals. We have locked in every penny of the estimated \$1.9 trillion Social Security surplus over the next 10 years—not for Government programs, not for tax relief, but exclusively to protect all Americans' retirement.

We have been working hard to reform Medicare to ensure it will be there for

seniors. Prescription drug coverage for the needy will be part of our commitment to seniors, to protect their Medicare benefits. Had the White House and the Democrats cooperated, we could have fixed Medicare by now.

We have reduced the national debt and will continue to dramatically reduce it. Debt held by the public will decrease to \$0.9 trillion by 2009. The interest payment to service the debt will drop from \$229 billion in 1999 to \$71 billion in 2009. We will eliminate the entire debt held by the public by 2012.

We have not ignored spending needs to focus on tax cuts as has been charged. We not only have funded all the functions of the government, but also significantly increased funding for our budget priorities, such as defense, education, Medicare, agriculture, and others.

Meanwhile, Republicans are committed to providing nearly \$800 billion of the projected non-Social Security surplus—the tax overpayments of working Americans—for tax relief.

This is the largest tax relief since President Reagan and it does not come at the expense of seniors, farmers, women, children, or any other deserving group.

However, despite our healthy economy expanding our on-budget surplus, which, again, is not the Social Security surplus, President Clinton still denies meaningful tax relief for working Americans. He and his aides accuse our tax relief plan of being “dangerous” and “risky,” squandering your money by giving it back to you, worried that you won’t spend it right. The administration believes you are smart enough to earn your money but you are not smart enough to know how to spend it—Washington is.

He believes public opinion polls show less interest in tax relief. No wonder! How many people do you know like paying taxes and actually expect a refund? Most people have given up any thought of tax relief—but they still constantly remind me how important it is when I travel around Minnesota.

To tell the public they don’t deserve tax relief is just plain wrong. The Bureau of Census just released a report last week that finds 49 million hard-working Americans—nearly one person in every five—lived in a household that had trouble paying for their basic needs.

They are going further into debt each month trying to make ends meet. Credit cards are charged to the limit. They need tax relief.

What’s even more shocking, Mr. President, is that not all of these 49 million are underprivileged people, over 8 million Americans are from middle-class families, families that earn more than \$45,000 a year.

Let me repeat, Mr. President, a significant number, 8.1 million, to be exact, of middle-class and well-off fam-

ilies today have difficulties making their ends meet. They even have trouble paying rent, medical bills or other basic daily needs. A family night at the movies, a dinner out, braces, piano lessons are often out of reach to average income families.

Mr. President, this is not my data, nor is it data from think tanks. This is the data produced by the government of the United States.

Some experts attribute this financial hardship to lack of savings, which is true, but there is much more.

Our personal savings rate has dropped from 9.4 percent in 1981 to only six-tenths of a percent last year. This year the government reported that the rate actually dipped below zero for the first time since the Great Depression.

In fact, in the past 70 years, including the Great Depression, our savings rate has dropped as low as it is today only twice before. The personal savings rate has remained low for more than a decade, and net personal savings other than pensions have virtually disappeared over the past ten years.

But why? My answer is that government tax bites have been getting bigger and more cruel. Americans have been struggling to pay basic bills. After paying Uncle Sam and paying for basic family needs, there is nothing left for working Americans to save, or for money even to provide for the basics.

Americans should be able to save for their future, but they also should be able to pay for what most of us here take for granted—the family’s night out, the lessons, camps, etc.—the things that improve our quality of life. Tax relief can improve the quality of life of middle-class American families.

Mr. President, I remind you the total tax burden on working Americans is at an all-time high. The government’s own data shows that the average household pays \$9,445 in federal income taxes alone—twice what it paid in 1985.

Federal taxes take a huge bite out of Americans’ hard-earned paycheck and consumes about 21 percent of the national income, the highest proportion since World War II. And it’s still growing. Total taxes from all levels of government—federal, state, and local taxes—stand at a record 32 percent of national income.

Mr. President, according to the Census report, the income of the average American family has grown only 6.3 percent in constant dollars between 1969 to 1996. However, federal tax revenue increased nearly 800 percent during the same period of time.

Studies show that if government spending in this country had remained at the 1960 level, the average income of an American family of four, even accounting for inflation, would be \$23,000 higher today than it is. That could certainly improve the quality of life for those families.

The tax burden has become even more excessive since 1993. Over the

course of President Clinton’s administration, Washington’s income has grown faster than our economy and twice as fast as the income of working Americans. In fact, federal taxes have grown by over 54 percent. That’s nearly \$4,000 a year more per person.

Because of the unfair tax system, millions of middle-income Americans who have worked hard to get ahead have been pushed from the 15-percent bracket into the 28-percent bracket. Hundreds of thousands of others have been pushed from the 28-percent bracket into the 31- and 36-percent brackets. No one can escape this growing tax burden, not even low-income and minimum wage workers.

Since payroll taxes are levied against everyone, as low-income and minimum wage workers work harder and earn more, their payroll taxes also increase, taking a huge bite out of their hard-earned dollars that are most needed to keep families above the poverty line. As a result, Americans today are working harder and longer but taking less home. A larger share of the earned income of working Americans is siphoned off to Washington, and isn’t available to spend on family—not Washington—priorities. No wonder working Americans have trouble making their ends meet. No wonder they cannot save for emergencies. No wonder they work two or three jobs but still cannot get ahead.

President Clinton himself at one time admitted that Americans were taxed too much. But he still refuses to return the tax overpayments back to them because he does not think working Americans will spend it right. Instead, President Clinton has decided he will spend much of the surplus for his own government programs.

President Clinton and some of our Democratic colleagues insist we should have Social Security and Medicare first before we have tax cuts. In my view, this is nothing but an effort to deny working Americans tax relief.

Republicans have saved Social Security and have tried to create interest in Medicare reform. Tax relief only detracts from the need to spending more to bring home the bacon for many of our colleagues on the other side. Even after we’ve set aside and protected \$2 trillion for Social Security and Medicare, he and my Democratic colleagues in the Senate still insist the tax relief is unachievable.

Over the next 10 years, the federal government will collect over \$22.7 trillion in taxes. Excluding the Social Security tax surplus, the government will take \$17 trillion from Americans’ paychecks while it needs only \$16 trillion to operate the government. In other words, the average U.S. household will pay approximately \$5,307 more than the government needs over the next 10 years, according to the Congressional Research Service.

One question we should ask ourselves before we decide how to spend any non-Social Security surplus is where the budget surplus comes from. Do we have a budget surplus because the government is spending less or because it is taking more of our money? The CBO has showed us precisely where we will get our revenues in the next ten years. The data indicates that the greatest share of the projected budget surplus comes directly from income tax increases, primarily from the capital gains realizations and increase of effective income tax rates.

Clearly, Mr. President, as I have argued repeatedly our revenue windfall did not just fall from the sky, nor has it come from any belt tightening in Washington. It comes directly from American taxpayers.

Again, my point is, Mr. President, that this non-Social Security surplus is nothing but tax over-payments. It is the American taxpayers' money and it should be returned.

Like the Chairman of the Federal Reserve Alan Greenspan, my biggest fear is that if we don't give the non-Social Security surplus back to the taxpayers, Washington will soon spend it all. Such spending will only expand the government, making it even more expensive to support in the future, creating an even higher tax burden than working Americans bear today and a higher federal debt. That's why Chairman Greenspan says "If we have to get rid of the surpluses—I would far prefer reducing taxes than [increasing] spending, and, indeed, I don't think it's a close call."

Major tax relief as we have proposed will help all Americans keep a little more of their own money. It will give middle class families relief from the tax squeeze. It will help farmers and small business owners pass their hard-earned legacies onto their children. It will help to reduce self-employed medical costs, and correct the injustice of the marriage penalty tax. It will encourage working Americans to save and invest more. It will reward people who work hard to get ahead. It will benefit all Americans and ensure our economy continues to grow. But more importantly, it will give working Americans more freedom to control their own fate and decide what's best for themselves and their families. This is exactly what President Clinton and our Democratic colleagues fear will happen. They simply cannot let go of their misconceived belief that higher taxes and more government spending are the best answers to America's challenges. That's the fundamental difference between the two parties. That is what this debate on tax relief is all about.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I thank the Senator from Minnesota. I appreciate his accommodating the

somewhat tight schedule. The remarks he made are very pertinent to what we are going to be hearing a lot about over the next 3 weeks.

I now turn to the distinguished Senator from Colorado for up to 10 minutes.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLARD. Mr. President, I thank the Senator from Georgia, Mr. COVERDELL, for leading the discussion this morning on the need to have tax cuts for all Americans. I agree with my colleague from Missouri, Senator ASHCROFT, and his call to action. He said: Americans have earned it; Uncle Sam ought to return it.

I agree with my colleague from Idaho, Senator CRAIG, who pointed out that right now Americans are facing the highest tax burden since World War II. I also would like to associate myself with the comments of my colleague from Minnesota, Senator GRAMS, who says we can save Social Security, we can pay down the public debt, and we can still provide tax cuts for Americans. My colleague from Kansas, Senator BROWNBACK, will probably talk about the need of cutting taxes for the benefit of American families.

These are all very good points on why we should cut taxes. In talking with my constituents in town meetings across Colorado, one thing I hear in every meeting is that Congress should cut taxes. The legislature in the State of Colorado, and the Republican Governor in the State of Colorado, have heard the same message. This year there were some major tax cut provisions for the people of Colorado. The Governor of Colorado, Governor Owens, has pointed out that he plans on making another major tax cut for the people of Colorado next year. They recognize that government is receiving a windfall with our good economy, and we ought to cut taxes to give people the power to determine how they want to spend that money.

The government in Colorado or the Government in Washington should not be spending those dollars. The power really does belong with the people, not with the government in Colorado or, particularly, with the Government in Washington, DC.

People of all ages, professions, and positions in life believe they send too much of their paycheck to Washington. I happen to agree with that. Taxes are currently at a record high level. According to the Tax Foundation, Tax Freedom Day, the day in the year to which the typical American family must work to pay their combined Federal, State, and local taxes, was May 11 this year. This is the latest day ever, but it is hardly surprising in light of the fact that the combined effective tax rate is also the highest ever. When you add in the cost of Government regulations, Americans did not finish pay-

ing for the cost of Government until June 22nd. I believe Congress should downsize Government and return power to the States, localities, and individuals.

Part of the effort to downsize Government must also include a tax cut. I believe Americans should be able to keep more of their own money. American workers already pay 38 percent of their income in taxes, which is more than they spend on food, clothing, and housing combined. For the average family, this translates to a large percentage of their paycheck going straight to Uncle Sam.

A tax cut means they could keep more of their money to use for their priorities, not Washington's priorities. Some families may choose to use that money for a downpayment on a house, others, for education, and other families will now have the money to work fewer hours and spend more time together. The important point is, they know their own family needs and we, in Washington, do not.

I realize some question the wisdom of tax cuts. We always hear from those, sometimes I think louder than we do from others, except when it comes to election time, and then their voice is heard. They believe the budget cannot be balanced or Social Security cannot be saved if they return taxpayer money. However, according to a recent Congressional Research Service study, there will be an additional \$800 billion on budget surplus over the next 10 years, even after assuring that all our obligations to Social Security and Medicare have been met.

The study also found the average household will pay \$5,000 more in taxes than the Government needs to operate over the next 10 years. This money belongs to the American people. We must refund the excess in the form of tax cuts and not spend it. At the very least, we should reduce the excessive recent growth of the Federal tax burden.

During the Clinton administration, Federal tax receipts have increased by over 54 percent. Tax revenues have grown twice as fast as our economy and twice as fast as economic growth for working Americans. Clinton tax hikes have left each American \$4,000 per year poorer, yet the President is not done. His budget for Fiscal Year 2000 proposes \$96 billion in new taxes. Congress should reject new taxes and new spending in favor of meaningful tax relief.

In conclusion, I point out that it is time we return Government money to its rightful owner, and that is the American people.

I thank the Senator from Georgia for allowing me to join with him and my other colleagues in the Senate to deliver this very important message.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I know our time has been scheduled to conclude at noon.

The PRESIDING OFFICER. The Senator has 14 minutes remaining.

Mr. COVERDELL. Do I have 14 minutes remaining? Thank you.

Mr. President, let me, first of all, thank all of these speakers. In their own way, each pointed out the effect of a circumstance in which working American families are paying the highest taxes they have ever paid. These numbers begin to back into each other, but if you get down to the bottom line, what we are talking about is that American workers today are keeping just over half their paycheck—about 52 cents. If they kept two-thirds of their paycheck, which I think everybody in the country would agree at a minimum would be appropriate, they would have about \$7,000 a year in their checking accounts.

We have just spent a fierce week of debate arguing about how people deal with prescription drugs and the Patients' Bill of Rights and the needs of American families. The problem is, we have taken so much out of those folks' checking accounts they do have to start looking to some other place to take care of these problems. Obviously, if every working family had \$7,000 more in their checking accounts, the problem of a \$2,000 drug bill or an additional educational requirement could be facilitated.

We have created, by these enormous tax levels, massive pressure on American working families. I will give you two immediate manifestations of what this does, and there are many.

One of them is that American families this year, for the first time, have a negative savings rate.

In other words, they are in the red in terms of the amount of money they are saving each year. The reason is, if somebody—the Government—goes into their checking account and takes over half what they make, there is not enough left to save. In fact, there is not enough disposable income left to do what that family is supposed to do. Education, housing, transportation, and health needs are all impaired because we have taken those resources and moved them away.

There are people in this city who believe they can make better decisions about where that money ought to go. If you are interested in tax relief, economic relief, leaving those funds in those families' checking accounts, you are a person who believes they make a better decision about what they need, they make a more efficient decision, they make a more intelligent decision about what the requirements are in that family than some bureaucrat buried in the basement of one of these buildings in Washington, DC.

They know whether they have a special education problem. They know

whether they can afford and need more health insurance or not. They know whether or not they have a housing requirement or transportation requirement.

There is absolutely no way this city, despite all the intellect, can figure out what are the specific needs of an individual family. The best thing we can do for middle America, the best policy we can enact, is to get more resources into their checking accounts. They worked for it; they earned it.

If Thomas Jefferson were here today, he would faint that we had come to the point where nearly half the resources of working families are sent off to the Government. If he woke up, he would be furious that this condition had ever been imposed. So American families are not saving.

Also, we have the highest bankruptcy rates in contemporary history. Why is that? Once again, it is a reaction to all the pressures we put on working families across the country. We are taking too much of their paychecks and moving those resources away from them to Washington for others to decide what to do with it, leaving those families without the resources necessary to do what they have always done for America.

Mr. President, I am going to conclude. I know there are several other Senators who have remarks to make on other subjects.

In my judgment, there is no single policy more deserving of our attention than that of focusing on how to lower the highest tax levels in American history, how to return resources to the checking accounts of our average American families so they are empowered to do the things they need to do to make America great.

There are three pillars of American freedom. One is economic opportunity, the second is safety of persons and property, and the third is an educated mind. We have ratcheted down economic opportunity to a point where it is changing the behavior and the way Americans function and act. It is robbing them of the dreams and the visions that have been such a special part of America.

This is the time, the perfect time, for us to be conscious of this, to leave those resources in those checking accounts and empower those families to build not only their family, their community, but their Nation, the United States of America.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BUNNING). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KERREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERREY. Mr. President, first of all, I did not hear everything the Senator from Georgia said. As I understand it, he was talking about income tax cuts; is that correct?

Mr. COVERDELL. That is correct.

#### BIPARTISAN SOCIAL SECURITY REFORM ACT OF 1999

Mr. KERREY. Mr. President, the Senator from Georgia does not have to stay for this, but I agree with the fundamental principle the Senator from Georgia laid out. I may come at it slightly differently.

There have been a lot of arguments about income tax cuts and why they are needed. I call to my colleagues' attention, one of the biggest reasons is the total amount of taxes we are currently taking from the American people which totals 20.7 percent of U.S. income. That is the highest it has been since 1945, and it continues to go up.

I believe we need to measure and look at that very carefully as we decide how much in taxes we are going to take from the American people. I put myself on the side of I believe at least the fundamental principle about which the Senator from Georgia talked. There are many ways to cut taxes, and I want to talk about one way to do so this afternoon.

I rise today to talk about the introduction of a bipartisan bill called the Bipartisan Social Security Reform Act of 1999. It is the only bipartisan, bicameral—it has been introduced in the House as well—Social Security reform bill, and it is the only bill that can claim to cut taxes, cut programmatic costs, leave current retirees' benefits untouched, and it substantially increases the benefit checks of women and low- and moderate-income workers. This reform plan is a reform plan for all generations.

First, in our bill, current seniors—those who are eligible either for the old age, survivor, or disability benefits who have not had time to financially prepare for benefit changes—will not face any benefit cuts.

Second, current workers—the baby boomers and the generation Xers—will participate in a modernized and strengthened Social Security program. Our proposal gives all current and future workers a 2-percentage point payroll tax cut which they can invest in individual investment accounts. That is a \$928 billion tax cut over the next 10 years.

Indeed, as I will illustrate with my presentation, what Congress should consider, when we consider the payroll tax, is do we want to take that payroll tax and pay off the national debt.

I favor a substantial debt reduction. Under our proposal, instead of going all for debt reduction, that \$928 billion will be accumulated as an asset in 137 million working American households.

That will add to the net worth of American working families. It is, in my view, a preferable way of dealing with the payroll taxes. It gives the baby boomers and generation Xers who have time to plan under our proposal not only a payroll tax cut, but it gives them an opportunity to invest in their future. At retirement, these workers will receive the traditional monthly benefit check. We preserve not only the old age benefit, but we preserve intact the survivor and disability benefit. This traditional defined benefit will be supplemented by the retirement wealth they have accumulated in their individual savings accounts.

Third, future workers—that is, those who are born after 1995—will not only get to participate in individual savings accounts, but they will get to start saving for their retirement at birth through our bill's KidSave account program.

Through KidSave accounts, all children will be given a stake in the American economy and a chance to build substantial retirement wealth at the same time. Each child born in the United States will receive \$3,500 to invest in their retirement. When a child takes his or her first job, he or she will be able to contribute 2 percentage points of their payroll tax to the KidSave account.

Not only is this a plan for all generations—it is a plan for all income levels. Our plan has something for every wage earner. It will result in substantially higher benefit checks for low- and moderate-income workers. It will result in substantially lower taxes for high-income workers, and it has a combination of higher benefits and lower taxes for middle-income workers.

I have brought with me some examples of how real Nebraskans would be affected by our legislation. These charts compare Social Security benefit checks under current law with Social Security benefit checks under the Senate bipartisan Social Security reform plan.

The first example is a friend of mine by the name of Verner Magnuson, a retired farmer from Oakland, NE. This chart says, 75-plus. I do not think Verner would object to me telling you he was born in 1915. So Verner obviously is an individual who says: Well, what do I benefit from additional savings? He is exactly right. He does not have time to save and benefit from the buildup in cash that can occur by taking advantage of compounding interest rates.

So under current law, Verner receives a benefit check of approximately \$1,500 per month. Under our bill, his check will be exactly the same, \$1,500—and it will continue to grow with inflation from year to year. We make no adjustment in Verner's CPI nor in anybody's CPI over the age of 62.

The second example shows an Omaha resident and the divisional social serv-

ices director for the Salvation Army, Linda Burkle. Linda, who has a relatively high income—although she may object to that description—demonstrates how higher income individuals will experience somewhat lower monthly benefits under our Social Security plan—at least during the transition period. These temporary benefit reductions for high-income people will only occur until the new Social Security program—that is to say, with individual accounts—is fully phased in. At that point high-income people will not experience reductions in overall benefits. These are temporary benefit reductions for higher income people, and they will only occur until a new program with individual accounts is fully phased in.

You can see from this chart that a baby boomer with a low or moderate income will still have a higher income benefit in our plan than under current law. A moderate-income worker, for example, will receive a monthly benefit check of \$673 under current law. Since Linda will become eligible to retire for old-age benefits in 2020, her benefit check will not reflect the large benefit cuts that are expected to occur in 2034 under current law.

I will not spend a great deal of time on this point, but one thing we all need to understand is if we do not change the law, people who are under the age of 45, under current law, according to the trustees of the Social Security Administration, will experience a 25- to 33-percent cut in benefits. Ask them. If any citizen doubts that, call the Social Security Administration. If you are under the age of 45, call them up and ask them: What will my benefits be unless Congress changes the law? And they will tell you that your benefits are going to be cut 25 to 33 percent.

I have listened to my colleagues from time to time who say: Gosh, it is not going to run out of money until 2034, and that is a long time away. Why do anything now? Why should we act now, especially when the choices are hard and people are apt to get upset with you?

The answer is, in 1983, when Congress fixed Social Security as it was about ready to not be able to pay benefits, it made a radical departure from the previous plan. In 1983, what Congress said is that we are not going to only fund current beneficiaries; we are going to fund all beneficiaries.

That is what the 75-year mark does. It is not just 75 years; we are trying to write the law so that whatever your age, whether you are born this year or you are 16 years old or you are 76 years old, that we can keep the promise we have on the table.

We cannot keep the promise we have on the table to the people under the age of 45. It is not just a small haircut they are going to take; it is a big haircut they are going to take. Or there is

going to have to be a comparable—actually, a larger tax increase on their children and grandchildren. That is the current law—a big benefit cut for people under the age of 45.

You can see from this chart that a baby boomer with a low- or moderate-income will have a higher benefit under our plan than under current law. A moderate-income worker will receive a monthly benefit check of \$673 under current law. Under our plan, a low-income worker will receive a benefit of \$813. That is a very important point.

We believe that the current Social Security Program is not very generous to low- and moderate-income workers. We add what is called under law an additional benefit point. So for that lower wage individual, in my view, not only are there many of them today, but there are apt to be many of them in the future, who are both an important force for economic reasons as well as for moral reasons. We have to make sure that that defined benefit program is sufficient so they can live with some dignity in their retirement years.

This plan not only provides them a higher benefit check, it also provides them the thing that I think produces real financial independence, and that is ownership of some financial assets.

My third example shows how Kelly Walters, a 20-something generation Xer from Columbus, NE, will fare under our Social Security reform bill. Generation X is the first generation that will experience very significant benefit increases from our Social Security reform plan. If Kelly earns the average wage over her lifetime, she can expect to get a benefit check, under current law—assuming no tax increases—of \$884 per month. Under our reform plan, she can expect to get a Social Security benefit check worth \$1,329 per month. That is a 50-percent increase in benefits over current law. If she turns out to be a low-income worker throughout her lifetime, Kelly can expect to get a \$536 monthly check under current law but a \$1,115 benefit under our new plan. That is more than double the benefit under current law.

One of the very difficult things we are experiencing, as the occupant of the Chair knows—he was on the Ways and Means Committee in the House, and I look forward to the day when he is on the Finance Committee as well—but as the occupant of the Chair understands, what we have is a situation where people are living longer. Generation Xers are probably going to be looking forward to living to the age of 85 or 90. So it is very important that that defined benefit program be solid for them. It is also very important that they have the financial assets and wealth that allows them to sustain themselves through to the course of their old-age years.

My fourth and final example shows how the next generation of children



will fare under our Social Security reform plan.

Erin Kuehl, who is only 2 years old today, will benefit not only from the 2-percent account but also from the KidSave account I described earlier. Under the current Social Security system, Erin can expect to have a Social Security benefit worth \$1,037 if she earns the average pay. Under our plan, she will receive a monthly benefit worth \$2,693. If she becomes a low-income worker, Erin will receive a benefit worth \$629 under the current system and \$1,631 under the new system—again, more than one and a half times her current expected benefit.

Many people get confused about this because they will look at the existing benefit plan and they will say: Well, that is not true. Under what shows up on her benefits, Erin is going to get a much larger check. But that assumes that Congress is going to raise taxes. The President said he is against raising payroll taxes. That presumes that Congress somehow is going to come up with some additional money. If anybody wants to do that, let them come down and argue for that. Let them come down and make a presentation or a proposal to raise taxes even more on people who get paid by the hour than we have under current law.

The message with our proposal is very clear: Our bill provides better benefits for low- and moderate-income workers. And although some high-income individuals will temporarily experience slightly lower benefits during the transition from the old system to the new system, all workers in America will eventually experience higher benefits and lower taxes than current law provides. In Nebraska alone, there are over 283,000 Social Security beneficiaries: 182,000 have an old-age benefit; 35,000 are taking the survivor or widower benefit; and the balance are in the disability program. The average monthly check under the old-age benefit is \$753 for retired workers. For the widower, it is \$740.

Not only is \$753 not a livable monthly benefit, that is an average. That means many are getting substantially lower than that. Even in Nebraska, that is not adequate, unless it is supplemented by additional wealth and income from pensions and personal savings. This is an even lower amount and not likely to provide that individual with what they are going to need, especially with longer lifespans projected out into the future.

Our bill will ensure workers have larger benefits. Our bill also ensures they have wealth with which to supplement their retirement income.

There are tradeoffs in our bill. Although our reforms will ensure lower taxes and higher benefits from future workers, our bill does call for programmatic changes which will lower the guaranteed defined benefit check

for some middle and upper workers in the future.

I don't want to sugarcoat this. Unless you are for a tax increase, if you want to walk out on the floor and say, let's raise taxes, you also favor at some point lowering benefit checks. If you don't like the idea that we are making some adjustments out in the future in benefit checks—and again, for emphasis, if you are watching this and you are over the age of 62, please don't call my office and say I am cutting your benefits. I am not. This proposal does not cut benefits for people over the age of 62. It makes adjustments out in the future. Again, if you don't like those adjustments, come down to the floor and say you want to raise taxes because that is the only option to making these kinds of adjustments.

Our bill includes a provision which instructs the Bureau of Labor Statistics to study overestimates in the CPI and correct them accordingly. When the recommendation was made well over a year ago now, it was a commission that studied this. They came back and said that the CPI was overstated 1.1 and we ought to make an adjustment, and nothing happened. I guarantee you, if they had come back and said that it is understated 1.1, there would have been 535 votes for it. It would have been unanimous in the House and Senate. But because it is overstated, we recognize that the adjustment is going to mean somebody is going to have to give up something. We make that adjustment for beneficiaries out into the future.

We think this will result in a downward adjustment in the CPI and COLAs of .5 percent. It brings the CPI much more closely in line with what real cost-of-living increases are. It doesn't reduce the cost-of-living increase. It brings us a much more accurate cost of living. In addition, the CPI adjustments will affect income tax revenues. I do not argue that it will not. But our bill allows the Social Security Administration to recapture these initial income tax revenues for the Social Security trust fund.

Another benefit change in our bill is the indexation of benefits to life expectancy. Earlier I introduced a bill with Senator MOYNIHAN that would have moved the eligibility age. It set off a howl, a protest, and concern. I listened to those concerns. By the way, in 1997, we had 1.3 million old-age beneficiaries who became eligible for Social Security's old-age benefit. Of those 1.3 million, 1.1 million took the early benefits at 62. So when news commentators try to figure out what this does, they typically say: KERREY is proposing to move the retirement age. Not true. We are talking about eligibility age, when you are eligible for the benefit. By the way, this bill would also eliminate the earnings test that is still present. That earnings test is gone. So

whenever you are eligible, if you want to continue working, that is fine under our proposal.

But this change to index benefits to life expectancy is a response to people saying: Don't move the eligibility age. We keep the eligibility age exactly as it is under current law. We do accelerate the move from 65 to 67.

Once the retirement age increases to 67, as under current law, our bill will provide for benefits that track the life expectancy of your birth cohort. I think we made that adjustment so we do not accelerate it until 67, or do we? We do? I was right the first time.

Our bill will provide for benefits, as I said, that track the life expectancy of your birth cohort. The longer your birth cohort lives, the more years over which your benefits must be spread. This may mean that retirees far in the future may experience a lower defined benefit under our program, but again, it does not affect the value of their individual account.

We have several other benefit changes in our bill, but those are the two big ones. I disclose them up front.

There is a price. Again, I say, for the third time, for those who object to it, what is your alternative? What else do you want to do? I graduated from the University of Nebraska in 1965 with a B.S. in pharmacy. It is a land grant college. I am not a Rhodes scholar. I didn't go to Yale University. I don't have a Ph.D. behind my name.

This is not difficult to figure out. The difficulty is looking at the 10 or 12 options and saying: Oh, my gosh, I don't want to pick any of those because somebody is going to get mad at me. Somebody will object to it. Somebody will criticize it.

Criticize the changes if you want, and there will be many who do, but if you are an elected official, if you are an elected representative, I hope people outside, after they have leveled their criticism will say: What is your solution? Or are you suggesting that people under the age of 45 should just be basically out of luck because we don't expect to have to worry about them in our political lifetimes or perhaps even in our physical lifetimes.

Ultimately, the public must decide whether it is willing to risk some benefit adjustments and some benefit uncertainty for the long-term gains that come with a Social Security program that includes individual accounts. Furthermore, the public must weigh the costs and benefit adjustments against the cost of doing nothing. As I said, the cost of doing nothing, if you favor doing nothing, if you favor delay, what that means is you favor, unless you have an alternative, you favor a 25 to 33 percent cut in benefits for people under the age of 45 because that is what current law provides.

This is a reform proposal that Republicans and Democrats are supporting



and should be supporting. If Congress wants to get serious about Social Security reform, this is the bill to mark up. If Members want to stop talking about saving Social Security—we just had a cloture vote on the lockbox proposal. Democrats have a lockbox proposal. Everybody wants to save Social Security. If you want to save Social Security, this is the bill to rally behind. If the President, who cannot run for reelection, wants to save Social Security, this is the bill for him to embrace as well. If the public wants the politicians to enact Social Security reform legislation that shares costs across generations, protects benefits and lowers tax burdens, this is the bill to write their Congressman about.

You may detect frustration in my voice. I have been frustrated in recent weeks by our difficulty to come to a resolution of this problem. We do talk a great deal about it. I understand the difficulty. I do not underestimate the political difficulties of solving this problem. The difficulty, in my judgment, is not picking the solution. This is not like Medicare. This is not like youth violence. There are lots of things out there that are extremely complicated, that are very difficult to figure out. This one is not difficult to figure out. You just, in the end, must select which proposals, which solutions you want.

The Congressional Budget Office, the office that dictates what we do far too often around here, and the Office of Management and Budget, the executive office, recently released their midsession review that projected surpluses of \$2.9 trillion over the next 10 years, 65 percent of which comes from excess FICA taxes.

What I find to be odd in our current debate is that from 1983 to 1999, after we raised taxes on working people in 1983 to prefund all Americans who were going to be eligible in the future, we raised taxes then. Every single year what Treasury does is, any excess tax, it credits the Social Security Administration with a treasury bond, an asset that has real value. This year at the start of the year, that is about \$860 billion that the Social Security Administration owns for future beneficiaries. It will be over \$1 trillion at the end of this year because there will be \$130 billion of revenue taxes, taxation of benefits and the interest off these bonds that flow into the Social Security trust fund. The Social Security trust fund will own over \$1 trillion of the bonds. It will build up to \$4.5 trillion in the year 2014. From 1983 to 1999, what we did was, we ended up, after the trust fund owns bonds, Treasury ends up with cash. It ends up with cash. And it has been using that cash for all sorts of things. It has to buy something.

So basically what this excess did was made the deficit look smaller. So from 1983 to 1999, people who got paid by the

hour—and 80 percent of Americans have higher FICA taxes than they have in income taxes—people who get paid by the hour shouldered a disproportionate share of deficit reduction.

Now, in 1999, that the deficit is gone and we are at a surplus, what the lockbox says is that people who get paid by the hour are going to shoulder all of the debt reduction. Every single penny of debt reduction under the President's proposal, the Democratic proposal, and the Republican proposal is paid for with payroll taxes, FICA taxes. So what we say with our proposal is not only do we want to give a tax cut to people who get paid by the hour—almost \$1 trillion over a 10-year period—but what it effectively does is say that rather than paying down the national debt all of us owe, we will increase the net worth of Americans by transferring that to the asset side of their balance statement. That is basically what it does. At the end of the 10-year period, 137 million working families will have at least \$1 trillion of new assets. That assumes no interest, no accumulation on that ownership.

Furthermore, each day we let go by means this problem gets harder to solve. This body rarely takes the opportunity to solve future crises. I understand that. I have been in the situation many times before. I urge and beg my colleagues to let the issue of Social Security reform be the exception to the rule. This bipartisan, bicameral bill represents a real effort to work in a truly bipartisan fashion, not just to save Social Security, but to modernize it, strengthen it, and improve it.

I urge my fellow Senators to cosponsor this bill and join with us in urging the chairman of the Finance Committee, the chairman of the Ways and Means Committee, and the President to take up and endorse a Social Security reform bill this year.

In addition, I announce that I intend, when we mark up a tax bill in the Finance Committee, to offer this piece of legislation as a way to cut substantially more taxes than anybody is currently proposing.

I thank my colleagues who are on this bill, including Senator GREGG and Senator BREAU who are both on the floor today. I am proud to be a cosponsor of it. I praise them for their leadership. They have been fearless and future-looking. When we talk about our kids and grandkids, sometimes we don't often back those words with actions. I praise them for being willing to back, in a very courageous way, their words with action.

I ask unanimous consent that letters in support of the bill be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

[From the Concord Coalition, June 9, 1999]

CONCORD COALITION COMMENDS BIPARTISAN SOCIAL SECURITY PLANS THAT MAKE TOUGH CHOICES AND OFFER REAL REFORM

WASHINGTON.—With the U.S. House Committee on Ways and Means holding hearings today and tomorrow on plans to reform Social Security, The Concord Coalition commends the Members of Congress who had the courage to submit bipartisan Social Security proposals that are both fiscally responsible and generationally sound. Concord singled out for praise the sponsors of the Kolbe-Stenholm bill (21st Century Retirement Security Act, H.R. 1793) and the Gregg-Breaux plan (the Senate Bipartisan Social Security Agreement).

Concord Coalition Co-Chairs and former U.S. Senators Warren Rudman (R-NH) and San Nunn (D-GA) draw three conclusions in letters addressed to Congressmen Jim Kolbe (R-AZ) and Charlie Stenholm (D-TX), and Senators Judd Gregg (R-NH), John Breaux (D-LA), Bob Kerrey (D-NE) and Charles Grassley (R-IA). "First, changing demographics make the current pay-as-you-go benefit structure unsustainable. Absent change, the system will either burden future workers with steep tax hikes, or betray future retirees with deep benefit cuts.

"Second, there are only two roads to genuine reform, and a workable plan must pursue both. Reform must reduce Social Security's long-term burden by reducing its long-term costs. And it must make the remaining burden more bearable by increasing national savings, and hence the size of tomorrow's economic pie. Doing so requires the hard choices of fiscal discipline. In short, there are no magic bullets. . . . Third, the time for action is now. The longer reform is delayed, the worse the problem will become and the more draconian the solutions will be.

"The Concord Coalition commends your efforts because your plan recognizes each of these conclusions. We are particularly pleased that you have resisted the temptation to rely on speculative gains such as projected budget surpluses and higher market returns to close Social Security's fiscal gap. Either strategy is fraught with peril," Rudman and Nunn warn.

"The Concord Coalition supports the approach taken by Kolbe-Stenholm and by Gregg-Breaux because both plans are powerful antidotes to the free lunch disease that is gripping the Social Security debate. Compared with the other proposals being considered, these plans come closest to meeting the Concord Coalition's criteria. They reduce future benefits on a progressive basis, modestly raise the eligibility age, provide a more accurate Consumer Price Index, create individually owned retirement accounts without relying on projected budget surpluses, and they have bipartisan support," said Concord Coalition Policy Director Robert Bixby.

"The Concord Coalition also commends Chairman Archer and all of the witnesses at this week's hearings for putting forth the specifics of their Social Security reform plans. The safest place is always on the sidelines. However, if the end result of the Social Security debate is to avoid all the hard choices, we might as well launch a new government program to find the fountain of youth because otherwise we will never be able to meet all of our future benefit obligations," Bixby said.

THE CONCORD COALITION,  
Washington DC, June 9, 1999.

Hon. JUDD GREGG,  
Hon. JOHN BREAUX,  
Hon. ROBERT KERREY,  
Hon. CHARLES GRASSLEY,  
U.S. Senate,  
Washington, DC.

DEAR MR. GREGG, MR. BREAUX, MR. KERREY, AND MR. GRASSLEY: The Concord Coalition heartily commends you and the other co-sponsors of the Bipartisan Social Security Agreement. Together, you have demonstrated political courage by making the kind of hard choices that must be made to preserve Social Security in a fiscally responsible and generationally fair manner.

For the past two years the Concord Coalition has devoted much of its time and resources to promoting bipartisan dialogue on the key long-term challenges facing Social Security, and evaluating potential solutions. Three conclusions stand out:

First, changing demographics make the current pay-as-you-go benefit structure unsustainable. Absent change, the system will either burden future workers with steep tax hikes, or betray future retirees with deep benefit cuts. Take the year 2033 as an example. While the Social Security trust fund will still be officially solvent in that year, the program is projected to be running a cash deficit of some \$280 billion in today's dollars—an amount roughly equal to this year's entire budget for national defense. Closing the gap that year would require a Social Security payroll tax hike of 40% or a nearly 30% cut in benefits.

Second, there are only two roads to genuine reform, and a workable plan must pursue both. Reform must reduce Social Security's long-term burden by reducing its long-term costs. And it must make the remaining burden more bearable by increasing national savings, and hence the size of tomorrow's economic pie. Doing so requires the hard choices of fiscal discipline. In short, there are no magic bullets.

Third, the time for action is now. The longer reform is delayed, the worse the problem will become and the more draconian the solutions will be. Moreover, delay risks losing a valuable opportunity to act while the economy remains strong, the huge baby boom generation is still in its peak earning years, and the Social Security trust fund is running an ample cash surplus.

The Concord Coalition commends your efforts because the Bipartisan Agreement recognizes each of these conclusions. We are particularly pleased that you have resisted the temptation to rely on speculative gains such as projected budget surpluses and higher returns to close Social Security's fiscal gap. Either strategy is fraught with peril.

Projected budget surpluses may never come to pass. And even if they do, there are many other competing claims on this hoped for windfall. Market gains can certainly help workers earn a higher return on their payroll contributions. But it would be irresponsible to ignore structural reforms in favor of simply "playing the spread" between the expected returns on stocks and bonds.

Another advantage of your plan is that it does not rely on double counting assets by crediting funds both to the Social Security trust fund and to some other purpose such as debt reduction or individual accounts. Money cannot be spent twice. Plans that purport to do so are ducking the real question of how future benefits will actually be paid.

As the President's Office of Management and Budget (OMB) has observed about the trust funds:

... [T]hey are claims on the Treasury that, when redeemed, will have to be financed by raising taxes, borrowing from the public, or reducing benefits or other expenditures. The existence of large trust fund balances, therefore, does not, by itself, have any impact on the Government's ability to pay benefits.

Analytical Perspectives, Budget of the United States Government, Fiscal Year 2000 p. 337.

Given the difficult choices ahead, it is all too easy for elected officials to lament the problems while remaining silent on the solutions. Clearly, the authors of the Bipartisan Social Security Agreement have answered this challenge.

The Concord Coalition is currently developing its own Social Security reform proposals. While in the end Concord may not endorse every element of your plan, we recognize that there is no such thing as a "perfect" plan. Trade-offs will always need to be made. But we fully support the bipartisan, fiscally responsible, generationally fair path you have chosen. As the process of Social Security reform moves forward we hope that an increasing number of your colleagues will do what you have done—make the hard choices.

The Concord Coalition stands ready to assist in any way that we can.

Sincerely,

WARREN RUDMAN,  
Co-Chairman.  
SAM NUNN,  
Co-Chairman.

NATIONAL ASSOCIATION OF  
MANUFACTURERS,  
Washington, DC, June 3, 1999.

Hon. JUDD GREGG,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR GREGG: American workers and future retirees would have much to gain under your bipartisan Social Security modernization plan that would allow workers the opportunity to invest a portion of their Social Security payroll taxes in personal retirement accounts. Not only does the plan help workers accumulate adequate resources for retirement, but it also restores the 75-year solvency of the Social Security Trust Fund. Individuals would own the accounts and could pass the money on to their heirs.

Thank you for your outstanding leadership as an original cosponsor of this plan; it would achieve real Social Security reform without a tax increase, accounting gimmicks or dependence on budget surpluses. This reform plan will help prepare for the retirement of the baby boom generation when the Trust Fund begins paying out more than it received in payroll taxes by 2014. At the same time, the plan would maintain a safety net for all workers, while establishing a guaranteed minimum benefit for low-income workers not available under current law.

The NAM and its 14,000 member companies appreciate your leadership of the 1997-98 bipartisan National Commission on Retirement Policy, on S. 2313 and your work this year to broaden cosponsors for the 1999 plan. Thank you for your commitment to reform and we look forward to working with you toward passage of Social Security legislation that assures retirement security for all workers and promises a viable economy for America's future.

Sincerely,

SHARON F. CANNER,  
Vice President.

ALLIANCE FOR WORKER  
RETIREMENT SECURITY,  
Washington, DC, July 15, 1999.

Hon. JUDD GREGG,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR GREGG: On behalf of the thirty organizations that comprise the AWRS, I would like to extend congratulations on the introduction of your Bipartisan Social Security Reform bill. While acknowledging the financial shortfall ahead, you and the other co-sponsors have succeeded in developing a plan that saves Social Security and is fair for American workers, employers, and retirees alike.

The members of AWRS are committed to the responsible reform of Social Security—not just accounting gimmicks. We are pleased to see that your bill meets all of the principles for reform set forth by the AWRS, including the creation of Personal Retirement Accounts from a portion of the FICA taxes with no FICA tax increases, no government ownership of private enterprise, and a strong safety net for all retirees while preserving the benefits of existing retirees. In fact, your bill is *more* progressive than the existing system and will result in more of our elderly being lifted out of poverty. As the debate moves forward, we will have suggestions for modest changes or elaborations, but we support your bill as an excellent starting point for reform.

We are especially pleased that your legislation restructures the existing system and reduces the huge unfunded liabilities ahead of us. Workers and employers already pay an astounding 12.4% of earnings to fund Social Security. They cannot be asked to also carry the burden of a projected \$20 trillion shortfall over the next 75 years! The weight of this burden would certainly have a very negative impact on wage growth, workers' ability to save, and the overall economy.

Instead, you have wisely chosen to follow the course already charted by countries all over the world that have faced similar demographic problems in their public pension systems. More than fifteen countries—who were also facing huge future funding shortfalls—have voted to restructure their pay-as-you-go system to allow workers to invest their payroll taxes in the growing economic market. And, *no* country has chosen to simply raise taxes, create a new entitlement system, or hide the problem behind accounting gimmicks.

Along with your other co-sponsors, we commend for your courage and your ability to find responsible answers to difficult entitlements' problems. We will urge your colleagues in the Senate to get involved with you and work in a bi-partisan manner to achieve reform now. There is no better time—and the children, the workers, and the elderly in our country deserve nothing less.

Sincerely,

LEANNE J. ABDNOR.

NATIONAL ASSOCIATION FOR  
THE SELF-EMPLOYED,  
Washington, DC, July 13, 1999.

Hon. JUDD GREGG,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR GREGG: On behalf of the more than 330,000 members of the National Association for the Self-Employed, as well as millions of other independent entrepreneurs in America, we commend you for introducing the Senate Bipartisan Social Security Plan.

The bill that you and six of your Senate colleagues are introducing meets the criteria

that the NASE has long sought for Social Security reform:

It does not increase payroll taxes or add to the current Social Security tax inequities of the self-employed.

It avoids changing retirement benefits for current and near retirees.

It actually increases the defined benefit safety net for future retirees.

It reduces the huge unfunded liability of the Social Security system, and

It permits a portion of Social Security taxes to be allocated to personal retirement accounts that workers themselves would own and control.

In addition to these noteworthy achievements, your bill would keep Social Security solvent for at least 75 years, according to the Social Security Administration's own actuaries. And it would do so without raising the retirement age, creating an entirely new entitlement system, or relying on government IOU's to prop up the Social Security Trust Fund.

This is genuine and thorough reform. It would put the nation's moral obligation to its retirees on the soundest financial footing that it's had in at least a generation.

We hope your bill will lead the way in the forthcoming effort to reform Social Security.

Sincerely,

BERNIE L. THAYER,  
*President and CEO.*

ECONOMIC SECURITY 2000,  
*Washington, DC, July 15, 1999.*

Hon. JUDD GREGG,  
Hon. JOHN BREAUX,  
Hon. BOB KERREY,  
Hon. CHARLES GRASSLEY,  
*Washington, DC.*

DEAR SENATORS GREGG, BREAUX, KERREY AND GRASSLEY: Economic Security 2000 applauds the introduction of your comprehensive, fiscally responsible Bipartisan Social Security Agreement. This plan saves Social Security for 75 years and beyond, without placing future tax burdens on younger generations. More importantly, it addresses the broader issue of retirement security by creating Personal Retirement Accounts, which open up meaningful savings and ownership to all Americans.

We commend the Bipartisan Social Security Agreement for strengthening the safety net guarantees that have been the bedrock of Social Security. In maintaining the progressive structure of the guaranteed Social Security benefit, the plan increases the defined benefit for lower-income workers whom otherwise have little or no opportunity for saving.

The Bipartisan Agreement provides a real opportunity for working Americans to build a nest egg for themselves and their children. Fifty-three percent of Americans earn less than \$18,000. Yet, the \$18,000 workers pays over \$2,200 in payroll taxes each year. By allowing a portion of the current FICA tax to be diverted into an individually owned and controlled savings account, every American is given the opportunity to accumulate meaningful savings and real retirement security. Moreover, these accounts mirror the progressive nature of Social Security through government savings matches for lower-wage workers.

As a grassroots organization, we have a unique understanding of the American public's desire for a Social Security solution that provides real ownership and control over their retirement assets. You have demonstrated great leadership and courage by

making the tough decisions necessary to preserve Social Security for today's seniors as well as future generations. We thank you for your efforts.

Sincerely,

SAM BEARD,  
*Founder/President.*

NATIONAL ASSOCIATION OF  
WOMEN BUSINESS OWNERS,  
*Silver Springs, MD, July 14, 1999.*

Hon. JUDD GREGG,  
Hon. JOHN BREAUX,  
Hon. BOB KERREY,  
Hon. CHARLES GRASSLEY,  
*U.S. Senate, Washington, DC.*

DEAR SENATORS GREGG, BREAUX, KERREY, AND GRASSLEY: The National Association of Women Business Owners (NAWBO) commends you for the introduction of the Senate Bi-Partisan Social Security Reform Bill. NAWBO's membership represents 9.1 million women business owners who employ 27.5 million workers, and we believe this legislation would be good for all those whom we represent.

NAWBO has extensively reviewed the Social Security reform measures being discussed in Congress, and developed a set of principles which include giving all workers the opportunity to use a portion of their FICA taxes to create Personal Retirement Accounts. No one knows better the importance of personal ownership and control than the millions of women who own businesses. We strongly support extending this principle of ownership and control to all workers through the creation of these PRAs. Likewise, we believe the Social Security Administration must continue to provide a strong safety net-guaranteed minimum benefit-for all retirees. We must lift even more of our elderly, most of whom are women, out of poverty.

Your legislation achieves these goals and more. It reduces the unfunded liability of the Social Security System (currently set by SSA at \$20 trillion over the next 75 years), saves Social Security and puts it on a permanently sustainable path. Your bill is strongly bi-partisan, which is required for any reform measure to pass Congress. In other words, it is fair to all constituencies, not just a segment of the population.

NAWBO is a member of the Alliance for Worker Retirement Security. We will continue to work with AWRS and you to secure our future.

Sincerely,

TERRY NEESE,  
*Past President, Corporate & Public Policy Advisor.*

THE BUSINESS ROUNDTABLE,  
*Washington, DC, July 16, 1999.*

Hon. JUDD GREGG,  
*U.S. Senate, Washington, DC.*

DEAR SENATOR GREGG: I would like to congratulate you on your efforts to move forward this critical debate on the future of Social Security. The "Senate Bi-Partisan Social Security Bill" is largely consistent with the principles The Business Roundtable developed to guide its members as we participate in this important debate.

Based on the information we have reviewed, there are several positive elements of your plan that deserve special recognition. The plan is more progressive than the current system in that low-wage workers will receive a higher defined benefit than is promised from the current Social Security system. It insures that general revenues would be used responsibly to save Social Security, not create a new entitlement system.

You have also stepped up to the plate and addressed the hard choices we all know must be faced. The bill would reduce the unfunded liability of the Social Security System, currently set by the Social Security Administration at \$20 trillion, over the next 75 years. In addition, all workers under age 62 would receive Personal Retirement Accounts that they own, control, and can pass on to their heirs.

Of course, there are issues we would like to explore in more depth as this and other proposals are debated. For example, we have concerns about how individual accounts are invested, and would like to learn more about your proposal to model the accounts on the federal Thrift Savings Plan. We would encourage as many investment options as possible to allow individuals to diversify their accounts and prevent undue market concentration. It also is unclear how corporate governance concerns, such as the voting of proxies, would be handled. Finally, we would like to explore the interaction between individual accounts and employer-sponsored retirement plans. The ability of individuals to make additional voluntary contributions to their accounts under your plan may inadvertently have a negative impact on private plans. Again, this is an issue we would like to discuss with you as your proposal is fleshed out.

These issues are not meant to overshadow the critical contribution you have made to advance this debate. Most importantly, the proposal enjoys bipartisan support. The only way we will, or should, adopt comprehensive Social Security reform is if we all work together as a nation to develop a plan that keeps its promises to current retirees and those near retirement while meeting the needs of future generations.

The Business Roundtable looks forward to working with you, and with every other member of Congress as well as the Clinton Administration, to promote responsible reform of our Social Security system.

Sincerely,

M. ANTHONY BURNS,  
*Chairman & CEO, Ryder System, Inc., Chairman, Health and Retirement Task Force, The Business Roundtable.*

COUNCIL FOR GOVERNMENT REFORM,  
*Arlington, VA, July 8, 1999.*

Senator JUDD GREGG,  
Senator JOHN BREAUX,  
Senator BOB KERREY,  
Senator CHARLES GRASSLEY,  
*Washington, DC*

DEAR SENATORS GREGG, BREAUX, KERREY, AND GRASSLEY: On behalf of the Council for Government Reform's 350,000 supporters, let me congratulate you on your hard work and diligence in preparing the Senate Bipartisan Social Security bill. You are very courageous to offer a detailed plan that actually addresses some of the long-term structural and demographic problems that unquestionably confront our current pay-as-you-go system. The Council for Government Reform strongly agrees with many of the principles put forth in your legislation.

The introduction of your legislation indicates that prospects for true Social Security reform are not dead in the 106th Congress. Rather, you offer the hope that some short-sighted, new entitlement system that would even further saddle our most recently born children, as well as future generations, with high taxes will not be adopted.

Although this is not the first major proposal in the 106th Congress, the Senate Bipartisan Social Security bill actually addresses some of the underlying programs in

the Social Security system. It avoids the pitfalls of adding-on additional taxes, creating new entitlement programs, or sabotaging personal retirement accounts. This legislation will spark the Social Security reform debate towards a dynamic, solvent, and efficient Social Security system for the 21st century.

The keys to bipartisan legislative potential are individual ownership of retirement accounts, guaranteed minimum benefits, and a reliance on a "carve-out," rather than an "add-on." The carve-out vs. add-on distinction is crucial because add-ons carry with them implicit tax increases while carve-outs allow for better investment of funds already taxed away from American workers.

The Council for Government Reform is very pleased that the Senate Bipartisan Social Security bill would eliminate the earning test. This is important to CGR's supporters nationwide, many of whom want to continue to earn income without suffering a loss in their Social Security benefits.

Equally important, this is a bipartisan bill which indicates its appeal can cross party lines and gain widespread support on Capitol Hill. Given the poisonous political environment and the election coming up, only bipartisan bills stand a chance of going anywhere. The only question is whether common sense, political courage, and the public interest can prevail in bringing this debate to the forefront.

Gentleman, on behalf of the Council, I sincerely thank you for your efforts and stand ready to assist you in creating a retirement income security system that protects current retirees while saving our children and grandchildren from bankruptcy.

Very truly yours,

CHARLES G. HARDIN,  
President.

UNITED SENIORS ASSOCIATION, INC.,  
Fairfax, VA, July 15, 1999.

Hon. JOHN BREAUX,  
Hon. JUDD GREGG,  
Hon. CHARLES GRASSLEY,  
Hon. BOB KERREY,  
U.S. Senate,  
Washington, DC.

DEAR SENATORS BREAUX, GREGG, GRASSLEY, AND KERREY: United Seniors Association (USA) greatly appreciates your efforts to save Social Security. The legislation you are introducing is timely and a significant step toward improving the program.

With Social Security in serious financial trouble, you recognize that the status quo is unacceptable. No later than 2014—just 15 years away—the program will begin to pay out more than it collects in payroll tax revenue. That is when Social Security's financial crisis really begins.

According to the 1999 Trustees Report, to keep Social Security solvent for the next 75 years will require raising the payroll tax to over 18% (a 50% increase), reducing benefits by at least one-third, or some combination of the two.

USA has long advocated that the current pay-as-you-go system must be redesigned to maintain solvency and to assure higher benefits for future retirees. The creation of Personal Retirement Accounts (PRAs), owned and controlled by workers, will help achieve these goals. While we favor allowing workers to privately invest at least 5 percentage points of their payroll taxes, your legislation is an excellent start.

There are many other attractive features of the legislation that will draw widespread support. These include: protecting current

beneficiaries to whom promises have been made; rewarding work by eliminating the earnings test; and encouraging workers to increase savings.

On behalf of USA's 685,000 members, thank you for your concern about the retirement security of all Americans. We look forward to working with you to pass this important legislation.

Sincerely,

DORCAS R. HARDY,  
Former Commissioner of Social Security  
and Policy Advisor to USA.

THE 60 PLUS ASSOCIATION,  
Arlington, VA, July 13, 1999.

Hon. JUDD GREGG,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR GREGG: The 60 Plus Association strongly endorses your proposal to safeguard Social Security. Especially significant, we believe, is that your proposal is bipartisan co-sponsored by your colleagues Senators Bob Kerrey, John Breaux and Charles Robb. Clearly, any reform must be palatable to both parties. Your measure reduces the unfunded liability of the Social Security system (currently set by the Social Security system) and saves Social Security for 75 years and even longer.

Significantly, all workers under the age of 62 would receive Personal Retirement Accounts that they own, control, and, most importantly, can pass on to their heirs.

60 Plus believes it is more progressive than the current system in that low-wage workers will receive a higher defined benefit than is promised from Social Security.

Your proposal doesn't raise the age at which you can get benefits although it accelerates the current law increase to 67. Also, it does not rely on IOUs in the Social Security Trust Fund. We hope that Congress will act on it soon.

Sincerely,

JAMES L. MARTIN,  
President.

Mr. GREGG. Mr. President, I rise today to introduce what I truly believe is Congress's "last, best hope" to place Social Security on a course of long-term health in this session of Congress. I strongly urge my colleagues to look carefully at this bipartisan, bicameral, fiscally responsible plan, and to give their support to this, our best chance to meet our important responsibility to take action so as to enable Social Security to continue to meet its historic mission of providing senior citizens with insurance against poverty in old age.

The proposal that I will discuss was negotiated over several months between a bipartisan group of committed reformers in the Senate. It already has more cosponsors than any other competing proposal. Those cosponsors include myself, Senator BOB KERREY, Senator JOHN BREAUX, Senator CHUCK GRASSLEY, Senator FRED THOMPSON, Senator CHUCK ROBB, and Senator CRAIG THOMAS.

What I want to do in my remarks is to describe what our proposal would achieve, and then to provide some details as to how it achieves these goals. It would:

Make Social Security solvent. Not simply for 75 years, but perpetually, as

far as SSA can estimate. Our proposal would leave the system on a permanently sustainable path.

Increase Social Security benefits beyond what the current system can fund. I will follow up with some details as to why and how.

It would drastically reduce taxes below current-law levels. Again, I will provide details as to why and how it does this.

It will make the system far less costly than current law, and also less costly than competing reform proposals.

It will not touch the benefits of current retirees.

It will strengthen the "safety net" against poverty and provide additional protections for the disabled, for widows, and for other vulnerable sectors of the population.

It will vastly reduce the federal government's unfunded liabilities.

It would use the best ideas provided by reformers across the political spectrum, and thus offers a practical opportunity for a larger bipartisan agreement.

It will provide for fairer treatment across generations, across demographic groups. It would improve the work incentives of the current system.

I would like now to explain how our proposal achieves all of these objectives:

Our system would make the system solvent for as far as the Social Security Actuaries are able to estimate.

How does it do this? Above all else, it accomplishes this through advance funding.

As the members of this Committee know, our population is aging rapidly. Currently we have a little more than 3 workers paying into the system for every 1 retiree taking out of it. Within a generation, that ratio will be down to 2:1.

As a consequence, if we did nothing, future generations would be assessed skyrocketing tax rates in order to meet benefit promises. The projected cost (tax) rate of the Social Security system, according to the Actuaries, will be almost 18% by 2030.

The Trust Fund is not currently scheduled to become insolvent until 2034, but as most acknowledge, the existence of the Trust Fund has nothing to do with the government's ability to pay benefits. President Clinton's submitted budget for this year made the point as well as I possibly could:

These balances are available to finance future benefit payments and other trust fund expenditures—but only in a bookkeeping sense . . . They do not consist of real economic assets that can be drawn down in the future to fund benefits. Instead, they are claims on the Treasury that, when redeemed, will have to be financed by raising taxes, borrowing from the public, or reducing benefits or other expenditures. The existence of large Trust Fund balances, therefore, does not, by itself, have any impact on the Government's ability to pay benefits.

In other words, we have a problem that arises in 2014, not in 2034, and it quickly becomes an enormous one unless we find a way to put aside savings today. This does not mean simply adding a series of credits to the Social Security Trust Fund, which would have no positive impact, as the quote from the President's budget clearly shows.

What we have to do is begin to advance fund the current system, and that means taking some of that surplus Social Security money today out of the federal coffers and into a place where it can be saved, invested—owned by individual beneficiaries. That money would belong to them immediately, even though they could not withdraw it before retirement. But it would be a real asset in their name.

By doing this, we can reduce the amount of the benefit that needs to be funded in the future by raising taxes on future generations. This is the critical objective, but it allows for flippant political attacks. If you give someone a part of their benefit today, in their personal account, and less of it later on, some will say that it is a "cut" in benefits. It is no such thing. Only in Washington can giving people ownership rights and real funding for a portion of their benefits, and increasing their total real value, be construed as a cut. Accepting such terminology can only lead to one conclusion—that we can't advance fund, because we simply have to be sure that every penny of future benefits comes from taxing future workers. So we need to get out of that rhetorical trap.

Our proposal has been certified by the actuaries as attaining actuarial solvency, and in fact it goes so far as to slightly overshoot. We are "overbalanced" in the years after 2050, and have some room to modify the proposal in some respects and yet still stay in balance.

I would note the consensus that has developed for some form of advance funding. This was one of the few recommendations that united an otherwise divided Social Security Advisory Council in 1996. The major disagreements today among policymakers consist only in the area of who should control and direct the investment opportunities created within Social Security. I believe strongly, and I believe a Congressional majority agrees, that this investment should be directed by individual beneficiaries, not by the federal government or any other public board.

We have worked with the Social Security actuaries and the Congressional Research Service to estimate the levels of benefits provided under our plan.

There are certain bottom-line points that should be recognized about our plan. Among them:

(1) Low-wage earners in every birth cohort measured would experience higher benefits under our plan than current law can sustain, even without

including the proceeds from personal accounts.

(2) Average earners in every birth cohort measured would experience higher benefits under our plan than current law can sustain, even if their personal accounts only grew at the projected bond rate of 3.0%.

(3) Maximum earners in some birth cohorts would need either to achieve the historical rate of return on stocks, or to put in additional voluntary contributions, in order to exceed benefit levels of current law. However, the tax savings to high-income earners, which I will outline in the next section, will be so great that on balance they would also benefit appreciably from our reform plan.

Under current law, a low-wage individual retiring in the year 2040 at the age of 65 would be promised a monthly benefit of \$752. However, due to the pending insolvency of the system, only \$536 of that can be funded. We cannot know in advance how future generations would distribute the program changes between benefit cuts and tax increases. But we do know that our plan, thanks to advance funding, would offer a higher benefit to that individual, from a fully solvent system that would eliminate the need for those choices.

I will provide tables that are based on the research of the Congressional Research Service that make clear all of the above points. The CRS makes projections that assume that under current law, benefits would be paid in full until 2034, and then suddenly cut by more than 25% when the system becomes insolvent. CRS can make no other presumption in the absence of advance knowledge of how Congress would distribute the pain of benefit reductions among birth cohorts. In order to translate the CRS figures into a more plausible outcome, we added a column showing the effects that would come from the benefit reductions under current law being shared equally by all birth cohorts.

**BENEFIT TABLE NO. 1.—THE BIPARTISAN PLAN'S BENEFITS WOULD BE HIGHER FOR LOW-INCOME WORKERS EVEN WITHOUT COUNTING PERSONAL ACCOUNTS**

(Assumes Steady Low-Wage Worker) (Monthly Benefit, 1999 Dollars)  
(Assumes Retirement at Age 65)

Yr. and current law (benefit cuts begin in 2034)	Current law sustainable*	Bipar- tisan plan (bond rate no vol. contrib.)	Bipar- tisan plan (w/o account benefits)	Bipar- tisan plan (w/ 1% vol- untary contribu- tions)
2000	626	517	615	627
2005	624	515	620	645
2010	652	539	698	738
2015	673	556	733	790
2020	660	545	754	832
2030	690	570	776	877
2035	512	595	798	926
2040	536	621	821	981
2050	582	678	869	1051
2060	611	739	920	1107

\* The Congressional Research Service, in the left-hand column, assumes that all of the burden of benefit changes under current law will commence in 2034. In order to produce a more realistic prediction of how the changes required under current law would be spread, the "current law sustainable" column assumes that they have been spread equally among birth cohorts throughout the valuation period.

**BENEFIT TABLE NO. 2: THE BIPARTISAN PLAN'S BENEFITS WOULD BE HIGHER FOR AVERAGE-INCOME WORKERS EVEN IF ACCOUNTS EARN ONLY A BOND RATE OF RETURN (3.0%)**

(Assumes Steady Average-Wage Worker) (Monthly Benefit, 1999 Dollars)  
(Assumes Retirement at Age 65)

Yr and current law (ben- efit cuts begin in 2034)	Current law sus- tainable*	Bipar- tisan plan (bond rate, no voluntary)	Bipar- tisan plan (stock rate)	Bipar- tisan plan (w/ 1% vol. contribu- tions, bond rate)
2000	1032	852	1014	1029
2005	1031	852	973	1006
2010	1076	889	991	1046
2015	1111	918	977	1057
2020	1090	900	1005	1115
2030	1139	941	1083	1179
2035	845	982	1063	1250
2040	884	1026	1093	1329
2050	961	1119	1157	1442
2060	1007	1221	1225	1531

\* The Congressional Research Service, in the left-hand column, assumes that all of the burden of benefit changes under current law will commence in 2034. In order to produce a more realistic prediction of how the changes required under current law would be spread, the "current law sustainable" column assumes that they have been spread equally among birth cohorts throughout the valuation period.

The alternative course is that current benefit promises would be met in full by raising taxes, both under current law and under proposals to simply transfer credits to the Social Security Trust Fund. I have also provided a table that shows the size of these tax costs, and will comment further upon them in the next portion of my statement.

I would like to point out that these figures apply to individuals retiring at the age of 65. Thus, even with the increased actuarial adjustment for early retirement under our plan, and even though our plan would accelerate the pace at which the normal retirement age would reach its current-law target of 67, benefits under our proposal for individuals retiring at 65 would still be higher.

Our tables also show that the progressive match program for low-income individuals will also add enormously to the projected benefits that they will receive.

If there is a single most obvious and important benefit of enacting this reform, it is in the tax reductions that will result from it.

I am not referring to the most immediate tax reduction, the payroll tax cut that will be given to individuals in the form of a refund into a personal account.

The greatest reduction in taxes would come in the years from 2015 on beyond. At that time, under current law—and under many reform plans—enormous outlays from general revenues would be needed to redeem the Social Security Trust Fund, or to fund personal accounts. The net cost of the system would begin to climb. The federal government would have to collect almost 18% of national taxable payroll in the year 2030, more than 5 points of that coming from general revenues.

The hidden cost of the current Social Security system is not the payroll tax increases that everyone knows would

be required after 2034, but the general tax increases that few will admit would be required starting in 2014.

With my statement, I include a table showing the effective tax rate costs of current law as well as the various actuarially sound reform proposals that have been placed before the Congress. These figures come directly from the Social Security actuaries. They include the sum of the costs of paying

OASDI benefits, plus any mandatory contributions to personal accounts. (Under our proposal, additional voluntary contributions would also be permitted. But any federal "matches" of voluntary contributions from general revenues would be contingent upon new savings being generated.)

Let me return to our individual who is working in the year 2025 under current law. In that year, a tax increase

equal to 3.61% of payroll would effectively need to be assessed through general revenues in order to pay promised benefits. As a low-income individual, his share of that burden would be less than if it were assessed through the payroll tax, but it would still be real. Under current law, his income tax burden comes to about \$241 annually.

#### COMPARISON OF COST RATES OF CURRENT LAW AND ALTERNATIVE PLANS

(As a percentage of taxable payroll) (Annual cost includes OASDI outlays plus contributions to personal accounts.) Peak cost year in *italics*

Year and current law		Archer/ Shaw	Senate Bipartisan	Kolbe/ Stenholm	Gramm	Nadler
2000	10.8	12.8	12.7	12.9	15.0	10.4*
2005	11.2	13.3	13.2	13.0	15.2	10.6
2010	11.9	13.9	13.4	13.4	15.6	11.2
2015	13.3	15.0	14.0	14.0	16.4	12.5
2020	15.0	16.4	14.7	14.8	17.3	12.8 (14.2)
2025	16.6	17.4	15.4	15.6	17.6	14.4 (15.8)
2030	17.7	17.8	15.7	15.7	17.1	15.5 (16.9)
2035	18.2	17.3	15.5	15.2	16.4	15.9 (17.4)
2040	18.2	16.2	14.8	14.5	15.2	16.0 (17.5)
2045	18.2	14.9	14.3	13.8	14.1	16.1 (17.5)
2050	18.3	13.8	13.9	13.3	13.4	16.3 (17.7)
2055	18.6	13.1	13.7	13.2	13.0	16.6 (18.0)
2060	19.1	12.6	13.7	13.1	12.8	16.9 (18.5)
2065	19.4	12.3	13.6	13.4	12.5	17.1 (18.8)
2070	19.6	12.1	13.5	13.7	12.4	17.3 (19.0)

(Figures come from analyses completed of each plan by Social Security actuaries. Archer/Shaw plan memo of April 29, 1999. Senate bipartisan plan (Gregg/Kerrey/Breaux/Grassley et al) memo of June 3, 1999. Kolbe/Stenholm plan memo of May 25, 1999. Gramm plan memo of April 16, 1999. Nadler plan memo of June 3, 1999. Nadler plan total cost given in parentheses, cost estimate given on assumption that stock sales reduce amount of bonds that must be redeemed from tax revenue. Due to construction of plans, cost rates for the Archer/Shaw, Gramm, and Nadler plans would vary according to rate of return received on stock investments.)

\*Tax rate of Nadler plan is lower than current law not because total costs are less but because amount of national income subject to tax is greater. In order to compare total costs of Nadler plan to other plans, cost rate given in Nadler column must be multiplied by a factor that varies through time. This factor would be close to 1.06 in the beginning of the valuation period, and would gradually decline to 1.03 at the end. For example, the tax rate given as 11.2% in 2010 under the Nadler column would equate to the same total tax cost as the 11.9% figure in the current law column.

#### PART II—COMPARISON OF COST RATES OF CURRENT LAW AND ALTERNATIVE PLANS

(As a percentage of taxable payroll—annual cost includes OASDI outlays plus contributions to personal accounts—peak cost year in *italics*)

Year	Current law	Moynihan/ Kerrey
2000	10.8	* 11.1 (13.1)
2005	11.2	11.0 (13.0)
2010	11.9	10.9 (12.9)
2015	13.3	11.5 (13.5)
2020	15.0	12.2 (14.2)
2025	16.6	13.2 (15.2)
2030	17.7	13.8 (15.8)
2035	18.2	14.0 (16.0)
2040	18.2	14.0 (16.0)
2045	18.2	14.0 (16.0)
2050	18.3	14.2 (16.2)
2055	18.6	14.5 (16.5)
2060	19.1	14.7 (16.7)
2065	19.4	14.8 (16.8)
2070	19.6	14.9 (16.9)

\* (Analysis of Moynihan/Kerrey plan is based on SSA actuaries' memo of January 11, 1999, and is listed separately because it is the only projection provided here based on the 1998 Trustees' Report. 1999 re-estimates would vary. Unlike the other personal account proposals, the accounts in Moynihan/Kerrey plan are voluntary. The figure without parentheses assumes no contributions to, and thus no income from, personal accounts. The figure inside parentheses assumes universal participation in 2% personal accounts, for comparison with other personal account plans.)

\*—Like the Nadler plan, the Moynihan/Kerrey plan would increase the share of national income subject to Social Security taxation, but to a lesser degree. Thus, tax rates will appear lower than would an equivalent amount of tax revenue collected under the Archer/Shaw, Gramm, or Kolbe/Stenholm plans. The correction factor required to translate one cost rate into another would be between 1.03–1.06 for the Nadler proposal, 1.01–1.02 for the Senate bipartisan proposal, and 1.01–1.04 for the Moynihan/Kerrey proposal.

Under our proposal, that tax burden would drop by roughly 37%, from \$241 to \$153.

Middle and high-income workers would not experience benefit increases as generous as those provided to low-income individuals under our plan. But we have determined that by the year 2034, an average wage earner would save the equivalent of \$650 a year (1999 dollars) in income taxes, and a maximum-wage earner, \$2,350 a year. I want to stress that these savings are net of any effects of re-indexing CPI upon the income tax rates. These are

net tax reductions, even including our CPI reforms.

I would also stress that 2025 is not a particularly favorable example to select. Our relative tax savings get much larger after that point, growing steadily henceforth.

A look at our chart showing total costs reveals how quickly our proposal, as well as the Kolbe-Stenholm proposal, begins to reduce tax burdens.

A plan as comprehensive as ours can be picked apart by critics, provision by provision. It is easy to criticize a plan's parts in isolation from the whole, and to say that one of them is disadvantageous, heedless of the other benefits and gains provided. One reason for the specific choices that we made is revealed in this important table. The result of not making them is simply that, by the year 2030, the effective tax rate of the system will surpass 17%, an unfortunate legacy to leave to posterity.

How would current retirees be affected by our proposal?

Only in one way. Their benefits would come from a solvent system, and therefore, political pressure to cut their benefits will be reduced. Our proposal would not affect their benefits in any way. Even the required methodological corrections to the Consumer Price Index would not affect the benefits of current retirees.

Under current law, there is no way of knowing what future generations will do when the tax levels required to support this system begin to rise in the year 2014. We do not know whether future generations will be able to afford to increase the tax costs of the system to 18% of the national tax base by the

year 2030, or whether other pressing national needs, such as a recession or an international conflict will make this untenable. Current law may therefore contain the seeds of political pressure to cut benefits. Moreover, as general revenues required to sustain the system grow to the levels of hundreds of billions each year, there is the risk that upper-income individuals will correctly diagnose that the system has become an irretrievably bad deal for them, and that they will walk away from this important program.

By eliminating the factors that might lead to pressure to cut benefits, our proposal would keep the benefits of seniors far more secure.

Poverty would be reduced under our proposal, even if the personal accounts do not grow at an aggressive rate. The reason for this is that our proposal would increase the progressivity of the basic defined, guaranteed Social Security benefit. It would also gradually phase in increased benefits for widows.

Moreover, our plan would protect the disabled. They would be unaffected by the changes made to build new saving into the system. Their benefits would not be impacted by the benefit offsets proportional to personal account contributions. If an individual becomes disabled prior to retirement age, they would receive their current-law benefit.

It is important to recognize that we do not face a choice between maintaining Social Security as a "social insurance" system and as an "earned benefit." It has always served both functions, and it must continue to do so in order to sustain political support. The system must retain some features of

being an "earned benefit" so as not be reduced to a welfare program only. This is why proposals to simply bail out the system through general revenue transfusions alone—to turn it into, effectively, another welfare program in which contributions and benefits are not related—are misguided and undermine the system's ethic.

Again, I would repeat that our proposal contains important benefits for all individuals. Guaranteed benefits on the low-income end would be increased. High income earners would be spared the large current-law tax increases that would otherwise be necessary. If we act responsibly and soon, we can accomplish a reform that serves the interests of all Americans.

By putting aside some funding today, and reducing the proportion of benefits that are financed solely by taxing future workers, our proposal would vastly reduce the system's unfunded liabilities.

Consider such a year as 2034. Under current law, the government would have a liability from general revenues to the Trust Fund equal to an approximately 5 point payroll tax increase. By advance funding benefits, our plan would reduce the cost of OASDI outlays in that year from more than 18% to less than 14%. The pressure on general revenue outlays would be reduced by more than half.

The Social Security system would be left on a sustainable course. The share of benefits each year that are unfunded liabilities would begin to go down partway through the retirement of the baby boom generation. By the end of the valuation period, the actuaries tell us, the system would have a rising amount of assets in the Trust Fund.

Mr. President, I would stress to you that our plan is not the work of any one single legislator. It is the product of painstaking negotiations conducted over several months. The seven names that you see on the proposal are not the only ones who contributed to it. We took the best ideas that we could find from serious reform plans presented across the political spectrum. Each of us had to make concessions that we did not like. But we did this in the interest of reaching a bipartisan accord.

We believe that our plan is indicative of the product that would result from a larger bipartisan negotiation in the Congress. Accordingly, we believe that it provides the best available vehicle for negotiations with the President if he chooses to become substantively involved. It was our hope to put forth a proposal on a bipartisan basis, so that the President would not have to choose between negotiating with a "Republican plan" or a "Democratic plan." Stalemate will not save our Social Security system.

The changes effected in our bipartisan bill do not, all of them, relate solely to fixing system solvency.

One area of reforms includes improved work incentives. Our proposal would eliminate the earnings limit for retirees. It would also correct the actuarial adjustments for early and late retirement so that beneficiaries who continue to work would receive back in benefits the value of the extra payroll taxes they contributed. The proposal would also change the AIME formula so that the number of earnings years in the numerator would no longer be tied to the number of years in the denominator. In other words, every year of earnings, no matter how small, would have the effect of increasing overall benefits (Under current law, only the earnings in the top earnings years are counted towards benefits, and the more earnings years that are counted, the lower are is the resulting benefit formula.)

We also included several provisions designed to address the needs of specific sectors of the population who are threatened under current law. For example, we gradually would increase the benefits provided to widows, so that they would ultimately be at least 75% of the combined value of the benefits that husband and wife would have been entitled to on their own.

We also recognized the poor treatment of two-earner couples relative to one-earner couples under the current system. Our proposal includes five "dropout years" in the benefit formula pertaining to two earner couples, in recognition of the time that a spouse may have had to take out of the work force.

Unveiling a proposal as comprehensive as ours invariably creates misunderstanding as to the effect of its various provisions.

First, let me address the impact of our reforms on the Consumer Price Index. Most economists agree that further reforms are necessary to correct measures of the Consumer Price Index, and our proposal would instruct BLS to make them. Correcting the CPI would have an effect on government outlays as well as revenues. This is not a "benefit cut" or a "tax increase," it is a correction. We would take what was incorrectly computed before and compute it correctly from now on. No one whose income stays steady in real terms would see a tax increase. No one's benefits would grow more slowly than the best available measure of inflation.

However, we wanted to be doubly certain that any effects of the CPI change upon federal revenues not become a license for the government to spend these revenues on new ventures. Accordingly, we included a "CPI recapture" provision to ensure that any revenues generated by this reform be returned to taxpayers as Social Security benefits, rather than being used to finance new government spending. This is the reason for the "CPI recapture" provision in the legislation.

Our proposal would not increase taxes in any form. The sum total of the effects of all provisions in the legislation that might increase revenues are greatly exceeded by the effects of the legislation that would cut tax levels. The chart showing total cost rates makes this clear.

Our provision to re-index the wage cap is an important compromise between competing concerns. Fiscal conservatives are opposed to arbitrarily raising the cap on taxable wages. The case made from the left is that, left unchanged, the proportion of national wages subject to Social Security taxation would actually drop.

Our proposal found a neat bipartisan compromise between these competing concerns. It would maintain the current level of benefit taxation of 86% of total national wages. This would only have an effect on total revenues if the current-law formulation would have actually caused a decrease in tax levels. If total wages outside the wage cap grow in proportion to national wages currently subject to taxation, there would be no substantive effect. This proposal basically asks competing concerns in this debate to "put their money where their mouth is." If the concern is that we would otherwise have an indexing problem, this proposal would resolve it. If the concern is that we should not increase the proportion of total wages subject to taxation, this proposal meets that, too. I would further add that the figure we choose—86%—is the current-law level. Some proposals would raise this to 90%, citing the fact that at one point in history it did rise to 90%. The historical average has actually been closer to 84%, and we did not find the case for raising it to 90% to be persuasive. Keeping it at its current level of 86% is a reasonable bipartisan resolution of this issue.

In conclusion, this proposal represents our best hope to achieve meaningful and responsible bipartisan reform of Social Security in this Congress. It does not represent a partisan "statement." It has not been drawn up in the spirit of ideological "purity." Rather, it combines the best ideas of the most committed reformers in the Senate. I am grateful to the other negotiators who worked so hard to put together this package, and I thank them—Senator BOB KERREY, Senator JOHN BREAU, Senator CHUCK GRASSLEY, Senator FRED THOMPSON, Senator CHUCK ROBB, and Senator CRAIG THOMAS—for their tireless efforts to get this job done.

It is not the plan that I would have drawn up by myself. It is not the plan that Senator KERREY would have drawn up by himself. Each of us had to give up something in the interest of crafting a proposal that truly represented a bipartisan compromise. Without such compromise, we will



never be able to take action to safeguard benefits for our senior citizens.

I hope that my colleagues will join our bipartisan team and cosponsor this critically important legislation to reduce the unfunded liabilities of our Social Security system and to put critical funding and investment behind the benefits that it promises. I thank my colleagues and I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1383

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Bipartisan Social Security Reform Act of 1999.”

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

#### TITLE I—INDIVIDUAL SAVINGS ACCOUNTS

Sec. 101. Individual savings accounts.

Sec. 102. Social security KidSave Accounts.

Sec. 103. Adjustments to primary insurance amounts under part A of title II of the Social Security Act.

#### TITLE II—SOCIAL SECURITY SYSTEM ADJUSTMENTS

Sec. 201. Adjustments to bend points in determining primary insurance amounts.

Sec. 202. Adjustment of widows' and widowers' insurance benefits.

Sec. 203. Elimination of earnings test for individuals who have attained early retirement age.

Sec. 204. Gradual increase in number of benefit computation years; use of all years in computation.

Sec. 205. Maintenance of benefit and contribution base.

Sec. 206. Reduction in the amount of certain transfers to Medicare Trust Fund.

Sec. 207. Actuarial adjustment for retirement.

Sec. 208. Improvements in process for cost-of-living adjustments.

Sec. 209. Modification of increase in normal retirement age.

Sec. 210. Modification of PIA factors to reflect changes in life expectancy.

Sec. 211. Mechanism for remedying unforeseen deterioration in social security solvency.

#### TITLE I—INDIVIDUAL SAVINGS ACCOUNTS

##### SEC. 101. INDIVIDUAL SAVINGS ACCOUNTS.

(a) ESTABLISHMENT AND MAINTENANCE OF INDIVIDUAL SAVINGS ACCOUNTS.—Title II of the Social Security Act (42 U.S.C. 401 et seq.) is amended—

(1) by inserting before section 201 the following:

“PART A—INSURANCE BENEFITS”;

and

(2) by adding at the end the following:

“PART B—INDIVIDUAL SAVINGS ACCOUNTS

“INDIVIDUAL SAVINGS ACCOUNTS

“SEC. 251. (a) ESTABLISHMENT.—

“(1) IN GENERAL.—

“(A) ESTABLISHMENT IN ABSENCE OF KIDSAVE ACCOUNT.—Except as provided in

subparagraph (B), the Commissioner of Social Security, within 30 days of the receipt of the first contribution received pursuant to subsection (b) with respect to an eligible individual, shall establish in the name of such individual an individual savings account. The individual savings account shall be identified to the account holder by means of the account holder's Social Security account number.

“(B) USE OF KIDSAVE ACCOUNT.—If a KidSave Account has been established in the name of an eligible individual under section 262(a) before the date of the first contribution received by the Commissioner pursuant to subsection (b) with respect to such individual, the Commissioner shall redesignate the KidSave Account as an individual savings account for such individual.

“(2) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this part, the term ‘eligible individual’ means any individual born after December 31, 1937.

“(b) CONTRIBUTIONS.—

“(1) AMOUNTS TRANSFERRED FROM THE TRUST FUND.—The Secretary of the Treasury shall transfer from the Federal Old-Age and Survivors Insurance Trust Fund, for crediting by the Commissioner of Social Security to an individual savings account of an eligible individual, an amount equal to the sum of any amount received by such Secretary on behalf of such individual under section 3101(a)(2) or 1401(a)(2) of the Internal Revenue Code of 1986.

“(2) OTHER CONTRIBUTIONS.—For provisions relating to additional contributions credited to individual savings accounts, see sections 531(c)(2) and 6402(1) of the Internal Revenue Code of 1986.

“(c) DESIGNATION OF INVESTMENT TYPE OF INDIVIDUAL SAVINGS ACCOUNT.—

“(1) DESIGNATION.—Each eligible individual who is employed or self-employed shall designate the investment type of individual savings account to which the contributions described in subsection (b) on behalf of such individual are to be credited.

“(2) FORM OF DESIGNATION.—The designation described in paragraph (1) shall be made in such manner and at such intervals as the Commissioner of Social Security may prescribe in order to ensure ease of administration and reductions in burdens on employers.

“(3) SPECIAL RULE FOR 2000.—Not later than January 1, 2000, any eligible individual that is employed or self-employed as of such date shall execute the designation required under paragraph (1).

“(4) DESIGNATION IN ABSENCE OF DESIGNATION BY ELIGIBLE INDIVIDUAL.—In any case in which no designation of the individual savings account is made, the Commissioner of Social Security shall make the designation of the individual savings account in accordance with regulations that take into account the competing objectives of maximizing returns on investments and minimizing the risk involved with such investments.

“(d) TREATMENT OF INCOMPETENT INDIVIDUALS.—Any designation under subsection (c)(1) to be made by an individual mentally incompetent or under other legal disability may be made by the person who is constituted guardian or other fiduciary by the law of the State of residence of the individual or is otherwise legally vested with the care of the individual or his estate. Payment under this part due an individual mentally incompetent or under other legal disability may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of the claimant or is otherwise legally vested with the care

of the claimant or his estate. In any case in which a guardian or other fiduciary of the individual under legal disability has not been appointed under the law of the State of residence of the individual, if any other person, in the judgment of the Commissioner, is responsible for the care of such individual, any designation under subsection (c)(1) which may otherwise be made by such individual may be made by such person, any payment under this part which is otherwise payable to such individual may be made to such person, and the payment of an annuity payment under this part to such person bars recovery by any other person.

“DEFINITION OF INDIVIDUAL SAVINGS ACCOUNT; TREATMENT OF ACCOUNTS

“SEC. 252. (a) INDIVIDUAL SAVINGS ACCOUNT.—In this part, the term ‘individual savings account’ means any individual savings account in the Individual Savings Fund (established under section 254) which is administered by the Individual Savings Fund Board.

“(b) TREATMENT OF ACCOUNT.—Except as otherwise provided in this part and in section 531 of the Internal Revenue Code of 1986, any individual savings account described in subsection (a) shall be treated in the same manner as an individual account in the Thrift Savings Fund under subchapter III of chapter 84 of title 5, United States Code.

“INDIVIDUAL SAVINGS ACCOUNT DISTRIBUTIONS

“SEC. 253. (a) DATE OF INITIAL DISTRIBUTION.—Except as provided in subsection (c), distributions may only be made from an individual savings account of an eligible individual on and after the earliest of—

“(1) the date the eligible individual attains normal retirement age, as determined under section 216 (or early retirement age (as so determined) if elected by such individual), or

“(2) the date on which funds in the eligible individual's individual savings account are sufficient to provide a monthly payment over the life expectancy of the eligible individual (determined under reasonable actuarial assumptions) which, when added to the eligible individual's monthly benefit under part A (if any), is at least equal to an amount equal to ½ of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2) and determined on such date for a family of the size involved) and adjusted annually thereafter by the adjustment determined under section 215(i).

“(b) FORMS OF DISTRIBUTION.—

“(1) REQUIRED MONTHLY PAYMENTS.—Except as provided in paragraph (2), beginning with the date determined under subsection (a), the balance in an individual savings account available to provide monthly payments not in excess of the amount described in subsection (a)(2) shall be paid, as elected by the account holder (in such form and manner as shall be prescribed in regulations of the Individual Savings Fund Board), by means of the purchase of annuities or equal monthly payments over the life expectancy of the eligible individual (determined under reasonable actuarial assumptions) in accordance with requirements (which shall be provided in regulations of the Board) similar to the requirements applicable to payments of benefits under subchapter III of chapter 84 of title 5, United States Code, and providing for indexing for inflation.

“(2) PAYMENT OF EXCESS FUNDS.—To the extent funds remain in an eligible individual's individual savings account after the application of paragraph (1), such funds shall be payable to the eligible individual in such

manner and in such amounts as determined by the eligible individual, subject to the provisions of subchapter III of chapter 84 of title 5, United States Code.

“(c) DISTRIBUTION IN THE EVENT OF DEATH BEFORE THE DATE OF INITIAL DISTRIBUTION.—If the eligible individual dies before the date determined under subsection (a), the balance in such individual’s individual savings account shall be distributed in a lump sum, under rules established by the Individual Savings Fund Board, to the individual’s heirs.

#### “INDIVIDUAL SAVINGS FUND

“SEC. 254. (a) ESTABLISHMENT.—There is established and maintained in the Treasury of the United States an Individual Savings Fund in the same manner as the Thrift Savings Fund under sections 8437, 8438, and 8439 (but not section 8440) of title 5, United States Code.

“(b) INDIVIDUAL SAVINGS FUND BOARD.—

“(1) IN GENERAL.—There is established and operated in the Social Security Administration an Individual Savings Fund Board in the same manner as the Federal Retirement Thrift Investment Board under subchapter VII of chapter 84 of title 5, United States Code.

“(2) SPECIFIC INVESTMENT AND REPORTING DUTIES.—

“(A) IN GENERAL.—The Individual Savings Fund Board shall manage and report on the activities of the Individual Savings Fund and the individual savings accounts of such Fund in the same manner as the Federal Retirement Thrift Investment Board manages and reports on the Thrift Savings Fund and the individual accounts of such Fund under subchapter VII of chapter 84 of title 5, United States Code.

“(B) STUDY AND REPORT ON INCREASED INVESTMENT OPTIONS.—

“(i) STUDY.—The Individual Savings Fund Board shall conduct a study regarding ways to increase an eligible individual’s investment options with respect to such individual’s individual savings account and with respect to rollovers or distributions from such account.

“(ii) REPORT.—Not later than 2 years after the date of enactment of the Bipartisan Social Security Reform Act of 1999, the Individual Savings Fund Board shall submit a report to the President and Congress that contains a detailed statement of the results of the study conducted pursuant to clause (i), together with the Board’s recommendations for such legislative actions as the Board considers appropriate.

#### “BUDGETARY TREATMENT OF INDIVIDUAL SAVINGS FUND AND ACCOUNTS

“SEC. 255. The receipts and disbursements of the Individual Savings Fund and any accounts within such fund shall not be included in the totals of the budget of the United States Government as submitted by the President or of the congressional budget and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government.”.

(b) MODIFICATION OF FICA RATES.—

(1) EMPLOYEES.—Section 3101(a) of the Internal Revenue Code of 1986 (relating to tax on employees) is amended to read as follows:

“(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—

“(1) IN GENERAL.—

“(A) INDIVIDUALS COVERED UNDER PART A OF TITLE II OF THE SOCIAL SECURITY ACT.—In addition to other taxes, there is hereby imposed on the income of every individual who

is not a part B eligible individual a tax equal to 6.2 percent of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121(b)).

“(B) INDIVIDUALS COVERED UNDER PART B OF TITLE II OF THE SOCIAL SECURITY ACT.—In addition to other taxes, there is hereby imposed on the income of every part B eligible individual a tax equal to 4.2 percent of the wages (as defined in section 3121(a)) received by such individual with respect to employment (as defined in section 3121(b)).

“(2) CONTRIBUTION OF OASDI TAX REDUCTION TO INDIVIDUAL SAVINGS ACCOUNTS.—

“(A) IN GENERAL.—In addition to other taxes, there is hereby imposed on the income of every part B eligible individual an individual savings account contribution equal to the sum of—

“(i) 2 percent of the wages (as so defined) received by such individual with respect to employment (as so defined), plus

“(ii) so much of such wages (not to exceed \$2,000) as designated by the individual in the same manner as described in section 251(c) of the Social Security Act.

“(B) INFLATION ADJUSTMENT.—

“(i) IN GENERAL.—In the case of any calendar year beginning after 2000, the dollar amount in subparagraph (A)(ii) shall be increased by an amount equal to—

“(I) such dollar amount, multiplied by

“(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting ‘calendar year 1999’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(ii) ROUNDING.—If any dollar amount after being increased under clause (i) is not a multiple of \$10, such dollar amount shall be rounded to the nearest multiple of \$10.”.

(2) SELF-EMPLOYED.—Section 1401(a) of the Internal Revenue Code of 1986 (relating to tax on self-employment income) is amended to read as follows:

“(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—

“(1) IN GENERAL.—

“(A) INDIVIDUALS COVERED UNDER PART A OF THE SOCIAL SECURITY ACT.—In addition to other taxes, there shall be imposed for each taxable year, on the self-employment income of every individual who is not a part B eligible individual for the calendar year ending with or during such taxable year, a tax equal to 12.40 percent of the amount of the self-employment income for such taxable year.

“(B) INDIVIDUALS COVERED UNDER PART B OF TITLE II OF THE SOCIAL SECURITY ACT.—In addition to other taxes, there is hereby imposed for each taxable year, on the self-employment income of every part B eligible individual, a tax equal to 10.4 percent of the amount of the self-employment income for such taxable year.

“(2) CONTRIBUTION OF OASDI TAX REDUCTION TO INDIVIDUAL SAVINGS ACCOUNTS.—

“(A) IN GENERAL.—In addition to other taxes, there is hereby imposed for each taxable year, on the self-employment income of every individual, an individual savings account contribution equal to the sum of—

“(i) 2 percent of the amount of the self-employment income for each individual for such taxable year, and

“(ii) so much of such self-employment income (not to exceed \$2,000) as designated by the individual in the same manner as described in section 251(c) of the Social Security Act.

“(B) INFLATION ADJUSTMENT.—

“(i) IN GENERAL.—In the case of any taxable year beginning after 2000, the dollar amount in subparagraph (A)(ii) shall be increased by an amount equal to—

“(I) such dollar amount, multiplied by

“(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 1999’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(ii) ROUNDING.—If any dollar amount after being increased under clause (i) is not a multiple of \$10, such dollar amount shall be rounded to the nearest multiple of \$10.”.

(3) PART B ELIGIBLE INDIVIDUAL.—

(A) TAXES ON EMPLOYEES.—Section 3121 of such Code (relating to definitions) is amended by inserting after subsection (s) the following:

“(t) PART B ELIGIBLE INDIVIDUAL.—For purposes of this chapter, the term ‘part B eligible individual’ means, for any calendar year, an individual who is an eligible individual (as defined in section 251(a)(2) of the Social Security Act) for such calendar year.”.

(B) SELF-EMPLOYMENT TAX.—Section 1402 of such Code (relating to definitions) is amended by adding at the end the following:

“(k) PART B ELIGIBLE INDIVIDUAL.—The term ‘part B eligible individual’ means, for any calendar year, an individual who is an eligible individual (as defined in section 251(a)(2) of the Social Security Act) for such calendar year.”.

(4) EFFECTIVE DATES.—

(A) EMPLOYEES.—The amendments made by paragraphs (1) and (3)(A) apply to remuneration paid after December 31, 1999.

(B) SELF-EMPLOYED INDIVIDUALS.—The amendments made by paragraphs (2) and (3)(B) apply to taxable years beginning after December 31, 1999.

(c) MATCHING CONTRIBUTIONS.—

(1) IN GENERAL.—Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to credits against tax) is amended by adding at the end the following:

#### “Subpart H—Individual Savings Account Credits

“Sec. 54. Individual savings account credit.”.

#### “SEC. 54. INDIVIDUAL SAVINGS ACCOUNT CREDIT.

“(a) ALLOWANCE OF CREDIT.—Each part B eligible individual is entitled to a credit for the taxable year in an amount equal to the sum of—

“(1) \$100, plus

“(2) 100 percent of the designated wages of such individual for the taxable year, plus

“(3) 100 percent of the designated self-employment income of such individual for the taxable year.

“(b) LIMITATIONS.—

“(1) AMOUNT.—The amount determined under subsection (a) with respect to such individual for any taxable year may not exceed the excess (if any) of—

“(A) an amount equal to 1 percent of the contribution and benefit base for such taxable year (as determined under section 230 of the Social Security Act), over

“(B) the sum of the amounts received by the Secretary on behalf of such individual under sections 3101(a)(2)(A)(i) and 1401(a)(2)(A)(i) for such taxable year.

“(2) FAILURE TO MAKE VOLUNTARY CONTRIBUTIONS.—In the case of a part B eligible individual with respect to whom the amount of wages designated under section 3101(a)(2)(A)(ii) plus the amount self-employment income designated under section 1401(a)(2)(A)(ii) for the taxable year is less than \$1, the credit to which such individual is entitled under this section shall be equal to zero.

“(c) DEFINITIONS.—For purposes of this section—

“(1) PART B ELIGIBLE INDIVIDUAL.—The term ‘part B eligible individual’ means, for any calendar year, an individual who—

“(A) is an eligible individual (as defined in section 251(a)(2) of the Social Security Act) for such calendar year, and

“(B) is not an individual with respect to whom another taxpayer is entitled to a deduction under section 151(c).

“(2) DESIGNATED WAGES.—The term ‘designated wages’ means with respect to any taxable year the amount designated under section 3101(a)(2)(A)(ii).

“(3) DESIGNATED SELF-EMPLOYMENT INCOME.—The term ‘designated self-employment income’ means with respect to any taxable year the amount designated under section 1401(a)(2)(A)(ii) for such taxable year.

“(d) CREDIT USED ONLY FOR INDIVIDUAL SAVINGS ACCOUNT.—For purposes of this title, the credit allowed under this section with respect to any part B eligible individual—

“(1) shall not be treated as a credit allowed under this part, but

“(2) shall be treated as an overpayment of tax under section 6401(b)(3) which may, in accordance with section 6402(1), only be transferred to an individual savings account established under part B of title II of the Social Security Act with respect to such individual.”

(2) CONTRIBUTION OF CREDITED AMOUNTS TO INDIVIDUAL SAVINGS ACCOUNT.—

(A) CREDITED AMOUNTS TREATED AS OVERPAYMENT OF TAX.—Subsection (b) of section 6401 of such Code (relating to excessive credits) is amended by adding at the end the following:

“(3) SPECIAL RULE FOR CREDIT UNDER SECTION 54.—Subject to the provisions of section 6402(1), the amount of any credit allowed under section 54 for any taxable year shall be considered an overpayment.”

(B) TRANSFER OF CREDIT AMOUNT TO INDIVIDUAL SAVINGS ACCOUNT.—Section 6402 of such Code (relating to authority to make credits or refunds) is amended by adding at the end the following:

“(1) OVERPAYMENTS ATTRIBUTABLE TO INDIVIDUAL SAVINGS ACCOUNT CREDIT.—In the case of any overpayment described in section 6401(b)(3) with respect to any individual, the Secretary shall transfer for crediting by the Commissioner of Social Security to the individual savings account of such individual, an amount equal to the amount of such overpayment.”

(4) CONFORMING AMENDMENTS.—

(A) Section 1324(b)(2) of title 31, United States Code, is amended by inserting before the period at the end “, or enacted by the Bipartisan Social Security Reform Act of 1999”.

(B) The table of subparts for part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“Subpart H. Individual Savings Account Credits.”

(5) EFFECTIVE DATE.—The amendments made by this subsection shall apply to refunds payable after December 31, 1999.

(d) TAX TREATMENT OF INDIVIDUAL SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Subchapter F of chapter 1 of the Internal Revenue Code of 1986 (relating to exempt organizations) is amended by adding at the end the following:

#### “PART IX—INDIVIDUAL SAVINGS FUND AND ACCOUNTS

“Sec. 531. Individual Savings Fund and Accounts.

#### “SEC. 531. INDIVIDUAL SAVINGS FUND AND ACCOUNTS.

“(a) GENERAL RULE.—The Individual Savings Fund and individual savings accounts shall be exempt from taxation under this subtitle.

“(b) INDIVIDUAL SAVINGS FUND AND ACCOUNTS DEFINED.—For purposes of this section, the terms ‘Individual Savings Fund’ and ‘individual savings account’ means the fund and account established under sections 254 and 251, respectively, of part B of title II of the Social Security Act.

“(c) CONTRIBUTIONS.—

“(1) IN GENERAL.—No deduction shall be allowed for contributions credited to an individual savings account under section 251 of the Social Security Act or section 6402(1).

“(2) ROLLOVER OF INHERITANCE.—Any portion of a distribution to an heir from an individual savings account made by reason of the death of the beneficiary of such account may be rolled over to the individual savings account of the heir after such death.

“(d) DISTRIBUTIONS.—

“(1) IN GENERAL.—Any distribution from an individual savings account under section 253 of the Social Security Act shall be included in gross income under section 72.

“(2) PERIOD IN WHICH DISTRIBUTIONS MUST BE MADE FROM ACCOUNT OF DECEDENT.—In the case of amounts remaining in an individual savings account from which distributions began before the death of the beneficiary, rules similar to the rules of section 401(a)(9)(B) shall apply to distributions of such remaining amounts.

“(3) ROLLOVERS.—Paragraph (1) shall not apply to amounts rolled over under subsection (c)(2) in a direct transfer by the Commissioner of Social Security, under regulations which the Commissioner shall prescribe.”

(2) CLERICAL AMENDMENT.—The table of parts for subchapter F of chapter 1 of such Code is amended by adding after the item relating to part VIII the following:

“Part IX. Individual savings fund and accounts.”

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1999.

**SEC. 102. SOCIAL SECURITY KIDSAVE ACCOUNTS.**  
Title II of the Social Security Act (42 U.S.C. 401 et seq.), as amended by section 101(a), is amended by adding at the end the following:

#### “PART C—KIDSAVE ACCOUNTS

##### “KIDSAVE ACCOUNTS

“SEC. 261. (a) ESTABLISHMENT.—The Commissioner of Social Security shall establish in the name of each individual born on or after January 1, 1995, a KidSave Account upon the later of—

“(1) the date of enactment of this part, or

“(2) the date of the issuance of a Social Security account number under section 205(c)(2) to such individual.

The KidSave Account shall be identified to the account holder by means of the account holder’s Social Security account number.

“(b) CONTRIBUTIONS.—

“(1) IN GENERAL.—There are authorized to be appropriated and are appropriated such sums as are necessary in order for the Secretary of the Treasury to transfer from the general fund of the Treasury for crediting by the Commissioner to each account holder’s KidSave Account under subsection (a), an amount equal to the sum of—

“(A) in the case of any individual born on or after January 1, 2000, \$1,000, on the date of the establishment of such individual’s KidSave Account, and

“(B) in the case of any individual born on or after January 1, 1995, \$500, on the 1st, 2nd, 3rd, 4th, and 5th birthdays of such individual occurring on or after January 1, 2000.

“(2) ADJUSTMENT FOR INFLATION.—For any calendar year after 2009, each of the dollar amounts under paragraph (1) shall be increased by the cost-of-living adjustment determined under section 215(i) for the calendar year.

“(c) DESIGNATIONS REGARDING KIDSAVE ACCOUNTS.—

“(1) INITIAL DESIGNATIONS OF INVESTMENT VEHICLE.—A person described in subsection (d) shall, on behalf of the individual described in subsection (a), designate the investment vehicle for the KidSave Account to which contributions on behalf of such individual are to be deposited. Such designation shall be made on the application for such individual’s Social Security account number.

“(2) CHANGES IN INVESTMENT VEHICLES.—The Commissioner shall by regulation provide the time and manner by which an individual or a person described in subsection (d) on behalf of such individual may change 1 or more investment vehicles for a KidSave Account.

“(d) TREATMENT OF MINORS AND INCOMPETENT INDIVIDUALS.—Any designation under subsection (c) to be made by a minor, or an individual mentally incompetent or under other legal disability, may be made by the person who is constituted guardian or other fiduciary by the law of the State of residence of the individual or is otherwise legally vested with the care of the individual or his estate. Payment under this part due a minor, or an individual mentally incompetent or under other legal disability, may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of the claimant or is otherwise legally vested with the care of the claimant or his estate. In any case in which a guardian or other fiduciary of the individual under legal disability has not been appointed under the law of the State of residence of the individual, if any other person, in the judgment of the Commissioner, is responsible for the care of such individual, any designation under subsection (c) which may otherwise be made by such individual may be made by such person, any payment under this part which is otherwise payable to such individual may be made to such person, and the payment of an annuity payment under this part to such person bars recovery by any other person.

#### “DEFINITIONS AND SPECIAL RULES

“SEC. 262. (a) KIDSAVE ACCOUNTS.—In this part, the term ‘KidSave Account’ means any KidSave Account in the Individual Savings Fund (established under section 254) which is administered by the Individual Savings Fund Board.

“(b) TREATMENT OF ACCOUNTS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), any KidSave Account described in subsection (a) shall be treated in the same manner as an individual savings account under part B.

“(2) DISTRIBUTIONS.—Notwithstanding any other provision of law, distributions may only be made from a KidSave Account of an individual on or after the earlier of—

“(A) the date on which the individual begins receiving benefits under this title, or

“(B) the date of the individual’s death.”

**SEC. 103. ADJUSTMENTS TO PRIMARY INSURANCE AMOUNTS UNDER PART A OF TITLE II OF THE SOCIAL SECURITY ACT.**

(a) IN GENERAL.—Section 215 of the Social Security Act (42 U.S.C. 415) is amended by adding at the end the following:

“Adjustment of Primary Insurance Amount in Relation to Deposits Made to Individual Savings Accounts and KidSave Accounts

“(j)(1) Except as provided in paragraph (2), an individual’s primary insurance amount as determined in accordance with this section (before adjustments made under subsection (i)) shall be equal to the excess (if any) of—

“(A) the amount which would be so determined without the application of this subsection, over

“(B) the monthly amount of an immediate life annuity, determined on the basis of the sum of—

“(A) the total of all amounts which have been credited pursuant to section 251(b) (indexed in the same manner as is applicable with respect to average indexed monthly earnings under subsection (b)) to the individual savings account held by such individual, plus

“(B) 50 percent of the accumulated value of the KidSave Account (established on behalf of such individual under section 261(a)) determined on the date such KidSave Account is redesignated as an individual savings account held by such individual under section 251(a)(1)(B), plus

“(C) accrued interest on such amounts compounded annually—

“(i) assuming an interest rate equal to the projected interest rate of the Federal Old-Age and Survivors Trust Fund, and

“(ii) using the mortality table used under 412(d)(7)(C)(ii) of the Internal Revenue Code of 1986.

“(2) In the case of an individual who becomes entitled to disability insurance benefits under section 223, such individual’s primary insurance amount shall be determined without regard to paragraph (1).

“(3) For purposes of this subsection, the term ‘immediate life annuity’ means an annuity—

“(A) the annuity starting date (as defined in section 72(c)(4) of the Internal Revenue Code of 1986) of which commences with the first month following the date of the determination, and

“(B) which provides for a series of substantially equal monthly payments over the life expectancy of the individual.”.

(b) CONFORMING AMENDMENT TO RAILROAD RETIREMENT ACT OF 1974.—Section 1 of the Railroad Retirement Act of 1974 (45 U.S.C. 231) is amended by adding at the end the following:

“(s) In applying applicable provisions of the Social Security Act for purposes of determining the amount of the annuity to which an individual is entitled under this Act, section 215(j) of the Social Security Act and part B of title II of such Act shall be disregarded.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to computations and recomputations of primary insurance amounts occurring after December 31, 1999.

**TITLE II—SOCIAL SECURITY SYSTEM ADJUSTMENTS**

**SEC. 201. ADJUSTMENTS TO BEND POINTS IN DETERMINING PRIMARY INSURANCE AMOUNTS.**

(a) ADDITIONAL BEND POINT.—Section 215(a)(1)(A) of the Social Security Act (42 U.S.C. 415(a)(1)(A)) is amended—

(1) in clause (ii), by striking “and” at the end;

(2) in clause (iii)—

(A) by striking “15 percent” and inserting “32 percent”;

(B) by striking “clause (ii),” and inserting the following: “clause (ii) but do not exceed the amount established for purposes of this clause by subparagraph (B), and”; and

(3) by inserting after clause (iii) the following:

“(iv) 15 percent of the individual’s average indexed monthly earnings to the extent that such earnings exceed the amount established for purposes of clause (iii).”.

(b) INITIAL LEVEL OF ADDITIONAL BEND POINT.—Section 215(a)(1)(B)(i) of such Act (42 U.S.C. 415(a)(1)(B)(i)) is amended—

(1) by striking “clause (i) and (ii)” and inserting “clauses (i) and (iii)”;

(2) by adding at the end the following: “For individuals who initially become eligible for old-age or disability insurance benefits, or who die (before becoming eligible for such benefit), in the calendar year 2000, the amount established for purposes of clause (ii) of subparagraph (A) shall be equal to 197.5 percent of the amount established for purposes of clause (i).”.

(c) ADJUSTMENTS TO PIA FORMULA FACTORS.—Section 215(a)(1)(B) of such Act (42 U.S.C. 415(a)(1)(B)) is amended further—

(1) by redesignating clause (iii) as clause (iv);

(2) by inserting after clause (ii) the following:

“(iii) For individuals who initially become eligible for old-age or disability insurance benefits, or who die (before becoming eligible for such benefits), in any calendar year after 2005, effective for such calendar year—

“(I) the percentage in effect under clause (ii) of subparagraph (A) shall be equal to the percentage in effect under such clause for calendar year 2005 increased the applicable number of times by 3.8 percentage points,

“(II) the percentage in effect under clause (iii) of subparagraph (A) shall be equal to the percentage in effect under such clause for calendar year 2005 decreased the applicable number of times by 1.2 percentage points, and

“(III) the percentage in effect under clause (iv) of subparagraph (A) shall be equal to the percentage in effect under such clause for calendar year 2005 decreased the applicable number of times by 0.5 percentage points.

For purposes of the preceding sentence, the term ‘applicable number of times’ means a number equal to the lesser of 10 or the number of years beginning with 2006 and ending with the year of initial eligibility or death.”; and

(3) in clause (iv) (as redesignated), by striking “amount” and inserting “dollar amount”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to primary insurance amounts of individuals attaining early retirement age (as defined in section 216(l) of the Social Security Act), or dying, after December 31, 1999.

**SEC. 202. ADJUSTMENT OF WIDOWS' AND WIDOWERS' INSURANCE BENEFITS.**

(a) WIDOW'S BENEFIT.—Section 202(e)(2)(A) of the Social Security Act (42 U.S.C. 402(e)(2)(A)) is amended by striking “equal to” and all that follows and inserting “equal to the greater of—

“(i) the primary insurance amount (as determined for purposes of this subsection after application of subparagraphs (B) and (C)) of such deceased individual, or

“(ii) the applicable percentage of the joint benefit which would have been received by

the widow or surviving divorced wife and the deceased individual for such month if such individual had not died.

For purposes of clause (ii), the applicable percentage is equal to 50 percent in 2000, increased (but not above 75 percent) by 1 percentage point in every second year thereafter.”.

(b) WIDOWER'S BENEFIT.—Section 202(f)(3)(A) of the Social Security Act (42 U.S.C. 402(b)(3)(A)) is amended by striking “equal to” and all that follows and inserting “equal to the greater of—

“(i) the primary insurance amount (as determined for purposes of this subsection after application of subparagraphs (B) and (C)) of such deceased individual, or

“(ii) the applicable percentage of the joint benefit which would have been received by the widow or surviving divorced husband and the deceased individual for such month if such individual had not died.

For purposes of clause (ii), the applicable percentage is equal to 50 percent in 2000, increased (but not above 75 percent) by 1 percentage point in every second year thereafter.”.

**SEC. 203. ELIMINATION OF EARNINGS TEST FOR INDIVIDUALS WHO HAVE ATTAINED EARLY RETIREMENT AGE.**

(a) IN GENERAL.—Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

(1) in subsection (c)(1), by striking “the age of seventy” and inserting “early retirement age (as defined in section 216(1))”;

(2) in paragraphs (1)(A) and (2) of subsection (d), by striking “the age of seventy” each place it appears and inserting “early retirement age (as defined in section 216(1))”;

(3) in subsection (f)(1)(B), by striking “was age seventy or over” and inserting “was at or above early retirement age (as defined in section 216(1))”;

(4) in subsection (f)(3)—

(A) by striking “33½ percent” and all that follows through “any other individual,” and inserting “50 percent of such individual’s earnings for such year in excess of the product of the exempt amount as determined under paragraph (8).”; and

(B) by striking “age 70” and inserting “early retirement age (as defined in section 216(1))”;

(5) in subsection (h)(1)(A), by striking “age 70” each place it appears and inserting “early retirement age (as defined in section 216(1))”; and

(6) in subsection (j)—

(A) in the heading, by striking “Age Seventy” and inserting “Early Retirement Age”; and

(B) by striking “seventy years of age” and inserting “having attained early retirement age (as defined in section 216(1))”.

(b) CONFORMING AMENDMENTS ELIMINATING THE SPECIAL EXEMPT AMOUNT FOR INDIVIDUALS WHO HAVE ATTAINED AGE 62.—

(1) UNIFORM EXEMPT AMOUNT.—Section 203(f)(8)(A) of the Social Security Act (42 U.S.C. 403(f)(8)(A)) is amended by striking “the new exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are to be applicable” and inserting “a new exempt amount which shall be applicable”.

(2) CONFORMING AMENDMENTS.—Section 203(f)(8)(B) of the Social Security Act (42 U.S.C. 403(f)(8)(B)) is amended—

(A) in the matter preceding clause (i), by striking “Except” and all that follows through “whichever” and inserting “The exempt amount which is applicable for each month of a particular taxable year shall be whichever”;

(B) in clauses (i) and (ii), by striking “corresponding” each place it appears; and

(C) in the last sentence, by striking “an exempt amount” and inserting “the exempt amount”.

(3) **REPEAL OF BASIS FOR COMPUTATION OF SPECIAL EXEMPT AMOUNT.**—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is repealed.

(c) **ADDITIONAL CONFORMING AMENDMENTS.**—

(1) **ELIMINATION OF REDUNDANT REFERENCES TO RETIREMENT AGE.**—Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

(A) in subsection (c), in the last sentence, by striking “nor shall any deduction” and all that follows and inserting “nor shall any deduction be made under this subsection from any widow’s or widower’s insurance benefit if the widow, surviving divorced wife, widower, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60.”; and

(B) in subsection (f)(1), by striking clause (D) and inserting the following: “(D) for which such individual is entitled to widow’s or widower’s insurance benefits if such individual became so entitled prior to attaining age 60.”.

(2) **CONFORMING AMENDMENT TO PROVISIONS FOR DETERMINING AMOUNT OF INCREASE ON ACCOUNT OF DELAYED RETIREMENT.**—Section 202(w)(2)(B)(ii) of the Social Security Act (42 U.S.C. 402(w)(2)(B)(ii)) is amended—

(A) by striking “either”; and

(B) by striking “or suffered deductions under section 203(b) or 203(c) in amounts equal to the amount of such benefit”.

(3) **PROVISIONS RELATING TO EARNINGS TAKEN INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY OF BLIND INDIVIDUALS.**—The second sentence of section 223(d)(4) of such Act (42 U.S.C. 423(d)(4)) is amended by striking “if section 102 of the Senior Citizens’ Right to Work Act of 1996 had not been enacted” and inserting the following: “if the amendments to section 203 made by section 102 of the Senior Citizens’ Right to Work Act of 1996 and by the Bipartisan Social Security Reform Act of 1999 had not been enacted”.

(d) **STUDY OF THE EFFECT OF TAKING EARNINGS INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY OF DISABLED INDIVIDUALS.**—

(1) **IN GENERAL.**—Not later than February 15, 2001, the Commissioner of Social Security shall conduct a study on the effect that taking earnings into account in determining substantial gainful activity of individuals receiving disability insurance benefits has on the incentive for such individuals to work and submit to Congress a report on the study.

(2) **CONTENTS OF STUDY.**—The study conducted under paragraph (1) shall include the evaluation of—

(A) the effect of the current limit on earnings on the incentive for individuals receiving disability insurance benefits to work;

(B) the effect of increasing the earnings limit or changing the manner in which disability insurance benefits are reduced or terminated as a result of substantial gainful activity (including reducing the benefits gradually when the earnings limit is exceeded) on—

(i) the incentive to work; and

(ii) the financial status of the Federal Disability Insurance Trust Fund;

(C) the effect of extending eligibility for the Medicare program to individuals during the period in which disability insurance benefits of the individual are gradually reduced

as a result of substantial gainful activity and extending such eligibility for a fixed period of time after the benefits are terminated on—

(i) the incentive to work; and

(ii) the financial status of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund; and

(D) the relationship between the effect of substantial gainful activity limits on blind individuals receiving disability insurance benefits and other individuals receiving disability insurance benefits.

(3) **CONSULTATION.**—The analysis under paragraph (2)(C) shall be done in consultation with the Administrator of the Health Care Financing Administration.

(e) **EFFECTIVE DATE.**—The amendments and repeals made by subsections (a), (b), and (c) shall apply with respect to taxable years ending after December 31, 2002.

#### **SEC. 204. GRADUAL INCREASE IN NUMBER OF BENEFIT COMPUTATION YEARS; USE OF ALL YEARS IN COMPUTATION.**

(a) **IN GENERAL.**—Section 215(b)(2)(A) of the Social Security Act (42 U.S.C. 415(b)(2)(A)) is amended—

(1) in clause (i), by striking “5 years” and inserting “the applicable number of years for purposes of this clause”; and

(2) by striking “Clause (ii),” in the matter following clause (i) and inserting the following:

“For purposes of clause (i), the applicable number of years is the number of years specified in connection with the year in which such individual reaches early retirement age (as defined in section 216(1)(2)), or, if earlier, the calendar year in which such individual dies, as set forth in the following table:

“If such calendar year is: The applicable number of years is:

2002 .....	4.
2003 .....	4.
2004 .....	3.
2005 .....	3.
2006 .....	2.
2007 .....	2.
2008 .....	1.
2009 .....	1.
After 2009 .....	0.

Notwithstanding the preceding sentence, the applicable number of years is 5, in the case of any individual who is entitled to old-age insurance benefits, and has a spouse who is also so entitled (or who died without having become so entitled) who has greater total wages and self-employment income credited to benefit computation years than the individual. Clause (ii).”.

(b) **USE OF ALL YEARS IN COMPUTATION.**—

(1) **IN GENERAL.**—Section 215(b)(2)(B) of the Social Security Act (42 U.S.C. 415(b)(2)(B)) is amended by striking clauses (i) and (ii) and inserting the following:

“(i)(I) for calendar years after 2001 and before 2010, the term ‘benefit computation years’ means those computation base years equal in number to the number determined under subparagraph (A) plus the applicable number of years determined under subclause (III), for which the total of such individual’s wages and self-employment income, after adjustment under paragraph (3), is the largest; (II) for calendar years after 2009, the term ‘benefit computation years’ means all of the computation base years; and

(III) for purposes of subclause (I), the applicable number of years is the number of years specified in connection with the year in which such individual reaches early retirement age (as defined in section 216(1)(2)), or, if earlier, the calendar year in which such

individual dies, as set forth in the following table:

“If such calendar year is: The applicable number of years is:

Before 2002 .....	0.
2002 .....	1.
2003 .....	1.
2004 .....	2.
2005 .....	2.
2006 .....	3.
2007 .....	3.
2008 .....	4.
2009 .....	4.

“(ii) the term ‘computation base years’ means the calendar years after 1950, except that such term excludes any calendar year entirely included in a period of disability; and”.

(2) **CONFORMING AMENDMENT.**—Section 215(b)(1)(B) of the Social Security Act (42 U.S.C. 415(b)(1)(B)) is amended by striking “in those years” and inserting “in an individual’s computation base years determined under paragraph (2)(A)”.

(c) **EFFECTIVE DATE.**—

(1) **SUBSECTION (a).**—The amendments made by subsection (a) shall apply with respect to individuals attaining early retirement age (as defined in section 216(1)(2) of the Social Security Act) after December 31, 2001.

(2) **SUBSECTION (b).**—The amendment made by subsection (b) shall apply to benefit computation years beginning after December 31, 1999.

#### **SEC. 205. MAINTENANCE OF BENEFIT AND CONTRIBUTION BASE.**

(a) **IN GENERAL.**—Section 230 of the Social Security Act (42 U.S.C. 430) is amended to read as follows:

##### **MAINTENANCE OF THE CONTRIBUTION AND BENEFIT BASE**

“SEC. 230. (a) The Commissioner of Social Security shall determine and publish in the Federal Register on or before November 1 of each calendar year the contribution and benefit base determined under subsection (b) which shall be effective with respect to remuneration paid after such calendar year and taxable years beginning after such year.

“(b) For purposes of this section, for purposes of determining wages and self-employment income under sections 209, 211, 213, and 215 of this Act and sections 54, 1402, 3121, 3122, 3125, 6413, and 6654 of the Internal Revenue Code of 1986, and for purposes of section 4022(b)(3)(B) of Public Law 93-406, the contribution and benefit base with respect to remuneration paid in (and taxable years beginning in) any calendar year is an amount equal to 86 percent of the total wages for the preceding calendar year (within the meaning of section 209).”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to remuneration paid in (and taxable years beginning in) any calendar year after 1999.

#### **SEC. 206. REDUCTION IN THE AMOUNT OF CERTAIN TRANSFERS TO MEDICARE TRUST FUND.**

Subparagraph (A) of section 121(e)(1) of the Social Security Amendments of 1983 (42 U.S.C. 401 note), as amended by section 13215(c)(1) of the Omnibus Budget Reconciliation Act of 1993, is amended—

(1) in clause (ii), by striking “the amounts” and inserting “the applicable percentage of the amounts”; and

(2) by adding at the end the following: “For purposes of clause (ii), the applicable percentage for a year is equal to 100 percent, reduced (but not below zero) by 10 percentage points for each year after 2004.”.

#### **SEC. 207. ACTUARIAL ADJUSTMENT FOR RETIREMENT.**

(a) **EARLY RETIREMENT.**—

(1) IN GENERAL.—Section 202(q) of the Social Security Act (42 U.S.C. 402(q)) is amended—

(A) in paragraph (1)(A), by striking “5%” and inserting “the applicable fraction (determined under paragraph (12))”; and

(B) by adding at the end the following:

“(12) For purposes of paragraph (1)(A), the ‘applicable fraction’ for an individual who attains the age of 62 in—

“(A) any year before 2001, is  $\frac{5}{6}$ ;

“(B) 2001, is  $\frac{7}{12}$ ;

“(C) 2002, is  $\frac{11}{18}$ ;

“(D) 2003, is  $\frac{23}{36}$ ;

“(E) 2004, is  $\frac{5}{6}$ ; and

“(F) 2005 or any succeeding year, is  $\frac{25}{36}$ .”.

(2) MONTHS BEYOND FIRST 36 MONTHS.—Section 202(q) of such Act (42 U.S.C. 402(q)(9)) (as amended by paragraph (1)) is amended—

(A) in paragraph (9)(A), by striking “fif-twelfths” and inserting “the applicable fraction (determined under paragraph (13))”; and

(B) by adding at the end the following:

“(13) For purposes of paragraph (9)(A), the ‘applicable fraction’ for an individual who attains the age of 62 in—

“(A) any year before 2001, is  $\frac{5}{12}$ ;

“(B) 2001, is  $\frac{16}{36}$ ;

“(C) 2002, is  $\frac{16}{36}$ ;

“(D) 2003, is  $\frac{17}{36}$ ;

“(E) 2004, is  $\frac{17}{36}$ ; and

“(F) 2005 or any succeeding year, is  $\frac{1}{2}$ .”.

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall apply to individuals who attain the age of 62 in years after 1999.

(b) DELAYED RETIREMENT.—Section 202(w)(6) of the Social Security Act (42 U.S.C. 402(w)(6)) is amended—

(1) in subparagraph (C), by striking “and” at the end;

(2) in subparagraph (D), by striking “2004.” and inserting “2004 and before 2007.”; and

(3) by adding at the end the following:

“(E)  $\frac{1}{24}$  of 1 percent in the case of an individual who attains the age of 62 in a calendar year after 2006 and before 2009;

“(F)  $\frac{3}{4}$  of 1 percent in the case of an individual who attains the age of 62 in a calendar year after 2008 and before 2011;

“(G)  $\frac{1}{24}$  of 1 percent in the case of an individual who attains the age of 62 in a calendar year after 2010 and before 2013; and

“(H)  $\frac{1}{2}$  of 1 percent in the case of an individual who attains the age of 62 in a calendar year after 2012.”.

#### SEC. 208. IMPROVEMENTS IN PROCESS FOR COST-OF-LIVING ADJUSTMENTS.

(a) ANNUAL DECLARATIONS OF PERSISTING UPPER LEVEL SUBSTITUTION BIAS, QUALITY-CHANGE BIAS, AND NEW-PRODUCT BIAS.—Not later than December 1, 1999, and annually thereafter, the Commissioner of the Bureau of Labor Statistics shall publish in the Federal Register an estimate of the upper level substitution bias, quality-change bias, and new-product bias retained in the Consumer Price Index, expressed in terms of a percentage point effect on the annual rate of change in the Consumer Price Index determined through the use of a superlative index that accounts for changes that consumers make in the quantities of goods and services consumed.

(b) MODIFICATION OF COST-OF-LIVING ADJUSTMENT.—Notwithstanding any other provision of law, for each calendar year after 1999 any cost-of-living adjustment described in subsection (f) shall be further adjusted by the greater of—

(1) 0.5 percentage point, or

(2) the correction for the upper level substitution bias, quality-change bias, and new-product bias (as last published by the Com-

missioner of the Bureau of Labor Statistics pursuant to subsection (a)).

(c) FUNDING FOR CPI IMPROVEMENTS.—

(1) IN GENERAL.—There is hereby appropriated to the Bureau of Labor Statistics in the Department of Labor, for each of fiscal years 2000, 2001, and 2002, \$60,000,000 for use by the Bureau for the following purposes:

(A) Research, evaluation, and implementation of a superlative index to estimate upper level substitution bias, quality-change bias, and new-product bias in the Consumer Price Index.

(B) Expansion of the Consumer Expenditure Survey and the Point of Purchase Survey.

(2) REPORTS.—The Commissioner of the Bureau of Labor Statistics shall submit reports regarding the use of appropriations made under paragraph (1) to the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate upon the request of each Committee.

(d) INFORMATION SHARING.—The Commissioner of the Bureau of Labor Statistics may secure directly from the Secretary of Commerce information necessary for purposes of calculating the Consumer Price Index. Upon request of the Commissioner of the Bureau of Labor Statistics, the Secretary of Commerce shall furnish that information to the Commissioner.

(e) ADMINISTRATIVE ADVISORY COMMITTEE.—The Bureau of Labor Statistics shall, in consultation with the National Bureau of Economic Research, the American Economic Association, and the National Academy of Statisticians, establish an administrative advisory committee. The advisory committee shall periodically advise the Bureau of Labor Statistics regarding revisions of the Consumer Price Index and conduct research and experimentation with alternative data collection and estimating approaches.

(f) COST-OF-LIVING ADJUSTMENT DESCRIBED.—A cost-of-living adjustment described in this subsection is any cost-of-living adjustment for a calendar year after 1999 determined by reference to a percentage change in a consumer price index or any component thereof (as published by the Bureau of Labor Statistics of the Department of Labor and determined without regard to this section) and used in any of the following:

(1) The Internal Revenue Code of 1986.

(2) The provisions of this Act (other than programs under title XVI and any adjustment in the case of an individual who attains early retirement age before January 1, 2000).

(3) Any other Federal program.

(g) RECAPTURE OF CPI REFORM REVENUES DEPOSITED INTO THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND.—Section 201 of the Social Security Act (42 U.S.C. 401) is amended by adding at the end the following:

“(n) On July 1 of each calendar year specified in the following table, the Secretary of the Treasury shall transfer, from the general fund of the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund, an amount equal to the applicable percentage for such year, specified in such table, of the total wages paid in and self-employment income credited to such year.

“For a calendar year—	The applicable percentage for the year is—
After 1999 and before 2020	0.6 percent.
After 2019 and before 2040	0.8 percent.
After 2039 and before 2060	1.0 percent.
After 2059 .....	1.2 percent.”.

#### SEC. 209. MODIFICATION OF INCREASE IN NORMAL RETIREMENT AGE.

(a) IN GENERAL.—Section 216(l)(1) of the Social Security Act (42 U.S.C. 416(l)(1)) is amended—

(1) in subparagraph (B)—

(A) by striking “2005” and inserting “2011”; and

(B) by adding “and” at the end; and

(2) by striking subparagraphs (C), (D), and (E) and inserting the following:

“(C) With respect to an individual who attains early retirement age after December 31, 2010, 67 years of age.”.

(b) CONFORMING AMENDMENT.—Paragraph (3) of section 216(l) of the Social Security Act (42 U.S.C. 416(l)) is amended to read as follows:

“(3) The age increase factor for any individual who attains early retirement age in the period consisting of the calendar years 2000 through 2010, the age increase factor shall be equal to two-twelfths of the number of months in the period beginning with January 2000 and ending with December of the year in which the individual attains early retirement age.”.

#### SEC. 210. MODIFICATION OF PIA FACTORS TO REFLECT CHANGES IN LIFE EXPECTANCY.

(a) MODIFICATION OF PIA FACTORS.—Section 215(a)(1) of the Social Security Act (42 U.S.C. 415(a)(1)(B)) is amended by redesignating subparagraph (D) as subparagraph (F) and by inserting after subparagraph (C) the following:

“(D)(i) For individuals who initially become eligible for old-age insurance benefits in any calendar year after 2011, each of the percentages under clauses (i), (ii), (iii), and (iv) of subparagraph (A) shall be multiplied the applicable number of times by the applicable factor.

“(ii) For purposes of clause (i)—

“(I) the term ‘applicable number of times’ means a number equal to the lesser of 54 or the number of years beginning with 2012 and ending with the year of initial eligibility; and

“(II) the term ‘applicable factor’ means .988 with respect to the first 6 applicable number of times and .997 with respect to the applicable number of times in excess of 6.

“(E) For any individual who initially becomes eligible for disability insurance benefits in any calendar year after 2011, the primary insurance amount for such individual shall be equal to the greater of—

“(i) such amount as determined under this paragraph, or

“(ii) such amount as determined under this paragraph without regard to subparagraph (D) thereof.”.

(b) STUDY OF THE EFFECT OF INCREASES IN LIFE EXPECTANCY.—

(1) STUDY PLAN.—Not later than February 15, 2001, the Commissioner of Social Security shall submit to Congress a detailed study plan for evaluating the effects of increases in life expectancy on the expected level of retirement income from social security, pensions, and other sources. The study plan shall include a description of the methodology, data, and funding that will be required in order to provide to Congress not later than February 15, 2006—

(A) an evaluation of trends in mortality and their relationship to trends in health status, among individuals approaching eligibility for social security retirement benefits;

(B) an evaluation of trends in labor force participation among individuals approaching



eligibility for social security retirement benefits and among individuals receiving retirement benefits, and of the factors that influence the choice between retirement and participation in the labor force;

(C) an evaluation of changes, if any, in the social security disability program that would reduce the impact of changes in the retirement income of workers in poor health or physically demanding occupations;

(D) an evaluation of the methodology used to develop projections for trends in mortality, health status, and labor force participation among individuals approaching eligibility for social security retirement benefits and among individuals receiving retirement benefits; and

(E) an evaluation of such other matters as the Commissioner deems appropriate for evaluating the effects of increases in life expectancy.

(2) **REPORT ON RESULTS OF STUDY.**—Not later than February 15, 2006, the Commissioner of Social Security shall provide to Congress an evaluation of the implications of the trends studied under paragraph (1), along with recommendations, if any, of the extent to which the conclusions of such evaluations indicate that projected increases in life expectancy require modification in the social security disability program and other income support programs.

**SEC. 211. MECHANISM FOR REMEDYING UNFORESEEN DETERIORATION IN SOCIAL SECURITY SOLVENCY.**

(a) **IN GENERAL.**—Section 709 of the Social Security Act (42 U.S.C. 910) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by striking “SEC. 709. (a) If the Board of Trustees” and all that follows through “any such Trust Fund” and inserting the following:

“SEC. 709. (a)(1)(A) If the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund determines at any time, using intermediate actuarial assumptions, that the balance ratio of either such Trust Fund for any calendar year during the succeeding period of 75 calendar years will be zero, the Board shall promptly submit to each House of the Congress and to the President a report setting forth its recommendations for statutory adjustments affecting the receipts and disbursements of such Trust Fund necessary to maintain the balance ratio of such Trust Fund at not less than 20 percent, with due regard to the economic conditions which created such inadequacy in the balance ratio and the amount of time necessary to alleviate such inadequacy in a prudent manner. The report shall set forth specifically the extent to which benefits would have to be reduced, taxes under section 1401, 3101, or 3111 of the Internal Revenue Code of 1986 would have to be increased, or a combination thereof, in order to obtain the objectives referred to in the preceding sentence.

“(B) In addition to any reports under subparagraph (A), the Board shall, not later than May 30, 2001, prepare and submit to Congress and the President recommendations for statutory adjustments to the disability insurance program under title II of this Act to modify the changes in disability benefits under the Bipartisan Social Security Reform Act of 1999 without reducing the balance ratio of the Federal Disability Insurance Trust Fund. The Board shall develop such recommendations in consultation with the National Council on Disability, taking into consideration the adequacy of benefits

under the program, the relationship of such program with old age benefits under such title, and changes in the process for determining initial eligibility and reviewing continued eligibility for benefits under such program.

“(2)(A) The President shall, no later than 30 days after the submission of the report to the President, transmit to the Board and to the Congress a report containing the President's approval or disapproval of the Board's recommendations.

“(B) If the President approves all the recommendations of the Board, the President shall transmit a copy of such recommendations to the Congress as the President's recommendations, together with a certification of the President's adoption of such recommendations.

“(C) If the President disapproves the recommendations of the Board, in whole or in part, the President shall transmit to the Board and the Congress the reasons for that disapproval. The Board shall then transmit to the Congress and the President, no later than 60 days after the date of the submission of the original report to the President, a revised list of recommendations.

“(D) If the President approves all of the revised recommendations of the Board transmitted to the President under subparagraph (C), the President shall transmit a copy of such revised recommendations to the Congress as the President's recommendations, together with a certification of the President's adoption of such recommendations.

“(E) If the President disapproves the revised recommendations of the Board, in whole or in part, the President shall transmit to the Board and the Congress the reasons for that disapproval, together with such revisions to such recommendations as the President determines are necessary to bring such recommendations within the President's approval. The President shall transmit a copy of such recommendations, as so revised, to the Board and the Congress as the President's recommendations, together with a certification of the President's adoption of such recommendations.

“(3)(A) This paragraph is enacted by Congress—

“(i) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution described in subparagraph (B), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

“(ii) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

“(B) For purposes of this paragraph, the term ‘joint resolution’ means only a joint resolution which is introduced within the 10-day period beginning on the date on which the President transmits the President's recommendations, together with the President's certification, to the Congress under subparagraph (B), (D), or (E) of paragraph (2), and—

“(i) which does not have a preamble;

“(iii) the matter after the resolving clause of which is as follows: ‘That the Congress approves the recommendations of the President as transmitted on \_\_\_\_ pursuant to section 709(a) of the Social Security Act, as follows: \_\_\_\_\_’, the first blank space being filled in with the appropriate date and the second

blank space being filled in with the statutory adjustments contained in the recommendations; and

“(iii) the title of which is as follows: ‘Joint resolution approving the recommendations of the President regarding social security.’.

“(C) A joint resolution described in subparagraph (B) that is introduced in the House of Representatives shall be referred to the Committee on Ways and Means of the House of Representatives. A joint resolution described in subparagraph (B) introduced in the Senate shall be referred to the Committee on Finance of the Senate.

“(D) If the committee to which a joint resolution described in subparagraph (B) is referred has not reported such joint resolution (or an identical joint resolution) by the end of the 20-day period beginning on the date on which the President transmits the recommendation to the Congress under paragraph (2), such committee shall be, at the end of such period, discharged from further consideration of such joint resolution, and such joint resolution shall be placed on the appropriate calendar of the House involved.

“(E)(i) On or after the third day after the date on which the committee to which such a joint resolution is referred has reported, or has been discharged (under subparagraph (D)) from further consideration of, such a joint resolution, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the joint resolution. A Member may make the motion only on the day after the calendar day on which the Member announces to the House concerned the Member's intention to make the motion, except that, in the case of the House of Representatives, the motion may be made without such prior announcement if the motion is made by direction of the committee to which the joint resolution was referred. All points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the respective House shall immediately proceed to consideration of the joint resolution without intervening motion, order, or other business, and the joint resolution shall remain the unfinished business of the respective House until disposed of.

“(ii) Debate on the joint resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 2 hours, which shall be divided equally between those favoring and those opposing the joint resolution. An amendment to the joint resolution is not in order. A motion further to limit debate is in order and not debatable. A motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the joint resolution is not in order. A motion to reconsider the vote by which the joint resolution is agreed to or disagreed to is not in order.

“(iii) Immediately following the conclusion of the debate on a joint resolution described in subparagraph (B) and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the joint resolution shall occur.



“(iv) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a joint resolution described in subparagraph (B) shall be decided without debate.

“(F)(i) If, before the passage by one House of a joint resolution of that House described in subparagraph (B), that House receives from the other House a joint resolution described in subparagraph (B), then the following procedures shall apply:

“(I) The joint resolution of the other House shall not be referred to a committee and may not be considered in the House receiving it except in the case of final passage as provided in subclause (II).

“(II) With respect to a joint resolution described in subparagraph (B) of the House receiving the joint resolution, the procedure in that House shall be the same as if no joint resolution had been received from the other House, but the vote on final passage shall be on the joint resolution of the other House.

“(ii) Upon disposition of the joint resolution received from the other House, it shall no longer be in order to consider the joint resolution that originated in the receiving House.

“(b) If the Board of Trustees of the Federal Hospital Insurance Trust Fund or the Federal Supplementary Medical Insurance Trust Fund determines as any time that the balance ratio of either such Trust Fund”.

(b) CONFORMING AMENDMENTS.—

(1) Section 709(b) of the Social Security Act (as amended by subsection (a) of this section) is amended by striking “any such” and inserting “either such”.

(2) Section 709(c) of such Act (as redesignated by subsection (a) of this section) is amended by inserting “or (b)” after “subsection (a)”.

Mr. GREGG. Mr. President, I have enjoyed working with the Senators from Nebraska and Louisiana and, recently the Senator from Iowa, in developing this bipartisan plan. The Senator from Nebraska and the Senator from Louisiana have truly done an extraordinary job of bringing to the attention of the American public the essential needs to address soon, quickly, and substantively the issue of Social Security reform.

I had the pleasure of serving 15 months as cochair, along with the Senator from Louisiana, of a commission of folks put together—a large cross-section of people—who are truly expert in the area of Social Security. As a result of that commission, we produced a bill that was an excellent piece of legislation. We were joined, in a bipartisan way, by Congressmen KOLBE and STENHOLM, Members of the House, on that bill.

The Senator from Nebraska has been on his own bill, along with the Senator from New York. They have developed another bill here. Months ago, we decided to get together and see if we could develop an even bigger coalition of membership around one concept of how to reform the Social Security system. That is what we accomplished. It has been accomplished because of the strong and vibrant leadership of those two Senators who are on the floor

today, Senators BREAUX and KERREY, and also Senator GRASSLEY, who is not here but may be coming in on a number of other issues that are involved in the Social Security reform matter. His leadership has been excellent.

So, first of all, we do have a bipartisan bill. It has been pointed out by the Senator from Nebraska that this bill goes across the aisle, across ideology, and it is a substantive bill. It is a proposal that has been scored by the Social Security actuaries as creating solvency in the Social Security system for the next 100 years, at a minimum. It goes to infinity, but I like to say the next century because it is a more definable event. That is very important. It is a bipartisan effort, which shows it can be done. Second, it works, as scored by the Social Security actuaries.

Why is it important? You don't have to look very far to see why. I notice we have many Senate pages with us. These folks are juniors in high school who come here to work. They are either rising juniors, or have completed their junior year in most instances. They come here to work and see Congress in action. When they get finished with their schooling, most of them will go to college. When they get out of college, they are going to go to work. They are going to find that probably the biggest amount that comes out of their paychecks is the FICA tax, a big chunk that comes out of paychecks. They are going to pay that for all their working lives. What are they going to get back under the present system? These wonderful young people are probably hoping I won't speak too long so they can get off for the weekend. But what are they going to get out of this? Actually, they are going to get very little out of it. They will pay out a tremendous amount of taxes during their working lives and they will virtually get nothing back for it.

In fact, a person coming into the workforce in their early twenties today—the rate of return on what they pay into Social Security taxes over their working lives, or how much they get back for the amount of taxes they pay, is essentially a wash. They are not going to get any more back than they pay in. That is not much of a return for all the taxes they will pay over all those years. If you happen to be an African American, you actually will get less back, as a group of individuals, than you will end up paying.

So the system is broken. Why? It is broken because we have this huge bubble in our society, this huge population bubble called the postwar baby boom generation, of which Bill Clinton is a member, I am a member, the Senator in the Chair is a member, and the Senator from Louisiana is a member. This postwar baby boom generation is the largest demographic group in the history of our country. When Social Security

was originally designed, and for all the years it has worked so well, it has always been conceived as a pyramid. It was essentially perceived that there would be many more people paying into the system than would be taking out. So you would have many people earning in order to support the people getting the benefit—a pyramid.

In fact, as late as 1950, there were about 15 people paying into the system for every 1 person taking out. By the late part of this century—right about now, in fact—we are down to about 3½ people paying in for every 1 person taking out. When the baby boomers retire, beginning in the year 2008, it starts to accelerate and it becomes an acute situation by 2014, where 2 people will be paying into the system for every 1 taking out.

In that sort of a structure, you can see we simply can't support the benefits. Instead of having a pyramid, we basically have some sort of rectangle. The older generation that will be retired—myself included—will be demanding too much in the way of benefits for the younger generation to support. As a result, we end up bankrupting the system. To express it in another way, even though there is a lot of debt in the trust fund, even though the Social Security trust fund, as the Senator from Nebraska pointed out, has literally billions of dollars of IOUs in it, they are simply that; they are paper IOUs.

What drives the Social Security problem is the fact that when the baby boom generation retires, there is a benefit that is guaranteed, a defined benefit. As a retiree, under Social Security, when we hit 2010, or whenever I take retirement, I am guaranteed a benefit, a fixed sum of money that I will get under our system of Social Security, a defined benefit.

Is there something there to pay that benefit? No, nothing. There are notes held by the Social Security trust, but those notes are not assets in the sense that there is something to back them up that is a physical asset. What backs it up is the taxing of power of the United States. The only way you can pay that defined benefit is to raise taxes on the earners of America to pay the benefits of the retired in America.

Because this generation is so huge and the defined benefit becomes so huge, we will have a massive tax increase on the earners of America, starting about the year 2014, and it accelerates radically to the point where we are literally talking, under the President's proposal on Social Security, about \$1 trillion annually in new taxes, simply to support those people who are retired by the year 2035—I think it might be a little later. The fact is, it is a huge tax increase. Where do the taxes come from? The earnings of American people. They will come from the general fund, and they will

end up essentially bankrupting this country.

Something needs to be done. Why have we put this plan forward? You say: It won't happen until the year 2014; that is a long way away; I don't have to worry about that.

We have to worry today because we can't answer this type of problem when it happens. We have to anticipate; we have to work to try to correct the problem before we hit the problem. Unfortunately, we are not doing much to get ready for this problem.

To address this, we have put forward this bill. What is the basic theme of this bill? The basic theme of this bill is that the way to address the problem of the Social Security liability in the out-years is to begin to save in the early years, say to the American worker today: Start saving for retirement and have some ownership in that savings. Today you think you are saving for retirement under Social Security because you are paying the Social Security taxes, but that doesn't mean anything. The Social Security taxes are being spent by the Federal Government. There is no asset we are building up which the retiree will own.

We say under our bill to the wage earner, people earning money in the marketplace—whether the job is a restaurant, a computer store, or whether they are working for the Government—we are going to let you start to save some of the assets you are paying in taxes today for your Social Security. We will allow you to start saving and owning those assets. We will take 2 percent of your present payroll tax and put it in a savings account which you control—you, the wage earner control, which you own. You own that account. You make the decision in a broad term as to how that is invested.

We do put limitations on the investment structure so you can't take high-risk investments or speculate. We take an asset, for all Americans paying Social Security tax, which they will physically have and own throughout their earning life, which will grow as they put more into it and which, when they retire, will be available to support their retirement and to support the costs of the Social Security system.

This concept, which is called personal savings accounts, is at the core of what we are proposing as a solution to the problem. These personal savings accounts don't solve the problem completely. I wish we could do it completely with these accounts, but we can't.

As the Senator from Nebraska so eloquently and effectively pointed out—I won't retrace that water—the fact is, you have to make decisions on the benefit side or you have to make decisions on the tax increase side. That is the only way you can get long-term solvency, unless you have the capacity to refund liability dramatically at a level

you can't do because of the cost of supporting the present beneficiaries under the system.

There are three ways to solve the Social Security outyear problem: You can raise taxes, cut benefits, or "prefund" the liability. What we do is combine two of those. We prefund the liability and adjust the benefit structure. We adjust it in a constructive and effective way, as pointed out by the Senator from Nebraska.

The fundamental philosophical change in our bill is giving people ownership over part of their Social Security taxes. We say to folks: You can invest that, you can save it, and when you retire, it will be yours. In fact, it will be yours before you retire.

Under the present law, you pay all these Social Security taxes, and if you are unlucky enough to get hit by a train when you are 59 years old, you get nothing, absolutely nothing, from all the taxes you have paid in. What an unfair system that is.

We say to people: You are going to have that asset; it will be yours. If you are, unfortunately, hit by a train when you are 59, your family will own that asset. Whoever you want to pass it on to will own that—your wife, your children, cousins, nephews. We give people the opportunity to participate in that extraordinary thing called American capitalism, the marketplace where people can create wealth.

Is there a risk? Very little. The way we structured this, we tracked what Federal employees have been doing for years in the Federal Thrift Savings Plan. Any Federal employee can participate in it and have an option of placing some of their pension plan into the marketplace by choosing four different funds in which to invest. Those funds are managed by trustees under the Federal Thrift Savings Plan. One is very conservative, one is a moderate investment, and one is a more aggressive investment.

We will use the same type of structure. It will be the Social Security trustees investing these funds. Wage earners will have the right to choose whether they want to aggressively invest, moderately invest, or very conservatively invest. It is your choice. In any event, the rate of return on those assets is going to be dramatically better than the rate of return on the amount of taxes presently paid in the Social Security system. The average rate of return on taxes paid into Social Security is 2.7 percent. As I mentioned, for an earner in their twenties it is essentially zero, and for certain groups it is negative. Under our bill, the lowest rate of return possible is the rate of return of Treasury bills, which is about 3 percent. One could get significantly better than that, obviously. The average rate of return of the equities market over any 20-year period, including the Depression period, has been about

5½ percent. So presume 5½ percent is a number by which one reasonably assumes their assets will increase.

That is the essence of what we are doing. We are setting up a plan which, first, is bipartisan; second, it creates solvency in the trust fund for 100 years, the next century; third, it gives people ownership over parts of the assets which they are now paying in taxes over which they have absolutely no ownership.

A couple of other points should be made. We do not impact anybody presently in the Social Security system or about to come in the Social Security system. We say to those folks: The system is in place; you are comfortable with it; that is your system; we are not going to touch you in any way.

When the scare letters come out from the various groups which use Social Security as a way to try to raise money so people can drive around the city in their limousines and go to fancy restaurants, when the scare letters come out in envelopes looking like Social Security checks, and the letters say they will devastate your Social Security benefits, and they are directed at people already on Social Security, unfortunately, we don't have the wherewithal to send a counter letter. But if people have time to listen, they will know that is not case. We don't impact anyone presently on the Social Security system.

Our bill, more than any other that is presently pending on Social Security reform, is progressive. In other words, people at the lower income levels get a much better benefit under the proposal we put forward than people at the higher levels, and they get a better benefit than they would get in the present Social Security system or under any other Social Security proposal out there today, whether they have been scored as solvent or not. It is a progressive system.

In fact, a low-income person not only gets to save 2 percent, they can save about 3½ percent in the personal savings account because we set up a system for the next dollar after the 2 percent. They get a \$100 match by the Federal Government. It works out so you basically can almost save 3.5 percent if you are in a low-income bracket, and that is a big increase in your net worth over 40 years, a huge increase in your net worth over 40 years, which is the average earning experience in America today.

In addition, our plan most importantly treats generations fairly. We are headed into a period, when our generation retires, the baby boom generation retires, when we are simply going to be unfair to younger generations. What we are going to do to them under the present Social Security system is absolutely wrong. We are going to tax this younger generation into a much lower level quality of life in order to support

our retirement. Is that right? Of course, it is not right, but that is exactly what is going to happen if we do not address the Social Security problem and address it soon so we can start to build the assets necessary to prefund the liabilities, as I mentioned earlier.

Our bill addresses that issue. Our bill tries to right that shift of fairness between our generation and the younger generation, and it does it very effectively, and it is an important effort.

Importantly, our bill creates an atmosphere where people will have confidence in the Social Security system. There are a lot of people who say: I am not going to get anything when I retire. I am just going to pay a lot of taxes. I am not going to get anything.

And they are right if they happen to be a certain ethnic group or certain age level. Our bill will restore the confidence in the Social Security system, and that is absolutely critical.

In addition, we understand women have especially been disproportionately impacted by the present system. They are not treated as fairly as they should be. There are two reasons: No. 1, because many women weren't in the workforce, and No. 2, because they live longer. Our bill makes some very significant efforts in order to address the special needs of women, especially widows, in the Social Security benefits area. These were put together by the Senator from Iowa, to a large extent.

They are positive efforts to give women the opportunity to get the benefit structure that is fair to them and also encourage women to raise children at home. It could be a man, of course, but in most cases it would be a woman who wants to leave her job and raise her child for up to 5 years. She will be able to do that without being penalized by the Social Security system for having taken those 5 years out of the workforce and then coming back into the workforce. It is a very important step towards fairness towards women and especially women who decide to raise children.

I know the Senator from Louisiana wants to speak on this. He has certainly been a core player, a key player on this issue, as well as so many others. But on Medicare specifically, let me say this. We, as policy people, have an absolute obligation to pursue and accomplish Social Security reform in this Congress. There is no way we can justify passing up this opportunity. We have a President who does not have to run for reelection, so he is under no political pressure to make a political decision. He has the flexibility and freedom to make the decisions that should be made in order to resolve this type of problem.

We know if we do not act, we will begin to run out of time quickly. We know if we cannot set up these personal accounts to start creating assets and letting those assets grow through

compounded interest—which Einstein said was the greatest force known to mankind—we know if we do not get those assets started and get those accounts begun, we are going to end up running out of time, and we will not be able to solve the problem effectively. So we know we have to act. It is similar to that old oil filter ad, "You can pay me now or pay me later." We know we have to act now, so we should be taking action.

We know it can be done because this bill proves it. It can be done in a bipartisan way and it can be done in a way that can be scored and approved by the Social Security trustees as working, so there is no argument about doing it and being able to do it. All we need now is the political will to do it, and that is going to take Presidential leadership.

Although the President has spoken on this issue a number of times, he has not given us the type of leadership we need to accomplish the goal. But if he wants to step forward, this is a great opportunity to do it. This bill gives him the vehicle to do it. I certainly hope he will take advantage of that chance.

In any event, I thank my fellow Senators who have worked so hard on this. I believe we have laid out a method that can control and move this forward in a positive way. I hope we can move from only the academic discussion of a bill to the passage of a law.

I yield the floor.

**THE PRESIDING OFFICER.** The Senator from Louisiana.

**Mr. BREAUX.** Mr. President, I yield myself 10 minutes under the previous order.

**Mr. GRAHAM.** Will the Senator from Louisiana yield for purposes of a unanimous consent request?

**Mr. BREAUX.** I yield.

**Mr. GRAHAM.** I ask unanimous consent immediately after completion of the time controlled by the Senator from Louisiana, that I be given 10 minutes as in morning business.

**THE PRESIDING OFFICER.** Without objection, it is so ordered.

**Mr. BREAUX.** Mr. President, let me first congratulate the distinguished Senator from New Hampshire for his remarks and his major contribution in this effort to bring to the floor of the Senate a proposal on reforming Social Security that, first of all, is real; it is serious, it is bipartisan. A lot of the credit goes to the Senator from New Hampshire for his diligent work in this area.

Previous to the work of the Senator from New Hampshire, we had the words of Senator BOB KERREY of Nebraska, who also joins with all of us as lead sponsors on this Social Security reform legislation. Senator KERREY has been involved in this issue of entitlement reform for a long time. He chaired the Entitlement Reform Commission and

his work in the Social Security area has truly been outstanding.

It is interesting that what is happening today on the floor is this is the first time, certainly in my memory and probably in a long time, we have actually had a bipartisan proposal on reforming Social Security introduced in the Senate. Not only is it unique that it is the first time in this body, it is also even more surprising that this proposal, in addition to being bipartisan, is also bicameral. By that, of course, I mean the same proposal has also been introduced on the other side of the Capitol, over in the House, by our colleagues over there, also in a bipartisan fashion.

This is truly historic in the sense that Members of both parties and both Houses can join together in addressing an issue as important, yet at the same time as politically divisive, as Social Security has been. Yet we have been able to do that and have been joined by a number of our colleagues, particularly on the Senate Finance Committee. We have come together to make a recommendation on Social Security which I think is one that bears favorable consideration of our colleagues.

We just had a very strenuous and sometimes somewhat heated debate on the question of the Social Security lockbox, which we just voted on. We will have future debate on that. I think it is very important for all Americans to know that while we debated on this concept of a lockbox, it does not do a single thing to restore the Social Security program. It does not change the program in any way. It does not make any structural changes to Social Security. It does not increase any American's retirement options. It does not give them any additional choices about how they want to plan for their retirement future. It does not increase widows' benefits. It does not address the problems the Senator just spoke of regarding the female population in the country and the special concerns they have. It does not allow low- and middle-income workers to access any Government contributions to help them in their retirement planning and to build up a larger nest egg. The lockbox does not do anything regarding the current unfunded liabilities in the Social Security program. It certainly doesn't restore the confidence in the Social Security system.

We have heard the statements that more young people believe in flying saucers than believe Social Security is going to be there for them. So while we had a great, interesting debate on this lockbox concept, it is very important to know it does not do a single thing to take care of the problems that are facing this country in regard to the Social Security system. But this bill does. This bill has been scored by the people who have to do this for us professionally as restoring solvency to the

Social Security program to the year 2075, and that is a fact. There is no debate about that. How we do it, I think, is the substance of our bill. I think it is very positive.

Let me point out, why do we have a problem in Social Security? We have been rocking along since 1935 in a pretty fortunate situation. Most people got their Social Security benefits, everything they contributed, back very quickly.

If someone retired in 1980, for instance, they got back everything they put into the Social Security system in a little over 2 years. They got back everything they put into the program. Retirees in 1980, at the age of 65, took 2.8 years to recover everything they put into the program. That is a heck of a deal for anyone. I know my father has said many times: I will never get back what I put into Social Security. He got it back in about 2.8 years. It was a very good deal for most Americans, and that is changing.

The question is, Why? Very simple: People live a lot longer and there are a lot more of them. Life expectancy—thank goodness and thank medical science and thank God—has dramatically increased over the years so people live a lot longer than they used to.

The second point is there are a lot more people. There are 77 million people in the so-called baby boom generation, those Americans born between 1946 and 1964. We have about 40 million people on Social Security today. We are getting ready to add 77 million more people into this program. It does not take rocket science to figure out why we are having problems.

We have a lot more people who are living a lot longer and earning retirement benefits through Social Security. We have fewer and fewer people left who are working to pay for those benefits. When Social Security was passed under Franklin Roosevelt, there were about 16 people working for every 1 person who was retiring. Because people live a lot longer now and there are a lot more of them, it is now down to about 3 people working for every 1 person who is earning retirement benefits and getting retirement benefits. We cannot continue on this trend. The so-called lockbox does not do a single thing to help reform the program or allow it to generate more funds to make sure the program is going to be there for the 77 million baby boomers.

For those who are on Social Security retirement now, the good news for them is it is there; they do not have to worry about it. We have never missed a payment. They will be guaranteed their payments.

Unless we do something, we are in danger of letting the program go broke. We have presented to the Senate today, and it had been presented to the other body earlier, our recommendation in the form of a specific bill that has been

scored by the people who do this work as restoring the solvency to this program to the year 2075.

How do we do it? It is not that complicated. One of the things we have done is to say that every American who pays Social Security will be required to divert 2-percentage points of their payroll tax—which is 12.4 percent payroll tax of which they pay 6.2 percent—to an individual retirement account, which is strongly supported by most Americans.

Almost two-thirds of Americans in the polls I have seen have said yes to the question: Would you like to be able to save a portion of your payroll tax in an individual retirement account that you would be able to control? There is strong support for that. I do not think they want to privatize the whole program, but they would like to have some of the money to invest for themselves, as we do as Federal employees.

I do not know if a lot of Americans realize it, those who are not Federal employees, but I can do that as a Member of the Senate. We establish our own Federal employees Thrift Savings Plan, and we can put up to 10 percent in that savings plan. We can earn interest on the market, and we get a lot better return than we get as a Government with Social Security funds. The Federal Government invests the Social Security surplus in Government bonds. It has been earning about 3 percent. That is not a good return in today's market. We need to allow individuals to do a better job with their own tax dollars.

Our plan creates a savings plan for people on Social Security where they can put 2 percent of their payroll tax into an individual retirement account which they will own, and when they pass away, it can be inherited. It will be theirs and they can invest it and hopefully get 10 percent or 15 percent or more return on their money, and they will be able to get the advantage of that higher investment when they retire and add it to the rest of their Social Security program.

It will put more money into the program. It will strengthen the program. It will allow people to become more involved in their own retirement. A lot of young people do not think it is going to be there. They think the Government does not do it very well.

This changes all of that and, I think, in a very important way. Individuals will own those proceeds, and I believe that is extremely important.

That is one of the features of our program I wanted to highlight.

In addition, we also say you can do more than that. People in lower- and middle-income brackets will be able to put an additional amount of money for an additional \$1 over this 2 percent that they would put into their account. The Federal Government would match it with \$100.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BREAUX. Mr. President, I yield myself 2 additional minutes.

The Government will match it with \$100. They can make additional voluntary contributions, up to 1 percent of the total wage base of \$72,600, which means they will be able to get a maximum contribution of about \$626 from the Federal Government.

This is a good plan. It is a solid plan. It restores Social Security viability to the year 2075, and it is something of which we need to take advantage and do it in this Congress. We cannot continue to wait.

The big problem is this has always been a political football. This effort, this bill, is bipartisan and it is bicameral. I urge my colleagues to look at the substance of our legislation. I think they, too, will find, when they review it carefully, that this is the right approach, it makes sense, it is balanced and one that can be considered favorably by this Congress this year.

Mr. President, I yield the floor.

Mr. ROBB. Mr. President, I am pleased to join my colleagues on the floor today to introduce the Bipartisan Social Security Reform Act of 1999. As one who has been involved in various reform efforts over the past three Congresses, I can honestly say that the legislation we are introducing today is, in my view, the best product we have submitted to date.

I would like to take a moment to talk about the dedication of the members who are here on the floor today. They have all demonstrated a tireless commitment to get this body to take seriously solving the tough issue of financing this program through the Baby Boom generation and beyond. This is not an easy task. Under current law, the program faces a shortfall that would require either an 18 percent payroll tax rate or a 30 percent cut in benefits. Either option would be devastating to the future workers financing the program or the future Social Security beneficiary.

This group has united around a common purpose. Instead of trying to dress up so-called lock-boxes as Social Security reform, and instead of undertaking massive Federal borrowing to finance individual accounts on top of the current system, and instead of committing future taxpayers to fix the problem, we have actually sought to solve the long-term financing dilemma in this important program. And I'm proud to say that we have done this without adopting any payroll tax increase.

By allowing all workers to take 2 percentage points of their payroll tax into individual retirement savings accounts that workers own, we ensure that not only is today's Social Security surplus being set aside for today's workers who will become tomorrow's

retirees, but we also advance fund some of our future liabilities. In addition, we also use some of the surplus to boost contributions for lower income workers, ensuring that these individuals have a comparable opportunity to build wealth in their personal savings accounts. The accumulation in these accounts will supplement future Social Security benefits under the traditional program.

While we make some revisions to future benefits to bring down the financing cost of the program, we do so in a way that doesn't affect anyone currently over the age of 62, that increases the traditional Social Security benefit for low income earners, that protects women who have taken time out to raise children, and that increases the benefit for widows and widowers.

Mr. President, this is a credible plan that solves the financing challenge presented by Social Security in a truly progressive manner. I hope other colleagues who are serious about tackling the issue will not only take a close look at this proposal, but will also help us make real reform a top priority.

Mr. THOMAS. Mr. President, I am pleased to join my colleagues today in introducing a bipartisan bill to protect, preserve and improve the Social Security system for the challenges of the 21st Century.

We all know that Social Security faces massive demographic changes. For example, our population is aging rapidly. As a result, the ratio between the number of workers paying taxes into the system as compared to the number of retirees taking funds out of the system is falling swiftly. Soon, we will have fewer than two workers for each retiree. Other demographic trends are that Americans are living longer and retiring earlier.

The combined effect of these changes is that future generations will face tremendous tax burdens or massive benefit cuts in order to preserve Social Security. The longer Congress waits before reforming the law, the more painful and difficult these changes will be.

That's why I am pleased this bipartisan group has come together with credible reform legislation that will preserve Social Security in perpetuity. It achieves this important goal in large part through advance funding of the program. The bill allows workers to divert a portion of their existing Social Security taxes into a personal retirement account that they would own. This feature would enable all Americans to accumulate a cash nest egg for their retirement and would improve the rate of return on their Social Security taxes.

Currently, Congress is considering legislation to create a "Lockbox" that would reserve Social Security surplus revenues for Social Security alone, not other government spending as is currently the case. I support this legisla-

tion and believe it is an important first step toward saving Social Security. But to me, the true "Lockbox" is private retirement accounts. These accounts ensure that individual Americans, not the Federal Government, are in charge of their retirement nest egg. If the worker dies before retirement, the accounts could be left to his or her heirs. In addition, these private accounts ensure that the Federal Government can't come back at a later time and reduce benefits. Another key feature of these accounts is that low income workers, most for the first time, will have an opportunity to own assets and create wealth.

Another way the bill makes Social Security more progressive is by increasing the guaranteed benefits for those with low incomes. Other important provisions in the legislation will improve the Social Security benefits of widows, repeal the earnings test, and correct perverse work incentives inherent in the current system.

Finally, our proposal doesn't affect current retirees. They would continue under the current system. But by reducing the tremendous unfunded liability the system faces and restoring solvency to Social Security, current retirees are protected from the potential tax increases and benefit cuts that would be necessary to preserve the system. Seniors' benefits are far more secure under this plan than they are under current law.

Again, I am pleased to join Senators GREGG, KERREY, BREAUX, GRASSLEY, THOMPSON and ROBB in introducing this important legislation. And I encourage the rest of our colleagues to examine this bill carefully because I think it has the elements necessary to achieve a bipartisan agreement to save Social Security. The sooner we act, the better. Time is not on our side.

Mr. GRASSLEY. Mr. President, I rise today to join my colleagues in introducing the Bipartisan Social Security Reform Act of 1999.

We have crafted a responsible plan to save Social Security for generations to come. By making incremental, steady changes to the Social Security system, we will be able to ensure the long-term solvency of the program without taking Draconian measures.

Not only have we designed a responsible plan, but a bipartisan plan as well. No change to the Social Security system can be made without support from both sides of the aisle. Our bill represents a true bipartisan effort to save Social Security. The Bipartisan Social Security Reform Act is co-sponsored by four Republicans and three Democrats. Similar legislation has been introduced in the House of Representatives by Congressmen KOLBE and STENHOLM. This bipartisan, bicameral support is an excellent foundation on which to build, ensuring that the basis of the American retirement

system remains financially sound for future generations.

The bipartisan plan would maintain a basic floor of protection through a traditional Social Security benefit, but two percentage points of the 12.4 percent payroll tax would be redirected to individual accounts. Individuals could invest their personal accounts in any combination of the funds offered through the Social Security system. An individual who invested his or her personal account in a bond fund would receive a guaranteed interest rate. However, individuals who wish to pursue a higher rate of return through investment in a fund including equities could do so.

Our proposal would eliminate the need for future payroll tax increases by advance funding a portion of future benefits through personal accounts. With individual accounts, we provide Americans with the tools necessary to build financial independence in retirement—especially to those who previously had limited opportunities to create wealth. Under our plan, they will be able to save for retirement and benefit from economic growth.

In putting together this legislation, this group has been conscious of how changes to Social Security would affect different populations. One group that I have been particularly concerned about is women. Let me explain how our bill addresses women's needs:

Women are more likely to move in and out of the workforce to care for children or elderly parents. They should not be punished for the time that they dedicate to dependents. Our proposal provides five "drop-out" years to the spouse with lower earnings in every two-earner couple.

Women, on average, earn less than men. The Bipartisan Social Security Reform Act would ensure that workers with wages below the national average would receive an additional \$100 contribution annually to their personal accounts when they make a contribution of at least \$1. Any subsequent contributions would receive a dollar-for-dollar match so that all workers would be guaranteed a minimum contribution of one percent of the taxable wage base. For this year, that contribution would be \$726. Furthermore, all wage-earners would be permitted to save up to an additional \$2,000 annually through voluntary contributions to personal accounts.

In addition, our proposal creates an additional bend point to the benefit formula to boost the replacement rate for low-income workers, many of whom are women.

Women live longer than men. At age 65, men are expected to live 15 more years, whereas women are expected to live almost 20 more. Our proposal addresses that reality by allowing money accumulated in individual accounts to be passed on to surviving spouses and

children. Furthermore, our proposal would increase the widow's benefit to 75 percent of the combined benefits that a husband and wife would be entitled to based on their own earnings.

Congressional Republicans and Democrats and the administration all have established saving Social Security as a top priority. Now we must move ahead with the process and provide leadership. Each year that we wait to enact legislation to save Social Security, the changes must be more pronounced to make up for the lost time. I urge my colleagues to cosponsor the Bipartisan Social Security Reform Act.

The PRESIDING OFFICER. The Senator from Florida is under a previous order to speak for up to 10 minutes.

Mr. DOMENICI. Parliamentary inquiry. Is there any order subsequent to that?

The PRESIDING OFFICER. Yes. The Senator from New Mexico will be recognized, following the Senator from Florida, for up to 10 minutes.

Mr. DOMENICI. I thank the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized for 10 minutes.

Mr. DORGAN. Mr. President, I ask unanimous consent to follow the Senator from New Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Florida.

#### PATIENTS' BILL OF RIGHTS

Mr. GRAHAM. Mr. President, I come to the floor to voice my strong objection to hidden provisions which were inserted in the so-called last amendment during the consideration of the HMO Patients' Bill of Rights.

Last night, at approximately 8 o'clock, an amendment was offered which had over 250 pages. It had been represented throughout the debate that this amendment would be of a corrective, technical nature. There were several statements made on the floor that alterations, which had been agreed to verbally, would be incorporated in that final amendment. What we find is that quite a different thing has occurred.

First, I have found that several of the areas in which I had clear representations that refinements would be made were not made. In the area, for instance, of the emergency room, one of the key issues we spent considerable time debating had to do with poststabilization coverage. It was my understanding we had arrived at an agreement as to how to correct the language which all parties had appeared to agree would be an undue restriction on the rights of patients to receive proper care in an emergency room. I am sad to have to report that those changes were not incorporated in the final version of the legislation.

I am even more offended by the fact that while the changes we thought

would be there were, at least in this instance, not obtained, but more so there were extraneous issues inserted, issues that had never been considered on the floor, never considered by a committee, never debated and unknown until they were unearthed, in the case of the issue I was to raise on page 252 and 253 of the so-called manager's amendment.

What is the provision I am so concerned about? It is section 901, "Medicare Competitive Pricing Demonstration Project." If you want to get the full flavor of this, let me just quote:

(a) FINDING.—The Senate finds that implementing competitive pricing in the medicare program . . . of the Social Security Act is an important goal.

I could not agree more with that statement. So that would cause your heart to beat, your level of anticipation to be excited as you want to go on to what is the next paragraph that will implement that goal.

What is the next paragraph? It says: Notwithstanding what has been said above, the Secretary of Health and Human Services may not implement the Medicare demonstration project on competitive bidding; and, furthermore, notwithstanding any other provision, the Secretary of Health and Human Services may not implement any other competitive pricing project before January 1, 2001.

An absolute outrage.

Let me give you a little history of this.

When the Medicare program began to move beyond fee for service and to accept modern ways of health care, it did so in a rather cumbersome way. It said that we will reimburse a health maintenance organization on a formula; and the formula is 95 percent of the fee for service payments to Medicare beneficiaries within that community.

That may have some superficial rationale, but let me tell you what really happens.

First, if you happen to be in a community that has, for instance, a large teaching hospital or other complex medical center that serves a larger region, you are going to have high fee-for-service payments because of the nature of the health care that is delivered in that community. I would imagine that Rochester, MN, is a community that has relatively high fee for service because it has that great Mayo Clinic. I can tell you that Miami, FL, has high fee-for-service charges because it has a number of tertiary care hospitals. So because of that aberration that has nothing to do with what an HMO should be reimbursed, HMOs in those communities get 95 percent of fee for service.

There were some modifications made of that in the 1997 Balanced Budget Act, but the basic principle of a formula-based reimbursement which relates back to fee for service is still largely in place.

There is a second sequence of that in that we have very erratic fee levels for HMOs. The community that is immediately adjacent to the high fee-for-service community can have very low fee-for-service medicine delivered there, and therefore the HMOs get a much lower fee.

In my State, the differential from the highest to the lowest community is probably on the order of at least 100 percent from the highest to the lowest community that has an HMO program.

What is the consequence of that? The consequence of that is reported in today's Washington Post on page A-2. I ask unanimous consent to have that article printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. GRAHAM. It states: "HMOs Will Drop 327,000 Medicare Beneficiaries Next Year."

We have just spent 4 days of debate on trying to avoid having people dropped from their HMOs, and we now have an announcement that just in the Medicare program alone—the Medicare program has 39 million participants, and approximately 4 million of those are in HMOs—out of that relatively small number of HMO beneficiaries, 327,000 are being dropped.

What does it say? It says that of those who are being dropped, 79,000 will be unable to enroll in another HMO because there are no other HMOs in their area.

When the industry was asked, why is this happening, their answer was: The managed care industry says HMOs are pulling out of Medicare because the Government isn't paying them enough.

You would think the industry would therefore want to have an alternative system that would provide adequate reimbursement, but not excessive reimbursement, and that the place to achieve that is the marketplace.

We heard a lot of talk this week about how we ought to have deference to the marketplace. I think what the HMOs want is to have free enterprise when it relates to service to the patients, and they want to have socialism when it relates to how much revenue they get paid.

So in 1997, in the face of all of these factors, the Congress, by a very strong vote—I think it was 76 votes in the Senate—passed the Balanced Budget Act which contained a provision that would actually start HMOs toward a competitive bidding process—the same process, incidentally, used by many other large HMO users, State and local governments, and in the private sector.

It was started very modestly, with a demonstration plan so that we could learn about what was involved in competitive bidding for HMOs. I, frankly, thought that was excessive caution, that we could have taken advantage of



the experience that was already available by many other large users, but the thought was, let's go slow, let's do a demonstration project.

So since 1997, HCFA, the Federal agency with responsibility for managing Medicare, has been organizing this demonstration project. They selected Kansas City and Phoenix as the two sites for the demonstration project. They are about to start, and all of a sudden, on the 252nd page of what is supposed to be a corrective manager's amendment, we not only bar the demonstration projects that are about to commence but bar any other demonstration projects that may be suggested. Yet we started with a finding that we support competitive bidding.

Boy, I tell you, if this is the way they support the principle, you do not want them to be your parents and say they are going to give you good care.

Mr. DORGAN. Will the Senator yield for a short question?

Mr. GRAHAM. Mr. President, I ask unanimous consent for an additional 5 minutes.

The PRESIDING OFFICER. The Senator has 28 seconds remaining.

Mr. GRAHAM. I ask unanimous consent for an additional 5 minutes.

The PRESIDING OFFICER. If there is no objection.

Without objection, it is so ordered.

Mr. DORGAN. I want to inquire. I was unaware that that provision was in the package that was presented. Was the Senator from Florida aware, did he know of anyone else who was aware of that except perhaps the folks who wrote it?

Mr. GRAHAM. We have not found anybody who was aware of it except some diligent soul who actually got to page 252 of the bill sometime late last night or this morning and discovered this. I might say, it is very difficult to even get copies of this amendment.

We have known for several years that the HMO industry did not want competitive bidding. They like the socialized formula system that exists today. They are attempting in any way they can, including this stealth attack late last night on page 252, to kill competitive bidding.

Unfortunately, just as with the issue of the HMO bill we have been debating, on the issue of patients versus the bottom line of the HMOs, the HMOs won in the Patients' Bill of Rights, and they have won again by killing competitive bidding. I say they have won. I think it is a Pyrrhic victory.

I think the Senator from North Dakota might recall an event that, as Yogi Berra said, it is *deja vu* all over again. I think it was just about 3 years ago, in a similar stealth maneuver, that we discovered there was embedded in a large bill a provision that would have given the tobacco industry a \$50 billion tax break. Once that issue sur-

faced, it could not stand the light of day. It slowly withered, died, and has not been resurrected.

I suggest the light of day will be shed on what the HMO industry has done by inserting this amendment on page 252 of a technical amendment, the fact they are using this as a means of avoiding the rigors of the marketplace, they are using this to avoid a rationalization of the compensation that HMOs receive from their patients so that we don't continue this pattern of 32,700 people being dropped. I can tell my colleagues, most of these people are people who come from rural areas. They come from small towns where they don't have high fee-for-service medicine. The HMOs want to skim off those areas that have high fee-for-service, where they can get a formula that results in a very rushed reimbursement level. They don't want to provide services, and they don't even want to have a competitive bidding process that can arrive at what the marketplace says they should be paying for those HMO beneficiaries in smaller communities of America.

What we are seeing, again, is the bottom line winning out over the rights, the interests, and the health of patients. We are watching as Medicare patients are dumped on the street. Is that the HMO industry's idea of reform? It is my idea of a travesty, and it is one that we need to bring to the attention of America. And we, as the Senate, need to expunge this dark page, page 252, and its companion, page 253, from our records. I hope we will, at the first opportunity, do so.

I thank the Chair.

#### EXHIBIT 1

[From the Washington Post, July 16, 1999]

#### HMOs WILL DROP 327,000 MEDICARE BENEFICIARIES NEXT YEAR

(By David S. Hilzenrath)

About 327,000 of the 6.2 million Medicare beneficiaries nationwide who belong to HMOs will be abandoned by their health plans next year, the government said yesterday.

Of those, 79,000 will be unable to enroll in another health maintenance organization as 41 health plans withdraw from the federal health insurance program for the elderly and disabled and another 58 stop serving Medicare beneficiaries in particular areas, according to the agency that runs Medicare.

Medicare beneficiaries who lose their HMO coverage have two or three alternatives: They can choose another HMO, if one is available; they can revert to standard fee-for-service Medicare coverage; and they can buy "Medigap" policies to supplement the standard benefits.

But there is no guarantee that they can find a Medigap policy with prescription drug coverage, which is one of the main reasons some Medicare beneficiaries choose HMOs.

In Maryland and Virginia, 33,000 beneficiaries—26.9 percent of those with HMO coverage—will lose their current coverage, and 27,000 will be unable to replace it with another HMO.

An HMO industry group recently predicted that more than 250,000 beneficiaries would be

affected by the changes, but the Department of Health and Human Services released the final tally based on notices HMOs were required to submit by July 1.

This year, a larger number of beneficiaries—407,000—were abandoned by their HMOs, but a smaller number—51,000—were left without an HMO option.

The managed-care industry says HMOs are pulling out of Medicare because the government isn't paying them enough, but the government says the HMOs' actions reflect broader industry trends.

#### THE NON-SOCIAL SECURITY SURPLUS

Mr. DOMENICI. Mr. President, I will take a little time to speak about the surplus that we have over and above Social Security, which we call the non-Social Security surplus. That is the amount by which the taxpayers of this country have paid more into the U.S. Treasury than we need to run Government.

I choose now to speak to a proposal that I made with the introduction of a tax bill yesterday. I introduced it and had it printed and reported to the appropriate committee because I thought that even though I am not on the Finance Committee, that some of my ideas and thoughts might be relevant. I wanted the Senate to have the benefit of what I thought should be a good way to fix the Tax Code while we are reducing taxes.

Let me address this matter in a text that I have prepared and worked very hard on, including the bill that was introduced. I thank my staff for the diligent work and the Joint Committee on Taxation for their willingness to help us with evaluations of how much these various proposals will cost.

T.S. Eliot wrote, "April is the Cruellest Month." Millions of Americans agree, especially around April 15. The Congress is going to pass a tax bill to make April a little kinder. I say it is time to share the surplus. Since without tax relief it takes the average worker until May 11 to earn enough money to pay his or her taxes, our tax bill also lets people start working for their families' benefit earlier in the year.

American families are currently saddled with an unprecedented tax burden. Total Federal tax collections are at a post-World War II high of 20.7 percent of the gross domestic product. Individual income tax collections alone are 10 percent of the gross domestic product and are projected to stay there. We have never experienced a government based on that level of income taxation, speaking of the income tax component of our total American government tax table.

The 1990s are truly a decade when government taxed the total population of America at a very excessive rate. The President will have a choice to spend on government programs or resist the urge to splurge and instead return the overpayment to its rightful



owners in the form of a tax cut or tax relief. It is estimated the average American household will pay nearly \$7,000 more in taxes than the government needs to operate the non-Social Security portion of the government over the next decade. The tax-writing committees of Congress are working right now to fashion a 10-year tax cut, phasing it in, that will total around \$778 billion over the next 10 years. In the Senate it seems that they are working on that exact number because that is what the budget resolution we adopted said they should do. The House seems to be moving in a direction of a little larger tax cut over the decade, but we are talking now about \$770 billion to \$800 billion plus.

The ideas that are encapsulated in the bill I introduced take into account that the economy is booming. Personal income tax, as measured against adjusted gross income, is up 8.25 percent from 1997 over 1996. That is a current year IRS statistic. That is, personal income, as measured as adjusted gross income, is up 8.25 percent. Income tax revenues are up 10.2 percent. This is good news and bad news, and these statistics encapsulate both.

The good news is our salaries, capital gains, and interest income are growing. The bad news is that bracket creep is pushing more and more Americans into higher tax brackets, even though we do not have as many brackets as we had years ago when bracket creep was a major American problem because of high inflation.

It is still pushing them into higher brackets, and at the same time, the code is working to make more and more American taxpayers pay what is commonly called now AMT taxes; that is, alternative minimum taxes, which really were never intended to cover the vast number of Americans that are currently being pushed into the alternative minimum tax portions of our code because they are being pushed into higher brackets.

I share with the Senate the key components of the bill I introduced, and I want to recognize that this bill builds upon legislation introduced by Senators COVERDELL, TORRICELLI, and MACK.

The philosophy behind the various provisions is something important, as I view it. I have been a long-time advocate of fundamental tax reform. I believe it would be better for our economy and simpler and fairer if we could shift our tax base from income that is earned and instead tax income that is consumed. There are very few who disagree that that would be a very good approach to a philosophy of taxation in our country. I have often said our current code is hostile to savings and investing and that we, as a Nation, pay the price in the form of lower economic growth.

The philosophical underpinnings of this package corrects some deficiencies. Let me go through it.

First section. Broad-based tax relief for all taxpaying families. Purpose: To cut taxes for 120 million American taxpayers by lowering and widening the 15-percent Federal income tax bracket.

Second, marriage penalty mitigation and burden reduction. The purpose is to return 7 million taxpaying families to the 15-percent bracket and to cut taxes for another 35 million taxpaying families who will benefit from a tax cut of up to \$1,300 per family. It eliminates or mitigates the marriage penalty for many middle-class taxpaying families. That happens by merely adjusting the brackets downward and upward in the 15-percent area. I repeat, you do not change the marriage penalty for middle-class taxpaying families, but by making the 15-percent bracket broader, adding \$10,000 to the adjusted gross income people can earn and still be in that bracket, and lowering the bottom bracket 1.5 percent, much of the marriage penalty is mitigated for people in those brackets.

Third, dividend and interest tax relief. Adjusting the tax base to recognize that dividends and interest should not be taxed. Now, obviously, there is not room in a tax package to totally eliminate dividends and interest. But the purpose of our bill is to provide an incremental step toward taxing income that is consumed rather than income that is earned and saved. It simplifies the code by eliminating 67 million hours of spent time in tax preparation. It eliminates Federal income taxes on savings for more than 30 million Americans in the middle-class families and reduces Federal income taxes on savings for an additional 37 million Americans. It essentially allows about a \$10,000 nest egg to grow, tax free, and will let Americans enjoy the miracle of compound interest.

Specifically, it excludes the first \$500 in interest and dividend taxation. That permits you to grow this nest egg and not have to pay taxes on the interest and dividends for the first \$500 in that kind of income. It sounds small, but it affects a huge number of Americans and starts us in the direction of saying we ought to save, and we ought to start taxing not earned income, but consumed income.

The next provision is a capital gains cut by recognizing that investment and investing should be encouraged, not penalized. A Tax Code for the new century should exclude modest capital gains from taxation. The purpose of the provision is to provide an incremental step toward shifting our Internal Revenue Code away from taxing savings and investment. A savings-friendly Tax Code would lower the cost of capital so that prosperity, better paying jobs, and innovation can continue in the United States.

The bill would eliminate capital gains for 10 million American families, 75 percent of whose income is \$75,000 or less. This provision is also a 70 million man-hour timesaver. I can think of many activities to spend 70 million hours on rather than filling out tax forms. The specific of this provision is that it exempts the first \$5,000 in long-term capital gains from taxation. It eliminates it totally from taxation.

Another important section deals with retirement savings incentives. The purpose of this is to say that the savings rate for all Americans will increase by reforming the system to favorably treat income that is invested for retirement. It provides targeted incentives to middle-class families to increase their retirement savings in a traditional IRA by \$1,000 per working member of the family per year. Specifically, it raises the contribution limit for traditional deductible IRAs from \$2,000 to \$3,000 and indexes the limit for inflation, when we can fit that into the dollars in the code.

The bill includes a death tax phase-out. It recognizes that death should not be a taxable event in the 21st century. We do not have sufficient resources to do away with it in toto. Some will be proposing it. I think they will find that it is rather expensive, even with \$782 billion to spend. So the purpose of ours is to begin phasing it out. Specifically, it reduces tax from the top rate of 55 percent to 40 percent.

Then we have innovation and competitiveness. We all know those are characteristics that, at this point in our economic history, are rampant in our American economy. Innovation and competitiveness are the things that turned the American economy around and made Japan ask: What is America doing right? It made France and Germany ask: What are they doing right? Fifteen years ago, everybody was asking the reverse. Some were wondering if we should do things like they did things. I am grateful we did not, for most of the difference was planning by Government. They continued to do it and we came out of it with innovation and competitiveness.

Now we ought to make sure we do what we can with this available surplus to make the research and investment credit turn out to be a permanent part of the Tax Code. This change recognizes that the single biggest factor in creating better jobs through productivity growth is innovation. Productivity growth is derived from research and development conducted in the private sector. Between 60 to 80 percent of the productivity growth since the Great Depression can be traced to innovation.

Specifics of the proposal. The provisions here are the same as those contained in Senate bill 951, which I introduced. It makes this tax credit permanent, but also expands it to cover businesses that were not heretofore covered, including many small businesses that are filled with innovation but can't avail themselves of the research and development tax credit.

Last, but not least, the bill includes a section on energy independence. All I will say is that America is, once again, looking at itself in the world and finding that we grow more and more dependent on oil from abroad. In fact, it has gotten so high that there is no question that America is now dependent for its very survival upon importing oil from foreign countries. We have probably reached the point where we cannot avoid that. We will always be dependent. But the question is, Should we let an American oil and gas industry—principally made up of independent producers and risk takers—wither and die on the vine? Or should we change the Tax Code so more capital will be made available by the way we change the Tax Code for that kind of industry, the oil patch of America, for those who supply the services, take the risks, and those who pump the oil and gas.

We have made some changes and many Senators are interested in some of these issues, such as oil and gas capitalization, through changing the Tax Code. I won't read them one by one. To be specific, with reference to my own State, this overall proposal cuts taxes for 574,000 New Mexican families who have to file an income tax return.

First, the bill cuts taxes by 10 percent by lowering the 15-percent bracket to 13.5 with a 5-year phase-in. This lowers taxes for families with adjusted gross incomes up to \$44,000 for joint filers and \$28,000 for single filers. The tax change puts 424,000 New Mexicans who weren't up to that amount in a new lower bracket and cuts their taxes by 10 percent. This bill also raises the threshold on the 15-percent bracket—something that was included in the proposals made by the distinguished Senator from Georgia and Senator TORRICELLI from New Jersey. It raises that threshold by \$10,000 so that middle-income Americans can earn up to \$55,000 in a joint return and only pay 15 percent, instead of being dumped into the higher bracket once they are at \$44,000. This is going to cut taxes for families with adjusted gross incomes between \$44,000 and \$55,000. You know the rest.

According to our own revenue and taxation department in my home State, approximately 151,000 New Mexicans would be returned to the 15 percent tax bracket from which they have been pushed out; 83,000 of the families would see their taxes cut by \$1,300 a year. Because of the progressive rate

change structure, New Mexicans in the 28, 31, 36 and 39.9 brackets would all see their taxes cut by a similar amount because of the marginal rate concept in our law.

This bill excludes \$500 in interest and dividends from taxation. The exclusion essentially makes a \$10,000 nest egg tax free; 504,000 New Mexicans will be helped by it and file more simple tax returns. The bill exempts \$5,000 in capital gains from taxation, amounting to a \$1.4 million tax cut for 118,000 New Mexicans.

I close with a quote from Milton Friedman.

Milton Friedman said, and I agree:

The estate tax sends a bad message to savers, to wit: that it is O.K. to spend your money on wine, women and song, but don't try to save it for your kids. The moral absurdity of the tax is surpassed only by its economic irrationality.

The death tax is also one of the most unpopular taxes. While most Americans will never pay it, 70 percent believe it is one of the most unfair taxes. Its damage to the economy is worse than its unpopular reputation. The Tax Foundation found that today's estate tax rates (ranging from 18 to 55 percent) have the same disincentive effect on entrepreneurs as doubling the current income tax rates and NFIB called it the "greatest burden on our nation's most successful small businesses."

The would make R&E credit permanent and phase-in some modifications during last five years. This is essentially the text of a bill I introduced earlier this year.

The bill increases expensing to \$250,000. This will simplify record keeping for 2.5 million small businesses and save them a whopping 107,000,000 hours in tax preparation.

It also phases out the AMT for both individuals and corporations.

The tax plan also recognizes that there are certain areas of the country—oil patch in particular that are being devastated. At the same time, the oil and gas industry pays some of the highest taxes in the country. For this reason the bill also includes oil and gas tax relief.

While the Joint Committee on Taxation has not completed its revenue estimate, it is my intention that these tax provisions can be accommodated within the Budget Resolution.

#### THE ILLEGAL PURCHASE OF FIREARMS

Mr. LEVIN. Mr. President, we've all heard the saying, "if at first you don't succeed, try, try, again." It's a lesson we've been taught since childhood. It's a lesson used to teach children to be persistent and work hard if they want to achieve their goals. It is also a lesson that applies to the purchase of firearms, and it is one that Benjamin Smith knew all too well.

Over the Fourth of July weekend, the majority of Americans were celebrating the birth of our nation. But the long holiday weekend produced yet another tragedy, made possible by the free flow of deadly firearms. A single man, Benjamin Smith, with a hatred for life, allegedly used a .22 caliber handgun and a .380 caliber semi-automatic handgun to murder two people and wound nine before ending his own life.

The alleged gunman had a history of violence, a protection order filed against him, and belonged to an organization that espouses hatred toward minorities, yet, he was still able to purchase deadly firearms, all because he was persistent. Approximately one week before his killing spree, he had applied to purchase firearms from a licensed firearms dealer in Illinois. He obtained an owner identification card, filled out an application, and expected to retrieve his weapons shortly thereafter. A few days later, however, he returned to buy the weapons and was rejected by the licensed dealer after failing to pass the Illinois state background check. Unfortunately, Benjamin Smith knew his lesson, "if at first you don't succeed, try, try again."

Benjamin Smith knew of other means to obtain firearms. He knew that although he was not permitted to purchase a gun from a licensed dealer, he would have few problems buying a gun on the street, from an unlicensed dealer. He knew that federal law requires that background checks be conducted by licensed dealers, but he also knew of a large secondary market in the United States that permits the free flow of weapons in to the hands of those who can not pass background checks. And, because he knew how easy it is to obtain a gun in the United States, Benjamin Smith was able to try, again, to purchase firearms for his killing spree.

Smith's second attempt to purchase guns was successful and as a result, this dangerous young man was equipped with the two handguns believed to be used in the several Independence Day shootings. Because of this secondary market that allows easy accessibility of firearms, the nation is again mourning the loss of innocent lives lost to gunfire. And although the American public expresses continual outrage that federal firearms laws are not strong enough to prevent persons like Benjamin Smith from purchasing guns, Congress has not yet responded. We need to try, try again to pass meaningful legislation that will put an end to this senseless slaughter.

#### THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, July 15, 1999, the Federal debt stood at \$5,625,473,322,843.46 (Five trillion, six

hundred twenty-five billion, four hundred seventy-three million, three hundred twenty-two thousand, eight hundred forty-three dollars and forty-six cents).

One year ago, July 15, 1998, the Federal debt stood at \$5,529,723,000,000 (Five trillion, five hundred twenty-nine billion, seven hundred twenty-three million).

Five years ago, July 15, 1994, the Federal debt stood at \$4,624,152,000,000 (Four trillion, six hundred twenty-four billion, one hundred fifty-two million).

Twenty-five years ago, July 15, 1974, the Federal debt stood at \$473,130,000,000 (Four hundred seventy-three billion, one hundred thirty million) which reflects a debt increase of more than \$5 trillion—\$5,152,343,322,843.46 (Five trillion, one hundred fifty-two billion, three hundred forty-three million, three hundred twenty-two thousand, eight hundred forty-three dollars and forty-six cents) during the past 25 years.

#### VETERANS' SMALL BUSINESS DEVELOPMENT LEGISLATION

Mr. ABRAHAM. Mr. President, I rise today in support of the "Veterans' Entrepreneurship and Small Business Development Act."

By establishing the National Veterans Business Development Corporation, this bill will provide significant assistance to entrepreneurial veterans. Additionally, this legislation works to aid veterans through networking, supervision, microloans and loans, disaster assistance, and data collection programs. This bill provides assistance to many veterans who have the skills, talent and motivation to successfully own and operate small businesses but may not have the right connections or the ability to hire consultants. This bill is a means by which the federal government can help veterans help themselves.

Veterans have fought and sacrificed to protect the United States and the freedoms Americans cherish. Veterans' programs such as this provide us, in a small way, the capability to repay those veterans for their extraordinary contributions to our nation. These veterans have already given so much to our country and many of them want to contribute even more by starting small businesses. I believe we owe it to them to do everything we can to help them in these endeavors.

Accordingly, I am proud to join The American Legion, the Disabled Veterans Association, the Reserve Officers Association, the Veterans of Foreign Wars, and the many other military and veteran service organizations in support of this bill.

#### ADOPTION AWARENESS ACT OF 1999

Mr. MCCAIN. Mr. President, yesterday, I introduced the Adoption Aware-

ness Act of 1999. The objective of this legislation is to provide proactive support for adoption as an option for women with unplanned pregnancies, and for couples who are unable to conceive a child due to problems with infertility. The bill would require certain federally-funded health centers to provide adoption counseling by trained adoption counselors.

The Adoption Awareness Act makes grants available to national adoption organizations to provide staff training in adoption counseling to eligible health centers. These health centers include Title X funded clinics, community health centers, migrant health centers, centers for the homeless, school-based clinics, and crisis pregnancy centers. The objective is to ensure that woman and their families are provided professional, compassionate, and understanding counseling about adoption.

This legislation also provides that faith-based charities may receive grants to provide adoption counseling training services on the same basis as any other nongovernmental provider without impairing the religious character of such institutions and without diminishing the religious freedom of those receiving services.

Finally, this legislation authorizes the appropriation of \$7,000,000 for fiscal year 2000 for purposes of providing adoption counseling training.

There are no unwanted babies in this country. Across America there are countless couples who cannot conceive a baby, and struggle, often hopelessly, to adopt a child. All the while, tragically, 1.5 million children are aborted every year. There are parents who desperately want the opportunity to provide these children with a loving home, and the gift of life itself.

The purpose of this legislation is not to incite a debate about abortion. The purpose of this legislation is to stress the value, indeed the sanctity of life, and the importance of adoption as an alternative to abortion. The purpose of this legislation is to ensure that a woman struggling with the tragic choice of abortion is provided professional and compassionate counseling on adoption. A mother deserves to know that there are millions of couples out there who are willing, indeed desperate, to provide her child with a loving home. A mother deserves to know that ending her child's life is not the only choice she has.

I speak from personal experience. I am an adoptive father. I am a staunch supporter of the choice of adoption. Every mother pondering the agony which is abortion deserves the hope this legislation offers. Every unborn child deserves the opportunity for life that this legislation offers.

I believe in the sanctity of human life. I have always fought for the rights of the unborn child, and the preserva-

tion of the intrinsic value of all human life. At approximately 1.5 million abortions every year, that is some 35 million children killed since the *Roe v. Wade* decision. Mr. President, regardless of your beliefs, pro-abortion, or pro-life, that is a staggering and tragic statistic. This legislation offers a chance at reducing that number. It is not the answer, but it does provide hope to couples struggling desperately to adopt children. As important, it provides hope to that mother or couple who is standing on the tragic precipice of abortion, ensuring that they know there is another choice.

Every child embodies the hope for our future. It is our children, in their purity and their innocence, that hope is born again in an increasingly cynical world. Abortion is the great tragedy of our time. America is not a country of kings. America is not defined by any single geographic characteristic, by any single race or creed. America is an idea, a collection of high ideals, eloquently articulated, inscribed in our Constitution, and embodied on our institutions.

Abraham Lincoln, in pondering the profound wisdom and our founding fathers, wrote of them: "This was their majestic interpretation of the economy of the universe. This was their lofty, and wise, and noble understanding of the justice of the Creator to his creatures . . . In their enlightened belief, nothing stamped with the divine image and likeness was sent into the world to be trodden on . . . They grasped not only the whole race of man then living, but they reached forward and seized upon the farthest posterity. They erected a beacon to guide their children, and their children, and the countless myriads who would inhabit the Earth in other ages."

Mr. President, confronting the tragic figures on abortion I have previously cited, I cannot help but question whether we can continue on this course and maintain hope that the intrinsic value of every human life, that principle out of which all the rights of man flow, can survive. The Adoption Awareness Act represents one step in the effort toward restoring the sanctity of life as the foundation of our system of human rights.

#### A COMPREHENSIVE NUCLEAR TEST BAN

Mr. DORGAN. Mr. President, today is an anniversary that almost no one will recognize. It was 54 years ago today that the first nuclear explosion occurred at the Trinity Test Site in New Mexico. Mr. President, 54 years ago today we saw the first nuclear explosion on the face of the Earth. At that time, of course, we developed nuclear weapons because we were locked in a life and death struggle with the Axis powers. We developed nuclear weapons

to end the most destructive war the world had ever seen, the Second World War. We then got involved in a cold war with the Soviets and we saw the buildup of thousands and thousands of tactical and strategic nuclear weapons, warheads, and delivery vehicles.

I want to tell you what President Dwight D. Eisenhower said towards the end of his term about the spread of nuclear weapons. He said not achieving a test ban—that is, a ban on the testing of nuclear weapons—“would have to be classified as the greatest disappointment of any administration of any decade of any time and of any party.” That belief, expressed by President Eisenhower, was echoed by President John F. Kennedy, who stated that a comprehensive nuclear test ban would “increase our security; it would decrease the prospects of war.” He said, “Surely this goal is sufficiently important to require our steady pursuit.”

That was the late 1950s and the early 1960s. We still do not have a Comprehensive Nuclear Test Ban Treaty in force, but we are close. Almost 3 years ago, this country, the United States, along with over 100 nations, signed a Comprehensive Nuclear Test Ban Treaty. The President sent that treaty to the Senate 662 days ago. What has happened? What has been done with that treaty? Nothing. Not a hearing. Not a minute, not an hour, not a day of hearings, not one hearing on the Comprehensive Nuclear Test Ban Treaty.

The only way another country in this world who wants to develop nuclear weapons can have some guarantee that they have nuclear weapons that work is if they can test them. That is true of China; it is true of any other country. A test ban treaty in which this country provides leadership, signs and ratifies it, is a significant step towards removing the dangers of the proliferation of nuclear weapons around the world. We ought to do this. We ought to be able to do it soon.

I used a chart on the floor of the Senate recently in which I showed the number of days it took to ratify treaties. No treaty that I am aware of languished here for over 600 days except this treaty.

We have a responsibility to lead in this country with respect to this treaty, and we are not leading. This treaty is before the Senate. The committee has a responsibility to hold a hearing and give the Senate the opportunity to debate the Comprehensive Nuclear Test Ban Treaty. There is precious little discussion about it. No one seems to know it is here. It has been here almost 2 years.

Next week, several of my colleagues and I are going to hold a press conference to announce the results of a recent bipartisan poll that will demonstrate, once again, overwhelming support for this treaty. This chart shows the support all across this coun-

try from last year's poll. Overwhelmingly, the American people support a Comprehensive Nuclear Test Ban Treaty.

It has been negotiated, it has been signed, but it has not been ratified. Why? Because it was sent to the Senate over 600 days ago and there has been no debate about it, no discussion of it to speak of, and there has not been 1 minute of hearings held on this treaty. This Senate ought to have the opportunity to debate and to vote on the Comprehensive Nuclear Test Ban Treaty.

I reach back to President Eisenhower to make the case only because I want to demonstrate how long the desire for a Comprehensive Nuclear Test Ban Treaty has been around—decade after decade.

Most recently, when India and Pakistan detonated nuclear weapons, virtually under each other's chins—and these are countries that do not like each other much—it should have sent a signal to all of us that we need to be concerned about the proliferation of nuclear weapons. How do we manifest concern? By expressing leadership. How do we express leadership? By bringing a Comprehensive Nuclear Test Ban Treaty that has been negotiated and signed before this body for ratification.

I yield the floor.

#### TOP AMERICAN HOSPITALS IN COLORADO

Mr. ALLARD. Mr. President, over the course of the last week the Senate has examined at great length many of health care's problems in America. On the floor we have discussed various legitimate problems and anecdotal horror stories to such an extent that I fear we may have obscured what is positive about health care in the United States.

Each year US News and World Report magazine recognizes American hospitals that practice health care that all Americans can be proud. These hospitals perform at the very highest levels, demonstrating excellence in general care and specific areas of medical specialty. This year the magazine analyzed each of our nation's 6,299 hospitals, and I am proud to rise today to recognize a number of hospitals from my home state of Colorado that have been recognized by US News and World Report for their outstanding work.

In Colorado we have long understood the value these fine institutions bring to their communities, our state, and the Rocky Mountain region.

I would like to recognize Children's Hospital in Denver, ranked 12th nationally in the specialty of Pediatrics, and 2nd in the Western Region.

I would like to recognize Craig Hospital in Denver, ranked 5th nationally in the specialty of Rehabilitation, and 2nd in the Western Region.

I would like to recognize University Hospital in Denver, ranked 37th nation-

ally in the specialty of Ear Nose and Throat, 4th in the Western Region; ranked 23rd nationally in the specialty of Rheumatology, 4th in the Western Region; and ranked 15th nationally in the specialty of Rehabilitation, and 4th in the Western Region.

Finally, I would like to salute National Jewish in Denver, for their overall number one ranking as the finest American hospital for Respiratory Disorders.

I know I speak for all Coloradoans when I say that I am thankful to have these fine institutions in our state.

I congratulate Children's Hospital, University Hospital, Craig Hospital and National Jewish for this recognition of their exemplary work.

#### A MILITARILY STRONG ISRAEL

Mr. BOND. Mr. President, I have been very encouraged in recent days by the peace offensive initiated by the new government of Ehud Barak in Israel. The people of Israel long for peace. The new Prime Minister, in his first few days in office, has been energetically trying to lay the groundwork for a secure, lasting peace in the Middle East. I applaud his efforts and trust that Prime Minister Barak's actions will be fully discussed and carried forward in his upcoming talks in Washington during the next week.

While I applaud these steps toward peace, I also believe it is imperative that, at the same time, Israel remain militarily strong. The only way a durable peace will be successfully negotiated and maintained in this dangerous but vital region of the world is if Israel deals from a strong hand. Even if Israel is successful in reaching an accommodation with its closest neighbors, it will continue to face very serious strategic threats from Iran, Iraq, and Libya for the foreseeable future.

To counter these terrorist states which possess weapons of mass destruction and lie within easy striking distance of Israel's homeland, it is critical that Israel have an effective strategic strike capability that will provide effective deterrence. To do this and to move simultaneously forward in implementing the Wye River Agreement and pursuing peace initiatives with its neighbors, Israel will need more military assistance funding for aircraft purchases from the United States.

In this regard, I recently came across a thoughtful Lexington Institute Issue Brief, authored by well-known defense strategist Loren Thompson, “Bolstering Israel's Strategic Air Power Serves America's Interests.” In this essay, Dr. Thompson argues that helping Israel to increase its military strength at this time not only will help Israel and further Middle East peace but also help protect America's interests in the region, especially since the U.S. may have less access to bases in

the region and more threats to American security interests in the future.

Dr. Thompson states, among other things, that:

It (Israel) needs enough money to buy and equip 15 more F-15's for a total force of 40. . . . Making such a purchase would nearly double the Israeli Air Force's capacity for long-range strikes. . . . The US economic and political interest in the Middle East-Persian Gulf region will continue to grow in the years ahead (and) Israel is the only stable, reliable US ally willing to take the necessary risks. Congress and the Clinton Administration need to equip it (Israel) so that it is ready when the time comes.

Mr. President, to share Dr. Thompson's thoughts with my colleagues, I ask unanimous consent that this essay be printed in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

**BOLSTERING ISRAEL'S STRATEGIC AIR POWER  
SERVES AMERICA'S INTERESTS**  
(By Loren B. Thompson, Ph.D.)

Israel's government is currently considering a major purchase of military aircraft from the United States. The pending sale has attracted media attention in the U.S. because it pits two highly-regarded tactical aircraft—the Boeing F-15 and Lockheed Martin F-16—against each other in a competition that may be the last opportunity to keep the F-15 in production.

The F-15 is more capable than the F-16 in some roles, but it is also more expensive. That is one reason why the F-16 has won most of the recent international arms-sale competitions in which both aircraft were offered. With global tensions greatly reduced from the Cold War period, many nations would prefer the operational flexibility of acquiring a larger number of planes for the same price.

Israel will probably be no exception. It is a foregone conclusion that the Israeli Air Force (IAF) will select one of the two planes because the U.S. government subsidizes Israeli arms purchases and the F-15 and F-16 are the only U.S. aircraft being offered in the current competition. But the IAF has over a hundred aging F-4 fighters and A-4 attack planes reaching the end of their useful life, and the multi role F-16 is a much more affordable replacement than the F-15, both in terms of up-front acquisition costs and later support costs. So the F-15 is likely to lose the competition.

**THE STRATEGIC CONTEXT**

The U.S. government should not try to dictate to Israel how it organizes or equips its military. On the other hand, Washington should be sensitive to the fact that Israel is one of America's few democratic allies in the Middle East, and its armed forces in the future may be called on to serve as substitutes for U.S. military power. This has happened in the past, most notably when the IAF destroyed Iraq's Osirak reactor in 1981—a facility the Iraqis planned to use for making weapons-grade nuclear material.

The Osirak mission was carried out by Israeli F-16 strike aircraft escorted by F-15 fighters. Its success was good news for every nation in the region, although few Arab states could publicly say so. Saddam Hussein's subsequent behavior demonstrated it was also good news for America, which avoided having to deal with a nuclear-capable dictatorship in a volatile, strategically-important region.

But things have changed in the Middle East since 1981. A number of countries other than Iraq—some of them more distant from Israel—have begun acquiring access to weapons of mass destruction. Iran is developing nuclear, chemical and biological weapons, along with the ballistic missiles to deliver such weapons over long distances (it tested the new Shahab medium-range ballistic missile in July 1998). Libya has made similar efforts. And Sudan has become a center of global terrorism, one suspected of sponsoring the manufacture of chem-bio weapons.

These trends, which are likely to grow worse, already pose a serious threat to both Israeli and Western interests in the region. But whereas policymakers in Washington have the luxury of seeing such developments in tactical terms, for Israel they are strategic: the very survival of the Jewish state is at stake. And although it is now fashionable to think of America as the world's policeman, it is clear that Israel will often have more incentive and latitude than the U.S. to respond expeditiously to such threats in the future.

**ISRAEL'S STRATEGIC DILEMMA**

Which is why the pending arms sale has a special significance: if the government of Prime Minister Ehud Barak decides its top air-power priority is to refresh its force structure with the improved version of the F-16 (the F-16I), Washington shouldn't dispute that decision. But the issue of Israel's strategic strike capability against emerging threats in distant states like Iran should not be neglected. One of the ways in which the F-15I is superior to the F-16I is in its ability to carry bigger bomb loads to greater distances. It would be easier to sustain a long-range bombing campaign against strategic targets near the Iranian capital of Teheran using F-15I's than F-16I's for the simple reason that the F-15I's have about a third more range.

A single F-16I has a maximum weapons carriage of four 2,000-pound bombs, which it can carry to a maximum unrefueled combat radius of over 700 nautical miles. An F-15I can carry the same bombload to a radius of about 1,100 nautical miles, or it can carry up to seven 2,000-pound bombs of lesser range. The performance of the F-15 results from the fact that each of its twin engines generate as much thrust (29,000 pounds) as the single engine on an F-16. Unfortunately the twin engines are also the biggest reason why each F-15I would cost the IAF about 30% more, not counting later support costs. In air warfare, the tradeoff between price and performance often is inescapable.

Fortunately for Israel, long-range strategic strike is a specialized mission that does not require a large number of aircraft, and the IAF already has 25 F-15Is suitable for the mission that it bought in 1995. Furthermore, it's not as though the F-16s can't hit remote targets: it was the strike aircraft against the Osirak reactor. But for truly distant targets, the F-16 imposes performance penalties. Conformal fuel tanks might have to be added at the expense of bombload, or aerial refueling might be necessary in hostile airspace. For these very distant targets, the F-15I is the safer choice.

The problem is that Israel doesn't have enough F-15I's today to prosecute a sustained bombing campaign over great distances, and within current budget constraints it can't afford to buy more—unless it decides to buy fewer F-16s, which would be a bad idea given the age of existing IAF assets and the myriad other missions the F-16Is are needed to cover.

**THE BOTTOM LINE**

The bottom line is that Israel needs more military assistance funding for aircraft purchases from the United States. Specifically, it needs enough money to buy and equip 15 more F-15Is for a total force of 40, without cutting its planned purchase of F-16s. Some F-15I proponents have called for a "second squadron" of F-15Is, but the U.S. should not be in the business of dictating the organization of the Israeli Air Force. What it should be doing is helping Israel meet the full range of its legitimate military needs.

Fifteen more F-15s for Israel is not enough to keep the F-15 line open for an extended period of time, but that's precisely the point: this may be the last chance for Israel to acquire an adequate strategic strike capability before the F-15 line closes. Making such a purchase would nearly double the IAF's capacity for long-range strikes while permitting more efficient use of the support infrastructure bought to support the 25 F-15Is already in the force. It would also free up F-16s for other missions, thus enhancing utilization of the entire tactical-aircraft inventory.

But the case for funding a viable IAF strategic force transcends Israeli military needs. The U.S. economic and political interest in the Middle East-Persian Gulf region will continue to grow in the years ahead as America becomes more dependent on foreign oil. Unfortunately, its access to bases and freedom to act militarily in the region will probably diminish, forcing it in some cases to rely on allies to achieve military goals. Israel is the only stable, reliable U.S. ally willing to take the necessary risks. Congress and the Clinton Administration need to equip it so that it is ready when the time comes.

**MESSAGES FROM THE HOUSE**

A message from the House of Representatives was received announcing that the Speaker signed the following enrolled bill on July 1, 1999:

H.R. 775. An act to establish certain procedures for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from year 1999 to the year 2000, and for other purposes.

**MESSAGES FROM THE HOUSE  
RECEIVED DURING ADJOURNMENT**

A message from the House of Representatives was received, during the adjournment of the Senate, announcing that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1691. An act to protect religious liberty.

H.R. 2466. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2000, and for other purposes.

The message further announced that the House agrees to the resolution (H. Res. 249) returning the Senate the bill (S. 254) to reduce violent juvenile crime, promote accountability by and rehabilitation of juvenile criminals, punish and deter violent gang crime, and for other purposes, in the opinion of this House, contravenes the first clause of the seventh section of the

first article of the Constitution of the United States and is an infringement of the privileges of this House and that such bill be respectfully returned to the Senate with a message communicating this resolution.

This message also announced that the Speaker appoints the following Members as additional conferees in the conference on the disagreeing votes of the House on the amendment of the House to the bill (S. 1059) to authorize appropriations for fiscal year 2000 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of the Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes: As additional conferees from the Committee on House Administration, for consideration of section 1303 of the Senate bill and modifications committed to conference: Mr. THOMAS, Mr. BOEHNER, and Mr. HOYER.

#### MEASURE PLACED ON THE CALENDAR

The following bill was read twice and placed on the calendar:

H.R. 2466. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2000, and for other purposes.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Finance, without amendment:

S. 1386. An original bill to amend the Trade Act of 1974 to extend the authorization for trade adjustment assistance.

S. 1387. An original bill to extend certain trade preferences to sub-Saharan African countries.

S. 1388. An original bill to extend the Generalized System of Preferences.

S. 1389. An original bill to provide additional trade benefits to certain beneficiary countries in the Caribbean.

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GREGG (for himself, Mr. KERREY, Mr. BREAUX, Mr. GRASSLEY, Mr. THOMPSON, Mr. ROBB, and Mr. THOMAS):

S. 1383. A bill to amend title II of the Social Security Act to provide for individual savings accounts funded by employee and employer social security payroll deductions, to extend the solvency of the old-age, survivors, and disability insurance program, and for other purposes; to the Committee on Finance.

By Mr. ABRAHAM (for himself, Mr. BOND, and Mr. KOHL):

S. 1384. A bill to amend the Public Health Service Act to provide for a national folic

acid education program to prevent birth defects, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. REED:

S. 1385. A bill to require that jewelry boxes imported from another country be indelibly marked with the country of origin; to the Committee on Finance.

By Mr. ROTH:

S. 1386. An original bill to amend the Trade Act of 1974 to extend the authorization for trade adjustment assistance; from the Committee on Finance; placed on the calendar.

S. 1387. An original bill to extend certain trade preferences to sub-Saharan African countries; from the Committee on Finance; placed on the calendar.

S. 1388. An original bill to extend the Generalized System of Preferences; from the Committee on Finance; placed on the calendar.

S. 1389. An original bill to provide additional trade benefits to certain beneficiary countries in the Caribbean; from the Committee on Finance; placed on the calendar.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ABRAHAM (for himself, Mr. BOND, and Mr. KOHL):

S. 1384. A bill to amend the Public Health Service Act to provide for a national folic acid education program to prevent birth defects, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

THE FOLIC ACID PROMOTION AND BIRTH DEFECTS PREVENTION ACT OF 1999

Mr. ABRAHAM. Mr. President, I rise to introduce the Folic Acid Promotion and Birth Defects Prevention Act of 1999. I would also like to thank my colleagues Senator BOND and Senator KOHL for cosponsoring this important piece of legislation.

Mr. President, each year over 8,000 infants die from birth defects. The loss of these children, who could have grown up to be community leaders, teachers, doctors, or lawyers, weighs heavily upon our society. In addition, each year over 2,500 babies born live with serious birth defects of the brain and spine, called neural tube defects, and over 50 percent of these cases are preventable. In 1991, research proved that if pregnant women take as little as 400 micrograms of B vitamin folic acid each day, 50 to 70 percent of all cases of these serious birth defects of the brain and spine, such as spina bifida, would be prevented. Unfortunately, this information is not widely known by the public. According to a Gallup Poll conducted for the March of Dimes, only 32 percent of women of childbearing age reported taking a multivitamin with folic acid on a daily basis.

We must broaden public awareness about the prevention of these crippling defects. For this reason, I have introduced the Folic Acid Promotion and Birth Defects Prevention Act of 1999. This legislation authorizes \$20 million for the Centers for Disease Control

(CDC), in partnership with state and local public and private entities, to launch an education and public awareness campaign, conduct research to identify effective strategies for increasing folic acid consumption by women of reproducing age, and evaluate the effectiveness of these strategies.

Mr. President, this legislation is an effort to link great advances in research with everyday life. This life-saving information about the consumption of folic acid, which will prolong the health and well-being of women and infants, needs to be broadcast to families and individuals across the country. It is my firm belief that this legislation will be the vehicle to help bring this important message into every home in America.

I would like to take a moment to thank the March of Dimes for their involvement in this issue. Their work will be critical in getting this legislation passed and in helping spread the message of the benefits of folic acid. Mr. President, I yield the floor.

#### ADDITIONAL COSPONSORS

S. 324

At the request of Mr. HATCH, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 324, a bill to amend the Controlled Substances Act with respect to registration requirements for practitioners who dispense narcotic drugs in schedule IV or V for maintenance treatment or detoxification treatment.

S. 556

At the request of Mr. BAUCUS, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 556, a bill to amend title 39, United States Code, to establish guidelines for the relocation, closing, consolidation, or construction of post offices, and for other purposes.

S. 593

At the request of Mr. COVERDELL, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 593, a bill to amend the Internal Revenue Code of 1986 to increase maximum taxable income for the 15 percent rate bracket, to provide a partial exclusion from gross income for dividends and interest received by individuals, to provide a long-term capital gains deduction for individuals, to increase the traditional IRA contribution limit, and for other purposes.

S. 782

At the request of Mrs. FEINSTEIN, the name of the Senator from Hawaii (Mr. INOUE) was added as a cosponsor of S. 782, a bill to amend title 18, United States Code, to modify the exception to the prohibition on the interception of wire, oral, or electronic communications to require a health insurance issuer, health plan, or health care provider obtain an enrollee's or patient's



consent to their interception, and for other purposes.

S. 821

At the request of Mr. LAUTENBERG, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 821, a bill to provide for the collection of data on traffic stops.

S. 1007

At the request of Mr. JEFFORDS, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1007, a bill to assist in the conservation of great apes by supporting and providing financial resources for the conservation programs of countries within the range of great apes and projects of persons with demonstrated expertise in the conservation of great apes.

S. 1150

At the request of Mr. CRAIG, his name was added as a cosponsor of S. 1150, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment.

S. 1155

At the request of Mr. ROBERTS, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1155, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for uniform food safety warning notification requirements, and for other purposes.

S. 1207

At the request of Mr. CRAIG, his name was added as a cosponsor of S. 1207, a bill to amend the Internal Revenue Code of 1986 to ensure that income averaging for farmers not increase a farmer's liability for the alternative minimum tax.

S. 1289

At the request of Mr. CRAIG, his name was added as a cosponsor of S. 1289, a bill to amend the Internal Revenue Code of 1986 to provide that the capital gain treatment under section 631(b) of such Code shall apply to outright sales of timber held for more than 1 year.

S. 1301

At the request of Mr. STEVENS, the names of the Senator from Ohio (Mr. DEWINE), the Senator from Wisconsin (Mr. KOHL), and the Senator from Nevada (Mr. BRYAN) were added as cosponsors of S. 1301, a bill to provide reasonable and non-discriminatory access to buildings owned or used by the Federal government for the provision of competitive telecommunications services by telecommunications carriers.

S. 1303

At the request of Mr. MURKOWSKI, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 1303, a bill to amend the Internal Revenue Code of 1986 to modify certain provisions relating to the treatment of forestry activities.

S. 1351

At the request of Mr. CRAIG, his name was added as a cosponsor of S. 1351, a bill to amend the Internal Revenue Code of 1986 to extend and modify the credit for electricity produced from renewable resources.

## NOTICE OF HEARING

### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that the hearing scheduled before the Energy and Natural Resources Committee to receive testimony regarding S. 1052, To implement further the Act (Public Law 94-241) approving the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, and for other purposes", has been postponed.

The hearing was scheduled to take place on Tuesday, July 27, 1999, at 9:30 A.M., in room SD-366 of the Dirksen Senate Office Building in Washington, D.C., and is now scheduled to take place on Tuesday, August 3, 1999, at 9:30 A.M., in room SD-366 of the Dirksen Senate Office Building in Washington, D.C.

For further information, please call Jim Beirne, Deputy Chief Counsel (202) 224-2564 or Betty Nevitt, Staff Assistant at (202) 224-0765.

## AUTHORITY FOR COMMITTEES TO MEET

### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Friday, July 16, for purposes of conducting a full committee hearing which is scheduled to begin at 9:00 a.m. The purpose of this oversight hearing is to receive testimony on damage to the national security from Chinese espionage at DOE nuclear weapons laboratories.

The PRESIDING OFFICER. Without objection, it is so ordered.

### COMMITTEE ON THE JUDICIARY

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet for a hearing re Review of the Report by the Commission on Structural Alternatives for the Federal Courts of Appeals regarding the Ninth Circuit and S. 253, the Ninth Circuit Reorganization Act, during the session of the Senate on Friday, July 16, 1999, at 9:30 a.m., in SD628.

The PRESIDING OFFICER. Without objection, it is so ordered.

## PATIENTS' BILL OF RIGHTS ACT OF 1999

The text of S. 1344, passed by the Senate on July 15, 1999, follows:

S. 1344

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Patients' Bill of Rights Plus Act".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

### TITLE I—PATIENTS' BILL OF RIGHTS

#### Subtitle A—Right to Advice and Care

Sec. 101. Patient right to medical advice and care.

#### "SUBPART C—PATIENT RIGHT TO MEDICAL ADVICE AND CARE

"Sec. 721. Patient access to emergency medical care.

"Sec. 722. Offering of choice of coverage options.

"Sec. 723. Patient access to obstetric and gynecological care.

"Sec. 724. Patient access to pediatric care.

"Sec. 725. Timely access to specialists.

"Sec. 726. Continuity of care.

"Sec. 727. Protection of patient-provider communications.

"Sec. 728. Patient's right to prescription drugs.

"Sec. 729. Self-payment for behavioral health care services.

"Sec. 730. Coverage for individuals participating in approved cancer clinical trials.

"Sec. 730A. Prohibiting discrimination against providers.

"Sec. 730B. Generally applicable provision."

Sec. 102. Conforming amendment to the Internal Revenue Code of 1986.

#### "SUBCHAPTER C—PATIENT RIGHT TO MEDICAL ADVICE AND CARE

"Sec. 9821. Patient access to emergency medical care.

"Sec. 9822. Offering of choice of coverage options.

"Sec. 9823. Patient access to obstetric and gynecological care.

"Sec. 9824. Patient access to pediatric care.

"Sec. 9825. Timely access to specialists.

"Sec. 9826. Continuity of care.

"Sec. 9827. Protection of patient-provider communications.

"Sec. 9828. Patient's right to prescription drugs.

"Sec. 9829. Self-payment for behavioral health care services.

"Sec. 9830. Coverage for individuals participating in approved cancer clinical trials.

"Sec. 9830A. Prohibiting discrimination against providers.

"Sec. 9830B. Generally applicable provision."

Sec. 103. Effective date and related rules.

#### Subtitle B—Right to Information About Plans and Providers

Sec. 111. Information about plans.

Sec. 112. Information about providers.

#### Subtitle C—Right to Hold Health Plans Accountable

Sec. 121. Amendment to Employee Retirement Income Security Act of 1974.

### TITLE II—WOMEN'S HEALTH AND CANCER RIGHTS

Sec. 201. Women's health and cancer rights.

### TITLE III—GENETIC INFORMATION AND SERVICES

Sec. 301. Short title.



Sec. 302. Amendments to Employee Retirement Income Security Act of 1974.

Sec. 303. Amendments to the Public Health Service Act.

Sec. 304. Amendments to the Internal Revenue Code of 1986.

#### TITLE IV—HEALTHCARE RESEARCH AND QUALITY

Sec. 401. Short title.

Sec. 402. Amendment to the Public Health Service Act.

#### “TITLE IX—AGENCY FOR HEALTHCARE RESEARCH AND QUALITY

##### “PART A—ESTABLISHMENT AND GENERAL DUTIES

“Sec. 901. Mission and duties.

“Sec. 902. General authorities.

##### “PART B—HEALTHCARE IMPROVEMENT RESEARCH

“Sec. 911. Healthcare outcome improvement research.

“Sec. 912. Private-public partnerships to improve organization and delivery.

“Sec. 913. Information on quality and cost of care.

“Sec. 914. Information systems for healthcare improvement.

“Sec. 915. Research supporting primary care and access in underserved areas.

“Sec. 916. Clinical practice and technology innovation.

“Sec. 917. Coordination of Federal government quality improvement efforts.

##### “PART C—GENERAL PROVISIONS

“Sec. 921. Advisory Council for Healthcare Research and Quality.

“Sec. 922. Peer review with respect to grants and contracts.

“Sec. 923. Certain provisions with respect to development, collection, and dissemination of data.

“Sec. 924. Dissemination of information.

“Sec. 925. Additional provisions with respect to grants and contracts.

“Sec. 926. Certain administrative authorities.

“Sec. 927. Funding.

“Sec. 928. Definitions.”.

Sec. 403. References.

#### TITLE V—ENHANCED ACCESS TO HEALTH INSURANCE COVERAGE

Sec. 501. Full deduction of health insurance costs for self-employed individuals.

Sec. 502. Full availability of medical savings accounts.

Sec. 503. Permitting contribution towards medical savings account through Federal employees health benefits program (FEHBP).

Sec. 504. Carryover of unused benefits from cafeteria plans, flexible spending arrangements, and health flexible spending accounts.

#### TITLE VI—PROVISIONS RELATING TO LONG-TERM CARE INSURANCE

Sec. 601. Inclusion of qualified long-term care insurance contracts in cafeteria plans, flexible spending arrangements, and health flexible spending accounts.

Sec. 602. Deduction for premiums for long-term care insurance.

Sec. 603. Study of long-term care needs in the 21st century.

#### TITLE VII—INDIVIDUAL RETIREMENT PLANS

Sec. 701. Modification of income limits on contributions and rollovers to Roth IRAs.

#### TITLE VIII—REVENUE PROVISIONS

Sec. 801. Modification to foreign tax credit carryback and carryover periods.

Sec. 802. Limitation on use of non-accrual experience method of accounting.

Sec. 803. Returns relating to cancellations of indebtedness by organizations lending money.

Sec. 804. Extension of Internal Revenue Service user fees.

Sec. 805. Property subject to a liability treated in same manner as assumption of liability.

Sec. 806. Charitable split-dollar life insurance, annuity, and endowment contracts.

Sec. 807. Transfer of excess defined benefit plan assets for retiree health benefits.

Sec. 808. Limitations on welfare benefit funds of 10 or more employer plans.

Sec. 809. Modification of installment method and repeal of installment method for accrual method taxpayers.

Sec. 810. Inclusion of certain vaccines against streptococcus pneumoniae to list of taxable vaccines.

#### TITLE IX—MISCELLANEOUS PROVISIONS

Sec. 901. Medicare competitive pricing demonstration project.

#### TITLE I—PATIENTS' BILL OF RIGHTS

##### Subtitle A—Right to Advice and Care

##### SEC. 101. PATIENT RIGHT TO MEDICAL ADVICE AND CARE.

(a) IN GENERAL.—Part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181 et seq.) is amended—

(1) by redesignating subpart C as subpart D; and

(2) by inserting after subpart B the following:

##### “Subpart C—Patient Right to Medical Advice and Care

##### “SEC. 721. PATIENT ACCESS TO EMERGENCY MEDICAL CARE.

“(a) COVERAGE OF EMERGENCY CARE.—

“(1) IN GENERAL.—To the extent that the group health plan (other than a fully insured group health plan) provides coverage for benefits consisting of emergency medical care (as defined in subsection (c)) or emergency ambulance services, except for items or services specifically excluded—

“(A) the plan shall provide coverage for benefits, without requiring preauthorization, for emergency medical screening examinations or emergency ambulance services, to the extent that a prudent layperson, who possesses an average knowledge of health and medicine, would determine such examinations or emergency ambulance services to be necessary to determine whether emergency medical care (as so defined) is necessary; and

“(B) the plan shall provide coverage for benefits, without requiring preauthorization, for additional emergency medical care to stabilize an emergency medical condition following an emergency medical screening examination (if determined necessary under subparagraph (A)), pursuant to the definition

of stabilize under section 1867(e)(3) of the Social Security Act (42 U.S.C. 1395dd(e)(3)).

“(2) REIMBURSEMENT FOR CARE TO MAINTAIN MEDICAL STABILITY.—

“(A) IN GENERAL.—In the case of services provided to a participant or beneficiary by a nonparticipating provider in order to maintain the medical stability of the participant or beneficiary, the group health plan involved shall provide for reimbursement with respect to such services if—

“(i) coverage for services of the type furnished is available under the group health plan;

“(ii) the services were provided for care related to an emergency medical condition and in an emergency department in order to maintain the medical stability of the participant or beneficiary; and

“(iii) the nonparticipating provider contacted the plan regarding approval for such services.

“(B) FAILURE TO RESPOND.—If a group health plan fails to respond within 1 hour of being contacted in accordance with subparagraph (A)(iii), then the plan shall be liable for the cost of services provided by the nonparticipating provider in order to maintain the stability of the participant or beneficiary.

“(C) LIMITATION.—The liability of a group health plan to provide reimbursement under subparagraph (A) shall terminate when the plan has contacted the nonparticipating provider to arrange for discharge or transfer.

“(D) LIABILITY OF PARTICIPANT.—A participant or beneficiary shall not be liable for the costs of services to which subparagraph (A) in an amount that exceeds the amount of liability that would be incurred if the services were provided by a participating health care provider with prior authorization by the plan.

“(b) IN-NETWORK UNIFORM COSTS-SHARING AND OUT-OF-NETWORK CARE.—

“(1) IN-NETWORK UNIFORM COST-SHARING.—Nothing in this section shall be construed as preventing a group health plan (other than a fully insured group health plan) from imposing any form of cost-sharing applicable to any participant or beneficiary (including coinsurance, copayments, deductibles, and any other charges) in relation to coverage for benefits described in subsection (a), if such form of cost-sharing is uniformly applied under such plan, with respect to similarly situated participants and beneficiaries, to all benefits consisting of emergency medical care (as defined in subsection (c)) provided to such similarly situated participants and beneficiaries under the plan, and such cost-sharing is disclosed in accordance with section 714.

“(2) OUT-OF-NETWORK CARE.—If a group health plan (other than a fully insured group health plan) provides any benefits with respect to emergency medical care (as defined in subsection (c)), the plan shall cover emergency medical care under the plan in a manner so that, if such care is provided to a participant or beneficiary by a nonparticipating health care provider, the participant or beneficiary is not liable for amounts that exceed any form of cost-sharing (including coinsurance, co-payments, deductibles, and any other charges) that would be incurred if the services were provided by a participating provider.

“(c) DEFINITION OF EMERGENCY MEDICAL CARE.—In this section:

“(1) IN GENERAL.—The term ‘emergency medical care’ means, with respect to a participant or beneficiary under a group health plan (other than a fully insured group health

plan), covered inpatient and outpatient services that—

“(A) are furnished by any provider, including a nonparticipating provider, that is qualified to furnish such services; and

“(B) are needed to evaluate or stabilize (as such term is defined in section 1867(e)(3) of the Social Security Act (42 U.S.C. 1395dd)(e)(3)) an emergency medical condition (as defined in paragraph (2)).

“(2) EMERGENCY MEDICAL CONDITION.—The term ‘emergency medical condition’ means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in—

“(A) placing the health of the participant or beneficiary (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy,

“(B) serious impairment to bodily functions, or

“(C) serious dysfunction of any bodily organ or part.

**“SEC. 722. OFFERING OF CHOICE OF COVERAGE OPTIONS.**

“(a) REQUIREMENT.—

“(1) OFFERING OF POINT-OF-SERVICE COVERAGE OPTION.—Except as provided in paragraph (2), if a group health plan (other than a fully insured group health plan) provides coverage for benefits only through a defined set of participating health care professionals, the plan shall offer the participant the option to purchase point-of-service coverage (as defined in subsection (b)) for all such benefits for which coverage is otherwise so limited. Such option shall be made available to the participant at the time of enrollment under the plan and at such other times as the plan offers the participant a choice of coverage options.

“(2) EXCEPTION IN CASE OF LACK OF AVAILABILITY.—Paragraph (1) shall not apply with respect to a group health plan (other than a fully insured group health plan) if care relating to the point-of-service coverage would not be available and accessible to the participant with reasonable promptness (consistent with section 1301(b)(4) of the Public Health Service Act (42 U.S.C. 300e(b)(4))).

“(b) POINT-OF-SERVICE COVERAGE DEFINED.—In this section, the term ‘point-of-service coverage’ means, with respect to benefits covered under a group health plan (other than a fully insured group health plan), coverage of such benefits when provided by a nonparticipating health care professional.

“(c) SMALL EMPLOYER EXEMPTION.—

“(1) IN GENERAL.—This section shall not apply to any group health plan (other than a fully insured group health plan) of a small employer.

“(2) SMALL EMPLOYER.—For purposes of paragraph (1), the term ‘small employer’ means, in connection with a group health plan (other than a fully insured group health plan) with respect to a calendar year and a plan year, an employer who employed an average of at least 2 but not more than 50 employees on business days during the preceding calendar year and who employs at least 2 employees on the first day of the plan year. For purposes of this paragraph, the provisions of subparagraph (C) of section 712(c)(1) shall apply in determining employer size.

“(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed—

“(1) as requiring coverage for benefits for a particular type of health care professional;

“(2) as requiring an employer to pay any costs as a result of this section or to make equal contributions with respect to different health coverage options;

“(3) as preventing a group health plan (other than a fully insured group health plan) from imposing higher premiums or cost-sharing on a participant for the exercise of a point-of-service coverage option; or

“(4) to require that a group health plan (other than a fully insured group health plan) include coverage of health care professionals that the plan excludes because of fraud, quality of care, or other similar reasons with respect to such professionals.

**“SEC. 723. PATIENT ACCESS TO OBSTETRIC AND GYNECOLOGICAL CARE.**

“(a) GENERAL RIGHTS.—

“(1) WAIVER OF PLAN REFERRAL REQUIREMENT.—If a group health plan described in subsection (b) requires a referral to obtain coverage for specialty care, the plan shall waive the referral requirement in the case of a female participant or beneficiary who seeks coverage for obstetrical care and related follow-up obstetrical care or routine gynecological care (such as preventive gynecological care).

“(2) RELATED ROUTINE CARE.—With respect to a participant or beneficiary described in paragraph (1), a group health plan described in subsection (b) shall treat the ordering of other routine care that is related to routine gynecologic care, by a physician who specializes in obstetrics and gynecology as the authorization of the primary care provider for such other care.

“(b) APPLICATION OF SECTION.—A group health plan described in this subsection is a group health plan (other than a fully insured group health plan), that—

“(1) provides coverage for obstetric care (such as pregnancy-related services) or routine gynecologic care (such as preventive women’s health examinations); and

“(2) requires the designation by a participant or beneficiary of a participating primary care provider who is not a physician who specializes in obstetrics or gynecology.

“(c) RULES OF CONSTRUCTION.—Nothing in this section shall be construed—

“(1) as waiving any coverage requirement relating to medical necessity or appropriateness with respect to the coverage of obstetric or gynecologic care described in subsection (a);

“(2) to preclude the plan from requiring that the physician who specializes in obstetrics or gynecology notify the designated primary care provider or the plan of treatment decisions;

“(3) to preclude a group health plan from allowing health care professionals other than physicians to provide routine obstetric or routine gynecologic care; or

“(4) to preclude a group health plan from permitting a physician who specializes in obstetrics and gynecology from being a primary care provider under the plan.

**“SEC. 724. PATIENT ACCESS TO PEDIATRIC CARE.**

“(a) IN GENERAL.—In the case of a group health plan (other than a fully insured group health plan) that provides coverage for routine pediatric care and that requires the designation by a participant or beneficiary of a participating primary care provider, if the designated primary care provider is not a physician who specializes in pediatrics—

“(1) the plan may not require authorization or referral by the primary care provider in order for a participant or beneficiary to obtain coverage for routine pediatric care; and

“(2) the plan shall treat the ordering of other routine care related to routine pedi-

atric care by such a specialist as having been authorized by the designated primary care provider.

“(b) RULES OF CONSTRUCTION.—Nothing in subsection (a) shall be construed—

“(1) as waiving any coverage requirement relating to medical necessity or appropriateness with respect to the coverage of any pediatric care provided to, or ordered for, a participant or beneficiary;

“(2) to preclude a group health plan from requiring that a specialist described in subsection (a) notify the designated primary care provider or the plan of treatment decisions; or

“(3) to preclude a group health plan from allowing health care professionals other than physicians to provide routine pediatric care.

**“SEC. 725. TIMELY ACCESS TO SPECIALISTS.**

“(a) TIMELY ACCESS.—

“(1) IN GENERAL.—A group health plan (other than a fully insured group health plan) shall ensure that participants and beneficiaries have timely, in accordance with the medical exigencies of the case, access to primary and specialty health care professionals who are appropriate to the condition of the participant or beneficiary, when such care is covered under the plan. Such access may be provided through contractual arrangements with specialized providers outside of the network of the plan.

“(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1) shall be construed—

“(A) to require the coverage under a group health plan of particular benefits or services or to prohibit a plan from including providers only to the extent necessary to meet the needs of the plan’s participants or beneficiaries or from establishing any measure designed to maintain quality and control costs consistent with the responsibilities of the plan; or

“(B) to override any State licensure or scope-of-practice law.

“(b) TREATMENT PLANS.—

“(1) IN GENERAL.—Nothing in this section shall be construed to prohibit a group health plan (other than a fully insured group health plan) from requiring that specialty care be provided pursuant to a treatment plan so long as the treatment plan is—

“(A) developed by the specialist, in consultation with the case manager or primary care provider, and the participant or beneficiary;

“(B) approved by the plan in a timely manner in accordance with the medical exigencies of the case; and

“(C) in accordance with the applicable quality assurance and utilization review standards of the plan.

“(2) NOTIFICATION.—Nothing in paragraph (1) shall be construed as prohibiting a plan from requiring the specialist to provide the case manager or primary care provider with regular updates on the specialty care provided, as well as all other necessary medical information.

“(c) REFERRALS.—Nothing in this section shall be construed to prohibit a plan from requiring an authorization by the case manager or primary care provider of the participant or beneficiary in order to obtain coverage for specialty services so long as such authorization is for an adequate number of referrals.

“(d) SPECIALTY CARE DEFINED.—For purposes of this subsection, the term ‘specialty care’ means, with respect to a condition, care and treatment provided by a health care practitioner, facility, or center (such as a center of excellence) that has adequate expertise (including age-appropriate expertise) through appropriate training and experience.

**"SEC. 726. CONTINUITY OF CARE.**

"(a) IN GENERAL.—

"(1) **TERMINATION OF PROVIDER.**—If a contract between a group health plan (other than a fully insured group health plan) and a health care provider is terminated (as defined in paragraph (2)), or benefits or coverage provided by a health care provider are terminated because of a change in the terms of provider participation in such group health plan, and an individual who is a participant or beneficiary in the plan is undergoing a course of treatment from the provider at the time of such termination, the plan shall—

"(A) notify the individual on a timely basis of such termination;

"(B) provide the individual with an opportunity to notify the plan of a need for transitional care; and

"(C) in the case of termination described in paragraph (2), (3), or (4) of subsection (b), and subject to subsection (c), permit the individual to continue or be covered with respect to the course of treatment with the provider's consent during a transitional period (as provided under subsection (b)).

"(2) **TERMINATED.**—In this section, the term 'terminated' includes, with respect to a contract, the expiration or nonrenewal of the contract by the group health plan, but does not include a termination of the contract by the plan for failure to meet applicable quality standards or for fraud.

"(3) **CONTRACTS.**—For purposes of this section, the term 'contract between a group health plan (other than a fully insured group health plan) and a health care provider' shall include a contract between such a plan and an organized network of providers.

"(b) **TRANSITIONAL PERIOD.**—

"(1) **GENERAL RULE.**—Except as provided in paragraph (3), the transitional period under this subsection shall permit the participant or beneficiary to extend the coverage involved for up to 90 days from the date of the notice described in subsection (a)(1)(A) of the provider's termination.

"(2) **INSTITUTIONAL CARE.**—Subject to paragraph (1), the transitional period under this subsection for institutional or inpatient care from a provider shall extend until the discharge or termination of the period of institutionalization and also shall include institutional care provided within a reasonable time of the date of termination of the provider status if the care was scheduled before the date of the announcement of the termination of the provider status under subsection (a)(1)(A) or if the individual on such date was on an established waiting list or otherwise scheduled to have such care.

"(3) **PREGNANCY.**—Notwithstanding paragraph (1), if—

"(A) a participant or beneficiary has entered the second trimester of pregnancy at the time of a provider's termination of participation; and

"(B) the provider was treating the pregnancy before the date of the termination; the transitional period under this subsection with respect to provider's treatment of the pregnancy shall extend through the provision of post-partum care directly related to the delivery.

"(4) **TERMINAL ILLNESS.**—Notwithstanding paragraph (1), if—

"(A) a participant or beneficiary was determined to be terminally ill (as determined under section 1861(dd)(3)(A) of the Social Security Act) prior to a provider's termination of participation; and

"(B) the provider was treating the terminal illness before the date of termination;

the transitional period under this subsection shall be for care directly related to the treatment of the terminal illness and shall extend for the remainder of the individual's life for such care.

"(c) **PERMISSIBLE TERMS AND CONDITIONS.**—A group health plan (other than a fully insured group health plan) may condition coverage of continued treatment by a provider under subsection (a)(1)(C) upon the provider agreeing to the following terms and conditions:

"(1) The provider agrees to accept reimbursement from the plan and individual involved (with respect to cost-sharing) at the rates applicable prior to the start of the transitional period as payment in full (or at the rates applicable under the replacement plan after the date of the termination of the contract with the group health plan) and not to impose cost-sharing with respect to the individual in an amount that would exceed the cost-sharing that could have been imposed if the contract referred to in subsection (a)(1) had not been terminated.

"(2) The provider agrees to adhere to the quality assurance standards of the plan responsible for payment under paragraph (1) and to provide to such plan necessary medical information related to the care provided.

"(3) The provider agrees otherwise to adhere to such plan's policies and procedures, including procedures regarding referrals and obtaining prior authorization and providing services pursuant to a treatment plan (if any) approved by the plan.

"(d) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to require the coverage of benefits which would not have been covered if the provider involved remained a participating provider.

"(e) **DEFINITION.**—In this section, the term 'health care provider' or 'provider' means—

"(1) any individual who is engaged in the delivery of health care services in a State and who is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State; and

"(2) any entity that is engaged in the delivery of health care services in a State and that, if it is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State, is so licensed.

"(f) **COMPREHENSIVE STUDY OF COST, QUALITY AND COORDINATION OF COVERAGE FOR PATIENTS AT THE END OF LIFE.**—

"(1) **STUDY BY THE MEDICARE PAYMENT ADVISORY COMMISSION.**—The Medicare Payment Advisory Commission shall conduct a study of the costs and patterns of care for persons with serious and complex conditions and the possibilities of improving upon that care to the degree it is triggered by the current category of terminally ill as such term is used for purposes of section 1861(dd) of the Social Security Act (relating to hospice benefits) or of utilizing care in other payment settings in Medicare.

"(2) **AGENCY FOR HEALTH CARE POLICY AND RESEARCH.**—The Agency for Health Care Policy and Research shall conduct studies of the possible thresholds for major conditions causing serious and complex illness, their administrative parameters and feasibility, and their impact upon costs and quality.

"(3) **HEALTH CARE FINANCING ADMINISTRATION.**—The Health Care Financing Administration shall conduct studies of the merits of applying similar thresholds in Medicare+Choice programs, including adapting risk adjustment methods to account for this category.

"(4) **INITIAL REPORT.**—

"(A) **IN GENERAL.**—Not later than 12 months after the date of enactment of this section, the Medicare Payment Advisory Commission and the Agency for Health Care Policy and Research shall each prepare and submit to the Committee on Health, Education, Labor and Pensions of the Senate a report concerning the results of the studies conducted under paragraphs (1) and (2), respectively.

"(B) **COPY TO SECRETARY.**—Concurrent with the submission of the reports under subparagraph (A), the Medicare Payment Advisory Commission and the Agency for Health Care Policy and Research shall transmit a copy of the reports under such subparagraph to the Secretary.

"(5) **FINAL REPORT.**—

"(A) **CONTRACT WITH INSTITUTE OF MEDICINE.**—Not later than 1 year after the submission of the reports under paragraph (4), the Secretary of Health and Human Services shall contract with the Institute of Medicine to conduct a study of the practices and their effects arising from the utilization of the category "serious and complex" illness.

"(B) **REPORT.**—Not later than 1 year after the date of the execution of the contract referred to in subparagraph (A), the Institute of Medicine shall prepare and submit to the Committee on Health, Education, Labor and Pensions of the Senate a report concerning the study conducted pursuant to such contract.

"(6) **FUNDING.**—From funds appropriated to the Department of Health and Human Services, the Secretary of Health and Human Services shall make available such funds as the Secretary determines is necessary to carry out this subsection.

**"SEC. 727. PROTECTION OF PATIENT-PROVIDER COMMUNICATIONS.**

"(a) **IN GENERAL.**—Subject to subsection (b), a group health plan (other than a fully insured group health plan and in relation to a participant or beneficiary) shall not prohibit or otherwise restrict a health care professional from advising such a participant or beneficiary who is a patient of the professional about the health status of the participant or beneficiary or medical care or treatment for the condition or disease of the participant or beneficiary, regardless of whether coverage for such care or treatment are provided under the contract, if the professional is acting within the lawful scope of practice.

"(b) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed as requiring a group health plan (other than a fully insured group health plan) to provide specific benefits under the terms of such plan.

**"SEC. 728. PATIENT'S RIGHT TO PRESCRIPTION DRUGS.**

"To the extent that a group health plan (other than a fully insured group health plan) provides coverage for benefits with respect to prescription drugs, and limits such coverage to drugs included in a formulary, the plan shall—

"(1) ensure the participation of physicians and pharmacists in developing and reviewing such formulary; and

"(2) in accordance with the applicable quality assurance and utilization review standards of the plan, provide for exceptions from the formulary limitation when a non-formulary alternative is medically necessary and appropriate.

**"SEC. 729. SELF-PAYMENT FOR BEHAVIORAL HEALTH CARE SERVICES.**

"(a) **IN GENERAL.**—A group health plan (other than a fully insured group health plan) may not—

“(1) prohibit or otherwise discourage a participant or beneficiary from self-paying for behavioral health care services once the plan has denied coverage for such services; or

“(2) terminate a health care provider because such provider permits participants or beneficiaries to self-pay for behavioral health care services—

“(A) that are not otherwise covered under the plan; or

“(B) for which the group health plan provides limited coverage, to the extent that the group health plan denies coverage of the services.

“(b) **RULE OF CONSTRUCTION.**—Nothing in subsection (a)(2)(B) shall be construed as prohibiting a group health plan from terminating a contract with a health care provider for failure to meet applicable quality standards or for fraud.

**“SEC. 730. COVERAGE FOR INDIVIDUALS PARTICIPATING IN APPROVED CANCER CLINICAL TRIALS.**

“(a) **COVERAGE.**—

“(1) **IN GENERAL.**—If a group health plan (other than a fully insured group health plan) provides coverage to a qualified individual (as defined in subsection (b)), the plan—

“(A) may not deny the individual participation in the clinical trial referred to in subsection (b)(2);

“(B) subject to subsections (b), (c), and (d) may not deny (or limit or impose additional conditions on) the coverage of routine patient costs for items and services furnished in connection with participation in the trial; and

“(C) may not discriminate against the individual on the basis of the participant's or beneficiaries participation in such trial.

“(2) **EXCLUSION OF CERTAIN COSTS.**—For purposes of paragraph (1)(B), routine patient costs do not include the cost of the tests or measurements conducted primarily for the purpose of the clinical trial involved.

“(3) **USE OF IN-NETWORK PROVIDERS.**—If one or more participating providers is participating in a clinical trial, nothing in paragraph (1) shall be construed as preventing a plan from requiring that a qualified individual participate in the trial through such a participating provider if the provider will accept the individual as a participant in the trial.

“(b) **QUALIFIED INDIVIDUAL DEFINED.**—For purposes of subsection (a), the term “qualified individual” means an individual who is a participant or beneficiary in a group health plan and who meets the following conditions:

“(1)(A) The individual has been diagnosed with cancer for which no standard treatment is effective.

“(B) The individual is eligible to participate in an approved clinical trial according to the trial protocol with respect to treatment of such illness.

“(C) The individual's participation in the trial offers meaningful potential for significant clinical benefit for the individual.

“(2) **Either—**

“(A) the referring physician is a participating health care professional and has concluded that the individual's participation in such trial would be appropriate based upon the individual meeting the conditions described in paragraph (1); or

“(B) the participant or beneficiary provides medical and scientific information establishing that the individual's participation in such trial would be appropriate based upon the individual meeting the conditions described in paragraph (1).

“(c) **PAYMENT.**—

“(1) **IN GENERAL.**—Under this section a group health plan (other than a fully insured group health plan) shall provide for payment for routine patient costs described in subsection (a)(2) but is not required to pay for costs of items and services that are reasonably expected to be paid for by the sponsors of an approved clinical trial.

“(2) **STANDARDS FOR DETERMINING ROUTINE PATIENT COSTS ASSOCIATED WITH CLINICAL TRIAL PARTICIPATION.**—

“(A) **IN GENERAL.**—The Secretary shall establish, on an expedited basis and using a negotiated rulemaking process under subchapter III of chapter 5 of title 5, United States Code, standards relating to the coverage of routine patient costs for individuals participating in clinical trials that group health plans must meet under this section.

“(B) **FACTORS.**—In establishing routine patient cost standards under subparagraph (A), the Secretary shall consult with interested parties and take into account —

“(i) quality of patient care;

“(ii) routine patient care costs versus costs associated with the conduct of clinical trials, including unanticipated patient care costs as a result of participation in clinical trials; and

“(iii) previous and on-going studies relating to patient care costs associated with participation in clinical trials.

“(C) **PUBLICATION OF NOTICE.**—In carrying out the rulemaking process under this paragraph, the Secretary, after consultation with organizations representing cancer patients, health care practitioners, medical researchers, employers, group health plans, manufacturers of drugs, biologics and medical devices, medical economists, hospitals, and other interested parties, shall publish notice provided for under section 564(a) of title 5, United States Code, by not later than 45 days after the date of the enactment of this section.

“(D) **TARGET DATE FOR PUBLICATION OF RULE.**—As part of the notice under subparagraph (C), and for purposes of this paragraph, the ‘target date for publication’ (referred to in section 564(a)(5) of such title 5) shall be June 30, 2000.

“(E) **ABBREVIATED PERIOD FOR SUBMISSION OF COMMENTS.**—In applying section 564(c) of such title 5 under this paragraph, ‘15 days’ shall be substituted for ‘30 days’.

“(F) **APPOINTMENT OF NEGOTIATED RULEMAKING COMMITTEE AND FACILITATOR.**—The Secretary shall provide for—

“(i) the appointment of a negotiated rulemaking committee under section 565(a) of such title 5 by not later than 30 days after the end of the comment period provided for under section 564(c) of such title 5 (as shortened under subparagraph (E)); and

“(ii) the nomination of a facilitator under section 566(c) of such title 5 by not later than 10 days after the date of appointment of the committee.

“(G) **PRELIMINARY COMMITTEE REPORT.**—The negotiated rulemaking committee appointed under subparagraph (F) shall report to the Secretary, by not later than March 29, 2000, regarding the committee's progress on achieving a consensus with regard to the rulemaking proceeding and whether such consensus is likely to occur before 1 month before the target date for publication of the rule. If the committee reports that the committee has failed to make significant progress towards such consensus or is unlikely to reach such consensus by the target date, the Secretary may terminate such process and provide for the publication of a rule under this paragraph through such other methods as the Secretary may provide.

“(H) **FINAL COMMITTEE REPORT.**—If the committee is not terminated under subparagraph (G), the rulemaking committee shall submit a report containing a proposed rule by not later than 1 month before the target date of publication.

“(I) **FINAL EFFECT.**—The Secretary shall publish a rule under this paragraph in the Federal Register by not later than the target date of publication.

“(J) **PUBLICATION OF RULE AFTER PUBLIC COMMENT.**—The Secretary shall provide for consideration of such comments and republication of such rule by not later than 1 year after the target date of publication.

“(K) **EFFECTIVE DATE.**—The provisions of this paragraph shall apply to group health plans (other than a fully insured group health plan) for plan years beginning on or after January 1, 2001.

“(3) **PAYMENT RATE.**—In the case of covered items and services provided by—

“(A) a participating provider, the payment rate shall be at the agreed upon rate, or

“(B) a nonparticipating provider, the payment rate shall be at the rate the plan would normally pay for comparable services under subparagraph (A).

“(d) **APPROVED CLINICAL TRIAL DEFINED.**—

“(1) **IN GENERAL.**—In this section, the term ‘approved clinical trial’ means a cancer clinical research study or cancer clinical investigation approved and funded (which may include funding through in-kind contributions) by one or more of the following:

“(A) The National Institutes of Health.

“(B) A cooperative group or center of the National Institutes of Health.

“(C) Either of the following if the conditions described in paragraph (2) are met:

“(i) The Department of Veterans Affairs.

“(ii) The Department of Defense.

“(2) **CONDITIONS FOR DEPARTMENTS.**—The conditions described in this paragraph, for a study or investigation conducted by a Department, are that the study or investigation has been reviewed and approved through a system of peer review that the Secretary determines—

“(A) to be comparable to the system of peer review of studies and investigations used by the National Institutes of Health, and

“(B) assures unbiased review of the highest scientific standards by qualified individuals who have no interest in the outcome of the review.

“(e) **CONSTRUCTION.**—Nothing in this section shall be construed to limit a plan's coverage with respect to clinical trials.

“(f) **PLAN SATISFACTION OF CERTAIN REQUIREMENTS; RESPONSIBILITIES OF FIDUCIARIES.**—

“(1) **IN GENERAL.**—For purposes of this section, insofar as a group health plan provides benefits in the form of health insurance coverage through a health insurance issuer, the plan shall be treated as meeting the requirements of this section with respect to such benefits and not be considered as failing to meet such requirements because of a failure of the issuer to meet such requirements so long as the plan sponsor or its representatives did not cause such failure by the issuer.

“(2) **CONSTRUCTION.**—Nothing in this section shall be construed to affect or modify the responsibilities of the fiduciaries of a group health plan under part 4 of subtitle B.

“(g) **STUDY AND REPORT.**—

“(1) **STUDY.**—The Secretary shall study the impact on group health plans for covering routine patient care costs for individuals who are entitled to benefits under this section and who are enrolled in an approved cancer clinical trial program.

“(2) REPORT TO CONGRESS.—Not later than January 1, 2005, the Secretary shall submit a report to Congress that contains an assessment of—

“(A) any incremental cost to group health plans resulting from the provisions of this section;

“(B) a projection of expenditures to such plans resulting from this section; and

“(C) any impact on premiums resulting from this section.

**“SEC. 730A. PROHIBITING DISCRIMINATION AGAINST PROVIDERS.**

“(a) IN GENERAL.—A group health plan (other than a fully insured group health plan) shall not discriminate with respect to participation or indemnification as to any provider who is acting within the scope of the provider's license or certification under applicable State law, solely on the basis of such license or certification. This subsection shall not be construed as requiring the coverage under a plan of particular benefits or services or to prohibit a plan from including providers only to the extent necessary to meet the needs of the plan's participants and beneficiaries or from establishing any measure designed to maintain quality and control costs consistent with the responsibilities of the plan.

“(b) NO REQUIREMENT FOR ANY WILLING PROVIDER.—Nothing in this section shall be construed as requiring a group health plan that offers network coverage to include for participation every willing provider or health professional who meets the terms and conditions of the plan.

**“SEC. 730B. GENERALLY APPLICABLE PROVISION.**

“In the case of a group health plan that provides benefits under 2 or more coverage options, the requirements of this subpart shall apply separately with respect to each coverage option.”.

**(b) RULE WITH RESPECT TO CERTAIN PLANS.—**

(1) IN GENERAL.—Notwithstanding any other provision of law, health insurance issuers may offer, and eligible individuals may purchase, high deductible health plans described in section 220(c)(2)(A) of the Internal Revenue Code of 1986. Effective for the 4-year period beginning on the date of the enactment of this Act, such health plans shall not be required to provide payment for any health care items or services that are exempt from the plan's deductible.

(2) EXISTING STATE LAWS.—A State law relating to payment for health care items and services in effect on the date of enactment of this Act that is preempted under paragraph (1), shall not apply to high deductible health plans after the expiration of the 4-year period described in such paragraph unless the State reenacts such law after such period.

(c) DEFINITION.—Section 733(a) of the Employee Retirement Income Security Act of 1974 (42 U.S.C. 1191(a)) is amended by adding at the end the following:

“(3) FULLY INSURED GROUP HEALTH PLAN.—The term ‘fully insured group health plan’ means a group health plan where benefits under the plan are provided pursuant to the terms of an arrangement between a group health plan and a health insurance issuer and are guaranteed by the health insurance issuer under a contract or policy of insurance.”.

(d) CONFORMING AMENDMENT.—The table of contents in section 1 of such Act is amended—

(1) in the item relating to subpart C, by striking “Subpart C” and inserting “Subpart D”; and

(2) by adding at the end of the items relating to subpart B of part 7 of subtitle B of title I of such Act the following new items:

**“SUBPART C—PATIENT RIGHT TO MEDICAL ADVICE AND CARE**

“Sec. 721. Patient access to emergency medical care.

“Sec. 722. Offering of choice of coverage options.

“Sec. 723. Patient access to obstetric and gynecological care.

“Sec. 724. Patient access to pediatric care.

“Sec. 725. Timely access to specialists.

“Sec. 726. Continuity of care.

“Sec. 727. Protection of patient-provider communications.

“Sec. 728. Patient's right to prescription drugs.

“Sec. 729. Self-payment for behavioral health care services.

“Sec. 730. Coverage for individuals participating in approved cancer clinical trials.

“Sec. 730A. Prohibiting discrimination against providers.

“Sec. 730B. Generally applicable provision.”.

**SEC. 102. CONFORMING AMENDMENT TO THE INTERNAL REVENUE CODE OF 1986.**

(a) IN GENERAL.—Chapter 100 of the Internal Revenue Code of 1986 is amended—

(1) by redesignating subchapter C as subchapter D; and

(2) by inserting after subchapter B the following:

**“Subchapter C—Patient Right to Medical Advice and Care**

“Sec. 9821. Patient access to emergency medical care.

“Sec. 9822. Offering of choice of coverage options.

“Sec. 9823. Patient access to obstetric and gynecological care.

“Sec. 9824. Patient access to pediatric care.

“Sec. 9825. Timely access to specialists.

“Sec. 9826. Continuity of care.

“Sec. 9827. Protection of patient-provider communications.

“Sec. 9828. Patient's right to prescription drugs.

“Sec. 9829. Self-payment for behavioral health care services.

“Sec. 9830. Coverage for individuals participating in approved cancer clinical trials.

“Sec. 9830A. Prohibiting discrimination against providers.

“Sec. 9830B. Generally applicable provision.

**“SEC. 9821. PATIENT ACCESS TO EMERGENCY MEDICAL CARE.**

“(a) COVERAGE OF EMERGENCY CARE.—

“(1) IN GENERAL.—To the extent that the group health plan (other than a fully insured group health plan) provides coverage for benefits consisting of emergency medical care (as defined in subsection (c)) or emergency ambulance services, except for items or services specifically excluded—

“(A) the plan shall provide coverage for benefits, without requiring preauthorization, for emergency medical screening examinations or emergency ambulance services, to the extent that a prudent layperson, who possesses an average knowledge of health and medicine, would determine such examinations or emergency ambulance services to be necessary to determine whether emergency medical care (as so defined) is necessary; and

“(B) the plan shall provide coverage for benefits, without requiring preauthorization, for additional emergency medical care to stabilize an emergency medical condition following an emergency medical screening

examination (if determined necessary under subparagraph (A)), pursuant to the definition of stabilize under section 1867(e)(3) of the Social Security Act (42 U.S.C. 1395dd(e)(3)).

“(2) REIMBURSEMENT FOR CARE TO MAINTAIN MEDICAL STABILITY.—

“(A) IN GENERAL.—In the case of services provided to a participant or beneficiary by a nonparticipating provider in order to maintain the medical stability of the participant or beneficiary, the group health plan involved shall provide for reimbursement with respect to such services if—

“(i) coverage for services of the type furnished is available under the group health plan;

“(ii) the services were provided for care related to an emergency medical condition and in an emergency department in order to maintain the medical stability of the participant or beneficiary; and

“(iii) the nonparticipating provider contacted the plan regarding approval for such services.

“(B) FAILURE TO RESPOND.—If a group health plan fails to respond within 1 hours of being contacted in accordance with subparagraph (A)(iii), then the plan shall be liable for the cost of services provided by the nonparticipating provider in order to maintain the stability of the participant or beneficiary.

“(C) LIMITATION.—The liability of a group health plan to provide reimbursement under subparagraph (A) shall terminate when the plan has contacted the nonparticipating provider to arrange for discharge or transfer.

“(D) LIABILITY OF PARTICIPANT.—A participant or beneficiary shall not be liable for the costs of services to which subparagraph (A) in an amount that exceeds the amount of liability that would be incurred if the services were provided by a participating health care provider with prior authorization by the plan.

“(b) IN-NETWORK UNIFORM COSTS-SHARING AND OUT-OF-NETWORK CARE.—

“(1) IN-NETWORK UNIFORM COST-SHARING.—Nothing in this section shall be construed as preventing a group health plan (other than a fully insured group health plan) from imposing any form of cost-sharing applicable to any participant or beneficiary (including coinsurance, copayments, deductibles, and any other charges) in relation to coverage for benefits described in subsection (a), if such form of cost-sharing is uniformly applied under such plan, with respect to similarly situated participants and beneficiaries, to all benefits consisting of emergency medical care (as defined in subsection (c)) provided to such similarly situated participants and beneficiaries under the plan, and such cost-sharing is disclosed in accordance with section 9814.

“(2) OUT-OF-NETWORK CARE.—If a group health plan (other than a fully insured group health plan) provides any benefits with respect to emergency medical care (as defined in subsection (c)), the plan shall cover emergency medical care under the plan in a manner so that, if such care is provided to a participant or beneficiary by a nonparticipating health care provider, the participant or beneficiary is not liable for amounts that exceed any form of cost-sharing (including coinsurance, copayments, deductibles, and any other charges) that would be incurred if the services were provided by a participating provider.

“(c) DEFINITION OF EMERGENCY MEDICAL CARE.—In this section:

“(1) IN GENERAL.—The term ‘emergency medical care’ means, with respect to a participant or beneficiary under a group health

plan (other than a fully insured group health plan), covered inpatient and outpatient services that—

“(A) are furnished by any provider, including a nonparticipating provider, that is qualified to furnish such services; and

“(B) are needed to evaluate or stabilize (as such term is defined in section 1867(e)(3) of the Social Security Act (42 U.S.C. 1395dd)(e)(3)) an emergency medical condition (as defined in paragraph (2)).

“(2) EMERGENCY MEDICAL CONDITION.—The term ‘emergency medical condition’ means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in—

“(A) placing the health of the participant or beneficiary (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy,

“(B) serious impairment to bodily functions, or

“(C) serious dysfunction of any bodily organ or part.

**“SEC. 9822. OFFERING OF CHOICE OF COVERAGE OPTIONS.**

“(a) REQUIREMENT.—

“(1) OFFERING OF POINT-OF-SERVICE COVERAGE OPTION.—Except as provided in paragraph (2), if a group health plan (other than a fully insured group health plan) provides coverage for benefits only through a defined set of participating health care professionals, the plan shall offer the participant the option to purchase point-of-service coverage (as defined in subsection (b)) for all such benefits for which coverage is otherwise so limited. Such option shall be made available to the participant at the time of enrollment under the plan and at such other times as the plan offers the participant a choice of coverage options.

“(2) EXCEPTION IN CASE OF LACK OF AVAILABILITY.—Paragraph (1) shall not apply with respect to a group health plan (other than a fully insured group health plan) if care relating to the point-of-service coverage would not be available and accessible to the participant with reasonable promptness (consistent with section 1301(b)(4) of the Public Health Service Act (42 U.S.C. 300e(b)(4))).

“(b) POINT-OF-SERVICE COVERAGE DEFINED.—In this section, the term ‘point-of-service coverage’ means, with respect to benefits covered under a group health plan (other than a fully insured group health plan), coverage of such benefits when provided by a nonparticipating health care professional.

“(c) SMALL EMPLOYER EXEMPTION.—

“(1) IN GENERAL.—This section shall not apply to any group health plan (other than a fully insured group health plan) of a small employer.

“(2) SMALL EMPLOYER.—For purposes of paragraph (1), the term ‘small employer’ means, in connection with a group health plan (other than a fully insured group health plan) with respect to a calendar year and a plan year, an employer who employed an average of at least 2 but not more than 50 employees on business days during the preceding calendar year and who employs at least 2 employees on the first day of the plan year. For purposes of this paragraph, the provisions of subparagraph (C) of section 4980D(d)(2) shall apply in determining employer size.

“(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed—

“(1) as requiring coverage for benefits for a particular type of health care professional;

“(2) as requiring an employer to pay any costs as a result of this section or to make equal contributions with respect to different health coverage options;

“(3) as preventing a group health plan (other than a fully insured group health plan) from imposing higher premiums or cost-sharing on a participant for the exercise of a point-of-service coverage option; or

“(4) to require that a group health plan (other than a fully insured group health plan) include coverage of health care professionals that the plan excludes because of fraud, quality of care, or other similar reasons with respect to such professionals.

**“SEC. 9823. PATIENT ACCESS TO OBSTETRIC AND GYNECOLOGICAL CARE.**

“(a) GENERAL RIGHTS.—

“(1) WAIVER OF PLAN REFERRAL REQUIREMENT.—If a group health plan described in subsection (b) requires a referral to obtain coverage for specialty care, the plan shall waive the referral requirement in the case of a female participant or beneficiary who seeks coverage for obstetrical care and related follow-up obstetrical care or routine gynecological care (such as preventive gynecological care).

“(2) RELATED ROUTINE CARE.—With respect to a participant or beneficiary described in paragraph (1), a group health plan described in subsection (b) shall treat the ordering of other routine care that is related to routine gynecologic care, by a physician who specializes in obstetrics and gynecology as the authorization of the primary care provider for such other care.

“(b) APPLICATION OF SECTION.—A group health plan described in this subsection is a group health plan (other than a fully insured group health plan), that—

“(1) provides coverage for obstetric care (such as pregnancy-related services) or routine gynecologic care (such as preventive women's health examinations); and

“(2) requires the designation by a participant or beneficiary of a participating primary care provider who is not a physician who specializes in obstetrics or gynecology.

“(c) RULES OF CONSTRUCTION.—Nothing in this section shall be construed—

“(1) as waiving any coverage requirement relating to medical necessity or appropriateness with respect to the coverage of obstetric or gynecologic care described in subsection (a);

“(2) to preclude the plan from requiring that the physician who specializes in obstetrics or gynecology notify the designated primary care provider or the plan of treatment decisions;

“(3) to preclude a group health plan from allowing health care professionals other than physicians to provide routine obstetric or routine gynecologic care; or

“(4) to preclude a group health plan from permitting a physician who specializes in obstetrics and gynecology from being a primary care provider under the plan.

**“SEC. 9824. PATIENT ACCESS TO PEDIATRIC CARE.**

“(a) IN GENERAL.—In the case of a group health plan (other than a fully insured group health plan) that provides coverage for routine pediatric care and that requires the designation by a participant or beneficiary of a participating primary care provider, if the designated primary care provider is not a physician who specializes in pediatrics—

“(1) the plan may not require authorization or referral by the primary care provider in order for a participant or beneficiary to

obtain coverage for routine pediatric care; and

“(2) the plan shall treat the ordering of other routine care related to routine pediatric care by such a specialist as having been authorized by the designated primary care provider.

“(b) RULES OF CONSTRUCTION.—Nothing in subsection (a) shall be construed—

“(1) as waiving any coverage requirement relating to medical necessity or appropriateness with respect to the coverage of any pediatric care provided to, or ordered for, a participant or beneficiary;

“(2) to preclude a group health plan from requiring that a specialist described in subsection (a) notify the designated primary care provider or the plan of treatment decisions; or

“(3) to preclude a group health plan from allowing health care professionals other than physicians to provide routine pediatric care.

**“SEC. 9825. TIMELY ACCESS TO SPECIALISTS.**

“(a) TIMELY ACCESS.—

“(1) IN GENERAL.—A group health plan (other than a fully insured group health plan) shall ensure that participants and beneficiaries have timely, in accordance with the medical exigencies of the case, access to primary and specialty health care professionals who are appropriate to the condition of the participant or beneficiary, when such care is covered under the plan. Such access may be provided through contractual arrangements with specialized providers outside of the network of the plan.

“(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1) shall be construed—

“(A) to require the coverage under a group health plan of particular benefits or services or to prohibit a plan from including providers only to the extent necessary to meet the needs of the plan's participants or beneficiaries or from establishing any measure designed to maintain quality and control costs consistent with the responsibilities of the plan; or

“(B) to override any State licensure or scope-of-practice law.

“(b) TREATMENT PLANS.—

“(1) IN GENERAL.—Nothing in this section shall be construed to prohibit a group health plan (other than a fully insured group health plan) from requiring that specialty care be provided pursuant to a treatment plan so long as the treatment plan is—

“(A) developed by the specialist, in consultation with the case manager or primary care provider, and the participant or beneficiary;

“(B) approved by the plan in a timely manner in accordance with the medical exigencies of the case; and

“(C) in accordance with the applicable quality assurance and utilization review standards of the plan.

“(2) NOTIFICATION.—Nothing in paragraph (1) shall be construed as prohibiting a plan from requiring the specialist to provide the case manager or primary care provider with regular updates on the specialty care provided, as well as all other necessary medical information.

“(c) REFERRALS.—Nothing in this section shall be construed to prohibit a plan from requiring an authorization by the case manager or primary care provider of the participant or beneficiary in order to obtain coverage for specialty services so long as such authorization is for an adequate number of referrals.

“(d) SPECIALTY CARE DEFINED.—For purposes of this subsection, the term ‘specialty care’ means, with respect to a condition,

care and treatment provided by a health care practitioner, facility, or center (such as a center of excellence) that has adequate expertise (including age-appropriate expertise) through appropriate training and experience.

**"SEC. 9826. CONTINUITY OF CARE.**

"(a) IN GENERAL.—

"(1) TERMINATION OF PROVIDER.—If a contract between a group health plan (other than a fully insured group health plan) and a health care provider is terminated (as defined in paragraph (2)), or benefits or coverage provided by a health care provider are terminated because of a change in the terms of provider participation in such group health plan, and an individual who is a participant or beneficiary in the plan is undergoing a course of treatment from the provider at the time of such termination, the plan shall—

"(A) notify the individual on a timely basis of such termination;

"(B) provide the individual with an opportunity to notify the plan of a need for transitional care; and

"(C) in the case of termination described in paragraph (2), (3), or (4) of subsection (b), and subject to subsection (c), permit the individual to continue or be covered with respect to the course of treatment with the provider's consent during a transitional period (as provided under subsection (b)).

"(2) TERMINATED.—In this section, the term 'terminated' includes, with respect to a contract, the expiration or nonrenewal of the contract by the group health plan, but does not include a termination of the contract by the plan for failure to meet applicable quality standards or for fraud.

"(3) CONTRACTS.—For purposes of this section, the term 'contract between a group health plan (other than a fully insured group health plan) and a health care provider' shall include a contract between such a plan and an organized network of providers.

"(b) TRANSITIONAL PERIOD.—

"(1) GENERAL RULE.—Except as provided in paragraph (3), the transitional period under this subsection shall permit the participant or beneficiary to extend the coverage involved for up to 90 days from the date of the notice described in subsection (a)(1)(A) of the provider's termination.

"(2) INSTITUTIONAL CARE.—Subject to paragraph (1), the transitional period under this subsection for institutional or inpatient care from a provider shall extend until the discharge or termination of the period of institutionalization and also shall include institutional care provided within a reasonable time of the date of termination of the provider status if the care was scheduled before the date of the announcement of the termination of the provider status under subsection (a)(1)(A) or if the individual on such date was on an established waiting list or otherwise scheduled to have such care.

"(3) PREGNANCY.—Notwithstanding paragraph (1), if—

"(A) a participant or beneficiary has entered the second trimester of pregnancy at the time of a provider's termination of participation; and

"(B) the provider was treating the pregnancy before the date of the termination;

the transitional period under this subsection with respect to provider's treatment of the pregnancy shall extend through the provision of post-partum care directly related to the delivery.

"(4) TERMINAL ILLNESS.—Notwithstanding paragraph (1), if—

"(A) a participant or beneficiary was determined to be terminally ill (as determined

under section 1861(dd)(3)(A) of the Social Security Act) prior to a provider's termination of participation; and

"(B) the provider was treating the terminal illness before the date of termination; the transitional period under this subsection shall be for care directly related to the treatment of the terminal illness and shall extend for the remainder of the individual's life for such care.

"(c) PERMISSIBLE TERMS AND CONDITIONS.—A group health plan (other than a fully insured group health plan) may condition coverage of continued treatment by a provider under subsection (a)(1)(C) upon the provider agreeing to the following terms and conditions:

"(1) The provider agrees to accept reimbursement from the plan and individual involved (with respect to cost-sharing) at the rates applicable prior to the start of the transitional period as payment in full (or at the rates applicable under the replacement plan after the date of the termination of the contract with the group health plan) and not to impose cost-sharing with respect to the individual in an amount that would exceed the cost-sharing that could have been imposed if the contract referred to in subsection (a)(1) had not been terminated.

"(2) The provider agrees to adhere to the quality assurance standards of the plan responsible for payment under paragraph (1) and to provide to such plan necessary medical information related to the care provided.

"(3) The provider agrees otherwise to adhere to such plan's policies and procedures, including procedures regarding referrals and obtaining prior authorization and providing services pursuant to a treatment plan (if any) approved by the plan.

"(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require the coverage of benefits which would not have been covered if the provider involved remained a participating provider.

"(e) DEFINITION.—In this section, the term 'health care provider' or 'provider' means—

"(1) any individual who is engaged in the delivery of health care services in a State and who is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State; and

"(2) any entity that is engaged in the delivery of health care services in a State and that, if it is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State, is so licensed.

"(f) COMPREHENSIVE STUDY OF COST, QUALITY AND COORDINATION OF COVERAGE FOR PATIENTS AT THE END OF LIFE.—

"(1) STUDY BY THE MEDICARE PAYMENT ADVISORY COMMISSION.—The Medicare Payment Advisory Commission shall conduct a study of the costs and patterns of care for persons with serious and complex conditions and the possibilities of improving upon that care to the degree it is triggered by the current category of terminally ill as such term is used for purposes of section 1861(dd) of the Social Security Act (relating to hospice benefits) or of utilizing care in other payment settings in Medicare.

"(2) AGENCY FOR HEALTH CARE POLICY AND RESEARCH.—The Agency for Health Care Policy and Research shall conduct studies of the possible thresholds for major conditions causing serious and complex illness, their administrative parameters and feasibility, and their impact upon costs and quality.

"(3) HEALTH CARE FINANCING ADMINISTRATION.—The Health Care Financing Adminis-

tration shall conduct studies of the merits of applying similar thresholds in Medicare+Choice programs, including adapting risk adjustment methods to account for this category.

"(4) INITIAL REPORT.—

"(A) IN GENERAL.—Not later than 12 months after the date of enactment of this section, the Medicare Payment Advisory Commission and the Agency for Health Care Policy and Research shall each prepare and submit to the Committee on Health, Education, Labor and Pensions of the Senate a report concerning the results of the studies conducted under paragraphs (1) and (2), respectively.

"(B) COPY TO SECRETARY.—Concurrent with the submission of the reports under subparagraph (A), the Medicare Payment Advisory Commission and the Agency for Health Care Policy and Research shall transmit a copy of the reports under such subparagraph to the Secretary.

"(5) FINAL REPORT.—

"(A) CONTRACT WITH INSTITUTE OF MEDICINE.—Not later than 1 year after the submission of the reports under paragraph (4), the Secretary of Health and Human Services shall contract with the Institute of Medicine to conduct a study of the practices and their effects arising from the utilization of the category "serious and complex" illness.

"(B) REPORT.—Not later than 1 year after the date of the execution of the contract referred to in subparagraph (A), the Institute of Medicine shall prepare and submit to the Committee on Health, Education, Labor and Pensions of the Senate a report concerning the study conducted pursuant to such contract.

"(6) FUNDING.—From funds appropriated to the Department of Health and Human Services, the Secretary of Health and Human Services shall make available such funds as the Secretary determines is necessary to carry out this subsection.

**"SEC. 9827. PROTECTION OF PATIENT-PROVIDER COMMUNICATIONS.**

"(a) IN GENERAL.—Subject to subsection (b), a group health plan (other than a fully insured group health plan and in relation to a participant or beneficiary) shall not prohibit or otherwise restrict a health care professional from advising such a participant or beneficiary who is a patient of the professional about the health status of the participant or beneficiary or medical care or treatment for the condition or disease of the participant or beneficiary, regardless of whether coverage for such care or treatment are provided under the contract, if the professional is acting within the lawful scope of practice.

"(b) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as requiring a group health plan (other than a fully insured group health plan) to provide specific benefits under the terms of such plan.

**"SEC. 9828. PATIENTS' RIGHT TO PRESCRIPTION DRUGS.**

"To the extent that a group health plan (other than a fully insured group health plan) provides coverage for benefits with respect to prescription drugs, and limits such coverage to drugs included in a formulary, the plan shall—

"(1) ensure the participation of physicians and pharmacists in developing and reviewing such formulary; and

"(2) in accordance with the applicable quality assurance and utilization review standards of the plan, provide for exceptions from the formulary limitation when a non-formulary alternative is medically necessary and appropriate.



**"SEC. 9829. SELF-PAYMENT FOR BEHAVIORAL HEALTH CARE SERVICES.**

"(a) IN GENERAL.—A group health plan (other than a fully insured group health plan) may not—

"(1) prohibit or otherwise discourage a participant or beneficiary from self-paying for behavioral health care services once the plan has denied coverage for such services; or

"(2) terminate a health care provider because such provider permits participants or beneficiaries to self-pay for behavioral health care services—

"(A) that are not otherwise covered under the plan; or

"(B) for which the group health plan provides limited coverage, to the extent that the group health plan denies coverage of the services.

"(b) RULE OF CONSTRUCTION.—Nothing in subsection (a)(2)(B) shall be construed as prohibiting a group health plan from terminating a contract with a health care provider for failure to meet applicable quality standards or for fraud.

**"SEC. 9830. COVERAGE FOR INDIVIDUALS PARTICIPATING IN APPROVED CANCER CLINICAL TRIALS.**

"(a) COVERAGE.—

"(1) IN GENERAL.—If a group health plan (other than a fully insured group health plan) provides coverage to a qualified individual (as defined in subsection (b)), the plan—

"(A) may not deny the individual participation in the clinical trial referred to in subsection (b)(2);

"(B) subject to subsections (b), (c), and (d) may not deny (or limit or impose additional conditions on) the coverage of routine patient costs for items and services furnished in connection with participation in the trial; and

"(C) may not discriminate against the individual on the basis of the participant's or beneficiaries participation in such trial.

"(2) EXCLUSION OF CERTAIN COSTS.—For purposes of paragraph (1)(B), routine patient costs do not include the cost of the tests or measurements conducted primarily for the purpose of the clinical trial involved.

"(3) USE OF IN-NETWORK PROVIDERS.—If one or more participating providers is participating in a clinical trial, nothing in paragraph (1) shall be construed as preventing a plan from requiring that a qualified individual participate in the trial through such a participating provider if the provider will accept the individual as a participant in the trial.

"(b) QUALIFIED INDIVIDUAL DEFINED.—For purposes of subsection (a), the term "qualified individual" means an individual who is a participant or beneficiary in a group health plan and who meets the following conditions:

"(1)(A) The individual has been diagnosed with cancer for which no standard treatment is effective.

"(B) The individual is eligible to participate in an approved clinical trial according to the trial protocol with respect to treatment of such illness.

"(C) The individual's participation in the trial offers meaningful potential for significant clinical benefit for the individual.

"(2) Either—

"(A) the referring physician is a participating health care professional and has concluded that the individual's participation in such trial would be appropriate based upon the individual meeting the conditions described in paragraph (1); or

"(B) the participant or beneficiary provides medical and scientific information establishing that the individual's participation

in such trial would be appropriate based upon the individual meeting the conditions described in paragraph (1).

"(c) PAYMENT.—

"(1) IN GENERAL.—Under this section a group health plan (other than a fully insured group health plan) shall provide for payment for routine patient costs described in subsection (a)(2) but is not required to pay for costs of items and services that are reasonably expected to be paid for by the sponsors of an approved clinical trial.

"(2) STANDARDS FOR DETERMINING ROUTINE PATIENT COSTS ASSOCIATED WITH CLINICAL TRIAL PARTICIPATION.—

"(A) IN GENERAL.—The Secretary shall establish, on an expedited basis and using a negotiated rulemaking process under subchapter III of chapter 5 of title 5, United States Code, standards relating to the coverage of routine patient costs for individuals participating in clinical trials that group health plans must meet under this section.

"(B) FACTORS.—In establishing routine patient cost standards under subparagraph (A), the Secretary shall consult with interested parties and take into account—

"(i) quality of patient care;

"(ii) routine patient care costs versus costs associated with the conduct of clinical trials, including unanticipated patient care costs as a result of participation in clinical trials; and

"(iii) previous and on-going studies relating to patient care costs associated with participation in clinical trials.

"(C) PUBLICATION OF NOTICE.—In carrying out the rulemaking process under this paragraph, the Secretary, after consultation with organizations representing cancer patients, health care practitioners, medical researchers, employers, group health plans, manufacturers of drugs, biologics and medical devices, medical economists, hospitals, and other interested parties, shall publish notice provided for under section 564(a) of title 5, United States Code, by not later than 45 days after the date of the enactment of this section.

"(D) TARGET DATE FOR PUBLICATION OF RULE.—As part of the notice under subparagraph (C), and for purposes of this paragraph, the "target date for publication" (referred to in section 564(a)(5) of such title 5) shall be June 30, 2000.

"(E) ABBREVIATED PERIOD FOR SUBMISSION OF COMMENTS.—In applying section 564(c) of such title 5 under this paragraph, "15 days" shall be substituted for "30 days".

"(F) APPOINTMENT OF NEGOTIATED RULEMAKING COMMITTEE AND FACILITATOR.—The Secretary shall provide for—

"(i) the appointment of a negotiated rulemaking committee under section 565(a) of such title 5 by not later than 30 days after the end of the comment period provided for under section 564(c) of such title 5 (as shortened under subparagraph (E)), and

"(ii) the nomination of a facilitator under section 566(c) of such title 5 by not later than 10 days after the date of appointment of the committee.

"(G) PRELIMINARY COMMITTEE REPORT.—The negotiated rulemaking committee appointed under subparagraph (F) shall report to the Secretary, by not later than March 29, 2000, regarding the committee's progress on achieving a consensus with regard to the rulemaking proceeding and whether such consensus is likely to occur before 1 month before the target date for publication of the rule. If the committee reports that the committee has failed to make significant progress towards such consensus or is un-

likely to reach such consensus by the target date, the Secretary may terminate such process and provide for the publication of a rule under this paragraph through such other methods as the Secretary may provide.

"(H) FINAL COMMITTEE REPORT.—If the committee is not terminated under subparagraph (G), the rulemaking committee shall submit a report containing a proposed rule by not later than 1 month before the target date of publication.

"(I) FINAL EFFECT.—The Secretary shall publish a rule under this paragraph in the Federal Register by not later than the target date of publication.

"(J) PUBLICATION OF RULE AFTER PUBLIC COMMENT.—The Secretary shall provide for consideration of such comments and republication of such rule by not later than 1 year after the target date of publication.

"(K) EFFECTIVE DATE.—The provisions of this paragraph shall apply to group health plans (other than a fully insured group health plan) for plan years beginning on or after January 1, 2001.

"(3) PAYMENT RATE.—In the case of covered items and services provided by—

"(A) a participating provider, the payment rate shall be at the agreed upon rate, or

"(B) a nonparticipating provider, the payment rate shall be at the rate the plan would normally pay for comparable services under subparagraph (A).

"(d) APPROVED CLINICAL TRIAL DEFINED.—

"(1) IN GENERAL.—In this section, the term "approved clinical trial" means a cancer clinical research study or cancer clinical investigation approved and funded (which may include funding through in-kind contributions) by one or more of the following:

"(A) The National Institutes of Health.

"(B) A cooperative group or center of the National Institutes of Health.

"(C) Either of the following if the conditions described in paragraph (2) are met:

"(i) The Department of Veterans Affairs.

"(ii) The Department of Defense.

"(2) CONDITIONS FOR DEPARTMENTS.—The conditions described in this paragraph, for a study or investigation conducted by a Department, are that the study or investigation has been reviewed and approved through a system of peer review that the Secretary determines—

"(A) to be comparable to the system of peer review of studies and investigations used by the National Institutes of Health, and

"(B) assures unbiased review of the highest scientific standards by qualified individuals who have no interest in the outcome of the review.

"(e) CONSTRUCTION.—Nothing in this section shall be construed to limit a plan's coverage with respect to clinical trials.

"(f) PLAN SATISFACTION OF CERTAIN REQUIREMENTS; RESPONSIBILITIES OF FIDUCIARIES.—

"(1) IN GENERAL.—For purposes of this section, insofar as a group health plan provides benefits in the form of health insurance coverage through a health insurance issuer, the plan shall be treated as meeting the requirements of this section with respect to such benefits and not be considered as failing to meet such requirements because of a failure of the issuer to meet such requirements so long as the plan sponsor or its representatives did not cause such failure by the issuer.

"(2) CONSTRUCTION.—Nothing in this section shall be construed to affect or modify the responsibilities of the fiduciaries of a group health plan under part 4 of subtitle B of title I of the Employee Retirement Income Security Act of 1974.

“(g) STUDY AND REPORT.—

“(1) STUDY.—The Secretary shall study the impact on group health plans for covering routine patient care costs for individuals who are entitled to benefits under this section and who are enrolled in an approved cancer clinical trial program.

“(2) REPORT TO CONGRESS.—Not later than January 1, 2005, the Secretary shall submit a report to Congress that contains an assessment of—

“(A) any incremental cost to group health plans resulting from the provisions of this section;

“(B) a projection of expenditures to such plans resulting from this section; and

“(C) any impact on premiums resulting from this section.

**“SEC. 9830A. PROHIBITING DISCRIMINATION AGAINST PROVIDERS.**

“(a) IN GENERAL.—A group health plan (other than a fully insured group health plan) shall not discriminate with respect to participation or indemnification as to any provider who is acting within the scope of the provider's license or certification under applicable State law, solely on the basis of such license or certification. This subsection shall not be construed as requiring the coverage under a plan of particular benefits or services or to prohibit a plan from including providers only to the extent necessary to meet the needs of the plan's participants and beneficiaries or from establishing any measure designed to maintain quality and control costs consistent with the responsibilities of the plan.

“(b) NO REQUIREMENT FOR ANY WILLING PROVIDER.—Nothing in this section shall be construed as requiring a group health plan that offers network coverage to include for participation every willing provider or health professional who meets the terms and conditions of the plan.

**“SEC. 9830B. GENERALLY APPLICABLE PROVISION.**

“In the case of a group health plan that provides benefits under 2 or more coverage options, the requirements of this subchapter shall apply separately with respect to each coverage option.”

(b) DEFINITION.—Section 9832(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(4) FULLY INSURED GROUP HEALTH PLAN.—The term ‘fully insured group health plan’ means a group health plan where benefits under the plan are provided pursuant to the terms of an arrangement between a group health plan and a health insurance issuer and are guaranteed by the health insurance issuer under a contract or policy of insurance.”

(c) CONFORMING AMENDMENT.—Chapter 98 of the Internal Revenue Code of 1986 is amended in the table of subchapters in the item relating to subchapter C, by striking “Subchapter C” and inserting “Subchapter D”.

**SEC. 103. EFFECTIVE DATE AND RELATED RULES.**

(a) IN GENERAL.—The amendments made by this subtitle shall apply with respect to plan years beginning on or after January 1 of the second calendar year following the date of the enactment of this Act. The Secretary shall issue all regulations necessary to carry out the amendments made by this section before the effective date thereof.

(b) LIMITATION ON ENFORCEMENT ACTIONS.—No enforcement action shall be taken, pursuant to the amendments made by this subtitle, against a group health plan with respect to a violation of a requirement imposed by such amendments before the date of issuance of regulations issued in connection

with such requirement, if the plan has sought to comply in good faith with such requirement.

**Subtitle B—Right to Information About Plans and Providers**

**SEC. 111. INFORMATION ABOUT PLANS.**

(a) EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185 et seq.) is amended by adding at the end the following:

**“SEC. 714. HEALTH PLAN COMPARATIVE INFORMATION.**

“(a) REQUIREMENT.—

“(1) IN GENERAL.—A group health plan, and a health insurance issuer that provides coverage in connection with group health insurance coverage, shall, not later than 12 months after the date of enactment of this section, and at least annually thereafter, provide for the disclosure, in a clear and accurate form to each participant and each beneficiary who does not reside at the same address as the participant, or upon request to an individual eligible for coverage under the plan, of the information described in subsection (b).

“(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prevent a plan or issuer from entering into any agreement under which the issuer agrees to assume responsibility for compliance with the requirements of this section and the plan is released from liability for such compliance.

“(3) PROVISION OF INFORMATION.—Information shall be provided to participants and beneficiaries under this section at the address maintained by the plan or issuer with respect to such participants or beneficiaries.

“(b) REQUIRED INFORMATION.—The informational materials to be distributed under this section shall include for each package option available under a group health plan the following:

“(1) A description of the covered items and services under each such plan and any in- and out-of-network features of each such plan, including a summary description of the specific exclusions from coverage under the plan.

“(2) A description of any cost-sharing, including premiums, deductibles, coinsurance, and copayment amounts, for which the participant or beneficiary will be responsible, including any annual or lifetime limits on benefits, for each such plan.

“(3) A description of any optional supplemental benefits offered by each such plan and the terms and conditions (including premiums or cost-sharing) for such supplemental coverage.

“(4) A description of any restrictions on payments for services furnished to a participant or beneficiary by a health care professional that is not a participating professional and the liability of the participant or beneficiary for additional payments for these services.

“(5) A description of the service area of each such plan, including the provision of any out-of-area coverage.

“(6) A description of the extent to which participants and beneficiaries may select the primary care provider of their choice, including providers both within the network and outside the network of each such plan (if the plan permits out-of-network services).

“(7) A description of the procedures for advance directives and organ donation decisions if the plan maintains such procedures.

“(8) A description of the requirements and procedures to be used to obtain

preauthorization for health services (including telephone numbers and mailing addresses), including referrals for specialty care.

“(9) A description of the definition of medical necessity used in making coverage determinations by each such plan.

“(10) A summary of the rules and methods for appealing coverage decisions and filing grievances (including telephone numbers and mailing addresses), as well as other available remedies.

“(11) A summary description of any provisions for obtaining off-formulary medications if the plan utilizes a defined formulary for providing specific prescription medications.

“(12) A summary of the rules for access to emergency room care. Also, any available educational material regarding proper use of emergency services.

“(13) A description of whether or not coverage is provided for experimental treatments, investigational treatments, or clinical trials and the circumstances under which access to such treatments or trials is made available.

“(14) A description of the specific preventative services covered under the plan if such services are covered.

“(15) A statement regarding—

“(A) the manner in which a participant or beneficiary may access an obstetrician, gynecologist, or pediatrician in accordance with section 723 or 724; and

“(B) the manner in which a participant or beneficiary obtains continuity of care as provided for in section 726.

“(16) A statement that the following information, and instructions on obtaining such information (including telephone numbers and, if available, Internet websites), shall be made available upon request:

“(A) The names, addresses, telephone numbers, and State licensure status of the plan's participating health care professionals and participating health care facilities, and, if available, the education, training, specialty qualifications or certifications of such professionals.

“(B) A summary description of the methods used for compensating participating health care professionals, such as capitation, fee-for-service, salary, or a combination thereof. The requirement of this subparagraph shall not be construed as requiring plans to provide information concerning proprietary payment methodology.

“(C) A summary description of the methods used for compensating health care facilities, including per diem, fee-for-service, capitation, bundled payments, or a combination thereof. The requirement of this subparagraph shall not be construed as requiring plans to provide information concerning proprietary payment methodology.

“(D) A summary description of the procedures used for utilization review.

“(E) The list of the specific prescription medications included in the formulary of the plan, if the plan uses a defined formulary.

“(F) A description of the specific exclusions from coverage under the plan.

“(G) Any available information related to the availability of translation or interpretation services for non-English speakers and people with communication disabilities, including the availability of audio tapes or information in Braille.

“(H) Any information that is made public by accrediting organizations in the process of accreditation if the plan is accredited, or any additional quality indicators that the plan makes available.

“(c) MANNER OF DISTRIBUTION.—The information described in this section shall be distributed in an accessible format that is understandable to an average plan participant or beneficiary.

“(d) RULE OF CONSTRUCTION.—Nothing in this section may be construed to prohibit a group health plan, or health insurance issuer in connection with group health insurance coverage, from distributing any other additional information determined by the plan or issuer to be important or necessary in assisting participants and beneficiaries or upon request potential participants and beneficiaries in the selection of a health plan or from providing information under subsection (b)(15) as part of the required information.

“(e) CONFORMING REGULATIONS.—The Secretary shall issue regulations to coordinate the requirements on group health plans and health insurance issuers under this section with the requirements imposed under part 1, to reduce duplication with respect to any information that is required to be provided under any such requirements.

“(f) HEALTH CARE PROFESSIONAL.—In this section, the term ‘health care professional’ means a physician (as defined in section 1861(r) of the Social Security Act) or other health care professional if coverage for the professional’s services is provided under the health plan involved for the services of the professional. Such term includes a podiatrist, optometrist, chiropractor, psychologist, dentist, physician assistant, physical or occupational therapist and therapy assistant, speech-language pathologist, audiologist, registered or licensed practical nurse (including nurse practitioner, clinical nurse specialist, certified registered nurse anesthetist, and certified nurse-midwife), licensed certified social worker, registered respiratory therapist, and certified respiratory therapy technician.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 732(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191a(a)) is amended by striking “section 711, and inserting “sections 711 and 714”.

(B) The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001) is amended by inserting after the item relating to section 713, the following:

“Sec. 714. Health plan comparative information.”.

(b) INTERNAL REVENUE CODE OF 1986.—Subchapter B of chapter 100 of the Internal Revenue Code of 1986 is amended—

(1) in the table of sections, by inserting after the item relating to section 9812 the following new item:

“Sec. 9813. Health plan comparative information.”;

and

(2) by inserting after section 9812 the following:

**“SEC. 9813. HEALTH PLAN COMPARATIVE INFORMATION.**

“(a) REQUIREMENT.—

“(1) IN GENERAL.—A group health plan shall, not later than 12 months after the date of enactment of this section, and at least annually thereafter, provide for the disclosure, in a clear and accurate form to each participant and each beneficiary who does not reside at the same address as the participant, or upon request to an individual eligible for coverage under the plan, of the information described in subsection (b).

“(2) RULES OF CONSTRUCTION.—Nothing in this section shall be construed to prevent a plan from entering into any agreement under which a health insurance issuer agrees to as-

sume responsibility for compliance with the requirements of this section and the plan is released from liability for such compliance.

“(3) PROVISION OF INFORMATION.—Information shall be provided to participants and beneficiaries under this section at the address maintained by the plan with respect to such participants or beneficiaries.

“(b) REQUIRED INFORMATION.—The informational materials to be distributed under this section shall include for each package option available under a group health plan the following:

“(1) A description of the covered items and services under each such plan and any in- and out-of-network features of each such plan, including a summary description of the specific exclusions from coverage under the plan.

“(2) A description of any cost-sharing, including premiums, deductibles, coinsurance, and copayment amounts, for which the participant or beneficiary will be responsible, including any annual or lifetime limits on benefits, for each such plan.

“(3) A description of any optional supplemental benefits offered by each such plan and the terms and conditions (including premiums or cost-sharing) for such supplemental coverage.

“(4) A description of any restrictions on payments for services furnished to a participant or beneficiary by a health care professional that is not a participating professional and the liability of the participant or beneficiary for additional payments for these services.

“(5) A description of the service area of each such plan, including the provision of any out-of-area coverage.

“(6) A description of the extent to which participants and beneficiaries may select the primary care provider of their choice, including providers both within the network and outside the network of each such plan (if the plan permits out-of-network services).

“(7) A description of the procedures for advance directives and organ donation decisions if the plan maintains such procedures.

“(8) A description of the requirements and procedures to be used to obtain preauthorization for health services (including telephone numbers and mailing addresses), including referrals for specialty care.

“(9) A description of the definition of medical necessity used in making coverage determinations by each such plan.

“(10) A summary of the rules and methods for appealing coverage decisions and filing grievances (including telephone numbers and mailing addresses), as well as other available remedies.

“(11) A summary description of any provisions for obtaining off-formulary medications if the plan utilizes a defined formulary for providing specific prescription medications.

“(12) A summary of the rules for access to emergency room care. Also, any available educational material regarding proper use of emergency services.

“(13) A description of whether or not coverage is provided for experimental treatments, investigational treatments, or clinical trials and the circumstances under which access to such treatments or trials is made available.

“(14) A description of the specific preventative services covered under the plan if such services are covered.

“(15) A statement regarding—

“(A) the manner in which a participant or beneficiary may access an obstetrician, gynecologist, or pediatrician in accordance with section 723 or 724; and

“(B) the manner in which a participant or beneficiary obtains continuity of care as provided for in section 726.

“(16) A statement that the following information, and instructions on obtaining such information (including telephone numbers and, if available, Internet websites), shall be made available upon request:

“(A) The names, addresses, telephone numbers, and State licensure status of the plan’s participating health care professionals and participating health care facilities, and, if available, the education, training, specialty qualifications or certifications of such professionals.

“(B) A summary description of the methods used for compensating participating health care professionals, such as capitation, fee-for-service, salary, or a combination thereof. The requirement of this subparagraph shall not be construed as requiring plans to provide information concerning proprietary payment methodology.

“(C) A summary description of the methods used for compensating health care facilities, including per diem, fee-for-service, capitation, bundled payments, or a combination thereof. The requirement of this subparagraph shall not be construed as requiring plans to provide information concerning proprietary payment methodology.

“(D) A summary description of the procedures used for utilization review.

“(E) The list of the specific prescription medications included in the formulary of the plan, if the plan uses a defined formulary.

“(F) A description of the specific exclusions from coverage under the plan.

“(G) Any available information related to the availability of translation or interpretation services for non-English speakers and people with communication disabilities, including the availability of audio tapes or information in Braille.

“(H) Any information that is made public by accrediting organizations in the process of accreditation if the plan is accredited, or any additional quality indicators that the plan makes available.

“(c) MANNER OF DISTRIBUTION.—The information described in this section shall be distributed in an accessible format that is understandable to an average plan participant or beneficiary.

“(d) RULE OF CONSTRUCTION.—Nothing in this section may be construed to prohibit a group health plan from distributing any other additional information determined by the plan to be important or necessary in assisting participants and beneficiaries or upon request potential participants and beneficiaries in the selection of a health plan or from providing information under subsection (b)(15) as part of the required information.

“(e) HEALTH CARE PROFESSIONAL.—In this section, the term ‘health care professional’ means a physician (as defined in section 1861(r) of the Social Security Act) or other health care professional if coverage for the professional’s services is provided under the health plan involved for the services of the professional. Such term includes a podiatrist, optometrist, chiropractor, psychologist, dentist, physician assistant, physical or occupational therapist and therapy assistant, speech-language pathologist, audiologist, registered or licensed practical nurse (including nurse practitioner, clinical nurse specialist, certified registered nurse anesthetist, and certified nurse-midwife), licensed certified social worker, registered respiratory therapist, and certified respiratory therapy technician.”.

**SEC. 112. INFORMATION ABOUT PROVIDERS.**

(a) **STUDY.**—The Secretary of Health and Human Services shall enter into a contract with the Institute of Medicine for the conduct of a study, and the submission to the Secretary of a report, that includes—

(1) an analysis of information concerning health care professionals that is currently available to patients, consumers, States, and professional societies, nationally and on a State-by-State basis, including patient preferences with respect to information about such professionals and their competencies;

(2) an evaluation of the legal and other barriers to the sharing of information concerning health care professionals; and

(3) recommendations for the disclosure of information on health care professionals, including the competencies and professional qualifications of such practitioners, to better facilitate patient choice, quality improvement, and market competition.

(b) **REPORT.**—Not later than 18 months after the date of enactment of this Act, the Secretary of Health and Human Services shall forward to the appropriate committees of Congress a copy of the report and study conducted under subsection (a).

**Subtitle C—Right to Hold Health Plans Accountable**

**SEC. 121. AMENDMENT TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.**

(a) **IN GENERAL.**—Section 503 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1133) is amended to read as follows:

**“SEC. 503. CLAIMS PROCEDURE, COVERAGE DETERMINATION, GRIEVANCES AND APPEALS.**

“(a) **CLAIMS PROCEDURE.**—In accordance with regulations of the Secretary, every employee benefit plan shall—

“(1) provide adequate notice in writing to any participant or beneficiary whose claim for benefits under the plan has been denied, setting forth the specific reasons for such denial, written in a manner calculated to be understood by the participant; and

“(2) afford a reasonable opportunity to any participant whose claim for benefits has been denied for a full and fair review by the appropriate named fiduciary of the decision denying the claim.

“(b) **COVERAGE DETERMINATIONS UNDER GROUP HEALTH PLANS.**—

“(1) **PROCEDURES.**—

“(A) **IN GENERAL.**—A group health plan or health insurance issuer conducting utilization review shall ensure that procedures are in place for—

“(i) making determinations regarding whether a participant or beneficiary is eligible to receive a payment or coverage for health services under the plan or coverage involved and any cost-sharing amount that the participant or beneficiary is required to pay with respect to such service;

“(ii) notifying a covered participant or beneficiary (or the authorized representative of such participant or beneficiary) and the treating health care professionals involved regarding determinations made under the plan or issuer and any additional payments that the participant or beneficiary may be required to make with respect to such service; and

“(iii) responding to requests, either written or oral, for coverage determinations or for internal appeals from a participant or beneficiary (or the authorized representative of such participant or beneficiary) or the treating health care professional with the consent of the participant or beneficiary.

“(B) **ORAL REQUESTS.**—With respect to an oral request described in subparagraph (A)(iii), a group health plan or health insurance issuer may require that the requesting individual provide written evidence of such request.

“(2) **TIMELINE FOR MAKING DETERMINATIONS.**—

“(A) **ROUTINE DETERMINATION.**—A group health plan or a health insurance issuer shall maintain procedures to ensure that prior authorization determinations concerning the provision of non-emergency items or services are made within 30 days from the date on which the request for a determination is submitted, except that such period may be extended where certain circumstances exist that are determined by the Secretary to be beyond control of the plan or issuer.

“(B) **EXPEDITED DETERMINATION.**—

“(i) **IN GENERAL.**—A prior authorization determination under this subsection shall be made within 72 hours, in accordance with the medical exigencies of the case, after a request is received by the plan or issuer under clause (ii) or (iii).

“(ii) **REQUEST BY PARTICIPANT OR BENEFICIARY.**—A plan or issuer shall maintain procedures for expediting a prior authorization determination under this subsection upon the request of a participant or beneficiary if, based on such a request, the plan or issuer determines that the normal time for making such a determination could seriously jeopardize the life or health of the participant or beneficiary.

“(iii) **DOCUMENTATION BY HEALTH CARE PROFESSIONAL.**—A plan or issuer shall maintain procedures for expediting a prior authorization determination under this subsection if the request involved indicates that the treating health care professional has reasonably documented, based on the medical exigencies, that a determination under the procedures described in subparagraph (A) could seriously jeopardize the life or health of the participant or beneficiary.

“(C) **CONCURRENT DETERMINATIONS.**—A plan or issuer shall maintain procedures to certify or deny coverage of an extended stay or additional services.

“(D) **RETROSPECTIVE DETERMINATION.**—A plan or issuer shall maintain procedures to ensure that, with respect to the retrospective review of a determination made under paragraph (1), the determination shall be made within 30 working days of the date on which the plan or issuer receives necessary information.

“(3) **NOTICE OF DETERMINATIONS.**—

“(A) **ROUTINE DETERMINATION.**—With respect to a coverage determination of a plan or issuer under paragraph (2)(A), the plan or issuer shall issue notice of such determination to the participant or beneficiary (or the authorized representative of the participant or beneficiary) and, consistent with the medical exigencies of the case, to the treating health care professional involved not later than 2 working days after the date on which the determination is made.

“(B) **EXPEDITED DETERMINATION.**—With respect to a coverage determination of a plan or issuer under paragraph (2)(B), the plan or issuer shall issue notice of such determination to the participant or beneficiary (or the authorized representative of the participant or beneficiary), and consistent with the medical exigencies of the case, to the treating health care professional involved within the 72 hour period described in paragraph (2)(B).

“(C) **CONCURRENT REVIEWS.**—With respect to the determination under a plan or issuer under paragraph (2)(C) to certify or deny cov-

erage of an extended stay or additional services, the plan or issuer shall issue notice of such determination to the treating health care professional and to the participant or beneficiary involved (or the authorized representative of the participant or beneficiary) within 1 working day of the determination.

“(D) **RETROSPECTIVE REVIEWS.**—With respect to the retrospective review under a plan or issuer of a determination made under paragraph (2)(D), the plan or issuer shall issue written notice of an approval or disapproval of a determination under this subparagraph to the participant or beneficiary (or the authorized representative of the participant or beneficiary) and health care provider involved within 5 working days of the date on which such determination is made.

“(E) **REQUIREMENTS OF NOTICE OF ADVERSE COVERAGE DETERMINATIONS.**—A written notice of an adverse coverage determination under this subsection, or of an expedited adverse coverage determination under paragraph (2)(B), shall be provided to the participant or beneficiary (or the authorized representative of the participant or beneficiary) and treating health care professional (if any) involved and shall include—

“(i) the reasons for the determination (including the clinical or scientific-evidence based rationale used in making the determination) written in a manner to be understandable to the average participant or beneficiary;

“(ii) the procedures for obtaining additional information concerning the determination; and

“(iii) notification of the right to appeal the determination and instructions on how to initiate an appeal in accordance with subsection (d).

“(c) **GRIEVANCES.**—A group health plan or a health insurance issuer shall have written procedures for addressing grievances between the plan or issuer offering health insurance coverage in connection with a group health plan and a participant or beneficiary. Determinations under such procedures shall be non-appealable.

“(d) **INTERNAL APPEAL OF COVERAGE DETERMINATIONS.**—

“(1) **RIGHT TO APPEAL.**—

“(A) **IN GENERAL.**—A participant or beneficiary (or the authorized representative of the participant or beneficiary) or the treating health care professional with the consent of the participant or beneficiary (or the authorized representative of the participant or beneficiary), may appeal any adverse coverage determination under subsection (b) under the procedures described in this subsection.

“(B) **TIME FOR APPEAL.**—A plan or issuer shall ensure that a participant or beneficiary has a period of not less than 180 days beginning on the date of an adverse coverage determination under subsection (b) in which to appeal such determination under this subsection.

“(C) **FAILURE TO ACT.**—The failure of a plan or issuer to issue a determination under subsection (b) within the applicable timeline established for such a determination under such subsection shall be treated as an adverse coverage determination for purposes of proceeding to internal review under this subsection.

“(2) **RECORDS.**—A group health plan and a health insurance issuer shall maintain written records, for at least 6 years, with respect to any appeal under this subsection for purposes of internal quality assurance and improvement. Nothing in the preceding sentence shall be construed as preventing a plan

and issuer from entering into an agreement under which the issuer agrees to assume responsibility for compliance with the requirements of this section and the plan is released from liability for such compliance.

“(3) ROUTINE DETERMINATIONS.—A group health plan or a health insurance issuer shall complete the consideration of an appeal of an adverse routine determination under this subsection not later than 30 working days after the date on which a request for such appeal is received.

“(4) EXPEDITED DETERMINATION.—

“(A) IN GENERAL.—An expedited determination with respect to an appeal under this subsection shall be made in accordance with the medical exigencies of the case, but in no case more than 72 hours after the request for such appeal is received by the plan or issuer under subparagraph (B) or (C).

“(B) REQUEST BY PARTICIPANT OR BENEFICIARY.—A plan or issuer shall maintain procedures for expediting a prior authorization determination under this subsection upon the request of a participant or beneficiary if, based on such a request, the plan or issuer determines that the normal time for making such a determination could seriously jeopardize the life or health of the participant or beneficiary.

“(C) DOCUMENTATION BY HEALTH CARE PROFESSIONAL.—A plan or issuer shall maintain procedures for expediting a prior authorization determination under this subsection if the request involved indicates that the treating health care professional has reasonably documented, based on the medical exigencies of the case that a determination under the procedures described in paragraph (2) could seriously jeopardize the life or health of the participant or beneficiary.

“(5) CONDUCT OF REVIEW.—A review of an adverse coverage determination under this subsection shall be conducted by an individual with appropriate expertise who was not directly involved in the initial determination.

“(6) LACK OF MEDICAL NECESSITY.—A review of an appeal under this subsection relating to a determination to deny coverage based on a lack of medical necessity and appropriateness, or based on an experimental or investigational treatment, shall be made only by a physician with appropriate expertise, including age-appropriate expertise, who was not involved in the initial determination.

“(7) NOTICE.—

“(A) IN GENERAL.—Written notice of a determination made under an internal review process shall be issued to the participant or beneficiary (or the authorized representative of the participant or beneficiary) and the treating health care professional not later than 2 working days after the completion of the review (or within the 72-hour period referred to in paragraph (4) if applicable).

“(B) ADVERSE COVERAGE DETERMINATIONS.—With respect to an adverse coverage determination made under this subsection, the notice described in subparagraph (A) shall include—

“(i) the reasons for the determination (including the clinical or scientific-evidence based rationale used in making the determination) written in a manner to be understandable to the average participant or beneficiary;

“(ii) the procedures for obtaining additional information concerning the determination; and

“(iii) notification of the right to an independent external review under subsection (e) and instructions on how to initiate such a review.

“(e) INDEPENDENT EXTERNAL REVIEW.—

“(1) ACCESS TO REVIEW.—

“(A) IN GENERAL.—A group health plan or a health insurance issuer offering health insurance coverage in connection with a group health plan shall have written procedures to permit a participant or beneficiary (or the authorized representative of the participant or beneficiary) access to an independent external review with respect to an adverse coverage determination concerning a particular item or service (including a circumstance treated as an adverse coverage determination under subparagraph (B)) where—

“(i) the particular item or service involved—

“(I)(aa) would be a covered benefit, when medically necessary and appropriate under the terms and conditions of the plan, and the item or service has been determined not to be medically necessary and appropriate under the internal appeals process required under subsection (d) or there has been a failure to issue a coverage determination as described in subparagraph (B); and

“(bb)(AA) the amount of such item or service involved exceeds a significant financial threshold; or

“(BB) there is a significant risk of placing the life or health of the participant or beneficiary in jeopardy; or

“(II) would be a covered benefit, when not considered experimental or investigational under the terms and conditions of the plan, and the item or service has been determined to be experimental or investigational under the internal appeals process required under subsection (d) or there has been a failure to issue a coverage determination as described in subparagraph (B); and

“(ii) the participant or beneficiary has completed the internal appeals process under subsection (d) with respect to such determination.

“(B) FAILURE TO ACT.—The failure of a plan or issuer to issue a coverage determination under subsection (d)(6) within the applicable timeline established for such a determination under such subsection shall be treated as an adverse coverage determination for purposes of proceeding to independent external review under this subsection.

“(2) INITIATION OF THE INDEPENDENT EXTERNAL REVIEW PROCESS.—

“(A) FILING OF REQUEST.—A participant or beneficiary (or the authorized representative of the participant or beneficiary) who desires to have an independent external review conducted under this subsection shall file a written request for such a review with the plan or issuer involved not later than 30 working days after the receipt of a final denial of a claim under subsection (d). Any such request shall include the consent of the participant or beneficiary (or the authorized representative of the participant or beneficiary) for the release of medical information and records to independent external reviewers regarding the participant or beneficiary.

“(B) TIMEFRAME FOR SELECTION OF APPEALS ENTITY.—Not later than 5 working days after the receipt of a request under subparagraph (A), or earlier in accordance with the medical exigencies of the case, the plan or issuer involved shall—

“(i) select an external appeals entity under paragraph (3)(A) that shall be responsible for designating an independent external reviewer under paragraph (3)(B); and

“(ii) provide notice of such selection to the participant or beneficiary (which shall include the name and address of the entity).

“(C) PROVISION OF INFORMATION.—Not later than 5 working days after the plan or issuer

provides the notice required under subparagraph (B)(ii), or earlier in accordance with the medical exigencies of the case, the plan, issuer, participant, beneficiary or physician (of the participant or beneficiary) involved shall forward necessary information (including, only in the case of a plan or issuer, medical records, any relevant review criteria, the clinical rationale consistent with the terms and conditions of the contract between the plan or issuer and the participant or beneficiary for the coverage denial, and evidence of the coverage of the participant or beneficiary) to the qualified external appeals entity designated under paragraph (3)(A).

“(D) FOLLOW-UP WRITTEN NOTIFICATION.—The plan or issuer involved shall send a follow-up written notification, in a timely manner, to the participant or beneficiary (or the authorized representative of the participant or beneficiary) and the plan administrator, indicating that an independent external review has been initiated.

“(3) CONDUCT OF INDEPENDENT EXTERNAL REVIEW.—

“(A) DESIGNATION OF EXTERNAL APPEALS ENTITY BY PLAN OR ISSUER.—

“(i) IN GENERAL.—A plan or issuer that receives a request for an independent external review under paragraph (2)(A) shall designate a qualified entity described in clause (ii), in a manner designed to ensure that the entity so designated will make a decision in an unbiased manner, to serve as the external appeals entity.

“(ii) QUALIFIED ENTITIES.—A qualified entity shall be—

“(I) an independent external review entity licensed or credentialed by a State;

“(II) a State agency established for the purpose of conducting independent external reviews;

“(III) any entity under contract with the Federal Government to provide independent external review services;

“(IV) any entity accredited as an independent external review entity by an accrediting body recognized by the Secretary for such purpose; or

“(V) any other entity meeting criteria established by the Secretary for purposes of this subparagraph.

“(B) DESIGNATION OF INDEPENDENT EXTERNAL REVIEWER BY EXTERNAL APPEALS ENTITY.—The external appeals entity designated under subparagraph (A) shall, not later than 30 days after the date on which such entity is designated under subparagraph (A), or earlier in accordance with the medical exigencies of the case, designate one or more individuals to serve as independent external reviewers with respect to a request received under paragraph (2)(A). Such reviewers shall be independent medical experts who shall—

“(i) be appropriately credentialed or licensed in any State to deliver health care services;

“(ii) not have any material, professional, familial, or financial affiliation with the case under review, the participant or beneficiary involved, the treating health care professional, the institution where the treatment would take place, or the manufacturer of any drug, device, procedure, or other therapy proposed for the participant or beneficiary whose treatment is under review;

“(iii) have expertise (including age-appropriate expertise) in the diagnosis or treatment under review and be a physician of the same specialty, when reasonably available, as the physician treating the participant or beneficiary or recommending or prescribing the treatment in question;

"(iv) receive only reasonable and customary compensation from the group health plan or health insurance issuer in connection with the independent external review that is not contingent on the decision rendered by the reviewer; and

"(v) not be held liable for decisions regarding medical determinations (but may be held liable for actions that are arbitrary and capricious).

"(4) STANDARD OF REVIEW.—

"(A) IN GENERAL.—An independent external reviewer shall—

"(i) make an independent determination based on the valid, relevant, scientific and clinical evidence to determine the medical necessity, appropriateness, experimental or investigational nature of the proposed treatment; and

"(ii) take into consideration appropriate and available information, including any evidence-based decision making or clinical practice guidelines used by the group health plan or health insurance issuer; timely evidence or information submitted by the plan, issuer, patient or patient's physician; the patient's medical record; expert consensus including both generally accepted medical practice and recognized best practice; medical literature as defined in section 556(5) of the Federal Food, Drug, and Cosmetic Act; the following standard reference compendia: The American Hospital Formulary Service-Drug Information, the American Dental Association Accepted Dental Therapeutics, and the United States Pharmacopoeia-Drug Information; and findings, studies, or research conducted by or under the auspices of Federal Government agencies and nationally recognized Federal research institutes including the Agency for Healthcare Research and Quality, National Institutes of Health, National Academy of Sciences, Health Care Financing Administration, and any national board recognized by the National Institutes of Health for the purposes of evaluating the medical value of health services.

"(B) NOTICE.—The plan or issuer involved shall ensure that the participant or beneficiary receives notice, within 30 days after the determination of the independent medical expert, regarding the actions of the plan or issuer with respect to the determination of such expert under the independent external review.

"(5) TIMEFRAME FOR REVIEW.—

"(A) IN GENERAL.—The independent external reviewer shall complete a review of an adverse coverage determination in accordance with the medical exigencies of the case.

"(B) EXPEDITED REVIEW.—Notwithstanding subparagraph (A), a review described in such subparagraph shall be completed not later than 72 hours after the later of—

"(i) the date on which such reviewer is designated; or

"(ii) the date on which all information necessary to completing such review is received; if the completion of such review in a period of time in excess of 72 hours would seriously jeopardize the life or health of the participant or beneficiary.

"(C) LIMITATION.—Notwithstanding subparagraph (A), and except as provided in subparagraph (B), a review described in subparagraph (A) shall be completed not later than 30 working days after the later of—

"(i) the date on which such reviewer is designated; or

"(ii) the date on which all information necessary to completing such review is received.

"(6) BINDING DETERMINATION AND ACCESS TO CARE.—

"(A) IN GENERAL.—The determination of an independent external reviewer under this

subsection shall be binding upon the plan or issuer if the provisions of this subsection or the procedures implemented under such provisions were complied with by the independent external reviewer.

"(B) TIMETABLE FOR COMMENCEMENT OF CARE.—Where an independent external reviewer determines that the participant or beneficiary is entitled to coverage of the items or services that were the subject of the review, the reviewer shall establish a timeframe, in accordance with the medical exigencies of the case, during which the plan or issuer shall comply with the decision of the reviewer with respect to the coverage of such items or services under the terms and conditions of the plan.

"(C) FAILURE TO COMPLY.—If a plan or issuer fails to comply with the timeframe established under subparagraph (B) with respect to a participant or beneficiary, where such failure to comply is caused by the plan or issuer, the participant or beneficiary may obtain the items or services involved (in a manner consistent with the determination of the independent external reviewer) from any provider regardless of whether such provider is a participating provider under the plan or coverage.

"(D) REIMBURSEMENT.—

"(i) IN GENERAL.—Where a participant or beneficiary obtains items or services in accordance with subparagraph (C), the plan or issuer involved shall provide for reimbursement of the costs of such items of services. Such reimbursement shall be made to the treating provider or to the participant or beneficiary (in the case of a participant or beneficiary who pays for the costs of such items or services).

"(ii) AMOUNT.—The plan or issuer shall fully reimburse a provider, participant or beneficiary under clause (i) for the total costs of the items or services provided (regardless of any plan limitations that may apply to the coverage of such items of services) so long as—

"(I) the items or services would have been covered under the terms of the plan or coverage if provided by the plan or issuer; and

"(II) the items or services were provided in a manner consistent with the determination of the independent external reviewer.

"(E) FAILURE TO REIMBURSE.—Where a plan or issuer fails to provide reimbursement to a provider, participant or beneficiary in accordance with this paragraph, the provider, participant or beneficiary may commence a civil action (or utilize other remedies available under law) to recover only the amount of any such reimbursement that is unpaid and any necessary legal costs or expenses (including attorneys' fees) incurred in recovering such reimbursement.

"(7) STUDY.—Not later than 2 years after the date of enactment of this section, the General Accounting Office shall conduct a study of a statistically appropriate sample of completed independent external reviews. Such study shall include an assessment of the process involved during an independent external review and the basis of decision-making by the independent external reviewer. The results of such study shall be submitted to the appropriate committees of Congress.

"(8) EFFECT ON CERTAIN PROVISIONS.—Nothing in this section shall be construed as affecting or modifying section 514 of this Act with respect to a group health plan.

"(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit a plan administrator or plan fiduciary or health plan medical director from requesting

an independent external review by an independent external reviewer without first completing the internal review process.

"(g) DEFINITIONS.—In this section:

"(1) ADVERSE COVERAGE DETERMINATION.—The term 'adverse coverage determination' means a coverage determination under the plan which results in a denial of coverage or reimbursement.

"(2) COVERAGE DETERMINATION.—The term 'coverage determination' means with respect to items and services for which coverage may be provided under a health plan, a determination of whether or not such items and services are covered or reimbursable under the coverage and terms of the contract.

"(3) GRIEVANCE.—The term 'grievance' means any complaint made by a participant or beneficiary that does not involve a coverage determination.

"(4) GROUP HEALTH PLAN.—The term 'group health plan' shall have the meaning given such term in section 733(a). In applying this paragraph, excepted benefits described in section 733(c) shall not be treated as benefits consisting of medical care.

"(5) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning given such term in section 733(b)(1). In applying this paragraph, excepted benefits described in section 733(c) shall not be treated as benefits consisting of medical care.

"(6) HEALTH INSURANCE ISSUER.—The term 'health insurance issuer' has the meaning given such term in section 733(b)(2).

"(7) PRIOR AUTHORIZATION DETERMINATION.—The term 'prior authorization determination' means a coverage determination prior to the provision of the items and services as a condition of coverage of the items and services under the coverage.

"(8) TREATING HEALTH CARE PROFESSIONAL.—The term 'treating health care professional' with respect to a group health plan, health insurance issuer or provider sponsored organization means a physician (medical doctor or doctor of osteopathy) or other health care practitioner who is acting within the scope of his or her State licensure or certification for the delivery of health care services and who is primarily responsible for delivering those services to the participant or beneficiary.

"(9) UTILIZATION REVIEW.—The term 'utilization review' with respect to a group health plan or health insurance coverage means a set of formal techniques designed to monitor the use of, or evaluate the clinical necessity, appropriateness, efficacy, or efficiency of, health care services, procedures, or settings. Techniques may include ambulatory review, prospective review, second opinion, certification, concurrent review, case management, discharge planning or retrospective review."

(b) ENFORCEMENT.—Section 502(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(c)) is amended by adding at the end the following:

"(8) The Secretary may assess a civil penalty against any plan of up to \$10,000 for the plan's failure or refusal to comply with any timeline applicable under section 503(e) or any determination under such section, except that in any case in which treatment was not commenced by the plan in accordance with the determination of an independent external reviewer, the Secretary shall assess a civil penalty of \$10,000 against the plan and the plan shall pay such penalty to the participant or beneficiary involved."

(c) CONFORMING AMENDMENT.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended

by striking the item relating to section 503 and inserting the following new item:

“Sec. 503. Claims procedures, coverage determination, grievances and appeals.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning on or after 1 year after the date of enactment of this Act. The Secretary shall issue all regulations necessary to carry out the amendments made by this section before the effective date thereof.

## TITLE II—WOMEN'S HEALTH AND CANCER RIGHTS

### SEC. 201. WOMEN'S HEALTH AND CANCER RIGHTS.

(a) SHORT TITLE.—This section may be cited as the “Women's Health and Cancer Rights Act of 1999”.

(b) FINDINGS.—Congress finds that—

(1) the offering and operation of health plans affect commerce among the States;

(2) health care providers located in a State serve patients who reside in the State and patients who reside in other States; and

(3) in order to provide for uniform treatment of health care providers and patients among the States, it is necessary to cover health plans operating in 1 State as well as health plans operating among the several States.

(c) AMENDMENTS TO ERISA.—

(1) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974, as amended by section 111(a), is further amended by adding at the end the following:

#### “SEC. 715. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND COVERAGE FOR SECONDARY CONSULTATIONS.

“(a) INPATIENT CARE.—

“(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits shall ensure that inpatient coverage with respect to the treatment of breast cancer is provided for a period of time as is determined by the attending physician, in consultation with the patient, to be medically necessary and appropriate following—

“(A) a mastectomy;

“(B) a lumpectomy; or

“(C) a lymph node dissection for the treatment of breast cancer.

“(2) EXCEPTION.—Nothing in this section shall be construed as requiring the provision of inpatient coverage if the attending physician and patient determine that a shorter period of hospital stay is medically appropriate.

“(b) PROHIBITION ON CERTAIN MODIFICATIONS.—In implementing the requirements of this section, a group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, may not modify the terms and conditions of coverage based on the determination by a participant or beneficiary to request less than the minimum coverage required under subsection (a).

“(c) NOTICE.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan shall provide notice to each participant and beneficiary under such plan regarding the coverage required by this section in accordance with regulations promulgated by the Secretary. Such notice shall be in writing and prominently positioned in any literature or correspondence made available

or distributed by the plan or issuer and shall be transmitted—

“(1) in the next mailing made by the plan or issuer to the participant or beneficiary;

“(2) as part of any yearly informational packet sent to the participant or beneficiary; or

“(3) not later than January 1, 2000; whichever is earlier.

“(d) SECONDARY CONSULTATIONS.—

“(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides coverage with respect to medical and surgical services provided in relation to the diagnosis and treatment of cancer shall ensure that full coverage is provided for secondary consultations by specialists in the appropriate medical fields (including pathology, radiology, and oncology) to confirm or refute such diagnosis. Such plan or issuer shall ensure that full coverage is provided for such secondary consultation whether such consultation is based on a positive or negative initial diagnosis. In any case in which the attending physician certifies in writing that services necessary for such a secondary consultation are not sufficiently available from specialists operating under the plan with respect to whose services coverage is otherwise provided under such plan or by such issuer, such plan or issuer shall ensure that coverage is provided with respect to the services necessary for the secondary consultation with any other specialist selected by the attending physician for such purpose at no additional cost to the individual beyond that which the individual would have paid if the specialist was participating in the network of the plan.

“(2) EXCEPTION.—Nothing in paragraph (1) shall be construed as requiring the provision of secondary consultations where the patient determines not to seek such a consultation.

“(e) PROHIBITION ON PENALTIES OR INCENTIVES.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, may not—

“(1) penalize or otherwise reduce or limit the reimbursement of a provider or specialist because the provider or specialist provided care to a participant or beneficiary in accordance with this section;

“(2) provide financial or other incentives to a physician or specialist to induce the physician or specialist to keep the length of inpatient stays of patients following a mastectomy, lumpectomy, or a lymph node dissection for the treatment of breast cancer below certain limits or to limit referrals for secondary consultations; or

“(3) provide financial or other incentives to a physician or specialist to induce the physician or specialist to refrain from referring a participant or beneficiary for a secondary consultation that would otherwise be covered by the plan or coverage involved under subsection (d).”.

(2) CLERICAL AMENDMENT.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 714 the following new item:

“Sec. 715. Required coverage for minimum hospital stay for mastectomies and lymph node dissections for the treatment of breast cancer and coverage for secondary consultations.”.

(d) AMENDMENTS TO PHSA RELATING TO THE GROUP MARKET.—Subpart 2 of part A of title XXVII of the Public Health Service Act (42

U.S.C. 300gg-4 et seq.) is amended by adding at the end the following new section:

#### “SEC. 2707. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND COVERAGE FOR SECONDARY CONSULTATIONS.

“(a) INPATIENT CARE.—

“(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits shall ensure that inpatient coverage with respect to the treatment of breast cancer is provided for a period of time as is determined by the attending physician, in consultation with the patient, to be medically necessary and appropriate following—

“(A) a mastectomy;

“(B) a lumpectomy; or

“(C) a lymph node dissection for the treatment of breast cancer.

“(2) EXCEPTION.—Nothing in this section shall be construed as requiring the provision of inpatient coverage if the attending physician and patient determine that a shorter period of hospital stay is medically appropriate.

“(b) PROHIBITION ON CERTAIN MODIFICATIONS.—In implementing the requirements of this section, a group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, may not modify the terms and conditions of coverage based on the determination by a participant or beneficiary to request less than the minimum coverage required under subsection (a).

“(c) NOTICE.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan shall provide notice to each participant and beneficiary under such plan regarding the coverage required by this section in accordance with regulations promulgated by the Secretary. Such notice shall be in writing and prominently positioned in any literature or correspondence made available or distributed by the plan or issuer and shall be transmitted—

“(1) in the next mailing made by the plan or issuer to the participant or beneficiary;

“(2) as part of any yearly informational packet sent to the participant or beneficiary; or

“(3) not later than January 1, 2000; whichever is earlier.

“(d) SECONDARY CONSULTATIONS.—

“(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan that provides coverage with respect to medical and surgical services provided in relation to the diagnosis and treatment of cancer shall ensure that full coverage is provided for secondary consultations by specialists in the appropriate medical fields (including pathology, radiology, and oncology) to confirm or refute such diagnosis. Such plan or issuer shall ensure that full coverage is provided for such secondary consultation whether such consultation is based on a positive or negative initial diagnosis. In any case in which the attending physician certifies in writing that services necessary for such a secondary consultation are not sufficiently available from specialists operating under the plan with respect to whose services coverage is otherwise provided under such plan or by such issuer, such plan or issuer shall ensure that coverage is provided with respect to the services necessary for the secondary consultation with



any other specialist selected by the attending physician for such purpose at no additional cost to the individual beyond that which the individual would have paid if the specialist was participating in the network of the plan.

“(2) EXCEPTION.—Nothing in paragraph (1) shall be construed as requiring the provision of secondary consultations where the patient determines not to seek such a consultation.

“(e) PROHIBITION ON PENALTIES OR INCENTIVES.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, may not—

“(1) penalize or otherwise reduce or limit the reimbursement of a provider or specialist because the provider or specialist provided care to a participant or beneficiary in accordance with this section;

“(2) provide financial or other incentives to a physician or specialist to induce the physician or specialist to keep the length of inpatient stays of patients following a mastectomy, lumpectomy, or a lymph node dissection for the treatment of breast cancer below certain limits or to limit referrals for secondary consultations; or

“(3) provide financial or other incentives to a physician or specialist to induce the physician or specialist to refrain from referring a participant or beneficiary for a secondary consultation that would otherwise be covered by the plan or coverage involved under subsection (d).”.

(e) AMENDMENTS TO PHSA RELATING TO THE INDIVIDUAL MARKET.—The first subpart 3 of part B of title XXVII of the Public Health Service Act (42 U.S.C. 300gg-51 et seq.) (relating to other requirements) (42 U.S.C. 300gg-51 et seq.) is amended—

(1) by redesignating such subpart as subpart 2; and

(2) by adding at the end the following:

**“SEC. 2753. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND SECONDARY CONSULTATIONS.**

“The provisions of section 2707 shall apply to health insurance coverage offered by a health insurance issuer in the individual market in the same manner as they apply to health insurance coverage offered by a health insurance issuer in connection with a group health plan in the small or large group market.”.

(f) AMENDMENTS TO THE IRC.—

(1) IN GENERAL.—Subchapter B of chapter 100 of the Internal Revenue Code of 1986, as amended by section 111(b), is further amended by inserting after section 9813 the following:

**“SEC. 9814. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND COVERAGE FOR SECONDARY CONSULTATIONS.**

“(a) INPATIENT CARE.—

“(1) IN GENERAL.—A group health plan that provides medical and surgical benefits shall ensure that inpatient coverage with respect to the treatment of breast cancer is provided for a period of time as is determined by the attending physician, in consultation with the patient, to be medically necessary and appropriate following—

“(A) a mastectomy;

“(B) a lumpectomy; or

“(C) a lymph node dissection for the treatment of breast cancer.

“(2) EXCEPTION.—Nothing in this section shall be construed as requiring the provision

of inpatient coverage if the attending physician and patient determine that a shorter period of hospital stay is medically appropriate.

“(b) PROHIBITION ON CERTAIN MODIFICATIONS.—In implementing the requirements of this section, a group health plan may not modify the terms and conditions of coverage based on the determination by a participant or beneficiary to request less than the minimum coverage required under subsection (a).

“(c) NOTICE.—A group health plan shall provide notice to each participant and beneficiary under such plan regarding the coverage required by this section in accordance with regulations promulgated by the Secretary. Such notice shall be in writing and prominently positioned in any literature or correspondence made available or distributed by the plan and shall be transmitted—

“(1) in the next mailing made by the plan to the participant or beneficiary;

“(2) as part of any yearly informational packet sent to the participant or beneficiary; or

“(3) not later than January 1, 2000; whichever is earlier.

“(d) SECONDARY CONSULTATIONS.—

“(1) IN GENERAL.—A group health plan that provides coverage with respect to medical and surgical services provided in relation to the diagnosis and treatment of cancer shall ensure that full coverage is provided for secondary consultations by specialists in the appropriate medical fields (including pathology, radiology, and oncology) to confirm or refute such diagnosis. Such plan or issuer shall ensure that full coverage is provided for such secondary consultation whether such consultation is based on a positive or negative initial diagnosis. In any case in which the attending physician certifies in writing that services necessary for such a secondary consultation are not sufficiently available from specialists operating under the plan with respect to whose services coverage is otherwise provided under such plan or by such issuer, such plan or issuer shall ensure that coverage is provided with respect to the services necessary for the secondary consultation with any other specialist selected by the attending physician for such purpose at no additional cost to the individual beyond that which the individual would have paid if the specialist was participating in the network of the plan.

“(2) EXCEPTION.—Nothing in paragraph (1) shall be construed as requiring the provision of secondary consultations where the patient determines not to seek such a consultation.

“(e) PROHIBITION ON PENALTIES.—A group health plan may not—

“(1) penalize or otherwise reduce or limit the reimbursement of a provider or specialist because the provider or specialist provided care to a participant or beneficiary in accordance with this section;

“(2) provide financial or other incentives to a physician or specialist to induce the physician or specialist to keep the length of inpatient stays of patients following a mastectomy, lumpectomy, or a lymph node dissection for the treatment of breast cancer below certain limits or to limit referrals for secondary consultations; or

“(3) provide financial or other incentives to a physician or specialist to induce the physician or specialist to refrain from referring a participant or beneficiary for a secondary consultation that would otherwise be covered by the plan involved under subsection (d).”.

(2) CLERICAL AMENDMENT.—The table of contents for chapter 100 of such Code is

amended by inserting after the item relating to section 9813 the following new item:

“Sec. 9814. Required coverage for minimum hospital stay for mastectomies and lymph node dissections for the treatment of breast cancer and coverage for secondary consultations.”.

### TITLE III—GENETIC INFORMATION AND SERVICES

#### SEC. 301. SHORT TITLE.

This title may be cited as the “Genetic Information Nondiscrimination in Health Insurance Act of 1999”.

#### SEC. 302. AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) PROHIBITION OF HEALTH DISCRIMINATION ON THE BASIS OF GENETIC INFORMATION OR GENETIC SERVICES.—

(1) NO ENROLLMENT RESTRICTION FOR GENETIC SERVICES.—Section 702(a)(1)(F) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1182(a)(1)(F)) is amended by inserting before the period the following: “(including information about a request for or receipt of genetic services)”.

(2) NO DISCRIMINATION IN GROUP PREMIUMS BASED ON PREDICTIVE GENETIC INFORMATION.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974, as amended by sections 111(a) and 201, is further amended by adding at the end the following:

**“SEC. 716. PROHIBITING PREMIUM DISCRIMINATION AGAINST GROUPS ON THE BASIS OF PREDICTIVE GENETIC INFORMATION.**

“A group health plan, or a health insurance issuer offering group health insurance coverage in connection with a group health plan, shall not adjust premium or contribution amounts for a group on the basis of predictive genetic information concerning any individual (including a dependent) or family member of the individual (including information about a request for or receipt of genetic services).”.

(3) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Section 702(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1182(b)) is amended by adding at the end the following:

“(3) REFERENCE TO RELATED PROVISION.—For a provision prohibiting the adjustment of premium or contribution amounts for a group under a group health plan on the basis of predictive genetic information (including information about a request for or receipt of genetic services), see section 716.”.

(B) TABLE OF CONTENTS.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974, as amended by sections 111(a) and 201, is further amended by inserting after the item relating to section 715 the following new item:

“Sec. 716. Prohibiting premium discrimination against groups on the basis of predictive genetic information.”.

(b) LIMITATION ON COLLECTION OF PREDICTIVE GENETIC INFORMATION.—Section 702 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1182) is amended by adding at the end the following:

“(c) COLLECTION OF PREDICTIVE GENETIC INFORMATION.—

“(1) LIMITATION ON REQUESTING OR REQUIRING PREDICTIVE GENETIC INFORMATION.—Except as provided in paragraph (2), a group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall not request or require predictive genetic information concerning any individual (including a

dependent) or family member of the individual (including information about a request for or receipt of genetic services).

“(2) INFORMATION NEEDED FOR DIAGNOSIS, TREATMENT, OR PAYMENT.—

“(A) IN GENERAL.—Notwithstanding paragraph (1), a group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, that provides health care items and services to an individual or dependent may request (but may not require) that such individual or dependent disclose, or authorize the collection or disclosure of, predictive genetic information for purposes of diagnosis, treatment, or payment relating to the provision of health care items and services to such individual or dependent.

“(B) NOTICE OF CONFIDENTIALITY PRACTICES AND DESCRIPTION OF SAFEGUARDS.—As a part of a request under subparagraph (A), the group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall provide to the individual or dependent a description of the procedures in place to safeguard the confidentiality, as described in subsection (d), of such predictive genetic information.

“(d) CONFIDENTIALITY WITH RESPECT TO PREDICTIVE GENETIC INFORMATION.—

“(1) NOTICE OF CONFIDENTIALITY PRACTICES.—

“(A) PREPARATION OF WRITTEN NOTICE.—A group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall post or provide, in writing and in a clear and conspicuous manner, notice of the plan or issuer's confidentiality practices, that shall include—

“(i) a description of an individual's rights with respect to predictive genetic information;

“(ii) the procedures established by the plan or issuer for the exercise of the individual's rights; and

“(iii) the right to obtain a copy of the notice of the confidentiality practices required under this subsection.

“(B) MODEL NOTICE.—The Secretary, in consultation with the National Committee on Vital and Health Statistics and the National Association of Insurance Commissioners, and after notice and opportunity for public comment, shall develop and disseminate model notices of confidentiality practices. Use of the model notice shall serve as a defense against claims of receiving inappropriate notice.

“(2) ESTABLISHMENT OF SAFEGUARDS.—A group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality, security, accuracy, and integrity of predictive genetic information created, received, obtained, maintained, used, transmitted, or disposed of by such plan or issuer.”

(c) DEFINITIONS.—Section 733(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191b(d)) is amended by adding at the end the following:

“(5) FAMILY MEMBER.—The term ‘family member’ means with respect to an individual—

“(A) the spouse of the individual;

“(B) a dependent child of the individual, including a child who is born to or placed for adoption with the individual; and

“(C) all other individuals related by blood to the individual or the spouse or child described in subparagraph (A) or (B).

“(6) GENETIC INFORMATION.—The term ‘genetic information’ means information about genes, gene products, or inherited characteristics that may derive from an individual or a family member (including information about a request for or receipt of genetic services).

“(7) GENETIC SERVICES.—The term ‘genetic services’ means health services provided to obtain, assess, or interpret genetic information for diagnostic and therapeutic purposes, and for genetic education and counseling.

“(8) PREDICTIVE GENETIC INFORMATION.—

“(A) IN GENERAL.—The term ‘predictive genetic information’ means, in the absence of symptoms, clinical signs, or a diagnosis of the condition related to such information—

“(i) information about an individual's genetic tests;

“(ii) information about genetic tests of family members of the individual; or

“(iii) information about the occurrence of a disease or disorder in family members.

“(B) EXCEPTIONS.—The term ‘predictive genetic information’ shall not include—

“(i) information about the sex or age of the individual;

“(ii) information derived from physical tests, such as the chemical, blood, or urine analyses of the individual including cholesterol tests; and

“(iii) information about physical exams of the individual.

“(9) GENETIC TEST.—The term ‘genetic test’ means the analysis of human DNA, RNA, chromosomes, proteins, and certain metabolites, including analysis of genotypes, mutations, phenotypes, or karyotypes, for the purpose of predicting risk of disease in asymptomatic or undiagnosed individuals. Such term does not include physical tests, such as the chemical, blood, or urine analyses of the individual including cholesterol tests, and physical exams of the individual, in order to detect symptoms, clinical signs, or a diagnosis of disease.”

(d) EFFECTIVE DATE.—Except as provided in this section, this section and the amendments made by this section shall apply with respect to group health plans for plan years beginning 1 year after the date of the enactment of this Act.

### SEC. 303. AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT.

(a) AMENDMENTS RELATING TO THE GROUP MARKET.—

(1) PROHIBITION OF HEALTH DISCRIMINATION ON THE BASIS OF GENETIC INFORMATION IN THE GROUP MARKET.—

(A) NO ENROLLMENT RESTRICTION FOR GENETIC SERVICES.—Section 2702(a)(1)(F) of the Public Health Service Act (42 U.S.C. 300gg-1(a)(1)(F)) is amended by inserting before the period the following: “(including information about a request for or receipt of genetic services)”

(B) NO DISCRIMINATION IN PREMIUMS BASED ON PREDICTIVE GENETIC INFORMATION.—Subpart 2 of part A of title XXVII of the Public Health Service Act, as amended by section 201, is further amended by adding at the end the following new section:

### “SEC. 2708. PROHIBITING PREMIUM DISCRIMINATION AGAINST GROUPS ON THE BASIS OF PREDICTIVE GENETIC INFORMATION IN THE GROUP MARKET.

“A group health plan, or a health insurance issuer offering group health insurance coverage in connection with a group health plan shall not adjust premium or contribution amounts for a group on the basis of predictive genetic information concerning any individual (including a dependent) or family member of the individual (including informa-

tion about a request for or receipt of genetic services).”

(C) CONFORMING AMENDMENT.—Section 2702(b) of the Public Health Service Act (42 U.S.C. 300gg-1(b)) is amended by adding at the end the following:

“(3) REFERENCE TO RELATED PROVISION.—For a provision prohibiting the adjustment of premium or contribution amounts for a group under a group health plan on the basis of predictive genetic information (including information about a request for or receipt of genetic services), see section 2708.”

(D) LIMITATION ON COLLECTION AND DISCLOSURE OF PREDICTIVE GENETIC INFORMATION.—Section 2702 of the Public Health Service Act (42 U.S.C. 300gg-1) is amended by adding at the end the following:

“(c) COLLECTION OF PREDICTIVE GENETIC INFORMATION.—

“(1) LIMITATION ON REQUESTING OR REQUIRING PREDICTIVE GENETIC INFORMATION.—Except as provided in paragraph (2), a group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall not request or require predictive genetic information concerning any individual (including a dependent) or a family member of the individual (including information about a request for or receipt of genetic services).

“(2) INFORMATION NEEDED FOR DIAGNOSIS, TREATMENT, OR PAYMENT.—

“(A) IN GENERAL.—Notwithstanding paragraph (1), a group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, that provides health care items and services to an individual or dependent may request (but may not require) that such individual or dependent disclose, or authorize the collection or disclosure of, predictive genetic information for purposes of diagnosis, treatment, or payment relating to the provision of health care items and services to such individual or dependent.

“(B) NOTICE OF CONFIDENTIALITY PRACTICES AND DESCRIPTION OF SAFEGUARDS.—As a part of a request under subparagraph (A), the group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall provide to the individual or dependent a description of the procedures in place to safeguard the confidentiality, as described in subsection (d), of such predictive genetic information.

“(d) CONFIDENTIALITY WITH RESPECT TO PREDICTIVE GENETIC INFORMATION.—

“(1) NOTICE OF CONFIDENTIALITY PRACTICES.—

“(A) PREPARATION OF WRITTEN NOTICE.—A group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall post or provide, in writing and in a clear and conspicuous manner, notice of the plan or issuer's confidentiality practices, that shall include—

“(i) a description of an individual's rights with respect to predictive genetic information;

“(ii) the procedures established by the plan or issuer for the exercise of the individual's rights; and

“(iii) the right to obtain a copy of the notice of the confidentiality practices required under this subsection.

“(B) MODEL NOTICE.—The Secretary, in consultation with the National Committee on Vital and Health Statistics and the National Association of Insurance Commissioners, and after notice and opportunity for

public comment, shall develop and disseminate model notices of confidentiality practices. Use of the model notice shall serve as a defense against claims of receiving inappropriate notice.

“(2) ESTABLISHMENT OF SAFEGUARDS.—A group health plan, or a health insurance issuer offering health insurance coverage in connection with a group health plan, shall establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality, security, accuracy, and integrity of predictive genetic information created, received, obtained, maintained, used, transmitted, or disposed of by such plan or issuer.”

(2) DEFINITIONS.—Section 2791(d) of the Public Health Service Act (42 U.S.C. 300gg-91(d)) is amended by adding at the end the following:

“(15) FAMILY MEMBER.—The term ‘family member’ means, with respect to an individual—

“(A) the spouse of the individual;

“(B) a dependent child of the individual, including a child who is born to or placed for adoption with the individual; and

“(C) all other individuals related by blood to the individual or the spouse or child described in subparagraph (A) or (B).

“(16) GENETIC INFORMATION.—The term ‘genetic information’ means information about genes, gene products, or inherited characteristics that may derive from an individual or a family member (including information about a request for or receipt of genetic services).

“(17) GENETIC SERVICES.—The term ‘genetic services’ means health services provided to obtain, assess, or interpret genetic information for diagnostic and therapeutic purposes, and for genetic education and counseling.

“(18) PREDICTIVE GENETIC INFORMATION.—

“(A) IN GENERAL.—The term ‘predictive genetic information’ means, in the absence of symptoms, clinical signs, or a diagnosis of the condition related to such information—

“(i) information about an individual’s genetic tests;

“(ii) information about genetic tests of family members of the individual; or

“(iii) information about the occurrence of a disease or disorder in family members.

“(B) EXCEPTIONS.—The term ‘predictive genetic information’ shall not include—

“(i) information about the sex or age of the individual;

“(ii) information derived from physical tests, such as the chemical, blood, or urine analyses of the individual including cholesterol tests; and

“(iii) information about physical exams of the individual.

“(19) GENETIC TEST.—The term ‘genetic test’ means the analysis of human DNA, RNA, chromosomes, proteins, and certain metabolites, including analysis of genotypes, mutations, phenotypes, or karyotypes, for the purpose of predicting risk of disease in asymptomatic or undiagnosed individuals. Such term does not include physical tests, such as the chemical, blood, or urine analyses of the individual including cholesterol tests, and physical exams of the individual, in order to detect symptoms, clinical signs, or a diagnosis of disease.”

(b) AMENDMENT RELATING TO THE INDIVIDUAL MARKET.—Subpart 2 of part B of title XXVII of the Public Health Service Act, as amended by section 201, is further amended by adding at the end the following new section:

**“SEC. 2754. PROHIBITION OF HEALTH DISCRIMINATION ON THE BASIS OF PREDICTIVE GENETIC INFORMATION.**

“(a) PROHIBITION ON PREDICTIVE GENETIC INFORMATION AS A CONDITION OF ELIGIBILITY.—A health insurance issuer offering health insurance coverage in the individual market may not use predictive genetic information as a condition of eligibility of an individual to enroll in individual health insurance coverage (including information about a request for or receipt of genetic services).

“(b) PROHIBITION ON PREDICTIVE GENETIC INFORMATION IN SETTING PREMIUM RATES.—A health insurance issuer offering health insurance coverage in the individual market shall not adjust premium rates for individuals on the basis of predictive genetic information concerning such an individual (including a dependent) or a family member of the individual (including information about a request for or receipt of genetic services).

“(c) COLLECTION OF PREDICTIVE GENETIC INFORMATION.—

“(1) LIMITATION ON REQUESTING OR REQUIRING PREDICTIVE GENETIC INFORMATION.—Except as provided in paragraph (2), a health insurance issuer offering health insurance coverage in the individual market shall not request or require predictive genetic information concerning any individual (including a dependent) or a family member of the individual (including information about a request for or receipt of genetic services).

“(2) INFORMATION NEEDED FOR DIAGNOSIS, TREATMENT, OR PAYMENT.—

“(A) IN GENERAL.—Notwithstanding paragraph (1), a health insurance issuer offering health insurance coverage in the individual market that provides health care items and services to an individual or dependent may request (but may not require) that such individual or dependent disclose, or authorize the collection or disclosure of, predictive genetic information for purposes of diagnosis, treatment, or payment relating to the provision of health care items and services to such individual or dependent.

“(B) NOTICE OF CONFIDENTIALITY PRACTICES AND DESCRIPTION OF SAFEGUARDS.—As a part of a request under subparagraph (A), the health insurance issuer offering health insurance coverage in the individual market shall provide to the individual or dependent a description of the procedures in place to safeguard the confidentiality, as described in subsection (d), of such predictive genetic information.

“(d) CONFIDENTIALITY WITH RESPECT TO PREDICTIVE GENETIC INFORMATION.—

“(1) NOTICE OF CONFIDENTIALITY PRACTICES.—

“(A) PREPARATION OF WRITTEN NOTICE.—A health insurance issuer offering health insurance coverage in the individual market shall post or provide, in writing and in a clear and conspicuous manner, notice of the issuer’s confidentiality practices, that shall include—

“(i) a description of an individual’s rights with respect to predictive genetic information;

“(ii) the procedures established by the issuer for the exercise of the individual’s rights; and

“(iii) the right to obtain a copy of the notice of the confidentiality practices required under this subsection.

“(B) MODEL NOTICE.—The Secretary, in consultation with the National Committee on Vital and Health Statistics and the National Association of Insurance Commissioners, and after notice and opportunity for public comment, shall develop and disseminate model notices of confidentiality prac-

tices. Use of the model notice shall serve as a defense against claims of receiving inappropriate notice.

“(2) ESTABLISHMENT OF SAFEGUARDS.—A health insurance issuer offering health insurance coverage in the individual market shall establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality, security, accuracy, and integrity of predictive genetic information created, received, obtained, maintained, used, transmitted, or disposed of by such issuer.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to—

(1) group health plans, and health insurance coverage offered in connection with group health plans, for plan years beginning after 1 year after the date of enactment of this Act; and

(2) health insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market after 1 year after the date of enactment of this Act.

**SEC. 304. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.**

(a) PROHIBITION OF HEALTH DISCRIMINATION ON THE BASIS OF GENETIC INFORMATION OR GENETIC SERVICES.—

(1) NO ENROLLMENT RESTRICTION FOR GENETIC SERVICES.—Section 9802(a)(1)(F) of the Internal Revenue Code of 1986 is amended by inserting before the period the following: “(including information about a request for or receipt of genetic services)”.

(2) NO DISCRIMINATION IN GROUP PREMIUMS BASED ON PREDICTIVE GENETIC INFORMATION.—

(A) IN GENERAL.—Subchapter B of chapter 100 of the Internal Revenue Code of 1986, as amended by sections 111(b) and 201, is further amended by adding at the end the following:

**“SEC. 9815. PROHIBITING PREMIUM DISCRIMINATION AGAINST GROUPS ON THE BASIS OF PREDICTIVE GENETIC INFORMATION.**

“‘A group health plan shall not adjust premium or contribution amounts for a group on the basis of predictive genetic information concerning any individual (including a dependent) or a family member of the individual (including information about a request for or receipt of genetic services).’”

(B) CONFORMING AMENDMENT.—Section 9802(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(3) REFERENCE TO RELATED PROVISION.—For a provision prohibiting the adjustment of premium or contribution amounts for a group under a group health plan on the basis of predictive genetic information (including information about a request for or the receipt of genetic services), see section 9815.”

(C) AMENDMENT TO TABLE OF SECTIONS.—The table of sections for subchapter B of chapter 100 of the Internal Revenue Code of 1986, as amended by sections 111(b) and 201, is further amended by adding at the end the following:

“Sec. 9816. Prohibiting premium discrimination against groups on the basis of predictive genetic information.”

(b) LIMITATION ON COLLECTION OF PREDICTIVE GENETIC INFORMATION.—Section 9802 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(d) COLLECTION OF PREDICTIVE GENETIC INFORMATION.—

“(1) LIMITATION ON REQUESTING OR REQUIRING PREDICTIVE GENETIC INFORMATION.—Except as provided in paragraph (2), a group health plan shall not request or require predictive genetic information concerning any

individual (including a dependent) or a family member of the individual (including information about a request for or receipt of genetic services).

“(2) INFORMATION NEEDED FOR DIAGNOSIS, TREATMENT, OR PAYMENT.—

“(A) IN GENERAL.—Notwithstanding paragraph (1), a group health plan that provides health care items and services to an individual or dependent may request (but may not require) that such individual or dependent disclose, or authorize the collection or disclosure of, predictive genetic information for purposes of diagnosis, treatment, or payment relating to the provision of health care items and services to such individual or dependent.

“(B) NOTICE OF CONFIDENTIALITY PRACTICES; DESCRIPTION OF SAFEGUARDS.—As a part of a request under subparagraph (A), the group health plan shall provide to the individual or dependent a description of the procedures in place to safeguard the confidentiality, as described in subsection (e), of such predictive genetic information.

“(e) CONFIDENTIALITY WITH RESPECT TO PREDICTIVE GENETIC INFORMATION.—

“(1) NOTICE OF CONFIDENTIALITY PRACTICES.—

“(A) PREPARATION OF WRITTEN NOTICE.—A group health plan shall post or provide, in writing and in a clear and conspicuous manner, notice of the plan's confidentiality practices, that shall include—

“(i) a description of an individual's rights with respect to predictive genetic information;

“(ii) the procedures established by the plan for the exercise of the individual's rights; and

“(iii) the right to obtain a copy of the notice of the confidentiality practices required under this subsection.

“(B) MODEL NOTICE.—The Secretary, in consultation with the National Committee on Vital and Health Statistics and the National Association of Insurance Commissioners, and after notice and opportunity for public comment, shall develop and disseminate model notices of confidentiality practices. Use of the model notice shall serve as a defense against claims of receiving inappropriate notice.

“(2) ESTABLISHMENT OF SAFEGUARDS.—A group health plan shall establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality, security, accuracy, and integrity of predictive genetic information created, received, obtained, maintained, used, transmitted, or disposed of by such plan.”.

(c) DEFINITIONS.—Section 9832(d) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(6) FAMILY MEMBER.—The term ‘family member’ means, with respect to an individual—

“(A) the spouse of the individual;

“(B) a dependent child of the individual, including a child who is born to or placed for adoption with the individual; and

“(C) all other individuals related by blood to the individual or the spouse or child described in subparagraph (A) or (B).

“(7) GENETIC INFORMATION.—The term ‘genetic information’ means information about genes, gene products, or inherited characteristics that may derive from an individual or a family member (including information about a request for or receipt of genetic services).

“(8) GENETIC SERVICES.—The term ‘genetic services’ means health services provided to obtain, assess, or interpret genetic informa-

tion for diagnostic and therapeutic purposes, and for genetic education and counseling.

“(9) PREDICTIVE GENETIC INFORMATION.—

“(A) IN GENERAL.—The term ‘predictive genetic information’ means, in the absence of symptoms, clinical signs, or a diagnosis of the condition related to such information—

“(i) information about an individual's genetic tests;

“(ii) information about genetic tests of family members of the individual; or

“(iii) information about the occurrence of a disease or disorder in family members.

“(B) EXCEPTIONS.—The term ‘predictive genetic information’ shall not include—

“(i) information about the sex or age of the individual;

“(ii) information derived from physical tests, such as the chemical, blood, or urine analyses of the individual including cholesterol tests; and

“(iii) information about physical exams of the individual.

“(10) GENETIC TEST.—The term ‘genetic test’ means the analysis of human DNA, RNA, chromosomes, proteins, and certain metabolites, including analysis of genotypes, mutations, phenotypes, or karyotypes, for the purpose of predicting risk of disease in asymptomatic or undiagnosed individuals. Such term does not include physical tests, such as the chemical, blood, or urine analyses of the individual including cholesterol tests, and physical exams of the individual, in order to detect symptoms, clinical signs, or a diagnosis of disease.”.

(d) EFFECTIVE DATE.—Except as provided in this section, this section and the amendments made by this section shall apply with respect to group health plans for plan years beginning after 1 year after the date of the enactment of this Act.

#### TITLE IV—HEALTHCARE RESEARCH AND QUALITY

##### SEC. 401. SHORT TITLE.

This title may be cited as the “Healthcare Research and Quality Act of 1999”.

##### SEC. 402. AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT.

Title IX of the Public Health Service Act (42 U.S.C. 299 et seq.) is amended to read as follows:

#### “TITLE IX—AGENCY FOR HEALTHCARE RESEARCH AND QUALITY

##### “PART A—ESTABLISHMENT AND GENERAL DUTIES

###### “SEC. 901. MISSION AND DUTIES.

“(a) IN GENERAL.—There is established within the Public Health Service an agency to be known as the Agency for Healthcare Research and Quality. In carrying out this subsection, the Secretary shall redesignate the Agency for Health Care Policy and Research as the Agency for Healthcare Research and Quality.

“(b) MISSION.—The purpose of the Agency is to enhance the quality, appropriateness, and effectiveness of healthcare services, and access to such services, through the establishment of a broad base of scientific research and through the promotion of improvements in clinical and health system practices, including the prevention of diseases and other health conditions. The Agency shall promote healthcare quality improvement by—

“(1) conducting and supporting research that develops and presents scientific evidence regarding all aspects of healthcare, including—

“(A) the development and assessment of methods for enhancing patient participation in their own care and for facilitating shared patient-physician decision-making;

“(B) the outcomes, effectiveness, and cost-effectiveness of healthcare practices, including preventive measures and long-term care;

“(C) existing and innovative technologies;

“(D) the costs and utilization of, and access to healthcare;

“(E) the ways in which healthcare services are organized, delivered, and financed and the interaction and impact of these factors on the quality of patient care;

“(F) methods for measuring quality and strategies for improving quality; and

“(G) ways in which patients, consumers, purchasers, and practitioners acquire new information about best practices and health benefits, the determinants and impact of their use of this information;

“(2) synthesizing and disseminating available scientific evidence for use by patients, consumers, practitioners, providers, purchasers, policy makers, and educators; and

“(3) advancing private and public efforts to improve healthcare quality.

“(c) REQUIREMENTS WITH RESPECT TO RURAL AREAS AND PRIORITY POPULATIONS.—In carrying out subsection (b), the Director shall undertake and support research, demonstration projects, and evaluations with respect to the delivery of health services—

“(1) in rural areas (including frontier areas);

“(2) for low-income groups, and minority groups;

“(3) for children;

“(4) for elderly; and

“(5) for people with special healthcare needs, including disabilities, chronic care and end-of-life healthcare.

“(d) APPOINTMENT OF DIRECTOR.—There shall be at the head of the Agency an official to be known as the Director for Healthcare Research and Quality. The Director shall be appointed by the Secretary. The Secretary, acting through the Director, shall carry out the authorities and duties established in this title.

##### “SEC. 902. GENERAL AUTHORITIES.

“(a) IN GENERAL.—In carrying out section 901(b), the Director shall support demonstration projects, conduct and support research, evaluations, training, research networks, multi-disciplinary centers, technical assistance, and the dissemination of information, on healthcare, and on systems for the delivery of such care, including activities with respect to—

“(1) the quality, effectiveness, efficiency, appropriateness and value of healthcare services;

“(2) quality measurement and improvement;

“(3) the outcomes, cost, cost-effectiveness, and use of healthcare services and access to such services;

“(4) clinical practice, including primary care and practice-oriented research;

“(5) healthcare technologies, facilities, and equipment;

“(6) healthcare costs, productivity, organization, and market forces;

“(7) health promotion and disease prevention, including clinical preventive services;

“(8) health statistics, surveys, database development, and epidemiology; and

“(9) medical liability.

“(b) HEALTH SERVICES TRAINING GRANTS.—

“(1) IN GENERAL.—The Director may provide training grants in the field of health services research related to activities authorized under subsection (a), to include pre- and post-doctoral fellowships and training programs, young investigator awards, and other programs and activities as appropriate. In carrying out this subsection, the Director

shall make use of funds made available under section 487 as well as other appropriated funds.

“(2) REQUIREMENTS.—In developing priorities for the allocation of training funds under this subsection, the Director shall take into consideration shortages in the number of trained researchers addressing the priority populations.

“(c) MULTIDISCIPLINARY CENTERS.—The Director may provide financial assistance to assist in meeting the costs of planning and establishing new centers, and operating existing and new centers, for multidisciplinary health services research, demonstration projects, evaluations, training, and policy analysis with respect to the matters referred to in subsection (a).

“(d) RELATION TO CERTAIN AUTHORITIES REGARDING SOCIAL SECURITY.—Activities authorized in this section shall be appropriately coordinated with experiments, demonstration projects, and other related activities authorized by the Social Security Act and the Social Security Amendments of 1967. Activities under subsection (a)(2) of this section that affect the programs under titles XVIII, XIX and XXI of the Social Security Act shall be carried out consistent with section 1142 of such Act.

“(e) DISCLAIMER.—The Agency shall not mandate national standards of clinical practice or quality healthcare standards. Recommendations resulting from projects funded and published by the Agency shall include a corresponding disclaimer.

“(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to imply that the Agency's role is to mandate a national standard or specific approach to quality measurement and reporting. In research and quality improvement activities, the Agency shall consider a wide range of choices, providers, healthcare delivery systems, and individual preferences.

#### **“PART B—HEALTHCARE IMPROVEMENT RESEARCH**

##### **“SEC. 911. HEALTHCARE OUTCOME IMPROVEMENT RESEARCH.**

“(a) EVIDENCE RATING SYSTEMS.—In collaboration with experts from the public and private sector, the Agency shall identify and disseminate methods or systems that it uses to assess healthcare research results, particularly methods or systems that it uses to rate the strength of the scientific evidence behind healthcare practice, recommendations in the research literature, and technology assessments. The Agency shall make methods and systems for evidence rating widely available. Agency publications containing healthcare recommendations shall indicate the level of substantiating evidence using such methods or systems.

“(b) HEALTHCARE IMPROVEMENT RESEARCH CENTERS AND PROVIDER-BASED RESEARCH NETWORKS.—In order to address the full continuum of care and outcomes research, to link research to practice improvement, and to speed the dissemination of research findings to community practice settings, the Agency shall employ research strategies and mechanisms that will link research directly with clinical practice in geographically diverse locations throughout the United States, including—

“(1) Healthcare Improvement Research Centers that combine demonstrated multidisciplinary expertise in outcomes or quality improvement research with linkages to relevant sites of care;

“(2) Provider-based Research Networks, including plan, facility, or delivery system sites of care (especially primary care), that

can evaluate and promote quality improvement; and

“(3) other innovative mechanisms or strategies to link research with clinical practice.

##### **“SEC. 912. PRIVATE-PUBLIC PARTNERSHIPS TO IMPROVE ORGANIZATION AND DELIVERY.**

“(a) SUPPORT FOR EFFORTS TO DEVELOP INFORMATION ON QUALITY.—

“(1) SCIENTIFIC AND TECHNICAL SUPPORT.—In its role as the principal agency for healthcare research and quality, the Agency may provide scientific and technical support for private and public efforts to improve healthcare quality, including the activities of accrediting organizations.

“(2) ROLE OF THE AGENCY.—With respect to paragraph (1), the role of the Agency shall include—

“(A) the identification and assessment of methods for the evaluation of the health of—

“(i) enrollees in health plans by type of plan, provider, and provider arrangements; and

“(ii) other populations, including those receiving long-term care services;

“(B) the ongoing development, testing, and dissemination of quality measures, including measures of health and functional outcomes;

“(C) the compilation and dissemination of healthcare quality measures developed in the private and public sector;

“(D) assistance in the development of improved healthcare information systems;

“(E) the development of survey tools for the purpose of measuring participant and beneficiary assessments of their healthcare; and

“(F) identifying and disseminating information on mechanisms for the integration of information on quality into purchaser and consumer decision-making processes.

“(b) CENTERS FOR EDUCATION AND RESEARCH ON THERAPEUTICS.—

“(1) IN GENERAL.—The Secretary, acting through the Director and in consultation with the Commissioner of Food and Drugs, shall establish a program for the purpose of making one or more grants for the establishment and operation of one or more centers to carry out the activities specified in paragraph (2).

“(2) REQUIRED ACTIVITIES.—The activities referred to in this paragraph are the following:

“(A) The conduct of state-of-the-art clinical, laboratory, or health services research for the following purposes:

“(i) To increase awareness of—

“(I) new uses of drugs, biological products, and devices;

“(II) ways to improve the effective use of drugs, biological products, and devices; and

“(III) risks of new uses and risks of combinations of drugs and biological products.

“(ii) To provide objective clinical information to the following individuals and entities:

“(I) Healthcare practitioners and other providers of healthcare goods or services.

“(II) Pharmacists, pharmacy benefit managers and purchasers.

“(III) Health maintenance organizations and other managed healthcare organizations.

“(IV) Healthcare insurers and governmental agencies.

“(V) Patients and consumers.

“(iii) To improve the quality of healthcare while reducing the cost of Healthcare through—

“(I) an increase in the appropriate use of drugs, biological products, or devices; and

“(II) the prevention of adverse effects of drugs, biological products, and devices and

the consequences of such effects, such as unnecessary hospitalizations.

“(B) The conduct of research on the comparative effectiveness, cost-effectiveness, and safety of drugs, biological products, and devices.

“(C) Such other activities as the Secretary determines to be appropriate, except that grant funds may not be used by the Secretary in conducting regulatory review of new drugs.

“(c) REDUCING ERRORS IN MEDICINE.—The Director shall conduct and support research and build private-public partnerships to—

“(1) identify the causes of preventable healthcare errors and patient injury in healthcare delivery;

“(2) develop, demonstrate, and evaluate strategies for reducing errors and improving patient safety; and

“(3) promote the implementation of effective strategies throughout the healthcare industry.

##### **“SEC. 913. INFORMATION ON QUALITY AND COST OF CARE.**

“(a) IN GENERAL.—In carrying out 902(a), the Director shall—

“(1) conduct a survey to collect data on a nationally representative sample of the population on the cost, use and, for fiscal year 2001 and subsequent fiscal years, quality of healthcare, including the types of healthcare services Americans use, their access to healthcare services, frequency of use, how much is paid for the services used, the source of those payments, the types and costs of private health insurance, access, satisfaction, and quality of care for the general population including rural residents and for the populations identified in section 901(c); and

“(2) develop databases and tools that provide information to States on the quality, access, and use of healthcare services provided to their residents.

“(b) QUALITY AND OUTCOMES INFORMATION.—

“(1) IN GENERAL.—Beginning in fiscal year 2001, the Director shall ensure that the survey conducted under subsection (a)(1) will—

“(A) identify determinants of health outcomes and functional status, and their relationships to healthcare access and use, determine the ways and extent to which the priority populations enumerated in section 901(c) differ from the general population with respect to such variables, measure changes over time with respect to such variable, and monitor the overall national impact of changes in Federal and State policy on healthcare;

“(B) provide information on the quality of care and patient outcomes for frequently occurring clinical conditions for a nationally representative sample of the population including rural residents; and

“(C) provide reliable national estimates for children and persons with special healthcare needs through the use of supplements or periodic expansions of the survey.

In expanding the Medical Expenditure Panel Survey, as in existence on the date of enactment of this title, in fiscal year 2001 to collect information on the quality of care, the Director shall take into account any outcomes measurements generally collected by private sector accreditation organizations.

“(2) ANNUAL REPORT.—Beginning in fiscal year 2003, the Secretary, acting through the Director, shall submit to Congress an annual report on national trends in the quality of healthcare provided to the American people.

**"SEC. 914. INFORMATION SYSTEMS FOR HEALTHCARE IMPROVEMENT.**

"(a) IN GENERAL.—In order to foster a range of innovative approaches to the management and communication of health information, the Agency shall support research, evaluations and initiatives to advance—

"(1) the use of information systems for the study of healthcare quality, including the generation of both individual provider and plan-level comparative performance data;

"(2) training for healthcare practitioners and researchers in the use of information systems;

"(3) the creation of effective linkages between various sources of health information, including the development of information networks;

"(4) the delivery and coordination of evidence-based healthcare services, including the use of real-time healthcare decision-support programs;

"(5) the utility and comparability of health information data and medical vocabularies by addressing issues related to the content, structure, definitions and coding of such information and data in consultation with appropriate Federal, State and private entities;

"(6) the use of computer-based health records in all settings for the development of personal health records for individual health assessment and maintenance, and for monitoring public health and outcomes of care within populations; and

"(7) the protection of individually identifiable information in health services research and healthcare quality improvement.

"(b) DEMONSTRATION.—The Agency shall support demonstrations into the use of new information tools aimed at improving shared decision-making between patients and their care-givers.

**"SEC. 915. RESEARCH SUPPORTING PRIMARY CARE AND ACCESS IN UNDERSERVED AREAS.**

"(a) PREVENTIVE SERVICES TASK FORCE.—

"(1) ESTABLISHMENT AND PURPOSE.—The Director may periodically convene a Preventive Services Task Force to be composed of individuals with appropriate expertise. Such a task force shall review the scientific evidence related to the effectiveness, appropriateness, and cost-effectiveness of clinical preventive services for the purpose of developing recommendations for the healthcare community, and updating previous clinical preventive recommendations.

"(2) ROLE OF AGENCY.—The Agency shall provide ongoing administrative, research, and technical support for the operations of the Preventive Services Task Force, including coordinating and supporting the dissemination of the recommendations of the Task Force.

"(3) OPERATION.—In carrying out its responsibilities under paragraph (1), the Task Force is not subject to the provisions of Appendix 2 of title 5, United States Code.

"(b) PRIMARY CARE RESEARCH.—

"(1) IN GENERAL.—There is established within the Agency a Center for Primary Care Research (referred to in this subsection as the 'Center') that shall serve as the principal source of funding for primary care practice research in the Department of Health and Human Services. For purposes of this paragraph, primary care research focuses on the first contact when illness or health concerns arise, the diagnosis, treatment or referral to specialty care, preventive care, and the relationship between the clinician and the patient in the context of the family and community.

"(2) RESEARCH.—In carrying out this section, the Center shall conduct and support research concerning—

"(A) the nature and characteristics of primary care practice;

"(B) the management of commonly occurring clinical problems;

"(C) the management of undifferentiated clinical problems; and

"(D) the continuity and coordination of health services.

**"SEC. 916. CLINICAL PRACTICE AND TECHNOLOGY INNOVATION.**

"(a) IN GENERAL.—The Director shall promote innovation in evidence-based clinical practice and healthcare technologies by—

"(1) conducting and supporting research on the development, diffusion, and use of healthcare technology;

"(2) developing, evaluating, and disseminating methodologies for assessments of healthcare practices and healthcare technologies;

"(3) conducting intramural and supporting extramural assessments of existing and new healthcare practices and technologies;

"(4) promoting education, training, and providing technical assistance in the use of healthcare practice and healthcare technology assessment methodologies and results; and

"(5) working with the National Library of Medicine and the public and private sector to develop an electronic clearinghouse of currently available assessments and those in progress.

"(b) SPECIFICATION OF PROCESS.—

"(1) IN GENERAL.—Not later than December 31, 2000, the Director shall develop and publish a description of the methodology used by the Agency and its contractors in conducting practice and technology assessment.

"(2) CONSULTATIONS.—In carrying out this subsection, the Director shall cooperate and consult with the Assistant Secretary for Health, the Administrator of the Health Care Financing Administration, the Director of the National Institutes of Health, the Commissioner of Food and Drugs, and the heads of any other interested Federal department or agency, and shall seek input, where appropriate, from professional societies and other private and public entities.

"(3) METHODOLOGY.—The Director, in developing assessment methodology, shall consider—

"(A) safety, efficacy, and effectiveness;

"(B) legal, social, and ethical implications;

"(C) costs, benefits, and cost-effectiveness;

"(D) comparisons to alternate technologies and practices; and

"(E) requirements of Food and Drug Administration approval to avoid duplication.

"(c) SPECIFIC ASSESSMENTS.—

"(1) IN GENERAL.—The Director shall conduct or support specific assessments of healthcare technologies and practices.

"(2) REQUESTS FOR ASSESSMENTS.—The Director is authorized to conduct or support assessments, on a reimbursable basis, for the Health Care Financing Administration, the Department of Defense, the Department of Veterans Affairs, the Office of Personnel Management, and other public or private entities.

"(3) GRANTS AND CONTRACTS.—In addition to conducting assessments, the Director may make grants to, or enter into cooperative agreements or contracts with, entities described in paragraph (4) for the purpose of conducting assessments of experimental, emerging, existing, or potentially outmoded healthcare technologies, and for related activities.

"(4) ELIGIBLE ENTITIES.—An entity described in this paragraph is an entity that is determined to be appropriate by the Director, including academic medical centers, research institutions and organizations, professional organizations, third party payers, governmental agencies, and consortia of appropriate research entities established for the purpose of conducting technology assessments.

**"SEC. 917. COORDINATION OF FEDERAL GOVERNMENT QUALITY IMPROVEMENT EFFORTS.**

"(a) REQUIREMENT.—

"(1) IN GENERAL.—To avoid duplication and ensure that Federal resources are used efficiently and effectively, the Secretary, acting through the Director, shall coordinate all research, evaluations, and demonstrations related to health services research, quality measurement and quality improvement activities undertaken and supported by the Federal Government.

"(2) SPECIFIC ACTIVITIES.—The Director, in collaboration with the appropriate Federal officials representing all concerned executive agencies and departments, shall develop and manage a process to—

"(A) improve interagency coordination, priority setting, and the use and sharing of research findings and data pertaining to Federal quality improvement programs, technology assessment, and health services research;

"(B) strengthen the research information infrastructure, including databases, pertaining to Federal health services research and healthcare quality improvement initiatives;

"(C) set specific goals for participating agencies and departments to further health services research and healthcare quality improvement; and

"(D) strengthen the management of Federal healthcare quality improvement programs.

"(b) STUDY BY THE INSTITUTE OF MEDICINE.—

"(1) IN GENERAL.—To provide Congress, the Department of Health and Human Services, and other relevant departments with an independent, external review of their quality oversight, quality improvement and quality research programs, the Secretary shall enter into a contract with the Institute of Medicine—

"(A) to describe and evaluate current quality improvement, quality research and quality monitoring processes through—

"(i) an overview of pertinent health services research activities and quality improvement efforts conducted by all Federal programs, with particular attention paid to those under titles XVIII, XIX, and XXI of the Social Security Act; and

"(ii) a summary of the partnerships that the Department of Health and Human Services has pursued with private accreditation, quality measurement and improvement organizations; and

"(B) to identify options and make recommendations to improve the efficiency and effectiveness of quality improvement programs through—

"(i) the improved coordination of activities across the medicare, medicaid and child health insurance programs under titles XVIII, XIX and XXI of the Social Security Act and health services research programs;

"(ii) the strengthening of patient choice and participation by incorporating state-of-the-art quality monitoring tools and making information on quality available; and

"(iii) the enhancement of the most effective programs, consolidation as appropriate,

and elimination of duplicative activities within various federal agencies.

**“(2) REQUIREMENTS.—**

“(A) IN GENERAL.—The Secretary shall enter into a contract with the Institute of Medicine for the preparation—

“(i) not later than 12 months after the date of enactment of this title, of a report providing an overview of the quality improvement programs of the Department of Health and Human Services for the medicare, medicaid, and CHIP programs under titles XVIII, XIX, and XXI of the Social Security Act; and

“(ii) not later than 24 months after the date of enactment of this title, of a final report containing recommendations.

“(B) REPORTS.—The Secretary shall submit the reports described in subparagraph (A) to the Committee on Finance and the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Ways and Means and the Committee on Commerce of the House of Representatives.

**“PART C—GENERAL PROVISIONS**

**“SEC. 921. ADVISORY COUNCIL FOR HEALTHCARE RESEARCH AND QUALITY.**

“(a) ESTABLISHMENT.—There is established an advisory council to be known as the Advisory Council for Healthcare Research and Quality.

**“(b) DUTIES.—**

“(1) IN GENERAL.—The Advisory Council shall advise the Secretary and the Director with respect to activities proposed or undertaken to carry out the purpose of the Agency under section 901(b).

“(2) CERTAIN RECOMMENDATIONS.—Activities of the Advisory Council under paragraph (1) shall include making recommendations to the Director regarding—

“(A) priorities regarding healthcare research, especially studies related to quality, outcomes, cost and the utilization of, and access to, healthcare services;

“(B) the field of healthcare research and related disciplines, especially issues related to training needs, and dissemination of information pertaining to healthcare quality; and

“(C) the appropriate role of the Agency in each of these areas in light of private sector activity and identification of opportunities for public-private sector partnerships.

**“(c) MEMBERSHIP.—**

“(1) IN GENERAL.—The Advisory Council shall, in accordance with this subsection, be composed of appointed members and ex officio members. All members of the Advisory Council shall be voting members other than the individuals designated under paragraph (3)(B) as ex officio members.

“(2) APPOINTED MEMBERS.—The Secretary shall appoint to the Advisory Council 21 appropriately qualified individuals. At least 17 members of the Advisory Council shall be representatives of the public who are not officers or employees of the United States. The Secretary shall ensure that the appointed members of the Council, as a group, are representative of professions and entities concerned with, or affected by, activities under this title and under section 1142 of the Social Security Act. Of such members—

“(A) 4 shall be individuals distinguished in the conduct of research, demonstration projects, and evaluations with respect to healthcare;

“(B) 4 shall be individuals distinguished in the practice of medicine of which at least 1 shall be a primary care practitioner;

“(C) 3 shall be individuals distinguished in the other health professions;

“(D) 4 shall be individuals either representing the private healthcare sector, including health plans, providers, and pur-

chasers or individuals distinguished as administrators of healthcare delivery systems;

“(E) 4 shall be individuals distinguished in the fields of healthcare quality improvement, economics, information systems, law, ethics, business, or public policy, including at least 1 individual specializing in rural aspects in 1 or more of these fields; and

“(F) 2 shall be individuals representing the interests of patients and consumers of healthcare.

“(3) EX OFFICIO MEMBERS.—The Secretary shall designate as ex officio members of the Advisory Council—

“(A) the Assistant Secretary for Health, the Director of the National Institutes of Health, the Director of the Centers for Disease Control and Prevention, the Administrator of the Health Care Financing Administration, the Assistant Secretary of Defense (Health Affairs), and the Under Secretary for Health of the Department of Veterans Affairs; and

“(B) such other Federal officials as the Secretary may consider appropriate.

“(d) TERMS.—Members of the Advisory Council appointed under subsection (c)(2) shall serve for a term of 3 years. A member of the Council appointed under such subsection may continue to serve after the expiration of the term of the members until a successor is appointed.

“(e) VACANCIES.—If a member of the Advisory Council appointed under subsection (c)(2) does not serve the full term applicable under subsection (d), the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

“(f) CHAIR.—The Director shall, from among the members of the Advisory Council appointed under subsection (c)(2), designate an individual to serve as the chair of the Advisory Council.

“(g) MEETINGS.—The Advisory Council shall meet not less than once during each discrete 4-month period and shall otherwise meet at the call of the Director or the chair.

**“(h) COMPENSATION AND REIMBURSEMENT OF EXPENSES.—**

“(1) APPOINTED MEMBERS.—Members of the Advisory Council appointed under subsection (c)(2) shall receive compensation for each day (including travel time) engaged in carrying out the duties of the Advisory Council unless declined by the member. Such compensation may not be in an amount in excess of the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which such member is engaged in the performance of the duties of the Advisory Council.

“(2) EX OFFICIO MEMBERS.—Officials designated under subsection (c)(3) as ex officio members of the Advisory Council may not receive compensation for service on the Advisory Council in addition to the compensation otherwise received for duties carried out as officers of the United States.

“(i) STAFF.—The Director shall provide to the Advisory Council such staff, information, and other assistance as may be necessary to carry out the duties of the Council.

**“SEC. 922. PEER REVIEW WITH RESPECT TO GRANTS AND CONTRACTS.**

**“(a) REQUIREMENT OF REVIEW.—**

“(1) IN GENERAL.—Appropriate technical and scientific peer review shall be conducted with respect to each application for a grant, cooperative agreement, or contract under this title.

“(2) REPORTS TO DIRECTOR.—Each peer review group to which an application is sub-

mitted pursuant to paragraph (1) shall report its finding and recommendations respecting the application to the Director in such form and in such manner as the Director shall require.

“(b) APPROVAL AS PRECONDITION OF AWARDS.—The Director may not approve an application described in subsection (a)(1) unless the application is recommended for approval by a peer review group established under subsection (c).

**“(c) ESTABLISHMENT OF PEER REVIEW GROUPS.—**

“(1) IN GENERAL.—The Director shall establish such technical and scientific peer review groups as may be necessary to carry out this section. Such groups shall be established without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, and without regard to the provisions of chapter 51, and subchapter III of chapter 53, of such title that relate to classification and pay rates under the General Schedule.

“(2) MEMBERSHIP.—The members of any peer review group established under this section shall be appointed from among individuals who by virtue of their training or experience are eminently qualified to carry out the duties of such peer review group. Officers and employees of the United States may not constitute more than 25 percent of the membership of any such group. Such officers and employees may not receive compensation for service on such groups in addition to the compensation otherwise received for these duties carried out as such officers and employees.

“(3) DURATION.—Notwithstanding section 14(a) of the Federal Advisory Committee Act, peer review groups established under this section may continue in existence until otherwise provided by law.

“(4) QUALIFICATIONS.—Members of any peer-review group shall, at a minimum, meet the following requirements:

“(A) Such members shall agree in writing to treat information received, pursuant to their work for the group, as confidential information, except that this subparagraph shall not apply to public records and public information.

“(B) Such members shall agree in writing to recuse themselves from participation in the peer-review of specific applications which present a potential personal conflict of interest or appearance of such conflict, including employment in a directly affected organization, stock ownership, or any financial or other arrangement that might introduce bias in the process of peer-review.

“(d) AUTHORITY FOR PROCEDURAL ADJUSTMENTS IN CERTAIN CASES.—In the case of applications for financial assistance whose direct costs will not exceed \$100,000, the Director may make appropriate adjustments in the procedures otherwise established by the Director for the conduct of peer review under this section. Such adjustments may be made for the purpose of encouraging the entry of individuals into the field of research, for the purpose of encouraging clinical practice-oriented or provider-based research, and for such other purposes as the Director may determine to be appropriate.

“(e) REGULATIONS.—The Director shall issue regulations for the conduct of peer review under this section.

**“SEC. 923. CERTAIN PROVISIONS WITH RESPECT TO DEVELOPMENT, COLLECTION, AND DISSEMINATION OF DATA.**

**“(a) STANDARDS WITH RESPECT TO UTILITY OF DATA.—**

“(1) IN GENERAL.—To ensure the utility, accuracy, and sufficiency of data collected by



or for the Agency for the purpose described in section 901(b), the Director shall establish standard methods for developing and collecting such data, taking into consideration—

“(A) other Federal health data collection standards; and

“(B) the differences between types of healthcare plans, delivery systems, healthcare providers, and provider arrangements.

“(2) RELATIONSHIP WITH OTHER DEPARTMENT PROGRAMS.—In any case where standards under paragraph (1) may affect the administration of other programs carried out by the Department of Health and Human Services, including the programs under title XVIII, XIX or XXI of the Social Security Act, or may affect health information that is subject to a standard developed under part C of title XI of the Social Security Act, they shall be in the form of recommendations to the Secretary for such program.

“(b) STATISTICS AND ANALYSES.—The Director shall—

“(1) take appropriate action to ensure that statistics and analyses developed under this title are of high quality, timely, and duly comprehensive, and that the statistics are specific, standardized, and adequately analyzed and indexed; and

“(2) publish, make available, and disseminate such statistics and analyses on as wide a basis as is practicable.

“(c) AUTHORITY REGARDING CERTAIN REQUESTS.—Upon request of a public or private entity, the Director may conduct or support research or analyses otherwise authorized by this title pursuant to arrangements under which such entity will pay the cost of the services provided. Amounts received by the Director under such arrangements shall be available to the Director for obligation until expended.

#### “SEC. 924. DISSEMINATION OF INFORMATION.

“(a) IN GENERAL.—The Director shall—

“(1) without regard to section 501 of title 44, United States Code, promptly publish, make available, and otherwise disseminate, in a form understandable and on as broad a basis as practicable so as to maximize its use, the results of research, demonstration projects, and evaluations conducted or supported under this title;

“(2) ensure that information disseminated by the Agency is science-based and objective and undertakes consultation as necessary to assess the appropriateness and usefulness of the presentation of information that is targeted to specific audiences;

“(3) promptly make available to the public data developed in such research, demonstration projects, and evaluations;

“(4) provide, in collaboration with the National Library of Medicine where appropriate, indexing, abstracting, translating, publishing, and other services leading to a more effective and timely dissemination of information on research, demonstration projects, and evaluations with respect to healthcare to public and private entities and individuals engaged in the improvement of healthcare delivery and the general public, and undertake programs to develop new or improved methods for making such information available; and

“(5) as appropriate, provide technical assistance to State and local government and health agencies and conduct liaison activities to such agencies to foster dissemination.

“(b) PROHIBITION AGAINST RESTRICTIONS.—Except as provided in subsection (c), the Director may not restrict the publication or dissemination of data from, or the results of,

projects conducted or supported under this title.

“(c) LIMITATION ON USE OF CERTAIN INFORMATION.—No information, if an establishment or person supplying the information or described in it is identifiable, obtained in the course of activities undertaken or supported under this title may be used for any purpose other than the purpose for which it was supplied unless such establishment or person has consented (as determined under regulations of the Director) to its use for such other purpose. Such information may not be published or released in other form if the person who supplied the information or who is described in it is identifiable unless such person has consented (as determined under regulations of the Director) to its publication or release in other form.

“(d) PENALTY.—Any person who violates subsection (c) shall be subject to a civil monetary penalty of not more than \$10,000 for each such violation involved. Such penalty shall be imposed and collected in the same manner as civil money penalties under subsection (a) of section 1128A of the Social Security Act are imposed and collected.

#### “SEC. 925. ADDITIONAL PROVISIONS WITH RESPECT TO GRANTS AND CONTRACTS.

“(a) FINANCIAL CONFLICTS OF INTEREST.—With respect to projects for which awards of grants, cooperative agreements, or contracts are authorized to be made under this title, the Director shall by regulation define—

“(1) the specific circumstances that constitute financial interests in such projects that will, or may be reasonably expected to, create a bias in favor of obtaining results in the projects that are consistent with such interests; and

“(2) the actions that will be taken by the Director in response to any such interests identified by the Director.

“(b) REQUIREMENT OF APPLICATION.—The Director may not, with respect to any program under this title authorizing the provision of grants, cooperative agreements, or contracts, provide any such financial assistance unless an application for the assistance is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Director determines to be necessary to carry out the program in involved.

“(c) PROVISION OF SUPPLIES AND SERVICES IN LIEU OF FUNDS.—

“(1) IN GENERAL.—Upon the request of an entity receiving a grant, cooperative agreement, or contract under this title, the Secretary may, subject to paragraph (2), provide supplies, equipment, and services for the purpose of aiding the entity in carrying out the project involved and, for such purpose, may detail to the entity any officer or employee of the Department of Health and Human Services.

“(2) CORRESPONDING REDUCTION IN FUNDS.—With respect to a request described in paragraph (1), the Secretary shall reduce the amount of the financial assistance involved by an amount equal to the costs of detailing personnel and the fair market value of any supplies, equipment, or services provided by the Director. The Secretary shall, for the payment of expenses incurred in complying with such request, expend the amounts withheld.

“(d) APPLICABILITY OF CERTAIN PROVISIONS WITH RESPECT TO CONTRACTS.—Contracts may be entered into under this part without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

#### “SEC. 926. CERTAIN ADMINISTRATIVE AUTHORITIES.

“(a) DEPUTY DIRECTOR AND OTHER OFFICERS AND EMPLOYEES.—

“(1) DEPUTY DIRECTOR.—The Director may appoint a deputy director for the Agency.

“(2) OTHER OFFICERS AND EMPLOYEES.—The Director may appoint and fix the compensation of such officers and employees as may be necessary to carry out this title. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5, United States Code.

“(b) FACILITIES.—The Secretary, in carrying out this title—

“(1) may acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise through the Director of General Services, buildings or portions of buildings in the District of Columbia or communities located adjacent to the District of Columbia for use for a period not to exceed 10 years; and

“(2) may acquire, construct, improve, repair, operate, and maintain laboratory, research, and other necessary facilities and equipment, and such other real or personal property (including patents) as the Secretary deems necessary.

“(c) PROVISION OF FINANCIAL ASSISTANCE.—The Director, in carrying out this title, may make grants to public and nonprofit entities and individuals, and may enter into cooperative agreements or contracts with public and private entities and individuals.

“(d) UTILIZATION OF CERTAIN PERSONNEL AND RESOURCES.—

“(1) DEPARTMENT OF HEALTH AND HUMAN SERVICES.—The Director, in carrying out this title, may utilize personnel and equipment, facilities, and other physical resources of the Department of Health and Human Services, permit appropriate (as determined by the Secretary) entities and individuals to utilize the physical resources of such Department, and provide technical assistance and advice.

“(2) OTHER AGENCIES.—The Director, in carrying out this title, may use, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, or local public agencies, or of any foreign government, with or without reimbursement of such agencies.

“(e) CONSULTANTS.—The Secretary, in carrying out this title, may secure, from time to time and for such periods as the Director deems advisable but in accordance with section 3109 of title 5, United States Code, the assistance and advice of consultants from the United States or abroad.

“(f) EXPERTS.—

“(1) IN GENERAL.—The Secretary may, in carrying out this title, obtain the services of not more than 50 experts or consultants who have appropriate scientific or professional qualifications. Such experts or consultants shall be obtained in accordance with section 3109 of title 5, United States Code, except that the limitation in such section on the duration of service shall not apply.

“(2) TRAVEL EXPENSES.—

“(A) IN GENERAL.—Experts and consultants whose services are obtained under paragraph (1) shall be paid or reimbursed for their expenses associated with traveling to and from their assignment location in accordance with sections 5724, 5724a(a), 5724a(c), and 5726(C) of title 5, United States Code.

“(B) LIMITATION.—Expenses specified in subparagraph (A) may not be allowed in connection with the assignment of an expert or consultant whose services are obtained under paragraph (1) unless and until the expert

agrees in writing to complete the entire period of assignment, or 1 year, whichever is shorter, unless separated or reassigned for reasons that are beyond the control of the expert or consultant and that are acceptable to the Secretary. If the expert or consultant violates the agreement, the money spent by the United States for the expenses specified in subparagraph (A) is recoverable from the expert or consultant as a statutory obligation owed to the United States. The Secretary may waive in whole or in part a right of recovery under this subparagraph.

“(g) VOLUNTARY AND UNCOMPENSATED SERVICES.—The Director, in carrying out this title, may accept voluntary and uncompensated services.

#### “SEC. 927. FUNDING.

“(a) INTENT.—To ensure that the United States's investment in biomedical research is rapidly translated into improvements in the quality of patient care, there must be a corresponding investment in research on the most effective clinical and organizational strategies for use of these findings in daily practice. The authorization levels in subsection (b) provide for a proportionate increase in healthcare research as the United States investment in biomedical research increases.

“(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this title, there are authorized to be appropriated \$250,000,000 for fiscal year 2000, and such sums as may be necessary for each of the fiscal years 2001 through 2006.

“(c) EVALUATIONS.—In addition to amounts available pursuant to subsection (b) for carrying out this title, there shall be made available for such purpose, from the amounts made available pursuant to section 241 (relating to evaluations), an amount equal to 40 percent of the maximum amount authorized in such section 241 to be made available for a fiscal year.

#### “SEC. 928. DEFINITIONS.

“In this title:

“(1) ADVISORY COUNCIL.—The term ‘Advisory Council’ means the Advisory Council on Healthcare Research and Quality established under section 921.

“(2) AGENCY.—The term ‘Agency’ means the Agency for Healthcare Research and Quality.

“(3) DIRECTOR.—The term ‘Director’ means the Director for the Agency for Healthcare Research and Quality.”

#### SEC. 403. REFERENCES.

Effective upon the date of enactment of this Act, any reference in law to the “Agency for Health Care Policy and Research” shall be deemed to be a reference to the “Agency for Healthcare Research and Quality”.

### TITLE V—ENHANCED ACCESS TO HEALTH INSURANCE COVERAGE

#### SEC. 501. FULL DEDUCTION OF HEALTH INSURANCE COSTS FOR SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Section 162(l)(1) of the Internal Revenue Code of 1986 (relating to allowance of deductions) is amended to read as follows:

“(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and his dependents.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

#### SEC. 502. FULL AVAILABILITY OF MEDICAL SAVINGS ACCOUNTS.

(a) AVAILABILITY NOT LIMITED TO ACCOUNTS FOR EMPLOYEES OF SMALL EMPLOYERS AND SELF-EMPLOYED INDIVIDUALS.—

(1) IN GENERAL.—Section 220(c)(1)(A) of the Internal Revenue Code of 1986 (relating to eligible individual) is amended to read as follows:

“(A) IN GENERAL.—The term ‘eligible individual’ means, with respect to any month, any individual if—

“(i) such individual is covered under a high deductible health plan as of the 1st day of such month, and

“(ii) such individual is not, while covered under a high deductible health plan, covered under any health plan—

“(I) which is not a high deductible health plan, and

“(II) which provides coverage for any benefit which is covered under the high deductible health plan.”

(2) CONFORMING AMENDMENTS.—

(A) Section 220(c)(1) of such Code is amended by striking subparagraphs (C) and (D).

(B) Section 220(c) of such Code is amended by striking paragraph (4) (defining small employer) and by redesignating paragraph (5) as paragraph (4).

(C) Section 220(b) of such Code is amended by striking paragraph (4) (relating to deduction limited by compensation) and by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

(b) REMOVAL OF LIMITATION ON NUMBER OF TAXPAYERS HAVING MEDICAL SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Section 220 of the Internal Revenue Code of 1986 (relating to medical savings accounts) is amended by striking subsections (i) and (j).

(2) MEDICARE+CHOICE.—Section 138 of such Code (relating to Medicare+Choice MSA) is amended by striking subsection (f).

(c) REDUCTION IN HIGH DEDUCTIBLE PLAN MINIMUM ANNUAL DEDUCTIBLE.—

(1) IN GENERAL.—Subparagraph (A) of section 220(c)(2) of such Code (defining high deductible health plan) is amended—

(A) by striking “\$1,500” and inserting “\$1,000”, and

(B) by striking “\$3,000” in clause (ii) and inserting “\$2,000”.

(2) CONFORMING AMENDMENT.—Subsection (g) of section 220 of such Code is amended—

(A) by striking “1998” and inserting “1999”; and

(B) by striking “1997” and inserting “1998”.

(d) INCREASE IN CONTRIBUTION LIMIT TO 100 PERCENT OF ANNUAL DEDUCTIBLE.—

(1) IN GENERAL.—Section 220(b)(2) of the Internal Revenue Code of 1986 (relating to monthly limitation) is amended to read as follows:

“(2) MONTHLY LIMITATION.—The monthly limitation for any month is the amount equal to  $\frac{1}{12}$  of the annual deductible of the high deductible health plan of the individual.”

(2) CONFORMING AMENDMENT.—Section 220(d)(1)(A) of such Code is amended by striking “75 percent of”.

(e) LIMITATION ON ADDITIONAL TAX ON DISTRIBUTIONS NOT USED FOR QUALIFIED MEDICAL EXPENSES.—Section 220(f)(4) of the Internal Revenue Code of 1986 (relating to additional tax on distributions not used for qualified medical expenses) is amended by adding at the end the following:

“(D) EXCEPTION IN CASE OF SUFFICIENT ACCOUNT BALANCE.—Subparagraph (A) shall not apply to any payment or distribution in any taxable year, but only to the extent such payment or distribution does not reduce the

fair market value of the assets of the medical savings account to an amount less than the annual deductible for the high deductible health plan of the account holder (determined as of January 1 of the calendar year in which the taxable year begins).”

(f) TREATMENT OF NETWORK-BASED MANAGED CARE PLANS.—Section 220(c)(2)(B) of the Internal Revenue Code of 1986 (relating to special rules for high deductible health plans) is amended by adding at the end the following:

“(iii) TREATMENT OF NETWORK-BASED MANAGED CARE PLANS.—A plan that provides health care services through a network of contracted or affiliated health care providers, if the benefits provided when services are obtained through network providers meet the requirements of subparagraph (A), shall not fail to be treated as a high deductible health plan by reason of providing benefits for services rendered by providers who are not members of the network, so long as the annual deductible and annual limit on out-of-pocket expenses applicable to services received from non-network providers are not lower than those applicable to services received from the network providers.”

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

#### SEC. 503. PERMITTING CONTRIBUTION TOWARDS MEDICAL SAVINGS ACCOUNT THROUGH FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM (FEHBP).

(a) AUTHORITY TO CONTRACT FOR CATASTROPHIC PLANS.—Section 8902 of title 5, United States Code, is amended by adding at the end the following:

“(p)(1) The Office shall contract under this chapter for a catastrophic plan with any qualified carrier that—

“(A) offers such a plan; and

“(B) as of the date of enactment of the Patients’ Bill of Rights Plus Act, offers a health benefits plan under this chapter.

“(2) The Office may contract under this chapter for a catastrophic plan with any qualified carrier that—

“(A) offers such a plan; but

“(B) does not satisfy the requirement under paragraph (1)(B).”

(b) GOVERNMENT CONTRIBUTION TO MEDICAL SAVINGS ACCOUNT.—

(1) IN GENERAL.—Section 8906 of title 5, United States Code, is amended by adding at the end the following:

“(j)(1) In the case of an employee or annuitant who is enrolled in a catastrophic plan described by section 8903(5), there shall be a Government contribution under this subsection to a medical savings account established or maintained for the benefit of the individual. The contribution under this subsection shall be in addition to the Government contribution under subsection (b).

“(2) The amount of the Government contribution under this subsection with respect to an individual is equal to the amount by which—

“(A) the maximum contribution allowed under subsection (b)(1) with respect to any employee or annuitant, exceeds

“(B) the amount of the Government contribution actually made with respect to the individual under subsection (b) for coverage under the catastrophic plan.

“(3) The Government contributions under this subsection shall be paid into a medical savings account (designated by the individual involved) in a manner that is specified by the Office and consistent with the timing of contributions under subsection (b).

“(4) Subsections (f) and (g) shall apply to contributions under this section in the same

manner as they apply to contributions under subsection (b).

“(5) For the purpose of this subsection, the term ‘medical savings account’ has the meaning given such term by section 220(d) of the Internal Revenue Code of 1986.”

(2) ALLOWING PAYMENT OF FULL AMOUNT OF CHARGE FOR CATASTROPHIC PLAN.—Section 8906(b)(2) of such title is amended by inserting “(or 100 percent of the subscription charge in the case of a catastrophic plan)” after “75 percent of the subscription charge”.

(c) OFFERING OF CATASTROPHIC PLANS.—

(1) IN GENERAL.—Section 8903 of title 5, United States Code, is amended by adding at the end the following:

“(5) CATASTROPHIC PLANS.—(A) One or more plans described in paragraph (1), (2), or (3), but which provide benefits of the types referred to by paragraph (5) of section 8904(a), instead of the types referred to in paragraphs (1), (2), and (3) of such section.

“(B) Nothing in this section shall be considered—

“(i) to prevent a carrier from simultaneously offering a plan described by subparagraph (A) and a plan described by paragraph (1) or (2);

“(ii) to require that a catastrophic plan offer two levels of benefits; or

“(iii) to allow, in any contract year, for—

“(I) more than one plan to be offered which satisfies both subparagraph (A) and paragraph (1) (subject to clause (ii)); and

“(II) more than one plan which satisfies both subparagraph (A) and paragraph (2) (subject to clause (ii)).”

(2) TYPES OF BENEFITS.—Section 8904(a) of such title is amended by inserting after paragraph (4) the following new paragraph:

“(5) CATASTROPHIC PLANS.—Benefits of the types named under paragraph (1) or (2) of this subsection or both, except that the plan shall meet the annual deductible and annual out-of-pocket expenses requirements under section 220(c)(2) of the Internal Revenue Code of 1986.”

(3) DETERMINING LEVEL OF GOVERNMENT CONTRIBUTIONS.—Section 8906(b) of such title is amended by adding at the end the following: “Subscription charges for medical savings accounts shall be deemed to be the amount of Government contributions made under subsection (j)(2).”

(d) CONFORMING AMENDMENTS.—

(1) ADDITIONAL HEALTH BENEFITS PLANS.—Section 8903a of title 5, United States Code, is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following:

“(d) The plans under this section may include one or more plans, otherwise allowable under this section, that satisfy the requirements of clauses (i) and (ii) of section 8903(5)(A).”

(2) REFERENCE.—Section 8909(d) of title 5, United States Code, is amended by striking “8903a(d)” and inserting “8903a(e)”.

(e) REFERENCES.—Section 8903 of title 5, United States Code, is amended by adding at the end (as a flush left sentence) the following:

“The Office shall prescribe regulations under which the requirements of section 8902(c), 8902(n), 8909(e), and any other provision of this chapter that applies with respect to a plan described by paragraph (1), (2), (3), or (4) of this section shall apply with respect to the corresponding plan under paragraph (5) of this section. Similar regulations shall be prescribed with respect to any plan under section 8903a(d).”

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to contract terms beginning on or after January 1, 2000.

#### SEC. 504. CARRYOVER OF UNUSED BENEFITS FROM CAFETERIA PLANS, FLEXIBLE SPENDING ARRANGEMENTS, AND HEALTH FLEXIBLE SPENDING ACCOUNTS.

(a) IN GENERAL.—Section 125 of the Internal Revenue Code of 1986 (relating to cafeteria plans) is amended by redesignating subsections (h) and (i) as subsections (i) and (j) and by inserting after subsection (g) the following new subsection:

“(h) ALLOWANCE OF CARRYOVERS OF UNUSED BENEFITS TO LATER TAXABLE YEARS.—

“(1) IN GENERAL.—For purposes of this title—

“(A) notwithstanding subsection (d)(2), a plan or other arrangement shall not fail to be treated as a cafeteria plan or flexible spending or similar arrangement, and

“(B) no amount shall be required to be included in gross income by reason of this section or any other provision of this chapter, solely because under such plan or other arrangement any nontaxable benefit which is unused as of the close of a taxable year may be carried forward to 1 or more succeeding taxable years.

“(2) LIMITATION.—Paragraph (1) shall not apply to amounts carried from a plan to the extent such amounts exceed \$500 (applied on an annual basis). For purposes of this paragraph, all plans and arrangements maintained by an employer or any related person shall be treated as 1 plan.

“(3) ALLOWANCE OF ROLLOVER.—

“(A) IN GENERAL.—In the case of any unused benefit described in paragraph (1) which consists of amounts in a health flexible spending account or dependent care flexible spending account, the plan or arrangement shall provide that a participant may elect, in lieu of such carryover, to have such amounts distributed to the participant.

“(B) AMOUNTS NOT INCLUDED IN INCOME.—

Any distribution under subparagraph (A) shall not be included in gross income to the extent that such amount is transferred in a trustee-to-trustee transfer, or is contributed within 60 days of the date of the distribution, to—

“(i) a qualified cash or deferred arrangement described in section 401(k),

“(ii) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b),

“(iii) an eligible deferred compensation plan described in section 457, or

“(iv) a medical savings account (within the meaning of section 220).

Any amount rolled over under this subparagraph shall be treated as a rollover contribution for the taxable year from which the unused amount would otherwise be carried.

“(C) TREATMENT OF ROLLOVER.—Any amount rolled over under subparagraph (B) shall be treated as an eligible rollover under section 220, 401(k), 403(b), or 457, whichever is applicable, and shall be taken into account in applying any limitation (or participation requirement) on employer or employee contributions under such section or any other provision of this chapter for the taxable year of the rollover.

“(4) COST-OF-LIVING ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 1999, the \$500 amount under paragraph (2) shall be adjusted at the same time and in the same manner as under section 415(d)(2), except that the base period taken into account shall be the calendar quarter beginning October 1, 1998, and any increase which is not a multiple of \$50 shall be rounded to the next lowest multiple of \$50.

“(5) APPLICABILITY.—This subsection shall apply to taxable years beginning after December 31, 1999.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

#### TITLE VI—PROVISIONS RELATING TO LONG-TERM CARE INSURANCE

##### SEC. 601. INCLUSION OF QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS IN CAFETERIA PLANS, FLEXIBLE SPENDING ARRANGEMENTS, AND HEALTH FLEXIBLE SPENDING ACCOUNTS.

(a) IN GENERAL.—Section 125(f) of the Internal Revenue Code of 1986 (defining qualified benefits) is amended by striking the last sentence and inserting the following: “Such term includes any qualified long-term care insurance contract.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

##### SEC. 602. DEDUCTION FOR PREMIUMS FOR LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following:

##### “SEC. 222. PREMIUMS FOR LONG-TERM CARE INSURANCE.

“(a) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a deduction an amount equal to 100 percent of the amount paid during the taxable year for any coverage for qualified long-term care services (as defined in section 7702B(c)) or any qualified long-term care insurance contract (as defined in section 7702B(b)) which constitutes medical care for the taxpayer, his spouse, and dependents.

“(b) LIMITATIONS.—

“(1) DEDUCTION NOT AVAILABLE TO INDIVIDUALS ELIGIBLE FOR EMPLOYER-SUBSIDIZED COVERAGE.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), subsection (a) shall not apply to any taxpayer for any calendar month for which the taxpayer is eligible to participate in any plan which includes coverage for qualified long-term care services (as so defined) or is a qualified long-term care insurance contract (as so defined) maintained by any employer (or former employer) of the taxpayer or of the spouse of the taxpayer.

“(B) CONTINUATION COVERAGE.—Coverage shall not be treated as subsidized for purposes of this paragraph if—

“(i) such coverage is continuation coverage (within the meaning of section 4980B(f)) required to be provided by the employer, and

“(ii) the taxpayer or the taxpayer's spouse is required to pay a premium for such coverage in an amount not less than 100 percent of the applicable premium (within the meaning of section 4980B(f)(4)) for the period of such coverage.

“(2) LIMITATION ON LONG-TERM CARE PREMIUMS.—In the case of a qualified long-term care insurance contract (as so defined), only eligible long-term care premiums (as defined in section 213(d)(10)) shall be taken into account under subsection (a)(2).

“(c) SPECIAL RULES.—For purposes of this section—

“(1) COORDINATION WITH MEDICAL DEDUCTION, ETC.—Any amount paid by a taxpayer for insurance to which subsection (a) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 213(a).

“(2) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX PURPOSES.—The deduction allowable by reason of this section shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.”.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 62 of the Internal Revenue Code of 1986 is amended by inserting after paragraph (17) the following:

“(18) LONG-TERM CARE INSURANCE COSTS OF CERTAIN INDIVIDUALS.—The deduction allowed by section 222.”.

(2) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking the last item and inserting the following:

“Sec. 222. Premiums for long-term care insurance.

“Sec. 223. Cross reference.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

#### SEC. 603. STUDY OF LONG-TERM CARE NEEDS IN THE 21ST CENTURY.

(a) IN GENERAL.—The Secretary of Health and Human Services (referred to in this section as the “Secretary”) shall provide, in accordance with this section, for a study in order to determine—

(1) future demand for long-term health care services (including institutional and home and community-based services) in the United States in order to meet the needs in the 21st century; and

(2) long-term options to finance the provision of such services.

(b) DETAILS.—The study conducted under subsection (a) shall include the following:

(1) An identification of the relevant demographic characteristics affecting demand for long-term health care services, at least through the year 2030.

(2) The viability and capacity of community-based and other long-term health care services under different federal programs, including through the medicare and medicaid programs, grants to States, housing services, and changes in tax policy.

(3) How to improve the quality of long-term health care services.

(4) The integration of long-term health care services for individuals between different classes of health care providers (such as hospitals, nursing facilities, and home care agencies) and different Federal programs (such as the medicare and medicaid programs).

(5) The possibility of expanding private sector initiatives, including long-term care insurance, to meet the need to finance such services.

(6) An examination of the effect of enactment of the Health Insurance Portability and Accountability Act of 1996 on the provision and financing of long-term health care services, including on portability and affordability of private long-term care insurance, the impact of insurance options on low-income older Americans, and the options for eligibility to improve access to such insurance.

(7) The financial impact of the provision of long-term health care services on caregivers and other family members.

(c) REPORT AND RECOMMENDATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall provide for a report on the study under this section.

(2) RECOMMENDATIONS.—The report under paragraph (1) shall include findings and recommendations regarding each of the following:

(A) The most effective and efficient manner that the Federal government may use its resources to educate the public on planning for needs for long-term health care services.

(B) The public, private, and joint public-private strategies for meeting identified needs for long-term health care services.

(C) The role of States and local communities in the financing of long-term health care services.

(3) INCLUSION OF COST ESTIMATES.—The report under paragraph (1) shall include cost estimates of the various options for which recommendations are made.

(d) CONDUCT OF STUDY.—

(1) USE OF INSTITUTE OF MEDICINE.—The Secretary of Health and Human Services shall seek to enter into an appropriate arrangement with the Institute of Medicine of the National Academy of Sciences to conduct the study under this section. If such an arrangement cannot be made, the Secretary may provide for the conduct of the study by any other qualified non-governmental entity.

(2) CONSULTATION.—The study should be conducted under this section in consultation with experts from a wide-range of groups from the public and private sectors.

#### TITLE VII—INDIVIDUAL RETIREMENT PLANS

##### SEC. 701. MODIFICATION OF INCOME LIMITS ON CONTRIBUTIONS AND ROLLOVERS TO ROTH IRAS.

(a) INCREASE IN AGI LIMIT FOR ROLLOVER CONTRIBUTIONS.—Clause (i) of section 408A(c)(3)(A) of the Internal Revenue Code of 1986 (relating to rollover from IRA), as redesignated by subsection (a), is amended by striking “\$100,000” and inserting “\$1,000,000”.

(b) CONFORMING AMENDMENTS.—

(1)(A) Subparagraph (B) of section 408A(c)(3) of the Internal Revenue Code of 1986, as redesignated by subsection (a), is amended to read as follows:

“(B) DEFINITION OF ADJUSTED GROSS INCOME.—For purposes of subparagraph (A), adjusted gross income shall be determined—

“(i) after application of sections 86 and 469, and

“(ii) without regard to sections 135, 137, 221, and 911, the deduction allowable under section 219, or any amount included in gross income under subsection (d)(3).”.

(B) EFFECTIVE DATE.—The amendment made by this paragraph shall apply to taxable years beginning after December 31, 1999.

(2)(A) Subparagraph (B) of section 408A(c)(3) of such Code, as amended by paragraph (1), is amended to read as follows:

“(B) DEFINITION OF ADJUSTED GROSS INCOME.—For purposes of subparagraph (A), adjusted gross income shall be determined—

“(i) after application of sections 86 and 469, and

“(ii) without regard to sections 135, 137, 221, and 911, the deduction allowable under section 219, or any amount included in gross income under subsection (d)(3) or by reason of a required distribution under a provision described in paragraph (5).”.

(B) EFFECTIVE DATE.—The amendment made by this paragraph shall apply to taxable years beginning after December 31, 2004.

(c) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall apply to taxable years beginning after December 31, 1999.

#### TITLE VIII—REVENUE PROVISIONS

##### SEC. 801. MODIFICATION TO FOREIGN TAX CREDIT CARRYBACK AND CARRYOVER PERIODS.

(a) IN GENERAL.—Section 904(c) of the Internal Revenue Code of 1986 (relating to limitation on credit) is amended—

(1) by striking “in the second preceding taxable year.”, and

(2) by striking “or fifth” and inserting “fifth, sixth, or seventh”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to credits arising in taxable years beginning after December 31, 2001.

##### SEC. 802. LIMITATION ON USE OF NON-ACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) IN GENERAL.—Section 448(d)(5) of the Internal Revenue Code of 1986 (relating to special rule for services) is amended—

(1) by inserting “in fields described in paragraph (2)(A)” after “services by such person”, and

(2) by inserting “CERTAIN PERSONAL” before “SERVICES” in the heading.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period (not greater than 4 taxable years) beginning with such first taxable year.

##### SEC. 803. RETURNS RELATING TO CANCELLATIONS OF INDEBTEDNESS BY ORGANIZATIONS LENDING MONEY.

(a) IN GENERAL.—Paragraph (2) of section 6050P(c) of the Internal Revenue Code of 1986 (relating to definitions and special rules) is amended by striking “and” at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting “, and”, and by inserting after subparagraph (C) the following new subparagraph:

“(D) any organization a significant trade or business of which is the lending of money.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to discharges of indebtedness after December 31, 1999.

##### SEC. 804. EXTENSION OF INTERNAL REVENUE SERVICE USER FEES.

(a) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

##### “SEC. 7527. INTERNAL REVENUE SERVICE USER FEES.

“(a) GENERAL RULE.—The Secretary shall establish a program requiring the payment of user fees for—

“(1) requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters, and

“(2) other similar requests.

“(b) PROGRAM CRITERIA.—

“(1) IN GENERAL.—The fees charged under the program required by subsection (a)—

“(A) shall vary according to categories (or subcategories) established by the Secretary,

“(B) shall be determined after taking into account the average time for (and difficulty of) complying with requests in each category (and subcategory), and

“(C) shall be payable in advance.

“(2) EXEMPTIONS, ETC.—The Secretary shall provide for such exemptions (and reduced fees) under such program as the Secretary determines to be appropriate.

“(3) AVERAGE FEE REQUIREMENT.—The average fee charged under the program required by subsection (a) shall not be less than the amount determined under the following table:

Category	Average Fee
Employee plan ruling and opinion ..	\$250
Exempt organization ruling .....	\$350
Employee plan determination .....	\$300
Exempt organization determina- tion.	\$275
Chief counsel ruling .....	\$200.

“(c) TERMINATION.—No fee shall be imposed under this section with respect to requests made after September 30, 2009.”.

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for chapter 77 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item: “Sec. 7527. Internal Revenue Service user fees.”.

(2) Section 10511 of the Revenue Act of 1987 is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to requests made after the date of the enactment of this Act.

#### SEC. 805. PROPERTY SUBJECT TO A LIABILITY TREATED IN SAME MANNER AS ASSUMPTION OF LIABILITY.

(a) REPEAL OF PROPERTY SUBJECT TO A LIABILITY TEST.—

(1) SECTION 357.—Section 357(a)(2) of the Internal Revenue Code of 1986 (relating to assumption of liability) is amended by striking “, or acquires from the taxpayer property subject to a liability”.

(2) SECTION 358.—Section 358(d)(1) of such Code (relating to assumption of liability) is amended by striking “or acquired from the taxpayer property subject to a liability”.

(3) SECTION 368.—

(A) Section 368(a)(1)(C) of such Code is amended by striking “, or the fact that property acquired is subject to a liability.”.

(B) The last sentence of section 368(a)(2)(B) of such Code is amended by striking “, and the amount of any liability to which any property acquired from the acquiring corporation is subject,”.

(b) CLARIFICATION OF ASSUMPTION OF LIABILITY.—

(1) IN GENERAL.—Section 357 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(d) DETERMINATION OF AMOUNT OF LIABILITY ASSUMED.—

“(1) IN GENERAL.—For purposes of this section, section 358(d), section 362(d), section 368(a)(1)(C), and section 368(a)(2)(B), except as provided in regulations—

“(A) a recourse liability (or portion thereof) shall be treated as having been assumed if, as determined on the basis of all facts and circumstances, the transferee has agreed to, and is expected to, satisfy such liability (or portion), whether or not the transferor has been relieved of such liability, and

“(B) except to the extent provided in paragraph (2), a nonrecourse liability shall be treated as having been assumed by the transferee of any asset subject to such liability.

“(2) EXCEPTION FOR NONRECOURSE LIABILITY.—The amount of the nonrecourse liability treated as described in paragraph (1)(B) shall be reduced by the lesser of—

“(A) the amount of such liability which an owner of other assets not transferred to the transferee and also subject to such liability

has agreed with the transferee to, and is expected to, satisfy, or

“(B) the fair market value of such other assets (determined without regard to section 7701(g)).

“(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and section 362(d). The Secretary may also prescribe regulations which provide that the manner in which a liability is treated as assumed under this subsection is applied, where appropriate, elsewhere in this title.”.

(2) LIMITATION ON BASIS INCREASE ATTRIBUTABLE TO ASSUMPTION OF LIABILITY.—Section 362 of such Code is amended by adding at the end the following new subsection:

“(d) LIMITATION ON BASIS INCREASE ATTRIBUTABLE TO ASSUMPTION OF LIABILITY.—

“(1) IN GENERAL.—In no event shall the basis of any property be increased under subsection (a) or (b) above the fair market value of such property (determined without regard to section 7701(g)) by reason of any gain recognized to the transferor as a result of the assumption of a liability.

“(2) TREATMENT OF GAIN NOT SUBJECT TO TAX.—Except as provided in regulations, if—

“(A) gain is recognized to the transferor as a result of an assumption of a nonrecourse liability by a transferee which is also secured by assets not transferred to such transferee, and

“(B) no person is subject to tax under this title on such gain,

then, for purposes of determining basis under subsections (a) and (b), the amount of gain recognized by the transferor as a result of the assumption of the liability shall be determined as if the liability assumed by the transferee equaled such transferee's ratable portion of such liability determined on the basis of the relative fair market values (determined without regard to section 7701(g)) of all of the assets subject to such liability.”.

(c) APPLICATION TO PROVISIONS OTHER THAN SUBCHAPTER C.—

(1) SECTION 584.—Section 584(h)(3) of the Internal Revenue Code of 1986 is amended—

(A) by striking “, and the fact that any property transferred by the common trust fund is subject to a liability,” in subparagraph (A), and

(B) by striking clause (ii) of subparagraph (B) and inserting:

“(ii) ASSUMED LIABILITIES.—For purposes of clause (i), the term ‘assumed liabilities’ means any liability of the common trust fund assumed by any regulated investment company in connection with the transfer referred to in paragraph (1)(A).

“(C) ASSUMPTION.—For purposes of this paragraph, in determining the amount of any liability assumed, the rules of section 357(d) shall apply.”.

(2) SECTION 1031.—The last sentence of section 1031(d) of such Code is amended—

(A) by striking “assumed a liability of the taxpayer or acquired from the taxpayer property subject to a liability” and inserting “assumed (as determined under section 357(d)) a liability of the taxpayer”, and

(B) by striking “or acquisition (in the amount of the liability)”.

(d) CONFORMING AMENDMENTS.—

(1) Section 351(h)(1) of the Internal Revenue Code of 1986 is amended by striking “, or acquires property subject to a liability.”.

(2) Section 357 of such Code is amended by striking “or acquisition” each place it appears in subsection (a) or (b).

(3) Section 357(b)(1) of such Code is amended by striking “or acquired”.

(4) Section 357(c)(1) of such Code is amended by striking “, plus the amount of the liabilities to which the property is subject.”.

(5) Section 357(c)(3) of such Code is amended by striking “or to which the property transferred is subject”.

(6) Section 358(d)(1) of such Code is amended by striking “or acquisition (in the amount of the liability)”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after October 19, 1998.

#### SEC. 806. CHARITABLE SPLIT-DOLLAR LIFE INSURANCE, ANNUITY, AND ENDOWMENT CONTRACTS.

(a) IN GENERAL.—Subsection (f) of section 170 of the Internal Revenue Code of 1986 (relating to disallowance of deduction in certain cases and special rules) is amended by adding at the end the following new paragraph:

“(10) SPLIT-DOLLAR LIFE INSURANCE, ANNUITY, AND ENDOWMENT CONTRACTS.—

“(A) IN GENERAL.—Nothing in this section or in section 545(b)(2), 556(b)(2), 642(c), 2055, 2106(a)(2), or 2522 shall be construed to allow a deduction, and no deduction shall be allowed, for any transfer to or for the use of an organization described in subsection (c) if in connection with such transfer—

“(i) the organization directly or indirectly pays, or has previously paid, any premium on any personal benefit contract with respect to the transferor, or

“(ii) there is an understanding or expectation that any person will directly or indirectly pay any premium on any personal benefit contract with respect to the transferor.

“(B) PERSONAL BENEFIT CONTRACT.—For purposes of subparagraph (A), the term ‘personal benefit contract’ means, with respect to the transferor, any life insurance, annuity, or endowment contract if any direct or indirect beneficiary under such contract is the transferor, any member of the transferor's family, or any other person (other than an organization described in subsection (c)) designated by the transferor.

“(C) APPLICATION TO CHARITABLE REMAINDER TRUSTS.—In the case of a transfer to a trust referred to in subparagraph (E), references in subparagraphs (A) and (F) to an organization described in subsection (c) shall be treated as a reference to such trust.

“(D) EXCEPTION FOR CERTAIN ANNUITY CONTRACTS.—If, in connection with a transfer to or for the use of an organization described in subsection (c), such organization incurs an obligation to pay a charitable gift annuity (as defined in section 501(m)) and such organization purchases any annuity contract to fund such obligation, persons receiving payments under the charitable gift annuity shall not be treated for purposes of subparagraph (B) as indirect beneficiaries under such contract if—

“(i) such organization possesses all of the incidents of ownership under such contract,

“(ii) such organization is entitled to all the payments under such contract, and

“(iii) the timing and amount of payments under such contract are substantially the same as the timing and amount of payments to each such person under such obligation (as such obligation is in effect at the time of such transfer).

“(E) EXCEPTION FOR CERTAIN CONTRACTS HELD BY CHARITABLE REMAINDER TRUSTS.—A person shall not be treated for purposes of subparagraph (B) as an indirect beneficiary under any life insurance, annuity, or endowment contract held by a charitable remainder annuity trust or a charitable remainder

unitrust (as defined in section 664(d)) solely by reason of being entitled to any payment referred to in paragraph (1)(A) or (2)(A) of section 664(d) if—

“(i) such trust possesses all of the incidents of ownership under such contract, and

“(ii) such trust is entitled to all the payments under such contract.

“(F) EXCISE TAX ON PREMIUMS PAID.—

“(i) IN GENERAL.—There is hereby imposed on any organization described in subsection (c) an excise tax equal to the premiums paid by such organization on any life insurance, annuity, or endowment contract if the payment of premiums on such contract is in connection with a transfer for which a deduction is not allowable under subparagraph (A), determined without regard to when such transfer is made.

“(ii) PAYMENTS BY OTHER PERSONS.—For purposes of clause (i), payments made by any other person pursuant to an understanding or expectation referred to in subparagraph (A) shall be treated as made by the organization.

“(iii) REPORTING.—Any organization on which tax is imposed by clause (i) with respect to any premium shall file an annual return which includes—

“(I) the amount of such premiums paid during the year and the name and TIN of each beneficiary under the contract to which the premium relates, and

“(II) such other information as the Secretary may require.

The penalties applicable to returns required under section 6033 shall apply to returns required under this clause. Returns required under this clause shall be furnished at such time and in such manner as the Secretary shall by forms or regulations require.

“(iv) CERTAIN RULES TO APPLY.—The tax imposed by this subparagraph shall be treated as imposed by chapter 42 for purposes of this title other than subchapter B of chapter 42.

“(G) SPECIAL RULE WHERE STATE REQUIRES SPECIFICATION OF CHARITABLE GIFT ANNUITY IN CONTRACT.—In the case of an obligation to pay a charitable gift annuity referred to in subparagraph (D) which is entered into under the laws of a State which requires, in order for the charitable gift annuity to be exempt from insurance regulation by such State, that each beneficiary under the charitable gift annuity be named as a beneficiary under an annuity contract issued by an insurance company authorized to transact business in such State, the requirements of clauses (i) and (ii) of subparagraph (D) shall be treated as met if—

“(i) such State law requirement was in effect on February 8, 1999,

“(ii) each such beneficiary under the charitable gift annuity is a bona fide resident of such State at the time the obligation to pay a charitable gift annuity is entered into, and

“(iii) the only persons entitled to payments under such contract are persons entitled to payments as beneficiaries under such obligation on the date such obligation is entered into.

“(H) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations to prevent the avoidance of such purposes.”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this section, the amendment made by this section shall apply to transfers made after February 8, 1999.

(2) EXCISE TAX.—Except as provided in paragraph (3) of this subsection, section 170(f)(10)(F) of the Internal Revenue Code of 1986 (as added by this section) shall apply to premiums paid after the date of the enactment of this Act.

(3) REPORTING.—Clause (iii) of such section 170(f)(10)(F) shall apply to premiums paid after February 8, 1999 (determined as if the tax imposed by such section applies to premiums paid after such date).

#### SEC. 807. TRANSFER OF EXCESS DEFINED BENEFIT PLAN ASSETS FOR RETIREE HEALTH BENEFITS.

(a) EXTENSION.—

(1) IN GENERAL.—Section 420(b)(5) of the Internal Revenue Code of 1986 (relating to expiration) is amended by striking “in any taxable year beginning after December 31, 2000” and inserting “made after September 30, 2009”.

(2) CONFORMING AMENDMENTS.—

(A) Section 101(e)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(e)(3)) is amended by striking “1995” and inserting “2001”.

(B) Section 403(c)(1) of such Act (29 U.S.C. 1103(c)(1)) is amended by striking “1995” and inserting “2001”.

(C) Paragraph (13) of section 408(b) of such Act (29 U.S.C. 1108(b)(13)) is amended—

(i) by striking “in a taxable year beginning before January 1, 2001” and inserting “made before October 1, 2009”, and

(ii) by striking “1995” and inserting “2001”.

(b) APPLICATION OF MINIMUM COST REQUIREMENTS.—

(1) IN GENERAL.—Section 420(c)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

“(3) MINIMUM COST REQUIREMENTS.—

“(A) IN GENERAL.—The requirements of this paragraph are met if each group health plan or arrangement under which applicable health benefits are provided provides that the applicable employer cost for each taxable year during the cost maintenance period shall not be less than the higher of the applicable employer costs for each of the 2 taxable years immediately preceding the taxable year of the qualified transfer.

“(B) APPLICABLE EMPLOYER COST.—For purposes of this paragraph, the term ‘applicable employer cost’ means, with respect to any taxable year, the amount determined by dividing—

“(i) the qualified current retiree health liabilities of the employer for such taxable year determined—

“(I) without regard to any reduction under subsection (e)(1)(B), and

“(II) in the case of a taxable year in which there was no qualified transfer, in the same manner as if there had been such a transfer at the end of the taxable year, by

“(ii) the number of individuals to whom coverage for applicable health benefits was provided during such taxable year.

“(C) ELECTION TO COMPUTE COST SEPARATELY.—An employer may elect to have this paragraph applied separately with respect to individuals eligible for benefits under title XVIII of the Social Security Act at any time during the taxable year and with respect to individuals not so eligible.

“(D) COST MAINTENANCE PERIOD.—For purposes of this paragraph, the term ‘cost maintenance period’ means the period of 5 taxable years beginning with the taxable year in which the qualified transfer occurs. If a taxable year is in 2 or more overlapping cost maintenance periods, this paragraph shall be applied by taking into account the highest applicable employer cost required to be pro-

vided under subparagraph (A) for such taxable year.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 420(b)(1)(C)(iii) of such Code is amended by striking “benefits” and inserting “cost”.

(B) Section 420(e)(1)(D) of such Code is amended by striking “and shall not be subject to the minimum benefit requirements of subsection (c)(3)” and inserting “or in calculating applicable employer cost under subsection (c)(3)(B)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to qualified transfers occurring after December 31, 2000, and before October 1, 2009.

#### SEC. 808. LIMITATIONS ON WELFARE BENEFIT FUNDS OF 10 OR MORE EMPLOYER PLANS.

(a) BENEFITS TO WHICH EXCEPTION APPLIES.—Section 419A(f)(6)(A) of the Internal Revenue Code of 1986 (relating to exception for 10 or more employer plans) is amended to read as follows:

“(A) IN GENERAL.—This subpart shall not apply to a welfare benefit fund which is part of a 10 or more employer plan if the only benefits provided through the fund are 1 or more of the following:

“(i) Medical benefits.

“(ii) Disability benefits.

“(iii) Group term life insurance benefits which do not provide for any cash surrender value or other money that can be paid, assigned, borrowed, or pledged for collateral for a loan.

The preceding sentence shall not apply to any plan which maintains experience-rating arrangements with respect to individual employees.”.

(b) LIMITATION ON USE OF AMOUNTS FOR OTHER PURPOSES.—Section 4976(b) of the Internal Revenue Code of 1986 (defining disqualified benefit) is amended by adding at the end the following new paragraph:

“(5) SPECIAL RULE FOR 10 OR MORE EMPLOYER PLANS EXEMPTED FROM PREFUNDING LIMITS.—For purposes of paragraph (1)(C), if—

“(A) subpart D of part I of subchapter D of chapter 1 does not apply by reason of section 419A(f)(6) to contributions to provide 1 or more welfare benefits through a welfare benefit fund under a 10 or more employer plan, and

“(B) any portion of the welfare benefit fund attributable to such contributions is used for a purpose other than that for which the contributions were made,

then such portion shall be treated as reverting to the benefit of the employers maintaining the fund.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or accrued after the date of the enactment of this Act, in taxable years ending after such date.

#### SEC. 809. MODIFICATION OF INSTALLMENT METHOD AND REPEAL OF INSTALLMENT METHOD FOR ACCRUAL METHOD TAXPAYERS.

(a) REPEAL OF INSTALLMENT METHOD FOR ACCRUAL BASIS TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 453 of the Internal Revenue Code of 1986 (relating to installment method) is amended to read as follows:

“(a) USE OF INSTALLMENT METHOD.—

“(1) IN GENERAL.—Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this title under the installment method.

“(2) ACCRUAL METHOD TAXPAYER.—The installment method shall not apply to income



from an installment sale if such income would be reported under an accrual method of accounting without regard to this section. The preceding sentence shall not apply to a disposition described in subparagraph (A) or (B) of subsection (l)(2)."

(2) CONFORMING AMENDMENTS.—Sections 453(d)(1), 453(i)(1), and 453(k) of such Code are each amended by striking "(a)" each place it appears and inserting "(a)(1)".

(b) MODIFICATION OF PLEDGE RULES.—Paragraph (4) of section 453A(d) of the Internal Revenue Code of 1986 (relating to pledges, etc., of installment obligations) is amended by adding at the end the following: "A payment shall be treated as directly secured by an interest in an installment obligation to the extent an arrangement allows the taxpayer to satisfy all or a portion of the indebtedness with the installment obligation."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or other dispositions occurring on or after the date of the enactment of this Act.

**SEC. 810. INCLUSION OF CERTAIN VACCINES AGAINST STREPTOCOCCUS PNEUMONIAE TO LIST OF TAXABLE VACCINES.**

(a) IN GENERAL.—Section 4132(a)(1) of the Internal Revenue Code of 1986 (defining taxable vaccine) is amended by adding at the end the following new subparagraph:

"(L) Any conjugate vaccine against streptococcus pneumoniae."

(b) EFFECTIVE DATE.—

(1) SALES.—The amendment made by this section shall apply to vaccine sales beginning on the day after the date on which the Centers for Disease Control makes a final recommendation for routine administration to children of any conjugate vaccine against streptococcus pneumoniae.

(2) DELIVERIES.—For purposes of paragraph (1), in the case of sales on or before the date described in such paragraph for which delivery is made after such date, the delivery date shall be considered the sale date.

**TITLE IX—MISCELLANEOUS PROVISIONS**

**SEC. 901. MEDICARE COMPETITIVE PRICING DEMONSTRATION PROJECT.**

(a) FINDING.—The Senate finds that implementing competitive pricing in the medicare program under title XVIII of the Social Security Act is an important goal.

(b) PROHIBITION ON IMPLEMENTATION OF PROJECT IN CERTAIN AREAS.—Notwithstanding subsection (b) of section 4011 of the Balanced Budget Act of 1997 (Public Law 105-33), the Secretary of Health and Human Services may not implement the Medicare Competitive Pricing Demonstration Project (operated by the Secretary of Health and Human Services pursuant to such section) in Kansas City, Missouri or Kansas City, Kansas, or in any area in Arizona.

(c) MORATORIUM ON IMPLEMENTATION OF PROJECT IN ANY AREA UNTIL JANUARY, 1, 2001.—Notwithstanding any provision of section 4011 of the Balanced Budget Act of 1997 (Public Law 105-33), the Secretary of Health and Human Services may not implement the Medicare Competitive Pricing Demonstration Project in any area before January 1, 2001.

(d) STUDY AND REPORT TO CONGRESS.—

(1) STUDY.—The Secretary of Health and Human Services, in conjunction with the Competitive Pricing Advisory Committee, shall conduct a study on the different approaches of implementing the Medicare Competitive Pricing Demonstration Project on a voluntary basis.

(2) REPORT.—Not later than June 30, 2000, the Secretary of Health and Human Services

shall submit a report to Congress which shall contain a detailed description of the study conducted under paragraph (1), together with the recommendations of the Secretary and the Competitive Pricing Advisory Committee regarding the implementation of the Medicare Competitive Pricing Demonstration Project.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico, under a previous order, is recognized for up to 10 minutes.

**AUTHORITY FOR COMMITTEES TO REPORT**

Mr. DOMENICI. Mr. President, I ask unanimous consent that notwithstanding the adjournment of the Senate, the committees have until 3 p.m. today in order to file committee-reported legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

**ORDERS FOR MONDAY, JULY 19, 1999**

Mr. DOMENICI. This is on behalf of the leader, and it is already concurred in by the minority leader.

Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 noon on Monday, July 19. I further ask unanimous consent that on Monday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and that the Senate then stand in a period of morning business until 1 p.m. with Senators speaking for up to 5 minutes each with the following exceptions: Senator VOINOVICH, 15 minutes; Senator BAUCUS, 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

**PROGRAM**

Mr. DOMENICI. For the information of all Senators, the Senate will convene at 12 noon and immediately begin a period of morning business until 1 p.m. Following morning business, the Senate will begin debate on a motion to proceed to the intelligence authorization bill. As a reminder, a cloture motion on the motion to proceed to the intelligence authorization bill was filed on Friday. That vote has been scheduled to take place at 10:30 a.m. on Tuesday. The leader has announced there will be no votes during Monday's session of the Senate. Therefore, the first vote on next week will take place at 10:30 a.m. on Tuesday.

**ORDER FOR ADJOURNMENT**

Mr. DOMENICI. If there is no further business to come before the Senate, I

now ask unanimous consent that the Senate stand in adjournment under the previous order, following the remarks of Senators DORGAN and KENNEDY.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank the Chair, and I thank the minority for concurring.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for up to 10 minutes.

Mr. DORGAN. I ask unanimous consent to be recognized for 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

**PRIVILEGE OF THE FLOOR**

Mr. DORGAN. I ask unanimous consent Tony Blaylock, a fellow on my staff, be given floor privileges until the end of the year.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I ask unanimous consent Kristi Schlosser be given floor privileges today.

The PRESIDING OFFICER. Without objection, it is so ordered.

**THE FAMILY FARMER**

Mr. DORGAN. Mr. President, one only needs to open a newspaper or turn on a television set to a news program in this country, the United States, to understand we are experiencing a wonderful economy, a wonderful turn of events. This has lasted a long while. Most people are working. Inflation is down. Budget deficits have evaporated. The country is growing. The economy is doing better, and there is a lot of good news.

In addition to the general economic news, the stock market is in a kind of go-go mood reaching record highs. These breathtaking heights in the stock market are coupled with stories about young people involved in the Internet who are making millions before they are old enough to shave. That is wonderful.

There are a lot of people doing well in this country because of the economy. But there are some who are left behind and left out. We ought to pay attention to some of these storm clouds. I am speaking especially about family farmers. They are this country's economic all stars and have been for some long while. They are suffering silently, but they are suffering in a very significant way today. This Congress has a responsibility to do something about it.

Let me read a letter that I received from a farmer in North Dakota a day or two ago. He says:

As a family farmer and rancher, it doesn't seem to me there are many people who care much about us anymore. It sometimes brings tears to my eyes that maybe in a year or two I won't be around in farming anymore. This won't be easy to explain to my three daughters. I wanted to bring them up in a rural



setting. If it happens I can't farm, I hope they read in the history books some day that it wasn't because their dad was a dumb man. It was caused by policy and giant concentrations of companies who want world dominance.

This farmer, who worries about losing his farm and worries about how he will explain that to his three daughters, worries about not being able to raise his daughters on the family farm. He says it is not his fault. And it isn't.

I want to describe what this man is going through.

Another farmer wrote to me and said:

I'm sitting at the kitchen table at 3:30 in the morning. It is spooky quiet out here these days, neighbors going broke, moving away, family farmers can't make it. My family is asleep and I don't know how long I will be able to hang on to this family farm.

Let me describe what these farmers face. While the stock market reaches record highs, here is what happens to the price of wheat. Those family farmers see their income declining in a very significant way. No one else is experiencing declining income. CEO salaries aren't going down; they are going up, up, up—way up. The stock market is going up to record highs. Yet if you are raising wheat and you are a family farmer, you have seen your income collapse.

What if you are raising corn? Exactly the same thing. Your income is collapsing.

What if you are raising soybeans on the family farm? The same thing. The income is collapsing.

What share are you getting as a family farmer of the retail food dollar? Collapsing.

In the spring, you borrow some money, you buy some seeds, you fix up the tractor, plant the seeds, and hope they grow. You worry about insects; you worry about crop disease; you worry it will hail; you worry that it won't rain enough, or maybe too much; and then at the end you may get a crop. If you get a crop, you worry when you will get it off the ground. After you have combined it and harvested the crop, you put it on the truck and drive to the elevator, only to be told the grain trade says that the crop produced has no value. We are going to pay you \$1.50 or \$2 a bushel less than it cost to produce.

You sit in the truck as a family farmer, knowing you took all of these risks, that your family is depending on you, and that the world is hungry. You hear the stories. You hear that in the Sudan a million people face the abyss of starvation and old women climb trees to forage for leaves because they have nothing to eat.

The grain trade says the food we produce has no value. Farmers scratch their heads and say: I guess it is because the public policies in this country say that family farmers don't count. Family farmers don't matter.

That is what angers family farmers the most. They produce something of

enormous importance to the entire world and are told it has no value. They are told that the farm bill is fundamentally bankrupt. The Freedom to Farm Act passed by this Congress several years ago is totally bankrupt. It ought to be repealed immediately.

Trade agreements, negotiated by trade negotiators who have done a terrible job and were totally incompetent, sold our farmers down the river.

So family farmers have a right to ask the question: Why can't we expect from this Congress, this Administration, and this country, a decent opportunity to make a living, a decent price for the food we produce, and a decent deal from trade agreements that are negotiated with other countries? Why can't we expect this country to stand up for family farmers?

A group from some farm States met this morning. We talked about how we will mobilize efforts to try to begin to provide two things. One, we need some emergency help—an emergency disaster relief bill to offset the income collapse which family farmers are facing. Second, we need a change in the farm program. We decided to seek a meeting next week with President Clinton at the White House. We will try to make sure this Administration proposes a robust disaster program and joins in proposing to change the underlying farm program to provide decent income support for family farmers when prices collapse.

Next week we will try to do that, meet with the President, and develop an emergency bill to provide disaster relief. Senator HARKIN and I proposed such a bill in the appropriations subcommittee. Senator CONRAD has proposed a number of ideas on how to provide disaster relief. I expect we will have to propose disaster relief somewhere in the \$10-billion-plus range.

This Congress has a responsibility to respond to this issue and to do it soon.

Second, to change the farm bill so family farmers have a safety net. Others in this country have a safety net. But somehow the suggestion was made that we can just pull the safety net out from under family farmers and that would be fine. Nobody will care. Families care. Farmers care. I do not want anybody standing up in this Chamber saying they are profamily and then turn a blind eye to the needs of family farmers. That is what has been happening.

If there were fires or floods or tornadoes that hit our part of the country and devastated all the buildings, the economy and the infrastructure, we would have folks rushing out there with help. We would have FEMA all set up in big buildings and tents, getting people in to give help. Everybody would be helping. In fact, you wouldn't even need a tornado. If some hogs got sick with a mysterious disease, we would have the entire Department of

Agriculture trying to find out what was wrong with the hogs. Only farmers can see their incomes collapse.

In our State, the incomes collapsed 98 percent in 1 year. Ask yourself, could your family stand a 98 percent loss in income? Could any Members of the Senate stand a 98 percent loss in their paycheck? Can wage earners stand a 98 percent loss in their wage? I don't think so. That is what happened to farmers in my State.

The question is, who is going to respond, when are they going to respond, and when is this country going to care whether we have family farmers left in our future? The answer for me is soon. The answer for me is now. Next week, we must expect to make progress with the President; yes, with the majority party and the minority party working together to try to provide disaster relief, No. 1, and a long-term safety net, No. 2.

I want to tell you about a fellow named Tom Ross who did something that I thought was unique in Minot, ND. Tom Ross is a newscaster with KMOT television. He got 48 acres just north and east of Minot, ND. He got some partners, and he planted 48 acres of durum wheat. His partners were experts in this area, seed companies, chemical companies, the Research Extension Service and so on. In 1997, they determined exactly what it cost, exactly what they planted, and exactly what they harvested, and what the outcome was. They did this on television to try to demonstrate the plight that family farmers were facing. Let me demonstrate what it was.

In 1997, they planted 48 acres, and they lost \$50 an acre. This is with all the experts weighing in with Mr. Ross, the newsman, saying here is how we do it. They did it, and they lost \$50 an acre. Next year, they planted the same 48 acres and they lost \$1,930 an acre. So in 2 years they have lost almost \$2,000 an acre on 48 acres of land. If you farm 1,000 acres, which is about an average size farm, slightly smaller than an average size farm in the farm belt, you would have lost \$50,000 just in that first year.

This year, Mr. Ross planted 48 acres of roundup ready canola. Last week, I stood out in that field just northeast of Minot, ND. We will see what happens this year. Given the price, given the circumstances, they expect they will lose some money this year.

The point is that on 48 acres with controlled circumstances and all of the experts to help, you have massive losses of income over three years. This is multiplied by every family farmer across the farm belt. Why? Because prices have collapsed, and family farmers have no safety net, at least not a safety net that is available to help them survive.

This is a unique experiment, and it shows in the clearest way possible that

this is not about whether family farmers are good farmers. They are the economic All-Stars in our country. The project that KMOT did in Minot, ND, demonstrates that when prices collapse, family farmers do not have a chance to make a decent living and someone has a responsibility to help. That someone is this Congress, this Senate, this President. And the time is now; not later—now. If we want to save family farmers for this country's future, we must take action now.

On Monday, I am going to talk about a paper that was just released by the Economic Policy Institute written by Robb Scott, "The Failure of Agriculture Deregulation," describing the failure of Freedom to Farm, the failure of our trade policies, and the selling down the river of family farm interests in this country by people who should have known better. I will describe that in more detail on Monday.

We do not have time to waste. We do not have time to wait. We must act and do so with great effect to try to help family farmers. The fellow who says I may not be able to farm anymore, at least is farming now. A whole lot of folks sold out long ago, and more are selling out every month and every week.

A woman called me recently and said her 17-year-old son would not come down to the auction sale when they were forced to sell. She says it is not because he is a bad kid. This young boy stayed up in his bedroom because he was brokenhearted. He wanted to farm that land so bad and take it over from his dad at some point. He knew when the auction sale was held that it was over for him. His dreams were gone. She said he was so brokenhearted he simply could not come down and participate in the auction sale of the family farm.

That is happening all across the northern plains, all cross the farm belt. At the same time, the stock market shows record highs, and we hear about this robust economy. The economic all-Stars in this country, who produce so much of what the world needs, are being told what they produce has no value and their existence does not matter. Shame on this country if it does not stand up now and decide that family farmers have value. What they produce has enormous value, and family farmers are important for this country's future.

I am betting the energy exists with this President and this Congress to finally turn the corner and say we need to make a change. We need trade agreements that stand up for the interests of farmers. We need a safety net that says when farmers' incomes drop 98 percent, we stand to help because we care about you and your future.

THE PRESIDING OFFICER (Mr. GREGG). THE SENATOR FROM MASSACHUSETTS.

#### PRIVILEGE OF THE FLOOR

Mr. KENNEDY. Mr. President, I ask unanimous consent that Jennifer Duck, a Labor Department detailee with my office, be granted the privilege of the floor.

THE PRESIDING OFFICER. Without objection, it is so ordered.

#### MINIMUM WAGE

Mr. KENNEDY. Mr. President, yesterday, the House of Representatives with very little discussion and debate voted themselves a \$4,600 pay increase. The Senate passed a similar measure earlier this month. Fair is fair. If Members of Congress deserve a raise, then surely the hard-working, lowest paid workers across this country deserve an increase in the minimum wage as well. Shame on this Congress when we vote ourselves a \$4,600 pay increase, yet do nothing for the lowest paid workers in America.

I intend to do all I can to see that Congress acts to raise the minimum wage as soon as possible. When President Clinton signs the law to raise the pay for the 535 Members of Congress, he should also have on his desk the bill to raise the pay for the 11 million Americans who work for the minimum wage.

The case for an increase in the minimum wage is overwhelming. Since 1991, congressional pay has increased \$39,400. In the same amount of time, a minimum wage worker has seen a pay increase of only \$1,870.

Legislation to raise the minimum wage—the Fair Minimum Wage Act—has been installed for many months by this Republican Congress. Our proposal will raise the federal minimum wage from its present level of \$5.15 an hour to \$5.65 on September 1, 1999 and to \$6.15 an hour on September 1, 2000.

Speaker HASTERT said last March, "I feel Members of Congress come here, they do their work. I know there are Members that have three or four kids in college at a time. I'm not crying crocodile tears, but they need to be able to have a life and provide for their family."

I say minimum wage workers have a life, too. They need to provide for their families, too. They need to put their children through college, too.

Under our proposal, a minimum wage worker would earn an additional \$2,000 a year. That amount will pay for 7 months of groceries to feed the average family. It will pay to house an average family for 5 months. It will pay for 10 months of utilities. It will cover a year and a half of tuition and fees at a 2-year college. It will provide greater opportunities for all those struggling at the minimum wage to obtain the skills they need for better jobs and better careers and better support for their families.

We know that under current law, minimum wage earners can barely

make ends meet. Working 40 hours a week, 52 weeks a year, they earn \$10,712 almost \$3,200 below the poverty line for a family of three. A full day's work should mean a fair day's pay. But for millions of Americans who earn the minimum wage, the pay is unfair.

Opponents complain that increasing the minimum wage hurts small business and causes job losses. But these claims have been proven wrong. In fact, since the most recent increases in the federal minimum wage—a 50-cent increase in October 1996 and a 40-cent increase in September 1997—employment has risen in virtually all sectors of the economy. Over 8 million new jobs have been added to the workforce, including 1.1 million retail jobs, 350,000 restaurant jobs, and more than 4 million jobs in the service industry. The increases boosted the earnings of 9.9 million low-wage workers directly, and millions more indirectly, but far from enough.

As Business Week has stated:

[H]igher minimum wages are supposed to lead to fewer jobs. Not today. In a fast-growth, low-inflation economy, minimum wages raise income, not unemployment. . . . A higher minimum wage can be an engine for upward mobility. When employees become more valuable, employers tend to boost training and install equipment to make them more productive. Higher wages at the bottom often lead to better education for both workers and their children.

Even Business Week agrees, "It is time to set aside old assumptions about the minimum wage."

The national economy is the strongest in a generation, with the lowest unemployment rate in almost three decades. Under the leadership of President Clinton, the country as a whole is enjoying a remarkable period of growth and prosperity. Enterprise and entrepreneurship are flourishing—generating an unprecedented expansion, with impressive efficiencies and significant job creation. The stock market has soared. Inflation is low, unemployment is low, and interest rates are low.

But despite this unprecedented economic growth, too many workers are not reaping the benefits of this prosperity. To have the purchasing power it had in 1968, the minimum wage should be at least \$7.49 an hour today, not \$5.15. This unconscionable gap shows how far we have fallen short over the past 30 years in granting low-income workers their fair share of the country's extraordinary prosperity.

Since 1968, the stock market, adjusted for inflation, has gone up by over 150 percent—while the purchasing power of the minimum wage has gone down by 30 percent. Shame on Congress for allowing that decline.

As the economy reaches new heights, so do CEO salaries, often reaching tens of millions of dollars a year. At that rate, it takes a CEO barely 2 hours to earn what a minimum wage worker earns in an entire year. The rise in income inequality between the country's

top earners and those at the bottom makes our Nation weaker, not stronger.

In a strong economy, we can clearly afford to give low income workers a rise. Our national wage total is over \$4.2 trillion. That is what American employers are paying in wages today. The increase of one dollar that we proposed would raise the national wage total by only one-fifth of 1 percent.

That is a drop in the bucket in the overall American economy, but a significant benefit for low-income workers.

According to the Department of Labor, 59 percent of minimum wage earners are women. Nearly three-fourths are adults. Forty percent are the sole breadwinners in their families. Almost half work full time. They are teachers' aides and child care providers, home health care assistants and clothing store workers. They care for the elderly in nursing homes. They stock the food shelves at the corner store. They clean office buildings in thousands of communities across the country.

The minimum wage is a women's issue. It is a children's issue. It is a civil rights issue. It is a labor issue. It is a family issue. Above all, it is a fairness issue and a dignity issue. It is time to raise the federal minimum wage again. No one who works for a living should have to live in poverty.

This chart over here indicates clearly what has happened to the unemployment rate with previous increases in the minimum wage. For years, we have often heard that an increase in the minimum wage would see an increase in unemployment. In 1996, we had an increase in the minimum wage to \$4.75 an hour, and we have seen the gradual decline in unemployment. Then we raised it to \$5.15 an hour in September 1997, and we continue to see the decline in unemployment.

This chart over here indicates how long an average CEO has to work in order to make what a minimum-wage worker earns over the year. By 10:06 a.m. on the first working day—say, for January 1st—the average CEO has made what will take a minimum-wage

worker to earn by 5 p.m. on December 31. In just over 2 hours, the average CEO has made what a minimum-wage worker will make by the end of the year.

Finally, this chart over here shows what the poverty line is for a family of three. The lower line here shows what the annual minimum-wage earnings are. What we see in 1999 is the continuing decline in the value of the minimum wage as minimum wage earners fall further below the poverty level.

It is time those men and women who work hard—play by the rules, work 52 weeks of the year, 40 hours a week, 8 hours a day—are not going to have to live in poverty. We are going to insist this issue be before the Senate in these next very few days or weeks.

#### THE PEACE PROCESS IN NORTHERN IRELAND

Mr. KENNEDY. Mr. President, I rise to express my deep disappointment by the failure of the parties to move forward with the peace process in Northern Ireland. The Good Friday Peace Agreement was endorsed by the overwhelming majority of the people of Northern Ireland, and it offers the only realistic hope for lasting peace for the two communities. We cannot let it fail.

It is hard to understand why this moment was not seized. The Good Friday Peace Agreement is the only way forward—the only way to bring the two communities closer together to build a better future for the people of Northern Ireland.

Decommissioning was not a precondition for the formation of the Executive, but it should take place along with other provisions of the agreement. The Way Forward proposal outlined a clear timetable for addressing the issue. It required clear progress on decommissioning in the coming weeks. General De Chastelain would review progress on decommissioning in September, in December, and again in May 2000. He would need to say publicly that everyone is cooperating. Without significant progress, the Executive would be disbanded.

It is tragic that the opportunity to form the Executive was missed.

The Agreement is the mandate of the people, and must be implemented. It offers the Unionists their key demands—their constitutional position, the principle of consent, an end to violence.

I would hope that once out of the marching season and after a period of reflection and the review by the governments and parties of the working of the agreement—not a review of the agreement itself—that wiser counsels will prevail in September.

I share the frustration expressed by President Clinton that a breakthrough of this potential is being stalled by a dispute on sequencing, which should weigh very little compared to the historic agreement on areas of substance reached in the negotiations.

I applaud the determination of the two Prime Ministers and President Clinton to persist in their efforts, with the support of Senator Mitchell, to overcome this last hurdle.

Despite this latest impasse, all who care about peace must redouble their efforts to find a solution. We must focus our energy on increasing the political dialogue and securing full implementation of the agreement.

A way must be found to build trust between the two communities of Northern Ireland. It is clearly the will of the people of Northern Ireland.

The Governments of Ireland and Great Britain and the United States must continue to work together to revitalize the peace process. We cannot let it fail.

Mr. President, I yield the floor.

#### ADJOURNMENT UNTIL MONDAY, JULY 19, 1999

The PRESIDING OFFICER. If there is no further business to come before the Senate, under the previous order, the Senate stands adjourned until the hour of 12 noon, on Monday, July 19, 1999.

Thereupon, the Senate, at 2:14 p.m., adjourned until Monday, July 19, 1999, at 12 noon.

# HOUSE OF REPRESENTATIVES—Friday, July 16, 1999

The House met at 9 a.m.

The Chaplain, the Reverend James David Ford, D.D., offered the following prayer:

At the beginning of this day we pause in the quiet of this place to offer our thanks and praise to You, O God, for the wonderful gifts of love that You have made available to us and to all people. We know that we were not created to be alone, but to share in the blessings that You have given, to care for one another in our sorrows and to celebrate together in our joys. Whatever our situation we are grateful, O God, that You are with us and will never depart from us. For these and all Your blessings, we offer these words of prayer. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Massachusetts (Mr. MOAKLEY) come forward and lead the House in the Pledge of Allegiance.

Mr. MOAKLEY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2035. An act to correct errors in the authorizations of certain programs administered by the National Highway Traffic Safety Administration.

The message also announced that the Senate has passed a bill of the following title in which concurrence of the House is requested:

S. 468. An act to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

## ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain 1-minute at the end of legislative business today.

## PROVIDING FOR CONSIDERATION OF H.R. 434, AFRICAN GROWTH AND OPPORTUNITY ACT

Mr. REYNOLDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 250 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

### H. RES. 250

*Resolved*, That, at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 434) to authorize a new trade and investment policy for sub-Saharan Africa. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed ninety minutes, with forty-five minutes equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations and forty-five minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. After general debate the bill shall be considered for amendment under the five-minute rule. In lieu of the amendments recommended by the Committees on International Relations and Ways and Means now printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule an amendment in the nature of a substitute consisting of the text of H.R. 2489. All points of order against that amendment in the nature of a substitute are waived. No amendment to that amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived. The chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to

the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from New York (Mr. REYNOLDS) is recognized for 1 hour.

Mr. REYNOLDS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MOAKLEY), the distinguished ranking member of the Committee on Rules, pending which I yield myself such time as I may consume. During consideration of the resolution, all time yielded is for the purpose of debate only.

House Resolution 250 is a structured rule, providing for the consideration of H.R. 434, the African Growth and Opportunity Act. The purpose of this legislation is to authorize a new trade and investment policy for sub-Saharan Africa.

The rule provides for 45 minutes of general debate, equally divided and controlled by the chairman and the ranking member of the Committee on International Relations.

Additionally, the rule provides 45 minutes of general debate, equally divided and controlled by the chairman and ranking member of the Committee on Ways and Means.

The rule also provides that it shall be in order to consider as an original bill for the purpose of amendment an amendment in the nature of a substitute consisting of text of H.R. 2489, which represents the combined work product of the two committees with jurisdiction.

The rule provides for consideration of only the amendments printed in the Committee on Rules report accompanying the resolution.

The rule further provides that the amendments will be considered only in the order specified in the report; may be offered only by a Member designated in the report; shall be considered as read; shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent; shall not be subject to amendment; and shall not be subject to a demand for division of the question.

The rule waives all points of order against the bill, against the amendment in the nature of a substitute, and against amendments printed in the report.

The rule allows the chairman of the Committee of the Whole to postpone

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

votes during consideration of the bill, and to reduce voting time to 5 minutes on a postponed question if the vote follows a 15-minute vote.

Finally, the rule provides for one motion to recommit, with or without instructions.

Mr. Speaker, House resolution 250 is a structured rule for consideration of H.R. 434, as is customary in the House for all trade legislation that comes out of the Committee on Ways and Means. Additionally, this fair rule makes in order four amendments, all of which are sponsored by Democratic Members of this body.

Mr. Speaker, the end of the Cold War has opened up sub-Saharan Africa to the world as never before. And only now are so many African nations able to start making the necessary reforms to become part of the global economy. We are witnessing the rebirth of Africa as these nations move towards democracy and seek a higher standard of living for their people.

Mr. Speaker, the new economic realities of sub-Saharan Africa must be met and encouraged by the United States. Indeed, improving the lives of the people in sub-Saharan Africa can best be accomplished by advancing the development of free market economies and representative democracies. H.R. 434 is the vehicle for that economic and social progression.

The African Growth and Opportunity Act will provide sub-Saharan countries with the tools needed to raise the standard of living in African nations, while simultaneously benefiting the United States by opening new trade and investment opportunities for U.S. firms and workers.

Mr. Speaker, under H.R. 434, the President would identify potential African nations that may qualify for free-trade status. The African nation would consult with the United States Government and, whenever applicable, the private sector, with the goal of promoting trade, investment and debt relief for the African country.

The bill outlines specific criteria the sub-Saharan country must meet and adhere to in order to be eligible for trade status. The potential nations must demonstrate progress towards establishing positive pro-trade reforms in those countries.

In addition, the sub-Saharan country must be dedicated to the eradication of poverty and the important role of women to economic growth and development.

There is no question that the creation of an investment-friendly environment in Africa will benefit both the United States and Africa by attracting the capital necessary to promote much-needed job creation and economic growth.

Mr. Speaker, this bill also builds upon accomplishments of the 106th Congress. Earlier this year, the House

passed H.R. 1143, the Microcredit for Self-Reliance Act of 1999, a bill establishing microcredit programs that reach the poorest of the poor in developing nations with small loans that help people work their way out of poverty.

The record of these programs has shown that women benefit significantly by starting small businesses and climbing out of poverty. The African Growth and Opportunity Act contains a core provision that will continue to improve economic opportunities for women by further advancing micro-enterprises.

Mr. Speaker, the fundamental goal of the African Growth and Opportunity Act is to provide incentives for sub-Saharan African nations to move forward in their reform efforts; improve their economies and foster economic development.

I would like to commend the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations; and the ranking member, the gentleman from Connecticut (Mr. GEJDENSON); along with the chairman of the Committee on Ways and Means, the gentleman from Texas (Mr. ARCHER); the chairman of the Subcommittee on Trade, the gentleman from Illinois (Mr. CRANE); and the ranking member of the full committee, the gentleman from New York (Mr. RANGEL).

I urge my colleagues to support both this rule and the underlying bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I thank my colleague and my dear friend, the gentleman from New York (Mr. REYNOLDS), for yielding me the customary half-hour, and I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to this closed rule. Although no one would challenge the idea that our policy towards Africa needs to be improved, this rule presents the House with a very limited choice on how to change that policy. It will not even consider 25 of the 29 amendments, many of which would have made great improvements on the bill that is before us.

Mr. Speaker, this rule does nothing to stop the illegal transfer of goods from China to the United States by way of Africa. This rule does nothing to protect the American workers from being mistreated. This rule does nothing to protect the American garment workers who are at risk of losing their jobs to underpaid workers in countries like China. This rule does nothing to protect the environment in Africa, which has already suffered irreversible degradations. Also, Mr. Speaker, this rule does nothing to implement serious debt relief for African countries, debt relief that so many other countries enjoy.

And, finally, Mr. Speaker, this rule will not even let the House debate the

bill of the gentleman from Illinois (Mr. JACKSON), which is supported by dozens of relief organizations and workers' groups. Under this rule, multinational countries can set up shop in Africa and exploit the very people that this bill is supposed to help.

My Democratic colleagues and I tried to convince the Committee on Rules to make amendments in order that would have addressed these issues, amendments like that of the gentlewoman from California (Ms. WATERS) to help abolish slavery once and for all; like that of the gentleman from Illinois (Mr. JACKSON) to provide some debt relief to sub-Saharan Africa; and like that of the gentleman from Georgia (Mr. BISHOP) and the amendment of the gentlewoman from North Carolina (Mrs. MYRICK) to prevent illegally shipped textiles from entering the country.

Mr. Speaker, there are 54 countries in Africa. The people in some of these countries are the poorest in the world. The very least we can do is implement a decent policy towards them, a policy that protects the environment as well as African and American workers. And, unfortunately, this rule will prevent us from doing so. For that reason, I urge my colleagues to oppose the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

I want to point out, because of the comments made by my distinguished colleague, the gentleman from Massachusetts (Mr. MOAKLEY), that if we look at the Jackson amendments, there were seven individual amendments, not a substitute amendment, that was offered before the Committee on Rules.

Also, as I stated in my opening remarks and I will restate now, trade legislation, including as recently as last year, is dealt with by the Committee on Rules and, more importantly by this House, in a structured rule, and this rule is very, very similar to the rule that was introduced and passed by this House last year.

□ 0915

Mr. REYNOLDS. Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio (Ms. PRYCE).

Ms. PRYCE of Ohio. Mr. Speaker, I rise in support of the African Growth and Opportunity Act and this fair rule.

Yesterday, in the Committee on Rules, my colleague, the gentleman from Ohio (Mr. HALL), and others who testified somberly described the many problems plaguing Africa. I think we are all too familiar with the images of hungry African women and children living in poverty and war-ravaged nations. For too long, the people of sub-Saharan Africa have suffered from the rampant spread of disease, environmental degradation, and political corruption. Our hearts go out to these victims of human suffering.

But there is hope. Since the beginning of this decade, 48 countries in sub-Saharan Africa have moved toward democracy and market-based economies.

And, in just the past week, a ceasefire in the Congo and a peace agreement ending the war in Sierra Leone were signed.

Today the opportunity is ripe in the United States to give momentum to these positive trends by engaging Africa through trade, investment, and co-operation.

The African Growth and Opportunity Act does just that. This legislation not only begins to break down barriers to trade but also provides needed debt relief and facilitates \$650 million in investment in sub-Saharan Africa.

Does this bill solve every problem facing the African people? No. But through this legislation, we are strengthening the foundation on which a stronger, more stable, more prosperous Africa will stand, an Africa that will be in a better position to address its problems with a strong ally found in the United States.

American companies and workers stand to benefit along with the African people. This legislation opens the door to a market of nearly 700 million people who will have the opportunity to buy American-made goods. Exports are the economic key to growth, competitiveness, and job creation here at home, and the U.S. must continue to look for new markets to penetrate.

Mr. Speaker, there is another bonus found in this legislation, which is the broad support it has garnered. I am proud to join with the Speaker, the Republican leadership, the President, and many of my colleagues on the other side of the aisle, including one of the bill's lead sponsors, the gentleman from New York (Mr. RANGEL), in my support of this legislation.

Passage of the African Growth and Opportunity Act will provide one more example of Republicans and Democrats, Congress and the White House, working together to do something positive for American workers and businesses, while reaching out to improve the lives of millions of Africans who are much less fortunate.

I urge support of the rule and the bill.

Mr. MOAKLEY. Mr. Speaker, it gives me great pleasure to yield 5 minutes to the gentleman from New York (Mr. RANGEL) the author of the bill, the ranking member of the Committee on Ways and Means.

Mr. RANGEL. Mr. Speaker, let me thank the majority of the members of the Committee on Rules for what is a fair rule.

I think the members of the Committee on Rules know that many of the amendments that were received were received too late. I spoke with many of the Members that had these amendments, since I intended to have sup-

ported them, and they acknowledged that they were too late.

I do not think it is unusual for the Committee on Rules to have a closed rule on those issues which the Committee on International Relations and the Committee on Ways and Means believes is necessary to craft a well-balanced piece of legislation and that it is not to be drafted on the floor.

I think trade is one of those issues. But I am reminded, as I ask my colleagues to support this rule, of the struggle that many of us had in the area of civil rights and to remember those who said that our legislation just did not go far enough, or we had so many friends that wanted to improve our lot but the Voting Rights Act did not take care of housing, the Voting Rights Act did not take care of jobs, the Voting Rights Act did not take care of equality. And certainly, if we included all of those things, most of the people who objected would not have voted for the Voting Rights Act anyway.

It is interesting to see how people would want this bill, the African Growth and Opportunity Bill, to improve all of the things that we have historically ignored. But really what is truly amazing is how, when we got to Africa, that they raised the bar.

How could we get to a continent that, when we look on TV, all we see is some little black baby with a swollen stomach, with flies around his or her mouth, stories of famine, stories of droughts, stories of poverty, stories of people begging for us to send a dollar, adopt a kid, and now we are asking for the first time that this great republic open up its trade doors and allow Africa to compete?

Does the bill ask for any special treatment in Africa? Does it ask for anything that we have asked for from our friends in the Middle East and Israel? Are the labor standards here lower than our trade in Ireland or any European country? Are we asking the Africans to do more than we ask our friends in North and South America?

When did we think that we had to demand so much more in a trade agreement to wipe out a country's debts even though it is not owed to us? We love the Africans so much that no matter who they owe, where they owe it, we should wipe it out.

We want environmental and work conditions over there that we do not demand in my Congressional district, and they certainly do not demand it from other countries. But now comes the time for us to show our love for all the people that are in Africa, and we love them so much that we want to put so much in this bill that will never get off the ground.

Well, I tell my colleagues this: I know that Americans know best for all the people in the world. And if they do not like our policy, we will bomb them

until they understand it. I mean, that is what democracy is all about. But there comes a time that we ought to listen to the people who love their country, who are elected in their country, and who represent their country here.

Now, if we are concerned about the sub-Saharan countries and want some type of equality in trade, every ambassador, every President, every head of State ask us to do one thing: leave the bill alone. Vote for the bill, and vote for the rule.

Of course, if my colleagues know better what the African people want, if they know better what they deserve, then join with me and so many others after this bill becomes law and let us try to improve upon what we have done. But do not think that the whole world is not watching that, if we close the door this time, we will not have an opportunity next year to improve the bill.

Mr. REYNOLDS. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. ROYCE), the chairman of the Subcommittee on Africa.

Mr. ROYCE. Mr. Speaker, I thank the gentleman for yielding me the time.

The Africa Growth and Opportunity Act, Mr. Speaker, and the rule under which this bill will be considered is so important because it would fundamentally alter U.S. relations with many nations of Africa.

Africa should and deserves to be treated as a trade partner, not a perpetual-aid partner. This bill treats Africa as a trade partner. That is why this bill had such strong bipartisan support in the Subcommittee on Africa and our full Committee on International Relations, strong bipartisan support, as a matter of fact unanimous support, in the Committee on Ways and Means of this House.

What this bill does is to identify those African nations that are committed to reform and it identifies these as the countries the United States will develop a special economic relationship with. These countries, countries that are giving themselves the best chance to develop through a partnership with American businesses, will take part in annual trade forums with the United States, just as we hold with nations of Asia.

They will also have greater opportunities to sell their goods to American consumers, who will also benefit. These are real benefits that should be incentives to African countries to continue their reform path allowing their citizens to reach their potential.

In debating this legislation, we should appreciate that this is a critical juncture for Africa. There has been real political and economic progress on the continent over the last several years.

Nigeria, the most populous nation in Africa, long suffering from military dictatorships, recently held Democratic elections, which I and other

Members of this body had the privilege to observe. And, hopefully, Nigeria is turning itself around with its new reforms, with its new democracy.

Other African nations are making similar progress. Mozambique, recently war torn, is moving toward democracy; and with it they have had a set of economic reforms, the very reforms encouraged by this legislation. As a result, what has happened in Mozambique? They have seen their economy grow at better than 12 percent a year over the last few years.

Yet we need to be realistic. In many ways Africa is in the balance. Without efforts today to bring Africa into the world economy, without efforts like the African Growth and Opportunity Act, Africa could become permanently marginalized. Africans would suffer. And the American people would not escape the consequences.

This legislation is not a fix-all. Its rejection, though, would be a complete disregard of our interest in economically engaging with Africa at this critical time. To reject this legislation is to say we do not have any room on the economic map for Africa in this new century. I do not think we will go that way.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, I rise in opposition to the rule.

This bill provides no debt relief for sub-Saharan African countries. It sets no requirements to use African labor. And it ignores the AIDS crisis in Africa.

It grants extensive rights and benefits to multinational corporations operating in Africa but requires nothing of them with respect to workers and protection of the environment.

Why should we support a rule that disallows dozens of amendments? Why should we support a rule that blocks amendments to strengthen labor protections? Why should we support a rule that stops amendments to protect against a flood of Chinese transhipped textiles? Why should we support a rule that blocks amendments to keep Americans working? Why should we support a rule that stops amendments to ensure that trade benefits accrue to African workers and African-owned businesses, not transplanted foreign workers and foreign-owned businesses?

We need a better bill for Africa, and we can get a better bill for Africa. But the only way we get a better bill for Africa is to vote against this rule.

NAFTA cost this country hundreds of thousands of jobs. It is too late right now to fix what happened when we passed NAFTA. It is too late to fix what happened when we passed GATT. We can fix this by sending this rule down.

□ 0930

Mr. REYNOLDS. Mr. Speaker, I yield 1½ minutes to the gentleman from North Carolina (Mr. BALLENGER).

Mr. BALLENGER. I thank the gentleman for yielding me this time.

Mr. Speaker, I testified before the Committee on Rules yesterday asking the committee to make in order an amendment that would be offered by the gentleman from Georgia (Mr. BISHOP) and the gentleman from North Carolina (Mrs. MYRICK). This amendment would have required that the apparel receiving duty-free and quota-free treatment must be manufactured from U.S.-manufactured yarn and fabric, fabric which is cut in the United States. This standard now applies in the Caribbean area. However, the Committee on Rules did not see fit to make this amendment in order. Therefore, I cannot vote for this rule.

Trade agreements should give American workers a fair shake, not hurt them. In its present form, H.R. 434, unlike NAFTA, does not do this. It poses a serious risk to our domestic textile industry and its employees. The bill does not prevent the illegal transshipment of apparel from other countries where countries now regularly exceed their quotas. This bill could throw thousands of U.S. workers out of jobs by allowing a huge flood of cheap Asian goods to move through Africa to the United States. It only requires that a mere 35 percent of the total value of textile and apparel products be added in the African countries in order to qualify for duty-free and quota-free treatment. Asian countries, particularly China, would be ready, willing and able to make up that remaining 65 percent.

By requiring U.S. yarn and fabric as the Bishop-Myrick amendment proposed, this bill would have ensured that U.S. textile workers, not Asian textile manufacturers, get to produce the fabric that African workers turn into clothes. In addition, Africa would still get a huge boost since all the sewing, labeling and packaging would be done in an African country in order to qualify. In other words, the Bishop-Myrick language is a win-win for American workers and the workers in sub-Saharan Africa.

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. JACKSON).

Mr. JACKSON of Illinois. Mr. Speaker, I rise in strong opposition to both the rule and the bill. Three hundred eighty years ago, our Nation's first trade policy landed 19 Africans in Jamestown, Virginia. Since then our Nation has struggled with that painful and profound legacy. Undoubtedly the effects of trade are far reaching and long lasting. In many ways my presence here today and that of 33 million other Americans is the result of our Nation's first African trade policy.

As I told a delegation from Gabon that came to visit my office yesterday, the blood that unites us runs deeper than the water that divides us. So as Congress considers a new trade policy with Africa for a new millennium, for many of us this issue is charged with strong emotions and deep convictions. There are people of good will and intentions on both sides. It is very rare, almost never, that I stand in opposition to a bill sponsored by the gentleman from New York (Mr. RANGEL), a man whom I have known and looked up to virtually all of my life and for whom I have the utmost respect and admiration. We both want what is right and best for Africa.

However, with respect to this rule, a dozen of my Democratic colleagues offered 20 amendments, all of which were rejected except for four, only one of which is not a nonbinding sense of Congress resolution. These amendments, which this restrictive rule would keep us from considering, did two things that are vital:

Number one, cutting out of the African Growth and Opportunity Act terms that would cause damage, make things worse for the majority of people in Africa, 750 million people whose per capita income is only \$500 a year. But it is AGOA's ability to undermine the already harsh status quo of food security, access to health and education, control of natural resources and economic sovereignty in Africa that has moved me to this action.

These are the provisions, mainly contained in AGOA's section 4, that led a broad array of Africa labor, religious, anti-hunger and other civic groups to reach out to me to develop an alternative to the African Growth and Opportunity Act. Many amendments, from transshipment amendments, amendments with respect to eliminating debt, not senses of Congress but taking pressure, downward pressure off the sub-Saharan African wages so that they might be able to purchase what we produce here in America is a factor in an ongoing trading policy.

A labor policy. Certainly after 380 years, the center of any trading relationship with sub-Saharan Africa would take African labor and workers very seriously. These amendments were rejected by the Committee on Rules. Other amendments were offered by other Members of Congress to deal with the issue of AIDS. Substantive amendments to prohibit the United States Government from bringing World Trade Organization action against sub-Saharan African countries that are seeking to provide low-cost drugs where more than 85 percent of all AIDS-related deaths since the early 1980s have occurred.

These amendments to the African Growth and Opportunity Act were rejected. Instead, the Committee on Rules substituted nonbinding sense of



Congress resolutions. There are no basic labor, no human rights, no African employment, no environmental rules for U.S. corporations planning to take advantage of the African Growth and Opportunity Act.

Those of you who might be watching this on C-SPAN, go to your web site, [www.USAfrica.org](http://www.USAfrica.org). There you will find United Meridian Corporation and Kmart and Amoco and Chevron and Tyco Submarine Systems, Mobil Corporation, the Gap, the Limited, National Retail Federation, a long list of corporations who plan to take advantage of the African Growth and Opportunity Act. This act is most appropriately titled U.S. Corporate and Foreign Investment in Africa Act of 1999, not growth for 750 million sub-Saharan Africans, many of whom my distinguished colleague the gentleman from New York identified. This is the poorest region of the world, with the richest land and the richest resources.

Mr. Speaker, let me just conclude on this point. The Chicago Tribune wrote an article just yesterday where they said the top three officers of Microsoft Corporation, Bill Gates, a Mr. Ballmer, a Paul Allen, their top personal assets from Microsoft come close to \$140 billion. Their personal assets are more than the combined gross national product of the 43 least developed countries and their 600 million people. So what does it mean for a gentleman with the kind of wealth of a Bill Gates to just buy an entire industry on an entire continent with that kind of wealth? If we do not have restrictions in our law so that American investment in sub-Saharan Africa is done right, if that is the only point that I make today, American investment in sub-Saharan Africa in light of our history and in light of the condition of those people must be done right. This rule falls short of our ability as Members of Congress to make this a better bill so that more Americans can benefit.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS). The Chair will remind Members that comments are to be made to the Chair and not to the viewing and listening audience.

Mr. REYNOLDS. Mr. Speaker, I would like to point out the bill provides protections against human rights abuse. Any country engaging in gross violations of internationally recognized human rights is not eligible to receive benefits provided under the bill.

I am particularly pleased as a Member from New York where we had the dean of our delegation the gentleman from New York (Mr. RANGEL) speak, we have the dean of the Republicans of New York.

Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. GILMAN), the distinguished chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I am pleased to rise in strong support of this structured rule regarding H.R. 434.

After careful consideration and consultation with our Committee on International Relations, the Committee on Ways and Means and the House leadership and all Members with an interest in this bill, the Committee on Rules has provided a thoughtful rule which will allow timely passage of this measure. I appreciate the leadership of the chairman of the Committee on Rules, the gentleman from California (Mr. DREIER), on this matter as well as the leadership of the manager of the rule this morning, the gentleman from New York (Mr. REYNOLDS). Our committee appreciates the many courtesies extended toward our members and staff during consideration of this measure and other bills by the members and staff of the Committee on Rules.

The Africa Growth and Opportunity Act enjoys broad and bipartisan support. In the 105th Congress, we passed this bill by a wide margin. The administration has been extensively consulted and strongly supports this measure. African nations of sub-Saharan Africa are unanimous in their support, and African civic groups such as the National Council of Churches, the American Jewish Committee, the NAACP and Empower America have all expressed their strong support for this measure.

Mr. Speaker, I urge speedy passage of this rule followed by favorable consideration of the bill during the next few hours.

The African Growth and Opportunity Act is so important because it would fundamentally alter U.S. relations with many nations of Africa. Africa should, and deserves to be treated as a trade partner, not a perpetual aid partner. That is what this legislation does.

H.S. 434 identifies those African countries that are committed to reform as the countries the United States will develop a special economic relationship with. These countries, countries that are giving themselves the best chance to develop through a partnership with American businesses, will take part in annual trade forums with the United States, just as we hold with the nations of Asia. They will also have greater opportunities to sell their goods to American consumers, who will also benefit. These are real benefits that should be incentives to African countries to continue their reform path, allowing their citizens to reach their potential.

In debating this legislation, we should appreciate that this is a critical juncture for Africa. There has been real political and economic progress on the continent over the last several years. Nigeria, the most populous nation in Africa, long suffering from military dictatorships, recently held democratic elections which I had the privilege to observe. Hopefully Nigeria is turning itself around. Other African nations are making similar progress. Mozam-

bique, recently war-torn, is moving toward democracy and, with a set of economic reforms, the very reforms encouraged by this legislation, has seen its economy grow by over some 12 percent recently.

Yet we need to be realistic. In many ways, Africa is in the balance. Without efforts today to bring Africa into the world economy, without efforts like the African Growth and Opportunity Act, Africa could become permanently marginalized. Africans would suffer. And the American people would not escape the consequences. This legislation is not a fix all; its rejection though would be a complete disregard of our interest in economically engaging with Africa at this critical time. I don't think we'll go that way.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. BISHOP).

Mr. BISHOP. Mr. Speaker, I rise today to strongly oppose this rule.

I want an Africa trade bill, but I want a good Africa trade bill. I want to promote economic growth and the well-being of the people of sub-Saharan Africa. I know this goal is supported by the authors of this bill, and I applaud the Committee on Ways and Means and others who are pursuing this goal relentlessly.

I am not opposed to trade liberalization that is balanced, reciprocal, enforceable and beneficial to all parties. This rule will prevent that. I am disappointed that many Members of the House are not allowed to address the very real concerns that we have about the loss of over 400,000 jobs in the U.S. textile and apparel industries that has taken place across this country since 1995 and would be exacerbated by this bill.

Despite my attempts last year and this year in the Committee on Rules and on the floor to make sure that the Africa Growth and Opportunity Act does not do more harm than good, the bill as reported is not beneficial to all parties concerned. The bill is flawed deeply without the amendment that the gentlewoman from North Carolina (Mrs. MYRICK) and I proposed to the Committee on Rules.

The bill opens the door to illegal transshipments of goods from China, and it misses an opportunity to benefit American workers by requiring that imported goods from sub-Saharan Africa contain U.S. cut and formed fabric.

If the amendment that we proposed had been allowed, this body could have created a win-win for America and a win-win for the countries of Africa. The amendment we propose would have allowed the countries of Africa to access our strong and vast consumer economy in a fair way, but it would have also preserved our domestic textile and apparel jobs.

I regret that the Senate will be forced to fix this bill before it passes. This rule does not allow us to do our job here in the House. I ask that the House join me in opposing this unfair

rule so that we can craft a truly good bill that will in fact be an Africa Growth and Opportunity Act.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. BURR).

Mr. BURR of North Carolina. Mr. Speaker, I thank the gentleman for yielding me this time. Seldom, if ever, have I ever gotten up on the House floor and suggested a no vote against the rule. Seldom on the House floor have I ever seen so blatant an effort to eliminate U.S. jobs.

In fact, let me read to my colleagues a press release from the Chinese Trade Ministry, March 23, and I quote:

Setting up assembly plants in Africa with Chinese equipment, technology and personnel could not only greatly increase sales in African countries but also circumvent the quotas imposed on commodities of Chinese origin by European and American countries.

This is not an African growth and opportunity bill. It is not a U.S. growth and opportunity bill. This is an Asian growth and opportunity bill.

I am a member of the Committee on International Relations with my colleague, but we look at this differently. Mr. Speaker, it is our responsibility, all 435 of us as representatives of the American people, to put their interests first. The explanation we ought to have today is to the textile workers who we have disregarded their jobs. Clearly, there will be job loss. We are like ostriches with our head in the sand.

This body has never allowed bad legislation to move with the intention that it would get fixed somewhere in the process until this bill. I urge my colleagues to vote against the rule. If that passes, to vote against the bill, to move this back to committee and to do the work that we need to make a good bill and save U.S. jobs.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

I rise in opposition to the rule. H.R. 2489 is another trade bill that exploits the developing world for the benefit of multinational corporations and investors. Regardless of what this bill's supporters say, there is absolutely nothing in this bill to enforce worker protections and labor standards. We have been down this road before. When Congress passed NAFTA without putting labor and environmental protection standards at the core of the bill, we were told to put our faith in side agreements that would supposedly guarantee labor rights and environmental standards.

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Five years after its passage, Mexican workers are earning less than they did before NAFTA. American companies, and get this, American companies pay

Mexican workers lower wages than Mexican companies pay Mexican workers, and yet here we are set to impose this same failed trade model on people of sub-Saharan Africa.

Yesterday, the Committee on Rules rejected every single proposed amendment that would have actually given hope to the people of sub-Saharan Africa. Instead, we are set to give the world's largest corporations the freedom to exploit the world's poorest people without having to worry about labor laws, tough environmental standards or worrisome worker unions.

Vote no on the bill.

Mr. REYNOLDS. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, I rise in opposition to this rule. It is not fair.

I reluctantly supported this bill last year. I attempted to amend this bill, and I was made to believe that my concerns would be addressed on the Senate side last time. They were not. Now this bill, the African Growth and Opportunity Act, is before us. It is no better now than it was last year. It still imposes unfair conditions on Africa.

Those of us with long histories working on behalf of Africa know the history of the rape of Africa. Many of the same corporations who fought us to the bitter end when we were trying to free South Africa are now lined up spending millions of dollars to pass this legislation led by the big oil companies, some of whom we are still trying to make good corporate citizens in places like Nigeria.

Let me just tell my colleagues what I tried to do. I tried to amend the bill. One amendment would have struck the most onerous conditions of the bill, these conditions that require African countries to cut corporate taxes, reduce government spending, and remove restrictions on foreign investments. We do not allow foreign countries to dictate our economic policies, nor should we attempt to dictate the economic policies of African countries.

My second amendment would have clarified that these conditions apply only to new programs and benefits established by the bill and not to existing foreign aid programs and trade benefits. This amendment is essential to ensure that countries that cannot meet these strict conditions can continue to trade with the United States as well as continue to receive foreign aid.

A third amendment would have allowed African countries to qualify for the programs and benefits in the bill even if they are unable to meet all of the bill's difficult conditions.

None of my amendments were made in order, and my amendments were timely, as were other amendments when we attempted before the Committee on Rules.

Let me just say we are not here simply because we want to oppose this bill. Again, we know the history of Africa, and we are not going to support the rape of Africa a second time in a more sophisticated way.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. SPRATT), ranking member on the Committee on the Budget.

Mr. SPRATT. Mr. Speaker, last year, when this same bill came to the floor, we attempted to offer an amendment which is the same amendment we attempt to offer now. It is not a poison pill; it is not an unfair provision. It would give African countries the same sort of trade treatment that we extend to Caribbean countries, Central American countries, and indeed to Mexico and to NAFTA. Basically it says if they buy our yarn and our cloth in their apparel when it is made from American-made source products, can come back into this country duty free and trade and tariff free.

It is fair; it is also a good way to police the imports coming into this country to make sure that they were indeed made in Africa, for our greatest fear about this bill is not some overwhelming surge of imports coming from Africa itself, but the fact that these sub-Saharan countries will become a massive platform for transshipment. As Asian countries hit their quotas, as they try to evade tariffs, there would be an enormous temptation to ship through Africa where the goods, apparel and textile goods, can come into this country duty free and tariff free.

Last year we were shut out also. This year we have been shut out again.

This should be, this well of the House, should be a free market of ideas. We should be able to come here and put forth our ideas if they are not relevant, if they are not off the wall, if they are good, sound, solid ideas and vie for votes on the House floor. But let the competition be set, that the best bill can win right here in the House. Well, this bill today will not give us that kind of opportunity of that kind of vote.

Last year, this amendment was offered by the gentleman from Georgia (Mr. BISHOP) on a motion to recommit. As everybody knows, that is a procedural motion, and for the most part Republicans do not vote for a Democratic motion to recommit. Even so, we got 193 votes for this amendment. I think 193 votes in last year's debate should buy us a ticket to this year's debate, should allow us to offer this amendment on the House floor and explain it, give us more than 5 minutes to explain it. If we win, fine; if we do not, fine as well. But give us the opportunity at least. Let this well be a free market of ideas.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. NEAL), a member of the Committee on Ways and Means.

Mr. NEAL of Massachusetts. Mr. Speaker, I strongly support this rule and this legislation that we are about to take up today. This is a good bill, and it is a very important bill for Africa.

I want to thank the gentleman from New York (Mr. RANGEL) for the leadership that he has demonstrated on this legislation as well.

I have no great personal interest in this legislation. I have no constituent or I have no company that is pressing me to support this bill. I am not ideologically driven by these trade issues, and I am sensitive to the concerns of the textile industry, having watched what happened in Massachusetts over a 50-year period. But I am supporting this bill because I do not believe, as alleged, that this bill will make African nations take any action that they would not otherwise take.

I do not believe that imposing harsher than normal conditions on trade with the poorest countries of the world is fair or right, even if it is designed to create a precedent for other trade bills, and I do not believe that U.S. workers will be harmed by the minimal benefits of this legislation. What I do believe is that African countries want to expand their economies, put more of their citizens to work and be given the opportunity to sell their goods throughout the world, including the United States. This bill gives them an opportunity to help themselves.

This is the right bill at the right time, and I urge all of my colleagues to support this rule so that we can move forward on final passage.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I rise in support of the legislation, and I rise to commend the gentleman from New York (Mr. RANGEL) for his leadership and his strong support for this legislation. I rise today to support the African Growth and Opportunity Act. A strong and open and fair trade investment relationship between the United States and the countries of sub-Saharan Africa could help reduce poverty and expand economic opportunity.

The fact is, Mr. Speaker, according to the Department of Commerce, exports to Africa already support 133,000 U.S. jobs. 133,000 U.S. jobs are supported now with this relationship. In fact, the United States exports to the sub-Saharan region exceed by 20 percent, already by 20 percent, those to all the States of the former Soviet Union combined. We are already starting to forge important relationships.

Now will this by itself serve as the panacea to help our relationship by itself with Africa? No. And I would en-

courage those people that rise today to try to help pass this rule and this legislation to come together to do some things to improve the number of loans under the micro-development loans for the poor program for Africa, to try to work with relief organizations and aid and assistance programs to further bolster our relationship between the United States and Africa, and also to try to direct assistance and aid through our foreign aid programs which sometimes are in greater ratios, directed at other countries and not so much at Africa.

We need to work on this relationship more. This is a first start, and I encourage my colleagues to support this rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I rise in the strongest possible opposition to this rule, but not to the intent of the bill before us. For the second year in a row, the Committee on Ways and Means has told us there is nothing to worry about with regard to transshipment of Asian textiles through Africa. Those of us in agriculture know better. In the past 15 years we have dealt with this multibillion dollar problem in commodities, including garlic, peanuts, walnuts, pistachio nuts and coffee, tobacco; it goes on and on, and, of course, textiles.

Despite the tireless efforts of our Customs Service, our chief textile negotiator at USTR said recently that he felt the problem was getting worse. Indeed, the cleverness of exporters seeking illegal access to lucrative U.S. markets has forced Customs to result to complex testing for trace elements. Customs simply does not have the manpower to test every product entering the U.S., and the incentives to cheat the system have always managed to keep ahead of our ability to detect new methods of transshipment.

The Bishop-Myrick amendment rejected by the Committee on Rules was an honest attempt to address the problem. The refusal of the Committee on Ways and Means to effectively address transshipment and of the Committee on Rules to deny us a chance to even debate this issue sends the wrong message to the agriculture community at a time when farm prices are at a record low.

The adjusted world price for cotton is half of what it was a few short years ago, and mill use in the United States is down 8 percent from last year. Where are the new market opportunities for farmers that were promised by the leadership of this House when we passed the Freedom to Farm bill? They are in the Bishop amendment which was rejected by the Committee on Rules for the second year in a row.

I thank the gentleman for having yielded this time. I hope our colleague

will send this rule back to the Committee on Rules, where we can get a fair rule, one that will address a win for Africa and a win for the textile and cotton industry in the United States.

Mr. REYNOLDS. Mr. Speaker, I yield 4 minutes to the gentleman from Louisiana (Mr. JEFFERSON).

Mr. JEFFERSON. Mr. Speaker, I thank the gentleman for yielding the time.

Mr. Speaker, it is important to put this whole matter in perspective.

First, how did this matter come before the Committee on Ways and Means and ultimately now to this Congress? It did not come because some corporate lobby brought it to our committee. It did not come because of somebody in some slick suit said, Look, let's go and take advantage of Africa.

It came up because those of us who were conscientious about the issue looked at what was happening in our 1994 GATT bill consideration and noticed that we were dealing with every country in the world, every continent in the world, trade relations, trade policies, but nothing for Africa on this subject at all. And so our committee decided that that was not right, that our country owed it to Africa and to the people of Africa and to the people of America to engage Africa as a trading and investment destination, as we had engaged the rest of the world.

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That is how this whole policy started out. And I should tell the Members this, those who worry about conditionalities in the bill ought to really line up with what is happening in Africa today. This bill would not be possible, there would be no reason to talk about it, there would be no way we could even pass it today, if it were not for what is happening in Africa itself. This bill builds upon the initiative of African-Americans.

In Africa right now many countries have, through great pain, adopted reform that includes promoting the movement of goods and services through their countries, maintaining a fair judicial system and promoting the rule of law, protecting property rights, providing national treatment for foreign investors, implementing measures to facilitate investment, developing regional markets and promoting regional integration, and striving to reduce poverty and increase access to education and health care, particularly for women. This is what Africa is itself doing for its own people. This bill simply builds on that foundation.

For those who worry about transshipments in Africa, I want to ask this question: Why do we consider something peculiar in the African experience, in the African culture, that raises these concerns beyond what we are concerned about them in other countries? Why is this such a big issue in Africa? It defies logic.

First, there is no history of transshipment issues with Africa. Africa is one of the continents in the world where there are less problems than any other place on transshipments.

Second, it is almost insulting to the Africans to suggest that they want to transship. When we were in Uganda with our President in 1998 with six African heads of State, each one of them stood up and took great umbrage at the suggestion that they would simply be transshipment arenas for China or for some other place.

They said, look, we want the jobs in our own countries. We want to empower our own people. We want to employ our own people. Why would we have all these years, having a chance to ship our goods to America and not put our own people to work? It is an absurdity. African-Americans need the jobs. They are going to employ their own people, and there is nothing inherent in the African experience that suggests there would be concern about transshipment.

I think this whole business about the issue of conditionalities, I think we have to look to the Africans on this question as well. There are many ways to talk about how to improve this bill, and I could think of a lot of ways to improve it, and everybody else out here could. But we have to now deal with what is possible to be done in the context in which we are working.

The African nations understand that this is an important first step, this is not the end all and be all, but it is an important first step in this whole process. Let us not, in this measure, attempt to be more wise than the Africans about what they need. Let us stand with Africa for a change, and change the policy that relates to our relationship with it.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. MEEKS).

Mr. MEEKS of New York. Mr. Speaker, the question that presents itself today is whether or not we should support this rule and this bill.

The question some have asked, is this a perfect rule or a perfect bill, I dare say in the year and a half that I have been a Member of this great House, I have yet to see a bill or a rule that I feel is perfect. So clearly this is not a perfect bill and not a perfect rule. But there is a goal at the end.

Unfortunately, what I hear, because of some of the past relationships or lack of relationships we have had with the African continent, some feel that everything must be in this bill. That is impossible. I think that this will not and cannot be the only bill which deals with Africa, but it is a first step, an historic step to making sure that we put Africa on the screen here in America.

So I say to the Chair of the Committee on Ways and Means and to the

ranking member, the gentleman from New York (Mr. RANGEL), I thank them for bringing this bill to the forefront. I urge Members to vote for the rule and vote for the bill.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I properly rise to support this rule and congratulate the collaboration of the Committee on International Relations and the Committee on Ways and Means, and the leadership of the gentleman from Illinois (Mr. CRANE), the gentleman from New York (Mr. RANGEL), the gentleman from New York (Mr. GILMAN), the gentleman from Connecticut (Mr. GEJDENSON), and the gentleman from Washington (Mr. McDERMOTT).

But what I want to point out is that this is the face of African trade in America. All of these States in the United States are already doing business with Africa. Africa is standing as an equal trading partner.

I know, as we have said and my colleagues have acknowledged, this is not the only step. I associate my remarks with those of the gentleman from New York (Mr. RANGEL). We wanted an open rule. We believe in debt relief. But this is the beginning. Are we going to tell Americans that we cannot go to the next step and do a greater trade or have a greater trade relationship with Africa?

I am amazed that my colleagues would suggest that we have written a bill or supported a bill that has no concerns for the needs of the African people. In the bill, it says that one of the criteria elements will be reducing poverty, increasing the availability of health care, educational opportunities, maximizing credit to small farmers and women. It has in it a provision for a strong opposition to transshipment or dumping.

We are looking out for all of us. This is a good bill. This is a good bill because it provides language that indicates that there must be a good visa system, there must be domestic laws and enforcement procedures that void transshipment or dumping.

I believe that this bill will be the first start for beginning relationships with small businesses, relating to small businesses in Africa. Likewise, I think it is important to note that this bill specifically emphasizes women entrepreneurs.

I believe this will be an enormous, enormous boost to the economy of Africa, and yes, to the United States of America.

Mr. Speaker, I rise in strong support of this rule, which will govern our debate on the H.R. 434, the Africa Growth and Opportunity Act, and I rise in strong support of the over-arching bill, which I believe will usher in a new era of trade and prosperity for the people of Africa and the United States.

When we came back after the Christmas break, I considered it one of the highest priorities of this Congress to pass this particular piece of legislation. I have been to many meetings and met with countless individuals of whom all share a tremendous amount of excitement for this bill. Just a few short months ago in my home town of Houston, I spoke before the Corporate Council on Africa, who had gathered together delegates from virtually every area of Africa and the United States, and each of them expressed to me their tremendous anticipation of this bill, and of improved trade relations with Sub-Saharan Africa.

I have met with many African Ambassadors on this issue to discuss the impact of the Africa Growth and Opportunity Act on their countries, and each of them was singularly positive. For many of the countries in Africa, this will be their first true opportunity to leverage their most precious resource—their people—in order to achieve robust capital investment. With that capital, it will be much easier for those countries to help themselves—to improve their telecommunications, electrical, and health infrastructures.

Having said that, there are several issues that I believe should be addressed by this bill, but which were left out of the version reported to Rules by the International Relations and Ways and Means Committees. One of these issues is the problem of AIDS in Africa.

As a Member of a Presidential Mission to Africa on HIV/AIDS just recently, I was a witness to the true devastation that has been caused to the African economy, and the African community. I toured special communities especially created to deal with families whose lives have been changed by HIV/AIDS. I have met the grandparents, who would be of retirement age here in the United States, but who must work to support their grandchildren—orphaned by AIDS.

As a result, I will be offering two amendments later in this debate to bring recognition to this important issue. The first amendment, which I am offering along with Congressmen OLVER, LEWIS, and HORN, and Congresswoman PELOSI, makes it clear that it is the "Sense of Congress" that AIDS must be dealt with if we are to have a healthy trade relationship with Africa.

I also will be offering an amendment that encourages corporate America, who will benefit greatly from the passage of this Act, to engage the problem of AIDS in Africa. I also states that corporate America should be ready to assist in Africa's prevention efforts through the use of some fiscal mechanism, like a HIV/AIDS Response Fund. Many of these corporations engage in charitable gift-giving here in the United States, we ought to make sure that they are willing to do the same abroad as well.

Another area in which the bill could use some improving is in its lack of focus on small business. Small businesses are the backbone of our economy, providing more than half of the private workforce in the United States. They also represent 96 percent of all U.S. exporters. Small businesses also make up the bulk of the African economy. We should encourage these two groups to work together—to bring about the positive change that all of us desire. The routes of trade should be filled

with more than just multinational-conglomerates, because it will be small business that gives us stability, flexibility, and growth.

I am thankful that three of the amendments that I offered at the Rules Committee have been made in order under this rule and I would like to thank Chairman DREIER and Ranking Member MOAKLEY for their hard work. I urge my colleagues to support the rule, to support the bill, and to support my amendments. Thank you.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PAYNE).

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. PAYNE).

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from New Jersey (Mr. PAYNE) is recognized for 3 minutes.

Mr. PAYNE. Mr. Speaker, let me first of all commend the leadership of this House that have taken this very important legislation, the gentlemen from New York, Mr. RANGEL and Mr. REYNOLDS; the Committee on International Relations, with the gentleman from New York (Mr. GILMAN) and the gentleman from California (Mr. ROYCE); and the gentleman from Connecticut (Mr. GEJDENSON).

Mr. Speaker, this is a historic day for me, a person that in the middle sixties started going to Africa, working with the freedom movements in Kenya, with the Kenyu party back in the fifties, with SWAPO in Namibia, dealing with the racist regime of Ian Smith in Rhodesia and talking about independence for Africa. So today is a great day.

It is a day that we have some conflict, there is no question about it. We have longtime leaders like the gentleman from New York (Mr. RANGEL) and the gentlewoman from California (Ms. WATERS), who have been fighting for Africa for many, many years, and we have our newer generation who are there, coming up to step up to the plate. So I think Africa is in good shape for the future.

I think that every area needs an opportunity. When we look at Asia after World War II and at Hong Kong, we had the lowest per capita income in Asia. Housing was poor, education was down, there were no jobs. If we go to Hong Kong today, we will see a bustling, vibrant economy. Why? Because in Hong Kong and in Asia they determined that there was a need to have some investment.

We needed to start with a program. We needed to start with something that could be done. Textiles started in that place. Now we have seen the development moving into more and more sophisticated types of industry.

Africa, a continent of 800,000 people in sub-Saharan Africa, a place that has all of the resources and riches, plus it has a very strong and vibrant people, because people who can exist on less than \$5 a month by their own ingenuity

and by their own creativity, by their own industry, are a group of people for whom the sky is only the limit if they had the opportunity.

They say that even a trip of a thousand miles must begin with the first step. I think that today the first step is being taken. No, this is not a bill that is all-encompassing. As a matter of fact, in the old mythology, in the Pandora's box, all of the evils came out in that myth, but the cap was put down and hope remained in it.

So I think that it is important that hope remains alive, but I think we have to take a first step. This is an important first step.

I think that it is insulting to tell the Diplomatic Corps from Africa that this is not good for them. I just returned from Africa this past week, and everyone there was saying, please have this bill pass, it means that much to us.

I urge my colleagues to support the rule and pass the bill.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROYCE), chairman of the subcommittee on Africa.

Mr. ROYCE. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, African textile and apparel exports to the United States last year were \$570 million. This is .86 percent of the total U.S. textile and apparel imports, less than 1 percent. The U.S. International Trade Committee reports that this volume would increase maybe 25, 50 percent, to just over 1 percent if this bill passes. Is that any kind of threat to the most powerful economy in the history of the world? No, it is not.

Opponents also miss the point that today all but two African countries have no textile quotas. That is 46 sub-Saharan countries.

So why have we not seen the transshipment problem we have heard about today in these 46 countries? This bill has safeguards against transshipment. One is that it provides for a review of its textile provisions by requiring the executive to report to us in Congress on the growth of textile and apparel imports from Africa, and if there is a transshipment problem discovered, and there is no reason to believe there would be one, today there is none, we checked with Customs, there is none, but if there is, we can simply pull that country out of the program and this bill establishes a way to do that.

Let me say that most everyone in this body, Democrat and Republican, have been working to promote U.S. trade and investment in Africa. Why? It increases the standard of living of Africans, it increases the standard of living of people in the United States. One hundred thirty-three thousand jobs right now are dependent upon exports to Africa that will increase under this bill.

This bill is bipartisan. It has been years in the making. We have held

hearings on this bill. We have built this huge bipartisan support of Republicans and Democrats for this bill.

I have heard some comments about the environment. For us on the committee, we have been holding hearings on the environment in Africa. We have programs like the Campfire Program in Zimbabwe, like the Ndeki Forest Program in the Congo, that we are supporting. We will continue to do that.

But this bill need to be passed today, this Trade and Investment Opportunity Act for America and for Africa.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas (Mr. SNYDER).

Mr. SNYDER. Mr. Speaker, I rise in support of the bill and the rule.

Last week I was in Africa and visited three very poor countries, Djibouti, Eritrea, and Ethiopia. Two of them are involved in a very, very violent war that has killed tens of thousands of people over the last year, but they still recognize that poverty is their number one enemy. And they also are noticing, Mr. Speaker, that we have spent billions of dollars in the Balkans, and are still bogged down over this bill.

Africa will notice. Today is the day to send this bill forward, even if it is not perfect. For those who are concerned that it is not a perfect bill, what is the protection? The protection is these countries do not have to participate. It is almost patronizing to say that somehow we have to put out this perfect bill and this they somehow cannot sort through all these conditions themselves.

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They will do what is in their best interests. If they like these conditions, they will meet them and negotiate and work with the United States on trade.

This is good for Africa. It is good for the United States. I support the rule and the bill.

Mr. MOAKLEY. Mr. Speaker, I yield the balance of my time to the gentleman from North Carolina (Mr. WATT).

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from North Carolina (Mr. WATT) is recognized for 30 seconds.

Mr. WATT of North Carolina. Mr. Speaker, I rise in opposition to the rule. Sometimes we have to make tough choices, and if I were put to a choice under this bill of choosing to keep jobs in North Carolina or send them to Africa, that would be a wonderful choice that I would have to make. Unfortunately, because the Committee on Rules did not make in order the amendment authored by the gentleman from South Carolina (Mr. SPRATT), the choice is not that, but the choice is whether I keep jobs in the textile and apparel industry in North Carolina or create a platform in Africa for Asian and Eastern markets.

So I think this rule is unfair. We should have been allowed to debate this issue on the floor. I encourage my colleagues to oppose it.

Mr. REYNOLDS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from California (Mr. DREIER), chairman of the Committee on Rules and one of my mentors on free trade.

Mr. DREIER. Mr. Speaker, I thank the gentleman from New York (Mr. REYNOLDS) for yielding me this time, and I congratulate him for his superb management of the rule. And I compliment the gentleman from New York (Mr. RANGEL), the gentleman from Illinois (Mr. CRANE), the gentleman from Texas (Mr. ARCHER) and the gentleman from California (Mr. ROYCE) and the others who have spent a great deal of time, such as the gentleman from New York (Mr. GILMAN), who have worked long and hard on this very important measure.

Mr. Speaker, I was going to talk simply about the issue itself, but I feel compelled to respond to the remarks of the gentleman from North Carolina (Mr. WATT), my friend, when he referred to the unfairness of this rule. Just a few hours ago, at 12:30, I referred to the fact that on the State Department authorization bill, the bill that is designed to deal with the problem that we have with embassy security around the world, we made in order a number of amendments, 41 in fact: 22 Democratic amendments, 12 Republican amendments, and 7 bipartisan amendments. On this bill, we make in order only Democratic amendments.

Now, I often have to fight the gentleman from Massachusetts (Mr. MOAKLEY), my friend, in the Committee on Rules who is often trying to withdraw Democratic amendments that we have made in order on bills. I am happy to say that he did not do it on this one.

We have, in fact, made in order an amendment from the gentleman from Illinois (Mr. JACKSON), my friend, an amendment from the gentleman from Texas (Ms. JACKSON-LEE), a bipartisan amendment, all amendments that have been offered by the Democrats. I am proud of this rule which will allow us to provide for a free and very, very open debate.

Let me take a couple of minutes to talk about this very important issue. I am proud to have worked with many of our colleagues on the issue of global trade and Africa. It is no secret, in fact, it was said by the gentleman from Connecticut (Mr. GEJDENSON) in our committee yesterday, the poorest continent on the face of the earth is the African continent. And this bill is designed to not only address the concerns that exist among those 48 Nations in Sub-Saharan Africa but also to address concerns that exist right here in the United States of America.

The Cold War is over. We are very proud of the legacy of Ronald Reagan

and George Bush in bringing an end to the Soviet Union. I remember spending time in Angola and other spots when I traveled in the latter part of the last decade throughout Sub-Saharan Africa, and that has come to an end. Now what we have seen is a very fragile move towards political pluralism and democratization taking place in Sub-Saharan Africa.

Mr. Speaker, H.R. 434 goes a long way towards encouraging even further moves towards free markets, further moves towards representative democracy, and we need to herald those things. But it is also important to note that this bill is not only designed to address the concerns that exist in that very important part of the world, Sub-Saharan Africa; it is designed to address the concerns that exist right here in the United States of America.

I agree with some critics. We should not spend all of our time simply thinking about other parts of the world. Our priority here is to deal with our national security interests. The best way for us to maintain, or one of the best ways for us to maintain our national security is to do everything that we can to have the highest standard of living possible.

The gentleman from California (Mr. ROYCE) just referred to the fact that there will be 133,000 jobs created because of exports going from the United States to the 48 nations in sub-Saharan Africa. We also have to remember something else. What is it that gives us the highest standard of living the world? It is the fact that the world has access to our consumer markets.

So we are going to create a chance for that struggling single mother who is trying to make ends meet to have the chance. She is going to have the opportunity to have a higher standard of living by being able to buy clothes for her children, by being able to purchase other things that are very important. That is what free trade is all about. We have so often argued that trade is not a zero sum game. Trade is, in fact, an issue which is a win-win all the way around.

Mr. Speaker, that is why I encourage bipartisan support for this rule and enthusiastic support for what I think is a very, very important piece of legislation.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 263, nays 141, not voting 31, as follows:

[Roll No. 306]

YEAS—263

Abercrombie	Goodlatte	Nethercutt
Ackerman	Goodling	Ney
Archer	Goss	Northup
Armey	Granger	Nussle
Baird	Green (WI)	Oberstar
Baker	Greenwood	Olver
Barr	Gutierrez	Ortiz
Barrett (NE)	Gutknecht	Ose
Bartlett	Hastert	Oxley
Barton	Hastings (WA)	Packard
Bass	Hayworth	Pastor
Bateman	Herger	Paul
Becerra	Hill (MT)	Payne
Bentsen	Hilleary	Pease
Bereuter	Hilliard	Petri
Berman	Hobson	Pitts
Biggert	Hoekstra	Pombo
Bilbray	Horn	Pomeroy
Bilirakis	Hostettler	Portman
Bliley	Houghton	Pryce (OH)
Blumenauer	Hoyer	Quinn
Blunt	Hulshof	Radanovich
Boehlert	Hutchinson	Ramstad
Boehner	Hyde	Rangel
Bonilla	Istook	Regula
Bono	Jackson-Lee	Reyes
Borski	(TX)	Reynolds
Boucher	Jefferson	Roemer
Brady (TX)	Jenkins	Rogan
Brown (FL)	Johnson (CT)	Rohrabacher
Bryant	Johnson, E.B.	Ros-Lehtinen
Buyer	Johnson, Sam	Roukema
Callahan	Jones (OH)	Royce
Calvert	Kanjorski	Ryan (WI)
Camp	Kasich	Ryun (KS)
Campbell	Kelly	Sabo
Canady	Kilpatrick	Salmon
Cannon	Kind (WI)	Sawyer
Cardin	King (NY)	Saxton
Castle	Kingston	Scarborough
Chabot	Knollenberg	Schaffer
Clay	Kolbe	Scott
Coburn	Kuykendall	Sensenbrenner
Combest	LaHood	Sessions
Cook	Lampson	Shadegg
Cox	Larson	Shaw
Coyne	LaTourette	Shays
Crane	Lazio	Sherwood
Crowley	Leach	Shimkus
Cubin	Levin	Shuster
Cunningham	Lewis (CA)	Simpson
Davis (FL)	Lewis (GA)	Skeen
Davis (VA)	Lewis (KY)	Skelton
DeLauro	Linder	Slaughter
DeLay	LoBiondo	Smith (MI)
Deutsch	Lofgren	Smith (NJ)
Diaz-Balart	Lowe	Smith (WA)
Dickey	Lucas (OK)	Snyder
Dixon	Maloney (CT)	Souder
Dooley	Maloney (NY)	Spence
Doolittle	Manzullo	Stearns
Dreier	Markey	Stump
Duncan	Martinez	Sununu
Dunn	Matsui	Sweeney
Edwards	McCarthy (MO)	Talent
Ehlers	McCollum	Tancredo
Ehrlich	McCrery	Tauscher
English	McHugh	Terry
Eshoo	McInnis	Thomas
Ewing	McIntosh	Thompson (CA)
Fattah	McKeon	Thornberry
Fletcher	Meehan	Thune
Foley	Meek (FL)	Tiahrt
Ford	Meeks (NY)	Toomey
Fossella	Metcalfe	Towns
Fowler	Mica	Udall (CO)
Franks (NJ)	Millender-McDonald	Upton
Frelinghuysen	Miller (FL)	Vitter
Gallegly	Miller, Gary	Walden
Gejdenson	Moore	Walsh
Gekas	Moran (VA)	Wamp
Gibbons	Morella	Watkins
Gilchrest	Murtha	Watts (OK)
Gillmor	Napolitano	Weiner
Gilman	Neal	Weldon (FL)
Gonzalez		Weldon (PA)

Weller  
Wexler  
Wicker

Wilson  
Wolf  
Wynn

Young (FL)

#### NAYS—141

Aderholt	Frank (MA)	Pallone
Allen	Goode	Pascarell
Andrews	Graham	Pelosi
Bachus	Green (TX)	Peterson (MN)
Baldacci	Hall (OH)	Phelps
Ballenger	Hall (TX)	Pickering
Barcia	Hayes	Pickett
Barrett (WI)	Hill (IN)	Price (NC)
Berkley	Hinchey	Rahall
Berry	Hinojosa	Riley
Bishop	Hoeffel	Rivers
Blagojevich	Holden	Rodriguez
Bonior	Holt	Rogers
Boswell	Hooley	Roybal-Allard
Boyd	Hunter	Rush
Brady (PA)	Inslee	Sanchez
Brown (OH)	Isakson	Sanders
Burr	Jackson (IL)	Sandlin
Capps	Jones (NC)	Sanford
Capuano	Kaptur	Schakowsky
Carson	Kennedy	Sherman
Chambliss	Kildee	Shows
Clayton	Klecza	Sisisky
Clement	Klink	Smith (TX)
Clyburn	Kucinich	Spratt
Collins	LaFalce	Stabenow
Condit	Lantos	Stenholm
Conyers	Largent	Strickland
Costello	Lee	Stupak
Cramer	Lipinski	Tanner
Cummings	Lucas (KY)	Taylor (MS)
Danner	Mascara	Taylor (NC)
Davis (IL)	McCarthy (NY)	Thompson (MS)
Deal	McGovern	Tierney
DeFazio	McIntyre	Trafficant
DeGette	McKinney	Turner
Delahunt	Menendez	Velázquez
DeMint	Miller, George	Vento
Dicks	Minge	Visclosky
Dingell	Mink	Waters
Doggett	Moakley	Watt (NC)
Doyle	Mollohan	Waxman
Emerson	Moran (KS)	Weygand
Etheridge	Myrick	Wise
Evans	Nadler	Woolsey
Everett	Norwood	
Farr	Obey	
Filner	Owens	

#### NOT VOTING—31

Baldwin	Gordon	Rothman
Brown (CA)	Hansen	Serrano
Burton	Hastings (FL)	Stark
Chenoweth	Hefley	Tauzin
Coble	John	Thurman
Cooksey	Latham	Udall (NM)
Engel	Luther	Whitfield
Forbes	McDermott	Wu
Frost	McNulty	Young (AK)
Ganske	Peterson (PA)	
Gephardt	Porter	

#### □ 1043

Mr. TURNER and Mr. OWENS changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. WU. Mr. Speaker, during rollcall vote No. 306 on H. Res. 250, I was unavoidably detained. Had I been present, I would have voted "no."

#### ANNOUNCEMENT REGARDING AMENDMENT PROCESS FOR H.R. 1074, REGULATORY RIGHT-TO-KNOW ACT OF 1999

Mr. DREIER. Mr. Speaker, a "Dear Colleague" letter will go out today an-

nouncing that the Committee on Rules is planning to meet the week of July 18 to grant a rule which may limit the amendment process for floor consideration of H.R. 1074, the Regulatory Right-to-Know Act of 1999.

The Committee on Government Reform ordered H.R. 1074 reported on May 19 and filed its committee report on June 7.

The Committee on Rules may meet on Wednesday, July 21 to grant a rule which may require that amendments be preprinted in the CONGRESSIONAL RECORD. In this case, amendments to be preprinted would need to be signed by the Member and submitted to the Speaker's table by the close of legislative business next Wednesday.

Amendments should be drafted to the bill as reported on Committee on Government Reform. Members should also use the Office of Legislative Counsel to ensure that their amendments are properly drafted, and should check with the Office of the Parliamentarian to be certain that their amendments comply with the rules of the House.

#### □ 1045

#### AFRICAN GROWTH AND OPPORTUNITY ACT

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to House Resolution 250 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 434.

#### □ 1046

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 434) to authorize a new trade and investment policy for sub-Saharan Africa, with Mr. EWING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from New York (Mr. GILMAN), the gentleman from Connecticut (Mr. GEJDESON), the gentleman from Texas (Mr. ARCHER), and the gentleman from New York (Mr. RANGEL) each will control 22½ minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

#### PARLIAMENTARY INQUIRY

Mr. GRAHAM. Mr. Chairman, parliamentary inquiry.

The CHAIRMAN. The gentleman will state his inquiry.

Mr. GRAHAM. Mr. Chairman, does the rule provide for those in opposition to this bill an opportunity to speak against the bill?

The CHAIRMAN. The time is controlled by the chairmen and the ranking members of the Committee on

Ways and Means and the Committee on International Relations.

Mr. GRAHAM. Mr. Chairman, I would ask unanimous consent that half the time allotted for debate on this bill be given to those who are in opposition to the bill.

The CHAIRMAN. The Chair cannot entertain that request. Time must be yielded by the Members who control the time under the special order adopted by the House, the ranking members and the chairmen of the appropriate committees.

#### PARLIAMENTARY INQUIRY

Mr. TRAFICANT. Mr. Chairman, parliamentary inquiry.

The CHAIRMAN. The gentleman from Ohio (Mr. TRAFICANT) will state his parliamentary inquiry.

Mr. TRAFICANT. Mr. Chairman, there are a number of Members that do oppose this bill on certain grounds, and I believe they should be afforded an opportunity that the Chair could, in fact, make accommodations for, and I urge the House to do that.

Mr. RANGEL. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from New York.

Mr. RANGEL. The gentleman asked for time and the gentleman was given time. What does the gentleman want the Chair to do?

Mr. TRAFICANT. I think there should be a reasonable amount of time presented for the opportunity for those who oppose this bill to be able to speak on this issue.

The CHAIRMAN. The gentleman from Ohio (Mr. TRAFICANT) and the gentleman from New York (Mr. RANGEL) will suspend.

The rule provides that the time will be yielded by the chairmen and the ranking members of the two appropriate committees, and that is the way the Committee of the whole will proceed under the rule approved by the House.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise to express my strong support for H.R. 434, the African Growth and Opportunity Act.

This bill is the product of years of bipartisan congressional efforts to promote increased trade and investment between our Nation and sub-Saharan Africa. This measure authorizes a new trade and investment policy toward the countries of sub-Saharan Africa and expresses the willingness of our Nation to assist the eligible countries of that region with a reduction of trade barriers, the creation of an economic cooperation forum, the promotion of a free trade area, and a variety of other trade and related mechanisms.

This bill, the African Growth and Opportunity Act, has broad support in the Committee on International Relations



and was ordered to be reported in February of this year.

Yesterday, in the meeting of the Committee on Rules, one of our distinguished colleagues, one who has demonstrated a long and passionate commitment to humanitarian issues, expressed concerns that this bill does not do enough for the people of Africa. Mr. Chairman, although this is indeed a modest bill, it would be a grave mistake to underestimate its strength. Both its power and its modesty, Mr. Chairman, come from the fact that this bill does not attempt to do anything for the people of Africa but rather it proposes to encourage beneficial trade with the countries and peoples of Africa.

This act recognizes a universal and independent desire of individuals everywhere to improve their lives and those of their families. Adam Smith recognized this power back in 1776 when he wrote, "The desire of a man to better himself comes to him in the womb of his mother." A fundamental belief in individual aspiration is reflected in nearly all of the domestic legislation that we consider in this body, from tax laws, to education subsidies, to natural resource management. That principle must not be ignored in our policies toward other nations.

The entrepreneurial spirit is alive and well in Africa, but much economic activity there goes unrecorded and underreported. Ghanaian women with little formal education grow their crops and sell them in cooperative rural markets every week, season after season. Senegalese merchants travel to cities all across the globe selling their wares and remitting the bulk of their profits. Somalis, working together throughout the Middle East, spend their salaries on products which are in high demand back home and ship them to family members. In turn, they trade them for profit in the markets of Hargeisa and Mogadishu. It may come as a surprise to some of our colleagues, Mr. Chairman, that on any given day a visitor to Hargeisa can stand on a street corner and exchange Deutschmarks, francs, pounds and dollars at international exchange rates.

These activities, and countless others like them, are happening and they are happening right now, as we speak, all over the African continent. They are not driven by any giant multinational corporations nor by international banks. They are not supervised by the Agency for International Development or by the IMF. This work occurs because people have discovered that it puts food on the table and clothes on the backs of their children.

Make no mistake, my colleagues, I strongly support U.S. foreign aid to Africa, and my record of that support is clear. In recent years, I have been sup-

portive of the Development Fund for Africa, the Seeds of Hope Act, the International Financial Institutions, debt relief and the work of the United Nations. But foreign aid cannot serve as a backbone of any modern economy. At best, it can jump-start independently sustainable economic activity and help individuals gain a foothold.

As I have said, H.R. 434 is a modest bill. One can think of many problems confronting the people and the countries of Africa that this bill does not specifically address, and we have heard some of them already in the debate on the rule. But it would be a mistake to reject this bill for what it is not without recognizing the significant benefits that it represents.

In closing, Mr. Chairman, I would like to recognize the extraordinary group of Members who have come together and worked extremely hard in support of this effort before us. Both Democrat and Republican, black and white, conservatives and liberals have found much common ground in the pages of H.R. 434.

I would like to pay particular tribute to the distinguished chairman of our Subcommittee on Africa of the Committee on International Relations, the gentleman from California (Mr. ROYCE); to the ranking Democrat on the subcommittee, the gentleman from New Jersey (Mr. PAYNE); to the chairman of the Subcommittee on Trade of the Committee on Ways and Means, the gentleman from Illinois (Mr. CRANE); and the ranking Democrat on the Committee on Ways and Means, the dean of our New York delegation, the gentleman from New York (Mr. RANGEL).

Mr. Chairman, even the often contentious counties of sub-Saharan Africa have come together united in support for this bill. I commend my colleagues for their efforts and their commitments, and I urge favorable consideration of the African Growth and Opportunity Act.

Mr. Chairman, I ask unanimous consent that the distinguished chairman of our Subcommittee on Africa, the gentleman from California (Mr. ROYCE), be permitted to control the balance of my time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Chairman, I reserve the balance of my time.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume, and I rise in strong support of H.R. 434, the African Growth and Opportunity Act. It will open a new era in U.S. relations with sub-Saharan Africa. This bipartisan bill was reported with little opposition on a bipartisan basis from the Committee on Ways and Means.

Mr. Chairman, sub-Saharan Africa today is very different from what it was just a few short years ago. In the

1990s, more than two dozen of the 48 countries in the region have held democratic elections and 30 have undertaken specific economic reforms.

□ 1100

Increasing numbers of Africans have embraced the principles of democracy and free markets, which enable people and nations to improve the course of their futures.

Last year I traveled to Gabon. I believe President Omar Bongo and his country are an example of the changes under way across the African continent. President Bongo has set out on a plan to energize his country. He has brought a high level of prosperity to his country and actually developed an empowered middle class. And to ensure economic opportunity for the Gabonese people, the president is also directing the country's efforts in infrastructure building and privatization of state-owned industries.

Gabon is a good example of what is happening in Africa today. And here, in this body, we are laying the legislative groundwork that will help support the steps Gabon and other nations are taking in Africa.

Today, we adapt U.S. policy in response to the African renaissance. Specifically, this legislation will add a trade component to U.S. policy toward the region to mutually improve the standard of living of Americans and the African people.

It is unfortunate that the tremendous potential of sub-Saharan Africa has not been reflected in U.S. trade policy to date. But this bill fills that gap. I commend many members of the Committee on Ways and Means on both sides of the aisle for bringing us to where we are today on the floor in developing this legislation.

In developing this legislation, I particularly compliment the chairman of the subcommittee, the gentleman from Illinois (Mr. CRANE); and the gentleman from New York (Mr. RANGEL), the ranking member, who are the lead sponsors of this bill. They have done great work.

In addition, I must mention the gentleman from Washington (Mr. McDERMOTT), the gentleman from New York (Mr. HOUGHTON), and the gentleman from Louisiana (Mr. JEFFERSON) particularly who have expended enormous effort in bringing this bill to the floor.

I urge the passage of the bill.

Mr. Chairman, I reserve the balance of my time, and I ask unanimous consent that the balance of my time may be managed by the gentleman from Illinois (Mr. CRANE) and that he may be able to yield and assign the time as he chooses.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GEJDENSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I ask unanimous consent that at the conclusion of my statement I may yield the time controlled by the Committee on Foreign Affairs on the Democratic side to the gentleman from New Jersey (Mr. PAYNE).

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GEJDENSON. Mr. Chairman, let me first take one moment to remind our colleagues where this legislation began.

The genesis was with one of our colleagues, the gentleman from Washington State (Mr. McDERMOTT). I have yet to see a bill with as strong bipartisan support with people on both sides of the aisle supporting it, particularly the ranking Democrat on the Committee on Ways and Means the gentleman from New York (Mr. RANGEL), the gentleman from New Jersey (Mr. PAYNE), and so many of my friends, the gentleman from New York (Mr. GILMAN) and others on the Republican side.

There are many of us who would like to do more today. Africa is a continent that we have often ignored. The United States, with its often European and Middle Eastern-focused policies it is attempting to engage, the economic stage of Africa has been left behind. A continent with the poorest people on this planet, devastated by illness, famine, and economic hardship, America's foreign assistance has given the least to this continent that needs it the most.

There is more that we should be doing. We should be doing more in almost every category, from assistance to health, education, and in trade.

For my friends on the Democratic side of the aisle, this is not an easy vote. Some of our core constituencies are divided. Concern for labor protection, the concern for the environment, things that we cherish, are not as significant and powerful as they should be.

I am among those who believe we should be doing more in every trade bill to include labor and environmental rights. We need to make sure that when we work to lift these other nations that we lift all of their citizens and not just a few.

The provisions of this bill are as good as we can get in this compromise. I can assure my colleagues, if this was a different Congress, we would have more protection for labor, we would have more committed to the poorest of the poor, and we would do more for the environment.

But our choice is not that today. We do not decide the composition of this House. What we have to do is do the

best we can for these people who have suffered so much, with the legislature that the American people have given us.

GSP is a good program. It forces countries to address the ILO standard. And when we take a look at its history, almost a dozen countries have lost GSP preference because they did not follow those rules. In another number of cases, countries that had failed to follow the ILO standard when challenged and threatened with the removal of GSP ended up accepting the better standard for labor.

I ask all of my colleagues on both sides of the aisle to stretch politically today. There are tough questions here. There are concerns that we all have about why we are not doing more for Africa in aid, in health care, in education, in trade and assistance. But the choice before us is this bill or nothing.

Will Africans be better off if we kill this bill today? I think not. I think, if we can move this bill forward today, we will be able to build on its strength in the future.

Lastly, for my friends who have had a bad experience with NAFTA, this bill is not about NAFTA. This bill does not take away tariffs in a permanent manner, irrespective of countries' actions. The countries that deal with us under this bill will have to make improvements on how they treat their working men and women. They will have to address these issues that so many on our side care about. This is a bill that begins an engagement that we should have undertaken long ago.

I again commend all those involved, but particularly the gentleman from New York (Mr. RANGEL) and the gentleman from New Jersey (Mr. PAYNE) for their great efforts.

Mr. Chairman, I reserve the balance of my time.

Mr. RANGEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have never really enjoyed any bipartisan effort as much as I have with this piece of legislation. Because truly, emotionally and politically, I am totally involved and committed.

Many, many years ago I was involved in the civil rights struggle, and I marched from Selma to Montgomery, and I cussed every step of the way, not having the slightest idea that I was a part of history. I feel, for most of us today, that we are on the brink of history.

It is hard for us to imagine that a country as big, as populous, as rich, as historic as Africa has been ignored by a great Republic like we have. It is hard to imagine that we have so many millions of African-Americans in this country but, unlike other Americans, have no village, no town, no country, not even a name that identifies us with any other country except our great United States of America.

As small as this step is, it brings us now in a family of trade. And for those that love Africa so much and believe that we have not really done enough, let me laud them for their efforts to attempt to improve this bill; but of course, after looking and working with the heads of these African countries and recognizing that they know that if everything they wanted and everything we wanted was on the bill we would not have bipartisan support, we would not have a bill, and we would not be able to take this one giant step.

But look at the people, Nelson Mandela, whose commitment is not to just Southern Africa, not just to Africa, but his commitment to humankind, supports the bill as well as all of the heads of state.

I know we have Members that know better than most people, but why do we not give the African people just a chance? They are not in the major leagues but, my God, they will be in the ball game. We have so many organizations, white and black, Jew and gentile, Muslim organizations, saying that we can work together with a better cultural understanding and a better commercial understanding of the things that we are doing.

For those that fear the loss of their jobs, visit Africa, please. Go to the towns and villages, and please do not come back saying that these countries are a threat to our textile industry. Do not say that they are going to take our jobs away from us.

Let us hope that what we are talking about is that we can get a decent standard of living for our friends in Africa, that they will be able to enjoy some of the comforts of the world, that we will continue to have our industrial commercial leadership, and that they will continue, as all of the countries we trade with, to take advantage of our technology and our consumer appetite.

So, for those who were opposed to the rule because it did not go far enough, stay with us as we open the door asking our colleagues to come in to work to improve the conditions that we want to improve, to improve the bill which we want to improve, but to be able to say that before we went into that next century, where every country we have had some agreement with, with this European country through the European Union, that we understood them. We understand our friends in Canada, in Mexico, Central and South America, in the Middle East with Israel, every continent except Africa.

Now we can rest assured when this becomes law that, on our watch, we started. Let us hope that our youngsters and our children's children will be able to say one day that no nation is denied the opportunity to enjoy the freedom and the friendship and the trade with our great Republic.

Mr. Chairman, I reserve the balance of my time.

Mr. ROYCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of the Africa Growth and Opportunity Act.

Over the last several years, many Members of this body have been working hard to improve America's relationship with Africa. We have done this because what happens in Africa matters. It matters to Africans, and it matters to our country.

The United States has real interests in seeing that Africa begins to reach its considerable potential. Such an Africa would offer limitless cultural and economic opportunity to Americans.

Already our exports to Africa are some \$6.5 billion. This is greater than our exports to the former Soviet Union. It is greater than our exports to all of Eastern Europe. And the volume is growing. U.S. exports to Africa are growing by more than 8 percent per year. This is 130-some thousand American jobs.

As this map shows, businesses in my home State of California have been part of this. California is one of the top States in the country when it comes to exports to Africa, as is Illinois, New York, Pennsylvania, Texas. We can see the result of the growing exports here to Africa.

On the other hand, if Africa fails to meet its potential with the United States of America, then the United States will not escape the negative economic political and security implications. There would be lost economic opportunities, yes, but there would be more.

The reality is that terrorism and environmental degradation know no bounds. Simply put, this legislation, which has broad bipartisan support, is critical to the United States' relationship with Africa.

The Assistant Secretary of State for African Affairs recently said, "No other U.S.-Africa issue can be taken seriously until the Africa Growth and Opportunity Act is passed."

As chairman of the Subcommittee on Africa, I second that. But so do all the African ambassadors here in Washington, everyone who has unanimously supported this legislation. The African ambassadors understand the importance of this legislation, and they have rejected in no uncertain terms the efforts of critics to speak authoritatively for Africans.

So I say to my colleagues, if they care about the future of the continent, if they care about the future of 700 million people, support this legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. CRANE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I first of all would like to pay tribute to colleagues on the other side of the aisle, starting out with the gentleman from Washington

(Mr. McDERMOTT), who I hope is in everyone's prayers. He had heart bypass surgery, and I understand he is doing well.

He spoke to me about the possibility of figuring out how we would expand our trade relations with the underdeveloped portions of Africa where we were virtually nonexistent and was there something we could do. I talked to him about it awhile, and then the gentleman from Louisiana (Mr. JEFFERSON) and the gentleman from New York (Mr. RANGEL) joined in that effort.

We had meetings, and we decided to come up with a bill that would advance the concept of free trade and establish a free-trade agreement with sub-Saharan Africa.

□ 1115

That is how the bill has finally reached this point. It is a culmination, really, of 4 years of bipartisan work to develop a U.S. trade and investment policy toward the 48 countries in sub-Saharan Africa. I pay tribute to all who have been involved in this effort and who have given of their time and their energies so graciously.

This legislation comes at a time of great hope and opportunity in Africa. Already, the majority of countries in the region have held democratic elections. Earlier this month, peace agreements were signed in Sierra Leone and in the Democratic Republic of the Congo. In May, Nigeria, the most populous nation in the region with 107 million people, inaugurated its first democratically elected President in nearly two decades.

As Africans embark on this new course for their future, they said that they would like to be partners with us in the global economy. H.R. 434 responds to the change under way in Africa and proposes a framework for United States-African trade relations.

In particular, H.R. 434 promotes mutually beneficial trade partnerships with countries in the region committed to economic and political reform. The bill creates a U.S.-Africa Trade and Economic Cooperation Forum, similar to the successful APEC model and the Asia-Pacific region, to facilitate regular trade and investment policy discussions.

It provides enhanced export opportunities for nonimport sensitive African products in the U.S. market through a 10-year extension of the Generalized System of Preferences and removal of statutory exclusions.

It requires the President to formulate a plan to enter into free trade agreements with countries meeting the bill's economic criteria.

H.R. 434 clearly puts our European and Asian competitors on notice that the United States will no longer cede market share to them in Africa. At present, our European competitors,

who have capitalized on their historic relationship with the region and will reap the benefits of the proposed EU-South African free trade agreement, enjoy a 30 percent market share in Africa. Most recently, our Asian competitors have doubled their share of Africa's markets to 28 percent. Meanwhile, the U.S. market share in Africa has fallen to 6 percent.

The trade benefits in H.R. 434 are important because they will support and strengthen the democratic institutions emerging in sub-Saharan Africa. A stronger, more stable and prosperous Africa will be a better partner for security and peace in the region and a better ally in the fight against narcotics trafficking, international crime, terrorism, the spread of disease and environmental degradation.

A strong and stable sub-Saharan Africa constitutes a combined market for U.S. goods and services of 700 million people, more than all of Japan and the ASEAN nations combined. Already, U.S. exports to the region are 45 percent greater than our exports to all of the former Soviet Union. Yet our exports, which were valued at \$6.7 billion in 1998, have just begun to tap into the rapidly growing markets of the region, some of which have posted double-digit growth for the past several years.

As the sponsor of H.R. 434, I believe that its enactment will establish sub-Saharan Africa as a priority in U.S. trade policy and will encourage countries in the region to redouble their economic and political reforms. H.R. 434 is also important to the advancement of a wide range of U.S. policy and security interests in the region and to codify many significant initiatives already under way in the administration.

I would remind my colleagues, also, that our legislation does nothing to impair any U.S. aid programs. That is totally separate and detached from what our bill attempts to do. We do not impair the continuation of U.S. aid where it is needed.

I would urge my colleagues to support the passage of H.R. 434 today.

Mr. Chairman, I reserve the balance of my time.

Mr. PAYNE. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. WYNN).

Mr. WYNN. Mr. Chairman, let me begin by thanking the gentleman from New York (Mr. RANGEL). He has borne what I consider to be some unfair slings and arrows in the course of advocating this most important bill. I also want to compliment my colleagues on the other side of the aisle for working with us to promote the African Growth and Opportunity Act.

I am supporting this bill for one simple reason. The countries in Africa want it. I think it would be the height of arrogance and extremely patronizing for those of us here to impose our will or to suggest that we know better for

Africa than Africans do. If people are concerned about whether the trade will be fair, if people are concerned about whether the working conditions will be fair, I think it is reasonable to say, let the African countries and their leadership determine those issues, worker protection and the like.

It seems to me that this is a good bill for Africa that gives us an opportunity to trade with an area that we have unfortunately neglected. Make no mistake, however. This is not charity. This is not altruism. This bill is good for America. It opens up the potential for tremendous new markets in Africa. But it is fundamentally good for Africa. It will enable African countries to build on the reforms that are already taking place. It encourages those reforms. It will enable Africa to be more competitive in the new era, in 2005 when the WTO opens up duty-free zones. It will enable them to be competitive and productive.

Some will tell us that this is a threat to U.S. textile workers. That is not true. The fact of the matter is that the African component of textile manufacturing is extremely small, less than 1 percent of the U.S. market. We also have protections in this bill to ensure that import sensitive items are not brought in under the provisions of this legislation. For those who believe we will be hurting our textile markets, I think if we look at the bill, we find that that is not true.

There are some who say, "Well, this bill will hurt African workers." Again not true. We have provisions to protect African workers. Let us not raise a higher standard for those workers than we do with other countries.

The bottom line is this bill is good for Africa. I urge its adoption.

Mr. RANGEL. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Chairman, as evolving nations move into the global economy and a major purpose of this bill is to help Africa do that, we have to look upon them as potential consumers but also as potential competitors. We have to look at the impact potentially on American jobs and businesses. We have to look at what are the rules of competition.

The main trade provision here spreads GSP to African nations, including textiles, and that is the most sensitive issue. So what are the rules of competition here? First of all, as has been mentioned, there is a provision that the President must certify that any product that is going to come in under GSP, including textiles, not be import sensitive. Secondly, there must be, I deeply believe this, labor market worker rights provisions in trade agreements. There is such in the GSP. The President has to consider in granting eligibility whether a Nation has taken steps or is taking steps to afford

core worker rights, including the right to bargain collectively. Private parties can petition if GSP labor provisions are being abused, and 11 nations have had GSP treatment withdrawn from them because of that. Where competition is keener than would be true here, where labor markets are more developed than is true in sub-Saharan Africa, there should be a different standard applied, and I will fight for that.

I urge support. In this case it is a first step, a modest step, but it looks at the rules of competition as well as Africa as a potential consumer. We should support this bill and remember as we go on to other issues, we should keep in mind the rules of competition, including core worker rights.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. CAMPBELL) who serves on the Subcommittee on Africa.

Mr. CAMPBELL. Mr. Chairman, I thank the gentleman for yielding me this time. I note his superb leadership in this area. I note the superb leadership of the ranking Democrat on our subcommittee as well the gentleman from New Jersey (Mr. PAYNE).

There are two arguments against this bill, the first that it is really bad for Africa. The gentleman from Maryland was quite eloquent in making the case how wrong it is to apply such an assumption that the representatives of each African nation are selling their people short, that they do not care about worker exploitation, that somehow they do not care about environment. These are the assumptions one must be making if one says that the support of this legislation by every government in the African continent is somehow to be discounted.

As to the second argument that it hurts the United States, the gentleman from Maryland's argument was also quite persuasive. On what assumption do we base the fear that African nations are not reliable? On what assumption do we base the prejudice that an African nation will not be able to comply with its obligations under the trade agreements not to have massive transshipments? In our trading arrangements with other nations around the world, we assume that they honor their obligations, including the prohibitions against mislabeling and transshipments. Why do we throw this assumption out when we are dealing with Africa? It seems to me that the assumption is fair in this case, even if there were a much larger percentage of textiles than there is.

Lastly, let me conclude by pointing out that we give less in direct aid to Africa per capita than any other part of the globe with the possible exception of India depending how it is measured. This is not an aid bill. This is a bill to open up a reciprocal relationship of trade and respect. Other countries we give more than \$30 per capita. To the

people of sub-Saharan Africa, we give less than 17 cents per capita. Is that right? Is that fair?

If you wish to change it but you have constraints with the budget, at least open up trade, open up hope. That is what this bill does. I am proud to support it.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Chairman, I thank the distinguished chairman of the Subcommittee on Trade for yielding me this time. It is a privilege for me to rise in support of this legislation.

America has an enormous stake in our long-term relationship with Africa, a relationship which can and must be mutually beneficial. Many will note that our experience in Africa since the colonial period in some respects has been disappointing. Despite our well-intentioned efforts in sending billions in foreign aid to this continent, poverty had over many years increased and economies had stagnated. Yet Africa has recently seen a modest but promising return to economic growth and a growing embrace of economic reforms and market capitalism. We need to encourage this.

By opening our markets and looking to Africa as a market for our goods, we can do more to lift Africa out of poverty and help build its economic self-sufficiency while at the same time increasing our exports and creating jobs right here in America. By passing this bill, we can buttress the economic reforms now being embraced by sub-Saharan Africa and stimulate much needed economic growth and investment.

The notion of Africa as an export market for America's products is not an exotic one. In the period between 1993 and 1997 in my own congressional district, the city of Erie benefited from \$49 million in exports to Africa and the State of Pennsylvania currently ranks in the top 10 States in exports to the region.

Our investment in sub-Saharan Africa is a win-win situation that will promote stability in the region, increase economic prosperity and encourage development and growth. I am happy to be a cosponsor of this legislation which I believe is critical in shaping our long-term relationship with Africa.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. OWENS).

Mr. OWENS. Mr. Chairman, progress for African trade and growth can never take place unless there is first a recognition that Africa has as much promise as any other region in respect to long-term trade and commerce possibilities. Developing economies in Africa are natural markets for U.S. products and services. Recognition of Africa as a significant part of the global

economy is long overdue. One of the principles advocated by the great radical organizer Saul Alinsky was that an aggrieved, neglected or oppressed group or nation must first command recognition before hope for progress can be ignited.

□ 1130

For the 17 years that I have been in Congress, there has been no significant attention focused on African trade. Like many of my colleagues, I am the cosponsor of several additional measures related to Africa. Unfortunately, other than the foreign aid appropriations, this bill is probably the only African relevant bill that will reach the floor of the House in the 106th Congress.

Let me note the fact that some have charged that this legislation is as devastating as NAFTA. Nothing could be further from the truth.

I urge the full support for this landmark piece of legislation.

Progress for African trade and growth can never take place unless there is first recognition that Africa has as much promise as any other region with respect to long-term trade and commerce possibilities. Developing economies in Africa are natural markets for U.S. products and services. Recognition of Africa as a significant part of the global economy is long overdue. One of the principles advocated by the great radical organizer, Saul Alinsky, was that an aggrieved, neglected, or oppressed group or nation must first command recognition before the hope for progress can be ignited.

For the seventeen years that I have been in Congress there has been no significant attention focused on African trade. This long overdue bill stands alone—and despite its imperfections and incompleteness, this legislation deserves our full support. Hope for Africa begins with today's recognition of Africa as a deserving trade partner.

Like many of my colleagues I am the cosponsor of several additional measures related to Africa. Unfortunately, other than the foreign aid appropriations, this bill is probably the only Africa relevant bill that will reach the floor of the House in the 106th Congress.

Let me also note the fact that some have charged that this legislation is as devastating as NAFTA. Nothing could be further from the truth. In the much highlighted textile industry the Sub-Saharan African countries have less than one percent. On the other hand, China has almost 10 percent of the U.S. textile market. In the seventeen years that I have served on the Education and Labor Committee no union has yet complained to me about losing textile industry jobs to China.

Just transfer one percent of the textile trade from China to Africa and you will do nothing to hurt American jobs—you merely maintain the status quo. Why are the same people who are yelling about trade with the infant economies of Africa so wimpish or silent on trade with China.

In the final analysis we have a problem here similar to the one faced by King Solomon when two women claiming to be the mother of

one baby came before him. There are some who are proclaiming that, never mind the pleas of the African leaders, it would be better to vote this bill down and do nothing for Africa. Following the wisdom of King Solomon, it is clear that these negative opponents do not understand what is best for Africa. I urge a yes vote on this landmark legislation.

Mr. PAYNE. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Chairman, I want to thank the gentleman from New Jersey (Mr. PAYNE) for yielding this time to me, for his hard work and commitment to Africa and to America.

I rise in opposition to H.R. 434. This is one of the most difficult no votes which I again will cast today, but I have attempted to dig beneath the surface of this legislation and analyze what its true impact will be.

I was compelled to vote against this bill when it was examined in the House Committee on International Relations. As one who has historically encouraged and worked for a comprehensive trade and development policy for Africa, this is not a vote which I cast lightly. In opposing this legislation I part company with the President I strongly support and a number of congressional colleagues for whom I have the utmost respect.

Now very troubling to me, the African Growth and Opportunity Act fails to respect African sovereignty. It threatens the rights of African nations to determine for themselves the economic priorities that are in the best interests of their people. H.R. 434 continues to carry harsh eligibility requirements. To obtain trade benefits, countries must reorder their spending priorities to suit the preferences of foreign investors and the International Monetary Fund.

Now, considering the mystery and the destructive nature of many of the IMF structural adjustment programs in Africa, this eligibility requirement is one which I cannot in good conscience support.

Other provisions in this legislation require countries to reduce taxes for corporations while at the same time cut domestic spending which will inevitably lead to further reductions in vital health care and education programs which are already starved for funds.

Africa has been neglected for too long, and as I listened to this debate, the supporters of this bill say that it is a modest first step. Well, it should be a major first step. It should not be symbolic, as many are saying. Africa deserves better.

In our enthusiasm to promote American business opportunities and forge new relationships with countries in Africa, we must remain focused on the paramount need at hand to support a free and fair trade policy which benefits Africa and America.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska (Mr. BEREUTER), vice chairman of the Committee on International Relations.

Mr. BEREUTER. Mr. Chairman, I rise in strong support of this legislation. As a cosponsor, I believe that the expanding trade and foreign investment in Africa is going to be a highly effective way to promote sustainable economic development on the continent. By providing African nations incentives and opportunities to compete in the global economy and by reinforcing African nations' own efforts to institute market-oriented economic reforms, this bill will help African countries provide jobs, opportunities and a future for their citizens.

Only through dramatically improved levels of trade and investment will Africans fully develop the skills, institutions, and infrastructure to successfully participate in the global marketplace and significantly raise their standard of living.

It is true that trade liberalization cannot remedy all of Africa's woes; however, that is why our overall strategy for sub-Saharan Africa is a combination of trade and aid working together. To those who criticize H.R. 434, charging it does not provide sufficient immediate aid to Africa's poor or for protecting Africa's environment, this Member would remind his colleagues that just 8 months ago the Congress enacted and the President signed into law the Africa Seeds of Hope legislation.

This food security initiative, which this Member sponsored, refocuses U.S. resources on African agriculture and rural development and is aimed at helping the 76 percent of the sub-Saharan people who are small farmers. This law, along with other current U.S. aid programs such as the Development Fund for Africa are the aid components of our African development strategy. With the passage of this legislation, we will have a balanced trade and aid program.

Frankly, I am mystified by some of the arguments against this legislation. I refer my colleagues who are opposed to reexamine the comments of the distinguished gentleman from Massachusetts (Mr. NEAL) during the debate on the rule and to listen to the gentleman from Maryland (Mr. WYNN) who spoke just a few moments ago. The gentleman from Maryland reminded us that all of the Africa nations really are supportive of this legislation.

Mr. Chairman, now is the time to complete this strategy and approve this desperately needed complementary trade component. This is the crucial missing component. I urge my colleagues to vote aye.

Mr. CRANE. Mr. Chairman I yield 1½ minutes to our distinguished colleague, the gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Chairman, I thank the gentleman for yielding me this time.

This is a very important bill. For too long Africa has been treated as still colonies of many of our European allies. For too long their resources have been exploited by some Asians who have very little regard for the natural resources, including the magnificent rain forests and the creatures that are now endangered that walk this earth in Africa.

With the investment, American investment, we will be exporting one of our most valuable commodities, democracy, human rights, our appreciation for the environment. This is what will be exported into Africa, and with the importation in Africa and reaching out to Africa, their economies will grow; and with their economies, the democracies will also be more firmly put in place and their appreciation for their free-market system that has served this country so well.

These are the values that I believe we will bring to Africa, and African exports and the rich resources of Africa will be of great benefit to our country.

I traveled to Gabon with the chairman of the Committee on Ways and Means just last year and was very much impressed with the progress that Gabon has made, President Bongo, with his reelection. We had observers on the scene during the reelection. Members of their Parliament are visiting the United States at this time and I believe are with us this morning.

So I would urge a yes vote on this most important piece of legislation. Let us not continue to turn our back on Africa.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana (Mr. JEFFERSON), an author of the bill and member of the Committee on Ways and Means.

Mr. JEFFERSON. Mr. Chairman, I want to call the attention of the House to this chart. Those who say they want to help African workers and who want to deny the entry of African textiles to the American market cannot have it both ways. This shows how little Africa is involved now in importations to our country: just four-tenths of 1 percent, this big blue area and this little sliver of red. This little sliver of red is African imports to this country.

While it does not do anything in our market, makes us a slight dent here, one we can almost not notice, in Africa it is going to mean a lot to African workers. It is going to mean thousands of jobs there on the continent of Africa. It is the one place where Africa now has existing industrial capacity. The industrial revolution passed over Africa, or it was passed over Africa, if my colleagues will, and this is a way now to build in Africa the industrial base there around the textile industry.

If this is not done for Africa now, this bill will not mean very much in

the short term for African workers or for people that are off to the continent. So, for those who want to help African workers, let us make sure we do something about letting textiles in this country. We can do something to help the entry-level worker in Africa get a job and build the industrial base in that country.

Mr. PAYNE. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. JACKSON).

Mr. JACKSON of Illinois. Mr. Chairman, in this Chamber just a few months ago, the President of the United States stood right here; and he said in his State of the Union address that "trade has divided us and divided Americans outside this Chamber for too long. Somehow we have to find common ground on which business and workers and environmentalists and farmers and government can stand together."

President Clinton continued: "We must ensure that ordinary citizens in all countries actually benefit from trade, and we applaud it, a trade that promotes," he said, "the dignity of work and the rights of workers and protects the environment. We have got to put a human face on the global economy, and then we proposed the old face on the global economy."

I would love for the gentleman from New Jersey (Mr. PAYNE) or the gentleman from New York (Mr. RANGEL) or the gentleman from Illinois (Mr. CRANE) or any of the sponsors of the bill to show me specifically in H.R. 434 where that common ground is. Show me where multinationals from the United States that locate in sub-Saharan Africa and take advantage of these trade provisions, that they have to hire African workers. Show me how we have provisions in this bill to keep the Chinese from taking advantage of African workers by importing Chinese workers into sub-Saharan Africa.

Mr. Chairman, I include the following for the RECORD:

[From the Chicago Tribune, July 12, 1999]  
A 'GROTESQUE' GAP BETWEEN THE GLOBAL ECONOMY'S WINNERS AND LOSERS  
(By R.C. Longworth)

As the global economy grows, rich nations are getting richer than ever, and poor ones are stuck in shantytowns on the outskirts of the global village.

"Global inequalities in income and living standards have reached grotesque proportions," the UN Development Program said in its annual global overview, the Human Development Report.

For instance:

The richest countries, such as the United States, have 20 percent of the world's people but 86 percent of its income, 91 percent of its Internet users, 82 percent of its exports and 74 percent of its telephone lines. The 20 percent living in the poorest countries, such as Ethiopia and Laos, have about 1 percent of each.

The three richest officers of Microsoft—Bill Gates, Paul Allen and Steve Ballmer—have more assets, nearly \$140 billion, than the

combined gross national product of the 43 least-developed countries and their 600 million people.

The United States, meanwhile, has more computers than the rest of the world combined. Lesser-developed countries are not likely to catch up any time soon: the same computer that costs a month's wages for the average American takes eight years' income from the average resident of Bangladesh.

The 200 richest people in the world more than doubled their net worth between 1994 and 1998. But in nearly half the world's countries, per capita incomes are lower than they were 10 or 20 years ago. Some of these are oil-producing nations hit by the long slump in oil prices, but many are in sub-Saharan Africa, where per capita income has fallen to \$518 from \$661 in 1980.

In 1960, the richest fifth of the world's people had 30 times as much income as the poorest fifth. By 1997, that proportion had more than doubled, to 7-1.

The key to a solution to these problems, the UNDP said, is not to stamp out the global economy but to embrace it with the rules and institutions that will ensure it serves people and communities, not just markets and their manipulators.

"Competitive markets may be the best guarantee of efficiency but not necessarily of equity," it said. "Markets are neither the first nor the last word in human development."

"Many activities and goods that are critical to human development are provided outside the market, but these are being squeezed by the pressures of global competition."

"When the market goes too far in dominating social and political outcomes, the opportunities and rewards of globalization spread unequally and inequitably—concentrating power and wealth in a select group of people, nations and corporations, marginalizing the others."

"The challenge," the report said, "is not to stop the expansion of global markets. The challenge is to find the rules and institutions for stronger governance . . . to preserve the advantage of global markets and competition but also to provide enough space for human, community and environmental resources to ensure that globalization works for people, not just for profits."

The gap between people, like the one between nations, also is growing in the global economy, the UNDP report said. Inequality is growing both in industrialized nations—especially in the United States, Britain and Sweden, it said—and in newly industrializing countries, such as China and the formerly communist countries of Eastern Europe.

One result of globalization, it said, is that the road to wealth—the control of production, patents and technology—is increasingly dominated by a few countries and companies.

Of all the countries in the world, only 10, including the United States, account for 84 percent of global research-and-development spending. Businesses and institutions in the same 10 control 95 percent of all patents issued by the U.S. government over the past 20 years, it said.

Among corporations, the top 10 controlled 86 percent of the telecommunications market, 85 percent of pesticides, 70 percent of computers and 60 percent of veterinary medical products, it said.

The major countries and the global corporations may have earned their dominance, but, the report said, this monopoly of power



is cutting poorer nations off from a share of the economic pie and, often, from decent health care and education.

"The privatization and concentration of technology are going too far," the report said. "Corporations define research agendas. . . . Money talks, not need. Cosmetic drugs and slow-ripening tomatoes come higher on the priority list than drought-resistant crops or a vaccine against malaria."

Many new technologies, "from new drugs to better seeds," are priced too high for poor nations, it said. Global patent laws, intended to protect intellectual property, are blocking the ability of developing countries to develop their own products.

Even within the Third World, inequality is sharp. Thailand has more cellular phones and Bulgaria more Internet users than all of Africa except South Africa, the report said.

The report was not all gloom and doom. Even as gaps between nations grow and some countries slide backward, the quality of life for many of the world's poor is improving, it said.

Between 1975 and 1997, life expectancy in Third World countries rose to 62 years from 53, adult literacy rates climbed to 76 percent from 48 percent, child mortality rates to 85 per 1,000 live births from 149, and some countries—Costa Rica, Fiji, Jordan, Uruguay and others—"have overcome severe levels of human poverty."

The UNDP report said uneven and unequal development around the world is not sustainable and risks sinking the global economy in a backlash of public resentment.

Without global governance that incorporates a "common core of values, standards and attitudes, a widely felt sense of responsibility and obligations," the major nations and corporations face trade wars and uncontrolled financial volatility, it said, with the Asian financial crisis of the past two years only the first of many upheavals.

At the moment, new rules and regulations are being written in talks at the World Trade Organization, the International Monetary Fund and other powerful global bodies. But these talks are "too narrow," the report said, because they focus on financial stability while "neglecting broader human concerns such as persistent global poverty, growing inequality between and within countries, exclusion of poor people and countries, and persisting human-rights abuses."

They are also "too geographically unbalanced," with an unhealthy domination by the U.S. and its allies."

The UNDP report called instead for a "global architecture" that would include:

A global central bank to act as a lender of last resort to strapped countries and to help regulate finance markets.

A global investment trust to moderate flows of foreign capital in and out of Third World countries and to raise development funds by taxing global pollution or short-term investments.

New rules for the World Trade Organization, including anti-monopoly powers to enable it to keep global corporations from dominating industries.

New rules on global patents that would keep the patent system from blocking the access of Third World countries to development, knowledge or health care.

New talks on a global investment treaty that, unlike talks that failed last year, would include development countries and respect local laws.

More flexible monetary rules that would enable developing countries to impose capital controls to protect their economies.

A global code of conduct for multinational corporation, to encourage them to follow the kind of labor and environmental laws that exist in their home countries. The report praised voluntary codes adopted in Asia by Disney World and Mattel, the toy company.

The leading industrial nations already are considering new global rules on investment, banking and trade. The UNDP report, in effect, endorsed these efforts but urged that they be broadened to include the needs of poorer nations.

#### INTRODUCING H.R. 772, "HOPE FOR AFRICA"

(By Congressman Jesse Jackson, Jr.)

To overcome a nearly 400 year legacy of unregulated business, investment and trade that gave us slavery, colonialism and widespread human and economic exploitation, today we introduce H.R. 772, "The HOPE for Africa Act of 1999," based on Human Rights, Opportunity, Partnership and Empowerment as the basis for a new respectful and mutually beneficial human and economic relationship.

Unregulated business and investment, structural adjustment programs built on debt service, is the status quo or worse. This status quo formula has given Africa: wealth in the hands of a few; followed inevitably by civil wars (both ethnic and tribal) over food and economic security; undemocratic regimes; and economic and political instability.

We support bilateral, multilateral and international trade. We are not economic isolationists or economic protectionists. By introducing this legislation today, we seek to establish a new principle that should underlie every trade bill in the United States—that the benefits of trade must be shared widely by the majority of the common working people in every participating society, not just benefit the business and financial interests of an elite few.

We support business and investment in Africa. Indeed, our business development and trade provisions are more expansive than the provisions in Rep. Phil Crane's African Growth and Opportunity Act. HOPE for Africa insures that the average African worker will be paid a minimum wage; has the right to organize for their own protection and economic security; has the right to work in safe and healthy working conditions; can produce goods and protect the environment at the same time so business development and economic growth can be sustained indefinitely; and so the common people of Africa might be able to work their way out of their poverty and underdeveloped condition with dignity.

The HOPE for Africa legislation provides trade remedies that can be embraced by both working Americans and working Africans because it raises the living standards of both. It does not raise some African living standards at the expense of lowering some American living standards. It is also good for long-term business development and economic investment because average workers on both continents will be able to buy the goods and services that they produce and, in the process, build a fairer and more perfect economic world.

First, H.R. 772 affirms each African nation's right to economic self-determination. The HOPE for Africa legislation is built on the principles and goals developed by African finance ministers in cooperation with the Organization or African Unity, and with input by African workers' organizations such as COSATU in South Africa.

Second, H.R. 772 offers a solution to Sub-Saharan Africa's crushing \$230 billion debt—

unconditional, comprehensive debt forgiveness. Excluding South Africa, with upwards of 20 percent of sub-Saharan nations' export earnings going to debt service, few resources are left to devote to development and urgent local needs.

Third, H.R. 772 addresses the AIDS crisis by replenishing and targeting assistance from the Development Fund for Africa for AIDS education and treatment programs; making it U.S. policy to assist Sub-Saharan African countries in efforts to make needed pharmaceuticals and medical technologies widely available; and prohibiting the use of U.S. funds to undermine African intellectual property and competition policies that are designed to increase the availability of medications. Since the beginning of the AIDS epidemic, 83 percent of AIDS deaths have occurred in Sub-Saharan Africa.

Fourth, H.R. 772 restores Africa's budget line item for foreign aid with a set guaranteed amount, not to decline below 1994 levels. This would restore parity for Africa with U.S. foreign aid treatment of other vital regions. Currently, Africa is the only region not a line item in the budget.

Finally, President Clinton says we must put a new and human face on trade—and I agree. But the new face must be based on a new foundation. The policies regarding Africa that the Congress sets now will deeply affect the economic future of the continent and, thus, the future of the African people for decades to come. With such high stakes, it is vital that we get the initial policy right. With this in mind, I submit H.R. 772, which has the broad-based support of African and U.S. development, trade and economic experts and also organizations in Africa and the U.S., representing the interests of the majority of the people who will be affected.

#### A HUMAN FACE ON THE GLOBAL ECONOMY— THE HOPE FOR AFRICA ACT OF 1999

(By Congressman Jesse L. Jackson, Jr.)

President Clinton in his State of the Union Address said: "... trade has divided us, and divided Americans outside this chamber, for too long. Somehow we have to find a common ground on which business and workers and environmentalists and farmers and government can stand together . . . . We must ensure that ordinary citizens in all countries actually benefit from trade—(applause)—a trade that promotes the dignity of work, and the rights of workers, and protects the environment . . . . We have got to put a human face on the global economy. (Applause.)"

I agree completely. However, the only piece of legislation mentioned in the President's Address, and the first trade bill being pushed by the administration, is the Republican-sponsored African Growth and Opportunity Act (AGOA), H.R. 434—which is a continuation of the old face of trade.

The new face of trade must be based on a new foundation. That is why I introduced a Democratic alternative, H.R. 772 "The Human Rights, Opportunity, Partnership and Empowerment (HOPE) for Africa Act of 1999."

The old face of the AGOA has been dubbed "NAFTA for Africa" by the trade press, and represents the failed status quo trade policy that has lost the support of the American people and was rejected last fall by Congress. Like Fast Track, the AGOA's chief sponsor is conservative corporate-oriented Rep. Phil Crane (R-IL).

When this legislation was introduced last year, I called it the "Africa Recolonization Act" and joined 185 of my colleagues in opposing it. Opposition to the AGOA is widespread in Africa. The Congress of South African Trade Unions declared this bill worse



than no bill at all. Indeed, South African President Nelson Mandela declared the bill "not acceptable to us" in a joint news conference with President Clinton.

This bill is not the first time that developed countries have sought to do business with Africa. Slavery and colonialization were long-standing international commercial policy with Africa, and the results are the desperate poverty, environmental devastation and civil unrest plaguing Africa today. There is a long history of U.S.-Africa economic relations that must be overcome.

My HOPE for Africa bill promotes sustainable, equitable development in Africa, and fair and mutually beneficial trade between our two regions. Specifically, HOPE represents the new approach to international commercial policy that the President says he is seeking: access for African countries to U.S. markets; broad benefits to ordinary Africans; corporate adherence to labor, human rights and environmental standards; employment of African workers; promotion of African capital accumulation and investment partnership; emphasis on establishing small and medium-sized businesses in Africa; and partnerships between Africans and Americans.

HOPE provides for mutually beneficial trade by taking a holistic approach to interlocking trade, investment, business facilitation, debt relief and aid elements that are vital to any successful economic relationship between sub-Saharan Africa and the U.S. Indeed, the bill is based on the principles of the Lagos Plan on economic development created by the African finance ministers and the Organization of African Unity.

Moreover, HOPE includes the purchase, at the significantly discounted market rate, and cancellation of African debt which has a face value of \$230 billion and annual debt service that devours over 20% of all African export earnings. Cancellation of this debt would provide a clean slate—and working domestic credit markets and resources for education, infrastructure and health—for African countries facing the challenges of the global economy. HOPE also targets U.S. foreign aid toward uses with broad public benefits, such as the prevention and treatment of the AIDS epidemic ravaging Africa. The AGOA does not even mention AIDS.

The AGOA extends short-lived trade "benefits" for the nations of sub-Saharan Africa. In exchange for these crumbs from globalization's table, the African nations must pay a huge price: adherence to economic policies that serve the interests of foreign creditors, multinational corporations and financial speculators at the expense of the majority of Africans.

Specifically, the AGOA requires sub-Saharan Africa to adopt a range of policies straight out of the International Monetary Fund's discredited play book. These policies include cuts in spending on health care and education, orienting food production away from meeting domestic needs and toward exports, and divesting natural resources and precious public assets to foreign investors. No other region's right to economic self-determination is dismissed so cavalierly by U.S. policy makers.

AGOA provides no relief from Africa's crushing debt burden, and does nothing to ensure that African workers and businesses, as opposed to foreign corporations, will enjoy the benefits of expanded trade.

Whose interests will the AGOA advance? Look at the coalition promoting it—a corporate who's who of oil giants, banking and insurance interests, as well as apparel firms

seeking one more place to locate their low-paying sweatshops. Some of these corporations are already infamous in Africa for their disregard for the environment and human rights.

Africa is a region of tremendous human creativity, vast natural and cultural wealth, and enormous economic potential. More than 750 million people live in sub-Saharan Africa, compared to 250 million in the United States. The standard of living for most of Africa's people has been falling. The region's per capita income is less than \$500 annually—versus \$752 in 1980 when the IMF first began to work its will on African economic policy.

How shall we overcome our exploitative history with Africa? By the AGOA or by HOPE? It should be clear. AGOA ignores the needs of nations it is ostensibly designed to assist. HOPE embodies the priorities African nations themselves have identified. HOPE represents the new approach which places the needs of people ahead of narrow corporate interests and the dictates of economic dogma. HOPE is the human face on the global economy that President Clinton says he seeks.

#### THE TRADE DEBATE AND HOPE FOR AFRICA

(By Robert L. Borosage)

In 1999, the historic debate about US trade policy and the global economy will once again be joined. Economic collapse abroad and political opposition at home have shattered the Washington trade consensus. In his State of the Union address, President Clinton admitted as much, suggesting the need for a new dialogue on trade.

The first round of that debate will take place in African trade policy. The HOPE for Africa Bill, introduced by Rep. Jesse Jackson Jr. and co-sponsored by an ever-growing number of House members, contains the principles of a new direction for US trade policy generally. It contrasts starkly with the Africa Growth and Opportunity Act, which is essentially a NAFTA for Africa. The following outlines the political context and stakes of that argument.

#### I. THE WASHINGTON CONSENSUS IS NO MORE

As President Clinton has warned, the world is gripped with the worst financial crisis since the 1930s. 40% of the world economy is in recession. Millions of Asians have been thrust into poverty. Russia has gone belly up. The contagion now engulfs Brazil, and threatens Latin America's economies. With West Germany in decline, Europe also now experiences declining growth that could lead into a recession.

Even in the United States, an island of prosperity in a sea of trouble, the effects are being felt. Manufacturing industries were in recession for much of last year. Exports declined; the trade deficit has hit new and unsustainable height. The most efficient steel plants in the world have been forced to lay off thousands of steelworkers. Layoff announcements last year were the worst of the 1990s. Even Federal Reserve Chair Alan Greenspan has warned of the dangers posed by the soaring trade deficits and the global crisis.

While the international policy elite struggles to contain the crisis and worries about its effects on globalization, it is apparent that globalization is the source, not the victim of the contagion. For over two decades, global corporations and banks have forged a global economy. They wrote the rules. Workers, consumers, and environmentalists were not invited to the table. They systematically pushed to dismantle controls over corpora-

tions, capital and currencies. The short term pain was worth it, they argued, for we would all reap the benefits of faster growth and global markets.

Now the returns are in. The world is plagued, as Joseph Stiglitz, chief economist for the World Bank has reported, with financial crises of increasing severity and frequency. Moreover, as a series of authoritative studies have documented, the defensive measures adopted by countries to avoid the crisis have produced far slower growth and greater inequality.

In the wake of the global crisis, this policy cannot be sustained. Across Asia, countries are scrambling to protect their people, to limit the brutal impact of speculative tides.

And in the United States, even at the height of the recovery, most Americans remain skeptical about the benefits of trade. The failure of the NAFTA accord reinforces those attitudes. Over the last two years, a coalition of unions, consumers, and environmentalists joined with isolationists on the right to block fast track trade authority. As AFL-CIO President John Sweeney has said, "the Washington consensus isn't even a consensus in Washington anymore." It is time for a new direction.

#### II. THE CURRENT DEFAULT

This reality is increasingly recognized in the rhetoric of global leaders. Last summer, President Clinton warned the World Trade Organization that the global economy had to work for working families or it could not be sustained. He called for a new effort to build core labor standards and environmental protections into the global trading rules. Treasury Secretary Robert Rubin has called for a "new architecture" for global finance. British Prime Minister Tony Blair has gone further, suggesting the need for a new Bretton Woods, presumably a systemic attempt to bring capital and currency speculation under greater control. Billionaire financier George Soros has demanded action to stave off what he calls "the capitalist threat."

Yet the bold rhetoric has not yet been reflected in policy. The contrast between changing rhetoric and static policy grows wider as the crisis continues to spread.

The Africa Growth and Opportunity Act expresses this inertia. Modeled on the NAFTA Accord, encompassing the harsh preconditions that the IMF enforced on Asian countries (and later admitted were excessive), it represents the failed policies of the past, not the new direction for the future.

#### III. THE EMERGING ALTERNATIVE: HOPE FOR AFRICA

The HOPE for Africa legislation, based upon extensive discussions with worker, scholars and activists in the African community, offers a small "d" democratic, internationalist alternative to the NAFTA model. It provides the beginnings of a new direction for US trade policy, and responds to the president's call for a new dialogue on the rules that should guide the global economy. Core elements include:

Debt relief to enable nations to pursue independent paths to growth and development. In contrast, the Africa Growth and Opportunity Act offers no relief from the crippling debt burdens that force countries to open their economies, dismantle controls on capital, sacrifice food crops for export crops, and lock themselves in a constricting development straight jacket. Yet the record shows that countries do far better if they increase investment and sustain democratic freedoms while pursuing their own course to development.

Secure access to aid targeted on human needs. Poor nations need investment in education, health care, and other core human needs. By providing a floor underneath aid levels and by targeting human needs, HOPE for Africa provides nations with a basis upon which to plan. This contrasts sharply with the "NAFTA for Africa" model, which guarantees nothing and will end up providing aid that will go to repay foreign creditors.

Preferential access to the US market, but only if the countries choose to meet core human rights and environmental standards. Countries that decide to adhere to their own international commitments—to core international labor rights, to environmental protections, respect for other human rights—can gain preferred access to the US market. This contrast sharply with the NAFTA-WTO model that protects property rights but not labor rights, protects speculators but not the environment. One would lift standards up; the other would drive them down.

Preferred access limited to companies that actually serve to add employment, business opportunity and production within Africa, as opposed to multinationals content to use Africa as a transshipment point for goods made elsewhere.

The contrast with current policy is apparent. Today the US offers preferential access to its markets to countries routinely, whatever their record on labor rights or environmental protections. The "NAFTA for Africa" bill sustains such preferences on the condition that nations enforce IMF-like austerity and privatization dictates.

#### IV. THE COMING POLITICAL DEBATE: NO MORE BUSINESS AS USUAL

With the first signs that the Asian nations may be emerging from the global crisis and the hope that the Europe and US will escape much of its impact, the temptation is to return to business as usual. Already the Business Roundtable has announced a public relations campaign to educate Americans on the benefits of trade and the need for fast track trade authority. The administration is pushing for a new round in global trade talks, and possibly for China's accession to the World Trade Organization. With the support of much of the Wall Street-multinational corporate lobby and the administration in hand, Republican leaders began this year assuming that they could pass the "NAFTA for Africa" bill quickly with bipartisan support.

But as the growing support for the HOPE for Africa alternatives shows, the old consensus cannot be put back together again. Attempts to impose it will meet ever-greater opposition at home and abroad. And if the US economy slows and unemployment rises, the failure to define a new course that works for working people may generate a harsh xenophobic and nationalist reaction.

HOPE for Africa points the way to a new direction, one grounded in respecting independent national paths to development and growth, while protecting core human values. If frames a debate that is vital to working people at home and abroad. It deserves more than a hearing. It deserves support and passage.

— PACE,

*Fairfax, VA, March 15, 1999.*

DEAR REPRESENTATIVE: On behalf of the 330,000 members of PACE, the Paper, Allied-Industrial, Chemical and Energy Workers International Union, I am writing to urge you to support the HOPE for Africa Act, H.R. 772. This is the first time in our collective memories that the House has considered a

bill that tries to ensure that any wealth generated by increased trade is shared by workers in all affected countries. The bill does so in part by including strong workers' rights provisions. The HOPE for Africa Act contrasts sharply with the African Growth and Opportunity Act, H.R. 434, which is almost identical to H.R. 1432, which passed the House last year.

The HOPE for Africa Act would expand trade between the U.S. and the countries of sub-Saharan Africa more than the Growth and Opportunity Act, but without damaging the U.S. economy. It would do so by increasing market access for Lome Treaty products, for which the U.S. is not a competing supplier. HOPE would also shift apparel quota from China to Africa, rather than adding additional imports to an already glutted U.S. clothing market to the detriment of workers here. Most importantly, HOPE includes strong language against transshipment of goods and use of guest workers, both aimed at seeing that its benefits accrue to African workers, rather than to Asian producers.

H.R. 772 does all of this without imposing the counterproductive conditionalities of H.R. 434. Instead of requiring African countries to reshape their economies to serve U.S. investors, HOPE recognizes the right of African countries to shape their own economic development plans.

Finally, HOPE for Africa provides the financial assistance that African nations will need to be able to participate in the world economy. It restores the budget line item for African aid. The failure of African Growth and Opportunity to do this leaves Africa as the only region of the world with no guaranteed annual level of American aid. HOPE also provides relief from Africa's crushing \$230 billion burden of foreign debt. No debt relief is contained in the African Growth and Opportunity Act.

The House has a unique opportunity to forge a new consensus on trade policy, one that serves workers as well as employers. We urge you to become a cosponsor of the HOPE for Africa Act, H.R. 772, and to work to enact it into law.

Thank you for consideration of our views on this important piece of legislation.

Sincerely,

PAULA R. LITTLES,  
*Director, Citizenship-  
Legislative Department.*

WASHINGTON, DC,  
*March 30, 1999.*

DEAR COLLEAGUE: I write to share with you a letter written by the Union of Needletrades, Industrial and Textile Employees (UNITE) on behalf of H.R. 772, the "HOPE for Africa Act." As you may know textile manufacturing jobs are often transplanted to overseas markets with lax worker protections and wage rates. Consequently, many working men and women in America find themselves down-sized, outsourced and left behind. Yet instead of taking a protectionist position on international trade issues in Africa, UNITE has chosen to support the "HOPE for Africa Act" because "for the first time in [their] collective memories," there is a trade bill being offered that "tries to ensure that any wealth generated by increased trade is shared by workers in all affected countries." If you would like more information about the "HOPE for Africa" act, please contact me or have staff contact my Legislative Director, George Seymore, at 5-0773 or [george@jackson.house.gov](mailto:george@jackson.house.gov).

Sincerely,

JESSE L. JACKSON, Jr.,  
*Member of Congress.*

UNITE!

*March 1, 1999.*

DEAR REPRESENTATIVE: On behalf of the 250,000 members of UNITE, the Union of Needletrades, Industrial and Textile Employees, we are writing to urge you to support the HOPE for Africa Act, H.R. 772. This is the first time in our collective memories that the House has considered a bill that tries to ensure that any wealth generated by increased trade is shared by workers in all affected countries. The bill does so in part by including strong workers rights provisions. The HOPE for Africa Act contrasts sharply with the African Growth and Opportunity Act, H.R. 434, which is almost identical to H.R. 1432, which passed the House last year.

The HOPE for Africa Act would expand trade between the U.S. and the countries of sub-Saharan Africa more than the Growth and Opportunity Act, but without damaging the U.S. economy. It would do so by increasing market access for Lome Treaty products, for which the U.S. is not a competing supplier. HOPE would also shift apparel quota from China to Africa, rather than adding additional imports to an already glutted U.S. clothing market to the detriment of workers here. Most important, HOPE includes strong language against transshipment of goods and use of guest workers, both aimed at seeing that its benefits accrue to African workers, rather than to Asian producers.

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Finally, HOPE for Africa provides the financial assistance that African nations will need to be able to participate in the world economy. It restores the budget line item for African aid. The failure of African Growth and Opportunity to do this leaves Africa as the only region of the world with no guaranteed annual level of American aid. HOPE also provides relief from Africa's crushing \$230 billion burden of foreign debt. No debt relief is contained in Growth and Opportunity.

The House has a unique opportunity to forge a new consensus on trade policy, one that serves workers as well as employers. We urge you to become a cosponsor of the HOPE for Africa Act, H.R. 772, and to work to enact it into law.

Sincerely,

ANN HOFFMAN,  
*Legislative Director.*

#### MIDDLE EAST & AFRICA

NIGERIA: OIL IN TROUBLED WATERS—WITH A WEEK TO GO BEFORE NIGERIA'S ELECTION, ROBERT CORZINE AND WILLIAM WALLIS VISIT THE TURBULENT OIL DELTA

If only that were true. In recent weeks, dozens of young men from the Ijaw tribe have been killed by Nigerian army bullets as they demonstrated for a bigger share of the oil wealth produced by foreign companies in the delta.

Four years after the execution of the writer Ken Saro-Wiwa, who campaigned for the rights of the delta's Ogoni people, the region is again teetering on the edge of open rebellion against the federal government in far-away Abuja.

The conflict also threatens to divide the communities of the delta, as young activists challenge the authority of more cautious traditional leaders. Foreign oil companies such as Royal Dutch/Shell, which operate on

behalf of the Nigerian state, are already in the line of fire. Militant groups have orchestrated kidnappings and closed oil installations in the state of Bayelsa.

Saro-Wiwa's militant message has been embraced by many of the region's minority tribes. The Ijaw—Nigeria's fourth largest tribe—have even resurrected Egbesu, their ancient god of war, to support their cause. "Egbesu Boys" recently marched into Yenagoa, the capital of Bayelsa, wearing only black shorts and holding white candles in a peaceful protest. But clubs can easily replace candles, and it was armed Egbesu Boys who died in the fighting with soldiers in Yenagoa.

Oil wealth is at the root of the tensions in the delta. Nowhere in the world do so many of the world's poorest people rub shoulders with some of its richest multinationals.

In their reed huts and tiny canoes, the Ijaws are dwarfed and encircled by towering gas flares and the pipelines that criss-cross the meandering creeks and rivers of the delta.

Canoes carved from local trees and designed for the placid waters of the mangrove swamps are regularly tipped over in the wake of orange speedboats ferrying oil workers to and from installations.

"When you see Shell workers and the installations they live in, and our swamp where the people are wallowing, you cannot be happy," a youth leader says.

Dragging his hand in the water from the side of a boat, he collects a rainbow film of oil on his dark skin. He says it is from an untreated spill. He is one of many young men in the delta who believe that oil leaks from ageing pipes—and not over-fishing—have choked the life from the once-fish-filled waters.

In one incident, he recalls, a loose bolt in a connecting pipe sent a 30-foot jet of oil over a village at the Santa Barbara crossing. For 24 hours, it spewed out a thick layer of oil, covering huts, fishing nets, cooking utensils and the small periwinkle snails that substitute for fish if the catch is poor.

"The only fish we can find here now are small and bony. We call them 'broke-marriage' because their flesh melts into the soup and husbands accuse their wives of feeding it to another man," says an old woman.

Local resentment against oil companies has made large parts of the delta no-go areas for foreign oil men, who risk being kidnapped or attacked by angry villagers.

"Arresting oil company boats is one of the few ways the Ijaw can gain the federal government's attention," says Antony Ikonibo, paramount ruler of the Akassa clan, a collection of 50 fishing villages and settlements near the mouth of the Nunn River.

In Khongo, the main village in Akassa, the signs of neglect are everywhere.

The jungle has reclaimed the high school, built by a civilian government in the 1970s. Goats sleep in one of the few classrooms still in use. In the evening, villagers gather around a muddy pool that serves as the main water supply. There is no electricity. Concrete slabs intended to protect the village from floods lie abandoned on the riverbank, the contractor having pocketed the money and abandoned the project.

Although the residents of the delta are united in the demands for a long-awaited share of the oil wealth, the emergence of militant groups and their increasingly aggressive tactics have divided communities.

"If we're not careful, soon the traditional leaders will be the target as it happened in Ogoniland," says Chief Ikonibo.

"There they were appealing for calm but the youths thought they were taking money [from oil companies] and so they butchered them."

Many residents say it would be a tragedy if a struggle directed against a remote and distant government claimed many of its victims from within the neglected communities themselves.

But as one young man in Khongo noted: "If a man from the Delta is on the wrong side, he'll die like a fly."

— TRANSAFRICA,

Washington, DC, February 15, 1999.

U.S. HOUSE OF REPRESENTATIVES,  
Washington, DC.

DEAR REPRESENTATIVE: I am writing in strong support of the Human Rights Opportunity Partnership and Empowerment for Africa Act of 1999 ("HOPE for Africa Act"), soon to be introduced by Congressman Jesse Jackson, Jr. This bill would promote sustainable economic development and democratic governance in Africa as a means of securing for that continent maximum socioeconomic benefits from its myriad economic relationships with the United States public and private sectors.

The Hope Act was developed over several months of meetings with a variety of grassroots organizations, both African and American. The Act, among other things: describes the status of Africa at the dawn of the new millennium; cancels Africa's official U.S. debt; addresses the role of sovereignty in the conduct of mutually beneficial relations between nations; re-establishes a line-item for aid to Africa in the U.S. Foreign Operations Appropriations bill, and strongly encourages Export-Import Bank and OPIC involvement with small, female and minority-owned businesses.

Thus far, members who have announced their intention to co-sponsor the HOPE Act are:

House Minority Whip, David Bonior (D-MI); Congressional Black Caucus Chair, Jim Clyburn (D-SC); Congresswoman Cynthia McKinney (D-GA); Congresswoman Barbara Lee (D-CA); Congressman William Delahunt (D-MA); Congressman Elijah Cummings (D-MD); Congressman Dennis Kucinich (D-OH); Congresswoman Carolyn Kilpatrick (D-MI); Congresswoman Sheila Jackson-Lee (D-TX); Congresswoman Jan Schakowsky (D-IL); Congressman Sherrod Brown (D-OH); Congressman Lane Evans (D-IL); Congressman John Conyers (D-MI); Congressman George Miller (D-CA).

On March 11, 1998, the House of Representatives passed H.R. 1432, the African Growth and Opportunity Act, a bill designed to authorize new trade and investment policies towards sub-Saharan Africa. The Senate failed to pass companion bill S. 778.

H.R. 1432 would have imposed on Africa the most harmful conditionalities of the North America Free Trade Agreement (NAFTA) and the International Monetary Fund (IMF). The Act, like many structural adjustment programs, would have bankrupted local African enterprises, increased Africa's dependency on food imports, gutted vitally needed social services, reduced government expenditures on health and education, and widened the gap between rich and poor. Even President Nelson Mandela, standing next to President Clinton at an internationally televised press conference during President Clinton's March 1998 visit to Africa, said the following regarding H.R. 1432 in general, and its conditionalities in particular:

"These matters are the subject of discussions and they are very sensitive matters

... This is a matter over which we have serious reservations. This legislation to us, is not acceptable."

Efforts to remove these harmful provisions from H.R. 1432 were rejected by the House Leadership.

On February 2, 1999, Congressman Philip Crane (R-IL) introduced H.R. 434, the African Growth and Opportunity Act, in substantially the same form as H.R. 1432. However, H.R. 434 eroded H.R. 1432 in that language pertaining to development assistance and human rights was deleted.

By introducing the HOPE for Africa Act, Congressman Jackson seeks not only to remove the damaging provisions of the Crane bill, but more importantly to ensure maximum social, economic, and political benefits for the nations of Africa as they rightfully expand extant economic relations with the U.S. public and private sectors.

In the United States as in Africa, an educated and healthy populace is vital to competitiveness in an increasingly complex global marketplace. And, in Africa as in America, labor and environmental standards should form part of responsible public/private undertakings. The Jackson bill recognizes this.

The U.S. process of policy formulation—whether domestic or foreign in focus—has never limited debate and discussion to a "single track." During our Congressional battle against apartheid, for example, and later during the Congress's efforts to restore democracy to Haiti, there were a plethora of ideas and approaches, reflected in a number of different legislative initiatives, as to how best to achieve these important goals.

The creation of a new and comprehensive economic policy package towards Africa should be no different.

U.S. criticism of the Soviet Union during the Cold War was that forced adherence to the established "party-line"—no variation, no debate, no offering of alternate ideas—resulted in policies that ran counter to the long-term interests of the then-Soviet people. If we do indeed wish the people of Africa to benefit from the vast wealth and potential of that continent, and from the ever-expanding opportunities for US/Africa cooperation, we must—unlike the Soviets—allow open and constructive debate on the best means of doing so.

I seek your leadership to ensure the passage of the HOPE for Africa Act. Should you wish to discuss this matter further, I would welcome your call at (202) 797-2301.

Thank you for your attention to this matter.

Sincerely,

RANDALL ROBINSON,  
President.

— WOMEN'S EDGE,  
February 11, 1999.

DEAR REPRESENTATIVE: Women's EDGE, a coalition of international development organizations, domestic women's groups, and individuals, is writing to express our concern about the Africa Growth and Opportunity Act II (H.R. 434). We oppose this bill, as currently written. Women's EDGE works to give women and families around the world an economic edge. Women's EDGE believes that H.R. 434 will harm, rather than help, the majority of African citizens. We support the HOPE (Human Rights, Opportunity, Partnership, & Empowerment) for Africa Act, sponsored by Representative Jesse Jackson, Jr. (D-Illinois) as that best opportunity to achieve sustainable development in the Sub Saharan African (SSA) region.

H.R. 434 aims to improve the livelihoods of African citizens by pursuing an export-promotion strategy to the exclusion of other methods. We are deeply disturbed that H.R. 434 contains no provisions for development assistance to Africa. Women's EDGE believes that trade and aid are both important policy tools for the U.S. to use to achieve its diplomatic and economic aims. Furthermore, in order to truly benefit African citizens, the U.S. needs to support basic development needs such as basic education, education and access to technology, and capacity-building efforts. By laying the foundation for strong human capital development, the U.S. will be aiding African citizens today and tomorrow. In contrast to H.R. 434, the HOPE for Africa Act supports restoration of annual aid to Africa at the 1994 level (\$802 million) under the Development Fund for Africa and prioritizes funding for basic human needs.

Women must be central to any discussion of sustainable economic development. A recent World Bank paper (No. 428) stated that "if Sub-Saharan Africa is to achieve equitable growth and sustainable development, one necessary step is to reduce gender inequality in access to and control of a diverse range of productive, human, and social capital assets. . . . Reducing gender inequality—a development objective in its own right—increases growth, efficiency, and welfare".

Trade policies must take women's social and work roles into account and design policies that improve women's lives, rather than increase their burden. Numerous studies have shown that trade provisions affect women differently because of the social roles that women play in most societies, as well as the wage discrimination, job segmentation, and cultural barriers women often face. While we commend the authors of H.R. 434, for recognizing the importance of women to economic development (Sec. 3), we are dismayed that there are no provisions within the bill to facilitate women's access to education, credit, capital, or technology in order to increase their ability to become economically self-sufficient. Instead, many of the export-driven strategies within H.R. 434 will serve to undermine women's businesses and health.

Some examples include:

Micro-credit programs, which have gained strong support in the U.S. Congress, are an avenue through which women have been able to parlay small loans into thriving businesses throughout SSA. However, in Zimbabwe, as trade was liberalized, women micro-entrepreneurs were unable to compete with the flood of cheap goods entering their country (AWEPON/DGAP, 1996).

Susan Joeke's research has shown that in Sub-Saharan Africa (SSA), a switch to export-promotion crops (non-traditional agricultural promotion) has often diverted resources from domestic consumption. Men have controlled the extra cash earned from this strategy and the nutritional status of women and children has declined. Falls in girls' school enrollment has also been observed, reflecting the need to use additional labor to meet domestic and export production.

Women's EDGE has grave reservations about the impact of the eligibility requirements on the poor in SSA, particularly poor women. The eligibility criteria outlined in H.R. 434 calls for the restructuring of African economies. Past experience has demonstrated that this sort of restructuring has led to deep cuts in government health, nutrition, and education programs. As a result, professional women who work in the govern-

ment (and are disproportionately concentrated in these sectors) are displaced, and poor women see an increase in the cost of health care, food, and education. Any eligibility criteria should allow nations the necessary latitude to ensure food security, adequate health care, and access to basic education for its citizens.

The HOPE for Africa Act, rather than using the "cookie-cutter approach" outlined in H.R. 434 to determine eligibility, recognizes the need for self-determination for African nations. The HOPE for Africa Act enables African nations to pursue policies in the best interests of their citizens and recognizes the different capacities, natural resource base, and economic, social, and political needs of each nation.

Women's EDGE shares the concerns that other organizations have articulated about the preoccupation of expanding the textile industry in SSA, given that global trade rules will end textile and apparel quotas in 2005. With China competing for the textile market once the quotas are lifted, nascent industries will be overwhelmed and it is likely that China will become one of the sole suppliers of textiles for the global economy. This strategy seems to be shortsighted as a long-term development model for the region. The HOPE for Africa expands the market access for African goods, while protecting workers rights and the environment. Women's EDGE also supports the HOPE for Africa contention that debt relief must be an integral part of any policies aimed at improving the livelihoods of African citizens.

Women's EDGE urges you to oppose H.R. 434 and instead, support the HOPE for Africa Act that includes development aid and debt relief, and respects the sovereignty of African nations.

Sincerely,

RITU R. SHARMA,  
*Executive Director, Women's EDGE.*

—  
SIERRA CLUB,  
*Washington, DC, February 10, 1999.*

DON'T TRADE AWAY AFRICA'S ENVIRONMENT—  
OPPOSE THE AFRICAN GROWTH AND OPPORTUNITY ACT ("NAFTA FOR AFRICA") SUPPORT THE HOPE FOR AFRICA ACT

DEAR REPRESENTATIVE: On behalf of the Sierra Club's more than half-million members, I urge you to oppose the African Growth and Opportunity Act ("NAFTA for Africa") and to support the HOPE for Africa Act instead. Last fall Congress defeated fast track legislation as the first step toward forging a new, progressive trade policy that would guarantee protections for working families and the environment alongside any new trading privileges for business. The NAFTA for Africa represents the failed status quo trade policy that has lost the support of the American people and was rejected last fall with the defeat of fast track. The HOPE for Africa Act represents the first, bold step toward creating a new, progressive trade policy for the twenty-first century.

The NAFTA for Africa would pressure African countries into handing over their minerals, oil, and timber to transnational corporations by threatening to withdraw the low tariffs now granted for African exports to the United States under the US Generalized System of Preferences (GSP). Without strong environmental and labor standards, increased foreign investment by transnational oil, mining, and logging companies would destroy the natural resources—the farmland, pure water, and forests—that the vast majority of Africans depend on for sustainable development.

The NAFTA for Africa would:

encourage the kind of irresponsible and unaccountable investment represented by Royal Dutch Shell's oil operations in Nigeria's Ogoniland. Shell has polluted the land and water, destroying Ogoni farmland and spreading disease, while propping up the country's military dictatorship with oil revenues. The NAFTA for Africa would spur investment by foreign mining and oil companies that have already displaced thousands from their homes without recourse to law, ignored Africa's weak environmental laws, and polluted the air, soil, and water with mine wastes, mercury, and cyanide.

increase tropical deforestation by foreign logging companies in Central Africa, where deforestation rates already exceed those of Brazil. In addition to destroying forests that help to curb global warming and provide clean water to Africa's farms and cities, industrial logging could expose the African people to terrible disease risks. According to The New York Times, the deadly Ebola virus was recently unleashed in Zaire and Gabon after foreign logging companies cut their way into untouched, primary forests, exposing humans to the forest animals that harbor the disease.

harm Africa's ability to benefit from new foreign investment by requiring cuts in corporate taxes and government spending. With few options for taxes to support needed public services, such essentials as public health and education would almost certainly be slashed.

In contrast, the HOPE for Africa Act would offer Africa a partnership for equitable and sustainable development that could serve as a model for a new, progressive American trade policy. In place of the NAFTA for Africa's meager trade benefits, HOPE for Africa would open the US market to the wide variety of goods listed under the Lome Treaty in which the US is not a competitor, would grant new access for African textiles and apparel while protecting the rights of workers and the environment, and would not set onerous, new conditions for continued GSP preferences.

In addition, HOPE for Africa would:

provide comprehensive relief of Africa's crushing burden of \$230 billion in foreign debt. Debt relief would allow Africa to redirect its own resources toward priority development, health, education, and environmental needs. And debt relief would reduce the enormous pressure to recklessly exploit and export the region's rapidly shrinking natural resources.

provide adequate foreign assistance through the Development Fund for Africa and through the US Agency for International Development. Hope for Africa requires that such assistance be spent in consultation with the intended beneficiaries, the African people, and would be directed toward education, micro-credit, health, environmental protection, and other priority goals.

ensure that foreign corporations operating in Africa adhere to internationally recognized labor rights and to developed country environmental standards. Hope for Africa would give US citizens access to US courts to enforce these obligations.

The Hope for Africa Act offers the opportunity to launch a new, progressive trade policy in partnership with the African people that promotes equitable and sustainable development for all. The NAFTA for Africa offers only more of the same, failed policies of the past. We urge you to support the Hope

for Africa Act and to reject the NAFTA for Africa.

Sincerely,

CARL POPE,  
*Executive Director.*

—  
AMERICAN LANDS ALLIANCE,  
*Washington, DC, February 25, 1999.*

AMERICAN LANDS, CENTER FOR INTERNATIONAL ENVIRONMENTAL LAW, DEFENDERS OF WILDLIFE, FRIENDS OF THE EARTH, PACIFIC ENVIRONMENT AND RESOURCES CENTER AND SIERRA CLUB URGE CONGRESSIONAL SUPPORT FOR THE HOPE FOR AFRICA ACT

DEAR MEMBER OF CONGRESS: Yesterday, Representative Jesse Jackson, Jr. and thirty other Members of Congress introduced legislation that will help protect Africa's threatened native forests.

The HOPE (Human Rights, Opportunity, Partnership and Empowerment) for Africa Act of 1999 (H.R. 772) is one of the first international trade and investment bills that forest activists can stand behind and endorse.

Unique among trade legislation, the HOPE for Africa Act includes strong environmental safeguards to ensure that corporations operating in Africa and accessing the bill's benefits act responsibly with respect to the local environment. Specifically, the bill would:

1. Deny U.S. market access to products that are produced in a manner inconsistent with the environmental standards that apply to similar operations in developed countries;
2. Empower U.S. citizens to enforce provisions of the Act in U.S. courts; and
3. Provide adequate foreign assistance to Africa while requiring that the assistance be spent in consultation with the African people and be directed toward environmental protection and other goals.

On the other hand, The "NAFTA for Africa" bill, or the Africa Growth and Opportunity Act (H.R. 434), provides a myriad of new rights to foreign corporations operating in Africa while remaining completely silent on environmental protections.

The NAFTA for Africa bill would encourage the continuation of logging practices that have led to the near deforestation of Africa's frontier forests. According to the World Resources Institute, in West Africa, nearly 90 percent of the original moist forest is gone, and what remains is heavily fragmented and degraded. In Central Africa, over 90 percent of all logging occurs in primary forest, one of the highest ratios of any region in the world. In Zaire, which contains more than half Central Africa's remaining forests, many tropical forests remain intact, in part because of the nation's poor transportation system. The NAFTA for Africa bill would mean open season on these endangered forests while the HOPE for Africa Act would encourage forest protection.

The HOPE for Africa Act would provide forests activists with the opportunity to protect Africa's endangered forests with support for environmental protection policies, financial assistance and local input on sustainable practices while the NAFTA for Africa bill would provide new rights to foreign logging corporations without any consideration for forest protection.

We hope that you will listen to voices of forest activists from across the country and protect Africa's remaining native forests by supporting the HOPE for Africa Act and opposing the Africa Growth and Opportunity Act.

Sincerely,

ANTONIA JUHASZ,  
*Director, International  
Trade and Forests*

*Program, American  
Lands.*

on behalf of:

BRENNAN VAN DYKE,  
*Director, Trade and  
Environment Pro-  
gram, Center for  
International Envi-  
ronmental Law.*

WILLIAM SNAPE,  
*Legal Director, De-  
fenders of Wildlife.*

MARK VALLIANATOS,  
*International Policy  
Analyst, Friends of  
the Earth.*

DOUG NORLEN,  
*Policy Director, Pa-  
cific Environment  
and Resources Cen-  
ter.*

DANIEL A. SILIGMAN,  
*Director, Responsible  
Trade Campaign, Si-  
erra Club.*

[From the New York Times, June 7, 1998]

AT WHAT COST?

(By Bob Herbert)

It has a nice name, the "African Growth and Opportunity Act," and a clever slogan, "trade not aid," but a bill now before Congress is in fact an enormous benefits package for thriving multinational corporations and a threat to the very sovereignty of the sub-Saharan nations that sponsors of the bill say they want to help.

The bill narrowly passed the House in March, where it was introduced and pushed hard by Representative Philip Crane, an Illinois Republican who has referred to some developing African countries and their leaders as "retards." (A spokeswoman told me on Friday that the Congressman had not intended to offend anyone.)

The sponsor in the Senate, which has yet to vote on the measure, is Richard Lugar, an Indiana Republican. The bill has the strong backing of the Clinton Administration, as well as such giant corporations as Texaco, Coca-Cola and Kmart.

The aim of the bill is to liberalize trade between the United States and Africa. It would, among other things, allow duty-free and quota-free exports to the U.S. for 10 years, support the creation of a U.S.-sub-Saharan free-trade agreement and encourage the Overseas Private Investment Corporation to set up funds to stimulate private development in Africa.

But the bill also makes some demands. In essence, participating countries would have to adhere to the harsh and often inhumane requirements of the International Monetary Fund. Thus, these underdeveloped and often very poor countries would have to undergo a radical economic restructuring that would include cuts in corporate taxes, reductions in government spending and privatization of some of their most valuable assets—mines, forests, harbors, oil wells and the like—with the multinationals and other wealthy foreign investors ready to snap them up at fire-sale prices.

"What does this mean to the people on the ground in these countries?" asked Randall Robinson, the president of TransAfrica and an opponent of the Crane-Lugar bill.

He noted that I.M.F. structural adjustment programs are already under way in some African countries and studies of those programs have shown disturbing effects. Ghana is one example. It is cited as an I.M.F. success story. And yet, as Mr. Robinson pointed

out, public spending on education, health and agriculture—in accordance with I.M.F. dictates to limit spending—has been falling. Health care for the poor has taken a particularly heavy hit, even though children are dying in staggering numbers.

Half of all deaths in Ghana in recent years have been of children under 5, though that age group makes up just one-fifth of the country's population.

In Senegal, under the guidance of the I.M.F., spending on education has been cut. One might ask what sense this makes in a country in which more than 65 percent of adults and 77 percent of all women are illiterate.

From the point of view of the I.M.F. and the multinationals, it makes economic sense.

The trade bill also requires participating countries to join the World Trade Organization, even though many African countries have chosen not to join. The Organization for Economic Development, a supporter of the W.T.O., has reported that sub-Saharan Africa would be a loser under W.T.O. rules because countries that import more food than they export would inevitably be hurt by requirements to cut domestic agriculture subsidies.

This is not a small matter. Four in 10 Africans suffer in some degree from hunger or malnutrition. Agricultural subsidies can be a matter of life and death in such populations.

But the trade bill fashioned in Washington says simply: you will join the W.T.O.

Attempts to amend the bill—to modify the most onerous requirements—have been beaten back. President Nelson Mandela of South Africa has characterized the bill as "not acceptable." But most sub-Saharan leaders, faced with desperately poor populations and desperately high unemployment, have signed on. They appear to hope that in some way, somehow, a trade agreement with the big boys, with the United States and its great corporations, will alleviate their economic suffering.

It's a situation ripe for wholesale exploitation.

—  
HOUSE OF REPRESENTATIVES,  
*Washington, DC.*

The choice between the major provisions of two proposed pieces of legislation with respect to U.S./Africa economic policy—HOPE for Africa and African Growth and Opportunity—are contrasted below. This legislation will define U.S. economic policy towards Africa for the foreseeable future. HOPE stands for Human Rights, Opportunity, Partnership and Empowerment.

ECONOMIC POLICY: SELF-DETERMINATION OR  
PATERNALISM?

African Growth and Opportunity rejects African nations' right to self-determination by coercing them to adopt the IMF economic development model which has already had devastating consequences in the region.

HOPE for Africa is based on the recognition that African nations have the right to determine their own approach to economic development.

TRADE BENEFITS FOR AFRICA

African Growth and Opportunity's meager trade "benefits" (the only benefits for Africa in the entire bill) are either short-lived, illusory or redundant.

HOPE for Africa offers broad market access for African goods.

#### BENEFITS FOR AFRICAN BUSINESSES, COMMUNITIES AND WORKERS

African Growth and Opportunity contains no conditions that African citizens or businesses benefit from the market access provisions.

HOPE for Africa aims to raise living standards and foster capital accumulation in Africa.

#### DEBT RELIEF

African Growth and Opportunity provides no binding debt relief whatsoever—despite the fact that Africa's crushing \$230 billion debt burden is a massive obstacle to economic and social progress.

HOPE for Africa provides for comprehensive debt cancellation. Excluding South Africa, with upwards of 20 percent of Sub-Saharan nations' export earnings going to debt service, few resources are devoted to development and urgent local needs.

#### SUSTAINABLE DEVELOPMENT ASSISTANCE

African Growth and Opportunity fails to even restore the budget line item for Africa aid eliminated in 1996—even though U.S. assistance is at a historical low of .02 percent of the U.S. GNP and Sub-Saharan Africa is now the only region of the world with no guaranteed annual level of American aid. The bill provides no safeguards to ensure that funds that are allocated will be used to benefit African nations and African economic development instead of U.S. corporations, for instance seeking subsidies or government backing of investment they were planning to undertake anyway.

HOPE for Africa restores aid to Africa and ensures it is used for Africa's benefit.

#### THE AIDS CRISIS

African Growth and Opportunity ignores the AIDS crisis, and fails to even mention the word AIDS, much less allocate any U.S. aid funding to combat the AIDS epidemic currently enveloping the continent.

HOPE for Africa addresses the AIDS crisis by replenishing and targeting assistance from the Development Fund for Africa for AIDS education and treatment programs; making it U.S. policy to assist Sub-Saharan African countries in efforts to make needed pharmaceuticals and medical technologies widely available; and prohibiting the use of U.S. funds to undermine African intellectual property and competition policies that are designed to increase the availability of medications.

#### LABOR RIGHTS AND ENVIRONMENTAL PROTECTION

African Growth and Opportunity is silent on these issues.

HOPE for Africa includes strong safeguards to ensure that corporations operating in Africa and accessing the bill's benefits act responsibly with respect to their employees and the local environment.

#### SIDE-BY-SIDE COMPARISON: HOPE FOR AFRICA (H.R. 772) AND AFRICAN GROWTH AND OPPORTUNITY ACT (H.R. 434)

The Human Rights, Opportunity, Partnership and Empowerment for Africa Act ("HOPE for Africa Act") H.R. 772 was conceived and drafted by African and U.S. civil society groups, economists, trade specialists and legislators to address the real needs and concerns of sub-Saharan African nations (hereafter SSA). It includes mutually beneficial U.S.-Africa trade and investment opportunities—meaning that African businesses and workers, not just U.S. corporations, will enjoy the Act's broad trade benefits. It adopts a holistic approach to the elements

essential to ensuring a mutually successful U.S.-sub-Saharan Africa economic policy, including business facilitation, debt relief, aid and AIDS prevention and treatment. The legislation enjoys broad support of African labor, environmental and development organizations, as well as their U.S. counterparts. It is being promoted by a coalition of African-American clergy, community organizations and leaders.

In contrast, the "African Growth and Opportunity" Act adopts the NAFTA formula for Africa: giving foreign corporations broad new rights that will increase their capacity to profit from control of African resources, while doing nothing to ensure that benefits actually accrue to African nations and people. This NAFTA for Africa legislation also contains harsh eligibility rules that will force African nations to alter their economic and social policies and laws to suit the needs of foreign investors and the dictates of the International Monetary Fund—despite the IMF's dismal record in the region. NAFTA for Africa is supported by the multinational corporate lobby and harshly criticized by African and African-American community, church and development groups. Nelson Mandela called the bill "not acceptable."

The choice between the two bills, whose major provisions are contrasted below, will define U.S. economic policy towards Africa for the foreseeable future.

#### ECONOMIC POLICY: SELF-DETERMINATION OR PATERNALISM?

H.R. 434 rejects SSA nations' right to self-determination by coercing them to adopt the IMF economic development model which has already had devastating consequences in the region. In order to qualify for the bill's narrow trade benefits SSA countries must be annually certified by the U.S. President as meeting a long list of U.S.-imposed, IMF-style conditions:

Cutting government spending, such as further depriving vital health and education services of desperately needed funding; Cutting corporate taxes; Privatizing public assets through divestiture and opening up most areas of their economies to ownership and control by foreign multinationals, such as mines, agricultural land and telecommunications; Abandoning economic development policies that nurture local industry and enable it to compete globally; Joining the WTO, where the OECD has said African nations will be the big losers; and Adopting policies, like the abolition of price controls, that will jeopardizing food security.

H.R. 772, HOPE for Africa is based on the recognition that African nations have the right to determine their own approach to economic development.

Rather than being conditioned on SSA nations' adopting a one-size-fits-all economic model, the substantial benefits provided (market access for a wide range of African products, business facilitation, debt relief, development assistance), are instead designed to provide SSA nations with the resources and the freedom of maneuver necessary to pursue the policies that are in the best interest of the majority of their citizens, and

The HOPE for Africa Act is modeled on the policy priorities established in the Lagos Plan of Action drawn up by African Finance Ministers in cooperation with the Organization for African Unity.

#### TRADE BENEFITS FOR AFRICA

H.R. 434's trade "benefits" (the only benefits for Africa in the entire bill) are either

short-lived, illusory or redundant, and are conditioned on the discredited IMF-style policies.

Lifts existing quotas for Kenya and Mauritius and locks in quota-free treatment for the rest of SSA for textiles and apparel. This benefit is illusory, however, given that global trade rules will end textile and apparel quotas in 2005, at which point all countries who have invested in this industry will be overwhelmed by the dominant producer: China.

In the interim, there are no meaningful safeguards to ensure that "African" textiles and apparel exported to the U.S. will actually be African in origin; weak transshipment rules mean they may be shipped through Africa from third countries such as China.

The Generalized System of Preferences program for SSA countries will be extended until 2009.

All SSA countries are granted "least developed country" benefits of the GSP program. It turns out that all but a handful of the most economically developed African countries already have been designated as qualifying for this treatment.

H.R. 772, HOPE for Africa offers expansive market access benefits to African countries, including new benefits for countries that enforce internationally recognized human rights and labor standards.

For the next five years before termination of the apparel and textile quota system, HOPE for Africa lifts the quotas now existing for Kenya and Mauritius and locks in quota-free treatment for the other SSA countries, but ensures that such goods will be produced Africa, by African workers, under conditions that protect workers' rights.

African countries will be granted quota-free, duty-free U.S. market access for the broad range of goods listed under the Lome Treaty in which the U.S. is not a competing producer. Lome covers goods like bananas, certain minerals, processed foods, and tropical products in which African countries have an advantage.

HOPE provides strong, enforceable protections against transshipment.

The Generalized System of Preferences program for SSA countries will be extended until 2005.

#### LABOR RIGHTS AND ENVIRONMENTAL PROTECTION

H.R. 434 denies trade benefits to countries engaging in "gross" violations of human rights, but does not contain meaningful, enforceable language on labor rights and is silent on environmental issues.

It denies benefits to countries engaging in "gross" violations of human rights.

It contains weak and unenforceable language with respect to labor rights protections that major labor unions have declared ineffective.

It provides expansive rights and benefits to multinational corporations operating in SSA, but requires nothing of them with respect to the protection of the environment.

H.R. 772, HOPE for Africa contains strong, enforceable provisions denying benefits to human rights violators, as well as strong, enforceable safeguards to ensure that corporations operating in Africa benefiting from the bill act responsibly with respect to their employees and the local environment.

It denies benefits to countries engaging in "significant" violations of human rights.

It denies U.S. market access to products that are produced under conditions that violate internationally recognized labor standards.

It provides additional trade benefits for products of joint ventures using the environmental standards the use in their developed country facilities.

It empowers U.S. citizens to enforce the labor, environmental and other protections of the Act in U.S. courts.

#### BENEFITS FOR AFRICAN BUSINESSES, COMMUNITIES AND WORKERS

H.R. 434 contains no conditions that African citizens or businesses benefit from the market access provisions:

It doesn't require companies to employ citizens of sub-Saharan nations. Already, Asian workers are being imported into several African countries—where significant unemployment already exists among Africans—to work at Asian-owned factories.

It doesn't require investment or creation of jobs in sub-Saharan Africa. Rather, the weak transshipment rules allow goods to be shipped through Africa.

It applies a mere 20% value-added requirement for the GSP program to SSA—lower than any other eligible region. This reduces the likelihood of significant employment gains under the bill.

H.R. 772, HOPE for Africa aims to raise living standards and foster capital accumulation in Africa. To this end, the bill provides and requires:

Additional trade benefits for companies with 51% African equity participation.

60% African value-added for goods to obtain the duty-free, quota-free market access guaranteed by the bill.

Companies benefiting from the trade preferences employ 90% African workers.

#### DEBT RELIEF

H.R. 434 provides no debt relief whatsoever—despite the fact that Africa's crushing \$230 billion debt burden is a massive obstacle to economic and social progress.

HOPE for Africa provides for comprehensive debt cancellation. With upwards of 20% of sub-Saharan nations' GDP going to debt service, few resources are devoted to economic development and urgent local needs.

African debts have been repaid many times over, but the vicious cycle of taking out new loans to pay the excessive compound interest on the old loans ensures that its debt will never be "officially" satisfied.

HOPE for Africa calls for full cancellation of African foreign debt, starting with the relatively small debt owed to the U.S. government and covering IMF, World Bank and private sector loans. By eliminating the principle—whose market value is less than a single year's interest payments—HOPE will remove the burden of servicing the debt.

During the period of debt cancellation, HOPE for Africa caps debt payments so that no African country is forced to pay an amount exceeding 5 percent of its annual export earnings toward the servicing of foreign loans (the same percentage countries paid under the Marshall Plan).

#### SUSTAINABLE DEVELOPMENT ASSISTANCE

H.R. 434 fails to even restore the budget line item for Africa aid eliminated in 1996—even though U.S. assistance is at a historical low of .02% of U.S. GNP and sub-Saharan Africa is now the only region of the world with no guaranteed American aid.

H.R. 772, HOPE for Africa restores aid to Africa and ensures it is used to benefit the majority of SSA people.

Restores annual aid guarantee at the 1994 level (\$802 million) under the Development Fund for Africa.

Requires that assistance be dispensed in consultation with African civil society, that

it be directed to such vital areas as women's programs, education, healthcare, HIV/AIDS education and treatment, micro-credit, sustainable agriculture.

#### BUSINESS FACILITATION

H.R. 434's business facilitation measures are not actually targeted to SSA businesses.

Targets \$500 million in existing OPIC funds for projects in sub-Saharan Africa, but does not target African businesses as beneficiaries, nor does it require that such funds be dispensed in consultation with African civil society.

Provides no safeguards to ensure that any financing will be used to benefit African nations and African economic development instead of U.S. corporations, that for instance, are seeking government backing of investment they were planning to undertake anyway.

H.R. 772, HOPE for Africa, targets investment financing for desperately needed infrastructure projects to small, women- and minority-owned businesses with majority African ownership, ensuring that the projects are undertaken in an environmentally responsible manner.

It targets \$500 million in OPIC funds for infrastructure projects in SSA, including schools, hospitals, sanitation, potable water and accessible transportation.

It allocates 70% of the OPIC funding to small, women- and minority-owned businesses with at least 60% African ownership and \$1 million or less in assets.

It targets 50% of OPIC funds used for energy projects to renewable or alternative energy.

It requires environmental impact assessments to be conducted and made public wherever relevant.

It creates advisory boards to oversee new OPIC funds (section 501) and Ex-Im Bank financing in SSA (section 502). These boards will have private sector experts in human rights, labor rights, the environment and development. Board meetings will be public.

#### THE AIDS CRISIS

H.R. 434 ignores the AIDS Crisis. NAFTA for Africa fails to even mention the word AIDS, much less provide any programs or funding to combat the AIDS epidemic currently enveloping the Continent.

H.R. 772, HOPE for Africa addresses the AIDS crisis by:

replenishing aid and newly targeting assistance from the Development Fund for Africa, specifically to AIDS education, prevention and treatment programs.

making it U.S. policy to help sub-Saharan African countries make needed pharmaceuticals widely available.

prohibiting the use of U.S. funds to undermine WTO TRIPS-legal African intellectual property and competition policies designed to increase the availability of medications.

#### AMENDMENT TO H.R. 434, AS REPORTED OFFERED BY MR. JACKSON OF ILLINOIS

Page 69, strike line 9 and all that follows through line 18 on page 70 and insert the following:

#### SEC. 11. SUB-SAHARAN AFRICA EQUITY AND INFRASTRUCTURE FUNDS.

(a) INITIATION OF FUNDS.—The Overseas Private Investment Corporation shall, not later than 12 months after the date of the enactment of this Act, exercise the authorities it has to initiate 1 or more equity funds in support of projects in the countries in sub-Saharan Africa, in addition to any existing equity fund for sub-Saharan Africa established by the Corporation before the date of the enactment of this Act.

#### (b) STRUCTURE AND TYPES OF FUNDS.—

(1) STRUCTURE.—Each fund initiated under subsection (a) shall be structured as a partnership managed by professional private sector fund managers and monitored on a continuing basis by the Corporation.

(2) CAPITALIZATION.—Each fund shall be capitalized with a combination of private equity capital, which is not guaranteed by the Corporation, and debt for which the Corporation provides guarantees.

(3) TYPES OF FUNDS.—One or more of the funds, with combined assets of up to \$500,000,000, shall be used in support of infrastructure projects in countries of sub-Saharan Africa, including basic health services (including AIDS prevention and treatment), including hospitals, potable water, sanitation, schools, electrification of rural areas, and publicly-accessible transportation in sub-Saharan African countries.

(c) ADDITIONAL REQUIREMENTS.—The Corporation shall ensure that—

(1) not less than 70 percent of trade financing and investment insurance provided through the equity funds established under subsection (a), and through any existing equity fund for sub-Saharan Africa established by the Corporation before the date of the enactment of this Act, are allocated to small, women- and minority-owned businesses—

(A) of which not less than 60 percent of the ownership is comprised of citizens of sub-Saharan African countries and 40 percent of the ownership is comprised of citizens of the United States; and

(B) that have assets of not more than \$1,000,000; and

(2) not less than 50 percent of the funds allocated to energy projects are used for renewable or alternative energy projects.

Page 70, strike line 19 and all that follows through line 20 on page 73 and insert the following:

#### SEC. 12. OVERSEAS PRIVATE INVESTMENT CORPORATION AND EXPORT-IMPORT BANK INITIATIVES.

(a) OVERSEAS PRIVATE INVESTMENT CORPORATION.—Section 233 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

#### "(e) ADVISORY COMMITTEE.—

"(1) ESTABLISHMENT.—The Board shall establish and work with an advisory committee to assist the Board in developing and implementing policies, programs, and financial instruments with respect to sub-Saharan Africa, including with respect to equity and infrastructure funds established under section 11 of the African Growth and Opportunity Act.

#### "(2) MEMBERSHIP.—

"(A) IN GENERAL.—The advisory committee established under paragraph (1) shall consist of 15 members, of which 7 members shall be employees of the United States Government and 8 members shall be representatives of the private sector.

"(B) APPOINTMENT.—The members of the advisory committee shall be appointed as follows:

"(i) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall each appoint 2 members who are representatives of the private sector and 1 member who is an employee of the United States Government.

"(ii) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall jointly appoint the remaining 3 members who are employees of the United States Government.



“(C) ADDITIONAL REQUIREMENTS.—Of the 8 members of advisory committee who are representatives of the private sector—

“(i) at least 4 members shall be representatives of not-for-profit public interest organizations;

“(ii) at least 1 member shall be a representative of an organization with expertise in development issues;

“(iii) at least 1 member shall be a representative of an organization with expertise in human rights issues;

“(iv) at least 1 member shall be a representative of an organization with expertise in environmental issues; and

“(v) at least 1 member shall be a representative of an organization with expertise in international labor rights.

“(D) TERMS.—Each member of the advisory committee shall be appointed for a term of 2 years.

“(3) MEETINGS.—

“(A) OPEN TO PUBLIC.—Meetings of the advisory committee shall be open to the public.

“(B) ADVANCE NOTICE.—The advisory committee shall provide advance notice in the Federal Register of any meeting of the committee, shall provide notice of all proposals or projects to be considered by the committee at the meeting, and shall solicit written comments from the public relating to such proposals or projects.

“(C) DECISIONS.—Any decision of the advisory committee relating to a proposal or project shall be published in the Federal Register with an explanation of the extent to which the committee considered public comments received with respect to the proposal or project, if any.

“(4) ENVIRONMENTAL IMPACT ASSESSMENTS.—The Corporation shall carry out environmental impact assessments with respect to any proposal or project not later than 120 days before the advisory committee, or the Board, considers such proposal or project, whichever occurs earlier.”

(b) EXPORT-IMPORT BANK INITIATIVE.—Section 2(b)(9) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(9)) is amended to read as follows:

“(9) For purposes of the funds allocated by the Bank for projects in countries in sub-Saharan Africa (as defined in section 17 of the African Growth and Opportunity Act):

“(A) The Bank shall establish an advisory committee to work with and assist the Board in developing and implementing policies, programs, and financial instruments with respect to such countries.

“(B) The members of the advisory committee shall be appointed as follows:

“(i) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall each appoint 2 members who are representatives of the private sector and 1 member who is an officer or employee of the Federal Government.

“(ii) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall jointly appoint the remaining 3 members who are officers or employees of the Federal Government.

“(C)(i) At least half of the members of the advisory committee who are representatives of the private sector shall be representatives of not-for-profit public interest organizations.

“(ii) At least 1 of such private sector representatives shall be a representative of an organization with expertise in development issues.

“(iii) At least 1 of such private sector representatives shall be a representative of an organization with expertise in human rights.

“(iv) At least 1 of such private sector representatives shall be a representative of an organization with expertise in environmental issues.

“(v) At least 1 of such private sector representatives shall have expertise in international labor rights.

“(D) Each member of the advisory committee shall serve for a term of 2 years.

“(E)(i) Members of the advisory committee who are representatives of the private sector shall not receive compensation by reason of their service on the advisory committee.

“(ii) Members of the advisory committee who are officers or employees of the Federal Government may not receive additional pay, allowances, or benefits by reason of their service on the advisory committee.

“(F) Meetings of the advisory committee shall be open to the public.

“(G) The advisory committee shall give timely advance notice of each meeting of the advisory committee, including a description of any matters to be considered at the meeting, shall establish a public docket, shall solicit written comments in advance on each proposal, and shall make each decision in writing with an explanation of disposition of the public comments.

“(H) The Bank shall complete and release to the public an environmental impact assessment with respect to a proposal or project with potential environmental effects, not later than 120 days before the advisory committee, or the Board, considers the proposal or project, whichever occurs earlier.

“(I) Section 14(a)(2) of the Federal Advisory Committee Act shall not apply to the advisory committee.”

#### AMENDMENT TO H.R. 2415

OFFERED BY MR. JACKSON OF ILLINOIS

Page 84, after line 16, add the following (and conform the table of contents accordingly):

#### **TITLE VIII—INTELLECTUAL PROPERTY OR COMPETITION LAW RELATING TO PHARMACEUTICALS OR OTHER MEDICAL TECHNOLOGIES IN SUB-SAHARAN AFRICAN COUNTRIES**

##### **SEC. 801. INTELLECTUAL PROPERTY OR COMPETITION LAW RELATING TO PHARMACEUTICALS OR OTHER MEDICAL TECHNOLOGIES.**

No funds appropriated or otherwise made available to the Department of State may be used to seek, through negotiation or otherwise, the revocation or revision of any intellectual property or competition law or policy of a sub-Saharan African country that is designed to promote access to pharmaceuticals or other medical technologies if such law or policy, as the case may be, complies with the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)).

#### AMENDMENT TO H.R. 434, AS REPORTED

OFFERED BY MR. JACKSON OF ILLINOIS

Page 92, after line 17, add the following:

##### **SEC. 20. AUTHORIZATION OF APPROPRIATIONS FOR DEVELOPMENT FUND FOR AFRICA.**

(a) IN GENERAL.—Section 497 of the Foreign Assistance Act of 1961 (22 U.S.C. 2294) is amended by inserting before the first sentence the following: “There are authorized to be appropriated to carry out this chapter for fiscal year 2000 and each subsequent year an

amount not less than the amount appropriated to carry out this chapter for fiscal year 1994.”

(b) ADDITIONAL REQUIREMENT.—Amounts appropriated under the Foreign Operations, Export Financing, and Related Programs Appropriations Act pursuant to the authorization of appropriations established under the first sentence of section 497 of the Foreign Assistance Act of 1961 (22 U.S.C. 2294), as added by subsection (a), shall be appropriated to a separate account under the heading “Development Fund for Africa” and not to the account under the heading “Development Assistance”.

#### AMENDMENT TO H.R. 434, AS REPORTED

OFFERED BY MR. JACKSON OF ILLINOIS

Page 41, after line 16, insert the following:

##### **TITLE I—TRADE AND INVESTMENT PROVISIONS**

Page 41, line 17, strike “SEC. 2” and insert “SEC. 101” (and redesignate each subsequent section accordingly and make all appropriate technical and conforming changes).

Page 92, after line 17, add the following:

##### **TITLE II—CANCELLATION OF DEBT OWED BY SUB-SAHARAN AFRICAN COUNTRIES**

##### **SEC. 201. DECLARATIONS OF POLICY.**

The Congress makes the following declarations:

(1)(A) For the majority of people in sub-Saharan Africa to be able to benefit from new trade, investment, and other economic opportunities provided by this Act, and amendments made by this Act, the pre-existing burden of external debt of sub-Saharan African countries must be eliminated.

(B) This fresh start will allow operation of local credit markets and eliminate distortions currently hindering development in sub-Saharan Africa.

(2) The cancellation of debt provisions contained in this title, and amendments made by this title, shall serve to help establish a more level playing field on which sub-Saharan African countries may move forward under the provisions of this Act.

##### **SEC. 202. CANCELLATION OF DEBT OWED TO THE UNITED STATES GOVERNMENT BY SUB-SAHARAN AFRICAN COUNTRIES.**

The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following:

##### **“PART VI—CANCELLATION OF DEBT OWED TO THE UNITED STATES BY SUB-SAHARAN AFRICAN COUNTRIES.**

##### **“SEC. 901. CANCELLATION OF DEBT.**

“(a) IN GENERAL.—The President shall cancel all amounts owed to the United States (or any agency of the United States) by sub-Saharan African countries defined in section 17 of the African Growth and Opportunity Act as a result of—

“(1) concessional loans made or credits extended under any provision of law, including the provisions of law described in subsection (b)(1); and

“(2) nonconcessional loans made, guarantees issued, or credits extended under any of provisions of law, including the provisions of law described in subsection (b)(2).

“(b) PROVISIONS OF LAW.—

“(1) CONCESSIONAL PROVISIONS OF LAW.—The provisions of law described in this paragraph are the following:

“(A) Part I of this Act, chapter 4 of part II of this Act, or predecessor foreign economic assistance legislation.

“(B) Title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.).

“(2) NONCONCESSIONAL PROVISIONS OF LAW.—The provisions of law described in this paragraph are the following:

“(A) Sections 221 and 222 of this Act.

“(B) The Arms Export Control Act (22 U.S.C. 2751 et seq.).

“(C) Section 5(f) of the Commodity Credit Corporation Charter Act.

“(D)(i) Section 201 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621).

“(ii) Section 202 of such Act (7 U.S.C. 5622).

“(E) The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.).

“(c) TERMINATION OF AUTHORITY.—The authority to cancel debt under this section shall terminate on September 30, 2002.

#### “SEC. 902. ADDITIONAL REQUIREMENTS.

“(a) REDUCTION OF DEBT NOT CONSIDERED TO BE ASSISTANCE.—A reduction of debt under section 901 shall not be considered to be assistance for purposes of any provision of law limiting assistance to a country.

“(b) INAPPLICABILITY OF CERTAIN PROHIBITIONS RELATING TO REDUCTION OF DEBT.—The authority to provide for reduction of debt under section 901 may be exercised notwithstanding section 620(r) of this Act.

#### “SEC. 903. REPORTS TO THE CONGRESS.

“(a) IN GENERAL.—Not later than December 31, 1999, and December 31 of each of the next 3 years, the President shall prepare and transmit to the appropriate congressional committees an annual report concerning the cancellation of debt under section 901 for the prior fiscal year.

“(b) DEFINITION.—In this section, the term ‘appropriate congressional committees’ means—

“(1) the Committee on Banking and Financial Services and the Committee on International Relations of the House of Representatives; and

“(2) the Committee on Foreign Relations of the Senate.

#### “SEC. 904. AUTHORIZATION OF APPROPRIATIONS.

“For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) for the cancellation of debt under section 901, there are authorized to be appropriated to the President such sums as may be necessary for each of the fiscal years 2000 through 2002.”

#### SEC. 203. ADVOCACY OF CANCELLATION OF DEBT OWED TO FOREIGN GOVERNMENTS BY SUB-SAHARAN AFRICAN COUNTRIES.

(a) ADVOCACY OF CANCELLATION OF DEBT.—The Secretary of State shall provide written notification to each foreign government that has provided loans, guarantees, or credits to the government of a sub-Saharan African country (and such loans, guarantees, or credits are outstanding) that it is the policy of the United States to fully and unconditionally cancel all debts owed by each such sub-Saharan African country to the United States. In addition, the Secretary shall urge in writing each such foreign government to follow the example of the United States and fully and unconditionally cancel all debts owed by sub-Saharan African countries to each such foreign government.

(b) REPORT.—Not later than 9 months after the date of the enactment of this Act, the Secretary of State shall prepare and submit to the Congress a report containing—

(1) a description of each written notification provided to foreign governments under the first sentence of subsection (a);

(2) a description of the response of each such foreign government to such notification; and

(3) a description of the amount (if any) owed to the United States by any foreign

government opposing the United States policy advocated pursuant to subsection (a).

#### SEC. 204. ADVOCACY OF CANCELLATION OF DEBT OWED TO THE INTERNATIONAL MONETARY FUND AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT BY SUB-SAHARAN AFRICAN COUNTRIES.

Title XVI of the International Financial Institutions Act (22 U.S.C. 262c–262p–5) is amended by redesignating section 1622 as section 1623 and by inserting after section 1621 the following:

#### “SEC. 1622. ADVOCACY OF CANCELLATION OF DEBT OWED TO THE INTERNATIONAL MONETARY FUND AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT BY SUB-SAHARAN AFRICAN COUNTRIES.

“(a) IN GENERAL.—The Secretary of Treasury shall instruct the United States Executive Directors at the International Monetary Fund and the International Bank for Reconstruction and Development to use the voice, vote, and influence of the United States to advocate that their respective institutions—

“(1) fully and unconditionally cancel all debts owed by any country in sub-Saharan Africa (as defined in section 17 of the African Growth and Opportunity Act) to such institutions; and

“(2) encourage each country benefiting from such debt cancellation to allocate 20 percent of the national budget of the country, including savings from such debt cancellation, to basic services, as the country has committed to do under the United Nations 20/20 Initiative, with appropriate input from civil society in developing basic service plans.

“(b) ADVOCACY OF POLICY TO PREVENT SUB-SAHARAN AFRICAN COUNTRIES FROM PAYING MORE THAN 5 PERCENT OF ANNUAL EXPORT EARNINGS FOR DEBT SERVICE ON IMF OR WORLD BANK LOANS.—The Secretary of Treasury shall instruct the United States Executive Directors at the International Monetary Fund and the International Bank for Reconstruction and Development, until their respective institutions have fully and unconditionally canceled all debts owed to such institutions by any country in sub-Saharan Africa (within the meaning of subsection (a)(1)) to use the voice, vote, and influence of the United States to advocate that their respective institutions not be party to, and that no future loan from their respective institutions be used to finance in whole or part the implementation of, any agreement which requires the government of any such country, during any 12-month period beginning on the date of the enactment of this section or any anniversary of such date, to pay an amount exceeding 5 percent of the annual export earnings of the country during the year toward the servicing of foreign loans.

“(c) ADVOCACY METHODS.—The Secretary of Treasury shall instruct the United States Executive Directors at the International Monetary Fund and the International Bank for Reconstruction and Development to carry out such instructions by all appropriate means, including by letter to the country representative members governing bodies of their respective institutions, and by requesting formal votes on these matters.

“(d) REPORT.—Within 1 year after the date of the enactment of this section, the Secretary of the Treasury shall submit to the Committees on International Relations and on Banking and Financial Services of the House of Representatives and the Committees on Foreign Relations of the Senate a report that contains—

“(1) a description of the response by foreign governments to the policies advocated pursuant to this section;

“(2) the result of any votes taken pursuant to requests made under subsection (c);

“(3) the amount (if any) owed to the United States by any country opposing any such policy; and

“(4) a copy of the letter referred to in subsection (c).”

#### SEC. 205. CANCELLATION OF DEBT OWED TO UNITED STATES LENDERS BY SUB-SAHARAN AFRICAN COUNTRIES.

(a) REPORT.—Not later than January 1, 2000, the Secretary of the Treasury shall submit to the Congress a report on the amount of debt owed to any United States person by any country in sub-Saharan Africa. The report shall specify the amount owed to each such person by each such country, the face value and market value of the debt, and the amount of interest paid to date on the debt.

(b) ACQUISITION OF THE DEBT BY THE UNITED STATES.—Not later than September 1, 2000, the Secretary of the Treasury shall acquire each debt obligation owed to any United States person by any country in sub-Saharan Africa. It is the sense of the Congress that the price at which such an obligation is acquired should be the market value of the debt obligation as of January 1, 1999.

(c) DEBT CANCELLATION.—On the acquisition of a debt obligation pursuant to this section, the debt obligation is hereby canceled.

#### SEC. 206. STUDY ON REPAYMENT OF DEBT IN LOCAL CURRENCIES BY SUB-SAHARAN AFRICAN COUNTRIES.

Section 603 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in section 101(d) of division A of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999) is amended—

(1) in subsection (e)—

(A) by striking “and” at the end of paragraph (3);

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by inserting after paragraph (3) the following:

“(4) the viability and desirability of having each indebted country in sub-Saharan Africa (as defined in section 17 of the African Growth and Opportunity Act) repay foreign loans made to the country (whether made bilaterally, multilaterally, or privately) in the currency of the indebted country; and”;

(2) in subsection (g), by adding at the end the following:

“(6) The matters described in subsection (e)(4).”

#### SEC. 207. ALLOCATION OF PERCENTAGE OF NATIONAL BUDGETS OF SUB-SAHARAN AFRICAN COUNTRIES FOR BASIC SERVICES.

The Secretary of State shall encourage the government of each sub-Saharan African country to allocate 20 percent of its national budget, including the savings from the cancellation of debt owed by the country to the United States (pursuant to part VI of the Foreign Assistance Act of 1961, as added by section 202 of this Act), to other foreign countries (as called for in section 203 of this Act), to the International Monetary Fund and the International Bank for Reconstruction and Development (as called for in section 1622 of the International Financial Institutions Act, as added by section 204 of this Act), and to United States persons (as called for in section 205 of this Act), for the provision of basic services to individuals in each such country, as provided for in the United Nations 20/20 Initiative. In providing such

basic services, each such government should seek input from appropriate nongovernmental organizations.

**SEC. 208. SENSE OF THE CONGRESS RELATING TO LEVEL OF INTERIM DEBT PAYMENTS PRIOR TO FULL DEBT CANCELLATION BY SUB-SAHARAN AFRICAN COUNTRIES.**

It is the sense of the Congress that, prior to the full and unconditional cancellation of all debts owed by sub-Saharan African countries to the United States (pursuant to part VI of the Foreign Assistance Act of 1961, as added by section 202 of this Act), to other foreign countries (as called for in section 203 of this Act), and to United States persons (as called for in section 205 of this Act), each sub-Saharan African country should not, in making debt payments described in the prior provisions of law, pay in any calendar year an aggregate amount greater than an amount equal to 5 percent of the export earnings of the country for the prior calendar year.

**AMENDMENT TO H.R. 434, AS REPORTED OFFERED BY MR. JACKSON OF ILLINOIS**

Page 43, line 22, strike "(a) IN GENERAL.—".

Page 44, line 2, strike "gross" and insert "significant".

Page 44, beginning on line 3, strike "and has" and all that follows through line 22 on page 48 and insert a period.

Page 58, line 5, strike "to the United States—" and all that follows through line 18 and insert the following: "to the United States from Kenya and Mauritius, respectively, not later than 30 days after the country demonstrates the following:

"(A) The country has adopted an efficient visa system to guard against unlawful transshipment of textile and apparel goods and the use of counterfeit documents in accordance with the provisions of this Act. The Customs Service shall provide the necessary technical assistance to Kenya and Mauritius in the development and implementation of the visa system described in the preceding sentence.

"(B) Not less than 90 percent of employees in business enterprises producing the textile and apparel goods are citizens of that country, or any 2 or more sub-Saharan African countries.

"(C) The cost or value of the textile or apparel product produced in the country, or any 2 or more sub-Saharan African countries, plus the direct costs of processing operations performed in the country or such countries, is not less than 60 percent of the appraised value of the product at the time it is entered into the customs territory of the United States."

Page 58, strike line 19 and all that follows through line 5 on page 59 and insert the following:

(2) OTHER SUB-SAHARAN COUNTRIES.—The President shall continue the existing no quota policy for each other country in sub-Saharan Africa if the country is in compliance with the requirements applicable to Kenya and Mauritius under subparagraphs (A) through (C) of paragraph (1).

Page 61, after line 10, insert the following:

(e) TREATMENT OF TARIFFS.—The President shall provide an additional benefit of a 50 percent tariff reduction for any textile and apparel product of a sub-Saharan African country that meets the requirements of subparagraphs (B) and (C) of subsection (c)(1) and that is imported directly into the United States from such sub-Saharan African country if the business enterprise, or a subcon-

tractor of the enterprise, producing the product is owned by citizens of 1 or more sub-Saharan African countries who control not less than 51 percent of such business enterprise.

Page 61, after line 10, insert the following:

(f) ADDITIONAL ENFORCEMENT.—A citizen of the United States shall have a cause of action in the United States district court in the district in which he or she lives or in any other appropriate district to seek compliance with the standards set forth under subparagraph (B) or (C) of subsection (c)(1) with respect to any sub-Saharan African country, including a cause of action in an appropriate United States district court for other appropriate equitable relief. In addition to any other relief sought in such an action, a citizen may seek three times the value of any damages caused by the failure of a country or company to comply. The amount of damages described in the preceding sentence shall be paid by the business enterprise (or business enterprises) the operations or conduct of which is responsible for the failure to meet the standards set forth under subparagraph (B) or (C) of subsection (c)(1).

Page 61, line 11, strike "(e)" and insert "(g)".

Page 62, strike line 1, and all that follows through line 18 and insert the following:

"(C) ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.—(i) The President may provide duty-free treatment for any article described in clause (ii) that is imported directly into the United States from a sub-Saharan African country.

"(ii) An article described in this clause is an article set forth in paragraph (1) of subsection (b), or an article set forth in the product list of the Lome Treaty, that is the growth, product, or manufacture of a sub-Saharan African country that is a beneficiary developing country, if, after receiving the advice of the International Trade Commission in accordance with subsection (e), the President determines that such article is not import-sensitive. This subparagraph shall not affect the designation of eligible articles under subparagraph (B)."

Mr. Speaker, I rise in strong opposition to both the rule and the bill—H.R. 434. Three-hundred-and-eighty years ago our nation's first trade policy landed 19 Africans in Jamestown, VA. Since then our nation has struggled with that painful and profound legacy. Undoubtedly, the effects of trade are far reaching and long lasting. In many ways my presence here today and that of 33 million other Americans is the result of this nation's first African trade policy.

As I told a delegation from Gabon that came to visit me in my office yesterday, the blood that unites us runs deeper than the water that divides us. So as Congress considers a new trade policy with Africa for a new millennium, for many of us this issue is charged with strong emotions and deep convictions. There are people of good will and intentions on both sides. It's rare—almost never—that I stand in opposition to a bill sponsored by Mr. RANGEL, a man who I've known and looked up to virtually all of my life and for whom I have the utmost respect and admiration. We both want what's best for Africa.

Today the weight and eyes of history are upon us. After centuries of getting it wrong—through slavery, exploitation, as pawns in a Cold War and neglect—it is incumbent upon us to get this new policy right.

Why am I opposed to the rule and opposed to AGOA?

Indeed, a dozen of my Democratic colleagues offered some 20 amendments—all of which were rejected except for four, only one of which is not a non-binding sense of the Congress resolution.

These amendments—which this restrictive rule would keep us from considering—did two things that are vital:

Cutting out the AGOA terms that would cause damage—make things worse—for the majority of people in Africa and/or the U.S. If the AGOA were simply not good enough—because some important aspect was missing for instance, that would be one thing—but it is AGOA's ability to undermine the already harsh status quo of food security, access to health and education, control of natural resources and economic sovereignty in Africa—that has moved me to action.

These are the provisions—mainly contained in AGOA's section 4—that led a broad array of African labor, religious, anti-hunger and other civic groups to reach out to me to develop an alternative to AGOA. We're talking about groups like COSATU—South African's mighty labor federation representing one in five South Africans. These are the provisions that have led to the formation of a coalition of African American bishops and ministers against AGOA—and led the community, labor, church, pro-Africa and other U.S. groups from TransAfrica and Organization US to the AFL-CIO, Teamsters and Sierra Club to make a vote against AGOA a high priority.

AGOA's section 4 would impose conditions—unlike any we impose on any other trade partners—requiring African countries to make major changes in their domestic economic and social policies as a condition for qualifying for AGOA's "benefits." And, we are not talking about NAFTA telling Mexico to enforce intellectual property rights because that is a trade issue. We are talking about legislation that has the U.S. President annually certifying each sub-Saharan African countries' compliance with a long list of U.S.-imposed conditions: like requiring cuts in domestic corporate taxes and domestic health and education spending, we are talking about forced privatization through divestiture of African nation's mineral and oil wealth and of its other public assets, we are talking about changes in domestic pharmaceutical policy that are in compliance with African countries' obligations in the GATT-WTO.

There simply is nothing like that dealing with any other region of the world. And worse, the U.S. government has said to Africa's Ambassadors: it is this or nothing. Yet, the "this" is simply an intensification of the IMF-NAFTA policies that have been a disaster for African countries—because many of the provisions in AGOA are beefed up version of the "structural adjustment" policies imposed on Africa by the IMF in the past decades that have led to growing infant mortality, lowering of real incomes, devastating cuts in basic health and education services. Now we have the World Bank and IMF admitting that this policy has failed in sub-Saharan Africa and then the U.S. would impose it unilaterally through AGOA?

And that does not get to the damage to the U.S.: which is that AGOA's rules against transshipment through Africa from third countries like China are so weak that the 1.3 million U.S. workers in the textile and apparel

sector would face major job losses even as African workers obtain no benefits. No doubt that there would be a limited impact of the trade provisions of AGOA if what we were talking about was just African imports—but AGOA's transshipment rules—opposed by the U.S. and African textile and apparel unions and by the U.S. industry—are the same ones that failed in the island of Hong Kong with its small size and well-funded enforcement capacity. It is unacceptable that U.S. textile and apparel workers—70% of whom are women and people of color—should lose their jobs while no new jobs are created in Africa because Chinese made goods are using the AGOA's trade benefits.

The second thing the amendments this rule would keep out would do is add the vital missing elements to AGOA:

You all know the list: AGOA simply fails to deal with the most basic issues that could make for a mutually beneficial U.S.-Africa policy:

There's nothing binding HIV-AIDs, one of Africa greatest economic and social challenges.

There is nothing binding to deal with the crushing \$230 billion debt burden on the SSA countries.

There are no basic labor, human rights, African-employment, environmental rules for corporations to meet in order to enjoy the special trade benefits—not even the pathetic NAFTA agreements.

What is in AGOA and what is missing guarantees that passing this legislation on Africa is a worse outcome for most people in Africa than doing no U.S. legislation on Africa at this time. We all want to do something for Africa—but I doubt any of us want to do something bad to Africa.

Make no mistake: what we do with this Africa legislation will be the U.S.-Africa policy for decades to come, there's not going to be some piecemeal approach where industry—satisfied by the new rights it has obtained over Africa's resources and economies—suddenly decide to independently push for debt relief, aid, AIDS-HIV policy. Come on folks, get real. We either do the right thing now, or we are responsible for inflicting damage in Africa to benefit some narrow special interests in the U.S. business world.

We need to reject this rule and massive change AGOA. Absent that we need to defeat it. On behalf of the 72 Democrats cosponsoring the alternative approach to U.S.-Africa trade policy—the Human Rights Opportunity Partnership and Empowerment (HOPE) for Africa Act, I urge you to defeat this rule and keep hope alive.

Mr. PAYNE. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. MEEKS).

Mr. MEEKS of New York. Mr. Chairman, today Congress has before it legislation that will take a first step. Some would like it to be a giant step. Some say it is a baby step, but it is still a first step to a long standing inequality of U.S. trade policy with reference to Africa.

The passage of H.R. 434, the African Growth and Opportunity Act, will codify the first-ever trade policy with the

nations of sub-Saharan Africa. It is a first step for sub-Saharan African nations who need a financial boost to their economies in order to improve the socioeconomic status of their citizens. It is a first step to trade with the most powerful economy in the world.

It is a first step of American investment in Africa that will bring the same benefits it has brought to other developing nations, jobs, skill, training, and a degree of local sourcing and a transfer of technology and best practices that will benefit African business development.

It is a shame that it has taken this long for a first step, but it is indeed a first step for the U.S. Trade policy toward other developing nations in Europe, Asia, and South America utilizing similar framework has led to significant economic development in those nations to the point where the GDP growth rate exceeded that of the U.S.

To aid the development of Israel, the United States granted duty- and quota-free access for its textiles and apparel. It was the right thing to do for Israel; it is the right thing to do for Africa.

In order to ensure that the African people are the major recipients of the benefits of this trade, this legislation contains the strongest anti-illegal transshipment language of any U.S. trade policy. The ambassadors from the African nations and the Organization of African Unity have endorsed this legislation.

It is not for us to decide that they do not know what trade policy is best for their nations, just as we in America would not appreciate a foreign nation deciding what international policies are best for America.

The sub-Saharan African nations that can participate in this trade policy need to be given the same opportunity and assistance to develop their economies that the U.S. has given to developing countries in Asia, Europe, and South America.

Remember, we cannot have a second step without a first step.

Mr. CRANE. Mr. Chairman, I yield 1 minute to our distinguished colleague, the gentleman from North Carolina (Mr. BURR).

Mr. BURR of North Carolina. Mr. Chairman, I think that it is safe to say that everybody here wants to help Africa. Why is there a difference? It is because some do not want to do it on the backs of American workers, plain and simple. How could this be a good bill? Well, we could assure that there are no Asian transshipments. Can we accomplish that without U.S. Customs? Not with the track record currently.

We could assure that the products were made in Africa. The agreement calls for 35 percent. Rule of origin. Can my colleagues imagine if we allowed Made in America, I say to the gentleman from Ohio (Mr. TRAFICANT),

that say only 35 percent needs to be made here for them to have the label?

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Clearly, we should look to increase our export opportunities to the African countries, but under this agreement, not a single item is required to have their tariffs lowered.

I would challenge the Members, this is a trade bill, we will all agree. I think the name is the transshipment trade bill, but we have a trade bill.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, my home State of Texas leads 15 other U.S. States in exporting goods to Africa, with an economic benefit totaling over \$1 billion. So I rise in support of H.R. 434, hoping that many of my colleagues will answer the call from African leaders, and specifically women.

Women are very eager to possess the means to fully engage the global economy and become economically self-reliant. This bill helps the economic standing of women in Africa, as well as the U.S. Businesswomen in the Nigerian American community in my district are encouraging me to remind this body that H.R. 434 will help women in Africa to receive more entrepreneurial opportunities that are central to the eradication of poverty in sub-Saharan Africa. This is why the African Association of Women Entrepreneurs supports this bill.

Currently, women in Africa head about 40 percent of African households, and supply a significant percentage of the African work force. This is a great first step. They do not want a handout, they want trade. Vote for 434.

Mr. Chairman, some opponents to H.R. 434 would have you believe that Democrats cannot think in terms of self-reliance or free-market opportunities in the context of helping individuals create a better way of life for themselves, domestically or abroad.

However, I rise in support of H.R. 434, hoping that many of my colleagues will answer the call from African leaders, and specifically women who are eager to possess the means to fully engage the global economy, becoming economically self-reliant.

This bill helps the economic standing of women in Africa and well as in the U.S.

My home State of Texas leads 15 other U.S. states in exporting goods to Africa, with economic benefits totaling over \$1 billion.

Many of the women benefiting from this relationship between Texas and Africa are members of the large Nigerian-American community that I represent. They are committed to strengthening trading ties with their fellow sisters in Africa. Both sides want the passage of AGOA.

Businesswoman in the Nigerian-American community in my district are encouraging me to remind this body that H.R. 434 will help women in Africa to receive more entrepreneurial opportunities that are central to the eradication of poverty in sub-Saharan Africa.

This is why the African Association of Women Entrepreneurs supports this bill.

Currently, women in Africa head about 40% of African households and supply a significant percentage of the African workforce in the following industries: food processing, agricultural workforce, marketing and domestic food shortage.

This shows that they are already proving their ability to work to take advantage of the benefits that would be provided by the passage of H.R. 434.

Economic growth provided under AGOA also benefits women by generating increased resources for critical health care and educational needs.

Therefore, as a nurse and businesswoman, I am acutely aware of the economic and health-related benefits that AGOA will create for women in Africa.

I ask that my colleagues in this body not to deny women in Africa true empowerment, health access and economic rights. A vote against AGOA would do just that.

During the debate on the 1964 civil rights bill in the Senate, a member of the body said of that legislation, "There is nothing so profound as an idea whose time has come."

Mr. Chairman, H.R. 434 is laden with great possibilities and is profound because it is an idea whose time has finally come. Women in Africa are waiting for us to turn this profound idea into law and give them the means to take control over their lives and livelihood.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. TRAFICANT).

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. TRAFICANT).

The CHAIRMAN. The gentleman from Ohio (Mr. TRAFICANT) is recognized for 3 minutes.

Mr. TRAFICANT. Mr. Chairman, I am opposed to the bill. Everyone in this room supports Africa and we want to do what is right for Africa, but by God, we do not have to do it at the expense of Uncle Sam.

One of the previous speakers said this bill defines an African-made product as having 35 percent content. Look at our own laws on requirements for American-made products. I had an amendment before the Committee on Rules that said, make it 50 percent, in compliance with the Buy American Act of 1933, number 1; and number 2, require that those workers in Africa be African citizens.

This is a blueprint for transshipment, quota-free, duty-free, 35 percent content. For all of the Members who say that that is a smoke screen, the U.S. Customs Service has already cited six African nations for such transgressions.

Here is the bottom line, Mr. Chairman. I represent the United States of America. We have a record trade deficit approaching a quarter of a trillion dollars a year. I am opposed to the bill because yes, it is good for Africa, it is bad for America. It is good for African industry, it is bad for American indus-

try. It is good for African workers, it is bad for American workers. It is good for China, Asia, and the world, and it is bad for our Cotton Belt, it is bad for our Midwest, it is bad for our farmers, it is bad for our industry. It is bad for America.

Let me say this, Congress will never help Africa, no matter how well-intended, by ultimately hurting the United States of America. Mr. Chairman, I was elected to represent the interests of Uncle Sam. I believe Africa needs all the help we can give them, and we should, but we should not make it easy to continue to put our people in unemployment lines.

The Democrat party had better look at the trade situation. They had better look at the trade situation, and they had better look at American jobs.

Mr. Chairman, I support the intent of our efforts, but I oppose the substance and the mechanics of this legislation.

Mr. RANGEL. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR. Mr. Chairman, I thank my colleague for yielding time to me.

Mr. Chairman, let me just say at the outset, I am glad we are having this debate. We need to have more debates on this floor and in this Congress.

I want to commend my friend, the gentleman from New York, for his concern and diligence on behalf of providing opportunities and jobs in an area that we have neglected for such a long time, and my friend, as well, from the State of New Jersey (Mr. PAYNE).

Having said that, let me just say that I oppose this bill. If I could just address for a second why I oppose the bill, I want to talk about the workers in Africa. This bill I think in my heart patterns the mistakes that we made in Mexico.

We were told when we did the North American Free Trade Agreement that not only would American workers benefit, but the Mexican worker would benefit. If we look at Mexico, the reality is that the wages since we passed that back in 1993 have gone down, from \$1 an hour for the workers who belong to the maquiladora to 70 cents an hour.

The reason that has happened, the reason the environment has been spoiled, the reason wages have gone down, the reason they have no rights to organize, work collectively, come together and bargain for their sweat and labor, is because the trade agreement did not ensure that. The trade agreement there ensured that we were protecting our intellectual property, we were protecting the corporate rights, but it did not protect the worker.

I fear the same pattern here. I fear the same pattern here. Until we embody in these agreements the basic rights of working men and women, the same patterns will repeat themselves.

We should be addressing that. We should be addressing the questions of

medical emergency assistance on AIDS. We should be addressing the debt question, which would take an enormous burden, which would be dealing with Jubilee 2000. We should be reaching out and expressing our hope in that way.

I want to commend my colleague, the gentleman from Illinois (Mr. JACKSON) for bringing these issues up, bringing them to the floor, making us look at where we have been, where we are going, and what we are transplanting in terms of policy, and facing up to the reality that it is not just the corporations and the diplomats and the elite corps in these countries we ought to be concerned about, it is the working men and women who make the products who need to have the gains so their economies can flourish.

I thank my colleagues, Mr. Chairman, and I urge, I urge my colleagues to vote no on this bill.

Mr. PAYNE. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I am sorry, I must oppose this bill. I oppose this bill because I am not simply talking about Africa as a business opportunity. I love Africa. I have spent 20 years of my life working on behalf of Africa. We cannot see this as a business opportunity, and one more way of sophisticatedly exploiting Africa.

For those who love Africa as I do, help me stop Savimbi in Angola from running over dos Santos. They created Savimbi, the right wing did, along with Mobutu. They were the ones that supported de Klerk when we were trying to do something about getting rid of apartheid in South Africa.

I am sitting, as the ranking member in the Subcommittee on Domestic and International Monetary Policy of the Committee on Banking and Financial Services, trying to do something about the IMF. Some of the same language from IMF and the World Bank on structural adjustment is in this bill, not wanting Africa to own its own infrastructure, wanting them to reduce its corporate taxes, wanting them basically not to be able to be in control of their railroads and their airports, because we want to have the ability to own it all when we come in on this trade bill.

Yes, I am concerned about Africa. If Members love Africa as I do, help me make it a line item in the budget for foreign aid. Ensure that trade is not going to replace foreign aid. Do for Africa what we do for Israel. Do for Africa what we do for Russia. Give it most-favored-nation status, the way we do China.

I will tell Members how much they love Africa, they love it enough to want to give it to the corporations and allow them to do whatever they want

to do. I know the gentleman from New York (Mr. RANGEL) loves Africa as I do, and he wants a good trade bill, but he has to amend it and make it right, I say to the gentleman from New York. This is not right.

Mr. CRANE. Mr. Chairman, I yield 1½ minutes to our distinguished colleague, the gentleman from Arizona (Mr. KOLBE).

Mr. KOLBE. Mr. Chairman, I appreciate the gentleman yielding time to me, and I appreciate the leadership the gentleman has shown in bringing this legislation to the floor.

Mr. Chairman, I rise in strong support of this bipartisan legislation. There is very little doubt that the Africa that we see today is vastly different from the Africa we knew of yesterday. It is truly remarkable that a continent that was once racked by the insidious evils of apartheid, of civil strife, of dependence and economic stagnation, is today on the eve and in the making of an economic renaissance.

The engineers of this renaissance are not the Americans, they are not their former European colonial masters nor the Japanese. The engineers of this renaissance are the African themselves.

Today there is a generation of leadership in sub-Saharan Africa, leadership dedicated not to the failed status development models of the past, but to market-based reforms and private sector growth. This new generation does not ask America for help, but for hope. They do not ask America for food, but for the tools to make their crops grow. They do not ask America for roads or schools or dams, but for the capital incentives to build their own.

That is precisely what this bill would do. Through their actions, the African people have asked us to hear their call for hope, for opportunity, self-sufficiency, and sustainable economic growth. That is precisely what this bill would do. I urge my colleagues to heed this vote, to heed this call, and to vote yes on H.R. 434.

Mr. PAYNE. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, I want to thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to this bill, because although it is well-intended, although it sounds good, it looks good, but in reality who does it really help? It really helps the multinational corporations that will slide into sub-Saharan Africa, pick up all of the goodies, put it in their pockets, in their wallets, and then move back. It has no protection for workers.

I see nothing in this bill that says that companies must hire, train, upgrade citizens who are indigenous to the community. I commend all of those who worked on it, and I admit that it sounds good. I, too, love Africa. I am of African descent.

But I can tell the Members, I do not want to help multinational corporations at the expense of the people in my district who have lost more than 130,000 jobs in the last 20 years, people who want to work, good people, but people who cannot find work because the jobs are gone.

Mr. ROYCE. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina (Mr. GRAHAM).

Mr. GRAHAM. Mr. Chairman, I thank the gentleman for yielding time to me.

Let us talk about who is helped and who is hurt. Let me give some numbers consistent with what the gentleman just spoke of. He said 130,000 jobs in 20 years. The Bureau of Labor Statistics has reported that the apparel and textile industries lost 134,000 jobs in 1 year, 30,000 jobs in South Carolina in 12 months.

This will be a national holiday in China when Members pass this bill. The Chinese are going to send through Africa material made in China, apparel goods made in China that we would not let exist 20 seconds over here with the work conditions.

□ 1200

There is going to be a stamp, "Made in Africa" but the slave labor comes from China, and it is going to put people from my district and the districts of my colleagues out of work. Sixty percent of the people in the textile industry and apparel industry are women, 35 percent are minorities, mostly African Americans. Where are they going to go to work?

We are going to give China an opportunity to destroy our textile industry. The trade policies of both parties are absolutely abysmal. We are played for a fool. I would not let either parties trade my car.

Mr. CRANE. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from New York (Mr. HOUGHTON).

Mr. HOUGHTON. Mr. Chairman, really, there are two themes here. One is the economic and one is the human. And sometimes we get confused with sort of the opinions on the economics and the facts on the economics.

I am not going to get into the details because I disagree totally with some of the assumptions that have been made, that transshipments are going to deluge this country, it is going to open the doors to China. I do not think that is going to happen, but that is an opinion. We have the mechanisms to stop that.

I think that regarding the question about textile jobs, if I were representing a textile State, I would probably be concerned, also. But when we take a look at the actual numbers and the impact this is going to have, it is not a big worry.

I think as far as the human side, Sheila Sisulu, the Ambassador from

South Africa, said this: If the first 5 years after apartheid were about "nation-building, now it is about making hope a reality," and that is in terms of helping them economically.

Frankly, if we cannot help Africa in this tiny little impact on this Nation, who can we help? I love Africa, but if everybody else loved Africa, why can they not support this bill?

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, this is not a bill about China. Transshipments are illegal. This is a bill about trying to inject a measure of investment and opportunity into one of the most catastrophically depressed regions of the world.

What are we afraid of? Are we afraid that our corporations, our workers cannot compete with this region? Clearly, that is a false assumption.

This is a win for Africa, but it is also an important win for the United States. This is a region of 700 million people. U.S. agriculture exports into this area are a tiny fraction of that compared just to Europe alone. And the growth opportunity is extremely significant if we begin building the kinds of relationships that will flow from the trade that is established from this act.

Mr. Chairman, I commend the gentleman from New York (Mr. RANGEL) for his leadership in advancing a bill that is going to offer a real measure of hope to a region of the world that so desperately needs it.

Mr. PAYNE. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, this bill is a bad deal for Africans and Americans. It extends NAFTA. What can we expect if H.R. 434, "NAFTA for Africa", passes? We can expect even lower wages. If the experience of Africa is like that of Mexico, wages will fall. That is precisely what happened in Mexico where wages fell about 20 percent when NAFTA was enacted.

We can expect even more powerful multinational corporations. Africa knows this well already. One oil company ferries troops to fire upon civilians who exercise their democratic rights to protest for a cleaner environment and higher wages.

We can expect ever-higher trade deficits. Before NAFTA, the U.S. had a trade surplus with Mexico. After NAFTA, the U.S. had a trade deficit with Mexico. Why? Because NAFTA gave incentives to American companies to close their plants in America and reopen them in Mexico, then export from Mexico to the U.S. the goods they used to make in Michigan, Pennsylvania, and in my State, Ohio.

Some say it is not for us to decide. Well, it is only the Congress who can decide. If this is a first step, it is a first step in the wrong direction.



Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida (Ms. BROWN).

Ms. BROWN of Florida. Mr. Chairman, I rise in support of H.R. 434, the African Growth and Opportunity Act. I have met with many of the presidents of Africa. I spoke with African ambassadors and diplomats, and all of them support the bill. I have not talked to one African representative that has been elected that did not support the bill and had a deep desire to increase foreign trade and investment.

In addition, as an African American woman, I strongly endorse H.R. 434 and believe that it is time that we pay attention to Africa and it is time that the United States and the world become color-blind to the continent and engage in trade with the Africans, just as we do with Asia and Latin America.

Let us not forget that the Africans who were brought to this country unwillingly made a great contribution to the infrastructure of our country without a penny of reimbursements. We owe it to the African continent at least to have them as trading partners. It is about time we made a sea change in our perception of the African continent and do everything within our power as Members of Congress to promote a success for African people whose forefathers have given so much to this great country.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado (Mr. TANCREDO), a Member who is new to the Subcommittee on Africa and has shown a great interest in the continent.

Mr. TANCREDO. Mr. Chairman, I thank the gentleman from California (Mr. ROYCE) for yielding me this time. American workers are not impoverished by African nations that are impoverished themselves. American workers are not protected by having an impoverished African continent. American workers are not employed nor are their wages increased by businesses which are prevented from trading with Africa.

There are those who apparently want to see the African continent and most of the nations hobbled by a socialistic enterprise that has really impeded their progress for many years. They want to see countries continue in this failed program of a government-controlled economy. This will not work. It has not worked. It will only lead to greater degradation of both the environment and the economic situation in Africa.

There is another aspect of this, not just the economic consequences which I believe are positive for both American workers and African workers. With the end of the Cold War almost a decade ago, we are now faced with confronting a new war: a war on international terrorism. Likewise, Africa is a continent which can be welcomed by

the United States or left alone, as some would have us do, and fall into the arms of terrorism, as we have seen these examples before in the past with the bombings of American embassies.

Mr. Chairman, I am not suggesting that with the passage of this bill we will eliminate the possibility of terrorist activities emanating out of Africa, but I am suggesting that it is a step in that direction. Because with the expansion of American exports in the way of trade and economies we are also exporting ideas. This is an extremely important point I think for our colleagues here to recognize.

We are not only bolstering monetary gains for those involved, but we are helping to build up and strengthen the stability of a region in a world that is rampant with conflict and turmoil. It is time to take a stand, and I welcome the nations of Sub-Saharan Africa as trading partners.

Mr. CRANE. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from California (Mr. HUNTER), my good friend.

Mr. HUNTER. Mr. Chairman, I thank the gentleman from Illinois (Mr. CRANE), my good friend, for yielding me this time.

I think it might be appropriate at this time to remind the gentleman of his promises that he made during the NAFTA debate that NAFTA would take this \$3 billion trade surplus that we then enjoyed over Mexico and expand it. It has been expanded, but the wrong way. It has now gone into a \$10 billion annual trade loss with Mexico, and all of those workers who were going to make enough money to go above that \$1,000 per capita annual income to the point where they could order up American Kenmore washing machines and American-made Cadillacs, well, that has not come to fruition. In fact, their wages have gone down.

Mr. Chairman, that is the point here. These free trade deals manifest a situation clearly in which the best of intentions end up with very bad results.

I am impressed with the candor of the Chinese. It has been said on the floor that there are not going to be transshipments. Everybody seems to agree with that except the Chinese. This is a press release out of the Chinese Trade Ministry. I quote: "Setting up assembly plants in Africa with Chinese equipment, technology, and personnel could not only greatly increase sales in African countries but also circumvent" and here is the Chinese Trade Ministry saying this, "will allow us to circumvent the quotas imposed on commodities of Chinese origin by European and American companies."

The Chinese are already laying out their blueprint for expanding their \$40 billion trade surplus over the United States at the expense of American workers.

Mr. Chairman, for those folks who think that African workers are going to partake in that, notice that they are not in this press release. They are not involved. This is going to be Chinese transshipment. It is going to accrue to the detriment of our trade balance.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. BECERRA), a member of the committee.

Mr. BECERRA. Mr. Chairman, I thank the gentleman from New York (Mr. RANGEL) and the gentleman from Illinois (Mr. CRANE) for their work on this measure.

Mr. Chairman, I rise in support of H.R. 434. The Africa Growth and Opportunity Act offers us an opportunity to move forward our relationship with Africa.

Right now, the African market is small, but it is destined to grow. We can lay the groundwork today for a stronger relationship in the future which will mean a stronger partnership in the future, especially when it comes to the issue of trade, when Africa becomes a vibrant and strong player in that market.

Mr. Chairman, this is not a perfect bill. I would prefer to see stronger provisions on the environment and on labor. But it needs to move forward. Partnership and progress are important elements in the U.S.-Africa relationship. 435 voting Members cannot in this House individually dictate the path and pace we will take to build that partnership and progress, especially as it relates to trade with Africa. But collectively we can send a message that we understand that in the future Africa will be an important trading partner with this country and move this measure forward and hope that in the future, when we have established that we are partners and friends with the African countries, that we deserve their trade and we deserve their business.

I urge support for H.R. 434.

Mr. PAYNE. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Chairman, Africa has long suffered from neglect and needs our help. But when it comes to trade in textiles and apparel, I am not at all convinced that this bill will help Africa, and neither are the sponsors. They insist that its impact on the textile and apparel industry in this country will be small, minimal. But it may hurt textiles and apparel workers in these industries in America without helping textile and apparel workers in Africa.

Mr. Chairman, that is because by giving sub-Saharan countries duty-free, quota-free access to our markets, this bill will invite textile and apparel manufacturers in Asia to make their goods in Asia but transship them through Africa and gain access to our markets



duty-free, quota-free, no restrictions whatsoever.

Is this improbable? Not when we consider the volume of transshipment today. Customs estimates it is in the range of \$6 billion to \$12 billion in textiles and apparel alone, and not when we consider the advantages. So if my colleagues want to help Africa but also help American workers, vote for the Bishop motion to recommit which will give Africa liberal treatment for access, but also protect our workers.

The bill before us today may be well-intentioned, but it is deeply flawed. I urge you to consider some important facts before you vote.

U.S. workers in the textile and apparel industry have lost their jobs faster than workers in any other industry over the past three years, and AGOA can only worsen the problem.

These jobs have been lost faster, and in greater numbers, than jobs in the steel industry, which has been the beneficiary of strong bipartisan support in this session. Almost 700,000 jobs have been lost in the textile and apparel industry since 1981; 118,000 have been lost in the past 12 months. The steel industry has lost 16,700 jobs over the same period.

If H.R. 434 becomes law, the U.S. textile and apparel industry—staggering under a trade deficit that topped \$65 billion last year—will be hit even harder by imports coming in duty-free and quota-free from Africa. Neither Mexico under NAFTA, nor the Caribbean countries under CBI enjoy such access to our apparel markets. Even worse, these imports will not be made in Africa. They will be made in Asia and shipped through Africa and re-labeled to evade quotas and tariffs. Who will bear the brunt of these imports? 70% of U.S. apparel workers are women, and more than half are minorities, mostly African-American.

Why have the jobs disappeared? A primary driver has been low-wage imports—in both fabrics and apparel—manufactured and assembled in nations where worker compensation and working conditions are deplorable. This fact, not blind protectionism, is the reason we continue to impose quotas and levy tariffs on imported textiles and apparel. This fact also drives our decision to keep tariffs in place even after quotas are phased out in 2005. H.R. 434, in contrast to this reasoned policy, would create half a continent's worth of cheap imports. It would also open up Africa as a massive platform for transshipment, because textile/apparel goods supposedly originating there could come to the U.S. duty-free and quota-free. In short, AGOA will speed the already alarming textile and apparel job losses here in the U.S.

H.R. 434 will establish Sub-Saharan Africa as a massive platform for transshipment, accelerating these job losses.

Eight countries in Africa have already been identified by the U.S. Customs Service as transit points for illegal shipments of Chinese textile and apparel goods. This abuse, known as transshipment, is taken to evade China's quotas. China exports \$10 billion legally to the U.S., and Customs believes that China exports as much as \$6 billion more to the U.S. illegally.

H.R. 434 raised the reward for quota evasion by eliminating tariffs. Profits from transshipment will increase by the amount of tariffs evaded, which average 18% and run as high as 30%. The result: an explosion of transshipment through Africa, which will be all but impossible for Customs to police. Another result: rampant transshipment will take away the incentive for investment in African apparel production.

Supporters of the Bishop-Myrick amendment are not asking that a wish list of legislative language be added to H.R. 434, as some today have suggested. We are asking, instead, that we take steps simply to keep the pace of these job losses to a level reasonably commensurate with the rate of new job creation. The language we have sought to add, would address this problem, and its absence makes this bill poison to hundreds of thousands of hard working Americans.

I urge members to oppose H.R. 434.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

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Ms. MILLENDER-MCDONALD. Mr. Chairman, I rise in strong support of H.R. 434, the African Growth and Opportunity Act. I am honored to say that, today, the vast majority of American civic, religious, and business leaders strongly support this bill. More importantly, all 43 nations of sub-Saharan Africa have voiced unanimous support for this bold step towards stronger economic ties between the United States and Africa.

We have also recognized that Africa's fragile democracies cannot sustain themselves without economic prosperity. We have turned our attention towards strengthening Africa economically through U.S.-Africa trade. The globalization of the economy marked by the integration of markets through the world has made Africa the new economic frontier for economic growth. Western Europe and Japan are aggressively pursuing new trade relations with African countries.

This vast continent, with its enormous resources and human capacity, may become the world's economic engine well into the 21st Century.

Mr. PAYNE. Mr. Chairman, I yield 1 additional minute to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Chairman, the African Growth and Opportunity Act provides the United States with the mechanism to leverage stronger U.S.-African public and private partnerships while promoting African and American long-term economic interests.

H.R. 434 is bipartisan. It provides a viable framework for modernizing Africa's trade infrastructure, strengthens relationships between the African and American private sectors, promotes African economic reform, and lays a foundation for future cooperation. H.R.

434 is the beginning of an ongoing relationship between the United States and Africa.

Much now has been said about the need for debt relief for Africa. The gentleman from Illinois (Mr. JACKSON) has forcefully brought this point home to all of us. This bill does call for a deep debt relief for poor countries. We should, however, keep alive a discussion on this serious matter and seek to appropriately address the debt burden in an appropriate manner.

However, today, we begin to build strong trade relations between the United States and Africa, as it is a critical part of Africa's economic recovery. And for that, I urge all of my colleagues for the passage of H.R. 434. I thank the gentleman from New York (Mr. RANGEL) for his leadership.

Mr. ROYCE. Mr. Chairman, I yield 1½ minutes to the gentleman from Ohio (Mr. CHABOT), a member of the Subcommittee on Africa.

Mr. CHABOT. Mr. Chairman, I rise in strong support of the African Growth and Opportunity Act. This bipartisan legislation is intended to fundamentally shift U.S. trade and investment policy toward sub-Saharan Africa, establishing as U.S. policy the creation of a transition path from development assistance to economic self-reliance for those countries in Africa truly committed to economic and political reform, market incentives, and private sector growth.

The African Growth and Opportunity Act helps not only those Nations in sub-Saharan Africa who have sought to improve their economies by adopting political and market reforms, it helps the United States, which will greatly benefit from expanded trade. Tearing down trade barriers and creating new markets for American products in Africa translates into more American jobs and opportunities right here at home.

As a member of the Subcommittee on Africa and an original cosponsor of this legislation, I want to commend all those who have worked so hard to bring the African Growth and Opportunity Act to the floor today. It is a well-crafted bill that deserves our overwhelming support. I urge an aye vote on this legislation.

Mr. PAYNE. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I have reflected on the debate that we have had this morning; and like many of my colleagues, I am gratified that the Halls of this Congress now raise their voices in a debate about Africa, acknowledging the fact that there is abject poverty in Africa but, as well, that there are energetic and active and enthusiastic business owners and women and those seeking employment who demand equality in the international trade world.

The African Growth and Opportunity Act, with the leadership of the gentleman from Washington (Mr. McDERMOTT), and now our guiding leader the gentleman from New York (Mr. RANGEL) and the gentleman from Illinois (Mr. CRANE) and the leadership of the gentleman from California (Mr. ROYCE) and the gentleman from New York (Mr. GILMAN) combined together with Members recognizing that we must stand equal to the continent, or we will stand second to Europe.

It is interesting to note that U.S. exports of sub-Saharan Africa are greater than Russia and the NIS and Eastern Europe, \$6.7 billion. But the exports going that direction cannot be enhanced without the African Growth and Opportunity Act.

As well, we cannot enhance the opportunity for businesses in Africa to trade with us. We then are treating them in a second-class manner.

Mr. RANGEL. Mr. Chairman, I yield 1 additional minute to the gentleman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, it is well knowledgeable that, as we ended World War II, it is very clear that the trade and investment helped rebuild Europe after World War II.

Yes, I started traveling to Africa and visiting with Africans in the late 1960s and 1970s. There is abject poverty. But Africans today do not want us to define them with abject poverty.

I want a debt relief. I want this Congress to have a debt relief vehicle. I am on a debt relief bill. But at the same time, we in America, acknowledging the fact that the cities of Greenville and Spartanburg and Anderson, South Carolina, exported \$49 million to Africa, we in America cannot ignore \$700 million.

Therefore, it is important to pass the African Growth and Opportunity Act as, not only an opportunity for Africans, but an opportunity for us in America to be able to join and encourage small businesses, women, entrepreneurs, to develop capital infrastructure and provide the nexus of the engine of more jobs in America, in our urban and rural communities.

There is something about doing business with people. In Africa, people want to do business. They want to be educated. They want to have good health care. They want to make sure they have good housing. Let us get them going and work with them in partnership. Let them tell China how to handle their business.

I rise to support the passage of the African Growth and Opportunity Act. The time has come for this historic piece of legislation and the opportunities it presents, to become reality. The African Growth and Opportunity Act is good for America and good for Africa. For the first time, we will have a framework for using trade and investment as an economic development tool throughout Africa. Through

this Act the United States seeks to facilitate market-led economics and as a consequence stimulate significant social and economic development within the countries of sub-Saharan Africa. The Governments of Africa have articulated their eagerness to become fully integrated into the global marketplace, as a means to self-sufficiency and progression as the world moves into the next millennium.

The Bill changes how America does business with Africa. It seeks to enhance U.S.-Africa policy to increased trade, investment, self-help and serious engagement. It seeks to move away from the paternalism which in the past characterized American's dealing with Africa. This bill encourages strategies to improve economic performance and requires high-level talks between the U.S. and African governments on trade and investment issues.

The passage of this bill will begin a new era where Africans and Americans work together in a relationship of mutual respect as business partners providing for Africa a platform to integrate more fully into the global economy. The bill is not a substitute for our foreign aid. But it will allow our aid to Africa to be even more effective because it will be balanced with good fair trade policies and the positive results of foreign investments.

Although this is the first such bill to specifically target the sub-Saharan Africa, the market access provisions of this bill are not new to foreign policy. Developing countries around the world have traditionally relied on trade and investment centered development to stimulate growth and diversification of a competitive economic base.

It is an approach that has been tested and proven by time. Trade and investment helped rebuild Europe after World War II. By opening U.S. market and encouraging receptive conditions for U.S. investments and exporters abroad, we were able to assist Asia in diversifying their export bases and by doing so become prosperous consumers of American products. It is time to apply these same incentives to the African marketplace.

Why now? There are thousands of reasons Africa and the U.S. should work together for the 21st century. Obviously, Africa matters to 30 million Americans who trace their roots there. But, Africa matters to all Americans. In volume terms, nearly 14 percent of U.S. crude oil imports come from Africa as compared to 17 percent from the Middle East. Despite areas of instability, Africa's economic trends generally remain positive. Africa has thus far weathered the global financial crisis, unlike many other developing economies.

More than two-thirds of African nations continue to implement far reaching macro-economic reforms, including liberalizing trade and investment regimes, reducing tariffs, rationalizing exchange rates ending subsidies, and stabilizing their currencies.

U.S. exports of Sub-Saharan Africa rose 8.4% in 1998 to \$6.7 billion. These exports support 133,000 U.S. jobs (based on the Department of Commerce estimates). U.S. exports to Africa are concentrated in high-wage industries, such as aircraft and parts, construction machinery and equipment, computers, motor vehicles, and telecommunications equipment.

Africa is an important market for U.S. farmers. In 1998, wheat and wheat flour was the

5th largest U.S. export product to sub-Saharan Africa with a value of \$262 million.

And with an estimated 700 million people, each a potential consumer, the African market is vast and ready for our products and services. Sub-Saharan Africa does matter, both economically and politically. We are part of a global community and Africa is certainly a member. It is time to allow Africa full membership!

We must afford the same opportunities to Africa that we have already offered to other regions of the world. Africa has been a cooperative partner in addressing our concerns in combating such transnational security threats as crime, narcotics, terrorism and arms proliferation. The world can not find global solutions to the many issues without including Africa. We need a strong, economically stable continent that is our partner!

Democratic countries that are at peace and enjoying prosperity make good partners. They abide by international law. They help respond to crisis. They protect their populations. They care about their environment.

It is now, and always has been in our best interest to have our world made up of such countries. Some have stated that the Africa Growth and Opportunity act will undermine the sovereignty of African nations by imposing strict eligibility requirements on participating countries.

In a press conference on July 9th, the African Diplomatic Corps took umbrage with this claim. Ambassador Edith Ssemपालа, ambassador from Uganda pointed out that "it is poverty, not African Growth and Opportunity, which "recolonizes" Africa.

The Africa Growth and Opportunity act does not undermine the sovereignty of any country because participation by Sub-Saharan countries in the Africa trade initiative is entirely voluntary. A country can choose not to participate in the initiative if it believes compliance with the eligibility criteria is not in its interests. The ability of countries to make such decision is, in fact, a classic example of the exercise of sovereignty.

Some cite labor rights abuses. There is a misconception that the bill fails to include strong labor preconditions for countries to gain eligibility for expanded trade benefits. The bill stipulates that eligible countries must also observe the existing statutory criterion on internationally recognized worker rights as a condition for eligibility for duty free benefits under the General System of Preferences (GSP) program.

This includes the right of association; the right to organize and bargain collectively; a prohibition on the use of any form of forced or compulsory labor; a minimum age for the employment of children and acceptable conditions of work with respect to minimum wages, hours of work and occupational safety and health.

The African Growth and Opportunity act was developed in consultation with African leaders. It builds upon the economic reforms initiated by Africans for their countries.

As stated by Roble Olhaye as Dean of the African Diplomatic Corps, the African Growth and Opportunity Act is an innovative bipartisan legislation designed to stimulate and strengthen the U.S.-Africa economic partnership

through "incentives, trade liberalization, and [a] permanent forum for policy discussion and is of the utmost urgency".

I agree, as must we all—the time is now. Let's pass this bill!

Mr. CRANE. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. COLLINS).

Mr. COLLINS. Mr. Chairman, I rise in opposition to this bill.

Mr. Chairman, the Bureau of Labor Statistics reports that since 1995, over 375,000 American Textile and apparel workers have lost their jobs. Many of these workers have been from the State of Georgia—a number of them from the Third District, which I represent. June headlines in Third District newspapers read, "Thomaston Mills Drops Bombshell: Textile Firm will Close Local Plant, Leaving 145 Jobless" and "Closing Will Affect All Taxpayers." In addition to closing its Third District facilities, Thomaston Mills simultaneously shut down factories and offices in a neighboring Georgia district and in Los Angeles and New York, costing another 555 Americans their jobs. Try to tell one of these 700 American citizens that it's a good idea to give more trade preferences to foreign textile producers without providing anything to American Producers in return. Thomaston Mills CEO Neil Hightower summarized the challenges textile mills are facing saying,

We have been losing a lot of money on yarn and denim. The Asian crisis has seriously devalued currencies there, and they are being very aggressive in going after U.S. markets. There is still a lot of denim used, but all the growth is going to foreign suppliers.

The workers, families, and communities of the Third District of Georgia are not ready to accept another trade deal that benefits foreign manufacturers and provides nothing for American workers.

As textile manufacturers and many of my colleagues have argued for years, an African trade initiative that does not require beneficiaries to use U.S. yarn and cloth would seriously threaten domestic textiles producers by allowing massive transshipments of products through Africa from Asia. 807(a)-type "yarn-forward" and "fabric-forward" provisions would ensure first that U.S. textile workers and manufacturers would receive some benefit in exchange for trade advantages given to foreign producers. Additionally, such provisions ensure that African nations reap the benefits of increased trade, instead of trade predators such as China.

Last year, the Africa trade bill faced considerable opposition in House floor votes on the rule, on the motion to recommit, and on final passage, because transshipping provisions in the bill were inadequate to prevent massive Chinese transshipments through sub-Saharan Africa. 189 Members of the House (48 Republicans and 141 Democrats) opposed the rule last year. 192 Members (66 Republicans and 126 Democrats) supported the motion to recommit (which included 807(a)-type provisions). And, 185 Members (84 Republicans and 101 Democrats) opposed final passage of the bill. In spite of this broad opposition and in spite of the fact that this year's bill does not improve on the weak transshipping provisions from last year's effort, the Rules Committee

chose not to allow floor consideration of an amendment that would have added yarn-forward and fabric-forward requirements to the bill.

Expanding trading is very important to the American worker, but most workers understand that while the United States has aggressively lowered or eliminated many of its barriers to foreign products, most countries are still closed to U.S. products. Time and again, these workers have seen trade agreements result in lost jobs. I strongly support enhanced trade and economic development in sub-Saharan Africa, but not at the cost of American jobs. In representing the people of the Third District of Georgia, I must urge Members to oppose this legislation.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentlewoman from Michigan (Ms. KILPATRICK).

Ms. KILPATRICK. Mr. Chairman, I thank the gentleman from New York (Mr. RANGEL), our ranking member, for yielding me this time. I thank the gentleman from Illinois (Mr. CRANE) for his leadership, the gentleman from New York (Mr. RANGEL), the gentleman from California (Mr. ROYCE), and others who have worked diligently on this bill.

As an African-American woman living in America, I am proud to be an original cosponsor of this legislation. Is it perfect? No, it is not. Is it a start? Yes, it is.

There are over 750 million Africans living in sub-Saharan Africa who want this bill. The leadership corps here in Africa, the Ambassador Corps who sits here in our Chamber want this bill. The African presidents who are represented by their ambassadors want this bill.

We have got a President for the first time in history of this country who has not only visited Africa but has put his support behind this bill.

I am a member of the House Committee on Appropriations Subcommittee on Foreign Operations, Export Financing and Related Programs. For the first time in the history of this country, we will have an appropriation that begins to meet the needs of the African continent.

The land is fertile. The people are ready. Its leadership is in place.

Mr. PAYNE. Mr. Chairman, I yield 1 additional minute to the gentlewoman from Michigan (Ms. KILPATRICK).

Ms. KILPATRICK. Mr. Chairman, when one only has 2 minutes, one can only say so much.

But what I want to say here today, this is a first step. There has not been another before it. America is ripe for the building of Africa, and so are we as Africans in this country and Africans abroad.

Let us support this bill. Let us work with the African Ambassador Corps and the Subcommittee on Foreign Operations, Export Financing and Related Programs. Let me commend the gentleman from Alabama (Mr. CALLAHAN), our chairman, for having the sensi-

tivity to increase the appropriation so that we can rise up and build on the African continent.

I rise today in strong support of strengthening Africa's role in the international economic community. I rise today in strong support of the people of the second largest land mass on our planet. I rise today in strong support of the land of all of our biological origins. I rise today in strong support of economic self-sufficiency and sufficiency for Africa and her peoples. I rise today in strong support of H.R. 424, the African Growth and Opportunity Act. It is, indeed, long overdue for Africa to take her place at the international table of economic opportunity.

On the pantheon of world history, Africa is a newborn. In the last decade, we saw the fall of one of the last old-line colonialist nations when apartheid ended in South Africa. The first African nation to gain a semblance of independence was the nation of Ghana in the mid 1950s under the late Kwame Nkrumah. Since then, many nations in sub-Saharan Africa have not struggled from outright colonialism, but the more surreptitious and sinister demon of neo-colonialism. What is neo-colonialism? While many sub-Saharan African nations gained political independence, their economic purse strings were controlled by their former colonizers. This is neo-colonialism, something that we must never repeat in Africa or throughout the world. It is one of my goals, as a Member of Congress, to ensure that Africa becomes economically self-sufficient.

I am proud and an original cosponsor of both AGOA and H.R. 772, the HOPE for Africa Act. It is my belief that these initiatives are not mutually exclusive, and I hope that some of the vital components of the HOPE for Africa are incorporated into AGOA to make it an even stronger bill.

The African Growth and Opportunity Act assists African nations in the often difficult transition from receiving developmental assistance to economic self-reliance through increased trade and investment opportunities. Economic development is promoted by establishing a new trade and investment partnership between the U.S. and the democracies of sub-Saharan Africa. There are many steps to promoting sustainable development. This initiative, which has strong bipartisan support, moves this process forward by promoting trade while supporting debt reduction and increased development aid for African countries.

Let me point out some of the important and salient points regarding the African Growth and Opportunity Act (AGOA):

AGOA would increase U.S.-Africa high-level dialogue. AGOA creates a U.S.-Africa Trade and Economic Cooperation Forum to facilitate such high-level discussion on trade arrangements. The bill also improves private sector and non-governmental dialogue by encouraging U.S. private sector and NGOs to host annual meetings with their respective sub-Saharan Africa counterparts.

AGOA supports debt relief by expressing the sense of Congress that the Administration should forgive concessional debt owed to the U.S. by the poorest sub-Saharan countries.

AGOA expresses the sense of Congress that the U.S. Overseas Private Investment Corporation (OPIC), a corporation that I believe to be very effective in promoting exports,

should initiate more equity funds in support of sub-Saharan African countries, as well as revising the composition of the OPIC board of directors to require at least one of the eight presidentially-appointed directors to have extensive sub-Saharan Africa private sector experience.

AGOA improves current workers rights. The trade benefits within this bill are extended under our Generalized System of Preferences (GSP), which contains workers protections. The GSP statute requires beneficiary countries to have taken or be taking steps to afford internationally recognized workers rights, defined as freedom of association, the right to organize and bargain collectively, prohibition against forced or compulsory labor, a minimum age for the employment of children, and acceptable conditions of work with respect to minimum wages, hours of work and occupational health and safety.

This bill expands trade opportunities by increasing access to the U.S. market for non-import sensitive goods and textiles. Of course, Africa must make continual progress toward achieving the bill's economic criteria, while maintaining the same requirements—as always—for existing trade and aid benefits to Africa.

I support trade and investment in Africa, and I hope you do too. I will be the first to acknowledge among my colleagues that while AGOA is not perfect, AGOA is a step in the right direction. For the first time in this century, Congress is taking real and positive steps toward ensuring that Africa is a fair trading partner with the United States. My colleague, Congressman JESSE JACKSON, JR., has a worthy bill, sections of which I hope can be incorporated within AGOA as it moves forward this Congress. I would personally like the canceling of even more African debt and requiring multinational companies in Africa to abide by U.S. environmental standards in Africa. I do believe, however, that AGOA is moving in the right direction by increasing the vital dialogue and interaction that is needed on all levels. This dialogue only helps the U.S. and sub-Saharan Africa to learn about each other and mutually beneficial business practices and opportunities. It is time for Africa to move along the path to effective economic self-sufficiency. H.R. 434 is a start on the path to true economic self-sufficiency for Africa that can only improve the lives of her people.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California (Mr. HERGER).

Mr. HERGER. Mr. Chairman, I stand in strong support of H.R. 434. The African Growth and Opportunity Act is a win-win for African and American workers.

Africa is an untapped market of 700 million consumers for American goods and services. H.R. 434 will encourage African economic reforms, which will provide U.S. firms and workers with greater access to the growing economies of Africa.

The U.S. exports to sub-Saharan Africa rose 8.4 percent in 1998 to \$6.7 billion. These exports support over 100,000 U.S. jobs, based on the Department of Commerce estimates.

Furthermore, U.S. exports to Africa are intensive in high-wage industries, such as aircraft and parts, construction machinery and equipment, computers, motor vehicles, and telecommunications equipment.

Africa is also an important agricultural market for the United States. In 1998, wheat and wheat flour was the fifth largest U.S. export product to sub-Saharan Africa with a value of \$262 million.

This legislation requires the President to develop a plan to enter into free-trade agreements with sub-Saharan African countries and provides an opportunity for regular meetings with African officials to discuss trade liberalization.

H.R. 434 expresses support for the Overseas Private Investment Corporation's, OPIC's, creation of infrastructure and equity funds for projects in Africa.

But this legislation also benefits the Africans themselves. For example, H.R. 434 establishes the U.S. trade policy with Africa.

Again, I urge my colleagues' strong support for this legislation.

Mr. PAYNE. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. DAVIS).

Mr. DAVIS of Florida. Mr. Chairman, I rise in strong support of the African Growth and Opportunity Act. More so than ever before, we are seeing economic development in developing countries provide tremendous prosperity to folks for whom hope was once outside their grasp.

This bill today will provide a very important tool to sub-Saharan African countries to help empower men and women and their communities to begin to support themselves and their families, begin to develop their own businesses.

We spend a lot of time talking about how great our economy is, how good our ideas and values are, but we have got to go further. We have got to provide tools to countries so they can emulate our success. This bill is not just about a good idea. It is about a very important tool.

There has been concern expressed about abuse and exploitation of workers. Those are valid concerns. We constantly balance those concerns as we foster our economy here. There are unions in these countries that will work to protect workers. There are important provisions in these bills.

This bill will allow the President to decertify these preferences should there be abuses. This bill is balanced. We should support it. It will empower our friends in these very important countries.

□ 1230

Mr. PAYNE. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in strong support of House Resolution 434, the African Growth and Opportunity Act.

Mr. Chairman, I am an original sponsor of this bill. I traveled throughout Africa with the gentleman from New York (Mr. RANGEL), the gentleman from New Jersey (Mr. PAYNE), and others, and I spoke privately and individually to the leaders of Africa. They want this piece of legislation.

We must realize there may be some other outside sources who may have some other benefits through the African Growth and Opportunity Act, but I say to my colleagues that there are not any that inherently have in them this investment in trade and arts, too, or any kind of development. The Rangel act has very sound policies in it, and there are things about it that will promote investment in Africa. Remember, this is the first time that this has been done. We have to take the first step.

I want to remind my colleagues that this is a critical step. After we take this critical step, we can do some other things. But I ask my colleagues to please support the Rangel bill and challenge any notion that it is going to be bad for people. It is not going to be bad. There is only a 4 percent impact in the event this bill does pass.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Mr. Chairman, I rise today in support of H.R. 434, the African Growth and Opportunity Act, and I would like to thank the gentleman from New York (Mr. RANGEL) for his leadership in bringing this legislation to the floor.

As we approach this next century, it is appropriate for us to atone for the mistakes and our failed commitment to adequately engage Africa in this century. As we move forward in the next century, it is important that we move legislation such as this which will allow us to expand trade and economic opportunities for Africans and Americans alike.

The African Growth and Opportunity Act would provide a foundation for economic growth and employment in sub-Saharan Africa by encouraging this economic engagement in expanded trade and investment. The African Growth and Opportunity Act is win-win legislation. It is a win for African nations struggling to move forward and integrate into the global economy. It is a win for the African people, who will benefit from the new jobs and economic growth that this legislation is certain to bring to their region. And it is a win for U.S. businesses and workers alike, who will benefit from a growing African economy and its increased purchasing power.

Mr. Chairman, I urge my colleagues to vote for this important legislation.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, this continent has a long history with the continent of Africa, and invariably it has been one of exploitation.

Generations ago, we used the African people, brought them to this country and enslaved them. And even after emancipation was granted, we continued to enslave them through a legal system that discriminated against them. We continued to exploit them to subsidize our agricultural economy. And then we used the African nations as surrogates in our Cold War with Russia.

Well, now, today, because of the initiative of indigenous leaders on the continent of Africa, we are finally saying, "Look, you are on an equal basis with us. We need you. You need us. Let us work together on a level playing field." They have come into their own.

This should have happened generations ago, but we should not miss this opportunity today. This legislation is not patronizing. It is not exploitative. It is the right thing to do. Let us pass it unanimously.

Mr. RANGEL. Mr. Chairman, I yield 1 minute to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN).

Mrs. CHRISTENSEN. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in wholehearted support of H.R. 434, the African Growth and Opportunity Act, a landmark piece of legislation that is long overdue.

I also want to applaud my colleagues, the gentleman from New York (Mr. RANGEL), the gentleman from Illinois (Mr. CRANE), the gentleman from New Jersey (Mr. PAYNE), and all of the others who have worked so hard through several Congresses to bring us to this day.

Mr. Chairman, the United States has come to the aid of many countries, some of which have not made the strides in democracy we are seeing in many parts of the African continent. Today, with very little impact on jobs in the U.S., we can begin a process that has the potential to turn Sub-Saharan Africa into a model of economic progress. Through enacting this important piece of legislation, we will also see a win for this country in terms of increased trade and, thus, more jobs, not less, as the charts next to me support.

Mr. Chairman, I also want to strongly support amendments which will address what would be a major obstacle to the success we envision through H.R. 434, that of AIDS in Africa, a pandemic which is destroying families and decimating the populations of many of the countries we seek to help. Mr. Chairman, I urge the passage of this bill and ask my colleagues to join us in the effort to bring affordable medica-

tion and health care to the people of Africa and the rest of the world.

The CHAIRMAN. The Chair would advise that the gentleman from California (Mr. ROYCE) has 2½ minutes remaining, the gentleman from New Jersey (Mr. PAYNE) has 2½ minutes remaining, the gentleman from Illinois (Mr. CRANE) has 3 minutes remaining, and the gentleman from New York (Mr. RANGEL) has 1½ minutes.

Mr. RANGEL. Mr. Chairman, I yield 30 seconds to the gentleman from Illinois (Mr. JACKSON).

Mr. JACKSON of Illinois. Mr. Chairman, I thank the gentleman for yielding me this time, and I want to thank publicly the gentleman from New York (Mr. RANGEL) for his out standing efforts in allowing us the opportunity to offer some critique to the African Growth and Opportunity Act.

I also want to make it very clear that many of my colleagues have stood here and said that this is a first step for Africa. Many of us have been trying to raise the bar in this Congress about what an appropriate first step would be. Not just a first step, we need to take "the step", the step that frees Africa and allows Africa to be an equal partner. We cannot do that if we use crushing debt as a basis for negotiating more favorable terms for U.S. corporations to grease the market for foreign investment in Sub-Saharan Africa without our standards and our values. Not just our money, we must also export our values in this particular instance.

Mr. RANGEL. Mr. Chairman, I yield myself the balance of my time, and I will attempt to conclude this discussion by saying I really think this is one of the finest hours that we have had in the House.

We have had serious differences of opinion, but I think the overwhelming thought is that it has been too long that we not recognize the great potential of our great friends in the continent of Africa.

A lot has to be said about the leadership provided by the President of the United States, but of course we also have to recognize that the former Speaker of the House, Mr. GINGRICH, was one of the first to come before the Ways and Means, under the leadership of the gentleman from Texas (Mr. ARCHER) and the subcommittee chairman of that committee, the gentleman from Illinois (Mr. CRANE).

And together, in working with the committees headed by the gentleman from New York (Mr. GILMAN) and the leadership that we have had on both sides, working with the representatives of the African countries to be affected, I do not really think that we have ever had a stronger coalition to begin this gigantic first step to bring some equity in the relationship that we would have with those that have been neglected morally and economically.

Mr. Chairman, I thank my friends and colleagues for their support.

Mr. PAYNE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me also commend the leaders in this fight: the gentleman from Washington (Mr. MCDERMOTT); the gentleman from Illinois (Mr. CRANE); the gentleman from New York (Mr. RANGEL); the gentleman from Louisiana (Mr. JEFFERSON); the gentleman from California (Mr. ROYCE); and the gentleman from Connecticut (Mr. GEJDESEN) for the work that they have done.

But I also wish to acknowledge, quickly again, the ambassadors from Africa who are here, and with this chart demonstrate what they have said what they want. The ambassador from Djibouti, who says we are sovereign and we would like to continue to have the support of this bill; and Mrs. Sisulu from South Africa, who said their country supports the bill, even under the late president of the country. Our good friend, Mr. Mandela, and Mrs. Ssempala from Uganda talked about Africa is interested in doing business. This is what they have said.

So what I am saying, as I last week went to the funeral of Joshua Nkomo, one of the freedom fighters in Zimbabwe, who fought against the white regime of Ian Smith; and while I was in Zimbabwe people were coming up and saying, we are glad finally to see this bill come. And I remember the freedom fighters of Jomo Kunyata, Patrice Lumumba and people who fought many years ago, Julius Nyerere, those men who fought for independence of that great nation, of that great continent; and the new leaders today of Thabo Mbeki and Mr. Chissano in Mozambique; and we can move on and on through the continent.

As they were trying to get it moving forward, then came the Cold War, and our policies destroyed many countries in Africa. Our policies were based on U.S. policy towards Russia. So now, after 50 years of independence, let us give African leaders an opportunity. Let us remember W.E.B. DuBois, who was the first panAfricanist, and Delums and Diggs, or Gray and Dellums, who fought against apartheid, and the late Congressman Diggs, the first chairman of the African committee; and let us remember our friend, Mickey Leland, who lost his life saying that we should feed the children.

So, finally, we are here. We have seen peace coming to Sierra Leon, and Nigeria electing a new president, Eritrea finally coming to some accord. We are seeing the fact that Africa now has the opportunity to move forward with growth and development and opportunity. Yes, there are many problems in the continent. We need clean water, we need to eradicate the guinea worm and deal with river blindness, we need to have inoculations, but we also need to have jobs for people.

This is the first step. And people criticize and ask why it is such a little step. Everyone knows that a trip of a thousand miles has to begin with the first step. Let us start that step; let us support the bill.

Mr. CRANE. Mr. Chairman, I yield myself the balance of my time, and let me open by expressing my appreciation to all that have been involved in the advancement of what to me is one of the more significant pieces of legislation that we have had before this body in quite some time.

I think, with regard to some of the arguments that we have heard on the negative side, that there are a couple of points that need to be stressed and perhaps put into a better perspective than we have heard today. And this especially has to do with the question of transshipment and the threat of transshipment. This bill has the strongest language ever that we have had in any trade legislation to protect against transshipment.

And I think it is important to recognize also that the U.S. Customs Service has not found Africa to be a significant source of any transshipment at all in all of our trade relations worldwide. And the International Trade Commission examined Sub-Saharan Africa textile and apparel production capacity and found that the elimination of tariffs and quotas, as provided in this bill, would have a negligible effect on the U.S. economy. Furthermore, the ITC estimated that African exports would not grow over the next 10 years to account for more than 3 percent of U.S. textile and apparel imports.

The World Trade Organization agreement on textiles and apparels will eliminate all textile quotas worldwide by the year 2005. The bill's textile provisions are intended to provide Africa with a necessary transition period to develop its textile and apparel sector and to prepare for global competition. Without these provisions, Africa will be left behind.

And Africa, in terms of our trade relations with that continent, has been left behind. This bill is designed to terminate that and to open up that door and that window and to create improved relations for not just the people in the African continent, it improves conditions for Americans, too. It is a win-win proposition.

Mr. Chairman, I yield back the balance of my time, and I urge my colleagues to support the bill.

□ 1245

Mr. BENTSEN. Mr. Chairman, I rise in support of the bill.

Mr. Chairman, I rise in strong support of H.R. 434, the African Growth and Opportunity Act of 1999. This important legislation would encourage expanded trade and investment between American companies and manufacturers in sub-Saharan Africa, while also providing a strong foundation of economic growth and

employment for some of the poorest countries in the world.

This bipartisan legislation would make significant progress in opening markets in key-sub-Saharan African countries. It will encourage greater U.S. investment in Africa, resulting in new jobs for African workers, and more jobs for U.S. workers and producers of goods and services. The U.S. will benefit by helping to build a consumer market for 700 million people. As African incomes increase, we will see a dramatic increase in U.S. exports. Today, more than 100,000 Americans are employed as a result of our trade with sub-Saharan Africa, and eight states have exported more than a billion dollars worth of products to sub-Saharan Africa over the last five years.

Enactment of the African Growth and Opportunity Act is important for U.S. businesses to compete with the already established European businesses in Africa. The U.S. has trade agreements with almost every country in the world—Asia, Europe, Israel and Mexico. Our European business competitors have long understood the importance of investment in sub-Saharan Africa. During the 1990's, British and French investments were 300 percent to 200 percent higher, respectively, than U.S. investment in Africa.

The United States has an important interest in a stable and prosperous Africa. This bill encourages African countries to continue fundamental reform in return for greater trade benefits, while providing protections for worker rights. As a result, this legislation will bolster African democracies, increase political stability and minimize the need for international humanitarian and disaster relief. By encouraging reform, supporting investments and increasing opportunity for trade, this legislation will stimulate the growth of the African private sector. One of the important provisions of this bill is the creation of OPIC-supported equity and investment funds to assist African entrepreneurs develop private sector enterprises. These funds will assist American companies seeking to establish a presence in the region, which will lead to long-term U.S. exports to the region.

This bill is clearly not enough to rescue Africa's poorest countries. We should go further by considering H.R. 1095, a bill which I have cosponsored to accelerate debt relief for highly indebted poor countries including those in sub-Saharan Africa. It is my hope the House will do so soon as a compliment to this free trade bill. In fact, few of these countries have the infrastructure to effectively compete in the global economy. But these countries need some hope of moving beyond aid dependency toward market-based economic development. This can best be achieved by expanding trade and investment opportunities for the nations in sub-Saharan Africa. This bill is a modest, but important first step toward achieving the goal of full African integration into the global economy, while assisting the U.S. to expand and diversify our exports, create new jobs and continue the longest, most stable growth period in our history.

I urge my colleagues to support this important legislation.

Mr. ROYCE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me begin by commending the gentleman from New York

(Mr. RANGEL) and the gentleman from New Jersey (Mr. PAYNE) and the gentleman from Washington (Mr. McDERMOTT) and the gentleman from Illinois (Mr. CRANE) and all those who have spent so much time moving this historic legislation.

Let me also thank the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations, and commend him for the fine job he has done in doing that.

Let me just try to answer some of the concerns. As trade has expanded, unemployment in the United States has gone down appreciably. We have the highest employment numbers we have had in decades, and part of this is because of the trade and engagement we have had. Our trade exports to Africa have been going up by 8 percent a year. And yet, the United States only has 4 percent of that market, only 4 percent of that market.

This gives us an opportunity for win-win. It creates new jobs in the United States, and it will create new jobs in sub-Saharan Africa. And at the same time, it gives us tough language to combat illegal transshipment, the strongest language that we have seen to date. If there are violators, that country can be pulled out of the program and those who do so are severely punished under this act, with severe penalties.

In terms of Africa's sovereignty, that issue has been raised. Let me reiterate that the African countries themselves, every one, supports this bill. This bill limits eligible countries to those who make progress with market-oriented economic reforms.

There is a human rights abuse screen that we have put in this bill, and we took care of some of the labor concerns with the amendment offered by the ranking member of the Committee on International Relations.

Now, when it comes to China, if anything, this bill has the potential of harming the Chinese textile industry, not helping it. Early this year, Karen Fedorko executive vice president of MAST Industries, testified to the Committee on Ways and Means that the bottom line is that, under this bill, Africa would become significantly more competitive and producers we currently work with in East Asia would shift their orders away from Asian vendors and towards some of our new contacts in Africa. Frankly, Africa's gain is China's loss under this bill.

Let me reiterate. In many ways, Africa is in the balance. Without efforts today to bring Africa into the world economy, without efforts like the African Growth and Opportunity Act, Africa could become permanently marginalized, Africans would suffer, and the American people would not escape the consequences.

To reject this legislation is to say we do not have any room on the economic



map for Africa in the new century. I do not think my colleagues want to go that way.

I ask for their support for this bipartisan legislation.

Mr. MILLER of California. Mr. Chairman, I rise in opposition to H.R. 434, the so-called African Growth and Opportunity Act.

#### AFRICA TRADE BILL

I support the goals of this bill—to provide a foundation for a strong democracy and to create economic development in Africa.

What cannot sanction, however, is legislation that promotes these goals at the expense of African workers, the very sector of society upon which future economic development rests.

At the very least, we must promote an economic foundation for Africa which has as its cornerstone the provision of ample employment opportunities for the indigenous citizens and permanent residents.

Unfortunately, this bill requires African countries to meet strict IMF-style austerity measures in order to receive limited trade benefits. Even after these conditions are met, there are few provisions to ensure that African citizens actually benefit from the duty-free, quota-free access to the U.S. market that the bill provides for garment manufacturers. Only 20 percent of a garment's value would need to be added in Africa.

Further, the bill would allow foreign contract workers to be exported to Africa to make the trade-preferenced products.

My colleagues say that the bill's provisions are stringent enough, that transshipment's not going to happen, that it is not possible, that the ocean is too far.

Well, let me explain to my colleagues about the over \$1 billion garment industry in the Commonwealth of the Northern Mariana Islands—a Pacific island U.S. Territory that receives duty free, quota free access to the U.S. market.

Chinese garment makers send to the U.S. duty free goods woven in China cut in China, and assembled in the Northern Marianas by Chinese workers. We see in the Northern Marianas a workforce that is totally controlled, that is indentured, that is bonded, where the young women are forced into abortions and into prostitution.

It is a simple matter for the Chinese to do the same thing in Africa, because it is very clear why they would go there. In Africa, they can get there under the U.S. quota.

Today, in the Northern Marianas, 98 percent of the private sector jobs are held by foreign contract workers. Obviously, local workers in the Northern Marianas aren't the true beneficiaries of access to the U.S. market, just as the workers in Africa wouldn't benefit if this bill passes.

H.R. 434 represents the failed status quo model of trade that rewards multinational corporations but does little to protect workers or the environment.

The bill would further accelerate the global race to the bottom with corporations seeking locales where they can pollute at will and pay workers pennies an hour.

Fortunately, there is an alternative, that my colleagues, Rep. JESSE JACKSON, Jr., has in-

troduced. It contains many of the worker-protection provisions I planned to offer—but was not allowed to offer—when this bill was debated last year.

Rep. JACKSON's bill, the HOPE for Africa Act, provides a new model for trade that combines expanded trade with protections for workers and the environment. HOPE for Africa aims to raise living standards, foster capital accumulation in Africa, and prevent the types of abuses that are rampant in the Northern Marianas.

In order to receive the bill's trade benefits, companies must employ 80% African workers, add 60% of a product's value in Africa, and be at least 51% owned by African citizens. Labor and environmental standards must be followed as well.

I urge my colleagues to reject H.R. 434 as a failed model of the past and to support Representative JACKSON's vision for the future of trade.

Mr. PAUL. Mr. Chairman, once again Congress demonstrates that it has no fundamental understanding of free trade or the best interests of the taxpayer. The Africa Growth & Opportunity Act is heavy-laden with the Development Assistance (foreign aid), debt forgiveness (so much for the balanced budget), OPIC expansion (thus putting the taxpayers further at risk), and of course a new international regulatory board to be funded with "such sums as may be necessary." Additionally, the costs of this bill are paid by raising taxes on charity. Free trade, Washington style, is evidently not free for the taxpayer!

So what exactly is "free trade" and how far removed from this principle have those in Washington and the world drafted? Free trade, in its purest form, means voluntary exchange between individuals absent intervention by the coercive acts of government. When those individuals are citizens of different political jurisdictions, international trade is the term typically applied in textbook economics. For centuries, economists and philosophers have debated the extent to which governments should get in the way of such transactions in the name of protecting the national interest (or more likely some domestic industry). Obviously, both parties to exchange (free of intervention) expect to be better off or they would not freely engage in the transaction. It is the parties excluded (i.e. government and those out-competed) from the exchange who might have benefitted by being a party to it who can be relied upon to engage in some coercive activity to prevent the transaction in the hopes that their trading position will become more favorable by "default."

Because governments have for so long engaged in one variety of firm-or-industry-benefitting protectionism or another, my "trade free of intervention" definition of free trade is currently quite out of favor with beltway-dominant pundits. Such wrongheaded thinking is not limited to government. In academia, a widely-used undergraduate economics text, authorized by David C. Colander, describes a "free trade association" as a "group of countries that allows free trade among its members and puts up common barriers against all other countries' goods"—thus here we have free trade associations putting up barriers. (An economic textbook only Orwell could love.)

An example of what now constitutes "free trade" Washington style can be found within the US ENGAGE Congressional Scorecard. It is insightful to consider what USA ENGAGE regards as pro-free trade against the backdrop of the non-interventionist notion of free trade outlined above.

China Most Favored Nation (MFN), while politically charged, is perhaps the cleanest genuine free trade vote chosen by USA ENGAGE. The question posed by this legislation is whether tariffs (taxes on U.S. citizens purchasing goods imported from China) should be lower or higher. In other words, when American and Chinese citizens engage in voluntary exchanges, should Americans be taxed. Clearly the free trade position here is not to raise taxes on Americans and interfere with trade.

The Vietnam Waiver vote classification as a pro-free trade position is particularly indicative, however, of what now constitutes free trade in the alleged minds of the beltway elite. When government forces through taxation, citizens to forego consumption of their own choosing (in other words forego voluntary exchanges) so that government can send money to foreign entities (i.e. trade promotion), this in the mind of Washington insiders constitutes "free trade." In other words, when demand curves facing the corporate elite are less than those desired, government's help is then enlisted to shift the demand curve by forcing taxpayers to send money to various government and private entities whose spending patterns more favorably reflect those desired by those "engineering" such "free trade" policies in Washington. Much like tax cuts being a "cost to government" and "free trade associations" whose purpose it is to erect barriers, free trade has become government-coerced, taxpayer-financed foreign aid designed to result in specific private spending and private gains.

The Fast Track initiative highlighted in USA ENGAGE's Congressional scorecard has its own particular set of Constitutional problems, but the free-trade arguments are most relevant and illustrative here. The fast-track procedure bill sets general international economic policy objectives, re-authorizes "Trade Adjustment Assistance" welfare for workers who lose their jobs and for businesses which fail (a gentler, kinder "welfarist" form of protectionism), and creates a new permanent position of Chief Agriculture Negotiator within the office of the United States Trade Representative. Lastly, like today's legislative mishap, the bill "pays" the government's "cost" of free trade by increasing taxes on a set of taxpayers further removed from those corporatists who hope to gain by engineering favorable international trade agreements.

Constitutional questions aside, like today's H.R. 434, the fast track bill contained provisions which would likely continue our country down the ugly path of internationally-engineered, "managed trade" rather than that of free trade. As explained by the late economist Murray N. Rothbard, Ph.D.:

[Genuine free trade doesn't require a treaty (or its deformed cousin, a 'trade agreement'; NAFTA is called an agreement so it can avoid the constitutional requirement of approval by two-thirds of the Senate). If the establishment truly wants free trade, all it has to do is to repeal our numerous tariff,



import quotas, anti-dumping laws, and other American-imposed restrictions of free trade. No foreign policy or foreign maneuvering in necessary.

In truth, the bipartisan establishment's fanfare of "free trade" fosters the opposite of genuine freedom of exchange. Whereas genuine free traders examine free markets from the perspective of the consumer (each individual), the mercantilist examines trade from the perspective of the power elite; in other words, from the perspective of the big business in concert with big government. Genuine free traders consider exports a means of paying for imports, in the same way that goods in general are produced in order to be sold to consumers. The mercantilists want to privilege the government business elite at the expense of all consumers—be they domestic or foreign.

Fast track is merely a procedure under which the United States can more quickly integrate an cartelized government in order to entrench the interventionist mixed economy. In Europe, this process culminated in the Maastricht Treaty, the attempt to impose a single currency and central bank and force relatively free economies to ratchet up their regulatory and welfare states. In the United States, it has instead taken the form of transferring legislative and judicial authority from states and localities and to the executive branch of the federal government. Thus, agreements negotiated under fast track authority (like NAFTA) are, in essence, the same alluring means by which the socialistic Eurocrats have tried to get Europeans to surrender to the super-statism of the European Union. And just as Brussels has forced low-tax European countries to raise their taxes to the European average or to expand their respective welfare states in the name of "fairness," a "level playing field," and "upward harmonization," so too will the international trade governors and commissions be empowered to "upwardly harmonize," internationalize, and otherwise usurp laws of American state governments.

The harmonization language in the last Congress' Food and Drug Administration reform bill constitutes a perfect example. Harmonization language in this bill has the Health and Human Services Secretary negotiating multilateral and bilateral international agreements to unify regulations in this country with those of others. The bill removes from the state governments the right to exercise their police powers under the tenth amendment to the constitution and, at the same time, creates a corporatist power elite board of directors to review medical devices and drugs for approval. This board, of course, is to be made up of "objective" industry experts appointed by national governments. Instead of the "national" variety, known as the Interstate Commerce Act of 1887 (enacted for the "good reason" of protecting railroad consumers from exploitative railroad freight rates, only to be staffed by railroad attorneys who then used their positions to line the pockets of their respective railroads), we now have the same sham imposed upon worldwide consumers on an international scale soon to be staffed by heads of multinational pharmaceutical corporations.

The late economist Ludwig von Mises argued there is a choice of only two economic systems—capitalism or socialism. Intervention,

he would say, always begets more interventionism to address the negative consequences of the prior intervention: thus, necessarily leading to yet further intervention until complete socialism is the only possible outcome. This principle remains true even in the case of intervention and free trade.

To the extent America is non-competitive, it is not because of a lack of innovation, ingenuity, or work ethic. Rather, it is largely a function of the overburdening of business and industry with excessive taxation and regulation. Large corporations, of course, greatly favor such regulation because it disadvantages their smaller competitors who either are not in a position to maintain the regulatory compliance department due to their limited size or, equally important, unable to "capture" the federal regulatory agencies whose regulation will be written to favor the politically adept and disfavor the truly productive. The rub comes when other governments engage in more *laissez faire* approaches thus allowing firms operating within those jurisdictions to become more competitive. It will be the products of these less-taxed, less-regulated firms which will be the consumers' only hope to maintain their standard of living in a climate of domestic production burdened by regulation and taxation. The consumers' after-tax income becomes lower and lower while relative prices of domestic goods become higher and higher. Free trade which provides the poor consumer an escape hatch, of course, is not the particular brand of "free trade" espoused by the international trade organizations whose purpose it is to exclude the more efficient competitors internationally in the same way federal regulatory agencies have been created and captured to do the equivalent task domestically.

Until policy makers can learn enough about trade and voluntary exchange to distinguish them from taxpayer-funded aid to bolster corporate revenues, OPIC, Export-Import funding, Market Access Program, and other forms of market intervention (each of which are quite the opposite of genuine free trade), the free trade discussion will remain at worst, a delusional discussion, and, at best, a hollow one.

For these reasons and others, I oppose the so-called free-trade-enhancing Africa Growth and Opportunity Act.

Mrs. CHRISTENSEN. Mr. Chairman, I rise to support this amendment.

It has been a priority of mine and the rest of the Congressional Black Caucus to bring some of the many resources of this country and of the profits of our corporations to help fight the scourge of HIV/AIDS in Africa.

In this regard I applaud my colleagues, Mrs. JACKSON-LEE and also Mr. OLVER for their amendments. I would be remiss not to also recognize our former distinguished colleague, Mr. Dellums for his leadership in this arena.

Mr. Chairman, to date AIDS has killed more than 11 million people and continues to infect over 22 million of our brothers and sisters in sub-Saharan Africa. Millions of children are orphaned and countless families are destroyed.

In supporting this amendment, and asking for its passage, I take this opportunity to call on the administration, this Congress and our corporations to not only reach for our better selves, but into our very full pockets to help our fellow human beings who are in such great need.

Mr. LEWIS of Georgia. Mr. Chairman, I would like to begin by commending Mr. OLVER for initiating this important and timely amendment.

Africa is in crisis. The continent is home to one out of every ten people on the planet. Yet more than eight out of every ten deaths from AIDS have occurred in Africa. Health officials in Zimbabwe report over 3,000 AIDS deaths each week. This is a country that has a population roughly the size of the State of Ohio. In Kenya, 200,000 people will die from AIDS in 1999.

AIDS is destroying not only individual lives, but the social, political and economic fabric of the nations of Africa. In Zambia, more than half of the country's children have lost at least one parent to AIDS. How will these children survive? Africans between the ages of 15 and 40 have the highest AIDS infection rate. Who will remain to support Africa's families and grow Africa's economies? Right now, AIDS is reported to be rampant in the militaries of Zimbabwe and other Southern African countries. How will the political stability of Africa be secured?

This crisis demands the attention of the United States Congress. As we debate a bill that intends to strengthen our economic ties with the African continent, this is the right time and the right place for us to begin to think about the impact of AIDS on both the African people and our mutual long term interests.

The African Growth and Opportunity Act requires a lot of African countries. We need to hold up our end of the bargain. It is our responsibility to shine a spotlight on the issue of AIDS in Africa and to demonstrate our interest, not only in trade but in the long term stability of the nations of Africa and the health of her people.

By making it a Sense of Congress that addressing the AIDS crisis be a central component of our foreign policy in Africa; by recognizing the importance of AIDS prevention and treatment to our long term trade relationship with Africa; and by acknowledging that the African AIDS crisis merits expanded efforts by both public and private institutions as well as Congress to address the issue, this amendment represents an important step.

I urge my colleagues to vote for the amendment.

Ms. DELAURO. Mr. Chairman, I rise in strong support of the Olver-Pelosi-Foley Amendment to express the sense of Congress that addressing the AIDS crisis in sub-Saharan Africa must be a central component of U.S. foreign policy.

Throughout Africa, AIDS is destroying entire families and communities. It is tearing apart the social, and economic foundations of the continent.

In May, USA Today dedicated a series of articles focusing on the human face of this devastation—outcast children, dying infants, destroyed families. And the statistics alone are numbing. In all, 11.5 million people have died in sub-Saharan Africa since the disease emerged in the early 1980's and 22.5 million now living with the HIV virus are expected to die in the next ten years. By the end of 1997, at least 7.8 million children in this area of Africa alone were left orphans by the age of 14 due to AIDS.

This amendment addresses the tragedy and the urgency of this crisis and affirms that addressing the HIV/AIDS epidemic must be a central part of our foreign policy now and in the next century. We cannot expect to make progress on economic development in Africa unless our policies sufficiently address the catastrophe of AIDS. I strongly urge my colleagues to vote for the Olver-Pelosi-Foley Amendment.

Mr. THOMPSON of Mississippi. Mr. Chairman, at this point, whether U.S. intervention in helping to rebuild the economy of the African continent is important is moot. Every thinking person recognizes the historic significance of rebuilding Europe and Japan after World War II. No one can or will dispute the prescience of the many plans currently on the table to rebuild war torn Yugoslavia. During the debate on NAFTA, member after member came down to the well of this body and sang the praises of strengthening the economies of our neighbors to our North and South.

The intentions behind H.R. 434, the African Growth and Opportunity Act are altruistic and well within the spirit of fostering growth and development among our international neighbors in the emerging global economy. However, as is the case in many situations, the road to hell is paved with good intentions, and H.R. 434 is simply another cobblestone on that ill-fated pathway.

This legislation is fraught with missteps and although it is heralded as a new, innovative approach to bringing Africa, economically, onto a level playing field in the twentieth century, it clearly builds on many of the same blunders that have haunted U.S. trade policies in the past. This bill has been called the "African Recolonization Act," "NAFTA for Africa," and it is opposed by former South African President, Nelson Mandela. President Mandela even went so far as to say, that the bill is "not acceptable to us."

With all of these red flags waving around, how can Congress forge ahead full speed with this legislation and with blatant disregard for people of Africa and the additional Americans who will lose their jobs as a result of this legislation? Jobs in the textile and apparel industry have been hit especially hard by failed American trade policies. Since 1981, almost 700,000 jobs in the textile and apparel industry have been lost to foreign countries; 118,000 in the last 12 months alone.

The majority of these textile workers, who currently find themselves unemployed are women and minorities. With that in mind, another situation that confuses me about this debate is why so many women and minority members have come down to the floor in support of this legislation.

Africa is the cradle of human civilization—the birthplace for the entire world. For too long we have allowed this continent to be raped and plundered by the world's various interests, but finally the time has come to help our shared motherland stand on her own feet. The unfortunate truth about the time we have wasted debating this legislation today is that it will not do any of the things that need to be done in order to achieve the tasks so desperately needed to revitalize Africa.

I challenge the members of this body to bring substantive legislation to the floor that

will seriously address the problems facing Africa and restore the nobility and dignity of this magnificent continent.

Mr. BERRY. Mr. Chairman, once again I have to vote against this bill despite the fact that I support its premise. Just last year Congress made almost the same mistakes on this important legislation that we are making this year. The result of the mistakes the House of Representatives made resulted in stalemate and the loss of an opportunity to benefit the people of Africa.

I always prefer giving someone a hand up, rather than a hand-out. This is the point of this legislation. However, as this bill is written, I cannot vote for it. I will gladly vote for a motion to send it back to the committee of jurisdiction to amend it, because I know that there are simple ways for it to be improved.

It is important that we do what we can to help these desperately poor nations develop economically. By helping them create industry and develop into mature trading partners, we would like reduce the overall need for direct foreign aid. The authors of this bill have chosen to ignore the very real problem of transshipment of goods produced outside Africa. There is ample evidence that certain countries and companies around the world will exploit the ability to ship goods through the Africa continent to avoid duties and quotas that they would otherwise face. This is not fair, and I want to ensure that we address the issue in a way that protects our industries and workers. Not only is it unfair to our workers, it is unfair to the very countries this bill hopes to assist. Their domestic industries would not develop if other nations are using the provisions of this bill to circumvent internationally recognized rules of fair trade.

I hope that the Senate will generate a similar bill—but take the needed steps to safeguard the intent of the Africa Growth and Opportunity Act.

Mrs. CLAYTON. Mr. Chairman, I rise to oppose this Bill, because, I believe, we can help people abroad without hurting people at home. This bill will hurt people at home.

I want to commend our colleagues who offer this legislation, for seeking to provide economic growth and development in Sub-Saharan Africa. I support that.

But, this Bill does not do that.

It is important to establish factories in Africa, to train its workers, to initiate production there. But, this Bill does not do that.

It is equally important to save factories in America, to retrain our workers and to continue production here.

This Bill does not do that.

The economy in America is booming, but textile and apparel production is slumping.

No other industry is suffering like the textile and apparel industry.

Some 700,000 jobs have been lost since 1981; 118,000 have been lost in the past 12 months alone.

And, while this Bill could cause the further loss of jobs, it will not result in the gain of jobs to Africa.

What it will do is make it easier and cheaper for other nations to conduct illegal transshipments through Africa.

And, that will hurt Africa and hurt America.

Our colleague, Mr. BISHOP, proposed perfecting language to this Bill, but the Rule of

order and passed does not permit its consideration.

Mr. Chairman, let's help workers in Africa.

But, in so doing, let's not hurt workers in America.

Oppose this Bill.

It has the right aim, but the wrong focus.

Mr. EVERETT. Mr. Chairman, I rise in strong opposition to this misguided bill and ask for my friends and colleagues to really consider what we are doing here. Once again I find myself having to protect my cotton farmers and textile workers against trade policies that have left many in my district with their heads spinning from the loss of jobs.

I do support fostering economic development in Africa and crating an economic partnership between those nations, but not at the expense of American cotton farmers and textile workers. The textile and apparel provisions of this bill will not promote jobs and economic growth in Africa; they will instead promote massive transshipments from China into this country. The bill will unnecessarily cost thousands of U.S. jobs in the cotton and textile industries while providing limited incentive for increased manufacturing capacity in the Sub-Saharan.

The bill, as is, opens the door for Asian textile and apparel manufacturers to use Africa merely as an export platform for sending their own textile and apparel products to the U.S. Incredibly, only 35 percent of the value must be added on the ground in Africa to qualify for quota free and duty free access. That doesn't sound like its going to benefit Africa, but China instead. When you remove tariffs on these imported products, you exponentially increase the incentive for both illegal and legal transshipment. Under this legislation, it would be totally legal for the Chinese to use their own yarn, fabric and possibly even imported Chinese labor to comply with 35 percent final value threshold. Once again, good for China, bad for American workers and Africa.

What makes me angry though is that we had a way of making this bill acceptable for those who want to promote Africa's growth, and for those of us who want to protect our textile workers and farmers, but that was denied by the Rules Committee. This legislation will create a trade policy that's going to hurt my cotton farmers and my textile workers so the Chinese can import more goods through Africa into the U.S. I urge all members to vote no on this misguided legislation.

Mr. BLUMENAUER. Mr. Chairman, I rise today to support H.R. 434, the African Growth and Opportunity Act. This measure is long overdue, and will help strengthen the economies of the world's poorest continent. This bill presents very little threat to American industries in the short run, and holds a huge upside potential for American jobs and profits to increase in the long run.

The most important part of this bill is that it will make a huge difference for the countries of Sub-Saharan Africa by giving them tariff reductions under the Generalized System of Preferences (GSP), as long as they are co-operating with international labor and transshipment standards.

At a time when military action is something to be avoided and there are real questions about what economic assistance we should

provide around the world, this bill allows us to directly participate with and help strengthen other countries through global trade. I believe it will ultimately be the best long-term investment for the American taxpayer.

Mr. MANZULLO. Mr. Chairman, this legislation will for the first time focus the attention of the U.S. government on a comprehensive trade strategy towards Africa. We have neglected this continent too long only to the benefit of their former European colonial powers. With the anemic growth in our exports because of the economic crisis affecting Asia, Russia, and Brazil, the U.S. needs to look at every possible market opportunity to improve trade relations.

Many may be surprised to learn that U.S. exports to Africa have been growing at a steady rate. Exports from Illinois to South Africa grew from \$269 million in 1995 to \$413 million in 1998—a 54 percent increase? Illinois exports more to South Africa than it does to Spain or India.

The specific African trade picture for Rockford is even better. Exports from Rockford to all of Africa more than doubled, going from \$2.9 million in 1995 to \$6.2 million in 1997. Some of these exports came from companies like Etnyree of Oregon, which sold asphalt making equipment to the Ivory Coast and Kenya; Newell's International Division in Rockford, which sold office and home products to Zimbabwe and South Africa; Wahl Clipper of Sterling, which sold barbershop hair clippers to South Africa and Nigeria; and Taylor of Rockton, which sold soft ice cream machines to South Africa and Nigeria.

African trade also extends to McHenry County—RITA Chemical of Woodstock sold industrial inorganic chemicals for the cosmetic industry in South Africa and Motorola of Harvard, a manufacturer of cellular phones that are used even in the remotest parts of Africa.

This represents the tip of the iceberg of what can happen if we build better trade relationships with the 48 countries of sub-Saharan Africa. All these companies agree that if there is a more active effort on the part of the U.S. government to help develop and open the markets in Africa, they would benefit through increased sales.

While this bill is not a cure-all for our trade deficit or for solving all of Africa's problems, it represents one beginning step in the right direction. It has the support of our exporting community. It has the support of all—I repeat—all of the sub-Saharan African countries. It's a win-win for all sides. I urge you to join them in supporting this legislation.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, it shall be in order to consider the amendment in the nature of a substitute consisting of the text of H.R. 2489 as an original bill for the purpose of amendment under the 5-minute rule which, without objection, is considered read.

There was no objection.

The text of the amendment in the nature of a substitute is as follows:

H.R. 2489

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "African Growth and Opportunity Act".

#### SEC. 2. FINDINGS.

The Congress finds that it is in the mutual economic interest of the United States and sub-Saharan Africa to promote stable and sustainable economic growth and development in sub-Saharan Africa and that sustained economic growth in sub-Saharan Africa depends in large measure upon the development of a receptive environment for trade and investment. To that end, the United States seeks to facilitate market-led economic growth in, and thereby the social and economic development of, the countries of sub-Saharan Africa. In particular, the United States seeks to assist sub-Saharan African countries, and the private sector in those countries, to achieve economic self-reliance by—

- (1) strengthening and expanding the private sector in sub-Saharan Africa, especially women-owned businesses;
- (2) encouraging increased trade and investment between the United States and sub-Saharan Africa;
- (3) reducing tariff and nontariff barriers and other trade obstacles;
- (4) expanding United States assistance to sub-Saharan Africa's regional integration efforts;
- (5) negotiating free trade areas;
- (6) establishing a United States-Sub-Saharan Africa Trade and Investment Partnership;
- (7) focusing on countries committed to accountable government, economic reform, and the eradication of poverty;
- (8) establishing a United States-Sub-Saharan Africa Economic Cooperation Forum; and
- (9) continuing to support development assistance for those countries in sub-Saharan Africa attempting to build civil societies.

#### SEC. 3. STATEMENT OF POLICY.

The Congress supports economic self-reliance for sub-Saharan African countries, particularly those committed to—

- (1) economic and political reform;
- (2) market incentives and private sector growth;
- (3) the eradication of poverty; and
- (4) the importance of women to economic growth and development.

#### SEC. 4. ELIGIBILITY REQUIREMENTS.

(a) IN GENERAL.—A sub-Saharan African country shall be eligible to participate in programs, projects, or activities, or receive assistance or other benefits under this Act if the President determines that the country does not engage in gross violations of internationally recognized human rights and has established, or is making continual progress toward establishing, a market-based economy, such as the establishment and enforcement of appropriate policies relating to—

- (1) promoting free movement of goods and services between the United States and sub-Saharan Africa and among countries in sub-Saharan Africa;
- (2) promoting the expansion of the production base and the transformation of commodities and nontraditional products for exports through joint venture projects between African and foreign investors;
- (3) trade issues, such as protection of intellectual property rights, improvements in standards, testing, labeling and certification, and government procurement;
- (4) the protection of property rights, such as protection against expropriation and a functioning and fair judicial system;
- (5) the protection of internationally recognized worker rights, including the right of

association, the right to organize and bargain collectively, a prohibition on the use of any form of forced or compulsory labor, a minimum age for the employment of children, and acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

(6) appropriate fiscal systems, such as reducing high import and corporate taxes, controlling government consumption, participation in bilateral investment treaties, and the harmonization of such treaties to avoid double taxation;

(7) foreign investment issues, such as the provision of national treatment for foreign investors, removing restrictions on investment, and other measures to create an environment conducive to domestic and foreign investment;

(8) supporting the growth of regional markets within a free trade area framework;

(9) governance issues, such as eliminating government corruption, minimizing government intervention in the market such as price controls and subsidies, and streamlining the business license process;

(10) supporting the growth of the private sector, in particular by promoting the emergence of a new generation of African entrepreneurs;

(11) encouraging the private ownership of government-controlled economic enterprises through divestiture programs; and

(12) observing the rule of law, including equal protection under the law and the right to due process and a fair trial.

(b) ADDITIONAL FACTORS.—In determining whether a sub-Saharan African country is eligible under subsection (a), the President shall take into account the following factors:

- (1) An expression by such country of its desire to be an eligible country under subsection (a).
- (2) The extent to which such country has made substantial progress toward—
  - (A) reducing tariff levels;
  - (B) binding its tariffs in the World Trade Organization and assuming meaningful binding obligations in other sectors of trade; and
  - (C) eliminating nontariff barriers to trade.
- (3) Whether such country, if not already a member of the World Trade Organization, is actively pursuing membership in that Organization.

(4) The extent to which such country has a recognizable commitment to reducing poverty, increasing the availability of health care and educational opportunities, the expansion of physical infrastructure in a manner designed to maximize accessibility, increased access to market and credit facilities for small farmers and producers, and improved economic opportunities for women as entrepreneurs and employees, and promoting and enabling the formation of capital to support the establishment and operation of micro-enterprises.

(5) Whether or not such country engages in activities that undermine United States national security or foreign policy interests.

#### (c) CONTINUING COMPLIANCE.—

(1) MONITORING AND REVIEW OF CERTAIN COUNTRIES.—The President shall monitor and review the progress of sub-Saharan African countries in order to determine their current or potential eligibility under subsection (a). Such determinations shall be based on quantitative factors to the fullest extent possible and shall be included in the annual report required by section 15.

(2) INELIGIBILITY OF CERTAIN COUNTRIES.—A sub-Saharan African country described in paragraph (1) that has not made continual progress in meeting the requirements with

which it is not in compliance shall be ineligible to participate in programs, projects, or activities, or receive assistance or other benefits, under this Act.

**SEC. 5. UNITED STATES-SUB-SAHARAN AFRICA TRADE AND ECONOMIC COOPERATION FORUM.**

(a) **DECLARATION OF POLICY.**—The President shall convene annual high-level meetings between appropriate officials of the United States Government and officials of the governments of sub-Saharan African countries in order to foster close economic ties between the United States and sub-Saharan Africa.

(b) **ESTABLISHMENT.**—Not later than 12 months after the date of the enactment of this Act, the President, after consulting with Congress and the governments concerned, shall establish a United States-Sub-Saharan Africa Trade and Economic Cooperation Forum (hereafter in this section referred to as the "Forum").

(c) **REQUIREMENTS.**—In creating the Forum, the President shall meet the following requirements:

(1) The President shall direct the Secretary of Commerce, the Secretary of the Treasury, the Secretary of State, and the United States Trade Representative to host the first annual meeting with the counterparts of such Secretaries from the governments of sub-Saharan African countries eligible under section 4, the Secretary General of the Organization of African Unity, and government officials from other appropriate countries in Africa, to discuss expanding trade and investment relations between the United States and sub-Saharan Africa and the implementation of this Act including encouraging joint ventures between small and large businesses.

(2)(A) The President, in consultation with the Congress, shall encourage United States nongovernmental organizations to host annual meetings with nongovernmental organizations from sub-Saharan Africa in conjunction with the annual meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(B) The President, in consultation with the Congress, shall encourage United States representatives of the private sector to host annual meetings with representatives of the private sector from sub-Saharan Africa in conjunction with the annual meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(3) The President shall, to the extent practicable, meet with the heads of governments of sub-Saharan African countries eligible under section 4 not less than once every two years for the purpose of discussing the issues described in paragraph (1). The first such meeting should take place not later than twelve months after the date of the enactment of this Act.

(d) **DISSEMINATION OF INFORMATION BY USA.**—In order to assist in carrying out the purposes of the Forum, the United States Information Agency shall disseminate regularly, through multiple media, economic information in support of the free market economic reforms described in this Act.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as may be necessary to carry out this section.

(f) **LIMITATION ON USE OF FUNDS.**—None of the funds authorized under this section may be used to create or support any nongovernmental organization for the purpose of expanding or facilitating trade between the United States and sub-Saharan Africa.

**SEC. 6. UNITED STATES-SUB-SAHARAN AFRICA FREE TRADE AREA.**

(a) **DECLARATION OF POLICY.**—The Congress declares that a United States-Sub-Saharan Africa Free Trade Area should be established, or free trade agreements should be entered into, in order to serve as the catalyst for increasing trade between the United States and sub-Saharan Africa and increasing private sector development in sub-Saharan Africa.

(b) **PLAN REQUIREMENT.**—

(1) **IN GENERAL.**—The President, taking into account the provisions of the treaty establishing the African Economic Community and the willingness of the governments of sub-Saharan African countries to engage in negotiations to enter into free trade agreements, shall develop a plan for the purpose of entering into one or more trade agreements with sub-Saharan African countries eligible under section 4 in order to establish a United States-Sub-Saharan Africa Free Trade Area (hereafter in this section referred to as the "Free Trade Area").

(2) **ELEMENTS OF PLAN.**—The plan shall include the following:

(A) The specific objectives of the United States with respect to the establishment of the Free Trade Area and a suggested timetable for achieving those objectives.

(B) The benefits to both the United States and sub-Saharan Africa with respect to the Free Trade Area.

(C) A mutually agreed-upon timetable for establishing the Free Trade Area.

(D) The implications for and the role of regional and sub-regional organizations in sub-Saharan Africa with respect to the Free Trade Area.

(E) Subject matter anticipated to be covered by the agreement for establishing the Free Trade Area and United States laws, programs, and policies, as well as the laws of participating eligible African countries and existing bilateral and multilateral and economic cooperation and trade agreements, that may be affected by the agreement or agreements.

(F) Procedures to ensure the following:

(i) Adequate consultation with the Congress and the private sector during the negotiation of the agreement or agreements for establishing the Free Trade Area.

(ii) Consultation with the Congress regarding all matters relating to implementation of the agreement or agreements.

(iii) Approval by the Congress of the agreement or agreements.

(iv) Adequate consultations with the relevant African governments and African regional and subregional intergovernmental organizations during the negotiations of the agreement or agreements.

(c) **REPORTING REQUIREMENT.**—Not later than 12 months after the date of the enactment of this Act, the President shall prepare and transmit to the Congress a report containing the plan developed pursuant to subsection (b).

**SEC. 7. ELIMINATING TRADE BARRIERS AND ENCOURAGING EXPORTS.**

(a) **FINDINGS.**—The Congress makes the following findings:

(1) The lack of competitiveness of sub-Saharan Africa in the global market, especially in the manufacturing sector, make it a limited threat to market disruption and no threat to United States jobs.

(2) Annual textile and apparel exports to the United States from sub-Saharan Africa represent less than 1 percent of all textile and apparel exports to the United States, which totaled \$54,001,863,000 in 1997.

(3) Sub-Saharan Africa has limited textile manufacturing capacity. During 1999 and the succeeding 4 years, this limited capacity to manufacture textiles and apparel is projected to grow at a modest rate. Given this limited capacity to export textiles and apparel, it will be very difficult for these exports from sub-Saharan Africa, during 1999 and the succeeding 9 years, to exceed 3 percent annually of total imports of textile and apparel to the United States. If these exports from sub-Saharan Africa remain around 3 percent of total imports, they will not represent a threat to United States workers, consumers, or manufacturers.

(b) **SENSE OF THE CONGRESS.**—It is the sense of the Congress that—

(1) it would be to the mutual benefit of the countries in sub-Saharan Africa and the United States to ensure that the commitments of the World Trade Organization and associated agreements are faithfully implemented in each of the member countries, so as to lay the groundwork for sustained growth in textile and apparel exports and trade under agreed rules and disciplines;

(2) reform of trade policies in sub-Saharan Africa with the objective of removing structural impediments to trade, consistent with obligations under the World Trade Organization, can assist the countries of the region in achieving greater and greater diversification of textile and apparel export commodities and products and export markets; and

(3) the President should support textile and apparel trade reform in sub-Saharan Africa by, among other measures, providing technical assistance, sharing of information to expand basic knowledge of how to trade with the United States, and encouraging business-to-business contacts with the region.

(c) **TREATMENT OF QUOTAS.**—

(1) **KENYA AND MAURITIUS.**—Pursuant to the Agreement on Textiles and Clothing, the United States shall eliminate the existing quotas on textile and apparel exports to the United States—

(A) from Kenya within 30 days after that country adopts an efficient visa system to guard against unlawful transshipment of textile and apparel goods and the use of counterfeit documents; and

(B) from Mauritius within 30 days after that country adopts such a visa system.

The Customs Service shall provide the necessary technical assistance to Kenya and Mauritius in the development and implementation of those visa systems.

(2) **OTHER SUB-SAHARAN COUNTRIES.**—The President shall continue the existing no quota policy for countries in sub-Saharan Africa. The President shall submit to the Congress, not later than March 31 of each year, a report on the growth in textiles and apparel exports to the United States from countries in sub-Saharan Africa in order to protect United States consumers, workers, and textile manufacturers from economic injury on account of the no quota policy.

(d) **CUSTOMS PROCEDURES AND ENFORCEMENT.**—

(1) **ACTIONS BY COUNTRIES AGAINST TRANSHIPMENT AND CIRCUMVENTION.**—The President should ensure that any country in sub-Saharan Africa that intends to export textile and apparel goods to the United States—

(A) has in place a functioning and effective visa system and domestic laws and enforcement procedures to guard against unlawful transshipment of textile and apparel goods and the use of counterfeit documents; and

(B) will cooperate fully with the United States to address and take action necessary

to prevent circumvention, as provided in Article 5 of the Agreement on Textiles and Clothing.

(2) **PENALTIES AGAINST EXPORTERS.**—If the President determines, based on sufficient evidence, that an exporter has willfully falsified information regarding the country of origin, manufacture, processing, or assembly of a textile or apparel article for which duty-free treatment under section 503(a)(1)(C) of the Trade Act of 1974 is claimed, then the President shall deny to such exporter, and any successors of such exporter, for a period of 2 years, duty-free treatment under such section for textile and apparel articles.

(3) **APPLICABILITY OF UNITED STATES LAWS AND PROCEDURES.**—All provisions of the laws, regulations, and procedures of the United States relating to the denial of entry of articles or penalties against individuals or entities for engaging in illegal transshipment, fraud, or other violations of the customs laws shall apply to imports from Sub-Saharan countries.

(4) **MONITORING AND REPORTS TO CONGRESS.**—The Customs Service shall monitor and the Commissioner of Customs shall submit to the Congress, not later than March 31 of each year, a report on the effectiveness of the visa systems described in subsection (c)(1) and paragraph (1) of this subsection and on measures taken by countries in Sub-Saharan Africa which export textiles or apparel to the United States to prevent circumvention as described in Article 5 of the Agreement on Textiles and Clothing.

(e) **DEFINITION.**—For purposes of this section, the term "Agreement on Textiles and Clothing" means the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

#### **SEC. 8. GENERALIZED SYSTEM OF PREFERENCES.**

(a) **PREFERENTIAL TARIFF TREATMENT FOR CERTAIN ARTICLES.**—Section 503(a)(1) of the Trade Act of 1974 (19 U.S.C. 2463(a)(1)) is amended—

(1) by redesignating subparagraph (C) as subparagraph (D); and

(2) by inserting after subparagraph (B) the following:

"(C) **ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.**—The President may provide duty-free treatment for any article set forth in paragraph (1) of subsection (b) that is the growth, product, or manufacture of an eligible country in sub-Saharan Africa that is a beneficiary developing country, if, after receiving the advice of the International Trade Commission in accordance with subsection (e), the President determines that such article is not import-sensitive in the context of imports from eligible countries in sub-Saharan Africa. This subparagraph shall not affect the designation of eligible articles under subparagraph (B)."

(b) **RULES OF ORIGIN.**—Section 503(a)(2) of the Trade Act of 1974 (19 U.S.C. 2463(a)(2)) is amended by adding at the end the following:

"(C) **ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.**—For purposes of determining the percentage referred to in subparagraph (A) in the case of an article of an eligible country in sub-Saharan Africa that is a beneficiary developing country—

"(i) if the cost or value of materials produced in the customs territory of the United States is included with respect to that article, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (A); and

"(ii) the cost or value of the materials included with respect to that article that are produced in any beneficiary developing country that is an eligible country in sub-Saharan Africa shall be applied in determining such percentage."

(c) **WAIVER OF COMPETITIVE NEED LIMITATION.**—Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C. 2463(c)(2)(D)) is amended to read as follows:

"(D) **LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRIES AND ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.**—Subparagraph (A) shall not apply to any least-developed beneficiary developing country or any eligible country in sub-Saharan Africa."

(d) **EXTENSION OF PROGRAM.**—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended to read as follows:

#### **"SEC. 505. DATE OF TERMINATION.**

"(a) **COUNTRIES IN SUB-SAHARAN AFRICA.**—No duty-free treatment provided under this title shall remain in effect after June 30, 2009, with respect to beneficiary developing countries that are eligible countries in sub-Saharan Africa.

"(b) **OTHER COUNTRIES.**—No duty-free treatment provided under this title shall remain in effect after June 30, 1999, with respect to beneficiary developing countries other than those provided for in subsection (a)."

(e) **DEFINITION.**—Section 507 of the Trade Act of 1974 (19 U.S.C. 2467) is amended by adding at the end the following:

"(6) **ELIGIBLE COUNTRY IN SUB-SAHARAN AFRICA.**—The terms 'eligible country in sub-Saharan Africa' and 'eligible countries in sub-Saharan Africa' mean a country or countries that the President has determined to be eligible under section 4 of the African Growth and Opportunity Act."

(f) **EFFECTIVE DATE.**—The amendments made by this section take effect on July 1, 1999.

#### **SEC. 9. INTERNATIONAL FINANCIAL INSTITUTIONS AND DEBT REDUCTION.**

(a) **BETTER MECHANISMS TO FURTHER GOALS FOR SUB-SAHARAN AFRICA.**—It is the sense of the Congress that the Secretary of the Treasury should instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Monetary Fund, and the African Development Bank to use the voice and votes of the Executive Directors to encourage vigorously their respective institutions to develop enhanced mechanisms which further the following goals in eligible countries in sub-Saharan Africa:

(1) Strengthening and expanding the private sector, especially among women-owned businesses.

(2) Reducing tariffs, nontariff barriers, and other trade obstacles, and increasing economic integration.

(3) Supporting countries committed to accountable government, economic reform, the eradication of poverty, and the building of civil societies.

(4) Supporting deep debt reduction at the earliest possible date with the greatest amount of relief for eligible poorest countries under the "Heavily Indebted Poor Countries" (HIPC) debt initiative.

(b) **SENSE OF CONGRESS.**—It is the sense of the Congress that relief provided to countries in sub-Saharan Africa which qualify for the Heavily Indebted Poor Countries debt initiative should primarily be made through grants rather than through extended-term debt, and that interim relief or interim financing should be provided for eligible countries that establish a strong record of macroeconomic reform.

#### **SEC. 10. EXECUTIVE BRANCH INITIATIVES.**

(a) **STATEMENT OF CONGRESS.**—The Congress recognizes that the stated policy of the executive branch in 1997, the "Partnership for Growth and Opportunity in Africa" initiative, is a step toward the establishment of a comprehensive trade and development policy for sub-Saharan Africa. It is the sense of the Congress that this Partnership is a companion to the policy goals set forth in this Act.

(b) **TECHNICAL ASSISTANCE TO PROMOTE ECONOMIC REFORMS AND DEVELOPMENT.**—In addition to continuing bilateral and multilateral economic and development assistance, the President shall target technical assistance toward—

(1) developing relationships between United States firms and firms in sub-Saharan Africa through a variety of business associations and networks;

(2) providing assistance to the governments of sub-Saharan African countries to—

(A) liberalize trade and promote exports;

(B) bring their legal regimes into compliance with the standards of the World Trade Organization in conjunction with membership in that Organization;

(C) make financial and fiscal reforms; and

(D) promote greater agribusiness linkages;

(3) addressing such critical agricultural policy issues as market liberalization, agricultural export development, and agribusiness investment in processing and transporting agricultural commodities;

(4) increasing the number of reverse trade missions to growth-oriented countries in sub-Saharan Africa;

(5) increasing trade in services; and

(6) encouraging greater sub-Saharan participation in future negotiations in the World Trade Organization on services and making further commitments in their schedules to the General Agreement on Trade in Services in order to encourage the removal of tariff and nontariff barriers.

#### **SEC. 11. SUB-SAHARAN AFRICA INFRASTRUCTURE FUND.**

(a) **INITIATION OF FUNDS.**—It is the sense of the Congress that the Overseas Private Investment Corporation should exercise the authorities it has to initiate an equity fund or equity funds in support of projects in the countries in sub-Saharan Africa, in addition to the existing equity fund for sub-Saharan Africa created by the Corporation.

(b) **STRUCTURE AND TYPES OF FUNDS.**—

(1) **STRUCTURE.**—Each fund initiated under subsection (a) should be structured as a partnership managed by professional private sector fund managers and monitored on a continuing basis by the Corporation.

(2) **CAPITALIZATION.**—Each fund should be capitalized with a combination of private equity capital, which is not guaranteed by the Corporation, and debt for which the Corporation provides guarantees.

(3) **INFRASTRUCTURE FUND.**—One or more of the funds, with combined assets of up to \$500,000,000, should be used in support of infrastructure projects in countries of sub-Saharan Africa.

(4) **EMPHASIS.**—The Corporation shall ensure that the funds are used to provide support in particular to women entrepreneurs and to innovative investments that expand opportunities for women and maximize employment opportunities for poor individuals.

#### **SEC. 12. OVERSEAS PRIVATE INVESTMENT CORPORATION AND EXPORT-IMPORT BANK INITIATIVES.**

(a) **OVERSEAS PRIVATE INVESTMENT CORPORATION.**—

(1) **ADVISORY COMMITTEE.**—Section 233 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

“(e) **ADVISORY COMMITTEE.**—The Board shall take prompt measures to increase the loan, guarantee, and insurance programs, and financial commitments, of the Corporation in sub-Saharan Africa, including through the use of an advisory committee to assist the Board in developing and implementing policies, programs, and financial instruments with respect to sub-Saharan Africa. In addition, the advisory committee shall make recommendations to the Board on how the Corporation can facilitate greater support by the United States for trade and investment with and in sub-Saharan Africa. The advisory committee shall terminate 4 years after the date of the enactment of this subsection.”.

(2) **REPORTS TO THE CONGRESS.**—Within 6 months after the date of the enactment of this Act, and annually for each of the 4 years thereafter, the Board of Directors of the Overseas Private Investment Corporation shall submit to the Congress a report on the steps that the Board has taken to implement section 233(e) of the Foreign Assistance Act of 1961 (as added by paragraph (1)) and any recommendations of the advisory board established pursuant to such section.

(b) **EXPORT-IMPORT BANK.**—

(1) **ADVISORY COMMITTEE FOR SUB-SAHARAN AFRICA.**—Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)) is amended by inserting after paragraph (12) the following:

“(13)(A) The Board of Directors of the Bank shall take prompt measures, consistent with the credit standards otherwise required by law, to promote the expansion of the Bank’s financial commitments in sub-Saharan Africa under the loan, guarantee, and insurance programs of the Bank.

“(B)(i) The Board of Directors shall establish and use an advisory committee to advise the Board of Directors on the development and implementation of policies and programs designed to support the expansion described in subparagraph (A).

“(ii) The advisory committee shall make recommendations to the Board of Directors on how the Bank can facilitate greater support by United States commercial banks for trade with sub-Saharan Africa.

“(iii) The advisory committee shall terminate 4 years after the date of the enactment of this subparagraph.”.

(2) **REPORTS TO THE CONGRESS.**—Within 6 months after the date of the enactment of this Act, and annually for each of the 4 years thereafter, the Board of Directors of the Export-Import Bank of the United States shall submit to the Congress a report on the steps that the Board has taken to implement section 2(b)(13)(B) of the Export-Import Bank Act of 1945 (as added by paragraph (1)) and any recommendations of the advisory committee established pursuant to such section.

#### **SEC. 13. ASSISTANT UNITED STATES TRADE REPRESENTATIVE FOR SUB-SAHARAN AFRICA.**

(a) **SENSE OF CONGRESS.**—It is the sense of the Congress that the position of Assistant United States Trade Representative for African Affairs is integral to the United States commitment to increasing United States—sub-Saharan African trade and investment.

(b) **MAINTENANCE OF POSITION.**—The President shall maintain a position of Assistant United States Trade Representative for African Affairs within the Office of the United States Trade Representative to direct and coordinate interagency activities on United

States-Africa trade policy and investment matters and serve as—

(1) a primary point of contact in the executive branch for those persons engaged in trade between the United States and sub-Saharan Africa; and

(2) the chief advisor to the United States Trade Representative on issues of trade with Africa.

(c) **FUNDING AND STAFF.**—The President shall ensure that the Assistant United States Trade Representative for African Affairs has adequate funding and staff to carry out the duties described in subsection (b), subject to the availability of appropriations.

#### **SEC. 14. EXPANSION OF THE UNITED STATES AND FOREIGN COMMERCIAL SERVICE IN SUB-SAHARAN AFRICA.**

(a) **FINDINGS.**—The Congress makes the following findings:

(1) The United States and Foreign Commercial Service (hereafter in this section referred to as the “Commercial Service”) plays an important role in helping United States businesses identify export opportunities and develop reliable sources of information on commercial prospects in foreign countries.

(2) During the 1980s, the presence of the Commercial Service in sub-Saharan Africa consisted of 14 professionals providing services in eight countries. By early 1997, that presence had been reduced by half to seven, in only four countries.

(3) Since 1997, the Department of Commerce has slowly begun to increase the presence of the Commercial Service in sub-Saharan Africa, adding five full-time officers to established posts.

(4) Although the Commercial Service Officers in these countries have regional responsibilities, this kind of coverage does not adequately service the needs of United States businesses attempting to do business in sub-Saharan Africa.

(5) The Congress has, on several occasions, encouraged the Commercial Service to focus its resources and efforts in countries or regions in Europe or Asia to promote greater United States export activity in those markets.

(6) Because market information is not widely available in many sub-Saharan African countries, the presence of additional Commercial Service Officers and resources can play a significant role in assisting United States businesses in markets in those countries.

(b) **APPOINTMENTS.**—Subject to the availability of appropriations, by not later than December 31, 2000, the Secretary of Commerce, acting through the Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service, shall take steps to ensure that—

(1) at least 20 full-time Commercial Service employees are stationed in sub-Saharan Africa; and

(2) full-time Commercial Service employees are stationed in not less than ten different sub-Saharan African countries.

(c) **COMMERCIAL SERVICE INITIATIVE FOR SUB-SAHARAN AFRICA.**—In order to encourage the export of United States goods and services to sub-Saharan African countries, the Commercial Service shall make a special effort to—

(1) identify United States goods and services which are not being exported to sub-Saharan African countries but which are being exported to those countries by competitor nations;

(2) identify, where appropriate, trade barriers and noncompetitive actions, including violations of intellectual property rights,

that are preventing or hindering sales of United States goods and services to, or the operation of United States companies in, sub-Saharan Africa;

(3) present, periodically, a list of the goods and services identified under paragraph (1), and any trade barriers or noncompetitive actions identified under paragraph (2), to appropriate authorities in sub-Saharan African countries with a view to securing increased market access for United States exporters of goods and services;

(4) facilitate the entrance by United States businesses into the markets identified under paragraphs (1) and (2); and

(5) monitor and evaluate the results of efforts to increase the sales of goods and services in such markets.

(d) **REPORTS TO CONGRESS.**—Not later than one year after the date of the enactment of this Act, and each year thereafter for five years, the Secretary of Commerce, in consultation with the Secretary of State, shall report to the Congress on actions taken to carry out subsections (b) and (c). Each report shall specify—

(1) in what countries full-time Commercial Service Officers are stationed, and the number of such officers placed in each such country;

(2) the effectiveness of the presence of the additional Commercial Service Officers in increasing United States exports to sub-Saharan African countries; and

(3) the specific actions taken by Commercial Service Officers, both in sub-Saharan African countries and in the United States, to carry out subsection (c), including identifying a list of targeted export sectors and countries.

#### **SEC. 15. REPORTING REQUIREMENT.**

The President shall submit to the Congress, not later than 1 year after the date of the enactment of this Act, and not later than the end of each of the next 6 1-year periods thereafter, a comprehensive report on the trade and investment policy of the United States for sub-Saharan Africa, and on the implementation of this Act. The last report required by section 134(b) of the Uruguay Round Agreements Act (19 U.S.C. 3554(b)) shall be consolidated and submitted with the first report required by this section.

#### **SEC. 16. DONATION OF AIR TRAFFIC CONTROL EQUIPMENT TO ELIGIBLE SUB-SAHARAN AFRICAN COUNTRIES.**

It is the sense of the Congress that, to the extent appropriate, the United States Government should make every effort to donate to governments of sub-Saharan African countries (determined to be eligible under section 4 of this Act) air traffic control equipment that is no longer in use, including appropriate related reimbursable technical assistance.

#### **SEC. 17. ADDITIONAL AUTHORITIES AND INCREASED FLEXIBILITY TO PROVIDE ASSISTANCE UNDER THE DEVELOPMENT FUND FOR AFRICA.**

(a) **USE OF SUSTAINABLE DEVELOPMENT ASSISTANCE TO SUPPORT FURTHER ECONOMIC GROWTH.**—It is the sense of the Congress that sustained economic growth in sub-Saharan Africa depends in large measure upon the development of a receptive environment for trade and investment, and that to achieve this objective the United States Agency for International Development should continue to support programs which help to create this environment. Investments in human resources, development, and implementation of free market policies, including policies to liberalize agricultural markets and improve food security, and the support for the rule of



law and democratic governance should continue to be encouraged and enhanced on a bilateral and regional basis.

(b) **DECLARATIONS OF POLICY.**—The Congress makes the following declarations:

(1) The Development Fund for Africa established under chapter 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2293 et seq.) has been an effective tool in providing development assistance to sub-Saharan Africa since 1988.

(2) The Development Fund for Africa will complement the other provisions of this Act and lay a foundation for increased trade and investment opportunities between the United States and sub-Saharan Africa.

(3) Assistance provided through the Development Fund for Africa will continue to support programs and activities that promote the long term economic development of sub-Saharan Africa, such as programs and activities relating to the following:

(A) Strengthening primary and vocational education systems, especially the acquisition of middle-level technical skills for operating modern private businesses and the introduction of college level business education, including the study of international business, finance, and stock exchanges.

(B) Strengthening health care systems.

(C) Supporting democratization, good governance and civil society and conflict resolution efforts.

(D) Increasing food security by promoting the expansion of agricultural and agriculture-based industrial production and productivity and increasing real incomes for poor individuals.

(E) Promoting an enabling environment for private sector-led growth through sustained economic reform, privatization programs, and market-led economic activities.

(F) Promoting decentralization and local participation in the development process, especially linking the rural production sectors and the industrial and market centers throughout Africa.

(G) Increasing the technical and managerial capacity of sub-Saharan African individuals to manage the economy of sub-Saharan Africa.

(H) Ensuring sustainable economic growth through environmental protection.

(4) The African Development Foundation has a unique congressional mandate to empower the poor to participate fully in development and to increase opportunities for gainful employment, poverty alleviation, and more equitable income distribution in sub-Saharan Africa. The African Development Foundation has worked successfully to enhance the role of women as agents of change, strengthen the informal sector with an emphasis on supporting micro and small sized enterprises, indigenous technologies, and mobilizing local financing. The African Development Foundation should develop and implement strategies for promoting participation in the socioeconomic development process of grassroots and informal sector groups such as nongovernmental organizations, cooperatives, artisans, and traders into the programs and initiatives established under this Act.

(c) **ADDITIONAL AUTHORITIES.**—

(1) **IN GENERAL.**—Section 496(h) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(h)) is amended—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following:

“(3) **DEMOCRATIZATION AND CONFLICT RESOLUTION CAPABILITIES.**—Assistance under this

section may also include program assistance—

“(A) to promote democratization, good governance, and strong civil societies in sub-Saharan Africa; and

“(B) to strengthen conflict resolution capabilities of governmental, intergovernmental, and nongovernmental entities in sub-Saharan Africa.”.

(2) **CONFORMING AMENDMENT.**—Section 496(h)(4) of such Act, as amended by paragraph (1), is further amended by striking “paragraphs (1) and (2)” in the first sentence and inserting “paragraphs (1), (2), and (3)”.

#### **SEC. 18. SUB-SAHARAN AFRICA DEFINED.**

For purposes of this Act, the terms “sub-Saharan Africa”, “sub-Saharan African country”, “country in sub-Saharan Africa”, and “countries in sub-Saharan Africa” refer to the following or any successor political entities:

Republic of Angola (Angola)  
 Republic of Botswana (Botswana)  
 Republic of Burundi (Burundi)  
 Republic of Cape Verde (Cape Verde)  
 Republic of Chad (Chad)  
 Democratic Republic of Congo  
 Republic of the Congo (Congo)  
 Republic of Djibouti (Djibouti)  
 State of Eritrea (Eritrea)  
 Gabonese Republic (Gabon)  
 Republic of Ghana (Ghana)  
 Republic of Guinea-Bissau (Guinea-Bissau)  
 Kingdom of Lesotho (Lesotho)  
 Republic of Madagascar (Madagascar)  
 Republic of Mali (Mali)  
 Republic of Mauritius (Mauritius)  
 Republic of Namibia (Namibia)  
 Federal Republic of Nigeria (Nigeria)  
 Democratic Republic of Sao Tomé and Principe (Sao Tomé and Principe)  
 Republic of Sierra Leone (Sierra Leone)  
 Somalia  
 Kingdom of Swaziland (Swaziland)  
 Republic of Togo (Togo)  
 Republic of Zimbabwe (Zimbabwe)  
 Republic of Benin (Benin)  
 Burkina Faso (Burkina)  
 Republic of Cameroon (Cameroon)  
 Central African Republic  
 Federal Islamic Republic of the Comoros (Comoros)  
 Republic of Côte d'Ivoire (Côte d'Ivoire)  
 Republic of Equatorial Guinea (Equatorial Guinea)  
 Ethiopia  
 Republic of the Gambia (Gambia)  
 Republic of Guinea (Guinea)  
 Republic of Kenya (Kenya)  
 Republic of Liberia (Liberia)  
 Republic of Malawi (Malawi)  
 Islamic Republic of Mauritania (Mauritania)  
 Republic of Mozambique (Mozambique)  
 Republic of Niger (Niger)  
 Republic of Rwanda (Rwanda)  
 Republic of Senegal (Senegal)  
 Republic of Seychelles (Seychelles)  
 Republic of South Africa (South Africa)  
 Republic of Sudan (Sudan)  
 United Republic of Tanzania (Tanzania)  
 Republic of Uganda (Uganda)  
 Republic of Zambia (Zambia)

#### **SEC. 19. LIMITATION ON USE OF NON-ACCRUAL EXPERIENCE METHOD OF ACCOUNTING.**

(a) **IN GENERAL.**—Section 448(d)(5) of the Internal Revenue Code of 1986 (relating to special rule for services) is amended—

(1) by inserting “in fields described in paragraph (2)(A)” after “services by such person”, and

(2) by inserting “CERTAIN PERSONAL” before “SERVICES” in the heading.

(b) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) **CHANGE IN METHOD OF ACCOUNTING.**—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period (not greater than 4 taxable years) beginning with such first taxable year.

#### **SEC. 20. INCLUSION OF CERTAIN VACCINES AGAINST STREPTOCOCCUS PNEUMONIAE TO LIST OF TAXABLE VACCINES.**

(a) **IN GENERAL.**—Section 4132(a)(1) of the Internal Revenue Code of 1986 (defining taxable vaccine) is amended by adding at the end the following new subparagraph:

“(L) Any conjugate vaccine against streptococcus pneumoniae.”

(b) **EFFECTIVE DATE.**—

(1) **SALES.**—The amendment made by this section shall apply to vaccine sales beginning on the day after the date on which the Centers for Disease Control makes a final recommendation for routine administration to children of any conjugate vaccine against streptococcus pneumoniae.

(2) **DELIVERIES.**—For purposes of paragraph (1), in the case of sales on or before the date described in such paragraph for which delivery is made after such date, the delivery date shall be considered the sale date.

(c) **REPORT.**—Not later than 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall prepare and submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the operation of the Vaccine Injury Compensation Trust Fund and on the adequacy of such Fund to meet future claims made under the Vaccine Injury Compensation Program.

The **CHAIRMAN.** No amendment to that amendment shall be in order except those printed in House Report 106-236. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered read, debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

It is now in order to consider amendment No. 1 printed in House Report 106-236.



AMENDMENT NO. 1 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Ms. JACKSON-LEE of Texas:

Page 3, line 5, strike "and".

Page 3, line 8, strike the period and insert "and".

Page 3, after line 8, add the following:

(10) encouraging the establishment and development of small businesses in sub-Saharan Africa and encouraging trade between United States small businesses and these newly-established small businesses in sub-Saharan Africa.

The CHAIRMAN. Pursuant to House Resolution 250, the gentlewoman from Texas (Ms. JACKSON-LEE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. GILMAN. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from New York, the distinguished chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, the vast majority of economic activity in Africa comes from small entrepreneurs. I just wanted to express my support for the thoughtful amendment offered by the gentlewoman because it recognizes that fact and encourages trade between small businesses.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, let me say that small businesses are the backbone of America. As we hold up a map of the United States, I am very proud to say that we are noting that 15 States export at least \$100 million or did export it in sub-Saharan Africa in 1998. But if we look at this colorful map, we will see that America does business with sub-Saharan Africa.

What I want to have happen today is a vote on an amendment that says small businesses will do business with sub-Saharan Africa and, as our amendment said, to encourage the creation and development of small businesses in sub-Saharan Africa for them to likewise do business with our business community. The language is an attempt to eliminate, or at least minimize, the intimidation that typically goes along with the business of international trade.

Succinctly, the bill helps gun-shy businesses make overseas ventures that will grow our economy well into the next millennium. This amendment will assist in our ensuring that all via-

ble businesses may access the tremendous trade opportunity created by this bill. Specifically, it will target small businesses that up until now have little incentive to go abroad in their search for steady streams of income.

Mr. Chairman, what it says to all the advocates of this bill is that we have an extra responsibility with the larger corporate community to insist on the participation of the small businesses; we have the responsibility to promote in the Department of Commerce the Ron Brown Center in South Africa that works very hard to put American businesses together with African businesses. This amendment is to emphasize that importance.

For those unconvinced that small businesses drive our economy, I would like to share with them some statistics. Small businesses in the United States represent 99.7 percent of all employers, a truly dramatic number. Fifty-three percent of the private workforce in the United States is employed by small business.

For those unwilling to concede that small businesses must play a role in our trade overseas, please take note that small businesses represent fully 96 percent of all exporters.

Mr. Chairman, I have in my hand about 10 pages that show how many different cities do business with sub-Saharan Africa: Gary, Indiana; Green Bay, Wisconsin; Harrisburg, Lebanon, Carlisle, Pennsylvania; Hickory, Morgantown, North Carolina; Honolulu, Hawaii; Houston, Texas; Jackson, Mississippi; Kansas City, Missouri; Knoxville, Tennessee. Incorporated in all these cities, of course, are small businesses.

There are a great number of Africans that want to help themselves. I have met with them. I have met with the ambassador core. I have seen the small businesses in Africa. They are ready and waiting. I have seen the flour packing factory. I have seen the fish packing factory. These employees in Africa want to work, and more of them want to access capital to ensure that they can provide and have the opportunity to construct their businesses.

Small businesses in the United States are a principal source of our new domestic jobs. I want to see small businesses in sub-Saharan Africa being the principal source of jobs as well in sub-Saharan Africa.

Small firms hire a larger proportion of employees who are younger workers, older workers, women workers; and that is what we expect in sub-Saharan Africa with the African Growth and Opportunity Act.

Let me also acknowledge, Mr. Chairman, that OPIC is committed to helping small business. OPIC has indicated that 1999 is the year of small businesses at OPIC, the Overseas Private Investment Corporation. This represents dollars for small businesses.

With that, Mr. Chairman, let me simply say I hope my colleagues will vote for this amendment. How can we turn our backs on small businesses when we are opening the opportunity and the doors for trade with Africa?

Mr. Chairman, today, I rise to offer an amendment to H.R. 434, the African Growth and Opportunity Act of 1999. This amendment encourages and recognizes the need for U.S. and African small business opportunities and investments in Sub-Saharan Africa through the mechanisms provided by the Africa Growth and Opportunity Act.

H.R. 434 is embedded with clearly written language in an effort to restore stability and promote trade between the United States and Sub-Saharan Africa. That language is an attempt to eliminate, or at least minimize, the intimidation that typically goes along with the business of international trade. Succinctly said, the bill helps gun-shy businesses make overseas ventures that will grow our economy well into the next millennium.

This amendment will assist in our ensuring that all viable businesses may access the tremendous trade opportunities created by this bill. Specifically, it targets small businesses that up until now, have had little incentive to go abroad in their search for steady streams of income. As a result, the amendment ensures that the gains brought about by this bill are spread generously to all segments of our economy—and the economy of Sub-Saharan Africa as well.

For those unconvinced that small business drives our economy, I would like to share with you some statistics. Small businesses in the United States represent 99.7 percent of all employers—a truly dramatic number. Fifty-three (53) percent of the private work force in the U.S. is employed by small business. For those unwilling to concede that small businesses must play a role in our trade overseas, please take note that small businesses represent fully 96 percent of all U.S. exporters. Furthermore, I have little doubt that our encouragement of the development and enhancement of African small businesses can yield similar economic statistics within Sub-Saharan Africa. They need that growth, and frankly, so do we if we are to expand and diversify our economy.

There are a great number of Africans that want to help themselves, and we would be remiss if they would be locked-out of the benefits of increased trade with the United States. Countries like Botswana, Nigeria and South Africa have experienced a great deal of success fostering small businesses within their bounds, and they do so partly because it benefits their economy. In light of this fact, we must realize that the best way to assist these countries is to encourage them to continue with these successful practices.

The Africa Growth and Opportunity Act must make clear: our U.S. small businesses are welcomed and indeed encouraged to participate in trade with Africa—and specifically, in trade with South African small businesses.

Small businesses in the United States are our principal source of new domestic jobs. Because there are approximately 23 million small businesses in the U.S. they are able to provide virtually all of the new jobs added to the

economy. In 1997, the U.S. economy created nearly 3 million new jobs. Six out of ten of the industries adding those new jobs were small business dominated industries. Being an integral part of the African trade relationship will ensure small businesses continue to play a vital role in the economics of the United States.

Small firms hire a larger proportion of employees who are younger workers, older workers, women or workers who prefer to work part time. They provide nearly 55 percent of the innovations that drive our economy. These businesses are an asset to our country, and we cannot leave them out of the fold with this bill!

It makes good business sense to ensure that our small businesses have no doubt that they are welcomed and encouraged to seek the opportunities created by the African Growth and Opportunity Act. They must take advantage of the provisions giving them access to the Overseas Private Investment Corporation (OPIC). They must know about lowered tariffs on goods. These are things to be taken advantage of for the betterment of our economy, let us make sure that everyone, therefore, can take advantage of them.

This amendment is but a start, I will admit. And we must follow up on this issue if we are to ensure that our goal will be achieved. We must ask the Department of Commerce to emphasize and utilize the newly opened Ron Brown Investment Center located in Johannesburg, South Africa.

We must ask trade associations that represent small businesses to establish and encourage foreign investment through use of this bill. Those associations should additionally assist and provide technical assistance for those small businesses that seek the aid of OPIC, the Department of Commerce, and the Small Business Administration so that they can enter into ventures overseas easily and successfully.

I truly believe that we will be making history today. Let us make sure that when that history is reviewed, that small businesses can be found in the main body of the text, and not in a footnote. I therefore respectfully urge you to vote aye on this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. ROYCE. Mr. Chairman, I ask unanimous consent to control the time in opposition to the amendment, although I support it.

The CHAIRMAN. Without objection, the gentleman from California will control the time in opposition.

There was no objection.

Mr. ROYCE. Mr. Chairman, I yield myself such time as I may consume, and I rise in support of the amendment.

Mr. Chairman, this is a good amendment. It will encourage the development of small business in Africa. It reiterates what this bill is trying to accomplish by promoting trade and investment.

I have had the opportunity to travel to Africa with the gentlewoman from Texas (Ms. JACKSON-LEE). We together had the opportunity to see small businesses across the continent at work.

Small businesses in Africa are thriving. And we are building partnerships with small businesses in the United States. And this bill, improved with this amendment, will advance these goals.

Mr. Chairman, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield 1 minute to the gentlewoman from Georgia (Ms. MCKINNEY), a very distinguished member of the Committee on International Relations.

Ms. MCKINNEY. Mr. Chairman, I am disturbed that some U.S. corporations trading in Africa have blood on their hands.

On May 27, a group of Nigerian citizens filed an action against Chevron in a U.S. District Court. They accuse Chevron of assisting Nigerian security forces to commit murder, injure protesters, and ransack and burn villages of the indigenous Nigerians. These protesters were objecting to the destruction of their environment and the plundering of their resources.

Unfortunately, evidence gathered by a number of highly respected international human rights and environmental groups support these claims.

These types of allegations are a part of a growing list of crimes being committed against the underprivileged peoples of the world.

The most serious offenders are the giant oil companies who are hungry to take advantage of the rich oil and mineral resources in Africa. Incredibly, these corporations now deny responsibility for their actions.

Our corporations should be required to conduct themselves according to a strict corporate code of conduct that ensures our U.S. corporations become good corporate citizens of the world.

I support this amendment because it encourages the development of small business opportunity in Africa and, therefore, protects Africa from the bad elements of corporate America.

Mr. ROYCE. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. PAYNE).

Mr. PAYNE. Mr. Chairman, I thank the gentleman from California for yielding me the time.

Let me say that I think that small business, whether it is here or abroad, is really the wave of the future. In this Nation, small business comprises 85 percent of employment in this country.

Most of the new jobs created today are small business. Whether they are high-tech, whether they deal with intellectual properties, most of these are done with small businesses. And so, in order to move this Nation, this continent, forward in the area of entrepreneurship, small business is where it ought to be.

We also should support the micro-economics, some of the very, very small businesses that women in Africa are in charge of. Women are the main driving

force in many villages, as they are the barterers and they are the deal makers. And so, it is keenly important that we not only connect small business people on the Continent of Africa but in this Nation of small business people, minority women, minority-owned businesses.

I think this is a great connection. I think that the Continent of Africa is looking for partnerships or looking for people to work as equals together.

I believe that the historic 12-day, 6-country tour that President Clinton made last year sent a message that the U.S. is ready to stand up, stand forward to create the climate that is necessary to see this continent finally in the new millennium take its rightful place in the world.

I am very encouraged by this amendment. I think we should all urge the House to adopt this amendment.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I am delighted to yield 30 seconds to the gentleman from New York (Mr. RANGEL), the distinguished ranking member of the Committee on Ways and Means, on the small business amendment.

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Mr. RANGEL. Mr. Chairman, let me take this opportunity to publicly thank the gentlewoman from Texas for all of the work that she has done for the people on the continent of Africa as well as to improve the economy of those of us in the United States of America. She not only has worked hard in the committee and in the subcommittees to make certain that small businesses were the beneficiaries but she has actually gone around the world, especially on the continent, to get a better understanding of the problems and then be able to come forth with the solution to those problems. She has gained the support and the friendship of the people of both sides of the aisle. She is to be congratulated. I support the amendment.

Mr. ROYCE. Mr. Chairman, I yield the balance of my time to the gentlewoman from Texas (Ms. JACKSON-LEE) and ask unanimous consent that she be permitted to control that time.

The CHAIRMAN. Without objection, the gentlewoman from Texas is recognized for 2½ minutes.

There was no objection.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield 30 seconds to the distinguished gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Chairman, I would first like to congratulate the outstanding leadership that the gentlewoman from Texas is providing for not only the women here in America but for the women of Africa. It is so important that we have the nexus between the businesses here and businesses in Africa. We recognize that women make up the majority of businesses, especially microenterprises in

Africa, and it is indeed important that we begin to move the agenda for those women so that they can provide the type of support for their families.

I am excited to be here as the ranking member on the Subcommittee on Empowerment of the Committee on Small Business to support this amendment.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume. First let me thank the chairman of the Subcommittee on Africa of the Committee on International Relations for yielding me the time.

I want to remind those individuals who have listened to this debate, my colleagues, that we would not let this bill proceed without embracing the backbone of America. As I indicated, 99.7 percent of the new jobs and jobs created in America in this very good economy have been created by small businesses. I think it is important to note that there is not one State in the United States that does not have a coloration to indicate that they are not doing business in Africa. I think it is also important when we begin to analyze this bill that we see Africa in multicolors. It would almost be like taking a portrait that our very esteemed African-American artist John Biggers paints, he paints with a lot of colors, going in and looking at the painting and saying, "It looks like there is all blue."

We realize that there is poverty in Africa, that there is need for education, health care, running water and electricity. When we speak to the heads of government, they are prepared to engage internationally to secure those particular needs of their people. Why can we not as we recognize how much we do with Africa provide the forum and the vehicle for not only the large corporations but our small businesses? I hope that the large corporations, I hope that OPIC, the Department of Commerce, the Small Business Administration, are listening. Just for information, let me note that OPIC has a small business advocacy team, a small business hotline, a web page, how-to materials only for small businesses to do business in Africa.

I believe that if we really pay attention to what is going on, we will see the numbers of pages of the many cities throughout America that are reflected in this map that shows that there is not one country left out. Let us not take a second step to Europe. I would ask that we pass this amendment and support the idea of small businesses having a piece of the pie of the African Growth and Opportunity Act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Ms. JACKSON-LEE). The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report 106-236.

AMENDMENT NO. 2 OFFERED BY MR. JACKSON OF ILLINOIS

Mr. JACKSON of Illinois. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. JACKSON of Illinois:

Page 24, strike line 13 and all that follows through line 18 on page 25 and insert the following:

**SEC. 11. SUB-SAHARAN AFRICA EQUITY AND INFRASTRUCTURE FUNDS.**

(a) INITIATION OF FUNDS.—The Overseas Private Investment Corporation shall, not later than 12 months after the date of the enactment of this Act, exercise the authorities it has to initiate 1 or more equity funds in support of projects in the countries in sub-Saharan Africa, in addition to any existing equity fund for sub-Saharan Africa established by the Corporation before the date of the enactment of this Act.

(b) STRUCTURE AND TYPES OF FUNDS.—

(1) STRUCTURE.—Each fund initiated under subsection (a) shall be structured as a partnership managed by professional private sector fund managers and monitored on a continuing basis by the Corporation.

(2) CAPITALIZATION.—Each fund shall be capitalized with a combination of private equity capital, which is not guaranteed by the Corporation, and debt for which the Corporation provides guaranties.

(3) TYPES OF FUNDS.—One or more of the funds, with combined assets of up to \$500,000,000, shall be used in support of infrastructure projects in countries of sub-Saharan Africa, including basic health services (including AIDS prevention and treatment), including hospitals, potable water, sanitation, schools, electrification of rural areas, and publicly-accessible transportation in sub-Saharan African countries.

(c) ADDITIONAL REQUIREMENTS.—The Corporation shall ensure that—

(1) not less than 70 percent of trade financing and investment insurance provided through the equity funds established under subsection (a), and through any existing equity fund for sub-Saharan Africa established by the Corporation before the date of the enactment of this Act, are allocated to small, women- and minority-owned businesses—

(A) of which not less than 60 percent of the ownership is comprised of citizens of sub-Saharan African countries and 40 percent of the ownership is comprised of citizens of the United States; and

(B) that have assets of not more than \$1,000,000; and

(2) not less than 50 percent of the funds allocated to energy projects are used for renewal or alternative energy projects.

Page 25, strike line 19 and all that follows through line 6 on page 28 and insert the following:

**SEC. 12. OVERSEAS PRIVATE INVESTMENT CORPORATION AND EXPORT-IMPORT BANK INITIATIVES.**

(a) OVERSEAS PRIVATE INVESTMENT CORPORATION.—Section 233 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

“(e) ADVISORY COMMITTEE.—

“(1) ESTABLISHMENT.—The Board shall establish and work with an advisory committee to assist the Board in developing and implementing policies, programs, and financial instruments with respect to sub-Saharan Africa, including with respect to equity and

infrastructure funds established under section 11 of the African Growth and Opportunity Act.

“(2) MEMBERSHIP.—

“(A) IN GENERAL.—The advisory committee established under paragraph (1) shall consist of 15 members, of which 7 members shall be employees of the United States Government and 8 members shall be representatives of the private sector.

“(B) APPOINTMENT.—The members of the advisory committee shall be appointed as follows:

“(i) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall each appoint 2 members who are representatives of the private sector and 1 member who is an employee of the United States Government.

“(ii) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall jointly appoint the remaining 3 members who are employees of the United States Government.

“(C) ADDITIONAL REQUIREMENTS.—Of the 8 members of advisory committee who are representatives of the private sector—

“(i) at least 4 members shall be representatives of not-for-profit public interest organizations;

“(ii) at least 1 member shall be a representative of an organization with expertise in development issues;

“(iii) at least 1 member shall be a representative of an organization with expertise in human rights issues;

“(iv) at least 1 member shall be a representative of an organization with expertise in environmental issues; and

“(v) at least 1 member shall be a representative of an organization with expertise in international labor rights.

“(D) TERMS.—Each member of the advisory committee shall be appointed for a term of 2 years.

“(3) MEETINGS.—

“(A) OPEN TO PUBLIC.—Meetings of the advisory committee shall be open to the public.

“(B) ADVANCE NOTICE.—The advisory committee shall provide advance notice in the Federal Register of any meeting of the committee, shall provide notice of all proposals or projects to be considered by the committee at the meeting, and shall solicit written comments from the public relating to such proposals or projects.

“(C) DECISIONS.—Any decision of the advisory committee relating to a proposal or project shall be published in the Federal Register with an explanation of the extent to which the committee considered public comments received with respect to the proposal or project, if any.

“(4) ENVIRONMENTAL IMPACT ASSESSMENTS.—The Corporation shall carry out environmental impact assessments with respect to any proposal or project not later than 120 days before the advisory committee, or the Board, considers such proposal or project, whichever occurs earlier.”.

(b) EXPORT-IMPORT BANK INITIATIVE.—Section 2(b)(9) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(9)) is amended to read as follows:

“(9) For purposes of the funds allocated by the Bank for projects in countries in sub-Saharan Africa (as defined in section 17 of the African Growth and Opportunity Act):

“(A) The Bank shall establish an advisory committee to work with and assist the Board in developing and implementing policies, programs, and financial instruments with respect to such countries.

“(B) The members of the advisory committee shall be appointed as follows:

“(i) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall each appoint 2 members who are representatives of the private sector and 1 member who is an officer or employee of the Federal Government.

“(ii) The Speaker and Minority Leader of the House of Representatives and the Majority and Minority Leaders of the Senate shall jointly appoint the remaining 3 members who are officers or employees of the Federal Government.

“(C)(i) At least half of the members of the advisory committee who are representatives of the private sector shall be representatives of not-for-profit public interest organizations.

“(ii) At least 1 of such private sector representatives shall be a representative of an organization with expertise in development issues.

“(iii) At least 1 of such private sector representatives shall be a representative of an organization with expertise in human rights.

“(iv) At least 1 of such private sector representatives shall be a representative of an organization with expertise in environmental issues.

“(v) At least 1 of such private sector representatives shall have expertise in international labor rights.

“(D) Each member of the advisory committee shall serve for a term of 2 years.

“(E)(i) Members of the advisory committee who are representatives of the private sector shall not receive compensation by reason of their service on the advisory committee.

“(ii) Members of the advisory committee who are officers or employees of the Federal Government may not receive additional pay, allowances, or benefits by reason of their service on the advisory committee.

“(F) Meetings of the advisory committee shall be open to the public.

“(G) The advisory committee shall give timely advance notice of each meeting of the advisory committee, including a description of any matters to be considered at the meeting, shall establish a public docket, shall solicit written comments in advance on each proposal, and shall make each decision in writing with an explanation of disposition of the public comments.

“(H) The Bank shall complete and release to the public an environmental impact assessment with respect to a proposal or project with potential environmental effects, not later than 120 days before the advisory committee, or the Board, considers the proposal or project, whichever occurs earlier.

“(I) Section 14(a)(2) of the Federal Advisory Committee Act shall not apply to the advisory committee.”.

The CHAIRMAN. Pursuant to House Resolution 250, the gentleman from Illinois (Mr. JACKSON) and the gentleman from California (Mr. ROYCE) each will control 5 minutes.

The Chair recognizes the gentleman from Illinois (Mr. JACKSON).

Mr. JACKSON of Illinois. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, one of the primary barriers to investment in Africa is the lack of physical infrastructure; unnavigable roads, lack of electricity and no access to hospitals. These are just some of the examples of underdevelopment that make Africa less

welcoming to investors. Support for investment projects in Africa must grapple with these fundamental barriers.

The African Growth and Opportunity Act includes Overseas Private Investment Corporation financing in the amount of \$500 million for projects in sub-Saharan Africa. However, there is no guarantee that this money will be used for projects that improve the standard of living for Africans in ways such as increased access to education, health care facilities, potable water and sanitation services. There is also no guarantee that African firms themselves will benefit from the financing. The fact that the gentlewoman from Texas had to offer an amendment for small firms is a good indication of where the present emphasis of the bill is left out and who is not included.

I, therefore, offer this amendment to improve the OPIC provisions in the African Growth and Opportunity Act. It authorizes the same amount for OPIC funds, \$500 million, but ensures that this financing benefits partnerships. The amendment would also target the financing and insurance to small firms. Multinational corporations do not need another handout. This amendment would make OPIC relevant to smaller firms in the U.S. and Africa that really need the investment support.

The amendment would also ensure that projects supported by OPIC respect the environment and the local community. In the past, foreign investment in Africa has often led to development projects that drive people off their land and destroy the environment and the livelihoods of local residents. The African Growth and Opportunity Act should shoot higher for Africa. Infrastructure should be targeted for existing initiatives aimed at increasing citizens' access to schools, hospitals, electricity and potable water. This amendment will thus change the structure of OPIC and Export-Import Bank advisory boards to make OPIC funding accountable to these goals. The advisory boards will include experts in human rights, the environment, labor rights and development issues. This oversight will increase the likelihood that U.S. support for investment overseas will contribute to overall development objectives, facilitate business development in Africa, be responsive to local communities and respect the environment.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. ROYCE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York (Mr. GILMAN), chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding me this time. I commend the gentleman from Illinois (Mr. JACKSON) for his concern

for enhancing the infrastructure for sub-Saharan Africa, but I do regret that I must oppose his amendment. It would impose unrealistic, unworkable requirements on the OPIC investment fund that would be the centerpiece of U.S. efforts to help the African private sector and would encourage free market economies.

This amendment imposes specific quotas for U.S.-led investment and restrictions on the types of investment. It would prevent African entrepreneurs from making their own decisions about how best to utilize the investment encouraged by H.R. 434.

In addition, the Jackson amendment imposes additional, burdensome requirements on the creation of new advisory panels to OPIC and to the Export-Import Bank. The Congress and our Committee on International Relations as well as other committees already have adequate tools for proper oversight of these institutions. The proposed additional requirements would ultimately reduce their proven effectiveness.

Although I do not question the good intentions of the gentleman from Illinois in presenting this amendment, I must vigorously oppose its passage and urge my colleagues to do the same.

Mr. JACKSON of Illinois. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, I rise in support of the Jackson amendment which promotes small business development and protects affirmative action by providing that 70 percent of trade financing and investment insurance provided by OPIC be allocated to small women and minority-owned businesses having at least 60 percent African ownership. This amendment would ensure that, at the very least, a majority of our OPIC funds in Africa would be used for the benefit of the African people.

I commend the gentleman for this amendment and urge its adoption.

Mr. ROYCE. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana (Mr. JEFFERSON).

Mr. JACKSON of Illinois. Mr. Chairman, I yield 20 seconds to the gentleman from Louisiana (Mr. JEFFERSON).

Mr. JEFFERSON. Mr. Chairman, I rise in opposition to the Jackson amendment because it is unrealistic in the light of how OPIC funds work and in the light of what we are trying to do here with this \$500 million infrastructure fund.

The expectation is that there will be large amounts of investments, perhaps \$35 million each at a minimum, to invest in telecommunications, in banking, in transport infrastructure, in large infrastructure projects. There is no reason to tie the hands of these private fund managers as they try and bring Africa to the global economy in

these areas which require huge investments. Frankly, the \$500 million investment figure for this fund is fairly modest considering the investment needs of Africa and the lack of investment capital flowing into the country. So to say that this must be undertaken by small businesses only and undertaken by minority businesses only is to put Africa at a disadvantage in trying to develop its economy.

In so many cases the gentleman from Illinois has said that the bill is too modest and understates its promises to Africa. In this case his amendment is too modest. It takes into account things that cannot work in Africa because they are too small-minded to work under the situation where we are looking for capital investment in major investment projects, in infrastructure. It limits the Africans too much. I really think that he has not thought it through well enough. I therefore oppose the amendment.

Mr. JACKSON of Illinois. Mr. Chairman, if the gentleman will yield, can he can respond to any provision in the bill that specifically facilitates with economic incentives small business investment or participation in partnerships in sub-Saharan Africa?

Mr. JEFFERSON. OPIC itself as the gentlewoman from Texas just talked about at some great length is focused on small business investment and development. It has not done that before. It is focused on it now to a great extent. The bill calls for women-owned businesses to be enhanced. In fact, that is where most of the empowerment provisions are. So I do not think that is a problem.

Mr. JACKSON of Illinois. The gentleman is referring to sense of Congress provisions in the bill that have no binding implication.

Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, this is really where the rubber hits the road. Whenever we talk about real dollars and real investment, everybody can find reasons why it cannot be done. A sense of Congress is not an amendment. It is not something that has any teeth. We tried on this bill before as we wished to have done in the Committee on Rules to have some substantive amendments that would ensure that there would be business opportunities not only for Africans but for those small businesspersons who want to couple with Africans as we move forward to trade.

Here as we look at this amendment and we talk about and direct ways by which we can help the infrastructure and AIDS, not a sense of Congress on AIDS but real money that could be used to deal with AIDS, again we find reasons why it cannot be done.

I want to tell my colleagues, no matter what happens with this bill, I want

the same Members, particularly on that side of the aisle, to help me make aid for Africa a line item in the budget of the United States of America and increase the aid to Africa that they care so much about.

I rise in support of this amendment and I think everybody should support it.

Mr. ROYCE. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. MANZULLO), chairman of the Small Business Subcommittee on Tax, Finance, and Exports.

Mr. MANZULLO. Mr. Chairman, I rise in opposition to the Jackson amendment propounded by my good friend from Illinois. The problem with the Jackson amendment is that it does not understand or address the true nature of what OPIC is. OPIC is not foreign aid. It is not government money. It is American money as to which there is a guarantee, and insurance premiums are paid for that guarantee. That is the very nature of it.

□ 1315

Mr. Chairman, because it is private money, if we have all the strings that the gentleman from Illinois (Mr. JACKSON) wants to attach to it, we will not have any investors, and therefore the very countries in Africa that Mr. JACKSON is trying to help, he will end up hindering.

Now what does it do on small businesses? In Illinois, for example, in the district I represent there is Ed Myers, there is Wall Clipper Sterling, there is Taylor of Rockton, Rita Chemicals of McHenry. These are all small to medium sized companies in Illinois that are being directly impacted by OPIC guarantees to Africa, and I would encourage the Members to vote against the amendment offered by the gentleman from Illinois (Mr. JACKSON).

Mr. Chairman, I urge my colleagues to oppose the Jackson amendment. While well-intended, it imposes a quota system on OPIC projects in Africa.

Seventy percent of the investments made by OPIC's Africa fund must go to small, women- and minority-owned businesses. In addition, 60 percent of such investments must go to businesses owned by Africans. Finally, all such businesses must not have assets greater than \$1 million.

In the opinion of OPIC, it is impossible to dictate ownership requirements on a privately managed fund. It would also be impossible to raise \$500 million in capital for a fund that makes investments in companies with no more than \$1 million in assets.

If the Jackson quota amendment is adopted, there will be no private sector interest in OPIC's Africa fund. Without private sector partnership, this amendment simply means: no new U.S. jobs, no new U.S. exports to Africa, no new African jobs and expose OPIC and the taxpayer to potential lawsuits.

Support the underlying bill that encourages the existing OPIC Africa development fund that will: create 1,000 U.S. jobs, increase U.S.

exports to Africa by \$500 million over five years, create 9,700 Africa jobs; and operate at no cost to the U.S. taxpayer.

Defeat the Jackson amendment.

Mr. JACKSON of Illinois. Mr. Chairman, I yield myself as much time as I might consume.

The CHAIRMAN. The gentleman from Illinois is recognized for 40 seconds.

Mr. JACKSON of Illinois. Mr. Chairman, the biggest criticism of the Export-Import Bank and the Overseas Private Investment Corporation is that overwhelmingly these loans, as well as the insurance that is provided by the Overseas Private Investment Corporation only goes to very large multinational conglomerates in the United States. The Jackson amendment specifically makes it possible for Ex-Im to lend money to small businesses under \$1 million and ensures the minority part of a partnership with Overseas Private Investment Corporation funds in order of establishment of a partnership between sub-Saharan Africans and Americans might indeed be initiated, and so the use of Ex-Im and OPIC in this particular instance is appropriate.

I would like, Mr. Chairman, just to add that I did because I find it somewhat humorous that the many amendments that I offered, the only amendment that I offered to this was accepted was this particular amendment, and I received a letter early this morning as well as a phone call.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. JACKSON of Illinois. May I have an additional 15 seconds? This is actually in support of the gentleman's point.

The CHAIRMAN. The time is controlled.

Mr. JACKSON of Illinois. I ask unanimous consent, Mr. Chairman, for an additional 15 seconds on both sides.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The gentleman from Illinois is recognized for 15 seconds.

Mr. JACKSON of Illinois. Mr. Chairman, I received a letter very early this morning from the Vice President of Congressional Affairs at the Export-Import Bank who indicated in her letter that Ex-Im Bank is officially opposed to the Jackson amendment, and I just take great umbrage with that particular letter because the Vice President of Congressional Affairs just happens to be my wife, Sandy, and so when I go home this evening as a result of the vote on this amendment, one Jackson is going to be extremely proud and one is going to be extremely sad.

So I want all of my colleagues to know they will not disappoint me one way or the other.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. JACKSON)

has expired, and the gentleman from California (Mr. ROYCE) has 1¼ minutes remaining.

Mr. ROYCE. Mr. Chairman, I yield the balance of my time to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Chairman, I reluctantly rise to comment on the amendment of my friend, and I much admire him, and I do not like to get in between him and his wife, but his wife, I think, is right on this one, and let me express why.

When I was in the foreign aid agency in the Carter years, an assistant administrator, we wrestled with this issue of how to make real these, not these, but the AID projects in Africa and other places and not have them simply go for a lot of infrastructure that was unrelated to the basic needs of the people in the country, and I think that is what the gentleman from Illinois is trying to say here. The problem is that the way OPIC is structured this would not work, and also I think, and we need to work on this, is restructuring these amendments. We have to be sure that we are not taking away the prerogatives of the country in whose domain the project is.

Now a lot of these infrastructure projects that are insured through OPIC have to get the permits, the approvals, in one form or another from within the country, and I think the impact of the gentleman's amendment really is for us to dictate further than we want to what African nations think is something useful for themselves.

Also, these 40 percent, and I will not call them quotas; I think what the gentleman is trying to do is to get it down to the grass roots. I think it is a good purpose, but with these stringent numbers and percentages I think we are going to tie up investments the gentleman would not. So I think the better course is not to pass this amendment, but to work together to try to make sure OPIC funds go where they should.

Mr. ROYCE. Mr. Chairman, I yield back the balance of our time.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Illinois (Mr. JACKSON).

The amendment was rejected.

The CHAIRMAN. It is now in order to consider Amendment No. 3 printed in House Report 106-236.

AMENDMENT NO. 3 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Ms. JACKSON-LEE of Texas:

Page 38, after line 7, insert the following (and redesignate subsequent sections accordingly):

**SEC. 18. ASSISTANCE FROM UNITED STATES PRIVATE SECTOR TO PREVENT AND REDUCE HIV/AIDS IN SUB-SAHARAN AFRICA.**

It is the sense of the Congress that United States businesses should be encouraged to provide assistance to sub-Saharan African countries to prevent and reduce the incidence of HIV/AIDS in sub-Saharan Africa. In providing such assistance, United States businesses should be encouraged to consider the establishment of an HIV/AIDS Response Fund in order to provide for coordination among such businesses in the collection and distribution of the assistance to sub-Saharan African countries.

The CHAIRMAN. Pursuant to House Resolution 250, the gentlewoman from Texas (Ms. JACKSON-LEE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Texas (Ms. JACKSON-LEE). Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I started out in debate earlier this morning acknowledging how much I appreciated the fact that we are debating Africa on the floor of the House in the context of what Africa has to offer and what it has to offer its people, in particular, sub-Saharan Africa, and I might just draw the attention of my colleagues to the face of Africa, a young child, young and bright and energetic and ready to be educated, to have potable water, to have electricity, to be able to have access to capitol, to grow up and to be able to be part of a thriving economy in the 48 States, 48 nations, that comprise sub-Saharan Africa.

But juxtaposed against that face is a startling number, that by the start of 1998 8.2 million children had lost their mothers to AIDS, and many had lost their fathers as well, more than 9 out of 10 children often by AIDS or in sub-Saharan Africa where the burden of care is straining extended families and communities to breaking point in many places.

We must declare a war on HIV AIDS.

I am very delighted to have had the opportunity to join the esteemed Member from Michigan (Ms. KILPATRICK) and the esteemed Member/colleague from California (Ms. LEE) on a presidential mission solely dedicated to studying and determining what we could do about HIV AIDS in sub-Saharan Africa.

This amendment does as much as I believe in a trade bill we can stretch on the question of HIV AIDS.

Mr. Chairman, I have said I am a supporter of debt relief, the E-8 is a supporter of debt relief. We hope the IMF will come to its senses and be a supporter of debt relief because we cannot take the money that is being used to subsidize to bring down or to service debt and not be able to shift it to more important resources and needs.

But this amendment speaks to the African Growth and Opportunity Act

for what it is, a trade bill with major multi nationals who will be engaged in trade in Africa, and it calls upon the establishment of a HIV response fund, the collaboration of resources with the multi nationals to be able to shift those particular resources over to the need for fighting AIDS. This is an HIV AIDS response which will allow monies from creditors to be able to use along with the corporate community. In particular this is dealing with the corporate community to supplement or to be able to utilize for prevention and treatment and other desires of the sovereign nation as it relates to treating HIV AIDS.

It is important to note, Mr. Chairman, that we can team up with already the leadership in sub-Saharan Africa on the question of HIV AIDS. We can team up with Uganda, team up with Zimbabwe, we can work with South Africa and Zambia, and now we know we can work even more because the New York Times has said we have found a \$4 treatment for AIDS that can be given to the woman to prevent the transmission of such to the child.

We have a light at the end of the tunnel, and I would hope my colleagues would support this amendment for what it is. It is an acknowledgment and a recognition that we can do more than just talk about AIDS, but we can begin to put the structures in place to take private sector dollars to help us with a response fund that will fight fight fight and win the war against AIDS.

Mr. Chairman, today I rise to offer an amendment to H.R. 434, the African Growth and Opportunity Act of 1999. This amendment expresses the sense of Congress that the HIV/AIDS epidemic is a threat to the success of this trade bill and that there must be a concerted effort in order to properly and sufficiently address this threat.

My amendment encourages U.S. business to assist sub-Saharan Africa with the HIV/AIDS problem and consider the establishment of a HIV/AIDS Response Fund to coordinate and fund those assistance efforts.

HIV/AIDS is a global problem touching virtually every country and every family around the world. More than 95 percent of the people with HIV live in the developing world. It is estimated that by the year 2020, HIV/AIDS will be responsible for 37 percent of all adult deaths from infectious diseases in the developing world.

There are 33 million cases of HIV/AIDS infections worldwide. Of those, over 22 million of them or 66 percent, occur in sub-Saharan Africa. As we debate trade and economic development for Africa, we must acknowledge the fact that unless there are serious efforts to contain the AIDS epidemic, and to reduce the number of those newly infected in Africa, the development goals we seek for Sub-Saharan Africa will not and cannot become reality.

AIDS is wiping out decades of progress on a variety of development fronts in sub-Saharan Africa. In Tanzania, the World Bank predicts that its gross national product (GNP) will



be 15 to 25 percent lower as a result of AIDS. South Africa alone estimates that AIDS will cost the country 1 percent of its GNP each year.

Professionals are being particularly hard hit in Sub-Saharan Africa as 34 percent of those with post-secondary education having been diagnosed as HIV positive. As a comparison, those holding elementary-level educations comprise but 18 percent of the HIV infected population.

Business entities, critical to a successful trade policy, also are witnesses to the devastation of HIV/AIDS. Uganda Railways has lost 5,600 employees to AIDS and has a labor turnover rate of 15 percent annually, simply due to AIDS. Barclay Bank is now hiring two employees for every one skilled job, assuming that one of those employees will die of AIDS.

Economic growth can not happen without human resources. The sub-Saharan workforce is being quietly eroded due to the rapid spread of HIV/AIDS and its crippling effects. In 1994, the Indeni Petroleum Refinery in Zambia spent more on AIDS-related costs than it declared in profits. A study in South Africa found that at current levels of benefits per employee, the total costs of benefits would rise from 7 percent of salaries in 1995 to 19 percent by 2005, once again, simply due to AIDS.

HIV/AIDS is now threatening development gains that local and donor governments, citizens, NGOs and international agencies have worked for decades to achieve. By the year 2010, life expectancy in some sub-Saharan countries could decrease by 30 years or more. True economic development can not survive such a statistic.

The African Growth and Opportunity Act is a bill designed to quickly bring sub-Saharan Africa into the global marketplace. U.S. business will be primary benefactors of the rewards from this bill. However, HIV/AIDS, if not handled correctly, will be an unexpected barrier to growth and opportunity. U.S. business must be encouraged to recognize the problem and join us in addressing it.

We have federal agencies now addressing the HIV/AIDS issue internationally. The Department of State, Agency for International Development, U.S. Information Agency, the U.S. Peace Corps, the Department of Health and Human Services, the FDA, the Department of Commerce, and the Defense Department each has addressed a component of the HIV/AIDS problems of sub-Saharan Africa. But they cannot do it alone.

There are some corporate and international efforts to tackle this problem. They are good efforts. But we need our business community to also recognize this issue and join us as partner in the war on HIV/AIDS in sub-Saharan Africa. They must realize that they cannot gain the full benefit of this bill unless Africa is strong.

We need those corporations who will benefit the most from the passage of this bill to ante up. Corporations like Chevron, Mobil, Bank of America, Oracle, SBC Communications, Eastman Kodak, Ford and Boeing—all of whom support the passage of this bill, to do something for the benefit of those upon whose shoulders they will find growth. I would, like my amendment denotes, encourage them, together, to establish a Reponse Fund. I would

encourage them to work with African authorities to educate their workforce and their children about the dangers of HIV.

Simply said, the onus of the responsibility should be on those who will bear the fruit of this bill. Corporate America—I call you by name. McDonalds, Motorola, Enron, General Electric—we need you to band together, to use your resources to cement Africa's greatest resource, it's people. Many corporate groups interested in this bill, like the Constituency for Africa and the Africa Trade Council, list HIV/AIDS as one of their top agenda items. That is encouraging, but we want more than a list. We want a response—a Response Fund.

Mr. Chairman, we have before us a tremendous opportunity to work with the private sector to harvest immediate and substantial resources to aid those who are fighting HIV or AIDS. Let us not waste it. Let us pass this amendment. I ask you each for your support on this issue, and for your support in passing this Act.

Mr. Chairman, I submit the following news article for printing in the RECORD:

[From the New York Times, July 15, 1999]

NEW MEANS FOUND FOR REDUCING H.I.V.

PASSED TO CHILD

(By Lawrence K. Altman)

In an advancement that promises to significantly reduce the incidence of AIDS in children in developing countries, American and Ugandan scientists have found a simple new way to prevent mother-to-child transmission of the AIDS virus that also is less costly and markedly more effective than the standard therapy in the third world.

The more practical therapy comes from substituting one marketed drug, nevirapine, for the standard drug, AZT. The cost for the two doses of nevirapine was \$4, compared with \$268 for the AZT regimen now used in developing countries and \$815 for the much longer and more complicated course used in the United States and other developed countries, Federal health officials said in releasing the finding yesterday.

The new treatment calls for both a mother and her infant to take nevirapine just one time—a mother takes a pill once during labor, and her baby is fed the drug as a syrup once during the first three days of life.

Nevirapine, a drug used in combination "cocktail" treatments, has been marketed since 1996 in the United States for treatment of H.I.V., the AIDS virus, and it was remarkably safe in the study that was conducted by American and Ugandan researchers. As babies reached 3 months of age, nevirapine had cut the risk of mother-to-child transmission of H.I.V. to 13 percent from the 25 percent for the standard course of AZT in developing countries, or a reduction of 47 percent, United States and Ugandan health officials said.

Monitoring will continue for 18 months to determine adverse effects that might show up later in infancy. The monitoring will also help to determine how many babies will still become infected through breast-feeding in the first months of life, when such transmission is highest.

H.I.V. can be transmitted during pregnancy or during delivery when bleeding occurs. Nevirapine is believed to be able to block transmission of H.I.V. during the delivery, and further studies will be needed to determine if transmission can be stopped during breast-feeding.

Nevirapine targets the same enzyme in H.I.V. as AZT, but it is a different class of drug.

The low cost of nevirapine makes it feasible or wide-scale use in many developing countries, Dr. Anthony S. Fauci, who heads the National Institute of Allergy and Infectious Diseases, predicted in an interview. His Federal Agency paid for the study.

Dr. Peter Piot, who heads the United Nations AIDS program in Geneva, said the nevirapine study was "a major gain" because it "approaches ideal prevention therapy" for developing countries, where 95 percent of the H.I.V.-infected people live.

But Dr. Piot said it was "unrealistic to introduce it on a large scale in developing countries without first using pilot programs" because drug therapy is only one part of a complex effort to prevent H.I.V. Such pilot studies will begin soon in developing countries, he said.

Most women in developing countries do not know that they are H.I.V.-infected because testing programs are scarce. "It is still a logistical, economic and cultural challenge to develop programs to encourage H.I.V. testing, counseling and baby formula as a substitute for breast-feeding for infected mothers," Dr. Piot said in an interview.

American and Ugandan scientists plan another study to see if it would be more effective to give nevirapine to mother and infant for longer periods. Also, a continuing study in the United States and Europe aims to determine if adding nevirapine to standard regimens will further lower the transmission rate of H.I.V. from mother to child. Dr. Fauci said there was no need to change the United States recommendations until more studies are completed.

The United Nations AIDS group estimates that 1,800 babies are born H.I.V.-infected every day in developing countries where most women do not receive prenatal care. In some areas of Africa, up to 40 percent of pregnant women are H.I.V. infected, and from 25 percent to 35 percent of their infants will be born infected if therapy is not provided.

Wide-scale use of nevirapine in developing countries "could potentially prevent 300,000 to 400,000 newborns each year from beginning life infected with H.I.V.," Dr. Fauci said.

AZT and other anti-H.I.V. drugs have drastically reduced mother-to-child transmission of the infection in the United States since 1994, when a federally sponsored study showed that AZT, taken for several weeks, could stop mother-to-child transmission of H.I.V. The American regimen calls for the pregnant woman to take AZT five times a day beginning as early as the 14th week of pregnancy and continuing until labor, when an intravenous injection of AZT is given. At birth, the baby takes AZT four times a day for six weeks.

Because the American regimen was impractical and too costly for third world countries, scientists sought a more affordable therapy.

Researchers initially intended to enroll 1,500 women in the study, conducted at Mulago Hospital and Makerere University in Kampala, Uganda, beginning in November 1997. One part of the study was dropped in February 1998 after another United States-financed study conducted in Thailand found that AZT used for a shorter period than in the United States was effective in preventing mother-to-child transmission of H.I.V.

The Ugandan study then involved 618 women in their ninth month of pregnancy who had not taken anti-H.I.V. drugs and their 631 infants. Of the 618 women, 308 took AZT and 310 took nevirapine. Enrollment stopped at the end of last April.

The women agreed to accept by random selection either of two drug regimens. One regimen was single dose nevirapine therapy for mother and infant. The other regimen involved taking two AZT pills at the onset of labor and then one pill every three hours until delivery. Infants born to mothers who took AZT were given AZT twice a day during the first week of life.

After two months, 59 infants born to mothers who took AZT and 35 infants born to mothers took nevirapine were infected. Statistical tests projected the 25 percent and 13 percent infection rates, respectively.

The three deaths that occurred among mothers who took AZT were due to AIDS and not the drug, the researchers said. No deaths occurred among the mothers who took nevirapine.

Infection was the most common cause of adverse effects and death among the infants whose mothers took the two drugs. The adverse effects and deaths were not deemed drug related.

Scientists learned the findings on Monday at a meeting of a committee that oversees the safety and effectiveness of such studies.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member rise in opposition?

Ms. WATERS. Yes, Mr. Chairman.

The CHAIRMAN. The gentlewoman from California (Ms. WATERS) is recognized for 5 minutes.

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is extremely important for us to understand what we do when we talk about a sense of Congress as opposed to actions that are actually taken that would create public policy or appropriate money. It is a good thing to be able to have language that says something nice, and we do that from time to time. But I want to make sure that everybody understands that this sense of Congress neither appropriates money nor does it create public policy. We cannot play around with this AIDS problem in Africa.

Since 1983, 85 percent of all of the debts in sub-Saharan Africa is related to AIDS. We have only seen 1 percent of the medicine that they need in this area. Seven out of 10 in sub-Saharan Africa, infected with HIV or AIDS.

So I think it is nice to at least mention it in this trade bill, but my colleagues have got to understand it means nothing to talk about trade. Where are the workers going to come from if we do not have the medicine, if we do not have the resources, if we do not have a real commitment by this country to deal with AIDS?

I know the pharmaceuticals, the companies are all up in arms because they do not want their patent stolen. They do not want people replicating without their permission. They do not want them purchasing. We see that fight going on now, and it is a fight that must go on.

But the fact of the matter is while colleagues are focused, while colleagues are focused and we are saying nice things, we are sitting over in the

Committee on Banking and Financial Services, and I as the ranking member of the Subcommittee on Domestic and International Monetary Policy in the Committee on Banking and Financial Services, we are trying to fashion AIDS as a factor in debt relief. We do debt relief for Africa this year. It will not be done in anyplace else other than the Committee on Banking and Financial Services. We do not want to send a message that we are taking care of AIDS in the trade bill and not get the opportunity to leverage what we are doing so that we can truly do something about AIDS; so, know it for what it is, and again, it is all right to say something nice and to try and encourage people, but when I come back to my colleagues with the gentleman from Iowa (Mr. LEACH) and others on debt relief where we are factoring in AIDS in order to increase debt relief, and they are going to be those who will be opposed to it, I do not want them to forget and think, oh, we have already done something because my colleagues do nothing today when they support this sense of Congress.

Mr. Chairman, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut (Mr. GEJDENSON), the distinguished ranking member of the Committee on International Relations.

Mr. GEJDENSON. Mr. Chairman, I do not think any of us are deceiving ourselves that we are dealing with the AIDS crisis in this legislation. I also think there is nothing wrong with reminding the corporate world they have got a responsibility.

□ 1330

Bristol-Myers Squibb has committed \$100 million to Africa. That is an important start. It is a significant action. Other companies ought to take the same kinds of action.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I am very proud to yield 30 seconds to the gentleman from New Jersey (Mr. PAYNE), the distinguished ranking member on the Subcommittee on Africa of the Committee on International Relations.

Mr. PAYNE. Mr. Chairman, let me commend the gentlewoman from Texas (Ms. JACKSON-LEE) for bringing this amendment up. I think the more we talk about AIDS, whether it is here or in sub-Saharan Africa, is positive. I cannot believe that we would say that a sense of the Congress, saying that we need to do something about it, is not the first step.

Ten years ago we could not get a leader in Africa to admit that AIDS was a problem. I have met with presidents and they said no, we do not have that problem. I think we have to start with education. Just to mention the

word AIDS in some of these circles is a step in the right direction. I compliment the gentlewoman and urge Members to support this resolution.

Ms. WATERS. Mr. Chairman, I yield the balance of my time to the gentleman from Illinois (Mr. JACKSON).

Mr. JACKSON of Illinois. Mr. Chairman, I thank the gentlewoman for yielding time to me.

Mr. Chairman, this bill is titled the Africa Growth and Opportunity Act, but the single largest barrier to growth and opportunity on the continent of Africa is the overwhelming AIDS epidemic that the U.S. Surgeon General has compared to the plague of the 14th century.

Wherever Members are on the Africa Growth and Opportunity Act, passing or not passing, and all of us have various positions with respect to this bill, including the process this bill has gone through for amendments, we had an amendment before the Committee on Rules that specifically prohibited the United States government from bringing action against sub-Saharan countries that are attempting to buy drugs cheaper or even produce generic drugs.

That amendment was rejected by the Committee on Rules, apparently overwhelmingly, but what was accepted was another AIDS amendment that gives a sense of the Congress that we want to do something about it; just a sense of the Congress, nothing binding, no appropriation, no money.

Certainly there is going to be a problem for any U.S. investment in sub-Saharan Africa that does not provide for relief in terms of pharmaceuticals and drugs for sub-Saharan people. Again, regardless of Members' position on the Africa Growth and Opportunity Act, we need a commitment from the majority to advance the debt relief bills of the gentlewoman from California (Ms. WATERS) and the gentleman from Iowa (Mr. LEACH). It helps towards the AIDS crisis.

We need a commitment on more appropriations to make more funding available to address the continent's most devastating disease. We need a commitment toward AIDS education on the continent. With more than 1,500 languages, it is difficult to explain to many different people in many different languages how devastating the disease is.

In Durbin, South Africa, Mr. Chairman, we just received a newspaper article about a horrible rumor, a horrible rumor that if you have sex with a virgin, that is the cure to AIDS. We have to fight this kind of ignorance on the continent, and that will only come from more money, more money and more appropriations.

I want to thank the gentlewoman for having the guts, really, to stand up today and claim opposition to this amendment.

[From CNN Interactive, May 19, 1999]  
IN SOUTH AFRICA, DOCTORS, COURTS FIGHT  
BRUTAL AIDS "CURE"

(By Charlayne Hunter-Gault)

DURBAN, SOUTH AFRICA (CNN)—South Africa's northeastern province of KwaZulu-Natal is blessed with a lush landscape—and cursed with the country's highest AIDS rate.

The rolling hills and fertile valleys in the province of 8.5 million have spawned a myth of a terrible folk "cure"—a story that says having sex with a virgin will rid sufferers of the disease. The widespread belief has left parents, children, doctors and the courts struggling with a wave of rapes, frequently of young girls.

Skhumbuza Mthembu, a 15-year-old peer counselor at a village primary school in Mpophomeni, says he has heard of the so-called cure from local men and boys. And he often hears firsthand about the results.

Those who have been victims tell horror stories about being raped by a teacher, or a brother, an uncle or even a father. They tell of being assaulted in restrooms, in the forest or the bush, or in bed while they were sleeping.

More and more stories like this are being told by younger and younger children across this province and elsewhere. But many, many more stories are not being told until it's too late.

Dr. Gillian Key treats sexually abused children at the Addington Children's Hospital in Durban, the harbor port of KwaZulu-Natal.

"Unless you see the children within an hour or one or two days, you're unlikely to find anything," Key said. "It's a pitiful thing."

Some of the children receive good news—that they test negative for HIV. For another family, the news wasn't good.

One such child key treated was raped when she was 2: She tested HIV-positive and now is developing full-blown AIDS.

"It's hard every day," said her mother, who asked that her family remain anonymous out of fear that her daughter would be stigmatized. "It's hard not knowing that one day she might not grow up."

In Durban, authorities have set up a special court to deal with child abuse cases. It's difficult to establish which rapes are connected to the cure myth, but prosecutors and other say the abuse of younger children since it began circulating has "skyrocketed."

Court officials try to ease the process for young victims who must testify. They provide separate rooms for them to testify on videotape so they don't have to face their abusers. But the fact that there are so many of them, coupled with their increasingly younger ages, makes it difficult to obtain convictions.

"The youngest we can put a child on the stand is three years and if we look for an actual trial date, it will be something like six months away," said Durban prosecutor Val Melis. "You can't count on a child to remember details like that that far down the line."

Meanwhile, back in Mpophomeni, teen counselor Mtembu holds another session to help youngsters cope with the trauma of rape—and to teach them ways they can protect themselves.

But when asked what about that, one young girl answered: "We just have to cry loudly and hope someone will hear us."

Ms. JACKSON-LEE of Texas. Mr. Chairman, I am delighted to yield 30 seconds to the distinguished gentlewoman from Detroit, Michigan (Ms. KILPATRICK), a member of the Committee on Appropriations.

Ms. KILPATRICK. Mr. Chairman, I strongly stand here to support the amendment of the gentlewoman from Texas (Ms. JACKSON-LEE). A sense of the Congress is just that, that we sense that we ought to take an action. As a member of the Committee on Appropriations, I want to report that our subcommittee, under the leadership of the gentleman from Alabama (Mr. CALLAHAN), recognizes this, and we are going to and have on the subcommittee the appropriations for HIV-AIDS in Africa.

It is a tremendous problem, but we are working on it. The sense of the Congress is the first step. The action to get it done is the next, and we are moving on that.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentlewoman yield?

Ms. KILPATRICK. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me clarify for a moment that this is a sense of Congress that brings about a rapid response fund that will be contributed to by corporations involved in the African Growth and Opportunity Act, private sector investment.

Mr. RANGEL. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE).

Mr. DAVIS of Illinois. Mr. Chairman, I rise in support of the Jackson-Lee amendment encouraging assistance of the American Business Community to deal with the HIV/AIDS problem in Sub-Saharan Africa and to consider the establishment of an HIV/AIDS response fund.

Anyone familiar with the HIV/AIDS problem knows of its tremendously negative impact on life in Sub-Saharan Africa and how it is ram-paging throughout the area bringing death and destruction. Mr. Chairman, I've been told that those to whom much is given, much is expected in return. Therefore, many of our businesses and pharmaceutical companies are in a great position to provide help and resources to those with the greatest need in our world.

This is a great opportunity to give the greatest of all gifts, the gift of life.

I thank the gentlewoman from Texas for introducing this amendment and urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE). The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 4 printed in House Report 106-236.

AMENDMENT NO. 4 OFFERED BY MR. OLVER

Mr. OLVER. Mr. Chairman, I offer an amendment made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 printed in House Report 106-236 offered by Mr. Olver:

Page 38, after line 7, insert the following (and redesignate the subsequent sections accordingly):

# SEC. 18. SENSE OF THE CONGRESS RELATING TO HIV/AIDS CRISIS IN SUB-SAHARAN AFRICA.

(a) FINDINGS.—The Congress finds the following:

(1) Sustained economic development in sub-Saharan Africa depends in large measure upon successful trade with and foreign assistance to the countries of sub-Saharan Africa.

(2) The HIV/AIDS crisis has reached epidemic proportions in sub-Saharan Africa, where more than 21,000,000 men, women, and children are infected with HIV.

(3) 83 percent of the estimated 11,700,000 deaths from HIV/AIDS worldwide have been in sub-Saharan Africa.

(4) The HIV/AIDS crisis in sub-Saharan Africa is weakening the structure of families and societies.

(5)(A) The HIV/AIDS crisis threatens the future of the workforce in sub-Saharan Africa.

(B) Studies show that HIV/AIDS in sub-Saharan Africa most severely affects individuals between the ages of 15 and 49—the age group that provides the most support for the economies of sub-Saharan Africa countries.

(6) Clear evidence demonstrates that HIV/AIDS is destructive to the economies of sub-Saharan Africa countries.

(7) Sustained economic development is critical to creating the public and private sector resources in sub-Saharan Africa necessary to fight the HIV/AIDS epidemic.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) addressing the HIV/AIDS crisis in sub-Saharan Africa should be a central component of United States foreign policy with respect to sub-Saharan Africa;

(2) significant progress needs to be made in preventing and treating HIV/AIDS in sub-Saharan Africa in order to sustain a mutually beneficial trade relationship between the United States and sub-Saharan Africa countries; and

(3) the HIV/AIDS crisis in sub-Saharan Africa is a global threat that merits further attention through greatly expanded public, private, and joint public-private efforts, and through appropriate United States legislation.

The CHAIRMAN. Pursuant to House Resolution 250, the gentleman from Massachusetts (Mr. OLVER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. OLVER).

Mr. OLVER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, sustained economic growth is desperately needed throughout Africa. Expanded trade between African nations and the United States, which is the goal of the legislation before us today, must be a major part of sustained economic growth.

But sub-Saharan Africa is under siege from the HIV-AIDS epidemic. Twelve million people have already died, and 20-plus million are HIV-AIDS infected. I would just ask Members to look at this quickly, at these maps, and imagine first that in 1977 a map like this up here shows not a single case of AIDS identified in the continent of Africa.

In this map for 1987 we can see the growth of AIDS, and for 1997 we can see

the further growth, with a group of countries in the very dark red where the average AIDS infection rate for people in the working force, between 15 and 49, is average 25 percent, and for all these dark orange countries it is in the range of 15 percent.

Mr. Chairman, if we think of that map, that is the very age group that is necessary to build any economy anywhere in this world. So the sense of Congress in our amendment simply states that solving the AIDS crisis should be central to our foreign policy in sub-Saharan Africa; number two, that this crisis is a global threat that warrants greatly expanded effort at all levels, government, private, private-public partnerships, including appropriate legislation by this Congress; and number 3, that progress must be made on prevention and treatment for HIV-AIDS if there is to be any real hope for sustained economic growth or any mutually beneficial trading relationship with the nations in sub-Saharan Africa.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member rise in opposition to the amendment?

Mr. ROYCE. Mr. Chairman, although I support the amendment, I will claim the time in opposition.

The CHAIRMAN. Without objection, the gentleman from California will be recognized for 5 minutes.

There was no objection.

Mr. ROYCE. Mr. Chairman, I yield 4 minutes to the gentleman from Florida (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, I thank the gentleman for yielding time to me. I would like to urge my colleagues to support the Olver-Foley-Pelosi-Horn-Lewis amendment to H.R. 434.

I am a cosponsor of H.R. 434, and I appreciate the hard work of the bill's chief cosponsors, the gentleman from Illinois (Mr. CRANE) and the gentleman from New York (Mr. RANGEL). Both of my colleagues have worked diligently to create a balance on a very difficult issue, laying the groundwork for much needed trade policy with Africa.

This amendment is very relevant to the future success of our trade in the sub-Saharan Africa and to economic growth in that region.

Like many of my colleagues, I am concerned about HIV and AIDS in Africa. Twelve million Africans have perished from HIV-AIDS, and 22.5 million are currently living with HIV. At this rate, the HIV-AIDS epidemic will leave a path of destruction in sub-Saharan Africa, destroying families, societies, and economies.

Individuals between the ages of 15 and 40 are hit hardest by HIV and AIDS. That is the cross-section of the population responsible for supporting the economy. As a member of the International AIDS Task Force, I believe this epidemic is too powerful to

ignore if we are serious about expanding economic opportunity in Africa.

This is a nonbinding sense of the Congress amendment. I think it is an essential part of the trade policy we are developing. I pledge my support for H.R. 434, and think we can make this an even better piece of legislation by passing this amendment to show the Congress recognizes the force of HIV and AIDS to Africa.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from New York.

Mrs. KELLY. Mr. Chairman, I rise in strong support of this amendment. AIDS is an affliction which has had a fundamental and far-reaching effect on the well-being of many nations, and I think this amendment signifies the importance of our strong national commitment in combatting this disease, not only for this Nation's benefit, but for the benefit of all humanity.

Though we continue to struggle in our efforts to understand AIDS and to cure it, it seems to me entirely consistent with this Nation's character, which teaches us to reach out to the weak and the sick, to engage in this dilemma in an active and direct manner.

This amendment is reflective of this sort of approach, and it is my hope that it will serve as a stepping stone for future congressional action.

Mr. ROYCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a severe problem, as has been pointed out. This costs millions of lives. AIDS has cost millions of lives in Africa. It does threaten economic development of the continent. Members of the House, including the coauthors of this particular amendment, are working on this problem. I support this amendment. This amendment will bolster our efforts on AIDS in Africa.

Let me also point out that the underlying bill will support sub-Saharan nations' efforts to strengthen their economies, to promote their strong growth, to promote job creation, and improve the standards of living there. In these ways, the bill will strengthen the ability of sub-Saharan countries to fight AIDS.

Already growth and economic reforms have helped to generate resources for drug access programs. For example, Cote d'Ivoire has established a \$1 million solidarity fund from corporate contributions and nonprofit insurance systems.

But this amendment will help us do more. I thank the authors for offering this amendment, which we will support.

Mr. OLVER. Mr. Chairman, I am happy to yield 1 minute to the distinguished gentlewoman from California (Ms. PELOSI), who is also the ranking member of the Subcommittee on Foreign Operations, Export Financing and

Related Programs of the Committee on Appropriations.

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding time to me, and thank him for his leadership in bringing this amendment to the floor. I am pleased to join him as a cosponsor.

Mr. Chairman, I want to borrow his chart to show the tragedy of the spread of AIDS from 1987 to 1997. Much of this could have been prevented. We cannot talk about commerce and the economic situation in Africa without talking about HIV and AIDS.

As the ranking member on the Subcommittee on Foreign Operations, Export Financing and Related Programs for years I have urged the administration to address the issue of AIDS in the developing world.

I thank gentlewoman from California (Ms. WATERS), who has worked on this issue from the perspective of the Committee on Banking and Financial Services to make the AIDS issue a top item on the G-7 and G-8 agenda. If they are dealing with the economies of the developing world, they must deal with the issue of AIDS.

There have been success stories in Africa. Uganda is one of them. So we must cooperate with Africa on the AIDS issue. We will do so in the spirit of this sense of the Congress. I wish this could be a stronger amendment and have the power of law. We must make it have the force of law. I urge my colleagues to support this amendment.

Mr. OLVER. Mr. Chairman, I am happy to yield 30 seconds to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, I want to thank the gentleman for yielding time to me.

Mr. Chairman, I simply want to add my voice to those who are seeking to find a solution, those who are seeking to bring resources, seeking to bring progress to one of the greatest needs that exists on the face of this Earth.

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We can give to Sub-Saharan Africa because we can give the greatest gift of all, and that is the gift of life. We can do it through sound trade policy, and we can do it through direct aid.

Mr. OLVER. Mr. Chairman, I yield 30 seconds to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Chairman, let me say any U.S. policy toward Africa must recognize that not only is HIV and AIDS a health issue, but it is an epidemic of enormous social and economic dimensions. Not only are there humanitarian concerns which we must morally embrace, we must attack this disease on a global basis, just as we did with polio and smallpox. It is in our national interest to do so. Diseases know no boundaries. This sense of the Congress resolution is an excellent first start, but we must put our money where our mouth is.

Mr. OLVER. Mr. Chairman, I yield 30 seconds to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Chairman, I certainly thank the gentleman from Massachusetts (Mr. OLVER) for his leadership on this issue.

Mr. Chairman, I rise in support of the Olver amendment addressing the HIV/AIDS crisis. Addressing this crisis should be a central component of America's policy with respect to Sub-Saharan Africa, if we are going to have significant trade relations. This amendment speaks specifically to the needs of African women who are the epicenter of the worldwide AIDS epidemic. African women are the backbone of the vital informal and micro-enterprise sectors that make up so much of African economies.

Mr. Chairman, this epidemic is decimating the pool of skilled workers. I express my support to further bring attention to this crisis.

Mr. OLVER. Mr. Chairman, I ask unanimous consent that each side be granted 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The gentleman from Massachusetts (Mr. OLVER) and the gentleman from California (Mr. ROYCE) will each control 1 additional minute.

The Chair recognizes the gentleman from Massachusetts (Mr. OLVER).

Mr. OLVER. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from New York (Mr. RANGEL), the ranking member.

Mr. RANGEL. Mr. Chairman, I just want to say that I thank the gentleman from Massachusetts (Mr. OLVER) for the work he has done on this amendment. It has taken a lot of hard work, and I rise in support of it.

Mr. OLVER. Mr. Chairman, I yield 30 seconds to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN).

Mrs. CHRISTENSEN. Mr. Chairman, I rise to support this amendment brought by the gentleman from Massachusetts (Mr. OLVER) which focuses on what poses the biggest threat to what we are trying to do through H.R. 434. HIV/AIDS has killed more than 11 million people and continues to infect more than 22 million people in Sub-Saharan Africa.

Today, while we try to meet our obligation to help Africa economically, we must not lose sight of this pandemic which is killing and affecting individuals in the prime of their life. I urge passage of this amendment.

Mrs. MORELLA. Mr. Chairman, I rise in strong support of the Olver-Foley-Pelosi amendment. This amendment simply expresses the sense of the Congress that addressing HIV/AIDS should be a central component of our policy in sub-Saharan Africa.

There are approximately 750 million people in sub-Saharan Africa—almost 500 million more people than live in the United States. It is critical that the legislation we are considering, the Africa Growth and Opportunity Act includes language dealing with HIV/AIDS which are now rampant throughout sub-Saharan Africa. Southern Africa is facing an unprecedented emergency as the numbers of people becoming infected with HIV continue to climb at alarming rates in many countries of the region. This year, 1.4 million people between the ages of 15 and 49 were infected in nine countries of southern Africa.

In the four worst-affected countries of the region—Botswana, Namibia, Swaziland and Zimbabwe—between 20% and 26% of adults in this age group are now estimated to be living with HIV or AIDS, and other countries are catching up fast. Zimbabwe is especially hard-hit. In 23 HIV surveillance sites out of a total of 25, between 25% and 50% of all pregnant women were found to be infected with HIV. At least a third are likely to pass the infection on to their babies.

Dr. Peter Piot, Executive Director of the Joint United National Programme on HIV/AIDS has said that "we now know that despite these already very high levels of HIV infection the worst is still to come in southern Africa. The region is facing human disaster on a scale it has never seen before."

Mr. Chairman, the wealthiest of nations would be financially overwhelmed by the prospect of dealing with an AIDS crisis of this magnitude. For sub-Saharan African nations, many with per capita incomes of less than \$500 per year and crushing debt service payments monopolizing their budgets, the likelihood that they will be able to provide adequate treatment to the exploding number of AIDS patients is bleak. Without international cooperation in providing overall AIDS education, prevention and treatment, future generations in sub-Saharan Africa will face short, often agonizing lives.

The impact on society of this type of epidemic is so obvious. How can we even think of passing legislation to increase trade and investment in Sub-Saharan Africa without including this sense of the Congress amendment that acknowledges the impact that HIV/AIDS has on establishing stable trade and true economic growth? This amendment should be an integral part of any equation when dealing with the overall economic policy of this region. This amendment takes the first step in acknowledging and expressing concern about the criticality of treating and preventing the HIV/AIDS pandemic.

I urge support for this amendment.

Ms. JACKSON-LEE of Texas, Mr. Chairman, I rise to support our amendment to recognize the HIV/AIDS dilemma in Africa. This amendment does not interfere with the trade provisions of the bill. It is bipartisan and sensible. While this amendment is limited to non-binding "sense of the Congress" language, I think it is an essential part of the trade policy we are constructing in this bill.

It is time to develop a new trade relationship with Africa. For U.S. businesses and for the countries of sub-Saharan Africa, the passage of the African Growth and Opportunity Act will provide the safeguards and incentives re-

quired for meaningful investments and partnerships. The bill is good for America and Africa. However, something is lacking in this legislation. Over 12 million Africans have died from AIDS and currently over 22 million in sub-Saharan Africa are living with HIV. Over 50% of the new HIV infections in Africa occur in women. Women also carry the main burden of care of family members with HIV/AIDS. Approximately 6 million women in sub-Saharan Africa are HIV positive. Our Growth and Opportunity trade bill seeks to uplift the women entrepreneurs and provide business and employment opportunities that will guarantee a better quality of life. HIV/AIDS is a barrier to our goals.

In 1998, sub-Saharan African experienced four million new HIV infections. AIDS death tolls are rapidly rising. Sub-Saharan Africa experiences an estimated 5,500 funerals per day.

The HIV/AIDS epidemic is leaving a path of destruction in sub-Saharan African that is impacting all aspects of life. This is why it is important as we consider the African Growth and Opportunity Act, we include our concern about the HIV/AIDS pandemic in sub-Saharan Africa. This region can not achieve economic prosperity or fully meet the objectives of our bill, if the population is dying. The workforce will not be available to staff the many new and developing businesses. The cost of employee benefits will off set corporate profits and make any economic growth less than stellar.

This amendment gives members the opportunity to voice their concerns about HIV/AIDS and it calls upon the House to consider future legislation addressing the HIV/AIDS crisis. I am pleased to offer this amendment with my colleagues, Mr. OLVER of Massachusetts, Mr. FOLEY of Florida, Ms. PELOSI of California, Mr. HORN of California, and Mr. LEWIS of Georgia.

I know that the African Growth and Opportunity Act will be a better bill with inclusion of this amendment, because this amendment will help to ensure that the goals of the bill are achieved. The HIV/AIDS epidemic is too threatening to ignore if we are serious about expanding economic opportunity in Africa.

Mr. ROYCE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Massachusetts (Mr. OLVER).

So the amendment was agreed to.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SHIMKUS) having assumed the chair, Mr. EWING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 434) to authorize a new trade and investment policy for Sub-Saharan Africa, pursuant to House Resolution 250, he reported the bill back to the House

with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. BISHOP

Mr. BISHOP. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. BISHOP. Yes, I am, Mr. Speaker, in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BISHOP moves to recommit the bill H.R. 434 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

Strike section 7 and insert the following:

**SEC. 7. SPECIAL ACCESS PROGRAM FOR APPAREL ARTICLES FROM ELIGIBLE COUNTRIES.**

(a) SPECIAL ACCESS PROGRAM.—

(1) ESTABLISHMENT.—The President, in consultation with representatives of the domestic textile and apparel industry and with representatives of countries in sub-Saharan Africa that are eligible under section 4 and after providing an opportunity for public comment, shall establish a special access program for imports of eligible apparel articles from such eligible countries in sub-Saharan Africa under which imports of such eligible apparel articles are not subject to duties or quotas.

(2) PROGRAM MODELED ON EXISTING PROGRAM.—The program under paragraph (1) should be modeled on the existing program providing for preferential tariff and quota treatment on apparel articles originating in Mexico, consistent with the international obligations of the United States under the Agreement on Textiles and Clothing and other trade agreements.

(b) ELIGIBLE GOODS.—

(1) IN GENERAL.—Apparel articles are eligible for the special access program established under subsection (a) only if the articles are—

(A) apparel articles classified under chapter 61 or 62 of the Harmonized Tariff Schedule of the United States that are assembled in an eligible sub-Saharan African country from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States, and sewn with thread formed in the United States, whether or not such articles were subjected to stone-washing, enzyme-washing, acid-washing, perma-pressing, oven-baking, bleaching, garment-dyeing, embroidery, or other similar processes; or

(B) handloomed, handmade, or folklore articles of an eligible sub-Saharan African country that are identified under paragraph (2) and are certified as such by the competent authority of that country.

(2) DETERMINATION OF HANDLOOMED, HANDMADE, OR FOLKLORE GOODS.—For purposes of paragraph (1)(B), the President, after consultation with the eligible sub-Saharan African country concerned, shall determine which, if any, particular apparel goods of the country shall be treated as being handloomed, handmade, or folklore goods of a kind described in section 2.3(a), (b), or (c) or Appendix 3.1.B.11 of Annex 300-B of the North American Free Trade Agreement.

(3) ACTIONS BY PRESIDENT TO PREVENT MARKET DISRUPTION.—The President may impose the normal trade relations rates of duty, restrict the quantity of imports, or both, with respect to imports of eligible goods under this subsection from any eligible sub-Saharan African country if the President determines that such action is necessary to prevent market disruption or the threat thereof.

(c) REPORT.—The President shall include as part of the first annual report under section 16 a report on the establishment of the special access program under subsection (a) and shall report to the Congress annually thereafter on the implementation of the program and its effect on the textile and apparel industry in the United States.

(d) DEFINITION.—For purposes of this section, the term "Agreement on Textiles and Clothing" means the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

**SEC. 8. PENALTIES FOR VIOLATIONS OF CUSTOMS LAWS INVOLVING APPAREL GOODS.**

(a) PENALTIES.—Section 592 of the Tariff Act of 1930 (19 U.S.C. 1592) is amended by adding at the end the following:

"(g) PENALTIES INVOLVING APPAREL GOODS.—

"(1) FRAUD.—Notwithstanding subsection (c), the civil penalty for a fraudulent violation of subsection (a) based on a claim that apparel goods are eligible products of countries in sub-Saharan Africa—

"(A) shall, subject to subparagraph (B), be double the amount that would otherwise apply under subsection (c)(1); and

"(B) shall be an amount not to exceed 300 percent of the declared value in the United States of the merchandise if the violation has the effect of circumventing any quota on apparel goods.

"(2) GROSS NEGLIGENCE.—Notwithstanding subsection (c), the civil penalty for a grossly negligent violation of subsection (a) based on a claim that apparel goods are eligible products of countries in sub-Saharan Africa—

"(A) shall, subject to subparagraphs (B) and (C), be double the amount that would otherwise apply under subsection (c)(2);

"(B) shall, if the violation has the effect of circumventing any quota of the United States on apparel goods, and subject to subparagraph (C), be 200 percent of the declared value of the merchandise; and

"(C) shall, if the violation is a third or subsequent offense occurring within 3 years, be the penalty for a fraudulent violation under paragraph (1) (A) or (B), whichever is applicable.

"(3) NEGLIGENCE.—Notwithstanding subsection (c), the civil penalty for a negligent violation of subsection (a) based on a claim that apparel goods are eligible products of countries in sub-Saharan Africa—

"(A) shall, subject to subparagraphs (B) and (C), be double the amount that would otherwise apply under subsection (a)(3);

"(B) shall, if the violation has the effect of circumventing any quota of the United

States on apparel goods, and subject to subparagraph (C), be 100 percent of the declared value of the merchandise; and

"(C) shall, if the violation is a third or subsequent offense occurring within 3 years, be the penalty for a grossly negligent violation under paragraph (2) (A) or (B), whichever is applicable."

(b) MITIGATION.—Section 618 of the Tariff Act of 1930 (19 U.S.C. 1618) is amended—

(1) by striking "Whenever" and inserting "(a) IN GENERAL.—Whenever", and

(2) by adding at the end the following new subsection:

"(b) MITIGATION RULES RELATING TO APPAREL GOODS.—

"(1) GENERAL RULE.—Notwithstanding any other provision of law, the Secretary of the Treasury may remit or mitigate any fine or penalty imposed pursuant to section 592 based on a claim that apparel goods are eligible products of countries in sub-Saharan Africa only if—

"(A) in the case of a first offense, the violation is due to either negligence or gross negligence; and

"(B) in the case of a second or subsequent offense, prior disclosure (as defined in section 592(c)(4)) is made within 180 days after the entry of the goods.

"(2) SPECIAL RULE FOR PRIOR DISCLOSURES AFTER 180 DAYS.—In the case of a second or subsequent offense where prior disclosure (as defined in section 592(c)(4)) is made after 180 days after the entry of the goods, the Secretary of the Treasury may remit or mitigate not more than 50 percent of such fines or penalties."

(c) SEIZURE AND FORFEITURE.—Section 596(c)(2) of the Tariff Act of 1930 (19 U.S.C. 1596a(c)(2)) is amended—

(1) in subparagraph (E), by striking "or" after the semicolon;

(2) in subparagraph (F), by striking the period and inserting "; or"; and

(3) by inserting after subparagraph (F) the following:

"(G) it consists of apparel goods that are claimed to be eligible products of countries in sub-Saharan Africa introduced into the United States for entry, transit, or exportation, and

"(i) the merchandise or its container bears false or fraudulent markings with respect to the country of origin, unless the importer of the merchandise demonstrates that the markings were made in order to comply with the rules of origin of the country that is the final destination of the merchandise, or

"(ii) the merchandise or its container is introduced or attempted to be introduced into the United States by means of, or such introduction or attempt is aided or facilitated by means of, a material false statement, act, or omission with the intention or effect of—

"(I) circumventing any quota that applies to the merchandise, or

"(II) undervaluing the merchandise."

(d) CERTIFICATES OF ORIGIN.—Notwithstanding any other provision of law, all importations of apparel goods that are claimed to be eligible products of countries in sub-Saharan Africa shall be accompanied by—

(1)(A) the name and address of the manufacturer or producer of the goods, and any other information with respect to the manufacturer or producer that the Customs Service may require; and

(B) if there is more than one manufacturer or producer, or there is a contractor or subcontractor of the manufacturer or producer with respect to the manufacture or production of the goods, the information required under subparagraph (A) with respect to each



such manufacturer, producer, contractor, or subcontractor, including a description of the process performed by each such entity;

(2) a certification by the importer that the importer has exercised reasonable care to ascertain the true country of origin of the apparel goods and the accuracy of all other information provided on the documentation accompanying the imported goods, as well as a certification of the specific action taken by the importer to ensure reasonable care for purposes of this paragraph; and

(3) a certification by the importer that the goods being entered do not violate applicable trademark, copyright, or patent laws.

Information provided under this subsection shall be sufficient to demonstrate compliance with the United States rules of origin for textile and apparel goods.

Redesignate succeeding sections, and references thereto, accordingly.

Page 18, line 19, insert after "(b)" the following: "(other than apparel articles described in paragraph (1)(A) of subsection (b))".

The SPEAKER pro tempore. The gentleman from Georgia (Mr. BISHOP) is recognized for 5 minutes.

Mr. BISHOP. Mr. Speaker, I move to recommit. I want this House to know that I would like to see us pass an Africa trade bill. I want everyone to know that we believe that we ought to pass an Africa trade bill, but it ought to be a good Africa trade bill, and it ought to promote economic growth and the well-being of the people of Sub-Saharan Africa, but not at expense of the people of America.

I am offering this motion to recommit so that we can send this bill back to the committee and perfect it and do in the House what we expect the Senate is going to do when it sees this bill. This bill will not offer labor protections, it will not protect us against transshipped textiles from China, it will not protect American jobs. Mr. Speaker, we ought to do for Africa what we did for Europe. We need an African Marshall Plan.

Mr. Speaker, I yield to the gentleman from North Carolina (Mr. HAYES).

Mr. HAYES. Mr. Speaker, we are from Congress, we are here to help. That is great. Let us help the American textile worker and family for a change. Help Africa, of course, but not at the expense of American men and women who depend on textiles for their livelihood.

For those who believe that the Sub-Saharan trade bill represents free and fair trade, I invite them down to the 8th District of North Carolina. I invite them to meet the most decent and hard-working people in this great Nation. And I invite them to stand at the mill gate and explain to them how wonderful this legislation will make their lives. They have heard it before. They remember clearly the promises made to them during negotiations of NAFTA and GATT, and they now know these promises were hollow.

Mr. Speaker, we in rural, textile-rich America no longer have faith in trade

agreements which so obviously disregard the health of our proud industry. We can fix this. All we have to do is vote to recommit and support the Bishop-Myrick amendment.

Mr. Speaker, as it is now written, without a textile provision, no one in Africa is helped by the massive transshipment industry created for the Chinese. The gentleman from California (Mr. HUNTER) read their press release, their game plan. Their plan is clear as a bell. Let the transshipments begin. The only person helped may be someone selling aviation fuel for the planes which will bring the foreign goods to bury our textile industry and the men and women who depend on it. My colleagues will complete the destruction of this industry, its jobs and especially its people by allowing this bill to pass without the Bishop-Myrick amendment.

Mr. Speaker, we saw fit to acknowledge the crisis in our steel industry. I supported this measure. I did not support it because I have a lot of steel manufacturers in my district, I supported it because it was the right thing to do.

While the plight of the steel industry is serious, the plight of the textile industry has been nothing short of tragic. While the steel industry lost 17,000 jobs, the textile industry has lost 180,000 during the same time.

Mr. Speaker, I urge my colleagues to support American people, support a true American industry, vote to recommit and fix this bill which, in its present form, only serves to hurt African-Americans and others in the U.S.A., taking their jobs. Help Africa, but help America first.

Mr. BISHOP. Mr. Speaker, I yield to the gentleman from Georgia (Mr. COLLINS).

Mr. COLLINS. Mr. Speaker, I thank the gentleman from Georgia (Mr. BISHOP) for yielding.

Mr. Speaker, the Bureau of Labor Statistics reports that, since 1995, over 375,000 American textile and apparel workers have lost their jobs. Many of these workers have been from the State of Georgia, a number of them from the Third District of Georgia.

In June of 1999, headlines in the Third District newspapers read, and I quote: "Thomaston Mills Drops Bombshell: Textile Firm will Close Local Plant, Leaving 145 Jobless." That may not seem like many jobs, but that is the second largest employer in this particular community, which was big to them.

And another headline: "Closing will Affect All Taxpayers," meaning a loss to the property digest in this county which is a great loss. In addition to closing this plant, Thomaston Mills simultaneously shut down factories in other neighboring counties and also offices in Los Angeles and New York costing another 555 jobs.

Workers, their families, and the communities of the Third District of Georgia are not ready to accept another trade deal that exports jobs rather than goods, so I urge my colleagues, vote for the motion to recommit.

Mr. BISHOP. Mr. Speaker, reclaiming my time, I would like to close this out by simply saying that if we recommit, if we pass this motion to recommit, we will then be in a position to perfect this bill and to truly have a bill that would be beneficial for the people in Africa and for the people in America, workers in the United States.

If we fail to pass this motion to recommit, then we will have to depend upon the other body to do what we should have done ourselves here in this body. It will not pass on the other side without the provisions that we are trying to get in to protect both Africa and American workers.

Mr. CRANE. Mr. Speaker, I rise to claim the time in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, I yield to the gentleman from New York (Mr. RANGEL), our distinguished ranking minority member on the Committee on Ways and Means.

Mr. RANGEL. Mr. Speaker, I rise in opposition to the motion to recommit. It does not say that the African countries cannot export any clothing to the United States. It does not say that. It merely says that the clothing has to be assembled only with United States of America fabric, only with United States of America yarn and only with United States of America thread.

I really think that this is repugnant to everything that we think of when we talk about trade. So manufacturers of clothes ship it across the Atlantic, let them stitch up our fabric and yarn and thread, and they will ship it back and try to sell it for a profit.

Mr. CRANE. Mr. Speaker, reclaiming my time, transportation costs involved with shipping fabric from the U.S. to Africa are prohibitively high, and shippers rarely service African ports. Even if a U.S. fabric requirement were economically feasible, it would discourage investment in African fabric production which would prohibit Africa from ever being able to compete in that sector. A U.S. fabric requirement is a gutting proposal which will stifle African economic growth and discourage job creation in America, and I urge my colleagues to vote "no" on the motion to recommit.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

## RECORDED VOTE

Mr. TRAFICANT. Mr. Speaker, I demand a recorded vote.

A recorded vote was refused.

Mr. TRAFICANT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 234, nays 163, not voting 37, as follows:

[Roll No. 307]

## YEAS—234

Ackerman	Fletcher	Levin
Allen	Foley	Lewis (CA)
Archer	Ford	Lewis (KY)
Armey	Fossella	Linder
Barrett (NE)	Franks (NJ)	Lofgren
Barrett (WI)	Frelinghuysen	Lowey
Barton	Gallely	Lucas (KY)
Bass	Gejdenson	Luther
Bateman	Gekas	Maloney (NY)
Becerra	Gephardt	Manzullo
Bentsen	Gilchrest	Martinez
Bereuter	Gillmor	Matsui
Berkley	Gilman	McCarthy (MO)
Berman	Gonzalez	McCarthy (NY)
Biggert	Goodling	McCollum
Bilbray	Goss	McCrery
Bliley	Granger	McIntosh
Blumenauer	Green (WI)	McKeon
Boehrlert	Greenwood	Meehan
Bono	Gutknecht	Meek (FL)
Borski	Hall (OH)	Meeks (NY)
Brady (TX)	Hastert	Millender-
Brown (FL)	Hastings (WA)	McDonald
Calvert	Hayworth	Miller, Gary
Camp	Herger	Minge
Campbell	Hill (IN)	Mink
Canady	Hill (MT)	Moore
Cannon	Hilliard	Moran (VA)
Capps	Hinchey	Morella
Cardin	Hinojosa	Neal
Castle	Hoefel	Northup
Chabot	Hoekstra	Nussle
Clay	Hooey	Oberstar
Clement	Horn	Olver
Cook	Houghton	Ose
Cox	Hoyer	Owens
Coyne	Hulshof	Oxley
Crane	Hutchinson	Packard
Cummings	Hyde	Payne
Cunningham	Inslee	Pease
Davis (FL)	Jackson-Lee	Pelosi
Davis (VA)	(TX)	Petri
DeGette	Jefferson	Pickett
DeLay	Johnson (CT)	Pitts
Deutscher	Johnson, E.B.	Pombo
Dickey	Johnson, Sam	Pomeroy
Dicks	Jones (OH)	Porter
Dixon	Kasich	Portman
Doggett	Kelly	Pryce (OH)
Dooley	Kilpatrick	Quinn
Doolittle	Kind (WI)	Radanovich
Dreier	King (NY)	Ramstad
Dunn	Knollenberg	Rangel
Edwards	Kolbe	Regula
Ehlers	Kuykendall	Reyes
Ehrlich	LaFalce	Reynolds
Engel	LaHood	Rivers
English	Lampson	Roemer
Eshoo	Larson	Rogan
Ewing	LaTourrette	Ros-Lehtinen
Farr	Lazio	Rothman
Fattah	Leach	Roukema

Royce  
Ryan (WI)  
Ryun (KS)  
Sabo  
Salmon  
Sanchez  
Sandlin  
Sawyer  
Saxton  
Scarborough  
Schaffer  
Scott  
Sensenbrenner  
Sessions  
Shaw  
Shays  
Shimkus

Shuster  
Simpson  
Skeltton  
Smith (MI)  
Smith (TX)  
Smith (WA)  
Snyder  
Stabenow  
Sununu  
Tancredo  
Tauscher  
Terry  
Thomas  
Thune  
Tiahrt  
Toomey  
Towns

Turner  
Upton  
Vitter  
Walsh  
Watkins  
Watts (OK)  
Waxman  
Weiner  
Weldon (FL)  
Weller  
Wexler  
Whitfield  
Wilson  
Wolf  
Wu  
Wynn

## NAYS—163

Abercrombie  
Aderholt  
Andrews  
Bachus  
Baldacci  
Ballenger  
Barcia  
Barr  
Bartlett  
Berry  
Bishop  
Blagojevich  
Bonilla  
Bonior  
Boyd  
Brady (PA)  
Brown (OH)  
Bryant  
Burr  
Buyer  
Callahan  
Capuano  
Carson  
Chambliss  
Clayton  
Clyburn  
Collins  
Combest  
Condit  
Conyers  
Costello  
Cramer  
Crowley  
Cubin  
Danner  
Davis (IL)  
Deal  
DeFazio  
Delahunt  
DeLauro  
Dingell  
Doyle  
Duncan  
Emerson  
Etheridge  
Evans  
Everett  
Filner  
Forbes  
Fowler  
Frank (MA)  
Gibbons  
Goode

Goodlatte  
Graham  
Green (TX)  
Gutierrez  
Hall (TX)  
Hayes  
Hilleary  
Holden  
Holt  
Hostettler  
Hunter  
Isakson  
Jackson (IL)  
Jenkins  
Jones (NC)  
Kanjorski  
Kaptur  
Kennedy  
Kildee  
Kingston  
Klecza  
Klink  
Kucinich  
Lantos  
Lee  
Lewis (GA)  
Lipinski  
LoBiondo  
Lucas (OK)  
Maloney (CT)  
Markey  
Mascara  
McGovern  
McHugh  
McIntyre  
McKinney  
Menendez  
Metcalfe  
Mica  
Miller, George  
Moakley  
Mollohan  
Moran (KS)  
Murtha  
Myrick  
Nadler  
Napolitano  
Ney  
Norwood  
Obey  
Pallone  
Pascarell  
Pastor  
Paul  
Peterson (MN)

Phelps  
Pickering  
Price (NC)  
Rahall  
Riley  
Rodriguez  
Rogers  
Rohrabacher  
Roybal-Allard  
Rush  
Sanders  
Sanford  
Schakowsky  
Serrano  
Sherman  
Sherwood  
Shows  
Sisisky  
Skeen  
Slaughter  
Smith (NJ)  
Souder  
Spence  
Spratt  
Stearns  
Stenholm  
Strickland  
Stump  
Stupak  
Sweeney  
Talent  
Tanner  
Taylor (MS)  
Taylor (NC)  
Thompson (CA)  
Thompson (MS)  
Thornberry  
Tierney  
Traficant  
Udall (CO)  
Udall (NM)  
Velazquez  
Vento  
Visclosky  
Walden  
Wamp  
Waters  
Watt (NC)  
Weldon (PA)  
Weygand  
Wise  
Woolsey  
Young (AK)

## NOT VOTING—37

Baird	Frost	McNulty
Baker	Ganske	Miller (FL)
Baldwin	Gordon	Nethercutt
Billirakis	Hansen	Ortiz
Blunt	Hastings (FL)	Peterson (PA)
Boehner	Hefley	Shadegg
Boswell	Hobson	Stark
Boucher	Istook	Tauzin
Burton	John	Thurman
Chenoweth	Largent	Wicker
Coble	Latham	Young (FL)
Coburn	McDermott	
Cooksey	McInnis	

□ 1419

Mr. CUNNINGHAM changed his vote from “nay” to “yea.”  
So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. BAIRD. Mr. Speaker, on rollcall No 307, I was unavoidably detained, by traffic. Had I been present, I would have voted “yea”.

## GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 434, the bill just passed.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from New York?

There was no objection.

## INFORMING MEMBERSHIP OF THE PASSING OF THE HONORABLE GEORGE E. BROWN, JR., MEMBER OF CONGRESS

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, it is my sad duty to inform the Members that we have lost this morning our dear friend from California, GEORGE BROWN, who died in Washington, D.C.

Our prayers and our thoughts are with his family and his friends and neighbors and constituents. He has been a constant friend to all of us on both sides of the aisle. He has been a dedicated public servant and he gave a great, great deal of his life to this body and to his constituents.

I would like to ask us now to rise and have a moment of silence in his memory.

Mr. FARR of California. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from California.

Mr. FARR of California. Mr. Speaker, I thank the gentleman for yielding to me, and I rise as chair of the California Democratic delegation, and I am sure my colleague, the gentleman from California (Mr. LEWIS) will also ask to be recognized as the Chair of the Republican delegation.

Mr. LEWIS of California. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Speaker, I appreciate the gentleman yielding to me, and I appreciate the words of our colleague, the gentleman from Missouri (Mr. GEPHARDT), on behalf of GEORGE BROWN.

I wish to announce to the Members that in the days ahead we will be reserving an appropriate time for a memorial discussion on the floor recognizing the many, many years of service of our colleague GEORGE BROWN, and in

turn we will be continuing to communicate closely with his family in order to get information to the Members regarding memorial services that are appropriate in California. Those notifications will come to Members very soon.

Further than that, Mr. Speaker, I would urge that we adjourn today in GEORGE BROWN's memory by way of the full membership of the House.

**EXPRESSING SORROW OF THE HOUSE AT THE DEATH OF THE HONORABLE GEORGE E. BROWN, JR., MEMBER OF CONGRESS FROM THE STATE OF CALIFORNIA**

Mr. FARR of California. Mr. Speaker, I offer a privileged resolution (H. Res. 252) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

**H. RES. 252**

*Resolved*, That the House has heard with profound sorrow of the death of the Honorable George E. Brown, Jr., a Representative from the State of California.

*Resolved*, That a committee of such Members of the House as the Speaker may designate, together with such Members of the Senate as may be joined, be appointed to attend the funeral.

*Resolved*, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

*Resolved*, That when the House adjourns today, it adjourn as a further mark of respect to the memory of the deceased.

The SPEAKER pro tempore. The gentleman from California (Mr. FARR) is recognized for 1 hour.

Mr. FARR of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, maybe other Members of the California delegation would like to speak, but we will set a special time for that. I just want to thank the leadership, the Speaker of the House, and the President of the Senate for already lowering the flags on the Hill on all of our Federal buildings out of respect for the memory of GEORGE BROWN. We will dearly miss him.

We will appoint at the appropriate time a memorial service here on the floor.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. ROHRBACHER).

Mr. ROHRBACHER. Mr. Speaker, I have been a Member of this House now for 11 years, and I have to say that I have never met a man more principled and more honest and more open than GEORGE BROWN.

I loved GEORGE BROWN dearly, and I think I am talking for the rest of us,

certainly on our side of the aisle, and I know many others will come up, but GEORGE BROWN was such a principled human being. And sometimes people who feel so strongly about their principles get caught up in bitterness and partisanship, but GEORGE BROWN had such a wonderful spirit and a happiness about him that he diffused tension with his principles and his spirit rather than creating tensions.

I just would like to add my words and to say that working under his leadership in the Committee on Science was a joy. And here we are at the 30th anniversary of our landing on the moon, and GEORGE BROWN certainly deserves such a great deal of credit for the leadership he provided over the years in this great achievement of our country.

GEORGE BROWN was an honest liberal, an honest man, a man with a dear heart, and we will miss him.

Mr. FARR of California. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Mr. Speaker, as my colleague indicated, we are going to schedule another time for a memorial service on the floor, rather than do that at this moment. I know Members want to think through all of their feelings about our colleague and I, frankly, want to make sure that Marta has an opportunity to share these moments with us. So we will work with the Speaker and the leadership to make sure an appropriate time is selected and go forward from there.

Mr. FARR of California. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

**LEGISLATIVE PROGRAM**

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Georgia. Mr. Speaker, I rise to inquire of the gentleman from Texas (Mr. ARMEY) regarding next week's schedule.

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. LEWIS of Georgia. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, before I announce the next week's schedule, I would like to just take a moment on behalf of myself, and I daresay on behalf of all of us on this side of the aisle, to express our deep condolences to the family of GEORGE BROWN. He was, for us, a treasured colleague, a fine man, a gentleman, and a good legislator. The body was richer for his having been here, and the memories we have of our time in this body will be richer for our having had the privilege of serving with him.

Mr. Speaker, with respect to the schedule, the House has concluded legislative business for the week. I want to thank all the Members for their work this week. It was a difficult week, with three appropriations bills under the 5-minute rule, which kept us late. Very late.

And, incidentally, Mr. Speaker, I would like to thank the staff, the floor staff especially, for their long hours. Nevertheless, it allowed us to pass three appropriations bills, keeping us on track to get our key appropriations bills all passed before the August district work period, and that is the kind of progress we are all looking for. So I extend my personal appreciation to all the Members and all the staff for their good work, and especially to the appropriators for their hard work.

Mr. Speaker, next week the House will meet on Monday, July 19, at 12:30 p.m. for morning hour and 2 p.m. for legislative business. We will consider a number of bills under suspension of the rules, a list of which will be distributed to all Members' offices this afternoon.

On Monday evening, after suspensions, we will take up H.R. 2415, the American Embassy Security Act. This bill will be considered under a structured rule which passed the House last night. The rule provides for substantial debate on many amendments, so we will complete this bill later in the week.

Members should note that we expect votes on suspension bills and amendments to the American Embassy Security Act after 6 p.m. on Monday evening, July 19.

On Tuesday, Wednesday, and Thursday of next week, the House will consider the following bills, all of which are subject to rules: H.R. 1995, the Teacher Empowerment Act; H.R. 2488, the Financial Freedom Act of 1999; The Department of Defense Appropriations Act; and H.R. 1074, the Regulatory Right to Know Act of 1999.

Also, Members should note that on Thursday, the House will not meet until 11 a.m. in order to allow Members to attend the ceremony commemorating the valiant service of Capitol Police Officers Chestnut and Gibson, who died 1 year ago while serving to defend this Capitol. I know that many of our Members will want to attend this.

As my colleagues can see, this will be another very busy week for the House. I am happy, however, to let Members know we will complete votes on Thursday, July 22, by 6 p.m. and that the House will not be in session on Friday, July 23.

□ 1430

I know that our Members will make good use of that time in their district for that 3-day weekend.

Mr. LEWIS of Georgia. Mr. Speaker, I yield to the gentleman from Illinois

(Mr. HASTERT) the Speaker of the House.

The SPEAKER. Mr. Speaker, I thank the gentleman from Georgia for yielding.

Mr. Speaker, I just want to say that the House will do its very best to accommodate the family of the gentleman from California (Mr. BROWN) in the arrangements, and we look forward to seeing what those arrangements will be.

I just want to join all my colleagues in this House to pay our deepest respect to a very, very fine gentleman who represented his district, who represented the ideas that he felt were very, very important to him and this country, and who served on the Committee on Science.

I just want to say that we will look forward to see what those arrangements are and abide by what the wishes of the family will be.

Mr. LEWIS of Georgia. Mr. Speaker, reclaiming my time, I ask the gentleman from Texas (Mr. ARMEY), the majority leader, if he can tell us what day the tax bill will be on the floor of the House?

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. LEWIS of Georgia. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, I am happy to respond to the gentleman.

The tax bill should be expected to be on the floor on Wednesday. That is the day for which it is scheduled.

Mr. LEWIS of Georgia. Mr. Speaker, I ask the gentleman, what day will the teacher empowerment act be on the floor?

Mr. ARMEY. Mr. Speaker, if the gentleman would continue to yield, we expect to see the teacher empowerment bill on the floor on Tuesday.

Mr. LEWIS of Georgia. Mr. Speaker, I ask the gentleman, do we expect any late nights next week, any 11 o'clock and midnight nights?

Mr. ARMEY. Mr. Speaker, I thank the gentleman for asking. I am sure the entire body thanks the gentleman for asking.

We have only one appropriations bill scheduled during next week. It is under the 5-minute rule. With those bills, it becomes difficult to manage the time. So that, I think I can say with total confidence, certainly not like this week we have just endured. And I expect, frankly, no real serious late nights next week. I think our work will be managed in a much more comfortable time zone.

Mr. LEWIS of Georgia. Mr. Speaker, I am sure all of our colleagues will be very grateful and appreciative.

Mr. ARMEY. Mr. Speaker, if the gentleman will continue to yield, our colleagues and their families will; and we will work hard for that.

ADJOURNMENT TO MONDAY, JULY 19, 1999

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BOSWELL (at the request of Mr. GEPHARDT) for today, after 11:30 a.m., on account of official business.

Mr. HASTINGS of Florida (at the request of Mr. GEPHARDT) for today on account of personal business.

Mr. ORTIZ (at the request of Mr. GEPHARDT) for today on account of medical reasons.

#### BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 775. To establish certain procedures for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from the year 1999 to the year 2000, and for other purposes.

#### ADJOURNMENT

Mrs. CAPPS. Mr. Speaker, pursuant to House Resolution 252, I move that the House do now adjourn in memory of the late Hon. GEORGE E. BROWN, Jr.

The motion was agreed to; accordingly (at 2 o'clock and 34 minutes p.m.), under its previous order, and pursuant to House Resolution 252, the House adjourned in memory of the late Hon. GEORGE E. BROWN, Jr. until Monday, July 19, 1999, at 12:30 p.m., for morning hour debates.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

3061. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Hexaconazole; Pesticide Tolerance [OPP-300871; FRL-6084-4] (RIN: 2070-AB78) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3062. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Fludioxonil; Pesticide Tolerance for Emergency Exemption [OPP-300877; FRL-6086-4] (RIN: 2070-AB78) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3063. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Cyprodinil; Pesticide Tolerance for Emergency Exemption [OPP-300876; FRL-6086-3] (RIN: 2070-AB78) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3064. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Aspergillus flavus AF36; Exemption from Temporary Tolerance, Technical Amendment [OPP-300860A; FRL-6087-3] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3065. A communication from the President of the United States, transmitting his requests for FY 2000 budget amendments for the Departments of Energy and Labor, and the Corps of Engineers, pursuant to 31 U.S.C. 1107; (H. Doc. No. 106-95); to the Committee on Appropriations and ordered to be printed.

3066. A communication from the President of the United States, transmitting his request for transfers from the Information Technology Systems and Related Expenses account; (H. Doc. No. 106-96); to the Committee on Appropriations and ordered to be printed.

3067. A communication from the President of the United States, transmitting his request for emergency supplemental appropriations for the Department of Transportation to improve the Coast Guard's readiness and support peacekeeping operations in Kosovo; (H. Doc. No. 106-97); to the Committee on Appropriations and ordered to be printed.

3068. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Volatile Organic Compound Emission Standards for Architectural Coatings; Correction [AD-FRL-6368-7] (RIN: 2060-AE55) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3069. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Implementation Plans; Michigan [MI73-7281a; FRL-6366-5] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3070. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Arizona—Maricopa Nonattainment Area; PM-10 [AZ079-0014; FRL-6365-9] (RIN: 2060-A122) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3071. A letter from the Director, Office of Regulatory Management and Information,

Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans Georgia: Approval of Revisions to the Georgia State Implementation Plan [GA-33-2-9926a; FRL-6368-6] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3072. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Modoc County Air Pollution Control District, Siskiyou County Air Pollution Control District, Tehama County Air Pollution Control District, and Tuolumne County Air Pollution Control District [CA 210-0103; FRL-6365-3] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3073. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision; San Joaquin Valley Unified Air Pollution Control District [CA 009-130c; FRL-6368-4] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3074. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Tennessee; Revised Format for Materials Being Incorporated by Reference [TN-9922; FRL-6367-5] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3075. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Mississippi Update to Materials Incorporated by Reference [MS9921; FRL-6348-4] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3076. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Plans For Designated Facilities and Pollutants; Massachusetts; Plan for Controlling MWC Emissions From Existing MWC Plants [Docket No. MA-068-7203a; FRL-6377-1] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3077. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plan; Illinois [LL186-1a; FRL-6374-1] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3078. A letter from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Belfield, North Dakota) [MM Docket No. 98-224 RM-9416] (Medina, North Dakota) [MM Docket No. 98-225 RM-9417] (Burlington, North Dakota) [MM Docket No. 98-226 RM-9415] (Hazelton, North Dakota) [MM Docket No. 98-230 RM-9422] (Gackle, North Dakota) [MM Docket No. 98-231 RM-9421] (New England, North Dakota)

[MM Docket No. 98-232 RM-9420] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3079. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Palmer, AK [Airspace Docket No. 99-AAL-5] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3080. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Atkasuk, AK [Airspace Docket No. 99-AAL-3] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3081. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Adak, AK [Airspace Docket No. 98-AAL-9] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3082. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Yakutat, AK [Airspace Docket No. 99-AAL-2] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3083. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29616; Amt. No. 1937] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3084. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29617; Amt. No. 1938] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3085. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747 Series Airplanes [Docket No. 99-NM-112-AD; Amendment 39-11215; AD 99-08-02 R1] (RIN: 2120-AA64) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3086. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Eurocopter Deutschland (Eurocopter) Model EC135 Helicopters [Docket No. 99-SW-38-AD; Amendment 39-11217; AD 99-12-01] (RIN: 2120-AA64) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3087. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Royal Handel Fireworks, Boston, MA [CGD01-99-102] (RIN: 2115-AA97) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3088. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Fenwick Fireworks Display, Long Island Sound [CGD01-99-095] (RIN: 2115-AA97) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3089. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Koechlin Wedding Fireworks, Western Long Island Sound, Rye, New York [CGD01-99030] (RIN: 2115-AA97) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3090. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Madison 4th of July Celebration, Long Island Sound [CGD01-99-092] (RIN: 2115-AA97) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3091. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Easy Referral of Issues to Appeals [Revenue Procedure 99-28] received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STUMP: Committee on Veterans' Affairs. H.R. 2116. A bill to amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs; with an amendment (Rept. 106-237). Referred to the Committee of the Whole House on the State of the Union.

Mr. ARCHER: Committee on Ways and Means. H.R. 2488. A bill to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, to provide marriage penalty relief, to reduce taxes on savings and investments, to provide estate and gift tax relief, to provide incentives for education savings and health care, and for other purposes; with amendments (Rept. 106-238). Referred to the Committee of the Whole House on the State of the Union.

#### TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 850. Referral to the Committee on International Relations extended for a period ending not later than July 19, 1999.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. CRAMER:

H.R. 2542. A bill to encourage the reduction of the costs of access to space for both the

Federal Government and the private sector, thereby regaining recently lost market share of the United States commercial launch industry, improving the economic competitiveness of the United States in the world markets, and strengthening and maintaining the national security of the United States; to the Committee on Science.

By Mr. JONES of North Carolina:

H.R. 2543. A bill to make the Department of Defense anthrax vaccination immunization program voluntary for all members of the Armed Forces; to the Committee on Armed Services.

By Mr. METCALF:

H.R. 2544. A bill to amend the Fair Debt Collection Practices Act to reduce the cost of credit, and for other purposes; to the Committee on Banking and Financial Services.

By Ms. NORTON:

H.R. 2545. A bill to provide for nuclear disarmament and economic conversion in accordance with District of Columbia Initiative Measure Number 37 of 1992; to the Committee on Armed Services, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RILEY (for himself and Mr. ETHERIDGE):

H.R. 2546. A bill to amend title XVIII of the Social Security Act to provide more equitable payments to home health agencies under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. YOUNG of Alaska:

H.R. 2547. A bill to provide for the conveyance of lands interests to Chugach Alaska Corporation to fulfill the intent, purpose, and promise of the Alaska Native Claims Settlement Act; to the Committee on Resources.

By Mr. JACKSON of Illinois (for himself, Mr. LANTOS, Mr. GILMAN, Mr. DEFAZIO, Mr. SMITH of New Jersey, Mr. BROWN of Ohio, Mr. ROHRABACHER, Mr. KUCINICH, Mr. KING, Mr. DIXON, Mr. TANCREDO, Mr. HINCHEY, Ms. MCKINNEY, Mr. CUMMINGS, Mr. CAPUANO, Mr. PAYNE, Mr. GUTIERREZ, Ms. BALDWIN, Mr. STARK, Mr. WAXMAN, Mr. FILNER, Mr. ABERCROMBIE, Mr. DAVIS of Illinois, Mr. MCGOVERN, Mr. HILLIARD, and Ms. LEE):

H. Con. Res. 156. Concurrent resolution expressing the sense of Congress supporting World Tibet Day; to the Committee on Government Reform.

By Mr. GILMAN (for himself, Mr. LANTOS, Mr. SMITH of New Jersey, Mr. BROWN of Ohio, Mr. ROHRABACHER, and Mr. DELAY):

H. Con. Res. 157. Concurrent resolution concerning the accidental bombing of the Chinese embassy in Belgrade during Operation Allied Force and the subsequent demonstrations at the United States embassy and other facilities in China; to the Committee on International Relations.

By Mr. DELAY (for himself, Mr. MOAKLEY, Mr. HASTERT, Mr. GEPHARDT, Mr. ARMEY, Ms. DUNN, Mr. WYNN, Mr. DAVIS of Virginia, Mr. GEJDENSON, and Mr. BONIOR):

H. Con. Res. 158. Concurrent resolution Designating the Document Door of the United States Capitol as the "Memorial Door"; to the Committee on Transportation and Infrastructure.

By Mr. FARR of California

H. Res. 252. A resolution expressing the condolences of the House on the death of the Honorable George E. Brown, Jr.

#### ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 7: Ms. GRANGER and Mr. KOLBE.  
H.R. 8: Ms. VELÁZQUEZ.  
H.R. 73: Mr. SAM JOHNSON of Texas.  
H.R. 175: Mr. GOODLATTE, Ms. GRANGER, Mr. OXLEY, Mr. HUTCHINSON, Mr. SMITH of Texas, Mr. DEUTSCH, Mr. TOOMEY, and Mr. BALLENGER.  
H.R. 254: Mr. GOODLATTE and Mr. SHAW.  
H.R. 348: Mr. WATTS of Oklahoma.  
H.R. 425: Ms. KAPTUR, Mr. CLAY, Mr. BAIRD, and Mr. SMITH of Washington.  
H.R. 486: Mr. GUTIERREZ, Mr. FORD, Mr. HERGER, and Mr. PICKERING.  
H.R. 568: Mr. MCINTYRE.  
H.R. 655: Mr. DELAHUNT and Mr. DAVIS of Illinois.  
H.R. 670: Mr. PHELPS and Mr. LEWIS of Kentucky.  
H.R. 721: Mr. PHELPS, Mr. OSE, and Mr. HASTINGS of Washington.  
H.R. 730: Mr. SHOWS.  
H.R. 797: Ms. SCHAKOWSKY, Mr. BRADY of Pennsylvania, Mr. TIERNEY, Mr. FRANK of Massachusetts, and Mr. GILCHREST.  
H.R. 802: Ms. ESHOO, Mr. CONDIT, and Mr. LUCAS of Kentucky.  
H.R. 810: Mr. RAHALL, Mr. MOLLOHAN, and Mr. REGULA.  
H.R. 835: Mr. FORBES.  
H.R. 838: Ms. BERKLEY and Mr. HOEFFEL.  
H.R. 914: Mr. MARKEY.  
H.R. 941: Mr. BRADY of Pennsylvania, Ms. LEE, Ms. JACKSON-LEE of Texas, and Ms. KAPTUR.  
H.R. 957: Mr. PETERSON of Pennsylvania, Mr. SMITH of Texas, and Mr. STUPAK.  
H.R. 980: Mr. HUTCHINSON, Mr. DEUTSCH, Mr. LUCAS of Oklahoma, and Mr. HASTINGS of Florida.  
H.R. 1001: Mrs. FOWLER, Mr. BARTON of Texas, Mr. WEINER, Mr. BECERRA, Mr. JOHN, and Mr. ANDREWS.  
H.R. 1012: Mr. COLLINS and Mr. BARTLETT of Maryland.  
H.R. 1081: Mr. VENTO.  
H.R. 1083: Mr. SHERWOOD.  
H.R. 1091: Mr. MCINTOSH.  
H.R. 1111: Mr. WATKINS.  
H.R. 1119: Mrs. THURMAN.  
H.R. 1138: Mr. WALSH.  
H.R. 1168: Mr. GOODE, Mr. SKELTON, and Mr. SHERWOOD.  
H.R. 1187: Ms. GRANGER, Mr. GILMAN, Ms. LEE, and Mr. CUMMINGS.  
H.R. 1221: Mr. KILDEE.  
H.R. 1237: Mr. ACKERMAN and Mr. LAZIO.  
H.R. 1290: Mr. DOOLITTLE, Mr. ENGLISH, Mr. GUTKNECHT, and Mr. BRADY of Texas.  
H.R. 1331: Ms. MILLENDER-MCDONALD.  
H.R. 1349: Mr. BARR of Georgia.  
H.R. 1338: Mr. OSE, Mr. FORBES, Mr. QUINN, Mr. KENNEDY of Rhode Island, Ms. ESHOO, Mr. TIERNEY, and Mr. LAHOOD.  
H.R. 1402: Mr. EHRLICH, Mr. ORTIZ, and Mr. CUMMINGS.  
H.R. 1477: Mr. MARKEY.  
H.R. 1488: Mr. TRAFICANT, Mrs. NAPOLITANO, and Mr. FROST.  
H.R. 1518: Mr. PAYNE, Ms. SLAUGHTER, Mr. SANDLIN, Mr. HINCHEY, Mr. RUSH, Ms. JACKSON-LEE of Texas, Mr. MCGOVERN, and Mr. GUTIERREZ.  
H.R. 1579: Mr. ISAKSON, Mr. WYNN, Mrs. TAUSCHER, Mr. TALENT, Mr. HUTCHINSON, Ms. KAPTUR, and Mr. CONDIT.

H.R. 1634: Mr. HOUGHTON and Mr. MCINTYRE.

H.R. 1644: Mr. GANSKE.

H.R. 1731: Mr. PRICE of North Carolina.

H.R. 1736: Ms. SCHAKOWSKY and Mr. MCGOVERN.

H.R. 1760: Mr. HOUGHTON, Mr. LEACH, Mr. BOEHLERT, Mr. OWENS, and Mr. FORBES.

H.R. 1824: Mr. LATHAM.

H.R. 1837: Mr. JENKINS, Mr. KILDEE, Mr. SUNUNU, Ms. MILLENDER-MCDONALD, and Mr. POMEROY.

H.R. 1858: Mr. NEY.

H.R. 1861: Mr. BLUNT.

H.R. 1863: Mr. FOLEY.

H.R. 1869: Mrs. FOWLER.

H.R. 1875: Mr. GARY MILLER of California, Mr. GOSS, Mr. BARTLETT of Maryland, Mrs. BIGGERT, Mr. DAVIS of Virginia, and Mr. BACHUS.

H.R. 1899: Mr. MEEHAN, Mr. HOLT, Mr. CUMMINGS, Ms. SANCHEZ, Mr. MARKEY, and Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 1932: Mr. ROTHMAN and Mr. GEPHARDT.

H.R. 1967: Mr. BRADY of Pennsylvania and Mr. CONDIT.

H.R. 1975: Mr. CALVERT and Mr. PAUL.

H.R. 1990: Mr. COYNE, Mr. STRICKLAND, and Mr. LIPINSKI.

H.R. 1998: Mr. MATSUI, Mr. ISAKSON, and Mr. MARKEY.

H.R. 1999: Mr. DAVIS of Illinois.

H.R. 2004: Mr. CAPUANO and Mrs. CHRISTENSEN.

H.R. 2013: Mr. LAHOOD and Mr. HILLEARY.

H.R. 2020: Mr. FORBES.

H.R. 2030: Mr. FORD.

H.R. 2031: Mr. PETERSON of Pennsylvania and Mr. KENNEDY of Rhode Island.

H.R. 2106: Mr. RYAN of Wisconsin.

H.R. 2185: Mr. COYNE and McDERMOTT.

H.R. 2241: Mr. ADERHOLT, Mr. PETERSON of Pennsylvania, Mr. BOUCHER, Mr. WHITFIELD, Mr. MCGOVERN, and Mr. STENHOLM.

H.R. 2247: Mr. ISAKSON, Mr. KNOLLENBERG, and Mr. BARR of Georgia.

H.R. 2331: Mr. McDERMOTT.

H.R. 2337: Mr. HILLEARY.

H.R. 2388: Mr. OBERSTAR.

H.R. 2341: Mr. CALLAHAN, Mr. COSTELLO, Mr. WHITFIELD, Mr. McDERMOTT, and Mr. OBERSTAR.

H.R. 2344: Mr. MALONEY of Connecticut.

H.R. 2400: Mr. WATKINS, Mr. FROST, Mr. ISAKSON, and Mr. BALLENGER.

H.R. 2409: Mrs. CHRISTENSEN, Mr. GONZALEZ, and Mr. GUTIERREZ.

H.R. 2446: Mr. LAFALCE, Mr. CROWLEY, Ms. LOFGREN, and Mr. CONYERS.

H.R. 2452: Mr. ARMEY.

H.R. 2458: Ms. STABENOW.

H.R. 2488: Mr. THOMAS, Mr. ISAKSON, Mr. SMITH of Texas, and Mr. FOLEY.

H.R. 2498: Mr. SERRANO, Mr. PETERSON of Pennsylvania, Mr. MCGOVERN, Mr. DOYLE, Ms. KAPTUR, Mr. BARTON of Texas, Mr. FILNER, and Ms. DUNN.

H.R. 2499: Mr. TOWNS and Mr. DINGELL.

H.R. 2515: Mrs. LOWEY and Mr. MALONEY of Connecticut.

H. Con. Res. 38: Mr. SCOTT and Mr. BISHOP.

H. Con. Res. 110: Mr. GREEN of Wisconsin, Mrs. MORELLA, Mr. HORN, Mr. LAMPSON, Mr. GOODE, Mr. COOKSEY, Mr. HOBSON, Mr. RAHALL, Mr. GREENWOOD, Mr. ORTIZ, Mr. FALEOMAVAEGA, Mr. RILEY, Mr. PETRI, Mr. DIXON, Mr. SHERMAN, Ms. SCHAKOWSKY, Mr. BACHUS, Mr. KNOLLENBERG, Mrs. CLAYTON, Mr. GONZALEZ, Ms. CARSON, Mr. FORBES, Mr. COOK, Mr. EHLERS, Mr. CLYBURN, Mr. GUTKNECHT, Mr. SKELTON, Ms. JACKSON-LEE of Texas, Mrs. MYRICK, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. FILNER, Mr. PHELPS, Mr. OXLEY, Mr. NEAL of Massachusetts, Mr.



HALL of Texas, Mr. MASCARA, Mr. BEREUTER, Mr. LUCAS of Oklahoma, and Ms. DANNER.

H. Con. Res. 113: Mr. MCINTYRE.

H. Con. Res. 120: Mr. BASS and Mr. BONIOR.

H. Con. Res. 137: Mr. BARR of Georgia.

H. Res. 169: Mr. SABO.

H. Res. 201: Mrs. NORTHUP, Mr. KENNEDY of Rhode Island, Mr. DEMINT, and Mr. BERMAN.

#### DISCHARGE PETITIONS

Under clause 2 of rule XV, the following discharge petitions were filed:

Petition 4, Thursday, July 15, 1999, by Ms. DEGETTE on House Resolution 192, was signed by the following Members: Diana DeGette, Carolyn McCarthy, Nita M. Lowey, Rosa L. DeLauro, Charles B. Rangel, Frank Pallone, Jr., Janice D. Schakowsky, Harold E. Ford, Jr., Louise McIntosh Slaughter, Stephanie Tubbs Jones, Jerrold Nadler, Mark Udall, James P. Moran, Zoe Lofgren, Nancy Pelosi, Maxine Waters, Lynn C. Woolsey, Sam Farr, Juanita Millender-McDonald, Barbara Lee, David E. Bonior, Xavier Becerra, William D. Delahunt, Anna G. Eshoo, Lois Capps, Tom Lantos, Robert T. Matsui, Lucille Roybal-Allard, Grace F. Napolitano, and Brad Sherman.

#### AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 1995

OFFERED BY: MRS. MINK OF HAWAII

AMENDMENT NO. 1: Page 40, line 24, before the semicolon insert "and redesignating part E as part D".

Page 40, strike line 25 and insert the following:

(2) by inserting after section 2260 the following:

#### "PART C—USE OF SABBATICAL LEAVE FOR PROFESSIONAL DEVELOPMENT"

##### "SEC. 2301. GRANTS FOR SALARY DURING SABBATICAL LEAVE."

"(a) PROGRAM AUTHORIZED.—The Secretary may make grants to State educational agencies and local educational agencies to pay such agencies for one-half of the amount of the salary that otherwise would be earned by an eligible teacher described in subsection (b), if, in lieu of fulfilling the teacher's ordinary teaching assignment, the teacher completes a course of study described in subsection (c) during a sabbatical term described in subsection (d).

"(b) ELIGIBLE TEACHERS.—An eligible teacher described in this subsection is a teacher who—

"(1) is employed by an agency receiving a grant under this section to provide classroom instruction to children at an elementary or secondary school that provides free public education;

"(2) has secured from such agency, and any other person or agency whose approval is required under State law, approval to take sabbatical leave for a sabbatical term described in subsection (d);

"(3) has submitted to the agency an application for a subgrant at such time, in such manner, and containing such information as the agency may require, including—

"(A) written proof—

"(i) of the approval described in paragraph (2); and

"(ii) of the teacher's having been accepted for enrollment in a course of study described in subsection (c); and

"(B) assurances that the teacher—

"(i) will notify the agency in writing within a reasonable time if the teacher terminates enrollment in the course of study described in subsection (c) for any reason;

"(ii) in the discretion of the agency, will reimburse to the agency some or all of the amount of the subgrant if the teacher fails to complete the course of study; and

"(iii) otherwise will provide the agency with proof of having completed such course of study not later than 60 days after such completion; and

"(4) has been selected by the agency to receive a subgrant based on the agency's plan for meeting its classroom needs.

"(c) COURSE OF STUDY.—A course of study described in this subsection is a course of study at an institution of higher education that—

"(1) requires not less than one academic semester and not more than one academic year to complete;

"(2) is open for enrollment for professional development purposes to an eligible teacher described in subsection (b); and

"(3) is designed to improve the classroom teaching of such teachers through academic and child development studies.

"(d) SABBATICAL TERM.—A sabbatical term described in this subsection is a leave of absence from teaching duties granted to an eligible teacher for not less than one academic semester and not more than one academic year, during which period the teacher receives—

"(1) one-half of the amount of the salary that otherwise would be earned by the teacher, if the teacher had not been granted a leave of absence, from State or local funds made available by a State educational agency or a local educational agency; and

"(2) one-half of such amount from Federal funds received by such agency through a grant under this section.

"(e) PAYMENTS.—

"(1) TO ELIGIBLE TEACHERS.—In making a subgrant to an eligible teacher under this section, a State educational agency or a local educational agency shall agree to pay the teacher, for tax and administrative purposes, as if the teacher's regular employment and teaching duties had not been suspended.

"(2) REPAYMENT OF SECRETARY.—A State educational agency or a local educational agency receiving a grant under this section shall agree to pay over to the Secretary the Federal share of any amount recovered by the agency pursuant to subsection (b)(3)(B)(ii).

"(f) FUNDING.—For the purpose of carrying out this section, there are authorized to be appropriated \$200,000,000 for fiscal year 2000 and such sums as may be necessary for fiscal years 2001 through 2004."; and

## EXTENSIONS OF REMARKS

## VETERANS' HEALTH CARE

**HON. DOUG BEREUTER**

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. BEREUTER. Mr. Speaker, during the Independence Day district work period, this Member had the opportunity to continue his series of town hall meetings in his congressional district in Nebraska. At these meetings, and at my earlier listening sessions, two main topics have been vigorously addressed by constituents. The first of these is the desperate conditions that farmers are now facing in this country, which this Member addressed Monday on the House floor. Another issue that was also discussed at these town hall meetings was the very inadequate level of veterans medical care funding available today. Veterans in my state understandably are *not* satisfied with the current situation, and it is clear that the Federal Government is not meeting its responsibility to the health care needs of our military veterans.

Over the last several years, Congress has provided a slight increase in funding each year for veterans health care. However, the level of funding in the past and present has been far from the amount needed for these vital health programs. The simple fact is that the Federal Government must provide greater funding for veterans health care. We have a bulge in World War II veterans in need of more health care services at this time. The number of veterans treated in VA facilities in the year 2000 is projected to rise by more than 30 percent compared to 1997. Funding must be substantially increased to keep up with this demand. However, the President's budget request for veterans medical care funding is less than 2 percent above what it was in 1997. In fact, over the past few years, the President's budget request has always been less than what Congress actually appropriated for these important health programs.

The fiscal year 2000 Budget Resolution contained a 1.7 billion dollar increase for veterans health care. This Member strongly encourages the Appropriations Committee to support this increase in funding, and would support an even greater amount to insure that at least minimally acceptable veterans' health needs of all eligible veterans are met. This Member would also like to send a message to the Administration, encouraging them to stop ignoring the essential health care services veterans deserve, and to propose and support the greater funding levels needed to adequately serve our veterans.

The inadequacy of VA health care funds in this Member's home state of Nebraska is accentuated by a Clinton Administration funding formula called the Veterans Equity Resource Allocation, or VERA. Its results are anything but equitable to veterans in Nebraska. The

VERA system was created and implemented in April of 1997 in an ill-advised attempt to more equally allocate VA health care resources among different regions of the country.

However, this system is not equitable. Funds are allocated among the 22 VA regions strictly on a veteran per-capita basis, which means that the Sunbelt regions where veterans are retiring have far more resources to provide the necessary base of service. Sparsely populated states, like Nebraska in the Northern Great Plains, have a smaller and shrinking veterans population. These lower-population states simply do not have the numbers to receive adequate funding under this system in order to provide for even the minimum services and facilities required. No matter what state a veteran lives in, he or she is entitled to an acceptable level of health service. This level is not being met in Nebraska under VERA. This Member calls on the Clinton Administration to take off their blinders and address this problem with an adjusted formula. This Member will also continue to actively oppose VERA, and will work to restore more funding for VA facilities in Nebraska.

Veterans fought to protect our freedom and way of life. As they served our nation in a time of need, the Federal Government must remember them in their time of need. Therefore, the needs of these veterans, especially health benefits, must be met to the fullest extent possible. The people of the U.S. owe a tremendous debt to our veterans. We should keep the promises made to them.

COLORADO HOUSE JOINT  
RESOLUTION 99-1060**HON. BOB SCHAFFER**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. SCHAFFER. Mr. Speaker, the Colorado House recently adopted H.R. 1000, the "Aviation Investment and Reform Act." This measure is of great interest to my constituents and the entire state of Colorado. Indeed the Colorado General Assembly has called upon the Members of Colorado's Congressional Delegation to support H.R. 1000.

It was upon the recommendation of the Colorado Legislature, and for the reasons stated in Colorado's House Joint Resolution 99-1060, that I was persuaded to cast my vote, on behalf of Colorado's Fourth Congressional District, in favor of H.R. 1000.

I furthermore commend Colorado's position on the matter to Members of the House, and hereby submit for the RECORD, the full text of Colorado H. J. R. 99-1060.

## HOUSE JOINT RESOLUTION 99-1060

Whereas, Safe, timely, and adequate intrastate air service is essential to the citizens of Colorado; and

Whereas, The 1998 Colorado General Assembly Interim Committee on Intrastate Air Service reviewed and studied the need to improve the safety and adequacy of intrastate air service in Colorado; and

Whereas, There exists a federal "Airport and Airway Trust Fund", created by section 9502 of the Internal Revenue Code of 1986, to assist airports and airport air service throughout the United States, including many of the intrastate air service needs in Colorado; and

Whereas, The federal "Airport and Airway Trust Fund" is not being used for its intended purposes and historically has been used to mask past federal budget deficits; and

Whereas, United States Representative Bud Shuster (R-PA), has introduced H.R. 1000, the "Aviation Investment and Reform Act for the 21st Century", which includes "Title IX—Truth in Budgeting", that requires that the federal "Airport and Airway Trust Fund" be used for its intended purposes; now, therefore, be it.

*Resolved by the House of Representatives of the Sixty-second General Assembly of the State of Colorado, the Senate concurring herein:* That the members of the Sixty-second General Assembly call upon Colorado's Congressional Delegation to support H.R. 1000, the "Aviation Investment and Reform Act for the 21st Century", and specifically "Title IX—Truth in Budgeting", and, upon its passage, to work to provide funds to improve the safety, timeliness, and adequacy of intrastate air service throughout Colorado; and be it further

*Resolved,* That copies of this resolution be sent to each member of Colorado's Congressional Delegation.

## MARK D. ROLNIK

**HON. EDOLPHUS TOWNS**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. TOWNS. Mr. Speaker, Mr. Mark D. Rolnik was born on January 1, 1954. He grew up in the Riverdale section of the Bronx, and attended the Bronx High School of Science.

Thereafter he attended the University of Buffalo, where he graduated in 1976. He then attended Benjamin Cardozo School of Law, of Yeshiva University, and received his law degree in 1979.

After three years of working for the law firm of Lester Schwartz & Dwyer, Esq. Mark opened his own office on Lower Broadway in Manhattan, and began practicing personal injury law. He has been engaged in this practice since 1982, and continues to practice personal injury to date.

In addition to his law practice, he is on the Board of Directors of the Brooklyn Kings Basketball Team, a professional basketball team that plays in Brooklyn, New York. This is the first professional sports team to play in Brooklyn since the Dodgers left Ebbets Field in 1958.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

He is also on the Board of Directors of the Reality Chek Foundation, a Brooklyn charity dedicated to providing learning experiences to inner city youths.

He and his wife Adria have two children, Elizabeth, age 13, and Alexandra, age 11. They currently reside in Short Hills, New Jersey. Mr. Speaker, please join me in commending Mr. Rolnik for his contributions to supporting programs for inner city youth.

#### RECOGNIZING THE BROWNIE BAKER

#### HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize Dennis Perkins and The Brownie Baker for winning the Small Business of the Year Award in 1999. The Brownie Baker bakes and sells a variety of brownies, muffins, and cookies on a wholesale basis, primarily to the convenience store industry.

The Brownie Baker started as a family business with Marion Peterson and her sister, Susie Spotts. Dennis Perkins, then the Director of Business Development for Pepsi-Cola, bought the business on August 1, 1990.

The company has expanded its markets and the financial reports reflect this. Accounts are concentrated in California, but expand nationwide. Perkins has done an excellent job operating the company as evidenced by its growth. Sales were 1.8 million as of June 30, 1994. They have more than doubled since that time to 3.9 million as of June 30, 1998.

Perkins reorganized the means of distribution, increased product size, developed new products, changed the labels, bought a larger bakery, and bought out a competitor called Carol's Cookies. This acquisition has increased sales nearly 50 percent, growing the company from five to 48 employees. During 1998, Perkins installed a completely automated muffin line, and also many new technologically advanced money and time savers for the company.

Nearly a third of those employed at the bakery are Southeast Asian refugees placed there through the CalWORKS program.

The Brownie Baker will be diversifying its line by adding Mexican pastries.

Mr. Speaker, I rise to recognize The Brownie Baker for its accomplishments. I urge my colleagues to join me in wishing Dennis Perkins and The Brownie Baker many more years of continued success.

#### A TRIBUTE TO MATTHEW WILLIAM ADKISSON FOR HIS PROMOTION TO THE RANK OF EAGLE SCOUT

#### HON. CHARLES A. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. GONZALEZ. Mr. Speaker, I rise today to offer my sincerest congratulations to Matthew William Adkisson, Boy Scout, from San

Antonio, TX, upon the notification of his advancement to the rank of Eagle Scout.

Boy Scouts are awarded the prestigious rank of Eagle Scout based on their faith and obedience to the Scout Oath. The Scout Oath requires members to live with honor, loyalty, courage, cheerfulness, and an obligation to service.

In addition, the rank of Eagle Scout is only bestowed once a Boy Scout satisfies duties including, the completion of 21 merit badges, performing a service project of significant value to the community, and additional requirements listed in the Scout Handbook.

In receiving this special recognition, I believe that Eagle Scout Matthew William Adkisson will guide and inspire his peers, toward the beliefs of the Scout Oath. I am proud to offer my congratulations to Matthew on this respected accomplishment.

#### HONORING THE 54TH INFANTRY OF AFRICAN AMERICAN SOLDIERS

#### HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. CAPUANO. Mr. Speaker, I rise today to celebrate and remember the contributions of the 54th Massachusetts regiment. On July 18, 1863, 136 years ago this week, the 54th Infantry, which consisted exclusively of African American soldiers, led a gallant assault on Fort Wagner where they valiantly fought and sacrificed their lives for our country.

Despite the controversy and discrimination directed towards them, the heroic 54th failed to retreat. Feeling the need to prove themselves capable soldiers, they fought harder and accepted fiercer challenges than the average soldier. Fighting for the preservation of the Union and against the enslavement of human beings, the 54th Infantry also succeeded in paving the way for African Americans to serve in the military and be commissioned as officers—an almost insurmountable feat!

Mr. Speaker, I'm proud today to honor the memory of these soldiers, and recognize their accomplishments during the Civil War and to the future direction of our Nation. These men gave selflessly of themselves in our Nation's most brutal war for the right to be recognized as civilized men. They defended our Nation's freedoms without prejudice or apprehension, and I salute them.

#### IN MEMORY OF M.L. ANSON

#### HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. SKELTON. Mr. Speaker, it is with deep sadness that I inform the House of the death of Marion Leslie (M.L.) Anson, 77, of Higginsville, Missouri.

Mr. Anson was born December 23, 1921, in Higginsville and lived most of his lifetime in the Higginsville area. He was a 1940 graduate

of Higginsville High School and also a graduate of Westminster College in Fulton, Missouri. He was a member and past president of Phi Delta Theta, a social fraternity. Mr. Anson served with the United States Navy in the Pacific Theatre during world War II with the rank of Lieutenant, Junior Grade.

Mr. Anson was active in the community. He was a former member of the Higginsville Board of Aldermen, the Higginsville Board of Education, and a founding member of the Higginsville Country Club, where he served as a member of the Board of Directors. He was a past member of the Lion's Club and was active in the Boy Scouts, serving in the Tribe of Mic-O-Say. He was a member of the Higginsville American Legion Post #223 and the Veterans of Foreign Wars Post #6270. Mr. Anson was a sponsor of the Save our Strays program in Lafayette County. He was also a member of Central Christian Church in Higginsville, where he served as a deacon and was a longtime member of the church choir.

Mr. Anson was the secretary-treasurer and co-owner with his son, Joseph, of Anson Implement, Inc., a John Deere Dealership in Higginsville. He was a former co-owner of the Smith-Anson Implement Company in Odessa, until the early 1950s, when he joined the Higginsville business with his father, Leslie Anson, and his brother-in-law, James O. Smith.

Mr. Speaker, Mr. Anson was a fine American and a true friend. I know the Members of the House will join me in extending heartfelt condolences to his wife, Mary Lou; his son, Joseph; his three daughters, Maris, Jennifer, and Marion; his sister, Jean; seven grand-children, and two step-great-grandchildren.

#### ON MILITARY OPERATIONS IN VIEQUES

#### HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. MENENDEZ. Mr. Speaker, I rise today on behalf of thousands of residents in my district, who as Americans of Puerto Rican descent care deeply about what is happening to their many friends and relatives on the island of Vieques.

One week ago, while on a visit to Puerto Rico, I visited Vieques, at which time I met with Vieques's Mayor Manuela Santiago at a town meeting she hosted, and attended a briefing by Rear Admiral Kevin Moran, Commander, Navy Region Southeast.

On my flight to Vieques I observed an island that is naturally gifted and beautiful, with some of the most marvelous beaches in the Western Hemisphere. Its people love their island, are hardworking and industrious, as is evidenced by the fishermen I met. But Vieques' natural beauty is scarred and its tremendous economic potential is blocked by the presence and activities of the U.S. Navy.

Let me say from the outset that I do not doubt the Navy's claim that the type of training the Navy conducts as Vieques is vital to its defense mission. It certainly is. What I strongly

disagree with is the Navy's position that there is nowhere else in the entire hemisphere where such training could take place. If God had not gifted us with Vieques, or if, God forbid, Vieques was subsumed by an earthquake, would the Navy tell us that it would be impossible for them to perform their defense mission for the United States? I think not.

Might it be an inconvenience? Yes. Might it take some time? Yes. Might it cost money? Yes. But to take the firm position that the nation's defense rests solely on Vieques is simply not credible or acceptable.

So why should the Navy permanently cease all live and inert ammunition exercises and, therefore, ultimately leave the island and return it to the people of Vieques and Puerto Rico? I think the answers can be found in the voices of the people of Vieques I met and in the sights I observed.

From Mayor Santiago's presentation, one would conclude the Navy has in their actions been insensitive to the economic development needs of the island. This insensitivity has real, tragic, human consequences. Over 70% of the residents are below the poverty line, a rate 14% above the rest of Puerto Rico, and unemployment is exceedingly high.

Carlos Ventura, a leader in the fishing community, vividly describes the very significant damage that the Navy's restrictions, operations, amphibious landings, mine sweeping, and live ammunition explosions have caused in the loss of fish, coral reef, and the destruction of natural fishing habitats—all of which has caused the deterioration of the fishing industry. For all these reasons, when you visit Vieques and talk of the Navy, you will hear voices of despair and distrust.

The risk of developing cancer is greater in Vieques than in any other municipality in Puerto Rico. The infant mortality rate is among the highest of any municipality. So when Dr. Luis Rivera Castano speaks of the presence of explosive components like RDX and Teteryl in the potable water reserves of Vieques, or of chemical compounds in the actual charges of the projectiles themselves, his reasoned voice is one of concern and alarm.

Then there were the passionate voices of the Alliance of Vieques Women, and of Alba Encarnacion, a school teacher, who spoke eloquently of their sleepless nights and of their anxiety and fear for their security, peace, and health. The voices of these mothers are the voices of Vieques children.

From that town meeting, I went on a Navy helicopter to a briefing at the observation post where security guard David Sarnes Rodriguez was killed and four others injured. That briefing focused on the need the Navy has to perform such training, but it did little to convince me that the devastating sights I saw of the leveling of hills and coconut plantations, and the blasting off the face of the Earth of lagoons and cays, was not an environmental injustice. Nor was I convinced of the fairness and balance of the Navy, with its constant denial of virtually all of the concerns and complaints voiced by the citizens of Vieques.

The lack of any real adherence to the Memorandum of Understanding of October 11, 1983, and the Navy's original denial of having fired 268 rounds of uranium depleted bullets, added to all of the previously mentioned deni-

als, clearly gives the Navy a major credibility problem with the people of Vieques, the people of Puerto Rico, and I would add a growing number of Members of Congress, including myself.

While the report issued by the Navy yesterday continues to reaffirm its position, its recommendations begin to show that there is clearly some culpability and responsibility that even the Navy must admit.

The 9,311 American citizens who call Vieques home—squeezed between the ammunitions warehousing area and the firing range area—have suffered harmful and detrimental effects on the quality of their lives, creating an economic and social condition which rates below the rest of Puerto Rico's population.

If this were anywhere else, we would be talking about environmental racism.

The incidents listed in the Government of Puerto Rico's Special Commission report from 1993, 1995, 1997 and 1999, are all indicators of a greater tragedy waiting to happen.

I can tell you as a seven-year member of the International Relations' Western Hemisphere subcommittee that Caribbean and Latin American countries are watching and talking about how we act in response to the abuses of the people in Vieques. We cannot be examples of democracy and human rights abroad unless we observe them at home.

This is not a question of ill will toward the people of the United States. The people of Puerto Rico love America. They love it so much that thousands of their sons and daughters have worn the uniform of the U.S., served it voluntarily, and given their lives for its values since the first Puerto Rican battalion was created in 1900. We need to value them as U.S. citizens.

Living in Vieques should not take an act of courage. These 9,311 American citizens are entitled to go to their jobs and schools, attend church, and be able to achieve health and economic security, just like other American citizens can.

In conclusion, I believe we should demilitarize the island, decontaminate it, and devolve it so that its citizens can develop its economic potential, and achieve in Vieques the peace and security they deserve as American citizens.

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ON THE FIFTH ANNIVERSARY OF  
THE AMIA BOMBING IN ARGENTINA  
THE TERRORISTS BEHIND  
THIS VICIOUS ATTACK HAVE  
STILL NOT BEEN FOUND

**HON. TOM LANTOS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. LANTOS. Mr. Speaker, five years ago this coming Sunday—on July 18, 1994—the Buenos Aires headquarters of the Asociacion Mutual Israelita Argentina (Argentine Jewish Mutual Association), known by its Spanish acronym AMIA, was bombed and destroyed by terrorists. In that vicious and cowardly attack against the Jewish community of Argentina, 86 individuals were killed and over 200 others

were injured, many seriously. The victims included Argentinian Jews, but the majority were Argentinian citizens of other religious and ethnic backgrounds.

Mr. Speaker, law enforcement officials have conducted an investigation into this horrendous act of terrorism, but five years after that event progress has been very limited. Five men, including four former police officers, have been arrested in connection with the bombing, and they are expected to go on trial "soon." These individuals, however, are believed to be participants, but not the real perpetrators behind this heinous act. United States intelligence and criminal investigators believe that the Iranian government was behind the attack. Little information has been made public about the results of the effort to identify and arrest the real criminals who carried out this attack, and progress on the investigation has been painfully slow.

Unfortunately, Mr. Speaker, this was not the only, or even first such incident in Argentina. On March 17, 1992, just two years before the AMIA bombing, the Israeli Embassy in Buenos Aires and a nearby school and other buildings were destroyed in a car bomb blast in which 29 innocent children, women and men lost their lives, and another 252 innocent bystanders were injured. These victims included employees of the Israeli embassy and their families, children from a Roman Catholic primary school, women and men in a nearby Roman Catholic church shelter, a Roman Catholic priest, and a number of others.

These unsolved crimes are a serious and sinister effort to intimidate the Jewish population of Argentina, as well as Jewish communities around the world, Mr. Speaker. The Argentine Jewish community numbers over 300,000 and is the largest Jewish community in Latin America. During the periods of military rule it was subject to severe anti-Semitism, and the community feels particularly vulnerable to assault from external radical Islamic groups and from indigenous far right extremists in Argentina.

Mr. Speaker, on this unfortunate fifth anniversary of the AMIA bombing I invite my colleagues to join me in extending our condolences to the families of these who lost their lives in this senseless act of terrorism. I also invite my colleagues to join me in denouncing this bigoted anti-Semitic action, and in urging the Argentine government to move more vigorously and with greater purpose to solve this tragic case. I also invite my colleagues to join me in extending our support and encouragement to the Jewish Community of Argentina. The American people support your struggle against racism and anti-Semitism, and we commend you for your commitment to human rights and the rule of law.

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TRIBUTE TO MR. JAMES LEONARD  
FARMER

**HON. BOBBY L. RUSH**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. RUSH. Mr. Speaker, I rise before you today, to pay tribute to and to celebrate the

life and legacy of James Leonard Farmer who passed away on Friday, July 9, 1999, at the age of 79. I would like to extend my deepest sympathy and regards to Brother Farmer's family and extended community.

James Leonard Farmer served our nation as the founder and national chairman of the Congress of Racial Equality (CORE) established in 1942. CORE is the third oldest and one of the "Big Four" civil rights organizations in America. A strong advocate and civil rights leader, Jim Farmer transformed America by fighting racial prejudice in the 1960's and continuously throughout his lifetime. As the founder of CORE, Mr. Farmer paved the way for the later civil rights movement by organizing the first "Sit-ins" and "Freedom Rides" throughout the South.

A devoted Christian, Jim Farmer had a strong and unwavering commitment to the cause of Christ. He always recognized the importance of overcoming social injustice, which stood as his life-long pursuit. His dedication to justice earned him national recognition as he was awarded the Presidential Medal of Freedom in 1998.

Mr. Speaker, today I am honored to join with all Americans in recognizing the achievements and life of James Leonard Farmer. I am truly honored to pay tribute to Farmer's distinguished life and am privileged to enter these words into the CONGRESSIONAL RECORD.

PASSAGE OF COLORADO HOUSE  
JOINT RESOLUTION 99-1046

**HON. BOB SCHAFFER**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. SCHAFFER. Mr. Speaker, the state of Colorado has requested Congress reform its "Superfund" law to address the needs of businesses. Our position on this important matter has been established by the Colorado General Assembly through the passage of Colorado House Joint Resolution 99-1046.

This measure was authored and sponsored by State Representative Jack Taylor and State Senator Dave Wattenberg. I hereby submit Colorado's Resolution for the RECORD and urge its consideration by my colleagues in formulating useful solutions to federal superfund laws.

COLORADO GENERAL ASSEMBLY  
HOUSE JOINT RESOLUTION 99-1046

By Representatives Taylor, Alexander, Fairbank, Hefley, Hoppe, Johnson, Kaufman, Kester, King, Larson, McKay, Miller, Nunez, Paschall, Spradley, Stengel, Webster, Young; also Senators Wattenberg, Blickensderfer, Chlouber, Epps, Evans, Hillman, Owen, Powers.

CONCERNING A REQUEST FOR AMENDMENT OF THE FEDERAL "SUPERFUND" LAW TO ADDRESS THE NEEDS OF BUSINESSES.

Whereas, the General Assembly commends the intent underlying the federal Superfund law, namely, the desire to protect human health and the environment first while deferring until later the assessment of blame and the collection of costs from persons found to be liable; and

Whereas, The Superfund law generally serves this intent in cases where causation is clear; and

EXTENSIONS OF REMARKS

Whereas, The Superfund law has proven not to serve as well in other cases; and

Whereas, Specifically, the Superfund liability system leads to excessive litigation for businesses, uncertainties in responsibility that hamper access to capital, unwarranted delays in the resolution of liability, and lack of responsiveness to the particular needs of business enterprises; and

Whereas, Such problems are most vexing in the case of speciality oil change service stations, general automobile service stations, and other businesses that generate used oil in their daily activities and centrally collect and recycle used oil that would otherwise be disposed of by uncertain means and eventually become dispersed in the environment; and

Whereas, A businesses of this kind that contracts with an oil collection and recycling firm certified by the Environmental Protection Agency should be able to depend on such certification and continue to operate in good faith, without fear of future liability; and

Whereas, Nevertheless, the current Superfund law does not offer even this basic level of protection to a business that makes every effort to be environmentally responsible; and

Whereas, Businesses are committed to environmental protection, but have serious concerns with the current Superfund program; and

Whereas, Reforming the Superfund program to address the needs of businesses would contribute to their continued viability and to the economic health of the state as a whole; now, therefore,

*Be it Resolved by the House of Representatives of the Sixty-second General Assembly of the State of Colorado, the Senate concurring herein:*

That we, the members of the Colorado General Assembly, hereby request the Congress of the United States to make the following changes to the Superfund law:

1. Eliminate third-party litigation and instead adopt a streamlined expedited, and informal process to quickly allocate responsibility among all parties potentially liable for cleanup of a Superfund site.

2. For businesses that accept their responsibility as allocated under the streamlined process, or that did not have the legal right to control the site during periods when contamination occurred, provide immunity from further liability.

3. Include, as part of the streamlined process, a means for determining and declaring minimis liability for contamination at a site within 180 days. If the 180-day period is exceeded by more than 120 days, relieve business de minimis parties of all liability unless the delay is outside the control of the Environmental Protection Agency.

4. Make the ability to pay an explicit, required criterion for allocation of financial responsibility to a business, taking into account the business's overall financial condition and its ability to raise revenue.

*Be it further resolved,* That copies of this resolution be sent to each member of Colorado's Congressional delegation and to the administrator of the Environmental Protection Agency.

RUSSELL GEORGE,  
*Speaker of the House  
of Representatives.*

RAY POWERS,  
*President of the Senate.*

JUDITH M. RODRIGUE,  
*Chief Clerk of the  
House of Representatives.*

*July 16, 1999*

PATRICIA K. DICKS,  
*Secretary of the Senate.*

TERRI THOMSON

**HON. EDOLPHUS TOWNS**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. TOWNS. Mr. Speaker, I rise today to recognize the accomplishments of Terri Thomson. Presently, Ms. Thomson serves as Vice President-Director of New York City and State Government Relations for Citigroup, a position she has held since December 1996. Ms. Thomson began her career with the company in February 1990 serving as Director of Community and Government Relations in the communities of Queens, Brooklyn and Staten Island. Prior to her career at Citigroup, Terri served as District Administrator for Congressman GARY ACKERMAN (D-NY), advocating for the citizens of the 7th Congressional District for ten years.

Terri Thomson has taken a leading role in the community and has been a strong supporter of many community initiatives. Terri Thomson was appointed for a four-year term beginning July 1, 1998 as a member of the New York City Board of Education. As a Board Member, she serves as Chair of the Parent Involvement and the Capital Plan Committees. Ms. Thomson has advocated for parent involvement because of her commitment to improving the quality of education for our youth. As Vice Chair of the Board of the Brooklyn Sports Foundation, Ms. Thomson assisted the organization in supporting the development of an amateur athletic facility in Coney Island to serve the children of New York City.

Our society has benefited from Ms. Thomson's active support of organizations that nurture cultural and academic enrichment. She has previously served as a board member for Queens Symphony Orchestra, Queens Library Foundation, Flushing Council on Culture and the Arts, and St. Francis College Board of Regents. People in this community can learn from the perseverance of Ms. Thomson. She has found the time and energy to participate in various activities. As a community leader, Ms. Thomson has recognized the importance of economic empowerment, and, for this reason, she became involved in organizations that work to improve economic conditions. She was a board member of Greater Jamaica Development Corporation; a Chairwoman of Queens County Overall Economic Development Corporation; and Treasurer of the Queens Chamber of Commerce.

I commend Ms. Thomson and pray that she will succeed in all future endeavors.

RECOGNIZING GARY COCOLA

**HON. GEORGE RADANOVICH**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize Gary Cocola for his service

to the Fresno community through his broadcast television stations.

While attending Memorial High School in Fresno, Cocola received inspiration to pursue a career in broadcasting. He was one of the local high school students chosen to participate in a television program called "Open House." He continued to participate in other activities on radio and television, including a Top 40 show with a dance party format that aired in Bakersfield.

Cocola enrolled at Fresno State to pursue a degree in radio and television. He added a minor in business in the event that his father may need him. His father, Morris Cocola, owned the family's tree fruit and grape growing, packing and shipping business. But Gary Cocola's passion was for the television business.

In 1962, Cocola found an agent in Los Angeles and considered entering the highly competitive Southern California media market. Cocola's agent dissuaded him from this, which caused Cocola to become discouraged. So, he entered his father's business and began a career in sales.

Cocola excelled at his business and by 1970 he formed the Cocola Fruit Corporation that allowed him to be a dealer and broker as well as a commercial merchant. Cocola was financially well off, but was not entirely happy with his job. His dream was to return to broadcasting.

With the help of his wife Diane Dostinch, he applied to put a local full power station on the air in 1977. After successfully completing the Federal Communications Commission's lengthy application process, the station was finally built in 1984. In 1985, his station, KMSG, began as a Christian station. He has visions to create a station resembling MTV, but it was not commercially feasible.

Cocola began branching out into the low power channels he was accumulating. At a cable television convention, Colcola met Bud Paxson, the founder of the Home Shopping channel. In 1987, Cocola entered the shopping channel market. In 1988, the Spanish News Network out of New York City contacted KMSG, and Cocola converted the channel to Telemundo 59.

As the 80's went by, Cocola continued to expand his ownership of the low power channels not offered on cable TV. He added more shopping channels, a pay for view music TV channel, and a classic movie channel. Today his broadcast empire includes 10 stations owned locally, including a full power station, Channel 43, and an additional five channels in other locations throughout the United States. One station is a full power channel in Omaha, Nebraska and another is a low power station that delivers a new concept in Internet access. This new idea will use broadcast to deliver access to the Internet at a faster speed than the current linkups allow.

Cocola has provided a service to many community members without cable by bringing them news, public affairs and entertainment for free.

Mr. Speaker, I rise to honor Gary Cocola for his service to the community. I urge my colleagues to join me in wishing Gary many more years of continued success and happiness.

## EXTENSIONS OF REMARKS

130TH ANNIVERSARY OF MT. JOY  
MISSIONARY BAPTIST CHURCH

### HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. SHIMKUS. Mr. Speaker, I would like to take this time to make the House aware of the 130th anniversary of Mt. Joy Missionary Baptist Church in Edwardsville. The church serves as a pillar of the community. The church began in 1869 in the home of a church member who was also an ex-slave. In 1871 the church moved to a log cabin nearby. The church has always been a center for the community to come together to interact. There will also be the very first showing of the new history museum created by the church.

When a long time church member was questioned about the church she replied, "I used to like the old ice cream socials years ago. It was a way for folks to get together, and there was always a place for the kids to play." It is exciting to see a community get together to celebrate the anniversary of a historic institution in its community. Such events create a sense of pride and history throughout the community.

A TRIBUTE TO CASEY LEE  
ADKISSON FOR HIS PROMOTION  
TO THE RANK OF EAGLE SCOUT

### HON. CHARLES A. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. GONZALEZ. Mr. Speaker, I rise today to offer my sincerest congratulations to Casey Lee Adkisson, Boy Scout, from San Antonio, TX, upon the notification of his advancement to the rank of Eagle Scout.

Boy Scouts are awarded the prestigious rank of Eagle Scout based on their faith and obedience to the Scout Oath. The Scout Oath requires members to live with honor, loyalty, courage, cheerfulness, and an obligation to service.

In addition, the rank of Eagle Scout is only bestowed once a Boy Scout satisfies duties including, the completion of 21 merit badges, performing a service project of significant value to the community, and additional requirements listed in the Scout Handbook.

In receiving this special recognition, I believe that Eagle Scout Casey Lee Adkisson will guide and inspire his peers, toward the beliefs of the Scout Oath. I am proud to offer my congratulations to Casey on this respected accomplishment.

DR. BRUCE SOMMER

### HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. TOWNS. Mr. Speaker, Dr. Bruce Sommer has impeccable academic and sur-

gical credentials with honors, ranging from Phi Beta Kappa to the American College of Surgeons; Alpha Omega Alpha; Phi Sigma for Biology; Chi Epsilon Mu for Chemistry; and Phi Sigma for Philosophy.

Dr. Sommer, a native New Yorker, was born on October 5, 1948, and received his M.D. degree and internship at the University of Minnesota Medical School in 1974. He is presently the Attending Surgeon Chief in the Division of Transplantation at the University Hospital of Brooklyn with prior hospital appointments that include Kings County, Ohio State University's liver transplantation unit, St. Paul Ramsey Medical Center's Burn Center, and the Minneapolis Veterans Administration Hospital.

His professional memberships number over twenty, American Society of Transplant Surgeons, American Medical Association, American College of Surgeon Fellows, New York Surgical Society, National Kidney Foundation, not to mention the founding member of the cell transplant society in 1991.

Given this illustrious professional background, it is difficult to describe a more exemplary model of a research fellow. Dr. Sommer is renowned for his funded research in acute hepatic failure, minority tissue transplant, and cellular transplantation for enzymatic and metabolic deficiencies. Moreover, Bruce was the principal investigator at the Bristol-Myers Squibb Research Institute engaging in the phase III Study of Acute Renal Graft Rejection with Deoxyspergulin.

This exceptional man of healing lives in Harrison, New York with his family. The dedication and sensibility he brings to the medical profession is unparalleled here in Brooklyn. I would like my colleagues on both sides of the aisle to join me in commending Dr. Sommer for his achievements.

A TRIBUTE TO HIS HOLINESS  
CATHOLICOS KAREKIN I

### HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. CAPUANO. Mr. Speaker, I rise today to pay tribute to His Holiness Catholicos Karekin I. On June 29, the Armenian community mourned the loss of this Supreme Patriarch and leader of the Armenian Apostolic Church. Born Nishan Sarkissian in Kessab, Syria, Karekin I was ordained priest in 1949.

Karekin I dedicated his life to preaching the message of the Armenian Church in a dynamic and creative manner by devoting himself to the instruction of a new generation of clergy which he dubbed "Ambassadors of Christian Faith".

During the 1970's, Karekin I was the head of the Eastern Diocese of the Armenian Church in New York. In this capacity, he motivated the spiritual and cultural life of Armenians and championed a modern vision within theological writings.

In his most recent role as co-President of the Pan Armenian Committee, His Holiness was preparing for the celebration of 1,700 years of Christianity in Armenia. Without his



contribution, this celebration would not have been possible. Sadly, Karekin I will not bear witness to the project's successful completion, expected in 2001.

Karekin I made an impact on Armenians throughout the world, and particularly in eastern Massachusetts. When Karekin I was buried in his homeland of Etchmaidzin, Armenia, local Armenians residing in Watertown and Cambridge, MS, grieved with others around the world at his passing. Karekin I was a compassionate human being who affected the lives of Armenian Apostolic parishioners, particularly those whom he had visited at St. Stephen's in Watertown, and Holy Trinity in Cambridge, MS.

Karekin I's spiritual teachings and services made a vital contribution to the cohesiveness that today exists among a people scattered throughout the globe. The Armenian international community has suffered a great and personal loss in the death of Karekin I, a man of eternal accomplishments.

TRIBUTE TO RETIRING HIGH  
SCHOOL SECRETARY KAREN  
ENSOR

**HON. IKE SKELTON**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. SKELTON. Mr. Speaker, it has come to my attention that Mrs. Karen Ensor, the principal's secretary for the past 26 years at Lexington High School in Lexington, Missouri, retired on June 30, 1999.

Mrs. Ensor began her career 33 years ago when she accepted a position as a teacher's aide at Leslie Bell Elementary School. She remained at Leslie Bell for seven years and then moved to the high school as the principal's secretary. In that post, Karen served the students and staff Lexington High School for 26 years.

A typical day at Lexington High School for Mrs. Ensor included keeping attendance, monitoring student records, making arrangements for athletic teams, answering the phone, tracking down over 300 students, and making sure the students got their lunch tickets. Indeed, Karen's duties at Lexington High School have been multi-faceted. Her dedication and outstanding service to the school and the Lexington community are truly honorable.

Mr. Speaker, Mrs. Ensor will surely be missed by everyone at Lexington High School. I wish her and her husband, Dale, all the best in the days ahead. I am certain that the Members of the House will join me in paying tribute to this great Missourian.

TRIBUTE TO LIEUTENANT COLONEL  
VICKI L. BEARD, UNITED  
STATES ARMY, ON THE OCCA-  
SION OF HER RETIREMENT

**HON. ROBERT MENENDEZ**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to Lieutenant Colonel Vicki L.

Beard as she prepares to culminate her active duty career in the United States Army. Vicki is the epitome of an outstanding officer and leader.

Lieutenant Colonel Beard began her career more than 24 years ago as an enlisted soldier. She then received her commission as a second lieutenant. A graduate of the University of Cincinnati, as well as the Command and General Staff College, Vicki Beard has met the many challenges of military service as an Army Officer, and has faithfully served her country in a variety of command and staff assignments in the Continental United States, Germany, and Korea.

Vicki was previously assigned to the Army Congressional Investigation Division as a Congressional Liaison Officer. During her tenure in the Army Legislative Liaison Office, Vicki served on several investigation panels, spearheading changes in current Army personnel policy.

She concludes her career as the Special Assistant for Personnel Policy in the Office of the Assistant Secretary of Defense for Legislative Affairs. Always thorough and precise in applying her personnel expertise, Vicki has been very generous with colleagues, both senior and subordinate, who sought out her advice on personnel and legislative matters. Senior Defense officials depended on Vicki for her studious approach to matters, and Congressional Members and staff looked to her for her honesty, candor, and professional assessment of any given situation.

Mr. Speaker, service and dedication to duty have been the hallmarks of Lieutenant Colonel Beard's career. She has served our nation and the Army well during her years of service, and we are indebted for her many contributions and sacrifices in the defense of the United States. I am sure that everyone who has worked with Vicki joins me in wishing her health, happiness, and success in the years to come.

PERSONAL EXPLANATION

**HON. JIM McDERMOTT**

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. McDERMOTT. Mr. Speaker, I was absent and unable to vote due to my recovery from heart surgery, July 12, 1999–July 16, 1999.

On July 12, 1999: I would have voted against approving the journal (rollcall No. 277). I would have voted present on H. Con. Res. 107 (rollcall No. 278). I would have voted present on H. Con. Res. 117 (rollcall No. 279).

On July 13, 1999: I would have voted in favor of H.R. 2465 (rollcall No. 280). I would have voted in favor of H.R. 2465 (rollcall No. 280). I would have voted in favor of the McGovern amendment to H.R. 2466 (rollcall No. 281). I would have voted in favor of the Sanders amendment to H.R. 2466 (rollcall No. 282). I would have voted against the Coburn amendment to H.R. 2466 (rollcall No. 283).

On July 14, 1999: I would have voted in favor of the Sanders amendment to H.R. 2466 (rollcall No. 284). I would have voted in favor

of the Sanders amendment to H.R. 2466 (rollcall No. 285). I would have voted in favor of the Slaughter amendment to H.R. 2466 (rollcall No. 286). I would have voted against the Stearns amendment to H.R. 2466 (rollcall No. 287). I would have voted in favor of the Inslee amendment to H.R. 2466 (rollcall No. 288). I would have voted against the Weldon amendment to H.R. 2466 (rollcall No. 289). I would have voted in favor of the Klink amendment to H.R. 2466 (rollcall No. 290). I would have voted in favor of the Farr amendment to H.R. 2466 (rollcall No. 291). I would have voted against the Tancredo amendment to H.R. 2466 (rollcall No. 292). I would have voted in favor of the Wu amendment to H.R. 2466 (rollcall No. 293). I would have voted in favor of the Klink amendment to H.R. 2466 (rollcall No. 294).

On July 15, 1999: I would have voted in favor of the motion to recommit H.R. 2466 (rollcall No. 295). I would have voted in favor of final passage of H.R. 2466 (rollcall No. 296). I would have voted in favor of approving the journal (rollcall No. 297). I would have voted in favor of the Nadler amendment to H.R. 1691 (rollcall No. 298). I would have voted against final passage of H.R. 1691 (rollcall No. 299). I would have voted in favor of ordering the previous question (rollcall No. 300). I would have voted in favor of H. Res. 246 (rollcall No. 301). I would have voted against the Sessions amendment to H.R. 2490 (rollcall No. 302). I would have voted in favor of the Lowey amendment to H.R. 2490 (rollcall No. 303). I would have voted against the Sanders amendment to H.R. 2490 (rollcall No. 304). I would have voted against H.R. 2490 (rollcall No. 305).

On July 16, 1999: I would have voted in favor of H. Res. 250 (rollcall No. 306). I would have voted in favor of final passage of H.R. 434 (rollcall No. 307).

HONORING THE LIFE OF CHARLES  
BUSSMANN

**HON. CURT WELDON**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to honor an outstanding American who recently passed away. Publisher Charles Bussmann, one of America's leading advocates for ocean research, died on June 28, 1999 at the age of 75. As the founder, president, and Chief Executive of Compass Publications Inc., an oceanographic publishing corporation, Mr. Bussmann was widely known as an outspoken proponent of the high value and critical significance of the ocean/marine manufacturing industries to the success of oceanic research and marine resources development.

Mr. Bussmann has had a long and distinguished career. He began his career with Texaco Inc. After a short time at Texaco he began working for Pit and Quarry Publication Incorporation where he stayed for seventeen years, eventually working his way up to executive vice president and director when he left to form his own company in 1963.

In 1963, Mr. Bussmann created Compass Publications Inc.; publishers of Sea Technology magazine, Washington Letter of

Oceanography, Commercial Fisheries News, Marine Performance News and several other oceanographic publications.

Mr. Bussmann was a charter member of the Marine Technology Society and a charter member of the National Ocean Industries Association. He was the sponsor of three highly coveted professional and industry awards presented by the Marine Technology Society: Compass Distinguished Achievement Award, Compass Industrial Award, and Compass International Award. He was a former chairman of the government/business science and technology information committee of American Business Press Incorporation as well as a member of Board of Directors and Trustee, Harbor Branch Oceanographic Institution Inc., a major research organization of Fort Pierce, Florida. In October 1998 the Charles H. Bussmann Dormitory was named in his honor by the organization. Mr. Bussmann was also charter member of the National Ocean Industries Association where he sponsored the highly-coveted Safety In Seas Award, which is presented annually.

As the Vice President of The Advisory Commission on the Protection of the Sea (ACOPS), I have worked closely over the past several years with Mr. Bussmann and known personally of his dedication to improving the oceanographic industry through his vast knowledge of the environment. All who knew Mr. Bussmann are grateful that they had the chance to work with him and sincerely mourn his passing. I extend my deepest sympathies to his family.

Mr. Speaker, Mr. Bussmann was a true champion of the ocean industry. The oceanographic/marine communities owe him a great debt of gratitude for his extraordinary work in joining research with industry to make our marine environment better for all mankind.

IN HONOR OF JAMES DOUGLAS  
BURGER

**HON. DENNIS J. KUCINICH**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. KUCINICH. Mr. Speaker, today I rise to honor Mr. James Douglas Burger, of Fairview Park, Ohio, who graduated from the Federal Bureau of Investigation National Academy on June 25th, 1999.

Mr. Burger was selected to be among the special few to attend the prestigious Academy to become a member of its 197th graduating class. The Academy's facilities and faculty are acknowledged as world leaders in law enforcement training. Its rigorous eleven week course provides one of the premier training programs and prepares its graduates for bright futures in law enforcement.

The graduates of the FBI National Academy set the standard for integrity, commitment, and expertise throughout the law enforcement community. I am proud to have a member of my district join these elite few in protecting the borders of civilized society.

My fellow colleagues, join me in recognizing Mr. Burger's achievement and we wish him much success in the future.

## EXTENSIONS OF REMARKS

### PERSONAL EXPLANATION

**HON. ALBERT RUSSELL WYNN**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. WYNN. Mr. Speaker, on July 14, 1999, I missed rollcall votes 284 to 296. On July 15, 1999, I missed rollcall vote No. 300. My absence was due to a family emergency. Had I been present, I would have voted "no" on rollcall votes 287, 289, 292 and "aye" on votes 284, 285, 286, 288, 290, 291, 293, 294, 295, 296, and 300.

TRIBUTE TO WILMER "WILL"  
BOTTERBUSH

**HON. JOHN SHIMKUS**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. SHIMKUS. Mr. Speaker, I would like to take this opportunity to remember Wilmer "Will" Botterbush of Godfrey, Illinois who passed away unexpectedly on July 14th.

Wil was among the most committed and dedicated public servants that I have known. He was active in local government, the small business community, the Boy Scouts and most importantly he was a dedicated father and friend.

His son Ray Botterbush said, "the village of Godfrey and its citizens were always foremost in his mind."

While it's hard to disagree with that statement, it was clear to me and anyone who met him that first and foremost in Wil's mind was his family, especially his three sons, Ray, Kevin and Tim.

The Godfrey community has lost one of its most renowned public servants and I have lost a good friend. Yet while we mourn his loss, we should remember that Wil Botterbush's legacy lives on in three equally dedicated and talented young men. Wil Botterbush's contributions to his community will continue for generations to come through the lives of his sons and grandsons.

LEON EASTMOND

**HON. EDOLPHUS TOWNS**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. TOWNS. Mr. Speaker, I rise today to honor an important New York small businessman, Leon Eastmond who is the owner of an honorable seventy year old New York City based corporation specializing in manufacturing boilers, steel storage tanks, fuel tank maintenance. His company EASCO Boiler Corporation performs excavations of underground fuel oil tanks and his employees are trained in procedures for handling hazardous materials including contaminated soil, working in confined spaces and cleaning up oil spills.

EASCO currently covers the five boroughs of New York City and both Nassau and Suffolk

counties maintaining a fully stocked warehouse facility to serve their customers with state of the art combustion equipment with parts and service available twenty four hours a day, three hundred sixty five days a year.

Leon Eastmond is an amazing businessman, but he doesn't limit his help to his company or his employees, but instead, seizes every opportunity to make young people aware that self employment is an exciting option. He has joined the Fernando Mateo Institute and has given talks at Evander Childs and George Washington High Schools. He has been a guest lecturer at the Graduate School of Business at Columbia University and has met with their Minority Student Club on several occasions.

Leo realizes that it is important for young people of all races and socio economic levels to meet success oriented black and other minority adults. Mr. Eastmond believes if we start young enough, people will learn to share information and network across all color lines. He truly serves as an inspiration. This is a person who was born and raised in a system that did not deal him a full deck of cards, but he has made the most of it. Moreover, in an effort to help young people turn their lives around, Leon has talked with young adult inmates at Rikers Island and given them hope that there are business people willing to offer them a job and a "Second Change." He now has one former inmate working as a welder's helper.

Mr. Speaker, Leon Eastmond sponsors six Little League Softball teams; the Black Leadership Commission on AIDS and contributes to the United Negro College Fund, the New York Urban League, the Special Olympics, Promesa, the United Jewish Appeal and the Alvin Alley Dance Company. He has a PhD. In life and I commend Mr. Eastmond's achievements to my colleagues' attention.

CONGRATULATING THE BIA ON  
THEIR 10TH ANNIVERSARY

**HON. GEORGE RADANOVICH**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. RADANOVICH. Mr. Speaker, I rise today to congratulate the Building Industry Association (BIA) on their 10th anniversary of business. Over the past decade, the BIA has had a positive impact on the home building industry.

The Building Industry Association of Tulare and Kings Counties was chartered by the National Association of Home Builders on May 21, 1989. With the efforts of a few visionary builders who wanted to provide a united voice through advocacy for home building and related construction entities the BIA was formed. The Association which received its state and federal non-profit status in June of 1989 is governed by elected officers and a Board of Directors while the day to day operations and administration are coordinated by a professional staff.

BIA's membership of builders, developers, subcontractors, and associated businesses is dedicated to protecting and promoting the

home building industry and to keeping home ownership possible and affordable in Tulare and Kings Counties.

Mr. Speaker, I want to congratulate the Building Industry Association for its outstanding leadership and service to its members, communities, and home buyers in the Tulare and Kings Counties for 10 years. I urge my colleagues to join me in wishing the BIA many more years of continued success.

#### OPENING OF SARATOGA NATIONAL CEMETERY

#### HON. MICHAEL R. McNULTY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. McNULTY. Mr. Speaker, on Friday we opened the new Saratoga National Cemetery, and I was in the company of 2,000 distinguished veterans and a very special former colleague in this House. Two of my former colleagues, as a matter of fact, spent a lot of time on that project. One of them, Sam Stratton, was a Member of this body for 30 years. He has since passed away.

But another, thank God, was there for the event. That was Congressman Jerry Solomon, who served in this House for 20 years and rose to be Chair of the Committee on Rules. It was a great honor to be in the presence of all those veterans and to be able to look Congressman Solomon in the eye and say: "Thank you for your dedication through the years, and for the opportunity to be your partner in these efforts for the past 10 years."

And now, to be able to realize that heroes like Pete Dalessandro, who was a Congressional Medal of Honor winner from my district, will be one of the first veterans who finds the Saratoga National Cemetery as his final resting place. It was just another opportunity to be with great Americans, and to thank God for my life and veterans for my way of life.

#### 175TH ANNIVERSARY OF TILLMAN'S HISTORIC VILLAGE INN

#### HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. LaFALCE. Mr. Speaker, I rise today to commend and congratulate the Tillman family, proprietors of Tillman's Historic Village Inn, on the Inn's 175th Anniversary.

Tillman's Historic Village Inn, located in the Hamlet of Childs in the Town of Gaines, NY, was established in 1824. It boasts a long and storied history. In its early years, the Inn served as the final stagecoach stop on historic Ridge Road in Western New York. Through the decades, more than 5,000,000 meals have been served to hungry locals and weary travelers alike. Indeed, the Inn has witnessed the history of America as the nation developed and expanded westward.

Four generations of the Tillman family, all born and raised in the Rochester area, have worked tirelessly for the past 50 years to pre-

serve and improve the Inn for future generations. An extended family of over 2,500 young people from the community has been employed at the Inn during the course of the past 50 years. Many have stayed with the Inn for 10, 20, and even 30 years. In recognition of their contributions and service to the local community, the Tillman family has been named Entrepreneurs of the Year by the Orleans County Chamber of Commerce.

Today, the Inn stands as a symbol of the beauty and charm of the Hamlet of Childs. Childs is listed on the National Register of Historic Places for its quaint cobblestone architecture. Some of the best examples of this type of architecture are located within this picturesque village. In fact, nearby Tillman's Inn is the Cobblestone Museum Complex—the definitive museum of cobblestone architecture in America.

The Inn is a valuable thread in the fabric of our heritage in Western New York and, indeed, the nation. Mr. Speaker, I ask you and my colleagues to join with me in offering best wishes to the Tillman family on the 175th anniversary of Tillman's Historic Village Inn.

#### TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2000

SPEECH OF

#### HON. JUANITA MILLENDER-McDONALD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 15, 1999*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2490) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2000, and for other purposes:

Ms. MILLENDER-McDONALD. Mr. Chairman, I rise in strong support of the Lowey provision within the Treasury-Postal Appropriations bill. Last year, we passed this language with bipartisan support, and I believe we can and will do so again today.

Before this provision was enacted, 81% of all federal employee health benefit (FEHB) plans did not cover the most commonly used types of prescription contraception while an entire 10% covered no prescription contraception at all. At a time when nearly half of all pregnancies in this country are unintended, the need for access to reliable, effective contraception has never been more imperative.

Access to contraception helps children and families more than anyone else. Parents want to prepare for responsible parenting and want their children to grow up in a loving, supportive environment when they are prepared to provide it. They need the power to plan for pregnancy in order to do this.

This is just common sense—access to contraceptives is access to basic, essential prescription drugs and devices that can decrease the number of abortions in this country, which is an objective all Members of Congress seek to achieve.

Contraception is not abortion. Doctors, scientists and the Food and Drug Administration, which approves contraceptive drugs and devices all confirm that contraceptives prevent pregnancy. It does not end it. This bill states an unequivocal prohibition on the coverage of abortion. It also makes a clear distinction between the five major forms of contraception and mifepristone, better known as RU-486. If RU-486 is ever approved by the FDA as a method of abortion, it will not be included in this bill as a contraceptive. I applaud the efforts of our colleagues, who have worked very hard to ensure that this language addresses contraception, and contraception alone.

In addition to contributing to the national effort to lower the number of abortions, this provision narrows the gender gap in out-of-pocket costs for medical care. Women of reproductive age spend approximately 68% more in out-of-pocket health care costs than men. Requiring health plans to cover contraception, which without coverage can significantly affect and add to a woman's annual costs, helps both women and men in managing their families' expenses. Saving money while practicing responsible family planning is something we should all espouse.

The money saved by these families generates minimal cost to the government. This provision has what Congressional Budget Office calls a "negligible" cost.

Finally, this language explicitly excludes religious providers from this requirement and gives individual providers the chance to opt out of providing contraceptive services.

I urge my colleagues to join me in maintaining the Lowey provision of the Treasury bill. It creates vital access to contraception, helps to lower the number of unintended pregnancies, narrows the chasm between women and men in out-of-pocket costs for medical care, and has virtually no budgetary impact. America's families need our leadership and sound judgment. We must respond and vote to maintain this sound legislation.

#### COMMEMORATING THE 75TH ANNIVERSARY OF THE NEW YORK STATE ASSOCIATION OF COUNTIES

#### HON. THOMAS M. REYNOLDS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. REYNOLDS. Mr. Speaker, I rise today to mark the 75th Anniversary of the New York State Association of Counties.

Since its inception in 1925, NYSAC has seen its membership grow to nearly 6,000 executive, legislative and administrative officials. Through legal research, education, training and assistance to its members, NYSAC plays a key role in helping county governments deliver essential services to residents across New York State.

As a former County and State official, I know first hand the tremendous job that NYSAC does in promoting the issues and concerns of New York's 62 counties at both the federal and state level.

Indeed, despite New York's tremendous diversity—from the skyscrapers of Manhattan to

the Falls of Niagara—NYSAC has consistently and effectively promoted the best interests of all its members, whether rural, urban or suburban.

Mr. Speaker, it is my sincere pleasure to offer my congratulations and best wishes to the members and staff of NYSAC, whose professionalism and commitment have helped ensure the efficient and effective management and delivery of county services; and I ask that this House of Representatives join me in saluting NYSAC for a job well done, and extend our sincerest best wishes for continued success as they begin their second 75 years of advocacy and support for the counties of New York State.

KOJO ABUSUA BADU

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. TOWNS. Mr. Speaker, Kojo Abusua Badu is truly a success story. Born in the independent, African State of Ghana, he immigrated to the United States and made admirable achievements on these shores.

He is currently President of Convenient Service Center and its sister company, E-Z Pay Inc., headquartered in Bedford Stuyvesant, with locations in Brownsville, Harlem and Queens. These two companies while providing important services in the community also employ approximately sixty individuals, coupled with a combined anticipated gross income over \$200 million for 1999.

Mr. Badu is also a partner in the Certified Public Accounting firm of Badu & Mahmood located in Manhattan. He was educated at New York University where he earned undergraduate degrees and a Master's Degree in Business Administration and is a Certified Public Accountant.

Mr. Badu is a widower with four children, two boys and two girls. He participates in various civic and social activities within his community.

I want to commend Mr. Kojo Badu for his important contributions to the Brooklyn community.

THE DIPLOMATIC FAIRNESS COMPENSATION RESOLUTION, H. CON. RES. 157

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. GILMAN. Mr. Speaker, today I am introducing H. Con. Res. 157, a resolution expressing the sense of the Congress that neither the United States, nor NATO, should reimburse the Chinese Government for the accidental damage of their embassy in Belgrade, Yugoslavia unless the United States is reimbursed for the damage of its government facilities in China.

The State Department has sent an official delegation to China to discuss reparation for

the accidental bombing by the U.S./NATO forces of the Chinese embassy in Belgrade, Yugoslavia on May 7, 1999. This is unacceptable. Let us not forget that the Chinese retaliated against our accidental bombing with government sanctioned violent protests against American facilities in China. We should not pay for the damages done to the Chinese embassy in Belgrade unless the Chinese government reimburses us for the damages they have done to our facilities in China, including the United States Embassy in Beijing.

The injustices that occurred in China on May 8–11 as a result of the protests that the Chinese government organized were substantial. The full costs of the damages have not yet been determined. Police officers in Beijing ushered protesters to within 25 feet of the walls of the United States embassy, enabling the protesters to pelt the walls with rocks and pieces of concrete. Our Ambassador, James Sasser, and 13 other staff members were trapped inside the embassy for three days because the Chinese government did not provide enough protection for them to leave the grounds. The Chinese government did not even supply them with food. In addition the Consul-General's residence in Chendu was burned to the ground and the Guangzhou consulate was set on fire.

In light of these unacceptable actions tolerated and promoted by the Government of China, the U.S. should not reimburse the Chinese Government for the accidental bombing of its embassy in Belgrade unless China reciprocates by paying the United States for the damages they inflicted upon our government's property.

Accordingly, I urge my colleagues to support H. Con. Res. 157 to ensure that the United States is treated fairly. I insert the full text of the resolution to be printed at this point in the RECORD.

H. CON. RES. 157

Whereas military forces of the United States acting in conjunction with the North Atlantic Treaty Organization (NATO) during Operation Allied Force accidentally dropped at least three precision-guided bombs on the Chinese embassy in Belgrade, Yugoslavia, on May 7, 1999;

Whereas on May 8, 1999, a joint statement by the United States Defense Department and the Central Intelligence Agency (CIA) stated that NATO hit the Chinese embassy, located 200 yards from the Yugoslav Federal Directorate of Supply and Procurement, a weapons agency, because of errors in detecting the location of the weapons agency;

Whereas on May 11, 1999, the Washington Post cited a United States official who stated that the error of targeting the Chinese embassy went undetected because the address was checked against outdated maps and databases, which showed the location of the Chinese embassy before it moved in 1996;

Whereas apologies by the United States Government for the accidental bombing went unreported in China by the Chinese Government controlled press;

Whereas it is reported in the New York Times that on May 10, 1999, marchers were ushered by Chinese police officers to within 25 feet of the walls of the United States embassy in Beijing;

Whereas protesters pelted the embassy walls with rocks and pieces of concrete pried from the sidewalk of the embassy in full view of Chinese Government security forces;

Whereas demonstrators on May 8 through May 11, 1999, trapped the United States Ambassador, James Sasser, and 13 other staff members inside the United States embassy in Beijing, unable to leave because adequate protection was not provided by the Chinese Government;

Whereas the Chinese Government did not provide food for the ambassador and his staff;

Whereas the embassy building in Beijing was damaged with broken windows, broken signs, and paint-stains and cars on the embassy grounds were damaged;

Whereas 170,000 students demonstrated outside the Consul-General's residence in Chendu;

Whereas the Chinese Government security forces did not prevent the Consul-General's residence from being set afire and burned down;

Whereas the Chinese Government security forces did not prevent the consulate in Guangzhou from being set afire; and

Whereas protesters were not stopped by Chinese authorities from throwing rocks, pieces of pavement, molotov cocktails, gasoline bombs, paint, and other debris at American facilities throughout China: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring), That neither the United States, nor NATO, should reimburse the Chinese Government for the accidental damage of their embassy in Belgrade, Yugoslavia unless the United States is reimbursed for the damage of its government facilities in China.*

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2000

SPEECH OF

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 15, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2490) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2000, and for other purposes:

Mr. COYNE. Mr. Chairman, I include the following letter for printing in the RECORD:

DEPARTMENT OF THE TREASURY,  
INTERNAL REVENUE SERVICE,  
Washington, DC, July 15, 1999.

Hon. WILLIAM J. COYNE,  
Committee on Ways and Means,  
House of Representatives,  
Washington, DC.

DEAR MR. COYNE: As the House considers the Fiscal Year 2000 Treasury, Postal Service and General Government Appropriations bill, which includes the Internal Revenue Service (IRS) budget, I want to urge your support for full funding for the IRS. Adequate funding for FY 2000 is critical to the success of the Restructuring and Reform Act of 1998 (RRA), passed almost unanimously a year ago. As you know, that legislation established 71 new taxpayer rights provisions and mandated an entire new direction for the IRS.

I understand that on July 13, 1999, the Full Appropriations Committee approved an

amendment to trim approximately \$240 million from the Subcommittee mark, including approximately \$135 million from the IRS (approximately \$139 million from the President's budget request). While I can appreciate the new budget constraints under which the Committee must operate, I am gravely concerned that a cut of \$135 million will seriously jeopardize the IRS's ability to implement its reform effort mandated by the Restructuring Act.

A funding reduction of \$135 million would: Severely restrict, if not completely impair, IRS' ability to deliver on the Restructuring and Reform Act mandated by the Congress in 1998. Every aspect of the agency's commitment to reorganize the organization, improve customer service and taxpayer rights would be in jeopardy.

Constrain the ability to implement the initiatives so critical to changing how IRS delivers on customer service and improves its treatment of taxpayers and focus on taxpayer rights. For example, the cut would result in reduced plans to deliver better telephone service and tax assistance in Spanish.

Require reduced staffing levels in order to free up the funds necessary to implement congressionally mandated RRA requirements. IRS staff has already been reduced 14% (or 15,600 FTE) since FY 1993—thereby continuing the rapid decline in exam, collection and criminal tax compliance operations.

Reduce finding for the Electronic Tax Administration program, thereby jeopardizing the Congressionally mandated goal of 80 percent electronic filing by the year 2007.

Impair the creation of operating units to help specialized groups of taxpayers including small businesses and ordinary wage earners.

Delay implementation of important taxpayer rights initiatives.

I sincerely hope that the \$135 million will be restored so that the IRS and Congress can achieve its mutual goal of meaningful IRS reform. I look forward to continuing to work with you and the rest of the Congress to ensure that the American people have the modernized revenue service that they deserve.

Sincerely,

CHARLES O. ROSSOTTI,  
*Commissioner.*

IN APPRECIATION OF JOSEPH E. CARTER, FEDERAL WORKER AND THOROUGHbred HORSEMAN

**HON. CARRIE P. MEEK**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mrs. MEEK of Florida. Mr. Speaker, I rise today to pay tribute to the late Joseph E. Carter on the fourth anniversary of his death from cancer, which occurred on July 31, 1995, at the age of 34. Mr. Carter was highly esteemed as a federal worker of great integrity while employed as one of the groundskeepers of the U.S. Capitol. He subsequently was a successful Thoroughbred groom and a respected clocker for "The Daily Racing Form," positions which he greatly enjoyed.

As kind and generous as he was physically powerful, Mr. Carter was quick to help anyone in need, without thought of repayment. This outstanding gentleman regularly helped the frail elderly and the widowed with his strenuous manual labor, and he was known to

drive 80 miles to obtain a second veterinarian's diagnosis regarding a dying horse, in order to try to save the animal's life.

A typical example of Mr. Carter's warm compassion was evidenced when he once offered to adopt a profoundly retarded boy and to give him a safe, affectionate home when it was no longer possible for the child's loving family to keep the boy with them.

When Mr. Carter learned that he was dying of inoperable cancer, he said quietly, "The Lord gave me 29 good years, and I'm thankful. I'm going to die of cancer, but I'm not going to let it defeat me."

Mr. Carter was a credit to his upbringing who died undefeated by the terrible pain which he endured in his last years. The loving son of Bill and Kathy Carter of Brandywine, Maryland, Mr. Carter died with the same dignity and compassion with which he lived. His calm courage and optimism remain an inspiration to those who knew him.

LEHIGH VALLEY HEROS—SHAWN  
AND KEVIN KELLY

**HON. PATRICK J. TOOMEY**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. TOOMEY. Mr. Speaker, today I would like to share my Report from Pennsylvania for my colleagues and the American people.

All across Pennsylvania's 15th Congressional District there are some amazing people who do good things to make our communities a better place. These are individuals of all ages who truly make a difference and help others.

I like to call these individuals Lehigh Valley Heroes for their good deeds and efforts.

Today I would like to recognize Kevin and Shawn Kelly of Wilson Borough as Lehigh Valley Heroes. These young boys have truly made a difference in their community.

Kevin, 8, and his brother Shawn, 11, recently extinguished a fire that threatened a nearby home in their community. Recently, they were playing outside when they noticed smoke coming from a grassy area near their neighbor's home. Kevin and Shawn reacted instantly to douse the small fire with water and as a result saved a neighbor's home.

These brave young boys made a difference in Wilson Borough and therefore they are Lehigh Valley Heroes in my book.

Mr. Speaker, this concludes my Report from Pennsylvania.

THE AMERICAN MILITARY HEALTH  
PROTECTION ACT

**HON. WALTER B. JONES**

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. JONES of North Carolina. Mr. Speaker, I rise today to address an issue of vital importance to our men and women in uniform.

Since the end of the Cold War, the Army and Air Force have been reduced by 45 per-

cent, the Navy by 36 percent, and the Marine Corps by 12 percent.

At the same time, our military operations commitments around the world have increased by 300 percent.

The Army alone has participated in 33 separate deployments since 1992, and has troops in over 70 nations.

Our military readiness is stretched thin, our reserves of critical missiles and spare parts have eroded, and our military's quality of life is diminishing.

Retention rates are reaching historic lows and aircraft accidents are climbing.

For too long we have been asking our military to do more with less.

In recent years, this Congress has taken many steps to reverse these trends and provide adequate training and equipment for our Armed Forces personnel. We must continue to do more.

Despite these difficulties, our men and women remain the premier military in the world.

Their devotion and commitment to serve is without question.

Time and again, they risk their lives in the defense of our nation and our interests around the world.

Without their selfless dedication, our nation would not be the great place it remains today.

As such, we in Congress and as a nation, have a responsibility to those military personnel and their families.

We owe them the strongest commitment to their safety and well being we can provide.

However, I am concerned our government may be violating that very principle.

Two years ago the Secretary of Defense announced plans to implement a mandatory anthrax vaccination program for the 2.4 million members of the Armed Forces.

Since that time, I heard from a rapidly growing number of military personnel and family members who believe this vaccine may jeopardize their long-term health and safety as well as that of their families.

The lack of a single, conclusive independent study regarding the long-term health effects of the anthrax vaccine on humans have created additional concerns among our nation's uniformed personnel.

Despite Department of Defense assurances of minimal adverse reactions to the anthrax vaccinations, the standards that the Department uses to determine adverse reactions are insufficient to support their claims.

According to a June 29 article in the San Diego Union-Tribune, Secretary of the Army Louis Caldera acknowledged in a September 1998 memo that the vaccine "involves unusually hazardous risks associated with the potential for adverse reactions in some recipients and the possibility that the desired immunological effect will not be obtained by all recipients."

The article went on to report that the Secretary concluded, there is no certainty that the anthrax used in tests to measure the vaccine's effectiveness "will be sufficiently similar to the pathogen that U.S. forces might encounter" during warfare.

If the Secretary of one of the services raises these concerns, how can we as a nation expect the most junior soldier, sailor, airman, or

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Marine to accept the vaccine without question?

As a result of the lack of conclusive data on the long-term effects of the anthrax vaccine, many of these military personnel are being forced to make decisions between the safety and security of their families that their dedication and commitment to serving our nation.

In a time when all branches of our military are faced with severe challenges in recruiting and retaining quality military personnel, we should be looking for ways to recruit and retain these men and women.

Instead, over 200 personnel have chosen to resign from the armed services rather than accept the risks associated with a questionable vaccination program.

In one Connecticut Air National Guard Unit alone, eight pilots resigned their commissions because of the mandatory anthrax vaccination. There are growing reports of large numbers of other Guard units whose ranks are shrinking for the same reason.

In my own state of North Carolina, I have heard from numerous active duty and reserve Air Force pilots who have tendered their resignation after many years of service.

However, I am particularly troubled by the recent court-martial of five Marines for their refusal to accept the anthrax vaccination.

As the representative of one of the largest Marine Corps bases in the country, Camp Lejeune, I have learned how much they value their creed: "Corps, God, and then Country."

For the Marines, it is not just a saying; it is a way of life.

Yet, because of the great uncertainty surrounding the anthrax vaccine, a growing number of Marines are also choosing to leave their beloved Corps, their livelihood, to ensure their long-term health and that of their families.

All of these matters have led me to a single conclusion. Until the questions surrounding the anthrax vaccine are answered, I cannot in good conscience support the current mandatory Department of Defense vaccination program.

I feel as though I would be failing in my responsibility if I did not take action to protect the troops who willingly sacrifice their own lives in defense of this nation and its citizens.

As a result, today I am introducing the American Military Health Protection Act.

The legislation is simple.

It would make the current Department of Defense Anthrax Vaccination Immunization Program voluntary for all members of the Uniformed Services until either:

1. The Food and Drug Administration has approved a new anthrax vaccination for humans; or

2. The Food and Drug Administration has approved a new, reduced shot course for the anthrax vaccination for humans.

It does not eliminate the program or remove the ability of the Department of Defense to provide anthrax vaccinations. It simply ensures before a member of our military is required to take the vaccine, their questions about its safety and long-term effects are answered.

It is the least that Congress and the Department of Defense can do.

I hope my colleagues here will see that and join me in protecting the great men and women of the United States Military.

## EXTENSIONS OF REMARKS

### UNION CITY CELEBRATES 40TH ANNIVERSARY AND DESIGNATION AS AN ALL-AMERICAN CITY

#### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. STARK. Mr. Speaker, on July 31, 1999, Union City, California will celebrate its 40th Anniversary and its recent designation by the National Civic League as an All-American City, one of only ten in the United States for 1999. Although the City of Union City will be celebrating its 40th Anniversary in 1999, the year 1850 marks the date that settlers John and William Horner visited an oasis by the Bay and laid out a small settlement town eight square blocks which they called "Union City." It is said that the name originates from the Horners' Sacramento River steamer call "The Union."

In the early 1850's, Union City had a total population of just three families. This is in stark contrast to the nearly 64,000 residents who inhabit the City today. Many of Union City's early settlers were disappointed gold miners who found that growing potatoes, fruits, and vegetables could also be quite profitable and rewarding. Most of the vegetables grown in California were shipped from Union City as this area was considered to be the most fertile agricultural land in the state.

By 1852, Union City had developed into a town that had several hotels, numerous boarding houses, livery stables, general stores, a blacksmith shop, and a men's furnishing store among others. The coming years saw major industries start to settle in the area, such as Pacific Coast Sugar Company and Gold Medal Flower.

Much of the area that is now Union City was spared with little damage during the earthquake of 1906. However, Union City faced a new challenge in the 1950's when several adjacent cities targeted Union City for possible annexation. To prevent this from happening, Union City residents decided to successfully incorporate the city in 1959.

Present day Union City is known as the Gateway to the Silicon Valley. With a diverse population of almost every imaginable ethnicity, Union City exemplifies the true American spirit. Civic-minded communities continue to work tirelessly for safe neighborhoods, quality housing and exemplary schools.

I am proud to represent Union City in my 13th Congressional District, and I ask my colleagues to join me in congratulating this outstanding city on its 40th birthday and designation as All-American City for 1999.

### DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

SPEECH OF

#### HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 1999

The House in Committee of the Whole House on the State of the Union had under

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consideration the bill (H.R. 2466) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2000, and for other purposes:

Mr. KENNEDY of Rhode Island. Mr. Chairman, I rise in strong opposition to the amendment offered by Congressmen WELDON and BARR.

This amendment would accomplish two goals.

First, it would undermine the Constitutional responsibility that our government has towards Native American Tribes.

Second, it would serve to stop so much of the positive work that is being accomplished in Indian Country.

What my colleagues need to understand is that Tribal Gaming is not a private interest initiative. The proceeds from Tribal Gaming can only be used for governmental programs like education, health care and housing.

Some Tribes that are looking to take lands into trust for the purposes of gaming currently have unemployment rates in excess of 50 percent. Native Americans are simply looking for a way out of what is clearly third world poverty.

This amendment would prohibit the Secretary of the Interior from promulgating Class III gaming procedures.

The reason that the Department of Interior has published regulations on Class III gaming is because Congress, by enacting the Indian Gaming Regulatory Act, directed the Secretary to develop procedures for Class III gaming compacts.

And lets be clear, Interior's regulations will apply in cases where tribes and states could not reach a Class III agreement but the state already allows Class III gaming activities, and when a state raises immunity as a defense from suit.

Moreover, states could still protect themselves from Class III gaming if they choose by outlawing any kind of Class III gaming in the state. In this regard Tribes could not game under Class III. Examples of States that have no gaming include Utah and Hawaii.

This rule is the result of an extensive public process that began more than three years ago and speaks to the fact that the vast majority of states and tribes have bargained in good faith with each other. In fact, in the ten years since the enactment of the Indian Gaming Regulatory Act, over 200 compacts have been signed in 24 states.

Tribes deserve a fair opportunity. In many cases they have been denied that chance.

I understand that the National Gambling Impact Study Commission has called for a "pause" in gaming but this amendment does nothing but unfairly discriminate against the only people that use gaming revenues for altruistic purposes.

Moreover, it goes to the very heart of our nation's failure to defend what Tribal Governments are entitled to by virtue of their status as domestic dependent nations.

Why is there no amendment to limit the growth of gaming in Atlantic City? How about state governments that use lotteries everyday?

The reason is because you all feel that Indians are an easy target. Gaming opponents feel as though they need a quick fix to satisfy



their agendas. Consequently the Tribes must bear the burden of the political expediency that is being demonstrated by this amendment.

My colleagues, this amendment is not so much about gaming as it is about not respecting the trust responsibility that our government has towards the first Americans.

Mr. Chairman, I find this particularly disturbing that we are considering this amendment offered by Republican members on a day that Speaker Hastert and the Republican leadership are meeting with several tribal leaders in support of Tribal sovereignty.

This amendment has no place in this debate and I urge all who care for the sovereign rights of native Americans to oppose its passage.

RISE IN HUMAN RIGHTS ABUSES  
IN THE UIGHUR AUTONOMOUS  
REGION OF XINJIANG, CHINA

**HON. JOHN EDWARD PORTER**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. PORTER. Mr. Speaker, I rise to bring attention to one of the forgotten areas of the world, where human rights abuses are at an all time high and the degree of these abuses is inhuman and completely unimaginable to most of us—the Uighur Autonomous region of Xinjiang, China (XUAR). I have spoken before this Congress many times to discuss the horrendous way the government of the People's Republic of China treats its people, but, according to the experts, the situation the Uighurs are facing is far worse than in any other region of the country.

Amnesty International released a report in April documenting the conditions and abuses in Xinjiang, and yesterday the Congressional Human Rights Caucus held a briefing on the Uighurs. We heard from five Uighurs as well as human rights advocates who all describe the same abominable situation.

Xinjiang has long been inhabited by a mixture of different Muslim peoples including Kazakhs, Kyrgyz and Tajiks, as well as the majority Uighurs. The region enjoyed independent statehood until 1759, when it was conquered by China's Manchu dynasty. In subsequent years, there were numerous attempts to shake Chinese rule lasting well into the twentieth century. The most significant of these was in 1945, when local forces took advantage of the looming civil war between Communist and Nationalist Chinese to revive the independent republic of East Turkestan, which survived until 1949 when it was crushed by divisions of the People's Liberation Army (PLA). Han Chinese migration and settlement into Xinjiang greatly increased with the onset of the economic reforms of the early 1980s, to the point where there are now almost as many Han as Uighurs living in Xinjiang. The two main ethnic groups live in virtual segregation, racial discrimination is widely reported and unemployment among Uighurs is high.

Since the early 1990s, the growing strength of the Islamic cultural and religious movement in Xinjiang, combined with the end of Soviet

political domination in Central Asia, has led the central government once again to impose increasingly tight restrictions on religious worship and practice in the region. The number of schools and mosques forced to close is rapidly increasing, displaying the strong similarities between the PRC's treatment of this region and Tibet.

Amnesty International reports that torture of political prisoners in XUAR is systematic and that new and particularly cruel methods of torture are used that are not known to be used elsewhere in China. The XUAR is the only region in China where political prisoners are known to be executed. They have been executed for offenses related to opposition activities, street protests or clashes with security forces. As true in other parts of the PRC, the death penalty is also applicable for a wide range of offenses, including non violent ones such as economic and drug related crimes. There are two reasons why this abuse is so much worse than in other areas of China. First, its history of independence and proximity to free countries, and second is the fact that the rest of the world seems to have forgotten them.

Amnesty International is calling on the Chinese government to establish a special commission to investigate human rights violations and economic, social, and cultural needs of the region. I want to join in this call, and demand that the Chinese government stop treating its citizens this way. The international community must be made aware of these atrocities and it is time for us to stand up and let the Uighurs know that the world has not forgotten them, and the Chinese government can not continue with this type of behavior.

THE SECOND AMENDMENT AND  
GUN CONTROL LEGISLATION

**HON. JOHN CONYERS, JR.**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

Mr. CONYERS. Mr. Speaker, today I am pleased to offer for the record a memorandum on the Second Amendment and Gun Control Legislation that was written by Professor Robert A. Sedler, an outstanding constitutional law professor who has taught at the University of Kentucky Law School and now teaches at Wayne State University School of Law. Professor Sedler previously worked with my Judicial Committee staff on constitutional matters during the recent impeachment proceedings. Given the current national debate on gun control and gun control legislation, his memorandum is particularly enlightening.

THE SECOND AMENDMENT AND GUN CONTROL  
LEGISLATION

(By Robert A. Sedler, Professor of Constitutional Law, Wayne State University School of Law)

Opponents of gun control legislation, such as the NRA, frequently invoke the Second Amendment to argue that gun control legislation is unconstitutional. Such an argument is completely misplaced for two reasons. First, under current constitutional doctrine, as propounded by the United States Supreme Court, the Second Amendment does

not establish an individual right to bear arms. The Second Amendment is a state's rights provision, guaranteeing a collective rather than an individual right. Second, even if the Supreme Court were to hold in the future that the Second Amendment does create an individual right to bear arms, that right, like other constitutional rights, would not be absolute, and would be subject to reasonable regulation that did not impose an "undue burden" on that right.

The Second Amendment starts out by referring to state militias, which were the forerunner of the present National Guard: "A well-regulated Militia being necessary to the security of a free State," and goes on with the more familiar. "The right of the people to keep and bear arms shall not be infringed." At the time of the Constitution every state had a militia, consisting of all able-bodied men. When there was a call to arms to defend the state, each able-bodied man was supposed to show up with his own rifle. Every man had a rifle, which he used for hunting and for the legitimate self-defense of his family and his home. The Constitution gave the federal government a lot of power over the state militias. Congress could call them into federal service (Art. I, sec. 8, cl. 15), as units of the Michigan National Guard have been called up for service in Bosnia and Kosovo. When the militias were called into federal service, they were subject to the control of the President as Commander-in-Chief (Art. II, sec. 2, cl. 1). Congress was also given the power to govern the organization and training of the state militias (Art. I, sec. 8, cl. 16), just as today Congress regulates the state National Guard.

After the Constitution was ratified, there was concern in the states that Congress would use its power over the state militias simply to abolish them. This concern was addressed by the Second Amendment. The language and historical context of the Second Amendment indicates that it was to be a states rights provision, it was intended to prevent Congress from abolishing the state militias. Under this view of the Second Amendment, it would not be the source of an individual right to bear arms, and federal gun control laws could not be challenged as violative of the Second Amendment.<sup>1</sup>

The contrary view focuses on the fact that the time of the Second Amendment, all the able-bodied men that made up the state militia were expected to have their own rifles to bring with them whenever there was a call to arms. Under this view, the Second Amendment would be the source of an individual right to bear arms, just as the First Amendment is the source of an individual right to free speech, and federal gun control laws could be challenged as violative of the Second Amendment. Many state constitutions do expressly establish an individual right to bear arms. The Michigan Constitution, Art. I, sec 6, for example, provides that: "Every person has a right to bear arms for the defense of himself and the state." There is much debate today among law professors and others over whether or not the Second Amendment should be seen as establishing an individual right to bear arms.

Of course, only the United States Supreme Court can say authoritatively what the Second Amendment means. The only Supreme Court case to expressly deal with that subject is the older case of *United States v. Miller*, 307 U.S. 174 (1939). In that case, the Court

<sup>1</sup>The Supreme Court long ago held that the Second Amendment does not apply to the states. *Presser v. Illinois*, 116 U.S. 252 (1886).

rejected a Second Amendment challenge to a federal law banning a number of weapons such as sawed-off shotguns and machine guns. The Court seemed to say that the Second Amendment was a state's rights provision intended to prevent Congress from abolishing the state militias, and was not intended to establish an individual right to bear arms. The Court stated: "With obvious purpose to assure the continuation and render possible the effectiveness of such forces, the declaration and guarantee of the Second Amendment were made. It must be interpreted and applied with that end in view," and concluded that, "[i]n the absence of any evidence tending to show that the possession or use of a 'shotgun having a barrel of less than eighteen inches in length' at this time has some reasonable relationship to the preservation or efficiency of a well-regulated militia, we cannot say that the Second Amendment guarantees the right to keep and bear such an instrument." 307 U.S. at 178. The Supreme Court has not had a case dealing with the meaning of the Second Amendment since *Miller*, except to cite *Miller* for the proposition that federal restrictions on the use of firearms by individuals do not "trench upon any constitutionally protected liberties." *Lewis v. United States*, 445 U.S. 55, 65, n.8 (1980).

Because lower federal courts are bound by United States Supreme Court decisions unless and until they are overruled by the Supreme Court itself, the federal courts of appeal have unanimously held, as the Sixth Circuit has put it, that, "[i]t is clear that the Second Amendment guarantees a collective rather than an individual right." *United States v. Warin*, 530 F.2d 103, 1106 (6th Cir. 1976) (upholding ban on possession of sub-machine guns). Recent cases holding that the Second Amendment does not establish an individual right to bear arms include *Hickman v. Block*, 81 F.3d 98 (9th Cir. 1996) (person denied a concealed weapon permit has no standing to claim that denial violates his Second Amendment rights); *Love v. Pepersack*, 47 F. 3d 120 (4th Cir. 1995) (denial of application to purchase handgun cannot be challenged as violative of Second Amendment).<sup>2</sup>

The Supreme Court's decision in *Miller* sets forth the current state of the law, which is why the lower federal courts must reject any claim that the Second Amendment establishes a constitutionally-protected individual right to bear arms. The Supreme Court may change its mind, but unless and until it does, the federal courts cannot properly use the Second Amendment to declare any gun control law unconstitutional.

Let us assume, however, that the Supreme Court does change its mind and holds that the Second Amendment does protect the individual right to bear arms. This would not have any effect at all on existing and proposed federal gun control laws, such as the ban on assault weapons, the ban on possession of a gun by a convicted felon, a requirement that guns contain safety locks and be kept out of the reach of children, or a background check waiting period. Constitutional rights are not absolute, and are subject to reasonable regulation in the public interest.

Guidance on this point can be obtained from the decisions of state courts upholding gun control laws as a reasonable regulation of the right to bear arms. In upholding a ban on dangerous weapons over 60 years ago, for example, the Michigan Supreme Court stated as follows: "Some weapons are adapted and recognized by the common opinion of good citizens as proper for the private defense of person and property. Other are the peculiar tools of the criminal. The police power of the state to preserve public safety and peace and to regulate the bearing of arms may take account of the character and ordinary use of weapons and interdict those whose customary employment of individuals is to violate the law." *People v. Brown*, 253 Mich. 537, 539, 235 N.W. 245, 246 (1931).

Moreover, since constitutional rights are not absolute, any regulation of a right—even a fundamental one, such as a woman's right to abortion—is not subject to constitutional challenge unless it imposes an undue burden on the exercise of that right. *Planned Parenthood of Southeastern Pennsylvania v. Casey*, 505 U.S. 833 (1992). Thus, a 24 hour waiting period before a woman can have an abortion was held in *Casey* to be constitutional because it does not prevent the women from having an abortion. By the same token, a three day waiting period for the sale of a gun at a gun show so that a background check can be run on the purchaser does not impose an undue burden on the right to bear arms, since it does not prevent a qualified purchaser from obtaining the gun. Nor does a requirement that guns be equipped with safety locks impose any burden at all on a person's ability to obtain and use guns. Nor could it possibly be suggested that the Constitution stands as an obstacle to denying a gun to a convicted felon or a mentally unstable person. Likewise, a ban on carrying a concealed weapon would be constitutionally permissible because of the clear danger to public safety that can result from people pulling out guns and engaging in a shootout in the public streets.

A constitutionally protected right to bear arms would include the right to have a rifle for hunting and for defense of the home. It might also include the right to have a handgun for defense of the home, although this is debatable. A ban on private ownership of handguns would serve the public interest in crime prevention, since so many crimes are committed by the use of handguns. This aside, most assuredly, the right to bear arms would not include the right to have a sub-machine gun or a sawed-off shotgun or an assault weapon, or to carry concealed weapons, or to brandish a gun in the public streets. And again, any right to gun ownership would be subject to reasonable regulation in the public interest.

In summary, under the current state of the law, the Second Amendment does not establish an individual right to bear arms. But even if the Supreme Court were to subsequently hold that it did, all the present and proposed federal gun control laws would be upheld as constitutional, because they are reasonable and do not impose an undue burden on the right to bear arms.

## TRIBUTE TO LINNEAUS C. DORMAN

### HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. CAMP. Mr. Speaker, I rise to pay tribute to Dr. Linneaus C. Dorman of Midland, Michigan, who recently received the 1999 Percy L. Julian Award, the highest award presented by the National Organization for the Professional Advancement of Black Chemists and Chemical Engineers. Dr. Dorman earned this award for his pure and applied research in engineering and science.

I would like to congratulate Dr. Dorman and draw attention of my colleagues in the U.S. House of Representatives and my constituents in the 4th Congressional District to Dr. Dorman's distinguished career.

Dr. Dorman's fascination with science began in his childhood, with a friend and a chemistry set. Since then he has made remarkable contributions to his field. He earned his bachelor of science in chemistry from Bradley University and a Ph.D. in organic chemistry from Indiana University in 1961.

After receiving his Ph.D., Dr. Dorman went to Midland to work for The Dow Chemical Company, where he worked in research and development with a primary focus on the chemistry of carbon compounds, found in living things. His work in agricultural chemical synthesis, automated protein synthesis, ceramics, and polymers have earned him high praise from his peers.

Today he continues to be involved with science and shares his love of it with young people in the community, while remaining a member of the National Organization for the Advancement of Black Chemists and Chemical Engineers.

Dr. Dorman's contribution to science and the community make him an outstanding role model and a respected professional in his field. I am honored today to recognize Dr. Dorman, his professional accomplishments, and his willingness to share his knowledge.

## THE INTRODUCTION OF THE NUCLEAR DISARMAMENT AND ECONOMIC CONVERSION ACT

### HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Ms. NORTON. Mr. Speaker, long after the end of the Cold War and the breakup of the Soviet Union, the threat of nuclear weapons remains. Today, the United States continues to possess around 7,300 operational nuclear warheads, and the other declared nuclear powers—Russia, Great Britain, France, and China—are estimated to possess over 10,000 operational warheads. Furthermore, the proliferation of nuclear weapons, especially in countries in unstable regions, is now one of the leading military threats to the national security of the United States and its allies.

The United States, as the sole remaining superpower and the leading power in the

<sup>2</sup>In view of this unbroken line of federal appellate decisions, the very recent decision of a federal judge in Texas holding that the Second Amendment establishes an individual right to bear arms and renders unconstitutional a federal law prohibiting possession of a firearm while under a court restraining order, *United States v. Emerson*, 1999 U.S. Dist. LEXIS 4700, U.S. Dist. Ct. N.D. Tex., 4/7/99, is puzzling and is likely to be reversed on appeal.

world, has an obligation to take bold steps toward encouraging other nuclear powers to eliminate their arsenals and to prevent the proliferation of these weapons. That is why I have chosen today, on the 54th anniversary of the first test of a nuclear explosive in Alamogordo, New Mexico, to introduce the Nuclear Disarmament and Economic Conversion Act of 1999. The bill would require the United States to disable and dismantle its nuclear weapons and to refrain from replacing them with weapons of mass destruction once foreign countries possessing nuclear weapons enact and execute similar requirements.

My bill also provides that the resources used to sustain our nuclear weapons program be used to address human and infrastructure needs such as housing, health care, education, agriculture, and the environment. By eliminating our nuclear weapons arsenal, the United States can realize an additional, "peace dividend" from which to fund critical domestic initiatives, including new programs proposed in the Administration's FY 2000 budget.

Many courageous leaders from the United States and from around the world have spoken out on the obsolescence of nuclear weapons and the need for their elimination. Those leaders include retired Air Force General Lee Butler and more than 60 other retired generals and admirals from 17 nations, who, on December 5, 1996, issued a statement that "the continuing existence of nuclear weapons in the armories of nuclear powers, and the ever-present threat of acquisition of these weapons by others, constitute a peril to global peace and security and to the safety and survival of the people we are dedicated to protect" and that the "creation of a nuclear-weapons-free world [is] necessary [and] possible."

Recent events on the Indian subcontinent demonstrate the urgent need for passage of my bill. Last year, in defiance of the non-proliferation efforts of the United States and the world community, India detonated several underground nuclear test devices, after it had refrained from doing so since its first nuclear test in 1973. Pakistan, a neighboring country with which India has fought three wars since the British colonial period ended in 1947, soon followed suit with its own nuclear tests. The trading of nuclear tests last year between India and Pakistan were a source of heightened concern as armed skirmishes persisted last month in the disputed Kashmir region adjoining those two nations.

The United States and the world community clearly must redouble their efforts to obtain commitments from India and Pakistan to refrain from actual deployment of nuclear weapons, as well as to contain other countries that aspire to become nuclear powers, such as Iran, Iraq, and North Korea, from moving forward with their programs. However, the United States will be far more credible and persuasive in these efforts if we are willing to take the initiative in dismantling our own nuclear weapons program and helping arms industries to convert plants and employees to providing products and services that enhance the wealth and quality of life of ordinary citizens. I ask my colleagues to cosponsor the Nuclear Disarmament and Economic Conversion Act of 1999 and for the committees with jurisdiction

over the bill to mark it up quickly so that it can be considered and passed by the full House.

#### TRIBUTE TO LAVONNE LITTLE BISHOP

#### HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. PICKERING. Mr. Speaker, I rise in respect and remembrance of a gracious and remarkable lady in my district, Mrs. LaVonne Bishop, affectionately known as "Miss LaVonne" who passed away on July 10, 1999, at her home in St. Catherine's Village in Madison, MS. She was 95 years of age, and the widow of the late Herbert Bishop, a former mayor of Forest, and a banking official, who served for many years as the President of the Farmers and Merchants Bank in Forest, Mississippi, now known as Community Bank.

Miss LaVonne was born in Magee, MS and moved to Forest, MS at an early age. She graduated from Forest High School in 1920, and earned her music degree from Belhaven College in the mid-twenties. Upon graduation from Belhaven, she returned to Forest and taught music in the Forest school system until her marriage to Mr. Bishop.

For the greater part of her life, Miss LaVonne focused her efforts on building a strong church and community relations in Forest and Scott County. Very seldom was there a civic or community project developed within the city of Forest, or the county of Scott, that she did not have some input. Because of her efforts in community development, Forest was named a winner in the National Community Achievement Contest in 1960, and in 1962, Miss LaVonne was named Mississippi Club Woman of the Year. She also served as chairwoman for many Merit Programs sponsored by the State Chamber of Commerce. Further, for many years, she served as chairperson for the Forest Miss Hospitality committee, and actively participated in drives that benefited the Hospital Auxiliary, the Cancer Fund, the Heart Fund, and the March of Dimes Fund.

At Forest Baptist Church, she was the church organist for more than 50 years. On a number of occasions, she served as President of the Women's Missionary Union, and was a teacher and pianist in the junior department. At St. Catherine Village, she was pianist for the choir and the residents of Siena, the nursing division of the Village. Up until her death, she and her piano partner, Grant Smith, performed periodic concerts in the area surrounding Jackson.

Miss LaVonne was very devoted to her family. If you wanted to see pride and joy at its apex, then start a conversation about her children, Neill (Mrs. Wade Barton) and Gene and their families, her late husband Herbert and his family, her parents the late Mr. and Mrs. H. H. Little and her brother Woodrow. Also, very dear to Miss LaVonne as her friend, Mrs. Alice Burke and her family, who worked at the Bishop household for many years.

Miss LaVonne's life and legacy can be summed up with one word LOVE; Love for God, Love for Family, Love for Friends, Love

for Country, Love for State, and by all means, Love for Forest and Scott County. She was truly a great Christian, and an American, and I extend my heartfelt sympathy to her family, while at the same time, expressing my appreciation, and that of all citizens of the 3rd district for her life of service.

#### TRIBUTE TO JOANNE BALTIERREZ

#### HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to my good friend and colleague, Joanne Baltierrez, who retired earlier this year from a seat on the City Council of the City of San Fernando. Joanne had a distinguished five-year tenure on the council, including a one-year term as Mayor. While in office, she was a courageous, visionary and independent-minded public servant, who worked very hard to represent her constituents well and to make a real difference in the quality of life for the citizens of San Fernando.

During her time on the City Council, Joanne compiled an impressive list of accomplishments for her constituents. She is especially and rightfully proud of her successful efforts to keep a Los Angeles county health clinic from moving outside of its San Fernando location. She did this in a particularly creative manner by arranging a land swap with the county that enabled the much-needed facility to remain within her city. Joanne also helped assemble a coalition with San Fernando Valley Neighborhood Legal Services, the San Fernando Police Department and the courts to provide counseling and shelter for victims of domestic violence.

Another of Joanne's innovations was a series of town hall meetings to allow members of the Council to better gauge the needs and concerns of their constituents.

Joanne has always given unstintingly of her time and talents to public service. Over the past decade, in addition to her work on the City Council, she has served as a recruitment coordinator for Los Angeles Mission College, Director of Community Services for the Volunteer Center of San Fernando Valley, Resource Coordinator for the Latin American Civic Association and Community Liaison for the Los Angeles County Department of Health Services.

Now that she has retired from the Council, Joanne has entered a new phase of her career in politics, serving as the Executive Director of the League of Women Voters of Los Angeles. Joanne now puts her considerable abilities to work in representing the League throughout the community and promoting the growth of this highly respected organization through public relations and marketing strategies.

I ask my colleagues to join me in saluting Joanne Baltierrez, whose commitment to her community and strong sense of justice are an inspiration to us all. I am proud to be her friend.

July 16, 1999

ST. LOUIS A SCHOOL  
DESEGREGATION SUCCESS STORY

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

Mr. CLAY. Mr. Speaker, May 17, 1999, marked the 45th anniversary of the Supreme Court's unanimous decision in *Brown v. Board of Education* holding racial segregation laws and practices unconstitutional and ushering in the civil rights era. Last month the Harvard Civil Rights Project published a report showing that the nation is now moving backwards toward re-segregation of public schools.

I want to call the attention of my colleagues to the remarkable story of desegregation in St. Louis. St. Louis illustrates the gains that can be made for children even in these times. In St. Louis, a 1983 settlement of a desegregation case brought by the NAACP resulted in the largest voluntary metropolitan school desegregation program in the nation, with 13,000 black students from St. Louis attending school in 16 suburban districts. The program was very successful in increasing the graduation and college-going rates of participating youngsters as was a magnet program in city schools.

When the State sought to end its financing of the remedy in the early 1990's many feared that the opportunities that had been afforded children would end as had happened elsewhere. But an extraordinary thing happened. The Missouri State legislature voted funds sufficient to continue the programs—including as well as major program for school improvements in St. Louis—for at least ten more years. The legislature insisted that the city of St. Louis contribute financially by raising its sales and property taxes. Many feared that this would not occur. But in February of this year the voters approved a sales tax increased by an almost 2-1 margin—and every Ward in the City—Black and White—voted for the tax increase.

Many people in Missouri worked hard to achieve this remarkable result. Special thanks are due to William H. Danforth, the Court-appointed settlement coordinator, who recognized that continuing a valuable remedy was not inconsistent with ending court supervision. James De Clue, the NAACP leader and Minnie Liddell, the community leader, toiled over twenty five years to advance the interests of children, they are the true heroes of this story. Legislative leadership was exercised by then-Representative Steve Stoll along with Senators Ted House, Lacy Clay and Harold

EXTENSIONS OF REMARKS

Caskey. My colleague Congressman RICHARD GEPHARDT also helped assure that St. Louisans understood the importance of passing the referendum while business and religious leaders pitched in and lent their support.

Mr. Speaker, we must not give up on the promise of *Brown v. Board of Education*. The St. Louis story provides a model for other communities. I would like to share with my colleagues some articles that detail the success of St. Louis' school desegregation program.

[From the St. Louis Post-Dispatch, Jan. 7, 1999]

SETTLEMENT IS REACHED IN DESEGREGATION  
CASE

(By Rick Pierce and Carolyn Bower)

The clock on the library wall at Yeatman Middle School in St. Louis said 15 minutes after 2 p.m.

Dozens of lawyers, school superintendents, school board members and settlement coordinator Dr. William H. Danforth were waiting to announce an agreement to settle the area's school desegregation case.

A lawyer turned to another lawyer and asked, "Everyone important seems to be here. Who are we waiting for?"

Moments later, Minnie Liddell, regal in a flowing red blouse and slacks and moving slowly with the aid of a four-pronged metal cane, entered the library.

Knots of people parted to let her through. Some hugged her.

Twenty-seven years ago, when school officials tried to transfer her son, Craton, and other students, out of Yeatman School—a school the Liddell family had fallen in love with—she and other parents sued the St. Louis School Board.

Now Liddell, 59, who has three grandchildren in St. Louis schools, watched as Danforth announced the settlement, something many had predicted was impossible.

"There has been an agreement to settle the case," said Danforth, adding that the agreement would be presented to U.S. District Judge Stephen N. Limbaugh Sr. "This is a historic occasion for St. Louis."

Danforth said many people had told him it was impossible to settle a suit with more than 20 parties.

"It did take time. I never had any idea how complicated the legal issues were," he said. "What we all wanted was to provide children with a first-class education and the opportunity for choice. We all wanted the voluntary transfer program to continue with this settlement."

After Danforth spoke, Liddell said with obvious emotion: "All I can say is, 'Yay, St. Louis.' This has been a long time coming, yet we have just begun. I'm glad I lived to see a settlement in the case."

Liddell suffered a stroke a couple years ago and suffers from numerous health problems.

The settlement still needs approval of area school boards. Besides St. Louis, 16 St. Louis County districts were parties in the suit.

Clayton and Parkway school boards were expected to meet in closed sessions Wednesday night to discuss the settlement. The Rockwood School Board might consider the agreement tonight. The St. Louis School Board already has approved the agreement.

Other parties might agree with Liddell. Until the end, the deal to settle the St. Louis desegregation case was in danger of breaking apart.

Until the deal was notched around noon Wednesday, anything was possible, said the attorneys involved in the case. The talks had become more frequent, and often ran late, in the past two weeks while students were on holiday break.

The talks New Year's Eve lasted until 8 p.m.

On Monday and Tuesday, attorneys and officials representing the more than 20 parties in the case met from before noon to past midnight at the downtown offices of Bryan Cave, a law firm in St. Louis. Tuesday's schedule followed suit.

As the clock continued to tick past the self-imposed, end-of-the-year deadline, tempers flared.

"We were dealing with difficult issues and people got tired," said Douglas Copeland, an attorney who represents the Webster Groves and Valley Park school districts. "No one ever came to blows."

The attorneys and others involved in the talks have declined to discuss specifics because they were muzzled by a federal judge. But two key issues that remained unresolved until the end were the county districts' concerns over the terms of the busing program and the city district's concerns over how much it would get for new schools when the students returned.

Ken Brostron, the St. Louis School Board's attorney, said a deal wasn't worked out on how much money the city would get for new schools until Tuesday evening. That figure is \$180 million.

The county districts' concerns over the busing plan, especially over how long they would have to commit to it and who would pay for it, weren't resolved until Wednesday morning. County superintendents had hoped that the state would pay for transportation for students to finish in the schools they attend.

The problem was finding enough state money. County superintendents insisted that no local tax money would be used to pay for the education or transportation of transfer students—which the county districts got. Although issues related to St. Louis were resolved by Tuesday, county superintendents did not reach an agreement until shortly before noon Wednesday.

Then they drove through snow-lined streets to Yeatman, where the case had begun decades ago.

School District	City-to-County enrollment	County-to-City enrollment	Total student enrollment	Percent of black stu- dents, 1982- 83	Percent of black students 1998	Percent of City-to-County enrollment
Aftton	369	73	2,657	1.6	15.43	13.8
Bayless	171	53	1,395	0.1	13.26	12.3
Brentwood	214	15	924	23.9	27.16	23.1
Clayton	479	7	2,404	6.0	21.96	19.9
Ferg.-Flor	0	58	11,368	140.5	55.85	0
Hancock	365	95	1,660	3.0	23.31	21.9
Hazelwood	4	121	18,315	17.4	43.2	0
Kirkwood	691	31	5,061	19.3	25.07	13.6
Ladue	444	11	3,406	15.6	25.63	13.0
Lindbergh	1,030	58	5,205	1.6	20.79	19.7
Maple-Rich. Hts	0	216	1,115	1	241	0
Mehlville	1,411	124	11,694	.03	13.8	12.0
Parkway	3,085	86	20,783	2.5	17.83	14.8
Pattonville	1,058	44	7,027	5.3	27.44	15.0

School District	City-to-County enrollment	County-to-City enrollment	Total student enrollment	Percent of black students, 1982-83	Percent of black students 1998	Percent of City-to-County enrollment
Ritenour .....	145	254	6,629	14.5	28.2	2.2
Riv. Gardens .....	0	1	6,850	1	81	0
Rockwood .....	2,661	33	20,706	.9	14.23	12.9
Valley Park .....	229	12	989	.4	28.41	23.1
Webster Groves .....	497	59	4,163	19.9	26.98	11.9
Total/Average .....	12,853	1,351	132,251	na	na	9.7

Source: City-to-County and County-to-City Enrollment as of 11/4/98, Voluntary Interdistrict Coordinating Council.  
Total Student Enrollment as of 9/30/98, Provided by Districts.

<sup>1</sup> Non-white population.

<sup>2</sup> 1997 date.

<sup>3</sup> Not available.

[From the St. Louis Post-Dispatch, Jan. 28, 1999]

#### A BETTER SETTLEMENT THAN ANYONE ELSE GOT

(By James A De Clue and William L. Taylor)

#### STATE FUNDING COULD TERMINATE IN THE FORESEEABLE FUTURE

When citizens of St. Louis vote next week on the tax referendum, they will have a unique opportunity to invest in the future of their city and its children.

In many communities around the nation, courts are declaring an end to judicially supervised school desegregation and to the mandated subsidies for improved education that are often part of the remedy. But in St. Louis, the state Legislature has offered a financial package that will enable educational opportunity programs to continue for 10 years or more.

Both from a financial and an educational standpoint, the St. Louis settlement is the best of any school district in the nation. The state funding will make possible continuation of the voluntary interdistrict transfer program and the city magnet program. Both of these programs have enabled African-American city students to complete high school and go on to college at far greater rates than they have in the past.

The \$45 million in state funding that will come to the city if the referendum is approved will not only maintain the magnets but improve educational opportunity in all of the city's schools.

For teachers, the funds will mean new opportunities for professional development and a better environment in the classroom. Part of the reason is new investments in preschool and in all-day kindergartens along with early-grade reading programs like Success for All that have proved effective in many American schools.

These initiatives will mean that children will emerge from the early grades with the skills they need and that schools will be able to avoid the Hobson's choice between social promotion and retention.

For parents, the agreement contains perhaps the most comprehensive set of reform measures adopted in any litigation. This includes tough performance standards that require schools to show year-by-year progress in students'.

It also calls for substantial assistance to schools that are failing and new leadership for schools that do not respond to assistance. One novel feature is a right of transfer for students to go from failing schools to those that are providing better educational opportunities.

Indeed, with the ability to select schools in the county, magnet schools in the city and the right to transfer out of failing schools, St. Louis parents will have a greater range of choice than exists elsewhere.

Is there a price to be paid for these positive changes in education? Yes, voters must ap-

prove the two-thirds-of-a-cent increase in the sales tax. But St. Louis citizens will get a 2-for-1 one return (\$45 million in state funds for about \$20 million in local revenues), a much better deal than has been offered anywhere else.

And while the funds will barely match those now ordered by the court, the city will be rid of noneducational expenses such as court costs and can get an even better educational return by investing in initiatives that have proved effective.

If, on the other hand, the levy loses, state funding will terminate in the foreseeable future and the prospects for the city will be bleak.

As two people who have spent all of our professional lives serving as advocates for children, we know that opportunities for a community to make a difference in the lives and futures of children come along very rarely. We pray that the people of St. Louis will grasp the opportunity next Tuesday.

[From the St. Louis Post-Dispatch, Feb. 3, 1999]

#### VOTING FOR A MIRACLE PUBLIC EDUCATION

The campaign for a just settlement to the 27-year-old school desegregation case ended in victory on Tuesday. The crusade to improve the education of all our children begins today.

Tuesday's overwhelming vote in favor of the sales tax increase for city schools is the latest miracle in a year of political miracles.

The first was getting the Missouri Legislature to pass a law to continue making extra payments to the St. Louis schools after the end of court-ordered desegregation. The second was Dr. William H. Danforth's trick of getting the platoon of lawyers to stop squabbling and hammer out a deal. The third was persuading the people of St. Louis to lay aside their opposition to taxes and lack of confidence in the schools and, instead, to tax themselves in hopes of a better future.

This feat makes us the first place in the nation where the democratic institutions of government found a way to preserve the gains of the era of desegregation while making it possible to improve the education of all children.

Imagine. This happened in Missouri.

But as much as we deserve to be proud, it will avail us nothing if we go back inside our homes and businesses thinking the problem is licked.

It isn't. We have to commit ourselves to something that is much bigger, much harder and much more important than a few political victories. We have to commit ourselves to improving our schools in tangible ways that transform \* \* \*

The uncomfortable truth is that we don't know how to do it. But the voters aren't going to take that as an excuse for failure.

A majority of voters said in exit polls that they did not have confidence in the St. Louis

public schools. But almost half of those voting in favor of the tax said they did so in hopes of strengthening neighborhood schools. In other words, people don't trust the schools and were unhappy voting for the tax, but they went ahead out of civic obligation and now expect results.

Trust and success are inextricably linked. If we can re-establish trust, if we can pull together in search of this common purpose, we won't fail.

All of those who pushed hard to pass the tax have an obligation in this respect.

School officials who talked about accountability must make that word mean something. Lawyers who brokered the agreement must see to it that the promises of educational improvement are enforced. Civic leaders who backed the tax must redouble the commitment of their groups and corporations to the schools. Newspapers that crusaded for the deal, must keep their light shining along the path toward better schools.

Suburban school districts too have an obligation. More than half the voters said in exit polls that they considered the city-county transfer program a success. That heightens the duty of suburban school districts to stick with the program past the three-year opt-out period and to improve the education that 13,000 city students get at the other end of the bus ride.

Making a quantum improvement in the education of our city school children will take a miracle. In St. Louis today, mere miracles are within our grasp.

[From the New York Times, Jan. 8, 1999]

#### DEAL STRUCK FOR ENDING BUSING PLAN IN ST. LOUIS

(By Pam Belluck)

The St. Louis school system, which has the country's largest busing program, may soon be released from its longstanding court-ordered desegregation plan.

After a long, tortuous negotiation process, a tentative agreement reached this week would end 15 years of court-ordered desegregation under which about 13,000 black inner-city students from the 59,000-student district are voluntarily bused each year to predominantly white suburban schools.

Minnie Lidell, a parent who was the lead plaintiff in a 1972 lawsuit that led to the court-ordered desegregation plan, expressed optimism about the settlement.

"I think we have a plan in place where, if all sides live up to their end of the deal, I think we can see some real change," Ms. Lidell said. "We have a chance to improve the quality of education in St. Louis for all kids, and that was our original goal when we started all of this."

The lawsuit accused the district of segregating its schools by race. Beyond remedying the racial disparity, the desegregation plan spurred improvements in city schools, including renovation of buildings and the reduction of class sizes.

The St. Louis settlement comes as a wave of cities across the country seek to be released from court-ordered busing programs. In recent years, Indianapolis, Kansas City, Mo., Denver, Oklahoma City, Norfolk, Va., Wilmington, Del., Nashville and Cleveland, have resolved their desegregation cases.

But several aspects set the St. Louis settlement apart from others.

For one, it would not so much discontinue busing as change its financing.

Many parents and some administrators in both the city and suburban schools would like busing to continue, saying it gives black city students a choice of where to be educated and gives city schools an incentive to compete for those students. A popular part of the desegregation program is a small-scale busing plan under which about 1,300 white students from the suburban counties can attend specialized magnet schools in the city.

Several years ago, the State of Missouri, which pays the St. Louis schools \$70 million a year to run the busing program, went to court to try to have the desegregation order lifted so state taxpayers would no longer have to pay for carrying it out.

As a result of Wednesday's agreement, which is subject to the approval of Judge Stephen N. Limbaugh of Federal District Court, and the school boards of the participating districts, and a bill passed by the state Legislature last year, the state would reduce its obligation to \$40 million. The proposal calls for most of the remaining money, about \$23 million, to come from raising the city sales tax by two-thirds of 1 cent.

Whether the agreement is completed depends on whether city voters approve the tax increase in a ballot scheduled for Feb. 2.

"It's all contingent on the passage of a sales tax, which I think is going to be a tough job," said Dr. Cleveland Hammonds Jr., the superintendent of the St. Louis school district.

The agreement would maintain the current busing for at least three years and would allow students already being bused the option of completing their education in the suburban schools. After three years, the 15 participating school districts in St. Louis County would have the option to stop accepting new bused students, although Dr. Jere Hochman, superintendent of the Parkway School District, which receives 3,000

bused students, said he believed that most of the districts would retain the program as long as they continued to receive enough money for transportation and other costs.

All the parties had some interest in reaching this week's settlement. The state would save money. The suburban school districts would get the freedom to discontinue busing.

While the city schools would receive about \$7 million less for the busing program, Kenneth Brostron, a lawyer for the school district, said the benefit of being freed from the cumbersome court order would make up for it. Now, Mr. Brostron said, many decisions about staffing ratios and programs are subject to approval of the judge.

And as for the plaintiffs in the original lawsuit, they would receive commitments that the city school district would "provide for a lot of things to make the schools better," said William I. Taylor, the lead lawyer representing the plaintiffs.

Mr. Taylor said the agreement included provisions that would provide more teacher training, toughen the district's approach to failing schools and would allow students the chance to transfer from a failing school.



**SENATE—Monday, July 19, 1999**

The Senate met at 12:01 p.m. and was called to order by the President pro tempore [Mr. THURMOND].

**PRAYER**

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, You have made this life but a small part of the whole of eternity. You have defeated the enemy of death and made it a transition in living. Our life here on Earth is only an inch on the yardstick of forever. You are Lord of earth and of heaven. It is in this confidence that we join this prayer with the millions of prayers for the Kennedy and Besette families. Grant them supernatural strength, comfort, and courage in their time of immense anguish over the plane accident involving John F. Kennedy, Jr., his wife Carolyn, and her sister, Lauren Besette. O dear God, we speak of these three remarkable young leaders in the present tense for, regardless of the outcome of this tragic accident, they are alive with You.

This morning, our hearts go out in profound love and caring for our friend, Senator TED KENNEDY, and the entire Kennedy family. They have endured the excruciating pain of grief so often. And yet, through it all, they have shown us the resiliency of faith in You and the uplifting strength of an indefatigable commitment to public service. No American family has given more or served this Nation more faithfully. Now we praise You for the life of John F. Kennedy, Jr.—for his winsome, winning way, for his commitment to service and, along with his wife, Carolyn, for his affirmation of life.

Now we ask You to continue to surround the families with Your everlasting arms and heal their aching hearts through Him who is the Resurrection and the Life. Amen.

**PLEDGE OF ALLEGIANCE**

The PRESIDENT pro tempore. Senator ROBERTS is now designated to lead the Senate in the Pledge of Allegiance.

The Honorable PAT ROBERTS, a Senator from the State of Kansas, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

**RECOGNITION OF THE ACTING MAJORITY LEADER**

The PRESIDENT pro tempore. The acting majority leader, Senator ROBERTS, is recognized.

**SCHEDULE**

Mr. ROBERTS. Mr. President, today the Senate will immediately begin a period of morning business until 1 o'clock.

**ORDER OF PROCEDURE**

Following morning business, I ask unanimous consent that the Senate begin debate on the motion to proceed to the intelligence authorization bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERTS. Mr. President, as a reminder, a cloture motion on the motion to proceed to the intelligence authorization bill was filed on Friday, and that vote has been scheduled to take place at 10:30 tomorrow morning. Therefore, that cloture vote will be the first vote of this week.

For the information of all Senators, it is the intention of the majority leader to complete action on as many appropriations bills as possible prior to the August recess. Therefore, Senators should expect votes into the evenings and on Mondays and on Fridays all throughout the next 3 weeks.

I thank my colleagues for their attention. I yield the floor. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

(Mr. ROBERTS assumed the Chair.)

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

**MORNING BUSINESS**

Mr. BYRD. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 1 o'clock with Senators permitted to speak therein for not to exceed 5 minutes each.

Mr. BYRD. Mr. President, I ask unanimous consent to speak for an additional 10 minutes, if necessary.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the Chair.

**BRITISH-AMERICAN PARLIAMENTARY GROUP**

Mr. BYRD. Mr. President, this week a delegation of British Members of Parliament will visit the Senate in the latest in a long line of biennial exchanges

fostered by the British-American Parliamentary Group. My good and true and long-time friend, Senator STEVENS, and I serve as co-chairs for the American delegation. These exchanges date back to the aftermath of World War II, when both sides recognized the value of maintaining the kind of close working relationship that can only be realized through personal interaction and camaraderie. After graciously hosting Senator STEVENS and me in 1997, when we visited London and York with several other Senators, Lord Jopling later this week will arrive in Washington with Members from the House of Lords and the House of Commons. Lord Michael Jopling is a former Member of the House of Commons. This weekend, I am pleased that the group will be meeting at the famous Greenbrier in White Sulphur Springs, West Virginia, to discuss defense, trade, and environmental issues of concern to our great nations.

As an avid student of history, particularly Roman and Greek history, Persian history, English history, and American history, I remind all who will listen that those roots are essential in understanding the development of the American Constitution. In the Senate chamber, and while walking through the halls of our columned Capitol building, I am daily reminded of the unique and enduring legacy bequeathed to Americans by our English, Scot, Welsh, and Irish ancestors. The Minton tiles paving the corridors as well as the very language of debate which rings across the Senate floor in sonorous spoken cadences recall this powerful legacy. Even the physical being of the Capitol building itself—its white marble and sunny sandstone gleaming amid graceful stands of stately trees and curving drives—owes a nod of thanks to informal and inviting landscaping design pioneered in Britain.

And, less visible but more pervasive, the strong skeleton of government and law in the United States carries the indelible genetic markers of British origin—its DNA shaped by centuries of struggle between monarchs and parliaments before mutating into a new form under the guidance of the British citizens that became our Founding Fathers. Though certainly not an exact clone, like Dolly the sheep, the American bicameral legislature and our legal system based upon British Common Law bear witness to this sturdy inheritance.

From the defining moment at Runnymede in 1215, when the English barons forced King John to give his assent to

a charter of liberties, the belief in fundamental written guarantees of rights and privileges has become a treasured inheritance on both sides of the Atlantic. Unknown or unpracticed in many parts of the world, the concept of individual rights guaranteed by law is a jewel in the crown of British history. Other documents written since the Magna Carta, and comprising the unwritten English Constitution, including the Petition of Right, 1628, and the English Bill of Rights, 1689, have also found new life on distant shores in the U.S. Constitution and Bill of Rights. And the concepts of "habeas corpus," presentment and trial juries, "just compensation," and the right against self-incrimination, all pillars of American jurisprudence, migrated to the United States from England and English law.

To my mind, however, one of the greatest legacies bestowed upon the United States by these generations of British lawmakers is in establishing control over the power of the purse in elected officials of the people, rather than in the executive. Seven hundred and two years ago, in 1297, Edward I reluctantly agreed to the "Confirmation of the Charters," promising not to levy taxes without the common consent of the realm.

Parliament took on its original form during the reign of Edward I, who has been called the father of Parliament. Parliament divided into the House of Commons and the House of Lords along about 1339, 1341–42, during the reign of Edward III, who reigned from 1327 to 1377, a total of 50 years.

Paired with this spending authority came the right to audit how funds had been expended. These powers of appropriation and audit, the fraternal twins of legislative might, shaped and tested by British experience, were united by the American Founding Fathers in a single paragraph of article I, section 9, of the U.S. Constitution. It states that, "No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time." And so it is this sentence, together with the very first section of article 1, which invests in the Senate and the House of Representatives their broad scope to check the power of the Chief Executive and defend the interests of their various constituencies.

For this, as in so many things, I give thanks to my English forbearers, who shed their blood at the point of the sword in wresting from tyrannical monarchs the control of the power over the purse. That struggle lasted for hundreds of years, until finally, in 1689, under the English Bill of Rights, it was guaranteed. As for William of Orange and Mary, who assumed the joint rule over the British people, Parliament re-

quired that they accede to and agree to the Declaration of Rights, which had been drawn up in February of 1689. Once they agreed, then they were crowned joint monarchs. In December of that year, the English Declaration of Rights was put into statute form and designated the English Bill of Rights.

This is a pearl beyond price, and one which I hope to pass down unblemished to my descendants. Never again, after that English Bill of Rights had been put into statute form, would Kings levy taxes—excise or other taxes—upon the British people without the approval, the assent and consent of Parliament. I have fought with every ounce of energy that I could muster against such mutations of the legacy passed down to this country through a thousand years of blood and English history as the constitutional amendment to balance the budget and the line-item veto.

Our common past has built a history of cooperation between the British and the American people that has always prevailed over our differences. In this century, our sons, brothers, and fathers have stood shoulder to shoulder against common enemies from the battlegrounds of world wars to conflicts in the Persian Gulf and in the Balkans. Together, we have stood against the Soviet bear. We have stood fast through changes of governments and shifts in political power. While not always smooth, just as relations between family members are not always smooth, Anglo-American relations have weathered bigger storms than Bosnia, Kosovo, NATO expansion, and differences in how to approach the problem of global climate change.

Our blood ties are stronger than the vast and deep ocean of waters that are between us. And those unbreakable bonds will see us through to the next century and beyond, because we are brothers made so through the parenthood of historical experience. Exchanges like those fostered by the British-American Parliamentary Group are the nectar, the ambrosia, that sweetens and sustains the close ties between our nations. I look forward to this week's opportunity to join again at the flower of good fellowship.

I second the words of Winston Churchill, who said in a speech in the House of Commons on August 20, 1940:

The British Empire and the United States will have to be somewhat mixed up together in some of their affairs for the mutual and general advantage. For my own part looking out upon the future, I do not view the process with any misgivings. I could not stop it if I wished; no one can stop it. Like the Mississippi, it just keeps rolling along. Let it roll, let it roll on full flood, inexorable, irresistible, benignant, to broader lands and better days.

Senator STEVENS, our other colleagues who have agreed to join with us at the Greenbrier, and my wife Erma and I welcome Lord and Lady

Jopling. My wife and I were in England—in York, as a matter of fact—in August of the year before last, on the day that Princess Diana was killed, and on which we returned to the United States after meeting with the British-U.S. Parliamentary Group. I had the pleasure of chairing the group when we Democrats were in control of the Senate. On that occasion, I took the members of the British group down to the Greenbrier, in Greenbrier County at White Sulphur Springs. We enjoyed it. We all look forward to going there again.

Again, I welcome Lord and Lady Jopling, and the British members of this year's exchange.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. THOMAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS. As I understand it, we are in morning business.

The PRESIDING OFFICER. The Senator is correct.

Mr. THOMAS. I can speak for approximately 6 minutes.

The PRESIDING OFFICER. The Senator is correct.

#### SOCIAL SECURITY

Mr. THOMAS. Mr. President, I want to talk about a bill introduced on Friday on Social Security in which I and other sponsors were involved. I mention it because it seems to me that it is one of the issues that is most important. I just came back from Wyoming, and I talked with folks about issues. Social Security is one of those that is, of course, a top priority.

Obviously, most everyone knows Social Security has to be changed if we are to fulfill the goals all of us want, and that is to protect Social Security for those who are now beneficiaries, to keep it going for those who are now paying in and will pay in for many years and can then expect to be beneficiaries. Those are the things that have to happen, and there have to be changes to cause that to happen.

We have a rapidly aging population. When we started Social Security, there were some 30 people working for every one who was drawing benefits. An individual paid \$30 a year into Social Security in the 1930s. Then we got to where there were five people working for every one who was a beneficiary. Now I believe it is less than three, and we will soon be to the point where there will be one individual working for every one person drawing benefits. We have to make changes. Of course, people are living longer, so that also brings new demands on the programs.

What are the options? There are several that are fairly obvious, some of which are not particularly popular. A tax increase: We already pay 12.5 percent of what we make into Social Security. That is a rather high percentage. For many people that is the largest tax they pay. So tax increases are not particularly a good option.

We could cut benefits. I do not think people generally want to cut benefits. There may be some changes made in benefits because people are living longer and there are changes in our lives.

The third alternative is one which I think probably has the most appeal, and that is to get a higher rate of return on the money we are putting into Social Security and have been putting into it for some time. That is the part of the bill we have introduced.

It is a bicameral, bipartisan bill that enhances the program through private accounts. It will take a portion of the money you and I put into Social Security—I believe it is about 2 percent of the 12.5 percent—and that becomes a personal account for each person. It can be invested then at the direction of that account owner. It can be invested in equities, stocks, it can be invested in bonds, or it can be invested in a combination of those things. It will be invested by a private investor such as the Federal employees program is now. You will have a broad choice. The owners will not be doing the investing, but they will be choosing the kinds of investment they want.

This can then accumulate as a nest egg for the owner. If the owner is unfortunate not to live long enough to receive the benefits that will accrue to his or her estate, it will be the owner's.

We have been talking a lot about a safety box, some way to take the money that comes in to Social Security and ensure it is used for that purpose and not spent for some other purpose or not loaned to the general fund. This probably and certainly is the best way to do that.

I make the point that we are not looking at total privatization. Some people accuse us of that. That is not the case. It is a partial privatization. It puts money in so it can earn more than it has earned in the past. As most people understand, excess in the trust funds now has to be invested in Government securities. It has a relatively lower return, lower than if you and I invested those securities. This is a change for improvement.

We need to work on the lockbox. We tried five times to pass the lockbox legislation to have some way to ensure Social Security funds coming in are not expended for other things, and that they are, indeed, kept for the purpose of maintaining and strengthening Social Security. That is what we want to do.

There are some other good features of the plan. It is more progressive. It

guarantees larger benefits for low-income workers. It increases widow benefits, which has been unfair in the past. It repeals earnings limitations, if you are a beneficiary and choose to continue to work. In, in fact, there are several incentives for continuing to work. Since people are living longer and are healthier, there is more reason and opportunity and willingness to work.

This bill is designed to protect current retirees. Current beneficiaries will not be affected by the changes. It is aimed primarily at young people who are beginning to pay into the program. Almost all young people 20 years old say: We probably won't get anything out of this; all we will do is pay. That is very unfair, and we can change that.

There is a great deal of talk about doing something with Social Security, but, frankly, the administration and our friends on the other side generally have not come up with a plan. Now we have a bipartisan plan which is before the Senate. We can do something that will make the changes we propose to make and which are good for the American people.

Mr. President, I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Iowa is recognized.

(The remarks of Mr. GRASSLEY pertaining to the introduction of S. 1390 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. GRASSLEY. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMAS). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, what is the pending business?

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business now closed.

#### INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000—MOTION TO PROCEED

The PRESIDING OFFICER. The Senate will now resume consideration of the motion to proceed to H.R. 1555, which the clerk will report.

The legislative clerk read as follows:

Motion to proceed to the consideration of a bill (H.R. 1555) to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intel-

ligence Agency Retirement and Disability System, and for other purposes.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, frankly, this is a very important debate that starts today on a very important bill, H.R. 1555, and there is a very important amendment that we will allude to and talk about this afternoon with reference to reorganizing the Department of Energy in ways that have been suggested by many in order to minimize security risks in the future and maximize the efficiency and effectiveness of the department of the Department of Energy that works on the nuclear weapons installations, facilities, and research within that department.

I note the presence of Senator LEVIN on the floor, and I want to be as accommodating as he would like in terms of his using time. I am prepared to speak a lot today about history and the like, but whenever he is ready, I will be glad to yield to him.

I am going to start today's debate by inserting into the RECORD a June 30, 1999, column from the Wall Street Journal, written by Paul C. Light. He is a senior fellow at the Brookings Institute and the author of "The True Size of Government," Brookings, 1999.

I ask unanimous consent that that article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### LOOSE LIPS AND BLOATED BUREAUCRACIES

How can Washington prevent future security breaches like the one at the Los Alamos nuclear laboratory? Last week former Sen. Warren Rudman, chairman of the President's Foreign Intelligence Advisory Board and head of a special investigating panel, recommended a "new semi-autonomous agency" within the Department of Energy that would have "a clear mission, streamlined bureaucracy and drastically simplified lines of authority and accountability."

Mr. Rudman is right to focus on the structure of the department, not the failures of one or two key bureaucrats. For the Energy Department has never had more layers of management than it does now—and its leadership has never been more disconnected from what is happening at its bottom. Secretary Bill Richardson last week appointed a security "czar," Gen. Eugene Habiger, to serve as the fulcrum for a newly rationalized chain of command. But the czar may merely add one more layer to a meandering, mostly unlinked collection of overseers who can easily evade responsibility when things go wrong.

At the department's founding in 1979, its secretary, deputy secretary, undersecretary and assistant secretary "compartments" contained 10 layers and 56 senior executives. By 1998 those four compartments had thickened to 18 layers and 143 senior executives, including an assortment of chiefs of staff and other alter-ego deputies who fill in whenever their bosses are out.

The problem in such overlaid, top-heavy organizations is not a lack of information on possible wrongdoing. Lots of people knew about the vulnerabilities at Los Alamos. The problem is finding someone who is

ultimately responsible for taking action. Which department executive does Congress hold accountable for the security breach? The secretary? His chief of staff? One of the two deputy chiefs of staff? The deputy secretary? Undersecretary? Assistant secretary for defense programs? For environmental management? For science? How about the principal deputy assistant secretary for military applications? Deputy assistant secretary for research and development? Defense laboratories office director? Perhaps the assistant secretary for strategic computing and simulation? Or the inspector general, deputy inspector general, or assistant inspector general?

The answer is everyone and no one. And the diffusion of accountability continues down into the University of California, the contractor that supervises the Los Alamos laboratory and three other DOE facilities. Whom does the federal government hold accountable at the university? The president? The senior vice president for business and finance? Vice president for financial management? Associate vice president for human resources and benefits? Assistant vice president for laboratory administration? The executive director for laboratory operations? Director of contracts management? The manager for facilities management and safeguards and security?

No wonder it takes a crisis to focus attention. With 15 to 25 layers just to get from the top of the department to the top of Los Alamos, information is bound to get lost along the way, and no one is accountable when it does.

The Department of Energy is hardly alone in such senior-level thickening. Forced by repeated hiring freezes to choose between protecting the bottom of government and bulking up its middle and top, federal departments and agencies have mostly sacrificed the bottom. In 1997, for the first time in civil service history, middle level employees outnumbered bottom-level ones. Nearly 200,000 senior and middle-level managers have retired from government in the past few years, and almost everyone next in line has been promoted—all at a cost of \$3 billion in voluntary buyouts for what turned out to be a big retirement party with no effect on the basic structure of government.

Some of the lower-level jobs have disappeared forever with the arrival of time-saving technologies. Others have migrated upward into the middle-level ranks as professional and technical employees have added lower-level tasks to their higher-paid duties. Still others have migrated into the federal government's contract workforce which numbered some 5.6 million employees in 1996.

Meanwhile, the top of government has grown ever taller. From 1993 to 1998, federal departments created 16 new senior-level titles including principal assistant deputy undersecretary, associate deputy assistant secretary, chief of staff to the under secretary, assistant chief of staff to the administrator, chief of staff to the assistant administrator and—lets not forget—deputy to the deputy secretary.

Spies will be spies, and the Los Alamos espionage probably would have occurred regardless of the width or height of the government hierarchy. But the breach would have been noticed earlier and closed sooner had the top been closer to the bottom. If Congress wants to increase the odds that nuclear secrets will be kept in the future, it could do no better than to order a wholesale flattening of the Energy Department hierarchy. Then it should do the same with the rest of the federal government.

Mr. DOMENICI. Mr. President, I want to talk a little bit about what Mr. Light discusses in this column on the 30th day of June, 1999, and set it a bit in perspective. As Senators and those listening today might recall, starting about 3 months before this article written by Paul C. Light appeared in the Wall Street Journal, word broke through the media in the United States of the possibility that the People's Republic of China had, in fact, breached security at Los Alamos National Laboratory and, indeed, they may have some of the most significant and profound secrets with reference to our nuclear weaponry in their possession. That broke in the New York Times in a series of articles, and thereafter it was in the headlines and on the front pages of our papers for 3 or 4 weeks. Now it seems to have dwindled a bit because Congress and the executive branch are working on what we ought to do about it.

Frankly, one of the purposes for my being on the floor today and tomorrow and for as many days as it takes until we can take up the intelligence bill, H.R. 1555, which I have little to do with because I am not on that committee, is an amendment that would permit us to organize within the Department of Energy that aspect of the Department of Energy's work that has to do with nuclear weapons.

The reason that is important is because the American people should not be misled, nor should we let this issue go to sleep. The issue is a serious one. The issue of who develops and protects our nuclear weapons, and are they doing it in the best possible way, should be front and center with the American people because if, in fact, the security was breached to the extent that the Cox committee report had—that is a House Member's name; he was chairman of a joint committee in the House that prepared a report commonly known as the Cox report. If it is as bad as he and other House Members say in that report, and as bad as some others who have reported on it say, then clearly we are at risk that the Communist Chinese has sufficient information to develop, over time, a very significant arsenal of nuclear weapons.

Coupled with the fact that they are moving rapidly with respect to delivery systems, then clearly in the next millennium we will have a new adversary in the world. It will no longer necessarily be Russia as a successor to the weapons systems and delivery systems—the U.S.S.R.—but, essentially, we may have both Russia and China with substantial nuclear weapons. We may feel secure with our Air Force and our Navy and with our Army, as we have had these skirmishes in the past 3 to 5 years, but we will still be looking at a very dangerous world.

As a matter of fact, it may be the only single source of real power and

military might that Russia might have for the first 50 or 100 years in the next millennium. And that is enough for a country that is not doing very well to be a bit dangerous. It is certainly enough for the world to be dangerous and America to be in danger and fearful if the Chinese Communist regime has a determined and dedicated and significant nuclear arsenal.

With that as a background, and with many hearings in both bodies—some joint, some singular by different committees—over the weeks since this was first broken, we have heard all kinds of evidence about how this happened—some of it in secret, some of it public. As a Senator from New Mexico, I have had to learn about nuclear weapons because two of the laboratories are in my State, and I happen to be chairman of the committee that funds all of the Department of Energy. I have said that there is so much that went wrong that there is plenty of blame for everyone. This is not exclusively a problem that occurred within that laboratory at Los Alamos. It is not exclusively a problem that something happened within the Department of Energy. It is not totally dispositive of this issue to stand on the floor of the Senate and say the FBI didn't do their job right—which they didn't. The problem is, it was a comedy of errors. Everybody seems to have messed up on this one.

Frankly, it seems that enough time has passed for us to be on the verge of fixing it, and so let's talk a minute about how we are going to fix it, and then I will read excerpts from the article that I asked be printed. First of all, there is no question that we received a formidable report from the PFIAB Commission, which is made up of five members. It is a presidentially appointed group.

The President did something different about this one than in the past in that he asked them to do the report and to plan to release it to the public. They did. It was released to the public, and its principal spokesman and chairman was the very distinguished former Senator from New Hampshire, Mr. Rudman.

We will talk at length about what they recommended. But suffice it to say they found that the management structure within the Department of Energy was in such a state of chaos that it could not control, in the form and manner that it existed over these past years, the security of valuable secrets and information within the laboratories; that it was incapable of doing it because it was disorganized, or organized in a manner where there was no accountability. So that if you wanted to blame the FBI for something that happened out of their Santa Fe, NM, office, they could clearly, if they chose, say: Yes, but somebody else fell down on the job.

If you asked the Director of the laboratories, he would say: Nobody ever

told me about it. Nobody brought me on board. I thought since they were doing an investigation of an individual that they were in charge of the investigation, and I didn't have anything to do with it.

There are many examples, real and anecdotal, that say the Department of Energy is incapable of maintaining within its current framework of management such a significant system as the nuclear weapons system of the United States of America.

Frankly, it pains me to come to the floor and say that I have arrived at that conclusion unequivocally. And it pains me to say that I arrived at it some time ago. As a matter of fact, there will be a big argument made that we should move slowly.

I would like in due course, if not today, tomorrow, to outline why the time has come to fix it in the manner recommended by the Rudman commission, which is a Presidential commission. How much more time do we need?

I will tell the Senate that 2 to 3 weeks before the Rudman report was issued, this Senator from New Mexico was busy working with Senators developing the exact same model that the Rudman commission ultimately recommended to the Congress and the President of the United States for restructuring, in a formidable way with significant changes, of the entire apparatus that functions within DOE and produces for us safe, sound, and reliable nuclear weapons and that has all of the ancillary functions which are related to that.

Having said that, it was not just yesterday that there were recommendations that the Department of Energy was straining under its own bureaucracy and that the nuclear weapons laboratories were victims of it. In fact, we will allude to at least two prior reports and recommendations to that of the Rudman commission by which clearly we are sending a loud and clear signal: Fix it. It is not working. It is the risky way you have it done.

I would add, it is not only risky as to security, but let me suggest there is a substantial lack of efficiency and the ability to manage the nuclear weapons system adequately and frugally to get the very best we should have. It is almost an impossibility within the structure of the Department of Energy, a hybrid department made up of many different agencies and groups thrown together in a haphazard way. And then we expect the nuclear weapons part of it to function under the overload of management, rules, and regulations that apply across the board to any kind of function within the Department, some so removed from nuclear weaponry that you wouldn't even think of them being in the same personnel department, in the same environmental department, or in the same safety and health departments.

With that, let me move to the Wall Street Journal article and paint a little history along with this writer, Mr. Light.

He starts by saying:

How can Washington prevent future security breaches like the one at the Los Alamos nuclear laboratory? Last week former Sen. Warren Rudman, chairman of the President's Foreign Intelligence Advisory Board and a head of a special investigating panel, recommended a "new semiautonomous agency" within the Department of Energy that would have "a clear mission, streamlined bureaucracy and drastically simplified lines of authority and accountability."

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Secretary Bill Richardson, last week appointed a security "czar," Gen. Eugene Habiger, to serve as the fulcrum for a newly rationalized chain of command. But the czar may merely add one more layer to a meandering, mostly unlinked collection of overseers who can easily evade responsibility when things go wrong.

I could not say it any better.

Continuing on:

At the department's founding in 1979, its secretary, deputy secretary, undersecretary and assistant secretary "compartments" contained 10 layers and 56 senior executives. By 1998 those four compartments had thickened to 18 layers and 143 senior executives, including an assortment of chiefs of staff and other alter-ego deputies who fill in whenever their bosses are out.

The problem in such overlaid, top-heavy organizations is not a lack of information on possible wrongdoing. Lots of people knew about the vulnerabilities at Los Alamos. The problem is finding someone who is ultimately responsible for taking action. Which department executive does Congress hold accountable for the security breach? The secretary? His chief of staff? One of the two deputy chiefs of staff? The deputy secretary? Undersecretary? Assistant secretary for defense programs? For environmental management? For science? How about the principal deputy assistant secretary for military applications? Deputy assistant secretary for research and development? Defense laboratories office director? Perhaps the assistant secretary for strategic computing and simulation? Or the inspector general, deputy inspector general, or assistant inspector general?

The answer is everyone and no one. And the diffusion of accountability continues down into the University of California, the contractor that supervises the Los Alamos laboratory and three other DOE facilities. Whom does the federal government hold accountable at the university? The president? The senior vice president for business and finance? Vice president for financial management?

And on it goes. I will jump down in the article to another full quote:

No wonder it takes a crisis to focus attention. With 15 to 25 layers just to get from the top of the department to the top of Los Alamos, information is bound to get lost along the way, and no one is accountable when it does.

I am going to skip a little bit of the article and move down to the end of it

with another quote. I will insert it with the underline parts being that which I read.

Spies will be spies, and the Los Alamos espionage probably would have occurred regardless of the width or height of the government hierarchy. But the breach would have been noticed earlier and closed sooner had the top been closer to the bottom. If Congress wants to increase the odds that nuclear secrets will be kept in the future, it could do no better than to order a wholesale flattening of the Energy Department hierarchy. Then it should do the same with the rest of the federal government.

The reason I read excerpts from the article is that it is quite obvious to me this man has his finger right on the problem.

Let me now proceed to a discussion of the latest thorough investigation of the Department of Energy and its mission as the primary functionary in nuclear weapons from research to security to safekeeping, et cetera. Let me move to the latest thorough report, and then we will go back to some others that existed prior thereto.

I don't know that I want to make this report a part of the RECORD, but everybody should know if they want to read what has been said by the latest contingent of reputable, dedicated, knowledgeable Americans, I am reading from "Science at its Best, Security at its Worst," a report on security problems of the U.S. Department of Energy by a special investigative panel, the President's Foreign Intelligence Advisory Board, of June 1999.

There are plenty of these reports around for anybody who wants to participate in this discussion. We will make them available. We will see that some are in the Cloakroom for people who might want to review them. I will talk a little bit about the significance of this report and why I think the time has come to adopt its principal recommendations.

For those who wonder what we are trying to do, obviously, we had to draw from a lot of people to do what was recommended in this report. While Members may not find every word of the extensive amendment I will soon allude to in detail within this report, let me repeat, for anybody interested in the security of the weapons laboratories and the nuclear weapons activity of our Nation, the amendment we are trying to call up as part of H.R. 1555 is the recommendations from this report.

Let's get in the RECORD what this report is. This report is the result of a March 18, 1999, President Clinton request that the President's Foreign Intelligence Advisory Board, commonly known as PFIAB, undertake an inquiry and issue a report on "The security threat at the Department of Energy's weapons lab and the adequacy of measures that have been taken to address it."

I will read the names of the board members and make sure the Senate

and everybody knows who they are: The Honorable Warren B. Rudman, chairman; appointed members are Ms. Ann Z. Caracristi, Dr. Sydney Drell, Mr. Stephen Friedman, to form the special investigative panel. They are the members. They were given detailees from several Federal agencies, including CIA, FBI, DOD, to augment the work of the staff. They spent 3 months interviewing 100 witnesses, received more than 700 documents encompassing thousands of pages, and conducted on-site research and interviews at five of the Department's National Laboratories and plants: Sandia National Lab, Pantex in Texas, Oak Ridge in Tennessee, Livermore in California, and Los Alamos in New Mexico.

This report and an appendix that supports it, both of which are unclassified, are now before the Senate. A large volume of classified material which was also reviewed and distilled for this report has been relegated to a second appendix and is authorized for special kinds of authorized recipients.

This report examines the 20-year history—which I just alluded to in reading the excellent article by Mr. Light—of security and counterintelligence issues at the laboratories, with an issue on five laboratories that focus on weapons and related weapons research. It looked at the inherent tensions between security concerns and scientific freedom at the laboratories. In effect, they looked at the institutional culture and efficacy of the Department. They looked at the growth and evolution of foreign intelligence and the threat thereafter to the National Laboratories, particularly in connection with foreign visitors programs, the implementation of effective Presidential Decision Directive No. 61, the reforms instituted by the Secretary, and other related initiatives.

At some point in time within the last 5 or 6 months when it started to evolve that, in fact, there could have been a very serious, significant, prolonged, and persistent breach at Los Alamos, the President of the United States—and others might argue that the timeliness of the President's actions is an issue. I am not sure that I will argue that point. My point in what I will discuss today and tomorrow, and for however long it takes to get this bill up and get this amendment considered, is going to be discussing how we fix what is wrong with this Department of Energy as it relates to nuclear weapons and how we do it now—not 6 months from now, not a year from now, but now.

Eventually, the President issued a Presidential decision directive which is called No. 61. Now, that suggested in no uncertain terms that some things be changed in the Department, and changed forthwith. However, those were things the Department could do without any legislation. They preceded

the thorough recommendations that were made by the Rudman commission. Then it included additional measures to improve security and counterintelligence.

I ask unanimous consent to have printed in the RECORD the page of the abstract of the Rudman report, with the panel of members and the staff.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### PANEL MEMBERS

The Honorable Warren B. Rudman, Chairman of the President's Foreign Intelligence Advisory Board. Senator Rudman is a partner in the law firm of Paul, Weiss, Rifkind, Wharton, and Garrison. From 1980 to 1992, he served in the U.S. Senate, where he was a member of the Select Committee on Intelligence. Previously, he was Attorney General of New Hampshire.

Ms. Ann Z. Caracristi, board member. Ms. Caracristi, of Washington, DC, is a former Deputy Director of the National Security Agency, where she served in a variety of senior management positions over a 40-year career. She is currently a member of the DCI/Secretary of Defense Joint Security Commission and recently chaired a DCI Task Force on intelligence training. She was a member of the Aspin/Brown Commission on the Roles and Capabilities of the Intelligence Community.

Dr. Sidney D. Drell, board member. Dr. Drell, of Stanford, California is an Emeritus Professor of Theoretical Physics and a Senior Fellow at the Hoover Institution. He has served as a scientific consultant and advisor to several congressional committees, The White House, DOE, DOD, and the CIA. He is a member of the National Academy of Sciences and a past President of the American Physical Society.

Mr. Stephen Friedman, board member. Mr. Friedman is Chairman of the Board of Trustees of Columbia University and a former Chairman of Goldman, Sachs, & Co. He was a member of the Aspin/Brown Commission on the Roles and Capabilities of the Intelligence Community and the Jeremiah Panel on the National Reconnaissance Office.

#### PFIAB STAFF

Randy W. Deitering, *Executive Director*.  
Mark F. Moynihan, *Assistant Director*.  
Roosevelt A. Roy, *Administrative Officer*.  
Frank W. Fountain, *Assistant Director and Counsel*.  
Brendan G. Melley, *Assistant Director*.  
Jane E. Baker, *Research/Administrative Officer*.

#### PFIAB ADJUNCT STAFF

Roy B., *Defense Intelligence Agency*.  
Karen DeSpiegelaere, *Federal Bureau of Investigation*.  
Jerry L., *Central Intelligence Agency*.  
Christine V., *Central Intelligence Agency*.  
David W. Swindle, *Department of Defense, Naval Criminal Investigative Service*.  
Joseph S. O'Keefe, *Department of Defense, Office of the Secretary of Defense*.

Mr. DOMENICI. I note the presence of the cochairman of the committee that actually has jurisdiction and is in control of the bill, H.R. 1555, Senator BOB KERREY of Nebraska.

I say to the Senator what I said to one of his staff members who was on the floor. Whenever the Senator is ready, I will relinquish the floor and

yield. I am prepared to speak today and tomorrow and however long is necessary until we all get together and get the bill up and get the amendment to it called up. I am not here today to keep others from speaking. My responsibility with reference to the amendment which we propose is to start talking about the significance of it and of the Rudman report to the future security prospects for our nuclear resource development by the Department of Energy.

I started on that report of your good friend and mine, Senator Rudman. This is not a bad breaking point for me if the Senator desires to speak.

Mr. KERREY. I have a unanimous consent request, and then I am pleased to let the Senator continue.

#### PRIVILEGE OF THE FLOOR

Mr. KERREY. Mr. President, on behalf of Senator BIDEN, I ask unanimous consent that the privilege of the floor be granted to David Auerswald, an American Political Science fellow on the Democratic staff of the Foreign Relations Committee, during the pendency of H.R. 1555, to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities for the United States Government.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, what I want to do, in the presence of my friend, is recap. I heretofore, I say to the Senator from Nebraska, made the point of why we need some dramatic, drastic, and significant reform of the Department of Energy as it applies to nuclear weaponry in all its context. I have indicated there are a number of reports that point in the direction of doing something very different, not just some new boxes in the Department.

I said I would start with a review of the Rudman report as to what they recommend, because the amendment I will be proposing and of which Senator KERREY is a cosponsor is our best effort to incorporate into the bill language the Rudman recommendations. We are not inventing something new, although some of us were on that trail before the Rudman report. It is essentially an effort to convert these recommendations, of which my colleagues are fully aware, to a bill, and that legislation will be presented when we are on the bill. We do not know when that time will come. We are now on a motion to proceed to that bill.

Let me now, in my own way, talk a bit about the Rudman report. The Senate is now fully aware of who the commissioners are, what their origins are, and the fact that this is the first such report that has been made public. In the past, Presidents have used them, but they have not made them public. The President asked from the outset that this report be made public. That was prudent because we were in such a



state of confusion and chaos regarding how much of our future security was actually stolen. This was a good way to say some people are recommending ways to fix it. It is public.

Let me state to the Senate, and those interested, some of the significant findings of this report. Remember, the reason the report is significant is not because it is the only report of its type, but it is the last one recommending drastic change. These findings I am going to be talking about are in support of the bill we want to introduce, because they are in support of the Rudman commission's recommendations.

Findings found at pages 1 through 6—I am going to pick out the ones I think most adequately present the issue and the reasons for doing something.

No. 1, from my standpoint:

More than 25 years worth of reports, studies and formal inquiries—by executive branch agencies, Congress, independent panels and even the DOE itself—have identified a multitude of chronic security and counterintelligence problems at all the weapons labs.

I give this fact at the outset because I am very concerned there still will be some in the public, at the laboratories and in the Senate, who will say we need more time. Remember, the finding I just stated was that for 25 years there have been reports, studies, and inquiries that addressed the issues in this amendment we want to call up on the bill.

No. 2:

Organizational disarray, managerial neglect, and a culture of arrogance—both at DOE headquarters and at the labs themselves—conspired to create an espionage scandal waiting to happen.

Those are not my words. I might have phrased it differently. Essentially, in the amendment we want to call up, we are also trying to change the organizational disarray. We are trying to change it so that managerial neglect will be harder to be vested in this part of the DOE. We are addressing the culture, but we are not destroying the actual necessary component within these laboratories of freedom for scientists. But freedom is not absolute for scientists who work on nuclear weapons. We want to give them as much freedom as is consistent with minimizing security risks, and that means there has to be pushed through management a change in the culture without changing the scientific excellence.

... DOE headquarters and at the labs themselves—conspired to create an espionage scandal waiting to happen.

The way it is phrased one would think they were doing something intentional in that regard. I would not have used "conspired." It happened that way because of the way it is managed and the way the culture has developed.

Let me move down to another couple I think are very important:

DOE has a dysfunctional management structure and culture that only occasionally gave proper credence to the need for rigorous security and counterintelligence programs at the weapons laboratories. For starters, there has been a persistent lack of real leadership and effective management of the DOE.

They also factually concluded that the Department—and this is very important—is a dysfunctional bureaucracy that has proven it is incapable of reforming itself. Why do I pull that one out? Because we are hearing that we do not need to do everything this report recommends because the Secretary is going to do it. As a matter of fact, the Secretary is a friend of mine. He is from my State. He served in the House and I in the Senate, and I have great respect for what he did. He has done more in the Department in the past few months than anybody we have had around in terms of seeing that it is really risky and things are dangerous there; we have to get on with fixing them.

The point is, the Rudman commission said the Department's bureaucracy is so dysfunctional that it cannot reform itself. For those who will come to the Chamber either in opposition to the amendment or indicating we should go slowly because the Secretary is doing some things, I will keep reading them this statement.

This is not our statement. This is the statement of five of the best people around appointed by the President of the United States to tell us how to fix this. In fact, I will tell you one of them, Dr. Drell, would be picked by anyone on any five-member commission that was going to survey and recommend how we should handle nuclear weapons within our bureaucracy better.

He is on this, and he agrees. They are saying the Secretary cannot fix it because the bureaucracy is so rambunctious, so overlapping, so inconsistent that it cannot fix itself.

Last:

Reorganization is clearly warranted to resolve the many specific problems with security and counterintelligence in the ... laboratories, but also to address the lack of accountability that has become endemic throughout the entire Department.

I am going to move to a couple more facts. We all know—no, we do not all know; some of us know because we have been around here long enough—that we can look at who have been the Secretaries of Energy over time, and the Rudman report has something to say about that.

This is a complicated Department, but if you know anything about it, it runs all the nuclear weapons activities in the country. For starters, one would think: Boy, we ought to put somebody in who knows a little bit about that.

The report says:

The criteria for the selection of Energy Secretaries have been inconsistent in the past. Regardless of the outcome of ongoing

or contemplated reforms, the minimum qualifications for Energy Secretary should include experience in not only energy and scientific issues, but national security and intelligence issues. . . .

I am not going to list the Secretaries in the last 30 years since the DOE was formed, and prior to it ERDA, but I am going to merely say there have not been very many Presidents who gave serious consideration to who should be the Secretary in the same context that the five-member commission looked at what should be the qualifications.

There will still be some who will say: Well, look, we have a Secretary who is trying. This has just come upon us. Let's go a little slower.

The Rudman commission made another finding, and it is the following:

However, the Board is extremely skeptical that any reform effort, no matter how well-intentioned, well-designed, and effectively applied, will gain more than a toehold at DOE, given its labyrinthine management structure, fractious and arrogant culture, and the fast-approaching reality of another transition in DOE leadership. Thus we believe that he has overstated the case when he asserts, as he did several weeks ago, that "Americans can be reassured; our nation's nuclear secrets are, today, safe and secure."

That is an allusion to a statement by our Secretary of Energy. I take it Secretaries have tried to tell us they are doing everything they can within the structure they have and that we are moving in the direction of making things safe.

This board—I frequently call it a commission—the Rudman board, has taken a look at that statement versus what they think you can do in that Department, and they have concluded that things are still kind of at risk.

I note today, in the presence of the press the new securities czar, the distinguished four-star general who was appointed, is saying: We're working on it, but it is at least a year away in terms of having something in place. I note that is in the news today.

What did this distinguished board—sometimes referred to in my remarks as commission—actually recommend by way of reorganizations? I want everyone to know I am going to repeat that there are other reports, prior to this, that recommended dramatic changes within the Department, and I have not yet alluded to them. I am only talking about the Rudman recommendations.

They suggest that:

The panel is convinced that real and lasting security and counterintelligence reform at the weapons labs is simply unworkable within DOE's current structure and culture. To achieve the kind of protection that these sensitive labs must have, they and their functions must have their own autonomous operational structure free of all the other obligations imposed by [the department].

In order to do that, they say it can be done in one of two ways.

It could remain an element of DOE but become semi-autonomous—by that we mean



strictly segregated from the rest of the Department. This would be accomplished by having an agency director report only to the Secretary of Energy. The agency directorship also could be "dual-hatted" as an Under Secretary, thereby investing [him] with extra bureaucratic clout both inside and outside the department.

They go on to say:

Regardless of the mold in which this agency is cast, it must have staffing and support functions that are autonomous from the remaining operations at DOE.

Essentially, when you read the recommendations, the most significant words are their functions must have their own autonomous operational structure free of all other obligations imposed by DOE management.

You get that one of two ways. You get it semiautonomously—which I have just read—or you can take it out of the Department of Energy in toto, stand it free, i.e., NASA. They have suggested those are the two ways.

Those of us who have been involved for years think that we ought to start by trying to convince the Senate and House that we should make it semiautonomous, leaving it within the DOE, for a number of reasons, and only if all fails should we go the other route.

This Senator is very concerned about the laboratories that make us so strong and contribute so much to our science effectiveness in the world, that they remain the very best. I would not, for a minute, be talking about restructuring if I did not think those laboratories could continue to do work for others, work for other agencies, and work for the Department of Defense and nuclear weapons. I believe they can and they will. I believe they will, under the amendment about which we are talking.

So while there is much more to talk about, in summary, H.R. 1555, which is the annual intelligence authorization bill, the sooner we can get it up on the Senate floor, the sooner we can bring up this amendment, the Kyl-Domenici-Murkowski, et al. amendment, which has every chairman of every committee who is involved in this as cosponsors, along with a number of other Senators, and the distinguished Senator from Nebraska, who is here on the floor with us, Senator KERREY, and Senator FEINSTEIN of California. As soon as we can start debating it—obviously, we are willing to listen; we do not claim that every "t" is crossed right and every "i" is in the proper place, but we believe the format to accomplish what the Rudman five-member board recommended is within the four corners of that amendment, and that is what we ought to be looking at now in the next few days to get it done.

I yield the floor.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Nebraska.

Mr. KERREY. Mr. President, the Senator from New Mexico has done a

very good job of outlining an urgent need to change our law governing the Department of Energy. I have high praise for him and Senators WARNER, MURKOWSKI, KYL, and, on our side, Senators LEVIN, BINGAMAN, and LIEBERMAN, who have worked to try to fashion a piece of legislation, a law that will balance our need for secrecy and our need for security.

I appreciate very much, I say to the Senator, his leadership on this and the sense of urgency that he has brought to the need to change our law. My hope is that we, at the end of the day, at the end of this debate—I do not think there is going to be very much objection to moving to this bill—my hope is that we can get a very large majority, if not a unanimous vote in support.

I know the Senator from Michigan, Mr. LEVIN, has some amendments he wants to offer. He has talked to me a little bit about them. We will have a chance to talk about those, I guess, tomorrow when we come to it.

But there is no question that the laboratories have been a tremendous source of pride and a tremendous source of discovery and a tremendous success story as far as delivering to the United States of America things that have made the United States of America more secure and more prosperous.

Likewise, there is no question that over the years—over the last 20 years or so—since the Department of Energy was created, there has been sort of a gradual buildup of layers of bureaucracy that make it more and more difficult for any Secretary of Energy, whether that individual has the requisite skills or not, to know what is going on in the laboratories and to have the authority needed to manage those agencies so those laboratories, as Senator Rudman, chairman of the PFIAB says in the title of his report, can get both the best science and the best security simultaneously. We unquestionably have the best science. I am quite certain the Senator from New Mexico believes the same way I do. In visiting the labs, in particular the lab that is under question, Los Alamos, most of the people I have met there described themselves as being very conservative to extremely conservative on the question of security and expressed their concern that their reputation for keeping the United States of America safe has been damaged. Of all the people who are anxious to get the law changed so that the lab's reputation for being the world's finest both for science and security can be restored, there are no more powerful advocates of that than at Los Alamos Laboratory from Dr. Brown on down.

This is an unusual opportunity because normally the intelligence authorization bill goes through almost with unanimous consent. Since I have had the opportunity a few years to come here with the chairman, with

usually about 15 minutes' worth of conversation and without a lot of interest, the bill goes through. The good news this year is that it will not go through quite so quickly. It is good news because it gives us an opportunity to examine what it is this bill does and what it is this bill does not do.

Unfortunately, current law does not allow us to tell the people of the United States of America either how much we spend on all of our intelligence collection, analysis, or dissemination efforts, or does it allow us to tell what the individual components of that are. I say "unfortunately" because I do believe quite strongly that we would be better off changing the law so the public did know both of those things. I believe that unless the people of the United States of America support what it is we are doing with our intelligence efforts, it is very difficult, over a long period of time, to sustain that effort. I myself am very much concerned that at the moment the general public does not either understand what it is we do on the intelligence side, or as a consequence of some very highly publicized failures are they terribly confident that we are doing a very good job of collecting intelligence, analyzing that intelligence, producing that intelligence, and then disseminating that intelligence to either warfighters or to national policymakers.

I have had the good fortune of watching the men and women who do this work for a number of years. I am not only impressed with their skills, but I am impressed with their patriotism and impressed with their successes, most of which I cannot talk about on the floor this afternoon.

Let me make the case, first of all, for secrecy. I think there are times when it is absolutely vital and needed. When we have warfighters on the field, as we recently had in Kosovo, we obviously can't provide the target list to the public and let people know where it is that these pilots are going to be flying. We cannot obviously provide battlefield information. Otherwise, we are going to increase the risk to these warfighters. It is always difficult in an environment where it is just the United States, let alone where there are 18 allies, to contain that intelligence and not have a terrible example of something where intelligence information got to our enemies, and as a consequence, they were better prepared, and as a consequence either we were not as successful as we wanted to be or there were casualties as a consequence.

It is a life-or-death matter that we keep these secrets. We have asked men and women to put their lives at risk, and we have to protect their interests. Otherwise, we will find it very difficult to find volunteers to go on these missions.

It is needed for military operations. It is needed for some covert operations

as well, where the President has signed a finding. He has asked that certain things be done, again, in the interest of the United States, overseen by the Congress. Today, I have very high praise for this administration in that regard. Since the Aldrich Ames spy incident where Aldrich Ames, traitor to his country, not only gave up U.S. secrets, he gave up secrets that led to the deaths of many men and women who were working on our behalf, this administration has increasingly come to the oversight committees, one in the House and one in the Senate that were created in 1976, with what are called notifications of errors, notifications of problems and mistakes that were made on a weekly basis.

We are receiving information that the executive branch thinks we need to know in order for us to make judgments about what it is we think the United States of America ought to be doing. So there is a lot more—in fact, it feels like a fire hose at times—notifications that are occurring in both the House and the Senate committee.

Indeed, our committee was notified about this particular incident in 1996, and I think we responded appropriately to it at the time. We pushed back and asked for additional counterintelligence. When I say “this particular incident,” I am talking about the notification of the possibility that the Chinese had acquired what we now know in published accounts to be details about a weapons system known as the W-88, our most sophisticated nuclear weapon, that the Chinese had acquired that through espionage in the 1980s.

We were notified of that in 1996, 11 years after it was suspected to have happened. I think the committees were properly notified, and I think the committees properly responded and measured the relative threat to other things in the world and pushed back and responded. I thought, in an appropriate fashion. There was much more that we probably could have done. I will let history judge whether or not we did enough. The point is, there are secrets. As a consequence of those secrets, under law, under a resolution we have created, the Senate Committee on Intelligence and the House has done the same. Those committees have congressional responsibility for hearing these secrets and making judgments, first, about what kind of structure, what kind of budget, and what kind of operations we are going to approve.

I make the case that secrecy is needed in order to maintain our security both for military and for our operations. There are sources that we use, there are methods we use, both of which must be kept secret in order for us to continue to recruit and in order for us to continue to operate with a maximum amount of safety for, again, the men and women who have chosen, as a result of their patriotic love of

their country, to serve their country in these missions. We need to make certain we provide them with the secrecy needed for them to conduct their operations.

However, there are times when secrecy does not equal security. It is a very important point for us to consider as we both debate this bill and try to think about how we want to write our laws and think about how we are going to do our operation. Sometimes secrecy can make security more difficult.

There is a recently declassified report called the Venona Report that describes the acquisition of information about spies inside the United States during the post-World War II era. In that report, there is a very interesting moment when General Omar Bradley, who at that time was in charge of intelligence, made the decision not to inform the President of the United States that Klaus Fuchs and others were spies for the Soviet Union. The President was not informed. Secrecy was maintained. General Bradley liked President Truman; he was an Army man like himself. But he made a judgment that secrecy had to be maintained, that the commanding officer of all our forces, that the President, duly elected by the people, didn't have a need to know. So a judgment was made to preserve secrecy.

I believe, as a consequence, policies didn't turn out to be as good as they should have and security was compromised as a consequence. I am not blaming General Bradley. I see it from time to time. Indeed, what caused me to talk about this was my belief that we should change the law and allow the people of the United States of America to know how much of their money we are allocating for intelligence and how much in the various categories is being allocated. I fear that all the public has are bad stories about mistakes that are being made, the most recent one being a mistake in targeting inside of Belgrade.

The Chinese Embassy was mistakenly hit one block away from another target that should have been hit. A great deal of examination of that has already been done. It caused us a great deal of trouble with the Chinese Ambassador. Under Secretary of State Pickering had to make a trip to China. This all occurred at a very delicate time when we were trying to get the Chinese to agree to some changes in their policy to ascend to the WTO. It was a big embarrassment.

I get asked about it all the time: What kind of so-and-so's are over there? Are we getting our money's worth? Are we wasting our money? Couldn't they just have spent \$2 on a map that was readily available to show where the Chinese Embassy was? Why spend billions of dollars on all these folks if they don't even have good enough sense to use a commercially made \$2 map?

There are questions about the failure to predict the detonation of a nuclear weapon in India over a year ago, which was followed by a detonation by Pakistan. A third item I hear a lot is that the CIA failed to predict the end of the Soviet Union, and anybody that can't predict that doesn't deserve to get a lot of U.S. tax dollars.

It is unfortunate that only the bad stories get out. First of all, on the targeting of the embassy, it was a mistake, but we were in a war, for gosh sakes. We are being asked to deliver targets, asked to identify the targets, and the operation's requirement was to minimize the casualties to the United States and our allies. Not a single American or single ally was killed during that entire operation. I consider that a mark of tremendous success. That did not occur by accident. There is no shelf of books with one saying “T” for targets in Belgrade and Kosovo. We had to develop those targets on our own and relatively late. We didn't expect the bombing operation to go on that long. We had—when I say “we,” I mean the administration—the impression that possibly it would be over quicker, based upon the experience of 1995.

In short, it was a tremendous success. Not only were we able to conduct that operation without a single allied casualty, but, in addition, we reversed the trend of modern warfare in the 20th century. Modern warfare in the 20th century has seen an increasing fraction of casualties that are noncombatants. I believe, in this case, except for the casualties produced by the Serbian army and their military police and their paramilitary units in Kosovo, there was also success in minimizing civilian casualties in this effort.

We could not, for example, have implemented Dayton. One of the untold stories is the success of the intelligence operations. At that time, it was General Hughes who organized the takeover authority in December of 1995. It was a United Nations operation, transferred over to NATO. They worked night and day to set up a communications system that allowed us to know who was and who wasn't abiding by the Dayton agreement—a very, very complicated agreement. The people who were in charge of developing our intelligence operation read it, knew it, and disseminated it down the ranks. Everybody understood what had to be done. It was impressive that, in a very small amount of time, we were able to put together an intelligence collection and dissemination effort that enabled us to implement the Dayton agreement.

There are many other examples, such as the Indian detonation of a nuclear weapon. In fact, we had the intelligence collection that predicted and prevented one about 18 months earlier. Nobody should have been surprised. We

don't really need to have intelligence officers collecting and predicting a detonation of nuclear weapons in India when the successful party in an election promised, and made a part of their campaign a promise, to detonate if they were elected, to test a nuclear weapon.

Anyway, I think it is very important for me, as somebody who has been given by my leader the opportunity to sit on this committee and to observe what is going on, to attempt to correct things I thought were wrong, make decisions about how much taxpayer money to allocate, about how to respond to mistakes made and intelligence errors that occur, how to respond and correct those errors—it is very important for me to say to taxpayers that my view is that you are getting your money's worth.

According to published accounts, we spend \$28 billion a year. I wish I could provide that number as well as some additional details, but if that is the current dollar amount, according to published accounts, in my view, just watching what is done, the American people are getting their money's worth. There are tremendous threats in the world that our intelligence agencies collect against. They supply that intelligence to our warfighters, to our military people. Imagine what it would be like to be in charge of U.S. forces in South Korea. You have the most heavily militarized area in the world between North and South Korea. There are about 37,000 young men and women in South Korea defending against a possible attack from North Korea, and the question to their commanding officer is: What are North Korea's intentions? What are they doing? They need an answer.

It is an extremely hard target to penetrate and to know what is going on. Those warfighters need to know that information. They can't operate in the dark. Our intelligence collection operators do that time in and time out, day in and day out, try to collect, process, produce, and disseminate intelligence to warfighters and the national policymakers and decisionmakers, in order that the United States of America can be as safe as it possibly can be. My view is that they have achieved a substantial success. They are not perfect; none of us are. But their substantial success deserves a very high amount of praise.

Mr. President, a related problem we have with intelligence is that many people presume that the Director of Central Intelligence, who manages the CIA and other national intelligence efforts, controls it all. Not true, though the Brown commission report that was assembled after the Aldrich Ames betrayal recommended that increased authority be given to the Director of Central Intelligence to budget and select personnel for these other areas. For

many reasons, these authorities were not granted the Director. The current Director, Mr. Tenet, controls far less than they realize, under law.

I don't believe that is a healthy situation. We were successful 2 years ago in getting the Director, under statute, some additional authorities. But my view is that it is not enough to match authority with responsibility. We have not done that. We are holding the Director responsible for intelligence failures in many areas over which he has no real direct budget authority or personnel authority.

So the distinguished Senator from New Mexico has properly identified a problem at the laboratories, as a result of the structure of the law that governs the Department of Energy, that needs to be fixed. The concern is that through some set of facts—today, we don't even know what the set of facts are—the Chinese probably acquired information about our nuclear secrets, and, as a consequence, they may have the capacity to build and deploy very dangerous weapons. They stole secrets from us, and, as a consequence, we are concerned about how to increase the secrecy of these labs.

I underscore with this statement that secrecy does not in all cases equal security. There are times when secrecy will make security more difficult to achieve. My own view is that the failure under law to let the public know what our expenditures are, and how those moneys are spent, decreases our security because, unless I am mistaken in just sensing citizens' attitudes toward our intelligence agencies, they do not have a sufficient amount of confidence that they are getting their money's worth. As a consequence of that lack of confidence, I think we are having a difficult time acquiring the resources necessary in a world that is more complicated and a world that, in many ways, is more dangerous than it was prior to the end of the cold war.

My hope is that this debate about the Department of Energy can occur relatively quickly, that we can get to it tomorrow, that we can resolve the remaining conflicts, and that we can get this intelligence authorization bill passed. Both the chairman and I see the year 2000 as a watershed year. We were successful last year in increasing the resources given to our intelligence checks and analysis and production and dissemination efforts. We need to continue that trend.

We have been downsizing in the 1990s. I believe very strongly that that downsizing must stop if we are going to be able to honestly say yes to the American people, that we are doing all we can to keep them as safe as possible against a real range of threats which are still out there in the world.

The United States of America is the leading nation on this planet. We have the strongest economy. We have the

strongest military. We have the longest running democracy. We tend to take sides on issues, whether it is in the Middle East, Northern Ireland, or someplace else on the planet. We clearly take sides when it comes to fighting for individual freedom—for the freedom of people in China, for the freedom of people in Russia, and throughout this planet. We put our resources and our reputation and our lives on the line.

In 1996—it has been so long ago—Americans stationed in Saudi Arabia after the gulf war, flying missions and supporting missions in the southern area, were killed. We suspect a variety of possibilities as perpetrators. But they were killed not because they were in Saudi Arabia by accident; they were in Saudi Arabia defending U.S. interests, and they were killed because they were targeted by people who didn't want them in Saudi Arabia.

We take sides, and, as a consequence, we are targets. We are targets as well because we have been successful. There is jealousy and hatred towards the people of the United States of America.

We understand the interconnected nature of our economy and of our diplomacy throughout the world. A problem in Angola can be a problem in Omaha, NE relatively quickly.

So we forward-deploy our resources. We don't just have missions in NATO or missions that involve the United Nations. We are forward-deployed throughout the world in an attempt to make the world more peaceful, more democratic, and more prosperous. It is a mission the United States of America has selected for itself. I thank God that it has. It is a mission that has resulted in enormous success.

I don't know how the rest of my colleagues felt at the time, but I remember quite vividly and was very moved for moments during Joint Sessions of Congress—not that Presidents haven't moved me with their State of the Union Addresses. But far more moving to me was Vaclav Havel, Nelson Mandela, Lech Walesa, and Kim Dae-jung of South Korea.

All four of these men came to a Joint Session of Congress and said to the representatives of the people of this country: Thank you; you have put your lives on the line for our freedom; you put your money on the line for our freedom; you stayed the course, and we are free.

Since Kim Dae-jung of South Korea gave that address, if I ever ran into a man who fought in the "forgotten war" in South Korea in the 1950s, I am quick to say this. I know there are many criticisms of that war. Many people wondered whether or not it was worthwhile. Let me tell you, on behalf of the President of South Korea and the people of South Korea, that that war was worth fighting.

All one has to do is look at the difference between living in freedom in

South Korea—an imperfect democracy, as many are; but, nonetheless, the people of South Korea are free; their standard of living is higher; they have the liberty to practice their religion, to speak on the streets—and North Korea, which is a nation of great suffering and great anguish. Large numbers of people are dying as a consequence of malnutrition. The country is arguably in the worst condition of any country on the face of this Earth.

That didn't occur by accident. The world marketplace didn't get that done. I am a big fan of the marketplace and a big fan of what business can do. The intervention that liberated the people of South Korea was not the intervention of Sears & Roebuck; it was the intervention of American forces, American will, American blood, and American money. The people of South Korea are free as a consequence.

We didn't make a decision based on the shape of their eyes or based on the color of their skin or based upon their religion. We didn't do it based upon a desire to own territory or a desire to own wealth or a desire to establish a colony. We did it based upon a desire to fight and to keep the people of South Korea free.

When you take a stand such as that, as the distinguished occupant of the Chair knows—he has been in politics a very long time, an outstanding public servant—you know when you take a stand, especially on a controversial subject, you are apt to provoke some enemies; you are apt to get people organized against you. They don't agree with the position on this, that, or the other thing.

The United States has enemies as a result of taking a stand and as a result of our having taken a stand throughout the world in general on behalf of freedom.

We provoke animosity in many ways. We are at risk, as a consequence, not just from nation states—that is the older world where nation states were the No. 1 threat—today, it is nonnation state actors such as Osama bin Laden and other terrorists who organize themselves away from the normal powers and structures of government. Cyber warfare, biological and chemical warfare—all of these things we have discussed at length are real and present dangers to the people of the United States of America.

It is certainly true that our diplomats at the State Department and our diplomats in other areas of Government have to try to use our intelligence and produce diplomatic successes, as well as to reduce threats. But the State Department, the Department of Justice, the Department of Defense, the Department of Energy, the Department of Agriculture—throughout Government—the Congress, and the President of the United States regularly receive analysis that has occurred after

checks have been done, after analysis has been done, after production has occurred, and then it is disseminated to people who make decisions all the time and, hopefully, make better decisions as a consequence of the intelligence delivered to them.

My view is that this budget decline we have experienced in the 1990s needs to stop. I hope that this intelligence authorization bill will be passed by the Senate, that we can go to conference quickly with the House, and get it to the President for his signature. I have no doubt that the President, subject to our not putting things on here that the President can't support, will sign the bill.

One of the things that I think undercuts our ability to do that is the continued belief we have to keep from the American people how much money is being spent. I have said that often enough now. I am not going to offer an amendment. I can count votes. I know that amendment would not succeed. But I intend to continue to make the point and try to persuade, especially my friends on the other side of the aisle, that we will increase the Nation's security by making this information publicly available to the American people.

Again, the point here is that 100 percent secrecy does not always equal 100 percent security. Sometimes 100 percent secrecy can actually decrease the security, as a consequence of the right people not getting the information. As a consequence of discussions not proceeding subject to compartmentalization that prevented one key person from talking to another key person, and, as a consequence, neither one of them knew what the other was doing, the result is that a bad decision was made.

I also would like to discuss an issue that, to me, is extremely important. I don't know if the Senator from New Mexico has additional things he wants to say.

Does the Senator from Michigan desire to speak? Since I will be assigned to sit down for a long period of time, Senators may want to move on. I think I will have plenty of time to talk about this bill.

Mr. President, I presume they would like to speak. I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I thank my good friend from Nebraska and my friend from New Mexico for their courtesies in sharing the floor so that we can chat about some of the issues which we will be taking up when we move to this bill tomorrow, which I hope and expect we will.

One of the issues we are going to be taking up, which will probably take more time than other issues in this bill, is the Department of Energy reorganization issue. This comes to the

floor on this bill. Whether it is the best place or not, it is going to happen. I think everyone wants this reorganization issue to be resolved, hopefully, in some kind of a consensus manner, if possible, in a way that it can become law.

There is strong opposition in the House to the reorganization of the Department of Energy being added to either the Department of Defense authorization bill or to this appropriations bill, this intelligence appropriation. That is a fact of life we have to deal with.

I suggest the more we are able to come together in a bill which has more of a consensus support, the stronger position we are going to be in, in trying to persuade the House to take up this matter promptly, for all the reasons the Senator from New Mexico gave, as well as to get the President to sign the bill. I hope we will take these hours between now and the time this bill is before the Senate to attempt to work out some of the differences that do exist.

I simply want to summarize where at least I am in terms of the recommendations of the Rudman commission. I am for those recommendations. The label of the agency is not as important to me as the powers of this new agency—semiautonomous agency, separately organized agencies, as they are called, including DARPA. I believe we should have a separately organized agency which is synonymous with, I presume, a semiautonomous agency.

That does not resolve the issue, simply to agree on a label. The question then is: What powers will that agency have and what is the relationship of that new agency to the Department of Energy? That is the issue we should try to resolve in a consensus manner if we possibly can.

We want two things to be true: We want this agency to have a significant degree of autonomy, independence, separate organization, separate staff, legal advice, personnel advice. We want them to have their own set of staff so they can operate in a significantly independent way.

On the other hand, we want the Secretary to be able to run his agency, to run the overall agency. If it is going to be in the Energy Department, if it is not going to be carved out of the Energy Department—which was the other alternative that Rudman suggested as a possibility—if it is going to be inside the Energy Department, then we have to have the Secretary be able to implement the policies of the Department of Energy, which have to apply to all parts of the Department of Energy, whether or not they are “separately organized” agencies within the Department.

That is the balance we are trying to strike. I will come to that a little bit later, as to how other separately organized agencies within the Department

of Defense have struck that balance. Reaching a consensus, instead of having a significantly divided vote, is going to strengthen the prospects for reorganization of the Department of Energy along the lines Senator Rudman has proposed.

Do we need to reorganize the Department? We sure do. For 20 years or longer, there have been reports after reports after reports of lack of accountability, of duplication, of an inability for this Department to function in a very smooth and strong way, particularly as it relates to elements of national security. We should do something about it. We should do it now. It doesn't mean we should simply say let's delay it for some later time. On that, I think, there is a consensus. We ought to fix this Department, not just say let's do it at a later time.

I hope there is also some agreement that we ought to take the few days that may be necessary to try to put together a reorganized DOE—one which has a separately organized agency to handle these nuclear issues—so we can have a stronger chance of this becoming law. We have all been frustrated by the breakdown in security which the Cox commission report highlighted by the so-called PFIAB report, the President's Foreign Intelligence Advisory Board, which Senator Rudman chaired. That frustration has been compounded by the fact that past administrations and past Congresses have received literally dozens of intelligence studies, GAO reports, FBI briefings, going back to the mid-1970s, detailing inadequate security safeguards at the Department of Energy labs and detailing foreign espionage efforts to obtain sensitive U.S. technology. This has been going on for over 20 years.

This is what Senator Rudman said at a joint hearing of four Senate committees:

I had our staffs sit down and add up the number of reports that have found problems with the security of the DOE for the past 20 years. The numbers are astounding. 29 reports from the General Accounting Office, 61 internal DOE reports and more than a dozen reports from special task forces and ad hoc panels. Altogether, that is more than 100 reports, or an average of five critical reports a year for the past two decades.

Here we are, 20 years down the road, Senator Rudman said, still battling with the same issues. I think you would agree with me, that is totally unacceptable. All Members listening that day I think were nodding our heads, without exception.

As Senator Rudman noted last month, security at the Department of Energy has been an accident waiting to happen for over 20 years. Three administrations and Congress share the responsibility for not doing more over the years to heed the warnings of those reports to legislate corrective action. The challenge is to put that frustration, which we all share, to construc-

tive use and to put in place an effective and workable management structure, the Department of Energy's nuclear weapons program, that ensures our vital national security secrets are not compromised in the future.

The Rudman recommendations include not just putting in place a separately organized agency but also putting that agency under the effective direction and control of the Secretary of Energy. That is going to be, it seems to me, what we have to resolve. We want it separately organized, but we want the Secretary to have effective direction and control of that agency. Those are two goals. Those two goals can be harmonized. They have been with other separately organized agencies, including some that I will mention in the Department of Defense which are used by Senator Rudman as his model, including DARPA.

We should seek both things: That semiautonomy, or that separate organization, which will put some focus and accountability inside that agency. If we are going to leave it in the Department of Energy—and that seems to be the consensus, that we leave it inside the Department—we must be able to have a Secretary who can effectively direct and control that semiautonomous or separately organized agency within his Department. It is a real challenge, but it is doable. We will do it with some care. They are both legitimate goals.

There have been some steps taken already to achieve those goals. As the Senator from New Mexico pointed out, we had a Presidential Decision Directive No. 61 which President Clinton signed over a year ago. The Rudman report noted, to its credit, in the past 2 years the Clinton administration has proposed and begun to implement some of the most far-reaching reforms in DOE's history. In February of 1998 that directive was signed. The Rudman report highlighted 5 of the most significant of the 13 initiatives in Presidential Directive No. 61.

First, counterintelligence and foreign intelligence elements in DOE would be reconfigured into two independent offices and report directly to the Secretary of Energy.

Second, the Director of the new Office of Counterintelligence would be a senior executive from the FBI and would have direct access to the Secretary of Energy. That is a very important question we are going to have to resolve and take up again, whether or not we want the director of a new Office of Counterintelligence to be not only a senior executive from the FBI but to have direct access to the Secretary of Energy. If we want to hold the Secretary of Energy accountable, which I do, then we have to access to him directly, it seems to me, a director of a new Office of Counterintelligence. That will be one of the issues we will be discussing and hopefully resolve.

Third, existing DOE contracts with the labs would be amended to include counterintelligence program goals, objectives, and performance measures to evaluate compliance with these contractual obligations.

Counterintelligence personnel assigned to the labs would have direct access to lab directors and would report concurrently to the Director of the Office of Counterintelligence.

The Senate has also acted in a number of ways. We passed significant legislation this year under the leadership of Chairman WARNER in the Armed Services Committee. We have adopted a series of measures in the National Defense Authorization Act which were designed to enhance counterintelligence, security, and intelligence activities at DOE facilities.

These measures include putting in statute most of the specific recommendations on security and counterintelligence contained in PDD-61. For instance, our bill, which is now in conference, includes a provision establishing separate offices of counterintelligence and security at DOE, each reporting to the Secretary. That provision, which the Senate already adopted, is in the DOD authorization conference, which is going on right now. It is taking up a Senate provision which establishes an office of counterintelligence and security at the DOE reporting directly to the Secretary.

That is not inconsistent, in my book, with having a counterintelligence chief at the agency. I do not view that as being inconsistent. On the other hand, we have to be clear one way or the other as to whether or not we believe there is an inconsistency in having both a counterintelligence person for the entire agency directly reporting to the Secretary, as well as having this new agency having its own counterintelligence chief. To me, that is not inconsistent, but the people who are offering the amendment may view that as being an inconsistency.

Mr. DOMENICI. Will the Senator yield?

Mr. LEVIN. Yes, I will yield.

Mr. DOMENICI. On page 5 of the amendment, which I think my colleagues have, we adopted the language that is in the Armed Services bill:

The Chief of Nuclear Stewardship Counterintelligence shall have direct access to the Secretary.

Secretary of Energy.

Mr. LEVIN. That is somewhat different than the provision in the Senate bill which established the separate Office of Counterintelligence and Security at the DOE reporting directly to the Secretary. We have to work out whether we intend that to be the same or whether we intend that to be two separate offices of counterintelligence.

For instance, the new agency, I say to my good friend, is going to presumably have its own personnel director

and its own programs inspector general and its own general counsel, but so is the Department of Energy going to have its own general counsel and its own personnel director and its own inspector general. There will be an office in that separate agency, and there will be an office at the Department. That is not inherently inconsistent. We do similar things with DARPA and with other separately organized agencies.

It seems to me, to make sure that we are not creating confusion and lack of accountability, we would want to make that clear in the amendment that we, indeed, are talking about an office at the departmental level, as well as now a separate office with some of these staff functions at this separately organized agency.

Again, that is the kind of language which I think is important we attempt to work out.

Mr. DOMENICI. Mr. President, I do not know how much longer the Senator wants to speak, but I can only be here about 15 or 20 minutes and I still have a few comments. I want to listen attentively to what he is saying.

I believe I heard the Senator mention four or five things. I ticked them off as he mentioned them, and we find there may be two that are not in the bill which were thought to be management techniques. Three out of five or three out of six are in the bill. I am willing to work on anything my colleagues want to work on, except I want to make sure of what I consider to be the most important recommendation of all, when the Rudman report says:

To achieve the kind of protection that all these laboratories have, they and their functions must have their own autonomous operational structure free of all the other obligations of DOE management.

If we start with that, then I think we can work on that in terms of how you get there and make sure it means what you want it to mean. Frankly, I am very pleased this afternoon because I heard both the Senator from Michigan and the cochairman of the Committee on Intelligence say they want to get on with the bill and they want to try to work on the amendment to get it as bipartisan as we can.

Frankly, if that is the way we are moving, I am ready to say, let's work on it. I have given my colleagues my draft. It is the final draft. As soon as my colleagues have amendments, we want to look at them. I have three or four Senators to check with, and I am sure my colleagues have, too, but I do think you clearly understand, in the way the Senator has expressed it, that it will have its autonomous functions within that agency.

The Senator has a great concern, and if I was not positive that we had satisfied it, I would not be here.

On the second page, paragraph (C), we say:

The Secretary shall be responsible for all policies of the agency. The Under Secretary

for Nuclear Stewardship shall report solely and directly to the Secretary and shall be subject to the supervision and direction of the Secretary.

That was put in because everybody said we ought to do that. It was a little earlier than some of you think. My colleagues missed it for a while. It is there.

At the end of the page we also say:

That the Secretary may direct other officials of the Department who are not within the agency for nuclear stewardship to review the agency's programs and to make recommendations to the Secretary regarding the administration of these programs, including consistency with similar programs and activities of the Department.

The Senator from Michigan has expressed a concern about that one. This may not be exactly the wording he would like, but I believe it moves in the direction of one of his previous concerns.

Mr. LEVIN. Mr. President, I thank my friend from New Mexico. Senator Rudman has said the following, in addition to the quotation my colleague cited:

That the Secretary is still responsible for developing and promulgating DOE-wide policy on these matters.

Then he said, and this is in his memorandum of clarification dated June 30, the second paragraph from the bottom:

He is still responsible—

Talking about the Secretary—

for promulgating DOE-wide policy on these matters, and it makes sense to us that a Secretary would want advisers on his or her immediate staff to assist in this vein. We understand that is why Secretary Richardson recently created DOE-wide czars to advise him on security and counterintelligence.

There is a need for a Secretary who is running a Department to have, as Senator Rudman points out, advisers on his or her immediate staff to assist him in developing and promulgating DOE-wide policy on these matters.

I want to take up the suggestion of my friend from New Mexico. It is possible we can achieve both, as the DOD does with DARPA and other separately organized agencies, or what I think the Senator from New Mexico would indicate are semi-autonomous agencies, agencies which are not separate from a Cabinet-level agency; they are not separate from the Department. We are not creating a new department, and I do not think the Senator from New Mexico wants to create a new department. We want this inside a department which is subject to departmental-wide policies and a Secretary who is able to effectuate those policies.

Mr. DOMENICI. Can I comment?

Mr. LEVIN. Sure.

Mr. DOMENICI. That is a fair statement that the Senator made about what I would like to see. I also stated on Friday past, the first time I ever said this as a Senator who has been involved with these nuclear activities

since I arrived—and I have been chairman of the subcommittee that appropriates it for almost 6 years—if the semiautonomous agency is weakened, to the extent it is really just another of blocks on a chart, I will wholeheartedly support taking it all out of the Energy Department and making it a freestanding department. In fact, I am almost looking at this that if it were a freestanding agency like NASA, and moved within the Department, how would the Secretary control it? I am beginning to think of it that way. He still would have to control it so long as it is in his Department. But I think we have said that in the amendment.

We are willing to work with you on whether there are better ways to make sure he still is the boss; that is what you are talking about, that he is in control. The Under Secretary in charge of this new semiautonomous agency is not totally independent or we would not call him "semiautonomous."

Mr. LEVIN. Exactly.

Mr. DOMENICI. If we wanted him independent, we would put him out here like NASA and call him an Administrator or Director. So as long as we are thinking the same way, we are willing to work with you.

Mr. LEVIN. As I understand what you are saying, you want one Secretary to be able to have effective direction and control of this quasi-autonomous agency that is in his Department. With that standard, if that is a standard which you also accept, it seems to me that we ought to be able to find common ground. Whether that includes all the other Senators who have interests in this, neither of us can say. But as far as I am concerned, the test for me is whether or not we leave the Secretary of Energy like the Secretary of Defense with DARPA, having effective direction and control of that separately organized agency which has been called here a semiautonomous agency. That is my standard.

I am going to continue to work with colleagues on both sides of the aisle; and our staffs will share some amendment language which at least this Senator is working on. There are other Senators who have amendments as well. We will get you our amendment language by the end of the day in the spirit of trying to achieve some kind of a joint position on this going into the debate tomorrow.

I am happy to yield the floor. I heard my friend from New Mexico indicate that he is only able to stay a few more minutes. I am basically done. There are a few more thoughts I have about some of the separately organized agencies inside the Department of Defense and the way they are organized. They were used as the models by Senator Rudman. If we follow those models, I think—not exactly and not precisely—but if we follow the spirit of those models, we will have a Secretary of Energy



who can effectively direct and control his semiautonomous agency that would be created, including, it seems to me, to be effective, the use, as Senator Rudman pointed out, of advisers on his immediate staff to assist him in effectively directing and controlling—which are my last words, not Senator Rudman's.

I yield the floor and thank my friend from New Mexico.

Mr. DOMENICI. I say to the Senator, I will not take very long.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from New Mexico.

Mr. DOMENICI. I thank you for recognizing me.

I say to Senator LEVIN, I have read that part of the Rudman report which talks about the Secretary having adequate input and having staff to make input. Let me tell you what I would be very worried about; and I remain worried about it as we talk with the members of the staff of the Secretary.

I think the worst thing we could do is to create this semiautonomous agency on paper but make it still like it is subject in every detail to the Secretary of Energy and his staff. So I am not going to sit by and tell you I agree because I do not agree that we should say on the one hand an Under Secretary is going to run it, and it is created with autonomous authority for him, and then say the Secretary's office can, with various staffers, run it day by day. Because then all we have done is created autonomy and then taken it away.

There are two ways to take it away. One is very direct. For example, just take out the environment and say they do not have control of the environment. That is one way. The other is to put it all back into the Secretary in detail so his staff can be running it.

I think you and I would be serving our country terribly if we created it, in a poor manner, semiautonomous and then found in 5 years, when it was set up, that three strong men in the Secretary's office were running it. I think that would be the worst ending we could have because we would be back to seeing how good they were at things; and without that, it would be an unsuccessful operation. There would be more masters rather than just the one we are looking for.

Having said that, I want to speak for a moment—because I forgot to during my opening remarks—about the kind of science that exists at these laboratories, especially our three deterrent laboratories and two that help them that are partially in this mode, and a little bit about the origin of all this work.

I want to start by ticking off a few names. This is by far not the entire list.

This whole scientific entourage that we have here which we call the nuclear weapons laboratories, the great crown treasures of our science-based research,

was started in an era when America did not have enough scientists of its own who were nationalists, American born and raised, educated in America.

So guess what the list of the early Manhattan Project scientists who helped us get a bomb sounded like. They sounded like Italians. Enrico Fermi; he was an Italian. He was at one of the other laboratories in the country. Both he and his wife were taken to Los Alamos and they became some of the principal players. It sounded like Hans Bethe; it sounded like Edward Teller, Carl Fuchs—and the list goes on.

Frankly, we were taking a real gamble because they knew what they were doing, each and every one of them. Collectively, they knew they were preparing an atomic bomb for the United States of America to either win the Second World War or to use it to stop it. They were working at a ferocious pace to get it done before the Germans got it done. We all remember that as we read about it.

Those scientists had contacts all over the world, whatever kind of world it was at that point in time. The same thing is happening today. We should not be surprised that we have marvelous Chinese scientists at our laboratories. They are American born, American educated, and I assume some are naturalized citizens, and they are among our best.

It just so happens that the Chinese seem to have breached our security in some intricate ways, not the way the Russians did it. They did not come along with a big bribe and pay somebody off. They did it in an intricate way by little bits and pieces. Since the Chinese scientists who make their nuclear program work are intimate about Americans in science, would you believe that it is our understanding that the chief scientist in charge of their nuclear weapons development has a Ph.D. from one of our universities? You do not think he knows American scientists of his era? He was apparently a very good nuclear physicist or scientist—Ph.D.—from one of our universities. We understand in the hierarchy there may be six or seven who were educated as MIT or Caltech or someplace, and they are running their program.

The point of it is, we cannot, in some fit or frenzy, put a wall up around these laboratories and say these scientists cannot exchange views around the world; they cannot travel to conferences.

Let me ask you, do you think they would stay at the laboratories, if they are among the greatest minds around, if you told them they can be only half a scientist, that they cannot go to a conference where Chinese scientists are coming who may exchange views on something extraordinarily new in the field of physics which has nothing nec-

essarily to do with nuclear bombs? The truth of the matter is, if you try it, do you know who the losers will be? The losers will be the American people, because we won't have the greatest scientists in those laboratories. What has made us the most secure nuclear power in the world? Our scientists. We talk about everything else, but it is the scientists over the last 40 years, successors to this list I gave—incidentally, I did not mean to imply that there weren't many early scientists who were American; obviously there were. Some of the leaders were Americans, no question about it. We should not leave the impression that we don't want scientists, whatever their national origin is or whatever their basic culture is, working in our laboratories and we want to muzzle them; for if we put a wall around the laboratories, it will be a matter of a decade and nobody will want in the laboratories, much less out of the laboratories. Instead of worrying about getting secrets out, we will have to worry about getting enough good things to happen where there are some secrets.

I want to make that point so everyone will know that my approach and the approach I am working on with other Senators to create this semiautonomous agency is not directed at closing these laboratories, closing the lips and the brains of scientists and putting them behind a bar up there.

When I was a young boy, believe it or not, we had a family that could all fit in one big car. On a number of occasions we drove from Albuquerque to Los Alamos because we were inquisitive. We had heard that if you went up there, they wouldn't let you in. So we would drive up, and they wouldn't let us in. We would drive up to these big gates, and that was the Los Alamos scientific laboratory. No trespassing. So I was there. That was the early version of this. Now they have grown into much larger institutions, much more sophisticated kinds of science.

In addition, because my friend Senator LEVIN has been talking about things that concern him, I will mention two or three things that I want everyone to know.

First, what is a semiautonomous agency and what is an independent agency? The best I can tell Senators is, a model of independence would probably be NASA. I don't know the best model for a semiautonomous agency within a department, but I will tell my colleagues that what it means is described very clearly in the Rudman report, that the functions of this agency must be autonomous and not subject to the everyday rule of the larger department.

If we are not prepared to do that, then let's not kid ourselves and say we have done it halfway. It must be done in a way that is consistent with the agency director reporting only to the

Secretary of Energy and in a manner that would assure that its functions are autonomous, even if it means we must have a duplication of functions. Because if there is one set of functions, we are back where we are. If it is not subject to the Secretary's power, then it is not semiautonomous; it is autonomous.

I think we are on the same side, trying to make it semiautonomous, which means the Secretary is still all powerful. Having said that, let me say that as we proceed, I am willing to look at the document line by line as it gets introduced—it has been circulated—and cite where I believe we have covered most of the aspects that are of concern and that have been expressed as of concern on the floor, save two.

One of them has to do with the laboratories being able to take work for other agencies, for the Defense Department and from the Energy Department, and thus remain laboratories that are diversified, that are, thus, very attractive to scientists. I will insert in the RECORD, and not read much from it, testimony given in the Committee on Commerce Subcommittee on Energy and Power and the Committee on Science Subcommittee on Energy in the House, by William Happer.

Dr. Happer is one of the distinguished scientists in the United States and used to be in the department. He concludes in the statement, in reference to the new agency:

I do not think that the ANS need hinder the support by other parts of DOE, or by outside agencies, of science at the Weapons Laboratories. As a former director of the Office of Energy Research, I saw, at very close quarters, how work was funded by my office at the Weapons Laboratories, and how other Federal agencies—for example, the National Institutes of Health, or DARPA—arrange to have work done. The creation of an ANS within DOE might actually help the interactions between the Science Laboratories and the Weapons Laboratories if it leads to better management [at the semiautonomous agency].

I ask unanimous consent that the Happer statement of July 13 in its entirety be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### TESTIMONY OF WILLIAM HAPPER

Thank you for this opportunity to testify on current proposals to restructure the DOE. I am a Professor of Physics at Princeton University and Chair of the University Research Board. I am also the Chairman of the Board and one of the founders of a high-tech startup company, Magnetic Imaging Technologies, Inc., which makes images of human lungs with laser-polarized gases. So I have experience with the business world outside of academia. I have had a long familiarity with the activities of DOE, as a practicing scientist, as a member of advisory committees for DOE Weapons Laboratories and Science Laboratories, and as the Director of the Office of Energy Research under Secretary of Energy James Watkins during the Bush administration.

The DOE has many missions, but none more important than nuclear stewardship, that is, ensuring the safety, security and reliability of the US nuclear stockpile. Connected with this mission are—or at least used to be—many others, the construction and operation of nuclear reactors for the production of special nuclear materials, the enrichment of stable isotopes, the construction of scientific facilities to learn more about the fundamental scientific issues connected with nuclear weapons, and how to ensure the safety of those working with dangerous materials—radioactive, toxic or both. I could go on, but my point is that the DOE weapons program is so challenging that it needs the most capable technical, scientific and managerial talents available. As long as the United States maintains its own nuclear weapons and feels it necessary to cope with those of others, we must ensure that the part of DOE responsible for nuclear weapons functions as well as possible.

Regretfully, I must agree with various assessments, stretching back many years, that DOE's missions—including the nuclear weapons mission—are often poorly managed. The recent Rudman and IDA reports, the Galvin report of a few years ago, and many others have clearly spelled out what is wrong. The DOE has become a bureaucratic morass, with many paper-pushing, regulatory offices competing to build up their staffs of FTE's and SES billets, to take credit for successes of increasingly-harried, front-line scientists, engineers and technicians, and to avoid responsibility for anything that may go wrong. The recent revelations of Chinese espionage and the DOE reaction to it are but one example of how difficult it is for the DOE to cope with serious real and potential problems in the weapons program, and other DOE programs as well. So I support a reorganization of DOE along the lines suggested in the Rudman report. If a reorganized DOE with a more efficiently operating Nuclear Stewardship Agency (NSA) is a result of the Chinese espionage, at least we will have some benefit from the regrettable affair.

I have no illusions that a semiautonomous Nuclear Stewardship Agency within DOE will correct all of the problems we are struggling with, but I am sure that the current DOE structure will not work. I say this as a pragmatist and an experimental scientist. We have tried to make the current structure work for many years and it always fails. When one of my experiments does that again and again, I try something else.

We have several reasons to be hopeful that a semiautonomous agency could work. The example of NSA within the Department of Defense (DoD) has often been cited as a successful, semiautonomous agency, and there are other precedents like DARPA in DoD or the Naval Reactor Program within DOE. I like the word "Agency," which comes from the Latin root "to do." An agent does something for you. Some in the current structure of DOE and its supervisors seem not to care if anything ever gets done. This is not acceptable for any worthwhile mission, but it is simply not tolerable for Nuclear Stewardship.

Nuclear weapons, ours and those of our potential adversaries are real and very dangerous. They are too important not to take very seriously.

There is a wise old saying, sometimes ascribed to the Chinese, that "The best fertilizer for a farm is the feet of the owner." Someone has to own the mission of nuclear stewardship, or at the very least someone must be a dedicated Steward. To succeed, the

Steward must have the means to manage. As best I understand the proposed the Agency for Nuclear Stewardship, it will give the Steward both ownership and the means to do the job.

You cannot be a good Steward of the Nuclear Weapons mission of DOE unless you control all of the key functions, manufacturing, security, research, safety, etc. There is never enough money or enough personnel to do everything that is needed, so the Steward will have to balance many competing needs: the security of plutonium facilities; human resources; environmental, safety and health requirements; research needed to ensure that aging nuclear weapons remain safe and effective; counterintelligence precautions—the list is extremely long and every issue is important. However, someone must make the decision on how to distribute finite resources to do the best possible job. With the current DOE structure, various offices can demand that this action or that be taken with no concern for the broader problem of how to optimize finite resources of funds and people. One unfunded mandate after another comes down from headquarters or the field office. It is not possible to fully respond to all of the mandates. So the poor front-line troops do the best they can, and a year later another GAO report comes out saying that this or that requirement was not met. There is substantial duplication, triplication or even quadruplication of roles in DOE, with the front-line DOE contractor, the DOE site office, the DOE field office and headquarters all contributing to some issues.

I have testified before that part of DOE's problem is that it has too many people at headquarters and in the field offices. I would hope that the ANS Steward would not be saddled with making work for every DOE employee currently on a payroll related to the ANS mission. But I am a realist, and if every employee remains, the system could probably still be made to work better with the sort of crisp management structure envisaged for the ANS. Almost all of the DOE civil servants I met during my time there were good and talented people, determined to do something to earn their keep. It is a shame that so many of them are used for counterproductive activities.

Some would say letting the ANS Steward control most of the important oversight now assigned to various independent DOE offices would be letting the fox watch the hen house. I do not think this needs be the case, and in any event the current structure is not working. The proposed ANS Steward will have a clear list of responsibilities, and will have to report annually to the Secretary of Energy—and through the Secretary to the Congress and to the President—on how well these responsibilities have been fulfilled, and why the allocation of funds and people for safety, security, research programs, etc. is optimum. One could also enlist the aid of other federal agencies for periodic tests of how well the ANS is fulfilling its mandate. For example, another competent federal agency could be tasked to try to penetrate the computer security of the ANS.

Concerns have been raised about possible bad effects of ANS on DOE science. Indeed, one of the strengths of the DOE weapons laboratories has been the strong basic science done there and the close ties their scientists maintain to other DOE laboratories and to the rest of the scientific world. This has paid important dividends to our country and we do not want to lose these benefits in a restructuring of DOE. One of the benchmarks on which the Nuclear Steward will be judged

should be the health of science in the Weapons Laboratories.

To help maintain ties of the laboratories to the entire scientific world, visits by foreign scientists to the weapons laboratories should continue, but we should redouble our efforts to be sure such visits do not result in the loss of classified information. Those of you who have visited weapons laboratories realize that non-classified scientific work is often done "outside the fence" where security issues are less urgent. The Steward should ensure that there is a graded system of visitor controls. It would be silly to follow the same procedures for a scientist coming to talk to colleagues about human genome sequencing as for one who may be interested in weapons-related topics. Visitor controls should be very stringent in the latter case, but relatively light in the former.

I do not think that the ANS need hinder the support by other parts of DOE, or by outside agencies, of science at the Weapons Laboratories. As a former Director of Office of Energy Research, I saw, at very close quarters, how work was funded by my office at the Weapons Laboratories, and how other federal agencies—for example, the National Institutes of Health, or DARPA—arranged to have work done. The creation of an ANS within DOE might actually help the interactions between the Science Laboratories and the Weapons Laboratories if it leads to better management within the ANS.

Mr. DOMENICI. I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. KERREY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERREY. Madam President, this bill doesn't normally get a lot of attention, but because of the concern over the loss of secrets through our laboratories at the DOE, we are going to have a debate about an amendment to restructure the Department of Energy.

I want to make a point that I made earlier, which is that secrecy and security are not the same thing. Sometimes secrecy equals security. Sometimes secrecy can make security more difficult, harder for us to accomplish the mission of keeping the United States of America as secure as we possibly can.

I am not going to offer an amendment to this bill, because it has been defeated pretty soundly in the past—although I must say I am tempted to do so—to disclose to the American people how much is spent on intelligence gathering. Right now, under law, we cannot do that. I want to call my colleagues' attention to what is happening. Our first vote is on cloture. I think cloture will be invoked pretty easily. Our leader is not going to hold anybody up from voting for cloture. Maybe we can go right to the bill.

Listening to Senators DOMENICI and LEVIN earlier, I think they may be able to solve their differences. The vote may end up being unanimous, which is my wish. I hope we can continue to

move closer together on that piece of legislation, an important piece of legislation on which Senator DOMENICI and others have been working.

I want to call my colleagues' attention to what we do every year basically, and that is, the authorization of appropriations for the intelligence bill is very small, as a consequence of not being able to disclose to the American people what is in the bill. The House bill contains six titles. The Senate bill, which will be offered as a substitute for the House bill, also contains six titles. The first two titles are identical. Titles I and II in the House bills are identical. Then there are general provisions, and then each bill has additional things in there.

But you can see the problem we have getting public support for intelligence collection. That is one step in the process of intelligence. We collect with imaging efforts, we collect with signals intercepts, we collect with human intelligence, and we have measurement intelligence. We have all sorts of various what are called INTs that are used to gather raw data.

Then somebody has to take that data and analyze it. What does it mean? What does this data mean? What is the interpretation of it? Oftentimes secrecy can be a problem because one compartment may not be talking to another.

This administration and others have worked to try to bring various people together so there is more consultation than there has been in the past. But oftentimes decisions have to be made very quickly. Sometimes interpretations of public information are made, and an adjustment is made.

Let me be very specific. About 80 percent, in my view, of the decisions that most elected people make in Congress having to do with national security are made as a result of something they acquired in a nonclassified fashion in a TV report, in a radio report, in a newspaper report, or a published document. Staff analyze it and come and say: This is what we think is going on—about 80 percent of the information that we process.

I would say that would probably be on the low side. It may be even higher than that. Indeed, the President may be in a similar situation. He may be making a decision on a very high percentage of publicly accessible information as opposed to classified information.

That is quite the trend. The trend is both healthy and at times disturbing because more and more information is being made available to the public that was not available in the past. The good news is citizens have more information. They process that information. We have a lot of independent analysts out there.

In a couple of years, when metering satellite photographs are available, we

are going to see competing analyses being done over images. This is what I see when I take that photograph.

I say this because I think it is true that it is very difficult, for any length of time for the Congress and the President to do something the public doesn't support, especially when it comes to spending their money.

In this case, I just hazard a guess. I never polled on this. But certainly I take a lot of anecdotal stories on board from citizens who question whether or not they are getting their money's worth. Is all the money we are spending worthwhile when we aren't able to tell where the Chinese Embassy is in Belgrade? A \$2 map would have told us where it was. When we were unable to forecast a class of facility, when we were unable to foresee that India was going to test a nuclear weapon following an election, during which the party that was successful campaigned, and their platform said, if we are elected and we come to power, we are going to test a nuclear weapon? Many failures, in short, are out in the public, and the public acquires the information. I think it has caused them to lose confidence that they are getting their money's worth.

It is a real crisis for us. It is a real challenge for us because, again, if you look at the document we will be voting on sometime in the next couple of days—usually this thing goes through very quickly and we don't have much time to consider it. In an odd way, I thank the Senator from New Mexico for bringing so much attention to the Department of Energy's need for restructuring because it has given us some time to pause and look at this piece of legislation.

As I said, the two most important titles, the ones you will see in almost every intelligence authorization bill, is title I and title II. Title I has five sections. It authorizes appropriations. It gives us classified schedule authorization, personnel ceiling adjustment authorization, community management account authorization, and emergency supplemental appropriations. That is in the House bill. The Senate bill has four titles. It is quite revealing when you go into title I.

Again, normally, if this is a Department of Defense authorization, each one of these titles would provide the detailed and specific number of how much is being spent, all the way down to the very small individual accounts that would be disclosed to the public. There would be a great debate going on. The committee report comes out. The budget comes out. The bill is reported by the Armed Services Committee. Editorials are written. Journalists and specialists say we are spending too little; we are spending too much; we need to build this weapons system, and so forth. A great public debate then ensues when the committee brings

the bill up and reports it out for full consideration by the Senate.

I think that debate is healthy. The public participates and helps us decide what it is we ought not be doing. Sometimes we still put things in we shouldn't and some things we should. We still make mistakes. That public debate helps us.

Under this authorization, what you see in section 101 is the following: The funds are hereby authorized to be appropriated for fiscal year 2000 for the conduct of intelligence and intelligence-related activities of the following elements of the U.S. Government: the CIA, the Department of Defense, the Defense Intelligence Agency, the National Security Agency, the Department of the Army, the Department of the Navy, the Department of Air Force, the Department of State, the Department of Treasury, the Department of Energy, the Federal Bureau of Investigation, the National Conference Office, and the National Imagery and Mapping Agency—11 different Government agencies are named but no dollar figure is included. The only dollar figure in this entire budget comes in section 104 where the public learns we are authorizing \$171 million to be appropriated for the Community Management Act of the Director of Central Intelligence. We have that piece of information.

Later in the bill that we will be voting on, we learn \$27 million is available for the National Drug Intelligence Center. Then later, a third time we get another number. We learn \$209.1 million is authorized to be appropriated to the Central Intelligence Agency's retirement and disability fund for fiscal year 2000.

That is all the public learns. That is all the public knows. The public does not know how much we spend in each one of these agencies, nor how much the committee is recommending in this authorization bill, nor the total amount of dollars being spent.

We have had debates about this before. There are good arguments usually filed against it: This is going to deteriorate our national security; we need to maintain, in short, a secret in order to preserve national security.

I have reached the opposite conclusion, that this is a situation where the preservation of a secret deteriorates our national security as a consequence, first of all, of not having a public debate about whether this is the right allocation but, most importantly, as a consequence of deteriorating citizens' confidence that we are authorizing and appropriating the correct amount.

In short, keeping this secret from the American people has caused difficulty in retaining their consensus that we ought to be spending an amount of money they do not know in order to collect, analyze, produce, and disseminate intelligence. I think that is a problem for us.

Again, I have not done any polling on this, so I don't know. I typically don't poll before I make a decision, to the consternation of my staff and supporters. But my guess is, just from anecdotes, there is a deterioration of confidence.

It bothers me because my term on the Intelligence Committee—thanks to the original appointment by our former Democratic leader, George Mitchell, from the great State of Maine, and also Leader DASCHLE's confidence in retaining me on this committee—over time my confidence has increased.

Indeed, the argument in my opening statement about this bill is that we have drawn down intelligence investments in the 1990s as we have drawn down our military from roughly 2 million men and women under active duty uniform to 1.35 million. We have also drawn down our intelligence efforts to a point where I don't believe we can do all of the things that need to be done either today or in the future.

As I said, I have to collect intelligence. I have to analyze the information. I have skilled people who can analyze it. These images delivered from space very often mean nothing to me when I look at them. It requires somebody who is not only skilled but can process it in a hurry and can make something of it in a hurry.

In the situation with India, where we had difficulty warning the President that a test might occur, again, according to published accounts, the Indians were aware that we, first, were able to identify a year earlier they were about to test, and we warned them not to test, as a result of overhead imaging. And they took evasive measures in the future.

These are very difficult things to tell. You have to hire skilled people to do it. That is the analysis. The next piece is the production. It is getting very exciting but also very complicated. There is a lot of competition with the private sector to do this production work.

Back in the ice age when I was on the U.S. Navy SEAL team, we were given a map if we were going to do an operation in an area in Vietnam. We would look at a map and say: This is the area we will operate in. The map might be 10 years old. Then we would supplement that with human intelligence. Somebody would say: There are some changes here that aren't quite the same as the map.

Today an image is used. It is enhanced. It is remarkable how quickly we can deliver very accurate pictures of theaters of operation to the warfighter to disseminate differently, produced in a much different way, and enable that warfighter to have a competitive edge on the battlefield.

Indeed, anybody who is thinking about becoming an enemy of the United States of America knows we

have tremendous capability on the intelligence side. We get warnings, and those warnings are delivered when threats begin to build. Oftentimes a mere warning enables the heading off of a potential threat that could have erupted into a serious conflict and would have resulted in a loss of lives.

The effort to collect, analyze, produce, and disseminate to the right person at the right time, and to make a decision, is not only complicated, but it is also quite expensive. It is not done accidentally.

I hope this year is a watershed year and we are able to authorize additional resources for our intelligence agencies. If we don't, at some point we will have a Director of Central Intelligence in the future deliver the bad news to Congress that there is something we want to do but we can't because we cannot accomplish the mission we want to accomplish—not just because of resources but also because it is getting harder and harder to do things we have in the past taken for granted, such as intercept signals, conversations, or communications of some kind between one bad person and another bad person with hostile intent against the United States.

Increasingly, we are seeing a shift in two big ways away from nation states. In the old days, we could pass sanctions legislation or do something against a government that was doing something we didn't like. What do we do if Osama bin Laden starts killing Americans or narcoterrorists or cyberterrorists say they hate the United States of America and are going to take action against us? It is very difficult—indeed, it is impossible—for diplomacy to reduce that threat. We need to intercept and try to prevent it and, very often, try to prevent it with a forceful intervention.

Not only is it shifting away from the nation state, making it harder both to collect and to do the other work—the analysis, the processing and dissemination, or production of dissemination—the signals are becoming more complex and difficult to process, and they are becoming more and more encrypted.

I have had conversations with the private sector, people in the software business, who say we have to change this export regimen that makes it difficult for these companies to sell encryption overseas. This administration has made tremendous accommodation within the industry to try to accommodate their need to sell to companies that are doing business all over the world.

Don't doubt there is a national security issue here. There is significant interception, both on the national security side and the law enforcement side. That encryption at 128 bits or higher is actually deployed. We will find our people in the intelligence side coming back and saying: Look, I know

something bad happened, and do you want to know why I didn't know? I will tell you why I didn't know. I couldn't make sense of the signal. We intercept, and all we get is a buzz and background noise. We cannot interpret it. We can't convert it.

In the old days, we converted with a linguist or some other technological application. In the new world, we are being increasingly denied access to the signals. As described by the technical advisory group that was established on the Intelligence Committee, it was described as number of needles in the haystack but the haystack is getting larger and larger and harder, as a result, for the intelligence people to do the work they need to do.

The chairman is moving to the floor. I know he will make a brilliant and articulate statement.

Earlier, the Senator from New Mexico offered a statement on his amendment that he hopes to offer tomorrow. Senator LEVIN was here as well. I believe there is reason to be encouraged that we will move this bill quickly tomorrow, and reasonably encouraged, as well, that the differences which still exist on this bill can be resolved, and we can get a big bipartisan vote and move this on to conference.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SHELBY. Madam President, I have been listening in my office, before I came to the floor, to Senator KERREY's comments. While we don't agree on everything, we agree on most things working on the Intelligence Committee.

I want to say this about the distinguished Senator from Nebraska who is the vice chairman of the committee. We have tried to work together on very tough issues in the Intelligence Committee and tried to bring them to the floor of the Senate together—not separately. I think it says a lot when we can do this. I certainly have a lot of respect for the Senator from Nebraska and enjoy working with him. One thing about him, he is candid, and that goes a long way on anything.

I think we have to devote our time and our effort in the Intelligence Committee and in the Senate to what works, what works best on basic intelligence gathering, as well as counterintelligence, where there is a shortfall.

In that spirit, Madam President, I rise in support of the motion to proceed to consideration of H.R. 1555, the Intelligence Authorization Act of Fiscal Year 2000.

As chairman of the Senate Select Committee on Intelligence, I am deeply disappointed that certain Members of the minority have decided to oppose this motion. I hope it will be short lived. The intelligence bill, I believe, is a balanced, thoroughly bipartisan piece of legislation that is critical to our national security.

Some Senators are objecting to the Kyl-Domenici-Murkowski amendment to restructure the Department of Energy, not the underlying bill. I am a cosponsor of that amendment, as is the distinguished vice chairman of the Intelligence Committee, Senator KERREY.

Basically, this is essentially the same proposal that prompted a filibuster threat when it first was offered to the Defense authorization bill back before the Memorial Day recess. At that time, the argument was, "it's too soon, it's premature, there haven't been any hearings yet."

Whatever the merit of those arguments at the time, I believe, they are wholly without merit today. The Intelligence Committee has held two open hearings on the Kyl amendment and DOE security and counterintelligence issues, including a joint hearing with the Energy, Armed Services, and Government Affairs Committees that more than 60 Senators had the opportunity to attend. The Intelligence Committee also held a detailed, closed briefing on the report of the President's Foreign Intelligence Advisory Board, also known as the Rudman report.

We heard testimony from Secretary of Energy Richardson twice, from Senator Rudman twice, and from the sponsors of this amendment.

I also should point out that, long before the current controversy, the Senate Intelligence Committee, on a bipartisan basis, identified problems in DOE's counterintelligence program and took steps to address those weaknesses. Most importantly, it sought to energize the Department of Energy to allocate the necessary resources, and take the necessary steps, to eliminate these vulnerabilities.

Since the Kyl et al amendment was first offered, the sponsors have negotiated extensively, and in good faith, with the Department of Energy in order to address the concerns that Secretary Richardson has expressed, without changing the underlying thrust of the amendment, which is to create a semiautonomous agency for nuclear security within the Department of Energy.

Last month, the need for action was dramatically reinforced by the publication of the Rudman report, entitled "Science at its Best; Security at its Worst: A Report on Security Problems at the U.S. Department of Energy"—a report on security problems at the U.S. Department of Energy.

I commend former Senator Rudman and also Dr. Drell, and others, who were so involved in this work.

The Rudman report found among other things, that:

At the birth of DOE, the brilliant scientific breakthroughs of the nuclear weapons laboratories came with a troubling record of security administration. Twenty years later, virtually every one of its original problems

persists. . . . Multiple chains of command and standards of performance negated accountability, resulting in pervasive inefficiency, confusion, and mistrust. . . .

In response to these problems, the Department has been the subject of a nearly unbroken history of dire warnings and attempted but aborted reforms.

Building on the conclusions of the 1997 Institute for Defense Analyses report and the 1999 Chiles Commission, the Rudman panel concluded that:

The Department of Energy is a dysfunctional bureaucracy that has proven it is incapable of reforming itself. . . . Reorganization is clearly warranted to resolve the many specific problems . . . in the weapons laboratories, but also to address the lack of accountability that has become endemic throughout the entire Department.

The panel is convinced that real and lasting security and counterintelligence reform at the weapons labs is simply unworkable within DOE's current structure and culture. . . . To achieve the kind of protection that these sensitive labs must have, they and their functions must have their own autonomous operational structure free of all the other obligations imposed by DOE management.

To provide "deep and lasting structural change that will give the weapons laboratories the accountability, clear lines of authority, and priority they deserve," the Rudman report endorsed two possible solutions:

One was the creation of a wholly independent agency, such as NASA, to perform weapons research and nuclear stockpile management functions; or two, placing weapons research and nuclear stockpile management functions in a "new semiautonomous agency within DOE that has a clear mission, streamlined bureaucracy, and drastically simplified lines of authority and accountability."

The latter option, or the second approach, is the one contained in the Kyl-Domenici-Murkowski amendment. Examples of organizations of this type are the National Security Agency and the Defense Advanced Research Projects Agency, DARPA, within the Defense Department.

The new semi-autonomous agency, the Agency for Nuclear Stewardship, would be a single agency, within the DOE, with responsibility for all activities of our nuclear weapons complex, including the National Laboratories—nuclear weapons, nonproliferation, and disposition of fission materials.

This agency will be led by an Under Secretary. The Under Secretary will be in charge of, and responsible for, all aspects of the agency's work, who will report—and this is very important—who will report directly and solely to the Secretary of Energy, and who will be subject to the supervision and direction of the Secretary of Energy. The Secretary of Energy will have full authority over all activities of this agency. Thus, for the first time—yes, Madam President the first time—this critical function of our national Government will have the clear chain of command that it requires.

As recommended by the Rudman report, the new agency will have its own senior officials responsible for counterintelligence and security matters within the agency. These officials will carry out the counterintelligence and security policies established by the Secretary and will report to the Under Secretary and have direct access to the Secretary. It is very important that this happen. The agency will have a senior official responsible for the analysis and assessment of intelligence within the agency who will also report to the Under Secretary and have direct access to the Secretary.

The Rudman report concluded that purely administrative reorganizational changes are inadequate to the challenge at hand: They say: "To ensure its long-term success, this new agency must be established by statute."

For if the history of attempts to reform DOE underscores one thing, it is the ability of the DOE and the labs to hunker down and outwait and outlast Secretaries and other would-be agents of change—yes, even Presidents.

For example, as documented by Senator Rudman and his colleagues, "even after President Clinton issued Presidential Decision Directive 61 ordering that the Department make fundamental changes in security procedures, compliance by Department bureaucrats was grudging and belated."

At the same time, we in the Senate should recognize that our work will not be done even after this amendment is adopted and enacted into law. As the Rudman report warned, "DOE cannot be fixed by a single legislative act: management must follow mandate. . . . Thus, both Congress and the Executive branch . . . should be prepared to monitor the progress of the Department's reforms for years to come."

It is an indication of how badly the Department of Energy is broken that it took over 100 studies of counterintelligence, security, and management practices—by the FBI and other intelligence agencies, the GAO, the DOE itself, and others, plus one enormous espionage scandal—to create the impetus for change.

I am encouraged by what appears to be some progress toward getting to this bill. I think we all are seeking—and I hope we are—the same thing: A better and more secure Department of Energy. This nation must have no less.

I ask my colleagues: please, do not let the Senate become the lastest obstacle to reform at the Department of Energy.

Stop the delay. Vote for cloture tomorrow morning, and let's get on with the business of the people and make our labs safe for our future and our country.

I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. MURKOWSKI. I thank the Chair. Madam President, I rise in support of the Kyl-Domenici-Murkowski-Kerrey amendment. I will first identify the need for the amendment.

What we found in this issue concerning the Department of Energy is lack of accountability. What this amendment will do, in a nutshell, is to create a single agency in the Department of Energy, an Agency for Nuclear Stewardship, that will undertake all activities of our nuclear weapons laboratories programs, including the nuclear weapons laboratories themselves. It puts one person in charge, and that will be the Under Secretary for Nuclear Stewardship. That is the person in charge of and responsible for all aspects of the new Agency for Nuclear Stewardship. It creates a clear chain of command, a new Under Secretary for Nuclear Stewardship solely and directly reporting to the Secretary of Energy.

Why do we need this? I believe all my colleagues will agree that the Department of Energy, as far as its security arrangements are concerned, is badly broken. To suggest that we should take time to evaluate at greater length when we have in the report of the investigative panel, the President's Foreign Intelligence Advisory Board—a report which I have before me entitled "Science At Its Best, Security At Its Worst."

I am very proud of the role of the laboratories as far as science is concerned, but what we have is a severe breach of our national security.

In summary, the amendment would create a new agency within the Department of Energy called the Agency for Nuclear Stewardship.

The Agency for Nuclear Stewardship would be semiautonomous because it would be responsible for all of its activities. It provides that the Secretary of Energy shall be responsible for all policies of the agency; that the Agency for Nuclear Stewardship, headed by the Under Secretary for Nuclear Stewardship, would be just that, responsible, again, to the Secretary of Energy. The Under Secretary for Nuclear Stewardship shall report solely and directly to the Secretary; and that individual shall be subject to the supervision and direction of the Secretary.

Make no mistake about it, the chain of command is to the Secretary of Energy. The Under Secretary for Nuclear Stewardship will have authority over all programs at the Department of Energy related to nuclear weapons, nonproliferation, and fissile material disposition.

The agency's semiautonomy, as recommended by the Rudman report, is created by making all employees of the agency accountable to the Secretary and Under Secretary of Energy but not

to other officials of the Department of Energy outside the agency.

Specifically, the language reads:

All personnel of the Agency for Nuclear Stewardship, in carrying out any function of the agency, shall be responsible to and subject to the supervision and direction of the Secretary and the Under Secretary for Nuclear Stewardship, or his designee within the agency, and shall not be responsible to or subject to the supervision or direction of any other officer, employee or agent of any other part of the Department of Energy.

The Secretary, however, may direct other officials, other departments who are not within the Agency for Nuclear Stewardship, to review the agency's programs and to make recommendations to the Secretary regarding the administration of such programs, including consistency with other similar programs and activities in the Department.

The Under Secretary for Nuclear Stewardship will have three deputy directors who will manage programs in the following areas:

First, Defense programs; that is, the lab directors and the heads of the production and test sites will report directly to this person; second, the nonproliferation and fissile materials disposition; and third, the naval reactors.

The Under Secretary for Nuclear Stewardship will appoint chiefs of—and they are as follows—first, counterintelligence—this must be a senior FBI executive whose selection must be approved by the Secretary of Energy and the Director of the Federal Bureau of Investigation—second, is security; and third is intelligence.

These three chiefs shall report to the Under Secretary and shall have, statutorily provided, direct access to the Secretary and all other officials of the Department and its contractors concerning these matters. It requires the Under Secretary for Nuclear Stewardship to report annually to the Congress regarding the status and effectiveness of security and counterintelligence programs at the nuclear weapons facilities and laboratories, the adequacy of the Department of Energy procedures and policy for protecting national security information, and whether each DOE National Laboratory and nuclear weapons production test site is in full compliance with all departmental security requirements, and, if not, what measures are being taken to bring the lab into compliance—security violators at the nuclear weapons facilities and laboratories, foreign visitors at the nuclear weapons facilities and laboratories.

In other words, what we have is a complete listing of requirements for the Under Secretary for Nuclear Stewardship to report annually to the Congress. So not only will he report to the Secretary but he will report to the Congress.



It requires the Under Secretary for Nuclear Stewardship to keep the Secretary and the Congress fully and currently informed regarding losses of national security information and requires every employee of the Department of Energy, the National Laboratories, or associated contractors to alert the Under Secretary whenever they believe there is a threat to or a loss of national security information.

In order to address concerns that Department of Energy officials were blocked from notifying Congress of security and counterintelligence breaches, the amendment contains a provision stating that the Under Secretary shall not be required to obtain the approval of any DOE official except the Secretary before delivering these reports to the Congress and, likewise, prohibits any other Department or agency from interfering.

As we look over the history of the debacle associated with the breach of our national security regarding the laboratories, clearly, we have case after case, as we look to the former Secretaries, where there was a lack of an effective transfer of information, transfer of security matters, and just the transfer of everyday activities associated with responsibility and accountability. The system failed.

The system failed because various people did not have access to the Secretary who were in charge of responsible security areas that mandated that they have such access in order to complete the communication within the chain of command.

As a consequence, I support this amendment. We need this amendment to protect the national security. We need it to keep our nuclear weapons secrets from falling into the wrong hands. We have already suffered a major loss of our nuclear weapons secrets.

According to the House Select Committee, the Cox report, the Chinese have stolen design information on all of the United States' most advanced nuclear weapons. This is simply unacceptable.

The question we now face is: Will we lose more national security information if we do not take action? The answer is: Certainly that we stand greater exposure. The problem is the management of the Department of Energy. The problem is lack of accountability and lack of responsibility.

Let me quote from the report of the President's Foreign Intelligence Advisory Board, the Rudman report. Again, I refer to this report, "Science at its Best, Security at its Worst."

Organizational disarray, managerial neglect, and a culture of arrogance—both at DOE headquarters and the labs themselves—conspired to create an espionage scandal waiting to happen.

This is in the report itself.

Further:

The Department of Energy is a dysfunctional bureaucracy that has proven it is incapable of reforming itself.

Right out of this report.

I quote further:

Accountability at the Department of Energy has been spread so thinly and erratically that it is now almost impossible to find.

Right out of the report.

Further:

Never have the members of the Special Investigative Panel witnessed a bureaucratic culture so thoroughly saturated with cynicism and disregard for authority.

Further quote:

Never before has this panel found such a cavalier attitude toward one of the most serious responsibilities in the federal government—control of the design information relating to nuclear weapons.

Further:

Never before has the panel found an agency with the bureaucratic insolence to dispute, delay, and resist implementation of a Presidential directive on security.

If that isn't evidence enough that the security is at its worst, I do not know what other points to make. To date, the only DOE people who have been removed from their jobs as a consequence of the question of who is accountable are: Wen Ho Lee, who is alleged to have engaged in espionage at Los Alamos, is yet to be even charged with anything—not everyone a security violation; a gentleman by the name of Notra Trulock, the person who uncovered the alleged espionage and pushed perhaps too hard to stop it—which I might add, the Department of Energy felt a little uncomfortable with. He was shuffled off to a sideline position in the Department of Energy because he was too aggressive in bringing this matter to light. A gentleman by the name of Vic Reis, Assistant Secretary of the Department of Energy for Defense Programs, has, I understand, resigned because he disagrees with the officials down there and happens to support the pending amendment, the Kyl-Domenici-Murkowski amendment.

Not a single high-level bureaucrat at the Department of Energy, the FBI, or the Justice Department has been removed, demoted, or disciplined over this massive failure. One has to wonder with all the talent associated with these agencies who bears the responsibility for failure in this case?

The questions we must answer are certainly clear: How long are we willing to put up with this? Do we want to continue with the status quo? Our proposal is pending the cloture vote tomorrow. Those that are in opposition—who feel perhaps a bit uncomfortable with this—do they have a proposal to fix it? Clearly, they don't. We want to fix the problem.

For reasons that I fail to understand, the administration is very reluctant to address this problem with a strong proposal for identifying accountability in

the Department of Energy. Unfortunately, Secretary Richardson is opposed to our amendment as it stands. When it came up the last time on the defense bill, Secretary Richardson sent two letters threatening a veto by the President. Why doesn't the administration want to do anything significant to correct this problem? They seem to be willing only to rearrange the deck chairs, so to speak. They seem to be willing to make changes, but only those that ultimately result in the status quo.

We want to steer the ship in a different direction so that it won't hit another iceberg. This Nation should not have to suffer from another massive loss of our most sensitive nuclear weapons secrets. The President's own intelligence advisory board agrees with our legislative solution. That is what the Rudman report said.

Our amendment is patterned after the Rudman report. Let me again quote from this report:

The panel is convinced that real and lasting security and counterintelligence reform at the weapons labs is simply unworkable within the Department of Energy's current structure and culture. Further, to achieve the kind of protection that these sensitive labs must have, they and their functions must have their own autonomous operational structure, free of all of the other obligations imposed by the Department of Energy management.

Well, today we have a situation where everybody is pointing the finger at everybody else. No one wants to take the responsibility. No one wants to be held accountable.

Fundamentally, the issue is how to create accountability and responsibility at the Department of Energy. I encourage my colleagues to examine our amendment because that is just what it does. It creates accountability. It creates responsibility. No longer can we have a situation such as we have seen within the Department, where it is impossible to determine who bears the responsibility for the Wen Ho Lee breach of security. It creates accountability and responsibility by establishing a new Agency for Nuclear Stewardship inside of the Department of Energy to be headed up by a new Under Secretary of Energy.

This new agency is now made responsible for all aspects of our nuclear weapons programs, including the previously loosely-managed laboratories. If there is a problem in the future, we will know who to point the finger at, who to hold responsible, a single agency with a single person heading it and in charge of all aspects of nuclear weapons programs. Our amendment also requires the new Under Secretary to report to the FBI and Congress all threats to our national security. No longer will we be kept in the dark, having to pretty much depend on the New York Times to find out what is going on.

The Secretary of Energy is uncomfortable with this reorganization. Evidently, his idea is to rely on the same old management team, everyone in charge but no one responsible, no clear identifiable accountability.

In conclusion, let me quote the testimony of Mr. Vic Reis. This came up late last week. Mr. Reis is the Assistant Secretary of Energy for Defense Programs. He testified before the Energy Committee last week.

I might add, Mr. Reis' responsibility in the line of command is that the lab directors report directly to Mr. Reis.

Mr. Reis said:

You may recall at previous hearings, Mr. Chairman, you noticed me in the audience and you asked for my opinion as to who or what was to blame for the security issues at the national laboratories. I responded that I didn't think you would find any one individual but that there were organizational structures of the Department of Energy that were so flawed that security lapses are almost inevitable.

Now, this is the gentleman to whom heads of the labs report. He says that you can't find any individual to blame. The organizational structure was so flawed that security lapses were inevitable.

Then Mr. Reis went on to say:

The root cause of the difficulties at the Department of Energy is simply that the Department of Energy has too many disparate missions to be managed effectively as a cohesive organization. The price of gasoline, refrigerant standards, Quarks, nuclear clean-up and nuclear weapons just don't come together naturally. Because of all this multi-layered crosscutting, there is no one accountable for the operation of any part of the organization except the Secretary, and no Secretary has the time to lead the whole thing effectively. By setting up a semi-autonomous agency, many of these problems will go away.

Madam President, in short, if you want espionage to continue at the laboratories and maintain the environment where it can occur, then stick with the present system. But if you, like me, want to stop this atmosphere where espionage can flourish, I think you should vote for the motion and invoke cloture for the amendment.

What we have here is a situation where I think it is appropriate that we identify where the differences are between the Secretary, Senator KYL, Senator DOMENICI, Senator KERREY, and Senator MURKOWSKI and in our amendment. What we do is we create a single semiautonomous agency, as I have indicated, that reports directly to the Secretary of Energy. The new Under Secretary for Nuclear Stewardship will be responsible for both setting policy and implementation of policy, subject to the overall supervision and direct control of the Secretary of Energy.

I want to make that clear: Subject to the overall supervision and direct control of the Secretary of Energy.

Evidently, that is not what the Secretary wants. The Secretary is willing

to allow the new Under Secretary for Nuclear Stewardship to implement policy but not set policy. There is a big difference, implementing and setting. More significantly, the Secretary wants to allow any part of the Department of Energy to set the policies that the new Under Secretary would have to follow. So somebody else is setting it.

The Secretary's proposal would violate our fundamental concept; that is, clear and identifiable lines of authority and responsibility—in other words, a direct chain of command. We have been discussing our differences, but so far we seem to be unable to resolve them.

There is one other thing I will mention that was said the other day that relates to this matter under discussion. Two current nuclear weapons lab directors and one former lab director said at a hearing that while they could report their problems and issues to Mr. Reis, who is their supervisor, that Mr. Reis has no clear line of authority to pass those up through the chain of command to the Secretary.

So here we have it. This substantiates the justification for our amendment. Here is the gentleman who is responsible to have the input from the lab directors report to him, the three labs, Livermore, Sandia, Los Alamos.

But the gentleman in charge, Mr. Reis, under the current structure and chain of command within the Department of Energy, has no clear line of authority to pass those recommendations, those matters, up through the chain of command to the Secretary. So here you have the person that is responsible to get the information from the lab directors, but there is no provision, no requirement, no line of command up to the Secretary so that policy matters can be addressed. That one observation with these three lab directors illustrates the problem we are trying to fix with this legislation.

As it stands today, there is no chain or lines of authority and responsibility. Right now, everybody is in charge, but nobody is responsible. I guess it is fair to say there are several missing links, if you will, in the DOE chain of command and authority. The purpose of the amendment is to fix that problem.

I often think back to military concept and a ship at sea. Someone is in charge of the CON—in other words, the ship is under the direction of the officer in charge, and he has the CON. There is no question of where the responsibility sets. If he is relieved, the command of the ship is taken over and that person accepts the responsibility. In the DOE, we don't have those clear lines of authority, and that is the justification for the amendment pending before this body today.

Is this thing broke to the point where it mandates that the Senate take action? I think it is fair to say that the answer is clearly yes. The ineptness, the bungling, the pure mismanagement

at all levels are things that have occurred within this agency. The Department of Energy never took the most basic precautions to guard against the theft of the nuclear secrets. The FBI conducted feeble investigations. The Department of Justice, led by Attorney General Reno, virtually ignored requests for warrants to search Wen Ho Lee's computers. What we have here are the results of one of the worst cases in the history of this Nation of our national security being jeopardized.

I have held about 9 hearings as chairman of the Energy and Natural Resources Committee on these matters, and three important discoveries were made by my committee. First, the Department of Energy and the FBI bungled the computer waiver issue. I have a chart here. The lab directors, the attorneys, and directors of counterintelligence all agree that the DOE had the authority to search Lee's computer because he signed a waiver. Well, this is the waiver. This is a copy of the waiver that actually Wen Ho Lee signed, dated April 19, 1995:

Warning: To protect the LAN system from unauthorized use and to ensure that the systems are functioning properly, activities on these systems are monitored and recorded and subject to audit. Use of these systems is expressed consent to such monitoring and recording. Any unauthorized access or use of this LAN is prohibited and could be subject to criminal and civil penalties.

Here is the part Wen Ho Lee signed:

I understand and agree to follow these rules in my use of the ENCHANTED LAN. I assume full responsibility for the security of my workstation. I understand that violations may be reported to my supervisor or FSS-14, that I may be denied access to the LAN, and that I may receive a security infraction for a violation of these rules.

Now, the issue here is that the FBI claimed that the Department of Energy told him there was no waiver; no such waiver existed. The FBI wrongly assumed, then, that they needed a warrant to search. What is the result of this inept communication? Well, Lee's computer could have been searched, but instead was not searched for some three years. When the computer was finally searched, they discovered evidence that Wen Ho Lee had downloaded legacy codes to an unclassified computer.

The fundamental problem is that nobody was looking at the big picture. Surely, protecting nuclear secrets and national security outweighs the feeble attempts that were made to get a possible conviction.

What we have here is, one, the Department of Energy did not know that Wen Ho Lee had signed a waiver. They could not find it in his personnel file because the file had been mislaid. Had they known that, as I indicated earlier, they could have monitored his computer. Instead, the FBI said, no, they were doing an investigation, and since

they didn't have a waiver, his computer was not monitored by the Department of Energy. Yet, they found later that the waiver existed, as evidenced by the poster I just showed in evidence.

The FBI and the Department of Justice next bungled the counterintelligence warrant or the FISA, as evidenced by chart 2. The FBI, not once or twice, but three times requested warrants from the DOE. This is chart 2. This is the FISA report. Department of Energy, FBI, Department of Justice, and the FISA warrant, approved or rejected. Notra Trulock briefs the FBI. An FBI request was made by John Lewis, then assistant director of the FBI National Security Division. An FBI request was made to Gerald Schroeder, Acting Director, Office of Intelligence Policy and Review. It was rejected. Here is the rejection. Here is the sequence of events. The first time we had the sequence of the DOE, FBI, and Department of Justice proceeding to authorize the FISA warrant to investigate the alleged counterintelligence and espionage charges alleged against Wen Ho Lee.

The second time, Notra Trulock and others continued to prod FBI's investigation of Wen Ho Lee. FBI request made to John Lewis, then Assistant Director of the FBI National Security Division. FBI request made to Gerald Schroeder. Again, it was rejected. The second time it was rejected by the Department of Justice.

Now, then the last time, Mr. Lewis, who is up there in the hierarchy, Assistant Director of the FBI, National Security Division, feels so frustrated that he makes a personal plea to Attorney General Janet Reno. Again, Notra Trulock and others continue to prod the FBI. John Lewis makes a personal request to the Attorney General because he feels so strongly that there is justification to authorize this investigation. But the personal appeal falls on deaf ears.

Why was it rejected? What happened? We don't know. Nothing happened. But we do know that the Attorney General ignored two pleas for help. Notra Trulock, then DOE Director of Intelligence, personally briefed Janet Reno in "great detail" about the Lee case in August of 1997. John Lewis, FBI Director of Intelligence, also indicated he personally pled to Janet Reno to approve the FBI's request for a warrant to search Lee in August of 1997.

Why did Attorney General Janet Reno ignore pleas from two top national security advisers? We don't know. We don't know because there is a great reluctance to provide the committees of jurisdiction with that information.

I am personally disappointed in the FBI and the Department of Justice's refusal to testify publicly. Probably 90 percent of what has been found in

closed sessions is not really classified, in my opinion.

What we are looking for here is accountability. We in the Energy and Natural Resources Committee intend to continue to identify those persons whose inaction has led to one of the most potentially catastrophic losses in our national security history. Now we have a situation where they seem to want to hide behind the smokescreen of "national security" or to finger-point and say it is not our responsibility. That is simply an unconscionable set of circumstances.

Finally, as we address a couple of other points that may come up in the debate which I think deserve consideration, why create one semiautonomous agency within the Department of Energy? We are creating a hybrid that has no other identifiable comparison. Let me put that myth to rest. There are other semiautonomous agencies that function extremely well. That is what we are proposing with the amendment which has been laid down.

Let's look at three of those semiautonomous agencies.

DARPA, the Defense Advanced Research Project Agency, is a separate agency within the Department of Defense under a director appointed by the Secretary of Defense. It works.

NOAA, the National Oceanic and Atmospheric Administration, is the largest bureau within the Department of Commerce. It is a semiautonomous agency. It works.

NSA, the National Security Agency, was established by Presidential directive as a separate department organized as an agency within the Department of Defense. It was structured in that manner and form because it was necessary that there be accountability and responsibility within the National Security Agency. It is a semiautonomous agency.

I encourage my colleagues as we proceed to vote tomorrow—my understanding is that we are going to have one hour of debate equally divided on the cloture motion on the amendment—to recognize that the time to address this is now, that the responsibility clearly is within this body, and that the amendment we offered identifies the one thing that was lacking as we look at how this set of security breaches could have occurred, and that is, it addresses accountability and responsibility.

For those who feel uncomfortable, I encourage them to recognize that they have a responsibility of coming up with something that will work. We think that the amendment pending, the Kyl-Domenici-Murkowski-Kerrey amendment—I understand that Senators THOMPSON, SPECTER, GREGG, HUTCHINSON, SHELBY, WARNER, BUNNING, HELMS, FITZGERALD, LOTT, KERRY, FEINSTEIN, and BOB SMITH are a few of the other Members of the Senate who are cosponsoring this amendment.

It is a responsible amendment. Let's get on with the job. Let's put this issue in the restructured form that provides for accountability and responsibility, and move on. The American people and the taxpayers certainly deserve prompt action by this body. We have that obligation. The time is on the vote tomorrow.

I urge my colleagues to support the amendment.

I see no other Senator wishing time. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. MURKOWSKI. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### TRIBUTE TO COACH DAVEY WHITNEY, ALCORN STATE UNIVERSITY

Mr. LOTT. Mr. President, today I honor a Mississippian who made numerous contributions to Alcorn State University, to countless young student athletes and to the community. Coach Davey L. Whitney, Head Coach of the Men's Basketball team at Alcorn State University, has served as a leader at this educational institution, a professor of championship athletics and a mentor for many of his players.

Nearly 30 years ago, Coach Whitney first arrived on the Lorman, Mississippi, campus. From the beginning, Davey's tenure at Alcorn was destined for greatness. Within ten years, the Alcorn State Men's Basketball team went from little notoriety to groundbreaking achievement. His list of accomplishments is exemplary. His determination is heroic.

He was the first coach to lead an historically black college team to wins in both NCAA and NIT tournaments. His teams also won nine Southwestern Athletic Conference titles. In 1979, Alcorn accomplished something that no previous historically black college had done—winning a National Invitational Tournament game—when they defeated Mississippi State University.

Coach Whitney has been a mentor to many young men. Many of his players have become successful businessmen. Several of his players even had successful professional athletic careers in the National Basketball Association. Larry Smith, who was drafted by the Golden State Warriors, is now an assistant coach with the Houston Rockets. He is reproducing Coach Whitney's approach of discipline coupled with a warm personal devotion for the players.

Coach Whitney's career has not been one without trials. In 1989 he was fired after losing three successive seasons. Still Coach Whitney stayed involved in basketball by coaching in the Continental Basketball Association and the United States Basketball League.

Coach Whitney also remained close to Alcorn State for the next eight years, while the Braves struggled and in 1997 Alcorn asked him to return. After much thought, Coach Whitney returned to the Alcorn State University Family as head coach. Within two years, he took the struggling Braves to the 1999 Southwestern Athletic Conference Regular Season Championship where they not only won, they triumphed. This tournament championship earned the Braves a berth in the NCAA Tournament. This marked the first time since the 1986 season that the Braves have won the Southwestern Athletic Conference regular season title. This was also the first time since 1984 that the Braves have won the tournament title and appeared in the NCAA tournament.

Coach Whitney's 442 wins in 28 years—with 10 regular season titles, four consecutive titles between 1978-82, twelve post season tourneys and five NAIA district titles—earned him nine Southwestern Athletic Conference Coach of the Year honors. It is a fitting tribute to Coach Whitney's accomplishments that he coaches in the complex named after him. Various groups have recognized Coach Whitney for his renowned success. USA Today's Reporter Jack Carey wrote, "At Alcorn State Coach Davey Whitney is proving not only that you can go home again, but you also can be darned successful once you get there." Whitney is surely a man worthy of recognition.

Coach Whitney is not only a successful coach but an accomplished family man. He and his wife of more than 40 years have reared a fine family of four daughters and one son, all of whom attended Alcorn State University. He is a member of the National Association of Coaches, the Mississippi Association of Coaches, the National Black Association of Coaches, and Alpha Phi Alpha Fraternity, Inc., just to name a few.

Mr. President, it is a great honor to pay tribute to Coach Davey L. Whitney for his athletic accomplishments and his dedication to the students of Alcorn State University. His efforts are both uplifting and encouraging. I ask my colleagues to join me in wishing Davey Whitney many more years of success.

#### BUDGET SCOREKEEPING REPORT

Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under Section 308(b) and in aid of Section 311 of the Congressional Budget Act of 1974, as amended. The report meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the First Concurrent Resolution on the Budget of 1986.

This report shows the effects of congressional action on the budget

through July 14, 1999. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of S. Res. 209, a resolution to provide budget levels in the Senate for purposes of fiscal year 1999, as amended by S. Res. 312. The budget levels have also been revised to include adjustments made on May 19, 1999, to reflect the amounts provided and designated as emergency requirements. The estimates show that current level spending is above the budget resolution by \$0.4 billion in budget authority and above the budget resolution \$0.2 billion in outlays. Current level is \$0.2 billion above the revenue floor in 1999. The current estimate of the deficit for purposes of calculating the maximum deficit amount is \$56.1 billion, \$0.1 billion above the maximum deficit amount of 1999 of \$56.0 billion.

Since my last report, dated June 21, 1999, the Congress has taken no action that changed the current level of budget authority, outlays, and revenues.

I ask unanimous consent to have a letter accompanying the report and the budget scorekeeping report printed in the RECORD.

There being no objection, the letter and report were ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
Washington, DC, July 15, 1999.

Hon. PETE V. DOMENICI,  
Chairman, Committee on the Budget,  
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The enclosed report shows the effects of Congressional action on the 1999 budget and is current through July 14, 1999. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of S. Res. 209, a resolution to provide budget levels in the Senate for purposes of fiscal year 1999, as amended by S. Res. 312. This report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended.

Since my last report, dated June 17, 1999, the Congress has taken no action that changed the current level of budget authority, outlays, and revenues.

Sincerely,

BARRY B. ANDERSON  
(For Dan L. Crippen, Director).

Enclosures.

TABLE 1.—FISCAL YEAR 1999 SENATE CURRENT LEVEL REPORT, AS OF CLOSE OF BUSINESS, JULY 14, 1999  
(In billions of dollars)

	Budget resolution S. Res. 312 (Adjusted)	Current level	Current level over/under resolution
<b>ON-BUDGET</b>			
Budget Authority .....	1,465.3	1,465.7	0.4
Outlays .....	1,414.9	1,415.2	0.2
Revenues:			
1999 .....	1,358.9	1,359.1	0.2
1999-2003 .....	7,187.0	7,187.7	0.7
Deficit .....	56.0	56.1	0.1
Debt Subject to Limit .....	( <sup>1</sup> )	5,536.1	( <sup>2</sup> )
<b>OFF-BUDGET</b>			
Social Security Outlays:			
1999 .....	321.3	321.3	0.0
1999-2003 .....	1,720.7	1,720.7	0.0
Social Security Revenues:			
1999 .....	441.7	441.7	( <sup>3</sup> )

TABLE 1.—FISCAL YEAR 1999 SENATE CURRENT LEVEL REPORT, AS OF CLOSE OF BUSINESS, JULY 14, 1999—Continued

(In billions of dollars)			
	Budget resolution S. Res. 312 (Adjusted)	Current level	Current level over/under resolution
1999-2003 .....	2,395.6	2,395.5	-0.1

<sup>1</sup> Not included in S. Res. 312.

<sup>2</sup> =not applicable.

<sup>3</sup> Less than \$50 million.

Note.—Current level numbers are the estimated revenue and direct spending effects of all legislation that the Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest information from the U.S. Treasury.

Source: Congressional Budget Office.

TABLE 2.—SUPPORTING DETAIL FOR THE FISCAL YEAR 1999 ON-BUDGET SENATE CURRENT LEVEL REPORT, AS OF CLOSE OF BUSINESS, JULY 14, 1999  
(In millions of dollars)

	Budget authority	Outlays	Revenues
<b>ENACTED IN PREVIOUS SESSIONS</b>			
Revenues .....			1,359,099
Permanents and other spending legislation .....	919,197	880,664	
Appropriation legislation .....	820,578	813,987	
Offsetting receipts .....	-296,825	-296,825	
Total previously enacted .....	1,442,950	1,397,826	1,359,099
<b>ENACTED THIS SESSION</b>			
1999 Emergency Supplemental Appropriations Act (P.L. 106-31) .....	11,348	3,677	
1999 Miscellaneous Trade and Technical Corrections Act (P.L. 106-36) .....			5
<b>ENTITLEMENTS AND MANDATORIES</b>			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted .....	11,393	13,661	
<b>TOTALS</b>			
Total Current Level .....	1,465,691	1,415,164	1,359,104
Total Budget Resolution .....	1,465,294	1,414,916	1,358,919
Amount remaining:			
Under Budget Resolution .....			
Over Budget Resolution .....	397	248	185

Note.—Estimates include the following in emergency funding: \$34,226 million in budget authority and \$16,802 million in outlays.

Source: Congressional Budget Office.

#### PRESIDENT CLINTON'S EXECUTIVE ORDER TO INCREASE ENERGY EFFICIENCY IN THE FEDERAL GOVERNMENT

Mr. KERRY. Mr. President, I would like to speak for just few minutes today in support of President Clinton's Executive Order of June 3, 1999, which ordered the Federal Government to undertake a comprehensive program to save energy, save money and cut pollution.

The Federal Government is the nation's largest consumer of energy, purchasing energy to light, heat and cool more than 500,000 buildings and power millions of vehicles. Each year the Federal Government purchases more than \$200 billion worth of products, including enormous quantities of energy-intensive goods. Current efficiency programs already save more than \$1 billion a year according to an estimate in

the Wall Street Journal of July 15, 1999. In addition, the government's vast purchases give it significant market influence to impact the development, manufacture and use of clean energy technologies.

This Executive Order sets worthwhile—and unfortunately too long overlooked—goals, including the reduction of greenhouse gas emissions, energy efficiency improvements, increased use of renewable energy, reduced use of petroleum, water conservation and changes in how we measure energy use. I believe these goals have tremendous merit and will deliver the “win-win” results of sound environmental and energy policy, because each goal stresses reduced pollution and reduced costs.

To achieve these goals, the Order sets in place several new administrative policies for organization and accountability. To begin, each agency will designate a single officer to oversee implementation. Agencies will submit a budget request to the Office of Management and Budget for investments that will reduce energy use, pollution and life-cycle costs, and they will track and report progress. The Order applies to all Federal departments and agencies, with an appropriate exception for the Department of Defense when compliance may hinder military operations and training.

Federal agencies will be able to employ a range of Federal programs including Energy Star, sustainable building design research from the Department of Energy and the Environmental Protection Agency and others. For example, to the extent practicable, agencies will strive to achieve the Energy Star standards for energy performance and indoor environmental quality for all facilities by 2002. Agencies will apply sustainable design principles to the siting, design and construction of new facilities—meaning energy use, costs and reduced pollution will be optimized across a facility's life. And such measures will extend to transportation, including the use of efficient and renewable-fuel vehicles.

Finally, the Executive Order endorses the use of “source energy” as a measure of efficiency. Measuring energy consumption by “source”—as opposed to “site”—means taking into account not only the energy consumed by a light bulb, appliance or other product to perform a certain function, but also the energy consumed in the generation, transmission and distribution of that energy to the product in question. Research in energy use increasingly shows that a “source” measurement is a more accurate measure of the total costs that we pay to operate appliances and other equipment.

Mr. President, I add my sincere appreciation to President Clinton for executing this Order and endorsing its policies. I believe that if this Executive

Order is properly implemented, it will pay dividends for the environment and taxpayers.

#### THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, July 16, 1999, the Federal debt stood at \$5,626,175,786,965.76 (Five trillion, six hundred twenty-six billion, one hundred seventy-five million, seven hundred eighty-six thousand, nine hundred sixty-five dollars and seventy-six cents).

One year ago, July 16, 1998, the Federal debt stood at \$5,531,080,000,000 (Five trillion, five hundred thirty-one billion, eighty million).

Fifteen years ago, July 16, 1984, the Federal debt stood at \$1,532,716,000,000 (One trillion, five hundred thirty-two billion, seven hundred sixteen million).

Twenty-five years ago, July 16, 1974, the Federal debt stood at \$473,710,000,000 (Four hundred seventy-three billion, seven hundred ten million) which reflects a debt increase of more than \$5 trillion—\$5,152,465,786,965.76 (Five trillion, one hundred fifty-two billion, four hundred sixty-five million, seven hundred eighty-six thousand, nine hundred sixty-five dollars and seventy-six cents) during the past 25 years.

#### THE TRADE ADJUSTMENT ASSISTANCE REAUTHORIZATION ACT

Mr. BINGAMAN. Mr. President, I rise today in support of the Trade Adjustment Assistance Reauthorization Act, a bill that has been reported from the Finance Committee and was filed on July 16th. I believe this bill is critical for American workers, companies and their communities. The bill as written would extend authorization for trade adjustment assistance for two years, and would allow workers and companies that are negatively impacted by international trade to receive the assistance currently allowed by law. If we do not pass this legislation, trade adjustment assistance will expire this October, and workers and companies that are presently receiving benefits will be completely cut off from government support. In specific terms, this means over 340,000 workers across the country, and several thousand workers in my state of New Mexico, will be without support needed to maintain their lives and re-train for the future. These are real people and real lives we are talking about, and we simply can't let this happen. We must act now to ensure the programs continue.

Let me briefly explain what this legislation is about. In 1962, when the Trade Expansion Act was under consideration, the Kennedy Administration came up with a very straightforward proposition concerning international trade and American workers and com-

panies: if and when Americans lose their jobs as a result of trade agreements entered into by the U.S. government, then the U.S. government should assist these Americans in finding new employment. If you lose a job because of U.S. trade policy, you should have some help from the federal government in re-training to get a job.

I find this a reasonable and fair proposition. It suggests that the U.S. government supports a open trading system, but recognizes that it is responsible to repair the negative impacts this policy has on its citizens. It suggests that the U.S. government believes that an open trading system provides long-term advantages for the United States and its people, but that the short-term costs must be addressed if the policy is to continue and the United States is to remain competitive. It suggests that there is a collective interest that must be pursued, but that individual interests must be protected for the greater good.

This commitment to American workers and companies has continued over the years, and should not be ended now. The reason for continuity is obvious: globalization is only moving at a faster pace, with the potential for ever more significant impacts on our country. In my opinion, the process of globalization is inevitable. It is not going to stop. Therefore, the question for us in this chamber is not whether we can stop it, but how we can manage it to benefit the national interest of the United States.

The picture we see of globalization is that of a double-edged sword, with some individuals and companies gaining and others losing. The gains are clear-cut. Exports now generate over one-third of all economic growth in the United States. Export jobs pay ten to fifteen percent more than the average wage. Depending upon who you listen to, it has generated anywhere from two to eleven million jobs over the last ten years. For those who dislike globalization, I say look in your kitchen, your living room, your driveway, your office, and see the products that are there as a result of a more open and interdependent trading system. Without expanded trade brought on as a result of globalization we will end up fighting over an ever-decreasing domestic economic pie.

But in spite of these obvious benefits we cannot ignore the problems involved with globalization. Every day we hear disturbing stories about what this has meant for people across the country. In my state we have seen over the last year a large number of lay-offs and closings in small rural towns that cannot afford to have this happen. The closing of three plants in Roswell, Las Cruces, and Albuquerque meant 1,600 people lost their jobs. Next came lay-offs in the copper mines in my home town of Silver City. These people cannot simply go across the street and

look for new work. They are people who have been dedicated to their companies and have played by the rules over the years. What they deserve when they lose their job is an opportunity to get income support and retraining to rebuild their lives. What they deserve is a program that creates skills that are needed, that moves them into new jobs faster, that provides opportunities for the future, that keeps families and communities intact.

TAA offers the potential for this outcome. Although in need of revision in several key areas—and I am focusing on these areas at this time—it has over the years consistently helped individuals and companies in communities across the United States deal with the transitions that are an inevitable part of a changing international economic system. It helps people that can work and want to work to continue to work in productive jobs that contribute to the economic welfare of our country. We have made this promise to workers in every administration, both Democrat and Republican, and we should continue to do so. Although TAA is not without its flaws, it remains the only program that allows workers and companies to adjust and remain competitive. Without it, in my opinion we are saying unequivocally that we don't care what happens to you, that we bear no responsibility for the position that you are in, that you are on your own.

Senators ROTH, MOYNIHAN, and others think otherwise, and I agree wholeheartedly with them. I believe that this commitment to individuals and companies and communities must be kept. I urge all my colleagues to support the passage of this bill when it comes to a vote on the floor.

#### THE F-15 AND ISRAEL

Mr. ASHCROFT. Mr. President, I rise today to speak on the F-15, the world's dominant air superiority fighter. The future of this fighter, perhaps the most successful in the history of U.S. aviation warfare, is in jeopardy. While both the Senate and the House have taken steps to save the F-15, the Administration has resisted efforts to preserve a plan that is critical for our national security.

I was heartened by the recent action of the House Appropriations Committee to follow the Senate's lead and provide additional funding for the F-15. Last month, Senator BOND and I successfully added an amendment to the Defense Appropriations bill to provide \$220 million for four F-15s. Last week, the House Appropriations Committee provided \$440 million to purchase eight F-15 fighters.

While securing domestic dollars is essential to keep the F-15 alive, foreign sales are just as important for the long-term health of the program. Hence, my disappointment that the

Israeli Government had selected the F-16 to fill their latest Air Force needs goes without saying. As Angelo Codevilla writes today in the *Wall Street Journal*—and I will ask unanimous consent that the article be printed in the *RECORD* at the conclusion of my remarks—the F-15 gives Israel critical long-range strike capability to counter regional threats. As one who is keenly interested in the security of Israel, it was my hope that the new Barak Government would select the F-15 to enhance its long-range deterrent capability.

Mr. Codevilla also implies that the Administration was pushing Israel to buy the F-16, a less capable plane that would not defend Israel as well—particularly against the threat posed by missiles from Iran, Iraq, and Syria. While Israel must make its own decisions with regard to its security, I sincerely hope the Administration was not pushing our ally to purchase a less capable plane just so that Syria or Iran would not be offended. Lasting peace in the Middle East will be based on a sustainable settlement that can be defended through strength, not by pushing Israel to take steps which limit its ability to defend itself.

Mr. President, sustaining the F-15 is essential for U.S. airpower as we enter the 21st century. Preserving the F-15 is also essential to my home state of Missouri. The 7,000 Missourians who build the F-15 are a national security asset. Both houses of Congress have sent clear signals to the Administration that this plane should be saved. It is time for the President to start listening and take steps immediately to ensure funding for the F-15 is included in the defense budget.

I ask unanimous consent that the article to which I referred be printed in the *RECORD*.

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

[From the *Wall Street Journal*, July 19, 1999]

#### CLINTON'S DREAMS OF PEACE IGNORE MIDEAST REALITIES

(By Angelo M. Codevilla)

What exactly does President Clinton expect from Israel's new prime minister, Ehud Barak? At a joint news conference last week, Mr. Clinton declared that he wants Mr. Barak "to widen the circle of peace to include Syria and Lebanon and to revitalize talks among Israel and the Arab world and to solve regional problems." Mr. Barak spoke more cautiously, declaring his commitment to "change and renewal" but also his uneasiness at Americans who have acted "as a kind of policeman, judge and arbitrator at the same time."

Mr. Barak may be indebted to Mr. Clinton for undermining his predecessor, but he also is a serious military man. Israeli officials are sure to spend the aftermath of Mr. Barak's visit sorting out the vast differences between the assumptions of the Clinton game plan and Israel's military realities.

The military threat to Israel used to consist of the massed armies of its immediate

neighbors. But today's most ominous threat is weapons of mass destruction carried by missiles from Iraq, Iran, Syria and perhaps Libya. Israel's foes believe they could break Israeli military power in the opening minutes of a war by launching ballistic missile strikes with chemical or biological weapons against mobilization centers and weapons-storage areas. These countries have made an enormous investment in new missiles, most stored in deep tunnels, highly fortified bunkers or mobile launchers.

Gen. Eitan Ben Eliahu of the Israeli Air Force has estimated that Syria alone already has some 1,000 ballistic missiles, and that within a few years most will have long ranges. Syria does not need long-range missiles to hit Israel, but with longer ranges, each missile fired from Syria would develop enough re-entry speed to negate Israel's budding antimissile system, the Arrow. Already Iran's Shahib 3 missiles—developed with Russian, Chinese and North Korean help—stress the Arrow; the forthcoming Shahib 4's will overwhelm it.

To keep up with the increasing capability of enemy missiles, Israel's Arrow needs to be connected to the projected U.S. space-based fire-control system. But the Clinton administration doesn't want this system for the U.S., much less for Israel, for fear of violating the 1973 U.S.-Soviet Antiballistic Missile Treaty. To handle the overwhelming number of enemy missiles, Israel would need a U.S. orbital antimissile device. But the administration has delayed tests of a space-based laser that had been set for 2001. So Mr. Barak won't get any missile defense out of Mr. Clinton.

The Israeli Air Force has some pretty sophisticated plans for the nearly impossible job of striking enemy missiles before they are launched. But these plans require lots of deep-strike F-15 I aircraft. Israel has only 25; it has been negotiating for 15 more. Washington would rather see Israel buy more F-16's, which can't help Israel with its missile problem. The F-16's are less threatening to Syria, which the administration sees as the key to peace.

Instead of military help, the Clinton administration will give Mr. Barak generous instructions in its own conception of peace in the Middle East. Yet Mr. Barak will be compelled to note that Mr. Clinton's view of the world clashes with the one that Israel has been developing for some time, regardless of its dealings with the Palestinians.

Following the traditional maxim that foreign policy proceeds from the nature of the regime, Israel has sought alliances with Turkey and Jordan, because their regimes are stable, and because their friendship is secured in part by their enmity with Syria. Israel has talked about cooperation on missile defense with both Ankara and Amman, which see themselves as part of the West against Russian-supported forces in the region. Another main reason why Turkey and Jordan are interested in the alliance is Israel's deep-strike capability against Iran and Iraq.

Israel has been wary of Egypt, and even more of Saudi Arabia, because although the governments in these countries U.S. allies, instability would vitiate any deal with them. As for Syria, much as Israel would like a deal with it, its enmity is mitigated only by its instability.

The Clinton administration is trying to transcend traditional alliances. In the Wilsonian tradition, it seeks a settlement including all and directed against none. It believes that the path to peace includes exchanging military advantages for goodwill,



"guaranteed" by some sort of international contact group. Thus the Clinton administration would bless the only deal Syria would accept—Israel's surrender of the Golan Heights—and call it peace.

Some Israelis would be happy with this, because it would carry the implicit assurance that the U.S. would assume responsibility for Israel's borders. It should be crystal clear, however, that Washington has neither the interest nor the capacity to hold Syria to any deal, much less to fight for Israel.

Here then is the choice Mr. Barak must mull on his way home: He can trust the Clinton team and move his country toward a deal with its enemies that violates normal rules of military prudence. Or he can seek the military means of being useful to his Turkish and Jordanian friends while being fearsome to states that are enemies of America and Israel alike.

#### MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

##### EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

#### REPORT ON THE NATIONAL EMERGENCY WITH LIBYA—MESSAGE FROM THE PRESIDENT—PM 48

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

##### *To the Congress of the United States:*

I hereby report to the Congress on the developments since my last report of December 30, 1998, concerning the national emergency with respect to Libya that was declared in Executive Order 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c); section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c).

1. On December 30, 1998, I renewed for another year the national emergency with respect to Libya pursuant to IEEPA. This renewal extended the current comprehensive financial and trade embargo against Libya in effect since 1986. Under these sanctions, virtually all trade with Libya is prohibited, and all assets owned or controlled by the Government of Libya in the United States or in the possession or control of U.S. persons are blocked.

2. On April 28, 1999, I announced that the United States will exempt commercial sales of agricultural commodities and products, medicine, and medical equipment from future unilateral sanctions regimes. In addition, my Administration will extend this policy to existing sanctions programs by modifying licensing policies for currently embargoed countries to permit case-by-case review of specific proposals for commercial sales of these items. Certain restrictions apply.

The Office of Foreign Assets Control (OFAC) of the Department of the Treasury is currently drafting amendments to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the Regulations), to implement this initiative. The amended Regulations will provide for the licensing of sales of agricultural commodities and products, medicine, and medical supplies to non-governmental entities in Libya or to government procurement agencies and parastatals not affiliated with the coercive organs of that country. The amended Regulations will also provide for the licensing of all transactions necessary and incident to licensed sales transactions, such as insurance and shipping arrangements. Financing for the licensed sales transactions will be permitted in the manner described in the amended Regulations.

3. During the reporting period, OFAC reviewed numerous applications for licenses to authorize transactions under the Regulations. Consistent with OFAC's ongoing scrutiny of banking transactions, the largest category of license approvals (20) involved types of financial transactions that are consistent with U.S. policy. Most of these licenses authorized personal remittances not involving Libya between persons who are not blocked parties to flow through Libyan banks located outside Libya. Three licenses were issued authorizing certain travel-related transactions. One license was issued to a U.S. firm to allow it to protect its intellectual property rights in Libya; another authorized receipt of payment for legal services; and a third authorized payments for telecommunications services. A total of 26 licenses were issued during the reporting period.

4. During the current 6-month period, OFAC continued to emphasize to the international banking community in the United States the importance of identifying and blocking payments made by or on behalf of Libya. The office worked closely with the banks to assure the effectiveness of interdiction software systems used to identify such payments. During the reporting period, 87 transactions potentially involving Libya, totaling nearly \$3.4 million, were interdicted.

5. Since my last report, OFAC has collected 7 civil monetary penalties totaling \$38,000 from 2 U.S. financial in-

stitutions, 3 companies, and 2 individuals for violations of the U.S. sanctions against Libya. The violations involved export transactions relating to Libya and dealings in Government of Libya property or property in which the Government of Libya had an interest.

On April 23, 1999, a foreign national permanent resident in the United States was sentenced by the Federal District court for the Middle District of Florida to 2 years in prison and 2 years supervised release for criminal conspiracy to violate economic sanctions against Libya, Iran, and Iraq. He had previously been convicted of violation of the Libyan Sanctions Regulations, the Iranian Transactions Regulations, the Iraqi Sanctions Regulations, and the Export Administration Regulations for exportation of industrial equipment to the oil, gas, petrochemical, water, and power industries of Libya, Iran, and Iraq.

Various enforcement actions carried over from previous reporting periods have continued to be aggressively pursued. Numerous investigations are ongoing and new reports of violations are being scrutinized.

6. The expenses incurred by the Federal Government in the 6-month period from January 7 through July 6, 1999, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately \$4.4 million. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and the Department of Commerce.

7. In April 1999, Libya surrendered the 2 suspects in the Lockerbie bombing for trial before a Scottish court seated in the Netherlands. In accordance with UNSCR 748, upon the suspects' transfer, UN sanctions were immediately suspended. We will insist that Libya fulfill the remaining UNSCR requirements for lifting UN sanctions and are working with UN Secretary Annan and UN Security Council members to ensure that Libya does so promptly. U.S. unilateral sanctions remain in force, and I will continue to exercise the powers at my disposal to apply these sanctions fully and effectively, as long as they remain appropriate. I will continue to report periodically to the Congress on significant developments as required by law.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 19, 1999.

#### REPORT CONCERNING EMIGRATION LAWS AND POLICIES OF ALBANIA—MESSAGE FROM THE PRESIDENT—PM 49

The PRESIDING OFFICER laid before the Senate the following message

from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance.

*To the Congress of the United States:*

I am submitting an updated report to the Congress concerning the emigration laws and policies of Albania. The report indicates continued Albanian compliance with U.S. and international standards in the area of emigration. In fact, Albania has imposed no emigration restrictions, including exit visa requirements, on its population since 1991.

On December 5, 1997, I determined and reported to the Congress that Albania is not in violation of the freedom-of-emigration criteria in sections 402 and 409 of the Trade Act of 1974. That action allowed for the continuation of normal trade relations status for Albania and certain other activities without the requirement of an annual waiver. This semiannual report is submitted as required by law pursuant to the determination of December 5, 1997.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 19, 1999.

#### MESSAGE FROM THE HOUSE

At 4:40 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 434. An act to authorize a new trade and investment policy for sub-Saharan Africa.

H.R. 2490. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2000, and for other purposes.

The message also announced that the House has agreed to the following resolution:

H. Res. 252. Resolved that the House has heard with profound sorrow of the death of the Honorable George E. Brown, Jr., a Representative from the State of California.

#### MEASURE PLACED ON THE CALENDAR

The following bill was read twice and placed on the calendar:

H.R. 434. An act to authorize a new trade and investment policy for sub-Saharan Africa.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAMPBELL, from the Committee on Indian Affairs, without amendment:

S. Res. 156. An original resolution authorizing expenditures by the Committee on Indian Affairs.

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first

and second time by unanimous consent, and referred as indicated:

By Mr. GRASSLEY (for himself, Mr. SESSIONS, Mr. DEWINE, and Mr. COVERDELL):

S. 1390. A bill to help parents and families reduce drug abuse and drug addiction among adolescents, and for other purposes; to the Committee on the Judiciary.

By Mr. INOUE:

S. 1391. A bill to amend title 38, United States Code, to improve benefits for Filipino veterans of World War II, and for other purposes; to the Committee on Veterans Affairs.

By Mr. BAUCUS:

S. 1392. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives for the voluntary conservation of endangered species, and for other purposes; to the Committee on Finance.

By Mr. SPECTER:

S. 1393. An original bill to provide a cost-of-living adjustment in rates of compensation for veterans with service-connected disabilities and dependency and indemnity compensation for survivors of such veterans, to amend title 38, United States Code, to codify the previous cost-of-living adjustment in such rates, and for other purposes; from the Committee on Veterans Affairs; placed on the calendar.

#### SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. CAMPBELL:

S. Res. 156. An original resolution authorizing expenditures by the Committee on Indian Affairs; from the Committee on Indian Affairs; to the Committee on Rules and Administration.

By Mr. LOTT (for himself, Mr. DASCHLE, Mr. ABRAHAM, Mr. AKAKA, Mr. ALLARD, Mr. ASHCROFT, Mr. BAUCUS, Mr. BAYH, Mr. BENNETT, Mr. BIDEN, Mr. BINGAMAN, Mr. BOND, Mrs. BOXER, Mr. BREAUX, Mr. BROWNBACK, Mr. BRYAN, Mr. BUNNING, Mr. BURNS, Mr. BYRD, Mr. CAMPBELL, Mr. CHAFEE, Mr. CLELAND, Mr. COCHRAN, Ms. COLLINS, Mr. CONRAD, Mr. COVERDELL, Mr. CRAIG, Mr. CRAPO, Mr. DEWINE, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mr. ENZI, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. FITZGERALD, Mr. FRIST, Mr. GORTON, Mr. GRAHAM, Mr. GRAMM, Mr. GRAMS, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mr. HARKIN, Mr. HATCH, Mr. HELMS, Mr. HOLLINGS, Mr. HUTCHINSON, Mrs. HUTCHISON, Mr. INHOFE, Mr. INOUE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERREY, Mr. KERRY, Mr. KOHL, Mr. KYL, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Mr. MCCONNELL, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. NICKLES, Mr. REED, Mr. REID, Mr. ROBB, Mr. ROBERTS, Mr. ROCKEFELLER, Mr. ROTH, Mr. SANTORUM, Mr. SARBANES, Mr. SCHUMER, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of Oregon, Ms. SNOWE, Mr. SPECTER, Mr. STEVENS, Mr. THOMAS, Mr. THOMPSON, Mr. THURMOND, Mr. TORRICELLI, Mr. VOINOVICH, Mr. WARNER, Mr. WELLSTONE, and Mr. WYDEN):

S. Res. 157. A resolution relative to the disappearance of John F. Kennedy, Jr., Carolyn Bessette Kennedy and Lauren Bessette; considered and agreed to.

By Mr. LAUTENBERG (for himself and Mr. TORRICELLI):

S. Con. Res. 44. A concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued in honor of the U.S.S. *New Jersey* and all those who served aboard her; to the Committee on Governmental Affairs.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRASSLEY (for himself, Mr. SESSIONS, Mr. DEWINE, and Mr. COVERDELL):

S. 1390. A bill to help parents and families reduce drug abuse and drug addiction among adolescents, and for other purposes; to the Committee on the Judiciary.

#### DRUG FREE FAMILIES ACT

Mr. GRASSLEY. Mr. President, we are all aware that drug use has decreased overall in the last 15 years. One of the principal reasons for this is that we were successful in slowing the rate of experimentation and use among our young people. However, drug use is up dramatically among the young in the general population. Children as young as eight and nine are being confronted with the decision of whether or not to try drugs. This raises the possibility of a new epidemic of use and addiction. As you know, much is already being done to help children make the right decision. Prevention education is provided by various anti-drug groups, but these groups can't be effective in their teachings if prevention education does not begin at home. It is vitally important that parents make the time to school their children on the dangers of drug use and abuse.

Throughout the years, research has been done on whether or not kids listen to their parents. The fact is kids do listen. It is clear that parents have influence in the choices their children make. The problem is, when it comes to drugs and alcohol, not all parents see a need to influence their child's decision or are aware of how serious the problem is. Some are ambivalent about their own past use. Some are in denial about what's happening. And why is that? A survey by the Partnership for a Drug Free America shows that less than a quarter of the parents questioned even acknowledge the possibility that their child may have tried marijuana. Unfortunately, of those parents surveyed, 44 percent of their children actually did experiment with marijuana. If parents aren't aware of the reality of the situation, how can they prepare the 6 out of every 10 teenagers who are offered drugs each year.

The problem isn't that the parents don't care. It is that they don't know. Parents underestimate the reality of drugs. As a result, they seldom if every

talk to their kids about drugs. According to a recent PRIDE survey, only 30 percent of students reported that their parents talked to them often or a lot about drugs. This seems unfortunate when we look at evidence that shows drug use 32 percent lower among kids who said their parents talked with them a lot about drugs. The harsh reality is that 94 percent of parents say they talked to their teens about drugs, yet only 67 percent of teens remembered those discussions. Even more disturbing is a public opinion poll by the American Medical Association that illustrates that 43 percent of parents believe children using drugs is a serious national crisis, yet only 8 percent believe it is a crisis in their local schools, and 6 percent in their local communities.

Today, on behalf of Senators DEWINE, SESSIONS, and COVERDELL, I am introducing legislation that would bridge the gap between parents and the realities of youth drug use and abuse. The Drug Free Families Act would promote prevention education for parents. The goal is to promote cooperation among current national parent efforts. The kind of parent collaboration that the Drug Free Families Act proposes would unite parents at the national level to work with community anti-drug coalitions in the fight against drugs. It would not only help to educate parents, but help them convey a clear, consistent, no-use message. Through the Drug Free Families Act, we can give parents the resources necessary to educate our youth on the dangers of drugs.

It is clear that parents need assistance in educating kids on drug use and abuse. Parents, not Government, are the key to addressing the drug problem. We need to help them. I urge my fellow Members to support the Drug Free Families Act.

From my own experience in my State of Iowa, holding, as I did in 1998, more than 30 town meetings on the issue of drugs, one of the things I learned from the young people—junior high and high school young people who came to my meetings—was, in their own words, a statement on their part of somewhat frustration with their own families, that their families were not telling them about the dangers of drugs. There was even the suggestion from some young people that what we need is a parent education project so parents would be better at setting boundaries for kids, the necessity of listening to kids, but most importantly on the issue of drugs: As a parent, get the message out to young people about the dangers of drugs.

I got the feeling very definitely from young people of my State that they knew more about drugs, even more about the dangers of drugs and the availability of those drugs, than their parents do. I think the surveys I have pointed out today to justify the Drug

Free Families Act justify and back up what the young people of my State of Iowa told me in those hearings last year.

By Mr. INOUE:

S. 1391. A bill to amend title 38, United States Code, to improve benefits for Filipino veterans of World War II, and for other purposes; to the Committee on Veteran's Affairs.

FILIPINO VETERANS' BENEFITS IMPROVEMENTS  
ACT OF 1999

Mr. INOUE. Mr. President, today I rise to introduce the Filipino Veterans' Benefits Improvements Act of 1999. The measure would increase the disability compensation for those Filipino veterans residing in the United States. These veterans currently receive compensation at the "peso-rate" standard which is 50 percent of what is received by their American counterparts. Second, the measure would make all Filipino veterans residing in the United States eligible for veterans' health care. Like their American counterparts, these Filipino veterans would be subject to the same eligibility and means test requirements in order to qualify for health benefits. Third, the measure would provide outpatient care and services to veterans, Commonwealth Army veterans, and new Philippine Scouts residing in the Philippines for the treatment of service-connected and non-service connected disabilities at the Manila VA Outpatient Clinic.

The measure further restores funding to provide healthcare services to American military personnel and all Filipino veterans residing in the Philippines. Many of my colleagues are aware of my advocacy on behalf of Filipino veterans of World War II. Throughout the years, I have sponsored several measures on their behalf to correct an injustice and seek equal treatment for their valiant military service. Members of the Philippine Commonwealth Army were called to serve the United States Forces of the Far East. Under the command of General Douglas MacArthur, they joined our American soldiers in fighting some of the fiercest battles of World War II. Regrettably, the Congress betrayed our Filipino allies by enacting the Rescission Act of 1946. The 1946 Act, now codified as 38 U.S.C. 107, deems the military service of Filipino veterans as non-active service for purposes of any law of the United States conferring rights, privileges or benefits. The measure I introduce today will not diminish my efforts to correct this injustice. As long as it takes, I will continue to seek equal treatment on behalf of the Filipino veterans of World War II.

Mr. President, I ask unanimous consent that the bill text be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1391

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Filipino Veterans' Benefits Improvements Act of 1999".

**SEC. 2. INCREASE IN RATE OF PAYMENT OF CERTAIN BENEFITS TO VETERANS OF THE PHILIPPINE COMMONWEALTH ARMY.**

(a) INCREASE.—Section 107 of title 38, United States Code, is amended—

(1) by striking "Payment" in the second sentence of subsection (a) and inserting "Except as provided in subsection (c), payment"; and

(2) by adding at the end the following new subsection:

"(c) In the case of benefits under subchapters II and IV of chapter 11 of this title by reason of service described in subsection (a)—

"(1) notwithstanding the second sentence of subsection (a), payment of such benefits shall be made in dollars at the rate of \$1.00 for each dollar authorized; and

"(2) such benefits shall be paid only to an individual residing in the United States who is a citizen of, or an alien lawfully admitted for permanent residence in, the United States."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act, and shall apply to benefits paid for months beginning on or after that date.

**SEC. 3. ELIGIBILITY FOR HEALTH CARE OF CERTAIN ADDITIONAL FILIPINO WORLD WAR II VETERANS.**

The text of section 1734 of title 38, United States Code, is amended to read as follows:

"The Secretary, within the limits of Department facilities, shall furnish hospital and nursing home care and medical services to Commonwealth Army veterans and new Philippine Scouts in the same manner as provided for under section 1710 of this title."

**SEC. 4. MANDATE TO PROVIDE HEALTH CARE FOR WORLD WAR II VETERANS RESIDING IN THE PHILIPPINES.**

(a) IN GENERAL.—Subchapter IV of chapter 17 of title 38, United States Code, is amended—

(1) by redesignating section 1735 as section 1736; and

(2) by inserting after section 1734 the following new section:

**"§ 1735. Outpatient care and services for World War II veterans residing in the Philippines"**

"(a) OUTPATIENT HEALTH CARE.—The Secretary shall furnish care and services to veterans, Commonwealth Army veterans, and new Philippine Scouts for the treatment of the service-connected disabilities and non-service-connected disabilities of such veterans and scouts residing in the Republic of the Philippines on an outpatient basis at the Manila VA Outpatient Clinic.

"(b) LIMITATIONS.—(1) The amount expended by the Secretary for the purpose of subsection (a) in any fiscal year may not exceed \$500,000.

"(2) The authority of the Secretary to furnish care and services under subsection (a) is effective in any fiscal year only to the extent that appropriations are available for that purpose."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 17 of such title is amended by striking the item relating to section 1735 and inserting after

the item relating to section 1734 the following new items:

“1735. Outpatient care and services for World War II veterans residing in the Philippines.

“1736. Definitions.”.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

By Mr. BAUCUS:

S. 1392. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives for the voluntary conservation of endangered species, and for other purposes; to the Committee on Finance.

#### THE SPECIES CONSERVATION TAX ACT OF 1999

Mr. BAUCUS. Mr. President, today I am introducing the Species Conservation Tax Act of 1999.

The Endangered Species Act sometimes is referred to as our most important environmental law. However, it also is one of the most controversial. Over the past decade, a debate has raged about whether, and how, the Act should be revised. In 1995, Congress went so far as to impose a complete moratorium on the listing of species (fortunately, the moratorium has since been lifted). Several bills were introduced, and given serious consideration, that would have radically weakened the law.

On a more positive note, last Congress, after several years of work, the Environment and Public Works Committee reported a bipartisan bill, supported by the Clinton Administration, that would have made a series of modest, common-sense reforms to the Act. Unfortunately, that bill was never considered by the full Senate.

There seems, however, to be an agreement on at least one basic point: we should use more incentives to promote the conservation of threatened and endangered species, including tax incentives. For example, in 1995, a group organized by the Keystone Center reported that “taxes, including income taxes, estate taxes, and property taxes, affect all landowners and sometimes significantly affect their land use decisions. Changes in tax laws, including some that have a relatively small cost to the Treasury, could yield important conservation benefits.”

Over the years, we have made some progress. The tax code now contains two significant incentives for conserving land. One is section 170(h), which allows a charitable contribution deduction for donations of conservation easements in order to, among other things, preserve wildlife habitat. The other is section 2031(c), which, with the leadership of Senator CHAFFEE, was enacted in 1997; it complements section 170(h) with an estate tax incentive to encourage the conservation of land for future generations.

The bill that I am introducing today builds on these provisions. It enhances the section 170(h) and section 2031(c) in-

centives, and it adds a new estate tax incentive for land that is managed to protect threatened or endangered species.

Let me briefly describe each provision of the bill.

#### INCOME TAX EXCLUSION FOR COST SHARE PAYMENTS UNDER THE PARTNERS FOR WILDLIFE PROGRAM

Tax Code section 126 excludes from income payments received pursuant to certain agricultural and silvicultural conservation programs; it specifically excludes payments received pursuant to eight specific programs, then provides two general exclusions, one for payments received pursuant to certain state programs and another for “any small watershed program administered by the Secretary of Agriculture which is determined by the Secretary of the Treasury . . . to be substantially similar” to the eight specific programs. The Joint Tax Committee explained the reason for the adoption of this provision, in 1978, as follows:

In general, these programs relate to improvements which further conservation, protect or restore the environment, improve forests, or provide a habitat for wildlife. These payments ordinarily do not improve the income producing capacity of the property. Also, since these payments represent a portion of an expenditure made by the taxpayer, the taxpayer generally does not have additional funds to pay the tax when such payments are made. The potential adverse tax consequences may operate to discourage certain taxpayers from participating in these programs.

For these reasons, Congress believes that it is appropriate to exclude these payments from income, and to provide for their inclusion only at the time the underlying property is disposed of.

However, this provision does not apply to all of the appropriate programs. In 1987, the U.S. Fish and Wildlife Service established the Partners for Wildlife program, which provides cost-sharing assistance to landowners for various wildlife conservation efforts. To date, 18,000 landowners have participated voluntarily in the program, restoring more than 330,000 acres of wetlands alone. In fiscal year 1999, about \$28 million will be available through the program, of which about \$9 million is expected to be paid directly to landowners as cost-share payments.

Although cost-share payments made to private landowners under the Partners for Wildlife program are similar to the payments that are excluded under section 126, payments under the Partners for Wildlife program are not eligible for the exclusion, because the Partners program is not one of the specific programs listed in section 126 and cannot qualify as a “substantially similar” program because it is not administered by the Secretary of Agriculture. As a result, landowners who receive payments for protecting habitat under the Partners program get a 1099 form, from the IRS, stating that the payments must be treated as taxable in-

come. If, for example, the Fish and Wildlife Service plans to pay a riparian landowner \$10,000 to take steps to restore streamside habitat, federal taxes can reduce the value of the payment by several thousand dollars. I have received reports that this is causing some landowners to decline to participate in the program.

Mr. President, the Partners for Wildlife program serves the important purpose of promoting federal-state-private partnerships to conserve species and the habitat upon which they depend. Payments received under the program are similar to those that are excluded under section 126: they promote conservation, they ordinarily do not improve the income producing capacity of the property, they represent a portion of an expenditure made by the taxpayer, and the potential adverse tax consequences may operate to discourage some taxpayers from participating. For these reasons, it is appropriate to amend section 126 to treat payments received under the Partners for Wildlife program the same as other conservation payments. The bill would do so.

There is broad support for this change among both environmentalists and landowners: It is supported by the Environmental Defense Fund, the American Farm Bureau Federation, the Center for Marine Conservation, American Rivers, the National Woodland Owners Association, the Defenders of Wildlife, the Izaak Walton League of America, and the National Cattlemen's Beef Association.

#### ENHANCED DEDUCTION FOR THE DONATION OF INTERESTS IN REAL PROPERTY THAT CONSERVE THREATENED OR ENDANGERED SPECIES

Under current law, a taxpayer generally may not take a charitable contribution deduction for the donation of a property interest that is less than the taxpayer's entire interest in the property. There are several exceptions. One is for donations of conservation easements, which include easements to preserve open space and protect natural habitat. Taxpayers may deduct the value of such contributions, but only up to 30% of the taxpayer's adjusted gross income, with a five year carry-forward.

The bill would enhance the deduction for contributions of conservation easements that are made for the purpose of the conservation of a species that has been listed as threatened or endangered (or proposed for listing). The deduction is enhanced in three ways: the AGI limitation is increased from 30% to 50%, the carry-forward period is increased from five to 20 years, and, if the taxpayer dies before then, the entire unused carry-forward amount can be deducted on the decedent's last return.

Mr. President, when a landowner donates an interest in property for the purpose of conserving an endangered species, the landowner is providing a

public benefit above and beyond the benefit provided by an ordinary conservation easement. For example, an easement might not only assure that farmland remains farmland, but also that there are buffer strips to control runoff in order to protect and endanger fish and that harvesting schedules conform to the needs of migratory waterfowl. By taking such steps voluntarily, landowners reduce the need to take other steps to preserve the species, including the imposition of regulatory restrictions.

By enhancing the deduction for landowners who take such steps, we create a modest additional incentive for landowners not only to conserve land but also to assure that the land is managed in a way that helps conserve and recover endangered species.

ESTATE TAX EXCLUSION FOR PROPERTY  
SUBJECT TO A CONSERVATION AGREEMENT

Under current law, an executor can deduct the value of a conservation easement (within the meaning of section 170(h)) from the value of an estate. In addition, section 2031(c), an executor can exclude from the estate up to 40% of the remaining value of the land subject to the easement.

For example, if a decedent conveys property worth \$1,000,000, subject to a conservation easement that reduces the value of the property by \$300,000, and the property qualifies for the full 40% exclusion, the taxable portion of the estate would be \$280,000 (40 percent of the \$700,000 in remaining value after deducting the \$300,000 value of the easement).

The amount of the exclusion is limited to \$500,000 and, under section 170(h), the conservation easement must be granted in perpetuity.

The bill creates a new estate tax incentive for donations of a partial interest in property that is subject to an agreement, approved by the Secretary of the Interior or Commerce, to carry out activities that would make a major contribution to the conservation of a species that is listed as threatened or endangered, is proposed for listing, or is a candidate for listing. The executor may exclude from the estate the entire value of the portion of the property subject to the agreement, up to \$10,000,000.

The conservation agreement need not be in perpetuity; after all, the purpose of the agreement is to help recover the species, and once that goal is achieved, land use restrictions may no longer be necessary. However, if the agreement ends in less than 40 years (i.e., because the property is sold, there is a material breach of the agreement, or the agreement is terminated), the estate must pay a recapture amount, as follows: 100% of the excluded amount if the agreement is terminated in less than 10 years; 75% if it is terminated in less than 20 years; 50% if it is terminated in less than 30 years; and 25% if it is terminated in less than 40 years.

Mr. President, current law recognizes that estate tax incentives are an appropriate way to encourage landowners to take steps to conserve precious natural resources for future generations.

When a landowner or the executor of a landowner's estate enters into an agreement to manage land in a way that makes a major contribution to the conservation of an endangered or threatened species, they are, as I said before, providing a public benefit above and beyond the benefit provided by an ordinary conservation easement. By creating an alternative estate tax incentive for landowners who take such steps, we create a modest additional incentive for landowners not only to conserve land but also to assure that the land is managed in a way that helps conserve and recover endangered species.

ELIMINATION OF THE MILEAGE LIMITATION FOR  
THE ESTATE TAX EXCLUSION FOR LAND SUB-  
JECT TO A CONSERVATION EASEMENT

Tax code section 2031(c) allows an executor to exclude from a gross estate a portion of the value of land that is subject to a conservation easement (within the meaning of section 170(h)), but only if the land is within 25 miles of a metropolitan area, a wilderness area, or a national park; or is within 10 miles of an Urban National Forest.

The bill eliminates 25 and 10 mile limitations, so that an executor can exclude land subject to a conservation agreement regardless of where the land is located.

Mr. President, section 2031(c) serves the important purpose of encouraging landowners to conserve open space for future generations, rather than forcing heirs to sell undeveloped land to pay estate taxes. The 25 and 10 mile limitations were included in order to reduce the revenue loss and target the incentive to the areas that were likely to be under the greatest development pressure. However, the mileage limitations are a very imperfect proxy. It excludes about one-third of the continental United States; in many cases, the excluded lands are just as pristine and sensitive as lands surrounding wilderness areas or national parks—such as lands surrounding national wildlife refuges. And it excludes many fast-growing areas that do not happen to be metropolitan statistical areas, like areas outside Bozeman and Kalispell, Montana—two of the fastest growing communities in Montana. What's more, the mile limitations have a differential impact among regions of the country. For example, they have the effect of making virtually the entire Northeast and West Coast eligible for the 2031(c) incentive, but exclude large parts of the Great Plains and the Rocky Mountain West.

To eliminate this differential impact, and provide a modest incentive for conservation all across the country, the mileage limitation should be eliminated.

CONCLUSION

Mr. President, taken together, these complementary provisions provide modest but important incentives for the conservation of habitat and the protection of endangered species. And, the more we can use tax incentives to encourage the conservation of threatened and endangered species, the more likely we are to reduce the regulatory burdens associated with those species.

I should note that there are other significant proposals along similar lines, including tax proposals introduced by Senators JEFFORDS and CHAFEE and funding proposals introduced by Senator BOXER. I look forward to working with them, and with other interested colleagues, to enacted a solid package of conservation tax incentives into law.

I ask unanimous consent that a copy of the bill be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1392

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.**

(a) **SHORT TITLE.**—This Act may be cited as the "Species Conservation Tax Act of 1999".

(b) **AMENDMENT OF 1986 CODE.**—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

**SEC. 2. TAX EXCLUSION FOR COST-SHARING PAYMENTS UNDER PARTNERS FOR WILDLIFE PROGRAM.**

(a) **IN GENERAL.**—Section 126(a) (relating to certain cost-sharing payments) is amended by redesignating paragraph (10) as paragraph (11) and by inserting after paragraph (9) the following:

"(10) The Partners for Fish and Wildlife Program authorized by the Fish and Wildlife Act of 1956 (16 U.S.C. 742a et seq.)."

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to payments received after the date of the enactment of this Act.

**SEC. 3. ENHANCED DEDUCTION FOR THE DONATION OF A CONSERVATION EASEMENT.**

(a) **IN GENERAL.**—Subparagraph (A) of section 170(h)(4) (defining conservation purpose) is amended by striking "or" at the end of clause (iii), by striking the period at the end of clause (iv) and inserting "or", and by adding at the end the following:

"(v) the conservation of a species designated by the Secretary of the Interior or the Secretary of Commerce under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq) as endangered or threatened, proposed by such Secretary for designation as endangered or threatened, or identified by such Secretary as a candidate for such designation, provided the property is not required, as of the date of contribution, to be used for such purpose other than by reason of the terms of contribution."

(b) **ENHANCED DEDUCTIONS.**—Subsection (e) of section 170 (defining qualified conservation contribution) is amended by adding at the end the following:

“(7) SPECIAL RULES FOR CONTRIBUTIONS RELATED TO CONSERVATION OF SPECIES.—

“(A) IN GENERAL.—In the case of a qualified conservation contribution by an individual for the conservation of endangered or threatened species, proposed species, or candidate species under (h)(4)(v):

“(i) 50 PERCENT LIMITATION TO APPLY.—Such a contribution shall be treated for the purposes of this section as described in subsection (b)(1)(A).

“(ii) 20-YEAR CARRY FORWARD.—Subsection (d)(1) shall be applied by substituting ‘20 years’ for ‘5 years’ each place it appears and with appropriate adjustments in the application of subparagraph (A)(ii) thereof.

“(iii) UNUSED DEDUCTION CARRYOVER ALLOWED ON TAXPAYER’S LAST RETURN.—If the taxpayer dies before the close of the last taxable year for which a deduction could have been allowed under subsection (d)(1), any portion of the deduction for such contribution which has not been allowed shall be allowed as a deduction under subsection (a) (without regard to subsection (b)) for the taxable year in which such death occurs or such portion may be used as a deduction against the gross estate of the taxpayer.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after the date of the enactment of this Act.

#### SEC. 4. EXCLUSION FROM ESTATE TAX FOR REAL PROPERTY SUBJECT TO ENDANGERED SPECIES CONSERVATION AGREEMENT.

(a) IN GENERAL.—Part IV of subchapter A of chapter 11 of the Internal Revenue Code of 1986 (relating to taxable estate) is amended by adding at the end the following new section:

##### “SEC. 2058. CERTAIN REAL PROPERTY SUBJECT TO ENDANGERED SPECIES CONSERVATION AGREEMENT.

“(a) GENERAL RULE.—For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate an amount equal to lesser of—

“(1) the adjusted value of real property included in the gross estate which is subject to an endangered species conservation agreement, or

“(2) \$10,000,000.

“(b) PROPERTY SUBJECT TO AN ENDANGERED SPECIES CONSERVATION AGREEMENT.—For purposes of this section—

“(1) IN GENERAL.—Real property shall be treated as subject to an endangered species conservation agreement if—

“(A) such property was owned by the decedent or a member of the decedent’s family at all times during the 3-year period ending on the date of the decedent’s death,

“(B) each person who has an interest in such property (whether or not in possession) has entered into—

“(i) an endangered species conservation agreement with respect to such property, and

“(ii) a written agreement with the Secretary consenting to the application of subsection (d), and

“(C) the executor of the decedent’s estate—

“(i) elects the application of this section, and

“(ii) files with the Secretary such endangered species conservation agreement.

“(2) ADJUSTED VALUE.—

“(A) IN GENERAL.—The adjusted value of any real property shall be its value for purposes of this chapter, reduced by—

“(i) any amount deductible under section 2055(f) with respect to the property, and

“(ii) any acquisition indebtedness with respect to the property.

“(B) ACQUISITION INDEBTEDNESS.—For purposes of this paragraph, the term ‘acquisition indebtedness’ means, with respect to any real property, the unpaid amount of—

“(i) the indebtedness incurred by the donor in acquiring such property,

“(ii) the indebtedness incurred before the acquisition of such property if such indebtedness would not have been incurred but for such acquisition,

“(iii) the indebtedness incurred after the acquisition of such property if such indebtedness would not have been incurred but for such acquisition and the incurrence of such indebtedness was reasonably foreseeable at the time of such acquisition, and

“(iv) the extension, renewal, or refinancing of an acquisition indebtedness.

“(c) ENDANGERED SPECIES CONSERVATION AGREEMENT.—For purposes of this section—

“(1) IN GENERAL.—The term ‘endangered species conservation agreement’ means a written agreement entered into with the Secretary of the Interior or the Secretary of Commerce—

“(A) which commits each person who signed such agreement to carry out on the real property activities or practices not otherwise required by law or to refrain from carrying out on such property activities or practices that could otherwise be lawfully carried out and includes—

“(i) objective and measurable species of concern conservation goals,

“(ii) site-specific and other management measures necessary to achieve those goals, and

“(iii) objective and measurable criteria to monitor progress toward those goals,

“(B) which is certified by such Secretary as providing a major contribution to the conservation of a species of concern, and

“(C) which is for a term that such Secretary determines is sufficient to achieve the purposes of the agreement, but not less than 10 years beginning on the date of the decedent’s death.

“(2) SPECIES OF CONCERN.—The term ‘species of concern’ means any species designated by the Secretary of the Interior or the Secretary of Commerce under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq) as endangered or threatened, proposed by such Secretary for designation as endangered or threatened, or identified by such Secretary as a candidate for such designation.

“(3) ANNUAL CERTIFICATION TO THE SECRETARY BY THE SECRETARY OF THE INTERIOR OR THE SECRETARY OF COMMERCE OF THE STATUS OF ENDANGERED SPECIES CONSERVATION AGREEMENTS.—If the executor elects the application of this section, the executor shall promptly give written notice of such election to the Secretary of the Interior or the Secretary of Commerce. The Secretary of the Interior or the Secretary of Commerce shall thereafter annually certify to the Secretary that the endangered species conservation agreement applicable to any property for which such election has been made remains in effect and is being satisfactorily complied with.

“(d) RECAPTURE OF TAX BENEFIT IN CERTAIN CASES.—

“(1) DISPOSITION OF INTEREST OR MATERIAL BREACH.—

“(A) IN GENERAL.—An additional tax in the amount determined under subparagraph (B) shall be imposed on any person on the earlier of—

“(i) the disposition by such person of any interest in property subject to an endangered

species conservation agreement (other than a disposition described in subparagraph (C)),

“(ii) a material breach by such person of the endangered species conservation agreement, or

“(iii) the termination of the endangered species conservation agreement.

“(B) AMOUNT OF ADDITIONAL TAX.—

“(i) IN GENERAL.—The amount of the additional tax imposed by subparagraph (A) with respect to any interest shall be an amount equal to the applicable percentage of the lesser of—

“(I) the adjusted tax difference attributable to such interest (within the meaning of section 2032A(c)(2)(B)), or

“(II) the excess of the amount realized with respect to the interest (or, in any case other than a sale or exchange at arm’s length, the fair market value of the interest) over the value of the interest determined under subsection (a).

“(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i), the applicable percentage is determined in accordance with the following table:

<b>If, with respect to the date of the agreement, the date of the event described in subparagraph (A) occurs—</b>	<b>The applicable percentage is—</b>
Before 10 years .....	100
After 9 years and before 20 years .....	75
After 19 years and before 30 years ...	50
After 29 years and before 40 years ...	25
After 39 .....	0.

“(C) EXCEPTION IF CERTAIN HEIRS ASSUME OBLIGATIONS UPON THE DEATH OF A PERSON EXECUTING THE AGREEMENT.—Subparagraph (A)(i) shall not apply if—

“(i) upon the death of a person described in subsection (b)(1)(B) during the term of such agreement, the property subject to such agreement passes to a member of the person’s family, and

“(ii) the member agrees—

“(I) to assume the obligations imposed on such person under the endangered species conservation agreement,

“(II) to assume personal liability for any tax imposed under subparagraph (A) with respect to any future event described in subparagraph (A), and

“(III) to notify the Secretary of the Treasury and the Secretary of the Interior or the Secretary of Commerce that the member has assumed such obligations and liability.

If a member of the person’s family enters into an agreement described in subclauses (I), (II), and (III), such member shall be treated as signatory to the endangered species conservation agreement the person entered into.

“(2) DUE DATE OF ADDITIONAL TAX.—The additional tax imposed by paragraph (1) shall become due and payable on the day that is 6 months after the date of the disposition referred to in paragraph (1)(A)(i) or, in the case of an event described in clause (ii) or (iii) of paragraph (1)(A), on April 15 of the calendar year following any year in which the Secretary of the Interior or the Secretary of Commerce fails to provide the certification required under subsection (c)(3).

“(e) STATUTE OF LIMITATIONS.—If a taxpayer incurs a tax liability pursuant to subsection (d)(1)(A), then—

“(1) the statutory period for the assessment of any additional tax imposed by subsection (d)(1)(A) shall not expire before the expiration of 3 years from the date the Secretary is notified (in such manner as the Secretary may by regulation prescribe) of the incurring of such tax liability, and



“(2) such additional tax may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law that would otherwise prevent such assessment.

“(f) ELECTION AND FILING OF AGREEMENT.—The election under this section shall be made on the return of the tax imposed by section 2001. Such election, and the filing under subsection (b) of an endangered species conservation agreement, shall be made in such manner as the Secretary shall by regulation provide.

“(g) APPLICATION OF THIS SECTION TO INTERESTS IN PARTNERSHIPS, CORPORATIONS, AND TRUSTS.—This section shall apply to an interest in a partnership, corporation, or trust if at least 30 percent of the entity is owned (directly or indirectly) by the decedent, as determined under the rules described in section 2057(e)(3).

“(h) MEMBER OF FAMILY.—For purposes of this section, the term ‘member of the family’ means any member of the family (as defined in section 2032A(e)(2)) of the decedent.”

(b) CARRYOVER BASIS.—Section 1014(a)(4) of the Internal Revenue Code of 1986 (relating to basis of property acquired from a decedent) is amended by inserting “or 2058” after “section 2031(c)”.

(c) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter A of chapter 11 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“Sec. 2058. Certain real property subject to endangered species conservation agreement.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after the date of the enactment of this Act.

#### SEC. 5. EXPANSION OF ESTATE TAX EXCLUSION FOR REAL PROPERTY SUBJECT TO QUALIFIED CONSERVATION EASEMENT.

(a) REPEAL OF CERTAIN RESTRICTIONS ON WHERE LAND IS LOCATED.—Clause (i) of section 2031(c)(8)(A) (defining land subject to a qualified conservation easement) is amended to read as follows:

“(i) which is located in the United States or any possession of the United States.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after the date of the enactment of this Act.

#### ADDITIONAL COSPONSORS

S. 459

At the request of Mr. BREAUX, the names of the Senator from Michigan (Mr. ABRAHAM), the Senator from Delaware (Mr. BIDEN), and the Senator from Utah (Mr. BENNETT) were added as cosponsors of S. 459, a bill to amend the Internal Revenue Code of 1986 to increase the State ceiling on private activity bonds.

S. 484

At the request of Mr. CAMPBELL, the name of the Senator from Missouri (Mr. ASHCROFT) was added as a cosponsor of S. 484, a bill to provide for the granting of refugee status in the United States to nationals of certain foreign countries in which American Vietnam War POW/MIAs or American Korean War POW/MIAs may be present,

if those nationals assist in the return to the United States of those POW/MIAs alive.

S. 510

At the request of Mr. CAMPBELL, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S. 510, a bill to preserve the sovereignty of the United States over public lands and acquired lands owned by the United States, and to preserve State sovereignty and private property rights in non-Federal lands surrounding those public lands and acquired lands.

S. 622

At the request of Mr. KENNEDY, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S. 622, a bill to enhance Federal enforcement of hate crimes, and for other purposes.

S. 632

At the request of Mr. DEWINE, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 632, a bill to provide assistance for poison prevention and to stabilize the funding of regional poison control centers.

S. 693

At the request of Mr. HELMS, the name of the Senator from Tennessee (Mr. THOMPSON) was added as a cosponsor of S. 693, a bill to assist in the enhancement of the security of Taiwan, and for other purposes.

S. 777

At the request of Mr. FITZGERALD, the names of the Senator from North Carolina (Mr. HELMS), the Senator from Missouri (Mr. ASHCROFT), the Senator from Idaho (Mr. CRAIG), the Senator from Pennsylvania (Mr. SANTORUM), and the Senator from Georgia (Mr. COVERDELL) were added as cosponsors of S. 777, a bill to require the Department of Agriculture to establish an electronic filing and retrieval system to enable the public to file all required paperwork electronically with the Department and to have access to public information on farm programs, quarterly trade, economic, and production reports, and other similar information.

S. 805

At the request of Mr. DURBIN, the names of the Senator from Minnesota (Mr. WELLSTONE) and the Senator from Maryland (Ms. MIKULSKI) were added as cosponsors of S. 805, a bill to amend title V of the Social Security Act to provide for the establishment and operation of asthma treatment services for children, and for other purposes.

S. 979

At the request of Mr. CAMPBELL, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 979, a bill to amend the Indian Self-Determination and Education Assistance Act to provide for further self-governance by Indian tribes, and for other purposes.

S. 1029

At the request of Mr. COCHRAN, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 1029, a bill to amend title III of the Elementary and Secondary Education Act of 1965 to provide for digital education partnerships.

S. 1128

At the request of Mr. KYL, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 1128, a bill to amend the Internal Revenue Code of 1986 to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers, to provide for a carryover basis at death, and to establish a partial capital gains exclusion for inherited assets.

S. 1144

At the request of Mr. VOINOVICH, the names of the Senator from Maine (Ms. COLLINS) and the Senator from Ohio (Mr. DEWINE) were added as cosponsors of S. 1144, a bill to provide increased flexibility in use of highway funding, and for other purposes.

S. 1197

At the request of Mr. ROTH, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 1197, a bill to prohibit the importation of products made with dog or cat fur, to prohibit the sale, manufacture, offer for sale, transportation, and distribution of products made with dog or cat fur in the United States, and for other purposes.

S. 1214

At the request of Mr. THOMPSON, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 1214, a bill to ensure the liberties of the people by promoting federalism, to protect the reserved powers of the States, to impose accountability for Federal preemption of State and local laws, and for other purposes.

S. 1244

At the request of Mr. THOMPSON, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 1244, a bill to establish a 3-year pilot project for the General Accounting Office to report to Congress on economically significant rules of Federal agencies, and for other purposes.

S. 1293

At the request of Mr. COCHRAN, the name of the Senator from Georgia (Mr. COVERDELL) was added as a cosponsor of S. 1293, a bill to establish a Congressional Recognition for Excellence in Arts Education Board.

S. 1361

At the request of Mr. STEVENS, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S. 1361, a bill to amend the Earthquake Hazards Reduction Act of 1977 to provide for an expanded Federal program of hazard mitigation, relief, and

insurance against the risk of catastrophic natural disasters, such as hurricanes, earthquakes, and volcanic eruptions, and for other purposes.

## SENATE CONCURRENT RESOLUTION 9

At the request of Ms. SNOWE, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of Senate Concurrent Resolution 9, a concurrent resolution calling for a United States effort to end restrictions on the freedoms and human rights of the enclaved people in the occupied area of Cyprus.

## SENATE CONCURRENT RESOLUTION 34

At the request of Mr. SPECTER, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of Senate Concurrent Resolution 34, a concurrent resolution relating to the observance of "In Memory" Day.

## SENATE RESOLUTION 92

At the request of Mrs. BOXER, the names of the Senator from North Dakota (Mr. DORGAN) and the Senator from Connecticut (Mr. DODD) were added as cosponsors of Senate Resolution 92, a resolution expressing the sense of the Senate that funding for prostate cancer research should be increased substantially.

## SENATE RESOLUTION 95

At the request of Mr. THURMOND, the names of the Senator from Massachusetts (Mr. KENNEDY), the Senator from Georgia (Mr. COVERDELL), the Senator from Delaware (Mr. BIDEN), the Senator from Michigan (Mr. ABRAHAM), the Senator from Alabama (Mr. SESSIONS), and the Senator from New Hampshire (Mr. SMITH) were added as cosponsors of Senate Resolution 95, a resolution designating August 16, 1999, as "National Airborne Day."

## SENATE RESOLUTION 118

At the request of Mr. REID, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of Senate Resolution 118, a resolution designating December 12, 1999, as "National Children's Memorial Day."

## SENATE RESOLUTION 128

At the request of Mr. COCHRAN, the name of the Senator from Georgia (Mr. COVERDELL) was added as a cosponsor of Senate Resolution 128, a resolution designating March 2000, as "Arts Education Month."

SENATE CONCURRENT RESOLUTION 44—EXPRESSING THE SENSE OF CONGRESS THAT A COMMEMORATIVE POSTAGE STAMP SHOULD BE ISSUED IN HONOR OF THE U.S.S. "NEW JERSEY" AND ALL THOSE WHO SERVED ABOARD HER

Mr. LAUTENBERG (for himself and Mr. TORRICELLI) submitted the following resolution which was referred to the Committee on Government Affairs:

## S. CON. RES. 44

Whereas the Iowa Class Battleship, the U.S.S. New Jersey (BB-62), is the most decorated warship in United States naval history, with 16 battle stars and 20 citations, medals, and ribbons during her 56 years of service;

Whereas the U.S.S. New Jersey was launched on December 7, 1942, by the Philadelphia Naval Shipyard; sponsored by Mrs. Charles Edison, wife of then-Governor Edison of New Jersey, former Secretary of the Navy; and commissioned at Philadelphia on May 23, 1943, Captain Carl F. Holden in command;

Whereas her first action as a flagship for Admiral William "Bull" Halsey's Third Fleet was a bold 2-day surface and air strike by her task force against the supposedly impregnable Japanese fleet base on Truk in the Caroline Islands, thereby interdicting Japanese naval retaliation in response to the conquest of the Marshall Islands;

Whereas the U.S.S. New Jersey provided crucial firepower for the assault on Iwo Jima;

Whereas the U.S.S. New Jersey gave the same crucial service for the first major aircraft carrier raid on Tokyo;

Whereas the U.S.S. New Jersey's guns opened the first shore bombardment in Korea at Wonsan, and served with distinction throughout the remainder of the Korean conflict;

Whereas the U.S.S. New Jersey participated in bombardment and fire support missions along the Vietnamese coast during the Vietnam era;

Whereas the U.S.S. New Jersey earned the Navy Unit Commendation for Vietnam service, received 9 battle stars for World War II, 4 for the Korean conflict, and 3 for the Vietnam era;

Whereas the U.S.S. New Jersey supported the Marine operation with the Multinational Peacekeeping Force in Beirut, Lebanon;

Whereas, in 1991, the U.S.S. New Jersey became the first United States battleship to enter and operate in the Persian Gulf; and

Whereas the U.S.S. New Jersey, after being decommissioned on February 8, 1991, and due in no small part to the efforts of the U.S.S. New Jersey Battleship Foundation, will be heading home in the fall of 1999 to become a floating monument and an educational museum: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—*

(1) a commemorative postage stamp should be issued by the United States Postal Service in honor of the U.S.S. New Jersey and all those who served aboard her; and

(2) the Citizens' Stamp Advisory Committee should recommend to the Postmaster General that such a postage stamp be issued.

• Mr. LAUTENBERG. Mr. President, I rise today to submit an important resolution expressing the sense of the Congress that a commemorative postage stamp should be issued in honor of the U.S.S. *New Jersey*, an Iowa class battleship, and all those who served aboard her.

From the time of its launch on December 7, 1942, the U.S.S. *New Jersey* provided crucial support to numerous naval missions throughout the world. It is the most decorated warship in U.S. naval history, having earned battle stars, citations, medals, and ribbons from World War II, the Korean conflict, and the Vietnam era. Furthermore, the

U.S.S. *New Jersey* was the first U.S. battleship to enter and operate in the Persian Gulf.

The *New Jersey* was decommissioned in 1991, and in the fiscal year 1999 Defense authorization bill, I authorized a provision to mandate that the Navy donate the U.S.S. *New Jersey* to a non-profit entity that will relocate the ship in the state of New Jersey. Now, after the overwhelming support and continuous struggle of various groups and individuals in the state, as well as bipartisan efforts from New Jersey's state and federal legislators, the battleship is scheduled to return to New Jersey this fall. For this, I would like to extend my thanks to the residents of New Jersey who have donated countless hours in volunteer time, as well as to the Battleship New Jersey Foundation whose efforts were a driving force in the success of this endeavor.

Now that the U.S.S. *New Jersey* is coming home, it is time to honor this great ship with a commemorative stamp. •

## SENATE RESOLUTION 156—AUTHORIZING EXPENDITURES BY THE COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL, from the Committee on Indian Affairs, reported the following original resolution; which was referred to the Committee on Rules and Administration:

## S. RES. 156

*Resolved*, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of Standing Rules of the Senate, the Committee on Indian Affairs is authorized from October 1, 1999, through February 28, 2001, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable or non-reimbursable basis the services of personnel of any such department or agency.

SEC. 2. (a) The expenses of the committee for the period October 1, 1999, through September 30, 2000, under this resolution shall not exceed \$1,260,534, of which amount (1) no funds may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed \$1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

(b) For the period October 1, 2000, through February 28, 2001, expenses of the committee under this resolution shall not exceed \$537,123, of which amount (1) no funds may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as

amended), and (2) not to exceed \$1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

SEC. 3. The committee shall report its finding, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 2000, and February 28, 2001, respectively.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required (1) for the disbursement of the salaries of employees paid at an annual rate, or (2) for the payment of telecommunications provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (3) for the payment of stationery supplies purchased through the Keeper of the Stationery, United States Senate, or (4) for payments to the Postmaster, United States Senate, or (5) for the payment of metered charges on copying equipment provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (6) for the payment of Senate Recording and Photographic Services, or (7) for payment of franked and mass mail costs by the Sergeant at Arms and Doorkeeper, United States Senate.

SEC. 5. There are authorized such sums as may be necessary for agency contributions related to the compensation of employees of the committee from October 1, 1999, through September 30, 2000, and October 1, 2000, through February 28, 2001, to be paid from the Appropriations account for "Expenses of Inquiries and Investigations."

#### SENATE RESOLUTION 157—RELATIVE TO THE DISAPPEARANCE OF JOHN F. KENNEDY, JR., CAROLYN BESSETTE KENNEDY, AND LAUREN BESSETTE

Mr. LOTT (for himself, Mr. DASCHLE, Mr. ABRAHAM, Mr. AKAKA, Mr. ALLARD, Mr. ASHCROFT, Mr. BAUCUS, Mr. BAYH, Mr. BENNETT, Mr. BIDEN, Mr. BINGAMAN, Mr. BOND, Mrs. BOXER, Mr. BREAUX, Mr. BROWNBACK, Mr. BRYAN, Mr. BUNNING, Mr. BURNS, Mr. BYRD, Mr. CAMPBELL, Mr. CHAFEE, Mr. CLELAND, Mr. COCHRAN, Ms. COLLINS, Mr. CONRAD, Mr. COVERDELL, Mr. CRAIG, Mr. CRAPO, Mr. DEWINE, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mr. ENZI, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. FITZGERALD, Mr. FRIST, Mr. GORTON, Mr. GRAHAM, Mr. GRAMM, Mr. GRAMS, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mr. HARKIN, Mr. HATCH, Mr. HELMS, Mr. HOLLINGS, Mr. HUTCHINSON, Mrs. HUTCHISON, Mr. INHOFE, Mr. INOUE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERREY, Mr. KERRY, Mr. KOHL, Mr. KYL, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Mr. MCCONNELL, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. NICKLES, Mr. REED, Mr. REID, Mr. ROBB, Mr. ROBERTS, Mr. ROCKEFELLER, Mr. ROTH, Mr. SANTORUM, Mr. SARBANES, Mr. SCHUMER, Mr. SESSIONS, Mr.

SHELBY, Mr. SMITH of New Hampshire, Mr. SMITH of Oregon, Ms. SNOWE, Mr. SPECTER, Mr. STEVENS, Mr. THOMAS, Mr. THOMPSON, Mr. THURMOND, Mr. TORRICELLI, Mr. VOINOVICH, Mr. WARNER, Mr. WELLSTONE, and Mr. WYDEN) submitted the following resolution; which was considered and agreed to:

S. RES. 157

Whereas it is with profound sorrow and regret that the Senate has learned that John Fitzgerald Kennedy, Jr., his wife Carolyn Besette Kennedy, and her sister Lauren Besette have been missing since the early morning hours of Saturday, July 17, 1999;

Whereas John Fitzgerald Kennedy, Jr., is the son of the late John Fitzgerald Kennedy, the 35th President of the United States of America and Senator from Massachusetts, and nephew of the late Senator Robert Francis Kennedy of New York, and of Senator Edward Moore Kennedy of Massachusetts, and a beloved member of the Kennedy family, which has given countless years of service to this country; and

Whereas the heart of the Nation goes out to the Kennedy and Besette families as search efforts continue in the waters off Martha's Vineyard: Now, therefore, be it

*Resolved*, That the Senate, when it adjourns on Monday, July 19, 1999, do so as a further mark of respect for the grieving families, and directs the Secretary to transmit a copy of this resolution to the Kennedy and Besette families.

#### AMENDMENTS SUBMITTED

#### INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000

#### MOYNIHAN AMENDMENT NO. 1255

(Ordered to lie on the table.)

Mr. MOYNIHAN submitted an amendment intended to be proposed by him to the bill (H.R. 1555) to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; as follows:

At the appropriate place, insert:

#### SEC. 308. SENSE OF THE CONGRESS ON CLASSIFICATION AND DECLASSIFICATION

It is the sense of Congress that in a democracy the systematic declassification of records of permanent historic value is in the public interest and that the management of classification and declassification by Executive Branch agencies requires comprehensive reform.

#### NOTICES OF HEARINGS

#### COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will meet on July 21, 1999, in SR-328A at 9 a.m. The purpose of this meeting will be to consider the nomination of William Rainer to become

Chairman of the Commodity Futures Trading Commission and to conduct an oversight review of the farmland protection program.

#### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Senate Committee on Energy and Natural Resources.

The hearing will take place Tuesday, July 27, 1999, at 2:30 p.m., in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 719, a bill to provide the orderly disposal of certain Federal land in the State of Nevada and for the acquisition of environmental sensitive land in the State, and for other purposes, S. 930, a bill to provide for the sale of certain public land in the Ivanpah Valley, NV, to the Clark County, Nevada, Department of Aviation, S. 1030, a bill to provide that the conveyance by the Bureau of Land Management of the surface estate to certain land in the State of Wyoming in exchange for certain private land will not result in the removal of the land from operation of the mining laws, S. 1288, a bill to provide incentives for collaborative forest restoration projects on National Forest System and other public lands in New Mexico, and for other purposes, and S. 1374, a bill to authorize the development and maintenance of a multi-agency campus project in the town of Jackson, WY.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Mark Rey at (202) 224-6170.

#### ADDITIONAL STATEMENTS

#### TAHOMA HIGH SCHOOL

• Mrs. MURRAY. Mr. President, I rise today to recognize a class of students from Tahoma High School in Maple Valley, Washington who are the champions of the Region One—Western States award of the "We the People . . . the Citizen and the Constitution" national finals. This outstanding group earned the highest cumulative score in their geographic region during the first two days of the "Citizen and the Constitution" national finals, competing against 50 other classes from across the country. Their remarkable understanding and appreciation of the fundamental ideals and values of American constitutional government assure me that this emerging generation will contribute much to the future of civic life.

These Tahoma High School students serve as role models to their peers, not

only by expressing their views and arguments in a poised and mature manner, but also by expressing them as they relate to government. I commend these students on beginning this important civic dialogue at an early age, and sincerely hope that they make it a life-long commitment. The honored students, led by Mark Oglesby, are: Adam Baldrige, Mary Basinger, Josh Bodily, Sydney Brumbach, Katie Carder, Erica Chavez, Elizabeth Dauenhauer, Steven Dekoker, Meghan Denney, Nathan Dill, Marisa Dorazio, Jesse Duncan, Jayson Hart, Jon Hellstrom, Carolyn Hott, Daniel Lindner, Casey Lineberger, Clark Lundberg, Karrie Pilgrim, Michael Pirog, David Rosales, Jason Shinn, Jeremy Sloan, Justin Sly, Donny Trieu, Orianna Tucker, Jessica Walker, Raymond Williams, and Elizabeth Zaleski.●

#### TRIBUTE TO LT. DAVID STOUT, MINNESOTA STATE TROOPER OF THE YEAR

● Mr. GRAMS. Mr. President, I would like to pay tribute today to Lt. David Stout of the Minnesota State Highway Patrol for being named the Patrol's 1999 Trooper of the Year. This is the second such honor for Lt. Stout, who was also given the award in 1977. He served in the State Patrol since 1969 and retired last month after 30 years of service.

Lt. Stout began his service in the Patrol in the East Metro Area of the Twin Cities and most recently has worked in the Duluth area. Among the highlights of his career, Lt. Stout was honored to lead Soviet President Mikhail Gorbachev's motorcade during his visit to Minnesota in 1990.

His family and friends know that David will enjoy his retirement with his 32-foot coastal tugboat, which he recently refurbished and now docks on Lake Superior. When winter makes Superior unnavigable, David and his wife Geri will spend time with family in Green Valley, Arizona. Among his friends and family who are proud of David's career are David's nephew Tim, a member of my staff. On behalf of all Minnesotans, I salute Lt. David Stout's service to the people of Minnesota.●

#### TRIBUTE TO RAY ZINK

● Mr. DORGAN. Mr. President, Ray Zink, North Dakota Department of Transportation Deputy Director for Engineering, retired June 30. In his 40 years with NDDOT, Ray has had a long-standing dedication to providing the best possible transportation system for the people of North Dakota at the lowest possible cost.

Ray Zink joined NDDOT in 1959 as a draftsman, and after subsequent promotions, he became chief engineer in 1982. Ray worked successfully with four

NDDOT directors, three governors, and both political parties. Governors, legislators, and others in political positions have trusted Ray throughout the years and respected his integrity and judgment.

Ray has held several key positions in AASHTO (the American Association of State Highway and Transportation Officials), and because of his expertise and the respect accorded him, he has been invited to represent AASHTO and the FHA (Federal Highway Administration) at highway symposiums in Montreal, Quebec, Canada, and Johannesburg and Durban, South Africa.

As North Dakota's chief highway engineer for 17 years, Ray Zink can claim the following accomplishments:

Helping to build one of the finest highway systems in the Nation: Because the state is so large and people live so far from each other, North Dakota requires an extensive highway system to move people and commodities. However, it lacks the population base to support the system it needs. In spite of this, Ray Zink has led NDDOT to create an excellent highway system, by listening to the public, relying on sound engineering practices, and industriously using every penny of funding in the most effective way.

Using Federal aid as quickly as possible: North Dakota has always matched and used every dollar of federal aid available to it. Under Ray's leadership the state has spent federal aid as quickly and efficiently as possible, because every delay reduces the effectiveness of the funding through inflation and further highway deterioration. In rural America, our roads are critical to keeping us connected to our farms, our jobs, our families, and our cities.

Instituting North Dakota's low-load program: To help funnel more funds to where they were most badly needed, Ray initiated the low-load program. Highways with very low truck traffic are designated "low-load highways." They receive basic maintenance and periodic seal coats but are not candidates for other improvements. This lets NDDOT direct its resources to heavily-traveled highways that need more attention, which means that the entire highway system is in better shape and will deteriorate more slowly.

As NDDOT maintenance engineer and chief engineer, Ray Zink has helped create and maintain these vital links between towns and cities and farms, and we are grateful for his careful guardianship.●

#### NISH 25TH ANNIVERSARY CELEBRATION ACKNOWLEDGING SENATOR JACOB K. JAVITS

● Mr. JEFFORDS. Mr. President, on July 21, 1999, NISH will host a ceremony to acknowledge and celebrate the legacy of Senator Jacob K. Javits, a

distinguished member of the United States Senate for 24 years. This Congressional leader, long recognized for his work in pension reform, labor and foreign policy, is being celebrated for his enduring contributions to people with severe disabilities through the Javits-Wagner-O'Day Program. Elected to the Senate in 1956, Senator Javits was instrumental in expanding the work of the Wagner-O'Day Program to include people with mental retardation, mental illness and other severe disabilities through the 1971 Javits Amendments.

NISH is the non-profit agency that assists community rehabilitation programs that employ people with disabilities through the Javits-Wagner-O'Day Program. Celebrating its 25th Anniversary, NISH acknowledges the critical role that Senator Javits played in the lives of people with disabilities, through the expansion of the program. Today, more than 30,000 people with disabilities are employed on Javits-Wagner-O'Day projects across the country.

It is my pleasure, Mr. President to offer my congratulations and best wishes to NISH as it celebrates its 25th Anniversary. Further, I extend the invitation to all of my colleagues in the Senate and the House of Representatives to join me in attending the celebration to honor the legacy of Jacob Javits on July 21st from 8:00 a.m. to 10:00 a.m. in 902 Hart Senate Office Building.●

#### RECOGNIZING THE WEST VIRGINIA AIR NATIONAL GUARD

● Mr. ROCKEFELLER. Mr. President, I ask that we take a moment today to recognize the enlisted men and women of the West Virginia Air National Guard. Earlier this year, Major General Paul A. Weaver, Jr., the director of the Air National Guard, declared 1999, "The Year of the Enlisted Force" in an effort to promote enlisted pride. In a March 18th proclamation, Governor Cecil H. Underwood, Governor of the great State of West Virginia, made this designation effective.

The Air National Guard is made up of about 95,000 people, nearly 88 percent of whom comprise the enlisted corps. About 65,000 are traditional part-time members and about 30,000 are either full-time technicians or members of the Active Guard. They average about 12.7 years of satisfactory service and perform 170 different specialty jobs. These enlisted men and women are America's friends, family, neighbors, and co-workers. They are educators, bank tellers, repair technicians, and builders. At the same time, they serve our nation as the enlisted force of the Air National Guard and they bring their diverse skills to the job. The enlisted men and women bring maturity and experience to the force and provide

a much needed sense of stability and commitment.

There are two units of the Air National Guard in West Virginia. The 130th Airlift Wing in Charleston, West Virginia, and the 167th Airlift Wing in Martinsburg, West Virginia. These two units supported missions during the Korean conflict and in Vietnam. Both units were stationed in the Persian Gulf throughout the Gulf War. Recently these brave men and women have performed peacekeeping missions in support of the United Nations and NATO in Eastern Europe. In fact, many of them are there as we speak.

The men and women of the West Virginia Air National Guard have won many awards. Some of the most prestigious include Air National Guard Distinguished Flying Unit Awards, four Air Force Outstanding Unit Awards, and four Spaatz trophies. It is important that we all take note of the accomplishments of these outstanding enlisted men and women who make up the backbone of the Air National Guard. They bring an incredible amount of dedication to their work as they perform jobs which are crucial to military operations. They deserve our deepest gratitude as they continue to serve our country.

My sincere congratulations go to the enlisted men and women of the 130th Airlift Wing in Charleston, West Virginia, and the 167th Airlift Wing in Martinsburg, West Virginia. I share in your pride and I proudly recognize 1999, as "The Year of the Enlisted Force."●

#### UNANIMOUS CONSENT AGREEMENT—S.J. RES. 27 AND S.J. RES. 28

Mr. MURKOWSKI. Madam President, on behalf of the leader, I ask unanimous consent that immediately following the cloture vote at 10:30 a.m. on Tuesday, notwithstanding rule XXII, Senator SMITH of New Hampshire be recognized to make a debatable motion to discharge the Finance Committee of the Senate Joint Resolution 28 regarding trade status with Vietnam.

I further ask unanimous consent that there be 1 hour equally divided, as provided by the statute, on the motion, and following that time the Senate proceed to a vote on or in relation to the motion to discharge, all without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. I further ask unanimous consent that immediately following the reconvening of the Senate at 2:15, Senator BOB SMITH be immediately recognized to offer a second motion to discharge the Finance Committee of S.J. Res. 27 regarding trade status with China and that there then begin 1 hour of debate equally divided as provided by the statute, and the vote occur on or in relation to the mo-

tion at the conclusion or yielding back of time, notwithstanding rule XXII or the outcome of the first motion to discharge.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. Madam President, therefore, for the information of all Senators, there will be two rollcall votes prior to the weekly party caucuses on Tuesday, July 20. The first vote will occur at 10:30 a.m. and the next at approximately 12 noon. A third scheduled vote will occur at approximately 3:15 regarding the trade status with China.

#### THE DISAPPEARANCE OF JOHN F. KENNEDY, JR., CAROLYN BESSETTE KENNEDY, AND LAUREN BESSETTE

Mr. MURKOWSKI. Madam President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. Res. 157, submitted earlier today by Senator LOTT and Senator DASCHLE.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 157) relative to the disappearance of John F. Kennedy, Jr., Carolyn Bessette Kennedy, and Lauren Bessette.

There being no objection, the Senate proceeded to consider the resolution.

Mr. MURKOWSKI. Madam President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statement relating to the resolution appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 157) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

#### S. RES. 157

Whereas it is with profound sorrow and regret that the Senate has learned that John Fitzgerald Kennedy, Jr., his wife Carolyn Bessette Kennedy and her sister Lauren Bessette have been missing since the early morning hours of Saturday, July 17, 1999;

Whereas John Fitzgerald Kennedy, Jr., is the son of the late John Fitzgerald Kennedy, the 35th President of the United States of America and Senator from Massachusetts, a nephew of the late Senator Robert Francis Kennedy of New York, and of Senator Edward Moore Kennedy of Massachusetts, and a beloved member of the Kennedy family, which has given countless years of service to this country; and

Whereas the heart of the Nation goes out to the Kennedy and Bessette families as search efforts continue in the waters off Martha's Vineyard: Now, therefore, be it

Resolved, That the Senate, when it adjourns on Monday, July 19, 1999, do so as a further mark of respect for the grieving families, and directs the Secretary to transmit a copy of this resolution to the Kennedy and Bessette families.

#### ORDERS FOR TUESDAY, JULY 20, 1999

Mr. MURKOWSKI. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Tuesday, June 20.

I further ask unanimous consent that on Tuesday immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume debate on the motion to proceed to the intelligence authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. Further, I ask unanimous consent that the Senate stand in recess from the hours of 12:30 p.m. until 2:15 p.m. for the weekly policy conferences to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. I further ask unanimous consent that prior to the recess there be 40 minutes of morning business equally divided between Senator LOTT and Senator LANDRIEU.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### PROGRAM

Mr. MURKOWSKI. Madam President, for the information of all Senators, the Senate will resume debate on the motion to proceed to the intelligence authorization bill at 9:30 a.m. on Tuesday. Pursuant to rule XXII, that cloture vote will occur at 10:30 tomorrow morning. Following the vote, Senator SMITH of New Hampshire will be recognized to make a motion to discharge from the Finance Committee S.J. Res. 28 regarding the trade status with Vietnam. Therefore, Senators can expect an additional vote prior to the weekly party conference meetings. By previous consent, Senator SMITH will again be recognized at 2:15 to offer a second motion to discharge from the Finance Committee S.J. Res. 27 regarding trade status with China. There will be 1 hour of debate on the motion with a vote occurring at approximately 3:15 p.m. Senators may also expect further action on the intelligence authorization bill or any appropriations bills on the calendar during tomorrow's session of the Senate.

#### ORDER FOR ADJOURNMENT

Mr. MURKOWSKI. Madam President, on behalf of the leader, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the provision of S. Res. 157, following the remarks of Senator DORGAN.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Dakota is recognized.

JOHN F. KENNEDY, JR., CAROLYN BESSETTE KENNEDY, AND LAUREN BESSETTE

Mr. DORGAN. Madam President, the Senator from Alaska has offered, on behalf of Senator DASCHLE and Senator LOTT, a resolution dealing with the issue of the apparent tragedy that has befallen John F. Kennedy, Jr., Carolyn Besette Kennedy, and Lauren Besette.

I want to make a comment about that because I know that, along with most Americans, this weekend when we heard the news of the disappearance of John F. Kennedy, Jr., along with his wife and sister-in-law, most of us were quite shocked and deeply saddened by the news.

This was a young man whose life had such bright promise. He was born the son of a young, new President of the United States. That President's life was cut short by assassination just 3 years into his term.

I and countless thousands of other young Americans were inspired by John F. Kennedy, by his energy and by the passion and ideals of his administration. The experience of being in high school and college and watching the emergence of this new, energetic, young President on the scene in this country was something that inspired many young Americans towards public service. That includes my early interest in public service.

When John F. Kennedy was assassinated, I think most of us who were called to public service, or at least were called to an interest in public service back in that period, believed there was kind of an unfinished nature to the legacy of his administration and his Presidency. I think many thought over the years that this young man, John F. Kennedy, Jr., was in some way destined to complete that legacy of public service.

Now another tragedy has visited this family, that has already given so much to this country, and has taken from us this wonderful, unique young man. I want to join with all of my colleagues in extending our sympathies to our colleague, Senator KENNEDY, to the entire KENNEDY family, and to the Besette family. This is a very difficult time for all of them. I know all Members of the Senate probably already have individually sent those messages to that family.

I have said on other occasions in the Senate, that there is a lot of public debate that goes on that people see between Members of the Senate and they tend to think there is a lack of personal relationships that exists in the Senate. Nothing could be further from the truth. When something happens to the family of a Member of the Senate,

others here whose life's work brings us all together, care deeply.

When I lost a daughter a few years ago, I recall Senator HATCH sending me a white Bible and coming to visit with me. Senator BYRD sent me one of the most beautiful pieces of prose I have ever received, and so many other Senators expressed their sympathies. That is the way it is in the Senate. I know Senator KENNEDY and his family are going through a very difficult time, and our entire country reaches out to them now to express our deepest and most profound regrets and sympathies.

#### COMPREHENSIVE TEST BAN TREATY

Mr. DORGAN. Madam President, I want to discuss an item of very significant importance that has brought me to the floor of the Senate several times and brings me here again today. That is the issue of the Comprehensive Nuclear Test Ban Treaty.

I earlier mentioned President John F. Kennedy. President John F. Kennedy was very interested in a comprehensive nuclear test ban treaty. I want to describe why that is the case and relate it to the comments made by my colleague dealing with China in which he talked about accountability and responsibility. I agree with those terms and in most cases with the use of those terms on the floor of the Senate.

It was 54 years ago last Friday that the first nuclear explosion took place on this Earth; the first nuclear bomb was detonated 54 years ago last Friday. Virtually everything changed because of it.

Following the detonation of a nuclear device it was used to end the Second World War. Eventually nuclear weapons led to a cold war with the Soviet Union in which both sides began to stockpile thousands and thousands of nuclear bombs and nuclear weapons of various types. Presidents of the United States started talking about the need to stop the proliferation of nuclear weapons, to keep them in as few hands as possible among the countries of the world. Many countries aspired to have nuclear bombs, nuclear weapons. However, it was obviously in the interests of the safety of humankind to try to keep nuclear weapons out of the hands of those who aspired to have them.

President Eisenhower, in May of 1961, spoke about a ban on testing nuclear devices. If you can't test a nuclear device, you don't know whether you have one that works. A test ban effectively means that anyone who claims to have a nuclear weapon cannot claim to have a nuclear weapon that works because they will never know.

That is the value of a ban on testing, a ban that was aspired to as long ago as President Dwight D. Eisenhower, who said the following:

Not achieving a test ban would have to be classed as the greatest disappointment of

any administration, of any decade, of any time and of any party.

He left office deeply disappointed that even in those early days long before the buildup of nuclear weapons existed so aggressively across the world, he was profoundly disappointed at not getting the test ban.

President John F. Kennedy got a test ban in place in 1963 dealing with atmospheric tests. The ban on atmospheric tests in 1963 was partially successful. He desired a total ban. He said:

A test ban would place the nuclear powers in a position to deal more effectively with one of the greatest hazards man faces. . . . It would increase our security, it would decrease the prospects of war. Surely this goal is sufficiently important to require our steady pursuit, yielding neither to the temptation to give up the whole effort nor the temptation to give up our insistence on vital and responsible safeguards.

Now, since that time, we have seen more nations achieve the ability to build nuclear weapons and the ability to deliver them. We have seen our country and the Soviet Union stockpile tens of thousands of nuclear weapons. It is quite remarkable, the United States and Russia, together, currently have more than 30,000 nuclear weapons. China has nuclear weapons. The number, to the extent we know, is classified. But, it is a minuscule amount as compared to 30,000. We know from recent events that India and Pakistan both have nuclear weapons. Both have exploded nuclear devices literally beneath each other's chin—and these are two countries that don't like each other. Two countries with a common border, with a great deal of animosity, both testing nuclear devices in a provocative way. Other countries aspire to achieve or to obtain nuclear weapons.

What are we doing about all of this? There is a treaty that has been negotiated over a long period of time—in fact, ultimately over decades—and signed by 152 countries. It is a comprehensive nuclear test ban treaty. That comprehensive nuclear test ban treaty is a treaty which prohibits the testing of nuclear weapons, it bans the explosive testing of nuclear weapons all across this world.

We have had some experience with treaties: arms control and arms reduction treaties, the START I treaty, Strategic Arms Limitation Treaty, SALT I, START II, the Anti-Ballistic Missile Treaty. A whole series of treaties have been considered and negotiated and ratified by the Senate.

This treaty, the comprehensive nuclear test ban treaty, was negotiated and signed and sent to the Senate a long while ago—665 days ago; 665 days ago a treaty that this country negotiated and signed was sent to the Senate to be ratified.

What has happened with previous treaties? The limited nuclear test ban treaty in 1963 was sent to the Senate and considered in 3 weeks; the Strategic Arms Limitation Treaty in 1972



took 3 months; the ABM Treaty took 10 weeks; the ABM Treaty protocols, 14 months; Conventional Forces in Europe, 4 months; START I, 11 months.

The comprehensive nuclear test ban treaty was sent here over 665 days ago and it has yet to have had a first day of hearings in the Committee on Foreign Relations in the Senate.

Why? Why would a treaty that is so important to this country languish for nearly 2 years without even an hour, not a day of hearings?

We are, as a world, in a much better position than we were some years ago in the middle of the cold war when the Soviet Union and the United States were headlong in an arms race, building and deploying tens of thousands of nuclear weapons. The Soviet Union is gone. The cold war is over. The arms race has largely diminished.

One thing remains constant: Many other countries around the world want to obtain nuclear weapons.

Many countries around the world want to obtain delivery systems to deliver nuclear weapons. They are testing medium-range and long-range missiles. They are trying to find ways to produce or obtain the materials necessary to build a nuclear device. This country, in the middle of all of this, must provide leadership.

It is our responsibility to provide that leadership. We are the remaining nuclear superpower. Russia has nuclear devices to be sure, but Russia is not a world power of the type the United States is at this point. We, as a country, must exert some leadership, and one step in the right direction towards diminishing the opportunities for other countries to achieve reliable nuclear weapons, is to quickly ratify this treaty, the comprehensive nuclear test ban treaty.

The decision of this country to drag our feet is almost unforgivable. It sends a signal to others around the rest of the world—to China, Russia, India, Pakistan and others—that this is not all that important; it is not a priority to the United States. It ought to be. Everybody in this Chamber ought to come to the floor to demand that this be brought before the Senate. It has languished for almost 2 years in the Foreign Relations Committee in the Senate. It ought to be brought to the floor, and we ought to have a debate on it.

In October of this year, the countries who have ratified this treaty will be meeting to discuss implementing the treaty. They will apparently be meeting without the United States as an active participant. It is wrong, in my judgment, for this country to decide that it is not going to provide the leadership necessary on this treaty. The rest of the world looks to us, waits for us, and the Senate is dragging its feet. I understand the committees in the Senate have a great deal of authority

and power. I recognize that, but it seems to me there is a compelling national interest that should require this country to lead, and require this Senate to ratify the comprehensive nuclear test ban treaty.

I want to, with one additional chart, point out what was said by Secretary of State Albright:

...this is the longest-sought, hardest-fought prize in arms control. And it is a price not yet fully won. For American leadership, for our future, the time has come to ratify the Comprehensive Test Ban Treaty—this year, this session, now.

I heard my colleague from Alaska talk about Chinese espionage at the National Labs. That is an unsettling and a very serious issue. It raises all kinds of questions about the safeguarding of nuclear secrets, about how much and what kind of secrets might have been obtained by those who were spying on behalf of another country, and did these secrets allow that country or those countries to build higher yield or smaller nuclear devices.

I do not know the answer to those questions, but the words "accountability and responsibility" were used repeatedly in discussing that issue. Accountability and responsibility—it seems to me those two words are appropriate; in fact, those two words are exactly what we ought to talk about with respect to the Comprehensive Test Ban Treaty.

Accountability and responsibility—if this country is responsible, and if this country is going to be accountable for its leadership in the world, the leadership away from the proliferation of nuclear weapons, the leadership toward a safer world, one with fewer nuclear weapons rather than more nuclear weapons, then this country will take the lead now on the Comprehensive Test Ban Treaty. It is not the case, as some have argued, that the China espionage issue actually undercuts ratification of this treaty. In fact, that issue strengthens the need for this treaty. It strengthens the need for this treaty.

To suggest—and there was a recent article in the Wall Street Journal suggesting there is a linkage—Chinese espionage is why we ought not ratify the Comprehensive Test Ban Treaty is nonsense. In fact, these allegations of espionage, in my judgment, underscore why this treaty ought to be ratified and ought to be ratified now.

To the extent that China believes it may have acquired the opportunity for better nuclear warheads, it will never know that unless it is able to test them. And as a signatory to a comprehensive nuclear test ban treaty, it cannot test without violating the treaty.

I will be participating in a press conference tomorrow with others in the Senate during which we will announce a recent public opinion poll that has been done on this issue which shows

widespread public support to ratify this comprehensive nuclear test ban treaty. I hope that perhaps with some pressure and some thoughtfulness on the part of all Members of the Senate, we will be given an opportunity to debate and vote on the Comprehensive Test Ban Treaty soon.

Again, I understand how this system works, but it is not a system that ought to work in the regular way for something as important as this: limiting the spread of nuclear weapons. This country ought to take the lead in preventing it, and it ought to do so now. It is just plain wrong for the Senate to drag its feet on a treaty of this importance. A treaty negotiated and signed by 152 countries, waiting to be ratified for almost 2 years, and not even have 1 hour of hearings. That is wrong and everybody in this Chamber should know it is wrong.

I do hope my colleagues will join me in calling for the Foreign Relations Committee in the Senate to bring the comprehensive nuclear test ban treaty before the Senate.

#### FAMILY FARMING

Mr. DORGAN. Madam President, I have been talking about what I hope the agenda of the Senate will be in the next weeks as we turn from the Patients' Bill of Rights, which consumed all of last week and which was a fairly hard-fought debate. The Comprehensive Test Ban Treaty, I hope, will be a part of that.

As I indicated on Friday, I also feel very strongly that the majority leader and others in this Senate must put at the head of the list of items for consideration a piece of legislation that will deal with the emergency needs of family farming.

The economy has collapsed in rural America, and we cannot wait. It requires this Congress to act and act soon. We have a farm bill that is largely bankrupt. It does not provide support during tough times. It pulls the rug out from under family farmers even as market prices have collapse. This Congress must do two things: first, pass an emergency bill; and, second, rewrite the farm program in a way that says to family farmers: You produce food the world needs, we care about that, and we are going to help you across price valleys when they occur.

I will speak more about that later this week. Madam President, I yield the floor.

#### TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2000

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2490) making appropriations for the Treasury Department, the United

States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2000, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the text of S. 1282, as passed, is inserted and the House bill (H.R. 2490), as amended, is read the third time and passed.

Under the previous order, the Senate insists upon its amendment and the Chair appoints Mr. CAMPBELL, Mr. SHELBY, Mr. KYL, Mr. STEVENS, Mr. DORGAN, Ms. MIKULSKI, and Mr. BYRD, conferees on the part of the Senate.

#### MEASURE INDEFINITELY POSTPONED

The PRESIDING OFFICER. Under the previous order passage of S. 1282 is vitiated and the bill is indefinitely postponed.

#### ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order and pursuant to S. Res. 157, as a further mark of respect to the grieving Kennedy and Besette families, the Senate stands adjourned.

Thereupon, the Senate, at 4:58 p.m., adjourned until Tuesday, July 20, 1999, at 9:30 a.m.

#### NOMINATIONS

Executive nominations received by the Senate July 19, 1999:

##### DEPARTMENT OF AGRICULTURE

ANDREW C. FISH, OF VERMONT, TO BE AN ASSISTANT SECRETARY OF AGRICULTURE, VICE JOHN DAVID CARLIN, RESIGNED.

##### FEDERAL COMMUNICATIONS COMMISSION

SUSAN NESS, OF MARYLAND, TO BE A MEMBER OF THE FEDERAL COMMUNICATIONS COMMISSION FOR A TERM OF FIVE YEARS FROM JULY 1, 1999. (REAPPOINTMENT)

##### DEPARTMENT OF STATE

DAVID N. GREENLEE, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF PARAGUAY

##### DEPARTMENT OF JUSTICE

MICHAEL J. GAINES, OF MARYLAND, TO BE A COMMISSIONER OF THE UNITED STATES PAROLE COMMISSION FOR A TERM OF SIX YEARS. (REAPPOINTMENT)

TIMOTHY EARL JONES, SR., OF GEORGIA, TO BE A COMMISSIONER OF THE UNITED STATES PAROLE COMMISSION FOR THE TERM OF SIX YEARS, VICE GEORGE MACKENZIE RAST, RESIGNED.

MARIE F. RAGGHIANI, OF MARYLAND, TO BE A COMMISSIONER OF THE UNITED STATES PAROLE COMMISSION FOR THE TERM OF SIX YEARS, VICE EDWARD F. REILEY, TERM EXPIRED.

JOHN R. SIMPSON, OF MARYLAND, TO BE A COMMISSIONER OF THE UNITED STATES PAROLE COMMISSION FOR A TERM OF SIX YEARS. (REAPPOINTMENT)

##### DEPARTMENT OF STATE

WILLIAM B. TAYLOR, JR., OF VIRGINIA, FOR THE RANK OF AMBASSADOR DURING TENURE OF SERVICE AS COORDINATOR OF U.S. ASSISTANCE FOR THE NEW INDEPENDENT STATES.

##### IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

##### To be vice admiral

REAR ADM. GREGORY G. JOHNSON.

##### IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY

AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AN ASTERISK (\*)) UNDER TITLE 10, U.S.C., SECTIONS 624 AND 531:

##### To be lieutenant colonel

GARY W. ACE  
DAN L. ADAMS, JR.  
DAREN L. ADAMS  
EMORY Y. ADAMS  
SOONG B. AHN  
PATRICK J. AHRENS  
RICHARD C. AKRIDGE  
DONNA A. ALBERTO  
RONALD P. ALBERTO  
DAVID M. ALEGRE  
JOHN S. ALEXANDER, JR.  
WILLIAM T. ALLEN  
WILFORD A. ALSTON  
PETER A. ALTAVILLA  
MARY A. ALTMAN  
JULIO L. ALVAREZ, JR.  
KEITH A. ANDERSON  
THOMAS R. ANDERSON  
PERI A. ANEST  
JOHN E. ANGEVINE  
DIONYSIOS ANNINOS  
JOHN E. ANZALONE  
EDWARD J. APGAR  
MANUEL APONTE, JR.  
MICHAEL J. ARINELLO  
JOEL R. ARMSTRONG  
JAMES W. ARP, JR.  
DAVID A. ATCHER  
KNOWLES Y. ATCHISON  
WILLIAM T. ATKINSON  
RICHARD B. AVERNA  
MICHAEL D. AVERY  
CARL G. AYERS  
MARK H. AYERS  
JACQUES A. AZEMAR  
JEFFREY L. BACHMAN  
ROBERT B. BAHRER  
DANIEL L. BAGGIO  
HUBERT E. BAGLEY, JR.  
DAVID P. BAGNATI  
FREDERICK A. BAILLERGEON  
MARY A. BAKER  
SHARON H. BAKER  
DANIEL L. BALL  
ROBERT S. BALLEW  
JEFFREY L. BANNISTER  
STEPHEN E. BARGER  
GREGG A. BARISANO  
GRIFFIN J. BARKIE  
LAUREEN M. BARONE  
CONFESOR BARRETO  
JAMES E. BARRINEAU  
CHARLES S. BASHAM, JR.  
TERRY D. BASHAM  
JAMES D. BASS  
JOSEPH L. BASS  
JAMES C. BATES  
PHILIP F. BATTAGLIA  
KEVIN M. BATULE  
JOHN M. BAVIS  
ROBERT M. BAXTER, JR.  
STEPHEN H. BAYER  
TAYLOR V. BEATTIE  
STEPHEN M. BEATTY  
DOUGLAS H. BEATY  
PHILIP F. BEAVER  
MARLON K. BECK  
STEVEN A. BECKMAN  
JAMES P. BECKMANN  
CYNTHIA M. BEDELL  
JAMES A. BEINKEMPER, JR.  
LARRY D. BEISEL  
ERIC R. BELCHER  
JAMES A. BELL  
JOSEPH M. BELL  
MICHAEL S. BELL  
BARBARA R. BELLAMY  
HENRY W. BENNETT  
RICHARD A. BERGLUND  
KEITH R. BEURSKENS  
DAVID L. BIACAN  
JOHN E. BIANCHI  
MICHAEL J. BIEGA  
LUIGI E. BIEVER  
RAYMOND L. BINGHAM  
CRAIG H. BIRD  
JOHN J. BIRD  
JOHN R. BLACK  
DAVID M. BLACKBURN  
GEOFFREY N. BLAKE  
DAN BLAND  
WILLIAM S. BLAND  
ANTHONY E. BLANDO  
JERRY L. BLIXT  
ERICH V. BOERNER  
ATTILA J. BOGNAR  
JAMES C. BOISSELLE  
CHARLES W. BONNELL  
ALLEN L. BORGARDT  
ROBERT J. BOTTERS, JR.  
MICHAEL E. BOUIE  
MICHAEL P. BOWMAN  
JOHNNY L. BOYD  
JUDITH F. BOYD  
CORNELIUS C. BOYKINS  
PETER E. BRADY  
WILLIAM W. BRALEY, SR.

CURT R. BRANDT  
CHRISTOPHER W. BRAUN  
MICHAEL W. BRAY  
DAVID A. BRAZIER  
BRENT B. BREDEHOFT  
PAUL W. BRICKER  
ROBERT S. BRIDGFORD  
ALVIN V. BROWN  
ANNETTE BROWN  
OTIS L. BROWN II  
ROBERT C. BROWN  
RUTH S. BROWN  
TYRONE K. BROWN  
THOMAS H. BRYANT  
TODD A. BUCHS  
JAMES E. BUCHWALD  
GRACE L. BUELL  
JAMES R. BULLINGER  
JOHNNY R. BULLINGTON  
ROBERT E. BURCHELL  
KYLE T. BURKE  
RODERICK BURKE, SR.  
RICHARD A. BURKLUND  
CLINTON L. BURRELL, JR.  
WILLIAM C. BURRELL  
BRYAN D. BURRIS  
KENT D. BURSTEIN  
MICHAEL R. BURT  
JOHN E. BUSHYHEAD  
BRIAN J. BUTCHER  
DWIGHT D. BUTLER  
JANET I. BUTLER  
ODIE L. BUTLER III  
DONALD W. BUXTON  
DAVID R. BYRN, SR.  
PAUL P. CALE  
VICTORIA A. CALHOUN  
JAMES A. CALLAHAN  
MICHAEL O. CALLAHAN  
RANDAL L. CAMPBELL  
ROBERT L. CAMPBELL  
FRANCIS J. CAPONIO  
JOHN W. CAPPEL  
CALVIN T. CARLSEN  
RICHARD A. CARLSON  
STEVEN P. CARNEY  
JOHN K. CAROTHERS  
TIMOTHY J. CARROLL  
ROBERT F. CARTER, JR.  
CURTIS A. CARVER, JR.  
JAMES E. CASHWELL  
HECTOR R. CASTILLO  
DAVID P. CAVALERI  
JOHN D. CECIL  
CLATON D. CHANDLER  
JAMES R. CHAPMAN  
JERRY S. CHASTAIN  
JON E. CHICKY  
MICHAEL W. CHILDERS  
GREGG CHISLETT  
ROBERT E. CHOPPA  
MICHAEL J. CHRISTIAN  
GERARD J. CHRISTMAN  
ARMON A. CIOPPA  
DAVID J. CLARK  
FRANKLIN D. CLARK, JR.  
KEVIN D. CLARK  
SAMMY CLARK, JR.  
STEVEN C. CLARK  
MICHAEL N. CLAWSON  
ERIC G. CLAYBURN  
TRACY A. CLEAVER  
ROBERT W. CLOSSON  
DAVID C. COBURN  
HARRY L. COHEN  
ANTONIO S. COLEMAN  
THERESA D. COLES  
STEVEN N. COLLINS  
ROBERT S. COLTRAIN  
ELLIS D. COLVIN  
MARK A. CONLEY  
DARRELL T. CONNELLY  
TERRY E. CONNELLY  
DAVID A. COOK  
JUDSON A. COOK  
KATHERINE M. COOK  
RICHARD E. COON  
BRUCE A. CORDELLI, SR.  
GARY B. CORDES  
MARIO CORONEL  
CHRISTOPHER P. COSTA  
WILLIAM M. COSTELLO  
CRAIG S. COTTER  
DAVID G. COTTER  
CHRIS L. COTTRELL  
DANIEL T. COTTRELL  
THOMAS H. COWAN, JR.  
CRAIG E. COWELL  
JEFFREY A. CRABB  
THOMAS M. CREA  
MARK L. CRENSHAW  
FLETCHER A. CREWS  
HARVEY L. CROCKETT  
CLIFFORD D. CROFFORD, JR.  
BARRY N. CRUM  
MICHAEL C. CUMBIE  
DANIEL J. CUMMINGS  
TERRENCE CUMMINGS  
JOHN L. CUNNANE  
LAUREL D. CUNNANE  
WILLIAM J. CUNNINGHAM, JR.  
MICHAEL S. CURRY

RANDALL C. CURRY  
GREG W. CUSIMANO  
MICHAEL F. CYR  
PAUL M. CZARZASTY  
JENNIFER R. DALESSANDRO  
MARK A. DAMATO  
GREGORY L. DANIELS  
LINDA K. DANIELS  
JOHN H. DANNON  
LOLA J. DARDEN  
ANTHONY F. DASKEVICH II  
WILLIAM E. DAVID  
GERALD S. DAVIE, JR.  
JOSEPH E. DAVIES  
ALFRAZIER DAVIS, JR.  
CLEOLA M. DAVIS  
GRANT M. DAVIS  
JAMES W. DAVIS  
JIMMY D. DAVIS  
KIRK A. DAVIS  
MARK A. DAVIS  
VERNON T. DAVIS  
TODD E. DAY  
CHARLES E. DEAN  
JOSEPH P. DEANTONA  
KATHY J. DEBOLT  
PHILIP D. DECAMP  
THOMAS J. DEGNON  
THOMAS A. DELL  
PETER A. DELUCA  
WADE F. DENNIS  
YOLANDA C. DENNISLOWMAN  
WAYNE L. DETWILER  
KENNETH W. DEVAN  
JERRY D. DICKERSON  
JAMES W. DIRKSE  
DAVID E. DODD  
WILLIAM T. DOLAN  
DAVID P. DOLPH  
JOHN J. DONOGHUE  
MICHAEL J. DONOVAN  
EDWARD F. DORMAN III  
DAVID W. DORNBLASER  
CHARLES J. DORSEY  
KEVIN J. DOUGHERTY  
THOMAS C. DOVEY, JR.  
DAVID R. DRAEGER  
JAMES P. DRAGO, JR.  
MARK E. DRAKE  
CONRAD A. DREBY  
JOHN F. DRIFTMIER  
JOHN D. DROLET  
PETER DUKE  
JOHN E. DUMOULIN, JR.  
JOE D. DUNAWAY  
CARYL D. DURHAMRANDOLFF  
JEFFREY L. EBERHARDT  
THEODORE M. EDWARDS  
ROBERT C. EFFINGER III  
JERRY L. EGBERT  
RANDALL S. EICHELBERGER  
MICHAEL E. ERDLEY  
JOHN D. ESCE  
JOE E. ETHRIDGE, JR.  
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KARI L. EVERETT  
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 ERIC A. WIEDEMANN  
 CLAUDIA T. WIGGLESWORTH  
 DOUGLAS A. WILD  
 LAWRENCE WILKERSON  
 JOHN R. WILKINSON  
 BRUCE E. WILLIAMS  
 HARRY B. WILLIAMS  
 JONATHAN M. WILLIAMS  
 WILLIE WILLIAMS, JR.  
 MICHAEL E. WILLIAMSON  
 MARILYN D. WILLS  
 ARCHIE WILMER III  
 ALAN L. WILSON  
 JEFFREY K. WILSON  
 JOHN M. WILSON  
 KEVIN J. WILSON  
 MARTIN J. WILSON  
 CHRISTOPHER L. WINNE  
 WILLIAM T. WISEMAN  
 STANLEY H. WOLOSZ II  
 JOHN W. WOODARD  
 KEVIN S. WOODS  
 MICHELLE L. WOODS  
 STEVEN G. WOODS  
 JOHN S. WRIGHT  
 LINWOOD C. WRIGHT  
 THOMAS P. WRIGHT  
 BRUCE WYNN  
 STEPHEN G. YACKLEY  
 PHILIP M. YACOVONI  
 ANDREW C. YEE  
 CHARLES S. YOUNG  
 DENNIS O. YOUNG  
 YUVAL J. ZACKS  
 ROBERT G. ZEBROWSKI  
 SCOTT D. ZEGLER  
 WILLIAM E. ZELLER  
 THOMAS G. ZIEK, JR.  
 X0734  
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 X1570  
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## HOUSE OF REPRESENTATIVES—Monday, July 19, 1999

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. STEARNS).

### DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,  
July 19, 1999.

I hereby appoint the Honorable CLIFF STEARNS to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,  
*Speaker of the House of Representatives.*

### MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 19, 1999, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to 5 minutes.

### THE REPUBLICAN AGENDA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Illinois (Mr. WELLER) is recognized during morning hour debates for 5 minutes.

Mr. WELLER. Mr. Speaker, I have the privilege of representing a very, very diverse district. I represent the south side of Chicago, the south suburbs in Cook and Will Counties, industrial communities like Joliet, LaSalle, a lot of cornfields and farm towns. When one represents such a diverse district, city, suburbs and country, one listens for those comments and concerns, issues and problems and questions that link the city and the suburbs and the country.

I have often heard, over the course of the last 4½ years that I have had the privilege of being in this House, a very common message, and that is the common message of working together and solving the challenges that we face; that they want us here in the Congress to work together, solve the challenges that we face, and I am pretty proud in the last 4 years how we have met that challenge that the folks back home have given me: balancing the budget for the first time in 28 years, cutting

taxes for the middle class for the first time in 16 years, and, of course, reforming our failed welfare system for the first time in over a generation. Those are all big accomplishments, big accomplishments that came from a committed effort in this Congress over the last 4 years to change how Washington works to make Washington more responsive to the folks back home.

As a result now, that success, particularly in balancing the budget and cutting taxes, we have an economy that is doing better than we anticipated. Nine years, since 1991, we have been enjoying economic growth. Tying that in with a balanced budget, we now have projected \$3 trillion surplus of extra money over the next 10 years. That is a lot of money when we think about it, because our Federal budget is only \$1.7 billion.

Well, as we work on the Republican agenda this year of good schools and low taxes and a secure retirement, we have the challenge before us of what to do with the extra money, what to do with the surplus; and of course, historically in Washington they always want to spend it on new government.

But if we look at the markup of that money, most of it is Social Security. I am really proud that the Republican budget does something that the folks back home have told me that we should do for a long time, and that is the Republican budget stops the raid on Social Security that has gone on for 30 years. Republicans put a stop to it this year. In fact, in doing so, we set aside two-thirds of the surplus of extra tax revenue for retirement security, meaning we use those funds to shrink Social Security and Medicare so that they are there for 3 generations from now, and that is the centerpiece and the purpose of the Social Security and Medicare lock box.

But under our budget by doing that, we take the so-called surplus and we set aside two-thirds of the surplus for Medicare and Social Security, one-third for tax cuts, because we believe that if we look at the tax burden today on families, and I often hear whether I am at the union hall or the VFW or the local chamber or the coffee shop on Main Street or the grain elevator out in the country, folks are frustrated by the tax burden being so high.

In fact, since 1985, the tax burden on individuals has gone up. In fact, it has doubled since 1985, and a portion of our economy, the gross domestic product that now goes to the Federal Government in taxes is the highest level ever

in peacetime history. Mr. Speaker, 21 percent of our economy is now consumed by the Federal Government in the burden of taxes.

Not only do people back home tell me that they feel taxes are too high, but they are frustrated with how complex and complicated and also how unfair our tax code is. They bring up real concerns about issues such as the marriage tax penalty.

And I have Shad and Michelle Hallihan here, a young couple, two schoolteachers in Joliet, Illinois, who just got married. In fact, they are expecting a baby any day now. Well, because they are married and both work, their combined incomes when they file jointly as a married couple pushes them into a higher tax bracket. That is called the marriage tax penalty.

For couples such as Shad and Michelle Hallihan, the marriage tax penalty, on average, is about \$1,400 a year in higher taxes just because they are married. Had Shad and Michelle chose not to get married, they would have saved about \$1,400 a year in taxes. That is wrong. Just one of the complications in our tax code.

This is why I am so pleased as a member of the Committee on Ways and Means that we succeeded this past week in passing legislation which lowers the tax burden for families, addresses the need to simplify the tax code and the unfairness in the tax code, and also addresses the need through simplification and fairness, and particularly in treatment of small business, to help keep our economy growing, keeping this 9-year period of economic growth continuing into the 21st century.

Mr. Speaker, 42 million married working people will enjoy the marriage tax relief that is provided in the Committee on Ways and Means-produced tax cut, the Financial Freedom Act of 1999. We help married couples. We also address the need to help family farmers and family businesses, many of whom are put out of business when the founder passes on because of the so-called death tax which can consume up to 55 percent of the family farm or family business. That is just wrong. We eliminate the death tax in the Financial Freedom Act of 1999.

I am often asked by folks back home, is there not a way we can make it easier and more affordable to go to college and send our kids to school; if I am an adult who wants to go back to school to do that as well, we provide education relief. We address the marriage

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



tax relief, we eliminate the death tax, we help small business and family farmers, and we help families better afford education.

Mr. Speaker, I ask for bipartisan support for this legislation, which I hope will be voted on later this week.

#### LIVABLE COMMUNITIES FOR AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Oregon (Mr. BLUMENAUER) is recognized during morning hour debates for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, my goal in Congress is for the Federal Government to be a full partner in helping our communities be more livable. I discussed improving liveability of the physical environment on this floor dealing with transportation infrastructure, managing our water resources in a more rational fashion, and reducing gun violence. These are all elements the Federal Government can profoundly influence in our communities and provide the quality of life that our citizens desire and deserve.

A critical part of that well-planned infrastructure for a livable community is access to the global economy through Internet connections. That is why I have strongly supported the E-rate, which helps schools and libraries connect to the Internet with subsidized costs.

The Internet is to America's tomorrow what the highways and railroad systems have been in the past. It has had the potential to change our communities and landscapes in ways that are truly profound.

There is an Internet drama unfolding now which has profound implications for how the Federal Government can help communities realize their vision of a livable future. I am referring to high-speed broad-band Internet access via the cable systems which are part of the households of many Americans. This issue is being played out as the consolidation of America's cable delivery system is almost complete, featuring ownership by telecommunication giants like AT&T which recently purchased the TCI cable system, America's largest.

Ironically, 7 years after the passage of legislation to deregulate cable, titled the Cable Television Consumer Protection and Competition Act of 1992, the consolidation in the industry is resulting in fewer choices for cable consumers. In fact, by this time next year, only New York and Los Angeles will have more than one cable operator. Why is this important?

The majority of Americans are still in the horse and buggy era of Internet connections, by connecting on the Internet through their phone lines. Cable has the potential of moving mil-

lions of American households into the equivalent of a high-speed rail Internet connection. As we make this quantum leap from the horse and buggy technology to truly the information super highway, we must ensure that this new service provides the same type of competition that has inspired better service options at lower costs for long-distance and for Internet service over the phone lines.

What happens if these cable systems are owned by just a few companies? Soon, AT&T will provide cable service for almost two-thirds of American households. We get a little glimpse of this in my hometown of Portland, Oregon, where AT&T is the only cable provider in our entire metropolitan area. As a condition of the approval of the merger with TCI, the citizen advisors in my community made the recommendation to our elected officials that there be competition for high-speed Internet connections over the cable platform.

AT&T has chosen to argue strenuously that it should have a monopoly. The company insisted that everybody have to pay for AT&T's Internet service, regardless of whether or not people want to use it. Forcing people to use its service or pay twice for Internet connection is an integral part of AT&T's business plan.

In fact, it is such an important part that when the elected officials chose to support the recommendation of our citizens, AT&T warned, in not very subtle language, that the city better have a big legal budget, and in fact, sued, trying to win in the Federal court what AT&T could not justify to Portland's citizens and to its elected officials.

But AT&T lost in a powerfully worded decision by a highly respected and moderate to conservative local jurist. Yet AT&T is continuing its appeal and in the meantime is threatening not to invest in our community that had the temerity to suggest that we ought to have competition.

While the company's influence is being felt in Washington, D.C., it is time for the administration and Congress to protect connectivity, competition, and choice. This is a national issue, not just Portland. Cities all over the country are dealing with this, in L.A., San Francisco, Seattle, Minneapolis to Boston, Atlanta, Chicago and Detroit. Just last week, Broward County in Florida passed a resolution just like Portland's.

I will be introducing legislation this week to help local communities in their quest to determine their own technological future through competition, connectivity, and choice. Congress, the FCC, the private sector and local governments, everybody has a role to play. We all must fight to protect the competitive forces that so many of us say are important. The

stakes are high not just for this vital telecommunication link, but also to prove that we are serious about making competition work for more livable communities.

#### SWAPPING OF DONOR LISTS

The SPEAKER pro tempore (Mr. METCALF). Under the Speaker's announced policy of January 19, 1999, the gentleman from Florida (Mr. STEARNS) is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Mr. Speaker, last week a lot of us became aware of the fact that public television stations around the Nation were exchanging their donor lists with the Democrat National Committee. I would remind everyone, of course, that public television is supported by American taxpayers' dollars; that is, the tax dollars of Democrats, Republicans, Independents, even people who do not vote.

And the public broadcasting service is a private, not-for-profit corporation. It is owned by 350 noncommercial TV stations. Its mission, Mr. Speaker, is to provide over-the-air broadcasting that serves the public interested. PBS is partially funded by the Federal Government through the Corporation for Public Broadcasting, the CPB.

This year, in fact, we were considering providing CPB with as much as \$475 million a year. In turn, CPB provides public broadcasting stations with 14 percent of its funding. In fact, last year that amounted to more than \$37 million. In addition, PBS received \$4 million more than other Federal agencies.

Public TV stations are a 501(c)(3) nonprofit group, and as such, they are tax exempt. Being tax exempt, they are prohibited from supporting any political party or engaging in any lobbying or other partisan activity.

I serve on the Committee on Commerce's Subcommittee on Telecommunications, Trade, and Consumer Protection last week, during consideration of the reauthorization of the Corporation for Public Broadcasting, a story came to light about a Boston public TV station which had shared 32,000 names with the Democrat National Committee. It reported that Sam Black, a 4-year-old received a fund-raising letter from the DNC.

□ 1245

It appears that Sam's mother included his name with her own when she sent a donation to the Boston station WGBH. The first time this fund-raising exchange was reported, the station originally maintained that it was an isolated incident, a mistake by an ill-informed employee. Of course, the facts, Mr. Speaker, showed differently.

WGBH first approached the Democratic Party in 1993. In that first year, the station received 5,000 names of

Democratic campaign donors. The next year WGBH, in a sense, paid for new names by swapping the names of their contributors.

The station also received a financial payment for providing 10,200 names. My colleagues and I on the Subcommittee on Telecommunications, Trade, and Consumer Protection wanted to know more; specifically, if this practice was widespread or if there was just one station involved. We found, of course, that their stations in San Francisco, Los Angeles, New York, and even here in the Washington, D.C. area that had been cooperating with the DNC in fund-raising activities for as long as 20 years.

I am not concerned that the Republicans were excluded from this fund-raising effort. I am concerned that tax-exempt organizations are engaging in partisan politics. Since the beginning, there has been a close relationship between the Public Broadcasting Service and what many of us perceive as the liberal agenda. In the mid-1990s, the Media Research Center studied 73 PBS programs for political bias. It found there was a liberal slant on these shows. Now, more recently, Mr. Speaker, PBS decided not to air the President's videotaped testimony before the grand jury or to offer live coverage of the impeachment debate in the House Judiciary. Instead, Mr. Speaker, it ran Barney and the Teletubbies. However, it did find it appropriate and in the public interest to provide full coverage for the Watergate and Iran-Contra hearings.

Now we have discovered that there is more than just an ideological connection between PBS and the Democratic Party. This financial cooperation is clearly in violation of our tax laws and could be of interest to the FEC and to the IRS.

During consideration of the reauthorization for CPB, I prepared an amendment calling on the comptroller of the United States to conduct a study, a simple study, on this swapping of donor lists and to report what stations, which political parties, and the circumstances of this cooperation. However, the hearing on reauthorization has been postponed, but Congress needs to act now.

The next step is for the GAO to launch an investigation into this matter. I also want to see the CPB take steps themselves to find out the extent of these joint fund-raising activities and to assure Congress and the Subcommittee on Telecommunications, Trade, and Consumer Protection that this has ended and will not occur again.

Mr. Speaker, in conclusion, the American people now endure the highest level of taxation in this Nation's history. These hard-working people should not be sending their tax dollars to help support public TV stations

which are working with the DNC to enrich their respective organizations. Public TV stations should be serving the public interest and, of course, not any partisan political interest.

#### SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Sherman Williams, one of his secretaries.

#### MOVING FORWARD IS BEST FOR ALL

The SPEAKER pro tempore (Mr. METCALF). Under the Speaker's announced policy of January 19, 1999, the gentleman from Massachusetts (Mr. FRANK) is recognized during morning hour debates for 5 minutes.

Mr. FRANK of Massachusetts. Mr. Speaker, I have been struck by the change in the rhetoric from my Republican colleagues with regard to the work of the Congress, particularly the House of Representatives. For years, I have heard them talk about what they were going to accomplish beginning with the Contract with America that they trumpeted.

Now in the last couple of weeks, there is a new tone. Instead of telling us what they are going to do, they are explaining why they have been unable to do it. The Republicans are into a new phase in the Republican revolution, whining. They are complaining that while they wanted to do all of these things, they have been unable. What we now have, rather than an announcement of a program is an explanation for its failure.

I was particularly struck to note that they were blaming the minority leader, the gentleman from Missouri (Mr. GEPHARDT), in large part. I reread the Contract with America. One does not get to read only for pleasure in our work. Sometimes we must read as a duty, so I reread the Contract with America, and I did not find in there that the gentleman from Missouri (Mr. GEPHARDT) was listed as a subcontractor.

I did not read in there that the Contract with America said here are these bold things we will do if the Democrats let us. But now what do we hear? The Democrats would not let me do it. It is a kind of a reverse Flip Wilson. It is no longer the devil made them do it. It is that the gentleman from Missouri (Mr. GEPHARDT) would not let them do it.

Well, I should say in fairness, Mr. Speaker, that they have even been giving me a little bit of the credit. We are not a profession known for great modesty, but I am a little reluctant to accept quite as much credit for their failure as they give me. Clearly, it would be in my interest in many quarters to

accept that credit without dissent but I do have to be honest and say they give me a little more credit than I deserve.

I want to say right now that when the Appropriations bills have come up, I have not worn my costume of the gentleman from Oklahoma (Mr. COBURN) and held the bills up. That was not I. It was not the gentleman from Missouri (Mr. GEPHARDT). That was a member of their own party.

It is not I who has decided, for instance, that term limits, and remember term limits? Some members do. The gentleman from Washington (Mr. METCALF) does because he is an honest man who is abiding by his promise, but term limits was part of the Contract with America. Well, that contract apparently has been declared null and void because in this year we have the Republican Party in control of the House, and no one has brought up the term limits issue. It seems to have evanesced into the wind.

Now, as I said, they are arguing that it is the fault of the gentleman from Missouri (Mr. GEPHARDT) and myself. They are clearly wrong. They have been the majority. They are in their third Congress of a majority. They have the votes. They are, in fact, unable to do things for which I am glad, but they have misargued the cause. Their platform has not become law, not because of myself and the gentleman from Missouri (Mr. GEPHARDT), much as I would love to take the credit, but because it is unpassable, and it is unpassable because it is unacceptable to the American people.

Their problem is that they won an election in 1994 based on dissatisfaction with the Democrats, acknowledgedly, and then proceeded to a program which included at one point shutting down the government, excessive tax cutting that even a few on their own side do not like, trying to roll back environmental regulations, term limits which they are not prepared themselves to abide by.

It is not we who have stopped them. It is the American people. And indeed what has been notable is the extent to which the Republican Party has fallen out of love with the American people. They came announcing themselves as the tribunes of the voters and increasingly what we have from my Republican colleagues is a sense that the voters are not to be trusted. We heard that, of course, most clearly during the impeachment hearings, but we hear it in other things. They are afraid that if they do not engineer a fiscally irresponsible tax cut far more than the economy calls for, the people will ask Members of Congress to vote for things.

We cannot trust those people. They want a prescription drug program for the elderly. They just lack the moral fiber to go without drugs. They are

going to insist that if Congress has some money there we say to 73-year-old people who are faced with a \$3,000 and \$4,000 drug bill on a \$25,000 income that we ought to help them. They will insist on more transportation facilities. They will insist on cleaning up some environmental sites. So that is the problem, Mr. Speaker.

The Republican Party, it is true, is not getting anywhere with its agenda. By the way, on those rare occasions where they have gotten somewhere, we have paid too high a price. If I were tempted to try and listen to their pleas and help them out, I would remember the 1997 Balanced Budget Act where they cut Medicare to pay for capital gains tax cuts and all over this country in hospitals and home health care agencies in Massachusetts where we have lost prescription drugs, people are paying the price for this.

I have been struck by the "dear colleagues" I get from time to time from some of my Republican colleagues who having voted for the Balanced Budget Act of 1997 have now decided that it did a terrible thing. It cut Medicare. Apparently, they were somewhere else at the time. Apparently, when the Balanced Budget Act was being formulated and voted and cutting Medicare to pay for a capital gains tax cut, they were absent. They now have returned to find that the capital gains tax cut undid some important parts of Medicare.

Now, it is true, Mr. Speaker, if they want to make another deal involving a tax cut and taking funds away from Medicare I will try to block it. The minority leader, the gentleman from Missouri (Mr. GEPHARDT) will try to block it and I am glad, but essentially the fault, dear Republicans, lies not with the minority. It lies with themselves and with the unacceptable nature of their program to the American people.

#### MILITARY CONCERNED ABOUT NATIONAL SECURITY

The SPEAKER pro tempore (Mr. STEARNS). Under the Speaker's announced policy of January 19, 1999, the gentleman from North Carolina (Mr. JONES) is recognized during morning hour debates for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, on a recent Monday night I watched the O'Reilly Factor on Fox News. Lieutenant Colonel McCallum, director of the Office of Safeguards and Security for the Department of Energy, joined Bill O'Reilly to discuss Chinese espionage at our Nation's weapons laboratories. Colonel McCallum revealed very important information about the Energy Department's mismanagement of our sensitive national security information.

In fact, after listening to Colonel McCallum's firsthand accounts, I felt compelled to share his story. Mr. Speaker, I have the honor of rep-

resenting four of our Nation's military bases, Camp Lejeune Marine Corps Base, Cherry Point Marine Corps Air Station, Seymour Johnson Air Force Base, and the Elizabeth City Coast Guard station, as well as 77,000 of our Nation's brave veterans.

I was home in eastern North Carolina over the July 4 recess, and a number of my constituents asked me what Congress was doing to rectify one of the country's worst breaches of national security in our history? Unfortunately, I had very little to report.

That is why I am here today, Mr. Speaker. The security of the United States is an issue with a critical impact on the citizens of this country, yet it has been swept under the rug by this current administration, and it is not surprising. President Clinton appointed Hazel O'Leary Secretary of Energy, a position she held from 1993 to 1997. The Department of Energy is in place to support our Nation's environmental quality, economic policy, energy security and national security, but when President Clinton appointed Hazel O'Leary head of the Department, she had no experience with nuclear energy or weapons technologies. Now she has been accused of directly compromising our sensitive national security information.

Mr. Speaker, Colonel McCallum served under Secretary O'Leary in the 9 years he has served as security director. During the interview, Mr. O'Reilly asked Colonel McCallum if the allegations against Ms. O'Leary were correct. He replied, and I quote, the Secretary shut down our counterintelligence program, stopped our ability to follow leads and largely opened doors to the Chinese and other adversaries who would want our secrets and our nuclear materials.

Mr. Speaker, this is a direct quote from the security director for the Department of Energy. Colonel McCallum confirmed that Mrs. O'Leary was more concerned with helping the Russians and Chinese with their economics, which is what President Clinton wanted her to do, than she was with the security of the United States of America.

Mr. O'Reilly then asked the colonel his response after witnessing these grave breaches of national security. Colonel McCallum replied, we raised the issue to the Secretary's office on a routine basis to try to get to the Secretary to allow us to protect our highest secrets, to protect our nuclear material and nuclear weapons in the appropriate way and, frankly, we were unable to get in the front door or get her staff to focus on the issue.

Mr. Speaker, that is a direct quote. This is an outrage. The director of security repeatedly contacted the Secretary's office asking her to do something to protect our sensitive nuclear technology, and she ignored him.

Colonel McCallum is not just a disgruntled employee. He served two tours

in Vietnam and has a distinguished military career. So why would he risk losing his job with the Department of Energy, his livelihood, by speaking out against his employer? Because, Mr. Speaker, he is telling the truth.

After a 28-year career, Colonel McCallum has been placed on administrative leave and his job has been threatened, simply because he has tried to come forward with the facts.

Mr. Speaker, Colonel McCallum comes from a military family and has a long history of service himself. Yet he is willing to sacrifice his own job by coming forward with concerns based on his faithful dedication to this country. He is a true patriot. He can confirm that under the leadership of President Clinton's appointees, the Department of Energy has ignored the concerns of its security staff and allowed for a Communist nation to steal our nuclear secrets.

Mr. Speaker, Colonel McCallum is right. America must help the administration wake up to the reality that we need to make real and effective changes now to tighten security at our Nation's weapons laboratory. The security of our Nation and the security of every citizen in America may depend on that.

□ 1300

#### CURRENT ISSUES AFFECTING GUAM

The SPEAKER pro tempore (Mr. STEARNS). Under the Speaker's announced policy of January 19, 1999, the gentleman from Guam (Mr. UNDERWOOD) is recognized during morning hour debates for 5 minutes.

Mr. UNDERWOOD. Mr. Speaker, I have the honor of representing Guam, which is the most distant U.S. area that is still represented in this body and is on the other side of the International Dateline. This means that Guam will be the first location in America that will witness the effects of the so-called Y2K bug.

Guam is 15 hours ahead of the East Coast on the Continental United States. Thus on January 1, 2000 Guam time, the entire Nation will know far in advance of the beginning of their New Year's celebrations here on the East Coast what the devastating effects of Y2K will be.

The administration, via the Office of Insular Affairs at the Department of Interior, has just announced that the territories will receive \$22 million in new Federal funding to help repair the local governmental computer systems and make them Y2K compliant.

However, Mr. Speaker, I have learned from very reliable sources that the breakdown of this necessary emergency funding will represent the greatest inequity in Federal territorial relations that Guam has experienced since 1898

when Guam became a U.S. possession. The administration, with no explanation, nor just cause, has deemed that out of a possible \$22 million in assistance divided for four territories, Guam will receive a mere \$60,000, and Guam will be the first one to experience the Y2K problem.

This amount is unconscionable, and this level of funding is proportionately ridiculous in terms of Guam's real Y2K problems which are estimated to be around \$26 million to repair.

Somewhere along the road between the Office of Insular Affairs and the Government of Guam, there seems to have been a breakdown in cooperation. The USDA made an assessment of the Government of Guam's Y2K readiness earlier this year, along with other territories. Supposedly, their efforts were met with some resistance by local officials and agency heads. I do not know if any of this is accurate; but at this stage, casting blame will not solve the problem.

The fact remains that, if the rumors of uncooperativeness are true, and I am not sure that they are, the \$60,000 apportionment out of \$22 million is tantamount to a punitive action.

It is my understanding and certainly my hope that OMB and OIA will be meeting very soon to discuss redressing this gross inequity or to supplement the total pool of funds. I will make every effort to impress upon the administration that they need to make realistic and equitable allocations for Guam and the other territories.

To that end, I will be contacting the House Committee on Appropriations' chairman and ranking member to express my deep concern over the proposed Y2K funding allocation. I hope and I trust that the realignment of this funding proposal can be met.

The other item I would like to address is the INS reimbursement for the Government of Guam. Earlier this year, and in fact going back to last year, there has been a steady stream of illegal immigrants making a nearly 2,000 mile journey over the open ocean from the People's Republic of China to Guam.

As a result of this, there has been over 500 illegal Chinese immigrants that have been captured in Guam and have been detained in Guam. Governor Carl Gutierrez intervened to prevent that action, the INS from releasing these people into the general community.

Now, the government of Guam has been housing these illegal immigrants since January at a local corrections facility. This is a Federal responsibility. The Clinton administration thankfully has committed to reimbursing the Government of Guam for all costs incurred in relation to detaining and capturing the Chinese illegal immigrants.

Last June, the Governor of Guam estimated that the cost to date had tallied some \$4.4 million.

I understand that the administration will be offering an amendment to the Subcommittee on Commerce, Justice, State, and Judiciary bill which will make good on this commitment.

I am grateful for that opportunity, and I urge all the Members of this body as well as Members of the other body to support that and to continue to work towards the equitable distribution of funding for our insular areas.

#### CONGRESSIONAL AUTHORITY IS SLIPPING

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Washington (Mr. METCALF) is recognized during morning hour debates for 5 minutes.

Mr. METCALF. Mr. Speaker, before coming to Congress, I taught history for 30 years in my home State of Washington. But it should not take a historian, a lawyer, or even a politician to realize that Congress has ceded a measure of fundamental constitutional authority to the executive.

In fact, it is the hundreds of phone calls and letters from Americans in my district and around the country that brings me to the floor today. These citizens are concerned, and I am concerned, that Congress has subjected the people to laws it never made because we have allowed our legislative responsibilities to be usurped by the executive department.

In the past, Presidents worked with Congress to pass legislation. Indeed, that is what the Founders intended. Nevertheless, Congress, over the years, has allowed Presidents, both Democratic and Republican, to issue executive orders and proclamations that push far beyond the prescribed executive authority. Presidents have used these administrative actions to enact their agenda without the consent of Congress.

Mr. Speaker, we have tolerated this type of executive orders and proclamations for too long. I am deeply concerned about what I perceive to be a culture of deference in the Congress, deference to the executive. Congressional authority is slipping.

In fact, this President has issued more than 297 executive orders since taking office. Some of these infringe on the powers and duties reserved exclusively for Congress as dictated by the U.S. Constitution. In fact, one was so egregious that it had to be rescinded last year. That was executive order 13803 on federalism, which imposed new guidelines and granted the President unlimited policy making authority. Furthermore, it expanded the burden of big government on American citizens.

Last August, due to its blatant regard for congressional authority and disregard for the 9th and 10th Amendments, the White House finally suc-

cumbed to intense pressure and suspended or withdrew the federalism executive order.

The American Heritage Rivers Initiative, Executive Order 13061, is another example of our current President's attempted usurpation of the legislative powers of Congress. The Rivers Initiative was born when the President decided, without studies or public hearings, that he could take governing authority away from States and local governments.

The Constitution requires Congress to first approve all revenue spending. However, Clinton's executive order would require States to give up certain rivers to Federal control. It is a threat to citizens' private property rights. Even more disturbing, the Rivers Initiative also would have given the President the power to reprogram government funds and spend taxpayers' money for projects without a vote of Congress.

The President's use of executive orders and proclamations is reckless. Some fear the President may try to use these presidential directives in the future to further his international agenda in U.N. treaties or to increase his authority under the so-called emergency powers to spend more taxpayer dollars.

Executive orders and proclamations are a legitimate source of law only when they draw upon the constitutional powers of the President or when Congress expressly delegates such authority.

I urge every Member to join with me, and the 72 of our colleagues, and cosponsor House Concurrent Resolution 30. My resolution institutes a check within the Congress. It is a signal that executive infringements on legislative power will prompt Congress to protect its constitutional prerogatives.

Those of us in Congress have taken an oath to uphold the Constitution and to protect the balance it established. To fulfill our oath of office, I urge each Member to support this resolution. We must protect our constituents from the abuses of unchecked executive power.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m.

Accordingly (at 1 o'clock and 10 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. PEASE) at 2 p.m.

#### PRAYER

The Reverend Father Mark Moretti, Assistant Pastor, St. Rita's Catholic

Church, Alexandria, Virginia, and Chaplain for Diplomatic Security, the State Department, offered the following prayer:

Heavenly Father, in times of tragedy, words fail to express our sense of loss or grief. Our human weakness lays claim to Your strength. We rest in You. We depend on Your care. Console us with the truth that in all the events of human life, the happy and the sad, Your presence and Your love will never depart. Help us to remember that with all of the blessings of this life that You have given us, we hope for a greater life with You, where there will be no sorrow, no tears, and no pain, but only the fullness of peace and joy. We ask this in Your holy name. Amen.

#### THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

#### PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nevada (Mr. GIBBONS) come forward and lead the House in the Pledge of Allegiance.

Mr. GIBBONS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

#### EXTREMIST ENVIRONMENTAL GROUPS SHOULD NOT RUN CONGRESS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, no doubt many of us find it very disturbing that at the same time that Congress is spending billions of taxpayer dollars for thousands of vague Government programs, a number of our more liberal colleagues would vote to destroy the jobs of hard-working minors and families across the United States. It is truly a perplexing and even sad time for my constituents in this Congress.

Paradoxically, many of my colleagues give millions of dollars away to someone who can study the mating habits of fruit flies and yet at the same time vote for an amendment that would effectively take the food off the tables of thousands of hard-working families in Nevada and elsewhere.

Mr. Speaker, what I would like to tell these families is, why would Congress do this? What will I tell them? Tell them that they and half of their community lost their jobs so that a small handful of hikers did not have to see a mine on their bird watching hike?

I would like to remind my colleagues that a majority of mining States have a cleaner environmental bill of health than most nonmining States in this country.

Also, the millions of dollars in tax dollars paid by mines across the country rule out the "free ride" argument that some of my colleagues would suggest.

Mr. Speaker, sound science and common sense should rule this Congress, not the extremist environmental groups who prey on public emotion.

#### RUSSIA WANTS ANOTHER \$5 BILLION FROM IMF

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, even though Russia still owes \$17 billion to the International Monetary Fund, Russia wants another \$5 billion loan. And experts support it. They say, Russia needs the \$5 billion loan to repay part of the \$17 billion still in default.

Unbelievable. If that is not enough to detoxify your ruble, reports say, "Beware, Congress, Russian politicians have been stealing the IMF money for years."

Beam me up, Mr. Speaker. These experts are not only smoking dope, they are drinking vodka chasers if they expect me to vote for one more dime for a Russian loan. Borrow this.

#### REPORT ON EMIGRATION LAWS AND POLICIES OF ALBANIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106-98)

The Speaker pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

*To the Congress of the United States:*

I am submitting an updated report to the Congress concerning the emigration laws and policies of Albania. The report indicates continued Albanian compliance with U.S. and international standards in the area of emigration. In fact, Albania has imposed no emigration restrictions, including exit visa requirements, on its population since 1991.

On December 5, 1997, I determined and reported to the Congress that Albania is not in violation of the freedom-of-emigration criteria in sections 402 and 409 of the Trade Act of 1974. That action allowed for the continuation of normal trade relations status for Albania and certain other activities without the requirement of an annual

waiver. This semiannual report is submitted as required by law pursuant to the determination of December 5, 1997.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 19, 1999.

#### REPORT ON NATIONAL EMERGENCY WITH RESPECT TO LIBYA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106-99)

The Speaker pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

*To the Congress of the United States:*

I hereby report to the Congress on the developments since my last report of December 30, 1998, concerning the national emergency with respect to Libya that was declared in Executive Order 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c); section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c).

1. On December 30, 1998, I renewed for another year the national emergency with respect to Libya pursuant to IEEPA. This renewal extended the current comprehensive financial and trade embargo against Libya in effect since 1986. Under this sanctions, virtually all trade with Libya is prohibited, and all assets owned or controlled by the Government of Libya in the United States or in the possession or control of U.S. persons are blocked.

2. On April 28, 1999, I announced that the United States will exempt commercial sales of agricultural commodities and products, medicine, and medical equipment from future unilateral sanctions regimes. In addition, my Administration will extend this policy to existing sanctions programs by modifying licensing policies for currently embargoed countries to permit case-by-case review of specific proposals for commercial sales of these items. Certain restrictions apply.

The Office of Foreign Assets Control (OFAC) of the Department of the Treasury is currently drafting amendments to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the Regulations), to implement this initiative. The amended Regulations will provide for the licensing of sales of agricultural commodities and products, medicine, and medical supplies to non-governmental entities in Libya or to government procurement agencies and parastatals not affiliated with the coercive organs of that country. The

amended Regulations will also provide for the licensing of all transactions necessary and incident to licensed sales transactions, such as insurance and shipping arrangements. Financing for the licensed sales transactions will be permitted in the manner described in the amended Regulations.

3. During the reporting period, OFAC reviewed numerous applications for licenses to authorize transactions under the Regulations. Consistent with OFAC's ongoing scrutiny of banking transactions, the largest category of license approvals (20) involved types of financial transactions that are consistent with U.S. policy. Most of these licenses authorized personal remittances not involving Libya between persons who are not blocked parties to flow through Libyan banks located outside Libya. Three licenses were issued authorizing certain travel-related transactions. One license was issued to a U.S. firm to allow it to protect its intellectual property rights in Libya; another authorized receipt of payment for legal services; and a third authorized payments for telecommunications services. A total of 26 licenses were issued during the reporting period.

4. During the current 6-month period, OFAC continued to emphasize to the international banking community in the United States the importance of identifying and blocking payments made by or on behalf of Libya. The office worked closely with the banks to assure the effectiveness of interdiction software systems used to identify such payments. During the reporting period, 87 transactions potentially involving Libya, totaling nearly \$3.4 million, were interdicted.

5. Since my last report, OFAC has collected 7 civil monetary penalties totaling \$38,000 from 2 U.S. financial institutions, 3 companies, and 2 individuals for violations of the U.S. sanctions against Libya. The violations involved export transactions relating to Libya and dealings in Government of Libya property or property in which the Government of Libya had an interest.

On April 23, 1999, a foreign national permanent resident in the United States was sentenced by the Federal District court for the Middle District of Florida to 2 years in prison and 2 years supervised release for criminal conspiracy to violate economic sanctions against Libya, Iran, and Iraq. He had previously been convicted of violation of the Libyan Sanctions Regulations, the Iranian Transactions Regulations, the Iraqi Sanctions Regulations, and the Export Administration Regulations for exportation of industrial equipment to the oil, gas, petrochemical, water, and power industries of Libya, Iran, and Iraq.

Various enforcement actions carried over from previous reporting periods have continued to be aggressively pur-

sued. Numerous investigations are ongoing and new reports of violations are being scrutinized.

6. The expenses incurred by the Federal Government in the 6-month period from January 7 through July 6, 1999, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately \$4.4 million. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and the Department of Commerce.

7. In April 1999, Libya surrendered the 2 suspects in the Lockerbie bombing for trial before a Scottish court seated in the Netherlands. In accordance with UNSCR 748, upon the suspects' transfer, UN sanctions were immediately suspended. We will insist that Libya fulfill the remaining UNSCR requirements for lifting UN sanctions and are working with UN Secretary Annan and UN Secretary Council members to ensure that Libya does so promptly. U.S. unilateral sanctions remain in force, and I will continue to exercise the powers at my disposal to apply these sanctions fully and effectively, as long as they remain appropriate. I will continue to report periodically to the Congress on significant developments as required by law.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 19, 1999.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules but not before 6 p.m.

#### LEWIS AND CLARK EXPEDITION BICENTENNIAL COMMEMORATIVE COIN ACT

Mr. BEREUTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1033) to require the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the Lewis and Clark Expedition, and for other purposes.

The Clerk read as follows:

H.R. 1033

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Lewis and Clark Expedition Bicentennial Commemorative Coin Act".

#### SEC. 2. FINDINGS.

The Congress finds that—

(1) the expedition commanded by Meriwether Lewis and William Clark, which came to be called "The Corps of Discovery", was one of the most remarkable and productive scientific and military exploring expeditions in all American history;

(2) President Thomas Jefferson gave Lewis and Clark the mission to "explore the Missouri River & such principal stream of it, as, by its course and communication with the waters of the Pacific Ocean, whether the Columbia, Oregon, Colorado, or any other river may offer the most direct and practical water communication across this continent for the purposes of commerce";

(3) the Expedition, in response to President Jefferson's directive, greatly advanced our geographical knowledge of the continent and prepared the way for the extension of the American fur trade with American Indian tribes throughout the land;

(4) President Jefferson directed the explorers to take note of and carefully record the natural resources of the newly acquired territory known as Louisiana, as well as diligently report on the native inhabitants of the land;

(5) the Expedition departed St. Louis, Missouri on May 14, 1804;

(6) the Expedition held its first meeting with American Indians at Council Bluff near present-day Fort Calhoun, Nebraska, in August 1804, spent its first winter at Fort Mandan, North Dakota, crossed the Rocky Mountains by the mouth of the Columbia River in mid-November of that year, and wintered at Fort Clatsop, near the present-day city of Astoria, Oregon;

(7) the Expedition returned to St. Louis, Missouri, on September 23, 1806, after a 28-month journey covering 8,000 miles during which it traversed 11 future States: Illinois, Missouri, Kansas, Nebraska, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington, and Oregon;

(8) accounts from the journals of Lewis and Clark and the detailed maps that were prepared by the Expedition enhance knowledge of the western continent and routes for commerce;

(9) the Expedition significantly enhanced amicable relationships between the United States and the autonomous American Indian nations, and the friendship and respect fostered between American Indian tribes and the Expedition represents the best of diplomacy and relationships between divergent nations and cultures; and

(10) the Lewis and Clark Expedition has been called the most perfect expedition of its kind in the history of the world and paved the way for the United States to become a great world power.

#### SEC. 3. COIN SPECIFICATIONS.

(a) DENOMINATION.—In commemoration of the bicentennial of the Lewis and Clark expedition, the Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall mint and issue not more than 500,000 \$1 coins, each of which shall—

- (1) weigh 26.73 grams;
- (2) have a diameter of 1.500 inches; and
- (3) contain 90 percent silver and 10 percent copper.

(b) LEGAL TENDER.—The coins minted under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

(c) NUMISMATIC ITEMS.—For purposes of section 5136 of title 31, United States Code, all coins minted under this Act shall be considered to be numismatic items.



**SEC. 4. SOURCES OF BULLION.**

The Secretary may obtain silver for minting coins under this Act from any available source, including stockpiles established under the Strategic and Critical Materials Stock Piling Act.

**SEC. 5. DESIGN OF COINS.****(a) DESIGN REQUIREMENTS.—**

(1) IN GENERAL.—The design of the coins minted under this Act shall be emblematic of the expedition of Lewis and Clark.

(2) DESIGNATION AND INSCRIPTIONS.—On each coin minted under this Act there shall be—

(A) a designation of the value of the coin;

(B) an inscription of the year “2004” and the years “1804-1806”; and

(C) inscriptions of the words “Liberty”, “In God We Trust”, “United States of America”, and “E Pluribus Unum”.

(3) OBVERSE OF COIN.—The obverse of each coin minted under this Act shall bear the likeness of Meriwether Lewis and William Clark.

(4) GENERAL DESIGN.—In designing this coin, the Secretary shall also consider incorporating appropriate elements from the Jefferson Peace and Friendship Medal which Lewis and Clark presented to the Chiefs of the various Indian tribes they encountered and shall consider recognizing Native American culture.

(b) SELECTION.—The design for the coins minted under this Act shall be selected by the Secretary after consultation with the Commission of Fine Arts and shall be reviewed by the Citizens Commemorative Coin Advisory Committee.

**SEC. 6. ISSUANCE OF COINS.**

(a) QUALITY OF COINS.—Coins minted under this Act shall be issued in uncirculated and proof qualities.

(b) MINT FACILITY.—Only 1 facility of the United States Mint may be used to strike any particular quality of the coins minted under this Act.

(c) PERIOD FOR ISSUANCE.—The Secretary may issue coins minted under this Act only during the period beginning on January 1, 2004, and ending on December 31, 2004.

**SEC. 7. SALE OF COINS.**

(a) SALE PRICE.—The coins issued under this Act shall be sold by the Secretary at a price equal to the sum of—

(1) the face value of the coins;

(2) the surcharge provided in subsection (d) with respect to such coins; and

(3) the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) BULK SALES.—The Secretary shall make bulk sales of the coins issued under this Act at a reasonable discount.

**(c) PREPAID ORDERS.—**

(1) IN GENERAL.—The Secretary shall accept prepaid orders for the coins minted under this Act before the issuance of such coins.

(2) DISCOUNT.—Sale prices with respect to prepaid orders under paragraph (1) shall be at a reasonable discount.

(d) SURCHARGES.—All sales of coins minted under this Act shall include a surcharge of \$10 per coin.

**SEC. 8. DISTRIBUTION OF SURCHARGES.**

(a) IN GENERAL.—Subject to section 5134(f) of title 31, United States Code, the proceeds from the surcharges received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary as follows:

(1) NATIONAL LEWIS AND CLARK BICENTENNIAL COUNCIL.— $\frac{2}{3}$  to the National Lewis and

Clark Bicentennial Council, for activities associated with commemorating the bicentennial of the Expedition.

(2) NATIONAL PARK SERVICE.— $\frac{1}{3}$  to the National Park Service for activities associated with commemorating the bicentennial of the Lewis and Clark Expedition.

(b) AUDITS.—Each organization that receives any payment from the Secretary under this section shall be subject to the audit requirements of section 5134(f)(2) of title 31, United States Code.

**SEC. 9. FINANCIAL ASSURANCES.**

(a) NO NET COST TO THE GOVERNMENT.—The Secretary shall take such actions as may be necessary to ensure that minting and issuing coins under this Act will not result in any net cost to the United States Government.

(b) PAYMENT FOR COINS.—A coin shall not be issued under this Act unless the Secretary has received—

(1) full payment for the coin;

(2) security satisfactory to the Secretary to indemnify the United States for full payment; or

(3) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration Board.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from New York (Mr. LAFALCE) each will control 20 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this Member rises today to urge the passage of H.R. 1033, legislation introduced by this Member which authorizes the U.S. Department of the Treasury to mint 500,000 one-dollar coins to commemorate the bicentennial of the Lewis and Clark Expedition. The coins will be of legal tender. In addition, this measure will raise money to defer costs of bicentennial celebrations.

Original cosponsors of this legislation include the gentleman from Oregon (Mr. BLUMENAUER), the gentleman from North Dakota (Mr. POMEROY), the gentleman from Alabama (Mr. BACHUS), and the gentleman from Montana (Mr. HILL), who is the co-chairman of the Lewis and Clark Caucus. Last Congress, a very similar bill was introduced by this Member; and we, in fact, had 299 House cosponsors.

This Member would especially like to thank the gentleman from Iowa (Chairman LEACH) and the gentleman from Alabama (Mr. BACHUS) the subcommittee chairman for expediting the consideration of this legislation once House-Senate tactics on revenue measures on this Congressional measure were settled. I thank the gentleman from New York (Mr. LAFALCE) for his role, as well.

Mr. Speaker, it is important to note a Lewis and Clark commemorative coin bill, which this Member also introduced, conforming with all rules of the Committee on Banking and Financial

Services, passed the House in the 105th Congress by a vote of 398 to 2, but was not individually passed by the Senate before the 105th Congress adjourned.

President Thomas Jefferson, eager to explore newly-acquired land from the Louisiana Purchase, chose Meriwether Lewis and William Clark to begin the expedition, which came to be called “The Corps of Discovery.”

President Jefferson gave the following directive to Lewis and Clark to “explore the Missouri River and such principal streams of it, as, by its course and communication with the waters of the Pacific Ocean, whether the Columbia, Oregon, Colorado, or any other river may offer the most direct and practicable water communication across this continent for the purposes of commerce.”

Lewis and Clark departed St. Louis on May 14, 1804, and returned to St. Louis 28 months later on September 23, 1806. The journey covered 8,000 miles of the land which now constitutes the States of Illinois, Missouri, Kansas, Nebraska, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington, and Oregon.

This expedition was one of the most remarkable and productive military and scientific exploring expeditions in all of American history. This expedition advanced our geographical knowledge of the continent and its beautiful natural resources.

In addition, the expedition greatly enhanced amicable relationships and nurtured a mutual friendship and respect between the United States and the autonomous American Indian nations. Furthermore, Sacajawea, the young Native American woman who was a guide and interpreter for the expedition, deserves our acknowledgment and admiration.

In addition, the distinguished Senator from North Dakota, Senator BYRON DORGAN, has simultaneously introduced a companion bill on this subject in the other body, S. 1187.

Under H.R. 1033, these coins will include the likeness of Meriwether Lewis and William Clark and the U.S. Mint considers incorporating appropriate elements from the Jefferson Peace and Friendship Medal which Lewis and Clark presented to the chiefs of the various Indian tribes they encountered and shall consider recognizing Native American culture.

In its 1997 report, the congressionally authorized Citizens Coin Advisory Committee recommended commemorating the Lewis and Clark Expedition with the coin. This Lewis and Clark Commemorative Coin authorized by this legislation will be scheduled to be minted and into circulation in the year 2004.

The legislation provides that the net proceeds from the surcharges included in the price of the coin shall be distributed to the National Lewis and Clark



Bicentennial Council, two-thirds of it, and the National Park Service, the remaining third, to be used by the Park Service for activities associated with commemorating the bicentennial of the Lewis and Clark Expedition. Thus, this contribution from the proceeds of coin sales to the Park Service will save taxpayers on currently planned Lewis and Clark events.

The legislation also includes language requiring the Department of the Treasury to take action necessary to ensure that the minting and issuing of the coins result in no net costs to the United States.

Moreover, the National Lewis and Clark Bicentennial Council, which advocates this commemorative coin, is an outgrowth of the Lewis and Clark Trails Foundation, Incorporated, which was created in 1969 to continue the work of the 1964 congressionally established Lewis and Clark Trails Commission.

Mr. Speaker, in closing, this Member believes that the courage and resilience and discoveries of Lewis and Clark assisted by Native Americans along the route of their great expedition, "The Corps of Discovery," left an indelible and lasting contribution to the settlement and perhaps to the ultimate boundaries of the United States.

Lewis and Clark, in 1804, began an expedition from St. Louis into the unknown wilderness of the West.

□ 1415

They returned in 1806 with a wealth of knowledge and experience which has been invaluable in the development of the United States and the American Nation. We still stand in awe of their intrepid journey to explore the American West.

Therefore, this Member would strongly encourage his colleagues to vote for H.R. 1033, the Lewis and Clark Commemorative Coin Bill.

Mr. Speaker, I reserve the balance of my time.

Mr. LAFALCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1033, and I give special commendation to the principal author of the bill, the gentleman from Nebraska (Mr. BEREUTER), and to the two Democratic lead sponsors on the bill, the gentleman from Oregon (Mr. BLUMENAUER) and the gentleman from North Dakota (Mr. POMEROY). I commend them for their fine work advancing it to the House floor.

The bill requires the Secretary of the Treasury to mint a coin commemorating the Lewis and Clark expedition. The expedition, led by Meriwether Lewis and William Clark, was one of the most remarkable and productive scientific and military expeditions in all American history.

At the direction of President Thomas Jefferson, Lewis and Clark led an expe-

dition force of some 40 soldiers and civilians up the Missouri river, across the Rocky Mountains, along the Columbia River to the Pacific Ocean. The expedition covered a vast stretch of America's territory, over 8,000 miles, and 11 future States, including what is now Illinois, Missouri, Kansas, Nebraska, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington and Oregon.

The pioneering spirits of Lewis and Clark culminated in the development of new maps for uncharted territories and a collection and study of previously unknown species of plants and animals. With their new glimpse of uncharted territories, Lewis and Clark inspired subsequent generations of Americans to push the American frontier to the Pacific ocean.

Mr. Speaker, this legislation celebrates this historic geographical and scientific exploration of the United States. The minting and issuance of the Lewis and Clark commemorative coin will be done at no cost to the American taxpayer and proceeds from its sale will accrue to the Lewis and Clark Bicentennial Council and the National Park Service. Both of these organizations are currently preparing for the bicentennial celebration of the Lewis and Clark expedition. Mr. Speaker, I urge my colleagues to support passage of H.R. 1033.

Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon (Mr. BLUMENAUER), the chief Democratic sponsor of this bill.

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentleman yielding me this time, and I appreciate the leadership of the gentleman from Nebraska (Mr. BEREUTER). I would like to express my strong support for H.R. 1033, the Lewis and Clark Expedition Bicentennial Commemorative Coin Act. I hope this time we get it through, that there are not hang-ups.

I was pleased with what the House did in the last session. It is of particular interest to me as the only graduate of Lewis and Clark College in Portland, Oregon, the namesake of the great explorers; in fact, both my degrees are from the institution. I grew up in the Pacific Northwest, steeped in the lore and tradition that surrounded the Lewis and Clark expedition.

It is very important to us in the Pacific Northwest. One hundred years ago in our community, the centennial of the Lewis and Clark expedition was celebrated in a world's fair that had a profound impact on our community, on the Pacific Northwest and the West Coast in general.

This resolution, which passed the House last year and has been ably described by the gentleman from Nebraska and the gentleman from New York, has the potential of providing resources for a national celebration of this undertaking. I will not bore Mem-

bers or our guests with further recitation of that exploration, but suffice it to say that over 200 years ago when President Jefferson coaxed the Congress to appropriate \$2,500 for this exploration, it was money well spent; and I think that the resources that will be invested in this celebration will likewise be well spent.

There is a great deal that we need to do to reconnect with our friends in the Native American communities in the 11 States throughout the passage of the expedition, for us to acknowledge the contributions they made and understand what it means in today's world to be connected to people of other ethnic backgrounds, particularly Native Americans, but also I think this is an international respect as well.

It is a chance for our Nation to reflect on the power of exploration and scientific advancement, to reach out to others in the Native American community who were a part of that exploration, who on more than one occasion rescued the explorers. It is an opportunity for us as a Nation to reflect on our ancestors who had the ability to dream on a vast scale.

Today, we need this observance and all that it requires to help us face our destiny in a new century. I am pleased to be associated with the legislation and hope that the House will act expeditiously.

Mr. LAFALCE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume. I want to simply conclude by thanking the gentleman from Oregon (Mr. BLUMENAUER). During the last Congress he was extremely helpful in us getting the 290 cosponsors to meet the subcommittee requirement, and I appreciate his effort and his long interest in Lewis and Clark.

Mr. Speaker, I urge my colleagues to support H.R. 1033.

Mr. POMEROY. Mr. Speaker, I rise in strong support of H.R. 1033, the Lewis and Clark Bicentennial Commemorative Coin Act, and I want to personally thank Congressman BEREUTER, the sponsor of the legislation, for his work on this issue.

Nearly two hundred years after the Corps of Discovery, Americans of all ages have begun a national pilgrimage to follow the steps of Meriwether Lewis and William Clark. The journey today stands as one of the most remarkable and productive scientific and military exploring expeditions in all of American History. H.R. 1033 recognizes this extraordinary journey and the discipline, sacrifice and strength shown by Lewis and Clark by authorizing the Treasury to mint one-dollar and half-dollar coins to commemorate the bicentennial of the expedition.

The bill will not only serve to highlight this historic expedition and the roles of Meriwether Lewis, William Clark, and the many Native Americans who aided in the journey, but it will also provide a source of financial support for

commemorative activities. After the cost of minting is covered, the proceeds from the sale of the coin will be distributed to the National Lewis and Clark Bicentennial Council and the National Park Service which will allow both entities to continue their work in planning and organizing bicentennial events.

As we continue preparing for the bicentennial of this historic expedition, it is important that Congress play an active role in supporting and promoting its commemoration. I urge my colleagues to recognize the importance of the Lewis and Clark expedition to the nation and the efforts of the bicentennial council and the National Park Service to highlight its bicentennial by passing this legislation.

Mr. BEREUTER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PEASE). The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and pass the bill, H.R. 1033.

The question was taken.

Mr. BEREUTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### LEIF ERICSON MILLENNIUM COMMEMORATIVE COIN ACT

Mr. LEACH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 31) to require the Secretary of the Treasury to mint coins in conjunction with the minting of coins by the Republic of Iceland in commemoration of the millennium of the discovery of the New World by Leif Ericson.

The Clerk read as follows:

H.R. 31

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Leif Ericson Millennium Commemorative Coin Act".

#### SEC. 2. COIN SPECIFICATIONS.

(a) **\$1 SILVER COINS.**—In conjunction with the simultaneous minting and issuance of commemorative coins by the Republic of Iceland in commemoration of the millennium of the discovery of the New World by Leif Ericson, the Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall mint and issue not more than 500,000 1 dollar coins, which shall—

- (1) weigh 26.73 grams;
- (2) have a diameter of 1.500 inches; and
- (3) contain 90 percent silver and 10 percent copper.

(b) **LEGAL TENDER.**—The coins minted under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

(c) **NUMISMATIC ITEMS.**—For purposes of section 5136 of title 31, United States Code, all coins minted under this Act shall be considered to be numismatic items.

#### SEC. 3. SOURCES OF BULLION.

The Secretary may obtain silver for minting coins under this Act from any available

source, including stockpiles established under the Strategic and Critical Materials Stock Piling Act.

#### SEC. 4. DESIGN OF COINS.

(a) **DESIGN REQUIREMENTS.**—

(1) **IN GENERAL.**—The design of the coins minted under this Act shall be emblematic of the millennium of the discovery of the New World by Leif Ericson.

(2) **DESIGNATION AND INSCRIPTIONS.**—On each coin minted under this Act there shall be—

- (A) a designation of the value of the coin;
- (B) an inscription of the year "2000"; and
- (C) inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(b) **SELECTION.**—The design for the coins minted under this Act shall be—

- (1) selected by the Secretary after consultation with the Leifur Eirikson Foundation and the Commission of Fine Arts; and
- (2) reviewed by the Citizens Commemorative Coin Advisory Committee.

#### SEC. 5. ISSUANCE OF COINS.

(a) **QUALITY OF COINS.**—Coins minted under this Act shall be issued in uncirculated and proof qualities.

(b) **MINT FACILITY.**—Only 1 facility of the United States Mint may be used to strike any particular quality of the coins minted under this Act.

(c) **COMMENCEMENT OF ISSUANCE.**—The Secretary may issue coins minted under this Act beginning January 1, 2000.

(d) **TERMINATION OF MINTING AUTHORITY.**—No coins may be minted under this Act after December 31, 2000.

#### SEC. 6. SURCHARGES.

(a) **IN GENERAL.**—All sales of coins minted under this Act shall include a surcharge of \$10 per coin.

(b) **DISTRIBUTION.**—All surcharges received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary to the Leifur Eirikson Foundation for the purpose of funding student exchanges between students of the United States and students of Iceland.

(c) **AUDITS.**—The Leifur Eirikson Foundation shall be subject to the audit requirements of section 5134(f)(2) of title 31, United States Code, with regard to the amounts received by the Foundation under subsection (b).

#### SEC. 7. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

(a) **IN GENERAL.**—Except as provided in subsection (b), no provision of law governing procurement or public contracts shall be applicable to the procurement of goods and services necessary for carrying out the provisions of this Act.

(b) **EQUAL EMPLOYMENT OPPORTUNITY.**—Subsection (a) shall not relieve any person entering into a contract under the authority of this Act from complying with any law relating to equal employment opportunity.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Iowa (Mr. LEACH) and the gentleman from New York (Mr. LAFALCE) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 31, a bill that will implement a unique program to issue a millennium commemorative dollar coin. The year 2000 will mark the 1,000th anniversary of

the voyage of discovery by Leif Ericson, an Iclander, who was the son of Eric the Red, a Norseman, in 1000 A.D. Ericson set off from Iceland to explore lands to the west, beyond Greenland. Recent archaeological research has confirmed evidence of contemporaneous European settlement on Newfoundland as a result of this voyage and its successors.

A unique feature of this bill is that it would permit the simultaneous issuance of a commemorative U.S. silver dollar and a silver Kronor Icelandic coin, both produced by the United States Mint and both celebrating the voyage of Leif Ericson. Both of these coins would be produced in limited mintages with 250,000 silver dollars authorized. This will be a significant numismatic event, a 1,000-year anniversary, two countries jointly issuing coins commemorating the same event, a limited boxed edition of both coins being issued by the Mint and the surcharge proceeds going to promote scholarship and student exchanges between the two countries.

Interestingly, the Icelandic coin will depict Leif Ericson as he appears on a statue that stands today in Reykjavik. This statue of the great explorer was created by the sculptor Stirling Calder, father of another great artist of this century, Alexander Calder, and was presented by the United States Congress to the parliament of Iceland, known as the Althing, on its 1,000th anniversary in 1930. It is very appropriate that our relatively young country take this opportunity to commemorate a 1,000-year link to Europe and one of the earliest of the many ethnic strains that make up our society today. During the year 2000 the Smithsonian will be mounting a traveling exhibition devoted to the millennium of the Viking contacts with the new world. It will trace how the Nordic sagas recorded during these voyages entered European consciousness and the myth describing a fertile land far to the west. Recent archaeological finds hint that 11th century Viking explorers might have visited coastal and interior areas considerably to the south of the Newfoundland site. Additional research and scholarship funded by this coin program is designed to contribute to a better understanding of this hardy folk and their relationship to modern peoples of this hemisphere.

In conclusion, I would like to thank the gentleman from Alabama (Mr. BACHUS), the subcommittee chairman; and the gentleman from New York (Mr. LAFALCE) and the gentlewoman from California (Ms. WATERS), the ranking members of the full committee and subcommittee, for their extraordinary cooperation.

As Members may recall, this bill passed this Chamber in the last Congress. I urge its adoption today.

Mr. Speaker, I reserve the balance of my time.

Mr. LAFALCE. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of H.R. 31. I commend the gentleman from Iowa (Mr. LEACH), the chairman of the committee, and the gentleman from Minnesota (Mr. VENTO), the distinguished ranking Democrat on the Subcommittee on Financial Institutions and Consumer Credit, for the tremendous work they have done on this bill. I would point out that the gentleman from Minnesota very much wanted to be the floor manager from the Democratic perspective on this bill, but he had been apprised it would be taken up tomorrow, had made a number of previous important appointments that he simply could not break, and asked me to substitute in his stead.

This bill commemorates the millennium of Leif Ericson's arrival in the New World, a watershed event in the history of our continent. The bill would require the Secretary of the Treasury, in conjunction with the simultaneous minting and issuance by the Republic of Iceland of its own coin, to mint up to, I believe, one-half million dollars of one-dollar commemorative coins.

If I may ask the gentleman from Iowa, is it correct that it is one-half million, as opposed to 250,000?

Mr. LEACH. If the gentleman will yield, that is what the legislation suggests, that is correct.

Mr. LAFALCE. The coins will be made up of 90 percent silver and 10 percent copper, and will commemorate the importance of Leif Ericson's arrival in the New World nearly 1,000 years ago.

Mr. Speaker, the proceeds from the sale of this coin will go to the Leifur Eirikson Foundation, which will use the funds to finance student exchanges between the United States and the Republic of Iceland. I would urge all my colleagues to support the bill.

Mr. SABO. Mr. Speaker, today I rise to honor Leif Ericson, the Norse navigator and explorer, and to voice my support for the Leif Ericson Millennium Commemorative Coin Act.

Leif Ericson played a vital role in the European discovery of our continent. It is a role that, over the years, has not been widely recognized. Within the past 30 years, new historical evidence has surfaced to show that Leif Ericson landed in North America around 1000 A.D., almost 500 years prior to Christopher Columbus' arrival in the New World.

Leif Ericson was born around 970 A.D. in Greenland, son of the famous warrior, explorer, and discoverer of Greenland, "Eric the Red." There are two traditional accounts of Leif Ericson's discovery of America. However, the one that is best upheld by the evidence states that a contemporary of Leif's, Bjarni Herjolfsson, chanced upon America after drifting off course. Herjolfsson did not land in the New World, but upon his return to Greenland, he described his course to Leif. Following Herjolfsson's course, Leif later landed in North America. He named the new land "Vinland," after the plentiful supply of grapes he found

there. He built a small settlement and spent the winter in Vinland before he returned to Greenland.

At the end of his career, Leif Ericson settled on his father's estate in Brattahlid, Greenland, where he lived until he died. It is rumored that he is buried in an unmarked grave in the Brattahlid cemetery.

The Leif Ericson Millennium Commemorative Coin Act will create silver dollars for the 1000-year anniversary of Ericson's landing in North America, in conjunction with a series of coins to be minted in the Republic of Iceland. All proceeds will support student exchanges between the U.S. and Iceland. This is an appropriate way to pay tribute to the pioneering spirit of Leif Ericson, and these coins will stand as symbols of his courage and perseverance—virtues we all must embrace in order to accomplish our goals.

Finally, this legislation will honor all Americans of Scandinavian descent. For generations, they have proven themselves brave and loyal Americans, carrying on the tradition of courage and exploration started by their Norse ancestors, including Leif Ericson.

Mr. LAFALCE. Mr. Speaker, I yield back the balance of my time.

Mr. LEACH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and pass the bill, H.R. 31.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### EXPRESSING SENSE OF CONGRESS REGARDING UNITED STATES VICTORY IN THE COLD WAR AND FALL OF THE BERLIN WALL

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 121) expressing the sense of the Congress regarding the victory of the United States in the cold war and the fall of the Berlin Wall, as amended.

The Clerk read as follows:

H. CON. RES. 121

Whereas the cold war was an enduring struggle between communism and democracy throughout the second half of the 20th century;

Whereas an estimated 24,000,000 members of the United States Armed Forces served during the cold war;

Whereas 400,000,000 people were freed from the bondage of communism during the cold war in the countries then known as the Soviet Union, East Germany, Poland, Hungary, Czechoslovakia, Romania, Bulgaria, Latvia, Estonia, and Lithuania;

Whereas the victory of the United States in the cold war will signify freedom and security for decades to come;

Whereas the fall of the Berlin Wall, one of the most significant events of the 20th century, symbolized the triumph of democracy over communism; and

Whereas November 9, 1999, will mark the 10th anniversary of this historic event: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the Nation should celebrate the victory of the United States in the cold war and the 10th anniversary of the fall of the Berlin Wall by—*

(1) promoting education about the cold war and its historical significance;

(2) supporting efforts to establish a memorial museum to victims of communism that reflects the suffering of millions of victims worldwide and the role of the United States in promoting freedom and democracy that led to the end of the cold war;

(3) celebrating peace, freedom, and the principles of democratic government;

(4) honoring and reflecting upon the role of the United States in the international struggle for individual human rights and the evolution of the free enterprise system; and

(5) recognizing the veterans who served during the cold war.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, this resolution, H. Con. Res. 121, recognizes the essential role played by our Nation and the men and women in our armed forces who served in Europe during the Cold War. I commend the gentleman from Florida (Mr. MILLER) for his effort to see that our victory in this protracted struggle with the forces of communism is duly recognized. I commend the gentleman from California (Mr. LANTOS) who is joining me today on this resolution.

Ten years ago, the Berlin Wall, one of the enduring symbols of the brutality and repression of the Communist system, was finally brought down. It was the remarkable culmination of the 40-year struggle between the forces of freedom and liberty and those of tyranny and oppression. During this struggle, our citizens and those of Europe had a nuclear sword of Damocles hanging over them, and it is one of the truly noteworthy events in human history that it ended not with a bloody upheaval but a jubilant celebration by those on both sides of the Wall who never let their faith in democratic government and the intrinsic good of liberty desert them.

□ 1430

Our victory was not completely bloodless, however, and a number of members of our Armed Forces, our public officials and ordinary citizens made

the greatest sacrifice in order to bring about victory. So too did many of the people of Eastern Europe, some of whom were killed simply trying to escape from beyond the Iron Curtain and others who died resisting the tyrannical forces that ruled over them. This resolution is an appropriate tribute to all those who sacrificed so much.

Accordingly, I urge the House to unanimously approve H. Con. Res. 121.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

At the outset, let me commend my good friend, the distinguished chairman of the Committee on International Relations, the gentleman from New York (Mr. GILMAN), for bringing this resolution to the floor and for his decades of dedicated service on behalf of the democracy and freedom in Europe and elsewhere. Mr. Speaker, I rise in strong support of this resolution.

Mr. Speaker, it is important, as we pay tribute to our own political leadership on a bipartisan basis during the Cold War and to the 24 million men and women who served the United States in uniform during the Cold War, that we recognize that the victory was not ours alone; it was ours, and it was the victory of equally committed freedom-loving democratic people throughout the NATO alliance. From Norway to Spain, men and women committed to freedom and democracy and to opposing totalitarian regimes joined with us in succeeding in this tremendous historic victory that was symbolized by the collapse of the Berlin Wall.

The distinguished Democratic leader, the gentleman from Missouri (Mr. GEPHARDT) and I happened to be in Berlin, Mr. Speaker, as the Berlin Wall was being dismantled. We were there along with scores of others from many countries chipping away at the wall and bringing home with us tiny segments of that symbol of tyranny. The Berlin Wall, as my colleagues will note, is the only wall ever erected in history not to keep the enemy out, but to keep the people inside this wall so they could not escape, and yet scores of individuals in a variety of ways, many of them giving their lives in the process, broke out, tried to break away from an era of tyranny.

I think we also need to pay enormous tribute to the people who lived within the Soviet Union and within the Soviet satellites who gave their lives to fight those regimes, the tens of thousands of refuseniks and dissidents and slaves of the giant gulag archipelago whose sacrifices far exceeded the sacrifices of all of us who lived in the free world.

I think it is important to realize, Mr. Speaker, that while the collapse of the Berlin Wall symbolized the end of the Cold War, it surely did not symbolize our struggle against tyranny, and, as we applaud our victory and the victory

of our allies and the victory of the dissidents in the Soviet Empire over totalitarianism and tyranny, it is important for us to pay tribute to the judgment and determination of those who led the fight against the tyranny more recently in Bosnia Herzegovina and Kosovo.

The struggling Kosovo is a direct continuation of the Cold War. The name of the dictator has changed from Stalin to Milosevic, but the underlying issues have remained the same, and those who feel that we have seen the end of history have a thing coming. History has not ended. The voices of tyranny, the attempt to suppress and persecute people because of their political beliefs, ethnic backgrounds, religious views continues. And while we are all rejoicing in the collapse of the Berlin Wall, we are all rejoicing in our victory in the Cold War over the Soviet Union, the struggle goes on.

As our distinguished Secretary of State, Madeleine Albright, reminded us on a recent occasion, problems neglected abroad will eventually reach our shores. This should be a reminder to all the neo-isolationists that the collapse of the Berlin Wall is not the end of our effort, but just a significant milestone in our struggle against totalitarian tyranny.

Mr. UNDERWOOD. Mr. Speaker, I rise today to speak in support of H. Con. Res. 121 which commemorates victory in the Cold War and the 10th anniversary of the fall of the Berlin Wall. Most of us in the Congress today do not remember much of a time beyond what we refer to as the Cold War. Fortunately, for most of our children today, most of them will not remember a time which we refer to as the Cold War.

The Cold War between the U.S. and the Soviet Union was the defining international and military challenge which we faced for a half a century. It took many forms from an arms race, to a space race, from a debate about ideology to even a debate about the superiority of kitchens, but through it all, the U.S. remained firm and committed to winning the struggle against a totalitarian vision of government and society. This ominous vision is acknowledged by countries which suffered under totalitarian socialism to be bankrupt and without foundation.

The Cold War necessitated a world wide network of bases and the capacity to project American power overseas quickly and with effective force any where in the world. In the course of the Cold War, we had hot wars in Korea and Vietnam. My home island of Guam was instrumental in the prosecution of both wars and played an important part of the network of bases from which we could counteract the challenges presented by the Soviet Union and their allies. In fact, for many years, the people of Guam saw Soviet fishermen and their boats near the coast of Guam, fishing in decidedly unproductive grounds for fish, but productive for electronic eavesdropping and the monitoring of American military assets as they moved through Guam and the island's considerable military infrastructure. In order to

prosecute both World War II and the Cold War, the military on Guam took enormous amounts of property in the 1940s and inappropriately stored and buried large amounts of military hardware, chemicals and weaponry some of which has just been discovered late last week.

I continue to work with the local military commands, the Pentagon, the administration and where necessary, the Congress to expedite the return of the lands no longer needed by the military and to make sure that the lands are adequately cleaned for agricultural or residential pursuits.

There is an unsung story about how we won the Cold War and how we need to bring closure to an embarrassing chapter of our own history. At the height of the arms race with the Soviet Union, our government decided to conduct nuclear tests in the Marshall Islands. Over the course of several years, some 66 nuclear devices were detonated in these islands which have made prominent names such places as Bikini, Eniwetok, Rongelap and Utirik. As the U.S. became more powerful, the Marshallese became enfeebled by radiation and its consequences which are with us today. There have been many good faith efforts on our government's part to provide appropriate redress and medical treatment for these very innocent victims of the Cold War and the Arms Race. However, we must continue to monitor and update our efforts to make sure that the latest information and research is applied to the historical data and present day conditions of the Marshallese. This is a continuing obligation of the United States which we should not forget as we commemorate the winning of the Cold War and the fall of the Berlin Wall in Europe.

The Cold War began in Europe and it is entirely appropriate that the fall of the Berlin Wall become the defining event which signaled its end. However, let us not forget that the Cold War was a world wide phenomenon and let us not forget the contributions of small Pacific islands to that struggle. Let us not forget that the Cold War had innocent victims. Let us not forget that the legacy of the Cold War is not just in the triumph of the ideals of democracy, but in the triumph of justice. The Cold War was a very just war, an effort that we all supported; but we must remember that not everything done in the pursuit of just aims can be entirely justified.

Congratulations to all of the men and women of our armed forces who served with distinction and a special sense of self-sacrifice, congratulations to all of our past Presidents who provided the leadership which ultimately resulted in the fall of the Berlin Wall and let us also remember all of the communities, both in the Pacific and in the North American continent which contributed their human and land resources for military facilities and nuclear testing.

Mr. MILLER of Florida. Mr. Speaker, I want to begin by thanking my friend, Chairman BEN GILMAN, for marking up House Concurrent Resolution 121. This resolution states that it is the sense of Congress that Americans should celebrate our victory in the cold war in conjunction with the 10th anniversary of the fall of the Berlin Wall, which will be November 9th of this year.

As the 20th century slips away from us, November 9th, 1989 will always be one of its most historic and defining moments. On that night, the world watched as Berliners celebrated an end to the tyranny that had separated them from their friends and families. As the people took the Berlin Wall down brick-by-brick with their own bare hands, they were also bringing the future of communism to its knees. It was a turning-point in world civilization and a night to remember. Most importantly, it was a night we can't afford to let America forget.

Twenty-eight years before that night, the Soviets built a wall through a divided Germany, intent on keeping East Germans from fleeing to the West. Berliners awoke on the morning of August 13, 1961, to find their city divided. People began to risk their lives to flee from the tyranny. One of the saddest stories was that of eighteen-year-old Peter Fechter, a bricklayer apprentice in East Berlin. On August 17, 1962, he and a friend attempted to escape to the West over the wall near the infamous military post called "Checkpoint Charlie." Peter's friend made it over the wall, but Peter was shot and fell into 'no man's land' between barbed wire and concrete. He cried for help for 50 minutes before he bled to death. From the western side of the Wall, American soldiers could only throw first-aid kits at him. Over the twenty-eight years that the Wall stood, dozens of freedom-seeking East Germans would share Peter's fate. These people, who sacrificed their lives in an attempt to reach freedom, are proof that American dedication to fight the forces of communism was an important contribution to humanity.

The Berlin Wall was a tragic microcosm of the Cold War, and the Cold War was perhaps the most defining event in American history. America was willing and committed to fight for and protect individual human rights and democratic principles. The Cold War was an international struggle for the very principles our nation was founded on, the essence of our existence. America's Cold War victory wasn't just a victory for the U.S., it was a victory for mankind. It was a victory for Peter Fechter, who would never live to see it. Our cold war victory echoed through the microcosm of Berlin when the two East German border guards who shot Peter Fechter were convicted of manslaughter in March of 1997.

There are so many stories like those of Peter Fechter. Stories of people who died trying to flee, stories of people who successfully escaped, stories of soldiers fighting communist forces on the front lines, and stories of those who fought for freedom from behind the lines. These stories can be pieced together like a jigsaw puzzle to create a defining moment in history. The Cold War has consumed our history for the second half of the 20th Century. Who can forget the fear we felt during the Cuban Missile Crisis? The pride we felt when the American flag was planted on the moon during the space race? The anger we felt when the Soviets shot down Korean Air flight 007? America sent thousands and thousands of men to Korea and Vietnam, committed trillions of dollars in resources, and stood by its vow to fight the repression of communism.

I believe that it's important for our nation to celebrate our monumental achievement in win-

ning this war, and to recognize the 24 million servicemen who dedicated their lives to the cause. Because the Cold War did not involve an official surrender with the signing of a document on a single day, our nation has never had the immediate opportunity to give the Cold War its due recognition. This year, on the tenth anniversary of the fall of the Berlin Wall, it is time to commemorate our victory. I ask my colleagues to support House Concurrent Resolution 121.

Mr. LANTOS. Mr. Speaker, I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PEASE). The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 121, as amended.

The question was taken.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### CONGRATULATING PERU AND ECUADOR FOR ENDING BORDER DISPUTE

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 25) congratulating the Government of Peru and the Government of Ecuador for signing a peace agreement ending a border dispute which has resulted in several military clashes over the past 50 years.

The Clerk read as follows:

##### H. RES. 25

Whereas the Governments of Peru and Ecuador have been engaged in a serious border dispute dating as far back as Spanish colonial times;

Whereas the Rio Protocol signed in 1942 between Peru and Ecuador, and guaranteed by 4 nations including the United States, failed to settle the dispute;

Whereas Peru and Ecuador have gone to war 3 times over the border areas with the most recent clashes taking place in 1995 resulting in dozens of deaths on both sides; and

Whereas the Governments of Peru and Ecuador recently completed long and difficult negotiations and reached a final settlement of the dispute on October 26, 1998: Now, therefore, be it

*Resolved*, That the House of Representatives—

(1) congratulates the Governments of Peru and Ecuador for ending the border dispute between their two countries which has been a source of armed conflict for over 50 years;

(2) commends the Presidents of both nations for personally becoming involved in the negotiations and for reaching this historic agreement;

(3) recognizes the commitment of the Presidents of the guarantor nations of Argentina, Brazil, and Chile, along with the United States, in seeking a viable solution to the border dispute;

(4) urges both the Governments of Peru and Ecuador to honor the border settlement and to cooperate with each other in bringing peace, stability, and economic development to the troubled area; and

(5) reaffirms the commitment of the United States to support both governments in the implementation of the border agreement.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from New Jersey (Mr. MENENDEZ) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

##### GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 25.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wish to commend our distinguished Subcommittee on the Western Hemisphere chairman, the gentleman from California (Mr. GALLEGLY), and his ranking minority member, the gentleman from New Jersey (Mr. MENENDEZ) for introducing this resolution. It is appropriate that the Congress should acknowledge and commend Peru and Ecuador for achieving a permanent settlement of the border dispute that has cost lives on both sides of the conflict for a number of decades, has lost too many people and has upset Andean regional harmony.

Peruvian President Alberto Fujimori and Ecuadoran President Jamil Mahuad deserve credit for their personal leadership and courage in guiding their nations to establishing this peace agreement.

The negotiation of the peace accord was made possible by the concerted diplomatic efforts of Argentina, Brazil, Chile and the United States acting as guarantors under the 1942 Rio Accord. The United States is very fortunate to have Ambassador Luigi Einaudi leading our efforts in support of this negotiation as our special envoy. His unparalleled skill and experience doubtlessly contributed mightily to this diplomatic success.

The permanent resolution of the conflict between the nations of Peru and Ecuador also established an important precedent for regional cooperation. In response to the 1995 hostilities, the guarantor countries fielded the military observer mission, Ecuador/Peru known as MOMEPE. The U.S. initially contributed helicopters and some 60 in personnel. In 1997, Brazil purchased four Blackhawk helicopters and took over MOMEPE's air support operations.

MOMEPE's mission ended on June 30. This is certainly an appropriate moment to extend our sincere thanks to

the men and women from our military who have served the cause of peace so well in this remote part of South America, and a special word of thanks to the Government of Brazil for its leadership and substantial contribution to MOMEF is also in order.

Mr. Speaker, I reserve the balance of my time.

Mr. MENENDEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on behalf of the ranking Democrat on the Subcommittee on the Western Hemisphere, the gentleman from New York (Mr. ACKERMAN) who is an original cosponsor of this resolution, let me just say that we are pleased to see the House considering it today. The nearly 60-year-old border dispute with Ecuador and Peru was the most dangerous unresolved border dispute in this entire hemisphere. Fighting in the border area, which erupted seriously in 1995, threatened to destabilize a region which already faces so many other challenges. This resolution commends the United States, Argentina, Brazil, and Chile, countries which as guarantor parties helped to bring a 1995 cease-fire and facilitate negotiations for a permanent peace.

First and foremost, it commends the Presidents and governments of Peru and Ecuador for negotiating a peace agreement that was signed last October, and since signing the peace agreement Ecuador and Peru have moved to implement the comprehensive agreement and to improve relations between its respective countries.

A few weeks ago Presidents Fujimori and Mahuad met at the border to seal the agreement. They do still need our help. International support is needed for some elements of the peace settlement, especially an agreement on border integration and development. Manifestations of international support along the lines of what we are doing here today for the peace process will help to ensure its full implementation.

But, Mr. Speaker, I would be remiss if at the same time that we are congratulating Peru along with Ecuador for peace on their border I did not also mention some grave concerns that I and many colleagues in Congress have at this time regarding Peru. I am concerned about an erosion in Peru's democracy. Freedom of expression, judicial independence from the executive, and other aspects of the country's democracy have been threatened recently.

I know we will have other opportunities in the near future to address these concerns, I know that they are concerns shared by our distinguished chairman of the committee. I would only urge Peru that while we today in the Congress congratulate and that while itself as the government congratulates itself and the Peruvian people for reaching peace with Ecuador, it

also look inward and make sure that Peruvian peace and democracy are not threatened at home.

Mr. GALLEGLY. I rise, as author of House Resolution 25 and as Chairman of the Western Hemisphere Subcommittee, in support of H. Res. 25 which congratulates the governments of Ecuador and Peru for ending their long and violent border dispute.

For as far back as Spanish colonial times, Ecuador and Peru have disagreed over the border separating their two countries. Ecuador had always hoped to maintain a border which would give them access to waterways to the Amazon River and a commercial link to the Atlantic. In 1942 a Rio Protocol, which favored the Peruvian claim, was signed between the two nations and guaranteed by four nations including the United States. Despite the international guarantee, the dispute was never resolved.

Over the course of the past 50 years, both countries have engaged in violent military clashes with the most recent one taking place in 1995 resulting in dozens of deaths on both sides. In 1998, with both countries experiencing an economic downturn and both sides desiring to ease the military tensions, President Fujimori of Peru and newly elected President Mahuad of Ecuador decided to take matters into their own hands to resolve the crisis. After months of personal diplomacy by the two leaders, a final resolution was presented by the Guarantor nations and both Presidents signed the border agreement.

H. Res. 25 recognizes the achievement of this peaceful resolution of the dispute and congratulates the personal diplomacy of both Presidents as being instrumental in resolving this issue. It also commends the work of the United States, Brazil, Argentina and Chile in helping to develop the final agreement.

I want to thank the distinguished Chairman of the International Relations Committee, BEN GILMAN, for helping to bring this measure to the Floor for consideration and I urge the House to pass this resolution.

Mr. MENENDEZ. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the resolution, H. Res. 25.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

#### IRAN NUCLEAR PROLIFERATION PREVENTION ACT OF 1999

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1477) to withhold voluntary proportional assistance for programs and projects of the International Atomic Energy Agency relating to the development and completion of the Bushehr

nuclear power plant in Iran, and for other purposes.

The Clerk read as follows:

H.R. 1477

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Iran Nuclear Proliferation Prevention Act of 1999".

#### SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Iran remains the world's leading sponsor of international terrorism and is on the Department of State's list of countries that provide support for acts of international terrorism.

(2) Iran has repeatedly called for the destruction of Israel and Iran supports organizations, such as Hizballah, Hamas, and the Palestine Islamic Jihad, which are responsible for terrorist attacks against Israel.

(3) Iranian officials have stated their intent to complete at least three nuclear power plants by 2015 and are currently working to complete the Bushehr nuclear power plant located on the Persian Gulf coast.

(4) The United States has publicly opposed the completion of reactors at the Bushehr nuclear power plant because the transfer of civilian nuclear technology and training could help to advance Iran's nuclear weapons program.

(5) In an April 1997 hearing before the Subcommittee on Near Eastern and South Asian Affairs of the Committee on Foreign Relations of the Senate, the former Director of the Central Intelligence Agency, James Woolsey, stated that through the operation of the nuclear power reactor at the Bushehr nuclear power plant, Iran will develop substantial expertise relevant to the development of nuclear weapons.

(6) Construction of the Bushehr nuclear power plant was halted following the 1979 revolution in Iran because the former West Germany refused to assist in the completion of the plant due to concerns that completion of the plant could provide Iran with expertise and technology which could advance Iran's nuclear weapons program.

(7) In January 1995 Iran signed a \$780,000,000 contract with the Russian Federation for Atomic Energy (MINATOM) to complete a VVER-1000 pressurized-light water reactor at the Bushehr nuclear power plant and in November 1998, Iran and Russia signed a protocol to expedite the construction of the nuclear reactor, setting a new timeframe of 52 months for its completion.

(8) In November 1998, Iran asked Russia to prepare a feasibility study to build three more nuclear reactors at the Bushehr site.

(9) Iran is building up its offensive military capacity in other areas as evidenced by its recent testing of engines for ballistic missiles capable of carrying 2,200 pound warheads more than 800 miles, within range of strategic targets in Israel.

(10) Iran ranks tenth among the 105 nations receiving assistance from the technical cooperation program of the International Atomic Energy Agency.

(11) Between 1995 and 1999, the International Atomic Energy Agency has provided and is expected to provide a total of \$1,550,000 through its Technical Assistance and Cooperation Fund for the Iranian nuclear power program, including reactors at the Bushehr nuclear power plant.

(12) In 1999 the International Atomic Energy Agency initiated a program to assist Iran in the area of uranium exploration. At



the same time it is believed that Iran is seeking to acquire the requisite technology to enrich uranium to weapons-grade levels.

(13) The United States provides annual contributions to the International Atomic Energy Agency which total more than 25 percent of the annual assessed budget of the Agency and the United States also provides annual voluntary contributions to the Technical Assistance and Cooperation Fund of the Agency which total approximately 32 percent (\$18,250,000 in 1999) of the annual budget of the program.

(14) The United States should not voluntarily provide funding for the completion of nuclear power reactors which could provide Iran with substantial expertise to advance its nuclear weapons program and potentially pose a threat to the United States or its allies.

(15) Iran has no need for nuclear energy because of its immense oil and natural gas reserves which are equivalent to 9.3 percent of the world's reserves and Iran has 73,000,000,000 cubic feet of natural gas, an amount second only to the natural gas reserves of Russia.

**SEC. 3. WITHHOLDING OF VOLUNTARY CONTRIBUTIONS TO THE INTERNATIONAL ATOMIC ENERGY AGENCY FOR PROGRAMS AND PROJECTS IN IRAN.**

Section 307 of the Foreign Assistance Act of 1961 (22 U.S.C. 2227) is amended by adding at the end the following:

“(d) Notwithstanding subsection (c), the limitations of subsection (a) shall apply to programs and projects of the International Atomic Energy Agency in Iran, unless the Secretary of State makes a determination in writing to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate that such programs and projects are consistent with United States nuclear nonproliferation and safety goals, will not provide Iran with training or expertise relevant to the development of nuclear weapons, and are not being used as a cover for the acquisition of sensitive nuclear technology. A determination made by the Secretary of State under the preceding sentence shall be effective for the 1-year period beginning on the date of the determination.”.

**SEC. 4. ANNUAL REVIEW BY SECRETARY OF STATE OF PROGRAMS AND PROJECTS OF THE INTERNATIONAL ATOMIC ENERGY AGENCY; UNITED STATES OPPOSITION TO PROGRAMS AND PROJECTS OF THE AGENCY IN IRAN.**

**(a) ANNUAL REVIEW.—**

(1) IN GENERAL.—The Secretary of State shall undertake a comprehensive annual review of all programs and projects of the International Atomic Energy Agency in the countries described in section 307(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2227(a)) and shall determine if such programs and projects are consistent with United States nuclear nonproliferation and safety goals.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act and on an annual basis thereafter for 5 years, the Secretary shall prepare and submit to the Congress a report containing the results of the review under paragraph (1).

(b) OPPOSITION TO CERTAIN PROGRAMS AND PROJECTS OF INTERNATIONAL ATOMIC ENERGY AGENCY.—The Secretary of State shall direct the United States representative to the International Atomic Energy Agency to oppose programs of the Agency that are determined by the Secretary under the review

conducted under subsection (a)(1) to be inconsistent with nuclear nonproliferation and safety goals of the United States.

**SEC. 5. REPORTING REQUIREMENTS.**

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act and on an annual basis thereafter for 5 years, the Secretary of State, in consultation with the United States representative to the International Atomic Energy Agency, shall prepare and submit to the Congress a report that—

(1) describes the total amount of annual assistance to Iran from the International Atomic Energy Agency, a list of Iranian officials in leadership positions at the Agency, the expected timeframe for the completion of the nuclear power reactors at the Bushehr nuclear power plant, and a summary of the nuclear materials and technology transferred to Iran from the Agency in the preceding year which could assist in the development of Iran's nuclear weapons program; and

(2) contains a description of all programs and projects of the International Atomic Energy Agency in each country described in section 307(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2227(a)) and any inconsistencies between the technical cooperation and assistance programs and projects of the Agency and United States nuclear nonproliferation and safety goals in these countries.

(b) ADDITIONAL REQUIREMENT.—The report required to be submitted under subsection (a) shall be submitted in an unclassified form, to the extent appropriate, but may include a classified annex.

**SEC. 7. SENSE OF THE CONGRESS.**

It is the sense of the Congress that the United States Government should pursue internal reforms at the International Atomic Energy Agency that will ensure that all programs and projects funded under the Technical Cooperation and Assistance Fund of the Agency are compatible with United States nuclear nonproliferation policy and international nuclear nonproliferation norms.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from New Jersey (Mr. MENENDEZ) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

**GENERAL LEAVE**

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1477.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I would like to commend the gentleman from New Jersey (Mr. MENENDEZ) for his perseverance on this important legislation. This bill is similar to legislation in the last Congress which was favorably reported by the committee and then passed by the House on August 3, 1998, by a vote of 405 to 134. This legislation amends current law to ensure that our Nation does

not provide funding for the completion of any nuclear power reactors in Iran.

□ 1445

We all know that the Iranians have dedicated significant resources to completing at least three nuclear power plants by the year 2015 and are now working with Russian assistance to complete the Bushehr nuclear power plant. The United States has opposed the completion of the reactor at the Bushehr facility because the transfer of civilian nuclear technology and training could help to advance Iran's nuclear weapons program.

Between 1995 and 1999, it is anticipated that the International Atomic Energy Agency, IAEA, will have provided over \$1.5 million for the Iranian nuclear power program through its Technical Assistance and Cooperation Fund. Our Nation provides annual voluntary contributions to this fund totaling \$60 million in 1996.

This bill does not halt our voluntary contribution to the IAEA, but it does require that none of our monies may be used to fund IAEA programs and projects in Iran, unless the Secretary of State certifies that such projects are consistent with the U.S. nuclear nonproliferation and safety goals, and will not provide Iran with training or expertise relevant to the development of weapons.

Mr. Speaker, this is exactly the right policy. Our Nation should not voluntarily provide funding which would help Iran complete nuclear power reactors that could assist them in developing their nuclear weapons program which could pose a threat to our Nation and to our allies.

This bill establishes two important reporting requirements: one will provide the Congress with a comprehensive report on IAEA assistance to Iran. The second requirement directs the Secretary of State to review IAEA programs and ensure that they are consistent with U.S. nuclear nonproliferation and safety goals. Based on that review, the Secretary of State shall direct the U.S. representative to the IAEA to oppose establishing any programs that are not consistent with our Nation's policy.

Accordingly, I urge my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MENENDEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me first thank the distinguished chairman of the Committee on International Relations for both his support and encouragement in the committee, as well as today on the floor. This bill, which I have authored, seeks to protect the United States taxpayers from assisting countries like Iran which sponsor international terrorism, denounce the United States, and seek to develop weapons of mass



destruction which may be used against us or our allies, from obtaining money indirectly from the United States through the International Atomic Energy Agency support for Iran's efforts to build a nuclear power plant on the Persian Gulf coast.

Let me first say that I recognize the importance of the International Atomic Energy Agency and its role in ensuring the safety of nuclear sites around the world. And so did the over 405 Members of the House who last year voted for this bill as well. But this bill will not affect the International Atomic Energy Administration's safeguards program, and the bill does not seek to withhold any funds to IAEA's safeguard program in Iran or elsewhere. The only funds affected by this bill are our voluntary, not assessed, contributions to the IAEA's Technical Assistance and Cooperation Fund for Iran.

Second, I have amended the bill from last year so that withholding is not mandatory. Withholding is contingent upon the Secretary of State's certification to this committee, the Committee on International Relations, of three things, which are, 1, that the International Atomic Energy Administration's activities in Iran are consistent with U.S. nuclear nonproliferation and safety goals; 2, that the International Atomic Energy Administration's activities will not provide Iran with training or expertise relevant to the development of nuclear weapons; and, 3, that the International Atomic Energy Administration's activities are not being used as a cover for the acquisition of sensitive nuclear technology.

If the Secretary can make that certification, then no funds will be withheld. If the Secretary cannot make that certification, then we are making the right decision by withholding funds.

Now, this bill is not a significant change in policy. In fact, prior to 1994, U.S. law required the withholding of proportional IAEA voluntary funds to all countries on our list of terrorist States; and despite the change in the law, the administration continued to withhold those funds for 2 more years until 1996.

What this bill does is require that the administration reinstate proportional withholding of IAEA voluntary funds, those funds we pay above and beyond our membership fees for the Safeguard Program for Iran, if the Secretary cannot make the requisite certification. It also requires the Secretary of State to undertake a comprehensive review of all IAEA programs and projects in other states which sponsor international terrorism to determine if the IAEA is sponsoring any other projects which conflict with the United States' nuclear nonproliferation and safety goals. Clearly, our monies should not be going to any country, especially voluntary monies, if they oppose our own nuclear nonproliferation goals.

As it is, since the IAEA's inception, more than \$52 million for the Technical Assistance and Cooperation Fund has gone to countries on the United States' list of states which sponsor terrorism. The United States is the largest supporter of the IAEA. We provide them with more than 25 percent of its annual budget. In the Technical Assistance and Cooperation Fund, we contribute about 32 percent, or over \$18 million annually in voluntary funds.

It is from that fund that the IAEA is providing over \$1.5 million to date for the development of the new Bushehr nuclear power plant. Moreover, the IAEA has launched a new program this year to help Iran in the area of uranium exploration. Clearly, when we suspect that Iran has the requisite technology to enrich uranium to weapons-grade levels, it is not a wise idea to help them in their efforts to locate more of it.

The Clinton administration has publicly stated its opposition to Iran's development of nuclear reactors and its concern about the development of the Bushehr nuclear power plant. In testimony before the United States Senate, Deputy Assistant Secretary Bob Einhorn explained, and I quote, "In our views, this is a large reactor project. It will involve hundreds of Russians being in Iran, hundreds of Iranians or more being in Moscow being trained, and this large-scale kind of project can provide a kind of commercial cover for a number of activities that we would not like to see, perhaps much more sensitive activities than pursuing this power reactor project."

It also will inevitably provide additional training and expertise in the nuclear field for Iranian technicians. "In our view," this is now the Deputy Assistant Secretary speaking, "in our view, given Iran's intention to acquire nuclear weapons, we do not want to see them move up the nuclear learning curve at all, and we believe this project would contribute to them moving up that curve," and that is the end of the quote.

Last fall, during a press briefing at the State Department, its spokesman, James Rubin said of the Bushehr: "We are convinced that Iran is using the Bushehr reactor project as a cover for acquiring sensitive Russian nuclear technology."

Given Iran's historic support for terrorism, coupled with the fact that Iran boasts immense, immense oil and natural gas reserves and the seismic activity near Bushehr, we must question Tehran's motives for conducting expensive nuclear reactors. Moreover, the development of the nuclear reactors has been an economic nightmare for Iranians. Clearly, Iran does not need additional energy sources, considering it has some of the world's largest oil and natural gas reserves, nor is nuclear energy an economic choice for Iran.

So, in essence, what is it for? Clearly, the concerns expressed by the administration, clearly, those concerns are about nuclear weaponry. And if we add to that the fact that Iran's missile capacity has been developed, we now will not only have a uranium exploration and uranium enrichment, we now have all of the facets not only to create nuclear weapons, but to deliver them.

Mr. Speaker, we need to ask one basic question. Does it make sense for the United States and U.S. taxpayers to provide any kind of support for the construction of a nuclear reactor which we clearly and justifiably oppose.

This bill seeks to protect the United States taxpayers from assisting countries like Iran, which sponsors international terrorism. It seeks to make sure that our dollars are not going to develop weapons of mass destruction that can be used against us and our allies.

It is ludicrous for the United States to support a plan, even indirectly, which could pose a threat to its national security and to stability in the Middle East.

Mr. Speaker, I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and pass the bill, H.R. 1477.

The question was taken.

Mr. MENENDEZ. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 2415, the American Embassy Security Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

#### AMERICAN EMBASSY SECURITY ACT OF 1999

The SPEAKER pro tempore (Mr. GILMAN). Pursuant to House Resolution 247 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2415.

The Chair designates the gentleman from Arizona (Mr. KOLBE) as Chairman of the Committee of the Whole, and requests the gentleman from Indiana

(Mr. PEASE) to assume the Chair temporarily.

□ 1457

# IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes, with Mr. PEASE (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from New York (Mr. GILMAN) and the gentlewoman from Georgia (Ms. MCKINNEY) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, our Nation has never been more vulnerable to its enemies than today. Unfortunately, it took a catastrophic double bombing in East Africa to teach us that lesson. Twelve Americans, 10 Tanzanians, and over 200 Kenyans died when Osama bin Laden's terrorists blew up our American embassies in Nairobi and Dar es Salaam nearly 1 year ago.

This tragedy revealed that our overseas diplomats and other officials, Americans who risk their lives for our Nation, are in grave danger. I am happy to report, however, that we are doing something about this danger. We are moving quickly to protect our people. Last year, the Congress passed and the President signed an emergency appropriation of \$1.4 billion for security enhancements worldwide.

Let me start my remarks with a rundown of just what has happened in the past 12 months: Kenya, August 7, 1998; Tanzania, August 7, 1998; Moscow, our Moscow embassy, March 1999; Skopje, Macedonia, March 1999; Beijing, China, May 8, 1999; Chengdu in China, May 8, 1999.

Let me reach back a little further to June 25, 1996, Dhahran, Saudi Arabia where a truck bomb exploded next to the fence of the Khobar Towers military housing, killing 19 American servicemen and injuring over 502 other people.

□ 1500

Mr. Chairman, H.R. 2415, the American Embassy Security Act, continues a work initiated last fall on security for our embassies.

We authorized the full \$1.4 billion that had been recommended by Admiral William Crowe, the former chairman of the Joint Chiefs of Staff, who chaired the Accountability Review Boards that examined American diplomatic security records.

The men and women who represent us abroad know that their work is not risk free, but if we are going to ask them to put themselves in harm's way we need to do everything possible to protect them from terrorism.

After last August's bombings, the Accountability Review Boards were established with Admiral Crowe, the former chairman of the Joint Chiefs of Staff under President Reagan, serving as chairman of those boards. The Crowe boards recommended a long-term solution to the problem, including enhanced security measures, increased security personnel, and a capital building program based on requirements to meet the new range of global terrorist threats.

This bill fully funds the recommendations of Crowe's accountability review boards. The administration's request regrettably did not. H.R. 2415's full-fledged security program has won the endorsements not only of Admiral Crowe but also former Secretaries of State James Baker and Larry Eagleburger. FBI Director Louis Freeh has expressed his support for provisions in this bill that will help the FBI respond to any global crisis. Overall, this bill specifically authorizes \$2.4 billion in spending for fiscal year 2000; authorizes funding for refugees and for Radio Free Asia; for minority recruitment and for the Human Rights Bureau. Many other accounts in this bill are authorized for such sums as may be necessary, delaying the final decision on funding levels to the Committee on Appropriations.

These include the regular operations for the State Department, which now includes the U.S. Information Agency and its public diplomacy programs, and the Arms Control and Disarmament Agency, and International Broadcasting. These operations support broadcasting to our enemies in Iraq, in North Korea, and other rogue nations, as well as standard visa and support services for our constituents when they are overseas. The bill also supports programs to combat visa/passport fraud and to operate antiterrorism programs. The antiterrorism programs include a rewards program to give law enforcement a means to go after suspected terrorists.

Note the poster that has been broadly distributed, posting a \$5 million reward for information leading to the arrest or conviction of the person responsible for the bombing of the two embassies. It contains important foreign policy provisions. For example, it requires a report to the Congress from the administration on the extent of international narcotics trafficking through Cuba.

It also contains a provision approved by the Committee on the Judiciary to allow our FBI, in an emergency, to lease an aircraft. Too many precious hours were wasted last August while

the FBI was held up trying to get to the crime scenes in east Africa.

I want to be clear to our colleagues that this bill does not authorize U.N. arrears money and does not contain U.N. reform measures. By agreement with the gentleman from New Jersey (Mr. SMITH) on our committee, this bill will not authorize U.N. arrears and will not contain a Mexico City pro-life family planning amendment. I want to underscore that this is not a foreign assistance bill. This bill is about security and operations and the management of our State Department and U.S. missions overseas.

This is a strong bipartisan measure that continues congressional support for a strong American response to terrorist threats. Accordingly, I urge my colleagues to vote to protect American lives and to vote for a strong American presence abroad and to support this measure, H.R. 2415.

Mr. Chairman, I reserve the balance of my time.

Ms. MCKINNEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have before us in H.R. 2415, the American Embassy Security Act of 1999, a bill that has been the result of extensive bipartisan effort, especially by my colleague, the gentleman from New Jersey (Mr. SMITH), by the ranking member of the Committee on International Relations, the gentleman from Connecticut (Mr. GEJDESON), and by my chairman, the gentleman from New York (Mr. GILMAN). They recommend that we pass this bill; and although it has some reservations, so does the administration.

The Embassy Security Act has a number of outstanding provisions. The most important element is the one for which the bill is named.

Mr. Chairman, Americans all over the globe were shocked as our embassies in Dar es Salaam, Tanzania, and Nairobi, Kenya were rocked by bomb blasts. This was able to happen, in part, because most of our diplomatic posts are housed in buildings over 40 years old, and 85 percent of our embassy buildings do not meet appropriate security standards. This bill authorizes \$1.5 billion for embassy construction and security upgrades, an amount recommended to us by the independent commission headed by Admiral Crowe that looked into security at our diplomatic posts after the Dar and Nairobi bombings.

By taking this strong stand for security, we will avoid having on our hands the blood of diplomats and their families who will be killed in future attacks if we did nothing. We also protect the functions of the many agencies involved in such activities as law enforcement, business promotion, and military operations that are housed in our embassies.

While this is a big step, let us remember that this is only the first step.

We will need a long-term commitment to make this happen, and we need to be prepared to do this.

Unfortunately, in order to move this bill to the floor, we were required to replace most of the other authorization levels with such sums as necessary to accomplish these ends, with us leaving this matter to conference where I and many of my colleagues intend to fight for the funding levels originally approved by the committee.

We have had to leave the issue of U.N. arrears to another day as well. The authorization levels still in the bill provide for strong programs in important areas. Apart from embassy security, the amounts authorized for refugee programs will keep a strong humanitarian element in our foreign policy, and other amounts in the bill will enable the Department of State to strengthen its minority recruitment, help those in need from Kosovo to Sierra Leone, fortify its efforts on human rights, and reduce delays in immigrant visa processing.

Another important section of this bill would ensure appropriate management of Vietnamese refugee programs. The American Legion, the International Rescue Committee and many religiously-related refugee organizations support these provisions. The people affected by these provisions worked with us and fought with us during the war. Although the administration has some concerns about this section, our bill ensures that these brave supporters of the United States are not left in the lurch because it has become politically expedient to do so.

I have been a sponsor of this bill from the beginning. While it is not a perfect bill, it is a strong effort to address many important issues, and I urge that we adopt it.

Mr. Chairman, I reserve the balance of my time.

Mr. GILMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. SMITH), the distinguished chairman of our Subcommittee on International Operations and Human Rights.

Mr. SMITH of New Jersey. Mr. Chairman, I want to thank my good friend, the gentleman from New York (Mr. GILMAN), for yielding me this time.

Mr. Chairman, I want to begin by urging all of our colleagues to support H.R. 2415, the American Embassy Security Act, and I just want to say how pleased I am to have introduced this legislation, along with my good friend and colleague, the gentlewoman from Georgia (Ms. MCKINNEY), the ranking member of our subcommittee.

The gentlewoman from Georgia (Ms. MCKINNEY) and I held four subcommittee hearings. We heard from all those interested in the components of this bill, including a very, very important hearing that we had on March 12, at which time we heard from Admiral

Crowe who headed up an accountability review board. He made a passionate and very strong statement as to why in fiscal year 2000 we need to provide \$1.4 billion to try to beef up our security at our embassies, especially in light of the devastating attacks in Africa on two of our embassies, and the ongoing threat to all our embassies.

In our hearing, Admiral Crowe said, and I will just quote very briefly, that throughout the proceedings the boards were most disturbed regarding two interconnected issues.

The first was the inadequacy of the resources to provide security against terrorist attacks and the second was the relatively low priority accorded security concerns throughout the U.S. Government by the Department of State, other agencies in general, and on the part of many employees both in Washington and in the field.

Admiral Crowe also pointed out that he found very troubling—again, this is quoting Admiral Crowe—the failure of the U.S. Government to take the necessary steps to prevent such tragedies in the interim, since the time when Bobby Inman made his recommendations back in the 1980's. There was so little done by all—the Congress, the White House—and now it is time to redress that.

We also heard from David Carpenter, the Assistant Secretary for Diplomatic Security, for the Department of State. He pointed out—and I think this bears underscoring and putting an exclamation point after it—the terrorist threat is global, lethal, multidimensional, and growing. Our analysts estimate that during the past 12 months, there were over 2,400 threats or incidents against U.S. interests overseas. Their estimate for the same period a year ago is approximately 1,150 such threats or incidents. This is an increase of over 100 percent in the past year.

The threat is generated by indigenous terrorists and transnational anti-American groups and by state sponsors of terrorism.

We also heard, Mr. Chairman, from Mr. Daniel Geisler, who is the President of the American Foreign Service Association, speaking on behalf of those who would be most affected: The Foreign Service officers overseas, their families, all of those who are on the front line at our missions and consuls abroad, who, while they do not want to shrink, as he pointed out, they never want to develop a bunker mentality, but he did point out, and I would like to quote him, he said to us that he had grave concerns that this failure will be corrected; that is to say the failure of funding to beef up our embassy security. He went on to say our doubts are heightened by the administration's grossly inadequate request for funds to build safer embassies.

The fiscal year 2000 budget request does not have a single penny, he went

on, for construction funds, even though the State Department had proposed that OMB request \$1.4 billion for worldwide security.

We would agree with the State Department on this bill. My colleague and I worked, during the work of this markup, both subcommittee, full committee. The gentleman from Nebraska (Mr. BEREUTER) lent a mighty hand in regard to embassy security, and the bottom line is we have the \$1.4 billion. Hopefully, it will pass; and hopefully, the appropriators will provide an identical amount for embassy security.

I would also like to point out, Mr. Chairman, that several other provisions in this legislation promote our American values by promoting freedom and democracy around the world, and it does address a number of urgent humanitarian needs.

Section 106 of the bill will ensure that a fair share of U.S. contributions to international organizations be directed to the organizations that do the most good in the most effective way. This section does not increase the amount we will contribute to international organizations but does set aside \$5 million of this amount for the world food program; \$5 million for the U.N. Voluntary Fund for Victims of Torture; \$5 million for the International Program on the Elimination of Child Labor.

This section also sets aside \$240,000 to the OAS for a Special Rapporteur for Freedom of Expression in the Western Hemisphere, of which at least \$6,000 is to be spent investigating violations of freedom of expression by the Government of Cuba.

Section 106 also carries forward an important provision of current law that addresses the human rights and humanitarian needs of the people of Burma. This provision requires the U.S. to withhold from its contributions to the UNDP an amount equal that will be spent in Burma unless the President certifies that all UNDP activities in Burma meets four conditions.

First, these activities must be focused on the needs of the poor.

Second, they must be undertaken only through private and voluntary organizations independent of the Burmese dictatorship.

Third, the President must certify that they do not benefit the dictatorship.

Finally, they must be carried out only after consultation with the democratic leadership of Burma, the people who won, I might remind my colleagues, the 1988 election and then were forced into exile or worse by the military regime.

Mr. Chairman, H.R. 2415 contains a permanent authorization for Radio Free Asia, which would otherwise have to close its doors on September 30 of this year. It also provides an authorization that will allow increased broadcasting beyond the current 2 hours per day to Vietnam and to North Korea.

This is particularly important in the case of Vietnam, where the Hanoi regime currently jams Radio Free Asia broadcasts. The jamming costs the dictatorship about the same amount per hour as it does our broadcasts, and maybe even more.

Let me also point out the need that some of this will get through, and our hope is that the message of freedom and democracy will pierce that veil.

□ 1515

Mr. Chairman, the bill also ensures the survival of one of our great freedom broadcasting services, Radio Free Europe/Radio Liberty, by formally repealing a 1994 "sense of Congress" provision that Radio Free Europe/Radio Liberty should receive no U.S. Government support after Fiscal Year 1999.

The 1994 provision is inconsistent with the administration's budget request and with the bipartisan Congressional consensus that freedom broadcasting continues to deserve U.S. support as the newly independent states of the former Soviet Union and its former satellites struggle to develop their own thoroughly free and thoroughly professional broadcast services.

The bill also increases from \$75 million to \$80 million the annual funding cap for Radio Free Europe/Radio Liberty in order to permit necessary expenditures for Radio Free Iraq, Radio Liberty broadcasts to Iran, and necessary security upgrades in response to credible threats of retaliation to those broadcasts.

Mr. Chairman, Radio Free Europe/Radio Liberty is still irreplaceable, and this bill ensures its continued good work into the 21st Century.

Mr. Chairman, section 202 of the bill requires the President to report on the extent of international narcotics traffic through or to Cuba, as well as the extent of the involvement by the Cuban Government, its agencies and entities, and the United States' actions to investigate or prosecute such acts.

We have seen a few newspaper stories lately that suggest that the Castro regime would actually like to help us stop drug trafficking. I am informed, however, that our government is aware of substantial evidence that the regime itself has been involved in such trafficking. This report will help set the record straight one way or the other.

Section 205(a) continues a requirement enacted last year for periodic reports on outstanding claims by United States firms against the Government of Saudi Arabia. This amendment is necessary to help U.S. firms which have completed extensive work for the Saudi Government but have had no success in getting their due compensation. For example, Gibbs and Hill, Inc., of New Jersey has outstanding claims for \$55 million for work on a desalinization plant completed in 1984.

Section 205(c) continues a report requiring the Secretary of State to re-

port on the extent to which the Government of Vietnam is cooperating with the U.S. on the fullest possible accounting of POWs and MIAs, has made progress on the release of political and religious prisoners, is cooperating on requests by the U.S. to obtain full and free access to persons for interviews under the Orderly Departure and Resettlement Opportunities for Vietnamese Refugees programs, has taken efforts and actions to end corrupt practices in connection with exit visas, and is making efforts to interview and resettle former reeducation camp victims and other persons.

But, unfortunately, Mr. Chairman, not all of the problems with the Vietnamese refugee program are caused by the Vietnamese Government. I am ashamed to say that some of our former allies and their families have been left behind, or even forcibly returned to Vietnam, because of compassion fatigue or outright cynicism on the part of the people who work for the U.S. Government.

Section 274 of the bill is an attempt to get the attention of the State Department to this problem and to ensure that, if we are going to spend more money on diplomatic presence in Vietnam, we spend it, or at least part of it, on keeping our commitments to the people who stood by us and who have suffered because they share our values.

This section prohibits the use of funds authorized by the act to support an increased number of personnel assigned to U.S. posts in Vietnam unless the President first certifies to Congress that the Vietnamese in-country refugee processing program meets certain conditions and standards.

The conditions that will require modification of the State Department plans to phase out U.S. refugee programs in Vietnam in order not to abandon allied war veterans and other Vietnamese who have been persecuted on account of their wartime associations with the United States.

This provision has been endorsed by the American Legion, the U.S. Catholic Conference, Refugees International, the Hebrew Immigrant Aid Society, and numerous other human rights organizations.

Mr. Chairman, we are not talking about a lot of people here, a few thousand compared to millions of refugees who have been resettled in the United States over the years; but it is important to complete this program in the same generous spirit with which it was begun.

Mr. Chairman, section 207 establishes a human rights fellowship program within the State Department's Bureau of Democracy, Human Rights, and Labor. The fellows would be selected on the basis of their human rights expertise and recruited for specific projects or assistance needed by the bureau. I think it is a useful way to bring some

of the much-needed fresh air into the State Department. Our foreign policy needs the perspective, not only of diplomats, but also of people who have devoted their whole lives to the pursuit of human rights.

Section 321 of the bill establishes a Foreign Service Star, an award for civilian employees of the United States assigned to an official mission overseas who are killed or wounded in government service.

Section 408 requires the Secretary of State to take all appropriate steps to ensure that members of the Royal Ulster Constabulary are not participants in any program of educational or cultural exchange or training through the National Academy Program at Quantico, Virginia, unless and until the President certifies a complete, independent, and transparent investigation of the murders of Rosemary Nelson—whom my colleagues will remember appeared before our committee and said she feared the RUC—and Patrick Finucane have been initiated by the government of the UK.

There are 41 amendments, some of which will be en bloc. This is a good bill which deserves the support of my colleagues.

Ms. MCKINNEY. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. FILNER).

Mr. FILNER. Mr. Chairman, I thank the very distinguished gentlewoman from Georgia (Ms. MCKINNEY) for yielding me this time.

Mr. Chairman, I rise in support of a Part B amendment sponsored by the gentleman from San Diego, California (Mr. BILBRAY) and myself that would encourage a common sense, innovative, public-private solution to the problem of international sewage along the border between the United States and Mexico, a problem that has been plaguing us for over 5 decades.

I thank the Committee on Rules for making this amendment in order. I thank the distinguished gentleman from New York (Chairman GILMAN) for his support of this approach, which will be very good for our area and California.

Just to describe the situation we face, briefly, let me quote one of the officials of the environmental Surfrider Foundation. He said, "I'm surfing in sewage." He put it a little less delicately, and it is not a very genteel situation in my district when sewage washes up on the beach, flows down our rivers and canyons, and fouls the water where our children should be able to swim worry free.

A solution to not surfing in sewage? Build enough sewage treatment to handle the problem. That is what our amendment puts the Congress on record supporting. It says we want to pursue a plan that can easily treat 50 million gallons of sewage per day, not the 25 million gallons that is provided

for in the present plan being pursued by EPA at this moment.

The plan makes even more sense when we know that the Mexican sewage will be reclaimed and reused by industrial and agricultural users in Mexico to help cover the cost. So all the hazardous and unhealthy sewage that now flows into our ocean without proper treatment will be cleaned; and much of it will be reused before it ever gets to the ocean. We owe that to our surfers and certainly to our children.

This solution that Congress will go on record if it supports this is good for our environment, good to our taxpayers. It is a true win-win situation. I urge support of the Bilbray-Filner amendment.

Mr. GILMAN. Mr. Chairman, I am pleased to yield 6 minutes to the gentleman from Nebraska (Mr. BEREUTER), the vice chairman of our Committee on International Relations.

Mr. BEREUTER. Mr. Chairman, I rise in strongest possible support for H.R. 2415, the Embassy Security Act of 1999. It was slightly less than 1 year ago, on August 7, 1998, when terrorists successfully attacked U.S. embassies in Nairobi, Kenya and Dar es Salaam, Tanzania. Over 220 people were killed, including 12 Americans and 40 local hires.

While all in this body would like to believe this could never happen again, tragically, unless we can act to prevent it, such acts of terrorism are more likely a prelude of things to come. There are too many evil or badly misguided people looking to make their mark, and American assets are just too vulnerable.

Indeed, recall the attempted rocket attack in Moscow just this April against our embassy that failed only because the perpetrators did not know how to operate the launcher. A rocket launch against our embassy in Athens also failed for technical reasons.

There were explosions in Uzbekistan in February that, while apparently not directed at the United States, blew out windows in a U.S. embassy annex.

In fact, as this body debates H.R. 2415, a number of U.S. embassies in Africa have recently been closed because of credible threats of terrorist attack of quite a high degree of sophistication.

Admiral William Crowe was tasked with chairing the Accountability Review Boards for the two embassy bombings. Admiral Crowe, while praising the efforts of the embassy personnel in Kenya and Tanzania, made it clear that U.S. facilities overseas were largely unequipped for the threats that have emerged.

The Crowe report urged a total of \$1.4 billion per year over the next 10 years to address the security for the U.S. personnel living abroad.

Such recommendations are not new. Fourteen years ago, there was the Inman report, which pointed out the glaring inadequacies of our embassy se-

curity at the time and our need for serious upgrades. But only 15 percent of our embassies and consulates meet Inman standards.

This Member congratulates the distinguished gentleman from New Jersey (Mr. SMITH) for working to address Crowe Commission recommendations. Working with this Member, the Committee on International Relations agreed to authorize the full \$1.4 billion recommended by the Crowe Commission for embassy security funding for fiscal year 2000.

Obviously, this is a lot of money. But this Member would tell my colleagues on this committee and this body that we have a responsibility to address the safety and security of State Department employees. If we do not address this issue, we will share in the responsibility and the blame when the next disaster occurs.

Mr. Chairman, the men and women who serve in the United States overseas are not looking for absolute guarantees that they will be safe. But they have a right to expect that all reasonable precautions will be taken to ensure their security. In good conscience, this body can do no less. For this and no other important reasons, this Member urges support for H.R. 2415, the Embassy Security Act of 1999.

Ms. MCKINNEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Chairman, I thank the gentlewoman from Georgia for yielding me this time.

Mr. Chairman, I rise in strong support of section 274 of the State Department authorization bill. I believe, as do many of my constituents, that this section of the bill is critical in ensuring that the State Department properly implements Vietnamese refugee programs.

Section 274 successfully addresses the outstanding concerns of the Vietnamese American community and responds very well to my plea that humanitarian changes and programs for Vietnamese refugees be made.

For example, the appointment of a refugee counselor to run the in-country refugee program is critical to ensuring that someone who understands the plight of refugees administers the program.

Section 274 provides that a refugee counselor with a proven record of sensitivity supervise all U.S. refugee programs in Vietnam. Additionally, this individual would report directly to the ambassador or the general counsel in the U.S. consulate in Saigon.

Additionally, I am very strongly supportive of section 274 because it reverses restrictive rules such as the continuous co-residency provision.

The provision would allow for the reconsideration of children of re-education camp detainees who were left behind because of an INS directive on

co-residence. These families have been torn apart. In some cases, one parent is in the U.S., the other in Vietnam with the children. Imagine, if my colleagues can, children who have not seen their parents in decades, or brothers and sisters who barely remember each other.

I have received letters from constituents who have indicated that the continuous co-residence provision has barred many of their loved ones from joining them in the U.S. This simply is not right.

I believe that section 274 is the right thing to do. It allows us to keep our commitment to Vietnamese Americans by ensuring that the administration has the tools to improve adjudication of all outstanding cases.

Lastly, I would like to thank the chairman and the ranking member for their hard work and leadership on this legislation and urge my colleagues to support passage of the legislation.

□ 1530

Ms. MCKINNEY. Mr. Chairman, I yield 3½ minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I thank my dear friend and colleague, the gentlewoman from Georgia (Ms. MCKINNEY), for yielding me this time and for her great leadership on this bill and so many important issues before this Congress.

Mr. Chairman, I rise in support of the underlying bill and in support of the work of the chairman and the ranking member for their prudent and far-sighted response to the threat of terrorism to our embassies across the world. I applaud their efforts and support this bill.

I likewise support the gentleman from New York (Mr. GILMAN) and the gentleman from Connecticut (Mr. GEJDENSON) in their funding of UNFPA. Regrettably, last year the funding was deleted from the budget, \$25 million, although our country had been a leader for well over 30 years in world population concerns both through the UNFPA and in the world.

This vote for the funding of UNFPA is a vote for maternal health and this is a vote for children's health. UNFPA serves women, children, and families in about 160 countries around the world where health care structures are fragile and, therefore, unable to address the specific health needs of mothers and children. It is a multilateral approach to a problem that is shared in our world, that of many, many hundreds of thousands of deaths of women every year. Over 500,000 women every year die in childbirth. And, in fact, half of the funding for UNFPA goes to maternal and child health needs.

This is also a vote for the environment. This October, the world's population will reach 6 billion and is expected to reach 9 billion only 50 years from now. Let me put this in perspective. It took hundreds of millions of

years to reach the first billion in 1804 in our country, and it doubled to 2 billion in 1927, when my parents were young. It reached 3 billion in 1960, when I was a teenager, and doubled again in just 30 years. Without addressing family planning needs across the world, human population growth will overwhelm even the most dedicated successful work of any environmental organization.

I think that one of the best examples of what UNFPA is doing is this birthing kit, the safe delivery kit. It costs only \$1.15 but it can save the lives of women. In the refugee crisis in Kosovo, UNFPA was the only one there helping women with their maternal needs, with their childbirth needs. It has sanitary uses; it contains a plastic sheet, a bar of soap, a surgical blade, a gauze, and razor. It is a tremendously important investment that can save the lives of mothers, save the lives of children, and save our natural resources.

Since there is a great deal of disinformation out there about what UNFPA does, I want to tell my colleagues what it does not do. Clearly, it is not an abortion vote and, it says so on page 2, line 6: The UNFPA does not fund abortions.

Secondly, no money goes to China. In the Gilman-Campbell-Maloney amendment not one cent goes to China, and it clearly states, and I quote page 2, line 6 in the bill, "The UNFPA does not fund abortions."

But what it does do is save lives, and editorials across this country agree and say that a vote for UNFPA is a vote for maternal health, for child health, and a safer world.

The Houston Chronicle says, and I quote:

The sad irony is that the population program would actually do far more in the way of family planning and the prevention of unwanted pregnancies and abortions that its critics are willing to admit.

If the motivation for opposition to this measure is truly to halt abortion, then those who would kill it are actually doing the legislative equivalent of throwing gasoline onto a fire.

And today, from my hometown paper, the New York Times:

Last year Congress disgracefully cut off funding to the United Nations Population Fund, an agency that supports voluntary family planning services, maternal and child health initiatives, and AIDS and sexually transmitted diseases prevention programs in 150 countries.

The Population Fund does not provide or pay for abortion services in any country, and can actually reduce the need for abortions.

The House now has no excuse for not financing family planning efforts that can improve the lives of women all over the world.

Let me tell my colleagues what this vote is about.

In October, there are going to be six billion people on the planet. And as the Courier-Journal from Louisville, Kentucky says:

The good news is that population growth has, in fact, slowed in many places, thanks in part to the UN's efforts. But one big ob-

stacle to more progress has been money. . . . the House of Representatives will be able to do something about that, by restoring funds for the UN populations program . . .

There are other editorials from papers such as the Kansas City Star, the San Francisco Examiner, the LA Times, and others.

I urge my colleagues to join with me in voting to fund UNFPA.

Mr. Chairman, I would like to applaud the chairman for his leadership in funding UNFPA. This is a smart vote.

Ms. MCKINNEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Chairman, I want to thank the gentlewoman from Georgia for yielding me this time and for all her hard and dedicated work on behalf of women throughout the world.

First, I rise today in support of the United Nation's Population Fund and in stern opposition to the Smith amendment, which will come up later this evening. The United Nation's Population Fund provides responsible family planning and information on reproductive services to families worldwide. It targets families in developing countries who otherwise would have to go without such basic services yet such crucial needs as pre- and post-natal care. The UNFPA is also leading the charge in confronting the AIDS epidemic in Africa.

The Smith amendment will deprive women who are in dire economic and personal situations from receiving essential family planning which they need to survive. This is wrong. Furthermore, my conscience will not allow me to accept the deaths of an estimated 1,200 additional women and 22,500 infants who are projected to die if the House refuses to support the UNFPA. We must do everything to prevent the deaths of these women and children. It is our moral obligation to do so.

I urge my colleagues to vote against the Smith amendment later and for the Campbell-Maloney-Gilman-Crowley-Greenwood amendment for responsible family planning.

Ms. MCKINNEY. Mr. Chairman, could you tell me how much time each side has?

The CHAIRMAN pro tempore (Mr. PEASE). The gentlewoman from Georgia (Ms. MCKINNEY) has 17 minutes remaining, and the gentleman from New York (Mr. GILMAN) has 7 minutes remaining.

Ms. MCKINNEY. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK of Hawaii. Mr. Chairman, I thank my colleague from Georgia for yielding me this time, and I take this opportunity to express my very sincere appreciation to the members of the committee for including in this appropriation an additional sum for the op-

erations and maintenance of the programs at the East-West Center, which is located in Honolulu, the State of Hawaii.

In 1996, the East-West Center's budget of \$24 million, which had been an ongoing appropriation, was drastically cut to about \$11.75 million, and it has had a tremendous crisis in trying to maintain its staff and to keep up with the program which it was required to perform on its establishment in 1960. So this year's appropriation increase, though not to the full \$24 million, but the level of \$17.5 million, is a tremendous boost. It is going to give confidence to those who have remained in the center to continue on this important work.

The East-West Center is an internationally respected research and educational institution. It has a 39-year record of achievement. It is important in the overall response of the United States to the importance of the Asia-Pacific region.

In 1960, it was the Eisenhower administration and Congress together that established this center. It is not an instrument or a department of the University of Hawaii, it is an independent incorporated entity. It is attached to and reports to the State Department and to the USIA. Numerous top-ranking officials from all of the Asia-Pacific countries have been through the East-West Center. They are familiar with the center, and it serves as an important forum for international cooperation and study.

Mr. Chairman, I think that one of the most important contributions that the United States can make is in our ideas. And if we have this center, we have a place where people from all over the Asia-Pacific area can come together, study, do research, and communicate on the problems of mutual concern. And it is one of the most important contributions, I think, that any center of this kind can make towards the diplomacy of our country.

The Asia Studies Development Program also, not only with the elements of individuals from Asia, but also we have an interconnect with our own universities and our own college students and with the minority colleges and with others who have an opportunity, because the center exists, to understand the curricula that would be necessary for the support of an Asia-Pacific concept.

So this nationwide program, which is unique in its kind, the only one that exists in the country, centered there at the East-West Center, serves to expand the opportunities of America's young people in understanding this most important area of the world where we have hundreds of millions of people that live and who serve as an important base for the diplomacy of the United States.



So with the very small staff of only 30 people, they have mounted this incredible outreach into the Pacific region. We always talk about the importance of this region. This center is the reason for our ability to expand our knowledge and our reach into this region of the world, and I am really very thankful that the committee has seen fit to grant us this modest increase this year.

The Asia-Pacific region accounts for more than half the world's population, about a third of the world's economy, and vast marine and land resources. The United States has vital national interests in connecting itself in partnership with the region. As the Asia-Pacific region continues to develop and change, it is essential that the United States be seen as a part of the region rather than an outsider.

People from Asian and Pacific countries are treated as partners at the Center. This is why the East-West Center has long had prestige in the region disproportionate to its small size. With only 30 positions, the Center's research staff is half the size of a typical department in a larger state university.

The Center has been able to attract considerable funding in addition to its Congressional appropriation, which was \$12.5 million in FY 1999. In FY 1998, the Center received grants, contracts, and gifts of \$6.5 million; however, the vast majority of these funds (\$5.7 million) were restricted gifts set aside for specific studies or programs requested by the granting country or organization. It is essential that Congressional funding support the core functions of this national institution so that its agenda is not set by external funders.

The funding level authorized by H.R. 2415 would make possible expanding the Jefferson Fellows media program for journalists from the region and the United States; expanding the young leaders program for junior members of national or state legislative bodies; initiating an intensive professional training program for young strategic specialists from the region; creating a dialogue among private sector economists on regional economic and financial issues to occur in conjunction with meeting of U.S. and regional treasury and central bank officials, thus paralleling the existing Europe-focused "Ballegio process"; strengthening research capabilities in economics, politics/security environment and health; expanding the reach of the Center's Asia Studies Development Program; and beginning a new Okinawan Education and Business Initiative, which would be jointly funded with Japan.

The Okinawan Education and Business Initiative seeks to connect a younger generation of Okinawans to the United States through the East-West Center. In the 1960s and 1970s, the Center trained many of Okinawa's elite: in fact, the Center's most active alumni chapter is in Okinawa. In recent years, however, few Okinawan students have come to the Center. The initiative would add a strong and symbolic non-military dimension to a U.S. relationship with Okinawa that is now dominated by the military bases.

In addition to its research and short-term training programs, the East-West Center provides scholarships for 165 students pursuing bachelor, master, and doctorate degrees. Of

the 165 students, 44 are from the United States, 24 are from the Pacific Islands, and the balance are from Asia. Of the U.S. students, only 3 are from Hawaii: the balance are from 18 other states.

The grantees, who live and study together, form lifelong friendships and a deep appreciation and knowledge of other cultures and viewpoints. Their educational experience is greatly enriched by the opportunity to participate in Center research, dialogue, and training activities. Throughout Asia and the Pacific, former East-West Center grantees from the 1960s, 1970s, and 1980s are leaders in government, business, academia, the media, and the arts. These opinion leaders gained a deep understanding of and connection to America in their years at the East-West Center. These former grantees stay in touch through alumni chapters located all over the United States, Asia and the Pacific.

The East-West Center, Asia Foundation, and the North-South Center are small but very cost-effective organizations. They complement the foreign policy objectives of the United States by providing another dimension of engagement with leaders in Asia, the Pacific, and Latin America and help to increase the mutual understanding and cooperation that is essential for constructive relationships among the nations of these important regions. I urge all my colleagues to defeat the Sanford amendment.

Ms. MCKINNEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Chairman, I first want to thank the gentlewoman for yielding me this time, and as we today debate the authorization for the State Department and other agencies, I rise in strong support of the Gilman-Campbell-Maloney amendment, which, in fact, reinstates the United States' contribution to the largest internationally funded source of family planning assistance and, in fact, will protect the lives of women and children around the world.

This is not about supporting abortion. Under current law, not \$1 of U.S. family planning funds can be used to perform or even counsel women to obtain abortions anywhere in the world. This amendment retains that prohibition.

This is not about supporting China. This is about preventing illness and saving lives. U.S. family planning aid saves the lives of women. Around the world, 500,000 women die in childbirth every year. Access to family planning in the developing world would reduce unintended pregnancies by one-fifth and could save the lives of as many as 120,000 of those women.

The aid saves the lives of children. Family planning allows women and men to choose how many children they want and when to have them. Spacing children further apart, being able to breast-feed them, improves the child's chance of survival by up to 20 percent in most developing countries.

If we fail to pass this amendment today, in 1 year alone there will be an

estimated 22,500 additional infant deaths and 1,200 additional maternal deaths. For many women, the health services provided by the United Nations' Family Planning Assistance program are the only source of preventive health care that can detect diseases such as cervical cancer in the early stage and save lives.

I call on my colleagues today to support this amendment, support women's health, support children's health and vote "yes" when it comes time on the Gilman-Campbell-Maloney amendment this afternoon.

Mr. GILMAN. Mr. Chairman, I yield 6 minutes to the gentleman from California, a member of our Committee on International Relations.

Mr. ROHRBACHER. Mr. Chairman, I rise to commend the gentleman from New York (Mr. GILMAN) on his leadership on H.R. 2415, which, of course, emphasizes the need to enhance the security of the United States overseas diplomatic missions as well as our U.S. personnel overseas.

As the gentleman from New York (Mr. GILMAN) has stated, among the greatest threats to the security of American diplomatic missions and personnel is by Osama bin Laden and his legion of terrorists who train and operate out of Afghanistan. The primary benefactors of bin Laden's terrorists are elements in Pakistan and the extremist Taliban militia, who not only host and protect bin Laden but have imposed a reign of terror on the people of Afghanistan and especially on the women of Afghanistan.

Mr. Chairman, on numerous occasions I have charged and I repeat today that the Clinton administration, despite statements to the contrary, has a covert policy of cooperating with Pakistan and Saudi Arabia that has orchestrated the creation, the rise to power, and the ongoing tyranny of the Taliban. The Taliban are now competing with SLORC, the SLORC dictatorship in Burma, for the role of the world's largest producer of opium. They are harboring anti-American terrorists such as bin Laden, and the Taliban's fanatical leaders are waging a psychotic reign of terror on millions of women in Afghanistan.

On August 25, 1998, using my oversight responsibility as a senior member of the House Committee on International Relations, I sent a letter to the Department of State requesting the pertinent cables and documents related to U.S. policy on Afghanistan, especially when it relates to the Taliban. The State Department ignored my original request.

As the Taliban's tyranny against women and human rights abuses against their entire population intensified in Afghanistan, and at committee hearings, I repeatedly restated my call and my request for documents to the Assistant Secretary of State Rick



Indefurth and other State Department officials.

□ 1545

And even as my requests for information were ignored, actions taken by the State Department seemed to confirm my charges of a covert U.S. policy of support for the extremist Taliban cult in Afghanistan.

In November of 1998, at a closed hearing on Iraq, for the record, I asked Secretary of State Madeleine Albright when the Afghanistan material that I requested would be delivered. She said it would be coming soon.

Christmas, Hannukah, and the New Year came and went and still no documents.

At the outset of this Congressional session, in February at a full committee hearing in full public, I reminded Secretary Albright of her commitment to release the Afghan documents. At that time the gentleman from New York (Chairman GILMAN) supported my request for the record. Again Secretary Albright told us the documents were forthcoming.

During the following weeks, my staff and the committee staff of the gentleman from New York (Chairman GILMAN) continued to call on the State Department about this commitment for Afghan documents.

To cut the story down to size here, we still have not had one document from the State Department that would either confirm or disprove my charges. I am, therefore, ever more convinced and I would hope the women who have testified here today will join me in insisting that the State Department provide requested documents that would prove one way or the other whether or not this administration is again committing a sin against the people of the world whether it believes in human rights in supporting the Taliban, one of the world's worst human rights abusers and one of the world's worst enemies of women's freedom.

So I would ask my fellow colleagues to join me. After over a year of stonewalling and blockading our attempts to get to the information, I ask Members on both sides of the aisle to join me in getting the State Department to give up this stonewalling and to give us the pertinent information about Afghan policy and what the real position of this government is.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. ROHRABACHER. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding. I join him in that request as the chairman of the Subcommittee on Asia and the Pacific.

Mr. Chairman, I thank the gentleman for his statement. I wanted to engage the gentleman in a colloquy on the amendment that the gentleman is lead

sponsor on, amendment No. 9, related to satellite export activities.

I want to ensure that my reading of the amendment of the gentleman is correct; and if it is, I certainly understand it, as a member of the Cox committee.

It is my understanding that the gentleman is attempting to provide for expedited approvals for NATO countries, non-NATO allies, and other friendly countries, but that he is specifically suggesting not that there would be no exports licenses for satellites but that there would be no expedited licenses for exports to the People's Republic of China.

Is my understanding correct?

Mr. ROHRABACHER. Mr. Chairman, reclaiming my time, that is correct.

This gentleman believes that the policy of this Congress is to be very careful about our technology exports to Communist China and other potentially hostile governments. However, in stating this policy, the State Department has used a sledge hammer and swung the pendulum so far over that it is getting in the way of business dealings and technology transactions with countries that are friendly, Democratic countries, Brazil, Sweden, Belgium, you name it. And we do not want that.

But my amendment says we should try to expedite that, and it emphasizes that those dealings with China and other potential hostile powers not be expedited. That is the purpose of my language.

Mr. BEREUTER. Mr. Chairman, if the gentleman would yield further, I understand the point of the gentleman. I understand this amendment will be en bloc and it is my only opportunity for debate.

Ms. MCKINNEY. Mr. Chairman, I am pleased to yield 3 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I thank the gentlewoman for yielding me the time.

There has been a great deal of talk on the floor about what UNFPA does to save lives, to save mothers giving birth, to save children. But I want to talk about what is not in the bill.

Some of my colleagues on the other side of the aisle are trying to imply that this is an abortion vote. But let me say very clearly, this vote is not a vote on abortion. It clearly states in the text, page 2, line 6: "The UNFPA does not fund abortions."

Also, not a single cent goes to China. But let me tell my colleagues that they do not need to take my word on it. I would like to quote the Houston Chronicle. It says:

The sad irony is that the population program would actually do far more in the way of family planning and the prevention of unwanted pregnancies and abortions than its critics are willing to admit. If the motivation for opposition to this measure is truly to halt abortion, then those who would kill

it are actually doing the legislative equivalent of throwing gasoline onto a fire.

In other words, UNFPA prevents abortions by family planning.

In my own hometown paper, the New York Times, they said last week:

Last year Congress disgracefully cut off funding to the United Nations Population Fund, an agency that supports voluntary family planning services, maternal and child health initiatives, and AIDS and sexually transmitted disease prevention programs in over 150 countries across the world. The Population Fund does not provide or pay for abortion services in any country and can actually reduce the need for abortions.

The House has no excuse for not financing family planning efforts that can improve the lives of women all over the world.

Let me tell my colleagues another thing that this vote is about. It is about the fact that we are going to be six billion people on the planet.

The Courier-Journal from Louisville, Kentucky, says:

The good news is that population growth has, in fact, slowed in many places, thanks in part to the U.N.'s efforts. But one big obstacle to more progress has been money. The House of Representatives will be able to do something about that by restoring funds for the U.N. population program.

There are other editorials from papers such as The Kansas City Star, the San Francisco Examiner, the L.A. Times, and others.

Well over 150 of my colleagues joined us on a bill in support of funding for UNFPA and, likewise, many organizations, non-governmental organizations, such as the Audubon Society and many others.

I would like to put the list into the RECORD of the nongovernmental organizations supporting this funding effort. It is important to save women's lives.

Ms. MCKINNEY. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN pro tempore (Mr. PEASE). The gentlewoman has 8½ minutes remaining.

Ms. MCKINNEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Chairman, I thank the gentlewoman for yielding me the time.

Mr. Chairman, I take this time to engage in a discussion with the chairman about the ruling in Europe by the European Union on U.S. aircraft that are hush-kitted or reengined.

Last year, the EU began restricting the use of hushkitted or reengined aircraft in the European community of U.S. aircraft that have been reengined or had a hushkit installed to meet our Stage 3 quiet noise standard.

In fact, the U.S. is 2 years ahead of Europe in that matter. Nonetheless, the European restriction would apply only to U.S. aircraft and engines even though they are quieter than many other European aircraft and engines.

The U.S. Government objected. The House took strong exception. I introduced legislation which the gentleman from Pennsylvania (Chairman SHUSTER) cosponsored, the gentleman from Tennessee (Chairman DUNCAN), and the gentleman from Illinois (Mr. LIPINSKI).

We passed this bill on the House floor. It has had the dramatic effect of getting Europe's attention because we would ban the operation of the noisiest aircraft in the fleet, the Concorde.

The EU agreed to delay implementation of the regulation. But we still do not have real serious protection for American Airlines who want to sell aircraft principally to Third World countries to operate those aircraft into the European Union.

I firmly believe that the European Commission and the European Parliament should act quickly to end this discriminatory practice.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding.

I agree with the concerns of the gentleman. Our committee held a hearing recently to discuss this and other EU issues, and the hearing underscored the problems with recent EU actions in the aviation area.

As a matter of fact, in our meetings recently with the European parliamentarians, we raised this issue to them and stressed the need to clarify their position on this matter.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for his comments.

The chairman has been very diligent on this matter, and I am very appreciative. It has gotten Europe's attention. But we need to carry further and ask the European Union understand we are serious.

One option available to the U.S. is to file an Article 84 complaint under the Chicago Convention that would allow disagreements between ICAO member states to go to the ICAO Council for resolution.

Would the Chair support such an initiative?

Mr. GILMAN. Mr. Chairman, if the gentleman would continue to yield, I agree with the gentleman that if the EU does not take strong action on this directive, the United States should use the options available to it, including filing an Article 84 complaint with the ICAO.

I look forward to continuing to work with the gentleman on this very important issue and appreciate his important leadership on this issue.

Mr. OBERSTAR. Mr. Chairman, I thank the chairman for his strong support.

I would just say in conclusion that the gentlewoman from Georgia (Ms. MCKINNEY) has been a strong advocate for African economic development.

Many of the African countries want to buy U.S. reengineered hushkitted aircraft and operate them into the European Union, and this ruling by the European Commission would simply discriminate against Africa principally.

So I greatly appreciate the interest and support of the gentlewoman.

Ms. MCKINNEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the American Security Act of 1999 is a good bill. This bill shows strong support for humanitarian programs. In addition, human rights gains a prominence not seen in a very long time. We also have strong provisions in this bill for our former allies in Vietnam.

This legislation also provides much-needed minority recruitment. Black foreign service officers recently settled a lawsuit. We now learn that there are pending lawsuits that have been filed by the Voice of America black employees.

For the reason that this Congress for three standing Congresses has not yet provided an authorization bill, we have not yet provided the kind of oversight that we need to have provided. Cultural exchange programs now reflect our interests around the world and not just our specific interests in a few places around the world. And then, most importantly, embassy security is provided for.

We are going to see a spirited debate today on this bill, and I urge my colleagues to support the American Security Act of 1999.

Mr. Chairman, I yield back the balance of my time.

Mr. GILMAN. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from New Jersey (Mr. SMITH) the senior member of our Committee on International Relations, the distinguished chairman of the Subcommittee on International Operations and Human Rights.

Mr. SMITH of New Jersey. Mr. Chairman, I thank my good friend for yielding me the time.

Let me just say, Mr. Chairman, that I spoke earlier about some of the other merits of the bill. There will be a very important amendment for Members later on as we consider this bill.

I urge Members to vote "no" on the Campbell amendment. The Campbell amendment would provide a \$20 million grant to the United Population Fund.

Let me remind everyone that last year the Congress passed and the President signed, albeit reluctantly, legislation that cut off funding to the U.N. Population Fund because of its ongoing complicity with the one-child-per-couple policy in the People's Republic of China, where forced abortion and forced sterilization are commonplace.

The gentleman from Michigan (Mr. BARCIA) and I are offering an amendment that says that \$25 million can

proceed if, and only if, the UNFPA has terminated all activities in the PRC or during the 12 months the President can certify that no abortions have been the result of coercion. The issue is coercion.

I would hope that Members would stand with the oppressed women who suffer unspeakable cruelty as a result of the one-child-per-couple policy. Vote "no" on the Campbell amendment when we get to it later on.

The CHAIRMAN. Pursuant to the rule, the bill is considered read for amendment under the 5-minute rule.

The text of H.R. 2415 is as follows:

H.R. 2415

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "American Embassy Security Act of 1999".

#### SEC. 2. TABLE OF CONTENTS.

The table of contents is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Definitions.

#### TITLE I—AUTHORIZATIONS OF APPROPRIATIONS

##### CHAPTER 1—DEPARTMENT OF STATE

- Sec. 101. Administration of foreign affairs.
- Sec. 102. International organizations.
- Sec. 103. International commissions.
- Sec. 104. Migration and refugee assistance.
- Sec. 105. Public diplomacy programs.
- Sec. 106. Voluntary contributions to international organizations.
- Sec. 107. Grants to the Asia Foundation.

##### CHAPTER 2—BROADCASTING BOARD OF GOVERNORS

- Sec. 121. International broadcasting.

#### TITLE II—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES

##### CHAPTER 1—AUTHORITIES AND ACTIVITIES

- Sec. 201. Authority to lease aircraft to respond to a terrorist attack abroad.
- Sec. 202. Report on Cuban drug trafficking.
- Sec. 203. Report on compliance with the Hague Convention on International Child Abduction.
- Sec. 204. Elimination of obsolete reports.
- Sec. 205. Continuation of reporting requirements.
- Sec. 206. International arms sales code of conduct.
- Sec. 207. Human rights and democracy fellowships.
- Sec. 208. Joint funds under agreements for cooperation in environmental, scientific, cultural, and related areas.
- Sec. 209. Report on international extradition.
- Sec. 210. Effective regulation of satellite export activities.

##### CHAPTER 2—CONSULAR AND RELATED ACTIVITIES

- Sec. 251. Deaths and estates of United States citizens abroad.
- Sec. 252. Duties of consular officers.
- Sec. 253. Machine readable visas.
- Sec. 254. Processing of visa applications.
- Sec. 255. Repeal of outdated provision on passport fees.
- Sec. 256. Fees relating to affidavits of support.

##### CHAPTER 3—REFUGEES

- Sec. 271. United States policy regarding the involuntary return of refugees.

Sec. 272. Human rights reports.  
 Sec. 273. Guidelines for refugee processing posts.  
 Sec. 274. Vietnamese refugees.

# **TITLE III—ORGANIZATION OF THE DEPARTMENT OF STATE; PERSONNEL OF THE DEPARTMENT OF STATE AND FOREIGN SERVICE**

## **CHAPTER 1—ORGANIZATION OF THE DEPARTMENT OF STATE**

Sec. 301. Establishment of Bureau for International Information Programs and Bureau for Educational and Cultural Exchange Programs.  
 Sec. 302. Correction of designation of Inspector General of the Department of State.

## **CHAPTER 2—PERSONNEL OF THE DEPARTMENT OF STATE**

Sec. 321. Establishment of Foreign Service Star.  
 Sec. 322. United States citizens hired abroad.  
 Sec. 323. Border equalization adjustment.  
 Sec. 324. Treatment of grievance records.  
 Sec. 325. Report concerning financial disadvantages for administrative and technical personnel.  
 Sec. 326. Extension of overseas hiring authority.  
 Sec. 327. Medical emergency assistance.  
 Sec. 328. Families of deceased foreign service personnel.  
 Sec. 329. Parental choice in education.  
 Sec. 330. Workforce planning for foreign service personnel by federal agencies.  
 Sec. 331. Compensation for survivors of terrorist attacks overseas.

# **TITLE IV—UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS**

Sec. 401. Educational and cultural exchanges and scholarships for Tibetans and Burmese.  
 Sec. 402. Conduct of certain educational and cultural exchange programs.  
 Sec. 403. Notification to Congress of grants.  
 Sec. 404. National security measures.  
 Sec. 405. Designation of North/South Center as the Dante B. Fascell North-South Center.  
 Sec. 406. Advisory Commission on Public Diplomacy.  
 Sec. 407. International expositions.  
 Sec. 408. Royal Ulster Constabulary.

## **TITLE V—INTERNATIONAL BROADCASTING**

Sec. 501. Permanent authorization for Radio Free Asia.  
 Sec. 502. Preservation of RFE/RL (Radio Free Europe/Radio Liberty).  
 Sec. 503. Immunity from civil liability for Broadcasting Board of Governors.

## **TITLE VI—INTERNATIONAL ORGANIZATIONS AND COMMISSIONS**

Sec. 601. Interparliamentary groups.  
 Sec. 602. Authority to assist State and local governments.  
 Sec. 603. International Boundary and Water Commission.  
 Sec. 604. Concerning United Nations General Assembly Resolution ES-10/6.

## **TITLE VII—GENERAL PROVISIONS**

Sec. 701. Sense of the Congress concerning support for democracy and human rights activists in Cuba.  
 Sec. 702. Relating to Cyprus.

## **SEC. 3. DEFINITIONS.**

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional

committees” means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(2) SECRETARY.—The term “Secretary” means the Secretary of State.

## **TITLE I—AUTHORIZATIONS OF APPROPRIATIONS**

### **CHAPTER 1—DEPARTMENT OF STATE**

#### **SEC. 101. ADMINISTRATION OF FOREIGN AFFAIRS.**

The following amounts are authorized to be appropriated for the Department of State under “Administration of Foreign Affairs” to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law, including the diplomatic security program:

(1) DIPLOMATIC AND CONSULAR PROGRAMS.—

(A) AUTHORIZATION OF APPROPRIATIONS.—For “Diplomatic and Consular Programs” of the Department of State, such sums as may be necessary for the fiscal year 2000.

(B) LIMITATIONS.—

(i) WORLDWIDE SECURITY UPGRADES.—Of the amounts authorized to be appropriated by subparagraph (A), \$254,000,000 for fiscal year 2000 is authorized to be appropriated only for worldwide security upgrades.

(ii) BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR.—Of the amounts authorized to be appropriated by subparagraph (A), \$15,000,000 for fiscal year 2000 is authorized to be appropriated only for salaries and expenses of the Bureau of Democracy, Human Rights, and Labor.

(iii) RECRUITMENT OF MINORITY GROUPS.—Of the amounts authorized to be appropriated by subparagraph (A), \$2,000,000 for fiscal year 2000 is authorized to be appropriated only for the recruitment of members of minority groups for careers in the Foreign Service and international affairs.

(2) CAPITAL INVESTMENT FUND.—For “Capital Investment Fund” of the Department of State, such sums as may be necessary for the fiscal year 2000.

(3) SECURITY AND MAINTENANCE OF UNITED STATES MISSIONS.—

(A) AUTHORIZATION OF APPROPRIATIONS.—For “Security and Maintenance of United States Missions”, \$1,580,066,000 for the fiscal year 2000.

(B) SECURITY UPGRADES FOR UNITED STATES MISSIONS.—Of the amounts authorized to be appropriated by subparagraph (A), \$1,146,000,000 for fiscal year 2000 is authorized to be appropriated only for security upgrades to United States missions abroad, including construction and relocation costs.

(4) REPRESENTATION ALLOWANCES.—For “Representation Allowances”, such sums as may be necessary for the fiscal year 2000.

(5) EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE.—For “Emergencies in the Diplomatic and Consular Service”, such sums as may be necessary for the fiscal year 2000.

(6) OFFICE OF THE INSPECTOR GENERAL.—For “Office of the Inspector General”, such sums as may be necessary for the fiscal year 2000.

(7) PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN.—For “Payment to the American Institute in Taiwan”, such sums as may be necessary for the fiscal year 2000.

(8) PROTECTION OF FOREIGN MISSIONS AND OFFICIALS.—

(A) For “Protection of Foreign Missions and Officials”, such sums as may be necessary for the fiscal year 2000.

(B) Each amount appropriated pursuant to this paragraph is authorized to remain available through September 30 of the fiscal year following the fiscal year for which the amount appropriated was made.

(9) REPATRIATION LOANS.—For “Repatriation Loans”, such sums as may be necessary for the fiscal year 2000, for administrative expenses.

#### **SEC. 102. INTERNATIONAL ORGANIZATIONS.**

(a) ASSESSED CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS.—There are authorized to be appropriated for “Contributions to International Organizations”, such sums as may be necessary for the fiscal year 2000 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international organizations and to carry out other authorities in law consistent with such purposes.

(b) ASSESSED CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES.—There are authorized to be appropriated for “Contributions for International Peacekeeping Activities”, such sums as may be necessary for the fiscal year 2000 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international peacekeeping activities and to carry out other authorities in law consistent with such purposes.

#### **SEC. 103. INTERNATIONAL COMMISSIONS.**

The following amounts are authorized to be appropriated under “International Commissions” for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO.—For “International Boundary and Water Commission, United States and Mexico”—

(A) for “Salaries and Expenses” such sums as may be necessary for the fiscal year 2000; and

(B) for “Construction” such sums as may be necessary for the fiscal year 2000.

(2) INTERNATIONAL BOUNDARY COMMISSION, UNITED STATES AND CANADA.—For “International Boundary Commission, United States and Canada”, such sums as may be necessary for the fiscal year 2000.

(3) INTERNATIONAL JOINT COMMISSION.—For “International Joint Commission”, such sums as may be necessary for the fiscal year 2000.

(4) INTERNATIONAL FISHERIES COMMISSIONS.—For “International Fisheries Commissions”, such sums as may be necessary for the fiscal year 2000.

#### **SEC. 104. MIGRATION AND REFUGEE ASSISTANCE.**

(a) MIGRATION AND REFUGEE ASSISTANCE.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for “Migration and Refugee Assistance” for authorized activities, \$750,000,000 for the fiscal year 2000.

(2) LIMITATIONS.—

(A) TIBETAN REFUGEES IN INDIA AND NEPAL.—Of the amounts authorized to be appropriated in paragraph (1), not more than \$2,000,000 for the fiscal year 2000 is authorized to be available only for humanitarian assistance, including food, medicine, clothing, and medical and vocational training, to Tibetan refugees in India and Nepal who have fled Chinese-occupied Tibet.

(B) REFUGEES RESETTLING IN ISRAEL.—Of the amounts authorized to be appropriated

in paragraph (1), \$60,000,000 for the fiscal year 2000 is authorized to be available only for assistance for refugees resettling in Israel from other countries.

(C) HUMANITARIAN ASSISTANCE FOR DISPLACED BURMESE.—Of the amounts authorized to be appropriated in paragraph (1), \$2,000,000 for the fiscal year 2000 for humanitarian assistance are authorized to be available only for assistance (including food, medicine, clothing, and medical and vocational training) to persons displaced as a result of civil conflict in Burma, including persons still within Burma.

(D) ASSISTANCE FOR DISPLACED SIERRA LEONEANS.—Of the amounts authorized to be appropriated in paragraph (1), \$2,000,000 for the fiscal year 2000 for humanitarian assistance are authorized to be available only for assistance (including food, medicine, clothing, and medical and vocational training) and resettlement of persons who have been severely mutilated as a result of civil conflict in Sierra Leone, including persons still within Sierra Leone.

(E) ASSISTANCE FOR KOSOVAR REFUGEES.—(i) Of the amounts authorized to be appropriated in paragraph (1), \$50,000,000 for the fiscal year 2000 are authorized to be appropriated only for the Front Line States Initiative defined in clause (ii).

(ii) For the purposes of this subparagraph, the term "Front Line States Initiative" means assistance for the relief of refugees fleeing from the conflict in Kosovo provided through nongovernmental organizations in the form of food, housing, clothing, transportation, and other material, with priority assistance for the relief of refugees in the front line states of Albania and Macedonia.

(b) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to this section are authorized to remain available until expended.

#### SEC. 105. PUBLIC DIPLOMACY PROGRAMS.

The following amounts are authorized to be appropriated for the Department of State to carry out international information activities and educational and cultural exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, the Dante B. Fascell North-South Center Act of 1991, and the National Endowment for Democracy Act, and to carry out other authorities in law consistent with such purposes:

(1) INTERNATIONAL INFORMATION PROGRAMS.—For "International Information Programs", such sums as may be necessary for the fiscal year 2000.

(2) EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—

(A) FULBRIGHT ACADEMIC EXCHANGE PROGRAMS.—There are authorized to be appropriated for the "Fulbright Academic Exchange Programs" (other than programs described in subparagraph (B)), such sums as may be necessary for the fiscal year 2000.

(B) OTHER EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—

(i) IN GENERAL.—There are authorized to be appropriated for other educational and cultural exchange programs authorized by law, including the Claude and Mildred Pepper Scholarship Program of the Washington Workshops Foundation and the Mike Mansfield Fellowship Program, such sums as may be necessary for the fiscal year 2000.

(ii) SOUTH PACIFIC EXCHANGES.—Of the amounts authorized to be appropriated under clause (i), \$750,000 for the fiscal year 2000 is authorized to be available for "South Pacific Exchanges".

(iii) EAST TIMORESE SCHOLARSHIPS.—Of the amounts authorized to be appropriated under clause (i), \$500,000 for the fiscal year 2000 is authorized to be available for "East Timorese Scholarships".

(iv) TIBETAN EXCHANGES.—Of the amounts authorized to be appropriated under clause (i), \$500,000 for the fiscal year 2000 is authorized to be available for "Ngawang Choephel Exchange Programs" (formerly known as educational and cultural exchanges with Tibet) under section 103(a) of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 (Public Law 104-319).

(v) AFRICAN EXCHANGES.—Of the amounts authorized to be appropriated under clause (i), \$500,000 for the fiscal year 2000 is authorized to be available only for "Educational and Cultural Exchanges with Sub-Saharan Africa".

(3) CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST.—For the "Center for Cultural and Technical Interchange between East and West", \$17,500,000 for the fiscal year 2000.

(4) NATIONAL ENDOWMENT FOR DEMOCRACY.—

(A) AUTHORIZATION OF APPROPRIATIONS.—For the "National Endowment for Democracy", \$34,000,000 for the fiscal year 2000.

(B) LIMITATION.—Of the amounts authorized to be appropriated by subparagraph (A), \$2,000,000 for the fiscal year 2000 is authorized to be appropriated only for a fellowship program, to be known as the "Reagan-Fascell Democracy Fellows", for democracy activists and scholars from around the world at the International Forum for Democratic Studies in Washington, D.C., to study, write, and exchange views with other activists and scholars and with Americans.

(5) DANTE B. FASCELL NORTH-SOUTH CENTER.—For "Dante B. Fascell North-South Center" such sums as may be necessary for the fiscal year 2000.

#### SEC. 106. VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for "Voluntary Contributions to International Organizations", such sums as may be necessary for the fiscal year 2000.

(b) LIMITATIONS ON AUTHORIZATIONS OF APPROPRIATIONS.—

(1) WORLD FOOD PROGRAM.—Of the amounts authorized to be appropriated under subsection (a), \$5,000,000 for the fiscal year 2000 is authorized to be appropriated only for a United States contribution to the World Food Program.

(2) UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE.—Of the amount authorized to be appropriated under subsection (a), \$5,000,000 for the fiscal year 2000 is authorized to be appropriated only for a United States contribution to the United Nations Voluntary Fund for Victims of Torture.

(3) INTERNATIONAL PROGRAM ON THE ELIMINATION OF CHILD LABOR.—Of the amounts authorized to be appropriated under subsection (a), \$5,000,000 for the fiscal year 2000 is authorized to be appropriated only for a United States contribution to the International Labor Organization for the activities of the International Program on the Elimination of Child Labor.

(4) ORGANIZATION OF AMERICAN STATES.—Of the amounts authorized to be appropriated under subsection (a), \$240,000 for the fiscal year 2000 is authorized to be appropriated only for a United States contribution to the Organization of American States for the Office of the Special Rapporteur for Freedom of Expression in the Western Hemisphere to

conduct investigations, including field visits, to establish a network of nongovernmental organizations, and to hold hemispheric conferences, of which \$6,000 for each fiscal year is authorized to be appropriated only for the investigation and dissemination of information on violations of freedom of expression by the Government of Cuba.

(c) RESTRICTIONS ON UNITED STATES VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS DEVELOPMENT PROGRAM.—

(1) LIMITATION.—Of the amounts made available under subsection (a) for the fiscal year 2000 for United States voluntary contributions to the United Nations Development Program an amount equal to the amount the United Nations Development Program will spend in Burma during each fiscal year shall be withheld unless during such fiscal year the Secretary of State submits to the appropriate congressional committees the certification described in paragraph (2).

(2) CERTIFICATION.—The certification referred to in paragraph (1) is a certification by the Secretary of State that all programs and activities of the United Nations Development Program (including United Nations Development Program—Administered Funds) in Burma—

(A) are focused on eliminating human suffering and addressing the needs of the poor;

(B) are undertaken only through international or private voluntary organizations that have been deemed independent of the State Peace and Development Council (SPDC) (formerly known as the State Law and Order Restoration Council (SLORC), after consultation with the leadership of the National League for Democracy and the leadership of the National Coalition Government of the Union of Burma;

(C) provide no financial, political, or military benefit to the SPDC; and

(D) are carried out only after consultation with the leadership of the National League for Democracy and the leadership of the National Coalition Government of the Union of Burma.

(d) CONTRIBUTIONS TO UNITED NATIONS POPULATION FUND.—

(1) LIMITATIONS ON AMOUNT OF CONTRIBUTION.—Of the amounts made available under subsection (a), not more than \$25,000,000 for fiscal year 2000 shall be available for the United Nations Population Fund (hereinafter in this subsection referred to as the "UNFPA").

(2) PROHIBITION ON USE OF FUNDS IN CHINA.—None of the funds made available under subsection (a) may be made available for the UNFPA for a country program in the People's Republic of China.

(3) CONDITIONS ON AVAILABILITY OF FUNDS.—Amounts made available under subsection (a) for fiscal year 2000 for the UNFPA may not be made available to UNFPA unless—

(A) the UNFPA maintains amounts made available to the UNFPA under this section in an account separate from other accounts of the UNFPA;

(B) the UNFPA does not commingle amounts made available to the UNFPA under this section with other sums; and

(C) the UNFPA does not fund abortions.

(4) WITHHOLDING OF FUNDS SUBJECT TO CERTIFICATION.—

(A) Of the amounts made available for fiscal year 2000 for United States voluntary contributions to the UNFPA an amount equal to the amount that UNFPA will spend on a country program in the People's Republic of China during each fiscal year shall be withheld unless during such fiscal year, the

Secretary of State submits to the appropriate congressional committees the certification described in subparagraph (B).

(B) The certification referred to in subparagraph (A) is a certification by the Secretary of State that the country program of the UNFPA in the People's Republic of China—

(i) focuses on improving the delivery of voluntary family planning information and services;

(ii) is designed in conformity with the human rights principles affirmed at the International Conference on Population and Development with the support of 180 nations including the United States;

(iii) is implemented only in counties in the People's Republic of China where all quotas and targets for the recruitment of program participants have been abolished and the use of coercive measures has been eliminated;

(iv) is carried out in consultation with, and under the oversight and approval of, the UNFPA executive board, including the United States representative;

(v) is subject to regular independent monitoring to ensure compliance with the principles of informed consent and voluntary participation; and

(vi) suspends operations in project counties found to be in violation of program guidelines.

(e) **AVAILABILITY OF FUNDS.**—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

#### **SEC. 107. GRANTS TO THE ASIA FOUNDATION.**

Section 404 of The Asia Foundation Act (title IV of Public Law 98-164) is amended to read as follows:

“SEC. 404. There are authorized to be appropriated to the Secretary of State such sums as may be necessary for the fiscal year 2000 for grants to The Asia Foundation pursuant to this title.”.

### **CHAPTER 2—BROADCASTING BOARD OF GOVERNORS**

#### **SEC. 121. INTERNATIONAL BROADCASTING.**

The following amounts are authorized to be appropriated for the Broadcasting Board of Governors to carry out certain international broadcasting activities under the United States International Broadcasting Act of 1994, the Radio Broadcasting to Cuba Act, and the Television Broadcasting to Cuba Act, and for other purposes authorized by law:

(1) **INTERNATIONAL BROADCASTING OPERATIONS.**—

(A) **AUTHORIZATION OF APPROPRIATIONS.**—For “International Broadcasting Operations”, such sums as may be necessary for the fiscal year 2000.

(B) **ALLOCATION.**—Of the amounts authorized to be appropriated under subparagraph (A), the Broadcasting Board of Governors shall seek to ensure that the amounts made available for broadcasting to nations whose people do not fully enjoy freedom of expression do not decline in proportion to the amounts made available for broadcasting to other nations.

(2) **BROADCASTING CAPITAL IMPROVEMENTS.**—For “Broadcasting Capital Improvements”, such sums as may be necessary for the fiscal year 2000.

(3) **RADIO FREE ASIA.**—For “Radio Free Asia”, \$30,000,000 for the fiscal year 2000.

(4) **BROADCASTING TO CUBA.**—

(A) **AUTHORIZATION OF APPROPRIATIONS.**—For “Broadcasting to Cuba”, such sums as may be necessary for the fiscal year 2000.

(B) **LIMITATION.**—Of the amounts authorized to be appropriated under subparagraph

(A), \$712,000 for the fiscal year 2000 is authorized to be appropriated only for the Office of Cuba Broadcasting to develop and implement new technology and enhance current methods to strengthen and improve the transmission capabilities of Radio Marti and TV Marti.

### **TITLE II—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES CHAPTER 1—AUTHORITIES AND ACTIVITIES**

#### **SEC. 201. AUTHORITY TO LEASE AIRCRAFT TO RESPOND TO A TERRORIST ATTACK ABROAD.**

Subject to the availability of appropriations, in the event of an emergency which involves a terrorist attack abroad, the Director of the Federal Bureau of Investigation of the Department of Justice is authorized to lease commercial aircraft to transport equipment and personnel in response to such attack if there have been reasonable efforts to obtain appropriate Department of Defense aircraft and such aircraft are unavailable. The leasing authority under this section shall include authority to provide indemnification insurance or guarantees, if necessary and appropriate.

#### **SEC. 202. REPORT ON CUBAN DRUG TRAFFICKING.**

Not later than 90 days after the date of the enactment of this Act and every 180 days thereafter, the Secretary of State shall submit to the appropriate congressional committees an unclassified report (with a classified annex) on the extent of international drug trafficking from, through, or over Cuba. Each report shall include the following:

(1) Information concerning the extent to which the Cuban Government or any official, employee, or entity of the Government of Cuba has engaged in, facilitated, or condoned such trafficking.

(2) The extent to which the appropriate agencies of the United States Government have investigated and prosecuted such activities of the Cuban Government or any official, employee, or entity of the Government of Cuba.

(3) A determination of whether the Government of Cuba should be included in the list of nations considered to be major drug trafficking countries.

#### **SEC. 203. REPORT ON COMPLIANCE WITH THE HAGUE CONVENTION ON INTERNATIONAL CHILD ABDUCTION.**

Section 2803(a) of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105-277) is amended—

(1) by striking “1999,” and inserting “2000,”;

(2) in paragraph (2) by striking “abducted,” and inserting “abducted, are being wrongfully retained in violation of United States court orders, or which have failed to comply with any of their obligations under such convention with respect to applications for the return of children, access to children, or both, submitted by United States citizens or lawful residents.”;

(3) in paragraph (3)—

(A) by striking “children” and inserting “children, access to children, or both,”; and

(B) by inserting “or lawful residents” after “citizens”;

(4) by inserting after paragraph (5) the following new paragraph:

“(6) A list of the countries which are Parties to the Convention, but in which due to the absence of a prompt and effective method for enforcement of civil court orders, the

absence of a doctrine of comity, or other factors, there is a substantial possibility that an order of return or access under a Hague Convention proceeding, or a United States custody, access, or visitation order, will not be promptly enforced.”.

#### **SEC. 204. ELIMINATION OF OBSOLETE REPORTS.**

(a) **POST LANGUAGE COMPETENCE.**—Section 304(c) of the Foreign Service Act of 1980 (22 U.S.C. 3944(c)) is repealed.

(b) **SUSTAINABLE ECONOMIC GROWTH.**—Section 574 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996 (Public Law 104-107) is repealed.

(c) **REDUNDANT REPORTS ON CERTAIN WEAPONS.**—

(1) Section 308 of the Chemical and Biological Weapons and Warfare Elimination Act of 1991 (Public Law 102-182) is repealed.

(2) Section 585 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (Public Law 104-208), is repealed.

(d) **SITUATION IN IRAQ.**—Section 3 of Public Law 102-1 is amended by striking “60 days” and inserting “six months”.

#### **SEC. 205. CONTINUATION OF REPORTING REQUIREMENTS.**

(a) **REPORTS ON CLAIMS BY UNITED STATES FIRMS AGAINST THE GOVERNMENT OF SAUDI ARABIA.**—Section 2801(b) of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105-277) is amended—

(1) by striking “the earlier of—”;

(2) by striking paragraph (1); and

(3) by striking the designation for paragraph (2) and adjusting the tabulation.

(b) **REPORTS ON DETERMINATIONS UNDER TITLE IV OF THE LIBERTAD ACT.**—Section 2802(a) of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105-277) is amended by striking “during the period ending September 30, 1999,” and inserting a comma.

(c) **RELATIONS WITH VIETNAM.**—Section 2805 of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105-277) is amended by striking “during the period ending September 30, 1999.”.

(d) **REPORTS ON BALLISTIC MISSILE COOPERATION WITH RUSSIA.**—Section 2705(d) of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105-277) is amended by striking “and January 1, 2000,” and inserting “January 1, 2000, January 1, 2001, and January 1, 2002.”.

#### **SEC. 206. INTERNATIONAL ARMS SALES CODE OF CONDUCT.**

(a) **NEGOTIATIONS.**—The Secretary of State shall attempt to achieve the foreign policy goal of an international arms sales code of conduct with all Wassenaar Arrangement countries. The Secretary of State shall take the necessary steps to begin negotiations with all Wassenaar Arrangement countries within 120 days after the date of the enactment of this Act. The purpose of such negotiations shall be to conclude an agreement on restricting or prohibiting arms transfers to countries that do not meet the criteria under subsection (b).

(b) **CRITERIA.**—The criteria referred to in subsection (a) are as follows:

(1) **PROMOTING DEMOCRACY.**—Such government—

(A) was chosen by and permits free and fair elections;

(B) promotes civilian control of the military and security forces and has civilian institutions controlling the policy, operation, and spending of all law enforcement and security institutions, as well as the armed forces;

(C) promotes the rule of law, equality before the law, and respect for individual and minority rights, including freedom to speak, publish, associate, and organize; and

(D) promotes the strengthening of political, legislative, and civil institutions of democracy, as well as autonomous institutions to monitor the conduct of public officials and to combat corruption.

(2) **RESPECTS HUMAN RIGHTS.**—Such government—

(A) does not engage in gross violations of internationally recognized human rights, including—

- (i) extrajudicial or arbitrary executions;
- (ii) disappearances;
- (iii) torture or severe mistreatment;
- (iv) prolonged arbitrary imprisonment;
- (v) systematic official discrimination on the basis of race, ethnicity, religion, gender, national origin, or political affiliation; and
- (vi) grave breaches of international laws of war or equivalent violations of the laws of war in internal conflicts;

(B) vigorously investigates, disciplines, and prosecutes those responsible for gross violations of internationally recognized human rights;

(C) permits access on a regular basis to political prisoners by international humanitarian organizations such as the International Committee of the Red Cross;

(D) promotes the independence of the judiciary and other official bodies that oversee the protection of human rights;

(E) does not impede the free functioning of domestic and international human rights organizations; and

(F) provides access on a regular basis to humanitarian organizations in situations of conflict or famine.

(3) **NOT ENGAGED IN CERTAIN ACTS OF ARMED AGGRESSION.**—Such government is not currently engaged in acts of armed aggression in violation of international law.

(4) **FULL PARTICIPATION IN UNITED NATIONS REGISTER OF CONVENTIONAL ARMS.**—Such government is fully participating in the United Nations Register of Conventional Arms.

(c) **REPORTS.**—

(1) **REPORT OF THE SECRETARY OF STATE.**—Not later than 6 months after the commencement of negotiations under subsection (a), and not later than the end of every 6-month period thereafter until an agreement described in subsection (a) is concluded, the Secretary of State shall report to the appropriate congressional committees on the progress of such negotiations.

(2) **HUMAN RIGHTS REPORT.**—In the report required by sections 116(d) and 502B of the Foreign Assistance Act of 1961, the Secretary of State shall describe the extent to which the practices of each country evaluated meet the criteria of subsection (b).

(d) **DEFINITION.**—For purposes of this section, the term “Wassenaar Arrangement countries” means those participating in the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual Use Goods and Technologies, done at Vienna on July 11–12, 1996.

**SEC. 207. HUMAN RIGHTS AND DEMOCRACY FELLOWSHIPS.**

(a) **ESTABLISHMENT.**—There is established in the Department of State a program which

shall be known as the “Human Rights and Democracy Fellowship Program”. The program shall be administered by the Secretary with the assistance of the Assistant Secretary for Democracy, Human Rights, and Labor. The program shall provide for the employment of not less than 6 and not more than 12 fellows in the Bureau of Democracy, Human Rights, and Labor. Fellowships shall be for an initial 1 year period which may be extended for a total of not more than 3 years. Fellowships shall be available to individuals who have expertise in human rights policy, human rights law, or related subjects and who are not permanent employees of the United States Government.

(b) **AUTHORIZATION OF APPROPRIATION.**—There are authorized to be appropriated for the Human Rights and Democracy Fellowship Program under subsection (a) \$1,000,000 for fiscal year 2000.

**SEC. 208. JOINT FUNDS UNDER AGREEMENTS FOR COOPERATION IN ENVIRONMENTAL, SCIENTIFIC, CULTURAL AND RELATED AREAS.**

Amounts made available to the Department of State for participation in joint funds under agreements for cooperation in environmental, scientific, cultural and related areas prior to fiscal year 1996 which, pursuant to express terms of such international agreements, were deposited in interest-bearing accounts prior to disbursement may earn interest, and interest accrued to such accounts may be used and retained without return to the Treasury of the United States and without further appropriation by Congress. The Department of State shall take action to ensure the complete and timely disbursement of appropriations and associated interest within joint funds covered by this section and final disposition of such agreements.

**SEC. 209. REPORT ON INTERNATIONAL EXTRADITION.**

Not later than 120 days after the date of the enactment of this Act, the Secretary of State shall prepare and submit to the Congress a report concerning international extradition. The report shall review all extradition treaties and agreements to which the United States is signatory; identify those countries that have become “safe havens” for individuals fleeing the American justice system; identify the factors which contribute to the international extradition problem, particularly laws in foreign countries which prohibit the extradition to another country of certain classes of persons; and propose appropriate legislative and diplomatic solutions to such problem, including, where appropriate, the renegotiation of extradition treaties.

**SEC. 210. EFFECTIVE REGULATION OF SATELLITE EXPORT ACTIVITIES.**

(a) **LICENSING REGIME.**—The Secretary of State shall establish a regulatory regime for the licensing for export of satellites, satellite technologies, components, and systems which shall include preferential treatment and expedited approval, as appropriate, of the licensing for export by United States companies of satellites, satellite technologies, components, and systems to NATO allies, major non-NATO allies, and other friendly countries.

(b) **FINANCIAL AND PERSONNEL RESOURCES.**—The Secretary of State, pursuant to the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, shall obligate expeditiously \$2,000,000 of amounts appropriated under that Act, above levels made available to the Office of Defense Trade Controls for fiscal year 1998, to enable that office to carry out its responsibilities.

## CHAPTER 2—CONSULAR AND RELATED ACTIVITIES

### SEC. 251. DEATHS AND ESTATES OF UNITED STATES CITIZENS ABROAD.

(a) **REPEAL.**—Section 1709 of the Revised Statutes (22 U.S.C. 4195) is repealed.

(b) **AMENDMENT TO STATE DEPARTMENT BASIC AUTHORITIES ACT OF 1956.**—The State Department Basic Authorities Act of 1956 is amended by inserting after section 43 the following new sections:

#### “SEC. 43A. NOTIFICATION OF NEXT OF KIN; REPORTS OF DEATH.

“Pursuant to such regulations as the Secretary of State may prescribe—

“(1) When a United States citizen or national dies abroad, a consular officer shall endeavor to notify, or assist the Secretary of State in notifying, the next of kin or legal guardian as soon as possible; provided, that in the case of death of Peace Corps Volunteers, members of the Armed Forces, their dependents, or Department of Defense civilian employees, the consular officer shall assist the Peace Corps or the appropriate military authorities in making such notifications.

“(2) The consular officer may, for any United States citizen who dies abroad, (A) in the case of a finding by appropriate local authorities, issue a report of death or of presumptive death, or (B) in the absence of a finding by appropriate local authorities, issue a report of presumptive death.

#### “SEC. 43B. CONSERVATION AND DISPOSITION OF ESTATES.

“(a) **CONSERVATION OF ESTATES ABROAD.**—

“(1) **AUTHORITY TO ACT AS CONSERVATOR.**—Pursuant to such regulations as the Secretary of State may prescribe, when a United States citizen or national dies abroad, a consular officer shall act as the provisional conservator of the decedent's estate and, subject to paragraphs (3) and (4), shall—

“(A) take possession of the personal effects within his jurisdiction;

“(B) inventory and appraise the personal effects, sign the inventory, and annex thereto a certificate as to the accuracy of the inventory and appraised value of each article;

“(C) when appropriate, collect the debts due to the decedent in the officer's jurisdiction and pay from the estate the obligations owed there by the decedent;

“(D) sell or dispose of, as appropriate, all perishable items of property;

“(E) sell, after reasonable public notice and notice to such next of kin as can be ascertained with reasonable diligence, such additional items of property as necessary to provide funds sufficient to pay the decedent's debts and property taxes in the country of death, funeral expenses, and other expenses incident to the disposition of the estate;

“(F) at the end of one year from the date of death (or after such additional period as may be required for final settlement of the estate), if no claimant shall have appeared, sell or dispose of the residue of the personal estate, except as provided in subparagraph (G) below, in the same manner as United States Government-owned foreign excess property;

“(G) transmit to the United States, to the Secretary of State, the proceeds of any sales along with any financial instruments (including bonds, shares of stock, and notes of indebtedness), jewelry, heirlooms, and other articles of obvious sentimental value, to be held in trust for the legal claimant; and

“(H) in the event that the decedent's estate includes an interest in real property located within the jurisdiction of the officer



and such interest does not devolve by the applicable laws of intestate succession or otherwise, provide for title to the property to be conveyed to the Government of the United States unless the Secretary declines to accept such conveyance.

“(2) **AUTHORITY TO ACT AS ADMINISTRATOR.**—The Secretary of State may expressly authorize the officer to act as administrator of the estate in exceptional circumstances, pursuant to such regulations as the Secretary may prescribe. The officer shall not otherwise act in such capacity.

“(3) **EXCEPTIONS.**—

“(A) The function provided for in this section shall not be performed to the extent that the decedent has left or there is otherwise appointed, in the country where the death occurred or where the decedent was domiciled, a legal representative, partner in trade, or trustee appointed to take care of his personal estate. If the decedent's legal representative shall appear at any time prior to transmission of the estate to the Secretary and demand the proceeds and effects being held by the officer, the officer shall deliver them to the representative after having collected any prescribed fee for the services rendered pursuant to this section.

“(B) Nothing in this section shall affect the authority of military commanders under title 10 of the United States Code with respect to persons or property under military command or jurisdiction or the authority of the Peace Corps with respect to Peace Corps Volunteers or their property.

“(4) **CONDITIONS.**—The functions provided for in this section shall be performed only when authorized by treaty provisions or permitted by the laws or authorities of the country wherein the death occurs, or the decedent is domiciled, or if such functions are permitted by established usage.

“(b) **DISPOSITION OF ESTATES BY THE SECRETARY OF STATE.**—

“(1) **PERSONAL ESTATES.**—

“(A) After receipt of personal estates pursuant to subsection (a), the Secretary, pursuant to such regulations as the Secretary may prescribe for the conservation of such estates, may seek payment of all outstanding debts to the estate as they become due, may receive any balances due on such estates, may endorse all checks, bills of exchange, promissory notes, and other instruments of indebtedness payable to the estate for the benefit thereof, and may take such other action as is reasonably necessary for the conservation of the estate.

“(B) If by the end of the fifth full fiscal year after receipt of the personal estate pursuant to subsection (a), no legal claimant for such estate has appeared, title to the estate shall pass to the Secretary who shall dispose of the estate in the same manner as surplus United States Government-owned property or by such means as may be appropriate in light of the nature and value of the property involved. The expenses of sales shall be paid from the estate, and any lawful claim received thereafter shall be payable to the extent of the value of the net proceeds of the estate as a refund from the appropriate Treasury account.

“(C) The net cash estate after disposition as provided in subparagraph (B) shall be remitted to the Treasury as miscellaneous receipts.

“(2) **REAL PROPERTY.**—Pursuant to such regulations as the Secretary may prescribe—

“(A) in the event that real property is conveyed to the Government of the United States pursuant to subsection (a)(1)(H) and is not needed by the Department of State, such

property shall be considered foreign excess property under title IV of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 511 et seq.); and

“(B) in the event that the Department needs such property, the Secretary shall treat such property as if it were an unconditional gift accepted on behalf of the Department of State pursuant to section 25 of this Act and section 9(a)(3) of the Foreign Service Buildings Act of 1926, as amended.

“(c) **LOSSES IN CONNECTION WITH THE CONSERVATION OF ESTATES.**—

“(1) **AUTHORITY.**—Pursuant to such regulations as the Secretary of State may prescribe, the Secretary is authorized to compensate the estate of any United States citizen, who has died overseas, for property, the conservation of which has been undertaken under either section 43 or subsection (a) of this section, and that has been lost, stolen, or destroyed while in the custody of officers or employees of the Department of State. Any such compensation shall be in lieu of personal liability of officers or employees of the Department of State. Officers and employees of the Department of State may be liable in appropriate cases to the Department of State to the extent of any compensation provided pursuant to this subsection.

“(2) **LIABILITY.**—The liability of officers or employees of the Department of State to the Department for payments made pursuant to paragraph (a) of this section shall be determined pursuant to the Department's procedures for determining accountability for United States Government property.”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect 6 months after enactment of this Act or upon the effective date of any regulations promulgated hereunder, whichever is sooner.

#### **SEC. 252. DUTIES OF CONSULAR OFFICERS.**

Section 43 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2715) is amended—

(1) by inserting “(a) **AUTHORITY.**—” before “In”;

(2) by striking “disposition of personal effects.” in the last sentence and inserting “disposition of personal estates pursuant to section 43B of this Act.”; and

(3) by adding at the end the following new subsection:

“(b) **DEFINITIONS.**—For purposes of this section and sections 43A and 43B of this Act, the term ‘consular officer’ includes any United States citizen employee of the Department of State who is designated by the Secretary of State to perform consular services pursuant to such regulations as the Secretary may prescribe.”

#### **SEC. 253. MACHINE READABLE VISAS.**

Section 140(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (8 U.S.C. 1351 note) is amended—

(1) in paragraph (3) by amending the first sentence to read as follows: “For each of the fiscal years 2000, 2001, and 2002, any amount collected under paragraph (1) that exceeds \$316,715,000 for fiscal year 2000, \$338,885,000 for fiscal year 2001, and \$362,607,000 for fiscal year 2002 may be made available only if a notification is submitted to Congress in accordance with the procedures applicable to reprogramming notifications under section 34 of the State Department Basic Authorities Act of 1956.”; and

(2) by striking paragraphs (4) and (5).

#### **SEC. 254. PROCESSING OF VISA APPLICATIONS.**

(a) **POLICY.**—It shall be the policy of the Department of State to process immigrant visa applications of immediate relatives of

United States citizens and nonimmigrant k-1 visa applications of fiances of United States citizens within 30 days of the receipt of all necessary documents from the applicant and the Immigration and Naturalization Service. In the case of a visa application where the sponsor of such applicant is a relative other than an immediate relative, it should be the policy of the Department of State to process such an application within 60 days of the receipt of all necessary documents from the applicant and the Immigration and Naturalization Service.

(b) **REPORTS.**—For each of the fiscal years 2000 and 2001, the Secretary of State shall submit to the appropriate congressional committees an annual report on the extent to which the Department of State is meeting the policy standards under subsection (a). Each report shall be based on a survey of the 22 consular posts which account for approximately 72 percent of immigrant visas issued and, in addition, the consular posts in Guatemala City, Nicosia, Caracas, Naples, and Jakarta. Each report should include data on the average time for processing each category of visa application under subsection (a), a list of the embassies and consular posts which do not meet the policy standards under subsection (a), the amount of funds collected for processing of visa applications, the costs of processing such visa applications, and the steps being taken by the Department of State to achieve such policy standards.

(c) **TASK FORCE.**—The Secretary of State, in consultation with other Federal agencies, shall establish a joint task force with the goal of reducing the overall processing time for visa applications.

#### **SEC. 255. REPEAL OF OUTDATED PROVISION ON PASSPORT FEES.**

Section 4 of the Passport Act of June 4, 1920 (22 U.S.C. 216, 41 Stat. 751) is repealed.

#### **SEC. 256. FEES RELATING TO AFFIDAVITS OF SUPPORT.**

(a) **AUTHORITY FOR FEE FOR PREPARATION ASSISTANCE.**—Subject to subsection (b), the Secretary of State is authorized to charge a fee for services provided by the Department of State to an individual for assistance in the preparation and filing of an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (8 U.S.C. 1183A) to ensure that the affidavit is properly completed before consideration of the affidavit and an immigrant visa application by a consular officer.

(b) **LIMITATION.**—An individual may be charged a fee under this section only once, regardless of the number of separate affidavits of support and visa applications for which services are provided.

(c) **TREATMENT OF FEES.**—Fees collected under the authority of subsection (a) shall be deposited as an offsetting collection to any Department of State appropriation, to recover the costs of providing affidavit preparation services under subsection (a). Such fees shall remain available for obligation until expended. Fees collected shall be available only to such extent and in such amounts as are provided in advance in an appropriation act.

### **CHAPTER 3—REFUGEES**

#### **SEC. 271. UNITED STATES POLICY REGARDING THE INVOLUNTARY RETURN OF REFUGEES.**

(a) **IN GENERAL.**—None of the funds made available by this Act or by section 2(c) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) shall be available to effect the involuntary return by the United States of any person to a country in which the person has a well-founded fear of persecution on



account of race, religion, nationality, membership in a particular social group, or political opinion, except on grounds recognized as precluding protection as a refugee under the United Nations Convention Relating to the Status of Refugees of July 28, 1951, and the Protocol Relating to the Status of Refugees of January 31, 1967, subject to the reservations contained in the United States Senate Resolution of Ratification.

(b) **MIGRATION AND REFUGEE ASSISTANCE.**—None of the funds made available by this Act or by section 2(c) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) shall be available to effect the involuntary return of any person to any country unless the Secretary of State first notifies the appropriate congressional committees, except that in the case of an emergency involving a threat to human life the Secretary of State shall notify the appropriate congressional committees as soon as practicable.

(c) **INVOLUNTARY RETURN DEFINED.**—As used in this section, the term “to effect the involuntary return” means to require, by means of physical force or circumstances amounting to a threat thereof, a person to return to a country against the person’s will, regardless of whether the person is physically present in the United States and regardless of whether the United States acts directly or through an agent.

#### **SEC. 272. HUMAN RIGHTS REPORTS.**

Section 502B(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2304(b)) is amended by inserting after the fourth sentence the following: “Each report under this section shall describe the extent to which each country has extended protection to refugees, including the provision of first asylum and resettlement.”.

#### **SEC. 273. GUIDELINES FOR REFUGEE PROCESSING POSTS.**

(a) **GUIDELINES FOR ADDRESSING HOSTILE BIASES.**—Section 602(c) of the International Religious Freedom Act of 1998 (Public Law 105-292; 112 Stat. 2812) is amended by inserting “and of the Department of State” after “Service”.

(b) **GUIDELINES FOR OVERSEAS REFUGEE PROCESSING.**—Section 602(c) of such Act is further amended by adding at the end the following new paragraph:

“(3) Not later than 120 days after the date of the enactment of the Foreign Relations Authorization Act, Fiscal Year 2000, the Secretary of State (after consultation with the Attorney General) shall issue guidelines to ensure that persons with potential biases against any refugee applicant, including persons employed by, or otherwise subject to influence by, governments known to be involved in persecution on account of religion, race, nationality, membership in a particular social group, or political opinion, shall not in any way be used in processing determinations of refugee status, including interpretation of conversations or examination of documents presented by such applicants.”.

#### **SEC. 274. VIETNAMESE REFUGEES.**

No funds authorized to be appropriated by this Act may be made available to support a larger number of personnel assigned to United States diplomatic or consular posts in the Socialist Republic of Vietnam than the number assigned to such posts on March 22, 1999, unless not less than 60 days prior to any obligation or expenditure of such funds the Secretary of State submits a certification to the appropriate congressional committees that—

(1) all United States refugee programs in Vietnam, as well as programs to provide

visas for Amerasians and for immediate relatives of refugees and asylees, are supervised by a Refugee Counselor or Refugee Coordinator who has a proven record of sensitivity to the problems of refugees and other victims of human rights violations and who reports directly to the Ambassador or the Consul General at the United States Consulate in Saigon and receives policy guidance from the Assistant Secretary of State for the bureau with principal responsibility for refugees;

(2) a program has been established in which all former United States Government employees who were adjudicated through a Vietnamese government interpreter and whose applications for refugee status were denied will be re-interviewed by Immigration and Naturalization Service (INS) Asylum Officers reporting directly to INS headquarters in Washington, D.C., and receiving specialized training and written guidance from the INS Asylum Division and Office of General Counsel;

(3) members of the Montagnard ethnic minority groups who fought alongside United States forces prior to 1975, and who later served three years or more in prisons or re-education camps, will not be disqualified from eligibility for resettlement in the United States as refugees on the sole ground that they continued to fight the Communists after 1975 and therefore did not begin their prison or re-education sentences until several years later;

(4) allied combat veterans whose three-year re-education or prison sentences began before April 30, 1975, because they were serving in parts of the country that fell to the Communists before Saigon, and who are otherwise eligible for resettlement as refugees in the United States, are not disqualified on the sole ground of the date their re-education or prison sentences began;

(5) persons who were eligible for the Orderly Departure Program (ODP), but who missed the application deadline announced and imposed in 1994 because they were still in detention, in internal exile in a remote and inaccessible location, unable to afford bribes demanded by corrupt local officials for documentation and permission to attend refugee interviews, or for other reasons beyond their control, will be considered for interviews on a case-by-case basis, and that such case-by-case consideration is subject to clear written guidance and administrative review to ensure that persons who missed the deadline for reasons beyond their control will not be denied consideration on the merits;

(6) widows of allied combat veterans who died in re-education camps, including those who did not apply before the 1994 deadline solely because they lacked documentary evidence from the Communist authorities to prove the death and/or marriage, and who are otherwise eligible for ODP will have their cases considered on the merits;

(7) unmarried sons and daughters of persons eligible for United States programs, including persons described in section 2244 of the Foreign Affairs Reform and Restructuring Act of 1998 (enacted as Division G of the Omnibus Consolidated Emergency Supplemental Appropriations Act for Fiscal Year 1999, Public Law 105-277) will not be disqualified from accompanying or following to join their parents on the sole ground that they have not been continuously listed on the household registration issued to their parents by the government of the Socialist Republic of Vietnam;

(8) returnees from refugee camps outside Vietnam who met the criteria for the Reset-

tlement Opportunities for Vietnamese Returnees (ROVR) program, in that they either signed up for repatriation or were actually repatriated between October 1, 1995, and June 30, 1996, but did not fill out a ROVR application before their repatriation, will be given the opportunity to fill out an application in Vietnam and will have their cases considered on the merits;

(9) returnees whose special circumstances denied them any meaningful opportunity to apply for ROVR in the camps, such as those who were not offered applications because they were in hospitals or were being held in detention centers within certain camps, or who were erroneously told by camp administrators or Vietnamese government officials that they were ineligible for the program, will be given an opportunity to apply in Vietnam and will have their cases considered on the merits, even if their repatriation took place after June 30, 1996;

(10) a program has been established to identify, interview, and resettle persons who have experienced recent persecution or credible threats of persecution because of political, religious, or human rights activities in Vietnam, subject to clear written standards to ensure that such persons will have access to the program whether or not they are included in a ROVR or ODP interview category and whether or not their cases are referred by an international organization;

(11) written guidance with respect to applications for reconsideration has been issued by the Immigration and Naturalization Service Office of General Counsel to ensure that applicants whose cases were denied on grounds described in paragraphs (2) through (10), because they were unwilling or unable to describe mistreatment by the Vietnamese government in the presence of a Vietnamese government interpreter, or for other reasons contrary to the interest of justice, will be re-interviewed; and

(12) all applicants described in paragraphs (2) through (11) will have the assistance of a Joint Voluntary Agency (JVA) in preparing their cases.

### **TITLE III—ORGANIZATION OF THE DEPARTMENT OF STATE; PERSONNEL OF THE DEPARTMENT OF STATE; FOREIGN SERVICE**

#### **CHAPTER 1—ORGANIZATION OF THE DEPARTMENT OF STATE**

#### **SEC. 301. ESTABLISHMENT OF BUREAU FOR INTERNATIONAL INFORMATION PROGRAMS AND BUREAU FOR EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.**

Section 1 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a) is amended by adding at the end the following new subsection:

“(i) **ESTABLISHMENT OF CERTAIN BUREAUS, OFFICES, AND OTHER ORGANIZATIONAL ENTITIES WITHIN THE DEPARTMENT OF STATE.**—

“(1) **BUREAU FOR INTERNATIONAL INFORMATION PROGRAMS.**—There is established within the Department of State the Bureau for International Information Programs which shall assist the Secretary of State in carrying out international information activities formerly carried out by the United States Information Agency.

“(2) **BUREAU FOR EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.**—There is established within the Department of State a Bureau for Educational and Cultural Exchange Programs which shall assist the Secretary of State in carrying out educational and cultural exchange programs.”.

# **SEC. 302. CORRECTION OF DESIGNATION OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE.**

(a) AMENDMENTS TO FOREIGN SERVICE ACT OF 1980.—The Foreign Service Act of 1980 is amended—

(1) in section 105(b)(2)(B) by striking “State and the Foreign Service” and inserting “State”;

(2) in section 209(a)(1)—

(A) by striking “State and the Foreign Service,” and inserting “State,”; and

(B) by striking the second sentence;

(3) in section 603(a) by striking “State and the Foreign Service,” and inserting “State,”; and

(4) in section 1002(12)(E) by striking “and the Foreign Service”.

(b) AMENDMENTS TO THE FOREIGN AFFAIRS REFORM AND RESTRUCTURING ACT OF 1998.—The Foreign Affairs Reform and Restructuring Act of 1998 (as enacted in division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105-277) is amended—

(1) in section 2208(c) by striking “and the Foreign Service”;

(2) in section 1314(e) by striking “and the Foreign Service”.

(c) AMENDMENTS TO PUBLIC LAW 103-236.—Effective October 2, 1999, subsections (i) and (j) of section 308 of the United States International Broadcasting Act of 1994 (22 U.S.C. 6207 (i) and (j)) are amended by striking “Inspector General of the Department of State and the Foreign Service” each place it appears and inserting “Inspector General of the Department of State”.

(d) AMENDMENTS TO UNITED STATES INTERNATIONAL BROADCASTING ACT OF 1994.—Section 304(a)(3)(A) of the United States International Broadcasting Act of 1994 (22 U.S.C. 6203(a)(3)(A)) is amended by striking “and the Foreign Service”.

## **CHAPTER 2—PERSONNEL OF THE DEPARTMENT OF STATE**

### **SEC. 321. ESTABLISHMENT OF FOREIGN SERVICE STAR.**

The State Department Basic Authorities Act of 1956 is amended by inserting after section 36 the following new section:

#### **“SEC. 36A. THE FOREIGN SERVICE STAR.**

“(a) AUTHORITY.—The President may award a decoration called the ‘Foreign Service Star’ to an individual—

“(1) who is killed or injured after August 1, 1998,

“(2) whose death or injury occurs while the individual is a member of the Foreign Service or a civilian employee of the Government of the United States—

“(3) whose death or injury occurs while the individual—

“(A) is employed at, or assigned permanently or temporarily to, an official mission overseas, or

“(B) was traveling abroad on official business, and

“(4) whose death or injury occurs while performing official duties, while on the premises of a United States mission abroad, or due to such individual’s status as an employee of the United States Government, and results from any form of assault including terrorist or military action, civil unrest, or criminal activities directed at facilities of the Government of the United States.

“(b) SELECTION.—The Secretary shall submit recommendations for the Foreign Service Star to the President. The Secretary shall establish criteria and procedures for nominations for the Foreign Service Star pursuant to such regulations as the Secretary may prescribe for awards under this section.

“(c) FUNDING.—Any expenses incident to an award under this section may be paid out of the applicable current account of the agency with which the individual was or is employed.

“(d) POSTHUMOUS AWARD.—A Foreign Service Star award to an individual who is deceased shall be presented to the individual’s next of kin or representative, as designated by the President.”.

### **SEC. 322. UNITED STATES CITIZENS HIRED ABROAD.**

Section 408(a)(1) of the Foreign Service Act of 1980 (22 U.S.C. 3968(a)(1)) is amended in the last sentence by striking “(A)” and all that follows through “(B)”.

### **SEC. 323. BORDER EQUALIZATION ADJUSTMENT.**

Chapter 4 of title I of the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.) is amended by adding the following new section at the end:

#### **“SEC. 414. BORDER EQUALIZATION ADJUSTMENT.**

“(a) IN GENERAL.—An employee who regularly commutes from his or her place of residence in the continental United States to an official duty station in Canada or Mexico shall receive a border equalization adjustment equal to the amount of comparability payments under section 5304 of title 5, United States Code, that he or she would receive if assigned to an official duty station within the United States locality pay area closest to the employee’s official duty station.

“(b) DEFINITION OF EMPLOYEE.—For purposes of this section, the term ‘employee’ shall mean a person who—

“(1) is an ‘employee’ as defined under section 2105 of title 5, United States Code; and

“(2) is employed by the United States Department of State, the United States Agency for International Development, or the International Joint Commission, except that the term shall not include members of the Foreign Service as defined by section 103 of the Foreign Service Act of 1980 (Public Law 96-465), section 3903 of title 22 of the United States Code.

“(c) TREATMENT AS BASIC PAY.—An equalization adjustment payable under this section shall be considered basic pay for the same purposes as are comparability payments under section 5304 of title 5, United States Code, and its implementing regulations.

“(d) REGULATIONS.—The agencies referenced in subsection (b)(2) are authorized to promulgate regulations to carry out the purposes of this section.”.

### **SEC. 324. TREATMENT OF GRIEVANCE RECORDS.**

Section 1103(d)(1) of the Foreign Service Act of 1980 (22 U.S.C. 4133(d)(1)) is amended by adding the following new sentence at the end: “Nothing in this subsection shall prevent a grievant from placing a rebuttal to accompany a record of disciplinary action in such grievant’s personnel records nor prevent the Department from including a response to such rebuttal, including documenting those cases in which the Board has reviewed and upheld the discipline.”.

### **SEC. 325. REPORT CONCERNING FINANCIAL DISADVANTAGES FOR ADMINISTRATIVE AND TECHNICAL PERSONNEL.**

(a) FINDINGS.—The Congress finds that administrative and technical personnel posted to United States missions abroad who do not have diplomatic status suffer financial disadvantages from their lack of such status.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary of State shall submit a report to the appropriate congressional committees concerning the extent to which administrative and technical personnel posted to

United States missions abroad who do not have diplomatic status suffer financial disadvantages from their lack of such status, including proposals to alleviate such disadvantages.

### **SEC. 326. EXTENSION OF OVERSEAS HIRING AUTHORITY.**

Section 202(a) of the Foreign Service Act of 1980 (22 U.S.C. 3922(a)) is amended by inserting at the end the following new paragraph:

“(4) When and to the extent the Secretary of State deems it in the best interests of the United States Government, the Secretary of State may authorize the head of any agency or other Government establishment (including any establishment in the legislative or judicial branch), to appoint pursuant to section 303 individuals hired abroad as members of the Service and to utilize the Foreign Service personnel system under such regulations as the Secretary of State may prescribe, provided that appointments of United States citizens under this subsection shall be limited to appointments authorized by section 311(a).”.

### **SEC. 327. MEDICAL EMERGENCY ASSISTANCE.**

Section 5927 of title 5, United States Code, is amended to read as follows:

#### **“§ 5927. Advances of pay**

“(a) Up to three months’ pay may be paid in advance—

“(1) to an employee upon the assignment of the employee to a post in a foreign area;

“(2) to an employee, other than an employee appointed under section 303 of the Foreign Service Act of 1980 (and employed under section 311 of such Act), who—

“(A) is a citizen of the United States;

“(B) is officially stationed or located outside the United States pursuant to Government authorization; and

“(C) requires (or has a family member who requires) medical treatment outside the United States, in circumstances specified by the President in regulations; and

“(3) to a foreign national employee appointed under section 303 of the Foreign Service Act of 1980, or a nonfamily member United States citizen appointed under such section 303 (and employed under section 311 of such Act) for service at such nonfamily member’s post of residence, who—

“(A) is located outside the country of employment of such foreign national employee or nonfamily member (as the case may be) pursuant to Government authorization; and

“(B) requires medical treatment outside the country of employment of such foreign national employee or nonfamily member (as the case may be), in circumstances specified by the President in regulations.

“(b) For the purpose of this section, the term ‘country of employment’, as used with respect to an individual under subsection (a)(3), means the country (or other area) outside the United States where such individual is appointed (as described in subsection (a)(3)) by the Government.”.

### **SEC. 328. FAMILIES OF DECEASED FOREIGN SERVICE PERSONNEL.**

Section 5922 of title 5, United States Code, is amended by adding at the end the following:

“(f)(1) If an employee dies at post in a foreign area, a transfer allowance under section 5924(2)(B) may be granted to the spouse or dependents of such employee (or both) for the purpose of providing for their return to the United States.

“(2) A transfer allowance under this subsection may not be granted with respect to the spouse or a dependent of the employee unless, at the time of death, such spouse or dependent was residing—

“(A) at the employee’s post of assignment; or

“(B) at a place, outside the United States, for which a separate maintenance allowance was being furnished under section 5924(3).

“(3) The President may prescribe any regulations necessary to carry out this subsection.”.

#### SEC. 329. PARENTAL CHOICE IN EDUCATION.

Section 5924(4) of title 5, United States Code, is amended—

(1) in subparagraph (A) by striking “between that post and the nearest locality where adequate schools are available,” and inserting “between that post and the school chosen by the employee, not to exceed the total cost to the Government of the dependent attending an adequate school in the nearest locality where an adequate school is available,”; and

(2) by adding after subparagraph (B) the following new subparagraph:

“(C) In those cases in which an adequate school is available at the post of the employee, if the employee chooses to educate the dependent at a school away from post, the education allowance which includes board and room, and periodic travel between the post and the school chosen, shall not exceed the total cost to the Government of the dependent attending an adequate school at the post of the employee.”.

#### SEC. 330. WORKFORCE PLANNING FOR FOREIGN SERVICE PERSONNEL BY FEDERAL AGENCIES.

Section 601(c) of the Foreign Service Act of 1980 (22 U.S.C. 4001(c)) is amended by striking paragraph (4) and inserting the following:

“(4) Not later than March 1, 2001, and every four years thereafter, the Secretary of State shall submit a report to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate which shall include the following:

“(A) A description of the steps taken and planned in furtherance of—

“(i) maximum compatibility among agencies utilizing the Foreign Service personnel system, as provided for in section 203, and

“(ii) the development of uniform policies and procedures and consolidated personnel functions, as provided for in section 204.

“(B) A workforce plan for the subsequent five years, including projected personnel needs, by grade and by skill. Each such plan shall include for each category the needs for foreign language proficiency, geographic and functional expertise, and specialist technical skills. Each workforce plan shall specifically account for the training needs of Foreign Service personnel and shall delineate an intake program of generalist and specialist Foreign Service personnel to meet projected future requirements.

“(5) If there are substantial modifications to any workforce plan under paragraph (4)(B) during any year in which a report under paragraph (4) is not required, a supplemental annual notification shall be submitted in the same manner as is required under paragraph (4).”.

#### SEC. 331. COMPENSATION FOR SURVIVORS OF TERRORIST ATTACKS OVERSEAS.

The Secretary of State shall examine the current benefit structure for survivors of United States Government employees who are killed while serving at United States diplomatic facilities abroad as a result of terrorist acts. Such a review shall include an examination of whether such benefits are adequate, whether they are fair and equitably distributed without regard to category of employment, and how they compare to benefits available to survivors of other

United States Government employees serving overseas, including noncivilian employees.

### TITLE IV—UNITED STATES INFORMATION, EDUCATIONAL, AND CULTURAL PROGRAMS

#### SEC. 401. EDUCATIONAL AND CULTURAL EXCHANGES AND SCHOLARSHIPS FOR TIBETANS AND BURMESE.

(a) DESIGNATION OF NGAWANG CHOEPHEL EXCHANGE PROGRAMS.—Section 103(a) of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 (Public Law 104-319) is amended by inserting after the first sentence the following: “Exchange programs under this subsection shall be known as the ‘Ngawang Choephel Exchange Programs’.”.

(b) SCHOLARSHIPS FOR TIBETANS AND BURMESE.—Section 103(b)(1) of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 (Public Law 104-319; 22 U.S.C. 2151 note) is amended by striking “for the fiscal year 1999” and inserting “for the fiscal year 2000”.

#### SEC. 402. CONDUCT OF CERTAIN EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.

Section 102 of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 (22 U.S.C. 2452 note) is amended by striking “Director” and all that follows through the period and inserting the following: “Secretary of State, with the assistance of the Under Secretary for Public Diplomacy, shall—

“(1) include, as a substantial proportion of the participants in such programs, nationals of such countries who have demonstrated a commitment to freedom and democracy;

“(2) consult with human rights and democracy advocates from such countries on the selection of participants and grantees for such programs; and

“(3) select grantees for such programs only after a competitive process in which proposals are solicited from multiple applicants and in which important factors in the selection of a grantee include the relative likelihood that each of the competing applicants would be willing and able:

“(A) to identify and recruit as participants in the program persons described in paragraph (1); and

“(B) in selecting participants who are associated with governments or other institutions wielding power in countries described in this section, to identify and recruit those most likely to be open to freedom and democracy and to avoid selecting those who are so firmly committed to the suppression of freedom and democracy that their inclusion could create an appearance that the United States condones such suppression.”.

#### SEC. 403. NOTIFICATION TO CONGRESS OF GRANTS.

Section 705 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1477(c)(b)) is amended—

(1) by inserting “(a)” after “705.”; and

(2) by inserting at the end the following new subsection:

“(b) For fiscal year 2000 and each subsequent fiscal year, the Secretary of State may not award any grant to carry out the purposes of this Act until 45 days after written notice has been provided to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate of the intent to award such grant. In determining whether to award a grant the Secretary shall consider any objections or modifications raised in the course of consultations with such committees.”.

#### SEC. 404. NATIONAL SECURITY MEASURES.

The United States Information and Educational Exchange Act of 1948 is amended by adding after section 1011 the following new sections:

##### “NATIONAL SECURITY MEASURES

“SEC. 1012. In coordination with other appropriate executive branch officials, the Secretary of State shall take all appropriate steps to prevent foreign espionage agents from participating in educational and cultural exchange programs under this Act.

##### “PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

“SEC. 1013. The Secretary of State shall take all appropriate steps to ensure that no individual, who is employed by or attached to an office or department involved with the research, development, or production of missiles or weapons of mass destruction, from a country identified by the Central Intelligence Agency, the Department of Defense, the National Security Agency, or the Department of Energy, as a country involved in the proliferation of missiles or weapons of mass destruction is a participant in any program of educational or cultural exchange under this Act. Appropriate steps under this section shall include prior consultation with the Federal agencies designated in the first sentence with respect to all prospective participants in such programs with respect to whom there is a reasonable basis to believe that such prospective participant may be employed by or attached to an office or department identified under the first sentence.”.

#### SEC. 405. DESIGNATION OF NORTH/SOUTH CENTER AS THE DANTE B. FASCELL NORTH-SOUTH CENTER.

(a) DESIGNATION.—Section 208 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2075) is amended—

(1) by striking subsection (a) and inserting the following:

“(a) SHORT TITLE.—This section may be cited as the ‘Dante B. Fascell North-South Center Act of 1991’.”;

(2) in subsection (c)—

(A) by amending the section heading to read as follows: “DANTE B. FASCELL NORTH-SOUTH CENTER.”; and

(B) by striking “known as the North/South Center,” and inserting “which shall be known and designated as the Dante B. Fascell North-South Center.”; and

(3) in subsection (d) by striking “North/South Center” and inserting “Dante B. Fascell North-South Center”.

(b) REFERENCES.—

(1) CENTER.—Any reference in any other provision of law to the educational institution in Florida known as the North/South Center shall be deemed to be a reference to the “Dante B. Fascell North-South Center”.

(2) SHORT TITLE.—Any reference in any other provision of law to the North/South Center Act of 1991 shall be deemed to be a reference to the “Dante B. Fascell North-South Center Act of 1991”.

#### SEC. 406. ADVISORY COMMISSION ON PUBLIC DIPLOMACY.

Section 1334 of the Foreign Affairs Reform and Restructuring Act of 1998 (enacted as Division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act for Fiscal Year 1999; Public Law 105-277) is repealed.

#### SEC. 407. INTERNATIONAL EXPOSITIONS.

(a) LIMITATION.—Except as provided in subsection (b), notwithstanding any other provision of law, the Department of State may

not obligate or expend any funds for a United States Government funded pavilion or other major exhibit at any international exposition or world's fair registered by the Bureau of International Expositions in excess of amounts expressly authorized and appropriated for such purpose.

(b) EXCEPTIONS.—

(1) The Department of State is authorized to utilize its personnel and resources to carry out its responsibilities—

(A) under section 102(a)(3) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2452(a)(3)), to provide for United States participation in international fairs and expositions abroad;

(B) under section 105(f) of such Act with respect to encouraging foreign governments, international organizations, and private individuals, firms, associations, agencies and other groups to participate in international fairs and expositions and to make contributions to be utilized for United States participation in international fairs and expositions; and

(C) to encourage private support to the United States Commissioner General for participation in international fairs and expositions.

(2) Nothing in this subsection shall be construed as authorizing the use of funds appropriated to the Department of State to make payments for—

(A) contracts, grants, or other agreements with any other party to carry out the activities described in this subsection; or

(B) any legal judgment or the costs of litigation brought against the Department of State arising from activities described in this subsection.

(c) REPEAL.—Section 230 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 2452 note) is repealed.

**SEC. 408. ROYAL ULSTER CONSTABULARY.**

The Secretary of State shall take all appropriate steps to ensure that members of the Royal Ulster Constabulary (RUC) are not participants in any program of educational or cultural exchange or training through the National Academy Program at Quantico, Virginia, under the auspices of the Department of State or the Federal Bureau of Investigation of the Department of Justice unless the President certifies that complete, independent, credible and transparent investigations of the murders of defense attorneys Rosemary Nelson and Patrick Finucane have been initiated by the Government of the United Kingdom and that the Government has taken appropriate steps to protect defense attorneys against RUC harassment in Northern Ireland, in which case the President may permit any program, exchange, or training set forth herein.

**TITLE V—INTERNATIONAL BROADCASTING**

**SEC. 501. PERMANENT AUTHORIZATION FOR RADIO FREE ASIA.**

(a) REPEAL OF SUNSET PROVISION.—Section 309 of the United States International Broadcasting Act of 1994 (22 U.S.C. 6208) is amended—

(1) by striking subsection (g); and

(2) in subsection (d)(2) by striking “Government,” and all that follows through the period and inserting “Government.”.

(b) REPEAL OF FUNDING LIMITATIONS.—Section 309 of the United States International Broadcasting Act of 1994 is further amended—

(1) in subsection (d) by striking paragraphs (4) and (5) and by redesignating paragraph (6) as paragraph (4); and

(2) in subsection (c)—

(A) in paragraph (1)(A) by striking “the funding” and all that follows through the semicolon and inserting “any funding limitations under subsection (d);”; and

(B) in paragraph (3) by striking “the funding” and all that follows through the period and inserting “any funding limitations under subsection (d).”.

**SEC. 502. PRESERVATION OF RFE/RL (RADIO FREE EUROPE/RADIO LIBERTY).**

(a) REPEAL OF PRIVATIZATION POLICY STATEMENT.—Section 312 of the United States International Broadcasting Act of 1994 (22 U.S.C. 6211) is repealed.

(b) INCREASE IN LIMITATION ON GRANT AMOUNTS.—Section 308(c) of the United States International Broadcasting Act of 1994 (22 U.S.C. 6207(c)) is amended by striking “\$75,000,000” and inserting “\$80,000,000”.

**SEC. 503. IMMUNITY FROM CIVIL LIABILITY FOR BROADCASTING BOARD OF GOVERNORS.**

Section 304 of the United States International Broadcasting Act of 1994 (22 U.S.C. 6203) is amended by adding at the end the following new subsection:

“(g) IMMUNITY FROM CIVIL LIABILITY.—Notwithstanding any other provision of law, the Volunteer Protection Act of 1997 shall apply to the members of the Broadcasting Board of Governors when acting in their capacities as members of the boards of directors of RFE/RL, Incorporated and Radio Free Asia.”.

**TITLE VI—INTERNATIONAL ORGANIZATIONS AND COMMISSIONS**

**SEC. 601. INTERPARLIAMENTARY GROUPS.**

(a) AMERICAN DELEGATIONS TO CONFERENCES.—Notwithstanding any other provision of law, whenever either the House of Representatives or the Senate does not appoint its allotment of members as part of the American delegation or group to a conference or assembly of the British-American Interparliamentary Group, the Conference on Security and Cooperation in Europe (CSCE), the Mexico-United States Interparliamentary Group, the North Atlantic Assembly, or any similar interparliamentary group of which the United States is a member or participates and so notifies the other body of Congress, the other body may make appointments to complete the membership of the American delegation. Any appointment pursuant to this section shall be for the period of such conference or assembly and the body of Congress making such an appointment shall be responsible for the expenses of any member so appointed. Any such appointment shall be made in same manner in which other appointments to the delegation by such body of Congress are made.

(b) TRANSATLANTIC LEGISLATIVE DIALOGUE.—Section 109(c) of the Department of State Authorization Act, Fiscal Years 1984 and 1985 (22 U.S.C. 276 note) is amended by striking “United States-European Community Interparliamentary Group” and inserting “Transatlantic Legislative Dialogue (United States-European Union Interparliamentary Group)”.

**SEC. 602. AUTHORITY TO ASSIST STATE AND LOCAL GOVERNMENTS.**

(a) AUTHORITY.—The Commissioner of the U.S. Section of the International Boundary and Water Commission may provide technical tests, evaluations, information, surveys, or others similar services to State or local governments upon the request of such State or local government on a reimbursable basis.

(b) REIMBURSEMENTS.—Reimbursements shall be paid in advance of the goods or services ordered and shall be for the estimated or

actual cost as determined by the U.S. Section of the International Boundary and Water Commission. Proper adjustment of amounts paid in advance shall be made as agreed to by the U.S. Section of the International Boundary and Water Commission on the basis of the actual cost of goods or services provided. Reimbursements received by the U.S. Section of the International Boundary and Water Commission for providing services under this section shall be credited to the appropriation from which the cost of providing the services will be charged.

**SEC. 603. INTERNATIONAL BOUNDARY AND WATER COMMISSION.**

(a) EXPANDED AUTHORITY TO RECEIVE PAYMENTS.—Section 2(b) of the American-Mexican Chamizal Convention Act of 1964 (Public Law 88-300; 22 U.S.C. 277d-18(b)) is amended by inserting “operations, maintenance, and” after “cost of”.

**SEC. 604. CONCERNING UNITED NATIONS GENERAL ASSEMBLY RESOLUTION ES-10/6.**

(a) FINDINGS.—The Congress makes the following findings:

(1) In an Emergency Special Session, the United Nations General Assembly voted on February 9, 1999, to pass Resolution ES-10/6, Illegal Israeli Actions In Occupied East Jerusalem And The Rest Of The Occupied Palestinian Territory, to convene for the first time in 50 years the parties of the Fourth Geneva Convention for the Protection of Civilians in Time of War.

(2) Such resolution unfairly places full blame for the deterioration of the Middle East Peace Process on Israel and dangerously politicizes the Geneva Convention, which was established to deal with critical humanitarian crises.

(3) Such vote is intended to prejudice direct negotiations, put added and undue pressure on Israel to influence the results of those negotiations, and single out Israel for unprecedented enforcement proceedings which have never been invoked against governments with records of massive violations of the Geneva Convention.

(b) CONGRESSIONAL STATEMENT OF POLICY.—The Congress—

(1) commends the Department of State for the vote of the United States against United Nations General Assembly Resolution ES-10/6 affirming that the text of such resolution politicizes the Fourth Geneva Convention which was primarily humanitarian in nature; and

(2) urges the Department of State to continue its efforts against convening the conference.

**TITLE VII—GENERAL PROVISIONS**

**SEC. 701. SENSE OF THE CONGRESS CONCERNING SUPPORT FOR DEMOCRACY AND HUMAN RIGHTS ACTIVISTS IN CUBA.**

It is the sense of the Congress that—

(1) the United States should increase its support to democracy and human rights activists in Cuba, providing assistance with the same intensity and decisiveness with which it supported the pro-democracy movements in Eastern Europe during the Cold War; and

(2) the United States should substantially increase funding for programs and activities under section 109 of the Cuban Liberty and Democratic Solidarity Act of 1996 (22 U.S.C. 6021 et seq.) designed to support democracy and human rights activists and others in Cuba who are committed to peaceful and democratic change on the island.

**SEC. 702. RELATING TO CYPRUS.**

(a) FINDINGS.—The Congress makes the following findings:

(1) At the urging of the United States Government, the Republic of Cyprus refrained from exercising that country's sovereign right to self-defense, a right fully recognized by the United States Government and by Article 51 of the Charter of the United Nations, and canceled the deployment on Cyprus of defensive anti-aircraft missiles.

(2) In close cooperation with the United States Government and the Government of Greece, Cyprus rerouted the missiles to the Greek island of Crete.

(3) This extraordinarily conciliatory and courageous action was taken in the interest of peace.

(4) With this action, the Republic of Cyprus displayed its full compliance with the recently adopted United Nations Security Council Resolutions 1217 and 1218 which address the Cyprus issue, demonstrated its support for President Bill Clinton's December 22, 1998, commitment to "take all necessary steps to support a sustained effort to implement United Nations Security Council Resolution 1218", and continued its efforts of the last 25 years to take substantive steps to reduce tensions and move toward a Cyprus settlement.

(5) The Republic of Cyprus has no navy, air force, or army and faces one of the world's largest and most sophisticated military forces, just minutes away, in Turkey, as well as an area described by the United Nations Secretary General as, "one of the most densely militarized areas in the world" in the Turkish-occupied area of northern Cyprus.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) in light of this and other similar extraordinary actions taken by the Republic of Cyprus, as well as the importance of a Cyprus settlement to American security and other interests, the United States should do all that is possible to bring about commensurate actions by Turkey;

(2) the time has come for the United States to expect from Turkey actions on the Cyprus issue in the interest of peace, including steps in conformity with United States proposals concerning Cyprus and in compliance with provisions contained in United Nations Security Council Resolutions 1217 and 1218; and

(3) such an effort would also be in the best interest of the people of Turkey, as well as in the interest of all others involved.

The CHAIRMAN. Before consideration of any other amendment, it shall be in order to consider the first amendment printed in part A of House Report 106-235 if offered by the gentleman from New York (Mr. GILMAN) or his designee. That amendment shall be considered read, shall be debatable for 10 minutes, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

If that amendment is adopted, the bill, as amended, shall be considered as the original bill for the purpose of further amendment.

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No further amendment shall be in order except those printed in the report and amendments en bloc described in section 2 of House Resolution 247. Each amendment may be offered only in the order printed in the report, may be offered

only by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment except as specified in the report, and shall not be subject to a demand for division of the question.

It shall be in order at any time for the chairman of the Committee on International Relations or his designee to offer amendments en bloc consisting of amendments printed in part B of the report not earlier disposed of or germane modifications of any such amendment.

The amendments en bloc shall be considered read, except that modifications shall be reported, shall be debatable for 20 minutes, equally divided and controlled by the chairman and ranking minority member, or their designees, shall not be subject to amendment and shall not be subject to a demand for division of the question.

The original proponent of an amendment included in the amendments en bloc may insert a statement in the CONGRESSIONAL RECORD immediately before disposition of the amendments en bloc.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

AMENDMENT NO. 1 OFFERED BY MR. GILMAN

Mr. GILMAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore (Mr. PEASE). The Clerk will designate the amendment.

The text of the amendment is as follows:

Part A amendment No. 1 offered by Mr. Gilman:

Page 4, after line 9, add the following (and conform the table of contents accordingly):

#### **DIVISION A—DEPARTMENT OF STATE AND RELATED PROVISIONS**

Page 12, line 4, before the period insert "and for returned or returning refugees, displaced persons, and other victims of the humanitarian crisis within Kosovo".

Page 15, strike lines 1 through 16, and insert the following:

(4) NATIONAL ENDOWMENT FOR DEMOCRACY.—For the "National Endowment for Democracy", \$32,000,000 for the fiscal year 2000.

(5) REAGAN-FASCELL DEMOCRACY FELLOWS.—For a fellowship program, to be known as the "Reagan-Fascell Democracy Fellows", for democracy activists and scholars from around the world at the International Forum for Democratic Studies in Washington, D.C., to study, write, and exchange views with other activists and scholars and with Americans, \$2,000,000 for the fiscal year 2000.

Page 17, after line 14, insert the following:

(5) UNICEF.—Of the amounts authorized to be appropriated under subsection (a), \$110,000,000 for the fiscal year 2000 is authorized

to be appropriated only for a United States contribution to UNICEF.

Page 21, line 25, strike "such sums as may be necessary" and insert "\$15,000,000".

Page 56, strike line 16.

Page 67, after line 22, insert the following new section:

#### **SEC. 332. PRESERVATION OF DIVERSITY IN REORGANIZATION.**

Section 1613(c) of the Foreign Affairs Reform and Restructuring Act of 1998 (as enacted by division G of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105-277) is amended in the first sentence by striking "changed." and inserting "changed, nor shall the relative positions of women and minorities in the administrative structures of the agencies subject to this section be adversely affected as a result of such transfers."

Page 68, strike line 21, and all that follows through line 4 on page 70 and insert the following:

#### **SEC. 402. CONDUCT OF CERTAIN EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.**

Section 102 of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 (22 U.S.C. 2452 note) is amended by striking "Director" and all that follows through the period and inserting the following: "Secretary of State, with the assistance of the Under Secretary for Public Diplomacy, shall—

"(1) include, as a significant proportion of the participants in such programs, nationals of such countries who the Secretary has reason to believe are committed to freedom and democracy;

"(2) consult with human rights and democracy advocates from such countries on the inclusion of participants and grantee organizations for such programs;

"(3) take all appropriate steps to ensure that inclusion in such programs does not compromise the personal safety of participants; and

"(4) select grantee organizations for such programs through an open, competitive process in which proposals are solicited from multiple applicants and in which important factors in the selection of a grantee include the relative likelihood that each of the competing applicants would be willing and able—

"(A) to recruit as participants in the program persons described in paragraph (1); and

"(B) in selecting participants who are associated with governments or other institutions wielding power in countries described in this section, to recruit those most likely to be open to an understanding of the principles of freedom and democracy, and to avoid—

"(i) giving such governments inappropriate influence in the selection process; and

"(ii) selecting those who are so firmly committed to the suppression of freedom and democracy that their inclusion could create an appearance that the United States condones such suppression."

Page 84, after line 16, add the following (and conform the table of contents accordingly):

#### **DIVISION B—SECURITY ASSISTANCE PROVISIONS**

##### **SEC. 1001. SHORT TITLE.**

This division may be cited as the "Security Assistance Act of 1999".

#### **TITLE XI—TRANSFERS OF EXCESS DEFENSE ARTICLES**

##### **SEC. 1101. EXCESS DEFENSE ARTICLES FOR CENTRAL EUROPEAN COUNTRIES.**

Section 105 of Public Law 104-164 (110 Stat. 1427) is amended by striking "1996 and 1997" and inserting "2000 and 2001".

# SEC. 1102. EXCESS DEFENSE ARTICLES FOR CERTAIN INDEPENDENT STATES OF THE FORMER SOVIET UNION.

(a) USES FOR WHICH FUNDS ARE AVAILABLE.—Notwithstanding section 516(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)), during each of the fiscal years 2000 and 2001, funds available to the Department of Defense may be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of section 516 of that Act to Georgia, Kazakhstan, Kyrgyzstan, Moldova, Turkmenistan, Ukraine, and Uzbekistan.

(b) CONTENT OF CONGRESSIONAL NOTIFICATION.—Each notification required to be submitted under section 516(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(f)) with respect to a proposed transfer of a defense article described in subsection (a) shall include an estimate of the amount of funds to be expended under subsection (a) with respect to that transfer.

## TITLE XII—FOREIGN MILITARY SALES AUTHORITIES

### SEC. 1201. TERMINATION OF FOREIGN MILITARY FINANCED TRAINING.

Section 617 of the Foreign Assistance Act of 1961 (22 U.S.C. 2367) is amended—

(1) by inserting in the second sentence “and the Arms Export Control Act” after “under this Act” the first place it appears;

(2) by striking “under this Act” the second place it appears; and

(3) by inserting in the third sentence “and under the Arms Export Control Act” after “this Act”.

### SEC. 1202. SALES OF EXCESS COAST GUARD PROPERTY.

Section 21(a)(1) of the Arms Export Control Act (22 U.S.C. 2761(a)(1)) is amended in the text above subparagraph (A) by inserting “and the Coast Guard” after “Department of Defense”.

### SEC. 1203. COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES.

Section 22(d) of the Arms Export Control Act (22 U.S.C. 2762(d)) is amended—

(1) by striking “Procurement contracts” and inserting “(1) Procurement contracts”; and

(2) by adding at the end the following: “(2) Direct costs associated with meeting additional or unique requirements of the purchaser shall be allowable under contracts described in paragraph (1). Loadings applicable to such direct costs shall be permitted at the same rates applicable to procurement of like items purchased by the Department of Defense for its own use.”.

### SEC. 1204. REPORTING OF OFFSET AGREEMENTS.

(a) GOVERNMENT-TO-GOVERNMENT SALES.—Section 36(b)(1) of the Arms Export Control Act (22 U.S.C. 2776(b)(1)) is amended in the fourth sentence by striking “(if known on the date of transmittal of such certification)” and inserting “and, if known on the date of transmittal of such certification, a description of the offset agreement. Such description may be included in the classified portion of such numbered certification”.

(b) COMMERCIAL SALES.—Section 36(c)(1) of the Arms Export Control Act (22 U.S.C. 2776(c)(1)) is amended in the second sentence by striking “(if known on the date of transmittal of such certification)” and inserting “and, if known on the date of transmittal of such certification, a description of the offset agreement. Such description may be included in the classified portion of such numbered certification”.

### SEC. 1205. NOTIFICATION OF UPGRADES TO DIRECT COMMERCIAL SALES.

Section 36(c) of the Arms Export Control Act (22 U.S.C. 2776(c)) is amended by adding at the end the following new paragraph:

“(4) The provisions of subsection (b)(5) shall apply to any equipment, article, or service for which a numbered certification has been transmitted to Congress pursuant to paragraph (1) in the same manner and to the same extent as that subsection applies to any equipment, article, or service for which a numbered certification has been transmitted to Congress pursuant to subsection (b)(1). For purposes of such application, any reference in subsection (b)(5) to ‘a letter of offer’ or ‘an offer’ shall be deemed to be a reference to ‘a contract’.”.

### SEC. 1206. EXPANDED PROHIBITION ON INCENTIVE PAYMENTS.

(a) IN GENERAL.—Section 39A(a) of the Arms Export Control Act (22 U.S.C. 2779a(a)) is amended—

(1) by inserting “or licensed” after “sold”; and

(2) by inserting “or export” after “sale”.

(b) DEFINITION OF UNITED STATES PERSON.—Section 39A(d)(3)(B)(ii) of the Arms Export Control Act (22 U.S.C. 2779a(d)(3)(B)(ii)) is amended by inserting “or by an entity described in clause (i)” after “subparagraph (A)”.

### SEC. 1207. ADMINISTRATIVE FEES FOR LEASING OF DEFENSE ARTICLES.

Section 61(a) of the Arms Export Control Act (22 U.S.C. 2796(a)) is amended in paragraph (4) of the first sentence by inserting after “including reimbursement for depreciation of such articles while leased,” the following: “a fee for the administrative services associated with processing such leasing.”.

## TITLE XIII—STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

### SEC. 1301. ADDITIONS TO UNITED STATES WAR RESERVE STOCKPILES FOR ALLIES.

Paragraph (2) of section 514(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(2)) is amended to read as follows:

“(2)(A) The value of such additions to stockpiles of defense articles in foreign countries shall not exceed \$340,000,000 for fiscal year 1999 and \$60,000,000 for fiscal year 2000.

“(B)(i) Of the amount specified in subparagraph (A) for fiscal year 1999, not more than \$320,000,000 may be made available for stockpiles in the Republic of Korea and not more than \$20,000,000 may be made available for stockpiles in Thailand.

“(ii) Of the amount specified in subparagraph (A) for fiscal year 2000, not more than \$40,000,000 may be made available for stockpiles in the Republic of Korea and not more than \$20,000,000 may be made available for stockpiles in Thailand.”.

### SEC. 1302. TRANSFER OF CERTAIN OBSOLETE OR SURPLUS DEFENSE ARTICLES IN THE WAR RESERVES STOCKPILE FOR ALLIES.

(a) ITEMS IN THE KOREAN STOCKPILE.—

(1) IN GENERAL.—Notwithstanding section 514 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h), the President is authorized to transfer to the Republic of Korea, in return for concessions to be negotiated by the Secretary of Defense, with the concurrence of the Secretary of State, any or all of the items described in paragraph (2).

(2) COVERED ITEMS.—The items referred to in paragraph (1) are munitions, equipment, and material such as tanks, trucks, artillery, mortars, general purpose bombs, repair parts, ammunition, barrier material, and ancillary equipment, if such items are—

(A) obsolete or surplus items;

(B) in the inventory of the Department of Defense;

(C) intended for use as reserve stocks for the Republic of Korea; and

(D) as of the date of enactment of this Act, located in a stockpile in the Republic of Korea.

(b) ITEMS IN THE THAILAND STOCKPILE.—

(1) IN GENERAL.—Notwithstanding section 514 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h), the President is authorized to transfer to Thailand, in return for concessions to be negotiated by the Secretary of Defense, with the concurrence of the Secretary of State, any or all of the items in the WRS-T stockpile described in paragraph (2).

(2) COVERED ITEMS.—The items referred to in paragraph (1) are munitions, equipment, and material such as tanks, trucks, artillery, mortars, general purpose bombs, repair parts, ammunition, barrier material, and ancillary equipment, if such items are—

(A) obsolete or surplus items;

(B) in the inventory of the Department of Defense;

(C) intended for use as reserve stocks for Thailand; and

(D) as of the date of enactment of this Act, located in a stockpile in Thailand.

(c) VALUATION OF CONCESSIONS.—The value of concessions negotiated pursuant to subsections (a) and (b) shall be at least equal to the fair market value of the items transferred. The concessions may include cash compensation, services, waiver of charges otherwise payable by the United States, and other items of value.

(d) PRIOR NOTIFICATIONS OF PROPOSED TRANSFERS.—Not less than 30 days before making a transfer under the authority of this section, the President shall transmit to the chairmen of the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives a detailed notification of the proposed transfer, which shall include an identification of the items to be transferred and the concessions to be received.

(e) TERMINATION OF AUTHORITY.—No transfer may be made under the authority of this section more than three years after the date of enactment of this Act.

## TITLE XIV—INTERNATIONAL ARMS SALES CODE OF CONDUCT ACT OF 1999

### SEC. 1401. SHORT TITLE.

This title may be cited as the “International Arms Sales Code of Conduct Act of 1999”.

### SEC. 1402. FINDINGS.

The Congress finds the following:

(1) The proliferation of conventional arms and conflicts around the globe are multilateral problems. The only way to effectively prevent rogue nations from acquiring conventional weapons is through a multinational “arms sales code of conduct”.

(2) Approximately 40,000,000 people, over 75 percent of whom were civilians, died as a result of civil and international wars fought with conventional weapons during the 45 years of the cold war, demonstrating that conventional weapons can in fact be weapons of mass destruction.

(3) Conflict has actually increased in the post cold war era.

(4) It is in the national security and economic interests of the United States to reduce dramatically the \$840,000,000,000 that all countries spend on armed forces every year, \$191,000,000,000 of which is spent by developing countries, an amount equivalent to 4 times the total bilateral and multilateral foreign assistance such countries receive every year.

(5) The Congress has the constitutional responsibility to participate with the executive branch in decisions to provide military assistance and arms transfers to a foreign



government, and in the formulation of a policy designed to reduce dramatically the level of international militarization.

(6) A decision to provide military assistance and arms transfers to a government that is undemocratic, does not adequately protect human rights, or is currently engaged in acts of armed aggression should require a higher level of scrutiny than does a decision to provide such assistance and arms transfers to a government to which these conditions do not apply.

#### SEC. 1403. INTERNATIONAL ARMS SALES CODE OF CONDUCT.

(a) **NEGOTIATIONS.**—The President shall attempt to achieve the foreign policy goal of an international arms sales code of conduct with all Wassenaar Arrangement countries. The President shall take the necessary steps to begin negotiations with all Wassenaar Arrangement countries within 120 days after the date of the enactment of this Act. The purpose of these negotiations shall be to conclude an agreement on restricting or prohibiting arms transfers to countries that do not meet the following criteria:

(1) **PROMOTES DEMOCRACY.**—The government of the country—

(A) was chosen by and permits free and fair elections;

(B) promotes civilian control of the military and security forces and has civilian institutions controlling the policy, operation, and spending of all law enforcement and security institutions, as well as the armed forces;

(C) promotes the rule of law, equality before the law, and respect for individual and minority rights, including freedom to speak, publish, associate, and organize; and

(D) promotes the strengthening of political, legislative, and civil institutions of democracy, as well as autonomous institutions to monitor the conduct of public officials and to combat corruption.

(2) **RESPECTS HUMAN RIGHTS.**—The government of the country—

(A) does not engage in gross violations of internationally recognized human rights, including—

(i) extra judicial or arbitrary executions;

(ii) disappearances;

(iii) torture or severe mistreatment;

(iv) prolonged arbitrary imprisonment;

(v) systematic official discrimination on the basis of race, ethnicity, religion, gender, national origin, or political affiliation; and

(vi) grave breaches of international laws of war or equivalent violations of the laws of war in internal conflicts;

(B) vigorously investigates, disciplines, and prosecutes those responsible for gross violations of internationally recognized human rights;

(C) permits access on a regular basis to political prisoners by international humanitarian organizations such as the International Committee of the Red Cross;

(D) promotes the independence of the judiciary and other official bodies that oversee the protection of human rights;

(E) does not impede the free functioning of domestic and international human rights organizations; and

(F) provides access on a regular basis to humanitarian organizations in situations of conflict or famine.

(3) **NOT ENGAGED IN CERTAIN ACTS OF ARMED AGGRESSION.**—The government of the country is not currently engaged in acts of armed aggression in violation of international law.

(4) **FULL PARTICIPATION IN UNITED NATIONS REGISTER OF CONVENTIONAL ARMS.**—The government of the country is fully participating

in the United Nations Register of Conventional Arms.

(b) **REPORTS TO CONGRESS.**—(1) In the report required in sections 116(d) and 502B of the Foreign Assistance Act of 1961, the Secretary of State shall describe the extent to which the practices of each country evaluated meet the criteria in paragraphs (1) through (4) of subsection (a).

(2) Not later than 6 months after the commencement of the negotiations under subsection (a), and not later than the end of every 6-month period thereafter until an agreement described in subsection (a) is concluded, the President shall report to the appropriate committees of the Congress on the progress made during these negotiations.

(c) **DEFINITION.**—The term “Wassenaar Arrangement countries” means Argentina, Australia, Austria, Belgium, Bulgaria, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, the Republic of Korea, Romania, Russia, Slovakia, Spain, Sweden, Switzerland, Turkey, Ukraine, and the United Kingdom.

#### TITLE XV—AUTHORITY TO EXEMPT INDIA AND PAKISTAN FROM CERTAIN SANCTIONS

##### SEC. 1501. WAIVER AUTHORITY.

(a) **AUTHORITY.**—

(1) **IN GENERAL.**—Except as provided in subsection (b), the President may waive, with respect to India or Pakistan, the application of any sanction or prohibition (or portion thereof) contained in section 101 or 102 of the Arms Export Control Act (22 U.S.C. 2799aa or 2799aa-1), section 620E(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2375(e)), or section 2(b)(4) of the Export Import Bank Act of 1945 (12 U.S.C. 635(b)(4)).

(2) **EFFECTIVE DATE.**—A waiver of the application of a sanction or prohibition (or portion thereof) under paragraph (1) shall be effective only for a period ending on or before September 30, 2000.

(b) **EXCEPTION.**—The authority to waive the application of a sanction or prohibition (or portion thereof) under subsection (a) shall not apply with respect to a sanction or prohibition contained in subparagraph (B), (C), or (G) of section 102(b)(2) of the Arms Export Control Act.

(c) **NOTIFICATION.**—A waiver of the application of a sanction or prohibition (or portion thereof) contained in section 541 of the Foreign Assistance Act of 1961 shall not become effective until 15 days after notice of such waiver has been reported to the congressional committees specified in section 634A(a) of such Act in accordance with the procedures applicable to reprogramming notifications under that section.

##### SEC. 1502. CONSULTATION.

Prior to each exercise of the authority provided in section 1501, the President shall consult with the appropriate congressional committees.

##### SEC. 1503. REPORTING REQUIREMENT.

Not later than August 31, 2000, the Secretary of State shall prepare and submit to the appropriate congressional committees a report on economic and national security developments in India and Pakistan.

##### SEC. 1504. APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.

In this title, the term “appropriate congressional committees” means—

(1) the Committee on International Relations and the Committee on Appropriations of the House of Representatives; and

(2) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

#### TITLE XVI—TRANSFER OF NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES

##### SEC. 1601. AUTHORITY TO TRANSFER NAVAL VESSELS.

(a) **DOMINICAN REPUBLIC.**—The Secretary of the Navy is authorized to transfer to the Government of the Dominican Republic the medium auxiliary floating dry dock AFDM 2. Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(b) **ECUADOR.**—The Secretary of the Navy is authorized to transfer to the Government of Ecuador the “OAK RIDGE” class medium auxiliary repair dry dock ALAMOGORDO (ARDM 2). Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(c) **EGYPT.**—The Secretary of the Navy is authorized to transfer to the Government of Egypt the “NEWPORT” class tank landing ships BARBOUR COUNTY (LST 1195) and PEORIA (LST 1183). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(d) **GREECE.**—(1) The Secretary of the Navy is authorized to transfer to the Government of Greece the “KNOX” class frigate CONNOLLE (FF 1056). Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(2) The Secretary of the Navy is authorized to transfer to the Government of Greece the medium auxiliary floating dry dock COMPETENT (AFDM 6). Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(e) **MEXICO.**—The Secretary of the Navy is authorized to transfer to the Government of Mexico the “NEWPORT” class tank landing ship NEWPORT (LST 1179) and the “KNOX” class frigate WHIPPLE (FF 1062). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(f) **POLAND.**—The Secretary of the Navy is authorized to transfer to the Government of Poland the “OLIVER HAZARD PERRY” class guided missile frigate CLARK (FFG 11). Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(g) **TAIWAN.**—The Secretary of the Navy is authorized to transfer to the Taipei Economic and Cultural Representative Office in the United States (which is the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act) the “NEWPORT” class tank landing ship SCHEMECTADY (LST 1185). Such transfer shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(h) **THAILAND.**—The Secretary of the Navy is authorized to transfer to the Government of Thailand the “KNOX” class frigate TRUETT (FF 1095). Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(i) **TURKEY.**—The Secretary of the Navy is authorized to transfer to the Government of Turkey the “OLIVER HAZARD PERRY” class guided missile frigates FLATLEY (FFG 21) and JOHN A. MOORE (FFG 19). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

##### SEC. 1602. INAPPLICABILITY OF AGGREGATE ANNUAL LIMITATION ON VALUE OF TRANSFERRED EXCESS DEFENSE ARTICLES.

The value of a vessel transferred to another country on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) pursuant to authority provided



by section 1601 shall not be counted for the purposes of section 516(g) of the Foreign Assistance Act of 1961 in the aggregate value of excess defense articles transferred to countries under that section in any fiscal year.

#### SEC. 1603. COSTS OF TRANSFERS.

Any expense incurred by the United States in connection with a transfer of a vessel authorized by section 1601 shall be charged to the recipient.

#### SEC. 1604. EXPIRATION OF AUTHORITY.

The authority to transfer vessels under section 1601 shall expire at the end of the 2-year period beginning on the date of the enactment of this Act.

#### SEC. 1605. REPAIR AND REFURBISHMENT OF VESSELS IN UNITED STATES SHIPYARDS.

The Secretary of the Navy shall require, to the maximum extent possible, as a condition of a transfer of a vessel under section 1601, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

#### SEC. 1606. SENSE OF THE CONGRESS RELATING TO TRANSFER OF NAVAL VESSELS AND AIRCRAFT TO THE GOVERNMENT OF THE PHILIPPINES.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the President should transfer to the Government of the Philippines, on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j), the excess defense articles described in subsection (b); and

(2) the United States should not oppose the transfer of F-5 aircraft by a third country to the Government of the Philippines.

(b) EXCESS DEFENSE ARTICLES.—The excess defense articles described in this subsection are the following:

(1) UH-1 helicopters, A-4 aircraft, and the "POINT" class Coast Guard cutter POINT EVANS.

(2) Amphibious landing craft, naval patrol vessels (including patrol vessels of the Coast Guard), and other naval vessels (such as frigates), if such vessels are available.

### TITLE XVII—MISCELLANEOUS PROVISIONS

#### SEC. 1701. ANNUAL MILITARY ASSISTANCE REPORTS.

Section 655(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2415(b)) is amended to read as follows:

"(b) INFORMATION RELATING TO MILITARY ASSISTANCE AND MILITARY EXPORTS.—Each such report shall show the aggregate dollar value and quantity of defense articles (including excess defense articles), defense services, and international military education and training activities authorized by the United States and of such articles, services, and activities provided by the United States, excluding any activity that is reportable under title V of the National Security Act of 1947, to each foreign country and international organization. The report shall specify, by category, whether such defense articles—

"(1) were furnished by grant under chapter 2 or chapter 5 of part II of this Act or under any other authority of law or by sale under chapter 2 of the Arms Export Control Act;

"(2) were furnished with the financial assistance of the United States Government, including through loans and guarantees; or

"(3) were licensed for export under section 38 of the Arms Export Control Act."

#### SEC. 1702. PUBLICATION OF ARMS SALES CERTIFICATIONS.

Section 36 of the Arms Export Control Act (22 U.S.C. 2776) is amended in the second subsection (e) (as added by section 155 of Public Law 104-164)—

(1) by inserting "in a timely manner" after "to be published"; and

(2) by striking "the full unclassified text of" and all that follows and inserting the following: "the full unclassified text of—

"(1) each numbered certification submitted pursuant to subsection (b);

"(2) each notification of a proposed commercial sale submitted under subsection (c); and

"(3) each notification of a proposed commercial technical assistance or manufacturing licensing agreement submitted under subsection (d)."

#### SEC. 1703. NOTIFICATION REQUIREMENTS FOR COMMERCIAL EXPORT OF SIGNIFICANT MILITARY EQUIPMENT ON UNITED STATES MUNITIONS LIST.

(a) NOTIFICATION REQUIREMENT.—Section 38 of the Arms Export Control Act (22 U.S.C. 2778) is amended by adding at the end the following:

"(i) As prescribed in regulations issued under this section, a United States person to whom a license has been granted to export an item identified as significant military equipment on the United States Munitions List shall, not later than 15 days after the item is exported, submit to the Department of State a report containing all shipment information, including a description of the item and the quantity, value, port of exit, and destination of the item."

(b) QUARTERLY REPORTS TO CONGRESS.—Section 36(a) of the Arms Export Control Act (22 U.S.C. 2776(a)) is amended—

(A) in paragraph (1), by striking "and" at the end;

(B) in paragraph (12), by striking "third-party transfers," and inserting "third-party transfers; and"; and

(C) by adding after paragraph (12) (but before the last sentence of the subsection), the following:

"(13) a report on all exports of significant military equipment for which information has been provided pursuant to section 38(i)."

#### SEC. 1704. ENFORCEMENT OF ARMS EXPORT CONTROL ACT.

The Arms Export Control Act (22 U.S.C. 2751 et seq.) is amended in sections 38(e), 39A(c), and 40(k) by inserting after "except that" each place it appears the following: "section 11(c)(2)(B) of such Act shall not apply, and instead, as prescribed in regulations issued under this section, the Secretary of State may assess civil penalties for violations of this Act and regulations prescribed thereunder and further may commence a civil action to recover such civil penalties, and except further that".

#### SEC. 1705. VIOLATIONS RELATING TO MATERIAL SUPPORT TO TERRORISTS.

Section 38(g)(1)(A)(iii) of the Arms Export Control Act (22 U.S.C. 2778(g)(1)(A)(iii)) is amended by adding at the end before the comma the following: "or section 2339A of such title (relating to providing material support to terrorists)".

#### SEC. 1706. AUTHORITY TO CONSENT TO THIRD PARTY TRANSFER OF EX-U.S.S. BOWMAN COUNTY TO USS LST SHIP MEMORIAL, INC.

(a) FINDINGS.—Congress makes the following findings:

(1) It is the long-standing policy of the United States Government to deny requests for the retransfer of significant military equipment that originated in the United States to private entities.

(2) In very exceptional circumstances, when the United States public interest would be served by the proposed retransfer and end-use, such requests may be favorably considered.

(3) Such retransfers to private entities have been authorized in very exceptional circumstances following appropriate demilitarization and receipt of assurances from the private entity that the item to be transferred would be used solely in furtherance of Federal Government contracts or for static museum display.

(4) Nothing in this section should be construed as a revision of long-standing policy referred to in paragraph (1).

(5) The Government of Greece has requested the consent of the United States Government to the retransfer of HS Rodos (ex-U.S.S. Bowman County (LST 391)) to the USS LST Ship Memorial, Inc.

(b) AUTHORITY TO CONSENT TO RETRANSFER.—

(1) IN GENERAL.—Subject to paragraph (2), the President may consent to the retransfer by the Government of Greece of HS Rodos (ex-U.S.S. Bowman County (LST 391)) to the USS LST Ship Memorial, Inc.

(2) CONDITIONS FOR CONSENT.—The President should not exercise the authority under paragraph (1) unless USS LST Memorial, Inc.—

(A) utilizes the vessel for public, nonprofit, museum-related purposes;

(B) submits a certification with the import application that no firearms frames or receivers, ammunition, or other firearms as defined in section 5845 of the National Firearms Act (26 U.S.C. 5845) will be imported with the vessel; and

(C) complies with regulatory policy requirements related to the facilitation of monitoring by the Federal Government of, and the mitigation of potential environmental hazards associated with, aging vessels, and has a demonstrated financial capability to so comply.

#### SEC. 1707. EXCEPTIONS RELATING TO PROHIBITIONS ON ASSISTANCE TO COUNTRIES INVOLVED IN TRANSFER OR USE OF NUCLEAR EXPLOSIVE DEVICES.

(a) IN GENERAL.—Section 2 of the Agriculture Export Relief Act of 1998 (Public Law 105-194; 112 Stat. 627) is amended—

(1) by striking subsection (d); and

(2) by striking the second sentence of subsection (e).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act or September 30, 1999, whichever occurs earlier.

#### SEC. 1708. CONTINUATION OF THE EXPORT CONTROL REGULATIONS UNDER IEPA.

To the extent that the President exercises the authorities of the International Emergency Economic Powers Act to carry out the provisions of the Export Administration Act of 1979 in order to continue in full force and effect the export control system maintained by the Export Administration regulations issued under that Act, including regulations issued under section 8 of that Act, the following shall apply:

(1) The penalties for violations of the regulations continued pursuant to the International Emergency Economic Powers Act shall be the same as the penalties for violations under section 11 of the Export Administration Act of 1979, as if that section were amended—

(A) by amending subsection (a) to read as follows:

"(a) IN GENERAL.—Except as provided in subsection (b), whoever knowingly violates

or conspires to or attempts to violate any provision of this Act or any license, order, or regulation issued under this Act—

“(1) except in the case of an individual, shall be fined not more than \$500,000 or 5 times the value of any exports involved, whichever is greater; and

“(2) in the case of an individual, shall be fined not more than \$250,000 or 5 times the value of any exports involved, whichever is greater, or imprisoned not more than 5 years, or both.”;

(B) in subsection (b)—

(i) in paragraphs (1)(A) and (2)(A) by striking “five times” and inserting “10 times”;

(ii) in paragraph (1)(B) by striking “\$250,000” and inserting “\$500,000”; and

(iii) in paragraph (2)(B) by striking “\$250,000, or imprisoned not more than 5 years” and inserting “\$500,000, or imprisoned not more than 10 years”;

(C) in subsection (c)(1)—

(i) by striking “\$10,000” and inserting “\$250,000”; and

(ii) by striking “except that the civil penalty” and all that follows through the end of the paragraph and inserting “except that the civil penalty for a violation of the regulations issued pursuant to section 8 may not exceed \$50,000.”; and

(D) in subsection (h)(1), by inserting after “Arms Export Control Act (22 U.S.C. 2778)” the following: “section 16 of the Trading with the Enemy Act (50 U.S.C. 16), or, to the extent the violation involves the export of goods or technology controlled under this or any other Act or defense articles or defense services controlled under the Arms Export Control Act, section 371 or 1001 of title 18, United States Code.”.

(2) The authorities set forth in section 12(a) of the Export Administration Act of 1979 may be exercised in carrying out the regulations continued pursuant to the International Emergency Economic Powers Act.

(3) The provisions of sections 12(c) and 13 of the Export Administration Act of 1979 shall apply in carrying out the regulations continued pursuant to the International Emergency Economic Powers Act.

(4) The continuation of the provisions of the Export Administration Regulations pursuant to the International Emergency Economic Powers Act shall not be construed as not having satisfied the requirements of that Act.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from New York (Mr. GILMAN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a bipartisan, noncontroversial amendment put together in conjunction with the ranking minority member on the Committee on International Relations, the gentleman from Connecticut (Mr. GEJDENSON), and the ranking minority member on the subcommittee on international operations and human rights, the gentleman from Georgia (Ms. McKINNEY).

This amendment makes technical corrections. It provides \$110 million for the U.S. contribution to the U.N. Children's fund, UNICEF. It authorizes \$15 million for a grant to the Asia Foundation. It amends the Foreign Affairs Re-

form and Restructuring Act of 1998 to provide that personnel transfers from the agencies being consolidated into the State Department shall not adversely affect the relative positions of women and minorities.

This amendment also modifies section 402 of H.R. 2415 which requires the inclusion of persons committed to democracy in U.S. international exchange programs.

The amendment also requires periodic reports on the investigation into the March 1997 grenade attack in Cambodia that killed 17 democracy activists.

Finally, the amendment adds a new division B, the Security Assistance Act of 1999. This provision is identical to H.R. 973 which passed the House under suspension of the rules on June 15, 1999. It modifies authorities with respect to the provision of security assistance. These provisions address the transfer of excess defense articles, the foreign military sales program, new reporting requirements for offset agreements associated with arms transfers, and ensuring the Department of Defense charges foreign customers for the administrative costs of processing leases.

Accordingly, I urge Members to support this bipartisan amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. GEJDENSON. Mr. Chairman, while not in opposition, I ask unanimous consent to have the time allotted in opposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GEJDENSON. Mr. Chairman, I yield myself such time as I may consume. I join the chairman in supporting this en bloc amendment.

There are a number of important provisions here. One that I am particularly interested in, of course, is the multilateral code of conduct to get this administration to take a lead in establishing some controls on arms proliferation. The world is not made safer when particularly poor, impoverished countries are entered into arms races time and time again, increasing the volatility and diverting important resources from the needs of their own people and feeding and educating them. So I think that is a particularly important amendment.

I also think the waiver authority of the Glenn amendment sanctions is particularly important. India and Pakistan are two important countries. We have to figure out a way to deal with this problem and we have to find a way to engage particularly the Indians, the world's most populous democracy.

The increased penalties in the Export Administration Act of 1979 are important. Some of these fines are so antiquated that it is frankly cheaper for many companies to take the fines even

if they know they are violating the rules then under the present regime. Increasing these fines will make at least the fines be a deterrent.

This amendment is an important amendment. There are a number of other critical provisions in this bill. I join with the chairman for its passage.

Ms. SANCHEZ. Mr. Chairman, I rise today to express my strong support for Section 274 of “The State Department Authorization Act”.

This section seeks to resolve the serious problems in our refugee programs in Vietnam. Serious problems that many of my constituents face on a daily basis.

In my hand I hold copies of hundreds of unresolved constituent cases. My constituents are facing situations which none of us in this chamber would ever want to face.

Many refugees resettled in Orange County without their children and have not been able to re-unite with their loved ones because the INS refuses to reconsider their cases.

This section would correct this situation. This section also calls for the retention of the JVA as an advocate for refugees.

As many of you know, this organization has been most helpful in helping applications in Viet Nam overcome the communist bureaucracy and rampant corruption.

I recently traveled to Viet Nam and met with U.S. consular officials and Immigration and Naturalization Service personnel who participate in the refugee programs. I discussed with them the problems many individuals face including: bribery, corruption and extortion. I expressed to them my support of the recommendations offered in Section 274.

I urge my colleagues to support this effort and vote “yes” on Section 274.

Mr. ROEMER. Mr. Chairman, I rise to express my support for a provision in this bill of great importance to the future of U.S. public diplomacy. This legislation reestablishes the U.S. Advisory Commission on Public Diplomacy, an important bipartisan, advisory and oversight committee responsible for the promotion and improvement of U.S. international information and exchange programs.

In particular, I would like to express my sincere gratitude to the gentleman from New Jersey (Mr. CHRIS SMITH), the chairman of the Subcommittee on International Organizations and Human Rights for his support and hard work to reestablish the advisory commission. I also thank the other Members of the Committee for their continued support and recognition that public diplomacy is an integral component of our foreign policy objectives.

Mr. Chairman, the Advisory Commission on Public Diplomacy, which is currently part of the U.S. Information Agency—is bipartisan and presidentially-appointed, with the consent of the U.S. Senate. Its membership has included distinguished Americans like Father Ted Hesburgh, George Gallup, William F. Buckley, Frank Stanton and James Michener, who have all served without compensation save travel reimbursements.

Before USIA was created and when the overseas information and cultural programs were still located in the State Department, Congress decided in the Smith-Mundt Act that distinguished Americans be asked to provide “great constructive value to the Secretary of

State and the Congress in the best development of public relations programs in the foreign relations of the United States." I strongly believe this policy remains relevant today more than ever.

Currently, the advisory commission has a budget of less than \$500,000 and it has returned an average of \$75,000 to the taxpayers in each of the last three years. Certainly, American taxpayers are getting their money's worth. For more than 50 years, the advisory commission and its predecessor bodies have issued several intelligent and thoughtful reports in which relevant public diplomacy issues have been examined and recommendations delivered to the American public, the Congress and the U.S. Information Agency, which will be merged into the Department of State later this year.

For example, the advisory commission helped USIA expand its research and program evaluation to target information to women's and labor groups abroad during the 1960s and 1970s. Furthermore, it helped improve Voice of America programming and signal delivery, in addition to direct broadcast satellite research. Without question, the advisory commission's contributions in these areas have gone a long way to help the United States communicate its message to the rest of the world regarding democracy, human rights, free market principles, as well as other traditional American values.

In the 1980s, the commission broke new ground when it released a special report entitled "Terrorism and Security: The Challenge for Public Diplomacy," which recommended ways to make the difficult and dedicate balance between the need to protect our diplomats and overseas installations and the need to reach out to overseas publics. It has done so again in the 1990s by focusing on a new diplomacy for the information age.

Mr. Chairman, our country enjoys a considerable "edge" in public diplomacy, both in reaching publics through advanced technology and in communicating our message of democracy, human rights, free markets as well as ethnic and cultural diversity. Clearly, it is to our advantage to use that edge. In the post-Cold war era of instant global journalism and people power, foreign public opinion is critical to the success of American foreign policy initiatives. The advisory commission's reports illustrate how the increase in global communications and technology makes foreign publics far more important than ever and why we should use our advanced skills in these areas to inform, understand and influence those foreign publics.

For instance, last year's report—entitled "A New Diplomacy for the Information Age"—explains how Saddam Hussein used public diplomacy to his advantage when he shifted the focus of the world media from his arsenal of weapons of mass destruction to the tragic suffering of Iraqi children, a campaign that did nothing to help the United States build the same coalition in 1998 as assembled against Saddam's sinister regime in 1991. The advisory commission's report, which can be accessed via USIA's web page, also includes intelligent and thoughtful recommendations on how to deal with such problems in the future. I believe this represents one of the most im-

portant advisory functions of the commission, and I encourage my colleagues to read the report.

Mr. Chairman, the new State Department we have created since enacting the reorganization bill last year must be a responsive and flexible diplomatic institution that can deal as effectively with foreign publics as with foreign governments. We need the insight and experience of the advisory commission to make this transition successful and to achieve our foreign policy goals. In this age of information and democracy, of globalized free markets and the Internet, foreign publics are far more important than ever. As we are developing a new diplomacy for the 21st Century, the U.S. Advisory Commission on Public Diplomacy is of even greater constructive value to the Congress and the Administration.

Mr. Chairman, I yield back the balance of my time.

Mr. GILMAN. Mr. Chairman, I want to thank the gentleman for his supporting remarks and for his working with the majority in trying to work out this amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. GILMAN).

The amendment was agreed to.

Mr. GILMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PEASE) having assumed the chair, Mr. KOLBE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes, had come to no resolution thereon.

#### GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the following three bills that were considered today: H.R. 1033, H.R. 31, and H. Con. Res. 121.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 6 p.m.

Accordingly (at 4 o'clock and 7 minutes p.m.), the House stood in recess until approximately 6 p.m.

□ 1802

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. PETRI) at 6 o'clock and 2 minutes p.m.

#### COMMUNICATION FROM HON. J.C. WATTS, CHAIRMAN, HOUSE REPUBLICAN CONFERENCE

The SPEAKER pro tempore laid before the House the following communication from the Honorable J.C. WATTS, Chairman of the House Republican Conference:

HOUSE REPUBLICAN CONFERENCE,  
Washington, DC, July 19, 1999.

Hon. J. DENNIS HASTERT,  
Speaker, House of Representatives,  
Washington, DC.

DEAR MR. SPEAKER: This is to inform you that pursuant to clause 5(b) of rule X, Representative Michael P. Forbes is no longer a member of the Republican Conference.

Sincerely,

J.C. WATTS, Jr.,  
Chairman.

#### COMMUNICATION FROM THE SPEAKER

The SPEAKER pro tempore laid before the House the following communication from the Speaker of the House of Representatives:

THE SPEAKER'S ROOMS,  
HOUSE OF REPRESENTATIVES,  
Washington, DC, July 19, 1999.

Hon. C.W. BILL YOUNG,  
Chairman, Committee on Appropriations,  
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This is to advise you that Representative MICHAEL P. FORBES' election to the Committee on Appropriations has been automatically vacated pursuant to clause 5(b) of rule X effective today.

Sincerely,

J. DENNIS HASTERT,  
Speaker of the House of Representatives.

#### COMMUNICATION FROM THE SPEAKER

The SPEAKER pro tempore laid before the House the following communication from the Speaker of the House of Representatives:

THE SPEAKER'S ROOMS,  
HOUSE OF REPRESENTATIVES,  
Washington, DC, July 19, 1999.

Hon. JAMES M. TALENT,  
Chairman, Committee on Small Business,  
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This is to advise you that Representative Michael P. Forbes' election to the Committee on Small Business has been automatically vacated pursuant to clause 5(b) of rule X effective today.

Sincerely,

J. DENNIS HASTERT,  
Speaker of the House of Representatives.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 8 of rule

XX, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 1033 by the yeas and nays, H. Con. Res. 121 by the yeas and nays, and H.R. 1477, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

#### LEWIS AND CLARK EXPEDITION BICENTENNIAL COMMEMORATIVE COIN ACT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 1033.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nebraska (Mr. BE-REUTER) that the House suspend the rules and pass the bill, H.R. 1033, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 381, nays 1, not voting 51, as follows:

[Roll No. 308]

#### YEAS—381

Abercrombie	Cannon	Engel
Ackerman	Capps	English
Aderholt	Capuano	Eshoo
Archer	Cardin	Etheridge
Armey	Carson	Evans
Bachus	Castle	Everett
Baird	Chabot	Ewing
Baldacci	Chambliss	Farr
Baldwin	Clay	Fattah
Ballenger	Clayton	Filner
Barcia	Clement	Fletcher
Barr	Clyburn	Foley
Barrett (WI)	Coburn	Forbes
Bartlett	Combust	Ford
Barton	Condit	Frank (MA)
Bass	Conyers	Franks (NJ)
Bateman	Cook	Frelinghuysen
Becerra	Costello	Frost
Bentsen	Cox	Gallegly
Bereuter	Coyne	Ganske
Berkley	Cramer	Gejdenson
Berry	Crane	Gekas
Biggert	Cubin	Gephardt
Bilbray	Cummings	Gibbons
Bilirakis	Cunningham	Gillchrest
Bishop	Davis (FL)	Gillmor
Blagojevich	Davis (IL)	Gilman
Bliley	Davis (VA)	Gonzalez
Blumenauer	Deal	Goode
Blunt	DeFazio	Goodlatte
Boehlert	DeGette	Goodling
Boehner	Delahunt	Gordon
Bonilla	DeLauro	Goss
Bonior	DeLay	Graham
Bono	DeMint	Granger
Borski	Deutsch	Green (TX)
Boswell	Diaz-Balart	Green (WI)
Boucher	Dickey	Greenwood
Boyd	Dicks	Gutknecht
Brady (PA)	Dingell	Hall (OH)
Brady (TX)	Dixon	Hall (TX)
Brown (OH)	Doggett	Hansen
Bryant	Dooley	Hastings (FL)
Burr	Doolittle	Hastings (WA)
Burton	Doyle	Hayworth
Buyer	Dreier	Hefley
Callahan	Duncan	Herger
Calvert	Dunn	Hill (IN)
Camp	Ehlers	Hill (MT)
Campbell	Ehrlich	Hilleary
Canady	Emerson	Hilliard

Hinojosa	McKinney	Schakowsky
Hobson	McNulty	Scott
Hoefel	Meehan	Sensenbrenner
Hoekstra	Meek (FL)	Serrano
Holden	Menendez	Shadegg
Holt	Metcalfe	Shaw
Hooley	Mica	Shays
Horn	Millender-	Sherman
Hostettler	McDonald	Sherwood
Hoyer	Miller (FL)	Shimkus
Hulshof	Miller, Gary	Shows
Hunter	Miller, George	Shuster
Hutchinson	Minge	Simpson
Hyde	Mink	Sisisky
Inslee	Moakley	Skeen
Isakson	Moran (KS)	Skelton
Istook	Moran (VA)	Slaughter
Jackson (IL)	Morella	Smith (MI)
Jackson-Lee	Murtha	Smith (NJ)
(TX)	Myrick	Smith (WA)
Jenkins	Nadler	Snyder
John	Napolitano	Souder
Johnson, E.B.	Nethercutt	Spence
Johnson, Sam	Ney	Spratt
Jones (NC)	Northup	Stabenow
Jones (OH)	Nussle	Stark
Kanjorski	Oberstar	Stearns
Kaptur	Obey	Stenholm
Kasich	Ortiz	Strickland
Kelly	Ose	Stump
Kildee	Oxley	Stupak
Kilpatrick	Packard	Sununu
Kind (WI)	Pallone	Talent
King (NY)	Pascarell	Tancred
Kingston	Pastor	Tanner
Klecza	Payne	Tauscher
Knollenberg	Pease	Taylor (MS)
Kolbe	Pelosi	Terry
Kucinich	Peterson (MN)	Thomas
Kuykendall	Petri	Thompson (CA)
LaFalce	Phelps	Thompson (MS)
LaHood	Pickering	Thornberry
Lampson	Pickett	Thune
Lantos	Pitts	Tiahrt
Largent	Pombo	Tierney
Latham	Pomeroy	Traficant
LaTourette	Portman	Turner
Lazio	Price (NC)	Udall (CO)
Leach	Quinn	Udall (NM)
Lee	Radanovich	Upton
Levin	Rahall	Velazquez
Lewis (CA)	Ramstad	Vento
Lewis (KY)	Rangel	Visclosky
Linder	Regula	Vitter
Lipinski	Reyes	Walden
LoBiondo	Reynolds	Walsh
LoGren	Riley	Wamp
Lowey	Rivers	Waters
Lucas (KY)	Rodriguez	Watkins
Lucas (OK)	Roemer	Watt (NC)
Luther	Rogan	Watts (OK)
Maloney (CT)	Rogers	Waxman
Maloney (NY)	Rohrabacher	Weldon (FL)
Manzullo	Ros-Lehtinen	Weldon (PA)
Markey	Rothman	Weller
Martinez	Roukema	Wexler
Mascara	Roybal-Allard	Weygand
Matsui	Royce	Whitfield
McCarthy (MO)	Ryan (WI)	Wicker
McCarthy (NY)	Sabo	Wilson
McCollum	Salmon	Wolf
McCrery	Sandlin	Woolsey
McGovern	Sanford	Wu
McHugh	Sawyer	Wynn
McInnis	Saxton	Young (AK)
McIntyre	Scarborough	Young (FL)
McKeon	Schaffer	

#### NAYS—1

Paul

#### NOT VOTING—51

Allen	Fossella	McIntosh
Andrews	Fowler	Meeks (NY)
Baker	Gutierrez	Mollohan
Barrett (NE)	Hayes	Moore
Berman	Hinchey	Neal
Brown (FL)	Houghton	Norwood
Chenoweth	Jefferson	Olver
Coble	Johnson (CT)	Owens
Collins	Kennedy	Peterson (PA)
Cooksey	Klink	Porter
Crowley	Larson	Pryce (OH)
Danner	Lewis (GA)	Rush
Edwards	McDermott	Ryun (KS)

Sanchez	Sweeney	Toomey
Sanders	Tauzin	Towns
Sessions	Taylor (NC)	Weiner
Smith (TX)	Thurman	Wise

□ 1828

So (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Ms. SANCHEZ. Mr. Speaker, during rollcall vote No. 308 on July 19, 1999, I was unavoidably detained. Had I been present, I would have voted "aye."

Mr. RYUN of Kansas. Mr. Speaker, on rollcall No. 308, I was not able to be here due to a delayed airline flight. Had I been present, I would have voted "yea."

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PETRI). Pursuant to the provisions of clause 8 of rule XX, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each additional motion to suspend the rules on which the Chair has postponed further proceedings.

#### EXPRESSING SENSE OF CONGRESS REGARDING UNITED STATES VICTORY IN THE COLD WAR AND FALL OF THE BERLIN WALL

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 121, as amended.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 121, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 381, nays 0, answered "present" 2, not voting 50, as follows:

[Roll No. 309]

#### YEAS—381

Abercrombie	Bartlett	Blagojevich
Ackerman	Barton	Bliley
Aderholt	Bass	Blumenauer
Archer	Bateman	Blunt
Armey	Becerra	Boehlert
Bachus	Bentsen	Boehner
Baird	Bereuter	Bonilla
Baldacci	Berkley	Bonior
Baldwin	Berry	Bono
Ballenger	Biggert	Borski
Barcia	Bilbray	Boswell
Barr	Bilirakis	Boucher
Barrett (WI)	Bishop	Boyd

Brady (PA)	Graham	Menendez	Souder	Thompson (MS)	Watt (NC)	Baird	English	Leach
Brady (TX)	Green (TX)	Metcalf	Spence	Thornberry	Watts (OK)	Baldacci	Eshoo	Lee
Brown (OH)	Green (WI)	Mica	Spratt	Thune	Waxman	Baldwin	Etheridge	Levin
Bryant	Greenwood	Millender-	Stabenow	Tiahrt	Weiner	Ballenger	Evans	Lewis (CA)
Burr	Gutknecht	McDonald	Stark	Tierney	Weldon (FL)	Barcia	Everett	Lewis (KY)
Burton	Hall (OH)	Miller (FL)	Stearns	Trafigant	Weldon (PA)	Barr	Ewing	Linder
Buyer	Hall (TX)	Miller, Gary	Stenholm	Turner	Weller	Barrett (WI)	Farr	Lipinski
Callahan	Hansen	Miller, George	Strickland	Udall (CO)	Wexler	Bartlett	Fattah	LoBiondo
Calvert	Hastings (FL)	Minge	Stump	Udall (NM)	Weygand	Barton	Filner	Lofgren
Camp	Hastings (WA)	Mink	Stupak	Upton	Whitfield	Bass	Fletcher	Lowey
Campbell	Hayworth	Moakley	Sununu	Velazquez	Wicker	Bateman	Foley	Lucas (KY)
Canady	Hefley	Moran (KS)	Talent	Vento	Wilson	Becerra	Forbes	Lucas (OK)
Cannon	Herger	Moran (VA)	Tancredo	Visclosky	Wolf	Bentsen	Ford	Luther
Capps	Hill (IN)	Morella	Tanner	Vitter	Woolsey	Bereuter	Frank (MA)	Maloney (CT)
Capuano	Hill (MT)	Murtha	Tauscher	Walden	Wu	Berkley	Franks (NJ)	Maloney (NY)
Cardin	Hilleary	Myrick	Taylor (MS)	Walsh	Wynn	Berry	Frelinghuysen	Manzullo
Carson	Hilliard	Nadler	Terry	Wamp	Young (AK)	Biggert	Frost	Markey
Castle	Hinojosa	Napolitano	Thomas	Waters	Young (FL)	Bilbray	Gallegly	Martinez
Chabot	Hobson	Nethercutt	Thompson (CA)	Watkins		Bilirakis	Ganske	Mascara
Chambliss	Hoeffel	Ney				Bishop	Gejdenson	Matsui
Clay	Hoekstra	Northup				Blagojevich	Gekas	McCarthy (MO)
Clayton	Holden	Nussle	Kucinich	Lee		Bliley	Gephardt	McCarthy (NY)
Clement	Holt	Oberstar				Blumenauer	Gibbons	McCollum
Clyburn	Hooley	Obey				Blunt	Gilchrest	McCrery
Coburn	Horn	Ortiz	Allen	Hayes	Owens	Boehlert	Gillmor	McGovern
Combust	Hostettler	Ose	Andrews	Hinchey	Peterson (PA)	Boehner	Gilman	McHugh
Condit	Hoyer	Oxley	Baker	Houghton	Porter	Bonilla	Gonzalez	McInnis
Conyers	Hulshof	Packard	Barrett (NE)	Jefferson	Pryce (OH)	Bonior	Goode	McIntyre
Cook	Hunter	Pallone	Berman	Johnson (CT)	Ryun (KS)	Bono	Goodlatte	McKeon
Costello	Hutchinson	Pascrell	Brown (FL)	Kennedy	Sanchez	Borski	Goodling	McKinney
Cox	Hyde	Pastor	Chenoweth	Klink	Sanders	Boswell	Gordon	McNulty
Coyne	Inslee	Paul	Coble	Larson	Sessions	Boucher	Goss	Meehan
Cramer	Isakson	Payne	Collins	Lewis (GA)	Smith (TX)	Boyd	Graham	Meek (FL)
Crane	Istook	Pease	Cooksey	McDermott	Sweeney	Brady (PA)	Granger	Menendez
Cubin	Jackson (IL)	Pelosi	Crowley	McIntosh	Tauzin	Brady (TX)	Green (TX)	Metcalf
Cummings	Jackson-Lee	Peterson (MN)	Danner	Meeks (NY)	Taylor (NC)	Brown (OH)	Green (WI)	Mica
Cunningham	(TX)	Petri	Edwards	Mollohan	Thurman	Bryant	Greenwood	Millender-
Davis (FL)	Jenkins	Phelps	Fossella	Moore	Toomey	Burr	Gutknecht	McDonald
Davis (IL)	John	Pickering	Fowler	Neal	Towns	Burton	Hall (OH)	Miller (FL)
Davis (VA)	Johnson, E.B.	Pickett	Granger	Norwood	Wise	Buyer	Hall (TX)	Miller, Gary
Deal	Johnson, Sam	Pitts	Gutierrez	Oliver		Callahan	Hansen	Miller, George
DeFazio	Jones (NC)	Pombo				Calvert	Hastings (FL)	Minge
DeGette	Jones (OH)	Pomeroy				Camp	Hastings (WA)	Mink
Delahunt	Kanjorski	Portman				Campbell	Hayworth	Moakley
DeLauro	Kaptur	Price (NC)				Canady	Hefley	Moran (KS)
DeLay	Kasich	Quinn				Cannon	Herger	Moran (VA)
DeMint	Kelly	Radanovich				Capps	Hill (IN)	Morella
Deutsch	Kildee	Rahall				Capuano	Hill (MT)	Murtha
Diaz-Balart	Kilpatrick	Ramstad				Cardin	Hilleary	Myrick
Dickey	Kind (WI)	Rangel				Castle	Hilliard	Nadler
Dicks	King (NY)	Regula				Chabot	Hinojosa	Napolitano
Dingell	Kingston	Reyes				Chambliss	Hobson	Nethercutt
Dixon	Klecza	Reynolds				Clay	Hoeffel	Ney
Doggett	Knollenberg	Riley				Clayton	Hoekstra	Northup
Dooley	Kolbe	Rivers				Clement	Holden	Nussle
Doolittle	Kuykendall	Rodriguez				Clyburn	Holt	Oberstar
Doyle	LaFalce	Roemer				Coburn	Hooley	Obey
Dreier	LaHood	Rogan				Combust	Horn	Ortiz
Duncan	Lampson	Rogers				Condit	Hostettler	Ose
Dunn	Lantos	Rohrabacher				Conyers	Hoyer	Owens
Ehlers	Largent	Ros-Lehtinen				Cook	Hulshof	Oxley
Ehrlich	Latham	Rothman				Costello	Hyde	Packard
Emerson	LaTourette	Roukema				Cox	Inslee	Pallone
Engel	Lazio	Roybal-Allard				Coyne	Isakson	Pascrell
English	Leach	Royce				Cramer	Istook	Pastor
Eshoo	Levin	Rush				Crane	Jackson (IL)	Paul
Etheridge	Lewis (CA)	Ryan (WI)				Cubin	Jackson-Lee	Payne
Evans	Lewis (KY)	Sabo				Cummings	(TX)	Pease
Everett	Linder	Salmon				Cunningham	Jenkins	Pelosi
Ewing	Lipinski	Sandlin				Davis (FL)	John	Peterson (MN)
Farr	LoBiondo	Sanford				Davis (IL)	Johnson, E.B.	Petri
Fattah	Lofgren	Sawyer				Davis (VA)	Johnson, Sam	Phelps
Filner	Lowey	Saxton				Deal	Jones (NC)	Pickering
Fletcher	Lucas (KY)	Scarborough				DeFazio	Jones (OH)	Pickett
Foley	Lucas (OK)	Schaffer				DeGette	Kanjorski	Pitts
Forbes	Luther	Schakowsky				Delahunt	Kaptur	Pombo
Ford	Maloney (CT)	Scott				DeLauro	Kasich	Pomeroy
Frank (MA)	Maloney (NY)	Sensenbrenner				DeLay	Kelly	Portman
Franks (NJ)	Manzullo	Serrano				DeMint	Kildee	Price (NC)
Frelinghuysen	Markey	Shadegg				Deutsch	Kilpatrick	Quinn
Frost	Martinez	Shaw				Diaz-Balart	Kind (WI)	Radanovich
Gallegly	Mascara	Shays				Dickey	King (NY)	Rahall
Ganske	Matsui	Sherman				Dicks	Kingston	Ramstad
Gejdenson	McCarthy (MO)	Sherwood				Dingell	Klecza	Rangel
Gekas	McCarthy (NY)	Shimkus				Dixon	Knollenberg	Regula
Gephardt	McCollum	Shows				Doggett	Kolbe	Reyes
Gibbons	McCrery	Shuster				Dooley	Kucinich	Reynolds
Gilchrest	McGovern	Simpson				Doolittle	Kuykendall	Riley
Gillmor	McHugh	Sisisky				Doyle	LaFalce	Rivers
Gilman	McInnis	Skeen				Dreier	LaHood	Rodriguez
Gonzalez	McIntyre	Skelton				Duncan	Lampson	Roemer
Goode	McKeon	Slaughter				Dunn	Lantos	Rogan
Goodlatte	McKinney	Smith (MI)				Ehlers	Largent	Rogers
Goodling	McNulty	Smith (NJ)				Ehrlich	Latham	Rohrabacher
Gordon	Meehan	Smith (WA)				Emerson	LaTourette	Ros-Lehtinen
Goss	Meek (FL)	Snyder				Engel	Lazio	Rothman

## ANSWERED "PRESENT"—2

## NOT VOTING—50

## □ 1836

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Ms. SANCHEZ, Mr. Speaker during rollcall vote No. 309 on July 19, 1999, I was unavoidably detained. Had I been present, I would have voted "aye."

Mr. RYUN of Kansas. Mr. Speaker, on rollcall No. 309, I was not able to be here due to a delayed airline flight. Had I been present, I would have voted "yea."

## IRAN NUCLEAR PROLIFERATION PREVENTION ACT OF 1999

The SPEAKER pro tempore (Mr. PETRI). The pending business is the question of suspending the rules and passing the bill, H.R. 1477.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and pass the bill, H.R. 1477, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 383, nays 1, not voting 49, as follows:

[Roll No. 310]

YEAS—383

Abercrombie	Aderholt	Armey
Ackerman	Archer	Bachus

Roukema	Smith (MI)	Udall (NM)
Roybal-Allard	Smith (NJ)	Upton
Royce	Smith (WA)	Velazquez
Rush	Snyder	Vento
Ryan (WI)	Souder	Visclosky
Sabo	Spence	Vitter
Salmon	Spratt	Walden
Sandlin	Stabenow	Walsh
Sanford	Stark	Wamp
Sawyer	Stearns	Waters
Saxton	Stenholm	Watkins
Scarborough	Strickland	Watt (NC)
Schaffer	Stump	Watts (OK)
Schakowsky	Stupak	Waxman
Scott	Sununu	Weiner
Sensenbrenner	Talent	Weldon (FL)
Serrano	Tancred	Weldon (PA)
Sessions	Tanner	Weller
Shadegg	Tauscher	Wexler
Shaw	Taylor (MS)	Weygand
Shays	Terry	Whitfield
Sherman	Thomas	Wicker
Sherwood	Thompson (CA)	Wilson
Shimkus	Thompson (MS)	Wolf
Shows	Thornberry	Woolsey
Shuster	Thune	Wu
Simpson	Tiahrt	Wynn
Sisisky	Tierney	Young (AK)
Skeen	Trafigant	Young (FL)
Skelton	Turner	
Slaughter	Udall (CO)	

## NAYS—1

Carson

## NOT VOTING—49

Allen	Hinchey	Oliver
Andrews	Houghton	Peterson (PA)
Baker	Hunter	Porter
Barrett (NE)	Hutchinson	Pryce (OH)
Berman	Jefferson	Ryun (KS)
Brown (FL)	Johnson (CT)	Sanchez
Chenoweth	Kennedy	Sanders
Coble	Klink	Smith (TX)
Collins	Larson	Sweeney
Cooksey	Lewis (GA)	Tauzin
Crowley	McDermott	Taylor (NC)
Danner	McIntosh	Thurman
Edwards	Meeks (NY)	Toomey
Fossella	Mollohan	Towns
Fowler	Moore	Wise
Gutierrez	Neal	
Hayes	Norwood	

## □ 1843

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Ms. SANCHEZ. Mr. Speaker, during rollcall vote No. 310, I was unavoidably detained. Had I been present, I would have voted "aye."

Mr. RYUN of Kansas. Mr. Speaker, on rollcall No. 310, I was not able to be here due to a delayed airline flight. Had I been present, I would have voted "yea."

#### AMERICAN EMBASSY SECURITY ACT OF 1999

The SPEAKER pro tempore. Pursuant to House Resolution 247 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2415.

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2415) to enhance security of United

States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes, with Mr. MILLER of Florida (Chairman pro tempore) in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose earlier today, amendment number 1 printed in part A of House Report 106-235 offered by the gentleman from New York (Mr. GILMAN) had been disposed of.

## □ 1845

AMENDMENTS EN BLOC OFFERED BY MR. GILMAN

Mr. GILMAN. Mr. Chairman, pursuant to the authority granted in H. Res. 247, I offer amendments en bloc.

The CHAIRMAN pro tempore (Mr. MILLER of Florida). The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Part B amendments en bloc offered by Mr. GILMAN, consisting of the following:

Amendment No. 5 offered by Mr. CAPUANO: Page 12, after line 4, insert the following:

(F) INTERNATIONAL RAPE COUNSELING PROGRAM.—Of the amounts authorized to be appropriated in paragraph (1), \$2,500,000 for the fiscal year 2000 are authorized to be appropriated only for a United States based rape counseling program for assistance to women who have been victimized by the systematic use of rape as a weapon in times of conflict and war.

Amendment No. 7 offered by Mr. SANDERS: Page 15, after line 20, insert the following:

(6) ISRAEL-ARAB PEACE PARTNERS PROGRAM.—Of the amounts authorized to be appropriated under clause (i), \$1,500,000 for the fiscal year 2000 is authorized to be available only for people-to-people activities (with a focus on young people) to support the Middle East peace process involving participants from Israel, the Palestinian Authority, Arab countries, and the United States, to be known as the "Israel-Arab Peace Partners Program". Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall submit a plan to the Committee on International Relations of the House of Representatives for implementation of such program. The Secretary shall not implement the plan until 45 days after its submission to the Committee.

Amendment No. 14 offered by Mr. SANDERS: Page 35, after line 9, insert the following:

#### SEC 211. GENDER RELATED PERSECUTION TASK FORCE.

(a) ESTABLISHMENT OF TASK FORCE.—The Secretary of State, in consultation with other Federal agencies, shall establish a task force with the goal of determining eligibility guidelines for women seeking refugee status overseas due to gender-related persecution (including but not limited to domestic and workplace violence and female genital mutilation).

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary of State shall prepare and submit to the Congress a report outlining the guidelines determined by the task force under subsection (a).

Amendment No. 17 offered by Mr. ANDREWS:

Page 46, after line 22, insert the following:

#### SEC. 257. DENIAL OF PASSPORTS TO NONCUSTODIAL PARENTS SUBJECT TO STATE ARREST WARRANTS IN CASES OF NONPAYMENT OF CHILD SUPPORT.

The Secretary of State is authorized to refuse a passport or revoke, restrict, or limit a passport in any case in which the Secretary of State determines, or is informed by competent authority, that the applicant or passport holder is a noncustodial parent who is the subject of an outstanding State warrant of arrest for nonpayment of child support, where the amount in controversy is not less than \$2,500.

Amendment No. 19 offered by Mr. EHLERS: Page 57, after line 18, insert the following:

#### SEC. 303. SCIENCE AND TECHNOLOGY ADVISER TO SECRETARY OF STATE.

(a) ESTABLISHMENT OF POSITION.—Section 1 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a) is amended by adding at the end the following new subsection:

"(g) SCIENCE AND TECHNOLOGY ADVISER.—

"(1) IN GENERAL.—There shall be within the Department of State a Science and Technology Adviser (in this paragraph referred to as the 'Adviser'). The Adviser shall have substantial experience in the area of science and technology. The Adviser shall report to the Secretary of State through the Under Secretary of State for Global Affairs.

"(2) DUTIES.—The Adviser shall—

"(A) advise the Secretary of State, through the Under Secretary of State for Global Affairs, on international science and technology matters affecting the foreign policy of the United States; and

"(B) perform such duties, exercise such powers, and have such rank and status as the Secretary of State shall prescribe."

(b) REPORT.—Not later than six months after receipt by the Secretary of State of the report by the National Research Council of the National Academy of Sciences with respect to the contributions that science, technology, and health matters can make to the foreign policy of the United States, the Secretary of State, acting through the Under Secretary of State for Global Affairs, shall submit a report to Congress setting forth the Secretary of State's plans for implementation, as appropriate, of the recommendations of the report.

Amendment No. 20 offered by Mrs. CAPPS:

Page 68, after line 20, insert the following:

(c) SCHOLARSHIPS FOR PRESERVATION OF TIBET'S CULTURE, LANGUAGE, AND RELIGION.—Section 103(b)(1) of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1966 (Public Law 104-319; 22 U.S.C. 2151 note) is further amended by striking "Tibet," and inserting "Tibet (whenever practical giving consideration to individuals who are active in the preservation of Tibet's culture, language, and religion)."

Amendment No. 21 offered by Mr. ENGEL:

Page 75, line 7, strike "The Secretary of State" and insert "(a) IN GENERAL.—Except as provided in subsection (b), the Secretary of State".

"Page 75, line 8, strike "that members" and insert "the following:

(1) Members".

Page 75, beginning on line 13, strike "unless" and insert a period.

Page 75, after line 13, insert the following:

(2) Items designated as crime control and detection instruments and equipment for purposes of section 6(n) of the Export Administration Act (50 U.S.C. app. 2405(n)) are not approved for export for use by the RUC.

Page 75, line 14, strike "the President" and insert the following:

"(b) EXCEPTION.—Subsection (a) shall not apply if the President".

Page 75, beginning on line 20, strike "in which case" and all that follows through line 21 and insert a period.

Amendment No. 38 offered by Mr. ENGEL:

Page 84, after line 16, add the following (and conform the table of contents accordingly):

**SEC. 703. RECOGNITION OF THE MAGEN DAVID ADOM SOCIETY IN ISRAEL AS A FULL MEMBER OF THE INTERNATIONAL RED CROSS AND RED CRESCENT MOVEMENT.**

(a) FINDINGS.—The Congress finds the following:

(1) It is the mission of the International Red Cross and Red Crescent Movement to prevent and alleviate human suffering, wherever it may be found, without discrimination

(2) The International Red Cross and Red Crescent Movement is a worldwide institution in which all National Red Cross and Red Crescent Societies have equal status and share equal responsibilities.

(3) The state of Israel has ratified the Geneva Conventions which govern the International Red Cross and Red Crescent Movement.

(4) The Magen David Adom Society is the national humanitarian society in the state of Israel.

(5) The Magen David Adom Society follows all the principles of the International Red Cross and Red Crescent Movement.

(6) Since the founding of the Magen David Adom Society in 1930, the American Red Cross has regarded it as a sister national society and close working ties have been established between the two societies.

(7) The Magen David Adom Society is excluded from full membership in the International Conference of the Red Cross and Red Crescent Movement solely because the Society is not an official protective symbol recognized by either the Geneva Conventions governing the International Red Cross and Red Crescent Movement or the Statutes of the International Red Cross and Red Crescent Movement.

(8) During the past 25 years the American Red Cross has consistently advocated recognition and membership of the Magen David Adom Society in the International Red Cross and Red Crescent Movement.

(9) The state of Israel has unsuccessfully tried in the past to amend the Geneva Conventions to allow for the emblematic recognition of the Magen David Adom Society.

(10) Recognition of the Magen David Adom Society in Israel as a member of the International Red Cross and Red Crescent Movement would help fortify the spirit of goodwill in the Middle East peace process.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the President should, at the earliest possible date, enlist the cooperation of all nations that are signatory to the Geneva Conventions to ensure that the recognition of the Magen David Adom Society in Israel as a full member of the International Red Cross and Red Crescent Movement is resolved at the forthcoming 27th International Conference of the Red Cross and Red Crescent; and

(2) the President should support a resolution by that Conference requesting the International Committee of the Red Cross to waive on an exceptional basis the 5th condition of recognition in article 4 of its Statutes of the Movement, thus enabling the full par-

ticipation of the Magen David Adom Society as a member of the International Red Cross and Red Crescent Movement.

Amendment No. 39 offered by Mr. DELAHUNT:

Page 84, after line 16, add the following (and conform the table of contents accordingly):

**SEC. 703. ANNUAL REPORTING ON WAR CRIMES, CRIMES AGAINST HUMANITY, AND GENOCIDE.**

(a) SECTION 116 OF FOREIGN ASSISTANCE ACT OF 1961.—Section 116(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(d)) is amended—

(1) in paragraph (6), by striking "and" at the end;

(2) in paragraph (7), by striking the period at the end and inserting "and"; and

(3) by adding at the end the following:

"(8) wherever applicable, consolidated information regarding the commission of war crimes, crimes against humanity, and evidence of acts that may constitute genocide."

(b) SECTION 502B OF THE FOREIGN ASSISTANCE ACT OF 1961.—Section 502B(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2304(b)) is amended by inserting after the first sentence the following: "Wherever applicable, such report shall include consolidated information regarding the commission of war crimes, crimes against humanity, and evidence of acts that may constitute genocide."

The CHAIRMAN pro tempore. The Clerk will report the amendments, as modified.

The Clerk read as follows:

Amendment No. 9, as modified, offered by Mr. ROHRABACHER:

Page 34, strike line 18, and all that follows through line 9 on page 35, and insert the following:

**SEC. 210. EFFECTIVE REGULATION OF SATELLITE EXPORT ACTIVITIES.**

(a) LICENSING REGIME.—

(1) ESTABLISHMENT.—The Secretary of State shall establish a regulatory regime for the licensing for export of commercial satellites, satellite technologies, their components, and systems which shall include expedited approval, as appropriate, of the licensing for export by United States companies of commercial satellites, satellite technologies, their components, and systems, to NATO allies, major non-NATO allies, and other friendly countries, but not to the Peoples Republic of China.

(2) REQUIREMENTS.—For proposed exports to those nations which meet the requirements of paragraph (1) above, the regime should include expedited processing of requests for export authorizations that—

(A) are time-critical, including a transfer or exchange of information relating to a satellite failure or anomaly in-flight or on-orbit;

(B) are required to submit bids to procurements offered by foreign persons;

(C) relate to the re-export of unimproved materials, products, or data; or

(D) are required to obtain launch and on-orbit insurance.

(b) FINANCIAL AND PERSONNEL RESOURCES.—Of the funds authorized to be appropriated in section 101(1)(A), \$11,000,000 is authorized to be appropriated for the Office of Defense Trade Controls for fiscal year 2000, to enable that office to carry out its responsibilities.

(c) IMPROVEMENT AND ASSESSMENT.—The Secretary shall, not later than six months

after the date of enactment of this Act, submit to the Congress a plan for—

(1) continuously gathering industry and public suggestions for potential improvements in the State Department's export control regime for commercial satellites; and

(2) arranging for the conduct and submission to Congress, not later than 15 months after the date of enactment of this Act, an independent review of the export control regime for commercial satellites as to its effectiveness at promoting national security and economic competitiveness.

Amendment No. 12, as modified, offered by Mr. ROHRABACHER:

Page 35, after line 9, insert the following:

**SEC. 211. REPORT CONCERNING ATTACK IN CAMBODIA.**

Not later than 30 days after the date of the enactment of this Act, and every 6 months thereafter until the investigation referred to in this section is completed, the Secretary of State, in consultation with the Attorney General, shall submit a report to the appropriate congressional committees, in classified and unclassified form, containing the most current information on the investigation into the March 30, 1997, grenade attack in Cambodia, including a discussion of communication between the United States Embassy in Phnom Penh and Washington.

Amendment No. 16, as modified, offered by Mr. SALMON:

Page 46, after line 22, insert the following new section:

**SEC. 257. REPORT ON TERRORIST ACTIVITY IN WHICH UNITED STATES CITIZENS WERE KILLED AND RELATED MATTERS.**

(a) IN GENERAL.—Not later than six months after the date of enactment of this Act, and every 6 months thereafter, the Secretary of State shall prepare and submit a report, with a classified annex as necessary, to the appropriate congressional committees regarding terrorist attacks in Israel, in territory administered by Israel, and in territory administered by the Palestinian Authority.

(b) CONTENTS.—Each report under subsection (a) shall contain the following information:

(1) A list of formal commitments the Palestinian Authority has made to combat terrorism.

(2) A list of terrorist attacks, occurring between September 13, 1993 and the date of the report, against United States citizens in Israel, in territory administered by Israel, or in territory administered by the Palestinian Authority, including—

(A) a list of all citizens of the United States killed or injured in such attacks;

(B) the date of each attack and the total number of people killed or injured in each attack;

(C) the person or group claiming responsibility for the attack and where such person or group has found refuge or support;

(D) a list of suspects implicated in each attack and the nationality of each suspect, including information on—

(i) which suspects are in the custody of the Palestinian Authority and which suspects are in the custody of Israel;

(ii) which suspects are still at large in areas controlled by the Palestinian Authority or Israel; and

(iii) the whereabouts (or suspected whereabouts) of suspects implicated in each attack.

(3) Of the suspects implicated in the attacks described in paragraph (2) and detained



by Palestinian or Israeli authorities, information on—

(A) the date each suspect was incarcerated;

(B) whether any suspects have been released, the date of such release, and whether any released suspect was implicated in subsequent acts of terrorism; and

(C) the status of each case pending against a suspect, including information on whether the suspect has been indicted, prosecuted, or convicted by the Palestinian Authority or Israel.

(4) The policy of the Department of State with respect to offering rewards for information on terrorist suspects, including any information on whether a reward has been posted for suspects involved in terrorist attacks listed in the report.

(5) A list of each request by the United States for assistance in investigating terrorist attacks listed in the report, a list of each request by the United States for the transfer of terrorist suspects from the Palestinian Authority and Israel since September 13, 1993, and the response to each request from the Palestinian Authority and Israel.

(6) A description of efforts made by United States officials since September 13, 1993, to bring to justice perpetrators of terrorist acts against United States citizens as listed in the report.

(7) A list of any terrorist suspects in each such case who are members of Palestinian police or security forces, the Palestine Liberation Organization, or any Palestinian governing body.

(c) CONSULTATION WITH OTHER DEPARTMENTS.—In preparing each report required by this section, the Secretary of State shall consult and coordinate with all other Government officials who have information necessary to complete the report. Nothing contained in this section shall require the disclosure, on a classified or unclassified basis, of information that would jeopardize sensitive sources and methods or other vital national security interests or jeopardize ongoing criminal investigations or proceedings.

(d) INITIAL REPORT.—The initial report filed under this section shall cover the period between September 13, 1993, and the date of the report.

(e) APPROPRIATE CONGRESSIONAL COMMITTEES.—For purposes of this section, the term "appropriate congressional committee" means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

Amendment No. 40, as modified, offered by Mr. HALL of Ohio:

Page 84, after line 16, insert the following:  
**SEC. 703. SENSE OF CONGRESS SUPPORTING HUMANITARIAN ASSISTANCE TO THE PEOPLE OF BURMA.**

It is the sense of the Congress that the United States Government should support humanitarian assistance that is targeted to the people of Burma and does not support the State Peace and Development Council (SPDC) and is only implemented and monitored by international or private voluntary organizations that are independent of the SPDC.

Mr. GILMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendments, as modified, be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from New York (Mr. GILMAN) and the gentleman from Connecticut (Mr. GEJDENSON) each will control 10 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to thank our colleagues who have agreed to place their amendments in this en bloc amendment. This is the product of a bipartisan effort to incorporate amendments and to expedite consideration of H.R. 2415, the American Embassy Security Act.

As the Clerk read, we have included 13 amendments in this en bloc. These amendments make improvements such as adding the reporting of genocide to the Human Rights Reports, the establishment of a qualified science advisor to the State Department, requiring a report on the grenade attack in Cambodia, requiring a report outlining terrorists attacks in Israel, and establishing an Israel-Arab Peace Partners program.

The report on terrorist attacks is important because it allows killers of American citizens to be brought to justice. It is important to the conduct of our foreign policy and to the oversight of our foreign aid that Congress know whether an entity receiving assistance is cooperating in the apprehension of those who kill and maim our U.S. citizens in terrorist incidents.

We welcome the contributions these Members are making to this bill, and I urge support to the en bloc amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. GEJDENSON. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. Mr. Chairman, in 1976 Congress passed legislation mandating the State Department to produce reports on human rights practices in countries around the world. To the credit of the State Department, these reports have become the most accepted and widely used resource for highlighting human rights abuses and have become invaluable to the work of any individual or any organization serious about protecting human rights.

Additionally, they have become a critical component in fashioning our own bilateral relationships with foreign governments. They also help us to determine how we should exercise our influence in multilateral organizations such as the IMF and the World Bank.

However, the reports are not presently required to provide information on crimes against humanity, war crimes, or evidence of acts that may constitute genocide in a manner that most clearly profiles these most serious, I would submit, of human rights abuses.

This amendment would address that omission and would mandate inclusion of such information in a separate section of the annual country reports. I would submit that evidence of acts of genocide should be particularly noted, as I would submit that genocide represents the ultimate violation of human rights.

In fact, many of us in this Chamber were convinced to support the administration's policy in Kosovo based upon our concern that Milosevic's targeting of Albanians for ethnic cleansing would lead to another Holocaust.

I urge support of this amendment.

Mr. Chairman, in 1976 Congress passed legislation mandating the State Department to produce reports on human rights practices in countries around the world. To the State Department's credit, these reports have become the most accepted and widely-used resource for highlighting human rights abuses and have become invaluable to the work of any individual or organization serious about protecting human rights. Additionally, they have become a critical component in fashioning our own bilateral relationships with foreign governments. They also help us to determine how we should use our influence in multilateral organizations such as the IMF and the World Bank.

However, the reports are not presently required to provide information on crimes against humanity, war crimes, or evidence of acts that may constitute genocide in a manner that most clearly profiles these most serious of human rights abuses. This amendment would address that omission and would mandate inclusion of such information in a separate section in the annual country reports. Evidence of acts of genocide should be especially noted, as I would submit that genocide represents the ultimate violation of human rights.

Many of us in this chamber were convinced to support the Administration's policy in Kosovo based upon our concern that Milosevic's targeting of Albanians for ethnic cleansing would lead to another genocide. Unfortunately, in 1994 there were some in the State Department who debated whether what was happening in Rwanda constituted "genocide"—even as 800,000 people were slaughtered because of their ethnic origin. This House passed a Concurrent Resolution on June 15, condemning the genocidal acts and crimes against humanity committed by the Government of Sudan. And yet this year's country report on Sudan does not call those crimes what they are. If it is a war crime, call it a war crime. If it is genocide, call it genocide.

Adoption of this amendment would focus the attention of the State Department on the issues of war crimes, crimes against humanity, and genocide in a timely manner and make that information available in a clear and unequivocal form to the family of nations. It should strengthen the genocide early warning initiative the Administration announced last year. It could save thousands—if not millions—of lives throughout the world by directing world attention to these atrocities, hopefully provoking early diplomatic intervention.

I urge my colleagues to support this amendment.

AMNESTY INTERNATIONAL USA,  
600 PENNSYLVANIA AVENUE, SE,  
Washington, DC, July 15, 1999.

Hon. WILLIAM DELAHUNT,  
1317 Longworth House Office Building,  
Washington, DC.

DEAR CONGRESSMAN DELAHUNT: I understand that you have offered an amendment that would ask the Department of State to include information on the commission of war crimes and genocide, where applicable, in its annual volume of Country Reports on Human Rights Practices. We welcome your initiative and feel that it can only serve to support the Administration's announcement last December 10th of the creation of a genocide early warning initiative.

The Department of State's annual report has become an important and very comprehensive treatment of human rights conditions which already includes reports of individual killings. However, a single murder may also amount to a war crime or represent part of a pattern of genocide which should be noted when applicable as well. Your proposal that the Department look for and report patterns of behavior amounting to genocide and war crimes is a useful one which we are confident the drafters of the annual report sections will support.

Your interest in this issue and your continued strong support for human rights are deeply appreciated.

Sincerely,

STEPHEN RICKARD,  
Legislative Director.

CENTERS FOR RELIGIOUS FREEDOM,  
Washington, DC, June 15, 1999.

Hon. WILLIAM DELAHUNT,  
U.S. House of Representatives,  
Washington, DC.

DEAR CONGRESSMAN DELAHUNT: Freedom House applauds your efforts to direct the State Department to report on genocide, crimes against humanity and war crimes on a timely basis.

Too many times the world has ignored serious evidence of genocide while it was occurring. For example, the fact that genocidal acts and crimes against humanity are being conducted by the government of Sudan, as noted in House Resolution 75 of June 15, has gone unmentioned in in the most recent State Department Human Rights Reports on country practices. Improved reporting could lead to thousands, even millions of lives, being saved. We enthusiastically support your important initiative.

Sincerely,

NINA SHEA,  
Director.

THE INTERNATIONAL CAMPAIGN  
TO END GENOCIDE  
Washington, DC, July 15, 1999.

Congressman WILLIAM D. DELAHUNT,  
Longworth House Office Building,  
Washington, DC.

DEAR CONGRESSMAN DELAHUNT: I am writing on behalf of the Campaign to End Genocide, an international coalition of over a dozen human rights groups dedicated to ending genocide in the coming century.

We strongly support the Delahunt Amendment to H.R. 2415, which will require the State Department in its annual Human Rights Report to include annual reporting on war crimes, crimes against humanity, and genocide.

Genocides and other mass murders have killed more people in this century than all the war combined. "Never again" has turned into "Again and again." Again and again,

the response to genocide has been too little and too late.

During the Armenian genocide and the Holocaust, the world's response was denial. In 1994, while 800,000 Tutsis died in Rwanda, State Department lawyers debated whether it was "genocide", and the U.N. Security Council withdrew U.N. peacekeeping troops who could have saved hundreds of thousands of lives. By focusing State Department attention on war crimes, crimes against humanity and genocide, we hope that such moral callousness in U.S. policy-making will never again be repeated.

We are encouraged that this amendment has received the bipartisan support it deserves. Opposition to such heinous crimes dates back to the beginning of our republic when President Jefferson sent American warships to end the depredations of the Barbary pirates. President Bush mobilized the U.N. forces that defeated the genocidal war criminal, Saddam Hussein. And now President Clinton has led the NATO defeat of the indicted war criminal Slobodan Milosovic.

Please let us know how we can be of further help.

Sincerely,

DR. GREGORY H. STANTON,  
Director.

Mr. GILMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Chairman, the plane of the gentlewoman from Connecticut (Mrs. JOHNSON) has been delayed because of weather. She chairs the Subcommittee on Human Resources of the Committee on Ways and Means.

When I chaired that committee, we did a great deal of work as part of the welfare reform bill, the child support provision. In that, we put a provision into the law regarding passports. This goes directly towards what the gentleman from New Jersey (Mr. ANDREWS) has suggested in amendment number 17.

I would ask that the gentleman from New York (Mr. GILMAN) work with the gentlewoman from Connecticut (Mrs. JOHNSON) and Members of the Committee on Ways and Means in order that we not have an inconsistency in the law with regard to the issuance of passports on past-due child support payments.

Mr. Chairman, I yield to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I want to assure the gentleman from Florida (Mr. SHAW) that I appreciate the concern with regard to the work of the Committee on Ways and Means and will work with the gentleman on any concerns pertaining to the amendment he has referred to.

The CHAIRMAN pro tempore. Does the gentlewoman from Georgia (Ms. MCKINNEY) seek to control the time of the gentleman from Connecticut (Mr. GEJDESON)?

Ms. MCKINNEY. I absolutely do, Mr. Chairman.

The CHAIRMAN. Without objection, the gentlewoman from Georgia will control the remaining 8½ minutes.

There was no objection.

Ms. MCKINNEY. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Chairman, I rise in strong support of the en bloc amendment, and I thank the gentleman from New York (Chairman GILMAN) and the gentleman from Connecticut (Mr. GEJDESON) for their hard work on this bill.

I am pleased that the amendment includes a provision that I have authored to encourage the study and preservation of Tibetan culture. For many years, the Tibetan people have suffered tremendously under a succession of oppressive regimes in China.

The United States Information Agency currently offers 30 scholarships to Tibetan students who wish to study in the United States. My amendment directs the USIA to consider, whenever practical, individuals who are active in the preservation of Tibet's culture, language, and religion when granting these scholarships.

My amendment is the result of conversations that I have held with U.S. experts on Tibet, some of whom reside in my district at the University of California at Santa Barbara. It is clear that these subtle changes to the program will be very helpful in our efforts to preserve this ancient culture.

I urge the adoption of this amendment.

Mr. GILMAN. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from California (Mr. ROHRABACHER), a member of our committee.

Mr. ROHRABACHER. Mr. Chairman, I rise in support of the en bloc amendment to H.R. 2415. I have two provisions included in the en bloc regarding export of U.S. satellite technology, and I am the original cosponsor of a third provision that calls for the United States to support and defend the democratic Republic of China on Taiwan.

I congratulate the gentleman from New Jersey (Mr. ANDREWS) for his timely provision in support of the Taiwanese allies.

My first amendment will strongly improve the State Department's process of approving export licenses for American satellites and related technologies.

Last year, the Congress made a bipartisan decision to transfer the licensing of satellite exports from Commerce back to the State Department. Our intention was obvious. We wanted someone to scrutinize proposed exports to potentially threatening countries like Communist China. Instead, the bureaucracy clamped down on everyone, stopping even normal business transactions with friendly nations like Canada and Sweden.

The en bloc amendment before us today includes my amendment forcing the State Department to create and properly fund a streamlined export regime which would apply to allies and

friendly countries, but which would not be available for Communist China and other hostile powers.

I appreciate both the chairman's and the ranking member's acceptance of this amendment as well as the strong support shown by the U.S. aerospace industry. With all of their continued support in conference, I believe we can enact this mandate and funding into law that will serve America's security as well as our economic and commercial interest.

My other amendment calls for the State Department to provide the appropriate congressional committee a report in classified and unclassified form on the March 30, 1997 grenade attack on Democrats in Cambodian. In this attack, where 17 Cambodian men, women and children were killed, among the 120 persons wounded was an American citizen named Ron Abney who is a member of the International Republican Institute. Thus, we need to see that report.

I thank the chairman and the ranking member for including my provisions in the en bloc amendment.

Ms. MCKINNEY. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Chairman, I thank the gentleman from New York (Chairman GILMAN) and the gentleman from Connecticut (Mr. GEJDENSON), the ranking member, for their cooperation in including in this en bloc amendment two amendments in which I have an interest.

The first is a matter which I worked on with the gentleman from Arizona (Mr. SALMON) and the gentleman from New Jersey (Mr. SAXTON) which requires systematic and thorough reporting on the efforts of the United States Government to extradite those accused of committing crimes under the jurisdiction of U.S. law against U.S. citizens. These are important provisions that I believe will help us crack down on terrorism.

I also thank the chairman and the ranking member for including my legislation which will deny passports to custodial parents who have accrued a child support obligation of more than \$2,500. I think it is very important that, before Americans enjoy the privilege of traveling abroad, that they make meet their obligations to their own children here at home.

This is an important tool in our effort to step up child support enforcement. I again thank the chairman and the ranking member for their cooperation by adding this to the en bloc. I urge the adoption of the en bloc amendment.

Mr. SALMON. Mr. Chairman, I am pleased that the amendment that I have proposed with Representatives ANDREWS and SAXTON, which would require the State Department to issue periodic reports on the investigations of Palestinian terrorists who have murdered Ameri-

cans, will be included in the American Embassy Security Act. I thank Chairman BEN GILMAN for his personal involvement in this matter. The Senate unanimously accepted this anti-terrorism amendment to the Senate State Department Authorization bill.

At least twelve American citizens have been killed by Palestinian terrorists in Israel since the signing of the Oslo Accords in September 1993. Over 20 suspects in the attacks currently reside in territory controlled by the Palestinian Authority. Several of these suspects are walking about free. Some have reportedly been given positions in Palestinian police forces.

The United States has the right and the responsibility under U.S. law to prosecute the terrorist killers of Americans. The House of Representatives strongly endorsed this principle last year when it voted 406 to 0 in favor of a resolution declaring that the "[Palestinian] suspects should be tried in the United States unless it is determined that such action is contrary to effective prosecution." While the administration should be commended for sending investigative teams to Israel to investigate these attacks, the effort has been incomplete. For example, no rewards have yet been offered by the U.S. government for information leading to the capture of the Palestinian killers of the murdered Americans, even though multimillion dollar rewards have been offered in other cases of Americans killed by terrorists abroad. And despite reams of evidence implicating certain individuals in the murders of Americans—including in one case an outright confession—no indictments have been secured by U.S. authorities. The reports will help to respond to concerns that political considerations may be stalling these investigations.

The bipartisan amendment responds to the lack of progress in the investigations. Specifically, the amendment would require the administration to provide Congress with regular, detailed reports on the status of the investigations into the killers of Americans. The report would also contain information on the policy of the State Department with respect to offering rewards for information leading to the capture of the terrorist suspects and a list of suspected terrorists serving in Palestinian security forces.

Smartly, the language protects against the disclosure of information that would impede ongoing investigations. Obviously, the American families that have lost loved ones in terrorist attacks do not want these investigations compromised in any way.

The families of the victims support our effort. I quote from a letter signed by three of the families: "Your legislation addresses a serious and immediate problem. We have constantly been frustrated and disappointed at the difficulty of finding out the most basic information about the status of U.S. investigators into the attacks in which our children were killed. This legislation will help rectify the problem. Reports to Congress on these investigations will help to make it possible for Congress to play a crucial supportive role in facilitating efforts to apprehend, prosecute, and punish terrorists who have murdered American citizens in Israel or the administered territories." The letter continues: "Keeping a spotlight on these issues is a crucial component in the process

of achieving Middle East Peace. . . . The peace process can only be strengthened by a move toward justice."

The amendment is about achieving justice, and achieving peace for the families who have lost loved ones in terrorist attacks. It's about recognizing that American life isn't cheap, and that if you're an American citizen killed abroad, the United States will never forget you.

Mr. SMITH of New Jersey. Mr. Chairman, Mr. ENGEL's amendment (amendment #47, part of the en bloc) builds on Section 408 of the bill, a section which was added as a result of an amendment I successfully offered with Mr. PETER KING of New York during consideration of this legislation in the International Relations Committee. Section 408—and, by extension, the language offered today—seeks to end the intimidation of defense attorneys in Northern Ireland, and to secure just and impartial investigations of the murders of two heroic defense attorneys, Rosemary Nelson and Patrick Finucane.

As adopted by the full committee, Section 408 cuts off funding authority for U.S.-sponsored training and exchange programs offered to Northern Ireland's police force, the Royal Ulster Constabulary (RUC), unless the President certifies that the United Kingdom has initiated independent investigations into the murders of two Catholic defense attorneys. It also conditions the funds on the President certifying that the UK is appropriately protecting other defense attorneys who have been harassed by the Royal Ulster Constabulary (RUC).

On September 29, 1998, Rosemary Nelson, a defense attorney from Northern Ireland, testified before the Subcommittee on International Operations and Human Rights and told us that, as a defense attorney working on high-profile, political cases, she feared the RUC. She reported that she had been "physically assaulted by a number of RUC officers," and that the harassment included, "at the most serious, making threats against my personal safety including death threats."

Six months later, on March 15, 1999, Rosemary Nelson was murdered, the victim of a car bomb. Because of Rosemary's own stated fears, and because of subsequent reports issued by Northern Ireland's Independent Commission on Police Complaints, several questions have been raised about RUC complicity in her murder.

Amazingly, however, the British government insists that the RUC be the agency most involved in investigating Rosemary's murder.

In addition to the Nelson family, numerous international human rights organizations, the European Union, the Northern Ireland Law Society, elected officials from both sides of the divide in Northern Ireland, and the U.S. Congress have all called for independent inquiries—RUC-free inquiries—into Rosemary Nelson's murder. Similarly, leading human rights activists are calling for an independent judicial inquiry into the allegations of government collusion in the murder of slain defense attorney Patrick Finucane.

In an extraordinary show of bipartisan support, this past April, the U.S. House of Representatives passed my bill, H. Res. 128, condemning the Finucane and Nelson killings and

calling on the British government to adequately protect defense lawyers. The resolution unequivocally linked Ms. Nelson's murder with that of Patrick Finucane, recognizing the hostile environment within which Northern Ireland's defense lawyers function, particularly aggravated by threats coming directly or indirectly from the police.

Section 408 of this bill renews our previous calls for the independent inquiries as but one step toward accountability for human rights violations against defense lawyers in Northern Ireland. It blocks U.S. funds to RUC programs and requires the President and the State Department to do more to persuade the Blair government to mitigate the harassment of defense attorneys in Northern Ireland. Mr. ENGEL's amendment extends our efforts in Section 408 by restricting the export of law enforcement equipment to the RUC until the Section 408 goals are met. While the RUC does not currently receive the equipment banned by the Engel amendment, the added language precludes them from doing so, or even qualifying for such equipment, until the standards are met.

It is important to note that even while negotiations have been stalled and the future of the new Northern Ireland Assembly is in jeopardy, the British government can take some unilateral steps to restore confidence in the peace process. As recommended in this bill, the Blair government should pull the RUC off the Rosemary Nelson murder case, take decisive action to protect defense attorneys, and initiate an objective, public inquiry into the murder of Patrick Finucane.

Mr. ANDREWS. Mr. Chairman, I would like to take this opportunity to speak in support of my amendment to HR 2415, which would allow the Secretary of State to deny, revoke, or limit passports to non-custodial parents who owe \$2,500 or more in child support. Current law sets the threshold at \$5,000—an amount that does not go far enough to protect America's children.

Only half of all custodial parents who are awarded child support actually receive the full amount ordered by a court. Over \$5 billion is owed in delinquent child support payments each year. In a time when millions of American children live below the poverty level, the government must make a strong statement that significant delinquency in child support payments will not be tolerated. I believe we must stand up for personal responsibility and the well being of children around the nation and I thank the Chairman for offering this *en bloc* amendment and including this important provision.

Ms. MCKINNEY. Mr. Chairman, I support this amendment, and I want to make clear why I do. One of the most depraved and beastly actions toward defenseless civilians by armed men in recent conflicts has been the commission of rape as a tool of war. It's been done in Kosovo and in Rwanda. This isn't "date rape"; it isn't even rape by someone who knows the person he's doing it to. It is rape as a kind of ultimate demonstration of power and control and of contempt for the women being raped and the groups they belong to.

As a result, the number of women who have been raped in this way and for these reasons

has continued to grow. Like any other form of torture or degradation in wartime, rape as war crime leaves behind devastating physical and especially psychological effects that can last a lifetime. People become unable to sleep, unable to work, unable to trust other people, unable to escape from the constant feeling of the events themselves.

The Human Rights subcommittee of which I am the ranking member just held a hearing on the U.S. response to victims of torture. It is obvious that one of the consistent characteristics of the 160 centers worldwide for torture victims—not enough to have live-in facilities for people in the greatest need, not enough to provide even outpatient counseling.

We need to do more to help. I commend my colleague MIKE CAPUANO for recognizing that fact and finding a way to start doing so. I strongly support this amendment and I encourage the House to adopt it.

Mr. ENGEL. Mr. Chairman, I rise in support of the *en bloc* amendment and my two amendments contained therein.

In the United States, people know that in the event of an emergency they can always count on the American Red Cross to come to the rescue. Other countries' Red Cross or Red Crescent societies perform similar functions.

The Israeli counterpart to the American Red Cross is the Magen David Adom (MDA) society. MDA carries out all of the traditional roles of a voluntary medical aid society, such as emergency medical services, maintenance of blood supplies, first aid, and disaster relief. Unfortunately, unlike the American Red Cross and every other nation's ICRC component organization, MDA is not accepted as a member of the International Red Cross and Red Crescent Movement.

The Magen David Adom Society is excluded from full membership in the International Conference of the Red Cross and Red Crescent Movement solely because the Red Shield of David, the organization's emblem, is not officially recognized by either the Geneva Conventions or the Statutes of the International Red Cross and Red Crescent Movement. I have the fullest respect for the religious traditions represented by the red cross and red crescent, but I also respect the decision of Israel, as a Jewish state, to choose a sign more in line with its religious tradition. With peace slowly but surely coming to the Middle East and Israel developing progressively more relations with its neighbors, it is time that the ICRC accepts the Magen David Adom as a full member.

The amendment, which I offer with my friend, the gentleman from New York, Mr. WEINER, seeks to shine light on this problem and presses our government to seek a solution. Specifically, it urges the President to work with other nations to achieve recognition of MDA as a full member of the International Red Cross and Red Crescent Movement at the forthcoming 27th International Conference of the Red Cross and Red Crescent.

My second amendment, Mr. Chairman, conditions exports of crime control equipment—such as batons, hand cutts, or tear gas—to the Royal Ulster Constabulary on independent investigations into the murders of defense attorneys Patrick Finucane and Rosemary Nelson. Section 408 of the underlying bill already

conditions FBI and police training of the RUC on independent investigations of these suspicious murders. My amendment adds to that section by restricting exports of police items.

I share the fear of many members of Congress and human rights groups that the RUC will white wash these investigations. My amendment and the bill, itself, are designed to send the signal that we will no longer stand for bungled investigations and cover-ups of politically-motivated killings. It is time that peace and justice came to northern Ireland.

I would like to thank Chairman GILMAN, Ranking member GEJDENSON, and Subcommittee Chairman CHRIS SMITH for their exceptional cooperation and support during this process.

Mr. ANDREWS. Mr. Chairman, I rise in support of the Salmon-Andrews-Saxton amendment to H.R. 2415, which requires the Administration to provide Congress with regular, detailed reports on the status of the investigations into the killers of Americans. Over 20 suspects in the deaths of twelve American citizens currently reside in the territory controlled by the Palestinian Authority, and several of these suspects are walking free.

While the United States has a right and responsibility to prosecute the terrorist killers of Americans, the Administration's effort has been incomplete. This amendment would hold the Administration responsible for following through with the pursuit of justice. We must be active in our fight against terrorism, and this bill will aid in the maintenance of U.S. vigilance against terrorism.

I would like to express my sincere thanks to my colleagues, Mr. SALMON, who are tireless foes of terrorism, and I would also like to thank Mr. GILMAN for offering the *en bloc* amendment and for including this important provision in his amendment.

Mr. SMITH of New Jersey. Mr. Chairman, during this past week the Communist People's Republic of China started a series of events to threaten Taiwan:

Starting just this last weekend and going into this week, China has been conducting the first military exercise in the Taiwan Strait since 1996, with soldiers chanting "We will liberate Taiwan";

Meanwhile the Communist Party newspapers ran the headline, "Those who play with fire will get burnt";

In addition, last Thursday, China declared that it has mastered the design technology for the neutron bomb.

In light of these imminent threats from mainland China, the U.S. Congress must send a clear message that we support our democratic ally Taiwan and that the U.S. will defend Taiwan from military attacks. Without that clear message, Communist China may be tempted to attack Taiwan and destabilize the world, hoping that the U.S. will stand aside, particularly when the Clinton Administration advocates for "one China." If there were one democratic China, the U.S. Congress and the people of the United States would support it. For now, there is only one democratic State in China—The Republic of China on Taiwan—so we will support Taiwan.

The people of Taiwan have spoken with their votes to stay separate from the Communist mainland until there is democracy for

all. We respect their votes and their voice. We commend them for building this flourishing democracy regardless of threats from the Beijing. I support the amendment from my colleagues Mr. ANDREWS, Mr. ROHRBACHER, Mr. DEUTSCH, Mr. MCNULTY, Mr. CALVERT, Mr. WU, and Mr. BILIRAKIS, to declare that we stand with our democratic allies, and we will defend democratic Taiwan.

Ms. MCKINNEY. Mr. Chairman, we have no further requests for time, and I yield back the balance of my time.

Mr. GILMAN. Mr. Chairman, I yield back the balance of our time.

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from New York (Mr. GILMAN).

The amendments en bloc were agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 2 printed in part A of House Report 106-235.

AMENDMENT NO. 2 OFFERED BY MR. SMITH OF NEW JERSEY

Mr. SMITH of New Jersey. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part A amendment No. 2 offered by Mr. SMITH of New Jersey:

Page 19, strike line 1 and all that follows through line 17, on page 21, and insert the following:

(d) CONTRIBUTION TO UNITED NATIONS POPULATION FUND.—

(1) LIMITATION.—Of the amounts made available under subsection (a) for United States voluntary contributions no funds may be made available to the United Nations Population Fund (UNFPA) unless the President submits to the appropriate congressional committees the certification described in paragraph (2).

(2) CERTIFICATION.—The certification referred to in paragraph (1) is a certification by the President that—

(A) the UNFPA has terminated all activities in the People's Republic of China, and the United States has received assurances that UNFPA will conduct no such activities during the fiscal year for which the funds are to be made available; or

(B) during the 12 months preceding such certification there have been no abortions as the result of coercion associated with the family planning policies of the national government or other governmental entities within the People's Republic of China.

(3) DEFINITION.—As used in this subsection, the term "coercion" includes physical duress or abuse, destruction or confiscation of property, loss of means of livelihood, and severe psychological pressure.

The CHAIRMAN. Pursuant to House Resolution 247, the gentleman from New Jersey (Mr. SMITH) and a Member opposed each will control 15 minutes.

PARLIAMENTARY INQUIRY

Mr. CAMPBELL. Mr. Chairman, I have a second-degree amendment at the desk which was made in order by the Committee on Rules.

The CHAIRMAN. Does the gentleman from California wish to offer his amendment at this time?

Mr. CAMPBELL. Mr. Chairman, I offer it at this time, but if I might ask a parliamentary inquiry, it might be most efficient simply to allocate all time and divide it fairly between the two sides on the issue, whether it be on my second-degree amendment or the first-degree amendment offered by the gentleman from New Jersey (Mr. SMITH). I would be willing to do so if that is possible.

Mr. GEJDENSON. Mr. Chairman, it is my understanding, and actually this is an inquiry to the Chair, that the time on the Smith amendment will be divided. I would take that time in opposition. Then my understanding is that the gentleman from California (Mr. CAMPBELL) would have some time on his secondary amendment, and the gentleman from New Jersey (Mr. SMITH), I imagine, would be in opposition, and that would give us all an opportunity to divide the time.

Mr. CAMPBELL. Mr. Chairman, reclaiming my time, that is perfectly acceptable with me. I simply wish to offer my second-degree amendment at such a time as to protect the opportunity to present that. If I have now done so, then I will wait until the time that has been allocated to the gentleman from Connecticut (Mr. GEJDENSON) and the gentleman from New Jersey (Mr. SMITH) is expired. Is that acceptable?

□ 1900

Is that acceptable?

The CHAIRMAN pro tempore (Mr. MILLER of Florida). The gentleman may offer the substitute amendment at this point and the debate time will be allocated accordingly, and debate on the two amendments will be consumed simultaneously.

AMENDMENT NO. 3 OFFERED BY MR. CAMPBELL AS A SUBSTITUTE FOR AMENDMENT NO. 2 OFFERED BY MR. SMITH OF NEW JERSEY

Mr. CAMPBELL. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The CHAIRMAN. The Clerk will designate the amendment offered as a substitute for the amendment.

The text of the amendment offered as a substitute for the amendment is as follows:

Part A amendment No. 3 offered by Mr. CAMPBELL as a substitute for Part A amendment No. 2 offered by Mr. SMITH of New Jersey:

Page 19, strike line 1, and all that follows through line 17 on page 21, and insert the following:

(d) CONTRIBUTIONS TO UNITED NATIONS POPULATION FUND.—

(1) LIMITATIONS ON AMOUNT OF CONTRIBUTION.—Of the amounts made available under subsection (a), not more than \$25,000,000 for fiscal year 2000 shall be available for the United Nations Population Fund (hereinafter in this subsection referred to as the "UNFPA").

(2) PROHIBITION ON USE OF FUNDS IN CHINA.—None of the funds made available under subsection (a) may be made available for the

UNFPA for a country program in the People's Republic of China.

(3) CONDITIONS ON AVAILABILITY OF FUNDS.—Amounts made available under subsection (a) for fiscal year 2000 for the UNFPA may not be made available to UNFPA unless—

(A) the UNFPA maintains amounts made available to the UNFPA under this section in an account separate from other accounts of the UNFPA;

(B) the UNFPA does not commingle amounts made available to the UNFPA under this section with other sums; and

(C) the UNFPA does not fund abortions.

(4) REPORT TO CONGRESS AND WITHHOLDING OF FUNDS.—

(A) Not later than February 15, 2000, the Secretary of State shall submit a report to the appropriate congressional committees indicating the amount of funds that the United Nations Population Fund is budgeting for the year in which the report is submitted for a country program in the People's Republic of China.

(B) If a report under subparagraph (A) indicates that the United Nations Population Fund plans to spend funds for a country program in the People's Republic of China in the year covered by the report, then the amount of such funds that the UNFPA plans to spend in the People's Republic of China shall be deducted from the funds made available to the UNFPA after March 1 for obligation for the remainder of the fiscal year in which the report is submitted.

Mr. SMITH of New Jersey. Mr. Chairman, I claim the time in opposition to that, and I understand that under regular order the gentleman from California (Mr. CAMPBELL) would proceed first?

The CHAIRMAN. The gentleman from California (Mr. CAMPBELL) will control 15 minutes; the gentleman from New Jersey (Mr. SMITH) will control 15 minutes on the Campbell amendment; the gentleman from New Jersey (Mr. SMITH) will control 15 minutes on his amendment; and the gentleman from Connecticut (Mr. GEJDENSON) will control 15 minutes in opposition.

PARLIAMENTARY INQUIRY

Mr. CAMPBELL. Mr. Chairman, one further inquiry. I think it would be efficient, but would it be possible simply to proceed with both together; the 30 minutes times two? In other words, the 1 hour of debate all at the same time, with alternating between various spokespersons?

The CHAIRMAN. The Chair will recognize for debate to be shared in the appropriate amount of time with each Member controlling 15 minutes.

Mr. CAMPBELL. So, the gentleman from Connecticut (Mr. GEJDENSON) would have 15, I would have 15 minutes to control, I would have 15 minutes to control, and the gentleman from New Jersey (Mr. SMITH) would have 30?

The CHAIRMAN. That is correct.

Mr. CAMPBELL. That is agreeable.

The CHAIRMAN. The Chair will entertain all debate before putting the question of the vote on the subtitle amendment offered by the gentleman from California.

Mr. CAMPBELL. Mr. Chairman, I yield such time as he may consume to

the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Chairman, I rise in strong support of the Campbell-Gilman-Gejdenson-Porter-Johnson amendment and in opposition to the Smith amendment.

I remain as dedicated as anyone in this chamber to the cause of human rights in China. From the freedom fighters of Tianamen to the Dalai Lama's loyal supporters in Tibet we have, in the Congress, have supported the cause of human rights in China. But that is not what is under debate at this moment. Under current law, no U.S. funds can be spent on abortions. The U.N. Population Fund does not support China's one-child policy and has condemned the abuses of that program. UNFPA operates in only 32 of China's counties to support maternal and child health, and that is all.

This debate should not be about China, it should be about the programs in over 100 other countries where UNFPA operates. And, Mr. Chairman, I would like to highlight one Nation for which U.S. support would be cut off by the Smith amendment, and that happens to be Mexico.

I believe that we can all agree that helping Mexican mothers space the births of their children is good for Mexico and good for our own Nation. Birth spacing is the best way to improve child survival and to limit Mexico's rapidly expanding population. We have no USAID mission in Mexico. UNFPA is the largest external donor to the Mexican family program. UNFPA is the only channel we have to support Mexican family planning. The Smith amendment, regrettably, would have the effect of cutting off all support to Mexico.

We must support that program and other vital UNFPA programs such as their anti-AIDS campaign in Haiti, not just to benefit Mexicans and Haitians but to also benefit our own Nation. If the countries south of our border develop into strong stable societies, it will help our exports and relieve some of the immigration pressure on our own Nation. Population growth in Latin America and the Caribbean drive the environmental pressures on Florida, on Texas, on New Mexico, Arizona, California, and some of our other States. This pressure will be relieved if UNFPA's voluntary family planning programs move forward in these regions with our own support.

The Smith amendment would have the effect of cutting off all U.S. support for those programs, like UNFPA's support to the victims of storms like Hurricane Mitch. It would also block U.S. support for UNFPA's program to stop the horrific practice of female genital mutilation.

Mr. Chairman, the Campbell amendment has been endorsed by 47 organiza-

tions, including the YWCA, the American Association of University Women, the American Public Health Association, the National Wildlife Federation, and the League of Conservation Voters.

Accordingly, Mr. Chairman, I urge our colleagues to support the Campbell amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I yield such time as she may consume to the gentlewoman from North Carolina (Mrs. MYRICK).

Mrs. MYRICK. Mr. Chairman, I support the amendment offered by the gentleman from New Jersey (Mr. SMITH) and the gentleman from Michigan (Mr. BARCIA), and I have great concerns about the policies and practices used by the United Nations Population Fund.

The United States cannot give taxpayer money to an organization that is intricately involved with human rights abuses that are taking place in China and other places around the world. I wish to read the words of a woman who worked to enforce China's population program. Mrs. Gao was the administrator at the Fujian Province Planned Birth Office from 1984 to 1988. These are her own words before the Subcommittee on International Operations and Human Rights of the Committee on International Relations.

My work at the planned birth office included establishing a computer data bank of all the women of childbearing age in the town. I also issued birth-allowed certificates to women who meet the policy and regulations of the Central and Provincial Planned Birth Committees and are, therefore, allowed to give birth to children. Should a woman be found pregnant without a certificate, an abortion is performed immediately, regardless of how many months pregnant she is.

This case about a Miss Chen Li-Ren who was a female resident of a village outside of Yonghe Town. In 1996, she became pregnant in spite of the fact she was not married and did not have a certificate. It's a violation of the planned birth policy to become pregnant without a birth-allowed certificate.

To avoid heavy monetary penalties and abortion, she in order to save the child's life, when she was 3 months pregnant, left the town. But when she was 9 months pregnant, somebody informed on her. The planned birth enforcement team of Yonghe Town began searching for her. They were unable to find her, so they tore down her husband's family's house and also threatened to also tear down the house of her parents.

One day, when she was at her parents house, the enforcement officials forced their way into the house. They found her and immediately stuffed her into a car and escorted her to the Municipality Planned Birth Induced Delivery Center where the abortion was performed.

This is the document that we issue to people who have already given birth to a son. It's the birth-not-allowed notices. Such notices are sent to the couple when the data concludes they do not meet the requirement of the policy and are not allowed to have any further children. Any couple who has already given birth to a son will receive this notice and such notices are made public. The purpose of this is to make it known to everyone

that the couple, if they are having a second child, is in violation of the policy, therefore, facilitating supervision of the couple. We also issue control device inspection and pregnancy test notices.

According to the specific data on each woman, every woman of childbearing age is notified that she has to have a contraceptive device, reliability, and pregnancy examinations when necessary. Should she fail to present herself in a timely manner for these examinations, she will not only be forced to pay a fine, but our supervision team will apprehend her and force her to have such an examination. This is the document that we issue to women who must undergo sterilization or other birth control methods.

We also imposed monetary penalties on those who violated central and provincial regulations. If they refused to pay the penalties, our supervision team members would apprehend and detain them until they paid such fines.

We also analyze informant materials submitted in accordance with the informing system and then put these cases on file for investigation.

Most planned birth offices in Fujian Province's rural areas have their own detention facilities. In our town, the facility is right next door to my office. It has one room for males and one room for females, each with the capacity of about 25 to 30 people. To catch violators, our planned birth office does not need consent by the courts or judicial departments, or the public security departments. Our actions are completely independent of them. There are no paperwork formalities and there are no time limits associated with the detention. Detainees pay 8 RMB per day for food. They are not allowed to make phone calls or mail letters.

The majority of the detainees are, of course, either women who are pregnant without birth-allowed certificates or women who are to be sterilized or women who have been fined. As I explained previously, if we do not apprehend the women themselves, we detain their family members, such as a father, a mother, a sister, brothers, or their husband. And we detain them until the women themselves come forward to be sterilized or to have an abortion.

I led my subordinates to Yinglin Town Hospital to check on births. I found two women in Zhoukeng Town had extra-plan births. I led a planned birth supervision team composed of a dozen cadres and public security agents. With sledge hammers and heavy crowbars in hand, we went to dismantle their houses.

We were unable to apprehend the women in the case so we took their mothers in lieu of them and detained them in the planned birth office's detention facility. It wasn't until about half a month later that the women surrendered themselves to the planned birth office. They were sterilized, fined heavily, and their mothers were finally released. I myself did so many brutal things, but I thought that I was conscientiously implementing the policy of our party and that I was an exemplary citizen and a good cadre.

Once I found a woman who was 9 months pregnant, but did not have a birth-allowed certificate. According to the policy, she was forced to undergo an induced abortion. In the operating room, I saw the child's lips were moving and how its arms and legs were also moving. The doctor injected poison into its skull and the child died and it was thrown into the trash can. Afterwards the husband was holding his wife and crying loudly and saying, what kind of man am I? What kind of



husband am I? I can't even protect my wife and child. Do you have any sort of humanity?

All of those 14 years, I was a monster in the daytime, injuring others by the Chinese Communist authorities' barbaric planned birth policy. But in the evening I was like all other women and mothers, enjoying my life with my children. I couldn't go on living with such a dual life any more.

It is also my sincere hope that what I describe here today can lead you to give your attention to this issue so that you can extend your arms to save China's women and children.

Mrs. MYRICK. So, if Members of the House agree with the UNFPA that what Mrs. Gao described is voluntary and suits China's current conditions, then by all means support the Campbell-Gilman substitute to give them at least \$20 million. I, for one, will never give my vote to an organization that could look the other way when such atrocities are being committed against women and children.

I will vote for the Smith amendment and no on the Campbell-Gilman amendment, and I urge my colleagues to do the same.

Mr. GEJDENSON. Mr. Chairman, I yield myself 2 minutes.

If the gentlewoman wants to achieve a reduction in the kinds of incidents she just referenced, then she should vote for the Campbell amendment, because what is clear in every country where family planning activities have increased, abortions have been decreased.

We only need to look at our experience. In Tunisia, as contraceptive use increased by 94 percent, abortion rates plummeted. In South Korea, abortion rates were halved as contraceptive use went up by 80 percent.

What is absolutely clear is that if the gentleman from New Jersey (Mr. SMITH) gets his way, if the gentlewoman from North Carolina (Mrs. MYRICK) gets her way, there will be more forced abortions in China. It is as simple as that.

If we cut back on the voluntary family planning funds, what will happen? More forced abortions.

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Now, if my colleagues talk to some folks, they will say they have got problems with family planning, they are against some of the methods used for birth control. Get up and make that debate. It is a slight of hand to talk about the forced abortions in China and to try to use that as an assault on family planning.

Every dollar that is cut from family planning, every time the gentleman from New Jersey (Mr. SMITH) succeeds, he increases forced abortion in China. It is absolutely clear. What happens is, if women do not have access to family planning, voluntary family planning, if they cannot get contraception, there will be more forced abortion.

In every country's experience, as family planning dollars increase, abor-

tions decrease. It is not the gentleman from New Jersey that will decrease abortions and forced abortions in China. It is the gentleman from California. And those of us who support family planning funds that will reduce the number of abortions in China and all other countries, support family planning and we will reduce abortion. Limit family planning funds, and we increase the number of abortions.

Mr. Chairman, I'd like to give my colleagues a few statistics to think about as we debate whether to restore funding for UNFPA.

If each woman averages two children, world population would rise to 11 billion in the next century and level off.

If women average 2.5 children each, our globe would face a world with 27 billion people by 2150.

But if the fertility rate fell to 1.6 children per woman, population would reach a peak of 7.7 billion in 2050 and drop to 3.6 billion by 2150.

It's clear that rampant population growth affects governments' ability to provide waste treatment and sanitation, schools, food, transportation, health care and environmental protection.

World population is increasing by 78 million people a year—97 percent of this increase is in developing countries, where access to family planning and reproductive health services is limited and where pregnancy and childbirth are still a risk to the lives and health of women.

We know that in high-fertility countries in sub-Saharan Africa, between 36 and 55 percent of women report that their most recent birth was mistimed or unwanted.

We have the tools to give these women access to needed services and combat this global problem—it's called the UNFPA (UN Fund for Population Assistance)—but last year we slashed UNFPA's budget to zero.

In this one year alone, the impact of the U.S.'s decision to withdraw funding to UNFPA deprived 870,000 women of access to contraception. This resulted in 500,000 unwanted pregnancies, 234,000 unwanted births and 200,000 abortions.

We also hurt UNFPA's ability to encourage safe delivery practices, resulting in the deaths of an additional 1,200 maternal deaths and the loss of 22,500 infants who couldn't access UNFPA services.

I am here today to urge my colleagues not to make the same mistake again. The Smith Amendment will leave millions of women and men without a choice.

In the 30 years since the U.S. Government began helping other countries provide their citizens with family planning services, the number of couples using contraception in developing countries has multiplied tenfold and the average number of children per woman declined from nearly six to fewer than four.

As we all know, there are many countries around the world that have a population rate that is higher than their GDP. Their impressive economic advances become outweighed by their population growth, which means that they are effectively just treading water. By failing to fund UNFPA, we are leaving them to drown.

Why oppose the Smith Amendment?

First, the Smith Amendment requires UNFPA to leave China entirely or lose U.S.

support. This puts UNFPA in an impossible Catch-22.

China, as a member of the United Nations, can ask for—and UNFPA must give—family planning assistance. UNFPA cannot choose its clientele. So asking UNFPA to leave China is a provision that they can never satisfy.

Second, conditioning UNFPA's funding on certification that there have been no forcible abortions in China by anyone—including the Chinese governments family planning program—is also an impossible task.

UNFPA's funding is for UNFPA programs which operate under stringent human rights standards and with a firm opposition to coercion in all of its forms. UNFPA does not support abortion—in no case is abortion allowed as a method of family planning. UNFPA also opposes quotas or targets in family planning programs and only works in those countries in China that have abolished such measures.

Contrary to what some people may think, UNFPA did not leave its conscience at the door when it agreed to provide family planning assistance to China.

We must remember that we are funding programs of UNFPA, not the Chinese government. UNFPA conducts a voluntary family planning program with a rigorous commitment to human rights. The Smith Amendment won't change China's policies but it will continue to cause suffering around the world.

Don't hold women and men in the nearly 150 other nations who need and use UNFPA's services hostage because you don't agree with the policies of one nation. Support UNFPA's lifesaving work in AIDS prevention, family planning assistance, and safe pregnancy and childbirth. Reject the Smith Amendment. Support the Campbell Amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, for 20 years the U.N. Population Fund has poured millions of dollars, about \$157 million to be exact, provided technical assistance, and given effusive praise to China's program that relies on forced abortion and forced sterilization to achieve its goals.

For 20 years, the UNFPA has whitewashed these crimes, the kind the gentlewoman from North Carolina (Mrs. MYRICK) just talked about, and has heaped lavish praise on China's one-child-per-couple program. It has provided cover and covered up for the Beijing hardliners who oppress and victimize women and murder their children.

In fact, Nafis Sadik, the executive director of the UNFPA, has had this to say about the Chinese program: "The implementation of the policy in China and the acceptance of the policy is purely voluntary. There is no such thing as a license to have a birth." That is an unmitigated lie, I say to my colleagues.

She has also said, "The UNFPA firmly believes, and so does the Government of the People's Republic of China, that their program is a totally voluntary program." That, too, is a lie.



For 20 years, the UNFPA has participated with the perpetrators of the most egregious systematic abuse of women in history. My colleagues heard the gentlewoman from North Carolina (Mrs. MYRICK) talk about Mrs. Gao. She was one of those who ran the program in Fujian Province for 14 years. That is what the UNFPA has covered up for all of these years.

Let me just remind my colleagues that both Presidents Reagan and Bush, with the support of Democratic Congresses, barred all funding to the UNFPA because of its complicity and support of China's barbaric program.

Last year Congress passed and President Clinton signed the Omnibus Appropriations Act that included a total cut-off of UNFPA funding. Why? Because it includes heavily forced abortion and forced sterilization.

The amendment that the gentleman from Michigan (Mr. BARCIA) and I are offering would prohibit U.S. funding to the UNFPA unless the President certified that UNFPA has terminated all activities in the PRC; or, during the 12 months preceding such certification there have been no abortions as a result of coercion.

This is all about forced abortion. The UNFPA has been complicit. They have supported it. And they have said it with their statements and have been part of a cover-up.

Mr. Chairman, I reserve the balance of my time.

Mr. CAMPBELL. Mr. Chairman, I yield myself ½ minute.

Mr. Chairman, this does not provide for money for abortion in China. The Campbell amendment takes away money for family planning in China for every dollar that the U.N. spends there. So this debate is very, very serious, but it is not on China's abortion policy.

The Campbell amendment authorizes no money for abortion, no money for China. And for every dime that the U.N. chooses to spend in China, we take back one dime from the U.N.

Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Chairman, I thank the gentleman, who is the introducer of the substitute that I support very strongly, for yielding the time to me.

So I rise in support of the Campbell substitute and in opposition to the Smith amendment.

The U.N. Population Fund is one of the world's leading international agencies providing for women's sexual and reproductive health. It collaborates with government agencies and NGOs to develop and implement effective policies and programs dealing with female genital mutilation, HIV/AIDS, comprehensive care for refugees, as we saw in Kosovo, child and maternal nutrition, and family planning methods and services.

Contrary to what we have heard this evening, UNFPA does not fund or provide abortion services or related equipment. The UNFPA does not support China's despicable population programs.

The Campbell amendment prohibits U.S. funds from being used in UNFPA's China program. It addresses the concern of some Members about the fungibility of funding by reducing our UNFPA contribution dollar for dollar for the agency spending in China. It restates U.S. law forbidding funding for any abortion services.

The goal of the Smith amendment is to force UNFPA to leave China, even though its current program gives it exclusive control of the family planning programs in 32 countries. Passage of the Smith amendment will cut off the U.S. contribution to UNFPA's work worldwide unless China stops its policies of coercive abortion.

Mr. Chairman, more than 500 million women and girls live in China. That is one in every five women on this planet. The irony of the efforts of the gentleman from New Jersey (Mr. SMITH) is that if UNFPA were to pull out of China, the only source which Chinese women will have for family planning and reproductive health services is the Chinese Government. Again, if the Smith amendment passes, the Chinese Government will be women's only option for reproductive health care.

It is important that we support the Campbell substitute.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself 1¼ minutes.

Mr. Chairman, I would like to ask the gentlewoman a question if she would return to the microphone.

She mentioned a moment ago that this program will be run exclusively by the UNFPA. Is that her statement?

Mrs. MORELLA. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentlewoman from Maryland.

Mrs. MORELLA. Mr. Chairman, I said China is in charge of the reproductive health and services for the 32 countries.

Mr. SMITH of New Jersey. Mr. Chairman, reclaiming my time, but who is running the family planning/population program?

Mrs. MORELLA. Mr. Chairman, if the gentleman would continue to yield, UNFPA.

Mr. SMITH of New Jersey. Mr. Chairman, just so the record is very clear on this, the question was asked by our former U.S. ambassador to the United Nations, what will be the role of the Chinese Government? And the answer back from the executive director of the UNFPA was as follows:

The Chinese Government, at the central and provincial levels, will be in charge of coordination, internal monitoring, guidance, and evaluation, all of which will be conducted in accordance with ICPD principles.

The local government will be in charge of the actual implementation of project activities at the county level program.

Mr. Chairman, that is exactly the problem. The Chinese Government, as they have been doing for the last 20 years, will run this program; and again, the UNFPA will give it more cover, which it certainly does not deserve.

Women, it even says in the document, will be assessed a social compensation fee if they do not conform to the guidelines, the one-child-per-couple program.

Mrs. MORELLA. Mr. Chairman, if the gentleman would continue to yield, I say to the gentleman from New Jersey (Mr. SMITH) but no money for UNFPA goes for Chinese abortion policies or abortion.

Mr. GEJDENSON. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Chairman, I rise to oppose the Smith amendment, with great respect for the maker of this amendment but in complete disagreement, because it would eliminate funding for international family planning under the United Nations Population Fund, UNFPA, and to support the Campbell-Maloney amendment.

The Smith amendment, if enacted, would punish women and families around the world in a misguided effort to affect China's family planning program.

I do not understand why the poorest women on this planet, year in and year out, must be held hostage to the conservative politics of the Republican party. And I say that, as I say, with respect for the individuals involved here.

We should ask, who suffers from the Smith amendment? The World Health Organization estimates that nearly 600,000 women die each year of pregnancy and child-birth related causes. Nearly all of these women are in developing countries.

The UNFPA funds program to reduce this mortality and related health problems. Women around the world, particularly impoverished women, will be harmed by this amendment.

I understand my colleagues' concern about some of the horrible practices in China. That is why this amendment says that any funds used in China by UNFPA will be deducted from the UNFPA. None of us, none of us, support forced abortions or forced sterilizations.

The Campbell-Gilman-Maloney-Crowley amendment addresses these concerns by specifically banning U.S. funds from being spent in China. Furthermore, it requires that for every dollar that UNFPA spends in China, America's contribution will be reduced, as I have mentioned.

Mr. Chairman, let me say that I follow closely the human rights violations in China. The gentleman from

New Jersey (Mr. SMITH) is a leader on that subject, and I support what he wants to do about China. And that is what we do in the Campbell-Gilman-Maloney-Crowley amendment.

While current law already bans U.S. funding for abortions or abortion services, to once and for all overcome any misunderstanding, this amendment once again reiterates that prohibition of U.S. funding for abortions.

We should note that UNFPA is already on record in opposing coercion and UNFPA conforms to universal human rights standards. The UNFPA does not fund abortions nor abortion-related activities anywhere in the world. UNFPA opposes China's one-child-per-family policy.

I urge my colleagues to oppose the SMITH amendment and to support the Campbell-Gilman-Maloney-Crowley amendment.

With these legal protections and the tremendous need for family planning efforts around the world, Congress should not block important programs that promote women's safety and health.

UNFPA programs work and these programs should be given the opportunity to go forward.

Mr. SMITH of New Jersey. Mr. Chairman, I would like to inquire as to how much time remains on both sides.

The CHAIRMAN pro tempore (Mr. MILLER of Florida). The gentleman from New Jersey (Mr. SMITH) has 19½ minutes remaining. The gentleman from California (Mr. CAMPBELL) has 9 minutes remaining. The gentleman from Connecticut (Mr. GEJDENSON) has 11 minutes remaining.

Mr. SMITH of New Jersey. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, today I rise in support of the Smith-Barcia amendment to the American Embassy Security Act.

The Smith-Barcia amendment would prohibit U.S. contributions to the UNFPA until UNFPA terminates its involvement with the Chinese coercive population control program or until China ends its brutal and abusive one-child-per-family policy.

For 20 years, the UNFPA has been a supporter and defender of China's population control program, giving the Chinese Government over \$150 million.

It is a tragedy that some of my colleagues on the other side of the aisle would even suggest that we should vote to send taxpayer money to support this brutal Chinese program. This is a tragic and wasteful expenditure of U.S. taxpayer money.

Why would we contribute taxpayer money to a program that has been a partner to some of the most heinous population control programs in the world, including incarcerating pregnant women in barracks until they

consent to abortions or sterilizations, forcing pregnant women to attend "study sessions" away from their families until they agree to have abortions, and carrying about sterilizations without the consent or knowledge of the women while rendering other medical services?

The worst part of this is that UNFPA is turning a blind eye to these atrocities against the women of China. In fact, UNFPA has publicly praised their forced abortion program in China. UNFPA even provides cover for China's program by calling it voluntary.

This program is anything but voluntary. Here are some horrifying examples. It is reported that Australia has deported at least three pregnant women to China, and one of them was very close to her delivery date. So what happened? Just days before this woman was to give birth, she was forced to have an abortion.

This abuse is beyond tragic. I do not understand how anyone, in good conscience, could support UNFPA while they are funding and actively promoting China's oppressive population control program.

Now, my colleagues will hear our colleagues on the other side of the aisle push for a compromise with the Gilman-Campbell amendment. Do not be fooled.

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The Gilman-Campbell amendment is merely an attempt to block an up-or-down vote on this issue, an attempt to block an up-or-down vote on Smith-Barcia. It is window dressing for those who are afraid to admit they are supporting China's policy.

In fact, this amendment proposal was defeated by the House when it was last offered in 1997 and it should be rejected again today. Why do we need to keep going over this again and again?

This is plain and simple. The U.S. already contributes to activities to promote women's health and well-being by contributing to other international organizations and NGOs that work in this field. It is not necessary to finance organizations such as UNFPA which collaborate with programs that violate the fundamental human rights of women and children.

Mr. CAMPBELL. Mr. Chairman, in a show of our bipartisan strength the Republican side wishes to yield a 2-minute slot to the gentlewoman from Georgia (Ms. MCKINNEY).

Ms. MCKINNEY. Mr. Chairman, there is something about the debate on UNFPA up to this point that has been really interesting. The people against UNFPA do not really want to talk about UNFPA. Instead, they want to talk about China and how bad China's policies are. You could never figure from these folks that UNFPA spends less than 2 percent of its worldwide budget in China and is active in only 32 of China's 2,700 counties.

Now, I do not like China's policies on controlling family size, forced abortion or forced sterilization and UNFPA's program in China moves China away from these practices.

I would rather talk about the 98 percent rather than the 2 percent. In Uganda, UNFPA runs programs to eliminate female genital mutilation and reduce the number of mothers who die giving birth. In the Philippines, UNFPA helps women achieve economic empowerment. In Kosovo, UNFPA gave pregnant refugee women thousands of clean delivery kits. They did the same thing in Central America after Hurricane Mitch and in Papua-New Guinea after a tidal wave. In Africa, UNFPA is cooperating with UNICEF and WHO on a pilot initiative in seven countries to prevent mother-to-child transmission of HIV.

This is what UNFPA does. What UNFPA does not do is support or fund abortions. UNFPA does not condone coercion in family planning nor do they support China's one-child policy and they do not support forced sterilization.

If we vote against UNFPA, we will ensure that more mothers will die giving birth, that more children will contract HIV disease and that female genital mutilation will not go away. That cannot be what we want and that is why we have to support UNFPA.

Mr. GEJDENSON. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Chairman, I rise in opposition to the Smith amendment to H.R. 2415, the American Embassy Security Act of 1999, and in support of the Gilman-Campbell substitute amendment. While the Smith amendment claims to protect women from coerced abortions in China, its real effect is to deny poor women around the world access to voluntary family planning. Further, the Smith amendment fails to acknowledge that the United Nations Population Fund does not support abortion as a family planning method, opposes quotas in family planning programs, and works only in counties in China that have abolished such practices.

The Gilman-Campbell substitute amendment, on the other hand, provides the needed funds for millions of women and men around the world who depend on international support for family planning, AIDS prevention, and approved infant and maternal mortality. Simply put, the lives of poor women around the world are at stake if we should pass the Smith amendment. Poor resources make these women highly vulnerable to death-related delivery practices, sexually-transmitted diseases, and other horrible conditions.

Please support the Campbell-Gilman amendment and let us defeat the Smith amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania (Mr. PITTS).

Mr. PITTS. Mr. Chairman, I rise to support the Smith-Barcia amendment and to oppose the Campbell amendment. This amendment prevents U.S. funding for China's deplorable population control program which includes coercion, forced abortion and forced sterilization for both Chinese men and women.

Women all over China are victimized daily due to their desire to bear children. Let me share with Members a few of the methods used in China's so-called family planning policy that are a matter of record:

Arresting pregnant women and taking them to abortion clinics tied up or in handcuffs; incarcerating pregnant women in barracks until they acquiesce to abortions and/or sterilizations; forcing pregnant women to attend "study sessions" away from their families until they agree to have abortions; carrying out sterilization or abortion without the consent or knowledge of the women while rendering other medical services; crushing the skulls of babies with forceps during delivery or injecting iodine, alcohol or formaldehyde into the soft spots of their tiny heads as they are crowning so that they are born dead; imprisoning husbands until their wives submit to child-killing procedures; cutting off food, electricity, water and wages for couples who refuse to comply with the Chinese government's barbaric policies; confiscating the furniture, livestock and even homes of families who refuse to comply; finally, demolishing the homes of those who refuse to comply, as reportedly occurred in two Catholic villages in the Hepel province.

When Steven Mosher wrote from his research in China, he said this:

From Sandhead Brigade there were 18 women, all 5 to 9 months pregnant, and many red-eyed from lack of sleep and crying. They sat listlessly on short plank benches arranged in a semicircle about the front of the room, where He Kaifeng, a commune cadre and Communist Party member, explained the purpose of the meeting. He said slowly and deliberately, "None of you has any choice in this matter. The two of you who are 8 or 9 months pregnant will have a caesarean; the rest of you will have a shot which will cause you to abort."

In order to return home to their families, the women had to agree to abort their babies no matter how far along their pregnancies were.

This is not family planning. These are outright human rights abuses. I do not believe that this is a pro-life or a pro-choice issue. It is a human issue. It is a woman's issue. It is a family issue. This is an issue of blatant government abuse and the United States taxpayers should not in any way be a part of it.

Whether you are pro-life or pro-choice, we should agree that China's so-called family planning techniques

are inhumane. Their slogan is, this is what China uses to market their campaigns, "Better to have more graves than more than one child."

Mr. Chairman, we cannot stand by claiming that we see no evil, hear no evil as the UNFPA assists the China program, holding it up as an excellent example for other countries. Until the UNFPA stops aiding in the abuse of women in China, we should not fund it.

I urge my colleagues to support the Smith-Barcia amendment.

Mr. GEJDENSON. Mr. Chairman, I ask unanimous consent to have the gentlewoman from California (Ms. LEE) control my time.

The CHAIRMAN pro tempore (Mr. MILLER of Florida). Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. CAMPBELL. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Chairman, what the gentleman from California (Mr. CAMPBELL) and the gentleman from New York (Mr. GILMAN) have done here has been truly on a bipartisan basis.

I was sorry to hear the comments of the gentlewoman from San Francisco (Ms. PELOSI) that seemed to put a partisan tinge on this. This is the Campbell-Frelinghuysen-Gilman-Greenwood-Horn-Houghton-Nancy Johnson-Kelly-Morella-Shays amendment and we tried to match every one of those with a Democratic Member of the House and that has been done. This amendment is truly bipartisan.

When the Chinese Nationalists moved from the mainland to Taiwan in 1949, they established one of the world's most dynamic economies. In the 1960s and the 1970s, there were billboards throughout Taiwan. On those billboards were happy faces and smiles in the family of four of which two were little kids. Then there was the family and maybe six little kids and they had unhappy faces. The government educated the population. They did that with contraception, not abortion.

This is what we are talking about in the Campbell amendment. It is not funds for abortion. It is funds for contraception, not abortion. A wise population policy is sorely needed in this world. Over population is the most serious problem in the world today. There has been a population explosion in Africa, Asia, and the developing nations of Latin America. Without educating their people, those countries will not have a prosperous economy as is the Republic of China on Taiwan. The Taiwanese will have opportunities.

I happen to be particularly interested in the country of Cambodia. There are 50,000 to 60,000 Cambodians in Long Beach, California, where I live. These refugees chose freedom and have opportunity. When I look at what is going on in the homeland which was devastated

by the murderous Pol Pot. He killed more than a million of his fellow countrymen. People who live in Cambodia need a population program. Those in this chamber who want to stop an effective United Nations Population Program are just plain wrong. We need these funds for contraception. Women not only in the United States but in developing nations, in Africa, Latin America and South Asia, need those funds. The House should not be shortsighted as we have been too often in this Chamber. If you want to reduce abortions, then encourage contraception and family planning.

How can you not have contraception and let impoverished women be forced to have abortions. Provide family planning and contraception? Then you will not need abortions. Think of the success on Taiwan. That is what other nations must do. Taiwan's success showed that a nation does not need to chew up its economic human resources. Taiwan has provided a good life for most of its people. The people Mr. Campbell's amendment would help do not have a good life. Vote for the Campbell amendment and help thousands of people out of poverty.

Ms. LEE. Mr. Chairman, I yield 1 minute to the gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Chairman, I rise in strong support of the Campbell-Maloney-Gilman amendment and in opposition to the Smith amendment.

The debate is very simple. If you support the work that the United Nations Population Fund is doing around the world to reduce unintended pregnancies and abortions, encourage child spacing and proper nutrition for mothers and babies, and help women deliver healthy babies in high risk areas, then vote for the Campbell amendment. If you support cutting off this critical assistance and leaving women around the world without the resources they need to keep themselves and their babies healthy and strong, then vote for the Smith amendment. It is just that simple.

Mr. Chairman, I rise in strong support of the Campbell-Maloney-Gilman Amendment and in opposition to the Smith Amendment.

This debate is very simple. If you support the work that the United Nations Population Fund is doing around the world to reduce unintended pregnancies and abortions, encourage child spacing and proper nutrition for mothers and babies, and help women deliver healthy babies in high risk areas, then vote for the Campbell Amendment. If you support cutting off this critical assistance and leaving women around the world without the resources they need to keep themselves and their babies healthy and strong, then vote for the Smith Amendment. It's that simple.

The fact is: UNFPA does not support coercive abortion policies in China or anywhere else. UNFPA only operates in counties in

China that have eliminated the use of any coercive family planning measures, and encourages voluntary family planning and the elimination of coercive policies throughout China.

No one can deny that the need for family planning services in developing countries is urgent and the aid we provide is both valuable and worthwhile.

My colleagues, in forty years our planet's population will more than double. As a responsible world leader, the United States must do more to deter the environmental, political, and health consequences of this explosive growth.

And let us not forget what family planning assistance means to women around the world. Complications from pregnancy, childbirth and unsafe abortion are the leading killers of women of reproductive age throughout the developing world. One million women die each year as a result of reproductive health problems.

Mr. Chairman, this vote comes down to one question: Do you support family planning? If you support voluntary family planning to reduce unintended pregnancies and abortions around the world, you *must* vote yes on the Campbell Amendment and no on the Smith Amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself 2 minutes.

Just let me remind the gentleman from California (Mr. HORN) regarding his statement earlier, we provide about \$385 million to nongovernmental organizations and governments. Hopefully it will have the Mexico City conditions attached to it. But that money goes for contraception and for family planning. We also provide AIDS money and child survival money. There is an enormous amount of humanitarian aid and I support much of that aid.

Let me also point out, Mr. Chairman, that Amnesty International recently did a report on coercion in China. They pointed out with an absolute, declarative sentence, this is something that many of the human rights groups have pointed out, including the State Department in its Country Reports on Human Rights Practices. Here is Amnesty's statement: "Birth control has been compulsory in China since 1979." There is no right to choice on birth control. That includes, by the Chinese government's definition, abortion. It is estimated that in excess of 10 million abortions are performed in China every year, 90 percent of which are coerced in some way. Brothers and sisters, I say to my colleagues, are illegal in China. It is a one-child-per-couple policy. That is not family planning. That is Big Brother control.

I would hope my colleagues would realize that the means to implementing that just happen to be IUDs, abortion, things that many people in this Chamber, particularly on the other side of this issue, have no problem with. But when it is coerced, when that line of demarcation is crossed and forced abortion, which was properly construed to be a crime against humanity at the Nuremberg War Crimes Tribunal, is

looked at by the UNFPA year in and year out as being a voluntary program, that is where we have to draw the line and say, "Wait a minute. The judgment of this organization is suspect." It is a very coercive program. Read the State Department's report. It is replete with examples and statements about how coercive it truly is. And read Amnesty's report. These are human rights organizations that have come out and said it is coercive.

I hope that we can draw the line and withhold this \$20 million because an organization that does this kind of thing does not deserve it.

Ms. LEE. Mr. Chairman, I yield 1 minute and 10 seconds to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentlewoman very much for yielding me this time. I rise in opposition to the Smith amendment and in support of the Campbell-Gilman-Maloney bipartisan amendment. Frankly I think it is important to emphasize what the United Nations Population Fund really does. The Smith amendment simply prevents it from doing the good work that it does all over the world. That is the important statement that we make today. The UNFPA is the largest internationally funded source of population assistance to developing countries. It is funded through voluntary contributions by 88 member nations.

This is not an isolated group. This is not a group that participates in coercing forced abortions in China. In fact, they stand up against it. Most of their work deals with family planning. Their donors are the United States, Japan, Netherlands, Germany, Norway, Denmark, Sweden, among others. They provide support to 150 countries in Africa, Latin America, the Caribbean, Asia, the Pacific, the Arab states and in Europe. Since 1969, UNFPA has provided almost \$4 billion for voluntary family planning.

□ 1945

Mr. Chairman, I think it is unreasonable to suggest that someone who provides a safe delivery kit is involved in forced and coercive abortions. This is a kit that saves lives, and I would argue very vigorously, Mr. Chairman, that the work of the UNFPA should be supported and this amendment, the Smith amendment, voids what we are trying to do, Mr. Chairman, and I would like to support wholeheartedly the amendment of the gentlewoman from New York (Mrs. MALONEY) and the gentleman from New York (Mr. GILMAN) and the gentleman from California (Mr. CAMPBELL) and all others in a bipartisan way to promote family planning.

Mr. Chairman, I rise in strong support of this amendment offered by Representative CAMPBELL, GILMAN, and MALONEY. This amendment restores funding to the United Nations Population Fund ("UNFPA") but ensures that no

U.S. funds will be spent in China. It allows the U.S. to maintain control over the funds it provides to the UNFPA and requires that any funds used for a program in China shall be deducted from the funds made available to the UNFPA.

The UNFPA is the largest internationally funded source of population assistance to developing countries. It is funded through voluntary contributions by 88 member nations. The major donors are the United States, Japan, the Netherlands, Germany, Norway, Denmark, Sweden, Great Britain, Canada, Finland, Switzerland, France, Belgium, Australia and Italy. However, U.S. funding for UNFPA was eliminated for FY 1999.

UNFPA provides support to 150 countries in Africa, Latin America, the Caribbean, Asia and the Pacific, the Arab states in Europe. Since 1969, UNFPA has provided almost \$4 billion for voluntary family planning and reproductive health care. UNFPA does not provide support for abortions or abortion-related activities anywhere in the world.

The services provided by the UNFPA are crucial in developing countries. Each year an estimated 600,000 women die as a result of pregnancy and childbirth where pregnancy and childbirth are among the leading causes of death for women of childbearing age.

For example, this safe delivery kit is provided to women in developing countries. This kit contains a bar of soap, a disposable razor, a surgical blade, two rolls of umbilical tape, plastic sheeting and 12 rolls of gauze bandage. This kit saves the lives of the mother and the child.

Women in these countries must have access to information that will allow them to make informed reproductive health decisions. These decisions can mean the difference between life and death.

We all condemn the human rights abuses conducted by China. Therefore, this amendment requires that U.S. funds contributed to UNFPA be placed under specific restrictions. U.S. funds will be kept in a separate account and may not be commingled with other UNFPA funds. It also deducts dollar for dollar the funds that UNFPA spends in China.

I urge my Colleagues to support this amendment. It restores the U.S. funding to UNFPA on behalf of women around the world. It also places restrictions on UNFPA funding to China. This amendment renews our commitment to save the lives of women around the world.

Mr. CAMPBELL. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from New York (Mr. BOEHLERT).

Mr. BOEHLERT. Mr. Chairman, governments in many countries that have experienced rapid growth for nearly two generations are now bursting at the seams and are unable to meet the challenge of providing even the most basic services for their citizens. This is the arena in which the UNFPA works, an arena in which every action has a reaction. In the most extreme cases, population growth along with poverty, ethnic tensions, and the misgovernance has resulted in vile conflict. The UNFPA is one of the most effective

means available to address the problems caused by rapid population growth around the world. Its 900 staff-ers work in more than 150 countries to provide voluntary family planning and reproductive health services. By doing so, it allows women and men to freely choose to limit the size of their families, and it helps to reduce the number of unintended pregnancies and abortions.

I would like to ask my colleagues to ask themselves a few questions when voting on this, questions like:

Who would do this work if the UNFPA did not?

Where would some countries be without UNFPA?

I know the answers I think of are unsettling, and I am sure many here, when they stop and think about the bigger picture, will come up with their own stark conclusions.

I urge my colleagues to support the Campbell amendment and support funding for UNFPA. And finally let me say in response to my partner in this effort, the gentlewoman from California (Ms. PELOSI) I am disappointed. I would like to point out that both Democrats and Republicans are supportive of family planning; just as, sadly, some Democrats and some Republicans oppose it.

Ms. LEE. Mr. Chairman, I yield 1 minute to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Chairman, at least 350 million couples worldwide do not have access to information about family planning and a full range of contraceptives. Each day, 55,000 unsafe abortions take place, 95 percent of them in developing countries.

Unsafe abortions result in nearly 600,000 maternal deaths. It is estimated that the impact of the \$20 million cut off will lead to half a million more unintended pregnancies, 200,000 more abortions, 1,200 maternal deaths, 22,500 infant deaths. And while we are worried about human rights in China, of course, we are, let us worry about what desperate women will do. They will try to induce abortions by inserting objects like sticks and wires and knitting needles into the uterus, drinking harmful or poisonous substances. They will take dangerous doses of over-the-counter medication, douche with poisonous and caustic substances, inflict physical abuse like falling down stairs and blows to the belly and jumping from heights.

This is the kind of violence against women we need to worry about, and we can prevent if we support the amendment offered by the gentleman from California (Mr. CAMPBELL) and the gentlewoman from New York (Mrs. MALONEY) and oppose the amendment offered by the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Chairman, I yield 4 minutes to the gen-

tleman from South Carolina (Mr. DEMINT), my good friend.

Mr. DEMINT. Mr. Chairman, I rise in strong support of the Smith-Barcia amendment and in opposition to the Campbell-Gilman amendment.

Mr. Chairman, there have been many efforts to make the Campbell amendment look reasonable and rational and easy for a cross-section of Members to support. However, this amendment merely masks support for the inhumane treatment of women in China and all around the world. We cannot overlook the horrendous treatment of women because the United Nations Population Fund provides some needed services.

Just recently, the world was confronted with the reality of China's forced abortion policy when a woman who was deported from Australia to China was forced to go to the People's hospital just 10 days before she was due to give birth, and she was forced to undergo a mandatory abortion. Fellow Members of the House, this is totally unacceptable and intolerable, yet the organization we are talking about funding today, the United Nations Population Fund, does not even acknowledge a problem with China's policies. We should not add \$20 million in funding to this organization.

Mr. Chairman, China is not the only place where the United Nations Population Fund is active in implementing questionable and sometimes outrageous policies. Peru's population program has violated the human rights of women by coercing them into sterilization. This may include offering poor women food in exchange for sterilization or pressing health workers to reach sterilization quotas and women being sterilized without their consent.

The U.N. Population Fund is also active in Vietnam and North Korea which have been credibly accused of coercive practices. They have not only turned a blind eye to forced abortions and sterilizations, but have even given China an award in its population control program.

I believe we must stand up and say this is enough. We should not fund the United Nations Population Fund until the organization has reformed and renounced coercive and abusive policies. The United States of America should not give the United Nations Population Fund \$25 million in taxpayers' money until they stop these practices.

According to the Campbell amendment, we will give 25 million to the United Nations Population Fund, and we will take it away if we can prove that they are involved.

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield since he referred to my amendment?

Mr. DEMINT. I yield to the gentleman from California.

Mr. CAMPBELL. Can the gentleman kindly point where in my amendment I give any money to the UNFPA?

Mr. DEMINT. As I understand it, the gentleman's amendment does fund.

Mr. CAMPBELL. If the gentleman would continue to yield, the underlying bill funds, and my amendment takes away from that funding dollar for dollar whatever UNFPA spends in China.

Mr. DEMINT. Okay, but it does not address, reclaiming my time, this does not address what this organization is doing around the world, and it does not send a signal to the organization that we want accountability to this horrendous treatment of women.

We must strike at the heart of the issue, we must do whatever we can to send a message to the world that while we appreciate the good things that this organization does, we expect them to stop this inhumane treatment.

Please join me in sending a clear message to the Chinese, the United Nations, that we do not condone this behavior.

Mr. SMITH of New Jersey. Ms. Chairman, will the gentleman yield?

Mr. DEMINT. I yield to the gentleman from New Jersey.

Mr. SMITH of New Jersey. I would like to ask the gentleman from California, in a Dear Colleague dated July 15 signed by the gentleman from California (Mr. CAMPBELL) he points out as a truth UNFPA manages its own program in China.

Does he stand by that statement?

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield?

Mr. DEMINT. I yield to the gentleman from California.

Mr. CAMPBELL. Mr. Chairman, I recognize that the UNFPA arrangement with China yields to China the management of the program within China, and for that reason I do not, in my amendment, give a dime to China.

In fact, if the United Nations spends one dime in China, my amendment takes that dime back from the U.N. so that the United States tax dollars are not going to China.

Mr. SMITH of New Jersey. Mr. Chairman, if the gentleman will yield further, the point I am trying to make is that in a Dear Colleague that was sent to every Member on the Hill, every House Member, the statement has been made that the UNFPA manages its own program in China. That is demonstrably false.

As I pointed out earlier in this discussion, the United Nations Population Fund on January 7, 1998, assigned by Dr. Sadik what will be the role of the U.S. government or the Chinese government was the question. The answer: The Chinese government at the central and provincial levels would be in charge of coordination in terms of monitoring, guidance, and evaluation. It also points out that the local government; that is, the Chinese government, will be in charge of the actual implementation of project activities at the county level. The UNFPA will not

be managing this program, so that it is false and misleading, and I hope Members will take that into consideration.

Ms. LEE. Mr. Chairman, I yield 30 seconds to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I rise in support of the bipartisan Gilman-Campbell amendment, and I place into the RECORD a letter to the ambassador, the American ambassador at the U.N., outlining UNFPA's policy that states there will be no birth quotas, that all birth quotas are lifted, and if there is any coercion it will be investigated and the program will be suspended. And also, a letter from the State Planning Commission of China, I would like to have that placed into the RECORD, and I repeat that this debate is not about China. It is about helping the 149 other countries where UNFPA is saving the lives of women giving birth to children and family planning.

The letters referred to are as follows:

UNITED NATIONS POPULATION FUND,  
New York, NY, 7 January 1998.

His Excellency, Mr. BILL RICHARDSON,  
Ambassador Extraordinary and Plenipotentiary,  
Permanent Representative of the United  
States of America to the United Nations,  
United States Mission to the United Nations,  
New York, NY.

DEAR MR. AMBASSADOR: I am writing to provide you with information in response to the questions and concerns raised by your Government in your letter of 2 December regarding the UNFPA Programme of Assistance to China, which will be presented to the UNDP/UNFPA Executive Board at this month's session.

Your questions with our responses are attached. We hope that this information will answer the queries to your satisfaction. We shall stay in close contact with you and your staff in preparation for the Executive Board, and remain available to answering further questions you may have.

I remain, dear Mr. Ambassador,

Yours sincerely,

NAFIS SADIK,  
Under-Secretary-General.

RESPONSES TO QUESTIONS RAISED BY U.S. GOVERNMENT ON THE UNFPA PROGRAMME OF ASSISTANCE TO THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA (1998-2000)

1. WHICH COUNTIES WILL BE INCLUDED IN THE PROGRAM? WHAT IS THEIR POPULATION AND HOW DO THEY COMPARE TO NATIONAL AVERAGES IN ICPD THRESHOLD INDICATORS? HOW DID UNFPA ASCERTAIN THE COMMITMENT OF LOCAL AUTHORITIES TO ICPD GOALS AND PRINCIPLES?

Below is a list of the counties to be included under the program. The UNFPA field office in Beijing is in the process of preparing a detailed profile of all 32 counties. The most important input into these profiles, however, will be a baseline study which will be carried out in February 1998 with the technical assistance of an expert from Tulane University, USA. Unfortunately, it was not possible to carry out this baseline survey ahead of time owing to the fact that no UNFPA funding was available to be spent in China in 1996 and 1997. This survey will provide a clear picture of the RH situation prevailing in selected counties.

ICPD indicators, while available nationally are not broken down to the county level.

This is because the sources of data are sample surveys which may not be representative at the county level. The counties were selected based on criteria agreed to with the Government: the commitment of local authorities to the projects and to the principles of the ICPD and the availability and commitment to a minimum of counterpart funding toward project activities; the existence of a good working relationship between State Family Planning Commission and the Ministry of Health at the county level; counties were selected where we are optimistic that results can be obtained within the three year time frame. Hence counties that are too poor, too remote, or too lacking in counterpart funding and enlightened leadership were not chosen. For the same reason the selection process also tried to include a cross section of counties from different regions of the country.

UNFPA worked with the national Government to ensure that local authorities possessed a commitment to the ICPD, political will and the availability of counterpart resources.

#### County and province

Fengnin—Hebei.  
Luanxian—Hebei.  
Wenshui—Shanxi.  
Aohanqi—Inner Mongolia.  
Guichi—Ahui.  
Xuanzho—Ahui.  
Jianou—Fujian.  
Yushui—Jiangxi.  
Dongmi—Shandong.  
Xinyang—Henan.  
Mengzh—Henan.  
Yingsha—Hubei.  
Qianjian—Hubei.  
Linwu—Hunan.  
Youxian—Hunan.  
Sihui—Guangdong.  
Lipu—Guangxi.  
Longan—Guangxi.  
Wenchang—Hainan.  
Bazhong—Sichuan.  
Yilong—Sichuan.  
Pingba—Guizhou.  
Zhenfen—Guizhou.  
Xinping—Yunnan.  
Xiangyu—Yunnan.  
Luonan—Shaanxi.  
Xixiang—Shaanxi.  
Yuzhong—Gansu.  
Datong—Qinghai.  
Pingluo—Ningxia.  
Kuerle—Xinjiang.  
Rongcha—Chongqing.

2. WILL BIRTH QUOTAS REMAIN IN EFFECT IN THESE COUNTIES, AND WILL WOMEN FACE SANCTIONS IF THEY BECOME PREGNANT OR BEAR A CHILD OUTSIDE THE QUOTA?

No birth quotas or targets will be applied in the counties participating in the project. Funds will be released only after the UNFPA field office has received official written commitment from the provincial authorities that quotas and targets have been removed in each of the participating counties.

In the project counties couples will be allowed to have as many children as they want, whenever they want, without requiring birth permits or being subject to quotas; however, they may still be subject to a "social compensation fee" if they decide to have more children than recommended by the policy. State Family Planning Commission has indicated that it is the Government's intention to gradually eliminate incentives and disincentives from the family planning programme.

3. WILL FOREIGN OBSERVERS, INCLUDING NGO'S AND DIPLOMATIC PERSONNEL, HAVE ACCESS TO PROJECT COUNTIES AND TO RELEVANT COUNTY OFFICIALS?

It has been agreed with the Chinese Government that the project will follow all UNFPA procedures for monitoring an evaluation. In addition, the government has agreed that the project counties will be open to monitoring and evaluation visits by foreigners and that county officials would be available to talk to foreign delegations.

As evidence to this openness it should be noted that recently (28 November-3 December 1997) a delegation of foreign diplomats representing 17 countries on the UNFPA Executive Board participated in a field visit to project counties to gain a better understanding of the prevailing situation in the field and of the proposed project activities. The delegation which included 6 ambassadors was composed of representatives from Argentina, Brazil, Canada, the Czech Republic, France, Ghana, India, Ireland, the Republic of Korea, Libya, Malaysia, Norway, Romania, Tanzania, Thailand, Ukraine and the U.S.A.

4. WHAT PROCEDURES WILL BE IN PLACE TO SEE THAT THERE ARE NO COERCIVE PRACTICES IN THE COUNTIES ASSISTED BY UNFPA?

Frequent and rigorous monitoring visits and activities will be undertaken by UNFPA and independent consultants as part of the project work plan, which includes inter-alia, surveying client satisfaction, surveying FP service provider skills, and qualitative and quantitative assessment of progress made under the project.

The first important crucial step is the written commitment of the local Government authorities to the principles of ICPD, and specifically to ensuring that no coercion takes place in the selected counties. As mentioned earlier, no funds will be released until written commitment has been received from each of the local authorities of all the participating Provinces.

5. WHAT WILL BE THE ROLE OF THE CHINESE GOVERNMENT? WHAT WILL BE THE ROLE OF UNFPA?

The Chinese Government at the central and provincial levels will be in charge of co-ordination, internal monitoring, guidance and evaluation, all of which will be conducted in accordance to ICPD principles. The local government will be in charge of the actual implementation of project activities at the county level.

UNFPA's role will include monitoring and evaluation at the county level (as discussed above).

The projects will be executed by UN agencies and international NGOs.

6. WHAT PROCEDURES WOULD UNFPA FOLLOW AND WHAT RECOURSE IS AVAILABLE IF PHYSICAL, PSYCHOLOGICAL OR ECONOMIC COERCION IS REPORTED IN PROJECT AREAS? UNDER WHAT CIRCUMSTANCES WOULD UNFPA CONSIDER TERMINATION OF ALL OR PART OF ITS PROGRAM?

If UNFPA finds that there have been violations of the project guidelines in any county UNFPA will suspend operations of the project activities until the situation has been corrected.

If the situation is not corrected it will be reported to the Executive Board.

THE STATE FAMILY PLANNING

COMMISSION OF CHINA,

Beijing, June 30, 1998.

Dr. NAFIS SADIK,

Executive Director, United Nations Population Fund, New York, USA.

DEAR DR. SADIK: It has been a great pleasure to meet with you last March during the



High Level Meeting in Bangkok convened by ICOMP in cooperation with UNFPA. As you have been informed the orientation meeting for the project on RH/FP was held in April of this year. The more than 160 participants to the meeting include government officials from the State Family Planning Commission (SFPC), the Ministry of Foreign Trade and Economic Cooperation (MOFTEC), Ministry of Health (MOH), relevant provinces, prefectures and counties as well as project managers, consultants and representatives from NGOs. Mr. Sven Burmester, UNFPA representative in Beijing also addressed the meeting.

Agenda items of the meeting comprise the principles of ICPD-POA, project objectives and activities, strengths and challenges in achieving the project objectives as well as project implementation plan. An outcome of the meeting is the consensus on how to implement the project. Following the meeting, the project counties have made considerable preparatory work for the project: the setting up of project leading groups headed by county governors or their deputies, drafting of tentative work plans and even county-level project orientation meetings in some cases.

Following the ICPD, in the light of ICPD-POA, and China's national reality and drawing on both China and other countries' experiences, the Chinese government has made some new decisions and initiatives in implementing its population and family planning program. In 1995, SFPC announced that the approach and practice of the family planning program will undergo two transformations. In the same year, China's State Council organized a national meeting to promote the integrated approach for the family planning program. With a view to meeting the need of the public on reproductive health and family planning, a pilot project on quality service was initiated by SFPC in 11 counties, and approaches of informed choice of contraceptive methods are widely promoted across the country. With still 50 million impoverished population in the country, SFPC, in cooperation with other ministries and departments, conducted activities which integrate family planning with poverty alleviation, aiming at helping rural women in income generation and thus improving their status. Welcomed by the local people, these efforts have also created favorable conditions and beneficial experiences for the implementation of the project.

After the orientation meeting, the project counties reaffirmed their commitment to implementing the project in the light of ICPD-POA, their local characteristics and with a view of drawing on both domestic and foreign experiences. The project counties promise to adopt an integrated approach: one that will combine the promotion of family planning with economic development, universal education, improvement of women's status and provision of quality FP/RH services, and ensure that implementation of the project is not in the form of imposing birth quotas and acceptor targets on FP providers. While the counties are fully aware that they will be facing various challenges in the implementation of the project, they have expressed their confidence in the project's success, believing that the project objectives are in conformity with that of China's reproductive health and family planning program. Besides, China's post-ICPD experiences in its reproductive health and family planning program have also laid the required foundation for the implementation of the project.

I am very pleased to learn that the project document has been finalized between the

Government and UNFPA Beijing Office and sent to the headquarters for approval. In the meantime, we very much hope that the headquarters will speed up the process to review and approve the project document so as to ensure the achievement of the project objectives within the limited project period. It is my belief that a good implementation of the project will greatly facilitate the fulfillment of the objectives set in ICPD-POA in China—a country which is home to nearly a quarter of the world's population and step up China's reproductive health and family planning program. It is also the hope of both myself and my colleagues that you yourself could come and visit some of the project counties after the project starts.

With my best wishes,

Yours sincerely,

LI HONGGUI,  
Vice Minister.

Ms. LEE. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Chairman, I rise in strong support of the bipartisan Campbell-Maloney-Gilman amendment to restore funding to the United Nations Population Fund and in opposition to the Smith amendment. And in response to the most recent speaker on the other side, I think it is important to underscore once again the Campbell amendment provides no family planning money to China, it provides no family planning money for abortions. International family planning assistance is essential though in addressing two of the greatest challenges that face the developing world, providing better health care to women and reducing the rate of child mortality.

That is what we ought to be focusing on here tonight. Over 585,000 women a year die from complications due to pregnancy and childbirth. UNFPA extends prenatal and postnatal care and counseling, increasing the chance for survival for Third World children and their mothers. By simply teaching women to space their children 2 years apart, the UNFPA helps increase the survival rate for these children by almost 30 percent.

U.S. contributions to UNFPA also help prevent abortions, and we seem in some danger of losing sight of that tonight. I presume we all share that goal. Continuing to withhold U.S. funding for UNFPA will contribute to an estimated 500,000 unplanned pregnancies. That means abortions, perhaps 200,000 more abortions it has been estimated, as well as 1,200 maternal deaths, and 22,500 infant deaths. Studies show a clear link between the introduction of family planning services in Mexico, Columbia, Hungary, Russia, central Asian republics and a decline in the number of abortions.

With this one vote, Mr. Chairman, we can help improve women's health, we can decrease child mortality, we can dramatically reduce the number of abortions worldwide. The United States cannot fail to meet these re-

sponsibilities. I urge a "yes" vote on the Gilman-Campbell-Maloney amendment.

Mr. CAMPBELL. Mr. Chairman, I yield 1½ minutes to the gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Chairman, I thank the gentleman for yielding this time to me, and allowing me to participate in this debate. And I continue to wonder, if my colleagues do not support abortions, why would they oppose family planning? And when they oppose family planning, what it says to me is they want more abortions, because that is the direct outcome.

And I also wonder why so many men stand up and do not want women to have knowledge about family planning, particularly in poor countries where they need it the most. I wonder what is humane about that? What is loving, what is kind about that? I am embarrassed by the opposition of so many to allow women to have family planning information. I support the measly \$25 million that we would provide to the United Nations Population Fund, and I regretfully support the Campbell-Maloney-Gilman-Crowley amendment of which I am cosponsor, which says that any money for family planning that goes to China would be deducted, so the gentleman from New Jersey (Mr. SMITH) cannot continue to make these false charges. There is no U.S. money going to China because we deduct it, and that is the bottom line.

I support family planning because I am concerned about the projected growth of 800 million new people from 1990 to 2000, and projections of another 800 million new people from 2000 to 2010, and I wonder what this world is going to be like with so much poverty and death.

□ 2000

Ms. LEE. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. DAVIS).

Mr. DAVIS of Florida. Mr. Chairman, I rise in support of the Maloney-Campbell-Gilman amendment and in opposition to the Smith amendment. I think it is very important that we get back to the facts here.

As has been pointed out, the funding that we are talking about tonight goes into maternal and child health services and devices. This includes family planning; it includes birth control devices. These are exactly the types of tools that we need to put in the hands of men and women, particularly in our developing countries, who are seeking to improve the lives of themselves and their families and to better their own countries. There are many men and women in these countries who are struggling to support their families, and we should be encouraging them to engage in responsible family planning.

Now, the gentleman from New Jersey (Mr. SMITH) has expressed a multitude

of concerns about practices in China. I think it is fair to say here that every Member of Congress standing here tonight deplores those activities. But it is also very clear and should be beyond dispute that there is not a single dollar proposed to go to China and to endorse any of those practices and, instead, will go to other countries.

I urge adoption of the Campbell-Gilman-Maloney amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself 20 seconds.

I respect the previous speaker very much, and when he says every Member deplores what is going on in China, I believe that. The problem is the UNFPA does not deplore it. They have been fronting and whitewashing crimes against women for 20 years and they continue to do so. It speaks volumes of an organization when it says there is no coercion, when every human rights group and every Member of Congress says that there is.

Ms. LEE. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I rise in opposition to the Smith amendment and in very strong support of the bipartisan Gilman - Campbell - Greenwood - Porter - Horn - Johnson - Kelly - Morella - Shays - Boehlert amendment, and I thank the ranking member, the gentleman from Connecticut (Mr. GEJDENSON) for his leadership.

Our amendment has deep and strong bipartisan support. What it says is that we want to do something to help women and the 149 countries receive maternal health care and child health care. Over 500,000 women die in childbirth each year. That is equivalent to one or two jumbo jets crashing every day. When there is just one crash, it is headline news for weeks; but the slow toll on women around the world is hardly on our radar screen.

It is about giving out safe delivery kits as were handed out to the women refugees in Kosovo. These are handed out to poor women and children, and it saves lives. It is health care.

Mr. Chairman, 179 countries support UNFPA. Let me tell my colleagues what it is not about. It is not about China; no money goes to China. And it is not about abortions, because no family planning money can be spent for abortions. If we continue the UNFPA cutoff, it will not hurt China. What it will hurt are women and children and lead to more abortions in the other 149 countries in which UNFPA works. It is about saving lives; it is about health care.

There is a solution to the suffering, and that is family planning support. Support the Gilman-Campbell amendment, cosponsored by many, many others of our colleagues. I thank the deep, bipartisan coalition that has worked to correct the action of our country cut-

ting off funds when 179 other countries have supported that effort.

Mr. Chairman, I include for the RECORD at this time documentation in support of my position.

[From the New York Times, July 15, 1999]

VOTE TODAY TO SUPPORT MATERNAL AND CHILD HEALTH—FAMILY PLANNING UNDER FIRE

SUPPORT THE GILMAN-CAMPBELL-MALONEY-CROWLEY AMENDMENT TO STATE DEPARTMENT REAUTHORIZATION

(Submitted by Carolyn B. Maloney, Member of Congress)

Last year Congress disgracefully cut off funding to the United Nations Population Fund, an agency that supports voluntary family planning services, maternal and child health initiatives, and AIDS and sexually transmitted disease prevention programs in 150 countries. In April the House International Relations Committee wisely voted to restore \$25 million for the program in 2000. A House vote on the State Department authorization bill containing that contribution is expected today.

Once again, however, this worthy program is under attack by anti-abortion forces. The Population Fund does not provide or pay for abortion services in any country, and can actually reduce the need for abortions. Yet Representative Christopher Smith, a fervent abortion opponent, is expected to offer an amendment to block funds for the program. He and others have argued that the United States should contribute no money to the agency unless it ceases all family planning activities in China.

This is senseless, because the fund's pilot project in China is actually designed to end coercive population policies. Under the program, the Chinese authorities have agreed to abandon quotas like the one-child policy in 32 areas covered by the pilot project, and adopt instead new strategies to slow birth rates, such as better contraception, health care and expanded economic opportunities for women.

Even so, as a tactical move, the program's supporters have agreed to deduct any amount the Population Fund spends in China, which is expected to be \$5 million a year, from the \$25 million United States contributions. The House now has no excuse for not financing family planning efforts that can improve the lives of women all over the world.

[From the Des Moines Register, May 28, 1999]  
DEFUSING THE POPULATION BOMB—BALANCE IS WITHIN GLOBAL REACH WITH ENOUGH UNSELFISH HELP

It took 1,900 years from the birth of Christ to the dawning of the 20th century for the world's human population to reach 2 billion. In a single century since, it will have tripled. The 6-billion mark will be reached this October. An additional billion should be on hand by about 2014.

The good news is that life expectancy at birth has increased by two-thirds in this century, as more infants survive their first year. Further, while the population boom continues, it has been slowed by family-planning efforts. Not one industrialized country has a fertility rate higher than the replacement level, according to the Population Reference Bureau. The bad news is that, in the underdeveloped areas, the slowing of population growth is due to a rising death rate. Over-taxing the environment increases scarcities of basic necessities, and could accelerate that increase.

The world is running out of water to drink or use to grow crops. Eight percent of the world's population faces chronic water shortages, according to the United States Agency for International Development, and by 2025, more than one-third will face that danger. Hunger now kills 6 million a year. Water shortages could reduce the grain harvest in India, where already more than half of all children are malnourished.

The developed world, meanwhile, is reproducing responsibly. Americans have achieved stability with a 2.0 fertility rate (two children per woman). Our swelling population results from immigration. Europe's fertility rate stands at 1.4. Asia and Latin America show remarkable declines in the past 50 years, from 5.9 to 2.8 in Asia, 5.9 to 3.0 in Latin America. But in Africa, the rate has fallen only from 6.6 to 5.6. And where efforts to control population fail, starvation and disease move in. World Watch Institute says the HIV virus is reversing gains made in life expectancy in Africa. Since 1990, life expectancy in Botswana has dropped from 62 years to 44.

It means we have a very long way to go to find a healthy population balance.

The most hopeful note in the population statistics is that 50 percent of the world's married women of childbearing age now practice family planning, compared to fewer than 10 percent just 30 years ago. The tragedy is that the percentage isn't far higher than 50 percent.

As the Population Reference Bureau notes, the decline in childbearing was "brought about by investments in family planning and other health programs, in education, and in greater social and economic opportunities, especially for women." Control of their childbearing means greater health and opportunity for both them and their children.

The greatest accomplishment mankind could muster in the coming century would be a guarantee that all of its newborns, everywhere on the globe, enter the world with a decent chance at a decent life. With unselfish help from the industrialized nations, it is within our reach.

[From the Houston Chronicle, July 7, 1999]

POPULATION FUNDING WILL HELP TO PREVENT ABORTIONS

As the century prepares to close, the world's population is shooting inexorably toward the 6 billion mark and will surpass it later this year. One billion will be teenagers moving into their reproductive years, and the population explosion can reasonably be expected to continue increasing exponentially.

This means a number of problems around the world, including simply meeting the needs of education and jobs and the need for family planning. World population has doubled since 1950. What effect will it have on the environment, waste disposal and immigration when it reaches 15 billion or more?

The United Nations Population Fund, which plays a critical role for millions of women and their families, has been made a scapegoat in this country in recent years, with U.S. funding for the UNPF caught up in a clash of ideologies that is more about political grandstanding than about dealing with the real issues and solutions to explosive population growth.

In 1994 a program of action was adopted at the International Conference on Population and Development, of which the United States was a major architect. Five years after its inception, significant progress can be cited in nations where the plan is in place. But the

greatest obstacles, say supporters, have been a lack of financial resources and the unfulfilled commitment of donor nations such as the United States. Congress, under the false impression that tax money would be paying for abortions, defunded the U.S. commitment last September.

Earlier this year, the U.S. House International Relations Committee took the first step in reversing this mistake when it voted to restore funding. In the coming days, the full House is expected to vote on that measure contained in the State Department Authorization (HR 1211). Some in the House, however, are threatening to strip this provision from the funding legislation. That would be a very shortsighted and misguided move.

The sad irony is that the population program would actually do far more in the way of family planning and the prevention of unwanted pregnancies and abortions than its critics are willing to admit. If the motivation for opposition to this measure is truly to halt abortions, then those who would kill it are actually doing the legislative equivalent of throwing gasoline onto a fire.

Members of the Texas congressional delegation will shortly have an opportunity to do the right thing by leaving the funding intact. Or they may opt to take the low road and exacerbate the problem they claim they are trying to solve.

We hope they choose the former over the cynical political grandstanding and rhetorical sleight of hand.

[From the Star, June 16, 1999]

#### WORLD POPULATION

The House of Representatives soon should consider renewal of funding for the United Nations Fund for Population Activities. That is always a difficult issue in Congress, where last fall the House voted against this program as part of the omnibus budget resolution.

Family-planning assistance through the United Nations fund is one of the most important foreign assistance programs Congress considers because it contributes to universal access to family planning, prenatal care and reproductive disease services around the globe.

Support for the \$17 billion per year commitment to population spending has been dwindling, particularly in this country that formerly was a leader in international family planning.

Partly because of questions over paying for abortions in China, Congress has capped spending for international family planning at 70 percent of its 1995 level. However, the legislation to be considered by the House would authorize \$25 million in each of the next two fiscal years to the United Nations fund as long as certain conditions are met. Among them: None of the U.S. money would go to China and U.S. funds would not be mixed with other United Nations funds.

Further, the United Nations would have to meet other restrictions in regards to its spending in China or the United States could reduce its contributions. These conditions should satisfy critics.

World population growth is slowing, but it is problematic in developing nations. This year the world reaches 6 billion people. In another 14 years, the number is expected to rise to 7 billion, a total that could be reached faster depending on regional birth rates, the effect of AIDS, longer life expectancies and family-planning programs.

The United States plays a pivotal role, particularly in leading other developed nations,

in slowing population growth. Congress should reauthorize effective programs through the United Nations fund.

[From the Courier-Journal, July 5, 1999]

#### UN POPULATION EFFORTS NEED OUR HOUSE MEMBERS' VOTES

Five years after the United Nations Population Fund's historic Cairo conference, there's still no consensus on issues such as abortion, family planning and sex education. As a result, final agreement on an action plan was still being blocked at the UN last week by a group of small nations mostly Catholic and Muslim and including the likes of Libya and Sudan.

The good news is that population growth has, in fact, slowed in many places, thanks in part to the UN's efforts. But one big obstacle to more progress has been money. In a week or so, the U.S. House of Representatives will be able to do something about that, by restoring funds for the UN population program to the Foreign Relations Authorization Act.

Supporters fear that, if past attitudes are indicative, GOP members from this area will say no. But they hope that two new Democrats—Ken Lucas of Kentucky and Baron Hill of Southern Indiana—will say yes. We hope so, too.

The Cairo conference produced surprising agreement among disparate people: the Pope, Vice President Al Gore, leaders of Christian and Islamic countries, feminists, greens, scientists, prophets of doom, and condom salesmen. The abortion issue stymied unanimity, but there was broad commitment to more family planning, more education, and more effort to improve women's and children's health.

Sometime this fall, the world's population will reach 6 billion, one-sixth of them teenagers entering their reproductive years. But, thanks to efforts by governments, charities and the UN, there's still a chance to hold the total to something like 9.8 billion by 2050. Mexico is showing how it can be done.

Earlier this month, New York Times reporter Sam Dillon described the spectacular drop in Mexico's birth rate, from seven children per woman in 1965 to 2.5 today. That decline has produced what population experts call a demographic bonus—what Dillon described as "the opportunity to generate higher savings rates and domestic investments that can bring rapid development, if the bonus is managed shrewdly."

Such progress is crucial for a country that already can't supply jobs for the 1.3 million new workers who enter the job market each year. It's also important north of the border. Economic troubles have pushed the yearly total of workers leaving Mexico for the United States from 27,000 in the 1960s to more than 277,000 now.

Mexico's record is being duplicated, sometimes exceeded, around the world, especially in Latin America. But more could have been accomplished had it not been for the hundreds of millions in cuts imposed on overseas family planning by the GOP Congress, which defunded the U.N. effort last September.

Democratic Reps. Lucas and Hill may have conservatives in their districts pushing for a "no" vote, but they won't be under the same pressure as their GOP colleagues to oppose renewal of appropriations for the United Nations Population Fund.

They can do the right thing. And their GOP colleagues always have the option of surprising everyone by casting sensible, humane votes.

[From the San Francisco Examiner, July 9, 1999]

#### REPRODUCTION ERROR—CONGRESSIONAL CONSERVATIVES PERSIST IN THEIR MISTAKEN NOTION THAT GLOBAL FAMILY PLANNING EFFORTS DON'T DESERVE U.S. MONEY

Ample reasons exist to continue the worldwide fight to control population. Survival is the first, but quality of life is an important byproduct. Still, the battle expected this summer in the U.S. Congress will be over whether managing the Earth's population is a goal worthy to pursue.

Capitol Hill, unfortunately, is where domestic politics and notions of morality get mixed up with sound public policy and good science. The Hill also is where this country will soon decide whether to support the United Nations Population Fund. Congress' action will occur shortly before the world's population is predicted to top 6 billion (as soon as late July). Last year, Congress nixed \$25 million for the U.N. office.

The controversy is created by a misperception. Some congressional conservatives are confused about international family planning efforts. By law, the United States cannot provide funds for abortions overseas, but the religious right carries the debate further. It argues that the U.S. should not give funds for other family planning activities to an organization that also provides abortions or even just abortion counseling. Its bizarre reasoning is that U.S. support will allow those organizations to shift money into promoting abortion.

There's no evidence of that. But there's plenty of evidence that denying women birth control information creates more abortions, more unwanted babies and more misery. Where's the compassion in these Capitol Hill conservatives?

Experts say the world adds 78 million people a year, or the equivalent of San Francisco's population every three days.

The prospect of overpopulation ought to worry everyone. As the Earth's resources become more and more strained, the misery won't be confined to Third World women denied facts or contraception. Hardship will intrude into middle class neighborhoods, country clubs and even onto the floor of the House of Representatives.

Full funding of U.N. population efforts constitutes common sense.

The CHAIRMAN. The Chair wishes to announce the remaining time.

The gentleman from New Jersey (Mr. SMITH) has 6 minutes remaining; the gentleman from California (Mr. CAMPBELL) has 2 minutes remaining; and the gentlewoman from California (Ms. LEE) has 1¼ minutes remaining. The gentlewoman from California (Ms. LEE) will have the right to close.

Mr. CAMPBELL. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, this is what the bill says. The bill gives \$25 million to the United Nations Family Planning Agency and it says, no money for abortions. This is what the bill does. It says money from the U.S. taxpayer cannot go for abortion. It also says money from the U.S. taxpayer cannot go to China. That is what the bill says, the underlying bill. No money for abortion; no money for China.

Our good friend from New Jersey says, but this is not enough, because the United Nations might give some

money of its own, some other people's money to China. So what the gentleman from New Jersey does is punish every other country on earth that might receive help from the United Nations Family Planning Agency.

I have been to sub-Saharan Africa almost every break that I can over the last 5 years. Zimbabwe is facing 1 million orphans from AIDS. My colleagues heard about Uganda and its female genital mutilation. These are deep and important problems that are helped by U.N. family planning.

Why can we not help some other way? Because the Brook amendment bars the United States assisting a country if that country has defaulted on its debts, and the truth is sub-Saharan Africa and Latin America have largely defaulted on their debts, so there is no other way that we can assist people in need in Africa, in India, in Bangladesh, in South America. Why would we punish them to make a statement, just to make a statement?

We are not seeing any assistance to China under the bill. My amendment says if the U.N. gives one dollar to China, we take a dollar back from what the United States gives to the U.N. My amendment does not add a dime; it takes away money in order to be sure that the China issue does not control this debate.

Mr. Chairman, I have been at pains to explain this. If colleagues think it is the same vote as last year, it is not. The Mexico City issue is not in this. What is in this bill is compassion for the people of Africa, South America, and Asia. I ask for a "yes" vote on the Maloney-Campbell amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself the remainder of my time.

First of all, I believe and I hope the House will believe and vote that the Campbell amendment trivializes forced abortion and coercive population control. The Amnesty International report made it very clear that birth control, and I quote again, "has been compulsory since 1979." Get this, this is right out of the report: "Women must have official permission to bear children." The government has to tell them when and if, by issuing, as the gentlewoman from North Carolina (Mrs. MYRICK) pointed out earlier, these coupons, these certificates that say that you can have a child. Who is the Chinese government to say that? And then the UNFPA comes in and says it is a voluntary program. It is anything but a voluntary program.

Let me also point out, again from Amnesty International's reporting, that what happens in China constitutes cruel, inhumane, and degrading treatment of detainees and restricted persons by government officials. They hold women. They put them into cells until they have their abortions. This is outrageous, and the UNFPA has given

its good housekeeping stamp of approval year in and year out to this egregious practice.

Mr. Chairman, the supporters of the Campbell amendment, which is really a killer amendment, have made some arguments tonight. I would respectfully submit they are wrong, and most of them are internally contradictory. First, they argue that the UNFPA program in China is a force for good, that it helps the women and children in China and not the brutal PRC program of population control.

But here is what Wei Jingsheng, the great Chinese democracy advocate, had to say about that argument, and I quote: "When the United Nations gave the Chinese government its population control award, the Chinese people were flabbergasted. UNFPA," he goes on to say, "extended extensive help to the Chinese Communist Government. By doing that, it has set itself on the opposite side of the Chinese people."

That is Wei Jingsheng talking, not CHRIS SMITH or the gentleman from Michigan (Mr. BARCIA) or the gentleman from Illinois (Mr. HYDE). That is the leading democracy activist who spent years in the laogai because of his beliefs. UNFPA's argument that they are not involved in the coercive aspects of the Chinese program, that just by being there they might make it more free and voluntary, is exactly what they argued in 1986 when the UNFPA supporters sued the Reagan administration for finding that the UNFPA, and I quote, "supports or participates in the management of a program of coercive abortion."

Here is what Judge Abner Mikva, who later became President Clinton's White House counsel, had to say. He and two other judges found that AID's, and I quote, "careful explanation of how the UNFPA's activities in China aid the aspects of China's program that Congress condemned amply supports his conclusion that funding UNFPA is prohibited."

In other words, Judge Mikva, again he was the counsel for the White House and he was a judge, upheld the determination that UNFPA supports or participates in the management of a program of coercive abortion.

The second argument made by supporters is that UNFPA is not about forced abortion. It is about opposing female genital mutilation and other violations of rights of women and children.

Mr. Chairman, this is an argument born of desperation. UNFPA is trying to reinvent itself in order to deflect attention from the real issue of UNFPA's complicity in the Chinese forced abortion program.

Mr. Chairman, when this argument started to surface, I asked my staff to find out how much the UNFPA spends on female genital mutilation. But despite repeated inquiries by my staff

and other congressional staff, they absolutely refuse to give us any statistics on what, if anything, it has spent on anti-FGM projects.

The only mention of FGM in UNFPA's 1998 annual report is a single sentence describing the efforts of a super model who serves as a volunteer public relations worker for the UNFPA. The budget document that accompanied the report contained not a single mention of FGM.

Dozens, I would point out to my colleagues, of international organizations and NGOs do work on female genital mutilation and other good works as well. We must help those organizations, but we do not need to fight this evil by giving millions of dollars to an organization that collaborates with an equally egregious evil.

Finally, Mr. Chairman, look at what the Campbell amendment would actually do. Contrary to the claims of some of its supporters, it is not really a cutting amendment. Let us dispense with that. It starts out by increasing UNFPA's funding from zero, which is what is in the fiscal year 1999 budget, to \$25 million; then it reduces the increase by \$5 million. So the net effect is that if their amendment passes, it would give the UNFPA \$20 million more next year. It cries crocodile tears over the victims of Chinese forced abortion, but its net effect is to give a \$20 million reward to the principal international collaborator with that program.

Mr. Chairman, if someone proposed that we give millions of dollars to an organization that actively assisted in the management of a prison program in which prisoners were routinely tortured, what would we do? Would we say fine, you can have \$25 million, but first we are going to subtract \$5 million because that is what you actually contributed to the torture program? No, Mr. Chairman.

I believe we would cut off that organization without a dime. We would want to disassociate ourselves completely from the torturers and their accomplices. But even more important, we would want to impose a severe punishment, and more importantly, a deterrent against possible collaboration in a program that included torture, because we want to put an end to torture. And the way to stop a bad practice, I would submit, whether it be torture or genocide or, in this case, forced abortion, is not to give \$20 million to its collaborators. Vote "no" on the Campbell amendment and "yes" on Smith-Barcia.

The CHAIRMAN. The gentlewoman from California (Ms. LEE) is recognized for 1¼ minutes.

Ms. LEE. Mr. Chairman, I yield myself the remainder of my time.

I rise in strong support of the United Nations Population Fund and in firm opposition to the Smith amendment.

The United Nations Population Fund provides basic information on family planning. It is just that simple. It targets families in developing countries who otherwise would have to go without basic services such as prenatal and postnatal care. This United Nations program is also leading the charge in confronting the AIDS epidemic in Africa by working to prevent mother-to-child transmission of the AIDS virus. These types of infections account for roughly a third of new HIV infections.

This program should be commended and not burdened with the irrelevant restrictions on China as found in the Smith amendment which will deprive women in dire economic and personal circumstances from receiving the essential family planning that this program provides. A vote for the Smith amendment is a vote against the thousands of refugees who are women in the Balkans who have received kits which help to prevent the infections and diseases associated with giving birth and in unsanitary conditions.

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Furthermore, we should not accept the fact that an estimated 1,200 additional women and 22,500 infants are projected to die if this House refuses to support the Nation's Population Fund. That would be immoral. I urge my colleagues to vote against the Smith amendment and for the Campbell - Maloney - Gilman - Crowley - Greenwood amendment for responsible family planning.

Mr. FARR of California. Mr. Chairman, if we are serious about reducing the number of abortions and improving the health and welfare of women and children around the world, then the U.S. must continue to contribute to the United Nations Population Fund (UNFPA).

UNFPA works in more than 150 countries in the poorest regions of the world providing family planning services, maternal and child health care, and the prevention and treatment of sexually transmitted diseases. Cutting off the U.S. contribution to UNFPA only penalizes the more than 870,000 women who depend on this program for quality, safe, preventive and voluntary family planning services. Instead of preventing abortions, the loss of \$25 million in funds will actually cause 500,000 additional unplanned pregnancies, more than 200,000 abortions, 1,200 more maternal deaths, and 22,500 infant deaths. When women are unable to control the number and timing of births, they may have no choice but to seek an unsafe and illegal abortion. Each year, 75,000 women in developing countries die from such abortions, many of which are self-induced. By denying women birth control information, we only create more abortions and more unwanted babies.

Contrary to popular myth, UNFPA does not support or promote abortion as a method of family planning. It does not support or promote China's population. In fact, the UNFPA program in China explicitly prohibits coercive practices and forced abortions. What UNFPA does do is support the right of women and

families everywhere to make free and responsible decisions about the number and spacing of their children. It does assist women and men to deliver healthy babies in safe and sterile conditions and to protect and promote their health.

This debate is not about China. This debate is about empowering people across the globe so that they can plan both their families and their lives instead of forcing them to accept illness and poverty as a way of life. If we are to be a compassionate nation, then the U.S. must work to improve the lives and health of women all over the world and contribute to UNFPA.

Mr. BARCIA. Mr. Chairman, we are all concerned about protecting the health of women and children, not only in the United States, but around the world. No one in this chamber wants to see more abortions performed or more women forced into sterilization. Unfortunately, there are cases around the world, including China, where these kinds of actions take place. And, unfortunately, the United Nations Populations Fund is doing little to end these abuses. We need to send a strong message to the UNFPA that until they stop supporting China and its brutal one-child abortion policy, we will not support their efforts.

At first glance, the Campbell substitute appears to be very similar to ours and even appears to achieve the same goal. We all agree that China is still involved in forced abortion and involuntary sterilization and we all agree that the UNFPA is doing nothing to discontinue this policy. We all agree that their actions and treatment of their citizens are horrific. That is why the Campbell Amendment decreases funding for the UNFPA, but our amendment goes a step further and will prohibit funding unless the President certifies that the UNFPA has either ceased its activities in the People's Republic of China or China stops using coerced abortion in the enforcement of its population control program.

Mr. Chairman, the China policy is a violation of a most basic right, the right to life. The Campbell amendment is a simple slap on the wrist and does not address the underlying problem of a violation of basic human rights. I urge my colleagues to vote for the Smith/Barcia amendment and oppose the Campbell amendment.

Mr. GEPHARDT. Mr. Chairman, I rise to support the Gilman/Maloney/Crowley amendment to HR 2415. We shouldn't jeopardize international family planning efforts because of legitimate concerns about China's family planning policies. We are all against forced abortion. It is wrong, and must be unequivocally condemned. But that is not the issue here today.

The issue here is: do we empower women and families across the globe with the ability to plan for the number of children they can have, or do we pull the rug out under these important efforts. For me, the choice is clear. We must continue to work to give every woman the right and educated choices necessary to plan the size of her own family, free of any coercion.

I believe that opponents of international family planning efforts are using the issue of forced abortion as a stalking horse for an attack on our support of the United Nations Pop-

ulation Fund (UNFPA). UNFPA funding has nothing to do with Chinese government policy on abortion. First of all, none of the funds that we give to the UNFPA are used in China. Not one cent of US contributions can be used in China. Secondly, the UNFPA does not support abortion in any of its work in China or anywhere else. Its program is specifically based on the premise that abortion is not a method of family planning. And thirdly, the UNFPA program is fully voluntary. Women choose to participate in the program without coercion.

Family planning is the best tool to eliminate unplanned pregnancies across the world. Better family planning means fewer abortions—something that pro-choice and pro-life groups can all support. The UNFPA works in 149 countries. Cutting off US funds will lead to more abortions, not less.

Let's work together to reduce the number of abortions. Let's join to support this amendment to help ensure that all women across the globe can receive access to voluntary family planning and allow them to control their own destiny.

Mrs. MINK of Hawaii. Mr. Chairman, I rise to express my support for the vital work of the United Nations Population Fund (UNFPA) and to urge my colleagues to oppose the Smith/Barcia amendment and support the Campbell/Maloney/Gilman/Crowley amendment.

The UNFPA provides essential primary health services to women in 150 developing countries. It supports the right of couples and individuals to decide freely and responsibly the number and spacing of their children and to have the information and means to do so free of discrimination, coercion, or violence. UNFPA relies on voluntary contributions of member states to provide women and men with access to safe, effective, affordable, and voluntary contraceptive methods of their choice, as well as access to health care for safe pregnancy and childbirth. UNFPA does not support or fund abortion; rather it works to prevent abortion by providing effective family planning services.

Mr. MCGOVERN. Mr. Chairman, I rise in very strong support of the Campbell/Gilman amendment to restore funding to the United Nations Population Fund.

H.R. 2415 provides \$25 million for UNFPA, the world's largest organization providing family planning services to 150 countries in the poorest regions of the world. Restoring U.S. funding will help hundreds of thousands of women around the world gain access to family planning services.

Five years ago, the U.N. set out a new approach to the complex problem of population control. This new approach emphasized improving the lives of women, improving the economic well-being of communities and women, and safeguarding the environment. This effort is called the United Nations Funding Program of Action (UNFPA) and is coordinated through the United Nations Population Fund (UNFP). The United States and other western nations pledged to share the annual \$17 billion cost, but the Action Plan has struggled to secure those funds since the beginning.

UNFPA provides reproductive health services, education of women and girls, involvement of men in family planning, education on HIV and AIDS, help with community-based

sustainable development, and environmental awareness programs. In Latin America, the program is credited with dramatically reducing fertility rates.

The provision in H.R. 2415 balances the critical public health need for U.S. support for UNFPA and the human rights need to address concerns about coercive reproductive health practices in China. Although there are legitimate concerns about China's family planning program, the UNFPA program in China explicitly prohibits coercion and works to promote voluntary family planning.

Withholding UNFPA funds has serious consequences: it increases the worldwide unmet need for family planning services; deprives approximately 870,000 women of access to effective modern contraception; results in 500,000 unintended pregnancies; results in 234,000 births; results in 200,000 abortions; and results in thousands of preventable maternal and child deaths. In brief, it endangers the health and welfare of women and children and their families.

I urge my colleagues to support the Campbell/Gilman amendment.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in opposition to this amendment offered by Mr. SMITH. This amendment prohibits a contribution to the United Nations Population Fund ("UNFPA") unless it ceases all activity in China. This amendment unfairly prohibits funding for reproductive health care and family planning services in developing countries.

While we all condemn the human rights practices in the People's Republic of China, we should not penalize the rest of the world by withholding this funding.

The UNFPA provides essential family planning and reproductive health care services to women in developing countries. All women should have access to quality reproductive health care. Family planning services are an important part of reproductive health care.

Each year an estimated 600,000 women die as a result of pregnancy and childbirth in developing countries. In these countries, pregnancy and childbirth are among the leading causes of death for women of childbearing age.

Women in these countries must have access to information that will allow them to make informed reproductive health decisions. These decisions can mean the difference between life and death. UNFPA funding puts this information in those communities.

The choice between saving millions of women around the world and punishing the government of China is clear. No one condones the coercive practices of the Chinese government in terms of family planning. But, none of us can condone keeping women around the world in the dark about their reproductive health needs.

I urge my Colleagues to vote against this amendment. Women around the world must have access to information that will ensure that their children will be born into a loving and stable environment.

Mr. MORAN of Virginia. Mr. Chairman, I rise in opposition to the Smith amendment as written and in strong support of the Campbell, Maloney, Gilman, Crowley, Greenwood amendment. The Campbell, Maloney, Gilman, Crowley, Greenwood amendment clarifies

once and for all, the purpose of the United Nations Population Fund which is not to provide abortion services for women in foreign lands, but rather to provide basic reproductive health care to women which reduces the number of abortions and provide pediatric health care for infants. It also clarifies that no U.S. funds will be used in China.

The UNFPA has been portrayed by its opponents as a vestige of American imperialism bearing down on countries that are struggling to keep their nations free of the evils of abortion and aiding countries like China with a proven record of coerced abortion. The Smith amendment supports this portrayal by cutting all funding in the bill for UNFPA unless it complies with impossible demands.

What this position fails so poorly to report is that international family planning programs supported and originally initiated by the United States have nothing to do with abortion except that they have the potential to reduce the number of abortions performed legally or illegally internationally. They do so by preventing unplanned pregnancy and educating women and men about the importance of planned and timed pregnancy. Sadly, what should be a common ground for debaters on both sides of the polar abortion issue has become a battleground for maternal and child health advocates on either side of the debate.

The fact is that productive health programs represent a continuum of care for mothers and children that provide prenatal and pediatric care for children. Equally importantly, these programs provide lessons in how to effectively space pregnancies to prevent maternal and infant mortality. Planning and timing pregnancy is not just a theory that makes it easier for parents to manage their children. Children who are born less than two years apart are twice as likely to die as an infant. This nation has the resources to provide those less fortunate with the ability to control their own lives. With proper education, those in developing countries can plan their families just as we in the United States do. It is unconscionable, as leaders of the most prosperous nation on Earth, that we would deny these vital resources to the least prosperous on Earth.

The Smith amendment claims to fund UNFPA after certifying the program's withdrawal from China, or certification that there are no forced abortions associated with China's population control program. This amendment shows a lack of understanding of the way UNFPA works. China has requested UNFPA assistance in 32 countries. When assistance is requested UNFPA goes to work. It cannot withdraw unless the country asks them to withdraw. Accordingly, the President cannot certify all of China's population control program because UNFPA does not operate in all China. They could, however, certify the countries in which they are engaged.

The clarifying amendment offered by Representatives CAMPBELL and MALONEY, and others would simply prevent U.S. funds from being used in China by reducing our contribution to the fund by the amount UNFPA spends in China. In addition, the amendment would withhold the entire U.S. contribution if any UNFPA funds are being used for abortion services.

I would ask my colleagues, if we can affirmatively certify that this money is not being

used for abortions, and that no U.S. funds are being used in China, why would we not support maternal and child health programs? I urge my colleagues to support Representative CAMPBELL's clarifying amendment.

The CHAIRMAN pro tempore (Mr. MILLER of Florida). The question is on the amendment offered by the gentleman from California (Mr. CAMPBELL) as a substitute for the amendment offered by the gentleman from New Jersey (Mr. SMITH).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. SMITH of New Jersey. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, further proceedings on the amendment offered by the gentleman from California (Mr. CAMPBELL) as a substitute for the amendment offered by the gentleman from New Jersey (Mr. SMITH) will be postponed.

It is the understanding of the Chair that amendment No. 4 will not be offered.

It is now in order to consider amendment No. 6 printed in part B of House Report 106-235.

AMENDMENT NO. 6 OFFERED BY MR. SANFORD

Mr. SANFORD. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 6 offered by Mr. SANFORD:

Page 14, line 23, strike "\$17,500,000" and insert "\$12,000,000".

Page 15, strike lines 19 and 20, and insert "\$1,500,000 for the fiscal year 2000."

Page 21, line 25, strike "\$15,000,000" and insert "\$8,000,000".

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from South Carolina (Mr. SANFORD) and the gentleman from Nebraska (Mr. BEREUTER) each will control 5 minutes.

The Chair recognizes the gentleman from South Carolina (Mr. SANFORD).

Mr. SANFORD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment would simply set at 1998 funding, the funding for the Asia Foundation, the Center for Cultural Exchange East-West, and the Dante B. Fascell North-South Center. It would save \$13.5 million each year, which though not viewed as a large amount of money in Washington, with many folks back home it is still, I think, a great sum of money.

Finally, this is an amendment that is supported by Citizens for a Sound Economy, Citizens Against Government Waste, the National Taxpayers Union and Americans for Tax Reform. I think they support this amendment for a number of reasons, and I think it has a number of great things standing behind it.



The first thing that I think stands out in terms of why this amendment would make sense would be, whether a Republican or whether a Democrat, whether a liberal or whether a conservative, I think all of us would agree on the simple idea that we would not want a foundation out there receiving in essence disproportionate care. In other words, we would not want the care for these foundations to be above or, frankly, below that of which a foundation in one's home district receives. In other words, we would want it to be on par.

Yet, that is not at all the case, because these three foundations, which are each in university settings, receive disproportionate care and feeding from the Federal Government, because, unlike a foundation in any one of the 435 congressional districts across this country that have to go out and compete for grants, these three foundations receive not only a Federal guaranteed flow of money but then they can also pick up private grants as well.

The Congress recognized that back in 1995, and as a result, cut funding for these three foundations by \$25 million.

Well, what has happened since then is that the funding has crept back up basically to the level prior to the cut. I do not think this is fair to foundations we might have in any of our respective congressional districts. I will give an example of just a few of the outside funding sources I saw here.

For instance, East-West Center received \$100,000 from the Taipei Economic and Cultural Office. The William H. Gates Foundation provided \$2.3 million for population and health research to East-West Center. The government of Japan contributed \$363,000 to the East-West Center, and I could go down a long list, again, of grants in the marketplace that have been received by these foundations when they are also receiving Federal Government money.

Second, I would say there is a lot of duplication in each of these foundations. We could look up these topics, whether it is with the U.N., whether it is the World Health Organization, the Department of State, the Department of Commerce, there are a long list of agencies that also handle these type studies.

Third, I would say maybe they deserved disproportionate funding during the Cold War, but the Cold War is over. As an instrument of national policy, that policy is now gone. I mean, Asia Foundation has been around for 44 years. East-West Center has been around for over 30 years, and I think it ought to be brought back to par, again, which is what we did as a Congress in 1995.

Finally, I would just mention the fact that a number of these grants are just plain bogus. I mean, I looked here at a number of the grants, methods of multiple stakeholding management of

community forest, management in community-based forestry. Given the free enterprise system that we know works so well, if one really wants to manage a forest, put one person in charge of it and give them reason to be in charge of it, as opposed to community-based forestry whatever that means.

I see a second grant here on young adult sexuality. This collaborative project involving institutions in the Philippines, Thailand, Hong Kong, Indonesia, Nepal, Taiwan, and the United States will assess the extent, nature, determinants and reproductive consequences of premarital sex.

Call me old fashioned on this, but determinants I think simply to be attraction. Reproductive consequences I think are fairly simple. Sperm meets egg; somebody is going to get pregnant. I do not know that we need another study to tell us this.

I see with the Asia Foundation, a study on nuclear weapons in North Korea. The study went on to argue that the media reports of the construction of an alleged underground nuclear facility in North Korea are the results of deliberate leaks by the U.S. intelligence community.

Now how in the world is that in the best interest of the American taxpayer? How is that a benefit to U.S. overall interest?

So I would just say that there are a number of these studies that are funded with American tax dollars that do not make a whole lot of sense. I would again remind folks of the fact that it is supported by Citizens for a Sound Economy, supported by Citizens Against Government Waste, the Americans for Tax Reform and the National Taxpayers Union. I would urge a "yes" vote.

Mr. BEREUTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the gentleman's amendment. Although this Member shares his colleague's interest in reducing wasteful spending, the institutions targeted by his amendment certainly do not fall in that category. On the contrary, on closer examination, the Asia Foundation, the East-West Center, the Dante B. Fascell North-South Center, and other successful programs will confirm their cost effective contributions to American interests around the world.

Indeed, our modest investment in these institutions is money well spent.

As chairman of the Subcommittee on Asia and the Pacific, this Member would like to focus briefly on just one of the affected institutions: the Asia Foundation. The foundation has a 45-year proven track record. Programs and investments in reform-minded individuals in Korea, Taiwan, and the Philippines directly supported the incredible democratic and economic transformations there. The Asia Foundation remains on the front lines doing the

same today in Asia's new, emerging democracies like Indonesia and Bangladesh and helping lay the foundation for positive change in authoritarian countries like China and Vietnam.

Fundamental changes are happening in Asia as a result of the recent economic crisis. Now is the time to take advantage of this climate of change and expand programs advancing democracy, the rule of law, human rights, economic reform and sustainable recovery. That is why the International Relations Committee restored full funding for the Asia Foundation. Over 1/2 of the world's population is within the Asia Foundation's operating area. The Sanford amendment would cut the foundation back to its FY1998 appropriated level—a level \$7 million or 46 percent below this authorization and also below last year's appropriation. The authorization in the pending bill merely returns the Asia Foundation to its FY1995 funding level.

Helping Asia develop into a stable, market-oriented and democratic region is an important American national security objective. The programs of the Asia Foundation and others like the East-West Center support this national security objective. The Sanford amendment would severely cut these NGOs' programs and further restrict our ability to influence positive change. The long term cost of this amendment to U.S. foreign policy objectives certainly outweighs any short-term savings it may have.

For example, the developing countries in Asia are in desperate need of legal reforms. American commerce and local human rights are early beneficiaries of such Rule of Law programming. By defeating the Sanford amendment, we are supporting new legal reform initiatives for Indonesia, Thailand, the Philippines, Sri Lanka, Vietnam, and China.

All three institutions targeted by the Sanford amendment are small, very cost effective private institutions that play very important complementary roles in advancing U.S. foreign policy interests around the world. We need their effort. This Member urges his colleagues to support the authorization levels reported by the International Relations Committee and oppose the Sanford amendment.

#### OPPOSE THE SANFORD AMENDMENT

Asia Foundation, East-West Center and Dante Fascell North-South Center are small, but cost effective private organizations that play very important complementary roles in advancing US foreign policy interests around the world. We need this effort.

Asia Foundation: 45-year proven track record. Over 1/2 of the world's population is within its programming jurisdiction. Following on its previous successes in Korea, Taiwan and the Philippines, the Asia Foundation is now focusing on emerging democracies like Indonesia and Bangladesh and promoting reform in China and Vietnam.

International Relations Committee authorized \$15 million (the Administration-requested level of funding). This restores Asia Foundation funding to its FY'95 (and pre-FY'95) funding levels. The Sanford Amendment would "freeze" the Asia Foundation at the FY'98 appropriation level of \$8 million. This is a \$7 million or 46 percent cut and even a reduction from the FY'99 level (\$8.5 million).

Fundamental changes are happening in Asia as a result of the economic crisis. Now, is the time to take advantage of this climate

of change and expand programs advancing democracy, the rule of law, human rights, economic reform and sustainable recovery. The Sanford Amendment would severely hamper Asia Foundation efforts supporting these U.S. national security objectives.

Now programming supporting much-needed legal reform in Indonesia would be jeopardized by the Sanford Amendment cuts. With the ouster of Suharto and the recent elections, Indonesia is in a very precarious transition. Asia Foundation programs supporting democracy, human rights, rule of law and economic restructuring will help steer this transition in the right direction. This is new programming that would be lost if the Sanford Amendment is adopted.

The long term costs of the Sanford Amendment to U.S. foreign policy objectives certainly outweigh any purported short-term savings.

Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Chairman, I thank the gentleman from Nebraska (Mr. BEREUTER) for yielding me this time.

Mr. Chairman, I rise in opposition to the Sanford amendment that would reduce the funding for one portion of his bill, the Dante Fascell North-South Center. The Dante Fascell North-South Center is an independent policy research and educational center strategically located in Miami, which is the gateway to Latin America and the gateway to the Caribbean.

The center is dedicated to economic and integration efforts, economic stabilization and growth, and furthering democracy and managing immigration. The center is a key player in the anticipated free trade area of the Americas. United States exports to Latin America climbed from \$31 billion in 1986 to over \$130 billion in 1997, comprising 20 percent of United States global exports.

The Commerce Department estimates that exports to Latin America will surpass exports to Europe in 2000 and surpass exports to Europe and Japan combined by 2010. Clearly, Mr. Chairman, the gentleman perhaps has merit to his amendment. However, his net is far too wide and it should be defeated. I would urge defeat of the amendment.

Mr. Chairman, I rise today in opposition to the Sanford amendment, which would reduce funding to the Dante Fascell North-South Center.

The Dante Fascell North-South Center is an independent policy research and educational center, strategically located in Miami, the gateway to Latin America and the Caribbean. The center is dedicated to economic integration efforts, economic stabilization and growth, furthering democracy, and managing immigration.

The center is a key player in the anticipated Free Trade Area of the Americas. U.S. exports to Latin America climbed from \$31 billion in 1986 to over \$130 billion in 1997, comprising 20 percent of U.S. global exports. The Commerce Department estimates that exports to Latin America will surpass exports to Europe in 2000, and surpass exports to Europe and

Japan combined in 2010. Clearly, trade and investment relations with Latin American countries are a vital interest to the United States.

Global financial volatility has highlighted the fact that stability and growth abroad has a direct impact on the U.S. economy. An Asia-type meltdown in Latin America would result not just in further economic crises, but would also manifest itself by increased drug trafficking, illegal immigration, civil unrest, and challenges to democratic rule. The North-South Center plays a crucial role in finding solutions for stability and prosperity in the region.

The North-South Center is an extraordinarily active force in education and discussion of U.S.-Latin American issues such as effects of the Castro regime, drug trafficking from Colombia, social causes of migration, food safety, and the role of the military in democratic society. The North-South Center is fueled by an internationally recognized staff which is dedicated to engaging diverse groups in inter-American issues from the perspective of the public good.

At the beginning of this century, the focal point of United States foreign policy was in Europe. During the mid-1900's, the United States focus shifted toward Asia as a source of commerce and trade. In the 21st century, the United States may very well be looking to Latin America as the center of economic cooperation and growth. We must be prepared for this shift, and we need the North-South Center to continue paving our way.

The Dante Fascell North-South Center's proven track record in facilitating international dialog among governments, nongovernmental organizations, and business interests makes it a vital asset for the United States in this new era of inter-American relations.

Mr. Chairman, I strongly urge my colleagues to recognize the importance of the Dante Fascell North-South Center and oppose the Sanford amendment.

Mr. BEREUTER. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. GOSS).

Mr. GOSS. Mr. Chairman, I rise in unambiguous and unequivocal opposition to this amendment.

Mr. BEREUTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Connecticut (Mr. GEJDENSON), the ranking minority member of the Committee on International Relations.

Mr. GEJDENSON. Mr. Chairman, I think all of us here are concerned about government expenditures, but when we take a look at what these institutions do in helping develop Democratic institutions in countries throughout the world, resolve disputes, to have the kind of dialogue, think about what just happened in Kosovo. One helicopter, \$16 million. We lost two of them; \$32 million. One F-117 stealth fighter, in excess of \$100 million. One F-16, \$25 million. The money we spend here in these centers helps dialogue, helps democracy and helps defend and protect America's interests.

I urge we defeat this amendment.

Mr. BEREUTER. Mr. Chairman, I yield 45 seconds to the gentleman from American Samoa (Mr. FALEOMAVAEGA).

Mr. FALEOMAVAEGA. Mr. Chairman, I do have the greatest respect and trust in the integrity of my good friend from South Carolina (Mr. SANFORD) for introducing this amendment but I have to respectfully object to the amendment and I urge my colleagues not to pass this amendment.

Mr. Chairman, in 1960 the Congress established the East-West Center in America's Pacific to further the foreign policy interests of the United States by promoting better relations and understanding the peoples of the United States in the Asian Pacific region.

Mr. Chairman, because of the essence of time, given the dynamic changes and the enhanced importance of the Asian Pacific region, where two-thirds of the world's population and one-third of the current trade that we conduct in that region of the world, Mr. Chairman, the mission of the East-West Center is more relevant and vital to U.S. interests than ever before.

I urge my colleagues not to accept the gentleman's amendment.

Mr. Chairman, I rise with my esteemed colleagues on both sides of the aisle in strong opposition to the Sanford Amendment to H.R. 2415, the American Embassy Security Bill of 1999.

Mr. Chairman, the Sanford Amendment seeks to reduce the funding level approved by the House International Relations Committee for the Asia Foundation, the East-West Center and the North-South Center. The amendment should be defeated, as each of these important institutions clearly pursues vital foreign policy objectives on behalf of the United States.

Mr. Chairman, in 1960 the Congress established the East-West Center (EWC) in America's Pacific to further the foreign policy interests of the United States by promoting better relations and understanding between the peoples of the United States and the Asia-Pacific region. The East-West Center accomplishes this vital mission by attracting present and future leaders throughout the region who participate, along with America's leaders and experts in the Center's programs of cooperative study, training, and research of the issues most crucial to the region and to our nation.

Since the East-West Center's inception, over 45,000 individuals have participated in the Center's collaborative programs, providing the United States with an invaluable network of highly-placed alumni—an important link between the U.S. and the nations of the Asia-Pacific.

Mr. Chairman, in recent years as the Asia-Pacific region has undergone profound changes, it has also grown in fundamental importance to the United States for many reasons. With China and Japan, the region contains more than half the world's population and provides almost a third of the world's trade markets. The Asia-Pacific region is now the largest market for US exports, an economic trend that will significantly grow in the new millennium, and the establishment of the East-West Center by the Congress almost forty years ago could not be more critical now—and what could be a better place to

house this internationally acclaimed institution and forum than our fiftieth state of the Union—the State of Hawaii.

Mr. Chairman, over 100,000 U.S. military personnel are located in the Asia-Pacific, primarily in South Korea and Japan, underscoring the U.S. stake in and commitment to regional peace and security. With the recent disturbing developments in the Taiwan Strait, Mr. Chairman, this is a peace that is threatened as we debate today.

Moreover, Mr. Chairman, no global problem—from nuclear and ballistic missile proliferation, to the prevention of AIDS, to damage control of regional financial meltdowns, to the reduction in greenhouse gases—can be effectively addressed without the participation of the major nations of Asia and the Pacific.

Given the dynamic changes in and the enhanced importance of the Asia-Pacific region, Mr. Chairman, the mission of the East-West Center is more relevant and vital to U.S. interests than ever before.

Mr. Chairman, as a Pacific nation, America cannot afford not to take her rightful place of leadership in the affairs of the Asia-Pacific region. We must recognize the important work of the East-West Center in support of this vital mission.

Mr. Chairman, I cannot more strongly urge our colleagues to defeat the Sanford Amendment.

Mr. BEREUTER. Mr. Chairman, I yield 45 seconds to the distinguished gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Chairman, this is perhaps one of the most, I would say, harmful amendments I have heard in quite awhile on the floor. I respect the writer of the amendment but I am sure he does not understand the broad scope of the North-South Center named after Dante Fascell.

First of all, our intent is to spread democracy throughout the world. No one or no center has done any better job of this than the North-South Center. It is perhaps the only policy and research and social service kind of organization in this country. On the amount of money that it operates on, it is very, very good. It has a hemispheric agenda and it directly helps the American people in forms of jobs, prosperity, the drug program, the AIDS program.

Mr. Chairman, I think this particular amendment by the gentleman from South Carolina (Mr. SANFORD), though well designed, should be defeated.

I rise in strong opposition to the Sanford amendment which will cap funding in this bill for the North South Center at its FY 1998 level of \$1.5 million. The current bill authorizes "such sums as may be necessary." The Administration requested \$2.5 million for the North South Center for FY 2000 for a reason. Additional funding beyond this amendment's cap is sorely needed.

The Dante Fascell North South Center is the only research, public policy studies, and information center of its type, exclusively dedicated to finding practical solutions to problems and policy issues facing the Americas.

This public policy and research center promotes better relations between the U.S. and nations of Latin America, the Caribbean and Canada, and is dedicated to developing practical responses to regional challenges.

In carrying out its congressional mandate to promote better relations among the United States and the nations of Canada, Latin America, and the Caribbean, the center combines programs of public policy, cooperative study, research, and training.

The center responds to the hemispheric agenda that directly impacts the American people in the form of jobs and prosperity, drugs, migration, export opportunities, environmental quality, and the promotion of shared democratic values. Programs foster national and international linkages and partnerships through fellowships and collaborative efforts in both research and training.

Every Member of Congress who was here before 1992 remembers Rep. Dante Fascell. Throughout his decades of service in this body, Rep. Fascell worked fearlessly for an American foreign policy based on cultural, educational, trade and person to person exchanges between nations, in addition to normal government-to-government contacts. His vision became reality via the North South Center.

The Dante Fascell North South Center has been the foremost institution in bringing together the private sector, NGO's, and government representatives to monitor and evaluate the implementation of democratic governance in the Americas.

I strongly urge my colleagues to vote no on this misplaced amendment.

Mr. BEREUTER. Mr. Chairman, I urge strong opposition to the amendment. I yield the balance of my time to the gentleman from Hawaii (Mr. ABERCROMBIE).

The CHAIRMAN pro tempore (Mr. MILLER of Florida). The gentleman from Hawaii is recognized for 1 minute.

Mr. ABERCROMBIE. Mr. Chairman, I can fully understand why people would want to try and save money but this kind of approach is, I think, unpardonable. I wish the gentleman had discussed the issue perhaps with myself, with the gentlewoman from Florida (Mrs. MEEK), with some others who are familiar with these programs. They perform an invaluable service, and to simply take the position that we are going to hack them in half or chop dollars out and let them try to fend afterwards as best they may is such a cavalier approach to cost cutting that it undermines, I think, entirely the thrust of any attempt to try and save money genuinely.

These institutions are providing an intellectual foundation that gives us the opportunity, as Mr. GEJDENSON indicated, to formulate policy in an intelligent way that saves the taxpayer dollars and allows us to carry foreign policy, in particular, forward in a manner that befits the strategic interests of this Nation.

Mr. Chairman, this amendment is ill-timed. It is ill-founded and should be defeated.

Mr. Chairman, I rise to speak against this amendment to H.R. 2415, the State Department authorization for FY2000. The amendment makes an ill advised 31 percent reduction in the bill's funding for the Center for Cultural and Technical Interchange between East and West, more commonly known as the East-West Center.

The East-West Center has already suffered severe budget cuts during this decade. Further cuts would seriously compromise the national interests of the United States by weakening our full and constructive engagement in the Asia-Pacific area, which is emerging as the most dynamic region of the globe.

The East-West Center was established by the Congress in 1960 to improve mutual understanding and cooperation among the governments and peoples of the Asia-Pacific region, including the United States. The Center helps prepare the United States for constructive involvement in Asia and the Pacific through education, dialogue, research and outreach. The Congress and Executive Branch agencies turn to the Center for advice and information.

During the Center's 39 years of existence, more than 50,000 Americans, Asians and Pacific Islanders from over 60 nations and territories have participated in the East-West Center's educational, research and conference programs. Presidents, prime ministers, diplomats and distinguished scholars and statesmen from all parts of the region have used the Center as a forum to advance international cooperation. The Center has become one of the most highly respected institutions in the region.

The friendly relations which exist today between the United States and countries of Asia and the Pacific are attributable in large measure to the work of the East-West Center.

The 21st century will be the Pacific Century. Our relations with the nations of the region will determine America's role in the Pacific Century. Will we retain our position of leadership, or will we be relegated to the margins of the Pacific Century? The answer depends to a large extent on our commitment to understanding the region, demonstrating our involvement with its future, and nurturing our ties to its leaders of today and tomorrow.

I urge my colleagues to vote against this amendment and send a clear signal that U.S. interest in and commitment to the Asia-Pacific region remain undiminished.

Ms. MCKINNEY. Mr. Chairman, I intend to vote against the cuts called for in the Sanford Amendment and I urge my colleagues to join me in defeating this amendment.

Those of us on the International Relations Committee have been here before. These proposals were all offered to us at our markup, and they lost—badly. On both sides of the aisle, the conclusion then was that the East-West Center, the North-South Center, and the Asia Foundation deserved a substantial level of support. We were right then, and this amendment is wrong now.

These organizations do a lot of good for a small investment. The East-West Center is one of the best methods we have to build long-term relationships with the nations of the Pacific Ocean—places we neglect all too much. Part of the funding we proposed for the

East-West Center is intended to establish an Ocean Resources Institute to figure out the best way to use the great marine wealth in the Pacific in a way that is economically and environmentally sound. And the Asia Foundation, which has been in Indonesia for almost half a century, was one of the most important groups doing civic education before the Indonesian elections. They are also heavily involved in helping small to medium-sized businesses, especially those owned by women, get on their feet and keep going, even during Indonesia's economic crisis.

The money that would be provided here is well justified and will be well used. Join me in demonstrating your support for a responsible investment with a long-term payoff. Vote against these cuts.

Mrs. MINK of Hawaii. Mr. Chairman, I rise to express my opposition to the Sanford amendment to HR 2415, which seeks to delete \$5.5 million in funding from the East-West Center, \$1 million from the North-South Center, and \$7 million from the Asia Foundation.

These institutions are small but very cost-effective. They complement the foreign policy objectives of the United States by providing another dimension of engagement with leaders in Asia, the Pacific, and Latin America and help to increase the mutual understanding and cooperation that is essential for constructive relationships among the nations of these important regions.

The East-West Center is the only national program that has a strategic mission of developing a consensus on key policy issues in U.S.-Asia Pacific relations through intensive cooperative research and training. Many who initially came to the Center as students or researchers have risen to positions of power and influence in government, academia, business, and the media in countries throughout Asia and the Pacific. These opinion leaders formed deep ties with the Center and understand first-hand the value of democracy, an open society, and a free press.

The Center has earned the trust and respect of the nations of this region and enjoys a prestige disproportionate to its small size. We cannot afford to continue to starve this unique and valuable institution.

I urge all my colleagues to defeat the Sanford amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina (Mr. SANFORD).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SANFORD. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 247, further proceedings on the amendment offered by the gentleman from South Carolina (Mr. SANFORD) will be postponed.

Mr. BEREUTER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. CALVERT) having assumed the chair, Mr. MILLER of Florida, Chairman pro tempore of the Committee of the Whole

House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes, had come to no resolution thereon.

#### REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 995, TEACHER EMPOWERMENT ACT

Mr. DREIER, from the Committee on Rules, submitted a privileged report (Rept. No. 106-240) on the resolution (H. Res. 253) providing for consideration of the bill (H.R. 1995) to amend the Elementary and Secondary Education Act of 1965 to empower teachers, improve student achievement through high-quality professional development for teachers, reauthorize the Reading Excellence Act, and for other purposes, which was referred to the House Calendar and ordered to be printed.

#### AMERICAN EMBASSY SECURITY ACT OF 1999

The SPEAKER pro tempore. Pursuant to House Resolution 247 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2415.

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#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes, with Mr. MILLER of Florida (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole House rose earlier today, a request for a recorded vote on amendment No. 6 printed in part B of House Report 106-235 had been postponed.

It is now in order to consider amendment No. 8 printed in Part B of House Report 106-235.

#### AMENDMENT NO. 8 OFFERED BY MR. PAUL

Mr. PAUL. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 8 offered by Mr. PAUL:

Page 16, strike line 5 and all that follows through line 17 on page 21, and insert the following: None of the amounts authorized to be appropriated under subsection (a) are au-

thorized to be appropriated for a United States contribution to the United Nations, any organ of the United Nations, or any entity affiliated with the United Nations.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from Texas (Mr. PAUL) and a Member opposed each will control 5 minutes.

Mr. SMITH of New Jersey. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN pro tempore. The gentleman from New Jersey (Mr. SMITH) will be recognized for 5 minutes.

Mr. SMITH of New Jersey. Mr. Chairman, I yield half of my time to the gentlewoman from Georgia (Ms. McKINNEY) and ask unanimous consent that she be allowed to control that time.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN pro tempore. The gentlewoman from Georgia (Ms. McKINNEY) will be recognized for 2½ minutes.

The Chair recognizes the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, my amendment strikes the authorizations in section 106 for all U.N.-related operations. We have a bill here tonight dealing with embassy security, U.S. embassy security, and we are all very concerned about it.

But in typical fashion, about all we have been offered so far has been just to put more money into our embassies and never raising the question about why our embassies might be more vulnerable. My amendment deals with that, because I would like to deal with the foreign policy involved with our commitment to the United Nations.

There are many in this Congress who readily admit they are internationalists. I readily admit that I am not an internationalist when it comes to political action and warmongering. Therefore, I think much of what we do in foreign policy makes ourselves more vulnerable. If we look at the two most recent bombings in Africa, these were brought about by our own foreign policy.

Those supporters of internationalism generally accuse those of us who are opposed to it by saying that we are isolationists. This is not true. I am not an isolationist. But I do believe in national sovereignty. I happen to sincerely believe that one cannot become an endorser of some form of internationalism without some sacrifice of our own sovereignty. I think this is the subject that we must address.

I believe in free trade. I do not believe in protectionism. I am not a protectionist. I think people, goods, and services and ideas should flow across

borders freely. But when it comes to our armaments, under the guise of the U.N. orders or NATO orders, I do not believe this should be called something favorably as internationalism and those who oppose that as being isolationists.

I object to imposing our will on other people. I believe this is what we so often do. When we do that, we build hatreds around the world. That is why our embassies are less secure than many other nations. This is why we are bombed. We bomb Iraq endlessly. No wonder they hate us.

Iran right now, they have dissidents in the street; but they are blaming America, because there was a time when we put our dictator in charge of Iran as we have done so often around the world. Yet they only can come back by making our embassies vulnerable. It might be wiser for those countries that we cannot protect our embassies to put in a computerized operation because, in this day and age, we do not have to have embassies in the countries that are so dangerous.

But it is not the lack of security that is the problem, it is our type of policy that prompts the hatred toward America. I suggest we should look at some of this U.N. activity.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in reluctant opposition to the gentleman from Texas (Mr. PAUL). I know that many of us are often frustrated with the U.N. and especially some of its activities. But I do believe that the amendment does risk throwing the baby out with the bath water.

The amendment would effectively take us out of the U.N., while it has its blemishes, and the previous amendments certainly underscored my concern that the UNFPA, for example, has been absolutely complicit in the forced abortion program in the People's Republic of China; and I do believe a calibrated focused approach like that is the way to make our point. But look at some of the good things that the U.N. has done again with blemishes and all.

I will never forget, back in the early 1980s, I was in El Salvador when the United Nations Children's Fund, UNICEF, under Jim Grant, working with the Catholic church, working with the Duarte government, and working with the FMLN, the Communist insurgency, headed days of tranquility. Hundreds of thousands of children were immunized against the world's leading killers of children and those that extract or impose a great morbidity on young lives. Pertussis, tetanus, all of these diseases were wiped away from these kids, and because of these immunizations. The U.N. played a very, very important role in that.

Look at the world food program which provides necessary foods to chil-

dren and families, the victims of torture. Our subcommittee, and I offered the bill, it became law, provided an additional amount of money to the U.N. voluntary fund for torture to help the people who suffer from torture. There are 400,000 former torture victims living in the U.S. with posttraumatic stress and all kinds of other problems. Many hundreds of thousands abroad, they need our help.

Then when it comes to such things as peacekeeping, yes, it is flawed. The UNPROFOR was a very flawed deployment, but there are many that had been successful.

I would just remind Members that, when we had the Gulf War, the U.N. played a pivotal position in mobilizing, especially through the Security Council, our efforts to try to mitigate the abuses of Saddam Hussein.

While I deeply respect the gentleman from Texas (Mr. PAUL), I do think it overreaches, and I would hope that Members would vote it down.

But remembering that it does have its problems, the U.N. certainly is not a perfect organization, it is far from it, but it does have some agencies and things that do some very, very good things. I missed it, but on refugees, the UNHCR is vital to proceeding refugee protection and assistance.

So I do ask Members to vote "no".

The CHAIRMAN pro tempore. The gentlewoman from Georgia (Ms. MCKINNEY) will have the right to close.

Mr. PAUL. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I am not addressing the imperfections of the United Nations. I am addressing the imperfection of our policy with the United Nations, which is a lot different.

We ignore the rule of law; we ignore international law when it pleases us. We did not accept the United Nations role when it came to Kosovo. We did not even accept NATO when it came to Kosovo. What we did, we just totally ignored it.

We invaded a sovereign nation. We did not abide by the rules of the United Nations. Then when we needed rescue from our policy, then we go limping to the United Nations to come in and please save our policy in Kosovo.

That is what I object to. I think that we should not renege and turn over our sovereignty to these international bodies. I believe there is motivation for this. When our commercial interests and financial interests are at stake, yes, we do get involved in the Persian Gulf; yes, we do get involved in Eastern Europe. But do we get involved in Rwanda? No, we do not. We ignore it.

So I say that we should have a policy that is designed for the sovereignty of this Nation; that we should not have troops serving under the United Nations; that we should not pretend to be a member of the United Nations and pretend to be a member of NATO and

then not even follow the rules that have been laid down and that we have agreed to.

Generally, we always make our problems worse. Our wars are endless, and our occupations are endless. Someday we are going to have to wake up and design a new policy because this will not stop as long as we capitulate to the use of the United Nations and try to sacrifice our sovereignty to these international parties.

Now, this does not get us out of the United Nations. It is a step in that direction, obviously. But it is a step in the right direction because I think it is the proper use of our military if we do not capitulate and put it under NATO and put it in the United Nations. We need to use our military strictly in the defense of U.S. sovereignty.

Ms. MCKINNEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I agree that bad diplomacy does make us more vulnerable. But this amendment represents the height of bad diplomacy. We should be trying to pay our more than \$1 billion debt that we owe to the United Nations. Great nations should pay their bills.

Unfortunately, the gentleman from Texas (Mr. PAUL) compounds our shame by introducing an amendment to eliminate all funds for the United Nations, an action that would effectively end U.S. participation in the U.N. Make no mistake, this would spell the demise of the world's most universal forum.

Why would anyone want to kill an organization that has brought food to the starving, help to the homeless, pure water to the thirsty, health to the diseased, stability to peoples in conflict, and free elections to the oppressed?

But this is not just about altruism. Withholding funds from the U.N. would harm collective efforts to deal with threats that cut across borders, from terrorists to organized crime, and from drug traffickers to environmental damage.

Poll after poll has shown that Americans want to participate in solving global problems, but they do not want to do it alone. Americans want to share the burden of responsibility with the peoples of other nations, and we can best do that through the United Nations.

Mr. Chairman, the very introduction of this amendment sends a message to the world that there are Americans who live in fear, fear of others and fear of the loss of control. I believe that this fear is a greater threat than that posed by the United Nations.

The children of the 21st century deserve a world of peace, stability, and prosperity across the globe. The United States cannot achieve this dream alone. However, with an effective

United Nations, the dream can become a reality.

I suggest that my colleagues should not kill this dream, but kill this amendment.

Mr. HALL of Ohio. Mr. Chairman, I rise in strong opposition to the Paul amendment which will prohibit all authorizations for appropriations from the United States to the United Nations or any entity affiliated with the United Nations. This is an irresponsible amendment which, if passed, would do severe damage to the United States ability to conduct foreign policy, and to humanitarian efforts around the world.

The United Nations, while not perfect, is a forum where member states can come together to work for peaceful solutions to international problems. Currently, the U.N. is operating 16 peacekeeping missions in different countries which are upholding cease-fires, ensuring free and fair elections, monitoring troop withdrawals, deterring violence, and creating free countries. These endeavors deserve our support, not our condemnation.

Finally, Mr. Chairman, this amendment would do damage to U.N. humanitarian efforts around the world which I have seen in such places like Sudan, North Korea, Bosnia, and Kosovo. I have seen first hand the U.N.'s humanitarian work through organizations like the World Food Program, U.N. Development Program, the U.N. High Commissioner for Refugees, and UNICEF. The U.N. is a leader in humanitarian and development work. It has helped to eradicate smallpox, provide safe drinking water for over one billion people, deliver aid to millions of refugees, and generate a worldwide commitment to the needs of children.

Mr. Chairman, the Paul amendment should be defeated soundly because if it is passed, it would show that the United States simply does not care about the U.N.'s humanitarian work around the world or its efforts to find peaceful solutions to international problems.

Ms. McKinney. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Texas (Mr. PAUL).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. PAUL. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 247, further proceedings on the amendment offered by the gentleman from Texas (Mr. PAUL) will be postponed.

The point of no quorum is considered withdrawn.

AMENDMENT NO. 10 OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 10 offered by Mr. BEREUTER:

Page 35, after line 9, insert the following:

**SEC. 211. LEASE-PURCHASE AGREEMENTS.**

Whenever the Department of State enters into lease-purchase agreements involving property in foreign countries pursuant to section 1 of the Foreign Service Buildings Act (22 U.S.C. 292), budget authority shall be scored on an annual basis over the period of the lease in an amount equal to the annual lease payments.

Mr. CHAMBLISS. Mr. Chairman, I reserve the right to raise a point of order on the amendment of the gentleman from Nebraska (Mr. BEREUTER).

The CHAIRMAN pro tempore. The point of order is reserved.

Pursuant to House Resolution 247, the gentleman from Nebraska (Mr. BEREUTER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, this Member offers this amendment for one simple reason, a glitch in the current interpretation, or the misinterpretation, of the Budget Act has resulted in a situation where Americans overseas are needlessly being placed at risk.

There is no question that many of America's diplomatic facilities are at risk from terrorist attack. Recommendations were made in 1985 by the Inman Commission to significantly upgrade security and replace outdated facilities. But a decade and a half later, only 15 percent of the U.S. embassies meet Inman standards.

The reason is that it takes decades to go through the labyrinth of bureaucracy associated with the U.S. government constructing a new embassy. The addition to the Moscow embassy took almost two decades. The State Department has been considering additions to the terribly outdated Beijing chancery for almost a decade, and construction has yet to begin.

There are many, many facilities that do not receive much-needed attention because the few contractors the State Department relies upon are overwhelmed.

In desperation, our U.S. ambassadors are taking it upon themselves to cut through the red tape, contacting private engineering firms to develop plans for necessary embassy upgrades. The notion is that private firms are able to construct diplomatic facilities that meet the Inman standards, and then lease the facilities to the United States.

□ 2045

Such lease-purchase arrangements for facilities built by the private sector would eliminate the likely delays caused by the tortuous, slow State Department bureaucracy, where decisions on embassy construction literally require decades.

According to the Assistant Secretary of State for Administration, "The bot-

tom line is I can get more embassies built faster if the private sector was doing the construction with its own money."

This Member's amendment would permit budgetary scoring of leased properties on an annual basis. This amendment permits the speedy construction of more secure diplomatic facilities.

I would tell my colleagues this has, in fact, long been the intent of this body. Section 134 of the Foreign Relations Act for fiscal years 1994 and 1995 spoke directly to this problem. According to that legislation, "Whenever the Department of State enters into lease-purchase agreements involving property in foreign countries, the Department shall account for such transactions in accordance with fiscal year obligations."

Regrettably, the administration has written an opinion stating that this provision of law does not alter Office of Management and Budget scoring rules. OMB is steadfastly opposed to lease-purchase scoring on an annual basis. Rather, they insist the entire value of the lease be scored on the first year of the lease. As a result, there is no incentive to engage in lease-purchases and we lose a highly creative approach to addressing our security concerns.

This Member's amendment simply would permit scoring of lease-purchase properties on an annual basis. If this amendment is offered, we will have secure embassy facilities years earlier. Thus, the security of U.S. diplomatic personnel overseas will be dramatically increased.

The bottom line is this: The current OMB interpretation of lease-purchase scoring regulations needlessly endangers American lives overseas. This Member would ask his colleagues to work to address this situation by allowing lease-purchase scoring on an annual basis. And I urge my colleagues to support the Bereuter amendment on embassy construction.

Mr. Chairman, I yield 1 minute to the gentleman from New Jersey (Mr. SMITH), the chairman of the subcommittee.

Mr. SMITH of New Jersey. Mr. Chairman, I want to thank the chairman of our Subcommittee on Asia and the Pacific of the Committee on International Relations for a very, very fine amendment. I would hope the Committee on the Budget would not object, but it looks like they may.

We need safe embassies now, Mr. Chairman, and our diplomatic personnel overseas need and deserve that security. Moreover, the image of the U.S. should not be one of easy vulnerability. Where our posts are not secure and cannot be made secure, we need to build safe posts as soon as we can.

The fastest way to build them is for the private sector to put up the money and build them. We then lease-purchase



over the years. The current rule requires us to score the whole multi-year lease-purchase in the first year. This amendment, instead, allows us to score only the annual expenditure. This change will expedite the necessary and urgent construction of safe posts without increasing any costs.

The scoring of lease-purchase properties on an annual basis was already included in the Foreign Relations Act for fiscal years 1994 and 1995, yet the administration has opined otherwise.

So I support this amendment of my colleague from Nebraska. It is a good amendment, it is common sense, and we should support it.

Mr. BEREUTER. Mr. Chairman, I yield myself such time as I may consume to simply state that the previous act I mentioned, PL 103-236, made it very clear that the Congress intended that we were going to overrule the Budget Act that will be cited here in a few seconds, and the President's signing statement simply flew in the face of that clear legislative intent. So I urge my colleagues to support the amendment.

Mr. Chairman, I yield back the balance of my time.

Ms. MCKINNEY. Although I am not in opposition to this amendment, Mr. Chairman, I would like to claim the time in opposition.

The CHAIRMAN pro tempore (Mr. MILLER of Florida). Without objection, the gentlewoman from Georgia (Ms. MCKINNEY) is recognized for 5 minutes.

There was no objection.

Ms. MCKINNEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I strongly support the amendment on embassy construction proposed by the gentleman from Nebraska (Mr. BEREUTER), and I urge the House to adopt it.

This amendment goes perfectly with the Embassy Security Act. The goal of the act is to provide serious money to improve embassy security. This amendment allows that money to be spent in a serious and intelligent way.

Instead of having to charge off the entire cost of leasing buildings to own the first year, the Department of State could have these costs scored annually based on the amount of the leased payments. That is not a radical idea. It is how we all buy houses here.

If people in the United States had to have enough money up front to pay for their houses in the year they bought them, hardly anyone would own a house. The State Department is in the same situation. That needs to change if we are going to get moving fast on security. And if we do not get moving fast, more people will get hurt.

To be serious on embassy security, we need this amendment, and I urge my colleagues to support the Bereuter amendment.

#### POINT OF ORDER

The CHAIRMAN pro tempore. Does the gentleman from Georgia (Mr. CHAMBLISS) insist on his point of order?

Mr. CHAMBLISS. I do, Mr. Chairman.

I object to the amendment under section 306 of the Congressional Budget Act.

Mr. Chairman, the amendment violates section 306 of the Congressional Budget Act of 1974. Section 306 prohibits the consideration of any amendment that is within the jurisdiction of the Committee on the Budget and which is offered to a bill that was neither reported or discharged from the Committee on the Budget.

The amendment of the gentleman from Nebraska modifies the budgetary treatment of certain leases entered into by the State Department. The budgetary treatment of such leases prescribed in the Balanced Budget Act and Emergency Deficit Control Act of 1985, which is, pursuant to clause 1 of House Rule X, within the jurisdiction of the Committee on the Budget.

Under current law and existing scoring procedures, the Federal Government is required to appropriate the full cost of any multi-year lease of office space in the fiscal year in which it enters into the lease agreement. This amendment permits the State Department to commit the Federal Government to a long-term lease agreement with an appropriation for only the first year of the cost of the lease. However, once the lease is agreed to, the Federal Government is saddled with a long-term financial commitment.

So I do object to the gentleman's amendment.

The CHAIRMAN pro tempore. Does the gentleman from Nebraska (Mr. BEREUTER) wish to be heard on the point of order?

Mr. BEREUTER. Yes, Mr. Chairman. It is my intention to attempt to amend the Budget Act to permit for lease-purchasing by the State Department for embassies and consulates and related facilities, but I do reluctantly, with great regret, acknowledge that a point of order does pertain against the amendment under the rule.

Mr. CHAMBLISS. Mr. Chairman, I would just say to the gentleman that we look forward to working with him to reconcile any concern he has.

The CHAIRMAN pro tempore. The point of order is sustained.

The Chair understands that amendment No. 11 is not offered at this point.

It is now in order to consider amendment No. 13, printed in Part B of House Report 106-235.

#### AMENDMENT NO. 13 OFFERED BY MR. KUCINICH

Mr. KUCINICH. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 13 offered by Mr. KUCINICH:

Page 35, after line 9, insert the following:

**SEC. 211. REPORT CONCERNING THE DIPLOMATIC INITIATIVES OF THE UNITED STATES AND OTHER INTERESTED PARTIES IN THE FEDERAL REPUBLIC OF YUGOSLAVIA.**

No later than 1 year after the date of the enactment of this Act, the Secretary of State shall submit a report to the appropriate congressional committees assessing the diplomatic initiatives of the United States and other interested parties in the period leading up to and during the war in Kosovo. The report shall be written by an independent panel of experts (from the National Academy of Sciences). The report shall give particular consideration to the Rambouillet negotiations, diplomatic initiatives undertaken by representatives of Russia, Cyprus, Finland, United States congressional members, other United States citizens, and other parties. The report analysis will evaluate the role of diplomacy in ending the war and compare the final agreement with various proposed agreements dating from before the commencement of the bombing campaign.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from Ohio (Mr. KUCINICH) and a Member opposed each will control 5 minutes.

Mr. SMITH of New Jersey. Mr. Chairman, I am not opposed, and I know of no opposition to this, but I would ask to claim the 5 minutes.

The CHAIRMAN pro tempore. Without objection, the gentleman from New Jersey (Mr. SMITH) will control the time in opposition.

There was no objection.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, I yield myself such time as I may consume.

My amendment is a simple amendment. It is not a controversial amendment. It would commission the Secretary of State, after 1 year, to submit an independent study of the diplomatic initiatives undertaken by the United States and other parties involved in the Balkans. It would carefully examine the role of diplomacy in the Kosovo conflict in the Balkans.

Mr. Chairman, I reserve the balance of my time.

Mr. SMITH of New Jersey. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. WELDON), who has done yeoman's work on diplomacy related to this with the Duma.

Mr. WELDON of Pennsylvania. Mr. Chairman, I thank the gentleman for yielding me this time, and I want to rise to applaud the distinguished member for this amendment.

Mr. Chairman, I think it is very important that we look back at the Kosovo crisis and see what steps were taken, those that we are not aware of, in an effort to find a diplomatic solution.

As I am well aware, the gentleman from Ohio (Mr. KUCINICH) spent countless hours himself trying to find a diplomatic way to end this crisis. I saw his efforts firsthand. I know of his contacts, I have applauded him for that publicly.

I think it is important that we ask the administration to go back and look at what lessons can be learned from this situation, what kinds of, perhaps, opportunities we may have missed, what kinds of things worked well. Because there were successes and, perhaps, failures in both regards in terms of this crisis, and it is important to look back to see what we can do differently if a similar crisis occurs in the future.

The gentleman and I were both involved, with nine of our colleagues, in trying to find a diplomatic solution. The Members on the gentleman's side of the aisle were as aggressively involved as were Members on my side to trying to find an alternative to the bombing that occurred as a way of solving the crisis.

So I think the amendment is well worded, it is well intended, and I think it will be an overall help to future administrations. I applaud the gentleman for the effort he has undertaken, and hope that my colleagues on this side of the aisle would accept the amendment and work with the gentleman to see that his ultimate report is, in fact, issued so this body can learn lessons from the Kosovo crisis.

Mr. Chairman, I want to also thank the gentleman from New Jersey (Mr. SMITH), my distinguished chairman, who has also been a tireless advocate for finding peaceful solutions to international crises, and I look forward to adding my support to the vote on this amendment.

Mr. KUCINICH. Mr. Chairman, I yield myself such time as I may consume to first say that my work on this amendment was inspired by the leadership of the gentleman from Pennsylvania (Mr. WELDON), who saw a very important moment in the history of the Kosovo conflict and rallied Members from both sides of the aisle to a higher level of participation, and I want to publicly thank him not only for supporting the amendment but also for his almost singular leadership in this House on behalf of peace. So I thank him for his support.

Mr. Chairman, I yield 1 minute to the gentlewoman from Georgia (Ms. MCKINNEY).

Ms. MCKINNEY. Mr. Chairman, I join my colleagues in commending the gentleman from Ohio for his amendment and for the wonderful work that was done during this period of crisis that we have recently faced. I want to lend my voice of support for the work that the gentleman does, his efforts on behalf of peace and on this amendment, and I thank him for introducing it.

Mr. KUCINICH. Mr. Chairman, I reserve the balance of my time, but also want to thank the gentlewoman from Georgia for her support and for her participation and her efforts over the past year.

Mr. SMITH of New Jersey. Mr. Chairman, I would like to inquire as to how much time remains.

The CHAIRMAN. The gentleman from New Jersey (Mr. SMITH) has 3 minutes remaining.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I agree with my good friend, the gentleman from Ohio (Mr. KUCINICH), who has sponsored this amendment calling for a study of the role of diplomacy regarding the Kosovo conflict, and I want to thank him for his very thoughtful amendment. Everything he does is thoughtful, and this is just another example.

I personally voted against military action, Mr. Chairman, and history will someday give us a clue and perhaps some real answers as to whether or not diplomacy before the conflict was working and whether diplomacy during the conflict was responsible for ending the conflict.

I support the notion of an independent panel to examine this. We have ample reason for concern that a report by the administration about its own policies would simply be a defense or an apology for those policies and little more. This administration certainly has a record of paying, at best, lip service to congressional initiatives in foreign policy.

I would also like to say that the report must, in addition to considering the question of diplomacy versus military intervention, assess the situation on the ground in Kosovo to which the international community was seeking to respond. The ideas of conflict resolution, preventive diplomacy, and negotiated settlements are theoretical concepts, and they do not incorporate the notion that one side might not have had one ounce of good will and instead had a clear willingness and desire to commit genocide instead.

Finally, diplomatic initiatives are supposed to be motivated by good intentions, and most are, but the report should consider that not all motivations are good. Having just returned from St. Petersburg session of the OSCE Parliamentary Assembly, many of us were subject to a heavy dose of Russian propaganda which, among other things, alleged that there was no dissent here to the administration's policies. That is obviously false, and I must say I would not want to see Russian initiatives to have been considered well intentioned just because they were diplomatic.

As a critic of the NATO action, I do not want to see a report which would simply vindicate my own beliefs. It

must also assess whether diplomatic alternatives in dealing with a regime with a track record like that of Slobodan Milosevic might have made a just solution to the Kosovo crisis all the more elusive. Otherwise, the report would be no different than the latest administration proclamation of the wisdom of its ways.

Having said this, Mr. Chairman, I strongly support the gentleman's thoughtful amendment and I recommend the full House adopt it.

Mr. Chairman, I yield back the balance of my time.

Mr. KUCINICH. Mr. Chairman, I yield myself the balance of my time, and I wish to thank the gentleman from New Jersey for his thoughtful and analytical approach to this important question. I also want to thank him for his leadership on human rights, which has animated his support not only for this amendment but for his work in so many vital areas in this Congress.

□ 2100

I am very pleased to have the support on both sides of the aisle.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. MILLER of Florida).

The question is on the amendment offered by the gentleman from Ohio (Mr. KUCINICH).

The amendment was agreed to.

Mr. SMITH of New Jersey. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. BEREUTER) having resumed the chair, Mr. MILLER of Florida, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes, had come to no resolution thereon.

#### ELECTION OF MEMBER TO COMMITTEE ON APPROPRIATIONS

Mr. CALVERT. Mr. Speaker, I offer a resolution (H.Res. 225) and I ask unanimous consent for its immediate consideration in the House.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 255

Resolved, That the following named Member be, and he is hereby, elected to the following standing committee of the House of Representatives:

Committee on Appropriations: Mr. BLUNT of Missouri.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.  
The resolution was agreed to.  
A motion to reconsider was laid on the table.

#### SPECIAL ORDERS

The SPEAKER pro tempore (Mr. OSE). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

#### HONORING ASTRONAUT PETE CONRAD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CALVERT) is recognized for 5 minutes.

Mr. CALVERT. Mr. Speaker, I rise today on the sad occasion of the recent loss of a great American hero. Pete Conrad truly embodied our Nation's preeminence in space exploration and the progress of our Nation's space program.

As a lifetime fan of space exploration, I have been inspired by Captain Conrad's achievements in space and devotion to building America's space program.

I recently had the honor of meeting this great man, a brief meeting that I will never forget. In the short amount of time we spent together, I sensed the passion and dedication he held for our Nation's space program. As I shook his hand to say goodbye, I knew that I had just met a true American hero.

Captain Conrad's memorable career as an astronaut is very well documented. He was the third man to walk on the Moon. He was aboard four missions to space. He set numerous records for space travel, including the endurance record for an individual in space and the world space altitude record. His achievements helped pave the way for our Nation's success in space exploration, which have recently included the early stages of the International Space Station and the successful mission to Mars.

For these heroic efforts, he received the Congressional Space Medal of Honor among his other distinguished career awards and medals.

Not so well known, however, were his activities following his retirement from NASA and the Navy. Pete Conrad continued his dedication to our Nation's space program by promoting America's commercial activities in space.

Throughout his 20-year career at McDonnell Douglas, Captain Conrad led many efforts to advance our Nation's emergence in space exploration. During this time, he earned the reputation as a leader in private space industry. More recently, through his establishment of a group of companies called the Universal Space Lines, Cap-

tain Conrad continued his activities to ensure that America would remain the preeminent Nation in space.

The continued development of commercial activities in space will be the lasting memory of Captain Conrad.

I believe Pete Conrad was intricately responsible for our Nation's long-standing posture as a leader in space. As we develop commercial space activities and benefit from them, we should remember that without the leadership, dedication, bravery, and ingenuity of Captain Pete Conrad, these would not have been possible.

I send my condolences to Pete's family, friends, associates.

Pete, thank you for inspiring me and our entire Nation.

When I think of Pete's lifetime achievements, I get inspired to gleefully exclaim the first word he spoke as he took his first step on the Moon: "Whoopie!"

Godspeed, Pete. I will remember you always.

Mr. Speaker, I yield to my friend, the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I would like to at this moment to submit for the RECORD a testimony that Pete Conrad gave before my subcommittee, and I chair the Subcommittee on Space and Aeronautics in this House Committee on Science, on October 1, 1998, which was his testimony at the 40th anniversary of NASA. The title of his testimony was "Life Begins at Forty."

It is a terrific, terrific vision for the future that Pete outlined his goals for America's space program in the next millennium.

Mr. Speaker, I commend my friend, the gentleman from California (Mr. CALVERT), for being here tonight. I will have 5 minutes a little bit later on to say my piece, as well.

The gentleman from California (Mr. CALVERT) is just one of many people like myself who have been inspired by Pete Conrad, a man who is not just a great pilot and a great technician but a beautiful human being, a person with an incredible sense of humor.

And of course, let me just say to the gentleman from California (Mr. CALVERT) that when he quoted Pete and his first word when he stepped onto the Moon, I think he had to give a little bit more umph to it. It was "whoopie!" And not just "whoopie," because Pete Conrad had a zest for life and was just a fantastic human being. He was a naval pilot who was a very successful naval pilot.

Today we buried Pete Conrad in Arlington Cemetery. And as we stood there and as his body was about to be lowered down, a team of naval pilots flew over that site and one pilot peeled off and headed straight for the heavens. And that is Pete heading straight for the heavens. It was a glorious sight.

We just thank God for men and women in our military and in the serv-

ice of our country as astronauts and the rest like Pete Conrad, leading the way for America.

NASA 1998: LIFE BEGINS AT FORTY  
TESTIMONY BEFORE THE SUBCOMMITTEE ON SPACE AND AVIATION OF THE HOUSE COMMITTEE ON SCIENCE, CONGRESSMAN DANA ROHRABACHER, CHAIRMAN

CHARLES "PETE" CONRAD, JR., CHAIRMAN AND CHIEF EXECUTIVE OFFICER, UNIVERSAL SPACE LINE, INC., NEWPORT BEACH, CA, OCTOBER 1, 1998

Good afternoon Chairman Rohrabacher, Congressman Gordon, and other honored members of the Space and Aeronautics Subcommittee. I'd like to thank you for inviting me to speak to the Subcommittee about the future, and the role NASA can play to develop that future. Having been a long time NASA team member on Gemini, Apollo and Skylab, I rode the wave of public support and popularity the U.S. space program engendered through the 1960s and early 1970s.

I enjoyed the rare opportunity of being an astronaut for this great country, but the bigger legacy I hope to leave behind is a robust commercial space industry making money for America in the 21st Century. I can't speak for the entire industry, but I would like to speak for my part of it, Universal Space Lines (USL). USL is a small business just over two years old, but already with over fifty employees. Our long-term company goal is to position ourselves as the world's premier provider of affordable commercial space transportation services, including purchase and operation of both expendable and reusable launch vehicles. Our current products range from the commercial tracking and commanding of satellites, to a near term, low cost expendable launch vehicle for small to medium payloads. And Mr. Goldin will be interested to hear we've begun planning for the eventual transition to reusable launch vehicles as their technology matures.

Our success will primarily be driven by the growing commercial space sector. Commercial space revenues will exceed \$100 billion annually at the turn of this Century, a figure far greater than today's combined NASA and Air Force space budgets. And remember: this new millennium is only 15 months away!

As many as a thousand or more new commercial communications satellites will be placed in orbit during the next decade, extending the World Wide Web into the sky. Iridium, Globalstar, Teledesic and others are literally betting tens of billion dollars on the opportunity to cash in on an annual trillion-dollar global communications market.

My company and others are gambling we will be a part of the emerging commercial space industry. However, we should not become too sanguine about the power of the word "commercial." Both NASA and the Defense Department will also play a major role, for good or for bad, in the ultimate environment that emerges. In the years ahead my hope is that this Congress will help guide our nation to establish a free and competitive market in which all companies can participate fairly. NASA, if it so chooses, can be a major player helping the transition to a commercially focused profitable space industry.

As an example of how our country dealt with a similar issue from our past, I'd like to draw your attention to the early history of commercial aviation. Between the late 1940s and early 1960s, during a post war era of declining budgets, NASA (and its predecessor agency, the NACA) and the Air Force invested in a host of experimental aircraft that

opened America's skies to military and commercial aviation. In particular, experimental and military jet aircraft spawned the thriving commercial aviation industry we have inherited today.

During those early pivotal years after World War II, visionary leaders in the Air Force and NACA pursued a technology policy of building and flying demonstration hardware; hardware that was built quickly and flown often. These early investments pushed aviation into a thriving, commercially focused and profitable industry. Our challenge today is to ensure the same opportunity is afforded our budding commercial space industry. Just as the success of our aviation industry hinged on the introduction of affordable and reliable aircraft, the commercial space industry can't truly take off without affordable and reliable launch vehicles.

#### FORTY YEARS HENCE: THROUGH A GLASS DARKLY

Mr. Chairman, history is a funny thing, full of unexpected discontinuities. So before I try to look forward into the middle of the next Century, I'd like to briefly look back to the middle of this Century.

Forty years after the Wright Brothers first flew at Kill Devil Hills, B-17s and B-24s were bombing Germany, and the B-29 was in initial full scale production. In Germany, the Me-262, a jet fighter (and probably the finest airplane in the war) was also just entering initial full scale production. So, too, was the A.4 (the V-2)—an honest-to-God war rocket.

But we haven't seen the same sort of progress in the forty years since the founding of NASA in 1958. Why? In 1903, people aboard an airplane were called "aeronauts." Forty years later, they were called "passengers." Where are the passenger tickets to space available for purchase today?

A second cautionary analogy. USL is a business being run virtually. We depend upon the interconnectivity of the Internet. I have no idea how I would do my job without access to the information resources of the World Wide Web.

But the Web only came into existence around 1992—just six years ago!

And we're not at all unique—scores of other businesses are also now totally dependent upon the Web's existence.

How do you predict the coming of something like the Web? It's roughly equivalent to being able to predict, in 1900, that the coming of the automobile is going to lead to the suburb, or to drive-through fast food stands. . . .

I'm a bit reluctant, then, about trying to predict or describe what 2038 might look like. But I can describe what I'd like it to look like.

#### STRATEGIC U.S. GOALS IN SPACE FOR THE NEXT 40 YEARS

The committee has asked, "What should be the strategic goals of the U.S. in space for the next forty years?" I think that there are four overarching goals. (1) Foster a commercial space industry. (2) Explore the Solar System. (3) Settle the Solar System. (4) Explore the Universe.

For the first time, there now exists a nascent commercial launch services industry. It came slowly into existence during the last part of the 1990s, and it came into existence primarily because, for the first time, NASA didn't try to strangle this new industry in its cradle. The foremost thing a medical doctor learns is "First, do no harm." This prime principle of medicine should also become the foremost policy of the Federal Government with respect to the newborn commercial launch industry.

Exploration of the Solar System will be done by robots and by humans. In the case of robots, these missions will be primarily scientific, and could be pursued by the Government, or by academia, or both. Commercial data purchase is one method that either or both could pursue as a means to achieve their exploration goals, and at the same time save money, and again at the same time help to foster a commercial space sector.

Exploration by humans will probably be confined to the inner Solar System over the next forty years—i.e., Luna, Mars, and the small bodies (asteroids). These explorations will also be primarily scientific, certainly so in the case of Mars, but in the case of Luna and the asteroids, one can easily see economic rationales. There are thus business cases that can be made and that will be pursued.

Settlement of the Solar System may begin with Luna. There's lunar water ice at both poles, making settlements and outposts on Luna tremendously easier to accomplish than might have been otherwise. Lunar water ice, in a phrase, changes everything. One might even speak of a lunar "Cold Rush. . . ."

The exploration of the Universe is primarily a scientific one, using space-based astronomy facilities. Such work, of course, is done to "do" science, but a lot of this science will begin to lay the ground work for the first robotic missions to the near stars, possibly in the 22nd Century.

#### THE SINGLE ISSUE THAT MUST BE ADDRESSED

But before any of the above can be attempted, much less accomplished, there must be Cheap Access to Space. You need to be able to get to low Earth orbit ("LEO") easily, frequently, reliably, and cheaply. There is no inherent technical barrier to the creation of such a capability—"only" engineering development need occur for cheap, easy to operate, robust access to low Earth orbit to become available.

And as has been pointed out, once you're in LEO, in terms of energy, you're halfway to anywhere else in the Solar System.

#### ROLES OF THE FEDERAL GOVERNMENT

The second issue the Subcommittee wished addressed is "What are the appropriate roles of the federal government in pursuing those goals?" I would argue that there are four roles for the Federal Government. The first appropriate role is to support and encourage science, both directly funding it as well as helping to encourage and underwrite its accomplishment by the private sector and academia. This also applies to exploration activity, both human and robot. The Government ought to help academia and the private sector explore, through underwriting, partnerships, tax credits, and other such mechanisms. In some rare cases, the Government itself might also mount its own explorations. These were the patterns and methods of exploration employed by Spain and England in the 1500s and 1600s, as well as by the United States in the 1800s.

The second appropriate role of the Federal Government in my opinion is to foster long-term, high-risk technology development. The Federal Government should strongly invest in next generation technology, including experimental reusable launch vehicles and military demonstration hardware.

The third activity that I feel is appropriate for the Federal Government to pursue is that of the use of space for the defense of the United States.

Finally, the Federal Government has, I believe, an important, if not critical, role in

the encouragement and incentivization of the growth of the nascent entrepreneurial commercial launch industry.

#### SHORT TERM POLICIES TO ACCOMPLISH THESE GOALS

"What policies and priorities should Congress and the Administration be putting in place in the near term to begin the transition to the future?"

Here are a few of the possible options I think would go a long way in the short term for encouraging and incentivizing the growth of our emerging commercial launch industry.

NASA and the Air Force should procure all launch services via competitive bids that are truly open to all companies, not just the largest defense contractors. These "fly before buy" launch service contracts must not develop new launch vehicles; instead, they should be structured like the Air Mail "service" contracts of the 1930s to encourage private investment. During the next forty years NASA should transition totally out of operating space launch vehicles, or of on-orbit support infrastructure.

Space science data should be purchased by NASA in order to help to support science and the development of a commercial space sector. Resupply and support of the International Space Station should be provided commercially by the private sector, so as to also help support the development of a commercial space sector. The International Space Station should also be commercially operated.

In parallel, Congress can also pass legislation providing incentives to the commercial space transportation sector. One possibility is investment tax credits to incentivize the creation of launch service providers. Such credits ought to be able to be traded. Other possibilities include interest write-offs, legislated market incentives like "air-mail," and regulatory improvements. All of these incentives can help give birth to a thriving commercial launch industry modeled after today's aviation industry. The one thing we must not do is create a monopoly where a single company controls the ability to launch critical commercial and military assets into space. Guaranteeing government loans or market share for a single company would be catastrophic to the emerging commercial industry.

In the future tax credits may also be an appropriate mechanism for helping to encourage long term goals, such as Lunar missions and settlement.

A third policy thrust should be to robustly invest in the experimental technology and military demonstration hardware that supports truly low cost space launch vehicles. No technology investment is required for expendable launch vehicles, as the commercial sector is well positioned to develop such vehicles today. Instead, the government should be investing in the longer term, higher risk reusable launch vehicle technologies that promise to reduce launch costs by two orders of magnitude.

Mr. Goldin at NASA has already done a good job with his early investments in experimental vehicles, but it's just the first step. NASA's early, but underfunded plan to fly many "Future-X" experimental vehicles is an excellent blueprint for the future. In the past, Mr. Goldin has shared his vision of "blackening the sky with X-vehicles"—not prototypes or commercial vehicles, but pure experimental demonstrators. If we truly want low cost launch vehicles, it will require the flight of many experimental vehicles built by many different companies.

The policy goal of flying X-vehicles for technology demonstrations should become the basic way that the government (and NASA) should approach technology development. Build 'em, fly 'em, and break 'em—both by intent and accident, this approach has led to today's thriving commercial aviation industry.

In coordination with NASA, DoD should also be investing in their own experimental vehicles and early military demonstration hardware. Either the Air Force or the Navy should develop a Military Spaceplane capability that supports global reach and the ability to defend U.S. interests "anywhere, anytime," with dramatically smaller force structures than exist today. Blue ribbon panel after blue ribbon panel has advocated the need for such technology investments starting with General Moorman's Space Launch Modernization Panel in 1994. Most recently, the Defense Science Board is recommending an ongoing investment in the Space Maneuver Vehicle flight tested at Holloman AFB just last month.

Finally, while institutional changes are not necessarily required at NASA, the mindset must change. NASA should be the leading advocate of change and the transition to a primarily commercial space industry. Nonetheless, the real change is up to Congress. NASA, the Administration, and Congress must decide to place funding and budget priorities on the side of change. The Government should be investing in technology, experimental vehicles, and military hardware for the defense of the country.

#### 2038: FREE PEOPLE IN FREE SPACE

The United States is at a seminal point in our transition to a commercial space industry. If we choose to encourage and incentivize the move towards a commercially based space industry we can accelerate and fundamentally enable America's move into space. We did this once before when America invested in the technology of commercial aviation, and it paid handsome dividends. Now it's time to build the same bridge to the future of commercial space.

Thank you, Mr. Chairman, for this opportunity to present USL's views. I would be pleased to answer any questions you or any other Members might have.

#### COMMON STATE PROPOSAL BETWEEN NAGORNO KARABAGH AND AZERBAIJAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I wanted to spend just a short amount of time this evening talking about the optimism that many of us are seeing as a result of the meeting that took place in Geneva last week between President Kocharian of Armenia and President Aliyev of Azerbaijan.

I am sure that many people know, particularly those of us who have been involved with the Armenia Caucus for many years, that we are very hopeful that, as a result of this meeting and some other activities that have taken place over the last few months, that we could see a resolution of the conflict in Nagorno Karabagh, which has been basically a bone of contention, if you

will, between the two countries for some time.

I think many people know that Nagorno Karabagh is an independent republic that is Armenian speaking, ethnically Armenian, that fought a war, if you will, about 10 years ago that at the time when the Soviet Union broke up, and even though it has been independent and has been a state for all practical purposes, for about 10 years it is not recognized by the United States and there is a continued conflict, albeit mostly peaceful conflict, between Armenia and Azerbaijan over the future of Nagorno Karabagh.

It would certainly behoove anyone who is concerned about peace in the Caucasus region to see if these two countries could come to an agreement over the future of Nagorno Karabagh that, of course, involves the people of Nagorno Karabagh, as well.

The Presidents of Armenia and Azerbaijan met last week in Geneva for talks that seek a political settlement of the Nagorno Karabagh conflict. President Robert Kocharian of Armenia went to Geneva directly from Warsaw, where he had been for other business, and while there he told the news conference that he was optimistic about the meeting with President Aliyev. He said that there had been serious progress since active talks have begun with President Aliyev, most recently in April during the NATO summit conference when both leaders were here in Washington.

I must say also and give praise to U.S. Secretary of State Madeleine Albright, who had written to both presidents after those Washington talks urging further direct discussions between the two presidents.

The latest proposal of the OSCE Minsk Group, and the Minsk Group has been set forth by the United States and other countries to try to come to a settlement of the Nagorno Karabagh conflict, basically last fall the Minsk Group put forth a proposal called the "common state proposal," which essentially sets up a sort of confederation, if you will, between Nagorno Karabagh and Azerbaijan where the two countries would be part of a confederation or common state with equal status.

We know that Azerbaijan very quickly after that announcement last fall by the Minsk Group rejected the common state proposal. But there have been strong indications recently that if it was not for the actual label "common state" that Baku and Azerbaijan essentially might be willing to accept the idea of what the common state proposal is all about.

In other words, they may not like the term "common state," but if another term like "confederation" or "free association" or something like that was used that they might be willing to go along with it.

I must say, Mr. Speaker, that what I am hoping and I think the atmosphere

is ripe for it is that after this meeting of the two presidents that it might be possible to engage in some kind of direct negotiations between the three parties, between Armenia, Azerbaijan, and Nagorno Karabagh, which is something that I and most members of the Armenia Caucus have been talking about for some time, that we can see the three sides, if you will, get together perhaps at some point nearby and simply start negotiations using the common state proposal or something like it and ultimately come up with a peaceful settlement.

I wanted to praise our own House of Representatives and particularly the House Committee on Foreign Operations Appropriations because in the bill that they reported out of the subcommittee last week and I think will be considered by the full committee on appropriations tomorrow that bill incorporated several constructive initiatives to help jump start the Karabagh peace initiative.

□ 2115

If I could just give some examples, in the report language for the Foreign Ops bill, it specifically says that the primary national interest of the United States in the Southern Caucasus is peace, and it recommends continued support for the people of Armenia and Azerbaijan, and says that the extent and timing of United States assistance should depend on whether or not the parties move towards a peaceful settlement.

I want to commend our own Foreign Operations appropriations subcommittee for what it did and that this leads in the long run to a peaceful settlement of the conflict.

#### TRIBUTE TO ASTRONAUT PETE CONRAD, AMERICAN HERO

The SPEAKER pro tempore (Mr. OSE). Under a previous order of the House, the gentleman from California (Mr. ROHRBACHER) is recognized for 5 minutes.

Mr. ROHRBACHER. Mr. Speaker, earlier the gentleman from California (Mr. CALVERT) spoke about Pete Conrad whom we laid to rest today in Arlington National Cemetery, an American hero and a member of the team that walked on the Moon, in fact the third man to have walked on the Moon. It was my honor to have represented Mr. Conrad in Congress. In fact, he lived in Huntington Beach, California. I had many, many meetings with Pete. I was very honored to not only know him but I was very, very pleased to have had the guidance that he gave me over the years in dealing with American space policy. Now as the chairman of the Subcommittee on Space and Aeronautics, that advice that he was giving me was of real importance and of real value. Pete was

such a wonderful person. It was a sad day, but then again knowing Pete and his spirit, it was a day that we know that the spirit of Pete Conrad lives on.

Over the years, I have observed that real heroes do not look like the ones in the movies. John Wayne never risked his life for his country, but he was certainly tall and handsome. No, the real heroes that I have met generally have been short and balding. Jimmy Dolittle was like that. I met Jimmy Dolittle on one occasion. And so was Pete Conrad.

If Pete were here today, he would be really embarrassed to hear me compare him to such a courageous and heroic man as Jimmy Dolittle. But that trait of being humble was one of the traits that made Pete Conrad himself such a great man.

When you think about it, great people, the great people of our country, just what is Americanism, who are these great Americans that people have thought about? In the past, the personification of the American ideal, perhaps let us say back in the 19th century, one would have to say that the personification of the American ideal was the pioneer or the frontiersman, with perhaps a little bit of cowboy or industrialist thrown in as well. Well, in this century, we need look no further than Pete Conrad, the man whom we laid to rest in Arlington today.

Pete Conrad was the quintessential 20th century American hero. It is fitting, then, that Pete was buried today among America's most noble champions in Arlington National Cemetery.

Pete's accomplishments in the space program, of course, speak for themselves. He was the third human being to have walked on the Moon. He did an incredible job in front of the whole world as it watched in repairing Skylab. He piloted or commanded four different space flights. Before that, he had a career as a naval officer and, yes, during some of the other space missions, Pete was an intricate part of the team that backed up those people who were flying the missions.

I would also like to pay tribute not only to his accomplishments but to those personal qualities that made him much more than a space age technician and a flight jockey. He was a man with enthusiasm for life and adventure. He had wit and optimism. His vision, his humble demeanor, his positive can-do spirit with which he approached every task, every challenge, was something that inspired and energized everyone with whom he worked. His spirit itself was an immeasurable contribution to America's space program. And, yes, his persona became a part of the personalities and the personality of America's space effort. He took his job seriously but never took himself too seriously, which was part of his charm and an example to others. He did not dwell on the past which of course is a trap for both individuals and institutions of great accomplishment.

Pete instead, yes, he looked back and he thought about that and he talked about that when he was asked about it, but he was busy laying the foundation for America's next exciting era in space, the era of space commercialization, when space becomes the arena of entrepreneurship, open to all with boundless opportunity rather than the confines of bureaucratic management and government planning. This, too, is the epitome of Americanism. We are a people who want to lead the way, maintaining a fun-loving spirit as we do but making no apologies about wanting to make a profit by doing what is right as well.

I chaired the hearing of the Subcommittee on Space and Aeronautics on NASA's 40th birthday, its anniversary. Pete testified, his testimony was superb, or should I say, as Pete would, super. He said, "It was a crazy time of excitement and adventure and new worlds to explore," of the 1960s and 1970s. But Pete said, "I would like to go on record as saying those days are not half as exciting as the coming age of commercial space."

That was Pete Conrad, a man who was pointing the way to the future. We laid him to rest today. We are all grateful for the things he did for his country, for the world, and I am grateful tonight to have had the opportunity to speak on his behalf.

God bless Pete Conrad and God bless the United States of America.

#### ON HATE CRIMES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, this year the celebration of our Nation's birthday, July the 4th, was shattered by a string of hate crime attacks in the Chicago area, apparently the attacks of Benjamin-Smith who had links to the World Church of the Creator.

The targets of his attacks included African Americans, Asian Americans and Orthodox Jews. Northwestern University basketball coach Ricky Byrdsong, and Indiana University student Won-Joon Yoon died as a result of these attacks.

Followers of the church have been linked by police and civil rights groups to numerous other incidents, including the 1991 murder of an African American sailor in Neptune Beach, Florida; the 1993 fire bombing of the NAACP office in Tacoma, Washington; the 1997 beating of a black man and his son in Sunrise, Florida; and the 1998 beating and robbery of a Jewish businessman in Hollywood, Florida.

Two brothers held on stolen property charges related to the slaying of a gay couple are being investigated in arson attacks at three synagogues. The

brothers' relationship to the World Church is being investigated. But hate crimes are not new or uncommon in the Chicago region. Looking over newspaper headlines, we find that in May, a mosque in DuPage County was desecrated, only the latest in a string of such desecrations.

A group of white teenagers attacked a black police officer near the Dan Ryan Woods.

A Gurnee man convicted and awaiting sentence for a hate crime against a biracial couple was arrested and charged with illegal possession of several weapons.

A 27-year-old was charged with a hate crime for intentionally running down two African American teenagers as they rode their bikes along a Kenosha sidewalk.

A Crystal Lake man was charged with shooting and killing a Japanese store owner just because of his ethnicity.

A Federal jury convicted a Blue Island man of cross burnings before the home of black neighbors in an effort to drive them from the neighborhood.

A Pakistani gas station attendant was attacked by a customer because of his ethnicity.

A retired Chicago firefighter settled a racial harassment suit, admitting his guilt of hate crimes against his Hispanic neighbors and apologizing for his acts.

Pizza Hut in Godfrey, Illinois settled a suit brought by an African American family which they refused to serve and threatened in the parking lot after they left the restaurant.

An Hispanic couple was subjected to repeated incidents of racial hate crimes, including the painting of their homes and garages with racist graffiti.

Three men who beat 13-year-old Lenard Clark into a coma because they did not like African Americans cycling through their neighborhood were convicted.

A Chicago Heights man was convicted of attacking a biracial couple in Chicago's Lakeview neighborhood.

Four teenagers, professed skinheads, were arrested for spray-painting anti-Semitic slogans on roads, signs and overpasses.

An African American man in Mokena was the victim of repeated hate crimes after receiving newspaper clippings covered with racial slurs.

A Waukegan man was convicted of kicking a Mexican-American teenager who lay dying in the street after a traffic accident.

Three white teenagers in Belleville admitted to dragging a black teen beside their sport utility vehicle.

A Rolling Meadows man was convicted of hate crimes after shouting racial slurs and attacking an African American in a bowling alley.

The list is much longer. Though the Justice Department is required to publish a report of hate crimes, police



agencies are not required to report crimes to the Department of Justice. Hundreds of agencies do not report hate crimes. Many individuals are afraid to report hate crimes.

In Illinois, 114 departments reported one or more hate crimes totaling 333 for 1996. The remaining 787 agencies reported no hate crimes. It is obvious that hate crimes are running rampant throughout not only Illinois but throughout our country. They cannot, should not and must not be tolerated.

I urge America to come into the 21st century as one Nation with enough room for everybody to live.

Hate crimes are an attack on individuals or groups of individuals. But they are also an attack on our communities and our nation. The strength of our nation flows directly from the powerful notion that democracy and equality form the inseparable, interlinked foundation for our economic, social and cultural progress.

Our democracy succeeds because the notions of democracy and equality and the constant struggle to expand and deepen democracy and equality have grown and spread and taken root in the psyche of our people.

The struggle for equality for African Americans, Latinos, Asian Americans, Native Americans and women have not been easy or painless. These struggles are far from complete.

I believe the historical record is clear: every American has benefitted, our Nation has been enriched, by breaking down the barriers which prevent some Americans from fully participating in, contributing to and benefitting from all that America has to share.

Hate crimes, and those who perpetrate such crimes, crimes which target victims based on race, religion, gender or sexual orientation, tear at the heart of America, at the ideal that people all over the world look to for inspiration. Hate crimes are twice as likely to cause injury and four times as likely to result in hospitalization as assaults in general.

Our Nation fought a bloody civil war to determine whether a nation conceived in liberty and dedicated to the proposition that all men (and women) are created equal can long endure. The resounding answer to that question, written in the blood of so many Americans, was nothing less than a second American Revolution.

It is no accident that our Department of Justice was born in 1871 following the Civil War as a response to the wave of hate crime terror instituted by the Ku Klux Klan. And, within the space of a few years the DOJ brought more than 500 prosecutions under the Enforcement Acts which broke the back of the Klan. It is unfortunate that the second and third incarnations of the Klan were not met with similarly forceful responses.

We need additional legislation on the Federal level to reinforce and upgrade the tools, both criminal and civil which give law enforcement the ability to prevent and punish hate crimes. Now is the time for state and local government to review their hate crime laws and upgrade the training of law enforcement officials to respond to hate crimes.

Most important, we must rally every American, every man, woman and child to join in defending our democracy. The best defense

against hate crime is mass revulsion and rejection of racism, sexism and homophobia.

To paraphrase the remarks of Frederick Douglass, of July 4, 1852 condemning slavery and racism:

\* \* \* It is not light that is needed, but fire; it is not the gentle shower, but thunder. We need the storm, the whirlwind and the earthquake. The feeling of the nation which is insensitive to such crimes must be quickened; the conscience of the nation which tolerates such crimes must be roused; the propriety of the nation which ignores such crimes must be startled; the hypocrisy of the nation which tolerates such crimes must be exposed; and these crimes against God and community, men and women must be proclaimed and denounced and fought against with every fiber of our national will.

Hate crimes must not be tolerated at any level in our society.

#### AN ACCURATE READING OF THE COX COMMITTEE REPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. BEREUTER) is recognized for 5 minutes.

Mr. BEREUTER. Mr. Speaker, following the public release of the Final Report of the Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China, more commonly referred to as the Cox Committee report, there have been attempts to discredit the work of the select committee.

As one of the nine members of the select committee, this Member would like to reemphasize the truly bipartisan nature of the select committee and underscore that every finding made by the Cox committee in its report is fully corroborated with evidence detailed either in the public report itself or in the classified version.

The Cox committee report is not and has never claimed to be a comprehensive report, nor was it ever meant to be one. When rumors first arose that sensitive military technology was being illegally transferred to the People's Republic of China, the House of Representatives created a select committee to investigate such allegations with emphasis on the launch failure investigations of the failures of two Chinese rockets carrying commercial satellites produced by American companies and an investigation of the sale of high performance computers to China.

In the course of our investigation, far more disturbing information came to light that took us into unanticipated directions. Even as we were trying to close the select committee's operations, new revelations kept being brought to our attention by whistleblowers. It became clear that a very deep institutional problem had existed for some time in some of our Federal agencies and particularly the Department of Energy and its national laboratories, there at least since the late

1970s. I believe that these lapses of security at the DOE weapons laboratories taken together resulted in the most serious espionage loss and counterintelligence failure in American history. Moreover, these lapses facilitated the most serious theft ever of sensitive U.S. technology and information.

Clearly, what the select committee revealed is very disturbing. Americans should be angry that their own government's lax security, indifference, naivete and incompetence resulted in such serious damage to our national security. The loss of sensitive nuclear weapons information to China is a national embarrassment and an incredibly important loss.

The bipartisan Cox committee report should be used as the starting point in our efforts to fix the serious problems the select committee identified. Rather, some have focused on discrediting the report by improperly interpreting the very clear language we used and questioning the construction of the report. Instead, they should just focus their attention on the actual meaning of straightforward, plain English meanings of the words we used. We were very careful in what we said and how we said it.

The most recent distortion circulated in Washington and in the national media is a document written by Dr. James Gordon Prather entitled "A Technical Reassessment of the Conclusions and Implications of the Cox Committee Report." It was released personally by the Honorable Jack Kemp after Empower America, the organization to which Mr. Kemp belongs and which sponsored Dr. Prather's research, refused to endorse the final document. The Prather document was also the subject of a Wall Street Journal article and one of Robert Novak's columns last week.

□ 2130

Dr. Prather claims that our select committee erred in finding that Chinese espionage penetrated U.S. weapons labs. Indeed he claims there was no evidence of Chinese espionage, that the real culprit is the Clinton administration's policy of unilateral nuclear disarmament and opening up the Nation's nuclear secrets to the world.

That is pure nonsense. Of course there was espionage. After careful review of the Prather document, this Member concludes that it was written with an underlying political agenda in mind; that is, to focus attention and blame on the Clinton administration, particularly its policy of engagement with China and its declassification of nuclear secrets. There is plenty of blame that might be headed that direction, but that should not discredit the Cox Committee Report.

If partisan politics is the purpose of the report, then we should recognize it as such, but it is a disservice to the Nation to discredit the work of the Cox

committee if the result is that their recommendations are not implemented.

The cover letter to the Prather document clearly states, quote, "the White House is using the espionage angle to mask the real security risk which comes not from foreign spies, but rather from the Clinton administration's own ill-conceived strategy," end of quote. Of course the United States is a target of foreign espionage, including Chinese espionage. To ignore or fail to act on such evidence is an embarrassment to the Clinton administration, and it is dangerous.

Without the Cox Committee, we would still not know of this massive failure or be seeing corrective action. There is a significant difference between analyzing the motive behind whatever partisan spin and public relations angle the White House has given to the Cox Committee Report and the Prather analysis of the contents and conclusions of the report itself.

It appears to this Member that the Prather document mixes up these distinctions for its partisan purposes. In order to better support and prove its conclusions, the Clinton administration policy alone, and not any Chinese espionage, is responsible for American national security losses. The Prather analysis necessarily had to redefine the Cox committee report in a critical way. Unfortunately the overall credibility of the Prather document is suspect, given its numerous flaws and its noticeable selective cherry picking of the Cox committee report.

For example, the Prather document essentially dismisses the charge that China stole design information for the neutron bomb with the help of Taiwan-born Peter Lee.

This dismissal is based on a deliberately selective reading of our report, faulty assumptions and a disregard for other information which is still classified. The Prather document called this theft charge (quote) "ridiculous" (unquote) and opined that the Cox Committee, in its zeal to be bipartisan, claimed the Chinese stole neutron bomb information (quote), "because the alleged spying happened on Reagan's watch, not Clinton's watch." (unquote). Notwithstanding Dr. Prather's interpretations, Peter Lee pled guilty to willfully passing classified U.S. defense information to PRC scientists and to providing false statements to a U.S. government agency.

The Prather document also introduces the case of Wen Ho Lee, another scientist at Los Alamos. In fairness, the Prather document states that "Wen Ho Lee is not mentioned by name in the Cox Report . . ." He is not. However, aside from the caveat, Prather treats the Wen Ho Lee case as if it was the lynchpin of our investigation. It was not and furthermore the allegations against Wen Ho Lee are, at this time, just that—allegations.

This Member does not disagree with Dr. Prather that through our open system, smart people can gather significant amounts of information other countries would consider very

sensitive. Mr. Speaker, our colleagues may recall the publicity that was given to the book "Mushroom" which was written back in 1978 by John Phillips, then an undergraduate student at Princeton University. Mr. Phillips wrote about how he was able to design an atomic bomb using only the open-source information available in the university's library. Experts confirmed the design was valid. This Member is sure that the Chinese and others have similarly used our open system, as Dr. Prather states. However, the detailed design plans and other extremely sensitive information relating to the neutron bomb and other thermodynamic warheads have not been declassified and are not in Princeton's library or on the Los Alamos public website.

There are numerous other instances in the Prather document of inaccurate interpretations and distortions of the Cox Committee Report for which there is not enough time this evening to detail. However, given the apparent political objectives of the Prather document and the questionable selectivity of its analysis, it should be seen for what it really is: a partisan attack or a partisan counterattack to a Clinton Administration selective leak and spin operation against the findings of the Cox Committee, and it therefore does not warrant any further attention.

Mr. Speaker, the Congress has just begun the job of implementing many of the 38 recommendations made in the Cox Committee Report. Most can be implemented by the executive branch without legislation. Some recommendations, such as increasing the penalties for export control violations, are relatively easy to legislate. Others such as reauthorizing the Export Administration Act, are not so simple and will take time and effort. This Member strongly urges his colleagues to concentrate on implementing these recommendations and not be distracted and dissuaded from this duty by those critics like the author of the Prather Report who all too apparently has a different agenda.

#### LT. COL. EILEEN COLLINS, FIRST FEMALE PILOT OF A SPACE SHUTTLE

The SPEAKER pro tempore (Mr. OSE). Under a previous order of the House, the gentleman from Texas (Mr. LAMPSON) is recognized for 5 minutes.

Mr. LAMPSON. Mr. Speaker, I rise this evening to talk about a first that is, in my opinion, long overdue. Early tomorrow morning, shortly after midnight, Lieutenant Colonel Eileen Collins, the first woman in the history of NASA, will command a 5-day Columbia space shuttle mission to launch NASA's most powerful space telescope, the Chandra X-ray Observatory.

Lieutenant Collins, who also can boast that she is the first female pilot of a space shuttle, is a good example of how far our space program has come since the first lunar landing 30 years ago tomorrow.

In these days of economic progress and budget surpluses, I urge all of my colleagues to support continued funding of the manned space program so

that today's little girls can grow up knowing that they may be one of the first to walk on Mars or to conduct research in the international space station right alongside scientists from Italy, Russia, Japan, or wherever else in the world.

As a member of the House Committee on Science, and I guess a confirmed space nut, it makes me proud that I represent Johnson Space Center and its efforts to put more women into manned or, perhaps I should say, womaned space program.

Lieutenant Colonel Collins, I wish her Godspeed, a most successful mission, and a safe return for her and her crew.

#### HMO REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Iowa (Mr. GANSKE) is recognized for 60 minutes as the designee of the majority leader.

Mr. GANSKE. Mr. Speaker, here we are again. Another week has gone by, and the House of Representatives, United States of America, has done nothing to address HMO abuses in this country.

Of course we had, Mr. Speaker, a big debate on the other side of the capital last week, and I want to talk a little bit about that, that bill that passed, because I think that my colleagues on both sides of the aisle will need to educate themselves on some of the details of that bill that passed the Senate last week.

I think we may be looking at that bill in the near future. I hope at least we will be looking at some bill on the floor in the near future. After all, it was about 2 weeks ago that the Speaker of the House told me personally that it was his intent to have HMO reform legislation on the floor by the middle of July.

Well, Mr. Speaker, I am looking at my dates here, and here we are, it is past the middle of July; and furthermore, we are going to find time this week to debate a tax bill and other bills, and there is nothing in sight to even be having a committee markup in the Committee on Education and the Work Force or in the Committee on Commerce on HMO reform.

It is not exactly, Mr. Speaker, like we have not been dealing with this issue for the last 3 or 4 years in Congress. It is not exactly as if earlier this year we were overworked here on the floor when we were naming post offices. Mr. Speaker, I think it is time that we get this issue to the floor. There are people that are losing their lives and losing their limbs and their health is being injured because HMOs are making medical decisions that are not in the best interests of their clients, their patients.

Mr. Speaker, I want to talk specifically about some of the provisions that are in Senate bill S. 1344, which passed last week in the Senate, because, Mr. Speaker, I have the bill here, and I have been reading through this bill, and you know, there is an old saying here in Congress: the devil is in the details. You can have awfully good headings, Mr. Speaker, but once you start looking at the language, you can find out that it comes up rather empty.

So let me just go over a few problems and deficiencies with the bill that passed the Senate last week.

Now a couple years ago we were here in the House, the other body, passed a bill for Medicare and Medicaid recipients that was signed into law by President Clinton. It said that if you were having a chest pain, severe chest pain in the middle of the night such that a prudent lay person would say, hey, that could be a heart attack, you could go to the nearest emergency room and be treated, and your health plan would be responsible for covering the cost because we know from the American Heart Association that if you delay prompt treatment, diagnosis and treatment of a heart attack, you could be dead before you get your treatment; and unfortunately many HMOs have said, as my colleagues know, you could go to that emergency room, but if they find out that instead of having a heart attack that you just had a severe case of inflammation of your esophagus, for instance, well, that proves that you did not have a heart attack and we are not going to pay for it.

The problem with that, Mr. Speaker, is that once that information gets out, people are a little bit hesitant to go to the emergency room when they have crushing chest pain because they think, oh, my goodness, what if I am not having a heart attack? Then I could be left with thousands of dollars of bills. So maybe I will just be a little extra careful, and I will just stay at home here sweaty, really sick, until I am really sure that I have a heart attack.

Mr. Speaker, we wanted to fix that. We did that in Medicare and Medicaid. We passed what is called a lay person's definition of an emergency, and we told the Medicare health plans that you have to cover those services if a patient goes to the emergency room.

Mr. Speaker, you would think that it would not be too difficult to get the language right in a patient bill of rights that would apply to all Americans, the same as we have for those who are elderly in Medicare or those who are poor in Medicaid. After all, people are spending a lot of money for their health insurance, it ought to be worth something if one did wake up with that case of crushing chest pain in the middle of the night.

You would think it would not be too hard to simply take that language that

we did in Medicare and put it into a bill that would apply to all Americans. That should not be difficult, should it? I mean, that is actually not one of the more contentious issues. But no, no, S. 1334, as reported, could not get that right either.

Let me give you an example. The bill fails to guarantee that health plans will cover emergency care at the nearest hospital. That should not be so difficult. If you do not take my word, just take my word for it and read Page 7, Line 1 through 20. The bill that passed the other body last week would allow plans to refuse to cover emergency services.

What are the details? Well, look at Page 8, Lines 3 through 7. The plan's obligations to pay for cost of treatment for stabilization, maintenance ends when the plan contacts the provider to arrange for discharge or transfer even if in the opinion of the treating physician the patient is not ready for transfer.

Or how about the provision that would allow plans to shift the cost of refusing to pay for emergency care to the health providers? That is Page 8, Lines 8 through 14. I mean, that should be a relatively noncontentious issue, but they could not get it right. They could not get it right. They had to write a bill that was an HMO protection bill for emergency provisions.

How about gag rules that HMOs have had in their contracts that say before you, the treating physician, can tell your patient all of his treatment options, you first have to get an okay from us, the health plan. Now think about that.

Now say a woman goes to her treating doctor, she has a lump in her breast. The doctor takes the history, the physical exam, and then he says, excuse me, leaves the room, has to get on the phone, phone the HMO and says, You know, I have Mrs. So and So. She has a lump in her breast, and she has three treatment options. I would like to tell her about all three treatment options.

And the health plan says, well, you know, according to our definition we only cover two of those, so we would rather not have you tell that patient about the third one because she might want it, might be appropriate for her.

Those are what are called gag clauses in contracts. Mr. Speaker, once again a couple years ago we passed a Medicare, a Medicaid rule that forbade those types of impediments to communications between their health care providers and their patients, doctors and nurses and their patients. We said you cannot do that in Medicare; you cannot do that in Medicaid. Not a big deal. It has not added really anything significant to the cost of premiums. But it is an important reassurance to patients so that they know they are getting the whole story.

Well, why could we not just take that language and put it into a bill that applies to all Americans? A bill that I have in the House here, the Managed Care Reform Act of 1999, does that; a bill that the gentleman from Michigan (Mr. DINGELL) has, Patient Bill of Rights, does that; a bill that the gentleman from Georgia (Mr. NORWOOD) has does that.

Could they get it right over in the other body? No, no. All they needed to do was add a few little words, but they are important words. They needed to add a provision that said all current contractual language prohibiting health communications is null and void. Could not do it. Could not force themselves to buck up to the HMOs on that.

Mr. Speaker, let me tell my colleagues what the two really big problems were with the bill that passed the other body last week, and that has to do with the definition of medical necessity and who gets to define that and whether you have an enforcement provision to make all of the other provisions in the bill mean anything.

Now, before I go into the language of S. 144, let me just set this up for my colleagues a little bit and tell them about testimony that a medical reviewer for an HMO gave before the Committee on Commerce.

□ 2145

It was May 30, 1996. A small nervous woman testified before the House Committee on Commerce. Her testimony came at the end of a long day of testimony about the abuses of managed care. This woman's name was Linda Peno. She had been a claims reviewer for several health care plans and she told of the choices that plans are making every day when they determine the medical necessity of treatment options.

Here is her story, quote: I wish to begin by making a public confession. In the spring of 1987, I caused the death of a man. Although this was known by my people, I have not been taken to any court of law or called to account for this in any professional or public forum. Just the opposite occurred. I was rewarded for this. It brought me an improved reputation in my job and contributed to my advancement afterwards. Not only did I demonstrate that I could do what was expected of me, I exemplified the good company reviewer. I saved the company a half a million dollars, unquote.

Well, it was clear to see her anguish over causing harm to patients as she testified. Her voice got husky. She continued, and the audience shifted uncomfortably and grew very quiet. The industry representatives and lobbyists who were there started looking at the floor and shifting their eyes.

She continued. Since that day, I have lived with this act and many others

eating into my heart and soul. For me, a physician is a professional charged with the care of healing of his or her fellow human beings. The primary ethical norm is, do no harm. I did worse. I caused death.

She continued. Instead of using a clumsy, bloody weapon, I used the simplest, cleanest of tools: My words. This man died because I denied him a necessary operation to save his heart. I felt little pain or remorse at the time. The man's faceless distance soothed my conscience. Like a skilled soldier, I was trained for that moment. When any moral qualms arose, I was to remember that I am not denying care, I am only denying payment.

She continued. At the time, that helped me avoid any sense of responsibility for my decisions. Now I am no longer willing to accept the escapist reasoning that allowed me to rationalize that action. I accept my responsibility now for this man's death, as well as for the immeasurable pain and suffering many other decisions of mine caused.

At that point, Ms. Peno described many ways that health care plans deny care, but she emphasized one in particular; the right to decide which care is medically necessary. She said, quote, there is one last activity that I think deserves a special place on this list, and this is what I call the smart bomb of cost containment, and that is medical necessities denials. Even when medical criteria is used by the health plan, it is rarely developed in any kind of standard traditional clinical process. It is rarely standardized across the field. The criteria are rarely available for prior review, review by the physicians or members of the plan, and we have had enough experience from history to demonstrate the consequences of secretive unregulated systems that go awry.

The room was stone cold quiet, and the chairman mumbled, thank you.

Well, Mr. Speaker, I wish that this were an isolated instance, but I can say what health plans are doing around the country. Under Federal law, under Federal law called the Employee Retirement Income Security Act, passed 25 years ago, employer health plans can define medical necessity in any way they want to. Let me give you an example.

There is a health plan in Texas that has defined medical necessity as the cheapest, least expensive care as determined by us, the health plan. Think about that. The cheapest, least expensive care as determined by us.

Well, Mr. Speaker, before I came to Congress I was a reconstructive surgeon. I took care of children who were born with birth defects, birth defects like cleft lips and palates. This is an anomaly that occurs in about one in 500 live births. The child is born with a big hole right in the middle of their

face. Their lip is separated. They have a big hole in the roof of their mouth. It needs to be surgically corrected. That is the standard treatment, surgical correction.

But, Mr. Speaker, under Federal law, instead of a surgical correction of the roof of that child's mouth so that that child can learn to speak normally, so that that child does not have food coming out of their nose, that health plan, under their own contractual definition of the cheapest, least expensive care, under Federal law, could say, well, we are just going to provide a little piece of plastic, kind of like an upper denture, that will keep some of the food from going up. After all, that is the cheapest, least expensive care.

I do not think very many people in the public understand this. I do not think many people understand that by Federal law we have told HMOs that provide insurance under employer plans that they can determine any type of medical necessity they want, whether it meets prevailing standards of care, whether it has anything to do with the medical literature, whether it follows NIH guidelines, standard care for treatment, for cancer treatment. They do not have to follow it because they can write a little definition in their own health plan and under Federal law that is all they have to follow.

So I get back, Mr. Speaker, to the bill that passed the Senate last week, after a lot of partisan debate, but the underlying problem with that bill is this: I urge my colleagues to look at page 116 in the bill that passed the Senate, where it is dealing with external review where an independent panel could review denials of care.

What can that independent panel under that bill review? Items or services that would have been covered under the terms of the plan or coverage if provided by the plan or issuer. In other words, Mr. Speaker, they are just reiterating what current law is. They are saying that independent panel, which is looking at a denial of care that could be lifesaving for a patient, at the end of the day the only thing one can appeal is whether the plan has followed its own definition of medical necessity. That is not reform. That is why that bill ought to be called the HMO Protection Act.

I want to talk about something I have not talked about on the floor as it relates to this issue. This Congress may deal with an issue of physician-assisted suicide. There are people on both sides of that issue, but we have to remember what that debate is going to be like if we do not correct Federal law that says the HMO, in an employer plan, can decide what is medically necessary.

Assisted suicide is now legal in Oregon, and there exists a natural cost incentive for health plans to support assisted suicide over other more expen-

sive treatment options, according to Nelson Lund, professor of law at George Mason University. He is an expert on assisted suicide.

Protecting patients from unscrupulous cost shifting is very difficult, he says. Quote, it is very hard to think of a law that could make a distinction between legitimate cost cutting by an insurance company in long-term care and cancer treatments and an illegitimate cost reduction. Inevitably you have pressures develop. Unquote.

Insurance companies can exert an enormous amount of pressure on health systems as a whole and on individual physicians, Professor Lund says. Quote, once strong incentives are created through cost cutting, through the managed care system, you naturally are going to get more of the cheaper treatments and less of the expensive treatments. That has to be true. That is why things are done, unquote.

Mr. Speaker, although there are protections written into the Oregon law, I can guarantee that physicians will face subtle pressures to view patients' options as more limited than they otherwise may consider them. Lund says, quote, even though the law requires a diagnosis of less than 6 months to live, that is an incentive for the physician to say, this person only has 6 months to live.

Once eliminating the patient is considered a form of treatment, the economic incentives are there that I think are unstoppable, quote/unquote.

That is part of the reason why we have to change this Federal law. Look, it may cost an HMO only \$500 to get an opinion that this patient should have a physician-assisted suicide. There is primary care referral. There is a mental health evaluation and there are the drugs. \$500 is a lot less expensive than taking care of a patient with cancer towards the end of their life.

That is part of the reason why it is very, very important that this Congress, especially in the context of States looking at this issue of physician-assisted suicide, and I do not care whether one is on one side of the issue or the other side of the issue, nobody wants an HMO pushing providers to get rid of patients who may be expensive. That is why we need to have a definition of medical necessity, not determined by the plan as the cheapest, least expensive care but as something that would include looking at prevailing standards of care, looking at the medical literature, looking at NIH cancer treatment statements, consensus statements and, yes, looking at the health plan's own guidelines as long as they are peer reviewed.

All of those things should be taken into consideration, but none of them should be determinative and should not be determinative that the health plan, as under current Federal law, can simply say this is it. We do not care

whether someone can provide us with a table full of medical literature that says that that treatment is the standard of care and efficacious, because we did not define it that way.

Well, that is one of the main things that, unfortunately, the bill that passed the Senate last week did not address. It simply allows those health plans to go on even in the independent external appeals to define medical care however they want to.

What is the other big issue? The other big issue is whether those health plans should be responsible for those medical decisions that they make.

Mr. Speaker, let me just give you one example of how an HMO made a decision that resulted in a tragedy. A couple of years ago, a young mother was taking care of her 6-month-old infant. A little baby boy at 3:30 in the morning was really sick. He was hot, sweaty, temperature of 104.

Moms and dads can tell when their kids are really sick. So mom and dad thought he better go to the emergency room. So they phoned the 1-800 number for the HMO. They get a voice a thousand miles away who says, yes, I will let you go to the emergency room but I am only going to authorize this one emergency room, and the mother said, well, where is it? And the reviewing voice at the end of the line said, well, I do not know. Find a map.

Well, it turns out that it was a long ways away, 60 some miles away. Mom and dad wrap up little Jimmy, get in the car at 3:30 in the morning and start out on their trek.

About halfway through the trip, Jimmy is looking sicker, but mom and dad are not health care professionals. They do not know that they need to stop right away, but they do know if they did stop at an unauthorized hospital they are now stuck with potentially a very big bill. This family does not have that kind of resources. Most families do not have that kind of resources.

So they kept driving. They passed three emergency rooms that they could have stopped at. But they did not have an okay from the company. That company had made that medical decision, we are only going to allow you to go to that one hospital.

Well, about 10 or 15 miles from that hospital little Jimmy's eyes rolled back in his head and he stops breathing. Picture dad driving like crazy to get to the hospital, mom trying to keep little Jimmy alive.

They tear into the emergency room entrance. Mom leaps out of the car with little Jimmy, screaming save my baby, save my baby. A nurse comes out, gives him mouth-to-mouth resuscitation. They bring the crash cart out; they start the lines; they give him the medicines and somehow or another they get him back to life. That nurse blew the breath of life into little Jimmy again.

Well, he was a tough little guy and he managed to survive, but because of that delay by that medical decision by that HMO and that cardiac arrest with the loss of circulation, little Jimmy ends up with gangrene in both hands and both feet and they all have to be amputated.

Little Jimmy today is learning how to put on his bilateral leg prosthesis, with his arm stubs. His mom has to help him put on his bilateral hooks. He is getting along pretty good for a kid who has lost both hands and both feet, but he will never play basketball.

□ 2200

I would tell the Speaker of the House that he will never wrestle. I would say that someday, when he gets married, he will never be able to caress the face of the woman that he loves with his hand.

I hear the opponents of this legislation say, "Ah, but these are just anecdotes. We do not legislate on the basis of anecdotes." I would say to them, this anecdote, if it had a finger, and you pricked it, it would bleed, if he had a hand.

Do my colleagues know what? Under Federal law, that health plan is liable for nothing other than the cost of the amputations. Can my colleagues believe that? It is the only industry in this country that has blanket immunity of that nature.

A judge reviewed this case. He determined that the margin of safety by that HMO for little Jimmy was, "razor thin." I would add, as razor thin as the scalpel that had to amputate his hands and feet.

Now, I ask my colleagues on both sides of the aisle, many of us in the past, we have talked a lot on this floor about responsibility. When we were doing welfare reform, we said, "Do you know what. If you are able bodied, you can go out and get a job, and you can support your family. That is responsibility. We will give you some education. But then it is your responsibility to support your family."

There have been a number of times on the floor, this floor right here, where we have voted in a bipartisan fashion for the death penalty for somebody who has killed or raped one of our fellow citizens because we say that is responsibility.

I think people need to examine their hearts. Conjure up in your mind the goddess of justice, Themis. She is holding the scales. She is blindfolded. Under current Federal law, she has written across her chiton "HMOs do not need to follow justice." We need to fix that.

There needs to be an enforcement mechanism. I looked at the Senate bill which passed last week, and do my colleagues know what the enforcement mechanism is? A \$10,000 fine if it is found that the health plan followed its

own definition of medical necessity. That is a joke. That is a travesty. To my colleagues, I say we need to fix that.

This will not result in a huge number of lawsuits. Texas passed a law, a good law. It had a strong external appeals process. It did make the health plans responsible in the end. Do my colleagues know how many lawsuits they have had? One. And one or two are pending in the 2 years, not that explosion of lawsuits. It has not resulted in an explosion of premiums. Texas premiums are below national average.

Before Texas legislature almost unanimously passed that law, the HMOs were saying, "The sky will fall. The sky will fall. It will kill managed care in Texas." There were 30 HMOs in Texas at that time. There are 51 in Texas today. The President of Aetna described Texas today, after passing a strong patient protection law with liability provisions, he described Texas as the *filet mignon*, the *filet mignon* of States to have insurance in.

Mr. Speaker, I have given my colleagues a couple of examples tonight of some of the abuses of managed care that have resulted in terrible personal tragedies. Picture little Jimmy as your child or your grandchild, and tell me, when you examine your heart, if you think HMOs under Federal protection should be shielded from the consequences of their negligence. I do not think so.

Should we not have a strong appeals process, something that really means something so that an independent panel can determine medical necessity, not on the basis of some contorted contractual language definition that only serves the basis to increase the HMO's bottom line and profits?

That is what we are dealing with, Mr. Speaker. We are dealing with a bill that, on the surface, if one looks at the surface headings, is called a patient protection bill. But when one reads the fine print, it is an HMO protection bill. It is worse than the status quo in many ways.

I will be happy to share with my colleagues references, the page numbers, the line numbers of any of the statements I have made tonight. But I will tell my colleagues what, if this bill comes to the floor, and we bypass our committee process, then I think every citizen in the country should demand that their Representative know what they are voting on and that their Representative be accountable for improving the situation, not making it worse.

#### TOO MANY UNKNOWNNS FOR "PROJECTED" SURPLUS

The SPEAKER *pro tempore* (Mr. OSE). Under the Speaker's announced policy of January 6, 1999, the gentleman from Tennessee (Mr. TANNER) is recognized for 60 minutes as the designee of the minority leader.

Mr. TANNER. Mr. Speaker, I want to thank the gentleman from Iowa (Mr. GANSKE) for that very interesting special order.

This is, I think, the first time I have asked for a special order in the 10 years that I have been in Congress. So my colleagues can readily see this is not something I do routinely or every night. My colleagues, I hope, can understand why I feel so deeply about the matter about which we are going to talk about here for a few minutes with the gentleman from Texas (Mr. STENHOLM) and the gentleman from Texas (Mr. TURNER).

There has been a lot of talk in this town around the country of a surplus. There are projections of a huge surplus over the next decade, and many people are running around with all sorts of ideas about how to spend it.

But what really upset me last week was the mark-up that we had in the Committee on Ways and Means on which I served and in which this surplus, 87 percent of the non-Social Security surplus for the next 10 years, was marked up in a tax cut bill.

Now, one of the reasons I ran for Congress in 1988 was because of my concern for the financial integrity of the United States. I am going to show this chart. I do not know if my colleagues can see it or not, but this is the way the country spent money from 1980, when I was in the Tennessee General Assembly, until now, and how we either paid or did not pay for what we spent.

The yellow part here is the administration of President Nixon. The green lines are President Ford. The yellow-red lines here are President Carter. The orange looking lines are President Reagan. This aqua green is President Bush. Then down here on the end, the dark blue lines is the administration of President Clinton.

I saw through the 1980s, as my colleagues did, a Republican President submit to, for 6 of the 8 years President Reagan was President, a Republican Senate and a Democratic House budgets that were never within \$100 billion of being balanced. I saw the Congress, Republican Senate and Democratic House, in collusion with the administration, borrow the money necessary to fund those budgets.

When I came here in 1988, we were borrowing in the name of our children and grandchildren over \$250 billion a year to pay for the consumption that people of my generation have enjoyed. I thought that was wrong then, and I think it is wrong now.

This is what it looks like on a bar chart in terms of building the national debt. In 1980, it was a little less than \$1 trillion. Today, it is over \$5 trillion.

Now, my colleagues might ask, who owns this debt? Who do my colleagues and I, we the people, who do we owe this 5 plus trillion dollars? Well, we

owe the Federal Reserve and government accounts; that is, the Social Security Trust Fund and some other trust funds, about \$2.3 trillion. We owe other people in the country a little over \$2 trillion. Foreigners hold over \$1.2 trillion of this debt, foreign interests.

So if we take away the money that we the Treasury, we the people owe to ourselves, we come up with about \$3.6 trillion in outside held debt that we are paying interest on every day.

Put another way, we spend more on interest, or spent more on interest, this is fiscal year 1998, we spent more on interest right here, \$364 billion, than we did on any other government program, save Social Security. Social Security is \$379 billion. But it has its own funding stream, the FICA tax.

We spent more money on interest than we did on national defense, which is right here in green. More than we did on medicine, and we heard the gentleman from Iowa (Mr. GANSKE), the previous speaker, talk about medicine in this country, the orange right here. Agriculture, we can barely see, the little green line. We spent more on interest than we did education, than we did veterans.

In short, we spent more on interest last year, almost \$1 billion a day than we spent on anything that my colleagues and I can do for our children's future today.

Now, part of this projected, and I want to underline the word projected, none of this money is here yet that they say is going to come into the Treasury from 2000 to 2009, this is the Social Security surplus, the blue. This is what the Congress and the President have agreed is off limits. We will not spend that. The red, \$1 trillion is what is projected to come into the Treasury as a surplus over the next 10 years.

Now, mind you, 6 months ago, part of this money did not exist. It is only through reforecasting what we think the economy is going to be in the next 10 years that this has grown to the extent that it has. The money is not yet here. I do not know what the unknowns out there are. We may have a war, tornados, hurricanes, other natural disasters. This is only a projection that, as it changed 6 months ago, could change 6 months from now and this money never show up.

Now, here is why I was so upset last week. Here is the Social Security money in blue. That is off limits. That is for the people in this country who pay into the system and who expect to earn and draw their Social Security benefits when they retire. That is off limits.

What is available, if one believes the projections, to spend or to cut taxes with is this part right here. Do my colleagues know what happened last week? Knowing of this horrendous suffocating debt that our children and

grandchildren have, the majority party in the Committee on Ways and Means reported out a bill, I guess it will come to the House this week or next, that spends 87 percent of this projected surplus in terms of a tax cut.

Now, nobody is against tax cuts. Certainly not me. But I will tell my colleagues, I think this is irresponsible from two standpoints. Number one, the money is not yet here. If it does not materialize, if the economy turns south, it may never get here. So to use 87 percent of it in tax cuts today betting on what is going to happen tomorrow I think puts our financial Treasury and our financial integrity as a Nation at risk.

□ 2215

But it is worse than that, and this is why. We have a suffocating national debt. The interest that we pay every day is more than we pay for defense, it is more than we pay for education, it is more than we pay for anything save Social Security. By spending all the money now that is projected as a surplus for the next 10 years, all we are doing is shoving this note and all the interest due on every schoolchild in this country that went to school today. They do not even know Congress met today. They were in school somewhere; or, worse yet, they are not even here yet. And all we are doing is shoving down all of these notes and this debt for them to pay. I think that is wrong.

When we take 87 percent of the budget surplus that is projected and use it now to satisfy our own immediate desires for a tax cut, what is the message from this Congress to the kids of America? We took the money and ran. That is the message.

Tom Brokaw, some of my colleagues know, has written a book called "The Greatest Generation," and I have received some letters from some of those folks and they say, "John, if I must do without, so be it. I don't want you to send this suffocating debt down on the heads of my kids and grandkids. They deserve a better Nation. You are putting the country at risk, you, the Congress, if you take all of this projected surplus, do an almost \$1 trillion tax cut today and do nothing about the debt."

I think it is not only selfish and wrong, but I think it could really endanger the future of this country. Because if the world economy collapses, if there is a downturn, if there is a recession, and if interest rates go up as we have to roll these notes, what is going to happen to the interest on them? It is going to have to go up, too. And right now we are already paying almost \$1 billion a day. How much more can we stand before we have to say this country is in such bad shape we can no longer pay our bills?

I think it is as serious a situation as we have faced or experienced. Because I know that a country that is bankrupt



is unable to defend itself, it is unable to help its citizens, and it is unable to be a force for peace in the world.

Mr. Speaker, I want to now yield to the gentleman from Texas (Mr. TURNER), because he has some comments he would like to make regarding this projected surplus.

Mr. TURNER. Mr. Speaker, I thank the gentleman from Tennessee for yielding to me, and I appreciate very much the presentation that the gentleman has made. Each of us here tonight feel very strongly that we must, in order to be fair to our children and our grandchildren, we must take a fiscally conservative and responsible course of action with regard to the projected surplus.

Those of us here tonight, Mr. Speaker, feel that we should, instead of devoting the vast majority of the projected surplus to tax cuts, we must devote the vast majority of the projected surplus to paying down that horrendous \$5.6 trillion national debt, which is taking interest every year in every annual budget to the tune of about 15 percent of all Federal spending. In fact, I am told that just to cover the interest on that national debt we spend about 25 percent of the total revenue from the Federal income tax just to pay that interest on that debt every year.

Mr. Speaker, we know that really paying the national debt down can give average working families more than any of these pie-in-the-sky tax-reduction schemes, that are mostly designed to benefit the wealthy. Because we know that paying down the debt, according to every economist we know, would result in even lower interest rates than we have today. And lower interest rates means for the American people lower house payments, lower car payments, or lower payments on those student loans they have taken out to send their children to college.

In fact, every 1 percent decrease in interest rates saves the American people between \$200 and \$250 billion in mortgage costs. Paying down the national debt is the smart way to help average working men and women and their families have more in their pocket.

We also know, as the gentleman from Tennessee pointed out, it is the morally correct thing to do. Why should we, now that we have good economic times, continue to jeopardize the future economic stability of this Nation and cause the preschoolers of today to be the ones that have to deal with the \$5.6 trillion national debt that was accumulated over all those years, as was pointed out on the chart, that shows all those successive Democrat and Republican administrations that incurred those annual deficits that have resulted in our \$5.6 trillion national debt?

There is one question I want to address here tonight that even is a more

fundamental question than the issue of what should we do with this projected surplus; should we cut taxes or should we pay down the debt? Let us look at the projected surplus itself. Because if the truth be known, we may not even have a surplus over the next 10 years.

If we look at the numbers of the Congressional Budget Office projections, what we see is that they have estimated annual numbers over 10 years cumulatively totaling a \$2.9 trillion surplus. That starts off in this year with a projected \$120 billion surplus for fiscal year 1999. Those numbers go up steadily all the way up to the year 2009, where the projected surplus is about \$413 billion. All those numbers together total the projected \$2.9 surplus over 10 years.

But let us just look at the last year, 2009, that \$413 billion projected surplus. Those numbers are based on current law. Current law has in place some budget caps that we are now struggling to live within that were put in place in the Balanced Budget Act of 1997. What if we fail as a Congress to meet those budget caps? Those budget caps, in fact, will require us to reduce spending over the next 3 years by 8 percent. Can we do that? I am not sure. If we cannot do that, we know that these numbers are totally unrealistic in terms of the projected surplus.

Let us just suppose that the caps that we have in place are reached, and that discretionary spending, instead of staying within those caps and going down 8 percent over the next 3 years, ends up going up with inflation over the next decade. That would not be an unreasonable expectation; that is for government programs and costs to go up with inflation. That \$413 billion surplus in the year 2009 would immediately shrink to \$331 billion. And, in fact, discretionary spending could rise faster than that. Sooner or later it is likely to grow again at least as fast as the population or the real economy.

Let us leave all that aside and let us see what would happen if, for example, the projected surplus for 2009 did not only shrink to \$331 billion because of inflation, but let us just say it stayed at the same level as the percentage of the gross domestic product that it stayed at for several years since 1970. We would then have only \$151 billion in actual surplus in 2009.

Today's surplus projections also assume that the growth in the health benefit costs will be relatively slow over the next decade. Every one of us know that hospitals in this country are under a great deal of pressure. Some of the cuts in Medicare have put great strain on our hospitals and other health care providers, and the CBO estimate says that health care spending, Medicare spending, will rise at 4.2 percent. That is a full percentage point below its long-term average since 1970. So what happens if health care costs

continue to go up, as they have since 1970 every year? This would mean that the projected surplus for the year 2009 would only be \$95 billion.

Beyond those cost estimates that may be incorrect in the CBO estimate, consider productivity in our Nation, which has grown at 1.1 percent since 1973. The CBO estimates of the surplus says productivity will grow at an average of 1.8 percent over the next decade. Let us say it does not quite make 1.8. Say it is only half that. So it is somewhat closer to the 1.1 percent that we have had since 1973. That would mean that the projected surplus for the year 2009 becomes only \$27 billion instead of the \$413 billion that we started out with in the original estimate.

Further, what if the number of workers grows just one quarter of a percent, one quarter of a percent slower than the CBO projections estimate, due perhaps to a combination of fewer people seeking jobs and maybe fewer people finding them? In that case the deficit would grow to \$102 billion.

So, Mr. Speaker, looking at only five assumptions in the CBO estimate, we can see there may not even be a surplus over the next 10 years. Fiscal conservatism requires that we recognize that the projections upon which the surplus is made by the Congressional Budget Office may not be worth the paper they are written on. We do not even have to talk about, as many people often do, whether the stock market may crash, because all the things I referred to are very minor changes in the direction of the economy that completely erases the surplus of \$2.9 billion that we are using to base a major tax cut on, which could result in our children and grandchildren having an even greater national debt to pay off than they already have today.

Mr. TANNER. I want to thank the gentleman for those comments, Mr. Speaker. I come from Tennessee, in a rural area, and if I just knew what the price of cotton or soybeans or a bushel of corn is going to be next week, I would be in pretty good shape. We do not know that, yet we are talking about 10-year numbers here, which as the gentleman suggested, may or may not materialize.

Let me say one other thing before I recognize the gentleman from Texas (Mr. STENHOLM), and that is that the term personal responsibility does not just apply to people on welfare. We have a responsibility here to try as best we can to keep the financial integrity of this country in at least as good as shape as it was when we got here.

I do not believe it is financially responsible, as the gentleman from Texas (Mr. TURNER) said, to base a massive tax cut on nothing more than a projected surplus. I do not think any prudent businessperson in America would say that they think that is a financially conservative doable thing and they wish we would do it.

Mr. Speaker, I would now like to ask my friend, the gentleman from Texas (Mr. STENHOLM) to say a few words. We have also been joined by the gentleman from Minnesota (Mr. MINGE). This looks like a Blue Dog gathering down here.

Mr. STENHOLM. Mr. Speaker, I thank the gentleman from Tennessee for yielding me this time and for taking this time tonight, and I appreciate my colleagues, the gentleman from Texas (Mr. TURNER) and the gentleman from Minnesota (Mr. MINGE), joining us. The gentleman is right, this is a joining of the Blue Dogs tonight, and my colleagues who are listening will hear us talking considerably about this very ill-conceived proposal that we have facing us very soon.

I want to emphasize a few points that have not yet been made tonight. But first, last week the largest newspaper in my district had an editorial entitled "GOP Tax Cuts Founded Upon Play Money." And this is one point I want to emphasize. My colleague, the gentleman from Texas (Mr. TURNER), spoke very succinctly and very matter-of-factly regarding the absolute fact that all of these numbers we are talking about are projections, and for us to base the future, really, of our country on projections is very dangerous.

And here I want to make a point, since we have mentioned the Blue Dogs tonight. One of the things that we believe in, if we are going to be critical of the other side's proposal, and we are very critical of the proposed \$864 billion tax cut with play money, we feel if we are going to be critical of the other side, it is incumbent to say what are we for; what it is that we propose.

And I have been asked by many of my colleagues and friends on the other side of the aisle, "Charlie, what would you have done? What would you do?" And we spelled this out very clearly in our budget proposal earlier this year in which we said the conservative thing to do is to be conservative. Do not spend the money until we have it. Let us realize that if we are going to use 10- and 15-year projections, we should use them for purposes of outlining what the effects are going to be. But, for Heaven's sake, do not spend the money until we have it in our hands.

□ 2230

We suggested very strongly, let us fix Social Security and Medicare first. The primary responsibility of this Congress should have been, should be, and I hope will be, let us fix Social Security. Save Social Security. Everyone now agrees, since all the rhetoric we have been hearing around here is a lock box, we are going to save the money, we are no longer going to spend the Social Security trust fund for anything other than Social Security. We all agree to that, we thought.

But if we carefully analyze this \$864 billion tax cut as proposed, we will find

I believe the numbers will show that we are spending Social Security trust fund dollars in that 10-year plan. I believe those numbers are there.

I have a new set of numbers tonight that we can use, but I think it is going to be important that we use CBO numbers when they come out. And if we are going to show that if we have this \$864 billion tax cut over the next 10 years, we will use Social Security trust fund dollars in payment of that tax cut.

But here is the thing that I want to emphasize tonight, and it has to do with Social Security also. And this is something that is being overlooked thus far in this whole debate. What happens in the second 10 years? Once we put a tax cut in place, it goes on and on and on. And since there are pressures in the first 10 years to do all of which the Committee on Ways and Means majority has suggested, they have interestingly done, as Congress so often does, they allow the major part of the actions of the tax cut to occur in the second 10 years.

How much? It is now estimated \$2.9 trillion will not make it to the Federal Treasury in the second 10 years, to which a lot of people and a lot of our colleagues will say, hooray, that is what we were sent here for. Send the money back home.

The only problem with that is in 2014, only about 14 years from today, that is when the baby-boomers begin to retire in earnest. That is when the pressures on the current Social Security system will build to the highest level that we have seen since Social Security was first started.

Now, let us use a little bit of what I like to call west Texas tractor seat common sense. It can be Tennessee common sense. It can be Minnesota common sense. It can be any of our 50 States common sense.

If we have a program that has been clearly defined by most of us as one of the best government programs ever created, Social Security, and what it is doing for senior citizens today, and if we believe, as I do, that we need to do the same thing for our children and grandchildren, why would we pass a tax cut in 1999 that is going to guarantee that the Congress in the year 2014 will have a very difficult if not impossible hurdle to meet? Why would anyone suggest moving revenue of \$2.9 trillion at exactly the same time that Social Security is going to have a need for those moneys in order to pay the promises off to those young men and women, all working men and women, who are working and paying in today, why would anyone have the gall to come to the floor of the House and suggest this is good policy, good economics, good anything?

But that is what we have been allowed to believe thus far by the rhetoric thus far. But we hope that with actions and discussions like tonight and

the debate on the bill when it gets here and other discussions about this proposed tax cut, as much as I would like to see it, too, the gentleman from Tennessee (Mr. TANNER) said a moment ago he is for it, we are all for it, that is not the question.

The question is what is the fiscally responsible thing for this Congress to do? And again, I come back to this very simple statement to my colleagues that are asking what would we do. What I wished we would have done this year, I wish the Committee on Ways and Means would have spent the last four or five months debating a Social Security plan, a solvency plan, a proposal that would put Social Security on solid ground.

We have many out there, the gentleman from Arizona (Mr. KOLBE) on the other side of the aisle and I, joined by about nine cosponsors, now a partisan group, the gentleman from Michigan (Mr. SMITH), another Republican, has come up with some ideas. The gentleman from South Carolina (Mr. SANFORD), another Republican, has come up with some ideas. We have various bipartisan suggestions.

Why did not the Committee on Ways and Means deal with Social Security first? That is what the Blue Dogs suggested. Take care of Social Security first. Then let us deal with Medicare, as the gentleman from Texas (Mr. TURNER) mentioned a moment ago.

Most of us who represent rural districts are hearing from our hospitals saying, if you do not make some changes in the Balanced Budget Agreement of 1997, if you do not make some changes, we are going to be forced to close our doors.

Now, we heard an excellent presentation by the gentleman from Iowa (Mr. GANSKE) in the previous special order just before us today in talking about some of the problems associated with health care a moment ago. But there is another problem with health care that is very prevalent in rural America and that is whether we are going to have health care available. If we do not address the very real priority of medical spending, Medicare and Medicaid, and do it in a responsible, conservative way but do it in a way in which we allow our hospitals to stay open, for many of our rural communities there will be no money, there will be no hospitals. And that is not just crying wolf. That is something that is a very, very real fact.

There is one other area, then I will yield back and allow the gentleman from Minnesota (Mr. MINGE) to join us tonight. But we talk about we do not send the money back to those that paid it, we are going to spend it. One of the things that gets overlooked by this is the very real fact of who owes this debt? The American people.

Who is paying the interest, the \$300-plus billion that the gentleman from

Tennessee (Mr. TANNER) showed on his chart a while ago? Who is paying that? We are paying it.

It is consuming an increasing amount of the percentage of income tax that we pay. We forget that when we pay down debt, as the Blue Dogs have suggested, when we pay down debt we reduce the amount that we have to pay on interest.

One of the very real choices we are going to have to make very soon deals with military spending, defense spending of this country. And if we did as the current game plan, if we spend 87 percent of the projected available surplus for the next 10 years, there will be no money there for defense. Immediately folks will say that I am wrong about that, we propose to follow the President's suggestions on defense and, therefore, we will meet those numbers. Fine, I will concede that we will do that.

That means that we are going to have to cut 31 percent out of every other function of the budget, 31 percent out of veterans' programs, 31 percent out of agriculture, 31 percent out of education in order to meet the budget goal that has been set by the majority, who are saying that we can afford this \$864 billion tax cut.

My colleagues, we cannot do this. I appreciate the fact that many of you are agreeing with us today privately. But we hope that we will find a way. And to those that are asking what is that way, the Blue Dogs set it out. Let us take any projected surplus and let us be conservative with it, whatever it is, you pick the number and let us wait until they are real.

First off, 100 percent of all Social Security surpluses go to pay down the debt. Then half of any non-Social Security surplus, pay down the debt with that also. And then the remaining, let us meet the priorities of this Nation, military, agriculture, health care, education, and veterans. And then let us deal with tax cuts targeted towards keeping this longest peacetime economy that we have seen in the history of our country.

That is a pretty good plan. We hope our colleagues will be joining us.

I yield back now to the gentleman and look forward to participating in a moment.

Mr. TANNER. Mr. Speaker, I would just say this. Both of my colleagues all have done an excellent job talking about this problem. But it does not take a lot of sense. We talk here in Congress and our eyes glaze over with all these projections and numbers. If we have a trillion-dollar projected surplus, we cannot take 87 percent of it and cut taxes today and then meet the needs of defense, education, health care, veterans and so on. We cannot do that.

People know that. I think the American people are way ahead of us quite

frankly. If anybody believes they can save Social Security, that we can do all the things we need to do with the military and veterans and education and health care, then there is a bridge in Brooklyn that is going to be sold pretty quick. They know better. They know we cannot have it all.

And so, I hope that without regard to the numbers that make us glaze over, people know that we cannot have it both ways.

So I would like to call on the gentleman from Minnesota (Mr. MINGE) who helps the Blue Dogs with our budget, and he is going to talk a little bit I think about the budget priorities that the gentleman from Texas (Mr. STENHOLM) mentioned.

Mr. MINGE. Mr. Speaker, I appreciate the opportunity to address the body this evening.

We really face a situation here in the United States at the end of the decade that is intoxicating. We face the situation where we have balanced or are close to having balanced the budget after decades of deficit spending. It is historic. It is dramatic. It is exciting. Everybody is seeking credit.

Those of us in Congress are often boastful, we have a balanced budget. At the other end of Pennsylvania Avenue, the White House is talking about having balanced the budget. Talk of surplus rolls from the lips of all of us. But really we have not yet balanced the budget.

We are hopeful that in fiscal year 1999 there may be a surplus if we disregard what we are making on the Social Security trust fund. But the fact of the matter is in 1999 we are already appropriating funds for so-called emergencies; and if I not correct, these emergency spending measures are eating up any possible surplus that we might have had in fiscal year 1999.

Mr. TANNER. Money is money. It does not matter where it comes from. If it goes, it goes. My colleague is right.

Mr. MINGE. So 1999 there is no surplus. And we can talk about it, but really what we are doing is relying upon the Social Security trust fund. The baby-boom generation is at its peak earning years paying into the Social Security trust fund at a very fast clip. And the trust fund is not yet paying out on the benefits to that baby-boom generation. So that is why we are accumulating some additional money.

There is always this temptation to roll the Social Security trust fund into the rest of the budget and look at this temporary surplus that is being accumulated in Social Security as it ought to be accumulated but then act like this is a surplus in Federal operations overall.

But the sad fact is we have been borrowing this money from the Social Security trust fund. The Social Security trust fund has been forced to invest it

in U.S. Government bonds, and then we are spending that money that we borrow from Social Security for current consumption. We are not putting it away as a long-term investment.

So I think one thing we have to be very clear on at the very outset is that in 1999 there is no surplus; and chances are in Fiscal Year 2000 there will not be a surplus either because we face the prospect of yet more so-called emergency spending for Kosovo, for agriculture, farm crises, and other matters and that is going to eat up the hope for surplus in fiscal 2000 if we put that Social Security trust fund to one side.

So I think that first it is very important that all of us here in Congress and the folks in the administration be straight with the American people.

One thing that troubles me about this is that I notice the news media is critical of those of us in Congress when we talk about surpluses and we disregard Social Security but then the news media proceeds to report news from the White House or news from the leadership here in Congress and not point out that often the talk of a surplus disregards what we are doing with Social Security.

□ 2245

So let us make sure that we put the Social Security business to one side.

Just to give all of us an idea of the magnitude of this and I think that the gentleman from Texas (Mr. TURNER) and the gentleman from Texas (Mr. STENHOLM) have alluded to this, but I would like to repeat it. If you are looking at the next 5 years, which is all that those of us in the Blue Dog Coalition have tried to do, just look out the next 5 years, we would have about a \$1 trillion surplus if we were rolling Social Security in. But if you back Social Security out, even under the most optimistic projections as to surplus, we would have around a \$250 billion surplus in that 5-year period once we have disregarded Social Security.

Now, the other thing I would like to emphasize with respect to this so-called claim of a surplus is that the intoxicating effect of the surplus is sort of overwhelming in the political process, that we are all trying to find ways to both take credit for it and then to somehow lavish benefits, supposed benefits on various constituencies in this country with that surplus before we have realized it.

So here we sit in 1999 and we are talking about surpluses that hopefully will occur in 2001, 2003, 2004 and on over the next 15 years. What we would like to do here in 1999 is commit Congress, commit the Federal Government, commit the American people to programs 5, 10, 15, even 30 years down the road, as the gentleman from Texas (Mr. STENHOLM) emphasized, before we really have the surplus.

What it reminds me of, we all talk about going on a diet. Everybody, even

those that are quite thin and trim talk about going on diets, but here what we have is a situation where we have sort of fattened ourselves at the trough with Federal money for all sorts of things, and many of them very good programs. We are not talking about the money has been spent on things that are necessarily inappropriate. There are constituencies that ask for all these programs, but we have spent money on these programs, and we are overweight. We are trying to do something about it. So we are going to go on a diet. Now we see that we are shedding these excess pounds so that in the future, 5 years, 10 years, 15 years down the road, we are going to be shedding these excess pounds, so what we want to do is start eating again before we have even shed the weight. We are looking at shedding the weight 5, 10, 15 years down the road but we want to start eating those rich chocolate and ice cream desserts right now.

Mr. TANNER. What I think we have done is we have taken the Nation's credit card and we have maxed it out. Now all we can do are make the interest payments, and we are going to leave to our children, son or daughter, "I'm going to give you a credit card. What I'm telling you though, is, it's going to take everything you're making just to pay the interest on what I have already consumed. The suit I've bought and put on the credit card is worn out. The meal that I had at one of these fancy restaurants is eaten, it's gone." And so we have maxed out, instead of taking the money that we see maybe as a surplus now and doing what I think is a pretty good thing, that is paying what you owe, where I come from, where you come from, that is considered poor form really if you come into money and you owe a fellow and you do not pay him. We owe our kids and grandkids. Instead of spending it now, I think we ought to pay them.

Mr. MINGE. Another thing about this, we are all looking for political advantage out here in Washington. All the Republicans would like to say, "We've delivered tax cuts," or we did this or we did that. Democrats like to claim that we did this or that. The White House likes to make claims. If we can take this surplus being hopefully accrued in the future and say we are doing things with that surplus by making decisions now when the surplus is not even in hand yet, we are building points supposedly with the American public. But I do not think those are points that we are entitled to earn. We ought to be, if you are looking at your credit card situation or I was talking in terms of food, I guess it depends on what you need more at the time, a good meal or need to go out and do some binge spending, what we ought to be doing is eating our vegetables here. We have got a few more years here where we ought to be eating the vege-

tables and we should not be talking about that rich dessert. Or as I know the gentleman from Texas (Mr. STENHOLM) has said many times, the sun is shining now, now is the time to fix the roof, to fix the leak. What sense does it make to sort of languish there and try to get a suntan instead of doing the work of fixing the roof when the sun is shining?

What I would like to emphasize is that in this setting, we have come up with a proposal which is really very simple, or humble in the Blue Dog group, and the proposal is reflected by this chart. I would just point out quickly, we would take 100 percent of the Social Security surplus and devote it to Social Security. The surplus over and above what is accumulating in Social Security we would split three ways: 50 percent to pay down on the debt, reduce that credit card bill as you are talking about; 25 percent to invest in priority programs, and everybody has their list of priorities but this is an example of some things that many folks around the country recognize as priorities; and 25 percent and have certain targeted tax reductions. So it is a simple formula, it is a simple approach and by showing this level of fiscal responsibility, the economists who have looked at the American economy and who have studied the impact of fiscal restraint on interest rates and other things have said, we will have a dividend of \$165 billion in interest savings to the Federal Government over the next 5 years if we show this type of fiscal restraint. That is, it will cost us that much less, we will save that much in interest on the Federal debt which is sort of an interest dividend.

Mr. STENHOLM. That is a point that I think needs to be reemphasized. If you took the \$864 billion and applied it to the debt instead of a tax cut, we would reduce the interest cost over the next 10 years by \$155, \$165 billion. But more importantly, this bill, in the second 10 years, that amount of money is \$1.5 trillion that future generations are going to have to pay in interest in the next 20 years, and I hope we are still there part of that. But this is what is being overlooked by this frenzy among some to say that the only way we can save this money is to send it back to the people that paid it, forgetting that if we do not deal with the debt, we are going to continue to have to pay interest.

A moment ago, the gentleman from Texas (Mr. TURNER) made the observation, and it is a correct one, each one percentage point of interest cost the American people between \$200 and \$250 billion in increased mortgage cost, automobile cost, TV cost, daily living expenses. It is a built-in expense. Therefore, we feel that the most conservative thing we can do and the best tax cut we can give the American people, the absolute best tax cut, would be

to keep interest rates where they are or lower. Remember what the Federal Reserve did a couple of weeks ago, they increased interest rates a quarter of a point. That cost, according to these numbers, about \$60 billion, is what consumers are going to have to pay. Look at what that would have meant if that interest had not gone up. Why did the Federal Reserve choose to raise interest rates? They were afraid the economy was overheating.

Why do we have a tax cut, particularly the largest tax cut in modern history? To stimulate the economy. If we stimulate the economy, what might the Federal Reserve do? Increase the interest rates. Who is going to be the winner? It is not going to be the American people.

Mr. MINGE. It comes back to the Federal budget again, because the Federal Government is the largest single borrower in the U.S. economy. It costs the Federal Government money when interest rates go up just like it costs the homeowner and the business that has to go out and borrow. So that we are not doing any of us a favor when we set in motion the chain of events that provides the Fed with incentive to raise interest rates.

Mr. TURNER. I think it is interesting to note what the Federal Reserve Board Chairman Alan Greenspan said when he testified before the Committee on Ways and Means that the gentleman from Tennessee (Mr. TANNER) serves on. He was addressing the subject of reducing the debt. He said it is much better to use the surplus for debt reduction than tax cuts, and he said it this way and I am quoting him. He said, "The advantages that I perceive that would accrue to this economy from a significant decline in the outstanding debt to the public and its virtuous cycle on the total budget process is a value which I think far exceeds anything else we could do with the money."

I think that this debate that we are having this week in the Congress has redefined the party of fiscal conservatism, because just as the gentleman said a minute ago, all of these projections of the surplus that our friends in the other party want to base a huge blockbuster tax cut on are merely projections. What would be the conservative approach to take if it was at your house or mine? To do what is being proposed with this major tax cut that takes up 87 percent of the projected surplus is like a fellow sitting at his kitchen table with his wife and they are talking over their budget situation and somebody walks in and sits down over the kitchen table with them and says, "Oh, by the way, you're going to get raises over the next 15 years and every year, we know you're going to be making more money."

He says, "Well, I guess I will. That sounds pretty good. I believe I'll buy

me a new boat right now, I believe I'll go out and buy some new camping gear and I believe I'll go out and see if I can't find us a new house right now."

Right then he would be making the wrong decision. He would be spending money that he does not even have, because somebody told him they think he is going to get a raise every year for the next 10 years. This is the same thing that has happened in this Congress. We do not need to be the Congress of fiscal irresponsibility. We do not need to be the Congress that took away the chance that we have today to pay down a \$5.6 trillion national debt. We do not need to be the Congress that passes on that debt to our children and our grandchildren. We need to be the party of fiscal conservatism, the Congress of fiscal conservatism.

I am glad to know that as a member of the Blue Dog Democrat Coalition, we are standing up this week in this Congress for fiscal conservatism and for the children and grandchildren that we want to have a prosperous economy in the years ahead.

Mr. MINGE. I would like to emphasize another dimension, and, that is, folks in this country who have the most modest income are the ones that are hurt the most by higher interest rates. It is those folks who have accumulated some savings that will benefit from the high interest rates, at least theoretically, but it is the modest wage earner that is going to get hit. I think one point that is very important to make is that keeping interest rates low benefits those who are doing that borrowing or have debts, and also having a strong economy like this does a great deal to provide jobs and opportunity for the low-income people in America. We reduce the unemployment rate, low-income folks in our country are participating in our economy at a rate that they have not for many, many years, many decades and so trying to maintain what we have and not being irresponsible about it I think is one of the most effective ways to try to address the needs of modest income Americans.

Mr. TANNER. We did some calculations in the committee and if we could keep the United States Government out of the credit markets, keep the government from borrowing money, operate on an even keel, it is estimated that that would mean a two point difference on mortgage rates. Now, on a \$115,000 home with a mortgage, that translates directly into the pockets of those homeowners almost \$2,000, a little over \$1,900 a year that is money that they are not paying on their mortgage, they are getting to keep. Not only that, it makes housing more affordable, it makes automobiles more affordable. What does all that do? It keeps the economy going. And so if we could keep the government from borrowing money, and let me say this

while we are talking tonight. I think it is incumbent upon us to tell the people of this country that we want to pay the debt that we all collectively owe, that we have all consumed, we did not spend it, I was not here in the 1980s but we benefited from the increased consumption in some way and did not pay for it. If we could just say to them, we want to pay what we owe, we want to pay your children and mine and our grandchildren, but we are going to also tell you we are not going to engage in a lot of new, unnecessary spending, the Blue Dogs make that promise as well, because that would not do anyone any good.

So for those who say, "Well, we cannot keep it here, it has got to be spent," I know of no compelling force to spend money around here. You have to vote to spend it the last time I looked. You have a voting card and you vote to spend it. Well, it goes both ways. And so we want to keep the money here and pay it on the debt, not spend it. I think that would be a message that all of us could embrace here tonight.

Mr. STENHOLM. If the gentleman will yield for one other point.

□ 2300

As my colleagues know, a 1 percent increase in interest rates, according to my arithmetic, costs the taxpayers \$56 billion, 1 percent on a \$5.6 trillion debt that we have to pay interest on. That quarter of a point costs us a little over \$14 billion, the quarter of a point. Look how difficult it is for us to find \$14 billion of spending cuts which went away just like that when interest rates went up.

Therefore, the whole message of the Blue Dogs tonight and earlier this year and will for the remainder of this year in this Congress is the fiscally-responsible, conservative thing for us to do is to pay down the national debt while we have the opportunity to do so and use this opportunity to fix Social Security for our children and grandchildren. You cannot do it both ways.

If you take 87 percent of the projected surpluses and spend them today in a program that literally explodes in the second 10 years, it will make it fiscally impossible to meet the social security needs. It is one of the most irresponsible fiscal actions.

In fact, I have termed this. I have been here now 20 years, going on 21. This bill is the most fiscally irresponsible bill to come before the Congress in the 20½ years that I have been here, and I hope we will be able to turn that around, and I thank the gentleman.

Mr. TANNER. I called it a generational mugging in the committee the other day, and I believe that is what it is. I believe it is a generational mugging that we are taking money now and, as I said earlier, taking the money and running instead

of paying what we owe on behalf of our kids and grandkids.

Mr. MINGE. Mr. Speaker, if my colleague will yield for another moment, finally I have a graph over here, a graphic display of what the Blue Dog budget is like, if you just think about the bones and the rewards that all of our dogs at home, they always like to have, and just take that bone. That is not a phony bone. We are talking about using half of a surplus that we hope will accrue to reduce the debt. That has its rewards throughout the economy, as we have said. We are talking about 25 percent for tax reductions.

All of us would like to have tax reductions. It goes without saying. It is a bipartisan goal. But the question is: How do we do it responsibly? And let us allocate a responsible amount to tax reduction and not have, let us say, the White House and the congressional leadership get in some sort of bidding war over spending and tax cuts. That is terribly destructive. That eats into the debt reduction.

And finally, we have all acknowledged that we have program priorities, and I agree with you. I have heard from the hospitals in rural Minnesota and in the metropolitan areas in Minnesota of the dramatic effect that the Balanced Budget Act of 1997 on health care and what this is doing to our institutions; and probably what is most dramatic and what is the saddest is what I see is happening with home health care and with nursing homes.

As my colleagues know, we have loyal, dedicated, hard-working nursing home employees in our country that could earn more by going to fast-food restaurants. But they are committed to working with seniors who are in nursing homes, and I think that it is just we ought to be ashamed at what is happening in nursing homes in our country and the wages that people that work there, and if we say that we cannot do anything to make sure that we can keep the doors open in those facilities and continue to provide home health care so that seniors can live at home as long as possible; and, instead, we are going to, whether it is launching into a new program or initiating tax cuts that we cannot afford. I think that is irresponsible.

Mr. Speaker, I would like to thank my colleague from Tennessee (Mr. TANNER) for contacting us and urging that we get together this evening to discuss this very important issue.

Mr. TURNER. Mr. Speaker, if the gentleman would yield, most of us who are members of the fiscally conservative Blue Dog coalition support tax cuts, but I was just discussing with my friend from Texas (Mr. STENHOLM) the tax cut bill that was on the floor of the House just a year ago, a tax cut that I voted for. In fact, I have voted for each of the two tax cut measures that have been before this Congress since I have been a Member.

Last year's tax cut bill was in the neighborhood of \$150 billion over 10 years. It was an \$80 billion over 5-year tax cut. That bill passed the House by a small margin, died in the Senate, never became law.

Here we are a year later, almost less than a year later, voting on a tax cut 5½ times as large as the one this House voted on less than a year ago.

Now you cannot tell me that the budget forecasts and the surplus estimates have changed that much in 1 year. Common sense would tell us that what we are talking about in this tax cut is fiscally irresponsible, and I want to thank the gentleman from Tennessee (Mr. TANNER) for bringing this issue before the floor tonight and for his leadership as a member of the Committee on Ways and Means.

Mr. TANNER. Mr. Speaker, I thank my colleagues very much, and I want to thank you all for coming, and I want to thank the folks here for staying around and listening to us, and I think maybe we might ought to do this again sometime with some more charts, not to glaze people's eyes over, but just to tell them we believe that we ought to pay our debts first and then have a responsible tax cut as well as bolster our military, our health care system, our education system through what we said we would do for our veterans and for our agricultural sector that is in real trouble.

Mr. Speaker, with that I want to thank my colleagues.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. THURMAN of Florida (at the request of Mr. GEPHARDT) for today on account of family illness.

Mr. TOOMEY of Pennsylvania (at the request of Mr. ARMEY) for today on account of family illness.

Mr. PETERSON of Pennsylvania (at the request of Mr. ARMEY) for today on account of medical reasons.

Mrs. FOWLER of Florida (at the request of Mr. ARMEY) for today on account of medical reasons.

Mr. TAUZIN of Louisiana (at the request of Mr. ARMEY) for today on account of personal reasons.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. HASTINGS of Florida, for 5 minutes, today.

Mr. UNDERWOOD, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. LAMPSON, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

(The following Members (at the request of Mr. CALVERT) to revise and extend their remarks and include extraneous material:)

Mr. MORAN of Kansas, for 5 minutes, July 20.

Mr. METCALF, for 5 minutes, today.

Mr. ROHRABACHER, for 5 minutes, today.

Mr. BEREUTER, for 5 minutes, today.

#### ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2035. An act to correct errors in the authorizations of certain programs administered by the National Highway Traffic Safety Administration.

#### ADJOURNMENT

Mr. STENHOLM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 6 minutes p.m.), under its previous order, the House adjourned until tomorrow, July 20, 1999, at 9 a.m., for morning hour debates.

#### EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports and amended reports concerning the foreign currencies and U.S. dollars utilized for official foreign travel during the first quarter of 1999 by Committees of the House of Representatives, as well as a consolidated report of foreign currencies and U.S. dollars utilized for speaker-authorized official travel during the second quarter of 1999, pursuant to Public Law 95-384, and for miscellaneous groups in connection with official foreign travel during the calendar year 1999 are as follows:

##### AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1, AND MAR. 31, 1999

Name of Member or employee	Date		Country	Per diem <sup>1</sup>		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>
Hon. Bill Archer .....	1/9	1/13	Chile .....							4,516.55	4,516.55
	1/13	1/16	Brazil .....							3,749.00	3,749.00
Committee total .....										8,265.55	8,265.55

<sup>1</sup> Per diem constitutes lodging and meals.

<sup>2</sup> If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILL ARCHER, Chairman, June 21, 1999.

##### REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO WARSAW, POLAND, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAY 27, AND JUNE 1, 1999

Name of Member or employee	Date		Country	Per diem <sup>1</sup>		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>
Hon. Doug Bereuter .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Hon. Tom Bliley .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Hon. Herb Bateman .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Hon. Sherwood Boehlert .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Hon. Ralph Regula .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Hon. Marge Roukema .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Hon. Porter Goss .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Hon. Floyd Spence .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Hon. Joel Hefley .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Hon. Vernon Ehlers .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Hon. Scott McInnis .....	5/28	6/1	Poland .....		1,385.00						1,385.00



REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO WARSAW, POLAND, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAY 27, AND JUNE 1, 1999—  
Continued

Name of Member or employee	Date		Country	Per diem <sup>1</sup>		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>
Hon. Roy Blunt .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Hon. Robert Borski .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Hon. Owen Pickett .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Hon. John Tanner .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Hon. Nick Lampson .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Susan Olson .....	5/27	6/1	Poland .....		1,440.00						1,440.00
Jo Weber .....	5/27	6/1	Poland .....		1,440.00						1,440.00
John Herzberg .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Jason Gross .....	5/28	6/1	Poland .....		1,235.00						1,235.00
Evan Field .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Robin Evans .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Linda Pedigo .....	5/28	6/1	Poland .....		1,385.00						1,385.00
David Goldston .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Ron Lasch .....	5/28	6/1	Poland .....		1,385.00						1,385.00
Committee total .....					34,585.00						34,585.00

<sup>1</sup> Per diem constitutes lodging and meals.

<sup>2</sup> If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DOUG BEREUTER, Chairman, June 29, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO UNITED KINGDOM AND IRELAND, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAY 27, AND JUNE 2, 1999

Name of Member or employee	Date		Country	Per diem <sup>1</sup>		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>
Hon. Amory Houghton, Jr .....	5/28	5/30	United Kingdom .....	50.62	81.00		(3)	NA		50.62	81.00
	5/30	5/31	Ireland .....				(3)	NA			
	5/31	6/2	United Kingdom .....				(3)	NA			
Hon. Ben Cardin .....	5/28	5/30	United Kingdom .....	50.62	81.00		(3)	NA		50.62	81.00
	5/30	5/31	Ireland .....	IP172.17	229.00		(3)	NA		IP172.17	229.00
	5/31	6/2	United Kingdom .....	456.25	730.00		(3)	NA		456.25	730.00
Hon. Michael McNulty .....	5/28	5/30	United Kingdom .....	50.62	81.00		(3)	NA		50.62	81.00
	5/30	5/31	Ireland .....	IP172.17	229.00		(3)	NA		IP172.17	229.00
	5/31	6/2	United Kingdom .....	456.25	730.00		(3)	NA		456.25	730.00
Hon. Collin Peterson .....	5/28	5/30	United Kingdom .....	50.62	81.00		(3)	NA		50.62	81.00
	5/30	5/31	Ireland .....	IP172.17	229.00		(3)	NA		IP172.17	229.00
	5/31	6/2	United Kingdom .....	456.25	730.00		(3)	NA		456.25	730.00
Hon. Jim Greenwood .....	5/28	5/30	United Kingdom .....	50.62	81.00		(3)	NA		50.62	81.00
	5/30	5/31	Ireland .....	IP172.17	229.00		(3)	NA		IP172.17	229.00
	5/31	6/2	United Kingdom .....	456.25	730.00		(3)	NA		456.25	730.00
Hon. Alcee Hastings .....	5/28	5/30	United Kingdom .....	50.62	81.00		(3)	NA		50.62	81.00
	5/30	5/31	Ireland .....	IP172.17	229.00		(3)	NA		IP172.17	229.00
	5/31	6/2	United Kingdom .....	456.25	730.00		(3)	NA		456.25	730.00
Hon. Eddie B. Johnson .....	5/28	5/30	United Kingdom .....	50.62	81.00		(3)	NA		50.62	81.00
	5/30	5/31	Ireland .....	IP172.17	229.00		(3)	NA		IP172.17	229.00
	5/31	6/2	United Kingdom .....	456.25	730.00		(3)	NA		456.25	730.00
Hon. Julia Carson .....	5/28	5/30	United Kingdom .....	50.62	81.00		(3)	NA		50.62	81.00
	5/30	5/31	Ireland .....	IP172.17	229.00		(3)	NA		IP172.17	229.00
	5/31	6/2	United Kingdom .....	456.25	730.00		(3)	NA		456.25	730.00
Hon. Jan Schakowsky .....	5/28	5/30	United Kingdom .....	50.62	81.00		(3)	NA		50.62	81.00
	5/30	5/31	Ireland .....	IP172.17	229.00		(3)	NA		IP172.17	229.00
	5/31	6/2	United Kingdom .....	456.25	730.00		(3)	NA		456.25	730.00
Rev. Dr. James Ford .....	5/28	5/30	United Kingdom .....	50.62	81.00		(3)	NA		50.62	81.00
	5/30	5/31	Ireland .....	IP172.17	229.00		(3)	NA		IP172.17	229.00
	5/31	6/2	United Kingdom .....	456.25	730.00		(3)	NA		456.25	730.00
Mr. Robert Van Wicklin .....	5/28	5/30	United Kingdom .....	50.62	81.00		(3)	NA		50.62	81.00
	5/30	5/31	Ireland .....	IP172.17	229.00		(3)	NA		IP172.17	229.00
	5/31	6/2	United Kingdom .....	456.25	730.00		(3)	NA		456.25	730.00
Ms. Karen Donfried .....	5/28	5/30	United Kingdom .....	50.62	81.00		(3)	NA		50.62	81.00
	5/30	5/31	Ireland .....	IP172.00	229.00		(3)	NA		IP172.17	229.00
	5/31	6/2	United Kingdom .....	456.25	730.00		(3)	NA		456.25	730.00
Mr. Chris Scheve .....	5/28	5/30	United Kingdom .....	50.62	81.00		(3)	NA		50.62	81.00
	5/30	5/31	Ireland .....	IP172.17	229.00		(3)	NA		IP172.17	229.00
	5/31	6/2	United Kingdom .....	456.25	730.00		(3)	NA		456.25	730.00
Committee total .....					12,561.00						12,561.00

<sup>1</sup> Per diem constitutes lodging and meals.

<sup>2</sup> If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

<sup>3</sup> Military air transportation.

AMORY HOUGHTON, Chairman, June 17, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1999

Name of Member or employee	Date		Country	Per diem <sup>1</sup>		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>
Mr. Chadwick R. Gore .....		5/25	United States .....				5,297.32				5,297.32
	5/26	6/1	Armenia .....		972.00						972.00
Mr. Robert Hand .....		4/25	United States .....				1,891.02				1,891.02
	4/26	4/30	Poland .....		940.00						940.00
Ms. Janice Helwig .....		4/21	United States .....				3,717.68				3,717.68
	4/22	6/30	Austria .....		12,607.73						12,607.73
		5/5	Austria .....				4,597.00				4,597.00
	5/5	5/8	Kyrgyzstan .....		408.00						408.00
	5/8	5/12	Kazakstan .....		1,044.00						1,044.00
	5/12	5/17	Uzbekistan .....		1,354.25						1,354.25

## REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1999—Continued

Name of Member or employee	Date		Country	Per diem <sup>1</sup>		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>
Ms. Marlene Kaufmann .....	5/17	5/18	Turkmenistan .....		191.00						191.00
		4/21	United States .....				4,488.01				4,488.01
	4/22	4/24	Denmark .....		618.25						618.25
		5/24	United States .....				5,709.85				5,709.85
Mr. Michael Koby .....	5/25	5/28	Czech Republic .....		700.00						700.00
		3/1	United States .....				4,807.79				4,807.79
Ms. Karen Lord .....	3/2	3/6	Germany .....		850.00						850.00
		3/19	United States .....				2,955.72				2,955.72
	3/20	3/25	Austria .....		895.00						895.00
	3/25	3/28	Belgium .....		928.00						928.00
	3/29	3/31	Germany .....		408.00						408.00
Mr. Michael Ochs .....	3/31	4/7	France .....		1,278.00						1,278.00
		4/25	United States .....				4,746.69				4,746.69
	4/26	5/2	Poland .....		1,190.00						1,190.00
		5/25	United States .....				4,180.36				4,180.36
			Armenia .....		924.00						924.00
			Georgia .....		2,004.00						2,004.00
			Azerbaijan .....		1,268.00						1,268.00
			Turkey .....		211.00						211.00
Ms. Erika Schlager .....		6/8	United States .....				4,447.13				4,447.13
	6/9	6/13	Romania .....		412.50						412.50
	6/13	6/18	Austria .....		865.00						865.00
Ms Dorothy Douglas Taft .....		4/27	United States .....				1,157.69				1,157.69
	4/28	5/5	Romania .....		562.50						562.50
Ms Maureen Walsh .....		4/26	United States .....				3,577.02				3,577.02
	4/27	5/5	Romania .....		322.84						322.84
		6/12	United States .....				4,309.13				4,309.13
	6/13	6/18	Austria .....		764.51						764.51
Committee total .....					31,718.58		55,882.41				87,600.99

<sup>1</sup> Per diem constitutes lodging and meals.<sup>2</sup> If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CHRIS SMITH, Chairman, June 30, 1999.

EXECUTIVE COMMUNICATIONS,  
ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

3092. A letter from the Manager, Federal Crop Insurance Corporation, Department of Agriculture, transmitting the Department's final rule—Common Crop Insurance Regulations; Onion Crop Insurance Provisions—received June 30, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3093. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Monterey Bay Unified Air Pollution Control District [CA079-149; FRL-6363-2] received June 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3094. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Technical Amendments to Approval and Promulgation of Implementation Plans: Oregon, Correction of Effective Date under CRA [FRL-6363-6] received June 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3095. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Final Determination to Extend Deadline for Promulgation of Action on Section 126 Petitions [FRL-6363-5] received June 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3096. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting the Commission's final rule—Electronic Service of Documents—received June 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3097. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting the Commission's final rule—Revisions of Existing Regulations Governing the Filing of Applications for the Construction and Operation of Facilities to Provide Service or to Abandon Facilities or Service under Section 7 of the Natural Gas Act—Docket No. RM98-9-000—received June 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3098. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting the Commission's final rule—Open Access Same-Time Information System (OASIS), Final Rule on OASIS Issues (RM98-3-000, Order No. 605) received June 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3099. A letter from the Administrator, National Aeronautics and Space Administration, transmitting the Administration's report entitled "Annual Report to Congress—Progress on Superfund Implementation in Fiscal Year 1998," pursuant to 45 U.S.C. 9651; to the Committee on Commerce.

3100. A letter from the Acting Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance (LOA) to Israel for defense articles and services (Transmittal No. 99-24), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

3101. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of major defense equipment sold commercially under a contract to Egypt [Transmittal No. DTC 64-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3102. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Portugal [Transmittal No. DTC 16-99], pursuant

to 22 U.S.C. 2776(d); to the Committee on International Relations.

3103. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for defense articles and defense services to Japan [Transmittal No. DTC 56-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3104. A communication from the President of the United States, transmitting a supplemental report to ensure that the Congress is kept fully informed on continued U.S. contributions in support of peacekeeping efforts in the former Yugoslavia; (H. Doc. No. 106-100); to the Committee on International Relations and ordered to be printed.

3105. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report concerning efforts made by the United Nations and the Specialized Agencies to employ an adequate number of Americans during 1998; to the Committee on International Relations.

3106. A letter from the Secretary of Education, transmitting the 38th Semiannual Report of the Inspector General for the six-month period ending March 31, 1999, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

3107. A letter from the Administrator, General Services Administration, transmitting a semiannual report on Office of Inspector General auditing activity, together with a report providing management's perspective on the implementation status of audit recommendations, pursuant to Public Law 100-504, section 104(a) (102 Stat. 2525); to the Committee on Government Reform.

3108. A letter from the Chairman, National Endowment for the Arts, transmitting the Semiannual Report of the Inspector General and the Chairman's Semiannual Report on Final Action for the National Endowment for the Arts for the period of October 1, 1998 through March 31, 1999, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

3109. A letter from the Chairman, Securities and Exchange Commission, transmitting the Inspector General's Semiannual Report and the management response of the Securities and Exchange Commission, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

3110. A letter from the Secretary of Commerce, transmitting a report on the activities and progress made in protecting and restoring the living resources and habitat of the Chesapeake Bay; to the Committee on Resources.

3111. A letter from the Acting Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting a report by the Attorney General regarding the results of a survey of the States to determine the extent to which prisoners have access to interactive computer services; to the Committee on the Judiciary.

3112. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Increase in Educational Assistance Rates (RIN: 2900-AJ37) received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3113. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Qualified Zone Academy BONDS; Obligation of States and Political Subdivisions [TD 8826] (RIN: 1545-AX23) received June 30, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3114. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Qualified Zone Academy BOND Credit Rate [Notice 99-35] received June 30, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3115. A letter from the Deputy Executive Secretary to the Department, Health Care Financing Administration, Department of Health and Human Services, transmitting the Department's final rule—Medicare and Medicaid Programs; Hospital Conditions of Participation: Patients' Rights [HCFA-3018-IFC] (RIN: 0938-AJ56) received June 30, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GILMAN: Committee on International Relations. H.R. 850. A bill to amend title 18, United States Code, to affirm the rights of United States persons to use and sell encryption and to relax export controls on encryption; with an amendment (Rept. 106-117 Pt. 3). Ordered to be printed.

Mr. COMBEST: Committee on Agriculture. H.R. 1402. A bill to require the Secretary of Agriculture to implement the Class I milk price structure known as Option 1-A as part of the implementation of the final rule to consolidate Federal milk marketing orders; with an amendment (Rept. 106-239). Referred to the Committee of the Whole House on the State of the Union.

Ms. PRYCE of Ohio: Committee on Rules. House Resolution 253. Resolution providing for consideration of the bill (H.R. 1995) to amend the Elementary and Secondary Edu-

cation Act of 1965 to empower teachers, improve student achievement through high-quality professional development for teachers, reauthorize the Reading Excellent Act, and for other purposes (Rept. 106-240). Referred to the House Calendar.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. GILMAN (for himself, Mrs. KELLY, and Mr. FILNER):

H.R. 2548. A bill to suspend further implementation of the Department of Defense anthrax vaccination program until the vaccine is determined to be safe and effective and to provide for a study by the National Institutes of Health of that vaccine; to the Committee on Armed Services, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GREENWOOD:

H.R. 2549. A bill to provide that the United States District Court for the Eastern District of Pennsylvania be held at Doylestown, Pennsylvania, in addition to those other places currently provided by law; to the Committee on the Judiciary.

By Mr. DELAY:

H.R. 2550. A bill to compensate owners of private property for the effect of certain regulatory restrictions; to the Committee on the Judiciary.

By Mr. HOEKSTRA (for himself, Mr.

FRANK of Massachusetts, Mr. COLLINS, Mrs. MALONEY of New York, Mr. HILLEARY, Mr. COBLE, Mr. KENNEDY of Rhode Island, Mr. SENSENBRENNER, Mr. CLAY, Mr. CUNNINGHAM, Mr. CONYERS, Mr. CHAMBLISS, Mr. ROEMER, Mr. SMITH of Texas, Mr. FROST, Mr. BALLENGER, Mr. EDWARDS, Mr. GILMAN, Mr. STUMP, Mr. BARCIA, Mr. MCINTOSH, Mr. DOYLE, Mr. SOUDER, Ms. STABENOW, Mr. EHLERS, Mr. WEYGAND, Mr. MANZULLO, Mr. BERRY, Mrs. CUBIN, Mr. FILNER, Mr. UPTON, Ms. WOOLSEY, Mr. CAMP, Mr. KLINK, Mr. EWING, Mr. DEAL of Georgia, Mr. KNOLLENBERG, Mr. NETHERCUTT, Mr. NORWOOD, Mr. MCKEON, Mr. SCHAFER, Mr. TANCREDO, Mr. NEY, Mr. ROYCE, Mrs. MYRICK, Mr. BARTLETT of Maryland, Mr. COBURN, Mr. LINDER, Mr. SHADEGG, Mr. SAM JOHNSON of Texas, Mr. KINGSTON, Mr. HOSTETTLER, Mr. TERRY, and Mr. DUNCAN):

H.R. 2551. A bill to amend title 18, United States Code, to require Federal Prison Industries to compete of its Federal contracts to minimize unfair competition with private firms (depriving law-abiding workers of job opportunities), to save taxpayer dollars by empowering Federal contracting officers to be able to acquire commercial products that better meet agencies' needs, more quickly and at less cost without having to obtain permission from Federal Prison Industries, to further empower contracting officers to compel Federal Prison Industries to fully perform its contract obligations to the same extent as all other contractors, and for other purposes; to the Committee on the Judiciary.

By Mr. NADLER (for himself, Mr. ANDREWS, Mr. BRADY of Pennsylvania, Ms. DELAURO, Mr. FROST, Mr. GIL-

MAN, Mr. HINCHEY, Ms. KILPATRICK, Mr. LANTOS, Mr. MEEHAN, Mrs. MEEK of Florida, Ms. SCHAKOWSKY, and Mr. WEINER):

H.R. 2552. A bill to promote the health and safety of children by requiring the posting of Consumer Product Safety Commission child care center safety standards in child care centers and by requiring that the Secretary of Health and Human Services report to Congress with recommendations to promote compliance with such standards; to the Committee on Education and the Workforce, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. POMEROY (for himself, Mr. FROST, Mr. PAUL, Ms. LEE, and Mrs. CHRISTENSEN):

H.R. 2553. A bill to amend the Internal Revenue Code of 1986 to allow certain individuals a credit against income tax for elective deferrals and IRA contributions; to the Committee on Ways and Means.

By Mr. SMITH of New Jersey:

H.R. 2554. A bill to amend the Internal Revenue Code of 1986 to increase the amount of the deduction allowed for meals and entertainment expenses; to the Committee on Ways and Means.

By Mr. STEARNS (for himself, Mr.

BURTON of Indiana, Mr. CANADY of Florida, Mr. COOK, Mr. DEFazio, Mr. DUNCAN, Mr. FALEOMAVAEGA, Mr. FARR of California, Mr. FOLEY, Mr. LOBIONDO, Mrs. MEEK of Florida, Mr. MCCOLLUM, Mr. OXLEY, Mrs. ROUKEMA, Mr. SENSENBRENNER, Mr. TAYLOR of North Carolina, Mrs. THURMAN, and Mr. UPTON):

H.R. 2555. A bill to establish limitations with respect to the disclosure and use of genetic information in connection with group health plans and health insurance coverage, to provide for consistent standards applicable in connection with hospital care and medical services provided under title 38 of the United States Code, to prohibit employment discrimination on the basis of genetic information and genetic testing, and for other purposes; to the Committee on Commerce, and in addition to the Committees on Education and the Workforce, Veterans' Affairs, and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. WOLF:

H.R. 2556. A bill to require the Secretary of Transportation through the Congestion Mitigation and Air Quality Program to make a grant to a nonprofit private entity for the purpose of developing a design for a proposed pilot program relating to the use of telecommuting as a means of reducing emissions of air pollutants that are precursors to ground level ozone; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MEEK of Florida:

H.R. 2557. A bill to direct the Secretary of the Interior to conduct a feasibility study on the inclusion in Biscayne National Park, Florida, of the archaeological site known as the Miami Circle; to the Committee on Resources.

By Ms. SCHAKOWSKY (for herself, Mr. HOSTETTLER, and Mr. PORTER):

H. Res. 254. A resolution expressing the sense of the House of Representatives condemning recent hate crimes in Illinois and Indiana; to the Committee on the Judiciary. By Mr. CALVERT.

H. Res. 255. A resolution designating majority membership to certain standing committees of the House; considered and agreed to.

### MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

159. The SPEAKER presented a memorial of the House of Representatives of the State of Montana, relative to House Joint Resolution No. 8 memorializing Congress to oppose the designation of any river in Montana as an American Heritage River under the Federal American Heritage Rivers Initiative; to the Committee on Resources.

### ADDITIONAL SPONSORS TO PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 21: Mr. ETHERIDGE and Mr. DOYLE.  
H.R. 82: Mr. KING, Mr. MCINTYRE, Mr. PETERSON of Minnesota, and Mr. SHAW.  
H.R. 170: Mr. MEEHAN.  
H.R. 202: Mr. TOWNS and Mr. BEREUTER.  
H.R. 274: Mr. WHITFIELD, Mr. PETERSON of Pennsylvania, and Mr. MANZULLO.  
H.R. 275: Mr. CALVERT.  
H.R. 316: Mr. OLVER.  
H.R. 363: Mr. PETERSON of Minnesota and Mr. MASCARA.  
H.R. 488: Mr. CLAY.  
H.R. 583: Mr. CONYERS.  
H.R. 637: Mr. MCINTYRE.  
H.R. 710: Mr. GARY MILLER of California, Mr. MOORE, Mr. COBLE, Mr. BAIRD, and Mr. SKELTON.  
H.R. 731: Mr. WYNN and Mr. GUTIERREZ.  
H.R. 750: Mr. SMITH of Washington and Mr. DAVIS of Virginia.  
H.R. 869: Mrs. ROUKEMA.  
H.R. 904: Ms. STABENOW and Mr. SESSIONS.  
H.R. 915: Mr. TIERNEY.  
H.R. 976: Mr. BLAGOJEVICH.  
H.R. 1046: Mr. MCGOVERN.  
H.R. 1063: Mr. JACKSON of Illinois, Mr. UDALL of Colorado, and Mr. MOORE.  
H.R. 1070: Mr. BARTLETT of Maryland, Mr. TALENT, and Mr. SHADEGG.  
H.R. 1071: Mr. RUSH.  
H.R. 1083: Mr. HILL of Montana and Mr. HILLARD.  
H.R. 1180: Ms. SANCHEZ, Mr. McKEON, Mr. JACKSON of Illinois, Ms. LOFGREN and Mr. DAVIS of Florida.  
H.R. 1271: Mr. BONIOR, Mr. WYNN, Mr. CLYBURN, Ms. ESHOO, Mr. FILNER, Ms. SCHAKOWSKY, Ms. SLAUGHTER, Ms. CARSON, Mr. MARTINEZ, and Mr. EVANS.  
H.R. 1324: Mr. LEWIS of Georgia, Ms. LOFGREN, Mr. RAHALL, Ms. CARSON, and Mr. FATTAH.  
H.R. 1325: Mr. HINCHEY and FORD.  
H.R. 1329: Mr. HYDE, Mr. SALMON, Mr. CHAMBLISS, and Mr. GRAHAM.  
H.R. 1336: Mr. SMITH of Washington.  
H.R. 1355: Mrs. CHRISTENSEN.  
H.R. 1356: Mr. MCINTOSH, Mr. McNULTY, Mr. TANCREDO, and Mr. GREEN of Wisconsin.  
H.R. 1413: Mr. PETERSON of Minnesota.  
H.R. 1433: Ms. WATERS and Mr. GORDON.  
H.R. 1494: Mr. GILCHREST.  
H.R. 1515: Mr. CONYERS, Ms. SLAUGHTER, Mr. GILCHREST, Mr. FORD, Mr. KENNEDY of

Rhode Island, Mr. FROST, Ms. HOOLEY OF ORGON, Mr. WEINER, and Mr. MEEHAN.

H.R. 1556: Mr. FRANK of Massachusetts.

H.R. 1592: Mr. BLUNT, Mr. SOUDER, and Mr. HASTINGS of Washington.

H.R. 1622: Mr. BAIRD, Mr. DELAHUNT, and Mr. DAVIS of Illinois.

H.R. 1657: Ms. RIVERS.

H.R. 1747: Mr. ENGLISH, Mr. DOOLITTLE, Mr. LAHOOD, Mr. SESSIONS, Mr. SPENCE, and Mr. DAVIS of Virginia.

H.R. 1749: Mr. BURR of North Carolina.

H.R. 1776: Mr. ETHERIDGE, Mr. PHELPS, Mr. GOODLATTE, Mr. SMITH of Washington, and Mr. CALVERT.

H.R. 1779: Mr. KILDEE, Mr. CASTLE, and Mr. McKEON.

H.R. 1850: Ms. SCHAKOWSKY and Mr. GEKAS.  
H.R. 1863: Mr. WU.

H.R. 1883: Ms. DELAURO, Mrs. MALONEY of New York, Mr. ADERHOLT, Mr. DICKS, Mrs. TAUSCHER, Mr. BURR of North Carolina, Mr. SWENEY, Mr. ABERCROMBIE, Mr. DUNCAN, Mr. HUNTER, Mr. CLYBURN, Mr. SKELTON, Mr. RODRIGUEZ, Mr. GARY MILLER of California, Mr. LOBIONDO, Mr. LAZIO, Mr. BAKER, Mr. GREEN of Texas, Mr. KLECZKA, Mr. LATOURETTE, Mr. BATEMAN, Mr. MASCARA, Ms. BALDWIN, Mr. LINDER, Mr. WHITFIELD, Mr. HINCHEY, Mr. KNOLLENBERG, Mr. BEREUTER, Mr. WICKER, Mr. BARTON of Texas, Mr. SUNUNU, Mr. TERRY, Mr. COSTELLO, Mr. COOK, Mr. BILBRAY, Mr. WAXMAN, Mr. FRANK of Massachusetts, Mr. KILDEE, Mr. VITTER, Ms. LEE, Mrs. KELLY, Mr. BOEHLERT, Mr. STRICKLAND, Mr. CARDIN, Ms. PRYCE of Ohio, Mrs. MCCARTHY of New York, Mr. WATTS of Oklahoma, Mr. FLETCHER, Mr. BRYANT, Mr. LARGENT, Ms. DEGETTE, Mr. TOWNS, Mr. WOLF, Mrs. CUBIN, Mr. BRADY of Pennsylvania, Mr. STUPAK, Mr. MARKEY, Ms. STABENOW, Mr. BLAGOJEVICH, Mr. HEFLEY, Mr. DAVIS of Illinois, Mr. KENNEDY of Rhode Island, Mr. KIND, Mr. MATSUI, Mr. ANDREWS, Mr. TIAHRT, Mr. WELDON of Florida, Mr. RYAN of Wisconsin, Mr. WAMP, Mr. REYNOLDS, Ms. PELOSI, and Mr. DEMINT.

H.R. 1885: Mr. BEREUTER and Mr. VENTO.

H.R. 1907: Mr. PORTMAN and Mr. DAVIS of Florida.

H.R. 1932: Mr. ETHERIDGE, Mr. LANTOS, Mr. STRICKLAND, Mr. MENENDEZ, Mr. MCGOVERN, and Ms. DUNN.

H.R. 1937: Mr. CALVERT and Mr. UNDERWOOD.

H.R. 1964: Mr. GREEN of Texas and Mr. SHAYS.

H.R. 1990: Mr. CALVERT.

H.R. 1999: Mr. RANGEL.

H.R. 2028: Mrs. CUBIN.

H.R. 2172: Mr. PORTER and Ms. BERKLEY.

H.R. 2243: Mr. RAHALL and Mr. BEREUTER.

H.R. 2265: Mr. KILDEE and Mr. WALSH.

H.R. 2267: Mr. HINCHEY, Ms. BALDWIN, Mr. FOLEY, Mr. RODRIGUEZ, Mr. BOEHLERT, and Mr. COOK.

H.R. 2395: Mr. NETHERCUTT, Mrs. EMERSON, Mr. HILL of Montana, Mr. GANSKE, and Mr. PICKERING.

H.R. 2409: Mr. FROST.

H.R. 2414: Mr. CALVERT.

H.R. 2427: Mr. CONDIT, Mr. LEWIS of California, Mr. CUNNINGHAM, and Mr. ROHRABACHER.

H.R. 2436: Mr. KINGSTON, Mr. HILLEARY, Mr. DEMINT, Mr. GREEN of Wisconsin, and Mr. COBURN.

H.R. 2441: Mr. HILL of Montana, Mr. BUYER, Mr. CUNNINGHAM, Mr. GEKAS, and Mr. CALVERT.

H.R. 2444: Mr. CUMMINGS.

H.R. 2446: Mr. CLAY, Mr. BOUCHER, Mr. RODRIGUEZ, Mr. COSTELLO, Mr. DELAHUNT, and Mr. HASTINGS of Florida.

H.R. 2539: Ms. WATERS, Mr. MATSUI, and Mr. FILNER.

H.J. Res. 46: Mr. FORBES, Mr. GILMAN, and Mr. HOUGHTON.

H.J. Res. 48: Mr. BISHOP, Mr. TANCREDO, Mr. EWING, Mr. SMITH of New Jersey, Mr. ROEMER, Mr. WAMP, and Mr. FRELINGHUYSEN.

H. Con. Res. 80: Mrs. MYRICK, Mr. SHOWS, Mr. FOLEY, Mr. NEAL of Massachusetts, Mr. COYNE, Mr. GILCHREST, Mr. SHAYS, Mr. PETERSON of Minnesota, Ms. SANCHEZ, Mr. HOLT, and Mr. ADERHOLT.

H. Con. Res. 100: Mrs. MCCARTHY of New York, Ms. SANCHEZ, Mr. SHOWS, Mr. FOLEY, Mr. NEAL of Massachusetts, Mr. SHAYS, Mr. WAMP, and Mr. PETERSON of Minnesota.

H. Con. Res. 124: Mr. GEORGE MILLER of California, Mrs. LOWEY, and Mr. WAMP.

H. Con. Res. 129: Mr. HILLIARD.

H. Con. Res. 147: Ms. KAPTUR, Ms. JACKSON-LEE of Texas, Mr. LANTOS, Mrs. LOWEY, Ms. CARSON, Mr. ROHRABACHER, Mr. WEXLER, Mr. MCGOVERN, Mr. BONIOR, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. MCKINNEY, Mr. PORTER, and Mr. DIXON.

H. Con. Res. 154: Ms. ESHOO, Mr. HINCHEY, and Mr. DIXON.

### AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 1995

OFFERED BY: Mr. FATTAH

AMENDMENT No. 2: Page 41, line 25, strike the closing quotation marks and the final period and insert the following:

**"SEC. 2404. EDUCATIONAL EQUITY.**

"(a) IN GENERAL.—Notwithstanding any other provision of this title, no State shall receive funds under this title unless the State certifies annually to the Secretary that—

"(1) the per pupil expenditures in the local educational agencies of the State are substantially equal, taking into consideration the variation in cost of serving pupils with special needs and the local variation in cost of providing education services; or

"(2) the achievement levels of students on reading and mathematics assessments, graduation rates, and rates of college-bound students in the local educational agencies with the lowest per pupil expenditures are substantially equal to those of the local educational agencies with the highest per pupil expenditures.

"(b) GUIDELINES.—The Secretary, in consultation with the National Academy of Sciences, shall develop and publish guidelines to define the terms 'substantially equal' and 'per pupil expenditures'."

H.R. 1995

OFFERED BY: Mr. FATTAH

AMENDMENT No. 3: Page 41, line 25, strike the closing quotation marks and the final period and insert the following:

**"SEC. 2404. EDUCATIONAL EQUITY.**

"(a) IN GENERAL.—Notwithstanding any other provision of this title, no State shall receive funds under this title unless it annually certifies to the Secretary that—

"(A) the per pupil expenditures in the local educational agencies of the State are substantially equal; or

"(B) the achievement levels of students on reading and mathematics assessments, graduation rates, and rates of college-bound students in the local educational agencies with the lowest per pupil expenditures are substantially equal to those of the local educational agencies with the highest per pupil expenditures.

“(b) DEFINITION.—For purposes of this section, the State shall determine if the expenditures of the local educational agencies of the State are ‘substantially equal’ by using the same computation method set forth in section 8009(b)(2).

H.R. 1995

OFFERED BY: MR. ROEMER

AMENDMENT NO. 4: Page 36, after line 15, insert the following:

**“SEC. 2043. TRANSITION TO TEACHING.**

“(a) PURPOSE.—The purpose of this section is to address the need of high-need local educational agencies for highly qualified teachers in particular subject areas, such as mathematics, science, foreign languages, bilingual education, and special education, needed by those agencies, following the model of the successful teachers placement program known as the ‘Troops-to-Teachers program’, by recruiting, preparing, placing, and supporting career-changing professionals who have knowledge and experience that will help them become such teachers.

“(b) PROGRAM AUTHORIZED.—

“(1) AUTHORITY.—The Secretary is authorized to use funds appropriated under paragraph (2) for each fiscal year to award grants, contracts, or cooperative agreements to institutions of higher education and public and private nonprofit agencies or organizations to carry out programs authorized by this section.

“(2) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated \$9,000,000 for fiscal year 2000 and such sums as may be necessary for each of fiscal years 2001 through 2004.

“(c) APPLICATION.—Each applicant that desires an award under subsection (b)(1) shall submit an application to the Secretary containing such information as the Secretary requires, including—

“(1) a description of the target group of career-changing professionals upon which the applicant will focus its recruitment efforts

in carrying out its program under this section, including a description of the characteristics of that target group that shows how the knowledge and experience of its members are relevant to meeting the purpose of this section;

“(2) a description of the training that program participants will receive and how that training will relate to their certification as teachers;

“(3) a description of how the applicant will collaborate, as needed, with other institutions, agencies, or organizations to recruit, train, place, support, and provide teacher induction programs to program participants under this section, including evidence of the commitment of those institutions, agencies, or organizations to the applicant's program;

“(4) a description of how the applicant will evaluate the progress and effectiveness of its program, including—

“(A) the program's goals and objectives;

“(B) the performance indicators the applicant will use to measure the program's progress; and

“(C) the outcome measures that will be used to determine the program's effectiveness; and

“(5) such other information and assurances as the Secretary may require.

“(d) USES OF FUNDS AND PERIOD OF SERVICE.—

“(1) AUTHORIZED ACTIVITIES.—Funds under this section may be used for—

“(A) recruiting program participants, including informing them of opportunities under the program and putting them in contact with other institutions, agencies, or organizations that would train, place, and support them;

“(B) training stipends and other financial incentives for program participants, not to exceed \$5,000 per participant;

“(C) assisting institutions of higher education or other providers of teacher training to tailor their training to meet the particular needs of professionals who are changing their careers to teaching;

“(D) placement activities, including identifying high-need local educational agencies with a need for the particular skills and characteristics of the newly trained program participants and assisting those participants to obtain employment in those local educational agencies; and

“(E) post-placement induction or support activities for program participants.

“(2) PERIOD OF SERVICE.—A program participant in a program under this section who completes his or her training shall serve in a high-need local educational agency for at least 3 years.

“(3) REPAYMENT.—The Secretary shall establish such requirements as the Secretary determines appropriate to ensure that program participants who receive a training stipend or other financial incentive under paragraph (1)(B), but fail to complete their service obligation under paragraph (2), repay all or a portion of such stipend or other incentive.

“(e) EQUITABLE DISTRIBUTION.—To the extent practicable, the Secretary shall make awards under this section that support programs in different geographic regions of the Nation.

“(f) DEFINITIONS.—As used in this section:

“(1) The term ‘high-need local educational agency’ has the meaning given such term in section 2061.

“(2) The term ‘program participants’ means career-changing professionals who—

“(A) hold at least a baccalaureate degree;

“(B) demonstrate interest in, and commitment to, becoming a teacher; and

“(C) have knowledge and experience that are relevant to teaching a high-need subject area in a high-need local educational agency.”

Page 36, line 19, strike “part,” and insert “part (other than section 2043).”

Page 36, line 21, strike “4.” and insert “4 (other than section 2043).”

Page 36, line 23, strike “part,” and insert “part (other than section 2043).”

## EXTENSIONS OF REMARKS

OVERSIGHT: A KEY  
CONGRESSIONAL FUNCTION

## HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1999

Mr. DREIER. Mr. Speaker, many of us are committed to improving and emphasizing programmatic oversight, we jointly asked the Congressional Research Service to conduct bipartisan oversight training for Members and congressional staff. Two sessions have already been held and the third will be held on July 26. So far they have been a great success, and I would like to express my appreciation to the Congressional Research Service, particularly Mort Rosenberg and Walter Oleszek, for their extraordinary efforts to make this such a great success.

At our first oversight workshop, Lee Hamilton, former Democratic Chairman of the International Relations Committee and the Iran-Contra Committee, shared his thoughts and insights with the attendees. He stated in part:

Oversight is designed to throw light on the activities of government. It can protect the country from the imperial presidency and from bureaucratic arrogance. It can expose and prevent misconduct, and maintain a degree of constituency influence in an administration. The responsibility of oversight is to look into every nook and cranny of government affairs. Oversight is designed to look at everything the government does, expose it, and put the light of publicity to it. It reviews, monitors, and supervises the execution and implementation of public policy, to assure that "the laws are faithfully executed."

I wholeheartedly agree with our distinguished former colleague. As chairman of the Committee that is charged with the responsibility of safeguarding the privileges and prerogatives of this esteemed institution, I believe Congress should vigorously conduct oversight in order to fulfill the legacy of our Founding Fathers—which is ultimately to preserve and protect our fragile democracy.

Mr. Speaker, I believe all members can benefit from the thoughtful comments of Lee Hamilton, which are included as follows:

OVERSIGHT: A KEY CONGRESSIONAL FUNCTION  
INTRODUCTION

I very much appreciate the kind remarks by my friend and former colleague David Dreier. As David mentioned, we devoted considerable attention to ways of improving congressional oversight during our work on the Joint Committee on the Organization of Congress in 1993-94. We held a number of hearings and made several recommendations for structural reforms, some of which have since been implemented.

Oversight of how effectively the Executive Branch is carrying out congressional mandates is an enormously important function of Congress. It is at the very core of good

government. Congress must do more than write the laws; it must make sure that the administration is carrying out those laws the way Congress intended. The purpose of oversight is to determine what happens after a law is passed. As Woodrow Wilson put it (and I find myself quoting Woodrow Wilson more and more these days): "Quite as important as lawmaking is vigilant oversight of administration." As more power is delegated to the executive and as more laws are passed, the need for oversight grows.

That is why I have been particularly concerned about the weakening of congressional oversight in recent years. Congress has given too much focus to personal investigations and possible scandals that will interest the media, rather than programmatic review and a comprehensive assessment of which federal programs work and which don't. For those of us who care deeply about the institution of Congress, this has been a disturbing trend. Thus I strongly support the efforts of Speaker Hastert to have the House return to its more traditional oversight functions. Congress needs to get back to the basics on oversight. The Speaker's recent comments on that have been right on the mark.

Under Dan Mulholland's direction, Walter Oleszek and Mort Rosenberg of CRS have assembled several excellent panels for this series of oversight workshops. You will be hearing from some people with real expertise in this area. In the few minutes I have with you today I want to discuss briefly the importance of good oversight and some of the lessons I learned from my time in Congress about what makes oversight successful.

## I. IMPORTANCE OF GOOD OVERSIGHT

## A. Nature of Congressional Oversight

I believe in tough, continuing oversight. Oversight has many purposes: to evaluate program administration and performance; to make sure programs conform to congressional intent; to ferret out (in the oft-heard phrase) "waste, fraud, and abuse"; to see whether programs may have outlived their usefulness; to compel an explanation or justification of policy; and to ensure that programs and agencies are administered in a cost-effective, efficient manner.

Oversight is designed to throw light on the activities of government. It can protect the country from the imperial presidency and from bureaucratic arrogance. It can expose and prevent misconduct, and maintain a degree of constituency in an administration. The responsibility of oversight is to look into every nook and cranny of governmental affairs. Oversight is designed to look at everything the government does, expose it, and put the light of publicity to it. It reviews, monitors, and supervises the execution and implementation of public policy, to assure that "the laws are faithfully executed".

Congress can use several tools to make federal agencies accountable, including periodic reauthorization, personal visits by members of staff, review by the General Accounting Office or inspectors general, subpoenas, and reports from the Executive Branch to Congress. Several types of committees—authorization, appropriations, governmental affairs, and special ad hoc committees—can all play important roles in oversight.

Congress needs a large number of oversight methods to hold agencies accountable because the various methods have their own strengths and weaknesses. Oversight hearings, for example, cannot be called every day, so committees may turn to reports or on-site visits to agencies.

In many ways Congress underestimates and undervalues its power in oversight. Agencies start to get a little nervous whenever someone from Congress starts poking around, and that is probably to the good overall. Federal bureaucracies do not stay on their toes unless they expect review and oversight from Congress.

## B. History of Oversight

Oversight has been a key function of Congress since its very beginning. It is an implied power, not an enumerated power in the Constitution. It is based on the constitutional powers given to Congress to pass laws that create agencies and programs, to provide funding for these agencies and programs, and to investigate the Executive Branch. The first congressional oversight investigation took place in 1792, an inquiry into the conduct of the government in the wars against the Indians, and they have been taking place ever since.

Congress overhauled its oversight responsibilities in 1946 with the passage of the Legislative Reorganization Act of 1946. It reinforced the need for "continuous watchfulness" by Congress of the Executive Branch, and placed most of that responsibility in the standing committees rather than in specially created investigatory committees. The extent of congressional oversight has fluctuated in recent decades, with some Congresses taking it much more seriously than others. In the 96th Congress, for example, Speaker Tip O'Neill gave it very high priority and called the 96th the "oversight Congress". More recently, Speaker Gingrich shifted the emphasis of oversight, seeing it not just as a way to oversee but to shrink the size and reach of the federal government. He also used it to aggressively investigate the White House. Speaker Hastert, as I noted earlier, is encouraging the committees to move away from oversight as political micromanagement to oversight as congressional review of agency performance and effectiveness.

## C. Importance of Policy Oversight

The oversight responsibilities of Congress are critical to good policy. Most important policy issues are complex, and Congress is seldom able to specify fully all the details of a governmental program in the original legislation. The Clean Water Act, for instance, sets the goals and general procedures for improving the quality of the nation's water resources, but the specific rules and regulations for achieving these aims are left to Executive Branch officials. For several reasons, Congress needs to carefully monitor how its broad intentions are translated into actual programs:

First, tough monitoring by Congress can encourage cost-effective implementation of a legislative program. Every year the President sends Congress specific funding requests for thousands of federal programs. These requests can often be cut back, as Members

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



seek to identify the minimum funding levels needed for a program to be effectively implemented. Such oversight efforts are an important means for reducing governmental waste and making government work better.

Second, Congress must assure that the program, as implemented, reflects the intent of Congress. In complex issue areas such as environmental policy or health care, agency officials may simply misinterpret a piece of legislation or they may use the discretion they have been given in the law to shift policy toward their views, the President's views, or the views of special interest groups.

Third, Congress must continue to monitor programs to determine whether unintended consequences or changing circumstances have altered the need for the program. Programs need consistent and regular review and assessment over time. Members of Congress are helped in that task by their close connection to their constituents, which gives them special opportunities to observe on a day-by-day basis the strengths and weaknesses of federal programs as they are being carried out.

#### *D. Decline in Oversight*

In recent years, the traditional oversight activities of Congress have generally declined, for a variety of reasons:

The shorter congressional workweek means that committees do not meet as often as they used to, reducing time for oversight.

The power of the authorizing committees—which is where most of the oversight was done—has declined over the years.

Monitoring the myriad of federal programs is tedious, takes time and preparation, and is often quite technical. It is typically unglamorous work, and most Members see little political benefit from engaging in it. Members do not rank oversight at the top of their responsibilities. For most Members, constituent service is number one, legislation is number two, and oversight is number three.

The media do not pay much attention to traditional oversight work. They usually like to focus on scandals. Congress has permitted the desire for media coverage to drive the hearing and oversight process.

There is simply less interest in government reform.

And constituents rarely contact their Members asking them to engage in systematic program review.

But another factor has been that the oversight priorities of Congress have shifted away from the careful review of programs to highly adversarial attempts at discrediting individual public officials—looking at great length at, for example, Hillary Clinton's commodity transactions or charges of money-laundering and drug trafficking at an Arkansas airport when Bill Clinton was Governor. Congress has certainly investigated federal officials throughout congressional history—from its earliest investigation of the Indian wars to the Teapot Dome scandal of 1923 to Watergate and the Iran-contra hearings (which I co-chaired). The authority of Congress to conduct investigations can be a crucial check on executive powers.

But recently there has been too much personalization and not enough policy in congressional oversight. Certainly for many years a lot of congressional oversight has been done for partisan purposes, and that doesn't necessarily make it bad. But spending too much time on personal investigations weakens the oversight function of Congress. It consumes Executive Branch time and resources and, more importantly, diverts congressional time and resources from the

more constructive work of policy oversight. That's why Speaker Hastert's attempt to redirect congressional oversight is a good sign, and I am hopeful that it will be successful.

#### II. NATURE OF GOOD OVERSIGHT

You will hear from a host of experts during these oversight workshops explaining in considerable detail the role and nature of congressional oversight. So let me briefly give you a few observations to help set the stage for our discussions—some specific examples of what I thought worked well when I was in Congress plus a few general lessons I learned about how oversight should be handled.

##### *A. Specific Examples from Committee Work*

Much of my oversight work in Congress was done on the Foreign Affairs/International Relations Committee. We had the responsibility of overseeing all foreign policy activities and agencies. Let me give you a sense of some of the main methods I used that I found particularly helpful.

*Regular hearings:* Congressional hearings are one of the most important methods of oversight. Yet, hearings can be unproductive when Members simply read prepared questions and aren't ready to ask the tough follow-up questions. So I gave particular attention to regular hearings on United States policy. I found them particularly helpful in forcing Executive Branch officials to articulate policy and explain the rationale behind it—something they do not like to do. One good example would be the extensive oversight I had relating to U.S. programs of assistance to the former Soviet States—the Freedom Support Act—as well as Eastern Europe—the SEED Act.

*Closed briefings:* Regular, indeed weekly closed briefings were essential to educating ourselves on complex issues. I instituted a monthly series of "hot-spot" classified briefings for Members done by the CIA on particularly volatile areas including Bosnia, the situation in Russia, North Korea, and other issues that most Members do not routinely pay attention to.

*Letters for the Record:* One technique I developed, which I found to be a good way to exercise oversight, was to press the Administration for written explanations and clarifications of various aspects of U.S. foreign policy, which I would then insert into the CONGRESSIONAL RECORD. I did this, for example, to help pin the administration down on its position on arms sales to Taiwan, on the Nuclear Agreed Framework with North Korea, on the train-and-equip program for Bosnia, and on U.S. policy vis-a-vis Turkey. Sometimes I had to go back to them several times to get a meaningful response. Since educating and informing the public is at the heart of oversight, I found the publication of letters to be very important. I was impressed by the interest these letters generated.

*Staff travel:* I required staff to make a periodic trips with focused objectives to the areas of the world they covered. For example, Committee staff made repeated trips over a several year period to Bosnia, to look into specific aspects of the Dayton peace process including how U.S. assistance was being spent, and the role of U.S. peace-keeping troops in the region. This travel, in combination with the travel of staff from other committees, served to demonstrate to the Administration and local officials in Bosnia that Congress was paying close attention to how resources were being spent. I also required staff to write extensive reports on the main findings and accomplishments of their travel.

*Informal contacts:* I made sure staff had informal and frequent contacts with Execu-

tive Branch officials. If you get to know people before a problem on crisis, you are in much better shape when there is one. Staff has close contact with officials at the State Department, DOD, and the NSC on all aspects on the Middle East crisis, in Bosnia, as well as U.S. relations with Russia and the NIS. My staff and I were able to work closely with U.S. officials on such issues as the Middle East, Russia, Yugoslavia, China, and North Korea in part because of longstanding personal contacts with lay people.

*Reports to Congress:* Although Congress has in many ways gone overboard in the reports that it requires of the Administration, sometimes this is a very useful tool. For example, I had the State Department make reports on the economies of major recipients of foreign aid. We need to know what effect our assistance is having in key countries.

*GAO investigations:* GAO has enormous resources, and probably does more detailed oversight work than congressional committees can. I found GAO particularly helpful on foreign assistance programs, the Lavi fighter the Israelis wanted to build with U.S. help but which did not make sense, and on specific overseas projects which ran into trouble.

##### B. GENERAL OBSERVATIONS ON SUCCESSFUL OVERSIGHT

Let me now turn to a few general thoughts and observations about what makes oversight successful:

First, oversight works best when it is done in as bipartisan a way as possible. Certainly there will be times when the committee chairman and the ranking minority member will disagree, but they should be able to sit down at the beginning of a new Congress and agree on the bulk of the Committee's oversight agenda.

Second, policy oversight is aided when there is a constructive relationship between Congress and the implementing agency. Much oversight by its very nature is adversarial, and that is particularly appropriate when an agency has engaged in egregious behavior. But excessive antagonism between the branches can be counterproductive and do little to improve program performance. Oversight should put aside petty political motives, and it should act constructively not destructively. Oversight should be conducted seeking good ideas.

Third, oversight should be done in a regular, systematic way. Congress lacks a continuous, systematic oversight process, at it overuses in an episodic, erratic manner. On the Joint Committee on the Organization of Congress we recommended, for example, that each committee do a systematic review of all of the significant laws, agencies, and programs under its jurisdiction at least every 10 years. My sense is that there are activities of government that have gone on for a long time without full-scale review.

Fourth, oversight must be comprehensive. There are vast number of activities of the federal government that never get into the newspaper headlines, yet it is still the task of Congress to look into them. When I was on the Foreign Affairs Committee, for example, we even held oversight hearings on everything from Yemen and to the future of NATO. Oversight that is driven by whether we can get cameras into the hearing room is not enough to get the job done. I am impressed by how decisions about oversight are made on the basis on how much media attention can be attracted. The relationship between the decline of oversight by Congress and the decline of investigative journalism bears further examination. Being comprehensive in oversight also means casting

the net widely to look at the variety of federal agencies involved in a particular area, not just the main one (for example, not just looking at foreign policy actions of the State Department, but also of Commerce, Defense, Agriculture, CIA, etc.). As I said earlier, it is the responsibility of oversight to look into every nook and cranny of government.

Fifth, the oversight agenda of Congress should be coordinate to eliminate duplication. The administration often complains, with some justification, about the burden of redundant oversight and duplicative testimony. Different committees shouldn't cover the same ground over and over, while other important areas and programs fall through the cracks. Committees currently do prepare their oversight plans, but I sense no one is in charge of coordination.

Sixth, continuity and expertise are critical to successful oversight. Excessive staff turnover and turnover of chairmen harm the institutional continuity and expertise so essential to the job of oversight. This is also why I generally favor having standing committees do oversight rather than special, ad hoc communities. Also, oversight should not be used or directed by interest groups.

Seventh, there is such a thing as too much oversight. Good oversight draws the line between careful scrutiny and intervention or micro-management. Congress should examine broad public policies, but it should not meddle and it should avoid a media show. It should certainly expose corrupt and incompetent officials, but it should avoid attacking competent, dedicated officials. Oversight requires reports to be informed, but the reporting requirements should not be excessive. In general, the quality of oversight is much more important than the quantity.

Eighth, good oversight involves documentation. The more you can get things in writing, the better off you are.

Ninth, follow-through is also important. It is one thing to ask agencies to improve their performance, but it requires the work of Members, committees, and staff aides to make sure that the changes have taken place.

Tenth, Member involvement in oversight is important. Certainly much of the work needs to be done by staff. Yet I found that Members often left too much of the responsibility with staff. Having Members involved brings additional leverage to any oversight inquiry.

Eleventh, good oversight takes clear signals from the leadership. Structural reforms and individual efforts by Members can be helpful, but for oversight to really work it takes a clear message from the congressional leadership that oversight is a priority and that it will be done in a bipartisan, systematic, coordinated way. The key role of the House Speaker and the Senate Majority Leader in successful oversight cannot be overstated.

And finally, there needs to be greater public accountability to congressional oversight. The general public can be a very important driving force behind good oversight. Congress needs to provide clear reports from each committee outlining the main programs under its jurisdiction and explaining how the committee reviewed them. As citizens understand how important congressional oversight is to achieving the kind of government they want—government that works better and costs less—they will demand more emphasis on the quality of oversight by Congress, and they will be less tolerant of highly personalized investigations that primarily serve to divert Members' attention from this critical congressional function.

#### CONCLUSION

My personal belief is that conducting oversight is every bit as important as passing legislation. President Wilson thought that "the informing function of Congress should be preferred even to its legislating function." Our founding fathers very clearly recognized that "eternal vigilance is the price of liberty".

A strong record of congressional oversight of—"continuous watchfulness"—will do a lot to restore public confidence in the institution. It will show that Congress is taking its responsibilities seriously and is able to work together.

I'm not Pollyannaish about all of this. Certainly there will be roadblocks and obstacles in the effort to strengthen and improve oversight. The work is not particularly easy under the best of circumstances, and we can't expect all of the hard feelings and distrust about the direction of oversight in recent years to dissipate overnight. But it is my firm belief that this is an area in which Congress simply must do better. And your willingness to participate in these workshops gives me good reason to think that this is an area in which Congress will do better.

#### AFRICAN GROWTH AND OPPORTUNITY ACT

##### SPEECH OF

#### HON. RON KLINK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 16, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 434) to authorize a new trade and investment policy for sub-Saharan Africa:

Mr. KLINK. Mr. Chairman, I oppose H.R. 434, and I am proud to say I was an original co-sponsor of a much better trade bill, H.R. 772, the "HOPE for Africa Act" introduced by my colleague JESSE JACKSON of Illinois.

I supported H.R. 772, and opposed H.R. 434, for reasons centering on concerns for labor, the environment, women's rights, and the HIV/AIDS problem faced worldwide.

First, in labor terms, I opposed H.R. 434 because it is bad for both American and African workers. Over the past twelve months, 118,000 jobs in the textile and apparel industry have been lost in the United States—more jobs than in any other industry. The reason is competition with low-wage imports, manufactured in nations where worker compensation and working conditions are deplorable. As a result, U.S. textile workers are losing their jobs, and African workers work in sweat-shop style conditions.

On the other hand, H.R. 772, the Jackson bill, would have required that labor rights be adhered to in the workplace, while the H.R. 434 has no binding language to protect worker rights. The Teamsters, International Longshoremen and Warehousemen, AFSCME, Paper Allied-Industrial Chemical and Energy Workers (PACE), Transport Workers of America, Union of Needletrades, Industrial and Textile Employees (UNITE) and the United Auto Workers all opposed H.R. 434.

Second, in environmental terms, I opposed H.R. 434 because the bill text does not even

mention the environment. The bill contains no environmental safeguards in its core text—which is a startling oversight. This encourages U.S. firms to move to sub-Saharan Africa in order to evade the standards they must meet here at home.

On the other hand, H.R. 772, the Jackson bill, provided a new model for trade by combining expanded trade, open to all sub-Saharan countries, with the requirement that multinational corporations operating in these countries comply to the same environmental standards that apply here in the United States.

For these reasons, H.R. 434 was opposed by—and H.R. 772 was supported by—the Sierra Club, Defenders of Wildlife, Friends of the Earth, American Lands Alliance, Earth Island Action, International Rivers Network, Native Forest Council, International Law Center for Human, Economic and Environmental Defense, and the International Primate Protection League.

Third, in women's rights terms, I opposed H.R. 434 because it simply called on the Overseas Private Investment Corporation (OPIC) to give special consideration to women entrepreneurs and to investments that help women and the poor.

On the other hand, H.R. 772, the Jackson bill, targeted investment financing for small businesses and women-owned and minority-owned businesses, including provisions for human rights, labor rights and environmental protections.

Fourth, in HIV/AIDS terms, I opposed H.R. 434 because it completely ignored the AIDS crisis. The bill failed to mention the word "AIDS" nor did it specify any funding to combat the AIDS epidemic in Africa. However, since the beginning of the AIDS crisis, 83% of AIDS deaths have occurred in sub-Saharan Africa.

On the other hand, H.R. 772, the Jackson bill, targeted direct assistance from the Development Fund for Africa for AIDS education and treatment programs. For these reasons, many HIV/AIDS community groups opposed H.R. but supported H.R. 772—ranging from the Human Rights Campaign Fund to Project Planet Africa.

In closing, I want to turn for a moment to general trade policy. I read a disturbing quote from the Chinese Ministry of Foreign Trade and Economic Cooperation (MOFTEC) given on March 3, 1999: "Setting up assembly plants with Chinese equipment, technology and personnel could not only greatly increase sales in African countries but also circumvent the quotas imposed on commodities of Chinese origin imposed by European and American countries."

H.R. 434, had very weak transshipment provisions, with no safeguard against China using sub-Saharan Africa as a transshipment point for Asian manufacturers of textile and apparel products. On the other hand, H.R. 772, the Jackson bill, contained strict, enforceable rules guarding against transshipment from China and other locales. For these reasons, the National Cotton Council and the American Textile Manufacturers Institute opposed H.R. 434.

By passing H.R. 434, which I voted against, nothing was accomplished to give relief, and to save the jobs of, American and African textile workers; to protect the environment; to

help African women; to give aid to victims of HIV/AIDS; nor to deny China the right to circumvent the trade laws which impose quotas on Chinese goods.

This is a sad day for American trade relations with sub-Saharan Africa.

#### PERSONAL EXPLANATION

### HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

Mr. PICKERING. Mr. Speaker, I was unavoidably detained and missed the following rollcall vote: Rollcall vote No. 295, H.R. 2466. Had I been present, I would have voted "aye."

#### PERSONAL EXPLANATION

### HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

Mr. BURTON of Indiana. Mr. Speaker, due to a prior commitment, I was unavoidably detained during the following rollcall votes. Had I been there, I would have voted "no" on rollcall No. 302; "no" on rollcall vote No. 303; "yes" on rollcall vote No. 304; "yes" on rollcall vote No. 305; "yes" on rollcall vote No. 306; and "no" on rollcall vote No. 307.

#### HECTOR G. GODINEZ POST OFFICE BILL

### HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

Ms. SANCHEZ. Mr. Speaker, today I come to the House of Representatives to introduce a bill to rename the Santa Ana U.S. Postal Processing Center after a true American, Hector G. Godinez. Mr. Godinez gave so much to his country and community, and this bill will recognize his life long efforts.

Santa Ana has been Mr. Godinez' home since 1925. After graduating from high school he joined the military, beginning his service to our country. He served during World War II and in recognition of his strength and bravery in General Patton's tank unit, was awarded a Bronze Star and the Purple Heart.

When Mr. Godinez returned home from the war, he decided to continue his record of public service as a letter carrier. During his 48 years in the U.S. Postal Service he rose from letter carrier to Southern California District Manager.

Mr. Godinez' belief that individual action can help build a better community is clearly illustrated by his active involvement in Santa Ana. Mr. Godinez was deeply committed to the Orange County District Boy Scouts of America and was their chairman in 1985. He served as president of the Santa Ana Chamber of Commerce and was a board member of the California Regional Center Program for Handi-

capped and Special Needs Children in Orange County.

Mr. Godinez was a founding member of the Santa Ana League of United Latin American Citizens (LULAC) Council and served on the Board of Directors LULAC Foundation. He and the other Santa Ana LULAC members were participants and supporters in the 1948 case of *Mendez v. The Board of Education*, a monumental civil rights case ending discriminatory practices against Mexican American children in Orange County schools.

He guided our citizens through decades of change in California, both as a public servant and an activist. Our lives as Orange County residents are better for his life's work, and as his Congressional representative, I feel obligated to seek this honor on his family and community's behalf.

I believe it is only fitting to honor this man who gave so much to his community and country. I hope my colleagues will support this bill to name the Santa Ana U.S. Postal Processing Center after Hector Godinez.

#### TRIBUTE TO GEORGE E. "SHORTY" MCGRAW

### HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

Mr. BERRY. Mr. Speaker, I rise today to recognize a great Arkansan. This man served his country with intelligence, courage, and dedication, Mr. George E. "Shorty" McGraw.

Mr. McGraw was born in 1918 in Gillett, Arkansas. He worked as an auto mechanic until 1941, when he enlisted into the military. Mr. McGraw went on to graduate from Air Mechanic School and Flight Engineer School. He later served overseas with the Twentieth Air Force, 6th Bomb Group. On July 20, 1945, while flying his 33rd mission, Mr. McGraw was shot down and wounded. He was captured, beaten, and taken as a prisoner of war until his release on his 27th birthday. Mr. McGraw later attended Navigator Training School. He eventually retired as a Captain in 1961 with a total of 10,000 flying hours over his twenty years of service.

George E. "Shorty" McGraw is not only a wonderful citizen, neighbor and friend, he is a brother, husband, father, grandfather and great-grandfather. He is the heart and soul of his community. Captain McGraw was recently bestowed with a Purple Heart for his selfless service of his country. His devotion and love for his country never diminished. Captain McGraw serves as an inspiration to all.

#### A DIPLOMAT'S DIPLOMAT RETURNS HOME

### HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

Mr. GILMAN. Mr. Speaker, in a few days, Mr. Pat Hennessy, the Political Counselor at the Irish Embassy here in Washington, returns

home for service in his government's Department of Foreign Affairs (DFA). The DFA's gain will be our loss here in America at a critical point in Irish history.

Pat is known to many of us in the Congress, on both sides of the aisle, as a diplomat's diplomat. He previously served with distinction in the Irish Consulate in New York City before his tenure at the Irish Embassy here in Washington. In New York, he got to know and worked closely with the large Irish American community and the many friends of Ireland in America's largest and greatest city. He understands our nation and people well.

Pat has worked tirelessly for lasting peace and justice in the north of Ireland during his service in the U.S. He has also helped to advance greater U.S.-Irish relations in many areas, whether cultural, economic or otherwise.

During an important transition to Republican control of the House and new congressional leadership in the cause of lasting peace and justice in Ireland and improved U.S.-Irish relations, Pat did not miss a beat. He treated all of those many friends of Ireland equally and fairly.

In 1997, then-Speaker Newt Gingrich rein-vigorated the long dormant Irish American interparliamentary exchange. Pat has played a vital role in fostering and improving these parliamentary exchanges since then.

Our sessions on both sides of the Atlantic since 1997 have served to further the bonds of friendship and understanding between the Congress and the Dail, the Irish Parliament, in Dublin. They increased interest in the Congress on events in Ireland, whether in the north, or the Republic in the south with its booming economy and many American firms' vast investment in the "Celtic Tiger."

The success of these legislative exchange programs is in no small part due to Pat's efforts and the growing and expanding U.S.-Ireland links in so many areas of common interest and support. We wish Pat and his wife Pauline and their family much happiness and success as he returns to Ireland.

Our door will always be open when Pat decides to return to America, whenever or in whatever capacity.

#### PERSONAL EXPLANATION

### HON. EDWARD R. ROYCE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

Mr. ROYCE. Mr. Speaker, on Thursday July 15, I was unavoidably detained for rollcall No. 302. If I had been present, I would have voted "nay" on this amendment.

#### THEATER HIGH ALTITUDE AREA DEFENSE

### HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

Mr. BEREUTER. Mr. Speaker, this Member commends this editorial from the July 15,

1999, Norfolk Daily News to his colleagues regarding the need for development of the Theater High Altitude Area Defense (THAAD) in light of recent successful tests and North Korea's intention to launch a long range missile capable of reaching Alaska or Hawaii.

**IT CAN BE DONE—FIRST "HIT" OF MISSILE INTERCEPT SYSTEM AN INDICATION THE TECHNOLOGY DOES WORK**

In hindsight, it would appear that the media gave too little coverage to a report several weeks ago that had U.S. intelligence sources confirming that North Korea is preparing a late-summer launch of its Taepo Dong 2 missile, an ICBM capable of reaching Alaska or Hawaii. This will make North Korea one of only a few countries above to strike U.S. soil with long-range missiles.

But what should be given even bigger coverage is the news that the U.S. Army's new anti-missile system successfully intercepted a target ballistic missile launched 120 miles away in a test that was conducted last month.

Without using an explosive warhead, the interceptor destroyed the incoming missile by crashing into it at an altitude of almost 60 miles. What's called the Theater High Altitude Area Defense (THAAD) is designed, however, to defeat intermediate-range missiles. That means it will not be able to stop North Korea's Taepo Dong 2. But it proves that "hit-to-kill" technology can work, which is something critics of missile defense have long denied.

The challenge now is to build an effective defense against long-range missiles that builds on THAAD's success. This will require much more development and testing, and much more support from Congress and the Clinton administration.

The fact that it took the Army seven tests to score the first THAAD "hit" is not an argument against missile defense but an argument for investing more in anti-missile technologies. It can be done, but it's a difficult proposition.

Unfortunately, the United States cannot make progress as long as the Clinton administration observes the restrictions of the 1972 Anti-Ballistic Missile (ABM) Treaty. As a matter of international law the treaty is defunct since the United States' signing partner, the Soviet Union, ceased to exist in 1991. Misplaced devotion to the ABM Treaty hampers the development, testing and deployment of certain kinds of missile defense, ensuring that any system will be less capable than it otherwise could be.

**IN MEMORY OF VICTORIA "VIKKI" BUCKLEY (1947-1999)**

**HON. THOMAS G. TANCREDO**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

Mr. TANCREDO. Mr. Speaker, I rise to honor the memory of Colorado State Secretary, Victoria "Vikki" Buckley: a wife and mother of three, a public servant, a self made individual, and a leading citizen of the Denver Metro Area, in Colorado, who passed away last week.

Vikki Buckley was a courageous political leader who worked in the Secretary of State office for the citizens of Colorado for more than a quarter century. Few realize that Vikki,

a Denver Native, began working in the secretary of state office 28 years earlier. She had been a welfare mom and actively removed herself from a system that she believed fosters dependency.

Many people have read about individuals who lift themselves through their own dedication and efforts, but it is seldom that they rise so quickly to an elected office. Vikki was educated in the Denver Public Schools attending East High School. She continued her education at Metro State College and then the Seible School of Engineering in Englewood where she received an Associates Degree in drafting. She was an active participant at Heritage Christian Center and in various political organizations including the Aurora Republican Forum and the Arapahoe County Republican Men's Club. She spoke frequently on issues of community and inclusion from the perspective of an American woman who happened to be black and Republican.

Elected Secretary of State in 1994, Vikki was the first American of African descent elected to a statewide constitutional office in Colorado. As a Republican, she was noted as the highest ranking African American female holding statewide office in America. She has been featured in publications from the controversial Limbaugh Letter (June 1999) to the Ladies Home Journal ("Against All Odds").

She was a rising star that believed in making government work for people. She was loved by friends and admired for her courage of conviction. My heart goes out to her entire family upon their loss. I am honored to have known Vikki.

Governor Bill Owens released the following statement, "I join all Coloradans in being deeply saddened by the untimely passing of Colorado Secretary of State Vikki Buckley. She overcame many challenges in life and achieved high office in our state through determination and hard work. Vikki's competitive spirit paved the way for her election as Colorado's first African-American Secretary of State. Frances and I and our three children express our profound sympathy to Vikki's family on behalf of all Coloradans and our appreciation for her many years of service to our state."

Let the permanent RECORD of the Congress of the United States show that Vikki Buckley was a tireless advocate for the people of Colorado, and a friend of America.

**THE MEAL TAX REDUCTION ACT**

**HON. CHRISTOPHER H. SMITH**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

Mr. SMITH of New Jersey. Mr. Speaker, today I am reintroducing the Meal Tax Reduction Act. This legislation, which I also introduced in the last session of Congress, is designed to alleviate some of the tax code inequities that hurt the food service industry. As many of my colleagues know, the food service industry is the only business specifically excluded from normal business expense deduction rules. My legislation is aimed at restoring fairness to current law.

The Meal Tax Reduction Act would partially restore the deduction permitted for meals and entertainment expenses to 80 percent. While I believe we should eventually reinstate the meal tax to 100 percent, this legislation takes the first steps to gradually restore the tax to at least the pre-1993 level of 80 percent.

Under the Balanced Budget Act, transportation workers can already deduct a higher percentage of their meal expenses than other workers, and transport workers will eventually be able to deduct 80 percent of their food expenses. My legislation would simply extend the deductions already put in place for the transportation industry, so that fairness is ensured for everyone.

This important legislation would eventually allow someone starting a small business, working away from home on a construction job, or traveling away on business to take a reasonable tax deduction for food expenses.

Since the law was changed in 1993 to a 50 percent meal tax deduction there has been a notable loss of a negative effect on the restaurant sector of our economy. And the restaurant industry employs millions of people. Restoring the meal tax deduction would help create new jobs in our economy, often for people who are trying to enter the workforce for the first time. If welfare to work is to be fully implemented, we need to create the kind of entry level positions and entrepreneurial opportunities that are often the first steps up the ladder to the American Dream.

In addition, law penalizes and de-legitimizes the food service. The Meal Tax Reduction Act would begin moving the restaurant industry toward parity with other businesses. The act immediately increases the meal tax deduction to 60 percent next year, and eventually to 80 percent by the year 2008. My legislation gradually fixes the meal tax inequity.

Lastly, I want to note that since the introduction of my legislation last year, that support for meal tax equity has been steadily increasing. In fact, Chairman Bill Archer of the Ways and Means Committee has included meal tax reductions in his comprehensive tax plan that are very similar to legislation for which I have been advocating. There is nothing like an idea whose time has come.

**INTRODUCTION OF THE NATIONAL TELECOMMUTING AND AIR QUALITY ACT**

**HON. FRANK R. WOLF**

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

Mr. WOLF. Mr. Speaker, traffic congestion and lack of mobility threatens not only our nation's prosperity, but quality of life and the family unit. That is why today, I am introducing the "National Telecommuting and Air Quality Act," a bill designed to reduce both air pollution and traffic congestion.

Efforts around the country to widen existing facilities and construct new bridges and highways and improve mass transit are essential. However, improved and expanded use of new technologies is also essential to meeting transportation needs.

Telecommuting is also part of the answer to reducing traffic congestion and air pollution and easing the strain on families trying to find time to raise children and make ends meet from one payday to the next. It's also part of good environmental stewardship and energy conservation. Many jobs can be performed as well or better at home through the use of computers, faxes, email, and telephones than at an office or in other work centers.

Mr. Speaker, telecommuting, by large numbers of employees, has many positive bi-products to which I would like to draw my colleagues' attention.

**Traffic congestion:** In cities such as Los Angeles and Washington, D.C. (Numbers 1 and 2 on the gridlock list), telecommuting could reduce peak commuter traffic. According to research, 40 percent of the nation's workforce have jobs which are compatible with telecommuting. This reduction would come without paving one more lane of highway or adding one more bus or subway car. That saves money and makes everyone's life better.

**Air pollution:** Automobiles produce about 30 percent of urban smog. Telecommuting could take a large bite out of air pollution (including nitrogen oxide, carbon monoxide, lead, particulate matter, volatile organic compounds and carbon dioxide). The result helps now and leaves a better world for our kids.

**Family wellness:** Telecommuting gives workers more time to spend at home. Parents could care for infants or small children while they work. The stress of what to do with an ill relative—an older parent afflicted with Alzheimer's disease, for example—can be lessened. Working moms and dads could be better and more nurturing parents without having to leave the workforce. Instead of choices, there are good choices.

**Benefits to the handicapped:** People with handicaps who lead productive and useful lives, but decide that the hassle of getting to and from work just isn't worth it, could be in the mainstream of the workforce through telecommuting.

**Energy conservation:** Our nation remains heavily dependent on foreign oil, which is directly related to our culture of two- or more-car families and daily driving habits. Replacing the daily commute with telecommuting would reduce national oil consumption and help reduce dependency on foreign oil.

Telecommuting is the information age's answer to traffic congestion, environmental stewardship and strengthening the family. Studies have shown that telecommuting works to increase both employee productivity and morale, which in turn helps the business bottom line. The concept is a win-win proposal for reducing traffic congestion and improving air quality—at virtually no cost to the federal government. Problems of employees shortfalls are also eased—people leaving the workforce for personal reasons would be less inclined to do so. But outside of the communications industry and some participation in the high-tech community, American businesses have not yet caught the vision and the benefits of telecommuting.

I believe the "National Telecommuting and Air Quality Act" can help.

The idea is to develop pilot programs to urge employers to encourage and allow their

employees to telecommute. That, in turn, helps reduce regional traffic congestion and air pollution, and also enables the region to build new bridges and parkways within clean air regulations. The goal is to provide an incentive for the public and private sectors to use telecommuting.

The centerpiece of the telecommuting pilot project is a voluntary pollution credits trading program to explore the feasibility of using "profit incentives" to reduce traffic congestion and air pollution.

The idea works like this: millions of people nationwide get in their cars each morning and drive to work. This causes air pollution, and urban smog (nitrogen oxide, carbon monoxides, etc.) often referred to as ozone precursors. Yet there is little incentive for the private sector to become involved to reduce air pollution causing traffic. There is no monetary value placed on reducing this source of air pollution from a private sector business standpoint.

The pilot program would establish an air pollution credits trading program in which small and large businesses, non-profit organizations, federal and state governments, schools and universities, or any other employer, can acquire credits by voluntarily participating in an employee telecommuting program. Participating employers receive pollution credits for a portion of the reduced pollutants which they can then sell on an exchange similar to a commodities exchange.

Manufacturers and utility companies are currently regulated under the Clean Air Act and under increased pressure to reduce air pollutants from both the federal government and states which are struggling to develop implementation plans that improve air quality while allowing economic growth. Pollution credits trading is in practice today with sulfur dioxides (SOXs), which were mandated to be reduced under the Clean Air Act. Trading occurs between utility companies and manufacturing operations.

If the air pollution credit trading program were in place, a participating employer which allowed its employees to telecommute on a regular basis would receive a pollution reduction credit for keeping those cars off the road and would be able to sell a portion of those credits for cash on a trading exchange. The size or value of the credit would be determined by the estimated pollution reduction.

Any number of groups could buy the credits including utilities or other regulated entities under the Clean Air Act. Even environmental groups might want to buy pollution credits and hold on to them. The net result is reduced air pollution and traffic congestion, and most importantly an improvement in quality of life—more time with the family and less time on the road in traffic. And if all the studies are correct, these gains will be made with no loss of worker productivity. In fact, studies indicate telecommuting increases productivity.

The bill provides a grant to the National Environmental Policy Institute to work with the Department of Transportation, the Environmental Protection Agency and Department of Energy to develop, in conjunction with regional businesses and local governments, a telecommuting clean air credits trading program in major metropolitan regions in the country con-

fronted with significant traffic congestion. Included in the pilot will be the Washington, D.C., and Los Angeles, California, metropolitan regions, the top two most congested regions in the nation, and several other heavily congested areas.

Mr. Speaker, the reason for the pilot program is two-fold. First, as chairman of the House Appropriations Transportation Subcommittee and as a representative of one of the fastest growing regions in the country, I understand today's serious transportation needs. Loudoun County, Virginia, in my district, is the third fastest growing county in the nation. Between 1976 and 1997 Loudoun County's population has shot up 175 percent. Those of you familiar with Tysons Corner may be interested that in 1976 it had 3.5 million square feet of office space. Today there is more than 21 million square feet of office space, a 500 percent increase.

With this rapid and sustained growth, it should be no surprise that Washington is the second most traffic congested region in the country. Spending an hour and a half commuting each way to work is typical for many area residents.

Also, I have long been an advocate of "family-friendly" workplace policies, particularly with the federal government. Families today are under so much daily stress and are faced with too many difficult challenges. Perhaps the most frustrating part of an hour and a half commute is that in many cases it could have been avoided. I think it is even more frustrating when both parents are working. Today's moms and dads are challenged to race home and get a hot meal on the table so they can sit, eat and talk together as a family.

In the 101st Congress, I was a part of a successful effort to authorize and fund a metro-wide federal telecenter program which now boasts a total of 17 regional federal telecenters. There are seven telecenters in Northern Virginia, including one of the first telecenters to open in the Shenandoah Valley Tele-Business Center in Winchester, Virginia. The centers are up and running with the latest technologies and technical support staff on hand. The next logical step is to get the public and private sectors involved in a wider telecommuting effort for their employees who can take advantage of cutting-edge technology to work from home.

I have talked with leaders in the high-technology community about this telecommuting and air quality project. I have urged participation of industry leaders such as ATT, Litton Corporation, AOL, Orbital, and Science Application International Corporation and would encourage them to join in a symposium this fall on telecommuting initiatives for the Washington metropolitan region. The symposium would be part of the TeleWork America initiative spearheaded by the International Telework Association and Council.

Any weekday morning, you can see the traffic back up along the Dulles Toll Road with high-tech buildings dotting the landscape along the corridor. If anyone can show how successful telecommuting can be, these are the businesses to lead the way.

Clearly, as we are poised to enter the 21st Century—the "Information Age"—telecommuting has a place. I have heard it said that

work is something you do, not someplace you go. A pollution reduction credit trading program will provide the incentive for the private sector to lead the way in the telecommuting effort.

Mr. Speaker, I hope our colleagues will look at this bill and consider signing on as a cosponsor of this proposal to promote cleaner air and less traffic congestion.

H.R. —

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "National Telecommuting and Air Quality Act".

#### SEC. 2. GRANT PROGRAM FOR DESIGN OF PILOT PROGRAM REGARDING TELECOMMUTING AS MEANS OF IMPROVING AIR QUALITY.

(a) IN GENERAL.—

(1) GRANT FOR DESIGN OF PILOT PROGRAM.—The Secretary of Transportation (in this section referred to as the "Secretary") shall make a grant to a nonprofit private entity that is knowledgeable on matters relating to air quality for the purpose of developing a design for the proposed pilot program described in subsection (b). The grant shall be made to the National Environmental Policy Institute (a nonprofit private entity incorporated under the laws of and located in the District of Columbia), if such Institute submits an application for the grant.

(2) ADMINISTRATION OF PROGRAM.—The Secretary shall carry out this section (including subsection (c)(1)(C)) in collaboration with the Administrator of the Environmental Protection Agency and the Secretary of Energy.

(b) PROPOSED OZONE PRECURSOR CREDIT-TRADING PILOT PROGRAM.—

(1) DEFINITIONS.—For purposes of this section:

(A) The term "participating employers" means employers that voluntarily authorize and engage in telecommuting.

(b) The term "telecommuting" means the use of telecommunications to perform work functions under circumstances in which the use of telecommunications reduces or eliminates the need to commute.

(C) The term "regulated entities" means entities that are regulated under the Clean Air Act with respect to emissions of one or more ozone precursors.

(D) The term "ozone precursors" means air pollutants that are precursors of (ground level) ozone.

(E) The term "VMTs" means vehicle-miles-traveled.

(2) DESCRIPTION OF PROGRAM.—For purposes of subsection (a)(1) and other provisions of this section, the proposed pilot program described in this subsection is a pilot program under which the following would occur:

(A) Methods would be evaluated and developed for calculating reductions in emissions of ozone precursors that can be achieved as a result of reduced VMTs by telecommuting employees of participating employers.

(B) the estimated reductions in such emissions for the periods of time involved would be deemed to be items that may be transferred by such employers to other persons, and for such purpose the employers would be issued certificates indicating the amount of the reductions achieved for the periods (referred to in this section as "emission credits").

(C) A commercial trading and exchange forum would be made available to the public for trading and exchanging emission credits.

(D) Through the commercial trading and exchange forum, or through direct trades and exchanges with persons who hold the credits, regulated entities would obtain emission credits.

(E) Regulated entities would present emission credits to the Federal Government or to the State involved (as applicable under the Clean Air Act) and the amounts of reductions in emissions of ozone precursors represented by the credits would for purposes of the Clean Air Act be deemed to assist in achieving compliance.

(F) The Federal Government would (explore means) to facilitate the transfer of emission credits between participating employers and regulated and other entities.

(c) SITES FOR OPERATION OF PILOT PROGRAM.—

(1) IN GENERAL.—The Secretary shall ensure that the design developed under subsection (a) includes (recommendations for) carrying out the proposed pilot program described in subsection (b) in each of the following geographic areas:

(A) The greater metropolitan region of the District of Columbia (including areas in the States of Maryland and Virginia).

(B) The greater metropolitan region of Los Angeles, in the State of California.

(C) Three additional areas to be selected by the Secretary, after consultation with the grantee under subsection (a).

(2) CONSULTATION.—The Secretary shall require that, in carrying out paragraph (1) with respect to a geographic area, the grantee under subsection (a) consult with local governments and business organizations in the geographic area.

(d) STUDY AND REPORT.—The Secretary shall require that, in developing the design under subsection (a), the grantee under such subsection study and report to the Congress and to the Secretary the potential significance of the proposed pilot program described in subsection (b) as an incentive for expanding telecommuting and reducing VMTs in the geographic areas for which the design is developed, and the extent to which the program would have positive effects on—

(1) national, State, and local transportation and infrastructure policies;

(2) energy conservation and consumption;

(3) national, State, and local air quality;

and

(4) individual, family, and community quality of life.

(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of making the grant under subsection (a), there is authorized to be appropriated \$250,000 for fiscal year 2000. Amounts appropriated under the preceding sentence are available until expended.

#### STATEMENT ON THE 5TH ANNIVERSARY OF THE AMIA BOMBING

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1999

Mrs. LOWEY. Mr. Speaker, over the past decade, we have seen a horrifying increase in terrorist attacks around the world. Extremists in every corner of the globe have carried out violent, deadly attacks on innocent civilians in the Middle East, Latin America, the United States, and elsewhere.

One of the worst terrorist attacks in the 1990s was the bombing of the AMIA Jewish

Community Center in Buenos Aires, Argentina. July 18, 1999 marks the fifth anniversary of this cowardly attack on the Jewish community of Argentina, which tragically took the lives of 86 people, and injured over 200 more.

I rise today to honor the memory of the victims of the AMIA bombing; to pay tribute to the families of those victims, who have carried on with tremendous strength and courage; and to join them in their call for justice.

Mr. Speaker, although it has been five years since the AMIA bombing—and seven years since the bombing of the Israel Embassy in Buenos Aires, which killed 29 people—the perpetrators of these terrorist attacks have not yet been brought to justice.

Last year, I had the privilege of visiting Buenos Aires and meeting with representatives of the Jewish community there. I stood with members of Memoria Activa, AMIA, DAIA, and others affected by these bombings, and I joined them in their demand that the Argentine government do more to arrest and prosecute those responsible for these terrible attacks. But our calls have gone unanswered.

The absence of swift and sure justice for the terrorists who carried out these attacks is a tragic mockery of the memory of those who lost their lives. A terrorist attack anywhere in the world is a threat to all of us. And a terrorist attack that goes unpunished, is an invitation for these cowards to strike again.

Mr. Speaker, today we honor the memory of the victims of the AMIA bombing. The greatest gift we can give to their friends and family is to bring their killers to justice. I can upon our own government and the Argentine government to do everything in their power to close this horrible chapter in our fight against terror.

#### HALTING THE ANTHRAX VACCINATION PROGRAM, H.R. 2548

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1999

Mr. GILMAN. Mr. Speaker, I rise today to introduce H.R. 2548, a bill to halt the implementation of the Department of Defense' Anthrax Vaccination Program. I urge my colleagues to join me in supporting this worthy legislation.

This legislation would halt the continued implementation of the force-wide Anthrax Vaccination Program within the Department of Defense. As my colleagues may know, this program was the result of a decision reached by the Secretary of Defense early last year that mandatory vaccination of all personnel in the U.S. Armed Forces was necessary.

Concerns about the program began shortly after its implementation earlier this year and have increased as the number of troops receiving the vaccine has increased. These problems attracted the attention of the Government Reform Subcommittee on National Security, which initiated a series of hearings in March. To date, the subcommittee has had three hearings, with a fourth scheduled for this week.

The congressional hearings held in March, April, and June have raised a number of concerns about the vaccination program including



its purpose, its value, the manner in which it is being carried out, and its effects on those who serve in uniform. These concerns have been heightened by recent media reports and information circulating among those affected by the vaccine. Subsequently, my office, and those of many of my colleagues, has received an increasing number of contacts from concerned constituents, both members of the Armed Forces, as well as their distraught parents or relatives.

The Secretary of Defense set out four specific conditions that had to be met before the vaccination program could start: First, supplemental testing to assure sterility, safety, potency, and purity of the vaccine stockpile; second, implementation of a system for fully tracking anthrax immunizations; third, approval of operational plans to administer the vaccine and communications plans to inform military personnel; and fourth, review of medical aspects of the program by an independent expert.

According to the hearing testimony before the subcommittee, none of these conditions was satisfactorily addressed before the vaccine program was implemented.

The most prominent concern raised relates to the overall effectiveness of the vaccine. The FDA approval cited by the Defense Department was for a vaccine that was designed to protect workers in the woolen industry from cutaneous contact with anthrax spores. Conversely, the primary anthrax threat facing military personnel is not from cutaneous, but weaponized versions of the bacteria, which are inhaled by their victims. There has been little or no testing of the vaccine's effectiveness in humans against this form of anthrax. Some testing has been done on animals with mixed results, the most promising returns coming from laboratory monkeys. However, to assume a drug that has achieved moderately successful results in primates will have a similar response with humans is only the start of basic research, not a definitive conclusion based on solid scientific evidence.

Moreover, Mr. Speaker, there is no evidence from the Defense Department that this vaccine would be effective against altered or multiple anthrax strains. Given that the Soviet Union placed a high priority on the development of the deliverable multiple anthrax strains, this is a legitimate concern. Analysis of tissue samples from Russians killed in an accidental anthrax release from a production facility in the 1970's have indicated infection from a combination of individual strains.

A second major concern relates to the overall safety of the vaccine. As with any drug, there are concerns about harmful side effects. Since 1970, the primary recipients of the vaccine have been several thousand mill workers and mostly DOD researchers. This limited civilian usage of the drug has resulted in limited evidence of adverse reactions. The one exception to this was the inoculation of approximately 150,000 gulf war troops. However, the Defense Department's poor recordkeeping after the gulf war has made glean any useful information about the vaccine's effectiveness or harmful side effects impossible. In fact, a Senate committee studying gulf war illness in the 103rd Congress did not rule out the use of the vaccine as a cause of gulf war syndrome.

Thus, it is premature to conclude that a drug used on several thousand individuals with a small incidence of adverse effects is safe to administer to 2.5 million military personnel. A simple overall 2 percent rate would yield 50,000 adverse reactions each and every year. This is an unacceptably high rate (more on the DOD reported reaction rate later). It is also completely unknown what will be the effect of cumulative annual boosters, let alone the combined effects from 15 or so other biological warfare vaccines under development. I ask, Mr. Speaker, what other force protection program has, as a built-in component, such a high casualty rate and unknown level of future risk?

Questions regarding the safety of the vaccine are appropriate given the history of the production of the vaccine. The original manufacturer of the vaccine, Michigan Biologics Products Institute (MBPI), "voluntarily" closed down in March 1998, in order to make \$1.8 million renovations. Prior to this, MBPI had been cited repeatedly by the FDA for quality control problems and manufacturing violations dating back to 1990.

The subcommittee briefing from the April 29 hearing, stated that the vaccine "is dangerous enough that the manufacturer demanded, and received, indemnification from the Army against the possibility that persons vaccinated may develop anaphylaxis or some unforeseen reaction of serious consequences, including death. Private indemnity insurance was considered too costly." If the manufacturer was highly concerned about potential civil litigation, why was the Defense Department so quick to convey the message that the vaccine was safe for general use? This is a question that needs to be addressed.

There are additional concerns related to the tracking system being implemented with this vaccine. The gulf war experience illustrated the need for a comprehensive tracing system to measure the potential side effects of the multiple vaccinations often administered to soldiers being deployed overseas. While I understand that such a tracking system has been developed for this program, there have been several reports of individuals being inoculated with expired lots of the vaccine, to the significant detriment of their health as recorded in testimony and the media.

Moreover, it appears that adverse exclusionary categories, such as respiratory conditions, previous reactions, chills and fever, and pregnancy are not being adequately reviewed by the personnel in charge of administering the shots. Rather, the subcommittee has received reports that many of those administering the vaccine are simply glossing over communicating the exclusionary requirements in an effort to inoculate as many individuals as rapidly as possible. Likewise, there is evidence suggesting that the reporting of adverse reactions among troops who have received the vaccine, is being discouraged, so as not to cause undue alarm in those units which have not received their first round of shots.

In that same regard, the official Defense Department's reported reaction rates of between .0002 percent and .007 percent this year is not reassuring. The subcommittee has received reports that vaers forms are not available to service members, not filled out, or not

forwarded. FDA and JAMA sources indicate extremely low percentages of reactions are ever reported anyway, and the military's record of reaction reports with the 1970's swine flu vaccine is far below that of civilian rates. Given these qualifiers, it seems the DOD-reported reactions rates should, at least, be accompanied by reasonable disclaimers.

There is also some uncertainty with the operational plans to administer the vaccine. There appears to be some confusion with deadlines as some units begin their shots and frequent deadline adjustments for unit personnel to receive their shots. Some of those deadline adjustments appear due to commander fear of excessive personnel losses because of the vaccine. Additionally, as Reserve Component personnel express an interest in transferring or terminating their participation because of the vaccine, the subcommittee has heard that they are met with delays, instructions to not list the vaccine as a reason, and even threats of poor evaluation reports. If members are convinced after careful research that a policy truly threatens their civilian livelihood, they should be allowed to communicate the truth about their perspective.

Moreover, the Reserve Officers Association has recommended that all National Guard and Reserve units should receive shots from lots of newly made vaccine. The ROA is chartered by Congress to review Defense policies to ensure their adequacy. Since they represent 80,000 current, experienced, and retired Reservists, their opinion should be considered carefully. Given that Bioprot Corp. is not due to begin distribution of new vaccine until next year, and Guard and Reserve units are currently being vaccinated, it appears that DOD has rejected this recommendation.

Lastly, there are serious reservations about the independent review of the medical aspects of the vaccination program. The reviewer in question, Dr. Gerald N. Burrow, has been cited by the Defense Department as approving of the safety and effectiveness of the vaccine. Yet in a letter to the subcommittee dated April 26, 1999, Dr. Burrow stated:

The Defense Department was looking for someone to review the program in general and make suggestions, and I accepted out of patriotism. I was very clear that I had no expertise in anthrax and they were very clear they were looking for a general oversight of the vaccination program . . . I had no access to classified information. The suggestions I made were to utilize focus groups to be sure the message they wanted to send to force personnel was being heard, and to use the vaccination tracking system as a reminder for subsequent vaccinations. I had no further contact after delivering my report and do not know whether my suggestions were implemented.

Given that the independent reviewer was admittedly not an expert in the field of anthrax, how can the Defense Department stand by his earlier claims that the vaccine was safe for distribution and the "best protection against wild-type anthrax?" Given past poor credibility in these issues, the history with gulf war illnesses, and the enormous potential risk to our entire population of uniformed defenders, why was this individual, and not someone with a background in large vaccination programs or biological agents like anthrax, selected for the



independent review? These are questions that the Secretary of Defense needs to answer.

Mr. Speaker, it bears mentioning that several of our allies have taken a different approach to this issue. The United Kingdom has a voluntary vaccine policy for anthrax, which yields only an estimated 30 percent cooperation. The Canadians have faced the similar controversies to our program, and even more severe logistics problems with their vaccine, and are not currently administering it to their troops. Furthermore, it should be noted that Israel, which is conceivably at the greatest risk in the middle east and has received Scud attacks, does not rely on vaccines, but antibiotics.

Moreover, our own State Department, which arguably has more personnel risk because embassies are less well protected than military units, has only a voluntary policy. It is almost inescapable that this policy appears as a captive research market. Why in light of everyone else's lack of forced inoculations is it necessary to put U.S. service member trust on the line when two surveys have indicated that 80 percent of the civilian and military respondents oppose the program?

Above and beyond the specific concerns mentioned here, we are concerned about the public perception of the anthrax vaccination program and its impacts on service member morale. We must ensure that this single force protection measure which addresses only one of myriad of biological threats is not itself a more real threat to our citizens in uniform.

This legislation would accomplish this goal by requiring a suspension of the anthrax vaccine program until an independent study by the National Institutes of Health is conducted on both the safety and effectiveness of the vaccine. This study would review the claim being made by the Defense Department concerning both the effectiveness of the vaccine against airborne anthrax as well as on the low incidence of harmful side effects.

In addition, the legislation would require a second study by the General Accounting Office, on the effect of the vaccination program on service morale, focusing specifically on recruiting and retention issues in National Guard units.

Should these studies show that the vaccine is indeed effective against weaponized anthrax, is produced in a safe, controlled manner acceptable to the FDA, and does not have an unacceptably high systemic reaction rate, Congress may authorize the resumption of the program. Until these questions are answered however, our service men and women should not be subjected to a mandatory vaccination program with so many unknowns.

To allow the program to continue without these concerns being addressed, would not only be irresponsible, it would be, for those of us in Congress, an abdication of our oversight authority. As it currently stands, the anthrax vaccination program simply has too many unknowns. It may or may not work as advertised, and in doing so, may fulfill the old cliché of the cure being worse than the illness.

Given that our allies have seen fit to either make their programs voluntary, or eliminate them altogether, we owe our men and women in uniform a closer look at the effects of our program.

Accordingly I urge my colleagues to join in support of this measure, H.R. 2548.

H.R. 2548

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Department of Defense Anthrax Vaccination Moratorium Act".

#### SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) a single force protection measure such as the mandatory anthrax vaccine immunization program should not be implemented by the Department of Defense without regard for that measure's own effects on morale, retention, recruiting, and budget; and

(2) an insufficiently proven vaccine should not be advocated as a substitute for research, development, and production of truly effective vaccines and essential antibiotics, adequate personal protective equipment, detection devices, and nonproliferation measures.

#### SEC. 3. MORATORIUM OF VACCINATION PROGRAM.

The Secretary of Defense shall suspend implementation of the anthrax vaccination program of the Department of Defense. After the date of the enactment of this Act, no further vaccination may be administered under the program to any member of the Armed Forces except in accordance with this Act.

#### SEC. 4. STUDY BY NATIONAL INSTITUTES OF HEALTH.

(a) STUDY.—

(1) IN GENERAL.—The Director of the National Institutes of Health shall require the appropriate national research institute to conduct or oversee an independent study of the effectiveness and safety of the vaccine used in the Department of Defense anthrax vaccination program.

(2) MATTERS TO BE STUDIED.—The Director shall include in the study under paragraph (1) determination of the following with respect to that vaccine:

(A) Types and severity of adverse reactions.

(B) Long-term health implications, including interactions with other (existing and planned vaccines and medications.

(C) Efficacy of the anthrax vaccine for protecting humans against all the strains of anthrax pathogens members of the Armed Forces are likely to encounter.

(D) Correlation of animal models to safety and effectiveness in humans.

(E) Validation of the manufacturing process focusing on, but not limited to, discrepancies identified by the Food and Drug Administration in February 1998 (especially with respect to the filter used in the harvest of anthrax vaccine, storage times, and exposure to room temperature).

(F) Definition of vaccine components in terms of the protective antigen and other bacterial products and constituents.

(G) Such other matters as are in the judgment of the Director required in order for the Director to make the determinations required by subsection (b).

(3) LIMITATION.—The Director may not use for purposes of the study any data arising from the experience of inoculating members of the Armed Forces with the vaccine studied because of the lack of informed consent and inadequate recordkeeping associated with such inoculations.

(b) REPORT.—Upon completion of the study, the Director of the National Institutes of Health shall submit to the Com-

mittee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate and to the Secretary of Defense a report setting forth the results of the study. The report shall include the Director's determination, based upon the results of the study, as to each of the following:

(1) Whether or not the vaccine used in the Department of Defense anthrax vaccination program has an unacceptably high systemic reaction rate.

(2) Whether or not the vaccine is effective with respect to noncutaneous transfer of anthrax.

(3) Whether or not the vaccine will be produced in a manner acceptable to the Food and Drug Administration.

#### SEC. 5. GENERAL ACCOUNTING OFFICE STUDY.

(a) IN GENERAL.—The Comptroller General shall conduct a study of the inoculation program referred to in section 3 and of the effect of the use of contractor-operated facilities for that program. As part of the study, the Comptroller General shall study the following with respect to the inoculation program:

(1) Effects on military morale, retention, and recruiting.

(2) Civilian costs and burdens associated with lack of military medical care and loss of civilian sick leave and work capacity for members of the reserve components who experience adverse reactions while not in military status.

(3) A system of accurately recording medical conditions of members of the Armed Forces and other patients before and after inoculation, including off-duty reactions and treatment of reserve component members and including screening for allergens and contraindication, to include prior adverse reactions.

(b) PUBLIC COMMENTS.—The Comptroller General shall publish the study under subsection (a) for public comment.

(b) GAO REVIEW.—The Comptroller General shall review the Secretary's written report and provide comments to Congress within 75 days after the Secretary files the report.

#### SEC. 6. BOARDS FOR CORRECTION OF MILITARY RECORDS.

The Secretary of Defense shall direct that the respective Boards for Correction of Military Records of the military departments shall, upon request by individual members or former members of the Armed Forces, expedite consideration of applications for remedies for adverse personnel actions (both voluntary and involuntary) that were a result of the mandatory anthrax vaccine immunization program, to including rescission of administrative discharges and separation, rescission of retirements and transfers, restoration of flying status, back pay and allowances, expunging of negative performance appraisal comment or ratings, and granting of physical disability certificates.

#### SEC. 7. CONTINGENT RESUMPTION OF VACCINATION PROGRAM.

(a) CONTINGENT AUTHORITY FOR RESUMPTION.—If the Director of the National Institutes of Health determines in the report under section 3(b) that the vaccine used in the anthrax vaccination program of the Department of Defense meets each of the criteria stated in subsection (b), the Secretary of Defense may resume the Department of Defense anthrax vaccination program. Any such resumption may not begin until the end of the 90-day period beginning on the date of the submission of the report under section 3(b).

(b) CRITERIA FOR PROGRAM RESUMPTION.—The criteria referred to in subsection (a) are the following:

(1) That the vaccine used in the Department of Defense anthrax vaccination program does not have an unacceptably high systemic reaction rate.

(2) That the vaccine is effective with respect to noncutaneous transfer of anthrax.

(3) That the vaccine will be produced in a manner acceptable to the Food and Drug Administration.

(e) REQUIREMENT FOR USE OF NEW VACCINE.—If the anthrax vaccination program is resumed under subsection (a), the Secretary of Defense may only use newly produced vaccine for vaccinations after the resumption of the program.

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

SPEECH OF

**HON. TOM BLILEY**

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 14, 1999*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2466) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2000, and for other purposes.

Mr. BLILEY. Mr. Chairman, section 322 of H.R. 2466 is a funding limitation to prevent monies appropriated under the bill to be used by the National Telecommunications and Information Administration (NTIA) for spectrum purposes, GSA Telecommunication Centers, or the President's Council on Sustainable Development. I rise in opposition to this provision's applicability to NTIA's spectrum functions because of its potential impact on telecommunications policy and efficient use of the radio spectrum by government users.

Spectrum management issues fall within the jurisdiction of the Commerce Committee. As our Members have learned over the years, spectrum management is a complex task that requires detailed analysis and consideration. Under the current process, the Federal Communications Commission (FCC) oversees the use of spectrum by private entities and NTIA oversees the use of spectrum by government entities, including the Department of Interior.

NTIA currently is required to be reimbursed by all federal agencies for the spectrum management functions NTIA does on behalf of the agencies. Today, federal agencies typically reimburse NTIA for about 80 percent of the costs associated with spectrum management. Since its inception, reimbursement by federal agencies to NTIA for spectrum functions has had a positive impact on the spectrum efficiency of federal agencies. Putting a cost on government spectrum has caused agencies to reassess exactly how much spectrum and what precise frequencies they need to complete their mission. This cost, however, is not an attempt to decrease or interfere with the valuable functions that federal agencies use spectrum for. In practice, the concept has promoted spectrum efficiency and promoted the efficiency of NTIA's spectrum management functions.

Section 322 would, in effect, prohibit the Department of Interior from reimbursing NTIA for spectrum functions. The Department of the Interior has already been required to reimburse NTIA since FY1996 and had to take into account such provisions prior to submitting a budget request to the Congress for FY2000. Section 322 is a direct effort to undermine the reimbursement effort and provides the Department of Interior with extra funding for other purposes for FY2000 that they wouldn't have otherwise. Providing the Department of the Interior with a statutory mechanism to avoid paying its fair share for spectrum management functions is not sound policy.

Further, section 322 could harm the Department of Interior's use of spectrum because under current restrictions NTIA is prohibited from providing any spectrum functions to a federal agency that does not reimburse NTIA for such functions. To the extent that the Department of Interior does not have funding outside of the monies provided in H.R. 2466, the Congress may be limiting the spectrum functions and capabilities of the Department of Interior. In effect, this provision may be prohibiting the Department of Interior from reimbursing NTIA for spectrum functions and as a result preventing the Department of Interior from using spectrum.

The Commerce Committee intends to move legislation reauthorizing NTIA this session. In particular, the Subcommittee on Telecommunications, Trade, and Consumer Protection is considering legislation to codify the current reimbursement practices and expand on the level of reimbursement from federal agencies to 100 percent. If any effort is necessary to adjust, alter, or exempt any federal agency from reimbursing NTIA for spectrum functions it should be through this vehicle and not through an appropriations bill.

Accordingly, I believe that section 322 may have a negative impact on spectrum policy. The Commerce Committee will be active to ensure that the inclusion of any provision within the final version of this bill not interfere or cause harm to telecommunications policy. I respectfully request that these concerns be taken into account during further consideration of this legislation.

## PERSONAL EXPLANATION

**HON. CHRISTOPHER SHAYS**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

Mr. SHAYS. Mr. Speaker, on Thursday, July 15, I inadvertently voted "nay" when I meant to vote "aye" on rollcall vote 303, the Lowey amendment to H.R. 2490, the Fiscal Year 2000 (FY 00) Treasury-Postal Appropriations Act.

I support the provision in H.R. 2490 to require Federal Employee Health Benefit Plans (FEHBP) which provide prescription plans to include coverage of all FDA-approved contraceptive drugs and devices.

I oppose the amendment offered by Congressman CHRIS SMITH to allow health plans to opt out of providing contraceptive coverage by claiming a "moral conviction." I was happy

to see the passage of the Lowey substitute amendment to strike this exemption for health plans.

It is my hope the Lowey amendment will help reduce unwanted pregnancies while providing women with contraceptive coverage. While the FY 00 Treasury-Postal Appropriations Act covers only women in the FEHBP, I believe it is a positive step forward in ensuring contraceptive coverage is available to women in a majority of health plans.

As an original cosponsor of H.R. 2120, the Equity in Prescription and Contraceptive Coverage Act, introduced by Representatives JIM GREENWOOD and NITA LOWEY, I will continue to work to provide access to family planning services.

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, July 20, 1999 may be found in the Daily Digest of today's RECORD.

## MEETINGS SCHEDULED

JULY 21

9:30 a.m.

Indian Affairs

To hold hearings on S. 985, to amend the Indian Gaming Regulatory Act.

SD-106

Agriculture, Nutrition, and Forestry

To hold hearings on the nomination of William Rainer to be Chairman of the Commodity Futures Trading Commission and to conduct an oversight review of the farmland protection program.

SR-328A

Armed Services

To hold hearings on the nomination of F. Whitten Peters, of the District of Columbia, to be Secretary of the Air Force; and the nomination of Arthur L. Money, of Virginia, to be an Assistant Secretary of Defense.

SR-222

Environment and Public Works

Fisheries, Wildlife, and Drinking Water Subcommittee

To continue hearings on the habitat conservation plans.

SD-406

July 19, 1999

10 a.m.  
 Budget  
 To continue hearings to review the President's budget for fiscal year 2000.  
 SD-608

Judiciary  
 To hold hearings on combatting methamphetamine proliferation in America.  
 SD-628

Joint Economic Committee  
 To hold hearings to examine the financial structure of the International Monetary Fund, focusing on IMF costs, including quotas, reserves, gold holdings, and the treatment of the IMF in the budget.  
 311 Cannon Building

Finance  
 Business meeting to continue markup of the proposed Taxpayer Refund Act of 1999.  
 SH-216

Foreign Relations  
 East Asian and Pacific Affairs Subcommittee  
 To hold hearings on issues relating to Taiwan-China relations.  
 SD-419

2 p.m.  
 Energy and Natural Resources  
 Forests and Public Land Management Subcommittee  
 To hold hearings on S. 1184, to authorize the Secretary of Agriculture to dispose of land for recreation or other public purposes; S. 1129, to facilitate the acquisition of inholdings in Federal land management units and the disposal of surplus public land; and H.R. 150, to amend the Act popularly known as the Recreation and Public Purposes Act to authorize disposal of certain public lands or national forest lands to local education agencies for use for elementary or secondary schools, including public charter schools.  
 SD-366

Governmental Affairs  
 International Security, Proliferation and Federal Services Subcommittee  
 To hold hearings to examine the purpose of Russian space launch quota.  
 SD-342

Commission on Security and Cooperation in Europe  
 To hold hearings to examine the scope of bribery and corruption in the OSCE region.  
 SD-138

Judiciary  
 Criminal Justice Oversight Subcommittee  
 To hold oversight hearings on Federal asset forfeiture, focusing on its role in fighting crime.  
 SD-628

3:30 p.m.  
 Foreign Relations  
 To hold hearings on the role of sanctions in United States National Security Policy.  
 SD-419

4:30 p.m.  
 Foreign Relations  
 To hold hearings on the nomination of J. Richard Fredericks, of California, to be Ambassador to Switzerland, and to serve concurrently and without additional compensation as Ambassador to the Principality of Liechtenstein; the nomination of Barbara J. Griffiths, of Virginia, to be Ambassador to the Republic of Iceland; the nomination of Richard Monroe Miles, of South Carolina, to be Ambassador to the Republic

## EXTENSIONS OF REMARKS

of Bulgaria; and the nomination of Carl Spielvogel, of New York, to be Ambassador to the Slovak Republic.  
 SD-419

JULY 22

9:30 a.m.  
 Environment and Public Works  
 To hold hearings on S. 835, to encourage the restoration of estuary habitat through more efficient project financing and enhanced coordination of Federal and non-Federal restoration programs; S. 878, to amend the Federal Water Pollution Control Act to permit grants for the national estuary program to be used for the development and implementation of a comprehensive conservation and management plan, to reauthorize appropriations to carry out the program; S. 1119, to amend the Act of August 9, 1950, to continue funding of the Coastal Wetlands Planning, Protection and Restoration Act; S. 492, to amend the Federal Water Pollution Act to assist in the restoration of the Chesapeake Bay; S. 522, to amend the Federal Water Pollution Control Act to improve the quality of beaches and coastal recreation water; and H.R. 999, to amend the Federal Water Pollution Control Act to improve the quality of coastal recreation waters.  
 SD-406

Energy and Natural Resources  
 To hold hearings on the nomination of Curt Hebert, Jr., of Mississippi, to be a Member of the Federal Energy Regulatory Commission; and the nomination of Earl E. Devaney, of Massachusetts, to be Inspector General, Department of the Interior.  
 SD-366

10 a.m.  
 Year 2000 Technology Problem  
 To hold hearings on the impact of Year 2000 on global corporations.  
 SD-192

Foreign Relations  
 Near Eastern and South Asian Affairs Subcommittee  
 To hold hearings on the United State's policy with Iran.  
 SD-419

Judiciary  
 Business meeting to consider pending calendar business.  
 SD-628

2 p.m.  
 Energy and Natural Resources  
 Forests and Public Land Management Subcommittee  
 To hold hearings on S. 1320, to provide to the Federal land management agencies the authority and capability to manage effectively the Federal lands, focusing on Title I and Title II, and related Forest Service land management priorities.  
 SD-366

Intelligence  
 To hold closed hearings on pending intelligence matters.  
 SH-219

Finance  
 To hold hearings on the President's proposal to reform Medicare and the modernization of the current benefit package.  
 SD-106

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Judiciary  
 To hold hearings on issues relating to cybersquatting and consumer protection.  
 SD-628

2:30 p.m.  
 Foreign Relations  
 To hold hearings on the nomination of J. Brady Anderson, of South Carolina, to be Administrator of the Agency for International Development.  
 SD-419

JULY 23

10 a.m.  
 Foreign Relations  
 To hold hearings on the nomination of Michael A. Sheehan, of New Jersey, to be Coordinator for Counterterrorism, with the rank and status of Ambassador at Large.  
 SD-419

JULY 27

9:30 a.m.  
 Agriculture, Nutrition, and Forestry  
 To hold hearings on agricultural concentration and anti-trust issues.  
 SR-328A

2:30 p.m.  
 Energy and Natural Resources  
 Forests and Public Land Management Subcommittee  
 To hold hearings on S. 719, to provide for the orderly disposal of certain Federal land in the State of Nevada and for the acquisition of environmentally sensitive land in the State; S. 930, to provide for the sale of certain public land in the Ivanpah Valley, Nevada, to the Clark County, Nevada, Department of Aviation; S. 1030, to provide that the conveyance by the Bureau of Land Management of the surface estate to certain land in the State of Wyoming in exchange for certain private land will not result in the removal of the land from operation of the mining laws; S. 1288, to provide incentives for collaborative forest restoration projects on National Forest System and other public lands in New Mexico; and S. 1374, to authorize the development and maintenance of a multi-agency campus project in the town of Jackson, Wyoming.  
 SD-366

JULY 28

9:30 a.m.  
 Indian Affairs  
 To hold hearings on S. 979, to amend the Indian Self-Determination and Education Assistance Act to provide for further self-governance by Indian tribes.  
 SR-485

Energy and Natural Resources  
 Business meeting to consider pending calendar business.  
 SD-366

2:30 p.m.  
 Energy and Natural Resources  
 Water and Power Subcommittee  
 To hold hearings on S. 624, to authorize construction of the Fort Peck Reservation Rural Water System in the State of Montana; S. 1211, to amend the Colorado River Basin Salinity Control Act to authorize additional measures to carry out the control of salinity upstream of Imperial Dam in a cost-effective manner; S. 1275, to authorize the Secretary of the Interior to produce

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and sell products and to sell publications relating to the Hoover Dam, and to deposit revenues generated from the sales into the Colorado River Dam fund; and S. 1236, to extend the deadline under the Federal Power Act for commencement of the construction of the Arrowrock Dam Hydroelectric Project in the State of Idaho.

SD-366

JULY 29

2:15 p.m.

Energy and Natural Resources

National Parks, Historic Preservation, and Recreation Subcommittee

To hold hearings on S. 710, to authorize the feasibility study on the preservation of certain Civil War battlefields along the Vicksburg Campaign Trail; S. 905, to establish the Lackawanna Valley American Heritage Area; S. 1093, to establish the Galisteo Basin Archaeological Protection Sites, to provide for the protection of archaeological sites in the Galisteo Basin of New Mexico; S. 1117, to establish the Corinth Unit of Shiloh National Military Park, in the vicinity of the city of Corinth, Mississippi, and in the State of Tennessee; S. 1324, to expand the

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boundaries of the Gettysburg National Military Park to include Wills House; and S. 1349, to direct the Secretary of the Interior to conduct special resource studies to determine the national significance of specific sites as well as the suitability and feasibility of their inclusion as units of the National Park System.

SD-366

AUGUST 3

9:30 a.m.

Energy and Natural Resources

To hold hearings on S. 1052, to implement further the Act (Public Law 94-241) approving the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America.

SD-366

AUGUST 4

9:30 a.m.

Indian Affairs

To hold hearings on S. 299, to elevate the position of Director of the Indian Health Service within the Department of Health and Human Services to Assistant Secretary for Indian Health;

*July 19, 1999*

and S. 406, to amend the Indian Health Care Improvement Act to make permanent the demonstration program that allows for direct billing of medicare, medicaid, and other third party payors, and to expand the eligibility under such program to other tribes and tribal organizations; followed by a business meeting to consider pending calendar business.

SR-485

SEPTEMBER 28

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.

345 Cannon Building

## CANCELLATIONS

JULY 21

2 p.m.

Intelligence

To hold closed hearings on pending intelligence matters.

SH-219

**SENATE—Tuesday, July 20, 1999**

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

**PRAYER**

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

O God of history, You have been the guiding light for the Senate for 210 years. We trust You to lead us forward today. In the midst of the debate over crucial issues, we need Your divine intervention and inspiration. Give the Senators strength to communicate their perception of truth with mutual respect and without rancor. May they seek Your guidance in the exercise of the essence of democracy in vital debate. Help them to know that speaking the truth as they see it will contribute to a greater understanding than any one person could achieve alone. When we trust You, things go more smoothly and work gets done with greater excellence. Whatever happens to or around us today, we know we can count on You for strength in any stress and courage in any crises. We gratefully remember times when Your guidance brought consensus out of conflict and creative decisions out of discord. Thank You for the new page in the history of the Senate that will be written today.

Gracious Father, in addition to our continued prayers for the Kennedy family, today as a Senate we mourn the death of Kenneth C. Foss who worked with the Republican Policy Committee. We praise You for his brief life and his great leadership. In the name of our Lord. Amen.

**PLEDGE OF ALLEGIANCE**

The PRESIDENT pro tempore. Senator VOINOVICH is now designated to lead the Pledge of Allegiance.

The Honorable GEORGE VOINOVICH, a Senator from the State of Ohio, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

**RECOGNITION OF THE MAJORITY LEADER**

The PRESIDENT pro tempore. The able majority leader, Senator LOTT of Mississippi, is recognized.

Mr. LOTT. I thank the Chair.

**SCHEDULE**

Mr. LOTT. Today the Senate will resume debate on the motion to proceed

to the intelligence authorization bill with the cloture vote occurring at 10:30 a.m. Following the vote, Senator SMITH of New Hampshire will be recognized to make a motion to discharge from the Finance Committee S.J. Res. 28 regarding the trade status with Vietnam. Therefore, Senators can expect an additional vote prior to the weekly party caucus meetings. The Senate will recess from 12:30 to 2:15 so that the party conferences can meet and have lunch. Senator SMITH will again be recognized under a privileged resolution at 2:15 to offer a second motion to discharge from the Finance Committee S.J. Res. 27 regarding trade status with China. There will be 1 hour of debate on the motion with the vote occurring at approximately 3:15 p.m. Senators may also expect further action on the intelligence authorization bill or any appropriations bills on the calendar during today's session.

**INTELLIGENCE AUTHORIZATION**

Mr. President, there was debate yesterday on the intelligence authorization bill. Senator SHELBY, the chairman of the Intelligence Committee, and Senator KERREY, the ranking member, spoke on the importance of intelligence authorization. They have been doing good work together in a bipartisan way, as they should on matters of intelligence. This is a very important bill, one we should move forward as expeditiously as we can. Of course, the issue that is still being debated in connection with this intelligence authorization bill is, how do we deal with reorganizing the Department of Energy so we can stop the leaks that have been occurring at our labs.

There was a report in the papers just this morning that while some progress has been made in some areas, the necessary actions to stop these leaks and make sure they don't happen in the future haven't even begun. Senator DOMENICI, Senator KYL, and Senator MURKOWSKI have done real good work in this area. This should be a bipartisan solution where we get the focus at the Department of Energy rearranged in such a way that there is direct reporting so we have a quasi-autonomous agency within the Department of Energy. I hope we can still find a way to get this done because the American people understand that real damage has already been done. We should make sure, at the minimum, that it will not continue in the future. I thank my colleagues for their attention. I yield the floor.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from California.

**ORDER OF PROCEDURE**

Mrs. BOXER. I would like to take about 5 minutes to pay tribute to Congressman George Brown and to John F. Kennedy, Jr., and those who perished with him. I wonder if I could take that 5 minutes at this point. I ask unanimous consent to do that.

Mr. KYL. Mr. President, we have 1 hour this morning to debate a very serious proposition. We are prepared to do that. The time is equally divided. I would have no objection to the Senator from California taking the time from the Democratic side, but we have at least 30 minutes of conversation on our side that we want to use. We need to have a vote at 10:30 today.

**RESERVATION OF LEADER TIME**

The PRESIDING OFFICER. Under the previous order, leadership time is reserved.

There is ordered to be 1 hour of debate equally divided between the Senator from New Mexico, Mr. DOMENICI, and the Democratic leader, Mr. DASCHLE, or their designees prior to the cloture vote.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I ask unanimous consent that the Senator from California be allowed to proceed for not more than 5 minutes and that time not be taken out of the hour previously agreed to, delaying the 1-hour debate just a few minutes, and the vote would occur at 10:40 instead of 10:30.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from California.

Mrs. BOXER. I thank the Chair. I thank the majority leader for his graciousness.

**A NATION'S LOSS**

Mrs. BOXER. Mr. President, Californians have been deeply saddened and moved by a number of losses we have faced. One involves the death of the senior member of our California Democratic delegation, George Brown, who was a beloved Congressman on both sides of the aisle. As a matter of fact, one of the Republicans in the House said on his passing, if everyone was like George Brown, we would not need to go on retreats to find out how to get along better with one another.

George Brown was that kind of person. George was a man of great compassion, of great reason. He was consistent. He never changed his views according to the polls. He was a mentor

of mine when he ran for the Senate in 1970, which takes us back a long time. I very proudly worked on his campaign simply as a volunteer. He was an advocate for science and technology, and although he was 79 years old, he was an ageless person. He had so many young ideas, and he was so future oriented.

The Nation faced the tragedy that befell the Kennedy family once again with the tragic loss of John F. Kennedy, Jr., and his wife and her sister. The press was calling and asking for a comment. I said it truly is a tragedy beyond words. I think at times such as these all you can really do is pray that the family will be able to cope with a loss of such enormity.

I particularly want to spend a moment talking about my colleague, TED KENNEDY, because after all the tragedies with which the family has had to deal, TED has become a real father figure to the entire next generation of Kennedys. I know how Senator KENNEDY teaches those of us who have not been here as long as he, how he monitors us and guides us.

I can just imagine the close bond he had with John Kennedy, Jr., and what this has done to his heart. I know when he does come back, every one of us will give him our strength.

When President Kennedy died, Robert Kennedy said the following. He said:

When I think of President Kennedy, I think of what Shakespeare said in Romeo and Juliet:

When he shall die,  
take him and cut him out into stars  
and he shall make the face of heaven so fine  
that all the world will be in love with night  
and pay no worship to the garish sun.

I think when we think of John Kennedy, Jr., we will think of him sharing in those bright stars.

To close, I have a poem that was written by someone who is in her thirties. I think the words will have meaning for those who look to John, Jr., for their future. This is what it is called: "If Only We Could Have Said Goodbye."

Our special son  
the namesake he  
of honorable tradition  
to serve our great country  
Passed down through generations  
of dedicated, determined souls  
He understood our devotion  
and carried with him a nation's hope

This honor never did he shun  
In public he graced us well  
With patience he regaled us  
with tales  
Of hiding behind  
the Oval's chair,  
Or that indelible salute

We mourned together his father's fate  
While marveling his mother's grace  
These traits were passed on to Kennedy's  
own  
to John, indeed

Could he be the return of Camelot?  
We wondered  
and inside we cheered this Kennedy's fate

with the wish that he could fulfill in his time  
those hopes left so unmade

Or perhaps  
just share with us,  
a bit of the mystery, a bit of your name  
If only we could have said goodbye

Mr. President, it is a sad day across this land. Our prayers are with the Kennedy family and the Besette family.

I thank the majority leader for yielding me this time.

#### INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000—MOTION TO PROCEED—Resumed

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I thank the Chair.

I understand I am in charge of our half hour.

I say to the other side, you have a half hour on this also. We clearly would like to move back and forth with the time on each side for various speakers, but for now we have two or three speakers who have already indicated they want to address this issue. So I yield 8 minutes to the distinguished Senator from Arizona, Mr. KYL. Then, within the next 30 or 40 minutes, if Senator FRANK MURKOWSKI, the chairman of the Energy and Natural Resources Committee, desires to speak, we will give him some time. I understand the Senator from Kentucky would like to speak on our side also, so we will make time for him.

We will proceed now. I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Thank you, Mr. President.

First, I thank Senator DOMENICI for his leadership on this issue. It was really his leadership that brought this entire matter of reorganization of the Department of Energy to the fore. I appreciate his ability to predict what the President's Foreign Intelligence Advisory Board was going to be recommending to the President because indeed it was Senator DOMENICI's idea for the reorganization of the Department of Energy that eventually the Rudman board, the President's Foreign Intelligence Advisory Board—it was really that same idea that was recommended by the President's board which we have embodied in legislation that we bring to the floor.

As the leader announced a few minutes ago, at 10:40 this morning we will vote on whether to invoke cloture on a motion to proceed to the intelligence authorization bill, which will include this reorganization of the Department of Energy amendment.

This is the amendment Senator DOMENICI, Senator MURKOWSKI, and I have drafted with the purpose to halt the ongoing losses of our Nation's most sensitive military secrets from our Nation's laboratories.

As I look back over the last few months, it seems as if every week brought more news about Chinese espionage at our National Laboratories, about how the Chinese have obtained our country's nuclear secrets.

In May, the declassified version of the Cox committee report was released. It painted a sobering picture of the increased danger the United States now faces as a result of the Chinese espionage at our nuclear labs. This bipartisan committee unanimously concluded that China stole classified information on every nuclear warhead currently in the U.S. arsenal, as well as the neutron bomb—literally the crown jewels of our nuclear stockpile.

Worst still, the Cox committee noted that China also acquired other advanced American technology, including missile guidance and reentry vehicle technology, the results of developmental work on electromagnetic weapons that could be used to attack satellites and missiles, and radar technology and techniques that may someday allow China to track U.S. Navy submarines while they are submerged beneath the ocean's surface.

Chinese acquisition of this technology is particularly troublesome because the majority of its roughly 20 long-range nuclear missiles are aimed at U.S. cities. As we all know, the United States currently has no defense against missile attack.

Although one individual at the Los Alamos Laboratory, Wen Ho Lee, has been fired, Chinese espionage at our nuclear labs is presumably ongoing today. As the Cox committee stated in its report, China has engaged in a "sustained espionage effort targeted at United States nuclear weapons facilities."

Furthermore, the report notes: "The successful penetration by [China] of our nuclear weapons laboratories has taken place over the last several decades, and almost certainly continues to the present."

After the effects of China's espionage came to light earlier this year, the President asked the Foreign Intelligence Advisory Board, led by former Senator Warren Rudman, to examine why China was able to steal our nuclear secrets. The President's board released its findings in June, calling for sweeping organizational reform of the Energy Department to address what it described as "the worst security record on secrecy" that the panel members "have ever encountered."

The Presidential panel cited as the root cause of DOE's poor security record "organizational disarray, managerial neglect, and a culture of arrogance . . . [which] conspired to create an espionage scandal waiting to

happen." Terrible problems were uncovered during the panel's investigation. For example, employees at nuclear facilities compared their computer systems to automatic teller machines, allowing top secret withdrawals at our Nation's expense.

As public pressure has grown, Energy Secretary Richardson has announced various reforms; but these steps have been criticized as too little too late. In fact, the President's own advisory panel said, "We seriously doubt [Energy Secretary Richardson's] initiatives will achieve lasting success," and noted "these initiatives simply do not go far enough." In fact, though the Energy Secretary says he and his Department are on top of the situation, the Presidential panel warned that "the Department of Energy is a dysfunctional bureaucracy that has proven it is incapable of reforming itself." Instead, the panel recommended that Congress reorganize the Department.

That is what Senator DOMENICI, Senator MURKOWSKI, and I have written legislation to do, to implement this recommendation of the President's advisory group. Our proposal would gather all of the parts of the nuclear weapons program under one semiautonomous agency within the Energy Department. It would separate the nuclear weapons work at the Energy Department from the other things they do there, such as setting efficiency standards for refrigerators.

The new agency will have clear lines of authority, responsibility, and accountability, with one person in charge, who will continue to report to the Energy Secretary. This would replace the current tangled bureaucratic structure that has led to the situation where everyone is responsible so no one is responsible. This is the only way to ensure that new security and counterintelligence measures are implemented to prevent future espionage from occurring unchecked.

I am pleased that the legislation enjoys broad bipartisan support. In addition to Senator DOMENICI, who chairs the Energy and Water Appropriations Subcommittee, and Senator MURKOWSKI, who chairs the Energy Committee, it is cosponsored by the chairman and vice chairman of the Intelligence Committee, Senators SHELBY and KERREY; the chairman of the Armed Services Committee and its subcommittee chairman on Strategic Forces, Senator WARNER and Senator SMITH; the chairman of the Governmental Affairs Committee, Senator THOMPSON; the chairman of the Foreign Relations Committee, Senator HELMS; the former chairman of the Intelligence Committee, Senator SPECTER; as well as Senators FEINSTEIN, HUTCHINSON, GREGG, BUNNING, FITZGERALD, and the distinguished majority leader, Senator LOTT.

Despite Secretary Richardson's recent announcement that he is prepared

to drop his opposition to the creation of a semiautonomous agency, the reality is that he continues to oppose the core concepts underlying such an agency. Despite extensive discussions that the sponsors have had with the Secretary and his staff, he continues to oppose our legislation.

The time has clearly come for the Senate to debate and adopt strong measures to safeguard our Nation and its nuclear secrets. As my colleagues will recall, in May Senators DOMENICI and MURKOWSKI and I attempted to offer a similar amendment to the defense authorization bill which was met with a Democratic filibuster and a threat by the Energy Secretary that he would recommend the President veto the bill. In justifying his refusal to allow debate or even a vote on our amendment, the Democratic whip termed our proposal "premature" and urged the Senate to hold hearings on the measure.

Over the past 2 months, four committees of the Senate have held six hearings specifically on our amendment. Furthermore, in the time since we first offered our amendment to the defense authorization bill, the Presidential panel headed by former Senator Rudman has published its report vindicating the approach of our original amendment. It is well past time to fix the chronic problems at our nuclear weapons facilities. Failure to move forward will only further jeopardize our Nation's security.

I urge my colleagues on the other side of the aisle to rise above partisan politics, not to vote for obstruction and vulnerability but instead to vote in favor of cloture so the Senate can debate this important amendment.

Mr. DOMENICI. Mr. President, I yield 5 minutes to Senator MURKOWSKI.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I thank my friend, Senator DOMENICI.

Yesterday we had an opportunity to discuss the pending amendment at some length. I think I spoke for some 45 minutes, so I will not repeat what I said yesterday, but I am going to focus in on why we need this amendment.

This whole issue associated with the lack of security in our labs has received a lot of attention over the last several months. My committee, the Committee on Energy and Natural Resources, has held nine hearings. We had the pleasure of getting together with four other committees—the Government Affairs Committee, the Armed Services Committee, the Intelligence Committee, joining with the Energy Committee—and it was the first time we had ever assembled four committees together. We had over 30 Senators present. So there has been a good deal of time, effort, and examination on this matter.

I am very pleased to join Senator DOMENICI, Senator KYL, and a number

of other cosponsors, including Senators KERREY, LOTT, FEINSTEIN, SMITH, GREGG, HUTCHINSON, SHELBY, WARNER, BUNNING, HELMS, FITZGERALD, SPECTER, THOMPSON, and others in bringing this matter before the Senate.

We need this amendment because time is passing. This report, the Rudman report, entitled "Science At Its Best, Security At Its Worst," in effect says it all. This was the expert panel authorized by the President, a special investigative panel of the President's Foreign Intelligence Advisory Board headed by former Senator Rudman. Again, the emphasis is on the title, recognizing that science has contributed probably the best in the world at the labs, but security at its worst.

Now, why do we need this amendment? Why do we need it now? I will be very brief. I am going to give you a few quotes from the Rudman report.

Organizational disarray, managerial neglect and a culture of arrogance, both at the Department of Energy headquarters and the labs themselves, conspired to create an espionage scandal waiting to happen.

Further from the report:

The Department of Energy is a dysfunctional bureaucracy that has proven it is incapable of reforming itself.

Further:

Accountability at the Department of Energy labs has been spread so thinly and erratically that it is now almost impossible to find.

That is the key word—"accountability." We had no accountability, as we look back on the espionage charges associated with the alleged Wen Ho Lee affair, no accountability. There it is.

Further, I quote:

Never have the members of the special investigative panel witnessed a bureaucratic culture so thoroughly saturated with cynicism and disregard for authority.

Further, I quote:

Never before has this panel found such a cavalier attitude toward one of the most serious responsibilities in the Federal Government: control of the design information relating to nuclear weapons.

Further, I quote:

Never before has the panel found an agency with the bureaucratic insolence to disrupt, delay and resist implementation of a presidential directive on security.

These are but a few of the quotes from the Rudman report. These few quotes and the full report itself speak eloquently about the need for this amendment, the justification for this amendment. While considering whether to vote for or against this amendment and the motion to invoke cloture, there is really only one relevant question: Do you want to put an end to lax management practices at the Department of Energy that have contributed to the poor security? In other words, do you want to fix it? Or do you want to do everything you can to prevent espionage from occurring again, further damaging national security?



I urge Members to vote for cloture.

I ask unanimous consent that excerpts from "Science at its Best; Security at its Worst" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SELECTED EXCERPTS FROM THE PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD REPORT: SCIENCE AT ITS BEST; SECURITY AT ITS WORST: A REPORT ON SECURITY PROBLEMS AT THE U.S. DEPARTMENT OF ENERGY Findings (pp. 1-6):

As the repository of America's most advanced know-how in nuclear and related armaments and the home of some of America's finest scientific minds, these labs have been and will continue to be a major target of foreign intelligence services, friendly as well as hostile. p.1

More than 25 years worth of reports, studies and formal inquiries—by executive branch agencies, Congress, independent panels, and even DOE itself—have identified a multitude of chronic security and counterintelligence problems at all of the weapons labs. p.2

Critical security flaws—have been cited for immediate attention and resolution—over and over and over—ad nauseam.

The open-source information alone on the weapons laboratories overwhelmingly supports a troubling conclusion: their security and counterintelligence operations have been seriously hobbled and relegated to low-priority status for decades. p.2

... the DOE and its weapons labs have been Pollyannaish. The predominant attitude toward security and counterintelligence among many DOE and lab managers has ranged from half-hearted, grudging accommodation to smug disregard. Thus the panel is convinced that the potential for major leaks and thefts of sensitive information and material has been substantial.

Organizational disarray, managerial neglect, and a culture of arrogance—both at DOE headquarters and the labs themselves—conspired to create an espionage scandal waiting to happen. pp.2-3

Among the defects this panel found:

Inefficient personnel clearance programs. Loosely controlled and casually monitored programs for thousands of unauthorized foreign scientists and assignees.

Feckless systems for control of classified documents, which periodically resulted in thousands of documents being declared lost.

Counterintelligence programs with part-time CI officers, who often operated with little experience, minimal budgets, and employed little more than crude "awareness" briefings of foreign threats and perfunctory and sporadic debriefings of scientists...

A lab security management reporting system that led everywhere but to responsible authority.

Computer security methods that were naive at best and dangerously irresponsible at worst.

DOE has had a dysfunctional management structure and culture that only occasionally gave proper credence to the need for rigorous security and counterintelligence programs at the weapons labs. For starters, there has been a persisting lack of real leadership and effective management at DOE.

The nature of the intelligence-gathering methods used by the People's Republic of China poses a special challenge to the U.S. in general and the weapons labs in particular. p.3

Despite widely publicized assertions of wholesale losses of nuclear weapons technology from specific laboratories to particular nations, the factual record in the majority of cases regarding the DOE weapons laboratories supports plausible inferences—but not irrefutable proof—about the source and scope of espionage and the channels through which recipient nations received information. pp.3-4.

The actual damage done to U.S. security interests is, at the least, currently unknown; at worst, it may be unknowable.

The Department of Energy is a dysfunctional bureaucracy that has proven it is incapable of reforming itself. p. 4

Accountability at DOE has been spread so thinly and erratically that it is now almost impossible to find.

Reorganization is clearly warranted to resolve the many specific problems with security and counterintelligence in the weapons laboratories, but also to address the lack of accountability that has become endemic throughout the entire Department. p. 4

Convoluting, confusing, and often contradictory reporting channels make the relationship between DOE headquarters and the labs, in particular, tense, internecine, and chaotic.

The criteria for the selection of Energy Secretaries have been inconsistent in the past. Regardless of the outcome of ongoing or contemplated reforms, the minimum qualifications for an Energy Secretary should include experience in not only energy and scientific issues, but national security and intelligence issues as well. p. 5

DOE cannot be fixed with a single legislative act: management must follow mandate. The research functions of the labs are vital to the nation's long term interest, and instituting effective gates between weapons and nonweapons research functions will require both disinterested scientific expertise, judicious decision making, and considerable political finesse. p. 5

Thus both Congress and the Executive Branch... should be prepared to monitor the progress of the Department's reforms for years to come.

The Foreign Visitor's and Assignments Program has been and should continue to be a valuable contribution to the scientific and technological progress of the nation. p. 5

That said, DOE clearly requires measures to ensure that legitimate use of the research laboratories for scientific collaboration is not an open door to foreign espionage agents.

In commenting on security issues at DOE, we believe that both Congressional and Executive branch leaders have resorted to simplification and hyperbole in the past few months. The panel found neither the dramatic damage assessments nor the categorical reassurances of the Department's advocates to be wholly substantiated. pp. 5-6

However, the Board is extremely skeptical that any reform effort, no matter how well-intentioned, well-designed, and effectively applied, will gain more than a toehold at DOE, given its labyrinthine management structure, fractious and arrogant culture, and the fast-approaching reality of another transition in DOE leadership. Thus we believe that he has overstated the case when he asserts, as he did several weeks ago, that "Americans can be reassured: our nation's nuclear secrets are, today, safe and secure."

Fundamental change in DOE's institutional culture—including the ingrained attitudes toward security among personnel of the weapons laboratories—will be just as important as organizational redesign. p. 6

Never have the members of the Special Investigative Panel witnessed a bureaucratic culture so thoroughly saturated with cynicism and disregard for authority. Never before has this panel found such a cavalier attitude toward one of the most serious responsibilities in the federal government—control of the design information relating to nuclear weapons. Particularly egregious have been the failures to enforce cyber-security measures to protect and control important nuclear weapons design information. Never before has the panel found an agency with the bureaucratic insolence to dispute, delay, and resist implementation of a Presidential directive on security, as DOE's bureaucracy tried to do the Presidential Decision Directive No. 61 in February 1998.

*The best nuclear weapons expertise in the U.S. government resides at the national weapons labs, and this asset should be better used by the intelligence community. p. 6.*

Reorganization pp. 43-53:

The panel is convinced that real and lasting security and counterintelligence reform at the weapons labs is simply unworkable within DOE's current structure and culture. To achieve the kind of protection that these sensitive labs must have, they and their functions must have their own autonomous operational structure free of all the other obligations imposed by DOE management. *We strongly believe that this cleaving can be best achieved by constituting a new government agency that is far more mission-focused and bureaucratically streamlined than its antecedent, and devoted principally to nuclear weapons and national security matters. (emphasis in original) p. 46*

The agency can be constructed in one of two ways. It could remain an element of DOE but become semi-autonomous—by that we mean strictly segregated from the rest of the Department. This would be accomplished by having the agency director report only to the Secretary of Energy. The agency directorship also could be "dual-hatted" as an Under Secretary, thereby investing it with extra bureaucratic clout both inside and outside the Department. p. 46

Regardless of the mold in which this agency is cast, it must have staffing and support functions that are autonomous from the remaining operations at DOE. p. 46

To ensure its long-term success, this new agency must be established by statute. p. 47

Whichever solution Congress enacts, we do feel strongly that the new agency never should be subordinated to the Defense Department. p. 47

Specifically, we recommend that the Congress pass and the President sign legislation that: pp. 47-49

Creates a new, semi-autonomous Agency for Nuclear Stewardship (ANS), whose Director will report directly to the Secretary of Energy.

Streamlines the ANS/Weapons Lab management structure by abolishing ties between the weapons labs and all DOE regional, field and site offices, and all contractor intermediaries.

Mandates that the Director/ANS be appointed by the President with the consent of the Senate and, ideally, have an extensive background in national security, organizational management, and appropriate technical fields.

Stems the historical "revolving door" and management expertise problems at DOE...

Ensures effective administration of safeguards, security, and counterintelligence at all the weapons labs and plants by creating a coherent security/CI structure within the new agency.

Abolishes the Office of Energy Intelligence.

Shifts the balance of analytic billets . . . to bolster intelligence community technical expertise on nuclear matters.

Mr. MURKOWSKI. Mr. President, I yield the floor.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I ask the Senator from New Mexico, how is the time being controlled?

Mr. DOMENICI. The Senator from Nebraska has 30 minutes and has used none of it.

Mr. KERREY. Do I have to use my time to speak against or not?

Mr. DOMENICI. The Senator may speak either way.

Mr. KERREY. Mr. President I yield such time as is necessary from our side to speak in favor of the Kyl-Domenici-Murkowski amendment.

I believe this reorganization plan complements the reforms already included in our defense authorization bill as well as the reforms set forth by Secretary Richardson and that they help him achieve his mission. This plan, which is contained in this amendment, will sustain and improve the extraordinary science performed by the nuclear laboratories of the Energy Department while significantly improving security and counterintelligence.

Under this reorganization, the Secretary of Energy will set policy and maintain authority over all elements of the new Agency for Nuclear Stewardship. The agency director will then implement his policy and demand that the highest security standards are maintained within the nuclear weapons laboratories.

This plan reduces the bureaucracy that both stifles scientific endeavors and hinders security and counterintelligence at our laboratories. The agency will maintain the links between the weapons labs and other labs in parts of the Department of Energy, thereby preserving the capability to cross-fertilize science that is being performed in different programs and in different locations.

Numerous reviews that have been performed over the past 25 years by executive branch agencies, the General Accounting Office, the Congress, independent panels, and the Energy Department itself have found security wanting and lax at all of the weapons laboratories. A spate of espionage cases over the last 15 years, cases involving the potential theft of our most potent nuclear weapons designs, shows that counterintelligence at the Energy Department needs serious improvement. In recent hearings, witnesses before the Senate Select Committee on Intelligence and other committees have described the confused lines of authority, lack of accountability, and both inadvertent and conscious disregard for security concerns.

Last month the President's National Foreign Intelligence Advisory Board, the PFIAB, led by former Senator Warren Rudman, issued the latest in a long series of reports critical of security and counterintelligence at the weapons laboratories.

In its report entitled "Science At Its Best, Security At Its Worst," the PFIAB found that "organization disarray, managerial neglect and a culture of arrogance both at DOE headquarters and the labs themselves, conspired to create an espionage scandal waiting to happen."

In response to these problems, the Rudman panel calls for reorganization as necessary "to resolve the many specific problems with security and counterintelligence in the weapons laboratories but also to address the lack of accountability that has become endemic throughout the entire Department."

The new structure envisioned in this amendment strengthens the management structure overseeing the nuclear weapons laboratories. By removing the unnecessary involvement of redundant officials in the running of the labs, the new Agency for Nuclear Stewardship sets both clear lines of authority and defined lines of accountability in how the labs are managed. This helps assure that policy directives are properly and expeditiously developed, and that officials can be held accountable for success and failure related to scientific research and security measures.

No management structure, however well designed, can be effective if the personnel filling the organization chart are not up to the job. The Under Secretary for Nuclear Stewardship will be appointed by the President and subject to the advice and consent of the Senate. He or she will be required by statute to have an extensive background in national security, organizational management, and the appropriate technical areas relevant to weapons design work. This individual will be assisted within the Agency by three Deputy Directors for defense programs, nonproliferation and materials disposition, and naval reactors. To promote security throughout the Agency, the Director will be assisted by a Chief of Nuclear Stewardship Counterintelligence, a Chief of Nuclear Stewardship Security, and a Chief of Nuclear Stewardship Intelligence who will work to promote the awareness of and implement measures related to security and counterintelligence.

Under this amendment, the Under Secretary will have the necessary authority to effectively manage the Agency for Nuclear Stewardship. This Under Secretary will follow the policies established by the Secretary. The Agency's subordinate security, counterintelligence, and intelligence chiefs will follow policies developed by their corresponding Energy Department offices and approved by the Secretary.

The point here is that the Secretary remains accountable, the Secretary retains authority, and as a consequence, the Secretary retains responsibility for the work that is being done.

This amendment essentially, under statute, will remove much of the middle-level structure that has built up over the years, which has made it extremely difficult to manage and almost impossible to determine who is responsible. Despite the end of the cold war, our Nation still faces a nuclear threat, and that threat continues to grow. We must not allow the nuclear secrets paid for by the toil and ingenuity of Americans to become tools of those who may wish to harm our Nation. The new Agency for Nuclear Stewardship will help protect those secrets and keep our nuclear arsenal the most advanced and safest among nations.

Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I yield 5 minutes off our side to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. BUNNING. Mr. President, our national laboratories have become revolving doors. On the way in, you have billions of dollars from the taxpayers to research and develop the most sophisticated weapons in the world, and on the way out you have all the plans and information any country needs to build a nuclear weapon.

Unfortunately, the doors to our labs are still open. While the Department of Energy has made some cosmetic changes in their security procedures, we are still stuck with the same bureaucratic mess that created this problem.

There is no accountability. Not one person has stood up and said, "the buck stops here."—Not the lab directors—not any of the former Secretaries of Energy—not even the President has taken any responsibility for what occurred at Los Alamos Laboratory.

It is clear that our nuclear weapons programs are in desperate need of accountability, leadership, and supervision. The amendment we are debating today will provide these essential ingredients.

Mr. President, the Kyl-Domenici-Murkowski amendment, creates a new agency for nuclear stewardship, which will provide clear lines of authority and responsibility within the Department of Energy. It will be managed by an administrator who will be directly

responsible for all nuclear weapons production. Finally, someone will be able to say, "the buck stops here."

In addition, the amendment will codify an Office of Counterintelligence in the Department of Energy. The Director of this Office will have the power to create preventative programs to make sure this kind of espionage does not occur again.

The administration has proposed a number of band-aid type reforms, but none of them get to the heart of the problem. There are too many tangled lines of authority within the Department of Energy, and no one wants to take responsibility.

According to the Cox report, "the PRC's theft of nuclear secrets from our National Weapons Laboratories enabled the PRC to design, develop, and successfully test modern strategic nuclear weapons sooner than would otherwise have been possible."

Since the Chinese, who sell weapons around the world have these secrets, we can only ask who else may have this information. Iran? Iraq? Syria? North Korea?

While it is scary to think about who may have access to our nuclear secrets, it is even more frightening to think that this kind of espionage could still be going on. We need the clear lines of authority and leadership that would be established by the Kyl-Domenici-Murkowski amendment, to close the revolving door.

Mr. President, I urge all of my colleagues to vote for cloture and support this important amendment.

I yield the floor.

Mr. DOMENICI. Mr. President, might I ask the distinguished Senator, Mr. BUNNING, would he like to speak for an additional couple of minutes?

Mr. BUNNING. I have finished. I thank the Senator. I have completed my statement.

Mr. DOMENICI. Mr. President, I don't know how we are going to use the rest of the time. I will use a little bit of time. If anyone wants to speak on either side of the issue, there is some time between now and 10:40 or so when we are going to vote on cloture. I yield myself such time as I may use.

I, too, urge that everybody vote for cloture. There is absolutely no reason for us not to proceed with the intelligence bill, which has been carefully thought out. It is not my bailiwick. I am not a chairman, cochairman, or a member, but I have attended meetings with them since the breaking news about the Chinese and their involvement in gathering up very secure and secret information from the United States through our laboratories.

That bill should not be held up, and the Senate has already agreed by unanimous consent that when it comes up—the amendment we are alluding to, the amendment that has been talked about now for a number of weeks, has been

prepared in its final form for some time. It has been circulated to whom-ever needs it. It has been discussed in various committees, and it has been criticized, praised, and modified.

Before it came to the floor, it had the input from the now famous board that Senator Rudman headed with four other distinguished Americans with great expertise in the area. Their recommendations are in the amendment. We had people who know the Department and who know the Department of Defense help us draft it. It was conceived and being prepared even before the Rudman board made their final recommendations.

Personally this Senator had arrived at the conclusion that something drastic had to be done even before the report. Now we can have some time this afternoon and this evening for those who want to argue about the potency of this amendment or whether it has some shortcomings to offer amendments.

We will be meeting at about 11:30 in the leader's office with five or six Senators who have a particular interest or bipartisan interests and may have amendments. We will be meeting in the leader's office to see if we can't discuss them.

I hope Senators who have raised issues about it and who have indicated they have amendments will join us and be prepared to talk on our bill on which they have amendments, and to bring forth their ideas also.

Later in the day, if we continue to debate this issue, I will have more to say about why we need it, and I will discuss the specific provisions of this amendment in more detail.

Let me just quickly read three or four provisions that I think should dispel some of the concerns that have been raised. If they do not quite do the job, let's talk about it.

On page 2 of the amendment, for those who are wondering whether the Secretary of Energy, a Cabinet member, will still be in charge of this semiautonomous agency, when you call it "semiautonomous," it means that somebody is in control of it and, therefore, it is not autonomous. That is why semiautonomous is included as a description.

But the amendment says, first:

The Secretary shall be responsible for all policies of the agency. The Under Secretary for Nuclear Stewardship shall report solely and directly to the Secretary, and shall be subject to the supervision and direction of the Secretary.

Skipping on a bit, to page 2 of the amendment:

The Secretary may direct other officials of the Department who are not within the Agency for Nuclear Stewardship to review the agency's program and to make recommendations to the Secretary regarding the administration of such programs, including the consistency with other similar programs and activities of the Department.

There are some who want to make sure the Secretary has sufficient input, that he will have sufficient opportunity to look at what they are doing and make determinations as to the propriety of consistency with the Secretary's policies.

I think what we just said makes the case.

This morning, one of those writers who has been covering the deliberations in the Washington Post talked about the chief of nuclear stewardship counterintelligence and how there might be some inconsistency within that particular person's effort and what the Secretary's policies are on counterintelligence.

I refer to page 4 of the amendment. I read the following at the bottom of the page:

The Chief of Nuclear Stewardship Counterintelligence shall report to the Under Secretary, and implement the counterintelligence policies directed by the Secretary and the Under Secretary. The Chief of Nuclear Stewardship Counterintelligence shall have direct access to the Secretary and all other officials of the Department and its contractors concerning counterintelligence matters, and shall be responsible for. . . .

Then it proceeds to delineate for what they will be responsible.

Mr. President, how much time do we have remaining on our side, and how much remains as a whole?

The PRESIDING OFFICER (Mr. GRAMS). The Senator from New Mexico has 30 minutes 22 seconds. The Democratic time remaining is 23 minutes 12 seconds.

Mr. DOMENICI. I note Senator KYL's presence on the floor. I want to talk with him for a moment.

I am not at all sure there will be additional time used on the other side of the aisle. When Senator KERREY left the floor for other urgent business, he suggested there was not any more time on that side. I would like to yield to Senator KYL the remaining time on our side. I am very hopeful, if there is going to be a wrap-up before the vote, that we will be able to get 2 or 3 minutes from the other side, although I am not sure that is the case at this point.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, perhaps we can inquire of the Democratic side if there is no one else who wishes to speak for that time to be yielded. I can take about 3 minutes now, and we can be prepared to vote at whatever time Members are ready.

Mr. DOMENICI. I understand that is not possible. I understand there are some who are now relying upon the time that is set for the vote around 20 minutes of 11 and who may be absent from the Hill. So we can't do that.

Mr. KYL. So as not to be in an unproductive quorum call, perhaps we could yield back time so we could speak in morning business.

Mr. President, I echo one of the thoughts of Chairman DOMENICI; that is, as we consider amendments to the proposal for a semiautonomous agency that tracks the recommendations of the President's Foreign Intelligence Advisory Board, I think we need to be very careful to ensure that the spirit of the recommendation, the fundamental basis for the recommendation of the President's Foreign Intelligence Advisory Board—the so-called Rudman panel—is not in any way degrading.

That spirit, that fundamental basis, was to go directly to the heart of the criticism of the Department of Energy to date that it is incapable of reorganizing itself; that there are too many disparate groups within the Department that want control of the nuclear weapons program, or at least their particular part of control; that what is really needed within the Department, the President's panel said, was a very clear direct line of responsibility from the Secretary right down through this entire nuclear weapons program so that no one else within the Department of Energy, in effect, could get their hands on it; and that there was only one line of responsibility, and it was the Under Secretary with his authority and his responsibility to make that program work.

The amendments we have received from Members on the other side—all to one degree or another—picked that apart. They said, well, the Secretary can designate other people outside this semiautonomous agency to be in charge of certain personnel matters, or things of that sort, or we could have the Secretary interspersed between the Secretary of Energy and the Under Secretary in charge of these nuclear weapons programs.

Those kinds of structural changes may not appear to be significant on the surface, but each one of them detracts from this concept of a semiautonomous agency, which is the fundamental basis of our amendment.

It is what the President's Foreign Intelligence Advisory Board, or panel, said was the critical component of any reform to ensure that there are not other areas of responsibility.

One of the proposals is that the Under Secretary would have to have field administrative staff administering this program. That is exactly what the Rudman panel said you didn't want. That was part of this bifurcation of responsibility that was creating the problem to date—too many people having to sign off on too many different things.

The point I want to make as we are prepared to vote on whether to proceed—I gather it will be a nearly unanimous vote—with the debate and potential amendment of this legislation, to echo what Senator DOMENICI said, is that whatever amendments we consider we have to remain true to the basic

concept. You can't have a semi-autonomous agency in name but have the same old disparate responsibility in practice. That is why we are not going to be agreeing to amendments that detract from the autonomy of this structure—this semiautonomous nature of the jurisdiction of the Under Secretary.

That is going to be a critical component of this reform. We are going to have to reject all amendments, as benign sounding as they may be, that detract from that central concept.

I hope, if Members are going to present amendments, that they will understand, at least from the sponsors of the legislation, they will be met with opposition if they detract from that central principle. We are going to be standing very firm to support the President's own advisory board recommendations to the President. We hope, obviously, that the President in the end will support those as well.

My hope is, if there is no one else on the Democratic side who wishes to address this, that we can get some time yielded so we can address it from our side.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank a number of people.

We have come a long way from not knowing exactly what we ought to do to a very strong cadre of Senators in a bipartisan nature who have decided that this amendment should be adopted, and perhaps a couple of changes and technical adjustments can be made. But this is not just the work of three sponsors. I am very pleased to have been one of the three who has gathered.

I note the Armed Services Committee's input is represented in this bill and has been present at almost all the meetings in the form of the chairman, JOHN WARNER. Senator WARNER has been an integral part, along with the Armed Services Committee staff which has knowledge in this particular area.

The Intelligence Committee has been excellent. While they have conducted their hearings—and they had a heavy workload to get ready for this bill—they have taken significant time to discuss this issue and to discuss this approach.

This amendment is cosponsored by the chairman and cochairman of the Intelligence Committee. I thank Senator SHELBY, the chairman, for his fine cooperation and that of his staff, and, obviously, the presence of Senator BOB KERREY on the floor indicates he is totally cognizant, fully aware of this, and supports what we are trying to do.

In addition, obviously there has been tireless work in terms of trying to get the facts in the name of the chairman of the Energy and Natural Resources Committee. Senator MURKOWSKI of Alaska has spent a great deal of time with a very competent staff. It is small

in number but efficient and knowledgeable. They have conducted some of the best hearings on this subject matter. I am very pleased he is taking an active role. The fact he is on this bill and articulately defending the approach within the amendment is very helpful and should be helpful to the Senate.

Mr. KYL. Mr. President, I also note Senator THOMPSON, the chairman of the Governmental Affairs Committee, which has responsibility for monitoring the organization and providing oversight to the Departments of Government, is also very interested and has provided assistance. I know he wants to speak on this later today.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. I ask unanimous consent for 1 additional minute off their side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, Senator THOMPSON and his staff have been very objective. Obviously, his committee has a lot of jurisdiction to conduct hearings with reference to restructuring of anything in Government. We are very pleased he chose to join us and he chose to lend us the excellence and expertise of his staff as we put this package together.

It is a very good approach. After 20 years of actually floundering around within a bureaucracy at the Department of Energy that was very top heavy, as reported by various commissions, I am very thrilled to be in this Chamber and able to say we are going to try to do better by the most serious research and the activities which are most apt to harm us in the future if others get them. It is the national security of America and perhaps peace in the world that hangs on whether this Department can do its job right, this autonomous agency with reference to nuclear activities, and whether we can find a better way to maintain freedom for those scientists, the greatest in the world, so they will come and do their work and at the same time do a far better job of securing the secrets that are within the minds and the products that our great scientists are producing at the nuclear laboratories.

In the meantime, there are some who want to punish the laboratories. I note with some interest the appropriations bill in the House from the subcommittee that is supposed to fund our nuclear activities. Obviously, it has been reduced so dramatically I am not at all sure they can function. I do not know if that is a function of not having enough money or a function of saying: Let's do something about the fact that we are worried about security.

That is not the way to do it. The way to do it is to adopt this amendment in both Houses, send it to the President, and get started with the task, for the first time in 22 years, of trying to set

up an appropriate semiautonomous agency to do our nuclear work, to conduct the activities of our nuclear laboratories.

I have been asked by the leader, unless my colleagues have an objection, to ask unanimous consent that all the time be considered used on both sides of the aisle and the cloture vote occur at 10:40 this morning. This means we will go into a quorum call, and anybody who wants to can call off the quorum and speak. Is that fair enough to the Senator from Idaho?

Mr. CRAIG. It is.

Mr. DOMENICI. I propose that unanimous consent request I just articulated.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Idaho.

Mr. CRAIG. Mr. President, I thank the Senator from New Mexico and the Senator from Arizona for their leadership on the issue of our laboratories and our concern about nuclear weapons security and the work they have done and the vote that will soon be taken in the Senate on that effort. It is of prime national importance.

#### TRIBUTE TO KENNETH CHRISTOPHER FOSS

Mr. CRAIG. Mr. President, I come to the floor of the Senate this morning to report a sad event to my colleagues. This past Saturday, July 17, I received news of the untimely death of Kenneth Christopher Foss, one of the analysts on the staff of the Republican Policy Committee, of which I am chairman. He was 29 years old and had been a lifelong sufferer of diabetes.

Since assuming the RPC chairmanship in 1996, I had gotten to know Ken very well. Most recently, I had worked very closely with him on legislation affecting Second Amendment rights. As anyone who knew Ken can attest, he was not a man to compromise on principle. He was an extraordinary individual who stood on solid moral and conservative principles. In an age of relative values and indifference to truth, he will be sorely missed. For Ken, devotion to principle was not an option, it was an imperative.

Ken's achievements during his all-too-short time in the Senate and on Earth were truly remarkable. He began his career with former Senator Dan Coats, first as an intern and then as a staff assistant. He moved over to the RPC during the chairmanship of my predecessor, Senator DON NICKLES.

Many of my colleagues may not fully be aware of Ken's contributions to the operation of the committee's in-house cable television facility, channel 2, which we all know is an indispensable tool for Senators and their staffs to keep abreast of floor action. This past year, Ken was the backbone of channel 2 as its manager.

In addition, he had shouldered the increased responsibility of a constantly growing list of issues as a policy analyst, including guns, education, alcohol and tobacco, drugs, immigration, American flag protection, census "sampling", prosecutorial ethics and asset forfeiture, and adoption, among others.

For Ken, these were not just a list of bureaucratic responsibilities at the RPC—they were to him truly a passion, objects of his deeply held commitment to justice, the rule of law, and the truest values of the American Republic. I might add, his passion extended to the issue of Puerto Rican statehood, where his position was diametrically opposed to mine. Though he was gentleman enough not to be obvious about it, it was very clear to me where he stood.

Whatever he worked on, he was meticulous and thorough. Whatever his task, he was the first to volunteer for the heavy lifting, to collect all the background, to consult all the authoritative sources, to do all the detailed reading and analysis, to become a walking library on the issue at hand. As anyone who has been to what we call the "big room" at the RPC or down to his basement station at channel 2 in the Capitol, known as "the cave," Ken's desk was a veritable archive, testimony to both his devotion to duty and to his active mind.

I want to mention two matters in particular that define Ken and his work in the Senate. To say that Ken was devoted to defending American rights under the Second Amendment is a masterpiece of understatement. As one of the bumper stickers displayed on his desk puts it: "A man with a gun is a citizen; a man without a gun is a subject." For Ken, those were words by which to live. Ken had a keen devotion to the concept of ordered liberty under constitutional government and the reciprocal rights and duties of the citizens, especially armed citizens. Whatever the gun-related issue—concealed-carry laws, instant background checks, mandatory trigger locks, or any other efforts to circumvent our founders' clear words—Ken was Horatio at the bridge. His assistance to me during the recent debate on gun show restrictions was invaluable. He will be sorely missed by me certainly, and by the Nation.

Second, it would be impossible to talk about Ken Foss without mentioning his devotion to the unique cultural heritage of the South, and especially his native State, the Commonwealth of Virginia. In all he did, in his stubborn unwillingness to forsake a cause that he thought was just, he was constantly following, and consciously following, in the footsteps of famous Virginians of the past upon whom he looked as role models: George Washington, Patrick Henry, George Mason, Robert E. Lee, Stonewall Jackson. Philosophically in agreement with the

antifederalism of Mason and Henry, Ken really did believe that eternal vigilance is the price of liberty, and his tireless work reflected that conviction.

His love of Virginia and of the South extended from honoring and emulating the great names of the past and "Sic Semper Tyrannis," the motto of the State of Virginia on the screen-saver on his computer, to his fondness for Allman's barbecue down in Fredericksburg, southern rock music, and Alabama football.

Ken prized the distinctive heritage of his State and his region and was afraid that in our modern, homogenized world, we were losing an irreplaceable part of a precious cultural patrimony. In his passing, Virginia and the South have lost a true son, and the Nation is, I think, poorer for it.

Ken is survived by his parents, Gary and Andra Foss, and by his brother Eric. I am sure I speak for all my colleagues in expressing our condolences to his family. Ken's father, Gary Foss, is director of the Fredericksburg Christian School.

In closing, I should mention that Ken's dedication in his nonprofessional life extended no less to the principles of Christian education and the Reformed tradition. For Ken, service to God, to his church, to his parents, to his fellow man was an expression of the same qualities he demonstrated in his professional life. Whether it was the Ten Commandments or the Constitution, Ken knew his duty and inspired others to respond to the call.

This is how I remember him, and this is how I believe he will be remembered. We will all miss Ken Foss.

I yield the floor.

Mr. NICKLES. Mr. President, I wish to join my colleague and friend, Senator CRAIG, in making a few comments about a friend of ours—both of ours—Ken Foss, who passed away this past Saturday.

His passing is a real loss to the Senate and a real loss to this country. He was a very dedicated member of the Senate family, a person with whom I had the pleasure of working for several years. When I was chairman of the Policy Committee, I got to know Ken Foss. He started his career when he worked for Senator Coats, starting in 1990 or 1991. He did good work for Senator Coats, and was an asset to our former colleague's staff.

In 1992, I stole him from Senator Coats' office because he had great talent, and great promise; and he quickly became an integral part of our team at the Policy Committee.

I was fortunate enough to be chairman of the Policy Committee from 1991 to 1996, and blessed to know this energetic person who had a real love affair with this country and a real love affair with history. Ken was energetic. He worked with a lot of zeal, a lot of passion, and a lot of real belief.

I remember him working in the Policy Committee as a person who always did his homework. On any issue, he did his research, and he knew his subject. I remember also his dedicated work in the cave, down in the basement of the Capitol, doing television work, keeping Members—all Members—apprised of what was going on on the floor. He was one of the individuals on whom you could count to give an update of what was happening on the floor, what was happening politically, what was happening substantively, what was happening procedurally, keeping colleagues and staff fully informed and ready to act when the time came.

I remember one time traveling to Richmond, VA, to speak at a GOP gathering—actually a State convention. It was an effort to try to bring the party together after a somewhat divisive campaign. Ken was my guide to all the party officials, from those with high rank to those whom we never hear much about, but make our party work. His understanding and devotion to the Virginia State Republican party was strong, and unwavering, and Virginia benefited from his dedication and hard work.

But his political knowledge was equaled, and exceeded, by his vast storehouse of knowledge about Virginia history. He knew more on this subject than any person I have ever met. From the beginning of the Commonwealth as a colony of England, to the present day, you had no better guide than Ken. When you are talking about Civil War battlefields, which I happen to be interested in, my small knowledge paled in comparison to Ken Foss's. And all this information, from school children to the elderly, inspiring many whom he met.

As all of our colleagues know, we are renovating the Rotunda. I had the pleasure earlier this year of making my second or third trip to see the Rotunda in my Senate career. Of course, Ken Foss wanted to participate in that, and he climbed all the way to the top with us. All of us on that tour certainly enjoyed his presence that morning, because, again, his ability to be able to illuminate history, going back to Washington, going back to the founding of our country, and explaining various facts about our Capitol, was certainly informative and reminded us all of what a resource the Capitol is to tell our country's story to her citizens.

To Ken Foss's family, to his father and mother, to his brother, to his countless friends, to his colleagues in the Senate, certainly he will be missed by all of us. We deeply appreciate his dedication to the Senate. We wish to extend our condolences and sincere sympathies to his family and to his friends.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ENZI). Without objection, it is so ordered.

#### INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000—MOTION TO PROCEED—Continued

##### CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order and pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

##### CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to H.R. 1555, the intelligence authorization bill:

Senators Trent Lott, Pete V. Domenici, Paul Coverdell, Jesse Helms, Chuck Hagel, Judd Gregg, Slade Gorton, Craig Thomas, James Inhofe, Frank H. Murkowski, Jon Kyl, Jim Bunning, Tim Hutchinson, Connie Mack, Rick Santorum, and Richard Shelby.

##### CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

##### VOTE

The PRESIDING OFFICER. The question is, is it the sense of the Senate that debate on the motion to proceed to H.R. 1555, the intelligence authorization bill, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY) is necessarily absent.

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 212 Leg.]

##### YEAS—99

Abraham	Cleland	Gorton
Akaka	Cochran	Graham
Allard	Collins	Gramm
Ashcroft	Conrad	Grams
Baucus	Coverdell	Grassley
Bayh	Craig	Gregg
Bennett	Crapo	Hagel
Biden	Daschle	Harkin
Bingaman	DeWine	Hatch
Bond	Dodd	Helms
Boxer	Domenici	Hollings
Breaux	Dorgan	Hutchinson
Brownback	Durbin	Hutchison
Bryan	Edwards	Inhofe
Bunning	Enzi	Inouye
Burns	Feingold	Jeffords
Byrd	Feinstein	Johnson
Campbell	Fitzgerald	Kerry
Chafee	Frist	

Kohl	Moynihan	Shelby
Kyl	Murkowski	Smith (NH)
Landrieu	Murray	Smith (OR)
Lautenberg	Nickles	Snowe
Leahy	Reed	Specter
Levin	Reid	Stevens
Lieberman	Robb	Thomas
Lincoln	Roberts	Thompson
Lott	Rockefeller	Thurmond
Lugar	Roth	Torricelli
Mack	Santorum	Voinovich
McCain	Sarbanes	Warner
McConnell	Schumer	Wellstone
Mikulski	Sessions	Wyden

##### NOT VOTING—1

Kennedy

The PRESIDING OFFICER. On this vote the yeas are 99, the nays are 0. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

#### DISAPPROVING THE EXTENSION OF THE WAIVER AUTHORITY CONTAINED IN SECTION 402(c) OF THE TRADE ACT OF 1974 WITH RESPECT TO VIETNAM—MOTION TO DISCHARGE

The PRESIDING OFFICER. Under the previous order, the Senator from New Hampshire, Mr. SMITH, is recognized to offer a motion to discharge the Finance Committee of S.J. Res. 28, on which there shall be 1 hour of debate, equally divided.

The Senator from New Hampshire is recognized.

Mr. SMITH of New Hampshire. Mr. President, pursuant to the Trade Act of 1974, and the rules of the Senate, I make a privileged motion that the Senate Committee on Finance be discharged from further consideration of Senate Joint Resolution 28, a resolution disapproving the President's June 3, 1999, waiver of freedom of emigration requirements for Vietnam as a condition for expanded U.S. trade benefits.

Before going into that, Mr. President, on behalf of the leader, I ask unanimous consent that the time accorded to the majority leader on the two motions—the one on China and the one on Vietnam—be allocated to the Senator from New Hampshire, Mr. SMITH.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH of New Hampshire. Mr. President, I further ask unanimous consent that the vote with respect to trade with Vietnam be postponed to occur in a stacked sequence following the vote with respect to trade with China.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH of New Hampshire. I yield the floor, Mr. President.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I yield as much time as he should desire to my distinguished chairman and friend, the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. I thank the Senator from New York. I also express my appreciation for the cooperation of my good friend, the Senator from New Hampshire.

PRIVILEGE OF THE FLOOR

Mr. ROTH. Mr. President, I ask unanimous consent that Holly Vineyard, a Finance Committee detailee from the Department of Commerce, be granted floor privileges during the pendency of S.J. Res. 27 and S.J. Res. 28.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I rise today in opposition to Senator SMITH's motions to discharge the Finance Committee of S.J. Res 27 and 28. These resolutions would overturn the President's extension of the Jackson-Vanik waiver authority with respect to China and Vietnam.

I can understand Senator SMITH's desire to have the Senator consider and debate these resolutions. Our economic relationship with these countries is clearly worth our attention.

This, however, is not the time for such a debate. There is a process already underway in the House on these resolutions that we should allow to continue. The Ways and Means Committee has already reported out these resolutions—both adversely, I might add. Floor action in the House on both these measures is already planned for the next few weeks. With the House ready to act, there is no reason for us to undercut that process by taking these matters up at this time.

If the House does pass either of these resolutions, then the Senate should consider them on their merits. On the issue of China, I will be ready, along with many of my colleagues, to discuss why maintaining normal trade relations with that country is in our national interest. In short, there are—and there will continue to be—areas of significant disagreement between our two nations. But the record is clear that our commercial relationship with China has been good for our economy. It has also helped bring about positive change in China.

On the issue of Vietnam, I look to my colleagues, Senators JOHN KERRY, MCCAIN, BOB KERREY, HAGEL, ROBB, and CLELAND. These Senators—all Vietnam veterans—support the Jackson-Vanik waiver. In their view, the President's waiver has helped in resolving the problems we have had with Vietnam on emigration.

While these are my views, in brief, a more substantive discussion of these issues should come at a later time. Until the House acts, we should complete our work on the matters already

before us. After all, the motions to discharge the committee are effectively motions to proceed to the resolutions themselves. That means, under the Jackson-Vanik statute, 20 hours of floor debate on each measure. That also means putting off our consideration of the appropriations bills.

For these reasons, I urge my colleagues to vote against Senator SMITH's motions.

Mr. MCCAIN. Mr. President, I oppose Senator SMITH's motion to discharge from the Senate Finance Committee his resolution disapproving of the extension of the Jackson-Vanik waiver for Vietnam. I do so because I believe the House should properly act first on a measure of this nature, because the Committee should be afforded the opportunity to render judgment on Senator SMITH's resolution before it is taken up by the full Senate, and because Vietnam's Jackson-Vanik waiver, like China's Normal Trade Relation status, is too important to fall victim to the political currents buffeting the Senate at this time.

Procedurally, the Senate has traditionally reserved consideration of Jackson-Vanik waivers and the granting of Normal Trade Relation status until after the House has acted. As my colleagues know, the House Ways and Means Committee has unfavorably reported the House resolutions of disapproval for both Vietnam's Jackson-Vanik waiver and China's Normal Trade Relation status. These measures are scheduled for floor action in the House. The Senate should not rush to judgment on either of these measures until the House has voted on them. Indeed, the Senate has over 40 remaining days under the statutory deadline for action on the waiver.

Substantively, the Jackson-Vanik amendment exists to promote freedom of emigration from non-democratic countries. The law calls for a waiver if it would enhance opportunities to emigrate freely. Opportunities for emigration from Vietnam have clearly increased since the President first waived the Jackson-Vanik amendment in 1998. The waiver has encouraged measurable Vietnamese cooperation in processing applications for emigration under the Orderly Departure Program (ODP) and the Resettlement Opportunity for Vietnamese Returnees agreement (ROVR).

The Jackson-Vanik waiver has also allowed the Overseas Private Investment Corporation (OPIC), the Export-Import Bank (EXIM), and the Department of Agriculture (USDA) to support American businesses in Vietnam. Withdrawing OPIC, EXIM, and USDA guarantees would hurt U.S. businesses and slow progress on economic normalization. It would reinforce the position of hard-liners in Hanoi who believe Vietnam's opening to the West has proceeded too rapidly.

Let me assure my colleagues that I harbor no illusions about the human

rights situation in Vietnam. There is clearly room for improvement. The question is how best to advance both the cause of human rights and U.S. economic and security interests. The answer lies in the continued expansion of U.S. relations with Vietnam.

Although the Jackson-Vanik waiver does not relate to our POW/MIA accounting efforts, Vietnam-related legislation often serves as a referendum on broader U.S.-Vietnam relations, in which accounting for our missing personnel is the United States' first priority. Thirty-three Joint Field Activities conducted by the Department of Defense over the past six years, and the consequent repatriation of 266 sets of remains of American military personnel during that period, attest to the ongoing cooperation between Vietnamese and American officials in our efforts to account for our missing service men. I am confident that such progress will continue.

Just as the naysayers who insisted that Vietnamese cooperation on POW/MIA issues would cease altogether when we normalized relations with Vietnam were proven wrong, so have those who insisted that Vietnam would cease cooperation on emigration issues once we waived Jackson-Vanik been proven wrong by the course of events since the original waiver was issued in March 1998.

The Jackson-Vanik amendment was designed to link U.S. trade to the emigration policies of communist countries, primarily the Soviet Union. The end of the Cold War fundamentally restructured global economic and security arrangements. As the recent expansion of NATO demonstrated, old enemies have become new friends. Moreover, meaningful economic and political reform can only occur in Vietnam if the United States remains engaged there.

Last year, I initiated a Dear Colleague letter to members of the House of Representatives signed by every Vietnam veteran in the Senate but Senator SMITH, who has opposed every step in the gradual process of normalizing our relations with Vietnam over the years. There are those in Congress, including Senator SMITH, who remain opposed to the extension of Vietnam's Jackson-Vanik waiver. But they do not include any other United States Senator who served in Vietnam and who, as a consequence, might be understandably skeptical of closer U.S.-Vietnam relations.

That body of opinion reminds us that, whatever one may think of the character of the Vietnamese regime, such considerations should not obscure our clear humanitarian interest in promoting freedom of emigration from Vietnam. The Jackson-Vanik waiver serves that interest. Consequently, I urge my colleagues to oppose Senator



SMITH's extraordinary motion to discharge consideration of his resolution from the Finance Committee.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, on behalf of the minority of the Finance Committee, I want to associate myself wholly with the remarks of our chairman.

This is not the time to engage in protracted debate on the Senate floor over our economic relations with China and Vietnam. The Finance Committee has not yet had an opportunity to consider the disapproval resolutions that the Senator from New Hampshire seeks to discharge. Nor has the House acted on the companion measures. It will do so later this month. If the motions to discharge the Finance Committee are approved, the Senate will be committing itself, as the Trade Act of 1974 provides, to 20 hours of debate on Vietnam and 20 hours of debate on China. The Senate's time is better spent on other matters.

The Senator from New Hampshire has moved to discharge the Finance Committee from further consideration of Senate Joint Resolution 27 and Senate Joint Resolution 28. Let us be clear what is at issue here. S.J. Res. 27 and S.J. Res. 28 disapprove of the President's decision of June 3, 1999 to extend for another year his waiver of the so-called "Jackson-Vanik" amendment as it applies to China and Vietnam, respectively.

A bit of history is in order. The Jackson-Vanik amendment was the vision of Senator Henry M. Jackson of Washington, who, in 1972, first proposed:

... an unprecedented measure to bring the blessings of liberty to these brave men and women who have asked only for the chance to find freedom in a new land.

"Scoop" Jackson's amendment was precipitated by the decision of the Soviet Union, in August 1972, to assess exorbitant fees on persons wishing to emigrate. Cloaked as "education reimbursement fees" or "diploma taxes," the Soviet authorities argued that emigrants owed an obligation to reimburse the Government for their free education, since, by reason of their departure, the emigrants would no longer put their education to use for the benefit of Soviet society.

The exit taxes applied to all emigrants, but affected primarily Soviet Jews wishing to emigrate to Israel or the United States. Thus was born the Jackson-Vanik amendment. Representative Charles Vanik of Ohio was the chief sponsor in the House. The amendment—Section 402 of the Trade Act of 1974—provides that no country shall be eligible to receive Normal Trade Relations tariff treatment or to participate in any United States Government programs that extend credit or credit guarantees or investment guarantees if that country:

(1) denies its citizens the right or opportunity to emigrate;

(2) imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; or

(3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice.

Under the law, the President may waive these restrictions if he determines that:

... such waiver will substantially promote the objectives of this section ... and he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives of this section.

The United States has granted NTR status to China since 1980, on the basis of a waiver of the Jackson-Vanik provisions. Vietnam does not yet enjoy NTR status, but, since 1998, when the President first waived the Jackson-Vanik requirements, U.S. exports to Vietnam and investment projects in that country have been eligible for certain U.S. Government credits and credit and investment guarantees issued by the United States Export-Import Bank, the Overseas Private Investment Corporation and the United States Department of Agriculture.

The issue before the Senate, then, is whether the Senate agrees with the President's assessment of the emigration policies and practices of China and Vietnam. At stake are our economic relations with those countries.

The first point to be made is that the authors of the Jackson-Vanik amendment had neither China nor Vietnam in mind when they drafted their provision. The amendment was a creature of the Cold War, and is today an anachronism in many respects.

The President's June 3, 1999 report to the Congress, which accompanied his determination to extend the Jackson-Vanik waiver to China for another year, made the following points:

In FY 1998, 27,776 U.S. immigrant visas were issued to Chinese nationals abroad, up slightly from FY 1997 ... and up to the numerical limitation under U.S. law ...

The principal constraint on increased emigration continues to be the capacity and willingness of other nations to absorb Chinese immigrants rather than Chinese policy.

On Vietnam, the President reported the following:

Overall, Vietnam's emigration policy has liberalized considerably in the last decade and a half. Vietnam has a solid record of cooperation with the United States in permitting Vietnamese to emigrate. Over 500,000 Vietnamese have emigrated as refugees or immigrants to the United States under the Orderly Departure Program (ODP), and only a small number of refugee applicants remain to be processed.

The President reported particular progress in the so-called ROVR program—the Resettlement Opportunities

for Vietnamese Returnees program—formalized in 1997 to facilitate the emigration of Vietnamese who were still in asylum camps in Southeast Asia or who had recently returned to Vietnam.

As the President noted in his June 3, 1999 report:

After a slow start, processing of eligible cases under the ROVR program accelerated dramatically in 1998 and is now near completion. As of June 1, 1999, the [Government of Vietnam] had cleared for interview 19,975 individuals, or 96 percent of the ROVR applicants.

Given these findings, I would submit that the President's determination to waive the Jackson-Vanik freedom-of-emigration provisions with respect to both China and Vietnam was fully in accordance with the law. I urge my colleagues to vote against the motion to discharge the Finance Committee from further consideration of the disapproval resolutions: there is no need to take the Senate's time at this point.

Mr. HELMS. Mr. President, the able Senator from New Hampshire is to be commended for bringing to the attention of the Senate the issue of normal trade relations with the communist regimes of China and Vietnam.

Few Senators have so steadfastly opposed communism in East Asia as Senator BOB SMITH. During this decade when it has been fashionable to declare the cold war over and just forget about the billion-plus people who continue to suffer under communist oppression, Senator SMITH has remained firm in his commitment to freedom in East Asia and that is why he is bringing these motions before the Senate today.

And on that score, I join Senator SMITH in support of the policies that he is emphasizing here today—that of denying normal trade status to Communist China and Vietnam. The Senator is right on the mark. Neither of these illegitimate regimes merits this honor. Mr. President, too often, in our search for trade dollars, we neglect to ask ourselves: With whom are we doing business?

Well, let's ask.

We are dealing with a communist regime in China that has illegitimately held power for 50 years. The same regime, in fact, that killed so many U.S. soldiers in the Korean war. The same regime that has killed tens of millions of its own people since 1949. And the same regime that has consistently identified the United States as the number one obstacle to its strategic agenda.

Supporters of the engagement theory dismiss all of this. They say that normal trade with China is in the U.S. interest and, in any event, will change China's behavior for the better. Reality has yet to catch up with the theory. Red China's behavior continues to be unacceptable and it is difficult to see which U.S. interests are being served by trade-as-usual with this regime.

This year, as in the past, there is voluminous evidence to contradict the claims of the engagement theorists. Whether it be national security issues or human rights, the picture in China is even bleaker than it was a year ago, the exact opposite of what the engagement theorists have predicted.

For starters, we have the Cox Committee's revelations of China's massive pilfering of our nuclear secrets. At a minimum, the Cox report has laid waste to the notion of China as a strategic partner. And the orchestration of anti-American riots by the Chinese government in May has reminded us that the true colors of the communist regime remain unchanged.

Meanwhile, China continues its reckless foreign policies that engagement was supposed to help moderate. In March, ace reporter Bill Gertz revealed that despite its promises to the Clinton administration, China continues to proliferate weapons of mass destruction to fellow rogue regimes around the world.

In February, the Pentagon reported that China is engaged in a massive buildup of missiles aimed at the democratic country of Taiwan.

Similar to national security issues, human rights have also regressed after another year of normal trade with China. The State Department itself was forced to admit this in April in its annual Country Reports on Human Rights Practices. Even on the economic front, where one might expect some benefits to accrue to America from trade with China, the yield is minimal. In 1998, American exports to Communist China were just \$14 billion, less than one-fifth of one percent of GNP and fifty percent less than we export to democratic Taiwan.

The picture in Vietnam is similar. That country is still run by the same communist autocrats as when the U.S. trade relationship resumed in 1994. These, of course, were the same revolutionaries who killed 58,000 Americans in the Vietnam war. Meanwhile, the Vietnamese people today still don't enjoy any real freedoms of speech, assembly, religion or political activity. The Vietnamese government continues to put up roadblocks to emigration for Montagnards and other citizens who wish to escape the misery and tyranny of Communist Vietnam. The economy is still a socialist mess, riddled with bureaucracy and corruption.

And yet again, Mr. President, we cannot stand here today and honestly claim that the Vietnamese government has provided a full accounting of our missing soldiers from the Vietnam war.

The bottom line, Mr. President, is that granting normal trade relations to China and Vietnam has purchased precious little for the United States and we ought to revoke the status for both countries.

But while I support Senator SMITH from a policy point of view, I cannot

agree with the method that is being used here today. I am concerned that utilizing a motion to discharge these resolutions infringes on the prerogatives of the committee of jurisdiction, in this case the Finance Committee. Thus, I cannot support these motions.

However, given the gravity of the underlying policy issues, I would strongly encourage the Committee on Finance to report out Senate Joint Resolutions 27 and 28 so that the Senate can debate these important measures.

Mr. SMITH of New Hampshire. Mr. President, I thank Senator HELMS for his support of both the motion to discharge on the Vietnam issue, as well as the China issue.

Mr. President, I yield myself 15 minutes. In response to my colleague from Delaware regarding what has happened in the past on the differences between the House and the Senate on such resolutions, I state for the record that the Trade Act of 1974, which is the item in question, on procedures in the Senate regarding discharges, says:

If the Senate passes a resolution before receiving from the House of Representatives a joint resolution that contains the identical matter, the joint resolution shall be held at the desk pending receipt of the joint resolution from the House.

So there is absolutely no problem whatsoever in having the Senate deal with this. In the past, the Senate has deferred action on the Jackson-Vanik waivers, according to Senator ROTH, and the House has acted first. But we don't have to wait for the House to pass anything to act on it. It is clearly within the act of 1974. And so, with all due respect, I am not trying to assume any powers that aren't in the act itself.

I also want to respond to the point that Chairman ROTH made in which he said: Until the House acts, there is no need to defer action on the critical matters currently before the Senate. Indeed, House action may moot the need to take up these resolutions at all.

Let me also point out that should the discharge motion prevail, there is no attempt by me to bring this up immediately and get into the Senate's time. If the majority leader and minority leader determine they want to take this up at another time other than today or tomorrow or even this week, that is perfectly all right with me. I am not in any way trying to interrupt the Senate schedule. There is simply an hour equally divided on these motions. So it will take 2 hours of the Senate's time and that is it, as far as I am concerned today. Unless the leaders decide they want to take it up now, that would be OK.

Also, regarding critical matters before the Senate, China has been in the news a lot lately, to say the least, and if the situation in China in terms of the human rights violations, the spy scandal, and all the other things that

have gone on—if that is not a critical matter to bring before the Senate, I guess I am not sure what critical is. I believe it is critical, and I think it should be discussed.

In spite of that, should the leaders determine this should not be discussed today, tomorrow, or next week, I am amenable to whatever schedule the majority leader would like to work out to bring this matter to the floor for the 20 hours of debate, which would follow if the discharge resolution prevails.

For the information of my colleagues, the discharge motion I have made as a sponsor of S.J. Res. 28 is a privileged matter and in accordance with the Trade Act of 1974. I am very pleased to have the distinguished chairman of the Foreign Relations Committee, Senator HELMS, as a cosponsor of this resolution.

The discharge motion now before the Senate is in order under the 1974 Trade Act simply because more than 30 days have expired since I introduced it on June 7, 1999. And to date, the resolution has not been reported by the Finance Committee. I am sure it is not being reported because, respectfully, the chairman disagrees with me on this. He has every right to not report it, and I respect that. But I also have the right to discharge it.

What is S.J. Res. 128 in layman's terms, and why do I want my colleagues on both sides to allow this bill to be discharged and placed on the Senate calendar? It is a fair question and I want to answer directly.

Under section 402 of the Trade Act of 1974, Communist countries—in this case the Socialist Republic of Vietnam—are not eligible to participate, either directly or indirectly, in U.S. Government programs that extend credit or investment guarantees if the country denies its citizens the right or opportunity to emigrate, if it denies its citizens the right to emigrate, if it imposes more than a nominal tax on emigration and visa papers, and more than a nominal tax, levies a fine, fee, or other charge on any citizen as a consequence of that citizen's desire to emigrate or leave their country. In other words, if a citizen is taxed to leave, or denied the right to leave, then this is what the Trade Act is all about.

Simply put—and this would not surprise many colleagues, I hope—Vietnam severely restricts the rights of its citizens to have the opportunity to emigrate. It has done so since the fall of Saigon, and it continues to do so. Corruption and bribery by Vietnamese officials is rampant with respect to those desperately trying to get out through the application process. Many of these people bring their life savings, some of them borrowing money to get out, and then after the money is confiscated they are still denied.

That is why Vietnam has historically not been eligible to take advantage of

American taxpayer-funded programs which subsidize business deals between American companies and the Communist Government agencies in Hanoi; that is, until last year. It is very important.

When President Clinton decided to use the section of this same Trade Act of 1974 which allows him to grant a waiver of Jackson-Vanik, the freedom of immigration requirement, if he determines that such a waiver will "substantially promote the objections of this section," which, as I said, is to ensure that countries do not impose more than a nominal tax fee or fee to immigrate and they don't hinder the human rights—if the President determines that there are no human rights violations, or no fees beyond nominal fees to get out processing, then we grant this waiver.

But the question is: Is that true? I don't think it is.

I would like to have the opportunity—which is all I am asking for in this discharge motion—to prove that on the floor of the Senate. I know there are 20 hours equally divided. I don't need 10 hours, but I would like to have a little time to prove it. I hope my colleagues will respect me on that.

The President cannot use the waiver unless he has received assurances that the immigration practices of that country will henceforth lead substantially to the achievement of the objectives I just outlined before, such as stopping bribery and corruption by Communist officials. But the President's use of this waiver authority with regard to Vietnam has been in effect now for a little over a year.

My colleagues should understand that we now have the opportunity to go back and look over the past several months and make an informed judgment about whether the President's waiver of the freedom of immigration requirement during this period has actually resulted in "substantial promotion" in Vietnam's human rights records on immigration matters.

If you believe it has, then you should not be afraid to come to the floor and debate me on it whenever the leader decides to bring it here. You will have the opportunity to vote against a disapproval resolution I have introduced with Senator HELMS to nullify the President's waiver. But why would you? Why would you be afraid to stand up and defend it? If you think that everything is fine and that all of these policies have not been violated, then come to the Senate floor and debate me, and we will see who wins on that point.

If you think President Clinton should not abuse this waiver based on Vietnam's performance, if you think President Clinton should have instead insisted that Vietnam actually comply with the freedom of immigration standards, then you would vote for this

discharge. You would vote for S.J. Res. 28, and ultimately you would vote against granting the waiver.

However—this is important—in order to have the debate on the resolution, in order to carry out our constitutional duty under article I, section 8, to regulate trade matters with foreign nations, we need to discharge the bill and bring it to the floor.

I want to point out, because sometimes we forget we took an oath to the Constitution of the United States, it says in article I, section 8, that "Congress shall have Power to . . . regulate Commerce with Foreign Nations . . ." It is pretty clear.

If there is some difference of opinion as to a particular law regarding commerce with foreign nations, then we ought to have the opportunity to debate it on the floor. That is all I am asking in this resolution. It is that simple. As I said in my "Dear Colleague," whether you support or whether you oppose the actual underlying resolution, you should at least be willing to support having a debate on the measure.

That is all I am asking: Could we have a debate on it, instead of leaving the bill bottled up in the Finance Committee where it automatically becomes effective. Come down, make your arguments, and allow me to make mine. That is what the American people expect us to do. Then we will have a vote after a few hours of debate.

I have studied it. People say there are so many other important things. I am not too sure about that. In the case of Vietnam, we still have MIA matters unresolved. We have foreign businesses that are going to make huge profits if we allow all of these things to go on. We have Vietnamese citizens in this country who escaped and who have had a lot of their earnings confiscated. They sent them over there to try to get their families out. What happened? The Vietnamese Government confiscated the money, and then they did not let the family members out.

I have been going over this a lot over the past several months. I have heard from countless Vietnamese Americans all across this country in all 50 of our States. They have family members and friends in Vietnam, many of whom fought alongside the United States during the Vietnam war. I want to tell you their stories. I want to share the stories of these people who have tried so hard to get their loved ones out after they themselves have been able to escape. But I can't do it in half an hour. I can't do it in 30 minutes. I need the time to do it so we can make an intelligent decision on this waiver that the President has granted.

Every Member of the Senate needs to hear these accounts of persecution and corruption that many Vietnamese continue to experience at the hands of Communist Government officials

throughout that nation. Some of them have been forced to pay bribes into the thousands of dollars, and even after they paid the bribes, they have been denied the right to emigrate. I want to tell you those stories.

I have also heard from our staff who are assisting refugees in Southeast Asia who are trying to help these Vietnamese. I want to share with you all of what they have been telling me. But I am not going to be able to get into any serious level of detail on these matters if 51 of my colleagues prevent me from debating this on the Senate floor.

Mr. President, how much time have I used?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. SMITH of New Hampshire. I thank the Chair.

Let me say up front that I am a Vietnam veteran who feels very strongly about this issue. Some of my colleagues neglect to mention that when they are talking about Vietnam veterans. But I am one in the Senate. However, there are others, such as the junior Senator from Massachusetts, who is here today, and the senior Senator from Arizona, who disagree with me. That is fine. I asked them, and the four other Vietnam vets in the Senate—indeed, every Member in the Senate—not to duck the debate, to come down and debate me, to have a good debate, and then let the Senate decide based on what they hear. But let's not bottle this up in the Senate Finance Committee. Vote to let this debate take place. Come down and participate. I look forward to debating you. It is going to take a little bit of the Senate's time. It is worth it. It is the taxpayers' money that is being used. People's lives are being affected. Good American citizens, who have family members in Vietnam, have a right to have this heard on the Senate floor.

I am not asking people to vote with me on the underlying resolution. I am just asking people to give me a chance to debate it and make a decision. It might take an afternoon. It might take an evening. I am certainly not going to use 10 hours, but I am prepared to do this in detail at whatever time the majority leader says so. I think we owe the American people that. I think it is wrong to prevent this debate.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Mr. President, I yield 5 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. I thank the Senator from Montana.

Mr. President, I rise to oppose the effort of the Senator from New Hampshire whose efforts on this are long and untiring. I respect his commitment to the opposing point of view, but I disagree with him, as I know a number of my colleagues do.

I agree with the procedural arguments that the distinguished chairman of the Finance Committee has made. On the merits of the issue, I strongly support the President's decision to renew the waiver of the Jackson-Vanik amendment for Vietnam. There is no question that overturning that waiver would have serious consequences—negative consequences—for our bilateral relations with Vietnam and for our larger interests in the region.

The United States has very important interests, as we know. One is for obtaining the fullest possible accounting of American servicemen missing from the war. That still remains the first priority of our relationship. But in addition to that, we have interests in promoting freedom of immigration, promoting human rights and freedoms, and encouraging Vietnam to maintain its course of economic reform and to open its markets to American and to other companies.

We also have important political and strategic interests in promoting the stability of the often volatile region of Southeast Asia, as well as in balancing some of the interests of China in the region, and clearly our relationship with Vietnam is important in that effort. These interests, in my judgment, dictate that we should maintain a very active presence and a very effective working relationship with all of the countries in the region, including Vietnam.

The real question to be asked is, How do you promote the most effective relationship in the region, and with Vietnam? It is, in my judgment, not by denying Vietnam trade and other benefits of interaction with the United States, nor do we do it by engaging them in an incremental process of building an effective and mutually beneficial policy of engagement.

Some of us have been engaged in this issue for a long time in the Senate. I have been involved in it for the 15 years I have been here.

As the former chairman of the POW/MIA committee that set up the policy whereby we began to get some answers to the questions regarding our missing servicepeople, let me just say that there is one clear fact that is irrefutable. For 20 years we denied a relationship. For 20 years we didn't engage. For 20 years we refused to build the kind of cooperative effort in which we are currently engaged. For those 20 years after the war, we didn't get any answers at all regarding our missing. The fact is that it was under President Reagan and President Bush that we began a process of engagement. President Bush and General Scowcroft moved us carefully down that road, and President Clinton has continued that policy of eliciting from the Vietnamese the kind of cooperation that has provided the answers to many families in this country about their loved ones who are missing in Vietnam.

I have recounted that progress many times in this Chamber. I don't intend to go through it again now, in the interest of time. Let me just emphasize one very important point.

Last year, those who opposed the waiver of the Jackson-Vanik amendment suggested as one of the arguments for opposing it that POW/MIA accounting was going to stop or it would decrease. In fact, the opposite is true. Their predictions of dire impact last year have proven wrong, just as the predictions that, by being more hard-line and not involving ourselves with them, we would get answers have proven wrong.

The Vietnamese have continued to conduct bilateral and unilateral investigations and document searches and to cooperate in the trilateral investigations. Leads that might help resolve outstanding discrepancy cases continue to be investigated by the Vietnamese and the American teams. In fact, the waiver of the Jackson-Vanik amendment last year served as an incentive for continued progress on immigration. As a result, the processing of our applicants under the orderly departure program and the ROVR program have continued to the point that we are extraordinarily satisfied.

Although progress in the area of human rights is not everything we want it to be, even liberalization has continued over the last year, as evidenced by increased participation in religious activities, Vietnamese access to the Internet, 60 strikes by workers, including strikes against state-owned enterprises, as well as the release of 24 prisoners of conscience.

If we overturn the Jackson-Vanik waiver, in my judgment and in the judgment of Senator McCain, Senator Bob Kerrey, Senator Chuck Robb, and Senator Hagel, and others who have served, we run the risk of setting back progress on these issues as well as negating the current extraordinary progress on the bilateral trade agreement, which I believe is extraordinarily close to being signed.

Our step-by-step approach to normalizing relations is working, and it is in keeping with the many interests of our Government that I have expressed. I believe we should stay the course and therefore oppose the efforts of the Senator from New Hampshire.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Mr. President, I yield 4 minutes to the Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I rise to urge my colleagues to vote against the motion to discharge the Committee on Finance from further consideration of the resolution disapproving the extension of the Jackson-Vanik waiver for Vietnam.

The chairman of the Committee on Finance, Senator Roth, has explained why this is a premature and unneces-

sary motion because the underlying resolution is privileged, and if the House passes either resolution, then the full Senate would be required to take up the resolution. It is expected that the full House will vote on the measure soon. So let's keep our attention on the very important and timely legislation currently being considered by the Senate.

But I also want to stress that even if this were the right time to consider the Jackson-Vanik waiver, the Senate should not adopt a resolution of disapproval. Although it is often forgotten in the debate over normal trade relations, the Jackson-Vanik waiver's chief objective is promoting freedom of emigration.

The President extended Vietnam's Jackson-Vanik waiver because he determined that doing so would substantially promote greater freedom of emigration in the future in Vietnam. I support this determination because of Vietnam's record of progress on emigration and on Vietnam's continued and intensified cooperation on U.S. refugee programs.

According to testimony by the U.S. Ambassador to Vietnam, Pete Peterson, Vietnam's emigration policy has opened considerably in the last decade and a half. As a consequence, over 500,000 Vietnamese have emigrated as refugees or immigrants to the United States under the Orderly Departure Program, and only a small number of refugee applications remain.

So on the merits, the waiver is justified. But I also believe that since it was first granted in March 1998, the Jackson-Vanik waiver has been an essential component of our policy of engagement and has directly furthered progress with Vietnam on furthering U.S. policy goals. Goals which include, first and foremost, accounting for the missing from the Vietnam war—our MIAs, promoting regional stability, improving respect for human rights, and opening markets for U.S. business.

I support the President's decision because I continue to believe, and the evidence supports, that increased access to Vietnam leads to increase progress on the accounting issue.

Resolving the fate of our MIAs has been, and will remain, the highest priority for our government. This nation owes that to the men and the families of the men that made the ultimate sacrifice for their country and for freedom.

In pursuit of that goal, I have traveled to Vietnam three times and I held over 40 hours of hearings on the issue in 1986 as chairman of the Veterans' Committee. The comparison between the situation in 1986 and today is dramatic.

In 1986, I was appalled to learn that we had no first hand information about the fate of POW/MIAs because we had no access to the Vietnamese government or to its military archives or

prisons. We could not travel to crash sites. We had no opportunity to interview Vietnamese individuals or officials.

In 1993, opponents of ending our isolationist policy argued that lifting the trade embargo would mean an end to Vietnamese cooperation. This is distinctly not the case. American Joint Task Force—Full Accounting (JTF—FA) personnel located in Hanoi have access to Vietnam's government and to its military archives and prisons. They freely travel to crash sites and interview Vietnamese citizens and officials.

During the post-embargo period, the Vietnam Government cooperated on other issues as well, including resolving millions of dollars in diplomatic property and private claims of Americans who lost property at the end of the war.

The Jackson-Vanik waiver has helped the U.S. government influence Vietnam's progress toward an open, market-oriented economy. It has also benefited U.S. companies by making available a number of U.S. Government trade promotion and investment support programs that enhance their ability to compete in this potentially important market. And I hope that soon our trade negotiators will be able to complete a sound, commercially viable trade agreement with Vietnam that will further expand market opportunities for American companies.

Before I close, let me urge my colleagues who may be unsure about their vote to consult with the U.S. Ambassador to Vietnam, Pete Peterson. Ambassador Peterson, a Vietnam veteran who himself was a prisoner of war, and who also served in the House of Representatives, has been a tireless advocate of U.S. interests in Vietnam. With his background and experience, his counsel should be trusted.

I urge my colleagues to vote against the motion to discharge.

Mr. HAGEL. Mr. President, I associate myself with the remarks of my friend and colleague, the distinguished Senator from Massachusetts. I oppose this motion to discharge S.J. Res. 28 from the Finance Committee. I oppose this for both procedural and substantive reasons.

Under the Constitution, the House of Representatives must initiate all tax, trade, and revenue measures. The Senate has always deferred to the House to take first action on Jackson-Vanik waivers because they are tax-and-trade measures.

On July 1, the House Ways and Means Committee voted out the House version of this resolution with a negative recommendation. The House will soon take up that resolution. I expect the full House to repeat its vote of last year and defeat that resolution.

Last year, the House defeated 260 to 163 a resolution to disapprove the President's Jackson-Vanik waiver for

Vietnam. If the House should pass either the China or Vietnam resolution, the Senate would then take up that resolution. The motions to discharge the Finance Committee of these two resolutions are inappropriate and premature.

The comments made by the distinguished Senator from Massachusetts, in my opinion, capture the essence of this issue. Vietnam is still an authoritarian government. Much progress yet needs to be made. But it is the opinion of many of us that the best way to encourage that progress and to lead that progress is to engage. That means open not just dialog, but opportunities. History has been rather clear that commerce is the one bridge, the one vehicle that has done the most over the hundreds and thousands of years of human history to accomplish these issues we still must deal with—human rights issues, immigration issues and, certainly, as the Senator from Massachusetts opened his speech, the MIA issue.

There is not a Senator in this body, certainly none of us who served in Vietnam, who does not take that as a serious responsibility. I think this approach is a mistaken approach but well-intended. I salute my friend and colleague from New Hampshire for his efforts, but I believe it is taking us down the wrong path.

I am proud to stand with Ambassador Pete Peterson and the other five Vietnam veterans in the Senate to support the Jackson-Vanik waiver for Vietnam. The other Senate Vietnam veterans are: Senators MCCAIN, JOHN KERRY, BOB KERREY, ROBB, and CLELAND.

Is Vietnam a Jeffersonian Democracy and a full market economy? Of course not. But Vietnam has made progress. We should nurture that progress, not turn back the clock.

It is ironic that we would undermine our modest trade relationship with Vietnam at this time. Ambassador Barshefsky is in the final stages of negotiating a trade agreement that would substantially open Vietnam's market. We should support her efforts to open Vietnam's markets and promote economic reform.

The Jackson-Vanik waiver for Vietnam primarily benefits Americans, not Vietnamese. It allows the U.S. Export-Import Bank and the Overseas Private Investment Corporation to support American exports and jobs.

This is not about normal trading relations or expanding access to the U.S. market. We not yet provide NTR status to Vietnam, although Vietnam provides NTR status to the United States.

We can only have normal trading relations with Vietnam if we conclude an agreement that would increase U.S. access to the Vietnamese market. That would be the time to debate whether it serves our Nation's interest to have normal trade relations with Vietnam.

The Jackson-Vanik amendment was all about trying to apply leverage on

the Soviet Union in the 1970s to increase Jewish emigration. The Soviet Union no longer exists. But it was written into permanent law to affect all "non-market economies," including Vietnam.

Is Vietnam perfect? No, far from it. But look how far Vietnam has come and U.S.-Vietnam relations have come in five short years:

Before 1994, the U.S. and Vietnam had no political or economic relations;

In January 1994, JOHN MCCAIN and JOHN KERRY offered an amendment calling for and end to the U.S. economic embargo on Vietnam;

In February 1994, President Clinton followed the lead of the Senate and ended the U.S. trade embargo;

In July 1995, the President granted diplomatic recognition to Vietnam;

In April 1997, the Senate confirmed our first Ambassador to Vietnam, Pete Peterson; and

In March 1998, the President waived the Jackson-Vanik law and permitted our trade promotion agencies to operate in Vietnam. This has always been the first step to full compliance with the law, the negotiation of a trade agreement, and the establishment of normal trading relations.

The Senator from New Hampshire honestly believes that turning back the clock of the last five years is a better policy than engagement. I respect the Senator's views, but believe that his position is simply wrong.

I will not engage in the debate on whether emigration from Vietnam is totally free. Vietnam itself is not totally free. Far from it. But there has been tremendous improvement.

In fiscal year 1998, 9,742 Vietnamese were granted immigrant visas to the United States under the "Orderly Departure Program." The State Department expects that number to rise to 25,000 this year and 30,000 next year.

In the last 15 years, 500,000 Vietnamese have immigrated to the United States, and very few refugees remain to be processed. As a result of the first Jackson-Vanik waiver granted last year, Vietnam's cooperation on immigration matters has intensified.

The State Department expects that processing will be completed for all special caseloads, including the Orderly Departure Program [ODP] and the Resettlement Opportunity for Vietnamese Returnees [ROVR] programs.

Again, we must consider how to encourage Vietnam to do even more to open up its society, its economy and its political system. Do we encourage openness through isolation? No, we spread American values through economic, cultural and political contact between our two peoples.

I urge defeat of this motion, and I yield back the remainder of my time. I thank the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH of New Hampshire. Mr. President, I say to my colleague from Nebraska, with respect, if there is information and evidence which indicates that Vietnam or China—but, in this case, Vietnam—was not following the spirit and intent of Jackson-Vanik, why does my colleague oppose the opportunity to have me present that information to the Senate? We may respectfully disagree after looking at all the information, but it seems to me a reasonable request on my part to discharge this. To not discharge it, I say to my colleagues, bottles it up, does not give us the opportunity to debate it, does not give me the opportunity to present to my colleagues information I have that will show dramatically that that is not the case.

I only have, at the most, 15 minutes, so let me do it as quickly as I can with the facts at my disposal. I regret very much I am not going to get the opportunity, unless my colleagues support me on this.

This is a memorandum from the Joint Voluntary Agency that runs the Orderly Departure Program in Bangkok, July 14, 1999:

REQUEST FOR REFUGEE STATISTICS AND  
ASSESSMENT OF ODP CASES

Corruption and Bribery by the Vietnamese Government: Although ODP has no formal statistics . . . over the years we have received and continue to receive communications from ODP applicants that point to consistent and continuing cases of bribery, extortion and other kinds of malpractice. . . .

Re-education Camp Detainee Caseload: At the present rate of granting interview permission, we do not expect Re-education Camp Detainee Caseload to be completed by the end of [the] Fiscal Year. . . .

Contact With the Montagnards: Prior to March, 1998, people from this ethnic group experienced tremendous difficulties communicating with ODP . . . Since March, 1998, contact with the Montagnards has continued to be limited. The Socialist Republic of Vietnam has made it clear they do not want ODP to contact applicants directly. . . .

I do not have the time to get into this. I want to take the time. Please give me that opportunity. This is the Joint Voluntary Agency that runs the Orderly Departure Program in Bangkok. They do not have an ax to grind with anybody. They are trying to do their job. My colleagues are not going to give me the time, if you defeat my motion to discharge, to bring this information to the forefront.

Let's look at another one. This is a memorandum from the Joint Voluntary Agency, Orderly Departure Program, American Embassy, Bangkok, July 14, 1999:

REQUEST FOR REFUGEE STATISTICS AND  
ASSESSMENT OF ODP CASES

The Socialist Republic of Vietnam has frequently determined applicants did not meet ODP criteria, despite our confirmation that they did; many applicants are still awaiting interview authorization . . . As of July 9th, there are 3,432 ODP refugee applicants and 747 ROVR applicants awaiting Vietnamese

Government authorization for interview . . . ODP has continually received requests from applicants for assistance in dealing with local officials; many applicants originally applied to ODP as long ago as 1988 but have yet to be given authorization by the Vietnamese Government to attend an interview.

Impact of Jackson-Vanik Waiver: It would not appear that Jackson-Vanik had a telling impact on ODP activities . . . Staff [of the Joint Voluntary Agency] are of the opinion that there has been little, if any, indication of improvement in the Vietnamese Government's efforts to deal with remaining ODP cases.

If given the opportunity, I will present to you that evidence. I do not have time in another 5 or 6 minutes.

This is from the State Department, Dewey Pendergrass, most recent Orderly Departure director and current director of Consular Services in Saigon, November 24, 1998. Listen to what the State Department is saying. Because they support MFN with China, because they are not paying any attention to ODP, they do not care about these people who are trying to desperately get their loved ones out and paying exorbitant fines and fees and still cannot get them out. Listen to what he says and then tell me you do not want to give me opportunity to debate this:

Generally speaking, I would discourage any dialogue with the U.S. Catholic Conference or the International Catholic Migration Commission, or any of the other refugee advocacy organizations, on Vietnamese refugee processing . . . You are dealing here with true believers.

My God, true believers. They want to get these people out. They are trying to get them out of Vietnam. They are trying to stop the persecution so they are labeled "true believers." What is wrong with that? This is a State Department official. This is a memo we are not supposed to have:

I would not try to explain why we are doing what we are doing. From long and unhappy experience, I can assure you that you do not want to get mired in a "dialogue" with these guys . . .

Of course not; if you get mired in a dialog, you will find out the truth. God forbid we find out the truth. Let's sweep it all under the rug. Let's make sure we get most-favored-nation treatment for this communist dictator group that tramples on the human rights of its own people, refuses to give us answers still on our missing service personnel, and we are going to sweep this under the rug.

Dewey Pendergrass from the State Department says this. Let's finish it:

As I said, these are true believers, and they are fighting at this very moment to expand refugee processing as we near the completion of the residual caseload . . . I'm sounding paranoid here, right? Believe me, I know whereof I speak . . . I really am not exaggerating. Again, I recommend that you do not meet with them, not explain, not apologize, regardless of any professional courtesy you may think is due. Just send the polite acknowledgment.

The State Department, which is there to help these people, is making those kinds of comments. It is an absolute insult, and the man should be fired on the spot.

To: Joint Voluntary Agency.  
From: Orderly Departure Program, Bangkok.

Subject: JVA Failure to Destroy Denied Amerasian Files Over Two Years Old as Instructed by Department of State.

So now we are going to destroy files to make darn sure that if they have any opportunity to get out, they will not be able to get out. Amerasians are children of American servicemen and Vietnamese women:

The Department has asked me to determine the reason for JVA's failure to destroy the old files on Amerasian cases denied over two years ago as instructed. I note that JVA has been instructed in writing to perform this task several times—

To destroy these files.

I am hoping that you will be able to provide me with a satisfactory reason why these specific directions have not been carried out.

He is chewing somebody out because they did not destroy these files on people who are desperately trying to make contact with their fathers, their loved ones.

The goal of these reports is simple: to tell the truth about human rights conditions . . . These reports form the heart of United States human rights policy, for they provide the official human rights information based upon which policy judgments are made. They are designed to provide all three branches of the Federal Government with an authoritative factual basis for making decisions . . .

Testimony before Congress.

The 1998 country Reports on Human Rights Practices: Vietnam. Released February 26, 1999, by the U.S. State Department:

The Socialist Republic of Vietnam is a one-party state rule and controlled by the Vietnamese Communist Party. The Government's human rights record remains poor.

Poor, yet it is supposed to be good—it is not excellent—to have a waiver.

There were credible reports that security officials beat detainees. Prison conditions remain harsh. The Government arbitrarily arrested and detained citizens. . . .

I say to my colleagues, give me the opportunity to get into the details on this before we vote. All I am asking is to discharge this so I can get on the floor and get into the details of these kinds of abuses.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Six minutes, 25 seconds.

Mr. SMITH of New Hampshire. In the same report:

Citizens' access to exit permits frequently was constrained by factors outside the law such as bribery and corruption. Refugee and immigrant visa applicants to the Orderly Departure Program sometimes encountered local officials who arbitrarily delayed or denied exit permits. . . . There are some concerns that some members of the minority



ethnic groups, particularly nonethnic Vietnamese, such as the Montagnards, may not have ready access to these programs. The Government denied exit permits for emigration to certain Montagnard applicants.

And on and on:

Vietnam's Politburo has issued its first-ever directive on religion, in an apparent bid to tighten Communist Party control over the clergy and over the places of worship. Although no religions are mentioned by name, the directive, published in the official *Nhan Dan* daily, targets the unofficial Buddhist Church and the Catholic Church.

Unofficial. Interesting.

Banned practices include organizing meetings, printing and circulating bibles, constructing and renovating places of worship. . . The Communist Party strictly controls all religious matters in Vietnam and many members of the Buddhist Church and the Catholic Church are presently in detention or under house arrest.

French Press Agency of Hanoi, July 8, 1998.

I say to my colleagues, we need to expose this. Why would you deny me the opportunity to bring this matter to the floor? I urge you, please give me the opportunity to get into these matters in the time allocated under the rules. Yes, it is 20 hours equally divided, 10 hours each. Will I use 10 hours? Absolutely not; a couple hours probably would do it.

If my colleagues are not familiar with these issues, it will open their eyes. I have very specific details about what is happening to these people. If Senators oppose me and they do not believe it, then come down here and present the alternative information for my colleagues and let our colleagues make the choice. But give me the opportunity by supporting me on this discharge. Do not let it stay bottled up.

That is the rule, and I respect the rule. The rule is, it stays there. If the Finance Committee does not discharge it, it goes away. I know that. That is why I am trying to discharge it. It goes away in the sense that the Jackson-Vanik waiver is granted because the burden is on us to prove otherwise. I want that opportunity, but I cannot get it if you leave it buried in the Finance Committee and do not discharge it. That is not a full debate.

Help me look at the issue. The bill needs to be put on the Senate calendar so we can have debate. I repeat, if my colleagues missed it, I am not trying to take the Senate's time. If there is something else the leaders want out here, that is fine. I will work out something with the leaders where we can do 20 hours equally divided at any time the leader thinks it is appropriate.

Also, when we delegate waiver powers to the President—let me go back to the Constitution of the United States, article I, section 8—we lose our constitutional prerogative. We have the right to debate this. Do not give up our constitutional prerogative to debate it. Do not be afraid to come out on the

floor and challenge me on what I have to offer. I welcome it. I look forward to it.

I hope no one will come down here and say: Let's have the House kill this first so we do not have to be accountable to the voters. That is basically the pitch being made by my friend, the chairman of the Finance Committee: Let's have the House kill the bill first, and then there will not be any need for us to debate it at all.

Vote for the discharge motion. Let's get on with the debate, under the time agreement we will be bound by, and then the Senate can make an informed judgment and go on record in favor or in opposition as to whether President Clinton's waiver of freedom of emigration requirements, in the context of our trading with Vietnam, is appropriate or not. That is all I am asking.

I pray this body will not put the concerns about business profits or most favored nation over principle. Support the discharge motion. Give me the opportunity to make these cases.

I ask unanimous consent to have printed in the RECORD a letter from John Sommer of The American Legion written to Congressman Philip Crane, the chairman of the Subcommittee on Trade, Committee on Ways and Means, in support of discharge.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,  
Washington, DC, June 22, 1999.

Hon. PHILLIP M. CRANE,  
Chairman, Subcommittee on Trade, Committee  
on Ways and Means, House of Representatives,  
Longworth HOB, Washington, DC.

DEAR MR. CHAIRMAN: It is unacceptable to The American Legion for the United States to put business concerns over the fate of Vietnamese citizens who fought alongside us during the Vietnam war, and who have sacrificed so much for so long and are still unable to freely emigrate to this country.

The American Legion recognizes that the U.S. business community is concerned with maintaining and strengthening economic ties in Vietnam, but we cannot let these commercial interests take precedence over the destiny of our former allies who assisted us and are still loyal to our cause. The retention of the Jackson-Vanik waiver can be a powerful sign to show that we honor our commitments to human rights.

Obstacles continue to exist on the road to free emigration for Vietnamese who want to come to the United States and other countries in the free world. Ethnic groups that were allied with the Americans during the war, namely the Montagnards, and former employees of the U.S. government are still discriminated against by the Vietnamese government when applying and processing through the Resettlement Opportunities for Vietnam Returnees program (ROVR), the Orderly Departure Program (ODP), and others.

What better way to show that we truly are committed to allowing those Vietnamese who have remained faithful to the United States to emigrate than by denying U.S. exporters to Vietnam access to U.S. Government credits. This would be a powerful signal that we demand increased progress and cooperation on the part of the Vietnamese government.

The American Legion strongly urges you and sub-committee members to not grant the Jackson-Vanik waiver for this year.

JOHN F. SOMMER JR.,  
Executive Director.

Mr. SMITH of New Hampshire. Mr. President, I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I yield 5 minutes to the distinguished Senator from Arizona.

Mr. MCCAIN. I thank the Senator from Montana for yielding me time.

Mr. President, just a few facts. We process 96 percent of the ROVR applications. Last year we processed only 78 percent. The Jackson-Vanik waiver is working. Almost 16,000 applicants have been granted admission to the United States. Today there are only 79 outstanding ROVR cases. Last year there were 1,353 outstanding cases.

Mr. President, I oppose this motion to discharge from the Senate Finance Committee. It disapproves the extension of the Jackson-Vanik waiver for Vietnam. I do so because I believe the House should properly act first on a measure of this nature, because the committee should be afforded the opportunity to render judgment on Senator SMITH's resolution before it is taken up by the full Senate, and because Vietnam's Jackson-Vanik waiver, like China's normal trade relation status, is too important to fall victim to the political currents buffeting the Senate at this time.

As we all know, procedurally, the Senate has traditionally reserved consideration of Jackson-Vanik waivers and the granting of normal trade relation status until after the House has acted. As my colleagues know, the House Ways and Means Committee has unfavorably reported the House resolutions of disapproval for both Vietnam's Jackson-Vanik waiver and China's normal trade relation status. These measures are scheduled for floor action in the House. The Senate should not rush to judgment on either of these measures until the House has voted on them. Indeed, the Senate has over 40 remaining days under the statutory deadline for action on the waiver.

Substantively, the Jackson-Vanik amendment exists to promote freedom of emigration from non-democratic countries. The law calls for a waiver if it would enhance opportunities to emigrate freely. Opportunities for emigration from Vietnam have clearly increased since the President first waived the Jackson-Vanik amendment in 1998. The waiver has encouraged measurable Vietnamese cooperation in processing applications for emigration under the Orderly Departure Program and the Resettlement Opportunity for Vietnamese Returnees agreement, ROVR.

The Jackson-Vanik waiver has also allowed the Overseas Private Investment Corporation, the Export-Import



Bank, and the Department of Agriculture to support American businesses in Vietnam. Withdrawing OPIC, EXIM, and USDA guarantees would hurt U.S. businesses and slow progress on economic normalization. It would reinforce the position of hard-liners in Hanoi who believe Vietnam's opening to the West has proceeded too rapidly.

Let me assure my colleagues that I harbor no illusions about the human rights situation in Vietnam. There is clearly room for improvement. The question is how best to advance both the cause of human rights and U.S. economic and security interests. The answer lies in the continued expansion of U.S. relations with Vietnam.

Although the Jackson-Vanik waiver does not relate to our POW/MIA accounting efforts, Vietnam-related legislation often serves as a referendum on broader U.S.-Vietnam relations, in which accounting for our missing personnel is the United States' first priority. Thirty-three Joint Field Activities conducted by the Department of Defense over the past 6 years, and the consequent repatriation of 266 sets of remains of American military personnel during that period, attest to the ongoing cooperation between Vietnamese and American officials in our efforts to account for our missing servicemen. I am confident that such progress will continue.

It really does not serve much of a purpose for us to have divided opinion on the degree of Vietnam cooperation. We should rely on the opinion of the U.S. military who are there on the ground in Vietnam doing the job. Invariably, they will attest to the cooperation, despite perhaps the hopes of others. They will attest that the fact is the Vietnamese are providing full cooperation as far as resolution of the Vietnamese POW/MIA issues. Again, do not take my word for it; take the word of the American military who are on the ground doing the job.

Just as the naysayers who insisted that Vietnamese cooperation on POW/MIA issues would cease altogether when we normalized relations with Vietnam were proven wrong, so have those who insisted that Vietnam would cease cooperation on emigration issues once we waived Jackson-Vanik been proven wrong by the course of events since the original waiver was issued in March 1998.

The Jackson-Vanik amendment was designed to link U.S. trade to the emigration policies of communist countries, primarily the Soviet Union. The end of the Cold War fundamentally restructured global economic and security arrangements. As the recent expansion of NATO demonstrated, old enemies have become new friends. Moreover, meaningful economic and political reform can only occur in Vietnam if the United States remains engaged there.

Last year, I initiated a Dear Colleague letter to Members of the House of Representatives, signed by every Vietnam veteran in the Senate, except Senator SMITH, who has opposed every step in the gradual process of normalizing—I ask for 1 additional minute.

Mr. BAUCUS. I yield 1 minute to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, the Dear Colleague letter to Members of the House of Representatives was signed by every Vietnam veteran in the Senate except Senator SMITH, who has opposed every step in the gradual process of normalizing our relations with Vietnam over the years.

There are those in Congress, including Senator SMITH, who remain opposed to the extension of Vietnam's Jackson-Vanik waiver. But they do not include any other U.S. Senator who served in Vietnam and who, as a consequence, might be understandably skeptical of closer U.S.-Vietnam relations.

That body of opinion reminds us that, whatever one may think of the character of the Vietnamese regime, such considerations should not obscure our clear humanitarian interest in promoting freedom of emigration from Vietnam. The Jackson-Vanik waiver serves that interest. Consequently, I urge my colleagues to oppose Senator SMITH's extraordinary motion to discharge consideration of his resolution from the Finance Committee.

I yield the floor.

Mrs. FEINSTEIN. Mr. President, I rise in opposition to the motion made by the Senator from New Hampshire to discharge S.J. Res. 27, which would disapprove of the President's recommendation of normal trade relations with China, from further consideration by the Committee on Finance.

My opposition to this motion is based both on procedural grounds as well as my opposition to the policy goals advocated by the proponents of this motion.

Aside from these procedural questions raised by this motion—whether the Senate should act in advance of the House and whether the committee should be discharged of this resolution before it has the opportunity to give it full consideration—which have been eloquently addressed by the chairman and ranking member of the Finance Committee, there is also a real factual question raised by this motion which must also be addressed.

The factual question is this: Is it in the U.S. interest to continue to extend normal trade relations to China?

In my view it is.

The United States extends NTR to all but a handful of rouge states: North Korea, Afghanistan, Cuba, Laos, and the Former Republic of Yugoslavia (Serbia and Montenegro). Even Iraq and Iran—two countries which the

United States is trying to isolate—currently have NTR. Placing China on a short list or rouge nations to whom we deny NTR would be an irreversible step in the wrong direction and a severe blow to the national interest of the United States.

Let us remember, we do not extend NTR to China as a favor to China, but because maintenance of NTR with China is in our national interest.

It is in our national interest as a matter of simple economics. The United States benefits from, and should continue to foster, free and fair trade with China.

In 1991, United States-China bilateral trade totaled \$25 billion. Last year it was close to \$85 billion. In 1991 China was our eighth largest trading partner. Today it is our fourth, and still moving up fast. U.S. trade with China supports hundreds of thousands of American jobs. Revoking China's NTR status would be shooting ourselves in the foot.

Indeed, for my state, California, the growth of trade relations with China over the past decade has been just as dramatic. In 1998, exports to China and Hong Kong together were California's fourth largest export destination. In 1998, while California's total exports declined 4.17%, due to the Asian financial crisis, our exports to China (not including Hong Kong) increased 9.28%.

Critics of United States-China trade relations may argue that even though U.S. exports to China have more than doubled in the past decade, Chinese exports to the U.S. have gone up even faster, resulting in a sizable trade deficit. I would reply that this underscores the importance of normalizing and improving our trade with China through continued NTR: U.S. companies must get continued and better access to emerging Chinese markets.

Extension of NTR is in our national interest because the United States will benefit by the further integration of China into the world trading system. The stakes are huge. Extension of NTR is a necessary precursor for Chinese accession to the WTO, which presents us an historic opportunity to integrate China—soon to be the world's largest economy—into the international trading system.

Extension of NTR is in our national interest because having China in the world trading system levels the playing field. The WTO's system of reporting, compliance, and dispute resolution would require China to play by same rules all WTO members follow.

Extension of China's NTR status is in our national interest because history has shown us that, despite the turmoil of the past few months, U.S. trade and engagement with China has encouraged economic, political, and social change in China. These changes have improved the living standards for millions of Chinese and reduced cold-war tensions.

Those who are serious about seeing China continue to change will understand and realize that extension of NTR is the best course of action for the U.S. to follow.

There is no question that China's political system remains undemocratic. But we should not fail to acknowledge the progress that has been made over the past two decades, thanks in part to the leverage provided by U.S. trade. To acknowledge this change is not to minimize the real problems that do exist; it is only to recognize that changes are taking place, and that many of these changes are a direct result of greater engagement with the West.

To seek to deny China NTR status is tantamount to seeking to slam shut the Chinese people's door to a free world, and consigning them to isolation and repression. That is certainly not in our national interest, and it is not in the interest of the Chinese people, either.

Mr. President, I urge my colleague to oppose this motion.

Mr. LEAHY. Mr. President, today I am voting in support of Senate Joint Resolution 27 which would disapprove normal trade relations treatment to products produced in the People's Republic of China. I do so not because I do not want to see normal trade relations with China. Rather, it is because I do not believe the Chinese Government deserves this treatment until it ceases its brutal repression of Tibetans and others who support democracy.

But there is a more specific concern I have about the fate of one individual, which has caused me to support this Resolution.

For over 3 years people from around the world and all walks of life have sought the release of and information about Mr. Ngawang Choephel, a Tibetan who studied ethnomusicology at Middlebury College in Vermont on a Fulbright Scholarship. On December 26, 1996, after detaining him incommunicado for months, Chinese authorities sentenced Mr. Choephel to 18 years in prison for espionage. His crime? Making a documentary film about Tibetan music and dance.

Since his arrest, Mr. Choephel's mother, Ms. Sonam Dekyi, has been actively seeking his release, as well as permission from the Chinese Government to travel to Tibet to visit her son. Although Ms. Dekyi has tried repeatedly to obtain a visa from the Chinese Embassy in New Delhi and written to the Chinese Prison Administration's Direct General about her request, Chinese authorities falsely deny knowledge of her request.

United States officials have raised Mr. Choephel with the Chinese Government at the highest levels. I have twice discussed my concerns with Chinese President Jiang Zemin, once in Beijing and again in Washington. I asked him to personally review Mr. Choephel's

case. I and other Members of Congress have written many letters to Chinese officials on Mr. Choephel's and his mother's behalf. I have tried to discuss his case with Chinese authorities here in Washington, DC, as has my staff. What has been the response? Deliberate and utter disregard of my inquiries.

Mr. President, until the Chinese Government provides satisfactory answers to my questions about Mr. Choephel's whereabouts, his health, the reasons for his incarceration and the evidence against him, and permits his mother to visit him as she is entitled to, I cannot in good conscience vote for normal trade relations with China.

Mr. BAUCUS. How much time is remaining on each side?

The PRESIDING OFFICER. The Senator has 8 minutes 20 seconds.

Mr. BAUCUS. The other side?

The PRESIDING OFFICER. There is 1 minute 29 seconds remaining for the other side.

Mr. BAUCUS. I deeply appreciate the concerns of the Senator from New Hampshire. I think we all do. This is not an easy issue. But I think it is important to ask ourselves what is the best way, what is the most likely way, we Americans will properly help achieve the objectives we are looking for in Vietnam, and I daresay also with China, because the China discharge resolution will be up before us at a later time today.

I oppose both of the motions to discharge. I daresay most of my colleagues will also oppose both of those motions. It is my judgment, and I think the judgment of most of us, that there are some differences between the United States and Vietnam and there are some differences between the United States and China. We know there are. But how do we best accomplish our objectives with these two countries?

I believe it is best to continue with the Jackson/Vanik waiver with Vietnam and what is called a "normal trading relationship" with China, which, essentially, is really less than average because the United States has trade agreements with many other countries which, in effect, provide for much better than average trading relations.

So we are really talking about the bare minimum standard for trading relationships. If we continue that standard for trade, that is, MFN or NTR, we will be more likely—working through other channels, and government to government or group to group—to accomplish the goals for which we are looking.

The world is changing. It is changing dramatically. Trade and commerce are so key, so vital. The more trade is encouraged among countries—particularly Vietnam and China—clearly, the more help we provide those countries in the form of government and judicial systems and enforcement systems that

can be relied upon with predictability worldwide, not only for America but for other countries.

That is really the objective. There are certainly problems with Vietnam and with China. But we should deal with those issues on the levels in which they occur, whether it is China with human rights or nuclear proliferation or missile technology transfer or Taiwan or the accidental bombing of the Chinese Embassy in Belgrade. We should deal with those issues one at a time; that is, not deny minimal trade relationships with a country just because we have other considerations and other problems.

The Senator from New Hampshire says he does not have the time to present his case. The Senator from New Hampshire has lots of time to present his evidence in many different ways before the Senate. If he has a strong case, a compelling case, that would encourage the Senate to take another position, I encourage the Senator to give it. There is morning business. There are lots of opportunities for the Senator to provide the information he says he has.

I am not really sure he has much more than he already provided. I note that other Senators, on both sides of the aisle, Senators who have served in Vietnam—including Senator MCCAIN from Arizona and Senator KERRY from Massachusetts—as the Senate has heard, very strongly oppose this discharge motion. They believe that non-trade issues are more likely to be dealt with successfully along the path that has been taken already in the past.

Countries have interests. Vietnam has an interest in world affairs; China does; the United States does. We have to deal with this in a solid way. The phrase that is often used is "engagement." I think engagement makes sense, but more importantly it should be "engagement without illusions"; that is, we talk with countries, we negotiate with countries, we have to keep communicating with countries and looking for ways to find solutions. Engaging without illusions—without illusions that everything in that country is going along perfectly well. We have to be very realistic about things.

It is also important to remember at this time in the history of the world that with the United States so big and so powerful, it is beginning to cause some resentment worldwide. That is a new challenge facing America, how to deal with it, how to deal with that angst, how to deal with that concern that maybe we are too big, we are too inclusive, the English language pervades too much, the Internet uses the English language; American culture, McDonald's, and movies are too pervasive in countries; American military might is just too overwhelming, even by European standards; the concern that we might, since we did not lose a

single life in Kosovo and won, that militarily we might deal with other areas in the same way.

There are lots of different concerns people have now, watching what America has done in the last several years. So we have to be careful. We have to be prudent. To deny something that is normal and expected, that is, a normal trade relation with China, would be unsettling and would cause many more problems than it is going to solve.

I fully understand the points of the Senator from New Hampshire, but often there are different ways to skin a cat. The cat we are trying to skin is the effective way, not the ineffective way. It is my judgment that the effective way is to continue the dialogue, continue the engagement, and continue the engagement without illusions but continue it nevertheless. I respectfully urge my colleagues to vote against the motion to discharge the petition.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH of New Hampshire. It is my understanding I have 1½ minutes.

The PRESIDING OFFICER. That is correct.

Mr. SMITH of New Hampshire. Mr. President, I say to my colleague from Montana, I know he understands, but he doesn't understand enough to let me have the opportunity to debate it. Under the rule of Jackson-Vanik, I have the right to have the 20 hours equally divided on the Senate floor. That is the time to do it so that it is not misdirected in morning business somewhere.

In response to Senator MCCAIN, yes, there are six out of seven Vietnam veterans in the Senate who support not debating this, who say the Jackson-Vanik waiver should be granted, but there are 3 million or so in the American Legion, at least represented by a letter from the American Legion, who think otherwise. I am not sure what the point is on that one.

We have to feel very confident the waiver has reduced bribery and corruption. Here is the law. It says to assure continued dedication to fundamental human rights, if these things happen, you should not grant the waiver. No. 1, does Vietnam deny its citizens the right to emigrate? Yes. I can prove it, but nobody wants to hear it. No. 2, does it impose more than a nominal tax on emigration and the other visas? Yes, and I have a stack of names of people, Vietnamese nationals, who have said yes.

The bottom line is, if the Senate won't give me the chance to debate it, then as far as I am concerned my colleagues do not want to hear the facts. I can't give them, as I said before, in 30 minutes.

I urge support of my resolution so that we have the opportunity to debate this on the Senate floor.

The PRESIDING OFFICER. The Senator's time has expired.

All time has expired.

#### MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business for not to exceed 40 minutes, to be equally divided between the majority leader and the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Montana.

(The remarks of Senator BAUCUS pertaining to the introduction of S. 1395 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BAUCUS. I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

#### THE CONSERVATION AND REINVESTMENT ACT OF 1999

Mr. LOTT. Mr. President, I am delighted to engage in a colloquy now that will involve a number of other Senators but particularly Senator LANDRIEU of Louisiana. I hesitate to even begin until she is present on the floor, but I presume she will be here momentarily.

In her absence, I will praise her for her work on this particular legislation, S. 25, the Conservation and Reinvestment Act of 1999. Her persistence, her willingness to work with all parties involved—I don't mean political parties; I mean those who are interested in this type legislation—has made it possible for us to have this bill put together and have it before the Energy Committee and have not only the cosponsorship of her colleague from Louisiana but also of the chairman of the Energy and Natural Resources Committee, Senator MURKOWSKI. It has a broad spectrum of support, and I think a lot of the credit goes to the Senator from Louisiana, Ms. LANDRIEU.

I must say, it is a delicately balanced piece of legislation. If amendments start being added or changes start developing, then it could get out of control. And even though I am a cosponsor, I would have problems with that, even though clearly every piece of legislation can be improved as it goes forward.

I bring to the attention of my colleagues S. 25. The American public has an exciting opportunity for this Congress to enact landmark legislation that will make a long-term commitment to natural conservation initiatives. We have the opportunity to begin the next century with the same major commitment to conservation that the Nation had at the beginning of the century under the visionary leadership of President Teddy Roosevelt. I believe this legislation will serve our Nation

well for generations to come. I intend to be involved in its process through the committee and, hopefully, we will be able to bring it up for consideration in the full Senate before the year is out.

This legislation would dedicate a portion of the annual reserves received from the production of Federal oil and gas revenues on the Outer Continental Shelf to a variety of initiatives that will conserve and enhance our Nation's sustaining and renewable resources. I am pleased to be a sponsor, joining a broad spectrum of my colleagues. The legislation, which is modeled after the Mineral Leasing Act of 1920, will reinvest 50 percent of the revenues from the Federal OCS oil and gas production annually in coastal impact assistance and coastal conservation, in funding national, State, and local parks and recreation opportunities, and in conserving our Nation's wildlife resources before those wildlife fall into threatened or endangered status under the Endangered Species Act.

It does have the support of various groups. I have felt for years that those of us who live along the coasts and who take whatever risks are associated with offshore oil and gas exploration should get some benefit from that activity and from the risks associated and that we should have the funds that are necessary to deal with such things as beach erosion, to preserve some of our delicate estuaries along the coastal areas. We have not been getting our fair share.

So for the first time, I think this bill would move us in that direction. Similar legislation has been introduced in the House of Representatives, H.R. 701, introduced by Congressman DON YOUNG, chairman of the House Resources Committee, with the cosponsorship of Congressman DINGELL and Congressman TAUZIN and others. I believe they have some 80 cosponsors.

This important legislation will affect not just my State or not just the coastal regions but the whole Nation. We are facing a continuing shortage of funds in wildlife conservation initiatives, for State and local parks and recreation initiatives, for conservation initiatives with respect to the peculiar problems that confront our coastal regions, but also there are great concerns in the West and the areas that are a long way from the coast.

Under the Mineral Leasing Act of 1920, one-half of the revenue from Federal mineral resources that are developed in a State are shared with that State by the Federal Government. Unfortunately, a similar provision does not exist with regard to Federal oil and gas resources that are produced off the coast of a State, even though the adjacent coastal area could suffer impacts from that activity. Not until 1986 did the Federal Government share any of the Federal OCS oil and gas revenues

with the coastal States, and then only a small portion of that revenue from those offshore activities occurring in the first 3 miles of the OCS. The Conservation and Reinvestment Act of 1999 will correct this inequity while also reinvesting a portion of the funds in conservation initiatives in all 50 States.

The concept of reinvesting a portion of the revenue from the Nation's non-renewable resources in renewable resources of the Nation has attracted the support of Governors, mayors, county governments, conservation groups, sports groups, and others around the Nation. The congressional hearings have created a record of great and broad support.

Some of the highlights of that testimony include Mr. Hurley Coleman, director of Wayne County, MI, Division of Parks. He testified:

You have the chance right now to take the place of the visionaries of the past and support a process that will provide for development, renovation and enhancement of critical recreation resources in important living spaces throughout the country.

He went on to say this was a moment of destiny. Obviously, he was very supportive of the bill.

Mr. Mark Van Putten, President and CEO of the National Wildlife Federation, testified that it presented an "historic opportunity to enact permanent and meaningful conservation funding that would benefit wildlife, wild places, and generations of Americans to come."

We had support from the commissioner of Santa Fe County in New Mexico on behalf of the National Association of Counties who endorsed the principles of this act that would reallocate Outer Continental Shelf oil and gas revenues to the Land and Water Conservation Fund, a coastal State revenue sharing program, and add funding to the Urban Park and Recreation Recovery Program and establish an innovative procedure for adding funding for the Payments in Lieu of Taxes Program.

That is a very important thing. In my State, and a lot of States where the Federal Government owns a large amount of land—in my State, timberlands—and because, in my opinion, of bad national forest policies, those funds have been reduced. We are not cutting the trees that need to be cut. We had a disaster last year; a hurricane went through that affected two or three States. And because of resistance from certain environmental groups, the downed timber could not be removed. Now it is basically useless. Who benefits from that? Nobody. The timber that was downed wasn't used for the benefit of the lumber-timber industry. And by allowing it to just lay there on the ground and die raises the prospect of insects that would then infest other trees. It makes no sense whatsoever. So the idea that we would

get some more money for the payments in lieu of taxes is very attractive to me.

Governor Tom Carper of Delaware, on behalf of the National Governors' Association, testified in support of this legislation. Governor Christine Todd-Whitman of New Jersey also supported it. Mayor Victor Ashe, the mayor of Knoxville, came and testified about how helpful this legislation could be.

I know there are some concerns about how this money will be used. There has been some concerns expressed by the Farm Bureau and by the Loggers Association. These are two groups that are very important in this country and in my State in particular. I listened to them.

If they have concerns about how these funds would be used in connection with land use, I would want to hear them out and make sure there is not a problem technically with the bill or make sure this bill does not further discourage and dissipate our resources from farming and from timber in this country. I also don't want this to become an opportunity for public land use groups to try to grab more land.

While there are some public lands we want to have access to, we want to preserve, that is fine. But I think this administration, in particular, has been exceeding what the law allows and is still trying to tie up more Federal lands when, in fact, we are providing proper stewardship of the lands we already have. One example is the Park Service. Many of our national parks are deteriorating. Bridges are not passable, monuments eroding. Yet the Park Service seems to be more interested in adding more land to the parks before we take care of what we already have.

This bill may help deal with that problem because it would make these funds more equitably available to go for not only coastal preservation but also could go to the national and State parks.

I think we have a good idea here. It is one of those conservation bills that I think could be of benefit to everybody in this country, all States, and particularly my own State of Mississippi. I don't generally go on bills of this nature because I am very leery that these conservation efforts sometimes become—let's see, what is the word I am looking for—"confiscation" efforts rather than conservation. I don't believe that is what this bill does. This could lead us to some real good policies that could bring together divergent groups in a way that we have not had the opportunity in the past.

I am pleased to be here and point out to my colleagues this legislation, S. 25. I encourage them to take a look at it. I thank the chairman of the committee for his good work, and I look forward to working with Chairman MURKOWSKI as we move forward on this very important Conservation and Reinvestment Act.

I yield the floor.

Mr. GREGG. Mr. President, who controls the time?

The PRESIDING OFFICER. The majority leader and the Senator from Louisiana, Ms. LANDRIEU.

Mr. GREGG. I ask if the Senator will yield me 3 minutes.

Mr. LOTT. I yield 3 minutes to the Senator from New Hampshire.

Mr. GREGG. Mr. President, I join with the majority leader in congratulating the Senator from Alaska and the Senator from Louisiana for putting forward this excellent proposal on land and water conservation. This is long overdue. I think it is an extraordinarily positive step.

The chairman of the key committee, Chairman MURKOWSKI, has decided to put forward this proposal, to support it, and to have the support of the majority leader.

Those are two pretty powerful figures in this Senate pushing forward on this extremely positive conservation initiative. From the view of the State of New Hampshire, the stateside land and water conservation fund is something in which we are very interested. There are places in this country today where I think their representative Senators maybe think that the Federal Government owns enough land. Maybe the Member in the Chair is from one of those places, being from Wyoming. But those of us on the eastern seaboard still see critical pieces of land we would like to have protected. We have a huge population, a megalopolis, running from Washington to Boston, that is always moving north.

In New Hampshire, there are critical elements of natural resources that need to be protected as we go through these massive expansions and these growth spurts, which are inevitable. The land and water conservation fund, over the years, has always been a positive force for protection and for allowing communities to do things they think are critical to making those communities better places to live—whether it happens to be building a park or a recreational area. Therefore, to refund or replenish the land and water conservation fund using the Outer Continental Shelf is absolutely appropriate and is absolutely critical if States such as New Hampshire, which are, unfortunately, in a wave of population growth, are going to be able to maintain their characteristics of being a rural environment and a pleasant place in which to raise a family.

I support Senator MURKOWSKI's bill, and I certainly appreciate the Senator from Mississippi, the majority leader, also being in support of this legislation. That bodes well for it.

Mr. LOTT. Mr. President, I yield such time as he may consume to the chairman of the committee. I see Senator LANDRIEU here, and I know she will want to speak.

Mrs. HUTCHISON. Mr. President, parliamentary inquiry. I don't want to interrupt the flow on this bill, but I wanted 5 minutes to talk about the 30th anniversary of the landing on the Moon. I wonder if I could have 5 minutes at the end of the colloquy.

Mr. MURKOWSKI. I have no objection.

Mrs. HUTCHISON. I thank the Senator.

Mr. MURKOWSKI. Mr. President, on behalf of my friend and colleague, Senator LANDRIEU, let me briefly comment on the status of the OCS revenuesharing legislation that we introduced some time ago. This is a significant addition to a much-needed reform and, as a consequence, it has been termed as the Conservation and Reinvestment Act of 1999.

The bill itself reinvests OCS revenues. When I say "reinvests," I am specifically noting the reality associated from where this revenue comes. It comes from OCS activities of some States. It could include other States if indeed they wanted to have OCS activity exploration and production off of their individual shores. Some of the States have chosen not to. I appreciate and recognize their reluctance. But let's be realistic and recognize that in order to have a successful Conservation and Reinvestment Act, we have to have a continuation of OCS revenues occurring off the shores of some of our States—Louisiana, Mississippi, and other States.

My State of Alaska has a very small OCS activity; most of our activities are on land. But it is interesting to note the breadth of support for this legislation, which is related, to some extent, to those States that see an opportunity to generate a source of revenue. That is fine. That is the way Senator LANDRIEU and I constructed the legislation. Make no mistake about it, in order for it to be successful, we have to have, and encourage, OCS revenuesharing, as we have off the coast of Texas, and other States that I could mention.

This is a coastal impact assistance and State coastal program funding mechanism for the land and water conservation fund, including fulfilling a long-delayed promise of support for State, local, and urban park and recreation facilities, as well as State wildlife programs.

We have tried to cover a broad area of need, and I commend the Senator from Louisiana, Senator LANDRIEU, for her extraordinary ability to encompass, if you will, the various broad interest groups.

S. 25 gives States and local governments—and this is important—not the Federal Government, the responsibility for determining the conservation needs of their citizens and provides funding to help meet those needs.

Now, that is where we have a difference with the administration. The

administration proposes that it is the Federal Government's responsibility to make these decisions, and we say no. There are some other bills floating around that also propose to give the Federal Government the authority. We think responsible citizens know what their needs are, and these funds should be provided so they can make the decisions to help meet those needs, not a one-size-fits-all Federal Government.

I encourage my colleagues to recognize the significance that the local people at the local level know what their needs are. A number of bills spending OCS revenues, and the administration's bill, which has been put forth, identifies the Lands Legacy Initiative. The Energy and Natural Resources Committee, which I chair and Senator LANDRIEU is a member of, has had a series of hearings on all these proposals. We have learned about the need for coastal impact assistance. We are aware of the unavoidable social and environmental impacts on States that host OCS development. The State of Louisiana, for example, and the State of Texas, host, if you will, the impact because the activity is off their shores. It is an unavoidable social environmental impact, so they should receive additional consideration.

Coastal impact assistance helps mitigate these burdens, even in States that prohibit oil and gas activity off their coast, such as the State of Florida, where there is a unique coastal and marine need associated with their set of priorities. We appreciate that and understand that.

We have also learned about the widespread support in this country for State park, recreation and wildlife programs from the hearings. We have heard from the mayors, Governors, easterners, residents of the Great Plains, soccer coaches, hunters, environmentalists, and farmers. As evidenced by the witnesses we have heard in the hearings and the hundreds of letters the committee has received, we understand that Americans want meaningful conservation legislation. That is what we have attempted to do. But don't forget from where it comes. It comes from OCS oil and gas activity. We have to have a continuation of support for those States that foster and recognize the contribution of OCS activities. But those States have to be recognized for the impact, and they have to share in this as well.

Now, their concerns have been expressed. We have had bills to provide money for Federal land acquisition. This may sound great to the Eastern States, where there is no public land. But for those of us out West, it is a little difficult to suggest that we are going to fund Federal land acquisition when many of us out West think the Federal Government owns enough of the land out there. If they want to fund the Eastern States, why, that is some-

thing different. This is a problem that has to be rectified.

Residents of States with significant Federal land are worried that these bills will lead to a massive Federal land grab. The Federal Government owns about 70 percent of my State of Alaska. I can understand the fears. Fortunately, when Texas came into the Union, they made sure the Federal Government didn't own any. If we had it to do over again, I can assure you we would do it differently. Nevertheless, when we talk about the bill providing money for Federal land acquisition, the people in my State of Alaska, and in many of the Western States—to suggest that they would become unglued is an understatement. They fear this legislation will result in a Federal land acquisition grab, not where it is needed.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Louisiana has 20 minutes.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that I may have 2 minutes to finish.

Ms. LANDRIEU. Yes, that is fine.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. I thank the Senator from Louisiana.

At the risk of understating the importance of this bill, what we have attempted to do is find a balance, develop a compromise; but each time we accommodate one group's special interest associated with this, there is a reaction from another group that perhaps gave us support and is concerned that we have gone too far in any one area.

As chairman of the Energy and Natural Resources Committee, my goal and objective in working with Senator LANDRIEU is to report a bill to the Senate floor. We must have a bipartisan bill. The bill is going to have to remedy the existing inequity in the distribution of OCS revenues. It is going to have to provide funds for State conservation programs. It is going to have to provide guarantees for a role of Congress in Federal land acquisition. In other words, Congress is going to have to have something to say about Federal land acquisition and purchases. Finally, it is going to have to assure westerners that there will be no gain of Federal land in their States—no gain of Federal land in the Western States.

This isn't going to be easy, but I think, working with Senator LANDRIEU and others, it is going to be worth the effort. Therefore, I look forward to working with my colleagues on this exciting opportunity, this exciting legislation. Previously, all of the OCS revenue has gone into the general fund. Now we have an opportunity to address this with some meaningful legislation that involves the OCS impact assistance, land and water conservation fund amendments, and the wildlife conservation fund under a formula that has been agreed upon.

I encourage my colleagues, in consideration of this language, to allow the local people to make the decision, not a disinterested bureaucracy, a Federal Government that dictates one size fits all.

I thank my colleague, the Senator from Louisiana, for her graciousness in allowing me this time and for her efforts to bring this before the body. I thank the majority leader, Senator LOTT, as well.

I yield the floor.

Ms. LANDRIEU addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Ms. LANDRIEU. Mr. President, I thank the chairman, the Senator from Alaska, for his leadership in steering us to this point. We are just a short time away from having an opportunity to mark up this historic bill, if you will, this historic effort in his committee.

I want to say that all of our committees have tremendous responsibilities and very significant efforts are underway. But our committee, Energy and Natural Resources, in addition to this effort, has the chairman negotiating a restructuring of our electricity industry for this Nation and he is trying to maneuver through a waste disposal bill that has been a source of great controversy. I thank him for giving his time and energy and determination in moving through a historic piece of legislation for the environment. Perhaps if we can accomplish this—and I believe we can—future generations will look back on this effort.

I thank him and our majority leader, the Senator from Mississippi, who knows full well, from the perspective of a producing State, the significant negative impacts that are associated with an industry that both of us support and the opportunity here to do something positive for our States of Louisiana, Mississippi, and Alaska, as well as other States in the Nation.

I will reserve the remainder of my time, and at this point yield to one of my colleagues from South Dakota, who has so graciously joined us on the floor for this colloquy. As a member of one of the interior States, and as one of the leading spokespersons on this bill, I thank Senator JOHNSON for being with us today. I yield to him 5 minutes to speak on this important issue.

The PRESIDING OFFICER. The Senator from South Dakota, Mr. JOHNSON, is recognized.

Mr. JOHNSON. Mr. President, I thank Senator LANDRIEU for her leadership on this issue, as well as Chairman MURKOWSKI.

I think we have an enormous opportunity this year to at last reach a bipartisan agreement to increase significantly the funding for several critically important planned water and wildlife conservation programs. Several legislative efforts to establish

mandatory funding for conservation programs utilizing Outer Continental Shelf, OCS, revenue are under bipartisan discussion.

I have been pleased to participate in hearings on these initiatives in the Senate Energy and Natural Resources Committee. All of the conservation legislation introduced this year proposed significant steps to support the restoration, preservation and conservation of our natural resources. The hearings in our committee have been extremely useful since, if we are to be successful this year, we have the daunting task ahead of us of drafting a compromise conservation bill which meets the diverse needs of all fifty states. Consequently, we need to hear as many perspectives and learn as much about the needs in the states as possible before we begin drafting a compromise bill.

Preserving our natural resources is an issue to which many of us in this body are committed. Earlier this year I joined 35 of my colleagues from both sides of the aisle in sending a letter to Budget Committee Chairman DOMINICI and Senator LAUTENBERG requesting full funding for the Land and Water Conservation Fund.

Further, during consideration of the fiscal year 2000 budget resolution, Senator BOXER and I offered an amendment to establish a conservation reserve fund. This amendment was unanimously approved by the Budget Committee, passed by the Senate but unfortunately dropped in the conference committee. Nonetheless, the strong support from the Senate for this concept signals a commitment to finding a way to fund additional conservation initiatives.

Additionally, one third of the Members of this body have cosponsored one of the conservation proposals which have been introduced. This level of interest indicates that while we have not come to an agreement on the details which should be included in a comprehensive conservation proposal, significant interest in this issue exists. This widespread interest offers an opportunity to find a bipartisan compromise to address this critically important issue.

I applaud Senator BOXER in particular for her efforts in this area, and I applaud Senators LANDRIEU and MURKOWSKI for their work on S. 25.

One of the primary reasons I supported the bill earlier this year is the sponsors' inclusion of the non-game wildlife initiative, often called Teaming With Wildlife (TWW). I am convinced that funding for specified nongame conservation programs must be secured if we want to successfully work to keep species off of threatened and endangered species lists while also meeting the skyrocketing demand for outdoor recreation and education opportunities.

Currently, I am circulating a letter which I will be sending to Chairman MURKOWSKI and Senator LANDRIEU which advocates a higher percentage of funding for wildlife conservation than currently included in S. 25. Specifically, I am advocating increasing the funding allocation from 7 to 10. At this time other Senators joining me in sending the letter include: Senators CLELAND, FRIST, LINCOLN, DASCHLE, KERREY, GREGG, and BAYH—and more Senators may join in our effort.

I commend Chairman MURKOWSKI and Senator LANDRIEU for their support of the TWW concept and look forward to working with them to find an adequate level of funding for this important program.

There are other issues, of course, for which I have a great deal of interest, including the funding for the PILT program and funding for historic preservation efforts.

However, probably the largest outstanding issue—and the potential show stopper—for all of us who want to find a compromise conservation proposal is identifying whether we have room in the budget to increase funding for conservation.

The recent mid-session review paints a rosy picture of our current economic situation and I believe that targeted tax relief and paying down the publicly held debt must be our top priorities. However, I also believe that within the context of a balanced budget, the new economic projections give us room to consider modestly increasing funding for domestic priorities, such as conservation.

Again, we have an opportunity this year to find a bipartisan compromise which will ensure adequate funding for conservation, restoration, and preservation efforts across this country. I again commend Chairman MURKOWSKI and Senator LANDRIEU for their bipartisan effort and look forward to working with them in the coming weeks and month to craft a bill which can pass this body and which will, in fact, be signed by the President of the United States.

I yield such time as I have remaining.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Thank you, Mr. President.

I thank the Senator from South Dakota for those remarks, and again for his hard work in getting us to this point.

I would like to yield, if I can, 4 minutes to my colleague from Arkansas, for her remarks on this bill as well.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. I thank the Chair.

I also want to thank my colleague from Louisiana, Ms. LANDRIEU, and Chairman MURKOWSKI, for their fabulous leadership on this issue.

I rise today in support of greater funding for land and wildlife conservation programs as embodied in S. 25, the Conservation and Reinvestment Act of 1999.

I am proud to be a cosponsor of this important legislation to ensure that a portion of the revenues from outer continental shelf oil and gas production are dedicated to land, water, and wildlife conservation programs throughout the U.S. It is well past time that the Land and Water Conservation Fund is permanently funded and used as originally intended to provide for state and federal land purchases and to help states with conservation and recreation needs. We need consistent, dependable funding for federal, state, and local governments to make investments in land preservation, habitat conservation, and wildlife management.

I know in my home state of Arkansas, this funding is badly needed for protection of existing wildlife habitat and conservation programs as well as for funding additional conservation and recreation needs. Since inception, the state and federal sides of the Land and Water Conservation Fund have combined to provide Arkansas with over \$84 million in targeted land purchases for preservation of tracts of forested lands, purchases of needed land for state and municipal parks, lands for schools, land for baseball fields, bike trails, zoos, and recreation areas. The federal side of the LWCF has provided resources for needed land purchases in the Ozark and Ouachita National Forests, White River and Cache River National Wildlife Refuges, the Buffalo National River, and for preserving many other tracts of land. The state side of the LWCF has provided land for a ball park in Bentonville, a school park in Jonesboro, a zoo in Little Rock, a swimming pool in Searcy, a city park in Batesville, a swamp habitat in Woodruff County, and for over 600 other projects across my home state. And there are still many needs for these resources. Funds are needed for in-holdings purchases in State and national forest and to assist rural communities with building parks for children and to help urban areas with preserving needed green space.

S. 25 would also create a permanent source of funding for state-run wildlife conservation programs. Title III of the bill will help state agencies identify and prevent species from being listed under the Endangered Species Act. In Arkansas, about 86 percent of all wildlife species are not pursued for sport or consumption, nor listed as threatened or endangered. It is these species that title III of S. 25 is targeted toward. There is currently no reliable, dedicated funding source for conservation, recreation or education programs for these non-game species. Title III will provide this necessary funding.

Two examples are the Swainson's warbler, traditionally found in the bottomland hardwoods of my home state, and the barn owl, traditionally found across my state's delta. The Swainson's Warbler can still be found in certain places in the Delta region of Arkansas, but is rapidly declining throughout its range due primarily to loss of its bottomland hardwood habitat. Funding from Title III of S. 25 will help head off the potential future listing of the Swainson's Warbler as threatened or endangered by increasing the amount of suitable habitat through a combination of management actions on public lands and habitat incentives for private lands.

The barn owl has been a traditional predator feeding almost exclusively on rodents that are agricultural pests. This owl has persisted in the Arkansas delta despite low population levels for years. The barn owl responds well to artificial nest boxes that could be erected on a large scale with funds provided, under Title III, especially if this effort were combined with an intensive landowner educational campaign. Both of these prevention programs can be accomplished easily under Title III of S. 25 without the disruptions and restrictions that would occur with a listing under the Endangered Species Act.

Mr. President, I could go on and on about the good things that land and wildlife conservation programs have done in the past and can continue to do into the future for all of Arkansas—the projects are too numerous to list—but I want to make clear that the programs in title II and title III of S. 25 are necessary sources of funding for states and localities to complete needed, targeted land purchases for conservation and to prevent to continual decline of wildlife throughout my home state and this Nation.

These are great examples of what this bill can do for States such as Arkansas and many others. I join my colleagues in support of what Senator LANDRIEU and Chairman MURKOWSKI are doing, and I look forward to seeing the bill on the floor where we can certainly see it pass in the Senate.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I thank my colleague from Arkansas for describing with such enthusiasm what this bill brings to her State of Arkansas and to all of our States.

Let me take the remainder of my time to recap for a moment and to speak from the Louisiana perspective as one of the producing States and share with this Congress and with the Senate some of our perspectives.

First of all, as the majority leader said, this bill is a historic effort to provide a permanent and steady stream of revenue to do several important things: To fully fund the Land and Water Conservation Fund; to provide a reliable

stream of money for wildlife wetlands habitat preservation; and to provide much-needed revenue for the coastal impact assistance.

We are also hoping to include some funding for historic preservation and urban park initiatives.

From the Louisiana perspective, you may not realize that over 80 percent of the Federal oil and gas that is produced annually from the Outer Continental Shelf is produced from waters adjacent to the State of Louisiana.

The onshore activities that support the Federal OCS development in the Gulf of Mexico occur largely within the boundaries of our State. Mississippi contributes to that, as well as Texas.

Almost all of the oil and gas produced from the gulf moves through the State of Louisiana in pipelines thousands and thousands of miles in length—delivering oil to refineries and to natural gas distribution systems throughout our Nation.

We are happy to do our part to help this Nation in its need for energy supply. However, we can no longer abide by the Federal Government's unwillingness to share even a portion of these revenues with our State to help offset the adverse environmental impact and the public service impact on Louisiana.

That view is shared by Mississippi, Alaska, Texas, and others. Let me explain.

The Mineral Leasing Act of 1920 provides that 50 percent of the revenues received by the Federal Government for the development of oil and gas and other minerals on shore will be shared with States in which those minerals are produced. Some of our interior States benefit from that arrangement.

In addition, because the Federal minerals are within the geographic boundaries of particular States, the State has the power over and above that sharing of 50 percent to collect a severance tax on the production and payment in lieu of taxes from the Federal Government for the acres of Federal land used for this endeavor.

The Outer Continental Shelf Lands Act, which governs the production of Federal oil and gas minerals on the Outer Continental Shelf, however, contains no similar provision. In fact, from 1940, when this production began, until 1986, the State of Louisiana and other coastal States received no portion of these oil and gas revenues. Not until 1986 were we able to receive a very small portion of those revenues generated between a 3-mile and 6-mile line.

Just yesterday, however, exploration officials from British Petroleum announced the discovery of the largest deep-water find in history 125 miles southeast of New Orleans. The underwater find is dubbed "Crazy Horse." It was discovered in 6,000 feet of water.

Imagine the kind of equipment that is going to take to mine this kind of



find. We are happy to do this. The industry provides economic opportunity.

But can you imagine providing the infrastructure in your State, for a construction company building hundreds of skyscrapers such as this in your backyard? These underwater skyscrapers all have to be built and parts manufactured and moved to the site. All of this material moves through the fragile environment of coastal Louisiana, Mississippi, and Texas.

If this monument, or if this structure, were out of the water to be seen, it would be as if you stacked the Washington Monument end to end 10 times. It is the kind of structure that has to be built to mine these sorts of finds in the gulf.

In 1998, Federal mineral development from offshore totaled approximately \$2.8 billion. That is what we sent to the Federal Government. Yet we only received \$20 million. That is less than a tenth of 1 percent.

Let me state that again—a tenth of 1 percent is what Louisiana was able to retain. Other States retained 50 percent. In addition, they received other payments. This situation is obviously not just; it is unfair, and this bill attempts to help correct that inequity.

As a result of OCS activity, Louisiana has suffered a significant negative environmental impact. We have lost over 1,000 square miles of coastal wetlands over the last 50 years. If we don't take action today, we are liable to lose another 1,000 square miles more in the next 50 years.

To bring this down to size, we lose a football field every day. We lose an area the size of the State of Rhode Island every year.

These losses are partially due to natural erosion but are aggravated by the way we have levied the Mississippi River, which, again, serves as a port for our entire Nation and not just our State, and it is also impacted by the activities associated with oil and gas drilling.

The people of Louisiana, while understanding that this is very important and this is a national asset—and, again, we are happy for the industry and want to promote an environmentally sensitive way of drilling as we know it today—believe that we should be more justly compensated for these impacts.

The distribution formula in S. 25 is weighted to provide an extra portion to those six States with Federal offshore oil production. We are not giving any incentive for future production. We want this to be a drilling-neutral bill, if you will, but a revenue-sharing bill that acknowledges the contribution made by our producing States.

As proposed in S. 25, Louisiana will only receive 10 percent of the Federal revenues that are generated. Again, historically, we have received less than one-tenth of 1 percent. Historically and

to date in the law, the interior States have received 50 percent. We are asking for our fair share and modest share of this money, and S. 25 outlines a 10-percent portion.

The cosponsors of S. 25 believe it is appropriate to share a portion of Federal OCS revenues with coastal States that do not and will not have any offshore oil production.

Today there is no dedicated source of funding for the variety of coastal environmental problems that are being experienced around the Nation, even in those States that are not producing. S. 25 recognizes that the producing States should be acknowledged and those States which are nonproducing also have challenges with their coastline—beach erosion, et cetera.

When Congress created the Land and Water Conservation Fund over 30 years ago, it was intended “to provide a steady revenue stream to preserve irreplaceable lands of natural beauty and unique recreational value.” Royalties from offshore oil and gas leases will provide the money, giving the program an interesting symmetry. Dollars raised from depleting one natural resource would be used to protect another.”

This, unfortunately, has not come true. These moneys were given but taken away. They were appropriated in different amounts over the years. This bill will attempt to use the dollars produced by depleting one natural resource to preserve many areas of natural beauty in our Nation, both on the coast and in our interior States.

This is an important bill for Louisiana and the gulf coast, but it is important for the entire Nation. Our legacy as leaders will be the land we leave to our children and their children. At the rate we are going, we might not have very much to give them.

This bill will give us a steady stream of revenue to provide full funding for our land and water conservation, to give much-needed resources for our coastal States to mitigate some of this negative impact and also to share justly with the other States in our Nation.

I thank the Chair for allowing us to have this time today. I, again, thank the majority leader and the chairman, and to the 20 or more sponsors we have for this legislation. It is my hope that we can mark this up shortly and move this bill through the process.

I yield back the remainder of my time.

Mr. SESSIONS. Mr. President, I ask unanimous consent that I be given 1 minute.

The PRESIDING OFFICER. Reserving the right to object, we were supposed to be in the policy committee starting at 12:30 p.m.

The Senator from Alabama.

## CONSERVATION AND REINVESTMENT ACT OF 1999

Mr. SESSIONS. Mr. President, S. 25, the Conservation and Reinvestment Act, offers a unique opportunity for the entire nation to enjoy the tangible benefits of Outer Continental Shelf oil and gas production. It redirects a portion of royalties from Outer Continental Shelf production directly back to States and local communities for environmental and conservation programs.

The effect of this bill will be to provide States and local communities funding to expand and maintain parks and to enhance hunting, fishing and other outdoor recreational activities.

In addition, this bill would redirect a portion of Outer Continental Shelf Royalties back to the States which have endured the risks of production through the bill's Coastal Impact Assistance program. This program will provide dedicated funding to coastal States for air quality, water quality and to mitigate the environmental effects of Outer Continental Shelf infrastructure developments.

Alabama might use these funds to help ensure water quality in Mobile Bay, part of the National Estuary Program, and for the preservation and restoration of oyster beds and other sensitive environments areas along our coast. States may choose to establish a protected trust fund, as Alabama has with existing state royalties, in order to use the revenues in perpetuity for environmental and conservation purposes.

Alabama is one of only six States with active Outer Continental Shelf natural gas production off its shore and onshore infrastructure to refine and transport those resources. Alabama ranks ninth in the country for natural gas production and produced over 430 billion cubic feet of natural gas in 1994. There are four onshore refineries and numerous natural gas pipelines to process Outer Continental Shelf natural gas. The State has made a significant investment in providing the land and infrastructure to handle this production, yet has not been able to enjoy any direct royalty benefits from Outer Continental Shelf production.

This bill takes a step towards ensuring Alabama and the entire nation receive at least a part of the direct benefits of Outer Continental Shelf production.

I commend the Senator from Alaska, Mr. MURKOWSKI, and the Senator from Louisiana, Ms. LANDRIEU, for their tremendous leadership on this issue and look forward to the passage of this bill soon.

I express my appreciation to Senators MURKOWSKI and LANDRIEU for working on this legislation. I have worked with them from the beginning. It has good potential to allow States to retain some of the oil and gas money for remediating environmental damage

from production and for improving their environmental quality in general. I thank the Chair.

Mr. DASCHLE. Mr. President, I appreciate this opportunity to participate in today's discussion of the Land and Water Conservation Fund (LWCF). Senator LANDRIEU and Senator MURKOWSKI deserve great credit for their efforts to restore the LWCF's important conservation goals, as does Senator LOTT for his commitment to addressing this issue on a bipartisan basis.

Congress originally intended that revenues from off-shore oil and gas drilling be deposited into a Land and Water Conservation Fund to allow the federal and state governments to protect green space, improve wildlife habitat, and purchase lands for conservation purposes. I have come to appreciate this program, as the Land and Water Conservation Fund has been used by local and state governments in South Dakota to purchase park lands and develop many of the facilities that exist in municipal and state parks throughout the state.

For the past five years, however, the state side of the LWCF has not been funded, the revenues from off-shore oil and gas drilling have been used to fund other federal programs. As a result, much-needed local and state park improvement projects have been held back, and there has been growing pressure in recent years to divert these funds back to their original purpose.

Americans depend increasingly on parks and open spaces for recreation because they allow all of us to deal better with the stress of modern life. Therefore, it is important that states are given the resources they need to improve parks and public lands, and I am prepared to work in a bipartisan fashion to enact legislation this year to ensure greater annual funding of conservation efforts from off-shore oil and gas drilling revenues.

A number of proposals, many of which are bipartisan, have been proposed by the administration and members of Congress to ensure that future off-shore oil and gas drilling revenues are dedicated to conservation purposes. A consensus appears to be developing that considerably more resources should be invested to protect and maintain rural and urban parks, preserve farmland and forests, provide incentives for the protection of endangered species on private lands, fully fund payments-in-lieu-of-taxes, and protect coastal resources.

I believe that this legislation could have a tremendous positive impact on local, state, and national parks, and greatly enhance outdoor recreation and environmental education projects throughout South Dakota and the nation. It is my strong hope that Congress will produce compromise legislation reflecting many of the basic objec-

tives contained in these proposals and ensure a strong future for our nation's natural resources. I am dedicated to working with Senators LANDRIEU, MURKOWSKI, and LOTT to achieve this goal.

Mr. KERREY. Mr. President, I am pleased to join my colleagues, Senator LANDRIEU, Senator BREAUX, Senator LOTT, and others in supporting the Conservation and Reinvestment Act of 1999. This important legislation will provide consistent funding to state fish and wildlife conservation programs to help maintain our precious natural resources, and will help to bring more Nebraskans back to the river—in our case, the Missouri River. This legislation will give states the necessary funding to carry out a flexible, non-regulatory approach to conservation that prevents species and their habitats from becoming endangered and to restore fish and wildlife populations to healthy numbers. This legislation is consistent with and fully complementary to the Missouri River Valley Improvement Act of 1999 that I recently introduced, along with my colleagues Senator DASCHLE and Senator JOHNSON.

The most important provisions of the Conservation and Reinvestment Act for my home state of Nebraska are Titles II and III, the Land and Water Conservation Fund reform provisions. Title III of this legislation would restore state-side funding to the Land and Water Conservation Fund—funding that has been diverted in recent years for other uses. However, as emphasized by the bill's authors and supporters, restoration of these funds to states is more important now than ever before, as Nebraska and all states are faced with accelerated population growth and urban sprawl, and increased demand by families, communities, and the business sector for recreation and conservation areas—areas that draw people and economic growth. Nebraska, as well as other states, has relied on hunters and anglers to provide the bulk of financial support for fish and wildlife programs—particularly through the purchase of hunting and fishing licenses and through excise taxes on sporting goods. However, these funds have not been adequate to address the needs of declining nongame species. Titles II and III of the Conservation and Reinvestment Act would provide a permanent Federal funding source to meet these needs in Nebraska and other states, and would revitalize the state matching grants program.

The Land and Water Conservation Fund Act, as passed in 1965, utilized a portion of the proceeds from Outer Continental Shelf mineral leasing revenues to give to state and local governments for recreation and conservation purposes as those governments deemed necessary and beneficial for their communities. In 1997, a record \$5.2 billion in royalties, rents, and bonus payments from new lease sales was collected by

the Federal government. Significant federal revenues from Outer Continental Shelf leasing and production has been designated by law for the Land and Water Conservation Fund, but since 1995, Congress has not appropriated these monies to the states, but rather has transferred most of these funds to the U.S. Treasury for other uses. This important legislation would rectify this, and bring the funding source back to Nebraska and to local Nebraska communities. State and local governments match, dollar for dollar, Federal Land and Water Conservation funds for open space conservation and recreation in our communities. This act would restore the state and local funding, bolster the federal funding component, and also secure funding for urban parks and recreational areas.

While this act would currently provide 7 percent of Land and Water Conservation Funds to the states, I signed a letter today, along with several of my colleagues in the Senate, urging that funding for this provision be increased to 10 percent—a level that I believe to be consistent with the needs that exist in my state of Nebraska and in others. Besides providing recreational funding support for community needs, this source of funds can have a significant impact on non-regulatory approaches to preventing wildlife species from being listed as threatened or declined under the Endangered Species Act—listings which often find landowners embroiled in private property rights vs. species protection laws. By enabling communities and states to preserve identified areas where habitat and species can be allowed to flourish with minimal or little disruption on the lives and activities of people, we can help to prevent future listings, and to safeguard against some of the social and economic disruptions that have often accompanied past listings.

Additionally, wildlife conservation, conservation education, and wildlife-associated recreational programs—all of which contribute increasingly significant tourism and recreational dollar returns to the state of Nebraska—are traditionally underfunded. The International Association of Fish and Wildlife Agencies estimates these needs nationally to be approximately one billion dollars per year.

Increasing Title III funding to 10 percent of Outer Continental Shelf receipts would give Nebraska approximately an additional \$1.7 million annually—money that I know from the people of Nebraska is both needed and would be well-spent.

The Nebraska State Legislature passed a resolution this year in support of this bill, as did the City of Grand Island in Nebraska. Nebraska Governor Mike Johanns is one of 27 Governors to officially support this legislation. All 50 state fish and wildlife agencies, including the Nebraska Game and Parks

Commission, the International Association of Fish and Wildlife Agencies, and more than 3,000 local entities, businesses, clubs, and conservation organizations have endorsed the Conservation and Reinvestment Act of 1999. Nationwide, more than 200 state and local ballot initiatives sought to commit billions of dollars for conservation, farmland protection, and urban revitalization policies. More than 70 percent of these initiatives were supported by voters. I enthusiastically add my support to this impressive list of supporters, and look forward to working with Senator LANDRIEU and our colleagues to finalize and pass this important legislation.

#### ONE GIANT LEAP FOR MANKIND

Mrs. HUTCHISON. Mr. President, I take this opportunity to recognize a day that is certainly going to be remembered, as we go into the next millennium, as symbolizing this century. Each century has one or two things that define it. It is what schoolchildren remember. It is what adults remember. Everyone remembers where they were when certain events happened, whether it was President Roosevelt saying on the radio that the war was over, whether it was the assassination of President John Kennedy, or whether it was Neil Armstrong taking one giant leap for mankind.

I believe July 20, 1969, 30 years ago, was clearly one of the defining moments of our century, although it would be very difficult to choose which moment had the most lasting impact. The day Neil Armstrong stepped on the Moon, the spirit of America was rejuvenated. It also was the culmination of years of discoveries, of scientific missions, of behind-the-scenes scientific experiments that were all a big show on July 20. I think it is important for us on a day such as today to recognize what all of those scientific experiences did and what we have gained from the space program.

In fact, when we look at the cost of the Apollo project, it cost about \$25 billion. In 1990 dollars, it would be about \$95 billion. It was an investment. The good news is, because America was willing to go for it, because America said the Moon is there and we can do it, we have had a 9-to-1 return on every dollar we have invested.

What is the 9-to-1 return? It is the newly created products and technologies and the new jobs that have come about as a result of those technologies that is the return on our investment. What space has given to our economy is a 9-to-1 return on our investment.

There have been 30,000 spinoffs from our space research. Let me tell you a few.

Satellites: Satellites are part of our daily lives. We now get instant access

on the news anywhere in the world because of satellites. We can see press conferences anywhere in the world live because of satellites. We see satellites as part of our defense. A defense system for an incoming missile is going to result because we have satellite technology.

Computers: The microchip—how has that made a difference in our lives? Who can even ask the question about what computers have done. We see people with laptops in the airports, on airplanes. It is just phenomenal. This started with space research, not on the Senate floor, Mr. President.

High-quality software, high-performance computing, fiber-optic networks, water purification systems, Teflon—Teflon has improved the quality of life for all of us in this country who have spent even 1 minute in the kitchen. Digital watches, cordless tools, and, most notable, in my opinion, is space explorations' contribution to medical science. CAT scans and MRIs are revolutionizing our ability to detect tumors early enough so we can save lives.

Our quality of life has significantly improved since Neil Armstrong took the giant leap for mankind. It was to that moment that all of us related what America had accomplished. That happened 30 years ago today.

I congratulate Neil Armstrong, the Apollo 11 crew, and all those at Johnson Space Center in Houston, TX, who contributed to the giant leap for mankind and the quality of life that all of us live, because those brave astronauts were willing to take the risk and the chance.

I thank the Chair. I yield the floor.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

#### RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having arrived and passed, the Senate now stands in recess until the hour of 2:15 p.m.

Thereupon, at 1:05 p.m., the Senate recessed until 2:19 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. INHOFE).

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FITZGERALD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FITZGERALD. I ask unanimous consent I be allowed to speak for up to 5 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FITZGERALD. Thank you, Mr. President.

(The remarks of Mr. FITZGERALD pertaining to the introduction of S. 1396 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. FITZGERALD. I yield the floor.

#### DISAPPROVING THE EXTENSION OF NONDISCRIMINATORY TREATMENT (NORMAL TRADE RELATIONS TREATMENT) TO THE PRODUCTS OF THE PEOPLE'S REPUBLIC OF CHINA—MOTION TO DISCHARGE

The PRESIDING OFFICER. Under the previous order, the Senator from New Hampshire, Mr. SMITH, is recognized to offer a motion to discharge the Finance Committee of S.J. Res. 27, on which there will be 1 hour of debate equally divided.

Mr. SMITH of New Hampshire. I thank the Chair.

Mr. President, pursuant to the Trade Act of 1974 and the rules of the Senate, I do make a privileged motion that the Senate Committee on Finance be discharged from further consideration of S.J. Res. 27, a resolution disapproving the President's June 3, 1999 extension of normal trade relations with China.

It is my understanding that based on the parliamentary decisions made earlier, the 1 hour will be equally divided, a half hour under my control and a half hour under the control of the other side, not by majority/minority, but by the two sides, pro and con.

The PRESIDING OFFICER. The Senator is correct.

Mr. SMITH of New Hampshire. It is also my understanding, for the benefit of my colleagues, that there will be two consecutive rollcall votes, the first one being on the China discharge and the second one on the Vietnam discharge.

The PRESIDING OFFICER. The Senator is correct.

Mr. SMITH of New Hampshire. Mr. President, notice of my intention to do these discharge motions was made to both the majority and minority leaders, the chairman and ranking member of the Finance Committee, and several other Senators on July 7, so there would be ample time for the leaders to adjust the time so we could have a vote prior to the House voting on this matter.

Mr. President, I yield myself 15 minutes out of my allotted time.

Despite President Clinton's 1992 campaign promise to link MFN certification to China's human rights record, the administration has chosen annually to grant Beijing what had been known as most-favored-nation status and is now called normal trading relations. It is amazing to me that that

certification could be granted, given the dismal record of China in so many ways that we have talked about on this floor for so many weeks, especially in the area of human rights.

By offering this motion, I am asking the Senate to discharge S.J. Res. 27 from the Finance Committee. This legislation would disapprove the President's recommendation of normal trade relations status for China. Because of the rules of the Senate, it is in the Finance Committee. If I don't discharge it out, then it doesn't come out, and we don't get the opportunity to debate this issue.

This is a very important issue. Let me say, again, as I said earlier this morning on the Vietnam issue, whether my colleagues agree or disagree with me is not the issue. The issue is whether or not they will let us debate this on the floor. That is the issue. If they vote against my discharge motion, then they have said they do not want the Senate to debate this issue at all. They don't want to hear about the human rights violations in China or Vietnam. I would find that regrettable if the Senate made that decision.

If they feel strongly that they are right and there are not any problems in China which would justify holding up the NTR, normal trading relations, then they ought to come down on the floor and defend that.

I have a few things I could share with Senators that I think will give them the opposite impression. I would want the opportunity to do that on behalf of so many Americans who are fed up with the fact that we keep giving MFN, or most-favored-nation trading status, to a country who has been so abysmal on human rights violations, not to mention stealing our nuclear secrets.

I have come to expect the President to ignore China's total disregard for human rights, its proliferation of nuclear weapons, and its piracy of U.S. technology by continuing Beijing's trading relationship with our country, but what I don't understand is why. Why are we doing this? Why are we afraid to debate this? Are we afraid we are going to find out how much technology has been pirated? Are we going to find out how much proliferation of nuclear weapons has actually occurred, how many human rights violations have occurred in China?

The answer is, yes, of course, we are going to find out, because I am going to present this on the floor if I get the opportunity to do it. Regrettably, the opposition is going to try to deny me that opportunity and probably will win. They win; the American people lose.

I will point out a few facts—I only have 30 minutes; I don't get the 10 hours I would have under the law, if, in fact, my discharge petition motion is approved. Unfortunately, I have to assume I am not going to get it and make the point as fast as I can in 30 minutes.

Since 1949, Communist China has operated one of the most brutal and repressive regimes the world has ever known. Indeed, the Beijing government has committed large-scale genocide in Tibet. It has killed millions of its own citizens, outlawed religion, obliterated freedom of the press, and fought against the United States in Korea and Indochina.

In 1989, the Chinese Government authorized a crackdown on thousands of students who had the courage to stand up for human rights and democracy, and crack down they did. We all know the sad stories that came out of that period of time in China's history. The actions of the Beijing government have also served to undermine international stability and U.S. national security interests. China continues to violate the missile technology control regime, exporting to rogue states like Iran, North Korea, and other nations. They export our most sensitive technology, which in some cases they stole and in other cases they bought, believe it or not, from the United States.

Moreover, China has failed to assist the United States in fully accounting for American POWs held by the Chinese forces during the Korean war. Certainly, the theft of our nuclear secrets by Chinese agents has been on our minds in the past several months. The Cox report provides extensive evidence on the damage done to our national security by Chinese espionage. But I am also very concerned about China's notorious and seemingly blatant disregard for U.S. intellectual property laws.

Over the last decade, Chinese exports to the United States have increased seven times in comparison to American exports to China, creating a significant trade imbalance. During this time, some of the most rapidly growing and most competitive U.S. industries have been adversely affected by China's failure to enforce intellectual property rights. These include computer software, pharmaceuticals, agricultural and chemical products, and trademarks.

American businesses are losing billions because of this persistent problem. Yet the President marches forward saying normal trade relations is perfectly acceptable. I don't understand it. How can the administration justify their decision to reward the Communist Chinese Government NTR status when that government has such a deplorable record of protecting just one issue—U.S. intellectual property rights—not to mention many others which I will be getting into?

Peace and economic stability in Asia are in America's interest and require Chinese-American cooperation. Unfortunately, the President's decision to reextend NTR status to Communist China effectively rewards Beijing for rejecting reasonable American de-

mands for protection from this intellectual property rights piracy, for cooperation on international non-proliferation efforts, and for a greater respect for basic human rights.

Now we are hearing the ominous signs of the saber rattling around Taiwan. These threats of military acts of violence threaten the stability of the entire region in the Pacific rim. How can you justify giving a nation that has done this, and is doing this, most-favored-nation trading status?

Perhaps the most egregious are the human rights violations which we appear to condone by granting this NTR status to China. It has a terrible human rights record. I have heard so many times from my colleagues, some of whom are going to be denying me by a vote the access to be able to debate this, how terrible the human rights violations are in China. Their policies on the political dissidents, religious freedom, and population control are abhorrent. The State Department report on China's human rights practices illustrates an appalling picture. It provides example after example of torture, forced confessions, suppression of basic human rights, denial of due process, and, worse of all, forced abortion and sterilization. Is this a government to which the United States of America should give most-favored-nation status? I don't think so.

All I am asking for is the opportunity to go into these matters in detail and debate this on the floor of the Senate. This is not a vote on whether you agree or disagree. It is very interesting. I was thinking as I walked down to the floor from my office a few moments ago that the President of the United States took the U.S. military, put them in harm's way and bombed the sovereign nation of Yugoslavia to protect the human rights of the Albanian Kosovars. I can't even get the Senate to give me the opportunity to debate human rights violations in Vietnam and China. That is the bottom line. That is what we are talking about today.

The President—I will repeat this—went to war in Yugoslavia to protect the human rights of the Albanians in Kosovo, and I am going to be denied on this floor, by a vote, the opportunity to debate—just to debate—human rights violations in China and Vietnam. They don't want to hear it. That is the bottom line. If you can live with that in your conscience, fine. It is a sad, sad situation.

All I am asking for is what is required under the law. Give me 10 hours and I will agree to reduce the 10 to 2. I will say to my colleagues, wherever you are out there, it is 10 hours by requirement; but I will agree to 2 hours on my side if you will support my motion. Give me the opportunity to show you on this floor what China and Vietnam are doing by voting for both of these motions.

Mr. President, at this time, I yield the floor to give some time to the other side.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I appreciate the feelings and good intentions of the Senator from New Hampshire, but I respectfully oppose this motion to discharge the Finance Committee from considering the resolution to disprove extension of the Jackson-Vanik waiver for China. Why do I do so? First, I say to my good friend from New Hampshire, he has lots of opportunities to debate human rights, or any similar issues, on the floor. He can offer an amendment to any bill. That is a standing rule of the Senate. Any Senator can offer an amendment to virtually any bill at any time. He has that right. The rules of the Senate provide for unlimited debate. So he can talk for as long as he can physically stand on his own two feet. He has plenty of opportunity, as do all Senators, to raise issues that concern them.

I think it is inappropriate to discharge the Finance Committee from considering the resolution to disapprove an extension. Why? Very simply, because the current process has worked pretty well.

I am somewhat bemused when I think back on how furious the debate was on this issue—oh, gosh, it must be 4, 5, 6 years ago. In fact, I was one of the few Members of the Senate on the Democratic side who voted to sustain the veto of President Bush on this very measure, as a consequence of President Bush's intention to extend unconditional MFN—now NTR—status for China, which prevailed. Ever since then, gradually, over the years, each President, each year, has reached the same conclusion after studying all the issues—that there should be a 1-year unconditional extension of most-favored-nation trading status. We have changed the name now to normal trade relations status. That is more accurate—more normal than most favored. In fact, for all intents and purposes, it is least favored. That is because the United States has trade agreements with many other countries which give them favorable terms of trade compared with the standard of MFN, or NTR.

Over the years, as more and more Americans have become more familiar with this question, and as the Congress has become more familiar, it has now come to the point where the vast majority of Members of Congress agree that annual unconditional extensions make sense, pure and simple. That is why we are here today. Several years ago, it was a huge debate. Now, over the years, it has come to be virtually a nonissue. It is virtually a nonissue because the vast majority of Members on both sides of the aisle, Republicans and

Democrats, and Presidents, Republicans and Democrats, know that to do otherwise would cause a tremendous upheaval of our relationships with a very important country—in this case, China.

I think it is important as we enter the next millennium that we deal with other countries with tremendous respect, recognizing that countries have interests. China has its own interests, and the United States has its own interests. The real question is how do we get along better with each other, in a way that accommodates American points of view.

The basic policy, as announced by the Presidents over time, has been engagement. I say it is basically engagement without illusions; that is, we talk with countries, but we are realistic about what they do or do not do. But we do not cut off something that is very basic, something that we grant to virtually every country in the world, including a lot of others that I can name that have foreign policies and internal policies that are inimical to the United States, but nevertheless we think to deal with those countries, it is best to maintain the current trade relationship with them.

One of the huge adverse consequences that have been caused by this in the past would be the clear setback of negotiations between the United States and China over China's membership in the World Trade Organization. That is a clear winner for the United States, as long as it is done on commercially acceptable principles. The last agreement that Premier Zhu tabled for the United States when he was in Washington not too long ago was clearly in the United States best interest. Why? Because it was unilateral.

In every case, it was China that was making concessions. It was China opening up its markets to American products. It was China that changed its distribution system. It would be China that would agree to—a much more fancy term is “transparency”—much more openness, which undermines corruption, which undermines favoritism. It brings the Chinese economy much more into the modern world.

If this resolution were to pass, I will bet my bottom dollar we would have no WTO this year, and probably not for the next couple of years. Then the relationship with China, if you think they are risky now, would make today's relationship look like a cake walk. We have China's difficulties with Taiwan. They will be there for the indefinite future.

There are problems we have now with China over the tragic, mistaken bombing of the Chinese Embassy in Belgrade. We have very deep human rights concerns. We have concerns about China's—in the past, anyway—transfers of missile technology, and perhaps nuclear weapons, to rogue nations.

But let's remember, China has taken a lot of actions which have been very helpful to the United States. What is one?

China abstained at the U.N. Security Council when we wanted the Security Council resolution on Kosovo. China could have caused all kinds of problems and could have vetoed that Security Council resolution but did not.

China also signed the Comprehensive Test Ban Treaty. They have signed it. As far as we know, they have not violated it.

They helped us in the gulf war, particularly by their actions with the Security Council. They helped with North Korea and the problems we have with North Korea, and particularly the greater potential problems we might have if North Korea starts sending missiles farther out into the Pacific.

But if this resolution passes, all those problems I mentioned are going to be exacerbated and all the good points I mentioned will become irrelevant and not helpful in our relationship with that country.

It is a very important country to deal with in a very solid, commonsense way. China is the largest country in the world. China has the largest free-standing army in the world. China has the largest population in the world. China is a nuclear power. China is the fastest growing developing country in the world. It is a major power. We can't close our eyes to China.

I am not saying we should accept what China is doing. I am not saying we should accept what any country is doing that is adverse to American interests. But I am saying that we have to, with eyes wide open, look at China and engage China without illusion. That is the policy.

If this resolution were to pass, believe me, we would be disengaging China. China would be so upset—and they should be, if it were to pass—and we would be dealing with China as an enemy and not as a country that is separate from us.

There is an old saying in life that if you stick your finger in somebody's eye and you treat somebody like the enemy, guess what. They are going to be an enemy; they will react adversely. That is exactly how this would be recognized if it were to pass.

There is another important point. It is procedural. Procedural matters, I might add, are not unimportant. This measure has been reported out of the House Ways and Means Committee unfavorably. So it is highly likely that this resolution will not come over to the Senate. If that is the case, why are we going through all of this? It doesn't make any sense.

I suggest, with deep respect to the other body, and with deep respect to my friend from New Hampshire and to my fellow colleagues, that if it comes up in the House, despite the recommendation of the House Ways and

Means Committee, they pass the resolution, and it comes over here, then we will take it up and we will debate it. But it is premature to take it up at this time when it is clear, because of the House vote, that it will not pass the House and therefore will not be ripe as an issue over here.

But the fundamental reason is that this resolution, if it were to pass, would cause many more problems than the purported solutions that lie under the premise of this motion.

Again, all Presidents who have looked at this issue and all Congresses that have looked at this issue have reached the same conclusion—Republican and Democrat—that continuing the grant on an annual basis of unconditional, normal trade relations with China will create the foundation and the condition for a much greater probability that we are going to achieve the success we want with various other issues that we have with China.

I oppose this move to discharge the Finance Committee from considering the resolution to disapprove extension of Jackson-Vanik waiver authority for China. It is an unnecessary attempt to alter a process that has worked well in providing for Congress' role in the annual NTR debate.

America's economic and trade relations with China have developed significantly over the past decade. I fervently hope that we will be able to resume WTO negotiations with China, complete a good commercial agreement, and extend permanent NTR quickly and in time for China to join the WTO in November in Seattle.

This is important for our businesses, important for our workers, and important for our country. I have no illusions about the serious problems we have with China, whether it is human rights, arms proliferation, espionage, Taiwan, or other areas. But using NTR, whether it is the annual extension or the permanent granting of that status, is not an effective way to influence China and move them in a direction we would like to see that society go. It holds our economic interests with China hostage to other aspects of the relationship. We need to regularize and normalize our trading relationship with China. We need to put predictability and stability into that trading relationship so that our industries can improve their ability to do business with China.

This resolution to discharge, although seemingly procedural, has an intent that damages our businesses, our workers, our farmers, and our Nation. I urge my colleagues to reject this effort.

I see my colleague. I guess he is going to yield time to one of our colleagues.

Mr. SMITH of New Hampshire. Mr. President, I yield 10 minutes to my dis-

tinguished colleague from Wisconsin, Senator FEINGOLD.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Thank you, Mr. President.

I rise today in opposition to the President's decision to extend normal trade relations status to China.

I especially thank the Senator from New Hampshire for bringing up the issue today.

I have objected to the President's policy on this issue since 1994, when he first de-linked the issue of human rights from our trading policy in China. The argument made then was that trade privileges and human rights are not interrelated. At the same time, it was said, through "constructive engagement" on economic matters, and dialogue on other issues, including human rights, the United States could better influence the behavior of the Chinese Government.

I have yet to see persuasive evidence that closer economic ties alone are going to transform China's authoritarian system into a democracy, or even reduce the current level of oppression borne by the Chinese people. Unless we continue to press the case for improvement in China's human rights record, using the leverage of the Chinese Government's desire to expand its economy and increase trade with us, I do not see how U.S. policy can help conditions in China get much better.

Virtually every review of the behavior of China's Government demonstrates that not only has there been little improvement in the human rights situation in China, but in many cases, it has worsened—particularly in the weeks preceding the tenth anniversary of the Tiananmen Square massacre on June 4th. More generally, five years after the President's decision to de-link trade from human rights, the State Department's most recent Human Rights Report on China describes once more an abysmal situation.

In my view, it is impossible to come to any other conclusion except that "constructive engagement" has failed to make any change in Beijing's human rights behavior. I would say that the evidence justifies the exact opposite conclusion: respect for human rights by the Chinese government has deteriorated and the regime continues to act recklessly in other areas vital to U.S. national interest.

This year—1999—is likely to be the most important year since 1989 with respect to our relations with China. Not only does it represent a significant milestone for the victims of Tiananmen Square, but 1999 is also the 50th anniversary of the founding of the People's Republic. This year has also seen the emergence of new thorny issues between the United States and China, including the accidental em-

bassy bombing, faltering negotiations regarding accession to the World Trade Organizations, and the recent release of the Cox report on Chinese espionage.

If moral outrage at blatant abuse of human rights is not reason enough for a tough stance with China—and I believe it is, as do the American people—then let us do so on grounds of real political and economic self-interest.

For example, China has failed to provide adequate protection of U.S. intellectual property rights; it has employed broad and pervasive trade and investment barriers to restrict our exports; it has made illegal textile shipments to the United States; it has exported products to the United States manufactured by prison labor; and it has engaged in questionable economic and political policies toward Hong Kong.

This does not present a picture of a nation with which we should have normal trade relations. Alternatively, if the Administration accepts these practices as normal, perhaps we need to re-define what normal trade relations are. The current practices are certainly not any that I wish to accept as normal.

Nor, Mr. President, do I wish to accept as normal the practice in our country of using campaign money to influence policy decisions, but I'm afraid that the China/NTR decision is far from an exception to this rule.

No, Mr. President, U.S.-China trade policy epitomizes how our campaign finance system can influence important decisions. The corporations and associations lobbying in favor of China NTR, as well as on China's accession to the World Trade Organization, represent a virtual who's who of major political donors. In an effort to inform my colleagues and the public about who's who in the push for NTR for China, I'd like to Call the Bankroll on some of the companies and associations involved in this fight.

These big donors represent industries that run the gamut of American commerce—from agribusiness to telecommunications and everything in between—but they all have in common a keen financial interest in China winning normal trade relations status.

One of the major coalitions lobbying to boost China's trade status, USA Engage, has a membership list brimming with top PAC money and soft money donors.

Let me name just a few examples of the political donations some of these USA Engage members gave during the last election cycle:

Defense contractor TRW Inc. gave more than \$195,000 in soft money and \$236,000 in PAC money.

Financial services giant BankAmerica gave more than \$347,000 in soft money and more than \$430,000 in PAC money.

The powerful business coalition of the U.S. Chamber of Commerce gave

nearly \$50,000 in soft money and \$10,000 in PAC money.

Exxon, one of the world's largest oil companies, gave \$331,000 in soft money and nearly half a million dollars in PAC money.

Communications giant Motorola gave more than \$100,000 in both soft money and PAC money.

Mr. President, this is just the tip of the iceberg. The list goes on and the money is piled high.

Over in the other body, junior members—who of course sit in the most remote offices in the far corners of the House office buildings—say that the only reason corporate CEOs come visit their offices is to push for NTR status for China.

So you see, Mr. President, on the one hand, some of the most powerful interests in America come to our offices to call on us to grant NTR status to China. We hear them loud and clear, and more than that we know too well the influence they wield as a result of their political donations.

But Mr. President, what about the other side? What about the voices we don't hear? The faces we don't see? I am talking about the human rights organizations who oppose de-linking trade from human rights, but are virtually nonexistent in the world of campaign contributions. I am talking about the thousands, if not millions, of Chinese people living without basic human rights who don't have access to the Halls of Congress.

I fail to see anything normal about the United States extending favorable trading status to a government that routinely denies basic freedoms—of expression, of religion, and association—to its people.

I fail to see what is normal, what is acceptable, or what is just about the United States tacitly condoning the actions of a country where our own State Department reports that the human rights situation is—quote—"abysmal."

Mr. President, my main objective today is to push for the United States to once again make the link between human rights and trading relations with respect to our policy in China. As I have said before, I believe that trade—embodied by the peculiar exercise of NTR renewal—is one of the most powerful levers we have, and that it was a mistake for the President to de-link this exercise from human rights considerations.

So, Mr. President, for those of us who care about human rights, those of us who long for freedom of religion for others, and those of us who believe America should demonstrate moral leadership in the world, I urge colleagues to join me in disapproving the President's decision to renew normal-trade-relations status for China.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I yield 8 minutes to my good friend, the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, as the chairman of the Subcommittee on East Asian and Pacific Affairs of the Foreign Relations Committee, I rise in strong opposition to the motion to discharge S.J. Res. 27. My objections to the motion and the underlying resolution, and to bringing them up at this point in time, are both procedural and substantive.

My first procedural objection is that while the Senator from New Hampshire [Mr. SMITH] is within his rights to move to discharge the joint resolution pursuant to 19 U.S.C. §§2192(c) and 2193, by doing so he is effectively seeking to bring it to the floor by completely circumventing the committee process. S.J. Res. 27 was referred to the Finance Committee on June 7 of this year. As my friend the distinguished chairman of that committee [Mr. ROTH] has noted today, the committee has had no opportunity to hold hearings on the relative merits of the resolution, to amend it, or to prepare a report on it to the full Senate. A piece of legislation this important, that would—if passed—have a huge effect on what I believe will be our most important bilateral relationship in the next century, deserves to be considered fully by the committee of jurisdiction without having that process short-circuited by a single Senator—especially one that is not a member of the committee in question.

Second, the Senate still has a number of vitally important appropriations bills to complete before Congress recesses for August. There is no connection whatsoever between these legislative matters and the joint resolution. There exists no time exigency which makes it important to lay aside debate on appropriations bills in order to debate China NTR nor, for that matter, which makes it important to circumvent the statutory process set out for the consideration of resolutions like S.J. Res. 27.

And that brings up my third procedural objection. Pursuant to the Trade Act of 1974, it is the practice of the Senate that a resolution of disapproval of a renewal of NTR status must originate in the House. Pursuant to 19 U.S.C. §2192(f)(1)(A)(ii) and 2192(f)(1)(B), any resolution of disapproval which passes the Senate before receipt from the House of a similar or identical joint resolution is required to be held at the desk until the House acts and passes such a joint resolution. H.J. Res. 57, the companion resolution to S.J. Res. 27, was introduced in the House on June 7, 1999, and referred to the Committee on Ways and Means. On July 1, the committee considered the resolution, and ordered it to be reported adversely by voice vote. The full House has yet to act on that report. So even if for some reason which escapes me

the Senator from New Hampshire [Mr. SMITH] can justify his urgent desire to bring his legislation to the floor, where is the logic in putting the procedural cart before the horse and acting before the House does?

Those are my procedural objections to the motion. But I also oppose the resolution, and thus the motion to discharge it, on substantive grounds. In my five years as subcommittee chairman, I have always fully supported unconditional NTR status for China and done so for several reasons: some practical, some policy-based.

First, from a practicality standpoint, I firmly believe revoking NTR would hurt us more than the Chinese—the economic equivalent of cutting off your nose to spite your face, or, as the Chinese say, "lifting up a rock only to drop it on your foot." In 1998, U.S. exports to China directly supported over 200,000 U.S. jobs. In 1995, China bought \$1.2 billion worth of civilian aircraft, \$700 million of telecommunications equipment, \$330 million of specialized machinery, and \$270 million of heating and cooling equipment. Those figures have grown since then.

China is now the world's third largest economy, and will continue to grow at an impressive pace well into the next century. The World Bank estimates that China will need almost \$750 billion in new investments to fund industrial infrastructure projects alone in the next decade. Cutting off NTR—and the Chinese retaliation that would surely follow—would only serve to deprive us of a growing market. China is perfectly capable of shopping elsewhere and our "allies" are more than happy to step into any void we leave. We recently saw a prime example of that willingness; in 1996 then-Premier Li Peng traveled to France where he signed a \$2 billion contract to buy 33 Airbuses—a contract that Boeing thought it was going to get.

Second, instead of using the NTR issue as a carrot-and-stick with the PRC, I believe the best way to influence the growth of democratic ideals, human rights, and the rule of law in that country is through continued economic contacts. I think anybody who has been to China, especially over the course of the last 15 years, has seen that for themselves. One of the strongest impressions that I take away from every trip I make to China in my capacity as subcommittee chairman is the dramatic effect that economic reform has had on the population. As you travel south from Beijing to Guangzhou where the greatest economic development has taken place, it is clear that economic development and contact with the West through trade has let a genie out of the bottle that the regime in Beijing will never be able to put back.

Local government officials do not want to talk about the Taiwan dispute;



they want to talk trade. Local businessmen do not want to talk about political ideology; that want to talk about increasing their profits and establishing a legal framework in China within which to do business. Local citizens do not care about the latest pronouncements from the Central Committee; they care about increasing their incomes and bettering their living conditions. People of the hundreds of thousands of villages where local democratic elections have been held have made it clear they would not quietly return to the old way of doing things.

The development of a market economy is the best way to encourage democratic reform. We have seen it in South Korea, we have seen it in Taiwan, we have seen it in the former Soviet Union, and I believe that we are beginning to see it now in China.

Third, revoking NTR would have a damaging effect on the economies of Hong Kong and Taiwan—two of our closest friends in the region. A vast majority of our China trade passes through Hong Kong and Taiwan; in addition, revoking NTR would have the greatest impact in the southern China provinces of Guangdong and Fujian where Hong Kong and Taiwanese businessmen have made substantial investments. Just for the limited sanctions and countersanctions proposed during our dispute over Chinese infringement of our intellectual property rights in 1996, the Hong Kong government estimated that Hong Kong would lose 11,500 jobs, \$13.4 billion in reexport trade, and 0.4 of a percentage point from a 4.6% GDP. The effects would be much more pronounced were NTR to be involved.

Fourth, NTR is not some special treatment or favor that the United States passes out rarely; it is the normal tariff status with our trading partners. Only 8 countries are not accorded that status: Afghanistan, Azerbaijan, Cambodia, Cuba, Laos, North Korea, Vietnam, and Serbia. To cast China into that grouping of pariah states would do irreparable damage to our bilateral relationship, and to the security and stability of East Asia as a whole.

With the demise of the cold war, and changing world realities, we would do better to repeal Jackson-Vanik and the yearly theater that surrounds the China NTR debate. It only serves: to make U.S. businesses nervous—they never know from one year to the next whether they will have NTR, and their investments in China, yanked out from underneath them; to complicate our relationship with the Chinese—the annual debate always reminds them that we treat them differently than almost every other country and some of the ensuing rhetoric in the debates is less than helpful to the relationship; and, to compromise our credibility both

with the Chinese and in Asia in general—threats to revoke NTR have yet to be carried out and conditioning has never worked.

I am not an apologist for the PRC—far from it. My subcommittee has held numerous hearings highlighting Chinese human rights abuses, oppression in Tibet, saber rattling aimed at Taiwan, unfair trade practices including tariff and non-tariff barriers, and the recent allegations of espionage—all issues I have raised personally with Chinese leaders from President Jiang on down. But no matter how mad-dening or ill-advised Beijing's behavior, I do not believe that withholding NTR is an effective instrument of foreign policy vis-a-vis China. In fact, I believe that there is no more effective way to influence the PRC than engaging China and slowly drawing it into the family of nations. If there is a way, I have yet to be made aware of it; I just know that the revocation or conditioning of NTR is not it.

For all these reasons then, Mr. President, I urge my colleagues to oppose the motion to discharge S. J. Res. 27.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Mr. President, I yield 6 minutes to my very good friend, the distinguished Senator from the State of Washington.

The PRESIDING OFFICER. (Mr. CRAPO). The Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, I rise to join my colleagues in opposition to the Smith resolution on normal trade relations for China. Once again, the Senator is confronted with an effort to circumvent the legislative process and radically change U.S. policy towards China. I oppose this effort. But I also caution my Senate colleagues, that the approach advocated here today is very dangerous to U.S. foreign policy.

United States-China relations are at a very delicate stage now. The relationship is very troubled at the moment. The accidental U.S. bombing of the Chinese embassy in Belgrade and accusations of Chinese nuclear espionage have given policymakers in both countries numerous reasons to be cautious about this important relationship.

Today's debate will be a brief one. With my time, I want to make a couple of points to articulate why we must once again defeat the effort to deny NTR or MFN status to China.

First, trade is the foundation of the United States-China relationship. Certainly, there are problems on the trade front. We have a troubling deficit, problems with issues like transshipment and intellectual property rights violations, and market access issues—to name just a few. Many of these issues are under consideration in the talks led by the United States over

China's accession to the World Trade Organization. I continue to support China's accession to the WTO on commercially viable terms. I think we are very close to a WTO agreement that will be strongly supported by the Congress.

Yes, trade with China is very important. But, perhaps more important, is the fact that trade has opened China's doors to the world. Our government is able to engage China on a number of issues from drug smuggling to cooperation on issues like human rights, North Korea, nuclear expansion in South Asia, and global environmental problems. Like it or not, if we end our trade relationship with China as some suggest, all of these beneficial openings to China will be curtailed or lost.

It is not just government-to-government contacts that we should be worried about. My personal opinion is the American people are having a far greater impact on the Chinese people than any congressional debate could ever have. Students and scholars, adoptive parents, business and tourist delegations, sister city delegations, and local government officials from my state are actively engaged in China. These folks are making a difference that benefits both the American and Chinese people. I do not want to see these people-driven initiatives for change jeopardized by passage of this resolution.

One in five people in Earth live in China. It is an immense population that impacts us all in so many ways—the world's food supply, pollution problems, and the use of natural resources, to name a few. The United States has the ability to cooperatively assist in China's development; we must not shy from this opportunity to aid both the Chinese and American people.

My second point addresses reform in China. Within China today a furious debate is raging. Leaders like President Jiang Zemin and Premier Zhu Rongji are under attack by more conservative anti-Western forces. The Embassy bombing and other issues have emboldened the hard line forces within China's leadership. There are elements within the Chinese Government that do not want to move forward with constructive ties with the United States.

The resolution before the Senate today, in my estimation, sends a very dangerous message to China. The message is the United States is recoiling towards a more confrontational posture towards China. Passage of this resolution will strengthen those in China who argue that China should treat the United States as an adversary. If that happens, the relationship will certainly spiral in dangerous directions for both the Chinese and American people.

If we undermine the reform forces in China, it will have dangerous implications for this country. At the United

Nations, where China is a permanent member of the Security Council, the United States will have a very difficult time as the world's lone superpower. In Asia, where economic recovery is beginning to take place and where we have 100,000 military personnel, our efforts to preserve decades of peace will be jeopardized. And, the United States will be alone in the world in seeking to isolate China economically, potentially causing problems with our allies in Europe and Asia.

Though I strongly oppose this resolution, I do not mean to imply that the China relationship is easy or that the United States should make concessions to the Chinese. That is simply not the case. The United States-China relationship is very difficult for this country and will be so for some time. I have many objections to Chinese actions. But, I believe, to change China, we must be an aggressive participant in the global effort to engage the Chinese Government and the Chinese people.

This resolution before us today would seriously threaten our ability to contribute to change in China. And that is clearly not in our national interest. I urge my colleagues to defeat the Smith resolution.

The PRESIDING OFFICER. Who yields time?

Mr. SMITH of New Hampshire addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH of New Hampshire. How much time remains?

The PRESIDING OFFICER. The Senator has 10 minutes 55 seconds remaining.

Mr. SMITH of New Hampshire. Mr. President, I cannot let go unchallenged on the floor the accusation that I am circumventing the legislative process. I think my colleagues know that is not true. This is the act, the Trade Act of 1974. I have it in my hand. I would encourage my colleague to read it before making accusations that are simply false.

In the committee of either House to which a resolution has been referred, that has not been reported at the end of 30 days after its introduction, and counting any day which is excluded under section 154(b) it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution associated with this.

The bottom line is, this went to the committee on June 3. It has remained there to this day. More than 30 days have passed. The bottom line is, which is perfectly legitimate under the rule, the Finance Committee does not have to discharge it. If they do not discharge it, what happens is China gets its NTR status, and Jackson-Vanik is waived.

So I am exercising my right in doing what I am doing. And for colleagues to come down here and say I am circumventing the legislative process simply

is not true. I would like to go back and see how some of my colleagues voted on some of these matters.

I have heard on the floor that it is inappropriate to debate this issue; it is inappropriate to talk about it. "Take morning business and come down here," or "speak at midnight when nobody is watching."

There is a process here. It is written in the law that the Senate has an hour on the motion to determine whether or not to discharge, and then if we pass these motions I am offering on China and Vietnam, we have the opportunity to debate this.

So I am hearing that it is inappropriate for the Senate to debate something provided under the law. Why in the world is it inappropriate to debate anything on the floor? If you want to know what is wrong with this place, this is a pretty good example. "It is inappropriate to debate what's going on in China and Vietnam on the Senate floor."

Let me tell you what is inappropriate. With all due respect, what is inappropriate is the fact that the Communist Chinese are threatening Taiwan with missiles. What is inappropriate is what the Chinese Communist Government did to the people of Tibet. What is inappropriate is the fact that the Chinese Government put hundreds of thousands, maybe millions of dollars into U.S. elections. What is inappropriate is that they have tried to take over the Long Beach shipyard. What is inappropriate is that the Chinese have gobbled up the port leases on both sides of the Panama Canal. What is inappropriate is population control. What is inappropriate is forced sterilization. What is inappropriate is killing unborn children, female children. That is what is inappropriate. What is also inappropriate is trying to run over peaceful protesters with tanks in Tiananmen Square.

So do not tell me it is inappropriate to debate something on the floor. It is an outrage that this Senate will not approve this motion and allow the opportunity to do that.

Let me come to the floor and debate these issues. They do not want me to come to the floor, I say to the American people. That is why my resolutions are going to go down, because they do not want to hear about it, because the administration has made a decision to grant most-favored-nation status, normal trade relations—a decision to look the other way while China does these appalling things.

I say, with all due respect—I said it earlier, and I will say it again—this President went to war and put American forces in harm's way to protect the human rights of the Albanians in Kosovo. And I can't get a resolution passed to debate human rights violations in China or Vietnam. What does that tell you? Is this America? Do you

want to know what is wrong with politics? This is what is wrong with politics.

In China, they can do what they want. China is a sovereign nation. I guess, under the Clinton policy, we may be bombing them tomorrow. I do not know if it is human rights violations. Apparently, we cannot talk about them in the Senate. However, let me read you a little bit about what goes on in China from the 1998 State Department Human Rights Report.

Disciplinary measures against those who violate policies can include fines (sometimes a "fee for an unplanned birth" or a "social compensation fee"), withholding of social services, demotion, and other administrative punishments . . . intense pressure to meet family planning targets set by the Government has resulted in documented instances where family planning officials have used coercion, including forced abortion and sterilization, to meet government goals. During an unauthorized pregnancy, a woman often is paid multiple visits by family planning workers and pressured to terminate the pregnancy.

It goes on and on and on.

Are we going to give most-favored-nation status to this country? This is the issue. We are going to give it to them without giving me and other Senators in this body the opportunity to debate it on the floor? Welcome to America, for goodness sakes.

I thought the Senate was the greatest deliberative body in the world where all of the great debates took place. I am standing at Daniel Webster's desk. He would probably turn over in his grave if he heard that we would refuse to debate something as important as this. Daniel Webster stood on this floor, the strong advocate, year after year, against the outrage of slavery—and we cannot talk about China and Vietnam because my colleagues will not allow me to bring these resolutions out.

It is outrageous. I just do not understand it. It is exactly everything that is bad and wrong and outrageous about politics and about the process around here. I am sick of it. It is wrong.

Yes, bringing these motions is within the rules. Somebody put it in there. But for goodness sakes, what is fair is fair. It is not a question of me coming to the floor and saying: Well, nothing is happening in China; I'm just going to come down on the floor and create some problems here and tell you about things I made up, or I'm going to say nothing is going on in Vietnam.

I am not making this up. Right today, in the Washington Times:

Chinese companies transferred missile components to North Korea last month in a sign Beijing is stepping up arms sales in response to the NATO bombing of the Chinese embassy in Belgrade. "We are concerned about Chinese entities providing material for North Korea's missile program," a senior administration official told the Times. "In our

judgment, the Chinese government has no interest in seeing North Korea develop its missile technology." The Pentagon believes that some of the missile technology contains material of U.S.-origin, and that the transfers violate Chinese promises not to ignore international missile export controls barring such sales to rogue states, said U.S. intelligence officials.

Apparently we are not upset enough, are we? We are going to give them normal trade relations and look the other way. You steal our secrets; you abort your children; you forcibly abort female children; you saber rattle in Taiwan; you threaten to run over peaceful demonstrators with tanks. A priest was murdered a couple of months ago on the streets of Beijing. You give contributions to one of the major political parties in America, and we are going to look the other way.

We are not even going to debate it. I say to the people out there in America: Watch the vote. You will see it. One right after another, they will come down here and SMITH will lose on Vietnam and SMITH will lose on China. And the American people will lose the opportunity to debate it.

I cannot do this in 30 minutes. I would like to go into some of these matters in detail, but I do not have the time. That is the rule. I have 30 minutes, an hour equally divided. That is it.

So I just say to my colleagues, give me the opportunity to debate these matters on the floor so I can point out to you the human rights abuses and the flagrant violations of both of these countries. Vietnam does not deserve the Jackson-Vanik waiver and China does not deserve to be given normal trade relations.

Mr. President, I see my time has expired. I yield back the last minute.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Mr. President, I yield 4 minutes to my friend, the Senator from West Virginia, Mr. ROCKEFELLER.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. I thank the Presiding Officer.

I point out to my friend from New Hampshire that he did, indeed, have the floor. The parliamentary process seems to be working. He has mentioned those aspects on which he disagrees with China five or six times apiece now since I have been on the floor in only the last 10 minutes. I don't think he should be that concerned about not being able to debate.

There were those of us on the other side of the aisle who were trying to debate something called the Patients' Bill of Rights for several weeks, and we were denied that. Well, this is a tough body. One does the best they can.

I think terminating normal trade relations with China would be an enormous mistake. I have often said one of the greatest speeches I have ever heard

on the floor was given by Senator Jack Danforth. It was the last one he ever gave on the floor. It was a number of years ago when he retired. He talked about the fact that every Senator wants to be a Secretary of State, and every Senator thinks that he or she is a Secretary of State. Every Senator thinks that he or she ought to act as Secretary of State, and that about half of us try to. There is an endless opportunity because you can bring up other countries and bring up all the things you don't like about them.

The Senator from New Hampshire doesn't approve of different of their social policies, so he brings them up. He has a chance to speak about them. None of this, in my judgment, has to do with the self-interest of the United States of America. What is foreign policy? What is trade policy? It is meant to be the self-interest of the United States of America.

The Senator, as he concluded his argument, actually said that China was taking over, implying that they had taken over the Panama Canal. That came as a surprise to me because I read the news fairly diligently and haven't heard that. What I do know is this: China has been through 5,000 years of history, and I have studied it quite carefully. They have never had a single day of stability that they could count on. In fact, even under Confucian philosophy, the people always have, in the so-called five relationships, the right to overthrow the emperor any time they want, and they frequently have.

They are, as the Senator from Washington indicated, one-fifth of the world's population. They are an absolute key. The very worst thing I can imagine us doing at this time would be to terminate normal trade relations.

If the Senator from New Hampshire, as he says, believes that the Chinese are not treating the Taiwanese well, if you want the Taiwanese-Chinese relationship, the PRC-Taiwanese relationship, it is not a zero-sum game. The best relationship between the PRC and Taiwan is always going to be under those conditions wherein the United States and the PRC have the most normal, natural, and efficient relationship. That means we will disagree on many things, but we will also do a number of things, which we have been doing for years: For example, trading, exchanging students, learning more about each other. Americans have always had a kind of love/hate relationship with China. It is part of the mysticism, the mystery of our intangible history of the past centuries with them.

We have never really understood China very well. We don't understand China very well today. But one thing I know, if we terminate normal trade relations, it is going to give the upper hand to the very people in the People's Liberation Army, some of the younger

turks there who are the people that, in fact, in 1996 led the move to point missiles at Taiwan and who are probably right now doing everything they can to destabilize Zhu Rongji and President Jiang Xemin, who are trying to reform China, to stabilize China, to deregulate China, to make China into a more modern economy with, all the time, 120 or 140 million people that are completely homeless wandering around the country.

I strongly advise my colleagues to vote against what is quite an outrageous resolution, which has no place whatsoever on the floor.

I yield the floor.

Mr. MURKOWSKI. Mr. President, I also rise to urge my colleagues to vote against the motion to discharge the Committee on Finance from further consideration of the resolution disapproving the extension of the Jackson-Vanik waiver authority for normal trade relations with China.

Beyond the procedural problems my colleagues outlined regarding taking up this measure today, there are clear and crucial reasons to oppose this motion because the underlying disapproval resolution should also be opposed on its merits.

Let me state that I agree with my colleague on the goals he seeks to achieve by pursuing this motion, but I disagree with his methods.

I too am concerned about the recent espionage reports and the implications for our national security.

I too am concerned about China's destabilizing weapons sales.

I too want China to resolve peacefully her territorial disagreements in the South China Sea.

I too want China to lower barriers to U.S. exports and to reduce her trade surplus with the United States.

I too want China to end her military threats against Taiwan and to resolve peacefully her differences with Taipei.

And I too want China to respect the basic human rights of its citizens.

But I do not believe that withdrawing normal trade relations status will force China to satisfy any of our objectives. Indeed, sanctioning China by withdrawing NTR runs the risk of making that country more belligerent and less cooperative on these and other issues.

Moreover, revoking NTR would be contrary to American interests and the interests of the American people.

Experience shows that unilateral trade sanctions generally don't work. The chances of success only improve when sanctions are applied in cooperation with our major allies. However, not one of these allies is even debating whether to withdraw NTR status from China.

Let's be clear on this point. If we revoke NTR status for China, Beijing would certainly be hurt, but so too would the United States.

As a result of withdrawing NTR, U.S. duties on goods imported from China would immediately rise to the tariff rates established under the highly protectionist, depression-era Smoot-Hawley tariff law.

Because NTR is provided on a reciprocal basis, China would respond to higher tariffs on her goods by slapping higher tariffs on U.S. goods. Such a move will slam the door shut on U.S. exports to the Chinese market—the fastest-growing market in the world for the highly competitive American aircraft, telecommunications, and automotive equipment industries.

These export opportunities will go instead to the Europeans, the Japanese, the Canadians and firms from all the other countries in the world which continue normal commercial relations with China.

In addition to severely damaging U.S. exporters, the small and large American firms that have invested billions of dollars to penetrate the Chinese market would see their efforts and investments jeopardized.

The economic fallout from withdrawing China's NTR status is not only going to hit American companies, but also American consumers. Our lowest income citizens, in particular, would suffer from the dramatically higher prices they will have to pay for a variety of basic goods as a direct result of the imposition of substantially higher duties on Chinese imports.

There are those who claim that pricing Chinese goods out of our market through higher duties would be beneficial because the products we now import from China would be produced in the United States. But any business person will tell you the truth is that in almost all cases imports from China will be replaced not by American products but rather imports from other developing countries.

We must also recognize that cutting ourselves off from China by withdrawing NTR will severely limit our ability influence developments in China, including how China treat its citizens and whether it permits the development of a freer society.

Mr. President, it is also important to recognize that the United States already has specific, measured and targeted tools at our disposal that allow us to address problems with China without resorting to the indiscriminate and destructive approach of revoking NTR.

For example, we can adopt the Kyl-Domenici-Murkowski amendment to reorganize the Department of Energy to prevent further losses at our national weapons laboratories.

We can involve targeted Section 301 sanctions for discrete discriminatory and unreasonable Chinese trade practices.

We can continue to expose and condemn China's repressive human rights

record in this Chamber and in organizations around the world.

We can counter China's threats to Taiwan by considering sales of upgraded defensive weaponry to Taipei, as well as by reaffirming our unwavering commitment to a peaceful resolution of the dispute between Taiwan and China in the context of our one China policy.

We can rely on international law and the shared interests of the countries of Southeast Asia to counter aggressive Chinese territorial claims.

I want to note here, moreover, that neither the Taiwanese—who are never shy about voicing their opinions to Members of Congress—nor the countries of ASEAN which have territorial disputes with China, support the United States revoking NTR for China.

The bottom line, Mr. President, is that revoking NTR would not advance the goals for China which I share with my colleague, and will likely worsen our problems with China. And it would put at risk hundreds of thousands of American jobs and billions of dollars worth of American exports and investments.

With so much to lose and nothing gained, I urge my colleagues to vote against this motion.

Mr. KERREY. Mr. President, I rise today in strong opposition to the motion to discharge the Finance Committee from further consideration of S.J. Res. 28. I oppose the efforts of the Senator from New Hampshire because I believe passage of S.J. Res. 28 would be a step backward and would jeopardize our efforts to encourage political and economic change in Vietnam.

Mr. President, I am confident my colleagues on both sides of this debate share the same goal: helping to create a democratic Vietnam. We all want to see a Vietnam that respects the rights of all of its citizens. A Vietnam whose society is based on the rule of law. A Vietnam that protects private enterprise and abides by international commercial standards. A Vietnam that cooperates with the United States in seeking to end the pain and the lingering questions of the thousands of American POW/MIA families.

While we share the same goal, we fundamentally disagree on how best to achieve a democratic Vietnam. Those who support S.J. Res. 28 believe we are more likely to promote democratic reforms and the human rights of the Vietnamese people by discontinuing our dialogue with the Government of Vietnam. They believe we can encourage the transition to free market economics by putting U.S. businesses in Vietnam at a disadvantage relative to their global competitors and making it more difficult for them to operate. Finally, they believe we can improve Vietnamese cooperation in solving outstanding POW/MIA cases by jeopardizing successful, joint investigative and recovery programs.

Proponents of this legislation will argue passage of S.J. Res. 28 would only have the minimal effect of denying the President's waiver of the provisions of the Jackson-Vanik Amendment. The truth is, this vote is a referendum on our entire policy of engaging Vietnam. Those who support this Resolution have opposed every effort to normalize U.S.-Vietnamese relations. With this Resolution, they are trying to take us back to the policy of the 1980s that sought to isolate Vietnam from the United States both diplomatically and economically. This policy failed in the 1980s, and will undoubtedly fail again.

Mr. President, proof of the failure of disengagement is found in the fact that since renewing our diplomatic relations with Vietnam we have seen progress on the issues we care about. I attribute most of this improvement on the ability of our government to communicate with Vietnam through normal, diplomatic channels. This progress will continue if we allow people like Ambassador Pete Peterson to continue to impress upon the Government of Vietnam the seriousness with which we attach to issues such as democratization, human rights, and POW/MIAs. Passage of this Resolution will undermine Ambassador Peterson's efforts, will force us to step back from our policy of engagement, and will endanger the progress we have already achieved.

This is not to say that we do not continue to have issues with which we disagree with the Vietnamese government. Economic and social reforms are not progressing quickly enough. We continue to hear of cases where the rights of political dissidents are not respected. And until every POW/MIA is accounted for, we will continue to press the Vietnamese government for answers. However, the authors of S.J. Res. 28—those who oppose continued normalization of our relations with Vietnam—have failed to explain how disengaging from Vietnam will encourage their government to take positive action on any of these issues.

Mr. President, those who prefer isolation simply fail to fully understand the power of the United States to act as a catalyst for societal and economic change. We cannot be this catalyst for the Vietnamese people if we are not fully engaged in Vietnam. I would argue we need to be more engaged than we are today. Where we disagree with Vietnamese government, we should forcefully challenge them. And where we see the budding signs of reform, we should foster its growth. We cannot do this if—as those on the other side propose—we do not continue to move forward in our relationship with Vietnam.

Passage of S.J. Res. 28 is a step backward. Rather than going back, I believe we should look forward. We should look for ways to fully unleash the power of

our people, our ideals, and our system of government to help the Vietnamese achieve the goal of democracy. I urge my colleagues to oppose the motion to discharge S.J. Res. 28.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Montana.

Mr. BAUCUS. Mr. President, I believe that concludes the number of speakers who wish to speak on this matter and, therefore, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays on both resolutions.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SMITH of New Hampshire. Mr. President, I ask for the yeas and nays on both resolutions: the China resolution and the Vietnam resolution.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

#### VOTE ON MOTION TO DISCHARGE S.J. RES. 27

The PRESIDING OFFICER. The question is on agreeing to the motion to discharge S.J. Res. 27.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative assistant called the roll.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY) is necessarily absent.

The result was announced—yeas 12, nays 87, as follows:

[Rollcall Vote No. 213 Leg.]

#### YEAS—12

Bunning	Hollings	Sessions
Collins	Hutchinson	Smith (NH)
Feingold	Inhofe	Snowe
Helms	Leahy	Wellstone

#### NAYS—87

Abraham	Domenici	Levin
Akaka	Dorgan	Lieberman
Allard	Durbin	Lincoln
Ashcroft	Edwards	Lott
Baucus	Enzi	Lugar
Bayh	Feinstein	Mack
Bennett	Fitzgerald	McCain
Biden	Frist	McConnell
Bingaman	Gorton	Mikulski
Bond	Graham	Moynihan
Boxer	Gramm	Murkowski
Breaux	Grams	Murray
Brownback	Grassley	Nickles
Bryan	Gregg	Reed
Burns	Hagel	Reid
Byrd	Harkin	Robb
Campbell	Hatch	Roberts
Chafee	Hutchinson	Rockefeller
Cleland	Inouye	Roth
Cochran	Jeffords	Santorum
Conrad	Johnson	Sarbanes
Coverdell	Kerrey	Schumer
Craig	Kerry	Shelby
Crapo	Kohl	Smith (OR)
Daschle	Kyl	Specter
DeWine	Landrieu	Stevens
Dodd	Lautenberg	Thomas

Thompson	Torricelli	Warner
Thurmond	Voinovich	Wyden

#### NOT VOTING—1

Kennedy

The motion was rejected.

The PRESIDING OFFICER. Under the statute, a motion to reconsider a motion to table is not in order.

#### VOTE ON MOTION TO DISCHARGE S.J. RES. 28

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on the motion to discharge S.J. Res. 28. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 5, nays 94, as follows:

[Rollcall Vote No. 214 Leg.]

#### YEAS—5

Campbell	Helms	Smith (NH)
Feingold	Hollings	

#### NAYS—94

Abraham	Enzi	McCain
Akaka	Feinstein	McConnell
Allard	Fitzgerald	Mikulski
Ashcroft	Frist	Moynihan
Baucus	Gorton	Murkowski
Bayh	Graham	Murray
Bennett	Gramm	Nickles
Biden	Grams	Reed
Bingaman	Grassley	Reid
Bond	Gregg	Robb
Boxer	Hagel	Roberts
Breaux	Harkin	Rockefeller
Brownback	Hatch	Roth
Bryan	Hutchinson	Santorum
Bunning	Hutchison	Sarbanes
Burns	Inhofe	Schumer
Byrd	Inouye	Sessions
Chafee	Jeffords	Shelby
Cleland	Johnson	Smith (OR)
Cochran	Kerrey	Snowe
Collins	Kerry	Specter
Conrad	Kohl	Stevens
Coverdell	Kyl	Thomas
Craig	Landrieu	
Crapo	Lautenberg	
Daschle	Leahy	
DeWine	Levin	
Dodd	Lieberman	
Domenici	Lincoln	
Dorgan	Lott	
Durbin	Lugar	
Edwards	Mack	

#### NOT VOTING—1

Kennedy

The motion was rejected.

#### ORDER OF PROCEDURE

Mr. LOTT. Mr. President, I believe we have worked out some consent agreements now that will allow the Senate to go forward in a constructive way. One has to do with the campaign finance reform issue, and the other one has to do with how we will handle the intelligence authorization bill this afternoon.

I see Senator MCCAIN here. I know Senator FEINGOLD is here.

#### CAMPAIGN FINANCE REFORM

I ask unanimous consent that at a time to be determined by the majority leader, after consultation with the Democratic leader, but no later than Tuesday, October 12, 1999, the Senate proceed to the immediate consideration of a bill to be introduced by Senators MCCAIN and FEINGOLD regarding campaign reform, and that the bill be introduced and placed on the calendar by the close of business on Wednesday, September 14, 1999.

I ask unanimous consent that debate on the bill prior to a cloture vote be limited to 3 hours to be equally divided in the usual form.

I also ask unanimous consent that only amendments related to campaign reform be in order, with time on all amendments, first and second degree, to be limited to 4 hours each, equally divided in the usual form, and that if an amendment is not tabled, it be in order to lay aside such amendment for 2 calendar days.

I further ask consent that no sooner than the third day after the bill is brought to the floor, a cloture motion be filed on the McCain-Feingold bill, and if cloture is not invoked, the bill immediately be placed back on the calendar.

Finally, I ask unanimous consent that it not be in order at any time prior to the pendency, or during the remainder of the first session of the 106th Congress, for the Senate to consider issues relative to campaign reform, except as the issues pertain to the appointment of conferees and any conference report to accompany the McCain-Feingold legislation.

The PRESIDING OFFICER. Is there objection?

The Senator from Arizona.

Mr. MCCAIN. Mr. President, reserving the right to object, I yield to the Senator from Kentucky.

Mr. MCCONNELL. Reserving the right to object, I haven't quite finished reviewing this. If the majority leader will give me about 2 minutes, I think I will be ready.

The PRESIDING OFFICER. Are there other reservations of objection?

Mr. MCCAIN. Mr. President, reserving the right to object, I ask, does this mean that the majority leader will not fill up the tree with first- and second-degree amendments? In other words, the intent is to move forward with the amending process, up-or-down votes on the amendments and move forward? That is the intent of the majority leader?

Mr. LOTT. The intent is to have amendments and that they be voted on, on this bill.

My purpose in trying to get this worked out is so we can go ahead and complete our appropriations bills process but also recognizing the Senator's

desire to have this issue considered, finding a time which was most satisfactory to all involved on both sides of the aisle to have it considered. And it is our intent to have ample time for debate and for amendments to be offered and voted on.

Mr. MCCAIN. I thank the majority leader.

This is a time now where we will be able to have a legitimate amending process. Amendments to perfect the legislation will be placed on the calendar by the close of business on September 14 so that we can improve or not improve. However, the legislative process will move forward, as we normally do on pieces of legislation before the body, with the exception, of course, that respecting the fact that the Senate does act with 60 votes to cut off debate, if Senator FEINGOLD and I fail to get 60 votes, then there is no sense in prolonging the debate or the discussion, including that we would not raise the issue again during the 106th Congress. We would have debates and amendments and votes on those amendments.

Mr. LOTT. Ordinarily, the way we do these unanimous consent agreements, I would have required the bill to be filed immediately after this unanimous consent agreement. But as the Senator indicated, that is over 2 months away and changes might be necessary. But I think it is also important for those who might not agree with the content of this bill to have ample time to see what the bill is going to be and to prepare amendments on the other side. I thought the September 14 day was a reasonable time.

Mr. MCCAIN. If the majority leader will agree, for the remainder of the first session, we would not bring it up.

Mr. LOTT. I certainly hope not.

Mr. McCONNELL. Mr. President, I will not object. I ask the majority leader if he will yield for a moment.

Mr. LOTT. I am glad to yield to the Senator for a question.

Mr. McCONNELL. Let me say to the Senator from Arizona and the majority leader that I think this is a fair compromise. It would give the Senator from Arizona and the Senator from Wisconsin, as well as others who historically have been on the other side of this issue, an opportunity to offer amendments. It also will give us an opportunity, as the Senator from Arizona has indicated, to know what bill will be called up for debate on September 14. So I think this is a reasonable way to dispose of this issue that is fair to everyone, and it gives us an opportunity to proceed with the Senate's much more important business between now and the August recess.

I thank the majority leader for his good work on this, and I look forward to the debate later this year.

Mr. FEINGOLD. Mr. President, reserving the right to object, I thank the

majority leader for his cooperation on this. I will ask a brief question. I want it to be absolutely clear in the record that the agreement as it reads involves a limitation with regard to the first session of the 106th Congress, but that we are not precluded in any way from raising this issue again in the second session of the 106th Congress.

Mr. LOTT. You are not. I am sure you would prefer to have this matter concluded in the first session.

Mr. FEINGOLD. Yes, absolutely, and there are other things on which I would like to be working.

That is a good lead-in for my comments on this issue. Again, I thank the majority leader and the Senator from Kentucky for their remarks. I especially thank the Senator from Arizona for his tremendous persistence on this issue and especially in working out this agreement in the middle of a very busy legislative schedule that I know we have for the rest of the year.

This agreement involves a debate to come up by October 12. It is later than I would have wanted. I understand we have had a few other things going on, including an impeachment trial, the war in Kosovo, and so on, but it is essential that this matter be seriously considered. I hope it is resolved and that we pass legislation before the end of this year. In any event, we have to bring it up.

The word "amendments" is critical in this agreement. We have to have a real amending process. We have not had that yet on campaign finance reform. At no point, since I have been working on the McCain-Feingold bill, have we ever had a time when Senators could offer their amendments about what they care about. Somehow, the process has always been truncated, and you can blame either side. Obviously, I have my view of it. But to me this agreement means that we will not again have a one-cloture-vote-and-we-are-done process. We are going to have real amendments, real debate, and a real discussion. If that transpires, I have a feeling we will have an outcome that, in my view, can lead to 60 or 70 votes, something on which Members on both sides can agree. That is my goal, and I think that is the goal of my colleague from Arizona.

I think it is very important to stay in touch with what happened in the other body. They have passed this legislation. A majority of Members of both Houses of the Congress are for this, and the President is ready to sign it.

I think it is important to make those points. Although it has its limitations, this can be the beginning of truly reaching some kind of an agreement in this House to do something about the incredible explosion of soft money that has tainted our democracy.

So, again, I thank the majority leader, and I am looking forward to this process.

Mrs. BOXER. Reserving the right to object, Mr. President, I want to say to my friends, you are terrific on this issue, and I appreciate what you have done. We got word from Senator LEVIN that he wants to see this agreement. He has asked if we would object at this point. He hasn't yet seen it. So I will be asking that this be put aside, or I will have to object on his behalf until he sees this.

The PRESIDING OFFICER. Objection is heard.

#### INTELLIGENCE AUTHORIZATION

Mr. LOTT. Mr. President, we have a second unanimous consent request that I think has been agreed to with regard to the intelligence authorization bill, so the Senate can go forward.

First of all, in view of the request that was made and the potential objection that I assume there will not be, I will withdraw that unanimous consent request at this time and then I will propound this request. I ask unanimous consent that the Senate now proceed to H.R. 1555.

I further ask consent that following the offering of the amendment by Senator KYL as provided for in the consent agreement on May 27, there be up to nine relevant second-degree amendments in order for each leader, or their designees, and an additional amendment to be offered by the managers to include agreed-upon amendments.

I further ask consent that the listed first-degree amendments noted below also be relevant and subject to relevant second-degree amendments: Senator TORRICELLI, with regard to funding disclosure; Senator MOYNIHAN, regarding declassification; Senator GRAHAM of Florida, relevant amendment; Senator FEINSTEIN, regarding the drug czar; Senator SMITH of New Hampshire regarding intelligence listing; again, Senator SMITH of New Hampshire, regarding intelligence declassification.

I further ask consent that following the disposition of the amendments, the bill be advanced to third reading and passage occur, all without any intervening action or debate, and no motions to commit or recommit be in order.

Mr. MCCAIN. Reserving the right to object, I deeply regret this, but Senator LEVIN is on the floor right now. I hope we can come to an agreement on whether or not he would object to that unanimous consent agreement. I would like to finish it. I will yield to him at this time.

Mr. LEVIN. Mr. President, I thank my good friend from Arizona. I haven't had a chance to read it. I would appreciate a couple more moments to read this UC.

Mr. MCCAIN. Mr. President, I object at this time, until we get this.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that privileges of the floor be granted to Alexis Rebane during today's debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. Mr. President, I ask unanimous consent that I be able to speak as in morning business on another subject.

Mr. McCAIN. I object.

The PRESIDING OFFICER. Objection is heard.

In my capacity as a Senator, the Chair suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I ask unanimous consent that the Senator from California be allowed to proceed while we are awaiting final confirmation on the unanimous consent request. She indicated very graciously that the minute we get ready to go on that she will yield the floor. With that understanding, I ask that she be allowed to proceed.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from California is recognized.

#### THE CONSERVATION AND REINVESTMENT ACT

Mrs. BOXER. Mr. President, I am so grateful to the majority leader. This morning there was, I thought, a very good presentation by several colleagues concerning S. 25, the Murkowski-Landrieu bill. This legislation, which is supported by a number of my colleagues, is called the Conservation and Reinvestment Act.

I want to say that is a wonderful title because it implies that we are going to conserve something and that we are going to reinvest money to make our environment better.

It is very tempting when you first look at the bill to say this is an excellent bill. But as you get into the bill, and as you listen to the remarks of my colleagues who are for it, you basically realize that it does basically one thing and one thing only; that is, it encourages more offshore oil drilling on Fed-

eral lands because it makes the revenues States receive dependent upon how much offshore oil drilling they engage in off their coast.

What it means for States such as California that protect its coastline by restricting offshore oil drilling, is that there will be less funding for conservation, and States that encourage offshore oil drilling, which I believe depletes the environment, will be rewarded by far more funds. States that have absolutely no offshore drilling and those that are landlocked also do not benefit from this bill.

While purporting to simply provide guaranteed funding for the Land and Water Conservation Fund, S. 25 distorts the fundamental principle behind the establishment of the Act.

The original idea behind it is to purchase beautiful lands for future generations.

When I ask colleagues if, in fact, S. 25 encourages offshore oil drilling—they say, no; we don't. But yet if you listened to Senator MURKOWSKI's comments on the floor today, you will hear something different. This is what he said about the bill, S. 25:

In order to have a successful Conservation and Reinvestment act, we've got to have a continuation of OCS revenues occurring off the shores of some of our States."

He went on to say:

Support for this legislation is related, to some extent, by those States that see an opportunity to generate a source of revenue.

And continued to say:

In order for it to be successful, we have to have and encourage offshore revenue sharing.

Clearly, what Senator MURKOWSKI is saying about S. 25 is the truth. That is, if a State wants to receive more funds, they should allow and promote more offshore oil drilling off their coasts.

I come from a State that treasures its coastline and knows that the impact of offshore oil drilling is devastating. I don't think we should be punished because we stand strong in our State in a very bipartisan way, to say we don't want this impact.

I don't believe S. 25 is a conservation bill. I believe the principal goal is to encourage more offshore oil drilling, and thereby bring about more destruction to the environment—not less destruction.

States that have active drilling programs will be the primary benefactors. There is no question about it. Alaska, Texas, and Louisiana get 50 percent of the money while the entire Nation will lose as we deplete a beautiful federal publicly-owned natural resource; namely, our ocean.

This doesn't seem fair. This is a national resources owned by the American people. As such revenue from this resource must be shared throughout our nation.

States that are protecting their resource and don't have offshore oil drill-

ing, as well as States that are landlocked, will lose under S. 25.

I introduced a bill that really does fulfill our commitment to the preservation of our natural resources. Congressman George Miller introduced the companion bill in the House. The bill we introduced, the Resources 2000 Act, has a number of fine cosponsors. In fact, 37 states would benefit more from the funding distribution under Resources 2000 than in S. 25.

I hope colleagues will look at the Resources 2000 bill, which has the support of over 200 environmental organizations.

Those on my bill include Senators DIANNE FEINSTEIN, PAUL SARBANES, CHUCK SCHUMER, FRANK LAUTENBERG, PAUL WELLSTONE, TED KENNEDY, JOE BIDEN, BARBARA MIKULSKI, BOB TORRICELLI, and JOHN KERRY. We have more coming.

We have a national resource—our oceans. We destroy that resource when we drill for oil.

Frankly, the amount of oil that is there isn't worth all the destruction that follows. However, if a State wants to do this, that is their option.

But I don't think they should get rewarded more because they do not mind destroying their coast. States that care about their coast and protect and defend it with laws and coastal zone management plans are penalized under S. 25.

In 1965, Congress established the Land and Water Conservation Fund. Congress decided that as we deplete one of our nation's natural non-resources, we should invest that money into protecting and preserving our nation's renewable resources. The Act required that we take the revenue from offshore oil drilling and put that money into purchasing critical lands.

They take the money and they repair. They repair, and they buy beautiful tracts of land to save it in perpetuity. Part of that money is supposed to be for historic preservation, which we haven't fully funded either.

S. 25 flies in the face of the principal purpose of the Land and Water Conservation Fund. Money distributed through S. 25 does not have to go for environmental purposes. S. 25 says to the States: You don't have to use the funds you are getting for the environment. In fact, money could be used to fund environmentally destructive activities, such as road building.

Many of my colleagues have stated that revenue generated from the Outer Continental Shelf should be treated similar to revenue from on-shore drilling. Let's be clear: the OCS land is unique. It is federal land, and federal land only. It is not within the boundaries of any state, unlike on-shore areas.



I think any expansion of the uses of OCS revenue should stick to the framework of the Land and Water Conservation Fund Act that Congress in its wisdom passed in 1964. And we must uphold that original commitment by fully funding the trust fund. That is what we ought to do—fully fund the Land and Water Conservation Fund, on the State side as well as the Federal side, and fully fund the historic preservation fund.

Many of us in our beautiful States, whether it is Mississippi, California, or anywhere in this country, have beautiful old buildings that are falling apart, and we don't have the funds to preserve them.

We should fully fund protection of our marine resources. In our bill, we provide \$350 million for States to conserve and protect the marine environment.

We protect ranchland, farmland, and forestland through purchasing conservation easements.

I think it is a very exciting alternative to S. 25. It is, in fact, endorsed by over 200 conservation organizations. It is also the only legislation that provides funding to restore degraded Federal lands and tribal lands.

The majority leader made some good remarks this morning. He said we must maintain the lands we currently own. I agree with that. That is why Resources 2000 takes care of that by providing \$250 million for the maintenance of our degraded federal and tribal lands.

I would like to inform you at this time of some of the organizations that support Resources 2000: Sierra Club; National Audubon Society; Environmental Defense Fund; The Wilderness Society; the California Police Activities League; Defenders of Wildlife; and Earth Island Institute.

I ask unanimous consent that this list be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS SUPPORTING RESOURCES 2000  
 American Oceans Campaign.  
 Bay Area Open Space Council.  
 Bay Area Trail Council.  
 Bay Institute.  
 California Police Activities League.  
 Carquinez Strait Preservation Trust.  
 Defenders of Wildlife.  
 Earth Island Institute.  
 East Bay Regional Park District.  
 Environmental Defense Fund.  
 Friends of the Earth.  
 Friends of the River.  
 Golden Gate Audubon Society.  
 Greater Vallejo Recreation District.  
 Izaak Walton League.  
 Land Trust Alliance.  
 Marin Conservation League.  
 Martinez Regional Land Trust.  
 National Conference of State Historic Preservation Officers.  
 National Audubon Society.  
 National Environmental Trust.  
 National Parks and Conservation Association.

National Association of Police Athletic Leagues.

National Wildlife Federation.

Natural Resources Defense Council.

Physicians for Social Responsibility.

Preservation Action.

Save San Francisco Bay Association.

Save the Redwoods.

Scenic America.

Sierra Club.

Society for American Archaeology.

Trust for Public Land.

U.S. Public Interest Research Group.

Wilderness Society.

Mrs. BOXER. Mr. President, I encourage my colleagues to support the true conservation bill: the Resources 2000 Act. Again I thank the majority leader for his graciousness.

The PRESIDING OFFICER. The majority leader is recognized.

#### ORDER OF PROCEDURE

##### CAMPAIGN FINANCE REFORM

Mr. LOTT. Mr. President, we cleared the campaign finance consent on both sides of the aisle. As far as I know, 99 Senators are prepared to agree with that. One Senator, the Senator from Michigan, came in at the last minute and objected.

I will make the commitment that I will live up to this unanimous consent agreement we have entered into to call it up on no later than Tuesday, October 12, 1999. I hope we will get the entire agreement worked out. But in the meantime, we plan on going forward October 12, either way.

##### INTELLIGENCE AUTHORIZATION

I ask unanimous consent the Senate now proceed to H.R. 1555.

I further ask unanimous consent that following the offering of the amendment by Senator KYL as provided for in the consent agreement of May 27, there be up to nine relevant second-degree amendments in order for each leader or their designees, and an additional amendment to be offered by the managers to include agreed-upon amendments.

I further ask unanimous consent that the listed first-degree amendments noted below also be relevant and subject to relevant second-degree amendments: Senator TORRICELLI, funding disclosure; Senator MOYNIHAN, declassification; Senator GRAHAM, relevant; Senator FEINSTEIN, drug czar; Senator SMITH of New Hampshire, intelligence listing; Senator SMITH of New Hampshire, intelligence declassification; and Senator COVERDELL, drug kingpins.

I further ask unanimous consent that following the disposition of the amendments, the bill be advanced to third reading and passage occur, all without any intervening action or debate, and no motions to commit or recommit be in order.

The PRESIDING OFFICER. Is there objection?

Mr. MCCAIN. Reserving the right to object, and I will not object, I want to

make it clear to the majority leader, in anticipation or not anticipation of the Senator from Michigan agreeing to the unanimous consent request, that it is the majority leader's intention to follow through with the unanimous consent request as is now presently in the Record no later than October 12 to move forward with the amending process as agreed to by the Senator from Kentucky and all of us until the Senator from Michigan objected; is that correct, I ask my friend from Mississippi?

Mr. LOTT. I apologize.

Mr. MCCAIN. Again, I want to reaffirm that it is the intention of the majority leader to comply with the unanimous consent request which was agreed to on both sides, with the exception of the Senator from Michigan, that no later than October 12, we will move forward with the legislation as articulated in the unanimous consent request.

Mr. LOTT. I say that is my intent. Of course, I would like to get the same commitment from the Senator from Arizona that it is his intent to live with this agreement also.

Mr. MCCAIN. Absolutely.

Mr. LOTT. That is my intent. I modify my UC request to delete the amendments by Senators TORRICELLI and GRAHAM and add one by Senator BRYAN regarding DOE labs.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000

The PRESIDING OFFICER. Under the previous order, the clerk will report the bill.

The legislative clerk read as follows:

A bill (H.R. 1555) to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Under the unanimous consent agreement, the junior Senator from Arizona, Mr. KYL, is to be recognized to offer an amendment after the general statements.

Mr. SHELBY. What is the pending business?

The PRESIDING OFFICER. The Senator from Alabama is recognized to make an opening statement on the bill.

Mr. SHELBY. Mr. President, on May 5 of this year the Senate Select Committee on Intelligence unanimously reported out of the Intelligence Authorization Act for Fiscal Year 2000. It subsequently referred to the Committee on Armed Services, where it was reported out on June 8.

Senator KERREY and I have once again worked very closely together to

address our critical need for high-quality intelligence by allocating resources in a manner designed to ensure that this need is met.

In preparing this legislation, the committee conducted a detailed review of the administration's three major intelligence budget requests for fiscal year 2000. They are the National Foreign Intelligence Program, the Joint Military Intelligence Program, and the Tactical Intelligence and Related Activities of the Military Services.

The committee held briefings and hearings with senior intelligence officials, reviewed budget justification materials, and considered responses to specific questions posed by the committee.

As in the past, the committee also impaneled a group of outside experts composed of distinguished scientists, industry leaders, and retired general and flag officers to review specific technical issues within the intelligence community.

The panel is known as the Technical Advisory Group and is similar to the Defense Department's Defense Science Board in some ways.

This group brings an invaluable level of expertise to the committee's work, and we owe them a debt of gratitude for their service.

Many of their recommendations have been incorporated into this bill before the Senate this evening.

Once again the committee has focused on what we refer to as the "five C's". They are: counterproliferation, counterterrorism, counternarcotics, covert action, and counterintelligence.

The last of the five, counterintelligence, has received a great deal of congressional and media attention in recent months in light of revelations of espionage activities by the People's Republic of China.

I am proud to say that the Intelligence Committee has been attempting to address the shortcomings of the Department of Energy's counterintelligence program for nearly 10 years, often to no avail.

In fact, it was the Intelligence Committee that directed the study that finally led to the drafting and signing of Presidential Decision Directive 61.

Before I turn to the legislative provisions in this bill, I feel compelled to share with our colleagues some comments about the current state of our defense and intelligence preparedness.

In the immediate aftermath of the cold war, optimistic appraisals of our intelligence and security requirements generated calls for dramatic cuts in defense and intelligence spending.

The first national security decision made by President Clinton on taking office in 1993 was to cut more than \$120 billion from the defense budget. Substantial cuts were also made to classified intelligence programs.

Unfortunately, such optimistic estimates have proved sadly wrong.

Today we face a series of transnational threats spanning the spectrum of conflict from terrorist acts committed on U.S. territory to the development of weapons of mass destruction and their means of delivery by Third World countries.

I recently traveled to the Balkans and reviewed some of our intelligence activities in Europe. Military and civilian personnel were routinely working in excess of 80 hours a week, and that pace was nonstop throughout the Kosovo conflict.

Regretfully, the problems the military and the intelligence community are experiencing are partly our fault. Congress accepted "defense on the cheap," and we have gotten exactly what we paid for as we always do—an intelligence community and military force stretched to its limits.

I believe the result is clear: We are not prepared to meet the challenges of a complex and dangerous world.

National security cannot be had on the cheap, and we have attempted to address some of the shortfalls in this year's bill.

The bill's classified schedule of authorizations and annex—I remind every Senator—are available for review just off the Senate floor. I repeat: The bill's classified schedule of authorizations and annex are available to every Senator in this body for review just off the Senate floor.

I will now discuss the significant unclassified legislative provisions contained in the bill.

First, section 304 directs the President to require an employee who requires access to classified information to provide written consent that permits an authorized investigative agency to access information stored in computers used in the performance of Government duties.

This provision is intended to avoid the problems we have seen with the FBI's reluctance to access "Government" computers without a warrant in the course of an espionage investigation.

There should be no question—yes, there should be no question—that investigative agencies may search the computer of an individual with access to classified information. This provision makes that perfectly clear.

Second, sections 501 through 505 comprise the Department of Energy Sensitive Country Foreign Visitors Moratorium Act of 1999.

What is that? Section 502 establishes a moratorium on foreign visitors to classified facilities at Department of Energy National Laboratories.

The moratorium applies only to citizens of nations on the Department of Energy "sensitive countries list."

Section 502 also provides for a waiver of the moratorium on a case-by-case basis if the Secretary of Energy justifies the waiver and certifies that the

visit is necessary for the national security of the United States.

Section 503 requires that the Secretary of Energy perform background checks on all foreign visitors to the National Laboratories. The term "background checks" means the consultation of all available, appropriate, and relevant intelligence community and law enforcement databases.

Section 504 requires an interim report to Congress on the counterintelligence activities at the National Laboratories and a net assessment of the Foreign Visitors Program at the National Laboratories to be produced by a panel of experts.

Most importantly, the report must include a recommendation as to whether the moratorium should be continued or repealed.

The Senate Intelligence Committee has been critical of the Department of Energy's counterintelligence program for nearly 10 years. Beginning in 1990, we identified serious shortfalls in funding and personnel dedicated to protecting our Nation's nuclear secrets.

Yet year after year—and this year as well—the committee has provided funds and directed many reviews and studies in an effort to persuade the Department of Energy to take action.

Unfortunately, this and prior administrations failed to heed our warnings.

Consequently, a serious espionage threat at our National Labs has gone virtually unabated and it appears that our nuclear weapons program may have suffered extremely grave damage.

I believe we must take steps to ensure the integrity of our National Labs. We understand that a moratorium on the Foreign Visitors Program may be perceived by some as a draconian measure, but until the Department of Energy fully implements a comprehensive and sustained counterintelligence program, we believe that we must err on the side of caution. The stakes are too high.

The moratorium requires a net assessment to be conducted by a panel of experts; this is an integral part of a comprehensive report by the Director of Central Intelligence and the Director of the FBI on the counterintelligence activities at the National Laboratories.

Only then should we decide whether to lift the moratorium in favor of a comprehensive plan. I believe this is a very important point.

During our preliminary look in the committee into the problems at the DOE labs, we were convinced that the FBI could and should be required to inform an agency or department that they are investigating an employee of that particular agency.

Accordingly, section 602 of the bill requires the FBI to establish meaningful liaison with the relevant agency at the beginning stages of a counterintelligence investigation.

This section also amends the Intelligence Authorization Act for fiscal year 1995 to make clear that the FBI's obligation to consult with departments and agencies concerned begins when the FBI has knowledge of espionage activities from other sources or as a result of its own information or investigation.

In closing, I must remind the Members of this body, my colleagues, of an unfortunate fact. This is the last time that Senator KERREY, the distinguished senior Senator from Nebraska, will bring an intelligence authorization bill to the floor of the Senate as the vice chairman of the committee.

Senator KERREY's tenure on the committee will conclude at the end of this year.

This past March 14, as some of you will recall, marked the 30th anniversary of the day that Lieutenant, Junior Grade, BOB KERREY, leading his SEAL team on an operation on an island in the bay of Nha Trang earned our Nation's highest award for valor, the Medal of Honor.

No one who knows BOB KERREY's military record would question his physical courage, but I would like to talk for just a few minutes about another type of courage he has, and that is moral courage.

In a town like Washington that rewards neither, he is the rare man who has both, I believe. The wartime history of the United States Navy has documented his physical courage, but I want to recognize his moral courage. And I want to tell you why.

Senator KERREY has taken stands that many of us would consider politically unwise.

He took a stand on entitlements reform here in the Senate long before it was politically wise to do so. It can be said he laid his bare hand on the "third rail of American politics" and took the heat—something few in this body were willing to attempt.

As vice chairman of this committee, Senator KERREY has often taken issue with his own administration when he believed it was in the national interest to do so. Indeed, he always puts the interests of the Nation ahead of politics.

Also, Senator KERREY's knowledge of our intelligence needs is unparalleled in the Senate. And I will miss his service, as others will, on the Intelligence Committee.

Senator KERREY has set a very high standard for his successor, and I thank him for his dedication and integrity, and also for his personal friendship. It has been a pleasure and an honor to work with Nebraska's senior Senator.

I look forward to joining him on the floor one last time when the conference report for this bill reaches the floor later this year.

Until that time, though, we will continue to work closely to conduct vigorous oversight of the intelligence ac-

tivities of the United States in the nonpartisan spirit that created this important and unique committee.

Mr. President, before I yield the floor, I ask unanimous consent that a copy of the Congressional Budget Office cost estimate for S. 1009 be printed in the Record.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE COST  
ESTIMATE

*S. 1009—Intelligence Authorization Act for Fiscal Year 2000*

Summary: S. 1009 would authorize appropriations for fiscal year 2000 for intelligence activities of the United States government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System (CIARDS).

This estimate addresses only the unclassified portion of the bill. On that limited basis, CBO estimates that enacting the bill would result in additional spending of \$172 million over the 2000-2004 period, assuming appropriation of the authorized amounts. The unclassified portion of the bill would affect direct spending; thus, pay-as-you-go procedures would apply. However, CBO cannot give a precise estimate of the direct spending effects because the data necessary to support a cost estimate are classified.

The Unfunded Mandates Reform Act (UMRA) excludes from application of that all legislative provisions that are necessary for the national security. CBO has determined that the unclassified provisions of this bill either fit within that exclusion or do not cover intergovernmental or private-sector mandates as defined by UMRA.

Estimated cost to the Federal Government: The estimated budgetary impact of the unclassified portions of S. 1009 is shown in the following table. CBO cannot obtain the necessary information to estimate the costs for the entire bill because parts are classified at a level above clearances held by CBO employees. For purposes of this estimate, CBO assumes that the bill will be enacted by October 1, 1999, and that the authorized amounts will be appropriated for fiscal year 2000.

	By fiscal years in millions of dollars—				
	1999	2000	2001	2002	2003 2004
SPENDING SUBJECT TO APPROPRIATION					
Spending Under Current Law for Intelligence Community Management:					
Budget Authority <sup>1</sup> .....	102	0	0	0	0
Estimated Outlays .....	104	39	9	2	0
Proposed Changes:					
Authorization Level .....	0	172	0	0	0
Estimated Outlays .....	0	106	52	10	3
Spending Under S. 1009 for Intelligence Community Management:					
Authorization Level <sup>1</sup> .....	102	172	0	0	0
Estimated Outlays .....	104	145	61	12	3
CHANGES IN DIRECT SPENDING					
Estimated Budget Authority .....	0	(2)	(2)	(2)	(2)
Estimated Outlays .....	0	(2)	(2)	(2)	(2)

<sup>1</sup>The 1999 level is the amount appropriated for that year.

<sup>2</sup>CBO cannot give a precise estimate of direct spending effects because the data necessary to support a cost estimate are classified.

Outlays are estimated according to historical spending patterns. The costs of this legislation fall within budget function 050 (national defense).

The bill would authorize appropriations of \$172 million for the Intelligence Community

Management Account, which funds the coordination of programs, budget oversight, and management of the intelligence agencies. In addition, the bill would authorize \$209 million for CIARDS to cover retirement costs attributable to military service and various unfunded liabilities. The payment to CIARDS is considered mandatory, and the authorization under this bill would be the same as assumed in the CBO baseline.

Section 305 would allow an individual who is or has been affiliated with a Communist or similar political party to become a naturalized citizen, if the individual has made a contribution to the national security or national intelligence mission of the United States. Under current law, such individuals are not allowed to become naturalized citizens, unless the affiliation was involuntary. Enacting this provision could effect certain federal assistance programs and the amount of fees collected by the Immigration and Naturalization Service. Because the number of affected individuals is expected to be very small, however, CBO estimates that any effects on direct spending would not be significant.

Section 402 of the bill would extend the authority of the Central Intelligence Agency to offer incentive payments to employees who voluntarily retire or resign. This \* \* \* which is currently scheduled to expire at the end of fiscal year 1999, would be \* \* \* through fiscal year 2000. Section 402 would also require the CIA to make a deposit to the Civil Service Retirement and Disability Fund equal to 15 percent of final pay for each employee who accepts an incentive payment. CBO estimates that these payments would amount to less than \$3 million. We believe that these deposits would be sufficient to cover the cost of any long-term increase in benefits that would result from induced retirements, although the timing of agency payments and the additional benefit payments would not match on a yearly basis. CBO cannot provide a precise estimate of the direct spending effects because the data necessary for an estimate are classified.

Section 501 of the bill would require a background investigation of citizens of a foreign nation before they could enter a national laboratory of the Department of Energy. Based on information from two of the three national laboratories, CBO expects the laboratories to host about 10,000 foreign visitors a year. The cost to conduct an investigation would depend on the type of background check. According to the Defense Department, the cost for a minimum national agency check is about \$70, and the cost can increase to \$300 with additional credit bureau or local police agency checks. Because some of these costs would be incurred under current law, CBO estimates that the additional costs of section 501 would be minimal.

Pay-as-you-go considerations: Sections 305 and 402 of the bill would affect direct spending, and therefore the bill would be subject to pay-as-you-go procedures. CBO estimates that the direct spending costs of section 305 would be very small. CBO cannot estimate the precise direct spending effects of section 402 because the necessary data are classified.

Intergovernmental and private-sector impact: The Unfunded Mandates Reform Act excludes from application of the act legislative provisions that are necessary for the national security. CBO has determined that the unclassified provisions of this bill either fit within that exclusion or do \* \* \* intergovernmental or private-sector mandates as defined by UMRA.

Previous CBO estimate: On May 5, 1999, CBO prepared a cost estimate for the unclassified portion of H.R. 1555, the Intelligence

Authorization Act for Fiscal Year 2000, as ordered reported by the House Permanent Select Committee on Intelligence, The House version authorizes \* \* \* Intelligence Community Management, and the estimated costs of H.R. 155 are \* \* \* higher.

Estimate prepared by: Federal Costs: Estimate for Naturalization Provision: Valerie Baxter. Estimate for Voluntary Separation Pay: Eric Rollins. Estimate for Remaining Provisions: Dawn Sauter. Impact on State, Local, and Tribal Governments: Teri Gullo. Impact on the Private Sector: Eric Labs.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

#### PRIVILEGE OF THE FLOOR

Mr. SHELBY. Mr. President, I ask unanimous consent that the following members of the committee staff be granted floor privileges during the pendency of this bill: Dan Gallington, Jim Barnett, Al Cumming, Pete Dorn, Peter Flory, Lorenzo Goco, Ken Johnson, Ken Myers, Linda Taylor, Jim Wolfe; and also Dr. Michael Cieslak on Senator BINGAMAN's staff.

The PRESIDING OFFICER (Mr. SMITH of Oregon). Without objection, it is so ordered.

Mr. SHELBY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. KERREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERREY. Mr. President, I rise to join my chairman, Senator SHELBY of Alabama, with whom I have had the pleasure to work now for several years. This is my last year on this select committee. It has been an opportunity, for the last 8 years, to acquire an understanding of what it takes to collect intelligence, to analyze that intelligence, to process it, produce it, and disseminate it.

It is nowhere near as easy as it used to be. In the old days, you basically sent human beings out there to try to figure out what was going on. You hoped they spoke the language and were smart enough to figure things out. They would come back and bring you the best stuff they could. Oftentimes it would be too late to act upon it.

I had a small piece of that some 30 years ago in the service, where we used to collect intelligence as well. So I have at least some independent understanding of the difficulty, especially on the human side. But the importance of what intelligence can bring to an operation cannot be overstated—the recent operation in Kosovo, the Dayton peace agreement, incident after incident that cannot be disclosed to the public because most of it occurs in a secret environment where warfighters and policymakers get information in a timely fashion and, as a consequence, lives are

saved, success is achieved, and national security is improved.

This bill is a result of a bipartisan effort to make the year 2000 a watershed year for intelligence. This bill sets the intelligence community on a course to respond to the very complex world we are facing. The era of downsizing has ended. Intelligence must be positioned to collect, analyze, and inform policymakers on the complex threats we face.

As my colleagues are no doubt aware, most of the bill is classified. As always, Chairman SHELBY and I have made the classified sections available to our colleagues for their review. Further, committee staff is readily available to brief on any aspect of this bill. I believe Members have found the bill to be the result of a completely bipartisan effort to fund intelligence activities in fiscal year 2000.

Chairman SHELBY and I have tried, and I think on most occasions have consistently applied a single test, to determine whether or not a funding level or a provision or an oversight hearing or a letter or some other action is required. And that test is, will this make the people of the United States of America and our interests more secure as a consequence? If the answer is yes, we have done it. If the answer is no, we have not.

We do not, in these committees, check with our leadership to determine whether or not there is a Democratic position or a Republican position. What we do is check to determine whether or not the action will be in the best interest of the United States of America and keep the United States as secure as our best judgments can make it. It has been a pleasure to work with Senator SHELBY, and it has been an honor for me to have the opportunity to watch him participate and to experience his leadership on this committee.

As I said, I believe the year 2000 must be a watershed year for intelligence. That is because the intelligence community has been significantly downsized in the decade of the 1990s. Again, in classified briefings, we are pleased to provide Members with the information on that. I think most Members will be shocked to see the budget and the number of people, especially the number of people we have today, who are doing the collection, doing the analysis, doing the work of trying to figure out, with new technologies, how to produce and then how to disseminate this intelligence as quickly and accurately as possible. The number of people doing that has gone down.

This is not a simple task, such as we sometimes see in crime reports, where somebody will go into a 7-Eleven store, and they will have a camera that shows who they are. It is not that simple. These are, on the imaging side, complicated images; on the signal side, complicated signals; and always, on the

human side, a very complicated set of circumstances out there that have to be first observed and then interpreted by men and women who have the requisite skills to get the job done.

Furthermore, we are making decisions today that don't just affect this year. We are making decisions today that will affect intelligence collectors and intelligence efforts 10 years from now.

In the area of technology, one has to try to anticipate where the world is going to go. The chairman and I put together what is called a technical advisory group, a group of not only highly skilled but highly motivated men and women, who love their country and are concerned about what we need to do to keep our country safe. We were able to basically take very complicated subjects; in my case—I am sure it is not true for the chairman—they had to convert sophisticated subject matter into very unsophisticated phrases so I would be able to understand what it was they were saying and make better judgments as well about what we need to do. Their contributions have been enormously important and have added significant value to our ability to make these kinds of decisions.

I pay them a very high compliment and urge my colleagues to consider that it is not just the highly professional and skilled staff—a couple years ago, we went away from a system where Republicans got so many staff members, Democrats got so many staff members or an individual got staff as well, to a professional staff—we have enjoyed the benefit of tremendous input coming from our private sector technical advisory group.

The cold war has ended.

And it is quite appropriate for us to have downsized our intelligence collection. As I said, in my strong and considered judgment, we have reached the point of no return. We have reached the point now where we are beginning to drawdown, as we say in farm country, our seed corn. We are drawing down our basic stockpile of resources to the point where we are doing great damage to our ability to answer the call of warfighters.

Though nobody knew the direction the world was going to take, or the size and seriousness of the threats the United States was going to face after the cold war, during the transition I believe it was quite correct to restructure many national priorities and get our economy back on sound footing. However, this transition must be considered to be open especially now that we have a better understanding of where the rest of the world is heading and we have a much more precise understanding of the kinds of threats the people of the United States face in that world.

Unfortunately, in some areas in the world, the world is heading in the

wrong direction. Rogue states are trying to acquire chemical, nuclear, and biological weapons for the purpose of threatening us and our friends. Many countries are actively pursuing long-range missile programs, which also threaten international peace.

A potential strategic partner, Russia, is in the midst of economic chaos and under extreme political difficulties. In recent war game exercises involving 50,000 conventional forces in Russia, the defense minister said those conventional forces did not have the capability they had 7 or 8 years ago when it was the Soviet Union. They have now made a decision to use nuclear weapons much more quickly than under previous battlefield instructions. That increases the threat to the people of the United States and signals the kind of decisionmaking that other powers out there that do not have conventional parity with the United States and other powers with bad intent might do in order to compensate for their lack of conventional strength.

Even more problematic, Russia's nuclear stockpile is aging. It is subject to the vagaries of the political and economic problems that confront its national leaders and too large to serve its essential defense requirements. Moreover, other nations are either at war or on the brink of war.

Prior to the Fourth of July recess, I spoke on the floor about the escalating military confrontation building between India and Pakistan. That conflict appears to have been resolved and a stand-down has occurred, but that conflict could flash up in an instant and put the interests of the people of the United States at considerable risk. Elsewhere, in Kosovo and Bosnia, and with Serbia, as well, our relations are extremely unsettled and are the focus of very close attention.

The list goes on and on. We have 37,000 Americans forward deployed in South Korea. Americans are forward deployed in many other regions in this world for the purpose of stabilizing those parts of the world. We believe—and I think quite correctly—that forward deployment increases stability in the world and adds to the chances of success to the struggling democratic nations—struggling to make the transition from command economies to market. It is very important for the United States to deploy our forces. It tends to act as a deterrent against potential bad actors. We have a mission in Iraq we are flying on a daily basis, and we are trying to watch literally the entire planet simultaneously so as to prepare our policymakers for something that could happen which could put American lives and interests at risk.

I am not trying to turn this statement into an international tour de force over foreign or defense policy. Instead, I want to remind my colleagues

and the citizens whom they represent, that in many regions the world order is very disordered, and the Intelligence Community is the edge our policymakers must have in order to stay ahead of what has happened.

Without timely intelligence support, we cannot respond effectively. This means the era of downsizing intelligence has to end or we will find ourselves at a point where Congress discovers there are things we can't do. There is a tendency to take our intelligence efforts for granted and see it as sort of an invisible force. We see an image that is presented to us, such as a bomb damage assessment, and we don't understand what went into that. We didn't merely pull it off of a shelf. Or we see a report of an analysis that is done, where decisions are made and troops are deployed, and we don't ask ourselves as often as we should what was the intelligence collection fraction that went into that effort.

Was it possible to just pick up the forces and go into an area? The answer is no. A significant amount of analysis is done, and that analysis has given us an edge. It gives us battlefield superiority and the capability of doing things that, in previous wars, we were simply unable to do.

Our enemies know that. Our intelligence capability, all by itself, acts as a considerable deterrent. Because people know we have the capabilities, they are much less likely to take an action that would be hostile to us, dangerous to us and at the end of the day dangerous for them as well.

As colleagues may recall, last year when introducing the Fiscal Year 1999 Intelligence Authorization Act, I referred, as I mentioned, to this technical advisory group that Chairman SHELBY had the foresight to create. This highly qualified group of Americans evaluated some of the most esoteric and technical subjects the committee had to confront in order to position intelligence for future challenges. We used their services this year. They provided us with extremely valuable advice and saved taxpayers, my guess is—it would not be out of line to say they have saved hundreds of millions of dollars.

They have identified the areas where we might be able to use technology to reduce the threat of weapons of mass destruction. Because of the enormous contributions these men and women on the technical advisory group have made to the intelligence oversight effort, we had the ability not to just write a bill but, as I have said, write a bill that will keep Americans more safe.

I would be remiss if I didn't mention a subject that held a lot of media attention over the past 3 or 4 months, and that is counterintelligence. This bill contains provisions intended to help intelligence and law enforcement

meet the espionage challenges we face. I am sure it is obvious that because of who we are, many nations want to know what we do. Espionage is a fact of life. We should act decisively when we detect it and prosecute fully those who engage in it. But it will not go away. Thus, we need to strengthen counterintelligence to meet the challenges. The bill contains important provisions to help us attack this very real and present danger.

As my colleagues are no doubt also aware, there will be an important amendment on the bill concerning a reorganization of parts of the Department of Energy. Most of the amendment is not about intelligence or counterintelligence; it is about nuclear weapons security. The President's Foreign Intelligence Advisory Board's report entitled "Science At Its Best, Security At Its Worst" reminds us it is also about accountability.

I look forward to a full debate on the amendment of which I am a cosponsor and to our discussion on the intelligence and counterintelligence provisions.

Again, I thank Senator SHELBY, the chairman of the committee, for his bipartisan and patriotic approach to developing this bill. I thank the entire staff for their work to present the committee a bill they could fully support. Because of the spirit of working together, the bill was reported out of committee unanimously. I urge my colleagues to support it.

Mr. President, I yield the floor.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, under the previous order, is it in order to proceed to the Kyl-Domenici amendment?

The PRESIDING OFFICER. That is correct.

Mr. KYL. Is the amendment already at the desk or does it need to be called up?

The PRESIDING OFFICER. It is not at the desk.

AMENDMENT NO. 1258

Mr. KYL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Arizona [Mr. KYL], for himself, Mr. DOMENICI, Mr. MURKOWSKI, Mr. THOMPSON, Mr. SPECTER, Mr. GREGG, Mr. HUTCHINSON, Mr. SHELBY, Mr. WARNER, Mr. BUNNING, Mr. HELMS, Mr. FITZGERALD, Mr. LOTT, Mr. KERREY, Mrs. FEINSTEIN, and Mr. SMITH of New Hampshire, proposes an amendment numbered 1258.

Mr. KYL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. KYL. Mr. President, let me first compliment Senator SHELBY and Senator KERREY, the chairman and vice chairman of the Intelligence Committee, for their work in presenting the intelligence authorization bill to the floor. This amendment to the Intelligence Authorization bill deals with the all-important question of how the Department of Energy will be reorganized to ensure the theft of our nuclear secrets, as has occurred in the past, will be a question of the past and will not occur in the future.

As we heard earlier today, over the past several months, there have been a lot of sobering stories about how our Nation's security has been damaged by China's theft of America's most sensitive secrets—literally the crown jewels of our nuclear arsenal. In searching for a solution to this problem and examining how best to safeguard our Nation and its nuclear secrets, it has become clear the only way this can be accomplished is through a complete overhaul of how the Department of Energy is organized and how it is managed.

I think everyone can agree the system is broken. As the bipartisan Cox committee report pointed out, security and counterintelligence at U.S. nuclear facilities has been grossly deficient for many years, enabling China to steal classified information on all of the nuclear warheads currently deployed by the United States, as well as the neutron bomb, and a variety of other military know-how, including missile guidance and reentry vehicle technology.

This is incredibly important when a nation has been able to steal the secrets on how to build the most sophisticated weapons ever devised by mankind, those most sophisticated nuclear weapons in our arsenal.

When reports of the Chinese espionage at our nuclear labs became public earlier this year, President Clinton asked his Foreign Intelligence Advisory Board, led by former Senator Warren Rudman, to investigate the cause of these terrible security breaches. Over the course of several weeks, the Presidential panel reviewed more than 700 reports and studies, thousands of pages of classified and unclassified documents, conducted interviews with scores of senior Federal officials, and visited the Department of Energy sites at the heart of the inquiry.

At the end of this exhaustive investigation, the panel concluded that the root cause of the Energy Department's dismal security and counterintelligence report was "organizational disarray, managerial neglect, and a culture of arrogance . . . [which] conspired to create an espionage scandal waiting to happen."

The Presidential board went on to note that the Department of Energy (DOE) "represents the best of America's scientific talent and achievement, but it has also been responsible for the

worst security record on secrecy that the members of this panel have ever encountered."

Senator Rudman and his colleagues pulled no punches in describing the problems that exist at DOE or in prescribing bold solutions stating,

Reorganization [of DOE] is clearly warranted to resolve the many specific problems with security and counterintelligence in the weapons laboratories, but also to address the lack of accountability that has become endemic throughout the entire Department.

The Rudman report noted that,

The Department of Energy is a dysfunctional bureaucracy that has proven it is incapable of reforming itself. Accountability at DOE has been spread so thinly and erratically that it is now almost impossible to find. The long traditional and effective method of entrenched DOE and lab bureaucrats is to defeat security reform initiatives by waiting them out.

That is from the Rudman report.

I ask that our colleagues keep that in mind when they consider amendments that may be offered a little bit later to this amendment—amendments that people at the Department of Energy would very much like to see passed because it would leave them in control, the very situation that the Rudman report notes is unacceptable and must be changed.

Furthermore, the authors of the Rudman report go on to say,

We are stunned by the huge numbers of DOE employees involved in overseeing a weapons lab contract. We repeatedly heard from officials at various levels of DOE and the weapons labs how this convoluted and bloated management structure has constantly transmitted confusing and often contradictory mandates to the labs.

Although Energy Secretary Richardson has announced several new initiatives to change management and procedures at DOE, the Presidential panel's report states, "we seriously doubt that his initiatives will achieve lasting success," and notes, "moreover, the Richardson initiatives simply do not go far enough."

In their report, the Presidential board also described the record of problems with implementing organizational changes ordered by previous Energy Secretaries and Deputy Secretaries, since the entrenched bureaucracy has often reverted to its old tricks once these people left. For example, the report notes that in 1990, then-Secretary Watkins ordered a new series of initiatives on safeguards and security to be implemented. According to the Rudman panel, once Secretary Watkins left two years later, "the initiatives all but evaporated." And furthermore, the panel's report notes, "Deputy Secretary Charles Curtis in late 1996 investigated clear indications of serious security and counterintelligence problems and drew up a list of initiatives in response. Those initiatives were also dropped after he left office."

It is because of these problems that the Presidential panel recommended

that Congress act to reorganize the Department by statute, so that the bureaucracy could not simply wait out another Secretary of Energy. Senator DOMENICI, Senator MURKOWSKI, and I have written legislation to implement the group's recommendations. Our proposal would gather all of the parts of our nation's nuclear weapons research, development, and production programs under one semi-autonomous agency within the Energy Department.

We need to create a specific separate organizational structure for the weapons programs at DOE, managed by one person who reports only to the Secretary of Energy. And furthermore, we need to separate the nuclear weapons programs at DOE from the rest of the Department that is responsible for energy conservation and environmental management issues. As the Rudman report concluded, semi-autonomous agency, created by statute, is the only way we are going to solve the problems with DOE's management of the nuclear weapons complex.

Before explaining the details of this amendment, let me first mention that while the Cox Committee and the President's Foreign Intelligence Advisory Board, led by Senator Rudman, have done a great service to the nation by producing high quality reports with excellent recommendations, they are by no means the first people to recommend such changes. Over the past 20 years, at least 29 GAO reports, 61 internal DOE studies, and more than a dozen reports by outside commissions have called for restructuring how the Department is managed. Let us not wait until another forest is consumed to print more studies before we act to correct the serious management problems at DOE.

Mr. REID. Mr. President, may I interrupt to make a unanimous consent request.

PRIVILEGE OF THE FLOOR

Mr. President, I ask unanimous consent that Robert Perret, a fellow in my office, be entitled to floor privileges during the pendency of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I apologize to my friend.

Mr. KYL. I am happy to comply.

Mr. President, the point of referring to these 29 GAO reports, 61 internal DOE studies, and more than a dozen reports by outside commissions over the past 20 years is to make the point that now is the time for us to move forward and not to await important studies, and not to await more discussions about how this ought to be done. We have enough evidence of what needs to be done. It is now time to get on with the serious subject of fixing this broken management structure at DOE.

Here is the summary of the amendment.

This amendment would create a semi-autonomous agency within DOE



called the Agency for Nuclear Stewardship.

The Agency will be headed by an Under Secretary who "shall report solely and directly to the Secretary and shall be subject to the supervision and direction of the Secretary."

Let me digress for a moment to make this point.

There are some who would put additional layers of bureaucracy between the Secretary and this Agency for Nuclear Stewardship. That would be a grave mistake. As the Rudman report itself notes, the point is to streamline this agency's responsibility, starting with the Secretary at the top and everyone else reporting to the Deputy Secretary who reports strictly to the Secretary of Energy. If you insert other management layers, you are only getting back to the same kind of problem that the Rudman report has criticized in the past.

The Under Secretary for Nuclear Stewardship will have authority over all programs at DOE related to "nuclear weapons, non-proliferation and fissile material disposition."

The agency's semi-autonomy (as recommended by the Rudman report) is created by making all employees of the agency accountable to the Secretary and Under Secretary of Energy but not to other officials at DOE outside the Agency.

The language reads:

All personnel of the Agency for Nuclear Stewardship, in carrying out any function of the Agency, shall be responsible to, and subject to the supervision and direction of, the Secretary and the Under Secretary for Nuclear Stewardship or his designee within the Agency, and shall not be responsible to, or subject to the supervision or direction of, any other officer, employee, or agent of any other part of the Department.

The Secretary, however, "may direct other officials of the Department who are not within the Agency for Nuclear Stewardship to review the Agency's programs and to make recommendations to the Secretary regarding the administration of such programs, including consistency with other similar programs and activities in the Department."

There is another proposed amendment which we will get to later which suggests that all of the programs and activities of this special new autonomous agency are to act in ways consistent with all other departmental rules and regulations promulgated for all of the other departments within the Department of Energy.

That would be a big mistake and get right back to the problem that the Rudman commission noted; that is, that this is a special, unique entity, and that you cannot have everybody else within the Department of Energy controlling what goes on within this particular group.

The Under Secretary for Nuclear Stewardship will have 3 Deputy Direc-

tors, who will manage programs in the following areas:

No. 1. Defense Programs. The national lab directors and heads of weapons production and test sites will report directly to this person, who will be responsible for managing the programs necessary to maintain the safety and reliability of our nuclear stockpile.

No. 2. Nonproliferation and fissile materials disposition. This person would manage the Energy Department's efforts to help Russia and other states of the former Soviet Union secure their nuclear weapons and fissile material, as well as plan for how to dispose of dozens of tons of excess plutonium in the United States and Russia; and

No. 3. Naval Reactors. This highly successful program which designs, constructs, operates, and disposes of the nuclear reactors used in the U.S. Navy's fleet will continue to operate as it does today, except the Admiral in charge will now report to the Under Secretary for Nuclear Stewardship as well as the Secretary of Energy.

As recommended by the Rudman panel, under our amendment, the Under Secretary for Nuclear Stewardship will appoint Chiefs of Counterintelligence, Security, and Intelligence.

The Chief of Counterintelligence will develop and implement the Agency's programs to prevent the disclosure of loss of classified information and be responsible for personnel assurance programs, like background checks.

The Chief of Security will be responsible for the development and implementation of programs for the protection, control, and accounting of fissile material, and for the physical and cyber-security of all sites in the Agency.

And the Chief of Intelligence will manage the Agency's programs for the analysis of foreign nuclear weapons programs.

These 3 chiefs will report to the Under Secretary and shall have statutorily provided "direct access to the Secretary and all other senior officials of the Department and its contractors" concerning these matters.

The amendment calls on the Under Secretary for Nuclear Stewardship to report annually through the Secretary to Congress regarding:

No. 1. The adequacy of DOE procedures and policies for protecting national security information.

No. 2. Whether each DOE national laboratory and nuclear weapons production and test site is in full compliance with all Departmental security requirements, and if not what measures are being taken to bring a lab into compliance; and

No. 3. A description of the number and type of violations of security and counterintelligence laws and requirements at DOE nuclear weapons facilities.

Furthermore, the amendment calls for the Under Secretary to keep the Secretary and the Congress fully and currently informed about any potentially significant threat to, or loss of, national security information.

The amendment would require every employee of DOE, the national labs, or associated contractors to alert the Under Secretary whenever they believe there is a problem, abuse or violation of the law relating to the management of national security information.

And, in order to address concerns that DOE officials were blocked from notifying Congress of security and counterintelligence breaches, the amendment contains a provision stating that "no officer or employee of the Department of Energy or any other Federal agency or department may delay, deny, obstruct, or otherwise interfere with the preparation" of these reports to Congress.

Mr. President, the Senate should act with urgency to correct the serious problems that exist at our nuclear facilities to halt the flow of our precious nuclear secrets to countries like China.

Our amendment is a sound approach to rectifying the systematic problems that have been identified and that exist today, and I am disappointed that Secretary Richardson has not yet embraced the proposal we have submitted. Since as recently as April of 1999, the Secretary of Energy's own Management Review Report stated:

Significant problems exist [in DOE] in that roles and responsibilities are unclear; lines of authority and accountability are not well understood or followed; the distinction between headquarters, line and staff functions is unclear, and each is operating with autonomy.

Statistics support this view. According to the GAO, from 1980 to 1996, DOE terminated 9 of 18 major defense program projects after spending \$1.9 billion and completed only two projects: One behind schedule and overbudget, with the other behind schedule and underbudget. Schedule slippages and cost overruns occurred on many of the remaining seven projects ongoing in 1996.

Finally, I note that management problems cannot be divorced from security concerns. As the GAO noted in testimony to the House, continuing management problems at DOE were "key factors contributing to security problems at the laboratories" and a "major reason why DOE has been unable to develop long-term solutions to recurring problems reported by the advisory groups."

The amendment we offer enjoys broad bipartisan support. In addition to Senator DOMENICI who chairs the Energy and Water Appropriations Subcommittee, and Senator MURKOWSKI who chairs the Energy Committee, it is cosponsored by the chairman and vice chairman of the Intelligence Committee, Senators SHELBY and KERREY;



the chairman of the Armed Services Committee and its Subcommittee on Strategic Forces, Senators WARNER and SMITH; chairman of the Governmental Affairs Committee, Senator THOMPSON; chairman of the Foreign Relations Committee, Senator HELMS; former chairman of the Intelligence Committee, Senator SPECTER; as well as Senator FEINSTEIN, Senator HUTCHINSON, Senator GREGG, Senator BUNNING, Senator FITZGERALD, and the distinguished majority leader, Senator LOTT.

We cannot delay the implementation of important security and counterintelligence upgrades at our nuclear labs and facilities. Great harm to our Nation's security has already been done, and if we want to prevent further damage, we must act to reform the way we manage our nuclear weapons programs and facilities to create accountability and responsibility. Our most fundamental duty as Senators is to protect the security and the safety of the American people. They deserve no less than our best in this regard. I urge my colleagues to act now to halt the hemorrhage of America's nuclear secrets and to support the adoption of this important amendment.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I thank the distinguished Senator from Arizona. He is persistent with this legislation. I appreciate very much his interest in the beginning in trying to do something about, as he knows, what many people have previously said needs to be done.

The distinguished Senator from Virginia finally succeeded in getting a provision accepted by the administration in the national defense authorization bill having to do with an oversight committee appointed by the leadership, which I think will add a lot of value to our effort to make these labs produce good science and the best security as well.

I was asked the question, I say to my friend from Arizona, not long after our caucuses, which the Senator from Arizona might be interested in: Do you think the Republicans want an issue or do they want to get something done?

My view is, Senator KYL of Arizona, Senator MURKOWSKI of Alaska, and Senator DOMENICI of New Mexico want to get something done. It has been probably 20 years people have been calling to our attention the need to change the structure of this organization. It is basically a hodgepodge of various agencies that were combined in, I believe, 1978 or 1979—in the 1970's. Various agencies were combined into the Department of Energy. It is very important we seize this opportunity.

Senator Rudman said he did not know what happened exactly, but all of a sudden the focus is on it. A series of things have occurred that present us

with an opportunity to change this law. The law needs to be changed. The law needs to be changed to restructure this agency to make it more likely that the United States of America and our interests are going to be safe and secure, and that we will continue to produce the high-quality science these laboratories are known throughout the world for producing.

I have very high praise for the Senator from Arizona. I appreciate very much his perseverance in this matter and his willingness to change his own bill to accommodate former Senator Rudman, the PFIAB's recommendations, and accommodate some of the concerns I had as well.

We are trying to write a law. I know Senator LEVIN and Senator BINGAMAN, Senator REID, and others, are going to offer some amendments. I say to my colleagues on the Democratic side, I believe, and I believe so strongly, that the Republicans do not desire an issue. They want to make real change.

It would have been real easy, in fact, to say: OK, we got 10 or 11 things on the defense authorization bill. You can say that is a success; why fight that battle. We have encryption to do. We have lots of other issues—all of us do—to take care of.

I am very impressed with the fact there is a determination to get a good piece of legislation that will improve the security of the United States of America and will enable us to stay in the high-quality science direction these laboratories produce. I hope the debate, which I am not sure is going to occur tonight—I understand we may not have any amendments offered to this bill until tomorrow. I hope I am wrong. It will be nice to have people offer these amendments and get them out of the way so we can move on to other business.

I hope the debate is engaged in the same high-level manner that we have negotiated the changes in this legislation. By high level, I mean, as I referenced earlier in praise of Chairman SHELBY, the only test that is important is: Does it make the United States of America more secure?

I believe the amendment of the Senator from Arizona does. I am pleased to be a cosponsor of it. I intend to vote for it, and I hope some of the changes being suggested can be accommodated, but most important, I hope we end this year changing the law and are able to look into the future 10 years from now and say the laboratories are producing the finest science and the highest level of security as well.

Mr. KYL. I ask the indulgence of the chairman for just a moment. I know he wants to proceed and make a brief comment or two. I want to comment on a couple of things the Senator from Nebraska just said.

First of all, I compliment him. He is vice chairman of the Intelligence Com-

mittee and probably one of the most productive members of the committee in doing the hard work of protecting our Nation's security, which most people will never know about.

For his constituents and others in America who are concerned about these things, they need to know it is the day-in-and-day-out work of the chairman of the committee, Senator SHELBY, and Senator KERREY from Nebraska who make this effort work.

Second, I compliment Senator KERREY for working on this legislation and agreeing to support it at a time when his party's administration was not yet supportive. Secretary Richardson did not agree to the concept of a semiautonomous agency until relatively recently. But Senator KERREY agreed this was the best approach to take, I think even before Senator Rudman came out with his report.

Coming out early and saying it is important to reorganize and to pay attention to the national security concerns at the Department of Energy was something he was willing to do early on in a bipartisan way. His conduct throughout this whole matter is exemplary and should offer guidance to all of us on any issue we face. Party aside, when there is a problem to be addressed, we get in and try to address it.

I assure Senator KERREY and others on the Democratic side this is not something the Republicans look to as an issue but rather as something to get done. I hope before we finish with the amendments, we can continue to work on them and try to get as much of a bipartisan coalition in support of the legislation as is possible because there is nothing partisan about national security and there is nothing partisan when it comes to espionage at our National Laboratories.

I thank the Senator from Nebraska for the comments he made, and I compliment both Senator KERREY and Senator SHELBY for the great job they have done.

Senator WARNER is on the floor. He has been stalwart in his support of our efforts, each day asking: What is new; we will stick with you; we know this has to be done. That kind of support is encouraging.

We can get this done. If we get it done quickly, it is good for the American people.

Mr. WARNER. Mr. President, I thank my distinguished colleague for his comments. I have worked along with the team, the principals. They were going to put the amendment on the armed services authorization bill. I thought at that point in time that an insufficient number of Senators had had an opportunity to acquaint themselves with the seriousness of this issue and that we should wait for the bill of our distinguished colleagues from Alabama and Nebraska. A number of Senators have now acquainted themselves

with those provisions. We have an impressive number of cosponsors, and I am privileged to be one.

I don't view this as any retribution against the President or the Secretary of Energy. It is something that simply has to be done with these institutions that are enormously valuable to the Nation and our national security. I use the word "enormously" because I can't think of another word that connotes a greater degree of importance to our country.

I went out a week ago yesterday and spent several hours at Los Alamos and then went on to the other laboratory. I must say, the impression I gained from talking with a fairly significant number of individuals, both at Sandia and Los Alamos, was that they are willing to work with this proposition as laid out in the Senator's amendment and make it work.

I have listened to those who have some questions. As a matter of fact, I made myself available to work with Senator LEVIN. We worked together on the Armed Services Committee. It is still not clear in my mind exactly what he hopes to achieve. It is my expectation we will address it tomorrow when the amendments come forward.

I know it is the right thing to be done in the interests of the country. I thank the distinguished chairman of the Intelligence Committee. Indeed, his committee has held 11 hearings. The Senate Armed Services Committee also has had several. One broke a record; it was 7 continuous hours of hearing. It convinced our membership we are behind it.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Alabama.

Mr. SHELBY. Mr. President, I also support the Kyl-Domenici-Murkowski amendment that is the pending business in the Senate.

I take just a minute to commend the Senator from Arizona, Senator KYL, and Senator DOMENICI and Senator MURKOWSKI for working together on this very important amendment. It is important for the restructuring of our labs following the Rudman recommendation and others.

Most Members know the horror stories that have been going on for years and years. This won't solve everything, but it will be a positive step in the right direction.

I also note my colleague from Nebraska, the vice chairman of the committee, Senator KERREY, and I both support this. That is unusual. We believe this is not a partisan issue. This is important for the Nation as far as national security is concerned. It is a step in the right direction. It is above politics, above party.

I mention again, as I did yesterday, the Rudman report, which was requested by the President of the United States, Bill Clinton, concluded that

purely administrative reorganizational changes at the Department of Energy labs are inadequate, totally inadequate to the challenge at hand. He said:

To ensure its long-term success, this new agency must be established by statute.

That is exactly what the amendment of Senators KYL, DOMENICI, and MURKOWSKI does.

As an indication of how badly the Department of Energy is broken, I only have to remind my colleagues it took over 100 studies of counterintelligence, security and management practices by the FBI, other intelligence agencies, the General Accounting Office, the Department of Energy itself and others, plus one enormous espionage scandal to create the impetus for change that is before the Senate this evening.

I think it is time for the Senate to act. I believe this is a good amendment. It is positive. It has been worked. I believe we will pass it.

Mr. President, I support the Kyl-Domenici-Murkowski amendment to restructure the Department of Energy.

I am a cosponsor of that amendment, as is the distinguished vice chairman of the Intelligence Committee, Senator KERREY.

By now, my colleagues are familiar with the findings of the Rudman report, entitled "Science at its Best; Security at its Worst: A Report on Security Problems at the U.S. Department of Energy." But I think certain key conclusions are worth restating, because they underline the need for action.

The Rudman report found that:

At the birth of DOE, the brilliant scientific breakthroughs of the nuclear weapons laboratories came with a troubling record of security administration. Twenty years later, virtually every one of its original problems persists. . . . Multiple chains of command and standards of performance negated accountability, resulting in pervasive inefficiency, confusion, and mistrust. . . .

In response to these problems, the Department has been the subject of a nearly unbroken history of dire warnings and attempted but aborted reforms.

Building on the conclusions of the 1997 Institute for Defense Analyses report and the 1999 Chiles Commission, the Rudman panel concluded that:

The Department of Energy is a dysfunctional bureaucracy that has proven it is incapable of reforming itself. . . . Reorganization is clearly warranted to resolve the many specific problems . . . in the weapons laboratories, but also to address the lack of accountability that has become endemic throughout the entire Department.

The panel is convinced that real and lasting security and counterintelligence reform at the weapons labs is simply unworkable within DOE's current structure and culture. . . . To achieve the kind of protection that these sensitive labs must have, they and their functions must have their own autonomous operational structure free of all the other obligations imposed by DOE management.

To provide "deep and lasting structural change that will give the weapons

laboratories the accountability, clear lines of authority, and priority they deserve," the Rudman Report endorsed two possible solutions:

Creation of a wholly independent agency such as NASA to perform weapons research and nuclear stockpile management functions; or

Placing weapons research and nuclear stockpile management functions in a "new semi-autonomous agency within DOE that has a clear mission, streamlined bureaucracy, and drastically simplified lines of authority and accountability."

The latter option is the approach contained in the Kyl-Domenici-Murkowski amendment. The new semi-autonomous agency, the Agency for Nuclear Stewardship, will be a single agency, within the DOE, with responsibility for all activities of our nuclear weapons complex, including the National Laboratories—nuclear weapons, nonproliferation, and disposition of fissile materials.

This agency will be led by an Undersecretary. The Undersecretary will be in charge of and responsible for all aspects of the agency's work, will report—directly and solely—to the Secretary of Energy, and will be subject to the supervision and direction of the Secretary. The Secretary of Energy will retain full authority over all activities of this agency. Thus, for the first time, this critical function of our national government will have the clear chain of command that it requires.

As recommended by the Rudman report, the new agency will have its own senior officials responsible for counterintelligence and security matters within the agency. These officials will carry out the counterintelligence and security policies established by the Secretary and will report to the Undersecretary and have direct access to the Secretary. The Agency will have a Senior official responsible for the analysis and assessment of intelligence, who will also report to the Undersecretary and have direct access to the Secretary.

The Rudman report concluded that purely administrative re-organizational changes are inadequate to the challenge at hand: "To ensure its long-term success, this new agency must be established by statute."

For if the history of attempts to reform DOE underscores one thing, it is the ability of the DOE and the labs to hunker down and outwait and outlast Secretaries and other would-be agents of change—even Presidents.

For example, as documented by Senator Rudman and his colleagues, "even after President Clinton issued Presidential Decision Directive 61 ordering that the Department make fundamental changes in security procedures, compliance by Department bureaucrats was grudging and belated."

At the same time, we in the Senate should recognize that our work will not be done even after this amendment is adopted and enacted into law. As the Rudman report warned,

DOE cannot be fixed by a single legislative act: management must follow mandate. . . . Thus, both Congress and the Executive branch . . . should be prepared to monitor the progress of the Department's reforms for years to come.

Mr. President, it is an indication of how badly the Department of Energy is broken that it took over one hundred studies of counterintelligence, security and management practices—by the FBI and other intelligence agencies, the GAO, the DOE itself, and others, plus one enormous espionage scandal—to create the impetus for change.

Now is the time for the Senate to act.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. I will use some leader time allocated to me today to talk about another matter.

#### REFLECTIONS ON THE DEATH OF JOHN F. KENNEDY JR., CAROLYN BESSETTE KENNEDY AND LAUREN BESSETTE

Mr. DASCHLE. Like so many of us, I listened all weekend long to the news reports, and held onto hope long past the point when it was reasonable to do so.

I wanted so much for there to be a different ending—for John F. Kennedy Jr., his wife Carolyn, and her sister Lauren to somehow, miraculously, have survived. So like people all across our Nation, all across the world, I kept a vigil.

Then, Sunday night, the Coast Guard announced that the rescue mission had become a recovery mission.

Today, our thoughts and prayers are with the Kennedy and Bessette families. We pray that God will comfort them and help them bear this grief that must seem unbearable now. We offer our sympathies, as well, to the many friends of John Kennedy, Carolyn Bessette Kennedy and Lauren Bessette. They, too, have suffered a great loss.

I want my friend, Senator EDWARD KENNEDY, John's uncle, to know, as I have told him personally, we are praying for him.

Just last week, Senator KENNEDY stood on this floor and spoke about people who had died too young, and the heartbroken families they had left behind. He urged us to pass real patient protections so other families would not have to experience that same pain.

Today, once again, it is Senator KENNEDY's family, along with the Bessette family, who are experiencing the pain of death that comes far too soon.

More than a century ago, the great New England poet, Emily Dickinson, sent a letter to a friend who had lost someone very dear. "When not inconvenient to your heart," she wrote, "please remember us, and let us help you carry [your grief], if you grow tired."

I know I speak for many of us when I say to Senator KENNEDY: Please—if there is any way—let us help you carry your grief, if you grow tired. You and your family have given our Nation so much. Let us—if we can—give something back to you.

All weekend, I watched the news. Over and over again, I saw that heart-breaking image of the little boy saluting his father's coffin. Then came the announcement that the little boy was gone, too. And just when I thought I finally understood the magnitude of the loss, I listened to the news again this morning, and I heard friends of John F. Kennedy, Jr. say they felt certain he would have run for public office one day—probably for a seat in the United States Senate.

I don't know if that is true. I do know that John F. Kennedy, Jr. believed deeply in public service. He believed what his father had said: "to those whom much is given, much is required." If he had chosen to run for the Senate, I have no doubt he would have succeeded, and he would have been a great Senator.

I suspect we will regret for a long, long time what John Kennedy did not have time to give us. I hope we will also remember, and treasure, what he did have time to give us. Those moments of joy when he was a little boy playing in the Oval Office with his sister and father; his stunning example of courage when he said good-bye to his father.

I hope we will remember:

His kindness and surprising humility; his inventiveness, and his professional success; the good humor and amazing grace with which he accepted celebrity; the dignity with which he bore his sorrows; and the happiness he found in his life, particularly in his marriage.

Some years ago, another young man died too young. Alex Coffin, the son of Reverend William Sloane Coffin, was driving in a terrible storm when his car plunged into Boston Harbor and he drowned. He was 24 years old. Ten days later, William Sloane Coffin spoke about Alex's death to his parishioners at Riverside Church in New York City. I want to read a short section of his sermon, because I think it bears repeating today.

The one thing no one should ever say about Alex's death—or the death of any young person—is that it is God's will. "No one," Reverend Coffin said,

"knows enough to say that . . . God doesn't go around this world with his finger on triggers, his fist around knives, his hands on steering wheels. God is dead set against all unnatural deaths . . . . My own consolation lies in knowing that . . . when the waves closed over the sinking car, God's heart was the first of all our hearts to break."

None of us knows why John Kennedy Jr., Carolyn Bessette Kennedy and Lauren Bessette were taken from us in the prime of their lives. We don't know why the Kennedy family has had to endure so much sorrow over so many years. Nor do we know why the Bessette family has to suffer such an incomprehensibly huge loss all at once. What we do know is that the hearts of the Kennedys and the Bessettes were not the only hearts that broke when the waves closed over that sinking plane last Friday night. We are all heartbroken by the deaths of three such remarkable young people.

Not long ago, I came across a book of poems by another man who also lost a young son. The man's name is David Ray. His son's name was Sam. Sam also died, at 19, also in a car accident. After Sam's death, his father wrote a whole series of poems to him, and about him. I'd like to read a very short one; it's called "Another Trick of the Mind."

Out of a book, a little trick—  
Instead of the picture and much longing  
for that lost face,  
place yourself within the frame.  
You are back together again, if only  
in the past, or in the dream,  
or this gilded picture in mind.  
But it is no longer a dream, or a picture  
of loss. And then you go on,  
down the road you have to go, together.

In our memories, we all have a scrapbook full of images of John Kennedy, Jr. Perhaps in the days ahead, when the sadness creeps up on us, we can imagine—just for a moment—that John and Carolyn and Lauren are still with us. And we can go down the road we have to go, together. And maybe when we play that trick on ourselves, and our sadness lifts for that moment, we can remember how fortunate we were to have had them with us as long as we did.

I yield the floor.

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. Mr. President, I rise to speak for just a moment to express my profound sympathy and condolences to our colleague and friend, Senator TED KENNEDY, and the members of the Kennedy family, and for the Bessette family, as well.

Although I know the pain of losing a loved one, I have little conception of the pain which Senator KENNEDY and his family are feeling with the multiple losses of family members at such early stages in their lives, and under such tragic conditions.

My heart is heavy with grief for the family, and my thoughts and prayers are with them. I can only pray that they realize and are comforted in some small manner by the love, affection, and support of the Members of this body, as well as people all across this nation, for whom the Kennedy family is a symbol of courage, achievement, and service to mankind.

Mr. WARNER. Mr. President, I wish to speak with regard to the feelings in my heart and in the hearts of my daughter Mary, my daughter Virginia, and my son John on behalf of the Kennedy family.

My daughter Mary was a member of the play group at the White House formed by the President and his lovely wife Jacqueline Kennedy for their daughter Caroline and, my recollection is, three or four others of the same age. They were perhaps among the most photographed young people in America at that time. Our family cherishes the pictures with Caroline and in some John-John was there. It was just a warm experience for these youngsters to start their life.

Jacqueline Kennedy was so gracious to all of us in our family. I had known Mrs. Kennedy when I was, my recollection is, in my early twenties, and we were in the same group of young people who mingled together at various events in those days. I remember the absolute startling beauty of that magnificent woman. We remained friends throughout her life. She and the President briefly had a farm in Virginia which abutted on the farm that my then-wife Catherine and I had, and I frequently saw her at sporting events.

The families were intertwined at a very young age. Previously, at the University of Virginia Law School, while my period at that school was interrupted by service in the Marines during the Korean war, Bobby Kennedy was there, and we overlapped for a period of time. I remember participating in some of the touch football games and getting my first insight into that extraordinary family.

My daughter Virginia knew John-John quite well. In past years, prior to marriage, they were in the same group that often attended events together.

This has left a very deep and sad feeling in the hearts of my children, and I know they would want their deepest sympathy conveyed to the members of the family. I do that tonight, being privileged to be on the floor of the Senate and talking about this most distinguished family.

I met President Kennedy on several occasions. I knew him, as a matter of fact, when he was a Senator. I remember very well one night going to a television studio with him and some other people. I cannot recall exactly what the show was, but that night, for various reasons, is tucked away in my memory.

Then, of course, in the campaign of 1960, I was the advance man for President Nixon; and Bobby Kennedy was the advance man for his brother. We had frequent but always pleasant and cordial meetings on the campaign trail of 1960.

But the main purpose of my taking the floor is to express, on behalf of my children, our profound sorrow for this tragic event, and how we are all deprived of what I think in our hearts we believe would have been a great future for this young man, had the Lord seen fit to have him remain with us. He was destined to go on to greatness, and we, as a nation, have been deprived. But we accept the Lord's will in this case.

All that could be done was done, primarily by the Coast Guard, the Navy, the National Transportation Safety Board, and others. I think they are worthy of commendation for their services.

To our distinguished colleague, Senator KENNEDY, I know, having spoken with him, he was looking forward to this wedding. So often this family has come together in hours of tragedy, but this wedding was to be an hour of pure joy. He looked forward to it with expectation. But now, of course, that has to be postponed, I hope for a brief period.

But I remember how hard the Senator worked on the Patients' Bill of Rights. I voted against him on every vote except one, and that has often been the case in my 21 years in the Senate serving with my friend. And we have had many opportunities to work together on various things. He is a member of the Senate Armed Services Committee, of which I am privileged to be chairman. When I was ranking member on the Seapower Subcommittee, he was chairman; and then for a brief period, when I was chairman of the Seapower Subcommittee, he was ranking member.

But I remember how hard he worked last week. His heart was in that bill regarding the health of the citizens of our Nation. It was just another chapter in his long and distinguished career in the Senate.

I believe on both sides of the aisle he is regarded as one of the hardest working, most conscientious Members of the Senate. We have nothing but profound respect for him and the manner in which he, as one of the heads of this distinguished family, has worked to bring this family once again to the realization of a loss that they must accept.

Mr. President, we conclude today's proceedings by several of us speaking on this. We do so from the heart and convey our prayers and sympathy to this family.

Mr. THOMPSON addressed the Chair. The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. I thank the Chair.

I join in the expressions of my colleagues in expressing my profound sadness and regret at the fate that has befallen our colleague and members of his and the Bessette family.

#### INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000—Continued

Mr. THOMPSON. Mr. President, I will also make some comments about the reorganization of the Department of Energy with regard to its nuclear activities.

I heard my colleagues speaking earlier on this subject. I think it is one of those great times in the Senate where Members from both sides of the aisle can come together and try to get something done for the benefit of the country and for the benefit of our safety in a troubled world. It is a historic opportunity.

Perhaps to lend a little bit of a different perspective or additional perspective, I should say, with regard to some of the work we do in the Governmental Affairs Committee, it has to do generally with the operation of Government. We continually face instances where the Government is not performing the way it should. The taxpayers are not getting their money's worth. We continually see instances of waste, fraud, and abuse. We have what is known as the high risk list; that is, those Departments and agencies which are most prone to waste, fraud, and abuse. We see the same agencies year in and year out. We have reports year in and year out about these kinds of problems. It is affecting the way our people look at their own Government, which I think is probably the most important underlying problem that we have in this country. This lack of faith and trust in Government has become a recurring theme in recent nonpartisan and bipartisan surveys of public opinion toward Government. This trend is definitely in the wrong direction.

A poll released by the Counsel for Excellence in Government last week found that just 29 percent of Americans say that they trust the Government in Washington to do what's right most of the time. This is down even from last year's poll, which found only a 38 percent level of trust. The National Academy of Public Administration recently released a national election study poll this June that pegged the percentage of Americans who trust Government at a meager 32 percent. According to the Pew Research Center for the People and the Press, it is poor Government performance that is the leading indicator, the leading factor, in Americans' distrust of the Federal Government. An overwhelming majority of the public—74 percent—say that the Government does only a fair or poor job in managing its programs and providing services. The National Academy of Public

Administration reports that survey respondents complain about Government failures, stating that Government becomes part of the problem, is too big, serving others, doing nothing, and wasting money. So we have seen that over a period of years.

Time and time and again, we have had reports bringing this to our attention. All too often, we wind up talking about it and doing very little about it. But now we find that we are faced with a different kind of lack of performance as far as our Government is concerned. Maybe we can afford certain breakdowns. Maybe we can afford certain fraud, inefficiencies, and waste, but we are facing a different kind now, and that has to do with our national security. Time and time again, we see instances where the right hand within a department does not know what the left hand is doing.

We recently received the inspector general's report from the Department of Justice which demonstrated that we on the Governmental Affairs Committee did not receive evidence and did not receive materials showing people with strong ties to the Chinese government at the same time they were making political contributions in this country. Six inspectors general gave us a report recently regarding how our export control system was working. We found out that it is not working very well at all. We don't know very much, sometimes, about who is doing the exporting. We don't know much about who the end users are and what they are doing with these dual-use technologies we are sending them, some of which can be used for military purposes. The law requires that we train our licensing officers. But we are not following that law. We have no training programs with regard to our licensing officers. We are supposed to be checking up on our foreign visitors there and making sure that when they visit the labs, they are not coming away with information that they should not be having. We are not doing a good job there.

The law requires that we keep up with the cumulative effect of the exports we are sending to these other countries, but we are not doing that either. We found out recently that, with regard to trying to get materials regarding someone who is a suspect, actual espionage activities broke down interdepartmentally between the Department of Energy and the Department of Justice because of a lack of communication. We were trying to get a search warrant there; it never came about. If we had the correct information and had been really talking to each other and had a system whereby we could exchange information after asking the right questions, we would not even have needed that search warrant. These are all instances where the Government is not performing in the

way the Government should be performing. And now we see a systematic breakdown with regard to the security at our national laboratories.

This is bad enough in and of itself at any time. But I think it is especially disturbing now that we understand more and more that we are living in a different world than we have been living in in times past. I think that after the end of the Cold War, when we didn't have the big Soviet Union threat anymore, we let our guard down in this country. We thought that we could place less emphasis on preparedness, readiness, national security, and things of that nature. The Chinese were in no position to pose a direct threat to us, and we felt the Soviet Union certainly was not. Yet as we look around the world, we see that new threats are developing. We got the Rumsfeld report, and we understand now that rogue nations around this world are rapidly developing biological, nuclear, and chemical capabilities that pose a threat to this country. Then we have the Cox report, which tells us what we have lost with regard to our own national laboratories, in terms of nuclear technology and perhaps even nuclear materials. The President's own Federal foreign intelligence advisory committee, led by Senator Rudman, now points out the difficulties that we are having in that regard.

It is a different world. So we must ask ourselves: If not now, when? If we can't, at long last, after all these reports—and Senator Rudman pointed out that there had been over a hundred reports over the years pointing out the problems that we were having at our national labs. Yet very little was done. So it takes a tremendous amount. We have seen in these nonmilitary matters, non-national security matters, how difficult it is. The Government has gotten too big and complex, with layer upon layer of assistants and deputy assistants in these departments, and we are having less and less accountability and more and more complexity, more and more of the right hand not knowing what the left hand is doing.

So now, at long last, when we have someone, such as the President's own commission, report to us that within the Department of Energy there is no accountability, that it is dysfunctional, that it is saturated with cynicism and disregard for authority, that it is incapable of reforming itself, that it will do whatever is necessary, apparently, to delay reform, certainly this must get our attention.

I believe from listening to my colleagues and the way this thing is developing, perhaps maybe at long last our attention has been gotten. And what is being proposed now in terms of reorganization is a very straightforward approach. It is not nearly as radical as some people would like to go. Many people would like to take matters of

nuclear safety, our laboratories and nuclear materials totally outside the Department of Energy and set up a totally different entity to deal with them. This bill doesn't do that. It keeps it within the Department of Energy. The Secretary of Energy continues to set the policy for the department. And the newly created Under Secretary for Nuclear Stewardship reports to the Secretary and is under the supervision of the Secretary. So you still have direct lines of reporting. You have more accountability. You have a simplified reporting system. You would not have any more of this Rube Goldberg-type of organization chart that we see within the Department of Energy, under which you could not tell who is responsible for what.

At long last, as difficult as it is to reform Government, as difficult as it is to stop waste, fraud, and abuse, when we are told about it every year, told about it all the time, now that we know we have this significant problem with regard to the most significant matter that can plague a country, dealing with national security, surely we can take the necessary steps in order to turn this thing around.

I know there will be amendments proposed. I have never seen a piece of legislation that perhaps could not stand a bit of improvement. I do not really know the thrust of the amendments that will be proposed. But I urge my colleagues that, as we go along in considering these amendments, ask the question: Does this enhance or does this defuse accountability?

We need accountability more and more throughout Government. We can very seldom place responsibility anywhere anymore for mishaps in Government. But here we must have it. We certainly must have it with regard to the Department of Energy and our nuclear stewardship. I am delighted with the way this has progressed. The changes are not a draconian, and it is a revolutionary approach. It is an approach that will enhance accountability. It gives us an opportunity not only to do something with regard to national security in this country but perhaps to take some first steps toward restoring the American public's faith in their own Government.

I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. I ask unanimous consent that the pending Kyl amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

## AMENDMENT NO. 1259

(Purpose: To block assets of narcotics traffickers who pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States)

Mr. COVERDELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. Coverdell], for himself, Mrs. FEINSTEIN, Mr. DEWINE, Mr. HELMS, Mr. LOTT, Mr. TORRICELLI, Mr. CRAIG, Mr. GRAHAM, and Mr. REID, proposes an amendment numbered 1259.

Mr. COVERDELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new title:

**TITLE —BLOCKING ASSETS OF MAJOR NARCOTICS TRAFFICKERS**

**SEC. 01. FINDING AND POLICY.**

(a) FINDING.—Congress makes the following findings:

(1) Presidential Decision Directive 42, issued on October 21, 1995, ordered agencies of the executive branch of the United States Government to, inter alia, increase the priority and resources devoted to the direct and immediate threat international crime presents to national security, work more closely with other governments to develop a global response to this threat, and use aggressively and creatively all legal means available to combat international crime.

(2) Executive Order No. 12978 of October 21, 1995, provides for the use of the authorities in the International Emergency Economic Powers Act (IEEPA) to target and sanction four specially designated narcotics traffickers and their organizations which operate from Colombia.

(b) POLICY.—It should be the policy of the United States to impose economic and other financial sanctions against foreign international narcotics traffickers and their organizations worldwide.

**SEC. 02. PURPOSE.**

The purpose of this title is to provide for the use of the authorities in the International Emergency Economic Powers Act to sanction additional specially designated narcotics traffickers operating worldwide.

**SEC. 03. DESIGNATION OF CERTAIN FOREIGN INTERNATIONAL NARCOTICS TRAFFICKERS.**

(a) PREPARATION OF LIST OF NAMES.—Not later than January 1, 2000 and not later than January 1 of each year thereafter, the Secretary of the Treasury, in consultation with the Attorney General, Director of Central Intelligence, Secretary of Defense, and Secretary of State, shall transmit to the President and to the Director of the Office of National Drug Control Policy a list of those individuals who play a significant role in international narcotics trafficking as of that date.

(b) EXCLUSION OF CERTAIN PERSONS FROM LIST.—

(1) IN GENERAL.—Notwithstanding any other provision of this section, the list described in subsection (a) shall not include the name of any individual if the Director of Central Intelligence determines that the dis-

closure of that person's role in international narcotics trafficking could compromise United States intelligence sources or methods. The Director of Central Intelligence shall advise the President when a determination is made to withhold an individual's identity under this subsection.

(2) REPORTS.—In each case in which the Director of Central Intelligence has made a determination under paragraph (1), the President shall submit a report in classified form to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives setting forth the reasons for the determination.

(d) DESIGNATION OF INDIVIDUALS AS THREATS TO THE UNITED STATES.—The President shall determine not later than March 1 of each year whether or not to designate persons on the list transmitted to the President that year as persons constituting an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. The President shall notify the Secretary of the Treasury of any person designated under this subsection. If the President determines not to designate any person on such list as such a threat, the President shall submit a report to Congress setting forth the reasons therefore.

(e) CHANGES IN DESIGNATIONS OF INDIVIDUALS.—

(1) ADDITIONAL INDIVIDUALS DESIGNATED.—If at any time after March 1 of a year, but prior to January 1 of the following year, the President determines that a person is playing a significant role in international narcotics trafficking and has not been designated under subsection (d) as a person constituting an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, the President may so designate the person. The President shall notify the Secretary of the Treasury of any person designated under this paragraph.

(2) REMOVAL OF DESIGNATIONS OF INDIVIDUALS.—Whenever the President determines that a person designated under subsection (d) or paragraph (1) of this subsection no longer poses an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, the person shall no longer be considered as designated under that subsection.

(f) REFERENCES.—Any person designated under subsection (d) or (e) may be referred to in this Act as a "specially designated narcotics trafficker".

**SEC. 04. BLOCKING ASSETS.**

(a) FINDING.—Congress finds that a national emergency exists with respect to any individual who is a specially designated narcotics trafficker.

(b) BLOCKING OF ASSETS.—Except to the extent provided in section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)) and in regulations, orders, directives, or licenses that may be issued pursuant to this Act, and notwithstanding any contract entered into or any license or permit granted prior to the date of designation of a person as a specially designated narcotics trafficker, there are hereby blocked all property and interests in property that are, or after that date come, within the United States, or that are, or after that date come, within the possession or control of any United States person, of—

(1) any specially designated narcotics trafficker;

(2) any person who materially and knowingly assists in, provides financial or techno-

logical support for, or provides goods or services in support of, the narcotics trafficking activities of a specially designated narcotics trafficker; and

(3) any person determined by the Secretary of the Treasury, in consultation with the Attorney General, Director of Central Intelligence, Secretary of Defense, and Secretary of State, to be owned or controlled by, or to act for or on behalf of, a specially designated narcotics trafficker.

(c) PROHIBITED ACTS.—Except to the extent provided in section 203(b) of the International Emergency Economic Powers Act or in any regulation, order, directive, or license that may be issued pursuant to this Act, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, the following acts are prohibited:

(1) Any transaction or dealing by a United States person, or within the United States, in property or interests in property of any specially designated narcotics trafficker.

(2) Any transaction or dealing by a United States person, or within the United States, that evades or avoids, has the purpose of evading or avoiding, or attempts to violate, subsection (b).

(d) LAW ENFORCEMENT AND INTELLIGENCE ACTIVITIES NOT AFFECTED.—Nothing in this section is intended to prohibit or otherwise limit the authorized law enforcement or intelligence activities of the United States, or the law enforcement activities of any State or subdivision thereof.

(e) IMPLEMENTATION.—The Secretary of the Treasury, in consultation with the Attorney General, Director of Central Intelligence, Secretary of Defense, and Secretary of State, is authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by the International Emergency Economic Powers Act as may be necessary to carry out this section. The Secretary of the Treasury may redelegate any of these functions to any other officer or agency of the United States Government. Each agency of the United States shall take all appropriate measures within its authority to carry out this section.

(f) ENFORCEMENT.—Violations of licenses, orders, or regulations under this Act shall be subject to the same civil or criminal penalties as are provided by section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) for violations of licenses, orders, and regulations under that Act.

(g) DEFINITIONS.—In this section:

(1) ENTITY.—The term "entity" means a partnership, association, corporation, or other organization, group or subgroup.

(2) NARCOTICS TRAFFICKING.—The term "narcotics trafficking" means any activity undertaken illicitly to cultivate, produce, manufacture, distribute, sell, finance, or transport, or otherwise assist, abet, conspire, or collude with others in illicit activities relating to, narcotic drugs, including, but not limited to, heroin, methamphetamine and cocaine.

(3) PERSON.—The term "person" means an individual or entity.

(4) UNITED STATES PERSON.—The term "United States person" means any United States citizen or national, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States.

**SEC. — 05. DENIAL OF VISAS TO AND INADMISSIBILITY OF SPECIALLY DESIGNATED NARCOTICS TRAFFICKERS.**

(a) **PROHIBITION.**—The Secretary of State shall deny a visa to, and the Attorney General may not admit to the United States—

(1) any specially designated narcotics trafficker; or

(2) any alien who the consular officer or the Attorney General knows or has reason to believe—

(A) is a spouse or minor child of a specially designated narcotics trafficker; or

(B) is a person described in paragraph (2) or (3) of section 04(b).

(b) **EXCEPTIONS.**—Subsection (a) shall not apply—

(1) where the Secretary of State finds, on a case-by-case basis, that the entry into the United States of the person is necessary for medical reasons;

(2) upon the request of the Attorney General, Director of Central Intelligence, Secretary of the Treasury, or the Secretary of Defense; or

(3) for purposes of the prosecution of a specially designated narcotics trafficker.

Mr. COVERDELL. Mr. President, I ask for 20 minutes to be equally divided between myself and Senator FEINSTEIN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COVERDELL. Mr. President, the amendment just sent to the desk, it is my understanding, has now been agreed to by both sides, which Senator FEINSTEIN and I are most happy about.

This piece of legislation evolved earlier in the year. Senator FEINSTEIN will speak for herself, but she and I have been engaged in the issue of narcotics trafficking in our hemisphere and in the world and have become deeply worried about its effect on the United States and have envisioned this as a new tool for our Government.

To give you a bit of a background, the International Emergency Economic Powers Act is a follow on to the former Trading With The Enemy Act. Its purpose is to stop all economic activity, commerce, trade, and finance with rogue nations, such as Libya and North Korea, that are national security threats to the United States.

In 1995, President Clinton expanded this act through an executive order to include specially designated narcotics traffickers. As issued, the President's executive order applies to four drug traffickers affiliated with the Colombian Cali cartel. The goal was and remains to completely isolate the targeted drug traffickers. The executive order that the President issued in 1995 blocks any financial, commercial and/or business dealings with any entity associated with the four named drug traffickers, to include criminal associates, associated family members, related businesses and financial accounts.

What would this amendment accomplish? It takes the President's 1995 Executive order and codifies it in the law and expands it to include other foreign narcotic traffickers deemed as a threat to our national security.

It freezes the assets of drug traffickers under U.S. jurisdiction and cuts off their ability to do business in the United States.

There is the arrow pointed at the problem. It begins to isolate these nefarious forces and their effect on the United States.

As under the President's Executive order, the Treasury Department's Office of Foreign Assets Control would develop a list of specially designated narcotics traffickers in consultation with the Department of Justice and the Department of State. Anyone who appears on the list is prohibited from conducting any economic activity with the United States.

American firms or individuals who violate this prohibition will be subject to significant financial penalty and potential prison terms. The Treasury Office of Foreign Assets would enforce the sanctions, which carry criminal penalties of up to \$500,000 per violation for corporations, and \$250,000 for individuals, as well as up to 10 years in prison.

The goal is to provide another weapon in the war on drugs by completely isolating targeted drug traffickers.

Taking legitimate U.S. dollars out of drug dealers' pockets is a vital step in destroying their ability to traffic narcotics across our borders. This is a bold but necessary tool to fight the war on drugs.

Let me say before I turn to the distinguished Senator from California, as early as 1 hour ago I was in communication with representatives of the Treasury Department and the administration of a willingness to continue as this legislation works its way through the Congress to work with them to perfect the legislation. It is an important new tool. It is premised on an action this President has already emboldened and taken and simply expands it.

We must confront the growing strength of impunity of drug cartels. Several months ago former DEA Administrator, Tom Constantine, testified about Mexican drug cartels. He said:

Organized crime groups from Mexico continue to pose a grave threat to the citizens of the United States. In my lifetime, I have never witnessed any group of criminals who have had such a terrible impact on so many individuals and communities in our Nation.

Of course, this is not Mexico-specific. This is a broad tool to deal with narcotics and their activities anywhere in the world. With drugs continuing to pour across our border, there is no other way to think about drug trafficking than as a fundamental threat to our national security.

Several years ago, in a meeting with the President of Mexico, President Zedillo, he said—and he has said such publicly since—that there is no threat as dangerous to the security of the Republic of Mexico as the narcotics traffickers.

We must use every weapon in our arsenal to strike at the heart of this scourge—those who traffic these drugs. By expanding the use of the President's international emergency economic powers to target drug kingpins and their empires, we can work year-round to help drive these traffickers out of business—no matter where they exist.

I thank my colleague, the Senator from California, not only for her work in perfecting this amendment but for her ongoing work and concern about the effects of narcotics on the stability of the democracies in this hemisphere, and, of course, its effect—its dramatic effect—on the citizens of the United States.

I am reminded—as we talked during several debates about things that are so critically important to us—and we might be reminded that 14,000 people a year die of the narcotic impact, not to mention 100,000 crack babies. The list goes on and on.

There is no segment of public policy that is any more important. There are some that are as important but none any more important with regard to the safety of the people of the United States—and, for that matter, this hemisphere—than our work on narcotics and the peripheral issues that deal with it.

I yield the remainder of my time to the Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I thank the Chair.

I want to begin by thanking the Senator from Georgia. We have been at this for a few years now. I want him to know it has been a great pleasure for me to work with him, and I thank him for the leadership and the spirit he has shown on this issue.

It has been very heartening for me to work across that center divide and hopefully see this amendment finally enacted today, and hopefully after going to the House in conference, come back here, and then be signed by the President.

Mr. COVERDELL. I thank the Senator.

Mrs. FEINSTEIN. Mr. President, as the Senator from Georgia so well stated, this legislation is patterned after the President's Executive order that he issued in 1995 which targeted the assets of the powerful Colombian drug kingpins.

That order expanded the International Emergency Economic Powers Act to include "specially designated narcotics traffickers." As issued, the President's Executive order applied to four drug traffickers affiliated with the Colombian Cali cartel. The goal is to completely isolate those targeted drug traffickers.

The Executive order blocks any financial, commercial, and/or business dealings with any entity associated



with those named traffickers—to include criminal associates, associated family members, related businesses, and financial accounts.

The way this amendment would work is the Treasury Department's Office of Foreign Assets Control would develop a list of specially designated narcotics traffickers worldwide in consultation with the Department of Justice, the CIA, and the Department of State.

The President could amend the list, and he would officially sign off on the list. Then that Treasury Department's Office of Foreign Assets Control would enforce sanctions with criminal penalties of up to \$500,000 per violation for corporations, and \$250,000 for individuals, as well as up to 10 years in prison.

It is a meaningful sanction.

By focusing on the financial relationship between drug cartels and their associated business relationships, the Executive order—and now this amendment—is directed toward those entities that created the drug problem in our country. And those entities can be located anywhere in the world. They are major drug traffickers.

This order has proven successful in quelling the Colombian Cali cartel. This amendment expands it worldwide. Under this Executive order, more than 400 Colombian and other companies and individuals affiliated with drug trafficking have been targeted by the Treasury Department. These entities are denied access to banking services in the United States and Colombia. Existing bank accounts have actually been shut down. As a result, more than 400 Colombian accounts have been closed. That has affected over 200 companies and individuals engaged in drug trafficking.

By February 1998, through the President's Executive order, over 40 of these companies with estimated combined annual sales of over \$200 million have been forced out of business.

The Rodriguez Orejuela business of the Cali cartel has been particularly damaged by their lack of access to banks in the United States and Colombia. These companies have been forced to operate largely on a cash basis because most banks now refuse to provide them services.

One of the cartel's holdings, Laboratorios Kressfor, eventually went through liquidation because of blocking actions by the U.S. banks. Other business accounts were closed because of the sanctions it incurred as a result of doing business with drug traffickers. This company, too, is now in liquidation.

Drug cartels today are more powerful, more violent, and have a far greater reach than traditional organized crime organizations ever had in the past, and they kill more people.

I believe they pose a most significant threat to the national security of this country.

We have seen that destructive power over and over again. In Colombia, Mexico, Burma, Cambodia, Nigeria, and elsewhere drug traffickers have used violent means to pursue their deadly trade. They are the common enemy of all civilized nations. We need to work together to meet this common threat.

The United States is not immune from the devastating effects of global drug trade. Measured in dollar values, at least four-fifths of all illicit drugs consumed in the United States are of foreign origin. Four-fifths of drugs consumed in the United States are of foreign origin, including virtually all of the cocaine and heroin.

These cartels have now made strong inroads in major cities including Los Angeles, Phoenix, Dallas, San Francisco, and San Diego. They are enlisting and have enlisted street gangs as distributors. They are spreading their operations throughout our Nation and arrests are taking place in less likely places—Des Moines, IA; Greensboro, NC; Yakima, WA; New Rochelle, NY.

The President's 1995 Executive order targeting the Cali cartel in Colombia was an effective means of isolating the cartel and its affiliated businesses. It choked off vital revenue streams and helped the Colombian Government take down the cartel.

With the authority to reach countries beyond Colombia, the President can now work, if this amendment is passed, to isolate other major criminal drug syndicates around the world and impose upon them and their associates a similar fate to that of the Cali cartel. It is my hope that with a new emphasis on this expanded authority and with the concerted intelligence effort to develop sufficient data about the cartels and their associates in this country and abroad, the United States will be able to work with our allies to expose, isolate, and cut off the major drug-trafficking syndicates that pose a threat to all of our societies.

This crucial mission can only be accomplished together. We must work together to see that our governments are properly equipped to carry it out successfully. To that end, this amendment establishes clear procedures through which the Treasury Department, the Justice Department, the CIA, and the Defense Department can gather information, share that information with their counterparts, and make recommendations to the President as to those cartels that represent the greatest risk to our Nation.

Coordinated by the Office of Foreign Assets Control in the Department of Treasury, the expanded program will target new international drug cartels with the same successful financial choke holds that worked so well in Colombia. This will not be an easy process. The results will not be immediate. A great deal depends on intelligence and its availability. It also must be applied universally.

This legislation is a serious effort to hit the world's major traffickers where they live and to put them and their associates out of business.

I thank Senator COVERDELL for working so tirelessly with me on this bill. I thank my colleagues on both sides of the aisle for supporting our efforts.

I yield the floor.

The PRESIDING OFFICER. The chairman is recognized.

Mr. SHELBY. Mr. President, I will take a minute this evening to thank Senator COVERDELL and also Senator FEINSTEIN for having the foresight and initiative to expand and to improve upon what is already a highly successful weapon in our Nation's fight against international narcotics trafficking.

The International Emergency Economic Powers Act was expanded 4 years ago under Executive order to target specific drug trafficking kingpins operating from Colombia.

Our colleagues' legislation expands upon that Executive order by allowing similar actions to be taken against additional kingpins worldwide.

Any future designation of foreign narcotics traffickers under this act would still be made by the President, but recommendations to the President will now come from the entire U.S. counter-narcotics community, to include law enforcement, intelligence, and regulatory officials.

Once designated, those foreign drug kingpins would soon see their access to the U.S. economy completely disappear.

Without the ability to place illicitly derived proceeds into commerce and trade in the United States, these kingpins and their illicit organizations will wither and fade away.

Denying these foreign traffickers the opportunity to participate in the vibrant and growing U.S. economy is truly a decisive weapon in the war on drugs.

I again thank my colleagues for their fine work on this measure. I also state for the RECORD that I fully support and approve incorporating their measure into the Legislation Authorization Act which is before the Senate. I also state that my colleague, the vice chairman of the Intelligence Committee, Senator KERREY, has asked I note for the Senate that he also concurs in this amendment and extends his congratulations.

I urge adoption of this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1259) was agreed to.

Mr. SHELBY. I move to reconsider the vote.

Mrs. FEINSTEIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SHELBY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MORNING BUSINESS

Mr. WARNER. Mr. President, I ask unanimous consent that the Senate now proceed to a period for morning business, with Senators permitted to speak for brief periods.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### CIVILITY AND DELIBERATION IN THE U.S. SENATE

Mr. BYRD. Mr. President, on July 16, the Robert J. Dole Institute for Public Service and Public Policy at the University of Kansas hosted a discussion of civility and deliberation in the United States Senate.

Long subjects of interest to me, I was heartened to learn of this event. In an age of media and money-driven politics, it is important to remember that what we Senators must truly strive to be about has little to do with either the media or money. Discussions such as this one remind us all of the essential nature of this body in which we are so privileged to serve, and of the responsibility each of us bears to help this great institution, the United States Senate, continue to reflect the Framers' intent.

I ask unanimous consent that the remarks of the Honorable Robert J. Dole, and the remarks of Mr. Harry C. McPherson, former Special Counsel to President Lyndon B. Johnson, be inserted in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR BOB DOLE—INTRODUCTION OF HARRY MCPHERSON, THE CAPITOL, JULY 16, 1999

Thanks very much for the kind introduction, and thanks to all of today's participants, many of them friends.

Harry Truman once remarked that he felt anything but comfortable as a newcomer to the Senate. Then, one day, a grizzled veteran of the institution took him aside and offered him the following sage advice: "Harry," he said, "for the first six months you'll wonder how the hell you ever got to be a United States Senator. After that, you'll wonder how in Hell everyone else did."

I guess I'm still in the early stages when it comes to having my name on a school of public policy. A professor has been defined as someone who takes more words than he needs to tell more than he knows. Kind of reminds me of a filibustering senator. President Johnson, Harry's former boss and mentor, liked to tell of the long-winded Texas politician who never began any address without extolling at great length the beautiful

piney woods of east Texas. Then he would move on to the bluebonnets and the broad plains, and down through the Hill Country to the White Beaches of the Gulf Coast.

At which point he went back to the piney woods and started in all over again. On one occasion he had just completed a second tour of the lone star state and he was about to launch into a third when a fellow rose up in back of the room and yelled out: "The next time you pass Lubbock, how about letting me off?"

Let me assure you all: I have no intention of making more than one pass at Lubbock. As you know, it's customary to insert the word honorable in front of the names of public servants. Sometimes it's even appropriate. The next speaker is just such a case. In fact, he is one of the most honorable men I know. Harry and I came to Washington about the same time. As he writes in his classic memoir, "A Political Education," it was the era of the one party South. Come to think of it, it was the era of the one party Senate as well.

Still, even if Harry and I spent most of our careers on the opposite sides of the political fence, there is much more that unites us than divides us. To begin with, neither one of us have ever confused personal civility with the surrender of principle. One way or another, our generation has paid a heavy price in resistance to all of this century's extremists who didn't want to serve humanity as much as they wanted to remake or oppress it. Life for us has been a series of tests: whether growing up in the Dust Bowl of the 1930s, or fighting a war against Nazi tyranny, or waging a moral offensive against Jim Crow and other hateful barriers to human potential; whether sending a man to stroll on the surface of the moon, or standing up for American values across four decades of Cold War . . . all of these enterprises, vast as they were, enlisted the common energies of a nation that is never better than when tackling the impossible.

Along the way we discovered that there was no Republican or Democratic way to fight polio or even invent the Internet. Almost forty years have passed since I first arrived in this town as the lowest ranking creature in the political food chain—a freshman Congressman. My ideological credentials were validated by a local political boss in west Kansas who told a friend, "Heck, I know he's a conservative—the tires on his car are threadbare." I never claimed to be a visionary. I came to Washington to do the decent thing by people in need, without bankrupting the Treasury or depriving entrepreneurs of the incentive or capital with which to realize their dreams. I brought from Kansas the conviction that most people are mostly good most of the time. Something I also learned: that an adversary is not the same thing as an enemy.

It may be hard to believe, but those days one politician could challenge another's ideas without questioning his motives or impugning his patriotism. As Harry will attest, we may have had differences over the years, but they were programmatic, not personal. In the words of the late great Ev Dirksen, "I live by my principles, and one of my principles is flexibility."

Of course, in the great defining struggle over civil rights, it was Ev Dirksen's flexibility that enabled him to put aside narrow questions of party advantage and remind colleagues that it was another Illinois Republican, by the name of Abraham Lincoln, who gave the GOP its moral charter as a party dedicated to racial justice. Throughout this

century, no issue has done more to call forth the better angels of our nature. Whether it was Teddy Roosevelt inviting Booker T. Washington to dine with him at the White House, or my hero Dwight Eisenhower, summoning federal troops to integrate Central High School in Little Rock, or Harry Truman desegregating the armed forces, or LBJ speaking at a Joint Session in the House and shouting, "we shall overcome," or the bipartisan coalition that I was privileged to lead in making Martin Luther King's birthday a national holiday.

All this, I think, has relevance for today's discussion. The topic is "Civility and Deliberation in the United States Senate." As any C-Span viewer can tell you, we have too little of one and too much of the other. But why should that come as any surprise? We are after all, a representative democracy—a mirror held up to America. In this age when celebrity trumps accomplishment, and notoriety is the surest route to success in a 24 hour news cycle, voters are understandably turned off by a political culture that measures democracy in decibels.

Needless to say, it is pretty hard to listen when all around you, people are screaming at the top of their lungs. It's even harder to hear the voices of those who sent you to Washington in the first place. In a democracy differences are not only unavoidable—if pursued with civility as well as conviction, they are downright healthy. Put another way, I'd much rather deal with honest contention than creeping cynicism. Yet that's exactly what afflicts our system today, when millions of citizens regard all politicians as puppets on a string, dancing to the music of spinmeisters.

Fortunately, there are still men and women in this town and every town across America who disprove that view. They come from diverse backgrounds. They vote for different candidates. They speak various languages; they worship before many alters. But this much they have in common; they are patriots before they are partisans. At the same time they understand the dangers that arise when any leader starts to calculate his chances at the expense of his conscience.

One of the most inspiring stories I have ever read involves the late Senator John Stennis of Mississippi, for over forty years a lawmaker of towering integrity. In 1982 Senator Stennis faced the toughest reelection fight of his career. At one point early in the campaign, the Senator found himself listening to a room full of experts who kept prefacing every sentence with the phrase, "to win, we will have to do this."

Courtly as ever, Stennis heard everyone out before replying, "there is one thing you really need to understand before we go any further," he told his political operatives. "We don't have to win," John Stennis understood that in a system such as ours, details can be compromised, but principle never.

In the high stakes game of history, only those who are willing to lose for principle deserve to win in the polls. Only those whose principles do not blind them to the search for common ground, can hope to rally a political system intentionally designed to frustrate utopian reformers. As LBJ like to say, "I'd rather win a convert than a fight."

In his memoir, Harry describes just such a confluence involving Lyndon Johnson, in office less than two weeks, and his onetime friend turned antagonist Jim Rowe. In the wake of President Kennedy's assassination, the new President was reaching out across personal and political gulfs, seeking counsel and support wherever he could find them.

This led him to Jim Rowe, who protested at length that the estrangement had been his fault, not Johnson's. They went back and forth, until LBJ snapped, "Damn it, can't you be content to be the first man the thirty-sixth president of the United States has apologized to?"

End of argument. And then Harry, on his own, reminds readers how important it is under such circumstances to swallow your feelings and smile even if it hurts. It's been said that Washington lacks the fabled Wise Men of yesterday—those vastly experienced sages whose instincts are even more valuable than their Rolodexes. I disagree. Because I have a friend and partner who is one of the wisest Men around. Both his shrewdness and his generosity are as large as Texas. I can't imagine anyone better qualified to address this gathering than the civil and deliberate Harry McPherson.

#### REMARKS OF HARRY MCPHERSON

Many years ago, after "A Political Education" was first published, several senators and staff people told me I'd gotten the place right. John Stennis burst into another senator's office, waving a copy of the book, and asked, "Have you read Harry's book? He's got us clear as can be". I was tremendously proud when I heard about that.

But it wasn't long before other staffers, as well as a few lobbyists and reporters, pointed out that I'd missed this or that vital truth about the Senate; that I'd misunderstood why Senator X did something that surprised me—a special friendship between him and Senator Y had caused a certain bill to be treated as it was; or that Senate rules and precedents (which I thought I understood) required a result that I had attributed to misbegotten ideology. Most of all, I was told, with a pitying smile, I had completely failed to take into account the importance of campaign contributions in shaping what happened, or didn't happen, in the Senate.

I was embarrassed by these observations, which I acknowledged to be true. When the book was republished, years later, I asked to make changes in it, that would reflect what I had learned in the intervening time. But publishing economics being what they are, there could be no changes in the body of the book. If I wanted to write an epilogue, calling attention to these things, I could. And I did, getting the politics a little straighter. Still later, a third publisher offered the chance to write a prologue, where I could disclose still further shortcomings in my earlier understanding of the Senate. I chose instead to compare the Democrats who ran the Senate in the early 90's with those of the mid-50's, when I started to work here. I assumed, of course, that those later Democrats would continue to run the place ad infinitum. That version of "A Political Education" saw the light in early 1995, just after Senator Lott assumed the responsibilities of majority leader.

I relate these misadventures as a way of suggesting that the Senate, small and visible and reported about as it is, remains, at least for me, mysterious. This is not to say that scholarly analyses of the Senate are inherently wrong. Statistical summaries of the Senate's work can be valuable in showing us how well the institution is performing. But there are human factors at work in the place that aren't easily captured by numbers. The Senate offers plenty of political science material. But it's also a novel—simple enough, in some respects, murky and ambiguous in others: like Joyce's "Ulysses," which is about a June day in Dublin, 1904, and a Homer saga, and God knows what else.

"Civility and Deliberation" are behavioral abstractions, more natural to a novelist's view of the Senate than a statistician's.

Indeed, it might seem that a statistical measure of the Senate's productiveness—which would rate its ability to deal effectively with major public concerns—needn't pay much attention to quality-of-life considerations like "civility" and "deliberation". If the Senate produces, it doesn't matter—so this view would have it—whether the Chamber resembles an abattoir when it does so. It isn't the public concern whether Members of the Senate behave in a civil or uncivil manner toward one another, or even whether they gather together and deliberate before acting. What matters are the results.

There is a degree of truth in this, of course. Voters aren't usually focused on electing the politest candidate to represent them in the Senate, nor the one who takes the longest to make up his or her mind before acting on legislation. Some of the great senators have been persons of such force of personality, such power of will, such intellectual arrogance, such irresistible energy, that they were able to ram their work through the ranks of much more polite, less wilful Members—and the nation benefitted from that. The measure of the Senate's success as an institution isn't whether it resembles a Victorian debating society, tolerant, decorous, and patient, but whether it is able to appreciate and deal with vital public needs.

On the other hand, I guess the reason we've met to discuss "Civility" and "Deliberation" is that we suspect that these conditions of Senate life may in fact be related to Senate productivity. They aren't sufficient in themselves to cause productivity, but they may be necessary to enhance it. Put another way, what the Members feel about the quality of their corporate lives may have something to say about how well they perform as legislators. If it does, then the conversations I've had with a dozen or so senators during the past few days—from both parties—suggest that the modest record of the Senate in recent times is the product, at least in part, of inadequate civility in the Chamber, and a failure to deliberate—by which I mean to discuss in a body, with the possibility of changing opinions through argument—any number of significant public issues.

Rather than list all the shortcomings of contemporary Senate life that I heard about in these conversations, let me draw the beleaguered, cartoon senator I saw emerging from them, wishing I were Pat Oliphant and could do it with a flick of the pen. For simplicity, I'll make him male.

He is obsessed by television, beginning with television coverage of the Senate floor. Normally he doesn't go over to the Floor except to deliver prepared remarks, and since he can see what's happening on the Floor on the tube in his office, he doesn't spend his time sitting there, taking in the remarks of his colleagues. As a result there isn't much debate, as we think of that term.

He is on a number of committees, so his attention is fractured. Stuck in committee, meeting with lobbyists, or working the phone to raise money for his next campaign, he is unlikely to know much about issues on the Floor that one of his staffers doesn't tell him on the way over to vote. If he doesn't connect with the staffer, he simply relies on his Floor leader's staffer to tell him what to do.

He doesn't bear down to learn much about any issue, with exception for those indigent and critical to his state. Why should he? Why should he learn complicated argu-

ments about big issues, when a tidal wave of media talk has already served to fashion public opinion? Why deliberate on something, one Member asked, when everyone's already made up his or her mind, thanks not to some eloquent senator, but to the ubiquitous chattering classes outside the Chamber?

He is partisan, either by nature or experience. He served in the House, a Republican who backed Newt and the 1994 class seeking revenge for years of mistreatment by the ancient Democratic majority, or a Democrat, seeking revenge for mistreatment by Newt, Arme, and DeLay.

Still, because he is, as a politician, naturally gregarious, he would make friends, work, and trade with senators on the other side of the aisle—except that his brothers and sisters on his side tell him that those senators' seats are up for grabs, and he should do nothing to help them. Needing support from his own and unready to risk it, he steps back. Though bipartisan support is necessary to pass important legislation on tough issues, he's reluctant to provide it.

He really doesn't know many other senators, on his side or the other. Used to be, senators stayed in Washington until it got really hot, and then went home. During their 7-day-a-week residence in town, they got to know many of the others in the Chamber. Now many Members go back home on the weekends. Because of the righteous indignation of public interest groups—the same ones who demanded more roll calls, to put senators on record, and thereby made a lot of sound negotiated compromises die aborning—because those groups decried "junktets" abroad, there are few opportunities for senators to get to know each other, and something about the outer world at the same time. The constant pressure to raise campaign funds further reduces time for socializing. For reasons I cannot fathom, there doesn't even seem to be a place where the tradition of having a drink with other senators takes place regularly.

This senator isn't much of a "deliberator," now, though the pleasure of arguing political issues in college is one reason he chose the career. Now he makes speeches written by staff, attends hearings structured by the chairman and interest groups to produce foreordained results, and engages in few debates on the floor that might make him look bad at home, or that might provide a potential opponent with a club to beat him with. His every waking moment, he feels, is under scrutiny. If he learns anything within the Senate, or contributes to someone else's education there, it's likely to be in a small group, behind closed doors.

Learning—even more, caring—about a big issue seems less and less worthwhile. He'd have to devote a ton of time to it, trying to persuade other distracted fellows to pay attention. This is especially true in the case of those issues—like improving the quality of elementary and secondary education, reducing the incidence of violent crime in poor neighborhoods, finding alternatives to imprisonment for drug addicts—which don't attract large political contributions. A friend of mine, many years ago, reasoned that we could pass major civil rights legislation if we could only find a way to benefit builders, construction unions, and the oil and gas industry by doing so.

The modalities of discourse—always addressing another member through the Chair, for example, never saying "you", never letting it hang entirely out—seem contrived and unnatural to many Members, and it

shows. But like manners in society, these traditions make it possible for people to rise above the harsh, wounding animosities of partisan conflict. They mask the red fangs, and make communal life, particularly in a spot-lighted commune like the Senate, more bearable.

This cartoon figure is not an attractive one, and there are a number of senators who would not see themselves in it. Some have friends across the aisle, with whom they work amiably, and in complete, mutual trust; two partners of mine, Bob Dole and George Mitchell, had such a relationship when they were party leaders. Some Members long for a more thorough deliberation of major issues; many of them wish for the means of developing friendships—more especially, building trust—with other Members. Several senators spoke appreciably of the prayer breakfast meetings, in which senators have been known to remove their togas for formal respectability, and reveal the needy human beings within. I recalled a meeting with a midwestern Democrat years ago, in which he told me that the members of his smaller prayer group—six senators, evenly divided by party—meant more to him than any other association he had; he said the others often voted with him, and he with them, because of that bond. It would have been hard to find the cause of that voting pattern in the usual statistical models. The ties that bond other senators to one another are easier to discover: combat service in World War II, for example, is a shared and unforgettable experience for Dan Inouye, Bob Dole, and Ted Stevens, and it has always shown.

The most interesting model of what the Senate could be, the wished-for example most frequently referred to in my conversations, was the experience of meeting, speaking, and listening to one another in the Old Senate chamber, the Old Supreme Court. There was no TV coverage; no reporters at all. And the subjects—in one case national security, in another, the impeachment of a President—were grave indeed, worthy of the fixed attention of any man or woman.

It's too late to undo television coverage of the Senate. The prayer group is not for everybody. Big government is over, the President said, so there aren't many big mountains of governmental effort to conceive, or to seek to tear down. Campaign finance, the country's annoyance, continues to depress the system with its demands on Members, would-be Members, and contributors alike. The Old Senate chamber won't do for daily meetings, and besides, TV and the press would crowd out the Members if it were tried. Hard-edged partisanship will continue for a while, even with Newt gone from the House to the talk shows.

It's a quite legitimate question, to ask whether these conditions have been better in the past. I think they were, prior to TV coverage of the Senate, prior to the geometrically escalating demands of fundraising. And perhaps in some past eras the quality of the Members was higher: not necessarily measured in intellectual fire-power, but in dedication to the central task of the legislator: to legislate. The Democratic Policy Committee for which I worked, forty years ago, included Lyndon Johnson, Richard Russell, Mike Mansfield, Hubert Humphrey, Lister Hill, Warren Magnuson, Robert Kerr, Carl Hayden, and John Pastore. These were true legislators, attentive to the task, prepared to learn about that was before them and then to join battle in the Chamber. Their superior qualities of attention and grasp were what

made the Senate of those days—at least in my recollection—more serious than it often appears to be today. And it is those individual qualities of senators that ultimately determine the quality of the Body itself. Given the nature of today's media- and money-driven politics, our best hope is that our current Members, and those to come, will be inspired by the best of the past to raise the level of civility, and deepen the level of deliberations, in the Senate they've been chosen to serve in their own day.

#### 25TH ANNIVERSARY OF THE INVASION OF CYPRUS

Mr. SARBANES. Mr. President, twenty-five years ago on this day, Turkish troops began their brutal assault on the people of Cyprus, forcing hundreds of thousands to flee their homes and villages. Less than a month later, after a cease-fire had been accepted and negotiations toward peaceful resolution of the conflict were proceeding under United Nations auspices, Turkey sent another, even larger occupation force of 40,000 troops and 200 tanks, seizing more than a third of the island. For the last quarter of a century, Turkish military forces have illegally occupied the northern part of the island, forcibly dividing it. Communities have been splintered, lives shattered, a nation deprived of its cultural heritage and the opportunity to live in peace.

The events of 1974 took a harsh toll on the people of Cyprus that remains with us to this day. Hundreds of thousands of Cypriots who fled advancing troops remain refugees in their own land, unable to return to the homes and the communities they inhabited for generations. Others have been stranded in tiny enclaves, deprived of the most basic human rights, forbidden to travel or worship freely. The beautiful coastal resort of Famagusta lies empty, bearing silent witness to what once was an economic and cultural center of the island. The Green Line runs like a jagged scar across the face of Cyprus. An entire generation has grown up in the shadow of military occupation, knowing only division and despair.

It is time for the world to recognize, however, that the Cyprus problem is more than just a humanitarian tragedy. As we have seen in Bosnia and Kosovo, when the suffering of a people puts peace and stability at risk, we also have a strategic interest in facilitating a negotiated settlement. And as long as the Cyprus problem divides not only a country, but two of our key NATO allies, the United States must work to help find a solution. The success of the UN peacekeepers should not for a minute obscure the real threat of conflict in the region. Cyprus can be either a spark to confrontation or the starting point for reconciliation, and we have a hard-headed security interest in seeing it resolved.

In one of the tragic ironies of this situation, the man who ordered the invasion is once again Prime Minister of Turkey. On this sad anniversary, we ask the President to call upon Mr. Ecevit to assume the mantle of statesmanship and acknowledge that the status quo is not acceptable. The Turkish government must demonstrate its willingness to help rectify this continuing injustice and to participate in good faith in U.S. and U.N.-mediated efforts to resolve it. The current situation hurts not only Greek and Turkish Cypriots but Turkey itself, and its relations with the United States and the international community.

I am pleased to say that the Clinton administration has kept the Cyprus issue high on the international agenda, raising it at every appropriate opportunity and assigning some of their most capable diplomats to work toward a settlement. I would particularly like to recognize the work of Dick Holbrooke and Tom Miller in this regard. Although Tom has just been sworn in as our new Ambassador to Bosnia-Herzegovina and Dick, I hope, will soon be confirmed as our Permanent Representative to the United Nations, they have played an invaluable role in demonstrating the seriousness of this administration in bringing peace and justice to this troubled island.

In recent weeks there has been increased international attention focused on the Cyprus problem, and a greater sense of urgency in bringing the two sides together. The G-8 for the first time has dealt with the Cyprus problem in a direct and substantive way, urging the UN Secretary General, in accordance with relevant Security Council resolutions, to invite the leaders of the two sides to comprehensive negotiations without preconditions in the fall of 1999. Unfortunately, thus far, Mr. Denktash, the leader of the Turkish-Cypriot community, has sent a negative message on his participation in such talks.

Less than a month ago the UN Security Council endorsed the G-8 leaders' appeal and reaffirmed its position that "a Cyprus settlement must be based on a State of Cyprus with a single sovereignty and international personality and a single citizenship, with its independence and territorial integrity safeguarded, and comprising two politically equal communities as described in the relevant Security Council resolutions, in a bi-communal and bi-zonal federation, and that such a settlement must exclude union in whole or in part with any other country or any form of partition or secession." Such a resolution, according to the G-8, "would not only benefit all the people of Cyprus, but would also have a positive impact on peace and stability in the region."

Mr. President, the division of Cyprus has gone on far too long. I want to take

this opportunity to commend the thousands of friends and supporters of a free and unified Cyprus who joined hands around the Capitol today. As we commemorate this tragic anniversary, let us salute their courage and redouble our own efforts to help bring an end to this terrible and continuing injustice.

Ms. MIKULSKI. Mr. President, twenty-five years ago today, Turkish troops invaded and divided the nation of Cyprus. This illegal and immoral division of Cyprus continues today—dividing a country and creating instability in the Mediterranean.

During the early days of the Turkish occupation, six thousand Greek-Cypriots were killed. Over two hundred thousand were driven from their homes. Many of the missing, including some Americans, have never been accounted for.

Little has changed in the past quarter century. Today, forty thousand Turkish troops remain in Cyprus. The Greek-Cypriots who remain in the northern part of the island are denied basic human rights such as the right to a free press, freedom to travel, and access to religious sites.

I am disappointed that we have made no progress in ending the occupation of Cyprus.

This year, as we mark this somber anniversary, I urge my colleagues to join me in recommitting ourselves to bring peace to Cyprus.

First of all, we must continue to make the resolution of the Cyprus problem a priority. President Clinton and Secretary of State Albright have focused more attention on this region than any other Administration. Ambassador Richard Holbrooke and Ambassador Tom Miller have done an excellent job trying to bring both sides together. As Ambassador Holbrooke assumes his new responsibilities at the United Nations, we must encourage the Administration to replace him with an emissary of equal stature.

The second priority is that we must continue to provide humanitarian assistance to the people of Cyprus. Each year, Congress provides fifteen million dollars to foster bicomunal cooperation in Cyprus. These funds are used for education, health care, and to help both communities to solve regional problems—such as to improve water and energy supplies.

These funds are an investment in stability in a strategically important region of the world. I'm pleased that the Senate Foreign Operations Appropriations bill includes this funding. As a member of the Subcommittee, I will continue to fight to ensure that the final legislation includes this funding.

The third priority is that Congress should pass the Enclaved People of Cyprus Act. Senator OLYMPIA SNOWE and I introduced this legislation to call for improved human rights for the Greek Cypriots living under Turkish control.

I urge my colleagues to join us by cosponsoring this legislation.

Mr. President, the crisis in Cyprus has brought two NATO allies to the brink of war. The occupation is also a human tragedy that should enrage all of us who care about human rights. We must continue to work toward a peaceful and unified Cyprus.

Mr. TORRICELLI. Mr. President, I rise today to commemorate one of the most tragic events of the 20th century. 25 years ago today, Turkey invaded Cyprus, and it has occupied part of the island ever since. In fact, 35,000 Turkish troops continue to occupy almost 40 percent of Cyprus' territory. Turkey's invasion forced the relocation of thousands of Greek Cypriots, it has led to the brutal treatment of the enclaved people in the Karpas, and it has resulted in greater instability in the region.

When Turkey occupied a portion of Cyprus in 1974, almost 200,000 Greek Cypriots were evicted from their homes and became refugees in their own country. 1,618 Greek Cypriots, including four Americans, have been missing ever since. After 25 years, the refugees have never been allowed to return to their homes in occupied Cyprus, and the missing are still unaccounted for. At the same time, Turkey has brought in over 80,000 settlers to the occupied part of the island. These settlers were given the lands and homes belonging to Greek Cypriots, in violation of international law.

For the few Greek Cypriots that were allowed to remain in the occupied Karpas Peninsula, the situation has been equally grim. A 1975 humanitarian agreement allowed 20,000 Greek Cypriots to stay in this area, but only 500 live in the Karpas today. These people have been subjected to harassment and intimidation despite the terms of the 1975 agreement. Land travel in the north is heavily restricted, as is secondary schooling and access to religious institutions. The United Nations itself has observed that the terms of the agreement have not been honored.

As we reflect on the past 25 years, it is clear that the rights of the Greek Cypriot population continue to be violated, that tensions have not lessened, and that instability has become a greater threat. Rather than lose hope, we must make a concerted effort to encourage dialogue and discussion among the parties. I have long advocated a just and peaceful resolution to the Cyprus conflict, and I hope that we will make progress toward a solution before the next anniversary comes to pass. Ending this impasse is in the best interests of the Greek Cypriot population, the region, and the international community as a whole. I urge this Congress and the Administration, as we mark the 25th anniversary of the Cyprus occupation, to evaluate the current situation and increase our efforts

to ensure that a peaceful solution becomes a reality for Cyprus.

#### THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, July 19, 1999, the Federal debt stood at \$5,628,492,605,942.62 (Five trillion, six hundred twenty-eight billion, four hundred ninety-two million, six hundred five thousand, nine hundred forty-two dollars and sixty-two cents).

Five years ago, July 19, 1994, the Federal debt stood at \$4,625,472,000,000 (Four trillion, six hundred twenty-five billion, four hundred seventy-two million).

Ten years ago, July 19, 1989, the Federal debt stood at \$2,803,290,000,000 (Two trillion, eight hundred three billion, two hundred ninety million).

Fifteen years ago, July 19, 1984, the Federal debt stood at \$1,534,687,000,000 (One trillion, five hundred thirty-four billion, six hundred eighty-seven million).

Twenty-five years ago, July 19, 1974, the Federal debt stood at \$474,534,000,000 (Four hundred seventy-four billion, five hundred thirty-four million) which reflects a debt increase of more than \$5 trillion—\$5,153,958,605,942.62 (Five trillion, one hundred fifty-three billion, nine hundred fifty-eight million, six hundred five thousand, nine hundred forty-two dollars and sixty-two cents) during the past 25 years.

#### MESSAGE FROM THE HOUSE

##### ENROLLED BILLS SIGNED

A message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2035. An act to correct errors in the authorization of certain programs administered by the National Highway Traffic Safety Administration.

The enrolled bill was signed subsequently by the President pro tempore (Mr. THURMOND).

#### EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-4244. A communication from the Director, Administration and Management, Department of Defense, transmitting, pursuant to law, a report relative to the resignation of the General Counsel, Department of the Army, the designation of an Acting General Counsel, and the nomination of a General Counsel; to the Committee on Armed Services.

EC-4245. A communication from the Secretary of Defense, transmitting, the report of

a retirement; to the Committee on Armed Services.

EC-4246. A communication from the Congressional Review Coordinator, Policy and Program Development, Regulatory Analysis and Development, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "High-Temperature Forced-Air Treatments for Citrus" (Docket No. 96-069-3), received July 16, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4247. A communication from the Congressional Review Coordinator, Policy and Program Development, Regulatory Analysis and Development, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Importation of Poultry Products" (Docket No. 98-028-2), received July 16, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4248. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a proposed license for the export of defense equipment in the amount of \$14,000,000 or more to Turkey; to the Committee on Foreign Relations.

EC-4249. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a proposed license for the export of defense articles or services in the amount of \$50,000,000 or more to French Guiana; to the Committee on Foreign Relations.

EC-4250. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a proposed license for the export of defense articles or services in the amount of \$50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC-4251. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a proposed Manufacturing License Agreement for the export of defense services under a contract in the amount of \$50,000,000 or more to Spain; to the Committee on Foreign Relations.

EC-4252. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a proposed license for the export of defense articles or services under a contract in the amount of \$50,000,000 or more to the United Kingdom; to the Committee on Foreign Relations.

EC-4253. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a proposed Manufacturing License Agreement with Oman; to the Committee on Foreign Relations.

EC-4254. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on appropriations legislation within seven days of enactment; to the Committee on the Budget.

EC-4255. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on appropriations legislation within seven days of enactment; to the Committee on the Budget.

EC-4256. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Revenue Procedure 99-30" (RP-102-588-99), received July 15, 1999; to the Committee on Finance.

EC-4257. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Announcement Requesting Comments on Foreign Contingent Debt" (Announcement 99-76), received July 15, 1999; to the Committee on Finance.

EC-4258. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a report relative to a navigation lock at the Kentucky Lock and Dam on the Tennessee River, Kentucky; to the Committee on Environment and Public Works.

EC-4259. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Bentazon, Cyanazine, Dicrotophos, Diquat, Ethephon, Oryzalin, Oxadiazon, Picloram, Prometryn, and Trifluralin; Tolerance Actions" (FRL #6093-9), received July 16, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4260. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Biphenyl, Calcium cyanide, and Captafol, et al; Final Tolerance" (FRL #6092-7), received July 16, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4261. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Dalapon, Fluchloralin, et al., Various Tolerance Revocations" (FRL #6093-6), received July 16, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4262. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Propargite; Revocation of Certain Tolerances" (FRL #6089-7), received July 16, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4263. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Spinosad; Pesticide Tolerances for Emergency Exemptions" (FRL #6093-9), received July 16, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4264. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Tebifenozone; Benzoic Acid, 3,5-dimethyl-1-(1,1-dimethylethyl)-2-(4-ethylbenzoyl) hydrazide; Pesticide Tolerance" (FRL #6092-1), received July 15, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

## PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated.

POM-251. A resolution adopted by the Senate of the General Assembly of the Commonwealth of Pennsylvania relative to loans for state and local governments; to the Committee on Banking, Housing, and Urban Affairs.

### SENATE RESOLUTION

Whereas, All state and local governments and school districts have a substantial need to undertake capital projects to build or improve new or existing schools, roads, bridges, water and sewer systems, waste disposal facilities, public housing units, public buildings and environmental improvements; and

Whereas, The Federal Government is in a much better position than state and local governmental units and school districts to raise large amounts of capital to fund major capital projects; and

Whereas, The Treasury of the Federal Government has an ongoing program utilizing treasury bills, bonds, notes and other financial instruments to raise its needed operating capital; therefore be it

*Resolved*, That the Senate of Pennsylvania memorialize Congress to support the concept of creating interest-free loans to state and local governments and school districts to provide for capital projects for schools, roads, bridges, water and sewer projects, waste disposal projects, public housing, public buildings and environmental projects; and be it further

*Resolved*, That copies of this resolution be transmitted to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania.

POM-252. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the "Flag Protection Amendment"; to the Committee on the Judiciary.

### SENATE CONCURRENT RESOLUTION NO. 136

Whereas, the United States flag is a symbol of our country; and

Whereas, desecration of the flag disgusts and enrages many American citizens, including the men and women who put their lives at risk to uphold what the flag symbolizes; and

Whereas, the Supreme Court of the United States has held that flag desecration is protected speech under the First Amendment of the Constitution of the United States; and

Whereas, Congress responded by passing the Flag Protection Act of 1989, which the Supreme Court declared unconstitutional; and

Whereas, in its current term, Congress is considering the Flag Protection Act, a constitutional amendment giving Congress the authority to pass laws protecting the flag from desecration; and

Whereas, the Legislature of Louisiana has visited the flag burning issue on numerous occasions and has consistently voted against the flag burner and in favor of protecting the flag. Therefore, be it

*Resolved*, That the Legislature of Louisiana does hereby memorialize the Congress of the United States to pass the Flag Protection Amendment, an amendment to the Constitution of the United States, giving Congress the authority to pass laws protecting the United States flag from desecration. Be it further

*Resolved*, That a copy of this Resolution be transmitted to the secretary of the United



States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation.

POM-253. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the Big Creek Recreation Access Project; to the Committee on Appropriations.

#### SENATE CONCURRENT RESOLUTION No. 124

Whereas, Big Creek, a Louisiana Natural and Scenic River, is located entirely in Grant Parish with a historical record of recreation and commerce dating back to the 1800's and is vital to recreation, commerce, and tourism in the Pollock area and the state of Louisiana; and

Whereas, Big Creek provides excellent canoeing and related recreational opportunities which are in great demand in the Kisatchie National Forest; and

Whereas, the United States Forest Service, Department of Agriculture, has designed the Big Creek Recreation Access Project and has approved its construction as funds become available; and

Whereas, the Big Creek Recreation Access Project would be a great economical boost for recreation, commerce, and tourism in the Pollock area and the state of Louisiana by providing canoeing, fishing, swimming, hiking, and sanitary facilities for the public on Kisatchie National Forest lands. Therefore, be it

*Resolved*, That the Legislature of Louisiana memorializes the Congress of the United States to provide funding for the construction of the Big Creek Recreation Access Project; and be it further

*Resolved*, That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation.

POM-254. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to tobacco settlement; to the Committee on Finance.

#### SENATE CONCURRENT RESOLUTION No. 59

Whereas, the state attorney general and attorneys general of forty-five other state and five territories have filed claims against the tobacco industry; and

Whereas, the state's attorneys general carefully crafted the settlement agreement to reflect only costs incurred by the states; and

Whereas, these lawsuits represent years of state effort and leadership, and the states have borne all risks while the United States government failed to participate in such litigation; and

Whereas, the president of the United States announced a federal surplus of seventy billion dollars in his state of the union address. Therefore, be it

*Resolved*, That the Legislature of Louisiana memorializes the Congress of the United States to enact legislation to guarantee that one hundred percent of all monies due states from the tobacco industry settlement, agreement, or judgment be paid in full to such states; and be it further

*Resolved*, That the Legislature of Louisiana memorializes the Congress of the United States to prohibit any and all activities, including excise taxes on tobacco products and recoveries of Medicaid costs for smoking-induced illnesses, that would result in reducing the amount of funds available to the states

from any tobacco industry settlement, agreement, or judgment; and be it further

*Resolved*, That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation.

POM-255. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to food and humanitarian aid to Cuba; to the Committee on Foreign Relations.

#### SENATE RESOLUTION No. 51

Whereas, two legislative instruments, SR 926 and HR 1644, which are pending in Congress have been designated the Cuban Food and Medicine Security Act of 1999 and would allow the sale of food and medicine to the people of Cuba; and

Whereas, Cuba is the only country prohibited by federal law from purchasing food and medicine from United States suppliers; and

Whereas, this prohibition has done nothing to punish Cuba's government or Cuba's political leaders but the innocent people of Cuba who are in need of food and medicine; and

Whereas, the United States has always promoted global humanitarian aid, yet its current prohibition of the sale of food and medicine to Cuba is antithetical to its history of humanitarianism; and

Whereas, the federal government has recently approved the sale of food and medicine to countries such as Iran, Iraq, Libya, and Sudan, and even in the midst of the Cold War, the United States sold food and medicine to the former Soviet Union; and

Whereas, prior to 1960, the people of Cuba purchased hundreds of thousands of tons of rice and other food products annually which were shipped to Cuba through the Port of Lake Charles; and

Whereas, if such purchases were allowed, Cuba's high demand for food products may provide a ready market for Louisiana's agricultural goods; and

Whereas, the sale of food and medicine to the people of Cuba would benefit this state and the country by a promotion of humanitarian policy, an enhancement of the farm-business community, and the creation of hundreds of jobs at the Port of Lake Charles and elsewhere within our economy. Therefore, be it

*Resolved*, That the Senate of the Legislature of Louisiana does hereby memorialize Congress of the United States to adopt the Cuban Food and Medicine Security Act of 1999 or other similar legislation which would eliminate the current prohibition against the sale of food and medicine to the people of Cuba; and be it further

*Resolved*, That a copy of this Resolution be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation.

POM-256. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to a proposed "National Week of Prayer for Schools"; to the Committee on the Judiciary.

#### SENATE CONCURRENT RESOLUTION No. 42

Whereas, presidents throughout American history have called our people to prayer, especially Abraham Lincoln in 1863; and

Whereas, in light of this history, a week of dedication toward prayer for our schools should be set aside for the sake of our children and their future; and

Whereas, we invite the people of this nation to join together to pray, sing, proclaim, and speak for the progression of educational programming in our country; and

Whereas, we encourage the citizens of our nation to pay for the dedicated teachers, staff, and administrators who are molding the children's dreams and our futures. Therefore, be it

*Resolved*, That the Legislature of Louisiana hereby memorializes the United States Congress to proclaim the first week in August of each year as "National Week of Prayer for Schools"; and be it further

*Resolved*, That a copy of this Resolution be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation.

POM-257. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the "Comprehensive Hurricane Protection Plan for Coastal Louisiana"; to the Committee on Environment and Public Works.

#### SENATE CONCURRENT RESOLUTION No. 30

Whereas, Louisiana citizens living and working in southeast Louisiana have been and continue to be vulnerable to the devastating effects of hurricanes and tropical storms; and

Whereas, federal, state, and local governments have attempted to provide hurricane protection to the residents of the region by implementing construction projects designed to protect specific areas; and

Whereas, a comprehensive plan is in need of being developed to provide protection for the areas outside of existing project boundaries which are subject to catastrophic damages due to hurricanes and other storm events; and

Whereas, the U.S. Army Corps of Engineers is analyzing a plan, entitled the "Comprehensive Hurricane Protection Plan for Coastal Louisiana", to provide continuous hurricane protection from the vicinity of Morgan City, Louisiana to the Louisiana-Mississippi border; and

Whereas, the plan will seek to expedite the ongoing construction of several hurricane protection projects, seek immediate congressional authorization for projects being planned, initiate and expedite hurricane protection and flood control studies in the region, initiate a study of flood proofing major hurricane evacuation routes, and initiate a reevaluation of existing hurricane protection projects to provide for category 4 or 5 hurricanes; and

Whereas, the development of the plan will necessitate a major cooperative effort of federal, state, and local governments requiring a considerable amount of funds for planning, implementation, and construction; and

Whereas, the association of Levee Boards of Louisiana fully supports and endorses the concepts of the comprehensive hurricane protection plan. Therefore, be it

*Resolved*, That the Legislature of Louisiana memorializes the Congress of the United States to authorize and urge the governor of the state of Louisiana to support the development of the "Comprehensive Hurricane Protection Plan for Coastal Louisiana" by the U.S. Army Corps of Engineers to provide continuous hurricane protection from Morgan City to the Mississippi border; and be it further

*Resolved*, That a copy of this Resolution be transmitted to the secretary of the United States Senate and the clerk of the United



States House of Representatives, to each member of the Louisiana delegation to the United States Congress, and to the governor of the state of Louisiana.

POM-258. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the Turtle Excluder Device regulations; to the Committee on Commerce, Science, and Transportation.

#### SENATE CONCURRENT RESOLUTION No. 12

Whereas, due to the protection of the beaches on Rancho Nuevo, Mexico, the number of documented nests of the endangered Kemp's Ridley sea turtle has increased to nearly four thousand from a low of about seven hundred in 1985; and

Whereas, the sea turtle population has increased to the point where modifications of turtle excluder device (T.E.D.S) regulations are feasible without causing detriment to the increasing turtle population; and

Whereas, the Louisiana shrimping industry views current T.E.D. regulations as a direct threat to their industry; and

Whereas, commercial shrimp trawl vessel licenses have dropped from a high of approximately thirty-two thousand in 1987, just prior to the T.E.D. regulations, to a present-day low of approximately fifteen thousand. Therefore, be it

*Resolved*, That the Legislature of Louisiana memorializes the Congress of the United States to pursue other viable alternatives to present T.E.D. regulations, including, but not limited to seasonal exemptions, where there is a low presence of the Kemp Ridley turtle in the winter season; and area exemptions where there has been no historical evidence of Kemp Ridley populations; and an industry funded recovery program; and be it further

*Resolved*, That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation.

POM-259. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the National Resource Conservation Service; to the Committee on Appropriations.

#### SENATE CONCURRENT RESOLUTION No. 60

Whereas, the Natural Resources Conservation Service (NRCS), formerly the Soil Conservation Service, has been providing technical assistance to Louisiana's landowners and land managers since 1935; and

Whereas, such technical assistance has been provided through formal working agreements with each of Louisiana's forty-three soil and water conservation districts; and

Whereas, a science-based, multidisciplinary workforce's no-cost assistance has been instrumental to the development of Louisiana's productive cropland, pasture land, and forests; and

Whereas, NRCS has generally provided services and funds to the people of Louisiana through the soil and water conservation districts at a ratio of approximately ten federal dollars for each state dollar; and

Whereas, Louisiana landowners and land managers are besieged by regulations and enforcement actions related to clean air, clean water, wetland protection and restoration, animal waste management, nutrient and pesticide management, riparian area protection, and other environmental requirements; and

Whereas, the technical assistance that NRCS provides is critical to our state's land-

owners' continuing compliance with these complex environmental laws and regulations; and

Whereas, private landowners and land managers control over eighty percent of Louisiana's land, and their understanding and application of sound conservation practices to their land is essential to maintain its productivity; and

Whereas, these sound conservation practices constitute an important non-point source environmental protection program on a statewide and national basis; and

Whereas, the president of the United States has proposed a budget that in effect would reduce NRCS field service staff by over 1,050 nationwide with a possible twenty-five reduction in Louisiana's field staff; and

Whereas, this potential reduction in field service staff would severely weaken the state and national non-point source environmental protection program, and the resulting impact of the reduced availability of technical assistance would likely lead to increased violations by private landowners. Therefore, be it

*Resolved*, That the Legislature of Louisiana memorializes the Congress of the United States to restore any budget reductions affecting NRCS in order that it can adequately serve the conservation and environmental needs of Louisiana; and be it further

*Resolved*, That this Resolution shall be transmitted to the secretary of the United States Senate, the clerk of the United States House of Representatives, each member of the Louisiana congressional delegation, the secretary of the United States Department of Agriculture, and the president of the United States.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with amendments:

S. 348: A bill to authorize and facilitate a program to enhance training, research and development, energy conservation and efficiency, and consumer education in the oilheat industry for the benefit of oilheat consumers and the public, and for other purposes (Rept. No. 106-109).

By Mr. THOMPSON, from the Committee on Government Affairs, with amendments:

S. 746: A bill to provide for analysis of major rules, to promote the public's right to know the costs and benefits of major rules, and to increase the accountability of quality of Government (Rept. No. 106-110).

By Mr. MCCAIN, from the Committee on Commerce, Science, and Transportation, with an amendment and an amendment to the title:

S. 937: A bill to authorize appropriations for fiscal years 2000 and 2001 for certain maritime programs of the Department of Transportation, and for other purposes (Rept. No. 106-111).

By Mr. ROTH, from the Committee on Finance:

Report to accompany the bill (S. 1387) to extend certain trade preference to sub-Saharan African countries (Rept. No. 106-112).

By Mr. SPECTER, from the Committee on Veterans' Affairs, with an amendment to the nature of a substitute and an amendment to the title:

S. 695: A bill to direct the Secretary of Veterans Affairs to establish a national cemetery for veterans in the Atlanta, Georgia, metropolitan area (Rept. No. 106-113).

By Mr. SPECTER, from the Committee on Veterans' Affairs, without amendment:

S. 1402: An original bill to amend title 38, United States Code, to enhance programs providing education benefits for veterans, and for other purposes (Rept. No. 106-114).

By Mr. MURKOWSKI, from the Committee on Finance, with an amendment and an amendment to the title:

H.R. 1833: A bill to authorize appropriations for fiscal year 2000 and 2001 for the United States Customs Service for drug interdiction and other operations, for the Office of the United States Trade Representative, for the United States International Trade Commission, and for other purposes.

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. TORRICELLI (for himself and Mr. LAUTENBERG):

S. 1394. A bill to require the Secretary of the Treasury to mint coins in commemoration of the U.S.S. New Jersey, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BAUCUS:

S. 1395. A bill to require the United States Trade Representative to appear before certain congressional committees to present the annual National Trade Estimate; to the Committee on Finance.

By Mr. FITZGERALD:

S. 1396. A bill to amend section 4532 of title 10, United States Code, to provide for the coverage and treatment of overhead costs of United States factories and arsenals when not making supplies for the Army, and for other purposes; to the Committee on Armed Services.

By Mr. ENZI (for himself and Mr. THOMAS):

S. 1397. A bill to provide for the retention of the name of the geologic formation known as "Devil's Tower" at the Devils Tower National Monument in the State of Wyoming; to the Committee on Energy and Natural Resources.

By Mr. HELMS:

S. 1398. A bill to clarify certain boundaries on maps relating to the Coastal Barrier Resources System; to the Committee on Environment and Public Works.

By Mr. DEWINE (for himself, Mr. DODD, Ms. SNOWE, Ms. LANDRIEU, Mr. REID, Mrs. BOXER, Mr. INOUE, Mr. SARBANES, Mr. KENNEDY, and Mr. WELLSTONE):

S. 1399. A bill to amend title 38, United States Code, to provide that pay adjustments for nurses and certain other health-care professionals employed by the Department of Veterans Affairs shall be made in the manner applicable to Federal employees generally and to revise the authority for the Secretary of Veterans Affairs to make further locality pay adjustments for those professionals; to the Committee on Veterans Affairs.

By Mrs. BOXER (for herself, Mrs. MURRAY, Mr. KENNEDY, Mr. LAUTENBERG, and Mr. SCHUMER):

S. 1400. A bill to protect women's reproductive health and constitutional right to choice, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. GRAHAM (for himself, Mr. MACK, Mrs. BOXER, Mrs. FEINSTEIN, and Mr. BINGAMAN):

S. 1401. A bill to amend the Federal Crop Insurance Act to promote the development and use of affordable crop insurance policies designed to meet the specific needs of producers of specialty crops, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. SPECTER:

S. 1402. An original bill to amend title 38, United States Code, to enhance programs providing education benefits for veterans, and for other purposes; from the Committee on Veterans Affairs; placed on the calendar.

By Mrs. FEINSTEIN (for herself, Mr. REID, Mrs. BOXER, Mr. BRYAN, and Mrs. MURRAY):

S. 1403. A bill to amend chapter 3 of title 28, United States Code, to modify en banc procedures for the Ninth Circuit Court of Appeals, and for other purposes; to the Committee on the Judiciary.

By Mr. ROBB (for himself, Mr. WARNER, Mr. SARBANES, and Ms. MIKULSKI):

S. 1404. A bill to amend the Internal Revenue Code of 1986 to authorize expenditures from the Highway Trust Fund for the Woodrow Wilson Memorial Bridge Project for fiscal years 2004 through 2007, and for other purposes; to the Committee on Finance.

By Mr. WARNER (for himself, Mr. ROBB, Mr. SARBANES, and Ms. MIKULSKI):

S. 1405. A bill to amend the Woodrow Wilson Memorial Bridge Authority Act of 1995 to provide an authorization of contract authority for fiscal years 2004 through 2007, and for other purposes; to the Committee on Environment and Public Works.

#### SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SHELBY (for himself, Mr. SESSIONS, Mrs. HUTCHISON, Mr. SMITH of New Hampshire, Mr. GRAHAM, Mrs. BOXER, Mr. STEVENS, Mr. ABRAHAM, Mr. ALLARD, Mr. BUNNING, Mr. GRAMS, Mr. LOTT, Mr. JOHNSON, Mr. BREAUX, Mr. GRASSLEY, Ms. COLLINS, Mr. BURNS, Mr. BYRD, Mr. BROWNBACK, Mr. HAGEL, Mr. COVERDELL, Mr. HELMS, Mr. SPECTER, Mr. THURMOND, Mr. THOMAS, Mr. DEWINE, Mr. DODD, Mr. FEINGOLD, Mr. LEVIN, Mr. MOYNIHAN, Mr. GRAMM, Mr. MACK, Mr. FRIST, Mr. ENZI, and Mr. GREGG):

S. Con. Res. 45. A concurrent resolution expressing the sense of Congress that the July 20, 1999, 30th anniversary of the first lunar landing should be a day of celebration and reflection on the Apollo-11 mission to the Moon and the accomplishments of the Apollo program throughout the 1960's and 1970's; to the Committee on the Judiciary.

S. Con. Res. 46. A concurrent resolution expressing the sense of Congress that the July 20, 1999, 30th anniversary of the first lunar landing should be a day of celebration and reflection on the Apollo-11 mission to the Moon and the accomplishments of the Apollo program throughout the 1960's and 1970's; considered and agreed to.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TORRICELLI (for himself and Mr. LAUTENBERG):

S. 1394. A bill to require the Secretary of the Treasury to mint coins in commemoration of the U.S.S. *New Jersey*, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

#### U.S.S. "NEW JERSEY" COMMEMORATIVE COIN ACT

• Mr. TORRICELLI. Mr. President, I rise today to introduce legislation that will assist with the financial costs of relocating the Battleship U.S.S. *New Jersey* to a place of honored retirement in her namesake state. After fifty-six years of service to our Nation, this proud ship is ready to serve America in a new and invaluable role as an educational museum and historic center.

The U.S.S. *New Jersey* is believed to be the most decorated warship in the annals of the U.S. Navy, with sixteen battle stars and thirteen other ribbons and medals. She is one of the four battleships of the 45,000 ton *Iowa* class, which are the largest, fastest and most powerful we ever built. Beyond her imposing size and physical characteristics though, the *New Jersey* has an unmatched record of service to her country.

With the easing of world tensions, the battleship was decommissioned in February of 1991 and she now lays in reserve, ready, but destined never to sail again. In January 1995, the *New Jersey* was stricken by the Navy, meaning that she was available to become a museum. For 24 years, the people of New Jersey have been organizing at the grass roots level to prepare for the eventual return to the ship.

Mr. President, the legislation I am introducing will authorize the Secretary of the Treasury to mint silver coins commemorating the U.S.S. *New Jersey*. Millions of dollars have already been raised through the purchase of Battleship License Plates, an annual Tax Check Off and contributions by many of New Jersey's leading civic and business organizations. The issuance of a U.S.S. *New Jersey* coin will add to these efforts and help commemorate this national treasure.

Mr. President, I ask that the text of bill be printed in the RECORD.

The bill follows:

S. 1394

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "U.S.S. New Jersey Commemorative Coin Act".

#### SEC. 2. FINDINGS.

Congress finds the following:

(1) The U.S.S. *New Jersey* was launched December 7, 1942, the start of nearly 50 years of dedicated service to our Nation prior to final decommissioning in 1991.

(2) After commissioning, the U.S.S. *New Jersey* was sent to the Pacific, and played a key role in operations in the Marshalls, Marianas, Carolines, Philippines, Iwo Jima, and Okinawa, with a particular highlight being the U.S.S. *New Jersey*'s service as the flag-

ship for Commander 3d Fleet, Admiral William "Bull" Halsey, during the Battle of Leyte Gulf in October 1944.

(3) After the Allied victory in World War II, the U.S.S. *New Jersey* was deactivated in 1948 until being called to service for the second time, in November 1950.

(4) The U.S.S. *New Jersey* served two tours in the Western Pacific during the Korean War, serving as flagship for Commander 7th Fleet.

(5) After her valiant service during the Korean War, the U.S.S. *New Jersey* was again mothballed in 1957, only to be re-activated again in 1968 to serve as the only active-duty Navy battleship.

(6) The U.S.S. *New Jersey* served a successful tour during the Vietnam conflict, providing critical major-caliber fire support for friendly troops, before again being decommissioned in December 1969.

(7) The U.S.S. *New Jersey*'s service to our country did not end with the Vietnam conflict, as she was again called to active duty status in December 1982 and provided a show of strength off the coast of Nicaragua, in Central America in 1983.

(8) The Navy again called upon the U.S.S. *New Jersey* to provide critical support by sending her to the Mediterranean in 1983 to provide critical fire support to Marines in embattled Beirut, Lebanon.

(9) The U.S.S. *New Jersey* continued to serve the Navy in a variety of roles, including regular deployments in the Western Pacific.

(10) The U.S.S. *New Jersey* was decommissioned for the fourth and final time in February 1991.

(11) In 1998 Congress passed legislation to decommission the U.S.S. *New Jersey* and permanently berth her in the State of New Jersey.

(12) The State has strongly endorsed bringing the U.S.S. *New Jersey* home, and has issued commemorative license plates and taken other steps to raise funds for the costs of relocating the U.S.S. *New Jersey*.

(13) The New Jersey congressional delegation is united in its support for bringing the U.S.S. *New Jersey* home to New Jersey.

#### SEC. 3. COIN SPECIFICATIONS.

(a) DENOMINATION.—In commemoration of the U.S.S. *New Jersey*, the Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall mint and issue not more than 500,000 \$1 coins, each of which shall—

(1) weigh 26.73 grams;

(2) have a diameter of 1.500 inches; and

(3) contain 90 percent silver and 10 percent copper.

(b) LEGAL TENDER.—The coins minted under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

(c) NUMISMATIC ITEMS.—For purposes of section 5136 of title 31, United States Code, all coins minted under this Act shall be considered to be numismatic items.

#### SEC. 4. SOURCES OF BULLION.

The Secretary may obtain silver for minting coins under this Act from any available source, including stockpiles established under the Strategic and Critical Materials Stock Piling Act.

#### SEC. 5. DESIGN OF COINS.

(a) DESIGN REQUIREMENTS.—

(1) IN GENERAL.—The design of the coins minted under this Act shall be emblematic of service of the U.S.S. *New Jersey*.

(2) DESIGNATION AND INSCRIPTIONS.—On each coin minted under this Act there shall be—

(A) a designation of the value of the coin;  
 (B) an inscription of the year "2002"; and  
 (C) inscriptions of the words "Liberty",  
 "In God We Trust", "United States of Amer-  
 ica", and "E Pluribus Unum".

(3) **OBVERSE OF COIN.**—The obverse of each coin minted under this Act shall bear the likeness of the U.S.S. New Jersey.

(4) **GENERAL DESIGN.**—In designing this coin, the Secretary shall also consider incorporating appropriate elements from the tenure of service of the U.S.S. New Jersey in the Navy.

(b) **SELECTION.**—The design for the coins minted under this Act shall be selected by the Secretary after consultation with the Commission of Fine Arts and shall be reviewed by the Citizens Commemorative Coin Advisory Committee.

#### SEC. 6. ISSUANCE OF COINS.

(a) **QUALITY OF COINS.**—Coins minted under this Act shall be issued in uncirculated and proof qualities.

(b) **MINT FACILITY.**—Only one facility of the United States Mint may be used to strike any particular quality of the coins minted under this Act.

(c) **PERIOD FOR ISSUANCE.**—The Secretary may issue coins minted under this Act only during the period beginning on January 1, 2002, and ending on December 31, 2002.

#### SEC. 7. SALE OF COINS.

(a) **SALE PRICE.**—The coins issued under this Act shall be sold by the Secretary at a price equal to the sum of—

(1) the face value of the coins;  
 (2) the surcharge provided in subsection (d) with respect to such coins; and

(3) the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) **BULK SALES.**—The Secretary shall make bulk sales of the coins issued under this Act at a reasonable discount.

(c) **PREPAID ORDERS.**—

(1) **IN GENERAL.**—The Secretary shall accept prepaid orders for the coins minted under this Act before the issuance of such coins.

(2) **DISCOUNT.**—Sale prices with respect to prepaid orders under paragraph (1) shall be at a reasonable discount.

(d) **SURCHARGES.**—All sales of coins minted under this Act shall include a surcharge of \$10 per coin.

#### SEC. 8. DISTRIBUTION OF SURCHARGES.

(a) **IN GENERAL.**—Subject to section 5134(f) of title 31, United States Code, 10 percent of the proceeds from the surcharges received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary to the U.S.S. New Jersey Battleship Foundation in Middletown, New Jersey, for activities associated with the costs of moving the U.S.S. New Jersey and permanently berthing her in her new location.

(b) **AUDITS.**—The U.S.S. New Jersey Battleship Foundation shall be subject to the audit requirements of section 5134(f)(2) of title 31, United States Code.●

By Mr. BAUCUS:

S. 1395. A bill to require the United States Trade Representative to appear before certain congressional committees to present the annual Nation Trade Estimate; to the Committee on Finance.

PRESENTATION OF NATIONAL TRADE ESTIMATE

Mr. BAUCUS. Mr. President, the bill I am introducing today requires that

the United States Trade Representative, the USTR, appear before the Finance Committee in the Senate and the Ways and Means Committee in the House, on the day that the National Trade Estimates Report is released.

USTR must deliver the NTE Report to the Committees. He or she must provide an analysis of the contents of the NTE Report. And they must outline the major actions that will result from the NTE findings or give the reasons for not taking action.

The NTE is an important document. It is the major opportunity each year for the Administration to set out the key trade barriers we confront with our major trade partners.

At present, our trade law requires merely that USTR report the NTE to the President, the Finance Committee and the appropriate committees in the House. The change I am proposing means that the NTE will be made public on Capitol Hill rather than at USTR. The U.S. Trade Representative will present both its analysis of the trade barriers and its plan of action to deal with those barriers. That presentation will be made directly and immediately to the Congress. USTR should also explain what they have done over the past year to address trade barriers listed in the prior year's report.

This is a small change, but an important symbolic one.

The NTE should be the plan of action the Administration will pursue to dismantle foreign trade barriers. And USTR and the Administration must be accountable to the Congress for the results of this plan.

During twenty-nine years of service in the United States Congress, I have watched a continuing transfer of authority and responsibility for trade policy from the Congress to the executive branch. The trend has been subtle, but clear and constant.

I want to see this trend reversed. We in the Congress have a clear constitutional responsibility for trade. Article I of the Constitution reads: "The Congress shall have power . . . To regulate commerce with foreign nations." I want to use this constitutional authority to provide more effective and active congressional oversight of trade policy. And I would like to see more congressional direction for the executive branch in the area of trade policy.

Again, this bill is a very small step in that direction. In the coming weeks and months, I will introduce further measures to ensure that the Congress implements fully its constitutional prerogatives on trade.

By Mr. FITZGERALD:

S. 1396. A bill to amend section 4532 of title 10, United States Code, to provide for the coverage and treatment of overhead costs of United States factories and arsenals when not making supplies for the Army, and for other

purposes; to the Committee on Armed Services.

LEGISLATION TO PROVIDE COVERAGE AND TREATMENT OF OVERHEAD COSTS OF UNITED STATES FACTORIES AND ARSENALS WHEN NOT MAKING SUPPLIES FOR THE ARMY

Mr. FITZGERALD. Mr. President, I rise today, along with my colleagues, Senators DURBIN, GRASSLEY, and HARKIN, to introduce a bill to preserve the integrity of our arsenals and the vital role they play in our national security and defense.

There are three arsenals remaining in this country charged with the responsibility of maintaining a military production capability in case of war. The Rock Island Arsenal in my home State of Illinois is one of those three national arsenals.

The U.S. Government acquired Rock Island, which lies in the Mississippi River between Illinois and Iowa, in 1804. The first U.S. Army establishment on the island was Fort Armstrong in 1816. Neither Illinois nor Iowa had established statehood at that time, but Fort Armstrong served as a refuge for pioneers living on the frontier. In 1862, Congress passed a law that established Rock Island Arsenal. Construction of the first manufacturing buildings began in 1866 and finished with the last stone shop in 1893.

Today, Rock Island Arsenal is a leader in high-technology weapons production, engineering, and logistics and plays an integral role in our national defense, providing manufacturing, supply, and support services for our Nation's Armed Forces.

I recently visited Rock Island Arsenal and was truly impressed with its facility and manufacturing capabilities and with its hard-working personnel. Manufacturing production at Rock Island centers around recoil mechanisms, gun mounts, artillery carriages, and the final assembly of Howitzers. Rock Island also serves as a "job shop" for the U.S. military, producing small quantities of urgently needed specialty items and performing work that is not profitable enough to be done in the private sector.

Rock Island is the largest Government-owned manufacturing arsenal in the Western World with state-of-the-art machining, welding, forging, plating, foundry, and assembly facilities.

Rock Island's specialty is artillery production, which it has done since the late 19th century, resulting in a long and distinguished history of efficient production and effective products.

Rock Island has been very successful at producing towed artillery and has also been responsible for the production work on all U.S. Howitzers for the last 50 years. However, even with the state-of-the-art facilities, expertise, and proven track record of the arsenals, there are those who would like to see them closed and transfer all military production to private firms.

Through those efforts, the arsenals have slowly but surely been marginalized through the years. Currently, Rock Island Arsenal is operated only at about 20 percent of its capacity. This approach does not save the Government money. It wastes it by making the Government pay twice for any product an arsenal can manufacture.

Let me explain this point, because it is important to understand that our current policy does not save the taxpayers any money. Arsenals are currently kept open and on standby to gear up for production in the event of a national military emergency. Therefore, the Army must pay the overhead to keep them open whether or not the Army uses the arsenals to procure equipment and supplies. When a contract is awarded to a private firm, the Army is still paying for unused capacity at the arsenals, while at the same time paying the private contractor the cost of the contract. In effect, the taxpayers are paying twice for every product procured from a private contractor that could have been procured from an arsenal.

The Army's procurement system hides these true costs from the public. The Army's bidding procedures do not allow procurement officers to evaluate arsenal bids fairly. Current bidding procedures require arsenals to include all of their full overhead costs, including the cost of unused capacity in the bid price for their products. This approach skews the true cost of the products produced by the arsenals. By requiring that arsenal bids include the cost of unused plant capacity—that is, those costs associated with the level of readiness the arsenals are already required to maintain—the Army has rendered arsenal bids inherently uncompetitive because the price of the product is artificially inflated beyond its true cost through the inclusion of overhead costs unrelated to the specific bid.

This bookkeeping fiction makes the bid price for arsenal products uncompetitive, even if the actual price of an arsenal product can be acquired at the lowest cost to the Government. Thus, not only must the taxpayers pay twice for a product when it is not manufactured at an arsenal, but the taxpayer may not be buying the lowest priced product.

The legislation I am interested in introducing today, Mr. President, with my colleagues from Illinois and Iowa, would require the Secretary of the Army to include in his annual budget request a line item to pay for the unused and underutilized plant capacity of the arsenals, thus recognizing the important role played by the arsenals in maintaining our defense preparedness. By requiring the Army to account for the overhead cost of unused arsenal capacity, the arsenals will no longer have to artificially inflate

the cost of their bids to account for this overhead. Arsenals will be able to make competitive bids by virtue of not having to abide by the fiction of including as overhead for a bid the total cost of maintaining the arsenals. Instead, arsenals will be placed on a fairer footing with private firms by including in their bid price only the overhead cost associated with the particular product on which they are bidding.

In the end, this approach will allow the Army to procure those products which arsenals are capable of manufacturing in the most cost-effective way.

Products manufactured by our national arsenals are among the best in the world, and the arsenals deserve fair treatment and consideration in the marketplace. In short, adoption of this legislation will enhance our national defense, save taxpayer dollars, and ensure the economic viability of the communities that surround our national arsenals, such as that in Rock Island, IL.

Mr. President, I ask for favorable consideration of this bill.

I ask unanimous consent that a copy of the text of our bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1396

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. OVERHEAD COSTS OF UNITED STATES FACTORIES AND ARSENALS WHEN NOT MAKING SUPPLIES FOR THE ARMY.**

(a) FINDING.—Congress makes the following findings:

(1) Factories and arsenals owned by the United States play a vital role in the national defense by ensuring the making of supplies for the Department of the Army.

(2) The vital role of such factories and arsenals in the national defense is not diminished by their unutilization or underutilization in peacetime.

(b) OVERHEAD COSTS OF FACTORIES AND ARSENALS WHEN UNUTILIZED OR UNDERUTILIZED.—Section 4532 of title 10, United States Code, is amended by adding at the end the following:

“(c) OVERHEAD COSTS WHEN UNUTILIZED OR UNDERUTILIZED.—(1) The Secretary shall submit to Congress each year, together with the President's budget for the fiscal year beginning in such year under section 1105(a) of title 31, an estimate of the funds to be required in the fiscal year in order to cover any overhead costs at factories and arsenals referred to in subsection (a) that result from the unutilization or underutilization of such factories and arsenals in the fiscal year due to low production requirements of the Department of the Army.

“(2) Funds appropriated to the Secretary for a fiscal year for costs described in paragraph (1) shall be available to the Secretary in such fiscal year to cover such costs.

“(3) In determining the cost of making a supply or other good, other than a supply for the Department of the Army, at a factory or arsenal referred to in subsection (a), the Secretary shall not take into account any overhead cost covered with funds available to the Secretary under paragraph (2).”

(c) STYLISTIC AMENDMENTS.—That section is further amended—

(1) in subsection (a), by inserting “AUTHORITY TO MAKE SUPPLIES.—” before “The Secretary of the Army”; and

(2) in subsection (b), by inserting “ABOLITION.—” before “The Secretary”.

By Mr. ENZI (for himself and Mr. THOMAS):

S. 1397. A bill to provide for the retention of the name of the geologic formation known as “Devils Tower” at the Devils Tower National Monument in the State of Wyoming; to the Committee on Energy and Natural Resources.

**DEVILS TOWER NATIONAL PARK NAME PRESERVATION ACT**

Mr. ENZI. Mr. President, I rise to introduce a bill which will enable Devils Tower National Monument to retain its historic and traditional name.

Wyoming is a state rich with heritage. We have cities and communities named after great explorers like John Charles Fremont, John Wesley Powell, and mountain man Jim Bridger. We have cities named after William F. “Buffalo Bill” Cody, Civil War Hero General Philip Sheridan and Army Fort Commander Caspar Collins. The state is also rich with names that recognize the contributions by Native Americans. Our state capital, Cheyenne, is joined with other areas named Shoshoni, Washakie, Arapahoe, Ten Sleep, Sundance and Shawnee. Wyoming also adopted many names that represent the unique geography that makes up our diverse state. For example, we have the Yellowstone, Riverton, Big Piney, Green River, Mountain View, Lonetree, and the Wind River Canyon.

One such place, Devils Tower, was named in 1875 by a military survey team. You can imagine the impact on the group as it rode up to the tower more than 120 years ago. The gray volcanic tower sits on the plains of Northeastern Wyoming and shoots up, straight into the sky, for approximately one-quarter of a mile. Its rugged walls and round shape make it look something like a giant petrified tree stump. I live in the area and have visited the tower many times. I can attest that the name Devils Tower is clearly applicable.

Along with Yellowstone National Park's Old Faithful, Devils Tower has become an icon of Wyoming and the West. This unique structure is known internationally as one of the premiere climbing locations in the world and therefore plays a vital role in the state's billion dollar tourism industry.

I am, however, sensitive to the feelings of those Native Americans who would prefer to see the name of this natural wonder changed to something more acceptable to their cultural traditions. Many tribal members think of the monument as sacred. However, I believe little would be gained and

much would be lost should Devils Tower be renamed. Any name change for Devils Tower would dredge up age-old conflicts and divisions between descendants of European settlers and the descendants of Native Americans and would place a heavy burden on the region's economic stability.

My legislation will prevent such an impact and will embrace the least offensive option offered so far—the preservation of the traditional name of Devils Tower. I urge my colleagues to support this measure. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1397

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding any other authority of law, the mountain located 44°42'58" N., by 104°35'32" W., shall continue to be named and referred to for all purposes as Devils Tower.

By Mr. HELMS:

S. 1398. A bill to clarify certain boundaries on maps relating to the Coastal Barrier Resources System; to the Committee on Environment and Public Works.

#### COASTAL BARRIER RESOURCES SYSTEM CORRECTIONS

Mr. HELMS. Mr. President, today I'm introducing legislation to correct errors in the Coastal Barrier Resource System maps which have resulted in the denial of federal flood insurance to a large number of coastal North Carolinians in Dare County, insurance for which they unquestionably should have been eligible.

I've received many complaints from property owners about this situation, and last year I and members of North Carolina's House delegation asked the Fish and Wildlife Service to determine whether the map of the "otherwise protected area" overlaying the Cape Hatteras National Seashore was in fact accurate." (Property owners outside of the seashore were being denied flood insurance on the grounds that they were within the boundary of the "otherwise protected area.")

Mr. President, the background regarding this Senate bill that I'm introducing today will explain the necessity of this bill's being offered:

Congress enacted the Coastal Barrier Improvement Act of 1990 (P.L. 101-591; 104 Stat. 2931); within that act it established a classification in the System known as "otherwise protected areas" which consist of publicly or privately-owned lands on coastal barriers which were held for conservation purposes. While they were not made part of the Coastal Barrier Resources System, the Congress forbade the issuance of new flood insurance for structures within these areas. (Lands within the Coastal Barrier Resources System—undevel-

oped coastal barriers and associated areas—are denied any Federal development-related assistance.)

All of the "otherwise protected areas" are depicted on maps adopted by the Congress in the Coastal Barrier Improvement Act. As needed, the U.S. Fish and Wildlife Service, which administers these maps, works with the Federal Emergency Management Agency, (FEMA) to determine precisely where the boundary of otherwise protected areas are located, so that FEMA may determine whether specific locations are eligible for flood insurance.

After consulting extensively for more than a year with FEMA and the National Park Service, the Fish and Wildlife Service has now advised us that the maps of the "otherwise protected area," known as NC03P, are indeed inaccurate. The errors in the maps deny flood insurance to property owners adjacent to the Cape Hatteras National Seashore in Dare County.

The errors result from inaccurate depictions of the Cape Hatteras National Seashore boundary on the standardized maps upon which Congress designated this area, and in part because of the problems inherent in translating lines drawn on the large-scale maps used for designations into precise, on-the-ground property lines—a problem which neither the Congress nor the Interior Department appears to have considered when this was enacted in 1990.

The fact that Congress designated the boundaries of coastal barrier units and "otherwise protected areas" by maps, the detection of an error in a depicted feature of the underlying map, or disparities between clear Congressional intent and the actual map, does not alter the enacted boundary of the unit or area. Only any act of Congress may revise such a boundary; the statute does not provide authority for an administrative correction of such an error.

Although there is no statutory definition of, and little legislative history for, "otherwise protected areas", the areas so designated by Congress in 1990 were almost without exception depicted on maps transmitted by the Secretary in his January 1989 report to Congress pursuant to section 10 of the Coastal Barrier Resources Act of 1982. In developing the recommendations and maps for that Report, the Department utilized the following definition, which was published in the Federal Register (50 FR 8700):

A coastal barrier or portion thereof is defined as "otherwise protected" if it has been withdrawn from the normal cycle of private development and dedicated for conservation, wildlife management, public recreation or scientific purposes. . . .

This definition indicates that "otherwise protected areas" included only the conservation areas upon which they were based. In addition, the Administration has supported and Congress has

enacted legislation in several instances where the stated purpose was to remove private property from the mapped outer boundary of an otherwise protected area.

I am grateful for the cooperation of the Administration in this matter, I do regret that it took so long in this case.

The fact remains that the mistakes which led to more than 230 properties in Dare County being placed within the outer boundary of the "otherwise protected area" was clearly not intended by Congress when the "otherwise protected area" was created.

The bill I'm introducing today will correct these errors, Mr. President, and I urge the Senate to pass this legislation promptly.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1398

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. REPLACEMENT OF COASTAL BARRIER RESOURCES SYSTEM MAPS.

(a) IN GENERAL.—The 7 maps described in subsection (b) are replaced by 31 maps entitled "Coastal Barrier Resources System, NC-03P", designated as Cape Hatteras 5A through 5G, and dated May 26, 1999.

(b) MAPS DESCRIBED.—The maps described in this subsection are the 7 maps that—

(1) relate to the unit of the Coastal Barrier Resources System entitled "Cape Hatteras NC-03P";

(2) are designated as Cape Hatteras 5A through 5G; and

(3) are included in a set of maps entitled "Coastal Barrier Resources System", dated October 24, 1990, and referred to in section 4(a) of the Coastal Barrier Resources Act (16 U.S.C. 3503(a)).

(c) AVAILABILITY.—The Secretary of the Interior shall keep the maps that replace the maps described in subsection (b) on file and available for inspection in accordance with section 4(b) of the Coastal Barrier Resources Act (16 U.S.C. 3503(b)).

By Mr. DEWINE (for himself, Mr. DODD, Ms. SNOWE, Ms. LANDRIEU, Mr. REID, Mrs. BOXER, Mr. INOUE, Mr. SARBANES, Mr. KENNEDY, and Mr. WELLSTONE):

S. 1399. A bill to amend title 38, United States Code, to provide that pay adjustments for nurses and certain other health-care professionals employed by the Department of Veterans Affairs shall be made in the manner applicable to Federal employees generally and to revise the authority for the Secretary of Veterans Affairs to make further locality pay adjustments for those professionals; to the Committee on Veterans' Affairs.

#### VA NURSE APPRECIATION ACT OF 1999

Mr. DEWINE. Mr. President, I rise today to introduce legislation to address a little known but very important issue within the Department of

Veterans Affairs. The legislation would correct an injustice suffered throughout this decade by a workforce of 39,000 dedicated nurses who devote their careers toward the caring of our nation's veterans. Due to an unintentional use of federal law, the VA has allowed nurses to go up to five years in a row without a single raise. In some cases, VA nurses have received pay cuts by as much as eight percent in a single year, or received a token raise of one-tenth of one percent. I am today, along with Senators DODD, SNOWE, LANDRIEU, REID, BOXER, INOUE, SARBANES and KENNEDY, calling on Congress to put an end to this practice by passing the VA Nurse Appreciation Act.

We find ourselves in this situation because of unintended consequences. In 1990, Congress passed the Nurse Pay Act, which allowed VA medical center directors to give VA nurses higher annual pay raises than other federal employees on the General Schedule (GS). At the time, this well intentioned bill was needed to address a national nursing shortage in VA hospitals. However, after the shortage eased, many medical center directors used the discretion given to them by the law to provide minimal raises and even pay cuts. In my own state of Ohio, from 1996 to 1998, VA nurses in Columbus took a 2.8% pay cut, while federal employees in the same area received pay raises ranging from 2.4% to 3%. This clearly was not what Congress had in mind when it passed the 1990 Nurse Pay Act.

Unfortunately, the problem is widespread and knows no geographic boundaries. From 1996–1999, nurses at sixteen different VA medical centers had their pay rate cut by as much as eight percent, while other federal employees received annual GS increases ranging from 2.4% to 3.6% or more. In addition, from 1996–1999, no raises were given to Grade I, II or III nurses at approximately 80 VA medical centers around the country.

To address this wrong, the VA Nurse Appreciation Act. This bill would ensure that Title 38 nurses would be eligible to receive the same annual GS increase plus locality pay provided to all other federal employees in their area. The bill would preserve the essential purpose of the 1990 Nurse Pay Act by giving the VA Secretary the discretion to increase pay, or delegate this authority to VA medical center directors if they have trouble recruiting or retaining quality nurses.

Mr. President, what message are we sending to our veterans when we are not willing to pay the nurses that provide their daily care the same pay increases that every federal employee now receives. Congress should be dedicated to providing our veterans the best possible health services, and putting an emphasis on top quality nursing care is a right step in that direction. This bill would end the practice of

discriminatory pay cuts by directors of VA medical facilities and provide the assurance of at least the GS raise received by all other federal employees. This bill is really about fairness. It would help those dedicated workers who have not been receiving regular pay raises for years. If we can pass this bill quickly, we can insure all VA nurses will receive a much-deserved pay raise in January 2000.

This bill is companion legislation to H.R. 1216, introduced by my colleague and friend from Ohio, Congressman LATOURETTE. It has the support of the American Nurses Association (ANA), the American Federation of Government Employees (AFGE) and the National Federation of Federal Employees (NFFE) along with various veterans groups, including the Disabled American Veterans and the Paralyzed Veterans of America. The LaTourette bill has bipartisan support from more than 70 House members, including 11 members of the House committee on Veterans' Affairs.

Congress now has the chance to right a wrong and show VA nurses that their compassion and dedication are appreciated. I urge my colleagues to support and cosponsor the VA Nurse Appreciation Act.

I ask unanimous consent that the text of the VA Nurse Appreciation Act and letters in support of the legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1399

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Department of Veterans Affairs Nurses Appreciation Act of 1999".

#### SEC. 2. REVISED AUTHORITY FOR ADJUSTMENT OF BASIC PAY FOR NURSES AND CERTAIN OTHER HEALTH-CARE PROFESSIONALS OF THE DEPARTMENT OF VETERANS AFFAIRS.

(a) ANNUAL ADJUSTMENTS UNDER TITLE 5.—Section 7451 of title 38, United States Code, is amended—

(1) by striking subsections (d), (e), (f), and (g); and

(2) by adding after subsection (c) the following new subsection (d):

“(d) The rates of basic pay for each grade in a covered position shall (notwithstanding subsection (a)(3)(A)) be adjusted annually by the same percentages as the rates of pay under the General Schedule are adjusted pursuant to sections 5303 and 5304 of title 5. Adjustments under this subsection shall be effective on the same date as the annual adjustments made in accordance with such sections 5303 and 5304.”

(b) REVISED TITLE 38 LOCALITY PAY AUTHORITY.—Such section is further amended by adding after subsection (d), as added by subsection (a) of this section, the following new subsection (e):

“(e)(1) Whenever after October 1, 2002, the Secretary determines that the rates of basic pay in effect for a grade of a covered position, as most recently adjusted under sub-

section (d), at a given Department health-care facility are inadequate to recruit or retain high-quality personnel in that grade at that facility, the Secretary shall in accordance with this subsection adjust the rates of basic pay for that grade at that facility.

“(2) An adjustment in rates of basic pay for a grade under this subsection shall be made by determining a minimum rate of basic pay for the grade and then adjusting the other rates of basic pay for the grade to conform to the requirements of subsection (c).

“(3)(A) The Secretary shall determine a minimum rate of basic pay for a grade for purposes of paragraph (2) so as to achieve consistency between the rates of basic pay for the grade at the facility concerned and the rates of compensation in the Bureau of Labor Statistics labor market in which the facility is located for non-Department health-care positions requiring education, training, and experience that is equivalent or similar to the education, training, and experience required for Department personnel in the grade at the facility.

“(B) The Secretary shall utilize the most current industry-wage survey of the Bureau of Labor Statistics for a labor market in meeting the objective specified in subparagraph (A).

“(C) For purposes of this paragraph, the term ‘rate of compensation’, with respect to health-care positions in non-Department health-care facilities, means the sum of—

“(i) the rate of pay for personnel in such positions; and

“(ii) any employee benefits (other than benefits similar to benefits received by employees in the covered position concerned) for those health-care positions to the extent that such employee benefits are reasonably quantifiable.

“(4) An adjustment under this subsection may not reduce any rate of basic pay.

“(5) An adjustment in rates of basic pay under this subsection shall take effect on the first day of the first pay period beginning after the date on which the adjustment is made.

“(6) The Secretary shall prescribe regulations providing for the adjustment of rates of basic pay for employees in covered positions in the Central and Regional Offices in order to assure the recruitment and retention of high-quality personnel in such positions in such offices. The regulations shall provide for such adjustment in a manner similar to the adjustment of rates of basic pay under this subsection.”

(c) ANNUAL ADJUSTMENTS IN INCREASED RATES OF BASIC PAY.—Section 7455 of such title is amended—

(1) in subsection (a)(1), by striking “and (d)” and inserting “(d), and (e)”; and

(2) by adding at the end the following:

“(e) Whenever an annual adjustment in rates of basic pay under sections 5303 and 5304 of title 5 becomes effective on or after the effective date of an increase in rates of basic pay under this section, the rates of basic pay as so increased under this section shall be adjusted in accordance with appropriate conversion rules prescribed under section 5305(f) of title 5, effective as of the effective date of such annual adjustment in rates of basic pay.”

(d) CONFORMING AMENDMENT.—Subsection (c)(1) of section 7451 of such title is amended by striking the third sentence.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1999.

#### SEC. 3. SAVINGS PROVISION.

In the case of an employee of the Veterans Health Administration who on the day before the effective date of the amendment



made by section 2(a) is receiving a rate of pay by reason of the second sentence of section 7451(e) of title 38, United States Code, as in effect on that day, the provisions of the second and third sentences of that section, as in effect on that day, shall continue to apply to that employee, notwithstanding the amendment made by section 2(a).

AMERICAN FEDERATION OF  
GOVERNMENT EMPLOYEES,  
AFL-CIO,

Washington, DC, June 29, 1999.

DEAR SENATOR: On behalf of the American Federation of Government Employees, AFL-CIO, and the 600,000 federal employees we represent, I am writing to urge you to become an original co-sponsor of the Department of Veterans Affairs Nurses Appreciation Act of 1999. This bipartisan bill will be introduced by Senator MIKE DEWINE (R-OH) and Senator CHRIS DODD (D-CT).

The bill corrects an incongruity in the pay system for workers at the Department of Veterans Affairs (DVA) which has hurt nurses and other health care workers. For the last decade, the roughly 39,000 DVA nurses who care for our ailing veterans have been part of a unique, locality-based pay system that gives hospital directors discretion over nurses salaries. Unfortunately, this atypical discretion has been used to freeze nurse pay, provide minuscule annual raises and even cut pay rates by as much as 8% in a single year.

The Department of Veterans Affairs Nurses Appreciation Act, which is being introduced at the request of AFGE, will rectify the longstanding abuse of DVA nurses. It will put a permanent stop to wage freezes and negative pay adjustments. It will guarantee that DVA nurses and other health care employees receive the same general schedule (GS) increase plus locality pay given to virtually all other federal workers, including federal workers who work alongside our DVA nurses. Should the DVA have problems recruiting or retaining quality nurses in the future, the Secretary will have the flexibility to increase pay if necessary.

The primary purpose of this bill is to ensure that DVA employees who have been denied annual pay increases will start to be put on equal footing with their GS co-workers.

Veterans service organizations such as the Disabled American Veterans, the Vietnam Veterans of America, and the Paralyzed Veterans of America support passage of the Department of Veterans Affairs Nurses Appreciation Act of 1999.

Year after year, DVA nurses have lagged behind in pay increases, as compared to their GS co-workers. For example, in 1996, the average pay raise for nurses was 1.2 percent; compared to the 2.4 percent average increase received by their GS co-workers. In 1997, the average pay raise for nurses was again 1.2 percent, compared to the 3.0 percent average increase received by their GS co-workers. In 1998, the average pay raise for nurses was 2.2 percent, compared to the 2.9 percent average increase received by their GS co-workers. In 1999, the average pay raise for nurses was 3.0 percent, compared to the 3.6 percent average increase received by their GS co-workers. From 1996 through 1999, DVA nurses on average were denied a pay raise equal to 4.5 percent because of the current pay system for nurses.

DVA nurses, like their co-workers, deserve praise and respect for standing by our nation's veterans. As you may recall during the government shutdown DVA nurses and their co-workers took care of veterans without even knowing whether they would get paid.

Many DVA nurses could have pursued higher paying jobs in the private sector. Instead, most have chosen to stay with the DVA because they care deeply for our aging and ailing veterans and are earnestly committed to their specialized and patriotic work. In fact, most DVA nurses have dedicated their entire careers to caring for veterans. The average DVA nurse is a 47 year old female with 11 years of tenure.

DVA nurses, like their co-workers, provide not only a vital service for our nation's veterans, but honor veterans with compassion, respect and professional care. I urge you to demonstrate to these dedicated workers that their work is valued and appreciated by becoming an original co-sponsor of the Department of Veterans Affairs Nurse Appreciation Act. If you have any questions about this bill, please contact Mike Hall in Senator DeWine's office at 224-2315 or Dominic DelPozzo in Senator Dodd's office at 224-2823 or Linda Bennett in AFGE's Legislative Department at (202) 639-6413.

Sincerely,

BOBBY L. HARNAGE, SR.,  
National President.

AMERICAN NURSES ASSOCIATION,  
Washington, DC, June 11, 1999.

Hon. STEVEN C. LATOURETTE,  
U.S. House of Representatives,  
Washington, DC.

DEAR REPRESENTATIVE LATOURETTE: The American Nurses Association (ANA) is pleased to support H.R. 1216, the VA Nurse Appreciation Act of 1999. While the Veterans Health Administration (VHA) has made some effort to address the implementation problems of the VA Nurse Locality Pay System, more significant and immediate action must be taken to ensure that VA registered nurses are appropriately paid for their expert work.

H.R. 1216 would allow for all Title 38 registered nurses, employed within the VHA, to receive the same pay adjustment provided all federal employees covered by the Federal Employees Pay Comparability Act (FEPCA). This pay adjustment would include both the nationwide component and a locality pay component. Passage of H.R. 1216 provides for this adjustment without requiring that VA registered nurses be placed on the General Schedule levels of one to fifteen.

ANA strongly supports the provision that provides additional authority, starting in 2002, to the Secretary of the Veterans Administration to adjust the rates of basic pay. This provision is necessary to ensure that the VA can continue to adequately recruit and retain registered nurses. The VA's inability to recruit and retain registered nurses was one of the primary reasons for passage of the original VA nurse locality pay bill. In the near future, nursing will again be facing a tightening labor market and the VA must be able to compete.

ANA applauds your efforts to address this significant problem and we stand ready to assist in anyway possible.

Sincerely,

MARJORIE VANDERBILT,  
Director, Federal Government Relations.

• Mr. DODD. Mr. President, I rise today to join my colleague, Senator DEWINE, in introducing the Nurse Appreciation Act of 1999. It will alter the Department of Veterans Affairs' regulations regarding compensation rates for nurses. Unfortunately, the current regulations have led to hardship for many of our nation's VA nurses.

For example, from 1996 through 1999, nurses at 16 VA hospitals have seen

their pay slashed by up to eight percent. Also, during those same years, nurses at 80 VA hospitals have not received a single raise. Meanwhile, other federal employees at all VA hospitals received the annual General Schedule increases of 2.4 percent to 3.6 percent. This nation cannot continue a policy of turning a blind eye to those who care for its sick and wounded veterans.

The Nurse Appreciation Act of 1999 will correct this injustice which seems to be an unintended consequence of the Nurses Pay Act of 1990. That law was written when VA hospitals faced a shortage of qualified nurses, and it gave hospital directors wide discretion in setting pay rates for nurses in their hospitals. The law partially served its purpose because it allowed directors to increase nurses' pay rates if they were having difficulty recruiting and retaining qualified nurses. Those who wrote the law, however, could not have anticipated that the VA would take advantage of the fact that the law did not mandate any minimum annual increase each year. They could not have anticipated that the law would be used to freeze or even reduce nurses' pay rates.

Over the past several years, a few factors emerged to create the inequity in VA nurses' compensation. First, the nurse shortage of a decade ago has subsided. Second, VA hospital directors and network directors have been granted more responsibility for their budgets. In other words, if hospital directors can save money by not providing an annual increase to nurses, then the directors can use that money for other purposes. Finally, to make matters worse, the funding that goes to these hospitals has been, in many cases, steady or decreasing over the past few years. I know, for example, that the two VA hospitals in Connecticut have not received a real funding increase in about three years. So the hospitals in Newington, West Haven, and in many other cities throughout the country must tighten their belts each year to absorb costs due to inflation.

The pressure to save money has caused many hospital directors to forgo providing even the slightest annual increase to nurses. Yet, hospital budget pressures have absolutely no bearing on whether other federal employees—including other veterans hospital employees—receive their annual salary increases. Those increases are prescribed by the federal government. This legislation just says that nurses should be treated the same as the others. It says that nurses should not bear a disproportionate share of the burden caused by stagnant budgets at our VA hospitals.

Apparently the VA believes that, in the absence of a nurse shortage, annual increases for nurses are unnecessary. But I do not subscribe to that reasoning. We should not wait for a crisis before we take action. If we get to the



point where some VA hospitals are unable to retain well-qualified nurses as a result of unbearably inadequate pay, we will have waited far too long and will have badly degraded services at our VA hospitals.

Furthermore, this nation has benefitted from a robust economy over the last several years. That economy has given a boost to nearly every segment of society. Clearly, though, despite the immense value of their work, many VA nurses have been left behind. Valuable work on behalf of this nation deserves, at a minimum, adequate compensation. This bill will provide that compensation and enable us to do right by our VA hospital nurses.●

By Mrs. BOXER (for herself, Mrs. MURRAY, Mr. KENNEDY, Mr. LAUTENBERG, and Mr. SCHUMER):

S. 1400. A bill to protect women's reproductive health and constitutional right to choice, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

FAMILY PLANNING AND CHOICE PROTECTION ACT OF 1999

Mrs. BOXER. Mr. President, when I entered the United States Senate in 1993, women's rights were strong and secure. That year alone, we passed the Violence Against Women Act, the Family and Medical Leave Act, and the Freedom of Access to Clinic Entrances Act. We lifted the gag rule, which freed up doctors to tell their patients that abortion is a legal option.

Things are quite different now. Since 1994, the tide has turned against women's rights, as there have been nearly 100 votes to restrict choice, and pro-choice forces have lost most of these votes.

Congress recently blocked women in the military and military dependents from using their own funds to obtain an abortion at military facilities. The House of Representatives voted to make it a crime for any adult to help a teenager travel to another state to avoid her home state's restrictive parental consent laws, and the Senate voted to prohibit women who work for the federal government from accessing health plans that offer abortion services.

At the same time, violence against clinics and health care workers is increasing. Last year, the Feminist Majority reported that nearly one out of four clinics faced severe anti-abortion violence including death threats, stalking, bomb threats, bombings, arson threats, arson, blockades, invasions, and chemical attacks.

In my own state of California, there have been 29 recorded incidents of violence against clinics since 1984. The firebombing of a women's health care clinic on July 2 in Sacramento serves as a grim reminder that this violence continues.

While there are many in the community and in Congress who have helped fight off assaults on women's health rights, playing defense is not enough. We need a positive agenda for women's health, choice and family planning if we hope to move the pendulum back the other way.

The Family Planning and Choice Protection Act of 1999 sets out such an agenda. This comprehensive bill is pro-choice, pro-family planning, and pro-women's health. It will improve family planning programs and services; strengthen women's right to choose; expand access to contraceptive coverage; protect patients and employees at reproductive health care facilities; and give law enforcement the resources needed to protect women's legal rights.

Mr. President, I urge my colleagues to support this legislation and to stand up for the women in their respective states who deserve to have their rights and health protected. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

#### S. 1400

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Family Planning and Choice Protection Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

#### TITLE I—PREVENTION

##### Subtitle A—Family Planning

Sec. 101. Family planning amendments.

Sec. 102. Freedom of full disclosure.

##### Subtitle B—Prescription Equity and Contraceptive Coverage

Sec. 111. Short title.

Sec. 112. Findings.

Sec. 113. Amendments to the Employee Retirement Income Security Act of 1974.

Sec. 114. Amendments to the Public Health Service Act relating to the group market.

Sec. 115. Amendment to the Public Health Service Act relating to the individual market.

Sec. 116. FEHBP coverage.

##### Subtitle C—Emergency Contraceptives

Sec. 121. Emergency contraceptive education.

#### TITLE II—CHOICE PROTECTION

Sec. 201. Medicaid funding for abortion services.

Sec. 202. Clinic violence.

Sec. 203. Approval of RU-486.

Sec. 204. Freedom of choice.

Sec. 205. Fairness in insurance.

Sec. 206. Reproductive rights of women in the military.

Sec. 207. Repeal of certain State Child Health Insurance Program limitations.

Sec. 208. Funding for certain services for women in prison.

Sec. 209. Funding for certain services for women in the District of Columbia.

Sec. 210. Funding for certain services for women under the FEHBP.

#### SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Reproductive rights are central to the ability of women to exercise full enjoyment of rights secured to women by Federal and State law.

(2) Abortion has been a legal and constitutionally protected medical procedure throughout the United States since 1973 and has become part of mainstream medical practice as is evidenced by the positions of medical institutions including the American Medical Association, the American College of Obstetricians and Gynecologists, the American Medical Women's Association, the American Nurses Association, and the American Public Health Association.

(3) The availability of abortion services is diminishing throughout the United States, as evidenced by—

(A) the fact that 86 percent of counties in the United States have no abortion provider; and

(B) the fact that, between 1992 and 1996, the number of abortion providers decreased by 14 percent.

(4)(A) The Department of Health and Human Services and the Institute of Medicine of the National Academy of Sciences have contributed to the development of a report entitled "Healthy People 2000", which urges that the rate of unintended pregnancy in the United States be reduced by nearly 50 percent by the year 2000.

(B) Nearly 50 percent, or approximately 3,050,000, of all pregnancies in the United States each year are unintended, resulting in 1,370,000 abortions in the United States each year.

(C) The provision of family planning services, including emergency contraception, is a cost-effective way of reducing the number of unintended pregnancies and abortions in the United States.

#### TITLE I—PREVENTION

##### Subtitle A—Family Planning

#### SEC. 101. FAMILY PLANNING AMENDMENTS.

Section 1001(d) of the Public Health Service Act (42 U.S.C. 300(d)) is amended to read as follows:

"(d) For the purpose of making grants and entering into contracts under this section, there are authorized to be appropriated \$500,000,000 for each of fiscal years 2000 through 2004."

#### SEC. 102. FREEDOM OF FULL DISCLOSURE.

Title XI of the Civil Rights Act of 1964 (42 U.S.C. 2000h et seq.) is amended by adding at the end the following:

#### "SEC. 1107. INFORMATION ABOUT AVAILABILITY OF REPRODUCTIVE HEALTH CARE SERVICES.

"(a) DEFINITION.—As used in this section, the term 'governmental authority' means any authority of the United States.

"(b) GENERAL AUTHORITY.—Notwithstanding any other provision of law, no governmental authority shall, in or through any program or activity that is administered or assisted by such authority and that provides health care services or information, limit the right of any person to provide, or the right of any person to receive, nonfraudulent information about the availability of reproductive health care services, including family planning, prenatal care, adoption, and abortion services."

### Subtitle B—Prescription Equity and Contraceptive Coverage

#### SEC. 111. SHORT TITLE.

This subtitle may be cited as the "Equity in Prescription Insurance and Contraceptive Coverage Act of 1999".

#### SEC. 112. FINDINGS.

Congress finds that—

(1) each year, 3,000,000 pregnancies, or one half of all pregnancies, in this country are unintended;

(2) contraceptive services are part of basic health care, allowing families to both adequately space desired pregnancies and avoid unintended pregnancy;

(3) studies show that contraceptives are cost effective: for every \$1 of public funds invested in family planning, \$4 to \$14 of public funds is saved in pregnancy and health care-related costs;

(4) by reducing rates of unintended pregnancy, contraceptives help reduce the need for abortion;

(5) unintended pregnancies lead to higher rates of infant mortality, low-birth weight, and maternal morbidity, and threaten the economic viability of families;

(6) the National Commission to Prevent Infant Mortality determined that "infant mortality could be reduced by 10 percent if all women not desiring pregnancy used contraception";

(7) most women in the United States, including three-quarters of women of child-bearing age, rely on some form of private insurance (through their own employer, a family member's employer, or the individual market) to defray their medical expenses;

(8) the vast majority of private insurers cover prescription drugs, but many exclude coverage for prescription contraceptives;

(9) private insurance provides extremely limited coverage of contraceptives: half of traditional indemnity plans and preferred provider organizations, 20 percent of point-of-service networks, and 7 percent of health maintenance organizations cover no contraceptive methods other than sterilization;

(10) women of reproductive age spend 68 percent more than men on out-of-pocket health care costs, with contraceptives and reproductive health care services accounting for much of the difference;

(11) the lack of contraceptive coverage in health insurance places many effective forms of contraceptives beyond the financial reach of many women, leading to unintended pregnancies;

(12) the Institute of Medicine Committee on Unintended Pregnancy recommended that "financial barriers to contraception be reduced by increasing the proportion of all health insurance policies that cover contraceptive services and supplies";

(13) in 1998, Congress agreed to provide contraceptive coverage to the 2,000,000 women of reproductive age who are participating in the Federal Employees Health Benefits Program, the largest employer-sponsored health insurance plan in the world; and

(14) eight in 10 privately insured adults support contraceptive coverage.

#### SEC. 113. AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185 et seq.) is amended by adding at the end the following new section:

##### "SEC. 714. STANDARDS RELATING TO BENEFITS FOR CONTRACEPTIVES.

"(a) REQUIREMENTS FOR COVERAGE.—A group health plan, and a health insurance

issuer providing health insurance coverage in connection with a group health plan, may not—

"(1) exclude or restrict benefits for prescription contraceptive drugs or devices approved by the Food and Drug Administration, or generic equivalents approved as substitutable by the Food and Drug Administration, if such plan provides benefits for other outpatient prescription drugs or devices; or

"(2) exclude or restrict benefits for outpatient contraceptive services if such plan provides benefits for other outpatient services provided by a health care professional (referred to in this section as 'outpatient health care services').

"(b) PROHIBITIONS.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, may not—

"(1) deny to an individual eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan because of the individual's or enrollee's use or potential use of items or services that are covered in accordance with the requirements of this section;

"(2) provide monetary payments or rebates to a covered individual to encourage such individual to accept less than the minimum protections available under this section;

"(3) penalize or otherwise reduce or limit the reimbursement of a health care professional because such professional prescribed contraceptive drugs or devices, or provided contraceptive services, described in subsection (a), in accordance with this section; or

"(4) provide incentives (monetary or otherwise) to a health care professional to induce such professional to withhold from a covered individual contraceptive drugs or devices, or contraceptive services, described in subsection (a).

"(c) RULES OF CONSTRUCTION.—

"(1) IN GENERAL.—Nothing in this section shall be construed—

"(A) as preventing a group health plan and a health insurance issuer providing health insurance coverage in connection with a group health plan from imposing deductibles, coinsurance, or other cost-sharing or limitations in relation to—

"(i) benefits for contraceptive drugs under the plan, except that such a deductible, coinsurance, or other cost-sharing or limitation for any such drug may not be greater than such a deductible, coinsurance, or cost-sharing or limitation for any outpatient prescription drug otherwise covered under the plan;

"(ii) benefits for contraceptive devices under the plan, except that such a deductible, coinsurance, or other cost-sharing or limitation for any such device may not be greater than such a deductible, coinsurance, or cost-sharing or limitation for any outpatient prescription device otherwise covered under the plan; and

"(iii) benefits for outpatient contraceptive services under the plan, except that such a deductible, coinsurance, or other cost-sharing or limitation for any such service may not be greater than such a deductible, coinsurance, or cost-sharing or limitation for any outpatient health care service otherwise covered under the plan; and

"(B) as requiring a group health plan and a health insurance issuer providing health insurance coverage in connection with a group health plan to cover experimental or investigational contraceptive drugs or devices, or experimental or investigational contraceptive services, described in subsection (a), except to the extent that the plan or issuer

provides coverage for other experimental or investigational outpatient prescription drugs or devices, or experimental or investigational outpatient health care services.

"(2) LIMITATIONS.—As used in paragraph (1), the term 'limitation' includes—

"(A) in the case of a contraceptive drug or device, restricting the type of health care professionals that may prescribe such drugs or devices, utilization review provisions, and limits on the volume of prescription drugs or devices that may be obtained on the basis of a single consultation with a professional; or

"(B) in the case of an outpatient contraceptive service, restricting the type of health care professionals that may provide such services, utilization review provisions, requirements relating to second opinions prior to the coverage of such services, and requirements relating to preauthorizations prior to the coverage of such services.

"(d) NOTICE UNDER GROUP HEALTH PLAN.—The imposition of the requirements of this section shall be treated as a material modification in the terms of the plan described in section 102(a)(1), for purposes of assuring notice of such requirements under the plan, except that the summary description required to be provided under the last sentence of section 104(b)(1) with respect to such modification shall be provided by not later than 60 days after the first day of the first plan year in which such requirements apply.

"(e) PREEMPTION.—Nothing in this section shall be construed to preempt any provision of State law to the extent that such State law establishes, implements, or continues in effect any standard or requirement that provides protections for enrollees that are greater than the protections provided under this section.

"(f) DEFINITION.—In this section, the term 'outpatient contraceptive services' means consultations, examinations, procedures, and medical services, provided on an outpatient basis and related to the use of contraceptive methods (including natural family planning) to prevent an unintended pregnancy."

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 note) is amended by inserting after the item relating to section 713 the following new item:

"Sec. 714. Standards relating to benefits for contraceptives."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning on or after January 1, 2000.

#### SEC. 114. AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT RELATING TO THE GROUP MARKET.

(a) IN GENERAL.—Subpart 2 of part A of title XXVII of the Public Health Service Act (42 U.S.C. 300gg-4 et seq.) is amended by adding at the end the following new section:

##### "SEC. 2707. STANDARDS RELATING TO BENEFITS FOR CONTRACEPTIVES.

"(a) REQUIREMENTS FOR COVERAGE.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, may not—

"(1) exclude or restrict benefits for prescription contraceptive drugs or devices approved by the Food and Drug Administration, or generic equivalents approved as substitutable by the Food and Drug Administration, if such plan provides benefits for other outpatient prescription drugs or devices; or

"(2) exclude or restrict benefits for outpatient contraceptive services if such plan provides benefits for other outpatient services provided by a health care professional

(referred to in this section as 'outpatient health care services').

“(b) PROHIBITIONS.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, may not—

“(1) deny to an individual eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan because of the individual's or enrollee's use or potential use of items or services that are covered in accordance with the requirements of this section;

“(2) provide monetary payments or rebates to a covered individual to encourage such individual to accept less than the minimum protections available under this section;

“(3) penalize or otherwise reduce or limit the reimbursement of a health care professional because such professional prescribed contraceptive drugs or devices, or provided contraceptive services, described in subsection (a), in accordance with this section; or

“(4) provide incentives (monetary or otherwise) to a health care professional to induce such professional to withhold from covered individual contraceptive drugs or devices, or contraceptive services, described in subsection (a).

“(c) RULES OF CONSTRUCTION.—

“(1) IN GENERAL.—Nothing in this section shall be construed—

“(A) as preventing a group health plan and a health insurance issuer providing health insurance coverage in connection with a group health plan from imposing deductibles, coinsurance, or other cost-sharing or limitations in relation to—

“(i) benefits for contraceptive drugs under the plan, except that such a deductible, coinsurance, or other cost-sharing or limitation for any such drug may not be greater than such a deductible, coinsurance, or cost-sharing or limitation for any outpatient prescription drug otherwise covered under the plan;

“(ii) benefits for contraceptive devices under the plan, except that such a deductible, coinsurance, or other cost-sharing or limitation for any such device may not be greater than such a deductible, coinsurance, or cost-sharing or limitation for any outpatient prescription device otherwise covered under the plan; and

“(iii) benefits for outpatient contraceptive services under the plan, except that such a deductible, coinsurance, or other cost-sharing or limitation for any such service may not be greater than such a deductible, coinsurance, or cost-sharing or limitation for any outpatient health care service otherwise covered under the plan; and

“(B) as requiring a group health plan and a health insurance issuer providing health insurance coverage in connection with a group health plan to cover experimental or investigational contraceptive drugs or devices, or experimental or investigational contraceptive services, described in subsection (a), except to the extent that the plan or issuer provides coverage for other experimental or investigational outpatient prescription drugs or devices, or experimental or investigational outpatient health care services.

“(2) LIMITATIONS.—As used in paragraph (1), the term 'limitation' includes—

“(A) in the case of a contraceptive drug or device, restricting the type of health care professionals that may prescribe such drugs or devices, utilization review provisions, and limits on the volume of prescription drugs or devices that may be obtained on the basis of a single consultation with a professional; or

“(B) in the case of an outpatient contraceptive service, restricting the type of

health care professionals that may provide such services, utilization review provisions, requirements relating to second opinions prior to the coverage of such services, and requirements relating to preauthorizations prior to the coverage of such services.

“(d) NOTICE.—A group health plan under this part shall comply with the notice requirement under section 714(d) of the Employee Retirement Income Security Act of 1974 with respect to the requirements of this section as if such section applied to such plan.

“(e) PREEMPTION.—Nothing in this section shall be construed to preempt any provision of State law to the extent that such State law establishes, implements, or continues in effect any standard or requirement that provides protections for enrollees that are greater than the protections provided under this section.

“(f) DEFINITION.—In this section, the term 'outpatient contraceptive services' means consultations, examinations, procedures, and medical services, provided on an outpatient basis and related to the use of contraceptive methods (including natural family planning) to prevent an unintended pregnancy.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to group health plans for plan years beginning on or after January 1, 2000.

#### SEC. 115. AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT RELATING TO THE INDIVIDUAL MARKET.

(a) IN GENERAL.—Part B of title XXVII of the Public Health Service Act (42 U.S.C. 300gg-41 et seq.) is amended—

(1) by redesignating the first subpart 3 (relating to other requirements) as subpart 2; and

(2) by adding at the end of subpart 2 the following new section:

##### “SEC. 2753. STANDARDS RELATING TO BENEFITS FOR CONTRACEPTIVES.

“The provisions of section 2707 shall apply to health insurance coverage offered by a health insurance issuer in the individual market in the same manner as they apply to health insurance coverage offered by a health insurance issuer in connection with a group health plan in the small or large group market.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to health insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market on or after January 1, 2000.

#### SEC. 116. FEHBP COVERAGE.

(a) PROHIBITION.—No Federal funds may be used to enter into or renew a contract which includes a provision providing prescription drug coverage unless the contract also includes a provision for contraceptive coverage.

(b) LIMITATION.—Nothing in this section shall apply to a contract with—

- (1) any of the following religious plans—
  - (A) SelectCare;
  - (B) Personal CaresHMO;
  - (C) Care Choices;
  - (D) OSF Health Plans, Inc.;
  - (E) Yellowstone Community Health Plan;

and

(2) any existing or future plan, if the plan objects to such coverage on the basis of religious beliefs.

(c) REFUSAL TO PRESCRIBE.—In implementing this section, any plan that enters into or renews a contract under this section may not subject any individual to discrimination on the basis that the individual refuses to prescribe contraceptives because

such activities would be contrary to the individual's religious beliefs or moral convictions.

#### Subtitle C—Emergency Contraceptives

#### SEC. 121. EMERGENCY CONTRACEPTIVE EDUCATION.

(a) DEFINITION.—In this section:

(1) EMERGENCY CONTRACEPTIVE.—The term “emergency contraceptive” means a drug or device (as the terms are defined in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321)) that is designed—

(A) to be used after sexual relations; and

(B) to prevent pregnancy, by preventing ovulation, fertilization of an egg, or implantation of an egg in a uterus.

(2) HEALTH CARE PROVIDER.—The term “health care provider” means anyone licensed or certified under State law to provide health care services who is operating within the scope of such license.

(3) INSTITUTION OF HIGHER EDUCATION.—The term “institution of higher education” has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(b) EMERGENCY CONTRACEPTIVE PUBLIC EDUCATION PROGRAM.—

(1) IN GENERAL.—The Secretary of Health and Human Services, acting through the Director of the Centers for Disease Control, shall develop and disseminate to the public information on emergency contraceptives.

(2) DEVELOPMENT AND DISSEMINATION.—The Secretary may develop and disseminate the information directly or through arrangements with nonprofit organizations, consumer groups, institutions of higher education, Federal, State, or local agencies, and clinics.

(3) INFORMATION.—The information shall include, at a minimum, information describing emergency contraceptives, and explaining the use, effects, efficacy, and availability of the contraceptives.

(c) EMERGENCY CONTRACEPTIVE INFORMATION PROGRAM FOR HEALTH CARE PROVIDERS.—

(1) IN GENERAL.—The Secretary of Health and Human Services, acting through the Administrator of the Health Resources and Services Administration, shall develop and disseminate to health care providers information on emergency contraceptives.

(2) INFORMATION.—The information shall include, at a minimum—

(A) information describing the use, effects, efficacy and availability of the contraceptives;

(B) a recommendation from the Secretary regarding the use of the contraceptives in appropriate cases; and

(C) information explaining how to obtain copies of the information developed under subsection (b), for distribution to the patients of the providers.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000 for the period consisting of fiscal years 2000 through 2002.

#### TITLE II—CHOICE PROTECTION

#### SEC. 201. MEDICAID FUNDING FOR ABORTION SERVICES.

Sections 508 and 509 of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1999 (Public Law 105-277) are repealed.

#### SEC. 202. CLINIC VIOLENCE.

(a) FINDINGS.—Congress makes the following findings:

(1) Federal resources are necessary to ensure that women have safe access to reproductive health facilities and that health professionals can deliver services in a secure environment free from violence and threats of force.

(2) It is necessary and appropriate to use Federal resources to combat the nationwide campaign of violence and harassment against reproductive health centers.

(3) The Congress should support further increasing Federal resources to fully ensure the safety of health professionals, center staff, and all women using reproductive health center services and the family members of such persons.

(b) **NATIONAL TASK FORCE ON VIOLENCE AGAINST HEALTH CARE PROVIDERS.**—

(1) **ESTABLISHMENT.**—There is established within the Department of Justice a task force to be known as the “Task Force on Violence Against Health Care Providers” (referred to in this subsection as the “Task Force”).

(2) **COMPOSITION.**—The Task Force shall be composed of at least 1 individual to be appointed by the Attorney General from each of the following:

(A) The Bureau of Alcohol, Tobacco and Firearms.

(B) The Federal Bureau of Investigation.

(C) The United States Marshal Service.

(D) The United States Postal Service.

(E) The Civil Rights Division of the Department of Justice.

(F) The Criminal Division of the Department of Justice.

(3) **POWERS AND DUTIES.**—The Task Force shall—

(A) coordinate investigative, prosecutorial and enforcement efforts of Federal, State and local governments in cases related to violence at reproductive health care facilities and violence against health care providers;

(B) under the direction of the Attorney General, conduct security assessments for reproductive health care facilities; and

(C) provide training for local law enforcement to appropriately address incidences of violence against reproductive health care facilities and provide methodologies for assessing risks and promoting security at reproductive health care facilities.

(4) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated \$2,000,000 for each fiscal year to carry out this subsection.

(c) **GRANTS FOR CLINIC SECURITY.**—

(1) **IN GENERAL.**—The Office of Justice Programs within the Department of Justice shall award grants to reproductive health care facilities to enable such facilities to enhance security and to purchase and install security devices.

(2) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated, \$5,000,000 for each of fiscal years 2000 through 2004 to carry out this subsection.

**SEC. 203. APPROVAL OF RU-486.**

The Secretary of Health and Human Services shall—

(1) ensure that a decision by the Food and Drug Administration to approve the drug called Mifepristone or RU-486 shall be made only on the basis provided in law; and

(2) assess initiatives by which the Department of Health and Human Services can promote the testing, licensing, and manufacturing in the United States of the drug or other antiprogestins.

**SEC. 204. FREEDOM OF CHOICE.**

(a) **FINDINGS.**—Congress finds the following:

(1) The 1973 Supreme Court decision in *Roe v. Wade*, 410 U.S. 113 (1973) established con-

stitutionally based limits on the power of States to restrict the right of a woman to choose to terminate a pregnancy. Under the strict scrutiny standard enunciated in the *Roe v. Wade* decision, States were required to demonstrate that laws restricting the right of a woman to choose to terminate a pregnancy were the least restrictive means available to achieve a compelling State interest. Since 1992, the Supreme Court has no longer applied the strict scrutiny standard in reviewing challenges to the constitutionality of State laws restricting such rights.

(2) As a result of modifications made by the Supreme Court of the strict scrutiny standard enunciated in the *Roe v. Wade* decision, certain States have restricted the right of women to choose to terminate a pregnancy or to utilize some forms of contraception, and the restrictions operate cumulatively to—

(A)(i) increase the number of illegal or medically less safe abortions, often resulting in physical impairment, loss of reproductive capacity, or death to the women involved;

(ii) burden interstate and international commerce by forcing women to travel from States in which legal barriers render contraception or abortion unavailable or unsafe to other States or foreign nations;

(iii) interfere with freedom of travel between and among the various States;

(iv) burden the medical and economic resources of States that continue to provide women with access to safe and legal abortion; and

(v) interfere with the ability of medical professionals to provide health services;

(B) obstruct access to and use of contraceptive and other medical techniques that are part of interstate and international commerce;

(C) discriminate between women who are able to afford interstate and international travel and women who are not, a disproportionate number of whom belong to racial or ethnic minorities; and

(D) infringe on the ability of women to exercise full enjoyment of rights secured to women by Federal and State law, both statutory and constitutional.

(3) Although Congress may not by legislation create constitutional rights, Congress may, where authorized by a constitutional provision enumerating the powers of Congress and not prohibited by a constitutional provision, enact legislation to create and secure statutory rights in areas of legitimate national concern.

(4) Congress has the affirmative power under section 8 of article I of the Constitution and under section 5 of the 14th amendment to the Constitution to enact legislation to prohibit State interference with interstate commerce, liberty, or equal protection of the laws.

(b) **PURPOSE.**—The purpose of this section is to establish, as a statutory matter, limitations on the power of a State to restrict the freedom of a woman to terminate a pregnancy in order to achieve the same limitations on State action as were provided, as a constitutional matter, under the strict scrutiny standard of review enunciated in the *Roe v. Wade* decision.

(c) **DEFINITION.**—As used in this section, the term “State” includes the District of Columbia, the Commonwealth of Puerto Rico, and each other territory or possession of the United States.

(d) **GENERAL AUTHORITY.**—A State—

(1) may not restrict the freedom of a woman to choose whether or not to terminate a pregnancy before fetal viability;

(2) may restrict the freedom of a woman to choose whether or not to terminate a pregnancy after fetal viability unless such a termination is necessary to preserve the life or health of the woman; and

(3) may impose requirements on the performance of abortion procedures if such requirements are medically necessary to protect the health of women undergoing such procedures.

(e) **RULES OF CONSTRUCTION.**—Nothing in this section shall be construed to—

(1) prevent a State from promulgating regulations to protect unwilling individuals or private health care institutions from being required to participate in the performance of abortions to which the individuals or institutions are conscientiously opposed;

(2) prevent a State from promulgating regulations to permit the State to decline to pay for the performance of abortions; or

(3) prevent a State from promulgating regulations to require a minor to involve a parent, guardian, or other responsible adult before terminating a pregnancy;

so long as such regulations meet constitutional standards.

**SEC. 205. FAIRNESS IN INSURANCE.**

Notwithstanding any other provision of law, no Federal law shall be construed to prohibit a health plan from offering coverage for the full range of reproductive health care services, including abortion services.

**SEC. 206. REPRODUCTIVE RIGHTS OF WOMEN IN THE MILITARY.**

Section 1093 of title 10, United States Code, is amended—

(1) in subsection (a), by inserting before the period the following: “or in a case in which the pregnancy involved is the result of an act of rape or incest or the abortion involved is medically necessary or appropriate”;

(2) by striking subsection (b); and

(3) by adding at the end the following:

“(b) **ABORTIONS IN FACILITIES OVERSEAS.**—Subsection (a) does not limit the performing of an abortion in a facility of the uniformed services located outside the 48 contiguous States of the United States if—

“(1) the cost of performing the abortion is fully paid from a source or sources other than funds available to the Department of Defense;

“(2) abortions are not prohibited by the laws of the jurisdiction where the facility is located; and

“(3) the abortion would otherwise be permitted under the laws applicable to the provision of health care to members and former members of the uniformed services and their dependents in such facility.”.

**SEC. 207. REPEAL OF CERTAIN STATE CHILD HEALTH INSURANCE PROGRAM LIMITATIONS.**

(a) **IN GENERAL.**—Section 2105(c) of the Social Security Act (42 U.S.C. 1397ee(c)) is amended—

(1) in paragraph (1), by striking “, and any health” and all that follows through “incest”; and

(2) by striking paragraph (7).

(b) **CHILD HEALTH ASSISTANCE.**—Section 2110(a)(16) of the Social Security Act (42 U.S.C. 1397jj(a)(16)) is amended by striking “only if” and all that follows and inserting “services”.

**SEC. 208. FUNDING FOR CERTAIN SERVICES FOR WOMEN IN PRISON.**

Sections 103 and 104 of title I of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1999 (Public Law 105-277) are repealed.

**SEC. 209. FUNDING FOR CERTAIN SERVICES FOR WOMEN IN THE DISTRICT OF COLUMBIA.**

Section 131 of the District of Columbia Appropriations Act, 1999 (Public Law 105-277) is repealed.

**SEC. 210. FUNDING FOR CERTAIN SERVICES FOR WOMEN UNDER THE FEHBP.**

Sections 509 and 510 of the Treasury and General Government Appropriations Act, 1999 (Public Law 105-277) are repealed.

By Mr. GRAHAM (for himself, Mr. MACK, Mrs. BOXER, Mrs. FEINSTEIN, and Mr. BINGAMAN):

S. 1401. A bill to amend the Federal Crop Insurance Act to promote the development and use of affordable crop insurance policies designed to meet the specific needs of producers of specialty crops, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

**SPECIALTY CROP INSURANCE ACT**

• Mr. BINGAMAN. Mr. President, I rise to express my support for the legislation being introduced today. I am proud to be a co-sponsor of the Specialty Crop Insurance Act of 1999 with my colleagues, Senators GRAHAM, MACK, BOXER and FEINSTEIN. The outcome of this legislative effort will have a profound effect on the economic health and well-being of specialty crop producers in my state of New Mexico, as well as for farmers across the country.

Today's crop insurance program does not provide sufficient risk management protection to many specialty crop producers, leaving the growers vulnerable to risk. Specialty crops in New Mexico include chiles, pecans, lettuce, and pistachios. In fact, Dona Ana County ranks as the number one pecan-producing county in the nation according to a recent USDA census. And we produce 50% of the chiles used in the United States. However, at present, viable crop insurance policies which offer valid risk management protection are available for only a limited number of specialty crops. Many policies which are available fall short of reflecting the needs of producers. This means that the great majority of specialty crops farmers in this nation are without appropriate, adequate and affordable risk management protection. This legislation addresses the needs of those farmers who produce our fruits and vegetables, nuts, and greenhouse and nursery plants for affordable crop insurance policies. •

By Mrs. FEINSTEIN (for herself, Mr. REID, Mrs. BOXER, Mr. BRYAN, and Mrs. MURRAY):

S. 1403. A bill to amend chapter 3 of title 28, United States Code, to modify en banc procedures for the Ninth Circuit Court of Appeals, and for other purposes; to the Committee on the Judiciary.

**NINTH CIRCUIT COURT OF APPEALS EN BANC PROCEDURES ACT OF 1999**

Mrs. FEINSTEIN. Mr. President. I am pleased to introduce the "Ninth

Circuit Court of Appeals En Banc Procedures Act of 1999."

As the largest circuit in the country, the Ninth Circuit faces unique difficulties. While this size has certain advantages, including creating a uniform body of federal law along the Pacific Coast of the United States, it also creates organizational and procedural challenges which must be addressed for the court to do its job effectively. The bill I am introducing today requires organizational and procedural reforms which will help the court to meet these challenges.

The United States Department of Justice, which is the most frequent litigant before the Ninth Circuit—participating in 40% of its cases—has specifically identified reform of the en banc review process as critical to resolving the existing problems on the Ninth Circuit.

"From our perspective as litigants, the Ninth Circuit's shortcoming is traceable not principally to its large number of judges or geographical size, but rather to its failure effectively to address erroneous panel decisions in important cases . . . ."

The "Ninth Circuit Court of Appeals En Banc Procedure Act" will institute three major changes to Ninth Circuit court procedures: (1) it reduces the number of judges required to call for an en banc hearing; (2) it increases the size of en banc panels from 11 to a majority of the Circuit; and (3) it requires the establishment of a system of regional calendaring.

First, this legislation would grant the Ninth Circuit a dispensation to lower the statutory requirement that a majority of the Circuit's active-service judges must vote affirmatively to rehear a case en banc. Instead, 40 percent of the judges sitting on the Ninth Circuit would be sufficient to request an en banc hearing.

In recent years, too many en banc requests at the Ninth Circuit have been disregarded by the Court. In 1996, the Ninth Circuit voted on 25 en banc requests by its judges, but only agreed to 12 en banc hearings. In 1997, the Ninth Circuit considered 39 en banc requests, but only held 19 hearings. In 1998, the Ninth Circuit entertained 45 en banc requests, but the Circuit only agreed to hold 16 en banc panels.

The Supreme Court, our nation's highest and most venerated court, requires less than a majority of its members to consider a case. It is simply common sense that the Ninth Circuit should not have a higher burden for hearing a case en banc than the Supreme Court uses to grant certiorari.

Lowering the bar to en banc hearings will enable the Ninth Circuit to resolve a greater percentage of conflicts before they reach the Supreme Court.

A second provision of this legislation will increase the size of Ninth Circuit en banc panels from the current 11

judges to a majority of the Ninth Circuit. Except for the Ninth, the Fifth, and the Sixth circuits, all en banc panels sit as an entire court. Eleven judges selected from a 28 judge circuit are insufficient to give litigants or the general public confidence that an en banc decision reflects the views of the entire circuit. By increasing the size of the panels, the Ninth Circuit will have more judges to raise, identify, and resolve potential conflicts in controversial cases.

Critics have also objected to the Ninth Circuit because of its geographical expanse, as it ranges from Hawaii to Alaska to Arizona. It is charged that judges unfamiliar with the history of a particular region often sit on panels that decide regional issues.

The Federal courts are a national court, with a responsibility to apply a single, coherent Federal law across the states. The states of the Ninth Circuit have benefitted from this harmonizing influence. For example, the Ninth Circuit has created a consistent body of maritime law on the West Coast.

At the same time, to address both the appearance of regional bias and any actual regional bias that does exist, this bill would require the Ninth Circuit to have geographical representation on its panels.

The Ninth Circuit presently has three administrative units—a Northern, a Southern, and a Central unit. Under this legislation, at least one judge from the particular geographic unit would be assigned to cases arising in that unit. Thus, if an appeal was filed in Alaska, a judge from the Northern region would sit on the case. Similarly, if an appeal was filed in San Francisco, a Central region judge would sit on the case.

To the degree that the Ninth Circuit has stepped outside the mainstream of jurisprudence, this legislation enacts reforms that will help corral stray decisions. I look forward to working with my fellow Senate and House colleagues in enacting this reform.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

**S. 1403**

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Ninth Circuit Court of Appeals En Banc Procedures Act of 1999".

**SEC. 2. NINTH CIRCUIT EN BANC PROCEDURES.**

(a) IN GENERAL.—Section 46 of title 28, United States Code, is amended—

(1) in subsection (d)—

(A) by striking "paragraph (c)" and inserting "subsection (c) or (d)"; and

(B) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

“(d)(1) Notwithstanding the first sentence of subsection (c), 40 percent or more of the circuit judges of the Ninth Circuit Court of Appeals who are in regular active service may order a hearing or rehearing before the court en banc for such circuit.

“(2) Notwithstanding the second sentence of subsection (c) or section 6 of the Act entitled ‘‘An Act to provide for the appointment of additional district and circuit judges, and for other purposes’’, approved October 20, 1978 (28 U.S.C. 41 note; Public Law 95-486; 92 Stat. 1633) a majority of the circuit judges of the Ninth Circuit Court of Appeals who are in regular active service shall be required to sit on a court en banc for such circuit.

“(3) The Ninth Circuit Court of Appeals shall be organized in no less than 3 administrative units based on geographic regions. Each panel of the Ninth Circuit Court of Appeals shall be assigned to an administrative unit. In any case or controversy heard by any panel of an administrative unit of the Ninth Circuit Court of Appeals, at least 1 judge of that administrative unit shall be assigned to that panel.”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 6 of the Act entitled ‘‘An Act to provide for the appointment of additional district and circuit judges, and for other purposes’’, approved October 20, 1978 (28 U.S.C. 41 note; Public Law 95-486; 92 Stat. 1933) is amended by striking ‘‘Any court of appeals’’ and inserting ‘‘Subject to section 46(d)(2) of title 28, United States Code, any court of appeals’’.

#### SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall take effect 60 days after the date of enactment of this Act.

By Mr. ROBB (for himself, Mr. WARNER, Mr. SARBANES, and Ms. MIKULSKI):

S. 1404. A bill to amend the Internal Revenue Code of 1986 to authorize expenditures from the Highway Trust Fund for the Woodrow Wilson Memorial Bridge Project for fiscal years 2004 through 2007, and for other purposes; to the Committee on Finance.

#### WOODROW WILSON BRIDGE FUNDING ACT

By Mr. WARNER (for himself, Mr. ROBB, Mr. SARBANES, and Ms. MIKULSKI):

S. 1405. A bill to amend the Woodrow Wilson Memorial Bridge Authority Act of 1995 to provide an authorization of contract authority for fiscal years 2004 through 2007, and for other purposes; to the Committee on Environment and Public Works.

#### WOODROW WILSON BRIDGE FINANCING ACT

Mr. ROBB. Mr. President, I'm pleased to introduce legislation today to provide additional federal funding for the Woodrow Wilson Bridge. The legislation, the Woodrow Wilson Bridge Funding Act, has been cosponsored by the other three Senators from this region, Senators WARNER, SARBANES and MIKULSKI. We have worked well as a team. And I thank Senator WARNER, who will introduce corresponding legislation that authorizes the funding to go to the bridge project, which I am also pleased to cosponsor.

These two bills complete the job that was started in the TEA-21 legislation we passed last year. In that bill, the Administration agreed to support \$900 million for the bridge. I commend my senior colleague for his tireless efforts to secure those funds. But even with the funding provided by TEA-21, the amount of funding available for the bridge fell \$1 billion short of what is needed to build it.

Since the passage of the highway bill, I have been pressing the Administration to recognize the federal obligation which is owed to this federally-owned bridge. During the past few months of fits and starts on this project, I have focused on funding as the most serious long-term threat to rebuilding the bridge. I've spoken to Secretary Slater, written letters to the Secretary and OMB Director Jack Lew, and my office has been in constant contact with the Department of Transportation urging a solution to our funding shortfall.

So I was gratified when the Administration proposed a solution reflected in the bills we are introducing today. After receiving the Administration's proposed legislation and consulting with the entire regional delegation, from both sides of the aisle and both sides of the Potomac River, we decided to divide the legislation into two bills, which will be referred separately to the two committees with primary interest in the legislation. The bill I'm introducing allows direct payments from the Highway Trust Fund to be used to finish this project. It will be referred to the Finance Committee, on which I sit, and I look forward to working with my colleagues on that committee to move this legislation forward. Senator WARNER's bill will be referred to the Environment and Public Works Committee, on which he sits.

Together, these two bills will solve the remaining financing problem facing the Woodrow Wilson bridge. By securing Administration support in advance, we have already travelled a significant distance toward getting a bill that can be signed into law. And it is my hope we can move quickly in the Congress to fill this fiscal pothole.

Mr. President, I ask unanimous consent that the two bills be printed consecutively in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1404

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Woodrow Wilson Memorial Bridge Funding Act of 1999’’.

#### SEC. 2. AMENDMENT OF TRUST FUND CODE.

Section 9503(c)(1) of the Internal Revenue Code of 1986 (relating to expenditures from the Highway Trust Fund) is amended—

(1) in the first sentence—

(A) by inserting ‘‘(except for expenditures provided for under subparagraph (F))’’ after ‘‘2003’’;

(B) in subparagraph (D), by striking ‘‘or’’ at the end;

(C) in subparagraph (E), by striking the period at the end and inserting ‘‘, or’’; and

(D) by adding at the end the following:

‘‘(F) authorized to be paid out of the Highway Trust Fund under the Woodrow Wilson Memorial Bridge Authority Act of 1995 (109 Stat. 627).’’; and

(2) in the second sentence, by striking ‘‘TEA 21 Restoration Act’’ and inserting ‘‘Woodrow Wilson Bridge Financing Act of 1999’’.

S. 1405

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Woodrow Wilson Bridge Financing Act of 1999’’.

#### SEC. 2. ADVANCE AUTHORIZATION OF CONTRACT AUTHORITY FOR THE WOODROW WILSON BRIDGE.

(a) FEDERAL CONTRIBUTION.—Section 412(a)(1) of the Woodrow Wilson Memorial Bridge Authority Act of 1995 (109 Stat. 627; 112 Stat. 159) is amended—

(1) by striking ‘‘2002, and’’ and inserting ‘‘2002.’’; and

(2) by inserting ‘‘, and \$150,000,000 for each of fiscal years 2004 through 2007’’ after ‘‘2003’’.

(b) LIMITATION ON FEDERAL CONTRIBUTION.—Section 412 of the Woodrow Wilson Memorial Bridge Authority Act of 1995 (109 Stat. 627; 112 Stat. 159) is amended by adding at the end the following:

‘‘(d) LIMITATION ON FEDERAL CONTRIBUTION.—The total amount made available from the Highway Trust Fund under this section shall not exceed \$1,500,000,000. Amounts from the Highway Trust Fund for the Project in excess of \$1,500,000,000 shall be provided by the Capital Region jurisdictions.

‘‘(e) CONTRIBUTIONS BY CAPITAL REGION JURISDICTIONS.—

‘‘(1) IN GENERAL.—For each of fiscal years 2004 through 2007, every \$1 provided from the Highway Trust Fund under this section shall be matched by at least \$0.67 provided by the Capital Region jurisdictions from amounts made available to the jurisdictions under title 23, United States Code, or from other sources available to the jurisdictions.

‘‘(2) ALLOCATION.—The Capital Region jurisdictions shall allocate payment of the matching funds required under paragraph (1) as the jurisdictions determine to be appropriate.’’.

Mr. WARNER. Mr. President, I rise to introduce today legislation to complete the commitment to finance the federal share of the cost of constructing the new Woodrow Wilson bridge.

As my colleagues are aware, this 40-year-old bridge which links Interstate 495 between Maryland and Virginia, is owned by the federal government. For over a decade, the U.S. Federal Highway Administration, the District of Columbia, Maryland, Virginia and affected local governments have conducted an extensive public process to select a design for a replacement facility for the Wilson bridge.

The Record of Decision on the Environmental Impact Statement selected



an alternative for a 12-lane bridge, of which 10 lanes are for all traffic and 2 lanes are dedicated for HOV.

The Transportation Equity Act for the 21st Century, TEA-21, provides \$900 million for planning, engineering, design and construction from 1998 through 2003 for this design. This funding level represents approximately half of the estimated total project cost of \$1.9 billion.

The legislation I am introducing today, along with my Senate colleagues, Senator ROBB, Senator SARBANES and Senator MIKULSKI, provides the final installment of federal funds for the project. Also, this legislation has been reviewed by the Administration and it compliments the legislation requested by the Administration earlier this month.

Specifically, the bill provides a total of \$600 million from the Highway Trust Fund in fiscal years 2004 through 2007, at an annual funding level of \$150 million. Our bill adds a requirement not present in the Administration's bill that Maryland, Virginia and the District of Columbia must provide \$400 million before any of the funds can be obligated.

The requirement for matching funds from the capital region jurisdictions ensures that the total project cost of \$1.9 billion is fully financed. Also, this matching provision responds to a major issue that came before a federal court earlier this year. In that litigation, the court ruled that the project had not fully met the transportation conformity requirements of the Clean Air Act. Conformity requires that sources of funding for transportation projects be identified and that state transportation plans for building transportation projects "conform" with state implementation plans designed to meet air quality standards.

Mr. President, the funding provided in this legislation also ensures that this project will receive the same financial treatment as other highway construction projects around the nation. Under TEA-21 and prior federal transportation laws, 20 percent of state funds are required to match 80 percent of federal dollars used on any highway construction project on the federal-aid system. This 80 percent federal/20 percent state requirement will now be applied to the Wilson bridge project when this legislation is enacted.

Mr. President, now is the time to act on this legislation. The project is at a critical juncture as we work to meet the construction schedule. While the funds authorized in this bill will not be available until 2004 through 2007, full funding must be identified and committed now before any construction can begin. The current schedule is for construction to begin by the fall of 2000.

Let me be clear to my colleagues that this legislation continues all of

the requirements set for the capital region jurisdictions established in TEA-21. Specifically, Virginia, Maryland and the District of Columbia must develop a financial plan and enter into an agreement with the federal government to determine which jurisdiction will take title to the new bridge.

Also, this legislation does not waive any federal environmental laws. Those issues are before federal court and efforts to resolve them are ongoing between the Federal Highway Administration and the plaintiffs.

As it has been stated previously, the useful life of the current bridge is nearly expired. Daily traffic of over 175,000 vehicles per day is causing irreparable damage to the bridge structure. It is prohibitively expensive to continue spending scarce transportation dollars to repair the bridge when its projected lifespan is rapidly expiring. The Federal Highway Administration has confirmed that we can keep the bridge open to all traffic until about the year 2004, but those estimates can change overnight as monthly safety inspections reveal continuing damage.

Today, we are introducing two bills in the Senate to accomplish this funding initiative because of the committee jurisdictional issues. As a member of the Environment and Public Works Committee, I am sponsoring the bill to provide \$600 million from the Highway Trust Fund beginning in 2004. My colleague, Senator ROBB, as a member of the Finance Committee, will be introducing legislation to permit these Highway Trust Fund dollars to be obligated in 2004 and beyond. Current tax law limits the obligation of new Highway Trust Fund dollars beyond the current TEA-21 authorization period of 2003.

Ms. MIKULSKI. Mr. President, I rise as a cosponsor of the Woodrow Wilson Bridge Financing Act of 1999.

The Woodrow Wilson bridge is the only federal bridge in the country. This bridge used to be a bridge over troubled water. Now it is a troubled bridge over the Potomac River. We need a new bridge—not only because of the significant increase in the volume of commuters, interstate travelers and trucks that use the bridge, but also for public safety. The construction of this bridge must be completed in a timely way.

I support this legislation for two reasons. First, it provides the funding that we need to finish constructing the Woodrow Wilson bridge. Second, it makes the project compliant with the Clean Air Act as required by the U.S. District Court for the District of Columbia.

Specifically, this legislation provides the authorization for an additional \$600 million for the bridge. This \$600 million is in addition to the \$900 million that has already been committed by the federal government. It will provide \$150 million per year from 2004 to 2007.

The legislation also commits the surrounding states to contribute their fair share to the construction of the bridge. Since federal funding makes up 80% of the cost of the bridge, the Capitol Region jurisdictions are committed to providing the remaining 20%. In fact, the states have to provide at least \$0.67 for every \$1 provided from the Highway Trust fund. Together, the federal and state governments will be able to provide what we need to build the bridge.

The Woodrow Wilson Bridge Financing Act of 1999 is an innovative, creative and resourceful response to what was once a big problem for the entire metropolitan area. I urge my colleagues to join me in supporting this important legislation.

Mr. SARBANES. Mr. President, I am pleased to join with my colleagues, Senators ROBB, WARNER and MIKULSKI, as an original co-sponsor of these two measures providing the additional financing necessary for the replacement of the Woodrow Wilson Bridge. The proposed \$600 million in new funding authorized in these measures, combined with the \$900 million already made available under the Transportation Equity Act for the 21st Century (TEA-21), will enable us to move ahead with constructing this vital link in our region's and nation's transportation system.

Mr. President, everyone who commutes to work in the Washington Metropolitan area or who travels on Interstate 95 knows what a serious traffic and safety problem we have in the area of the Woodrow Wilson Bridge. The bridge is one of the worst bottlenecks on the interstate system. It is carrying traffic volumes far in excess of its designed capacity. Originally constructed in 1961 to carry 70,000 vehicles per day, the bridge now averages 176,000 vehicles daily. It is rapidly approaching the end of its service life. In fact in 1994, the Federal Highway Administration determined that due to the age of the facility, the structural deterioration and traffic demand, the existing bridge would not last much beyond 2004 even with additional repairs. The substandard condition of the bridge and resulting congestion means accidents—at a rate of twice that for other segments of the Capital Beltway—and significant delays for commuters, interstate truckers, tourists, businesses and employers alike. With traffic volumes in the area projected to nearly double in the next 20 years, there has been a clear need to address this problem.

In 1996, after many years of intensive study, the Wilson Bridge Coordination Committee, comprised of federal, state and local officials, recommended a 12-lane drawbridge and reconstructing approaches and adjacent interchanges as the preferred alternative for the replacement structure, at an estimated cost of \$1.6 billion. Since then, there has been much discussion and debate



about the size and cost of the facility as well as how the new bridge would be paid for and I would like to make several points:

First, the project is a federal responsibility. The bridge is owned by the Federal government. In fact, it is the only federally-owned bridge on the interstate system. Funding provided for it should be commensurate with the federal ownership of the bridge.

Second, the replacement bridge must be built in accordance with the same standards as applied to bridges owned by state jurisdictions. Just replacing the existing structure is not an acceptable option because it would continue the current bottleneck at the bridge and because it would not meet the Federal Highway Administration's own guidelines which require states in building new structures to meet projected future carrying capacity needs. This means the replacement structure must be able to accommodate current as well as projected future traffic growth and that the related interchanges and approaches to the bridge should match the new bridge. It should also provide for pedestrian and bicycle access as well as accommodate future transit usage. What is needed is not a quick fix that we will have to revisit in several years, but a long term solution that will carry us well into the next century.

Third, we should not lose sight of the fact that if a replacement is not undertaken in the very near future, it will be necessary to impose significant restrictions on the use of the existing bridge and this will have enormous economic and transportation related consequences throughout the entire region.

Last year we took a significant step forward in replacing the Woodrow Wilson Bridge by authorizing \$900 million in new contract authority in TEA-21. The legislation which we are introducing today, when enacted, will help ensure that the federal responsibility to this bridge is met, and that it will meet the region's needs as we move into the next century.

I want to commend Secretary Slater and his staff at the Department of Transportation for their support and assistance in developing this legislation and I urge my colleagues to join me in supporting this measure.

#### ADDITIONAL COSPONSORS

S. 12

At the request of Mrs. HUTCHISON, the names of the Senator from Pennsylvania (Mr. SANTORUM) and the Senator from Wyoming (Mr. ENZI) were added as cosponsors of S. 12, a bill to amend the Internal Revenue Code of 1986 to eliminate the marriage penalty by providing that income tax rate bracket amounts, and the amount of the standard deduction, for joint returns shall be

twice the amounts applicable to unmarried individuals.

S. 61

At the request of Mr. DEWINE, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 61, a bill to amend the Tariff Act of 1930 to eliminate disincentives to fair trade conditions.

S. 285

At the request of Mr. MCCAIN, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 285, a bill to amend title II of the Social Security Act to restore the link between the maximum amount of earnings by blind individuals permitted without demonstrating ability to engage in substantial gainful activity and the exempt amount permitted in determining excess earnings under the earnings test.

S. 456

At the request of Mr. CONRAD, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 456, a bill to amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for information technology training expenses paid or incurred by the employer, and for other purposes.

S. 607

At the request of Mr. CRAIG, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 607, a bill to reauthorize and amend the National Geologic Mapping Act of 1992.

S. 620

At the request of Mr. SARBANES, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 620, a bill to grant a Federal charter to Korean War Veterans Association, Incorporated, and for other purposes.

S. 631

At the request of Mr. DEWINE, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 631, a bill to amend the Social Security Act to eliminate the time limitation on benefits for immunosuppressive drugs under the medicare program, to provide continued entitlement for such drugs for certain individuals after medicare benefits end, and to extend certain medicare secondary payer requirements.

S. 664

At the request of Mr. CHAFEE, the names of the Senator from Ohio (Mr. DEWINE) and the Senator from Kentucky (Mr. McCONNELL) were added as cosponsors of S. 664, a bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.

S. 761

At the request of Mr. ABRAHAM, the name of the Senator from Washington

(Mr. GORTON) was added as a cosponsor of S. 761, a bill to regulate interstate commerce by electronic means by permitting and encouraging the continued expansion of electronic commerce through the operation of free market forces, and for other purposes.

S. 765

At the request of Ms. COLLINS, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of S. 765, a bill to ensure the efficient allocation of telephone numbers.

S. 798

At the request of Mr. MCCAIN, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 798, a bill to promote electronic commerce by encouraging and facilitating the use of encryption in interstate commerce consistent with the protection of national security, and for other purposes.

S. 801

At the request of Mr. SANTORUM, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. 801, a bill to amend the Internal Revenue Code of 1986 to reduce the tax on beer to its pre-1991 level.

S. 820

At the request of Mr. BREAUX, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 820, a bill to amend the Internal Revenue Code of 1986 to repeal the 4.3-cent motor fuel excise taxes on railroads and inland waterway transportation which remain in the general fund of the Treasury.

S. 847

At the request of Ms. MIKULSKI, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 847, a bill to amend title XVIII of the Social Security Act to exclude clinical social worker services from coverage under the medicare skilled nursing facility prospective payment system.

S. 879

At the request of Mr. CONRAD, the name of the Senator from Nevada (Mr. BRYAN) was added as a cosponsor of S. 879, a bill to amend the Internal Revenue Code of 1986 to provide a shorter recovery period for the depreciation of certain leasehold improvements.

S. 907

At the request of Mr. SMITH, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 907, a bill to protect the right to life of each born and preborn human person in existence at fertilization.

S. 1017

At the request of Mr. MACK, the names of the Senator from Colorado (Mr. CAMPBELL) and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of S. 1017, a bill to

amend the Internal Revenue Code of 1986 to increase the State ceiling on the low-income housing credit.

S. 1086

At the request of Mrs. HUTCHISON, the names of the Senator from South Dakota (Mr. JOHNSON), the Senator from Alabama (Mr. SHELBY), the Senator from Colorado (Mr. ALLARD), the Senator from Michigan (Mr. LEVIN), the Senator from Arkansas (Mrs. LINCOLN), the Senator from Montana (Mr. BURNS), and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S. 1086, a bill to amend the Internal Revenue Code of 1986 to waive the income inclusion on a distribution from an individual retirement account to the extent that the distribution is contributed for charitable purposes.

S. 1114

At the request of Mr. ENZI, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 1114, a bill to amend the Federal Mine Safety and Health Act of 1977 to establish a more cooperative and effective method for rulemaking that takes into account the special needs and concerns of smaller miners.

S. 1165

At the request of Mr. MACK, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 1165, a bill to amend the Internal Revenue Code of 1986 to repeal the limitation on the amount of receipts attributable to military property which may be treated as exempt foreign trade income.

S. 1207

At the request of Mr. KOHL, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 1207, a bill to amend the Internal Revenue Code of 1986 to ensure that income averaging for farmers not increase a farmer's liability for the alternative minimum tax.

S. 1272

At the request of Mr. NICKLES, the names of the Senator from Arkansas (Mrs. HUTCHINSON), the Senator from Connecticut (Mr. DODD), the Senator from Montana (Mr. BURNS), and the Senator from New Hampshire (Mr. SMITH) were added as cosponsors of S. 1272, a bill to amend the Controlled Substances Act to promote pain management and palliative care without permitting assisted suicide and euthanasia, and for other purposes.

S. 1277

At the request of Mr. BAUCUS, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 1277, a bill to amend title XIX of the Social Security Act to establish a new prospective payment system for Federally-qualified health centers and rural health clinics.

S. 1296

At the request of Mr. LAUTENBERG, the name of the Senator from Pennsyl-

vania (Mr. SPECTER) was added as a cosponsor of S. 1296, a bill to designate portions of the lower Delaware River and associated tributaries as a component of the National Wild and Scenic Rivers System.

S. 1310

At the request of Ms. COLLINS, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 1310, a bill to amend title XVIII of the Social Security Act to modify the interim payment system for home health services, and for other purposes.

S. 1334

At the request of Mr. AKAKA, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1334, a bill to amend chapter 63 of title 5, United States Code, to increase the amount of leave time available to a Federal employee in any year in connection with serving as an organ donor, and for other purposes.

S. 1345

At the request of Mr. LAUTENBERG, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 1345, a bill to amend title 18, United States Code, to prohibit certain interstate conduct relating to exotic animals.

S. 1381

At the request of Mr. COCHRAN, the name of the Senator from Alabama (Mr. SHELBY) was added as a cosponsor of S. 1381, a bill to amend the Internal Revenue Code of 1986 to establish a 5-year recovery period for petroleum storage facilities.

S. 1391

At the request of Mr. INOUE, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 1391, a bill to amend title 38, United States Code, to improve benefits for Filipino veterans of World War II, and for other purposes.

#### SENATE CONCURRENT RESOLUTION 32

At the request of Mr. CONRAD, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of Senate Concurrent Resolution 32, a concurrent resolution expressing the sense of Congress regarding the guaranteed coverage of chiropractic services under the Medicare+Choice program.

#### SENATE RESOLUTION 87

At the request of Mr. DURBIN, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of Senate Resolution 87, a resolution commemorating the 60th Anniversary of the International Visitors Program

#### SENATE RESOLUTION 118

At the request of Mr. REID, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of Senate Resolution 118, a resolution designating December 12, 1999, as "National Children's Memorial Day."

SENATE CONCURRENT RESOLUTION 45—EXPRESSING THE SENSE OF CONGRESS THAT THE JULY 20, 1999, 30TH ANNIVERSARY OF THE FIRST LUNAR LANDING SHOULD BE A DAY OF CELEBRATION AND REFLECTION ON THE APOLLO-11 MISSION TO THE MOON AND THE ACCOMPLISHMENTS OF THE APOLLO PROGRAM THROUGHOUT THE 1960'S AND 1970'S

Mr. SHELBY (for himself, Mr. SESSIONS, Mrs. HUTCHISON, Mr. SMITH of New Hampshire, Mr. GRAHAM, Mrs. BOXER, Mr. STEVENS, Mr. ABRAHAM, Mr. ALLARD, Mr. BUNNING, Mr. GRAMS, Mr. LOTT, Mr. JOHNSON, Mr. BREAUX, Mr. GRASSLEY, Ms. COLLINS, Mr. BURNS, Mr. BYRD, Mr. BROWNBACK, Mr. HAGEL, Mr. COVERDELL, Mr. HELMS, Mr. SPECTER, Mr. THURMOND, Mr. THOMAS, Mr. DEWINE, Mr. FEINGOLD, Mr. ENZI, and Mr. GREGG) submitted the following resolution which was referred to the Committee on the Judiciary:

#### S. CON. RES. 45

Whereas the Apollo-11 mission successfully landed a manned spacecraft on the Moon on July 20, 1969, marking the first time in history that humans have walked on the surface of the Moon or any other planet;

Whereas the 6 Apollo missions successfully departed Earth aboard a Saturn V Rocket, the largest and most powerful American rocket ever produced, en route to the Moon;

Whereas 12 Americans successfully landed on the surface of the Moon where they performed various experiments and collected samples for study, and planted the flag of the United States of America in the lunar soil achieving a milestone in American and human history;

Whereas the contributions of other Americans who made up the thousands of contractors and Government employees who worked on the Apollo program are recognized; and

Whereas the events of the Apollo missions are examples of the great achievements of the American space program reflecting the explorer's spirit of the American people: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the 30th anniversary of the first lunar landing should be a day of celebration and reflection on the Apollo-11 mission to the Moon and the accomplishments of the Apollo program throughout the 1960's and 1970's.*

SENATE CONCURRENT RESOLUTION 46—EXPRESSING THE SENSE OF CONGRESS THAT THE JULY 20, 1999, 30TH ANNIVERSARY OF THE FIRST LUNAR LANDING SHOULD BE A DAY OF CELEBRATION AND REFLECTION ON THE APOLLO-11 MISSION TO THE MOON AND THE ACCOMPLISHMENTS OF THE APOLLO PROGRAM THROUGHOUT THE 1960'S AND 1970'S

Mr. SHELBY (for himself, Mr. SESSIONS, Mrs. HUTCHISON, Mr. SMITH of New Hampshire, Mr. GRAHAM, Mrs. BOXER, Mr. STEVENS, Mr. ABRAHAM, Mr.

ALLARD, Mr. BUNNING, Mr. GRAMS, Mr. LOTT, Mr. JOHNSON, Mr. BREAUX, Mr. GRASSLEY, Ms. COLLINS, Mr. BURNS, Mr. BYRD, Mr. BROWNBACK, Mr. HAGEL, Mr. COVERDELL, Mr. HELMS, Mr. SPECTER, Mr. THURMOND, Mr. THOMAS, Mr. DEWINE, , Mr. DODD, Mr. FEINGOLD, Mr. LEVIN, Mr. MOYNIHAN, Mr. GRAMM, Mr. MACK, Mr. FRIST, Mr. ENZI, and Mr. GREGG submitted the following resolution; which was considered and agreed to:

S. CON. RES. 46

Whereas the Apollo-11 mission successfully landed a manned spacecraft on the Moon on July 20, 1969, marking the first time in history that humans have walked on the surface of the Moon or any other planet;

Whereas the 6 Apollo missions successfully departed Earth aboard a Saturn V Rocket, the largest and most powerful American rocket ever produced, en route to the Moon;

Whereas 12 Americans successfully landed on the surface of the Moon where they performed various experiments and collected samples for study, and planted the flag of the United States of America in the lunar soil achieving a milestone in American and human history;

Whereas the contributions of other Americans who made up the thousands of contractors and Government employees who worked on the Apollo program are recognized; and

Whereas the events of the Apollo missions are examples of the great achievements of the American space program reflecting the explorer's spirit of the American people: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),* That it is the sense of Congress that the 30th anniversary of the first lunar landing should be a day of celebration and reflection on the Apollo-11 mission to the Moon and the accomplishments of the Apollo program throughout the 1960's and 1970's.

AMENDMENTS SUBMITTED

INTELLIGENCE AUTHORIZATION  
ACT FOR FISCAL YEAR 2000

MOYNIHAN AMENDMENTS NOS.  
1256-1257

(Ordered to lie on the table.)

Mr. MOYNIHAN submitted two amendments intended to be proposed by him to the bill (H.R. 1555) to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; as follows:

AMENDMENT No. 1256

At the appropriate place, insert:

**SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.**

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of Central Intelligence for fiscal year 2000 the sum of \$193,572,000. The Information Security Over-

sight Office, charged with administering this nation's intelligence classification and declassification programs shall receive \$1.5 million of these funds to allow it to hire more staff so that it can more efficiently manage these programs. Within such amounts . . .

AMENDMENT No. 1257

At the appropriate place, insert:

**SEC. 308. SENSE OF THE CONGRESS ON CLASSIFICATION AND DECLASSIFICATION.**

It is the sense of Congress that the systematic declassification of records of permanent historic value is in the public interest and that the management of classification and declassification by Executive Branch agencies requires comprehensive reform.

KYL (AND OTHERS) AMENDMENT  
NO. 1258

Mr. KYL (for himself, Mr. DOMENICI, Mr. MURKOWSKI, Mr. THOMPSON, Mr. SPECTER, Mr. GREGG, Mr. HUTCHINSON, Mr. SHELBY, Mr. WARNER, Mr. BUNNING, Mr. HELMS, Mr. FITZGERALD, Mr. LOTT, Mr. KERREY, Mrs. FEINSTEIN, Mr. SMITH of New Hampshire, and Ms. COLLINS) proposed an amendment to the bill, H.R. 1555, *supra*; as follows:

At the appropriate place insert the following:

**“SEC. . DEPARTMENT OF ENERGY NUCLEAR SECURITY.**

“(a) Section 202(a) of the Department of Energy Organization Act (referred to in this section as the “Act”) is amended by striking the second sentence and inserting “The Secretary shall delegate to the Deputy Secretary such duties as the Secretary may prescribe unless such delegation is otherwise prohibited by law, and the Deputy Secretary shall act for and exercise the functions of the Secretary during the absence or disability of the Secretary or in the event the office of the Secretary becomes vacant.

“(b) Section 202(b) of the Act is amended by striking the first two sentences and inserting “There shall be in the Department two Under Secretaries and a General Counsel, who shall be appointed by the President, by and with the advice and consent of the Senate. One Under Secretary shall be the Under Secretary for Nuclear Stewardship. The other Under Secretary shall bear primary responsibility for science, energy (including energy conservation), and environmental functions.”

“(c) After section 212 of the Act add the following new section:

**“AGENCY FOR NUCLEAR STEWARDSHIP**

“SEC. 213(a) There shall be within the Department a separately organized Agency for Nuclear Stewardship under the direction, authority, and control of the Secretary, to be headed by the Under Secretary for Nuclear Stewardship who shall also serve as Director of the Agency.

“(b) The Under Secretary for Nuclear Stewardship shall be a person who has an extensive background in national security, organizational management and appropriate technical fields, and is especially well qualified to manage the nuclear weapons, non-proliferation and fissile materials disposition programs of the Department in a manner that advances and protects the national security of the United States.

“(c) The Secretary shall be responsible for all policies of the Agency. The Under Secretary for Nuclear Stewardship shall report

solely and directly to the Secretary and shall be subject to the supervision and direction of the Secretary. The Secretary shall have a staff adequate to fulfill the responsibility to set policies throughout the Department including establishing policies governing the Agency for Nuclear Stewardship. The Secretary's staff, including but not limited to the General Counsel and the Chief Financial Officer, shall assist the Secretary in the supervision of the development and implementation of policies set forth by the Secretary and shall advise the Secretary on the adequacy of such development and implementation. The Secretary may not delegate to any Department official the duty to supervise or direct the Under Secretary for Nuclear Stewardship.

“(d) The Secretary may direct other officials of the Department who are not within the Agency for Nuclear Stewardship to review the Agency's programs and to make recommendations to the Secretary regarding the administration of such programs, including consistency with other similar programs and activities in the Department.

“(e) The Secretary shall assign to the Under Secretary for Nuclear Stewardship direct authority over and responsibility for:

“(1) all programs and activities of the Department related to its national security functions, including nuclear weapons, non-proliferation and fissile materials disposition, and;

“(2) all activities at the Department's national security laboratories, and nuclear weapons production facilities.

“(f) The Secretary shall assign to the Under Secretary for Nuclear Stewardship direct authority over and responsibility for all executive and administrative operations and functions of the Agency for Nuclear Stewardship (except for the authority and responsibility assigned to the Deputy Director for Naval Reactors), including but not limited to:

“(1) strategic management;

“(2) policy development and guidance;

“(3) budget formulation and guidance;

“(4) resource requirements determination and allocation;

“(5) program direction;

“(6) safeguards and security;

“(7) emergency management;

“(8) integrated safety management;

“(9) environment, safety, and health operations (except those environmental remediation and nuclear waste management activities and facilities that the Secretary determines are best managed by other officials of the Department);

“(10) administration of contracts, including those for the management and operation of the nuclear weapons production facilities and the national security laboratories;

“(11) intelligence;

“(12) counterintelligence;

“(13) personnel, including their selection, appointment, distribution, supervision, fixing of compensation, and separation;

“(14) procurement of services of experts and consultants in accordance with section 3109 of Title 5, United States Code, and;

“(15) legal matters.

“(g) There shall be within the Agency three Deputy Directors, each of whom shall be appointed by the President, by and with the advice and consent of the Senate; who shall be compensated at the rate provided for at level IV of the Executive Schedule under section 5315 of Title 5 (except the Deputy Director for Naval Reactors when an active duty naval officer). There shall be a Deputy Director for each of the following functions:

“(1) defense programs;  
 “(2) non-proliferation and fissile materials disposition, and;  
 “(3) naval reactors.

“(h) The Deputy Director for Naval Reactors shall report to the Secretary of Energy through the Under Secretary for Nuclear Stewardship and have direct access to the Secretary and other senior officials of the Department; and shall be assigned the responsibilities, authorities, and accountability for all functions of the Office of Naval Reactors as described by the reference in section 1634 of Public Law 98-525. Except as specified in subsection (g) and this subsection, all other provisions described by the reference in section 1634 of Public Law 98-525 remain in full force until changed by law.

“(i) There shall be within the Agency three offices, each of which shall be administered by a Chief appointed by the Under Secretary for Nuclear Stewardship. There shall be a:

“(1) Chief of Nuclear Stewardship Counterintelligence, who shall report to the Under Secretary and implement the counterintelligence policies directed by the Secretary and Under Secretary. The Chief of Nuclear Stewardship Counterintelligence shall have direct access to the Secretary and all other officials of the Department and its contractors concerning counterintelligence matters and shall be responsible for:

“(A) the development and implementation of the Agency's counterintelligence programs to prevent the disclosure or loss of classified or other sensitive information, and;

“(B) the development and administration of personnel assurance programs within the Agency for Nuclear Stewardship.

“(2) Chief of Nuclear Stewardship Security, who shall report to the Under Secretary and shall implement the security policies directed by the Secretary and Under Secretary. The chief of Nuclear Stewardship Security shall have direct access to the Secretary and all other officials of the Department and its contractors concerning security matters and shall be responsible for the development and implementation of security programs for the Agency including the protection, control and accounting of materials, and the physical and cybersecurity for all facilities in the Agency.

“(3) Chief of Nuclear Stewardship Intelligence, who shall be a senior executive service employee of the Agency or an agency of the intelligence community who shall report to the Under Secretary and shall have direct access to the Secretary and all other officials of the Department and its contractors concerning intelligence matters and shall be responsible for all programs and activities of the Agency relating to the analysis and assessment of intelligence with respect to foreign nuclear weapons, materials, and other nuclear matters in foreign nations.

“(j)(1) The Under Secretary shall, with the approval of the Secretary and the Director of the Federal Bureau of Investigation, designate the chief of Counterintelligence who shall have special expertise in counterintelligence.

“(2) If such person is a federal employee of an entity other than the Agency, the service of such employee as Chief shall not result in any loss of employment status, right, or privilege by such employee.

“(k) All personnel of the Agency for Nuclear Stewardship, in carrying out any function of the Agency, shall be responsible to, and subject to the supervision and direction of, the Secretary and the Under Secretary

for Nuclear Stewardship or his designee within the Agency, and shall not be responsible to, or subject to the supervision or direction of, any other officer, employee, or agent of any other part of the Department.

“(l) The Under Secretary for Nuclear Stewardship shall delegate responsibilities to the Deputy Directors except that the responsibilities, authorities and accountability of the Deputy Director for Naval Reactors are as described in subsection (h).

“(m) The Directors of the national security laboratories and the heads of the nuclear weapons production facilities and the Nevada Test Site shall report directly to the Deputy Director for Defense Programs.

“(n) The Under Secretary for Nuclear Stewardship shall maintain within the Agency staff sufficient to implement the policies of the Secretary and Under Secretary for Nuclear Stewardship for the Agency. At a minimum these staff shall be responsible for:

“(1) personnel;  
 “(2) legal services, and;  
 “(3) financial management.

“(o) The Under Secretary shall, consistent with the effective discharge of the Agency's responsibilities, make the national security laboratories, nuclear weapons production facilities, and capabilities of the Agency available to other programs of the Department, federal agencies, and appropriate entities in accordance with policies implemented by the Under Secretary.

“(p)(1) Not later than March 1 of each year the Under Secretary for Nuclear Stewardship shall submit through the Secretary to the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Senate and the House of Representatives, a report on the status and effectiveness of the security and counterintelligence programs of the Agency for Nuclear Stewardship during the preceding year.

“(2) The report shall provide information on:

“(A) The status and effectiveness of security and counterintelligence programs at each nuclear weapons production facilities, national security laboratory, or any other facility or institution at which classified nuclear weapons work is performed;

“(B) the adequacy of procedures and policies for protecting national security information at each nuclear weapons production facility, national security laboratory, or any other facility or institution at which classified nuclear weapons work is performed;

“(C) whether each nuclear weapons production facility, national security laboratory, or other facility or institution at which classified nuclear weapons work is performed is in full compliance with all security and counterintelligence requirements, and if not what measures are being taken or are in place to bring such facility, laboratory, or institution into compliance;

“(D) any significant violation of law, rule, regulation, or other requirement relating to security or counterintelligence at each nuclear weapons production facility, national security laboratory, or any other facility or institution at which classified nuclear weapons work is performed;

“(E) each foreign visitor or assignee; the national security laboratory, nuclear weapons production facility, or other facility or institution at which classified nuclear weapons work is performed visited, the purpose and justification for the visit, the duration of the visit, whether the visitor or assignee had access to classified or sensitive information or facilities, and whether a background check was performed on such visitor prior to such visit; and

“(F) such other matters and recommendations to Congress as the Under Secretary deems appropriate.

“(3) Each report required by this subsection shall be submitted in unclassified form, but may include a classified annex.

“(4) Thirty days prior to the submission of the report required by subsection p(1), but in any event no later than February 1 of each year, the director of each Department of Energy national security laboratory and nuclear weapons production facility shall certify in writing to the Under Secretary for Nuclear Stewardship whether that laboratory or facility is in full compliance with all national security information protection requirements. If the laboratory or facility is not in full compliance, the director of the laboratory or facility shall report on why it is not in compliance, what measures are being taken to bring it into compliance, and when it will be in compliance.

“(q) The Under Secretary for Nuclear Stewardship shall keep the Secretary, the Committees on Armed Services of the Senate and House of Representatives, the Committee on Energy and Natural Resources of the Senate, the Committee on Governmental Affairs of the Senate, the Committee on Commerce of the House of Representatives, the Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives fully and currently informed regarding any action or potential significant threat to, or loss of, national security information, unless such information has already been reported to the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence pursuant to the National Security Act of 1947, as amended.

“(r) Personnel of the Agency for Nuclear Stewardship who have reason to believe that there is a problem, abuse, violation of law or executive order, or deficiency relating to the management of classified information shall promptly report such problem, abuse, violation, or deficiency to the Under Secretary for Nuclear Stewardship.

“(s)(1) The Under Secretary for Nuclear Stewardship shall not be required to obtain the approval of any officer or employee of the Department of Energy, except the Secretary, or any officer or employee of any other Federal agency or department for the preparation or delivery of any report required by this section.

“(2) No officer or employee of the Department of Energy or any other Federal agency or department may delay, deny, obstruct or otherwise interfere with the preparation of any report required by this section.

“(t) For purposes of this section—

“(1) the term “personnel of the Agency for Nuclear Stewardship” means each officer or employee within the Department of Energy, and any officer or employee of any contractor of the Department (pursuant to the terms of the contract), whose—

“(A) responsibilities include carrying out a function of the Agency for Nuclear Stewardship; or

“(B) employment is funded primarily under the—

“(i) Weapons Activities; or

“(ii) Non-proliferation, Fissile Materials Disposition or Naval Reactors portions of the Other Defense Activities budget functions of the Department;

“(2) the term “nuclear weapons production facility” means the following facilities:

“(A) the Kansas City Plant, Kansas City, Missouri;

“(B) the Pantex Plant, Amarillo, Texas;  
“(C) the Y-12 Plant, Oak Ridge, Tennessee;

“(D) the tritium operations facilities at the Savannah River Site, Aiken, South Carolina;

“(E) the Nevada Test Site, Nevada; and  
“(F) any other facility the Secretary designates.

“(3) the term ‘‘national security laboratory’’ means the following laboratories—

“(A) the Los Alamos National Laboratory, Los Alamos, New Mexico;

“(B) the Lawrence Livermore National Laboratory, Livermore, California; and

“(C) the Sandia National Laboratories, Albuquerque, New Mexico, and Livermore, California.

“(d) Within 180 days of the date of enactment of this Act, the Secretary shall report to the Senate and the House of Representatives on the adequacy of the Department’s procedures and policies for protecting national security information, including national security information at the Department’s laboratories, nuclear weapons facilities and other facilities, making such recommendations to Congress as may be appropriate.

“(e) The following technical and conforming amendments are made:

“(1) Section 5314 of title 5, United States Code, is amended by striking ‘‘Under Secretary, Department of Energy’’ and inserting ‘‘Under Secretaries of Energy (2), one of whom serves as the Director, Agency for Nuclear Stewardship.’’

“(2) Section 202(b) of the Act is amended in the third section by striking ‘‘Under Secretary’’ and inserting ‘‘Under Secretaries’’.

“(3) Section 212 of the Act is amended by striking subsection 212(b) and redesignating subsection 212(c) as subsection 212(b).

“(4) Section 309 of the Act is amended by striking ‘‘Assistant Secretary to whom the Secretary has assigned the functions listed in section 203(a)(2)(E)’’ and inserting ‘‘Under Secretary for Nuclear Stewardship’’.

“(5) The Table of Contents of the Act is amended by inserting after the item relating to section 212 the following new item:

“SEC. 213. Agency for Nuclear Stewardship.

#### COVERDELL (AND OTHERS) AMENDMENT NO. 1259

Mr. COVERDELL (for himself, Mrs. FEINSTEIN, Mr. DEWINE, Mr. HELMS, Mr. LOTT, Mr. TORRICELLI, Mr. CRAIG, Mr. GRAHAM, and Mr. REID) proposed an amendment to the bill, H.R. 1555, supra; as follows:

At the end of the bill, add the following new title:

#### TITLE —BLOCKING ASSETS OF MAJOR NARCOTICS TRAFFICKERS

##### SEC. 01. FINDING AND POLICY.

(a) FINDING.—Congress makes the following findings:

(1) Presidential Decision Directive 42, issued on October 21, 1995, ordered agencies of the executive branch of the United States Government to, inter alia, increase the priority and resources devoted to the direct and immediate threat international crime presents to national security, work more closely with other governments to develop a global response to this threat, and use aggressively and creatively all legal means available to combat international crime.

(2) Executive Order No. 12978 of October 21, 1995, provides for the use of the authorities in the International Emergency Economic Powers Act (IEEPA) to target and sanction four specially designated narcotics traffickers and their organizations which operate from Colombia.

(b) POLICY.—It should be the policy of the United States to impose economic and other financial sanctions against foreign international narcotics traffickers and their organizations worldwide.

##### SEC. 02. PURPOSE.

The purpose of this title is to provide for the use of the authorities in the International Emergency Economic Powers Act to sanction additional specially designated narcotics traffickers operating worldwide.

##### SEC. 03. DESIGNATION OF CERTAIN FOREIGN INTERNATIONAL NARCOTICS TRAFFICKERS.

(a) PREPARATION OF LIST OF NAMES.—Not later than January 1, 2000 and not later than January 1 of each year thereafter, the Secretary of the Treasury, in consultation with the Attorney General, Director of Central Intelligence, Secretary of Defense, and Secretary of State, shall transmit to the President and to the Director of the Office of National Drug Control Policy a list of those individuals who play a significant role in international narcotics trafficking as of that date.

(b) EXCLUSION OF CERTAIN PERSONS FROM LIST.—

(1) IN GENERAL.—Notwithstanding any other provision of this section, the list described in subsection (a) shall not include the name of any individual if the Director of Central Intelligence determines that the disclosure of that person’s role in international narcotics trafficking could compromise United States intelligence sources or methods. The Director of Central Intelligence shall advise the President when a determination is made to withhold an individual’s identity under this subsection.

(2) REPORTS.—In each case in which the Director of Central Intelligence has made a determination under paragraph (1), the President shall submit a report in classified form to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives setting forth the reasons for the determination.

(d) DESIGNATION OF INDIVIDUALS AS THREATS TO THE UNITED STATES.—The President shall determine not later than March 1 of each year whether or not to designate persons on the list transmitted to the President that year as persons constituting an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. The President shall notify the Secretary of the Treasury of any person designated under this subsection. If the President determines not to designate any person on such list as such a threat, the President shall submit a report to Congress setting forth the reasons therefore.

(e) CHANGES IN DESIGNATIONS OF INDIVIDUALS.—

(1) ADDITIONAL INDIVIDUALS DESIGNATED.—If at any time after March 1 of a year, but prior to January 1 of the following year, the President determines that a person is playing a significant role in international narcotics trafficking and has not been designated under subsection (d) as a person constituting an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, the President may so designate the person. The

President shall notify the Secretary of the Treasury of any person designated under this paragraph.

(2) REMOVAL OF DESIGNATIONS OF INDIVIDUALS.—Whenever the President determines that a person designated under subsection (d) or paragraph (1) of this subsection no longer poses an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, the person shall no longer be considered as designated under that subsection.

(f) REFERENCES.—Any person designated under subsection (d) or (e) may be referred to in this Act as a ‘‘specially designated narcotics trafficker’’.

##### SEC. 04. BLOCKING ASSETS.

(a) FINDING.—Congress finds that a national emergency exists with respect to any individual who is a specially designated narcotics trafficker.

(b) BLOCKING OF ASSETS.—Except to the extent provided in section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)) and in regulations, orders, directives, or licenses that may be issued pursuant to this Act, and notwithstanding any contract entered into or any license or permit granted prior to the date of designation of a person as a specially designated narcotics trafficker, there are hereby blocked all property and interests in property that are, or after that date come, within the United States, or that are, or after that date come, within the possession or control of any United States person, of—

(1) any specially designated narcotics trafficker;

(2) any person who materially and knowingly assists in, provides financial or technological support for, or provides goods or services in support of, the narcotics trafficking activities of a specially designated narcotics trafficker; and

(3) any person determined by the Secretary of the Treasury, in consultation with the Attorney General, Director of Central Intelligence, Secretary of Defense, and Secretary of State, to be owned or controlled by, or to act for or on behalf of, a specially designated narcotics trafficker.

(c) PROHIBITED ACTS.—Except to the extent provided in section 203(b) of the International Emergency Economic Powers Act or in any regulation, order, directive, or license that may be issued pursuant to this Act, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, the following acts are prohibited:

(1) Any transaction or dealing by a United States person, or within the United States, in property or interests in property of any specially designated narcotics trafficker.

(2) Any transaction or dealing by a United States person, or within the United States, that evades or avoids, has the purpose of evading or avoiding, or attempts to violate, subsection (b).

(d) LAW ENFORCEMENT AND INTELLIGENCE ACTIVITIES NOT AFFECTED.—Nothing in this section is intended to prohibit or otherwise limit the authorized law enforcement or intelligence activities of the United States, or the law enforcement activities of any State or subdivision thereof.

(e) IMPLEMENTATION.—The Secretary of the Treasury, in consultation with the Attorney General, Director of Central Intelligence, Secretary of Defense, and Secretary of State, is authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by the International Emergency

Economic Powers Act as may be necessary to carry out this section. The Secretary of the Treasury may redelegate any of these functions to any other officer or agency of the United States Government. Each agency of the United States shall take all appropriate measures within its authority to carry out this section.

(f) ENFORCEMENT.—Violations of licenses, orders, or regulations under this Act shall be subject to the same civil or criminal penalties as are provided by section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) for violations of licenses, orders, and regulations under that Act.

(g) DEFINITIONS.—In this section:

(1) ENTITY.—The term "entity" means a partnership, association, corporation, or other organization, group or subgroup.

(2) NARCOTICS TRAFFICKING.—The term "narcotics trafficking" means any activity undertaken illicitly to cultivate, produce, manufacture, distribute, sell, finance, or transport, or otherwise assist, abet, conspire, or collude with others in illicit activities relating to, narcotic drugs, including, but not limited to, heroin, methamphetamine and cocaine.

(3) PERSON.—The term "person" means an individual or entity.

(4) UNITED STATES PERSON.—The term "United States person" means any United States citizen or national, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States.

#### SEC. 05. DENIAL OF VISAS TO AND INADMISSIBILITY OF SPECIALLY DESIGNATED NARCOTICS TRAFFICKERS.

(a) PROHIBITION.—The Secretary of State shall deny a visa to, and the Attorney General may not admit to the United States—

(1) any specially designated narcotics trafficker; or

(2) any alien who the consular officer or the Attorney General knows or has reason to believe—

(A) is a spouse or minor child of a specially designated narcotics trafficker; or

(B) is a person described in paragraph (2) or (3) of section 04(b).

(b) EXCEPTIONS.—Subsection (a) shall not apply—

(1) where the Secretary of State finds, on a case-by-case basis, that the entry into the United States of the person is necessary for medical reasons;

(2) upon the request of the Attorney General, Director of Central Intelligence, Secretary of the Treasury, or the Secretary of Defense; or

(3) for purposes of the prosecution of a specially designated narcotics trafficker.

#### NOTICE OF HEARING

##### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Senate Committee on Energy and Natural Resources.

The hearing will take place Tuesday, July 27, 1999 at 2:30 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, D.C.

S. 439, a bill to amend the National Forest and Public Lands of Nevada En-

hancement Act of 1988 to adjust the boundary of the Toiyabe National Forest, Nevada, has been added to the agenda.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510. For further information, please call Mark Rey at (202) 224-6170.

#### AUTHORITY FOR COMMITTEES TO MEET

##### COMMITTEE ON ARMED SERVICES

Mr. HAGEL. Mr. President, I ask unanimous consent that the committee on Armed Services be authorized to meet at 9:30 a.m. on Tuesday, July 20, 1999, in open session, to receive testimony on U.S. policy and military operations regarding Kosovo.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON FINANCE

Mr. HAGEL. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet Tuesday, July 20, 1999 beginning at 10:00 a.m. in room SD-106, to conduct a markup.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON FOREIGN RELATIONS

Mr. HAGEL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, July 20, 1999 at 11:00 a.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS

Mr. HAGEL. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on "ESEA: Improving Use of Funds" during the session of the Senate on Tuesday, July 20, 1999, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### SPECIAL COMMITTEE ON AGING

Mr. HAGEL. Mr. President, I ask unanimous consent that the Special Committee on Aging be permitted to meet on July 20, 1999 from 2:30 p.m.—4:30 p.m. in Dirksen 215 for the purpose of conducting a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### SUBCOMMITTEE ON FISHERIES, WILDLIFE, AND DRINKING WATER

Mr. HAGEL. Mr. President, I ask unanimous consent that the Subcommittee on Fisheries, Wildlife, and Drinking Water be granted permission to conduct a hearing Tuesday, July 20, 9:30 a.m., Hearing Room (SD-406), on the science of habitat conservation plans.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### SUBCOMMITTEE ON FOREST & PUBLIC LAND MANAGEMENT

Mr. HAGEL. Mr. President, I ask unanimous consent that the Subcommittee on Forests & Public Land Management of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, July 20, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2:30 p.m. The purpose of this hearing is to receive testimony on S. 729, the National Monument Public Participation Act of 1999.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### SUBCOMMITTEE ON INTERNATIONAL OPERATIONS

Mr. HAGEL. Mr. President, I ask unanimous consent that the Subcommittee on International Operations be authorized to meet during the session of the Senate on Tuesday, July 20, 1999 at 2:00 p.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### SUBCOMMITTEE ON INVESTIGATIONS

Mr. HAGEL. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Governmental Affairs Committee be permitted to meet on Tuesday, July 20, 1999, at 9:30 a.m. for a hearing entitled "The Hidden Operators of Deceptive Mailings."

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ADDITIONAL STATEMENTS

##### NATIONAL ENDOWMENT FOR DEMOCRACY

• Mr. LUGAR. Mr. President, we will soon be debating the Commerce, Justice, State, and the Judiciary appropriations bill on the floor of the Senate. The State Department title of the bill includes no funding for the National Endowment for Democracy (NED) which I hope will be reversed by the Senate when we debate this appropriations bill.

For the information of my colleagues, I ask that a letter from National Security Advisor Samuel R. Berger to Senator BOB GRAHAM be printed in the RECORD.

The letter follows:

THE WHITE HOUSE,  
Washington, July 19, 1999.

Hon. Bob Graham,  
U.S. Senate, Washington, DC.

DEAR BOB: Thank you for writing concerning the Commerce-Justice-State Appropriations Bill and the lack of funding for the National Endowment for Democracy (NED). I share your concern over the inadequacies of the bill.

The Senate appropriations bill as reported from Committee is fraught with a range of serious problems. And, the decision to eliminate funding for the NED is one of many factors which render the legislation unacceptable. For this reason, the President's senior



advisors would recommend that the legislation be vetoed if it were enacted in its current form.

Our position on the NED is clear. The NED is at the core of the vision we share for a world that is more free and more democratic. Indeed, it was President Reagan's initiative to establish the NED, a decision and a vision that has had a powerful impact on our nation's efforts to expand democracy and human rights. And to its credit, the NED conducts its critically important activities with annual funding that amounts to only a small fraction of our nation's international affairs budget. From supporting election monitoring in Indonesia, to promoting independent media in the Balkans, the NED represents and promotes the most fundamental of American values throughout the world.

Thank you again for your letter on this important matter. Please know that the President remains one of the strongest champions of the Endowment, and appreciates your continuing support of the NED.

Sincerely,

SAMUEL R. BERGER,  
*Assistant to the President for  
National Security Affairs.*•

Mr. LUGAR. The letter states the Administration's unequivocal support for the National Endowment for Democracy and articulates the strong positive contribution the NED makes to our national interest.

#### MAX SOLIS—1999 CONNECTICUT SMALL BUSINESS PERSON OF THE YEAR

• Mr. DODD. Mr. President, once again this year, the Small Business Administration held its annual Small Business Week. The SBA hosts this event to recognize the many accomplishments of this country's small businessmen-women. Today, I am pleased to pay a special tribute to the achievements of Max Solis, Chairman and CEO of BST Systems, Inc., who was named Connecticut's 1999 Small Business Person of the Year.

Having received a Bachelor of Science degree in Electrical Engineering from the City College of New York and a Masters of Business Administration from New York University, Max Solis went on to found BST Systems, Inc. in 1983. BST Systems, Inc., located in Plainfield, Connecticut, is a small minority-owned business that employs approximately 68 people. BST focuses on engineering-oriented, high-technology business and specializes in manufacturing and testing high-energy silver zinc cells, specialty cells and complete batteries, as well as electronic support equipment for NASA, the Department of Defense, and various commercial applications.

In addition to this most recent honor, BST Systems also received NASA's 1994 Minority Subcontractor of the Year Award and NASA's Commitment to Excellence Award in both 1995 and 1997. Just this past May, BST Systems was the recipient of the George M. Low Award, NASA's highest honor for excellence and quality and recogni-

tion of its significant contributions to the advancement of our nation's space program.

Mr. President, I am so very pleased to have the opportunity to highlight the success of Max Solis and BST Systems, Inc. Small business entrepreneurs like Max Solis and his employees keep this country on the cutting edge of innovation and advanced technology. And as we enter a new century, small businesses like BST will be integral to ensuring continued American leadership in these critical areas. I congratulate Max Solis and BST Systems, Inc. on being honored by the Small Business Administration for their outstanding efforts, and I wish them much success as they, and other small businesses, continue to provide valuable products and services to people across the country and, indeed, throughout the world.•

#### TRIBUTE TO RAY LACKEY

• Mr. MCCONNELL. Mr. President, I rise today to recognize Alex "Ray" Lackey for his recent appointment as the Eighth Command Sergeant Major of the Army Reserve.

Ray has been serving as supervisor of customer services at the Bowling Green post office for almost 20 years, and now embarks on a three-year tour of duty at the Pentagon. Ray has served in numerous capacities in the U.S. military for more than 28 years, with his most recent assignment as Command Sergeant Major for the 100th Division in Louisville. Ray's supervisors have commended him for his ability to maintain a professional balance between his demanding positions in both the U.S. Postal Service and the Department of the Army.

Ray's experience in military service is broad, including service as Squad Leader with the 82nd Airborne Division, Drill Sergeant at Fort Knox, Platoon Sergeant with the 2nd Infantry Division in Korea, Battalion Operations Sergeant, First Sergeant, and Commandant of the 100th Division Drill Sergeant School. In 1982, he received the distinction of U.S. Army Reserve Drill Sergeant of the year.

Ray has been decorated with an impressive number of awards and honors over the years, including being awarded the Meritorious Service Medal five times, the Army Commendation Medal two times, the Good Conduct Medal twice, the Army Reserve Component Achievement Medal five times, and the Army Achievement Medal, the National Defense Service Medal with Bronze Star, the Armed Forces Reserve Medal with "M" device, the Non-commissioned Officers Professional Development Ribbon with numeral four, the Army Service Ribbon and the Overseas Service Ribbon. He has also earned the Expert Infantryman Badge and the Parachutist Badge.

As is evidenced by the lengthy list of Ray's achievements and honors, he has served his State and his country well. It is also clear that the Department of the Army has great confidence in Ray's experience, and it seems only fitting that someone with his expertise and seasoned skills will be working in such a significant capacity at the Pentagon. My colleagues and I extend our gratitude for Ray's willingness to continue serving the country in this new post, and wish him the best in his next stage of service.•

#### TELEHEALTH

• Mr. INOUE. Mr. President, this past month, Major General Nancy Adams, Commander of the Tripler Army Medical Center, Honolulu, HI participated in the Congressional Ad Hoc Steering Committee on Telehealth Demonstration and Briefing. I have been pleased to work closely with General Adams for a number of years, including during her earlier tenure as Chief, United States Army Nurse Corps.

I am extraordinarily pleased to have her selected to command Tripler. She is the first female commander of our facility and the first two-star nurse in the history of the United States Army.

Mr. President, I ask that her opening remarks be printed in the RECORD.

The remarks follow:

REMARKS OF MG NANCY R. ADAMS, DEPARTMENT OF DEFENSE AT THE CONGRESSIONAL AD HOC STEERING COMMITTEE ON TELEHEALTH DEMONSTRATION AND BRIEFING ON "INFORMATION TECHNOLOGIES FOR HEALTHCARE: GOVERNMENT, INDUSTRY AND ACADEMIA WORKING TOGETHER", 23 JUNE 1999

Good Morning and aloha from Hawaii. I am Major General Nancy Adams. I am privileged to offer the opening remarks on the accomplishments and challenges the Department of Defense (DOD) is addressing in information technologies for healthcare.

In my current assignment as the Commanding General, Tripler Army Medical Center, Hawaii, and the United States Army Pacific Command Surgeon, I am somewhat in awe at being designated as the DOD spokesman. However, I am very pleased to have the opportunity because telemedicine and telehealth initiatives are vital to the mission of my medical center. To say that I am the DOD spokesperson does exaggerate my accountability with the Department. So to be safe, I should at this point go with the standard disclaimer, which says my information does not necessarily reflect the views of the Department or the Secretary of Defense.

I am most pleased to be participating in the congressional Ad Hoc Committee on Telehealth forum. This event acknowledges the vision and support congressional representatives have offered to enhance the applications of information technology to healthcare in general with special emphasis on clinical practice.

Within the Department of Defense, and most particularly in the Pacific, there are significant distances, time zone disparities, and geographic boundaries that present challenges to the delivery of patient care. In the Pacific, a variety of both public and private



sector agencies are involved in health care services, with the overall goal to transcend time, distance, and structural barriers to provide quality healthcare to Department of Defense beneficiaries. Because of our global role, it is incumbent that the Department of Defense work collaboratively to afford responsive health care services, and this challenge can only be addressed with innovative technology and telecommunication solutions. Hence, I would like to illustrate a few examples from my Hawaii experience, on how the linkage between information, knowledge, and technologies have enhanced access to health care services and improved the quality of care rendered.

Tripler Army Medical Center is the only Department of Defense tertiary care medical treatment facility in the Pacific. Tripler serves the health care needs of more than 750,000 active-duty military, their families, military retirees, retiree families and other Pacific island beneficiaries. Using the systems developed through Department of Defense, such as the Composite Health Care System II, or CHCSII, Corporate Executive Information System or CEIS, AKAMAI, and the Pacific Medical Network or PACMEDNET, have enabled us to improve the quality of care and access to health services for our beneficiaries.

Healthcare information systems and telehealth applications within the Department of Defense strive to accomplish the following 5 goals: Keep Active Duty forces on the job; Reduce the Military Health System skill mix and size in staffing model; Increase productivity of the direct care component; Enhance and measure health and fitness of beneficiaries, and lastly, Promote and measure customer satisfaction with Information Technology.

The healthcare information management initiatives within the Department of Defense focus on research and the value of information and telehealth applications along with implementation of automation support to enhance patient care delivery. I can attest that information management support provided by systems such as the CHCSII, CEIS, and the telehealth support from Akamai and PACMEDNET, have provided significant readiness and humanitarian implications for regional care in the Pacific. Being responsible for delivery of healthcare to a region as big as the Pacific—which encompasses 70 countries and 14 time zones—requires me to use and support the development of technology tools. These technology tools and clinical capability offer tremendous opportunities for reuse by other federal agencies, as well as transferability to private sector agencies.

As stated earlier, healthcare information technologies are an essential element of health care services within the Department of Defense because of the need to overcome the dispersion of beneficiaries over great distances. The telehealth possibilities are highly opportunistic and provide a window on the future. Our technology is a means of demonstrating US engagement in other nations by providing a telepresence in other than US military medical treatment facilities. Specific benefits healthcare technology has offered Tripler Army Medical Center and the Pacific include:

Ability to provide a health profile for a person that will facilitate decision making by a provider who doesn't have access to a complete medical record.

We can integrate patient administrative and clinical data between multiple and diverse healthcare systems.

The same network and technology that provides information for diagnosing and treating patients can also be utilized for teaching via distance learning techniques.

Use of the Internet and web-enabled solutions has fostered a sense of community amongst clinicians and consumers by enabling information sharing, education, and collegial relationships.

From my perspective as a military medical center commander and the Command Surgeon, healthcare information technologies contribute to the readiness and health care delivery mission. I mention this as a single mission because the role of military medicine is to stay trained and ready for contingency operations that directly support the US military. The business of health care in and of itself is not our focus. It is the link between readiness and health care delivery that makes military medicine vital to our nation. The linkage between readiness and health care is good business for the military.

Through the application of information systems and telehealth technologies, the quality of care and utilization of scarce medical resources are positively effected thereby improving both military readiness and health care delivery. Utilization of information systems and telehealth applications provides immediate access even when specialists are not on site. For example, Tripler will be interpreting echocardiograms from Yokoto, Japan and Guam. This can be life saving information if you are talking about the patient's need for surgery or the functioning of the heart after a heart attack. These technologies also project medical specialty expertise without deploying them from the medical center. This saves significant dollars by not taking the medical specialist away for a minimum of two days travel to do a day's work. In addition, for those clinicians who are forward deployed, this access to specialists decreases their professional isolation and improves their decision-making ability. In some cases there is the added benefit of eliminating the need to air-evac patients for definitive care and continuity of care is maintained at their home station.

Healthcare information technologies are good new stories for the Department of Defense but the potential is in its infancy. Only by working with our partners in other government agencies, industry, and academia, will we be able to maximize the investment in technology by increasing its utility and clinical efficacy. In closing, my goals for attending the congressional Ad Hoc Steering Committee on Telehealth Demonstration and Briefing are twofold:

To communicate the reality of the technological solutions currently available within the Department of Defense to provide quality health care and improve access;

And second, to encourage networking among the congressional supporters, speakers, attendees, and exhibit presenters to further maximize our capabilities. As we share information and establish relationships with one another I am sure our collective efforts will produce more and better applications of the technology than what is already here. Ideas for future integration and information management technologies should be the most valuable outcome of today's activities. I hope most of you will be staying through the day and spending time in the exhibit area. Many of the leading edge health care technology companies have displays, as well as Department of Defense, Veterans Administration, and Indian Health Service enterprises. Individually as well as together we are all involved in re-engineering health care

processes to incorporate emerging technologies!

I am very pleased to be sharing the podium with distinguished leaders from Congress, the military, government service, and industry. Those of us in the military know that it is only through the vision and support of Congressional representatives that the Department of Defense has progressed to our current level of sophistication in healthcare information technologies and telehealth. Ladies and Gentlemen, I challenge you to continue to exploit the capabilities in healthcare information technologies; to capitalize on the improvements it can offer the business practice of patient care, and to nurture the positive and sustained impact of technology on enterprise value. I encourage you to take advantage of the sense of community the Internet enables by sharing your ideas and solutions with fellow government, industry and academic colleagues.●

#### TRIBUTE TO DR. SYLVIO L. DUPUIS

● Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Dr. Sylvio L. Dupuis, Executive Director of McLane, Graf, Raulerson and Middleton Law Firm, for receiving Business NH Magazine's 1999 Business Leader of the Year Award. Dr. Dupuis received this honor due to his outstanding civic involvements coupled with his exemplary leadership in the business world.

Dr. Dupuis took the position of Executive Director in April of 1996. His philosophy of personalization—solving problems with an interview rather than a phone call or a memo—has given him and his law firm an excellent reputation. Under his capable and inspiring leadership, the firm grew from fifty lawyers to eighty. Dr. Dupuis will retire from the McLane Law Firm in June of 1999 but will continue to have an active role in community affairs. The McLane, Graf, Raulerson and Middleton Law Firm is sure to miss Sylvio's leadership.

Besides being one of the most talented and well-established businessmen in the state, Dr. Dupuis has countless other achievements in virtually every facet of New Hampshire life. He has been widely involved in areas ranging from health care to the arts. He is the former President and CEO of Catholic Medical Center, the former Commissioner of the Department of Insurance for New Hampshire, the former President of New England College of Optometry and he has served with distinction, as the Mayor of Manchester, New Hampshire.

I commend Dr. Dupuis for his outstanding leadership and shining example. His varied professional experience shows him to be the ideal representative of New Hampshire business. I wish him the best as the new President of Notre Dame College in Manchester, New Hampshire. I am proud to represent him in the United States Senate.●

## 30TH ANNIVERSARY OF THE FIRST LUNAR LANDING

Mr. WARNER. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. Con. Res. 46, submitted earlier today by Senators SHELBY and SESSIONS.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 46) expressing the sense of Congress that the July 20, 1999, 30th anniversary of the first lunar landing should be a day of celebration and reflection on the Apollo-11 mission to the Moon and the accomplishments of the Apollo program throughout the 1960's and 1970's.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. SESSIONS. Mr. President, I rise today to offer a few thoughts about space, the vision that is needed to take us there, and to say a few words of appreciation on the anniversary of one of the greatest accomplishments in world history. First, I recognize and thank all the people—scientists, flight operations experts, administrators, maintenance experts, astronauts, and every other member of the NASA team and Apollo program—who worked so hard to make the successful launch and mission of Saturn V to the moon a reality and victory for America.

When President Kennedy announced his intentions to devote the resources and support to NASA that would be necessary to accomplish the monumental task of landing men on the surface of the moon, our space program was born. Up until that magnificent moment when Neil Armstrong let everyone watching and listening know that the "Eagle had Landed" and for many years afterward, our space program flourished and steamed ahead making great strides in nearly every area of space exploration. Unfortunately, in recent years, while marked by continuing and important scientific medical research and several noteworthy events, our space program has become stagnant in comparison to the growing and vibrant NASA of the past. I am one member of Congress who feels very strongly that too much remains to be learned and explored for our space program to remain in neutral any longer.

Mr. President, on the anniversary of one of our greatest accomplishments, we have slipped dangerously close to the edge. If we do not act, we may lose one or more of the most historically significant pieces of our space program in existence. I am proud to say that one of the last three of these great artifacts remaining from the Apollo Project—the Saturn V rocket—stands on the grounds of the U.S. Space and Rocket Center in Huntsville, Alabama. But the fact remains that this rocket

is in need of restoration and protection. I join my colleague and fellow Alabamian, Senator SHELBY, as an original cosponsor of the resolution that has been introduced which calls upon the Congress to provide federal assistance to fund the much-needed restoration and protection projects for the Saturn V rocket at the U.S. Space and Rocket Center. This funding will enable this great monument to our space program to live on as an enduring symbol of America's greatness both here on earth and beyond. I call on my colleagues in Congress to lend the assistance that is needed to protect the great history of our space program.

Mr. President, as I stated earlier, I am one member of Congress who believes that NASA embodies many of the most important qualities of our nation. We are a nation of explorers and inventors—proud, hardworking and brave. Our legacy as a nation is one of unmatched proportion. We must do our part to continue to build upon the past for the benefit of our future generations.

Mr. President, safe, reliable, low-cost transportation has been the key to the development of frontiers from the dawn of time. Ocean-going vessels enabled the discovery of the New World and initiated global commerce. The stagecoach transported early settlers and cargo across the untamed American West, and the transcontinental railway opened up this new frontier to vast numbers of settlers. Today, modern airways are a critical element of international commerce.

Transportation has made it possible to explore and develop the frontiers that emerged throughout history. Thirty years ago it was a Saturn V rocket carrying three men to the moon. And now, transportation is again the driver as we boldly prepare to explore deeper and develop the largest frontier of all—the frontier of space.

As a nation of explorers, I would like to think that we see the opportunities for scientific research and new space industries as limitless in scope and benefit to mankind.

Consider the possibilities:

Manufacturing medicines that are far superior to drugs made on Earth.

Even today the work that is being lead by NASA and its Marshall Space Flight Center, in particular, in Microgravity Research is paying tremendous dividends. Already this research is saving lives. The research that will be conducted on the International Space Station will take us even farther.

Consider the possibility of Mining resources from orbiting bodies, or servicing large communications and remote sensing platforms in low earth orbit without bringing them back to Earth.

Consider: Generating cheap, clean power from the Sun, or exploring new worlds and safely, routinely and

affordably transporting passengers to and from space.

It all sounds like science fiction today and it is because the current high cost of space transportation has locked the door to these opportunities. I believe that NASA is ready to start turning science fiction into science reality—to unlock the door to a new frontier of opportunity.

The problem is this, space launch is not fully and completely reliable as we want it to be and its costs have been very expensive. Current launch costs consume valuable NASA resources and limit the ability to achieve its science and exploration goals. Only the highest priority science payloads are being launched and human exploration is on hold until we can solve this problem of launch costs.

Launch costs have also slowed the commercial development of space. While the U.S. space program faces new challenges to its decades long, global leadership position, the U.S. commercial space launch industry has dwindled from complete market dominance in the mid-1970's to only 30% on a greatly expanded worldwide market today. The United States has lost 70% of market share to the Russians, to the French, and to the Chinese. Several factors including foreign government subsidization and the constant optimization of 30 year old technology by foreign firms are at the heart of a problem this Congress ought to solve—now!

While improvement and evolution of existing systems and technologies are necessary in the face of ever increasing competition abroad, it will take a revolution to open the space frontier and enable the development of space. Our investments in launch technology have been sporadic over the years, resulting in high costs and small, incremental improvements in launch safety and capability. Today, many entrepreneurs realize the significance of the expanding commercial space marketplace, but are left to solve the hard problem of access to low Earth orbit with just their innovative spirit and today's technology.

We have had a rash of failures of expendable launch vehicles recently; 6 of the last 8 launches have been failures. Still, NASA continues to fly the Space Shuttle safely. But that safety record comes at a high cost to the people at United Space Alliance, NASA Kennedy, Marshall, and Johnson Space Flight Center (JSC).

Space launch is expensive because of complex systems that require extensive checkout and human intervention. Small margins result in high maintenance and replacement. Flight hardware reuse is limited. Launch facilities and range safety operations are out of date.

Achieving simplicity and robust performance has never been achieved in space launch. NASA has taken the

brute force approach to beating Earth's gravity by expending hardware during ascent; or they have shaved weight and squeezed the last fraction of a percent of performance from the propulsion systems—gaining performance at the expense of simplicity and robustness.

I have talked to the people at NASA Marshall. They have lived with the Shuttle propulsion systems and they have a lot of ideas that will make the next generation 100 times safer and 10 times cheaper than today; and their ideas don't stop there! They believe that, in 25 years, they can develop the technology that will improve safety over 10,000 times and reduce cost by 100 times that of the current Shuttles. I believe that the people at Marshall Space Flight Center, in cooperation with Stennis Space Center and the Glenn Research Center as well as other NASA scientists, can revolutionize space propulsion in the next 25 years. NASA administrator Dan Goldin shares this same view.

They believe that they can combine simplicity and with a robust capability that will increase reliability 100 fold while multiple abort options and safe crew escape systems will provide passenger safety equivalent to today's aircraft. They believe that they can develop the technology that will result in what they are calling "a beautiful machine," safe and reliable first, then affordable. This marriage of simplicity and performance can only be obtained through major breakthroughs in space transportation technology at the basic component and system level.

Mr. President, it is a top priority of NASA to develop innovative space transportation technologies for commerce, civil space travel and the defense of the nation. This is not a might do task, but a must do task if this nation is to once again lead the way in space exploration.

Unlike the prior generation, our generation has not invested in a future of space exploration. Let's step back in time about 50 years. America and Russia were on separate paths to launch a satellite into orbit around the Earth. The Space Age had begun. In a laboratory at the University of Pennsylvania stood the world's first general purpose computer—the ENIAC. Spanning 150 feet and weighing 30 tons, ENIAC's twenty banks of flashing lights indicated the results of fourteen ten-digit multiplication processes in one second. It was one hundred times faster than a mechanical calculator, enabled by 18,000 water-cooled vacuum tubes. Tubes blew and were replaced several times an hour, but they ushered in the electronic age.

Only 7 years after the invention of the transistor, the first silicon-based transistorized computer was developed. Four years later a practical integrated circuit was the genesis for printing conducting channels directly on silicon

surfaces. Less than twenty-five years after the development of ENIAC, Intel introduced the first microprocessor, using 2,300 transistors on a 108 Kilo Hertz silicon chip. The U.S., at that time, was just beginning the development of the Space Shuttle.

In the 28 years since, the number of transistors on a single chip has increased from 2,300 to 7.5 million and the number of instructions per second has increased more than 3,000 times. The processor capacity has increased at a rate of a factor of two every 18 to 24 months and the cost per kilobyte of computer memory has decreased by a factor of 640,000. Today over 44% of U.S. homes have a personal computer. The Space Shuttle is still the workhorse for human space flight and remains the only reusable launch system.

Today it is impossible to think of a world without computers or to imagine that the ideas we developed and that we take for granted might have been strenuously resisted in the past. And while it seems barely credible today that scientists, engineers, and businessmen five decades ago didn't initially grasp the implication of this new technology—this has been the case more often than not throughout history.

Now let's look forward in time. Imagine a world where traveling to an orbiting space production facility is as common as making a business trip on a commercial airliner? Does this seem plausible? How probable did personal palmtop computers seem fifty years ago? Technology was the engine that enabled these breakthroughs—technology will enable safe, reliable, affordable access to space over the next twenty-five years. I believe that we will see major steps toward this goal in the next 5 to 10 years if we invest now.

Over the next decade, NASA intends to increase safety by a hundred fold while reducing cost tenfold. Safety will be defined as the probability of a catastrophic failure once out of every 1,000,000 flights. This dramatic leap will come by departing from a past emphasis on cost and performance to a focused new paradigm of safety and reliability, which in turn, will drive down costs. Improvements in safety will require future space transportation systems to assure crew safety from pre-launch to landing. To accomplish this, launch systems must be inherently reliable, functionally redundant wherever practical and designed to minimize or eliminate catastrophic failure modes. Next generation systems will have the ability to complete their missions with at least one engine failure from liftoff. Designs will minimize the opportunity for human error in test, checkout and operations. By incorporating a crew escape capability for all flights and reducing the number of launch elements, NASA will be able to meet their safety goals.

In this time-frame, launch costs will fall from current levels of \$10,000 to \$1,000 per pound to low earth orbit. In order to achieve this ambitious cost goal, today's multi-stage, partial and fully expendable rockets must be replaced by single stage, fully reusable systems. A single stage to orbit Reusable Launch Vehicle (RLV) can eliminate assembly and checkout costs currently associated with the large number of complex interfaces on today's Space Shuttle. Full reusability will eliminate the need to throw away expensive hardware and reduce the need for ongoing production, but a key technology will be the manufacturing technology to build large, very lightweight, composite propellant tanks and structures. The expertise that will make these lightweight structures possible is the current Shuttle tank production facility at Michoud, Louisiana.

Systems in 10 years will have to accommodate hundreds of missions per year and will be commercially certified for hundreds of flights.

This level of cost reduction has the potential to enable new, nontraditional uses of space. Taking this vital first step is comparable to the first 25 years in the development of the microprocessor when computer processors went from millions of dollars to hundreds of thousands of dollars.

Over the next 25 years more dramatic improvements will be enabled by an all flight crew escape system and horizontal takeoff, which allows the vehicle to abort its takeoff after reaching maximum power—much like an aircraft. Costs will fall to \$100 per pound for low earth orbit missions. This low price per flight will create a 15-fold increase in the size of the current projected space launch market. This larger market will, in-turn, enable this system to be developed independent of U.S. Government financial support. The number of flights per year will jump to over 2,000, which will require certification for thousands of flights.

Future generations of space travel will be almost as routine as commercial air travel today. The passenger risk will be reduced to 1 fatality per 2,000,000 flights at a cost of \$10 per pound to orbit. Crew escape will be eliminated as system reliability matures. In forty years, true Spaceliners will be capable of satisfying a market demand over 10,000 missions per year—achieving near airline-like life certification.

Doubling and tripling the structural margin will require us to move beyond traditional rocket engine cycles to a combined air-breathing rocket cycle. These new propulsion systems could allow space vehicles to takeoff horizontally like an airplane. These air-breathing vehicles will provide greater opportunities to return to earth from orbit—a key requirement for routine

commercial package delivery and military priorities. The technologies required for these systems will truly marry the best of the aeronautics and space communities.

The large increase in flights per year will demand that current operations and maintenance procedures be revolutionized. Unlike the current shuttle, which requires over 5 months to process with several thousand personnel, the next generation of systems will be turned around in one week with less than one hundred personnel. In contrast to the rigorous tear-downs and inspections required for the Space Shuttle's subsystems, the next generation vehicle's on-board health monitoring systems will tell the ground crews which systems need replacement before landing. Due to modern computer and display technologies, the number of personnel required on launch day will be reduced from 170 to about 10. An automated mission planning system will enable changes in payload and weather to be factored in less than twenty-four hours. The payload will be processed off-line and integrated into the vehicle the day prior to launch. Range safety will be accomplished using the Global Positioning System, reducing the number of personnel to a handful. Upon landing, the vehicle will, various ways, automatically restore itself, requiring minimal human intervention.

In twenty-five years, vehicles will be re-flown within one day and in forty years, within several hours with crews numbering less than ten. Fully automated ground processing systems will require only a handful of personnel to launch the vehicle. Due to the increased intelligence of on-board systems, only cursory walk-around inspections will be required between flights. Payloads will be fully containerized and loaded hours before flight. Range safety will be replaced by Aerospace Traffic Control Centers scattered around the globe, passively monitoring the multiple flights using commercial broadcast towers.

Today we've imagined our boundless future of space exploration on safe, affordable space transportation.

But, stop to think what our future will be if we don't develop the fundamental technological building blocks. To realize these ambitious goals, we must provide consistent funding for our technology programs over the next several decades.

What will inspire the next generation of Americans? We must not kill the spirit of the Lewis and Clark's among us. Our next great adventure is the exploration and development of space! If we continue to cut corners on our financial commitment without conquering this tremendous challenge of making space travel safe and affordable for ordinary people, we will stunt the pioneer spirit that brands us all as Americans.

NASA has accepted the responsibility for pushing technology because this is vitally important for our nation. The nation must focus resources on accelerated technology development if we are to remain the worldwide technology leader. We will drive the technology breakthroughs necessary to sustain and enhance U.S. military capabilities. Our Nation's defense in very dynamic times must rely on cutting-edge space launch technologies to protect our borders.

But low-cost space transportation is not just about surviving. It is about thriving economically. Our wildest dreams of doing business on the space frontier surely don't even begin to skim the surface of the incredible economic opportunities waiting beyond the horizon.

Today, the X-33 and X-34 programs are making significant strides, taking us towards these goals and will provide us with new benchmarks in how to develop and operate modern reusable launch systems. Today, I want to salute NASA's goals and dreams. They are the same ones that took Apollo 11 to the Moon 30 years ago. They should be ours as well; to develop and demonstrate in flight the required technologies to win the promise of flights to low earth orbit for \$100 per pound, with a 10,000 times increase over today's safety levels.

Mr. President, I also want to endorse NASA's approach of "build a little, test a little, fly a little" by performing rigorous ground testing. I believe it is imperative to move forward with our X-34 sized flight demonstrations within the next 5 years.

We are at a defining moment in the development of space. The key is making space transportation affordable for ordinary people. Through innovative technology development, NASA will lead our nation as we unlock the door to the final frontier. I call on all my colleagues, and indeed the citizens of our great land, to give them our support. Let us return to a time when we made our dreams a reality—let us return to being a nation of explorers.

Mr. GRAHAM. Mr. President, thirty years ago today human beings first set foot on the surface of the Moon. The Apollo 11 landing was an unprecedented accomplishment, one that marked the culmination of a national commitment to space exploration initiated by President Kennedy.

As many of my colleagues will remember, our country's space program was a child of the Cold War. In many ways, our rivalry with the Soviet Union in space was the primary impetus for the Apollo Program. The Soviets launched the first artificial satellite. They put the first man in space. They achieved the first space walk. Thirty years ago, we were intent on responding to those milestones by putting the first man on the Moon. As

then Senate Majority Leader Lyndon Johnson said, "I, for one, don't intend to go to sleep by the light of a Communist moon."

Today there is no Cold War, no unifying theme around which to rally our space program. Yet our exploration of space remains as important today as it was three decades ago. History tells us that those nations which developed the frontier prospered. Space is the latest frontier.

Mr. President, if I am not mistaken, the Chinese character for "crisis" is the same as that for "opportunity." As our nation recalls the triumph of Apollo, we face both crisis and opportunity in our space program.

On May 25th, the Cox Commission reported multiple instances of sensitive American nuclear and missile technology falling into the hands of the People's Republic of China. It identified the lack of a sufficient United States commercial space launch capacity—a problem that has sent launch business to nations like China—as one of the reasons for this transfer of information.

The numbers tell an alarming story. Though nearly 70% of the world's commercial satellites are assembled in the United States, less than 45 percent are launched from our shores. Because more than 60 U.S. satellites have been approved for export to launch from Russia, the Ukraine, and China since 1995, U.S. rocket manufacturers and their vast supplier network have lost approximately \$2.4 billion in direct revenues—a figure that doesn't include American satellite launches by the powerful European Aranespace Consortium.

Why are we losing out to other nations? One reason is cost. As scientist and author Gregg Easterbrook pointed out in the June 2, 1998 edition of the New York Times, companies that launch satellites aboard American space vehicles can expect to pay between \$10,000 and \$12,000 per pound. Nations like China—where government partially subsidizes the cost of satellite launches—can offer the same services for half the cost.

A second reason for our nation's declining share of commercial space launches is the relatively small number of available launch vehicles in the United States. From 1977 to 1986, the space shuttle was the only spacecraft authorized to carry satellites into orbit. That nearly ten-year hiatus in American rocket development gave a huge advantage to nations that used that time to build and improve the Russian Proton, European Ariane, and Chinese Long March rockets.

Last fall, I joined Senator CONNIE MACK (R-FL), U.S. Representative DAVE WELDON (R-FL), members of the House Science and Senate Commerce Committees, and a broad, bipartisan coalition in tackling these problems

through the enactment of the Commercial Space Act. That legislation took steps to create a stable business environment for the U.S. commercial space industry, while simultaneously making the government's use of space technology more efficient and saving taxpayers millions of dollars. Even better, it did not add new federal regulations or raise taxes by so much as a penny. President Clinton signed it into law on October 28, 1998.

The Commercial Space Act will help to address the cost and capacity problems that have plagued our nation's commercial space industry. For example, it breaks the federal government's monopoly on space travel and encourages launch options that might lower costs. Until the passage of this legislation, the space shuttle was the only American craft authorized to both leave and re-enter our planet's atmosphere. Commercial companies that have an interest in providing repeat services to their customers might benefit from the same principle of reusability that powers Columbia, Discovery, Atlantis, and Endeavor.

In addition, our legislation helps to mitigate the United States' dearth of launch vehicles by allowing the conversion of excess ballistic missiles into space transportation carriers. International arms control agreements have rendered these missiles useless for national defense, and the hundreds in storage eat up close to \$10 million a year. Replacing their nuclear warheads with scientific and educational payloads will give the United States a practical, low-cost method for putting satellites into orbit.

But more and less expensive rockets will do little to erase other nations' competitive advantage if the United States does not have the infrastructure needed to launch them. That's why a similar bipartisan coalition recently introduced the Spaceport Investment Act. This legislation would make the financing of spaceport construction and renovation 100% tax-free—an innovation that could spur private investment in the important task of building and modernizing our nation's space launch facilities.

While airports, high speed rail, seaports, mass transit, and other transportation projects can raise money through tax-exempt bonds, spaceports do not currently enjoy such favorable tax treatment. This amounts to a glaring omission in federal policy. Airlines, cruise, and shipping lines could not exist without airports and seaports. In the same fashion, state-administered spaceports provide vital incentives for space-related economic growth by supplementing the launch infrastructure already provided by the federal government.

My home state offers tangible proof of spaceports' value to the commercial space industry. Since its creation in

1989, Spaceport Florida has facilitated more than \$100 million in space-related construction and investment projects. This includes the modification and conversion of Launch Complex 46 from a military to a commercial space facility.

Virginia, Alaska, and California also host spaceports, and ten other states—Idaho, Louisiana, Mississippi, Montana, Nevada, New Mexico, North Carolina, Oklahoma, Texas, and Utah—are considering their establishment. We must take advantage of this opportunity to make the public and private sectors partners in the effort to build badly needed launch sites around the nation.

The Commercial Space Act and Spaceport Investment Act will boost the effort to recapture space business in the United States. But these legislative initiatives must be part of a larger solution. In the coming months, I will be exploring the idea of a National Space Summit that brings together lawmakers, federal and state space administrators, business leaders, and academic representatives with the goal of launching a united effort to revitalize our commercial space industry and reverse our rapidly declining share of space launches.

Mr. President, while we recognize the historical significance of today's date, we must not let the accomplishments of the past dilute our focus on the future. My proposal is an innovative and efficient method for encouraging private and public cooperation in the important goal of revitalizing our national reach for the stars.

I urge my colleagues in the Senate to join us in this important effort to repave our pathways to outer space. This would be a fitting tribute to the brave pioneers who landed on the Moon thirty years ago today. Those early explorers sacrificed much for our nation's commitment to space exploration. Just yesterday, one of these pioneers, Apollo 12 Commander Pete Conrad, was buried in Arlington National Cemetery. Let us produce a lasting memorial to these astronaut heroes by rededicating ourselves to their cause.

Mr. BURNS. Mr. President, today I rise to join my colleagues in a tribute to the 30th anniversary of the Apollo 11 mission. Thirty years ago today, our nation was launched into the lead of a global space race. Not only was this an important step for our nation, it was an important step for America in the Cold War—a war waged in technological and economic terms rather than on the front lines of the battlefield. A war in which America later claimed victory during President Reagan's administration.

The Apollo 11 mission played a role in that victory. The famous words, "one small step for man, one giant leap for mankind" was more than appropriate. It was one of the highlights of

NASA and during the pinnacle of the agency's existence. On the morning of July 16, 1969, the mission's Saturn V rocket was launched from the Kennedy Space Center, landing on the moon four days later. On board with Neil Armstrong and Buzz Aldrin was Michael Collins, who piloted the command module while his comrades used a landing craft, the *Eagle*, to make that historic visit to the lunar surface.

The mission was a unifying event in an era when America was wracked by social protest and divided over the Vietnam War. People across the country, and around the world, sat glued to television sets as the Apollo crew did what was once thought impossible. The important achievement of Apollo demonstrated that humanity is not forever chained to this planet.

Mr. President, I regret that the push for manned space flight has faded in the years since Apollo. I find it ironic, that 30 years after first going to the moon that children today are learning about space travel in history class, rather than science class.

May 13, 2004, will mark the launch of the Corps of Discovery bicentennial. It was during this adventure that Meriwether Lewis and William Clark, along with a small band of men, set out on a voyage of exploration that was to earn them a place in America's history. Tasked with exploring a new and largely unknown world, Lewis and Clark opened the West and provided storytellers with a compelling, historic drama.

Today, NASA's role in space exploration parallels the role of the Corps of Discovery. No other federal agency is faced with such intriguing and limitless boundaries. No other federal agency captivates the attention of school children around the nation.

But NASA's obstacle is not a technology barrier—rather it is a barrier of financial abilities. Space activities require decades of planning. Short-term constraints of a political agenda do not address this necessity. It is not where we want to be next year, rather where we want to be 20 years from now. That is a blindness many politicians are hampered with.

For the sixth year in a row, NASA's budget has declined while its productivity improves. We know what NASA is able to do. In the 1960s, the Saturn/Apollo program put a man on the moon. Only recently has the commercial sector approached NASA's heavy-lift capacities.

Our nation's history is one of triumph and tragedy. We have rejoiced in NASA's success and mourned in its grief but the Apollo 11 mission was one of the greatest moments in our nation's history.

I thank the Chair.

Mr. FRIST. Mr. President, thirty years ago Neil Armstrong took his historic first steps on the surface of the

moon, fulfilling the dreams of his fellow astronauts, his country, and the entire human race. His "small step" has inspired the following generations in a quest to explore the frontiers of space. Space travel has encouraged ingenuity that permeates American society. National Aeronautic and Space Administration (NASA) accomplishments have led to technological advancements utilized in everyday life, as well as increased math and science interest among school children, and the development of a multi-billion dollar commercial space industry. While there are many benefits of space exploration, the United States still faces the challenge of developing a cost effective strategy to manage existing space programs. We should build on the legacy of Apollo II by forging ahead with both basic R&D and advanced future technologies in a cost effective and well-managed collaborative effort with private industry.

The accomplishment three decades ago of the seemingly impossible task of sending a man to the moon led to a newly found confidence in the power of science. President Kennedy challenged America in 1961 to send a man to the moon, when many people believed it to be impossible. Within a decade, America had risen to the challenge by demonstrating their technological superiority over the rest of the world with Apollo 11. Such a powerful display of technology is a catalyst of a cycle resulting in an increased standard of living for many Americans. The cycle begins as many young people are motivated to pursue science as an academic discipline. New scientific interest results in an increase in basic research funding at universities and corporations. The cycle is completed when advancements ranging from more comfortable mattresses to better radiation treatment for cancer patients begin to make their way into everyday life. Other emerging applications include agricultural remote sensing techniques, distance learning, and telemedicine. The increased productivity attributable to these applications will serve as a stimulus to the national economy.

Commercial space launch is an entire industry that has stemmed from the application of technology in space. The broadcast, telecommunications, and weather industries all increasingly rely on satellites to provide the most effective services. The U.S. commercial launch industry had revenues totaling \$2.4 billion dollars in 1997. This industry is projected to grow exponentially over the coming years. The Commerce Department estimates that over 1,700 satellites are expected to be launched over the next ten years—70% of which will come from the commercial industry. It is clear that if the United States is to remain the world's leader in this domain, we must begin now to mod-

ernize the Nation's space launch capacity. That means reviewing the state of our outdated launch vehicle technology, our costly infrastructure, and the financial insurance needs that are key to the growth of this industry.

The immediate future of NASA lies in the International Space Station, an international cooperative effort to build a research facility in space. The International Space Station will provide a unique environment for research with the absence of gravity, allowing new insights into human health and disease treatments. However, this innovative research facility bears a price tag of approximately \$100 billion dollars to the American taxpayers. Although this program is a long-term investment which will bring discoveries unimaginable to today's scientists, it is our duty to protect the American taxpayers from unsatisfactory performance of the participating foreign partners, prime contractor, and program management. Congress must insist on further accountability from NASA in order to most effectively support this program. We should not allow delays in foreign components of the International Space Station to increase the burden on American citizens.

On this day in 1969, Neil Armstrong knew that he was making an important first step. We have the responsibility of taking the next step by determining the future path for NASA and the space industry. Our efforts to reach the moon required a creative approach to a difficult challenge. In the spirit of the Apollo program, I call on NASA and policy makers to take a creative approach to ensuring fiscal responsibility while fostering the innovation that benefits every American.

Mr. BROWNBACK. Mr. President, I rise in support of the resolution submitted by Senator SHELBY commemorating the 30th anniversary of the first lunar landing, an event that will be remembered as one of the most important events of our country and century. Americans remember the landing on the lunar surface not only with a sense of historical significance, but also with one of honor and pride in the accomplishment of the crew of Apollo 11 and the men and women of NASA who made it possible.

This mission was conducted during a tumultuous time in our country's history. Sending a man to the moon forced us to marshal our country's vast talent and technological resources and to drive our creative energies to the breaking point. Apollo proved that necessity is the mother of invention. The Apollo mission required us to make quantum leaps in propulsion systems, airframe materials, electronics, and other scientific areas in an impossible amount of time.

I congratulate Neil Armstrong, Buzz Aldrin, the late Michael Collins, and NASA for their courage to lead our

country to the new world of space. While our accomplishments in space have continued, space still offers us a vast and unexplored frontier. America has been, and should remain a world leader in space research, technology, and exploration. It is on this 30th anniversary of the first lunar landing that America should renew its support for our space program and challenge ourselves once again as we begin a new century.

Mr. WARNER. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to this resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (S. Con. Res. 46) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

#### S. CON. RES. 46

Whereas the Apollo-11 mission successfully landed a manned spacecraft on the Moon on July 20, 1969, marking the first time in history that humans have walked on the surface of the Moon or any other planet;

Whereas the 6 Apollo missions successfully departed Earth aboard a Saturn V Rocket, the largest and most powerful American rocket ever produced, en route to the Moon;

Whereas 12 Americans successfully landed on the surface of the Moon where they performed various experiments and collected samples for study, and planted the flag of the United States of America in the lunar soil achieving a milestone in American and human history;

Whereas the contributions of other Americans who made up the thousands of contractors and Government employees who worked on the Apollo program are recognized; and

Whereas the events of the Apollo missions are examples of the great achievements of the American space program reflecting the explorer's spirit of the American people: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the 30th anniversary of the first lunar landing should be a day of celebration and reflection on the Apollo-11 mission to the Moon and the accomplishments of the Apollo program throughout the 1960's and 1970's.*

#### ORDERS FOR WEDNESDAY, JULY 21, 1999

Mr. WARNER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Wednesday, July 21. I further ask consent that on Wednesday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period of morning business until 10:30 a.m., with Senators permitted to speak for up to 5

minutes each, with the following exceptions: Senator DURBIN, or his designee, 30 minutes; Senator HATCH, or his designee, 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I further ask unanimous consent that following morning business the Senate resume consideration of the intelligence authorization bill, and Senator BINGAMAN be recognized at that time in order to offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. WARNER. For the information of all Senators, the Senate will convene at 9:30 a.m. and be in a period of morning business for 1 hour. Following morning business, the Senate will resume the debate on the intelligence authorization bill. Senator BINGAMAN will be recognized to offer a second-degree amendment regarding field reporting to the Kyl amendment regarding Department of Energy reforms. Other amendments are expected to be offered and debated throughout tomorrow's session of the Senate. Therefore, Senators can expect votes throughout the day and into the evening.

The majority leader would like to inform all Members that the Senate will

remain in session on Wednesday until action is completed on the pending intelligence authorization bill. Upon completion of the intelligence authorization bill, it is the intention of the majority leader to proceed to any appropriations bill on the calendar.

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ADJOURNMENT UNTIL 9:30 A.M.  
TOMORROW

Mr. WARNER. If there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:25 p.m., adjourned until Wednesday, July 21, 1999, at 9:30 a.m.



## HOUSE OF REPRESENTATIVES—Tuesday, July 20, 1999

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mrs. WILSON).

### DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,  
July 20, 1999.

I hereby appoint the Honorable HEATHER WILSON to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,  
*Speaker of the House of Representatives.*

### MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 19, 1999, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to 25 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to 5 minutes, but in no event shall debate extend beyond 9:50 a.m.

The Chair recognizes the gentleman from Oregon (Mr. BLUMENAUER) for 5 minutes.

### NAFTA/BORDER CROSSING

Mr. BLUMENAUER. Madam Speaker, part of the challenge of a livable community is to help people compete in and adjust to the new global economy. Trade in North America is an important part of that challenge. Since the passage of the North American Free Trade Agreement, the commerce between Mexico and the United States has grown from \$80 billion to about \$200 billion and is steadily rising. In part, it could be said to be working.

But there are some points of serious challenge that are hidden in the statistics about commerce. I am particularly concerned about lax cross-border crossing controls that put the driving public at risk and put United States trucking and passenger transport at a competitive disadvantage.

There are some very serious problems, the most significant of which is that Mexican enforcement programs are still virtually nonexistent 5 years after the enactment of NAFTA. And according to the Inspector General, our own United States Department of

Transportation does not, and I quote, "... have a consistent enforcement program that provides reasonable assurance of the safety of Mexican trucks entering the United States."

Furthermore, should the moratorium on cross-border trucking be lifted in the near term, our Department of Transportation is not ready to reasonably enforce the United States' safety regulation on Mexican carriers. Few of the 11,000 trucks now crossing daily into the United States are inspected, and almost one-half of those which are inspected have problems so serious they must be immediately ordered off the road. Yet, it is not clear even those ordered off the road comply.

Also, the Department of Transportation and State inspectors do not routinely provide inspection coverage on evenings or weekends, thereby allowing thousands of trucks to enter the United States without even the threat of possible inspection.

It is not just a problem dealing with trucking. Mexican buses and passenger vans pose a serious threat to highway safety, with low inspection rates and an out-of-service rate twice as high as United States buses.

Under recently enacted TEA 21, \$124 million of infrastructure was allocated for border and trade corridor investment. There is certainly the need and there are resources available. The DOT should use the \$10 million per year in TEA 21 for national priority and border safety enforcement activities to station staff at the border and to assist State border oversight efforts.

Moreover, Texas and Arizona border inspection facilities and staffing are woefully inadequate. Neither State has permanent truck inspection facilities at the border, even though 76 percent of cross-border truck traffic entering the United States comes through those two States.

The issue goes beyond just simply what happens at those borders. There are 24 other non-border States that the Inspector General found where over 600 inspection records suggest that 68 motor carriers domiciled in Mexico operated illegally outside the permitted United States commercial zones.

I feel very strongly, as a person who supports free trade, and I would have voted for NAFTA had I been in Congress at that time, because my area and increasingly the United States economy is contingent upon free and open trade activity, but there is no excuse for us to have at risk our environmental and safety laws.

This week over 30 of my colleagues are calling upon the Committee on Transportation and Infrastructure chairman, the gentleman from Pennsylvania (Mr. SHUSTER), and the ranking member, the gentleman from Minnesota (Mr. OBERSTAR), to consider convening hearings on these serious cross-border problems associated with commercial vehicles and NAFTA. Being able to focus on the problem, and more important, to be able to bring the United States' action to bear, both on the Federal level and the State level, is critical if we are going to fully realize the promise of free trade without putting our Nation's citizens and our environmental laws at risk.

### COMMEMORATING THE THIRTIETH ANNIVERSARY OF THE APOLLO 11 MOON LANDING

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Florida (Mr. WELDON) is recognized during morning hour debates for 5 minutes.

Mr. WELDON of Florida. Madam Speaker, 30 years ago today history was made. For the first time homo sapiens took their first steps on a new world. Thirty years ago today, American know-how and technological might was demonstrated in a way that benefited every human on this planet. Thirty years ago we aimed higher than ever and accomplished that goal.

The names Michael Collins, Buzz Aldrin, and Neal Armstrong will forever be etched in the edifice of human history, next to the names of Columbus and Lindbergh.

We all know the phrases, "The Eagle has landed," and "That's one small step for a man, one giant leap for mankind." Most of us can remember where we were at the time when the Eagle did make that landing. The magic of television helped us all feel like we were part of what was going on on the Moon.

I remember well where I was. I sat in my living room with my mother and father and my three sisters, each of us glued to the television set in disbelief that we had actually lived to see people, humans, setting foot on another planet.

Our efforts into space have an uncanny ability to unite all people and excite the imagination like nothing else. One of the privileges that I have had in serving in this position is the opportunity to travel and meet many teachers, and they all tell me, the thing that they find that most excites

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

their young students to study math and science is our space program, particularly our manned spaceflight program.

As we all know, today in America the majority of the new high-paying jobs are being created in high technology industries like the computing industry, and those jobs are dependent on America producing young people ready to go into the workplace with skills in math and science.

Indeed, the computing industry is so big that it is generating jobs for artists, for marketers, and for other people who do not traditionally study in the sciences. Many of these jobs are dependent on motivating our kids. There is nothing that motivates our kids more than our space program.

Today I am proud to say that the shuttle Columbia is now preparing to leave the Earth later this week on a mission to deploy a new space-based telescope, a telescope that will aid in our understanding of our place in the universe.

Madam Speaker, we should be proud of our space program, and on this day, the 30th anniversary of the first manned lunar mission, we should continue and remember to support our space program to the fullest extent possible.

#### PRICE DIFFERENTIALS IN PRESCRIPTION DRUGS ARE A FORM OF PRICE DISCRIMINATION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from West Virginia (Mr. WISE) is recognized during morning hour debates for 5 minutes.

Mr. WISE. Today I am releasing the results of a report that we have done, a study that we have done, an international comparison of retail prescription drug prices and the rate that West Virginia senior citizens pay versus what a citizen would pay in Mexico or Canada for the same prescription drug.

The results are astounding. What we have concluded is that West Virginia senior citizens, and incidentally, this is true for all senior citizens across the country, West Virginia senior citizens pay significantly higher retail prices for prescription drugs than consumers in either Canada or Mexico.

This also applies to other nations as well. We chose Canada and Mexico as ones that we could survey easily. For instance, in Canada, West Virginia senior citizens will pay, on the average, the average retail price difference will be 99 percent more for certain prescription drugs than the Canadian citizen will pay. A West Virginia senior citizen will pay 94 percent more than a citizen in Mexico for the same drug.

We took five prescription drugs, and these are not generic medications, five prescription drugs that are the five

patented non-generic drugs with the highest annual sales to senior citizens in 1997. They are Zocor, Prilosec, Procardia XL, Zolof, and Norvasc.

If we look at just the top two, Zocor, these are prescription drugs that our senior citizens need the most and buy the most. If we look at Zocor, the Canadian retail price for the particular dosage is \$46.14. If we look at the Mexican retail price, \$63.15 cents. If we look at the West Virginia senior citizen out-of-pocket price, it is \$114.48. Prilosec, that is \$54.87 to the Canadian consumer, \$39.47 to the Mexican consumer, and \$127.34 to the West Virginia consumer.

So the price differential, once again, between Canada and West Virginia is 132 percent, between Mexico and West Virginia is 223 percent, as illustrated in the chart I have here, with Canadian price in blue, the Mexican price in red, and the West Virginia senior citizen price in beige.

We looked at two other medications as well, Synthroid and Micronase. We found in those particular cases that West Virginia consumers would be paying three times, and in one case as much as nine times, more than their Canadian and Mexican counterparts. This simply is not fair, Madam Speaker. Senior citizens in West Virginia should not have to go to Toronto or Tijuana to do their prescription drug buying. Why is it that Zocor costs more for a senior citizen in Martinsburg or Marquette, West Virginia, than it does for a citizen in Montreal or Mexico City?

Two weeks ago I issued a report comparing prices that a West Virginia senior citizen would pay versus what the prescription drug companies were charging their most favored customers, HMOs, insurance companies, and the Federal Government. The results were exactly the same. It does not matter where we are, apparently, in the world, maybe in the universe, but if you are a West Virginia senior citizen, you are going to be paying more out of pocket than the favored customers who negotiate lower rates with the prescription drug companies, or even consumers in foreign countries.

I object what some are going to say. They are going to say, but, Congressman, the production cost of that medication is different in Mexico or Connecticut or wherever else it is being purchased. GAO looked at this in 1992 and concluded that production and distribution and research and development costs did not account for this large price differential; that indeed, it was simply a markup.

Indeed, I question whether the prescription drug companies are even spreading those research and development costs across the entire world consumer base. My study shows, and incidentally, let me just thank very much the gentleman from California (Mr.

WAXMAN), the ranking member of the Committee on Government Reform and Oversight, and his staff who provided much of the background and did much of the analysis for this study.

What our study shows, though, is that people who need the prescription drugs the most, the senior citizens in our country, and who have the least ability to pay end up paying the most. Why? Because the prescription drug companies engage in differential pricing. These folks, the senior citizens, are the ones who pay out of pocket. They are the ones who are paying the bulk of this.

Mine is not the only report that illustrates this. Look at the Canadian Patented Medicine Price Report. I would just say in closing, Madam Speaker, that clearly West Virginia senior citizens are paying far too much out of pocket for the same prescriptions that their counterparts are paying in other parts of the country and the world.

#### WILL WE SQUANDER OUR SURPLUSES?

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Florida (Mr. STEARNS) is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Madam Speaker, I am sure everybody this morning has heard all about the surpluses we have here. We have had the Office of Management and Budget, which is the arm of the White House, indicate that there will be \$1 trillion in surpluses over the next 15 years, and we have heard information from the CBO, which is the arm of Congress, also saying there will be a huge amount of surpluses.

My concern this morning is that the spending that we are talking about here in Congress is increasing, and I hear all the new programs that the President is proposing, so I am concerned. I thought I would bring my concerns to the floor today to discuss with my colleagues a couple of things we should concern ourselves with.

When the Congressional Budget Office and the Office of Management and Budget made their forecast, they used the assumption that none of the spending increases would break the budget caps; that is, the spending limits set by the 1997 Balanced Budget Agreement would be held intact.

I think we all know here this morning that we have already broken the budget caps in some ways, and many of us feel that, in certain areas, we should. But there are several factors that must be in place in order for these optimistic forecasts that CBO and OMB have projected to become reality.

Besides holding within the caps from the 1997 Balanced Budget Agreement, there is a built-in assumption in both these organizations that the economy

will continue to chug along with a growth rate of 2.5 percent a year until the year 2008. In other words, there is nothing built in in that case that we have a recession. Maybe we will not have a recession, but there is a possibility that if we do not have a recession, at least the economy will slow down.

Madam Speaker, today we have two assumptions that are built into the CBO and the OMB's projection; one, that we will stay within the budget caps, and two, no recession or economic downturn will occur over 10 years, possibly 15 years. My colleagues, both of those assumptions are difficult to believe under today's realities.

The 1997 budget agreement set tight spending controls on the growth of discretionary spending. Discretionary spending accounts for a great deal of the spending by the Federal Government, and the portion of the budget that the folks here in Congress can control. It includes but is not limited to such items as the Department of Education, the FBI, disaster relief, and all these other programs.

If we adhere to the spending caps, then everything will be fine, but that is a big if. As I mentioned earlier, the only problem is that Congress is already having a difficult time in keeping it within the limits set by the Balanced Budget Act of 1997. Is it realistic to think that in the year 2009, that is part of the projection of these organizations, that there will only be an 11 percent increase in spending? That is just a little over 1 percent a year.

Let us go back in history and take a look at how that compares to what we did in the last 11 years. From 1987 to 1998, discretionary spending rose by 75 percent. That is just a little under 7 percent. So I say to my colleagues, even the projection that these organizations are providing and we in Congress are assuming, that discretionary spending will increase by 1 percent, is not accurate, because in the past it has been almost 7 percent.

So we have some real difficulties that are looming before us. The appropriators have already indicated they cannot stay within the limits imposed by the 1997 budget. Therefore, if domestic spending should begin to rise, then the interest payments on the debt will not decline. If the surplus starts to decline, then the debt in turn will increase, and interest payments will continue to increase, also.

In conclusion, Madam Speaker, the two assumptions that CBO and OMB have used have great validity only if they come true. The first assumption is that we will stay within the budget caps. As we know, we have already broken the budget caps in certain areas, and I expect we will probably break them again.

The second assumption is that there will be no recession in the next 10 to 15

years. That too is not realistic. I caution my colleagues that we need to try, as much as possible, to control spending because I think the Balanced Budget Agreement set us on the right course. I hope we will not deviate, and try to restrain spending.

I call upon the President also. For every new program that he offers us, he has to come up with a way to offset it. We must hold the line on spending, and if we do these things, hold the line on spending and continue to reduce taxes, I think that we can look at surplus into the future.

#### AN IRRESPONSIBLE FINANCIAL FREEDOM ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Texas (Mr. DOGGETT) is recognized during morning hour debates for 4 minutes.

Mr. DOGGETT. Madam Speaker, let me just say that I want to associate myself fully with the remarks just made by my Republican colleague, the gentleman from Florida (Mr. STEARNS). He made some excellent points.

Though it may not have been intended, I think he makes a very compelling case for how extremely irresponsible the Republican so-called Financial Freedom Act is that is to be presented on this floor tomorrow.

I, as a person who has for the last several sessions been among the leading deficit hawks, according to the Concord Coalition, refer to the comments of the founders of that organization, Warren Rudman, a former Republican Senator who wrote just within the last week remarks very similar to our Republican colleague, the gentleman from Florida, in saying that the surplus is only a projection that cannot be spent.

If spending is increased, and he adds something my colleague, the gentleman from Florida, failed to mention, our taxes are cut based on the expectation of large surpluses, and the projection turns out to be wrong, deficits easily could reappear where surpluses are now forecast. Most economists have therefore advised that the best thing to do with the surplus is to pay down the debt, or to deal with this problem of the retirement security through security accounts.

I believe that is correct. If we are to dissipate a surplus that may not even exist over the course of the next 10 years, we will be back into the years of Reagan red ink, where we have more and more deficits which we are finally, through responsible policies, being able to work ourselves out of.

I think, though there is substantial competition in this Congress, it is very difficult to find anything more irresponsible than the so-called Financial Freedom Act. It is really a bill that

ought to be called "the Freedom From Financial Reality Act," because it disregards the very realities our colleague, the gentleman from Florida, has just been pointing to.

This bill proposes to have essentially a \$1 trillion tax cut. It is the equivalent, in terms of financial responsibility, of our Republican colleagues piloting the SS Titanic through the deficits ahead, and the dance band playing the tune of "We don't believe in icebergs," or in this case, "We don't believe in deficits."

So irresponsible has their path been that they now find themselves proposing to reduce their own tax cut I think it is by approximately \$72 billion, because they have exceeded their own irresponsible budget resolution, as noted by our colleagues across the Capitol.

But shaving off \$72 billion from a bill that is as irresponsible as the one our House Republican colleagues have proposed is little more than the equivalent of tossing the deck chairs off the Titanic after the iceberg has been hit.

We face very perilous times if this Republican proposal is advanced, because it threatens the very security of our economic expansion. We have an unparalleled economic expansion going on at present in this country. Families all throughout this Nation have benefited in varying degrees, many just now beginning to share in the benefits of this economic expansion, and to threaten that by going back to the old deficit approach I think would be a real mistake.

It is that same threat of irresponsible action in this Republican tax bill that also jeopardizes our ability to assure the security of Medicare and social security, and to address the concerns that our colleague, the gentleman from West Virginia, just raised about the lack of prescription drugs and the discrimination against seniors with reference to prescription drugs.

All of these issues are at stake in this battle over the Republican tax bill. Indeed, it is not only our colleague, the gentleman from Florida, but the chairman of the Federal Reserve Board, Alan Greenspan, who has addressed this issue as he came before our Committee on Ways and Means.

He had pointed out that, "It would be a serious mistake to avoid reducing the surpluses and to yield to the short-term political temptation of a tax cut." I urge the rejection of this Republican mistake.

#### SECURE MEDICARE AND SOCIAL SECURITY BEFORE GIVING TAX CUTS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Massachusetts (Mr. NEAL) is recognized during morning hour debates for 4 minutes.

Mr. NEAL of Massachusetts. Madam Speaker, I would just like to question, if I could, the gentleman from Texas for 1 moment.

I ask the gentleman, was it not the underlying assumption of the previous speaker, the gentleman from Florida (Mr. STEARNS) suggesting that long-term economic projections are notoriously unreliable?

Mr. DOGGETT. Madam Speaker, will the gentleman yield?

Mr. NEAL of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. DOGGETT. Indeed, he made the point quite well that so many economists share in, that we cannot count on those surpluses. They depend on everything, including the weather, and they are about as reliable as the weather report for 10 years from now.

Mr. NEAL of Massachusetts. Madam Speaker, it seemed to me to be startling to suggest, and I agree with him, incidentally, that we would project surpluses for the next 10 to 15 years based upon current economic assumptions.

Mr. DOGGETT. Absolutely outrageous, and Chairman Greenspan shared that concern also. That is why he emphasized in unequivocal terms that this Republican tax proposal would be a mistake, and pointed to the advantages that he said would accrue to the economy from a significant decline in the outstanding debt to the public; that that is the kind of thing that can keep our expansion going and can help us to secure social security and Medicare.

Mr. NEAL of Massachusetts. I ask the gentleman, these suggestions are being made in advance of having solved the Medicare and social security problem; is that correct?

Mr. DOGGETT. Indeed, this proposed Financial Freedom Act, the Freedom From Reality Act, proposes about a \$1 trillion cut in the next 10 years, and then, as those baby boomers are really beginning to demand and need social security and Medicare, it explodes in the next 10 years another \$2 or \$3 trillion. These numbers do get so big, but we are talking not about billions but trillions of dollars that are likely to be additional debt at the very time many Americans are retiring and need social security and Medicare.

That is why I think Chairman Greenspan, not only in answer to my questions, but just to turn the chart around, answered a specific question about the very kind of proposal, an outrageously irresponsible proposal, the Republicans have presented.

A Republican colleague, asking in front of the committee that approved this bill, "Would you support, say, the proposal being touted currently for a 10 percent across-the-board reduction in tax rates?" And Chairman Greenspan says, "Well, Congressman, as I said at the beginning, my first preference is to

allow the surplus to run, because I think that the benefit to the economy through the strength of increasing savings is a very important priority for this country."

We are concerned as Democrats not with spending but saving, saving the economic expansion we have, saving Medicare, and saving social security.

Mr. NEAL of Massachusetts. Madam Speaker, what we are essentially saying here on the Democratic side is this: we are not against tax cuts. We are simply suggesting that once we certify that social security and Medicare have been fixed for the next I think 65 years on the social security side and 35-plus years on the Medicare side, as certified by the trustees and actuaries of both those programs, then we are saying that we want to be able to entertain the notion perhaps of modest tax cuts, as proposed by President Clinton and the Democratic alternative.

Mr. DOGGETT. Absolutely. And I know we will hear shortly about a Democratic alternative to try to provide some fairness to middle-class workers in this country and families. I know the gentleman himself has introduced a proposal to try to simplify this complicated web called the Internal Revenue Code.

We have a number of creative Democratic proposals to try to get a little fairness for the people that are out there trying to hold their families together and earn a middle-class income. But to give it all to those at the top of the economic ladder, one-third of the benefits to individuals in this Republican bill go to families that earn over \$200,000 a year, so that is not the typical middle-class family. They want to just let a little dribble down to the rest of us. But I think that is not the right approach.

Mr. NEAL of Massachusetts. As is always the case, it is a question of priorities, is it not?

Mr. DOGGETT. Absolutely.

Mr. NEAL of Massachusetts. We are suggesting that Medicare and social security come first and then we can talk about tax cuts, or as the gentleman has indicated, I think, accurately so, what we are saying is, do not disturb the current economic growth that we have in anticipation of something that might not ever occur, massive budget surpluses.

Mr. DOGGETT. Do not bet on the come, stick with economic reality.

#### THE DEMOCRAT PLAN FOR A FAIRER BUDGET AND TAX PLAN

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from New York (Mr. RANGEL) is recognized during morning hour debates for 3 minutes.

Mr. RANGEL. Madam Speaker, after listening to the observations of my colleagues, I cannot believe that the ma-

jority is serious in saying that they have to take this surplus and convert it into a tax cut because the people in Washington would surely spend it.

I do not know whether they can count, and even though it is true that the number does dwindle day by day, but the truth is that they are in the majority. So if basically what they are saying is, stop me before I hurt the country, it is too late. They have already done that.

But in years ago, before the Republicans had the majority, a tax bill was not a political document, it was something that we would have for economic growth, to give assistance to the American people. Now we find that, through no fault of this Congress, there is going to be a baby boomer crop coming in 2015. People are going to mature, they are going to be eligible for social security, eligible for Medicare, and we have the ability among us to really take care of that unexpected booming course that we are going to have.

But instead of talking about that, these Republicans are talking about putting their foot in the door, as the gentleman pointed out, not just for the next 10 years but for the 10 years that follow that, that is going to go into trillions of dollars.

We cannot challenge them because they have the votes. We cannot challenge them because there are no committee meetings. We cannot challenge them because we do not go into caucus to discuss what they are doing. But one thing is certain, that the minority will be presenting a fairer package to the American people, one that includes taking care of the social security system, taking care of Medicare, and making certain that we reduce the Federal debt, as well as target a relief for the taxpayer.

Mr. NEAL of Massachusetts. Madam Speaker, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Massachusetts.

Mr. NEAL of Massachusetts. Madam Speaker, I would ask the gentleman from New York, is it his projection and the position of the Democratic minority that what we are really discussing is the repair of social security and Medicare first and debt reduction, and then tax cuts?

Mr. RANGEL. It is the only responsible thing to do. We want tax cuts like anyone else, but the American people want to make certain that we have taken care of the social security system, we have taken care of Medicare, we have taken care of prescription drugs, reduced the Federal debt the best we can, and give an equitable tax cut.

Mr. DOGGETT. Madam Speaker, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Texas.

Mr. DOGGETT. As the soon-to-be chairman of the Committee on Ways

and Means himself, would the gentleman from New York expect that this year it would be possible to have a few fully paid for, not taken out of social security, but fully paid for tax cuts that could be targeted to help middle-class families?

Mr. RANGEL. There is no question, if we were talking about education, if we were talking about long-term health care, if we were talking about day care, if we were talking about removing the pains of the marriage penalty, these things we can and we will do.

Mr. NEAL of Massachusetts. One quick question: Fix social security first, Medicare first, and then tax cuts?

Mr. RANGEL. You got it.

### RECESS

The SPEAKER pro tempore. There being no further requests for morning hour debates pursuant to clause 12, rule I, the House will stand in recess until 10 a.m.

Accordingly (at 9 o'clock and 35 minutes a.m.) the House stood in recess until 10 a.m.

□ 1000

### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. CALVERT) at 10 a.m.

### PRAYER

The Chaplain, the Reverend James David Ford, D.D., offered the following prayer:

For our prayer this day, let us use the words of Isaac Watts:

O God, our help in ages past, our hope for years to come, our shelter from the stormy blast, and our eternal home.

Before the hills in order stood, or earth received its frame, from everlasting you are God, to endless years the same.

Time, like an ever-rolling stream, soon bears us all away; we fly forgotten, as a dream, dies at the opening day.

O God, our help in ages past, our hope for years to come, still be our guard while troubles last, and our eternal home. Amen.

### THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

### PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from New York (Mr.

MCNULTY) come forward and lead the House in the Pledge of Allegiance.

Mr. MCNULTY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, A bill of the House of the following title:

H.R. 2490. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2000, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2490) "An Act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2000, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CAMPBELL, Mr. SHELBY, Mr. KYL, Mr. STEVENS, Mr. DORGAN, Ms. MIKULSKI, and Mr. BYRD, to be the conferees on the part of the Senate.

### PRIVATE CALENDAR

The SPEAKER pro tempore. This is Private Calendar day.

The Clerk will call the first individual bill on the Private Calendar.

### SUCHADA KWONG

The Clerk called the bill (H.R. 322) for the relief of Suchada Kwong.

There being no objection, the Clerk read the bill as follows:

H.R. 322

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. PERMANENT RESIDENT STATUS FOR SUCHADA KWONG.

(a) IN GENERAL.—Notwithstanding subsections (a) and (b) of section 201 of the Immigration and Nationality Act, Suchada Kwong shall be eligible for issuance of an immigrant visa or for adjustment of status to that of an alien lawfully admitted for permanent residence upon filing an application for issuance of an immigrant visa under section 204 of such Act or for adjustment of status to lawful permanent resident.

(b) ADJUSTMENT OF STATUS.—If Suchada Kwong enters the United States before the filing deadline specified in subsection (c), she shall be considered to have entered and remained lawfully and shall, if otherwise eligible, be eligible for adjustment of status under section 245 of the Immigration and Nationality Act as of the date of the enactment of this Act.

(c) DEADLINE FOR APPLICATION AND PAYMENT OF FEES.—Subsections (a) and (b) shall apply only if the application for issuance of an immigrant visa or the application for adjustment of status is filed with appropriate fees within 2 years after the date of the enactment of this Act.

(d) REDUCTION OF IMMIGRANT VISA NUMBER.—Upon the granting of an immigrant visa or permanent residence to Suchada Kwong, the Secretary of State shall instruct the proper officer to reduce by 1, during the current or next following fiscal year, the total number of immigrant visas that are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, the total number of immigrant visas that are made available to natives of the country of the alien's birth under section 202(e) of such Act.

With the following committee amendment in the nature of a substitute:

Strike out all after the enacting clause and insert:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. PERMANENT RESIDENT STATUS FOR SUCHADA KWONG.

(a) IN GENERAL.—Notwithstanding subsections (a) and (b) of section 201 of the Immigration and Nationality Act, Suchada Kwong shall be eligible for issuance of an immigrant visa or for adjustment of status to that of an alien lawfully admitted for permanent residence upon filing an application for issuance of an immigrant visa under section 204 of such Act or for adjustment of status to lawful permanent resident.

(b) ADJUSTMENT OF STATUS.—If Suchada Kwong enters the United States before the filing deadline specified in subsection (c), she shall be considered to have entered and remained lawfully and shall, if otherwise eligible, be eligible for adjustment of status under section 245 of the Immigration and Nationality Act as of the date of the enactment of this Act.

(c) DEADLINE FOR APPLICATION AND PAYMENT OF FEES.—Subsections (a) and (b) shall apply only if the application for issuance of an immigrant visa or the application for adjustment of status is filed with appropriate fees within 2 years after the date of the enactment of this Act.

(d) REDUCTION OF IMMIGRANT VISA NUMBER.—Upon the granting of an immigrant visa or permanent residence to Suchada Kwong, the Secretary of State shall instruct the proper officer to reduce by 1, during the current or next following fiscal year, the total number of immigrant visas that are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, the total number of immigrant visas that are made available to natives of the country of the alien's birth under section 202(e) of such Act.

(e) DENIAL OF PREFERENTIAL IMMIGRATION TREATMENT FOR CERTAIN RELATIVES.—The natural parents, brothers, and sisters of Suchada Kwong shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The committee amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## RUTH HAIRSTON

The Clerk called the bill (H.R. 660) for the private relief of Ruth Hairston by waiver of a filing deadline for appeal from a ruling relating to her application for a survivor annuity.

There being no objection, the Clerk read the bill as follows:

H.R. 660

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. WAIVER OF DEADLINE FOR APPEAL.**

For purposes of a petition by Mrs. Ruth Hairston for review of the final order issued October 31, 1995, by the Merit Systems Protection Board with respect to its docket number SF-0831-95-0754-I-1, the 30-day filing deadline in section 7703(b)(1) of title 5, United States Code, is waived.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

**TRANSFERRING CERTAIN LAND TO JOHN R. AND MARGARET J. LOWE**

The Clerk called the Senate bill (S. 361) to direct the Secretary of the Interior to transfer to John R. and Margaret J. Lowe of Big Horn County, Wyoming, certain land so as to correct an error in the patent issued to their predecessors in interest.

There being no objection, the Clerk read the Senate bill as follows:

S. 361

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. TRANSFER OF LOWE FAMILY PROPERTY.**

(a) CONVEYANCE.—Subject to valid existing rights, the Secretary of the Interior is directed to issue, without consideration, a quitclaim deed to John R. and Margaret J. Lowe of Big Horn County, Wyoming, to the land described in subsection (b): *Provided*, That all minerals underlying such land are hereby reserved to the United States.

(b) LAND DESCRIPTION.—The land referred to in subsection (a) is the approximately 40-acre parcel located in the SW¼SE¼ of Section 11, Township 51 North, Range 96 West, 6th Principal Meridian, Wyoming.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

**TRANSFERRING TO PERSONAL REPRESENTATIVE OF ESTATE OF FRED STEFFENS CERTAIN LAND COMPRISING THE STEFFENS FAMILY PROPERTY**

The Clerk called the Senate bill (S. 449) to direct the Secretary of the Interior to transfer to the personal representative of the estate of Fred Steffens of Big Horn County, Wyoming, certain land comprising the Steffens family property.

There being no objection, the Clerk read the Senate bill as follows:

S. 449

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. TRANSFER OF STEFFENS FAMILY PROPERTY.**

(a) CONVEYANCE.—Subject to subsection (b) and valid existing rights, the Secretary of the Interior shall issue, without consideration, a quitclaim deed to Marie Wambeke of Big Horn County, Wyoming, the personal representative of the estate of Fred Steffens, to the land described in subsection (c).

(b) RESERVATION OF MINERALS.—All minerals underlying the land described in subsection (c) are reserved to the United States.

(c) LAND DESCRIPTION.—The land described in this subsection is the parcel comprising approximately 80 acres and known as "Farm Unit C" in the E½NW¼ of Section 27 in Township 57 North, Range 97 West, 6th Principal Meridian, Wyoming.

(d) REVOCATION OF WITHDRAWAL.—The withdrawal for the Shoshone Reclamation Project made by the Bureau of Reclamation under Secretarial Order dated October 21, 1913, is revoked with respect to the land described in subsection (c).

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

**CONGRATULATIONS TO KEVIN MILLWOOD**

(Mrs. MYRICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MYRICK. Mr. Speaker, thousands of boys in North Carolina's 9th Congressional District grow up dreaming about playing baseball in the big leagues. I rise today in honor of one of these boys, a young man who has made it to the top. Kevin Millwood, a 1993 graduate of Bessemer City High School, had a break-out season for the Richmond Braves in 1997, and he was called down to Atlanta.

He has been on a tear ever since. This year he led the Braves' pitching staff with an 11 and 5 record and was elected to the National League team for last year's All Star game. Up in Boston, he continued his dominance, pitching a scoreless inning in which he allowed one hit and then retired the side.

So congratulations, Kevin. You are a positive example for young people to follow, and we sure are proud of you.

**MASSIVE TRADE DEFICITS FOR U.S.**

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, another record one-month trade deficit approaching \$20 billion. That means there were another 400,000 American manufacturing high-paying jobs lost last month.

American workers keep going from factories to McDonald's, from steel

mills to service centers, from banks to bankrupt, and no one in Washington is even paying attention.

Check it out. Free trade for Mexico, free trade for Africa, free trade for China, free trade for Europe, and massive trade deficits for the United States of America.

Beam me up. This is not a trade policy. This is a giveaway.

I yield back what high-paying jobs with benefits we have left.

**WELCOME HOME TO NEVADA AIR NATIONAL GUARD, 152ND INTELLIGENCE SQUADRON**

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, today I rise on a special occasion as the members of the Nevada International Guard 152nd Intelligence Squadron, activated to support Operation Allied Force, will be returning home today.

While activated, the unit members provided their years of experience in intelligence-gathering, assisting with the analysis of reconnaissance imagery and battle damage assessment. The analysts' primary focus was analyzing all the images acquired by the "Predator" Unmanned Aerial Vehicles and some imagery from the U-2.

The unit was called on because of the reputation and experience it acquired from over 30 years in the reconnaissance and intelligence arena. Flying various aircraft, the images it gathered on its missions were processed, interpreted and then fed back to the theater for mission planning and battle damage assessment.

The Intelligence unit was previously deployed during the Persian Gulf War where its products were used throughout the war for evaluating the effectiveness of the missions and planning.

On behalf of myself and the State of Nevada, I would like to welcome our troops home. Job well done.

**DEMOCRATS' STRATEGY IS TO BLOCK LEGISLATION**

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, just listen to this quote taken from the Washington Post recently, "It's not our responsibility to legislate anymore. It doesn't make sense for us to compromise." End quote. It does not make sense for us to compromise.

These words come from a leader of the Democratic Party, the distinguished gentleman from Massachusetts (Mr. FRANK). It appears that the gentleman from Massachusetts has let the cat out of the bag. The Democrats have no intention of working with the Republican majority.

Their strategy is to block all legislative efforts and then turn around and blame Republicans, attacking the do-nothing Congress. Will the fair and balanced media help them in that effort? Will they attack Republicans for Republican extremism, a charge we have heard from the other side thousands of times since 1995 when Republicans took over the majority in Congress? Once again, will the media help them fix this image in the public's mind?

#### DEMOCRATS DO NOT UNDERSTAND THE REPUBLICAN TAX RELIEF PACKAGE

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, why is it so difficult for the other side to accurately describe the Republican tax relief package? Do we need to offer a prize to the first Democrat to acknowledge that we set aside \$2 for Social Security and Medicare for every \$1 of tax relief.

Do we need to call 60 minutes and ask them to do a story on the first Democrat to admit that our budget contains \$2 trillion in debt reduction over the next 10 years.

Do we need to have a CBO analyst conduct seminars in their offices in order to prove that our budget sets aside 100 percent of retirement surplus for Social Security and Medicare?

Do we need to hire interns fresh out of college to draw a picture of the Social Security lock box in order to illustrate the concept of locking away the Social Security surplus?

I ask my colleagues, Mr. Speaker, what does it take?

Day after day I hear the exact same line, the same false rhetoric to describe a Republican proposal that does not exist. Two years ago, it was Mediscare, and now this. It is truly sad.

#### BALANCED BUDGET AND PAYING DOWN THE NATIONAL DEBT: DREAMS COME TRUE

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, when I came to Congress about 8 years ago, I had a dream of a balanced budget. That dream has now come to reality. And then, I had a dream that maybe we could pay down our national debt, and that is happening also.

We should be proud of what we are doing with our budget. But there are some problems and some things that could happen along the way which might make us get off track. Let us remember that we got to the balanced budget because we limited spending, reformed welfare, and made our gov-

ernment operate more efficiently. If we allow spending to move out of control, if we discard the caps, we will dispose of the surplus not in tax relief, not in paying down the debt, but in a bigger Federal Government.

The debate which we are going to have about tax relief should include a debate on spending controls and on debt reduction.

#### CLASS WARFARE

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, tax cuts for the rich. How often have you heard it from the Democrat party? Their big battle cry of class warfare.

Well, let us look at who is the rich. As I look at the tax package, the tax reduction package, who is going to benefit? Well, you might be rich if you want to save for your children's education. You might be rich if you have two incomes in your household. You might be rich if you want to have health care insurance.

You might be rich if your company or union contributes to a pension fund. You might be rich if you save for your retirement. You might be rich if you have a wedding ring in your future. You might be rich if you have saved money and want to be in a position to pass it on to your children when you die.

You might be rich if you are a senior who wants to continue working after the age of 65. You might be rich if you care for a senior in your home, and you might be rich if you have a child in daycare.

The tax reduction package is aimed specifically at helping people who fall into these categories. The marriage tax relief, estate tax relief, health care tax credit. All of this is designed for middle America.

It is a shame that the President and the Democrat party want to bring a tax reduction debate down to class warfare.

#### DO-NOTHING DEMOCRATS

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, the do-nothing Democrats are at it again.

First, the minority leader, the gentleman from Missouri (Mr. GEPHARDT) let the Washington Post in on his strategy to do nothing and take the Democrats out of the legislative process. Now we find out that the Democrat leadership and Education Secretary Riley have been working feverishly behind the scenes to stop the education bill that will be considered later today because of their politics.

The Democrats are divided and confused. The do-nothing Democrats have

become the have-nothing party. They have no ideas; they have no solutions. They only have partisan, risky, political schemes.

While Democrats fight among themselves, the Republican majority is united in its commitment to work overtime on behalf of the American people.

Mr. Speaker, while the Democrats did nothing, we passed Social Security lockbox legislation to ensure retirement security for our seniors. While the Democrats did nothing, we passed ballistic missile defense to protect our national security. While the Democrats did nothing, we passed the Y2K liability reform. While the Democrats do nothing, we will pass education reform today that puts better qualified teachers in the classrooms. And while the Democrats do nothing in the very near future, Republicans will pass real tax reform for the American people.

Mr. Speaker, history will regard this Congress as one of the most productive in recent times. These same historians will report that we did all of these great things without any help whatsoever from the do-nothing Democrats.

#### WHO OWNS THE BUDGET SURPLUS?

(Mr. SCHAFFER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHAFFER. Mr. Speaker, the President said something recently that captures perfectly the attitude of liberals when it comes to their high-tax agenda. While in Buffalo, New York, the President spoke about what should be done with the projected budget surpluses over the next 15 years. He said, we could give it all back to you and hope you spend it right. But, hope you spend it right. Excuse me? What exactly does the President mean when he says hope you spend it right. It is the budget surplus, which is nothing more than a tax overpayment. It does not belong to Washington. It does not belong to politicians. It does belong to the people who sent that money to Washington in the first place.

□ 1015

It belongs to the taxpayers. They earned it. It belongs to them. Yes, they can be trusted to spend it any way they want.

The idea that the Federal Government, of all things, should be trusted to spend money better than the people who earned it is simply mind boggling.

#### WHY ARE TAX CUTS THREAT TO BUDGET, BUT NEW SPENDING IS NOT?

(Mr. WELDON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)



Mr. WELDON of Florida. Mr. Speaker, I have a question for the other side. It is a simple question, and I guess that I will not get an answer, it is so simple.

My question is this: Why is a tax cut a threat to our balanced budget but additional spending is not?

Whenever the Democrats propose new spending programs, which is just about every day Congress is in session, not a word is spoken about what that will do to the deficit.

No mention is made of fiscal discipline or of tough choices that have to be made to get our fiscal house in order. But as soon as tax cuts are offered by the tax cutting party, that is the Republican Party, of course the other side immediately pulls out their half-serious arguments about blowing a hole in the deficit and about how Democrats have been the party of fiscal discipline all these years. In a word, it is nonsense. Spending good; tax cuts bad. That is their world view, and their rhetoric reflects it.

So, again, I ask the question: Why are tax cuts a so-called threat to our balanced budget, but new spending is not?

#### 30TH ANNIVERSARY OF LANDING ON THE MOON

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, on a lighter note, today, I think we ought to pause to remember the triumphant achievement of man's first steps on the moon. Thirty years ago today, my friend, Buzz Aldrin, landed the lunar module on the surface of the moon.

Buzz and I went through flying school together and flew combat in Korea together. In 1969, while I was in solitary confinement as a POW in Vietnam, Buzz flew over in orbit. We did not know about it over there, because the Vietnamese told us the Americans were not able to land on the moon. But, Buzz, Neil Armstrong and Michael Collins proved them wrong, and we found out about it later.

Buzz was a fellow Air Force flying pilot, and he remembered us by wearing my POW bracelet and taking an American flag to the moon for all prisoners of war in Vietnam.

Today, Buzz Aldrin, I want to say thank you and thank you to all our astronauts as the Nation celebrates a tremendous accomplishment, a walk on the moon. Here's to the future, Buzz, and to the astronauts who are working to reach Mars. We salute you. God bless America.

#### U.N. PROPOSES TO TAX AMERICANS ON INTERNET USE

(Mr. BARTLETT of Maryland asked and was given permission to address

the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, the U.N. wants to tax Americans who use the Internet to pay for economic development in other countries. You heard it right. International bureaucracies at the United Nations are now proposing an e-mail tax on Americans.

This news simply boggles the mind. It is just not enough for liberals in Washington to tax everything that moves, every time you turn around, for every possible reason under the sun. The U.N., one of the biggest anti-American organizations around, now wants to pile on and really stick it to America where it hurts.

Our economy is booming, largely because of phenomenal growth in high technology sectors such as the Internet and computer technology. The U.N. does not think that is right, and it does not think it is fair that America is the world leader in Internet development. So they want to tax people who send e-mail.

This administration, which is the U.N.'s most enthusiastic backer, has responded in embarrassed silence. But Republicans think this latest U.N. outrage is truly outrageous, and it will stop it dead in its tracks.

#### SUPPORT TEACHER EMPOWERMENT ACT

(Mr. EHLERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EHLERS. Mr. Speaker, I am very pleased today to address the House regarding a bill which we will be discussing this morning and this afternoon, the Teacher Empowerment Act.

This is going to be one of the most important bills we consider this Congress, because our purpose here is to ensure that our children receive a good education. As important part of that is going to be a good education in science and mathematics. That is especially important for the future of our Nation.

As my colleagues probably know, we are not currently doing well in science education in the United States. Compared to other developed countries, we are near the bottom. That has to change. Part of this bill will ensure that our teachers' abilities to teach math and science will be enhanced and increased.

I can think of no better way of securing America's future than to vote for this bill, and thus improve the educational system of the United States, particularly with regard to mathematics and science education.

#### THOUGHTS AND PRAYERS GO OUT TO KENNEDY FAMILY AND BESSETTE FAMILY

(Mr. ENGEL asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. ENGEL. Mr. Speaker, I just wanted to take this opportunity to express my thoughts and prayers to the Kennedy and Besette families during this time of terrible tragedy.

As a New Yorker, I can tell my colleagues that John F. Kennedy, Jr. played a special role in our city. The way he conducted himself through the years with grace and dignity is something that we shall always remember.

Who can ever forget the little boy, John John, who saluted his father's casket on his third birthday. I just felt that, at this time, I wanted to express the feelings of millions upon millions of Americans who really extend our grief and wishes and sadness to both the Kennedy and Besette families.

The Kennedy family has given so much to this country. It is very, very difficult for all of us during this time. I know that I express the feelings of all my colleagues on both sides of the aisle, and I just felt it was very appropriate at this time to extend my heart and my hand to both families during this time of grief.

#### IMPROVE SCHOOLS BY EMPOWERING TEACHERS

(Mr. ROYCE asked and was given permission to address the House for 1 minute.)

Mr. ROYCE. Mr. Speaker, a strong education system is one of the pillars of a strong America. Our youth deserve the opportunity to reach their fullest potential, and it is our responsibility to provide the necessary resources.

But before we challenge our students to be the best they can, we must first challenge our educators to be the best they can. As long as some classrooms continue to be staffed by ineffective teachers who do little more than satisfy a ratio, some students will suffer.

That is why I support the Teacher Empowerment Act that will be up today. This bill gives more flexibility in the use of Federal funds, allowing teachers to choose the training programs that best suit their classrooms needs without sacrificing accountability.

This bill also includes funding for new teachers, but the focus is on quality over quantity.

I urge my colleagues to empower our educators for a brighter future and to vote for passage of the Teacher Empowerment Act today.

#### DESIGNATING THE CHESTNUT- GIBSON MEMORIAL DOOR

Mr. FRANKS of New Jersey. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 158), as amended, designating the Document Door of the United States Capitol as the "Memorial Door".

The Clerk read as follows:

H. CON. RES. 158

Whereas on July 24, 1998, a lone gunman entered the United States Capitol through the door known as the Document Door, located on the first floor of the East Front;

Whereas Officer Jacob Joseph Chestnut was the first United States Capitol Police officer to confront the gunman just inside the Document Door and lost his life as a result;

Whereas Detective John Michael Gibson also confronted the gunman and lost his life in the ensuing shootout;

Whereas the last shot fired by Detective John Gibson—his final act as an officer of the law—finally brought down the gunman and ended his deadly rampage;

Whereas while the gunman's intentions are not fully known, nor may ever be known, it is clear that he would have killed more innocent people if United States Capitol Police Officer Jacob Chestnut and Detective John Gibson had not ended the violent rampage;

Whereas the United States Capitol Police represent true dedication and professionalism in their duties to keep the United States Capitol and the Senate and House of Representatives office buildings safe for all who enter them;

Whereas the United States Capitol shines as a beacon of freedom and democracy all around the world;

Whereas keeping the sacred halls of the United States Capitol, known as the People's House, accessible for all the people of the United States and the world is a true testament of Congress and of our Nation's dedication to upholding the virtues of freedom;

Whereas the door near where this tragic incident took place has been known as the Document Door; and

Whereas it is fitting and appropriate that the Document Door henceforth be known as the Memorial Door in honor of Officer Jacob Chestnut and Detective John Gibson: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring),* That the door known as the Document Door and located on the first floor of the East Front of the United States Capitol is designated as the "Memorial Door" in honor of Officer Jacob Joseph Chestnut and Detective John Michael Gibson of the United States Capitol Police, who gave their lives in the line of duty on July 24, 1998, near that door.

The SPEAKER pro tempore (Mr. CALVERT). Pursuant to the rule, the gentleman from New Jersey (Mr. FRANKS) and the gentleman from Mississippi (Mr. SHOWS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. FRANKS).

Mr. FRANKS of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

House Concurrent Resolution 158, as amended, introduced by the Majority Whip, the Speaker, the Majority Leader, the Minority Leader, the Minority Whip and other Members of both sides of the aisle, designates the Document Door located on the first floor of the east front of the Capitol as "Memorial Door", in honor of Officer Jacob Chestnut and Detective John Gibson.

In my brief tenure of chairman of the subcommittee charged with the responsibility of bringing to the House bills designating Federal facilities in honor

of individuals, I have considered it a great pleasure to honor Americans who have distinguished themselves in public service. A naming bill is often a capstone for those fortunate to have bestowed upon them such an honor.

But this action that we take today, while richly deserved, gives me no joy. This week is the first anniversary of an event that we hope will never be repeated. Officer Chestnut became the first Capitol Hill Police Officer killed in the line of duty. Detective Gibson became the second.

Those few minutes on Friday, July 24, 1998 changed forever the way we look and feel about the Document Door and the visitor's entrance to the Capitol. The horror of senseless shootings that cut short the lives of these officers will remain forever in the minds of those who are alive today because of them.

These two officers were ordinary men, and in those horrifying minutes did extraordinary things. The action we take today reminds us we should never forget the duty these officers swear to uphold. We also need to remember particularly how fragile life is in the face of the dangers that confront the fine men and women of the Capitol Police.

Mr. Speaker, I reserve the balance of my time.

Mr. SHOWS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this resolution. On July 24, 1998, our Nation and this Capitol suffered a heartbreaking tragedy. Officer Jacob Chestnut and Officer John Gibson were killed in the line of duty while providing protection and security for tourists, visitors, employees, staff, and Members of Congress.

A year has passed, but time has not dimmed our memories, nor lessened the gratitude we hold for the heroism of these two brave officers.

House Concurrent Resolution 158 designates the Document Door located on the first floor of the east front of the Capitol as the "Memorial Door" in honor of Officers Chestnut and Gibson.

It is fitting and proper that we honor the heroism of these two brave Capitol Hill officers. I join my colleagues in supporting this resolution and urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANKS of New Jersey. Mr. Speaker, I am pleased to yield the remainder of our time to the distinguished gentleman from Pennsylvania (Mr. SHUSTER), chairman of the Committee on Transportation and Infrastructure, and I ask unanimous consent that he be allowed to control the time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SHUSTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in very strong support of this resolution today. The location known as the Document Door is the point of entry into the east wing of the Capitol which was regularly secured by Officer Chestnut and Special Agent Gibson.

These Capitol Police Officers made the ultimate sacrifice by giving their lives in the line of service. Officer Chestnut and Special Agent Gibson were struck down in the line of fire defending the Members of this body, the congressional staff, and the visitors just 1 year ago, on July 24, 1998.

Officer Chestnut was a Vietnam veteran and served in the U.S. Air Force police for 20 years before joining the Capitol Police in 1980. Officer Chestnut had five children and one grandchild, and he was due to retire 2 months after the fatal day to spend more time with his wife Wendy and his family.

Special Agent Gibson was 42 years old and also had an 18-year veteran record on the Capitol Police. He was a native of Massachusetts and resided in Woodbridge, Virginia with his wife Evelyn and three children for the past 15 years. On the day of the shooting, Officer Gibson was working his last shift before planning to go on vacation.

This is a most fitting tribute to these fallen heroes. I strongly support this resolution.

Mr. Speaker, I reserve the balance of my time.

□ 1030

Mr. SHOWS. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. WYNN).

Mr. WYNN. Mr. Speaker, I would like to thank the gentleman from Mississippi for yielding me this time. I rise today in honor of two of America's heroes; Private First Class Jacob Joseph Chestnut and Detective John Gibson. These two men made the ultimate sacrifice on behalf of this institution, not just for Members but, more importantly, the thousands of visitors who come here every day.

We were all stunned when these two officers lost their lives last year on July 24. This tragedy demonstrates the tremendous sacrifices that members of the Capitol Police are asked to make on a daily basis to protect this institution, to protect the Capitol grounds, and to protect this aspect of the freedom that unfortunately we often take for granted.

Putting aside the rhetoric that we often use, I also want to make a practical point; that as we honor these two men, we also ought to honor their memory with respect to the Capitol Police Force, and when the occasion arises to recognize our police officers with compensation and benefits, and we ought to be equally magnanimous in recognizing the sacrifices these officers make.

I would also like to take this opportunity to mention the name of another officer who lost his life. Officer Christopher Eney lost his life in 1984 in a training accident while training as a member of the Capitol Police Force. He too should be recognized.

The tragedy of this loss and all these losses indicates to us how fleeting life is and it is appropriate that we take a moment to try to memorialize these lives. I think in this way this will be a fitting memorial to the sacrifices these gentlemen made.

I am very pleased that with the support of the Members of this body we were able to pass a resolution last year to rename the post office in the community where Officer Chestnut lives in his honor. Today's recognition is of similar importance.

Again, I would like to say that we have fallen heroes that we recognize today, and I would like to close by thanking my colleagues on the other side of the aisle for their support for what is truly a bipartisan effort to recognize American heroes.

Mr. SHUSTER. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. EWING), a distinguished member of our committee.

Mr. EWING. Mr. Speaker, I am pleased to be here today to recognize the service and the lives of Officer Gibson and Officer Chestnut. To their families I think we show today our continued support for the tragedy that has struck their lives, because the lives of the wives and children of these two fallen heroes can never be the same. Their sacrifice has been the greatest.

I think it is important, though, to recognize that out of this we are considering some very important improvements to our Capitol Hill police: Added personnel, better equipment, and better pay. I think also that we have shown to the world that we can keep this, the people's house, open even in a time when terrorism and tragedy strikes in this country.

This building is a legislative hall, but it is also a memorial to those throughout our history who have served this country so well. I think it is most fitting that these two officers have their names associated with the document door.

Mr. SHOWS. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. MOAKLEY).

Mr. MOAKLEY. Mr. Speaker, I thank my colleague for yielding me this time, and I would also like to thank my colleague, the gentleman from Texas (Mr. DELAY), for taking the lead on this resolution. He and his staff have done yeomen's work in making sure the dream of a memorial door becomes reality. Speaking on behalf of the Capitol family, the Gibson family, and the Chestnut family, we all appreciate it.

Mr. Speaker, on a sunny Friday afternoon last July, gunfire shattered

the sense of security here in the building. On that day, my family lost a son, and John Gibson and Jacob J. Chestnut became heroes, heroes like we have not seen in a very long time, heroes who remind us that their bravery in protecting others and sacrificing in the line of duty are still very important even today.

For me, this tragedy has been very personal. Special Agent John Gibson was my niece Evelyn's husband, and I admired John for many, many reasons. First and foremost, was his love and his devotion for his wife Evelyn and their three children Kristen, John and Danny. Second, I admired his dedication to his service. He always wanted to be a police officer, and now he will go down in the annals of history as being the very best that our country can provide.

I also admired his loyalty to his Massachusetts roots. John followed all Boston sports, both collegiate and professional, like a man with a mission. Last month, the Boston Celtics, one of his favorite teams, awarded him their "Heroes Among Us" designation. And John certainly deserved that award because he prevented what could have been a real, real tragedy.

Those of us who are very familiar with the building give thanks that this tragedy, bad as it was, was not worse. Thousands and thousands of people walk into the United States Capitol each and every year. There are many people milling around everywhere, and there are not very many places to hide. John Gibson, Jacob Chestnut, and their colleagues on the Capitol Police Force stood between every single one of them and the danger that was present that day.

Mr. Speaker, that day we learned all too well the United States Capitol Police are just not the people who watch over us day after day, they are loyal, dedicated professional people who are deeply devoted to their work. And as these men have proved, at any moment they would lay down their lives for us.

We have a tremendous amount of responsibility to make sure that they are all treated well and their actions do not go unnoticed. John Gibson and Jacob Chestnut's bravery that day brought together the Capitol community like never before. Normally, the Capitol Rotunda is reserved to honor dignitaries and heads of State, and it has been used only 27 times since 1852, but there was not one person in the Capitol, Democrat or Republican, Senator, or cafeteria employee, who disagreed with the decision to allow people to pay their respects to those two officers and that they be laid out in the Capitol Rotunda.

A few days later, when the funerals took place, not a person lining the streets to watch the procession could hold back their tears. Cab drivers honked, construction workers tipped

their hats, and well-wishers lined the streets for miles. It was very moving to be a part of that. And I kept thinking if the people on the streets were this sad, if they were so moved by two men they had never met, imagine how their wives and children must be feeling. Because we here lost our sense of security and we lost our very dear friends, but the Gibsons and the Chestnuts lost far more than we, and I am sure they would trade all the accolades and all the memorials and all the tributes for their fathers, their husbands, to have them guarding the United States Capitol like they used to.

Both John Gibson and Jacob Chestnut died protecting the people under their care. We owe them our deepest admiration, our profound respect, and although this simple gesture of renaming the entrance to the Capitol can never fully reflect the sacrifice they and others have made for our protection, it is a fitting tribute to the two men who protected the thousands and thousands of tourists and staffers who enter the building. I hope that door will memorialize their sacrifices for centuries to come.

Mr. SHUSTER. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. DELAY), the majority whip, and the primary sponsor of this legislation.

Mr. DELAY. Mr. Speaker, I thank the chairman, the gentleman from Pennsylvania (Mr. SHUSTER), and the ranking member for bringing this resolution to the floor. I wish we did not have to do it. I also want to pay my utmost respect to the gentleman from Massachusetts (Mr. MOAKLEY), for he did lose a very, very dear family member, and he has shown great stature, as he always has in this House, and I appreciate him as a gentleman and as a man of character.

History shows that America is great because of the goodness of our heroes. Today, we all gather to honor true American heroism. A year ago this week a lone gunman entered this very building. Standing at his post that day was Capitol Police Officer Jacob "J.J." Chestnut, who was shot and killed as he valiantly stood his ground protecting all those who were working in and visiting this Capitol, the people's house.

The gunman then continued his rampage and encountered Detective John Gibson, who selflessly placed his life between the armed attacker and numerous innocent lives in my office. After being shot, Detective Gibson was still able to bring the gunman down. His final act as a defender of the peace was what saved the lives of countless others that day.

The Capitol building which these two brave men offered their lives to protect is far more than just a building, it is the monument of freedom. The Capitol is the embodiment of democracy and a beacon of hope to all the people of the

world that cherish freedom. Like the men and women whose statues line the halls of this very building, Officer Chestnut, Officer Gibson, and Officer Eney deserve to be remembered for the sacrifice they made for their country. Like the heroes who line the halls, these heroes deserve to be memorialized within these hallowed halls.

To the families of Private First Class Jacob Chestnut and Detective John Gibson of the Capitol Police Department: the Members of Congress, the staff, and thousands of yearly visitors all thank you for your sacrifice.

To the family of Sergeant Christopher Eney and to his widow Vivian Eney Cross, who is here with us today, we remember that your loved one also gave his life in the line of duty while serving as a Capitol Police Officer, and we say thank you.

To all the sons and daughters and wives and husbands who must watch their loved ones each day place their lives between the innocent and the dangerous, we thank you.

To the men and women who wear the badge and leave their homes every day to protect us and this building, we say thank you.

I want to say particularly to Mrs. Eney-Cross and to the families of J.J. and John, J.J. and John and Christopher were men of character who loved their job, loved doing their job, wanted to be the best at it. They married women that were very, very strong women, and they had kids that are very strong kids. That has been shown throughout this year. The courage that the widows and the surviving family have shown over the last year has been exemplary and extraordinary.

I could go through so many different times and issues that they stood there, strong, showing that they had a tremendous and deep abiding love for their lost ones, yet, at the same time, understood how great they were and wanted to be courageous for them.

□ 1045

Every time someone enters this building, the People's House, whether it is a Member of the Congress or a citizen of the United States or a visitor of another country, they are reminded of the job that our officers do and the sacrifices that our officers make to protect others and to protect this institution.

I believe the wife of Sergeant Eney put it best when she said, "It is not how these officers died that made them heroes, it is how they lived."

Like the scores of Capitol Police Officers who wake up every day and come to their jobs not knowing what the day will hold, these three Capitol Police Officers ultimately gave their lives because they had chosen to dedicate themselves to protecting others.

These men are true American heroes who I am sure God has called to guard

a much more precious gate. They will never be forgotten.

Mr. SHOWS. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the distinguished gentleman from Mississippi for yielding me this time. J.J. Chestnut, his wife Wen Ling, and his children, Joe Janece, Janet, Karen, William; Chris Eney and Vivian and their children; Detective John Gibson and Evelyn and Kristen, John and Daniel, their children, this is a wrenching day for them.

Mr. Speaker, we have gone through recently another weekend of personalizing the loss of someone that most of us did not know personally. The Nation grieves as John Fitzgerald Kennedy went down in an unexpected accident on the way to a wedding. In many respects, J.J. Chestnut and John Gibson were the same. They got up, they went to work, and they did not return.

One year ago this Friday, the Capitol Building was shaken by a maniacal and senseless shooting spree. This day reminds us once again that the risk is always present for those we ask to defend a free society. The vagaries of life are such that there are those either demented or angry or for whatever reasons that take unto themselves the opportunity to commit violence. And someone, too often many persons, pay the price.

We lost Officer Jacob J. Chestnut and Detective John Gibson so that many others might be safe and to indicate that the Capitol of the United States, Freedom's House, if you will, will not only be accessible but also protected, so that the citizens in our gallery, the citizens in the Rotunda, the citizens who visit seeking their constitutional right of redress to petition their government or simply to see Freedom's House, a beacon, as some have said, for all the world.

This past May, we rededicated the Capitol Police Headquarters in honor of Officer Chestnut, Detective Gibson and Officer Christopher Eney, who was the first Capitol Police Officer killed in the line of duty. This resolution complements the renaming of the headquarters building.

Henceforth, every tourist, staffer, Member or indeed head of state who is taken through that door, the Memorial Door, will remember the public service of these men and the ultimate sacrifices that each of them made.

While this resolution renaming the Document Door specifically honors Officer Chestnut and Detective Gibson who died just inside the door or a few feet from it, the Memorial Door is in fact a tribute to all of the men and women of law enforcement who leave their homes each day and take to their duties to defend America's principles, to defend Americans, and to defend a civil and orderly society under law.

Just down the street from this building, Mr. Speaker, stands the Law Enforcement Officers Memorial. Since last year's tragedy, the names of Officer Chestnut and Detective Gibson have been added to a long list of fallen officers, including their colleague, Officer Eney, and others, from Prince Georges County, the county in which I lived for so long, the counties I now represent, and the counties and cities that every Member of this body represents who have lost sons and daughters, husbands and wives, friends and neighbors as they wore the badge and undertook the responsibility to defend freedom and a civil society.

In the last year, we have taken some very positive steps in ensuring that this type of incident does not happen again. While we can never guarantee that there is not another shooting, the security enhancement plan is an important step in the right direction.

With additional officers, acquisition of new equipment, and a restructuring of the department, we can work to decrease the chances of another shooting, another tragedy, while at the same time retaining the accessibility that the American public and the world have come to know and that this body wants to maintain.

Let us, Mr. Speaker, not forget the ultimate sacrifice that these two brave officers made. I thank the gentleman from Texas (Mr. DELAY), so close to Detective Gibson and his family, so immediately affected by the senseless act of violence that took the life of Detective Gibson in the office of the gentleman from Texas, and those who knew Officer Chestnut, such a friendly, warm, engaging family man who cared about America, cared about his duty. We walked through that door and saw him so often and he was always pleasant, but always on alert.

I thank the gentleman from Texas for bringing this resolution forward. This solemn 1-year anniversary that we pass this resolution should be a reminder to us all that freedom is not free and some of our friends, some of our brothers and sisters, pay a very high price indeed.

Mr. SHOWS. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. OBERSTAR), the ranking member of the Committee on Transportation and Infrastructure.

Mr. OBERSTAR. Mr. Speaker, of course I rise in support of this legislation to designate the Document Door of the U.S. Capitol as the "Memorial Door" in honor of Officer Jacob Chestnut and Detective John Gibson. This legislation and this act in which we engage today is a poignant, even riveting reminder of how dramatically our Capitol environment has changed, how it too, this citadel of democracy, has become a victim of violence, caught in the cycle of violent tragedies that has

gripped other major cities of our country. But I, as I am sure a few other of our colleagues who have served here longer than I, can remember another time.

When I started here on the staff of the House Post Office while a graduate student in Washington, D.C., I can remember taking friends through the Capitol as late as 10 and 11 o'clock at night without a security door, without a metal detector, with a Capitol Police force saying, "Can we help you?" You could walk just about anywhere in the Capitol. And how dramatically all of that has changed. That was even after a gunman broke in through that very door in the corner of the visitor gallery, pulled a gun in support of a cause that he and his associate, accomplice, deeply believed in, and fired indiscriminately on the House floor and struck five Members of Congress, including one who later became chairman of the Public Works Committee, George Fallon, fortunately none of them fatally. But we did not lock up the Capitol. We did not put up metal detectors. It was an aberrant act, out of keeping and out of character. And then later there was the bombing in the Senate wing of the Capitol in protest of the Vietnam War, but we did not put up metal detectors and we did not check people as they came into the Capitol grounds. But violence has gripped this place as well, and we have had to respond. And I think in the process we have come, I hope, all Members of Congress, and all of the visiting public, to look on the Capitol Police force not as just pleasant uniformed guides but as a highly skilled, trained security force with a duty to the public who visit this place, to the staff who work here, to the Members of Congress who serve here, that their first line of duty is their and our security, and that these two courageous and trained and skilled officers gave their lives in the line of duty to that ideal and that mission is a constant reminder of the very special force that protects this Capitol facility, this building and all who enter here.

J.J. and John were men with very different backgrounds but honor-bound together by a sense of duty on that hot July day. Detective Gibson had transferred through four different assignments before being promoted to detective and assigned to the Dignitary Protection Division. Officer Chestnut, an Air Force veteran, was assigned to the Capitol in 1980 and served throughout his career in this place.

John was from Boston as our dear friend ranking member of the Committee on Rules the gentleman from Massachusetts (Mr. MOAKLEY) has said so poignantly and so powerfully. J.J. was from South Carolina. Both family men, both devoted to their wives and children, both exemplars of what we believe in and preach on this floor, a

family and values. They gave their lives for their families, for their values, for us, for all who enter here.

Let us all pray that the naming of this door in their honor will keep us all ever constantly mindful of the responsibility and the duty that the Capitol Police force undertakes in the public interest and that we are all eternally in their debt.

Mr. HASTERT. Mr. Speaker, I rise today to pay tribute to two extraordinary gentlemen who were taken from us much too soon—Officer JJ Chestnut and Detective John Gibson.

It was a year ago that our whole nation came to know of the bravery and dedication of these two men. But those of us who were lucky enough to know them, already knew what remarkable men they were.

Detective Gibson had been assigned to Congressman DELAY's security detail for years. As Chief Deputy Whip, I worked out of the whip office and came into daily contact with John. Although he was assigned to protect Congressman DELAY, he was also responsible for the security of our whole office. This was a duty he relished, and it was easy to feel safe when John was around.

Officer Chestnut had been stationed at the Document Door for many years. That happened to be the door I used every day on my way into and out of the Capitol. Officer Chestnut was the last person I would say good night to on my way home every evening. And his family and friends already know, he was a quiet, warm and giving person.

This week, we will rededicate the Document Door, renaming it the Memorial Door in honor of these two men. It is fitting that we do this. These two men embodied the best of our Congressional community, the best of law enforcement and the best of America.

JJ and John—you are still remembered fondly and still missed dearly.

Mr. GILMAN. Mr. Speaker, I rise to call the attention of our colleagues the sad fact that this week marks the first anniversary of one of the most unfortunate incidents in American history, the time that the security of the "people's house" was breached and two Capitol police officers gave their lives to protect what is sacred to all of us.

Detective John Gibson and Officer Jacob "J.J." Chestnut were well known to most of us. Their professionalism coupled with their genuine outgoing graciousness made both of them legendary to all of us on Capitol Hill long before this unfortunate tragedy immortalized them forever.

Their courage in facing the assault by Russel Weston, Jr., may have saved countless lives. We will never know how many innocent tourists, visitors to the Capitol, staffers, and perhaps Members of this Chamber themselves would have met harm had not Gibson and Chestnut been prepared not only to halt the outbreak of violence, but also to put their own lives on the line in doing so.

Detective Gibson was the partner of a former Capitol Hill policeman who was married to a member of my Congressional staff. Accordingly, I came to meet him frequently in my offices, and was always impressed with his gracious professionalism.

Officer Chestnut was the duty officer at an entrance which I utilized frequently. I cannot

recall a single instance when he was not cheery and outgoing in his greetings.

Last year, both of these courageous law enforcement officers lay in state in the Capitol rotunda. Officer Chestnut, in fact, proved to be the first African American to be accorded that honor. Yet, any honors this body may devise are of small consolation to their loving families who will always be touched by this tragic loss.

Mr. Speaker, I am pleased to participate in this memorial as a way of reminding us that we all face danger in today's confused world, and that we must never forget those who made the ultimate sacrifice for all of us.

Mr. SHOWS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SHUSTER. Mr. Speaker, I have no further requests for time. I would say that the Speaker certainly wished to be here. He is unavoidably detained in a very important meeting. But I know the Speaker joins all of us in this and indeed he feels this is so important that he has asked that we have a recorded vote on this, so I would announce that at this time.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CALVERT). The question is on the motion offered by the gentleman from New Jersey (Mr. FRANKS) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 158, as amended.

The question was taken.

Mr. SHUSTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 417, nays 0, not voting 17, as follows:

[Roll No. 311]

YEAS—417

Ackerman	Blagojevich	Cardin
Aderholt	Bliley	Carson
Allen	Blumenauer	Castle
Andrews	Blunt	Chabot
Archer	Boehert	Chambliss
Armey	Boehner	Chenoweth
Bachus	Bonilla	Clay
Baird	Bonior	Clayton
Baldacci	Bono	Clement
Baldwin	Borski	Clyburn
Ballenger	Boswell	Coburn
Barcia	Boucher	Collins
Barr	Boyd	Condit
Barrett (NE)	Brady (PA)	Conyers
Barrett (WI)	Brady (TX)	Cook
Bartlett	Brown (FL)	Cooksey
Barton	Brown (OH)	Costello
Bass	Bryant	Cox
Bateman	Burr	Coyne
Becerra	Burton	Cramer
Bentsen	Buyer	Crane
Bereuter	Callahan	Crowley
Berkley	Calvert	Cubin
Berman	Camp	Cummings
Berry	Campbell	Cunningham
Biggert	Canady	Davis (FL)
Bilbray	Cannon	Davis (IL)
Bilirakis	Capps	Davis (VA)
Bishop	Capuano	Deal

DeFazio  
DeGette  
DeLahunt  
DeLauro  
DeLay  
DeMint  
Deutsch  
Diaz-Balart  
Dickey  
Dicks  
Dingell  
Dixon  
Doggett  
Dooley  
Doolittle  
Doyle  
Dreier  
Duncan  
Dunn  
Edwards  
Ehlers  
Ehrlich  
Emerson  
Engel  
Eshoo  
Etheridge  
Evans  
Everett  
Ewing  
Farr  
Filner  
Fletcher  
Foley  
Forbes  
Ford  
Fossella  
Fowler  
Frank (MA)  
Franks (NJ)  
Frelinghuysen  
Frost  
Gallely  
Ganske  
Gejdenson  
Gekas  
Gephardt  
Gibbons  
Gilchrest  
Gillmor  
Gilman  
Gonzalez  
Goode  
Goodlatte  
Goodling  
Gordon  
Goss  
Graham  
Granger  
Green (TX)  
Green (WI)  
Greenwood  
Gutierrez  
Gutknecht  
Hall (OH)  
Hall (TX)  
Hansen  
Hastert  
Hastings (FL)  
Hastings (WA)  
Hayes  
Hayworth  
Hefley  
Herger  
Hill (IN)  
Hill (MT)  
Hilleary  
Hilliard  
Hinojosa  
Hobson  
Hoeffel  
Hoekstra  
Holt  
Hooley  
Horn  
Hostettler  
Houghton  
Hoyer  
Hulshof  
Hunter  
Hutchinson  
Hyde  
Inslee  
Isakson  
Istook  
Jackson (IL)

Jackson-Lee  
(TX)  
Jenkins  
John  
Johnson (CT)  
Johnson, E.B.  
Johnson, Sam  
Jones (NC)  
Jones (OH)  
Kanjorski  
Kaptur  
Kasich  
Kelly  
Kildee  
Kilpatrick  
Kind (WI)  
King (NY)  
Kingston  
Klecza  
Klink  
Knollenberg  
Kolbe  
Kucinich  
Kuykendall  
LaFalce  
LaHood  
Lampson  
Lantos  
Largent  
Larson  
Latham  
LaTourette  
Lazio  
Leach  
Lee  
Levin  
Lewis (CA)  
Lewis (KY)  
Linder  
Lipinski  
LoBiondo  
Lofgren  
Lowey  
Lucas (KY)  
Lucas (OK)  
Luther  
Maloney (CT)  
Maloney (NY)  
Manzullo  
Markey  
Martinez  
Mascara  
Matsui  
McCarthy (MO)  
McCarthy (NY)  
McCollum  
McCrery  
McGovern  
McHugh  
McInnis  
McIntosh  
McIntyre  
McKeon  
McKinney  
McNulty  
Meehan  
Meek (FL)  
Meeks (NY)  
Menendez  
Metcalfe  
Mica  
Millender  
McDonald  
Miller (FL)  
Miller, Gary  
Miller, George  
Minge  
Mink  
Moakley  
Mollohan  
Moore  
Moran (KS)  
Moran (VA)  
Morella  
Murtha  
Myrick  
Nadler  
Napolitano  
Neal  
Nethercutt  
Ney  
Northup  
Norwood  
Nussle  
Oberstar  
Obey

Oliver  
Ose  
Owens  
Oxley  
Packard  
Pallone  
Pascarell  
Pastor  
Paul  
Payne  
Pease  
Pelosi  
Peterson (MN)  
Petri  
Phelps  
Pickering  
Pickett  
Pitts  
Pombo  
Pomeroy  
Porter  
Portman  
Price (NC)  
Pryce (OH)  
Quinn  
Radanovich  
Rahall  
Ramstad  
Rangel  
Regula  
Reyes  
Reynolds  
Riley  
Rivers  
Rodriguez  
Roemer  
Rogan  
Rogers  
Rohrabacher  
Ros-Lehtinen  
Rothman  
Roukema  
Roybal-Allard  
Royce  
Rush  
Ryan (WI)  
Ryun (KS)  
Sabo  
Salmon  
Sanchez  
Sanders  
Sandlin  
Sanford  
Sawyer  
Saxton  
Scarborough  
Schaffer  
Schakowsky  
Scott  
Sensenbrenner  
Serrano  
Sessions  
Shadegg  
Shaw  
Shays  
Sherman  
Sherwood  
Shimkus  
Shows  
Shuster  
Simpson  
Sisisky  
Skeen  
Skelton  
Slaughter  
Smith (MI)  
Smith (NJ)  
Smith (TX)  
Smith (WA)  
Snyder  
Souder  
Spence  
Spratt  
Stabenow  
Stearns  
Stenholm  
Strickland  
Stump  
Stupak  
Sununu  
Sweeney  
Talent  
Tancredo  
Tanner  
Tauscher  
Tauzin

Taylor (MS)  
Taylor (NC)  
Terry  
Thomas  
Thompson (CA)  
Thompson (MS)  
Thornberry  
Thune  
Thurman  
Tiahrt  
Tierney  
Toomey  
Traffican  
Turner  
Udall (CO)

Udall (NM)  
Upton  
Velazquez  
Vento  
Visclosky  
Vitter  
Walden  
Walsh  
Wamp  
Waters  
Watkins  
Watt (NC)  
Watts (OK)  
Waxman  
Weiner

Weldon (FL)  
Weldon (PA)  
Weller  
Wexler  
Weygand  
Whitfield  
Wicker  
Wilson  
Wise  
Wolf  
Woolsey  
Wu  
Wynn  
Young (AK)  
Young (FL)

## NOT VOTING—17

Abercrombie  
Baker  
Coble  
Combest  
Danner  
English

Fattah  
Hinchey  
Holden  
Jefferson  
Kennedy  
Lewis (GA)

McDermott  
Ortiz  
Peterson (PA)  
Stark  
Towns

## □ 1127

So (two-thirds having voted in favor thereof), the rules were suspended and the concurrent resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. COMBEST. Mr. Speaker, on rollcall No. 311, I was inadvertently detained. Had I been present, I would have voted "yes."

## GENERAL LEAVE

Mr. FRANKS of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Con. Res. 158, as amended, the measure just passed by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMERICAN EMBASSY SECURITY  
ACT OF 1999

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 247 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2415.

## □ 1128

## IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes, with Mr. CALVERT (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

## □ 1130

The CHAIRMAN pro tempore (Mr. CALVERT). When the Committee of the

Whole rose on Monday, July 19, 1999, amendment No. 13 printed in Part B of House Report 106-235 offered by the gentleman from Ohio (Mr. KUCINICH) had been disposed of.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE  
OF THE WHOLE

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 3 printed in Part A offered by the gentleman from California (Mr. CAMPBELL) as a substitute for amendment No. 2 printed in Part A offered by the gentleman from New Jersey (Mr. SMITH); amendment No. 6 printed in Part B offered by the gentleman from South Carolina (Mr. SANFORD); amendment No. 8 printed in Part B offered by the gentleman from Texas (Mr. PAUL).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 3 OFFERED BY MR. CAMPBELL AS A SUBSTITUTE FOR AMENDMENT NO. 2 OFFERED BY MR. SMITH OF NEW JERSEY

The CHAIRMAN pro tempore. The unfinished business is the demand for a recorded vote on the amendment No. 3 offered by the gentleman from California (Mr. CAMPBELL) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment offered as a substitute for the amendment is as follows:

Part A amendment No. 3 offered by Mr. CAMPBELL as a substitute for Part A amendment No. 2 offered by Mr. SMITH of New Jersey:

Page 19, strike line 1, and all that follows through line 17 on page 21, and insert the following:

(d) CONTRIBUTIONS TO UNITED NATIONS POPULATION FUND.—

(1) LIMITATIONS ON AMOUNT OF CONTRIBUTION.—Of the amounts made available under subsection (a), not more than \$25,000,000 for fiscal year 2000 shall be available for the United Nations Population Fund (hereinafter in this subsection referred to as the "UNFPA").

(2) PROHIBITION ON USE OF FUNDS IN CHINA.—None of the funds made available under subsection (a) may be made available for the UNFPA for a country program in the People's Republic of China.

(3) CONDITIONS ON AVAILABILITY OF FUNDS.—Amounts made available under subsection (a) for fiscal year 2000 for the UNFPA may not be made available to UNFPA unless—

(A) the UNFPA maintains amounts made available to the UNFPA under this section in an account separate from other accounts of the UNFPA;

(B) the UNFPA does not commingle amounts made available to the UNFPA under this section with other sums; and

(C) the UNFPA does not fund abortions.

(4) REPORT TO CONGRESS AND WITHHOLDING OF FUNDS.—

(A) Not later than February 15, 2000, the Secretary of State shall submit a report to the appropriate congressional committees

indicating the amount of funds that the United Nations Population Fund is budgeting for the years in which the report is submitted for a country program in the People's Republic of China.

(B) If a report under subparagraph (A) indicates that the United Nations Population Fund plans to spend funds for a country program in the People's Republic of China in the year covered by the report, then the amount of such funds that the UNFPA plans to spend in the People's Republic of China shall be deducted from the funds made available to the UNFPA after March 1 for obligation for the remainder of the fiscal year in which the report is submitted.

## RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 221, noes 198, not voting 14, as follows:

[Roll No. 312]

## AYES—221

Abercrombie	Evans	Markey
Ackerman	Farr	Martinez
Allen	Fattah	Matsui
Andrews	Filner	McCarthy (MO)
Baird	Foley	McCarthy (NY)
Baldacci	Ford	McGovern
Baldwin	Fowler	McKinney
Barrett (WI)	Frank (MA)	McNulty
Bass	Franks (NJ)	Meehan
Becerra	Frelinghuysen	Meek (FL)
Bentsen	Frost	Meeks (NY)
Bereuter	Ganske	Menendez
Berkley	Gejdenson	Millender-
Berman	Gephardt	McDonald
Berry	Gibbons	Miller (FL)
Biggert	Gilchrest	Miller, George
Bilbray	Gilman	Minge
Bishop	Gonzalez	Mink
Blagojevich	Gordon	Moakley
Blumenauer	Granger	Moore
Boehlert	Green (TX)	Moran (VA)
Bonior	Greenwood	Morella
Borski	Gutierrez	Murtha
Boswell	Hastings (FL)	Nadler
Boucher	Hill (IN)	Napolitano
Boyd	Hilliard	Neal
Brady (PA)	Hinojosa	Oberstar
Brown (FL)	Hobson	Obey
Brown (OH)	Hoeffel	Olver
Campbell	Holt	Ose
Capps	Hookey	Owens
Capuano	Horn	Pallone
Cardin	Houghton	Pascarell
Carson	Hoyer	Pastor
Castle	Inslee	Payne
Clay	Isakson	Pelosi
Clayton	Jackson (IL)	Pomeroy
Clement	Jackson-Lee	Porter
Clyburn	(TX)	Price (NC)
Condit	Johnson (CT)	Pryce (OH)
Conyers	Johnson, E.B.	Ramstad
Cooksey	Jones (OH)	Rangel
Coyne	Kanjorski	Regula
Cramer	Kaptur	Reyes
Crowley	Kelly	Rivers
Cummings	Kilpatrick	Rodriguez
Davis (FL)	Kind (WI)	Rothman
Davis (IL)	Klecicka	Roukema
Davis (VA)	Klink	Roybal-Allard
DeFazio	Kolbe	Rush
DeGette	Kuykendall	Sabo
DeLahunt	Lampson	Sanchez
DeLauro	Lantos	Sanders
Deutsch	Larson	Sandlin
Dicks	LaTourette	Sawyer
Dingell	Lazio	Schakowsky
Dixon	Leach	Scott
Doggett	Lee	Serrano
Dooley	Levin	Shaw
Doyle	Lewis (CA)	Shays
Edwards	Lofgren	Sherman
Ehrlich	Lowey	Sisisky
Engel	Luther	Slaughter
Eshoo	Maloney (CT)	Smith (WA)
Etheridge	Maloney (NY)	Snyder

Spratt  
Stabenow  
Strickland  
Sweeney  
Tanner  
Tauscher  
Thomas  
Thompson (CA)  
Thompson (MS)  
Thurman

Tierney  
Turner  
Udall (CO)  
Udall (NM)  
Upton  
Velazquez  
Vento  
Visclosky  
Waters  
Watt (NC)

Waxman  
Weiner  
Wexler  
Wilson  
Wise  
Woolsey  
Wu  
Wynn

## NOES—198

Aderholt  
Archer  
Armey  
Bachus  
Ballenger  
Barcia  
Barr  
Barrett (NE)  
Bartlett  
Barton  
Bateman  
Bilirakis  
Bliley  
Blunt  
Boehner  
Bonilla  
Bono  
Brady (TX)  
Bryant  
Burr

Hall (TX)  
Hansen  
Hastings (WA)  
Hayes  
Hayworth  
Hefley  
Herger  
Hill (MT)  
Hilleary  
Hoekstra  
Hostettler  
Hulshof  
Hunter  
Hutchinson  
Hyde  
Istook  
Jenkins  
John  
Johnson, Sam  
Jones (NC)

Pombo  
Portman  
Quinn  
Radanovich  
Rahall  
Reynolds  
Riley  
Roemer  
Rogan  
Rogers  
Rohrabacher  
Ros-Lehtinen  
Royce  
Ryan (WI)  
Ryun (KS)  
Salmon  
Sanford  
Saxton  
Scarborough  
Schaffer

Burton  
Buyer  
Callahan  
Calvert  
Camp  
Canady  
Cannon  
Chabot  
Chambliss  
Chenoweth  
Coburn  
Collins  
Cook  
Costello  
Cox  
Crane  
Cubin  
Cunningham  
Danner  
Deal  
DeLay  
DeMint  
Diaz-Balart  
Dickey  
Doolittle  
Dreier  
Duncan  
Dunn  
Ehlers  
Emerson  
Everett  
Ewing  
Fletcher  
Forbes  
Fossella  
Gallegly  
Gekas  
Gillmor  
Goode  
Goodlatte  
Goodling  
Goss  
Graham  
Green (WI)  
Gutknecht  
Hall (OH)

Kasich  
Kildee  
King (NY)  
Kingston  
Knollenberg  
Kucinich  
LaFalce  
LaHood  
Largent  
Latham  
Lewis (KY)  
Linder  
Lipinski  
LoBiondo  
Lucas (KY)  
Lucas (OK)  
Manzullo  
Mascara  
McCollum  
McCrery  
McHugh  
McInnis  
McIntosh  
McIntyre  
McKeon  
Metcalf  
Mica  
Miller, Gary  
Mollohan  
Moran (KS)  
Myrick  
Nethercutt  
Ney  
Northup  
Norwood  
Nussle  
Oxley  
Packard  
Paul  
Pease  
Peterson (MN)  
Petri  
Phelps  
Pickering  
Pickett  
Pitts

Sensenbrenner  
Sessions  
Shadegg  
Sherwood  
Shimkus  
Shows  
Shuster  
Simpson  
Skeen  
Skelton  
Smith (MI)  
Smith (NJ)  
Smith (TX)  
Souder  
Spence  
Stearns  
Stenholm  
Stump  
Stupak  
Sununu  
Talent  
Tancred  
Tauzin  
Taylor (MS)  
Taylor (NC)  
Terry  
Thornberry  
Thune  
Tiahrt  
Toomey  
Traficant  
Vitter  
Walden  
Walsh  
Wamp  
Watkins  
Watts (OK)  
Weldon (FL)  
Weldon (PA)  
Weller  
Weygand  
Whitfield  
Wicker  
Wolf  
Young (AK)  
Young (FL)

## NOT VOTING—14

Baker  
Coble  
Combest  
English  
Hinchee

Holden  
Jefferson  
Kennedy  
Lewis (GA)  
McDermott

Ortiz  
Peterson (PA)  
Stark  
Towns

□ 1148

Mr. WATKINS changed his vote from "aye" to "no."

So the amendment offered as a substitute for the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated against:

Mr. COMBEST. Mr. Chairman, on rollcall No. 312, the Campbell amendment in the nature of a substitute to the Smith of New Jersey amendment, I was inadvertently detained. Had I been present, I would have voted "no."

AMENDMENT NO. 2 OFFERED BY MR. SMITH OF NEW JERSEY, AS AMENDED

The CHAIRMAN pro tempore (Mr. CALVERT). The unfinished business is on amendment No. 2 offered by the gentleman from New Jersey (Mr. SMITH), as amended by the Campbell substitute, on which further proceedings were postponed.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Part A amendment No. 2 offered by Mr. SMITH of New Jersey:

Page 19, strike line 1 and all the follows through line 17, on page 21, and insert the following:

(d) CONTRIBUTION TO UNITED NATIONS POPULATION FUND.—

(1) LIMITATION.—Of the amounts made available under subsection (a) for United States voluntary contributions no funds may be made available to the United Nations Population Fund (UNFPA) unless the president submits to the appropriate congressional committees the certification described in paragraph (2).

(2) CERTIFICATION.—The certification referred to in paragraph (2) is a certification by the President that—

(A) the UNFPA has terminated all activities in the People's Republic of China, and the United States has received assurances that UNFPA will conduct no such activities during the fiscal year for which the funds are to be made available; or

(B) during the 12 months preceding such certification there have been no abortions as the result of coercion associated with the family planning policies of the national government or other governmental entities within the People's Republic of China.

(3) DEFINITION.—As used in this subsection, the term "coercion" includes physical duress or abuse, destruction or confiscation of property, loss of means of livelihood, and severe psychological pressure.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New Jersey (Mr. SMITH), as amended.

The amendment, as amended, was agreed to.

AMENDMENT NO. 6 OFFERED BY MR. SANFORD

The CHAIRMAN pro tempore. The unfinished business is the demand for a recorded vote on the amendment No. 6 offered by the gentleman from South Carolina (Mr. SANFORD), on which further proceedings were postponed in which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Part B amendment No. 6 offered by Mr. SANFORD:

Page 14, line 23, strike "\$17,500,000" and insert "\$12,000,000".

Page 15, strike lines 19 and 20, and insert "\$1,500,000 for the fiscal year 2000."

Page 21, line 25, strike "\$15,000,000" and insert "\$8,000,000".



## RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 180, noes 237, answered “present” 1, not voting 15, as follows:

[Roll No. 313]

## AYES—180

Aderholt	Graham	Pombo
Archer	Granger	Portman
Armey	Green (WI)	Radanovich
Bachus	Gutknecht	Ramstad
Barr	Hall (TX)	Riley
Barrett (NE)	Hansen	Rivers
Barrett (WI)	Hastings (WA)	Rogan
Bartlett	Hayes	Rogers
Bass	Hayworth	Rohrabacher
Berry	Hefley	Roukema
Bilirakis	Herger	Royce
Bliley	Hill (MT)	Ryan (WI)
Blunt	Hilleary	Ryun (KS)
Boehner	Hoekstra	Salmon
Bonilla	Hostettler	Sanford
Brady (TX)	Hulshof	Scarborough
Bryant	Hunter	Schaffer
Burr	Hutchinson	Sensenbrenner
Burton	Hyde	Sessions
Buyer	Inslee	Shadegg
Callahan	Isakson	Shays
Camp	Istook	Sherwood
Cannon	Jenkins	Shimkus
Chabot	Johnson, Sam	Shows
Chambliss	Jones (NC)	Shuster
Chenoweth	Kanjorski	Simpson
Coburn	Kasich	Skeen
Collins	Kelly	Skelton
Cook	Kingston	Smith (MI)
Cooksey	Klink	Smith (TX)
Costello	Largent	Smith (WA)
Cox	LaTourette	Souder
Cramer	Lewis (KY)	Spence
Crane	Linder	Stearns
Cubin	LoBiondo	Stenholm
Cunningham	Lucas (KY)	Stump
Danner	Lucas (OK)	Sununu
Deal	Luther	Sweeney
DeLay	Manzullo	Talent
DeMint	Mascara	Tancredo
Dickey	McCrery	Tauzin
Doolittle	McInnis	Taylor (NC)
Doyle	McIntosh	Terry
Duncan	McIntyre	Thornberry
Ehlers	Metcalf	Thune
Ehrlich	Mica	Tiahrt
Emerson	Miller, Gary	Toomey
Everett	Moran (KS)	Traficant
Fletcher	Murtha	Turner
Forbes	Myrick	Upton
Fossella	Nethercutt	Vitter
Franks (NJ)	Northup	Walden
Gallegly	Norwood	Wamp
Ganske	Paul	Watts (OK)
Gibbons	Pease	Weldon (FL)
Gillmor	Peterson (MN)	Whitfield
Goode	Petri	Wicker
Goodlatte	Phelps	Wilson
Goodling	Pickering	Young (AK)
Gordon	Pitts	Young (FL)

## NOES—237

Abercrombie	Bilbray	Capuano
Ackerman	Bishop	Cardin
Allen	Blagojevich	Carson
Andrews	Blumenauer	Castle
Baird	Boehlert	Clay
Baldacci	Bonior	Clayton
Baldwin	Bono	Clement
Ballenger	Borski	Clyburn
Barcia	Boswell	Condit
Barton	Boucher	Conyers
Bateman	Boyd	Coyne
Becerra	Brady (PA)	Crowley
Bentsen	Brown (FL)	Cummings
Bereuter	Brown (OH)	Davis (FL)
Berkley	Calvert	Davis (IL)
Berman	Canady	Davis (VA)
Biggert	Capps	DeFazio

DeGette	Kucinich	Porter
Delahunt	Kuykendall	Price (NC)
DeLauro	LaFalce	Pryce (OH)
Deutsch	LaHood	Quinn
Diaz-Balart	Lampson	Rahall
Dicks	Lantos	Rangel
Dingell	Larson	Regula
Dixon	Latham	Reyes
Doggett	Lazio	Reynolds
Dooley	Leach	Rodriguez
Dreier	Lee	Roemer
Dunn	Levin	Ros-Lehtinen
Edwards	Lewis (CA)	Rothman
Engel	Lipinski	Roybal-Allard
Eshoo	Lofgren	Rush
Etheridge	Lowey	Sabo
Evans	Maloney (CT)	Sanchez
Ewing	Maloney (NY)	Sanders
Farr	Markey	Sandin
Fattah	Martinez	Sawyer
Filner	Matsui	Saxton
Foley	McCarthy (MO)	Schakowsky
Ford	McCarthy (NY)	Scott
Fowler	McCollum	Serrano
Frank (MA)	McGovern	Shaw
Frelinghuysen	McHugh	Sherman
Frost	McKeon	Sisisky
Gejdenson	McKinney	Slaughter
Gephardt	McNulty	Smith (NJ)
Gilchrest	Meehan	Snyder
Gilman	Meek (FL)	Spratt
Gonzalez	Meeks (NY)	Stabenow
Goss	Menendez	Strickland
Green (TX)	Millender	Stupak
Greenwood	McDonald	Tanner
Gutierrez	Miller (FL)	Tauscher
Hall (OH)	Miller, George	Taylor (MS)
Hastings (FL)	Minge	Thomas
Hill (IN)	Mink	Thompson (CA)
Hilliard	Moakley	Thompson (MS)
Hinojosa	Mollohan	Thurman
Hobson	Moore	Tierney
Hoeffel	Moran (VA)	Udall (CO)
Holt	Morella	Udall (NM)
Hooley	Nadler	Velazquez
Horn	Napolitano	Vento
Houghton	Neal	Visclosky
Hoyer	Ney	Walsh
Jackson (IL)	Nussle	Waters
Jackson-Lee	Obeyer	Watkins
(TX)	Oliver	Watt (NC)
John	Ose	Waxman
Johnson (CT)	Owens	Weiner
Johnson, E.B.	Oxley	Weldon (PA)
Jones (OH)	Packard	Weller
Kaptur	Pallone	Wexler
Kildee	Pascarell	Weygand
Kilpatrick	Pastor	Wise
Kind (WI)	Payne	Wolf
King (NY)	Pelosi	Woolsey
Klecza	Pickett	Wu
Knollenberg	Pomeroy	Wynn
Kolbe		

## ANSWERED “PRESENT”—1

Campbell

NOT VOTING—15

Baker	Hinchey	McDermott
Coble	Holden	Ortiz
Combest	Jefferson	Peterson (PA)
English	Kennedy	Stark
Gekas	Lewis (GA)	Towns

□ 1159

Mr. TAYLOR of Mississippi changed his vote from “aye” to “no.”

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. COMBEST. Mr. Chairman, on rollcall No. 313, the Sanford amendment, I was inadvertently detained. Had I been present, I would have voted “yes.”

□ 1200

AMENDMENT NO. 8 OFFERED BY MR. PAUL

The CHAIRMAN pro tempore (Mr. CALVERT). The unfinished business is the demand for a recorded vote on

amendment No. 8 offered by the gentleman from Texas (Mr. PAUL) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Part B amendment No. 8 offered by Mr. PAUL:

Page 16, strike line 5 and all that follows through line 17 on page 21, and insert the following: None of the amounts authorized to be appropriated under subsection (a) are authorized to be appropriated for a United States contribution to the United Nations, any organ of the United Nations, or any entity affiliated with the United Nations.

## RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 74, noes 342, not voting 17, as follows:

[Roll No. 314]

## AYES—74

Aderholt	Hefley	Peterson (MN)
Bachus	Hill (MT)	Pombo
Barr	Hilleary	Riley
Bartlett	Hostettler	Rohrabacher
Barton	Hunter	Royce
Bilirakis	Istook	Ryun (KS)
Bonilla	Jenkins	Salmon
Burton	Johnson, Sam	Sanford
Cannon	Jones (NC)	Scarborough
Chenoweth	Kingston	Schaffer
Coburn	Lewis (KY)	Sensenbrenner
Collins	Lucas (OK)	Sessions
Cooksey	Manzullo	Shadegg
Crane	Martinez	Shuster
Cunningham	McInnis	Simpson
DeLay	McIntosh	Stump
DeMint	Metcalf	Sweeney
Dickey	Moran (KS)	Tancredo
Doolittle	Myrick	Taylor (MS)
Duncan	Nethercutt	Taylor (NC)
Everett	Ney	Tiahrt
Foley	Norwood	Wamp
Gibbons	Packard	Weldon (FL)
Goode	Paul	Young (AK)
Hastings (WA)	Pease	

## NOES—342

Abercrombie	Bonior	Conyers
Ackerman	Bono	Cook
Allen	Borski	Costello
Andrews	Boswell	Cox
Archer	Boucher	Coyne
Armey	Boyd	Cramer
Baird	Brady (PA)	Crowley
Baldacci	Brady (TX)	Cubin
Baldwin	Brown (FL)	Cummings
Ballenger	Brown (OH)	Danner
Barcia	Bryant	Davis (FL)
Barrett (NE)	Burr	Davis (IL)
Barrett (WI)	Buyer	Davis (VA)
Bass	Callahan	Deal
Bateman	Calvert	DeFazio
Becerra	Camp	DeGette
Bentsen	Campbell	Delahunt
Bereuter	Canady	DeLauro
Berkley	Capps	Deutsch
Berman	Capuano	Diaz-Balart
Berry	Cardin	Dicks
Biggert	Carson	Dingell
Bilbray	Castle	Dixon
Bishop	Chabot	Doggett
Blagojevich	Chambliss	Dooley
Bliley	Clay	Doyle
Blumenauer	Clayton	Dreier
Blunt	Clement	Dunn
Boehlert	Clyburn	Ehlers
Boehner	Condit	Ehrlich

Emerson	Lantos	Rogan
Engel	Largent	Rogers
Eshoo	Larson	Ros-Lehtinen
Etheridge	Latham	Rothman
Evans	LaTourette	Roukema
Ewing	Lazio	Roybal-Allard
Farr	Leach	Rush
Fattah	Lee	Ryan (WI)
Filner	Levin	Sabo
Fletcher	Lewis (CA)	Sanchez
Forbes	Linder	Sanders
Ford	Lipinski	Sandlin
Fossella	LoBiondo	Sawyer
Fowler	Lofgren	Saxton
Frank (MA)	Lowey	Schakowsky
Franks (NJ)	Lucas (KY)	Scott
Frelinghuysen	Luther	Serrano
Frost	Maloney (CT)	Shaw
Gallegly	Maloney (NY)	Shays
Ganske	Markey	Sherman
Gejdenson	Mascara	Sherwood
Gekas	Matsui	Shimkus
Gephardt	McCarthy (MO)	Shows
Gilchrest	McCarthy (NY)	Sisisky
Gillmor	McCollum	Skeen
Gilman	McCrery	Skelton
Gonzalez	McGovern	Slaughter
Goodlatte	McHugh	Smith (MI)
Goodling	McIntyre	Smith (NJ)
Gordon	McKeon	Smith (TX)
Goss	McKinney	Smith (WA)
Graham	McNulty	Snyder
Granger	Meehan	Souder
Green (TX)	Meeks (NY)	Spence
Green (WI)	Menendez	Spratt
Greenwood	Mica	Stabenow
Gutierrez	Millender-	Stearns
Gutknecht	McDonald	Stenholm
Hall (OH)	Miller (FL)	Strickland
Hall (TX)	Miller, Gary	Stupak
Hansen	Miller, George	Sununu
Hastings (FL)	Minge	Talent
Hayes	Mink	Tanner
Hayworth	Moakley	Tauscher
Herger	Mollohan	Tauzin
Hill (IN)	Moore	Terry
Hilliard	Moran (VA)	Thomas
Hinojosa	Morella	Thompson (CA)
Hobson	Murtha	Thompson (MS)
Hoeffel	Nadler	Thornberry
Hoekstra	Napolitano	Thune
Holt	Neal	Thurman
Hooley	Northup	Tierney
Horn	Nussle	Toomey
Houghton	Oberstar	Trafficant
Hoyer	Obey	Turner
Hulshof	Olver	Udall (CO)
Hutchinson	Ose	Udall (NM)
Hyde	Owens	Upton
Inslee	Oxley	Velazquez
Isakson	Pallone	Vento
Jackson (IL)	Pascarell	Visclosky
Jackson-Lee	Pastor	Vitter
(TX)	Payne	Walden
John	Pelosi	Walsh
Johnson (CT)	Petri	Waters
Johnson, E.B.	Phelps	Watkins
Jones (OH)	Pickering	Watt (NC)
Kanjorski	Pickett	Watts (OK)
Kaptur	Pitts	Waxman
Kasich	Pomeroy	Weiner
Kelly	Porter	Weldon (PA)
Kildee	Portman	Weller
Kilpatrick	Price (NC)	Wexler
Kind (WI)	Pryce (OH)	Weygand
King (NY)	Quinn	Whitfield
Klecza	Rahall	Wicker
Klink	Ramstad	Wilson
Knollenberg	Rangel	Wise
Kolbe	Regula	Wolf
Kucinich	Reyes	Woolsey
Kuykendall	Reynolds	Wu
LaFalce	Rivers	Wynn
LaHood	Rodriguez	Young (FL)
Lampson	Roemer	

## NOT VOTING—17

Baker	Holden	Ortiz
Coble	Jefferson	Peterson (PA)
Combest	Kennedy	Radanovich
Edwards	Lewis (GA)	Stark
English	McDermott	Towns
Hinchey	Meek (FL)	

□ 1208

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. COMBEST. Mr. Chairman, on rollcall No. 314, the Paul of Texas amendment, I was inadvertently detained. Had I been present, I would have voted "yes."

Ms. PRYCE of Ohio. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. FOLEY) having assumed the Chair, Mr. CALVERT, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes, had come to no resolution thereon.

## PERSONAL EXPLANATION

Ms. JACKSON-LEE of Texas. Mr. Speaker, on Monday, July 12, 1999, because of weather conditions, my plane was detained, and I would like the RECORD to reflect how I would have voted on the following votes had I been present:

On rollcall vote 277, a vote on the approval of the Journal, I would have voted "yea."

On rollcall vote 278, on House Concurrent Resolution 107, dealing with rejecting the conclusions by the American Psychological Association, I would have voted "yea."

On rollcall vote 279, concerning the United Nations, I would have voted "yea."

## TEACHER EMPOWERMENT ACT

Ms. PRYCE of Ohio. Mr. Speaker, by the direction of the Committee on Rules, I call up House Resolution 253 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

## H. RES. 253

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1995) to amend the Elementary and Secondary Education Act of 1965 to empower teachers, improve student achievement through high-quality professional development for teachers, reauthorize the Reading Excellence Act, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce. After general debate the bill

shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Education and the Workforce now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived. The chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Ms. PRYCE of Ohio. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the distinguished gentleman from Massachusetts (Mr. MOAKLEY), the ranking member of the Committee on Rules, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 253 is a structured rule providing for the consideration of H.R. 1995, the Teacher Empowerment Act. The rule provides for 1 hour of general debate equally divided and controlled by the chairman and ranking member of the Committee on Education and the Workforce. For the purpose of amendment, the rule makes in order, as an original bill, the committee's amendment in the nature of a substitute now printed in the bill.

Under this fair and balanced rule, 12 amendments are made in order, 6 offered by Democrats and 6 offered by Republicans. That means Members from both sides of the aisle will have equal opportunity to amend this bill.

The rule makes in order a number of minor amendments as well as an amendment offered by the gentleman

from Pennsylvania (Chairman GOODLING) which reflects bipartisan compromise on a number of issues and a substitute amendment offered by a Democrat member on the Committee on Education and the Workforce.

All 12 amendments are printed in the Committee on Rules report and may be offered only by a Member designated in the report.

The amendments shall be considered as read and shall be debatable for the time specified in the report. These amendments are not subject to amendment or a demand for a division of the question.

□ 1215

All points of order against the amendments are waived.

In addition to the amendment process, the minority will have another opportunity to change the Teacher Empowerment Act through the customary motion to recommit, with or without instructions.

Finally, the rule allows for orderly and timely consideration of the bill by allowing the Chair to postpone votes and reduce voting time to 5 minutes on a postponed question, as long as it follows a 15-minute vote.

Mr. Speaker, we can all remember our favorite teacher who made school more interesting and learning more exciting. These special individuals had a lasting impact on us and contributed in a major way to our attitudes toward school and our development as young people.

We cannot underestimate the value and influence of a good teacher, and our investment in teachers should reflect their worth.

The Teacher Empowerment Act recognizes teachers as perhaps the most important determinant in our children's academic success, and the bill seeks to enhance student performance through funding programs to improve teachers' skills.

Specifically, H.R. 1995 streamlines the Eisenhower Professional Development Program, Goals 2000, and the "100,000 New Teachers" program to give States and localities more flexibility in their use of these funds to advance teachers' professional development.

Ninety-five percent of these funds will be distributed to local districts where those who are most familiar with the needs of their local schools will play a greater role in determining how the money is used to provide teachers with the tools to improve student learning.

Some of my colleagues oppose the consolidation of government programs and may fear local control. But given the failure of a bloated education bureaucracy and the micromanagement of education by the Federal Government, it is hard to understand any aversion to the reasonable changes this

legislation envisions. It is time to challenge the status quo and move our education dollars to the local level to give school boards, principals, and teachers some flexibility to use these dollars as they see fit.

That does not mean we are giving away Federal dollars, turning our heads the other way and hoping for the best. The Teacher Empowerment Act actually increases accountability to parents and taxpayers by providing public access to information about the qualification of teachers and the average statewide class size. Additionally, local districts and schools will be measured by performance indicators and goals set by their State and accepted by the Federal Government.

The remaining 5 percent of funds available through the Teacher Empowerment Act may be used for a variety of purposes, including oversight of local programs and assistance for schools that are failing to raise student achievement.

The funding flexibility this legislation provides will help local education agencies to recruit, reward, and retain the very best teachers.

For example, the bill encourages States to develop innovative programs that promote tenure reform, teacher testing, alternative routes to teacher certification, merit-based teacher performance systems, and bonus pay for teachers in subject areas where there is a shortage of qualified candidates.

One criticism of the bill that I would like to address is the administration's concern that this legislation undermines the President's "100,000 New Teachers" Class Size Reduction program. In fact, the bill requires funds to be used to hire teachers to reduce class size.

It is true that this requirement is not a Federal mandate, like the President's proposal. It may be waived, but only if it is in the best interest of the students to do so. For example, the requirement could be waived in cases where reducing class size would mean relying on underqualified teachers or inadequate classrooms. This is exactly the type of common sense flexibility we need to insert into our Federal education policies.

In addition to teacher training and education class size, the Teacher Empowerment Act continues an emphasis on basic academic skills, including math and science programs. This is an area in which a lack of qualified teachers is evident in the poor performance of U.S. students, whose achievement is falling behind that of children in other developed countries.

Under the bill, localities must continue to expend the same amount on math and science programs as they would under the existing Eisenhower program, with limited exceptions.

Along those lines, I am pleased that the Teacher Empowerment Act will

allow for continued funding of the Eisenhower National Clearinghouse for Mathematics and Science Education, which is located at Ohio State University.

The ENC serves as the Nation's repository of "K" through 12 instructional materials in math and science education. Its collection of almost 15,000 curriculum resources is the most extensive in the Nation and provides a reliable resource for any teacher interested in professional or curriculum development.

Since its creation in 1992, the ENC has distributed almost 4 million CD-ROMs and print publications, and its Web site received over 14 million hits just last year.

This program's success in collecting and disseminating information on the best practices in math and science education deserves our continued support.

In addition to math and science, the Teacher Empowerment Act also places an emphasis on technology by encouraging school districts to train teachers in the use of technology and its application in the classroom.

The legislation also promotes reading and writing skills by extending the authorization of the Reading Excellence Act and providing a separate authorization for the National Writing Project.

Mr. Speaker, this legislation promotes smaller classes, encourages innovation through local control, and emphasizes basic academic skills to improve student performance. But, most importantly, the Teacher Empowerment Act recognizes the value of the individuals who interact with and provide guidance to our children on a daily basis.

The ability of teachers to connect with children and peak their interest in learning is a gift that some have, but more commonly it is skill that teachers must learn. This legislation invests in teachers by giving them access to the tools they need to make a positive impact on our students' success.

I congratulate the gentleman from Pennsylvania (Mr. GOODLING) on his great work, and I urge my colleagues to support this fair and balanced rule, which will allow the House to debate, improve upon, and pass the Teacher Empowerment Act. It is a good rule and an important bill, which takes another step forward in meeting our responsibility to ensure that every child has access to a quality education and the opportunity to learn and grow in a safe environment.

I urge a "yes" vote on both measures.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I thank my dear friend and colleague, the gentlewoman from Ohio (Ms. PRYCE), for yielding me the customary half hour, and I yield myself such time as I may consume.

Last year the Congress passed funding to help hire 100,000 new teachers across the entire country, and parents from Montana to Massachusetts cheered. Now my Republican colleagues are going back on that promise to American parents and making it open season on the funding of new teachers. Schools can now dip into the money for any program remotely related to education, and the only thing that we will lose is more teachers.

Yesterday, I received a letter from the Superintendent of the Boston public schools saying that, under this bill, it will lose 12 to 15 percent of its current allocation. And we just cannot afford it, Mr. Speaker. I do not know about other parts of the country, but we in Massachusetts want our students to get every possible advantage we can give them, particularly smaller classes. But this bill does exactly the opposite. It will actually make our classes larger.

The administration opposes this bill and for good reason. This bill fails to guaranty American students small class sizes of 18 students in the early grades, when they are particularly in need of a teacher's attention. We all know that once a class reaches about 35 to 45 students, it really does not matter too much whether a teacher is qualified or not. No matter how good they are, they spend most of their time policing and not enough time teaching.

Although the bill provides an enormous amount of money, it does not target that money towards the neediest areas where our children are suffering the most. Mr. Speaker, my colleague, the gentleman from California (Mr. MARTINEZ), has a proposal that will help fund the new teachers for areas with big class sizes. It will also give the areas that cannot find certified teachers the funding to recruit and train new teachers. The amendment that the gentleman from California offers also provides almost twice the teachers as the other bill.

But this rule will only allow 40 minutes of debate on the Martinez substitute instead of the traditional 60 minutes. And to make matters worse, well over half the amendments authored by the Democrats were not allowed under this rule, while nearly every single amendment authored by a Republican was allowed.

Mr. Speaker, from what I hear, those Democratic amendments are very good, so good that they probably would have passed. And that is probably the reason they are not allowed anywhere near this House floor today. The base text of this bill needs as much help as it can get, and some of those Democratic amendments would have helped this bill a great deal. But, apparently, that is not what my Republican colleagues wanted.

For that reason, Mr. Speaker, I urge my colleagues to oppose the rule and to oppose the bill in its current form.

Mr. Speaker, I reserve the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. GOODLING), the chairman of the Committee on Education and the Workforce.

Mr. GOODLING. Mr. Speaker, I just want to make sure that the gentleman from Massachusetts (Mr. MOAKLEY) corrects the superintendent, because, of course, in the manager's amendment, in the en bloc amendment, no public school loses any money. No public school loses any money.

And I might also remind the gentleman that there was only one amendment offered in committee. Only one amendment. I do not know where all the others were, but there was only one offered in committee.

Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume to answer my dear friend.

There was only one amendment. It was an en bloc amendment that contained all the amendments.

And, Mr. Speaker, I would like to read from the letter of the Superintendent of the Boston Public Schools.

Dear Mr. Moakley: I understand that the Teacher Empowerment bill passed two weeks ago by the Education and the Workforce Committee will be considered on the House floor as early as Tuesday, July 20, 1999.

I am urging you to oppose this bill unless the well-targeted Class Size Reduction program is removed from the block grant and retained in its current form. I estimate that Boston would lose 12 to 15 percent of its current allocations under the current bill.

Sincerely,

Thomas Payzant, Superintendent, Boston Public Schools.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Speaker, later today after the adoption of the rule, we will have the debate on what I believe is a historic bill in this sense; that we have been funding the Title I program and Teacher Improvement Program now for several decades, and never during the process of that program did we ever ask that they use this money to hire qualified teachers and that the States, in fact, put a qualified teacher in every classroom. This legislation, both the Martinez substitute and the bipartisan bill, requires both of that.

At the same time, it also makes it very clear that we carry out the intent of the ESEA bill, which was to provide Federal assistance to close the gaps between educationally disadvantaged young children and others in our society. Yet as we continue to measure it, the gap continues to widen all over the country.

For the first time in the 30-year history of this program, we are asking the

school districts be measured and be held accountable for closing the gap between majority students and minority students and between rich students and poor students so that in fact all students can learn under our system.

We know that the biggest single factor in the ability of a child to learn in our educational system is the quality of that teacher; yet we find ourselves throughout this country saddled with tens of thousands of teachers that are not qualified to teach in the core subject matters in which they are teaching. This legislation says that the Federal money ought to be used for that.

This Federal legislation also preserves the President's program for 100,000 teachers. I would prefer to preserve it as the Martinez substitute, which will be offered later, does. But the fact of the matter is it is also very logical to look at the way the bipartisan bill does this, which says schools must use this money for class size reduction; but if they cannot hire competent teachers, they do not have the facilities to do it properly, then they can use the money until such time to go ahead with teacher development, improvement, and training, all of the things we know are absolutely essential all over this country to improve the professionalism of our teacher core and to make sure they are in fact certified and qualified to teach in their core subject.

□ 1230

It is for that reason, Mr. Speaker, that I will be voting for the Martinez substitute. I will also be voting without reservations other than the targeting matters for the bipartisan Goodling substitute that will be offered later this afternoon. I would hope that Members would focus on the issues of teacher quality and accountability, because for far too often, we have put in over \$125 billion into this program and we have neither gotten teacher quality out of this program nor have we gotten the accountability of school districts for improvement of the students which the money is designed to help.

I would urge Members to consider, certainly on our side of the aisle, voting for the substitute, also voting for the bipartisan legislation.

Ms. PRYCE of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me the time and congratulate her on the fine job that she is doing.

As my friend from Martinez, California, has just said, this is a bipartisan bill. It is very important. At the beginning of the 106th Congress, we established four priorities that we wanted to address. Number one of those items was to improve public education.

We all know that as we look at education in this country, we have a superb postsecondary education system, but at the primary and secondary level, we have some great school districts around the country and some great, great schools, but we also have some very serious problems.

So as we look at improving public education, what is it that we must do? We have got to provide a little more flexibility to those school districts so that they can address many of the needs that are out there.

Now, we saw the much heralded call for 100,000 additional teachers. That is great. It sounds wonderful. But it seems to me as we look at school districts around the country, there are issues other than simply adding teachers that they want to address. And what H.R. 1995 does is it allows for that flexibility.

I want to congratulate the gentleman from Pennsylvania (Mr. GOODLING), the gentleman from California (Mr. McKEON) and the others who are working with Democrats to make sure that this is a bipartisan issue. I am also proud of the way that we have structured the rule. It, in fact, has an equal number of amendments from our friends on the Democratic side and an equal number of Republican amendments. I think that with the kind remarks that have been made by Democrats here in support of the committee work, although yesterday afternoon I have to admit there was kind of an interesting debate and it is not unanimous. There are some who frankly want to still have more Federal involvement in the area of education and they want to involve themselves in micromanaging it. We want to provide flexibility. This bill does that. The rule allows for a free-flowing debate. I urge my colleagues to support it.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. OWENS).

Mr. OWENS. Mr. Speaker, since the American public in poll after poll has indicated that Federal assistance to education is a number one priority, every major education bill which comes to the floor should come with an open rule. The opportunity to discuss education policies and programs should not be constricted and oppressed as they are in this rule. The opportunity to let the voters hear a full debate must always be encouraged.

What the Republican majority is doing is supporting this antidemocratic, piecemeal approach in the hope that they will accomplish the ultimate attempt of the Republican majority to move us to a situation where the role of the Federal Government in education is abolished. They are really still pursuing the goal of abolishing the role of the Federal Government, and a block grant is their desired result.

This is the second beachhead for the block grant. Ed flex was the first one.

This is the second one. By eliminating the President's initiative for a reduction in classroom size, it is one more step to move the Federal Government out of education and allow for a total block grant to go to the States with the Governors having an opportunity to use the money as they see fit.

This rule is crafted to limit debate, maximize confusion and vigorously promote the perverted Robin Hood mentality which will take resources concentrated in our present Federal policy toward poor schools and spread it for other purposes while authorizing no significant new funding. Our committee does not demand new funding to take care of the education needs that have been identified by the American voters.

Educationally, this is a Robin Hood operating in reverse. It is going to eliminate Federal priorities, throw away accountability, and it will pilfer the money from the poor. It will take from the poorest schools where education policy presently directs money and spread it out and not provide any new resources.

We have a budget surplus now. Why do we not make a demand on some portion of that surplus for education instead of robbing from the poor to take care of needs that are definitely there? We need to modernize our schools, we need to secure our schools, we need money for school construction; across the board all of the efforts to improve education are honorable, but they need resources. You do not solve the problem by taking resources from the areas where you have the greatest need. The core of the festering problem in education is in the poorest schools in rural areas and in big cities.

What we are doing with this bill is moving toward a maneuver which will rob those schools in favor of spreading the money and making it appear that we have done something for education here in Washington. This is not the appropriate move. It is going to lead to a block grant where we lose Federal involvement altogether.

The Federal Government is only involved to the tune of 7 to 8 percent at this point. It is not injuring schools in any way. Let us keep the Federal Government involved by protecting the President's class size initiative in this bill.

Vote "no" on the rule. Vote "no" on the bill.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 4 minutes to the distinguished gentleman from Indiana (Mr. SOUDER), a member of the committee.

Mr. SOUDER. Mr. Speaker, first let me say to my friend from New York that this does not touch title I which is a massive program which I and many others favor, because many States did not in fact pay enough attention to the lower income areas of this country.

Some States deliberately wiped out their property tax so that minorities would not have sufficient schools and went to private schools, and because of that the Federal Government stepped in and said those who are in low-income areas are going to need some help; just like as we had special-needs kids around this country that led to the development of IDEA. There is no question that there is a role, some role, for the Federal Government in education. The question is, is fundamentally who do we trust the most?

This rule gives us the flexibility to debate a number of the different options and to really highlight again today the differences as to how the bulk of education should be run in this country, not the exceptions. We are not abandoning what we are putting into low-income students or into IDEA. But what we are saying is that rather than say, we know best here on the floor of this House what the school districts in my district in northeast Indiana or anywhere in the country should do, some of them work to lower their class size and some of them rather than getting it down to 18 might want to have 19 in the class size and have better teachers for effectiveness. Others may want and need more teachers in IDEA which is the biggest financial drain in the local school districts because they cannot take care of many of these students that the courts have ordered them and Congress has ordered them to take care of.

Each school district has their own funding flexibilities, each State has their own funding flexibilities and priorities they have to work. Who are we to say that they have to go a certain direction?

Once again, let me repeat, this bill, while there are nuances in the additional spending proposed in the 100,000 new teachers and other programs, does not touch the basic funding mechanisms of which we have tried to put into low-income students.

Mr. OWENS. Mr. Speaker, will the gentleman yield?

Mr. SOUDER. I yield to the gentleman from New York.

Mr. OWENS. The gentleman said who are we to emphasize one thing over another? Most of the experts agree on few things in education, but they do agree that small class sizes in the early grades are essential to promoting reading and other subjects.

Mr. SOUDER. Reclaiming my time, all of these things are a balance; that in fact research shows that teacher quality. Now, if the class size is 30 versus 18, but the class size differential, 19 or 20 compared to the teacher quality; depending whether you have computer access in your schools, if the schools are falling down, if you have inadequate textbooks and the parents cannot afford the textbooks. Different schools have different problems. I

agree that if there is a wide disparity, but at the margins, and what I have seen in my district, in foundations around our country and so on is that we have seen, compared to the past, an amazing advancement in the local school boards and in particular State education associations in trying to improve the quality of education. We need to give them more flexibility. And when they fail, we step in like we did with title I and IDEA.

Mr. GOODLING. Mr. Speaker, will the gentleman yield?

Mr. SOUDER. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Speaker, I just want to make sure that the gentleman from New York did not give anybody the impression that somehow or other there is a magic pill out there that if you reduce class size, all of a sudden you are going to have better instruction and the child is going to do better. If I am a parent and I have a choice between 25 students in the classroom and a quality teacher or 17 students in the classroom and what they have done in California and have people who are not capable of teaching, I want 25 in the classroom and a quality teacher.

The most important thing that every researcher ever said is that next to the parent, the most important factor for learning is the quality of the teacher in the classroom. We do not want to ever lose sight of that.

Mr. McKEON. Mr. Speaker, will the gentleman yield?

Mr. SOUDER. I yield to the gentleman from California.

Mr. McKEON. The beauty of this bill is that we can have both, because we do the class size reduction, unless they do not have the adequate space or do not have the adequate teachers. Then we give them the ability to enhance the education of the teacher. This is the beauty of this bill, is we can have our cake and eat it, too. That is one of the great things about the thing we have put together in this bill.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me the time here on this very important legislation today.

I rise, Mr. Speaker, and will support the Martinez amendment which will devote some more resources to education that we badly need. I also will support the underlying bipartisan bill that emphasizes a reduction in class size and an emphasis on the quality of the teacher standing in front of the classroom.

Now, I applaud some on the Republican side for this bipartisan bill because I know that 3 or 4 years ago, there were some on that side that advocated reducing the Department of Education to rubble and now we are emphasizing in a bipartisan way reduc-

ing the class sizes in America and putting emphasis on the quality of the teacher that stands in front of those students.

I think this is a bipartisan bill, a Democratic-Republican bill, for two reasons: It emphasizes the right goals that all American parents and teachers and students agree with, and, that is, generally, in the earliest grades, 1 through 3, that when we have smaller class sizes, 18 or 20, we are more effective in making sure those children get off to the right start and get up to speed in their reading skills. Secondly, the delivery mechanism is right in this bipartisan bill. It does not loosely structure a block grant that you can spend money on anything. It tightly targets the spending for the State and the local school to choose between two things, a reduction in class size or quality teachers. I think that those are both equally important goals and I would encourage my colleagues to support Martinez and support the underlying bipartisan bill.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I may consume to enter into a colloquy with the gentleman from Pennsylvania (Mr. GOODLING), the chairman of the Committee on Education and the Workforce.

Mr. Speaker, I rise today in support of the Teacher Empowerment Act because it promotes teacher quality, reduces class size and sends dollars directly to the classroom. In light of the third annual math and science study scores, I am concerned that we are not focusing enough on math and science education. Therefore, I am especially pleased that this legislation promotes and strengthens math and science teacher training through the Eisenhower National Clearinghouse for Math and Science Education. Located at the Ohio State University, the Eisenhower National Clearinghouse collects, catalogs and disseminates K-12 curriculum materials and resources in mathematics and science and provides teachers with a variety of services, including a technical help desk and reference service, print publications, and 12 demonstration sites located throughout the Nation.

Mr. Speaker, as the gentleman from Pennsylvania knows, the Eisenhower Clearinghouse is not a one-size-fits-all program. This program is available to teachers all across the country 24 hours a day, 7 days a week. Furthermore, there are no forms to fill out, applications to file or enrollment fees to pay. Because of this flexibility, our Nation's math and science teachers made Eisenhower National Clearinghouse's website one of the most visited education sites, receiving over 14 million hits.

I yield to the gentleman from Pennsylvania whose work I very much admire for his response.

□ 1245

Mr. GOODLING. The gentlewoman is correct. The Eisenhower National Clearinghouse is a valuable resource to all teachers nationwide, has done a great service with respect to providing our Nation's teachers with quality math and science resources. In fact, the Committee on Education and the Workforce intends to further highlight the mission and positive results of the Eisenhower National Clearinghouse as it moves to reauthorize the Elementary and Secondary Education Act.

Ms. PRYCE of Ohio. Mr. Speaker, I strongly believe that this is a program that deserves our strong support, and I thank the chairman very much for his time.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I thank my friend for yielding this time to me, and I oppose this rule for the reasons outlined by my friend, the gentleman from New York (Mr. OWENS).

This debate today is going to revisit a fundamental debate about values that we have had frequently in the last 40 years in the history of American education. For nearly the first 200 years of our country's history, the role of the Federal Government in public education was passive, some would even say negligent, as we sat on the sidelines and watched the process go forward.

In the late 1950's, we had a choice between being passive in the face of racial segregation or being activist to try to end it, to create equality of educational opportunity. Slowly, painfully, grudgingly the courts, the Congress, the Executive Branch choose activist Federal involvement to end racial segregation.

In the 1960's we faced a choice between sitting on the sidelines as poor children systematically attended poorer schools, and we collectively made an activist choice to enact the Elementary and Secondary Education Act of 1965 to lend some assistance to lift those struggling schools up in whatever way we could.

Also in the 1960's we faced a choice between sitting and watching as children with a disability were frozen out of the mainstream education process, who found that their needs for speech therapists or special teachers often wound up at the bottom of the local school board's priority list, behind AstroTurf for the football field, behind trips to Disney World for the board of education, and we enacted the IDEA that created in Federal law a Federal right for every child to have the highest quality education in the least restrictive learning environment.

Today, I believe we are facing the same choice all over again with respect to the issue of quality of learning for every child in every setting in the primary grades. Last year a majority of

us chose to take the activist position that we should encourage the reduction of class sizes by adding 100,000 teachers, qualified teachers, to this country's teaching corps.

I believe the choice before us today is whether we should simply be a Federal subsidy or a national priority. Make no mistake about it. The bill that will be before us today is well intentioned, but it repeals the national commitment to reduction in class sizes.

As the debate unfolds, we will be able to outline the reasons for that, but I would urge my colleagues to reject this rule on the grounds it is exclusive of good ideas and to ultimately reject the bill because I believe it steps away from that fundamental commitment to an activist Federal Government that is principled in its pursuits, but limited and carefully tailored in its means.

Please oppose the rule and oppose the underlying bill.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am sorry the gentleman for whom the Committee on Rules made two amendments in order now finds himself opposing this fair rule.

Ms. PRYCE of Ohio. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 30 additional seconds to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I very much appreciate the indulgence of the Committee on Rules in permitting two of my amendments. I would note for the record it rejected a third that would have promoted the teaching of holocaust education. I regret that that was the fact.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. MICA).

Mr. MICA. Mr. Speaker, I heard recently one of my colleagues from the other side of the aisle say that the new majority tried to turn the Department of Education into a pile of rubble, and that brought me to the floor to respond.

We have before us today a very fair rule and a very powerful piece of education legislation which would return power to the teacher. Now let me tell my colleagues that the last thing for 40 years on the education feeding chain has been the teacher and the student. I chaired the Subcommittee on Civil Service. In the Department of Education there are 5,000 employees of which 3,000 are located in the city of Washington, and those employees in the Department of Education are earning between 50 and \$110,000 on average. Show me a teacher in my district that has that money.

The balance of the 2,000 Department of Education employees are located in regional offices. We are saying, put the money, put the power, put the empha-

sis. We only spend 5 percent of Federal money; the total amount in education comes from the Federal level. We are saying, put that money in the classroom with the students, not in Washington, not with bureaucrats, and empower the teacher, empower the student, and empower the classroom.

That is why we are offering this legislation today. That is why I ask for support for this rule and for this particular piece of legislation.

Mr. MOAKLEY. Mr. Speaker, I yield 1 additional minute to the gentleman from New York (Mr. OWENS).

Mr. OWENS. Mr. Speaker, I think it has been clear that the intent of the Republican majority is to eliminate the Federal role in education. They do not question, however, the ability of the White House and the Office of Management and Budget to analyze the content of legislation. I want to read from the President's letter on this bill:

H.R. 1995 abolishes a dedicated funding stream for class size reduction and replaces it with a block grant that fails to guarantee that any funding will be used for hiring new teachers to reduce class size. Moreover, the block grant could be used simply to replace State or local funding instead of increasing overall investment in our public schools. If the Congress sends me H.R. 1995 in its current form, I will veto it in order to protect our Nation's commitment to smaller classes and better schools.

There are some speakers who keep insisting that there is nothing wrong with the bill in terms of protecting the reduction in the classroom size initially, but definitely this leaves it wide open. It pushes the Federal priority aside and leaves the decision open for local education officials.

As my colleagues know, most local education officials will seize the opportunity to spend the money as they want to spend it.

Ms. PRYCE of Ohio. Mr. Speaker, I have no further speakers.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, after this rule passes, we are going to have a very serious and important debate about improving the quality of teachers, administrators, and superintendents in our school system across the country. As a member of the Committee on Education and the Workforce, I rise in support of H.R. 1995, the Teacher Empowerment Act, as it will hopefully be amended by the chairman's amendment later today.

I also have to admit, however, that I have not been the most enthusiastic supporter on the committee to the piecemeal approach to breaking down the ESEA reauthorization this year into component parts. I feel that it was important to do the ESEA reauthorization all together in a comprehensive way recognizing the need of improving teacher, principal, and administrator quality in our schools, placing heavy

emphasis on class size reduction, focusing emphasis on accountability and standards, but also recognizing the serious challenge we face in infrastructure needs that exist in our public schools across the country.

But if we are going to piecemeal this, I think this bill, the Teacher Empowerment Act, is a very good first start in the area of improving teachers', principals', and administrators' quality in our schools. Based on the hearings that we have had in the committee throughout the course of the year, Mr. Speaker, we face a serious challenge with the impending retirement of the baby boom generation and a roughly 2,000-teacher shortage over the next 10 years.

This bill concentrates on quality improvement. The amendment of the gentleman from Indiana (Mr. ROEMER) that is going to be offered later today to expand Troops to Teachers to other qualified individuals who are looking for a career change and who want to contribute their talents to teaching will hopefully help in the area of the shortage problem as well. I encourage my colleagues to support the Roemer amendment.

Now there is going to be some controversy in the course of the day in regards to the lack of a separate funding stream to support the President's initiative of hiring 100,000 additional teachers. I believe, given the language of the underlying bill, that that concern is misplaced.

The bill does require that class size reduction be given a top priority. This is entirely consistent with the Ed-flex legislation that was passed earlier in the year and that the President signed into law which allows local school districts to have the flexibility to apply for waivers and use the money for other priority needs that they have, such as professional development programs. We could go out and hire an additional 100,000 new teachers, but if they are unqualified, that could do more harm than good.

Mr. Speaker, do not get me wrong. I am a big proponent of class size reduction. My own State of Wisconsin has implemented the SAGE program back in 1993 for class size reduction in K through third grades. We have had a recent study coming out of the University of Wisconsin at Milwaukee showing the drastic improvement of student test scores in those classes that have had reduced class sizes in the State of Wisconsin under SAGE.

We had hearings on class reduction in the course of the Committee on Education and the Workforce, one in particular highlighting the successes of the STAR program that was implemented in Tennessee on class size reduction. There are other States across the country implementing class size reduction programs, and I would hope that it would be a collective goal for



all school districts to work for class size reduction and a better teacher-pupil ratio.

As my colleagues know, this bill recognizes and balances the twin goals of class size reduction and the importance of getting qualified teachers into the classroom. That is why I want to commend the gentleman (Mr. MILLER) for his strong teacher quality language that is also contained in the chairman's amendment.

This is not a perfect bill, Mr. Speaker, but it is a very good bill. It is a bill that both Democrats and Republicans can stand up and take credit for and feel good about, including the President of the United States. So I would encourage my colleagues to support the chairman's amendment and also at the end of the day to support the underlying bill.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MARTINEZ).

Mr. MARTINEZ. Mr. Speaker, I am simply in awe of the collective wisdom that exists in Washington, D.C., especially in Congress, and I look at these things from a very maybe simple perspective of having, one, been one that was raised in an impoverished neighborhood and went to schools that were not quite as excellent or elegant as the schools on the other side of town. But the situation still remains today the same as it did then.

The question is, and we get into this debate, and we get so focused that we sometimes cannot see the trees for the forest. We say class size reduction as if class size reduction is the most important part, or we say teacher quality as if teacher quality was the most important part. I come from a different perspective, that I believe that both are.

I guess we do not all keep up with the studies, and I am not too sure that I rely on studies all the time, but more recently, in just the last couple of weeks, there was a study that came out that showed that class size reduction in and of itself does a great deal of good for students because there is that one-on-one ability.

And remember this, that the target area is that K through 6 to begin with, and we would like to expand it beyond that, but K through 6.

And as I remember when I went to school, the teachers that were certified to teach K through 6 were generally certified teachers that have been through the training that was necessary to become qualified teachers, and they taught all subjects.

□ 1300

We did not have, and we still do not have, by and large, in most places in the country in K through 6 a segregated class for math and a segregated class for science and a segregated class for this and that and the other.

These teachers are teaching all subjects to the classes. But more impor-

tantly, they are developing cognitive ability for those students so that when they get into the grades when those classes are separated, and I think we ought to remember that when those instructional classes, math, science, and the rest are in individual classes, they are in the upper grades. We are not talking about that here. We are talking about those earlier grades with the certified teachers.

More recently, a study showed that class size reduction and where those students were in that smaller class size, whether or not that teacher was qualified in any particular subject, that those students benefited as much as did the kids that were in small class sizes with teachers that were certified in specific subject matter.

So really, it only amounts to the fact of who do we target in this bill? We target the more needy. In their bill, the way the funding formula would begin, before we were able to get concession from them for hold harmless, and then beyond the hold harmless, it still has the faulty funding formula that draws money away from those areas where the children really need it.

Mr. SOUDER. Mr. Speaker, will the gentleman yield?

Mr. MARTINEZ. I yield to the gentleman from Indiana.

Mr. SOUDER. Mr. Speaker, my question is, there is nothing in this bill that says that class size reduction cannot be a part for the schools that the gentleman is mentioning. My understanding is that a school district can decide that class size reduction is absolutely the most important.

Mr. MARTINEZ. Mr. Speaker, reclaiming my time, I would respond by saying that the bill is not a bad bill, but it is just a little bit lacking, and that is where we would like to improve the bill to the point that it really targets the most needy.

Let me say, when they say in the bill that the highest priority is class size reduction and there is no separate funding for it, they really do not give it a priority. So it leaves it up to the locals to decide where they are going to spend the money, whether they determine that they need it for class size reduction or they need it for teacher training. And I have nothing against either, because I believe that both go hand in hand, one with the other. But we ought to at least do it in a way that says to them, do the class size reduction, get the qualified teachers, show us which way we really need to spend the money before we authorize it being spent, rather than leaving it.

Now, I know we always say that locals know best. Well, I wonder, if the locals know best, then why did the Federal Government get involved in this at all? The Federal Government got involved in these programs because locals did not make the decisions that were necessary to take care of the chil-

dren with disabilities, to take care of bilingual problems, to take care of disadvantaged students, and that is where the Federal programs came up with Title I and other programs.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. MCKEON).

Mr. MCKEON. Mr. Speaker, I just wanted to respond to the distinguished ranking member to a couple of things he said. I appreciate, and I would like to say that before the world, the fact that we did work together on a bipartisan bill. We ran into a glitch along the road, but this was a bipartisan bill, and my hope is that with final passage today, the world will know it is a bipartisan bill.

A couple of things the gentleman talked about. The gentleman mentioned reducing the class size K through 3, but then he used K through 6 several times.

In the bill that we have, it says reduce class sizes nationally in grades 1 to 3 to an average of 18 students.

So the difference is the substitute is a Federal mandate that says nationally reduce class size 1 to 3 to an average of 18 students.

And then as to the gentleman's question about who do we trust more, local or Federal Government, well, I spent 9 years on a school board. I do have great confidence in local control.

Mr. MOAKLEY. Mr. Speaker, I yield 30 seconds to the gentleman from California (Mr. MARTINEZ).

Mr. MARTINEZ. Mr. Speaker, when I referred to K through 6, I was referring to the fact of my own experience in grammar school that we had teachers that were qualified in all subjects and they taught all subjects, and K through 6 in most parts of the country today, not that our bill was inclusive of K through 6, but that is the situation that actually exists, and I think we ought to deal with the realities that are actually out there.

Mr. MOAKLEY. Mr. Speaker, I yield back the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself the balance of my time.

In closing, I will remind my colleagues that this rule is fair and balanced. Of the 12 amendments made in order by the Committee on Rules, 6 are offered by Democrats and 6 by Republicans. This equal treatment is appropriate for consideration of a bill that has bipartisan support. I hope my colleagues will join me in supporting both the rule and the underlying Teacher Empowerment Act which relies on the principles of teacher quality, smaller class size, accountability, and local control to improve our children's education.

But, teachers are central to today's debate, which is appropriate. Perhaps more than any other factor in education, teachers are key to academic achievement. By investing in our

teachers through this legislation, we are strengthening our most valuable education resource. I urge my colleagues to support both the rule and the Teacher Empowerment Act.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 227, nays 187, not voting 19, as follows:

[Roll No. 315]

YEAS—227

Aderholt	Eshoo	Largent
Archer	Everett	Latham
Armey	Ewing	LaTourette
Bachus	Fletcher	Lazio
Baker	Foley	Leach
Ballenger	Fossella	Lewis (CA)
Barr	Fowler	Lewis (KY)
Barrett (NE)	Franks (NJ)	Linder
Bartlett	Frelinghuysen	LoBiondo
Barton	Gallegly	Lucas (OK)
Bass	Ganske	Manzullo
Bateman	Gekas	McCollum
Bereuter	Gibbons	McCrery
Biggert	Gilchrest	McHugh
Bilbray	Gillmor	McInnis
Bilirakis	Gilman	McIntosh
Biley	Goode	McKeon
Blunt	Goodlatte	Metcalfe
Boehlert	Goodling	Mica
Boehner	Goss	Miller (FL)
Bonilla	Graham	Miller, Gary
Bono	Granger	Moran (KS)
Brady (TX)	Green (WI)	Moran (VA)
Bryant	Greenwood	Morella
Burr	Gutknecht	Myrick
Burton	Hall (TX)	Nethercutt
Buyer	Hansen	Ney
Callahan	Hastings (WA)	Northup
Camp	Hayes	Norwood
Campbell	Hayworth	Nussle
Canady	Hefley	Ose
Cannon	Herger	Oxley
Castle	Hill (MT)	Packard
Chabot	Hilleary	Paul
Chambliss	Hobson	Pease
Chenoweth	Hoekstra	Petri
Coburn	Horn	Pickering
Collins	Hostettler	Pitts
Combest	Houghton	Pombo
Cook	Hulshof	Porter
Cox	Hunter	Portman
Crane	Hutchinson	Pryce (OH)
Crowley	Hyde	Quinn
Cubin	Isakson	Radanovich
Cunningham	Istook	Ramstad
Davis (FL)	Jenkins	Regula
Davis (VA)	Johnson (CT)	Reynolds
Deal	Johnson, Sam	Riley
DeLay	Jones (NC)	Roemer
DeMint	Kasich	Rogan
Diaz-Balart	Kelly	Rogers
Dickey	Kind (WI)	Rohrabacher
Doolittle	King (NY)	Ros-Lehtinen
Dreier	Kingston	Roukema
Duncan	Knollenberg	Royce
Dunn	Kolbe	Ryan (WI)
Ehlers	Kucinich	Ryun (KS)
Ehrlich	Kuykendall	Salmon
Emerson	LaHood	Sanford

Saxton	Souder
Scarborough	Spence
Schaffer	Stearns
Sensenbrenner	Stump
Sessions	Sununu
Shadegg	Sweeney
Shaw	Talent
Shays	Tancredo
Sherwood	Tauzin
Shimkus	Taylor (NC)
Shuster	Terry
Simpson	Thomas
Skeen	Thornberry
Smith (MI)	Thune
Smith (NJ)	Tiahrt
Smith (TX)	Toomey
Smith (WA)	Trafigant

NAYS—187

Abercrombie	Gordon	Oberstar
Ackerman	Green (TX)	Obey
Allen	Gutierrez	Oliver
Andrews	Hall (OH)	Owens
Baird	Hastings (FL)	Pallone
Baldacci	Hill (IN)	Pascarell
Baldwin	Hilliard	Pastor
Barcia	Hinojosa	Payne
Barrett (WI)	Hoefel	Pelosi
Becerra	Holt	Peterson (MN)
Bentsen	Hoolley	Phelps
Berkley	Hoyer	Pickett
Berry	Inslee	Pomeroy
Bishop	Jackson (IL)	Price (NC)
Blagojevich	Jackson-Lee	Rahall
Blumenauer	(TX)	Rangel
Bonior	Jefferson	Reyes
Borski	John	Rivers
Boswell	Johnson, E.B.	Rodriguez
Boucher	Jones (OH)	Rothman
Boyd	Kanjorski	Roybal-Allard
Brady (PA)	Kaptur	Rush
Brown (FL)	Kildee	Sabo
Brown (OH)	Kilpatrick	Sanchez
Capps	Klecicka	Sanders
Capuano	Klink	Sandlin
Carson	LaFalce	Sawyer
Clay	Lampson	Schakowsky
Clayton	Larson	Scott
Clement	Lee	Serrano
Clyburn	Lipinski	Sherman
Condit	Lofgren	Shows
Conyers	Lowey	Sisisky
Costello	Lucas (KY)	Skelton
Coyne	Luther	Slaughter
Cramer	Maloney (CT)	Snyder
Cummings	Maloney (NY)	Spratt
Danner	Markey	Stabenow
Davis (IL)	Martinez	Stenholm
DeFazio	Mascara	Strickland
DeGette	Matsui	Stupak
Delahunt	McCarthy (MO)	Tanner
DeLauro	McCarthy (NY)	Tauscher
Deutsch	McGovern	Taylor (MS)
Dicks	McIntyre	Thompson (CA)
Dingell	McKinney	Thompson (MS)
Dixon	McNulty	Thurman
Doggett	Meehan	Tierney
Dooley	Meek (FL)	Turner
Doyle	Meeks (NY)	Udall (CO)
Edwards	Menendez	Udall (NM)
Etheridge	Millender-	Velazquez
Evans	McDonald	Vento
Farr	Miller, George	Visclosky
Fattah	Minge	Waters
Finer	Mink	Waxman
Forbes	Moakley	Weiner
Ford	Mollohan	Wexler
Frank (MA)	Moore	Weygand
Frost	Murtha	Wise
Gejdenson	Nadler	Woolsey
Gephardt	Napolitano	Wu
Gonzalez	Neal	Wynn

NOT VOTING—19

Berman	Hinchey	Ortiz
Calvert	Holden	Peterson (PA)
Cardin	Kennedy	Stark
Coble	Lantos	Towns
Cooksey	Levin	Watt (NC)
Engel	Lewis (GA)	
English	McDermott	

□ 1334

Mr. SHERMAN and Mrs. CLAYTON changed their vote from “yea” to “nay.”

Mr. HALL of Texas changed his vote from “nay” to “yea.”

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. STEARNS). Pursuant to House Resolution 253 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1995.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1995) to amend the Elementary and Secondary Education Act of 1965 to empower teachers, improve student achievement through high-quality professional development for teachers, reauthorize the Reading Excellence Act, and for other purposes, with Mr. SHIMKUS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from Missouri (Mr. CLAY) each will control 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, if someone is a parent and someone has an opportunity to have their child in a classroom with 25 other students with a quality teacher, or if someone is a parent and they have the opportunity to have their child in a classroom of 18 children with someone who is not qualified to teach, who would they choose?

Well, it is very obvious. They would choose the quality teacher. All of the studies would indicate that next to the parent, and I repeat next to the parent, the determining factor as to whether a child does well or poorly in school has a great deal to do, more than anything else, with the quality of that classroom teacher.

In California, and we are going to hear that well they moved too quickly. They went on a crusade to reduce class size, spent \$3 billion to do it. What did they end up getting in return? Mediocrity in the classroom, where they needed the most in places like Los Angeles. Why? Because they did not have quality teachers to put there.

Now we are going to hear, as I said, well, they moved too quickly. Let me

say about moving too quickly. Just in the last 2 weeks, the President sent out the first grants on reducing class size. And guess what? No quality control whatsoever. I do not even know if they have to be able to add and subtract. He does not say they have to. There is no quality control whatsoever. So talk about moving too quickly, I will guarantee that is exactly what has happened.

Quality teachers have to prepare if they are going to make a difference. Reducing the class size will not make one bit of difference if we cannot put a quality teacher there, and it will not make one bit of difference if we do not have anyplace to put the teacher.

So what we are saying here is, we understand that. We understand that there has to be a quality teacher. We understand there has to be a place to put that quality teacher to teach those children. So we say, promote teacher quality. That should be the first and foremost thing as a Congress we should try to encourage.

Secondly, we say, reduce class size. We do not say, reduce class size no matter who is stuck in that classroom. We say, maybe they are going to have to better prepare some that are in their own school at the present time rather than stick someone who is not qualified into that classroom.

We say, get the money down to that classroom. We say, promote innovative teacher reforms; promote teacher tenure reform; teacher testing; merit-based teacher performance systems; alternative routes to teacher certification; differential and bonus pay for teachers in high-need subject areas and areas where they are needed the most; provide teacher choice.

If the local school district cannot provide decent retraining, with decent in-service programs, we say that the teacher can go and get it and we will make sure that it is covered. It ensures high-quality professional development and provides accountability to parents and taxpayers, and it promotes math and science.

We are talking about quality, and for all of these years we should have been talking about quality rather than quantity. So let us get along with it and provide the local school district the opportunity to put quality people in every classroom so every child has an equal opportunity for a good education.

Mr. Chairman, I reserve the balance of my time.

Mr. CLAY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, last year, Congress passed the omnibus appropriations bill, making a \$1.2 billion down payment on President Clinton's plan to hire 100,000 new classroom teachers. It was supported by Democrats and Republicans because overwhelming evidence demonstrates that students in smaller

classes with qualified teachers have greater academic success, especially in the early grades.

H.R. 1995, the Teacher Empowerment Act, threatens the future of this class size reduction program by allowing funds to be diverted to other uses without having to address the shame of overcrowded classrooms.

Only on rare occasions have there been such unanimous opposition in the education community to a proposal such as this one. Every major education group has expressed strong opposition to abolishing the requirement to target funding for class size reduction.

Now, Mr. Chairman, the people who drafted this bill are all isolated here in Washington, D.C. and want everybody to think that they have the answers to the problems in public education, but a sampling of such comments from people who are out there in the trenches, who are out there every day dealing with the problems of education, is something that we ought to pay attention to.

The Council of Chief State School Officers say that they support the Martinez Democratic substitute because, and I quote, "H.R. 1995 fails to ensure a stable and growing funding stream of resources for both professional development and class size reduction. The Martinez substitute would target Federal resources to two distinct but companion Federal priorities without making them compete against each other for a fixed pot of funds," end of quote.

The National Education Association writes, and I quote, "NEA strongly opposes provisions of H.R. 1995 to combine the class size reduction program with Goals 2000 and professional development programs. Combining class size reduction with other programs will serve merely to undermine its effectiveness by failing to achieve the goal of hiring 100,000 qualified teachers," end of quote.

The National School Boards Association, representing thousands of school districts across the country, opposes the approach taken in this bill. They write, and I quote, Mr. Chairman, "Much stronger legislation and far more targeted Federal dollars are needed if the Nation's public schools are to ensure that students, particularly those in poverty, have a real opportunity to improve student achievement. H.R. 1995 implies that America's school board members must make the unfortunate choice between access to high-quality teachers and access to an effective learning environment with a teacher ratio that research has proven is effective," end of quote.

Other groups, Mr. Chairman, including the American Federation of Teachers, the Council of Great City Schools, the National Parent and Teachers Association, and the Leadership Conference on Civil Rights all strongly

support a separate stream of funding for class size reduction.

Finally, Mr. Chairman, President Clinton on the recommendation of Secretary Riley has issued a veto threat on this bill. All across the country children, parents, and teachers are counting on us to finish the job of reducing class sizes. The Martinez substitute that will be offered later today makes good on this commitment by continuing a separate stream of support for the Clay-Clinton Class Size Reduction Act.

Mr. Chairman, too many of our students and teachers are now struggling in classrooms with as many as 35 children. We should not let them down. I urge support of the Martinez substitute and, if it fails, I urge rejection of H.R. 1995.

Mr. Chairman, I reserve the balance of my time.

□ 1345

Mr. GOODLING. Mr. Chairman, I should have told the ranking member we were going to name the bill after him when it passes.

Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. McKEON), the subcommittee chair who was the chief honcho, making sure that the staff did a good job, which they certainly did.

Mr. McKEON. Mr. Chairman, I rise in strong support of H.R. 1995, the Teacher Empowerment Act.

I would like to open my remarks by thanking the gentleman from Pennsylvania (Mr. GOODLING), chairman of the Committee on Education and the Workforce for his leadership in bringing this important legislation to the House floor.

I would also like to thank the gentleman from Delaware (Mr. CASTLE), chairman of the Subcommittee on Early Childhood, Youth and Families, other members of our committee, and certainly the Speaker of the House, the majority leader, and other Members of the House leadership for their hard work on this issue.

This legislation will make a significant and positive impact on how we prepare our Nation's teaching force by providing States and local school districts with needed funding to train high quality teachers and to hire new teachers where necessary.

In the development of the Teacher Empowerment Act, we have made every effort to put together a bill that is in the best interest of children, parents, and teachers. We have also tried to include the best elements of teacher training proposals from the governors, the administration, and different Members of Congress on a bipartisan basis.

The Teacher Empowerment Act was developed with three key principles in mind: teacher excellence, smaller classes, and local choices.

The bill gives States and particularly local school districts the flexibility to

focus on initiatives they believe will improve both teacher quality and student performance. In exchange for this flexibility, the bill holds local school districts accountable to parents and taxpayers for demonstrating results measured in improved student performance and higher quality teachers.

This legislation encourages intensive long-term teacher training programs that are directly related to the subject matter taught by the teacher. We know that this works.

If localities are unable to provide such professional development, teachers will be given the choice to select their own high quality teacher training programs through teacher opportunity payments. For the first time, we are giving teachers a choice in how they upgrade their skills. Our teacher opportunity payments will empower individual teachers or groups of teachers to choose the training methods that best meet their classroom needs.

The Teacher Empowerment Act maintains an important focus on math and science, as under current law, but the legislation expands teacher training beyond just the subjects of math and science.

The legislation ensures that teachers will be provided training of the highest quality in all of the core academic subjects.

By combining the funding of several current Federal education programs, the Teacher Empowerment Act provides over \$2 billion annually over the next 5 years to give States and, more importantly, local school districts the flexibility they need to improve both teacher quality and student performance.

The bill also encourages innovation on how schools improve the quality of their teachers. Some localities may choose to pursue tenure reform or merit-based performance plans. Others may want to try differential and bonus pay for teachers qualified to teach subjects in high demand. Still, others may want to explore alternative routes to certification.

Further, the Teacher Empowerment Act continues to support local initiatives to reduce class size. In fact, schools would be required to use a portion of their funds for hiring teachers. However, unlike the President's program, we do not dictate to the schools how much they spend on new teachers. Instead, schools will be allowed to determine the right balance between quality teachers and class size reduction.

Instead of paying for 100,000 new teachers 1 year at a time, we are providing local school districts with the resources to train over 500,000 qualified teachers each year over a 5-year period.

Finally, schools will also be allowed to hire special education teachers with these funds. All of these options are feasible in our legislation because we

do not try to tell schools what their approach should be. We do not want to impose any one system that every school must follow in order to upgrade the quality of its teachers. That will not work, because one size does not fit all.

The Teacher Empowerment Act is good, balanced legislation. It provides the flexibility that States and local school districts need to improve the quality of their teaching force with two goals in mind: increases in student achievement and increases in the knowledge of teachers in the subjects they teach.

I encourage all of my colleagues in the House to support this important legislation as we work to improve our Nation's schools.

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. MARTINEZ).

Mr. MARTINEZ. Mr. Chairman, I rise in opposition to the bill before us today. There is nothing that I would have liked more than to come to the House floor with real meaningful, bipartisan teacher quality legislation.

When the gentleman from California (Mr. McKEON) and I first began the process of reauthorizing title II of the Elementary and Secondary Education Act, I had high hopes of doing just that.

The chairman and I held several of the most informative hearings I have attended since coming to Congress many years ago. We heard from witness after witness that teacher quality is one of the most important factors in student achievement.

However, we were alarmed to learn that 10 percent of our Nation's public school teachers are currently uncertified and another 28 percent are teaching out-of-field or in subject areas in which they hold no degree.

To address this serious problem, our members wanted legislation that would ensure that every child receives instruction from a highly qualified individual and an environment conducive to learning. As a result, we wrote in the Miller amendment to our bill, one that the other side did not have in their bill when they first introduced it in committee.

I am pleased that several Democratic proposals, regarding recruitment, retention, and high quality professional development for all school personnel are included in their bill.

I am also pleased to see that the provisions of the gentleman from California (Mr. GEORGE MILLER) on accountability, which require that all teachers be qualified in areas in which they provide instructions by 2003, are included in the chairman's mark.

However, what started out to be a bipartisan process turned into political posturing when the chairman was instructed by his leadership, as he just explained in his opening statement, to

eliminate the Clinton class size reduction initiative as we know it by rolling it into a block grant to the States and, as a result, putting quality teacher and small class size against one another.

Last year, this Congress promised teachers, students, and parents across the Nation that we would help them reduce class size with qualified teachers over the next 6 years. The first down payment on that promise was made to the States just a few weeks ago.

Because H.R. 1995 reneges on that promise, it has elicited a veto threat from the President and letters of opposition from all the major education groups, including the National Education Association, the American Federation of Teachers, the National Parent-Teachers Association, the Council of Great City Schools, the Leadership Conference on Civil Rights, the Council of Chief States School Officers, the National School Board Association, and the National Governors Association.

There is no reason that school districts should be forced to choose between quality and smaller classes, both of which are equally important to student achievement.

We cannot accept less than our children deserve, which is quality teachers and smaller classes. If that means increasing the Federal investment in education, so be it. Is \$3 billion out of a trillion-dollar tax bill too much to ask for our Nation's children? I do not think so.

In fact, shortly, I will be offering an amendment in the nature of a substitute that encourages the States and districts to both improve teacher quality and reduce class size, and it provides them with adequate funding to accomplish both.

If my colleagues are serious about improving public education, they should put their money where their mouths are and support the Martinez substitute and oppose H.R. 1995 in its current form, which is the status quo.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. BALLENGER), one of the important veterans of the committee.

Mr. BALLENGER. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding me this time.

Mr. Chairman, I rise in favor of H.R. 1995. The Federal Government only supplies about 5 or 6 percent of the money to run our local schools but supplies most of the controls on how it is used. As such, much of the funding is lost in the State and Federal bureaucracies. If local officials want to use Federal dollars to train teachers, reduce class size, or retain good teachers, they must do it the Federal way, or they do not get the money.

The Teacher Empowerment Act mandates that 92 percent of the funds must go to the local level, not to the bureaucracy, and may be spent at local

discretion if positive results can be demonstrated. This proposal sounds almost too practical to be a Federal program.

As we debate the Teacher Empowerment Act, much will probably be said by the other side in opposition to the bill which consolidates the President's "100,000 New Teachers" programs and other programs into a single funding source. I would like to address this issue briefly.

The bill requires that funds be used to hire new teachers and reduce class size. However, unlike the President's program, this bill allows localities to determine the correct balance between teacher quality and class size.

The President's proposal actually limits the funds available to teacher quality initiatives to 15 percent of total funds. With various studies showing that teacher quality has a far greater impact on student achievement than does class size, I find the President's cap on funds available for improving teacher quality shortsighted and detrimental to improving student performance.

As the gentleman from Pennsylvania (Mr. GOODLING) said, a student can learn more in a class of 25 taught by a highly qualified teacher than in a class of 17 with a teacher who has few qualifications.

Our children deserve to be taught by teachers who are qualified and prepared to offer their very best. By using Federal education dollars effectively as outlined in the Teacher Empowerment Act, we will move closer to that important goal. A school's strength comes, in part, from the quality of its teachers. Let us help our teachers be the best that they can be by passing this bill.

Mr. CLAY. Mr. Chairman, I yield 4 minutes to the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK of Hawaii. Mr. Chairman, I thank the gentleman from Missouri, the ranking member, for yielding me this time.

Mr. Chairman, this is a very important moment in the development of education policy by the Congress of the United States. If we enact H.R. 1995 as it is presently presented to this body, we will be departing from one of the essential ingredients in the enactment of the first elementary and secondary education bill in 1965.

That took 25 years to develop because of basic disagreements in how to structure Federal aid to education. It was finally enacted because there was a consensus agreement among all the elements that competed for attention with the understanding that it was the neediest in our society that was most deserving of the attention and targeting of the limited Federal funds.

I think that is the issue today. Everyone recognizes the fact that we are only talking about 6, 7, perhaps 8 per-

cent at the most of the total cost of public education coming from the Federal government.

This is a minuscule amount of funding that the school systems can depend upon from the Congress. Because the amount is so limited, it is extremely important that we target it to the areas of the greatest need.

In looking over this legislation, H.R. 1995, the National School Board Association, the Council of Chief State School Officers, the National PTA, the Leadership Conference on Civil Rights, and the American Federation of Teachers all make the same observation, that it sacrifices the essential element of comprehensive Federal approach to support of public education by its failure to continue to limit the targeting to the most needy elements of our society.

When we broke this teacher education portion away from the ESEA, we sacrificed that essential ingredient. So I think, for all the reasons that I have stated, notwithstanding many compromises have been made in the teacher development sections, that the important departure that we must vote against is the failure of the targeting.

The second is, in all these years that we have been giving their districts ESEA money and other kinds of money in which the local school district creates the plan, creates the funding, one of the great deficits is that, notwithstanding the fact that the local school agencies could determine how to spend the monies, not enough emphasis has been given to the reduction of class size.

So, therefore, the second element that is missing is the President's initiative that says, of the small amount of money that we are dedicating to the improvement of the neediest in our society, and that is to have smaller classrooms, we cannot sacrifice that initiative.

The bill, H.R. 1995, removes all separate funding for this initiative. So for those two major reasons, notwithstanding all the wonderful rhetoric and so forth about teacher development and the importance of the teacher in our society, without those two elements, we sacrifice the greatest impetus of moving forward and making sure that the least in our society has a greater opportunity to learn, to become a part, a contributing part of this society, and move towards their human and individual potential.

So for those reasons, I urge that the Martinez substitute which contains all of these things that I have described be adopted. If that fails, I urge a "no" vote on H.R. 1995.

□ 1400

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware (Mr. CASTLE), another subcommittee chair from our committee.

Mr. CASTLE. Mr. Chairman, let me thank the chairman and the gentleman from California (Mr. MCKEON) for their extraordinary work on this particular piece of legislation which I have looked at.

I have been in every public school in my State. By the way, I would not advise Members try that unless their State is the size of Delaware. I can tell my colleagues that I have spoken to many, many teachers there, and I have heard them worry about the Federal role as far as education is concerned, which is, as somebody said here, about 7 percent of all of the funding.

In Delaware we are already down to 17 pupils per teacher in our classes. We do not need help with the extra teachers. Why we are fighting so hard or why some people on this floor are fighting so hard to make sure we have this exclusive provision in the Martinez substitute for just 100,000 teachers, I do not know. I believe that the best way to do this is what this bill does. It allows the school districts to determine the correct balance between teacher, quality, and class size.

This bill allows States like Delaware, school districts all over the United States of America which are in compliance with what has to be done with respect to class size, to improve the quality of the teachers which they have. It combines the best element of Goals 2000 and the Eisenhower program. These are extraordinary programs. This really gives us an opportunity to uplift the quality of teachers across the United States. But if a school district wants to reduce its class size, it can do it. If a State wants to reduce its class size, it can do it.

So the legislation, in my judgment, does all that it should do to help with teacher quality, which is of overwhelming importance. It sends the dollars back to the classroom, back to the States, back to the local school districts. It actually promotes innovative teacher reforms, and we have needed this for years, which I think is exceptional.

The bill also ensures high quality professional development. I think professional development has been left behind as far as teachers are concerned. It also promotes math and science in the Eisenhower program, which is of overwhelming importance in this country. And of course it consolidates our Federal programs.

So this legislation has much to offer, and I would encourage everybody to support it. Hopefully, we will have a signing ceremony in the Rose Garden helping the teachers and the students of America someday.

Mr. CLAY. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Chairman, I rise in opposition to H.R. 1995. It is an okay bill, but it is not okay enough; and our

children, their parents and our teachers deserve something better than okay.

H.R. 1995 walks away from last year's bipartisan commitment to reduce class size in the early grades. H.R. 1995 combines the funds that would reduce class size with other funds, leaving school districts without the guaranties that they need to hire new teachers.

H.R. 1995 creates a block grant for teacher training and includes class size reduction into that very same block grant. Yes, they permit reducing class size, but they do not guaranty smaller classes.

Anyone who knows the history of Federal funding knows that once programs become part of a block grant, they lose their funding. It just happens that way, and it happens that way every time, particularly programs for the most needy.

Our students and their parents are counting on us to reduce class size, and they are counting on us to bring qualified teachers to their schools. They need and they deserve no less. They need and they deserve both smaller classrooms and qualified teachers, not either/or.

Mr. Chairman, I urge my colleagues to vote for the Martinez substitute and against H.R. 1995.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. SOUDER), another outstanding member of our committee.

Mr. SOUDER. Mr. Chairman, there has been a little bit of confusion that I wanted to try to clear up. The Chairman's bill, and I congratulate him for his initiative, has a first-year authorization of a little bit over \$2 billion. The substitute of the gentleman from California (Mr. MARTINEZ) has \$3 billion.

But we should not be confused here. We are not the Committee on Appropriations. These questions will be resolved in the appropriations debate later. For those who are concerned about the particular dollar amount, they ought to join the Committee on Appropriations. This is the policy committee. The authorizing committee sets the thrust of the policy of how we are going to approach.

We had to come up with an initial number in order to have it be scored so we could go into the budget process without it distorting and becoming, in fact, a money debate. Right now the Republican dollar amount there is far greater than the Committee on Appropriations appropriates anyway. And, quite frankly, if at the end of the year, as we have many other years, a final number is determined, the Committee on Rules puts a waiver in to adjust the dollars.

This is not a money debate, and efforts to confuse outside groups by getting endorsements and saying this is a money debate, and by coming to the

floor and trying to make this a money debate distorts the issue at hand.

The question is not whether we favor class size reduction, because in fact this bill allows all the dollars to be used in class size reduction. The question is do we trust our local school districts, our local teachers, our local principals to make decisions as to whether they need to improve the quality of the teacher or whether they have special-needs kids or whether they need to make other decisions similar to that within a very narrowly defined context in order to have some flexibility.

Some Members have spoken almost with disdain about their local teachers and schools as far as their ability to make these decisions, whereas I have great confidence in my local schools and local school boards that, in fact, they know whether they need better teachers rather than reducing from 19 to 18 their class size, or whether they need a better qualified teacher, or maybe they have special-needs kids who are not being covered and that is where their money is and they decide that rather than diverting other funds rather than use these funds. I trust them to make that decision.

This is not about money; this is about policy.

Mr. CLAY. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Chairman, I thank my good friend from Missouri for allowing me this time to speak on this legislation and talk about the need for the Martinez substitute.

First of all, Mr. Speaker, one of the concerns I have is the reauthorization of the Elementary Secondary Education Act. The majority side has split it up into a number of pieces of legislation, and my concern is one of those pieces may fall out. We have to educate and think about the whole child and the whole system and not just one part of it. I am concerned that by having different parts, we will not be able to see the whole picture at one time. This decision may sound good, but we need to make sure that the Elementary Secondary Education Act is whole and not just parts.

I heard my colleague from Hawaii talk about Federal education funding is only 6 or 7 percent of some school budgets, and that is true. But in urban districts, poor districts, with at-risk children, sometimes the Federal money is as much as 10 to 12 percent. So 6 to 7 percent is a dramatic part, and I have some districts that need the Federal education money just to provide the education they need for those children.

H.R. 1995 needs to be amended by the Martinez substitute to continue our Nation's commitment to our at-risk children. We need to provide the assistance to the States and the local communities and local school districts

where most of our education dollars originate. They do not originate here in Washington or even in Austin, Texas. They originate in the local districts.

My wife is a public high school teacher in the Aldine district in Houston, and our two children went to public schools. In my experience both as a spouse and as a member of Congress, I hear it every weekend when I go home that class size is important. Whether it is kindergarten through 4th grade, like in Texas where we have 22-to-1, or through the 12th grade, we need to have smaller class sizes.

Teachers cannot teach if they are simply managing that classroom. They may be able to manage 35 children, but they cannot teach. Teachers have to impart knowledge, and that is what the Martinez amendment would do, and continue our efforts on that.

So I encourage people to support the Martinez complete substitute.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. ISAKSON), a new Member and a breath of fresh air on the committee.

Mr. ISAKSON. Mr. Chairman, I commend the gentleman from Pennsylvania (Mr. GOODLING) on this piece of legislation, as well as the subcommittee chairman, the gentleman from California (Mr. McKEON). I commend as well the work of the committee.

Mr. Chairman, I would like to address my remarks specifically to the difference between this bill and the substitute that will soon be before us, and I want to use the context of the remarks of the gentleman from California when he introduced his substitute, or explained it.

He accused this bill, the Teacher Empowerment Act, of choosing quality over quantity of teachers. And he is right. But we must understand if we reject this bill on that basis, we must accept his substitute in accepting quantity over quality.

I want to submit some facts which every Member of this Congress must understand. First of all, there are not 100,000 certified teachers in the United States of America available to be hired. If there were, the State of Massachusetts would not be offering \$20,000 bonuses to get teachers already employed in other States to come to theirs.

If there were, the State of California would not have had the unfortunate circumstance it had when it reduced classroom size, but it did unfortunately with teachers teaching out of field and out of certification. And in my own State of Georgia there are public school systems where as much as 40 percent of content is taught by teachers out of field. Not because that is our desire, but, Mr. Chairman, because the fact is the talent is not there.

Teacher empowerment means staff development. It means flexibility in funding to see to it that those who have already committed their life to teaching can be trained in field and in service to become better teachers.

Those who want to fool us with the ruse of one number is better than the other, are putting their facts and their future in numbers, not in the quality of our teachers or, more importantly, the education of our children.

When we choose to vote today, we should reject the substitute, because all it offers is quantity, with no quality. Instead, adopt the bill, which gives our local systems the flexibility to find the best teachers they can, improve the good teachers they have, and make the best decision for their children at the local level, not in Washington.

Mr. CLAY. Mr. Chairman, may we have a time check?

The CHAIRMAN. The gentleman from Missouri (Mr. CLAY) has 14½ minutes, and the gentleman from Pennsylvania (Mr. GOODLING) has 13 minutes remaining.

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. OWENS).

Mr. OWENS. Mr. Chairman, all of the other authorizing committees come to the floor with comprehensive bills dealing with the total problem. The reason we are victimized here by gross oversimplification and extreme claims for what one particular action is going to accomplish in the education area is that we do not have a comprehensive bill.

The Elementary and Secondary Education Assistance Act has been balkanized, and for a reason. This is part of a guerrilla attack, strategically. When the Republicans took control of the Congress in 1995, they wanted to abolish the Federal role in education, and they did a head-on invasion, a direct attack; and it failed miserably and the American people rejected it. Now we have a guerrilla operation. One beachhead was established with the Ed-Flex Act. Now this is a second beachhead whereby we are challenging the President's priorities; we are challenging the role of the Federal Government.

They want to talk about flexibility, but flexibility means no accountability. As we reduce the size and the role of the Department of Education, there is nobody to monitor anything. We have a window of opportunity, a great door of opportunity open right now for some serious education reform and we have some funds to back it up. We do not have to keep robbing from the poor. This bill is designed to pilfer from the program's funds that have been targeted for the poor and spread the same resources thinner.

We should stand up like the other committees, get in line and ask for more money. There is a surplus. Why do we not ask for part of that surplus

to be devoted to investment in education? Not expenditures on tax cuts but investment in education.

The best way to help Social Security is to invest in education. Instead of continuing to scramble money and rob from one part of the sector for another, let us move forward with a comprehensive bill. Bring the Elementary and Secondary Education Assistance Act to the floor and let us discuss it as a comprehensive bill.

Now is the time to let the common sense of the American voters come into this House and guide the confused leaders here. Their straightforward and hard-headed point of view has said that education is our number one priority. The voters want to see some action. Why can they not see some action in terms of us asking for more resources? Do not just keep playing around with issues.

We should abandon this perverted Robin Hood mentality where we are robbing the poor in order to take care of the rest of the sectors. The wealth of today and the future will be measured in brainpower. We should make education a priority the way the American people have made it and have a brainpower production machine which is thoroughly funded. And this committee should lead that and not follow. This committee should take the initiative in demanding more resources for education and not in balkanizing and trimming what we have already.

We need a streamlined structure, a streamlined approach to education reform, and we cannot get that without bringing the Elementary and Secondary Education Assistance Act to the floor and discussing it wholly. As members of the Committee on Education and the Workforce we are denied an opportunity to fully debate every part and see how each part melds with the other because we do not have a comprehensive bill before us. We have only this guerrilla attack, this perverted Robin Hood approach which is designed to rob the poor in favor of the rich.]

□ 1415

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Chairman, I rise in support of this bill, the Teacher Empowerment Act, because in order for education to succeed, our teachers must first succeed.

In spite of what some people want us to believe, there is no one student-to-teacher ratio and no magic number that guarantees academic success in our classrooms. As long as some teachers are hampered by red tape, ill-trained and ill-equipped, they will not be able to accomplish their objective, which is to educate.

This bill backs local initiatives to meet class size reduction plans and

give teachers more flexibility to choose their professional development programs. This bill shifts 95 percent of funds directly to the local level, sending the money to the people who need it most, the students. And this bill maintains the focus on math and science without sacrificing accountability.

I urge my colleagues to give students the resources they need to succeed. We owe it to them to support this important legislation.

Mr. CLAY. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Chairman, I thank the gentleman from Missouri (Mr. CLAY) for his leadership on this issue. I stand today, Mr. Chairman, as the only Member who serves in this House on the National Commission on Teaching and America's Future. I thought surely we were going to have a comprehensive bill that talks about teacher empowerment. Yet we have a bill that to some degree eliminates the funding that will provide the type of education that is needed for those students who are in inner cities, like my district of Watts.

We are talking about taking Goals 2000 funding that speaks to standards that should be given to students who are in these inner cities, yet it is transferred to a new formula of 50-50. That is not what the National Commission on Teaching and America's Future wanted. We want preinduction, postinduction types of service. We want ongoing professional development. These are the things that teachers need if you are going to empower teachers. This is not an empowerment teachers act. This is just really a renege of persons who want to take money where we will not have reduction in class sizes, we will not get the 100,000 qualified teachers and therefore look at credentialing to ensure that we do empower teachers.

I am really appalled at my colleagues on the other side who speak to empowerment of teachers, as I was a former teacher, that do not teach, that do not speak to the actual provisions that will help teachers, to empower teachers to teach to those students who will be coming to them from a myriad of backgrounds.

I say to you, those who are listening to us, this is not the type of empowerment program that we must have if we are to empower teachers. As a former teacher, I want to see the 80-20 ratio that speaks to those kids that are in inner cities that really need the funding and the teachers that will empower them to reach the goals that they need.

Mr. Chairman, I ask all of my colleagues to please, let us vote against H.R. 1995 and let us approve the Martinez amendments that will really bring about empowerment of teachers.



Mr. Chairman, I rise in opposition to the Teacher Empowerment Act. This bill represents a piecemeal approach to addressing educational issues in America. Furthermore, the President has made his position clear—he will veto this legislation if it crosses his desk.

As legislators, parents, and citizens we are well aware of the need to improve teacher quality and reduce classroom size to allow all children an equal opportunity to a quality education. I urge my colleagues to continue looking at comprehensive reforms to improving teacher quality, reducing classroom size, targeting resources to the neediest schools, and encouraging academic achievement.

As a former educator, I have made strengthening our nation's educational system one of my top priorities. In the 105th Congress, I introduced the TEACH Act to better equip America's teachers to meet the needs of our children as we enter the 21st century. While drafting my TEACH Act, I worked with the National Commission on Teaching and America's Future and local boards of education because we need their input to ensure that we continue taking concrete steps toward innovation and reform in our schools.

In today's schools, we have children that are being taught in trailers that do not have heat or air conditioning and teacher shortages in key areas like math, science, and special education. Improving teacher quality is something that we need to do, but it is not a silver elixir. We need to do more!

H.R. 1995 has not reached out to the educators—most education groups do not support H.R. 1995—what does that tell us? What message are we sending to parents and children by passing H.R. 1995?

Once again, I urge my colleagues to oppose H.R. 1995 and support the Martinez substitute—H.R. 2390.

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume. I want to make sure that the gentlewoman understands that there is no targeting whatsoever in Goals 2000 money. No targeting whatsoever. Her school districts are guaranteed the same amount of money they get now or more. I just want to make sure we understand that.

Mr. Chairman, I yield 2 minutes to the gentleman from Utah (Mr. COOK).

Mr. COOK. Mr. Chairman, I rise today in strong support of the Teacher Empowerment Act. I thank the chairman for including my bill, House Concurrent Resolution 151, in the manager's amendment. My bill directs Federal funding for training elementary and secondary school teachers in the areas of science, mathematics and engineering.

Several recent assessments of the progress of student performance in the areas of science and mathematics have shown disturbing results. One test in particular, the Third International Mathematics and Science Study, showed that in science and mathematics, the United States is one of only a few countries whose scores, relative to the rest of the world, were actually lower after 12th grade than after

the 8th grade. Further, in all five content areas of physics and in all three content areas of advanced mathematics, U.S. students' performance was among the lowest of the nations tested.

Mr. Chairman, this amendment has within it a section that expresses the sense of this Congress that Federal funding for elementary and secondary teacher training be used first for activities to advance science, mathematics and engineering education for elementary and secondary teachers.

I am proud to support such a step that would give educators the tools to instruct our students in these areas that it is obvious that we need to give extra attention to. I ask my colleagues to support this bill.

Mr. CLAY. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. SAWYER).

Mr. SAWYER. Mr. Chairman, I thank the gentleman from Missouri for the opportunity to comment on the measure before us.

I would like very much to associate myself with the comments that were made earlier by the gentlewoman from Hawaii who spoke in terms of the role of Federal funding in education over the last 30 years, focusing as it does on areas of the greatest need. In those terms, I take a back seat to no one in terms of the goals of this bill. The work that I have done over 10 years on the Committee on Education and the Workforce, focusing on math and science, particularly the professional development of teachers, class size, teacher quality, teacher availability and funding accountability, I like to think is second to none following the leadership of the gentleman from Missouri and his predecessors in the leadership of that committee.

But there is something that is critical to all of us that we need to understand, and that is a matter of simple arithmetic. Today we face the largest student population in the Nation's history. It is larger than it reached at its record levels during the baby boom whose school population attended in the 1960s. It will surpass those records and break the record every year for the next 12 to 15 years. That sets up one dynamic. At the same time, we are facing the retirement crisis that we will face in the general population 10 to 12 years from now in the immediate future in the teacher cohort. Virtually half of those who are currently teaching are probable retirees in the next 7 to 8 years. That means that the kind of targeting that the gentlewoman from Hawaii was talking about over the last 30 years becomes even more critical in the topic that brings us here today.

I take no issue with the goals of those who have written this bill, but I do take issue with the way in which they have failed to articulate and direct dollars where they can do the most good in the immediate future. I

oppose the bill in its current form and urge other Members to do likewise.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN. Mr. Chairman, I rise in strong support of this bill. This is a good bill. I commend the gentleman from Pennsylvania for bringing this bill to the floor and I thank him for yielding this time to me.

This bill emphasizes local control and flexibility and will lead to many more improvements in education than if we stick with an old, outmoded, one-size-fits-all big government type of system. This bill would help ensure that more Federal education funds get into the classroom rather than into the black holes of Federal and State bureaucracies.

But because of the need as just pointed out by the gentleman from Ohio about hiring teachers in the next few years, I particularly rise to urge support for an amendment that strengthens efforts toward alternative certification programs. This amendment was introduced by the gentleman from New York (Mr. LAZIO), the gentlewoman from New Mexico (Mrs. WILSON) and myself.

Under most State laws on certification, people like an Albert Einstein or a Winston Churchill would not be allowed to teach in our schools. People like Howard Baker and Alan Greenspan if they were willing and most Ph.D.'s could not teach in our public schools because they did not take a few education courses.

It makes no sense, Mr. Chairman, to say that a college professor with many years of teaching experience and grade expertise in a field cannot teach in a public high school simply because he had not taken a few education courses.

The Education Secretary of Pennsylvania, speaking of his own efforts to set up an alternative certification program said a few days ago:

We also know there are talented, energetic Pennsylvanians who didn't enroll in these programs, yet have the skills and expertise to greatly enrich our classrooms. This program gives us a way to tap into these people: World-class scientists actually sharing their experience with Pennsylvania students; engineers teaching physics; private-sector statisticians teaching advanced mathematics in high school; retired executives teaching the fundamentals of business or economics; experienced college professors returning to the public school classroom.

Local school boards, Mr. Chairman, should be allowed to consider a degree in education as a plus or positive factor in hiring teachers but they should not be prohibited from hiring people who have great knowledge, experience and success in a field just because they have not taken a few education courses.

Mr. CLAY. Mr. Chairman, I yield 1½ minutes to the gentleman from Tennessee (Mr. FORD).

Mr. FORD. Mr. Chairman, I thank the gentleman from Missouri and the gentleman from Pennsylvania for bringing the bill to the floor, the gentleman from California (Mr. MARTINEZ) and all who have worked so hard on this.

Never have I ever heard of a prison in America that suffers from overcrowding that we did not take appropriate steps to alleviate those pressures. Yet we are all fully aware that many of our teachers and many of our schools and superintendents and parents throughout the Nation confront a great problem day in and day out. Oftentimes they are in rural districts and urban districts. Sometimes they are African American kids, sometimes they are Hispanic kids, sometimes they are white kids. But they are children, trying to learn and trying to have knowledge imparted to them.

What we are faced with today is an opportunity, Mr. Chairman. I have not made my mind up on final passage, but I will vote "yes" on the Democratic substitute and urge all of my colleagues to do that. We have an opportunity to maintain or honor the commitment that we here in this Congress made last year to help fund 100,000 new teachers. The gentleman from California (Mr. GEORGE MILLER) has worked closely with those on the other side to include some accountability provisions to ensure that we get qualified teachers. It has been shown that a qualified teacher in the early years has an incredible impact on the lasting ability of a young person to learn and to absorb knowledge. Yet in H.R. 1995, the underlying bill, we consolidate the authorization. We do not maintain two separate funding tracks to ensure that we have money for class size and money for teacher quality.

I urge my colleagues to vote "yes" on the Democratic substitute. Let us see what happens there before we go rushing to judgment on H.R. 1995.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri (Mr. BLUNT).

Mr. BLUNT. Mr. Chairman, I thank the gentleman for yielding me this time. I am grateful to him and to the gentleman from California (Mr. MCKEON) for bringing this bill to the floor. I am also grateful to the gentleman from Missouri (Mr. CLAY) for the great work he has done on this committee for so many years, and I am pleased to have had the opportunity to serve from our State with him and appreciate his commitment to this debate and his commitment to better education. I think that is what this debate is about. I think this bill, the base bill, provides that. Certainly the gentleman from Tennessee (Mr. FORD) just mentioned appropriately the importance of quality teachers in the early grades. But I think quality teachers are important throughout the process.

What this legislation does is allow ways to enhance the quality of teachers. It really decides where that decision is going to be made, whether that decision is going to be made in Washington, whether the decision as to what a local school district needs is made here on the floor of the Congress and here in the Halls of the bureaucracy in Washington or whether it is made in the school district, whether it is made in the principal's office in conjunction with the teacher and the school board and parents. I think they can best make those decisions. This bill is another step in that direction. Certainly reducing class size is an option here. But so is better education and special education. More funding for special education teachers, more mentoring, more teacher quality, all of those things have the potential to have great impact in different situations in different districts. We do not know here.

The gentleman from Delaware (Mr. CASTLE) mentioned earlier that in Delaware they are already down to 17 students as the maximum in a class in elementary. But there are certainly things I am confident in Delaware that they need, that they have not done all they need to do. Simply because they have made the steps already to reduce class size does not mean we should penalize people in that State from being able to do other things that enhance quality of education. I believe this bill does that. I am grateful that it is on the floor today. I intend to vote for it and encourage my colleagues not to be for the substitute.

□ 1430

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina (Mr. ETHERIDGE).

Mr. ETHERIDGE. Mr. Chairman, I thank the gentleman from Missouri (Mr. CLAY) for yielding the time; and, Mr. Chairman, I rise in opposition to this block grant bill and urge my colleagues to vote for the Martinez substitute against H.R. 1995.

I do not need to remind my colleagues that I have spent a number of years working in the public schools, certainly in my State for 8 years as State superintendent of schools; and I know firsthand what challenges our teachers face, and I commend both sides of the aisle for the work on this bill. I just wish they had gone farther to make it right.

If America is going to make the most of the opportunities in the 21st century, we must improve academic performance for all of our children, all of our children, not just a few. Quality instruction is absolutely critical in this effort.

The three proven keys to improving education are, 1, reduce class sizes; 2, improving the quality of instruction; 3, a rich curriculum with assessment and accountability so that continued

progress can be made. And this bill, 1995, does not do that.

Federal support is critically necessary in achieving effective professional development in class size reduction. We cannot put it together. H.R. 1995 fails to live with that needed support, and for me it really creates a problem when they fail to reauthorize the Board for Professional Teachers Standards that has made a difference in this country, and my State has an awful lot of teachers certified under that.

If we do not reduce class size and we lump it together in the block grant, I know what will happen; my colleagues know what will happen. The Committee on Appropriations will start cutting the money, and we will not see it again; it will be gone.

Reducing class size and expanding professional development will be doubled under the Martinez substitute over the next 5 years. That is how to improve the opportunity for education for all children. Do not flat-line the appropriation and lump it together; that is how to make a difference. Mr. Chairman, that is how to improve education. The substitute does that.

H.R. 1995 greatly reduces the targeting of Federal resources to the neediest districts in America, for the highest poverty areas, for the largest class sizes and the greatest shortage of qualified teachers. We are going to improve the number of teachers in this country when they truly believe there is a commitment at every level to make sure that we are going to be there year in and year out; and if we pass a 5-year bill and block grant it, I can assure my colleagues of one thing: they will send a message across America that reducing class sizes are not important once again. That is a mistake; I hope we do not do it.

Finally, let me say to my colleagues that this bill says that an education authority is the State. Do my colleagues know what the State is? It is the governor or whomever has designed it. Every bill that I have ever seen says the State education agency. This bill works subtly, moves it to governors who serve 4-year terms, and it takes it out of the education department, and, Mr. Chairman, that will be the biggest mistake we have made beyond block granting. We will rue the day if that should pass.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. FOSSELLA).

Mr. FOSSELLA. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding this time to me, and let me say I think what I believe at least is we should all accept what the common bond is here, and I think every Member of this body, Republican, Democrat, Independent, are committed to improving education for all American schoolchildren.

But I think where the differences are is how best to improve education. Do we want to raise academic standards? Do we want to provide flexibility to the local communities? Do we want to ensure that the best and brightest teachers get rewarded with merit pay? Do we want to ensure that the teachers in the classrooms are the best for our children? I think this bill does all that and more, and when we talk about things like local control, let me state a fact that I believe to be true.

I do not know what is best for the schoolchildren in Santa Clara, California, but I think we can work with the teachers and parents and administrators in Staten Island and Brooklyn where I live to determine what is best, whether it is reading and math skills, whether they need improvement, or smaller class sizes, or special education.

I think when we bring control back to our local communities, whether it is Staten Island, Brooklyn, or all across the country, the average and ordinary common sense American will tell us, give us the ability to control what is best for our children and our local schools, and they will say that is the right way to go.

And again, whether it is reducing class size or merit pay or increasing standards in math and reading and writing, this is the right approach. I urge adoption of the final passage. It is right for education, it is right for the children who are going to school every single day, and it is the right message to send to the teachers of America that we are with them and we want them to see nothing but the best for themselves and the kids in their classrooms.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I rise in support of H.R. 1995, the Teacher Empowerment Act, which provides States and local school districts with the support and flexibility to improve the quality of teacher force and to reduce class size.

Now what we see here is an important educational, philosophical debate at stake. Do we trust parents, teachers, local school board members to reform education, to address the needs of our children in our schools and our unique communities, or do we want to continue to go down the road of having Washington fix these problems, having a Washington that knows the best solution?

Now there is an area that I have particular concern about which is in disabilities education. The IDEA, Individuals with Disabilities Education Act, is a good act. We need to provide disability education for our children. However, the Federal Government imposes an unfunded mandate on our local school districts, as do most State governments. In Wisconsin we have a

revenue-cap State, so every amount of unfunded mandate that comes from Washington on our local school districts comes right out of a local school district budget.

I have met with so many district administrators, school board members, parents and teachers in the first district of Wisconsin, and they tell me, Give us regulatory relief, fund your unfunded mandates, give us local control. We know what works; we need to find solutions for our schools.

Mr. Chairman, this bill goes so far down that road of freeing up the genius within our local school districts, getting those who are on the front line of the fight to improve our schools by getting teachers, parents, school boards, and administrators involved in fixing quality teacher improvement and teacher education.

It also helps us hire special-education teachers to get at that unfunded disability education mandate which is crippling so many local school districts. By giving them the money they can use to hire those special education teachers, they can help cover that unfunded mandate, because in Janesville, Wisconsin, we promised the Federal Government we would fund 40 percent of disabilities education, but we are only funding 7 percent.

This goes a long ways toward covering unfunded Federal mandates. A vote for the Martinez substitute is a vote for Washington knows best, one-size-fits-all. A vote for final passage is a vote to let local control rule.

Mr. CLAY. Mr. Chairman, I yield the balance of my time to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Chairman, I thank my friend, the ranking member, for yielding this time to me.

I rise in joining with the spokesman for the Parent Teachers Association of America, the organizations of teachers throughout America, and the organization of school board leaders throughout America in opposing the bill that is before us.

The bill that is before us makes seductive claims but fails to deliver on them when we read the bill. There is probably no one in this body that would not want to vote for legislation that provides a significant source of funding for local school decision-makers to do good things to improve public education in their communities. That is a very seductive claim, but, Mr. Chairman, read the bill, because that is not what the bill accomplishes.

Support for this bill rests on two claims. The first is, as one of my friends on the other side said, we can have our cake and eat it too. With all due respect, I think his claim is more like Marie Antoinette. It is let them eat cake, because this bill does not say that any significant amount will be guaranteed for class size reduction. It says a portion of the funds will be dedi-

cated to class size reduction. One percent, that qualifies. Five percent, that qualifies. How large the portion is is not spelled out in this legislation.

They also make the seductive claim that this will improve teacher quality, and we are all for that; and they talk about reducing the power of bureaucrats, and we are all for that. But, Mr. Chairman, there is some bureaucrats in State education departments too, and there are some bureaucrats in local school districts too, and when they get ahold of the language that is in this bill, there is the chance for them to drive a truck through the loophole.

This bill says that they can use the money to establish programs that recruit professionals from other fields and provide such professionals with alternative routes to teacher certification. I assume they can hire a head-hunting firm under a consulting contract to hire new teachers. This bill says they can use the money to create innovative professional development programs including programs that train teachers to utilize technology. I guess that means they can hire 5 or 10 new administrators that could design a program to teach technology and attend conferences.

It says they can use the money for development and utilization of proven cost-effective strategies for the delivery of professional development activities such as technology. I guess that means if the board of education wanted to attend a conference at Disney World to learn about technology, they could use Federal money to do so.

We are celebrating the 30th anniversary of man's landing on the Moon from the Nixon administration. This bill reminds me of the Nixon administration. It is revenue sharing for public education. It is wrong, and it should be defeated.

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all, let me say that lowering class size is a bipartisan issue. We feel just as strongly on either side that that comes about third. Parents first, and then a qualified teacher in the classroom, and then class size. What is the difference whether there are 19 or 20 or 21 or 22, if as a matter of fact there is no quality in front of that classroom?

So reducing class size, of course, is a bipartisan effort.

We discovered in California they could not do it; they could not put quality in the classroom, and that is a tragedy because now we have reduced the class size, but what we have given them instead of the teacher they had who had some quality to provide education to 20, 21, 22, 23 children, they now have someone providing anything but quality.

So, Mr. Chairman, we have heard over and over again on both sides of

the aisle, what have we gotten for \$120 billion in Title I? The way it has been phrased each time I have heard it is, what have the taxpayers gotten for \$120 billion in Title I? I always change that by saying: What did the child get? Because that is the important issue. Both are important issues, but the child is very important.

So, as we reauthorize for the first time in the history of these programs, we are looking to see what did the children get for the taxpayers' dollars that were spent. And then we hear people say: Well, what did the taxpayer get for \$177 billion spent on the Elementary Secondary Education Act? I again say: What did the children get?

And we are looking at every issue making sure that the children are number one, and we want to make sure that they are quality programs; and in order to do that there has to be a quality teacher in the classroom.

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We give them that opportunity.

Mr. Speaker, we just read where they are laying off, firing, 250 teachers in Baltimore City. They say they want to get excellence, and so they are firing them. One of my major concerns is, and I went through this when the baby boomers came and the teachers I had to employ were not those that I would have liked to have employed, but they probably could have taken some of this money and at least taken 100 of those teachers that they are going to fire and made them far better classroom teachers than they are ever going to get if they go out now and try to replace them.

So I would ask everyone to support the legislation after I offer the manager's amendment.

Mr. GARY MILLER of California. Mr. Chairman, I rise today in support of H.R. 1995.

I would like to thank Chairman GOODLING, Representative BUCK McKeon and the other members of the House Education and Workforce Committee who worked very hard on this wonderful piece of legislation.

I am pleased that the language from my H.Res. 153 was included in the Manager's Amendment. The Resolution expresses the sense of the Congress that Federal funding for elementary and secondary teacher training be used first for science scholarships for elementary and secondary teachers.

As noted recently by Federal Reserve Chairman Alan Greenspan, the growth of our national economy is driven by continuous technical innovation. In order to sustain this trend, we must promote the ability of our students especially in the subjects of math and science.

Unfortunately, the lack of academic foundation is profound among high school mathematics and science teachers. More than 30 percent do not even have a college minor in math or science. Many elementary school teachers admit that they feel uncomfortable teaching science due to the lack of knowledge and understanding of scientific concepts.

Without confidence in the subject, or the depth of knowledge necessary to explain new concepts well and answer students' questions, it is not surprising that teachers are having difficulty igniting students' interest in math and science.

It is also not surprising that a large percentage of good teachers are becoming frustrated and leaving the teaching profession.

The Teacher Empowerment Act will solve this problem.

This bill sends money directly to states and localities, allowing them the flexibility to spend the money on what they need most—additional, and better trained, teachers.

H.R. 1995 focuses on the need for improved math and science education and promotes the professional development of all teachers.

The bill allows teachers (especially ones who teach math and science) to choose from among high quality professional development programs in cases where school districts fail to provide such training.

All of the professional development programs must demonstrate that (1) they increase teacher knowledge and (2) improve student academic achievement. This ensures that the programs teachers, and the students are held to high standards.

I urge my colleagues to vote in favor of H.R. 1995. It is our duty to equip our children with the education and technological skills needed to compete successfully in the new global economy.

Mr. PAUL. Mr. Chairman, I rise reluctantly to express my opposition to the Teacher Empowerment Act (H.R. 1995). Although H.R. 1995 does provide more flexibility to states than the current system or the Administration's proposal, it comes at the expense of increasing federal spending on education. The Congressional Budget Office (CBO) estimates that if Congress appropriates the full amount authorized in the bill, additional outlays would be \$83 million in Fiscal Year 2000 and \$6.9 billion over five years.

H.R. 1995 is not entirely without merit. The most important feature of the bill is the provision forbidding the use of federal funds for mandatory national teacher testing or teacher certification. National teacher testing or national teacher certification will inevitably lead to a national curriculum. National teacher certification will allow the federal government to determine what would-be teachers need to know in order to practice their chosen profession. Teacher education will revolve around preparing teachers to pass the national test or to receive a national certificate. New teachers will then base their lesson plans on what they needed to know in order to receive their Education Department-approved teaching certificate. Therefore, all those who oppose a national curriculum should oppose national teacher testing. I commend Chairman GOODLING and Chairman McKEON for their continued commitment to fighting a national curriculum.

Furthermore, this bill provides increased ability for state and local governments to determine how best to use federal funds. However, no one should confuse this with true federalism or even a repudiation of the modern view of state and local governments as administrative agencies of the Federal Government.

After all, the very existence of a federal program designed to "help" states train teachers limits a state's ability to set education priorities since every dollar taken in federal taxes to fund federal teacher training programs is a dollar a state cannot use to purchase new textbooks or computers for students. This bill also dictates how much money the states may keep versus how much must be sent to the local level and limits the state government's use of the funds to activities approved by Congress.

In order to receive any funds under this act, states must further entrench the federal bureaucracy by applying to the Department of Education and describing how local school districts will use the funds in accordance with federal mandates. They must grovel for funds while describing how they will measure student achievement and teacher quality; how they will coordinate professional development activities with other programs; and how they will encourage the development of "proven, innovative strategies" to improve professional development—I wonder how much funding a state would receive if their "innovative strategy" did not meet the approval of the Education Department! I have no doubt that state governments, local school districts, and individual citizens could design a less burdensome procedure to support teacher quality initiatives if the federal government would only abide by its constitutional limits.

Use of the funds by local school districts is also limited by the federal government. For example, local schools districts must use a portion of each grant to reduce class size, unless it can demonstrate to the satisfaction of the state that it needs the money to fund other priorities. This provision illustrates how this bill offends not just constitutional procedure but also sound education practice. After all, the needs of a given school system are best determined by the parents, administrators, community leaders, and, yes, teachers, closest to the students—not by state or federal bureaucrats. Yet this bill continues to allow distant bureaucrats to oversee the decisions of local education officials.

Furthermore, this bill requires localities to use a certain percentage of their funds to meet the professional development needs of math and science teachers. As an OB-GYN, I certainly understand the need for quality math and science teachers, however, for Congress to require local education agencies to devote a disproportionate share of resources to one particular group of teachers is a form of central planning—directing resources into those areas valued by the central planners, regardless of the diverse needs of the people. Not every school district in the country has the same demand for math and science teachers. There may be some local school districts that want to devote more resources to English teachers or foreign language instructors. Some local schools districts may even want to devote their resources to provide quality history and civics teachers so they will not produce another generation of constitutionally illiterate politicians!

In order to receive funding under this bill, states must provide certain guarantees that

the state's use of the money will result in improvement in the quality of the state's education system. Requiring such guarantees assumes that the proper role for the Federal Government is to act as overseer of the states and localities to ensure they provide children with a quality education. There are several flaws in this assumption. First of all, the 10th amendment to the United States Constitution prohibits the Federal Government from exercising any control over education. Thus, the Federal Government has no legitimate authority to take money from the American people and use that money in order to bribe states to adopt certain programs that Congress and the federal bureaucracy believes will improve education. The prohibition in the 10th amendment is absolute; it makes no exception for federal education programs that "allow the states flexibility!"

In addition to violating the Constitution, making states accountable in any way to the federal government for school performance is counter-productive. The quality of American education has declined as Federal control has increased, and for a very good reason. As mentioned above, decentralized education systems are much more effective than centralized education systems. Therefore, the best way to ensure a quality education system is through dismantling the Washington-DC-based bureaucracy and making schools more accountable to parents and students.

In order to put the American people back in charge of education, I have introduced the Family Education Freedom Act (H.R. 935) which provides parents with a \$3,000 tax credit for K-12 education expenses and the Education Improvement Tax Cut Act (H.R. 936), which provides all citizens with a \$3,000 tax credit for contributions to K-12 scholarships and for cash or in-kind donations to schools. I have also introduced the Teacher Tax Cut Act, which encourages good people to enter and remain in the teaching profession by providing teachers with a \$1,000 tax credit. By returning control of the education dollar to parents and concerned citizens, my education package does more to improve education quality than any other proposal in Congress.

Mr. Chairman, the Teacher Empowerment Act not only continues the federal control of education in violation of the Constitution and sound education principles, but it does so at increased spending levels. I, therefore, urge my colleagues to reject the approach of this bill and instead join me in working to eliminate the federal education bureaucracy, cut taxes, and thus return control over education to America's parents, teachers, and students.

Mr. WEYGAND. Mr. Chairman, I have several concerns about the Teacher Empowerment Act, most notably the manner in which funds may be diverted from class size reduction programs. I also have concerns that the bill does not permit the use of funds to help the development of other education professionals, including school counselors. Having witnessed the recent spate of violence in our schools, Congress must recognize the necessity for the continued development of these professionals and I am disappointed this legislation does not address this need.

I am mostly concerned, however, with what is not included in this legislation—professional

development for our early childhood educators. I agree that we need to continue addressing the professional development needs of our elementary and secondary school teachers. I believe, however, that we also need to focus a great deal of our attention on the ever increasing needs of our child care workforce.

We have all seen the studies which illustrate the need to promote healthy development of the brain in the earliest of years—from zero to six. Researchers at the University of Chicago have demonstrated that a child's intelligence develops equally as much during the first four years of his or her life as it does between the ages of four and eighteen.

In order to ensure quality in child care in these crucial early years, we need dedicated and well-educated child care workers. Unfortunately, the field has historically had a significant problem attracting and retaining these quality workers. Nationally, child care teaching staffs earn an average of \$6.89 per hour or \$12,058 per year, only 18 percent of child care centers offer fully paid health coverage for teaching staff and one-third of all child care teachers leave their centers each year. According to the Center for the Child Care Workforce, preschool teachers in my state of Rhode Island earn a little over \$10 per hour and child care workers earn approximately \$7.25 per hour. Professional child care employees care for our nation's most precious resource—our children. Yet, in many instances, child care workers earn little and have one of the highest turnover rates of any profession.

I have introduced legislation, the Child Care Worker Incentive Act, which seeks to improve the quality and compensation of our early childhood education professionals through the use of scholarships. This legislation, included in the Democratic Child Care package, is modeled after a successful program begun in North Carolina and replicated in several other states. I firmly believe that we can improve the quality of early childhood education with scholarships and increased educational opportunities for our children's early childhood education professionals.

When casting your vote today, I ask you to keep in mind the work we must still do to increase quality education for all of our children.

Mr. SALMON. Mr. Chairman, I rise today in support of H.R. 1995, the Teacher Empowerment Act. By combining and streamlining existing federal education programs, this legislation will provide states and localities with the flexibility they need to improve our children's education. I was pleased to be able to include in the manager's amendment, with the gracious support of Chairman GOODLING and Mr. McKEON, a provision that will allow states to use federal money to conduct background checks on teachers.

Cases of teachers who rape, molest, and even murder their students have been occurring with frightening regularity. Even more frightening is the fact that many of these predators who find their way into our children's classrooms are previously convicted sex offenders. They are able to conceal their criminal records because some schools cannot afford to pay for a background check on every prospective teacher. As a result, thousands of children every day, in schools across America,

enter the classroom with no protection. My provision simply would allow schools to use federal money to conduct background checks to insure that criminals who target children are not allowed into the classroom.

Teachers are some of our most revered role models. We entrust them with the greatest responsibility; to care for our children when we are gone. Not only do they teach our children to read, write and do arithmetic, but they shape and influence the attitudes and values our children carry into adulthood. When that trust is violated, innocent children and families pay the price.

Obviously, the overwhelming majority of teachers are caring, law-abiding citizens. Nevertheless, we should spare no expense to insure that every child who enters the classroom is protected from those who prey upon the innocence of youth.

Mr. EVERETT. Mr. Chairman, as we begin examining education initiatives to reauthorize the Elementary and Secondary Education Act of 1965, there are a few things to consider: How can we best help our local schools? What legislation will give local schools the most flexibility to improve education? What programs will authorize local schools to make important decisions that will effect their future?

The Teacher Empowerment Act (H.R. 1995) is designed to improve teacher quality and reduce class size by giving local school systems the management authority to make the necessary improvements. The bill gives local education agencies the freedom to decide which programs will help them achieve the best results.

Teachers are charged with the responsibility of making sure that our children are prepared for the future. How can we expect them to instruct our children if they are not knowledgeable themselves? Beyond blanket certification testing, this bill gives teachers the funds to actually continue their own learning. As we enter the 21st century, educators will continue to face constant challenges. Technology will change, and teachers must be able to maintain their proficiency and keep up a high level of instruction quality.

Beyond professional development, the bill also authorizes local school districts to reduce class size. It is impossible and impractical for us, here in Washington, to mandate exactly how these goals will be attained. One school may already have enough funds for teacher training, while another may not need to reduce class size. Each school district varies according to need, and by authorizing funds to be used at the discretion of the school districts, we will provide more meaningful improvements.

Mr. Chairman, I'm a firm believer that local schools should be afforded the flexibility to use federal funds to address their most pressing needs. This bill would provide general guidelines to achieve similar goals, but it would still allow local schools to decide exactly where to place the most emphasis to achieve superior education results for our children.

Mr. DINGELL. Mr. Chairman, the United States has long been proud of its public schools. Our schools, locally supported and run, have increased our country's prosperity, raised our quality of life, and been the source of tremendous community pride. Supporting

our public schools has been, and always must be, a duty we perform in full.

Our public schools face a variety of problems today that make it difficult for them to perform their mission of providing a world-class education to all children, regardless of race, gender, religion, or economic status. The people of our country, from coast to coast, realize that we must invest in public schools now. At this time, with our schools crowded, outdated, understaffed, and underfunded, we must pull together to provide educators the tools they need to guarantee that our country's future will be bright.

My colleagues on both sides of the aisle are well aware of the seriousness of the problems faced by our schools. We are concerned about soaring student enrollment, the shortage of qualified teachers, and acute school construction needs. In Dearborn, Michigan, and in other school districts in my district, students must learn in temporary classrooms. These cheaply constructed buildings, often just trailers, are hardly long-term solutions to crowded classrooms. While many schools lack enough classrooms, many others have insufficient roofing, heating, and plumbing.

As public schools—where 90% of our nation's children are enrolled—face these daunting challenges, politicians have rushed to reform education. Reform is needed, but hastily passed and poorly written legislation fails to provide accountability or guarantee positive results. We must not, for reform's sake, endorse education measures offering vague objectives. Doing so is gambling with our future.

Remember what a great idea charter schools were? They were going to save schools here in DC, in Michigan, and everywhere. Have charter schools proven their worth? The answer is a loud NO. Studies in Michigan have shown little, if any, educational benefit. At the same time, they have sucked public monies from public schools that desperately need additional funding. Today's Washington Post chronicles the mismanagement and poor achievements of one of the District's charter schools; this school—opened in 1996 without accountability—robbed taxpayers of their money and jeopardized the future of many young people.

Today we debate the Teacher Empowerment Act. This bill promises more local control, increased support for teachers, and class-size reduction, but does none of these things. It offers only vague accountability. It does not address class-size reduction. While giving more power to state governments, it does not give more control to local schools. Nor does this bill provide ongoing professional development.

Ideally, giving states education block grants with no strings attached would allow education-friendly governors to work with educators to meet the challenges of today and tomorrow, and improve our schools. We do not live in an ideal world. Many governors, by their words and deeds, are not friends of public schools. They have used teachers and schools alike as punching bags to further their own political agenda. More seriously, they have implemented education policies that abandon public schools by subsidizing private schools with public tax dollars. I am opposed to giving these "reform-minded" governors more control.

Mr. Chairman, despite the good intentions of my colleagues on the other side of the aisle, this bill will not solve the many problems public schools face. These problems demand answers far and beyond block grants and waivers to rules in quality federal education programs. I am hopeful that we can all work together, write quality legislation, help our schools, and protect our nation's future.

Mr. PETRI. Mr. Chairman, I rise in strong support of H.R. 1995, the Teacher Empowerment Act. By combining several current Federal education programs, including Goals 2000, the President's "100,000 New Teachers" program and the Eisenhower Professional Development program, this initiative will provide States and localities with the support and flexibility they need to provide quality training for teachers and reduce class size.

Recently, the Clinton Administration unveiled its proposal to improve teacher quality and student achievement. Not surprisingly, the Administration wants to impose a "one-size-fits-all" approach to education by mandating that schools use \$1.2 billion of the funds under the Teacher Empowerment Act to reduce class size.

Its proposal goes even further by mandating that local schools use their own funds to reduce class size to 18 or less in the early grades. H.R. 1995 provides an alternative.

It allows schools both to improve teacher quality and reduce class size—but unlike the President's proposal, it allows school districts to determine the correct balance between these two strategies.

The Teacher Empowerment Act gives States and localities flexibility to focus on initiatives they believe will improve both teacher quality and student performance, such as programs to promote tenure reform, teacher testing, merit-based teacher performance systems, alternative routes to teacher certification, differential and bonus pay for teachers in "high need" subject areas, mentoring, and in-service teacher academies.

Furthermore, it holds them accountable to parents and taxpayers for demonstrating results measured in improved student performance and higher quality teachers.

The President's current "100,000 New Teachers Program" lacks any requirement that schools reducing their class size demonstrate that such reduction is in fact improving student achievement.

The accountability provisions in the TEA legislation help to end more than 30 years of funding Federal professional development programs without any accountability for how they help students learn. It brings into focus the purpose of the federal investment in teachers and professional development—helping children reach their fullest potential.

The TEA bill ensures that states and school districts receiving these funds use effective ways of raising teacher quality that improve student performance and narrow the achievement gap between high and low performing students.

H.R. 1995 is a well-balanced piece of legislation that allows States and local school districts to use funds to meet their individual professional needs. I urge my colleagues to support this legislation.

Mr. SANDLIN. Mr. Chairman, I rise today in opposition to H.R. 1995, the so-called Teacher

Empowerment Act, and in support of the Martinez substitute. In its current form, this legislation does not empower teachers. Instead, it pits valuable programs—class size reduction, Goals 2000, and other professional development programs—against each other.

Teacher quality and professional development are among the most important things we can provide our teachers to ensure they are able to properly do their jobs. We entrust teachers with our most important resource—our children. We should be doing everything within our power to give them the tools they need to do their jobs. Instead, H.R. 1995 would force schools to choose between reducing class size and providing high quality professional development.

The class size reduction program we enacted just last year was an important step in the right direction. One of the biggest problems facing our schools is overcrowded classrooms. In many of our classrooms, there are 35 students for every teacher. Unfortunately, H.R. 1995 would threaten the future of last year's effort by allowing funds to be diverted to other uses without requiring that our class sizes be reduced.

In my home state of Texas, class-size limits were enacted in the mid-1980s. Those limits have clearly shown that reducing class size improves student achievement as teachers are better able to deal with individual students' needs. Because of the Texas experience, I know how important it is to reduce class size. We should expand upon the program we initiated in the last Congress, not dilute it.

The Martinez substitute does expand that program. It authorizes \$1 billion more than H.R. 1995 for teacher recruitment and training, and \$500 million more for training special education teachers. It does not pit important programs against one another.

Mr. Chairman, let's finish what we started. Support the Martinez substitute.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill is considered as an original bill for the purpose of amendment and is considered read.

The text of H.R. 1995 is as follows:

H.R. 1995

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### **SECTION 1. SHORT TITLE.**

*This Act may be cited as the "Teacher Empowerment Act".*

#### **SEC. 2. TEACHER EMPOWERMENT.**

(a) *IN GENERAL.*—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended—

(1) *by striking the heading for title II and inserting the following:*

**"TITLE II—TEACHER QUALITY";**

(2) *by repealing sections 2001 through 2003; and*

(3) *by amending part A to read as follows:*

#### **"PART A—TEACHER EMPOWERMENT**

##### **"SEC. 2001. PURPOSE.**

*"The purpose of this part is to provide grants to States and local educational agencies in order to assist their efforts to increase student academic achievement through such strategies as improving teacher quality.*



**"Subpart 1—Grants to States"****"SEC. 2011. FORMULA GRANTS TO STATES."**

"(a) IN GENERAL.—In the case of each State that in accordance with section 2013 submits to the Secretary an application for a fiscal year, the Secretary shall make a grant for the year to the State for the uses specified in section 2012. The grant shall consist of the allotment determined for the State under subsection (b).

"(b) DETERMINATION OF AMOUNT OF ALLOTMENT.—

"(1) RESERVATION OF FUNDS.—From the amount made available to carry out this subpart for any fiscal year, the Secretary shall reserve—

"(A)  $\frac{1}{2}$  of 1 percent for allotments for the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be distributed among these outlying areas on the basis of their relative need, as determined by the Secretary in accordance with the purpose of this part; and

"(B)  $\frac{1}{2}$  of 1 percent for the Secretary of the Interior for programs under this part for professional development activities for teachers, other staff, and administrators in schools operated or funded by the Bureau of Indian Affairs.

"(2) STATE ALLOTMENTS.—

"(A) HOLD HARMLESS.—

"(i) IN GENERAL.—Subject to subparagraph (B), from the total amount made available to carry out this subpart for any fiscal year and not reserved under paragraph (1), the Secretary shall allot to each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico an amount equal to the total amount that such State received for fiscal year 1999 under—

"(I) section 2202(b) of this Act (as in effect on the day before the date of the enactment of the Teacher Empowerment Act);

"(II) section 307 of the Department of Education Appropriations Act, 1999; and

"(III) section 304(b) of the Goals 2000: Educate America Act.

"(ii) RATABLE REDUCTION.—If the total amount made available to carry out this subpart for any fiscal year and not reserved under paragraph (1) is insufficient to pay the full amounts that all States are eligible to receive under clause (i) for any fiscal year, the Secretary shall ratably reduce such amounts for such fiscal year.

"(B) ALLOTMENT OF ADDITIONAL FUNDS.—

"(i) IN GENERAL.—Subject to clause (ii), for any fiscal year for which the total amount made available to carry out this subpart and not reserved under paragraph (1) exceeds the total amount made available to the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico for fiscal year 1999 under the authorities described in subparagraph (A)(i), the Secretary shall allot such excess amount as follows:

"(I) 50 percent of such excess amount shall be allotted among such States on the basis of their relative populations of individuals aged 5 through 17, as determined by the Secretary on the basis of the most recent satisfactory data.

"(II) 50 percent of such excess amount shall be allotted among such States in proportion to the number of children, aged 5 to 17, who reside within the State from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved for the most recent fiscal year for which satisfactory data are available, compared to the number of such individuals who reside in all such States for that fiscal year.

"(iii) EXCEPTION.—No State receiving an allotment under clause (i) may receive less than  $\frac{1}{2}$  of 1 percent of the total excess amount allotted under clause (i).

"(3) REALLOTMENT.—If any State does not apply for an allotment under this subsection for any fiscal year, the Secretary shall reallocate such amount to the remaining States in accordance with this subsection.

**"SEC. 2012. WITHIN-STATE ALLOCATIONS."**

"(a) USE OF FUNDS.—Each State receiving a grant under this subpart shall use the funds provided under the grant in accordance with this section to carry out activities for the improvement of teaching and learning.

"(b) REQUIRED AND AUTHORIZED EXPENDITURES.—

"(1) REQUIRED EXPENDITURES.—The Secretary may make a grant to a State under this subpart only if the State agrees to expend at least—

"(A) 95 percent of the amount of the funds provided under the grant for the purpose of making subgrants to local educational agencies under subpart 3; and

"(B) 2 percent of the amount of the funds provided under the grant for the purpose of making subgrants to eligible partnerships under subpart 2 (of which percent, up to 5 percent may be used for planning and administration related to carrying out such purpose).

"(2) AUTHORIZED EXPENDITURES.—A State that receives a grant under this subpart may expend not more than 3 percent of the amount of the funds provided under the grant for one or more of the authorized State activities described in subsection (d) (of which percent, the State may use up to 5 percent for planning and administration related to carrying out such activities and making subgrants to local educational agencies under subpart 3).

"(c) DISTRIBUTION OF SUBGRANTS TO LOCAL EDUCATIONAL AGENCIES.—

"(1) FORMULA FOR 80 PERCENT OF FUNDS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a State receiving a grant under this subpart shall distribute 80 percent of the amount described in subsection (b)(1)(A) through a formula under which—

"(i) 50 percent is allocated to local educational agencies in accordance with the relative enrollment in public and private nonprofit elementary and secondary schools within the boundaries of such agencies; and

"(ii) 50 percent is allocated to local educational agencies in proportion to the number of children, aged 5 to 17, who reside within the geographic area served by such agency from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved for the most recent fiscal year for which satisfactory data are available, compared to the number of such individuals who reside in the geographic areas served by all the local educational agencies in the State for that fiscal year.

"(B) ALTERNATIVE FORMULA.—A State may increase the percentage described in subparagraph (A)(ii) (and commensurately decrease the percentage described in subparagraph (A)(i)).

"(2) DISTRIBUTION OF 20 PERCENT OF FUNDS.—

"(A) COMPETITIVE PROCESS.—A State receiving a grant under this subpart shall distribute 20 percent of the amount described in subsection (b)(1)(A) through a competitive process that results in an equitable distribution by geographic area within the State.

"(B) PARTICIPANTS.—The competitive process under subparagraph (A) shall be open to local educational agencies and eligible partnerships (as defined in section 2021(d)), except that a State shall give priority to high-need local educational agencies that focus on math, science, or reading professional development programs.

"(d) AUTHORIZED STATE ACTIVITIES.—The authorized State activities referred to in subsection (b)(2) are the following:

"(1) Reforming teacher certification, recertification, or licensure requirements to ensure that—

"(A) teachers have the necessary teaching skills and academic content knowledge in the subject areas in which they are assigned to teach;

"(B) they are aligned with the State's challenging State content standards; and

"(C) teachers have the knowledge and skills necessary to help students meet challenging State student performance standards.

"(2) Carrying out programs that—

"(A) include support during the initial teaching experience; and

"(B) establish, expand, or improve alternative routes to State certification of teachers for highly qualified individuals with a baccalaureate degree, including mid-career professionals from other occupations, paraprofessionals, former military personnel, and recent college or university graduates with records of academic distinction who demonstrate the potential to become highly effective teachers.

"(3) Developing and implementing effective mechanisms to assist local educational agencies and schools in effectively recruiting and retaining highly qualified and effective teachers and principals.

"(4) Reforming tenure systems and implementing teacher testing and other procedures to expeditiously remove incompetent and ineffective teachers from the classroom.

"(5) Developing enhanced performance systems to measure the effectiveness of specific professional development programs and strategies.

"(6) Providing technical assistance to local educational agencies consistent with this part.

"(7) Funding projects to promote reciprocity of teacher certification or licensure between or among States, except that no reciprocity agreement developed under this paragraph or developed using funds provided under this part may lead to the weakening of any State teaching certification or licensing requirement.

"(8) Developing or assisting local educational agencies or eligible partnerships (as defined in section 2021(d)) in the development and utilization of proven, innovative strategies to deliver intensive professional development programs that are both cost-effective and easily accessible, such as through the use of technology and distance learning.

"(e) COORDINATION.—States receiving grants under section 202 of the Higher Education Act of 1965 shall coordinate the use of such funds with activities carried out under this section.

"(f) PUBLIC ACCOUNTABILITY.—

"(1) IN GENERAL.—A State that receives a grant under this subpart—

"(A) in the event the State provides public State report cards on education, shall include in such report cards—

"(i) the percentage of classes in core academic subject areas that are taught by out-of-field teachers;

"(ii) the percentage of classes in core academic subject areas that are taught by teachers teaching under emergency or other provisional status through which State qualifications or licensing criteria have been waived; and

"(iii) the average statewide class size; or

"(B) in the event the State provides no such report card, shall disseminate to the public the information described in clauses (i) and (ii) of subparagraph (A) through other means.

"(2) PUBLIC AVAILABILITY.—Such information shall be made widely available to the public, including parents and students, through major print and broadcast media outlets throughout the State.

**"SEC. 2013. APPLICATIONS BY STATES."**

"(a) IN GENERAL.—To be eligible to receive a grant under this subpart, a State shall submit



an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

“(b) CONTENTS.—Each application under this section shall include the following:

“(1) A description of how the State will ensure that a local educational agency receiving a subgrant under subpart 3 will comply with the requirements of such subpart, including the required use of funds for mathematics and science programs, professional development, and hiring teachers to reduce class size.

“(2) A description of the specific performance indicators the State will use (including an identification of how such performance indicators will be measured and reported) for each local educational agency to measure the annual progress of activities funded under subpart 3 in increasing—

“(A) student academic achievement; and

“(B) teacher quality, as demonstrated through a reduction in the number of out-of-field teachers in the classroom.

“(3) A description of the bonus incentives, if any, that will be provided to local educational agencies that exceed a level of improvement established by the State based on such performance indicators, and actions the State will take in the event a local educational agency fails to meet or make progress toward such level of improvement.

“(4) A description of how the State will coordinate professional development activities authorized under this part with professional development activities provided under other Federal, State, and local programs, including those authorized under title I, title III, title IV, part A of title VII, and (where applicable) the Individuals with Disabilities Education Act and the Carl D. Perkins Vocational and Technical Education Act. The application shall also describe the comprehensive strategy that the State will take as part of such coordination effort, to ensure that teachers are trained in the utilization of technology so that technology and its applications are effectively used in the classroom to improve teaching and learning in all curriculum and content areas, as appropriate.

“(5) A description of how the State will encourage the development of proven, innovative strategies to deliver intensive professional development programs that are both cost-effective and easily accessible, such as through the use of technology and distance learning.

“(c) APPLICATION SUBMISSION.—A State application submitted to the Secretary under this section shall be approved by the Secretary unless the Secretary makes a written determination, within 90 days after receiving the application, that the application is in violation of the provisions of this Act.

#### “Subpart 2—Subgrants to Eligible Partnerships

##### “SEC. 2021. PARTNERSHIP GRANTS.

“(a) IN GENERAL.—From the amount described in section 2012(b)(1)(B), the State agency for higher education, working in conjunction with the State educational agency (if such agencies are separate), shall award grants on a competitive basis to eligible partnerships to enable such partnerships to carry out activities described in subsection (b). Such grants shall be equitably distributed by geographic area within the State.

“(b) USE OF FUNDS.—A recipient of funds under this section shall use the funds for—

“(1) professional development activities in core academic subjects to ensure that teachers have content knowledge in the subjects they teach; and

“(2) developing and providing assistance to local educational agencies and the teachers, principals, and administrators, of public and private schools in each such agency, for sustained, high-quality professional development activities which—

“(A) ensure they are able to use State content standards, performance standards, and assessments to improve instructional practices and improve student achievement; and

“(B) may include intensive programs designed to prepare teachers who will return to their school to provide such instruction to other teachers within such school.

“(c) SPECIAL RULE.—No single participant in an eligible partnership may retain more than 50 percent of the funds made available to the partnership under this section.

“(d) ELIGIBLE PARTNERSHIPS.—As used in this section, the term ‘eligible partnerships’ means an entity that—

“(1) shall include—

“(A) a high-need local educational agency;

“(B) a school of arts and sciences; and

“(C) an institution that prepares teachers; and

“(2) may include other local educational agencies, a public charter school, a public or private elementary or secondary school, an educational service agency, a public or private non-profit educational organization, or a business.

“(e) COORDINATION.—Partnerships receiving grants under section 203 of the Higher Education Act of 1965 shall coordinate the use of such funds with any related activities carried out by such partnership with funds made available under this section.

#### “Subpart 3—Subgrants to Local Educational Agencies

##### “SEC. 2031. LOCAL USE OF FUNDS.

“(a) REQUIRED ACTIVITIES.—

“(1) IN GENERAL.—Each local educational agency that receives a subgrant under this subpart shall use the subgrant to carry out the activities described in this subsection.

“(2) MATHEMATICS AND SCIENCE.—

“(A) IN GENERAL.—Of the amount made available to each local educational agency under this subpart for a fiscal year, the agency shall use not less than the amount provided to the agency under section 2206(b) of this Act (as in effect on the day before the date of the enactment of the Teacher Empowerment Act) for the fiscal year preceding such enactment for professional development activities in mathematics and science in accordance with section 2033.

“(B) WAIVER.—

“(i) APPLICATION.—A local educational agency, in consultation with teachers and principals, may seek a waiver of the requirement in subparagraph (A) from a State in order to allow the local educational agency to use such funds for professional development in academic subjects other than mathematics and science.

“(ii) STANDARD FOR GRANTING.—A State may not approve such a waiver unless the local educational agency is able to demonstrate that—

“(1) the professional development needs of mathematics and science teachers, including elementary teachers responsible for teaching mathematics and science, have been adequately served and will continue to be adequately served if the waiver is approved;

“(II) State assessments in mathematics and science demonstrate that each school within the local educational agency has made and will continue to make progress toward meeting the challenging State or local content standards and student performance standards in these areas; and

“(III) State assessments in other academic subjects demonstrate a need to focus on subjects other than mathematics and science.

“(iii) GRANDFATHER OF OLD WAIVERS.—A waiver provided to a local educational agency under part D of title XIV prior to the date of the enactment of the Teacher Empowerment Act shall be deemed effective until such time as it otherwise would have ceased to be effective.

“(3) PROFESSIONAL DEVELOPMENT ACTIVITIES.—Each local educational agency that re-

ceives a subgrant under this subpart shall use a portion of such funds for professional development activities that give teachers, principals, and administrators the knowledge and skills to provide students with the opportunity to meet challenging State or local content standards and student performance standards. Such activities shall be consistent with sections 2033 and 2034.

“(4) HIRING AND RETAINING WELL-QUALIFIED AND EFFECTIVE TEACHERS.—

“(A) IN GENERAL.—Each local educational agency that receives a subgrant under this subpart shall use a portion of such funds for recruiting, hiring, and training certified teachers, including teachers certified through State and local alternative routes, in order to reduce class size.

“(B) SPECIAL RULE FOR SPECIAL EDUCATION TEACHERS.—Notwithstanding subparagraph (A), a local educational agency may use some or all of the funds described in such subparagraph to hire special education teachers regardless of whether such action reduces class size.

“(C) WAIVER.—

“(i) APPLICATION.—A local educational agency may seek a waiver of the requirement in subparagraph (A) from a State in order to allow the local educational agency to use such funds for purposes other than hiring teachers in order to reduce class size.

“(ii) STANDARD FOR GRANTING.—A State may not approve such a waiver unless the local educational agency is able to demonstrate that—

“(I) such funds will be used to ensure that all instructional staff have the subject matter knowledge, teaching knowledge, and teaching skills necessary to teach effectively in the content area or areas in which they provide instruction; or

“(II) an initiative to reduce class size would result in having to rely on underqualified teachers, inadequate classroom space, or would have any other negative consequence affecting the efforts of the local educational agency to improve student academic achievement.

“(b) ALLOWABLE ACTIVITIES.—Each local educational agency that receives a subgrant under this subpart may use the subgrant to carry out the following activities:

“(1) Initiatives to assist recruitment of highly qualified teachers who will be assigned teaching positions within their field, including—

“(A) providing signing bonuses or other financial incentives, such as differential pay, for teachers to teach in academic subject areas in which there exists a shortage of such teachers within a school or the local educational agency;

“(B) establishing programs that—

“(i) recruit professionals from other fields and provide such professionals with alternative routes to teacher certification; and

“(ii) provide increased opportunities for minorities, individuals with disabilities, and other individuals underrepresented in the teaching profession; and

“(C) implementing hiring policies that ensure comprehensive recruitment efforts as a way to expand the applicant pool, such as through identifying teachers certified through alternative routes, coupled with a system of intensive screening designed to hire the most qualified applicant.

“(2) Initiatives to promote retention of highly qualified teachers and principals including—

“(A) programs that provide mentoring to newly hired teachers, such as from master teachers, and to newly hired principals; or

“(B) programs that provide other incentives, including financial incentives, to retain teachers who have a record of success in helping low-achieving students improve their academic success.

“(3) Programs and activities that are designed to improve the quality of the teacher force, such as—

“(A) innovative professional development programs (which may be through partnerships including institutions of higher education), including programs that train teachers to utilize technology to improve teaching and learning, that are consistent with the requirements of section 2033;

“(B) development and utilization of proven, cost-effective strategies for the implementation of professional development activities, such as through the utilization of technology and distance learning;

“(C) tenure reform;

“(D) merit pay;

“(E) testing of elementary and secondary school teachers in the subject areas taught by such teachers;

“(F) professional development programs that provide instruction in how to teach children with different learning styles, particularly children with disabilities and children with special learning needs (including those who are gifted and talented); and

“(G) professional development programs that provide instruction in how best to discipline children in the classroom and identify early and appropriate interventions to help children described in subparagraph (F) learn.

“(4) Teacher opportunity payments, consistent with section 2034.

#### “SEC. 2032. LOCAL APPLICATIONS.

“(a) IN GENERAL.—A local educational agency seeking to receive a subgrant from a State under this subpart shall submit an application to the State—

“(1) at such time as the State shall require; and

“(2) which is coordinated with other programs under this Act, or other Acts, as appropriate.

“(b) LOCAL APPLICATION CONTENTS.—The local application described in subsection (a), shall include, at a minimum, the following:

“(1) A description of how the local educational agency intends to use funds provided under this subpart, including an assurance that the local educational agency will meet the requirements for the use of funds for mathematics and science programs, professional development, and hiring teachers to reduce class size, under section 2031.

“(2) An assurance that the local educational agency will target funds to schools within the jurisdiction of the local educational agency that—

“(A) have the highest proportion of out-of-field teachers;

“(B) have the largest average class size; or

“(C) are identified for school improvement under section 1116(c).

“(3) A description of how the local educational agency will coordinate professional development activities authorized under this subpart with professional development activities provided through other Federal, State, and local programs, including those authorized under title I, title III, title IV, part A of title VII, and (where applicable) the Individuals with Disabilities Education Act and the Carl D. Perkins Vocational and Technical Education Act.

“(4) A description of how the local educational agency will integrate funds under this subpart with funds received under title III that are used for professional development to train teachers in how to use technology to improve learning and teaching.

“(c) PARENTS’ RIGHT-TO-KNOW.—A local educational agency that receives funds under this subpart shall provide, upon request and in an understandable and uniform format, to any parent of a student attending any school receiving funds under this subpart, information regarding the professional qualifications of the student’s classroom teachers, including, at a minimum, the following:

“(1) Whether the teacher has met State qualification and licensing criteria for the grade levels and subject areas in which the teacher provides instruction.

“(2) Whether the teacher is teaching under emergency or other provisional status through which State qualification or licensing criteria have been waived.

“(3) The baccalaureate degree major of the teacher and any other graduate certification or degree held by the teacher, and the field or discipline of the certification or degree.

#### “SEC. 2033. PROFESSIONAL DEVELOPMENT FOR TEACHERS.

“(a) LIMITATION RELATING TO CURRICULUM AND CONTENT AREAS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), professional development funds under this subpart may not be provided for a teacher and an activity if the activity is not—

“(A) directly related to the curriculum and content areas in which the teacher provides instruction; or

“(B) designed to enhance the ability of the teacher to understand and use the State’s standards for the subject area in which the teacher provides instruction.

“(2) EXCEPTION.—Paragraph (1) does not apply to funds for professional development activities that instruct in methods of disciplining children.

“(b) OTHER REQUIREMENTS.—Professional development activities funded under this subpart—

“(1) shall be measured, in terms of progress, using the specific performance indicators established by the State in accordance with section 2013(b)(2);

“(2) shall be tied to challenging State or local content standards and student performance standards;

“(3) shall be tied to scientifically based research demonstrating the effectiveness of such program in increasing student achievement or substantially increasing the knowledge and teaching skills of such teachers;

“(4) shall be of sufficient intensity and duration (such as not to include 1-day or short-term workshops and conferences) to have a positive and lasting impact on the teacher’s performance in the classroom, except that this paragraph shall not apply to an activity if such activity is one component of a long-term comprehensive professional development plan established by the teacher and the teacher’s supervisor based upon an assessment of their needs, their students’ needs, and the needs of the local educational agency; and

“(5) shall be developed with extensive participation of teachers, principals, and administrators of schools to be served under this part.

“(c) ACCOUNTABILITY.—

“(1) IN GENERAL.—A State shall notify a local educational agency that the agency is on notice of the possibility that the agency may be subject to the requirement in paragraph (3) if, after any fiscal year, the State determines that the programs or activities funded by the agency fail to meet the requirements of subsections (a) and (b).

“(2) TECHNICAL ASSISTANCE.—A local educational agency that has been put on notice pursuant to paragraph (1) may request technical assistance from the State in order to provide the opportunity for such local educational agency to comply with the requirements of subsections (a) and (b).

“(3) REQUIREMENT TO PROVIDE TEACHER OPPORTUNITY PAYMENTS.—A local educational agency that has been put on notice by the State pursuant to paragraph (1) during any 2 consecutive fiscal years shall expend under section 2034 for the succeeding fiscal year a proportion of the amount made available to the agency under this subpart equal to the proportion of such amount expended by the agency on profes-

sional development for the second fiscal year in which it was put on notice.

#### “SEC. 2034. TEACHER OPPORTUNITY PAYMENTS.

“(a) IN GENERAL.—A local educational agency receiving funds under this subpart may (or, in the case of a local educational agency described in section 2033(c)(3), shall) provide funds directly to a teacher or a group of teachers seeking opportunities to participate in a professional development activity of their choice.

“(b) NOTICE TO TEACHERS.—Local educational agencies distributing funds under this section shall establish and implement a timely process through which proper notice of availability of funds will be given to all teachers within schools identified by the agency and shall develop a process whereby teachers will be specifically recommended by principals to participate in such program by virtue of—

“(1) their lack of full certification to teach in the subject or subjects in which they teach; or

“(2) their need for additional assistance to ensure that their students make progress toward meeting challenging State content standards and student performance standards.

“(c) SELECTION OF TEACHERS.—In the event adequate funding is not available to provide payments under this section to all teachers seeking such assistance, or identified as needing such assistance pursuant to subsection (b), a local educational agency shall establish procedures for selecting teachers which provide a priority for those teachers described in paragraph (1) or (2) of subsection (b).

“(d) ELIGIBLE PROGRAM.—Teachers receiving a payment under this section shall have the choice of attending any professional development program that meets the criteria set forth in subsection (a) or (b) of section 2033.

#### “Subpart 4—National Activities

#### “SEC. 2041. ALTERNATIVE ROUTES TO TEACHING.

“(a) TEACHER EXCELLENCE ACADEMIES.—

“(1) IN GENERAL.—The Secretary may award grants on a competitive basis to eligible consortia to carry out activities described in this subsection.

“(2) USE OF FUNDS.—

“(A) IN GENERAL.—An eligible consortium receiving funds under this subsection shall use the funds to pay the costs associated with the establishment or expansion of a teacher academy in an elementary or secondary school facility that carries out the activities promoting alternative routes to State teacher certification specified in subparagraph (B), the model professional development activities specified in subparagraph (C), or all such activities.

“(B) PROMOTING ALTERNATIVE ROUTES TO TEACHER CERTIFICATION.—The activities promoting alternative routes to State teacher certification specified in this subparagraph are the design and implementation of a course of study and activities providing an alternative route to State teacher certification that—

“(i) provide opportunities to highly qualified individuals with a baccalaureate degree, including mid-career professionals from other occupations, paraprofessionals, former military personnel, and recent college or university graduates with records of academic distinction;

“(ii) provide stipends, for not more than 2 years, to permit individuals described in clause (i) to participate as student teachers able to fill teaching needs in academic subjects in which there is a demonstrated shortage of teachers;

“(iii) provide for the recruitment and hiring of master teachers to mentor and train student teachers within such academies; and

“(iv) include a reasonable service requirement for individuals completing the alternative certification program established by the consortium.

“(C) MODEL PROFESSIONAL DEVELOPMENT.—The model professional development activities

specified in this subparagraph are activities providing ongoing professional development opportunities for teachers, such as—

“(i) innovative programs and model curricula in the area of professional development which may serve as models to be disseminated to other schools and local educational agencies; and

“(ii) developing innovative techniques for evaluating the effectiveness of professional development programs.

“(3) PRIORITY.—The Secretary shall award not less than 1 grant to a consortium that—

“(A) includes a high-need local educational agency located in a rural area; and

“(B) proposes the extensive use of distance learning in order to provide the applicable course work to student teachers.

“(4) SPECIAL RULE.—No single participant in an eligible consortium may retain more than 50 percent of the funds made available to the consortium under this subsection.

“(5) APPLICATION.—To be eligible to receive a grant under this subsection, an eligible consortium shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

“(6) ELIGIBLE CONSORTIUM.—In this subsection, the term ‘eligible consortium’ means a consortium for a State that—

“(A) shall include—

“(i) the State agency responsible for certifying teachers;

“(ii) not less than 1 high-need local educational agency;

“(iii) a school of arts and sciences; and

“(iv) an institution that prepares teachers; and

“(B) may include local educational agencies, public charter schools, public or private elementary or secondary schools, educational service agencies, public or private nonprofit educational organizations, museums, or businesses.

“(b) CONTINUATION OF TROOPS-TO-TEACHERS PROGRAM.—

“(1) PURPOSE.—It is the purpose of this subsection to authorize the continuation after September 30, 1999, of the teachers and teachers’ aide placement program known as the ‘troops-to-teachers program’, which was established by the Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard, under section 1151 of title 10, United States Code.

“(2) TRANSFER OF FUNDS TO CONTINUE PROGRAM.—Subject to the requirements of this subsection, the Secretary of Education may provide a transfer of funds to the Defense Activity for Non-Traditional Education Support of the Department of Defense to permit the Defense Activity to carry out the troops-to-teachers program under section 1151 of title 10, United States Code, notwithstanding the termination date specified in subsection (c)(1)(A) of such section.

“(3) DEFENSE AND COAST GUARD CONTRIBUTION.—The Secretary of Education may not make a transfer of funds under paragraph (2) unless the Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard, agree to cover not less than 25 percent of the costs associated with the activities conducted under the troops-to-teachers program. The contributions may be in the form of in-kind contributions or cash expenditures, which may include the use of private contributions made for purposes of the program.

“(4) ELIGIBLE MEMBERS.—After September 30, 1999, the troops-to-teachers program shall have a primary focus of recruiting members of the Armed Forces who are retiring after not less than 20 years of active duty.

“(5) PLACEMENT PRIORITY.—The Defense Activity for Non-Traditional Education Support shall cooperate with the Department of Edu-

cation in efforts to notify high-need local educational agencies of the services available to them under the troops-to-teachers program.

#### “SEC. 2042. EISENHOWER NATIONAL CLEARINGHOUSE FOR MATHEMATICS AND SCIENCE EDUCATION.

“The Secretary may award a grant or contract, in consultation with the Director of the National Science Foundation, to continue the Eisenhower National Clearinghouse for Mathematics and Science Education.

#### “Subpart 5—Funding

#### “SEC. 2051. AUTHORIZATION OF APPROPRIATIONS.

“(a) FISCAL YEAR 2000.—For the purpose of carrying out this part, there are authorized to be appropriated \$2,019,000,000 for fiscal year 2000, of which \$15,000,000 are authorized to be appropriated to carry out subpart 4.

“(b) OTHER FISCAL YEARS.—For the purpose of carrying out this part, there are authorized to be appropriated such sums as may be necessary for fiscal years 2001 through 2004.

#### “Subpart 6—General Provisions

#### “SEC. 2061. DEFINITIONS.

“For purposes of this part—

“(1) ARTS AND SCIENCES.—The term ‘arts and sciences’ means—

“(A) when referring to an organizational unit of an institution of higher education, any academic unit that offers 1 or more academic majors in disciplines or content areas corresponding to the academic subject matter areas in which teachers provide instruction; and

“(B) when referring to a specific academic subject matter area, the disciplines or content areas in which academic majors are offered by the arts and sciences organizational unit.

“(2) HIGH-NEED LOCAL EDUCATIONAL AGENCY.—The term ‘high-need local educational agency’ means a local educational agency that serves an elementary school or secondary school located in an area in which there is—

“(A) a high percentage of individuals from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)));

“(B) a high percentage of secondary school teachers not teaching in the content area in which the teachers were trained to teach; or

“(C) a high teacher turnover rate.

“(3) OUT-OF-FIELD TEACHER.—The term ‘out-of-field teacher’ means a teacher—

“(A) teaching a subject for which he or she is not fully qualified, as determined by the State; or

“(B) who did not receive a degree from an institution of higher education with a major or minor in the field in which he or she teaches.

“(4) SCIENTIFICALLY BASED RESEARCH.—The term ‘scientifically based research’—

“(A) means the application of rigorous, systematic, and objective procedures to obtain valid knowledge relevant to professional development of teachers; and

“(B) shall include research that—

“(i) employs systematic, empirical methods that draw on observation or experiment;

“(ii) involves rigorous data analyses that are adequate to test the stated hypotheses and justify the general conclusions drawn;

“(iii) relies on measurements or observational methods that provide valid data across evaluators and observers and across multiple measurements and observations; and

“(iv) has been accepted by a peer-reviewed journal or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review.”.

(b) CONFORMING AMENDMENTS.—

(1) NATIONAL WRITING PROJECT.—Section 10992(i) of the Elementary and Secondary Edu-

cation Act of 1965 (20 U.S.C. 8332(i)) is amended by striking “\$4,000,000” and inserting “such sums as may be necessary”.

(2) REFERENCE TO NATIONAL CLEARINGHOUSE FOR MATHEMATICS AND SCIENCE EDUCATION.—Section 13302(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8672(1)) is amended by striking “2102(b)” and inserting “2042”.

#### SEC. 3. AMENDMENTS RELATING TO READING EXCELLENCE ACT.

(a) REPEAL OF PART B.—Part B of title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6641–6651) is repealed.

(b) READING EXCELLENCE ACT.—

(1) PART HEADING.—Part C of title II of such Act is redesignated as part B and the heading for such part B is amended to read as follows:

#### “PART B—READING EXCELLENCE ACT”.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 2260(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6661i) is amended by adding at the end the following:

“(3) FISCAL YEARS 2001 TO 2004.—There are authorized to be appropriated to carry out this part \$260,000,000 for fiscal year 2001 and such sums as may be necessary for fiscal years 2002 through 2004.”.

#### SEC. 4. GENERAL PROVISIONS.

(a) IN GENERAL.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended—

(1) by repealing part D;

(2) by redesignating part E as part C; and

(3) by striking sections 2401 and 2402 and inserting the following:

#### “SEC. 2401. PROHIBITION ON MANDATORY NATIONAL CERTIFICATION OF TEACHERS.

“(a) PROHIBITION ON MANDATORY TESTING OR CERTIFICATION.—Notwithstanding any other provision of law, the Secretary is prohibited from using Federal funds to plan, develop, implement, or administer any mandatory national teacher test or certification.

“(b) PROHIBITION ON WITHHOLDING FUNDS.—The Secretary is prohibited from withholding funds from any State or local educational agency if such State or local educational agency fails to adopt a specific method of teacher certification.

#### “SEC. 2402. PROVISIONS RELATED TO PRIVATE SCHOOLS.

“The provisions of sections 14503 through 14506 apply to programs under this title.

#### “SEC. 2403. HOME SCHOOLS.

“Nothing in this title shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law. This section shall not be construed to bar private, religious, or home schools from participation in programs or services under this title.”.

(b) CONFORMING AMENDMENTS.—

(1) DEFINITION OF COVERED PROGRAM.—Section 14101(10)(C) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801(10)(C)) is amended by striking “(other than section 2103 and part D)”.

(2) PRIVATE SCHOOL PARTICIPATION.—Section 14503(b)(1)(B) (20 U.S.C. 8893(b)(1)(B)) of such Act is amended by striking “(other than section 2103 and part D of such title)”.

The CHAIRMAN. No amendment to that amendment shall be in order except those printed in House report 106–240. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, debatable for the time

specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

It is now in order to consider Amendment No. 1 printed in the House report 106-240.

AMENDMENT NO. 1 OFFERED BY MR. GOODLING

Mr. GOODLING. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. GOODLING: Page 4, after line 25, insert the following:

“(i) NONPARTICIPATING STATES.—In the case of a State that did not receive any funds for fiscal year 1999 under one or more of the provisions referred to in subclauses (I) through (III) of clause (i), the amount allotted to the State under such clause shall be the total amount that the State would have received for fiscal year 1999 if it had elected to participate in all of the programs for which it was eligible under each of the provisions referred to in such subclauses.

Page 5, line 1, strike “(ii)” and insert “(iii)”.

Page 7, strike lines 11 through 21 and insert the following:

if the State agrees to expend at least 95 percent of the amount of the funds provided under the grant for the purpose of making, in accordance with this part, subgrants to local educational agencies under subpart 3 and subgrants to eligible partnerships under subpart 2.

Page 7, line 24, strike “3” and insert “5”.

Page 8, beginning on line 6, strike “SUBGRANTS” and all that follows through the end of line 7 and insert “SUBGRANTS.—”.

Page 8, beginning on line 9, strike “Except” and all that follows through “a” on line 10 and insert “A”.

Page 8, line 12, strike “(b)(1)(A)” and insert “(b)(1)”.

Page 9, strike lines 10 through 13 and insert the following:

“(B) MINIMUM AMOUNT.—

“(i) IN GENERAL.—For any fiscal year for which a local educational agency would receive under subparagraph (A) an amount that is less than the total amount that the agency received for fiscal year 1999 under—

“(I) section 2203(1)(B) of this Act (as in effect on the day before the date of the enactment of the Teacher Empowerment Act); and

“(II) section 307 of the Department of Education Appropriations Act, 1999;

a State receiving a grant under this subpart shall ensure that the local educational agency receives under this paragraph an amount equal to such total amount.

“(i) SOURCE OF FUNDS.—Notwithstanding paragraph (2), a State shall use such portion of the funds described in paragraph (2)(A) as may be necessary to pay to a local educational agency the difference between the agency's allotment under subparagraph (A) and the allotment to the agency required under clause (i).

Page 9, line 15, strike “A State” and insert “Subject to subparagraph (C), a State”.

Page 9, line 18, strike “(b)(1)(A)” and insert “(b)(1) (or such portion of such amount as remains after satisfaction of the requirements in subparagraphs (A) and (B)(i) of paragraph (1))”.

Page 9, line 25, strike “high-need”.

Page 10, after line 2, insert the following:

“(C) SUBGRANTS TO ELIGIBLE PARTNERSHIPS.—A State receiving a grant under this subpart shall expend at least 3 percent of the amount described in subparagraph (A) for the purpose of making subgrants to eligible partnerships under subpart 2.

Page 10, line 20, strike “teachers” and insert “teachers, especially in the areas of mathematics and science.”.

Beginning on page 12, strike line 9 through page 13, line 8, and insert the following:

“(f) PUBLIC ACCOUNTABILITY.—

“(1) IN GENERAL.—A State that receives a grant under this subpart—

“(A) in the event the State provides public State report cards on education, shall include in such report cards information on the State's progress with respect to—

“(i) subject to paragraph (2), improving student academic achievement, as defined by the State;

“(ii) closing academic achievement gaps, as defined by the State, between the groups described in paragraph (2)(A)(i);

“(iii) increasing the percentage of classes in core academic areas taught by fully qualified teachers; and

“(iv) reducing class size; or

“(B) in the event the State provides no such report card, shall publicly report the information described in subparagraph (A) through other means.

“(2) DISAGGREGATED DATA.—The information described in paragraph (1)(A)(i) and section 2013(b)(3)(A) shall be—

“(A) disaggregated—

“(i) by minority and non-minority status and by low-income and non-low-income status; and

“(ii) using assessments consistent with section 1111(b)(3); and

“(B) publicly reported in the form of disaggregated data only when such data are statistically sound.

Beginning on page 13, strike line 22 through page 14, line 13, and insert the following:

“(2) A plan to ensure all teachers within the State are fully qualified not later than December 31, 2003.

“(3) An assurance that the State will require each local educational agency and school receiving funds under this title to publicly report their annual progress on the agency's and the school's performance indicators in the following:

“(A) Subject to section 2012(f)(2), improving student academic achievement, as defined by the State.

“(B) Closing academic achievement gaps, as defined by the State, between the groups described in section 2012(f)(2)(A)(i).

“(C) Increasing the percentage of classes in core academic areas taught by fully qualified teachers.

“(4) A description of how the State will hold local educational agencies and schools accountable for making annual gains in meeting the performance indicators described in paragraph (3).

Page 14, line 14, strike “(4)” and insert “(5)”.

Page 15, line 5, strike “(5)” and insert “(6)”.

Page 15, line 20, strike “2012(b)(1)(B),” and insert “2012(c)(2)(C).”.

Page 16, line 2, strike “State.” and insert “State. Not more than 5 percent of the amount made available to an agency to carry out this subpart may be used for planning and administration.”.

Page 18, line 4, strike “provided to” and insert “expended by”.

Page 20, line 16, strike “certified” and insert “fully qualified”.

Page 20, line 17, strike “certified” and insert “fully qualified”.

Page 22, line 12, before “teachers” insert “fully qualified”.

Page 22, line 17, strike “certification;” and insert “certification, especially in the areas of mathematics and science;”.

Page 25, beginning on line 16, strike “highest proportion of out-of-field teachers;” and insert “lowest proportion of fully qualified teachers;”.

Page 27, line 24, strike “2013(b)(2);” and insert “2013(b)(3);”.

Page 28, line 21, strike the period at the end and insert “and, with respect to any professional development program described in subparagraphs (F) and (G) of section 2031(b)(3), shall, if appropriate, be developed with extensive coordination with, and participation of, professionals with expertise in such types of professional development.”.

Page 30, line 10, strike “lack of full certification” and insert “not being fully qualified”.

Page 34, line 23, strike “1999,” and insert “2000.”.

Beginning on page 35, strike line 24 through page 36, line 9.

Page 36, after line 15, insert the following:

“SEC. 2043. PROFESSIONAL DEVELOPMENT FOR PRINCIPALS AS LEADERS OF SCHOOL REFORM.

“(a) COMPETITIVE GRANTS.—The Secretary shall award grants on a competitive basis to eligible partnerships—

“(1) consisting of—

“(A) one or more institutions of higher education that provide professional development for principals and other school administrators; and

“(B) one or more local educational agencies; and

“(2) that may include other entities, agencies, or organizations, such as a State educational agency, a State agency for higher education, educational service agencies, or professional organizations of principals and teachers.

“(b) APPLICATION.—

“(1) IN GENERAL.—Any eligible partnership that desires to receive a grant under this section shall submit an application at such time, in such manner, and containing such information as the Secretary may require.

“(2) CONTENTS.—Each such application shall include a description of—

“(A) the activities the partnership will carry out to achieve the purpose of this section;

“(B) how those activities will build on, and be coordinated with, other professional development programs and activities, including activities under title I of this Act and title II of the Higher Education Act of 1965; and

“(C) how principals, teachers, and other interested individuals were involved in developing the application and will be involved in planning and carrying out activities under this section.

“(c) USE OF FUNDS.—An eligible partnership that receives a grant under this section shall use the grant funds to provide professional development to principals and other school administrators to enable them to be

effective school leaders and prepare all students to achieve to challenging State content and student performance standards, including professional development relating to—

- “(1) leadership skills;
- “(2) recruitment, assignment, retention, and evaluation of teachers and other staff;
- “(3) effective instructional practices, including the use of technology;
- “(4) using smaller classes effectively; and
- “(5) parental and community involvement.

Page 37, after line 15, insert the following: “(2) FULLY QUALIFIED.—The term ‘fully qualified’—

“(A) when used with respect to a public elementary or secondary school teacher (other than a teacher teaching in a public charter school), means that the teacher has obtained State certification as a teacher (including certification obtained through alternative routes to certification) or passed the State teacher licensing exam and holds a license to teach in such State; and

“(B) when used with respect to —

“(i) an elementary school teacher, means that the teacher holds a bachelor's degree and demonstrates knowledge and teaching skills in reading, writing, mathematics, science, and other areas of the elementary school curriculum; or

“(ii) a middle or secondary school teacher, means that the teacher holds a bachelor's degree and demonstrates a high level of competency in all subject areas in which he or she teaches through—

“(I) a high level of performance on a rigorous State or local academic subject areas test; or

“(II) completion of an academic major in each of the subject areas in which he or she provides instruction.

Page 37, line 16, strike “(2)” and insert “(3)”.

Page 38, strike lines 5 through 12 and insert the following:

“(4) PUBLICLY REPORT.—The term ‘publicly report’, when used with respect to the dissemination of information, means that the information is made widely available to the public, including parents and students, through such means as the Internet and major print and broadcast media outlets.

Page 38, line 13, strike “(4)” and insert “(5)”.

Page 39, strike lines 13 through 17 and insert the following:

(1) NATIONAL WRITING PROJECT.—Section 10992(i) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8332(i)) is amended to read as follows:

“(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the grant to the National Writing Project, such sums as may be necessary for each of fiscal years 2000 through 2004 to carry out the provisions of this section.”.

Mr. CLAY. Mr. Chairman, although I am not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. Pursuant to House Resolution 253, the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from Missouri (Mr. CLAY) each will control 15 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Teacher Empowerment Act will provide a major boost to schools in their efforts to establish and support a high quality teaching force, and that should be the whole emphasis of the debate. How do we get a high-quality teaching force? The amendment strengthens the bipartisan committee-passed version, and I believe will only further our ability to pass this today in an overwhelming bipartisan fashion.

First, we have addressed the important issue of funding at the local level. We have heard people say over and over again, we are going to lose money, we are going to lose money; no one loses money. In my manager's amendment, they have the opportunity of taking existing amounts that they receive, or going to the 50-50 formula. So no one loses.

So we can stop that argument right away. No one loses. We do not lose any from poverty schools, we do not lose any from inner city, we do not lose any anywhere, unless for some reason or other we pass some kind of budget that reduces spending and then, of course, on these programs, then we would lose. Specifically, the amendment includes provisions which will enable each local educational agency to receive the higher of the funds they received in fiscal year 1999 or under the new formula. No one loses money. The additional funds to make up the difference come from the competitive grants from the State.

In addition, we have strengthened the accountability provisions, and I thank the gentleman from California (Mr. MILLER) for that. We did a good job initially, and his efforts have only made it even better.

Now, contrast that to what is happening today. Every grant that has gone out has no quality attached to it whatsoever. And, of course, the end result is one does not have to be certified or qualified, one just has to be breathing. I have not heard the President say that, but I suppose one does in order to qualify for one of these new jobs.

In ours, with the help of the gentleman from California (Mr. MILLER), all teachers are qualified by the year 2003. Again, I would say that we have to concentrate primarily on how do we provide a quality teacher in every classroom for every child throughout this country. That should be our number one goal, and when we complete this legislation, we will be on the right path to make sure that that happens, and do not keep arguing that we know it all here. I have been in both places. There is room for improvement in both places. But I will guarantee my colleagues, most of what I got when I was there did not make sense in relationship to the local district that I was trying to supervise.

Mr. Chairman, I reserve the balance of my time.

Mr. CLAY. Mr. Chairman, I yield myself such time as I may consume.

I support this Goodling amendment because it corrects some of the major flaws contained in the reported bill. But to fix the rest of this flawed bill we must vote to support the Martinez substitute.

Mr. Chairman, at this time I will insert my remarks in support of my position into the RECORD.

Mr. Chairman, I support this Goodling amendment because it corrects some of the major flaws contained in the reported bill, to fix the rest of this flawed bill, we must vote to support this Martinez substitute.

This amendment contains the Miller accountability provisions contained in the Martinez Democratic substitute. These provisions ensure there will be a qualified teacher in every classroom—and that the Congress receive comprehensive information about teacher quality and student achievement. The reported bill amounted to a black check to States to spend for teacher related purposes, with virtually no accountability.

The Miller amendment is designed to hold States and school districts accountable for Federal funds.

This amendment also makes some short term improvements in the targeting of funds to the poorest school districts. Currently, funds for class size reduction are distributed by formula, targeted at areas of greatest need. The reported bill slashed millions of dollars in funding to poor urban and rural areas in order to benefit wealthy suburbs. This amendment adopts a “hold harmless” to school districts for this year, so that no school district will lose funds next year. Unfortunately, this amendment does not target new funding to needy areas; The Martinez substitute continues targeting, and also makes substantial new investment for class size reduction and teacher training.

Finally, this amendment includes another Democratic amendment proposed by Representative KIND creating a new grant program for improving professional development for principals. This too is included in the Martinez substitute.

While I support the half measures contained in this amendment—to do the job right we must support the Martinez amendment later that not only includes all these provisions, but restores the Clinton Clay class size reduction program, and makes substantial new investments in teacher training.

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Chairman, I thank the gentleman from Missouri (Mr. CLAY), the ranking member, for yielding to me.

I rise today in support of the Goodling amendment. I think many of the provisions that are included in this amendment make a good bill even better. Many of the provisions that are in the manager's amendment were actually contained in the Martinez substitute during committee debate, one

that I was happy to support and I will support again today. I especially like those provisions that deal with the hold harmless with funding for the States, the public accountability which requires a report to the community and to the parents in regards to the progress of educational improvement contained in the bill, and the quality language that is now contained in the manager's mark, something that the gentleman from California (Mr. MILLER) has been striving and pushing for for many, many months during the course of the evolution of this bill.

I want to just take a moment to thank both the ranking member on the subcommittee, the gentleman from California (Mr. MARTINEZ) as well as the chairman of the subcommittee, the gentleman from California (Mr. McKEON), and the chairman of the full committee, the gentleman from Pennsylvania (Mr. GOODLING) for the full cooperation and the support that I have received in regards to a provision that I feel is incredibly important to the overall integrity of this bill. That is the recognition that not only should this legislation be striving to improve the quality of teacher training and the quality of teachers in the classroom, but also recognizes the particular importance that principals, administrators and superintendents have in improving the quality of education for our children.

We all recognize that it is tough for a football team to make it to the Super Bowl without a good quarterback—the same is true in the public school system. If we do not have quality principals, quality administrators or superintendents of the school districts who recognize the need for reform in the school district and can provide the crucial leadership, it is going to be very hard to get the teachers and the parents in the community to buy into the programs that are vitally necessary to make those changes.

That is why I have worked on drafting an amendment at the committee level that has now been accepted in the chair's amendment that recognizes the particular challenge that we face in regards to principals and administrators across the country.

The language that I have drafted is designed to specifically identify the needs of principals and administrators and superintendents as leaders in the education at schools, and recognize that these people as individual leaders of the school do not have a peer network, so professional development programs should create such networks. It also provides a competitive grant to the partnership to provide professional development to principals and other school administrators to enable them to be effective school leaders and prepare students to achieve challenging performance standards.

The partnerships are to be made of an institution of higher education

which provides professional development to principals and administrators, along with one or more school districts or schools, and any other entity, agency or organization such as the State Department of Education and professional associations.

Mr. Chairman, this came out of recognition and feedback that I received from people back in my congressional district in western Wisconsin. I have witnessed that some school districts go through 2 or 3 different interviewing rounds just to find a good, qualified principal for a vacancy, or a good, qualified superintendent. As I spoke to many of the superintendents and principals around the school districts, they felt the need for this amendment.

I want to again express my appreciation to the chair of the subcommittee and to the chair of the full committee as well as the leadership on the democratic side for the recognition of this provision contained in the bill.

Furthermore, Mr. Chairman, this bill addresses a very real and serious issue. As a member of the Education and Workforce Committee, I have been struck by the sincere concern expressed by education professionals and leaders nationwide regarding a pending crisis in the quality of education in America.

A common theme we heard during committee hearings is that the nation is on the verge of a serious shortage of teachers—a shortage already experienced in some areas—generally due to baby-boomer retirements. Further, many states have been hiring teachers on an emergency basis, so that while classrooms may have new instructors, the level of quality may differ dramatically school-to-school and district-to-district.

The Committee, Democrats and Republicans alike, have worked hard to address this problem by encouraging professional development and high standards in hiring, training, and retaining well-qualified teachers. Witnesses and studies testify to the fact that teachers are far more confident in the classroom when they receive good, ongoing professional development opportunities.

I must admit, I have not been enthusiastic about the Chairman's decision to split the Elementary and Secondary Education Act, or ESEA, into its component titles for separate votes on the House floor. I am encouraged, however, by the commitment Mr. McKEON has made to professional development through his work in drafting this title. Congress must be willing to support all aspects of education, including professional development, if we all are as serious as we say we are about the issue. The bill goes a long way to assist states and school districts to hire and train high quality teachers and administrators, with a focus on standards and achievement.

#### CLASS SIZE

I'm pleased to see that Mr. McKEON recognizes the success that class size reduction programs have had nationwide, and decided to include class size reduction as a priority in this bill. In my home state of Wisconsin, the Student Achievement Guarantee in Education program, or SAGE, has been very effective in improving scores for students in high-need

schools. The program focuses on class size reduction, but also incorporates challenging curriculum, extended hours, staff development, and professional accountability into its package. This targeted yet comprehensive approach works in Wisconsin, and will likely be expanded in scope in the coming years.

Wisconsin is not alone in working to reduce class size in order to improve student scores. In Tennessee, the STAR and Challenge projects have produced good data indicating a general educational advantage for students in smaller classes. Similar programs in North Carolina, Indiana, Texas, Nevada and Virginia, as well as initiatives either started or planned in at least 20 other states offer a great deal of optimism that a focus on reducing class size will help students, particularly those in areas of higher need, achieve greater performance goals and standards.

#### PRINCIPAL AND ADMINISTRATOR TRAINING

As part of the goal of comprehensive education reform, I found an element of traditional professional development to be particularly lacking and on which I have already spoken. While we all have come to recognize the need for better professional development opportunities for teachers in order to recruit them, retain them, and keep them effective in the classroom, we were overlooking key players in the school environment—the principal, the superintendent, and other administrators having an impact on the instruction of our children.

Principals and administrators take a vital leadership role in educating our children. I have been told time and again from teachers, administrators, school boards and parents, that if a principal or superintendent is not up to speed on current and successful educational trends, the local educational system will weaken. Likewise, a well prepared and highly trained principal or superintendent will engage and challenge his or her staff and inspire greatness throughout the school and the surrounding community.

But, like the teaching profession, there are not enough qualified principals and administrators in the field, and the situation will worsen as these folks retire in the coming years. A telling sign of danger is the fact that the average tenure for a district superintendent is now three years or less.

It is obvious to me that we need to address this issue now, in this bill, as part of a comprehensive approach to professional development and training for educational professionals, regardless of their position in the school. Mr. GOODLING's amendment does just that, through the creation of a competitive grant specifically designed to address the professional development of principals and other school administrators.

I submitted this section because while current law and the chairman's mark may allow states and local districts to consider principal and administrator training programs, neither actually identifies these educational leaders as having specialized, significant needs in order to maintain "building-wide" professionalism.

By addressing the special needs of these professionals, and providing a setting where principals and administrator—who have no direct peer-group surrounding them daily—can meet other professionals, learn together and from each other, and then go back to their



schools to work with their teachers and other staff to provide quality educational services.

#### CONCLUSION

Mr. Chairman, the underlying bill does go a long way in helping our schools attract and retain quality teachers, principals and administrators. This amendment takes the measure a big step further by focusing on quality and accountability. I support this amendment and the bill, and am glad to see that Congress can help our schools strengthen their educational systems by hiring and maintaining the highest-quality instructional force possible.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. GEORGE MILLER) who has been very helpful in trying to get us answers to the question: what have the taxpayers, what have the children got for the money we have spent.

Mr. GEORGE MILLER of California. Mr. Chairman, I am still waiting on the answer.

Mr. Chairman, every Member of the House ought to support the Goodling amendment, because it does, in fact, dramatically strengthen the legislation that we had in committee. It does provide for increases in accountability and improvements in teacher quality items within the legislation. I think it is a very important amendment, because it embodies what all of us have been saying on both sides of the aisle, that questions of simple class size are not enough; that it is not enough that students spend either more hours with or there is fewer students with an unqualified teacher. What we must put in the front of the classroom are qualified teachers.

This legislation with the Goodling amendments, for the first time, demands that local school districts put qualified teachers into the classroom. It demands, for the first time, that we hold school districts accountable, which is the basic purpose of this legislation, and EFCA and that is, in fact, that we close the gap between rich and poor, between minority and majority in this country, and that we hold districts accountable for doing that.

Up until the time that this amendment is offered and up until the time that this legislation is passed, we have put \$120 billion into this program. As the gentleman from Pennsylvania (Mr. GOODLING) has reminded us time and time again, that money has been sent out, and we never asked, we never asked that the teachers in the classroom be qualified. We said one of the purposes was to close the gap between majority and minority students, but nobody was ever held accountable for it.

What we now know and what we have witnessed now over many, many years is that poor and the minorities continue to be held back in this educational system because they do not have qualified teachers and the majority races ahead. We also know from years of research and understanding of

how children learn that all of those poor children and all of those minority children can, in fact, learn at the same rate and with the same degree as children in suburban schools, middle class schools, or upper income schools if we do two things.

If we reduce class sizes, and we put well-qualified teachers and a first class curriculum in front of those children, they will learn and they will learn at the same rate. We need not accept those losses.

The Goodling amendment is the first step to doing this, and every Member of this House ought to support this amendment. I will be supporting the Martinez substitute because of the targeting provisions, but we will talk about that later.

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentlewoman from California (Ms. SANCHEZ).

Ms. SANCHEZ. Mr. Chairman, I rise today in opposition to H.R. 1995, the Teacher Empowerment Act, because even though it is titled that, it is really not a bill for teachers and it is not a good bill for students and it is not a good bill for our schools. The bill cuts the class size reduction program. This House voted for class size reduction last year; we supported it from both sides of the aisle and we funded it. And we made a promise to our schools, to our children, to our parents, to our communities that we would make sure that they had small classes where they could learn. If we pass this bill, we will take back that promise.

Now, some have mentioned, my good chairman of the committee, the California experience. Well, I have a California experience. It is called Orange County, California where I represent. After having gone to over 90 different schools, the reality is that the one comment I get most often from teachers in the first or second or third grade where we have reduced class size is what a difference this class size is making.

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Their children are learning, and we begin to see it now in the scores as they begin to appear in California. We need to continue our class size reduction, and we should allow it to go nationwide.

The PTA does not like the Republicans' bill, our national teacher organizations do not like the bill, the school boards do not like the Republican bill, Governors do not even like this bill. About the only people who do like the bill are the Republicans.

We do have a choice. We can vote for the Democratic bill. Our version supports class size reduction and professional development, so that we make sure that we have smaller classes and qualified professionals in the classroom. Our version lets States and school districts decide how to spend

classes and teacher training money. It puts the funding in the hands of the people who know what local schools need.

Mr. Chairman, I urge my colleagues to reject H.R. 1995 without the Democratic substitute.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. EHLERS), an important member of the committee.

Mr. EHLERS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I would like to engage in a colloquy with the gentleman from California (Mr. McKEON) and the gentleman from New Jersey (Mr. HOLT).

I would say to the gentleman from California, it is my understanding that the en bloc amendment being offered today makes modifications to the committee-reported bill in which local educational agencies would have been required to expend the same amount of funds on math and science as they were required to spend under the consolidated Eisenhower Special Development Program.

Under the Eisenhower program, localities had to spend their portion of the first \$250 million of funds appropriated under this program for math and science. I understand the gentleman's amendment increases this amount.

Mr. McKEON. Mr. Chairman, will the gentleman yield?

Mr. EHLERS. I yield to the gentleman from California.

Mr. McKEON. Mr. Chairman, that is correct. I would like to thank the gentleman from Michigan (Mr. EHLERS), who was placed on this committee by the last Speaker and the current Speaker by special assignment because of his background in the area of science, that he would really do all he could to see that we improved education in math and science, and he has done a great job to that end. I want to commend him for that at this time.

In response to concerns raised by both the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from New Jersey (Mr. HOLT), who has worked with the gentleman to this end, a Member from the other side, a provision was added to the en bloc amendment to ensure that local schools will continue to expend the same amount of funds as they actually spent on math and science, as opposed to what they were required to spend under the Eisenhower program.

It was understood, based on initial information from the Department of Education, that this amount of funds represents roughly \$300 to \$335 million appropriated for this program. However, the flexibility under the committee-reported version of TEA, Teacher Empowerment Act, has been maintained, providing local educational agencies the ability to seek a waiver from their State if they are able to



demonstrate that their math and science needs are being met.

Mr. HOLT. Mr. Chairman, will the gentleman yield?

Mr. EHLERS. I yield to the gentleman from New Jersey.

Mr. HOLT. I thank my colleagues from Michigan and California, and recognizing the difficulty that we have had in obtaining good data that the local educational agencies are in fact spending the \$300 million that we had understood is being spent, we want to make sure that this legislation results in maintaining an approximate level of effort equal to that understood level.

Mr. Chairman, of all the important jobs in our society, nothing makes more of an impact on our children than a well-trained, caring and dedicated teacher. No job ultimately is more important to our society.

Teachers across our Nation are doing an outstanding job. As I travel around my central New Jersey district, I have met with hundreds of teachers who are working hard every day to prepare students to succeed in this "new" economy and it is not often easy.

I am proud that this Congress has come together in a bipartisan way to produce a bill which provides new opportunities and resources both for training teachers who are already in the classroom and to hire new teachers for our growing schools.

This is a strong bipartisan bill that will improve teacher quality and reduce class sizes across the country.

Across the nation, schools will have to hire more than 2 million new teachers over the next ten years simply to keep up with the retirement and departures of existing teachers. We must in addition hire additional teachers to reduce class sizes, especially in the early years. We have learned that class-size reduction, especially in the early years, is a significant factor for increased student achievement.

The Teacher Empowerment Act gives schools the flexibility to both improve teacher quality and reduce class-size.

My district in central New Jersey is undergoing unprecedented growth. Young families are moving into new houses, and school principals get phone calls daily from parents who are moving into the area.

In Montgomery Township, in 1990 their school enrollment was about 1,500 students. When they open for classes in September, Montgomery will have to provide seats for 3,500 students. This is an increase of 134% in 10 years. And enrollment is expected to rise another 1,500 students over the next five years.

As these areas construct new schools, they need to hire qualified new teachers. The Teacher Empowerment Act provides resources to help these growing school districts hire new teachers.

In addition, most of these 2 million new teachers to be hired in the next decade will have to teach math and science. All elementary school teachers teach math and science and often do not feel prepared to do so.

Math and science are classes which serve as gateways for our children to the opportunities of tomorrow. Yet schools are finding difficulty finding enough qualified teachers in these critical subjects.

I am pleased that we were able to work together to strengthen teacher training for math and science. This bill maintains funding that was provided under the Eisenhower Professional Development Program for math and science teacher training. It also says that if school districts want to use the math and science money for other uses, they must ensure that the training needs of all of their math and science teachers, including elementary school teachers, are met.

The Teacher Empowerment Act continues the priority previous Congresses have established to support teachers in the critical fields of math and science.

Teachers often perform miracles in the classrooms which too many of us take for granted. This bill provides the support and the smaller classes these teachers need to help our children perform miracles.

Mr. McKEON. If the gentleman will continue to yield, Mr. Chairman, information recently provided to us by the Department of Education indicates that their incomplete records show the total amount actually expended by local school districts on math and science is less than \$300 million.

Mr. EHLERS. In light of this information, Mr. Chairman, would the gentleman from California agree to explore ways in which to ensure that local districts maintain a strong focus on the needs of math and science programs, and continue to expend the approximately \$300 million they were reported to have expended on these programs last year?

Mr. McKEON. Mr. Chairman, if the gentleman will continue to yield, yes, I would be pleased to work with both gentlemen on this as this legislation moves forward.

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, H.R. 1995 is a step forward, though far from perfect. We have come a long way since 1994, when colleagues here in the majority sought to eliminate the Department of Education and to seriously cut back on very important education programs, including such programs that were successful, like Head Start.

We have come a long way even since the beginning of the discussions and debates on this particular piece of legislation. Everybody agrees, Mr. Chairman, that we should be improving education for all children, whether they are wealthy or not, minority as well as nonminority children. Many of us have long complained for flexibility, but not flexibility that would leave out the aspect of accountability. Instead, we have insisted on just that, accountability.

The amendment of the gentleman from Pennsylvania (Mr. GOODLING) in fact puts that back in, an accounting of the performance and the results

showing that the Federal money expended results in student achievement across the board for minority and non-minority, for rich as well as for poor.

The Congress in Ed-Flex failed to add that suitable accountability. In this bill we have achieved that, and we have included the provisions that are necessary for professional development. We are going to have a requirement that there would be a plan to ensure that all teachers within the State are fully qualified no later than December 31 of 2003. For the first time we have that in education language; that the use of the funds must improve student academic achievement, must close those achievement gaps, must use disaggregated material.

In other words, we must see that every group of children succeed, poor as well as rich, minority as well as nonminority, and we must have reports on that data.

Mr. Chairman, this is important progress, and of course we would prefer the Martinez bill because it has a separate stream of funding. But here there is accountability even without the separate stream of funding. In order to show the kind of progress that is necessary, we believe that the smaller class sizes are necessary, and that money is going to have to go to that end in order to reach accountability aspects and get the kind of improvement in achievement that is necessary.

We would like to see it tighter, but this is a significant move, and we congratulate the gentleman from Pennsylvania (Mr. GOODLING) for moving this in that direction.

We have in this bill professional development. We have a way to help teachers, not punish them or threaten them, but to help them and give them the support in their development. We have more teachers here, and it is going to be up to the appropriators to make sure a significant amount of funds are available so we can do the hiring of all the necessary teachers to decrease the size of classes, particularly in grades 1 through 3, as well as get the professional development there.

But first and foremost, Mr. Chairman, we have in this bill the accountability that is going to trigger and lead to smaller classroom sizes and good professional development. That is the way we are going to get better education for all children in this country.

I thank the gentleman from Pennsylvania (Mr. GOODLING) and the other members of the committee for their hard work on this bill.

Mr. GOODLING. Mr. Chairman, I yield 1½ minutes to the gentleman from Colorado (Mr. HEFLEY).

Mr. HEFLEY. Mr. Chairman, as Members know, I have been very interested in the Troops to Teachers program. I appreciate the chairman including that in the bill.

I would like to carry on a colloquy with my colleague, the gentleman from

California (Mr. McKEON). It is my understanding that language has been included as part of the Teacher Empowerment Act which will provide for the continuation of the Troops to Teachers program.

As Members know, I have been a supporter of this program, which was originally established to provide certain military personnel affected by the military drawdown with the opportunity to pursue a new career in public education.

Evaluations of this program have highlighted the quality of teachers provided through the program, the satisfaction of schools hiring these teachers, and the above average retention rates of these new teachers.

Mr. Chairman, I stand today to offer my support for H.R. 1995, the Teacher Empowerment Act. In particular, I am very pleased that the bill calls for the reauthorization of the Troops to Teachers program. My thanks for allowing the Troops to Teachers program to be included in this bill.

The Troops to Teachers program was created in 1994 to assist military personnel who were affected by military downsizing find second careers in which they could utilize their knowledge, professional skills and expertise in our nation's schools. The program offers counseling and assistance to help participants identify teacher certification programs and employment opportunities. As we all know, our schools and students are in desperate need of more high-quality teachers. The Troops to Teachers program helps provide those teachers.

Since its authorization, Troops to Teachers has helped over 3,000 active duty soldiers enter our nation's classrooms and make significant contributions to the lives of our students. These military personnel-turned-teachers have established a solid reputation as educators who bring unique real-world experiences to the classroom. They are dedicated, mature, and experienced individuals who have proven to be effective teachers, as well as excellent role models.

They are also helping fill a void felt in many public school districts. Over three-quarters of the Troops to Teachers participants are male, compared with about 25 percent in the overall public school system, and over 30 percent of these teachers belong to a minority racial ethnic group. In addition, a large portion of these teachers are trained in math, science, and engineering, and about half elect to teach in inner city or rural schools. Overall, the retention of these teachers is much higher than the national average.

Not surprisingly, Troops to Teachers is winning glowing reviews from educational administrators, teachers and legislators. Education Secretary Richard Riley praised the program as a new model for recruiting high quality teachers. School principals and superintendents who have employed Troops to Teachers participants are overwhelmingly supportive of the program.

The authorization of this successful program is set to expire at the end of this year. However, the passage of the Teacher Empowerment Act will ensure that this successful pro-

gram continues. I hope my House colleagues will join me in preserving this education success story by supporting the Teacher Empowerment Act.

Mr. McKEON. Mr. Chairman, will the gentleman yield?

Mr. HEFLEY. I yield to the gentleman from California.

Mr. McKEON. Mr. Chairman, that is correct. Under TEA, the Secretary of Education is authorized to use a portion of funds reserved at the national level to continue the Troops to Teachers program, which was originally established under the Department of Defense in January, 1994, as part of the Defense Authorization Act for fiscal year 1993 as a result of the gentleman's efforts.

Mr. HEFLEY. We have been working on this also through the Defense Department and the defense bill. It is my understanding that the language under TEA is consistent with language currently being considered as part of the fiscal year 2000 defense authorization bill. I would ask the gentleman, is that correct?

Mr. McKEON. Mr. Chairman, if the gentleman will continue to yield, that is also correct. The defense authorization bill includes language which, in addition to making minor changes to the current program, will continue the Troops to Teachers within the Department of Defense during the fiscal year 2000 while providing for the orderly transition of this program to the Department of Education beginning in fiscal year 2001.

The provisions under TEA reference back to the modifications of the program made under the defense bill, and will ensure that this program continues as part of the TEA program, beginning in fiscal year 2001.

I commend the gentleman from Colorado for his efforts in this area. He serves as its subcommittee chairman on the Committee on Armed Services, and has done an outstanding job in this area. I look forward to working with him as we move forward under this important program.

Mr. CLAY. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, I thank the gentleman for yielding me the time.

I am pleased to see the Goodling amendment because it does in fact correct some of the flaws in this bill, but not enough. Therefore, I remain in opposition to the Teacher Empowerment Act and in support of the Martinez substitute.

We need to change our attitudes towards educating children, because children are indeed the future of this Nation. This bill kills the efforts to provide qualified teachers to classrooms, and gives it to States to do whatever they choose. Even a State like mine, where the funding for districts is un-

even, there are districts in my State that receive less than one-third of what other districts receive for local funding. Therefore, I am afraid to trust them with these additional resources.

Reducing class size is probably the most effective thing we could ever do to provide a high quality education for all of our children, no matter where they are.

So, Mr. Chairman, while the Goodling amendment in and of itself does move us in the direction, I remain committed to the Martinez substitute, and urge that we vote for the Martinez substitute to this bill.

Mr. Chairman, I remain in opposition to the Teacher Empowerment Act and in support of the Martinez substitute. We must change our attitude towards educating our children. Over 95 percent of our Nation's children go to public schools. These children are our future Doctors, Lawyers, Senators and Presidents.

This bill kills the effort to provide qualified teachers to our children's classrooms and gives it to the states to do what ever they choose. Qualified teachers are far more effective in smaller classes than in larger ones. One of the bill's most serious defects is that it undermines the federal commitment to helping local communities reduce class size to 18 students by failing to ensure a separate, dedicated stream of funding, targeted to high-poverty communities.

Unlike the other side I understand the need for reduced class sizes. This is probably the most important thing that you have in the classroom. Having a teacher that is eager to teach, one that is eager to help students, one that makes you feel at ease is needed in order to make that light bulb go on and for a student to say, I want to learn.

The Martinez substitute gives back to the students their best opportunity to learn, therefore, I urge all Members to support of this substitute.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. McKEON), the subcommittee chair who has worked so hard to put this legislation together.

Mr. McKEON. Mr. Chairman, I appreciate the gentleman yielding time to me.

Mr. Chairman, this has been an interesting process. We started this as a purely bipartisan bill. The gentleman from California (Mr. Martinez) and I and members of the subcommittee held hearings. We really tried to learn what was really important.

We went out to schools. We heard from experts on the subject. They said it was very important to have class size reduction, but it is also very important to have qualified teachers. So what we have tried to do with this bill is establish a balance.

We were accused by some on the other side of making deals. I have to admit that we did. Whenever we found somebody on the other side that had something that made the bill better, we accepted it. I think that is what bipartisanship is. We cannot have it both

ways. We cannot be accused of making deals, and that is a bad thing, and then at the same time if we do not make deals, we are partisan.

I think what we have done is something that we do not always have the opportunity of doing here. Once in a while we have the opportunity of doing what is right, and I think in this bill we have done what is right. Please support this bill, H.R. 1995.

Mr. KILDEE. Mr. Chairman, Chairmen GOODLING and MCKEON have made several improvements in this legislation that have addressed a number of concerns. Unfortunately, I will not be able to cast my vote for it today and instead will support the substitute being offered by my colleague from California, Mr. MARTINEZ, for several reasons.

First, despite the likely passage of Chairman GOODLING's managers amendment, which includes a school district holdharmless for fiscal year 1999, the bill will not target future funding to disadvantaged school districts. Some of the most pressing needs of disadvantaged areas in the areas of teacher quality, recruitment and retention are not reflected by the funding formula in this legislation.

Without distributing the resources provided by this legislation to the areas of most need, we are ignoring the true problems in our existing teacher training systems.

The lack of any direction in this legislation to continue the development of State standards and assessments is also a critical shortcoming. Since this program is intended to be the successor to Goals 2000, it should allow States to continue its mission to improve and reform State accountability systems.

In fact, a November 1998 GAO report on the Goals 2000 Program documented that its focus and direction on systemic reform has produced positive returns on its Federal investments and is widely supported by many of the local level.

Lastly, this bill does not recognize the need to identify class-size reduction as a national priority in our educational system.

Instead of authorizing the program we created in last year's appropriation's process, this bill removes the separate stream of funding for class-size reduction and makes it one of several strategies to be employed by school districts. Speaking from experience in my congressional district, both class size reduction in the early grades and a focus on teacher quality were necessary to improve student achievement in Flint, Michigan. This was accomplished with coordinated, but separate funding focuses on both class size and quality aspects.

The Federal legislation which we pass should reflect this winning combination.

Mr. Chairman, I urge opposition to the bill.

Mr. CLAY. Mr. Chairman, I yield the balance of my time to the gentleman from New Jersey (Mr. PAYNE).

The CHAIRMAN. The gentleman from New Jersey (Mr. PAYNE) is recognized for 4½ minutes.

Mr. PAYNE. Mr. Chairman, I, too, rise in support of the Goodling amendment. The Goodling amendment, which was the Democratic substitute in committee, which was not allowed to go

through, but I am pleased at the wisdom of the gentleman from Pennsylvania (Mr. GOODLING) to revise this, so for that reason I do support the Goodling amendment.

Having said that, the Republican Teacher Empowerment Act of 1995 is simply another Republican attempt to pull the wool over America's eyes by giving a grossly inadequate piece of legislation a very deceiving title, as we have seen in many of the labor laws, such as the FAIR Act, the Act to have in working laws more time for people to have off, but it ends up with doing away with overtime.

□ 1515

So we have seen these wonderful titles to bills, but what this act really does is that the Republican Teacher Empowerment Act threatens the future of the Clinton-Clay classroom reduction program by allowing funds to be diverted to other uses, even without even having to address the shameful overcrowding in classrooms.

I recall several books written by Jonathan Kocar, a person who talked about the inadequacy of education. He talked in one book of savage inequalities. In a second book called *Children in Trouble: A National Tragedy*, Jonathan Kocar talked about the inequity in funding and talked about the oversized classes in rural and urban areas and talked about the fact that property tax is the base for most education.

So, of course, if one is fortunate enough to be affluent, to live in an affluent city, to live in an affluent community, much more money goes towards education; but if one happens to live in a poor city that has no economic base, a city where industry has moved out, a city where it is difficult to attract in new businesses, then the young people in those communities lack an adequate education.

So the Federal Government has stepped in from time to time and said, let us make up for these inequities. As a result, we have large class sizes in urban areas because there is not the economic base to have equal class size and President Clinton said that each classroom, from kindergarten to grade 3, should have no more than 18 students in its classroom.

Well, this bill prevents the President Clinton-Clay class reduction program from going in, and I think it is wrong. H.R. 1995, if it passes, has targeted funding and districts that need most of the money will not get it. This includes not only urban districts but rural districts. This also fails to provide separate funding for professional school development, including school counselors, an amendment that I had introduced but failed to get through committee to have school counselors in elementary schools, where we need to start with counseling.

It eliminates funding that the States and local districts use for standard-

based reforms. This fails to provide a separate stream of money for funding the class size reductions. I think that the Martinez substitute is the only way to go. It preserves funding to reduce class size, and it does not convert this funding into a block grant. As we have seen in previous funding and school flexibility acts, we have seen Title I practically eliminated where it does not matter the poverty of children, as Title I, which first started with an 80/20 match has now been eliminated down to 50/50.

Until now, Title I eligibility is not even a factor in many instances. The substitute of Martinez also adds \$1 billion more to H.R. 1995 for teacher recruitment and training and adds \$500 million more for training special education teachers. The substitute guarantees that no school will receive less than their current funding.

I think that when we come to vote, although as I have indicated the provision dealing with the Goodling amendment is positive, I believe that we should strongly support the Martinez substitute. I think that we should vote against 1995.

Mr. GOODLING. Mr. Chairman, may I inquire as to the time remaining?

The CHAIRMAN. The gentleman from Pennsylvania (Mr. GOODLING) has 5 minutes remaining. The time of the gentleman from Missouri (Mr. CLAY) has expired.

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me close the debate on what I consider to be probably the most important legislation that will come before the Congress perhaps this year. Let me make a couple of observations before I do that.

First of all, Title I and the Education Flexibility Act are not married in any way, shape, or form. The Flexibility Act had nothing to do with Title I, so I do not know what we just heard was all about; but there was nothing in the Flexibility Act that deals with Title I or hurts Title I in any way.

Secondly, let us make sure everybody understands, we do not undercut class size reduction. This is not a Democrat or a Republican initiative. Everybody, if they can do it, would like to get class-size down to where the researchers say it shows any improvement, and that is at 15 students per classroom or below. So we can talk about 19, we can talk about 18, we can talk about 17.

The research says if we cannot get down to 15, we are probably not going to do very much; but even if we get down to 15 students and we do not have a quality teacher in the classroom, we have destroyed the opportunity for every child to learn.

Now, the important thing, I think, about this manager's amendment is we are trying to make sure that every teacher out there at the present time is

also qualified, properly qualified, to teach. We end the short-term, one-shot workshops. I wish this would have happened years ago. Then I would not have to have heard from my mate with 43 years of teaching experience "they took me out of that classroom today, away from my children, for some nonsense."

Well, we eliminate that. We say none of this one-shot business, none of this pseudo-improvement of teachers. There has to be a quality program. We insist on intensive, proven programs.

Then we go beyond that. We empower the teachers, the parents, and the principals to develop these programs. Who would know better than those three groups as to what constitutes a good program to improve the teachers' ability to teach in that classroom?

It is the parents, the teachers, and the principals who develop these programs.

Now, another beauty of the program is that if the local school district cannot provide a quality program of teacher improvement, the teachers can participate in a proven professional development program of their choice.

Then finally, we do something, as we heard the gentleman from California (Mr. GEORGE MILLER) say we should have done back in 1965.

Finally, we say, it has to be shown that teachers have improved in relationship to quality, and it has to be proven that all of the students, all of the students, no matter who they are, where they are, all of them have to improve in their academic skills. What more could we provide to local districts, to parents, to children, to administrators, than the opportunity to get a quality teacher in every classroom?

Let me again emphasize, I do not care whether we authorize 200,000; 600,000; 800,000 teachers. Unless we can find a way to get a quality teacher in that classroom, we are just destroying any hope of particularly disadvantaged students ever improving their academic skills. It is in those areas with large numbers of disadvantaged students where, more often than not, quality teachers are missing; and it is in those areas where that reduction comes first. They already do not have quality teachers, and now we are going to add to that problem by increasing the numbers of unqualified teachers in the classroom.

Let us take a dual approach. Let us reduce class size; but while we are doing it, let us make very, very sure that those children are going to have the benefit of a quality teacher in that classroom. I do not know how anyone can argue against a quality teacher in the classroom. I ask everyone to support this very important manager's amendment.

Mr. Chairman, I include the following:

COMMITTEE ON ARMED SERVICES,  
Washington, DC, July 14, 1999.

Hon. WILLIAM F. GOODLING,  
Chairman, Committee on Education and the Workforce, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I understand that on Wednesday, June 30, 1999, the Committee on Education and the Workforce ordered favorably reported H.R. 1995, the Teacher Empowerment Act, which was referred to the Committee on Education and the Workforce and, in addition, the Committee on Armed Services. I further understand that those provisions which would modify the "Troops to Teachers Program" which is also within the jurisdiction of the Committee on Armed Services were retained in the version of the bill ordered to be reported.

Recognizing your Committee's desire to bring this legislation before the House expeditiously, I will not seek additional time for referral of the bill. By agreeing not to seek additional referral time, the Committee on Armed Services does not waive its jurisdictional interest in H.R. 1995 or any related legislation, nor should my decision not to mark up H.R. 1995 be construed in any manner that would negatively impact on the jurisdiction of the Committee on Armed Services. Furthermore, I would appreciate your support for my efforts to seek appropriate representation for the Committee on Armed Services on any conference with the Senate that may be convened on this legislation.

Thank you again for your attention to our jurisdictional interests in H.R. 1995. I would appreciate your acknowledgment of this letter and request that our exchange of letters be inserted into the Congressional Record during floor consideration of H.R. 1995.

Sincerely,

FLOYD D. SPENCE,  
Chairman.

COMMITTEE ON EDUCATION AND  
THE WORKFORCE,  
Washington, DC, July 14, 1999.

Hon. FLOYD SPENCE,  
Chairman, Committee on Armed Services,  
House of Representatives, Washington, DC.

DEAR CHAIRMAN SPENCE: Thank you for your letter regarding H.R. 1995, the Teacher Empowerment Act, which was ordered favorably reported by the Committee on Education and the Workforce on Wednesday, June 30, 1999. As you have correctly noted, the bill includes provisions that are in the jurisdiction of the Committee on Armed Services and the Committee on Education and the Workforce, specifically those that would create a new Section 2041(b), the "Troops to Teachers Program".

I thank you for your willingness to facilitate expediting consideration of H.R. 1995 and to forego a markup by the Committee on Armed Services on this bill. I agree that this procedural route should not be construed to prejudice the Committee on Armed Services' jurisdictional interest and prerogatives on this bill or any other similar legislation and will not be considered as precedent for consideration of matters of jurisdictional interest to your Committee in the future.

I very sincerely appreciate and thank you for working with me regarding this matter. Your letter and this response will be included in the Congressional Record during floor consideration of H.R. 1995.

Sincerely,

BILL GOODLING,  
Chairman.

Mrs. ROUKEMA. Mr. Chairman, I associate myself with the remarks of the chairman in strong support of the bill.

Mr. Chairman. I rise in strong support of the Teacher Empowerment Act.

PREVIOUS EXPERIENCE AS A TEACHER

As a former teacher and school board member in my home community, I have always been active in the local school system. I believe that our schools are best prepared to meet the educational needs of our youth when decisions about the needs of our children are made by the local community.

LOCAL CONTROL

I am proud to stand as a cosponsor of this legislation, because I stand by the principle that establishing priorities and setting decisions about our children's education are best made at the local level by local educators—not by bureaucrats in Washington, DC.

STATE LEVEL

Under the TEA bill, money that States receive 95% goes directly to schools.

STATES MUST SPEND MONEY ON HIRING TEACHERS TO  
REDUCE CLASS SIZE

A portion of each grant received by the district must be spent on hiring teachers; however, TEA gives the option of waiving this requirement if using this would result in relying on under-qualified teachers, inadequate classroom space of any negative consequences which would have a negative impact on student achievement.

Yes, we give priority to more teachers and reducing class size but gives the local community the right to set priorities based on their assessment of community needs.

Currently, too many States are relying heavily on uncertified and unqualified teachers in order to reduce class size.

Without, this bill's common-sense flexibility, this problem will only be exacerbated.

Being a former teacher myself, I have firsthand knowledge that a well qualified teacher can have a significant impact on the lives of his/her students; an impression which can have a favorable impact on the rest of their lives.

ACCOUNTABILITY

STATE LEVEL

In order to receive this money a State must identify performance indicators and goals the State will use to hold local districts and schools accountable for the use of these funds.

LOCAL LEVEL

TEA requires that local school districts to establish local performance standards related to the State goals to increase student achievement and increase the content knowledge of teachers.

PRESIDENT'S PROPOSAL LACKS ANY ACCOUNTABILITY

The President's current "100,000 New Teachers Program" lacks any accountability that schools reducing their class size must prove that the reduction is actually improving student achievement.

After all, aren't we all trying to improve student achievement?

The Tea bill accomplishes this with its accountability provisions.

SECRETARY'S ACTIVITIES

A small portion of these funds would be reserved for the Secretary to carry out grants to the National Writing Project, Teacher Excellence Academies, the Troops-to-Teachers program; and the Math and Science Clearinghouse.

These are effective programs that provide great returns on the investment.

My home state of New Jersey is a leading state in alternative teacher certification, so I am pleased that the Secretary may continue to fund Teacher Excellence Academies.

#### CONCLUSION

This legislation gives authority over decisions concerning our children's education to teachers, parents, and local communities—where these decisions belong!

The Teacher Empowerment Act will prove to be a valuable tool enabling states and localities to empower students to be the best that they can be.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GOODLING).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. GOODLING. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 253, further proceedings on the amendment offered by the gentleman from Pennsylvania (Mr. GOODLING) will be postponed.

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in the House report 106-240.

#### AMENDMENT NO. 2 OFFERED BY MR. LAZIO

Mr. LAZIO. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. LAZIO:

Page 10, strike lines 17 and 18 and insert the following:

“(A) include support during the initial teaching experience, such as mentoring programs that—

“(i) provide mentoring to beginning teachers from veteran teachers with expertise in the same subject matter that the beginning teachers will be teaching; and

“(ii) provide mentors time for activities such as coaching, observing, and assisting the teachers who are mentored; and

“(iii) use standards or assessments for guiding beginning teachers that are consistent with the State's student performance standards and with the requirements for professional development activities under section 2033.”.

Page 12, after line 4, insert the following (and redesignate any subsequent provisions accordingly):

“(e) COMPONENTS OF ALTERNATIVE ROUTES TO STATE CERTIFICATION PROGRAMS.—To the extent appropriate, programs under subsection (d)(2)(B) shall—

“(1) include strong academic and teaching-related course work that provides teachers with the subject matter and teaching knowledge needed to help students reach the States content standards;

“(2) provide intensive field experience in the form of an internship, or student teaching, under the direct daily supervision of an expert, veteran teacher; and

“(3) provide that, before entry into teaching, candidates must be fully qualified.”.

Page 37, after line 15, insert the following:

“(2) BEGINNING TEACHER.—The term “beginning teacher” means an educator in a

public school who has not yet been teaching 3 full school years.”.

Page 37, line 16, strike “(2)” and insert “(3)”.

Page 38, after line 4, insert the following (and redesignate any subsequent provisions accordingly):

“(4) MENTORING PROGRAM.—The term “mentoring program” means to provide professional support and development, instruction, and guidance to beginning teachers, but does not include a teacher or individual who begins to work in a supervisory position.”.

The CHAIRMAN. Pursuant to House Resolution 253, the gentleman from New York (Mr. LAZIO), and a Member opposed each will control 5 minutes.

Mr. CLAY. Mr. Chairman, although I am not opposed to the amendment, I ask unanimous consent to control the time in opposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. LAZIO).

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today in support of the Teacher Empowerment Act, and I want to begin by complimenting the committee and particularly the chairman on his leadership in pushing forward an educational agenda that strives for improving teacher quality, sends dollars directly to the classroom, and encourages parental involvement.

As the father of two little ones that are just beginning their careers in school, I want to say that I am personally indebted to the chairman for his work here.

I want to thank the cosponsors of this amendment, the gentleman from Tennessee (Mr. DUNCAN) and the gentlewoman from New Mexico (Mrs. WILSON) for their work on this amendment. The gentlewoman from New Mexico (Mrs. WILSON) in particular is establishing herself as a leader in education and has a true passion for issues affecting children.

Mr. Chairman, the recruitment and retention of good teachers is paramount to improving our national education system. Like doctors in their medical residency and lawyers as associates, teachers supported by senior colleagues are provided with skills that will improve over time, and they will achieve a proficiency that will come more quickly. Hence, they are more likely to remain in the profession because of their success.

A voluntary mentor program was in place in my home State of New York from 1987 to 1992 and again from 1997 to 1998. This program provided assistance for beginning teachers by assigning them to a veteran teacher, other than their supervisor, to provide guidance. This program's success has led to many school districts to seek funding from other sources to continue the program.

Mr. Chairman, this amendment strengthens the bill outlining the essential components of mentoring programs that will improve the experience of new teachers and cut down on the high turnover currently seen among beginning teachers. My amendment also ensures program quality and accountability by requiring that teachers mentor their peers who teach the same subject in compliance with State standards.

A second concern addressed by my amendment is teacher recruitment. Many talented professionals demonstrate a high level of subject area competence outside the education profession and wish to become teachers. Unfortunately, they are discouraged from entering the teaching profession because they have not fulfilled the traditional education certification requirements. Many teachers and leading academic analysts believe that this needs to change.

States should be provided with incentives and given maximum flexibility to create alternative teacher certification and licensure programs to recruit well-educated and talented people into teaching our children. This amendment gives the States this flexibility.

Alternative certification will increase the supply of skilled teachers by allowing recruiting from outside the traditional process. The amendment also improves the quality of our teachers by ensuring that individuals who participate in alternative certification programs are fully knowledgeable in their subject matter and meet State standards.

Again, I want to urge my colleagues to support the Lazio-Wilson-Duncan amendment.

Mr. CLAY. Mr. Chairman, I reserve the balance of my time.

Mr. LAZIO. Mr. Chairman, I yield 1½ minutes to the gentleman from the great State of Tennessee (Mr. DUNCAN), and compliment him for his great work.

□ 1530

Mr. DUNCAN. Mr. Chairman, I thank the gentleman from New York for yielding me this time. I certainly rise in strong support of this amendment, and I thank the gentleman from New York (Mr. LAZIO) and the gentlewoman from New Mexico (Mrs. WILSON) for their support.

As I said during general debate, it makes no sense whatsoever to tell a person like an Alan Greenspan or a Howard Baker or some Ph.D. scientist or somebody who had achieved great success in some field that they could not teach in one of our schools if they were willing to do so at the culmination of their career just because they had not taken education courses.

It makes no sense to tell a college professor who, maybe, had taught in some college for 20 years, because he

wanted to move to a different area or because a small college had gone under that he could not teach in a public school because he had not had education courses when he had such great experience.

An article a few days ago in the Washington Post had the headline, quote, Effectiveness of Teacher Certification Question. It said that a new study has shown that, contrary to conventional wisdom, the words it used, students do just as well in science under teachers with emergency or temporary certificates. The study found that students score significantly higher in math if taught by someone with a degree in math rather than one who specialized in education.

Mr. CLAY. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN. Mr. Chairman, I thank the gentleman from Missouri for yielding me this time.

There was another article in the paper a few days ago that said Orange County, Virginia was having a hard time filling 12 teaching openings. Less than 7 weeks away from the opening of schools, they have not yet hired all the teachers they will need. David Baker, the Orange County Assistant Superintendent of Schools, noted that the problem was not a lack of applicants. He has received more resumes and applications than ever before. The problem is that over one-half of the applicants do not have teaching certificates. This is a nationwide problem, and one that is going to grow worse as more and more teachers retire in the next 7 or 8 years.

Local school boards, Mr. Chairman, should be allowed to consider a degree in education as a plus or a positive factor in hiring teachers. But they should not be prohibited by some Federal mandate or State mandate from hiring people who have great knowledge, experience, and success in a field just because they have not taken a few education courses.

Let us put the best teachers we possibly can in our classrooms, and let us pass this bill.

Mr. CLAY. Mr. Chairman, I yield 2½ minutes to the gentlewoman from New Mexico (Mrs. WILSON).

Mrs. WILSON. Mr. Chairman, I thank the gentleman from Missouri (Mr. CLAY) for his kindness in yielding me this time. I also thank the gentleman from New York (Mr. LAZIO) for his leadership on this issue and leadership on public education issues more generally in this House.

We all know there is going to be a shortage of teachers in America in the next decade. There will be a shortage of teachers in my own home State in New Mexico. It is up to all of us to start thinking outside the box on how we can recruit and retain more great teachers in the classroom.

This amendment strengthens this bill in two critical areas which, when I talk to teachers and administrators and people who work in colleges of education have told me are the most important ones.

The first is mentoring of beginning teachers. In New Mexico, up to 40 percent of our new teachers leave the profession within the first 5 years of starting out as teachers. Now some of them leave for very good reasons. It just does not work for them. It is not the right career for them. They do not feel comfortable in the classroom. But we have also learned that, if we pair an experienced teacher with a new teacher, we are more likely to retain great teachers who need that professional support early in their careers.

The other area that this amendment strengthens and that I am very interested in is the issue of alternative certification. Some folks know when they are teenagers or in their early twenties that they really want to be teachers. Some folks come to that realization later in life when they look at a second career after serving in the military or being a professional scientist.

The reality is that that is much harder to do than it should be. People should be able to use their life's experience and bring it back to young people. If we do not make it easier for people to teach in a second career, we will continue to have the current situation where Georgia O'Keefe could not have taught high school art, Tony Hillerman could not teach creative writing in high schools, Bill Gates could not teach computer science, or Dennis Chavez, the great former Senator from the State of New Mexico, could not have taught American government.

It does not make any sense, and we should change it. But we are not just talking about great people, the Einsteins of the world. We are talking about good people who have a feeling for children and what they need to do to inspire them and educate them. It should be easier for second-career professionals to enter the classroom.

I commend the gentleman from New York for his leadership on this issue and for working with all of us on this fine amendment.

Mr. LAZIO. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. GOODLING), the chairman of the full committee.

Mr. GOODLING. Mr. Chairman, I am happy to rise in support of the Lazio amendment.

Mr. LAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just want to say at the conclusion, I want to thank the gentleman from Missouri (Mr. CLAY) for his courtesy in allowing our speakers to articulate their points of view, and there is camaraderie in making sure that these themes are adopted. I

thank the gentleman from California (Mr. McKEON) for his great work in education, and again the gentleman from Pennsylvania (Mr. GOODLING), chairman of the full committee.

This gives us an opportunity to give our children a chance at quality education, something that we all embrace. We need the best possible education for children, for all our children, because education is about the future.

Mr. Chairman, I yield back the balance of my time.

Mr. CLAY. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment No. 2 offered by the gentleman from New York (Mr. LAZIO). The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 106-240.

AMENDMENT NO. 3 OFFERED BY MR. CASTLE

Mr. CASTLE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. CASTLE:

Page 12, after line 4, insert the following:

“(9) Providing assistance to local educational agencies and eligible partnerships (as defined in section 2021(d)) for the development and implementation of innovative professional development programs that train teachers to use technology to improve teaching and learning and are consistent with the requirements of section 2033.

Page 28, line 18, strike “and”.

Page 28, line 21, strike the period at the end and insert “; and”.

Page 28, after line 21, insert the following:

“(6) shall, to the extent appropriate, provide training for teachers in the use of technology so that technology and its applications are effectively used in the classroom to improve teaching and learning in the curriculum and academic content areas in which those teachers provide instruction.

The CHAIRMAN. Pursuant to House Resolution 253, the gentleman from Delaware (Mr. CASTLE) and a Member opposed each will control 5 minutes.

Mr. CLAY. Mr. Chairman, although I am not opposed to the amendment, I ask unanimous consent to control the time in opposition to the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CASTLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, 4 years ago, the Delaware State legislature, in cooperation with Governor Carper, created a plan to establish a modern educational technology infrastructure in Delaware public schools to help students develop the skills our world-class work force requires. As a result, Delaware was the first State in the Nation to have network access in every public school classroom.

Like Delaware, our Nation's school districts are increasingly investing in



technology to improve education, communication, and the flow of information. Between school years 1983 to 1984 and 1995 to 1996, the ratio of students per computer has fallen from 125 to as low as 8 nationally. Yet, at a time when 78 percent of public schools have access to the Internet, only 20 percent of teachers report feeling well prepared to integrate educational technology into classroom instruction.

Educational technology can significantly improve student achievement, but we need to do more than simply place the computer in the classroom. We need to provide our educators with the skills they need to incorporate educational technology into their lesson plans.

The Teacher Empowerment Act recognizes the importance of educational technology in our classrooms by encouraging States in school districts to develop and implement professional development programs that train teachers in the use of technology in the classroom.

It also encourages the coordination of activities and the integration of funding with programs under title III, ESEA's education technology programs, to provide comprehensive development programs that focus on technology.

The Castle-Fletcher amendment simply strengthens the technology language that already exists in the Teacher Empowerment Act. It allows States to provide assistance to local educational agencies and eligible partnerships to develop innovative professional development programs that train teachers to use technology. And it requires, to the extent appropriate, that professional development activities provide training for teachers so that technology and its applications are effectively used in classroom learning.

Effective teaching strategies must incorporate educational technology if we are to ensure that all children have the skills they need to compete in their high-tech workplace. I urge an "aye" vote.

Mr. Chairman, I reserve the balance of my time.

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. OWENS).

Mr. OWENS. Mr. Chairman, I rise in support of this amendment. I urge that we consider some future request for additional funding to accomplish this. I think that we are all aware of the fact that there is a great deal of shortages in the area of information technology workers. The estimate now is that there are about 300,000 positions that are going unfilled, and that within 2 or 3 years, that number will pass a million because the number of young people who are in college now majoring in computer science is so small that it will never fill the gap.

There is a need to broaden the base of the pool. Many more youngsters need to be going into computer science or pursuing an education which will place them in the information technology world somewhere. Maybe they will be placed as mechanics, maybe as technologists. Maybe they will go on to computer programming at some other level.

So our teachers have to supply that pool from which we draw our future computer programmers and computer technologists and people in the schools who are teaching others how to use technology to the best effect for education.

But it cannot be done unless we have some more funding. We cannot talk about it alone because the necessity to purchase the computers, the necessity to make certain that our schools are wired so they can make use of technology; all these items, we cannot ignore and expect this to happen. It costs money.

We had, fortunately, a policy from the Federal Communications Commission which created the E-Rate. The E-Rate pays for the ongoing cost of using technology. It also helps to wire the poorest schools. It provides up to 90 percent of the cost for wiring the poorest schools.

But they still do not supply the computers, and they cannot supply the salaries for the teachers. So we need to, again, return to the consideration of the fact that nowhere are we proposing additional funds. We are not attacking the problems of education in a 21st Century manner by understanding that they require more resources.

Again, I cannot stress too much, we have a golden opportunity; the door of opportunity is open, because of the fact that there is a surplus. Other committees are talking about making demands on that surplus. We have to make demands on that surplus and say that education is an investment that ought to be made. Some portion of that surplus ought to be devoted to areas where it is expensive to operate like the area of technology.

The digital divide is great. Recently a report was released by the Department of Commerce which showed that sinking further and further behind are the children in the poorest areas, because they do not have access to computers at home.

The only other place we are going to be able to close the gap of the digital divide is at school. We cannot close it at school unless they have the money to buy the computers and to pay for the salaries of teachers. We need more funding to make this a reality. I think the gentleman has brought attention to the matter, and he deserves support for that reason.

Mr. CASTLE. Mr. Chairman, I yield the balance of my time to the gentleman from Kentucky (Mr. FLETCHER),

a strong supporter of education and member of the Committee on Education and the Workforce.

Mr. FLETCHER. Mr. Chairman, I certainly appreciate and thank the gentleman from Delaware (Mr. CASTLE) for his work, and the gentleman from Pennsylvania (Chairman GOODLING) for his work, and the gentleman from Missouri (Mr. CLAY), the ranking member, for his continued work in improving education in this country.

Let me talk and tell my colleagues a little bit about a lady by the name of Pat Michau. She is the principal of Johnson Elementary School in Lexington, Kentucky. She recently told me, "It is vital for teachers in the 21st Century to be technology literate. All of the future textbooks and plans for teaching will be on the computer, many of our textbooks are already available on CD ROM, and that number is only going to increase."

Now Johnson Elementary is an inner-city school that serves primarily low-income and minority students; not what comes to mind when most people think of a high-tech school. However, Principal Michau at Johnson has been effective in integrating technology into every aspect of the curriculum.

The 3- and 4-year-olds in pre-kindergarten are on the computer every day; and by the time the students reach the third and fourth grade, they are able to do PowerPoint presentations for their classmates.

The use of computers is not limited to science and math. Johnson has purchased two digital cameras which teachers take with them on field trips. Then, when they return to the classrooms, students can download pictures from the trip and write about their experiences.

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The children also have access to online collections of museums around the world. Besides learning about the artists behind these works, children have been painting their own art modeled after what they have seen on the Internet.

Miss Michau is quick to point out that none of this would be possible if the teachers had not been willing to put in hours of training in order to bring this technology to their students.

She said, "School is the only place where some of these children will be exposed to computers, and it is vital to their future success that their teachers are effective teachers of technology."

The demands of teaching in this country are growing more and more complicated every day, and we owe it to our children, especially our low-income and minority students, to provide them with every possible tool in order to meet the challenges of an increasingly technological society.

An investment in professional development for our teachers is an investment in our future, and I hope that my



colleagues will join the gentleman from Delaware (Mr. CASTLE) and myself in opening the door to the world of technology for children across this country.

Mr. CLAY. Mr. Chairman, I yield the balance of my time to the gentleman from California (Mr. LARSON).

Mr. LARSON. Mr. Chairman, I rise in support of this amendment. Clearly and fundamentally I believe our public education system, and especially our teachers, need all the support that they can get to assist themselves in integrating voice, video and data in their instruction to make sure that our students are equipped to compete in the 21st century.

I have proposed a series of bills myself that focus on this subject matter and concur with the authors of this fine amendment, the gentleman from Delaware (Mr. CASTLE) and the gentleman from Kentucky (Mr. FLETCHER), and agree that moving forward and providing teachers with the opportunity to provide enhanced technological education within our classrooms is the best way for us to compete in a global economy in the future.

Mr. CASTLE. Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania (Mr. GOODLING), the distinguished chairman of the Committee on Education and the Workforce.

Mr. GOODLING. Mr. Chairman, I rise in strong support of the amendment of the gentleman from Delaware. One of the worst things we have done to teachers over the years is every time some new curriculum or some new method of instruction or some new technology arrived on the scene, we stuck it in front of them but did nothing to prepare them to use it. It was totally unfair to the teachers and, of course, not helpful to the students.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. CASTLE).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 4 printed in House Report 106-240.

AMENDMENT NO. 4 OFFERED BY MR. MCINTOSH

Mr. MCINTOSH. Mr. Chairman, pursuant to the rule, I offer amendment No. 4.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. MCINTOSH: Page 15, after line 10, insert the following: "(6) A description of how the State will ensure that local educational agencies will comply with the requirement under section 2033(b)(5), especially with respect to ensuring the participation of teachers and parents.

Page 26, after line 9, insert the following: "(5) A description of how the local educational agency has collaborated with teachers, principals, parents, and administrators in the preparation of the application.

Page 28, line 20, after "principles," insert "parents,".

The CHAIRMAN. Pursuant to House Resolution 253, the gentleman from Indiana (Mr. MCINTOSH) and a Member opposed each will control 5 minutes.

Mr. CLAY. Mr. Chairman, I ask unanimous consent to control the time on this side.

The CHAIRMAN. Without objection, the gentleman from Missouri (Mr. CLAY) will control the time in opposition.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. MCINTOSH).

Mr. MCINTOSH. Mr. Chairman, I yield myself such time as I may consume, and I rise in support of the bill and to offer this amendment which strengthens the Teacher Empowerment Act's accountability by providing for parental and teacher involvement in Teacher Empowerment Act activities. It accomplishes this goal in two ways:

One, it ensures that the local education authority show that they have included parents and teachers in their applications for funding. Second, the amendment asks States to ensure that the local education agencies work to get parent and teacher participation in the building of professional development programs for teachers.

The reason I am offering this amendment is simple: greater parental involvement means greater accountability and, more importantly, a better education for our children. Schools should not just be accountable to Washington. They must also be accountable to the parents of our children. By giving parents a greater role in deciding how schools will meet the TEA requirements, we ensure a better use of funds.

The bill also ensures that teachers are involved in the developing of these plans. In many cases, professional development programs have been implemented without any teacher input. The problem with this should be obvious to everyone. With the increased oversight this provision will bring, it is far more likely that these programs will be highly qualified and will add to a high quality of enhanced professional development and will be based on improving teachers' ability to teach in the core academic subjects as opposed to simply providing for the type of professional development in bulletin board management.

Everyone knows that parental involvement in their children's education makes a critical difference in their child's level of educational achievement. In the same way, parental involvement in the needs assessment and direction setting at schools can make an important contribution to how well these schools meet the needs of their students.

Parents are in the best position to help assess the needs of their children. Children who come from different pop-

ulations have different educational challenges. Parents are in a strong position to help the schools set goals and their directions. They are in the best position to help the schools succeed in meeting these educational goals.

Now, my amendment is not a radical new proposal. The Eisenhower Math and Science program already requires this type of parental involvement, and this amendment simply extends this provision to all of the activities funded under the Teacher Empowerment Act.

In my hometown of Muncie, Indiana, the parental involvement component of the Eisenhower provision is being met in various ways. Parents are invited to take part in the needs assessment and surveys which help our schools to know where they are succeeding and, frankly, where they are failing. Parents are invited to form school-level committees to help the schools decide how best to make use of the new grant money from the Federal Government.

Now, often parents are also invited by the schools to participate in the training program that is funded through the Eisenhower grant. This is taking place especially under the program's technology and science grants. Often schools invite any parent who is interested in learning a certain computer or science skill that is being taught to participate in the program. In many cases, the parents' involvement in Muncie with the learning, from the planning stage to the classroom application, has the result of improving their parenting skills, especially with respect to children and their homework.

In short, the Muncie community schools realize that parent involvement is important, support is necessary for success, and join us in achieving this goal in this legislation.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. MCINTOSH. I yield to the gentleman from New York.

Mr. OWENS. Mr. Chairman, I have a question I just wanted to clarify regarding the way the gentleman measures parental involvement. Under present law, there is a requirement in Title I that 1 percent of the funds must be available to the parents for parental involvement purposes. Does the gentleman have any way to measure or monitor any requirement that they carry out the parent involvement part of the bill?

Mr. MCINTOSH. Reclaiming my time, Mr. Chairman, if I may, let me address the gentleman's question. This provision does not touch Title I at all, so it leaves it exactly as it is under current law.

And let me also address a concern that we have heard from some other Members. It is not a mandate in the sense of how schools must have parental involvement. It is simply an acknowledgment that it is important and

a requirement that they tell us what they are doing to include parental involvement. How they do it we are leaving very much up to the local school, recognizing that each school will have different needs and different approaches that work better in their population.

Finally, I want to make one thing very clear. I think this amendment, and in the case of the Muncie school program, indicates that there are multiple ways of including parental involvement in programs. And I firmly believe our school districts and not Congress are in the best position of how to implement that goal. But this amendment strives to put squarely into the law the goal of achieving more parental involvement in our school system and in our professional development.

Mr. Chairman, I ask my colleagues to vote in favor of the amendment and the bill.

Mr. CLAY. Mr. Chairman, I have no requests for time, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. MCINTOSH).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 5 printed in House Report 106-240.

AMENDMENT NO. 5 OFFERED BY MR. FLETCHER

Mr. FLETCHER. Pursuant to the rule, I offer amendment No. 5.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. FLETCHER: Page 24, after line 13, strike "and" at the end;

Page 24, after line 18, strike the period at the end and insert "; and";

Page 24, after line 18, insert the following:

"(H) professional development programs that provide instruction in how to teach character education in a manner that—

"(i) reflects the values of parents, teachers, and local communities; and

"(ii) incorporates elements of good character, including honesty, citizenship, courage, justice, respect, personal responsibility, and trustworthiness.

The CHAIRMAN. Pursuant to House Resolution 253, the gentleman from Kentucky (Mr. FLETCHER) and a Member opposed each will control 5 minutes.

Mr. CLAY. Mr. Chairman, I ask unanimous consent to control the time on this side.

The CHAIRMAN. Without objection, the gentleman from Missouri (Mr. CLAY) will control the time in opposition.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky (Mr. FLETCHER).

Mr. FLETCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, once again I would like to commend the committee chairman, the gentleman from Pennsylvania (Mr. GOODLING), for his work on this Teacher Empowerment Act.

No one can argue that parents have the primary responsibility for raising their children, and there is no substitute for a strong family that prays together, reads together, and spends time together. Unfortunately, many of our children are not receiving the attention from parents that they need. The average American child spends almost 20 hours a week watching television and less than an hour in meaningful conversation with a parent.

Next to parents, the most important factor in whether or not a child succeeds academically is the quality of the teachers in the classroom. Children spend 6 hours a day in the classroom, at least 30 hours a week, more than the time they spend watching TV and talking with their parents combined.

Every parent should be confident that the person standing in front of his or her child's classroom is both knowledgeable and qualified. Unfortunately, this is not always the case. The Teacher Empowerment Act gives States the flexibility to use Federal education dollars to promote innovative reforms to improve teacher quality, reduce class size, and ensure quality professional development.

Too often the lessons our children learn in school fail to emphasize the importance of citizenship and respect. The first step towards fixing this problem is giving teachers the training necessary to convey these ideas to our children in an effective and positive manner.

History and literature are full of lessons on character that we should share with our youth. American history, from the creation of the Constitution to the Civil War and up through the Civil Rights Movement, is replete with examples of the importance of character in our society. Teachers must build upon this historical foundation accordingly. Unfortunately, character education is often absent in teacher training.

A constituent from my district recently contacted me saying that they were interested in introducing character education but really were not sure where to start. My amendment answers that question. It allows the use of professional development dollars to instruct teachers on teaching character education that reflects the values of parents and the local community.

This amendment accompanies and augments the amendment I offered to the Consequences for Juvenile Offenders Act earlier this summer, which received overwhelming support. This amendment states that character education should incorporate elements such as honesty, citizenship, courage, justice, personal responsibility, and trustworthiness.

These virtues are the hallmark of a civilized society, and I do not believe that anyone could argue with their inclusion in a child's education.

Today's students are tomorrow's leaders, and I ask my colleagues to join me in supporting this amendment to help our teachers equip our students for the moral and academic challenges of the 21st century.

Mr. Chairman, I reserve the balance of my time.

Mr. CLAY. Mr. Chairman, I have no requests for time, and I yield back the balance of my time.

Mr. FLETCHER. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska (Mr. TERRY).

Mr. TERRY. Mr. Chairman, I am pleased to support the Fletcher amendment. As parents of two young boys approaching school age, my wife and I share some serious concerns. During their 12 years in elementary, middle and high school my sons will end up nearly spending as much time directly or indirectly with their teachers as they will with us.

As all other parents, we want to do everything possible to give our children a quality education. Not only do we want them to learn the academic basics, but we want them to make sure that schools are contemplating what we are teaching our children at home about character and values.

The Fletcher amendment supplements the underlying bill by permitting the use of funds for character education. It will let local school systems train teachers how to more effectively communicate the values of our local communities.

The character traits of honesty, citizenship, courage, justice, respect, personal responsibility, and trustworthiness are as important to a child's success in life as reading and math, and I urge its approval.

Mrs. MORELLA. Mr. Chairman, I rise in support of the Castle/Fletcher amendment that will provide teachers with the technology training they need to meet the classroom challenges of the 21st century.

I am the sponsor and author of the Teacher Technology Training Act of 1999 (H.R. 645) that would include technology in teacher training and professional development programs authorized under the Elementary and Secondary Education Act (ESEA). The Castle/Fletcher Amendment is very similar to the Teacher Technology Training Act of 1999. Under both the Amendment and the Training Act, school districts and local education agencies that receive federal funding would have to provide training for teachers in the use of education technology.

Technology is changing our world. It is the engine that is driving our economy as we turn the corner into a new century. It affects the way we communicate, the way we conduct commerce, and the way our children learn in school. Our students are in the midst of a technology revolution that has paved the way for limitless possibilities in the classroom.

However, with all of its possibilities, technology alone cannot improve our system of education. Technology can provide little educational benefit, without the help of the classroom teacher. The classroom teacher is the key to success in bringing technology into our schools in a meaningful way.

All too often, however, teachers are expected to incorporate technology into their instruction without being given the training to do so. A recent study by the Education Department's National Center for Education Statistics shows that only one in five teachers nationwide feel that they are prepared to use modern technology in the classroom.

That is why I introduced the Teacher Training in Technology Act, and that is why I urge my colleagues to vote "yes" on the Castle-Fletcher amendment.

Mr. LARSON. Mr. Chairman, I rise today in support of the Castle-Fletcher amendment to the Teacher Empowerment Act to increase teachers knowledge of classroom technology. It is vitally important, as we approach the 21st century, that in order to remain competitive in the global economy, we adapt and, indeed, stay ahead of the revolutionary technological advances that are changing our lives on a daily basis.

Once a mere concept, the knowledge based economy is now a reality. I have often heard mentioned that the leap technology has taken is analogous to going from the dark ages to the renaissance, from cloistered monks scrolling information for the scholarly few to Gutenberg inventing movable type, and exposing the masses to the knowledge contained in books. It is indeed a momentous change. But to maintain our position in the global stage, we must make sure that we integrate technology into our society at the most important stage of our children's development. We must integrate technology into our children's classrooms.

To help our children maintain their competitive advantage in the Information Age, we must give our teachers the tools they need to integrate technology in the classroom. With this amendment we take a positive step in this direction. This amendment would allow professional development programs funded under the Act to provide training for teachers in the uses of technology and its uses in the classroom to improve teaching and learning. It would also provide state funds to Local Education Agencies and Higher Education Partnerships for development of programs that train teachers how to use technology in the classroom.

The amendment is important because integrating technology into the classrooms is not just about wiring schools to the Internet. It is also about making sure that we integrate all aspects of technology, including voice, video, data and distance learning, into the curriculum and that we do so effectively. Our teachers should be trained to develop innovative ways to include technology in teaching our children. Not just to teach our children to surf the Web—although I suspect that it is not the children who need help in this area—but also to develop ways to use technology in actual subject matter.

As a former teacher and father of three children, it is quite evident to me that a comprehensive approach should be developed to

place our children in a position to excel in this new economy. To that effect, I recently introduced a bill that will develop a strategic plan to create a national technological infrastructure to connect public schools to the information superhighway. It is only the first step in a three-pronged strategy that will include infrastructure support, teacher enhancement, and child development. In the meantime, I will continue to be a strong supporter of efforts that move our classrooms into the 21st century.

In closing, Mr. Chairman, I want to thank the gentlemen from Delaware, Mr. CASTLE and the gentleman from Kentucky, Mr. FLETCHER for their vision in offering this amendment to improve the efficiency of our teachers and to prepare our children for the challenges they will face in the coming century. I urge all my colleagues to support this amendment.

Mr. HAYES. Mr. Chairman, I rise in support of Mr. FLETCHER's amendment. As my colleagues know I was a cosponsor on this amendment to H.R. 1501, the Juvenile Justice legislation several weeks ago.

Over the Fourth of July recess, I held a forum in my home town of Concord, North Carolina to discuss the influence of entertainment and the media on the growing problem of youth violence. I invited teachers, parents, school administrators, students and concerned citizens to join me in a community discussion to raise awareness of our citizens that we must all work together to support our children.

There was a consensus that we must restore some much needed balance to legislation that impacts our nation's culture. Local educators expressed the need to teach character education in our schools. Parents agreed that the values and morals that are taught at home should be reinforced at school. And Administrators asked for the tools and support to work with parents and community organizations to provide substantive after school programs.

I encourage my colleagues to support this amendment and support our teachers and school administrators by making character education development programs available so teachers and parents can work together to craft a curriculum that reflects the values of their community.

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Mr. FLETCHER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. FLETCHER).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 6 printed in House Report 106-240.

AMENDMENT NO. 6 OFFERED BY MR. ANDREWS

Mr. ANDREWS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. ANDREWS: Page 24, after line 20, insert the following: "(5) Professional activities designed to improve the quality of principals."

The CHAIRMAN. Pursuant to House Resolution 253, the gentleman from

New Jersey (Mr. ANDREWS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. ANDREWS).

Mr. GOODLING. Mr. Chairman, I am not opposed to the amendment, but I ask unanimous consent to control the time in opposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ANDREWS. Mr. Chairman, I yield myself such time as I may consume. I believe we can briefly and expeditiously move through this amendment. There is a strong bipartisan consensus in the committee and I believe in this House for the proposition that well-trained, well-prepared educators should interact with our children on a regular basis. There has been much good work done here today on the issue of training teachers. We may disagree over some of the particulars, but we all agree on the proposition that well-motivated and trained teachers are a real asset to our education system. I believe that that same principle should extend to the principals of our schools around the country.

One of the key differences between a succeeding school and a failing school is the presence or absence of an empowered, motivated leader serving in the principal's office. The gentleman from Wisconsin (Mr. KIND) has contributed some significant work to this bill for which I applaud him, and I am trying to supplement what he has already done by suggesting in this amendment that one of the criteria which ought to be evaluated with respect to the professional development plans submitted by school districts under this bill is their plan for and preparations for a comprehensive program of principal development and training. The principal really is both the chief executive officer and the chief operating officer of the school. He or she is financial planner, medical adviser, social worker, business manager, mentor, referee, community liaison, ambassador and many, many other things. It is a job that requires updating and recharging of one's batteries.

So the purpose of this amendment is to be sure that those considerations are taken into account when the professional development plans are offered.

Mr. Chairman, I reserve the balance of my time.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. SHAW).

Mr. SHAW. I thank the gentleman for yielding me this time.

Mr. Chairman, I want to speak on this amendment as it ties into the previous amendment with regard to ethics. So often the only quality time that a child spends today with both parents

working, with the TV blaring at home, is the time spent with teachers, with the principals of the schools, those people who set the agenda in life.

I think it is vitally important that we do teach values and that these things become part of the curriculum and that the teachers are properly instructed in ways of such teaching. It is not just automatic, the teaching of ethics and values in today's world. I think when we see that the children and the teachers that we have put so much responsibility in, I think it is only right that they become part of the overall scheme of building not only the education but also the character of the young people today.

Mr. ANDREWS. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Chairman, I thank the gentleman from New Jersey for yielding me this time. I also want to commend him for this very important amendment. I would encourage my colleagues to support this amendment.

This amendment recognizes the important role that principals play in school districts throughout the country. You ask any teacher, you ask any parent who is at all involved with their schools, and they will tell you the important role that principals play. They establish the theme, the spirit, the energy, the leadership that is crucial to making the vitally important educational reforms that are necessary in order to improve the quality of education for our kids.

It was based on that recognition that I worked with the leadership on both sides of the aisle in order to get a special provision included in the bill addressing the importance of training and professional development programs geared towards principals but also for administrators and superintendents, so that they have the ability to upgrade and improve their skills. School districts, when they are out trying to find qualified people to fill these roles, will, hopefully, have an easier and better time in finding the right people to perform this important role. There is nothing more frustrating than for a school board to have to go through multiple interviewing rounds to fill a principal position or a superintendent position because they cannot find the right fit or a qualified person to do the job. That is why I think this amendment is particularly important.

There is one principal in my district who I would like to commend and specifically recognize right now. Her name is Heather Grant, and she is the principal of Lincoln Elementary School in Eau Claire, WI. I had the opportunity to visit that school and meet with her, her staff and teachers and discuss at length with them their program for change and the reforms they were implementing to improve the quality of teaching and improve the reading

skills of their pupils. Ms. Grant, through her own initiative and energy, went out and obtained a comprehensive school reform grant, an Obey-Porter grant. They are now implementing Success for All at the elementary school with the funds from that grant.

I can't describe how much fun it was to walk into those classes and see the sparkle and the energy in the students' eyes, meeting the teachers, listening to how they and the parents have bought into the school reform problem under the leadership of Principal Grant, and witnessing the superintendent and the community working together. That is why I think this is an important amendment. It's meant to benefit the Heather Grants and all future principals across the country. Again, I would encourage my colleagues to support it.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the distinguished gentleman from North Carolina (Mr. HAYES).

Mr. HAYES. Mr. Chairman, I support strongly the Andrews amendment. I appreciate his putting the hard work into this. We just had a hearing in Concord about a week ago now. I was amazed at the number of principals and teachers that came and talked about the kind of assistance that they would like to have. This amendment helps them.

On the Fourth of July, I held a forum, as I said, to discuss the influence of entertainment in the media on the growing problem of youth violence. I invited the teachers and parents to come. Many citizens did just that. They discussed the awareness of citizens, that we must all work together to support our children. There is a consensus that we must restore much-needed balance to legislation that impacts our culture. Local educators expressed the need to reach out and teach character education in our schools.

Parents agree that the values and morals that are taught at home should be reinforced at school. Administrators ask for the tools and support to work with parents and community organizations to provide substantive programs for after school.

I encourage my colleagues to support this amendment and support our teachers and school administrators by making character education development programs available to teachers and parents so that they can work together to craft a curriculum that reflects the values of their community.

I thank the gentleman from New Jersey again for this amendment.

Mr. ANDREWS. Mr. Chairman, I yield myself such time as I may consume. In conclusion, I appreciate the kind words my colleagues have said. I learned well from my late father-in-law, Dr. Alan Emerson Wolf, a career educator in the Pennsylvania public schools, as is the chairman of this committee, that well-empowered, well-

trained principals are a key to quality public education. That is the idea behind this amendment.

I would urge my colleagues to support it.

Mr. Chairman, I yield back the balance of my time.

Mr. GOODLING. Mr. Chairman, I yield myself the balance of my time.

Thanks to the help of the gentleman from Wisconsin (Mr. KIND), TEA currently includes many of the provisions related to the needs of principals. Perhaps no one in the Congress knows those needs better than I, since I spent 10 years in that capacity.

Specifically under the legislation, it provides for developing and implementing an effective mechanism to assist local educational agencies and schools in effectively recruiting and retaining highly qualified and effective teachers and principals.

In addition, language was added as part of the en bloc amendment which will allow the Secretary to fund projects to provide professional development for principals as leaders of school reform.

The bill also includes language to ensure that principals are involved in extensive participation in professional development programs. This amendment just adds to making sure that principals are given great consideration because they will pretty well determine what happens within a school building.

The CHAIRMAN pro tempore (Mr. EWING). The question is on the amendment offered by the gentleman from New Jersey (Mr. ANDREWS).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 7 printed in House Report 106-240.

AMENDMENT NO. 7 OFFERED BY MR. KUCINICH  
Mr. KUCINICH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. KUCINICH:  
Page 35, after line 7, insert the following:

**"SEC. 2043. NATIONAL CLEARINGHOUSE FOR TEACHER ENTREPRENEURSHIP.**

"The Secretary may award a grant or contract to an organization or institution with substantial experience in entrepreneurship education to establish and operate a National Clearinghouse for Teacher Entrepreneurship to coordinate professional development opportunities for teachers, collect and disseminate curricular materials, and undertake other activities to encourage teacher interest and involvement in entrepreneurship education, particularly for teachers of grades 7 through 12."

The CHAIRMAN pro tempore. Pursuant to House Resolution 253, the gentleman from Ohio (Mr. KUCINICH) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Ohio (Mr. KUCINICH).

Mr. GOODLING. Mr. Chairman, I am not opposed to the amendment, but I ask unanimous consent to control the 5 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KUCINICH. Mr. Chairman, I yield myself such time as I may consume.

I first of all want to thank the gentleman from Pennsylvania for his encouragement of this idea. Our long running discussion about this has been very productive.

I come before my colleagues today, Mr. Chairman, with an amendment, working with the gentleman from New Jersey (Mr. ANDREWS), to create a national clearinghouse for teaching entrepreneurship. The purpose is to establish a network for the efficient distribution of Federal resources in schools and having those resources distributed to schools and local educational agencies to teach entrepreneurship skills to junior high and high school students. The clearinghouse would coordinate professional development opportunities, collect and distribute materials and support activities which encourage teachers' interest in entrepreneurship education.

The latest research shows there are about 4 million new businesses created in the U.S. each year, creating new jobs and new opportunities for new business activity for existing businesses. As a former small businessperson, I have experienced the challenges of starting and successfully operating a new enterprise. I believe that education and training in entrepreneurship skills will give junior high and high school students the basic knowledge of our economy, self-esteem and sense of individual opportunity that they need to excel in our modern high-tech economy. The multiple dimensions of entrepreneurship education will help to nurture an ethic of personal responsibility in our young people and expand the career opportunities available to them.

Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Chairman, I thank my coauthor of the amendment, the gentleman from Ohio (Mr. KUCINICH), and I thank the gentleman from Pennsylvania (Mr. GOODLING), the gentleman from Delaware (Mr. CASTLE), the gentleman from California (Mr. McKEON) and the gentleman from Missouri (Mr. CLAY) for their cooperation in this.

I think there is broad consensus that no child should have to sit at the back of the bus educationally or economically. This amendment is making sure that every child if he or she is willing to work for it and has the ability not only does not have to sit at the back of the bus but can own the bus company

someday. This is an idea about introducing very young people to the idea that they can take their creative energies, pour them into the founding and growth of a business and accomplish, many, many things. This is an idea that marries the best impulses of both political traditions. It recognizes the importance of government acting affirmatively to provide opportunities to young people who may not have that opportunity through the public education system, and it recognizes the provocative power of the private sector in developing new products, creating jobs and expanding this country's great technological lead around the world.

I know that the gentleman from Ohio has seen in Ohio and around the country as I have seen in New Jersey the great promise and enthusiasm that young people have when they are enlightened at an early age to the power of entrepreneurial work. Educating our teachers to enlighten children and young people as to that is a very worthy goal.

□ 1615

So I was proud to work with him on this amendment. I appreciate very much the considerations being given by both the majority and minority on the committee, and I would urge its adoption.

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Obviously the word "entrepreneurship" is a Republican word; there is no question about that. So we are very happy to accept the amendment the gentleman from Ohio has offered.

Mr. Chairman, I yield back the balance of my time.

Mr. KUCINICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman I want to thank the gentleman from Pennsylvania (Mr. GOODLING) for his assistance on this. I also want to thank especially our leader on our side of the aisle, the gentleman from Missouri (Mr. CLAY). As my colleagues know, he was the one who encouraged me to join the Committee on Education and the Workforce, and I am very grateful for that because it gave me a chance to work with some of the finest Members of this Congress, and I want to thank the gentleman from Missouri for the opportunity to come forward with an amendment like this which has the support of both sides of the aisle. I really appreciate the help that he has given me to be able to take this distance.

So I want to again thank the gentleman from Missouri (Mr. CLAY) and the gentleman from Pennsylvania (Mr. GOODLING).

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. KUCINICH).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 8 printed in House Report 106-240.

AMENDMENT NO. 8 OFFERED BY MR. HILLEARY

Mr. HILLEARY. Mr. Chairman, pursuant to the rule, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. HILLEARY:

Page 36, after line 15, insert the following: "SEC. 2043. RURAL TEACHERS.

"(a) IN GENERAL.—The Secretary may award grants on a competitive basis to rural eligible local educational agencies to carry out activities described in subsection (b).

"(b) USE OF FUNDS.—A rural eligible local educational agency that receives a grant under this section may use such funds to develop incentive programs—

"(1) to recruit and retain qualified teachers; and

"(2) to provide high-quality professional development to teachers.

"(c) APPLICATION.—To be eligible to receive a grant under this section, a rural eligible local educational agency shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(d) DEFINITIONS.—For purposes of this section:

"(1) METROPOLITAN STATISTICAL AREA.—The term 'metropolitan statistical area' has the meaning given such term by the Bureau of the Census.

"(2) RURAL ELIGIBLE LOCAL EDUCATIONAL AGENCY.—The term 'rural eligible local educational agency' means a local educational agency—

"(A) that is not located in a metropolitan statistical area; and

"(B) in which there is a high percentage of individuals from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))).

The CHAIRMAN. Pursuant to House Resolution 253, the gentleman from Tennessee (Mr. HILLEARY) and a Member opposed each will control 5 minutes.

Does any Member rise in opposition to the amendment?

Mrs. CLAYTON. Mr. Chairman, I ask to control the time, although I am not in opposition.

The CHAIRMAN. Without objection, the gentlewoman from North Carolina (Mrs. CLAYTON) will be recognized for 5 minutes.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee (Mr. HILLEARY).

Mr. HILLEARY. Mr. Chairman, I yield myself such time as I may consume.

First, I would like to begin by thanking the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from California (Mr. McKEON) for their work on this legislation. As a fairly

junior Member on this committee, I have been ecstatic with the work all my colleagues put in on this act, and I am confident this legislation is going to provide our teachers with a great tool to excel.

I also feel strongly that benefits of this legislation must reach all our communities across the country, and that is the reason for this amendment. This amendment will allow the Secretary of Education to direct a portion of the general funds in this act to rural impoverished areas. Often these areas find it hard to attract and retain teachers. As a result, teacher shortages and high turnover are commonplace in regions like Appalachia in my home State as well as other rural communities in almost every other State across the country.

Under this amendment, a needy rural school district can prevent a mass exodus of qualified teachers by first creating incentive programs to retain teachers; second, improving the quality of the teachers through enhanced professional development; and, third, by hiring new teachers.

While larger school districts often have professional grant writers who fill out applications for Federal outlays, poor rural communities are sometimes overlooked not on purpose but simply because they do not have the resources to fill out the mountain of Federal paperwork required to obtain these funds. This reality comes at the expense of children who desperately need these funds.

I want to stress that this amendment is structured to provide the Secretary of Education with an allowable use of funds. Thus this amendment in no way mandates the creation of a new program which will take away one penny from urban or other areas that would not qualify.

So, Mr. Chairman, I ask my colleagues to support our schools in need and support the Hilleary amendment.

Mr. Chairman, I reserve the balance of my time.

Mrs. CLAYTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, on April 29, 1999, I introduced a bill entitled the Rural Teacher Recruitment Act of 1999. I support this amendment because it is very similar to the bill that I introduced. I congratulate the gentleman from Tennessee (Mr. HILLEARY) for his leadership and his sensitivity to the rural community. The Rural Teachers Amendment Act is a much needed measure designed to address teacher shortage, recruitment and retention, especially in rural communities. Recruiting and retaining quality teachers is so important yet very difficult in schools across the Nation.

Our accomplishing this goal in rural areas is even a greater task. That is because there is little or no motivation

for teachers to teach and remain in rural districts. This amendment offers an incentive that encourages teachers to teach in these unrepresentative areas. The amendment allows rural local education agencies to submit an application to the Secretary of the Department of Education for a grant to develop incentive programs for the recruitment of new teachers to provide instruction in those areas.

As we move into the 21st century, it is time to ensure that we have talented, dedicated and qualified teachers. We must, however, give new teachers a reason to favor providing structure in rural districts. We must reduce the shortage of quality teachers in areas where they are needed the most. Without these teachers, our communities, our children are the ones who suffer. This amendment will help make sure that every community and most of all the rural communities would be represented and with quality teachers.

I, therefore, Mr. Chairman, urge all of my colleagues to support this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. HILLEARY. Mr. Chairman, I thank the gentlewoman from North Carolina for her comments, and I yield 30 seconds to the gentleman from Pennsylvania (Mr. GOODLING), chairman of the Committee on Education and the Workforce.

Mr. GOODLING. Mr. Chairman, I would hate to oppose this amendment because not only would I have to deal with the gentleman from Tennessee (Mr. HILLEARY), but can my colleagues imagine getting in the elevator alone with the gentlewoman from North Carolina (Mrs. CLAYTON), and the door goes shut, what would happen if I would oppose this amendment?

So I am happy, Mr. Chairman, to support the amendment.

Mrs. CLAYTON. Mr. Chairman, I think that is an endorsement from the chairman of the Committee on Education and the Workforce.

Mr. Chairman, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, I thank the gentlewoman from North Carolina for yielding this time to me. I also thank her for her work on identifying rural America as having unusually important needs in the area of recruitment and retention of teachers, for legislation she introduced which I cosponsored is very, very similar to the amendment offered by the gentleman from Tennessee (Mr. HILLEARY) and I commend him for his amendment.

North Dakota, just for an example, reported recently that nearly one-third of its public school teachers are over the age of 50, and we have so many parts of the State that are depopulating, becoming even more difficult to recruit and retain State teachers. Our

classroom performance of our students is at or near the top on so many important benchmarks, and clearly quality classroom teachers has been a cornerstone of the success of North Dakota public education.

But we need help; we need the kind of help that the amendment of the gentleman from Tennessee (Mr. HILLEARY) offers, and I appreciate very much the support my colleagues are giving to those rural areas struggling to maintain quality public schools.

Mr. HILLEARY. Mr. Chairman, I yield the remainder of my time to the gentleman from Nebraska (Mr. BARRETT).

Mr. BARRETT of Nebraska. Mr. Chairman, I thank the gentleman for yielding this time to me, and Mr. Chairman, I am very pleased to rise in support of the Hilleary amendment to H.R. 1995. I know from experience that small rural schools do a very good job of educating students. Rural school students benefit from small classes and personalized learning experiences and opportunities to participate in extracurricular activities, personal relationships with teachers and administrators and certainly strong parental and community involvement.

In fact, about 20 percent of the students in this country actually attend rural schools, and many of those schools are in my congressional district. Despite all of the benefits of rural school environment, too often rural schools are faced with serious problems, developing, attracting and retaining good teachers, highly qualified teachers. There are a lot of reasons for these problems ranging from lifestyle issues and isolated communities to a successful economy that attracts highly qualified potential teachers into other career fields.

The amendment would not in any way increase the authorization level of the bill. It simply recognizes some of the unique challenges faced by rural school districts and allows them the option of addressing these challenges through the Teacher Empowerment Act.

I certainly wholeheartedly support the amendment, Mr. Chairman.

Mrs. CLAYTON. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina (Mr. ETHERIDGE), one of the greatest educators of this Nation who was a former State superintendent of education in North Carolina.

Mr. ETHERIDGE. Mr. Chairman, I support the amendment offered by the gentleman from Tennessee for rural education. This amendment is essentially the Clayton bill for rural needy schools, which I strongly support and which I am an original cosponsor. I commend my home State colleague for her leadership in this important area.

Mr. Chairman, I grew up on a farm in rural Johnston County, and I know that we have some wonderful teachers



in our rural schools. But as a former State superintendent, I also know that rural schools often face the most daunting challenges for quality education. Rural schools often lack the tax base to support investments in strong schools. They also lack the population base needed to gain many of the formulas for government assistance.

That is why this amendment is so important and we must pass this vital assistance for rural schools.

Mr. Chairman, I must say though that I oppose this underlying bill because, as I have said before, block granting needed investments, cutting funding and disenfranchising State education agencies and shifting the government structure over to governors is the wrong way to improve our schools. But, as this bill moves forward, I urge my colleagues to support this amendment for rural schools so that the final legislation can produce the best possible bill for our children.

Mrs. CLAYTON. Mr. Chairman, I yield the balance of my time to the gentleman from Louisiana (Mr. JOHN).

Mr. JOHN. Mr. Chairman, I thank the gentlewoman from North Carolina (Mrs. CLAYTON) for yielding this time to me.

Many parts of rural America have had a difficult time in sharing the prosperous economic times that we have all enjoyed due to declining farm prices and farm income and the natural disasters. And to make matters worse, many of our rural schools have been struggling with limited tax bases, and some simply do not have the resources available to compete competitively with other school districts that have more students and more resources.

I think that it is time that this gentleman bring this amendment in front of us today because it is important for our rural schools. I look forward to working with him to address the problems of limit shrinking and disappearing tax bases, hiring and retention of qualified teachers which is so very important, high transportation costs, crumbling buildings and limited course offerings and limited resource.

I have introduced in Congress the Rural Education Development Initiative, a bill very similar to what has been talked about here, a bill that shoots right at the heart of what I think is very important for our educating of rural schools, to help our needy students that live in the rural impoverished schools across America. I want to thank the gentleman also from Tennessee for bringing this issue to the floor today, and I think that it makes great strides in addressing some of the most important issues, I believe, that can be, and that is addressing educating our rural schools.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Tennessee (Mr. HILLEARY).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 9 printed in House Report 106-240.

AMENDMENT NO. 9 OFFERED BY MR. ROEMER

Mr. ROEMER. Mr. Chairman, pursuant to the rule, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. ROEMER:  
Page 36, after line 15, insert the following:

**“SEC. 2043. TRANSITION TO TEACHING.**

“(a) PURPOSE.—The purpose of this section is to address the need of high-need local educational agencies for highly qualified teachers in particular subject areas, such as mathematics, science, foreign languages, bilingual education, and special education, needed by those agencies, following the model of the successful teachers placement program known as the ‘Troops-to-Teachers program’, by recruiting, preparing, placing, and supporting career-changing professionals who have knowledge and experience that will help them become such teachers.

“(b) PROGRAM AUTHORIZED.—

“(1) AUTHORITY.—The Secretary is authorized to use funds appropriated under paragraph (2) for each fiscal year to award grants, contracts, or cooperative agreements to institutions of higher education and public and private nonprofit agencies or organizations to carry out programs authorized by this section.

“(2) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated \$9,000,000 for fiscal year 2000 and such sums as may be necessary for each of fiscal years 2001 through 2004.

“(c) APPLICATION.—Each applicant that desires an award under subsection (b)(1) shall submit an application to the Secretary containing such information as the Secretary requires, including—

“(1) a description of the target group of career-changing professionals upon which the applicant will focus its recruitment efforts in carrying out its program under this section, including a description of the characteristics of that target group that shows how the knowledge and experience of its members are relevant to meeting the purpose of this section;

“(2) a description of the training that program participants will receive and how that training will relate to their certification as teachers;

“(3) a description of how the applicant will collaborate, as needed, with other institutions, agencies, or organizations to recruit, train, place, support, and provide teacher induction programs to program participants under this section, including evidence of the commitment of those institutions, agencies, or organizations to the applicant’s program;

“(4) a description of how the applicant will evaluate the progress and effectiveness of its program, including—

“(A) the program’s goals and objectives;

“(B) the performance indicators the applicant will use to measure the program’s progress; and

“(C) the outcome measures that will be used to determine the program’s effectiveness; and

“(5) such other information and assurances as the Secretary may require.

“(d) USES OF FUNDS AND PERIOD OF SERVICE.—

“(1) AUTHORIZED ACTIVITIES.—Funds under this section may be used for—

“(A) recruiting program participants, including informing them of opportunities under the program and putting them in contact with other institutions, agencies, or organizations that would train, place, and support them;

“(B) training stipends and other financial incentives for program participants, not to exceed \$5,000 per participant;

“(C) assisting institutions of higher education or other providers of teacher training to tailor their training to meet the particular needs of professionals who are changing their careers to teaching;

“(D) placement activities, including identifying high-need local educational agencies with a need for the particular skills and characteristics of the newly trained program participants and assisting those participants to obtain employment in those local educational agencies; and

“(E) post-placement induction or support activities for program participants.

“(2) PERIOD OF SERVICE.—A program participant in a program under this section who completes his or her training shall serve in a high-need local educational agency for at least 3 years.

“(3) REPAYMENT.—The Secretary shall establish such requirements as the Secretary determines appropriate to ensure that program participants who receive a training stipend or other financial incentive under paragraph (1)(B), but fail to complete their service obligation under paragraph (2), repay all or a portion of such stipend or other incentive.

“(e) EQUITABLE DISTRIBUTION.—To the extent practicable, the Secretary shall make awards under this section that support programs in different geographic regions of the Nation.

“(f) DEFINITIONS.—As used in this section:

“(1) The term ‘high-need local educational agency’ has the meaning given such term in section 2061.

“(2) The term ‘program participants’ means career-changing professionals who—

“(A) hold at least a baccalaureate degree;

“(B) demonstrate interest in, and commitment to, becoming a teacher; and

“(C) have knowledge and experience that are relevant to teaching a high-need subject area in a high-need local educational agency.”

Page 36, line 19, strike “part,” and insert “part (other than section 2043).”

Page 36, line 21, strike “4.” and insert “4 (other than section 2043).”

Page 36, line 23, strike “part,” and insert “part (other than section 2043).”

The CHAIRMAN. Pursuant to House Resolution 253, the gentleman from Indiana (Mr. ROEMER) and a Member opposed each will control 5 minutes.

Does any Member rise in opposition?

Mr. GOODLING. I am not opposed to the amendment, Mr. Chairman, but I ask to control the 5 minutes of time.

The CHAIRMAN. Without objection, the gentleman from Pennsylvania (Mr. GOODLING) will be recognized for 5 minutes.

There was no objection.

□ 1630

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. ROEMER).



Mr. ROEMER. Mr. Chairman, it is my understanding that we now have, due to the generosity of the gentleman from Pennsylvania (Mr. GOODLING), 3 additional minutes, so that we now have 8 minutes on our side?

The CHAIRMAN. The gentleman is correct.

Mr. ROEMER. I thank the Chairman for the clarification, and I yield myself such time as I may consume.

First of all, Mr. Chairman, I just want to thank my leader on this amendment and cosponsor of this amendment and somebody who has been a tenacious and tireless advocate and very eloquent in his remarks, the gentleman from Florida (Mr. DAVIS) who has worked together with me to put this legislation together, and I want to thank him for his hard work.

Mr. Chairman, our amendment tries to be creative and bold and to address the two issues that are crucial to this bill: How do we reduce class size? How do we improve the quality of teaching in America, with the challenge of bringing in 2 million new teachers over the next 10 years?

Our bill expands on the very successful Troops to Teachers idea that was done with our military several years ago where we brought people out of the military in mid-career with technical skills and math and science skills, and taught them, through an alternative and rigorous method, how to get their teaching certificates. They are now in inner-city schools teaching math and science and doing extremely well.

The bill that I put together along with the gentleman from Florida (Mr. DAVIS) expands on this idea of Troops to Teachers and expands this into the private sector where we want to work with universities, where we want to work with businesses and not-for-profits, and we want to expand on people's dreams of becoming a teacher, and bringing real-life experiences as a doctor, as a retired police officer, as an accountant, a scientist, a researcher, from that real-life experience into the classroom.

Our bill is a competitive grant process. Our bill would allow up to \$5,000 as a stipend to help train that individual to bring them into teaching, and our bill would also try to direct many of these people into high-need schools for at least 3 years. So we need 2 million teachers, it expands on the Troops to Teacher idea; it is up to a \$5,000 stipend, and the recipients agree to teach in high-need areas.

So I am very excited to have this bill considered by the full House.

Mr. Chairman, I reserve the balance of my time.

Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman has 5 minutes remaining.

Mr. ROEMER. Mr. Chairman, I am delighted to yield 3 minutes to the

hard-working gentleman from Tampa Bay, Florida (Mr. DAVIS).

Mr. DAVIS of Florida. Mr. Chairman, I rise today in support of the Roemer-Davis amendment to the Teacher Empowerment Act.

We are approaching an education crisis in our country. Over the next decade, school districts across the country will have to hire an additional 2 million teachers. In my home, Hillsborough County in Tampa, we need to hire 600 teachers alone before school starts in about 3 weeks and 7,000 teachers over the next decade. To meet this need, talented Americans of all ages and all backgrounds need to be recruited to be successful, qualified teachers.

Several years ago, Congress authorized the Troops to Teachers program at the Department of Defense. This program has been successful in recruiting and training over 3,000 men and women who have retired from the military and gone on to serve as math, science and technology teachers. The graduates of this program that I have met have demonstrated a deep commitment to their students and to their profession and have used their life experiences to relate to the young people whom they are teaching.

Due to the downsizing of our military and a shrinking pool of military retirees, we need to find other ways to address this shortage that is developing of teachers. Together with my colleague, the gentleman from Indiana (Mr. ROEMER) and 25 Democratic and Republican cosponsors, we have introduced the Transition to Teaching Act and offer an amendment today very similar to the bill.

The amendment, which is modeled after the Troops to Teachers Act, will target mid-career professionals who are looking for a career change and want to be teachers. This new program does not replace the existing Troops to Teachers program, it simply builds on its success.

We encourage professional associations, business and trade groups, unions and other organizations to follow the military's example and encourage their retiree employees to become teachers. Our amendment is intended to make sure that these men and women get the training they need to become teachers.

The Roemer-Davis amendment will help move people from the board room to the classroom, from the firehouse to the schoolhouse, from the police station on main street to the classroom on main street. Since we introduced the Transition to Teachers Act last month, I have heard from a number of people throughout Florida who have expressed support and excitement for this proposal. I heard from a woman from Tampa who spent more than 20 years as a pharmacist who is considering a career change and would like to

be a teacher and sees this bill as a way to help her do that.

Mr. Chairman, the time is now for us to begin dealing with this crisis that is developing. We need to replenish the ranks of our teachers. We need our best and brightest there. We need people whose maturity and life experience can help them reach out to the young people in our classrooms today, and I would urge adoption of the Roemer-Davis amendment.

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment builds on current language that we have in this legislation which intends to expand the pool of highly qualified teachers through programs designed to offer alternative routes to teacher certification.

Specifically, it will assist in helping schools that are in need of highly qualified teachers in particular subject areas such as math and science by establishing networks to recruit, prepare, place and support career-changing professionals who have knowledge and experience that will help them become such teachers. In return for this assistance, these individuals would teach in high-need, local educational agencies, and as I have said over and over again all day long, the important thing is that we get well-qualified teachers, particularly in these areas of high need. I support the amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. ROEMER. Mr. Chairman, I yield 1½ minutes to the gentleman from Wisconsin (Mr. KIND), a talented member of the Committee on Education and the Workforce.

Mr. KIND. Mr. Chairman, I thank my friend from Indiana (Mr. ROEMER) for yielding me this time.

I want to commend both him and the gentleman from Florida (Mr. DAVIS) for offering this amendment. I rise as a strong supporter of the Transition to Teaching initiative that is being offered. I think this amendment can only improve the bill that we have been working on all day.

Mr. Chairman, schools across this country will need to hire roughly 2 million additional teachers over the next 10 years because of the impending baby boom retirement trend. Currently, over 25 percent of teachers do not have degrees in the subject areas in which they teach. To address these issues, it is imperative that we attract motivated, qualified, well-educated persons to the teaching profession.

This country has an endless pool of diverse talent that can be tapped for teaching and help fill the gap that will be created in these future years. More and more individuals in America, from a wide range of fields and with a wide range of ages are looking for ways to contribute to society in positive, meaningful ways. This amendment will help

those individuals get started in a career that can give them the personal satisfaction that they seek. Regardless of the career they may be in, we should encourage individuals with real world experience to share their knowledge with our children through actual classroom instruction. This amendment will provide funding to help these people move into a new, challenging and incredibly rewarding career in the teaching profession.

Again, I would like to commend the gentleman from Indiana (Mr. ROEMER) and the gentleman from Florida (Mr. DAVIS) for the work and leadership that they have shown on this issue, and I would encourage my colleagues to adopt this amendment.

Mr. ROEMER. Mr. Chairman, I yield myself the remaining time to conclude by again thanking the gentleman from Florida (Mr. DAVIS) for his hard work, the gentleman from Wisconsin (Mr. KIND) for his words of support, and the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from California (Mr. MCKEON) for their support as well.

I would just encourage my colleagues to support this innovative and bold new idea to try to bring real-life experience and dreams of people that have always wanted to teach into the classrooms. I would also encourage in that process that we continue to look for bolder and more creative ways to work together across the aisle to bring Democratic and Republican bipartisanship to these bills.

Mr. HAYES. Mr. Chairman, I rise in support of this amendment. I especially take interest in the Troops to Teachers program. I am proud to be a sponsor of Congressman JOEL HEFLEY's bill that would reauthorize and strengthen Troops to Teachers. So often we question whether government-designed programs produce the desired effect and benefit our constituents. This program does. I read a letter printed in the Fayetteville (N.C.) Observer-Times in which a constituent of mine wrote in asking for more information about Troops to Teachers. I am submitting for the record a letter I wrote to the newspaper praising this program. Mr. Chairman, this program works and I cannot think of a better way for the men and women in uniform to continue their service to our country after they have completed their active duty.

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, DC, July 19, 1999.  
The Editorial Page Editor,  
The Fayetteville Observer-Times,  
Fayetteville, NC.

DEAR EDITOR: I am writing in response to a letter on the Live Wire, Thursday, July 15 regarding the Department of Defense Troops to Teacher Program. I was happy to see there is interest in such a valuable program.

One of the most pressing challenges facing our country is recruiting, training and retaining high quality teachers for our public schools. While many proposals have been suggested to help attract new teachers, this program in particular has been highly successful in bringing qualified teachers into

the classrooms. Troops to Teachers assists our men and women in uniform in identifying teaching certification programs and employment opportunities after they have fulfilled their serve to their country.

Troops to Teachers has helped over 3,000 active duty soldiers enter our nation's classrooms and make significant contributions to our schools. There military personnel-turned teachers have established a solid reputation as dedicated and effective educators, who bring unique, real-world experiences to the classroom.

I am a proud cosponsor of the Troops to Teachers Improvement Act of 1999, introduced by Congressman Joel Hefley (R-CO). This bill will re-authorize and strengthen its successful program through 2004. I cannot think of a better way for these qualified and well trained men and women to continue serving their country after they have left the military.

Please feel free to contact our office with any comment or concerns that you may have on Troops to Teachers (or any other issue). You can contact our Washington office at 202/225-3715, and our office here in the 8th district can be reached toll-free at 888/207-1311.

Sincerely,

ROBIN HAYES,  
Member of Congress.

Mr. ROEMER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Indiana (Mr. ROEMER).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 10 printed in House report 106-240.

AMENDMENT NO. 10 OFFERED BY MRS. MINK OF HAWAII

Mrs. MINK of Hawaii. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mrs. MINK of Hawaii:

Page 40, line 24, before the semicolon insert "and redesignating part E as part D".

Page 40, strike line 25 and insert the following:

(2) by inserting after section 2260 the following:

**"PART C—USE OF SABBATICAL LEAVE FOR PROFESSIONAL DEVELOPMENT"**

**"SEC. 2301. GRANTS FOR SALARY DURING SABBATICAL LEAVE.**

"(a) PROGRAM AUTHORIZED.—The Secretary may make grants to State educational agencies and local educational agencies to pay such agencies for one-half of the amount of the salary that otherwise would be earned by an eligible teacher described in subsection (b), if, in lieu of fulfilling the teacher's ordinary teaching assignment, the teacher completes a course of study described in subsection (c) during a sabbatical term described in subsection (d).

"(b) ELIGIBLE TEACHERS.—An eligible teacher described in this subsection is a teacher who—

"(1) is employed by an agency receiving a grant under this section to provide classroom instruction to children at an elementary or secondary school that provides free public education;

"(2) has secured from such agency, and any other person or agency whose approval is required under State law, approval to take sabbatical leave for a sabbatical term described in subsection (d);

"(3) has submitted to the agency an application for a subgrant at such time, in such manner, and containing such information as the agency may require, including—

"(A) written proof—

"(i) of the approval described in paragraph (2); and

"(ii) of the teacher's having been accepted for enrollment in a course of study described in subsection (c); and

"(B) assurances that the teacher—

"(i) will notify the agency in writing within a reasonable time if the teacher terminates enrollment in the course of study described in subsection (c) for any reason;

"(ii) in the discretion of the agency, will reimburse to the agency some or all of the amount of the subgrant if the teacher fails to complete the course of study; and

"(iii) otherwise will provide the agency with proof of having completed such course of study not later than 60 days after such completion; and

"(4) has been selected by the agency to receive a subgrant based on the agency's plan for meeting its classroom needs.

"(c) COURSE OF STUDY.—A course of study described in this subsection is a course of study at an institution of higher education that—

"(1) requires not less than one academic semester and not more than one academic year to complete;

"(2) is open for enrollment for professional development purposes to an eligible teacher described in subsection (b); and

"(3) is designed to improve the classroom teaching of such teachers through academic and child development studies.

"(d) SABBATICAL TERM.—A sabbatical term described in this subsection is a leave of absence from teaching duties granted to an eligible teacher for not less than one academic semester and not more than one academic year, during which period the teacher receives—

"(1) one-half of the amount of the salary that otherwise would be earned by the teacher, if the teacher had not been granted a leave of absence, from State or local funds made available by a State educational agency or a local educational agency; and

"(2) one-half of such amount from Federal funds received by such agency through a grant under this section.

"(e) PAYMENTS.—

"(1) TO ELIGIBLE TEACHERS.—In making a subgrant to an eligible teacher under this section, a State educational agency or a local educational agency shall agree to pay the teacher, for tax and administrative purposes, as if the teacher's regular employment and teaching duties had not been suspended.

"(2) REPAYMENT OF SECRETARY.—A State educational agency or a local educational agency receiving a grant under this section shall agree to pay over to the Secretary the Federal share of any amount recovered by the agency pursuant to subsection (b)(3)(B)(ii).

"(f) FUNDING.—For the purpose of carrying out this section, there are authorized to be appropriated \$200,000,000 for fiscal year 2000 and such sums as may be necessary for fiscal years 2001 through 2004."; and

The CHAIRMAN. Pursuant to House Resolution 253, the gentlewoman from Hawaii (Mrs. MINK) and a Member opposed each will control 5 minutes.

Mr. GOODLING. Mr. Chairman, I rise in opposition.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. GOODLING) will control 5 minutes.

The gentlewoman from Hawaii (Mrs. MINK) is recognized for 5 minutes.

Mrs. MINK of Hawaii. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, we have heard a great deal today about the importance of quality in terms of our teachers. The need for their education, for their upgrading, for their continuing education and development in order to make sure that our children benefit from the highest quality education that this Nation can afford, I do not think anyone disputes.

But if we read this legislation and we listen to the debate, what they are talking about is the need to find new teachers to meet the 2 million teacher demand that everyone talks about. In this bill have mentoring programs, we have alternative teaching projects. We have new ways of implementing the licensing process. But there is no real concrete method by which we can address the specific problem of 25 percent of our incumbent teachers not being qualified in the subject matter area which they find themselves teaching.

What are we going to do about this 25 percent of our incumbent teachers, and the 2 million teachers that we need to attract into the profession and those that we need to retain?

My amendment goes to the very heart of that issue. It is not a mandate; it is an option to States that have a serious problem with a lack of qualified teachers. We need to enable our teachers with the opportunity to enroll in full time academic training.

The bill that the majority has brought forth says that they are not for short-term workshops or conferences or 1-day exhibits. The testimony of teachers will tell us that those are not adequate; and therefore, if we are really serious about quality education, we need to make sure that teachers have the opportunity to go to the academies, to the institutions of higher learning and get the qualifying education they need.

So, Mr. Chairman, I rise today to urge my colleagues to support my Teacher Sabbatical amendment to H.R. 1995, the Teacher Empowerment Act.

My amendment will give teachers the opportunity to receive intensive professional development training. This amendment creates a program to provide grants for public school teachers who take sabbatical leave to pursue a course of study for professional development. The grant covers one-half of the salary the teacher would have earned if the teacher had not been granted a leave of absence; the state must provide the other half of the salary. Teachers are eligible if they have been approved for sabbatical leave and if they have enrolled in a course of study at an institution of higher education designed to improve classroom teaching.

By providing teachers with financial resources, they will be free to pursue an intensive course of study that can greatly improve their teaching skills. Professional development is essential to improve teacher quality. However, our teachers will never get the development training they need to stay on top of their field from a one-day workshop.

This need for intensive professional development training is not foreign to the bill. H.R. 1995 contains language that requires professional development programs "be of sufficient intensity and duration (such as not to include 1-day or short term workshops and conferences) to have a positive and lasting impact on the teacher's performance in the classroom."

This language is wonderful. But we must do more than talk about the need for intensive development programs; we must create programs that ensure our teachers can participate in these programs.

My amendment does this. It gives teachers the opportunity to improve and grow. By creating a grant program that will cover a teacher's salary on sabbatical leave, teachers will have the chance to pursue a course of study that can greatly improve their teaching skills.

All teachers want to be on top of their field. However, only a few can give up their salary as they pursue this.

Recent findings also show the need for intensive professional development. Although 99% of our teachers have participated in at least one professional development activity in the past year, only 12% of teachers who spent only 1-8 hours in professional development said it improved their teaching a lot.

That is a dismal figure. It proves that we will never be able to improve teacher quality if we continue to provide only one-day workshops for teachers. We must do more. We must work to provide teachers with intensive professional development, so all of our teachers feel professional development improves their teaching.

Teacher quality is essential. Studies have shown that the more qualified a teacher is, the better the students' performance will be.

For instance, in Boston, students assigned to the most effective teachers for a year showed 18 times greater gains in reading and nearly 16 times greater gains in math than those students who were assigned to the least effective teachers.

In Tennessee, similar students with 3 very effective teachers in a row scored 50 percentile points better than students who were assigned 3 very ineffective teachers in a row.

All of our students deserve to achieve these same gains.

By providing teachers with the opportunity to receive intensive professional development, my amendment will help put more effective, qualified teachers in the classroom.

I urge my colleagues to support this amendment.

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, oh, it is so much more pleasant when I can be on the same side as the gentlewoman from Hawaii.

Mrs. MINK of Hawaii. Mr. Chairman, if the gentleman will yield, we have

been on a number of occasions, and I hope that this will be another.

Mr. GOODLING. Mr. Chairman, in this particular case, I would plead with my colleagues not to go down this very, very slippery slope.

Let me tell my colleagues a little bit about sabbaticals, in case we are not familiar with sabbaticals. In the State of Pennsylvania, for instance, after one teaches 10 years, one can request a sabbatical. Now, they have given up fighting sabbaticals and they just give them to them and they do anything under the sun, not necessarily to improve their classroom teaching. But let me tell my colleagues about the cost.

We are giving a \$40,000 teacher a sabbatical. In the State of Pennsylvania, the school district must pay half of that salary while they are on sabbatical. That is \$20,000. The school district must pay full fringe benefits to that teacher on sabbatical. So let us say another \$4,000. Now we are up to \$24,000.

□ 1645

Now the school district must replace that teacher, and let us say that is another \$30,000, so now we are up to \$70,000. And then they must provide full fringe benefits to that replacement teacher for that period of time, so now we are up to \$73,000 or \$74,000. That is just for one teacher.

Make sure that Members understand, in this legislation if a district believes that that is the best way to use their money, to improve the quality of the teacher, that is what they can do. That is what it allows. That is why we are trying to tell Members, do not just get hooked on the \$100,000, get hooked on quality. If this is what they want to do, that is exactly what they can do.

But do not get us involved in trying to do this. When it starts out it is not a mandate, it is just an encouragement, and Members know how all of those go, eventually.

I would surely hope that all of my colleagues would not go down this slippery slope. We have already taken care of it in the legislation, if that is what the local district wants to do to improve the quality of their teachers.

Mr. Chairman, I reserve the balance of my time.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. OWENS).

Mr. OWENS. Mr. Chairman, this amendment goes to the heart of the problem of trying to get quality teachers. We have had a series of motherhood and apple pie amendments that we all agree on. They would be good, but here is one that costs money, and the very fact that it costs money gets opposition.

For every other profession, the legal profession, the medical profession, airline pilots, tremendous amounts of money are spent to train and retrain people in these professions.

Lawyers make enough money, the law firms make enough money, they pay for their own training, but there is ongoing training. Doctors make enough money to pay for their training, but they are always being trained and retrained, and tremendous amounts of money go into it.

Once every 10 years to give a sabbatical and pay those costs that were quoted by the chairman of the committee; that is not too much, if we are serious about achieving a pool of people where we can maintain quality.

The quality problem is a problem not only of attracting new people into the teaching field, but the problem is to hold those that are already there. A person with educational credentials teaches a few years; other professions and other entrepreneurial enterprises are seeking their experiences, and large numbers of people are leaving.

We are addressing the working conditions when we talk about the President's initiative on small class sizes. If we had smaller classes, a large number of the young people who have gone into teaching; at the elementary school level would not have left. Everybody knows people who have gone into teaching, elementary schoolteachers who confront a classroom full of children, 25 to 30, and in a year or so they are gone. They cannot take it anymore. There are options and they take those options.

So we are addressing a serious working condition. This is an incentive. A part of the package ought to be an incentive that after 7 years, 10 years, whatever, they should be able to get the kind of training they need to keep up with some of the educational technology we talked about before, and many other changes are happening. This incentive is needed. If we want quality teachers, we should support this. We need to pay for the continuing education of quality teachers if we want them.

Mr. GOODLING. Mr. Chairman, I yield 1½ minutes to the gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Mr. Chairman, I thank the chairman for yielding time to me.

In opposing this amendment, I think he is absolutely correct. We allow school districts who believe that sabbaticals are important and want to supplement their existing funds to do so. But it is really important to remember, and we cannot repeat this enough, this is not an appropriations bill, this is an authorizing bill. This is where we set policy. To say we are setting aside new money for this is in fact not true. It sets a cap for it, but the Committee on Appropriations will have to then subdivide.

All afternoon we have been listening to people come to the floor from the other side who oppose the bill that say, oh, we are taking things from class size reduction. We have been arguing that

local school districts ought to have the flexibility, between class size reduction, special ed teachers, and teacher quality, and let them make that decision.

The other side has been arguing, at least up until now, that this money should be used for class size reduction, but this amendment would in fact take money, as a practical matter, because this is an authorizing bill, not an appropriations bill.

When the appropriators say, oh, it is new grant money, a grant program, the money would have to come out from somewhere. Presumably it is going to come from the class size reduction and the teacher training, because we do not have the ability in this bill to spend new money. That is an appropriations decision. So I am kind of confused as to what the priorities are here, because that is the net impact.

The plain truth of the matter is that, as the chairman so eloquently said, any school district who wants to use this money for teacher training during a period of sabbatical can do so. The only fundamental debate here is, are we going to say that Washington says they must use it for a sabbatical out of limited funds, rather than that they may use it for sabbatical.

Mrs. MINK of Hawaii. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Chairman, last year 99 percent of our teachers participated in at least one professional development activity. But Mr. Chairman, too many of those activities are piecemeal, a day here, a couple of hours there. In fact, only 12 percent of the teachers who participated in limited professional development activities said that they improved their teaching. What a shame. What a shame for those teachers and what a shame for their students.

The Mink amendment treats teachers as the professionals they are by providing enough time to become great teachers, having time off to learn more, to upgrade their skills, to come back to the classroom ready to teach with more than they knew before they left in the first place.

I urge my colleagues to support teacher sabbaticals. Support the Mink amendment.

Mr. GOODLING. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. EWING). The question is on the amendment offered by the gentlewoman from Hawaii (Mrs. MINK).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mrs. MINK of Hawaii. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 253, further proceedings on the amendment offered by the gentlewoman from Hawaii (Mrs. MINK) will be postponed.

It is now in order to consider amendment No. 11 printed in House Report 106-240.

AMENDMENT NO. 11 OFFERED BY MR. CROWLEY

Mr. CROWLEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mr. CROWLEY:

Page 42, after line 10, insert the following:

**SEC. 5. SENSE OF CONGRESS.**

It is the sense of the Congress that high quality teachers are an important part of the development of our children and it is essential that Congress work to ensure that the teachers who instruct our children are of the highest quality possible.

The CHAIRMAN pro tempore. Pursuant to House Resolution 253, the gentleman from New York (Mr. CROWLEY) and a Member opposed each will control 5 minutes.

Mr. GOODLING. Mr. Chairman, I am not opposed, but I ask unanimous consent that 5 minutes be controlled by myself.

The CHAIRMAN pro tempore. Without objection, the gentleman from Pennsylvania (Mr. GOODLING) will control the 5 minutes in opposition.

There was no objection.

Mr. CROWLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today to offer an amendment to H.R. 1995 that supports and lauds our Nation's teachers. While I have deep reservations over the underlying bill, I recognize the important role of Congress in helping our teachers. Teachers touch the lives of every single American child and help shape their future.

My amendment is quite simple. It expresses the sense of this Congress that high quality teachers are an important part of the development of our children, and that it is essential that Congress work to ensure that the teachers who instruct our children are of the highest quality possible.

I support recruitment and retention of the best and brightest of teachers, especially for our neediest children. In my district in New York City, we have a very high turnover rate for our teachers, as well as some of the most overcrowded conditions in the country. In fact, a recent survey by my Office of Public Schools shows that the average class size ranges between 29 and 35 students.

Mr. Chairman, I have one school in my district that has 50 kindergarten children in one classroom, in a normal sized classroom, with two teachers. Imagine that, the strain on those teachers. We can only imagine the lack of quality education those children are receiving.

Additionally, in the 1996-1997 school year the Board of Education hired approximately 6,200 teachers. However,

the same year, listen to this, 5,415 teachers left the system. Of those, only 515 actually retired. The New York City public school system, a system that educates over 1 million children, lost nearly as many teachers as it hired in the same year. I am sure many communities around the country face similar situations.

The teachers who I have met touring schools in my district are the most dedicated and passionate individuals I have encountered in my life, despite the overcrowded classrooms, the low pay, and sometimes unsafe conditions that they have to co-exist in within their schools.

It is my desire to recognize these teachers with this amendment, and laud their efforts, and the impact on our children's lives.

Mr. Chairman, as it pertains to the bill as a whole, although my amendment and other amendments improve the overall bill, it still leaves it far short of the needs of my constituents. But Mr. Chairman, it is important to me, as I am sure it is important to the chairman, to recognize the effort and high quality of our teachers. I ask the support of all my colleagues in doing so. I hope they will join me in praising our teachers, recognizing their importance, and pledging to assist in the recruitment and retention of high quality teachers.

I would also thank the gentleman from Massachusetts (Mr. MOAKLEY) for offering my amendment before the Committee on Rules, as well as the Committee on Rules for reporting the Crowley amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, obviously, I strongly support the amendment, since it is what I have said over and over and over and over again 100 times today. This amendment shows that Congress supports high quality teachers. This amendment shows that high quality teachers are the most important influence over our children, second only to parents.

The amendment says the teachers instructing our children must be of the highest quality possible. Amen, amen, and amen.

Mr. CROWLEY. Mr. Chairman, I yield 1½ minutes to my colleague, the gentleman from Maryland (Mr. CUMMINGS).

Mr. CUMMINGS. Mr. Chairman, I thank the gentleman for yielding time to me.

I fully support the quality amendment. It is a very, very important amendment. I applaud the gentleman for it.

But I am also in support of another amendment. Today's debate on the House floor echoes with the concepts of

empowerment and mobilization. However, I charge that the definitions of these terms as they appear in H.R. 1995 are heavily misguided. Empowering teachers means allocating \$1 billion more than H.R. 1995, investing in thousands of new teachers, and shrinking the size of our Nation's classrooms. Empowering teachers means providing teachers with the resources, conditions, and training which will enable them to do the best job educating our Nation's youth.

Empowering teachers does not mean robbing Peter to pay Paul. We can provide funding for new teachers and special education training. This definition of empowerment does not change from one school district to another, but remains universal in all of our local school systems. We must move forward and mobilize all of our schools so we create an even educational playing field for all of our children in this country.

Mr. CROWLEY. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. GOODLING. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York (Mr. CROWLEY).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. GOODLING. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Pursuant to House Resolution 253, further proceedings on the amendment offered by the gentleman from New York (Mr. CROWLEY) will be postponed.

The point of no quorum is considered withdrawn.

□ 1700

The CHAIRMAN pro tempore (Mr. EWING). It is now in order to consider amendment No. 12 printed in House Report 106-240.

AMENDMENT NO. 12 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MARTINEZ

Mr. MARTINEZ. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 12 in the nature of a substitute offered by Mr. MARTINEZ:

Strike out all after the enacting clause and insert the following:

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Smart Classrooms Act".

#### SEC. 2. SMART CLASSROOMS.

(a) IN GENERAL.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended—

(1) by striking the heading for title II and inserting the following:

#### "TITLE II—SMART CLASSROOMS";

(2) by striking sections 2001 through 2003;

(3) by striking parts A, B, and D;

(3) by redesignating part C as part D; and

(4) by inserting after the title heading the following:

#### "PART A—QUALIFIED TEACHERS IN EVERY CLASSROOM

##### "Subpart 1—Findings; Purpose; Authorization of Appropriations

#### "SEC. 2001. FINDINGS.

"The Congress finds as follows:

"(1) All students can learn and achieve to high standards.

"(2) States that have shown the most success in improving student achievement are those that have developed challenging content and student performance standards, have aligned curricula and assessments with those standards, have prepared educators to teach to those standards, and have held schools accountable for the achievement of all students against those standards.

"(3) Increased teachers' knowledge of academic content and effective teaching skills is associated with increases in student achievement. While other factors also influence learning, teacher quality makes a critical difference in how well students learn, across all categories of students. For example, recent research has found that teachers' expertise has a greater impact on students' achievement in reading than any other in-school factor.

"(4) A crucial component of an effective strategy for achieving high standards is ensuring, through professional development, that all teachers provide their students with challenging learning experiences in the core academic subjects.

"(5) Recent research has found that teachers who participate in sustained curriculum-centered professional development are much more likely to report that their teaching is aligned with high standards than are teachers who have not received such training.

"(6) Research has found that high-quality professional development is—

"(A) linked to high standards: professional development activities should improve the ability of teachers to help all students, including females, minorities, children with disabilities, children with limited English proficiency, and economically disadvantaged children, reach high State academic standards;

"(B) focused on content: professional development activities should advance teacher understanding of 1 or more of the core academic subject areas and effective instructional strategies for improving student achievement in those areas;

"(C) collaborative: professional development activities should involve collaborative groups of teachers, principals, administrators, and other school staff from the same school or district;

"(D) sustained: professional development activities should be of sufficient duration to have a positive and lasting impact on classroom instruction and, to the greatest extent possible, should include follow-up and school-based support such as coaching or study groups;

"(E) embedded in a plan: professional development activities should be embedded in school and district-wide plans designed to raise student achievement to State academic standards; and

"(F) informed by research: professional development activities should be based on the

best available research on teaching and learning.

“(7) Students who attend schools with large numbers of poor children are less likely to be taught by teachers who have met all State requirements for certification or licensure or who have a solid academic background in the subject matter they are teaching.

“(8) Despite the fact that every year the Nation’s colleges and universities produce many more teachers than are hired and that over 2,000,000 individuals who possess education degrees are currently engaged in activities other than teaching, many school districts experience difficulty recruiting and hiring enough fully qualified teachers. Among the reasons researchers have found for districts hiring less than fully qualified teachers are—

“(A) cumbersome and poorly coordinated State licensing procedures and local hiring practices;

“(B) the lack of reciprocity of teacher credentials, pensions, and credited years of experience across State and school district lines;

“(C) a lack of support for new teachers, such as high-quality mentoring programs, that can help reduce the attrition rate and the number of new teachers that school districts must hire every year; and

“(D) compensation systems that do not adequately reward teachers for improving their knowledge and skills.

#### “SEC. 2002. PURPOSE.

“The purpose of this part is to support the improvement of classroom instruction, so that all students are able to achieve to challenging State content and student performance standards in the core academic subjects, by providing assistance to State and local educational agencies in their efforts to recruit and retain a fully qualified instructional staff by—

“(1) supporting States and local educational agencies in continuing the task of developing challenging content and student performance standards and aligned assessments, revising curricula and teacher certification requirements, and using challenging content and student performance standards to improve teaching and learning;

“(2) assisting high-poverty local educational agencies and low-performing local educational agencies that have the greatest difficulty in recruiting and retaining fully qualified teachers;

“(3) supporting States and local educational agencies, in partnerships with institutions of higher education, to recruit and retain teachers in subject areas in which the State has determined there to be a shortage of teachers;

“(4) ensuring that all instructional staff have the subject matter knowledge and teaching skills necessary to teach effectively in all subjects in which they provide instruction;

“(5) providing assistance to new teachers during their first 3 years in the classroom; and

“(6) ensuring that teachers, principals, administrators, and other school staff have access to professional development that is aligned with challenging State content and student performance standards in the core academic subjects.

#### “SEC. 2003. AUTHORIZATION OF APPROPRIATIONS.

“(a) SUBPART 2.—For the purpose of carrying out subpart 2, there are authorized to be appropriated \$1,500,000,000 for fiscal year 2000, \$1,875,000,000 for fiscal year 2001,

\$2,250,000,000 for fiscal year 2002, \$2,625,000,000 for fiscal year 2003, and \$3,000,000,000 for fiscal year 2004.

“(b) SUBPART 3.—For the purpose of carrying out subpart 3, there are authorized to be appropriated \$40,000,000 for fiscal year 2000 and such sums as may be necessary for each of fiscal years 2001 through 2004.

#### “Subpart 2—State and Local Activities

##### “SEC. 2011. ALLOCATIONS TO STATES.

“(a) IN GENERAL.—In the case of each State that in accordance with section 2013 submits to the Secretary an application for a fiscal year, and has that application approved under section 2013(c), the Secretary shall make a grant for the year to the State for the uses specified in section 2012. The grant shall consist of the allocation determined for the State under subsection (b) or (c).

“(b) RESERVATION OF FUNDS.—From the amount made available to carry out this subpart for any fiscal year, the Secretary shall reserve—

“(1) ½ of 1 percent to provide assistance to the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be distributed among these outlying areas on the basis of their relative need, as determined by the Secretary in accordance with the purpose of this part; and

“(2) ½ of 1 percent for the Secretary of the Interior for activities under this subpart for teachers, principals, administrators, and other school staff in schools operated or funded by the Bureau of Indian Affairs.

##### “(c) STATE ALLOCATIONS.—

“(1) IN GENERAL.—After reserving funds under subsection (b), the Secretary shall allocate the remaining amount made available to carry out this subpart for any fiscal year among the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico as follows:

“(A) 50 percent of such amount shall be allocated among such States on the basis of their relative populations of individuals aged 5 through 17, as determined by the Secretary on the basis of the most recent satisfactory data.

“(B) 50 percent of such amount shall be allocated among such States in proportion to the number of children, aged 5 to 17, who reside within the State from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved for the most recent fiscal year for which satisfactory data are available, compared to the number of such individuals who reside in all such States for that fiscal year.

“(2) MINIMUM ALLOCATION.—No State receiving an allocation under paragraph (1) may receive less than ¼ of 1 percent of the total amount made available to carry out this subpart for any fiscal year and not reserved under subsection (b).

##### “SEC. 2012. WITHIN-STATE ALLOCATIONS.

##### “(a) SUBGRANTS TO LOCAL EDUCATIONAL AGENCIES.—

“(1) IN GENERAL.—Each State receiving a grant under this subpart shall expend at least 92 percent of the amount of the funds provided under the grant for the purpose of making subgrants to local educational agencies as follows:

“(A) subject to paragraph (2), 80 percent of such amount shall be allocated as follows:

“(i) 60 percent shall be allocated among local educational agencies having an approved application under section 2017 in proportion to the number of children, aged 5 to

17, who reside within the jurisdiction served by the agency from families with incomes below the poverty line (as defined by the Office of Management and Budget as revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved for the most recent fiscal year for which satisfactory data are available, compared to the number of such children who reside in all such jurisdictions for that fiscal year.

“(ii) 40 percent shall be allocated among local educational agencies having an approved application under section 2017 on the basis of their relative populations of children aged 5 to 17, as determined by the Secretary on the basis of the most recent satisfactory data.

“(B) 20 percent of such amount shall be used to provide additional funds to local educational agencies, and partnerships described in section 2016(b)(1), having an approved application under section 2018 in accordance with such section.

“(2) MINIMUM AMOUNT.—Notwithstanding paragraph (1)(A), a local educational agency may not receive an allocation under such paragraph for any fiscal year that is less than its allocation for fiscal year 1999 under section 2203(1) of this Act (as in effect on the day before the date of the enactment of the Smart Classrooms Act). If the amount available for allocations under paragraph (1)(A) is insufficient to satisfy the preceding sentence, each allocation under such paragraph shall be ratably reduced.

“(b) SUBGRANTS TO PARTNERSHIPS.—Each State receiving a grant under this subpart shall expend at least 2 percent of the amount of the funds provided under the grant for the purpose of making subgrants to partnerships under section 2016.

“(c) STATE-LEVEL ACTIVITIES.—Each State receiving a grant under this part may expend not more than 6 percent of the amount of the funds provided under the grant for one or more of the State-level activities described in section 2015.

“(d) ADMINISTRATION AND EVALUATIONS.—Subject to section 2023, each State receiving a grant under this subpart or part C shall expend not more than ¼ of its allocation under subsection (c) for—

“(1) its costs of administering this subpart and part C;

“(2) evaluations of the effectiveness of activities under this subpart and part C, including effectiveness as measured using the indicators of program performance described in section 2451; and

“(3) reports required under section 2208, if the State receives funds under part C.

##### “SEC. 2013. STATE APPLICATION.

##### “(a) APPLICATIONS REQUIRED.—

“(1) IN GENERAL.—Each State desiring to receive its allocation under this subpart shall submit, through its State educational agency, an application to the Secretary at such time, in such form, and containing such information as the Secretary reasonably may require.

“(2) CONSULTATION.—The State educational agency shall develop the State application—

“(A) in consultation with the State agency for higher education, community-based and other nonprofit organizations of demonstrated effectiveness in professional development, and institutions of higher education; and

“(B) with the extensive participation of teachers, teacher educators, school administrators, and content specialists.

“(b) CONTENTS.—Each such application shall include the following:



“(1) A description of how the State educational agency will use all funds received under this subpart to implement State plans or policies that support comprehensive standards-based education reform through the following strategies:

“(A) Supporting the alignment of curricula and assessments with challenging State content and student performance standards.

“(B) Supporting local educational agencies in their efforts to recruit and retain fully qualified teachers, with special consideration given to recruiting highly qualified teachers from minority and other historically underrepresented groups, including bilingual teachers.

“(C) Ensuring that teachers employed by local educational agencies are proficient in content knowledge and teaching skills in all subjects in which they provide instruction.

“(D) Providing professional development, aligned with State content and student performance standards, in core academic subjects.

“(2) A plan for ensuring that all teachers teaching in schools served under this part are fully qualified not later than November 1, 2003.

“(3) An assurance that teacher aides or other paraprofessionals who are not fully qualified teachers provide instruction to students only under the direct and immediate supervision of a fully qualified teacher, and have received the professional development necessary to perform their duties.

“(4) A description of the process the State educational agency will use to make competitive awards to local educational agencies under section 2018, including a description of—

“(A) the State's criteria for classifying local educational agencies as among those having the greatest need for services provided under this subpart and its justification for those criteria;

“(B) the State's strategies for ensuring that local educational agencies that have historically had little success in competing for funds are provided a reasonable opportunity to compete for subgrants;

“(C) the State's criteria for determining the amounts that it will award to recipients and the criteria for providing noncompetitive renewals of subgrants; and

“(D) the technical assistance that the State educational agency will provide, under section 2018(e)(2), to local educational agencies that it identifies as having the greatest need for services and that fail to receive an award under section 2018.

“(5) A description of how the State educational agency will ensure that all recipients of funds under this subpart will report on their level of performance based on the program performance indicators described in section 2451.

“(6) A list of any additional indicators of program performance, beyond those described in section 2451, on which the State educational agency and the State agency for higher education will require recipients to report.

“(7) A set of specific, numerical, annual goals for each of the performance indicators required under section 2451 and for any additional indicators that the State elects to use for measuring the progress of the State and local educational agencies receiving funds under this subpart.

“(8) A description of how the State will coordinate professional development activities authorized under this subpart with professional development activities provided under other Federal, State, and local programs, in-

cluding those authorized under title I, title III, title IV, part A of title VII, and (where applicable) the Individuals with Disabilities Education Act and the Carl D. Perkins Vocational and Technical Education Act. The application shall also describe the comprehensive strategy that the State will take as part of such coordination effort, to ensure that teachers are trained in the utilization of technology so that technology and its applications are effectively used in the classroom to improve teaching and learning in all curriculum and content areas, as appropriate.

“(c) APPROVAL.—The Secretary shall, using a peer-review process, approve a State application if it meets the requirements of this section and holds reasonable promise of achieving the purpose described in section 2002.

#### “SEC. 2014. STATE ACCOUNTABILITY.

“(a) ANNUAL REPORTS.—Each State educational agency that receives funds under this subpart and part C shall, beginning in fiscal year 2002, annually compile, publish, submit to the Secretary, and distribute to the public, a report including the following information:

“(1) The percentage of teachers teaching in the State who have not met State qualifications and licensing criteria for the grade levels and subject areas in which they provide instruction.

“(2) The percentage of teachers teaching in the State under emergency or other provisional status through which State qualifications or licensing criteria have been waived.

“(3) The percentage of teachers teaching in the State who do not hold a postsecondary degree with a major in the subject areas in which they provide instruction.

“(4) The average class size.

“(5) The percentage of teachers with certification from the National Board for Professional Teaching Standards.

“(6) Information on the progress of recipients of subgrants under this subpart, measured based on the program performance indicators described in section 2041 and any additional indicators included in the State's application.

“(7) Student achievement.

“(8) Such other information as the Secretary may reasonably require.

“(b) DISAGGREGATED DATA.—

“(1) IN GENERAL.—Data collected for the purpose of carrying out this section shall be disaggregated by State, local educational agency, and school.

“(2) DATA ON STUDENT ACHIEVEMENT.—Data collected for the purpose of carrying out subsection (a)(7) shall also be disaggregated by the following:

“(A) Gender.

“(B) Each major racial and ethnic group.

“(C) English proficiency status.

“(D) Students with disabilities as compared to nondisabled students.

“(E) Economically disadvantaged students as compared to students who are not economically disadvantaged.

#### “SEC. 2015. STATE-LEVEL ACTIVITIES.

“Each State shall use funds it reserves under section 2012(c) to carry out activities described in its approved application that promote high-quality classroom instruction, such as—

“(1) supporting the continued improvement of State content and student performance standards and assessments aligned with those standards;

“(2) providing technical assistance and other services to increase the capacity of local educational agencies and schools to develop and implement systemic local im-

provement plans, implement State and local assessments, and develop curricula consistent with State content and performance standards;

“(3) supporting the development and implementation, at the local educational agency and school-building level, of improved systems for recruiting, selecting, hiring, mentoring, supporting, evaluating, and rewarding principals and fully qualified teachers;

“(4) redesigning and strengthening professional licensure systems for educators;

“(5) developing performance-based assessment systems for full teacher licensure;

“(6) establishing, expanding, or improving rigorous alternative routes to State certification or licensure that lead to certification within 2 years and require applicants to meet the same standards and pass the same tests as other applicants;

“(7) developing or strengthening assessments to test the content knowledge and teaching skills of new teachers;

“(8) developing and implementing professional development opportunities for teachers, principals, administrators, and other school staff based on State content and student performance standards;

“(9) operating a teacher academy that establishes and demonstrates models for local educational agencies to improve teaching and learning through activities such as—

“(A) using master teachers to mentor and train student teachers; and

“(B) providing ongoing professional development opportunities and support for teachers;

“(10) providing professional development programs that enable teachers to effectively communicate with parents in the education process to support classroom instruction and work effectively with parent volunteers;

“(11) executing policies and practices that will ensure that low-income and minority students are not taught by emergency certified or unqualified teachers at rates higher than other students; and

“(12) increasing the portability of teacher pensions and reciprocity of teaching credentials across State lines.

#### “SEC. 2016. SUBGRANTS TO PARTNERSHIPS.

“(a) ADMINISTRATION.—From the funds made available to it under section 2012(b) for any fiscal year, a State agency for higher education may use not more than 5 percent for its expenses in administering this section, including conducting evaluations and reporting under subsection (g).

“(b) SUBGRANTS TO PARTNERSHIPS.—

“(1) IN GENERAL.—

“(A) PARTNERSHIPS.—For the purpose of providing professional development to elementary and secondary school teachers in a local educational agency that is both a high-poverty local educational agency and a low-performing local educational agency, a State agency for higher education, subject to subsection (a) and in conjunction with the State educational agency, shall use the funds made available to it under section 2012(b) for any fiscal year to make subgrants to partnerships consisting of—

“(i) one or more institutions of higher education (including historically Black colleges and universities and Hispanic-serving institutions), or nonprofit organizations of demonstrated effectiveness in providing professional development in the core academic subjects; and

“(ii) a local educational agency that is both a high-poverty local educational agency and a low-performing local educational agency, or more than one such agency.



“(B) REQUIREMENT FOR INSTITUTIONS OF HIGHER EDUCATION.—Participating institutions of higher education shall meet the criteria under section 203(a)(2)(A)(i) of the Higher Education Act of 1965.

“(2) SIZE, DURATION, AND PEER REVIEW.—Each subgrant under this section shall be—

“(A) of sufficient size and duration to carry out the purpose of this subpart effectively; and

“(B) awarded, using a peer-review process, on a competitive basis.

“(3) PRIORITY.—In making subgrants under this section, a State agency for higher education shall give a priority to projects that focus on induction programs for new teachers.

“(4) OTHER FACTORS.—In making subgrants under this section, a State agency for higher education shall consider—

“(A) the need for the proposed professional development activities in the jurisdiction of the local educational agency; and

“(B) the quality of the proposed program and its likelihood of success in improving classroom instruction and student academic achievement.

“(C) PARTNERSHIP AGREEMENTS.—No institution of higher education or nonprofit organization may receive a subgrant under this section unless it enters into a written agreement with at least one local educational agency that is both a high-poverty local educational agency and a low-performing local educational agency to provide professional development to elementary and secondary school teachers in the schools of that agency in the core academic subjects. Each such agreement shall identify specific goals for how the professional development that the subgrantee provides will enhance the ability of those teachers to prepare all students, including females, minorities, students with disabilities, students with limited English proficiency, and economically disadvantaged students, to achieve to challenging State content and student performance standards in all subjects in which those teachers provide instruction.

“(d) COORDINATION.—Any professional development activities carried out under this section by a partnership shall be coordinated with activities carried out under title II of the Higher Education Act of 1965 (20 U.S.C. 1021 et seq.), if any member of the partnership is participating in programs funded under that title.

“(e) JOINT EFFORTS WITHIN INSTITUTIONS OF HIGHER EDUCATION.—In the case of a partnership that includes an institution of higher education, each activity assisted under this section shall involve the joint effort of the institution's school or department of education and the schools or departments responsible for the specific disciplines in which the professional development will be provided.

“(f) USES OF FUNDS.—A recipient of funds under this section shall use those funds for—

“(1) research-based programs to assist new teachers during their first 3 years in the classroom, which may include—

“(A) mentoring and coaching by appropriately trained and certified teachers;

“(B) team teaching with experienced teachers;

“(C) observation by, and consultation with, experienced teachers and higher education faculty;

“(D) assignment of fewer course preparations; and

“(E) provision of additional time for preparation;

“(2) professional development in the core academic subjects, aligned with State con-

tent and student performance standards, for teams of teachers from a school or local educational agency and, where appropriate, principals, administrators, and other school staff; and

“(3) providing technical assistance to school and local educational agency staff for planning, implementing, and evaluating professional development.

“(g) ANNUAL REPORTS.—

“(1) IN GENERAL.—Beginning with fiscal year 2002, each subgrantee under this section shall submit an annual report to the State agency for higher education, by a date set by that agency, on its progress, as measured using the indicators of partnership performance described in section 2041.

“(2) CONTENT.—Each such report—

“(A) shall include a copy of each written agreement required by subsection (c); and

“(B) shall describe how the partners have collaborated to achieve the specific goals set out in the agreement, and the results of that collaboration.

“(3) COPY.—The State agency for higher education shall provide the State educational agency with a copy of each subgrantee's annual report.

“(h) SPECIAL RULE.—No single participant in a partnership receiving a subgrant under this section may retain more than 50 percent of the funds made available to the partnership under this section.

#### “SEC. 2017. LOCAL APPLICATIONS FOR FORMULA SUBGRANTS.

“(a) APPLICATION REQUIRED.—Each local educational agency desiring to receive its allocation from funds made available under section 2012(a)(1)(A) for any fiscal year shall submit an application to the State educational agency at such time, in such form, and containing such information as the State educational agency reasonably may require. Each such application shall include an agency-wide plan for raising student achievement against State standards through each of the following strategies:

“(1) Supporting the alignment of curricula, assessments, classroom instructional strategies, and professional development with challenging State content and student performance standards.

“(2) Carrying out activities to recruit fully qualified teachers, particularly in subject areas and in schools in which there is a shortage of such teachers with special consideration given to recruiting fully qualified teachers from minority and other historically underrepresented groups, including bilingual teachers.

“(3) Ensuring that teachers employed by the local educational agency are proficient in teaching skills and in the content knowledge necessary to effectively teach the content called for by State and local standards in all subjects in which they provide instruction and are prepared to integrate technology into the classroom.

“(4) Targeting funds to schools within the jurisdiction of the local educational agency that—

“(A) have the highest proportion of teachers who are not fully qualified;

“(B) have the largest average class size; or

“(C) are identified for school improvement under section 1116(c).

“(5) Carrying out activities to assist new teachers during their first 3 years in the classroom.

“(6) Providing professional development in core academic subjects.

“(b) ADDITIONAL CONTENTS.—Each such application shall also—

“(1) identify specific, measurable goals for achieving the purpose described in section

2002 that, at a minimum, reflect the performance indicators described in section 2041;

“(2) describe how the local educational agency will use funds received under this subpart to help implement the plan described in subsection (a);

“(3) include an assurance that the local educational agency will collect data that measure progress toward the indicators of program performance described in section 2041;

“(4) describe how the local educational agency will address the needs of high-poverty, low-performing schools within its jurisdiction;

“(5) describe how the local educational agency will address the needs of teachers of students with limited English proficiency and other students with special needs;

“(6) describe how the local educational agency will meet the professional development needs of its principals and teachers; and

“(7) describe how the local educational agency will coordinate funds under this subpart with the professional development activities funded through other State and Federal programs.

“(c) APPROVAL.—Notwithstanding section 2012(a)(1)(A), a State educational agency shall approve a local educational agency's application under this section only if the application satisfies the requirements of this section and the State educational agency determines that the application holds reasonable promise of achieving the purpose described in section 2002.

“(d) CONSOLIDATED APPLICATION.—Local educational agencies may consolidate applications under this section and section 2018.

#### “SEC. 2018. LOCAL APPLICATIONS FOR COMPETITIVE SUBGRANTS.

“(a) IN GENERAL.—Each State educational agency shall use the funds described in section 2012(A)(1)(B) for competitive grants to local educational agencies, and partnerships described in section 2016(b)(1), that focus primarily on those agencies and partnerships with the greatest need for—

“(1) activities related to the development, and effective implementation, of curricula aligned with state content and student performance standards; and

“(2) professional development activities that are aligned with those standards.

“(b) SELECTION PROCESS.—

“(1) IN GENERAL.—The State educational agency shall award subgrants under this section through a peer-review process that includes reviewers who are knowledgeable in the academic content areas.

“(2) PUBLIC AVAILABILITY.—The State educational agency—

“(A) shall provide local educational agencies and the general public with a list of the selection criteria that the State educational agency will use in making subgrants under this section; and

“(B) at the completion of the awards process, make public a complete list of applicants and of the applicants that received awards.

“(c) DEMONSTRATION OF NEED.—The State educational agency shall identify the applicants with the greatest need for services, based on the following objective data supplied by the applicant:

“(1) The number or percentage of children who fail to meet State performance standards on assessments used for part A of title I.

“(2) The number or percentage of schools identified for school improvement under section 1116(c).

“(3) The number or percentage of teachers employed who have not received full State certification or licensure.

“(4) The number or percentage of secondary school teachers who do not have an academic major in a subject area directly related to the area in which they provide instruction.

“(5) The number or percentage of students living in poverty.

“(6) The number or percentage of students who have limited English proficiency.

“(7) The applicant's fiscal capacity to fund programs described in section 2019 without Federal assistance.

“(d) **SELECTION OF SUBGRANTEES.**—The State educational agency shall make awards to applicants based on—

“(1) the quality of the applicant's proposal and the likelihood of its success in improving classroom instruction and student academic achievement;

“(2) the demonstrated need of the applicant under subsection (c); and

“(3) the applicant's need for professional development in mathematics and science.

“(e) **OPPORTUNITY TO COMPETE.**—

“(1) **STRATEGIES.**—To ensure that local educational agencies that have the greatest need are provided a reasonable opportunity to complete for an award, State educational agencies shall adopt at least one of the following strategies:

“(A) Holding more than one competition for funds for a fiscal year and, before each such competition, providing technical assistance in developing a high-quality application to local educational agencies that have demonstrated the greatest need but were unsuccessful in the previous grant competition.

“(B) Holding a competition restricted to local educational agencies that it has identified under subsection (c) as having the greatest need for services.

“(C) Requiring recipients seeking a renewal of a subgrant under this section to form a partnership with an applicant that applied for, but failed to receive, such a subgrant.

“(D) Providing a competitive priority to those local educational agencies the State educational agency has identified under subsection (c) as having the greatest need for services.

“(2) **TECHNICAL ASSISTANCE.**—At a minimum, a State educational agency shall, after the completion of an award cycle and before the start of the next cycle, provide technical assistance in developing a high-quality application for future competitions to any local educational agency identified under subsection (c) as having the greatest need for services that did not receive a subgrant.

“(f) **SCOPE OF PROJECTS.**—The State educational agency shall award a subgrant under this section only for projects that are of sufficient size, scope, and quality to achieve the purpose of this part.

#### “SEC. 2019. USES OF FUNDS.

“(a) **PRIORITY FOR PROFESSIONAL DEVELOPMENT IN MATHEMATICS AND SCIENCE.**—

“(1) **APPROPRIATION EQUAL TO OR LESS THAN \$300,000,000.**—Except as provided in section 2020(d), in any fiscal year for which the amount appropriated for this subpart is \$300,000,000 or less, each local educational agency shall ensure that all funds received by the agency under this subpart are used for professional development in mathematics and science.

“(2) **APPROPRIATION GREATER THAN \$300,000,000.**—Except as provided in section 2020(d), in any fiscal year for which the

amount appropriated for this subpart is greater than \$300,000,000, each local educational agency shall ensure that the amount of funds under this subpart that the agency uses for professional development in mathematics and science is at least as much as the amount that would have been made available to the agency if the amount appropriated had been \$300,000,000.

“(3) **INTERDISCIPLINARY ACTIVITIES.**—In meeting the requirement under paragraph (1) or (2), a local educational agency may use funds under this subpart for activities that focus on more than one core academic subject if those activities focus predominantly on improving instruction in mathematics or science.

“(4) **WAIVER.**—

“(A) **APPLICATION.**—A local educational agency, in consultation with teachers and principals, may seek a waiver of the requirements under paragraph (1) or (2) from a State in order to allow the local educational agency to use such funds for professional development in academic subjects other than mathematics and science.

“(B) **STANDARD FOR GRANTING.**—A State may not approve such a waiver unless the local educational agency is able to demonstrate that—

“(i) the professional development needs of mathematics and science teachers, including elementary teachers responsible for teaching mathematics and science, have been adequately met and will continue to be adequately met if the waiver is approved;

“(ii) State assessments in mathematics and science demonstrate that each school within the local educational agency has made and will continue to make progress toward meeting the challenging State content standards and student performance standards in these areas; and

“(iii) State assessments in other academic subjects demonstrate a need to focus on subjects other than mathematics and science.

“(C) **GRANDFATHER OF OLD WAIVERS.**—A waiver provided to a local educational agency under part D of title XIV prior to the date of the enactment of the Smart Classrooms Act shall be deemed effective until such time as it otherwise would have ceased to be effective.

“(b) **OTHER PROFESSIONAL DEVELOPMENT ACTIVITIES.**—Each local educational agency shall ensure that funds under this subpart that the agency uses for professional development, in areas other than mathematics or science, are used to provide professional development activities in one or more of the other core academic subjects.

“(c) **OTHER USES OF FUNDS.**—Subject to subsection (a), a local educational agency that receives funds under this subpart may use those funds for activities to raise student achievement against challenging State standards, in accordance with its plan described in section 2017(a), which may include the following:

“(1) Activities to recruit fully qualified teachers, including teachers from historically underrepresented groups, such as the provision of signing bonuses and other financial incentives.

“(2) Providing the necessary education and training, including paying (for programs that meet the criteria under section 203(b)(2)(A)(i) of the Higher Education Act of 1965 (20 U.S.C. 1023(b)(2)(A)(i))) the costs of college tuition and other student fees to assist current teachers or other school personnel who are not fully qualified teachers to become fully qualified, except that, to receive funds under this paragraph, an indi-

vidual must be within 2 years of completing an undergraduate degree and must agree to teach in a high-poverty, low-performing school for a period of at least 3 years.

“(3) Programs to assist new teachers during their first 3 years in the classroom, such as—

“(A) mentoring and coaching by trained mentor teachers;

“(B) team teaching with experienced teachers;

“(C) observation by, and consultation with, experienced teachers and higher education faculty;

“(D) assignment of fewer course preparations; and

“(E) provision of additional time for preparation.

“(4) Provision of professional development aligned with State content and student performance standards.

“(5) Provision of professional development programs that enable teachers to effectively communicate with parents and involve parents in the educational process to support classroom instruction and to work effectively with parent volunteers.

“(6) Participation by teams of teachers in summer institutes and summer immersion activities that focus on preparing teachers to bring all students to high standards in one or more of the core academic subjects.

“(7) Subsidizing fees for teachers who participate in the assessment process of the National Board for Professional Teaching Standards.

“(8) Teacher participation in working groups, task forces, or committees, charged with adapting and implementing high standards for all students, including district-wide and school-based teams of teachers charged with aligning curricula and lesson plans with State content and student performance standards and assessments.

“(9) Programs to implement peer-assistance peer-review processes for teachers, principals, administrators, and other school staff.

“(10) Establishment and maintenance of local professional networks that provide a forum for interaction among teachers and that allow for the exchange of information on advances in content and pedagogy.

“(11) Development of incentives to encourage teachers employed by the agency, and other qualified individuals, to obtain proficiency in content knowledge in a core academic subject area identified by the agency as having a shortage of qualified teachers.

“(12) Development and acquisition of curricular materials and other instructional aids, if they are not normally provided by the local educational agency or the State as part of the regular instructional program, that will advance local reform efforts to raise student achievement against State content and student performance standards.

“(13) Providing increased opportunities for minorities, individuals with disabilities, and other individuals underrepresented in the teaching profession.

#### “SEC. 2020. LOCAL ACCOUNTABILITY.

“(a) **ANNUAL REPORTS.**—Each local educational agency that receives funds under this subpart shall, beginning in fiscal year 2002, annually compile, publish, and submit to the State educational agency a report on its activities under this subpart, at such time, in such form, and containing such information as the State educational agency may reasonably require.

“(b) **CONTENTS.**—Each report shall include the following information:

“(1) The percentage of teachers teaching in the jurisdiction of the agency who have not

met State qualifications and licensing criteria for the grade levels and subject areas in which they provide instruction.

“(2) The percentage of teachers teaching in the jurisdiction of the agency under emergency or other provisional status through which State qualifications or licensing criteria have been waived.

“(3) The percentage of teachers teaching in the jurisdiction of the agency who do not hold a postsecondary degree with a major in the subject areas in which they provide instruction.

“(4) The average class size.

“(5) Information on the progress of schools and teachers under this subpart, measured based on the program performance indicators described in section 2041 and any additional indicators included in the local educational agency's application.

“(6) Student achievement.

“(7) Such other information as the State educational agency may reasonably require.

“(c) DISAGGREGATED DATA.—

“(1) IN GENERAL.—Data collected for the purpose of carrying out this section shall be disaggregated by local educational agency and school.

“(2) DATA ON STUDENT ACHIEVEMENT.—Data collected for the purpose of carrying out subsection (b)(6) shall also be disaggregated by the following:

“(A) Gender.

“(B) Each major racial and ethnic group.

“(C) English proficiency status.

“(D) Students with disabilities as compared to nondisabled students.

“(E) Economically disadvantaged students as compared to students who are not economically disadvantaged.

“(d) FUNDING.—A local educational agency may reserve up to 5 percent of the amount it receives under section 2012(a)(1)(A) to carry out this section.

#### “SEC. 2021. PARENTS' RIGHT TO KNOW.

“Each local educational agency that receives funds under this subpart shall provide, upon request, to any parent of a student attending any school receiving funds under this subpart, in an understandable and uniform format, information regarding the professional qualifications of the student's teacher, including—

“(1) whether the teacher has met State qualification and licensing criteria for the grade levels and subject areas in which the teacher provides instruction;

“(2) whether the teacher is teaching under emergency or other provisional status through which the State qualifications or licensing criteria have been waived;

“(3) the college major of the teacher and any other graduate certification or degree held by the teacher, and the field or discipline of the certificate or degree; and

“(4) the school or local educational agency's hiring policy.

#### “SEC. 2022. TECHNICAL ASSISTANCE.

“The State educational agency shall provide technical assistance to local educational agencies receiving a subgrant under this subpart that fail for 2 consecutive years to meet their goals, as measured using the performance indicators described in section 2041.

#### “SEC. 2023. CORRECTIVE ACTION.

“The State educational agency shall take corrective action, against any local educational agency that does not make sufficient effort to comply with this subpart within the time specified. In a case in which a State fails to take corrective action, the Secretary shall withhold funds from such State up to an amount equal to that described in section 2012(d).

#### “SEC. 2024. MAINTENANCE OF EFFORT.

“No funds may be provided to a local educational agency for a fiscal year under this subpart unless the State educational agency is satisfied that the local educational agency will spend, from other sources, at least as much for activities described in this subpart as the average amount it spent from other sources for those activities over the previous 3 fiscal years.

#### “SEC. 2025. EQUIPMENT AND TEXTBOOKS.

“A local educational agency may not use subgrant funds under this subpart for equipment, computer hardware, textbooks, telecommunications fees, or other items, that would otherwise be provided by the local educational agency, the State, or a private school whose students receive services under this part.

#### “SEC. 2026. SUPPLEMENT, NOT SUPPLANT.

“A local educational agency that receives funds under this subpart shall use those funds only to supplement the amount of funds or resources that would, in the absence of those Federal funds, be made available from non-Federal sources for the purposes of the program authorized under this subpart, and not to supplant those non-Federal funds or resources.

#### “Subpart 3—National Activities for the Improvement of Teaching and School Leadership

#### “SEC. 2031. ACTIVITIES OF NATIONAL SIGNIFICANCE.

“(a) IN GENERAL.—The Secretary may make grants to, and enter into contracts and cooperative agreements with, local educational agencies, educational service agencies, State educational agencies, State agencies for higher education, institutions of higher education, and other public and private nonprofit agencies, organizations, and institutions to carry out subsection (b).

“(b) ACTIVITIES.—The Secretary—

“(1) may support activities of national significance that are not supported through other sources and that the Secretary determines will contribute to the improvement of teaching and school leadership in the Nation's schools, such as—

“(A) supporting collaborative efforts by States, or consortia of States, to review and benchmark the quality, rigor, and alignment of State standards and assessments;

“(B) supporting collaborative efforts by States, or consortia of States, to develop performance-based systems for assessing content knowledge and teaching skills prior to full teacher licensure;

“(C) efforts to increase the portability of teacher pensions and reciprocity of teaching credentials across State lines; and

“(D) research, evaluation, and dissemination activities related to effective strategies for increasing the portability of teachers' credited years of experience across State and local educational agency lines;

“(2) may support activities of national significance that the Secretary determines will contribute to the recruitment and retention of fully qualified teachers and principals in high-poverty local educational agencies and low-performing local educational agencies, such as—

“(A) providing States with assistance in the development of alternative certification programs that lead to certification within 2 years and require applicants to meet the same standards and pass the same tests as other applicants;

“(B) the development and implementation of a national teacher recruitment clearinghouse and job bank, which shall be coordi-

nated and, to the extent feasible, integrated with the America's Job Bank administered by the Secretary of Labor—

“(i) to disseminate information and resources nationwide on entering the teaching profession to persons interested in becoming teachers;

“(ii) to serve as a national resource center for effective practices in teacher recruitment and retention;

“(iii) to link prospective teachers to local educational agencies and training resources with particular attention to high-poverty local educational agencies and low-performing local educational agencies with critical teacher shortages; and

“(iv) to provide information and technical assistance to prospective teachers about certification and other State and local requirements related to teaching; and

“(C) the development and implementation, or expansion, of programs that recruit talented individuals to become principals, including such programs that employ alternative routes to State certification, and that prepare both new and experienced principals to serve as instructional leaders, which may include the creation and operation of a national center for the preparation and support of principals as leaders of school reform; and

“(3) may support the National Board for Professional Teaching Standards.

#### “SEC. 2032. PROFESSIONAL DEVELOPMENT FOR PRINCIPALS AS LEADERS OF SCHOOL REFORM.

“(a) COMPETITIVE GRANTS.—The Secretary may reserve not more than 5 percent of the amount appropriated under section 2003(b) for competitive grants to eligible partnerships—

“(1) consisting of—

“(A) one or more institutions of higher education that provide professional development for principals and other school administrators; and

“(B) one or more local educational agencies; and

“(2) that may include other entities, agencies, and organizations, such as a State educational agency, a State agency for higher education, or professional organizations for principals, administrators, teachers, and parents.

“(b) APPLICATION.—An eligible partnership that desires to receive a grant under this section shall submit an application at such time, in such form, and containing such information as the Secretary may require. Each such application shall include—

“(1) a description of the activities the partnership will carry out to meet the purpose of this part;

“(2) a description of how those activities will build on and be coordinated with other professional development activities, including activities under this title and title II of the Higher Education Act of 1965;

“(3) a description of how principals, teachers, and other interested parties were involved in developing the application and will be involved in planning and carrying out the activities under this section; and

“(4) a description of how the professional development will result in the acquisition of a license, degree, or continuing education unit.

“(c) USE OF FUNDS.—An eligible partnership that receives a grant under this section shall use the grant funds to provide professional development to principals and other school administrators to enable them to be effective school leaders and prepare all students to achieve to challenging State content and student performance standards, including professional development on—

- “(1) comprehensive school reform;
- “(2) leadership skills;
- “(3) recruitment, assignment, retention and evaluation of teacher and other instructional staff;
- “(4) State content standards;
- “(5) effective instructional practice;
- “(6) using smaller classes effectively; and
- “(7) parental and community involvement.

**“SEC. 2033. SCHOOL TECHNOLOGY CENTERS.**

“(a) **COMPETITIVE GRANTS.**—The Secretary may reserve not more than 5 percent of the amount appropriated under section 2003(b) for competitive grants to eligible partnerships consisting of—

- “(1) one or more institutions of higher education;
- “(2) one or more technology-deficient local educational agencies or schools;
- “(3) one or more technology-proficient local educational agencies or schools; and
- “(4) such other entities, agencies, and organizations, such as a State educational agency, a State agency for higher education, nonprofit organizations, or businesses, as the partners described in paragraphs (1), (2), and (3) determine to be appropriate.

“(b) **APPLICATION.**—An eligible partnership that desires to receive a grant under this section shall submit an application at such time, in such form, and containing such information as the Secretary may require. Each such application shall include—

- “(1) a description of the activities the partnership will carry out under this section;
- “(2) a description of how the partners will work together to build the capacity to use technology to improve teaching and learning in the partners described in subsection (a)(2); and
- “(3) a description of the goals of each partner and how progress toward those goals will be measured.

“(c) **USE OF FUNDS.**—An eligible partnership that receives a grant under this section shall use the grant funds to develop or expand a technology center serving the partners described in subsection (a)(2).

**“SEC. 2034. EISENHOWER NATIONAL CLEARINGHOUSE FOR MATHEMATICS AND SCIENCE EDUCATION.**

“(a) **ESTABLISHMENT OF CLEARINGHOUSE.**—The Secretary shall award a competitive grant or contract to establish the Eisenhower National Clearinghouse for Mathematics and Science Education (hereafter in this section referred to as the ‘Clearinghouse’).

“(b) **AUTHORIZED ACTIVITIES.**—

“(1) **APPLICATION AND AWARD BASIS.**—

“(A) **IN GENERAL.**—Each entity desiring to establish and operate the Clearinghouse shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(B) **PEER REVIEW.**—The Secretary shall establish a peer review process to make recommendations on the recipient of the award for the Clearinghouse.

“(C) **MERIT.**—The Secretary shall make the award for the Clearinghouse on the basis of merit.

“(2) **DURATION.**—The Secretary shall award the grant or contract for the Clearinghouse for a period of 5 years.

“(3) **ACTIVITIES.**—The award recipient shall use the award funds to—

“(A) maintain a permanent collection of such mathematics and science education instructional materials and programs for elementary and secondary schools as the Secretary finds appropriate, with a priority for such materials and programs that have been

identified as promising or exemplary, through a systematic approach such as the use of expert panels required under the Educational Research, Development, Dissemination, and Improvement Act of 1994;

“(B) disseminate the materials and programs described in paragraph (1) to the public, State educational agencies, institutions of higher education, local educational agencies, and schools (particularly high-poverty, low-performing schools), including through the maintenance of an interactive national electronic information management and retrieval system accessible through the Worldwide Web and other advanced communications technologies;

“(C) coordinate with other databases containing mathematics and science curriculum and instructional materials, including Federal, non-Federal, and, where feasible, international databases;

“(D) support the development and dissemination of model professional development materials in mathematics and science education;

“(E) contribute materials or information, as appropriate, to other national repositories or networks; and

“(F) gather qualitative and evaluative data on submissions to the Clearinghouse, and disseminate that data widely, including through the use of electronic dissemination networks.

“(4) **SUBMISSION TO CLEARINGHOUSE.**—Each Federal agency or department that develops mathematics or science education instructional materials or programs, including the National Science Foundation and the Department, shall submit copies of that material and those programs to the Clearinghouse.

“(5) **STEERING COMMITTEE.**—The Secretary may appoint a steering committee to recommend policies and activities for the Clearinghouse.

“(6) **APPLICATION OF COPYRIGHT LAWS.**—

“(A) **IN GENERAL.**—Nothing in this section shall be construed to allow the use or copying, in any medium, of any material collected by the Clearinghouse that is protected under the copyright laws of the United States unless the permission of the owner of the copyright is obtained.

“(B) **COMPLIANCE.**—In carrying out this section, the Clearinghouse shall ensure compliance with title 17 of the United States Code.

**“SEC. 2035. DISSEMINATION OF INFORMATION ON RESEARCH-BASED PROFESSIONAL DEVELOPMENT.**

“The Secretary shall gather and disseminate information related to comprehensive, research-based professional development, in the core academic subjects other than math and science, including business.

**“SEC. 2036. SCHOOL COUNSELING PROGRAM.**

“(a) **IN GENERAL.**—The Secretary may award grants under this section to establish or expand elementary and secondary school counseling programs.

“(b) **PRIORITY.**—In awarding grants under this section, the Secretary shall give special consideration to applications describing programs that—

“(1) demonstrate the greatest need for new or additional counseling services among the children in the elementary and secondary schools served by the applicant;

“(2) propose the most promising and innovative approaches for initiating or expanding elementary and secondary school counseling; and

“(3) show the greatest potential for replication and dissemination.

**“SEC. 2037. HOLOCAUST EDUCATION.**

“(a) **COMPETITIVE GRANTS.**—The Secretary may reserve not more than 5 percent of the amount appropriated under section 2003(b) for competitive grants to eligible Holocaust educators to carry out activities described in this section.

“(b) **APPLICATIONS.**—To be eligible to receive a grant under this section, an eligible Holocaust educator shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary may reasonably require and contain a specific and detailed description of the Holocaust education program for which the grant will be used.

“(c) **USE OF FUNDS.**—A Holocaust educator receiving a grant under this section shall use such grant to carry out a Holocaust education program that—

“(1) has as its specific and primary purpose the improvement in awareness and understanding of the Holocaust among elementary and secondary school students; and

“(2) to achieve such purpose, furnishes at a school or Holocaust education center—

“(A) 1 or more classes, seminars, or conferences;

“(B) educational materials;

“(C) teaching training; and

“(D) any good or service designed to improve awareness and understanding of the Holocaust.

**“SEC. 2038. RURAL TEACHERS.**

“(a) **COMPETITIVE GRANTS.**—The Secretary may reserve not more than 5 percent of the amount appropriated under section 2003(b) for competitive grants to eligible rural local educational agencies to carry out activities described under this section.

“(b) **APPLICATIONS.**—To be eligible to receive a grant under this section, an eligible rural local educational agency shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary may reasonably require.

“(c) **USE OF FUNDS.**—An eligible rural local educational agency that receives a grant under this section may use such funds to develop incentive programs—

“(1) to recruit and retain fully qualified teachers; and

“(2) to provide high quality professional development to teachers.

**“PART B—TRANSITION OF CAREER-CHANGING PROFESSIONALS TO TEACHING; TROOPS TO TEACHERS**

**“SEC. 2101. FINDINGS.**

“The Congress finds as follows:

“(1) School districts will need to hire more than 2,000,000 teachers during the first decade of the 21st century.

“(2) The need for teachers in the areas of math, science, foreign languages, special education, and bilingual education, and for teachers able to teach in high-poverty school districts, will be particularly high. To meet this need, talented Americans of all ages should be recruited to become successful, qualified teachers.

“(3) Nearly 13 percent of teachers of academic subjects have neither an undergraduate major nor minor in their main assignment fields. This problem is most acute in high-poverty local educational agencies, where the out-of-field teaching percentage is 22 percent.

“(4) The Third International Math and Science Study (TIMSS) ranked United States high school seniors last among 16 countries in physics and next to last in math. It is also evident, mainly from the TIMSS data, that based on academic scores,

a stronger emphasis needs to be placed on the academic preparation of our children in math and science.

“(5) One-fourth of high-poverty local educational agencies find it very difficult to fill bilingual teaching positions, and nearly half of public school teachers have students in their classrooms for whom English is a second language.

“(6) Many career-changing professionals with strong content-area skills are interested in a teaching career, but they need assistance in getting the appropriate pedagogical training and classroom experience.

“(7) The teacher placement program known as the ‘troops-to-teachers program’, which was established by the Secretary of Defense and the Secretary of Transportation under section 1151 of title 10, United States Code, has been highly successful in securing high-quality teachers for teaching positions in high-poverty local educational agencies.

**“SEC. 2102. PURPOSE.**

“The purpose of this part is to address the need of local educational agencies that are high-poverty local educational agencies or low-performing local educational agencies for fully qualified teachers in particular subject areas, such as mathematics, science, foreign languages, bilingual education, and special education, by—

“(1) continuing and enhancing the troops-to-teachers program for recruiting and supporting the placement of former members of the Armed Forces as teachers in such local educational agencies; and

“(2) recruiting, preparing, placing, and supporting career-changing professionals who have knowledge and experience that will help them become such teachers.

**“SEC. 2103. CONTINUATION AND SUPPORT FOR TROOPS-TO-TEACHERS PROGRAM.**

“(a) CONTINUATION.—The Secretary may enter into a written agreement with the Secretary of Defense and the Secretary of Transportation, or take such other steps as the Secretary determines are appropriate, to ensure effective continuation of the troops-to-teachers program, notwithstanding the duration of the program specified in section 1151(c)(1)(A) of title 10, United States Code.

“(b) SUPPORT.—Before providing any assistance under section 2104 for a fiscal year, the Secretary shall first—

“(1) consult with the Secretary of Defense and the Secretary of Transportation regarding the appropriate amount of funding needed to continue and enhance the troops-to-teachers program; and

“(2) upon agreement, transfer that amount to the Secretary of Defense to carry out the troops-to-teachers program.

**“SEC. 2104. TRANSITION OF CAREER-CHANGING PROFESSIONALS TO TEACHING.**

“(a) AUTHORITY TO SUPPORT TRANSITION PROGRAMS.—The Secretary may use funds appropriated pursuant to the authorization of appropriations in section 2108 to award grants to, and enter into contracts or cooperative agreements with, institutions of higher education, including historically Black colleges and universities and Hispanic-serving institutions, and public and private nonprofit agencies or organizations to recruit, prepare, place, and support career-changing professionals as teachers in local educational agencies that are high-poverty local educational agencies or low-performing local educational agencies.

“(b) APPLICATION.—Each entity described in subsection (a) that desires assistance under subsection (a) shall submit an application to the Secretary containing such information as the Secretary may require, including—

“(1) a description of the target group of career-changing professionals upon which the applicant will focus in carrying out its program under this part, including a description of the characteristics of that target group that shows how the knowledge and experience of its members are relevant to meeting the purpose of this part;

“(2) a description of how the applicant will identify and recruit career-changing professionals for its program under this part;

“(3) a description of the training that career-changing professionals will receive in the program and how that training will relate to their certification as teachers;

“(4) a description of how the applicant will ensure that career-changing professionals are placed and teach in high-poverty local educational agencies or low-performing local educational agencies;

“(5) a description of the teacher induction services (which may be provided through existing induction programs) that the career-changing professionals in the program will receive throughout at least their first year of teaching;

“(6) a description of how the applicant will collaborate, as needed, with other institutions, agencies, or organizations to recruit, train, place, and support career-changing professionals under this part, including evidence of the commitment of those institutions, agencies, or organizations to the applicant's program;

“(7) a description of how the applicant will evaluate the progress and effectiveness of its program, including—

“(A) the program's goals and objectives;

“(B) the performance indicators the applicant will use to measure the program's progress; and

“(C) the outcome measures that will be used to determine the program's effectiveness; and

“(8) an assurance that the applicant will provide to the Secretary such information as the Secretary determines necessary to determine the overall effectiveness of programs under this part.

**“SEC. 2105. USES OF FUNDS AND PERIOD OF SERVICE.**

“(a) AUTHORIZED ACTIVITIES.—Funds provided under section 2104 may be used for—

“(1) recruiting career-changing professionals, including informing them of opportunities under the program and putting them in contact with other institutions, agencies, or organizations that would train, place, and support them;

“(2) training stipends and other financial incentives for career-changing professional in the program, such as moving expenses, not to exceed \$5,000, in the aggregate, per participant;

“(3) assisting institutions of higher education or other providers of teacher training to tailor their training to meet the particular needs of career-changing professionals;

“(4) placement activities, including identifying high-poverty, low-performing local educational agencies with needs for the particular skills and characteristics of the newly trained career-changing professionals and assisting those persons to obtain employment in those local educational agencies; and

“(5) post-placement induction or support activities.

“(b) PERIOD OF SERVICE.—A career-changing professional selected to participate in a program under this part who completes his or her training shall serve in a high-poverty local educational agency or a low-performing

local educational agency for at least three years.

“(c) REPAYMENT.—The Secretary shall establish such requirements as the Secretary determines appropriate to ensure that career-changing professionals who receive a training stipend or other financial incentive under subsection (a)(2), but who fail to complete their service obligation under subsection (b), repay all or a portion of such stipend or other incentive.

**“SEC. 2106. EQUITABLE DISTRIBUTION.**

“To the extent practicable, the Secretary shall make awards and enter into contracts and cooperative agreements under section 2104 to support teacher placement programs for career-changing professionals in different geographic regions of the United States.

**“SEC. 2107. AUTHORIZATION OF APPROPRIATIONS.**

“For the purpose of carrying out this part, there is authorized to be appropriated to the Secretary \$18,000,000 for each of fiscal years 2001 through 2005.

**“PART C—CLASS SIZE REDUCTION**

**“SEC. 2201. FINDINGS.**

“The Congress finds as follows:

“(1) Rigorous research has shown that students attending small classes in the early grades make more rapid educational progress than students in larger classes, and that these achievement gains persist through at least the elementary grades.

“(2) The benefits of smaller classes are greatest for lower achieving, minority, poor, and inner-city children. One study found that urban fourth-graders in smaller-than-average classes were 3/4 of a school year ahead of their counterparts in larger-than-average classes.

“(3) Teachers in small classes can provide students with more individualized attention, spend more time on instruction and lesson other tasks, cover more material effectively, and are better able to work with parents to further their children's education.

“(4) Smaller classes allow teachers to identify and work more effectively with students who have learning disabilities and, potentially, can reduce those students' need for special education services in the later grades.

“(5) Students in smaller classes are able to become more actively engaged in learning than their peers in large classes.

“(6) Efforts to improve educational achievement by reducing class sizes in the early grades are likely to be more successful if—

“(A) well-prepared teachers are hired and appropriately assigned to fill additional classroom positions; and

“(B) teachers receive intensive, continuing training in working effectively in smaller classroom settings.

“(7) Several States have begun a serious effort to reduce class sizes in the early elementary grades, but these actions may be impeded by financial limitations or difficulties in hiring well-prepared teachers.

“(8) The Federal Government can assist in this effort by providing funding for class-size reductions in grades 1 through 3, and by helping to ensure that the new teachers brought into the classroom are well prepared.

**“SEC. 2202. PURPOSE.**

“The purpose of this part is to help States and local educational agencies recruit, train, and hire 100,000 additional fully qualified teachers over a 7-year period in order to—

“(1) reduce class sizes nationally, in grades 1 through 3, to an average of 18 students per classroom; and

“(2) improve teaching in the early grades so that all students can learn to read independently and well by the end of the third grade.

**“SEC. 2203. PROGRAM AUTHORIZED.**

“(a) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this part, there are authorized to be appropriated, \$1,500,000,000 for fiscal year 2000, \$1,800,000,000 for fiscal year 2001, \$2,100,000,000 for fiscal year 2002, \$2,400,000,000 for fiscal year 2003, \$2,700,000,000 for fiscal year 2004, and \$3,000,000,000 for fiscal year 2005.

“(b) **ALLOTMENTS.**—From the amount appropriated under subsection (a) for a fiscal year, the Secretary—

“(1) shall make a total of 1 percent available to the Secretary of the Interior (on behalf of the Bureau of Indian Affairs) and the outlying areas for activities that meet the purpose of this part; and

“(2) shall allot to each State the same percentage of the remaining funds as the percentage it received of funds allocated to States for the previous fiscal year under section 1122 or section 2011(c) (or, as applicable, section 2202(b) (as in effect on the day before the date of the enactment of the Smart Classrooms Act)), whichever percentage is greater, except that such allotments shall be ratably decreased as necessary.

“(c) **WITHIN-STATE DISTRIBUTION.**—

“(1) **IN GENERAL.**—Each State that receives an allotment under this section shall distribute the amount of the allotted funds that remain after using funds in accordance with subsection (b)(3) to local educational agencies in the State, of which—

“(A) 80 percent of such remainder shall be allocated to such local educational agencies in proportion to the relative number of children, aged 5 to 17, who reside in the jurisdiction served by such local educational agency and are from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved) for the most recent fiscal year for which satisfactory data is available compared to the number of such individuals who reside in the jurisdictions served by all the local educational agencies in the State for that fiscal year; and

“(B) 20 percent of such remainder shall be allocated to such local educational agencies in accordance with the relative enrollments of children, aged 5 to 17, in public and private nonprofit elementary schools and secondary schools in the jurisdictions within the boundaries of such agencies.

“(2) **AWARD RULE.**—Notwithstanding paragraph (1), if the award to a local educational agency under this section is less than the starting salary for a new teacher in that agency, the State shall not make the award unless—

“(A) the local educational agency agrees to form a consortium with not less than 1 other local educational agency for the purpose of reducing class size;

“(B) the local educational agency agrees to supplement the award with non-Federal funds sufficient to pay the cost of hiring a teacher; or

“(C) the local educational agency agrees to use the funds for professional development related to teaching smaller classes.

**“SEC. 2204. USE OF FUNDS.**

“(a) **IN GENERAL.**—Each local educational agency that receives funds under this part shall use such funds to carry out effective approaches to reducing class size with fully

qualified teachers to improve educational achievement for both regular and special-needs children, with particular consideration given to reducing class size in the early elementary grades for which research has shown class size reduction is most effective.

“(b) **CLASS REDUCTION.**—

“(1) **IN GENERAL.**—Each such local educational agency may pursue the goal of reducing class size through—

“(A) recruiting, hiring, and training fully qualified regular and special education teachers and teachers of special-needs children;

“(B) testing new teachers for academic content knowledge, and to meet the State qualifications and licensing criteria in the areas in which they teach; and

“(C) providing professional development to teachers, including special education teachers and teachers of special-needs children.

“(2) **RESTRICTION(S).**—A local educational agency may use not more than a total of 15 percent of the funds received under this part for each of the fiscal years 2000 through 2005, to carry out activities described in subparagraphs (B) and (C) of section 2204(b)(1).

“(3) **SPECIAL RULE.**—A local educational agency that has already reduced class size in the early grades to 18 or fewer children may use funds received under this part—

“(A) to make further class-size reductions in grades 1 through 3;

“(B) to reduce class size in kindergarten or other grades; or

“(C) to carry out activities to improve teacher quality, including providing—

“(i) professional development;

“(ii) financial incentives to new or veteran fully qualified teachers to join the instructional staff of schools in which at least 50 percent of the students are from low-income families; and

“(iii) financial incentives to fully qualified teachers who are currently teaching in schools in which at least 50 percent of the students are from low-income families.

“(4) **RECRUITMENT.**—In order to ensure that it hires only fully qualified teachers, a local educational agency that is having difficulty recruiting such teachers to teach in its schools may use funds under this part to recruit such teachers through the use of incentives such as training stipends and scholarships, signing bonuses, and other inducements.

“(5) **EXISTING PROGRAMS.**—A local educational agency that, prior to enactment of this part, is implementing a program to reduce average class size in the early grades to not more than 20 children may use funds under this part, in accordance with its terms, as if that local educational agency's preexisting average class size goal were the goal of 18 or fewer children.

“(c) **SUPPLEMENT NOT SUPPLANT.**—A local educational agency shall use funds under this part only to supplement, and not to supplant, State and local funds that, in the absence of such funds, would otherwise be spent for activities under this part.

“(d) **PROFESSIONAL DEVELOPMENT.**—If a local educational agency uses funds made available under this part for professional development activities, the agency shall ensure the equitable participation of private nonprofit elementary and secondary schools in such activities. Sections 14503 through 14506 shall not apply to other activities under this section.

“(e) **ADMINISTRATIVE EXPENSES.**—A local educational agency that receives funds under this part may use not more than 3 percent of such funds for local administrative expenses.

“(f) **CONSORTIA REQUIREMENT.**—Notwithstanding subsection (b)(3), if a local educational agency has already reduced class size in the early grades to 18 or fewer children and intends to use funds provided under this section to carry out professional development activities, including activities to improve teacher quality, then the State shall make the award under subsection (b) to the local educational agency without requiring the formation of a consortium.

**“SEC. 2205. COST-SHARING REQUIREMENT.**

“(a) **FEDERAL SHARE.**—The Federal share of the cost of activities carried out under this part—

“(1) may be up to 100 percent in local educational agencies with child-poverty levels of 50 percent or greater; and

“(2) shall be no more than 65 percent for local educational agencies with child-poverty rates of less than 50 percent.

“(b) **LOCAL SHARE.**—A local educational agency shall provide the non-Federal share of a project under this part through cash expenditures from non-Federal sources, except that if an agency has allocated funds under section 1113(c) to one or more schoolwide programs under section 1114, it may use those funds for the non-Federal share of activities under this program that benefit those schoolwide programs, to the extent consistent with section 1120A(c) and notwithstanding section 1114(a)(3)(B).

**“SEC. 2206. REQUEST FOR FUNDS.**

“In order for a local educational agency to receive funds under this part, the local educational agency shall include in the application submitted under section 2017 a request for such funds and a description of the agency's program under this part to reduce class size by hiring additional fully qualified teachers.

**“SEC. 2207. REPORTS.**

“Each State educational agency receiving funds under this part shall report on activities in the State under this section as a part of its report under section 2014.”

(b) **NATIONAL WRITING PROJECT; SABBATICAL LEAVE FOR PROFESSIONAL DEVELOPMENT; GENERAL PROVISIONS.**—Title II of such Act is amended by striking part E and inserting the following:

**“PART E—NATIONAL WRITING PROJECT**

**“SEC. 2301. FINDINGS AND PURPOSES.**

“(a) **FINDINGS.**—Congress finds that—

“(1) the United States faces a continuing crisis in writing in schools and in the workplace;

“(2) the writing problem has been magnified by the rapidly changing student population, the growing number of at-risk students due to limited English proficiency, the shortage of adequately trained teachers, and the specialized knowledge required of teachers to teach students with special needs who are now part of mainstream classrooms;

“(3) nationwide reports from universities and colleges show that entering students are unable to meet the demands of college level writing, almost all 2-year institutions of higher education offer remedial writing courses, and three-quarters of public 4-year institutions of higher education and half of all private 4-year institutions of higher education must provide remedial courses in writing;

“(4) American businesses and corporations are concerned about the limited writing skills of both entry-level workers and executives whose promotions are denied due to inadequate writing abilities;

“(5) writing is fundamental to learning, including learning to read, yet writing has

been neglected historically in schools and in teacher training institutions;

“(6) writing is a central feature in State and school district education standards in all disciplines;

“(7) since 1973, the only national program to address the writing problem in the Nation's schools has been the National Writing Project, a network of collaborative university-school programs the goals of which are to improve student achievement in writing and student learning through improving the teaching and uses of writing at all grade levels and in all disciplines;

“(8) the National Writing Project is a nationally recognized and honored nonprofit organization that improves the quality of teaching and teachers through developing teacher leaders who teach other teachers in summer and school year programs;

“(9) evaluations of the National Writing Project document the positive impact the project has had on improving the teaching of writing, student performance in writing, and student learning;

“(10) the National Writing Project has become a model for programs to improve teaching in such other fields as mathematics, science, history, reading and literature, performing arts and foreign languages;

“(11) each year over 150,000 participants benefit from National Writing Project programs in 1 of 156 United States sites located in 46 States and the Commonwealth of Puerto Rico; and

“(12) the National Writing Project is a cost-effective program and leverages over 6 dollars for every 1 Federal dollar.

“(b) PURPOSE.—It is the purpose of this part—

“(1) to support and promote the expansion of the National Writing Project network of sites so that teachers in every region of the United States will have access to a National Writing Project program;

“(2) to ensure the consistent high quality of the sites through ongoing review, evaluation and technical assistance;

“(3) to support and promote the establishment of programs to disseminate effective practices and research findings about the teaching of writing; and

“(4) to coordinate activities assisted under this part with activities assisted under this Act.

#### “SEC. 2302. AUTHORIZATION.

“(a) AUTHORIZATION.—The Secretary is authorized to make a grant to the National Writing Project (hereafter in this section referred to as the ‘grantee’), a nonprofit educational organization that has as its primary purpose the improvement of the quality of student writing and learning, to improve the teaching and uses of writing to learn in our Nation's classrooms.

“(b) REQUIREMENTS OF GRANT.—The grant shall provide that—

“(1) the grantee will enter into contracts with institutions of higher education or other nonprofit educational providers (hereafter in this section referred to as ‘contractors’) under which the contractors will agree to establish, operate, and provide the non-Federal share of the cost of teacher training programs in effective approaches and processes for the teaching of writing;

“(2) funds made available by the Secretary to the grantee pursuant to any contract entered into under this section will be used to pay the Federal share of the cost of establishing and operating teacher training programs as provided in paragraph (1); and

“(3) the grantee will meet such other conditions and standards as the Secretary deter-

mines to be necessary to assure compliance with the provisions of this section and will provide such technical assistance as may be necessary to carry out the provisions of this section.

“(c) TEACHER TRAINING PROGRAMS.—The teacher training programs authorized in subsection (a) shall—

“(1) be conducted during the school year and during the summer months;

“(2) train teachers who teach grades kindergarten through college;

“(3) select teachers to become members of a National Writing Project teacher network whose members will conduct writing workshops for other teachers in the area served by each National Writing Project site; and

“(4) encourage teachers from all disciplines to participate in such teacher training programs.

“(d) FEDERAL SHARE.—

“(1) IN GENERAL.—Except as provided in paragraph (2) or (3) and for purposes of subsection (a), the term ‘Federal share’ means, with respect to the costs of teacher training programs authorized in subsection (a), 50 percent of such costs to the contractor.

“(2) WAIVER.—The Secretary may waive the provisions of paragraph (1) on a case-by-case basis if the National Advisory Board described in subsection (e) determines, on the basis of financial need, that such waiver is necessary.

“(3) MAXIMUM.—The Federal share of the costs of teacher training programs conducted pursuant to subsection (a) may not exceed \$100,000 for any one contractor, or \$200,000 for a statewide program administered by any one contractor in at least five sites throughout the State.

“(e) NATIONAL ADVISORY BOARD.—

“(1) ESTABLISHMENT.—The National Writing Project shall establish and operate a National Advisory Board.

“(2) COMPOSITION.—The National Advisory Board established pursuant to paragraph (1) shall consist of—

“(A) national educational leaders;

“(B) leaders in the field of writing; and

“(C) such other individuals as the National Writing Project deems necessary.

“(3) DUTIES.—The National Advisory Board established pursuant to paragraph (1) shall—

“(A) advise the National Writing Project on national issues related to student writing and the teaching of writing;

“(B) review the activities and programs of the National Writing Project; and

“(C) support the continued development of the National Writing Project.

“(f) EVALUATION.—

“(1) IN GENERAL.—The Secretary shall conduct an independent evaluation by grant or contract of the teacher training programs administered pursuant to this Act in accordance with section 14701. Such evaluation shall specify the amount of funds expended by the National Writing Project and each contractor receiving assistance under this section for administrative costs. The results of such evaluation shall be made available to the appropriate committees of the Congress.

“(2) FUNDING LIMITATION.—The Secretary shall reserve not more than \$150,000 from the total amount appropriated pursuant to the authority of subsection (h) for fiscal year 1994 and the four succeeding fiscal years to conduct the evaluation described in paragraph (1).

“(g) APPLICATION REVIEW.—

“(1) REVIEW BOARD.—The National Writing Project shall establish and operate a National Review Board that shall consist of—

“(A) leaders in the field of research in writing; and

“(B) such other individuals as the National Writing Project deems necessary.

“(2) DUTIES.—The National Review Board shall—

“(A) review all applications for assistance under this subsection; and

“(B) recommend applications for assistance under this subsection for funding by the National Writing Project.

“(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the grant to the National Writing Project, \$15,000,000 for fiscal year 2000 and such sums as may be necessary for each of fiscal years 2001 through 2004.

#### “PART F—SABBATICAL LEAVE FOR PROFESSIONAL DEVELOPMENT

#### “SEC. 2351. GRANTS FOR SALARY DURING SABBATICAL LEAVE.

“(a) PROGRAM AUTHORIZED.—The Secretary may make grants to State educational agencies and local educational agencies to pay such agencies for one-half of the amount of the salary that otherwise would be earned by an eligible teacher described in subsection (b), if, in lieu of fulfilling the teacher's ordinary teaching assignment, the teacher completes a course of study described in subsection (c) during a sabbatical term described in subsection (d).

“(b) ELIGIBLE TEACHERS.—An eligible teacher described in this subsection is a teacher who—

“(1) has been employed for the 3 previous years by a local educational agency that is both a high-poverty local educational agency and a low-performing local educational agency;

“(2) has secured from such agency, and any other person or agency whose approval is required under State law, approval to take sabbatical leave for a sabbatical term described in subsection (d); and

“(3) has submitted to the agency an application for a subgrant at such time, in such manner, and containing such information as the agency may require, including—

“(A) written proof—

“(i) of the approval described in paragraph (2); and

“(ii) of the teacher's having been accepted for enrollment in a course of study described in subsection (c); and

“(B) assurances that the teacher—

“(i) will notify the agency in writing within a reasonable time if the teacher terminates enrollment in the course of study described in subsection (c) for any reason;

“(ii) in the discretion of the agency, will reimburse to the agency some or all of the amount of the subgrant if the teacher fails to complete the course of study; and

“(iii) otherwise will provide the agency with proof of having completed such course of study not later than 60 days after such completion;

“(4) has agreed to continue teaching in the high-poverty, low-performing local educational agency for a period of 3 years following the sabbatical;

“(5) has agreed to collaborate with other teachers of the same subject in the local educational agency following the sabbatical to share the skills and knowledge obtained through the sabbatical; and

“(6) has been selected by the agency to receive a subgrant based on the agency's plan for meeting its classroom needs.

“(c) COURSE OF STUDY.—A course of study described in this subsection is a course of study at an institution of higher education that—

“(1) requires not less than one academic semester and not more than one academic year to complete;



“(2) is open for enrollment for professional development purposes to an eligible teacher described in subsection (b); and

“(3) is designed to improve the classroom teaching of such teachers through academic and child development studies.

“(d) **SABBATICAL TERM.**—A sabbatical term described in this subsection is a leave of absence from teaching duties granted to an eligible teacher for not less than one academic semester and not more than one academic year, during which period the teacher receives—

“(1) one-half of the amount of the salary that otherwise would be earned by the teacher, if the teacher had not been granted a leave of absence, from State or local funds made available by a State educational agency or a local educational agency; and

“(2) one-half of such amount from Federal funds received by such agency through a grant under this section.

“(e) **PAYMENTS.**—

“(1) **TO ELIGIBLE TEACHERS.**—In making a subgrant to an eligible teacher under this section, a State educational agency or a local educational agency shall agree to pay the teacher, for tax and administrative purposes, as if the teacher's regular employment and teaching duties had not been suspended.

“(2) **REPAYMENT OF SECRETARY.**—A State educational agency or a local educational agency receiving a grant under this section shall agree to pay over to the Secretary the Federal share of any amount recovered by the agency pursuant to subsection (b)(3)(B)(ii).

“(f) **FUNDING.**—For the purpose of carrying out this section, there are authorized to be appropriated \$20,000,000 for fiscal year 2000 and such sums as may be necessary for fiscal years 2001 through 2004.

#### “PART G—IMPROVING SPECIAL EDUCATION QUALITY

##### “SEC. 2401. SPECIAL EDUCATION TEACHER IMPROVEMENT.

“(a) **PURPOSE.**—The purpose of this section is to provide assistance through part D of the Individuals with Disabilities Education Act (20 U.S.C. 1451 et seq.) to improve the quality of instruction provided by special education teachers and the instructional strategies of other elementary and secondary school teachers who provide education to children with disabilities.

“(b) **GRANTS TO LOCAL EDUCATIONAL AGENCIES.**—The Secretary shall make grants to local educational agencies and the outlying areas, and provide funds to the Secretary of the Interior, based on the number of children with disabilities who are receiving special education and related services, for the purpose of providing additional funds to carry out—

“(1) subpart 1 of part D of the Individuals with Disabilities Education Act (20 U.S.C. 1451 et seq.); and

“(2) section 673 of such Act (20 U.S.C. 1473).

“(c) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section \$500,000,000 for each of fiscal years 2000 through 2004.

“(d) **DEFINITIONS.**—The terms used in this section shall have the meaning given such terms in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401).

#### “PART H—GENERAL PROVISIONS

##### “SEC. 2451. PERFORMANCE INDICATORS.

“(a) **MINIMUM INDICATORS.**—At a minimum, the indicators of program performance under this title, against which recipients of funds under this title shall report their progress in such manner as the Secretary may determine, are the following:

“(1) Improvement in student achievement.

“(2) Closing of the achievement gap between groups of students.

“(3) An increase in the percentage of fully qualified teachers, including teachers from minority and other historically underrepresented groups.

“(4) An equalization, between high- and low-poverty schools in a local educational agency, of classes in core academic areas taught by fully qualified teachers.

“(5) An increase in the percentage of new teachers receiving support during their first 3 years of teaching.

“(6) An increase in the percentage of teachers participating in high-quality professional development.

“(7) An increase in the percentage of paraprofessionals enrolled in certification programs.

“(8) A decrease in the average class size.

##### “SEC. 2452. DEFINITIONS.

“As used in this title:

“(1) **CAREER-CHANGING PROFESSIONAL.**—The term ‘career-changing professional’ means a person who—

“(A) holds at least a baccalaureate degree;

“(B) demonstrates a commitment to changing the person's current professional career and becoming a teacher; and

“(C) has knowledge and experience that is relevant to teaching a high-need subject area in a high-poverty local educational agency.

“(2) **CORE ACADEMIC SUBJECTS.**—The term ‘core academic subjects’ means—

“(A) mathematics;

“(B) science;

“(C) reading (or language arts) and English;

“(D) social studies (history, civics/government, geography, and economics);

“(E) foreign languages; and

“(F) fine arts (music, dance, drama, and the visual arts).

“(3) **ELIGIBLE RURAL LOCAL EDUCATIONAL AGENCY.**—The term ‘eligible rural local educational agency’ means a local educational agency—

“(A) that is not located in a metropolitan statistical area, as defined by the Census Bureau; and

“(B) in which 20 percent or more of the children, aged 5 to 17, served by such agency are from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved for the most recent fiscal year for which satisfactory data are available.

“(4) **FULLY QUALIFIED.**—The term ‘fully qualified’—

“(A) when used with respect to an elementary or secondary school teacher, means that the teacher has obtained certification or passed the State licensing exam and holds a license; and

“(B) when used with respect to—

“(i) an elementary school teacher, means that the teacher holds a bachelor's degree and demonstrates general knowledge, teaching skill, and subject matter knowledge required to teach at the elementary school level the academic subjects described in subparagraphs (A) through (D) of paragraph (2); or

“(ii) a middle or secondary school teacher, means that the teacher holds a bachelor's degree and demonstrates a high level of competency in all subject areas in which he or she teaches through—

“(I) a high level of performance on a rigorous academic subject area test; or

“(II) completion of an academic major in each of the subject areas in which he or she provides instruction.

“(5) **HIGH-POVERTY LOCAL EDUCATIONAL AGENCY.**—The term ‘high-poverty local educational agency’ means a local educational agency in which—

“(A) the percentage of children, ages 5 to 17, from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved for the most recent fiscal year for which satisfactory data are available is 33 percent or greater; or

“(B) the number of such children exceeds 10,000.

“(6) **HOLOCAUST EDUCATOR.**—The term ‘Holocaust educator’ means a school, Holocaust education center, or any other person or entity providing education about the Holocaust.

“(7) **LOW-PERFORMING LOCAL EDUCATIONAL AGENCY.**—The term ‘low-performing local educational agency’ means—

“(A) a local educational agency that includes a school identified by the agency for school improvement under section 1116(c); or

“(B) a local educational agency that includes a school in which at least 50 percent of the students fail to meet State student performance standards based on assessments the agency is using under part A of title I.

“(8) **PROFESSIONAL DEVELOPMENT.**—The term ‘professional development’ means sustained and intensive activities that improve teachers' content knowledge and teaching skills and that—

“(A) enhance the ability of teachers to help all students, including females, minorities, children with disabilities, children with limited English proficiency and economically disadvantaged children, reach high State and local content and student performance standards;

“(B) advance teacher understanding of one or more of the core academic subject areas and effective instructional strategies for improving student achievement in those areas, including technology;

“(C) are directly related to the subject area in which the teacher provides instruction;

“(D) are of sufficient duration to have a positive and lasting impact on classroom instruction;

“(E) are an integral part of broader school and district-wide plans for raising student achievement to State and local standards;

“(F) are aligned with State content and student performance standards;

“(G) are based on the best available research on teaching and learning;

“(H) include professional development activities that involve collaborative groups of teachers and administrators from the same school or district, institutions of higher education, and, to the greatest extent possible, include follow-up and school-based support such as coaching or study groups; and

“(I) as a whole, are regularly evaluated for their impact on increased teacher effectiveness and improved student achievement, with the findings of such evaluations used to improve the quality of professional development.

“(9) **TECHNOLOGY DEFICIENT.**—The term ‘technology deficient’, when used with respect to a local educational agency or a school, means that the agency or school does not possess the equipment, networking, or skills to use technology to enhance teaching and learning.

“(10) TECHNOLOGY PROFICIENT.—The term ‘technology proficient’, when used with respect to a local educational agency or a school, means that the agency or school possesses the equipment, networking, and skills to use technology to enhance teaching and learning.

“(11) TROOPS-TO-TEACHERS PROGRAM.—The term ‘troops-to-teachers program’ means the teachers and teachers’ aide placement program for separated members of the Armed Forces that was established by the Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard, under section 1151 of title 10, United States Code.

“(12) UNQUALIFIED TEACHER.—The term ‘unqualified teacher’ means a teacher who is not fully qualified.”

(c) CONFORMING AMENDMENTS.—

(1) NATIONAL WRITING PROJECT.—Part K of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8331 et seq.) is repealed.

(2) REFERENCE TO NATIONAL CLEARINGHOUSE FOR MATHEMATICS AND SCIENCE EDUCATION.—Section 13302(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8672(1)) is amended by striking “2102(b)” and inserting “2032(b)”.

(3) DEFINITION OF COVERED PROGRAM.—Section 14101(10)(C) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801(10)(C)) is amended by striking “(other than section 2103 and part D)” and inserting “(other than subpart 3 of part A)”.

(4) PRIVATE SCHOOL PARTICIPATION.—Section 14503(b)(1)(B) (20 U.S.C. 8893(b)(1)(B)) of such Act is amended by striking “(other than section 2103 and part D of such title)”.

### SEC. 3. READING EXCELLENCE ACT.

Section 2260(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6661(a)) is amended by adding at the end the following:

“(3) FISCAL YEARS 2001 TO 2004.—There are authorized to be appropriated to carry out this part \$286,000,000 for fiscal year 2001 and such sums as may be necessary for fiscal years 2002 through 2004.”

The CHAIRMAN pro tempore. Pursuant to House Resolution 253, the gentleman from California (Mr. MARTINEZ) and the gentleman from Pennsylvania (Mr. GOODLING) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. MARTINEZ).

Mr. MARTINEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, while my good friend and colleague, the gentleman from California (Mr. McKEON), has attempted to craft legislation that will ensure our children are taught by highly qualified individuals in an environment conducive to learning, I believe that H.R. 1995 has some serious flaws.

H.R. 1995 says that class size reduction is important but not important enough to merit a separate funding stream. Despite overwhelming support for class size reduction among teachers, students, parents alike, H.R. 1995 effectively repeals President Clinton's 100,000 new teacher program. H.R. 1995 says that teacher quality is important but not important enough to request additional funding over last year's

level, even though there is enough money in the budget for a trillion dollar tax cut.

It recognizes the greatest problem of uncertified and out-of-field teaching occurs in urban and rural low-income districts, but their bill then takes money from those districts and sends it to school districts that in all likelihood have already qualified teachers.

Although H.R. 1995, at the insistence of the Democrats, includes a harmless, new funding is allocated under a poorly targeted formula, meaning that over the life of the reauthorization, money will be taken from poor and urban and rural districts and sent to less needy areas.

I believe my substitute, on the other hand, sends a clear message, and that message is that the education of our Nation's children is important. It is important enough for teacher quality and class size reduction. It is important enough for increased Federal spending, and it is important enough to ensure that disadvantaged children have access to the same quality of education as their peers.

Whereas H.R. 1995 rolls funding for the Eisenhower program, Goals 2000, and the Clinton/Clay class size reduction initiative into a block grant to the States, my amendment provides funding for a wide variety of teacher recruitment, retention and professional development activities, in addition to encouraging States to continue standard based reform and continue the commitment made to teachers and students and parents last year to reduce class size in the early grades by maintaining a separate funding stream for class size reduction.

While H.R. 1995 seeks only to maintain the fiscal year 1999 funding level for these activities, my amendment recognizes the importance of high-quality education to our Nation's future by tripling the Federal investment in our public school teachers and providing districts with adequate funding to decrease class sizes to 18 students by 2004. This amendment also is in keeping with the philosophy behind the Federal Government's role in education. It targets money to the neediest school districts where it can have the greatest impact.

Finally, this amendment provides sufficient resources to meet the challenges of skyrocketing school enrollments which will require a new highly qualified teacher corps. As I said before and I will say it again, if Members are serious about improving the quality of funding education in this, the national bill, then they will support this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, when I woke up this morning I looked at the watch and it

said 5:30 a.m. Then I looked at the calendar and it said July 20. Then all of a sudden I came to the floor of the House and I discovered this is not July at all; this is December. Christmas is just around the corner.

Normally, back home, we do not put the tree up until after Thanksgiving and then we start putting the ornaments on little by little by little. But here we are going to put the tree up in July, and we are going to put all the ornaments on at one time. Is not that remarkable? Of course, again, then the appropriators have to say, well, obviously if we are going to do all of these things, we will have to eliminate 100,000 new teachers; we will have to eliminate this, and this because we have to fund these things.

It is an interesting place we work in. I want to make sure my colleagues understand that.

First, the legislation holds no one accountable in relationship to 100,000 new teachers. \$1.2 billion that went out last week has absolutely no accountability to ensure that students will benefit from smaller classes.

Second, this legislation puts smaller classes ahead of better teachers. I cannot think of a worse mistake to make than that. It keeps class reduction as the end to all, even in situations such as a poor urban area where reducing class size has resulted in a major increase in the number of unqualified teachers entering the classroom.

The fact is, a class of 10 students with an unqualified teacher is no better and probably much worse than a classroom with 22 students and a highly qualified teacher.

Third, it throws local decision-making in education out the window. Reducing class size is a priority under the Teacher Empowerment Act that we have had before us, but ultimately, under this program and not the Martinez substitute, it is up to local schools to make this decision.

Whether the benefits outweigh the costs, we allow local waivers if reducing class size does not make sense.

Now, a recent study by the Rand Corporation, in relationship to California, says, the costs of reducing class sizes exceeded State funding, forcing districts to raid money for libraries, music, art, maintenance, and other services.

I think we have heard that several times in relationship to IDEA, did not we? They have to rob from everything else on the local level to deal with that mandate. Here we are doing the same thing all over again, and so they have discovered in their Rand study in California that as a matter of fact they had to produce local revenue; and, therefore, they had to take away and reduce the amount of money they spent on libraries, music, art, maintenance and other services that the district provides.

Rather than imposing a one-size-fits-all approach to education as under the Martinez/Clinton proposal, the Teacher Empowerment Act allows local school districts to determine the correct balance between teacher quality and class size. The Teacher Empowerment Act requires that local schools use a portion of their funds to reduce class size but not if it means having to compromise the quality of the teachers they hire.

The President's current 100,000 new teacher program not only provides a single purpose for the use of \$1.2 billion but it lacks any accountability. So, again, I go back to my opening statement. This is July 20, folks. This is not December 25. It is not time to put up the Christmas tree. It is not time to sprinkle the ornaments all over that Christmas tree. It is time to think seriously about having quality teachers in every classroom throughout the United States.

Mr. Chairman, I reserve the balance of my time.

Mr. MARTINEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I do not believe it is Christmas time to provide services for children who are needy and need them. I guess it is up to the prerogative of the chairman to provide mischaracterizations of the bill, but that is fine.

Mr. Chairman, I yield 2 minutes to the gentleman from Missouri (Mr. CLAY), the ranking member of the committee.

Mr. CLAY. Mr. Chairman, I rise in support of the Martinez substitute. This substitute maintains a separate stream of funding for class size reduction. It passed overwhelmingly last year. Passing this substitute will continue to target funds in current programs to ensure that school districts most in need are served.

The gentleman from California (Mr. MARTINEZ) provides strong accountability provisions to ensure qualified teachers in every classroom. His substitute doubles funding for professional development and class size reduction. It also includes a \$500 million authorization to ensure training of special education teachers.

President Clinton's proposal for Troops to Teachers, the proposal of the gentlewoman from Hawaii (Mrs. MINK) for intensive teacher training through sabbaticals, and the emphasis of the gentleman from Wisconsin (Mr. KIND) on principal development are included in this substitute.

Finally, Mr. Chairman, this substitute maintains support for the National Board for Professional Teaching Standards, which operates a national voluntary system to access and certify teachers, and it also provides continued support for standards-based reforms as recommended by the gentleman from Michigan (Mr. KILDEE).

The Martinez substitute makes good on the commitment that we made to reduce class sizes in the early grades.

Mr. Chairman, those who claim support for raising the academic level of disadvantaged students should embrace the Martinez substitute with enthusiasm.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. BOEHNER), the subcommittee chair.

Mr. BOEHNER. Mr. Chairman, I rise today to oppose the amendment of the gentleman from California (Mr. MARTINEZ), not because it is not well meaning or well intentioned but because it goes in the same old direction that Washington has gone in for the last 40 years.

Something has happened over the last 5 years in this Congress and it is not that Republicans have taken control. It is that we as a Congress have done a better job of listening to our local communities, our local school boards and the Nation's 50 governors of all parties.

What has happened out of all of this listening and working with them is that we passed an unfunded mandate bill that said we would not mandate more requirements on States and local communities without the money.

We have passed welfare reform, where we took a whole slew of categorical programs, packaged them together, sent them back to the States so that States and local communities could decide how best to meet the needs of those of little means in their communities. In other words, we trusted the States and local communities to deal with the problems back home.

Earlier this year, we passed the Ed-Flex bill, taking more categorical programs mandated out of Washington, grouped them together, sent them back home because the governors of all parties said, give us the flexibility and hold us accountable for test scores in the end.

So the bill we have before us today is another step in that direction, of working with all the governors, local school boards and parents, to try to give them the flexibility they need to improve the schools and to improve the test scores of our Nation's students.

What they are asking for in return is very simply this: give us the flexibility and hold us accountable for the results that we get from our children. That is the direction the Congress has been going in for the last 5 years, and the fact is that this proposal, offered by our colleague, the gentleman from Pennsylvania (Mr. GOODLING), and pioneered by the gentleman from California (Mr. MCKEON) is a giant step in giving States, teachers, local school boards the kind of flexibility they want.

It has broad bipartisan support. Why not pass it? The gentleman's amend-

ment would go back to the same old tired programs of here are all of these little categorical programs and if the school districts do what we say they should do, then we will give them the money. The fact is I think it has been a failed approach. It has been a hodgepodge.

Local schools need all types of things. Some need more teachers. Some need technology. Some need help in the library. Maybe they need more books. Let us let them decide how to improve the schools and hold them accountable for improving those test scores.

So the amendment of the gentleman from California (Mr. MARTINEZ) would gut the legislation before us today. I think it is a failed policy that we have tried for the last 50 years and we know has not worked. Let us give this an opportunity to pass.

Mr. MARTINEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the last speaker was certainly right. Something has happened in the last 5 years. Locals know best unless we know better.

Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. FATTAH).

Mr. FATTAH. Mr. Chairman, the previous speaker said that we had learned to listen. Well, teachers have said that they do not want this bill. They want the Democratic substitute. Parents have said it through the PTA. We have heard earlier that the governors, that each of the elements of the educational enterprise in our country, support the Democratic substitute over the main bill.

My colleague, the gentleman from Pennsylvania (Mr. GOODLING), the chairman, just said, as he closed his remarks, that it was time for us to think seriously about putting a qualified teacher in every classroom.

Well, let us think about that for a minute. Who has been responsible for putting unqualified teachers in classrooms of children around this country, particularly in areas where children come from low-income families?

□ 1715

Who has been responsible for doubling the number of children in classes that all of us believe ought to be there, including President Clinton who says the number should be 18?

It has not been the Federal Government making these decisions. It is the people that my colleagues suggest they want to give more flexibility to. They want to take these Federal dollars where we are trying to set some priorities that local people agree with, that is, the parents agree, the teachers agree, the local school boards agree. But no, my colleagues want to take the same local entities at the State level, who have made these unfortunate decisions, and give them more of an opportunity.

I think that, as the gentleman from Pennsylvania (Chairman GOODLING) said, let us think seriously about putting quality teachers in every classroom. Let us take our responsibility seriously. Let us be leaders. Let us set some priorities.

The President has said, first and foremost, classroom reduction. That is the Democratic mark. Now if my colleagues would like to come up with another \$1.2 billion and do it and focus on some other issues, then fine, let us all work together. But let us not step on this initiative in a way that creates a problem for any of us to have the kind of decision making we want on this issue.

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman from Pennsylvania (Mr. FATTAH) is darn right I can answer the question who made the problems. It has been the Federal Government, as a matter of fact, mandate after mandate back there that somebody has to pay. Therefore, the local district has to make decisions contrary to what they want to do to improve education in the district because they got the mandates from here, unpaid mandates.

Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Chairman, I will try to follow that statement.

Mr. Chairman, I will say that, as far as I am concerned, this bill that I am supporting, and I think the chairman has described it excellently, is not only the art of the possible, and by that I mean that we are not giving away everything and promising more than can ever be delivered, this is the art of the possible, but it also sets priorities and sets up accountability standards and fosters what I believe we should be returning to a proper relationship between State and local control and accountability and make those commitments identifiable in this legislation.

The substitute that the gentleman from California (Mr. MARTINEZ) is proposing does not do that. Of course I want to stress, I mean it puts more control back in Washington's hands. I want to stress, however, because I think it has been misrepresented here, that the TEA bill that the gentleman from Pennsylvania (Mr. GOODMAN) is advancing here and that I strongly support does allow and requires new teachers.

It does require a correct balance between teachers and class size. But as I read it, it does not put all of the authority in with the Washington establishment, but does require an approach to improving student achievement.

The President's proposal that we have before us here lacks any accountability on the relationship between reducing class size and making those re-

ductions in fact a measurement on how we improve student achievement. So the accountability standards here I think are very important in their relationship to class size.

Perhaps one of the most important points is that a separate program is not necessary under this proposal. Since teacher quality and class size are so closely interrelated, it makes sense, as the gentleman from Pennsylvania (Mr. GOODLING) has pointed out, for these funds to be under the same grant. I want to repeat that. Not only class size, but also teacher quality.

I might point out that, according to the numbers that I see, I do not think there are 100,000 teachers that are qualified and certified to be hired out there. If anything, we have to put a higher priority on teacher quality and teacher certification.

But I might also point out that State and local school districts that wish to receive a waiver with respect to this program should not have to go to Washington as identified in that bill, but waivers should be State based and again putting that direction and higher priority on State and local control.

I guess I have no more time, but I strongly support it. Ninety-five percent of our program goes directly to schools, and that is very important to remember.

Mr. MARTINEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will just inform the lady that half of what is in the Republican bill was in my bill before it was in the Republican bill. Of course, we were grateful that they took that and put it in their bill; but, nevertheless, those are our initiatives.

Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Chairman, the Martinez substitute addresses a number of concerns I have with the underlying bill.

The Martinez substitute targets a greater share of teacher quality funding to disadvantaged school districts than H.R. 1995. This greater emphasis on needy districts reflects the reality of where our greatest problems as a Nation are in maintaining high quality teachers.

The Martinez substitute also raises our commitment to these programs by authorizing \$3.5 billion. The substitute does this through separate streams of funding for both teacher quality and class size reduction, thereby not pitting one need against another.

As we have seen from research, it takes both smaller classes and fully qualified teachers to have a positive impact upon student achievement. Both of these priorities funded through separate streams have a greater chance of ensuring that we reach our national priorities of a high quality teacher

force and small, manageable class sizes from kindergarten through third grade.

Mr. Chairman, the Martinez substitute amendment is a critical step forward in our effort to ensure a teaching force that is ready for the 21st Century and deserves the support of all Members today.

In my city of Flint, Michigan, about 7 years ago, we did this, the only city in Michigan to do it. Let me tell my colleagues, it has worked. We have quality certified teachers teaching classes of 18. All the tests indicate that those gains those students make persist through the eighth grade examination. This is really a chance to make a real difference in education in this country.

Mr. GOODLING. Mr. Chairman, what is the division of time remaining?

The CHAIRMAN. The gentleman from Pennsylvania (Mr. GOODLING) has 9 minutes remaining, and the gentleman from California (Mr. MARTINEZ) has 11 minutes remaining.

Mr. GOODLING. Mr. Chairman, I reserve the balance of my time.

Mr. MARTINEZ. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. RUSH).

Mr. RUSH. Mr. Chairman, I thank the gentleman from California for yielding me this time.

Mr. Chairman, I rise in support of the Martinez substitute. I commend both the gentleman from California (Mr. MARTINEZ) and the ranking member of the committee for the outstanding work that they have done on this substitute.

Mr. Chairman, here we are again debating an issue that is essential to our children's future, and that is the size of the classrooms in our disadvantaged communities. The Republicans have repeatedly attempted to politicize this issue. It is indisputable that reduced class size, especially in the early years, improves student achievement and provides lasting benefits, particularly for disadvantaged students.

H.R. 1995 fails to target funds to the neediest school districts. Are the Republicans suggesting that urban poor and rural poor students are not deserving of adequate funding for public education? Do Republicans not understand that an educated child provides for a more productive work force?

I implore my colleagues on both size of the aisle to come to their senses and support the Martinez substitute. Let us end this political parade and put our children first.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. HOEKSTRA), another subcommittee chairman.

Mr. HOEKSTRA. Mr. Chairman, over the last number of years, we have had the opportunity to travel around the country, taking a look at schools and local programs and identifying what works and what does not work. It is

called Education at a Crossroad. This bill is built on the principles that we outlined as a result of that effort.

The Teacher Empowerment Act follows five important principles, and I think these principles could apply to all Federal education programs because we do recognize how important education is to secure the future of this country.

What are those five principles? We need to empower parents and not bureaucracies. We need to use education methods that work, not fads and gimmicks. We need to spend the money where we have the most impact. That means that we spend the money on the kids; we spend it in the classroom; we do not spend it in Washington; and we do not spend it on red tape. We need a terrific teacher in every classroom. Then we have to have accountability for results.

Because not how much we put it in is what matters. What matters is how much learning takes place.

That is why I oppose the Martinez amendment. Because what it does, it moves us away from these principles. It moves us away from empowering parents. It empowers bureaucracies. It moves the decision making back to Washington. It means that we will end up spending and approving local spending decisions here in Washington, not at the local level.

If we are going to have waivers to a Federal education program, those decisions need to be made at a State and a local level. As we found out in welfare reform, what sense does it make to move decisions from the State level to Washington? Let us keep moving decision making and improving education and make it a local responsibility.

Mr. MARTINEZ. Mr. Chairman, again my amendment is being mischaracterized. We do all of the things that the Republican bill does, but we do it better.

Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. BECERRA).

Mr. BECERRA. Mr. Chairman, I thank the gentleman from California for yielding to me.

Listening to the debate, a couple of words, operative words come to mind more than anything else. In supporting the Martinez substitute, what we are doing is providing accountability. We are providing local governments with a message that we intend to fulfill our commitments, and we provide the message that we will guarantee our words with actions.

To support H.R. 1995 would be to send the opposite message, that, one, we send the message that we want our local school districts to be able to reduce their class sizes, but, two, we are going to take the money, pull the rug right from under their feet when they are about to start doing that, and say to them go on, go about and do this all by yourself.

It is unfortunate that we cannot, for whatever reasons, decide in this Congress to have the accountability we always say we want our local school boards to have with the parents that send their kids to school. But here we are telling the local governments that we have already sent them down \$1.2 billion last year to start reducing class sizes. Some 30,000 teachers have been hired.

Yet, now, all of a sudden, we are going to pull the rug right from under their feet as they start these initiatives. Now they have to find the funding from some other source. What a way to try to organize themselves, to try to conduct their governments at the local level, to have the Federal Government say to them one day, we are going to do this for you on a bipartisan basis last year, and now for us to say go on it alone.

Worse than that, we do not even target monies if we pass H.R. 1995. We need the Martinez substitute because we need to make sure that we are letting schools know that we want to help them where they need it most. If we take away that ability to target the monies, who knows what this money will be spent on. We want accountability at the local level. We should have accountability at the Federal level as well.

Let us stick to the Martinez substitute. Let us not pass H.R. 1995. Let us give schools what we would expect them to get from the parents, what the parents would expect to get from them. That is accountability. Let us do the same here in the Federal Government in Washington, D.C. Let us give them the accountability and guaranties they can do the work they can do.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado (Mr. TANCRED), another member of our committee.

Mr. TANCRED. Mr. Chairman, I thank the gentleman from Pennsylvania (Chairman GOODLING) for yielding me this time.

Mr. Chairman, we just came upstairs from a hearing that the subcommittee held. It was subcommittee on examining education programs benefiting Native American children.

□ 1730

It was a fascinating hearing. We heard from a number of people from the BIA and people running Indian schools on reservations. We asked those folks about what they considered to be the most significant change we could possibly provide for them that would make something positive happen in their schools. Because, frankly, today, the educational system for Native Americans is a disaster. From almost any standpoint or any way we want to measure it, it is a disaster. It is perhaps a microcosm of the broader problems we have in this country. So

we asked what it was they thought we can do, what can the Federal Government possibly do to help you make it better.

The first thing that was said by the gentleman who is with the BIA, and he went on at some length on this, is essentially this: please give us more flexibility. He said everything that has happened up to this point in time, the 20 to 25 years that we have been experimenting with the various programs handed down by government, all of the individual programs and titles that have tied our hands have made it literally impossible for us, and I am paraphrasing here, I admit, literally impossible for us to do what we have been asking them to do, and that is to improve the quality of education for our children.

He said, please do this for us: give us the money; let us determine how it will be spent. Give us more flexibility in determining exactly who goes to school, in what school, and what kind of a teacher that particular student confronts. That, he said, is what will do more for Indian education than anything else.

Mr. Chairman, I suggest it will also do more for American education, and that is why we have to defeat the Martinez amendment and go with the bill itself.

Mr. MARTINEZ. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Chairman, congratulations to teachers. At last, Members on both sides of the aisle in the House of Representatives agree on the fact that teachers are important. Congratulations. It is about time.

But one side, through the Martinez substitute, provides more funds to reduce class size with a guaranty that educators and parents can count on. The Martinez substitute maintains the class size reduction program as a separate program with a dedicated stream of funding, while H.R. 1995 puts all funds in one pool for governors to spend as they will and at their will.

We need a democratic triangle of learning, with dedicated funds to hire qualified teachers on one side; class size reduction on the second side; and in a separate proposal, the third side of the triangle needs to fund school construction and modernization.

Mr. Chairman, we do not need to know rocket science to know that the Martinez substitute is the better choice for our students and our schools, just simple geometry. Vote for the Martinez substitute so our students will have 100,000 more qualified teachers and smaller class sizes. They need and deserve both, not one or the other.

Mr. GOODLING. Mr. Chairman, I yield 1½ minutes to the gentleman from Delaware (Mr. CASTLE), a member of the committee.

Mr. CASTLE. Mr. Chairman, I thank the chairman again and again congratulate him for the work which he has done on this.

Unfortunately, I respectfully rise in opposition to the substitute offered by the gentleman from California (Mr. MARTINEZ). I say regretfully because he is a wonderful guy, not because I necessarily agree with him on the policy.

Unfortunately, the specific set-aside for class size reduction in the Martinez substitute creates a false choice between the need for more teachers and the need for better teachers. We can do better.

The Teacher Empowerment Act maintains our commitment to smaller class size by requiring a portion of funds be used for this purpose, but it also recognizes the different needs of our local school districts by focusing resources on initiatives to improve classroom outcomes for teachers and students alike.

In States like Delaware, where I am from, where the average class size in grades K through 3 is 17 students or in other States where further reductions in class size will result in hiring uncertified or unqualified teachers, these funds can be used to provide teacher training in subject areas like math, science, reading, and the language arts.

The flexibility in the Teacher Empowerment Act recognizes the fact that students in smaller classes may perform better academically, but that advantage is lost if the teacher is unprepared to teach. The Teacher Empowerment Act allows our teachers to receive the intensive long-term training they need to raise the academic achievement of their students.

If the localities are unable to provide professional development, this bill allows the teachers to choose their own high-quality training programs and, in so doing, the Teacher Empowerment Act recognizes the plain truth that a skilled professional can and will raise the academic achievement of the entire classroom, even among our most disadvantaged children, even in classrooms that exceed 18 students.

Finally, it is estimated that approximately 40 percent of teachers will become eligible for some type of retirement during the next 5 years. This bill addresses that as well. I would encourage us all to support the underlying bill and to defeat the Martinez amendment.

Mr. MARTINEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. SANDLIN).

Mr. SANDLIN. Mr. Chairman, I rise today with America's teachers and America's students in support of the Martinez substitute.

I must say I heard a very unique argument just a few moments ago from the other side of the aisle. I have never before heard it said that reduction in

class size causes us to have less qualified teachers. What a slap in the face to America's teachers to say something like that. That misguided, illogical and incorrect conclusion is an example of why we need to focus on education in America.

Education is an investment. It is not an expense. It is our most important investment, an investment in our children. Last year we made a commitment. We made a commitment to our teachers, we made a commitment to our children, and we made a commitment to our families. We committed to hiring 100,000 new teachers all across this country in grades 1 through 3 to address the issue of education and to address the issue of juvenile crime.

H.R. 1995 would be a serious step back from that commitment. Because, make no mistake about it, 1995 does not require a reduction in class size. It does not. Martinez does.

We have many other important issues in this country involving education. We need to address those issues. But that does not mean we need to back away from reduction in class size. Let us do the right thing. Let us support Martinez and reduce our class size. Let us do what the teachers and the students in America want us to do and keep our commitments.

Mr. MARTINEZ. Mr. Chairman, I yield 2 minutes to the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK of Hawaii. Mr. Chairman, I thank the gentleman from California for yielding me this time.

I have been very vocal this afternoon, speaking about the deficits of the bill that we are debating, H.R. 1995, because it does not support the program that the President has recommended for the reduction of the number of students in a typical classroom in the early primary grades. That is an essential signal to this country that we ought to be doing something about.

It is not enough to say that the local people can make these decisions. They have had this opportunity to make these decisions all these years, and yet we see so many jurisdictions with these very crowded classrooms.

The second point is that the primary bill that the Republicans are putting forth today does not support the idea of targeting for the neediest people in our society, whereas the Martinez substitute does.

I want to, however, in just my limited time, focus on one essential ingredient of the Martinez substitute, which retains the language of the current law, and that has to do with assuring that the teachers who are trained have the opportunity to understand the diverse needs of girls in their classes, of students with a different ethnic background who are disadvantaged, and students with disabilities.

Achieving equity in education requires going beyond just access to edu-

cation. It requires the elimination of subtler forms of inequity. Qualitative, small-scale studies over the last years have cumulatively decided and described the inequities that exist. The AUW report of 1998, *Gender Gaps: Where Schools Still Fail Our Children*, showed that while inequitable teaching practices are frequently inadvertent, inequality still persists in teaching practices.

Knowing that this is the case, knowing that we have these protections in current law, the Republican bill, H.R. 1995, eliminates these very important provisions from the bill that they are asking the House to vote for. The Martinez substitute keeps and retains this language, and I urge support for the Martinez substitute.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina (Mr. DEMINT), another new member of the committee.

Mr. DEMINT. Mr. Chairman, I would like to speak in favor of the Teacher Empowerment Act and against this proposed replacement bill that will reverse all the good that the Teacher Empowerment Act will do for our children and our schools.

One of the most important responsibilities of this Congress is to secure the future for every child in America. Some say we can accomplish this goal best by running our schools from the White House or some congressional committee. Republicans believe that we can secure the future for every child in America best by returning education dollars, decisions and flexibility back home to parents, teachers, and local schools.

The Teacher Empowerment Act does just that. It provides much-needed funds to schools, but it does not tell them how to spend it. It just tells them to get results. Schools can hire teachers and reduce class size; they can focus on innovative programs for math and science; or they can help train teachers.

I am on the Committee on Education and the Workforce and I have heard countless testimonials of educators who have said that if we just give them back the flexibility, the decisions, and the dollars that they can secure the future for our children.

Mr. Chairman, I encourage all of my colleagues to vote for the Teacher Empowerment Act and against the Martinez substitute.

Mr. MARTINEZ. Mr. Chairman, do I have the right to close?

The CHAIRMAN. The gentleman from Pennsylvania (Mr. GOODLING) has the right to close.

Mr. MARTINEZ. Mr. Chairman, I yield myself the balance of my time, which is how much?

The CHAIRMAN. The gentleman from California (Mr. MARTINEZ) has 3 minutes remaining.

Mr. MARTINEZ. Mr. Chairman, I yield myself the balance of time, and

in order to respond to the gentleman from South Carolina (Mr. DEMINT), who spoke last, I think there are people who are actually in the education industry that disagree with what he just said. And let me just read what the National School Board Association said about my legislation.

"It is much stronger legislation. Far more targeted Federal dollars are needed if the Nation's public schools are to ensure that students, particularly those in poverty, have a real opportunity to improve student achievement." That was on July 16, 1999.

The California Chief State School Officers: "The Martinez substitute would target Federal resources to two distinct but companion Federal policies without making them compete one against the other for a fixed pot of funds."

□ 1745

"H.R. 1995 greatly reduces the targeting of Federal resources to the neediest districts with the highest poverty, largest class size and greatest shortage of qualified teachers."

That was on July 19, 1999.

The National PTA. "The National PTA urges you to oppose H.R. 1995 when it comes to the floor for a vote on Tuesday, July 20, 1999. We suggest improving the bill by supporting the Martinez substitute, but if it fails, we oppose the passage of the Teacher Empowerment Act."

That was on July 19, 1999.

The Leadership Conference of Civil Rights. "We write to express our opposition to the Teacher Empowerment Act of 1999, H.R. 1995, unless it includes class size reduction as a separately authorized program and ensures that all students benefit from quality teachers to meet their particular needs. Combining class size reduction with other programs as proposed in H.R. 1995 will serve merely to undermine its effectiveness, particularly for low-income and minority students, by failing to achieve the goal of hiring 100,000 qualified teachers."

This was on July 16, 1999.

The American Federation of Teachers. "The Democratic substitute would continue funding to school districts that need the money the most. H.R. 1995, as proposed, diverts program funds from high poverty districts."

That was on June 29, 1999.

I urge all of the Members to understand that the people in the industry, the people that are on the front lines, the people who are concerned most about the education of our children, the people who have to respond to the criticism from everybody if they do not do a good job are all in support of my substitute, not the Republican bill, H.R. 1995.

With that, I would urge all of my colleagues to support my bill, vote for my bill and oppose H.R. 1995.

Mr. Chairman, I yield back the balance of my time.

Mr. GOODLING. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, for years I sat beside a wonderful gentleman who was chairman of the committee and he would say over and over again, "All of these programs we introduced to help my people have not helped my people."

I would say over and again, "Let's change them." We never did. Why did they not help rural poor? Why did they not help the disadvantaged? Why did they not help urban poor? Because there was no accountability. Just take the money, do whatever you want to do with the money. No accountability whatsoever.

So now we have an opportunity finally to do something to help the urban poor and the rural poor, the disadvantaged, because we can assure that they have a quality teacher in the classroom which next to their parents will be the most important thing that ever happens to them. Class size reduction alone does not do it. You have to have quality in the classroom.

A gentleman said he is surprised, he never heard anybody say anything about a teacher not being qualified in a classroom. He must have had his head in a hole somewhere. All the studies are saying it has failed. All the studies are saying that they have had to replace people when they had to add new teachers because they reduced the class size with people who were not competent and were not capable of teaching the kind of quality education the most needy children need.

We are in a real world, Mr. Chairman. Let us quit playing this game that somehow or other there are a few trees in Washington and we can pull off money here, there and elsewhere.

Everybody, you say, supports it. Of course they support it. More money. "Don't worry about quality. Don't worry whether it does any good or not. Just give us more money."

Oh, I have heard that for 40 years and it has failed and it has failed and it has failed. Now we have a golden opportunity. We know we are not going to get a lot more money. Now we have a golden opportunity to finally, finally insist that those most disadvantaged have a golden opportunity to get a quality teacher in that classroom that will make the difference in their life and will give them the opportunity to succeed like so many other young people have in this country.

Let us do it right this time. Let us admit we failed for 40 years. We have not helped the people we wanted to help. This is an opportunity now. Defeat the Martinez gift list and move ahead with legislation that will give us quality teachers in all classrooms for all children.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I rise today in strong opposition to the

Martinez substitute and in support of the Teacher Empowerment Act.

This bill demonstrates and defines the basic philosophy regarding education that separates Republicans from the White House.

Let's be honest—the President just wants a number. The latest mantra coming out of the White House is "100,000 new teachers." It's a nice big number, and it makes for a good soundbite.

Never mind how the teachers are actually trained. Never mind if they truly know the subject they're teaching or not. That isn't the focus for the President—what he wants, quite simply, is for the Federal Government to pay for 100,000 extra bodies. Period.

Republicans believe it's better to have 500,000 better trained teachers than just 100,000 new ones. Instead of telling schools that they must hire teachers, we instead combine the current Federal teacher programs into one grant.

With this money, we let the schools decide how best to spend their money on teachers.

If they need to hire more, fine. If they need to train the ones they already have, even better. If they want to offer salary increases or merit pay, that's OK too.

The point is that we believe local schools and local school districts know their teacher situation better than some bureaucrat sitting in a cubicle in Washington, DC.

The Teacher Empowerment Act passed the Education Committee with bipartisan support, even after a strong, yet unsuccessful, lobbying blitz from the highest officials in the White House.

I think our kids deserve something more than just a sound bite from the President. They deserve to be educated by the best-trained teachers possible, and that's what this bill does. I urge my colleagues to reject the Martinez substitute and support the Teacher Empowerment Act.

Mr. UNDERWOOD. Mr. Chairman, I rise in support of Rep. MARTINEZ's substitute to H.R. 1995, the Teacher Empowerment Act. The intent of H.R. 1995 is admirable, but it falls short of key funding matters vital to our nation's schools and teachers.

Class size reduction was a bipartisan effort in the 105th Congress. H.R. 1995 threatens this agreement by allowing funds for this program to be diverted to other areas. On the other hand, the Martinez substitute not only increases funding for class size reduction programs, it also provides for its separate authorization doubling current funding, a clear signal that we are serious about improving our children's education.

Teacher quality and professional development are two more goals sought for in the Martinez substitute. It doubles the funding for these goals by authorizing \$500 million in each of the fiscal years 2000 to 2004.

While H.R. 1995 attempts to funnel federal funds away from local education authorities, the Martinez substitute ensures that educational funding for grades K-12 are directed towards the "state education agency" responsible for elementary and secondary education. This ensures that federal funds are used together with the state or territory's own educational programs.

We clearly have a very simple decision to make today, whether we continue to be committed to our children and our teachers, or



whether we choose to stifle our nation's educational excellence. I encourage my colleagues to vote yes on the Martinez substitute and no on H.R. 1995.

Mr. GOODLING. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. EWING). The question is on the amendment in the nature of a substitute offered by the gentleman from California (Mr. MARTINEZ).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. MARTINEZ. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House Resolution 253, further proceedings on the amendment in the nature of a substitute offered by the gentleman from California (Mr. MARTINEZ) will be postponed.

#### SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN pro tempore. Pursuant to House Resolution 253, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order: amendment No. 1 offered by the gentleman from Pennsylvania (Mr. GOODLING); amendment No. 10 offered by the gentlewoman from Hawaii (Mrs. MINK); amendment No. 11 offered by the gentleman from New York (Mr. CROWLEY); and amendment No. 12 offered by the gentleman from California (Mr. MARTINEZ).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

#### AMENDMENT NO. 1 OFFERED BY MR. GOODLING

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Pennsylvania (Mr. GOODLING) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

#### RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 424, noes 1, not voting 8, as follows:

[Roll No. 316]

AYES—424

Abercrombie	Barr	Bilbray
Ackerman	Barrett (NE)	Bilirakis
Aderholt	Barrett (WI)	Bishop
Allen	Bartlett	Blagojevich
Andrews	Barton	Bliley
Archer	Bass	Blumenauer
Armey	Bateman	Blunt
Bachus	Becerra	Boehlert
Baird	Bentsen	Boehner
Baker	Bereuter	Bonilla
Baldacci	Berkley	Bonior
Baldwin	Berman	Bono
Ballenger	Berry	Borski
Barcia	Biggert	Boswell

Boucher	Gephardt	Maloney (CT)
Boyd	Gibbons	Maloney (NY)
Brady (PA)	Gilchrest	Manzullo
Brady (TX)	Gillmor	Markey
Brown (FL)	Gilman	Martinez
Brown (OH)	Gonzalez	Mascara
Bryant	Goode	Matsui
Burr	Goodlatte	McCarthy (MO)
Burton	Goodling	McCarthy (NY)
Buyer	Gordon	McCollum
Callahan	Goss	McCrery
Calvert	Graham	McGovern
Camp	Granger	McHugh
Campbell	Green (TX)	McInnis
Canady	Green (WI)	McIntosh
Cannon	Greenwood	McIntyre
Capps	Gutierrez	McKeon
Capuano	Gutknecht	McKinney
Cardin	Hall (OH)	McNulty
Carson	Hall (TX)	Meehan
Castle	Hansen	Meek (FL)
Chabot	Hastings (FL)	Meeks (NY)
Chambliss	Hastings (WA)	Menendez
Chenoweth	Hayes	Metcalf
Clay	Hayworth	Mica
Clayton	Hefley	Millender-
Clement	Herger	McDonald
Clyburn	Hill (IN)	Miller (FL)
Coble	Hill (MT)	Miller, Gary
Coburn	Hilleary	Miller, George
Collins	Hilliard	Minge
Combest	Hinojosa	Mink
Condit	Hobson	Moakley
Conyers	Hoefel	Mollohan
Cook	Hoekstra	Moore
Cooksey	Holt	Moran (KS)
Costello	Hooley	Moran (VA)
Cox	Horn	Morella
Coyne	Hostettler	Murtha
Cramer	Houghton	Myrick
Crane	Hoyer	Nadler
Crowley	Hulshof	Napolitano
Cubin	Hunter	Neal
Cummings	Hutchinson	Nethercutt
Cunningham	Hyde	Ney
Danner	Inslee	Northup
Davis (FL)	Isakson	Norwood
Davis (IL)	Istook	Nussle
Davis (VA)	Jackson (IL)	Oberstar
Deal	Jackson-Lee	Obey
DeFazio	(TX)	Oliver
DeGette	Jefferson	Ortiz
DeLahunt	Jenkins	Ose
DeLauro	John	Owens
DeLay	Johnson (CT)	Oxley
DeMint	Johnson, E.B.	Packard
Deutsch	Johnson, Sam	Pallone
Diaz-Balart	Jones (NC)	Pascarell
Dickey	Jones (OH)	Pastor
Dicks	Kanjorski	Payne
Dingell	Kaptur	Pease
Dixon	Kasich	Pelosi
Doggett	Kelly	Peterson (MN)
Dooley	Kildee	Petri
Doolittle	Kilpatrick	Phelps
Doyle	Kind (WI)	Pickering
Dreier	King (NY)	Pickett
Duncan	Kingston	Pitts
Dunn	Klecza	Pombo
Edwards	Klink	Pomeroy
Ehlers	Knollenberg	Porter
Ehrlich	Kolbe	Portman
Emerson	Kucinich	Price (NC)
Engel	Kuykendall	Pryce (OH)
Eshoo	LaFalce	Quinn
Etheridge	LaHood	Radanovich
Evans	Lampson	Rahall
Everett	Lantos	Ramstad
Ewing	Largent	Rangel
Farr	Larson	Regula
Fattah	Latham	Reyes
Filner	LaTourette	Reynolds
Fletcher	Lazio	Riley
Foley	Leach	Rivers
Forbes	Lee	Rodriguez
Ford	Levin	Roemer
Fossella	Lewis (CA)	Rogan
Fowler	Lewis (KY)	Rogers
Frank (MA)	Linder	Rohrabacher
Franks (NJ)	Lipinski	Ros-Lehtinen
Frelinghuysen	LoBiondo	Rothman
Frost	Lofgren	Roukema
Gallegly	Lowey	Roybal-Allard
Ganske	Lucas (KY)	Royce
Gejdenson	Lucas (OK)	Rush
Gekas	Luther	Ryan (WI)

Ryun (KS)	Smith (WA)	Turner
Sabo	Snyder	Udall (CO)
Salmon	Souder	Udall (NM)
Sanchez	Spence	Upton
Sanders	Spratt	Velazquez
Sandlin	Stabenow	Vento
Sanford	Stearns	Visclosky
Sawyer	Stenholm	Vitter
Saxton	Strickland	Walden
Scarborough	Stump	Walsh
Schaffer	Stupak	Wamp
Schakowsky	Sununu	Waters
Scott	Sweeney	Watkins
Sensenbrenner	Talent	Watt (NC)
Serrano	Tancred	Watts (OK)
Sessions	Tanner	Waxman
Shadegg	Tauscher	Weiner
Shaw	Tauzin	Weldon (FL)
Shays	Taylor (MS)	Weldon (PA)
Sherman	Taylor (NC)	Weller
Sherwood	Terry	Wexler
Shimkus	Thomas	Weygand
Shows	Thompson (CA)	Whitfield
Shuster	Thompson (MS)	Wicker
Simpson	Thornberry	Wilson
Sisisky	Thune	Wise
Skeen	Thurman	Wolf
Skelton	Tiahrt	Woolsey
Slaughter	Tierney	Wu
Smith (MI)	Toomey	Wynn
Smith (NJ)	Towns	Young (AK)
Smith (TX)	Traficant	Young (FL)

#### NOES—1

Paul

#### NOT VOTING—8

English	Kennedy	Peterson (PA)
Hinchey	Lewis (GA)	Stark
Holden	McDermott	

#### □ 1814

Ms. RIVERS and Mr. BOSWELL changed their vote from “no” to “aye.” So the amendment was agreed to.

The result of the vote was announced as above recorded.

#### □ 1815

#### ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. GIBBONS). Pursuant to House Resolution 253, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each amendment on which the Chair has postponed further proceedings.

#### AMENDMENT NO. 10 OFFERED BY MRS. MINK OF HAWAII

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on Amendment No. 10 offered by the gentlewoman from Hawaii (Mrs. MINK) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

#### RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 181, noes 242, not voting 10, as follows:

[Roll No. 317]

## AYES—181

Abercrombie  
Ackerman  
Allen  
Andrews  
Baldacci  
Baldwin  
Barcia  
Becerra  
Bentsen  
Berkley  
Berman  
Berry  
Bishop  
Blagojevich  
Bonior  
Borski  
Boswell  
Boucher  
Boyd  
Brady (PA)  
Brown (FL)  
Brown (OH)  
Capps  
Capuano  
Carson  
Clay  
Clayton  
Clement  
Clyburn  
Condit  
Conyers  
Costello  
Coyne  
Cramer  
Crowley  
Cummings  
Danner  
Davis (FL)  
Davis (IL)  
DeFazio  
DeGette  
Delahunt  
DeLauro  
Deutsch  
Dicks  
Dingell  
Dixon  
Doggett  
Edwards  
Engel  
Eshoo  
Etheridge  
Evans  
Farr  
Fattah  
Filner  
Ford  
Frank (MA)  
Frost  
Gejdenson  
Gephardt

Gonzalez  
Gordon  
Green (TX)  
Gutierrez  
Hall (OH)  
Hastings (FL)  
Hill (IN)  
Hilliard  
Hinojosa  
Holt  
Hooley  
Hoyer  
Inslee  
Jackson (IL)  
Jackson-Lee  
(TX)  
Jefferson  
Johnson, E.B.  
Jones (OH)  
Kanjorski  
Kaptur  
Kildee  
Kilpatrick  
Kind (WI)  
Klecza  
Kucinich  
LaFalce  
Lampson  
Lantos  
Larson  
Lee  
Levin  
Lofgren  
Cramer  
Crowley  
Cummings  
Danner  
Davis (FL)  
Davis (IL)  
DeFazio  
DeGette  
Delahunt  
DeLauro  
Deutsch  
Dicks  
Dingell  
Dixon  
Doggett  
Edwards  
Engel  
Eshoo  
Etheridge  
Evans  
Farr  
Fattah  
Filner  
Ford  
Frank (MA)  
Frost  
Gejdenson  
Gephardt

Oberstar  
Oliver  
Ortiz  
Owens  
Pallone  
Pascarelli  
Pastor  
Payne  
Pelosi  
Peterson (MN)  
Phelps  
Pickett  
Pomeroy  
Price (NC)  
Rahall  
Rangel  
Reyes  
Rodriguez  
Rothman  
Roybal-Allard  
Rush  
Sabo  
Sanchez  
Sanders  
Sandlin  
Sawyer  
Schakowsky  
Scott  
Serrano  
Sherman  
Shows  
Sisisky  
Skelton  
Slaughter  
Snyder  
Spratt  
Stabenow  
Strickland  
Stupak  
Tauscher  
Thompson (CA)  
Thompson (MS)  
Thurman  
Tierney  
Towns  
Traficant  
Udall (CO)  
Udall (NM)  
Velazquez  
Vento  
Visclosky  
Waters  
Watt (NC)  
Waxman  
Weiner  
Wexler  
Weygand  
Woolsey  
Wu  
Wynn

## NOES—242

Aderholt  
Archer  
Armey  
Bachus  
Baird  
Baker  
Ballenger  
Barr  
Barrett (NE)  
Barrett (WI)  
Bartlett  
Barton  
Bass  
Bateman  
Bereuter  
Biggert  
Bilbray  
Bilirakis  
Bliley  
Blumenauer  
Blunt  
Boehlert  
Boehner  
Bonilla  
Bono  
Brady (TX)  
Bryant  
Burr  
Burton

Buyer  
Callahan  
Calvert  
Camp  
Campbell  
Canady  
Cannon  
Cardin  
Castle  
Chabot  
Chambliss  
Chenoweth  
Coble  
Coburn  
Collins  
Combest  
Cook  
Cooksey  
Cox  
Crane  
Cubin  
Cunningham  
Davis (VA)  
Deal  
DeLay  
DeMint  
Diaz-Balart  
Dickey  
Dooley

Doolittle  
Doyle  
Dreier  
Duncan  
Dunn  
Ehlers  
Ehrlich  
Emerson  
Everett  
Ewing  
Fletcher  
Foley  
Forbes  
Fossella  
Fowler  
Franks (NJ)  
Frelinghuysen  
Gallegly  
Ganske  
Gekas  
Gibbons  
Gilchrist  
Gillmor  
Gilman  
Goode  
Goodlatte  
Goodling  
Goss  
Graham

Granger  
Green (WI)  
Greenwood  
Gutknecht  
Hall (TX)  
Hansen  
Hastings (WA)  
Hayes  
Hayworth  
Hefley  
Herger  
Hill (MT)  
Hobson  
Hoefel  
Hoekstra  
Horn  
Hostettler  
Houghton  
Hulshof  
Hunter  
Hutchinson  
Hyde  
Isakson  
Istook  
Jenkins  
John  
Johnson (CT)  
Johnson, Sam  
Jones (NC)  
Kasich  
Kelly  
King (NY)  
Kingston  
Klink  
Knollenberg  
Kolbe  
Kuykendall  
LaHood  
Largent  
Latham  
LaTourette  
Lazio  
Leach  
Lewis (CA)  
Lewis (KY)  
Linder  
Lipinski  
LoBiondo  
Lucas (KY)  
Lucas (OK)  
Manzullo  
McCollum

McCrery  
McHugh  
McInnis  
McIntosh  
McIntyre  
McKeon  
Metcalf  
Mica  
Miller (FL)  
Miller, Gary  
Mollohan  
Moran (KS)  
Morella  
Murtha  
Myrick  
Nethercutt  
Ney  
Northup  
Norwood  
Nussle  
Ose  
Oxley  
Packard  
Paul  
Pease  
Petri  
Pickering  
Pitts  
Pombo  
Portman  
Pryce (OH)  
Quinn  
Radanovich  
Ramstad  
Regula  
Reynolds  
Riley  
Rivers  
Roemer  
Rogan  
Rogers  
Rohrabacher  
Ros-Lehtinen  
Roukema  
Royce  
Ryan (WI)  
Ryun (KS)  
Salmon  
Sanford  
Saxton  
Scarborough  
Schaffer

Sensenbrenner  
Sessions  
Shadegg  
Shaw  
Shays  
Sherwood  
Shimkus  
Shuster  
Simpson  
Skeen  
Smith (MI)  
Smith (NJ)  
Smith (TX)  
Smith (WA)  
Souder  
Spence  
Stearns  
Stenholm  
Stump  
Sununu  
Sweeney  
Talent  
Tancredo  
Tanner  
Tauzin  
Taylor (MS)  
Taylor (NC)  
Terry  
Thomas  
Thornberry  
Thune  
Tiahrt  
Toomey  
Turner  
Upton  
Vitter  
Waldeen  
Walsh  
Wamp  
Watkins  
Watts (OK)  
Weldon (FL)  
Weldon (PA)  
Weller  
Whitfield  
Wicker  
Campbell  
Canady  
Cannon  
Capps  
Capuano  
Cardin  
Carson  
Castle  
Chabot  
Chambliss  
Chenoweth  
Clay  
Clayton  
Clement  
Clyburn  
Coble  
Coburn  
Collins  
Combest  
Condit  
Conyers  
Cook  
Cooksey  
Costello  
Cox  
Coyne  
Cramer  
Crane  
Crowley  
Cubin  
Cummings  
Cunningham  
Danner  
Davis (FL)  
Davis (IL)  
Davis (VA)  
Deal  
DeFazio  
DeGette  
Delahunt  
DeLauro  
DeLay  
DeMint  
Deutsch  
Diaz-Balart  
Dickey  
Dicks  
Dingell  
Dixon  
Doggett

## NOT VOTING—10

English  
Hilleary  
Hinchey  
Holden

Kennedy  
Lewis (GA)  
McDermott  
Peterson (PA)

Porter  
Stark

□ 1824

So the amendment was rejected.  
The result of the vote was announced as above recorded.

AMENDMENT NO. 11 OFFERED BY MR. CROWLEY  
The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on amendment No. 11 offered by the gentleman from New York (Mr. CROWLEY) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

## RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.  
The vote was taken by electronic device, and there were—ayes 425, noes 0, not voting 8, as follows:

[Roll No. 318]

## AYES—425

Abercrombie  
Ackerman  
Aderholt

Allen  
Andrews  
Archer

Armey  
Bachus  
Baird

Baker  
Baldacci  
Baldwin  
Ballenger  
Barcia  
Barr  
Barrett (NE)  
Barrett (WI)  
Bartlett  
Barton  
Bass  
Bateman  
Becerra  
Bentsen  
Bereuter  
Berkley  
Berman  
Berry  
Biggert  
Bilbray  
Bilirakis  
Bishop  
Blagojevich  
Bliley  
Blumenauer  
Blunt  
Boehlert  
Boehner  
Bonilla  
Bonior  
Bono  
Borski  
Boswell  
Boucher  
Boyd  
Brady (PA)  
Brady (TX)  
Brown (FL)  
Brown (OH)  
Bryant  
Burr  
Burton  
Callahan  
Calvert  
Camp  
Campbell  
Canady  
Cannon  
Capps  
Capuano  
Cardin  
Carson  
Castle  
Chabot  
Chambliss  
Chenoweth  
Clay  
Clayton  
Clement  
Clyburn  
Coble  
Coburn  
Collins  
Combest  
Condit  
Conyers  
Cook  
Cooksey  
Costello  
Cox  
Coyne  
Cramer  
Crane  
Crowley  
Cubin  
Cummings  
Cunningham  
Danner  
Davis (FL)  
Davis (IL)  
Davis (VA)  
Deal  
DeFazio  
DeGette  
Delahunt  
DeLauro  
DeLay  
DeMint  
Deutsch  
Diaz-Balart  
Dickey  
Dicks  
Dingell  
Dixon  
Doggett

Dooley  
Doolittle  
Doyle  
Dreier  
Duncan  
Dunn  
Edwards  
Ehlers  
Ehrlich  
Emerson  
Engel  
Eshoo  
Etheridge  
Evans  
Everett  
Ewing  
Farr  
Fattah  
Filner  
Fletcher  
Foley  
Forbes  
Fossella  
Fowler  
Franks (MA)  
Franks (NJ)  
Frelinghuysen  
Frost  
Gallegly  
Ganske  
Gekas  
Gibbons  
Gilchrist  
Gillmor  
Gilman  
Goode  
Goodlatte  
Goodling  
Goss  
Graham

Kildee  
Kilpatrick  
Kind (WI)  
King (NY)  
Kingston  
Klecza  
Klink  
Knollenberg  
Kolbe  
Kucinich  
Kuykendall  
LaFalce  
LaHood  
Lampson  
Lantos  
Largent  
Larson  
Latham  
LaTourette  
Lazio  
Leach  
Lee  
Levin  
Lewis (CA)  
Lewis (KY)  
Linder  
Lipinski  
LoBiondo  
Lofgren  
Lowey  
Lucas (KY)  
Lucas (OK)  
Luther  
Maloney (CT)  
Maloney (NY)  
Markley  
Martinez  
Mascara  
Matsui  
McCarthy (MO)  
McCarthy (NY)  
McGovern  
McHugh  
McInnis  
McIntosh  
McIntyre  
McKeon  
McKinney  
McNulty  
Meehan  
Meek (FL)  
Meeks (NY)  
Menendez  
Miller  
Minge  
Mink  
Moakley  
Moore  
Moran (KS)  
Moran (VA)  
Morella  
Murtha  
Myrick  
Nadler  
Napolitano  
Neal  
Nethercutt  
Ney  
Northup  
Norwood  
Nussle  
Oberstar  
Oliver  
Ortiz  
Ose  
Owens  
Oxley  
Packard  
Pallone  
Pascarelli  
Pastor  
Paul  
Payne  
Pease  
Pelosi

Peterson (MN)	Schaffer	Thompson (CA)	Baldwin	Hastings (FL)	Olver	Goodlatte	LoBiondo	Scarborough
Petri	Schakowsky	Thompson (MS)	Barcia	Hill (IN)	Ortiz	Goodling	Lucas (OK)	Schaffer
Phelps	Scott	Thornberry	Barrett (WI)	Hilliard	Owens	Goss	Manzullo	Sensenbrenner
Pickering	Sensenbrenner	Thune	Becerra	Hinojosa	Pallone	Graham	McCollum	Sessions
Pickett	Serrano	Thurman	Bentsen	Hoefel	Pascarell	Granger	McCrery	Shadegg
Pitts	Sessions	Tiahrt	Berkley	Holt	Pastor	Green (WI)	McInnis	Shaw
Pombo	Shadegg	Tierney	Berman	Hooley	Payne	Greenwood	McIntosh	Shays
Pomeroy	Shaw	Toomey	Berry	Hoyer	Pelosi	Gutknecht	McKeon	Sherwood
Porter	Shays	Towns	Bilbray	Inslee	Peterson (MN)	Hall (TX)	Metcalf	Shimkus
Portman	Sherman	Traficant	Bishop	Jackson (IL)	Phelps	Hansen	Mica	Shuster
Price (NC)	Sherwood	Turner	Blagojevich	Jackson-Lee	Pickett	Hastings (WA)	Miller (FL)	Simpson
Pryce (OH)	Shimkus	Udall (CO)	Blumenauer	(TX)	Pomeroy	Hayes	Miller, Gary	Skeen
Quinn	Shows	Udall (NM)	Bonior	Jefferson	Price (NC)	Hayworth	Moran (KS)	Smith (MI)
Radanovich	Shuster	Upton	Borski	John	Rahall	Hefley	Myrick	Smith (NJ)
Rahall	Simpson	Velazquez	Boswell	Johnson, E.B.	Rangel	Herger	Nethercutt	Smith (TX)
Ramstad	Sisisky	Vento	Boucher	Jones (OH)	Reyes	Hill (MT)	Ney	Souder
Rangel	Skeen	Visclosky	Boyd	Kanjorski	Rivers	Hilleary	Northup	Spence
Regula	Skelton	Vitter	Brady (PA)	Kaptur	Rodriguez	Hobson	Norwood	Stearns
Reyes	Slaughter	Walden	Brown (FL)	Kildee	Roemer	Hoekstra	Nussle	Stump
Reynolds	Smith (MI)	Walsh	Brown (OH)	Kilpatrick	Rothman	Horn	Ose	Sununu
Riley	Smith (NJ)	Wamp	Capps	Kind (WI)	Roybal-Allard	Hostettler	Oxley	Sweeney
Rivers	Smith (TX)	Waters	Capuano	Klecza	Rush	Houghton	Packard	Talent
Rodriguez	Smith (WA)	Watkins	Cardin	Klink	Sabo	Hulshof	Paul	Tancredo
Roemer	Snyder	Watt (NC)	Carson	Kucinich	Sanchez	Hunter	Pease	Tauzin
Rogan	Souder	Watts (OK)	Clay	LaFalce	Sanders	Hutchinson	Petri	Taylor (NC)
Rogers	Spence	Waxman	Clayton	Sandlin	Sawyer	Hyde	Pickering	Terry
Rohrabacher	Spratt	Weiner	Clement	Sawyer	Schakowsky	Isakson	Pitts	Thomas
Ros-Lehtinen	Stabenow	Weldon (FL)	Lantos	Scott	Scott	Istook	Pombo	Thornberry
Rothman	Stearns	Weldon (PA)	Larson	Lee	Serrano	Jenkins	Porter	Thune
Roukema	Stenholm	Weller	Conyers	Levin	Shows	Johnson (CT)	Portman	Tiahrt
Roybal-Allard	Strickland	Wexler	Costello	Lipinski	Sisisky	Johnson, Sam	Pryce (OH)	Toomey
Royce	Stump	Weygand	Coyne	Lofgren	Skelton	Jones (NC)	Quinn	Upton
Rush	Stupak	Whitfield	Cramer	Lowey	Slaughter	Kasich	Radanovich	Vitter
Ryan (WI)	Sununu	Wicker	Crowley	Lucas (KY)	Smith (WA)	Kelly	Ramstad	Walden
Ryun (KS)	Sweeney	Wilson	Cummings	Luther	Snyder	King (NY)	Regula	Walsh
Sabo	Talent	Wolf	Danner	Maloney (CT)	Spratt	Kingston	Reynolds	Wamp
Salmon	Tancredo	Woolsey	Davis (FL)	Maloney (NY)	Stabenow	Knollenberg	Riley	Watkins
Sanchez	Tanner	Wu	Davis (IL)	Markey	Stenholm	Kolbe	Rogan	Watts (OK)
Sanders	Tauscher	Wynn	DeFazio	Martinez	Strickland	Kuykendall	Rogers	Weldon (FL)
Sandlin	Tauzin	Young (AK)	DeGette	Mascara	Stupak	LaHood	Rohrabacher	Weldon (PA)
Sanford	Taylor (MS)	Young (FL)	Delahunt	Matsui	Tanner	Largent	Ros-Lehtinen	Weller
Sawyer	Taylor (NC)		DeLauro	McCarthy (MO)	Tauscher	Latham	Roukema	Whitfield
Saxton	Terry		Deutsch	McCarthy (NY)	Taylor (MS)	Royce	Ryan (WI)	Wicker
Scarborough	Thomas		Dicks	McGovern	Thompson (CA)	Lazio	Ryan (KS)	Wilson
			Dingell	McHugh	Thompson (MS)	Leach	Salmon	Wolf
			Dixon	McIntyre	Thurman	Lewis (CA)	Sanford	Young (AK)
			Doggett	McKinney	Tierney	Lewis (KY)	Saxton	
			Dooley	McNulty	Towns			
			Doyle	Meek (FL)	Traficant			
			Edwards	Meeks (NY)	Turner			
			Engel	Menendez	Udall (CO)			
			Eshoo	Millender-McDonald	Udall (NM)			
			Etheridge	Miller, George	Velazquez			
			Evans	Minge	Vento			
			Farr	Mink	Visclosky			
			Fattah	Moakley	Waters			
			Filner	Mollohan	Watt (NC)			
			Forbes	Moore	Waxman			
			Ford	Moran (VA)	Weiner			
			Frank (MA)	Morella	Wexler			
			Frost	Murtha	Weygand			
			Gejdenson	Nadler	Wise			
			Gephardt	Napolitano	Woolsey			
			Gonzalez	Neal	Wu			
			Gordon	Oberstar	Wynn			
			Green (TX)	Obey				
			Gutierrez					
			Hall (OH)					

## NOT VOTING—8

English	Kennedy	Peterson (PA)
Hinchey	Lewis (GA)	Stark
Holden	McDermott	

□ 1831

Mr. GRAHAM changed his vote from “no” to “aye.”

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 12 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MARTINEZ

The CHAIRMAN pro tempore (Mr. GIBBONS). The pending business is the demand for a recorded vote on amendment No. 12 in the nature of a substitute offered by the gentleman from California (Mr. MARTINEZ) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment in the nature of a substitute.

The Clerk redesignated the amendment in the nature of a substitute.

## RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 207, noes 217, not voting 9, as follows:

[Roll No. 319]

## AYES—207

Abercrombie	Allen	Baird
Ackerman	Andrews	Baldacci

## NOES—217

Aderholt	Buyer	Diaz-Balart
Archer	Callahan	Dickey
Armey	Calvert	Doolittle
Bachus	Camp	Dreier
Baker	Campbell	Duncan
Ballenger	Canady	Dunn
Barr	Cannon	Ehlers
Barrett (NE)	Castle	Ehrlich
Bartlett	Chabot	Emerson
Barton	Chambliss	Everett
Bass	Chenoweth	Ewing
Bateman	Coble	Fletcher
Bereuter	Coburn	Foley
Biggert	Collins	Fossella
Bilirakis	Combust	Fowler
Bliley	Cook	Franks (NJ)
Blunt	Cooksey	Frelinghuysen
Boehert	Cox	Gallegly
Boehner	Crane	Ganske
Bonilla	Cubin	Gekas
Bono	Cunningham	Gibbons
Brady (TX)	Davis (VA)	Gilchrest
Bryant	Deal	Gillmor
Burr	DeLay	Gilman
Burton	DeMint	Goode

## NOT VOTING—9

English	Kennedy	Peterson (PA)
Hinchey	Lewis (GA)	Stark
Holden	McDermott	Young (FL)

□ 1839

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PEASE) having assumed the chair, Mr. GIBBONS, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1995) to amend the Elementary and Secondary Education Act of 1965 to empower teachers, improve student achievement through high-quality professional development for teachers, reauthorize the Reading Excellence Act, and for other purposes, pursuant to House Resolution 253, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

#### RECORDED VOTE

Mr. GOODLING. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 239, noes 185, not voting 10, as follows:

[Roll No. 320]

#### AYES—239

Aderholt	Dooley	Jenkins
Archer	Doolittle	Johnson, Sam
Armey	Dreier	Jones (NC)
Bachus	Duncan	Kasich
Baker	Dunn	Kelly
Ballenger	Ehlers	Kind (WI)
Barr	Ehrlich	King (NY)
Barrett (NE)	Emerson	Kingston
Bartlett	Eshoo	Knollenberg
Barton	Everett	Kolbe
Bass	Ewing	Kuykendall
Bateman	Fletcher	LaHood
Bereuter	Foley	Largent
Biggert	Forbes	Latham
Bilirakis	Fossella	LaTourrette
Biley	Fowler	Leach
Blunt	Franks (NJ)	Lewis (CA)
Boehlert	Frelinghuysen	Lewis (KY)
Boehner	Galleghy	Linder
Bonilla	Ganske	Lipinski
Bono	Gekas	LoBiondo
Boyd	Gibbons	Lucas (OK)
Brady (TX)	Gilchrest	Manzullo
Bryant	Gillmor	McCollum
Burr	Gilman	McCrery
Burton	Goode	McHugh
Buyer	Goodlatte	McInnis
Callahan	Goodling	McIntosh
Calvert	Goss	McKeon
Camp	Graham	Metcalf
Campbell	Granger	Mica
Canady	Green (WI)	Miller (FL)
Cannon	Greenwood	Miller, Gary
Castle	Gutknecht	Miller, George
Chabot	Hall (TX)	Mollohan
Chambliss	Hansen	Moran (KS)
Chenoweth	Hastert	Myrick
Coble	Hastings (WA)	Nethercutt
Coburn	Hayes	Ney
Collins	Hayworth	Northup
Combest	Hefley	Norwood
Condit	Herger	Nussle
Cook	Hill (MT)	Ose
Cooksey	Hilleary	Oxley
Cox	Hobson	Packard
Crane	Hoekstra	Pease
Cubin	Holt	Peterson (MN)
Cunningham	Horn	Petri
Davis (FL)	Hostettler	Pickering
Davis (VA)	Houghton	Pitts
Deal	Hulshof	Pombo
DeLay	Hunter	Porter
DeMint	Hutchinson	Portman
Diaz-Balart	Hyde	Pryce (OH)
Dickey	Isakson	Quinn
Doggett	Istook	Radanovich

Ramstad	Shays
Regula	Sherwood
Reynolds	Shimkus
Riley	Shuster
Rivers	Simpson
Roemer	Skeen
Rogan	Smith (MI)
Rogers	Smith (NJ)
Rohrabacher	Smith (TX)
Ros-Lehtinen	Smith (WA)
Roukema	Souder
Royce	Spence
Ryan (WI)	Stearns
Ryun (KS)	Stenholm
Sabo	Stump
Salmon	Sununu
Sanford	Sweeney
Saxton	Talent
Scarborough	Tancredo
Schaffer	Tauscher
Sensenbrenner	Tauzin
Sessions	Taylor (MS)
Shadegg	Taylor (NC)
Shaw	Terry

#### NOES—185

Abercrombie	Gordon	Napolitano
Ackerman	Green (TX)	Neal
Allen	Gutierrez	Oberstar
Andrews	Hall (OH)	Obey
Baird	Hastings (FL)	Olver
Baldacci	Hill (IN)	Ortiz
Baldwin	Hilliard	Owens
Barcia	Hinojosa	Pallone
Barrett (WI)	Hoefel	Pascarell
Becerra	Hoolley	Pastor
Bentsen	Hoyer	Paul
Berkley	Inslee	Payne
Berman	Jackson (IL)	Pelosi
Berry	Jackson-Lee	Phelps
Bilbray	(TX)	Pickett
Bishop	Jefferson	Pomeroy
Blagojevich	John	Price (NC)
Bonior	Johnson (CT)	Rahall
Borski	Johnson, E.B.	Rangel
Boswell	Jones (OH)	Reyes
Boucher	Kanjorski	Rodriguez
Brady (PA)	Kaptur	Rothman
Brown (FL)	Kildee	Roybal-Allard
Brown (OH)	Kilpatrick	Rush
Capps	Klecicka	Sanchez
Capuano	Klink	Sanders
Cardin	Kucinich	Sandlin
Carson	LaFalce	Sawyer
Clay	Lampson	Schakowsky
Clayton	Lantos	Scott
Clement	Larson	Serrano
Clyburn	Lee	Sherman
Conyers	Levin	Shows
Costello	Lofgren	Sisisky
Coyne	Lowe	Skelton
Cramer	Lucas (KY)	Slaughter
Crowley	Luther	Snyder
Cummings	Maloney (CT)	Spratt
Danner	Maloney (NY)	Stabenow
Davis (IL)	Markey	Strickland
DeFazio	Martinez	Stupak
DeGette	Mascara	Tanner
Delahunt	Matsui	Thompson (MS)
DeLauro	McCarthy (MO)	Thurman
Deutsch	McCarthy (NY)	Towns
Dicks	McGovern	Trafficant
Dingell	McIntyre	Turner
Dixon	McKinney	Udall (CO)
Doyle	McNulty	Udall (NM)
Edwards	Meehan	Velazquez
Engel	Meek (FL)	Vento
Etheridge	Meeks (NY)	Visclosky
Evans	Menendez	Waters
Farr	Millender-McDonald	Watt (NC)
Fattah	Minge	Weiner
Filner	Mink	Wexler
Ford	Moakley	Weygand
Frank (MA)	Moore	Wise
Frost	Moran (VA)	Woolsey
Gejdenson	Morella	Wu
Gephardt	Murtha	Wynn
Gonzalez	Nadler	

#### NOT VOTING—10

English	Lazio	Stark
Hinchee	Lewis (GA)	Waxman
Holden	McDermott	
Kennedy	Peterson (PA)	

□ 1859

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1995, the Teacher Empowerment Act.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

#### AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN THE ENGROSSMENT OF H.R. 1995, TEACHER EMPOWERMENT ACT

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 1995, the Clerk be authorized to correct section numbers, punctuation, and cross references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

#### REPORT ON H.R. 2561, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2000

Mr. LEWIS of California, from the Committee on Appropriations, submitted a privileged report (Rept. No. 106-244) on the bill (H.R. 2561) making appropriations for the Department of Defense for fiscal year ending September 30, 2000, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

The SPEAKER pro tempore. All points of order are reserved on the bill.

#### FINANCIAL SERVICES MODERNIZATION ACT OF 1999

Mr. LEACH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

□ 1900

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Iowa?

Mr. LAFALCE. Mr. Speaker, reserving the right to object, it is my understanding that it is fully the intent of the gentleman from Iowa (Mr. LEACH) to have conferees appointed, then have those conferees meet on this legislation, and for that conference to proceed on the same inclusive bipartisan basis that characterized the development of H.R. 10 in the Committee on Banking and Financial Services. If that understanding is correct, I would raise no objection.

Mr. LEACH. Mr. Speaker, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from Iowa.

Mr. LEACH. Mr. Speaker, let me tell the gentleman from New York (Mr. LAFALCE) that that is the definitive intent of mine. I think it would be a mistake of the House not to proceed with proper order and that this bill should be considered under regular basis in a conference setting, and it would be my hope that conferees would be appointed in the very near future.

Mr. LAFALCE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa.

There was no objection.

The Clerk read the Senate bill, as follows:

#### S. 900

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Financial Services Modernization Act of 1999”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

#### TITLE I—FACILITATING AFFILIATION AMONG BANKS, SECURITIES FIRMS, AND INSURANCE COMPANIES

##### Subtitle A—Affiliations

Sec. 101. Glass-Steagall Act repealed.

Sec. 102. Financial activities.

Sec. 103. Conforming amendments.

Sec. 104. Operation of State law.

##### Subtitle B—Streamlining Supervision of Bank Holding Companies

Sec. 111. Streamlining bank holding company supervision.

Sec. 112. Authority of State insurance regulator and Securities and Exchange Commission.

Sec. 113. Role of the Board of Governors of the Federal Reserve System.

Sec. 114. Examination of investment companies.

Sec. 115. Equivalent regulation and supervision.

Sec. 116. Interagency consultation.

Sec. 117. Preserving the integrity of FDIC resources.

##### Subtitle C—Activities of National Banks

Sec. 121. Authority of national banks to underwrite municipal revenue bonds.

Sec. 122. Subsidiaries of national banks.

Sec. 123. Agency activities.

Sec. 124. Prohibiting fraudulent representations.

Sec. 125. Insurance underwriting by national banks.

##### Subtitle D—National Treatment of Foreign Financial Institutions

Sec. 151. National treatment of foreign financial institutions.

Sec. 152. Representative offices.

#### TITLE II—INSURANCE CUSTOMER PROTECTIONS

Sec. 201. Functional regulation of insurance.

Sec. 202. Insurance customer protections.

Sec. 203. Federal and State dispute resolution.

#### TITLE III—REGULATORY IMPROVEMENTS

Sec. 301. Elimination of SAIF and DIF special reserves.

Sec. 302. Expanded small bank access to S corporation treatment.

Sec. 303. Meaningful CRA examinations.

Sec. 304. Financial information privacy protection.

Sec. 305. Cross marketing restriction; limited purpose bank relief; divestiture.

Sec. 306. “Plain language” requirement for Federal banking agency rules.

Sec. 307. Retention of “Federal” in name of converted Federal savings association.

Sec. 308. Community Reinvestment Act exemption.

Sec. 309. Bank officers and directors as officers and directors of public utilities.

Sec. 310. Control of bankers’ banks.

Sec. 311. Multistate licensing and interstate insurance sales activities.

Sec. 312. CRA sunshine requirements.

Sec. 313. Interstate branches and agencies of foreign banks.

Sec. 314. Disclosures to consumers under the Truth in Lending Act.

Sec. 315. Approval for purchases of securities.

Sec. 316. Provision of technical assistance to microenterprises.

Sec. 317. Federal reserve audits.

Sec. 318. Study and report on advertising practices of online brokerage services.

Sec. 319. Eligibility of community development financial institution to borrow from the Federal Home Loan Bank system.

#### TITLE IV—FEDERAL HOME LOAN BANK SYSTEM MODERNIZATION

Sec. 401. Short title.

Sec. 402. Definitions.

Sec. 403. Savings association membership.

Sec. 404. Advances to members; collateral.

Sec. 405. Eligibility criteria.

Sec. 406. Management of banks.

Sec. 407. Resolution Funding Corporation.

Sec. 408. GAO study on Federal Home Loan Bank System capital.

#### TITLE V—FUNCTIONAL REGULATION OF BROKERS AND DEALERS

Sec. 501. Definition of broker.

Sec. 502. Definition of dealer.

Sec. 503. Definition and treatment of banking products.

Sec. 504. Qualified investor defined.

Sec. 505. Government securities defined.

Sec. 506. Effective date.

Sec. 507. Rule of construction.

#### TITLE VI—UNITARY SAVINGS AND LOAN HOLDING COMPANIES

Sec. 601. Prevention of creation of new S&L holding companies with commercial affiliates.

Sec. 602. Optional conversion of Federal savings associations.

#### TITLE VII—ATM FEE REFORM

Sec. 701. Short title.

Sec. 702. Electronic fund transfer fee disclosures at any host ATM.

Sec. 703. Disclosure of possible fees to consumers when ATM card is issued.

Sec. 704. Feasibility study.

Sec. 705. No liability if posted notices are damaged.

#### TITLE I—FACILITATING AFFILIATION AMONG BANKS, SECURITIES FIRMS, AND INSURANCE COMPANIES

##### Subtitle A—Affiliations

#### SEC. 101. GLASS-STEAGALL ACT REPEALED.

(a) SECTION 20 REPEALED.—Section 20 of the Banking Act of 1933 (12 U.S.C. 377) (commonly referred to as the “Glass-Steagall Act”) is repealed.

(b) SECTION 32 REPEALED.—Section 32 of the Banking Act of 1933 (12 U.S.C. 78) is repealed.

#### SEC. 102. FINANCIAL ACTIVITIES.

(a) IN GENERAL.—Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended by adding at the end the following new subsections:

“(k) ENGAGING IN ACTIVITIES THAT ARE FINANCIAL IN NATURE.—

“(1) IN GENERAL.—Notwithstanding subsection (a), a bank holding company may engage in any activity, and may acquire and retain the shares of any company engaged in any activity, that the Board, in coordination with the Secretary of the Treasury, determines (by regulation or order) to be financial in nature or incidental to such financial activities.

“(2) COORDINATION BETWEEN THE BOARD AND THE SECRETARY OF THE TREASURY.—

“(A) PROPOSALS RAISED BEFORE THE BOARD.—

“(i) CONSULTATION.—The Board shall notify the Secretary of the Treasury of, and consult with the Secretary of the Treasury concerning, any request, proposal, or application under this subsection for a determination of whether an activity is financial in nature or incidental to such a financial activity.

“(ii) TREASURY VIEW.—The Board shall not determine that any activity is financial in nature or incidental to a financial activity under this subsection if the Secretary of the Treasury notifies the Board in writing, not later than 30 days after the date of receipt of the notice described in clause (i) (or such longer period as the Board determines to be appropriate in light of the circumstances) that the Secretary of the Treasury believes that the activity is not financial in nature or incidental to a financial activity.

“(B) PROPOSALS RAISED BY THE TREASURY.—

“(i) TREASURY RECOMMENDATION.—The Secretary of the Treasury may, at any time, recommend in writing that the Board find an activity to be financial in nature or incidental to a financial activity.

“(ii) TIME PERIOD FOR BOARD ACTION.—Not later than 30 days after the date of receipt of a written recommendation from the Secretary of the Treasury under clause (i) (or such longer period as the Secretary of the Treasury and the Board determine to be appropriate in light of the circumstances), the Board shall determine whether to initiate a public rulemaking proposing that the subject recommended activity be found to be financial in nature or incidental to a financial activity under this subsection, and shall notify the Secretary of the Treasury in writing of the determination of the Board and, in the

event that the Board determines not to seek public comment on the proposal, the reasons for that determination.

“(3) **FACTORS TO BE CONSIDERED.**—The Board shall determine that an activity is financial in nature or incidental to financial activities, if the Board finds that such activity is consistent with—

“(A) the purposes of this Act and the Financial Services Modernization Act of 1999;

“(B) changes or reasonably expected changes in the marketplace in which bank holding companies compete;

“(C) changes or reasonably expected changes in the technology for delivering financial services; and

“(D) fostering—

“(i) effective competition with any company seeking to provide financial services in the United States;

“(ii) the efficient delivery of information and services that are financial in nature through the use of technological means, including any application necessary to protect the security or efficacy of systems for the transmission of data or financial transactions; and

“(iii) the provision to customers of any available or emerging technological means for using financial services.

“(4) **ACTIVITIES THAT ARE FINANCIAL IN NATURE.**—For purposes of this subsection, the following activities shall be considered to be financial in nature:

“(A) Lending, exchanging, transferring, investing for others, or safeguarding money or securities.

“(B) Insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death, or providing and issuing annuities, and acting as principal, agent, or broker for purposes of the foregoing, in any State, in full compliance with the laws and regulations of that State that apply to each type of insurance license or authorization in that State.

“(C) Providing financial, investment, or economic advisory services, including advising an investment company (as defined in section 3 of the Investment Company Act of 1940).

“(D) Issuing or selling instruments representing interests in pools of assets permissible for a bank to hold directly.

“(E) Underwriting, dealing in, or making a market in securities.

“(F) Engaging in any activity that the Board has determined, by order or regulation that is in effect on the date of enactment of the Financial Services Modernization Act of 1999, to be so closely related to banking or managing or controlling banks as to be a proper incident thereto (subject to the same terms and conditions contained in such order or regulation, unless modified by the Board).

“(G) Engaging, in the United States, in any activity that—

“(i) a bank holding company may engage in outside of the United States; and

“(ii) the Board has determined, under regulations issued pursuant to subsection (c)(13) (as in effect on the day before the date of enactment of the Financial Services Modernization Act of 1999) to be usual in connection with the transaction of banking or other financial operations abroad.

“(H) Directly or indirectly acquiring or controlling, whether as principal, on behalf of 1 or more entities (including entities, other than a depository institution or subsidiary of a depository institution that the bank holding company controls), or otherwise, shares, assets, or ownership interests (including debt or equity securities, partner-

ship interests, trust certificates, or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

“(i) the shares, assets, or ownership interests are not acquired or held by a depository institution or subsidiary of a depository institution; and

“(ii) such shares, assets, or ownership interests are acquired and held by—

(I) a securities affiliate or an affiliate thereof; or

(II) an affiliate of an insurance company described in paragraph (I)(ii) that provides investment advice to an insurance company and is registered pursuant to the Investment Advisers Act of 1940, or an affiliate of such investment adviser, as part of a bona fide underwriting or merchant banking activity, including investment activities engaged in for the purpose of appreciation and ultimate resale or disposition of the investment.

“(I) Directly or indirectly acquiring or controlling, whether as principal, on behalf of 1 or more entities (including entities, other than a depository institution or subsidiary of a depository institution, that the bank holding company controls), or otherwise, shares, assets, or ownership interests (including debt or equity securities, partnership interests, trust certificates or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

“(i) the shares, assets, or ownership interests are not acquired or held by a depository institution or a subsidiary of a depository institution;

“(ii) such shares, assets, or ownership interests are acquired and held by an insurance company that is predominantly engaged in underwriting life, accident and health, or property and casualty insurance (other than credit-related insurance) or providing and issuing annuities; and

“(iii) such shares, assets, or ownership interests represent, as determined by the insurance authority of the State of domicile of the insurance company, an investment made in the ordinary course of business of such insurance company in accordance with relevant State law governing such investments.

“(J) Activities that the Board determines (by regulation or order) are complementary to financial activities, or any other service that the Board determines (by regulation or order) not to pose a substantial risk to the safety or soundness of depository institutions or the financial system generally.

“(5) **ACTIONS REQUIRED.**—

“(A) **IN GENERAL.**—The Board shall, by regulation or order, define, consistent with the purposes of this Act, the activities described in subparagraph (B) as financial in nature, and the extent to which such activities are financial in nature or incidental to activities that are financial in nature.

“(B) **ACTIVITIES.**—The activities described in this subparagraph are—

“(i) lending, exchanging, transferring, investing for others, or safeguarding financial assets other than money or securities;

“(ii) providing any device or other instrumentality for transferring money or other financial assets;

“(iii) arranging, effecting, or facilitating financial transactions for the account of third parties; and

“(iv) activities that are complementary to financial activities, or any other service that

the Board determines (by regulation or order) not to pose a substantial risk to the safety or soundness of depository institutions or the financial system generally.

“(6) **REQUIRED NOTIFICATION.**—

“(A) **IN GENERAL.**—A bank holding company that acquires any company or commences any activity pursuant to this subsection shall provide written notice to the Board describing the activity commenced or conducted by the company acquired not later than 30 calendar days after commencing the activity or consummating the acquisition, as applicable.

“(B) **APPROVAL NOT REQUIRED FOR CERTAIN FINANCIAL ACTIVITIES.**—Except as provided in subsection (j) with regard to the acquisition of a savings association, a bank holding company may commence any activity, or acquire any company, pursuant to paragraph (4) or any regulation prescribed or order issued under paragraph (5), without prior approval of the Board.

“(1) **CONDITIONS FOR ENGAGING IN EXPANDED FINANCIAL ACTIVITIES.**—

“(1) **IN GENERAL.**—Notwithstanding subsection (k), a bank holding company may not engage in any activity, or directly or indirectly acquire or retain shares of any company engaged in any activity, under subsection (k), other than activities permissible for a bank holding company under subsection (c)(8), unless—

“(A) all of the insured depository institution subsidiaries of the bank holding company are well capitalized;

“(B) all of the insured depository institution subsidiaries of the bank holding company are well managed; and

“(C) the bank holding company has filed with the Board—

“(i) a declaration that the company elects to engage in activities or acquire and retain shares of a company which were not permissible for a bank holding company to engage in or acquire before the enactment of the Financial Services Modernization Act of 1999; and

“(ii) a certification that the company meets the requirements of subparagraphs (A) and (B).

“(2) **FOREIGN BANKS.**—For purposes of paragraph (1), the Board shall apply comparable capital and management standards to a foreign bank that operates a branch or agency or owns or controls a commercial lending company in the United States, giving due regard to the principle of national treatment and equality of competitive opportunity.

“(3) **DEFINITIONS.**—For purposes of this subsection—

“(A) the term ‘well capitalized’ has the same meaning as in section 38 of the Federal Deposit Insurance Act;

“(B) the term ‘well managed’ means—

“(i) in the case of a depository institution that has been examined, unless otherwise determined in writing by the appropriate Federal banking agency—

“(I) the achievement of a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the depository institution; and

“(II) at least a rating of 2 for management, if that rating is given;

“(ii) in the case of any depository institution that has not been examined, the existence and use of managerial resources that the appropriate Federal banking agency determines are satisfactory; and

“(iii) the terms ‘appropriate Federal banking agency’ and ‘depository institution’ have

the same meanings as in section 3 of the Federal Deposit Insurance Act.

“(m) PROVISIONS APPLICABLE TO BANK HOLDING COMPANIES THAT FAIL TO MEET CERTAIN REQUIREMENTS.—

“(1) IN GENERAL.—If the Board finds that—  
“(A) a bank holding company is engaged, directly or indirectly, in any activity under subsection (k), other than activities that are permissible for a bank holding company under subsection (c)(8); and

“(B) such bank holding company is not in compliance with the requirements of subsection (l),  
the Board shall give notice to the bank holding company to that effect, describing the conditions giving rise to the notice.

“(2) AGREEMENT TO CORRECT CONDITIONS REQUIRED.—Not later than 45 days after the date of receipt by a bank holding company of a notice given under paragraph (1) (or such additional period as the Board may permit), the bank holding company shall execute an agreement with the Board to comply with the requirements applicable to a bank holding company under subsection (l).

“(3) BOARD MAY IMPOSE LIMITATIONS.—Until the conditions described in a notice to a bank holding company under paragraph (1) are corrected, the Board may impose such limitations on the conduct or activities of that bank holding company or any affiliate of that company as the Board determines to be appropriate under the circumstances and consistent with the purposes of this Act.

“(4) FAILURE TO CORRECT.—If the conditions described in a notice to a bank holding company under paragraph (1) are not corrected within 180 days after the date of receipt by the bank holding company of a notice under paragraph (1), the Board may require such bank holding company, under such terms and conditions as may be imposed by the Board and subject to such extension of time as may be granted in the discretion of the Board, either—

“(A) to divest control of any subsidiary insured depository institutions; or

“(B) to cease to engage in any activity conducted by such bank holding company or its subsidiaries (other than a depository institution or a subsidiary of a depository institution) that is not an activity that is permissible for a bank holding company under subsection (c)(8).

“(n) AUTHORITY TO RETAIN COMMODITY ACTIVITIES AND AFFILIATIONS.—Notwithstanding subsection (a), a company that is not a bank holding company or a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978) and becomes a bank holding company after the date of enactment of the Financial Services Modernization Act of 1999, may continue to engage in, or directly or indirectly own or control shares of a company engaged in, activities related to the trading, sale, or investment in commodities and underlying physical properties that were not permissible for bank holding companies to conduct in the United States as of September 30, 1997, if—

“(1) the bank holding company, or any subsidiary of the bank holding company, lawfully was engaged, directly or indirectly, in any of such activities as of September 30, 1997, in the United States;

“(2) the attributed aggregate consolidated assets of the company held by the bank holding company pursuant to this subsection, and not otherwise permitted to be held by a bank holding company, are equal to not more than 5 percent of the total consolidated assets of the bank holding company, except

that the Board may increase that percentage by such amounts and under such circumstances as the Board considers appropriate, consistent with the purposes of this Act; and

“(3) the bank holding company does not permit—

“(A) any company, the shares of which it owns or controls pursuant to this subsection, to offer or market any product or service of an affiliated insured depository institution; or

“(B) any affiliated insured depository institution to offer or market any product or service of any company, the shares of which are owned or controlled by such bank holding company pursuant to this subsection.”.

(b) FINANCIAL ACTIVITIES OF BANK HOLDING COMPANIES INELIGIBLE FOR SUBSECTION (k) POWERS.—

(1) IN GENERAL.—Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended to read as follows:

“(8) shares of any company, the activities of which had been determined by the Board by regulation or order under this paragraph as of the day before the date of enactment of the Financial Services Modernization Act of 1999, to be so closely related to banking as to be a proper incident thereto (subject to such terms and conditions contained in such regulation, unless modified by the Board);”.

(2) CONFORMING CHANGES TO OTHER STATUTES.—

(A) AMENDMENT TO THE BANK HOLDING COMPANY ACT AMENDMENTS OF 1970.—Section 105 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1850) is amended by striking “, to engage directly or indirectly in a nonbanking activity pursuant to section 4 of such Act.”.

(B) AMENDMENT TO THE BANK SERVICE COMPANY ACT.—Section 4(f) of the Bank Service Company Act (12 U.S.C. 1864(f)) is amended by striking the period at the end and inserting the following: “as of the day before the date of enactment of the Financial Services Modernization Act of 1999.”.

#### SEC. 103. CONFORMING AMENDMENTS.

Section 10(c)(2)(F)(i) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)(2)(F)(i)) is amended—

(1) by inserting “is permitted for bank holding companies under subsection (c) or (k) of section 4 of the Bank Holding Company Act of 1956, or which” after “(i) which”; and

(2) by striking “section 4(c)” and inserting “subsection (c) or (k) of section 4”.

#### SEC. 104. OPERATION OF STATE LAW.

(a) STATE REGULATION OF THE BUSINESS OF INSURANCE.—The Act entitled “An Act to express the intent of Congress with reference to the regulation of the business of insurance” and approved March 9, 1945 (15 U.S.C. 1011 et seq.), commonly referred to as the “McCarran-Ferguson Act” remains the law of the United States.

(b) MANDATORY INSURANCE LICENSING REQUIREMENTS.—No person or entity shall provide insurance in a State as principal or agent unless such person or entity is licensed, as required by the appropriate insurance regulator of such State in accordance with the relevant State insurance laws, subject to subsections (c), (d), and (e).

(c) AFFILIATIONS.—

(1) IN GENERAL.—Except as provided in paragraph (2), no State may, by statute, regulation, order, interpretation, or other action, prevent or restrict the affiliations authorized or permitted by this Act and the amendments made by this Act.

(2) INSURANCE.—With respect to affiliations between insured depository institutions, or

any subsidiary or affiliate thereof, and persons or entities engaged in the business of insurance, paragraph (1) does not prohibit any State from collecting, reviewing, and taking actions on required applications and other documents or reports as may be necessary concerning proposed acquisitions, changes, or continuations of control of any entity engaged in the business of insurance and domiciled in that State, if the State actions do not have the practical effect of discriminating, either intentionally or unintentionally, against an insured depository institution or a subsidiary or affiliate thereof, or against any person or entity based upon affiliation with an insured depository institution.

(d) ACTIVITIES.—

(1) IN GENERAL.—Except as provided in paragraph (3), and except with respect to insurance sales, solicitation, and cross marketing activities, which shall be governed by paragraph (2), no State may, by statute, regulation, order, interpretation or other action, prevent or restrict an insured depository institution or subsidiary or affiliate thereof from engaging directly or indirectly, either by itself or in conjunction with a subsidiary, affiliate, or any other entity or person, in any activity authorized or permitted under this Act and the amendments made by this Act.

(2) INSURANCE SALES.—

(A) IN GENERAL.—In accordance with the legal standards for preemption set forth in the decision of the Supreme Court of the United States in *Barnett Bank of Marion County N.A. v. Nelson*, 116 S. Ct. 1103 (1996), no State may, by statute, regulation, order, interpretation, or other action, prevent or significantly interfere with the ability of an insured depository institution, or a subsidiary or affiliate thereof, to engage, directly or indirectly, either by itself or in conjunction with a subsidiary, affiliate, or any other party, in any insurance sales, solicitation, or cross-marketing activity.

(B) CERTAIN STATE LAWS PRESERVED.—Notwithstanding subparagraph (A), a State may impose any of the following restrictions, or restrictions that are substantially the same as but no more burdensome or restrictive than those in each of the following clauses:

(i) Restrictions prohibiting the rejection of an insurance policy solely because the policy has been issued or underwritten by any person not associated with such insured depository institution, or any subsidiary or affiliate thereof, when such insurance is required in connection with a loan or extension of credit.

(ii) Restrictions prohibiting a requirement for any debtor, insurer, or insurance agent or broker to pay a separate charge in connection with the handling of insurance that is required in connection with a loan or other extension of credit or the provision of another traditional banking product, unless such charge would be required when the insured depository institution, or any subsidiary or affiliate thereof, is the licensed insurance agent or broker providing the insurance.

(iii) Restrictions prohibiting the use of any advertisement or other insurance promotional material by an insured depository institution, or any subsidiary or affiliate thereof, that would cause a reasonable person to believe mistakenly that—

(I) a State or the Federal Government is responsible for the insurance sales activities of, or stands behind the credit of, the institution, affiliate, or subsidiary; or



(II) a State, or the Federal Government guarantees any returns on insurance products, or is a source of payment on any insurance obligation of or sold by the institution, affiliate, or subsidiary.

(iv) Restrictions prohibiting the payment or receipt of any commission or brokerage fee or other valuable consideration for services as an insurance agent or broker to or by any person, unless such person holds a valid State license regarding the applicable class of insurance at the time at which the services are performed, except that, in this clause, the term "services as an insurance agent or broker" does not include a referral by an unlicensed person of a customer or potential customer to a licensed insurance agent or broker that does not include a discussion of specific insurance policy terms and conditions.

(v) Restrictions prohibiting any compensation paid to or received by any individual who is not licensed to sell insurance for the referral of a customer that seeks to purchase, or seeks an opinion or advice on, any insurance product to a person that sells or provides opinions or advice on such product, based on the purchase of insurance by the customer.

(vi) Restrictions prohibiting the release of the insurance information of a customer (defined as information concerning the premiums, terms, and conditions of insurance coverage, including expiration dates and rates, and insurance claims of a customer contained in the records of the insured depository institution, or a subsidiary or affiliate thereof) to any person or entity other than an officer, director, employee, agent, subsidiary, or affiliate of an insured depository institution, for the purpose of soliciting or selling insurance, without the express consent of the customer, other than a provision that prohibits—

(I) a transfer of insurance information to an unaffiliated insurance company, agent, or broker in connection with transferring insurance in force on existing insureds of the insured depository institution, or subsidiary or affiliate thereof, or in connection with a merger with or acquisition of an unaffiliated insurance company, agent, or broker; or

(II) the release of information as otherwise authorized by Federal or State law.

(vii) Restrictions prohibiting the use of health information obtained from the insurance records of a customer for any purpose, other than for its activities as a licensed agent or broker, without the express consent of the customer.

(viii) Restrictions prohibiting the extension of credit (or any product or service that is equivalent to an extension of credit), lease or sale of property of any kind, or furnishing of any services or fixing or varying the consideration for any of the foregoing, on the condition or requirement that the customer obtain insurance from the insured depository institution, a subsidiary or affiliate thereof, or a particular insurer, agent, or broker, other than a prohibition that would prevent any insured depository institution, or any subsidiary or affiliate thereof—

(I) from engaging in any activity that would not violate section 106 of the Bank Holding Company Act Amendments of 1970, as interpreted by the Board of Governors of the Federal Reserve System; or

(II) from informing a customer or prospective customer that insurance is required in order to obtain a loan or credit, that loan or credit approval is contingent upon the procurement by the customer of acceptable insurance, or that insurance is available from

the insured depository institution, or any subsidiary or affiliate thereof.

(ix) Restrictions requiring, when an application by a customer for a loan or other extension of credit from an insured depository institution is pending, and insurance is offered or sold to the customer or is required in connection with the loan or extension of credit by the insured depository institution or any subsidiary or affiliate thereof, that a written disclosure be provided to the customer or prospective customer indicating that his or her choice of an insurance provider will not affect the credit decision or credit terms in any way, except that the insured depository institution may impose reasonable requirements concerning the creditworthiness of the insurance provider and scope of coverage chosen.

(x) Restrictions, requiring clear and conspicuous disclosure, in writing where practicable, to the customer prior to the sale of any insurance policy that such policy—

(I) is not a deposit;

(II) is not insured by the Federal Deposit Insurance Corporation;

(III) is not guaranteed by the insured depository institution or, if appropriate, its subsidiaries or affiliates or any person soliciting the purchase of or selling insurance on the premises thereof; and

(IV) where appropriate, involves investment risk, including potential loss of principal.

(xi) Restrictions requiring that, when a customer obtains insurance (other than credit insurance or flood insurance) and credit from an insured depository institution or its subsidiaries or affiliates, or any person soliciting the purchase of or selling insurance on the premises thereof, the credit and insurance transactions be completed through separate documents.

(xii) Restrictions prohibiting, when a customer obtains insurance (other than credit insurance or flood insurance) and credit from an insured depository institution or its subsidiaries or affiliates, or any person soliciting the purchase of or selling insurance on the premises thereof, inclusion of the expense of insurance premiums in the primary credit transaction without the express written consent of the customer.

(xiii) Restrictions requiring—

(I) maintenance of separate and distinct books and records relating to insurance transactions, including all files relating to and reflecting customer complaints; and

(II) that such insurance books and records be made available to the appropriate State insurance regulator for inspection upon reasonable notice.

(C) LIMITATIONS.—

(i) OCC DEFERENCE.—Section 203(e) does not apply with respect to any State statute, regulation, order, interpretation, or other action regarding insurance sales, solicitation, or cross marketing activities described in subparagraph (A) that was issued, adopted, or enacted before September 3, 1998, and that is not described in subparagraph (B).

(ii) NONDISCRIMINATION.—Subsection (e) does not apply with respect to any State statute, regulation, order, interpretation, or other action regarding insurance sales, solicitation, or cross marketing activities described in subparagraph (A) that was issued, adopted, or enacted before September 3, 1998, and that is not described in subparagraph (B).

(iii) CONSTRUCTION.—Nothing in this paragraph shall be construed—

(I) to limit the applicability of the decision of the Supreme Court in *Barnett Bank of*

*Marion County N.A. v. Nelson*, 116 S. Ct. 1103 (1996) with respect to any State statute, regulation, order, interpretation, or other action that is not referred to or described in this paragraph; or

(II) to create any inference with respect to any State statute, regulation, order, interpretation, or other action that is not referred to in this paragraph.

(3) INSURANCE ACTIVITIES OTHER THAN SALES.—State statutes, regulations, interpretations, orders, and other actions shall not be preempted under paragraph (1) to the extent that they—

(A) relate to, or are issued, adopted, or enacted for the purpose of regulating the business of insurance in accordance with the Act of March 9, 1945 (commonly known as the "McCarran-Ferguson Act");

(B) apply only to persons or entities that are not insured depository institutions, but that are directly engaged in the business of insurance (except that they may apply to depository institutions engaged in providing savings bank life insurance as principal to the extent of regulating such insurance);

(C) do not relate to or directly or indirectly regulate insurance sales, solicitations, or cross marketing activities; and

(D) are not prohibited under subsection (e).

(4) FINANCIAL ACTIVITIES OTHER THAN INSURANCE.—No State statute, regulation, interpretation, order, or other action shall be preempted under paragraph (1) to the extent that—

(A) it does not relate to, and is not issued and adopted, or enacted for the purpose of regulating, directly or indirectly, insurance sales, solicitations, or cross marketing activities covered under paragraph (2);

(B) it does not relate to, and is not issued and adopted, or enacted for the purpose of regulating, directly or indirectly, the business of insurance activities other than sales, solicitations, or cross marketing activities, covered under paragraph (3);

(C) it does not relate to securities investigations or enforcement actions referred to in subsection (f); and

(D) it is not prohibited under subsection (e).

(e) NONDISCRIMINATION.—Except as provided in any restriction described in subsection (d)(2)(B), no State may, by statute, regulation, order, interpretation, or other action, regulate the activities authorized or permitted under this Act and the amendments made by this Act, or any other provision of Federal law, of an insured depository institution, or subsidiary or affiliate thereof, to the extent that such statute, regulation, order, interpretation, or other action—

(1) distinguishes by its terms between insured depository institutions, or subsidiaries or affiliates thereof, and other persons or entities engaged in such activities, in a manner that is in any way adverse to any such insured depository institution, or subsidiary or affiliate thereof;

(2) as interpreted or applied, has or will have an impact on insured depository institutions, or subsidiaries or affiliates thereof, that is substantially more adverse than its impact on other persons or entities providing the same products or services or engaged in the same activities that are not insured depository institutions, or subsidiaries or affiliates thereof, or persons or entities affiliated therewith;

(3) effectively prevents an insured depository institution, or subsidiary or affiliate thereof, from engaging in activities authorized or permitted by this Act and the amendments made by this Act, or any other provision of Federal law; or

(4) conflicts with the intent of this Act and the amendments made by this Act generally to permit affiliations that are authorized or permitted by Federal law.

(f) LIMITATION.—Subsections (c) and (d) shall not be construed to affect—

(1) the jurisdiction of the securities commission (or any agency or office performing like functions) of any State, under the laws of that State, to investigate and bring enforcement actions, consistent with section 18(c) of the Securities Act of 1933, with respect to fraud or deceit or unlawful conduct by any person, in connection with securities or securities transactions; or

(2) State laws, regulations, orders, interpretations, or other actions of general applicability relating to the governance of corporations, partnerships, limited liability companies, or other business associations incorporated or formed under the laws of that State or domiciled in that State, or the applicability of the antitrust laws of any State or any State law that is similar to the antitrust laws if such laws, regulations, interpretations, orders, or other actions are not inconsistent with the purposes of this Act to authorize or permit certain affiliations and to remove barriers to such affiliations.

(g) CERTAIN STATE AFFILIATION LAWS PRE-EMPTED FOR INSURANCE COMPANIES AND AFFILIATES.—Except as provided in subsection (c)(2), no State may, by law, regulation, order, interpretation, or otherwise—

(1) prevent or restrict the ability of any insurer, or any affiliate of an insurer (whether such affiliate is organized as a stock company, mutual holding company, or otherwise), to become a bank holding company, or to acquire control of an insured depository institution, where the practical effect of such State action would be to discriminate, intentionally or unintentionally, against an insurer, or any affiliate of an insurer, based upon its affiliation with an insured depository institution;

(2) limit the amount of the assets of an insurer that may be invested in the voting securities of an insured depository institution (or any company that controls such institution), except that the laws of the State of domicile of the insurer may limit the amount of such investment to an amount that is not less than 5 percent of the admitted assets of the insurer; or

(3) prevent, restrict, or have the authority to review, approve, or disapprove a plan of reorganization by which an insurer proposes to reorganize from mutual form to become a stock insurer (whether as a direct or indirect subsidiary of a mutual holding company or otherwise), unless the State is the State of domicile of the insurer, except that the appropriate regulatory authority of the State of domicile of the insurer shall consult with the appropriate regulatory authority in other States in which the insurer conducts business, regarding issues affecting the best interests of policyholders.

(h) MOTOR VEHICLE RENTAL AGENCY ACTIVITIES.—

(1) FINDINGS.—Congress finds that—

(A) in many States, the insurance laws are unclear as to whether personal insurance sales in connection with the short-term rental or leasing of motor vehicles should be licensed by the State as an insurance activity; and

(B) in those States that have not yet implemented regulations governing the offer or sale of insurance in connection with the short-term lease or rental of a motor vehicle, a presumption should exist that no insurance license is required in connection with such sales.

(2) EXCEPTION FOR CERTAIN INSURANCE PRODUCTS.—Subsection (b) does not apply to any person or entity who offers or provides insurance ancillary to a short-term lease or rental transaction of a motor vehicle in a State that does not, by statute, rule, or regulation, impose any licensing, appointment, personal or corporate qualifications, or education requirements on such persons or entities.

(3) CONSTRUCTION.—Nothing in this subsection shall be construed to alter the validity or effect of any State law, or the prospective application of any final State statute, rule, or regulation which, by its specific terms, expressly regulates or exempts from regulation any person or entity who offers or provides insurance ancillary to a short-term lease or rental transaction of a motor vehicle.

(4) LEASE PERIOD.—For purposes of this subsection, a person shall be considered to be providing insurance ancillary to a short-term lease or rental transaction of a motor vehicle if the lease or rental transaction is for 60 days or less, and the insurance is provided for a period of consecutive days not exceeding the length of the lease or rental.

(5) EFFECT.—This subsection shall remain in effect during the period beginning on the date of enactment of this Act and ending 5 years after that date of enactment.

(i) DEFINITIONS.—For purposes of this section—

(1) the term “antitrust laws” has the same meaning as in subsection (a) of the first section of the Clayton Act, and includes section 5 of the Federal Trade Commission Act (to the extent that such section 5 relates to unfair methods of competition);

(2) the term “insured depository institution” has the same meaning as in section 3 of the Federal Deposit Insurance Act; and

(3) the term “State” means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

#### **Subtitle B—Streamlining Supervision of Bank Holding Companies**

##### **SEC. 111. STREAMLINING BANK HOLDING COMPANY SUPERVISION.**

Section 5(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(c)) is amended to read as follows:

“(c) REPORTS AND EXAMINATIONS.—

“(1) REPORTS.—

“(A) IN GENERAL.—The Board, from time to time, may require a bank holding company and any subsidiary of such company to submit reports under oath to keep the Board informed as to—

“(i) the financial condition of the bank holding company or subsidiary, systems for monitoring and controlling financial and operating risks, and transactions with depository institution subsidiaries of the bank holding company; and

“(ii) compliance by the company or subsidiary with applicable provisions of this Act.

“(B) USE OF EXISTING REPORTS.—

“(i) IN GENERAL.—For purposes of compliance with this paragraph, the Board shall, to the fullest extent possible, accept—

“(I) reports that a bank holding company or any subsidiary of such company has provided or been required to provide to other Federal or State supervisors or to appropriate self-regulatory organizations;

“(II) information that is otherwise required to be reported publicly; and

“(III) externally audited financial statements.

“(ii) REPORTS FILED WITH OTHER AGENCIES.—In the event that the Board requires a report under this subsection from a functionally regulated subsidiary of a bank holding company of a kind that is not required by another Federal or State regulatory authority or an appropriate self-regulatory organization, the Board shall request that the appropriate regulatory authority or self-regulatory organization obtain such report. If the report is not made available to the Board, and the report is necessary to assess a material risk to the bank holding company or any of its depository institution subsidiaries or compliance with this Act, the Board may require such functionally regulated subsidiary to provide such a report to the Board.

“(2) EXAMINATIONS.—

“(A) EXAMINATION AUTHORITY FOR BANK HOLDING COMPANIES AND SUBSIDIARIES.—Subject to subparagraph (B), the Board may make examinations of each bank holding company and each subsidiary of such holding company in order—

“(i) to inform the Board of the nature of the operations and financial condition of the holding company and such subsidiaries;

“(ii) to inform the Board of—

“(I) the financial and operational risks within the holding company system that may pose a threat to the safety and soundness of any depository institution subsidiary of such holding company; and

“(II) the systems for monitoring and controlling such risks; and

“(iii) to monitor compliance with the provisions of this Act and those governing transactions and relationships between any depository institution subsidiary and its affiliates.

“(B) FUNCTIONALLY REGULATED SUBSIDIARIES.—Notwithstanding subparagraph (A), the Board may make examinations of a functionally regulated subsidiary of a bank holding company only if—

“(i) the Board has reasonable cause to believe that such subsidiary is engaged in activities that pose a material risk to an affiliated depository institution; or

“(ii) based on reports and other available information, the Board has reasonable cause to believe that a subsidiary is not in compliance with this Act or with provisions relating to transactions with an affiliated depository institution, and the Board cannot make such determination through examination of the affiliated depository institution or the bank holding company.

“(C) RESTRICTED FOCUS OF EXAMINATIONS.—The Board shall, to the fullest extent possible, limit the focus and scope of any examination of a bank holding company to—

“(i) the bank holding company; and

“(ii) any subsidiary of the bank holding company that could have a materially adverse effect on the safety and soundness of any depository institution subsidiary of the holding company due to—

“(I) the size, condition, or activities of the subsidiary; or

“(II) the nature or size of transactions between the subsidiary and any depository institution that is also a subsidiary of the bank holding company.

“(D) DEFERENCE TO BANK EXAMINATIONS.—The Board shall, to the fullest extent possible, for the purposes of this paragraph, use the reports of examinations of depository institutions made by the appropriate Federal and State depository institution supervisory authority.

“(E) DEFERENCE TO OTHER EXAMINATIONS.—The Board shall, to the fullest extent possible, forego an examination by the Board

under this paragraph and instead review the reports of examination made of—

“(i) any registered broker or dealer by or on behalf of the Securities and Exchange Commission;

“(ii) any registered investment adviser properly registered by or on behalf of either the Securities and Exchange Commission or any State;

“(iii) any licensed insurance company by or on behalf of any State regulatory authority responsible for the supervision of insurance companies; and

“(iv) any other subsidiary that the Board finds to be comprehensively supervised by a Federal or State authority.

“(3) CAPITAL.—

“(A) IN GENERAL.—The Board may not, by regulation, guideline, order, or otherwise, prescribe or impose any capital or capital adequacy rules, guidelines, standards, or requirements on any subsidiary of a bank holding company that—

“(i) is not an insured depository institution; and

“(ii) is—

“(I) in compliance with the applicable capital requirements of another Federal regulatory authority (including the Securities and Exchange Commission) or State insurance authority; or

“(II) properly registered as an investment adviser under the Investment Advisers Act of 1940, or with any State.

“(B) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as preventing the Board from imposing capital or capital adequacy rules, guidelines, standards, or requirements with respect to activities of a registered investment adviser other than with respect to investment advisory activities or activities incidental to investment advisory activities.

“(C) LIMITATIONS ON INDIRECT ACTION.—In developing, establishing, or assessing bank holding company capital or capital adequacy rules, guidelines, standards, or requirements for purposes of this paragraph, the Board may not take into account the activities, operations, or investments of an affiliated investment company registered under the Investment Company Act of 1940, if the investment company is not—

“(i) a bank holding company; or

“(ii) controlled by a bank holding company by reason of ownership by the bank holding company (including through all of its affiliates) of 25 percent or more of the shares of the investment company, where the shares owned by the bank holding company have a market value equal to more than \$1,000,000.

“(4) TRANSFER OF BOARD AUTHORITY TO APPROPRIATE FEDERAL BANKING AGENCY.—

“(A) IN GENERAL.—In the case of any bank holding company that is not significantly engaged in nonbanking activities, the Board, in consultation with the appropriate Federal banking agency, may designate the appropriate Federal banking agency of the lead insured depository institution subsidiary of such holding company as the appropriate Federal banking agency for the bank holding company.

“(B) AUTHORITY TRANSFERRED.—An agency designated by the Board under subparagraph (A) shall have the same authority as the Board under this Act—

“(i) to examine and require reports from the bank holding company and any affiliate of such company (other than a depository institution) under this section;

“(ii) to approve or disapprove applications or transactions under section 3;

“(iii) to take actions and impose penalties under subsections (e) and (f) of this section and under section 8; and

“(iv) to take actions regarding the holding company, any affiliate of the holding company (other than a depository institution), or any institution-affiliated party of such company or affiliate under the Federal Deposit Insurance Act and any other statute that the Board may designate.

“(C) AGENCY ORDERS.—Section 9 of this Act and section 105 of the Bank Holding Company Act Amendments of 1970 shall apply to orders issued by an agency designated under subparagraph (A) in the same manner as such sections apply to orders issued by the Board.

“(5) FUNCTIONAL REGULATION OF SECURITIES AND INSURANCE ACTIVITIES.—

“(A) SECURITIES ACTIVITIES.—Securities activities conducted in a functionally regulated subsidiary of a bank shall be subject to regulation by the Securities and Exchange Commission, and by relevant State securities authorities, as appropriate, subject to section 104 of the Financial Services Modernization Act of 1999, to the same extent as if they were conducted in a nondepository institution subsidiary of a bank holding company.

“(B) INSURANCE ACTIVITIES.—Subject to section 104 of the Financial Services Modernization Act of 1999, insurance agency and brokerage activities and activities as principal conducted in a functionally regulated subsidiary of a bank shall be subject to regulation by a State insurance authority to the same extent as if they were conducted in a nondepository institution subsidiary of a bank holding company.

“(6) DEFINITION.—For purposes of this subsection, the term ‘functionally regulated subsidiary’ means any company—

“(A) that is not a bank holding company; and

“(B) that is—

“(i) a broker or dealer that is registered under the Securities Exchange Act of 1934;

“(ii) a registered investment adviser, properly registered by or on behalf of either the Securities and Exchange Commission or any State, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;

“(iii) an investment company that is registered under the Investment Company Act of 1940;

“(iv) an insurance company or insurance agency that is subject to supervision by a State insurance commission, agency, or similar authority; or

“(v) an entity that is subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.”.

#### SEC. 112. AUTHORITY OF STATE INSURANCE REGULATOR AND SECURITIES AND EXCHANGE COMMISSION.

Section 5 of the Bank Holding Company Act of 1956 (12 U.S.C. 1844) is amended by adding at the end the following new subsection:

“(g) AUTHORITY OF STATE INSURANCE REGULATOR AND THE SECURITIES AND EXCHANGE COMMISSION.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, any regulation, order, or other action of the Board that requires a bank holding company to provide funds or other assets to an insured depository institution subsidiary shall not be effective nor enforceable, if—

“(A) such funds or assets are to be provided by—

“(i) a bank holding company that is an insurance company or that is a broker or dealer registered under the Securities Exchange Act of 1934; or

“(ii) an affiliate of the insured depository institution that is an insurance company or a broker or dealer registered under the Securities Exchange Act of 1934; and

“(B) the State insurance authority for the insurance company or the Securities and Exchange Commission for the registered broker or dealer, as the case may be, determines in a written notice sent to the bank holding company and to the Board that the bank holding company shall not provide such funds or assets because such action would have a material adverse effect on the financial condition of the insurance company or the broker or dealer, as the case may be.

“(2) NOTICE TO STATE INSURANCE AUTHORITY OR SEC REQUIRED.—If the Board requires a bank holding company, or an affiliate of a bank holding company, that is an insurance company or a broker or dealer, as described in paragraph (1)(A), to provide funds or assets to an insured depository institution subsidiary of the bank holding company pursuant to any regulation, order, or other action of the Board referred to in paragraph (1), the Board shall promptly notify the State insurance authority for the insurance company or the Securities and Exchange Commission, as the case may be, of such requirement.

“(3) DIVESTITURE IN LIEU OF OTHER ACTION.—If the Board receives a notice described in paragraph (1)(B) from a State insurance authority or the Securities and Exchange Commission with regard to a bank holding company or affiliate referred to in that paragraph, the Board may order the bank holding company to divest the insured depository institution subsidiary not later than 180 days after receiving the notice, or such longer period as the Board determines to be consistent with the safe and sound operation of the insured depository institution.

“(4) CONDITIONS BEFORE DIVESTITURE.—During the period beginning on the date on which an order to divest is issued by the Board under paragraph (3) to a bank holding company and ending on the date on which the divestiture is completed, the Board may impose any conditions or restrictions on ownership or operation by the bank holding company of the insured depository institution, including restricting or prohibiting transactions between the insured depository institution and any affiliate of the institution, as are appropriate under the circumstances.

“(5) RULE OF CONSTRUCTION.—No provision of this subsection may be construed to limit or otherwise affect the regulatory authority, including the scope of the authority, of any Federal agency or department with regard to any entity that is within the jurisdiction of such agency or department.”.

#### SEC. 113. ROLE OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended by inserting after section 10 the following new section:

#### “SEC. 10A. LIMITATION ON RULEMAKING, PRUDENTIAL, SUPERVISORY, AND ENFORCEMENT AUTHORITY OF THE BOARD.

“(a) LIMITATION ON DIRECT ACTION.—The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a

functionally regulated subsidiary of a bank holding company unless—

“(1) the action is necessary to prevent or redress an unsafe or unsound practice or breach of fiduciary duty by such subsidiary that poses a material risk to—

“(A) the financial safety, soundness, or stability of an affiliated insured depository institution; or

“(B) the domestic or international payment system; and

“(2) the Board finds that it is not reasonably possible to protect effectively against the material risk at issue through action directed at or against the affiliated insured depository institution or against insured depository institutions generally.

“(b) LIMITATION ON INDIRECT ACTION.—The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a bank holding company where the purpose or effect of doing so would be to take action indirectly against or with respect to a functionally regulated subsidiary of a bank holding company that may not be taken directly against or with respect to such subsidiary in accordance with subsection (a).

“(c) ACTIONS SPECIFICALLY AUTHORIZED.—Notwithstanding subsection (a), the Board may take action under this Act or section 8 of the Federal Deposit Insurance Act to enforce compliance by a functionally regulated subsidiary of a bank holding company with Federal law that the Board has specific jurisdiction to enforce against such subsidiary.

“(d) ‘FUNCTIONALLY REGULATED SUBSIDIARY’ DEFINED.—For purposes of this section, the term ‘functionally regulated subsidiary’ has the same meaning as in section 5(c)(6).”.

#### SEC. 114. EXAMINATION OF INVESTMENT COMPANIES.

(a) EXCLUSIVE COMMISSION AUTHORITY.—Except as provided in subsection (c), a Federal banking agency may not inspect or examine any registered investment company that is not a bank holding company or a savings and loan holding company.

(b) EXAMINATION RESULTS AND OTHER INFORMATION.—The Commission shall provide to any Federal banking agency, upon request, the results of any examination, reports, records, or other information with respect to any registered investment company to the extent necessary for the agency to carry out its statutory responsibilities.

(c) CERTAIN EXAMINATIONS AUTHORIZED.—Nothing in this section shall prevent the Corporation, if the Corporation finds it necessary to determine the condition of an insured depository institution for insurance purposes, from examining an affiliate of any insured depository institution, pursuant to its authority under section 10(b)(4) of the Federal Deposit Insurance Act, as may be necessary to disclose fully the relationship between the insured depository institution and the affiliate, and the effect of such relationship on the insured depository institution.

(d) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) BANK HOLDING COMPANY.—The term “bank holding company” has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

(2) CORPORATION.—The term “Corporation” means the Federal Deposit Insurance Corporation.

(3) COMMISSION.—The term “Commission” means the Securities and Exchange Commission.

(4) FEDERAL BANKING AGENCY.—The term “Federal banking agency” has the same meaning as in section 3(z) of the Federal Deposit Insurance Act.

(5) REGISTERED INVESTMENT COMPANY.—The term “registered investment company” means an investment company that is registered with the Commission under the Investment Company Act of 1940.

(6) SAVINGS AND LOAN HOLDING COMPANY.—The term “savings and loan holding company” has the same meaning as in section 10(a)(1)(D) of the Home Owners’ Loan Act.

#### SEC. 115. EQUIVALENT REGULATION AND SUPERVISION.

(a) IN GENERAL.—Notwithstanding any other provision of law, the provisions of—

(1) section 5(c) of the Bank Holding Company Act of 1956 (as amended by this Act) that limit the authority of the Board of Governors of the Federal Reserve System to require reports from, to make examinations of, or to impose capital requirements on holding companies and their functionally regulated subsidiaries or that require deference to other regulators;

(2) section 5(g) of the Bank Holding Company Act of 1956 (as added by this Act) that limit the authority of the Board to require capital from a functionally regulated subsidiary of a holding company to an insured depository institution subsidiary of the holding company and to take certain actions including requiring divestiture of the insured depository institution; and

(3) section 10A of the Bank Holding Company Act of 1956 (as added by this Act) that limit whatever authority the Board might otherwise have to take direct or indirect action with respect to holding companies and their functionally regulated subsidiaries, shall also limit whatever authority that a Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) might otherwise have under applicable Federal law to require reports, make examinations, impose capital requirements, or take any other direct or indirect action with respect to any functionally regulated subsidiary of an insured depository institution, subject to the same standards and requirements as are applicable to the Board under those provisions.

(b) CERTAIN EXEMPTION AUTHORIZED.—Nothing in this section shall prevent the Federal Deposit Insurance Corporation, if the Corporation finds it necessary to determine the condition of an insured depository institution for insurance purposes, from examining an affiliate of any insured depository institution, pursuant to its authority under section 10(b)(4) of the Federal Deposit Insurance Act, as may be necessary to disclose fully the relationship between the depository institution and the affiliate, and the effect of such relationship on the depository institution.

(c) “FUNCTIONALLY REGULATED SUBSIDIARY” DEFINED.—For purposes of this section, the term “functionally regulated subsidiary” has the same meaning as in section 5(c)(6) of the Bank Holding Company Act of 1956, as amended by this Act.

#### SEC. 116. INTERAGENCY CONSULTATION.

(a) EXAMINATION RESULTS AND OTHER INFORMATION.—

(1) INFORMATION OF THE BOARD.—Upon the request of the appropriate insurance regulator of any State, the Board may provide to that regulator any information of the Board regarding the financial condition, risk man-

agement policies, and operations of any bank holding company that controls a company that is engaged in insurance activities and is regulated by that State insurance regulator, and regarding any transaction or relationship between such an insurance company and any affiliated depository institution. The Board may provide any other information to the appropriate State insurance regulator that the Board believes is necessary or appropriate to permit the State insurance regulator to administer and enforce applicable State insurance laws.

(2) BANKING AGENCY INFORMATION.—Upon the request of the appropriate insurance regulator of any State, the appropriate Federal banking agency may provide to that regulator any information of the agency regarding any transaction or relationship between a depository institution supervised by that Federal banking agency and any affiliated company that is engaged in insurance activities regulated by the State insurance regulator. The appropriate Federal banking agency may provide any other information to the appropriate State insurance regulator that the agency believes is necessary or appropriate to permit the State insurance regulator to administer and enforce applicable State insurance laws.

(3) STATE INSURANCE REGULATOR INFORMATION.—Upon the request of the appropriate Federal banking agency, a State insurance regulator may provide any examination or other reports, records, or other information to which the State insurance regulator may have access with respect to a company that—

(A) is engaged in insurance activities and is regulated by that insurance regulator; and

(B) is an affiliate of an insured depository institution or a bank holding company.

(b) CONSULTATION.—Before making any determination relating to the initial affiliation of, or the continuing affiliation of, an insured depository institution or bank holding company with a company engaged in insurance activities, the appropriate Federal banking agency shall consult with the appropriate State insurance regulator of such company and take the views of such insurance regulator into account in making such determination.

(c) EFFECT ON OTHER AUTHORITY.—Nothing in this section shall limit in any respect the authority of the appropriate Federal banking agency with respect to an insured depository institution or bank holding company or any affiliate thereof under any provision of law.

(d) CONFIDENTIALITY AND PRIVILEGE.—

(1) CONFIDENTIALITY.—The appropriate Federal banking agency may not provide any information or material that is entitled to confidential treatment under applicable Federal banking agency regulations, or other applicable law, to a State insurance regulator, unless such regulator agrees to maintain the information or material in confidence and to take all reasonable steps to oppose any effort to secure disclosure of the information or material by the regulator. The appropriate Federal banking agency shall treat as confidential any information or material obtained from a State insurance regulator that is entitled to confidential treatment under applicable State regulations, or other applicable law, and take all reasonable steps to oppose any effort to secure disclosure of the information or material by the Federal banking agency.

(2) PRIVILEGE.—The provision pursuant to this section of information or material by a Federal banking agency or a State insurance regulator shall not constitute a waiver of, or

otherwise affect, any privilege to which the information or material is otherwise subject.

(e) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) APPROPRIATE FEDERAL BANKING AGENCY; INSURED DEPOSITORY INSTITUTION.—The terms “appropriate Federal banking agency” and “insured depository institution” have the same meanings as in section 3 of the Federal Deposit Insurance Act.

(2) BOARD; BANK HOLDING COMPANY.—The terms “Board” and “bank holding company” have the same meanings as in section 2 of the Bank Holding Company Act of 1956.

#### SEC. 117. PRESERVING THE INTEGRITY OF FDIC RESOURCES.

Section 11(a)(4)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(4)(B)) is amended by striking “to benefit any shareholder of” and inserting “to benefit any shareholder, affiliate (other than an insured depository institution that receives assistance in accordance with the provisions of this Act), or subsidiary of”.

#### Subtitle C—Activities of National Banks

#### SEC. 121. AUTHORITY OF NATIONAL BANKS TO UNDERWRITE MUNICIPAL REVENUE BONDS.

The paragraph designated the Seventh of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24(7)) is amended by adding at the end the following:

“The limitations and restrictions contained in this paragraph as to dealing in, underwriting, and purchasing investment securities for the national bank’s own account do not apply to obligations (including limited obligation bonds, revenue bonds, and obligations that satisfy the requirements of section 142(b)(1) of the Internal Revenue Code of 1986) issued by or on behalf of any State or political subdivision of a State, including any municipal corporate instrumentality of 1 or more States, or any public agency or authority of any State or political subdivision of a State, if the national banking association is well capitalized (as defined in section 38 of the Federal Deposit Insurance Act).”.

#### SEC. 122. SUBSIDIARIES OF NATIONAL BANKS.

(a) IN GENERAL.—Chapter one of title LXII of the Revised Statutes of the United States (12 U.S.C. 21 et seq.) is amended—

(1) by redesignating section 5136A as section 5136C; and

(2) by inserting after section 5136 (12 U.S.C. 24) the following new section:

#### “SEC. 5136A. SUBSIDIARIES OF NATIONAL BANKS.

“(a) AUTHORIZATION TO CONDUCT IN OPERATING SUBSIDIARIES CERTAIN ACTIVITIES THAT ARE FINANCIAL IN NATURE.—

“(1) IN GENERAL.—Subject to paragraph (2), a national bank may control a financial subsidiary, or hold an interest in a financial subsidiary, only if—

“(A) the consolidated total assets of the national bank do not exceed \$1,000,000,000;

“(B) the national bank is not an affiliate of a bank holding company;

“(C) the subject activities are not real estate development or real estate investment activities, unless otherwise expressly authorized by law;

“(D) the national bank and each insured depository institution affiliate of the national bank is well capitalized and well managed; and

“(E) the national bank has received the approval of the Comptroller of the Currency to engage in such activities, which approval shall be based solely upon the factors set forth in subparagraph (D) and factors set forth in subsection (c).

“(2) REGULATIONS REQUIRED.—The Comptroller of the Currency shall, by regulation,

prescribe procedures for the enforcement of this section.

“(b) SAFETY AND SOUNDNESS FIRE WALLS.—

“(1) CAPITAL REDUCTION REQUIRED.—In determining compliance with applicable capital standards for purposes of subsection (a)(1)(D)—

“(A) the aggregate amount of outstanding equity investments by a national bank in a financial subsidiary shall be deducted from the assets and tangible equity of the national bank; and

“(B) the assets and liabilities of the financial subsidiary shall not be consolidated with those of the national bank.

“(2) INVESTMENT LIMITATION.—A national bank may not, without the prior approval of the Comptroller of the Currency, make any equity investment in a financial subsidiary of the bank if that investment would, when made, exceed the amount that the national bank could pay as a dividend without obtaining prior regulatory approval.

“(c) SAFEGUARDS FOR THE BANK.—A national bank that establishes or maintains a financial subsidiary shall assure that—

“(1) the procedures of the national bank for identifying and managing financial and operational risks within the national bank and financial subsidiary adequately protect the national bank from such risks;

“(2) the bank has, for the protection of the national bank, reasonable policies and procedures to preserve the separate corporate identity and limited liability of the national bank and the financial subsidiaries of the national bank; and

“(3) the national bank is in compliance with this section.

“(d) STREAMLINING REGULATION AND SUPERVISION AND ENCOURAGING CONSULTATION AMONG FEDERAL AND STATE REGULATORS.—

“(1) IN GENERAL.—To the extent that a national bank engages in activities that are authorized by subsection (a) through a functionally regulated financial subsidiary, the regulation and supervision of such subsidiary by the Comptroller of the Currency, including its ability to require a contribution of capital or assets to the national bank from that functionally regulated financial subsidiary, shall be limited, as set forth under section 115 of the Financial Services Modernization Act of 1999.

“(2) INTERAGENCY CONSULTATION.—The provisions of section 116 of the Financial Services Modernization Act of 1999, relating to interagency consultation, shall apply to the Comptroller of the Currency and the appropriate State regulators of functionally regulated financial subsidiaries of a national bank.

“(e) PRESERVATION OF EXISTING OPERATING SUBSIDIARY AUTHORITY.—Notwithstanding any other provision of this section—

“(1) a national bank may retain control of a company, or retain an interest in a company, and conduct through such company any activities lawfully conducted therein as of the date of enactment of the Financial Services Modernization Act of 1999; and

“(2) a national bank may own shares of or any other interest in any company that is engaged only in activities that are permissible for the national bank to engage in directly, if such activities are engaged in under the same terms and conditions that would govern the conduct if conducted by a national bank directly.

“(f) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

“(1) FINANCIAL SUBSIDIARY.—The term ‘financial subsidiary’ means a company that—

“(A) is a subsidiary of a national bank; and

“(B) is engaged as principal in any activity that is permissible for a bank holding company under section 4(k) of the Bank Holding Company Act of 1956 and is not permissible for national banks to engage in directly.

“(2) FUNCTIONALLY REGULATED.—The term ‘functionally regulated financial subsidiary’ means a financial subsidiary that is—

“(A) a broker or dealer that is registered under the Securities Exchange Act of 1934;

“(B) an investment adviser that is registered under the Investment Advisers Act of 1940, or with any State, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;

“(C) an insurance company that is subject to supervision by a State insurance commission, agency, or similar authority; and

“(D) an entity that is subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.

“(3) SUBSIDIARY.—The term ‘subsidiary’ has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

“(4) WELL CAPITALIZED.—The term ‘well capitalized’ has the same meaning as in section 38 of the Federal Deposit Insurance Act.

“(5) WELL MANAGED.—The term ‘well managed’ means—

“(A) in the case of a depository institution that has been examined, unless otherwise determined in writing by the appropriate Federal banking agency—

“(i) the achievement of a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the depository institution; and

“(ii) at least a rating of 2 for management, if such rating is given; or

“(B) in the case of any depository institution that has not been examined, the existence and use of managerial resources that the appropriate Federal banking agency determines are satisfactory.

“(6) INCORPORATED DEFINITIONS.—The terms ‘appropriate Federal banking agency’, ‘depository institution’, and ‘insured depository institution’, have the same meanings as in section 3 of the Federal Deposit Insurance Act.”.

(b) LIMITING THE CREDIT EXPOSURE OF A NATIONAL BANK TO A FINANCIAL SUBSIDIARY TO THE AMOUNT OF PERMISSIBLE CREDIT EXPOSURE TO AN AFFILIATE.—Section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d), the following new subsection:

“(e) RULES RELATING TO NATIONAL BANKS WITH FINANCIAL SUBSIDIARIES.—

“(1) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section and section 23B, the term ‘financial subsidiary’ has the same meaning as in section 5136A(f) of the Revised Statutes of the United States.

“(2) APPLICATION TO TRANSACTIONS BETWEEN A FINANCIAL SUBSIDIARY OF A NATIONAL BANK AND THE NATIONAL BANK.—For purposes of applying this section and section 23B to a transaction between a financial subsidiary of a national bank and the national bank (or between such financial subsidiary and any other subsidiary of the national bank that is not a financial subsidiary), and notwithstanding subsection (b)(2) of this section or section 23B(d)(1)—

“(A) the financial subsidiary of the national bank—

“(i) shall be deemed to be an affiliate of the national bank and of any other subsidiary of the bank that is not a financial subsidiary; and

“(ii) shall not be deemed to be a subsidiary of the national bank; and

“(B) a purchase of or investment in equity securities issued by the financial subsidiary shall not be deemed to be a covered transaction.

“(3) APPLICATION TO TRANSACTIONS BETWEEN FINANCIAL SUBSIDIARY AND NONBANK AFFILIATES.—

“(A) IN GENERAL.—A transaction between a financial subsidiary and an affiliate of the financial subsidiary (that is not a subsidiary of a national bank) shall not be deemed to be a transaction between a subsidiary of a national bank and an affiliate of that bank for purposes of section 23A or section 23B.

“(B) CERTAIN AFFILIATES EXCLUDED.—For purposes of this paragraph, the term ‘affiliate’ does not include a national bank, or a subsidiary of a national bank that is engaged exclusively in activities permissible for a national bank to engage in directly or agency activities permitted under section 123 of the Financial Services Modernization Act of 1999.”

(C) ANTITYPING.—Section 106(a) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1971) is amended by adding at the end the following: “For purposes of this section, a financial subsidiary of a national bank engaging in activities pursuant to section 5136A(a) of the Revised Statutes of the United States shall be deemed to be a subsidiary of a bank holding company, and not a subsidiary of a bank.”

(d) CLERICAL AMENDMENT.—The table of sections for chapter one of title LXII of the Revised Statutes of the United States is amended—

(1) by redesignating the item relating to section 5136A as relating to section 5136C; and

(2) by inserting after the item relating to section 5136 the following new item:

“5136A. Subsidiaries of national banks.”

#### SEC. 123. AGENCY ACTIVITIES.

A national bank may control a company, or hold an interest in a company that engages in agency activities that have been determined by the Comptroller of the Currency to be permissible for national banks or to be financial in nature or incidental to such financial activities (as determined pursuant to section 4(k) of the Bank Holding Company Act of 1956) if the company engages in such activities solely as agent and not directly or indirectly as principal.

#### SEC. 124. PROHIBITING FRAUDULENT REPRESENTATIONS.

(a) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by inserting after section 1007 the following new section:

##### “SEC. 1008. MISREPRESENTATIONS REGARDING FINANCIAL INSTITUTION LIABILITY FOR OBLIGATIONS OF AFFILIATES.

“(a) PROHIBITION.—It shall be unlawful for an institution-affiliated party of an insured depository institution or institution-affiliated party of a subsidiary or affiliate of an insured depository institution to fraudulently represent that the institution is or will be liable for any obligation of a subsidiary or other affiliate of the institution.

“(b) PENALTIES.—Whoever violates subsection (a) shall be fined under this title, imprisoned not more than 1 year, or both.

“(c) INSTITUTION-AFFILIATED PARTY DEFINED.—For purposes of this section, the

term ‘institution-affiliated party’ has the same meaning as in section 3 of the Federal Deposit Insurance Act, except that references to an insured depository institution shall be deemed to include references to a subsidiary or affiliate of an insured depository institution.

“(d) OTHER DEFINITIONS.—For purposes of this section, the terms ‘affiliate’, ‘insured depository institution’, and ‘subsidiary’ have same meanings as in section 3 of the Federal Deposit Insurance Act.”

(b) CLERICAL AMENDMENT.—The table of sections for chapter 47 of title 18, United States Code, is amended by inserting after the item relating to section 1007 the following new item:

“1008. Misrepresentations regarding financial institution liability for obligations of affiliates.”

#### SEC. 125. INSURANCE UNDERWRITING BY NATIONAL BANKS.

(a) IN GENERAL.—

(1) IN GENERAL.—Except as provided in paragraph (2), a national bank and the subsidiaries of a national bank may only provide insurance in a State as principal in accordance with section 5136A(a) of the Revised Statutes of the United States, as added by this Act.

(2) EXCEPTION.—A national bank and the subsidiaries of a national bank may provide authorized insurance products as principal without regard to section 5136A(a) of the Revised Statutes of the United States, as added by this Act.

(b) AUTHORIZED INSURANCE PRODUCTS.—For purposes of this section, a product is an “authorized insurance product” if—

(1) as of January 1, 1999, the Comptroller of the Currency had determined in writing that national banks may provide such product as principal, or national banks were in fact lawfully providing such product as principal;

(2) no court of relevant jurisdiction had, by final judgment, overturned a determination of the Comptroller of the Currency that national banks may provide such product as principal; and

(3) the product is not an annuity contract, the income of which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.

(c) DEFINITION.—For purposes of this section, the term “insurance” means—

(1) any product regulated as insurance as of January 1, 1999, in accordance with the relevant State insurance law, in the State in which the product is provided;

(2) any product first offered after January 1, 1999, which—

(A) a State insurance regulator determines shall be regulated as insurance in the State in which the product is provided because the product insures, guarantees, or indemnifies against liability, loss of life, loss of health, or loss through damage to or destruction of property, including surety bonds, life insurance, health insurance, title insurance, and property and casualty insurance (such as private passenger or commercial automobile, homeowners, mortgage, commercial multiperil, general liability, professional liability, workers’ compensation, fire and allied lines, farm owners multiperil, aircraft, fidelity, surety, medical malpractice, ocean marine, inland marine, and boiler and machinery insurance); and

(B) is not a product or service of a bank that is—

(i) a deposit product;

(ii) a loan, discount, letter of credit, or other extension of credit;

(iii) a trust or other fiduciary service;

(iv) a qualified financial contract (as defined in or determined pursuant to section 11(e)(8)(D)(i) of the Federal Deposit Insurance Act); or

(v) a financial guaranty, except that this subparagraph shall not apply to a product that includes an insurance component such that if the product is offered or proposed to be offered by the bank as principal—

(I) it would be treated as a life insurance contract under section 7702 of the Internal Revenue Code of 1986; or

(II) in the event that the product is not a letter of credit or other similar extension of credit, a qualified financial contract, or a financial guaranty, it would qualify for treatment for losses incurred with respect to such product under section 832(b)(5) of the Internal Revenue Code of 1986, if the bank were subject to tax as an insurance company under section 831 of that Code; and

(3) any annuity contract, the income on which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.

#### Subtitle D—National Treatment of Foreign Financial Institutions

#### SEC. 151. NATIONAL TREATMENT OF FOREIGN FINANCIAL INSTITUTIONS.

Section 8(c) of the International Banking Act of 1978 (12 U.S.C. 3106(c)) is amended by adding at the end the following new paragraph:

“(3) TERMINATION OF GRANDFATHERED RIGHTS.—

“(A) IN GENERAL.—If any foreign bank or foreign company files a declaration under section 4(i) of the Bank Holding Company Act of 1956, any authority conferred by this subsection on any foreign bank or company to engage in any activity that the Board has determined to be permissible for bank holding companies under section 4(k) of that Act shall terminate immediately.

“(B) RESTRICTIONS AND REQUIREMENTS AUTHORIZED.—If a foreign bank or company that engages, directly or through an affiliate pursuant to paragraph (1), in an activity that the Board determines to be permissible for bank holding companies under section 4(k) of the Bank Holding Company Act of 1956, has not filed a declaration with the Board of its status as a bank holding company under section 4(l) of that Act by the end of the 2-year period beginning on the date of enactment of the Financial Services Modernization Act of 1999, the Board, giving due regard to the principle of national treatment and equality of competitive opportunity, may impose such restrictions and requirements on the conduct of such activities by such foreign bank or company as are comparable to those imposed on a bank holding company organized under the laws of the United States, including a requirement to conduct such activities in compliance with any prudential safeguards established under section 10A of the Bank Holding Company Act of 1956.”

#### SEC. 152. REPRESENTATIVE OFFICES.

(a) DEFINITION OF “REPRESENTATIVE OFFICE”.—Section 1(b)(15) of the International Banking Act of 1978 (12 U.S.C. 3101(15)) is amended by striking “State agency, or subsidiary of a foreign bank” and inserting “or State agency”.

(b) EXAMINATIONS.—Section 10(c) of the International Banking Act of 1978 (12 U.S.C. 3107(c)) is amended by adding at the end the following: “The Board may also make examinations of any affiliate of a foreign bank conducting business in any State, if the Board deems it necessary to determine and enforce compliance with this Act, the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.), or other applicable Federal banking law.”

## TITLE II—INSURANCE CUSTOMER PROTECTIONS

### SEC. 201. FUNCTIONAL REGULATION OF INSURANCE.

The insurance activity of any person or entity shall be functionally regulated by the States, subject to subsections (c), (d), and (e) of section 104.

### SEC. 202. INSURANCE CUSTOMER PROTECTIONS.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

#### “SEC. 45. INSURANCE CUSTOMER PROTECTIONS.

##### “(a) REGULATIONS REQUIRED.—

“(1) IN GENERAL.—The Federal banking agencies shall prescribe and publish in final form, before the end of the 1-year period beginning on the date of enactment of the Financial Services Modernization Act of 1999, customer protection regulations (which the agencies jointly determine to be appropriate) that—

“(A) apply to retail sales practices, solicitations, advertising, or offers of any insurance product by any insured depository institution or any person that is engaged in such activities at an office of the institution or on behalf of the institution; and

“(B) are consistent with the requirements of this Act and provide such additional protections for customers to whom such sales, solicitations, advertising, or offers are directed.

“(2) APPLICABILITY TO SUBSIDIARIES.—The regulations prescribed pursuant to paragraph (1) shall extend such protections to any subsidiaries of an insured depository institution as deemed appropriate by the Federal banking agencies, where such extension is determined to be necessary to ensure the customer protections provided by this section.

“(3) CONSULTATION AND JOINT REGULATIONS.—The Federal banking agencies shall consult with each other and prescribe joint regulations pursuant to paragraph (1), after consultation with the State insurance regulators, as appropriate.

“(b) SALES PRACTICES.—The regulations prescribed pursuant to subsection (a) shall include antityping and antic coercion rules applicable to the sale of insurance products that prohibit an insured depository institution from engaging in any practice that would lead a customer to believe an extension of credit, in violation of section 106(b) of the Bank Holding Company Act Amendments of 1970, is conditional upon—

“(1) the purchase of an insurance product from the institution or any of its affiliates or subsidiaries; or

“(2) an agreement by the customer not to obtain, or a prohibition on the customer from obtaining, an insurance product from an unaffiliated entity.

“(c) DISCLOSURES AND ADVERTISING.—The regulations prescribed pursuant to subsection (a) shall include the following provisions relating to disclosures and advertising in connection with the initial purchase of an insurance product:

##### “(1) DISCLOSURES.—

“(A) IN GENERAL.—Requirements that the following disclosures be made orally and in writing before the completion of the initial sale and, in the case of clauses (iii) and (iv), at the time of application for an extension of credit:

“(i) UNINSURED STATUS.—As appropriate, the product is not insured by the Federal Deposit Insurance Corporation, the United States Government, or the insured depository institution.

“(ii) INVESTMENT RISK.—In the case of a variable annuity or insurance product that

involves an investment risk, that there is an investment risk associated with the product, including possible loss of value.

“(iii) ANTTYPING; ANTICOERCION.—The approval of an extension of credit may not be conditioned on—

“(I) the purchase of an insurance product from the institution in which the application for credit is pending or any of its affiliates or subsidiaries; or

“(II) an agreement by the customer not to obtain, or a prohibition on the customer from obtaining, an insurance product from an unaffiliated entity.

“(iv) PROHIBITION ON ENHANCED TREATMENT DUE TO OTHER PURCHASES OR SERVICES.—The processing of an extension of credit or the delivery of any other financial product or service will not be expedited depending upon the purchase by the customer of any additional product or service from an affiliated person or entity of the insured depository institution.

“(B) MAKING DISCLOSURE READILY UNDERSTANDABLE.—Regulations prescribed under subparagraph (A) shall encourage the use of disclosure that is conspicuous, simple, direct, and readily understandable, such as the following:

“(i) ‘NOT FDIC-INSURED’.

“(ii) ‘NOT GUARANTEED BY THE BANK’.

“(iii) ‘MAY GO DOWN IN VALUE’.

“(C) LIMITATION.—Nothing in this paragraph requires the inclusion of the foregoing disclosures in advertisements of a general nature describing or listing the services or products offered by an institution.

“(D) MEANINGFUL DISCLOSURES.—Disclosures shall not be considered to be meaningfully provided under this paragraph if the institution or its representative states that disclosures required by this subsection were available to the customer in printed material available for distribution, where such printed material is not provided and such information is not orally disclosed to the customer.

“(E) ADJUSTMENTS FOR ALTERNATIVE METHODS OF PURCHASE.—In prescribing the requirements under subparagraphs (A) and (F), necessary adjustments shall be made for purchase in person, by telephone, or by electronic media to provide for the most appropriate and complete form of disclosure and acknowledgments.

“(F) CUSTOMER ACKNOWLEDGMENT.—A requirement that an insured depository institution shall require any person selling an insurance product at any office of, or on behalf of, the institution to obtain, at the time at which a customer receives the disclosures required under this paragraph or at the time of the initial purchase by the customer of such product, an acknowledgment by such customer of the receipt of the disclosure required under this paragraph with respect to such product.

“(2) PROHIBITION ON MISREPRESENTATIONS.—A prohibition on any practice, or any advertising, at any office of, or on behalf of, the insured depository institution, or any subsidiary, as appropriate, that could mislead any person or otherwise cause a reasonable person to reach an erroneous belief with respect to—

“(A) the uninsured nature of any insurance product sold, or offered for sale, by the institution or any subsidiary of the institution; or

“(B) in the case of a variable annuity or insurance product that involves an investment risk, the investment risk associated with any such product.

“(d) SEPARATION OF BANKING AND NON-BANKING ACTIVITIES.—

“(1) REGULATIONS REQUIRED.—The regulations prescribed pursuant to subsection (a) shall include such provisions as the Federal banking agencies consider appropriate to ensure that the routine acceptance of deposits is kept, to the extent practicable, physically segregated from insurance product activity.

“(2) REQUIREMENTS.—Regulations prescribed pursuant to paragraph (1) shall include the following requirements:

“(A) SEPARATE SETTING.—A clear delineation of the setting in which, and the circumstances under which, transactions involving insurance products should be conducted in a location physically segregated from an area where retail deposits are routinely accepted.

“(B) REFERRALS.—Standards that permit any person accepting deposits from the public in an area where such transactions are routinely conducted in an insured depository institution to refer a customer who seeks to purchase any insurance product to a qualified person who sells such product, only if the person making the referral receives no more than a one-time nominal fee of a fixed dollar amount for each referral that does not depend on whether the referral results in a transaction.

“(C) QUALIFICATION AND LICENSING REQUIREMENTS.—Standards prohibiting any insured depository institution from permitting any person to sell or offer for sale any insurance product in any part of any office of the institution, or on behalf of the institution, unless such person is appropriately qualified and licensed.

##### “(e) EFFECT ON OTHER AUTHORITY.—

“(1) IN GENERAL.—No provision of this section shall be construed as granting, limiting, or otherwise affecting—

“(A) any authority of the Securities and Exchange Commission, any self-regulatory organization, the Municipal Securities Rule-making Board, or the Secretary of the Treasury under any Federal securities law; or

“(B) except as provided in paragraph (2), any authority of any State insurance commission (or any agency or office performing like functions), or of any State securities commission (or any agency or office performing like functions), or other State authority under any State law.

##### “(2) COORDINATION WITH STATE LAW.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), insurance customer protection regulations prescribed by a Federal banking agency under this section shall not apply to retail sales, solicitations, advertising, or offers of any insurance product by any insured depository institution or to any person who is engaged in such activities at an office of such institution or on behalf of the institution, in a State where the State has in effect statutes, regulations, orders, or interpretations, that are inconsistent with or contrary to the regulations prescribed by the Federal banking agencies.

##### “(B) PREEMPTION.—

“(i) IN GENERAL.—If, with respect to any provision of the regulations prescribed under this section, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Board of Directors of the Corporation determine jointly that the protection afforded by such provision for customers is greater than the protection provided by a comparable provision of the statutes, regulations, orders, or interpretations referred to in subparagraph (A) of any State, the appropriate State regulatory authority shall be notified of such determination in writing.



“(ii) CONSIDERATIONS.—Before making a final determination under clause (i), the Federal agencies referred to in clause (i) shall give appropriate consideration to comments submitted by the appropriate State regulatory authorities relating to the level of protection afforded to consumers under State law.

“(iii) FEDERAL PREEMPTION AND ABILITY OF STATES TO OVERRIDE FEDERAL PREEMPTION.—If the Federal agencies referred to in clause (i) jointly determine that any provision of the regulations prescribed under this section affords greater protections than a comparable State law, rule, regulation, order, or interpretation, those agencies shall send a written preemption notice to the appropriate State regulatory authority to notify the State that the Federal provision will preempt the State provision and will become applicable unless, not later than 3 years after the date of such notice, the State adopts legislation to override such preemption.

“(f) NON-DISCRIMINATION AGAINST NON-AFFILIATED AGENTS.—The Federal banking agencies shall ensure that the regulations prescribed pursuant to subsection (a) shall not have the practical effect of discriminating, either intentionally or unintentionally, against any person engaged in insurance sales or solicitations that is not affiliated with an insured depository institution.”.

#### SEC. 203. FEDERAL AND STATE DISPUTE RESOLUTION.

(a) FILING IN COURT OF APPEALS.—In the case of a regulatory conflict between a State insurance regulator and a Federal regulator regarding insurance issues, including whether a State law, rule, regulation, order, or interpretation regarding any insurance sales or solicitation activity is properly treated as preempted under Federal law, either regulator may seek expedited judicial review of such determination by the United States Court of Appeals for the circuit in which the State is located or in the United States Court of Appeals for the District of Columbia Circuit by filing a petition for review in such court.

(b) EXPEDITED REVIEW.—The United States Court of Appeals in which a petition for review is filed in accordance with subsection (a) shall complete all action on such petition, including rendering a judgment, before the end of the 60-day period beginning on the date on which such petition is filed, unless all parties to such proceedings agree to any extension of such period.

(c) SUPREME COURT REVIEW.—Any request for certiorari to the Supreme Court of the United States of any judgment of a United States Court of Appeals with respect to a petition for review under this section shall be filed with the Supreme Court of the United States as soon as practicable after such judgment is issued.

(d) STATUTE OF LIMITATION.—No action may be filed under this section challenging an order, ruling, determination, or other action of a Federal regulator or State insurance regulator after the later of—

(1) the end of the 12-month period beginning on the date on which the first public notice is made of such order, ruling, determination or other action in its final form; or

(2) the end of the 6-month period beginning on the date on which such order, ruling, determination, or other action takes effect.

(e) STANDARD OF REVIEW.—The court shall decide an action filed under subsection (a) based on its review on the merits of all questions presented under State and Federal law,

including the nature of the product or activity and the history and purpose of its regulation under State and Federal law, according equal deference to the Federal regulator and the State insurance regulator.

#### TITLE III—REGULATORY IMPROVEMENTS

##### SEC. 301. ELIMINATION OF SAIF AND DIF SPECIAL RESERVES.

(a) SAIF SPECIAL RESERVE.—Section 11(a)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(6)) is amended by striking subparagraph (L).

(b) DIF SPECIAL RESERVE.—Section 2704 of the Deposit Insurance Funds Act of 1996 (12 U.S.C. 1821 note) is amended—

(1) by striking subsection (b); and

(2) in subsection (d)—

(A) by striking paragraph (4);

(B) in paragraph (6)(C)(i), by striking “(6) and (7)” and inserting “(5), (6), and (7)”; and

(C) in paragraph (6)(C), by striking clause (ii) and inserting the following:

“(ii) by redesignating paragraph (8) as paragraph (5).”.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective on the date of enactment of this Act.

##### SEC. 302. EXPANDED SMALL BANK ACCESS TO S CORPORATION TREATMENT.

(a) STUDY.—The Comptroller General of the United States shall conduct a study of—

(1) possible revisions to the rules governing S corporations, including—

(A) increasing the permissible number of shareholders in such corporations;

(B) permitting shares of such corporations to be held in individual retirement accounts;

(C) clarifying that interest on investments held for safety, soundness, and liquidity purposes should not be considered to be passive income;

(D) discontinuation of the treatment of stock held by bank directors as a disqualifying personal class of stock for such corporations; and

(E) improving Federal tax treatment of bad debt and interest deductions; and

(2) what impact such revisions might have on community banks.

(b) REPORT TO CONGRESS.—Not later than 6 months after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Congress on the results of the study conducted under subsection (a).

(c) DEFINITION.—For purposes of this section, the term “S corporation” has the same meaning as in section 1361(a)(1) of the Internal Revenue Code of 1986.

##### SEC. 303. MEANINGFUL CRA EXAMINATIONS.

(a) COMPLIANCE.—Notwithstanding any other provision of law, an insured depository institution rated as “satisfactory” or better in its most recent examination under the Community Reinvestment Act of 1977, and in each such examination during the immediately preceding 36-month period shall be deemed to be in compliance with the requirements of that Act until the completion of a subsequent regularly scheduled examination under that Act, unless substantial verifiable information arising since the time of its most recent examination under that Act demonstrating noncompliance is filed with the appropriate Federal banking agency.

(b) OBJECTIONS.—

(1) AGENCY DETERMINATION.—The appropriate Federal banking agency shall determine, on a timely basis, whether the information filed by any person under subsection (a) provides sufficient proof that the subject insured depository institution is no longer in compliance with the requirements of the

Community Reinvestment Act of 1977, as provided in subsection (a).

(2) BURDEN OF PROOF.—A person filing information under subsection (a) shall bear the burden of proving to the satisfaction of the appropriate Federal banking agency, the substantial verifiable nature of that information.

(c) DEFINITIONS.—In this section, the terms “insured depository institution” and “appropriate Federal banking agency” have the same meanings as in section 3 of the Federal Deposit Insurance Act.

##### SEC. 304. FINANCIAL INFORMATION PRIVACY PROTECTION.

(a) FINANCIAL INFORMATION ANTI-FRAUD.—The Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by adding at the end the following:

#### “TITLE X—FINANCIAL INFORMATION PRIVACY PROTECTION

##### “SEC. 1001. SHORT TITLE; TABLE OF CONTENTS.

“(a) SHORT TITLE.—This title may be cited as the ‘Financial Information Anti-Fraud Act of 1999’.

“(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:

#### “TITLE X—FINANCIAL INFORMATION PRIVACY PROTECTION

“Sec. 1001. Short title; table of contents.

“Sec. 1002. Definitions.

“Sec. 1003. Privacy protection for customer information of financial institutions.

“Sec. 1004. Administrative enforcement.

“Sec. 1005. Civil liability.

“Sec. 1006. Criminal penalty.

“Sec. 1007. Relation to State laws.

“Sec. 1008. Agency guidance.

##### “SEC. 1002. DEFINITIONS.

“For purposes of this title, the following definitions shall apply:

“(1) CUSTOMER.—The term ‘customer’ means, with respect to a financial institution, any person (or authorized representative of a person) to whom the financial institution provides a product or service, including that of acting as a fiduciary.

“(2) CUSTOMER INFORMATION OF A FINANCIAL INSTITUTION.—The term ‘customer information of a financial institution’ means any information maintained by a financial institution which is derived from the relationship between the financial institution and a customer of the financial institution and is identified with the customer.

“(3) DOCUMENT.—The term ‘document’ means any information in any form.

“(4) FINANCIAL INSTITUTION.—

“(A) IN GENERAL.—The term ‘financial institution’ means any institution engaged in the business of providing financial services to customers who maintain a credit, deposit, trust, or other financial account or relationship with the institution.

“(B) CERTAIN FINANCIAL INSTITUTIONS SPECIFICALLY INCLUDED.—The term ‘financial institution’ includes any depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act), any loan or finance company, any credit card issuer or operator of a credit card system, and any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis (as defined in section 603(p)).

“(C) FURTHER DEFINITION BY REGULATION.—The Board of Governors of the Federal Reserve System may prescribe regulations further defining the term ‘financial institution’, in accordance with subparagraph (A), for purposes of this title.

**"SEC. 1003. PRIVACY PROTECTION FOR CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.**

"(a) PROHIBITION ON OBTAINING CUSTOMER INFORMATION BY FALSE PRETENSES.—It shall be a violation of this title for any person to obtain or attempt to obtain, or cause to be disclosed or attempt to cause to be disclosed to any person, customer information of a financial institution relating to another person—

"(1) by knowingly making a false, fictitious, or fraudulent statement or representation to an officer, employee, or agent of a financial institution with the intent to deceive the officer, employee, or agent into relying on that statement or representation for purposes of releasing the customer information;

"(2) by knowingly making a false, fictitious, or fraudulent statement or representation to a customer of a financial institution with the intent to deceive the customer into relying on that statement or representation for purposes of releasing the customer information or authorizing the release of such information; or

"(3) by knowingly providing any document to an officer, employee, or agent of a financial institution, knowing that the document is forged, counterfeit, lost, or stolen, was fraudulently obtained, or contains a false, fictitious, or fraudulent statement or representation, if the document is provided with the intent to deceive the officer, employee, or agent into relying on that document for purposes of releasing the customer information.

"(b) PROHIBITION ON SOLICITATION OF A PERSON TO OBTAIN CUSTOMER INFORMATION FROM FINANCIAL INSTITUTION UNDER FALSE PRETENSES.—It shall be a violation of this title to request a person to obtain customer information of a financial institution, knowing or consciously avoiding knowing that the person will obtain, or attempt to obtain, the information from the institution in any manner described in subsection (a).

"(c) NONAPPLICABILITY TO LAW ENFORCEMENT AGENCIES.—No provision of this section shall be construed so as to prevent any action by a law enforcement agency, or any officer, employee, or agent of such agency, to obtain customer information of a financial institution in connection with the performance of the official duties of the agency.

"(d) NONAPPLICABILITY TO FINANCIAL INSTITUTIONS IN CERTAIN CASES.—No provision of this section shall be construed to prevent any financial institution, or any officer, employee, or agent of a financial institution, from obtaining customer information of such financial institution in the course of—

"(1) testing the security procedures or systems of such institution for maintaining the confidentiality of customer information;

"(2) investigating allegations of misconduct or negligence on the part of any officer, employee, or agent of the financial institution; or

"(3) recovering customer information of the financial institution which was obtained or received by another person in any manner described in subsection (a) or (b).

"(e) NONAPPLICABILITY TO CERTAIN TYPES OF CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.—No provision of this section shall be construed to prevent any person from obtaining customer information of a financial institution that otherwise is available as a public record filed pursuant to the securities laws (as defined in section 3(a)(47) of the Securities Exchange Act of 1934).

**"SEC. 1004. ADMINISTRATIVE ENFORCEMENT.**

"(a) ENFORCEMENT BY FEDERAL TRADE COMMISSION.—Except as provided in subsection

(b), compliance with this title shall be enforced by the Federal Trade Commission in the same manner and with the same power and authority as the Commission has under the Fair Debt Collection Practices Act to enforce compliance with that title.

"(b) ENFORCEMENT BY OTHER AGENCIES IN CERTAIN CASES.—

"(1) IN GENERAL.—Compliance with this title shall be enforced under—

"(A) section 8 of the Federal Deposit Insurance Act, in the case of—

"(i) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

"(ii) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act, by the Board;

"(iii) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System and national nonmember banks) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation; and

"(iv) savings associations the deposits of which are insured by the Federal Deposit Insurance Corporation, by the Director of the Office of Thrift Supervision; and

"(B) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal credit union.

"(2) VIOLATIONS OF THIS TITLE TREATED AS VIOLATIONS OF OTHER LAWS.—For the purpose of the exercise by any agency referred to in paragraph (1) of its powers under any Act referred to in that paragraph, a violation of this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in paragraph (1), each of the agencies referred to in that paragraph may exercise, for the purpose of enforcing compliance with this title, any other authority conferred on such agency by law.

"(c) STATE ACTION FOR VIOLATIONS.—

"(1) AUTHORITY OF STATES.—In addition to such other remedies as are provided under State law, if the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this title, the State—

"(A) may bring an action to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction;

"(B) may bring an action on behalf of the residents of the State to recover damages of not more than \$1,000 for each violation; and

"(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees as determined by the court.

"(2) RIGHTS OF FEDERAL REGULATORS.—

"(A) PRIOR NOTICE.—The State shall serve prior written notice of any action under paragraph (1) upon the Federal Trade Commission and, in the case of an action which involves a financial institution described in section 1004(b)(1), the agency referred to in such section with respect to such institution and provide the Federal Trade Commission and any such agency with a copy of its complaint, except in any case in which such

prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action.

"(B) RIGHT TO INTERVENE.—The Federal Trade Commission or an agency described in subsection (b) shall have the right—

"(i) to intervene in an action under paragraph (1);

"(ii) upon so intervening, to be heard on all matters arising therein;

"(iii) to remove the action to the appropriate United States district court; and

"(iv) to file petitions for appeal.

"(3) INVESTIGATORY POWERS.—For purposes of bringing any action under this subsection, no provision of this subsection shall be construed as preventing the chief law enforcement officer, or an official or agency designated by a State, from exercising the powers conferred on the chief law enforcement officer or such official by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

"(4) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION PENDING.—If the Federal Trade Commission or any agency described in subsection (b) has instituted a civil action for a violation of this title, no State may, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Federal Trade Commission or such agency for any violation of this title that is alleged in that complaint.

**"SEC. 1005. CIVIL LIABILITY.**

"Any person, other than a financial institution, who fails to comply with any provision of this title with respect to any financial institution or any customer information of a financial institution shall be liable to such financial institution or the customer to whom such information relates in an amount equal to the sum of the amounts determined under each of the following paragraphs:

"(1) ACTUAL DAMAGES.—The greater of—

"(A) the amount of any actual damage sustained by the financial institution or customer as a result of such failure; or

"(B) any amount received by the person who failed to comply with this title, including an amount equal to the value of any non-monetary consideration, as a result of the action which constitutes such failure.

"(2) ADDITIONAL DAMAGES.—Such additional amount as the court may allow.

"(3) ATTORNEYS' FEES.—In the case of any successful action to enforce any liability under paragraph (1) or (2), the costs of the action, together with reasonable attorneys' fees.

**"SEC. 1006. CRIMINAL PENALTY.**

"(a) IN GENERAL.—Whoever violates, or attempts to violate, section 1003 shall be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

"(b) ENHANCED PENALTY FOR AGGRAVATED CASES.—Whoever violates, or attempts to violate, section 1003 while violating another law of the United States or as part of a pattern of any illegal activity involving more than \$100,000 in a 12-month period shall be fined twice the amount provided in subsection (b)(3) or (c)(3) (as the case may be) of section 3571 of title 18, United States Code, imprisoned for not more than 10 years, or both.

**"SEC. 1007. RELATION TO STATE LAWS.**

"(a) IN GENERAL.—This title shall not be construed as superseding, altering, or affecting the statutes, regulations, orders, or interpretations in effect in any State, except

to the extent that such statutes, regulations, orders, or interpretations are inconsistent with the provisions of this title, and then only to the extent of the inconsistency.

“(b) GREATER PROTECTION UNDER STATE LAW.—For purposes of this section, a State statute, regulation, order, or interpretation is not inconsistent with the provisions of this title if the protection such statute, regulation, order, or interpretation affords any person is greater than the protection provided under this title.

**“SEC. 1008. AGENCY GUIDANCE.**

“In furtherance of the objectives of this title, each Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) shall issue advisories to depository institutions under the jurisdiction of the agency, in order to assist such depository institutions in deterring and detecting activities proscribed under section 1003.”.

(b) REPORT TO CONGRESS ON FINANCIAL PRIVACY.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the Federal Trade Commission, the Federal banking agencies, and other appropriate Federal law enforcement agencies, shall submit to the Congress a report on—

(1) the efficacy and adequacy of the remedies provided in the amendments made by subsection (a) in addressing attempts to obtain financial information by fraudulent means or by false pretenses; and

(2) any recommendations for additional legislative or regulatory action to address threats to the privacy of financial information created by attempts to obtain information by fraudulent means or false pretenses.

(c) REPORTS ON ONGOING FTC STUDY OF CONSUMER PRIVACY ISSUES.—With respect to the ongoing multistage study being conducted by the Federal Trade Commission on consumer privacy issues, the Commission shall submit to the Congress an interim report on the findings and conclusions of the Commission, together with such recommendations for legislative and administrative action as the Commission determines to be appropriate, at the conclusion of each stage of such study and a final report at the conclusion of the study.

(d) CONSUMER GRIEVANCE PROCESS.—The Federal banking agencies (as that term is defined in section 3 of the Federal Deposit Insurance Act) shall jointly establish a consumer complaint mechanism, for receiving and expeditiously addressing consumer complaints alleging a violation of regulations issued under section 45 of the Federal Deposit Insurance Act (as added by section 202 of this Act), which mechanism shall—

(1) establish a group within each Federal banking agency to receive such complaints; and

(2) develop procedures for—

(A) investigating such complaints;

(B) informing consumers of rights they may have in connection with such complaints; and

(C) addressing concerns raised by such complaints, as appropriate, including procedures for the recovery of losses, to the extent appropriate.

**SEC. 305. CROSS MARKETING RESTRICTION; LIMITED PURPOSE BANK RELIEF; DIVESTITURE.**

(a) CROSS MARKETING RESTRICTION.—Section 4(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)) is amended by striking paragraph (3).

(b) DAYLIGHT OVERDRAFTS.—Section 4(f) of the Bank Holding Company Act of 1956 (12

U.S.C. 1843(f)) is amended by inserting after paragraph (2) the following new paragraph:

“(3) PERMISSIBLE OVERDRAFTS DESCRIBED.—For purposes of paragraph (2)(C), an overdraft is described in this paragraph if—

“(A) such overdraft results from an inadvertent computer or accounting error that is beyond the control of both the bank and the affiliate;

“(B) such overdraft—

“(i) is permitted or incurred on behalf of an affiliate that is monitored by, reports to, and is recognized as a primary dealer by the Federal Reserve Bank of New York; and

“(ii) is fully secured, as required by the Board, by bonds, notes, or other obligations that are direct obligations of the United States or on which the principal and interest are fully guaranteed by the United States or by securities and obligations eligible for settlement on the Federal Reserve book entry system; or

“(C) such overdraft—

“(i) is permitted or incurred by, or on behalf of, an affiliate that is engaged in activities that are so closely related to banking, or managing or controlling banks, as to be a proper incident thereto; and

“(ii) does not cause the bank to violate any provision of section 23A or 23B of the Federal Reserve Act, either directly, in the case of a bank that is a member of the Federal Reserve System, or by virtue of section 18(j) of the Federal Deposit Insurance Act, in the case of a bank that is not a member of the Federal Reserve System.”.

(c) INDUSTRIAL LOAN COMPANIES; AFFILIATE OVERDRAFTS.—Section 2(c)(2)(H) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)(2)(H)) is amended by inserting before the period at the end “, or that is otherwise permissible for a bank controlled by a company described in section 4(f)(1)”.

(d) ACTIVITIES LIMITATIONS.—Section 4(f)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)(2)) is amended—

(1) by striking “Paragraph (1) shall cease to apply to any company described in such paragraph if—” and inserting “Subject to paragraph (3), a company described in paragraph (1) shall no longer qualify for the exemption provided under that paragraph if—”;

(2) in subparagraph (A)—

(A) in clause (ii)(IX), by striking “and” at the end;

(B) in clause (ii)(X), by inserting “and” after the semicolon;

(C) in clause (ii), by inserting after subclause (X) the following:

“(XI) assets that are derived from, or incidental to, activities in which institutions described in section 2(c)(2)(F) or section 2(c)(2)(H) are permitted to engage;”;

(D) by striking “or” at the end; and

(3) by striking subparagraph (B) and inserting the following:

“(B) any bank subsidiary of such company—

“(i) accepts demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties; and

“(ii) engages in the business of making commercial loans (except that, for purposes of this clause, loans made in the ordinary course of a credit card operation shall not be treated as commercial loans); or

“(C) after the date of enactment of the Competitive Equality Amendments of 1987, any bank subsidiary of such company permits any overdraft (including any intraday overdraft), or incurs any such overdraft in the account of the bank at a Federal reserve bank, on behalf of an affiliate, other than an overdraft described in paragraph (3).”.

(e) DIVESTITURE REQUIREMENT.—Section 4(f)(4) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)(4)) is amended to read as follows:

“(4) DIVESTITURE IN CASE OF LOSS OF EXEMPTION.—If any company described in paragraph (1) fails to qualify for the exemption provided under paragraph (1) by operation of paragraph (2), such exemption shall cease to apply to such company and such company shall divest control of each bank it controls before the end of the 180-day period beginning on the date on which the company receives notice from the Board that the company has failed to continue to qualify for such exemption, unless, before the end of such 180-day period, the company has—

“(A) either—

“(i) corrected the condition or ceased the activity that caused the company to fail to continue to qualify for the exemption; or

“(ii) submitted a plan to the Board for approval to cease the activity or correct the condition in a timely manner (which shall not exceed 1 year); and

“(B) implemented procedures that are reasonably adapted to avoid the reoccurrence of such condition or activity.”.

**SEC. 306. “PLAIN LANGUAGE” REQUIREMENT FOR FEDERAL BANKING AGENCY RULES.**

(a) IN GENERAL.—Each Federal banking agency shall use plain language in all proposed and final rulemakings published by the agency in the Federal Register after January 1, 2000.

(b) REPORT.—Not later than March 1, 2001, each Federal banking agency shall submit to the Congress a report that describes how the agency has complied with subsection (a).

(c) DEFINITIONS.—For purposes of this section, the terms “Federal banking agency” and “State bank supervisor” have the same meanings as in section 3 of the Federal Deposit Insurance Act.

**SEC. 307. RETENTION OF “FEDERAL” IN NAME OF CONVERTED FEDERAL SAVINGS ASSOCIATION.**

Section 2 of the Act entitled “An Act to enable national banking associations to increase their capital stock and to change their names or locations”, approved May 1, 1886 (12 U.S.C. 30), is amended by adding at the end the following new subsection:

“(d) RETENTION OF ‘FEDERAL’ IN NAME OF CONVERTED FEDERAL SAVINGS ASSOCIATION.—

“(1) IN GENERAL.—Notwithstanding subsection (a) or any other provision of law, any depository institution, the charter of which is converted from that of a Federal savings association to a national bank or a State bank after the date of enactment of the Financial Services Modernization Act of 1999 may retain the term ‘Federal’ in the name of such institution if such institution remains an insured depository institution.

“(2) DEFINITIONS.—For purposes of this subsection, the terms ‘depository institution’, ‘insured depository institution’, ‘national bank’, and ‘State bank’ have the same meanings as in section 3 of the Federal Deposit Insurance Act.”.

**SEC. 308. COMMUNITY REINVESTMENT ACT EXEMPTION.**

(a) IN GENERAL.—No community financial institution shall be subject to the Community Reinvestment Act of 1977 (12 U.S.C. 2901 et seq.).

(b) DEFINITION OF COMMUNITY FINANCIAL INSTITUTION.—As used in this section, the term “community financial institution” means an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act), that has aggregate assets of not more than \$100,000,000, and that is located in a non-metropolitan area.

(c) ADJUSTMENTS.—The dollar amount referred to in subsection (b) shall be adjusted annually after December 31, 1999, by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics.

(d) DEFINITION.—For purposes of this section, the term “non-metropolitan area” means any area, no part of which is within an area designated as a metropolitan statistical area by the Office of Management and Budget.

**SEC. 309. BANK OFFICERS AND DIRECTORS AS OFFICERS AND DIRECTORS OF PUBLIC UTILITIES.**

Section 305(b) of the Federal Power Act (16 U.S.C. 825d(b)) is amended—

(1) by striking “(b) After six” and inserting the following:

“(b) INTERLOCKING DIRECTORATES.—

“(1) IN GENERAL.—After 6”; and

(2) by adding at the end the following:

“(2) APPLICABILITY.—

“(A) IN GENERAL.—In the circumstances described in subparagraph (B), paragraph (1) shall not apply to a person that holds or proposes to hold the positions of—

“(i) officer or director of a public utility; and

“(ii) officer or director of a bank, trust company, banking association, or firm authorized by law to underwrite or participate in the marketing of securities of a public utility.

“(B) CIRCUMSTANCES.—The circumstances described in this subparagraph are that—

“(i) a person described in subparagraph (A) does not participate in any deliberations or decisions of the public utility regarding the selection of a bank, trust company, banking association, or firm to underwrite or participate in the marketing of securities of the public utility, if the person serves as an officer or director of a bank, trust company, banking association, or firm that is under consideration in the deliberation process;

“(ii) the bank, trust company, banking association, or firm of which the person is an officer or director does not engage in the underwriting of, or participate in the marketing of, securities of the public utility of which the person holds the position of officer or director;

“(iii) the public utility for which the person serves or proposes to serve as an officer or director selects underwriters by competitive procedures; or

“(iv) the issuance of securities the public utility for which the person serves or proposes to serve as an officer or director has been approved by all Federal and State regulatory agencies having jurisdiction over the issuance.”.

**SEC. 310. CONTROL OF BANKERS' BANKS.**

Section 2(a)(5)(E)(i) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a)(5)(E)(i)) is amended by inserting “one or more” before “thrift institutions”.

**SEC. 311. MULTISTATE LICENSING AND INTERSTATE INSURANCE SALES ACTIVITIES.**

(a) FINDINGS.—Congress finds that—

(1) the States regulate the business of insurance, including the licensing of insurance agents and brokers;

(2) the current State insurance licensing system requires insurance agents and brokers to obtain licenses on a line-by-line, class-by-class, producer-by-producer, State-by-State basis;

(3) in the commercial and industrial insurance arena, this State-based system usually requires a single agent or broker to hold

scores of licenses if that agent or broker intends to sell or broker insurance on a nationwide basis;

(4) because of the duplicative licensing requirements both within States and from State to State, a single insurance agent or broker must satisfy literally hundreds of administrative filing requirements to become fully licensed to engage in the sale of a full range of insurance products on a nationwide basis;

(5) these administrative requirements appear to be essentially unrelated to any requisite standards of professionalism;

(6) many States impose certain requirements on insurance agents and brokers that pose an undue, discriminatory burden on nonresident agents, including some States that ban solicitation of insurance clients by nonresident agents and brokers;

(7) many States impose anticompetitive post-licensure requirements on nonresident agents and brokers, including countersignature laws that require an agent or broker servicing the needs of an out-of-State client to have any insurance policy that is sold “countersigned” by a resident agent;

(8) in some cases, such countersignature laws also require a nonresident agent or broker to pay at least half of any commission earned in a State in which the agent or broker is not a resident to a resident agent or broker; and

(9) such duplicative and onerous filing requirements and anticompetitive burdens inhibit interstate commerce, constitute unjustifiable trade barriers, greatly undermine the competition that this Act seeks to foster.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) by the end of the 36-month period beginning on the date of enactment of this Act, the States should—

(A) implement uniform insurance agent and broker licensing application and qualification requirements that result in a fully reciprocal licensing system; and

(B) eliminate any pre- or post-licensure requirements that have the practical effect of discriminating, directly or indirectly, against nonresident insurance agents or brokers;

(2) if such actions are not taken, Congress should take steps to directly rectify the problems identified in subsection (a); and

(3) any entity established by the Congress to so rectify the problems should be under the supervision and oversight of the National Association of Insurance Commissioners.

**SEC. 312. CRA SUNSHINE REQUIREMENTS.**

(a) DISCLOSURE AND REPORTING.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.), is amended by adding at the end thereof the following new section:

**“SEC. 46. CRA SUNSHINE REQUIREMENTS.**

“(a) PUBLIC DISCLOSURE OF AGREEMENTS.—Any agreement entered into by an insured depository institution or affiliate with a nongovernmental entity or person made pursuant to or in connection with the Community Reinvestment Act involving funds or other resources of such insured depository institution or affiliate shall be in its entirety fully disclosed, and the full text thereof made available to the appropriate Federal banking agency with supervisory responsibility over the insured depository institution and to the public and shall obligate each party to comply with the provisions of this section.

“(b) ANNUAL REPORT OF ACTIVITY.—Each party to the agreement shall report, as appli-

cable, to the appropriate Federal banking agency with supervisory responsibility over the insured depository institution, no less frequently than once each year, such information as the Federal banking agency may by rule require relating to the following actions taken by the party pursuant to an agreement described in subsection (a) during the previous 12-month period—

“(1) payments, fees or loans made to any party to the agreement or received from any party to the agreement and the terms and conditions of the same; and

“(2) aggregate data on loans, investments and services provided by each party in its community or communities pursuant to the agreement; and

“(3) such other pertinent matters as determined by rule by the appropriate Federal banking agency with supervisory responsibility over the insured depository institution.

The Federal banking agency shall ensure that the regulations implementing this section do not impose an undue burden on the parties and that proprietary and confidential information is protected.

“(c) EXISTING AGREEMENTS.—The requirements of subsection (b) (1), (2), and (3) shall be deemed to be fulfilled with respect to any agreement made prior to May 5, 1999.

“(d) SECONDARY AGREEMENTS.—Any agreement made on or after May 5, 1999 pursuant to an agreement described in subsection (a) also is subject to the requirements of subsections (a) and (b).

“(e) DEFINITIONS.—

“(1) AGREEMENT.—As used in this section, the term ‘agreement’ refers to any written contract, written arrangement, or other written understanding with a value in excess of \$10,000 annually, or a group of substantively related contracts with an aggregate value of \$10,000 annually, made pursuant to or in connection with the Community Reinvestment Act of 1977, at least one party to which is an insured depository institution or affiliate thereof, or entity owned or controlled by an insured depository institution or affiliate, whether organized on a profit or not-for-profit basis. The term ‘agreement’ shall not include any specific contract or commitment for a loan or extension of credit to individuals, businesses, farms, or other entities, where the purpose of the loan or extension of credit does not include any re-lending of the borrowed funds to other parties.

“(2) APPROPRIATE FEDERAL BANKING AGENCY AND INSURED DEPOSITORY INSTITUTION.—As used in this section, the terms ‘appropriate Federal banking agency’ and ‘insured depository institution’ have the same meanings as defined in section 3 of this Act.

“(d) VIOLATIONS.—Any violation of the provisions of this section shall be considered a violation of this Act. If the party to the agreement that is not an insured depository institution or affiliate fails to comply with this section, the agreement shall not be enforceable after being given notice and a reasonable period of time to perform or comply.

“(e) LIMITATION.—Nothing in this section is intended to provide any authority upon any appropriate Federal banking agency to enforce the provisions of the agreements that are subject to the requirements of subsection (a).

“(f) REGULATIONS.—Each appropriate Federal banking agency shall prescribe regulations requiring procedures reasonably designed to assure and monitor compliance with the requirements of this section.”.

**SEC. 313. INTERSTATE BRANCHES AND AGENCIES OF FOREIGN BANKS.**

Section 5 of the International Banking Act of 1978, as amended (12 U.S.C. 3103), is amended by striking subsection (a)(7) and substituting the following:

**“(7) Additional authority for interstate branches and agencies of foreign banks; upgrades of certain foreign bank agencies and branches**

“Notwithstanding paragraphs (1) and (2), a foreign bank may—

“(A) with the approval of the Board and the Comptroller of the Currency, establish and operate a Federal branch or Federal agency or, with the approval of the Board and the appropriate State bank supervisor, a State branch or State agency in any State outside the foreign bank's home State if—

“(i) the establishment and operation of such branch or agency is permitted by the State in which the branch or agency is to be established; and

“(ii) in the case of a Federal or State branch, the branch receives only such deposits as would be permitted for a corporation organized under section 25A of the Federal Reserve Act (12 U.S.C. 611 et seq.); or

“(B) with the approval of the Board and the relevant licensing authority (the Comptroller in the case of a Federal branch or the appropriate State supervisor in the case of a State branch), upgrade an agency, or a branch of the type referred to in subsection (a)(7)(A)(i), located in a State outside the foreign bank's home State, into a Federal or State branch if the establishment and operation of such branch is permitted by such State and—

“(i) such agency or branch was in operation in such State on the day before September 29, 1994, or

“(ii) such agency or branch has been in operation in such State for a period of time that meets the State's minimum age requirement permitted under section 1831u(a)(5) of title 12, United States Code.”.

**SEC. 314. DISCLOSURES TO CONSUMERS UNDER THE TRUTH IN LENDING ACT.**

(a) DISCLOSURE OF LATE PAYMENT DEADLINES AND PENALTIES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

“(12) If a charge is to be imposed due to the failure of the obligor to make payment on or before a required payment due date, the date that payment is due or, if different, the date on which a late payment fee will be charged, shall be stated prominently in a conspicuous location on the billing statement, together with the amount of the charge to be imposed if payment is made after such date.”.

(b) DISCLOSURES RELATED TO “TEASER RATES”.—Section 127(c) (15 U.S.C. 1637(c)) is amended by inserting after paragraph (5) (as so redesignated by section 4 of this Act) the following:

“(6) ADDITIONAL NOTICE CONCERNING ‘TEASER RATES’.—

“(A) IN GENERAL.—An application or solicitation for a credit card for which a disclosure is required under this subsection shall contain the disclosure contained in subparagraph (B) or (C), as appropriate, if the application or solicitation offers, for an introductory period of less than 1 year, an annual percentage rate of interest that—

“(i) is less than the annual percentage rate of interest that will apply after the end of the introductory period; or

“(ii) in the case of an annual percentage rate that varies in accordance with an index, is less than the current annual percentage rate under the index that will apply after the end of such period.

“(B) FIXED ANNUAL PERCENTAGE RATE.—If the annual percentage rate that will apply after the end of the introductory period will be a fixed rate, the application or solicitation shall include the following disclosure: ‘The annual percentage rate of interest applicable during the introductory period is not the annual percentage rate that will apply after the end of the introductory period. The permanent annual percentage rate will apply after [insert applicable date] and will be [insert applicable percentage rate].’.

“(C) VARIABLE ANNUAL PERCENTAGE RATE.—If the annual percentage rate that will apply after the end of the introductory period will vary in accordance with an index, the application or solicitation shall include the following disclosure: ‘The annual percentage rate of interest applicable during the introductory period is not the annual percentage rate that will apply after the end of the introductory period. The permanent annual percentage rate will be determined by an index, and will apply after [insert applicable date]. If the index that will apply after such date were applied to your account today, the annual percentage rate would be [insert applicable percentage rate].’.

“(D) CONDITIONS FOR INTRODUCTORY RATES.—If the annual percentage rate of interest that will apply during the introductory period described in subparagraph (A) is revocable or otherwise conditioned upon any action by the obligor, including any failure by the obligor to pay the minimum payment amount or finance charge or to make any payment by the stated monthly payment due date, the application or solicitation shall include disclosure of—

“(i) the conditions that the obligor must meet to retain the annual percentage rate of interest during the introductory period; and

“(ii) the annual percentage rate of interest that will apply as a result of the failure of the obligor to meet such conditions.

“(E) FORM OF DISCLOSURE.—The disclosures required under this paragraph shall be made in a clear and conspicuous manner, in a prominent fashion.”.

**SEC. 315. APPROVAL FOR PURCHASES OF SECURITIES.**

Section 23B(b)(2) of the Federal Reserve Act (12 U.S.C. 371c-1) is amended to read as follows:

“Subparagraph (B) of paragraph (1) shall not apply if the purchase or acquisition of such securities has been approved, before such securities are initially offered for sale to the public, by a majority of the directors of the bank based on a determination that the purchase is a sound investment for the bank irrespective of the fact that an affiliate of the bank is a principal underwriter of the securities.”.

**SEC. 316. PROVISION OF TECHNICAL ASSISTANCE TO MICROENTERPRISES.**

(a) IN GENERAL.—Title I of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4701 et seq.) is amended by adding at the end the following:

**“Subtitle C—Microenterprise Technical Assistance and Capacity Building Program****“SEC. 171. SHORT TITLE.**

“This subtitle may be cited as the ‘Program for Investment in Microentrepreneurs Act of 1999’, also referred to as the ‘PRIME Act’.

**“SEC. 172. DEFINITIONS.**

“For purposes of this subtitle—

“(1) the term ‘Administrator’ has the same meaning as in section 103;

“(2) the term ‘capacity building services’ means services provided to an organization

that is, or is in the process of becoming a microenterprise development organization or program, for the purpose of enhancing its ability to provide training and services to disadvantaged entrepreneurs;

“(3) the term ‘collaborative’ means 2 or more nonprofit entities that agree to act jointly as a qualified organization under this subtitle;

“(4) the term ‘disadvantaged entrepreneur’ means a microentrepreneur that is—

“(A) a low-income person;

“(B) a very low-income person; or

“(C) an entrepreneur that lacks adequate access to capital or other resources essential for business success, or is economically disadvantaged, as determined by the Administrator;

“(5) the term ‘Fund’ has the same meaning as in section 103;

“(6) the term ‘Indian tribe’ has the same meaning as in section 103;

“(7) the term ‘intermediary’ means a private, nonprofit entity that seeks to serve microenterprise development organizations and programs as authorized under section 175;

“(8) the term ‘low-income person’ has the same meaning as in section 103;

“(9) the term ‘microentrepreneur’ means the owner or developer of a microenterprise;

“(10) the term ‘microenterprise’ means a sole proprietorship, partnership, or corporation that—

“(A) has fewer than 5 employees; and

“(B) generally lacks access to conventional loans, equity, or other banking services;

“(11) the term ‘microenterprise development organization or program’ means a nonprofit entity, or a program administered by such an entity, including community development corporations or other nonprofit development organizations and social service organizations, that provides services to disadvantaged entrepreneurs or prospective entrepreneurs;

“(12) the term ‘training and technical assistance’ means services and support provided to disadvantaged entrepreneurs or prospective entrepreneurs, such as assistance for the purpose of enhancing business planning, marketing, management, financial management skills, and assistance for the purpose of accessing financial services; and

“(13) the term ‘very low-income person’ means having an income, adjusted for family size, of not more than 150 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by that section).

**“SEC. 173. ESTABLISHMENT OF PROGRAM.**

“The Administrator shall establish a microenterprise technical assistance and capacity building grant program to provide assistance from the Fund in the form of grants to qualified organizations in accordance with this subtitle.

**“SEC. 174. USES OF ASSISTANCE.**

“A qualified organization shall use grants made under this subtitle—

“(1) to provide training and technical assistance to disadvantaged entrepreneurs;

“(2) to provide training and capacity building services to microenterprise development organizations and programs and groups of such organizations to assist such organizations and programs in developing microenterprise training and services;

“(3) to aid in researching and developing the best practices in the field of microenterprise and technical assistance programs for disadvantaged entrepreneurs; and

“(4) for such other activities as the Administrator determines are consistent with the purposes of this subtitle.

**“SEC. 175. QUALIFIED ORGANIZATIONS.**

“For purposes of eligibility for assistance under this subtitle, a qualified organization shall be—

“(1) a nonprofit microenterprise development organization or program (or a group or collaborative thereof) that has a demonstrated record of delivering microenterprise services to disadvantaged entrepreneurs;

“(2) an intermediary;

“(3) a microenterprise development organization or program that is accountable to a local community, working in conjunction with a State or local government or Indian tribe; or

“(4) an Indian tribe acting on its own, if the Indian tribe can certify that no private organization or program referred to in this paragraph exists within its jurisdiction.

**“SEC. 176. ALLOCATION OF ASSISTANCE; SUBGRANTS.**

“(a) ALLOCATION OF ASSISTANCE.—

“(1) IN GENERAL.—The Administrator shall allocate assistance from the Fund under this subtitle to ensure that—

“(A) activities described in section 174(1) are funded using not less than 75 percent of amounts made available for such assistance; and

“(B) activities described in section 174(2) are funded using not less than 15 percent of amounts made available for such assistance.

“(2) LIMIT ON INDIVIDUAL ASSISTANCE.—No single organization or entity may receive more than 10 percent of the total funds appropriated under this subtitle in a single fiscal year.

“(b) TARGETED ASSISTANCE.—The Administrator shall ensure that not less than 50 percent of the grants made under this subtitle are used to benefit very low-income persons, including those residing on Indian reservations.

“(c) SUBGRANTS AUTHORIZED.—

“(1) IN GENERAL.—A qualified organization receiving assistance under this subtitle may provide grants using that assistance to qualified small and emerging microenterprise organizations and programs, subject to such rules and regulations as the Administrator determines to be appropriate.

“(2) LIMIT ON ADMINISTRATIVE EXPENSES.—Not more than 7.5 percent of assistance received by a qualified organization under this subtitle may be used for administrative expenses in connection with the making of subgrants under paragraph (1).

“(d) DIVERSITY.—In making grants under this subtitle, the Administrator shall ensure that grant recipients include both large and small microenterprise organizations, serving urban, rural, and Indian tribal communities and racially and ethnically diverse populations.

**“SEC. 177. MATCHING REQUIREMENTS.**

“(a) IN GENERAL.—Financial assistance under this subtitle shall be matched with funds from sources other than the Federal Government on the basis of not less than 50 percent of each dollar provided by the Fund.

“(b) SOURCES OF MATCHING FUNDS.—Fees, grants, gifts, funds from loan sources, and in-kind resources of a grant recipient from public or private sources may be used to comply with the matching requirement in subsection (a).

“(c) EXCEPTION.—

“(1) IN GENERAL.—In the case of an applicant for assistance under this subtitle with severe constraints on available sources of

matching funds, the Administrator may reduce or eliminate the matching requirements of subsection (a).

“(2) LIMITATION.—Not more than 10 percent of the total funds made available from the Fund in any fiscal year to carry out this subtitle may be excepted from the matching requirements of subsection (a), as authorized by paragraph (1) of this subsection.

**“SEC. 178. APPLICATIONS FOR ASSISTANCE.**

“An application for assistance under this subtitle shall be submitted in such form and in accordance with such procedures as the Fund shall establish.

**“SEC. 179. RECORDKEEPING.**

“The requirements of section 115 shall apply to a qualified organization receiving assistance from the Fund under this subtitle as if it were a community development financial institution receiving assistance from the Fund under subtitle A.

**“SEC. 180. AUTHORIZATION.**

“In addition to funds otherwise authorized to be appropriated to the Fund to carry out this title, there are authorized to be appropriated to the Fund to carry out this subtitle—

“(1) \$15,000,000 for fiscal year 2000;

“(2) \$15,000,000 for fiscal year 2001;

“(3) \$15,000,000 for fiscal year 2002; and

“(4) \$15,000,000 for fiscal year 2003.

**“SEC. 181. IMPLEMENTATION.**

“The Administrator shall, by regulation, establish such requirements as may be necessary to carry out this subtitle.”

(b) ADMINISTRATIVE EXPENSES.—Section 121(a)(2)(A) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4718(a)(2)(A)) is amended—

(1) by striking “\$5,550,000” and inserting “\$6,100,000”; and

(2) in the first sentence, by inserting before the period “, including costs and expenses associated with carrying out subtitle C”.

(c) CONFORMING AMENDMENTS.—Section 104(d) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4703(d)) is amended—

(1) in paragraph (2)—

(A) by striking “15” and inserting “17”; and

(B) in subparagraph (G)—

(i) by striking “9” and inserting “11”; and

(ii) by redesignating clauses (iv) and (v) as clauses (v) and (vi), respectively; and

(iii) by inserting after clause (iii) the following:

“(iv) 2 individuals who have expertise in microenterprises and microenterprise development;” and

(2) in paragraph (4), in the first sentence, by inserting before the period “and subtitle C”.

**SEC. 317. FEDERAL RESERVE AUDITS.**

(a) IN GENERAL.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 11A the following:

**“SEC. 11B. ANNUAL INDEPENDENT AUDITS OF FEDERAL RESERVE BANKS.**

“(a) AUDIT REQUIRED.—Each Federal reserve bank shall annually obtain an audit of the financial statements of each Federal reserve bank (which shall have been prepared in accordance with generally accepted accounting principles) using generally accepted auditing standards from an independent auditor that meets the requirements of subsection (b).

“(b) AUDITOR'S QUALIFICATIONS.—The independent auditor referred to in subsection (a) shall—

“(1) be a certified public accountant who is independent of the Federal Reserve System; and

“(2) meet any other qualifications that the Board may establish.

“(c) CERTIFICATION REQUIRED.—In each audit required under subsection (a), the auditor shall certify to the Federal reserve bank and to the Board that the auditor—

“(1) is a certified public accountant and is independent of the Federal Reserve System; and

“(2) conducted the audit using generally accepted auditing standards.

“(d) CERTIFICATION BY FEDERAL RESERVE BANK.—Not later than 30 days after the completion of each audit required under subsection (a), the Federal reserve bank shall provide to the Comptroller General of the United States—

“(1) a certification that—

“(A) the Federal reserve bank has obtained the audit required under subsection (a);

“(B) the Federal reserve bank has received the certifications of the auditor required under subsection (c); and

“(C) the audit fully complies with subsection (a).

“(e) DETECTION OF ILLEGAL ACTS.—

“(1) AUDIT PROCEDURES.—Each audit required by this section shall include procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material effect on the determination of financial statement amounts.

“(2) REPORTING POSSIBLE ILLEGALITIES.—If, in the course of conducting an audit required by this section, the independent auditor detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have an effect on the financial statements of the Federal reserve bank) has or may have occurred, the auditor—

“(A) shall determine whether it is likely that the illegal act has occurred; and

“(B) shall, if the auditor determines that the illegal act is likely to have occurred—

“(i) determine and consider the possible effect of the illegal act on the financial statements of the Federal reserve bank; and

“(ii) as soon as practicable, inform the Board that the illegal act is likely to have occurred.

“(3) REPORT TO CONGRESS.—The independent auditor under this section shall, as soon as practicable, directly report its conclusions to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives with regard to any possible illegal act that has been detected or has otherwise come to the attention of the auditor during the course of the audit required by this section, if, after determining that the Board is adequately informed with respect to such possible illegal act, the auditor concludes that—

“(A) the possible illegal act has a direct and material effect on the financial statements of the Federal reserve bank;

“(B) the Board has not taken timely and appropriate remedial actions with respect to the possible illegal act; and

“(C) the failure to take remedial action is reasonably expected to warrant departure from a standard report of the auditor when made, or warrant resignation from the audit engagement.

“(4) RESIGNATION OF AUDITOR.—If an independent auditor resigns from its engagement to audit a Federal reserve bank under paragraph (3), the auditor shall furnish to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, not

later than 1 business day after such resignation, a copy of the report of the auditor (or documentation of any oral report given).

“(f) RECORDKEEPING.—To facilitate compliance with this section, each Federal reserve bank shall—

“(1) ensure that the books, records, and accounts of the Federal reserve bank are maintained and kept in sufficient detail to accurately and fairly reflect the transactions and dispositions of the assets of the bank;

“(2) devise and maintain a system of internal controls sufficient to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets;

“(3) ensure that access to assets of the Federal reserve bank is permitted only in accordance with the general or specific authorization of the Board; and

“(4) ensure that—

“(A) the recorded accountability for assets is compared with the existing assets at reasonable intervals; and

“(B) appropriate action is taken with respect to any differences.

“(g) REPORTS TO BOARD, CONGRESS.—Not later than April 30 of each year, each Federal reserve bank shall submit a copy of each audit conducted under this section to the Board, and to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.

**“SEC. 11C. INDEPENDENT AUDITS OF FEDERAL RESERVE SYSTEM AND FEDERAL RESERVE BOARD.**

“(a) AUDIT OF RESERVE SYSTEM.—The Board shall annually obtain an audit of the consolidated financial statements of the Federal Reserve System (which shall have been prepared in accordance with generally accepted accounting principles) from an independent auditor, using generally accepted auditing standards, based on reports of audits of Federal reserve banks submitted to the Board under section 11B(g) and the audit of the Board under subsection (b) of this section.

“(b) AUDIT OF BOARD.—

“(1) IN GENERAL.—The Board shall annually obtain an audit of the financial statements of the Board (which shall have been prepared in accordance with generally accepted accounting principles) from an independent auditor, using generally accepted auditing standards.

“(2) PRICED SERVICES AUDIT.—

“(A) IN GENERAL.—As part of each audit of the Board required by this subsection, the auditor shall—

“(i) audit the calculation of the private sector adjustment factor established by the Board pursuant to section 11A(c)(3) for the year that is the subject of the audit; and

“(ii) audit the pro forma balance sheet and income statement for the services described in section 11A(b), including the determination of revenue, expenses, and income before income taxes for each service listed in that section (in accordance with the criteria specified in section 11A(c)(3)).

“(B) REPORT TO THE BOARD.—The auditor shall report the results of the audit under subparagraph (A)(ii) to the Board in written form.

“(3) LIMITATION.—The evaluations and audits required by this subsection shall not include deliberations, decisions, or actions on monetary policy matters, including discount authority under section 13, reserves of national banks, securities credit, interest on deposits, and open market operations.

“(c) AUDITOR'S QUALIFICATIONS.—An independent auditor referred to in this section shall—

“(1) be a certified public accountant and be independent of the Federal Reserve System; and

“(2) meet any other qualifications that the Board may establish.

“(d) CERTIFICATION REQUIRED.—In each audit required under this section, the auditor shall certify to the Board that the auditor—

“(1) is a certified public accountant and is independent of the Federal Reserve System; and

“(2) conducted the audit using generally accepted auditing standards.

“(e) DETECTION OF ILLEGAL ACTS.—

“(1) AUDIT PROCEDURES.—Each audit required by this section shall include procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material effect on the determination of financial statement amounts.

“(2) REPORTING POSSIBLE ILLEGALITIES.—If, in the course of conducting an audit of the Federal Reserve System or the Board as required by this section, the independent auditor detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have an effect on the financial statements of the Federal reserve bank) has or may have occurred, the auditor—

“(A) shall determine whether it is likely that the illegal act has occurred; and

“(B) shall, if the auditor determines that the illegal act is likely to have occurred—

“(i) determine and consider the possible effect of the illegal act on the financial statements of the Federal Reserve System or the Board, as applicable; and

“(ii) as soon as practicable, inform the Board that the illegal act is likely to have occurred.

“(3) REPORT TO CONGRESS.—An independent auditor under this section shall directly report, as soon as practicable, its conclusions to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, with regard to any possible illegal act that has been detected or has otherwise come to the attention of the auditor during the course of an audit of the Federal Reserve System or the Board required by this section, if, after determining that the Board is adequately informed with respect to such possible illegal act, the auditor concludes that—

“(A) the possible illegal act has a direct and material effect on the financial statements of the Federal Reserve System or the Board, as applicable;

“(B) the Board has not taken timely and appropriate remedial actions with respect to the possible illegal act; and

“(C) the failure to take remedial action is reasonably expected to warrant departure from a standard report of the auditor when made, or warrant resignation from the audits engagement.

“(4) RESIGNATION OF AUDITOR.—If an independent auditor resigns from its engagement to audit the Federal Reserve System or the Board under paragraph (3), the auditor shall furnish to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, not later than 1 business day after such resignation, a copy of the report of the auditor (or documentation of any oral report given).

“(f) RECORDKEEPING.—To facilitate compliance with this section, the Board shall—

“(1) ensure that the books, records, and accounts of the Board are maintained and kept in sufficient detail to accurately and fairly reflect the transactions and dispositions of assets;

“(2) devise and maintain a system of internal controls sufficient to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets;

“(3) ensure that access to assets of the Board is permitted only in accordance with general or specific authorization of the Board; and

“(4) ensure that—

“(A) the recorded accountability for assets is compared with the existing assets at reasonable intervals; and

“(B) appropriate action is taken with respect to any differences.

“(g) REPORTS TO CONGRESS.—Not later than May 31 of each year, the Board shall make available all audits and reports required by this section to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.”

(b) FEDERAL RESERVE REQUIREMENTS.—

(1) CLARIFICATION OF FEE SCHEDULE REQUIREMENTS.—

(A) IN GENERAL.—Section 11A(b) of the Federal Reserve Act (12 U.S.C. 248a(b)) is amended—

(i) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

(ii) by inserting after paragraph (6) the following:

“(7) transportation of paper checks in the clearing process;”

(B) PUBLICATION OF REVISED SCHEDULE.—Not later than 60 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish a revision of the schedule of fees required under section 11A of the Federal Reserve Act that reflects the changes made in the schedule in accordance with the amendments made by subparagraph (A) of this paragraph.

(2) CLARIFICATION OF APPLICABLE PRICING CRITERIA.—Section 11A(c) of the Federal Reserve Act (12 U.S.C. 248a(c)) is amended by striking paragraph (3) and inserting the following:

“(3)(A) In each fiscal year, fees shall be established for each service provided by the Federal reserve banks on the basis of all direct and indirect costs actually incurred (excluding the effect of any pension cost credit) in providing each of the services, including interest on items credited prior to actual collection, overhead, and an allocation of imputed costs, which takes into account the taxes that would have been paid and the return on capital that would have been provided had the services been provided by a private business firm.

“(B) The pricing principles referred to in subparagraph (A) shall be carried out with due regard to competitive factors and the provision of an adequate level of such services nationwide.

“(C)(i) Not later than 1 year after the date of enactment of the Financial Services Modernization Act of 1999, and not less frequently than once every 3 years thereafter, the Board shall conduct a comprehensive review of the methodology used to calculate the private sector adjustment factor pursuant to section 11A(c)(3), including a public notice and comment period.

“(ii) In conducting the review under clause (i), the Board shall publish in the Federal



Register all elements of the methodology in use by the Board in the calculation of the private sector adjustment factor pursuant to section 11A(c)(3) provide notice and solicit public comment on the methodology, requesting commentators to identify areas of the methodology that are outdated, inappropriate, unnecessary, or that contribute to an inaccurate result in the calculation of the private sector adjustment factor.

“(iii) The Board shall—

“(I) publish in the Federal Register a summary of the comments received under this subparagraph, identifying significant issues raised; and

“(II) provide comment on such issues and make changes to the methodology to the extent that the Board considers to be appropriate.

“(iv) Not later than 30 days after the completion of each review under clause (i), the Board shall submit to Congress a report which shall include—

“(I) a summary of any significant issues raised by public comments received by the Board under this subparagraph and the relative merits of such issues; and

“(II) an analysis of whether the Board is able to address the concerns raised, or whether such concerns should be addressed by legislation.”.

#### **SEC. 318. STUDY AND REPORT ON ADVERTISING PRACTICES OF ONLINE BROKERAGE SERVICES.**

(a) **STUDY.**—The Securities and Exchange Commission (hereafter in this section referred to as the “Commission”), in consultation with the National Association of Securities Dealers and other interested parties, shall conduct a study of—

(1) the nature and content of advertising by online brokerage services in all media, including television, on the Internet, radio, and in print;

(2) if such advertising influences investors and potential investors to make investment decisions, and if such advertising improperly influences those investors and potential investors to make inappropriate investment decisions;

(3) whether such advertising properly discloses the risks associated with trading and investing in the capital markets; and

(4) whether—

(A) there are appropriate regulatory mechanisms in place to prevent any improper or deceptive advertising; and

(B) the Commission has or needs additional resources or authority to actively participate in such regulation.

(b) **REPORT.**—Not later than 180 days after the date of enactment of this Act, the Commission shall submit a report to the Congress on the results of the study conducted under subsection (a), together with any recommendations for changes that it considers necessary to protect investors and potential investors from improper or deceptive advertising.

#### **SEC. 319. ELIGIBILITY OF COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION TO BORROW FROM THE FEDERAL HOME LOAN BANK SYSTEM.**

Section 10b of the Federal Home Loan Bank Act (12 U.S.C. 1430b) is amended—

(1) in subsection (a) by striking the second sentence and inserting the following two sentences: “Such mortgagees must be (i) chartered institutions having succession and (ii) subject to the inspection and supervision of some governmental agency or a community development financial institution (other than an insured depository institution or a subsidiary thereof) that, at the time the advance is made, is certified under the Commu-

nity Development Banking and Financial Institutions Act of 1994. The principal activity of such mortgagees in the mortgage field must consist of lending their own funds and any advances may be subject to the same collateralization requirements as applied to other nonmember borrowers.”;

(2) in the last sentence of subsection (a) by replacing the word “such” with “the same” and by replacing the phrase “shall be determined by the board” with the phrase “are comparable extensions of credit to members”; and

(3) in subsection (b) by inserting in the first sentence between the words “agency” and “for” the following phrase: “or a certified community development financial institution”.

### **TITLE IV—FEDERAL HOME LOAN BANK SYSTEM MODERNIZATION**

#### **SEC. 401. SHORT TITLE.**

This title may be cited as the “Federal Home Loan Bank System Modernization Act of 1999”.

#### **SEC. 402. DEFINITIONS.**

Section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422) is amended—

(1) in paragraph (1), by striking “term ‘Board’ means” and inserting “terms ‘Finance Board’ and ‘Board’ mean”; and

(2) by striking paragraph (3) and inserting the following:

“(3) **STATE.**—The term ‘State’, in addition to the States of the United States, includes the District of Columbia, Guam, Puerto Rico, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.”; and

(3) by adding at the end the following new paragraph:

“(13) **COMMUNITY FINANCIAL INSTITUTION.**—“(A) **IN GENERAL.**—The term ‘community financial institution’ means a member—

“(i) the deposits of which are insured under the Federal Deposit Insurance Act; and

“(ii) that has, as of the date of the transaction at issue, less than \$500,000,000 in average total assets, based on an average of total assets over the 3 years preceding that date.

“(B) **ADJUSTMENTS.**—The \$500,000,000 limit referred to in subparagraph (A)(ii) shall be adjusted annually by the Finance Board, based on the annual percentage increase, if any, in the Consumer Price Index for all urban consumers, as published by the Department of Labor.”.

#### **SEC. 403. SAVINGS ASSOCIATION MEMBERSHIP.**

(a) **FEDERAL HOME LOAN BANK MEMBERSHIP.**—Section 5(f) of the Home Owners’ Loan Act (12 U.S.C. 1464(f)) is amended to read as follows:

“(f) **FEDERAL HOME LOAN BANK MEMBERSHIP.**—On and after June 1, 2000, a Federal savings association may become a member of the Federal Home Loan Bank System, and shall qualify for such membership in the manner provided by the Federal Home Loan Bank Act.”.

(b) **WITHDRAWAL.**—Section 6(e) of the Federal Home Loan Bank Act (12 U.S.C. 1426(e)) is amended by striking “Any member other than a Federal savings and loan association may withdraw” and inserting “Any member may withdraw if, on the date of withdrawal there is in effect a certification by the Finance Board that the withdrawal will not cause the Federal Home Loan Bank System to fail to meet its obligation under section 21B(f)(2)(C) to contribute to the debt service for the obligations issued by the Resolution Funding Corporation”.

#### **SEC. 404. ADVANCES TO MEMBERS; COLLATERAL.**

(a) **IN GENERAL.**—Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and indenting appropriately;

(2) by striking “(a) Each” and inserting the following:

“(a) **IN GENERAL.**—

“(1) **ALL ADVANCES.**—Each”; and

(3) by striking the second sentence and inserting the following:

“(2) **PURPOSES OF ADVANCES.**—A long-term advance may only be made for the purposes of—

“(A) providing funds to any member for residential housing finance; and

“(B) providing funds to any community financial institution for small businesses, small farms, and small agribusinesses.”;

(4) by striking “A Bank” and inserting the following:

“(3) **COLLATERAL.**—A Bank”;

(5) in paragraph (3) (as so designated by paragraph (4) of this subsection)—

(A) in subparagraph (C) (as so redesignated by paragraph (1) of this subsection) by striking “Deposits” and inserting “Cash or deposits”; and

(B) in subparagraph (D) (as so redesignated by paragraph (1) of this subsection), by striking the second sentence; and

(C) by inserting after subparagraph (D) (as so redesignated by paragraph (1) of this subsection) the following new subparagraph:

“(E) Secured loans for small business, agriculture, or securities representing a whole interest in such secured loans, in the case of any community financial institution.”;

(6) in paragraph (5)—

(A) in the second sentence, by striking “and the Board”; and

(B) in the third sentence, by striking “Board” and inserting “Federal Home Loan Bank”; and

(C) by striking “(5) Paragraphs (1) through (4)” and inserting the following:

“(4) **ADDITIONAL BANK AUTHORITY.**—Subparagraphs (A) through (E) of paragraph (3)”; and

(7) by adding at the end the following:

“(5) **REVIEW OF CERTAIN COLLATERAL STANDARDS.**—The Board may review the collateral standards applicable to each Federal Home Loan Bank for the classes of collateral described in subparagraphs (D) and (E) of paragraph (3), and may, if necessary for safety and soundness purposes, require an increase in the collateral standards for any or all of those classes of collateral.

“(6) **DEFINITIONS.**—For purposes of this subsection, the terms ‘small business’, ‘agriculture’, ‘small farm’, and ‘small agribusiness’ shall have the meanings given those terms by rule or regulation of the Finance Board.”.

(b) **CLERICAL AMENDMENT.**—The section heading for section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended to read as follows:

“**SEC. 10. ADVANCES TO MEMBERS.**”.

#### **SEC. 405. ELIGIBILITY CRITERIA.**

Section 4(a) of the Federal Home Loan Bank Act (12 U.S.C. 1424(a)) is amended—

(1) in paragraph (2)(A), by inserting, “(other than a community financial institution)” after “institution”; and

(2) in the matter immediately following paragraph (2)(C)—

(A) by striking “An insured” and inserting the following:

“(3) **CERTAIN INSTITUTIONS.**—An insured”; and

(B) by striking "preceding sentence" and inserting "paragraph (2)"; and

(3) by adding at the end the following new paragraph:

"(4) LIMITED EXEMPTION FOR COMMUNITY FINANCIAL INSTITUTIONS.—A community financial institution that otherwise meets the requirements of paragraph (2) may become a member without regard to the percentage of its total assets that is represented by residential mortgage loans, as described in subparagraph (A) of paragraph (2)."

#### SEC. 406. MANAGEMENT OF BANKS.

(a) BOARD OF DIRECTORS.—Section 7(d) of the Federal Home Loan Bank Act (12 U.S.C. 1427(d)) is amended—

(1) by striking "(d) The term" and inserting the following:

"(d) TERMS OF OFFICE.—The term"; and

(2) by striking "shall be two years".

(b) COMPENSATION.—Section 7(i) of the Federal Home Loan Bank Act (12 U.S.C. 1427(i)) is amended by striking "subject to the approval of the board".

(c) REPEAL OF SECTIONS 22A AND 27.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by striking sections 22A (12 U.S.C. 1442a) and 27 (12 U.S.C. 1447).

(d) SECTION 12.—Section 12 of the Federal Home Loan Bank Act (12 U.S.C. 1432) is amended—

(1) in subsection (a)—

(A) by striking " , but, except" and all that follows through "ten years";

(B) by striking "subject to the approval of the Board" each place that term appears;

(C) by striking "and, by its Board of directors," and all that follows through "agent of such bank," and inserting "and, by the board of directors of the Bank, to prescribe, amend, and repeal by-laws governing the manner in which its affairs may be administered, consistent with applicable laws and regulations, as administered by the Finance Board. No officer, employee, attorney, or agent of a Federal Home Loan Bank"; and

(D) by striking "Board of directors" each place that term appears and inserting "board of directors"; and

(2) in subsection (b), by striking "loans banks" and inserting "loan banks".

(e) POWERS AND DUTIES OF FEDERAL HOUSING FINANCE BOARD.—

(1) ISSUANCE OF NOTICES OF VIOLATIONS.—Section 2B(a) of the Federal Home Loan Bank Act (12 U.S.C. 1422b(a)) is amended by adding at the end the following new paragraphs:

"(5) To issue and serve a notice of charges upon a Federal Home Loan Bank or upon any executive officer or director of a Federal Home Loan Bank if, in the determination of the Finance Board, the Bank, executive officer, or director is engaging or has engaged in, or the Finance Board has reasonable cause to believe that the Bank, executive officer, or director is about to engage in, any conduct that violates any provision of this Act or any law, order, rule, or regulation or any condition imposed in writing by the Finance Board in connection with the granting of any application or other request by the Bank, or any written agreement entered into by the Bank with the agency, in accordance with the procedures provided in section 1371(c) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. Such authority includes the same authority to take affirmative action to correct conditions resulting from violations or practices or to limit activities of a Bank or any executive officer or director of a Bank as appropriate Federal banking agencies have to take with respect to insured depository institu-

tions under paragraphs (6) and (7) of section 8(b) of the Federal Deposit Insurance Act, and to have all other powers, rights, and duties to enforce this Act with respect to the Federal Home Loan Banks and their executive officers and directors as the Office of Federal Housing Enterprise Oversight has to enforce the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, the Federal National Mortgage Association Charter Act, or the Federal Home Loan Mortgage Corporation Act with respect to the Federal housing enterprises under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

"(6) To sue and be sued, by and through its own attorneys."

(2) TECHNICAL AMENDMENT.—Section 111 of Public Law 93-495 (12 U.S.C. 250) is amended by inserting "Federal Housing Finance Board," after "Director of the Office of Thrift Supervision,".

(f) ELIGIBILITY TO SECURE ADVANCES.—

(1) SECTION 9.—Section 9 of the Federal Home Loan Bank Act (12 U.S.C. 1429) is amended—

(A) in the second sentence, by striking "with the approval of the Board"; and

(B) in the third sentence, by striking " , subject to the approval of the Board,".

(2) SECTION 10.—Section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended—

(A) in subsection (c)—

(i) in the first sentence, by striking "Board" and inserting "Federal Home Loan Bank"; and

(ii) in the second sentence, by striking "held by" and all that follows before the period; and

(B) in subsection (d)—

(i) in the first sentence, by striking "and the approval of the Board"; and

(ii) by striking "Subject to the approval of the Board, any" and inserting "Any".

(g) SECTION 16.—Section 16(a) of the Federal Home Loan Bank Act (12 U.S.C. 1436(a)) is amended—

(1) in the third sentence—

(A) by striking "net earnings" and inserting "previously retained earnings or current net earnings"; and

(B) by striking " , and then only with the approval of the Federal Housing Finance Board"; and

(2) by striking the fourth sentence.

(h) SECTION 18.—Section 18(b) of the Federal Home Loan Bank Act (12 U.S.C. 1438(b)) is amended by striking paragraph (4).

#### SEC. 407. RESOLUTION FUNDING CORPORATION.

(a) IN GENERAL.—Section 21B(f)(2)(C) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(f)(2)(C)) is amended to read as follows:

"(C) PAYMENTS BY FEDERAL HOME LOAN BANKS.—

"(i) IN GENERAL.—To the extent that the amounts available pursuant to subparagraphs (A) and (B) are insufficient to cover the amount of interest payments, each Federal Home Loan Bank shall pay to the Funding Corporation in each calendar year, 20.75 percent of the net earnings of that Bank (after deducting expenses relating to section 10(j) and operating expenses).

"(ii) ANNUAL DETERMINATION.—The Board annually shall determine the extent to which the value of the aggregate amounts paid by the Federal Home Loan Banks exceeds or falls short of the value of an annuity of \$300,000,000 per year that commences on the issuance date and ends on the final scheduled maturity date of the obligations, and shall select appropriate present value factors for making such determinations.

"(iii) PAYMENT TERM ALTERATIONS.—The Board shall extend or shorten the term of the payment obligations of a Federal Home Loan Bank under this subparagraph as necessary to ensure that the value of all payments made by the Banks is equivalent to the value of an annuity referred to in clause (ii).

"(iv) TERM BEYOND MATURITY.—If the Board extends the term of payment obligations beyond the final scheduled maturity date for the obligations, each Federal Home Loan Bank shall continue to pay 20.75 percent of its net earnings (after deducting expenses relating to section 10(j) and operating expenses) to the Treasury of the United States until the value of all such payments by the Federal Home Loan Banks is equivalent to the value of an annuity referred to in clause (ii). In the final year in which the Federal Home Loan Banks are required to make any payment to the Treasury under this subparagraph, if the dollar amount represented by 20.75 percent of the net earnings of the Federal Home Loan Banks exceeds the remaining obligation of the Banks to the Treasury, the Finance Board shall reduce the percentage pro rata to a level sufficient to pay the remaining obligation."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on June 1, 2000. Payments made by a Federal Home Loan Bank before that effective date shall be counted toward the total obligation of that Bank under section 21B(f)(2)(C) of the Federal Home Loan Bank Act, as amended by this section.

#### SEC. 408. GAO STUDY ON FEDERAL HOME LOAN BANK SYSTEM CAPITAL.

(a) STUDY.—The Comptroller General of the United States shall conduct a study of—

(1) possible revisions to the capital structure of the Federal Home Loan Bank System, including the need for—

(A) more permanent capital;

(B) a statutory leverage ratio; and

(C) a risk-based capital structure; and

(2) what impact such revisions might have on the operations of the Federal Home Loan Bank System, including the obligation of the Federal Home Loan Bank System under section 21B(f)(2)(C) of the Federal Home Loan Bank Act.

(b) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Congress on the results of the study conducted under subsection (a).

#### TITLE V—FUNCTIONAL REGULATION OF BROKERS AND DEALERS

##### SEC. 501. DEFINITION OF BROKER.

(a) It is the intention of this Act subject to carefully defined exceptions which do not undermine the dominant principle of functional regulation to ensure that securities transactions effected by a bank are regulated by securities regulators, notwithstanding any other provision of this Act.

(b) Section 3(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4)) is amended to read as follows:

"(4) BROKER.—

"(A) IN GENERAL.—The term 'broker' means any person engaged in the business of effecting transactions in securities for the account of others.

"(B) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a broker because the bank engages in any of the following activities under the conditions described:

"(i) THIRD PARTY BROKERAGE ARRANGEMENTS.—The bank enters into a contractual

or other arrangement with a broker or dealer registered under this title under which the broker or dealer offers brokerage services on or off the premises of the bank, if—

“(I) such broker or dealer is clearly identified as the person performing the brokerage services;

“(II) the broker or dealer performs brokerage services in an area of the bank that is clearly marked and, to the extent practicable, physically separate from the routine deposit-taking activities of the bank;

“(III) any materials used by the bank to advertise or promote generally the availability of brokerage services under the contractual or other arrangement clearly indicate that the brokerage services are being provided by the broker or dealer and not by the bank;

“(IV) any materials used by the bank to advertise or promote generally the availability of brokerage services under the contractual or other arrangement are in compliance with the Federal securities laws before distribution;

“(V) bank employees (other than associated persons of a broker or dealer who are qualified pursuant to the rules of a self-regulatory organization) perform only clerical or ministerial functions in connection with brokerage transactions including scheduling appointments with the associated persons of a broker or dealer, except that bank employees may forward customer funds or securities and may describe in general terms the range of investment vehicles available from the bank and the broker or dealer under the contractual or other arrangement;

“(VI) bank employees do not directly receive incentive compensation for any brokerage transaction, unless such employees are associated persons of a broker or dealer and are qualified pursuant to the rules of a self-regulatory organization, except that the bank employees may receive compensation for the referral of any customer if the compensation is a nominal one-time cash fee of a fixed dollar amount and the payment of the fee is not contingent on whether the referral results in a transaction;

“(VII) such services are provided by the broker or dealer on a basis in which all customers that receive any services are fully disclosed to the broker or dealer;

“(VIII) the bank does not carry a securities account of the customer, except in a customary custodian or trustee capacity; and

“(IX) the bank, broker, or dealer informs each customer that the brokerage services are provided by the broker or dealer and not by the bank, and that the securities are not deposits or other obligations of the bank, are not guaranteed by the bank, and are not insured by the Federal Deposit Insurance Corporation.

“(ii) TRUST ACTIVITIES.—The bank effects transactions in a trustee capacity, or effects transactions in a fiduciary capacity in its trust department or other department that is regularly examined by bank examiners for compliance with fiduciary principles and standards, and does not publicly solicit brokerage business, other than by advertising that it effects transactions in securities in conjunction with advertising its other trust activities.

“(iii) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank effects transactions in—

“(I) commercial paper, bankers acceptances, or commercial bills;

“(II) exempted securities;

“(III) qualified Canadian Government obligations, as defined in section 5136 of the Revised Statutes of the United States, in con-

formity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

“(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

“(iv) CERTAIN STOCK PURCHASE PLANS.—

“(I) EMPLOYEE BENEFIT PLANS.—The bank effects transactions, as part of its transfer agency activities, in the securities of an issuer as part of any pension, retirement, profit-sharing, bonus, thrift, savings, incentive, or other similar benefit plan for the employees of that issuer or its subsidiaries, if the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan.

“(II) DIVIDEND REINVESTMENT PLANS.—The bank effects transactions, as part of its transfer agency activities, in the securities of an issuer as part of that issuer's dividend reinvestment plan, if—

“(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan; and

“(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission.

“(III) ISSUER PLANS.—The bank effects transactions, as part of its transfer agency activities, in the securities of an issuer as part of a plan or program for the purchase or sale of that issuer's shares, if—

“(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan or program; and

“(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission.

“(IV) PERMISSIBLE DELIVERY OF MATERIALS.—The exception to being considered a broker for a bank engaged in activities described in subclauses (I), (II), and (III) will not be affected by delivery of written or electronic plan materials by a bank to employees of the issuer, shareholders of the issuer, or members of affinity groups of the issuer, so long as such materials are—

“(aa) comparable in scope or nature to that permitted by the Commission as of the date of the enactment of the Financial Services Modernization Act of 1999; or

“(bb) otherwise permitted by the Commission.

“(v) SWEEP ACCOUNTS.—The bank effects transactions as part of a program for the investment or reinvestment of bank deposit funds into any no-load, open-end management investment company registered under the Investment Company Act of 1940 that holds itself out as a money market fund.

“(vi) AFFILIATE TRANSACTIONS.—The bank effects transactions for the account of any affiliate of the bank (as defined in section 2 of the Bank Holding Company Act of 1956) other than—

“(I) a registered broker or dealer; or

“(II) an affiliate that is engaged in merchant banking, as described in section 4(k)(4)(H) of the Bank Holding Company Act of 1956.

“(vii) PRIVATE SECURITIES OFFERINGS.—The bank effects sales as part of a primary offering of securities not involving a public offering, pursuant to section 3(b), 4(2), or 4(6) of

the Securities Act of 1933, or the rules and regulations issued thereunder.

“(viii) SAFEKEEPING AND CUSTODY ACTIVITIES.—

“(I) IN GENERAL.—The bank, as part of customary banking activities—

“(aa) provides safekeeping or custody services with respect to securities, including the exercise of warrants and other rights on behalf of customers;

“(bb) facilitates the transfer of funds or securities, as a custodian or a clearing agency, in connection with the clearance and settlement of its customers' transactions in securities;

“(cc) effects securities lending or borrowing transactions with or on behalf of customers as part of services provided to customers pursuant to division (aa) or (bb) or invests cash collateral pledged in connection with such transactions; or

“(dd) holds securities pledged by a customer to another person or securities subject to purchase or resale agreements involving a customer, or facilitates the pledging or transfer of such securities by book entry or as otherwise provided under applicable law.

“(II) EXCEPTION FOR CARRYING BROKER ACTIVITIES.—The exception to being considered a broker for a bank engaged in activities described in subclause (I) shall not apply if the bank, in connection with such activities, acts in the United States as a carrying broker (as such term, and different formulations thereof, are used in section 15(c)(3) and the rules and regulations thereunder) for any broker or dealer, unless such carrying broker activities are engaged in with respect to government securities (as defined in paragraph (42) of this subsection).

“(ix) BANKING PRODUCTS.—The bank effects transactions in traditional banking products, as defined in section 503(a) of the Financial Services Modernization Act of 1999.

“(x) DE MINIMIS EXCEPTION.—The bank effects, other than in transactions referred to in clauses (i) through (ix), not more than 500 transactions in securities in any calendar year, and such transactions are not effected by an employee of the bank who is also an employee of a broker or dealer.

“(C) EXECUTION BY BROKER OR DEALER.—The exception to being considered a broker for a bank engaged in activities described in clauses (ii), (iv), and (viii) of subparagraph (B) shall not apply if the activities described in such provisions result in the trade in the United States of any security that is a publicly traded security in the United States, unless—

“(i) the bank directs such trade to a registered broker or dealer for execution;

“(ii) the trade is a cross trade or other substantially similar trade of a security that—

“(I) is made by the bank or between the bank and an affiliated fiduciary; and

“(II) is not in contravention of fiduciary principles established under applicable Federal or State law; or

“(iii) the trade is conducted in some other manner permitted under such rules, regulations, or orders as the Commission may prescribe or issue.

“(D) NO EFFECT OF BANK EXEMPTIONS ON OTHER COMMISSION AUTHORITY.—The exception to being considered a broker for a bank engaged in activities described in subparagraphs (B) and (C) shall not affect the authority of the Commission under any other provision of this title or any other securities law.

“(E) FIDUCIARY CAPACITY.—For purposes of subparagraph (B)(ii) of this paragraph and paragraph (5)(C), the term ‘fiduciary capacity’ means—

“(i) in the capacity as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, or custodian, either under a uniform gift to minor act or for an individual retirement account, or as an investment adviser if the bank receives a fee for its investment advice or services, or as a service provider to any pension, retirement, profit sharing, bonus, thrift, savings, incentive, or other similar benefit plan;

“(ii) in any capacity in which the bank possesses investment discretion on behalf of another; or

“(iii) in any other similar capacity.

“(F) EXCEPTION FOR ENTITIES SUBJECT TO SECTION 15(e).—The term ‘broker’ does not include a bank that—

“(i) was, on the day before the date of enactment of the Financial Services Modernization Act of 1999, subject to section 15(e); and

“(ii) is subject to such restrictions and requirements as the Commission considers appropriate.”.

#### SEC. 502. DEFINITION OF DEALER.

Section 3(a)(5) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(5)) is amended to read as follows:

“(5) DEALER.—

“(A) IN GENERAL.—The term ‘dealer’ means any person engaged in the business of buying and selling securities for such person’s own account through a broker or otherwise.

“(B) EXCEPTION FOR PERSON NOT ENGAGED IN THE BUSINESS OF DEALING.—The term ‘dealer’ does not include a person that buys or sells securities for such person’s own account, either individually or in a fiduciary capacity, but not as a part of a regular business.

“(C) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a dealer because the bank engages in any of the following activities under the conditions described:

“(i) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank buys or sells—

“(I) commercial paper, bankers acceptances, or commercial bills;

“(II) exempted securities;

“(III) qualified Canadian government obligations as defined in section 5136 of the Revised Statutes of the United States, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

“(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

“(ii) INVESTMENT, TRUSTEE, AND FIDUCIARY TRANSACTIONS.—The bank buys or sells securities for investment purposes—

“(I) for the bank; or

“(II) for accounts for which the bank acts in a trustee capacity or fiduciary capacity.

“(iii) ASSET-BACKED TRANSACTIONS.—The bank engages in the issuance or sale to qualified investors, through a grantor trust or otherwise, of securities backed by or representing an interest in notes, drafts, acceptances, loans, leases, receivables, other obligations, or pools of any such obligations predominantly originated by the bank, or a syndicate of banks of which the bank is a member, or an affiliate of any such bank other than a broker or dealer.

“(iv) BANKING PRODUCTS.—The bank buys or sells traditional banking products, as defined in section 503(a) of the Financial Services Modernization Act of 1999.”.

#### SEC. 503. DEFINITION AND TREATMENT OF BANKING PRODUCTS.

(a) DEFINITION OF TRADITIONAL BANKING PRODUCT.—For purposes of this title and paragraphs (4) and (5) of section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4), (5)), as amended by this title, the term “traditional banking product” means—

(1) a deposit account, savings account, certificate of deposit, or other deposit instrument issued by a bank;

(2) a banker’s acceptance;

(3) a letter of credit issued or loan made by a bank;

(4) a debit account at a bank arising from a credit card or similar arrangement;

(5) a participation in a loan which the bank or an affiliate of the bank (other than a broker or dealer) funds, participates in, or owns that is sold—

(A) to qualified investors; or

(B) to other persons that—

(i) have the opportunity to review and assess any material information, including information regarding the borrower’s creditworthiness; and

(ii) based on such factors as financial sophistication, net worth, and knowledge and experience in financial matters, have the capability to evaluate the information available, as determined under generally applicable banking standards or guidelines; and

(6) any swap agreement (as defined in section 11(e)(8)(D)(vi) of the Federal Deposit Insurance Act), including credit swaps and equity swaps, unless the appropriate Federal banking agency determines that credit swaps and equity swaps shall not be included in the definition of such term.

(b) TRANSACTIONS INVOLVING HYBRID PRODUCTS.—

(1) COMMISSION AUTHORITY.—The Commission may, with the concurrence of the Board, determine, by regulation published in the Federal Register, that a bank that effects transactions in, or buys or sells, a new product should be subject to the registration requirements of this section.

(2) LIMITATION.—The Commission may not impose the registration requirements of this section on any bank that effects transactions in, or buys or sells, a product under this subsection unless the Commission, with the concurrence of the Board, determines in the regulations described in paragraph (1) that—

(A) the subject product is a new product;

(B) the subject product is a security; and

(C) imposing the registration requirements of this section is necessary or appropriate in the public interest and for the protection of investors.

(c) CLASSIFICATION LIMITED.—Classification of a particular product or instrument as a traditional banking product pursuant to this section shall not be construed as finding or implying that such product or instrument is or is not a security for any purpose under the securities laws, or is or is not an account, agreement, contract, or transaction for any purpose under the Commodity Exchange Act.

(d) NO LIMITATION ON OTHER AUTHORITY TO CHALLENGE.—Nothing in this section shall affect the right or authority of the Board, any appropriate Federal banking agency, or any interested party under any other provision of law to object to or seek judicial review as to whether a product or instrument is or is not appropriately classified as a traditional banking product under subsection (a).

(e) OTHER DEFINITIONS.—For purposes of this section—

(1) the term “appropriate Federal banking agency” has the same meaning as in section 3 of the Federal Deposit Insurance Act;

(2) the term “bank” has the same meaning as in section 3(a)(6) of the Securities Exchange Act of 1934;

(3) the term “Board” means the Board of Governors of the Federal Reserve System;

(4) the term “Commission” means the Securities and Exchange Commission;

(5) the term “government securities” has the same meaning as in section 3(a)(42) of the Securities Exchange Act of 1934, and, for purposes of this subsection, commercial paper, bankers acceptances, and commercial bills shall be treated in the same manner as government securities;

(6) the term “new product” means a product or instrument offered or provided by a bank that—

(i) was not subject to regulation by the Commission as a security under the Federal securities laws before the date of enactment of this Act; and

(ii) is not a traditional banking product; and

(7) the term “qualified investor” has the same meaning as in section 3(a)(54) of the Securities Exchange Act of 1934, as added by this title.

#### SEC. 504. QUALIFIED INVESTOR DEFINED.

Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended by adding at the end the following new paragraphs:

“(54) QUALIFIED INVESTOR.—

“(A) DEFINITION.—The term ‘qualified investor’ means—

“(i) any investment company registered with the Commission under section 8 of the Investment Company Act of 1940;

“(ii) any issuer eligible for an exclusion from the definition of ‘investment company’ pursuant to section 3(c)(7) of the Investment Company Act of 1940;

“(iii) any bank (as defined in paragraph (6)), savings association (as defined in section 3(b) of the Federal Deposit Insurance Act), broker, dealer, insurance company (as defined in section 2(a)(13) of the Securities Act of 1933), or business development company (as defined in section 2(a)(48) of the Investment Company Act of 1940);

“(iv) any small business investment company licensed by the Small Business Administration under subsection (c) or (d) of section 301 of the Small Business Investment Act of 1958;

“(v) any State sponsored employee benefit plan, or any other employee benefit plan, within the meaning of the Employee Retirement Income Security Act of 1974, other than an individual retirement account, if the investment decisions are made by a plan fiduciary, as defined in section 3(21) of that Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser;

“(vi) any trust whose purchases of securities are directed by a person described in clauses (i) through (v) of this subparagraph;

“(vii) any market intermediary that is exempt under section 3(c)(2) of the Investment Company Act of 1940;

“(viii) any associated person of a broker or dealer, other than a natural person;

“(ix) any foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

“(x) the government of any foreign country;

“(xi) any corporation, company, or partnership that owns and invests on a discretionary basis, not less than \$10,000,000 in investments;

“(xii) any natural person who owns and invests on a discretionary basis, not less than \$10,000,000 in investments;

“(xiii) any government or political subdivision, agency, or instrumentality of a government who owns and invests on a discretionary basis, not less than \$50,000,000 in investments; or

“(xiv) any multinational or supranational entity or any agency or instrumentality thereof.

“(B) ADDITIONAL AUTHORITY.—The Commission may, by rule or order, define a ‘qualified investor’ as any other person not described in subparagraph (A), taking into consideration such factors as the financial sophistication of the person, net worth, and knowledge and experience in financial matters.”.

#### SEC. 505. GOVERNMENT SECURITIES DEFINED.

Section 3(a)(42) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(42)) is amended—

(1) by striking “or” at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting “; or”; and

(3) by adding at the end the following new subparagraph:

“(E) for purposes of section 15C, as applied to a bank, a qualified Canadian Government obligation, as defined in section 5136 of the Revised Statutes of the United States.”.

#### SEC. 506. EFFECTIVE DATE.

This title shall become effective at the end of the 1-year period beginning on the date of enactment of this Act.

#### SEC. 507. RULE OF CONSTRUCTION.

Nothing in this title shall supersede, affect, or otherwise limit the scope and applicability of the Commodity Exchange Act (7 U.S.C. 1 et seq.).

### TITLE VI—UNITARY SAVINGS AND LOAN HOLDING COMPANIES

#### SEC. 601. PREVENTION OF CREATION OF NEW S&L HOLDING COMPANIES WITH COMMERCIAL AFFILIATES.

(a) IN GENERAL.—Section 10(c) of the Home Owners’ Loan Act (12 U.S.C. 1467a(c)) is amended by adding at the end the following new paragraph:

“(9) PREVENTION OF NEW AFFILIATIONS BETWEEN S&L HOLDING COMPANIES AND COMMERCIAL FIRMS.—

“(A) IN GENERAL.—Notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after May 4, 1999, unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association), only in activities that are permitted—

“(i) under paragraph (1)(C) or (2) of this subsection; or

“(ii) for financial holding companies under section 4(k) of the Bank Holding Company Act of 1956.

“(B) PREVENTION OF NEW COMMERCIAL AFFILIATIONS.—Notwithstanding paragraph (3), no savings and loan holding company may engage directly or indirectly (including through a subsidiary other than a savings association) in any activity other than as described in clauses (i) and (ii) of subparagraph (A).

“(C) PRESERVATION OF AUTHORITY OF EXISTING UNITARY S&L HOLDING COMPANIES.—Subparagraphs (A) and (B) do not apply with respect to any company that was a savings and loan holding company on May 4, 1999, or that becomes a savings and loan holding company pursuant to an application pending before the Office on or before that date, and that—

“(i) meets and continues to meet the requirements of paragraph (3); and

“(ii) continues to control not fewer than 1 savings association that it controlled on May 4, 1999, or that it acquired pursuant to an application pending before the Office on or before that date, or the successor to such savings association.

“(D) CORPORATE REORGANIZATIONS PERMITTED.—This paragraph does not prevent a transaction that—

“(i) involves solely a company under common control with a savings and loan holding company from acquiring, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company; or

“(ii) involves solely a merger, consolidation, or other type of business combination as a result of which a company under common control with the savings and loan holding company acquires, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company.

“(E) AUTHORITY TO PREVENT EVASIONS.—The Director may issue interpretations, regulations, or orders that the Director determines necessary to administer and carry out the purpose and prevent evasions of this paragraph, including a determination that, notwithstanding the form of a transaction, the transaction would in substance result in a company acquiring control of a savings association.

“(F) PRESERVATION OF AUTHORITY FOR FAMILY TRUSTS.—Subparagraphs (A) and (B) do not apply with respect to any trust that becomes a savings and loan holding company with respect to a savings association, if—

“(i) not less than 85 percent of the beneficial ownership interests in the trust are continuously owned, directly or indirectly, by or for the benefit of members of the same family, or their spouses, who are lineal descendants of common ancestors who controlled, directly or indirectly, such savings association on May 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before May 4, 1999; and

“(ii) at the time at which such trust becomes a savings and loan holding company, such ancestors or lineal descendants, or spouses of such descendants, have directly or indirectly controlled the savings association continuously since May 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before May 4, 1999.”.

(b) CONFORMING AMENDMENT.—Section 10(o)(5)(E) of the Home Owners’ Loan Act (15 U.S.C. 1467a(o)(5)(E)) is amended by striking “, except subparagraph (B)” and inserting “or (c)(9)(A)(ii)”.

#### SEC. 602. OPTIONAL CONVERSION OF FEDERAL SAVINGS ASSOCIATIONS.

Section 5(i) of the Home Owners’ Loan Act (12 U.S.C. 1464(i)) is amended by adding at the end the following new paragraph:

“(5) CONVERSION TO NATIONAL BANK.—Notwithstanding any other provision of law, any Federal savings association chartered and in operation prior to the date of enactment of the Financial Services Modernization Act of 1999, with branches in one or more States, may convert, at its option, with the approval of the Comptroller of the Currency, into one or more National banks, each of which may encompass one or more of the branches of the Federal savings association in one or more States; but only if the resulting National bank or banks will meet any and all

financial, management, and capital requirements applicable to National banks.”.

### TITLE VII—ATM FEE REFORM

#### SEC. 701. SHORT TITLE.

This title may be cited as the “ATM Fee Reform Act of 1999”.

#### SEC. 702. ELECTRONIC FUND TRANSFER FEE DISCLOSURES AT ANY HOST ATM.

Section 904(d) of the Electronic Fund Transfer Act (15 U.S.C. 1693b(d)) is amended by adding at the end the following:

“(3) FEE DISCLOSURES AT AUTOMATED TELLER, MACHINES.—

“(A) IN GENERAL.—The regulations prescribed under paragraph (1) shall require any automated teller machine operator who imposes a fee on any consumer for providing host transfer services to such consumer to provide notice in accordance with subparagraph (B) to the consumer (at the time the service is provided) of—

“(i) the fact that a fee is imposed by such operator for providing the service; and

“(ii) the amount of any such fee.

“(B) NOTICE REQUIREMENTS.—

“(i) ON THE MACHINE.—The notice required under clause (i) of subparagraph (A) with respect to any fee described in such subparagraph shall be posted in a prominent and conspicuous location on or at the automated teller machine at which the electronic fund transfer is initiated by the consumer; and

“(ii) ON THE SCREEN.—The notice required under clauses (i) and (ii) of subparagraph (A) with respect to any fee described in such subparagraph shall appear on the screen of the automated teller machine, or on a paper notice issued from such machine, after the transaction is initiated and before the consumer is irrevocably committed to completing the transaction.

“(C) PROHIBITION ON FEES NOT PROPERLY DISCLOSED AND EXPLICITLY ASSUMED BY CONSUMER.—No fee may be imposed by any automated teller machine operator in connection with any electronic fund transfer initiated by a consumer for which a notice is required under subparagraph (A), unless—

“(i) the consumer receives such notice in accordance with subparagraph (B); and

“(ii) the consumer elects to continue in the manner necessary to effect the transaction after receiving such notice.

“(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

“(i) ELECTRONIC FUND TRANSFER.—The term ‘electronic fund transfer’ includes a transaction which involves a balance inquiry initiated by a consumer in the same manner as an electronic fund transfer, whether or not the consumer initiates a transfer of funds in the course of the transaction.

“(ii) AUTOMATED TELLER MACHINE OPERATOR.—The term ‘automated teller machine operator’ means any person who—

“(I) operates an automated teller machine at which consumers initiate electronic fund transfers; and

“(II) is not the financial institution which holds the account of such consumer from which the transfer is made.

“(iii) HOST TRANSFER SERVICES.—The term ‘host transfer services’ means any electronic fund transfer made by an automated teller machine operator in connection with a transaction initiated by a consumer at an automated teller machine operated by such operator.”.

#### SEC. 703. DISCLOSURE OF POSSIBLE FEES TO CONSUMERS WHEN ATM CARD IS ISSUED.

Section 905(a) of the Electronic Fund Transfer Act (15 U.S.C. 1693c(a)) is amended—

(1) by striking "and" at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting "; and"; and

(3) by inserting after paragraph (9) the following:

"(10) a notice to the consumer that a fee may be imposed by—

"(A) an automated teller machine operator (as defined in section 904(d)(3)(D)(ii)) if the consumer initiates a transfer from an automated teller machine which is not operated by the person issuing the card or other means of access; and

"(B) any national, regional, or local network utilized to effect the transaction.".

#### SEC. 704. FEASIBILITY STUDY.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the feasibility of requiring, in connection with any electronic and transfer initiated by a consumer through the use of an automated teller machine—

(1) a notice to be provided to the consumer before the consumer is irrevocably committed to completing the transaction, which clearly states the amount of any fee which will be imposed upon the consummation of the transaction by—

(A) any automated teller machine operator (as defined in section 904(d)(2)(D)(ii) of the Electronic Fund Transfer Act) involved in the transaction;

(B) the financial institution holding the account of the consumer;

(C) any national, regional, or local network utilized to effect the transaction; and

(D) any other party involved in the transfer; and

(2) the consumer to elect to consummate the transaction after receiving the notice described in paragraph (1).

(b) FACTORS TO BE CONSIDERED.—In conducting the study required under subsection (a) with regard to the notice requirement described in such subsection, the Comptroller General shall consider the following factors:

(1) The availability of appropriate technology.

(2) Implementation and operating costs.

(3) The competitive impact any such notice requirement would have on various sizes and types of institutions, if implemented.

(4) The period of time which would be reasonable for implementing any such notice requirement.

(5) The extent to which consumers would benefit from any such notice requirement.

(6) Any other factor the Comptroller General determines to be appropriate in analyzing the feasibility of imposing any such notice requirement.

(c) REPORT TO CONGRESS.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing—

(1) the findings and conclusions of the Comptroller General in connection with the study required under subsection (a); and

(2) the recommendation of the Comptroller General with regard to the question of whether a notice requirement described in subsection (a) should be implemented and, if so, how such requirement should be implemented.

#### SEC. 705. NO LIABILITY IF POSTED NOTICES ARE DAMAGED.

Section 910 of the Electronic Fund Transfer Act (15 U.S.C. 1693h) is amended by adding at the end the following new subsection:

"(d) EXCEPTION FOR DAMAGED NOTICES.—If the notice required to be posted pursuant to section 904(d)(3)(B)(i) by an automated teller

machine operator has been posted by such operator in compliance with such section and the notice is subsequently removed, damaged, or altered by any person other than the operator of the automated teller machine, the operator shall have no liability under this section for failure to comply with section 904(d)(3)(B)(i).".

MOTION OFFERED BY MR. LEACH

Mr. LEACH. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. LEACH of Iowa moves to strike out all after the enacting clause of Senate bill, S. 900, and to insert in lieu thereof the provisions contained in H.R. 10 as passed by the House, as follows:

#### SECTION 1. SHORT TITLE; PURPOSES; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Financial Services Act of 1999".

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To enhance competition in the financial services industry, in order to foster innovation and efficiency.

(2) To ensure the continued safety and soundness of depository institutions.

(3) To provide necessary and appropriate protections for investors and ensure fair and honest markets in the delivery of financial services.

(4) To avoid duplicative, potentially conflicting, and overly burdensome regulatory requirements through the creation of a regulatory framework for financial holding companies that respects the divergent requirements of each of the component businesses of the holding company, and that is based upon principles of strong functional regulation and enhanced regulatory coordination.

(5) To reduce and, to the maximum extent practicable, to eliminate the legal barriers preventing affiliation among depository institutions, securities firms, insurance companies, and other financial service providers and to provide a prudential framework for achieving that result.

(6) To enhance the availability of financial services to citizens of all economic circumstances and in all geographic areas.

(7) To enhance the competitiveness of United States financial service providers internationally.

(8) To ensure compliance by depository institutions with the provisions of the Community Reinvestment Act of 1977 and enhance the ability of depository institutions to meet the capital and credit needs of all citizens and communities, including underserved communities and populations.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; purposes; table of contents.

#### TITLE I—FACILITATING AFFILIATION AMONG SECURITIES FIRMS, INSURANCE COMPANIES, AND DEPOSITORY INSTITUTIONS

##### Subtitle A—Affiliations

Sec. 101. Glass-Steagall Act reformed.

Sec. 102. Activity restrictions applicable to bank holding companies which are not financial holding companies.

Sec. 103. Financial holding companies.

Sec. 104. Operation of State law.

Sec. 105. Mutual bank holding companies authorized.

Sec. 105A. Public meetings for large bank acquisitions and mergers.

Sec. 106. Prohibition on deposit production offices.

Sec. 107. Clarification of branch closure requirements.

Sec. 108. Amendments relating to limited purpose banks.

Sec. 109. GAO study of economic impact on community banks, other small financial institutions, insurance agents, and consumers.

Sec. 110. Responsiveness to community needs for financial services.

Sec. 110A. Study of financial modernization's affect on the accessibility of small business and farm loans.

##### Subtitle B—Streamlining Supervision of Financial Holding Companies

Sec. 111. Streamlining financial holding company supervision.

Sec. 112. Elimination of application requirement for financial holding companies.

Sec. 113. Authority of State insurance regulator and Securities and Exchange Commission.

Sec. 114. Prudential safeguards.

Sec. 115. Examination of investment companies.

Sec. 116. Limitation on rulemaking, prudential, supervisory, and enforcement authority of the Board.

Sec. 117. Equivalent regulation and supervision.

Sec. 118. Prohibition on FDIC assistance to affiliates and subsidiaries.

Sec. 119. Repeal of savings bank provisions in the Bank Holding Company Act of 1956.

Sec. 120. Technical amendment.

##### Subtitle C—Subsidiaries of National Banks

Sec. 121. Permissible activities for subsidiaries of national banks.

Sec. 122. Safety and soundness firewalls between banks and their financial subsidiaries.

Sec. 123. Misrepresentations regarding depository institution liability for obligations of affiliates.

Sec. 124. Repeal of stock loan limit in Federal Reserve Act.

##### Subtitle D—Wholesale Financial Holding Companies; Wholesale Financial Institutions

##### CHAPTER 1—WHOLESALE FINANCIAL HOLDING COMPANIES

Sec. 131. Wholesale financial holding companies established.

Sec. 132. Authorization to release reports.

Sec. 133. Conforming amendments.

##### CHAPTER 2—WHOLESALE FINANCIAL INSTITUTIONS

Sec. 136. Wholesale financial institutions.

##### Subtitle E—Preservation of FTC Authority

Sec. 141. Amendment to the Bank Holding Company Act of 1956 to modify notification and post-approval waiting period for section 3 transactions.

Sec. 142. Interagency data sharing.

Sec. 143. Clarification of status of subsidiaries and affiliates.

Sec. 144. Annual GAO report.

##### Subtitle F—National Treatment

Sec. 151. Foreign banks that are financial holding companies.

Sec. 152. Foreign banks and foreign financial institutions that are wholesale financial institutions.

Sec. 153. Representative offices.

Sec. 154. Reciprocity.

##### Subtitle G—Federal Home Loan Bank System Modernization

Sec. 161. Short title.

Sec. 162. Definitions.  
 Sec. 163. Savings association membership.  
 Sec. 164. Advances to members; collateral.  
 Sec. 165. Eligibility criteria.  
 Sec. 166. Management of banks.  
 Sec. 167. Resolution Funding Corporation.  
 Sec. 168. Capital structure of Federal home loan banks.

#### Subtitle H—ATM Fee Reform

Sec. 171. Short title.  
 Sec. 172. Electronic fund transfer fee disclosures at any host ATM.  
 Sec. 173. Disclosure of possible fees to consumers when ATM card is issued.  
 Sec. 174. Feasibility study.  
 Sec. 175. No liability if posted notices are damaged.

#### Subtitle I—Direct Activities of Banks

Sec. 181. Authority of national banks to underwrite certain municipal bonds.

#### Subtitle J—Deposit Insurance Funds

Sec. 186. Study of safety and soundness of funds.  
 Sec. 187. Elimination of SAIF and DIF special reserves.

#### Subtitle K—Miscellaneous Provisions

Sec. 191. Termination of "know your customer" regulations.  
 Sec. 192. Study and report on Federal electronic fund transfers.  
 Sec. 193. General Accounting Office study of conflicts of interest.  
 Sec. 194. Study of cost of all Federal banking regulations.  
 Sec. 195. Study and report on adapting existing legislative requirements to online banking and lending.  
 Sec. 196. Regulation of uninsured State member banks.  
 Sec. 197. Clarification of source of strength doctrine.  
 Sec. 198. Interest rates and other charges at interstate branches.  
 Sec. 198A. Interstate branches and agencies of foreign banks.  
 Sec. 198B. Fair treatment of women by financial advisers.

#### Subtitle L—Effective Date of Title

Sec. 199. Effective date.

### TITLE II—FUNCTIONAL REGULATION

#### Subtitle A—Brokers and Dealers

Sec. 201. Definition of broker.  
 Sec. 202. Definition of dealer.  
 Sec. 203. Registration for sales of private securities offerings.  
 Sec. 204. Information sharing.  
 Sec. 205. Treatment of new hybrid products.  
 Sec. 206. Definition of excepted banking product.  
 Sec. 207. Additional definitions.  
 Sec. 208. Government securities defined.  
 Sec. 209. Effective date.  
 Sec. 210. Rule of construction.

#### Subtitle B—Bank Investment Company Activities

Sec. 211. Custody of investment company assets by affiliated bank.  
 Sec. 212. Lending to an affiliated investment company.  
 Sec. 213. Independent directors.  
 Sec. 214. Additional SEC disclosure authority.  
 Sec. 215. Definition of broker under the Investment Company Act of 1940.  
 Sec. 216. Definition of dealer under the Investment Company Act of 1940.  
 Sec. 217. Removal of the exclusion from the definition of investment adviser for banks that advise investment companies.

Sec. 218. Definition of broker under the Investment Advisers Act of 1940.  
 Sec. 219. Definition of dealer under the Investment Advisers Act of 1940.  
 Sec. 220. Interagency consultation.  
 Sec. 221. Treatment of bank common trust funds.

Sec. 222. Investment advisers prohibited from having controlling interest in registered investment company.

Sec. 223. Statutory disqualification for bank wrongdoing.

Sec. 224. Conforming change in definition.

Sec. 225. Conforming amendment.

Sec. 226. Church plan exclusion.

Sec. 227. Effective date.

Subtitle C—Securities and Exchange Commission Supervision of Investment Bank Holding Companies

Sec. 231. Supervision of investment bank holding companies by the Securities and Exchange Commission.

Subtitle D—Disclosure of Customer Costs of Acquiring Financial Products

Sec. 241. Improved and consistent disclosure.

#### Subtitle E—Banks and Bank Holding Companies

Sec. 251. Consultation.

### TITLE III—INSURANCE

Subtitle A—State Regulation of Insurance

Sec. 301. State regulation of the business of insurance.

Sec. 302. Mandatory insurance licensing requirements.

Sec. 303. Functional regulation of insurance.

Sec. 304. Insurance underwriting in national banks.

Sec. 305. Title insurance activities of national banks and their affiliates.

Sec. 306. Expedited and equalized dispute resolution for Federal regulators.

Sec. 307. Consumer protection regulations.

Sec. 308. Certain State affiliation laws preempted for insurance companies and affiliates.

Sec. 309. Interagency consultation.

Sec. 310. Definition of State.

#### Subtitle B—Redomestication of Mutual Insurers

Sec. 311. General application.

Sec. 312. Redomestication of mutual insurers.

Sec. 313. Effect on State laws restricting redomestication.

Sec. 314. Other provisions.

Sec. 315. Definitions.

Sec. 316. Effective date.

#### Subtitle C—National Association of Registered Agents and Brokers

Sec. 321. State flexibility in multistate licensing reforms.

Sec. 322. National Association of Registered Agents and Brokers.

Sec. 323. Purpose.

Sec. 324. Relationship to the Federal Government.

Sec. 325. Membership.

Sec. 326. Board of directors.

Sec. 327. Officers.

Sec. 328. Bylaws, rules, and disciplinary action.

Sec. 329. Assessments.

Sec. 330. Functions of the NAIC.

Sec. 331. Liability of the Association and the directors, officers, and employees of the Association.

Sec. 332. Elimination of NAIC oversight.

Sec. 333. Relationship to State law.

Sec. 334. Coordination with other regulators.

Sec. 335. Judicial review.

Sec. 336. Definitions.

#### Subtitle D—Rental Car Agency Insurance Activities

Sec. 341. Standard of regulation for motor vehicle rentals.

#### Subtitle E—Confidentiality

Sec. 351. Confidentiality of health and medical information.

### TITLE IV—UNITARY SAVINGS AND LOAN HOLDING COMPANIES

Sec. 401. Prohibition on new unitary savings and loan holding companies.

Sec. 402. Retention of "Federal" in name of converted Federal savings association.

### TITLE V—PRIVACY

#### Subtitle A—Disclosure of Nonpublic Personal Information

Sec. 501. Protection of nonpublic personal information.

Sec. 502. Obligations with respect to disclosures of personal information.

Sec. 503. Disclosure of institution privacy policy.

Sec. 504. Rulemaking.

Sec. 505. Enforcement.

Sec. 506. Fair Credit Reporting Act amendment.

Sec. 507. Relation to other provisions.

Sec. 508. Study of information sharing among financial affiliates.

Sec. 509. Definitions.

Sec. 510. Effective date.

#### Subtitle B—Fraudulent Access to Financial Information

Sec. 521. Privacy protection for customer information of financial institutions.

Sec. 522. Administrative enforcement.

Sec. 523. Criminal penalty.

Sec. 524. Relation to State laws.

Sec. 525. Agency guidance.

Sec. 526. Reports.

Sec. 527. Definitions.

### TITLE I—FACILITATING AFFILIATION AMONG SECURITIES FIRMS, INSURANCE COMPANIES, AND DEPOSITORY INSTITUTIONS

#### Subtitle A—Affiliations

#### SEC. 101. GLASS-STEAGALL ACT REFORMED.

(a) SECTION 20 REPEALED.—Section 20 of the Banking Act of 1933 (12 U.S.C. 377) (commonly referred to as the "Glass-Steagall Act") is repealed.

(b) SECTION 32 REPEALED.—Section 32 of the Banking Act of 1933 (12 U.S.C. 78) is repealed.

#### SEC. 102. ACTIVITY RESTRICTIONS APPLICABLE TO BANK HOLDING COMPANIES WHICH ARE NOT FINANCIAL HOLDING COMPANIES.

(a) IN GENERAL.—Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended to read as follows:

"(8) shares of any company the activities of which had been determined by the Board by regulation or order under this paragraph as of the day before the date of the enactment of the Financial Services Act of 1999, to be so closely related to banking as to be a proper incident thereto (subject to such terms and conditions contained in such regulation or order, unless modified by the Board);".

(b) CONFORMING CHANGES TO OTHER STATUTES.—

(1) AMENDMENT TO THE BANK HOLDING COMPANY ACT AMENDMENTS OF 1970.—Section 105 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1850) is amended by



striking “, to engage directly or indirectly in a nonbanking activity pursuant to section 4 of such Act.”.

(2) AMENDMENT TO THE BANK SERVICE COMPANY ACT.—Section 4(f) of the Bank Service Company Act (12 U.S.C. 1864(f)) is amended by striking the period and adding at the end the following: “as of the day before the date of the enactment of the Financial Services Act of 1999.”.

#### SEC. 103. FINANCIAL HOLDING COMPANIES.

(a) IN GENERAL.—The Bank Holding Company Act of 1956 is amended by inserting after section 5 (12 U.S.C. 1844) the following new section:

##### “SEC. 6. FINANCIAL HOLDING COMPANIES.

“(a) FINANCIAL HOLDING COMPANY DEFINED.—For purposes of this section, the term ‘financial holding company’ means a bank holding company which meets the requirements of subsection (b).

“(b) ELIGIBILITY REQUIREMENTS FOR FINANCIAL HOLDING COMPANIES.—

“(1) IN GENERAL.—No bank holding company may engage in any activity or directly or indirectly acquire or retain shares of any company under this section unless the bank holding company meets the following requirements:

“(A) All of the subsidiary depository institutions of the bank holding company are well capitalized.

“(B) All of the subsidiary depository institutions of the bank holding company are well managed.

“(C) All of the subsidiary depository institutions of the bank holding company have achieved a rating of ‘satisfactory record of meeting community credit needs’, or better, at the most recent examination of each such institution.

“(D) The company has filed with the Board a declaration that the company elects to be a financial holding company and certifying that the company meets the requirements of subparagraphs (A), (B), and (C).

“(2) FOREIGN BANKS AND COMPANIES.—For purposes of paragraph (1), the Board shall establish and apply comparable capital and other operating standards to a foreign bank that operates a branch or agency or owns or controls a bank or commercial lending company in the United States, and any company that owns or controls such foreign bank, giving due regard to the principle of national treatment and equality of competitive opportunity.

“(3) LIMITED EXCLUSIONS FROM COMMUNITY NEEDS REQUIREMENTS FOR NEWLY ACQUIRED DEPOSITORY INSTITUTIONS.—Any depository institution acquired by a bank holding company during the 12-month period preceding the submission of a notice under paragraph (1)(D) and any depository institution acquired after the submission of such notice may be excluded for purposes of paragraph (1)(C) during the 12-month period beginning on the date of such acquisition if—

“(A) the bank holding company has submitted an affirmative plan to the appropriate Federal banking agency to take such action as may be necessary in order for such institution to achieve a rating of ‘satisfactory record of meeting community credit needs’, or better, at the next examination of the institution; and

“(B) the plan has been accepted by such agency.

“(c) ENGAGING IN ACTIVITIES THAT ARE FINANCIAL IN NATURE.—

“(1) FINANCIAL ACTIVITIES.—

“(A) IN GENERAL.—Notwithstanding section 4(a), a financial holding company may engage in any activity, and acquire and retain

the shares of any company engaged in any activity, that the Board has determined (by regulation or order and in accordance with subparagraph (B)) to be—

“(i) financial in nature or incidental to such financial activities; or

“(ii) complementary to activities authorized under this subsection to the extent that the amount of such complementary activities remains small.

“(B) COORDINATION BETWEEN THE BOARD AND THE SECRETARY OF THE TREASURY.—

“(i) PROPOSALS RAISED BEFORE THE BOARD.—

“(I) CONSULTATION.—The Board shall notify the Secretary of the Treasury of, and consult with the Secretary of the Treasury concerning, any request, proposal, or application under this subsection, including a regulation or order proposed under paragraph (4), for a determination of whether an activity is financial in nature or incidental to such a financial activity.

“(II) TREASURY VIEW.—The Board shall not determine that any activity is financial in nature or incidental to a financial activity under this subsection if the Secretary of the Treasury notifies the Board in writing, not later than 30 days after the date of receipt of the notice described in subclause (I) (or such longer period as the Board determines to be appropriate in light of the circumstances) that the Secretary of the Treasury believes that the activity is not financial in nature or incidental to a financial activity.

“(ii) PROPOSALS RAISED BY THE TREASURY.—

“(I) TREASURY RECOMMENDATION.—The Secretary of the Treasury may, at any time, recommend in writing that the Board find an activity to be financial in nature or incidental to a financial activity.

“(II) TIME PERIOD FOR BOARD ACTION.—Not later than 30 days after the date of receipt of a written recommendation from the Secretary of the Treasury under subclause (I) (or such longer period as the Secretary of the Treasury and the Board determine to be appropriate in light of the circumstances), the Board shall determine whether to initiate a public rulemaking proposing that the subject recommended activity be found to be financial in nature or incidental to a financial activity under this subsection, and shall notify the Secretary of the Treasury in writing of the determination of the Board and, in the event that the Board determines not to seek public comment on the proposal, the reasons for that determination.

“(2) FACTORS TO BE CONSIDERED.—In determining whether an activity is financial in nature or incidental to financial activities, the Board shall take into account—

“(A) the purposes of this Act and the Financial Services Act of 1999;

“(B) changes or reasonably expected changes in the marketplace in which bank holding companies compete;

“(C) changes or reasonably expected changes in the technology for delivering financial services; and

“(D) whether such activity is necessary or appropriate to allow a bank holding company and the affiliates of a bank holding company to—

“(i) compete effectively with any company seeking to provide financial services in the United States;

“(ii) use any available or emerging technological means, including any application necessary to protect the security or efficacy of systems for the transmission of data or financial transactions, in providing financial services; and

“(iii) offer customers any available or emerging technological means for using financial services.

“(3) ACTIVITIES THAT ARE FINANCIAL IN NATURE.—The following activities shall be considered to be financial in nature:

“(A) Lending, exchanging, transferring, investing for others, or safeguarding money or securities.

“(B) Insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death, or providing and issuing annuities, and acting as principal, agent, or broker for purposes of the foregoing.

“(C) Providing financial, investment, or economic advisory services, including advising an investment company (as defined in section 3 of the Investment Company Act of 1940).

“(D) Issuing or selling instruments representing interests in pools of assets permissible for a bank to hold directly.

“(E) Underwriting, dealing in, or making a market in securities.

“(F) Engaging in any activity that the Board has determined, by order or regulation that is in effect on the date of the enactment of the Financial Services Act of 1999, to be so closely related to banking or managing or controlling banks as to be a proper incident thereto (subject to the same terms and conditions contained in such order or regulation, unless modified by the Board).

“(G) Engaging, in the United States, in any activity that—

“(i) a bank holding company may engage in outside the United States; and

“(ii) the Board has determined, under regulations issued pursuant to section 4(c)(13) of this Act (as in effect on the day before the date of the enactment of the Financial Services Act of 1999) to be usual in connection with the transaction of banking or other financial operations abroad.

“(H) Directly or indirectly acquiring or controlling, whether as principal, on behalf of one or more entities (including entities, other than a depository institution, that the bank holding company controls) or otherwise, shares, assets, or ownership interests (including without limitation debt or equity securities, partnership interests, trust certificates or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

“(i) the shares, assets, or ownership interests are not acquired or held by a depository institution;

“(ii) such shares, assets, or ownership interests are acquired and held by an affiliate of the bank holding company that is a registered broker or dealer that is engaged in securities underwriting activities, or an affiliate of such broker or dealer, as part of a bona fide underwriting or investment banking activity, including investment activities engaged in for the purpose of appreciation and ultimate resale or disposition of the investment;

“(iii) such shares, assets, or ownership interests are held only for such a period of time as will permit the sale or disposition thereof on a reasonable basis consistent with the nature of the activities described in clause (ii); and

“(iv) during the period such shares, assets, or ownership interests are held, the bank holding company does not actively participate in the day to day management or operation of such company or entity, except insofar as necessary to achieve the objectives of clause (ii).

“(I) Directly or indirectly acquiring or controlling, whether as principal, on behalf of one or more entities (including entities, other than a depository institution or subsidiary of a depository institution, that the bank holding company controls) or otherwise, shares, assets, or ownership interests (including without limitation debt or equity securities, partnership interests, trust certificates or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

“(i) the shares, assets, or ownership interests are not acquired or held by a depository institution or a subsidiary of a depository institution;

“(ii) such shares, assets, or ownership interests are acquired and held by an insurance company that is predominantly engaged in underwriting life, accident and health, or property and casualty insurance (other than credit-related insurance) or providing and issuing annuities;

“(iii) such shares, assets, or ownership interests represent an investment made in the ordinary course of business of such insurance company in accordance with relevant State law governing such investments; and

“(iv) during the period such shares, assets, or ownership interests are held, the bank holding company does not directly or indirectly participate in the day-to-day management or operation of the company or entity except insofar as necessary to achieve the objectives of clauses (ii) and (iii).

“(4) AUTHORIZATION OF NEW FINANCIAL ACTIVITIES.—The Board shall, by regulation or order and in accordance with paragraph (1)(B), define, consistent with the purposes of this Act, the following activities as, and the extent to which such activities are, financial in nature or incidental to activities which are financial in nature:

“(A) Lending, exchanging, transferring, investing for others, or safeguarding financial assets other than money or securities.

“(B) Providing any device or other instrumentality for transferring money or other financial assets.

“(C) Arranging, effecting, or facilitating financial transactions for the account of third parties.

“(5) POST-CONSUMMATION NOTIFICATION.—

“(A) IN GENERAL.—A financial holding company that acquires any company, or commences any activity, pursuant to this subsection shall provide written notice to the Board describing the activity commenced or conducted by the company acquired no later than 30 calendar days after commencing the activity or consummating the acquisition.

“(B) APPROVAL NOT REQUIRED FOR CERTAIN FINANCIAL ACTIVITIES.—Except as provided in section 4(j) with regard to the acquisition of a savings association or in paragraph (6) of this subsection, a financial holding company may commence any activity, or acquire any company, pursuant to paragraph (3) or any regulation prescribed or order issued under paragraph (4), without prior approval of the Board.

“(6) NOTICE REQUIRED FOR LARGE COMBINATIONS.—

“(A) IN GENERAL.—No financial holding company shall directly or indirectly acquire, and no company that becomes a financial holding company shall directly or indirectly acquire control of, any company in the United States, including through merger, consolidation, or other type of business combination, that—

“(i) is engaged in activities permitted under this subsection or subsection (g); and

“(ii) has consolidated total assets in excess of \$40,000,000,000,

unless such holding company has provided notice to the Board, not later than 60 days prior to such proposed acquisition or prior to becoming a financial holding company, and during that time period, or such longer time period not exceeding an additional 60 days, as established by the Board, the Board has not issued a notice disapproving the proposed acquisition or retention.

“(B) FACTORS FOR CONSIDERATION.—In reviewing any prior notice filed under this paragraph, the Board shall take into consideration—

“(i) whether the company is in compliance with all applicable criteria set forth in subsection (b) and the provisions of subsection (d);

“(ii) whether the proposed combination represents an undue aggregation of resources;

“(iii) whether the proposed combination poses a risk to the deposit insurance system;

“(iv) whether the proposed combination poses a risk to State insurance guaranty funds;

“(v) whether the proposed combination can reasonably be expected to be in the best interests of depositors or policyholders of the respective entities;

“(vi) whether the proposed transaction can reasonably be expected to further the purposes of this Act and produce benefits to the public; and

“(vii) whether, and the extent to which, the proposed combination poses an undue risk to the stability of the financial system in the United States.

“(C) REQUIRED INFORMATION.—The Board may disapprove any prior notice filed under this paragraph if the company submitting such notice neglects, fails, or refuses to furnish to the Board all relevant information required by the Board.

“(D) SOLICITATION OF VIEWS OF OTHER SUPERVISORY AGENCIES.—

“(i) IN GENERAL.—Upon receiving a prior notice under this paragraph, in order to provide for the submission of their views and recommendations, the Board shall give notice of the proposal to—

“(I) the appropriate Federal banking agency of any bank involved;

“(II) the appropriate functional regulator of any functionally regulated nondepository institution (as defined in section 5(c)(1)(C)) involved; and

“(III) the Secretary of the Treasury, the Attorney General, and the Federal Trade Commission.

“(ii) TIMING.—The views and recommendations of any agency provided notice under this paragraph shall be submitted to the Board not later than 30 calendar days after the date on which notice to the agency was given, unless the Board determines that another shorter time period is appropriate.

“(d) PROVISIONS APPLICABLE TO FINANCIAL HOLDING COMPANIES THAT FAIL TO MEET REQUIREMENTS.—

“(1) IN GENERAL.—If the Board finds, after notice from or consultation with the appropriate Federal banking agency, that a financial holding company is not in compliance with the requirements of subparagraph (A), (B), or (C) of subsection (b)(1), the Board shall give notice of such finding to the company.

“(2) AGREEMENT TO CORRECT CONDITIONS REQUIRED.—Within 45 days of receipt by a financial holding company of a notice given

under paragraph (1) (or such additional period as the Board may permit), the company shall execute an agreement acceptable to the Board to comply with the requirements applicable to a financial holding company.

“(3) AUTHORITY TO IMPOSE LIMITATIONS.—Until the conditions described in a notice to a financial holding company under paragraph (1) are corrected—

“(A) the Board may impose such limitations on the conduct or activities of the company or any affiliate of the company as the Board determines to be appropriate under the circumstances; and

“(B) the appropriate Federal banking agency may impose such limitations on the conduct or activities of an affiliated depository institution or subsidiary of a depository institution as the appropriate Federal banking agency determines to be appropriate under the circumstances.

“(4) FAILURE TO CORRECT.—If, after receiving a notice under paragraph (1), a financial holding company does not—

“(A) execute and implement an agreement in accordance with paragraph (2);

“(B) comply with any limitations imposed under paragraph (3);

“(C) in the case of a notice of failure to comply with subsection (b)(1)(A), restore each depository institution subsidiary to well capitalized status before the end of the 180-day period beginning on the date such notice is received by the company (or such other period permitted by the Board); or

“(D) in the case of a notice of failure to comply with subparagraph (B) or (C) of subsection (b)(1), restore compliance with any such subparagraph by the date the next examination of the depository institution subsidiary is completed or by the end of such other period as the Board determines to be appropriate,

the Board may require such company, under such terms and conditions as may be imposed by the Board and subject to such extension of time as may be granted in the Board's discretion, to divest control of any depository institution subsidiary or, at the election of the financial holding company, instead to cease to engage in any activity conducted by such company or its subsidiaries pursuant to this section.

“(5) CONSULTATION.—In taking any action under this subsection, the Board shall consult with all relevant Federal and State regulatory agencies.

“(e) SAFEGUARDS FOR BANK SUBSIDIARIES.—A financial holding company shall assure that—

“(1) the procedures of the holding company for identifying and managing financial and operational risks within the company, and the subsidiaries of such company, adequately protect the subsidiaries of such company which are insured depository institutions or wholesale financial institution from such risks;

“(2) the holding company has reasonable policies and procedures to preserve the separate corporate identity and limited liability of such company and the subsidiaries of such company, for the protection of the company's subsidiary insured depository institutions and wholesale financial institutions; and

“(3) the holding company complies with this section.

“(f) AUTHORITY TO RETAIN LIMITED NON-FINANCIAL ACTIVITIES AND AFFILIATIONS.—

“(1) IN GENERAL.—Notwithstanding section 4(a), a company that is not a bank holding company or a foreign bank (as defined in section 1(b)(7) of the International Banking Act

of 1978) and becomes a financial holding company after the date of the enactment of the Financial Services Act of 1999 may continue to engage in any activity and retain direct or indirect ownership or control of shares of a company engaged in any activity if—

“(A) the holding company lawfully was engaged in the activity or held the shares of such company on September 30, 1997;

“(B) the holding company is predominantly engaged in financial activities as defined in paragraph (2); and

“(C) the company engaged in such activity continues to engage only in the same activities that such company conducted on September 30, 1997, and other activities permissible under this Act.

“(2) **PREDOMINANTLY FINANCIAL.**—For purposes of this subsection, a company is predominantly engaged in financial activities if the annual gross revenues derived by the holding company and all subsidiaries of the holding company (excluding revenues derived from subsidiary depository institutions), on a consolidated basis, from engaging in activities that are financial in nature or are incidental to activities that are financial in nature under subsection (c) represent at least 85 percent of the consolidated annual gross revenues of the company.

“(3) **NO EXPANSION OF GRANDFATHERED COMMERCIAL ACTIVITIES THROUGH MERGER OR CONSOLIDATION.**—A financial holding company that engages in activities or holds shares pursuant to this subsection, or a subsidiary of such financial holding company, may not acquire, in any merger, consolidation, or other type of business combination, assets of any other company which is engaged in any activity which the Board has not determined to be financial in nature or incidental to activities that are financial in nature under subsection (c), except this paragraph shall not apply with respect to a company that owns a broadcasting station licensed under title III of the Communications Act of 1934 and the shares of which have been controlled by an insurance company since January 1, 1998.

“(4) **CONTINUING REVENUE LIMITATION ON GRANDFATHERED COMMERCIAL ACTIVITIES.**—Notwithstanding any other provision of this subsection, a financial holding company may continue to engage in activities or hold shares in companies pursuant to this subsection only to the extent that the aggregate annual gross revenues derived from all such activities and all such companies does not exceed 15 percent of the consolidated annual gross revenues of the financial holding company (excluding revenues derived from subsidiary depository institutions).

“(5) **CROSS MARKETING RESTRICTIONS APPLICABLE TO COMMERCIAL ACTIVITIES.**—A depository institution controlled by a financial holding company shall not—

“(A) offer or market, directly or through any arrangement, any product or service of a company whose activities are conducted or whose shares are owned or controlled by the financial holding company pursuant to this subsection or subparagraph (H) or (I) of subsection (c)(3); or

“(B) permit any of its products or services to be offered or marketed, directly or through any arrangement, by or through any company described in subparagraph (A).

“(6) **TRANSACTIONS WITH NONFINANCIAL AFFILIATES.**—A depository institution controlled by a financial holding company may not engage in a covered transaction (as defined by section 23A(b)(7) of the Federal Reserve Act) with any affiliate controlled by the company pursuant to section 10(c), this

subsection, or subparagraph (H) or (I) of subsection (c)(3).

“(7) **SUNSET OF GRANDFATHER.**—A financial holding company engaged in any activity, or retaining direct or indirect ownership or control of shares of a company, pursuant to this subsection, shall terminate such activity and divest ownership or control of the shares of such company before the end of the 10-year period beginning on the date of the enactment of the Financial Services Act of 1999. The Board may, upon application by a financial holding company, extend such 10-year period by a period not to exceed an additional 5 years if such extension would not be detrimental to the public interest.

“(g) **DEVELOPING ACTIVITIES.**—A financial holding company may engage directly or indirectly, or acquire shares of any company engaged, in any activity that the Board has not determined to be financial in nature or incidental to financial activities under subsection (c) if—

“(1) the holding company reasonably concludes that the activity is financial in nature or incidental to financial activities;

“(2) the gross revenues from all activities conducted under this subsection represent less than 5 percent of the consolidated gross revenues of the holding company;

“(3) the aggregate total assets of all companies the shares of which are held under this subsection do not exceed 5 percent of the holding company's consolidated total assets;

“(4) the total capital invested in activities conducted under this subsection represents less than 5 percent of the consolidated total capital of the holding company;

“(5) neither the Board nor the Secretary of the Treasury has determined that the activity is not financial in nature or incidental to financial activities under subsection (c);

“(6) the holding company is not required to provide prior written notice of the transaction to the Board under subsection (c)(6); and

“(7) the holding company provides written notification to the Board describing the activity commenced or conducted by the company acquired no later than 10 business days after commencing the activity or consummating the acquisition.”.

(b) **FACTORS FOR CONSIDERATION IN REVIEWING APPLICATION BY FINANCIAL HOLDING COMPANY TO ACQUIRE BANK.**—Section 3(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(c)) is amended by adding at the end the following new paragraph:

“(6) **‘TOO BIG TO FAIL’ FACTOR.**—In considering an acquisition, merger, or consolidation under this section involving a financial holding company or a company that would be any such holding company upon the consummation of the transaction, the Board shall consider whether, and the extent to which, the proposed acquisition, merger, or consolidation poses an undue risk to the stability of the financial system of the United States.”.

(c) **TECHNICAL AND CONFORMING AMENDMENTS.**—

(1) Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended by adding at the end the following new subsection:

“(p) **INSURANCE COMPANY.**—For purposes of sections 5, 6, and 10, the term ‘insurance company’ includes any person engaged in the business of insurance to the extent of such activities.”.

(2) Section 4(j) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(j)) is amended—

(A) in paragraph (1)(A), by inserting “or in any complementary activity under section

6(c)(1)(B)” after “subsection (c)(8) or (a)(2)”; and

(B) in paragraph (3)—

(i) by inserting “, other than any complementary activity under section 6(c)(1)(B),” after “to engage in any activity”; and

(ii) by inserting “or a company engaged in any complementary activity under section 6(c)(1)(B)” after “insured depository institution”.

(d) **REPORT.**—

(1) **IN GENERAL.**—By the end of the 4-year period beginning on the date of the enactment of this Act and every 4 years thereafter, the Board of Governors of the Federal Reserve System and the Secretary of the Treasury shall submit a joint report to the Congress containing a summary of new activities which are financial in nature, including grandfathered commercial activities, in which any financial holding company is engaged pursuant to subsection (c)(1) or (f) of section 6 of the Bank Holding Company Act of 1956 (as added by subsection (a)).

(2) **OTHER CONTENTS.**—Each report submitted to the Congress pursuant to paragraph (1) shall also contain the following:

(A) A discussion of actions by the Board of Governors of the Federal Reserve System and the Secretary of the Treasury, whether by regulation, order, interpretation, or guideline or by approval or disapproval of an application, with regard to activities of financial holding companies which are incidental to activities financial in nature or complementary to such financial activities.

(B) An analysis and discussion of the risks posed by commercial activities of financial holding companies to the safety and soundness of affiliate depository institutions.

(C) An analysis and discussion of the effect of mergers and acquisitions under section 6 of the Bank Holding Company Act of 1956 on market concentration in the financial services industry.

(D) An analysis and discussion, by the Board and the Secretary in consultation with the other Federal banking agencies (as defined in section 3(z) of the Federal Deposit Insurance Act), of the impact of the implementation of this Act, and the amendments made by this Act, on the extent of meeting community credit needs and capital availability under the Community Reinvestment Act of 1977.

#### SEC. 104. OPERATION OF STATE LAW.

(a) **AFFILIATIONS.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), no State may, by statute, regulation, order, interpretation, or other action, prevent or restrict an insured depository institution or wholesale financial institution, or a subsidiary or affiliate thereof, from being affiliated directly or indirectly or associated with any person or entity, as authorized or permitted by this Act or any other provision of Federal law.

(2) **INSURANCE.**—With respect to affiliations between insured depository institutions or wholesale financial institutions, or any subsidiary or affiliate thereof, and persons or entities engaged in the business of insurance, paragraph (1) does not prohibit—

(A) any State from requiring any person or entity that proposes to acquire control of an entity that is engaged in the business of insurance and domiciled in that State (hereafter in this subparagraph referred to as the “insurer”) to furnish to the insurance regulatory authority of that State, not later than 60 days before the effective date of the proposed acquisition—

(i) the name and address of each person by whom, or on whose behalf, the affiliation referred to in this subparagraph is to be effected (hereafter in this subparagraph referred to as the "acquiring party");

(ii) if the acquiring party is an individual, his or her principal occupation and all offices and positions held during the 5 years preceding the date of notification, and any conviction of crimes other than minor traffic violations during the 10 years preceding the date of notification;

(iii) if the acquiring party is not an individual—

(I) a report of the nature of its business operations during the 5 years preceding the date of notification, or for such shorter period as such person and any predecessors thereof shall have been in existence;

(II) an informative description of the business intended to be done by the acquiring party and any subsidiary thereof; and

(III) a list of all individuals who are, or who have been selected to become, directors or executive officers of the acquiring party or who perform, or will perform, functions appropriate to such positions, including, for each such individual, the information required by clause (ii);

(iv) the source, nature, and amount of the consideration used, or to be used, in effecting the merger or other acquisition of control, a description of any transaction wherein funds were, or are to be, obtained for any such purpose, and the identity of persons furnishing such consideration, except that, if a source of such consideration is a loan made in the lender's ordinary course of business, the identity of the lender shall remain confidential if the person filing such statement so requests;

(v) fully audited financial information as to the earnings and financial condition of each acquiring party for the 5 fiscal years preceding the date of notification of each such acquiring party, or for such lesser period as such acquiring party and any predecessors thereof shall have been in existence, and similar unaudited information as of a date not earlier than 90 days before the date of notification, except that, in the case of an acquiring party that is an insurer actively engaged in the business of insurance, the financial statements of such insurer need not be audited, but such audit may be required if the need therefor is determined by the insurance regulatory authority of the State;

(vi) any plans or proposals that each acquiring party may have to liquidate such insurer, to sell its assets, or to merge or consolidate it with any person or to make any other material change in its business or corporate structure or management;

(vii) the number of shares of any security of the insurer that each acquiring party proposes to acquire, the terms of any offer, request, invitation, agreement, or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at;

(viii) the amount of each class of any security of the insurer that is beneficially owned or concerning which there is a right to acquire beneficial ownership by each acquiring party;

(ix) a full description of any contracts, arrangements, or understandings with respect to any security of the insurer in which any acquiring party is involved, including transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies, and identification of the persons with

whom such contracts, arrangements, or understandings have been entered into;

(x) a description of the purchase of any security of the insurer during the 12-month period preceding the date of notification by any acquiring party, including the dates of purchase, names of the purchasers, and consideration paid, or agreed to be paid, therefor;

(xi) a description of any recommendations to purchase any security of the insurer made during the 12-month period preceding the date of notification by any acquiring party or by any person based upon interviews or at the suggestion of such acquiring party;

(xii) copies of all tender offers for, requests or invitations for tenders of, exchange offers for and agreements to acquire or exchange any securities of the insurer and, if distributed, of additional soliciting material relating thereto; and

(xiii) the terms of any agreement, contract, or understanding made with any broker-dealer as to solicitation of securities of the insurer for tender and the amount of any fees, commissions, or other compensation to be paid to broker-dealers with regard thereto;

(B) in the case of a person engaged in the business of insurance which is the subject of an acquisition or change or continuation in control, the State of domicile of such person from reviewing or taking action (including approval or disapproval) with regard to the acquisition or change or continuation in control, as long as the State reviews and actions—

(i) are completed by the end of the 60-day period beginning on the later of the date the State received notice of the proposed action or the date the State received the information required under State law regarding such acquisition or change or continuation in control;

(ii) do not have the effect of discriminating, intentionally or unintentionally, against an insured depository institution or affiliate thereof or against any other person based upon affiliation with an insured depository institution; and

(iii) are based on standards or requirements relating to solvency or managerial fitness;

(C) any State from requiring an entity that is acquiring control of an entity that is engaged in the business of insurance and domiciled in that State to maintain or restore the capital requirements of that insurance entity to the level required under the capital regulations of general applicability in that State to avoid the requirement of preparing and filing with the insurance regulatory authority of that State a plan to increase the capital of the entity, except that any determination by the State insurance regulatory authority with respect to such requirement shall be made not later than 60 days after the date of notification under subparagraph (A);

(D) any State from taking actions with respect to the receivership or conservatorship of any insurance company;

(E) any State from restricting a change in the ownership of stock in an insurance company, or a company formed for the purpose of controlling such insurance company, for a period of not more than 3 years beginning on the date of the conversion of such company from mutual to stock form; or

(F) any State from requiring an organization which has been eligible at any time since January 1, 1987, to claim the special deduction provided by section 833 of the Internal Revenue Code of 1986 to meet certain conditions in order to undergo, as deter-

mined by the State, a reorganization, recapitalization, conversion, merger, consolidation, sale or other disposition of substantial operating assets, demutualization, dissolution, or to undertake other similar actions and which is governed under a State statute enacted on May 22, 1998, relating to hospital, medical, and dental service corporation conversions.

(3) PRESERVATION OF STATE ANTITRUST AND GENERAL CORPORATE LAWS.—

(A) IN GENERAL.—Subject to subsection (c) and the nondiscrimination provisions contained in such subsection, no provision in paragraph (1) shall be construed as affecting State laws, regulations, orders, interpretations, or other actions of general applicability relating to the governance of corporations, partnerships, limited liability companies or other business associations incorporated or formed under the laws of that State or domiciled in that State, or the applicability of the antitrust laws of any State or any State law that is similar to the antitrust laws.

(B) DEFINITION.—The term "antitrust laws" has the same meaning as in subsection (a) of the first section of the Clayton Act, and includes section 5 of the Federal Trade Commission Act to the extent that such section 5 relates to unfair methods of competition.

(b) ACTIVITIES.—

(1) IN GENERAL.—Except as provided in paragraph (3), and except with respect to insurance sales, solicitation, and cross marketing activities, which shall be governed by paragraph (2), no State may, by statute, regulation, order, interpretation, or other action, prevent or restrict an insured depository institution, wholesale financial institution, or subsidiary or affiliate thereof from engaging directly or indirectly, either by itself or in conjunction with a subsidiary, affiliate, or any other entity or person, in any activity authorized or permitted under this Act.

(2) INSURANCE SALES.—

(A) IN GENERAL.—In accordance with the legal standards for preemption set forth in the decision of the Supreme Court of the United States in *Barnett Bank of Marion County N.A. v. Nelson*, 517 U.S. 25 (1996), no State may, by statute, regulation, order, interpretation, or other action, prevent or significantly interfere with the ability of an insured depository institution or wholesale financial institution, or a subsidiary or affiliate thereof, to engage, directly or indirectly, either by itself or in conjunction with a subsidiary, affiliate, or any other party, in any insurance sales, solicitation, or cross-marketing activity.

(B) CERTAIN STATE LAWS PRESERVED.—Notwithstanding subparagraph (A), a State may impose any of the following restrictions, or restrictions which are substantially the same as but no more burdensome or restrictive than those in each of the following clauses:

(i) Restrictions prohibiting the rejection of an insurance policy by an insured depository institution, wholesale financial institution, or any subsidiary or affiliate thereof, solely because the policy has been issued or underwritten by any person who is not associated with such insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof, when such insurance is required in connection with a loan or extension of credit.

(ii) Restrictions prohibiting a requirement for any debtor, insurer, or insurance agent or broker to pay a separate charge in connection with the handling of insurance that is

required in connection with a loan or other extension of credit or the provision of another traditional banking product by an insured depository institution, wholesale financial institution, or any subsidiary or affiliate thereof, unless such charge would be required when the insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof, is the licensed insurance agent or broker providing the insurance.

(iii) Restrictions prohibiting the use of any advertisement or other insurance promotional material by an insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof, that would cause a reasonable person to believe mistakenly that—

(I) a State or the Federal Government is responsible for the insurance sales activities of, or stands behind the credit of, the institution, affiliate, or subsidiary; or

(II) a State, or the Federal Government guarantees any returns on insurance products, or is a source of payment on any insurance obligation of or sold by the institution, affiliate, or subsidiary;

(iv) Restrictions prohibiting the payment or receipt of any commission or brokerage fee or other valuable consideration for services as an insurance agent or broker to or by any person, unless such person holds a valid State license regarding the applicable class of insurance at the time at which the services are performed, except that, in this clause, the term "services as an insurance agent or broker" does not include a referral by an unlicensed person of a customer or potential customer to a licensed insurance agent or broker that does not include a discussion of specific insurance policy terms and conditions.

(v) Restrictions prohibiting any compensation paid to or received by any individual who is not licensed to sell insurance, for the referral of a customer that seeks to purchase, or seeks an opinion or advice on, any insurance product to a person that sells or provides opinions or advice on such product, based on the purchase of insurance by the customer.

(vi) Restrictions prohibiting the release of the insurance information of a customer (defined as information concerning the premiums, terms, and conditions of insurance coverage, including expiration dates and rates, and insurance claims of a customer contained in the records of the insured depository institution or wholesale financial institution, or a subsidiary or affiliate thereof) to any person or entity other than an officer, director, employee, agent, subsidiary, or affiliate of an insured depository institution or a wholesale financial institution, for the purpose of soliciting or selling insurance, without the express consent of the customer, other than a provision that prohibits—

(I) a transfer of insurance information to an unaffiliated insurance company, agent, or broker in connection with transferring insurance in force on existing insureds of the insured depository institution or wholesale financial institution, or subsidiary or affiliate thereof, or in connection with a merger with or acquisition of an unaffiliated insurance company, agent, or broker; or

(II) the release of information as otherwise authorized by State or Federal law.

(vii) Restrictions prohibiting the use of health information obtained from the insurance records of a customer for any purpose, other than for its activities as a licensed agent or broker, without the express consent of the customer.

(viii) Restrictions prohibiting the extension of credit or any product or service that is equivalent to an extension of credit, lease or sale of property of any kind, or furnishing of any services or fixing or varying the consideration for any of the foregoing, on the condition or requirement that the customer obtain insurance from an insured depository institution, wholesale financial institution, a subsidiary or affiliate thereof, or a particular insurer, agent, or broker, other than a prohibition that would prevent any insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof—

(I) from engaging in any activity described in this clause that would not violate section 106 of the Bank Holding Company Act Amendments of 1970, as interpreted by the Board of Governors of the Federal Reserve System; or

(II) from informing a customer or prospective customer that insurance is required in order to obtain a loan or credit, that loan or credit approval is contingent upon the procurement by the customer of acceptable insurance, or that insurance is available from the insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof.

(ix) Restrictions requiring, when an application by a consumer for a loan or other extension of credit from an insured depository institution or wholesale financial institution is pending, and insurance is offered or sold to the consumer or is required in connection with the loan or extension of credit by the insured depository institution or wholesale financial institution or any affiliate or subsidiary thereof, that a written disclosure be provided to the consumer or prospective customer indicating that his or her choice of an insurance provider will not affect the credit decision or credit terms in any way, except that the insured depository institution or wholesale financial institution may impose reasonable requirements concerning the creditworthiness of the insurance provider and scope of coverage chosen.

(x) Restrictions requiring clear and conspicuous disclosure, in writing, where practicable, to the customer prior to the sale of any insurance policy that such policy—

(I) is not a deposit;

(II) is not insured by the Federal Deposit Insurance Corporation;

(III) is not guaranteed by the insured depository institution or wholesale financial institution or, if appropriate, its subsidiaries or affiliates or any person soliciting the purchase of or selling insurance on the premises thereof; and

(IV) where appropriate, involves investment risk, including potential loss of principal.

(xi) Restrictions requiring that, when a customer obtains insurance (other than credit insurance or flood insurance) and credit from an insured depository institution or wholesale financial institution, or its subsidiaries or affiliates, or any person soliciting the purchase of or selling insurance on the premises thereof, the credit and insurance transactions be completed through separate documents.

(xii) Restrictions prohibiting, when a customer obtains insurance (other than credit insurance or flood insurance) and credit from an insured depository institution or wholesale financial institution or its subsidiaries or affiliates, or any person soliciting the purchase of or selling insurance on the premises thereof, inclusion of the expense of insurance premiums in the primary credit transaction

without the express written consent of the customer.

(xiii) Restrictions requiring maintenance of separate and distinct books and records relating to insurance transactions, including all files relating to and reflecting consumer complaints, and requiring that such insurance books and records be made available to the appropriate State insurance regulator for inspection upon reasonable notice.

(C) LIMITATIONS.—

(i) OCC DEFERENCE.—Section 306(e) does not apply with respect to any State statute, regulation, order, interpretation, or other action regarding insurance sales, solicitation, or cross marketing activities described in subparagraph (A) that was issued, adopted, or enacted before September 3, 1998, and that is not described in subparagraph (B).

(ii) NONDISCRIMINATION.—Subsection (c) does not apply with respect to any State statute, regulation, order, interpretation, or other action regarding insurance sales, solicitation, or cross marketing activities described in subparagraph (A) that was issued, adopted, or enacted before September 3, 1998, and that is not described in subparagraph (B).

(iii) CONSTRUCTION.—Nothing in this paragraph shall be construed to limit the applicability of the decision of the Supreme Court in *Barnett Bank of Marion County N.A. v. Nelson*, 116 S. Ct. 1103 (1996) with respect to a State statute, regulation, order, interpretation, or other action that is not described in subparagraph (B).

(iv) LIMITATION ON INFERENCES.—Nothing in this paragraph shall be construed to create any inference with respect to any State statute, regulation, order, interpretation, or other action that is not referred to or described in this paragraph.

(3) INSURANCE ACTIVITIES OTHER THAN SALES.—State statutes, regulations, interpretations, orders, and other actions shall not be preempted under subsection (b)(1) to the extent that they—

(A) relate to, or are issued, adopted, or enacted for the purpose of regulating the business of insurance in accordance with the Act of March 9, 1945 (commonly known as the "McCarran-Ferguson Act");

(B) apply only to persons or entities that are not insured depository institutions or wholesale financial institutions, but that are directly engaged in the business of insurance (except that they may apply to depository institutions engaged in providing savings bank life insurance as principal to the extent of regulating such insurance);

(C) do not relate to or directly or indirectly regulate insurance sales, solicitations, or cross-marketing activities; and

(D) are not prohibited under subsection (c).

(4) FINANCIAL ACTIVITIES OTHER THAN INSURANCE.—No State statute, regulation, interpretation, order, or other action shall be preempted under subsection (b)(1) to the extent that—

(A) it does not relate to, and is not issued and adopted, or enacted for the purpose of regulating, directly or indirectly, insurance sales, solicitations, or cross marketing activities covered under paragraph (2);

(B) it does not relate to, and is not issued and adopted, or enacted for the purpose of regulating, directly or indirectly, the business of insurance activities other than sales, solicitations, or cross marketing activities, covered under paragraph (3);

(C) it does not relate to securities investigations or enforcement actions referred to in subsection (d); and

(D) it—

(i) does not distinguish by its terms between insured depository institutions, wholesale financial institutions, and subsidiaries and affiliates thereof engaged in the activity at issue and other persons or entities engaged in the same activity in a manner that is in any way adverse with respect to the conduct of the activity by any such insured depository institution, wholesale financial institution, or subsidiary or affiliate thereof engaged in the activity at issue;

(ii) as interpreted or applied, does not have, and will not have, an impact on depository institutions, wholesale financial institutions, or subsidiaries or affiliates thereof engaged in the activity at issue, or any person or entity affiliated therewith, that is substantially more adverse than its impact on other persons or entities engaged in the same activity that are not insured depository institutions, wholesale financial institutions, or subsidiaries or affiliates thereof, or persons or entities affiliated therewith;

(iii) does not effectively prevent a depository institution, wholesale financial institution, or subsidiary or affiliate thereof from engaging in activities authorized or permitted by this Act or any other provision of Federal law; and

(iv) does not conflict with the intent of this Act generally to permit affiliations that are authorized or permitted by Federal law.

(c) **NONDISCRIMINATION.**—Except as provided in any restrictions described in subsection (b)(2)(B), no State may, by statute, regulation, order, interpretation, or other action, regulate the insurance activities authorized or permitted under this Act or any other provision of Federal law of an insured depository institution or wholesale financial institution, or subsidiary or affiliate thereof, to the extent that such statute, regulation, order, interpretation, or other action—

(1) distinguishes by its terms between insured depository institutions or wholesale financial institutions, or subsidiaries or affiliates thereof, and other persons or entities engaged in such activities, in a manner that is in any way adverse to any such insured depository institution or wholesale financial institution, or subsidiary or affiliate thereof;

(2) as interpreted or applied, has or will have an impact on depository institutions or wholesale financial institutions, or subsidiaries or affiliates thereof, that is substantially more adverse than its impact on other persons or entities providing the same products or services or engaged in the same activities that are not insured depository institutions, wholesale financial institutions, or subsidiaries or affiliates thereof, or persons or entities affiliated therewith;

(3) effectively prevents a depository institution or wholesale financial institution, or subsidiary or affiliate thereof, from engaging in insurance activities authorized or permitted by this Act or any other provision of Federal law; or

(4) conflicts with the intent of this Act generally to permit affiliations that are authorized or permitted by Federal law between insured depository institutions or wholesale financial institutions, or subsidiaries or affiliates thereof, and persons and entities engaged in the business of insurance.

(d) **LIMITATION.**—Subsections (a) and (b) shall not be construed to affect the jurisdiction of the securities commission (or any agency or office performing like functions) of any State, under the laws of such State—

(1) to investigate and bring enforcement actions, consistent with section 18(c) of the Securities Act of 1933, with respect to fraud or deceit or unlawful conduct by any person,

in connection with securities or securities transactions; or

(2) to require the registration of securities or the licensure or registration of brokers, dealers, or investment advisers (consistent with section 203A of the Investment Advisers Act of 1940), or the associated persons of a broker, dealer, or investment adviser (consistent with such section 203A).

(e) **DEFINITIONS.**—For purposes of this section, the following definitions shall apply:

(1) **INSURED DEPOSITORY INSTITUTION.**—The term “insured depository institution” includes any foreign bank that maintains a branch, agency, or commercial lending company in the United States.

(2) **STATE.**—The term “State” means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

#### **SEC. 105. MUTUAL BANK HOLDING COMPANIES AUTHORIZED.**

Section 3(g)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(g)(2)) is amended to read as follows:

“(2) **REGULATIONS.**—A bank holding company organized as a mutual holding company shall be regulated on terms, and shall be subject to limitations, comparable to those applicable to the any other bank holding company.”.

#### **SEC. 105A. PUBLIC MEETINGS FOR LARGE BANK ACQUISITIONS AND MERGERS.**

(a) **BANK HOLDING COMPANY ACT OF 1956.**—Section 3(c)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(c)(2)) is amended—

(1) by striking “FACTORS.—In every case” and inserting “FACTORS.—

“(A) **IN GENERAL.**—In every case”; and

(2) by adding at the end the following new subparagraph:

“(B) **PUBLIC MEETINGS.**—In each case involving one or more insured depository institutions each of which has total assets of \$1,000,000,000 or more, the Board shall, as necessary and on a timely basis, conduct public meetings in one or more areas where the Board believes, in the sole discretion of the Board, there will be a substantial public impact.”.

(b) **FEDERAL DEPOSIT INSURANCE ACT.**—Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended by adding at the end the following new paragraph:

“(12) **PUBLIC MEETINGS.**—In each merger transaction involving one or more insured depository institutions each of which has total assets of \$1,000,000,000 or more, the responsible agency shall, as necessary and on a timely basis, conduct public meetings in one or more areas where the agency believes, in the sole discretion of the agency, there will be a substantial public impact.”.

(c) **NATIONAL BANK CONSOLIDATION AND MERGER ACT.**—The National Bank Consolidation and Merger Act (12 U.S.C. 215 et seq.) is amended by adding at the end the following new section:

#### **“SEC. 6. PUBLIC MEETINGS FOR LARGE BANK CONSOLIDATIONS AND MERGERS.**

“In each case of a consolidation or merger under this Act involving one or more banks each of which has total assets of \$1,000,000,000 or more, the Comptroller shall, as necessary and on a timely basis, conduct public meetings in one or more areas where the Comptroller believes, in the sole discretion of the Comptroller, there will be a substantial public impact.”.

(d) **HOME OWNERS’ LOAN ACT.**—Section 10(e) of the Home Owners’ Loan Act (12 U.S.C.

1463) is amended by adding at the end the following new paragraph:

“(7) **PUBLIC MEETINGS FOR LARGE DEPOSITORY INSTITUTION ACQUISITIONS AND MERGERS.**—In each case involving one or more insured depository institutions each of which has total assets of \$1,000,000,000 or more, the Director shall, as necessary and on a timely basis, conduct public meetings in one or more areas where the Director believes, in the sole discretion of the Director, there will be a substantial public impact.”.

#### **SEC. 106. PROHIBITION ON DEPOSIT PRODUCTION OFFICES.**

(a) **IN GENERAL.**—Section 109(d) of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (12 U.S.C. 1835a(d)) is amended—

(1) by inserting “, the Financial Services Act of 1999,” after “pursuant to this title”; and

(2) by inserting “or such Act” after “made by this title”.

(b) **TECHNICAL AND CONFORMING AMENDMENT.**—Section 109(e)(4) of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (12 U.S.C. 1835a(e)(4)) is amended by inserting “and any branch of a bank controlled by an out-of-State bank holding company (as defined in section 2(o)(7) of the Bank Holding Company Act of 1956)” before the period.

#### **SEC. 107. CLARIFICATION OF BRANCH CLOSURE REQUIREMENTS.**

Section 42(d)(4)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1831r-1(d)(4)(A)) is amended by inserting “and any bank controlled by an out-of-State bank holding company (as defined in section 2(o)(7) of the Bank Holding Company Act of 1956)” before the period.

#### **SEC. 108. AMENDMENTS RELATING TO LIMITED PURPOSE BANKS.**

(a) **IN GENERAL.**—Section 4(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)) is amended—

(1) in paragraph (2)(A)(ii)—

(A) by striking “and” at the end of subclause (IX);

(B) by inserting “and” after the semicolon at the end of subclause (X); and

(C) by inserting after subclause (X) the following new subclause:

“(XI) assets that are derived from, or are incidental to, consumer lending activities in which institutions described in subparagraph (F) or (H) of section 2(c)(2) are permitted to engage.”;

(2) in paragraph (2), by striking subparagraph (B) and inserting the following new subparagraphs:

“(B) any bank subsidiary of such company engages in any activity in which the bank was not lawfully engaged as of March 5, 1987, unless the bank is well managed and well capitalized;

“(C) any bank subsidiary of such company both—

“(i) accepts demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties; and

“(ii) engages in the business of making commercial loans (and, for purposes of this clause, loans made in the ordinary course of a credit card operation shall not be treated as commercial loans); or

“(D) after the date of the enactment of the Competitive Equality Amendments of 1987, any bank subsidiary of such company permits any overdraft (including any intraday overdraft), or incurs any such overdraft in such bank’s account at a Federal Reserve bank, on behalf of an affiliate, other than an overdraft described in paragraph (3).”; and

(3) by striking paragraphs (3) and (4) and inserting the following new paragraphs:

“(3) PERMISSIBLE OVERDRAFTS DESCRIBED.—For purposes of paragraph (2)(D), an overdraft is described in this paragraph if—

“(A) such overdraft results from an inadvertent computer or accounting error that is beyond the control of both the bank and the affiliate;

“(B) such overdraft—

“(i) is permitted or incurred on behalf of an affiliate which is monitored by, reports to, and is recognized as a primary dealer by the Federal Reserve Bank of New York; and

“(ii) is fully secured, as required by the Board, by bonds, notes, or other obligations which are direct obligations of the United States or on which the principal and interest are fully guaranteed by the United States or by securities and obligations eligible for settlement on the Federal Reserve book entry system; or

“(C) such overdraft—

“(i) is incurred on behalf of an affiliate solely in connection with an activity that is so closely related to banking, or managing or controlling banks, as to be a proper incident thereto, to the extent the bank incurring the overdraft and the affiliate on whose behalf the overdraft is incurred each document that the overdraft is incurred for such purpose; and

“(ii) does not cause the bank to violate any provision of section 23A or 23B of the Federal Reserve Act, either directly, in the case of a member bank, or by virtue of section 18(j) of the Federal Deposit Insurance Act, in the case of a nonmember bank.

“(4) DIVESTITURE IN CASE OF LOSS OF EXEMPTION.—If any company described in paragraph (1) fails to qualify for the exemption provided under such paragraph by operation of paragraph (2), such exemption shall cease to apply to such company and such company shall divest control of each bank it controls before the end of the 180-day period beginning on the date that the company receives notice from the Board that the company has failed to continue to qualify for such exemption, unless before the end of such 180-day period, the company has—

“(A) corrected the condition or ceased the activity that caused the company to fail to continue to qualify for the exemption; and

“(B) implemented procedures that are reasonably adapted to avoid the reoccurrence of such condition or activity.

The issuance of any notice under this paragraph that relates to the activities of a bank shall not be construed as affecting the authority of the bank to continue to engage in such activities until the expiration of such 180-day period.”.

(b) INDUSTRIAL LOAN COMPANIES AFFILIATE OVERDRAFTS.—Section 2(c)(2)(H) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)(2)(H)) is amended by inserting before the period at the end “, or that is otherwise permissible for a bank controlled by a company described in section 4(f)(1)”.

**SEC. 109. GAO STUDY OF ECONOMIC IMPACT ON COMMUNITY BANKS, OTHER SMALL FINANCIAL INSTITUTIONS, INSURANCE AGENTS, AND CONSUMERS.**

(a) STUDY REQUIRED.—The Comptroller General of the United States shall conduct a study of the projected economic impact and the actual economic impact that the enactment of this Act will have on financial institutions, including community banks, registered brokers and dealers and insurance companies, which have total assets of \$100,000,000 or less, insurance agents, and consumers.

(b) REPORTS TO THE CONGRESS.—

(1) IN GENERAL.—The Comptroller General of the United States shall submit reports to the Congress, at the times required under paragraph (2), containing the findings and conclusions of the Comptroller General with regard to the study required under subsection (a) and such recommendations for legislative or administrative action as the Comptroller General may determine to be appropriate.

(2) TIMING OF REPORTS.—The Comptroller General shall submit—

(A) an interim report before the end of the 6-month period beginning after the date of the enactment of this Act;

(B) another interim report before the end of the next 6-month period; and

(C) a final report before the end of the 1-year period after such second 6-month period.”.

**SEC. 110. RESPONSIVENESS TO COMMUNITY NEEDS FOR FINANCIAL SERVICES.**

(a) STUDY.—The Secretary of the Treasury, in consultation with the Federal banking agencies (as defined in section 3(z) of the Federal Deposit Insurance Act), shall conduct a study of the extent to which adequate services are being provided as intended by the Community Reinvestment Act of 1977, including services in low- and moderate-income neighborhoods and for persons of modest means, as a result of the enactment of this Act.

(b) REPORT.—Before the end of the 2-year period beginning on the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Federal banking agencies, shall submit a report to the Congress on the study conducted pursuant to subsection (a) and shall include such recommendations as the Secretary determines to be appropriate for administrative and legislative action with respect to institutions covered under the Community Reinvestment Act of 1977.

**SEC. 110A. STUDY OF FINANCIAL MODERNIZATION'S AFFECT ON THE ACCESSIBILITY OF SMALL BUSINESS AND FARM LOANS.**

(a) STUDY.—The Secretary of the Treasury, in consultation with the Federal banking agencies (as defined in Section 3(z) of the Federal Deposit Insurance Act), shall conduct a study of the extent to which credit is being provided to and for small business and farms, as a result of this Act.

(b) REPORT.—Before the end of the 5-year period beginning on the date of the enactment of this Act, the Secretary, in consultation with the Federal banking agencies, shall submit a report to the Congress on the study conducted pursuant to subsection (a) and shall include such recommendations as the Secretary determines to be appropriate for administrative and legislative action.

**Subtitle B—Streamlining Supervision of Financial Holding Companies**

**SEC. 111. STREAMLINING FINANCIAL HOLDING COMPANY SUPERVISION.**

Section 5(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(c)) is amended to read as follows:

“(c) REPORTS AND EXAMINATIONS.—

“(1) REPORTS.—

“(A) IN GENERAL.—The Board from time to time may require any bank holding company and any subsidiary of such company to submit reports under oath to keep the Board informed as to—

“(i) its financial condition, systems for monitoring and controlling financial and operating risks, and transactions with depository institution subsidiaries of the holding company; and

“(ii) compliance by the company or subsidiary with applicable provisions of this Act.

“(B) USE OF EXISTING REPORTS.—

“(i) IN GENERAL.—The Board shall, to the fullest extent possible, accept reports in fulfillment of the Board's reporting requirements under this paragraph that a bank holding company or any subsidiary of such company has provided or been required to provide to other Federal and State supervisors or to appropriate self-regulatory organizations.

“(ii) AVAILABILITY.—A bank holding company or a subsidiary of such company shall provide to the Board, at the request of the Board, a report referred to in clause (i).

“(iii) REQUIRED USE OF PUBLICLY REPORTED INFORMATION.—The Board shall, to the fullest extent possible, accept in fulfillment of any reporting or recordkeeping requirements under this Act information that is otherwise required to be reported publicly and externally audited financial statements.

“(iv) REPORTS FILED WITH OTHER AGENCIES.—In the event the Board requires a report from a functionally regulated nondepository institution subsidiary of a bank holding company of a kind that is not required by another Federal or State regulator or appropriate self-regulatory organization, the Board shall request that the appropriate regulator or self-regulatory organization obtain such report. If the report is not made available to the Board, and the report is necessary to assess a material risk to the bank holding company or any of its subsidiary depository institutions or compliance with this Act, the Board may require such subsidiary to provide such a report to the Board.

“(C) DEFINITION.—For purposes of this subsection, the term ‘functionally regulated nondepository institution’ means—

“(i) a broker or dealer registered under the Securities Exchange Act of 1934;

“(ii) an investment adviser registered under the Investment Advisers Act of 1940, or with any State, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;

“(iii) an insurance company subject to supervision by a State insurance commission, agency, or similar authority; and

“(iv) an entity subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.

“(2) EXAMINATIONS.—

“(A) EXAMINATION AUTHORITY.—

“(i) IN GENERAL.—The Board may make examinations of each bank holding company and each subsidiary of a bank holding company.

“(ii) FUNCTIONALLY REGULATED NONDEPOSITORY INSTITUTION SUBSIDIARIES.—Notwithstanding clause (i), the Board may make examinations of a functionally regulated nondepository institution subsidiary of a bank holding company only if—

“(I) the Board has reasonable cause to believe that such subsidiary is engaged in activities that pose a material risk to an affiliated depository institution; or

“(II) based on reports and other available information, the Board has reasonable cause to believe that a subsidiary is not in compliance with this Act or with provisions relating to transactions with an affiliated depository institution and the Board cannot make such determination through examination of the affiliated depository institution or bank holding company.



“(B) LIMITATIONS ON EXAMINATION AUTHORITY FOR BANK HOLDING COMPANIES AND SUBSIDIARIES.—Subject to subparagraph (A)(ii), the Board may make examinations under subparagraph (A)(i) of each bank holding company and each subsidiary of such holding company in order to—

“(i) inform the Board of the nature of the operations and financial condition of the holding company and such subsidiaries;

“(ii) inform the Board of—

“(I) the financial and operational risks within the holding company system that may pose a threat to the safety and soundness of any subsidiary depository institution of such holding company; and

“(II) the systems for monitoring and controlling such risks; and

“(iii) monitor compliance with the provisions of this Act and those governing transactions and relationships between any subsidiary depository institution and its affiliates.

“(C) RESTRICTED FOCUS OF EXAMINATIONS.—The Board shall, to the fullest extent possible, limit the focus and scope of any examination of a bank holding company to—

“(i) the bank holding company; and

“(ii) any subsidiary of the holding company that, because of—

“(I) the size, condition, or activities of the subsidiary; or

“(II) the nature or size of transactions between such subsidiary and any depository institution which is also a subsidiary of such holding company, could have a materially adverse effect on the safety and soundness of any depository institution affiliate of the holding company.

“(D) DEFERENCE TO BANK EXAMINATIONS.—The Board shall, to the fullest extent possible, use, for the purposes of this paragraph, the reports of examinations of depository institutions made by the appropriate Federal and State depository institution supervisory authority.

“(E) DEFERENCE TO OTHER EXAMINATIONS.—The Board shall, to the fullest extent possible, address the circumstances which might otherwise permit or require an examination by the Board by forgoing an examination and instead reviewing the reports of examination made of—

“(i) any registered broker or dealer by or on behalf of the Securities and Exchange Commission;

“(ii) any investment adviser registered by or on behalf of either the Securities and Exchange Commission or any State, whichever is required by law;

“(iii) any licensed insurance company by or on behalf of any State regulatory authority responsible for the supervision of insurance companies; and

“(iv) any other subsidiary that the Board finds to be comprehensively supervised by a Federal or State authority.

“(3) CAPITAL.—

“(A) IN GENERAL.—The Board shall not, by regulation, guideline, order or otherwise, prescribe or impose any capital or capital adequacy rules, guidelines, standards, or requirements on any subsidiary of a financial holding company that is not a depository institution and—

“(i) is in compliance with applicable capital requirements of another Federal regulatory authority (including the Securities and Exchange Commission) or State insurance authority;

“(ii) is registered as an investment adviser under the Investment Advisers Act of 1940, or with any State, whichever is required by law; or

“(iii) is licensed as an insurance agent with the appropriate State insurance authority.

“(B) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as preventing the Board from imposing capital or capital adequacy rules, guidelines, standards, or requirements with respect to—

“(i) activities of a registered investment adviser other than investment advisory activities or activities incidental to investment advisory activities; or

“(ii) activities of a licensed insurance agent other than insurance agency activities or activities incidental to insurance agency activities.

“(C) LIMITATIONS ON INDIRECT ACTION.—In developing, establishing, or assessing holding company capital or capital adequacy rules, guidelines, standards, or requirements for purposes of this paragraph, the Board shall not take into account the activities, operations, or investments of an affiliated investment company registered under the Investment Company Act of 1940, unless the investment company is—

“(i) a bank holding company; or

“(ii) controlled by a bank holding company by reason of ownership by the bank holding company (including through all of its affiliates) of 25 percent or more of the shares of the investment company, and the shares owned by the bank holding company have a market value equal to more than \$1,000,000.

“(4) TRANSFER OF BOARD AUTHORITY TO APPROPRIATE FEDERAL BANKING AGENCY.—

“(A) IN GENERAL.—In the case of any bank holding company which is not significantly engaged in nonbanking activities, the Board, in consultation with the appropriate Federal banking agency, may designate the appropriate Federal banking agency of the lead insured depository institution subsidiary of such holding company as the appropriate Federal banking agency for the bank holding company.

“(B) AUTHORITY TRANSFERRED.—An agency designated by the Board under subparagraph (A) shall have the same authority as the Board under this Act to—

“(i) examine and require reports from the bank holding company and any affiliate of such company (other than a depository institution) under section 5;

“(ii) approve or disapprove applications or transactions under section 3;

“(iii) take actions and impose penalties under subsections (e) and (f) of section 5 and section 8; and

“(iv) take actions regarding the holding company, any affiliate of the holding company (other than a depository institution), or any institution-affiliated party of such company or affiliate under the Federal Deposit Insurance Act and any other statute which the Board may designate.

“(C) AGENCY ORDERS.—Section 9 of this Act and section 105 of the Bank Holding Company Act Amendments of 1970 shall apply to orders issued by an agency designated under subparagraph (A) in the same manner such sections apply to orders issued by the Board.

“(5) FUNCTIONAL REGULATION OF SECURITIES AND INSURANCE ACTIVITIES.—The Board shall defer to—

“(A) the Securities and Exchange Commission with regard to all interpretations of, and the enforcement of, applicable Federal securities laws (and rules, regulations, orders, and other directives issued thereunder) relating to the activities, conduct, and operations of registered brokers, dealers, investment advisers, and investment companies;

“(B) the relevant State securities authorities with regard to all interpretations of, and

the enforcement of, applicable State securities laws (and rules, regulations, orders, and other directives issued thereunder) relating to the activities, conduct, and operations of brokers, dealers, and investment advisers required to be registered under State law; and

“(C) the relevant State insurance authorities with regard to all interpretations of, and the enforcement of, applicable State insurance laws (and rules, regulations, orders, and other directives issued thereunder) relating to the activities, conduct, and operations of insurance companies and insurance agents.”.

## SEC. 112. ELIMINATION OF APPLICATION REQUIREMENT FOR FINANCIAL HOLDING COMPANIES.

(a) PREVENTION OF DUPLICATIVE FILINGS.—Section 5(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(a)) is amended by adding the following new sentence at the end: “A declaration filed in accordance with section 6(b)(1)(D) shall satisfy the requirements of this subsection with regard to the registration of a bank holding company but not any requirement to file an application to acquire a bank pursuant to section 3.”.

(b) DIVESTITURE PROCEDURES.—Section 5(e)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(e)(1)) is amended—

(1) by striking “Financial Institutions Supervisory Act of 1966, order” and inserting “Financial Institutions Supervisory Act of 1966, at the election of the bank holding company—

“(A) order”; and

(2) by striking “shareholders of the bank holding company. Such distribution” and inserting “shareholders of the bank holding company; or

“(B) order the bank holding company, after due notice and opportunity for hearing, and after consultation with the primary supervisor for the bank, which shall be the Comptroller of the Currency in the case of a national bank, and the Federal Deposit Insurance Corporation and the appropriate State supervisor in the case of an insured non-member bank, to terminate (within 120 days or such longer period as the Board may direct) the ownership or control of any such bank by such company. The distribution referred to in subparagraph (A)”.

## SEC. 113. AUTHORITY OF STATE INSURANCE REGULATOR AND SECURITIES AND EXCHANGE COMMISSION.

(a) BANK HOLDING COMPANIES.—Section 5 of the Bank Holding Company Act of 1956 (12 U.S.C. 1844) is amended by adding at the end the following new subsection:

“(g) AUTHORITY OF STATE INSURANCE REGULATOR AND THE SECURITIES AND EXCHANGE COMMISSION.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, any regulation, order, or other action of the Board which requires a bank holding company to provide funds or other assets to a subsidiary insured depository institution shall not be effective nor enforceable with respect to an entity described in subparagraph (A) if—

“(A) such funds or assets are to be provided by—

“(i) a bank holding company that is an insurance company, a broker or dealer registered under the Securities Exchange Act of 1934, an investment company registered under the Investment Company Act of 1940, or an investment adviser registered by or on behalf of either the Securities and Exchange Commission or any State; or

“(ii) an affiliate of the depository institution which is an insurance company or a broker or dealer registered under the Securities Exchange Act of 1934, an investment

company registered under the Investment Company Act of 1940, or an investment adviser registered by or on behalf of either the Securities and Exchange Commission or any State; and

“(B) the State insurance authority for the insurance company or the Securities and Exchange Commission for the registered broker, dealer, investment adviser (solely with respect to investment advisory activities or activities incidental thereto), or investment company, as the case may be, determines in writing sent to the holding company and the Board that the holding company shall not provide such funds or assets because such action would have a material adverse effect on the financial condition of the insurance company or the broker, dealer, investment company, or investment adviser, as the case may be.

“(2) NOTICE TO STATE INSURANCE AUTHORITY OR SEC REQUIRED.—If the Board requires a bank holding company, or an affiliate of a bank holding company, which is an insurance company or a broker, dealer, investment company, or investment adviser described in paragraph (1)(A) to provide funds or assets to an insured depository institution subsidiary of the holding company pursuant to any regulation, order, or other action of the Board referred to in paragraph (1), the Board shall promptly notify the State insurance authority for the insurance company, the Securities and Exchange Commission, or State securities regulator, as the case may be, of such requirement.

“(3) DIVESTITURE IN LIEU OF OTHER ACTION.—If the Board receives a notice described in paragraph (1)(B) from a State insurance authority or the Securities and Exchange Commission with regard to a bank holding company or affiliate referred to in that paragraph, the Board may order the bank holding company to divest the insured depository institution not later than 180 days after receiving the notice, or such longer period as the Board determines consistent with the safe and sound operation of the insured depository institution.

“(4) CONDITIONS BEFORE DIVESTITURE.—During the period beginning on the date an order to divest is issued by the Board under paragraph (3) to a bank holding company and ending on the date the divestiture is completed, the Board may impose any conditions or restrictions on the holding company's ownership or operation of the insured depository institution, including restricting or prohibiting transactions between the insured depository institution and any affiliate of the institution, as are appropriate under the circumstances.”

(b) SUBSIDIARIES OF DEPOSITORY INSTITUTIONS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

**“SEC. 45. AUTHORITY OF STATE INSURANCE REGULATOR AND SECURITIES AND EXCHANGE COMMISSION.**

“(a) IN GENERAL.—Notwithstanding any other provision of law, any regulation, order, or other action of the appropriate Federal banking agency which requires a subsidiary to provide funds or other assets to an insured depository institution shall not be effective nor enforceable with respect to an entity described in paragraph (1) if—

“(1) such funds or assets are to be provided by a subsidiary which is an insurance company, a broker or dealer registered under the Securities Exchange Act of 1934, an investment company registered under the Investment Company Act of 1940, or an investment adviser registered by or on behalf of either

the Securities and Exchange Commission or any State; and

“(2) the State insurance authority for the insurance company or the Securities and Exchange Commission for the registered broker or dealer, the investment company, or the investment adviser, as the case may be, determines in writing sent to the insured depository institution and the appropriate Federal banking agency that the subsidiary shall not provide such funds or assets because such action would have a material adverse effect on the financial condition of the insurance company or the broker, dealer, investment company, or investment adviser, as the case may be.

“(b) NOTICE TO STATE INSURANCE AUTHORITY OR SEC REQUIRED.—If the appropriate Federal banking agency requires a subsidiary, which is an insurance company, a broker or dealer, an investment company, or an investment adviser (solely with respect to investment advisory activities or activities incidental thereto) described in subsection (a)(1) to provide funds or assets to an insured depository institution pursuant to any regulation, order, or other action of the appropriate Federal banking agency referred to in subsection (a), the appropriate Federal banking agency shall promptly notify the State insurance authority for the insurance company, the Securities and Exchange Commission, or State securities regulator, as the case may be, of such requirement.

“(c) DIVESTITURE IN LIEU OF OTHER ACTION.—If the appropriate Federal banking agency receives a notice described in subsection (a)(2) from a State insurance authority or the Securities and Exchange Commission with regard to a subsidiary referred to in that subsection, the appropriate Federal banking agency may order the insured depository institution to divest the subsidiary not later than 180 days after receiving the notice, or such longer period as the appropriate Federal banking agency determines consistent with the safe and sound operation of the insured depository institution.

“(d) CONDITIONS BEFORE DIVESTITURE.—During the period beginning on the date an order to divest is issued by the appropriate Federal banking agency under subsection (c) to an insured depository institution and ending on the date the divestiture is complete, the appropriate Federal banking agency may impose any conditions or restrictions on the insured depository institution's ownership of the subsidiary including restricting or prohibiting transactions between the insured depository institution and the subsidiary, as are appropriate under the circumstances.”

**SEC. 114. PRUDENTIAL SAFEGUARDS.**

(a) COMPTROLLER OF THE CURRENCY.—

(1) IN GENERAL.—The Comptroller of the Currency may, by regulation or order, impose restrictions or requirements on relationships or transactions between a national bank and a subsidiary of the national bank which the Comptroller finds are consistent with the public interest, the purposes of this Act, title LXII of the Revised Statutes of the United States, and other Federal law applicable to national banks, and the standards in paragraph (2).

(2) STANDARDS.—The Comptroller of the Currency may exercise authority under paragraph (1) if the Comptroller finds that such action will have any of the following effects:

(A) Avoid any significant risk to the safety and soundness of depository institutions or any Federal deposit insurance fund.

(B) Enhance the financial stability of banks.

(C) Avoid conflicts of interest or other abuses.

(D) Enhance the privacy of customers of the national bank or any subsidiary of the bank.

(E) Promote the application of national treatment and equality of competitive opportunity between subsidiaries owned or controlled by domestic banks and subsidiaries owned or controlled by foreign banks operating in the United States.

(3) REVIEW.—The Comptroller of the Currency shall regularly—

(A) review all restrictions or requirements established pursuant to paragraph (1) to determine whether there is a continuing need for any such restriction or requirement to carry out the purposes of the Act, including any purpose described in paragraph (2); and

(B) modify or eliminate any restriction or requirement the Comptroller finds is no longer required for such purposes.

(b) BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.—

(1) IN GENERAL.—The Board of Governors of the Federal Reserve System may, by regulation or order, impose restrictions or requirements on relationships or transactions—

(A) between a depository institution subsidiary of a bank holding company and any affiliate of such depository institution (other than a subsidiary of such institution); or

(B) between a State member bank and a subsidiary of such bank, which the Board finds are consistent with the public interest, the purposes of this Act, the Bank Holding Company Act of 1956, the Federal Reserve Act, and other Federal law applicable to depository institution subsidiaries of bank holding companies or State banks (as the case may be), and the standards in paragraph (2).

(2) STANDARDS.—The Board of Governors of the Federal Reserve System may exercise authority under paragraph (1) if the Board finds that such action will have any of the following effects:

(A) Avoid any significant risk to the safety and soundness of depository institutions or any Federal deposit insurance fund.

(B) Enhance the financial stability of bank holding companies.

(C) Avoid conflicts of interest or other abuses.

(D) Enhance the privacy of customers of the State member bank or any subsidiary of the bank.

(E) Promote the application of national treatment and equality of competitive opportunity between nonbank affiliates owned or controlled by domestic bank holding companies and nonbank affiliates owned or controlled by foreign banks operating in the United States.

(3) REVIEW.—The Board of Governors of the Federal Reserve System shall regularly—

(A) review all restrictions or requirements established pursuant to paragraph (1) to determine whether there is a continuing need for any such restriction or requirement to carry out the purposes of the Act, including any purpose described in paragraph (2); and

(B) modify or eliminate any restriction or requirement the Board finds is no longer required for such purposes.

(4) FOREIGN BANKS.—

(A) IN GENERAL.—The Board may, by regulation or order, impose restrictions or requirements on relationships or transactions between a branch, agency, or commercial lending company of a foreign bank in the United States and any affiliate in the United States of such foreign bank that the Board finds are consistent with the public interest, the purposes of this Act, the Bank Holding Company Act of 1956, the Federal Reserve

Act, and other Federal law applicable to foreign banks and their affiliates in the United States, and the standards in paragraphs (2) and (3).

(B) **EVASION.**—In the event that the Board determines that there may be circumstances that would result in an evasion of this paragraph, the Board may also impose restrictions or requirements on relationships or transactions between a foreign bank outside the United States and any affiliate in the United States of such foreign bank that are consistent with national treatment and equality of competitive opportunity.

(C) **FEDERAL DEPOSIT INSURANCE CORPORATION.**—

(1) **IN GENERAL.**—The Federal Deposit Insurance Corporation may, by regulation or order, impose restrictions or requirements on relationships or transactions between a State nonmember bank (as defined in section 3 of the Federal Deposit Insurance Act) and a subsidiary of the State nonmember bank which the Corporation finds are consistent with the public interest, the purposes of this Act, the Federal Deposit Insurance Act, or other Federal law applicable to State nonmember banks and the standards in paragraph (2).

(2) **STANDARDS.**—The Federal Deposit Insurance Corporation may exercise authority under paragraph (1) if the Corporation finds that such action will have any of the following effects:

(A) Avoid any significant risk to the safety and soundness of depository institutions or any Federal deposit insurance fund.

(B) Enhance the financial stability of banks.

(C) Avoid conflicts of interest or other abuses.

(D) Enhance the privacy of customers of the State nonmember bank or any subsidiary of the bank.

(E) Promote the application of national treatment and equality of competitive opportunity between subsidiaries owned or controlled by domestic banks and subsidiaries owned or controlled by foreign banks operating in the United States.

(3) **REVIEW.**—The Federal Deposit Insurance Corporation shall regularly—

(A) review all restrictions or requirements established pursuant to paragraph (1) to determine whether there is a continuing need for any such restriction or requirement to carry out the purposes of the Act, including any purpose described in paragraph (2); and

(B) modify or eliminate any restriction or requirement the Corporation finds is no longer required for such purposes.

**SEC. 115. EXAMINATION OF INVESTMENT COMPANIES.**

(a) **EXCLUSIVE COMMISSION AUTHORITY.**—

(1) **IN GENERAL.**—Except as provided in paragraph (3), the Commission shall be the sole Federal agency with authority to inspect and examine any registered investment company that is not a bank holding company or a savings and loan holding company.

(2) **PROHIBITION ON BANKING AGENCIES.**—Except as provided in paragraph (3), a Federal banking agency may not inspect or examine any registered investment company that is not a bank holding company or a savings and loan holding company.

(3) **CERTAIN EXAMINATIONS AUTHORIZED.**—Nothing in this subsection prevents the Federal Deposit Insurance Corporation, if the Corporation finds it necessary to determine the condition of an insured depository institution for insurance purposes, from examining an affiliate of any insured depository institution, pursuant to its authority under

section 10(b)(4) of the Federal Deposit Insurance Act, as may be necessary to disclose fully the relationship between the depository institution and the affiliate, and the effect of such relationship on the depository institution.

(b) **EXAMINATION RESULTS AND OTHER INFORMATION.**—The Commission shall provide to any Federal banking agency, upon request, the results of any examination, reports, records, or other information with respect to any registered investment company to the extent necessary for the agency to carry out its statutory responsibilities.

(c) **DEFINITIONS.**—For purposes of this section, the following definitions shall apply:

(1) **BANK HOLDING COMPANY.**—The term “bank holding company” has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

(2) **COMMISSION.**—The term “Commission” means the Securities and Exchange Commission.

(3) **FEDERAL BANKING AGENCY.**—The term “Federal banking agency” has the same meaning as in section 3(z) of the Federal Deposit Insurance Act.

(4) **REGISTERED INVESTMENT COMPANY.**—The term “registered investment company” means an investment company which is registered with the Commission under the Investment Company Act of 1940.

(5) **SAVINGS AND LOAN HOLDING COMPANY.**—The term “savings and loan holding company” has the same meaning as in section 10(a)(1)(D) of the Home Owners’ Loan Act.

**SEC. 116. LIMITATION ON RULEMAKING, PRUDENTIAL, SUPERVISORY, AND ENFORCEMENT AUTHORITY OF THE BOARD.**

The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended by inserting after section 10 the following new section:

**“SEC. 10A. LIMITATION ON RULEMAKING, PRUDENTIAL, SUPERVISORY, AND ENFORCEMENT AUTHORITY OF THE BOARD.**

**“(a) LIMITATION ON DIRECT ACTION.**—

**“(1) IN GENERAL.**—The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a regulated subsidiary of a bank holding company unless the action is necessary to prevent or redress an unsafe or unsound practice or breach of fiduciary duty by such subsidiary that poses a material risk to—

**“(A) the financial safety, soundness, or stability of an affiliated depository institution; or**

**“(B) the domestic or international payment system.**

**“(2) CRITERIA FOR BOARD ACTION.**—The Board shall not take action otherwise permitted under paragraph (1) unless the Board finds that it is not reasonably possible to effectively protect against the material risk at issue through action directed at or against the affiliated depository institution or against depository institutions generally.

**“(b) LIMITATION ON INDIRECT ACTION.**—The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a financial holding company or a wholesale financial holding company where the purpose or effect of doing so would be to take action indirectly against or with respect to a regu-

lated subsidiary that may not be taken directly against or with respect to such subsidiary in accordance with subsection (a).

**“(c) ACTIONS SPECIFICALLY AUTHORIZED.**—Notwithstanding subsection (a), the Board may take action under this Act or section 8 of the Federal Deposit Insurance Act to enforce compliance by a regulated subsidiary with Federal law that the Board has specific jurisdiction to enforce against such subsidiary.

**“(d) REGULATED SUBSIDIARY DEFINED.**—For purposes of this section, the term “regulated subsidiary” means any company that is not a bank holding company and is—

**“(1) a broker or dealer registered under the Securities Exchange Act of 1934;**

**“(2) an investment adviser registered by or on behalf of either the Securities and Exchange Commission or any State, whichever is required by law, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;**

**“(3) an investment company registered under the Investment Company Act of 1940;**

**“(4) an insurance company or an insurance agency, with respect to the insurance activities and activities incidental to such insurance activities, subject to supervision by a State insurance commission, agency, or similar authority; or**

**“(5) an entity subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.”.**

**SEC. 117. EQUIVALENT REGULATION AND SUPERVISION.**

(a) **IN GENERAL.**—Notwithstanding any other provision of law, the provisions of—

(1) section 5(c) of the Bank Holding Company Act of 1956 (as amended by this Act) that limit the authority of the Board of Governors of the Federal Reserve System to require reports from, to make examinations of, or to impose capital requirements on bank holding companies and their nonbank subsidiaries or that require deference to other regulators; and

(2) section 10A of the Bank Holding Company Act of 1956 (as added by this Act) that limit whatever authority the Board might otherwise have to take direct or indirect action with respect to bank holding companies and their nonbank subsidiaries,

shall also limit whatever authority that a Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) might otherwise have under any statute to require reports, make examinations, impose capital requirements or take any other direct or indirect action with respect to bank holding companies and their nonbank subsidiaries (including nonbank subsidiaries of depository institutions), subject to the same standards and requirements as are applicable to the Board under such provisions.

(b) **CERTAIN EXAMINATIONS AUTHORIZED.**—No provision of this section shall be construed as preventing the Federal Deposit Insurance Corporation, if the Corporation finds it necessary to determine the condition of an insured depository institution for insurance purposes, from examining an affiliate of any insured depository institution, pursuant to its authority under section 10(b)(4) of the Federal Deposit Insurance Act, as may be necessary to disclose fully the relationship between the depository institution and the affiliate, and the effect of such relationship on the depository institution.

**SEC. 118. PROHIBITION ON FDIC ASSISTANCE TO AFFILIATES AND SUBSIDIARIES.**

Section 11(a)(4)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(4)(B)) is amended by striking "to benefit any shareholder of" and inserting "to benefit any shareholder, affiliate (other than an insured depository institution that receives assistance in accordance with the provisions of this Act), or subsidiary of".

**SEC. 119. REPEAL OF SAVINGS BANK PROVISIONS IN THE BANK HOLDING COMPANY ACT OF 1956.**

Section 3(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(f)) is amended to read as follows:

"(f) [Repealed]."

**SEC. 120. TECHNICAL AMENDMENT.**

Section 2(o)(1)(A) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(o)(1)(A)) is amended by striking "section 38(b)" and inserting "section 38".

**Subtitle C—Subsidiaries of National Banks****SEC. 121. PERMISSIBLE ACTIVITIES FOR SUBSIDIARIES OF NATIONAL BANKS.**

(a) **FINANCIAL SUBSIDIARIES OF NATIONAL BANKS.**—Chapter 1 of title LXII of the Revised Statutes of United States (12 U.S.C. 21 et seq.) is amended—

(1) by redesignating section 5136A as section 5136C; and

(2) by inserting after section 5136 (12 U.S.C. 24) the following new section:

**"SEC. 5136A. SUBSIDIARIES OF NATIONAL BANKS.**

"(a) **SUBSIDIARIES OF NATIONAL BANKS AUTHORIZED TO ENGAGE IN FINANCIAL ACTIVITIES.**—

"(1) **EXCLUSIVE AUTHORITY.**—No provision of section 5136 or any other provision of this title LXII of the Revised Statutes of the United States shall be construed as authorizing a subsidiary of a national bank to engage in, or own any share of or any other interest in any company engaged in, any activity that—

"(A) is not permissible for a national bank to engage in directly; or

"(B) is conducted under terms or conditions other than those that would govern the conduct of such activity by a national bank, unless a national bank is specifically authorized by the express terms of a Federal statute and not by implication or interpretation to acquire shares of or an interest in, or to control, such subsidiary, such as by paragraph (2) of this subsection and section 25A of the Federal Reserve Act.

"(2) **SPECIFIC AUTHORIZATION TO CONDUCT ACTIVITIES WHICH ARE FINANCIAL IN NATURE.**—Subject to paragraphs (3) and (4), a national bank may control a financial subsidiary, or hold an interest in a financial subsidiary, that is controlled by insured depository institutions or subsidiaries thereof.

"(3) **ELIGIBILITY REQUIREMENTS.**—A national bank may control or hold an interest in a company pursuant to paragraph (2) only if—

"(A) the national bank and all depository institution affiliates of the national bank are well capitalized;

"(B) the national bank and all depository institution affiliates of the national bank are well managed;

"(C) the national bank and all depository institution affiliates of such national bank have achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of each such bank or institution; and

"(D) the bank has received the approval of the Comptroller of the Currency.

"(4) **ACTIVITY LIMITATIONS.**—In addition to any other limitation imposed on the activity

of subsidiaries of national banks, a subsidiary of a national bank may not, pursuant to paragraph (2)—

"(A) engage as principal in insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death (other than in connection with credit-related insurance) or in providing or issuing annuities;

"(B) engage in real estate investment or development activities; or

"(C) engage in any activity permissible for a financial holding company under paragraph (3)(I) of section 6(c) of the Bank Holding Company Act of 1956 (relating to insurance company investments).

"(5) **SIZE FACTOR WITH REGARD TO FREE-STANDING NATIONAL BANKS.**—Notwithstanding paragraph (2), a national bank which has total assets of \$10,000,000,000 or more may not control a subsidiary engaged in financial activities pursuant to such paragraph unless such national bank is a subsidiary of a bank holding company.

"(6) **LIMITED EXCLUSIONS FROM COMMUNITY NEEDS REQUIREMENTS FOR NEWLY AFFILIATED DEPOSITORY INSTITUTIONS.**—Any depository institution which becomes an affiliate of a national bank during the 12-month period preceding the date of an approval by the Comptroller of the Currency under paragraph (3)(D) for such bank, and any depository institution which becomes an affiliate of the national bank after such date, may be excluded for purposes of paragraph (3)(C) during the 12-month period beginning on the date of such affiliation if—

"(A) the national bank or such depository institution has submitted an affirmative plan to the appropriate Federal banking agency to take such action as may be necessary in order for such institution to achieve a rating of 'satisfactory record of meeting community credit needs', or better, at the next examination of the institution; and

"(B) the plan has been accepted by such agency.

"(7) **DEFINITIONS.**—For purposes of this section, the following definitions shall apply:

"(A) **COMPANY; CONTROL; AFFILIATE; SUBSIDIARY.**—The terms 'company', 'control', 'affiliate', and 'subsidiary' have the same meanings as in section 2 of the Bank Holding Company Act of 1956.

"(B) **FINANCIAL SUBSIDIARY.**—The term 'financial subsidiary' means a company which is a subsidiary of an insured bank and is engaged in financial activities that have been determined to be financial in nature or incidental to such financial activities in accordance with subsection (b) or permitted in accordance with subsection (b)(4), other than activities that are permissible for a national bank to engage in directly or that are authorized under the Bank Service Company Act, section 25 or 25A of the Federal Reserve Act, or any other Federal statute (other than this section) that specifically authorizes the conduct of such activities by its express terms and not by implication or interpretation.

"(C) **WELL CAPITALIZED.**—The term 'well capitalized' has the same meaning as in section 38 of the Federal Deposit Insurance Act and, for purposes of this section, the Comptroller shall have exclusive jurisdiction to determine whether a national bank is well capitalized.

"(D) **WELL MANAGED.**—The term 'well managed' means—

"(i) in the case of a depository institution that has been examined, unless otherwise determined in writing by the appropriate Federal banking agency—

"(I) the achievement of a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the depository institution; and

"(II) at least a rating of 2 for management, if that rating is given; or

"(ii) in the case of any depository institution that has not been examined, the existence and use of managerial resources that the appropriate Federal banking agency determines are satisfactory.

"(E) **INCORPORATED DEFINITIONS.**—The terms 'appropriate Federal banking agency' and 'depository institution' have the same meanings as in section 3 of the Federal Deposit Insurance Act.

"(b) **ACTIVITIES THAT ARE FINANCIAL IN NATURE.**—

"(1) **FINANCIAL ACTIVITIES.**—

"(A) **IN GENERAL.**—For purposes of subsection (a)(7)(B), an activity shall be considered to have been determined to be financial in nature or incidental to such financial activities only if—

"(i) such activity is permitted for a financial holding company pursuant to section 6(c)(3) of the Bank Holding Company Act of 1956 (to the extent such activity is not otherwise prohibited under this section or any other provision of law for a subsidiary of a national bank engaged in activities pursuant to subsection (a)(2)); or

"(ii) the Secretary of the Treasury determines the activity to be financial in nature or incidental to such financial activities in accordance with subparagraph (B) or paragraph (3).

"(B) **COORDINATION BETWEEN THE BOARD AND THE SECRETARY OF THE TREASURY.**—

"(i) **PROPOSALS RAISED BEFORE THE SECRETARY OF THE TREASURY.**—

"(I) **CONSULTATION.**—The Secretary of the Treasury shall notify the Board of, and consult with the Board concerning, any request, proposal, or application under this subsection, including any regulation or order proposed under paragraph (3), for a determination of whether an activity is financial in nature or incidental to such a financial activity.

"(II) **BOARD VIEW.**—The Secretary of the Treasury shall not determine that any activity is financial in nature or incidental to a financial activity under this subsection if the Board notifies the Secretary in writing, not later than 30 days after the date of receipt of the notice described in subclause (I) (or such longer period as the Secretary determines to be appropriate in light of the circumstances) that the Board believes that the activity is not financial in nature or incidental to a financial activity.

"(ii) **PROPOSALS RAISED BY THE BOARD.**—

"(I) **BOARD RECOMMENDATION.**—The Board may, at any time, recommend in writing that the Secretary of the Treasury find an activity to be financial in nature or incidental to a financial activity (other than an activity which the Board has sole authority to regulate under subparagraph (C)).

"(II) **TIME PERIOD FOR SECRETARIAL ACTION.**—Not later than 30 days after the date of receipt of a written recommendation from the Board under subclause (I) (or such longer period as the Secretary of the Treasury and the Board determine to be appropriate in light of the circumstances), the Secretary shall determine whether to initiate a public rulemaking proposing that the subject recommended activity be found to be financial in nature or incidental to a financial activity under this subsection, and shall notify

the Board in writing of the determination of the Secretary and, in the event that the Secretary determines not to seek public comment on the proposal, the reasons for that determination.

“(C) **AUTHORITY OVER MERCHANT BANKING.**—The Board shall have sole authority to prescribe regulations and issue interpretations to implement this paragraph with respect to activities described in section 6(c)(3)(H) of the Bank Holding Company Act of 1956.

“(2) **FACTORS TO BE CONSIDERED.**—In determining whether an activity is financial in nature or incidental to financial activities, the Secretary shall take into account—

“(A) the purposes of this Act and the Financial Services Act of 1999;

“(B) changes or reasonably expected changes in the marketplace in which banks compete;

“(C) changes or reasonably expected changes in the technology for delivering financial services; and

“(D) whether such activity is necessary or appropriate to allow a bank and the subsidiaries of a bank to—

“(i) compete effectively with any company seeking to provide financial services in the United States;

“(ii) use any available or emerging technological means, including any application necessary to protect the security or efficacy of systems for the transmission of data or financial transactions, in providing financial services; and

“(iii) offer customers any available or emerging technological means for using financial services.

“(3) **AUTHORIZATION OF NEW FINANCIAL ACTIVITIES.**—The Secretary of the Treasury shall, by regulation or order and in accordance with paragraph (1)(B), define, consistent with the purposes of this Act, the following activities as, and the extent to which such activities are, financial in nature or incidental to activities which are financial in nature:

“(A) Lending, exchanging, transferring, investing for others, or safeguarding financial assets other than money or securities.

“(B) Providing any device or other instrumentality for transferring money or other financial assets.

“(C) Arranging, effecting, or facilitating financial transactions for the account of third parties.

“(4) **DEVELOPING ACTIVITIES.**—Subject to subsection (a)(2), a financial subsidiary of a national bank may engage directly or indirectly, or acquire shares of any company engaged, in any activity that the Secretary has not determined to be financial in nature or incidental to financial activities under this subsection if—

“(A) the subsidiary reasonably concludes that the activity is financial in nature or incidental to financial activities;

“(B) the gross revenues from all activities conducted under this paragraph represent less than 5 percent of the consolidated gross revenues of the national bank;

“(C) the aggregate total assets of all companies the shares of which are held under this paragraph do not exceed 5 percent of the national bank's consolidated total assets;

“(D) the total capital invested in activities conducted under this paragraph represents less than 5 percent of the consolidated total capital of the national bank;

“(E) neither the Secretary of the Treasury nor the Board has determined that the activity is not financial in nature or incidental to financial activities under this subsection; and

“(F) the national bank provides written notice to the Secretary of the Treasury describing the activity commenced by the subsidiary or conducted by the company acquired no later than 10 business days after commencing the activity or consummating the acquisition.

“(c) **PROVISIONS APPLICABLE TO NATIONAL BANKS THAT FAIL TO MEET REQUIREMENTS.**—

“(1) **IN GENERAL.**—If a national bank or depository institution affiliate is not in compliance with the requirements of subparagraph (A), (B), or (C) of subsection (a)(3), the appropriate Federal banking agency shall notify the Comptroller of the Currency, who shall give notice of such finding to the national bank.

“(2) **AGREEMENT TO CORRECT CONDITIONS REQUIRED.**—Not later than 45 days after receipt by a national bank of a notice given under paragraph (1) (or such additional period as the Comptroller of the Currency may permit), the national bank and any relevant affiliated depository institution shall execute an agreement acceptable to the Comptroller of the Currency and the other appropriate Federal banking agencies, if any, to comply with the requirements applicable under subsection (a)(3).

“(3) **COMPTROLLER OF THE CURRENCY MAY IMPOSE LIMITATIONS.**—Until the conditions described in a notice to a national bank under paragraph (1) are corrected—

“(A) the Comptroller of the Currency may impose such limitations on the conduct or activities of the national bank or any subsidiary of the bank as the Comptroller of the Currency determines to be appropriate under the circumstances; and

“(B) the appropriate Federal banking agency may impose such limitations on the conduct or activities of an affiliated depository institution or any subsidiary of the depository institution as such agency determines to be appropriate under the circumstances.

“(4) **FAILURE TO CORRECT.**—If, after receiving a notice under paragraph (1), a national bank and other affiliated depository institutions do not—

“(A) execute and implement an agreement in accordance with paragraph (2);

“(B) comply with any limitations imposed under paragraph (3);

“(C) in the case of a notice of failure to comply with subsection (a)(3)(A), restore the national bank or any depository institution affiliate of the bank to well capitalized status before the end of the 180-day period beginning on the date such notice is received by the national bank (or such other period permitted by the Comptroller of the Currency); or

“(D) in the case of a notice of failure to comply with subparagraph (B) or (C) of subsection (a)(3), restore compliance with any such subparagraph on or before the date on which the next examination of the depository institution subsidiary is completed or by the end of such other period as the Comptroller of the Currency determines to be appropriate,

the Comptroller of the Currency may require such national bank, under such terms and conditions as may be imposed by the Comptroller of the Currency and subject to such extension of time as may be granted in the Comptroller of the Currency's discretion, to divest control of any subsidiary engaged in activities pursuant to subsection (a)(2) or, at the election of the national bank, instead to cease to engage in any activity conducted by a subsidiary of the national bank pursuant to subsection (a)(2).

“(5) **CONSULTATION.**—In taking any action under this subsection, the Comptroller of the

Currency shall consult with all relevant Federal and State regulatory agencies.”

(b) **CLERICAL AMENDMENT.**—The table of sections for chapter 1 of title LXII of the Revised Statutes of the United States is amended—

(1) by redesignating the item relating to section 5136A as section 5136C; and

(2) by inserting after the item relating to section 5136 the following new item:

“5136A. Subsidiaries of national banks.”

**SEC. 122. SAFETY AND SOUNDNESS FIREWALLS BETWEEN BANKS AND THEIR FINANCIAL SUBSIDIARIES.**

(a) **PURPOSES.**—The purposes of this section are—

(1) to protect the safety and soundness of any insured bank that has a financial subsidiary;

(2) to apply to any transaction between the bank and the financial subsidiary (including a loan, extension of credit, guarantee, or purchase of assets), other than an equity investment, the same restrictions and requirements as would apply if the financial subsidiary were a subsidiary of a bank holding company having control of the bank; and

(3) to apply to any equity investment of the bank in the financial subsidiary restrictions and requirements equivalent to those that would apply if—

(A) the bank paid a dividend in the same dollar amount to a bank holding company having control of the bank; and

(B) the bank holding company used the proceeds of the dividend to make an equity investment in a subsidiary that was engaged in the same activities as the financial subsidiary of the bank.

(b) **SAFETY AND SOUNDNESS FIREWALLS APPLICABLE TO SUBSIDIARIES OF BANKS.**—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 45 (as added by section 113(b) of this title) the following new section:

**“SEC. 46. SAFETY AND SOUNDNESS FIREWALLS APPLICABLE TO SUBSIDIARIES OF BANKS.**

“(a) **LIMITING THE EQUITY INVESTMENT OF A BANK IN A SUBSIDIARY.**—

“(1) **CAPITAL DEDUCTION.**—In determining whether an insured bank complies with applicable regulatory capital standards—

“(A) the appropriate Federal banking agency shall deduct from the assets and tangible equity of the bank the aggregate amount of the outstanding equity investments of the bank in financial subsidiaries of the bank; and

“(B) the assets and liabilities of such financial subsidiaries shall not be consolidated with those of the bank.

“(2) **INVESTMENT LIMITATION.**—An insured bank shall not, without the prior approval of the appropriate Federal banking agency, make any equity investment in a financial subsidiary of the bank if that investment would, when made, exceed the amount that the bank could pay as a dividend without obtaining prior regulatory approval.

“(3) **TREATMENT OF RETAINED EARNINGS.**—The amount of any net earnings retained by a financial subsidiary of an insured depository institution shall be treated as an outstanding equity investment of the bank in the subsidiary for purposes of paragraph (1).

“(b) **OPERATIONAL AND FINANCIAL SAFEGUARDS FOR THE BANK.**—An insured bank that has a financial subsidiary shall maintain procedures for identifying and managing any financial and operational risks posed by the financial subsidiary.

“(c) **MAINTENANCE OF SEPARATE CORPORATE IDENTITY AND SEPARATE LEGAL STATUS.**—

“(1) IN GENERAL.—Each insured bank shall ensure that the bank maintains and complies with reasonable policies and procedures to preserve the separate corporate identity and legal status of the bank and any financial subsidiary or affiliate of the bank.

“(2) EXAMINATIONS.—The appropriate Federal banking agency, as part of each examination, shall review whether an insured bank is observing the separate corporate identity and separate legal status of any subsidiaries and affiliates of the bank.

“(d) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section, the term ‘financial subsidiary’ has the meaning given to such term in section 5136A(a)(7)(B) of the Revised Statutes of the United States.

“(e) REGULATIONS.—The appropriate Federal banking agencies shall jointly prescribe regulations implementing this section.”.

(c) TRANSACTIONS BETWEEN FINANCIAL SUBSIDIARIES AND OTHER AFFILIATES.—Section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d), the following new subsection:

“(e) RULES RELATING TO BANKS WITH FINANCIAL SUBSIDIARIES.—

“(1) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section and section 23B, the term ‘financial subsidiary’ means a company which is a subsidiary of a bank and is engaged in activities that are financial in nature or incidental to such financial activities pursuant to subsection (a)(2) or (b)(4) of section 5136A of the Revised Statutes of the United States.

“(2) APPLICATION TO TRANSACTIONS BETWEEN A FINANCIAL SUBSIDIARY OF A BANK AND THE BANK.—For purposes of applying this section and section 23B to a transaction between a financial subsidiary of a bank and the bank (or between such financial subsidiary and any other subsidiary of the bank which is not a financial subsidiary) and notwithstanding subsection (b)(2) and section 23B(d)(1), the financial subsidiary of the bank—

“(A) shall be an affiliate of the bank and any other subsidiary of the bank which is not a financial subsidiary; and

“(B) shall not be treated as a subsidiary of the bank.

“(3) APPLICATION TO TRANSACTIONS BETWEEN FINANCIAL SUBSIDIARY AND NONBANK AFFILIATES.—

“(A) IN GENERAL.—A transaction between a financial subsidiary and an affiliate of the financial subsidiary shall not be deemed to be a transaction between a subsidiary of a national bank and an affiliate of the bank for purposes of section 23A or section 23B of the Federal Reserve Act.

“(B) CERTAIN AFFILIATES EXCLUDED.—For purposes of subparagraph (A) and notwithstanding paragraph (4), the term ‘affiliate’ shall not include a bank, or a subsidiary of a bank, which is engaged exclusively in activities permissible for a national bank to engage in directly or which are authorized by any Federal law other than section 5136A of the Revised Statutes of the United States.

“(4) EQUITY INVESTMENTS EXCLUDED SUBJECT TO THE APPROVAL OF THE BANKING AGENCY.—Subsection (a)(1) shall not apply so as to limit the equity investment of a bank in a financial subsidiary of such bank, except that any investment that exceeds the amount of a dividend that the bank could pay at the time of the investment without obtaining prior approval of the appropriate Federal banking agency and is in excess of the limitation

which would apply under subsection (a)(1), but for this paragraph, may be made only with the approval of the appropriate Federal banking agency (as defined in section 3(q) of the Federal Deposit Insurance Act) with respect to such bank.”.

(d) ANTITYPING.—Section 106(a) of the Bank Holding Company Act Amendments of 1970 is amended by adding at the end the following new sentence: “For purposes of this section, a subsidiary of a national bank which engages in activities pursuant to subsection (a)(2) or (b)(4) of section 5136A of the Revised Statutes of the United States shall be deemed to be a subsidiary of a bank holding company, and not a subsidiary of a bank.”.

#### **SEC. 123. MISREPRESENTATIONS REGARDING DEPOSITORY INSTITUTION LIABILITY FOR OBLIGATIONS OF AFFILIATES.**

(a) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by inserting after section 1007 the following new section:

##### **“§1008. Misrepresentations regarding financial institution liability for obligations of affiliates**

“(a) IN GENERAL.—No institution-affiliated party of an insured depository institution or institution-affiliated party of a subsidiary or affiliate of an insured depository institution shall fraudulently represent that the institution is or will be liable for any obligation of a subsidiary or other affiliate of the institution.

“(b) CRIMINAL PENALTY.—Whoever violates subsection (a) shall be fined under this title, imprisoned for not more than 5 years, or both.

“(c) INSTITUTION-AFFILIATED PARTY DEFINED.—For purposes of this section, the term ‘institution-affiliated party’ has the same meaning as in section 3 of the Federal Deposit Insurance Act and any reference in that section shall also be deemed to refer to a subsidiary or affiliate of an insured depository institution.

“(d) OTHER DEFINITIONS.—For purposes of this section, the terms ‘affiliate’, ‘insured depository institution’, and ‘subsidiary’ have same meanings as in section 3 of the Federal Deposit Insurance Act.”.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 47 of title 18, United States Code, is amended by inserting after the item relating to section 1007 the following new item:

“1008. Misrepresentations regarding financial institution liability for obligations of affiliates.”.

#### **SEC. 124. REPEAL OF STOCK LOAN LIMIT IN FEDERAL RESERVE ACT.**

Section 11 of the Federal Reserve Act (12 U.S.C. 248) is amended by striking the paragraph designated as “(m)” and inserting “(m) [Repealed]”.

#### **Subtitle D—Wholesale Financial Holding Companies; Wholesale Financial Institutions** **CHAPTER 1—WHOLESALE FINANCIAL HOLDING COMPANIES**

##### **SEC. 131. WHOLESALE FINANCIAL HOLDING COMPANIES ESTABLISHED.**

Section 10 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended to read as follows:

##### **“SEC. 10. WHOLESALE FINANCIAL HOLDING COMPANIES.**

“(a) COMPANIES THAT CONTROL WHOLESALE FINANCIAL INSTITUTIONS.—

“(1) WHOLESALE FINANCIAL HOLDING COMPANY DEFINED.—The term ‘wholesale financial holding company’ means any company that—

“(A) is registered as a bank holding company;

“(B) is predominantly engaged in financial activities as defined in section 6(f)(2);

“(C) controls one or more wholesale financial institutions;

“(D) does not control—

“(i) a bank other than a wholesale financial institution;

“(ii) an insured bank other than an institution permitted under subparagraph (D), (F), or (G) of section 2(c)(2); or

“(iii) a savings association; and

“(E) is not a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978).

“(2) SAVINGS ASSOCIATION TRANSITION PERIOD.—Notwithstanding paragraph (1)(D)(iii), the Board may permit a company that controls a savings association and that otherwise meets the requirements of paragraph (1) to become supervised under paragraph (1), if the company divests control of any such savings association within such period not to exceed 5 years after becoming supervised under paragraph (1) as permitted by the Board.

“(b) SUPERVISION BY THE BOARD.—

“(1) IN GENERAL.—The provisions of this section shall govern the reporting, examination, and capital requirements of wholesale financial holding companies.

“(2) REPORTS.—

“(A) IN GENERAL.—The Board from time to time may require any wholesale financial holding company and any subsidiary of such company to submit reports under oath to keep the Board informed as to—

“(i) the company’s or subsidiary’s activities, financial condition, policies, systems for monitoring and controlling financial and operational risks, and transactions with depository institution subsidiaries of the holding company; and

“(ii) the extent to which the company or subsidiary has complied with the provisions of this Act and regulations prescribed and orders issued under this Act.

“(B) USE OF EXISTING REPORTS.—

“(i) IN GENERAL.—The Board shall, to the fullest extent possible, accept reports in fulfillment of the Board’s reporting requirements under this paragraph that the wholesale financial holding company or any subsidiary of such company has provided or been required to provide to other Federal and State supervisors or to appropriate self-regulatory organizations.

“(ii) AVAILABILITY.—A wholesale financial holding company or a subsidiary of such company shall provide to the Board, at the request of the Board, a report referred to in clause (i).

“(C) EXEMPTIONS FROM REPORTING REQUIREMENTS.—

“(i) IN GENERAL.—The Board may, by regulation or order, exempt any company or class of companies, under such terms and conditions and for such periods as the Board shall provide in such regulation or order, from the provisions of this paragraph and any regulation prescribed under this paragraph.

“(ii) CRITERIA FOR CONSIDERATION.—In making any determination under clause (i) with regard to any exemption under such clause, the Board shall consider, among such other factors as the Board may determine to be appropriate, the following factors:

“(I) Whether information of the type required under this paragraph is available from a supervisory agency (as defined in section 1101(7) of the Right to Financial Privacy Act of 1978) or a foreign regulatory authority of a similar type.

“(II) The primary business of the company.

“(III) The nature and extent of the domestic and foreign regulation of the activities of the company.

“(3) EXAMINATIONS.—

“(A) LIMITED USE OF EXAMINATION AUTHORITY.—The Board may make examinations of each wholesale financial holding company and each subsidiary of such company in order to—

“(i) inform the Board regarding the nature of the operations and financial condition of the wholesale financial holding company and its subsidiaries;

“(ii) inform the Board regarding—

“(I) the financial and operational risks within the wholesale financial holding company system that may affect any depository institution owned by such holding company; and

“(II) the systems of the holding company and its subsidiaries for monitoring and controlling those risks; and

“(iii) monitor compliance with the provisions of this Act and those governing transactions and relationships between any depository institution controlled by the wholesale financial holding company and any of the company's other subsidiaries.

“(B) RESTRICTED FOCUS OF EXAMINATIONS.—The Board shall, to the fullest extent possible, limit the focus and scope of any examination of a wholesale financial holding company under this paragraph to—

“(i) the holding company; and

“(ii) any subsidiary (other than an insured depository institution subsidiary) of the holding company that, because of the size, condition, or activities of the subsidiary, the nature or size of transactions between such subsidiary and any affiliated depository institution, or the centralization of functions within the holding company system, could have a materially adverse effect on the safety and soundness of any depository institution affiliate of the holding company.

“(C) DEFERENCE TO BANK EXAMINATIONS.—The Board shall, to the fullest extent possible, use the reports of examination of depository institutions made by the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Director of the Office of Thrift Supervision or the appropriate State depository institution supervisory authority for the purposes of this section.

“(D) DEFERENCE TO OTHER EXAMINATIONS.—The Board shall, to the fullest extent possible, address the circumstances which might otherwise permit or require an examination by the Board by forgoing an examination and by instead reviewing the reports of examination made of—

“(i) any registered broker or dealer or any registered investment adviser by or on behalf of the Commission; and

“(ii) any licensed insurance company by or on behalf of any State government insurance agency responsible for the supervision of the insurance company.

“(E) CONFIDENTIALITY OF REPORTED INFORMATION.—

“(i) IN GENERAL.—Notwithstanding any other provision of law, the Board shall not be compelled to disclose any nonpublic information required to be reported under this paragraph, or any information supplied to the Board by any domestic or foreign regulatory agency, that relates to the financial or operational condition of any wholesale financial holding company or any subsidiary of such company.

“(ii) COMPLIANCE WITH REQUESTS FOR INFORMATION.—No provision of this subparagraph shall be construed as authorizing the Board

to withhold information from the Congress, or preventing the Board from complying with a request for information from any other Federal department or agency for purposes within the scope of such department's or agency's jurisdiction, or from complying with any order of a court of competent jurisdiction in an action brought by the United States or the Board.

“(iii) COORDINATION WITH OTHER LAW.—For purposes of section 552 of title 5, United States Code, this subparagraph shall be considered to be a statute described in subsection (b)(3)(B) of such section.

“(iv) DESIGNATION OF CONFIDENTIAL INFORMATION.—In prescribing regulations to carry out the requirements of this subsection, the Board shall designate information described in or obtained pursuant to this paragraph as confidential information.

“(F) COSTS.—The cost of any examination conducted by the Board under this section may be assessed against, and made payable by, the wholesale financial holding company.

“(4) CAPITAL ADEQUACY GUIDELINES.—

“(A) CAPITAL ADEQUACY PROVISIONS.—Subject to the requirements of, and solely in accordance with, the terms of this paragraph, the Board may adopt capital adequacy rules or guidelines for wholesale financial holding companies.

“(B) METHOD OF CALCULATION.—In developing rules or guidelines under this paragraph, the following provisions shall apply:

“(i) FOCUS ON DOUBLE LEVERAGE.—The Board shall focus on the use by wholesale financial holding companies of debt and other liabilities to fund capital investments in subsidiaries.

“(ii) NO UNWEIGHTED CAPITAL RATIO.—The Board shall not, by regulation, guideline, order, or otherwise, impose under this section a capital ratio that is not based on appropriate risk-weighting considerations.

“(iii) NO CAPITAL REQUIREMENT ON REGULATED ENTITIES.—The Board shall not, by regulation, guideline, order or otherwise, prescribe or impose any capital or capital adequacy rules, standards, guidelines, or requirements upon any subsidiary that—

“(I) is not a depository institution; and

“(II) is in compliance with applicable capital requirements of another Federal regulatory authority (including the Securities and Exchange Commission) or State insurance authority.

“(iv) LIMITATION.—The Board shall not, by regulation, guideline, order or otherwise, prescribe or impose any capital or capital adequacy rules, standards, guidelines, or requirements upon any subsidiary that is not a depository institution and that is registered as an investment adviser under the Investment Advisers Act of 1940, except that this clause shall not be construed as preventing the Board from imposing capital or capital adequacy rules, guidelines, standards, or requirements with respect to activities of a registered investment adviser other than investment advisory activities or activities incidental to investment advisory activities.

“(v) LIMITATIONS ON INDIRECT ACTION.—In developing, establishing, or assessing holding company capital or capital adequacy rules, guidelines, standards, or requirements for purposes of this paragraph, the Board shall not take into account the activities, operations, or investments of an affiliated investment company registered under the Investment Company Act of 1940, unless the investment company is—

“(I) a bank holding company; or

“(II) controlled by a bank holding company by reason of ownership by the bank holding

company (including through all of its affiliates) of 25 percent or more of the shares of the investment company, and the shares owned by the bank holding company have a market value equal to more than \$1,000,000.

“(vi) APPROPRIATE EXCLUSIONS.—The Board shall take full account of—

“(I) the capital requirements made applicable to any subsidiary that is not a depository institution by another Federal regulatory authority or State insurance authority; and

“(II) industry norms for capitalization of a company's unregulated subsidiaries and activities.

“(vii) INTERNAL RISK MANAGEMENT MODELS.—The Board may incorporate internal risk management models of wholesale financial holding companies into its capital adequacy guidelines or rules and may take account of the extent to which resources of a subsidiary depository institution may be used to service the debt or other liabilities of the wholesale financial holding company.

“(c) NONFINANCIAL ACTIVITIES AND INVESTMENTS.—

“(1) GRANDFATHERED ACTIVITIES.—

“(A) IN GENERAL.—Notwithstanding section 4(a), a company that becomes a wholesale financial holding company may continue to engage, directly or indirectly, in any activity and may retain ownership and control of shares of a company engaged in any activity if—

“(i) on the date of the enactment of the Financial Services Act of 1999, such wholesale financial holding company was lawfully engaged in that nonfinancial activity, held the shares of such company, or had entered into a contract to acquire shares of any company engaged in such activity; and

“(ii) the company engaged in such activity continues to engage only in the same activities that such company conducted on the date of the enactment of the Financial Services Act of 1999, and other activities permissible under this Act.

“(B) NO EXPANSION OF GRANDFATHERED COMMERCIAL ACTIVITIES THROUGH MERGER OR CONSOLIDATION.—A wholesale financial holding company that engages in activities or holds shares pursuant to this paragraph, or a subsidiary of such wholesale financial holding company, may not acquire, in any merger, consolidation, or other type of business combination, assets of any other company which is engaged in any activity which the Board has not determined to be financial in nature or incidental to activities that are financial in nature under section 6(c).

“(C) LIMITATION TO SINGLE EXEMPTION.—No company that engages in any activity or controls any shares under subsection (f) of section 6 may engage in any activity or own any shares pursuant to this paragraph.

“(2) COMMODITIES.—

“(A) IN GENERAL.—Notwithstanding section 4(a), a wholesale financial holding company which was predominately engaged as of January 1, 1997, in financial activities in the United States (or any successor to any such company) may engage in, or directly or indirectly own or control shares of a company engaged in, activities related to the trading, sale, or investment in commodities and underlying physical properties that were not permissible for bank holding companies to conduct in the United States as of January 1, 1997, if such wholesale financial holding company, or any subsidiary of such holding company, was engaged directly, indirectly, or through any such company in any of such activities as of January 1, 1997, in the United States.



“(B) LIMITATION.—The attributed aggregate consolidated assets of a wholesale financial holding company held under the authority granted under this paragraph and not otherwise permitted to be held by all wholesale financial holding companies under this section may not exceed 5 percent of the total consolidated assets of the wholesale financial holding company, except that the Board may increase such percentage of total consolidated assets by such amounts and under such circumstances as the Board considers appropriate, consistent with the purposes of this Act.

“(3) CROSS MARKETING RESTRICTIONS.—A wholesale financial holding company shall not permit—

“(A) any company whose shares it owns or controls pursuant to paragraph (1) or (2) to offer or market any product or service of an affiliated wholesale financial institution; or

“(B) any affiliated wholesale financial institution to offer or market any product or service of any company whose shares are owned or controlled by such wholesale financial holding company pursuant to such paragraphs.

“(d) QUALIFICATION OF FOREIGN BANK AS WHOLESALE FINANCIAL HOLDING COMPANY.—

“(1) IN GENERAL.—Any foreign bank, or any company that owns or controls a foreign bank, that operates a branch, agency, or commercial lending company in the United States, including a foreign bank or company that owns or controls a wholesale financial institution, may request a determination from the Board that such bank or company be treated as a wholesale financial holding company other than for purposes of subsection (c), subject to such conditions as the Board considers appropriate, giving due regard to the principle of national treatment and equality of competitive opportunity and the requirements imposed on domestic banks and companies.

“(2) CONDITIONS FOR TREATMENT AS A WHOLESALE FINANCIAL HOLDING COMPANY.—A foreign bank and a company that owns or controls a foreign bank may not be treated as a wholesale financial holding company unless the bank and company meet and continue to meet the following criteria:

“(A) NO INSURED DEPOSITS.—No deposits held directly by a foreign bank or through an affiliate (other than an institution described in subparagraph (D) or (F) of section 2(c)(2)) are insured under the Federal Deposit Insurance Act.

“(B) CAPITAL STANDARDS.—The foreign bank meets risk-based capital standards comparable to the capital standards required for a wholesale financial institution, giving due regard to the principle of national treatment and equality of competitive opportunity.

“(C) TRANSACTION WITH AFFILIATES.—Transactions between a branch, agency, or commercial lending company subsidiary of the foreign bank in the United States, and any securities affiliate or company in which the foreign bank (or any company that owns or controls such foreign bank) has invested, directly or indirectly, and which engages in any activity pursuant to subsection (c) or (g) of section 6, comply with the provisions of sections 23A and 23B of the Federal Reserve Act in the same manner and to the same extent as such transactions would be required to comply with such sections if the bank were a member bank.

“(3) TREATMENT AS A WHOLESALE FINANCIAL INSTITUTION.—Any foreign bank which is, or is affiliated with a company which is, treated as a wholesale financial holding company

under this subsection shall be treated as a wholesale financial institution for purposes of subsections (c)(1)(C) and (c)(3) of section 9B of the Federal Reserve Act, and any such foreign bank or company shall be subject to paragraphs (3), (4), and (5) of section 9B(d) of the Federal Reserve Act, except that the Board may adopt such modifications, conditions, or exemptions as the Board deems appropriate, giving due regard to the principle of national treatment and equality of competitive opportunity.

“(4) SUPERVISION OF FOREIGN BANK WHICH MAINTAINS NO BANKING PRESENCE OTHER THAN CONTROL OF A WHOLESALE FINANCIAL INSTITUTION.—A foreign bank that owns or controls a wholesale financial institution but does not operate a branch, agency, or commercial lending company in the United States (and any company that owns or controls such foreign bank) may request a determination from the Board that such bank or company be treated as a wholesale financial holding company, except that such bank or company shall be subject to the restrictions of paragraphs (2)(A) and (3) of this subsection.

“(5) NO EFFECT ON OTHER PROVISIONS.—This section shall not be construed as limiting the authority of the Board under the International Banking Act of 1978 with respect to the regulation, supervision, or examination of foreign banks and their offices and affiliates in the United States.

“(6) APPLICABILITY OF COMMUNITY REINVESTMENT ACT OF 1977.—The branches in the United States of a foreign bank that is, or is affiliated with a company that is, treated as a wholesale financial holding company shall be subject to section 9B(b)(1) of the Federal Reserve Act as if the foreign bank were a wholesale financial institution under such section. The Board and the Comptroller of the Currency shall apply the provisions of sections 803(2), 804, and 807(1) of the Community Reinvestment Act of 1977 to branches of foreign banks which receive only such deposits as are permissible for receipt by a corporation organized under section 25A of the Federal Reserve Act, in the same manner and to the same extent such sections apply to such a corporation.”

#### SEC. 132. AUTHORIZATION TO RELEASE REPORTS.

(a) FEDERAL RESERVE ACT.—The last sentence of the eighth undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 326) is amended to read as follows: “The Board of Governors of the Federal Reserve System, at its discretion, may furnish reports of examination or other confidential supervisory information concerning State member banks or any other entities examined under any other authority of the Board to any Federal or State authorities with supervisory or regulatory authority over the examined entity, to officers, directors, or receivers of the examined entity, and to any other person that the Board determines to be proper.”

(b) COMMODITY FUTURES TRADING COMMISSION.—The Right to Financial Privacy Act of 1978 (12 U.S.C. 3401 et seq.) is amended—

(1) in section 1101(7) of the (12 U.S.C. 3401(7))—

(A) by redesignating subparagraphs (G) and (H) as subparagraphs (H) and (I), respectively; and

(B) by inserting after subparagraph (F) the following new subparagraph:

“(G) the Commodity Futures Trading Commission; or”; and

(2) in section 1112(e), by striking “and the Securities and Exchange Commission” and inserting “, the Securities and Exchange

Commission, and the Commodity Futures Trading Commission”.

#### SEC. 133. CONFORMING AMENDMENTS.

(a) BANK HOLDING COMPANY ACT OF 1956.—

(1) DEFINITIONS.—Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended by inserting after subsection (p) (as added by section 103(b)(1)) the following new subsections:

“(q) WHOLESALE FINANCIAL INSTITUTION.—The term ‘wholesale financial institution’ means a wholesale financial institution subject to section 9B of the Federal Reserve Act.

“(r) COMMISSION.—The term ‘Commission’ means the Securities and Exchange Commission.

“(s) DEPOSITORY INSTITUTION.—The term ‘depository institution’—

“(1) has the meaning given to such term in section 3 of the Federal Deposit Insurance Act; and

“(2) includes a wholesale financial institution.”

(2) DEFINITION OF BANK INCLUDES WHOLESALE FINANCIAL INSTITUTION.—Section 2(c)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)(1)) is amended by adding at the end the following new subparagraph:

“(C) A wholesale financial institution.”

(3) INCORPORATED DEFINITIONS.—Section 2(n) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(n)) is amended by inserting “‘insured bank’,” after “‘in danger of default’.”

(4) EXCEPTION TO DEPOSIT INSURANCE REQUIREMENT.—Section 3(e) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(e)) is amended by adding at the end the following: “This subsection shall not apply to a wholesale financial institution.”

(b) FEDERAL DEPOSIT INSURANCE ACT.—Section 3(q)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)(2)(A)) is amended to read as follows:

“(A) any State member insured bank (except a District bank) and any wholesale financial institution subject to section 9B of the Federal Reserve Act;”

#### CHAPTER 2—WHOLESALE FINANCIAL INSTITUTIONS

##### SEC. 136. WHOLESALE FINANCIAL INSTITUTIONS.

(a) NATIONAL WHOLESALE FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—Chapter 1 of title LXII of the Revised Statutes of the United States (12 U.S.C. 21 et seq.) is amended by inserting after section 5136A (as added by section 121(a) of this title) the following new section:

##### “SEC. 5136B. NATIONAL WHOLESALE FINANCIAL INSTITUTIONS.

“(a) AUTHORIZATION OF THE COMPTROLLER REQUIRED.—A national bank may apply to the Comptroller on such forms and in accordance with such regulations as the Comptroller may prescribe, for permission to operate as a national wholesale financial institution.

“(b) REGULATION.—A national wholesale financial institution may exercise, in accordance with such institution’s articles of incorporation and regulations issued by the Comptroller, all the powers and privileges of a national bank formed in accordance with section 5133 of the Revised Statutes of the United States, subject to section 9B of the Federal Reserve Act and the limitations and restrictions contained therein.

“(c) COMMUNITY REINVESTMENT ACT OF 1977.—A national wholesale financial institution shall be subject to the Community Reinvestment Act of 1977.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 1 of title LXII of the Revised Statutes of the United States is

amended by inserting after the item relating to section 5136A (as added by section 121(d) of this title) the following new item:

“5136B. National wholesale financial institutions.”

(b) WHOLESALE FINANCIAL INSTITUTIONS.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 9A the following new section:

**“SEC. 9B. WHOLESALE FINANCIAL INSTITUTIONS.**

“(a) APPLICATION FOR MEMBERSHIP AS WHOLESALE FINANCIAL INSTITUTION.—

“(1) APPLICATION REQUIRED.—

“(A) IN GENERAL.—Any bank may apply to the Board of Governors of the Federal Reserve System to become a State wholesale financial institution, or to the Comptroller of the Currency to become a national wholesale financial institution, and, as a wholesale financial institution, to subscribe to the stock of the Federal Reserve bank organized within the district where the applying bank is located.

“(B) TREATMENT AS MEMBER BANK.—Any application under subparagraph (A) shall be treated as an application under, and shall be subject to the provisions of, section 9.

“(2) INSURANCE TERMINATION.—No bank the deposits of which are insured under the Federal Deposit Insurance Act may become a wholesale financial institution unless it has met all requirements under that Act for voluntary termination of deposit insurance.

“(b) GENERAL REQUIREMENTS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—

“(1) FEDERAL RESERVE ACT.—Except as otherwise provided in this section, wholesale financial institutions shall be member banks and shall be subject to the provisions of this Act that apply to member banks to the same extent and in the same manner as State member insured banks or national banks, except that a wholesale financial institution may terminate membership under this Act only with the prior written approval of the Board and on terms and conditions that the Board determines are appropriate to carry out the purposes of this Act.

“(2) PROMPT CORRECTIVE ACTION.—A wholesale financial institution shall be deemed to be an insured depository institution for purposes of section 38 of the Federal Deposit Insurance Act except that—

“(A) the relevant capital levels and capital measures for each capital category shall be the levels specified by the Board for wholesale financial institutions;

“(B) subject to subparagraph (A), all references to the appropriate Federal banking agency or to the Corporation in that section shall be deemed to be references to the Comptroller of the Currency, in the case of a national wholesale financial institution, and to the Board, in the case of all other wholesale financial institutions; and

“(C) in the case of wholesale financial institutions, the purpose of prompt corrective action shall be to protect taxpayers and the financial system from the risks associated with the operation and activities of wholesale financial institutions.

“(3) ENFORCEMENT AUTHORITY.—Section 3(u), subsections (j) and (k) of section 7, subsections (b) through (n), (s), (u), and (v) of section 8, and section 19 of the Federal Deposit Insurance Act shall apply to a wholesale financial institution in the same manner and to the same extent as such provisions apply to State member insured banks or national banks, as the case may be, and any reference in such sections to an insured depository institution shall be deemed to include a reference to a wholesale financial institution.

“(4) CERTAIN OTHER STATUTES APPLICABLE.—A wholesale financial institution shall be deemed to be a banking institution, and the Board shall be the appropriate Federal banking agency for such bank and all such bank's affiliates, for purposes of the International Lending Supervision Act.

“(5) BANK MERGER ACT.—A wholesale financial institution shall be subject to sections 18(c) and 44 of the Federal Deposit Insurance Act in the same manner and to the same extent the wholesale financial institution would be subject to such sections if the institution were a State member insured bank or a national bank.

“(6) BRANCHING.—Notwithstanding any other provision of law, a wholesale financial institution may establish and operate a branch at any location on such terms and conditions as established by, and with the approval of—

“(A) the Board, in the case of a State-chartered wholesale financial institution; and

“(B) the Comptroller of the Currency, in the case of a national bank wholesale financial institution.

“(7) ACTIVITIES OF OUT-OF-STATE BRANCHES OF WHOLESALE FINANCIAL INSTITUTIONS.—A State-chartered wholesale financial institution shall be deemed to be a State bank and an insured State bank for purposes of paragraphs (1), (2), and (3) of section 24(j) of the Federal Deposit Insurance Act.

“(8) DISCRIMINATION REGARDING INTEREST RATES.—Section 27 of the Federal Deposit Insurance Act shall apply to State-chartered wholesale financial institutions in the same manner and to the same extent as such provisions apply to State member insured banks and any reference in such section to a State-chartered insured depository institution shall be deemed to include a reference to a State-chartered wholesale financial institution.

“(9) PREEMPTION OF STATE LAWS REQUIRING DEPOSIT INSURANCE FOR WHOLESALE FINANCIAL INSTITUTIONS.—The appropriate State banking authority may grant a charter to a wholesale financial institution notwithstanding any State constitution or statute requiring that the institution obtain insurance of its deposits and any such State constitution or statute is hereby preempted solely for purposes of this paragraph.

“(10) PARITY FOR WHOLESALE FINANCIAL INSTITUTIONS.—A State bank that is a wholesale financial institution under this section shall have all of the rights, powers, privileges, and immunities (including those derived from status as a federally chartered institution) of and as if it were a national bank, subject to such terms and conditions as established by the Board.

“(11) COMMUNITY REINVESTMENT ACT OF 1977.—A State wholesale financial institution shall be subject to the Community Reinvestment Act of 1977.

“(c) SPECIFIC REQUIREMENTS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—

“(1) LIMITATIONS ON DEPOSITS.—

“(A) MINIMUM AMOUNT.—

“(i) IN GENERAL.—No wholesale financial institution may receive initial deposits of \$100,000 or less, other than on an incidental and occasional basis.

“(ii) LIMITATION ON DEPOSITS OF LESS THAN \$100,000.—No wholesale financial institution may receive initial deposits of \$100,000 or less if such deposits constitute more than 5 percent of the institution's total deposits.

“(B) NO DEPOSIT INSURANCE.—Except as otherwise provided in section 8A(f) of the Federal Deposit Insurance Act, no deposits held by a wholesale financial institution

shall be insured deposits under the Federal Deposit Insurance Act.

“(C) ADVERTISING AND DISCLOSURE.—The Board and the Comptroller of the Currency shall prescribe jointly regulations pertaining to advertising and disclosure by wholesale financial institutions to ensure that each depositor is notified that deposits at the wholesale financial institution are not federally insured or otherwise guaranteed by the United States Government.

“(2) MINIMUM CAPITAL LEVELS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—The Board shall, by regulation, adopt capital requirements for wholesale financial institutions—

“(A) to account for the status of wholesale financial institutions as institutions that accept deposits that are not insured under the Federal Deposit Insurance Act; and

“(B) to provide for the safe and sound operation of the wholesale financial institution without undue risk to creditors or other persons, including Federal Reserve banks, engaged in transactions with the bank.

“(3) ADDITIONAL REQUIREMENTS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—In addition to any requirement otherwise applicable to State member insured banks or applicable, under this section, to wholesale financial institutions, the Board may impose, by regulation or order, upon wholesale financial institutions—

“(A) limitations on transactions, direct or indirect, with affiliates to prevent—

“(i) the transfer of risk to the deposit insurance funds; or

“(ii) an affiliate from gaining access to, or the benefits of, credit from a Federal Reserve bank, including overdrafts at a Federal Reserve bank;

“(B) special clearing balance requirements; and

“(C) any additional requirements that the Board determines to be appropriate or necessary to—

“(i) promote the safety and soundness of the wholesale financial institution or any insured depository institution affiliate of the wholesale financial institution;

“(ii) prevent the transfer of risk to the deposit insurance funds; or

“(iii) protect creditors and other persons, including Federal Reserve banks, engaged in transactions with the wholesale financial institution.

“(4) EXEMPTIONS FOR WHOLESALE FINANCIAL INSTITUTIONS.—The Board may, by regulation or order, exempt any wholesale financial institution from any provision applicable to a member bank that is not a wholesale financial institution, if the Board finds that such exemption is consistent with—

“(A) the promotion of the safety and soundness of the wholesale financial institution or any insured depository institution affiliate of the wholesale financial institution;

“(B) the protection of the deposit insurance funds; and

“(C) the protection of creditors and other persons, including Federal Reserve banks, engaged in transactions with the wholesale financial institution.

“(5) LIMITATION ON TRANSACTIONS BETWEEN A WHOLESALE FINANCIAL INSTITUTION AND AN INSURED BANK.—For purposes of section 23A(d)(1) of the Federal Reserve Act, a wholesale financial institution that is affiliated with an insured bank shall not be a bank.

“(6) NO EFFECT ON OTHER PROVISIONS.—This section shall not be construed as limiting the Board's authority over member banks or the authority of the Comptroller of the Currency over national banks under any other

provision of law, or to create any obligation for any Federal Reserve bank to make, increase, renew, or extend any advance or discount under this Act to any member bank or other depository institution.

**“(d) CAPITAL AND MANAGERIAL REQUIREMENTS.—**

**“(1) IN GENERAL.—**A wholesale financial institution shall be well capitalized and well managed.

**“(2) NOTICE TO COMPANY.—**The Board shall promptly provide notice to a company that controls a wholesale financial institution whenever such wholesale financial institution is not well capitalized or well managed.

**“(3) AGREEMENT TO RESTORE INSTITUTION.—**Not later than 45 days after the date of receipt of a notice under paragraph (2) (or such additional period not to exceed 90 days as the Board may permit), the company shall execute an agreement acceptable to the Board to restore the wholesale financial institution to compliance with all of the requirements of paragraph (1).

**“(4) LIMITATIONS UNTIL INSTITUTION RESTORED.—**Until the wholesale financial institution is restored to compliance with all of the requirements of paragraph (1), the Board may impose such limitations on the conduct or activities of the company or any affiliate of the company as the Board determines to be appropriate under the circumstances.

**“(5) FAILURE TO RESTORE.—**If the company does not execute and implement an agreement in accordance with paragraph (3), comply with any limitation imposed under paragraph (4), restore the wholesale financial institution to well capitalized status not later than 180 days after the date of receipt by the company of the notice described in paragraph (2), or restore the wholesale financial institution to well managed status within such period as the Board may permit, the company shall, under such terms and conditions as may be imposed by the Board subject to such extension of time as may be granted in the discretion of the Board, divest control of its subsidiary depository institutions.

**“(6) WELL MANAGED DEFINED.—**For purposes of this subsection, the term ‘well managed’ has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

**“(e) RESOLUTION OF WHOLESALE FINANCIAL INSTITUTIONS.—**

**“(1) CONSERVATORSHIP OR RECEIVERSHIP.—**

**“(A) APPOINTMENT.—**The Board may appoint a conservator or receiver to take possession and control of a wholesale financial institution to the same extent and in the same manner as the Comptroller of the Currency may appoint a conservator or receiver for a national bank.

**“(B) POWERS.—**The conservator or receiver for a wholesale financial institution shall exercise the same powers, functions, and duties, subject to the same limitations, as a conservator or receiver for a national bank.

**“(2) BOARD AUTHORITY.—**The Board shall have the same authority with respect to any conservator or receiver appointed under paragraph (1), and the wholesale financial institution for which it has been appointed, as the Comptroller of the Currency has with respect to a conservator or receiver for a national bank and the national bank for which the conservator or receiver has been appointed.

**“(3) BANKRUPTCY PROCEEDINGS.—**The Comptroller of the Currency (in the case of a national wholesale financial institution) or the Board may direct the conservator or receiver of a wholesale financial institution to file a petition pursuant to title 11, United States

Code, in which case, title 11, United States Code, shall apply to the wholesale financial institution in lieu of otherwise applicable Federal or State insolvency law.

**“(f) BOARD BACKUP AUTHORITY.—**

**“(1) NOTICE TO THE COMPTROLLER.—**Before taking any action under section 8 of the Federal Deposit Insurance Act involving a wholesale financial institution that is chartered as a national bank, the Board shall notify the Comptroller and recommend that the Comptroller take appropriate action. If the Comptroller fails to take the recommended action or to provide an acceptable plan for addressing the concerns of the Board before the close of the 30-day period beginning on the date of receipt of the formal recommendation from the Board, the Board may take such action.

**“(2) EXIGENT CIRCUMSTANCES.—**Notwithstanding paragraph (1), the Board may exercise its authority without regard to the time period set forth in paragraph (1) where the Board finds that exigent circumstances exist and the Board notifies the Comptroller of the Board's action and of the exigent circumstances.

**“(g) EXCLUSIVE JURISDICTION.—**Subsections (c) and (e) of section 43 of the Federal Deposit Insurance Act shall not apply to any wholesale financial institution.”.

**(c) VOLUNTARY TERMINATION OF INSURED STATUS BY CERTAIN INSTITUTIONS.—**

**(1) SECTION 8 DESIGNATIONS.—**Section 8(a) of the Federal Deposit Insurance Act (12 U.S.C. 1818(a)) is amended—

(A) by striking paragraph (1); and  
(B) by redesignating paragraphs (2) through (10) as paragraphs (1) through (9), respectively.

**(2) VOLUNTARY TERMINATION OF INSURED STATUS.—**The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 8 the following new section:

**“SEC. 8A. VOLUNTARY TERMINATION OF STATUS AS INSURED DEPOSITORY INSTITUTION.**

**“(a) IN GENERAL.—**Except as provided in subsection (b), an insured State bank or a national bank may voluntarily terminate such bank's status as an insured depository institution in accordance with regulations of the Corporation if—

**“(1)** the bank provides written notice of the bank's intent to terminate such insured status—

**“(A)** to the Corporation and the Board of Governors of the Federal Reserve System, in the case of an insured State bank, or to the Corporation and the Comptroller of the Currency, in the case of an insured national bank authorized to operate as a wholesale financial institution, not less than 6 months before the effective date of such termination; and

**“(B)** to all depositors at such bank, not less than 6 months before the effective date of the termination of such status; and

**“(2)** either—

**“(A)** the deposit insurance fund of which such bank is a member equals or exceeds the fund's designated reserve ratio as of the date the bank provides a written notice under paragraph (1) and the Corporation determines that the fund will equal or exceed the applicable designated reserve ratio for the 2 semiannual assessment periods immediately following such date; or

**“(B)** the Corporation and the Board of Governors of the Federal Reserve System, in the case of an insured State bank, or the Corporation and the Comptroller of the Currency, in the case of an insured national bank authorized to operate as a wholesale fi-

nancial institution, has approved the termination of the bank's insured status and the bank pays an exit fee in accordance with subsection (e).

**“(b) EXCEPTION.—**Subsection (a) shall not apply with respect to—

**“(1)** an insured savings association; or

**“(2)** an insured branch that is required to be insured under subsection (a) or (b) of section 6 of the International Banking Act of 1978.

**“(c) ELIGIBILITY FOR INSURANCE TERMINATED.—**Any bank that voluntarily elects to terminate the bank's insured status under subsection (a) shall not be eligible for insurance on any deposits or any assistance authorized under this Act after the period specified in subsection (f)(1).

**“(d) INSTITUTION MUST BECOME WHOLESALE FINANCIAL INSTITUTION OR TERMINATE DEPOSIT-TAKING ACTIVITIES.—**Any depository institution which voluntarily terminates such institution's status as an insured depository institution under this section may not, upon termination of insurance, accept any deposits unless the institution is a wholesale financial institution subject to section 9B of the Federal Reserve Act.

**“(e) EXIT FEES.—**

**“(1) IN GENERAL.—**Any bank that voluntarily terminates such bank's status as an insured depository institution under this section shall pay an exit fee in an amount that the Corporation determines is sufficient to account for the institution's pro rata share of the amount (if any) which would be required to restore the relevant deposit insurance fund to the fund's designated reserve ratio as of the date the bank provides a written notice under subsection (a)(1).

**“(2) PROCEDURES.—**The Corporation shall prescribe, by regulation, procedures for assessing any exit fee under this subsection.

**“(f) TEMPORARY INSURANCE OF DEPOSITS INSURED AS OF TERMINATION.—**

**“(1) TRANSITION PERIOD.—**The insured deposits of each depositor in a State bank or a national bank on the effective date of the voluntary termination of the bank's insured status, less all subsequent withdrawals from any deposits of such depositor, shall continue to be insured for a period of not less than 6 months and not more than 2 years, as determined by the Corporation. During such period, no additions to any such deposits, and no new deposits in the depository institution made after the effective date of such termination shall be insured by the Corporation.

**“(2) TEMPORARY ASSESSMENTS; OBLIGATIONS AND DUTIES.—**During the period specified in paragraph (1) with respect to any bank, the bank shall continue to pay assessments under section 7 as if the bank were an insured depository institution. The bank shall, in all other respects, be subject to the authority of the Corporation and the duties and obligations of an insured depository institution under this Act during such period, and in the event that the bank is closed due to an inability to meet the demands of the bank's depositors during such period, the Corporation shall have the same powers and rights with respect to such bank as in the case of an insured depository institution.

**“(g) ADVERTISEMENTS.—**

**“(1) IN GENERAL.—**A bank that voluntarily terminates the bank's insured status under this section shall not advertise or hold itself out as having insured deposits, except that the bank may advertise the temporary insurance of deposits under subsection (f) if, in connection with any such advertisement, the

advertisement also states with equal prominence that additions to deposits and new deposits made after the effective date of the termination are not insured.

“(2) CERTIFICATES OF DEPOSIT, OBLIGATIONS, AND SECURITIES.—Any certificate of deposit or other obligation or security issued by a State bank or a national bank after the effective date of the voluntary termination of the bank's insured status under this section shall be accompanied by a conspicuous, prominently displayed notice that such certificate of deposit or other obligation or security is not insured under this Act.

“(h) NOTICE REQUIREMENTS.—

“(1) NOTICE TO THE CORPORATION.—The notice required under subsection (a)(1)(A) shall be in such form as the Corporation may require.

“(2) NOTICE TO DEPOSITORS.—The notice required under subsection (a)(1)(B) shall be—

“(A) sent to each depositor's last address of record with the bank; and

“(B) in such manner and form as the Corporation finds to be necessary and appropriate for the protection of depositors.”

(3) DEFINITION.—Section 19(b)(1)(A)(i) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)(i)) is amended by inserting “, or any wholesale financial institution subject to section 9B of this Act” after “such Act”.

(d) TECHNICAL AND CONFORMING AMENDMENTS TO THE BANKRUPTCY CODE.—

(1) BANKRUPTCY CODE DEBTORS.—Section 109(b)(2) of title 11, United States Code, is amended by striking “; or” and inserting the following: “, except that—

“(A) a wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act may be a debtor if a petition is filed at the direction of the Comptroller of the Currency (in the case of a wholesale financial institution established under section 5136B of the Revised Statutes of the United States) or the Board of Governors of the Federal Reserve System (in the case of any wholesale financial institution); and

“(B) a corporation organized under section 25A of the Federal Reserve Act may be a debtor if a petition is filed at the direction of the Board of Governors of the Federal Reserve System; or”.

(2) CHAPTER 7 DEBTORS.—Section 109(d) of title 11, United States Code, is amended to read as follows:

“(d) Only a railroad and a person that may be a debtor under chapter 7 of this title, except that a stockbroker, a wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act, a corporation organized under section 25A of the Federal Reserve Act, or a commodity broker, may be a debtor under chapter 11 of this title.”.

(3) DEFINITION OF FINANCIAL INSTITUTION.—Section 101(22) of title 11, United States Code, is amended to read as follows:

“(22) ‘financial institution’ means a person that is a commercial or savings bank, industrial savings bank, savings and loan association, trust company, wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act, or corporation organized under section 25A of the Federal Reserve Act and, when any such person is acting as agent or custodian for a customer in connection with a securities contract, as defined in section 741 of this title, such customer.”.

(4) SUBCHAPTER V OF CHAPTER 7.—

(A) IN GENERAL.—Section 103 of title 11, United States Code, is amended—

(i) by redesignating subsections (e) through (j) as subsections (f) through (j), respectively; and

(ii) by inserting after subsection (d) the following:

“(e) Subchapter V of chapter 7 of this title applies only in a case under such chapter concerning the liquidation of a wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act, or a corporation organized under section 25A of the Federal Reserve Act.”.

(B) WHOLESALE BANK LIQUIDATION.—Chapter 7 of title 11, United States Code, is amended by adding at the end the following:

#### “SUBCHAPTER V—WHOLESALE BANK LIQUIDATION

##### “§ 781. Definitions for subchapter

“In this subchapter—

“(1) the term ‘Board’ means the Board of Governors of the Federal Reserve System;

“(2) the term ‘depository institution’ has the same meaning as in section 3 of the Federal Deposit Insurance Act, and includes any wholesale bank;

“(3) the term ‘national wholesale financial institution’ means a wholesale financial institution established under section 5136B of the Revised Statutes of the United States; and

“(4) the term ‘wholesale bank’ means a national wholesale financial institution, a wholesale financial institution established under section 9B of the Federal Reserve Act, or a corporation organized under section 25A of the Federal Reserve Act.

##### “§ 782. Selection of trustee

“(a) Notwithstanding any other provision of this title, the conservator or receiver who files the petition shall be the trustee under this chapter, unless the Comptroller of the Currency (in the case of a national wholesale financial institution for which it appointed the conservator or receiver) or the Board (in the case of any wholesale bank for which it appointed the conservator or receiver) designates an alternative trustee. The Comptroller of the Currency or the Board (as applicable) may designate a successor trustee, if required.

“(b) Whenever the Comptroller of the Currency or the Board appoints or designates a trustee, chapter 3 and sections 704 and 705 of this title shall apply to the Comptroller or the Board, as applicable, in the same way and to the same extent that they apply to a United States trustee.

##### “§ 783. Additional powers of trustee

“(a) The trustee under this subchapter has power to distribute property not of the estate, including distributions to customers that are mandated by subchapters III and IV of this chapter.

“(b) The trustee under this subchapter may, after notice and a hearing—

“(1) sell the wholesale bank to a depository institution or consortium of depository institutions (which consortium may agree on the allocation of the wholesale bank among the consortium);

“(2) merge the wholesale bank with a depository institution;

“(3) transfer contracts to the same extent as could a receiver for a depository institution under paragraphs (9) and (10) of section 11(e) of the Federal Deposit Insurance Act;

“(4) transfer assets or liabilities to a depository institution;

“(5) transfer assets and liabilities to a bridge bank as provided in paragraphs (1),

(3)(A), (5), (6), and (9) through (13), and subparagraphs (A) through (H) and (K) of paragraph (4) of section 11(n) of the Federal Deposit Insurance Act, except that—

“(A) the bridge bank shall be treated as a wholesale bank for the purpose of this subsection; and

“(B) any references in any such provision of law to the Federal Deposit Insurance Corporation shall be construed to be references to the appointing agency and that references to deposit insurance shall be omitted.

“(c) Any reference in this section to transfers of liabilities includes a ratable transfer of liabilities within a priority class.

##### “§ 784. Right to be heard

“The Comptroller of the Currency (in the case of a national wholesale financial institution), the Board (in the case of any wholesale bank), or a Federal Reserve bank (in the case of a wholesale bank that is a member of that bank) may raise and may appear and be heard on any issue in a case under this subchapter.

(C) CONFORMING AMENDMENT.—The table of sections for chapter 7 of title 11, United States Code, is amended by adding at the end the following:

#### “SUBCHAPTER V—WHOLESALE BANK LIQUIDATION

“781. Definitions for subchapter.

“782. Selection of trustee.

“783. Additional powers of trustee.

“784. Right to be heard.”.

(e) RESOLUTION OF EDGE CORPORATIONS.—The sixteenth undesignated paragraph of section 25A of the Federal Reserve Act (12 U.S.C. 624) is amended to read as follows:

“(16) APPOINTMENT OF RECEIVER OR CONSERVATOR.—

“(A) IN GENERAL.—The Board may appoint a conservator or receiver for a corporation organized under the provisions of this section to the same extent and in the same manner as the Comptroller of the Currency may appoint a conservator or receiver for a national bank, and the conservator or receiver for such corporation shall exercise the same powers, functions, and duties, subject to the same limitations, as a conservator or receiver for a national bank.

“(B) EQUIVALENT AUTHORITY.—The Board shall have the same authority with respect to any conservator or receiver appointed for a corporation organized under the provisions of this section under this paragraph and any such corporation as the Comptroller of the Currency has with respect to a conservator or receiver of a national bank and the national bank for which a conservator or receiver has been appointed.

“(C) TITLE 11 PETITIONS.—The Board may direct the conservator or receiver of a corporation organized under the provisions of this section to file a petition pursuant to title 11, United States Code, in which case, title 11, United States Code, shall apply to the corporation in lieu of otherwise applicable Federal or State insolvency law.”.

#### Subtitle E—Preservation of FTC Authority

##### SEC. 141. AMENDMENT TO THE BANK HOLDING COMPANY ACT OF 1956 TO MODIFY NOTIFICATION AND POST-APPROVAL WAITING PERIOD FOR SECTION 3 TRANSACTIONS.

Section 11(b)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1849(b)(1)) is amended by inserting “and, if the transaction also involves an acquisition under section 4 or section 6, the Board shall also notify the Federal Trade Commission of such approval” before the period at the end of the first sentence.

**SEC. 142. INTERAGENCY DATA SHARING.**

To the extent not prohibited by other law, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System shall make available to the Attorney General and the Federal Trade Commission any data in the possession of any such banking agency that the antitrust agency deems necessary for antitrust review of any transaction requiring notice to any such antitrust agency or the approval of such agency under section 3, 4, or 6 of the Bank Holding Company Act of 1956, section 18(c) of the Federal Deposit Insurance Act, the National Bank Consolidation and Merger Act, section 10 of the Home Owners' Loan Act, or the antitrust laws.

**SEC. 143. CLARIFICATION OF STATUS OF SUBSIDIARIES AND AFFILIATES.**

(a) **CLARIFICATION OF FEDERAL TRADE COMMISSION JURISDICTION.**—Any person which directly or indirectly controls, is controlled directly or indirectly by, or is directly or indirectly under common control with, any bank or savings association (as such terms are defined in section 3 of the Federal Deposit Insurance Act) and is not itself a bank or savings association shall not be deemed to be a bank or savings association for purposes of the Federal Trade Commission Act or any other law enforced by the Federal Trade Commission.

(b) **SAVINGS PROVISION.**—No provision of this section shall be construed as restricting the authority of any Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) under any Federal banking law, including section 8 of the Federal Deposit Insurance Act.

**(c) HART-SCOTT-RODINO AMENDMENTS.**

(1) **BANKS.**—Section 7A(c)(7) of the Clayton Act (15 U.S.C. 18a(c)(7)) is amended by inserting before the semicolon at the end the following: “, except that a portion of a transaction is not exempt under this paragraph if such portion of the transaction (A) is subject to section 6 of the Bank Holding Company Act of 1956; and (B) does not require agency approval under section 3 of the Bank Holding Company Act of 1956”.

(2) **BANK HOLDING COMPANIES.**—Section 7A(c)(8) of the Clayton Act (15 U.S.C. 18a(c)(8)) is amended by inserting before the semicolon at the end the following: “, except that a portion of a transaction is not exempt under this paragraph if such portion of the transaction (A) is subject to section 6 of the Bank Holding Company Act of 1956; and (B) does not require agency approval under section 4 of the Bank Holding Company Act of 1956”.

**SEC. 144. ANNUAL GAO REPORT.**

(a) **IN GENERAL.**—By the end of the 1-year period beginning on the date of the enactment of this Act and annually thereafter, the Comptroller General of the United States shall submit a report to the Congress on market concentration in the financial services industry and its impact on consumers.

(b) **ANALYSIS.**—Each report submitted under subsection (a) shall contain an analysis of—

(1) the positive and negative effects of affiliations between various types of financial companies, and of acquisitions pursuant to this Act and the amendments made by this Act to other provisions of law, including any positive or negative effects on consumers, area markets, and submarkets thereof or on registered securities brokers and dealers which have been purchased by depository institutions or depository institution holding companies;

(2) the changes in business practices and the effects of any such changes on the availability of venture capital, consumer credit, and other financial services or products and the availability of capital and credit for small businesses; and

(3) the acquisition patterns among depository institutions, depository institution holding companies, securities firms, and insurance companies including acquisitions among the largest 20 percent of firms and acquisitions within regions or other limited geographical areas.

(c) **SUNSET.**—This section shall not apply after the end of the 5-year period beginning on the date of the enactment of this Act.

**Subtitle F—National Treatment****SEC. 151. FOREIGN BANKS THAT ARE FINANCIAL HOLDING COMPANIES.**

Section 8(c) of the International Banking Act of 1978 (12 U.S.C. 3106(c)) is amended by adding at the end the following new paragraph:

“(3) **TERMINATION OF GRANDFATHERED RIGHTS.**—

“(A) **IN GENERAL.**—If any foreign bank or foreign company files a declaration under section 6(b)(1)(D) or receives a determination under section 10(d)(1) of the Bank Holding Company Act of 1956, any authority conferred by this subsection on any foreign bank or company to engage in any activity which the Board has determined to be permissible for financial holding companies under section 6 of such Act shall terminate immediately.

“(B) **RESTRICTIONS AND REQUIREMENTS AUTHORIZED.**—If a foreign bank or company that engages, directly or through an affiliate pursuant to paragraph (1), in an activity which the Board has determined to be permissible for financial holding companies under section 6 of the Bank Holding Company Act of 1956 has not filed a declaration with the Board of its status as a financial holding company under such section or received a determination under section 10(d)(1) by the end of the 2-year period beginning on the date of the enactment of the Financial Services Act of 1999, the Board, giving due regard to the principle of national treatment and equality of competitive opportunity, may impose such restrictions and requirements on the conduct of such activities by such foreign bank or company as are comparable to those imposed on a financial holding company organized under the laws of the United States, including a requirement to conduct such activities in compliance with any prudential safeguards established under section 114 of the Financial Services Act.”.

**SEC. 152. FOREIGN BANKS AND FOREIGN FINANCIAL INSTITUTIONS THAT ARE WHOLESALE FINANCIAL INSTITUTIONS.**

Section 8A of the Federal Deposit Insurance Act (as added by section 136(c)(2) of this Act) is amended by adding at the end the following new subsection:

“(i) **VOLUNTARY TERMINATION OF DEPOSIT INSURANCE.**—The provisions on voluntary termination of insurance in this section shall apply to an insured branch of a foreign bank (including a Federal branch) in the same manner and to the same extent as they apply to an insured State bank or a national bank.”.

**SEC. 153. REPRESENTATIVE OFFICES.**

(a) **DEFINITION OF “REPRESENTATIVE OFFICE”.**—Section 1(b)(15) of the International Banking Act of 1978 (12 U.S.C. 3101(15)) is amended by striking “State agency, or subsidiary of a foreign bank” and inserting “or State agency”.

(b) **EXAMINATIONS.**—Section 10(c) of the International Banking Act of 1978 (12 U.S.C. 3107(c)) is amended by adding at the end the following: “The Board may also make examinations of any affiliate of a foreign bank conducting business in any State if the Board deems it necessary to determine and enforce compliance with this Act, the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.), or other applicable Federal banking law.”.

**SEC. 154. RECIPROCITY.**

(a) **NATIONAL TREATMENT REPORTS.**—

(1) **REPORT REQUIRED IN THE EVENT OF CERTAIN ACQUISITIONS.**—

(A) **IN GENERAL.**—Whenever a person from a foreign country announces its intention to acquire or acquires a bank, a securities underwriter, broker, or dealer, an investment adviser, or insurance company that ranks within the top 50 firms in that line of business in the United States, the Secretary of Commerce, in the case of an insurance company, or the Secretary of the Treasury, in the case of a bank, a securities underwriter, broker, or dealer, or an investment adviser, shall, within the earlier of 6 months of such announcement or such acquisition and in consultation with other appropriate Federal and State agencies, prepare and submit to the Congress a report on whether a United States person would be able, de facto or de jure, to acquire an equivalent sized firm in the country in which such person from a foreign country is located.

(B) **ANALYSIS AND RECOMMENDATIONS.**—If a report submitted under subparagraph (A) states that the equivalent treatment referred to in such subparagraph, de facto and de jure, is not provided in the country which is the subject of the report, the Secretary of Commerce or the Secretary of the Treasury, as the case may be and in consultation with other appropriate Federal and State agencies, shall include in the report analysis and recommendations as to how that country's laws and regulations would need to be changed so that reciprocal treatment would exist.

(2) **REPORT REQUIRED BEFORE FINANCIAL SERVICES NEGOTIATIONS COMMENCE.**—The Secretary of Commerce, with respect to insurance companies, and the Secretary of the Treasury, with respect to banks, securities underwriters, brokers, dealers, and investment advisers, shall, not less than 6 months before the commencement of the financial services negotiations of the World Trade Organization and in consultation with other appropriate Federal and State agencies, prepare and submit to the Congress a report containing—

(A) an assessment of the 30 largest financial services markets with regard to whether reciprocal access is available in such markets to United States financial services providers; and

(B) with respect to any such financial services markets in which reciprocal access is not available to United States financial services providers, an analysis and recommendations as to what legislative, regulatory, or enforcement changes would be required to ensure full reciprocity for such providers.

(3) **PERSON OF A FOREIGN COUNTRY DEFINED.**—For purposes of this subsection, the term “person of a foreign country” means a person, or a person which directly or indirectly owns or controls that person, that is a resident of that country, is organized under the laws of that country, or has its principal place of business in that country.

(b) **PROVISIONS APPLICABLE TO SUBMISSIONS.**—

(1) NOTICE.—Before preparing any report required under subsection (a), the Secretary of Commerce or the Secretary of the Treasury, as the case may be, shall publish notice that a report is in preparation and seek comment from United States persons.

(2) PRIVILEGED SUBMISSIONS.—Upon the request of the submitting person, any comments or related communications received by the Secretary of Commerce or the Secretary of the Treasury, as the case may be, with regard to the report shall, for the purposes of section 552 of title 5, of the United States Code, be treated as commercial information obtained from a person that is privileged or confidential, regardless of the medium in which the information is obtained. This confidential information shall be the property of the Secretary and shall be privileged from disclosure to any other person. However, this privilege shall not be construed as preventing access to that confidential information by the Congress.

(3) PROHIBITION OF UNAUTHORIZED DISCLOSURES.—No person in possession of confidential information, provided under this section may disclose that information, in whole or in part, except for disclosure made in published statistical material that does not disclose, either directly or when used in conjunction with publicly available information, the confidential information of any person.

#### Subtitle G—Federal Home Loan Bank System Modernization

##### SEC. 161. SHORT TITLE.

This subtitle may be cited as the “Federal Home Loan Bank System Modernization Act of 1999”.

##### SEC. 162. DEFINITIONS.

Section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422) is amended—

(1) in paragraph (1), by striking “term ‘Board’ means” and inserting “terms ‘Finance Board’ and ‘Board’ mean”;

(2) by striking paragraph (3) and inserting the following:

“(3) STATE.—The term ‘State’, in addition to the States of the United States, includes the District of Columbia, Guam, Puerto Rico, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.”; and

(3) by adding at the end the following new paragraph:

“(13) COMMUNITY FINANCIAL INSTITUTION.—“(A) IN GENERAL.—The term ‘community financial institution’ means a member—

“(i) the deposits of which are insured under the Federal Deposit Insurance Act; and

“(ii) that has, as of the date of the transaction at issue, less than \$500,000,000 in average total assets, based on an average of total assets over the 3 years preceding that date.

“(B) ADJUSTMENTS.—The \$500,000,000 limit referred to in subparagraph (A)(ii) shall be adjusted annually by the Finance Board, based on the annual percentage increase, if any, in the Consumer Price Index for all urban consumers, as published by the Department of Labor.”.

##### SEC. 163. SAVINGS ASSOCIATION MEMBERSHIP.

Section 5(f) of the Home Owners’ Loan Act (12 U.S.C. 1464(f)) is amended to read as follows:

“(f) FEDERAL HOME LOAN BANK MEMBERSHIP.—On and after January 1, 1999, a Federal savings association may become a member of the Federal Home Loan Bank System, and shall qualify for such membership in the manner provided by the Federal Home Loan Bank Act.”.

##### SEC. 164. ADVANCES TO MEMBERS; COLLATERAL.

(a) IN GENERAL.—Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and indenting appropriately;

(2) by striking “(a) Each” and inserting the following:

“(a) IN GENERAL.—

“(1) ALL ADVANCES.—Each”;

(3) by striking the second sentence and inserting the following:

“(2) PURPOSES OF ADVANCES.—A long-term advance may only be made for the purposes of—

“(A) providing funds to any member for residential housing finance; and

“(B) providing funds to any community financial institution for small business, agricultural, rural development, or low-income community development lending.”;

(4) by striking “A Bank” and inserting the following:

“(3) COLLATERAL.—A Bank”;

(5) in paragraph (3) (as so designated by paragraph (4) of this subsection)—

(A) in subparagraph (C) (as so redesignated by paragraph (1) of this subsection) by striking “Deposits” and inserting “Cash or deposits”;

(B) in subparagraph (D) (as so redesignated by paragraph (1) of this subsection), by striking the second sentence; and

(C) by inserting after subparagraph (D) (as so redesignated by paragraph (1) of this subsection) the following new subparagraph:

“(E) Secured loans for small business, agriculture, rural development, or low-income community development, or securities representing a whole interest in such secured loans, in the case of any community financial institution.”;

(6) in paragraph (5)—

(A) in the second sentence, by striking “and the Board”;

(B) in the third sentence, by striking “Board” and inserting “Federal home loan bank”;

(C) by striking “(5) Paragraphs (1) through (4)” and inserting the following:

“(4) ADDITIONAL BANK AUTHORITY.—Subparagraphs (A) through (E) of paragraph (3)”;

and

(7) by adding at the end the following:

“(5) REVIEW OF CERTAIN COLLATERAL STANDARDS.—The Board may review the collateral standards applicable to each Federal home loan bank for the classes of collateral described in subparagraphs (D) and (E) of paragraph (3), and may, if necessary for safety and soundness purposes, require an increase in the collateral standards for any or all of those classes of collateral.

“(6) DEFINITIONS.—For purposes of this subsection, the terms ‘small business’, ‘agriculture’, ‘rural development’, and ‘low-income community development’ shall have the meanings given those terms by rule or regulation of the Finance Board.”.

(b) CLERICAL AMENDMENT.—The section heading for section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended to read as follows:

##### “SEC. 10. ADVANCES TO MEMBERS.”.

(c) CONFORMING AMENDMENTS RELATING TO MEMBERS WHICH ARE NOT QUALIFIED THRIFT LENDERS.—The first of the 2 subsections designated as subsection (e) of section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430(e)(1)) is amended—

(1) in the last sentence of paragraph (1), by inserting “or, in the case of any community financial institution, for the purposes de-

scribed in subsection (a)(2)” before the period; and

(2) in paragraph (5)(C), by inserting “except that, in determining the actual thrift investment percentage of any community financial institution for purposes of this subsection, the total investment of such member in loans for small business, agriculture, rural development, or low-income community development, or securities representing a whole interest in such loans, shall be treated as a qualified thrift investment (as defined in such section 10(m))” before the period.

##### SEC. 165. ELIGIBILITY CRITERIA.

Section 4(a) of the Federal Home Loan Bank Act (12 U.S.C. 1424(a)) is amended—

(1) in paragraph (2)(A), by inserting, “(other than a community financial institution)” after “institution”; and

(2) by adding at the end the following new paragraph:

“(3) LIMITED EXEMPTION FOR COMMUNITY FINANCIAL INSTITUTIONS.—A community financial institution that otherwise meets the requirements of paragraph (2) may become a member without regard to the percentage of its total assets that is represented by residential mortgage loans, as described in subparagraph (A) of paragraph (2).”.

##### SEC. 166. MANAGEMENT OF BANKS.

(a) BOARD OF DIRECTORS.—Section 7(d) of the Federal Home Loan Bank Act (12 U.S.C. 1427(d)) is amended—

(1) by striking “(d) The term” and inserting the following:

“(d) TERMS OF OFFICE.—The term”;

(2) by striking “shall be two years”.

(b) COMPENSATION.—Section 7(i) of the Federal Home Loan Bank Act (12 U.S.C. 1427(i)) is amended by striking “, subject to the approval of the board”.

(c) REPEAL OF SECTIONS 22A AND 27.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by striking sections 22A (12 U.S.C. 1442a) and 27 (12 U.S.C. 1447).

(d) SECTION 12.—Section 12 of the Federal Home Loan Bank Act (12 U.S.C. 1432) is amended—

(1) in subsection (a)—

(A) by striking “, but, except” and all that follows through “ten years”;

(B) by striking “subject to the approval of the Board” the first place that term appears;

(C) by striking “and, by its Board of directors,” and all that follows through “agent of such bank,” and inserting “and, by the board of directors of the bank, to prescribe, amend, and repeal by-laws governing the manner in which its affairs may be administered, consistent with applicable laws and regulations, as administered by the Finance Board. No officer, employee, attorney, or agent of a Federal home loan bank”;

(D) by striking “Board of directors” where such term appears in the penultimate sentence and inserting “board of directors”;

(2) in subsection (b), by striking “loans banks” and inserting “loan banks”.

(e) POWERS AND DUTIES OF FEDERAL HOUSING FINANCE BOARD.—

(1) ISSUANCE OF NOTICES OF VIOLATIONS.—Section 2B(a) of the Federal Home Loan Bank Act (12 U.S.C. 1422b(a)) is amended by adding at the end the following new paragraphs:

“(5) To issue and serve a notice of charges upon a Federal home loan bank or upon any executive officer or director of a Federal home loan bank if, in the determination of the Finance Board, the bank, executive officer, or director is engaging or has engaged in, or the Finance Board has reasonable cause to believe that the bank, executive officer, or director is about to engage in, any



conduct that violates any provision of this Act or any law, order, rule, or regulation or any condition imposed in writing by the Finance Board in connection with the granting of any application or other request by the bank, or any written agreement entered into by the bank with the agency, in accordance with the procedures provided in section 1371(c) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. Such authority includes the same authority to take affirmative action to correct conditions resulting from violations or practices or to limit activities of a bank or any executive officer or director of a bank as appropriate Federal banking agencies have to take with respect to insured depository institutions under paragraphs (6) and (7) of section 8(b) of the Federal Deposit Insurance Act, and to have all other powers, rights, and duties to enforce this Act with respect to the Federal home loan banks and their executive officers and directors as the Office of Federal Housing Enterprise Oversight has to enforce the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, the Federal National Mortgage Association Charter Act, or the Federal Home Loan Mortgage Corporation Act with respect to the Federal housing enterprises under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

“(6) To address any insufficiencies in capital levels resulting from the application of section 5(f) of the Home Owners’ Loan Act.

“(7) To sue and be sued, by and through its own attorneys.”.

(2) **TECHNICAL AMENDMENT.**—Section 111 of Public Law 93-495 (12 U.S.C. 250) is amended by striking “Federal Home Loan Bank Board,” and inserting “Director of the Office of Thrift Supervision, “the Federal Housing Finance Board,”.

(f) **ELIGIBILITY TO SECURE ADVANCES.**—

(1) **SECTION 9.**—Section 9 of the Federal Home Loan Bank Act (12 U.S.C. 1429) is amended—

(A) in the second sentence, by striking “with the approval of the Board”; and

(B) in the third sentence, by striking “, subject to the approval of the Board.”.

(2) **SECTION 10.**—Section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended—

(A) in subsection (c)—

(i) in the first sentence, by striking “Board” and inserting “Federal home loan bank”; and

(ii) by striking the second sentence;

(B) in subsection (d)—

(i) in the first sentence, by striking “and the approval of the Board”; and

(ii) by striking “Subject to the approval of the Board, any” and inserting “Any”; and

(C) in subsection (j)(1)—

(i) by striking “to subsidize the interest rate on advances” and inserting “to provide subsidies, including subsidized interest rates on advances”;

(ii) by striking “Pursuant” and inserting the following:

“(A) **ESTABLISHMENT.**—Pursuant”; and

(iii) by adding at the end the following new subparagraph:

“(B) **NONDELEGATION OF APPROVAL AUTHORITY.**—Subject to such regulations as the Finance Board may prescribe, the board of directors of each Federal home loan bank may approve or disapprove requests from members for Affordable Housing Program subsidies, and may not delegate such authority.”.

(g) **SECTION 16.**—Section 16(a) of the Federal Home Loan Bank Act (12 U.S.C. 1436(a)) is amended—

(1) in the third sentence—

(A) by striking “net earnings” and inserting “previously retained earnings or current net earnings”; and

(B) by striking “, and then only with the approval of the Federal Housing Finance Board”; and

(2) by striking the fourth sentence.

(h) **SECTION 18.**—Section 18(b) of the Federal Home Loan Bank Act (12 U.S.C. 1438(b)) is amended by striking paragraph (4).

**SEC. 167. RESOLUTION FUNDING CORPORATION.**

(a) **IN GENERAL.**—Section 21B(f)(2)(C) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(f)(2)(C)) is amended to read as follows:

“(C) **PAYMENTS BY FEDERAL HOME LOAN BANKS.**—

“(i) **IN GENERAL.**—To the extent that the amounts available pursuant to subparagraphs (A) and (B) are insufficient to cover the amount of interest payments, each Federal home loan bank shall pay to the Funding Corporation in each calendar year, 20.75 percent of the net earnings of that bank (after deducting expenses relating to section 10(j) and operating expenses).

“(ii) **ANNUAL DETERMINATION.**—The Board annually shall determine the extent to which the value of the aggregate amounts paid by the Federal home loan banks exceeds or falls short of the value of an annuity of \$300,000,000 per year that commences on the issuance date and ends on the final scheduled maturity date of the obligations, and shall select appropriate present value factors for making such determinations.

“(iii) **PAYMENT TERM ALTERATIONS.**—The Board shall extend or shorten the term of the payment obligations of a Federal home loan bank under this subparagraph as necessary to ensure that the value of all payments made by the banks is equivalent to the value of an annuity referred to in clause (i).

“(iv) **TERM BEYOND MATURITY.**—If the Board extends the term of payments beyond the final scheduled maturity date for the obligations, each Federal home loan bank shall continue to pay 20.75 percent of its net earnings (after deducting expenses relating to section 10(j) and operating expenses) to the Treasury of the United States until the value of all such payments by the Federal home loan banks is equivalent to the value of an annuity referred to in clause (i). In the final year in which the Federal home loan banks are required to make any payment to the Treasury under this subparagraph, if the dollar amount represented by 20.75 percent of the net earnings of the Federal home loan banks exceeds the remaining obligation of the banks to the Treasury, the Finance Board shall reduce the percentage pro rata to a level sufficient to pay the remaining obligation.”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall become effective on January 1, 1999. Payments made by a Federal home loan bank before that effective date shall be counted toward the total obligation of that bank under section 21B(f)(2)(C) of the Federal Home Loan Bank Act, as amended by this section.

**SEC. 168. CAPITAL STRUCTURE OF FEDERAL HOME LOAN BANKS.**

Section 6 of the Federal Home Loan Bank Act (12 U.S.C. 1426) is amended to read as follows:

**“SEC. 6. CAPITAL STRUCTURE OF FEDERAL HOME LOAN BANKS.**

“(a) **REGULATIONS.**—

“(1) **CAPITAL STANDARDS.**—Not later than 1 year after the date of the enactment of the Financial Services Act of 1999, the Finance

Board shall issue regulations prescribing uniform capital standards applicable to each Federal home loan bank, which shall require each such bank to meet—

“(A) the leverage requirement specified in paragraph (2); and

“(B) the risk-based capital requirements, in accordance with paragraph (3).

“(2) **LEVERAGE REQUIREMENT.**—

“(A) **IN GENERAL.**—The leverage requirement shall require each Federal home loan bank to maintain a minimum amount of total capital based on the aggregate on-balance sheet assets of the bank and shall be 5 percent.

“(B) **TREATMENT OF STOCK AND RETAINED EARNINGS.**—In determining compliance with the minimum leverage ratio established under subparagraph (A), the paid-in value of the outstanding Class B stock shall be multiplied by 1.5, the paid-in value of the outstanding Class C stock and the amount of retained earnings shall be multiplied by 2.0, and such higher amounts shall be deemed to be capital for purposes of meeting the 5 percent minimum leverage ratio.

“(3) **RISK-BASED CAPITAL STANDARDS.**—

“(A) **IN GENERAL.**—Each Federal home loan bank shall maintain permanent capital in an amount that is sufficient, as determined in accordance with the regulations of the Finance Board, to meet—

“(i) the credit risk to which the Federal home loan bank is subject; and

“(ii) the market risk, including interest rate risk, to which the Federal home loan bank is subject, based on a stress test established by the Finance Board that rigorously tests for changes in market variables, including changes in interest rates, rate volatility, and changes in the shape of the yield curve.

“(B) **CONSIDERATION OF OTHER RISK-BASED STANDARDS.**—In establishing the risk-based standard under subparagraph (A)(ii), the Finance Board shall take due consideration of any risk-based capital test established pursuant to section 1361 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4611) for the enterprises (as defined in that Act), with such modifications as the Finance Board determines to be appropriate to reflect differences in operations between the Federal home loan banks and those enterprises.

“(4) **OTHER REGULATORY REQUIREMENTS.**—The regulations issued by the Finance Board under paragraph (1) shall—

“(A) permit each Federal home loan bank to issue, with such rights, terms, and preferences, not inconsistent with this Act and the regulations issued hereunder, as the board of directors of that bank may approve, any one or more of—

“(i) Class A stock, which shall be redeemable in cash and at par 6 months following submission by a member of a written notice of its intent to redeem such shares;

“(ii) Class B stock, which shall be redeemable in cash and at par 5 years following submission by a member of a written notice of its intent to redeem such shares; and

“(iii) Class C stock, which shall be non-redeemable;

“(B) provide that the stock of a Federal home loan bank may be issued to and held by only members of the bank, and that a bank may not issue any stock other than as provided in this section;

“(C) prescribe the manner in which stock of a Federal home loan bank may be sold, transferred, redeemed, or repurchased; and

“(D) provide the manner of disposition of outstanding stock held by, and the liquidation of any claims of the Federal home loan



bank against, an institution that ceases to be a member of the bank, through merger or otherwise, or that provides notice of intention to withdraw from membership in the bank.

“(5) DEFINITIONS OF CAPITAL.—For purposes of determining compliance with the capital standards established under this subsection—

“(A) permanent capital of a Federal home loan bank shall include (as determined in accordance with generally accepted accounting principles)—

“(i) the amounts paid for the Class C stock and any other nonredeemable stock approved by the Finance Board;

“(ii) the amounts paid for the Class B stock, in an amount not to exceed 1 percent of the total assets of the bank; and

“(iii) the retained earnings of the bank; and

“(B) total capital of a Federal home loan bank shall include—

“(i) permanent capital;

“(ii) the amounts paid for the Class A stock, Class B stock (excluding any amount treated as permanent capital under subparagraph (5)(A)(ii)), or any other class of redeemable stock approved by the Finance Board;

“(iii) consistent with generally accepted accounting principles, and subject to the regulation of the Finance Board, a general allowance for losses, which may not include any reserves or allowances made or held against specific assets; and

“(iv) any other amounts from sources available to absorb losses incurred by the bank that the Finance Board determines by regulation to be appropriate to include in determining total capital.

“(6) TRANSITION PERIOD.—Notwithstanding any other provisions of this Act, the requirements relating to purchase and retention of capital stock of a Federal home loan bank by any member thereof in effect on the day before the date of the enactment of the Federal Home Loan Bank System Modernization Act of 1999, shall continue in effect with respect to each Federal home loan bank until the regulations required by this subsection have taken effect and the capital structure plan required by subsection (b) has been approved by the Finance Board and implemented by such bank.

“(b) CAPITAL STRUCTURE PLAN.—

“(1) APPROVAL OF PLANS.—Not later than 270 days after the date of publication by the Finance Board of final regulations in accordance with subsection (a), the board of directors of each Federal home loan bank shall submit for Finance Board approval a plan establishing and implementing a capital structure for such bank that—

“(A) the board of directors determines is best suited for the condition and operation of the bank and the interests of the members of the bank;

“(B) meets the requirements of subsection (c); and

“(C) meets the minimum capital standards and requirements established under subsection (a) and other regulations prescribed by the Finance Board.

“(2) APPROVAL OF MODIFICATIONS.—The board of directors of a Federal home loan bank shall submit to the Finance Board for approval any modifications that the bank proposes to make to an approved capital structure plan.

“(c) CONTENTS OF PLAN.—The capital structure plan of each Federal home loan bank shall contain provisions addressing each of the following:

“(1) MINIMUM INVESTMENT.—

“(A) IN GENERAL.—Each capital structure plan of a Federal home loan bank shall require each member of the bank to maintain a minimum investment in the stock of the bank, the amount of which shall be determined in a manner to be prescribed by the board of directors of each bank and to be included as part of the plan.

“(B) INVESTMENT ALTERNATIVES.—

“(i) IN GENERAL.—In establishing the minimum investment required for each member under subparagraph (A), a Federal home loan bank may, in its discretion, include any one or more of the requirements referred to in clause (ii), or any other provisions approved by the Finance Board.

“(ii) AUTHORIZED REQUIREMENTS.—A requirement is referred to in this clause if it is a requirement for—

“(I) a stock purchase based on a percentage of the total assets of a member; or

“(II) a stock purchase based on a percentage of the outstanding advances from the bank to the member.

“(C) MINIMUM AMOUNT.—Each capital structure plan of a Federal home loan bank shall require that the minimum stock investment established for members shall be set at a level that is sufficient for the bank to meet the minimum capital requirements established by the Finance Board under subsection (a).

“(D) ADJUSTMENTS TO MINIMUM REQUIRED INVESTMENT.—The capital structure plan of each Federal home loan bank shall impose a continuing obligation on the board of directors of the bank to review and adjust the minimum investment required of each member of that bank, as necessary to ensure that the bank remains in compliance with applicable minimum capital levels established by the Finance Board, and shall require each member to comply promptly with any adjustments to the required minimum investment.

“(2) TRANSITION RULE.—

“(A) IN GENERAL.—The capital structure plan of each Federal home loan bank shall specify the date on which it shall take effect, and may provide for a transition period of not longer than 3 years to allow the bank to come into compliance with the capital requirements prescribed under subsection (a), and to allow any institution that was a member of the bank on the date of the enactment of the Financial Services Act of 1999, to come into compliance with the minimum investment required pursuant to the plan.

“(B) INTERIM PURCHASE REQUIREMENTS.—The capital structure plan of a Federal home loan bank may allow any member referred to in subparagraph (A) that would be required by the terms of the capital structure plan to increase its investment in the stock of the bank to do so in periodic installments during the transition period.

“(3) DISPOSITION OF SHARES.—The capital structure plan of a Federal home loan bank shall provide for the manner of disposition of any stock held by a member of that bank that terminates its membership or that provides notice of its intention to withdraw from membership in that bank.

“(4) CLASSES OF STOCK.—

“(A) IN GENERAL.—The capital structure plan of a Federal home loan bank shall afford each member of that bank the option of maintaining its required investment in the bank through the purchase of any combination of classes of stock authorized by the board of directors of the bank and approved by the Finance Board in accordance with its regulations.

“(B) RIGHTS REQUIREMENT.—A Federal home loan bank shall include in its capital structure plan provisions establishing terms, rights, and preferences, including minimum investment, dividends, voting, and liquidation preferences of each class of stock issued by the bank, consistent with Finance Board regulations and market requirements.

“(C) REDUCED MINIMUM INVESTMENT.—The capital structure plan of a Federal home loan bank may provide for a reduced minimum stock investment for any member of that bank that elects to purchase Class B, Class C, or any other class of nonredeemable stock, in a manner that is consistent with meeting the minimum capital requirements of the bank, as established by the Finance Board.

“(D) LIQUIDATION OF CLAIMS.—The capital structure plan of a Federal home loan bank shall provide for the liquidation in an orderly manner, as determined by the bank, of any claim of that bank against a member, including claims for any applicable prepayment fees or penalties resulting from prepayment of advances prior to stated maturity.

“(5) LIMITED TRANSFERABILITY OF STOCK.—The capital structure plan of a Federal home loan bank shall—

“(A) provide that—

“(i) any stock issued by that bank shall be available only to, held only by, and tradable only among members of that bank and between that bank and its members; and

“(ii) a bank has no obligation to repurchase its outstanding Class C stock but may do so, provided it is consistent with Finance Board regulations and is at a price that is mutually agreeable to the bank and the member; and

“(B) establish standards, criteria, and requirements for the issuance, purchase, transfer, retirement, and redemption of stock issued by that bank.

“(6) BANK REVIEW OF PLAN.—Before filing a capital structure plan with the Finance Board, each Federal home loan bank shall conduct a review of the plan by—

“(A) an independent certified public accountant, to ensure, to the extent possible, that implementation of the plan would not result in any write-down of the redeemable bank stock investment of its members; and

“(B) at least one major credit rating agency, to determine, to the extent possible, whether implementation of the plan would have any material effect on the credit ratings of the bank.

“(d) TERMINATION OF MEMBERSHIP.—

“(1) VOLUNTARY WITHDRAWAL.—Any member may withdraw from a Federal home loan bank by providing written notice to the bank of its intent to do so. The applicable stock redemption notice periods shall commence upon receipt of the notice by the bank. Upon the expiration of the applicable notice period for each class of redeemable stock, the member may surrender such stock to the bank, and shall be entitled to receive in cash the par value of the stock. During the applicable notice periods, the member shall be entitled to dividends and other membership rights commensurate with continuing stock ownership.

“(2) INVOLUNTARY WITHDRAWAL.—

“(A) IN GENERAL.—The board of directors of a Federal home loan bank may terminate the membership of any institution if, subject to Finance Board regulations, it determines that—

“(i) the member has failed to comply with a provision of this Act or any regulation prescribed under this Act; or

“(ii) the member has been determined to be insolvent, or otherwise subject to the appointment of a conservator, receiver, or other legal custodian, by a State or Federal authority with regulatory and supervisory responsibility for the member.

“(B) STOCK DISPOSITION.—An institution, the membership of which is terminated in accordance with subparagraph (A)—

“(i) shall surrender redeemable stock to the Federal home loan bank, and shall receive in cash the par value of the stock, upon the expiration of the applicable notice period under subsection (a)(4)(A);

“(ii) shall receive any dividends declared on its redeemable stock, during the applicable notice period under subsection (a)(4)(A); and

“(iii) shall not be entitled to any other rights or privileges accorded to members after the date of the termination.

“(C) COMMENCEMENT OF NOTICE PERIOD.—With respect to an institution, the membership of which is terminated in accordance with subparagraph (A), the applicable notice period under subsection (a)(4) for each class of redeemable stock shall commence on the earlier of—

“(i) the date of such termination; or

“(ii) the date on which the member has provided notice of its intent to redeem such stock.

“(3) LIQUIDATION OF INDEBTEDNESS.—Upon the termination of the membership of an institution for any reason, the outstanding indebtedness of the member to the bank shall be liquidated in an orderly manner, as determined by the bank and, upon the extinguishment of all such indebtedness, the bank shall return to the member all collateral pledged to secure the indebtedness.

“(e) REDEMPTION OF EXCESS STOCK.—

“(1) IN GENERAL.—A Federal home loan bank, in its sole discretion, may redeem or repurchase, as appropriate, any shares of Class A or Class B stock issued by the bank and held by a member that are in excess of the minimum stock investment required of that member.

“(2) EXCESS STOCK.—Shares of stock held by a member shall not be deemed to be ‘excess stock’ for purposes of this subsection by virtue of a member’s submission of a notice of intent to withdraw from membership or termination of its membership in any other manner.

“(3) PRIORITY.—A Federal home loan bank may not redeem any excess Class B stock prior to the end of the 5-year notice period, unless the member has no Class A stock outstanding that could be redeemed as excess.

“(f) IMPAIRMENT OF CAPITAL.—If the Finance Board or the board of directors of a Federal home loan bank determines that the bank has incurred or is likely to incur losses that result in or are expected to result in charges against the capital of the bank, the bank shall not redeem or repurchase any stock of the bank without the prior approval of the Finance Board while such charges are continuing or are expected to continue. In no case may a bank redeem or repurchase any applicable capital stock if, following the redemption, the bank would fail to satisfy any minimum capital requirement.

“(g) REJOINING AFTER DIVESTITURE OF ALL SHARES.—

“(1) IN GENERAL.—Except as provided in paragraph (2), and notwithstanding any other provision of this Act, an institution that divests all shares of stock in a Federal home loan bank may not, after such divestiture, acquire shares of any Federal home loan bank before the end of the 5-year period

beginning on the date of the completion of such divestiture, unless the divestiture is a consequence of a transfer of membership on an uninterrupted basis between banks.

“(2) EXCEPTION FOR WITHDRAWALS FROM MEMBERSHIP BEFORE 1998.—Any institution that withdrew from membership in any Federal home loan bank before December 31, 1997, may acquire shares of a Federal home loan bank at any time after that date, subject to the approval of the Finance Board and the requirements of this Act.

“(h) TREATMENT OF RETAINED EARNINGS.—

“(1) IN GENERAL.—The holders of the Class C stock of a Federal home loan bank, and any other classes of nonredeemable stock approved by the Finance Board (to the extent provided in the terms thereof), shall own the retained earnings, surplus, undivided profits, and equity reserves, if any, of the bank.

“(2) NO NONREDEEMABLE CLASSES OF STOCK.—If a Federal home loan bank has no outstanding Class C or other such nonredeemable stock, then the holders of any other classes of stock of the bank then outstanding shall have ownership in, and a private property right in, the retained earnings, surplus, undivided profits, and equity reserves, if any, of the bank.

“(3) EXCEPTION.—Except as specifically provided in this section or through the declaration of a dividend or a capital distribution by a Federal home loan bank, or in the event of liquidation of the bank, a member shall have no right to withdraw or otherwise receive distribution of any portion of the retained earnings of the bank.

“(4) LIMITATION.—A Federal home loan bank may not make any distribution of its retained earnings unless, following such distribution, the bank would continue to meet all applicable capital requirements.”

#### Subtitle H—ATM Fee Reform

##### SEC. 171. SHORT TITLE.

This subtitle may be cited as the “ATM Fee Reform Act of 1999”.

##### SEC. 172. ELECTRONIC FUND TRANSFER FEE DISCLOSURES AT ANY HOST ATM.

Section 904(d) of the Electronic Fund Transfer Act (15 U.S.C. 1693b(d)) is amended by adding at the end the following new paragraph:

“(3) FEE DISCLOSURES AT AUTOMATED TELLER MACHINES.—

“(A) IN GENERAL.—The regulations prescribed under paragraph (1) shall require any automated teller machine operator who imposes a fee on any consumer for providing host transfer services to such consumer to provide notice in accordance with subparagraph (B) to the consumer (at the time the service is provided) of—

“(i) the fact that a fee is imposed by such operator for providing the service; and

“(ii) the amount of any such fee.

“(B) NOTICE REQUIREMENTS.—

“(i) ON THE MACHINE.—The notice required under clause (i) of subparagraph (A) with respect to any fee described in such subparagraph shall be posted in a prominent and conspicuous location on or at the automated teller machine at which the electronic fund transfer is initiated by the consumer; and

“(ii) ON THE SCREEN.—The notice required under clauses (i) and (ii) of subparagraph (A) with respect to any fee described in such subparagraph shall appear on the screen of the automated teller machine, or on a paper notice issued from such machine, after the transaction is initiated and before the consumer is irrevocably committed to completing the transaction.

“(C) PROHIBITION ON FEES NOT PROPERLY DISCLOSED AND EXPLICITLY ASSUMED BY CON-

SUMER.—No fee may be imposed by any automated teller machine operator in connection with any electronic fund transfer initiated by a consumer for which a notice is required under subparagraph (A), unless—

“(i) the consumer receives such notice in accordance with subparagraph (B); and

“(ii) the consumer elects to continue in the manner necessary to effect the transaction after receiving such notice.

“(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

“(i) ELECTRONIC FUND TRANSFER.—The term ‘electronic fund transfer’ includes a transaction which involves a balance inquiry initiated by a consumer in the same manner as an electronic fund transfer, whether or not the consumer initiates a transfer of funds in the course of the transaction.

“(ii) AUTOMATED TELLER MACHINE OPERATOR.—The term ‘automated teller machine operator’ means any person who—

“(I) operates an automated teller machine at which consumers initiate electronic fund transfers; and

“(II) is not the financial institution which holds the account of such consumer from which the transfer is made.

“(iii) HOST TRANSFER SERVICES.—The term ‘host transfer services’ means any electronic fund transfer made by an automated teller machine operator in connection with a transaction initiated by a consumer at an automated teller machine operated by such operator.”

##### SEC. 173. DISCLOSURE OF POSSIBLE FEES TO CONSUMERS WHEN ATM CARD IS ISSUED.

Section 905(a) of the Electronic Fund Transfer Act (15 U.S.C. 1693c(a)) is amended—

(1) by striking “and” at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting “; and”; and

(3) by inserting after paragraph (9) the following new paragraph:

“(10) a notice to the consumer that a fee may be imposed by—

“(A) an automated teller machine operator (as defined in section 904(d)(3)(D)(ii)) if the consumer initiates a transfer from an automated teller machine which is not operated by the person issuing the card or other means of access; and

“(B) any national, regional, or local network utilized to effect the transaction.”

##### SEC. 174. FEASIBILITY STUDY.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the feasibility of requiring, in connection with any electronic fund transfer initiated by a consumer through the use of an automated teller machine—

(1) a notice to be provided to the consumer before the consumer is irrevocably committed to completing the transaction, which clearly states the amount of any fee which will be imposed upon the consummation of the transaction by—

(A) any automated teller machine operator (as defined in section 904(d)(3)(D)(ii) of the Electronic Fund Transfer Act) involved in the transaction;

(B) the financial institution holding the account of the consumer;

(C) any national, regional, or local network utilized to effect the transaction; and

(D) any other party involved in the transfer; and

(2) the consumer to elect to consummate the transaction after receiving the notice described in paragraph (1).

(b) FACTORS TO BE CONSIDERED.—In conducting the study required under subsection

(a) with regard to the notice requirement described in such subsection, the Comptroller General shall consider the following factors:

- (1) The availability of appropriate technology.
- (2) Implementation and operating costs.
- (3) The competitive impact any such notice requirement would have on various sizes and types of institutions, if implemented.
- (4) The period of time which would be reasonable for implementing any such notice requirement.
- (5) The extent to which consumers would benefit from any such notice requirement.
- (6) Any other factor the Comptroller General determines to be appropriate in analyzing the feasibility of imposing any such notice requirement.

(c) **REPORT TO THE CONGRESS.**—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing—

- (1) the findings and conclusions of the Comptroller General in connection with the study required under subsection (a); and
- (2) the recommendation of the Comptroller General with regard to the question of whether a notice requirement described in subsection (a) should be implemented and, if so, how such requirement should be implemented.

#### **SEC. 175. NO LIABILITY IF POSTED NOTICES ARE DAMAGED.**

Section 910 of the Electronic Fund Transfer Act (15 U.S.C 1693h) is amended by adding at the end the following new subsection:

“(d) **EXCEPTION FOR DAMAGED NOTICES.**—If the notice required to be posted pursuant to section 904(d)(3)(B)(i) by an automated teller machine operator has been posted by such operator in compliance with such section and the notice is subsequently removed, damaged, or altered by any person other than the operator of the automated teller machine, the operator shall have no liability under this section for failure to comply with section 904(d)(3)(B)(i).”

#### **Subtitle I—Direct Activities of Banks**

#### **SEC. 181. AUTHORITY OF NATIONAL BANKS TO UNDERWRITE CERTAIN MUNICIPAL BONDS.**

The paragraph designated the Seventh of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24(7)) is amended by adding at the end the following new sentence: “In addition to the provisions in this paragraph for dealing in, underwriting or purchasing securities, the limitations and restrictions contained in this paragraph as to dealing in, underwriting, and purchasing investment securities for the national bank’s own account shall not apply to obligations (including limited obligation bonds, revenue bonds, and obligations that satisfy the requirements of section 142(b)(1) of the Internal Revenue Code of 1986) issued by or on behalf of any State or political subdivision of a State, including any municipal corporate instrumentality of one or more States, or any public agency or authority of any State or political subdivision of a State, if the national bank is well capitalized (as defined in section 38 of the Federal Deposit Insurance Act).”

#### **Subtitle J—Deposit Insurance Funds**

#### **SEC. 186. STUDY OF SAFETY AND SOUNDNESS OF FUNDS.**

(a) **STUDY REQUIRED.**—The Board of Directors of the Federal Deposit Insurance Corporation shall conduct a study of the following issues with regard to the Bank Insurance Fund and the Savings Association Insurance Fund:

(1) **SAFETY AND SOUNDNESS.**—The safety and soundness of the funds and the adequacy of the reserve requirements applicable to the funds in light of—

(A) the size of the insured depository institutions which are resulting from mergers and consolidations since the effective date of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994; and

(B) the affiliation of insured depository institutions with other financial institutions pursuant to this Act and the amendments made by this Act.

(2) **CONCENTRATION LEVELS.**—The concentration levels of the funds, taking into account the number of members of each fund and the geographic distribution of such members, and the extent to which either fund is exposed to higher risks due to a regional concentration of members or an insufficient membership base relative to the size of member institutions.

(3) **MERGER ISSUES.**—Issues relating to the planned merger of the funds, including the cost of merging the funds and the manner in which such costs will be distributed among the members of the respective funds.

(b) **REPORT REQUIRED.**—

(1) **IN GENERAL.**—Before the end of the 9-month period beginning on the date of the enactment of this Act, the Board of Directors of the Federal Deposit Insurance Corporation shall submit a report to the Congress on the study conducted pursuant to subsection (a).

(2) **CONTENTS OF REPORT.**—The report shall include—

(A) detailed findings of the Board of Directors with regard to the issues described in subsection (a);

(B) a description of the plans developed by the Board of Directors for merging the Bank Insurance Fund and the Savings Association Insurance Fund, including an estimate of the amount of the cost of such merger which would be borne by Savings Association Insurance Fund members; and

(C) such recommendations for legislative and administrative action as the Board of Directors determines to be necessary or appropriate to preserve the safety and soundness of the deposit insurance funds, reduce the risks to such funds, provide for an efficient merger of such funds, and for other purposes.

(c) **DEFINITIONS.**—For purposes of this section, the following definitions shall apply:

(1) **INSURED DEPOSITORY INSTITUTION.**—The term “insured depository institution” has the same meaning as in section 3(c) of the Federal Deposit Insurance Act.

(2) **BIF AND SAIF MEMBERS.**—The terms “Bank Insurance Fund member” and “Savings Association Insurance Fund member” have the same meanings as in section 7(l) of the Federal Deposit Insurance Act.

#### **SEC. 187. ELIMINATION OF SAIF AND DIF SPECIAL RESERVES.**

(a) **SAIF SPECIAL RESERVES.**—Section 11(a)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(6)) is amended by striking subparagraph (L).

(b) **DIF SPECIAL RESERVES.**—Section 2704 of the Deposit Insurance Funds Act of 1996 (12 U.S.C. 1821 note) is amended—

(1) by striking subsection (b); and

(2) in subsection (d)—

(A) by striking paragraph (4);

(B) in paragraph (6)(C)(i), by striking “(6) and (7)” and inserting “(5), (6), and (7)”; and

(C) in paragraph (6)(C), by striking clause (ii) and inserting the following:

“(ii) by redesignating paragraph (8) as paragraph (5).”

#### **Subtitle K—Miscellaneous Provisions**

#### **SEC. 191. TERMINATION OF “KNOW YOUR CUSTOMER” REGULATIONS.**

(a) **IN GENERAL.**—None of the proposed regulations described in subsection (b) may be published in final form and, to the extent any such regulation has become effective before the date of the enactment of this Act, such regulation shall cease to be effective as of such date.

(b) **PROPOSED REGULATIONS DESCRIBED.**—The proposed regulations referred to in subsection (a) are as follows:

(1) The regulation proposed by the Comptroller of the Currency to amend part 21 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

(2) The regulation proposed by the Director of the Office of Thrift Supervision to amend part 563 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

(3) The regulation proposed by the Board of Governors of the Federal Reserve System to amend parts 208, 211, and 225 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

(4) The regulation proposed by the Federal Deposit Insurance Corporation to amend part 326 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

#### **SEC. 192. STUDY AND REPORT ON FEDERAL ELECTRONIC FUND TRANSFERS.**

(a) **STUDY.**—The Secretary of the Treasury shall conduct a feasibility study to determine—

(1) whether all electronic payments issued by Federal agencies could be routed through the Regional Finance Centers of the Department of the Treasury for verification and reconciliation;

(2) whether all electronic payments made by the Federal Government could be subjected to the same level of reconciliation as United States Treasury checks, including matching each payment issued with each corresponding deposit at financial institutions;

(3) whether the appropriate computer security controls are in place in order to ensure the integrity of electronic payments;

(4) the estimated costs of implementing, if so recommended, the processes and controls described in paragraphs (1), (2), and (3); and

(5) a possible timetable for implementing those processes if so recommended.

(b) **REPORT TO CONGRESS.**—Not later than October 1, 2000, the Secretary of the Treasury shall submit a report to Congress containing the results of the study required by subsection (a).

(c) **DEFINITION.**—For purposes of this section, the term “electronic payment” means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, or computer or magnetic tapes so as to order, instruct, or authorize a debit or credit to a financial account.

#### **SEC. 193. GENERAL ACCOUNTING OFFICE STUDY OF CONFLICTS OF INTEREST**

(a) **STUDY REQUIRED.**—The Comptroller General of the United States shall conduct a study analyzing the conflict of interest faced by the Board of Governors of the Federal Reserve System between its role as a primary regulator of the banking industry and its role as a vendor of services to the banking and financial services industry.

(b) **SPECIFIC CONFLICT REQUIRED TO BE ADDRESSED.**—In the course of the study required under subsection (a), the Comptroller

General shall address the conflict of interest faced by the Board of Governors of the Federal Reserve System between the role of the Board as a regulator of the payment system, generally, and its participation in the payment system as a competitor with private entities who are providing payment services.

(c) **REPORT TO CONGRESS.**—Before the end of the 1-year period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing the findings and conclusions of the Comptroller General in connection with the study required under this section, together with such recommendations for such legislative or administrative actions as the Comptroller General may determine to be appropriate, including recommendations for resolving any such conflict of interest.

#### **SEC. 194. STUDY OF COST OF ALL FEDERAL BANKING REGULATIONS.**

(a) **IN GENERAL.**—In accordance with the finding in the Board of Governors of the Federal Reserve System Staff Study Numbered 171 (April, 1998) that “Further research covering more and different types of regulations and regulatory requirements is clearly needed to make informed decisions about regulations”, the Board of Governors of the Federal Reserve System, in consultation with the other Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act) shall conduct a comprehensive study of the total annual costs and benefits of all Federal financial regulations and regulatory requirements applicable to banks.

(b) **REPORT REQUIRED.**—Before the end of the 2-year period beginning on the date of the enactment of this Act, the Board of Governors of the Federal Reserve System shall submit a comprehensive report to the Congress containing the findings and conclusions of the Board in connection with the study required under subsection (a) and such recommendations for legislative and administrative action as the Board may determine to be appropriate.

#### **SEC. 195. STUDY AND REPORT ON ADAPTING EXISTING LEGISLATIVE REQUIREMENTS TO ONLINE BANKING AND LENDING.**

(a) **STUDY REQUIRED.**—The Federal banking agencies shall conduct a study of banking regulations regarding the delivery of financial services, including those regulations that may assume that there will be person-to-person contact during the course of a financial services transaction, and report their recommendations on adapting those existing requirements to online banking and lending.

(b) **REPORT REQUIRED.**—Within 1 year of the date of the enactment of this Act, the Federal banking agencies shall submit a report to the Congress on the findings and conclusions of the agencies with respect to the study required under subsection (a), together with such recommendations for legislative or regulatory action as the agencies may determine to be appropriate.

(c) **DEFINITION.**—For purposes of this section, the term “Federal banking agencies” means each Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act).

#### **SEC. 196. REGULATION OF UNINSURED STATE MEMBER BANKS.**

Section 9 of the Federal Reserve Act (12 U.S.C. 321 et seq.) is amended by adding at the end the following new paragraph:

“(24) **ENFORCEMENT AUTHORITY OVER UNINSURED STATE MEMBER BANKS.**—Section 3(u) of the Federal Deposit Insurance Act, sub-

sections (j) and (k) of section 7 of such Act, and subsections (b) through (n), (s), (u), and (v) of section 8 of such Act shall apply to an uninsured State member bank in the same manner and to the same extent such provisions apply to an insured State member bank and any reference in any such provision to ‘insured depository institution’ shall be deemed to be a reference to ‘uninsured State member bank’ for purposes of this paragraph.”

#### **SEC. 197. CLARIFICATION OF SOURCE OF STRENGTH DOCTRINE.**

Section 18 of the Federal Deposit Insurance Act (21 U.S.C. 1828) is amended by adding at the end the following new subsection:

“(t) **LIMITATION ON CLAIMS.**—

“(1) **IN GENERAL.**—Notwithstanding any other provision of law other than paragraph (2), no person shall have any claim for monetary damages or return of assets or other property against any Federal banking agency (including in its capacity as conservator or receiver) relating to the transfer of money, assets, or other property to increase the capital of an insured depository institution by any depository institution holding company or controlling shareholder for such depository institution, or any affiliate or subsidiary of such depository institution, if at the time of the transfer—

“(A) the insured depository institution is subject to any direction issued in writing by a Federal banking agency to increase its capital;

“(B) the depository institution is undercapitalized, significantly undercapitalized, or critically undercapitalized (as defined in section 38 of this Act); and

“(C) for that portion of the transfer that is made by an entity covered by section 5(g) of the Bank Holding Company Act of 1956 or section 45 of this Act, the Federal banking agency has followed the procedure set forth in such section.

“(2) **EXCEPTION.**—No provision of this subsection shall be construed as limiting—

“(A) the right of an insured depository institution, a depository institution holding company, or any other agency or person to seek direct review of an order or directive issued by a Federal banking agency under this Act, the Bank Holding Company Act of 1956, the National Bank Receivership Act, the Bank Conservation Act, or the Home Owners’ Loan Act;

“(B) the rights of any party to a contract pursuant to section 11(e) of this Act; or

“(C) the rights of any party to a contract with a depository institution holding company or a subsidiary of a depository institution holding company (other than an insured depository institution).”

#### **SEC. 198. INTEREST RATES AND OTHER CHARGES AT INTERSTATE BRANCHES.**

Section 44 of the Federal Deposit Insurance Act (12 U.S.C. 1831u) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following:

“(f) **APPLICABLE RATE AND OTHER CHARGE LIMITATIONS.**—

“(1) **IN GENERAL.**—Except as provided for in paragraph (3), upon the establishment of a branch of any insured depository institution in a host State under this section, the maximum interest rate or amount of interest, discount points, finance charges, or other similar charges that may be charged, taken, received, or reserved from time to time in any loan or discount made or upon any note, bill of exchange, financing transaction, or other evidence of debt by any insured depository

institution in such State shall be equal to not more than the greater of—

“(A) the maximum interest rate or amount of interest, discount points, finance charges, or other similar charges that may be charged, taken, received, or reserved in a similar transaction under the constitution, statutory, or other laws of the home State of the insured depository institution establishing any such branch, without reference to this section, as such maximum interest rate or amount of interest may change from time to time; or

“(B) the maximum rate or amount of interest, discount points, finance charges, or other similar charges that may be charged, taken, received, or reserved in a similar transaction by an insured depository institution under the constitution, statutory, or other laws of the host State, without reference to this section.

“(2) **PREEMPTION.**—The limitations established under paragraph (1) shall apply only in any State that has a constitutional provision that sets a maximum lawful rate of interest on any contract at not more than 5 percent per annum above the Federal Reserve Discount Rate or 90-day commercial paper in effect in the Federal Reserve Bank in the Federal Reserve District in which the State is located.

“(3) **RULE OF CONSTRUCTION.**—No provision of this subsection shall be construed as superseding section 501 of the Depository Institutions Deregulation and Monetary Control Act of 1980.”

#### **SEC. 198A. INTERSTATE BRANCHES AND AGENCIES OF FOREIGN BANKS.**

Section 5(a)(7) of the International Banking Act of 1978 (12 U.S.C. 3103(a)(7)), is amended to read as follows:

“(7) **ADDITIONAL AUTHORITY FOR INTERSTATE BRANCHES AND AGENCIES OF FOREIGN BANKS, UPGRADES OF CERTAIN FOREIGN BANK AGENCIES AND BRANCHES.**—Notwithstanding paragraphs (1) and (2), a foreign bank may—

“(A) with the approval of the Board and the Comptroller of the Currency, establish and operate a Federal branch or Federal agency or, with the approval of the Board and the appropriate State bank supervisor, a State branch or State agency in any State outside the foreign bank’s home State if—

“(i) the establishment and operation of such branch or agency is permitted by the State in which the branch or agency is to be established; and

“(ii) in the case of a Federal or State branch, the branch receives only such deposits as would be permitted for a corporation organized under section 25A of the Federal Reserve Act (12 U.S.C. 611 et seq.); or

“(B) with the approval of the Board and the relevant licensing authority (the Comptroller in the case of a Federal branch or the appropriate State supervisor in the case of a State branch), upgrade an agency, or a branch of the type referred to in subparagraph (A)(ii), located in a State outside the foreign bank’s home State, into a Federal or State branch if—

“(i) the establishment and operation of such branch is permitted by such State; and

“(ii) such agency or branch—

“(I) was in operation in such State on the day before September 29, 1994; or

“(II) has been in operation in such State for a period of time that meets the State’s minimum age requirement permitted under section 44(a)(5) of the Federal Deposit Insurance Act.”

#### **SEC. 198B. FAIR TREATMENT OF WOMEN BY FINANCIAL ADVISERS.**

(a) **FINDINGS.**—The Congress finds as follows:

(1) Women's stature in society has risen considerably, as they are now able to vote, own property, and pursue independent careers, and are granted equal protection under the law.

(2) Women are at least as fiscally responsible as men, and more than half of all women have sole responsibility for balancing the family checkbook and paying the bills.

(3) Estate planners, trust officers, investment advisers, and other financial planners and advisers still encourage the unjust and outdated practice of leaving assets in trust for the category of wives and daughters, along with senile parents, minors, and mentally incompetent children.

(4) Estate planners, trust officers, investment advisers, and other financial planners and advisers still use sales themes and tactics detrimental to women by stereotyping women as uncomfortable handling money and needing protection from their own possible errors of judgment and "fortune hunters".

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that estate planners, trust officers, investment advisers, and other financial planners and advisers should—

(1) eliminate examples in their training materials which portray women as incapable and foolish; and

(2) develop fairer and more balanced presentations that eliminate outmoded and stereotypical examples which lead clients to take actions that are financially detrimental to their wives and daughters.

#### Subtitle L—Effective Date of Title

#### SEC. 199. EFFECTIVE DATE.

Except with regard to any subtitle or other provision of this title for which a specific effective date is provided, this title and the amendments made by this title shall take effect at the end of the 180-day period beginning on the date of the enactment of this Act.

### TITLE II—FUNCTIONAL REGULATION

#### Subtitle A—Brokers and Dealers

#### SEC. 201. DEFINITION OF BROKER.

Section 3(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4)) is amended to read as follows:

"(4) BROKER.—

"(A) IN GENERAL.—The term 'broker' means any person engaged in the business of effecting transactions in securities for the account of others.

"(B) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a broker because the bank engages in any one or more of the following activities under the conditions described:

"(i) THIRD PARTY BROKERAGE ARRANGEMENTS.—The bank enters into a contractual or other written arrangement with a broker or dealer registered under this title under which the broker or dealer offers brokerage services on or off the premises of the bank if—

"(I) such broker or dealer is clearly identified as the person performing the brokerage services;

"(II) the broker or dealer performs brokerage services in an area that is clearly marked and, to the extent practicable, physically separate from the routine deposit-taking activities of the bank;

"(III) any materials used by the bank to advertise or promote generally the availability of brokerage services under the arrangement clearly indicate that the brokerage services are being provided by the broker or dealer and not by the bank;

"(IV) any materials used by the bank to advertise or promote generally the avail-

ability of brokerage services under the arrangement are in compliance with the Federal securities laws before distribution;

"(V) bank employees (other than associated persons of a broker or dealer who are qualified pursuant to the rules of a self-regulatory organization) perform only clerical or ministerial functions in connection with brokerage transactions including scheduling appointments with the associated persons of a broker or dealer, except that bank employees may forward customer funds or securities and may describe in general terms the types of investment vehicles available from the bank and the broker or dealer under the arrangement;

"(VI) bank employees do not receive incentive compensation for any brokerage transaction unless such employees are associated persons of a broker or dealer and are qualified pursuant to the rules of a self-regulatory organization, except that the bank employees may receive compensation for the referral of any customer if the compensation is a nominal one-time cash fee of a fixed dollar amount and the payment of the fee is not contingent on whether the referral results in a transaction;

"(VII) such services are provided by the broker or dealer on a basis in which all customers which receive any services are fully disclosed to the broker or dealer;

"(VIII) the bank does not carry a securities account of the customer except as permitted under clause (ii) or (viii) of this subparagraph; and

"(IX) the bank, broker, or dealer informs each customer that the brokerage services are provided by the broker or dealer and not by the bank and that the securities are not deposits or other obligations of the bank, are not guaranteed by the bank, and are not insured by the Federal Deposit Insurance Corporation.

"(ii) TRUST ACTIVITIES.—The bank effects transactions in a trustee or fiduciary capacity in its trust department, or another department where the trust or fiduciary activity is regularly examined by bank examiners under the same standards and in the same way as such activities are examined in the trust department, and—

"(I) is chiefly compensated for such transactions, consistent with fiduciary principles and standards, on the basis of an administration or annual fee (payable on a monthly, quarterly, or other basis), a percentage of assets under management, or a flat or capped per order processing fee equal to not more than the cost incurred by the bank in connection with executing securities transactions for trustee and fiduciary customers, or any combination of such fees; and

"(II) does not solicit brokerage business, other than by advertising that it effects transactions in securities in conjunction with advertising its other trust activities.

"(iii) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank effects transactions in—

"(I) commercial paper, bankers acceptances, or commercial bills;

"(II) exempted securities;

"(III) qualified Canadian government obligations as defined in section 5136 of the Revised Statutes, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

"(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

"(iv) CERTAIN STOCK PURCHASE PLANS.—

"(I) EMPLOYEE BENEFIT PLANS.—The bank effects transactions, as a registered transfer agent (including as a registrar of stocks), in the securities of an issuer as part of any pension, retirement, profit-sharing, bonus, thrift, savings, incentive, or other similar benefit plan for the employees of that issuer or its affiliates (as defined in section 2 of the Bank Holding Company Act of 1956), if—

"(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan; and

"(bb) the bank's compensation for such plan or program consists chiefly of administration fees, or flat or capped per order processing fees, or both.

"(II) DIVIDEND REINVESTMENT PLANS.—The bank effects transactions, as a registered transfer agent (including as a registrar of stocks), in the securities of an issuer as part of that issuer's dividend reinvestment plan, if—

"(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan;

"(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission; and

"(cc) the bank's compensation for such plan or program consists chiefly of administration fees, or flat or capped per order processing fees, or both.

"(III) ISSUER PLANS.—The bank effects transactions, as a registered transfer agent (including as a registrar of stocks), in the securities of an issuer as part of that issuer's plan for the purchase or sale of that issuer's shares, if—

"(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan or program;

"(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission; and

"(cc) the bank's compensation for such plan or program consists chiefly of administration fees, or flat or capped per order processing fees, or both.

"(IV) PERMISSIBLE DELIVERY OF MATERIALS.—The exception to being considered a broker for a bank engaged in activities described in subclauses (I), (II), and (III) will not be affected by a bank's delivery of written or electronic plan materials to employees of the issuer, shareholders of the issuer, or members of affinity groups of the issuer, so long as such materials are—

"(aa) comparable in scope or nature to that permitted by the Commission as of the date of the enactment of the Financial Services Act of 1999; or

"(bb) otherwise permitted by the Commission.

"(v) SWEEP ACCOUNTS.—The bank effects transactions as part of a program for the investment or reinvestment of deposit funds into any no-load, open-end management investment company registered under the Investment Company Act of 1940 that holds itself out as a money market fund.

"(vi) AFFILIATE TRANSACTIONS.—The bank effects transactions for the account of any affiliate (as defined in section 2 of the Bank Holding Company Act of 1956) of the bank other than—

"(I) a registered broker or dealer; or

"(II) an affiliate that is engaged in merchant banking, as described in section

6(c)(3)(H) of the Bank Holding Company Act of 1956.

“(vii) PRIVATE SECURITIES OFFERINGS.—The bank—

“(I) effects sales as part of a primary offering of securities not involving a public offering, pursuant to section 3(b), 4(2), or 4(6) of the Securities Act of 1933 or the rules and regulations issued thereunder;

“(II) at any time after the date that is 1 year after the date of the enactment of the Financial Services Act of 1999, is not affiliated with a broker or dealer that has been registered for more than 1 year in accordance with this Act, and engages in dealing, market making, or underwriting activities, other than with respect to exempted securities; and

“(III) effects transactions exclusively with qualified investors.

“(viii) SAFEKEEPING AND CUSTODY ACTIVITIES.—

“(I) IN GENERAL.—The bank, as part of customary banking activities—

“(aa) provides safekeeping or custody services with respect to securities, including the exercise of warrants and other rights on behalf of customers;

“(bb) facilitates the transfer of funds or securities, as a custodian or a clearing agency, in connection with the clearance and settlement of its customers' transactions in securities;

“(cc) effects securities lending or borrowing transactions with or on behalf of customers as part of services provided to customers pursuant to division (aa) or (bb) or invests cash collateral pledged in connection with such transactions; or

“(dd) holds securities pledged by a customer to another person or securities subject to purchase or resale agreements involving a customer, or facilitates the pledging or transfer of such securities by book entry or as otherwise provided under applicable law, if the bank maintains records separately identifying the securities and the customer.

“(II) EXCEPTION FOR CARRYING BROKER ACTIVITIES.—The exception to being considered a broker for a bank engaged in activities described in subclause (I) shall not apply if the bank, in connection with such activities, acts in the United States as a carrying broker (as such term, and different formulations thereof, are used in section 15(c)(3) of this title and the rules and regulations thereunder) for any broker or dealer, unless such carrying broker activities are engaged in with respect to government securities (as defined in paragraph (42) of this subsection).

“(ix) EXCEPTED BANKING PRODUCTS.—The bank effects transactions in excepted banking products, as defined in section 206 of the Financial Services Act of 1999.

“(x) MUNICIPAL SECURITIES.—The bank effects transactions in municipal securities.

“(xi) DE MINIMIS EXCEPTION.—The bank effects, other than in transactions referred to in clauses (i) through (x), not more than 500 transactions in securities in any calendar year, and such transactions are not effected by an employee of the bank who is also an employee of a broker or dealer.

“(C) BROKER DEALER EXECUTION.—The exception to being considered a broker for a bank engaged in activities described in clauses (ii), (iv), and (viii) of subparagraph (B) shall not apply if the activities described in such provisions result in the trade in the United States of any security that is a publicly traded security in the United States, unless—

“(i) the bank directs such trade to a registered broker or dealer for execution;

“(ii) the trade is a cross trade or other substantially similar trade of a security that—

“(I) is made by the bank or between the bank and an affiliated fiduciary; and

“(II) is not in contravention of fiduciary principles established under applicable Federal or State law; or

“(iii) the trade is conducted in some other manner permitted under rules, regulations, or orders as the Commission may prescribe or issue.

“(D) FIDUCIARY CAPACITY.—For purposes of subparagraph (B)(ii), the term ‘fiduciary capacity’ means—

“(i) in the capacity as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, or custodian under a uniform gift to minor act, or as an investment adviser if the bank receives a fee for its investment advice;

“(ii) in any capacity in which the bank possesses investment discretion on behalf of another; or

“(iii) in any other similar capacity.

“(F) EXCEPTION FOR ENTITIES SUBJECT TO SECTION 15(e).—The term ‘broker’ does not include a bank that—

“(i) was, immediately prior to the enactment of the Financial Services Act of 1999, subject to section 15(e) of this title; and

“(ii) is subject to such restrictions and requirements as the Commission considers appropriate.”.

#### SEC. 202. DEFINITION OF DEALER.

Section 3(a)(5) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(5)) is amended to read as follows:

“(5) DEALER.—

“(A) IN GENERAL.—The term ‘dealer’ means any person engaged in the business of buying and selling securities for such person's own account through a broker or otherwise.

“(B) EXCEPTION FOR PERSON NOT ENGAGED IN THE BUSINESS OF DEALING.—The term ‘dealer’ does not include a person that buys or sells securities for such person's own account, either individually or in a fiduciary capacity, but not as a part of a regular business.

“(C) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a dealer because the bank engages in any of the following activities under the conditions described:

“(i) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank buys or sells—

“(I) commercial paper, bankers acceptances, or commercial bills;

“(II) exempted securities;

“(III) qualified Canadian government obligations as defined in section 5136 of the Revised Statutes of the United States, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

“(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

“(ii) INVESTMENT, TRUSTEE, AND FIDUCIARY TRANSACTIONS.—The bank buys or sells securities for investment purposes—

“(I) for the bank; or

“(II) for accounts for which the bank acts as a trustee or fiduciary.

“(iii) ASSET-BACKED TRANSACTIONS.—The bank engages in the issuance or sale to qualified investors, through a grantor trust or other separate entity, of securities backed by or representing an interest in notes, drafts, acceptances, loans, leases, receivables, other obligations (other than securi-

ties of which the bank is not the issuer), or pools of any such obligations predominantly originated by—

“(I) the bank;

“(II) an affiliate of any such bank other than a broker or dealer; or

“(III) a syndicate of banks of which the bank is a member, if the obligations or pool of obligations consists of mortgage obligations or consumer-related receivables.

“(iv) EXCEPTED BANKING PRODUCTS.—The bank buys or sells excepted banking products, as defined in section 206 of the Financial Services Act of 1999.

“(v) DERIVATIVE INSTRUMENTS.—The bank issues, buys, or sells any derivative instrument to which the bank is a party—

“(I) to or from a qualified investor, except that if the instrument provides for the delivery of one or more securities (other than a derivative instrument or government security), the transaction shall be effected with or through a registered broker or dealer; or

“(II) to or from other persons, except that if the derivative instrument provides for the delivery of one or more securities (other than a derivative instrument or government security), the transaction shall be effected with or through a registered broker or dealer; or

“(III) to or from any person if the instrument is neither a security nor provides for the delivery of one or more securities (other than a derivative instrument).”.

#### SEC. 203. REGISTRATION FOR SALES OF PRIVATE SECURITIES OFFERINGS.

Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o-3) is amended by inserting after subsection (i) the following new subsection:

“(j) REGISTRATION FOR SALES OF PRIVATE SECURITIES OFFERINGS.—A registered securities association shall create a limited qualification category for any associated person of a member who effects sales as part of a primary offering of securities not involving a public offering, pursuant to section 3(b), 4(2), or 4(6) of the Securities Act of 1933 and the rules and regulations thereunder, and shall deem qualified in such limited qualification category, without testing, any bank employee who, in the six month period preceding the date of the enactment of this Act, engaged in effecting such sales.”.

#### SEC. 204. INFORMATION SHARING.

Section 18 of the Federal Deposit Insurance Act is amended by adding at the end the following new subsection:

“(t) RECORDKEEPING REQUIREMENTS.—

“(1) REQUIREMENTS.—Each appropriate Federal banking agency, after consultation with and consideration of the views of the Commission, shall establish recordkeeping requirements for banks relying on exceptions contained in paragraphs (4) and (5) of section 3(a) of the Securities Exchange Act of 1934. Such recordkeeping requirements shall be sufficient to demonstrate compliance with the terms of such exceptions and be designed to facilitate compliance with such exceptions. Each appropriate Federal banking agency shall make any such information available to the Commission upon request.

“(2) DEFINITIONS.—As used in this subsection the term ‘Commission’ means the Securities and Exchange Commission.”.

#### SEC. 205. TREATMENT OF NEW HYBRID PRODUCTS.

Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) is amended by adding at the end the following new subsection:

“(i) RULEMAKING TO EXTEND REQUIREMENTS TO NEW HYBRID PRODUCTS.—

“(1) LIMITATION.—The Commission shall not—

“(A) require a bank to register as a broker or dealer under this section because the bank engages in any transaction in, or buys or sells, a new hybrid product; or

“(B) bring an action against a bank for a failure to comply with a requirement described in subparagraph (A), unless the Commission has imposed such requirement by rule or regulation issued in accordance with this section.

“(2) CRITERIA FOR RULEMAKING.—The Commission shall not impose a requirement under paragraph (1) of this subsection with respect to any new hybrid product unless the Commission determines that—

“(A) the new hybrid product is a security; and

“(B) imposing such requirement is necessary or appropriate in the public interest and for the protection of investors, consistent with the requirements of section 3(f).

“(3) CONSIDERATIONS.—In making a determination under paragraph (2), the Commission shall consider—

“(A) the nature of the new hybrid product; and

“(B) the history, purpose, extent, and appropriateness of the regulation of the new hybrid product under the Federal securities laws and under the Federal banking laws.

“(4) CONSULTATION.—In promulgating rules under this subsection, the Commission shall consult with and consider the views of the Board of Governors of the Federal Reserve System regarding the nature of the new hybrid product, the history, purpose, extent, and appropriateness of the regulation of the new product under the Federal banking laws, and the impact of the proposed rule on the banking industry.

“(5) NEW HYBRID PRODUCT.—For purposes of this subsection, the term ‘new hybrid product’ means a product that—

“(A) was not subjected to regulation by the Commission as a security prior to the date of the enactment of this subsection; and

“(B) is not an excepted banking product, as such term is defined in section 206 of the Financial Services Act of 1999.”.

#### SEC. 206. DEFINITION OF EXCEPTED BANKING PRODUCT.

(a) DEFINITION OF EXCEPTED BANKING PRODUCT.—For purposes of paragraphs (4) and (5) of section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a) (4), (5)), the term “excepted banking product” means—

(1) a deposit account, savings account, certificate of deposit, or other deposit instrument issued by a bank;

(2) a banker's acceptance;

(3) a letter of credit issued or loan made by a bank;

(4) a debit account at a bank arising from a credit card or similar arrangement;

(5) a participation in a loan which the bank or an affiliate of the bank (other than a broker or dealer) funds, participates in, or owns that is sold—

(A) to qualified investors; or

(B) to other persons that—

(i) have the opportunity to review and assess any material information, including information regarding the borrower's creditworthiness; and

(ii) based on such factors as financial sophistication, net worth, and knowledge and experience in financial matters, have the capability to evaluate the information available, as determined under generally applicable banking standards or guidelines; or

(6) a derivative instrument that involves or relates to—

(A) currencies, except options on currencies that trade on a national securities exchange;

(B) interest rates, except interest rate derivative instruments that—

(i) are based on a security or a group or index of securities (other than government securities or a group or index of government securities);

(ii) provide for the delivery of one or more securities (other than government securities); or

(iii) trade on a national securities exchange; or

(C) commodities, other rates, indices, or other assets, except derivative instruments that—

(i) are securities or that are based on a group or index of securities (other than government securities or a group or index of government securities);

(ii) provide for the delivery of one or more securities (other than government securities); or

(iii) trade on a national securities exchange.

(b) CLASSIFICATION LIMITED.—Classification of a particular product as an excepted banking product pursuant to this section shall not be construed as finding or implying that such product is or is not a security for any purpose under the securities laws, or is or is not an account, agreement, contract, or transaction for any purpose under the Commodity Exchange Act.

(c) INCORPORATED DEFINITIONS.—For purposes of this section—

(1) the terms “bank”, “qualified investor”, and “securities laws” have the same meanings given in section 3(a) of the Securities Exchange Act of 1934, as amended by this Act; and

(2) the term “government securities” has the meaning given in section 3(a)(42) of such Act (as amended by this Act), and, for purposes of this section, commercial paper, bankers acceptances, and commercial bills shall be treated in the same manner as government securities.

#### SEC. 207. ADDITIONAL DEFINITIONS.

Section 3(a) of the Securities Exchange Act of 1934 is amended by adding at the end the following new paragraphs:

“(54) DERIVATIVE INSTRUMENT.—

“(A) DEFINITION.—The term ‘derivative instrument’ means any individually negotiated contract, agreement, warrant, note, or option that is based, in whole or in part, on the value of, any interest in, or any quantitative measure or the occurrence of any event relating to, one or more commodities, securities, currencies, interest or other rates, indices, or other assets, but does not include an excepted banking product, as defined in paragraphs (1) through (5) of section 206(a) of the Financial Services Act of 1999.

“(B) CLASSIFICATION LIMITED.—Classification of a particular contract as a derivative instrument pursuant to this paragraph shall not be construed as finding or implying that such instrument is or is not a security for any purpose under the securities laws, or is or is not an account, agreement, contract, or transaction for any purpose under the Commodity Exchange Act.

“(55) QUALIFIED INVESTOR.—

“(A) DEFINITION.—For purposes of this title, the term ‘qualified investor’ means—

“(i) any investment company registered with the Commission under section 8 of the Investment Company Act of 1940;

“(ii) any issuer eligible for an exclusion from the definition of investment company pursuant to section 3(c)(7) of the Investment Company Act of 1940;

“(iii) any bank (as defined in paragraph (6) of this subsection), savings association (as defined in section 3(b) of the Federal Deposit Insurance Act), broker, dealer, insurance company (as defined in section 2(a)(13) of the Securities Act of 1933), or business development company (as defined in section 2(a)(48) of the Investment Company Act of 1940);

“(iv) any small business investment company licensed by the United States Small Business Administration under section 301 (c) or (d) of the Small Business Investment Act of 1958;

“(v) any State sponsored employee benefit plan, or any other employee benefit plan, within the meaning of the Employee Retirement Income Security Act of 1974, other than an individual retirement account, if the investment decisions are made by a plan fiduciary, as defined in section 3(21) of that Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser;

“(vi) any trust whose purchases of securities are directed by a person described in clauses (i) through (v) of this subparagraph;

“(vii) any market intermediary exempt under section 3(c)(2) of the Investment Company Act of 1940;

“(viii) any associated person of a broker or dealer other than a natural person;

“(ix) any foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

“(x) the government of any foreign country;

“(xi) any corporation, company, or partnership that owns and invests on a discretionary basis, not less than \$10,000,000 in investments;

“(xii) any natural person who owns and invests on a discretionary basis, not less than \$10,000,000 in investments;

“(xiii) any government or political subdivision, agency, or instrumentality of a government who owns and invests on a discretionary basis not less than \$50,000,000 in investments; or

“(xiv) any multinational or supranational entity or any agency or instrumentality thereof.

“(B) ADDITIONAL AUTHORITY.—The Commission may, by rule or order, define a ‘qualified investor’ as any other person, taking into consideration such factors as the financial sophistication of the person, net worth, and knowledge and experience in financial matters.”.

#### SEC. 208. GOVERNMENT SECURITIES DEFINED.

Section 3(a)(42) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(42)) is amended—

(1) by striking “or” at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting “; or”; and

(3) by adding at the end the following new subparagraph:

“(E) for purposes of sections 15, 15C, and 17A as applied to a bank, a qualified Canadian government obligation as defined in section 5136 of the Revised Statutes of the United States.”.

#### SEC. 209. EFFECTIVE DATE.

This subtitle shall take effect at the end of the 270-day period beginning on the date of the enactment of this Act.

#### SEC. 210. RULE OF CONSTRUCTION.

Nothing in this Act shall supersede, affect, or otherwise limit the scope and applicability of the Commodity Exchange Act (7 U.S.C. 1 et seq.).



### Subtitle B—Bank Investment Company Activities

#### SEC. 211. CUSTODY OF INVESTMENT COMPANY ASSETS BY AFFILIATED BANK.

(a) **MANAGEMENT COMPANIES.**—Section 17(f) of the Investment Company Act of 1940 (15 U.S.C. 80a-17(f)) is amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(2) by striking “(f) Every registered” and inserting the following:

“(f) **CUSTODY OF SECURITIES.**—

“(1) Every registered”;

(3) by redesignating the second, third, fourth, and fifth sentences of such subsection as paragraphs (2) through (5), respectively, and indenting the left margin of such paragraphs appropriately; and

(4) by adding at the end the following new paragraph:

“(6) The Commission may adopt rules and regulations, and issue orders, consistent with the protection of investors, prescribing the conditions under which a bank, or an affiliated person of a bank, either of which is an affiliated person, promoter, organizer, or sponsor of, or principal underwriter for, a registered management company may serve as custodian of that registered management company.”.

(b) **UNIT INVESTMENT TRUSTS.**—Section 26 of the Investment Company Act of 1940 (15 U.S.C. 80a-26) is amended—

(1) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively; and

(2) by inserting after subsection (a) the following new subsection:

“(b) The Commission may adopt rules and regulations, and issue orders, consistent with the protection of investors, prescribing the conditions under which a bank, or an affiliated person of a bank, either of which is an affiliated person of a principal underwriter for, or depositor of, a registered unit investment trust, may serve as trustee or custodian under subsection (a)(1).”.

(c) **FIDUCIARY DUTY OF CUSTODIAN.**—Section 36(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-35(a)) is amended—

(1) in paragraph (1), by striking “or” at the end;

(2) in paragraph (2), by striking the period at the end and inserting “; or”; and

(3) by inserting after paragraph (2) the following:

“(3) as custodian.”.

#### SEC. 212. LENDING TO AN AFFILIATED INVESTMENT COMPANY.

Section 17(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-17(a)) is amended—

(1) by striking “or” at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting “; or”; and

(3) by adding at the end the following new paragraph:

“(4) to loan money or other property to such registered company, or to any company controlled by such registered company, in contravention of such rules, regulations, or orders as the Commission may prescribe or issue consistent with the protection of investors.”.

#### SEC. 213. INDEPENDENT DIRECTORS.

(a) **IN GENERAL.**—Section 2(a)(19)(A) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(19)(A)) is amended—

(1) by striking clause (v) and inserting the following new clause:

“(v) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-

month period preceding the date of the determination of whether that person or affiliated person is an interested person, has executed any portfolio transactions for, engaged in any principal transactions with, or distributed shares for—

“(I) the investment company;

“(II) any other investment company having the same investment adviser as such investment company or holding itself out to investors as a related company for purposes of investment or investor services; or

“(III) any account over which the investment company’s investment adviser has brokerage placement discretion.”;

(2) by redesignating clause (vi) as clause (vii); and

(3) by inserting after clause (v) the following new clause:

“(vi) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has loaned money or other property to—

“(I) the investment company;

“(II) any other investment company having the same investment adviser as such investment company or holding itself out to investors as a related company for purposes of investment or investor services; or

“(III) any account for which the investment company’s investment adviser has borrowing authority.”.

(b) **CONFORMING AMENDMENT.**—Section 2(a)(19)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(19)(B)) is amended—

(1) by striking clause (v) and inserting the following new clause:

“(v) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has executed any portfolio transactions for, engaged in any principal transactions with, or distributed shares for—

“(I) any investment company for which the investment adviser or principal underwriter serves as such;

“(II) any investment company holding itself out to investors, for purposes of investment or investor services, as a company related to any investment company for which the investment adviser or principal underwriter serves as such; or

“(III) any account over which the investment adviser has brokerage placement discretion.”;

(2) by redesignating clause (vi) as clause (vii); and

(3) by inserting after clause (v) the following new clause:

“(vi) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has loaned money or other property to—

“(I) any investment company for which the investment adviser or principal underwriter serves as such;

“(II) any investment company holding itself out to investors, for purposes of investment or investor services, as a company related to any investment company for which the investment adviser or principal underwriter serves as such; or

“(III) any account for which the investment adviser has borrowing authority.”.

(c) **AFFILIATION OF DIRECTORS.**—Section 10(c) of the Investment Company Act of 1940

(15 U.S.C. 80a-10(c)) is amended by striking “bank, except” and inserting “bank (together with its affiliates and subsidiaries) or any one bank holding company (together with its affiliates and subsidiaries) (as such terms are defined in section 2 of the Bank Holding Company Act of 1956), except”.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall take effect at the end of the 1-year period beginning on the date of the enactment of this subtitle.

#### SEC. 214. ADDITIONAL SEC DISCLOSURE AUTHORITY.

Section 35(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-34(a)) is amended to read as follows:

“(a) **MISREPRESENTATION OF GUARANTEES.**—

“(1) **IN GENERAL.**—It shall be unlawful for any person, issuing or selling any security of which a registered investment company is the issuer, to represent or imply in any manner whatsoever that such security or company—

“(A) has been guaranteed, sponsored, recommended, or approved by the United States, or any agency, instrumentality or officer of the United States;

“(B) has been insured by the Federal Deposit Insurance Corporation; or

“(C) is guaranteed by or is otherwise an obligation of any bank or insured depository institution.

“(2) **DISCLOSURES.**—Any person issuing or selling the securities of a registered investment company that is advised by, or sold through, a bank shall prominently disclose that an investment in the company is not insured by the Federal Deposit Insurance Corporation or any other government agency. The Commission may adopt rules and regulations, and issue orders, consistent with the protection of investors, prescribing the manner in which the disclosure under this paragraph shall be provided.

“(3) **DEFINITIONS.**—The terms ‘insured depository institution’ and ‘appropriate Federal banking agency’ have the same meanings given in section 3 of the Federal Deposit Insurance Act.”.

#### SEC. 215. DEFINITION OF BROKER UNDER THE INVESTMENT COMPANY ACT OF 1940.

Section 2(a)(6) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(6)) is amended to read as follows:

“(6) The term ‘broker’ has the same meaning given in section 3 of the Securities Exchange Act of 1934, except that such term does not include any person solely by reason of the fact that such person is an underwriter for one or more investment companies.”.

#### SEC. 216. DEFINITION OF DEALER UNDER THE INVESTMENT COMPANY ACT OF 1940.

Section 2(a)(11) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(11)) is amended to read as follows:

“(11) The term ‘dealer’ has the same meaning given in the Securities Exchange Act of 1934, but does not include an insurance company or investment company.”.

#### SEC. 217. REMOVAL OF THE EXCLUSION FROM THE DEFINITION OF INVESTMENT ADVISER FOR BANKS THAT ADVISE INVESTMENT COMPANIES.

(a) **INVESTMENT ADVISER.**—Section 202(a)(11)(A) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(11)(A)) is amended by striking “investment company” and inserting “investment company, except that the term ‘investment adviser’ includes any bank or bank holding company to the extent that such bank or bank holding company serves or acts as an investment adviser to a registered investment company, but if, in

the case of a bank, such services or actions are performed through a separately identifiable department or division, the department or division, and not the bank itself, shall be deemed to be the investment adviser".

(b) SEPARATELY IDENTIFIABLE DEPARTMENT OR DIVISION.—Section 202(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)) is amended by adding at the end the following:

"(26) The term 'separately identifiable department or division' of a bank means a unit—

"(A) that is under the direct supervision of an officer or officers designated by the board of directors of the bank as responsible for the day-to-day conduct of the bank's investment adviser activities for one or more investment companies, including the supervision of all bank employees engaged in the performance of such activities; and

"(B) for which all of the records relating to its investment adviser activities are separately maintained in or extractable from such unit's own facilities or the facilities of the bank, and such records are so maintained or otherwise accessible as to permit independent examination and enforcement by the Commission of this Act or the Investment Company Act of 1940 and rules and regulations promulgated under this Act or the Investment Company Act of 1940."

#### SEC. 218. DEFINITION OF BROKER UNDER THE INVESTMENT ADVISERS ACT OF 1940.

Section 202(a)(3) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(3)) is amended to read as follows:

"(3) The term 'broker' has the same meaning given in section 3 of the Securities Exchange Act of 1934."

#### SEC. 219. DEFINITION OF DEALER UNDER THE INVESTMENT ADVISERS ACT OF 1940.

Section 202(a)(7) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(7)) is amended to read as follows:

"(7) The term 'dealer' has the same meaning given in section 3 of the Securities Exchange Act of 1934, but does not include an insurance company or investment company."

#### SEC. 220. INTERAGENCY CONSULTATION.

The Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.) is amended by inserting after section 210 the following new section:

##### "SEC. 210A. CONSULTATION.

"(a) EXAMINATION RESULTS AND OTHER INFORMATION.—

"(1) The appropriate Federal banking agency shall provide the Commission upon request the results of any examination, reports, records, or other information to which such agency may have access with respect to the investment advisory activities—

"(A) of any—

"(i) bank holding company;

"(ii) bank; or

"(iii) separately identifiable department or division of a bank, that is registered under section 203 of this title; and

"(B) in the case of a bank holding company or bank that has a subsidiary or a separately identifiable department or division registered under that section, of such bank or bank holding company.

"(2) The Commission shall provide to the appropriate Federal banking agency upon request the results of any examination, reports, records, or other information with respect to the investment advisory activities of any bank holding company, bank, or separately identifiable department or division of a bank, which is registered under section 203 of this title.

"(b) EFFECT ON OTHER AUTHORITY.—Nothing in this section shall limit in any respect the authority of the appropriate Federal banking agency with respect to such bank holding company, bank, or department or division under any other provision of law.

"(c) DEFINITION.—For purposes of this section, the term 'appropriate Federal banking agency' shall have the same meaning given in section 3 of the Federal Deposit Insurance Act."

#### SEC. 221. TREATMENT OF BANK COMMON TRUST FUNDS.

(a) SECURITIES ACT OF 1933.—Section 3(a)(2) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)) is amended by striking "or any interest or participation in any common trust fund or similar fund maintained by a bank exclusively for the collective investment and reinvestment of assets contributed thereto by such bank in its capacity as trustee, executor, administrator, or guardian" and inserting "or any interest or participation in any common trust fund or similar fund that is excluded from the definition of the term 'investment company' under section 3(c)(3) of the Investment Company Act of 1940".

(b) SECURITIES EXCHANGE ACT OF 1934.—Section 3(a)(12)(A)(iii) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)(A)(iii)) is amended to read as follows:

"(iii) any interest or participation in any common trust fund or similar fund that is excluded from the definition of the term 'investment company' under section 3(c)(3) of the Investment Company Act of 1940;"

(c) INVESTMENT COMPANY ACT OF 1940.—Section 3(c)(3) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(3)) is amended by inserting before the period the following: ", if—

"(A) such fund is employed by the bank solely as an aid to the administration of trusts, estates, or other accounts created and maintained for a fiduciary purpose;

"(B) except in connection with the ordinary advertising of the bank's fiduciary services, interests in such fund are not—

"(i) advertised; or

"(ii) offered for sale to the general public; and

"(C) fees and expenses charged by such fund are not in contravention of fiduciary principles established under applicable Federal or State law".

#### SEC. 222. INVESTMENT ADVISERS PROHIBITED FROM HAVING CONTROLLING INTEREST IN REGISTERED INVESTMENT COMPANY.

Section 15 of the Investment Company Act of 1940 (15 U.S.C. 80a-15) is amended by adding at the end the following new subsection:

"(g) CONTROLLING INTEREST IN INVESTMENT COMPANY PROHIBITED.—

"(1) IN GENERAL.—If an investment adviser to a registered investment company, or an affiliated person of that investment adviser, holds a controlling interest in that registered investment company in a trustee or fiduciary capacity, such person shall—

"(A) if it holds the shares in a trustee or fiduciary capacity with respect to any employee benefit plan subject to the Employee Retirement Income Security Act of 1974, transfer the power to vote the shares of the investment company through to another person acting in a fiduciary capacity with respect to the plan who is not an affiliated person of that investment adviser or any affiliated person thereof; or

"(B) if it holds the shares in a trustee or fiduciary capacity with respect to any person or entity other than an employee benefit

plan subject to the Employee Retirement Income Security Act of 1974—

"(i) transfer the power to vote the shares of the investment company through to—

"(I) the beneficial owners of the shares;

"(II) another person acting in a fiduciary capacity who is not an affiliated person of that investment adviser or any affiliated person thereof; or

"(III) any person authorized to receive statements and information with respect to the trust who is not an affiliated person of that investment adviser or any affiliated person thereof;

"(ii) vote the shares of the investment company held by it in the same proportion as shares held by all other shareholders of the investment company; or

"(iii) vote the shares of the investment company as otherwise permitted under such rules, regulations, or orders as the Commission may prescribe or issue consistent with the protection of investors.

"(2) EXEMPTION.—Paragraph (1) shall not apply to any investment adviser to a registered investment company, or any affiliated person of that investment adviser, that holds shares of the investment company in a trustee or fiduciary capacity if that registered investment company consists solely of assets held in such capacities.

"(3) SAFE HARBOR.—No investment adviser to a registered investment company or any affiliated person of such investment adviser shall be deemed to have acted unlawfully or to have breached a fiduciary duty under State or Federal law solely by reason of acting in accordance with clause (i), (ii), or (iii) of paragraph (1)(B)."

#### SEC. 223. STATUTORY DISQUALIFICATION FOR BANK WRONGDOING.

Section 9(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-9(a)) is amended in paragraphs (1) and (2) by striking "securities dealer, transfer agent," and inserting "securities dealer, bank, transfer agent,"

#### SEC. 224. CONFORMING CHANGE IN DEFINITION.

Section 2(a)(5) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(5)) is amended by striking "(A) a banking institution organized under the laws of the United States" and inserting "(A) a depository institution (as defined in section 3 of the Federal Deposit Insurance Act) or a branch or agency of a foreign bank (as such terms are defined in section 1(b) of the International Banking Act of 1978)".

#### SEC. 225. CONFORMING AMENDMENT.

Section 202 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2) is amended by adding at the end the following new subsection:

"(c) CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.—Whenever pursuant to this title the Commission is engaged in rulemaking and is required to consider or determine whether an action is necessary or appropriate in the public interest, the Commission shall also consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation."

#### SEC. 226. CHURCH PLAN EXCLUSION.

Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(14)) is amended—

(1) by redesignating clauses (i) and (ii) of subparagraph (B) as subclauses (I) and (II), respectively;

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(3) by inserting "(A)" after "(14)"; and

(4) by adding at the end the following new subparagraph:

“(B) If a registered investment company would be excluded from the definition of investment company under this subsection but for the fact that some of the company’s assets do not satisfy the condition of subparagraph (A)(ii) of this paragraph, then any investment adviser to the company or affiliated person of such investment adviser shall not be subject to the requirements of section 15(g)(1)(B) with respect to shares of the investment company.”.

#### SEC. 227. EFFECTIVE DATE.

This subtitle shall take effect 90 days after the date of the enactment of this Act.

#### Subtitle C—Securities and Exchange Commission Supervision of Investment Bank Holding Companies

#### SEC. 231. SUPERVISION OF INVESTMENT BANK HOLDING COMPANIES BY THE SECURITIES AND EXCHANGE COMMISSION.

(a) AMENDMENT.—Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended—

(1) by redesignating subsection (i) as subsection (k); and

(2) by inserting after subsection (h) the following new subsection:

“(i) INVESTMENT BANK HOLDING COMPANIES.—

“(1) ELECTIVE SUPERVISION OF AN INVESTMENT BANK HOLDING COMPANY NOT HAVING A BANK OR SAVINGS ASSOCIATION AFFILIATE.—

“(A) IN GENERAL.—An investment bank holding company that is not—

“(i) an affiliate of a wholesale financial institution, an insured bank (other than an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956), or a savings association;

“(ii) a foreign bank, foreign company, or company that is described in section 8(a) of the International Banking Act of 1978; or

“(iii) a foreign bank that controls, directly or indirectly, a corporation chartered under section 25A of the Federal Reserve Act, may elect to become supervised by filing with the Commission a notice of intention to become supervised, pursuant to subparagraph (B) of this paragraph. Any investment bank holding company filing such a notice shall be supervised in accordance with this section and comply with the rules promulgated by the Commission applicable to supervised investment bank holding companies.

“(B) NOTIFICATION OF STATUS AS A SUPERVISED INVESTMENT BANK HOLDING COMPANY.—An investment bank holding company that elects under subparagraph (A) to become supervised by the Commission shall file with the Commission a written notice of intention to become supervised by the Commission in such form and containing such information and documents concerning such investment bank holding company as the Commission, by rule, may prescribe as necessary or appropriate in furtherance of the purposes of this section. Unless the Commission finds that such supervision is not necessary or appropriate in furtherance of the purposes of this section, such supervision shall become effective 45 days after the date of receipt of such written notice by the Commission or within such shorter time period as the Commission, by rule or order, may determine.

“(2) ELECTION NOT TO BE SUPERVISED BY THE COMMISSION AS AN INVESTMENT BANK HOLDING COMPANY.—

“(A) VOLUNTARY WITHDRAWAL.—A supervised investment bank holding company that is supervised pursuant to paragraph (1) may, upon such terms and conditions as the Com-

mission deems necessary or appropriate, elect not to be supervised by the Commission by filing a written notice of withdrawal from Commission supervision. Such notice shall not become effective until 1 year after receipt by the Commission, or such shorter or longer period as the Commission deems necessary or appropriate to ensure effective supervision of the material risks to the supervised investment bank holding company and to the affiliated broker or dealer, or to prevent evasion of the purposes of this section.

“(B) DISCONTINUATION OF COMMISSION SUPERVISION.—If the Commission finds that any supervised investment bank holding company that is supervised pursuant to paragraph (1) is no longer in existence or has ceased to be an investment bank holding company, or if the Commission finds that continued supervision of such a supervised investment bank holding company is not consistent with the purposes of this section, the Commission may discontinue the supervision pursuant to a rule or order, if any, promulgated by the Commission under this section.

“(3) SUPERVISION OF INVESTMENT BANK HOLDING COMPANIES.—

“(A) RECORDKEEPING AND REPORTING.—

“(i) IN GENERAL.—Every supervised investment bank holding company and each affiliate thereof shall make and keep for prescribed periods such records, furnish copies thereof, and make such reports, as the Commission may require by rule, in order to keep the Commission informed as to—

“(I) the company’s or affiliate’s activities, financial condition, policies, systems for monitoring and controlling financial and operational risks, and transactions and relationships between any broker or dealer affiliate of the supervised investment bank holding company; and

“(II) the extent to which the company or affiliate has complied with the provisions of this Act and regulations prescribed and orders issued under this Act.

“(ii) FORM AND CONTENTS.—Such records and reports shall be prepared in such form and according to such specifications (including certification by an independent public accountant), as the Commission may require and shall be provided promptly at any time upon request by the Commission. Such records and reports may include—

“(i) a balance sheet and income statement;

“(II) an assessment of the consolidated capital of the supervised investment bank holding company;

“(III) an independent auditor’s report attesting to the supervised investment bank holding company’s compliance with its internal risk management and internal control objectives; and

“(IV) reports concerning the extent to which the company or affiliate has complied with the provisions of this title and any regulations prescribed and orders issued under this title.

“(B) USE OF EXISTING REPORTS.—

“(i) IN GENERAL.—The Commission shall, to the fullest extent possible, accept reports in fulfillment of the requirements under this paragraph that the supervised investment bank holding company or its affiliates have been required to provide to another appropriate regulatory agency or self-regulatory organization.

“(ii) AVAILABILITY.—A supervised investment bank holding company or an affiliate of such company shall provide to the Commission, at the request of the Commission, any report referred to in clause (i).

“(C) EXAMINATION AUTHORITY.—

“(i) FOCUS OF EXAMINATION AUTHORITY.—The Commission may make examinations of any supervised investment bank holding company and any affiliate of such company in order to—

“(I) inform the Commission regarding—

“(aa) the nature of the operations and financial condition of the supervised investment bank holding company and its affiliates;

“(bb) the financial and operational risks within the supervised investment bank holding company that may affect any broker or dealer controlled by such supervised investment bank holding company; and

“(cc) the systems of the supervised investment bank holding company and its affiliates for monitoring and controlling those risks; and

“(II) monitor compliance with the provisions of this subsection, provisions governing transactions and relationships between any broker or dealer affiliated with the supervised investment bank holding company and any of the company’s other affiliates, and applicable provisions of subchapter II of chapter 53, title 31, United States Code (commonly referred to as the ‘Bank Secrecy Act’) and regulations thereunder.

“(ii) RESTRICTED FOCUS OF EXAMINATIONS.—The Commission shall limit the focus and scope of any examination of a supervised investment bank holding company to—

“(I) the company; and

“(II) any affiliate of the company that, because of its size, condition, or activities, the nature or size of the transactions between such affiliate and any affiliated broker or dealer, or the centralization of functions within the holding company system, could, in the discretion of the Commission, have a materially adverse effect on the operational or financial condition of the broker or dealer.

“(iii) DEFERENCE TO OTHER EXAMINATIONS.—For purposes of this subparagraph, the Commission shall, to the fullest extent possible, use the reports of examination of an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956 made by the appropriate regulatory agency, or of a licensed insurance company made by the appropriate State insurance regulator.

“(4) HOLDING COMPANY CAPITAL.—

“(A) AUTHORITY.—If the Commission finds that it is necessary to adequately supervise investment bank holding companies and their broker or dealer affiliates consistent with the purposes of this subsection, the Commission may adopt capital adequacy rules for supervised investment bank holding companies.

“(B) METHOD OF CALCULATION.—In developing rules under this paragraph:

“(i) DOUBLE LEVERAGE.—The Commission shall consider the use by the supervised investment bank holding company of debt and other liabilities to fund capital investments in affiliates.

“(ii) NO UNWEIGHTED CAPITAL RATIO.—The Commission shall not impose under this section a capital ratio that is not based on appropriate risk-weighting considerations.

“(iii) NO CAPITAL REQUIREMENT ON REGULATED ENTITIES.—The Commission shall not, by rule, regulation, guideline, order or otherwise, impose any capital adequacy provision on a nonbanking affiliate (other than a broker or dealer) that is in compliance with applicable capital requirements of another Federal regulatory authority or State insurance authority.

“(iv) APPROPRIATE EXCLUSIONS.—The Commission shall take full account of the applicable capital requirements of another Federal regulatory authority or State insurance regulator.

“(C) INTERNAL RISK MANAGEMENT MODELS.—The Commission may incorporate internal risk management models into its capital adequacy rules for supervised investment bank holding companies.

“(5) FUNCTIONAL REGULATION OF BANKING AND INSURANCE ACTIVITIES OF SUPERVISED INVESTMENT BANK HOLDING COMPANIES.—The Commission shall defer to—

“(A) the appropriate regulatory agency with regard to all interpretations of, and the enforcement of, applicable banking laws relating to the activities, conduct, ownership, and operations of banks, and institutions described in subparagraph (D), (F), and (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956; and

“(B) the appropriate State insurance regulators with regard to all interpretations of, and the enforcement of, applicable State insurance laws relating to the activities, conduct, and operations of insurance companies and insurance agents.

“(6) DEFINITIONS.—For purposes of this subsection:

“(A) The term ‘investment bank holding company’ means—

“(i) any person other than a natural person that owns or controls one or more brokers or dealers; and

“(ii) the associated persons of the investment bank holding company.

“(B) The term ‘supervised investment bank holding company’ means any investment bank holding company that is supervised by the Commission pursuant to this subsection.

“(C) The terms ‘affiliate’, ‘bank’, ‘bank holding company’, ‘company’, ‘control’, ‘savings association’, and ‘wholesale financial institution’ have the same meanings given in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841).

“(D) The term ‘insured bank’ has the same meaning given in section 3 of the Federal Deposit Insurance Act.

“(E) The term ‘foreign bank’ has the same meaning given in section 1(b)(7) of the International Banking Act of 1978.

“(F) The terms ‘person associated with an investment bank holding company’ and ‘associated person of an investment bank holding company’ mean any person directly or indirectly controlling, controlled by, or under common control with, an investment bank holding company.”.

“(j) AUTHORITY TO LIMIT DISCLOSURE OF INFORMATION.—Notwithstanding any other provision of law, the Commission shall not be compelled to disclose any information required to be reported under subsection (h) or (i) or any information supplied to the Commission by any domestic or foreign regulatory agency that relates to the financial or operational condition of any associated person of a broker or dealer, investment bank holding company, or any affiliate of an investment bank holding company. Nothing in this subsection shall authorize the Commission to withhold information from Congress, or prevent the Commission from complying with a request for information from any other Federal department or agency or any self-regulatory organization requesting the information for purposes within the scope of its jurisdiction, or complying with an order of a court of the United States in an action brought by the United States or the Commission. For purposes of section 552 of title 5, United States Code, this subsection shall be

considered a statute described in subsection (b)(3)(B) of such section 552. In prescribing regulations to carry out the requirements of this subsection, the Commission shall designate information described in or obtained pursuant to subparagraphs (A), (B), and (C) of subsection (i)(5) as confidential information for purposes of section 24(b)(2) of this title.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(a)(34) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(34)) is amended by adding at the end the following new subparagraph:

“(H) When used with respect to an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956—

“(i) the Comptroller of the Currency, in the case of a national bank or a bank in the District of Columbia examined by the Comptroller of the Currency;

“(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System or any corporation chartered under section 25A of the Federal Reserve Act;

“(iii) the Federal Deposit Insurance Corporation, in the case of any other bank the deposits of which are insured in accordance with the Federal Deposit Insurance Act; or

“(iv) the Commission in the case of all other such institutions.”.

(2) Section 1112(e) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3412(e)) is amended—

(A) by striking “this title” and inserting “law”; and

(B) by inserting “, examination reports” after “financial records”.

#### **Subtitle D—Disclosure of Customer Costs of Acquiring Financial Products**

#### **SEC. 241. IMPROVED AND CONSISTENT DISCLOSURE.**

(a) REVISED REGULATIONS REQUIRED.—Within 1 year after the date of the enactment of this Act, each Federal financial regulatory authority shall prescribe rules, or revisions to its rules, to improve the accuracy, simplicity, and completeness, and to make more consistent, the disclosure of information by persons subject to the jurisdiction of such regulatory authority concerning any commissions, fees, or other costs incurred by customers in the acquisition of financial products.

(b) CONSULTATION.—In prescribing rules and revisions under subsection (a), the Federal financial regulatory authorities shall consult with each other and with appropriate State financial regulatory authorities.

(c) CONSIDERATION OF EXISTING DISCLOSURES.—In prescribing rules and revisions under subsection (a), the Federal financial regulatory authorities shall consider the sufficiency and appropriateness of then existing laws and rules applicable to persons subject to their jurisdiction, and may prescribe exemptions from the rules and revisions required by subsection (a) to the extent appropriate in light of the objective of this section to increase the consistency of disclosure practices.

(d) ENFORCEMENT.—Any rule prescribed by a Federal financial regulatory authority pursuant to this section shall, for purposes of enforcement, be treated as a rule prescribed by such regulatory authority pursuant to the statute establishing such regulatory authority’s jurisdiction over the persons to whom such rule applies.

(e) DEFINITION.—As used in this section, the term “Federal financial regulatory au-

thority” means the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Commodity Futures Trading Commission, and any self-regulatory organization under the supervision of any of the foregoing.

#### **Subtitle E—Banks and Bank Holding Companies**

#### **SEC. 251. CONSULTATION.**

(a) IN GENERAL.—The Securities and Exchange Commission shall consult and coordinate comments with the appropriate Federal banking agency before taking any action or rendering any opinion with respect to the manner in which any insured depository institution or depository institution holding company reports loan loss reserves in its financial statement, including the amount of any such loan loss reserve.

(b) DEFINITIONS.—For purposes of subsection (a), the terms “insured depository institution”, “depository institution holding company”, and “appropriate Federal banking agency” have the same meaning as in section 3 of the Federal Deposit Insurance Act.

### **TITLE III—INSURANCE**

#### **Subtitle A—State Regulation of Insurance**

#### **SEC. 301. STATE REGULATION OF THE BUSINESS OF INSURANCE.**

The Act entitled “An Act to express the intent of the Congress with reference to the regulation of the business of insurance” and approved March 9, 1945 (15 U.S.C. 1011 et seq.), commonly referred to as the “McCarran-Ferguson Act” remains the law of the United States.

#### **SEC. 302. MANDATORY INSURANCE LICENSING REQUIREMENTS.**

No person shall engage in the business of insurance in a State as principal or agent unless such person is licensed as required by the appropriate insurance regulator of such State in accordance with the relevant State insurance law, subject to section 104.

#### **SEC. 303. FUNCTIONAL REGULATION OF INSURANCE.**

The insurance activities of any person (including a national bank exercising its power to act as agent under the eleventh undesignated paragraph of section 13 of the Federal Reserve Act) shall be functionally regulated by the States, subject to section 104.

#### **SEC. 304. INSURANCE UNDERWRITING IN NATIONAL BANKS.**

(a) IN GENERAL.—Except as provided in section 305, a national bank and the subsidiaries of a national bank may not provide insurance in a State as principal except that this prohibition shall not apply to authorized products.

(b) AUTHORIZED PRODUCTS.—For the purposes of this section, a product is authorized if—

(1) as of January 1, 1999, the Comptroller of the Currency had determined in writing that national banks may provide such product as principal, or national banks were in fact lawfully providing such product as principal;

(2) no court of relevant jurisdiction had, by final judgment, overturned a determination of the Comptroller of the Currency that national banks may provide such product as principal; and

(3) the product is not title insurance, or an annuity contract the income of which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.

(c) DEFINITION.—For purposes of this section, the term “insurance” means—

(1) any product regulated as insurance as of January 1, 1999, in accordance with the

relevant State insurance law, in the State in which the product is provided;

(2) any product first offered after January 1, 1999, which—

(A) a State insurance regulator determines shall be regulated as insurance in the State in which the product is provided because the product insures, guarantees, or indemnifies against liability, loss of life, loss of health, or loss through damage to or destruction of property, including, but not limited to, surety bonds, life insurance, health insurance, title insurance, and property and casualty insurance (such as private passenger or commercial automobile, homeowners, mortgage, commercial multiperil, general liability, professional liability, workers' compensation, fire and allied lines, farm owners multiperil, aircraft, fidelity, surety, medical malpractice, ocean marine, inland marine, and boiler and machinery insurance); and

(B) is not a product or service of a bank that is—

(i) a deposit product;

(ii) a loan, discount, letter of credit, or other extension of credit;

(iii) a trust or other fiduciary service;

(iv) a qualified financial contract (as defined in or determined pursuant to section 11(e)(8)(D)(i) of the Federal Deposit Insurance Act); or

(v) a financial guaranty, except that this subparagraph (B) shall not apply to a product that includes an insurance component such that if the product is offered or proposed to be offered by the bank as principal—

(I) it would be treated as a life insurance contract under section 7702 of the Internal Revenue Code of 1986; or

(II) in the event that the product is not a letter of credit or other similar extension of credit, a qualified financial contract, or a financial guaranty, it would qualify for treatment for losses incurred with respect to such product under section 832(b)(5) of the Internal Revenue Code of 1986, if the bank were subject to tax as an insurance company under section 831 of that Code; or

(3) any annuity contract, the income on which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.

#### SEC. 305. TITLE INSURANCE ACTIVITIES OF NATIONAL BANKS AND THEIR AFFILIATES.

(a) GENERAL PROHIBITION.—No national bank, and no subsidiary of a national bank, may engage in any activity involving the underwriting or sale of title insurance.

(b) NONDISCRIMINATION PARITY EXCEPTION.—

(1) IN GENERAL.—Notwithstanding any other provision of law (including section 104 of this Act), in the case of any State in which banks organized under the laws of such State are authorized to sell title insurance as agent, a national bank and a subsidiary of a national bank may sell title insurance as agent in such State, but only in the same manner, to the same extent, and under the same restrictions as such State banks are authorized to sell title insurance as agent in such State. (2) COORDINATION WITH "WILDCARD" PROVISION.—A State law which authorizes State banks to engage in any activities in such State in which a national bank may engage shall not be treated as a statute which authorizes State banks to sell title insurance as agent, for purposes of paragraph (1).

(c) GRANDFATHERING WITH CONSISTENT REGULATION.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3) and notwithstanding subsections (a) and (b), a national bank, and

a subsidiary of a national bank, may conduct title insurance activities which such national bank or subsidiary was actively and lawfully conducting before the date of the enactment of this Act.

(2) INSURANCE AFFILIATE.—In the case of a national bank which has an affiliate which provides insurance as principal and is not a subsidiary of the bank, the national bank and any subsidiary of the national bank may not engage in the underwriting of title insurance pursuant to paragraph (1).

(3) INSURANCE SUBSIDIARY.—In the case of a national bank which has a subsidiary which provides insurance as principal and has no affiliate other than a subsidiary which provides insurance as principal, the national bank may not directly engage in any activity involving the underwriting of title insurance.

(d) "AFFILIATE" AND "SUBSIDIARY" DEFINED.—For purposes of this section, the terms "affiliate" and "subsidiary" have the same meanings as in section 2 of the Bank Holding Company Act of 1956.

(e) RULE OF CONSTRUCTION.—No provision of this Act or any other Federal law shall be construed as superseding or affecting a State law which was in effect before the date of the enactment of this Act and which prohibits title insurance from being offered, provided, or sold in such State, or from being underwritten with respect to real property in such State, by any person whatsoever.

#### SEC. 306. EXPEDITED AND EQUALIZED DISPUTE RESOLUTION FOR FEDERAL REGULATORS.

(a) FILING IN COURT OF APPEALS.—In the case of a regulatory conflict between a State insurance regulator and a Federal regulator as to whether any product is or is not insurance, as defined in section 304(c) of this Act, or whether a State statute, regulation, order, or interpretation regarding any insurance sales or solicitation activity is properly treated as preempted under Federal law, either regulator may seek expedited judicial review of such determination by the United States Court of Appeals for the circuit in which the State is located or in the United States Court of Appeals for the District of Columbia Circuit by filing a petition for review in such court.

(b) EXPEDITED REVIEW.—The United States Court of Appeals in which a petition for review is filed in accordance with subsection (a) shall complete all action on such petition, including rendering a judgment, before the end of the 60-day period beginning on the date on which such petition is filed, unless all parties to such proceeding agree to any extension of such period.

(c) SUPREME COURT REVIEW.—Any request for certiorari to the Supreme Court of the United States of any judgment of a United States Court of Appeals with respect to a petition for review under this section shall be filed with the Supreme Court of the United States as soon as practicable after such judgment is issued.

(d) STATUTE OF LIMITATION.—No petition may be filed under this section challenging an order, ruling, determination, or other action of a Federal regulator or State insurance regulator after the later of—

(1) the end of the 12-month period beginning on the date on which the first public notice is made of such order, ruling, determination or other action in its final form; or

(2) the end of the 6-month period beginning on the date on which such order, ruling, determination, or other action takes effect.

(e) STANDARD OF REVIEW.—The court shall decide a petition filed under this section

based on its review on the merits of all questions presented under State and Federal law, including the nature of the product or activity and the history and purpose of its regulation under State and Federal law, without unequal deference.

#### SEC. 307. CONSUMER PROTECTION REGULATIONS.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 46 (as added by section 122(b) of this Act) the following new section:

#### "SEC. 47. CONSUMER PROTECTION REGULATIONS.

"(a) REGULATIONS REQUIRED.—

"(1) IN GENERAL.—The Federal banking agencies shall prescribe and publish in final form, before the end of the 1-year period beginning on the date of the enactment of the Financial Services Act of 1999, consumer protection regulations (which the agencies jointly determine to be appropriate) that—

"(A) apply to retail sales practices, solicitations, advertising, or offers of any insurance product by any insured depository institution or wholesale financial institution or any person who is engaged in such activities at an office of the institution or on behalf of the institution; and

"(B) are consistent with the requirements of this Act and provide such additional protections for consumers to whom such sales, solicitations, advertising, or offers are directed as the agency determines to be appropriate.

"(2) APPLICABILITY TO SUBSIDIARIES.—The regulations prescribed pursuant to paragraph (1) shall extend such protections to any subsidiaries of an insured depository institution, as deemed appropriate by the regulators referred to in paragraph (3), where such extension is determined to be necessary to ensure the consumer protections provided by this section.

"(3) CONSULTATION AND JOINT REGULATIONS.—The Federal banking agencies shall consult with each other and prescribe joint regulations pursuant to paragraph (1), after consultation with the State insurance regulators, as appropriate.

"(b) SALES PRACTICES.—The regulations prescribed pursuant to subsection (a) shall include anticoverage rules applicable to the sale of insurance products which prohibit an insured depository institution from engaging in any practice that would lead a consumer to believe an extension of credit, in violation of section 106(b) of the Bank Holding Company Act Amendments of 1970, is conditional upon—

"(1) the purchase of an insurance product from the institution or any of its affiliates; or

"(2) an agreement by the consumer not to obtain, or a prohibition on the consumer from obtaining, an insurance product from an unaffiliated entity.

"(c) DISCLOSURES AND ADVERTISING.—The regulations prescribed pursuant to subsection (a) shall include the following provisions relating to disclosures and advertising in connection with the initial purchase of an insurance product:

"(1) DISCLOSURES.—

"(A) IN GENERAL.—Requirements that the following disclosures be made orally and in writing before the completion of the initial sale and, in the case of clause (iii), at the time of application for an extension of credit:

"(i) UNINSURED STATUS.—As appropriate, the product is not insured by the Federal Deposit Insurance Corporation, the United States Government, or the insured depository institution.

“(ii) INVESTMENT RISK.—In the case of a variable annuity or other insurance product which involves an investment risk, that there is an investment risk associated with the product, including possible loss of value.

“(iii) COERCION.—The approval of an extension of credit may not be conditioned on—

“(I) the purchase of an insurance product from the institution in which the application for credit is pending or any of its affiliates or subsidiaries; or

“(II) an agreement by the consumer not to obtain, or a prohibition on the consumer from obtaining, an insurance product from an unaffiliated entity.

“(B) MAKING DISCLOSURE READILY UNDERSTANDABLE.—Regulations prescribed under subparagraph (A) shall encourage the use of disclosure that is conspicuous, simple, direct, and readily understandable, such as the following:

“(i) ‘NOT FDIC—INSURED’.

“(ii) ‘NOT GUARANTEED BY THE BANK’.

“(iii) ‘MAY GO DOWN IN VALUE’.

“(iv) ‘NOT INSURED BY ANY GOVERNMENT AGENCY’.

“(C) ADJUSTMENTS FOR ALTERNATIVE METHODS OF PURCHASE.—In prescribing the requirements under subparagraphs (A) and (D), necessary adjustments shall be made for purchase in person, by telephone, or by electronic media to provide for the most appropriate and complete form of disclosure and acknowledgments.

“(D) CONSUMER ACKNOWLEDGMENT.—A requirement that an insured depository institution shall require any person selling an insurance product at any office of, or on behalf of, the institution to obtain, at the time a consumer receives the disclosures required under this paragraph or at the time of the initial purchase by the consumer of such product, an acknowledgment by such consumer of the receipt of the disclosure required under this subsection with respect to such product.

“(2) PROHIBITION ON MISREPRESENTATIONS.—A prohibition on any practice, or any advertising, at any office of, or on behalf of, the insured depository institution, or any subsidiary as appropriate, which could mislead any person or otherwise cause a reasonable person to reach an erroneous belief with respect to—

“(A) the uninsured nature of any insurance product sold, or offered for sale, by the institution or any subsidiary of the institution;

“(B) in the case of a variable annuity or other insurance product that involves an investment risk, the investment risk associated with any such product; or

“(C) in the case of an institution or subsidiary at which insurance products are sold or offered for sale, the fact that—

“(i) the approval of an extension of credit to a customer by the institution or subsidiary may not be conditioned on the purchase of an insurance product by such customer from the institution or subsidiary; and

“(ii) the customer is free to purchase the insurance product from another source.”.

“(d) SEPARATION OF BANKING AND NON-BANKING ACTIVITIES.—

“(1) REGULATIONS REQUIRED.—The regulations prescribed pursuant to subsection (a) shall include such provisions as the Federal banking agencies consider appropriate to ensure that the routine acceptance of deposits is kept, to the extent practicable, physically segregated from insurance product activity.

“(2) REQUIREMENTS.—Regulations prescribed pursuant to paragraph (1) shall include the following:

“(A) SEPARATE SETTING.—A clear delineation of the setting in which, and the circumstances under which, transactions involving insurance products should be conducted in a location physically segregated from an area where retail deposits are routinely accepted.

“(B) REFERRALS.—Standards which permit any person accepting deposits from the public in an area where such transactions are routinely conducted in an insured depository institution to refer a customer who seeks to purchase any insurance product to a qualified person who sells such product, only if the person making the referral receives no more than a one-time nominal fee of a fixed dollar amount for each referral that does not depend on whether the referral results in a transaction.

“(C) QUALIFICATION AND LICENSING REQUIREMENTS.—Standards prohibiting any insured depository institution from permitting any person to sell or offer for sale any insurance product in any part of any office of the institution, or on behalf of the institution, unless such person is appropriately qualified and licensed.

“(e) DOMESTIC VIOLENCE DISCRIMINATION PROHIBITION.—

“(1) IN GENERAL.—In the case of an applicant for, or an insured under, any insurance product described in paragraph (2), the status of the applicant or insured as a victim of domestic violence, or as a provider of services to victims of domestic violence, shall not be considered as a criterion in any decision with regard to insurance underwriting, pricing, renewal, or scope of coverage of insurance policies, or payment of insurance claims, except as required or expressly permitted under State law.

“(2) SCOPE OF APPLICATION.—The prohibition contained in paragraph (1) shall apply to any insurance product which is sold or offered for sale, as principal, agent, or broker, by any insured depository institution or wholesale financial institution or any person who is engaged in such activities at an office of the institution or on behalf of the institution.

“(3) SENSE OF THE CONGRESS.—It is the sense of the Congress that, by the end of the 30-month period beginning on the date of the enactment of this Act, the States should enact prohibitions against discrimination with respect to insurance products that are at least as strict as the prohibitions contained in paragraph (1).

“(4) DOMESTIC VIOLENCE DEFINED.—For purposes of this subsection, the term ‘domestic violence’ means the occurrence of one or more of the following acts by a current or former family member, household member, intimate partner, or caretaker:

“(A) Attempting to cause or causing or threatening another person physical harm, severe emotional distress, psychological trauma, rape, or sexual assault.

“(B) Engaging in a course of conduct or repeatedly committing acts toward another person, including following the person without proper authority, under circumstances that place the person in reasonable fear of bodily injury or physical harm.

“(C) Subjecting another person to false imprisonment.

“(D) Attempting to cause or cause damage to property so as to intimidate or attempt to control the behavior of another person.

“(f) CONSUMER GRIEVANCE PROCESS.—The Federal banking agencies shall jointly establish a consumer complaint mechanism, for receiving and expeditiously addressing consumer complaints alleging a violation of reg-

ulations issued under the section, which shall—

“(1) establish a group within each regulatory agency to receive such complaints;

“(2) develop procedures for investigating such complaints;

“(3) develop procedures for informing consumers of rights they may have in connection with such complaints; and

“(4) develop procedures for addressing concerns raised by such complaints, as appropriate, including procedures for the recovery of losses to the extent appropriate.

“(g) EFFECT ON OTHER AUTHORITY.—

“(1) IN GENERAL.—No provision of this section shall be construed as granting, limiting, or otherwise affecting—

“(A) any authority of the Securities and Exchange Commission, any self-regulatory organization, the Municipal Securities Rule-making Board, or the Secretary of the Treasury under any Federal securities law; or

“(B) except as provided in paragraph (2), any authority of any State insurance commissioner or other State authority under any State law.

“(2) COORDINATION WITH STATE LAW.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), regulations prescribed by a Federal banking agency under this section shall not apply to retail sales, solicitations, advertising, or offers of any insurance product by any insured depository institution or wholesale financial institution or to any person who is engaged in such activities at an office of such institution or on behalf of the institution, in a State where the State has in effect statutes, regulations, orders, or interpretations, that are inconsistent with or contrary to the regulations prescribed by the Federal banking agencies.

“(B) PREEMPTION.—If, with respect to any provision of the regulations prescribed under this section, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Board of Directors of the Federal Deposit Insurance Corporation determine jointly that the protection afforded by such provision for consumers is greater than the protection provided by a comparable provision of the statutes, regulations, orders, or interpretations referred to in subparagraph (A) of any State, such provision of the regulations prescribed under this section shall supersede the comparable provision of such State statute, regulation, order, or interpretation.

“(h) INSURANCE PRODUCT DEFINED.—For purposes of this section, the term ‘insurance product’ includes an annuity contract the income of which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.”.

#### SEC. 308. CERTAIN STATE AFFILIATION LAWS PREEMPTED FOR INSURANCE COMPANIES AND AFFILIATES.

Except as provided in section 104(a)(2), no State may, by law, regulation, order, interpretation, or otherwise—

(1) prevent or significantly interfere with the ability of any insurer, or any affiliate of an insurer (whether such affiliate is organized as a stock company, mutual holding company, or otherwise), to become a financial holding company or to acquire control of an insured depository institution;

(2) limit the amount of an insurer's assets that may be invested in the voting securities of an insured depository institution (or any company which controls such institution), except that the laws of an insurer's State of domicile may limit the amount of such investment to an amount that is not less than 5 percent of the insurer's admitted assets; or

(3) prevent, significantly interfere with, or have the authority to review, approve, or disapprove a plan of reorganization by which an insurer proposes to reorganize from mutual form to become a stock insurer (whether as a direct or indirect subsidiary of a mutual holding company or otherwise) unless such State is the State of domicile of the insurer.

#### SEC. 309. INTERAGENCY CONSULTATION.

(a) PURPOSE.—It is the intention of the Congress that the Board of Governors of the Federal Reserve System, as the umbrella supervisor for financial holding companies, and the State insurance regulators, as the functional regulators of companies engaged in insurance activities, coordinate efforts to supervise companies that control both a depository institution and a company engaged in insurance activities regulated under State law. In particular, Congress believes that the Board and the State insurance regulators should share, on a confidential basis, information relevant to the supervision of companies that control both a depository institution and a company engaged in insurance activities, including information regarding the financial health of the consolidated organization and information regarding transactions and relationships between insurance companies and affiliated depository institutions. The appropriate Federal banking agencies for depository institutions should also share, on a confidential basis, information with the relevant State insurance regulators regarding transactions and relationships between depository institutions and affiliated companies engaged in insurance activities. The purpose of this section is to encourage this coordination and confidential sharing of information, and to thereby improve both the efficiency and the quality of the supervision of financial holding companies and their affiliated depository institutions and companies engaged in insurance activities.

(b) EXAMINATION RESULTS AND OTHER INFORMATION.—

(1) INFORMATION OF THE BOARD.—Upon the request of the appropriate insurance regulator of any State, the Board may provide any information of the Board regarding the financial condition, risk management policies, and operations of any financial holding company that controls a company that is engaged in insurance activities and is regulated by such State insurance regulator, and regarding any transaction or relationship between such an insurance company and any affiliated depository institution. The Board may provide any other information to the appropriate State insurance regulator that the Board believes is necessary or appropriate to permit the State insurance regulator to administer and enforce applicable State insurance laws.

(2) BANKING AGENCY INFORMATION.—Upon the request of the appropriate insurance regulator of any State, the appropriate Federal banking agency may provide any information of the agency regarding any transaction or relationship between a depository institution supervised by such Federal banking agency and any affiliated company that is engaged in insurance activities regulated by such State insurance regulator. The appropriate Federal banking agency may provide any other information to the appropriate State insurance regulator that the agency believes is necessary or appropriate to permit the State insurance regulator to administer and enforce applicable State insurance laws.

(3) STATE INSURANCE REGULATOR INFORMATION.—Upon the request of the Board or the

appropriate Federal banking agency, a State insurance regulator may provide any examination or other reports, records, or other information to which such insurance regulator may have access with respect to a company which—

(A) is engaged in insurance activities and regulated by such insurance regulator; and  
(B) is an affiliate of an insured depository institution, wholesale financial institution, or financial holding company.

(c) CONSULTATION.—Before making any determination relating to the initial affiliation of, or the continuing affiliation of, an insured depository institution, wholesale financial institution, or financial holding company with a company engaged in insurance activities, the appropriate Federal banking agency shall consult with the appropriate State insurance regulator of such company and take the views of such insurance regulator into account in making such determination.

(d) EFFECT ON OTHER AUTHORITY.—Nothing in this section shall limit in any respect the authority of the appropriate Federal banking agency with respect to an insured depository institution, wholesale financial institution, or bank holding company or any affiliate thereof under any provision of law.

(e) CONFIDENTIALITY AND PRIVILEGE.—

(1) CONFIDENTIALITY.—The appropriate Federal banking agency shall not provide any information or material that is entitled to confidential treatment under applicable Federal banking agency regulations, or other applicable law, to a State insurance regulator unless such regulator agrees to maintain the information or material in confidence and to take all reasonable steps to oppose any effort to secure disclosure of the information or material by the regulator. The appropriate Federal banking agency shall treat as confidential any information or material obtained from a State insurance regulator that is entitled to confidential treatment under applicable State regulations, or other applicable law, and take all reasonable steps to oppose any effort to secure disclosure of the information or material by the Federal banking agency.

(2) PRIVILEGE.—The provision pursuant to this section of information or material by a Federal banking agency or State insurance regulator shall not constitute a waiver of, or otherwise affect, any privilege to which the information or material is otherwise subject.

(f) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) APPROPRIATE FEDERAL BANKING AGENCY; INSURED DEPOSITORY INSTITUTION.—The terms “appropriate Federal banking agency” and “insured depository institution” have the same meanings as in section 3 of the Federal Deposit Insurance Act.

(2) BOARD; FINANCIAL HOLDING COMPANY; AND WHOLESALE FINANCIAL INSTITUTION.—The terms “Board”, “financial holding company”, and “wholesale financial institution” have the same meanings as in section 2 of the Bank Holding Company Act of 1956.

#### SEC. 310. DEFINITION OF STATE.

For purposes of this subtitle, the term “State” means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

#### Subtitle B—Redomestication of Mutual Insurers

#### SEC. 311. GENERAL APPLICATION.

This subtitle shall only apply to a mutual insurance company in a State which has not

enacted a law which expressly establishes reasonable terms and conditions for a mutual insurance company domiciled in such State to reorganize into a mutual holding company.

#### SEC. 312. REDOMESTICATION OF MUTUAL INSURERS.

(a) REDOMESTICATION.—A mutual insurer organized under the laws of any State may transfer its domicile to a transferee domicile as a step in a reorganization in which, pursuant to the laws of the transferee domicile and consistent with the standards in subsection (f), the mutual insurer becomes a stock insurer that is a direct or indirect subsidiary of a mutual holding company.

(b) RESULTING DOMICILE.—Upon complying with the applicable law of the transferee domicile governing transfers of domicile and completion of a transfer pursuant to this section, the mutual insurer shall cease to be a domestic insurer in the transferor domicile and, as a continuation of its corporate existence, shall be a domestic insurer of the transferee domicile.

(c) LICENSES PRESERVED.—The certificate of authority, agents' appointments and licenses, rates, approvals and other items that a licensed State allows and that are in existence immediately prior to the date that a redomesticating insurer transfers its domicile pursuant to this subtitle shall continue in full force and effect upon transfer, if the insurer remains duly qualified to transact the business of insurance in such licensed State.

(d) EFFECTIVENESS OF OUTSTANDING POLICIES AND CONTRACTS.—

(1) IN GENERAL.—All outstanding insurance policies and annuities contracts of a redomesticating insurer shall remain in full force and effect and need not be endorsed as to the new domicile of the insurer, unless so ordered by the State insurance regulator of a licensed State, and then only in the case of outstanding policies and contracts whose owners reside in such licensed State.

(2) FORMS.—

(A) Applicable State law may require a redomesticating insurer to file new policy forms with the State insurance regulator of a licensed State on or before the effective date of the transfer.

(B) Notwithstanding subparagraph (A), a redomesticating insurer may use existing policy forms with appropriate endorsements to reflect the new domicile of the redomesticating insurer until the new policy forms are approved for use by the State insurance regulator of such licensed State.

(e) NOTICE.—A redomesticating insurer shall give notice of the proposed transfer to the State insurance regulator of each licensed State and shall file promptly any resulting amendments to corporate documents required to be filed by a foreign licensed mutual insurer with the insurance regulator of each such licensed State.

(f) PROCEDURAL REQUIREMENTS.—No mutual insurer may redomesticate to another State and reorganize into a mutual holding company pursuant to this section unless the State insurance regulator of the transferee domicile determines that the plan of reorganization of the insurer includes the following requirements:

(1) APPROVAL BY BOARD OF DIRECTORS AND POLICYHOLDERS.—The reorganization is approved by at least a majority of the board of directors of the mutual insurer and at least a majority of the policyholders who vote after notice, disclosure of the reorganization and the effects of the transaction on policyholder contractual rights, and reasonable opportunity to vote, in accordance with such



notice, disclosure, and voting procedures as are approved by the State insurance regulator of the transferee domicile.

(2) **CONTINUED VOTING CONTROL BY POLICYHOLDERS; REVIEW OF PUBLIC STOCK OFFERING.**—After the consummation of a reorganization, the policyholders of the reorganized insurer shall have the same voting rights with respect to the mutual holding company as they had before the reorganization with respect to the mutual insurer. With respect to an initial public offering of stock, the offering shall be conducted in compliance with applicable securities laws and in a manner approved by the State insurance regulator of the transferee domicile.

(3) **AWARD OF STOCK OR GRANT OF OPTIONS TO OFFICERS AND DIRECTORS.**—For a period of 6 months after completion of an initial public offering, neither a stock holding company nor the converted insurer shall award any stock options or stock grants to persons who are elected officers or directors of the mutual holding company, the stock holding company, or the converted insurer, except with respect to any such awards or options to which a person is entitled as a policyholder and as approved by the State insurance regulator of the transferee domicile.

(4) **CONTRACTUAL RIGHTS.**—Upon reorganization into a mutual holding company, the contractual rights of the policyholders are preserved.

(5) **FAIR AND EQUITABLE TREATMENT OF POLICYHOLDERS.**—The reorganization is approved as fair and equitable to the policyholders by the insurance regulator of the transferee domicile.

#### **SEC. 313. EFFECT ON STATE LAWS RESTRICTING REDOMESTICATION.**

(a) **IN GENERAL.**—Unless otherwise permitted by this subtitle, State laws of any transferor domicile that conflict with the purposes and intent of this subtitle are preempted, including but not limited to—

(1) any law that has the purpose or effect of impeding the activities of, taking any action against, or applying any provision of law or regulation to, any insurer or an affiliate of such insurer because that insurer or any affiliate plans to redomesticate, or has redomesticated, pursuant to this subtitle;

(2) any law that has the purpose or effect of impeding the activities of, taking action against, or applying any provision of law or regulation to, any insured or any insurance licensee or other intermediary because such person has procured insurance from or placed insurance with any insurer or affiliate of such insurer that plans to redomesticate, or has redomesticated, pursuant to this subtitle, but only to the extent that such law would treat such insured licensee or other intermediary differently than if the person procured insurance from, or placed insurance with, an insured licensee or other intermediary which had not redomesticated;

(3) any law that has the purpose or effect of terminating, because of the redomestication of a mutual insurer pursuant to this subtitle, any certificate of authority, agent appointment or license, rate approval, or other approval, of any State insurance regulator or other State authority in existence immediately prior to the redomestication in any State other than the transferee domicile.

(b) **DIFFERENTIAL TREATMENT PROHIBITED.**—No State law, regulation, interpretation, or functional equivalent thereof, of a State other than a transferee domicile may treat a redomesticating or redomesticated insurer or any affiliate thereof any differently than an insurer operating in that

State that is not a redomesticating or redomesticated insurer.

(c) **LAWS PROHIBITING OPERATIONS.**—If any licensed State fails to issue, delays the issuance of, or seeks to revoke an original or renewal certificate of authority of a redomesticated insurer immediately following redomestication, except on grounds and in a manner consistent with its past practices regarding the issuance of certificates of authority to foreign insurers that are not redomesticating, then the redomesticating insurer shall be exempt from any State law of the licensed State to the extent that such State law or the operation of such State law would make unlawful, or regulate, directly or indirectly, the operation of the redomesticated insurer, except that such licensed State may require the redomesticated insurer to—

(1) comply with the unfair claim settlement practices law of the licensed State;

(2) pay, on a nondiscriminatory basis, applicable premium and other taxes which are levied on licensed insurers or policyholders under the laws of the licensed State;

(3) register with and designate the State insurance regulator as its agent solely for the purpose of receiving service of legal documents or process;

(4) submit to an examination by the State insurance regulator in any licensed state in which the redomesticated insurer is doing business to determine the insurer's financial condition, if—

(A) the State insurance regulator of the transferee domicile has not begun an examination of the redomesticated insurer and has not scheduled such an examination to begin before the end of the 1-year period beginning on the date of the redomestication; and

(B) any such examination is coordinated to avoid unjustified duplication and repetition;

(5) comply with a lawful order issued in—

(A) a delinquency proceeding commenced by the State insurance regulator of any licensed State if there has been a judicial finding of financial impairment under paragraph (7); or

(B) a voluntary dissolution proceeding;

(6) comply with any State law regarding deceptive, false, or fraudulent acts or practices, except that if the licensed State seeks an injunction regarding the conduct described in this paragraph, such injunction must be obtained from a court of competent jurisdiction as provided in section 314(a);

(7) comply with an injunction issued by a court of competent jurisdiction, upon a petition by the State insurance regulator alleging that the redomesticating insurer is in hazardous financial condition or is financially impaired;

(8) participate in any insurance insolvency guaranty association on the same basis as any other insurer licensed in the licensed State; and

(9) require a person acting, or offering to act, as an insurance licensee for a redomesticated insurer in the licensed State to obtain a license from that State, except that such State may not impose any qualification or requirement that discriminates against a nonresident insurance licensee.

#### **SEC. 314. OTHER PROVISIONS.**

(a) **JUDICIAL REVIEW.**—The appropriate United States district court shall have exclusive jurisdiction over litigation arising under this section involving any redomesticating or redomesticated insurer.

(b) **SEVERABILITY.**—If any provision of this section, or the application thereof to any person or circumstances, is held invalid, the

remainder of the section, and the application of such provision to other persons or circumstances, shall not be affected thereby.

#### **SEC. 315. DEFINITIONS.**

For purposes of this subtitle, the following definitions shall apply:

(1) **COURT OF COMPETENT JURISDICTION.**—The term “court of competent jurisdiction” means a court authorized pursuant to section 314(a) to adjudicate litigation arising under this subtitle.

(2) **DOMICILE.**—The term “domicile” means the State in which an insurer is incorporated, chartered, or organized.

(3) **INSURANCE LICENSEE.**—The term “insurance licensee” means any person holding a license under State law to act as insurance agent, subagent, broker, or consultant.

(4) **INSTITUTION.**—The term “institution” means a corporation, joint stock company, limited liability company, limited liability partnership, association, trust, partnership, or any similar entity.

(5) **LICENSED STATE.**—The term “licensed State” means any State, the District of Columbia, American Samoa, Guam, Puerto Rico, or the United States Virgin Islands in which the redomesticating insurer has a certificate of authority in effect immediately prior to the redomestication.

(6) **MUTUAL INSURER.**—The term “mutual insurer” means a mutual insurer organized under the laws of any State.

(7) **PERSON.**—The term “person” means an individual, institution, government or governmental agency, State or political subdivision of a State, public corporation, board, association, estate, trustee, or fiduciary, or other similar entity.

(8) **POLICYHOLDER.**—The term “policyholder” means the owner of a policy issued by a mutual insurer, except that, with respect to voting rights, the term means a member of a mutual insurer or mutual holding company granted the right to vote, as determined under applicable State law.

(9) **REDOMESTICATED INSURER.**—The term “redomesticated insurer” means a mutual insurer that has redomesticated pursuant to this subtitle.

(10) **REDOMESTICATING INSURER.**—The term “redomesticating insurer” means a mutual insurer that is redomesticating pursuant to this subtitle.

(11) **REDOMESTICATION OR TRANSFER.**—The terms “redomestication” and “transfer” mean the transfer of the domicile of a mutual insurer from one State to another State pursuant to this subtitle.

(12) **STATE INSURANCE REGULATOR.**—The term “State insurance regulator” means the principal insurance regulatory authority of a State, the District of Columbia, American Samoa, Guam, Puerto Rico, or the United States Virgin Islands.

(13) **STATE LAW.**—The term “State law” means the statutes of any State, the District of Columbia, American Samoa, Guam, Puerto Rico, or the United States Virgin Islands and any regulation, order, or requirement prescribed pursuant to any such statute.

(14) **TRANSFEREE DOMICILE.**—The term “transferee domicile” means the State to which a mutual insurer is redomesticating pursuant to this subtitle.

(15) **TRANSFEROR DOMICILE.**—The term “transferor domicile” means the State from which a mutual insurer is redomesticating pursuant to this subtitle.

#### **SEC. 316. EFFECTIVE DATE.**

This subtitle shall take effect on the date of the enactment of this Act.

**Subtitle C—National Association of  
Registered Agents and Brokers**

**SEC. 321. STATE FLEXIBILITY IN MULTISTATE LICENSING REFORMS.**

(a) IN GENERAL.—The provisions of this subtitle shall take effect unless, not later than 3 years after the date of the enactment of this Act, at least a majority of the States—

(1) have enacted uniform laws and regulations governing the licensure of individuals and entities authorized to sell and solicit the purchase of insurance within the State; or

(2) have enacted reciprocity laws and regulations governing the licensure of nonresident individuals and entities authorized to sell and solicit insurance within those States.

(b) UNIFORMITY REQUIRED.—States shall be deemed to have established the uniformity necessary to satisfy subsection (a)(1) if the States—

(1) establish uniform criteria regarding the integrity, personal qualifications, education, training, and experience of licensed insurance producers, including the qualification and training of sales personnel in ascertaining the appropriateness of a particular insurance product for a prospective customer;

(2) establish uniform continuing education requirements for licensed insurance producers;

(3) establish uniform ethics course requirements for licensed insurance producers in conjunction with the continuing education requirements under paragraph (2);

(4) establish uniform criteria to ensure that an insurance product, including any annuity contract, sold to a consumer is suitable and appropriate for the consumer based on financial information disclosed by the consumer; and

(5) do not impose any requirement upon any insurance producer to be licensed or otherwise qualified to do business as a nonresident that has the effect of limiting or conditioning that producer's activities because of its residence or place of operations, except that counter-signature requirements imposed on nonresident producers shall not be deemed to have the effect of limiting or conditioning a producer's activities because of its residence or place of operations under this section.

(c) RECIPROCITY REQUIRED.—States shall be deemed to have established the reciprocity required to satisfy subsection (a)(2) if the following conditions are met:

(1) ADMINISTRATIVE LICENSING PROCEDURES.—At least a majority of the States permit a producer that has a resident license for selling or soliciting the purchase of insurance in its home State to receive a license to sell or solicit the purchase of insurance in such majority of States as a nonresident to the same extent that such producer is permitted to sell or solicit the purchase of insurance in its State, if the producer's home State also awards such licenses on such a reciprocal basis, without satisfying any additional requirements other than submitting—

(A) a request for licensure;

(B) the application for licensure that the producer submitted to its home State;

(C) proof that the producer is licensed and in good standing in its home State; and

(D) the payment of any requisite fee to the appropriate authority.

(2) CONTINUING EDUCATION REQUIREMENTS.—A majority of the States accept an insurance producer's satisfaction of its home State's continuing education requirements for li-

censed insurance producers to satisfy the States' own continuing education requirements if the producer's home State also recognizes the satisfaction of continuing education requirements on such a reciprocal basis.

(3) NO LIMITING NONRESIDENT REQUIREMENTS.—A majority of the States do not impose any requirement upon any insurance producer to be licensed or otherwise qualified to do business as a nonresident that has the effect of limiting or conditioning that producer's activities because of its residence or place of operations, except that countersignature requirements imposed on nonresident producers shall not be deemed to have the effect of limiting or conditioning a producer's activities because of its residence or place of operations under this section.

(4) RECIPROCAL RECIPROCITY.—Each of the States that satisfies paragraphs (1), (2), and (3) grants reciprocity to residents of all of the other States that satisfy such paragraphs.

(d) DETERMINATION.—

(1) NAIC DETERMINATION.—At the end of the 3-year period beginning on the date of the enactment of this Act, the National Association of Insurance Commissioners shall determine, in consultation with the insurance commissioners or chief insurance regulatory officials of the States, whether the uniformity or reciprocity required by subsections (b) and (c) has been achieved.

(2) JUDICIAL REVIEW.—The appropriate United States district court shall have exclusive jurisdiction over any challenge to the National Association of Insurance Commissioners' determination under this section and such court shall apply the standards set forth in section 706 of title 5, United States Code, when reviewing any such challenge.

(e) CONTINUED APPLICATION.—If, at any time, the uniformity or reciprocity required by subsections (b) and (c) no longer exists, the provisions of this subtitle shall take effect 2 years after the date on which such uniformity or reciprocity ceases to exist, unless the uniformity or reciprocity required by those provisions is satisfied before the expiration of that 2-year period.

(f) SAVINGS PROVISION.—No provision of this section shall be construed as requiring that any law, regulation, provision, or action of any State which purports to regulate insurance producers, including any such law, regulation, provision, or action which purports to regulate unfair trade practices or establish consumer protections, including countersignature laws, be altered or amended in order to satisfy the uniformity or reciprocity required by subsections (b) and (c), unless any such law, regulation, provision, or action is inconsistent with a specific requirement of any such subsection and then only to the extent of such inconsistency.

(g) UNIFORM LICENSING.—Nothing in this section shall be construed to require any State to adopt new or additional licensing requirements to achieve the uniformity necessary to satisfy subsection (a)(1).

**SEC. 322. NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS.**

(a) ESTABLISHMENT.—There is established the National Association of Registered Agents and Brokers (hereafter in this subtitle referred to as the "Association").

(b) STATUS.—The Association shall—

(1) be a nonprofit corporation;

(2) have succession until dissolved by an Act of Congress;

(3) not be an agent or instrumentality of the United States Government; and

(4) except as otherwise provided in this Act, be subject to, and have all the powers

conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29y-1001 et seq.).

**SEC. 323. PURPOSE.**

The purpose of the Association shall be to provide a mechanism through which uniform licensing, appointment, continuing education, and other insurance producer sales qualification requirements and conditions can be adopted and applied on a multistate basis, while preserving the right of States to license, supervise, and discipline insurance producers and to prescribe and enforce laws and regulations with regard to insurance-related consumer protection and unfair trade practices.

**SEC. 324. RELATIONSHIP TO THE FEDERAL GOVERNMENT.**

The Association shall be subject to the supervision and oversight of the National Association of Insurance Commissioners (hereafter in this subtitle referred to as the "NAIC").

**SEC. 325. MEMBERSHIP.**

(a) ELIGIBILITY.—

(1) IN GENERAL.—Any State-licensed insurance producer shall be eligible to become a member in the Association.

(2) INELIGIBILITY FOR SUSPENSION OR REVOCATION OF LICENSE.—Notwithstanding paragraph (1), a State-licensed insurance producer shall not be eligible to become a member if a State insurance regulator has suspended or revoked such producer's license in that State during the 3-year period preceding the date on which such producer applies for membership.

(3) RESUMPTION OF ELIGIBILITY.—Paragraph (2) shall cease to apply to any insurance producer if—

(A) the State insurance regulator renews the license of such producer in the State in which the license was suspended or revoked; or

(B) the suspension or revocation is subsequently overturned.

(b) AUTHORITY TO ESTABLISH MEMBERSHIP CRITERIA.—The Association shall have the authority to establish membership criteria that—

(1) bear a reasonable relationship to the purposes for which the Association was established; and

(2) do not unfairly limit the access of smaller agencies to the Association membership.

(c) ESTABLISHMENT OF CLASSES AND CATEGORIES.—

(1) CLASSES OF MEMBERSHIP.—The Association may establish separate classes of membership, with separate criteria, if the Association reasonably determines that performance of different duties requires different levels of education, training, or experience.

(2) CATEGORIES.—The Association may establish separate categories of membership for individuals and for other persons. The establishment of any such categories of membership shall be based either on the types of licensing categories that exist under State laws or on the aggregate amount of business handled by an insurance producer. No special categories of membership, and no distinct membership criteria, shall be established for members which are insured depository institutions or wholesale financial institutions or for their employees, agents, or affiliates.

(d) MEMBERSHIP CRITERIA.—

(1) IN GENERAL.—The Association may establish criteria for membership which shall include standards for integrity, personal qualifications, education, training, and experience.

(2) MINIMUM STANDARD.—In establishing criteria under paragraph (1), the Association

shall consider the highest levels of insurance producer qualifications established under the licensing laws of the States.

(e) **EFFECT OF MEMBERSHIP.**—Membership in the Association shall entitle the member to licensure in each State for which the member pays the requisite fees, including licensing fees and, where applicable, bonding requirements, set by such State.

(f) **ANNUAL RENEWAL.**—Membership in the Association shall be renewed on an annual basis.

(g) **CONTINUING EDUCATION.**—The Association shall establish, as a condition of membership, continuing education requirements which shall be comparable to or greater than the continuing education requirements under the licensing laws of a majority of the States.

(h) **SUSPENSION AND REVOCATION.**—The Association may—

(1) inspect and examine the records and offices of the members of the Association to determine compliance with the criteria for membership established by the Association; and

(2) suspend or revoke the membership of an insurance producer if—

(A) the producer fails to meet the applicable membership criteria of the Association; or

(B) the producer has been subject to disciplinary action pursuant to a final adjudicatory proceeding under the jurisdiction of a State insurance regulator, and the Association concludes that retention of membership in the Association would not be in the public interest.

(i) **OFFICE OF CONSUMER COMPLAINTS.**—

(1) **IN GENERAL.**—The Association shall establish an office of consumer complaints that shall—

(A) receive and investigate complaints from both consumers and State insurance regulators related to members of the Association; and

(B) recommend to the Association any disciplinary actions that the office considers appropriate, to the extent that any such recommendation is not inconsistent with State law.

(2) **RECORDS AND REFERRALS.**—The office of consumer complaints of the Association shall—

(A) maintain records of all complaints received in accordance with paragraph (1) and make such records available to the NAIC and to each State insurance regulator for the State of residence of the consumer who filed the complaint; and

(B) refer, when appropriate, any such complaint to any appropriate State insurance regulator.

(3) **TELEPHONE AND OTHER ACCESS.**—The office of consumer complaints shall maintain a toll-free telephone number for the purpose of this subsection and, as practicable, other alternative means of communication with consumers, such as an Internet home page.

#### **SEC. 326. BOARD OF DIRECTORS.**

(a) **ESTABLISHMENT.**—There is established the board of directors of the Association (hereafter in this subtitle referred to as the "Board") for the purpose of governing and supervising the activities of the Association and the members of the Association.

(b) **POWERS.**—The Board shall have such powers and authority as may be specified in the bylaws of the Association.

(c) **COMPOSITION.**—

(1) **MEMBERS.**—The Board shall be composed of seven members appointed by the NAIC.

(2) **REQUIREMENT.**—At least four of the members of the Board shall have significant

experience with the regulation of commercial lines of insurance in at least 1 of the 20 States in which the greatest total dollar amount of commercial-lines insurance is placed in the United States.

(3) **INITIAL BOARD MEMBERSHIP.**—

(A) **IN GENERAL.**—If, by the end of the 2-year period beginning on the date of the enactment of this Act, the NAIC has not appointed the initial seven members of the Board of the Association, the initial Board shall consist of the seven State insurance regulators of the seven States with the greatest total dollar amount of commercial-lines insurance in place as of the end of such period.

(B) **ALTERNATE COMPOSITION.**—If any of the State insurance regulators described in subparagraph (A) declines to serve on the Board, the State insurance regulator with the next greatest total dollar amount of commercial-lines insurance in place, as determined by the NAIC as of the end of such period, shall serve as a member of the Board.

(C) **INOPERABILITY.**—If fewer than seven State insurance regulators accept appointment to the Board, the Association shall be established without NAIC oversight pursuant to section 332.

(d) **TERMS.**—The term of each director shall, after the initial appointment of the members of the Board, be for 3 years, with one-third of the directors to be appointed each year.

(e) **BOARD VACANCIES.**—A vacancy on the Board shall be filled in the same manner as the original appointment of the initial Board for the remainder of the term of the vacating member.

(f) **MEETINGS.**—The Board shall meet at the call of the chairperson, or as otherwise provided by the bylaws of the Association.

#### **SEC. 327. OFFICERS.**

(a) **IN GENERAL.**—

(1) **POSITIONS.**—The officers of the Association shall consist of a chairperson and a vice chairperson of the Board, a president, secretary, and treasurer of the Association, and such other officers and assistant officers as may be deemed necessary.

(2) **MANNER OF SELECTION.**—Each officer of the Board and the Association shall be elected or appointed at such time and in such manner and for such terms not exceeding 3 years as may be prescribed in the bylaws of the Association.

(b) **CRITERIA FOR CHAIRPERSON.**—Only individuals who are members of the NAIC shall be eligible to serve as the chairperson of the board of directors.

#### **SEC. 328. BYLAWS, RULES, AND DISCIPLINARY ACTION.**

(a) **ADOPTION AND AMENDMENT OF BYLAWS.**—

(1) **COPY REQUIRED TO BE FILED WITH THE NAIC.**—The board of directors of the Association shall file with the NAIC a copy of the proposed bylaws or any proposed amendment to the bylaws, accompanied by a concise general statement of the basis and purpose of such proposal.

(2) **EFFECTIVE DATE.**—Except as provided in paragraph (3), any proposed bylaw or proposed amendment shall take effect—

(A) thirty days after the date of the filing of a copy with the NAIC;

(B) upon such later date as the Association may designate; or

(C) upon such earlier date as the NAIC may determine.

(3) **DISAPPROVAL BY THE NAIC.**—Notwithstanding paragraph (2), a proposed bylaw or amendment shall not take effect if, after public notice and opportunity to participate in a public hearing—

(A) the NAIC disapproves such proposal as being contrary to the public interest or contrary to the purposes of this subtitle and provides notice to the Association setting forth the reasons for such disapproval; or

(B) the NAIC finds that such proposal involves a matter of such significant public interest that public comment should be obtained, in which case it may, after notifying the Association in writing of such finding, require that the procedures set forth in subsection (b) be followed with respect to such proposal, in the same manner as if such proposed bylaw change were a proposed rule change within the meaning of such subsection.

(b) **ADOPTION AND AMENDMENT OF RULES.**—

(1) **FILING PROPOSED REGULATIONS WITH THE NAIC.**—

(A) **IN GENERAL.**—The board of directors of the Association shall file with the NAIC a copy of any proposed rule or any proposed amendment to a rule of the Association which shall be accompanied by a concise general statement of the basis and purpose of such proposal.

(B) **OTHER RULES AND AMENDMENTS INEFFECTIVE.**—No proposed rule or amendment shall take effect unless approved by the NAIC or otherwise permitted in accordance with this paragraph.

(2) **INITIAL CONSIDERATION BY THE NAIC.**—Not later than 35 days after the date of publication of notice of filing of a proposal, or before the end of such longer period not to exceed 90 days as the NAIC may designate after such date, if the NAIC finds such longer period to be appropriate and sets forth its reasons for so finding, or as to which the Association consents, the NAIC shall—

(A) by order approve such proposed rule or amendment; or

(B) institute proceedings to determine whether such proposed rule or amendment should be modified or disapproved.

(3) **NAIC PROCEEDINGS.**—

(A) **IN GENERAL.**—Proceedings instituted by the NAIC with respect to a proposed rule or amendment pursuant to paragraph (2) shall—

(i) include notice of the grounds for disapproval under consideration;

(ii) provide opportunity for hearing; and

(iii) be concluded not later than 180 days after the date of the Association's filing of such proposed rule or amendment.

(B) **DISPOSITION OF PROPOSAL.**—At the conclusion of any proceeding under subparagraph (A), the NAIC shall, by order, approve or disapprove the proposed rule or amendment.

(C) **EXTENSION OF TIME FOR CONSIDERATION.**—The NAIC may extend the time for concluding any proceeding under subparagraph (A) for—

(i) not more than 60 days if the NAIC finds good cause for such extension and sets forth its reasons for so finding; or

(ii) for such longer period as to which the Association consents.

(4) **STANDARDS FOR REVIEW.**—

(A) **GROUND FOR APPROVAL.**—The NAIC shall approve a proposed rule or amendment if the NAIC finds that the rule or amendment is in the public interest and is consistent with the purposes of this Act.

(B) **APPROVAL BEFORE END OF NOTICE PERIOD.**—The NAIC shall not approve any proposed rule before the end of the 30-day period beginning on the date on which the Association files proposed rules or amendments in accordance with paragraph (1), unless the NAIC finds good cause for so doing and sets forth the reasons for so finding.

(5) **ALTERNATE PROCEDURE.**—

(A) IN GENERAL.—Notwithstanding any provision of this subsection other than subparagraph (B), a proposed rule or amendment relating to the administration or organization of the Association shall take effect—

(i) upon the date of filing with the NAIC, if such proposed rule or amendment is designated by the Association as relating solely to matters which the NAIC, consistent with the public interest and the purposes of this subsection, determines by rule do not require the procedures set forth in this paragraph; or

(ii) upon such date as the NAIC shall for good cause determine.

(B) ABROGATION BY THE NAIC.—

(i) IN GENERAL.—At any time within 60 days after the date of filing of any proposed rule or amendment under subparagraph (A)(i) or clause (ii) of this subparagraph, the NAIC may repeal such rule or amendment and require that the rule or amendment be refiled and reviewed in accordance with this paragraph, if the NAIC finds that such action is necessary or appropriate in the public interest, for the protection of insurance producers or policyholders, or otherwise in furtherance of the purposes of this subtitle.

(ii) EFFECT OF RECONSIDERATION BY THE NAIC.—Any action of the NAIC pursuant to clause (i) shall—

(I) not affect the validity or force of a rule change during the period such rule or amendment was in effect; and

(II) not be considered to be a final action.

(c) ACTION REQUIRED BY THE NAIC.—The NAIC may, in accordance with such rules as the NAIC determines to be necessary or appropriate to the public interest or to carry out the purposes of this subtitle, require the Association to adopt, amend, or repeal any bylaw, rule or amendment of the Association, whenever adopted.

(d) DISCIPLINARY ACTION BY THE ASSOCIATION.—

(1) SPECIFICATION OF CHARGES.—In any proceeding to determine whether membership shall be denied, suspended, revoked, or not renewed (hereafter in this section referred to as a “disciplinary action”), the Association shall bring specific charges, notify such member of such charges, give the member an opportunity to defend against the charges, and keep a record.

(2) SUPPORTING STATEMENT.—A determination to take disciplinary action shall be supported by a statement setting forth—

(A) any act or practice in which such member has been found to have been engaged;

(B) the specific provision of this subtitle, the rules or regulations under this subtitle, or the rules of the Association which any such act or practice is deemed to violate; and

(C) the sanction imposed and the reason for such sanction.

(e) NAIC REVIEW OF DISCIPLINARY ACTION.—

(1) NOTICE TO THE NAIC.—If the Association orders any disciplinary action, the Association shall promptly notify the NAIC of such action.

(2) REVIEW BY THE NAIC.—Any disciplinary action taken by the Association shall be subject to review by the NAIC—

(A) on the NAIC’s own motion; or

(B) upon application by any person aggrieved by such action if such application is filed with the NAIC not more than 30 days after the later of—

(i) the date the notice was filed with the NAIC pursuant to paragraph (1); or

(ii) the date the notice of the disciplinary action was received by such aggrieved person.

(f) EFFECT OF REVIEW.—The filing of an application to the NAIC for review of a discipli-

nary action, or the institution of review by the NAIC on the NAIC’s own motion, shall not operate as a stay of disciplinary action unless the NAIC otherwise orders.

(g) SCOPE OF REVIEW.—

(1) IN GENERAL.—In any proceeding to review such action, after notice and the opportunity for hearing, the NAIC shall—

(A) determine whether the action should be taken;

(B) affirm, modify, or rescind the disciplinary sanction; or

(C) remand to the Association for further proceedings.

(2) DISMISSAL OF REVIEW.—The NAIC may dismiss a proceeding to review disciplinary action if the NAIC finds that—

(A) the specific grounds on which the action is based exist in fact;

(B) the action is in accordance with applicable rules and regulations; and

(C) such rules and regulations are, and were, applied in a manner consistent with the purposes of this subtitle.

#### SEC. 329. ASSESSMENTS.

(a) INSURANCE PRODUCERS SUBJECT TO ASSESSMENT.—The Association may establish such application and membership fees as the Association finds necessary to cover the costs of its operations, including fees made reimbursable to the NAIC under subsection (b), except that, in setting such fees, the Association may not discriminate against smaller insurance producers.

(b) NAIC ASSESSMENTS.—The NAIC may assess the Association for any costs that the NAIC incurs under this subtitle.

#### SEC. 330. FUNCTIONS OF THE NAIC.

(a) ADMINISTRATIVE PROCEDURE.—Determinations of the NAIC, for purposes of making rules pursuant to section 328, shall be made after appropriate notice and opportunity for a hearing and for submission of views of interested persons.

(b) EXAMINATIONS AND REPORTS.—

(1) EXAMINATIONS.—The NAIC may make such examinations and inspections of the Association and require the Association to furnish to the NAIC such reports and records or copies thereof as the NAIC may consider necessary or appropriate in the public interest or to effectuate the purposes of this subtitle.

(2) REPORT BY ASSOCIATION.—As soon as practicable after the close of each fiscal year, the Association shall submit to the NAIC a written report regarding the conduct of its business, and the exercise of the other rights and powers granted by this subtitle, during such fiscal year. Such report shall include financial statements setting forth the financial position of the Association at the end of such fiscal year and the results of its operations (including the source and application of its funds) for such fiscal year. The NAIC shall transmit such report to the President and the Congress with such comment thereon as the NAIC determines to be appropriate.

#### SEC. 331. LIABILITY OF THE ASSOCIATION AND THE DIRECTORS, OFFICERS, AND EMPLOYEES OF THE ASSOCIATION.

(a) IN GENERAL.—The Association shall not be deemed to be an insurer or insurance producer within the meaning of any State law, rule, regulation, or order regulating or taxing insurers, insurance producers, or other entities engaged in the business of insurance, including provisions imposing premium taxes, regulating insurer solvency or financial condition, establishing guaranty funds and levying assessments, or requiring claims settlement practices.

(b) LIABILITY OF THE ASSOCIATION, ITS DIRECTORS, OFFICERS, AND EMPLOYEES.—Nei-

ther the Association nor any of its directors, officers, or employees shall have any liability to any person for any action taken or omitted in good faith under or in connection with any matter subject to this subtitle.

#### SEC. 332. ELIMINATION OF NAIC OVERSIGHT.

(a) IN GENERAL.—The Association shall be established without NAIC oversight and the provisions set forth in section 324, subsections (a), (b), (c), and (e) of section 328, and sections 329(b) and 330 of this subtitle shall cease to be effective if, at the end of the 2-year period beginning on the date on which the provisions of this subtitle take effect pursuant to section 321—

(1) at least a majority of the States representing at least 50 percent of the total United States commercial-lines insurance premiums have not satisfied the uniformity or reciprocity requirements of subsections (a), (b), and (c) of section 321; and

(2) the NAIC has not approved the Association’s bylaws as required by section 328 or is unable to operate or supervise the Association, or the Association is not conducting its activities as required under this Act.

(b) BOARD APPOINTMENTS.—If the repeals required by subsection (a) are implemented, the following shall apply:

(1) GENERAL APPOINTMENT POWER.—The President, with the advice and consent of the Senate, shall appoint the members of the Association’s Board established under section 326 from lists of candidates recommended to the President by the National Association of Insurance Commissioners.

(2) PROCEDURES FOR OBTAINING NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS APPOINTMENT RECOMMENDATIONS.—

(A) INITIAL DETERMINATION AND RECOMMENDATIONS.—After the date on which the provisions of subsection (a) take effect, the NAIC shall, not later than 60 days thereafter, provide a list of recommended candidates to the President. If the NAIC fails to provide a list by that date, or if any list that is provided does not include at least 14 recommended candidates or comply with the requirements of section 326(c), the President shall, with the advice and consent of the Senate, make the requisite appointments without considering the views of the NAIC.

(B) SUBSEQUENT APPOINTMENTS.—After the initial appointments, the NAIC shall provide a list of at least six recommended candidates for the Board to the President by January 15 of each subsequent year. If the NAIC fails to provide a list by that date, or if any list that is provided does not include at least six recommended candidates or comply with the requirements of section 326(c), the President, with the advice and consent of the Senate, shall make the requisite appointments without considering the views of the NAIC.

(C) PRESIDENTIAL OVERSIGHT.—

(i) REMOVAL.—If the President determines that the Association is not acting in the interests of the public, the President may remove the entire existing Board for the remainder of the term to which the members of the Board were appointed and appoint, with the advice and consent of the Senate, new members to fill the vacancies on the Board for the remainder of such terms.

(ii) SUSPENSION OF RULES OR ACTIONS.—The President, or a person designated by the President for such purpose, may suspend the effectiveness of any rule, or prohibit any action, of the Association which the President or the designee determines is contrary to the public interest.

(c) ANNUAL REPORT.—As soon as practicable after the close of each fiscal year, the Association shall submit to the President

and to the Congress a written report relative to the conduct of its business, and the exercise of the other rights and powers granted by this subtitle, during such fiscal year. Such report shall include financial statements setting forth the financial position of the Association at the end of such fiscal year and the results of its operations (including the source and application of its funds) for such fiscal year.

#### SEC. 333. RELATIONSHIP TO STATE LAW.

(a) **PREEMPTION OF STATE LAWS.**—State laws, regulations, provisions, or other actions purporting to regulate insurance producers shall be preempted as provided in subsection (b).

(b) **PROHIBITED ACTIONS.**—No State shall—

(1) impede the activities of, take any action against, or apply any provision of law or regulation to, any insurance producer because that insurance producer or any affiliate plans to become, has applied to become, or is a member of the Association;

(2) impose any requirement upon a member of the Association that it pay different fees to be licensed or otherwise qualified to do business in that State, including bonding requirements, based on its residency;

(3) impose any licensing, appointment, integrity, personal or corporate qualifications, education, training, experience, residency, or continuing education requirement upon a member of the Association that is different from the criteria for membership in the Association or renewal of such membership, except that counter-signature requirements imposed on nonresident producers shall not be deemed to have the effect of limiting or conditioning a producer's activities because of its residence or place of operations under this section; or

(4) implement the procedures of such State's system of licensing or renewing the licenses of insurance producers in a manner different from the authority of the Association under section 325.

(c) **SAVINGS PROVISION.**—Except as provided in subsections (a) and (b), no provision of this section shall be construed as altering or affecting the continuing effectiveness of any law, regulation, provision, or other action of any State which purports to regulate insurance producers, including any such law, regulation, provision, or action which purports to regulate unfair trade practices or establish consumer protections, including countersignature laws.

#### SEC. 334. COORDINATION WITH OTHER REGULATORS.

(a) **COORDINATION WITH STATE INSURANCE REGULATORS.**—The Association shall have the authority to—

(1) issue uniform insurance producer applications and renewal applications that may be used to apply for the issuance or removal of State licenses, while preserving the ability of each State to impose such conditions on the issuance or renewal of a license as are consistent with section 333;

(2) establish a central clearinghouse through which members of the Association may apply for the issuance or renewal of licenses in multiple States; and

(3) establish or utilize a national database for the collection of regulatory information concerning the activities of insurance producers.

(b) **COORDINATION WITH THE NATIONAL ASSOCIATION OF SECURITIES DEALERS.**—The Association shall coordinate with the National Association of Securities Dealers in order to ease any administrative burdens that fall on persons that are members of both associations, consistent with the purposes of this subtitle and the Federal securities laws.

#### SEC. 335. JUDICIAL REVIEW.

(a) **JURISDICTION.**—The appropriate United States district court shall have exclusive jurisdiction over litigation involving the Association, including disputes between the Association and its members that arise under this subtitle. Suits brought in State court involving the Association shall be deemed to have arisen under Federal law and therefore be subject to jurisdiction in the appropriate United States district court.

(b) **EXHAUSTION OF REMEDIES.**—An aggrieved person shall be required to exhaust all available administrative remedies before the Association and the NAIC before it may seek judicial review of an Association decision.

(c) **STANDARDS OF REVIEW.**—The standards set forth in section 553 of title 5, United States Code, shall be applied whenever a rule or bylaw of the Association is under judicial review, and the standards set forth in section 554 of title 5, United States Code, shall be applied whenever a disciplinary action of the Association is judicially reviewed.

#### SEC. 336. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) **HOME STATE.**—The term “home State” means the State in which the insurance producer maintains its principal place of residence and is licensed to act as an insurance producer.

(2) **INSURANCE.**—The term “insurance” means any product, other than title insurance, defined or regulated as insurance by the appropriate State insurance regulatory authority.

(3) **INSURANCE PRODUCER.**—The term “insurance producer” means any insurance agent or broker, surplus lines broker, insurance consultant, limited insurance representative, and any other person that solicits, negotiates, effects, procures, delivers, renews, continues or binds policies of insurance or offers advice, counsel, opinions or services related to insurance.

(4) **STATE.**—The term “State” includes any State, the District of Columbia, American Samoa, Guam, Puerto Rico, and the United States Virgin Islands.

(5) **STATE LAW.**—The term “State law” includes all laws, decisions, rules, regulations, or other State action having the effect of law, of any State. A law of the United States applicable only to the District of Columbia shall be treated as a State law rather than a law of the United States.

#### Subtitle D—Rental Car Agency Insurance Activities

#### SEC. 341. STANDARD OF REGULATION FOR MOTOR VEHICLE RENTALS.

(a) **PROTECTION AGAINST RETROACTIVE APPLICATION OF REGULATORY AND LEGAL ACTION.**—Except as provided in subsection (b), during the 3-year period beginning on the date of the enactment of this Act, it shall be a presumption that no State law imposes any licensing, appointment, or education requirements on any person who solicits the purchase of or sells insurance connected with, and incidental to, the lease or rental of a motor vehicle.

(b) **PREEMINENCE OF STATE INSURANCE LAW.**—No provision of this section shall be construed as altering the validity, interpretation, construction, or effect of—

(1) any State statute;

(2) the prospective application of any court judgment interpreting or applying any State statute; or

(3) the prospective application of any final State regulation, order, bulletin, or other statutorily authorized interpretation or action,

which, by its specific terms, expressly regulates or exempts from regulation any person who solicits the purchase of or sells insurance connected with, and incidental to, the short-term lease or rental of a motor vehicle.

(c) **SCOPE OF APPLICATION.**—This section shall apply with respect to—

(1) the lease or rental of a motor vehicle for a total period of 90 consecutive days or less; and

(2) insurance which is provided in connection with, and incidentally to, such lease or rental for a period of consecutive days not exceeding the lease or rental period.

(d) **MOTOR VEHICLE DEFINED.**—For purposes of this section, the term “motor vehicle” has the meaning given to such term in section 13102 of title 49, United States Code.

#### Subtitle E—Confidentiality

#### SEC. 351. CONFIDENTIALITY OF HEALTH AND MEDICAL INFORMATION.

(a) **IN GENERAL.**—A company which underwrites or sells annuities contracts or contracts insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death (other than credit-related insurance) and any subsidiary or affiliate thereof shall maintain a practice of protecting the confidentiality of individually identifiable customer health and medical and genetic information and may disclose such information only—

(1) with the consent, or at the direction, of the customer;

(2) for insurance underwriting and reinsuring policies, account administration, reporting, investigating, or preventing fraud or material misrepresentation, processing premium payments, processing insurance claims, administering insurance benefits (including utilization review activities), providing information to the customer's physician or other health care provider, participating in research projects, enabling the purchase, transfer, merger, or sale of any insurance-related business, or as otherwise required or specifically permitted by Federal or State law; or

(3) in connection with—

(A) the authorization, settlement, billing, processing, clearing, transferring, reconciling, or collection of amounts charged, debited, or otherwise paid using a debit, credit, or other payment card or account number, or by other payment means;

(B) the transfer of receivables, accounts, or interest therein;

(C) the audit of the debit, credit, or other payment information;

(D) compliance with Federal, State, or local law;

(E) compliance with a properly authorized civil, criminal, or regulatory investigation by Federal, State, or local authorities as governed by the requirements of this section; or

(F) fraud protection, risk control, resolving customer disputes or inquiries, communicating with the person to whom the information relates, or reporting to consumer reporting agencies.

(b) **STATE ACTIONS FOR VIOLATIONS.**—In addition to such other remedies as are provided under State law, if the chief law enforcement officer of a State, State insurance regulator, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this title, the State may bring an action to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction.

(c) **EFFECTIVE DATE; SUNSET.**—

(1) **EFFECTIVE DATE.**—Except as provided in paragraph (2), subsection (a) shall take effect on February 1, 2000.

(2) **SUNSET.**—Subsection (a) shall not take effect if, or shall cease to be effective on and after the date on which, legislation is enacted that satisfies the requirements in section 264(c)(1) of the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191; 110 Stat. 2033).

(d) **CONSULTATION.**—While subsection (a) is in effect, State insurance regulatory authorities, through the National Association of Insurance Commissioners, shall consult with the Secretary of Health and Human Services in connection with the administration of such subsection.

#### **TITLE IV—UNITARY SAVINGS AND LOAN HOLDING COMPANIES**

##### **SEC. 401. PROHIBITION ON NEW UNITARY SAVINGS AND LOAN HOLDING COMPANIES.**

(a) **IN GENERAL.**—Section 10(c) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)) is amended by adding at the end the following new paragraph:

“(9) **TERMINATION OF EXPANDED POWERS FOR NEW UNITARY HOLDING COMPANY.**—

“(A) **IN GENERAL.**—Subject to subparagraph (B) and notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after March 4, 1999, unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association), only in activities that are permitted—

“(i) under paragraph (1)(C) or (2); or

“(ii) for financial holding companies under section 6(c) of the Bank Holding Company Act of 1956.

“(B) **EXISTING UNITARY HOLDING COMPANIES AND THE SUCCESSORS TO SUCH COMPANIES.**—Subparagraph (A) shall not apply, and paragraph (3) shall continue to apply, to a company (or any subsidiary of such company) that—

“(i) either—

“(I) acquired one or more savings associations described in paragraph (3) pursuant to applications at least one of which was filed on or before March 4, 1999; or

“(II) subject to subparagraph (C), became a savings and loan holding company by acquiring control of the company described in subclause (I); and

“(ii) continues to control the savings association referred to in clause (i)(II) or the successor to any such savings association.

“(C) **NOTICE PROCESS FOR NONFINANCIAL ACTIVITIES BY A SUCCESSOR UNITARY HOLDING COMPANY.**—

“(i) **NOTICE REQUIRED.**—Subparagraph (B) shall not apply to any company described in subparagraph (B)(i)(II) which engages, directly or indirectly, in any activity other than activities described in clauses (i) and (ii) of subparagraph (A), unless—

“(I) in addition to an application to the Director under this section to become a savings and loan holding company, the company submits a notice to the Board of Governors of the Federal Reserve System of such nonfinancial activities in the same manner as a notice of nonbanking activities is filed with the Board under section 4(j) of the Bank Holding Company Act of 1956; and

“(II) before the end of the applicable period under such section 4(j), the Board either approves or does not disapprove of the continuation of such activities by such company, directly or indirectly, after becoming a savings and loan holding company.

“(ii) **PROCEDURE.**—Section 4(j) of the Bank Holding Company Act of 1956, including the standards for review, shall apply to any notice filed with the Board under this subparagraph in the same manner as it applies to notices filed under such section.”.

(b) **TECHNICAL AND CONFORMING AMENDMENT.**—Section 10(c)(3) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)(3)) is amended by striking “Notwithstanding” and inserting “Except as provided in paragraph (9) and notwithstanding”.

(c) **CONFORMING AMENDMENT.**—Section 10(o)(5) of the Home Owners' Loan Act (12 U.S.C. 1467a(o)(5)) is amended—

(1) in subparagraph (E), by striking “, except subparagraph (B)”;

(2) by adding at the end the following new subparagraph:

“(F) In the case of a mutual holding company which is a savings and loan holding company described in subsection (c)(3), engaging in the activities permitted for financial holding companies under section 6(c) of the Bank Holding Company Act of 1956.”.

##### **SEC. 402. RETENTION OF “FEDERAL” IN NAME OF CONVERTED FEDERAL SAVINGS ASSOCIATION.**

Section 2 of the Act entitled “An Act to enable national banking associations to increase their capital stock and to change their names or locations”, approved May 1, 1886 (12 U.S.C. 30), is amended by adding at the end the following new subsection:

“(d) **RETENTION OF ‘FEDERAL’ IN NAME OF CONVERTED FEDERAL SAVINGS ASSOCIATION.**—

“(1) **IN GENERAL.**—Notwithstanding subsection (a) or any other provision of law, any depository institution the charter of which is converted from that of a Federal savings association to a national bank or a State bank after the date of the enactment of the Financial Services Act of 1999 may retain the term ‘Federal’ in the name of such institution if such depository institution remains an insured depository institution.

“(2) **DEFINITIONS.**—For purposes of this subsection, the terms ‘depository institution’, ‘insured depository institution’, ‘national bank’, and ‘State bank’ have the same meanings as in section 3 of the Federal Deposit Insurance Act.”.

#### **TITLE V—PRIVACY**

##### **Subtitle A—Disclosure of Nonpublic Personal Information**

##### **SEC. 501. PROTECTION OF NONPUBLIC PERSONAL INFORMATION.**

(a) **PRIVACY OBLIGATION POLICY.**—It is the policy of the Congress that each financial institution has an affirmative and continuing obligation to respect the privacy of its customers and to protect the security and confidentiality of those customers' nonpublic personal information.

(b) **FINANCIAL INSTITUTIONS SAFEGUARDS.**—In furtherance of the policy in subsection (a), each agency or authority described in section 505(a) shall establish appropriate standards for the financial institutions subject to their jurisdiction relating to administrative, technical, and physical safeguards—

(1) to insure the security and confidentiality of customer records and information;

(2) to protect against any anticipated threats or hazards to the security or integrity of such records; and

(3) to protect against unauthorized access to or use of such records or information which could result in substantial harm or inconvenience to any customer.

##### **SEC. 502. OBLIGATIONS WITH RESPECT TO DISCLOSURES OF PERSONAL INFORMATION.**

(a) **NOTICE REQUIREMENTS.**—Except as otherwise provided in this subtitle, a financial

institution may not, directly or through any affiliate, disclose to a nonaffiliated third party any nonpublic personal information, unless such financial institution provides or has provided to the consumer a notice that complies with section 503(b).

(b) **OPT OUT.**—

(1) **IN GENERAL.**—A financial institution may not disclose nonpublic personal information to nonaffiliated third parties unless—

(A) such financial institution clearly and conspicuously discloses to the consumer, in writing or in electronic form (or other form permitted by the regulations prescribed under section 504), that such information may be disclosed to such third parties;

(B) the consumer is given the opportunity, before the time that such information is initially disclosed, to direct that such information not be disclosed to such third parties; and

(C) the consumer is given an explanation of how the consumer can exercise that non-disclosure option.

(2) **EXCEPTION.**—This subsection shall not prevent a financial institution from providing nonpublic personal information to a nonaffiliated third party to perform services or functions on behalf of the financial institution, including marketing of the financial institution's own products or services or financial products or services offered pursuant to joint agreements between two or more financial institutions that comply with the requirements imposed by the regulations prescribed under section 504, if the financial institution fully discloses the providing of such information and enters into a contractual agreement with the third party that requires the third party to maintain the confidentiality of such information.

(c) **LIMITS ON REUSE OF INFORMATION.**—Except as otherwise provided in this subtitle, a nonaffiliated third party that receives from a financial institution nonpublic personal information under this section shall not, directly or through an affiliate of such receiving third party, disclose such information to any other person that is a nonaffiliated third party of both the financial institution and such receiving third party, unless such disclosure would be lawful if made directly to such other person by the financial institution.

(d) **LIMITATIONS ON THE SHARING OF ACCOUNT NUMBER INFORMATION FOR MARKETING PURPOSES.**—A financial institution shall not disclose an account number or similar form of access number or access code for a credit card account, deposit account, or transaction account of a consumer to any nonaffiliated third party for use in telemarketing, direct mail marketing, or other marketing through electronic mail to the consumer.

(e) **GENERAL EXCEPTIONS.**—Subsections (a) and (b) shall not prohibit the disclosure of nonpublic personal information—

(1) as necessary to effect, administer, or enforce a transaction requested or authorized by the consumer, or in connection with—

(A) servicing or processing a financial product or service requested or authorized by the consumer;

(B) maintaining or servicing the consumer's account with the financial institution; or

(C) a proposed or actual securitization, secondary market sale (including sales of servicing rights), or similar transaction related to a transaction of the consumer;

(2) with the consent or at the direction of the consumer;

(3) to protect the confidentiality or security of its records pertaining to the consumer, the service or product, or the transaction therein, or to protect against or prevent actual or potential fraud, unauthorized transactions, claims, or other liability, for required institutional risk control, or for resolving customer disputes or inquiries, or to persons holding a beneficial interest relating to the consumer, or to persons acting in a fiduciary capacity on behalf of the consumer;

(4) to provide information to insurance rate advisory organizations, guaranty funds or agencies, applicable rating agencies of the financial institution, persons assessing the institution's compliance with industry standards, and the institution's attorneys, accountants, and auditors;

(5) to the extent specifically permitted or required under other provisions of law and in accordance with the Right to Financial Privacy Act of 1978, to law enforcement agencies (including a Federal functional regulator, a State insurance authority, or the Federal Trade Commission), self-regulatory organizations, or for an investigation on a matter related to public safety;

(6) to a consumer reporting agency in accordance with the Fair Credit Reporting Act, or in accordance with interpretations of such Act by the Board of Governors of the Federal Reserve System or the Federal Trade Commission, including interpretations published as commentary (16 CFR 601-622);

(7) in connection with a proposed or actual sale, merger, transfer, or exchange of all or a portion of a business or operating unit if the disclosure of nonpublic personal information concerns solely consumers of such business or unit; or

(8) to comply with Federal, State, or local laws, rules, and other applicable legal requirements; to comply with a properly authorized civil, criminal, or regulatory investigation or subpoena by Federal, State, or local authorities; or to respond to judicial process or government regulatory authorities having jurisdiction over the financial institution for examination, compliance, or other purposes as authorized by law.

#### SEC. 503. DISCLOSURE OF INSTITUTION PRIVACY POLICY.

(a) **DISCLOSURE REQUIRED.**—A financial institution shall clearly and conspicuously disclose to each consumer, at the time of establishing the customer relationship with the consumer and not less than annually, in writing or in electronic form (or other form permitted by the regulations prescribed under section 504), its policies and practices with respect to protecting the nonpublic personal information of consumers in accordance with the rules prescribed under section 504.

(b) **INFORMATION TO BE INCLUDED.**—The disclosure required by subsection (a) shall include—

(1) the policy and practices of the institution with respect to disclosing nonpublic personal information to nonaffiliated third parties, other than agents of the institution, consistent with section 502 of this subtitle, and including—

(A) the categories of persons to whom the information is or may be disclosed, other than the persons to whom the information may be provided pursuant to section 502(e); and

(B) the practices and policies of the institution with respect to disclosing of nonpublic personal information of persons who have ceased to be customers of the financial institution;

(2) the categories of nonpublic personal information that are collected by the financial institution;

(3) the policies that the institution maintains to protect the confidentiality and security of nonpublic personal information in accordance with section 501; and

(4) the disclosures required, if any, under section 603(d)(2)(A)(iii) of the Fair Credit Reporting Act.

#### SEC. 504. RULEMAKING.

(a) **REGULATORY AUTHORITY.**—The Federal banking agencies, the National Credit Union Association, the Secretary of the Treasury, and the Securities and Exchange Commission, shall jointly prescribe, after consultation with the Federal Trade Commission, and representatives of State insurance authorities designated by the National Association of Insurance Commissioners, such regulations as may be necessary to carry out the purposes of this subtitle. Such regulations shall be prescribed in accordance with applicable requirements of the title 5, United States Code, and shall be issued in final form within 6 months after the date of enactment of this Act.

(b) **AUTHORITY TO GRANT EXCEPTIONS.**—The regulations prescribed under subsection (a) may include such additional exceptions to subsections (a) and (b) of section 502 as are deemed consistent with the purposes of this subtitle.

#### SEC. 505. ENFORCEMENT.

(a) **IN GENERAL.**—This subtitle and the rules prescribed thereunder shall be enforced by the Federal functional regulators, the State insurance authorities, and the Federal Trade Commission with respect to financial institutions subject to their jurisdiction under applicable law, as follows:

(1) Under section 8 of the Federal Deposit Insurance Act, in the case of—

(A) national banks, Federal branches and Federal agencies of foreign banks, and any subsidiaries of such entities, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, organizations operating under section 25 or 25A of the Federal Reserve Act, bank holding companies and their nonbank subsidiaries or affiliates (except broker-dealers, affiliates providing insurance, investment companies, and investment advisers), by the Board of Governors of the Federal Reserve System;

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), insured State branches of foreign banks, and any subsidiaries of such entities, by the Board of Directors of the Federal Deposit Insurance Corporation; and

(D) savings association the deposits of which are insured by the Federal Deposit Insurance Corporation, and any subsidiaries of such a savings association, by the Director of the Office of Thrift Supervision.

(2) Under the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal or state chartered credit union, and any subsidiaries of such an entity.

(3) Under the Farm Credit Act of 1971, by the Farm Credit Administration with respect to the Federal Agricultural Mortgage Corporation, any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(4) Under the Securities Exchange Act of 1934, by the Securities and Exchange Commission with respect to any broker-dealer.

(5) Under the Investment Company Act of 1940, by the Securities and Exchange Commission with respect to investment companies.

(6) Under the Investment Advisers Act of 1940, by the Securities and Exchange Commission with respect to investment advisers registered with the Commission under such Act.

(7) Under Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U. S. C. 4501 et seq.), by the Office of Federal Housing Enterprise Oversight with respect to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(8) Under the Federal Home Loan Bank Act, by the Federal Housing Finance Board with respect to Federal home loan banks.

(9) Under State insurance law, in the case of any person engaged in providing insurance, by the State insurance authority of the State in which the person is domiciled, subject to section 104 of this Act.

(10) Under the Federal Trade Commission Act, by the Federal Trade Commission for any other financial institution that is not subject to the jurisdiction of any agency or authority under paragraphs (1) through (9) of this subsection.

(b) **ENFORCEMENT OF SECTION 501.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the agencies and authorities described in subsection (a) shall implement the standards prescribed under section 501(b) in the same manner, to the extent practicable, as standards prescribed pursuant to subsection (a) of section 39 of the Federal Deposit Insurance Act are implemented pursuant to such section.

(2) **EXCEPTION.**—The agencies and authorities described in paragraphs (4), (5), (6), (9), and (10) of subsection (a) shall implement the standards prescribed under section 501(b) by rule with respect to the financial institutions subject to their respective jurisdictions under subsection (a).

(c) **DEFINITIONS.**—The terms used in subsection (a)(1) that are not defined in this subtitle or otherwise defined in section 3(s) of the Federal Deposit Insurance Act shall have the meaning given to them in section 1(b) of the International Banking Act of 1978.

#### SEC. 506. FAIR CREDIT REPORTING ACT AMENDMENT.

(a) **AMENDMENT.**—Section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s) is amended—

(1) in subsection (d), by striking everything following the end of the second sentence; and

(2) by striking subsection “(e)” and inserting in lieu thereof the following:

“(e) **REGULATORY AUTHORITY.**—

“(1) The Federal banking agencies referred to in paragraphs (1) and (2) of subsection (b) shall jointly prescribe such regulations as necessary to carry out the purposes of this Act with respect to any persons identified under paragraphs (1) and (2) of subsection (b), or to the holding companies and affiliates of such persons.

“(2) The Administrator of the National Credit Union Administration shall prescribe such regulations as necessary to carry out the purposes of this Act with respect to any persons identified under paragraph (3) of subsection (b).”.

(b) **CONFORMING AMENDMENT.**—Section 621(a) of the Fair Credit Reporting Act (15 U.S.C. 1681s(a)) is amended by striking paragraph (4).



**SEC. 507. RELATION TO OTHER PROVISIONS.**

This subtitle shall not apply to any information to which subtitle D of title III applies.

**SEC. 508. STUDY OF INFORMATION SHARING AMONG FINANCIAL AFFILIATES.**

(a) **IN GENERAL.**—The Secretary of the Treasury, in conjunction with the Federal functional regulators and the Federal Trade Commission, shall conduct a study of information sharing practices among financial institutions and their affiliates. Such study shall include—

(1) the purposes for the sharing of confidential customer information with affiliates or with nonaffiliated third parties;

(2) the extent and adequacy of security protections for such information;

(3) the potential risks for customer privacy of such sharing of information;

(4) the potential benefits for financial institutions and affiliates of such sharing of information;

(5) the potential benefits for customers of such sharing of information;

(6) the adequacy of existing laws to protect customer privacy;

(7) the adequacy of financial institution privacy policy and privacy rights disclosure under existing law;

(8) the feasibility of different approaches, including opt-out and opt-in, to permit customers to direct that confidential information not be shared with affiliates and nonaffiliated third parties; and

(9) the feasibility of restricting sharing of information for specific uses or of permitting customers to direct the uses for which information may be shared.

(b) **CONSULTATION.**—The Secretary shall consult with representatives of State insurance authorities designated by the National Association of Insurance Commissioners, and also with financial services industry, consumer organizations and privacy groups, and other representatives of the general public, in formulating and conducting the study required by subsection (a).

(c) **REPORT.**—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Secretary shall submit a report to the Congress containing the findings and conclusions of the study required under subsection (a), together with such recommendations for legislative or administrative action as may be appropriate.

**SEC. 509. DEFINITIONS.**

As used in this subtitle:

(1) **FEDERAL BANKING AGENCY.**—The term “Federal banking agency” has the meanings given to such terms in section 3 of the Federal Deposit Insurance Act.

(2) **FEDERAL FUNCTIONAL REGULATOR.**—The term “Federal functional regulator” means—

(A) the Board of Governors of the Federal Reserve System;

(B) the Office of the Comptroller of the Currency;

(C) the Board of Directors of the Federal Deposit Insurance Corporation;

(D) the Director of the Office of Thrift Supervision;

(E) the National Credit Union Administration Board;

(F) the Farm Credit Administration; and

(G) the Securities and Exchange Commission.

(3) **FINANCIAL INSTITUTION.**—The term “financial institution” means any institution the business of which is engaging in financial activities or activities that are incidental to financial activities, as described in section 6(c) of the Bank Holding Company Act of 1956.

**(4) NONPUBLIC PERSONAL INFORMATION.—**

(A) The term “nonpublic personal information” means personally identifiable financial information—

(i) provided by a consumer to a financial institution;

(ii) resulting from any transaction with the consumer or the service performed for the consumer; or

(iii) otherwise obtained by the financial institution.

(B) Such term does not include publicly available information, as such term is defined by the regulations prescribed under section 504.

(C) Notwithstanding subparagraph (B), such term shall include any list, description, or other grouping of consumers (and publicly available information pertaining to them) that is derived using any personally identifiable information other than publicly available information.

(5) **NONAFFILIATED THIRD PARTIES.**—The term “nonaffiliated third parties” means any entity that is not an affiliate of, or related by common ownership or affiliated by corporate control with, the financial institution, but does not include a joint employee of such institution.

(6) **AFFILIATE.**—The term “affiliate” means any company that controls, is controlled by, or is under common control with another company.

(7) **NECESSARY TO EFFECT, ADMINISTER, OR ENFORCE.**—The term “as necessary to effect, administer or enforce the transaction” means—

(A) the disclosure is required, or is a usual, appropriate or acceptable method, to carry out the transaction or the product or service business of which the transaction is a part, and record or service or maintain the consumer's account in the ordinary course of providing the financial service or financial product, or to administer or service benefits or claims relating to the transaction or the product or service business of which it is a part, and includes—

(i) providing the consumer or the consumer's agent or broker with a confirmation, statement, or other record of the transaction, or information on the status or value of the financial service or financial product; and

(ii) the accrual or recognition of incentives or bonuses associated with the transaction that are provided by the financial institution or any other party;

(B) the disclosure is required, or is one of the lawful or appropriate methods, to enforce the rights of the financial institution or of other persons engaged in carrying out the financial transaction, or providing the product or service;

(C) the disclosure is required, or is a usual, appropriate, or acceptable method, for insurance underwriting at the consumer's request or for reinsurance purposes, or for any of the following purposes as they relate to a consumer's insurance: account administration, reporting, investigating, or preventing fraud or material misrepresentation, processing premium payments, processing insurance claims, administering insurance benefits (including utilization review activities), participating in research projects, or as otherwise required or specifically permitted by Federal or State law; or

(D) the disclosure is required, or is a usual, appropriate or acceptable method, in connection with—

(i) the authorization, settlement, billing, processing, clearing, transferring, reconciling, or collection of amounts charged, deb-

ited, or otherwise paid using a debit, credit or other payment card, check, or account number, or by other payment means;

(ii) the transfer of receivables, accounts or interests therein; or

(iii) the audit of debit, credit or other payment information.

(8) **STATE INSURANCE AUTHORITY.**—The term “State insurance authority” means, in the case of any person engaged in providing insurance, the State insurance authority of the State in which the person is domiciled.

(9) **CONSUMER.**—The term “consumer” means an individual who obtains, from a financial institution, financial products or services which are to be used primarily for personal, family, or household purposes, and also means the legal representative of such an individual.

(10) **JOINT AGREEMENT.**—The term “joint agreement” means a formal written contract pursuant to which two or more financial institutions jointly offer, endorse, or sponsor a financial product or service, and any payments between the parties are based on business or profit generated.

**SEC. 510. EFFECTIVE DATE.**

This subtitle shall take effect 6 months after the date on which the rules under section 503 are promulgated, except—

(1) to the extent that a later date is specified in such rules; and

(2) that section 506 shall be effective upon enactment.

**Subtitle B—Fraudulent Access to Financial Information****SEC. 521. PRIVACY PROTECTION FOR CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.**

(a) **PROHIBITION ON OBTAINING CUSTOMER INFORMATION BY FALSE PRETENSES.**—It shall be a violation of this subtitle for any person to obtain or attempt to obtain, or cause to be disclosed or attempt to cause to be disclosed to any person, customer information of a financial institution relating to another person—

(1) by making a false, fictitious, or fraudulent statement or representation to an officer, employee, or agent of a financial institution;

(2) by making a false, fictitious, or fraudulent statement or representation to a customer of a financial institution; or

(3) by providing any document to an officer, employee, or agent of a financial institution, knowing that the document is forged, counterfeit, lost, or stolen, was fraudulently obtained, or contains a false, fictitious, or fraudulent statement or representation.

(b) **PROHIBITION ON SOLICITATION OF A PERSON TO OBTAIN CUSTOMER INFORMATION FROM FINANCIAL INSTITUTION UNDER FALSE PRETENSES.**—It shall be a violation of this subtitle to request a person to obtain customer information of a financial institution, knowing that the person will obtain, or attempt to obtain, the information from the institution in any manner described in subsection (a).

(c) **NONAPPLICABILITY TO LAW ENFORCEMENT AGENCIES.**—No provision of this section shall be construed so as to prevent any action by a law enforcement agency, or any officer, employee, or agent of such agency, to obtain customer information of a financial institution in connection with the performance of the official duties of the agency.

(d) **NONAPPLICABILITY TO FINANCIAL INSTITUTIONS IN CERTAIN CASES.**—No provision of this section shall be construed so as to prevent any financial institution, or any officer, employee, or agent of a financial institution, from obtaining customer information of such financial institution in the course of—

(1) testing the security procedures or systems of such institution for maintaining the confidentiality of customer information;

(2) investigating allegations of misconduct or negligence on the part of any officer, employee, or agent of the financial institution; or

(3) recovering customer information of the financial institution which was obtained or received by another person in any manner described in subsection (a) or (b).

(e) **NONAPPLICABILITY TO INSURANCE INSTITUTIONS FOR INVESTIGATION OF INSURANCE FRAUD.**—No provision of this section shall be construed so as to prevent any insurance institution, or any officer, employee, or agency of an insurance institution, from obtaining information as part of an insurance investigation into criminal activity, fraud, material misrepresentation, or material non-disclosure that is authorized for such institution under State law, regulation, interpretation, or order.

(f) **NONAPPLICABILITY TO CERTAIN TYPES OF CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.**—No provision of this section shall be construed so as to prevent any person from obtaining customer information of a financial institution that otherwise is available as a public record filed pursuant to the securities laws (as defined in section 3(a)(47) of the Securities Exchange Act of 1934).

(g) **NONAPPLICABILITY TO COLLECTION OF CHILD SUPPORT JUDGMENTS.**—No provision of this section shall be construed to prevent any State-licensed private investigator, or any officer, employee, or agent of such private investigator, from obtaining customer information of a financial institution, to the extent reasonably necessary to collect child support from a person adjudged to have been delinquent in his or her obligations by a Federal or State court, and to the extent that such action by a State-licensed private investigator is not unlawful under any other Federal or State law or regulation, and has been authorized by an order or judgment of a court of competent jurisdiction.

#### SEC. 522. ADMINISTRATIVE ENFORCEMENT.

(a) **ENFORCEMENT BY FEDERAL TRADE COMMISSION.**—Compliance with this subtitle shall be enforced by the Federal Trade Commission in the same manner and with the same power and authority as the Commission has under the title VIII, the Fair Debt Collection Practices Act, to enforce compliance with such title.

(b) **NOTICE OF ACTIONS.**—The Federal Trade Commission shall—

(1) notify the Securities and Exchange Commission whenever the Federal Trade Commission initiates an investigation with respect to a financial institution subject to regulation by the Securities and Exchange Commission;

(2) notify the Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) whenever the Commission initiates an investigation with respect to a financial institution subject to regulation by such Federal banking agency; and

(3) notify the appropriate State insurance regulator whenever the Commission initiates an investigation with respect to a financial institution subject to regulation by such regulator.

#### SEC. 523. CRIMINAL PENALTY.

(a) **IN GENERAL.**—Whoever knowingly and intentionally violates, or knowingly and intentionally attempts to violate, section 521 shall be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

(b) **ENHANCED PENALTY FOR AGGRAVATED CASES.**—Whoever violates, or attempts to

violate, section 521 while violating another law of the United States or as part of a pattern of any illegal activity involving more than \$100,000 in a 12-month period shall be fined twice the amount provided in subsection (b)(3) or (c)(3) (as the case may be) of section 3571 of title 18, United States Code, imprisoned for not more than 10 years, or both.

#### SEC. 524. RELATION TO STATE LAWS.

(a) **IN GENERAL.**—This subtitle shall not be construed as superseding, altering, or affecting the statutes, regulations, orders, or interpretations in effect in any State, except to the extent that such statutes, regulations, orders, or interpretations are inconsistent with the provisions of this subtitle, and then only to the extent of the inconsistency.

(b) **GREATER PROTECTION UNDER STATE LAW.**—For purposes of this section, a State statute, regulation, order, or interpretation is not inconsistent with the provisions of this subtitle if the protection such statute, regulation, order, or interpretation affords any person is greater than the protection provided under this subtitle as determined by the Commission, on its own motion or upon the petition of any interested party.

#### SEC. 525. AGENCY GUIDANCE.

In furtherance of the objectives of this subtitle, each Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) and the Securities and Exchange Commission or self-regulatory organizations, as appropriate, shall review regulations and guidelines applicable to financial institutions under their respective jurisdictions and shall prescribe such revisions to such regulations and guidelines as may be necessary to ensure that such financial institutions have policies, procedures, and controls in place to prevent the unauthorized disclosure of customer financial information and to deter and detect activities proscribed under section 521.

#### SEC. 526. REPORTS.

(a) **REPORT TO THE CONGRESS.**—Before the end of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General, in consultation with the Federal Trade Commission, Federal banking agencies, the Securities and Exchange Commission, appropriate Federal law enforcement agencies, and appropriate State insurance regulators, shall submit to the Congress a report on the following:

(1) The efficacy and adequacy of the remedies provided in this subtitle in addressing attempts to obtain financial information by fraudulent means or by false pretenses.

(2) Any recommendations for additional legislative or regulatory action to address threats to the privacy of financial information created by attempts to obtain information by fraudulent means or false pretenses.

(b) **ANNUAL REPORT BY ADMINISTERING AGENCIES.**—The Federal Trade Commission and the Attorney General shall submit to Congress an annual report on number and disposition of all enforcement actions taken pursuant to this subtitle.

#### SEC. 527. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) **CUSTOMER.**—The term “customer” means, with respect to a financial institution, any person (or authorized representative of a person) to whom the financial institution provides a product or service, including that of acting as a fiduciary.

(2) **CUSTOMER INFORMATION OF A FINANCIAL INSTITUTION.**—The term “customer information of a financial institution” means any

information maintained by or for a financial institution which is derived from the relationship between the financial institution and a customer of the financial institution and is identified with the customer.

(3) **DOCUMENT.**—The term “document” means any information in any form.

(4) **FINANCIAL INSTITUTION.**—

(A) **IN GENERAL.**—The term “financial institution” means any institution engaged in the business of providing financial services to customers who maintain a credit, deposit, trust, or other financial account or relationship with the institution.

(B) **CERTAIN FINANCIAL INSTITUTIONS SPECIFICALLY INCLUDED.**—The term “financial institution” includes any depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act), any broker or dealer, any investment adviser or investment company, any insurance company, any loan or finance company, any credit card issuer or operator of a credit card system, and any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis (as defined in section 603(p)).

(C) **SECURITIES INSTITUTIONS.**—For purposes of subparagraph (B)—

(i) the terms “broker” and “dealer” have the meanings provided in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c);

(ii) the term “investment adviser” has the meaning provided in section 202(a)(11) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)); and

(iii) the term “investment company” has the meaning provided in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a-3).

(D) **FURTHER DEFINITION BY REGULATION.**—The Federal Trade Commission, after consultation with Federal banking agencies and the Securities and Exchange Commission, may prescribe regulations clarifying or describing the types of institutions which shall be treated as financial institutions for purposes of this subtitle.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: “An Act to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers, and for other purposes.”

A motion to reconsider was laid on the table.

#### SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

#### CRISIS IN AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. MORAN) is recognized for 5 minutes.

Mr. MORAN of Kansas. Mr. Speaker, in Kansas, combines and harvesting crews have just finished another annual wheat harvest. While many farmers have seen harvests come and go,

this one will certainly be one to remember.

Unfortunately, it is the low wheat prices that will not be forgotten. Wheat prices recently closed in Goodland, Kansas at \$1.96 a bushel, the lowest price in over 30 years.

Let me put this disaster in perspective. In my State of Kansas alone, the loss in market value of the wheat crop will be over \$500 million below last year's dismal level. Let me restate that. In one State, in one crop, the lost value is a half a billion dollars when compared to last year's income. Nationwide, the losses will be tremendous. In Kansas, that is \$500 million less that farmers have to pay bills and to take care of their families.

I do not know exactly what disaster relief legislation this year will look like, but I must impress upon my fellow Members of Congress the seriousness of the circumstance and the ongoing damage to the agricultural economy.

This year, there will be no crop with higher prices that comes to the rescue of the wheat farmer. United States Department of Agriculture indicates that corn prices are at a 10-year low and soybean prices are at a 27-year low, with both prices to decline further by the time of their fall harvest.

This problem, however, is not about numbers, estimates, or projections. It is about people. It is about the future of rural America and the survival of a generation of our farmers and ranchers.

Mr. Speaker, I received a letter, for example, from my constituents that is pretty typical. "Dear sir: We are now beginning the 1999 wheat harvest in Kansas. The price of wheat here in Ness County is \$2.22," this is back in June, "as of close of markets on June 19, lower than we could sell wheat for in the troubled 80's."

"Prices of all our supplies, seeds, fertilizer, et cetera, have rose steadily since then and are still going up. Are farmers not supposed to have a decent living for all their hard work? We as farmers have every right to just as good a living as most blue collar workers in this country. Someone, Senators, Representatives, administration, and Agriculture Secretary need to spend a little more time and effort to improve our circumstances."

"Most farmers have land payments coming due in August. Interest on them went up again. Payments of harvest expenses, fuel, repairs and labor all have to be paid; \$2.22 a bushel of wheat does not go very far to pay an \$8,000 land payment and expect a living expense the rest of the year. Farmers cannot be put on hold much longer. Something needs to be done now, not 6 months from now."

"I have farming interests in Ness and Hodgeman Counties in Kansas. My husband passed away in 1992 and my son is

trying to hold things together. We are just a medium-sized family farm of which there are a great many here in the Midwest."

As the writer of this letter says, something needs to be done now, not 6 months from now.

Mr. Speaker, on July 1, I joined other Members interested in agriculture, Members of this Congress, in a letter to President Clinton. In that letter, we outlined our request to work with the President and the administration in providing assistance to agriculture producers this year.

Today, I rise to urge all my colleagues in Congress to join in the efforts as we work together to try to make certain that we do not lose another generation of the American farmer and rancher.

#### OLDER AMERICANS ACT

The SPEAKER pro tempore (Mr. REYNOLDS). Under a previous order of the House, the gentlewoman from Florida (Ms. BROWN) is recognized for 5 minutes.

Ms. BROWN of Florida. Mr. Speaker, I come to the floor today to talk about an issue that is critical to the older Americans in this country and especially to those in my home State of Florida, the Older Americans Act.

Since its enactment in 1965, the Older Americans Act has provided for the delivery and support of nutritious service to our elderly population. The support services and centers program provide funds to States for a wide variety of social services and activities including community service employment programs, home delivered meals, transportation assistance, home care, recreation activities, elderly rights protection, and research, training and demonstration programs.

The Title III Nutrition Program is the Older Americans Act's largest program representing 43 percent of the total funds. It provides 240 million meals to over 3 million elderly persons who are traditionally more likely to be poor, to live alone, and to be members of minority groups. They are also more likely to have health and functional limitations that place them at nutritional risk. For most of the participants in the program, these meals are the primary source of daily nutrition.

The Older Americans Act also authorizes the Senior Community Service Employment Program that provides opportunities for part-time employment in community service activities for unemployed, low-income older persons. This program is administered by elderly advocacy groups, including Green Thumb, National Center on Black Aged, and the American Association of Retired Persons.

This program has three goals: provide employment opportunities for older persons, create a pool to provide

community service, and supplement the income of low-income older persons.

These programs are so vitally important to the health and well-being of our senior citizens, those who work all their lives to make America what it is today. We need to do the right thing for our seniors and reauthorize the Older Americans Act.

Mr. Speaker, this program is also one that I have visited in Jacksonville, Orlando, Daytona, Palatka in Florida. But I was recently in Millen, Georgia, and I would like to submit this article to the RECORD. It indicates "Meals on Wheels is about more than just food."

"The volunteers are great. They are nice as they can be and they help me get things if I need them."

I want to read one brief remark about the program. "Presently, the program cost \$7,000 a month to feed all of the clients." However, the funds is currently at a serious low point. In other words, these programs around the country are being shut down or terminated because we have not reauthorized this program, the Older Americans Act.

I do not understand what is more important than taking care of our seniors when they need us. I am hoping that this is one program that we will put on our agenda to fund and reauthorize before we leave for the August recess.

Mr. Speaker, the article I referred to is as follows:

#### MEALS ON WHEELS IS ABOUT MORE THAN FOOD

(By Karen Ludwig)

Monday through Friday, five days a week, 250 days per year. That's how often Houston County residents who qualify for Meals on Wheels can depend on the organization to deliver nutritious, hot and tasty noon meals with a smile.

Meals on Wheels, incorporated in the fall of 1974, is a private, nonprofit organization that provides programs and services to the elderly of Houston County, according to Donna James, executive director.

"Our highest bracket of clients are people who are 80 years old and above," said James.

Sixty-five volunteer drivers deliver meals to 143 clients. A wide variety of people, including retirees, a base squadron and even home-schooled children who deliver meals with their parents as an exercise in community service volunteer to deliver meals.

"Many of the drivers do more than just deliver meals," said James. "They are great with the clients. Some drivers presently and in the past have gone over to clients' houses and helped them with odd jobs around the house."

Velda Paquet, Warner Robins site aid, not only packs meals for the clients and does secretarial work, but she also bakes cookies and visits clients even when she's not working.

"Velda is my right-hand man," said James. "She's efficient, packs the meals, works at the office and keeps me hopping. It's hard to find people like her."

Many of the drivers also cheer up clients. James said. Marjorie Moore, a client for eight years, said she loves it when the home-schooled children deliver meals with their parents.

"I miss the children when they don't come to visit," said Moore. "They are just like my great-grandchildren. They hop up here next to me and love me like mine. They have very good manners."

Irene Colquit, another Meals on Wheels client, is also fond of the program and its volunteers.

"The volunteers are great," said Colquit. "They are as nice as they can be and they help me get things if I need them. They are a great crew."

Presently, the program cost \$7,000 a month to feed all of the clients. James said the program's funding is currently at a serious low point, but here are yearlong fund-raisers the community can participate in. One such program is the adopt-a-client service, a \$60-per-client program that funds 20 meals at \$3 per person. If money can't be raised to support the program, some clients' services will be terminated.

"Many of the clients are in a low-income bracket," said James. "Their Social Security checks are eaten up by medication costs. Meals on Wheels provides them with a meal when they are unable to provide one or prepare one themselves."

But all is not bad. Recently, James submitted an essay to the Meals on Wheels of America to nominate a member for member of the year. Thelma McCoy, a Meals on Wheels volunteer and last year's president, won the award.

"The program will receive a much-needed \$1,000 grant from the Reynolds Aluminum Co. It's the second time in two years that we have received this award," said James.

#### WHO IS GOING TO CONTROL AN AMERICAN'S LIFE: THE AMERICAN OR GOVERNMENT?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. DEMINT) is recognized for 5 minutes.

Mr. DEMINT. Mr. Speaker, some in Washington and some in the media say disagreements in Congress are between the right and the left, liberals versus conservatives, Republicans versus Democrats. They say the debates are about which party is for Social Security, Medicare, education, or the environment. But we know that we are all committed to find the best solutions to these important issues.

The real debate on the floor of the House and the Senate and in all of our committees is about who is going to control one's life, one or the government.

There are some in Washington who believe one is better off if many of the decisions about one's life and the lives of one's family members are made here in Washington. Their intentions are good, and many times their programs sound good, but the evidence over the last 40 years is undeniable.

When Washington takes our money and makes the important decisions about our lives, we not only lose our freedom, but we lose the security which comes from having control of our own lives.

The Republicans in Congress believe that one is most secure when one is

most free. That is why we call ourselves the GOP, the government of the people. We believe our job is not to manage one's life, but to provide a framework of freedom so one can manage one's own life and have equal access to all the opportunities this country has to offer.

We believe in securing the future for every American by returning dollars, decisions, and freedoms back to the people, back to individuals, families, communities, businesses, and back to our States.

The GOP believes, just as my colleagues do, that we can best secure the future for every child by returning dollars and decisions for education to parents and to local schools.

There are some here in Washington that think we can run our schools better from the White House. We tried that, and our test scores and the quality of our schools declined since the Federal role expanded in the 1960s.

Today, Republicans in Congress have passed legislation that allows States to use Federal money without all the red tape and to decide how the money can best be used to help their schools. We worked to give teachers and principals the flexibility to restore common-sense discipline in our children's classrooms. We are working to return 95 percent of all Federal education dollars back to the classroom, where the money belongs and is needed for new books, supplies, and school repairs.

We all know that our children get the best education when parents, teachers, and principals have the flexibility and resources they need.

□ 1915

We are making progress in education. The GOP believes that we can best secure the future for every family by letting Americans keep more of what they earn. It is not fair to ask both parents to work harder and longer and then to take up to half of everything they make. High taxes create stress in our families and make it almost impossible to save for the future, for new homes, for education.

Republicans in Congress have already passed tax reductions that include child tax credits, education savings accounts, and less taxes on savings. Tomorrow, the GOP will pass legislation that will reduce the tax penalty on married couples, eliminate the earnings limits on senior citizens, lower capital gains tax, eliminate the death tax, and begin to lower taxes for everyone.

In addition to bringing tax fairness and relief, we are going to make sure that taxpayers' hard-earned money is wisely used. We know Americans work hard for every penny that they earn, and they should expect their government not to waste or abuse their money. Americans can be sure that we are making progress on tax relief and tax fairness.

The GOP believes that we can secure the future for every senior citizen by not spending one dime of Social Security and Medicare for other programs. No matter how good these other programs sound, taxpayers have worked hard to secure a retirement for themselves, and they should expect their retirement money to be there when they retire.

To safeguard American taxpayers' money, Republicans have created a lock box that will protect Social Security and Medicare and guaranty the benefits. And unlike some proposals that come out of Washington, we are going to stick to this pledge to the end. And we are glad that the AARP and the President have endorsed our lock box plan.

But we also know that Social Security and Medicare need repair. We are working hard to make sure Social Security and Medicare are there for future generations so all Americans can rest easy in their retirement knowing they have more control of their retirement income and health care.

In 1994, the American taxpayer trusted the GOP to lead Congress and make progress towards a more free and secure America. Since then we have balanced the budget and reformed welfare, putting over 4 million people to work. We have repealed some taxes passed by the President, passed tax credits and the largest tax relief package in 16 years.

We stopped the practice of spending Social Security and Medicare funds. We have given local schools the control and resources they need to succeed. And we have begun to rebuild our military.

The American people and our economy have responded. And while we still have much work to do—we are on the right path towards securing the future for every American. In the months to come, you will see us continue to return dollars, decisions and freedoms back home—back to you, your family, your businesses and your communities. Back to where it belongs and where progress begins.

We are Republicans, the government of the people, and we believe that Americans are most secure when you are most free, when you keep more of what you earn and make your own decisions, when you are in control of your life. We are committed to secure the future for every American by giving you that control, and we hope that every American will reach out for the freedoms and opportunities that come with being an essential part of the government of the people.

Mr. Speaker, we are Republicans, and the American taxpayer can trust us to make sure they are in control of their life instead of government.

#### HIGHLIGHTING COMMUNITY HEALTH CENTERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, I rise today to pay special tribute to community health centers operating in my district which have gone above and beyond just simply being providers of good care but who have also demonstrated a real understanding of the health needs of a community.

Today there are more than 43 million Americans without health insurance. However, despite the staggering numbers of uninsured, a network of health centers in my district have continued to rise to the challenge and provide outstanding care to those uninsured.

Under the tireless leadership of Bill Moorehead, board chairman, and Berneice Mills-Thomas, executive director, the Near North Health Service Corporation provides primary care to women, infants, school age children and their parents who live in medically underserved areas of the City of Chicago.

In addition, Near North operates the Infant Mortality Reduction Initiative. This program seeks out high-risk families via a door-to-door canvass of blighted neighborhoods and the Cabrini Green Housing Development. This program has been credited with reducing the infant mortality rate of the area from 26.6 per 1,000 live births to 12.8 per 1,000 live births.

Healthy Start, Store Smart Moms and Youth Pregnancy Prevention. This program teaches young mothers how to purchase nutritional meals for their children through mobile and satellite clinic programs.

Project Match. This program matches former welfare recipients to real jobs, jobs that provide a real opportunity for families to become totally self-sufficient. Since its inception, Project Match has found jobs for over 800 people who would otherwise still be on public assistance.

Near North Health Services Corporation's record of achievement through its service to the community, City of Chicago, and State of Illinois must be commended for its recent focus on male health.

Another outstanding community health center operating in the City of Chicago is the Erie Family Health Center. Currently undergoing a change in leadership, this community health center is able to serve over 17,000 patients per year in the West Town, Humboldt Park, and Logan Square neighborhoods.

In addition to the excellent primary care services offered at all of the Erie Family sites, Erie Family also administers a wide array of social services to its communities, including the Erie Teen Health Center. This center serves the health needs of at-risk adolescents.

The Erie Integrated Care Program. This is the only bilingual primary care provider serving HIV and HIV/AIDS-infected patients in the City of Chicago.

The Pediatric Care Program in collaboration with the Illinois Depart-

ment of Public Health. This program services children zero to 21 whose income falls below 180 percent of the Federal poverty line. This program serves those children and young adults who would not otherwise qualify for Medicaid.

Near North and Erie Family represents a small fraction of the good Chicago's community health centers are doing for the city. Daniel Hale Williams Health Center, Mercy Diagnostic, Mount Sinai Family Health Centers, Alivio Medical Center, Mile Square Health Center.

The Sinai Family Health Centers, under the leadership of Michael Savage and many other community health centers in the city and in downstate Illinois provide over 500,000 patients per year with quality cost-effective primary care services. These providers are making a significant difference, and I urge my colleagues to join with me in commending the work of community health centers and to make sure that as we go through the appropriation of monies for the next year that community health centers be high on our list of priorities.

#### APOLLO EXPLORATION AWARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. SOUDER) is recognized for 5 minutes.

Mr. SOUDER. Mr. Speaker, tonight is a historic night. It is by no means an exaggeration to say that the Apollo 11 lunar landing 30 years ago was one of the most significant events in human history. To me, it is still the most significant single historic event in my lifetime that I recall. In fact, I remember watching it on TV. I was in St. Louis at the time, and it was just a little bit later time than this evening.

The Apollo program not only was and still is one of our most significant technological accomplishments, but also marked the first time that mankind left the planet to explore another celestial body. As Neil Armstrong said just last week, "The important achievement of Apollo was demonstrating that humanity is not forever chained to this planet. Our visions go rather farther than that, and our opportunities are unlimited."

The Apollo program demonstrated that it is possible for Americans to accomplish anything if they have a dream and a vision and work to make it come true. Today, as we have more and more technology and ability, we somehow seem to have less and less of that vision that Neil Armstrong talked about. As astronaut Walt Cunningham said, "Today, we fail not because of our inability to do something; we fail today because of our unwillingness to tackle it in the first place. We are unwilling to take a chance, stick our neck out and go and do some of these things."

The Apollo astronauts have continued to stand as living monuments to that drive and vision. Many of today's adults were not even born at the time of the Apollo landings, even though they and their children hold the potential to be the generation that first steps foot on Mars. The vision is still a living vision, however, because it is rekindled by the Apollo astronauts who continue to bear witness to the possibility of making even seemingly outlandish dreams come into reality.

Just last week, however, we had another sad reminder of just how precious these men are with the death of Apollo 12 astronaut Pete Conrad, who was laid to rest yesterday in Arlington National Cemetery. Four of the twelve men to have set foot on the Moon have now passed away. A total of seven of the Apollo astronauts are no longer with us. Just outside this chamber stands the newest addition to Statuary Hall, a statue of Apollo 13 astronaut Jack Swigert of Colorado, who was elected to the House but was never able to serve.

Despite the contemporary accolades given to the Apollo astronauts in the 1960s and 1970s, America has never provided a fitting tribute to these men for their bravery and historical accomplishments on behalf of this Nation. Today, I am introducing a bill which would direct NASA to present an Apollo exploration award to each of the Apollo astronauts or their families, all 32, to commemorate their historic and singular contributions to history and to provide a fitting thanks from a grateful Nation.

The gentleman from Florida (Mr. WELDON), who represents the space coast of Florida, has introduced this legislation with me. It would contain an authentic Moon rock recovered on the Apollo missions by the work of these men.

In my view, there could be no better recognition for these heroes, nor a better way to rekindle the accomplishments of Apollo in the public imagination. The only fitting commemoration for those who have touched the Moon or made that great achievement possible could be a piece of the Moon itself, and such recognition is long overdue.

Let me point out that NASA has recovered more than 2,000 different samples of the Moon in six landings. So the rocks required for the presentation would be a minuscule portion of our total holdings. My bill also maintains careful control over the lunar rocks, preventing them from being sold or transferred to anyone besides the astronaut, his family, or a museum. The lunar material, 80 percent of which has not been researched yet, could be recalled by NASA if needed for scientific research and then promptly returned.

Mr. Speaker, America was founded on the principle of exploration. We have it

in our power to continue this great tradition as a spacefaring Nation. I urge my colleagues to support this legislation to help stimulate the continuation of the vision of Apollo in modern times.

I would hope that this legislation is something that all of us, Republicans and Democrats, House, Senate and the President can agree upon unanimously, and as soon as possible. It would be a fitting closing tribute to this 30th celebration of the Apollo Moon landing.

#### DEMOCRATIC COALITION UNVEILS ITS TAX CUT PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SHERMAN) is recognized for 5 minutes.

Mr. SHERMAN. Mr. Speaker, today the new Democratic coalition, a group of Democrats who have brought our party into line with the real needs of the business community, unveiled our own tax cut plan, and I rise to compare that plan with the Republican plan that was floated over the last 2 to 3 weeks and which the House is likely to address in the next several days.

In doing so, Mr. Speaker, I think that we will discover that this should not be a bidding war to see who can offer the American people or who can offer the business community the largest tax cut, but rather that the business and investment community should embrace the tax cut package which keeps our economy strong and, at the same time, provides essential tax relief.

□ 1930

I have been down this road before, but from a long way away. As a CPA and tax attorney in California, I watched the floor of this House as the ERTA bill, the Economic Recovery Tax Act of 1981, was passed. And there was celebration in the business community. Lower taxes on capital gains; huge depreciation write-offs. No thought of fiscal responsibility. And I had to tell my clients, this was not the tax policy they should want. Because what we saw was an explosion of deficits, a stock market that performed not near as well as the stock market has performed of late. What we saw was a tax bill that needed to be corrected in 1986 and then again in the early 1990s and again in 1994. What we saw was a tax bill that undermined the economy. The lowest taxes that Ronald Reagan could possibly promise the business and investment community did not lead to the highest after-tax return. Instead, it led to deficits, inflation, high interest rates and unemployment.

But, Mr. Speaker, the Republican tax plan that has been floated recently is ERTA on steroids. It gives us a plan to undermine the economic vitality that we have built over the last several years at great difficulty. \$900 billion in

tax cuts over the next 10 years, nearly \$3 trillion in tax cuts over the following 10 years, exploding tax cuts. What does that mean? It means that everything that we have done in building this economy is under attack.

Yes, they say that these are tax cuts we can afford. But just barely, and just if you believe the most rosy of economic projections. What makes more sense is a fiscally responsible tax cut, for two reasons: First, because by paying down and paying off the debt, we will put ourselves in a position where we can assure the solvency of Social Security and Medicare through the retirement of those of us who are baby boomers. We can turn to today's seniors and tomorrow's seniors and say, "We have done the fiscally responsible thing in the 1990s and you can be sure Social Security and Medicare will be there." Just as importantly, in terms of dealing with the economy for the next 5 and 10 years, we can assure the markets that low interest rates are called for, that the high Dow is justified because we here in Washington continue to have our fiscal house in order.

The tax bill that the New Democrats have put forward is a reasonable one. It is news today that the President has announced that he would be willing to go along with a \$290 billion tax cut, \$50 billion more than his own proposal. Well, our tax cut comes in at just a little over that, a little over \$310 billion. It provides a permanent R&D tax credit. It encompasses the President's plan for aid for school construction. It goes a long way toward eliminating the marriage penalty. It provides for credits for those families that have to deal with the responsibilities of long-term care for those who are elderly and infirm. Finally, it provides for estate tax relief so that only the top 1 percent of Americans will ever have to worry about the estate tax. Finally, the people in my district will not have to prepare long estate planning documents.

Mr. Speaker, we should stand for reasonable and fiscally responsible tax cuts, and that is why I think we should adopt the tax cut plan of the New Democratic Coalition.

#### REPUBLICAN BEST AGENDA

The SPEAKER pro tempore (Mr. REYNOLDS). Under a previous order of the House, the gentleman from Georgia (Mr. KINGSTON) is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, the Republican Conference continues to work on the BEST agenda: B standing for building a strong military; E for excellence in education; S for saving Social Security and Medicare; and T for lowering taxes.

We worked very hard on the military issues this year and we have a strong military. We will be passing this week

the military appropriations bills that fund readiness, modernization and quality of life for our troops, including a pay raise.

On education, we have passed the Educational Flexibility Act that takes power away from command-and-control Washington bureaucrats and puts it back to the teacher, puts dollars to the teachers in the classroom and lets teachers realize that it might be a little bit different teaching Johnny how to read in Georgia than it is in Maine or than it is in California. It might be a little bit different in Savannah, Georgia, than it is in Statesboro, Georgia, or Brunswick, Georgia, and it certainly is different there than it is in New York City. This Congress has recognized that difference and said, "You know what, these teachers are good, they're competent, they're capable, they don't need busybody Washington bureaucrats telling them how to teach their classroom."

On Social Security, the President of the United States stood where you are, Mr. Speaker, stood in January and said, "Let's save 62 percent of the Social Security surplus and use it for Social Security." Mr. President, my grandmother wants 100 percent of her Social Security surplus and that because of the Republican Congress is what is going to happen and we are going to put that money, Grandma, for you in a lockbox, so that the President and his bureaucrat cronies in Washington cannot spend it on bridges and roads and other things like wars in Kosovo. We are going to save that for your own pension.

And on taxes. I want to talk to you about taxes. Mr. Speaker, there is one thing that just drives me crazy about these people in Washington. They always talk about this money as if it is their money. A couple of weeks ago, I was taking my daughters Betsy and Ann to Kmart because we had to do what lots of middle-class Americans do, we had to make the Kmart shopping run. We bought a bath mat, we bought an ice chest and we bought detergents and we bought a sleeping bag and we bought a new garden hoe. On the way out the door we noticed flip-flops were \$2.50 each so we bought a pair of \$2.50 flip-flops. The bill came to \$32, Mr. Speaker, and I had two 20's in my pocket, I gave it to the cashier and said, "Here's \$40." Now, I overpaid \$8. Did the cashier say, "Okay, now I'm going to throw in some magazines and some bubble gums and a couple of more pairs of flip-flops until we take all your money"? No, that is not what happens. They say, you have overpaid for this merchandise, so here is your money back. This is your \$8. Put it in your pocket and spend it at another store, save it, do anything you want.

But in Washington, these people say, "No, no, that's my money." That is what has happened. We have overpaid



for government, our hard-working 60- and 70-hour-a-week workers have overpaid for their government and these people in Washington have the audacity to say it is their money.

And so tomorrow we are going to have a big debate on tax reduction and you are going to hear over and over again that Washington cannot afford these tax cuts. It is the same rhetoric they said over and over again during Ronald Reagan when he passed one of the largest tax cuts in the history of this town. Eighteen million new jobs were created because people had more money to spend on goods and services, and so the economy thrived, interest rates went down, and this is a statistical fact. I do not know why people here are trying to mislead the American public.

Something else happened. Now, at the time we were involved in a Cold War and this Congress, where spending originates, Mr. Speaker, did run up the deficit, and Republicans are partially to blame on that, even though it was a Democrat House. I would say Republicans certainly, Mr. Reagan signed the bill, so I want to share the blame, but I am not going to attribute it to one sector of government. But the fact is that had nothing to do with the tax cut. That had to do with the Cold War and escalation of military spending to defeat the Soviet Union which is what happened and it was done without losing lives unlike previous wars.

But now we are going to also hear about how great the fiscal responsibility was of the Democrats during the Clinton tax increase in 1993 which was the largest tax increase in the history of the country. Liberals in Washington are going to tell you that is why this economy is strong today. I will ask you this question, my liberal friends. Why do we not increase taxes again? Why do we not have more government stimulus programs if it was so good? We all know the answer. The economy thrived despite the Clinton tax increase, not because of it.

What we will be doing tomorrow is returning to the American public their overpayment, and that is why it is the right thing to do. I strongly urge my colleagues to support the tax reductions to the American working class tomorrow.

#### DEMOCRATIC PERSPECTIVE OF REPUBLICAN TAX CUT BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GEORGE MILLER) is recognized for 5 minutes.

Mr. GEORGE MILLER of California. Mr. Speaker, I enjoyed listening to my colleague from Georgia who was just at the microphone talking about how the Republicans are working on an agenda and one of the parts of their BEST program was saving Social Security.

I also note with interest that right after the Republicans passed their \$3 trillion tax bill, the Wall Street Journal wrote that in order to pay for it, they are going to have to dip into Social Security and take \$25 billion out of Social Security to pay for this tax bill.

The fact of the matter is that America is enjoying the greatest economy in the history of our country, the longest economic recovery since the Second World War, we have more people working, more people are buying houses, more people are entering the workforce from people who historically have not been able to find a place in our economy than any time in the country and we have had relatively low interest rates. All of that has happened since the 1993 economic program of the Clinton-Gore administration when this Congress took a courageous vote but was only able to pass it with Democratic Members of the House and Senate, not a single Republican voted for that.

When we voted for that and the Clinton-Gore plan passed, they said that everything was going to go downhill, that interest rates were going to soar, that people were going to be unemployed, the economy is going in the tank, the Dow is going to crash. None of that has come to pass over the last 8 years.

It has taken us 20 years to get out of the hole that Ronald Reagan's tax cuts put us in in 1981. In 1981, we had a huge tax cut that we could not afford. It was sort of like increasing your kids' allowance after you have been unemployed. It sounds good, but it does not make a lot of sense. For 20 years, we have tried to dig our way out of that hole. For the first time we are now looking at surpluses and we are looking at surpluses over the coming years.

But what the Republicans are asking us to do is to take all that economic prosperity, to take those low interest rates, to take that job creation, to take that employment, to take those new homes and roll the dice with those with the tax bill that is \$800 billion in the first 10 years and then goes to \$3 trillion in the second 10 years.

Now, in order to do that, they tell you that everything is going to stay the same over the next 15 years. You have to believe that nothing is going to change in a negative fashion over the next 15 years. But if you go back to the Wall Street Journal, we already see that the Republicans are starting to think of ways of breaking the current budget caps because they cannot live within them. But the surplus that they want to give people back in tax cuts is predicated upon the fact that those budget caps will not only be enforced at their current levels, they will be reduced so there will be less spending, and yet the Republicans are trying to figure out ways to increase the spending this year because they cannot live under the cap.

I think the American people are on to something. When we look at all of the data, what the American people are saying is we know we have a \$5 trillion debt that has been run up over the past history of this country. Now the sun is shining on our economy and people are working and they are buying houses and taxes are being generated. Why do we not pay down the debt? Why do we not save that \$150 billion in interest? Why do we not take that interest and apply it to the debt just like a family would if they had a windfall? You would pay off the MasterCard, you would pay off the Visa bill, you would try to get out of debt; and the interest you save, you might use to buy your kids some clothes or you might use for whatever purposes you want. And the interest you save on low interest rates would be applied to your family income. You would be able to refinance your home that so many millions of Americans already have under this economic recovery.

For all of this we are going to pass a \$3 trillion tax bill that the Washington Post tells us mainly benefits relatively few people. The wealthiest people in the country get most of that tax cut. But what does it put at risk? It puts at risk every family's well-being. Because even Alan Greenspan said that if he had his way, he would not cut taxes, he would not increase spending, he would just take the savings we are making now in the surplus and apply it to the debt and let the surpluses continue to run because he knows that not every day is going to be a sunny day for the American economy. The clouds are going to come, the economic cycles are going to reoccur and we are going to have some bad times.

What better to go into bad times with than a little bit of extra in your savings account to tide you over? Just like a family does, that is what a Nation has to do. We are going to have some options over tomorrow and the next day. We can decide whether we are going to be prudent, whether we are going to take care of this economic recovery, whether we are going to allow it to last longer so more people can participate, or whether we are going to pick up those dice and just roll them out there on the crap table and see whether we can put it all at risk.

□ 1945

I vote to believe. I vote to believe that we ought to be prudent, that we ought not to take Social Security and Medicare and the education of our children and put it at risk because, understand, if you take the Republican proposal, and you take a \$3 trillion tax cut, there is no money for anything else.

That is why again, as the Wall Street Journal points out, they are already trying to play shenanigans with the spending programs to hide spending;



they are already prepared to go in and take \$25 billion out of a Social Security Trust Fund that is already broke. That is how they finance their tax cut.

Mr. Speaker, I do not think that is a program that American families want to endorse.

#### HEALTH CARE FOR OUR VETERANS

The SPEAKER pro tempore (Mr. REYNOLDS). Under a previous order of the House, the gentleman from Kansas (Mr. MOORE) is recognized for 5 minutes.

Mr. MOORE. Mr. Speaker, on June 19 I had community hours in Kansas City, Kansas, which is in my district. There were about 75 people who showed up to talk to me during a 2-hour block of period that Saturday morning. One of them was a man by the name of Jack Valentine.

Jack appeared to me to be in his mid-60s and sat down and was very disturbed and started his conversation and our interview, our meeting, by handing me a copy of his Veterans Administration card and a copy of a letter Jack had received from the Veterans Administration.

The letter read:

Dear Mr. Valentine, I am pleased to confirm your enrollment with the Department of Veterans Affairs Health Care System. You are in Enrollment Priority Group 7. For this fiscal year through September 30, 1999, we are enrolling veterans in Priority Group 7; however, we cannot assure that VA will be able to continue your enrollment after September 30, 1999.

What this letter told Jack Valentine was that in all likelihood his veterans' benefits, as far as prescription medication, would be terminated after September 30, 1999.

Mr. Speaker, after Jack handed me the letter and I read the letter, he said to me:

I have had three strokes, Congressman MOORE. I have been in the hospital three times. My doctor told me that I need this blood pressure medication. If I do not have it, the next time I have a stroke, it will kill me.

Jack has been told by his doctor that if he does not take his blood pressure medication, he is going to die. Jack has been told by the Veterans Administration that his prescription medication, his benefits, will most likely terminate on September 30, 1999.

Jack Valentine is a 64-year-old veteran from Kansas City, Kansas, whose father, his grandfather, and great grandfather were all buried in military cemeteries. But on September 30, 1999, his Veterans Administration medical coverage will likely terminate and put him at risk for a stroke, a fatal stroke. He does not have any other health insurance. He is in Priority Group 7, which means he is above the low-income threshold of \$26,000 for a house-

hold of two, and his medical case is non-service related.

This has become standard operating procedure for our Veterans Administration, delay until the last possible moment or deny the procedure until they just give up all hope.

Jack was there and talked to me. Jack, when he handed me his card and his letter, started crying, and Jack said to me, Congressman MOORE, I don't know where to go from here. I am so upset about this. I have thought about going to the Veterans Administration, up on the hospital steps there, Veterans Hospital, and committing suicide.

Jack was at the end of his rope, and I was his last recourse. I say to my fellow colleagues: we are Jack's last recourse. For the past 5 years, Congress has flat-lined the Veterans Administration budget. This is not any way to treat people to whom we owe a debt we can never repay. We should demand a quick turnaround time for claims. We should demand quality health care for our veterans. We need to fulfill our promise to our veterans. They laid down their lives in some cases, they gave of their time and their energy and sacrificed for us. We have a debt to those people, and we should repay the debt before, before we start massive, massive tax cuts. At the very least, we can fulfill the promise and the obligation we have to our veterans in this country.

Do not make me go back home and tell Jack Valentine his veterans benefits, his medical coverage, his prescription benefits are going to terminate on September 30, 1999. As a Nation, we need to do the right and the honorable thing for our veterans. We need to fulfill the promise.

#### BUDGET, DEFENSE, AND VETERANS' ISSUES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Maryland (Mr. HOYER) is recognized for 60 minutes as the designee of the minority leader.

Mr. HOYER. Mr. Speaker, I am pleased to have this opportunity to discuss with some of the real experts on defense and budget some of the issues that confront this Congress and the American public as it relates to budget, defense and veterans' issues. I want to thank the gentleman from Kansas (Mr. MOORE) for his comments just now on the impact of the budget on veterans.

We plan to use the next hour, Mr. Speaker, to discuss the issue of defense spending and to dispel the misguided rhetoric and unjustified claims from the other side of the aisle that the President is hollowing out this Nation's military forces. We will show that not only is the President pro-

viding a strong defense, but because of his fiscal discipline, joined by the Congress and in many respects led by the Congress, a surplus exists, a surplus that if the Republicans have their way, would not be used to fund critical military readiness needs or other discretionary programs, but instead provide a fiscally unsound tax cut.

Let me first address the over \$800 billion Republican tax proposal which perhaps will be debated tomorrow. How do they pay for this? They pay for it by using the projected on-budget surplus, not paying down the debt, not saving Social Security or Medicare, not investing in readiness, research, development, T and E, but a tax cut.

We are here today talking about the largest surplus ever recorded in dollar terms and the largest since 1951. Let me repeat that. We are here today talking about the largest surplus ever recorded in dollar terms under this administration and the largest since 1951 when Harry Truman was President of the United States, the largest since 1951 as a percentage of the gross domestic product, because the President's economic plan passed in 1993, and the Democratic Congress, without a Republican vote, it focused on reducing deficits, paying down debt held by the public, investing in our people and opening markets.

Our publicly held debt today is \$1.7 trillion below what it was forecast to be by President Bush's director of the Office of Management and Budget. Let me mention that again. In 1992, in December, President's Bush's director of OMB, Dick Darman, submitted an analysis to the Congress in which he said today's deficit was going to be \$1.7 trillion more than it actually is. It is less than projected because of that economic program.

This fiscal prudence has resulted in many achievements. Our Nation is seeing record economic growth for 5 years in a row. We have an unemployment rate which is the lowest peacetime rate in over 4 decades.

I would say, as the gentleman from California (Mr. GEORGE MILLER) said, that is a result of a program that was universally, unanimously opposed by our Republican colleagues. Real family income is up, real hourly wages are up, private sector growth is booming at the fastest rate since Lyndon Johnson was President. Business investment is at a higher rate than at any time since President Kennedy was in office, and Federal Government spending has been reduced to the lowest level in a quarter of a century.

The tax cut plan by the Republican majority would bring us back unfortunately and fearfully to deficits realized during the Reagan-Bush years where we went from \$985 billion in debt in 1981 to \$3.2 trillion just 12 years later. We tripled, almost quadrupled, the national debt in 12 years.

Let me remind everyone here that debt held by the public in 1981 was, as I said, 985 billion. Now 3.247 trillion; not now, in 1993. The tax plan that is being proposed will cost more than 864 billion over 10 years. Actually, that will be \$1.02 trillion when we consider the extra interest that will be paid because we do not, as the President has proposed and as we propose, pay down the national debt and save literally the American taxpayer billions and billions and billions of dollars in interest that they would otherwise pay if we did not reduce, as we propose to do, the debt. It will add an additional 1 trillion in public debt over the next 10 years and balloon to 3 trillion over the following 10 years.

Now I have three children and two grandchildren. I do not want them to have to pay off that added debt. I think it is immoral for us to follow that course. I think it is incumbent upon us as a generation that is doing very well to pay our debts and to leave the next generation, the young people of America, in a position where they can invest their money in the priorities of their time, not of our time.

Who would end up paying for this increase in interest rates if we do not pay down the debt? Consumers, home purchasers, farmers and small businesses in the form of higher interest rates. So while on the one hand they would have thought they got a tax reduction, in fact they will get an increase because of the interest rates.

By proposing a tax cut, the Republicans also in my opinion ignore something that every American depends upon every day, a strong and creditable defense. If this tax cut is realized, defense spending would be \$200 billion almost, less than the President's plan over 10 years. This, Mr. Speaker, is in my opinion unacceptable and unsafe in this unstable and dangerous international community.

I have shortened my discussion just a little bit because I have so many of my distinguished colleagues that have joined me.

The balanced budget agreement cut defense spending to a level dictated by an arbitrary formula. That was what we adopted in 1997. I voted for it because in that time we had large debt, not surpluses, confronting us. That formula, which was as a result, has removed the careful considered judgment of the President, civilian and military leaders and this body in deciding appropriate spending levels.

My colleagues saw the gentleman from California (Mr. GEORGE MILLER) a little earlier say the assumption of the Republican tax cut is that everything will stay on hold, all domestic and defense discretionary spending, essentially on hold. There is no question that defense spending has diminished below the point many of us would like to see, but the cause of this cannot and

should not be the subject of partisan finger pointing at one party or the other. We have heard too often recently the Republican side of the aisle, quick to blame the President for what they allege to be a hollowing out of our military.

The President's record on defense spending has not created, in my opinion, and I think the record reflects, a hollow force. On the contrary, today's Armed Forces are well prepared, well trained and dedicated as ever. But we must continue to invest. We must continue to ensure that our military is ready, prepared for whatever eventualities may occur. Our equipment remains effective and superior to our adversaries, as we have just seen. The performance of our men and women in uniform has been and continues to this day to be outstanding. Our military needs to be supported in a responsible manner.

Now frankly my Republican colleagues say that that is what they want to do, but then they propose a tax cut which will inevitably lead, as it did from 1986 to just a couple of years ago, 1986 to essentially, and the gentleman from Missouri (Mr. SKELTON) will perhaps tell us, but 1995 and 1996, to a continuing decrease in effective net defense spending. That was not prudent. We ought not to follow that course, but the tax cut will inevitably lead us to that end.

The Armed Services must compete with the robust economy which has provided a market rich for the technical, mature, educated product that our Armed Forces has produced.

□ 2000

The President has kept the Nation's armed forces strong and our military is the envy of the world. Mr. Speaker, just as we agreed in 1997 to work together to solve our economic crisis of dangerous deficit spending, we must now work together to ensure a continued, strong national defense and a continued, strong economy, and a continued reduction of the debt so that the American public and our children will be out of debt and keep interest rates low. That is the best thing we can do for our public.

Tomorrow, we will debate perhaps, we do not know yet, they are talking about it, the tax scheme which, among many things, will jeopardize our fiscal commitment to our Nation's defense. We in Congress must vow never, never, never to sacrifice our Nation's defense for the sake of partisan politics, and we must pledge to work together to ensure a ready superior force, prepared always to defend our Nation and its interests throughout the world.

Mr. SKELTON. Madam. Speaker, will the gentleman yield?

Mr. HOYER. I yield to the very distinguished ranking member of the Committee on Armed Services from the State of Missouri (Mr. SKELTON).

Mr. SKELTON. Madam Speaker, I certainly thank the gentleman, and I also compliment the gentleman on asking for and receiving this Special Order.

Mr. Speaker, we are talking this evening about priorities for spending this surplus budget. Of course, we hope to reduce the Federal debt, we hope to protect Social Security, we hope to protect Medicare; we must fully fund the military as the gentleman talked about so well. As a matter of fact, I have declared this year, and we have worked for and I think successfully in the bill that we have passed, and we are now in conference on with the Senate, I have named this the Year of the Troops, because we have done good things in this bill to make conditions better for them, their pay raise and potential pensions better for them, and this really is, this year, the Year of the Troops. There are recruiting problems, there are retention problems, keeping those fine young men and women in uniform rather than going home discouraged, urging them to recruit, to come in and join the magnificent adventure that we know as the American military.

Madam Speaker, one thing that concerns me is our military retirees. Let us look at this whole issue through the eyes of a military family. The father is one who has spent 20 years in the military and retired as a sergeant first class. He has done well. And he has a son who is now in the military and has been in the military some 6 or 7 years, and that son has a wife and children, and they look at Congress as to what does the future hold for us?

Well, first, let us look at the young man, the young corporal who is in the military at the present time. His wife is working hard because of the fact that they have 3 children. They are on food stamps. This is not acceptable for any member of our military to have to receive food stamps to feed them. And yet, that is the case in this particular family.

Let us look at the father who spent some 20 years in active duty, an honorable discharge, one who performed his duty well, whose time had been under fire in adverse conditions, receiving commendations therefor. And this man, this military retiree develops a serious health problem and goes to a nearby military post and asks for help, and he is turned away because of his age, because of the fact that there are no facilities to take care of him. And he is bitter. He said, but when I joined the Army and they asked me to stay for 20 years for a full commitment that they would take care of my health problems for life, and then he finds that that is not the case.

We are letting down two generations of young military and senior military people. We cannot allow that to happen.

How do we stop it? We look toward this fortunate budget surplus that we have. And I might say, Madam Speaker, that I was very proud to be a part of the beginning and the continuation of the budget surplus through the votes that we held here through the years. We must take care of this family and families just like them.

The Committee on Ways and Means is marking up the reconciliation bill that will provide for billions of dollars in tax cuts over the next 10 years. I am very concerned that these tax cuts are being contemplated when we have not ensured that adequate health care will be available to our Nation's seniors.

I am particularly concerned about providing health care to military retirees. When they joined the military, many of them during the Second World War, they were promised lifetime health care facilities if they completed 20 years or more of military service. My hat is off to them for doing that.

Tom Brokaw recently wrote a book entitled *The Greatest Generation*, and these are the men and the women of that generation that helped build America. They came through the Depression, won the war on both ends of the earth, in Europe and in the Asian area, came back and built our economy and strengthened our freedom and made us the grandest civilization ever known to the history of mankind, and these are the same ones that are being deprived of medical health care, even though they have performed their 20 and 20 plus years of active military service. It is not right for them.

We must do a better job. We must look very seriously at this budget surplus. We must take care not just of the troops that we have now, and I am so proud of them. I am so proud of them, what they did in the effort regarding Kosovo is a new chapter in American military history. But yet, those who are retirees wrote their own chapters in military history. I am proud of them so much as well.

So I must say to my colleagues, let us think hard and long on this. Let us use this budget surplus to help those young men and young women in uniform today and those who wore the uniforms so ably and so well in yesterday. We can do it. It is a matter of reason, a matter of taking care of first priorities first.

Our national security is the first challenge, it is the very first precept that we in Congress have is to have a national defense for our Nation. In doing so, we must not break faith with those in the past, we must not break faith with those young men and young women in uniform today.

So I compliment the gentleman, and I look forward to using the budget surplus well and not let it be taken away from the military, from the national defense of our beloved country. I yield back.

Mr. HOYER. Madam Speaker, I thank the very distinguished gentleman from Missouri who, if our party were in control, which we are not, would be the chairman of the Committee on Armed Services, who has served on that committee with great distinction for some 2 decades and who has made enormous contributions to the strength of this Nation.

I would again reiterate that he and I and others who will speak, while we are saying that we need to make sure that the military component of our country is strong and fully funded, we are saying that the majority of the surplus ought to pay down that debt, because then our entire country and our economy will be strong, and we will have the resources to keep not only a strong defense, but a strong educational system as well, and to save and ensure the security of Social Security and Medicare, so that we can accomplish those objectives which will benefit all of our Nation and the international community as well.

Madam Speaker, at this time I would now like to yield to my good friend, the gentleman from Mississippi (Mr. TAYLOR), and the ranking member, who also would be a chairman of a very important subcommittee of the Committee on Armed Services. I thank the gentleman for joining us.

Mr. TAYLOR of Mississippi. Madam Speaker, I would like to clarify a couple of things, because the folks back home often hear about a surplus. I guess the President started saying it, the Republican leadership tried to one-up him, but I think it is accurate to say that through this month, there really is no budget surplus.

For the first months of fiscal year 1999, that is October through May, the Treasury reported a cumulative surplus of \$40.7 billion. But it is composed of an off-budget surplus of \$78.8 billion. That is things like Social Security taxes that are supposed to be set aside for paying Social Security benefits and nothing else. To spend them in any other way is to steal from the American people. There is an on-budget deficit of \$38.1 billion. The Office of Management and Budget estimates a fiscal unified surplus of \$98 billion to be composed of \$123 billion surplus, but that is off-budget, minus a \$24.8 billion on-budget deficit.

Folks, Social Security trust funds are a promise between the American Congress and the American people. It is a special line item in your taxes. It is a promise that that money will be collected and set aside for your benefits and your spouse's benefits when that time comes in your life when you need them. For this Nation to spend them on anything, to give someone else a tax break with your Social Security money, is a crime against you.

The Federal debt is still growing. At the end of May, the public debt was \$5.6

trillion. For someone from Bay St. Louis, Mississippi, that is pretty hard to comprehend. For the first 8 months of this fiscal year, the public debt actually increased by \$78 billion.

Now, something we may not realize is that your government borrows money, and when your government borrows money to have to pay interest just as you would on your Visa card, on your home loan or on your car loan, the interest on the Nation's debt is the single largest item on the Federal budget.

In fiscal year 1998, last fiscal year, \$363 billion was spent on interest. That is your money, that is your money that could have gone for education, it could have gone towards the military, it could have gone to build roads. Instead it went to some banker or some lending institution that lent this money to the Nation, and one-third of that money went to foreign lending institutions, because that is who owns one-third of our debt.

Through the first 8 months of this fiscal year, the Treasury has already paid out \$222.7 billion of your money on interest. Just to let you know, since the gentleman from Missouri (Mr. SKELTON) and I serve on the Committee on National Security. For the first 8 months of this year, we have spent \$50 billion more on interest on the debt than we have on the military, and the year is not over yet.

Lastly, the point I want to make is we cannot undo 40 years of deficit spending with a couple of months worth of surpluses. The last time our Nation had an on-budget surplus was in 1960. Since then, the debt has increased by \$5.7 trillion at an average of \$136 billion each year. For my Republican colleagues to say that there is plenty of money to give the wealthiest Americans a tax break is totally false. The only way they can do it is to take your Social Security Trust Fund, your taxes, and give someone else a tax break with your taxes. That is not why I came here. I came here to try to do the right thing, not the easy thing. They want to do the easy thing.

Madam Speaker, that is not the worst of it. The gentleman from Missouri (Mr. SKELTON) pointed out the horrible injustice done to our Nation's military retirees, people who spent years in places like Vietnam, in Korea, in Germany, now in Bosnia, Kosovo, people who dedicated the prime of their lives to defending you and me and our families. They were promised, every single one of them was promised free health care for themselves and for their families for the rest of their lives if they served honorably for 20 years. When I enlisted in 1971, the promise was made to me. I did not stick around for 20 years, so I did not earn it. But those who did earned it. It was in the Army's recruiting brochure all the way up until 1991. It was a promise that was

made, a promise that has to be kept. How on earth do you keep that promise if you give all the money away in tax breaks?

The gentleman from Missouri (Mr. SKELTON) did not mention it by name, but the program that would allow military retirees to continue going to the base hospital, even after they turn 65, is called Medicare Subvention and it is a very simple concept. It would allow that base hospital, be it Keesler Air Force Base in Mississippi or a Naval air station or a Marine Air Corps base, to send a bill to Medicare for providing medical care to a veteran who has served our Nation for 20 years, just like they would the private sector doctor who treats that same person. It would cost our Nation \$1.2 billion to fulfill that promise of health care to our veterans, to our military retirees.

□ 2015

Is it in this bill? No. There is \$800 billion worth of goodies for their big contributor friends, but not a penny to take care of our military retirees, not one cent.

Those who paid the price come home with the least. Why? Because they do not have lobbyists down the street. They do not have lobbyists at the Capitol Grill and the other four and five star hotels and restaurants here in Washington.

They can barely get by. They can barely pay for their prescriptions. So in the eyes of my Republican colleagues, they do not count. They will not make a big campaign contribution so they do not get just \$1.2 billion to fulfill that promise that has been made by every recruiter in our country for the past 50 years. And they are going to say that this is good for the Nation? That is baloney.

It gets worse. It gets worse, because I was talking about retirees. What about the active force right now? What about the typical soldier who is spending 120 days a year away from his family, a typical Marine 150 days, a typical airman about 120 days, a typical sailor, 180 days out of this and every year away from his family; not seeing his kids growing up, not being there for the piano recital, his kid's Little League ball game. He is giving up half his life to defend us.

What do they have in it for him? After 5 years of Republican control of Congress, what do they do for them?

This is a lady named Lisa Joles. She was on the front page of today's Washington Post. She is the wife of a United States Marine. She is picking up a used mattress off the curb at the Quantico Marine Base on Saturday. She and other spouses do this on a periodic basis to make furniture available for the people serving our country, defending our country, as we speak.

What is in this package of \$800 billion of goodies for the special interests, the

big bucks contributors, that are right now over at the Capitol Hill Club, right now at the Capital Grill, right now at the Mayflower and all the other fancy hotels and restaurants in Washington? What is in it for Lisa and her family? Absolutely nothing, because the truth of the matter is, after 5 years of Republican control, the defense budget is still about \$30 billion less than it was just 8 years ago.

They said this was the folks they were for. What do my colleagues think Lisa gets out of that bill? My guess is she does not get a doggone thing.

That is not the worst of it. Look at this guy, a United States Marine. How hard did he have to work to earn that title? In addition to all the things he went through just to earn that title, he is gone from his family about 150 days a year, defending us, front line of freedom, toughest guys we have out there.

This gentleman is in today's Washington Post, and I hope everyone will forgive me if I get his name wrong. He is Lance Corporal Harry Schein. His son's name is Devantre.

The reason he is in today's Washington Post is to make the point that he works two part-time jobs so he can live on his Marine salary and take care of his son.

That is not the worst of it. The real tragedy is that what I have shown are not exceptions. They are the norm. After 5 years of Republican control, the guys who said they were going to come here and make national defense their first priority, we are seeing what their first priority is tomorrow: \$800 billion in tax breaks, mostly geared to the top 1 percent of income earners in America. The top 1 percent get more than half of the money.

I do not think there is one person in this room that falls in that category. There is probably not one person watching this on television that falls into that category. They are probably at the Capitol Hill Club. They are probably at the Capital Grill, the Mayflower. They are probably writing some Republican a thousand dollar check because, boy, they are going to get it back with that tax bill; they are going to get it back tenfold. When someone gets, even under their plan, a 10 percent break, the guy who pays \$1,000 in taxes gets back \$100; but the guy who pays \$50,000 in taxes, oh, my goodness, he gets \$5,000 back.

They say it is fair? I do not think so. I came here to look out for the little guy, and believe me, the rich guys do not need any more representation here in Washington. They are overrepresented. I think the little guys need some representation for a while.

Just look at these numbers. These are the people who are defending our country right now. They are in crummy places like Kosovo. They are in crummy places like Bosnia. Heck, some of them are in Colombia; they are

in Panama. Some of them are sitting on the tip of Cuba in a place called Guantanamo. They are sitting on the aircraft carriers for 6 months at a time. They are sitting under the sea in submarines for months at a time.

Fort Belvoir, an allotment for food stamps for United States active duty military, \$66,000. For the women, infants and children's program, active duty military, their families, \$138,000.

What of that \$800 billion is for them? Nothing, because they pay the most, and they do not have lobbyists and they cannot buy dinners at the Capitol Hill Club or the Capital Grill or the Mayflower. So they get nothing.

If this bill passes, and \$800 billion worth of revenue is taken out of the stream, it never gets fixed, because as I said at the beginning there is no surplus yet. We are getting mighty close to it. I am proud that we are getting close to it, but they do not take care of those folks. They are not only robbing senior citizens' Social Security trust fund, they are depriving those who pay the most of an opportunity to make a little bit more money.

What did they do for them in this year's defense bill? A 4.8 percent increase. Now, let me say, everything is relative. Everybody knows Congressmen make good money; 4.8 percent of a Congressman's salary is good money. 4.8 percent of nothing is nothing. And they say this is fair? They say this is good for the country? Who is kidding whom?

We have a chance to change that tomorrow. We really have a chance on this House floor to decide whether or not we listen to the American people or we listen to the big bucks lobbyists. Do voices count or do state dinners at the Capitol Hill Club, the Capital Grill, the Mayflower? Do thousand dollar contributions from the few mean more than doing the right thing for the many?

Oh, they are going to say, it solves the marriage tax penalty. It does, but these are the guys who are paying the price. These are the guys who are paying the price. It does nothing for them. All it does is ensure there will never be any money to fix those problems.

Do not take my word for it. I have served on the Committee on Armed Services for almost 10 years now. Let me quote some of my Republican colleagues. Let me quote a great man, the gentleman from South Carolina (Mr. SPENCE), himself a veteran, who is the chairman of that committee. This is a publication he put out in February. "The President's fiscal year 2000 defense budget falls at least \$18 billion short of what the Nation's military leaders have identified as unfunded requirements in the coming year, and nearly \$70 billion short over the next 6 years."

I would say to the gentleman from South Carolina (Mr. SPENCE), I agree,

but if they give it all away to the fat cats, where are they going to find the \$70 billion to solve that problem?

Another Vietnam veteran, great American, the gentleman from California (Mr. HUNTER), quote from just last month, "The war I am concerned about, Mr. Chairman, is the next war, and I am concerned about the stocks of ammunition that are now very low. I am also concerned about those young men and women who have served us so well in the air war that has taken place over the past 78 days. The best way we can serve those men and women in uniform is to see to it that we get a large number of them off of food stamps. I am talking about the 10,000 military families that are currently on food stamps." This is the gentleman from California (Mr. HUNTER), chairman of the Subcommittee on Military Procurement, House Committee on Armed Services.

"Another way we can serve them is to see to it that we have the spare parts to get our mission capability rates up above 70 percent and to get that crash rate which last year was 55 aircraft crashing resulting in 55 deaths," of brave young Americans, "during peacetime operations down to a lower level, if not an acceptable level. All of that is going to take money."

I would say to the gentleman from California (Mr. HUNTER), he is right; it is going to take money, but if we give it away to the fat cats and defense cuts, that money not only will not be there, it will not be there for the next 20 years because they give away \$800 billion in the first 10, and then they give away an additional \$2 trillion in the next 10.

It goes on. The gentleman from Pennsylvania (Mr. WELDON), a leader on this House floor for national missile defense, no one understands the subject better than he. He is sincere when he says these things, and I am going to remind everyone of what he has to say. "In fact, if we look at the record over the past 7 years, the only major area of the Federal budget that has in fact been cut in real terms is the defense portion of our budget. In fact, it has gone down for 13 consecutive years. In the past 3 years, I have been a Republican and as chairman of the Subcommittee on Military Research and Development, voting consistently against the B-2 bomber, it is not that I do not like the technology. I think the technology is critically important, but I just do not think we can afford the B-2 bomber with the budget limitations we have and with other problems we face as a Nation."

I would say to the gentleman from Pennsylvania (Mr. WELDON), we will never solve those problems if we give away \$800 billion to the fat cats tomorrow and another \$2 trillion 10 years after that.

Lastly, the Republican majority leader, the gentleman from Texas (Mr. ARMEY), April 19, 1999: "Since the end of the Gulf War, our military has shrunk by 40 percent. Army divisions have dropped from 18 to 10; fighter wings from 24 to 13. The Navy used to have 546 ships. Now it has only 333. At the same time our deployments have increased. As the gentleman from Pennsylvania (Mr. WELDON) often points out, we have had 33 Army deployments in the 1990s alone, compared with 10 for the entire period from 1950 to 1989. Funding has been inadequate to meet demands. The result has been lower troop retention, slow recruitment, shortage of spare parts, deficient training. Clearly this Congress must pass on an urgent basis legislation to reverse the decline of our military. Only by doing so will we prevent trouble from breaking out in many parts of the world."

Again, that is not me. That is the gentleman from Texas (Mr. ARMEY), the Republican majority leader.

So I call on the names that I just mentioned, the gentleman from South Carolina (Mr. SPENCE), the gentleman from California (Mr. HUNTER), the gentleman from Pennsylvania (Mr. WELDON), the gentleman from Texas (Mr. ARMEY). Tell me how are they going to solve the problems that they have so articulately spelled out and deprive this Nation of first \$800 billion and then \$2 trillion after that, when we are already running a deficit? The answer is, they cannot.

So I mention I serve on the House Committee on Armed Services, and for the first hour of every meeting I hear my Republican colleagues, one after another, talk about the shortfalls in defense spending. They have every right to do so, because they are there and they are real.

I also have every right, and I am putting them on notice right now, that should they vote to deprive this Nation's military of \$800 billion tomorrow, I will remind them at every meeting, as long as I serve on that committee, that they contributed to the problem. They can vote to help solve it tomorrow. They can vote to help contribute to the problem. I hope they will do as they said when they pointed out our Nation's defense needs.

Mr. HOYER. Mr. Speaker, I thank the gentleman from Mississippi (Mr. TAYLOR) for his contribution. I do not think we have any stronger fighter for personnel in the House and the average personnel, the guys and gals who really make it happen when this Nation needs to have it happen. I thank the gentleman from Mississippi (Mr. TAYLOR) for also pointing out that there is no free lunch; that actions have consequence. While it is nice to talk about cutting taxes, it is difficult to do that when talking about \$800 billion and then \$2 trillion and say at the same

time we want to save Social Security, save Medicare, pay down the debt so we can keep interest rates low and bring them down even further, and maintain a strong defense.

□ 2030

Madam Speaker, I hope that, when they try to say that, I know the gentleman from Mississippi (Mr. TAYLOR) will remind them on a regular basis that it is easy to say and tough to do.

Madam Speaker, I yield to the gentleman from Indiana (Mr. HILL), one of our most able, new Members.

Mr. HILL of Indiana. Madam Speaker, I want to repeat as a freshman Member of Congress what has already been said by the previous speakers. We have no budget surplus.

According to the Congressional Budget Office, we will have an on-budget deficit of \$4 billion in the fiscal year of 1999. If we take away the surplus in Social Security, our budget is still running a deficit. If we read the fine print of the CBO report, we will not have a real budget surplus next year either. CBO estimates that we will have a \$3 billion deficit for fiscal year 2000.

I do not believe that it is fiscally responsible to spend money that we do not have and that we may not have in the future. After 30 years of budget deficits, this Congress has still not learned it cannot spend money it does not have.

As we stand on the bridge of finally balancing our budget and beginning to pay down our \$5 trillion debt, the leadership of this House has put forward a bill that could blow a giant new hole in our budget and create trillions of new dollars of debt that our children and grandchildren will have to pay.

What happens if the budget forecasts change and our economy does not produce the surpluses the experts are now predicting? We will turn again to Social Security and its trust fund and use the Social Security trust surpluses to conceal the irresponsible behavior just like Congress has done for the last 30 years. This is wrong.

The decisions we make this week about our budget priorities will affect millions of Americans, including our veterans, the people who put themselves in harm's way for our country.

I just received a seat on the Committee on Veterans' Affairs, and I am learning how many unmet needs there are in our veterans' community. Many veterans are not receiving the health care, as was previously mentioned, and other benefits they were promised when they enlisted to defend our country.

Over the next few years, Congress must act to make sure that we keep the promises that we made to our veterans when they enlisted in our armed services. We will not be able to keep these promises if we pass a bill this week that soaks up every cent of our

projected budget surplus for the next 10 years. We will have no money to fix the problems that plague our veterans' health care system.

So, Madam Speaker, I urge this body to set aside whatever real surpluses we have over the next few years to pay down our God-awful debt that we have collected and to protect Social Security, Medicare, and our country's veterans. This is the responsible thing to do.

Mr. HOYER. Madam Speaker, I thank the gentleman for his contribution, and I think he articulated it very well, very concisely. That really is the alternative we have of acting responsibly or acting irresponsibly, very frankly, as we did when we quadrupled the national debt and put that on our kids and the next generation. I think the gentleman's contribution was very, very significant.

Madam Speaker, it gives me a great deal of pleasure to yield to the gentleman from Mississippi (Mr. SHOWS), one of our newest Members of Congress, but one of our most able Members of Congress.

Mr. SHOWS. Madam Speaker, I appreciate the opportunity to be here. I do not know if I can articulate it as well as the gentleman from Mississippi (Mr. TAYLOR) did with his 10 years of experience on the Committee on Armed Services.

I think we are all here tonight saying we do not oppose tax cuts, but I think they ought to be targeted tax cuts, I mean real tax breaks to help real people, help folks like with college tuition, nursing home expenses, starting small businesses, and to help our American farmer.

What I do not support is a tax plan that is irresponsible and how it adversely affects children, senior citizens, agriculture, our veterans, and our national defense.

Tonight, I want to focus on our veterans, those who have protected the gates to democracy, have stood on foreign soil, and battled adverse odds so that we can stand here tonight.

I have got to mention my father, Clifford Shows, who fought in World War II and was captured at the Battle of the Bulge, almost amputated his feet when he got out, Madam Speaker. He spent 6 months as a POW, marching in the snow as a prisoner of war. He and the thousands of others from this generation have carried us through a Great Depression and won a world war.

Like Tom Brokaw says, "I believe they are our greatest generation. These veterans, and the others from Korea, Vietnam, the Gulf War, and all those who have stood so strong that our flag can proudly fly today are our veterans, and they deserve our strong respect and support."

I am a new Member of Congress and a new Member on the Committee on Veterans' Affairs. I have sat through

testimony after testimony about the President's budget. I have sat through testimony about the state of the VA health care system. I have read about VA plans to lay off 1,100 workers at veterans' hospitals.

Right now, if it was not for the volunteers who are working in our veterans' hospitals, I do not know what the staff of these hospitals would do. Needless to say, this has not been an encouraging few months with regards to the needs of our veterans.

Now, over an \$800 billion tax cut is being proposed, one that only provides real savings to the wealthiest in our Nation. This proposal comes at a time when the VA is struggling to maintain the health care needs of veterans. These tax cuts are just irresponsible.

When my father goes to VA, he has to drive 2½, 3 hours to get to a VA hospital. We want satellite facilities, but can we afford to do it under this proposal?

This Congress passed a budget resolution that would increase funding for veterans' health care by \$1.7 billion, and it is not enough. We must focus on keeping that commitment.

Now is the time to stay focused on the needs of our veterans. Did my colleagues know that veterans' hospitals across the country have to rely on these volunteers, or we would not be able to give them the basic service they have right now; that the number of hospital beds are being decreased; and that veterans cannot receive the attentions from doctors that they deserve?

The World War II veterans right now are dying at a rate of over 150,000 per month. I hate thinking about that. But we must, and we must not only think about it, we must take action to fix it. We can fix it, and we can take action.

The integrity of our budget, real reduction in the national debt, saving Social Security and Medicare, supporting our veterans and targeting tax cuts that really help folks can be done. Playing politics with tax money, making irresponsible 10-year projections about surpluses that can change as quickly as the projections must not be done.

Sound bites are fine and dandy. But what we need are real solutions for real problems that touches the lives of real people is what this Chamber must be about. Let us do these things that are right. Let us support our veterans. They have supported us. They have fought for us, and they have protected us. We are free today to be here today because of our veterans.

Mr. HOYER. Madam Speaker, I appreciate very much the intervention of the gentleman from Mississippi (Mr. SHOWS), and I hope that he will take back to his dad our thanks, not just from those of us who have heard him speak tonight, but from a grateful Nation.

I think we all agree with Tom Brokaw that this was one of the great generations of all time in this country who, when the challenges came, knew that the costs would be high, but they were willing to pay it.

My opinion is the American public knows that freedom is not free, that keeping our promises to our veterans is not free, that paying down that debt is not free. They have to pay down their debt all the time, and they know that, when they do, their families are better off. The gentleman from Mississippi (Mr. SHOWS) makes the point that that is what we need to do as well, and I appreciate his contribution.

Madam Speaker, I yield to the gentleman from Washington (Mr. DICKS), one of our most distinguished senior members of the Congress of the United States who, in my opinion, is one of probably 10 of the real experts on defense issues and the readiness issues and the status of our Armed Forces here and around the world that we have in the Congress of the United States.

He is from Washington State. He has been a Member of Congress for over 20 years. He is the second ranking member on the Committee on Appropriations Subcommittee on Defense, and I am very pleased that he joined us tonight.

Mr. DICKS. Madam Speaker, I want to thank the gentleman from Maryland (Mr. HOYER) for taking out this special order. I must say, over the years, I have enjoyed working with STENY HOYER, because I think he is one of the most serious and most reflective Members of this institution.

I must tell my colleagues that I am very, very concerned that we are going to repeat a mistake that we made in the 1980s when we passed a major tax cut bill in 1981. We had a defense buildup that only lasted until 1985, midway through the Reagan administration. Then we went for many years cutting defense every single year simply because we did not have the money.

Now we are faced with a situation in, let us face it, a post-Cold War era where we realize that we have cut defense now by 37 percent. We are faced with the problem that, with discretionary spending being cut, as it has been over these last several years, that if we have another major tax cut that will take up a lot of discretionary authority, that we will wind up not being able to do for defense what we need to do.

Now, one of the great myths in this institution is that the Republicans are for more money for defense. But the facts do not really tell that story. The President's budget request between fiscal year 2000 and fiscal year 2005 is \$198 billion higher than the Republicans.

Now, I think there is a few Republicans, if they knew that, they might follow the gentleman from New York (Mr. FORBES) and come our way. But

the reality is that, if we have another major tax cut, that we are not going to be able to take care of the needs of defense in the future.

I worry about this because President Clinton put \$112 billion additional money in the defense budget. Even with that, we are still having a major problem with readiness, with training, with replacing the older weapons systems that need to be replaced.

So I hope that the Republicans who claim that they want to increase defense will realize that, if they pass these huge, massive tax cuts, that there simply will not be the money in the future to adequately take care of the defense needs of our country.

We are faced with decisions this year already in the defense mark-up about whether we can afford certain weapon systems because the Chief of Staff of the Air Force sends over a list of \$18 billion in unmet needs that he has. That is one of the services. Also, we are seeing a situation where the Navy and the Air Force, for the first time, are not able to meet recruiting goals. So we have got serious problems.

I think the Democratic alternative of having a tax cut with a more targeted tax cut that will not take up as much money in the future is a much sounder policy and will allow us to have the resources necessary in the future to take care of our defense needs. Having gone through this once in the 1980s, I would prefer not to go through it again.

I appreciate the gentleman from Maryland (Mr. HOYER) for taking out this special order tonight to give those of us who are concerned about defense a chance to mention these important facts. If my colleagues remember the great story of the fact that, between George Washington and Jimmy Carter, we had a deficit of only about \$980 billion, and then, after the tax cut in 1981, we had a \$4.5 trillion increase in the debt.

Now, even with the good news in the economy, it would still take us 2015 to pay off that entire debt if we were using restraint.

I will tell my colleagues in my district, my constituents would say pay off the debt before we do another tax cut and make sure we have got enough money to protect defense, Social Security, and Medicare. Those are the right priorities.

□ 2045

Mr. HOYER. Madam Speaker, I want to thank the gentleman very much, and I could not agree with him more; that those are the right priorities. And that, of course, is the point of this special order, and the remarks of my colleagues who have spoken, have spoken of those priorities.

The gentleman from Washington and I went through the 1981 experience together, and we do not want to relive that.

Madam Speaker, I will now yield to my good friend, the gentleman from Texas (Mr. TURNER), a former State Senator now Member of Congress from Texas, who has now been here for a number of years and has really become an expert on a number of matters.

Mr. TURNER. Madam Speaker, I thank the gentleman and appreciate his having this hour for us to talk about perhaps the most important issue that this Congress will face in this session. The proposal to reduce taxes at a time when we are just now beginning to see a balanced budget is indeed an issue that we must all confront with a great deal of concern.

The chart to my left shows the history of Washington spending more money than it has taken in. In fact, we have gone for 29 years in Washington spending more money than was taken in. This chart shows the history by presidential administration.

My colleagues will notice that President Johnson was the last president to have a balanced budget. Through the years of President Nixon we had budget deficits. They got larger through President Ford. They got larger through the administrations of President Carter. They got much larger through the administrations of Ronald Reagan. They got even larger during the administration of George Bush. And it has only been during the Clinton administration that we have begun to see reductions in the annual Federal debt.

In fact, this past year was the first time that the annual deficit was not there. In fact, we had a surplus in the overall Federal budget. And it will be only next year that we will actually have a true surplus based on the projections when we look just at the general operating fund of the Federal Government and do not look at the surplus in Social Security.

The next chart reveals what has happened through all those years of accumulating annual deficits, spending more money every year than we took in. We can see we have accumulated an increasingly large national debt, until today we owe over \$5.6 trillion.

When we look at where money is spent in the Federal Government, and these are figures from fiscal year 1998, we see that interest on the Federal debt is now the second largest category of Federal spending. In fact, in the blue we see that in 1998 we spent \$364 billion just to cover the interest on this \$5.5 trillion national debt. Only Social Security was an area where we spent in the Federal Government more money.

If we look at the green, we can see that national defense, the third largest area of expenditure, was only \$268 billion, falling beneath the amount that we spend every year just to cover the interest on the national debt.

We also know that defense spending has gone down since 1962. Defense spending back in 1962 constituted one-

half of the Federal budget. Today, it only constitutes 16 percent.

When we hear all this talk about the surplus, we need to understand that the surplus is just an estimate of what the Congressional Budget Office thinks we might see in the years ahead. And, in fact, it is based on some assumptions and some projections that may not turn out to be true. In fact, we may not really have a \$2.9 billion surplus. If any of these four things were to happen at one time, we would have no surplus.

For example, if Federal spending increases, instead of going down, as is projected under the Balanced Budget Act of 1997, just kept up with inflation for the next 10 years, 18 percent of that surplus would disappear.

If Medicare spending grows at just 1 percent faster than is projected, 12 percent of the surplus disappears.

If productivity grows at the rate of 1.1 percent per year, the average since 1973, instead of the number the Congressional Budget Office used of 1.8, then 53 percent of the surplus disappears.

And if the unemployment rate just goes up one quarter of 1 percent, 17 percent disappears and there is no surplus.

#### BUDGET, DEFENSE, AND VETERANS' ISSUES

The SPEAKER pro tempore (Mrs. WILSON). Under a previous order of the House, the gentleman from Mississippi (Mr. TAYLOR) is recognized for 5 minutes.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield to the gentleman from Texas (Mr. TURNER) to continue his discussion.

Mr. TURNER. In summary, Madam Speaker, if each of those four assumptions turn out to not be true, we will find out there is, in fact, no surplus.

When we have needs in Social Security, needs in Medicare, needs in national defense, all of these require us to have additional funds. And if we want to pay down the national debt and not pass on that burden to our children and grandchildren, we need to reject this blockbuster \$864 billion tax cut that will be before the House this week.

Mr. TAYLOR of Mississippi. Madam Speaker, I yield to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Madam Speaker, I rise today to ask Congress to maintain fiscal discipline and to work to reduce the national debt.

In the coming weeks, we are going to be talking about tax cut packages and what to do with the projected budget surplus.

I underline projected. It does not exist, it is just imagined.

The Congressional Budget Office earlier this month revised its budget outlook upward saying the budget surplus would reach a total of \$996 billion over the next 10 years assuming existing revenue and spending policies remain in place and the economy continues growing



at rates at least equal to its performance today.

The Office of Management and Budget, relying on the same kinds of assumptions, projected the budget surplus would grow to \$1.08 trillion over the next 10 years.

These projections are very dangerous.

Only three years ago they were projecting deficits for as far as we could see.

Now it is surpluses.

We simply should not spend money we do not have, and when we get some extra, we should pay off the debt.

A new study by the Center on Budget and Policy Priorities shows the projected budget surpluses may not come true.

This study shows that the majority of this so-called surplus is based on Congress maintaining the budget caps set in the 1997 Balanced Budget Act.

But, Mr. Speaker, Congress this year alone has already broken those caps by almost \$30 billion in unanticipated spending.

If we set aside the Social Security trust fund, as we should, protect Medicare and deal with emergencies, there will be a small surplus, and it should go to pay off the debt.

While some folks are getting caught up in a surplus feeding frenzy, we should be conservative and be careful before spending projected surpluses that may not materialize.

We should not rely on ten and fifteen year budget projections to justify large tax cuts or new spending programs.

Budget projections for the next ten years have improved by nearly \$2 trillion in the last twelve months—they could go the other way just as quickly.

Today's budgetary projections are headed in the right direction but they are simply best guesses.

If a surplus actually appears, we should use it to get our budget on a solid long-term path by paying down our debt and dealing with Social Security and Medicare first.

Paying down the national debt is the most important thing Congress can do to maintain a strong and growing economy with low inflation.

Madam Speaker, we talk about these projected surpluses like they were real money, but there is an old joke in the part of the country where I come from where they talk about the board of directors that was going to hire a new CEO.

They brought in an accountant and they interviewed him, and they said, what is two and two? And he said, well, it depends on whether it is a deficit two or whatever column you put it in. So they rejected him. They brought in an engineer and they said, what is two and two? He said, well, it depends on whether it is a plus two or a minus two. It depends on how you put it together. You can get different answers. Then they brought in a Republican budget forecaster and asked him. They said, what is two and two? He looked under the table, in the closet, behind the curtains, under the chairs, and then he looked at the board of directors and he said, what do you want it to be?

That is what we are looking at here. We have numbers here that do not

mean anything. It is someone's imagination. We should not take the chance when we do not have the money and ignore the fact that we have to save Social Security, we have to save Medicare, we have to take care of our veterans and our farmers and educating our children.

Most of all, we owe it to our children to pay off this debt. We simply cannot let this debt go on and on and on. With this money, when the surplus does exist, we should recognize our responsibilities and not pass this debt on to our children and grandchildren.

Mr. TAYLOR of Mississippi. Madam Speaker, I yield to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Madam Speaker, what has been the point of this special order? The point of this special order is that we ought not to throw the dice again as we did in 1981. We threw the dice in 1981 and said we are going to balance the budget; we are going to cut \$750 billion in taxes. And lo and behold we thought we were going to cut spending. But what happened? For 12 years Presidents Reagan and Bush suggested that we increase spending. And they asked for more spending over those 12 years than the Congress appropriated. We quadrupled the national debt and we pushed down our kids and their generation and the generations to come.

The point of this special order is to say, let us not do it again. Let us not gamble on that surplus existing. Let us take it prudently and apply it to reduction of debt, saving of Social Security, stabilizing and ensuring Medicare, and investing in our national defense and other domestic priorities, to the extent that we can, so that the next generation of Americans to come will say, "That was a fiscally responsible generation, and, as a result, our economy continued to grow, to create jobs and opportunities for our young people and good times for our families."

The gentleman from Mississippi (Mr. TAYLOR) talked about families, many of whom serve in the military. We need to take care of them before we take care of those who have so much.

Madam Speaker, I hope, we all hope, that tomorrow, or whenever that tax bill is brought to the floor, that we look the American public in the eye and tell them honestly, "We will manage your money so that your debt will be reduced, your economy will remain strong, and the fiscal management of America will continue to be responsible."

#### TAX RELIEF FOR THE AMERICAN PEOPLE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Colorado (Mr. SCHAFFER) is recognized for 60 minutes as the designee of the majority leader.

Mr. SCHAFFER. Madam Speaker, I would invite all Members of the Republican majority and our Republican conference to join me on the House floor for this special order. This is an hour I have secured on behalf of our conference, and I know there are many who are eager to come to the floor today and have expressed their desire to come to speak about the prospect of passing real tax relief for the American people.

The debate over this topic is an interesting one, and it is one that we have heard part of so far tonight. But I want to tell the other side of that story and alert House Members and those throughout the country who are perhaps monitoring tonight's proceedings precisely what is at stake with the debate on the projected taxpayers' surplus, or overpayment of tax revenues, and the prospect of tax relief for American families.

We just heard the previous speaker talk about his assurances that the government will manage the taxpayers' money. And they will propose to do it well. I have no question or doubt about that. I believe all Members of Congress are sincere and that those of us who are charged with the responsibility of keeping track of the taxpayers' cash would like to do that in a responsible way and would like to manage that money well. But that really neglects the underlying debate, and that is who should be managing the money of the taxpayers?

Now, those dollars that have legitimate cause to come to Washington to be spent should be managed well, certainly, and that is our job as Members of Congress, but the fact of the matter is the American taxpayers are overpaying when it comes to their taxes. They are sending more cash to Washington, D.C. than is necessary to legitimately run the government. So the question becomes: What do we do with the projected taxpayers' surplus?

Now, the core principles of tomorrow's debate and the debate that is ongoing in Washington, in fact the difference between liberals, those we just heard, and conservatives, that we will hear now, is on the following basis:

Conservatives, the Republican Party, believes in personal freedom, and that is as opposed to our opponents' objectives, those we just heard, of government control. And I emphasize the notion of government control again by citing the quote that we had just heard on the floor; that government will manage the taxpayers' money.

Conservatives believe in personal freedom; our opponents on the House floor, who oppose tax relief, believe that government should control the taxpayers' cash.

Republicans are for lower taxes versus higher taxes. Republicans are for limited government versus big government. We are also for economic

growth versus the bureaucratic control of our economy. And we are for more jobs versus red tape.

The debate on tax relief and what to do with the tax overpayment could not be boiled down any more simply than that which we see here.

So let me carry on on those very points, and let me start by referring to some of my own constituents. I, like many other Members of Congress, meet with constituents as often as I possibly can. In fact, I hold a town meeting in my Congressional District every Monday morning before I hop on a plane to come here to Washington. I also send out public opinion surveys to my constituency and ask them to give me their opinions on a host of issues.

I ask questions like, "What is the single most important issue facing the country today?" "What is the single most important issue facing your family?" "What do you think are the biggest challenges for our schools?" And so on.

I just grabbed a handful as I was walking out of the office today. We read these as they come in. Question number seven on my "Congressman Bob Schaffer Public Opinion Survey" is: "What should be done with any Federal budget surpluses?"

□ 2100

A respondent, Kirk and Kathy Brush from Fort Collins, Colorado, write in, "True surpluses should result in tax cuts."

Here is another one. Again question No. 7, what should be done with any Federal budget surpluses? "To strengthen Social Security and reduce taxes." That from James Sanden of Fort Collins, Colorado.

Mr. and Mrs. Gerald Simmons say of the surpluses, "Any surpluses should be returned to the taxpayers."

I have more. Here is a gentleman who sent a letter in with his response. This is another individual from Fort Collins, Colorado, Mr. Ray. Mr. Ray says that taxes are the number one issue when it comes to the surplus. Relief for retired persons living on pension income. While the contribution to most allocated pension accounts were made tax-deferred and the earnings deferred, I believe the tax upon withdrawal should be less than the rate for ordinary income. After all, that money which mostly goes into the stock market enables corporations to have additional capital to expand, thereby advancing our economy which generates additional revenue for the government."

He hits it right on the head. Here is another one. The McFarlands, Mr. and Mrs. McFarland. They wrote in, again the question, what should be done with the Federal budget surpluses? My constituents, the McFarlands, tell me, "It should be returned to the taxpayers who worked all of their lives to earn it. Don't you agree?" Mr. and Mrs. McFar-

land, if they were here on the floor which they are not, but I would tell them as I do tell them when I see them back home that I do agree with them and frankly the majority of Members of Congress agree with them as well. And certainly this is the sentiment expressed by the McFarlands that will be carried on the House floor tomorrow and upon which we will move forward with returning some of their hard-earned dollars back to them and all of their friends and neighbors as well.

The bill which we will be considering tomorrow, H.R. 2488, provides approximately \$864 billion in broad-based tax relief. The proposal is highlighted by a 10 percent across-the-board reduction in individual income taxes. The bill reduces the impact of the marriage tax penalty by increasing the standard deduction from married couples to twice that of a single person. I could not bring newlyweds onto the House floor tonight, but I brought a picture of some. Here is a standard newlywed couple on their wedding night. What they are about to find out when they pay taxes for the first time filing jointly is that this Federal Government will penalize them, assuming they are an average family, to the extent of about \$1,400 per year. That is as a result of a number of taxes that when combined and when considered together just increase, put a portion of their income into higher tax brackets and they will be penalized for getting married. Imagine that. In a country as great as ours with a rich tradition of the most essential and central social unit being the family and the institution of marriage, why on earth would we penalize marriage? Why would we punish people for joining in lifelong unions in a way that results in the most civil society in the history of human civilization? It is wrong. Everyone knows it is wrong, but there is really only one party here in Washington who cares about this family and who cares about the tax burden and wants to do something to prevent them from getting hit with this unfortunate penalty upon their wedding day and each year thereafter.

You see, there are many of us who believe that American people know how to do better with their own income, that they should not send it here to Washington unless it is absolutely necessary to run the basic programs and services that we have to. In fact, what we have seen through a number of Presidents is the power of tax relief on the American economy. President Kennedy and President Reagan behind him both found that by reducing the overall tax rate, in other words, the rate applied to general income to determine Federal taxes, by reducing the tax rate the Federal Government actually increased revenues. That is right. That is hard for people to grasp in many cases, but it is not all that hard if we just look at the economic history in recent

years in our country. Lowering the effective tax rate on the American people leaves more cash in the economy. More cash in the economy creates more jobs, creates more wealth. When more people are working and being productive and increasing incomes, although they are paying a lower tax rate, they are paying more dollars to the Federal Government. In fact, in the years of the Reagan administration, and the Kennedy administration before them, the result of tax rate reductions was increased revenues to the Federal Government. And so once again what we see in the core principles is that by focusing on personal freedom of the American people, leaving excess taxes in the pockets of those who earn those dollars, we believe that we will see increased economic productivity in the country again.

That is contrasted with our opponents' objective of government control. People in Washington like government control. Do not get me wrong. If you are part of this Washington culture, you would certainly understand that. Fortunately most Members of Congress are not part of that culture. They go home on weekends and talk to constituents as I do, but for those who like it here in Washington, they like your money here, too, because, my goodness, they get to make the big decisions with it, they get the lobbyist waiting outside their door who wants to take them out to lunch or dinner or on the trips and try to figure out how they can get their hands on that cash. So if you like being a part of that sort of thing, why, keeping more of the American taxpayers' cash in Washington can be kind of exciting. I am one who happens to have a wife and four children and before entering the United States Congress was part of the free market economy and trying to run a small business. I can tell you, there is greater hope and optimism and prosperity for the American people if we focus on Americans rather than on government.

I want to talk also tonight again focusing on the conflict in vision that the two parties in Washington have when it comes to taxes. This is a quote from the President of the United States in Buffalo, New York, just a couple of months ago. Talking about this budget surplus, he was celebrating the surplus, as many people in Washington like to do. Here is what he said: "We could give it back, the budget surplus, we could give it all back to you and hope you spend it right. But . . ."

Once again, "We could give it back to you and hope you spend it right. But . . ." And the "but" was that we perhaps cannot hope that American taxpayers will spend it right. Excuse me, but spend what right? "It" here is the taxpayers' money. It does not belong to people in Washington. "It" is the hard-earned wealth of the American people. It is not something that rightfully belongs under the domain of politicians

here in Washington, D.C. "It" does belong to the American people and "it" should be returned as soon as we possibly can.

The tax relief measure also includes a number of provisions for education tax relief. Specifically the bill expands the acceptable use of tax-free expenditures from education savings accounts to include elementary and secondary school expenses. It increases to \$2,000 annually from \$500 under current law the maximum amount of contributions to education savings accounts. It allows tax-free withdrawals from qualified tuition plans that are maintained by private educational institutions, and it includes a public construction initiative.

When the family here who gets married and gets saddled with their \$1,400 marriage tax penalty progresses in the maturity of their marriage and contemplate children and perhaps have them and send them to school, they are also taxed to an additional degree. Education, of course, is a good thing. I think everyone in Congress would agree with that. But there is no reason our tax burden should make it more difficult for families like this to secure a good, quality education for their child or children, and that is what this provision of the tax package is all about.

The other side will try to suggest that these are rich people here, that they are wealthy and therefore somehow do not deserve the tax cut, but these are average American families, the same kind of average American families who benefit from our tax relief package. We are providing tax relief to make greater education opportunity possible for millions and millions of American children. We are doing that again by taking less out of the pockets of the families who work hard to earn it, not doing as our opponents suggest, of keeping those dollars, hoarding them here in Washington, D.C. and controlling their use based upon the priorities of bureaucrats. We stand for something very much different on the Republican side of the aisle.

The tax measure also includes provisions that are designed to reform pensions and enhance retirement security. Specifically the bill increases portability of pensions so employers may roll over plans from one job to the next. We provide additional salary catchup contributions for workers over the age of 50. These are individuals who may deposit additional amounts into certain retirement accounts. The bill also lowers the vesting requirement of pension plans so employees are vested after 3 years instead of 5. It increases the contribution and benefit limits in defined contribution and benefit plans and it also simplifies pension systems to help businesses offer and improve their pension plans. That is an important provision as I mentioned.

I mentioned the McFarlands from Fort Collins, Colorado. They are retirees. Again they say that the Federal Government should return any surplus to the taxpayers who worked all of their lives to earn it. They want to know if I agree. Of course I do.

Let me go back to the comments from Mr. Ray in Colorado. He is asking for relief for retired persons living on pension income and that is what we are doing. We are listening to people like Mr. Ray, real people, average Americans, not wealthy, not extraordinarily endowed with huge amounts of cash in their personal bank accounts but average Americans earning average incomes or on average pensions, those are the beneficiaries of the Republican tax plan that we will vote on and presumably pass tomorrow.

The bill also reduces the individual capital gains tax rate from its current rate of 20 percent to 15 percent and from 10 percent to 7.5 percent. Those are for taxpayers in the 15 percent individual income tax bracket. This is an important provision. This is one that the President says he opposes. Lowering the taxes on those who invest, those who create wealth, helps the country create more wealth. It almost does not matter what part of the country one lives in, they are treated almost weekly to news headlines like these from Colorado. Here is one from the Denver Post. "Average Income Up 6.1 Percent in Colorado." Here is another one from the Denver Post, a headline: "Welfare Rolls Drop 42 Percent."

Here are some quotes from that article, an article written by Angela Cortez. She interviewed a woman named Teri Higgins who was a former welfare recipient and says that welfare reform has meant a new way of life. After being on welfare for 3½ years, she is completely self-sufficient. She was a full-time student halfway through her associate's degree in business administration when welfare reform kicked in nearly 2 years ago. Under the new system, she had to work, so she decided on a work study program at a community college in Denver. Within a year, the 37-year-old single mother of three boys went from being a welfare recipient to the office manager in a business setting. I will not cite the specific location but in a business setting in Colorado.

She says, listen to this quote, this is remarkable, a real statement of what a strong economy means for real people. "What made a difference were the extra things, like gas vouchers, day care, so I could go to school and a lot of emotional support from counselors." She once lived in a shelter with her children before entering the Arapahoe County social services system. She says she still struggles. "I make a decent wage, but it's still hard to make ends meet. But when I sit down and

write checks out for all my bills and everything is paid, that is really a good feeling."

The specific components of welfare reform were certainly important, but what makes these dramatic numbers possible, this sea change and shift from welfare dependency to economic independence is not just the reform efforts but it is a strong economy, the kind of strong economy that results from employers providing jobs, that results from entrepreneurs making the kinds of investments that make our economy strong, the kind of investments which we enjoy to a far greater degree when we unleash the economic ingenuity of the American people and reduce the tax burden that the American people are saddled with.

There is lots more. "Workers Coming Off Welfare to Get Job Help." "Economic Success Filters Its Way Down to Charities." Here is a story about how the strong economy in America is helping charities receive more funds because businesses are contributing more to community-based charities that help people and are accountable to those folks back home in our districts.

□ 2115

"Jobless Rate in Colorado Hits Record Low."

I point out all of these headlines because these headlines are the way we help.

See, our Democrats, friends on the other side of the aisle, believe in the principle that I showed you earlier, not in personal freedom. Their goal and their vision is government control.

You see, government can be very charitable; government can help a lot of people when it takes your cash and spends it on the government-run charity of the politicians' choice. But personal freedom, tax freedom, greater amounts of liberty, lower tax rates allows for American entrepreneurs, allows for the free market to rise up and treat us still more to these wonderful headlines about former government dependents becoming self-sufficient and living the American dream and being treated as real Americans.

There is more in this tax package. It gradually eliminates the estate and gift tax over a 10-year period, also another topic important to me and my constituents back home in Colorado.

My district consists of the eastern plains of the State, 21 counties in Colorado, generally everything that is flat. Many people think of the mountains and the mountains that start right down the front range of the center of the State, but everything east of that out to Nebraska and Kansas is part of the high prairie, high plains, and it is one of the richest agriculture areas on the planet.

Many of the farms and ranches that have been established were established by homesteaders, people who headed

west in search of new opportunity and really led to the sense of rugged individualism and independence that represents the West; and families like to pass their farms on down to their children. Family farmers look forward to that, to leaving that legacy for their kids, and the agricultural lifestyle of the West is something that all Westerners are very proud of.

But when the old farmer starts to get old and have a difficult time working the land, teaches his children how to manage the ag business and work the farm, he eventually starts thinking about how he is going to hand that asset over to his children and keep that farm in the family. The estate and gift tax makes that virtually impossible for many farmers, and, Madam Speaker, I know you in your district see a lot of farmers just as I do, those who are confronted with the farm sale to sell parts of the farm off, the equipment, the inventory, in order to pay the taxes, in order to when a family member, when the head of the household, dies and tries to pass that farm on to his or her children.

This bill gradually eliminates the estate and gift tax over a 10-year period. Let me state that again. It eliminates the estate and gift tax, not just tinker with it, not just fiddle around the edges, but envisions a day when we will no longer be taxed upon death.

The measure also includes provisions to make health care and long-term care more affordable and accessible. For example, the bill provides 100 percent deduction for health insurance premiums and long-term care insurance premiums.

Now again I ask my colleagues to think about that for a moment. You see, back in World War II, when all of the young men were overseas fighting the war and winning, we had a real work problem, a labor shortage, here in the United States, the government imposed a wage freeze, and employers had a hard time keeping people in the factories, and it was at that point in time that the Federal Government, the Congress, created Section 106 of the IRS Tax Code.

Section 106 is that provision that says, well you cannot, at the time, cannot increase wages; but we can make it easy for you to provide this benefit of health insurance for your employees. We will give you 100 percent deductibility if your business is large enough. Small business owners did not get that benefit, neither did their employees; but we believe fully that any contribution, any investment that an employer, whether you are a large employer or a small one makes into a health insurance program for their employees, should not also be taxed on that investment. They should receive 100 percent deduction for health insurance premiums.

Now this will go a long way to helping health insurance become more af-

fordable, more available for more people in the workforce than those who have a difficult time affording health insurance today, and once again I want to contrast this value with those or with that which is represented by our Democrat friends over on the other side of the aisle.

My colleagues may recall that the First Lady had proposed to socialize the health care industry in the United States to have government basically run health care and run one gigantic insurance-providing mechanism for the American people. Well, that idea was rejected as being somewhat ludicrous. Thank goodness for that because the sentiments of the American people are in quite the opposite direction.

The American people realize that if you tax employers less, if you tax health care coverage less, if you remove the tax burdens on those who wish to provide health insurance for themselves and their families, guess what? You will have more health insurance coverage for yourself, for your families, for employees.

The bill also provides an additional exemption which is currently at \$2,750 for individuals who care for the elderly and who care for elderly family members in their homes. It expands the availability of medical savings accounts and makes these medical savings accounts permanent, and it allows employers to offer long-term care insurance to cafeteria plans.

Now some of our Democrat friends on the other side of the aisle, and you did not have to listen very long just a few minutes ago to hear them say that the tax cuts in the Republican bill favor the rich. Well, this is what they are talking about, those tax cuts which are designed to make it easier for employers to provide health insurance for their employees, to make it easier for those individuals who stay home to take care of elderly family members.

Those are the rich people that they speak of with such venom and such disdain, but it is these employers who are providing the jobs, these employers who would like to offer higher incomes, that would like to offer greater benefits, that would like to offer health insurance coverage for more employees and a better insurance product perhaps. Sometimes the barrier is simply the expense, the expense of the Federal Government, the cost of being an American citizen.

We want to lower that. We want to lower that to help real people, average families, real citizens who are working very hard today and every day and sending too much money to the Federal Government under the present set of circumstances.

The bill also authorizes the Housing and Urban Development Secretary to designate 20 renewal communities in both urban and rural areas, allowing them to qualify for special tax incen-

tives. Now these renewal communities are communities that are designed to help those who seek low-income housing. These provisions are designed to create jobs, stimulate investment, and assist families in impoverished neighborhoods.

Now once again, if you look at who gets the special tax incentive, it is really not the individual who moves into the low-income housing unit. It is the developer and the construction people who build that renewal community who actually do the construction. So from the Democrats' perspective, this looks like a rich person getting a tax break, but in reality we are talking about 20 new communities around the country in urban and rural settings where low-income families will have the new hope, the new promise, of housing and home ownership, an opportunity that today they do not have under our present high tax system.

The provision also phases out, the bill also phases out the alternative minimum tax for both individuals and corporations. It extends the number of expiring tax credits, including the research and development tax credit, for 5 years through June 2004, the work opportunity and the welfare to work tax credit through December 2001.

Again, the welfare to work tax credit. Here is another tax that our Democrat friends will say goes to rich people in America. What is the welfare to work tax credit? Well, this is a tax credit that tries to achieve the goals that are implied in the name, those individuals who help welfare recipients move out of welfare and into self-sufficiency.

The ultimate beneficiary of that transaction is not the employer exclusively, the rich guy, as the Democrats would describe that entrepreneur. The real beneficiaries are the people who have no jobs today, those who are having a difficult time making transition from welfare to work, those who have still not seen the benefits of the Republican welfare reform initiative that was passed in 1994 and implemented at the State level across the country.

Those are the individuals who still need our help, still deserve our compassion and still need our attention. Providing this tax credit will put many, many more back to work and once again treat them like real Americans.

The bill also provides an above-the-line deduction for individuals. Currently individuals may, under the provision individuals may take the deduction whether or not they itemize a deduction for prescription drug insurance coverage for Medicare beneficiaries contingent upon certain Medicare changes. This suggests a bigger plan that we are moving toward.

Once again, the President announced that he wanted to dip into the Social Security savings, the Social Security Trust Fund, to pay for an additional

entitlement, additional benefit with respect to prescription drugs. Our idea is very different and that is to allow individuals to take a deduction whether or not they itemize for prescription drug coverage for those who are in the Medicare program.

This means keeping those dollars in your pocket, not sending them here to Washington, keeping those dollars in your pocket. Just think about that for a moment. Under the current law a taxpayer, senior citizen, sends their tax payments to the Federal Government, they come here to Washington. We politicians sit around here and establish the priorities for the Nation, and if we decide it is prescription drugs, then we will take the Nation's wealth and spend it on that particular priority on that given day, and at the next election we will decide it is another priority, and maybe we will change the priorities at that point in time to serve our election causes, and we redistribute the wealth of the American people.

Well, that is just nuts. As my colleagues know, what we really ought to do is just not bring it here to Washington in the first place. Let us just be efficient about it, why do we not? Why do we not just leave that cash in the hands of those who have worked all of their lives, people just like the McFarlands who worked all of their lives to earn it, leave it in their pockets, let them spend it as they see fit, let them spend it on a growing economy that helps us pay down the national debt quicker, saves Social Security more completely, and pay for those truly legitimate causes the Federal Government has constitutional jurisdiction over.

The provision also includes a number of revenue offset provisions accounting for approximately \$5 billion over 10 years, and that means that we will attempt to spend less in many areas, eliminate a lot of waste in our government and a lot of other provisions that, frankly, the American people do not want and do not need and will never miss in order to help make this tax relief possible.

Let me provide a little background for a moment.

Do you remember when the Republican party took the majority of the Congress? We did so on the basis of the Contract with America, 10 bold promises that we issued to the American people: if elected, we will deliver and bring to the House floor for a vote, 10 various provisions. One of those was the 1995 Tax Fairness and Debt Reduction Act, and that provided Americans with comprehensive tax relief. That bill included a \$500 per child tax credit, outlined measures to alleviate the marriage tax penalty, it created tax-free American dream savings accounts, it repealed the 1993 tax increase on Social Security benefits and provided a 50

percent exclusion for capital gains, and we indexed that for inflation.

Now these are tax provisions which many of which we already have, but the President vetoed that measure, and we had to try it again. In 1997 we provided further additional tax relief. We provided tax relief through the education saving accounts. 1998 we passed a Taxpayer Relief Act, again reducing the tax burden on American families and giving Americans new rights in defending themselves against the intrusive practices of the Internal Revenue Service.

□ 2130

Our 2000 budget proposal provided real leadership by setting aside dollars in our long-term budgets, long-term budget to allow for tax relief to take place and did so while protecting Social Security, protecting Medicare, increasing spending on our national defense, and outlining a plan that allows us to create the best education system in the world.

Now, we have heard the President talk about the budget surplus. We expect, over the next 10 years, to have approximately \$3 trillion in surpluses here in Washington. Those are dollars that the Federal Government receives over and above the expenditures of the Federal Government at that point in time. It is a little bit complicated and confusing, because some of those dollars are devoted directly to the Social Security Trust Fund or attributable to Social Security taxes. Those are dollars we do not want to touch. We want to leave those dollars for Social Security. In fact, over that 10-year period, what the Republican plan entails is providing a dollar of tax relief for every \$2 of Social Security savings.

The President does not agree with us, that we ought to lock that Social Security fund away, put it aside and leave it exclusively for Social Security. The President would prefer to spend a portion of those dollars, reduce the size of the allowable tax relief package, and increase the spending of the Federal Government and ultimately the size of the bureaucracy in Washington, D.C.

Madam Speaker, let me talk about some of the provisions that I just enumerated and in perhaps a little bit more detail. The bill provides for \$534.2 billion in family tax relief over the next 10 years. As I say, I mentioned this earlier. Let me mention that number again, \$534.2 billion over the next 10 years for family tax relief.

Now, if one makes over \$40,000, the Democrats believe one is rich and believes that one should not earn, one should not be able to save that additional income. One should continue to send it here to Washington, D.C. so that it can be squandered and wasted and controlled by people here in Washington. Well, average families are the ones who benefit from the Republican

tax package that we will vote on tomorrow.

Let me restate that it reduces the individual income tax rate by 10 percent over a 10-year period. Think about what a 10 percent reduction in one's income tax obligation to the Federal Government will mean. For many States, for example, the State of Colorado is a perfect one, the State income tax is indexed to the Federal income tax rate.

So a reduction in Federal income taxes corresponds to an equivalent reduction in one's State income taxes as well. By the year 2009, our bill reduces the 15 percent, 28 percent, 31 percent, 36 percent and 39.6 percent tax rates to 13.5 percent, 25.2 percent, 27.9 percent, 32.4 percent, 35.7 percent respectively. Those are the individual tax brackets of every American who earns income, unless one is a very low income, falls within one of those tax brackets.

Let us use the 31 percent tax bracket as an example. Most Americans are in that ballpark. If one is paying 31 percent of one's income in taxes today, next year we propose, for 2001, from 2001 to 2004, we propose that that rate drop to 30.3 percent. Then from 2005 to 2007 to 29.5 percent. In fiscal year 2008 we want that rate to drop to 28.7 percent, and after 2009, we want that rate to drop to 27.9 percent. It is a pretty substantial reduction, about a 3 percent reduction in income taxes for individuals in that category.

I mentioned the student loan interest rates, because I know there are many students today who are trying to finance their college education, their college degrees through debt financing. This Congress passed legislation last year that affected the student loan interest rates somewhat. There was a scheduled decrease in those interest rates. We slowed that decrease a little bit; it was not the best part of the bill certainly, but nonetheless, there is some attention being paid here in Washington to the cost of financing college education.

We are going to adjust that student loan interest deduction for married couples who file joint returns to twice that of a single taxpayer, so that the married couple that I showed you their photo of a little earlier, those individuals will see some relief when they try to secure a greater education opportunity for themselves.

Let me talk about the alternative minimum tax for a moment as well. The bill reduces and phases in a repeal of the alternative minimum tax for individuals. The bill accomplishes this by gradually reducing AMT liability. Specifically, beginning in the year 2003, only 80 percent of the full AMT liability will be imposed. The bill reduces this percentage to 70 percent in 2004, 60 percent in 2005, 50 percent in 2006 and 2007, and the tax is fully repealed after 2007. The repeal of the individual AMT

eliminates the present law marriage penalty in the individual AMT. The bill also makes permanent the provisions allowing nonrefundable personal tax credits to be used fully without regard to the AMT.

This was originally designed to ensure that high income taxpayers pay some minimum tax and not escape their fair share of the income tax burden. There will be a significant increase in the number of middle-income taxpayers subjected to the alternative minimum tax. Currently, about 600,000 taxpayers are subject to the AMT, but estimates indicate that more than 20 million taxpayers will be subject to that tax by 2007.

As I mentioned, when it comes to savings and investment, the Republican tax package provides \$77.1 billion in tax relief to encourage savings and investment over the next 10 years. I mentioned capital gains taxes; I think capital gains tax relief is a rather important topic to discuss. This is the tax that is applied to increases in earnings, the growth portion of investments that many people make. Sometimes it is a financial transaction; sometimes it is the sale of property, maybe one's home.

Right now, there is a 20 percent tax rate applied to that for most people. Some people in lower income tax brackets pay a lower tax, but for most people, that is a 20 percent application to any interest, any financial growth that accrues as a result of the sale of an asset or so on, as I mentioned.

That capital gains tax causes an awful lot of the Nation's wealth to go nonproductive, to be held in nonproductive holdings, nonproductive assets, and those that could be generating more wealth for the American people. I have actually met people who take their cash and put it in the proverbial, under the mattress. There are people who really do that sort of thing. They are afraid of being hit by the capital gains tax rates of 20 percent, and so they will do ridiculous things with that cash sometimes to avoid paying taxes. They despise the IRS that much.

Alan Greenspan, the Chairman of the Federal Reserve Board, estimated to the Senate Finance Committee that there is approximately \$11 trillion in capital, private sector capital that is available in the economy, and it is underutilized, and that what Congress should do is focus on a sound tax policy that encourages the American people to unleash a portion or all, if possible, of that \$11 trillion into the free market economy. Imagine what that could do for the country.

Well, our imagination does not have to be that long in duration, because tomorrow, this provision is slated for a vote on this floor. That capital gains tax rate reduction is the tax that makes job creation possible. It is that provision, that portion of our Tax Code

which encourages the kinds of investments that creates wealth, creates opportunity, allows individuals to become financially independent, self-sufficient, and to avoid the government dependency that many Americans fear and seem to be trapped in today.

There is also a partial exclusion for interest and dividends. The bill allows individuals to exclude up to \$200, \$400 for married couples filing jointly of income earned in any given taxable year. This provision is phased in and will take full effect in December of 2002. The current definition of gross income includes all income from whatever source derived. That expands the net greatly from the current law. Thus, it makes no exceptions for smaller amounts of savings and investment income earned by taxpayers that, when subject to the tax rate of most small investors, discourages savings and investment for low and middle income taxpayers.

Once again, this is a provision that our Democrat friends will try to suggest applies only to the wealthy. But as we can see, we are talking very plainly about average middle-income taxpayers, the kind of people that go to work every day, go to work, work hard, come home, raise their children, maintain their families, go to church, get involved in the softball game on the weekends and go back to work and do it all again. Those are the folks we are reaching out to.

I mentioned school construction before. That is another provision of the tax bill. We want to encourage school construction. Let me elaborate a little bit on that component of the tax package.

H.R. 2488 increases to 4 years the period during which a State or local government may avoid paying arbitrage rebates to the Federal Government on public school construction bonds. Under the current law, State and local governments may issue tax-exempt bonds to finance school construction activities as well as a variety of other public facilities and services. The proceeds from those bonds may be invested, but State and municipal governments must pay profits to the Federal Government. This revenue must be repaid to the Federal Government in 5-year intervals. However, certain bonds qualify for exemption from repayment.

In the case of school construction bonds, the current law requires that money from the sale of the bonds must be spent within 24 months of their sale in the following increments: 10 percent of the bond revenue must be spent within the first 6 months of being issued; 45 percent must be spent within the first 12 months; 75 percent within the first 18 months, and 100 percent within the first 2 years.

Our bill expands this interval period to a total of 4 years, and finally, the

bill increases the amount of governmental bonds for public schools that localities may issue without being subject to the arbitrage rebate requirement from \$5 million to \$10 million. The bill is designed to give school districts greater flexibility when issuing bonds in building public schools.

Let me focus on that for a moment, because once again, we hear the President and many of our friends on the Democrat side of the aisle talking about investing in our local schools and in our local communities, and once again, their vision involves having the American taxpayers work hard, pay more taxes than they need to, and send those dollars here to Washington, D.C., so that Members of Congress and lobbyists and bureaucrats from over at the White House can all get together and decide how those funds will be redistributed across America to help the people that they want to help. So the dollars come to Washington, a certain portion of those are lost and wasted in the transaction; a smaller portion of those dollars go back to our States, those States that are privileged to receive those dollars back to construct schools and to be spent on worthwhile endeavors.

Our solution is much different. Our solution is to leave that money back home in the first place, to reduce the tax burden on the investments that are made to help finance the construction of schools. Not only does it make more sense and is it more efficient and is it a process that represents more accountability in the school finance process, but it allows for more school construction. It allows for more children to be helped around the country, more children to be helped through the guidance and leadership of local elected school board members, the kind one can name, the kind one knows, the kind one sees at the grocery store when one goes there with one's family, it allows those individuals to put together a package that offers greater hope and opportunity and expanded opportunity for the children that they serve and that they care about. And that is different, I would submit, than the President's plan to bring those dollars here to Washington, D.C., waste half of them, send a fragment of it back to the States, and pretend we care about children.

Reducing the tax burden on the American people is true compassion. Reducing the tax burden on the American people is a way to build more schools. Reducing the tax burden on the American people is the way we help instill pride in more and more family households so that those children who go to school realize that there is a greater goal toward which they should work, that of full employment, self-sufficiency, economic participation, being an American as we know it.

□ 2145

Madam Speaker, can I inquire as to the amount of time remaining in this special order?

The SPEAKER pro tempore (Mrs. WILSON). The gentleman from Colorado (Mr. SCHAFFER) has 10 minutes remaining.

Mr. SCHAFFER. Madam Speaker, let me talk about health care one more time before I close out this hour.

Our Republican proposal phases in a 100 percent above-the-line deduction for health insurance medical care expenses where taxpayers pay more than 50 percent of the premiums. The bill applies the 50 percent rule separately to health insurance and qualified long-term care insurance. The bill also phases in the deduction at 25 percent in 2001, 40 percent in 2002, 50 percent in 2003 through 2006 and 75 percent in 2007, and eventually gets us to 100 percent in 2008 and thereafter.

That bill also allows employers to offer qualified long-term care insurance through cafeteria plans and allows qualified long-term care services to be provided under flexible spending arrangements.

Let me also mention medical savings accounts. This bill expands the availability of medical savings accounts to include all employees covered under the high deductible plan of the employer.

The measure also eliminates the cap on the number of taxpayers that may benefit annually from medical savings accounts contributions. Currently that is capped at 750,000 Americans, and the bill modifies the definition of a high deductible plan by decreasing the lower threshold for annual deductions. Thus, under this bill, a high deductible plan will have an annual deductible of at least \$1,000 and not more than \$2,300, which is also indexed to inflation for individual coverage and at least \$2,000, and not more than \$4,600 for family coverage. Present law limits those out-of-pocket expenses and those limits will still apply.

Once again, I know that was a lot of details and there is more that I will spare the House at the moment. We will save those for tomorrow. I want to use that example to show the difference in vision between what our opponents who oppose this tax package stand for and what the proponents who support this tax package want to achieve for the American people.

Once again, the Democrats have been pushing for something I will just, for the sake of simplicity, refer to as the Hillary model. That is the model where the government runs health care in America, socializes health care, much as in the case of England or Canada or Sweden or many other socialist programs that provide health care for all citizens of many of these countries. Their goal is to increase the amount of revenue American taxpayers pay, send

that cash here to Washington, D.C. so that the government can pick those privileged individuals who will benefit from the government-run, government-owned and government-managed health care delivery system.

Ours is very different, as I just outlined in so many details. It is very different because we believe that by lowering the tax rates associated with providing health insurance, we will provide more health insurance. Health insurance will become more affordable, more available. There will be more options, more convenience, more choice, a higher standard of quality, a higher standard of delivery. The free market works; it always works. It works in the area of health care. There is no doubt about that, and that is the direction we hope to move toward by providing more freedom and more liberty for seniors and young families and young children who prefer to look to themselves, to look inward to providing for their economic prosperity in the future, rather than looking eastward to Washington, D.C. and all of these nice people around here who just want to help.

Madam Speaker, tax relief is a big topic. It is one of the four key action and agenda items of our Republican Congress. When we started this session, our Speaker, Speaker HASTERT, talked about our Republican vision for America, lined it out in an agenda that was presented to Republicans and Democrats alike. If people would like information about this, they can just contact my office. I will be happy to provide any of this information, detailed or simple, as this bullet point suggests.

It is the BEST agenda. "B" standing for bolstering our national security; "E," standing for education excellence; "S," standing for strengthening retirement security; and "T," providing tax relief for working Americans.

This tax relief portion is the fourth part that we have been eagerly awaiting on the Republican side of the aisle. We have focused on the rest and will continue to focus on a strong national security, our education system and saving our Social Security system and retirement security. We will continue to move forward and make progress on those.

Tax relief is the linchpin. Tax relief is where we go to strengthen the national economy. Tax relief is what we look to to reduce the impact and the scope and the size of the Federal Government and instead increase the scope, the effect and the size of American families, American businesses, American entrepreneurs. Tax relief is what has strengthened our economy. Tax relief is what has allowed a 50 percent reduction in the Nation's welfare caseload. Tax relief is what is allowing communities today to build more schools and to put more resources into local priorities. Tax relief is the best way to deal with the overpayment of

about \$800 billion in a 10-year period that the American people will pay.

We have to prevent that from occurring. We can save Social Security. We can save Medicare. We can provide for the best schools on the planet. We can defend our country and we can do all of that by honoring the notion that American families matter, that American taxpayers do count, and that the dollars that they work so hard for should be applied at home rather than here in Washington by the White House and the bureaucrats who answer to the White House.

Madam Speaker, I thank my colleagues for their attention and for their indulgence here on the House floor. We will be back tomorrow night for another special order on the same topic.

#### TEACHER EMPOWERMENT ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from New York (Mr. OWENS) is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Madam Speaker, today we consider a very important education bill. It is important because the Republican majority made it important. It is important because it is all that we have. In a year when we expect to be reauthorizing the Elementary and Secondary Education Assistance Act, we have been denied that opportunity, but pieces of the Elementary and Secondary Education Assistance Act have been put forward. The Ed-Flex Act is a piece of it and now this piece on Teacher Empowerment Act, H.R. 1995, which was considered today. The consideration of this bill today, which was kind of rushed to the floor and it was hoped that they would get enough votes to send a message to the White House that it cannot be successfully vetoed, but, of course, they failed in that effort. The President has promised to veto this bill because at the heart of the bill is an attempt to derail the President's initiative on more teachers for the classroom, especially in grades 1 through 3, where there is a need for smaller class sizes.

We did get a bill approved, an appropriation approved last year, which would permit the beginning of the process of hiring more teachers for the classroom. Virtually 100,000 teachers would be hired under this legislation; and 30,000, the process has started as of this month.

So in order to derail that for some reason the Republican majority is against smaller class sizes and they want to take away that priority, take away the targeting and they came up with this Teacher Empowerment Act, which is not a bad idea. The thrust of the bill is to provide a special initiative for the training and professional



development of teachers, to improve the quality of teachers. By itself, that is a lofty goal and who could not subscribe to having better prepared teachers in our classroom?

We want quality teachers; but for some reason to get quality teachers, the Republican majority chose to sacrifice the more teachers for the classroom. The act that is designed to lower the class sizes in the first three grades has to be sacrificed, put on the chopping block, in order to take care of meeting teachers' professional development needs and training needs.

I think that for the Republican majority, it was more important to derail the initiative to have smaller class sizes than it is really to train teachers. The training of the teachers and the opportunities for professional development is secondary for them. They are pursuing an agenda, and this bill was a part of that agenda, to reach a point where all of the influence and direction from the Federal Government is wiped from the education sphere. They want to abolish the education role of the Federal Government and this, of course, takes them one step closer.

If they can take the President's initiative on class sizes and get rid of that, it is one more step toward reducing the Federal Government's role in education. So that bill was on the floor today. The Republican majority had the greatest number of votes because they are the majority. They passed the bill, but the number of defections by Democrats was not as great as they expected and the President's threat to veto the bill certainly can hold.

The bill can be vetoed until something more reasonable is done about the class size initiative of the President.

There were a lot of good things in the Teacher Empowerment Act. By the way, it is called Teacher Empowerment Act; but all the teacher organizations, the National Education Association, the American Federation of Teachers, the Grade Schools Group, all of the various education groups opposed it because they saw it as a sabotage operation designed to wipe out the reduction of the classroom size initiative. Now, that bill was on the floor today.

Tomorrow the major bill on the floor will be the tax cut bill, and I want to talk about the importance of dealing with the education initiative. The education investments should come before big spending tax cuts. Education investments should come before big spending tax cuts, and it is very important to note that during the whole discussion of the so-called Teacher Empowerment Act today, the one thing that the Republican majority refused to allow any discussion of was additional funding.

No new money is involved in their initiative. They want to take the money that has already been appro-

priated for the class size reduction and the money that already exists in various other teacher training and professional development programs and use that in a different way, mainly throw it out there to the States, let the governors decide how they want to spend that money on education. That is the thrust of what the Republicans want to do.

It takes us one step closer to their long-term objective and that is to block grant all funds available for education to the States. By block grant, I mean take away the Federal guidelines, take away the Federal priorities, take away the long-term Federal commitment to the poorest districts and the poorest schools out there.

The Federal thrust in education, since 1965, since the first Elementary and Secondary Education Assistance Act, in the era of Lyndon Johnson, has been to focus on those areas of greatest need, to target the Federal money to help with the problem that the States were not able to deal with and chose not to deal with and that is provide a decent education for the poorest students in the poorest schools in the poorest districts.

□ 2200

So that initiative by the Federal Government is targeted by the Republicans. They want to take it away.

Their long-term goal is to wipe out the Federal Government involvement in education. In 1995, my colleagues will recall, the Newt Gingrich program went head on in a direct attack on the Department of Education. They called for the abolishment of the Department of Education. They pursued that for a while.

It turned out that the American people did not think that was a good idea. The voters did not think it was a good idea. They retreated, and now we have no more talk about abolishing the Department of Education.

What we have is, instead of the direct assault, we have a great deal of warfare going on where they snip away at the powers, they attack at small beachheads that they establish, and they find every way to cut into the power of the Department of Education and into the Federal role in education.

The Federal role in education, of course, is already limited. They make it appear that the Federal Government is responsible for all that is wrong in education. It is a very limited role already. Less than 8 percent of the education funding in this country, that is including higher education funding, less than 8 percent of that is provided for by the Federal Government at this point.

But that is what we had on the floor today, another assault on that small role, that less-than-8-percent role fiscally. If one got 8 percent of the funds involved across the country, then I

think that the influence of the Federal Government is probably no more, also, than about 8 percent.

Control is vested in States and local education agencies for education already. But that is targeted. First, they wanted to get rid of it all together. Now they want to block grant it and turn it over to the governments. That is what was on the floor today.

No item which talked about additional funding was received in an amicable spirit by the Republican majority. In fact, the only amendment that called for fresh funds, new money, new initiative with new money was the amendment offered by the gentlewoman from Hawaii (Mrs. MINK). The gentlewoman wanted to offer grants, some help for sabbaticals for teachers.

If one is talking about training, then in order to hold certain people into the career path, in order to make certain that they have an opportunity for growth, somewhere they ought to encourage and help to finance the sabbaticals which already are offered in many local education systems.

It is an area that was not new, but the gentlewoman from Hawaii wanted to give more help and called for more money for that. That, of course, was voted down by a large margin and condemned by the chairman and the Republican majority. No new money is the credo of the leadership of the Committee on Education and the Workforce.

The Republican majority insists that we never discuss authorizing new funding. But tomorrow, we will be discussing on the floor an expenditure of \$864 billion over a 10-year period for tax cuts. We cannot talk about money when we are talking about education. No new money. The government is broke.

We cannot make investments in education, but we can have big spending tax cuts. That is obvious. It is a huge, monstrous piece of big spending, \$864 billion, and there is no room anywhere for an investment in education.

I think my colleagues have heard the previous speaker tonight and they heard the previous set of speakers from the Democratic side talk about this tax cut. While I am not prepared and do not intend to go into it with great deal, I associate myself with most of the remarks made by the gentleman from Maryland (Mr. HOYER) and his associates. Their plea was that we not go forward with this monstrous \$864 billion tax cut, that we look at other kinds of things that ought to be considered at the same time.

We cannot separate, in my opinion, the discussion of the tax cut, however, from the discussion of education. They did not do it. Neither the Democrats nor the Republicans that talked tonight really placed education on the table for discussion. Within the parameters of the conventional wisdom here

in Washington, and that sometimes includes the White House, when we talk about large amounts of money, they do not want to talk about education.

It is a direct insult to the voters. We have poll after poll which shows that education ranks as one of the number one priorities over the last 5 years and recently moved to the very top. Before Social Security, before defense spending, before all of the other priorities which are usually considered, education ranked as number one. Why are the voters being ignored? I do not know. They can ask their Congressman.

Why is it that, when my colleagues discuss education, they insist that they cannot discuss new money? Additional resources. Why is it that the American public repeatedly says, we would like to see more Federal assistance for education, but they are only answered with rhetoric about new kinds of changes in the reform programs, but none of those new changes have any resources behind them?

With the acknowledgment of the existence of a huge budget surplus, and I do not want to get into an argument about how much the surplus is or what it is going to be over the next 10 years, I just know that it is foolish for us laymen who are not involved directly in the calculation process to sit still and watch our leaders talk about huge sums of money that they are going to negotiate on and we question whether it really exists.

I have some friends who went to a meeting today to hear someone lecture about the fact that there really is no budget surplus, and we should stop discussing it.

I heard that, in 1996, when we were on the eve of an election, and we had gone through 2 years of the Republican majority insisting, not only that there was no money for an increase in funding for education, but that education should be cut, and we had proposals in 1995 that education be cut by almost \$4 billion, but, in 1996, something miraculous happened.

Both parties agreed in the negotiations at the White House that there was additional money available somewhere, and instead of cutting education by \$4 billion, because we were approaching an election where the polls showed that the public wanted more Federal assistance for education, and the party that stood in the way might suffer and might lose seats, suddenly there was agreement.

The Republican majority agreed to an increase in education funding of \$4 billion. Instead of a \$4 billion cut, we got a \$4 billion increase. They found the money somewhere.

Now, I remember the argument at the time was that we would get the money from sales of the spectrum, the spectrum auctioning. The auctioning of the spectrum was going to create that

money. It was not in hand. But since both parties of the negotiation agreed, it suddenly became a reality.

The \$4 billion that was appropriated, it has been spent. Since 1996, they have been spending the money. So I assume that whatever assumptions they made, they lived up to those assumptions one way or the other.

I have not checked to see if we have auctioned off enough of the spectrum to add up to \$4 billion, but when it came time to make the decision, the reality was what the two parties agreed upon.

If both the White House and the Republican majority leaders are saying now that we have a huge surplus that could accommodate, over the next 10 years, an \$864 billion Republican tax cut, and the President has said, well, he will entertain some kind of tax cut, not that much, I assume the surplus is real, and the tax cut possibilities are real, and they are going to go forward. It would be ridiculous for us to sit out the process and not get involved.

Education ought to be put on the table so that it becomes a part of the discussion. The doors of opportunity are open for education to be discussed in terms of new resources and new appropriations. If the blind men who are in charge here insist that they do not see that as a possibility, some of us who are not in charge must sound the alarm. We must tell the American people, do not sit still and accept a big spending tax cut while there is no new investment in education.

I hope that my party will rally behind me soon and that they will see the folly of allowing a huge amount of surplus over the next 10 years to get committed to something, and it is going to happen. There are going to be some commitments of that surplus over the next 10 years. We sit still, and we let education be left out.

At this point, the forecast for education being included is quite dismal. We have a bill which has been set forth by the administration for the reauthorization of the Elementary and Secondary Education Assistance Act. In their reauthorization proposals, they do not propose any great increases in the funding for the ongoing programs. In fact, there is sort of an understanding that we are going to live within certain budget guidelines. There are ceilings that have been set. The budget caps, as they call them, will not be taken off.

That may all be true in conventional wisdom, but if the surplus exists, it is folly to assume that they will not in the final analysis be negotiations of some part of the surplus being committed to programs.

Certainly, it would be folly to sit still and not commit any part of the surplus to programs and let it all be used for big spending tax cuts.

The forecast for education right now may be dismal; but if we put on our

thinking caps, if we sound the alarm for the general public, the people who in, poll after poll, show that they think education is important, if we let common sense enter into this matter, then we can go forward beyond the Republican plot to have Ed-Flex and Teacher Empowerment and other kinds of block granting drain off the funds, and we would not make any progress in terms of new resources for education.

There have been some dramatic changes now in the fiscal environment. Those people who said there was no money available 2 months ago cannot insist that there is no money available now in light of the facts that have been revealed.

Even the budget agencies, the Congressional Budget Office, they all admit there is a surplus. There is an argument about how much of the surplus is from Social Security funds and ought to be reserved only for Social Security, the lock box theory. There is an argument that there are certain amounts of money available and will be available beyond the Social Security surplus and that that should be budgeted.

Either way, either set of assumptions that are accepted, there is an acceptance of the fact there is going to be additional money available. Why not put education on the table? Why must we accept what the Republican majority has offered us on the Committee on Education and the Workforce and on the floor today?

What they offered us today was a perverted Robin Hood operation. They were going to take only existing funds and scramble them and use them for other purposes instead of having any new funding. When they do that, what they are doing is taking money away from the traditionally targeted programs, which are designed to help the poorest students in our poorest schools, and redirect that money away from the poorest schools, stealing, pilfering from the poor to take care of other sectors, and making that the hallmark of their education reform program.

Going to the public and saying this is our answer to their request or their demand for more Federal assistance. We give them the same money in new forms, and we hope that they will be fooled by it.

But I hope that common sense will not allow us to be fooled, that we will insist that education appropriations be put on the table alongside any tax cut spending, alongside any spending for shoring up Social Security, alongside spending for health care. Probably there is going to be a package which contains all of those elements.

Now, on May 26, I introduced a bill which deals with one aspect of education which I think is critical. In the light of the large amounts of money that were being made available in the surplus, now is the time to discuss it.

Not all the problems of education will be solved by new construction and modernization of our schools, although that was on the agenda today. We did discuss the need for more technology in our schools and the need for teachers to be trained to utilize technology and how important that was. It, the modernization process, requires that we have money to repair the schools and take care of the old wiring and make certain that they can be wired. In some cases, some schools cannot be rewired.

□ 2215

They are going to have to build new schools. So construction and modernization ought to be a part of this agenda.

It was totally ruled out before because of the budget caps. And if we take the ongoing budget as it is, common sense and conventional wisdom says there is just no money. But if we accept the fact that there is going to be a surplus, and we talk about large amounts of money, like \$864 billion for a tax cut, then we can also talk about taking this opportunity to plan to spend over the next 10 years, or 5 or 10 years, money that is necessary to provide adequate schools, safe schools, schools where there are no health hazards, as well as schools that can be modernized to the point where they can make use of modern technology.

Schools can take advantage of the fact that we have an E-rate, which provides a reduced rate for people who make use of technology on an ongoing basis. The on-line services, the telephone services, 90 percent of that in the poorest of schools would be paid through this E-rate fund provided by the Federal Communications Commission. A lot of things are happening that we need to catch up with by providing more funds for construction and for modernization.

Now, on May 26 I called on my colleagues to join me in the cosponsorship of H.R. 1820, which is an amendment to the Elementary and Secondary Assistance Act. And this amendment would be germane certainly, because there is already a provision, Title 12, under the Elementary and Secondary Assistance Act, which calls for money for repairs and construction. So we can add, if we ever get around to reauthorizing the Elementary and Secondary Assistance Act, we can certainly add that to the package. Or if we do not get around to reauthorizing the entire act, it is in the law. It is the law right now. We can amend it to provide for this injection of necessary funding for school construction.

I am just going to read from my own letter to my colleagues, and I have a big heading on top which says that, "In the Year 2000 We Launch the March Towards a New Cybercivilization. We are spending \$218 billion on highways and roads in 6 years. Let us invest half this

amount, \$110 billion, in 5 years, to build, repair and modernize schools."

Let me repeat that. "In the Year 2000 We Launch the March Toward a New Cybercivilization." A cybercivilization, meaning the digital world is taking over. The computers are taking over. They are everywhere, infused in our life, and they are probably going to have a greater influence and a greater presence in our lives as we move on.

Recently, there was a lot of discussion of the fact that one individual now, his net worth is \$100 billion. This tops all the millionaires and billionaires throughout American history. The name of that individual is Bill Gates. Now, Bill Gates is worth, they say, at least \$100 billion, and his company is worth far more. Now, Bill Gates does not own any gold mines, he does not own any oil wells, he does not own any uranium mines. All the kinds of things that used to make people rich are not associated at all with Bill Gates.

What does Bill Gates have that allows him to accumulate \$100 billion as an individual and a company worth far more than that, Microsoft? Well, Bill Gates is where he is and has the kind of gigantic assets that he has through the application of brainpower. It is all about the brains that were used to develop the software in harmony with the computers and then to capitalize on the Internet.

He has been accused of some unscrupulous actions and so forth, but that is irrelevant in terms of the basic thrust of what happened here. What happened here is that brainpower, marshaled repeatedly, directed, concentrated on certain objectives produced results. And the same thing is happening over and over again in numerous high-tech companies. We are ahead of the rest of the world because we did not have any central committees making rules which said that we can only focus our brainpower on natural resources. We are only going to concentrate on mining and oil wells and so forth.

People who had the know-how to launch the cyberrevolution went ahead and launched it, very young people who are in charge. The guys who used to be called nerds, or probably similar people are still called nerds in high school and college, the nerds triumphed with brainpower. It is all about very educated people concentrating their resources and being able to generate wealth. So there is a direct association between brainpower and wealth.

We are definitely moving into a cybercivilization, and it is ridiculous for us not to recognize that and to shape our public policy in a way which accommodates the fact that we are moving into a cybercivilization. There are some nations, like India, who recognize this. And public policy has produced in India large amounts of people, personnel, who are in the computer

programming arena, who are in various stages as computer programmers and document technologists. Out of proportion to other similarly situated nations, India is producing people in the area of information technology with information technology expertise.

But let me just get back to the appeal to my colleagues that I sent out on May 26. "In the year 2000 we launch the march toward a new cybercivilization. We are spending \$218 billion on highways and roads in 6 years. Let us invest half this amount, \$110 billion, in 5 years to build, repair and modernize schools. Please join me as a cosponsor for H.R. 1820, an amendment to the Elementary and Secondary Assistance Act which mandates a worthy Federal investment in education for the children of America.

"Public opinion polls consistently show that our voters consider Federal aid to education as the Nation's number one priority. We must now move beyond paltry pilot projects in our response to this long-term public outcry. H.R. 1820 commits the Federal Government to make the contribution most suitable to its role.

"Through direct appropriations we must make capital investments in school infrastructures, offer leadership in the building of schools, and then leave the details of the day-to-day operations to local and State authorities."

I have no problem with local and State authorities being in charge of the implementation, but the resources need to come from the Federal Government because most States and local governments cannot commit the kind of resources necessary to modernize our school systems the way they should be.

"H.R. 1820 proposes to help all schools by authorizing, on the basis of school-aged children, a per capita distribution of the allocations for the purposes of modernization. Security, by the way, should be added, repair, technology and renovations, as well as new school construction.

"H.R. 1820 deserves national priority consideration for the following reasons: One, the best protection for Social Security is an educated workforce, able to qualify for high-tech jobs and steadily pay dollars into the Social Security Trust Fund.

"Two, the effective performance of our military in action, utilizing high-tech weaponry, requires an educated pool of recruits.

"Three, the U.S. economy will continue to be the pace setter for the globe only if we maintain a steady flow of qualified brainpower and updated know-how at all performance levels, theoretical, scientific, technical and mechanical.

"Invest in education and all other national goals become reachable."

Invest in education and all other national goals become reachable. Invest

in education and we have a great possibility, a greater possibility. I do not think Social Security is about to go bankrupt. There are a lot of scare tactics applied to discussions of where Social Security funds are now and where they will be 50 years from now. But one way to assure that Social Security funding will be there is to have a workforce out there paying into the Social Security fund. Whatever else we do, and I do not rule out having general appropriations for Social Security, but whatever else we do, we should keep the payment of funds into the Social Security treasury from working people, people who are working.

And if we do not have people who can qualify for the jobs that are going to be available 20, 30, 40 years from now, if we do not have people that have the know-how to do the high-tech jobs, the likelihood is that we are going to contract out a lot of our work to other countries that do have the population and the workforce with the know-how, and they are going to pay money into their Social Security fund, and we will have our Social Security fund deprived of the payment by workers into the fund. That is the first source.

So the best protection for Social Security is an educated workforce. We ought to have a discussion of education on the table when we consider what to do with the huge surplus that is anticipated over the next 10 years. Instead of being a projected \$864 billion in tax expenditures, we should say some portion of that money should go for education.

In this particular piece of legislation, the bill I have introduced, I only want \$110 billion out of the total that is projected. Even if we have to take the \$110 billion away from the tax expenditures, that is \$110 billion from \$864 billion. The parameters for the discussion have been set by the majority party. They have said we can talk big money, we can talk in billions, we can talk \$864 billion, so let us use that as a reference point and say why spend on tax cuts the full \$864 billion? Let us negotiate at least \$110 billion over a 5-year period to build schools and to modernize schools. Invest in education.

There may be additional money we will want to invest in whole school reform, which, despite the fact that the authorizing Committee on Education and the Workforce did not come up with the program for whole school reform, we get high praise for some of the whole school reform efforts that are going forward. There are many other places where we may need some investment in education, but a large capital expenditure is needed for school construction and modernization.

And a capital expenditure of this kind is only a one-time expenditure. It is not something we would saddle the budget with forever. It would not be ongoing. We would take care of the problem, we would invest in building

schools, and then we will have a result from that investment, a return on that investment later on.

I think any businessman, if he had a surplus and there was clearly identified needs in the area of capital investments, would make those investments in order to be able to realize that return in the future.

The General Accounting Office told us in 1995 that we needed \$112 billion at that time. That was 4 years ago. We needed \$112 billion just to keep the infrastructure at a level which would accommodate the amount of schoolchildren attending school at that time. We now have many more children attending school. I think we have close to 53 million children out there in schools, and what I have just projected, an expenditure of \$110 billion over a 5-year period, would be only an expenditure of \$416 per year per school-aged child. An expenditure of \$416 per child per year over a 5-year period.

So we are talking about a relatively small amount of money to invest in education and guaranty the workforce that we need for tomorrow. And that is an appeal I made to my colleagues on May 26 to cosponsor. And I recently developed another appeal in light of the changed circumstances; that we now know that there definitely is additional money available. I projected it before and I said we should get ready for it and we should put on the table a reasonable package which includes school construction.

□ 2230

I am all for the President's call for an expenditure of a part of the surplus on Medicare. I am all for his call of an expenditure of the bulk of the surplus on shoring up Social Security. I am not against that, but I think it is a great mistake, a great blunder by both Democrats and Republicans not to put education on the table and make it part of the package. But circumstances recently have changed so favorably until I do not see how we can ignore the great window of opportunity that is now open.

So I prepared another letter which I have not sent out yet, I will send it out tomorrow. I start with the following heading: "Democrats must respond to the overwhelming change in the fiscal surplus negotiating environment." I repeat. "Democrats must respond to the overwhelming change in the fiscal surplus negotiating environment."

"Republicans have now ratcheted up their demands for a mega-billion-dollar tax cut. The Democratic President has now indicated that he will entertain a tax cut at some level." So it is definitely on the table.

"Missing from the end game negotiating table is a Democratic scenario for school construction and modernization." At this moment, that is not on the table. None of the speakers tonight

have talked about education being part of the mix. I heard discussions of defense, additional expenditures for defense that ought to come out of the surplus and a few other items, but no one talked about education although education if you want to consider the national security of the country as being important, the first item you ought to look at is the quality of our education, including such practical and immediate problems as the workforce required by the military. The military requires recruits that are highly educated, people who must have had enough prerequisite education in order to be able to go into the military and learn how to deal with a high-tech military, high-tech equipment, procedures, et cetera. You need well-trained people in the military as much as you need them in the area of information technology.

So the first step toward shoring up our military should not be new expenditures for equipment like aircraft carriers and B-2 bombers and smart bombs but to make certain that the people who guide those smart bombs and who prepare the maps and the intelligence before you drop the bombs do not make a mistake of the kind we made with the Chinese embassy in Yugoslavia. Or you have people who are smart enough with their high-tech equipment not to be fooled the way we were fooled with the Yugoslav dummy equipment, wooden weapons and all kinds of things that made us believe that we were bombing their military into ineffectiveness when actually we were hitting very little of their military equipment. I do not know why we fell for that trick because we pulled that on Hitler when we were projecting openly exposing equipment in the south of France to make it appear that we were going to launch an invasion of the mainland of Europe from the south, toward the south of France, instead of at Normandy, and the Germans fell for that and we are proud of the fact that we pulled that off. Why we would let Yugoslavia pull the same kind of trick on us with respect to equipment that we thought we were bombing, I do not know, but it points up the need to have better training and a better educated military, set of military personnel from the bottom to the top.

Let me continue. As I said before, "Missing from the end game negotiating table is a Democratic scenario for school construction and modernization. H.R. 1820, an amendment to the Elementary and Secondary Education Assistance Act, authorizes a direct appropriation which is only one-half the amount authorized and appropriated for transportation. Not \$218 billion but \$110 billion, or \$416 per child per year for 5 years. All of the Democratic proposals for school reform and education are worthy, but nothing proposed is equal to the number one priority ranking that the voters have assigned to

education. A construction and modernization initiative of this kind fills the vacuum."

This kind of initiative is a response worthy of what the voters have demanded. In poll after poll, you have said education should get more assistance from the Federal Government. You do not want to hear an answer that we are going to have a Teacher Empowerment Act which takes old funds away from poor schools and redirects them, spreading them out over the whole country to train teachers better but no new funds are going to be allocated. You do not want to hear that kind of response to an overwhelming demand that the Federal Government play a greater role in providing assistance to education.

Here is a response worthy of it. Lay these responses alongside of the \$218 billion that we approved for highway and transportation last year, \$218 billion over a 6-year period. That is about 50 some billion dollars a year for the next 6 years. We approved that. The authorization committee came forward with it. It was not the Appropriations Committee. The Appropriations Committee was driven by the energy of the authorizing committee. Today we had the authorizing committee, Education and the Workforce, refusing to even ask for additional funding and take to the Appropriations Committee the priorities that have been set by the American people.

So we are asking for a worthy response, \$110 billion over 5 years. Lay that aside the highway and transportation bill of \$218 billion over 6 years and then lay that aside of the new request from the Republican majority for \$864 billion over 10 years. If you get dizzy considering billions of dollars, I can understand but at least let us look at the comparisons and understand the framework in which we are operating.

I have had people say to me, "When you talk about \$22 billion a year for school construction over a 5-year period which all adds up to \$110 billion over 5 years, that is mind-boggling." It may be mind-boggling, but we live in a mind-boggling era and we are a country of more than 250 million people. There are more than 16,000 school districts out there, and there are 53 million children out there. When you look at the number of children and you look at the amount spent per child, we are talking about \$416 per child per year. Maybe that can help you understand the mind-boggling figure of \$22 billion per year over a 5-year period which adds up to \$110 billion. And then lay the \$110 billion alongside \$218 billion for highways, lay that alongside \$864 billion for a tax cut, and you are able to comprehend maybe what is going on in Washington.

Do you want to stand by and let your government leaders make the blunder of a tax cut expenditure of \$864 billion

while schools receive zero from a surplus that does exist, or we assume exists? Democrats risk also being upstaged on this because I do not think the majority party is as dumb as some people consider it to be and I do not think this whole process is going to go forward without the majority party waking up to the fact that the people out there are still demanding that the Federal Government do more for education.

Between now and the next election in the year 2000, I expect some movement on the part of the majority party, and I hope the Democrats are not going to be victimized by an October surprise like the one we had in October of 1996 when the Republicans agreed to an increase in education funding of \$4 billion. After the Republicans had gone for a period from 1994 to the fall of 1996 calling for the abolishment of the Department of Education, wanting to cut school lunches, they attacked education vigorously, they cut Head Start, they cut title I, they went into 1995 and shut down the government because the President would not agree to those kinds of cuts, after all that had happened, in the fall of 1996 they decided to appropriate \$4 billion more for education and they went out and told the public, "We are the party which supports education." And they had enough people to believe that to win back the majority. I am convinced that that was a major item, a major part of their winning in 1996.

"Democratic refusal to support a meaningful dollar investment in school construction and modernization could weaken our ties to our labor allies and leave open an opportunity for Republicans to capture more labor union support."

I have talked before about the way we treat the working people in this country. People look at requests for new money for education, for items like school construction or items like whole school reform or any items related to education, they look at it and say, "Well, that's for minorities, that's for people in the inner cities," but most of the working families in this country cannot afford to send their children to private schools. So we are talking about the public school system. And a refusal to direct funding into school building repair and modernization is an abandonment of the public school system and working families are out there who are going to suffer as a result.

"We cannot emphasize too much the fact that the fiscal negotiating environment has undergone a rapid, almost revolutionary sea-change since the announcement of the long-term multi-trillion dollar surplus. To adapt to this change and at the same time respond to the number one priority of the voters, we urge you to review your position on H.R. 1820 and sign up for co-sponsorship now."

I am trying to get this new letter out. I have some sponsors that we did not have before. The minority whip the gentleman from Michigan (Mr. BONIOR) now is a cosponsor of this bill. The gentlewoman from California (Ms. PELOSI) on the Appropriations Committee is a cosponsor. We hope that we can have new momentum that will be generated among those skeptical Democrats who did not want to be associated with an appropriation figure which seemed unreal. It is not unreal anymore. I hope I do not have to repeat why it is not unreal. I think that every one of my colleagues, Republican or Democrat, can see that \$110 billion alongside \$864 billion is not an unreal projection of what should be available for school construction.

Now, one final specific item about this particular bill, H.R. 1820. We propose to appropriate the money on the basis of the number of school aged children in each State. This is a bill that would not be targeted, means-tested and that the utilization of it would have great flexibility for security purposes, for repair, for modernization, for technology, for construction, for renovation. There would be great flexibility and it would be appropriated according to the number of school aged children. If you look at it in terms of the blanket call for \$110 billion, it may seem kind of irrelevant to you, but let us look at what each State will get if you take the number of school aged children projected for that State for this year and you apply that to the formula.

Alabama would receive \$341 million for school construction per year. This is the first year. Each year for 5 years, Alabama would receive \$340 million. California would receive \$2.7 billion a year for 5 years. Florida would receive \$1.1 billion. Hawaii, \$92 million. Iowa, \$233 million. It would be money which is real enough to deal with the problem that the General Accounting Office has cited. We are talking about expenditures which would make a big difference in terms of school construction and school modernization and repair, et cetera. We are talking about an investment in education which would be a capital investment, the value over 30, 40, 50 years, versus the \$864 billion projected for a tax cut expenditure over a 10-year period.

Mr. Speaker, I include for the RECORD these two items, my Dear Colleague letter of May 26, 1999, and my Dear Colleague letter of July 14, 1999 in their entirety:

IN THE YEAR 2000 WE LAUNCH THE MARCH TOWARD A NEW CYBERCIVILIZATION—WE ARE SPENDING 218 BILLION DOLLARS ON HIGHWAYS AND ROADS IN SIX YEARS

LET US INVEST HALF THIS AMOUNT—110 BILLION—IN FIVE YEARS TO BUILD, REPAIR AND MODERNIZE SCHOOLS

DEAR COLLEAGUE: Please join me as a cosponsor for H.R. 1820, an amendment to the

Elementary and Secondary Assistance Act which mandates a worthy federal investment in education for the children of America. Public opinion polls consistently show that our voters consider Federal Aid to Education as the nation's number one priority. We must now move beyond paltry pilot projects in our response to this long-term public outcry.

H.R. 1820 commits the Federal government to make the contribution most suitable to its role. Through direct appropriations we must make capital investments in the school infrastructures. Offer leadership in the building of schools and then leave the details of the day to day operations to local and state authorities.

H.R. 1820 proposes to help all schools by authorizing a per capita (on the basis of school age children) distribution of the allocations for the purposes of modernization, security, repair, technology and renovations as well as new school construction.

H.R. 1820 deserves national priority consideration for the following reasons:

The best protection for Social Security is an educated work force able to qualify for hi-tech jobs and steadily pay dollars into the Social Security Trust Fund.

The effective performance of our military in action utilizing hi-tech weaponry requires an educated pool of recruits.

The U.S. economy will continue to be the pace setter for the globe only if we maintain a steady flow of qualified brainpower and updated know-how at all performance levels— theoretical, scientific, technical and mechanical.

Invest in education and all other national goals become reachable.

#### SEC. 12001. FINDINGS.

(1) There are 52,700,000 students in 88,223 elementary and secondary schools across the United States. The current Federal expenditure for education infrastructure is \$12,000,000. The Federal expenditure per enrolled student for education infrastructure is 23 cents. An appropriation of \$22,000,000,000 would result in a Federal expenditure for education infrastructure of \$417 per student per fiscal year.

(2) The General Accounting Office in 1995 reported that the Nation's elementary and secondary schools need approximately \$112,000,000 to repair or upgrade facilities. Increased enrollments and continued building decay has raised this need to an estimated \$200,000,000,000. Local education agencies, particularly those in central cities or those with high minority populations, cannot obtain adequate financial resources to complete necessary repairs or construction. These local education agencies face an annual struggle to meet their operating budgets.

(3) According to a 1991 survey conducted by the American Association of School Administrators, 74 percent of all public school buildings need to be replaced. Almost one-third of such buildings were built prior to World War II.

(4) The majority of the schools in unsatisfactory condition are concentrated in central cities and serve large populations of poor or minority students.

(5) In the large cities of America, numerous schools still have polluting coal burning furnaces. Decaying buildings threaten the health, safety, and learning opportunities of students. A growing body of research has linked student achievement and behavior to the physical building conditions and overcrowding. Asthma and other respiratory illnesses exist in above average rates in areas of coal burning pollution.

(6) According to a study conducted by the General Accounting Office in 1995, most schools are unprepared in critical areas for the 21st century. Most schools do not fully use modern technology and lack access to the information superhighway. Schools in central cities and schools with minority populations above 50 percent are more likely to fall short of adequate technology elements and have a greater number of unsatisfactory environmental conditions than other schools.

(7) School facilities such as libraries and science laboratories are inadequate in old buildings and have outdated equipment. Frequently, in overcrowded schools, these same facilities are utilized as classrooms for an expanding school population.

(8) Overcrowded classrooms have a dire impact on learning. Students in overcrowded schools score lower on both mathematics and reading exams than do students in schools with adequate space. In addition, overcrowding in schools negatively affects both classroom activities and instructional techniques. Overcrowding also disrupts normal operating procedures, such as lunch periods beginning as early as 10 a.m. and extending into the afternoon; teachers being unable to use a single room for an entire day; too few lockers for students, and jammed hallways and restrooms which encourage disorder and rowdy behavior.

(9) School modernization for information technology is an absolute necessity for education for a coming CyberCivilization. The General Accounting Office has reported that many schools are not using modern technology and many students do not have access to facilities that can support education into the 21st century. It is imperative that we now view computer literacy as basic as reading, writing, and arithmetic.

(10) Both the national economy and national security require an investment in school construction. Students educated in modern safe, and well-equipped schools will contribute to the continued strength of the American economy and will ensure that our Armed Forces are the best trained and best prepared in the world. The shortage of qualified information technology workers continues to escalate and presently many foreign workers are being recruited to staff jobs in America. Military manpower shortages of personnel capable of operating high tech equipment are already acute in the Navy and increasing in other branches of the Armed Forces.

#### SEC. 12003. FEDERAL ASSISTANCE IN THE FORM OF GRANTS.

(a) AUTHORITY AND CONDITIONS FOR GRANTS.—

(1) IN GENERAL.—To assist in the construction, reconstruction, renovation, or modernization for information technology of elementary and secondary schools, the Secretary shall make grants of funds to State educational agencies for the construction, reconstruction, or renovation, or for modernization for information technology, of such schools.

(2) FORMULA FOR ALLOCATION.—From the amount appropriated under section 12006 for any fiscal year, the Secretary shall allocate to each State an amount that bears the same ratio to such appropriated amount as the number of school-age children in such State bears to the total number of school-age children in all the States. The Secretary shall determine the number of school-age children on the basis of the most recent satisfactory data available to the Secretary.

#### SEC. 12006. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title, \$22,000,000,000 for fiscal year 2000 and a sum not less than this amount for each of the 4 succeeding fiscal years.

Sincerely,

MAJOR R. OWENS,  
Member of Congress.

#### DEMOCRATS MUST RESPOND TO THE OVERWHELMING CHANGE IN THE FISCAL SURPLUS NEGOTIATING ENVIRONMENT

Republicans Have Now Ratched Up Their Demand For A Mega-Billion Dollar Tax Cut.

The Democratic President Has Now Indicated That He Will Entertain A Tax Cut At Some Level.

#### MISSING FROM THE END-GAME NEGOTIATING TABLE IS A DEMOCRATIC SCENARIO FOR SCHOOL CONSTRUCTION AND MODERNIZATION

H.R. 1820, An Amendment To The Elementary And Secondary Education Assistance Act Authorizes A Direct Appropriation Which Is Only One Half The Amount Authorized And Appropriated For Transportation—Not 218 Billion Dollars, But 110 Dollars Or 416 Dollars Per Child Per Year For Five Years.

All Of The Democratic Proposals For School Reform And Education Are Worthy But Nothing Proposed Is Equal To The Number One Priority Ranking That The Voters Have Assigned To Education—A Construction And Modernization Initiative Fills This Vacuum.

Democrats Risk Being Upstaged By A Republican "October Surprise" On School Construction And Modernization.

Democratic Refusal To Support A Meaningful Dollar Investment In School Construction And Modernization Could Weaken Our Ties To Our Labor Allies And Leave Open An Opportunity For Republicans To Capture More Labor Union Support.

We cannot emphasize too much the fact that the "fiscal negotiating environment" has undergone a rapid, almost revolutionary sea-change since the announcement of the long-term multi-trillion dollar surplus. To adapt to this change and at the same time respond to the number one priority of the voters, we urge you to review your position on H.R. 1820 and sign up for co-sponsorship now.

Enclosed is a copy of the original "Dear Colleague" letter along with additional information indicating the amount of funding your State would receive through a simple formula based on the number of school aged children residing in each state.

To Co-Sponsor H.R. 1820 please call Sudafi Henry or Beverly Gallimore at 225-6231.

Yours For Education Excellence,

MAJOR R. OWENS,  
Member of Congress.  
NANCY PELOSI,  
Member of Congress.

I would like also to enter into the RECORD the School Construction Funding by State, the formula here which describes the amount of money that each State would receive out of an appropriation of \$110 billion over a 5-year period.

#### SCHOOL CONSTRUCTION FUNDING BY STATE (H.R. 1820)

State	Total Number of School Age Children (ages 5-17) <sup>1</sup>	Funds estimated (in millions)
Alabama .....	789,333	\$341,126,043
Alaska .....	142,903	61,758,389

SCHOOL CONSTRUCTION FUNDING BY STATE (H.R.  
1820)—Continued

State	Total Number of School Age Children (ages 5-17) <sup>1</sup>	Funds esti- mated (In mil- lions)
Arizona	895,218	386,886,363
Arkansas	478,837	206,938,986
California	6,347,098	2,743,025,343
Colorado	761,718	329,191,668
Connecticut	579,428	250,411,399
Delaware	129,860	56,121,596
District of Columbia	72,431	31,302,505
Florida	2,586,883	1,117,973,226
Georgia	1,454,483	628,583,918
Hawaii	214,232	92,584,643
Idaho	259,691	112,230,659
Illinois	2,296,551	992,500,445
Indiana	1,106,627	478,250,990
Iowa	539,958	233,353,649
Kansas	515,347	222,717,512
Kentucky	724,726	313,204,835
Louisiana	878,063	379,472,486
Maine	224,438	96,995,370
Maryland	943,128	407,591,627
Massachusetts	1,064,414	460,007,798
Michigan	1,894,530	818,759,030
Minnesota	942,066	407,132,663
Mississippi	554,803	239,769,213
Missouri	1,042,745	450,643,106
Montana	171,598	74,159,507
Nebraska	330,889	143,043,516
Nevada	331,047	143,068,582
New Hampshire	225,490	97,450,013
New Jersey	1,443,241	623,725,462
New Mexico	371,207	160,424,529
New York	3,249,139	1,404,180,402
North Carolina	1,392,729	601,895,692
North Dakota	122,404	52,899,337
Ohio	2,101,841	908,352,624
Oklahoma	651,067	281,371,625
Oregon	608,229	262,858,327
Pennsylvania	2,140,017	924,851,146
Rhode Island	175,805	75,977,646
South Carolina	706,248	305,219,198
South Dakota	150,843	65,189,819
Tennessee	969,365	418,930,472
Texas	4,013,816	1,734,650,861
Utah	497,578	215,038,284
Vermont	108,620	46,942,305
Virginia	1,197,604	517,568,320
Washington	1,085,679	469,197,893
West Virginia	305,065	131,839,941
Wisconsin	1,018,146	440,012,157
Wyoming	98,643	42,630,545

<sup>1</sup> Figures obtained from U.S. Census Bureau. Current as of July 1, 1998.

I know that there are still those out there who say, "I would rather have the tax cut." Who is it that when you are asked a question "Would you rather have a tax cut than to have new government programs" will not answer the question, "Yes, I'd like a tax cut"? There are a lot of people out there who feel that the proposal that has been made by the Republican majority affects me and impacts on me and I will have some piece of that. The Republican majority has said they are going to have an across-the-board 10 percent cut in taxes. That will add up to a large amount of money for people who are making large salaries. If their incomes are very high, they will have a large dividend from that, because what the Republican majority is saying is they are going to have a 10 percent across-the-board cut on the tax rates. The tax rates. So that people who are paying the highest tax rates get the greatest benefits from that 10 percent across-the-board cut.

People down lower who think that they are going to realize a lot from their tax cut do not understand that this tax cut is not for the average person making \$50,000, \$30,000. It is not for you. If they wanted a tax cut for you, and I think you ought to understand this before you support what looks like

a good idea and looks like it might deliver some benefits to you, you might take a look at what the Republican majority could have done if they wanted to deliver tax relief or a tax cut to the little guy and to the average family.

□ 2245

They could have a 10 percent cut on taxable income; that would be real. You could realize that at any level. As my colleagues know, I propose, just as an example, and I proposed several tax bills this year, as my colleagues know, I have a former tax expert on my staff who constantly updates me on what is going on and what some possibilities are.

You know, people who are on the Committee on Education and the Workforce, as I am, are not supposed to deal with tax matters. They want to compartmentalize this, but I think the people who elected me to come to Congress to do a job across the board, you cannot separate these things.

If you oversimplify and you separate tax policies from education policies, you are going to end up being swindled because people who are promoting tax policies are going to continue, as they do now, to pretend that ways and means and taxes has nothing to do with education. But once they give all the money away, the argument is going to be made that they have no more money for education; and for that reason we have to all be involved across the board in all facets of what goes on here in this Congress, and certainly all of us need to be involved with tax matters and appropriation matters.

My bill, the one I am dropping in today, calls for a 3 percent cut of taxable income across the board. Now what does that mean? That means that if you make \$30,000 a year, I mean, if you have an income and after all the deductions and adjustments are made your taxable income is \$30,000, you would get a \$900 tax cut. The same guy who is making a million dollars on his first \$30,000 of taxable income will get a \$900 tax cut too. There would not be the unevenness that you have here where the rate across the board reduction, 10 percent reduction in the rate, gives advantage to those on the top. Everybody would benefit equally in terms of a cut in the taxable income. The people at the bottom would get the same advantage as the people at the very top.

And a staff member of mine prepared a chart for me. I was going to read off what it looks like from the top to the bottom, and I misplaced the chart and did not bring it with me. But the thrust of the matter is that a 3 percent tax cut yields a certain amount of money, 3 percent from the taxable income yields a finite amount of money. For \$30,000 you are talking about a \$900 cut, and the first \$30,000 that a million-

aire makes, he get a \$900 tax cut, the next \$30,000, he get another \$900 tax cut and so forth. Everybody would be getting the same amount cut as the Republican majority now proposes it. It is a cut in the rate, which means that the people with the highest rates will get the greatest benefits for the tax cut.

There is another item that I wish would get some consideration. The Republican majority is moving so fast with the tax cut that it will be on the table tomorrow. I had hoped that some considerations I had raised earlier in the Progressive Caucus and with other circles would be put on the table as we prepared an alternative to the Republican tax cut. I understand in the Democratic Caucus tomorrow we may be considering some kind of alternative. It is a pity we waited so late to prepare an alternative, but at least I like to take a look at that alternative.

Part of what should be in that alternative is some relief, some tax relief for the people on the bottom who have paid the highest increase in taxes over the last 10 to 20 years. The payroll taxes have gone up, and in an article by David Rosenbaum in the New York Times on July 19, yesterday, Mr. Rosenbaum talks about the fact that polls on tax cuts find that the voters are kind of mixed up, and the edge seems to go to voters who feel that programs are more important than tax cuts. People worry more about programs and high taxes. But in his conclusion of the article Mr. Rosenbaum points out something which I have tried to get my colleagues to understand but failed, and that is, and I will quote from the latter part of the article:

"In a Gallup poll, 69 percent of the Republicans said a candidate's position on the amount Americans pay in Federal taxes was an important factor in how they voted, but fewer than half the Democrats and Independents gave that response; and not surprising, the more money people make and thus the more they pay in taxes, the more they favor tax cuts. Gallop found that 62 percent of those with annual incomes above \$75,000 regarded taxes as a high or top priority in deciding whom to vote for."

And this is the paragraph that I want to stress:

"One reason the public may generally be skeptical about tax cuts is that most people pay more in Social Security and Medicare payroll taxes than they pay in income taxes, and no one nowadays is talking about reducing payroll taxes."

I think the Democratic party, my colleagues, my leadership, is missing an opportunity that is not gone completely. If we are going to have a tax cut, an alternative to the Republican \$864 billion tax spending bill, then let us consider this paragraph.

One reason the public may generally be skeptical about tax cuts is that



most people pay more in Social Security and Medicare payroll taxes than they pay in income taxes, and no one nowadays is talking about reducing payroll taxes.

Why do we not talk about reducing payroll taxes? Into this tax package that is into this surplus spending package and the tax reduction part of it let us not only put education as one of the vital items that must be considered in the negotiations, let us also put the high payroll taxes into that mix and into that discussion. Let us reduce payroll taxes.

The final paragraph of Mr. Rosenbaum's article concludes:

"In 1997 a couple with \$50,000 in income from wages paid \$7,650 in payroll taxes." Let me repeat. "In 1997 a couple with \$50,000 in income from wages paid \$7,650 in payroll taxes, but assuming one child and itemized deductions of \$10,000, the couple paid only \$4,800 in income taxes." They are paying almost twice as much in payroll taxes as they pay in income taxes.

If you want a tax cut and if you are one of those people who say, well, I know we need money for education and we should have money for school construction, but I want a tax cut, and I insist that we have a tax cut; well, let us have a tax cut, but let us have a tax cut for the people who are on the bottom and who need it most. Let us have a tax cut for the people who have the highest increases in their taxes, and that is the people on the bottom, the payroll taxes. The Medicare and the Social Security taxes combined have represented the biggest increase in taxes of all over the last 10 to 20 years, and we need to give relief for those people.

So in conclusion what I am saying is that we cannot separate those two matters, and I do want to introduce this article, Mr. Speaker. I include an item by David Rosenbaum, a New York Times, July 19, 1999, in the RECORD:

[From the New York Times, July 19, 1999]

POLLS ON TAX CUTS FIND VOTERS' MESSAGES MIXED

(By David E. Rosenbaum)

WASHINGTON, July 18—Nearly two-thirds of Americans think their taxes are too high. But few of them worry much about it, and most people would rather have the Government spend money on popular programs than cut taxes.

These somewhat contradictory findings from a review of public opinion polls help explain why Republicans and Democrats have such different views on tax cuts. Each side can find something in the polls to justify its position.

Republicans in Congress expect to approve large tax cuts this summer. Among the steps Republicans are considering are reduced income-tax rates, a lower capital gains tax, abolition of the tax on inheritances, new tax breaks for retirement savings and more favorable tax treatment of married couples.

These measures are opposed by most Democrats in Congress, and President Clinton has promised to veto them. The Presi-

dent favors a much smaller tax cut focused largely on retirement savings. The President and the Democratic lawmakers also favor spending more on health and education programs.

In a Gallup poll this spring, 65 percent of those questioned said their taxes were too high. Over the last 30 years, through good economic times and bad, this figure has not changed a great deal.

On the other hand, when CBS News asked people in a poll last week what they thought was "the single most important problem for the Government—the President and Congress—to address in the coming year," only 5 percent named taxes, putting the issue behind health care, Social Security, the national debt, education and Medicare and Medicaid.

In a similar vein, when Gallup asked people in March whether they favored a tax cut or "increased spending on other Government programs," three-quarters opted for the tax cut. But on an alternative question, when people were asked whether they preferred a tax cut or more spending to "fund new retirement savings accounts, as well as increased spending on education, defense, Medicare and other programs," three of every five respondents favored financing of the specified programs.

The idea of cutting taxes "has only moderate priority when you test it against spending," said Andrew Kohut, director of the Pew Research Center, a nonpartisan polling operation. "The reason is not that people don't think their taxes are too high, because they do, but they think tax breaks won't benefit them and the country as much as the spending, and they think that when taxes are cut, the rich guys are the ones who are going to make out."

Indeed, a poll by Gallup, CNN and USA Today in April found that 66 percent of the public believes "upper-income people" already pay too little in taxes.

When they debate tax policy, Republicans and Democrats rely on the polling results that bolster their separate doctrines.

Asked in an interview last week why polls showed little clamor for tax cuts among voters, Representative Bill Archer of Texas, the Republican who is chairman of the Ways and Means Committee, replied: "We know from long-term polling data, over a long period of time, that people believe they are overtaxed. People do not say we are taxed too little. They say Government spends too much and that we are taxed too much."

But in the Ways and Means Committee debate on tax legislation last week, Representative Pete Stark, Democrat of California, insisted that people understood the Republican bill would benefit mainly the rich. The Republicans "would rather help multimillionaires and special interests rather than enable seniors to obtain affordable prescription drugs," Mr. Stark declared.

Paradoxically, when the Pew Research Center asked voters last month whether they thought Republicans or Democrats would do "a better job" on taxes, the outcome was a dead heat: 38 percent said Republicans and 38 percent said Democrats.

One reason tax cuts are so important to Republicans is that this is a matter on which two main strands of the party, business interests and religious conservatives, agree.

Another reason is that many issues that used to be central to Republican dogma, like anti-communism, are not relevant today. And many others, like welfare, crime and balanced budgets, have been co-opted by President Clinton.

Among voters, tax cuts are a significantly higher priority for Republicans than for Democrats and independents.

In a Gallup poll, 69 percent of Republicans said a candidate's position on the "amount Americans pay in Federal taxes" was an important factor in how they voted, but fewer than half of Democrats and independents gave that response.

And not surprising, the more money people make and thus the more they pay in taxes, the more they favor tax cuts. Gallup found that 62 percent of those with annual incomes above \$75,000 regarded taxes as a high or top priority in deciding whom to vote for.

One reason the public may generally be skeptical about tax cuts is that most people pay more in Social Security and Medicare payroll taxes than they pay in income taxes, and no one nowadays is talking about reducing payroll taxes.

In 1997, a couple with \$50,000 in income from wages, paid \$7,650 in payroll taxes. Their employers paid another \$7,650 as their share. But assuming one child and itemized deductions of \$10,000, the couple paid \$4,800 in income taxes.

And in conclusion I want to say that what I am trying to say here is important. We cannot separate education from tax policy. Education policy, education programs, tax policy, we must discuss them all in one package. We must understand that there is going to be an end game negotiation process. Probably the first part of that process will take place this fall, but the final process that must take place will be in the fall of the year 2000, just before the election.

Just as we had a final set of decisions in 1996 that were revolutionary in terms of education funding, I expect that we will have a set of decisions in the fall of 2000 as a result of the end game negotiations between the majority Republicans and the White House which will conclude by dispensing a package which includes some kind of tax cut. There are also going to be increases for health care, increases for defense, and we want education also to be in that package. We need funding for education, school construction, repair, renovation and technology.

## ILLEGAL NARCOTICS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Florida (Mr. MICA) is recognized for 60 minutes.

Mr. MICA. Mr. Speaker, I come to the floor again to talk about the subject that is very important to me and to millions of Americans, unfortunately a subject that does not get a lot of headlines except in local papers; and I will refer to those, some of those headlines across the country tonight, and that is the subject of illegal narcotics and the problem of drug abuse and illegal narcotics trafficking across our great land.

I come to the floor to report to the House and to the American people

again on this epidemic, this silent epidemic, but deadly epidemic, that is facing our Nation and a challenge that is facing this Congress I inherited from Speaker HASTERT who chaired the National Security International Affairs Oversight Subcommittee during the last Congress in which I served with him, responsibility for national drug policy in the House of Representatives, working with the Speaker and several other colleagues in committees of jurisdiction, but my particular subcommittee assignment is chairing Criminal Justice and Drug Policy and Human Resources, trying to piece together our national drug policy and whatever efforts this Congress may take to stem this horrible problem, and each week I come to the floor in a 1-hour report to provide sort of an update on what is happening and try to get the message across to the Congress that drugs do destroy lives, illegal narcotics kill and maim, just absolutely devastate family after family in our land.

In fact, last year over 14,000 Americans lost their lives to illegal narcotics in our country. In the last 6 or 7 years of this administration over 100,000 Americans and particularly our young people have been victims and lost their lives, more than the losses in many of our recent international conflicts and some of our wars. We have suffered these tragic losses and those are losses in lives, not to mention the destroyed families, the cost to this Congress, the hundreds of billions of dollars to support our criminal justice system to take care of the social problems, the lost employment and other opportunities that are lost with people who fall victim to the plague of illegal narcotics.

I would be remiss if I did not come to the floor and reflect upon what has been on the minds of the Nation since last Friday evening when we first learned the news of JFK Junior's missing airplane and the whole Nation has focused its attention on this great and tragic loss; and it is a shame that we have lost this young man. I had an opportunity to meet him twice, and he provided a beautiful role model, handsome, young, energetic with so much potential and so much life, and his life lost; and it is sad that a role model coming from a family that has given so much to this Nation should be lost in such a tragedy.

But again across our land every day 50 people die due to illegal narcotics. The toll, as I said last year, is over 14,000. Some die silent deaths, some more tragic deaths from drug overdoses from direct illegal narcotics use and abuse and tragedies.

I had the opportunity this morning to see another great role model. My son who is 20 and was in Washington with me today, he and I attended the Langley medal award for the Apollo 11

astronauts, and we had a chance to talk to Neil Armstrong and to the commander of the module, Mr. Collins, and also Buzz Aldrin, second man on the Moon. Again, great role models for our Nation, tremendous heroes whose names will go down in history.

□ 2300

I did have a few minutes to chat with Neal Armstrong, the first man on the moon. Again, a great, great role model for our young people. He and I, in our brief chat, did discuss our dismay at trying to find a solution, and I salute his efforts now as a private citizen trying to assist us in this war on illegal narcotics in what he has done, not only directly, but indirectly as serving as a role model of what opportunity this great Nation holds for us, that those of us who can live a drug-free life without a life of abuse for illegal narcotics or addiction to illegal narcotics. But 2 beautiful people, 2 beautiful examples of what life can be and hold so much promise and opportunity for each of us. I mention both of those tonight.

As I flew away from Washington last week, I went through the Baltimore airport and picked up the Baltimore Sun. I like to reflect on what is going on around the Nation with the problem of illegal narcotics. I was struck by last Friday's newspaper, the Baltimore Sun, on the front page. The headline, this tragic headline, They Killed Him Over \$15. Sure enough, I read on into the paper, and let me read from this article a little bit about this preacher who was slain for \$15 in a neighborhood in Baltimore that has been plagued by so many problems emanating from illegal narcotics. Let me just read a little bit of this article.

It says, "For generations, this thin band of forest has embraced the residents of Quantico and Oswego and Clausen Avenues in cool, green shade. But in recent years, it became a Sherwood of thieves and dope addicts landscaped with syringes, liquor bottles, and discarded stolen goods."

Further on in the story, it relates again how this preacher, this good human being, a citizen of Baltimore, was slain for \$15 last week. It says, "Even the presence of a police athletic league center has not discouraged the interlopers who lounge by the wading pool at night snorting heroin and littering the soccer field with empty drug vials."

This is Baltimore, just a few miles from our Nation's Capital. What a tragedy of a lost life.

My message has been that drugs destroy lives; and in Baltimore indeed, drugs have destroyed lives, a great example.

Again, from the newspaper, to bring my colleagues up to date, Mr. Speaker, this is an article, an Associated Press article from July 18, just a few days ago. In New Orleans, it says, "Two Jef-

erson Parish residents who drove to New Orleans to buy heroin were shot and killed early Sunday morning in a hail of bullets, a companion who survived the attack told New Orleans police." A wonderful city; probably one of the most beautiful cities in America. Another city ravaged by illegal narcotics and the crime, the death that it brings, just a few days ago. Another article, another city, other lives snuffed out by illegal narcotics.

This is an article that appeared again within the last 3 days, July 17. It says, "Discovering drug labs is part of the job for probation and parole officers." This is not Baltimore, New Orleans or New York or Detroit areas where we might expect it. It is Boise, Idaho. And the AP story reads, "Finding people making the illegal drug methamphetamine is becoming a potentially dangerous fact of life for Idaho probation and parole officers." The story goes on, "They increasingly are uncovering make-shift meth-looking operations in the course of monitoring and trying to help redirect the lives of ex-convicts and offenders getting another chance to avoid prison."

The story goes on. It says, "The State's 170 probation and parole officers have been involved in discovering 51 of the 85 meth labs busted throughout Idaho recently this year. That is up sharply from 98 found Statewide in the entire year of 1998, 23 of them found by probation and parole officers. People have already been busted once," the article goes on to say, "for using meth, and are 2 to 3 times more likely than other offenders to be arrested again."

Mr. Speaker, "80 percent of the offenders," the article goes on to state, "are battling addiction to meth or other substances. Right now it is an incredible problem. Every time we write a violation report the word 'meth' is somewhere in it."

Now, this is an article from the heartland of America from Idaho.

We held hearings in our subcommittee; and we found evidence of meth production, meth epidemics in Minnesota, Iowa, Idaho, Atlanta, Georgia, the West Coast of the United States. Places where we would not expect this. What was interesting is, the source of most of the methamphetamine has been traced to Mexico, and I would like to just state for the RECORD and show for the RECORD some bad news. Last week, I had some good news that the Mexicans were extraditing a murderer from the State of Florida, and unfortunately, this is the news on the people who are producing this meth, again, across our land.

Jose de Jesus Amezcua Contreras, he is actually known as one of the world's largest producers and traffickers in methamphetamines and is the head of this organization. And unfortunately, the Mexicans, who fail to cooperate

with us except on very limited occasions, took some action that is most regrettable this past week.

A judge issued an injunction Monday against a United States request to extradite Amezcua and gave Federal prosecutors 10 days to appeal the decision before setting Amezcua free. Despite overwhelming evidence, all Mexican drug charges have been dismissed against this individual who is helping to import death and destruction, whether it is Idaho, whether it is Minnesota, Iowa, or West Coast, or our southern States. Again, besides the fact that there was overwhelming evidence, all the Mexican charges have been dropped against him. He is still being held in custody, fortunately.

Now, we have had success again with one individual, a U.S. citizen, who committed a horrible murder in southwest Florida being judged as eligible for extradition. But in fact, we have 270 some other requests for extradition, including this individual who is the "meth king," who again is getting off on these charges. His brother was released from prison in May. The whole family, there are a series of these brothers, and I have shown their posters here on the House floor, before are all involved up to their eye balls in illegal narcotics, particularly the deadly meth trade.

A Mexican appellate judge threw out trafficking charges against his brother, and now we see the same thing happening here with this individual, again with the meth and the story from Boise, Idaho.

□ 2310

This dateline is Birmingham, Alabama, and again it illustrates that illegal narcotics, drugs, do destroy lives. This article is an Associated Press article within the last few days, July 16. It says, Birmingham, Alabama: Pacifiers, temporary tattoos and toothpicks seem like harmless enough items but they are also tools of the teenage drug trade, according to doctors and drug experts.

The article goes on, and let me just cite part of it. Drug abuse doubles and even triples in the summer among children graduating from one school to another, he said. Children also report their first drug experience often comes in the summer, leading up to the move from elementary to middle school and from middle school to high school, because they feel more grown up.

What is becoming a greater problem is also cited in this Birmingham article. It says, Ecstasy is a growing danger. It is a relatively new form of amphetamine that can give a euphoric rush in low doses and it often causes strokes, heart attacks and breathing problems at higher levels, according to this report. Here, again, in the heartland of America and our south Birmingham, Alabama, Ecstasy complements another amphetamine, com-

pliments of some of our Mexican neighbors to the south, coming in in huge quantities.

Here is a story from Albuquerque, New Mexico. It says, in less than 18 months, a drug considered a safe way to help addicts kick heroin habits has been found in the bodies of more than three dozen people who died of drug intoxication in New Mexico. Again, this year we will probably set a record in excess of 14,000 deaths by illegal narcotics or narcotics taken in this fashion. This is a New Mexico, southwest area, Albuquerque a beautiful community. There were about 200 drug-related deaths from January 1998 through mid-May of this year and 41 of the victims had methadone in their systems, according to the Department of Public Safety statistics. Again, illegal narcotics and their effect in one community, Albuquerque, New Mexico. Illegal drugs do destroy lives and have an incredible impact.

More bad news from Mexico this week, Mr. Speaker. A Mexican appeals judge on Friday, according to this report, cut the 50-year prison sentence of Raul Salinas, the brother of Mexico's former President, by almost half. The Swiss Supreme Court overturned the confiscation of about \$115 million. Now, how does the former President's brother get \$115 million? We know it was drug-related money. We know the family was involved in illegal narcotics up to their eyeballs, too, like some others we have cited tonight.

The money that has been held by Swiss prosecutors, this article says, was derived from drug trafficking.

Mr. Salinas must still serve 27 years for the 1994 assassination of his former brother-in-law, a top ranking official of Mexico's ruling institutional revolutionary party. Here, again, bad news from Mexico; one of the families involved in laundering hundred of millions of dollars.

I have told a story that we had testimony before our subcommittee. Now this is the former President's brother, Raul Salinas, but we had testimony by a Customs agent, and I think a fairly reputable source and other sources, that confirmed this, of one Mexican general most recently attempting to place \$1.1 billion, that is \$1.1 billion, I did not make a mistake, it is not million, it is \$1.1 billion, in illegal drug money into legitimate investments and financial depositories in the United States. We know that those meetings took place. We know that the general, in fact, had skimmed that kind of money.

That is an incredible story of money. We see the President's brother with hundreds of millions and we have Mexican generals with billions of dollars to place. It should raise many questions about our policy and the lack of action by Mexico who wants trade benefits; who wants financial assistance of the

United States in international monetary markets; who wants support to be more than a developing nation, to be an equal, again, trading and financial partner. This is the type of cooperation that we get, first of all, the largest methamphetamine dealer in Mexico, with the charges dropped. Next we see the President's brother, the former President's brother, getting his charges reduced, and here we also have a case of a Mexican general trying to place an incredible amount of money and most of the investigation squashed. So it is a pretty sad state of affairs as it relates to Mexico.

Now, tonight I brought a story of destruction and death from different cities and parts of our country, and that is just in the last few days. This entire problem of illegal narcotics has an impact on every community. In my community, in central Florida, as I have stated before, the recent headlines have said illegal narcotics, overdoses and deaths now exceed homicides. I try to substantiate what we say about illegal narcotics, because illegal narcotics are so glorified by Hollywood and by movies and videos and commentary among our young people.

During our recent hearings in our subcommittee, we had in experts who testified about what drugs do to the human brain. I have a couple of illustrations here. The first one, and I hope this shows up, we talked about Ecstasy and how it is making its presence across the Nation and also among our young people.

This is an interesting image. It is actually of two different brains. This is a brain scan. This is a normal brain. All of this up here is normal brain action. This information again was provided to us by a scientist. The top illustration here, and brain, belongs to an individual who has never used Ecstasy, and we can see how bright these images are. The scans are different scans of the brain from different directions.

The bottom scans here belong to an individual who has used Ecstasy heavily for an extended period but was abstinent from drugs for at least 3 weeks prior to the photographs.

Now, one can see the effect that the drug Ecstasy has had. This is a prolonged effect, again, of what Ecstasy does. Ecstasy is very popular among our young people and we heard a couple of citations here of areas where it is showing up across our country, where we would least expect it.

It says the specific parameter being measured is the brain's ability to bind the chemical neuro transmitter serotonin, and that is what this illustration shows. Serotonin is a substance that is very critical to normal experiences of mood, emotion, pain and a wide variety of other behaviors, but again this shows what damage is done to the brain and to the mind with this illegal narcotic.

I have another scientific chart here. Let me just pull off this information card. This chart shows what methamphetamine does to the brain. This was presented to our subcommittee in a hearing last month. It should be very clear evidence not only that drugs destroy lives but also damage the body and the mind.

□ 2320

This was presented by scientists who completed this study, and the photograph demonstrates the long lasting effects that drugs have on the brain.

The brighter colors in here, this shows a normal brain, and it shows the substance of dopamine, which has a binding capacity. Dopamine function is critical to emotional regulation, and it is involved in the normal experience of pleasure and involved in controlling an individual's motor function.

The scan on this side, the left here, is a nondrug user. The second scan going down here is a chronic methamphetamine abuser who was drug free for 3 years prior to the taking of the image. The third scan, this scan right here, is a chronic meth abuser who was drug free for 3 years prior to the image.

Now, the last brain scan, the very last brain scan here is of an individual newly diagnosed with Parkinson's disease. Parkinson's disease is a disease known to deplete dopamine.

My colleagues can see exactly what is happening to the brain of an individual who uses meth. Meth is one of the biggest problems, and I cited city after city, in the heartland of America and now almost in every community.

This is what methamphetamine does to one's brain. This is scientific evidence. This is not something we made up in our political deliberations. This is scientific evidence, both of these presented to our subcommittee and what these illegal narcotics do to the brains of individuals.

We can talk about treatment, and we can talk about trying to help these people, but once one has destroyed these brain functions through habitual misuse of methamphetamine or ecstasies or other illegal narcotics, this is what we end up. It is a very serious situation.

Unfortunately, drugs have been glorified. Ecstasy is now glorified. Meth is a popular drug. Both of these drugs are primarily used by our young people. We see more and more tragic deaths by our young people and abuse, and not only abuse, but, again, the deadly effects and the long-term effects of these illegal narcotics.

That brings me to the subject of the other drug of plague of the United States, and there is no question about that; that is heroin. Heroin deaths, as I said, in my community are epidemic. We have had the police chief of Plano, Texas, we have had law enforcement, individuals from Police Chiefs Associa-

tion, the National Narcotics Association all testify about the incredible supply of heroin coming into this country.

Now, the heroin that is coming into the country, too, our testimony has indicated and proven is not of the purity levels of the heroin of the 1970s or the 1980s. This stuff is 60, 70 percent pure. We know exactly where the heroin is coming from, and it is a very deadly heroin. It is coming from South America. As I have said before, if we put this chart up, in 1993, there would be almost no heroin coming from South America.

I am going to talk a little bit about the source of heroin and this heroin. We know, in fact, that the heroin is coming from South America, because it can be traced scientifically. Just like the shots I showed my colleagues of the brain scans, scientifically, we can tell how brains are affected by the chemicals and show exactly what takes place, we can test, and our DEA agents can test, heroin and trace it almost to the field that it came from.

So we know that heroin taken and seized in the United States, we know 75 percent comes from South America. Again, in 1993, the beginning of this administration, almost no heroin came from there. Most of it came from the Southwest Asia and Southeast Asia. And Mexico is now a double-digit heroin producer. It produced a little bit of black tar heroin. Now it is producing much more. This is where heroin is coming from.

Now, again, I tell my colleagues who are listening about what illegal narcotics do from a scientific standpoint. From a personal standpoint, again, I bring out these charts. I have only showed these photographs one other time on the House floor. But, Mr. Speaker, I bring these photographs here again to the floor because there is so much glorification of ecstasy, methamphetamine that is so popular, and heroin, which is on the rampage.

Heroin is now, among our teenagers, and actually since 1993, listen to these statistics, there has been an 875 percent increase in teenage use of heroin. That is this incredible supply that is coming in from South America.

I am holding this up. I am holding this up. This is one of my constituents from Central Florida, a young man in his twenties, and this is how he ended up. This is the shot that was taken by the police that the mother allowed for me to bring here and show to the House of Representatives.

The next photograph that I have of him is just a horrible photograph. I really hate to show this, but I want my colleagues and others to see what illegal narcotics do. Now, this heroin that is coming in, this is what it did to the young person. If anyone thinks that illegal narcotics are glamorous and that the experience of illegal narcotics is something that should be praised and

glorified, they should look at the body of this young man. I do not like to hold this up for too long. But I want my colleagues to know what heroin does to the individual.

Heroin is ingested in the body. There is a time, usually within 30 seconds, where the drug hits the nervous system. A warm sensation overcomes the user, and there is euphoria and relaxation as a result. The user begins to feel the effects on the respiratory system breaking down, and the user's breathing becomes labored.

What my colleagues saw in this photograph of this young man from Central Florida is what took place. The respiratory system breaks down, and the breathing becomes very slow. The corresponding drop in body temperature begins, and the heart beat becomes irregular.

If the user is, at this point, conscience, this is the stage where fear grips the individual. Soon the body is demanding more oxygen, and the user's respiratory system cannot accommodate the growing need. Fluid begins to enter the lungs, and this is the beginning of the drowning stage. Sometimes during this phase, blood vessels and capillaries begin to rupture. My colleagues saw the face of a young man who died a horrible death.

This is how thousands and thousands of our young people are dying, some of them silently, some of them we just read in an obituary page.

□ 2330

This is how this young man died. And the photograph, as I said, was released to me by the mother, the photograph taken by the sheriff's department. She wanted the House of Representatives and the American people to see the inglorious effects of heroin and illegal narcotics on her precious son, who she loved so much.

As evidenced by the photograph that I showed here, the blood on the face of the heroin user is the result of blood vessels rupturing. Entering into the final stage, the user is now in great distress and experiences severe pain throughout the thoracic region, much like a heart attack. The user's head is splitting with pain. The amount of fluid in the lungs has increased and the user is now in excruciating pain and begins to drown as his or her lungs fill with fluid. At this time the user becomes unconscious, begins seizures and death is slow but inevitable.

Unfortunately, the picture that I showed here tonight is a picture that is repeated dozens and dozens and dozens of times in central Florida. We have had more than four dozen heroin deaths, and most of them by young people in central Florida. Each of these individuals died a death similar to what I described here, and they ended up in a human tragedy displayed as I showed in this photograph; a horrible

end. And again leaving behind a loved one; this young person that was a son or a daughter, loved by parents, brothers or other family members.

I only showed that photograph of this young man with the permission of the mother and the sheriff's department. This mother is so courageous. And other mothers have banded together in central Florida and they have produced a film with our local sheriff in Orange County, Sheriff Barry, who has done a tremendous job working with the victims' families in producing a tape, and it shows these photographs and others that are much more graphic than I could show on the floor of the House today, about how their young people met their demise through illegal narcotics, and particularly heroin.

So tonight I bring a very clear scientific message about Ecstasy, about methamphetamines, what it does to an individual's brains, and about the effect of heroin and the tragedy. The heroin again that is out there is not the heroin that was of the low purity levels of a decade ago. This is deadly, deadly heroin.

Again, we know where that heroin is coming from. The sad part about all this is that we, in fact, did not have heroin coming in in this quantity some 6 or 7 years ago. Almost all of this is a new phenomena, and some of it can be very directly related to the policies of the Clinton administration, unfortunately.

It is my hope that we can turn that around. Today, I would like to cite a story about where this heroin is coming from. Most of it is grown in Colombia, but I would like to cite a story by Robert Novak, a very talented columnist who writes for *The Washington Post*, and he wrote this in yesterday's column. He says, "As critics feared, the peacetime initiative crafted by President Pastrana, and encouraged by the Clinton administration, is a disaster."

Now, we have to go even further back than this article cites, and we will talk about the Clinton policy of 1993, when this President took over and how we got to all this heroin being produced in Colombia, but Robert Novak cites quite correctly that the current policy, backed by the Clinton administration, is a disaster.

He goes on to cite, and let me quote his story, "Colombia is the first western hemispheric state falling under the control of guerrillas financed by international drug trade, but it remains a State Department back water. While the United States is committed to the Balkan ethnic wars, Colombia's priority has always been low."

That is unfortunately true. And I would like to cite some of the history of what has taken place with this administration, and it has been one poor policy compounded by another. I was elected to the Congress and took office in January of 1993. This administration

took office and this President in January of 1993 also. From the very beginning bad decisions were made by this President and this administration relating to Colombia, and I would like to cite some of them.

The very first one, and I bring to the floor evidence, and this is the committee on which I serve, The Committee on Government Reform, the ranking minority member at the time, the Republicans were in the minority in 1994, and I also wrote to the then drug czar Lee Brown, who was President Clinton's first drug czar. We wrote to him saying that the policy was wrong, and this is an August 25 letter in response to our request to have a change in United States policy adopted by the Clinton administration relating to sharing information with Colombia, with Peru, and with Bolivia and other countries that involved going after and shooting down, in some cases, illegal narcotics traffickers.

A liberal attorney, who I understand went from the Justice Department over into the Clinton administration's DOD, came up with a ruling that we could not share information. This was the beginning of a bad policy that led to the production of both heroin and cocaine in Colombia in the quantity that we see coming out of there today. In 1994, we knew this was the wrong policy. We asked the other side to change this.

In fact, at the Conference of the Americas we met with President Clinton, and I remember that meeting very well, many Members challenging his policy that Mr. Lake, his adviser, I believe, was aware of. The President said he was not. But we ended up changing our law to change the Clinton policy that did not allow us to provide this information to go after drug traffickers. And here are the letters dating from 1994 on that policy.

What happened with that policy, in fact, was that during the Bush administration the United States shared real-time intelligence with Peru and other countries in an effort to allow them to force down drug-carrying aircraft so that illegal cargoes could be seized. This was primarily done through ground-based radars and surveillance systems.

On May 1, 1994, again to cite the history of this, the Clinton administration stopped this program due to a legal interpretation and, again, lacking this real-time intelligence, the highly effective program was essentially blinded.

□ 2340

It was the beginning of a bad policy in South America that led to this tremendous change in the production of illegal narcotics and the incredible volume of heroin and cocaine coming from Colombia.

Additionally, this mistake by the Clinton administration was com-

pounded and we researched this just to show again the fact that one mistake was compounded by another. In 1996, and the Republicans had taken over the House of Representatives. I might add, from 1993 in January through 1995 when Lee Brown was the director of drug policy, our national drug policy, there was only one real hearing held, and it was less than an hour, on our national drug policy and that was only after a request which I circulated and signed by over 130 colleagues for a review of the administration's policy, but one hearing on this subject during an entire 2-year period as the Clinton administration dismantled the war on drugs.

The further dismantling of the efforts to stop illegal narcotics in South America and in particular in Colombia came repeatedly in 1994 and 1995. In 1995, Republicans took over the House with the gentleman from New York (Mr. GILMAN) from the Committee on International Relations who has chaired the committee since. I have communications requesting back to early 1996 that this administration provide assistance, arms, helicopters, equipment, resources to Colombia because of what we were seeing in the increase in production of heroin and cocaine in that country. Every request, and I have page after page, every letter that we submitted requesting that attention be given to this problem was ignored, in fact blocked by the other side of the aisle and this administration.

I brought with me tonight additional evidence of how we got ourselves into this situation. Having taken over the Congress, the gentleman from Illinois (Mr. HASTERT), who chaired the National Security International Affairs subcommittee, held dozens and dozens of hearings on this subject trying to get the administration to move on what was going to take place and what was taking place in Colombia. Hearing before the National Security Subcommittee, July 9, 1997, International Drug Control Policy, Colombia, the title. Oversight of United States Counternarcotics Assistance to Colombia. Ignored. This one held July 9, 1997, ignored. February 14, 1997, ignored. Colombian Heroin Crisis, June 24, 1998, ignored. Hearing on United States Narcotics Policy Towards Colombia, ignored. Regional Conflict, Colombia's Insurgency and Prospects for a Peaceful Resolution, hearing ignored, August 5, 1998. Here is a markup dealing with the same subjects, March 26, 1998. Anti-drug Effort in the Americas, a Mid-Term Report, hearing conducted again. United States Counternarcotics Policy Towards Colombia March 31st, 1998, another hearing ignored. Hearing before the International Relations Committee, the U.S. Annual Drug Certification where contrary to recommendations of the House of Representatives,

the President decertified Colombia and then almost jokingly certified Mexico as cooperating in the drug war, keeping away from Colombia the resources.

Now, there could not be more evidence of a failed policy and again the source of illegal narcotics than what I have cited here tonight. The response now and the problem is that Colombia is completely out of control.

I brought to the floor tonight a GAO report, General Accounting Office report, Narcotics Threat From Colombia Continues to Grow. How many reports, how many more hearings do we need? And I hear again this comment about the drug war has been a failure. Mr. Speaker, the only thing that has happened with the drug war is that this administration has destroyed the war on drugs.

This is the evidence. In 1993, we see this huge dent in international, this is the source country funding, it went in fact from \$660 million down to less than half as a result of the Clinton and Democratic-controlled Congress. Interdiction funding decreased 37 percent. International funding, the part that stops drugs at their source most effectively, decreased 53 percent. You might say, well, what happened to treatment during this period of time? That increased 30 percent. And that was during the time that they had a full majority in the House, the other side, and controlled also the White House.

Actually if you look at this chart, it goes up quite a bit in 1998 and 1999. Most folks are now reporting that Colombia is our third largest aid recipient. Well, that is as a result of this Republican administration of Congress and particularly the leadership of the gentleman from Illinois (Mr. HASTERT) who last year tried to get us back to the 1991 levels in funding.

The interesting thing is that news accounts say that Colombia is the third largest recipient of aid after Israel and after Egypt. The fact is only a few million dollars have even gotten into the pipeline after repeated requests. It is my understanding that they only have two operating Huey helicopters in all of Colombia. Some are on the way that this new Republican majority provided, but still ammunition supplies and most of the \$300 million that we funded last year still to this day has not gotten to Colombia. It is interesting that this week, this past week with the situation deteriorating and the situation getting worse, more drugs coming in, more guerilla Marxist activity, more loss of lives, there is more loss of lives in Colombia than there ever was in Kosovo or in that area where we have sent our troops and resources. Some 35,000 people killed, thousands and thousands of police, Supreme Court justices, Members of Congress, elected officials throughout Co-

lombia have been killed. Almost 1 million refugees in Colombia as a result of the narcotics trafficking. In this report that came out that I cited, this report from the GAO says that last year we reported that Colombia was restricted from receiving some narcotics, counter-narcotics assistance as a result of the President's decision to decertify Colombia in 1996 and 1997.

And it says, "This restriction was lifted in 1998," but the fact is that money, those supplies, still have not gotten there.

It is interesting that this past week, the administration has said that they were going to reinstitute an information-sharing policy with Colombia. Now that the country has nearly been taken over by guerillas and rebels, now that thousands have been killed, we are going to information-share. That is the latest news this week. Then just within the last few days, the administration has come forward with a new policy towards Colombia. They advocated through the National Drug Czar, Barry McCaffrey, that we appropriate \$1 billion in the next 2 years to aid Colombia.

It is incredible that after years of very direct failed policies, years after very direct stopping of assistance, resources, helicopters, any type of aid to combat illegal narcotics, it is incredible that even after this Republican majority in Congress has provided the resources through appropriations and through specific legislative initiatives that this administration still does not have those funds there, that now that we have a full-blown crisis, there are reports now that the crisis in Colombia is so critical that it may destabilize the whole South American region.

□ 2350

Colombia now has insurgents going across the border in many of its neighboring countries and should be of concern in Panama where the United States is getting kicked out and has also been blocked from conducting any further forward operating locations for surveillance in that, from that country or in that area which begin in our former base at Howard Air Force Base. All that was closed down May 1. So here we have Colombia exploding with guerrilla activity, here we have our bases closed, the United States kicked out of Panama and trying to put the pieces to the puzzle back together.

But tonight my major point is that we have an eruption of illegal narcotics across this country with methamphetamine coming through Mexico again because of the failed policy of this Congress and this administration. We have illegal narcotics now in unbelievable quantities coming from Colombia, we have a disastrous situation in Colombia confirmed by the most recent stud-

ies and reports that we have received, and by almost every news account, again an incredible disruption of that society and, in fact, that whole part of the western hemisphere.

And all this can be directly linked to United States policy in ignoring hearing after hearing by the new majority in Congress, request after request by the new majority in Congress, legislative initiatives being blocked, money and funds that we sent to this region to deal with this problem diverted, as this report also cites by GAO to Kosovo and to other regions, and now we have again the source, and stop and think of this:

Fourteen thousand deaths, thousands and thousands of heroin deaths. We can trace that heroin, that death, back to the fields in Colombia. Three quarters of the heroin comes from Colombia, three quarters now according again to this report, according to the DEA signature reports. A failed policy of this administration has resulted in that death and destruction; there is no question about it.

I mention the deaths. We have now incarcerated in our prisons across our land more than 1.8 million Americans; 60-70 percent of them I am told in our State prisons and jails are there because of illegal narcotics. Stop and think now, 60-70 percent of those folks that are in our prisons, those drugs came from Colombia. Six-7 years ago there was almost no heroin produced in Colombia. Six-7 years ago there was almost no production of coca in Colombia. We have been able to get aid to Peru and to Bolivia re-started again by the gentleman from Illinois (Mr. HASTERT) who is now Speaker of the House in the past 2 years, and those are very successful programs, 50 and 60 percent reduction. We see less cocaine than we see heroin because we can stop it at its source.

So tonight we have got to learn by the mistakes of the past, we have got to pay attention to the facts and the evidence. We hopefully will not repeat those mistakes, and we will do a better job in stopping drugs at their source.

#### RECESS

The SPEAKER pro tempore (Mr. VITTER). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 11 o'clock and 55 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 0051

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DREIER) at 12 o'clock and 51 minutes a.m.



REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2488, THE FINANCIAL FREEDOM ACT OF 1999

Ms. PRYCE of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 106-246) on the resolution (H. Res. 256) providing for consideration of the bill (H.R. 2488) to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, to provide marriage penalty relief, to reduce taxes on savings and investments, to provide estate and gift tax relief, to provide incentives for education savings and health care, and for other purposes, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ROGAN (at the request of Mr. ARMEY) for today from 1 p.m. until 4 p.m. on account of personal business.

Mr. STARK (at the request of Mr. GEPHARDT) for today on account of illness.

Mr. ORTIZ (at the request of Mr. GEPHARDT) for today before 2 p.m. on account of medical reasons.

Mr. ENGLISH (at the request of Mr. ARMEY) for today on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. McNULTY) to revise and extend their remarks and include extraneous material:

Mr. DEFazio, for 5 minutes, today.

Mr. LIPINSKI, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Ms. BROWN of Florida, for 5 minutes, today.

Mr. MALONEY of Connecticut, for 5 minutes, today.

Mr. SHERMAN, for 5 minutes, today.

(The following Members (at the request of Mr. SOUDER) to revise and extend their remarks and include extraneous material:)

Mr. DEMINT, for 5 minutes, today.

Mr. BURTON of Indiana, for 5 minutes, July 27.

Mr. HUNTER, for 5 minutes, today.

Mr. SOUDER, for 5 minutes, today.

Mr. CALVERT, for 5 minutes, today.

Mr. ENGLISH, for 5 minutes, July 21.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. GEORGE MILLER of California today for 5 minutes.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. KINGSTON today for 5 minutes.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. MOORE of Kansas today for 5 minutes.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DAVIS of Illinois.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. TAYLOR of Mississippi.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 2035. To correct errors in the authorizations of certain programs administered by the National Highway Traffic Safety Administration.

ADJOURNMENT

Ms. PRYCE of Ohio. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 52 minutes a.m.), the House adjourned until today, Wednesday, July 21, 1999, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

3116. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Brucellosis in Cattle; State and Area Classifications; Kansas [Docket No. 99-051-1] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3117. A communication from the President of the United States, transmitting his requests for FY 2000 budget amendments for the Departments of Defense, Health and Human Services, and Justice and for International Assistance Programs, pursuant to 31 U.S.C. 1107; (H. Doc. No. 106-101); to the Committee on Appropriations and ordered to be printed.

3118. A letter from the Assistant General Counsel for Regulations, Assistant Secretary for Public and Indian Housing, Department of Housing and Urban Development, transmitting the Department's final rule—Comprehensive Improvement Assistance Program [Docket No. FR-4462-F-02] (RIN: 2577-AB97) received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3119. A letter from the Assistant General Counsel for Regulations, Office of the Assistant Secretary for Housing, Department of

Housing and Urban Development, transmitting the Department's final rule—Single Family Mortgage Insurance; Informed Consumer Choice Disclosure Notice: Technical Correction [Docket No. FR-4411-F-03] (RIN: 2502-AH30) received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3120. A letter from the Assistant General Counsel for Regulations, Government National Mortgage Association, Department of Housing and Urban Development, transmitting the Department's final rule—Ginnie Mae MBS Program: Book-Entry Securities [Docket No. FR-4331-F-02] (RIN: 2503-AA12) received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3121. A letter from the Assistant General Counsel for Regulations, Department of Housing and Urban Development, transmitting the Department's final rule—Uniform Financial Reporting Standards for HUD Housing Programs; Technical Amendment [Docket No. FR-4321-F-06] (RIN: 2501-AC49) received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3122. A letter from the Assistant General Counsel for Regulations, Department of Housing and Urban Development, transmitting the Department's final rule—Disposition of HUD-Acquired Single Family Property; Officer Next Door Sales Program [Docket No. FR-4277-1-02] (RIN: 2502-AH37) received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3123. A letter from the Secretary of Education, transmitting Final Regulations—Privacy Act Regulations (RIN: 1880-AA78) received June 9, 1999, pursuant to 20 U.S.C. 1232(f); to the Committee on Education and the Workforce.

3124. A letter from the Assistant General Counsel for Regulations, Special Education and Rehabilitative Services, Department of Education, transmitting the Department's final rule—Notice of Final Funding Priorities for Fiscal Year 1999 for New Awards under the Administrative Technology Act—received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

3125. A letter from the Director, Corporate Policy and Research Department, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule—Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing Benefits—received July 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

3126. A letter from the Attorney, National Highway and Traffic Safety Administration, Department of Transportation, transmitting the Department's final rule—Tire Identification and Recordkeeping; Tire Identification Symbols [Docket No. 99-5928] (RIN: 2127-AH10) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3127. A letter from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Mullins and Briarcliffe Acres, South Carolina) [MM Docket No. 97-72 RM-9017] received July 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3128. A letter from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the



Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Logan, Utah and Evans-ton, Wyoming) [MM Docket No. 98-211 RM-9349 RM-9477] received July 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3129. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting Inservice Inspection Code Case Acceptability, ASME Section XI, Division 1; to the Committee on Commerce.

3130. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting Materials Code Case Acceptability ASME Section III, Division 1; to the Committee on Commerce.

3131. A letter from the Executive Director, Federal Labor Relations Authority, transmitting a report concerning implementation of the Sunshine Act during calendar year 1998, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform.

3132. A letter from the Administrator, National Aeronautics and Space Administration, transmitting the Semiannual Report of the Inspector General of NASA for the period ending March 31, 1999, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

3133. A letter from the Director, Administration and Management, Office of the Secretary of Defense, transmitting notification of a vacancy in the Office of the Secretary of Defense; to the Committee on Government Reform.

3134. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Pay Administration (General); Lump-Sum Payments for Annual Leave (RIN: 3206-AF38) received July 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3135. A letter from the Director, Fish and Wildlife Service, Department of the Interior, transmitting the Department's final rule—Endangered and Threatened Wildlife and Plants; Designation of Critical Habitat for the Huachuca Water Umbel, a Plant (RIN: 1018-AF37) received July 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3136. A letter from the Director, Fish and Wildlife Service, Department of the Interior, transmitting the Department's final rule—Endangered and Threatened Wildlife and Plants; Designation of Critical Habitat for the Cactus Ferruginous Pygmy-owl (*Glaucidium brasilianum cactorum*) (RIN: 1018-AF36) received July 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3137. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries Off the West Coast States and in the Western Pacific; Pacific Coast Groundfish Fishery; Trip Limit Adjustments [Docket No. 981231333-8333; I.D. 062999D] received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3138. A letter from the Fisheries Biologist, Office of Protected Resources, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Sea Turtle Conservation; Shrimp Trawling Requirements [Docket No. 950427117-8292-05; I.D. 112398G] (RIN: 0648-AH97) received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3139. A letter from the Assistant Secretary for Legislative Affairs, Department of State,

transmitting the Department's final rule—Visas: Passports and Visas Not Required for Certain Nonimmigrants [Public Notice No. 3077] (RIN: 1400-A75) received July 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3140. A letter from the Administrator, Federal Aviation Administration, transmitting a report of events, programs, and accomplishments in civil aviation security in 1997, pursuant to 49 U.S.C. app. 1356(a); to the Committee on Transportation and Infrastructure.

3141. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: T E L Enterprises Fireworks Display, Great South Bay off Davis Park, N.Y. [CGD01-99-115] (RIN: 2115-AA97) received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3142. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Technical Amendments to USCG Regulations to Update RIN numbers; Correction [CGD01-99-106] (RIN: 2115-AA97) received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3143. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Stemme GmbH & Co. KG Model S10-VT Sailplanes [Docket No. 99-CE-07-AD; Amendment 39-11222; AD 99-15-03] (RIN: 2120-AA64) received July 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3144. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pratt & Whitney JT9D Series Turbofan Engines [Docket No. 92-ANE-23; Amendment 39-11219; AD 99-14-08] (RIN: 2120-AA64) received July 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3145. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Rules of Practice, Procedure, and Evidence for Administrative Proceedings of the Coast Guard [USCG-1998-3472] (RIN: 2115-AF59) received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3146. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; The New Piper Aircraft, Inc. Models PA-46-310P and PA-46-350P Airplanes [Docket No. 98-CE-112-AD; Amendment 39-11223; AD 99-15-04] (RIN: 2120-AA64) received July 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3147. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Harbour Town Fireworks Display, Calibogue Sound, Hilton Head, SC [CGD07 99-036] (RIN: 2115-AE47) received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3148. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; MT-Propeller Entwicklung GMBH Models MTV-9-B-C and MTV-3-B-C Propellers [Docket No. 99-NE-35-AD; Amendment 39-11216; AD 99-14-06] (RIN: 2120-AA64) received July 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3149. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Staten Island Fireworks, Raritan Bay and Lower New York Bay [CGD01-99-083] (RIN: 2115-AA97) received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3150. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Avon Park, FL [Airspace Docket No. 99-ASO-8] received July 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3151. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Adjustment of Fees for Issuing Numbers to Undocumented Vessels in Alaska [USCG 1998-3386] (RIN: 2115-AF62) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3152. A letter from the Secretary of Health and Human Services, transmitting the twenty-second annual report on the Child Support Enforcement Program, pursuant to 42 U.S.C. 652(a)(10); to the Committee on Ways and Means.

3153. A letter from the Chief Counsel, Bureau of the Public Debt, Department of Treasury, transmitting the Department's final rule—Government Securities: Call for Large Position Reports—received July 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3154. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Removal of Regulations Providing Guidance Under Subpart F Relating to Partnerships and Branches [TD 8827] (RIN: 1545-AW49) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3155. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Examination of Returns and Claims for Refund, Credit, or Abatement; Determination of Correct Tax Liability [Rev. Proc. 99-30] received July 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3156. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Announcement Requesting Comments on Foreign Contingent Debt [Announcement 99-76] received July 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 834. A bill to extend the authorization for the National Historic Preservation Fund, and for other purposes; with an amendment (Rept. 106-241). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1934. A bill to amend the Marine Mammal Protection Act of 1972 to establish the John H. Prescott Marine Mammal Rescue Assistance Grant Program; with an amendment (Rept. 106-242). Referred to the Committee of the Whole House on the State of the Union.

Mr. SENSENBRENNER: Committee on Science. H.R. 1655. A bill to authorize appropriations for fiscal years 2000 and 2001 for the civilian energy and scientific research, development, and demonstration and related commercial application of energy technology programs, projects, and activities of the Department of Energy, and for other purposes; with an amendment (Rept. 106-243). Referred to the Committee of the Whole House on the State of the Union.

Mr. LEWIS of California: Committee on Appropriations. H.R. 2561. A bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes (Rept. 106-244). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Florida: Committee on Appropriations. Report on the Revised Suballocation of Budget Allocations for Fiscal Year 2000 (Rept. 106-245). Referred to the Committee of the Whole House on the State of the Union.

Ms. PRYCE of Ohio: Committee on Rules. House Resolution 256. Resolution providing for consideration of the bill (H.R. 2488) to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, to provide marriage penalty relief, to reduce taxes on savings and investments, to provide estate and gift tax relief, to provide incentives for education savings and health care, and for other purposes (Rept. 106-246). Referred to the House Calendar.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. MCCOLLUM (for himself and Mr. SCOTT):

H.R. 2558. A bill to amend title 18, United States Code, to reform Federal Prison Industries, and for other purposes; to the Committee on the Judiciary.

By Mr. COMBEST (for himself, Mr. EWING, Mr. BARRETT of Nebraska, Mr. BLUNT, Mr. CANADY of Florida, Mr. WHITFIELD, Mr. BEREUTER, Mr. SESSIONS, and Mr. HAYES):

H.R. 2559. A bill to amend the Federal Crop Insurance Act to strengthen the safety net for agricultural producers by providing greater access to more affordable risk management tools and improved protection from production and income loss, to improve the efficiency and integrity of the Federal crop insurance program, and for other purposes; to the Committee on Agriculture.

By Mr. ISTOOK (for himself, Mr. DICKEY, Mr. FRANKS of New Jersey, Mr. SHOWS, Mr. SOUDER, and Mr. TERRY):

H.R. 2560. A bill to require public schools and libraries that receive Federal funds for the acquisition or operation of computers to

install software to protect children from obscenity; to the Committee on Education and the Workforce.

By Mr. LEWIS of California:

H.R. 2561. A bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes.

By Mr. CUNNINGHAM (for himself, Mr. BROWN of Ohio, Mr. WELDON of Pennsylvania, Mr. HORN, Mr. SPRATT, Mr. STEARNS, Mr. HOLDEN, Mr. LOBIONDO, Ms. KILPATRICK, Mr. PHELPS, Mr. SHOWS, Mr. ENGLISH, Mr. MCNUITY, Mrs. MORELLA, Mr. DIXON, Mr. FOLEY, Mr. CUMMINGS, Mr. KUYKENDALL, Mr. FALEOMAVAEGA, Mr. CALVERT, Mr. LEWIS of Georgia, Mr. REYES, Mr. RANGEL, Mr. BORSKI, and Mr. SHAYS):

H.R. 2562. A bill to amend title 39, United States Code, to allow postal patrons to contribute to funding for prostate cancer research through the voluntary purchase of certain specially issued United States postage stamps; to the Committee on Government Reform.

By Mr. DAVIS of Virginia (for himself, Mr. WYNN, Mr. HOYER, Mr. MORAN of Virginia, Ms. NORTON, Mr. WOLF, and Mrs. MORELLA):

H.R. 2563. A bill to amend the Woodrow Wilson Memorial Bridge Authority Act of 1995 to provide an authorization of contract authority for fiscal years 2004 through 2007, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HUTCHINSON (for himself, Ms. HOOLEY of Oregon, Mr. BALDACC, Mr. NORWOOD, Mr. FROST, Mr. SCHAFER, Mr. SHOWS, Mr. MCHUGH, Mr. PETERSON of Pennsylvania, Mr. BARCIA, Mr. HERGER, Mr. LUCAS of Oklahoma, Mr. DICKEY, Mr. OXLEY, Mr. HAYWORTH, Mr. YOUNG of Alaska, Mr. COOK, Mr. ALLEN, Mr. SNYDER, Mr. SPRATT, Mr. FRANK of Massachusetts, Mr. DELAHUNT, Mr. BLUMENAUER, Mr. DEFazio, Mr. KIND, and Mr. LATOURETTE):

H.R. 2564. A bill to provide funds to the National Center for Rural Law Enforcement; to the Committee on the Judiciary.

By Mr. LEACH (for himself, Mr. CALAHAN, and Mr. METCALF):

H.R. 2565. A bill to clarify the quorum requirement for the Board of Directors of the Export-Import Bank of the United States; to the Committee on Banking and Financial Services.

By Mr. LEACH:

H.R. 2566. A bill to direct the President to renew the membership of the United States in the United Nations Educational, Scientific and Cultural Organization (UNESCO); to the Committee on International Relations.

By Ms. LEE (for herself, Mr. HASTINGS of Florida, Mr. THOMPSON of Mississippi, Mr. FROST, Mr. FILNER, Mr. LEWIS of Georgia, Mr. OBERSTAR, Ms. MILLENDER-MCDONALD, Mr. GEORGE MILLER of California, Mr. MCGOVERN, Mr. JACKSON of Illinois, Mr. OWENS, Ms. JACKSON-LEE of Texas, Ms. WATERS, Ms. CARSON, Ms. KILPATRICK, Ms. MCKINNEY, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. JONES of Ohio, and Mr. GREEN of Texas):

H.R. 2567. A bill to recruit, hire, and train additional school-based mental health per-

sonnel; to the Committee on Education and the Workforce.

By Mr. MORAN of Kansas (for himself, Mr. THUNE, Mr. BARRETT of Nebraska, Mr. LUCAS of Oklahoma, Mrs. EMERSON, Mr. TALENT, and Mr. WATKINS):

H.R. 2568. A bill to provide partial compensation to farm owners and producers for the loss of markets for the 1999 crop of commodities covered by production flexibility contracts under the Agricultural Market Transition Act; to the Committee on Agriculture, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PALLONE:

H.R. 2569. A bill to enhance the benefits of the national electric system by encouraging and supporting State programs for renewable energy sources, universal electric service, affordable electric service, and energy conservation and efficiency, and for other purposes; to the Committee on Commerce.

By Mr. REGULA (for himself, Mr. TRAFICANT, Mr. GILLMOR, Mr. BEREUTER, Mr. NEY, Ms. PELOSI, Mr. HOLT, Mr. BARRETT of Nebraska, Mr. KLINK, Mr. SOUDER, Mr. OXLEY, and Mr. EVANS):

H.R. 2570. A bill to require the Secretary of the Interior to undertake a study regarding methods to commemorate the national significance of the United States roadways that comprise the Lincoln Highway, and for other purposes; to the Committee on Resources.

By Mr. SHAYS (for himself, Mr. KANJORSKI, Mr. BARRETT of Wisconsin, Mr. BASS, Mrs. BIGGERT, Mr. BLAGOJEVICH, Mr. BRADY of Pennsylvania, Mr. CAMPBELL, Mr. CASTLE, Mr. COOK, Mr. COX, Mr. COYNE, Mr. CRANE, Mr. ENGLISH, Mr. FRANK of Massachusetts, Mr. FRANKS of New Jersey, Mr. FRELINGHUYSEN, Mr. GEJDENSON, Mr. GEKAS, Mr. GOSS, Mr. HUTCHINSON, Mrs. KELLY, Mr. KOLBE, Mr. LIPINSKI, Mr. LOBIONDO, Mrs. LOWEY, Mr. LUTHER, Mr. MCINTOSH, Mrs. MALONEY of New York, Mr. MEEHAN, Mr. MILLER of Florida, Mr. GEORGE MILLER of California, Mrs. MORELLA, Mr. PALLONE, Mr. PITTS, Mr. PORTER, Mr. PORTMAN, Mrs. ROUKEMA, Mr. ROYCE, Mr. RYAN of Wisconsin, Mr. SALMON, Mr. SANFORD, Mr. SENSENBRENNER, Mr. SMITH of New Jersey, Mr. SUNUNU, Mrs. TAUSCHER, Mr. TOOMEY, Mr. VISCLOSKEY, Mr. WAMP, and Mr. WEINER):

H.R. 2571. A bill to provide for a gradual reduction in the loan rate for peanuts, to repeal peanut quotas for the 2002 and subsequent crops, and to require the Secretary of Agriculture to purchase peanuts and peanut products for nutrition programs only at the world market price; to the Committee on Agriculture, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SOUDER (for himself and Mr. WELDON of Florida):

H.R. 2572. A bill to direct the Administrator of NASA to design and present an award to the Apollo astronauts; to the Committee on Science.

By Mr. WAXMAN (for himself, Mrs. MORELLA, and Mr. BONIOR):

H.R. 2573. A bill to amend the Public Health Service Act to establish an Office of Autoimmune Diseases at the National Institutes of Health, and for other purposes; to the Committee on Commerce.

By Mr. MALONEY of Connecticut (for himself, Mr. ROEMER, Mr. DOOLEY of California, Mr. SMITH of Washington, Mr. WEYGAND, Mr. SHERMAN, Ms. HOOLEY of Oregon, Ms. STABENOW, Mr. ETHERIDGE, Mr. GONZALEZ, Mr. MOORE, and Mr. STUPAK):

H.R. 2574. A bill to amend the Internal Revenue Code of 1986 to provide comprehensive tax relief for American families and businesses to encourage family stability, economic growth, and tax simplification; to the Committee on Ways and Means.

By Mr. OWENS:

H.R. 2575. A bill to amend the Internal Revenue Code of 1986 to reduce the rates of income tax imposed on individual taxpayers by 3 percentage points; to the Committee on Ways and Means.

By Mr. BILIRAKIS (for himself, Mrs. MALONEY of New York, Mrs. KELLY, Mr. PALLONE, Mr. ANDREWS, Mr. HORN, Mr. MCGOVERN, Mr. SHOWS, Mr. ACKERMAN, Mr. HINCHEY, Mr. HOLDEN, Mrs. CAPPS, Mr. CAPUANO, Mr. DOYLE, Mr. ENGEL, Mr. GILMAN, Mr. KLINK, Mr. MATSUI, Mr. MENENDEZ, Mr. ENGLISH, Mr. SHERMAN, Mr. TIERNEY, Mr. DEUTSCH, Mr. BARRETT of Wisconsin, Mr. VISCLOSKEY, Ms. ROS-LEHTINEN, Mr. GEKAS, Mr. BLUMENAUER, Ms. KAPTUR, Mr. BROWN of Ohio, Mr. CUNNINGHAM, Mr. BONIOR, Mr. PORTER, Mr. DIXON, and Mr. EVANS):

H. Con. Res. 159. Concurrent resolution urging the compliance by Turkey with United Nations Resolutions relating to Cyprus; to the Committee on International Relations.

By Mr. EHLERS (for himself, Mr. BILBRAY, Mrs. KELLY, Mr. CAMP, and Mr. LOBIONDO):

H. Con. Res. 160. Concurrent resolution providing a sense of the Congress regarding the reduction of the national debt of the United States held by the public; to the Committee on Ways and Means.

By Mr. HASTINGS of Florida (for himself, Mr. HOYER, Mr. SAWYER, Mr. SALMON, Ms. KAPTUR, Mr. CARDIN, Mr. SABO, and Ms. DANNER):

H. Con. Res. 161. Concurrent resolution expressing the sense of the Congress with regard to the St. Petersburg Declaration of the Organization for Security and Cooperation in Europe Parliamentary Assembly; to the Committee on International Relations.

## MEMORIALS

Under clause 3 of rule XII,

160. The SPEAKER presented a memorial of the Senate of the State of Illinois, relative to Senate Resolution No. 133 memorializing Governor George Ryan to immediately engage the Administrator of the United States Environmental Protection Agency to meet and resolve the technical challenges of using ethanol in Phase II RFG; to the Committee on Commerce.

## ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 72: Mr. TANCREDO.  
H.R. 123: Mr. DUNCAN.  
H.R. 212: Mr. SMITH of Michigan and Mr. BILBRAY.

H.R. 218: Mr. MCINTYRE and Mr. MICA.  
H.R. 306: Mr. PICKETT.  
H.R. 354: Mr. CONYERS and Mr. PETERSON of Minnesota.

H.R. 371: Ms. MILLENDER-MCDONALD.  
H.R. 405: Mr. SPENCE, Mr. NEY, Mr. WELLER, and Mr. DEUTSCH.

H.R. 418: Mr. FROST.  
H.R. 456: Mr. RODRIGUEZ.  
H.R. 488: Mr. LANTOS and Mr. ALLEN.

H.R. 534: Mr. BATEMAN and Mr. PICKETT.  
H.R. 599: Mr. UNDERWOOD and Mr. BORSKI.  
H.R. 601: Mr. PETERSON of Minnesota.

H.R. 648: Mr. PETERSON of Minnesota, Mr. HALL of Texas, and Mr. QUINN.  
H.R. 664: Mr. HILLIARD, Mr. DOGGETT, and Mr. BONIOR.

H.R. 670: Ms. MCKINNEY.  
H.R. 750: Ms. BALDWIN.  
H.R. 765: Mr. WATTS of Oklahoma, Mr. FORD, Mr. STRICKLAND, and Mr. PASCRELL.

H.R. 786: Mr. GALLEGLY.  
H.R. 797: Mr. BEREUTER, Ms. DELAURO, Mr. MATSUI, Mr. GEJDENSON, Mr. CAPUANO, Mr. OLVER, Ms. CARSON, Mr. NEAL of Massachusetts, Mr. MEEHAN, Mr. MALONEY of Connecticut, and Mrs. NORTHUP.

H.R. 803: Mrs. EMERSON and Mr. CALVERT.  
H.R. 845: Mr. OWENS.  
H.R. 850: Mr. MENENDEZ.

H.R. 859: Mr. NUSSLE.  
H.R. 860: Ms. CARSON.  
H.R. 901: Mr. DAVIS of Illinois.  
H.R. 1080: Mr. ROTHMAN.

H.R. 1095: Mr. MALONEY of Connecticut, Mr. HILLIARD, and Mr. FARR of California.  
H.R. 1102: Mr. BORSKI, Ms. BALDWIN, and Mr. HASTINGS of Washington.

H.R. 1130: Mrs. MALONEY of New York and Mr. COYNE.  
H.R. 1140: Mr. MATSUI.  
H.R. 1193: Mr. GILCHREST, Mr. GREEN of Texas, and Mr. WU.

H.R. 1217: Mr. REYES and Ms. EDDIE BERNICE JOHNSON of Texas.  
H.R. 1228: Mrs. THURMAN, Mr. DAVIS of Illinois, Mr. GILMAN, Ms. WOOLSEY, and Mrs. MCCARTHY of New York.

H.R. 1229: Mr. KUCINICH.  
H.R. 1276: Mr. THOMPSON of Mississippi.  
H.R. 1283: Mr. PORTER, Mr. BACHUS, Mr. POMBO, and Mr. THORNBERRY.

H.R. 1320: Mr. MOORE.  
H.R. 1344: Mr. WATKINS.  
H.R. 1433: Ms. ROS-LEHTINEN, Mr. DEUTSCH, and Mr. GONZALEZ.

H.R. 1497: Mr. POMEROY.  
H.R. 1507: Ms. MILLENDER-MCDONALD.  
H.R. 1511: Mr. MCINTYRE.

H.R. 1559: Mr. MCINNIS, Mrs. NAPOLITANO, Mr. FILNER, Mr. GIBBONS, and Mr. COOK.  
H.R. 1578: Mr. BUYER.

H.R. 1590: Mr. LANTOS.  
H.R. 1592: Mr. GREENWOOD and Mr. GILLMOR.  
H.R. 1598: Mr. CASTLE, Mr. BAKER, Mr. NORWOOD, Mr. BLAGOJEVICH, and Mr. SANDLIN.

H.R. 1620: Mr. FLETCHER and Mr. BARRETT of Nebraska.  
H.R. 1621: Mr. PHELPS, Mr. MURTHA, Mr. NADLER, Mr. TRAFICANT, Mr. REGULA, Mr. KLINK, Mr. BOSWELL, Mr. LATHAM, Ms. STABENOW, and Mr. SHOWS.

H.R. 1629: Mr. GORDON.  
H.R. 1676: Mr. DAVIS of Illinois.

H.R. 1736: Mr. McDERMOTT.

H.R. 1777: Mr. CAPUANO and Ms. DELAURO.  
H.R. 1795: Mr. PETERSON of Pennsylvania, Mr. MCINTYRE, Mr. SHAYS, and Mr. CLAY.

H.R. 1798: Mr. HOYER.  
H.R. 1804: Mr. CAPUANO.  
H.R. 1816: Ms. MILLENDER-MCDONALD and Mr. HINCHEY.

H.R. 1839: Mrs. CHRISTENSEN and Mr. DUNCAN.  
H.R. 1850: Mr. GEJDENSON.

H.R. 1857: Mr. GORDON and Mr. CLEMENT.  
H.R. 1861: Mr. PASTOR.  
H.R. 1907: Mrs. NAPOLITANO, Mrs. MEEK of Florida, Mr. PETRI, Mr. NORWOOD, Mr. BALLENGER, and Mrs. JOHNSON of Connecticut.

H.R. 1932: Mr. TANCREDO and Mr. FARR of California.  
H.R. 1954: Mr. BARTON of Texas.

H.R. 1983: Mr. HINCHEY.  
H.R. 2120: Mr. KIND, Mr. HOFFEL, Mr. KENNEDY of Rhode Island, Mr. PICKETT, Mr. CALVERT, and Mr. GREEN of Texas.

H.R. 2189: Mr. CUNNINGHAM and Mr. ROHR-ABACHER.  
H.R. 2202: Mr. PICKETT, Mr. HINCHEY, Mr. BLUMENAUER, and Mr. LANTOS.

H.R. 2236: Mr. HINCHEY.  
H.R. 2241: Mr. WELLER, Mr. WATKINS, Mr. GOODE, Mr. DEUTSCH, Mr. HINCHEY, and Mr. MINGE.

H.R. 2247: Mr. CALVERT.  
H.R. 2319: Mr. GILMAN.  
H.R. 2377: Ms. SCHAKOWSKY.

H.R. 2384: Mr. LAHOOD, Ms. ESHOO, Mr. GREEN of Texas, Mr. SAWYER, Mr. WYNN, and Ms. MCCARTHY of Missouri.

H.R. 2386: Mr. HINCHEY and Mrs. CHRISTENSEN.  
H.R. 2417: Mr. UDALL of Colorado.

H.R. 2420: Mr. HILLIARD, Mr. HASTINGS of Florida, and Mr. GREEN of Texas.  
H.R. 2436: Mr. TIAHRT and Mr. HYDE.

H.R. 2444: Mr. BLAGOJEVICH.  
H.R. 2453: Mr. HOEKSTRA.  
H.R. 2457: Mr. WAXMAN and Mr. FRANK of Massachusetts.

H.R. 2499: Mr. DELAHUNT and Mr. VENTO.  
H.R. 2511: Mr. NETHERCUTT, Mr. BEREUTER, Mr. RAHALL, and Mr. BARRETT of Nebraska.

H.R. 2515: Mr. HOLDEN, Mr. GUTIERREZ, Mr. GREEN of Texas, and Mr. WAXMAN.  
H.R. 2529: Mr. KUYKENDALL, Mr. FLETCHER, Mr. BALLENGER, and Mr. SHOWS.

H.R. 2538: Mr. MCINTYRE, Mr. BERRY, Mr. SMITH of New Jersey, and Mr. BARRETT of Wisconsin.

H.J. Res. 55: Mr. HINCHEY.  
H.J. Res. 59: Ms. DANNER.

H. Con. Res. 58: Mr. HOBSON.  
H. Con. Res. 80: Mr. ENGLISH, Mr. BLUMENAUER, Mr. WAXMAN, Mr. LANTOS, and Mrs. JONES of Ohio.

H. Con. Res. 100: Mr. BLUMENAUER, Mr. BAIRD, Mr. LANTOS, Mrs. JONES of Ohio, and Ms. RIVERS.

H. Con. Res. 130: Mr. LUTHER.  
H. Con. Res. 134: Mr. ROMERO-BARCELO  
H. Con. Res. 136: Mr. OBERSTAR, Mr. MR. DEFazio, Mr. PICKETT, and Mr. COSTELLO.

H. Con. Res. 139: Ms. HOOLEY of Oregon, Mr. KUCINICH, Mrs. CAPPS, Mr. MCINTOSH, Mr. DICKS, Mr. LANTOS, and Mrs. JOHNSON of Connecticut.

H. Con. Res. 154: Mr. FROST.  
H. Con. Res. 158: Mr. HOYER.

H. Res. 37: Ms. RIVERS and Ms. STABENOW.  
H. Res. 107: Mr. BERMAN and Ms. CARSON.

*July 20, 1999*

CONGRESSIONAL RECORD—HOUSE

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PETITIONS, ETC.

Under clause 3 of rule XII, petitions and papers were laid on the clerk's desk and referred as follows:

38. The SPEAKER presented a petition of the Municipal Council of the Township of Woodbridge, relative to a Resolution petitioning support for Senate Bill S-512 and House of Representatives Bill H.R.-274; to the Committee on Commerce.

## EXTENSIONS OF REMARKS

### ARTICLE ON TURKEY'S INVASION OF REPUBLIC OF CYPRUS

**HON. JOHN J. DUNCAN, JR.**

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. DUNCAN. Mr. Speaker, Harry Moskos, the Editor of the Knoxville News-Sentinel and a very good friend of mine, wrote an editorial today about the 25th anniversary of Turkey's invasion of the Republic of Cyprus.

Mr. Speaker, today, in fact, marks the 25th anniversary of this tragic date for people of Hellenic descent all over the world. On July 20, 1974, Turkey, a member of NATO, attacked the Mediterranean island.

Just recently, as we are all well aware, a Country was being ethnically cleansed, and the U.S. and other NATO powers rushed in to help them. That Country, Kosovo, was the object of several thousand NATO bombs. President Clinton authorized the air strikes in large part due to the ethnic cleansing that was taking place there.

Mr. Speaker, what about the ethnic cleansing that took place in 1974 in Cyprus? Why did the United States and other countries sit back while Turkey, a member of NATO, committed atrocities in the northern portion of Cyprus? Why has the United States of America turned a blind eye to what Turkey has been doing over the years? These are questions that deserve to be answered so that Greek people throughout the world know this Country really supports them.

Mr. Speaker, I have included a copy of the editorial that appears in today's edition of the Knoxville News-Sentinel and would like to call it to the attention of my colleagues and other readers of the RECORD.

[From the Knoxville News-Sentinel, July 20, 1999]

### 25 YEARS OF OCCUPATION: U.S. SHOULD END ITS TOLERANCE FOR TURKEY'S ILLEGAL HOLD ON CYPRUS

Today marks the 25th anniversary of Turkey's invasion of the Republic of Cyprus. Since then, Turkey has illegally occupied the northern third of the island nation, roughly the size of Connecticut, despite United Nations Security Council resolutions calling for a return to a single sovereignty.

This anniversary is particularly poignant because, as U.S. Sen. Joseph Biden Jr. of Delaware observes, it has been "an entire quarter-century since the Greek inhabitants of northern Cyprus were ethnically cleansed from their homes by the Turkish army."

The attack by the Turkish army on July 20, 1974, was a clear-cut case of international aggression by one state against another, and tragically, it was committed by a NATO member.

That is the same NATO that is undertaking missions to reverse ethnic cleansing in Kosovo but allows one of its members to continue to commit this crime with impunity.

The framework for a negotiated settlement to resolve the Cyprus issue, including demilitarization of the island, can be found in two resolutions adopted last December by the United Nations Security Council. The resolutions seek a settlement based on a single sovereignty and a single citizenship, with Cyprus' independence and territorial integrity safeguarded.

While images of ethnic cleansing remained vivid in our thoughts from witnessing the recent atrocities of Kosovo, most Americans have long forgotten that 200,000 Greek Cypriots were evicted from their homes by the Turkish army during July and August of 1974.

These atrocities, documented by the European Commission of Human Rights, show that 1,618 people, including four Americans, disappeared. To this date, their fate has not been ascertained. Thousands were expelled from their homes, and untold women fell victim to rape.

Sound familiar? The sad difference is that the world community practices selected intolerance when addressing wrongs. NATO's actions in Kosovo centered on the premise of respect for human rights, including the return of refugees to their homes.

Cyprus today remains forcibly divided. Although compromises have been offered, Turkey has failed to respond and, in effect, keeps moving the goal posts when efforts to end this stalemate are proposed.

The Cyprus problem is one of aggression caused by Turkey, which now has a standing army in Cyprus that exceeds 35,000 troops armed with hundreds of tanks and other sophisticated weapons supported by American dollars. The United Nations has characterized the Turkish-occupied area of Cyprus as one of the most densely militarized zones in the world.

More stability is needed in the world today. A major way to help achieve the stability is to resolve the issue in Cyprus, an island nation well on its way to becoming a full member of the European Union.

Serb forces, under international pressure, have left Kosovo, and an international force is there to safeguard the return of the refugees. No less should be done for Cyprus. Turkish occupation troops should be withdrawn, the National Guard disbanded and an international force established to assure compliance.

In Kosovo, NATO took military action to challenge aggression. In Cyprus, it has looked the other way. Turkey, as a member of NATO and a European Union aspirant, must be held to the highest standards of compliance with international law.

This is not a call for military action to reverse Turkey's hold on Cyprus. It is a call for the United States to end its toleration of Turkey's illegal behavior.

The tragedy of just observing this 25th anniversary should be reason enough to spark the United States to get involved decisively to resolve the problem of Cyprus through forceful negotiation.

### PERSONAL EXPLANATION

**HON. ROBERT E. ANDREWS**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. ANDREWS. Mr. Speaker, on rollcall No. 309, due to travel restrictions, I was unavoidably detained and unable to cast my vote. Had I been present, I would have voted "aye."

### HONORING EARL C. SPOHR

**HON. JOHN SHIMKUS**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. SHIMKUS. Mr. Speaker, I would like to use this time to congratulate Earl C. Spohr for his "exemplary efforts in promoting and advertising the services of the Senior Health Insurance Program (SHIP). He has been selected as HCFA's Volunteer of the year and will attend a Banquet and awards ceremony in Miami Beach, Florida, where he will be honored. Earl responded modestly to the invitation saying, "It came as a pleasant surprise."

It is very important that we educate our elderly about Medicare and the services that it provides. Many seniors go without care that they are entitled to because they are unaware of their benefits. It makes me very proud that one of my constituents took it upon himself to educate seniors about Medicare.

### QUEENS THEATRE WILL PRESENT THE THIRD LATINO ARTS FESTIVAL

**HON. JOSEPH CROWLEY**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. CROWLEY. Mr. Speaker, this summer Queens Theatre in the Park will present the 3rd Latino Arts Festival to celebrate the contributions of Latino and Latin American artists to the cultural life of Queens and the greater New York metropolitan area. The Festival features a combination of large and small music, theatre, film, dance, children's productions, and visual art exhibitions. Since its modest beginning as a cabaret series with one headliner, the Festival has quickly grown to be one of the major cultural attractions for Latinos in the Northeast.

Latinos represent the fastest growing segment of the population in Queens. In response to this changing demographic, the Theatre has made a strong commitment to involving the Latino community in its programs and services. The Festival targets its audience during

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

July 20, 1999

the summer months when Latinos make up 96% of the 3 million people using Flushing Meadows Corona Park.

During its first 2 years, the Festival's audience nearly tripled. This summer, the Theatre expects to increase this number to at least 10,000 with a goal of 15,000.

Mr. Speaker, I wish Queens Theatre in the Park and the 1999 Latino Arts Festival the best of luck. I urge anybody in the New York metropolitan area these next couple of weeks to get out to Queens and experience this celebration of Latino culture.

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#### PERSONAL EXPLANATION

##### HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. ORTIZ. Mr. Speaker, due to a medical evaluation last Friday July 16, 1999, I was not present for rollcall vote 307. If I had been present for this vote, I would have voted "no".

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#### A TRIBUTE TO NEIL ARMSTRONG

##### HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. PORTMAN. Mr. Speaker, I am pleased today to rise in tribute to my good friend, neighbor and constituent—Neil Armstrong.

Thirty years ago today, our nation, and the entire world, watched in awe as Neil Armstrong—a thirty-eight year-old Ohionan—became the first person to set foot on the moon. He forever etched the words, "That's one small step for man, one giant leap for mankind," into our national consciousness. And, as so many authors, journalists and historians have noted, he put his name alongside Charles Lindbergh and the Wright Brothers as the great explorers of the 20th Century.

Neil Armstrong's many accomplishments are too lengthy to adequately list here. He flew 78 combat missions as a fighter pilot in Korea, and later went on to become a highly respected test pilot. In addition to his historic role as commander of Apollo 11 in 1969, he also commanded Gemini 8 in 1966—and later served as NASA's deputy associate administrator for aeronautics from 1970–71.

Over the years, Neil Armstrong has chosen to look beyond the temptation to exploit his accomplishments for personal gain. His disinterest in the limelight and in self-promotion hides a remarkable level of civic involvement. From 1971 to 1979, he served as a professor of aeronautical engineering at the University of Cincinnati—where he not only conducted research projects, but also got into the classroom and inspired hundreds of students during this tenure.

He also worked with another famous Cincinnati—Dr. Henry Heimlich—to develop a miniature "heart-lung" machine—a forerunner of a modern "Micro Trach" machine that is used to deliver oxygen to patients.

Neil is a strong believer in giving back to the community. Among the many group with which

#### EXTENSIONS OF REMARKS

he has been involved, he served as a member of the board of the Cincinnati Museum of Natural History. He wasn't just an ordinary member—he served as board chairman—rolling up his sleeves and making many of the important decisions that have allowed that institution to experience a renaissance in its new home at Union Terminal. He has also served as a director of the Cinergy Corporation and Cincinnati Milacron, Inc.

Neil also owns a small farm in Warren County and has been an active and involved citizen of that area. From the time he first moved to the area, he took on the life of an unassuming local farmer and proud father—getting involved in auctions at the annual Warren County fair to support local 4-H programs; participating in the local Boy Scout troops; and helping to coach the high school football team. And he has continued to give back to the Warren County community as well—for example, by working with other community leaders to build the countryside YMCA in Lebanon.

Neil Armstrong continues to handle his celebrity with his quiet, unassuming manner. Today, on the thirtieth anniversary of his historic accomplishment, he not only provides our nation with a hero for the ages, but a powerful model of humility and dignity.

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#### RECOGNIZING THE SERVICES OF FIRE CHIEF J.D. KNOX

##### HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. SHIMKUS. Mr. Speaker, I would like to take this time to recognize the unparalleled service of Springfield Fire Chief J.D. Knox. The Springfield Firefighter's Union this year nominated Knox, who won the state honor last month and is running for the National Veterans of Foreign Wars "Firefighter of the Year." When he responded to the nomination he said, "I was shocked. I thought it was a joke." Two years ago when Knox became chief he had big ideas. He was determined to do things that had never been done.

Knox is currently lobbying for Fire Department controlled ambulance service. Implementing such a program would save money and increase response time according to Knox. I would like to thank Knox for his dedication and open-mindedness that has made the Springfield Fire Department a world class organization.

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#### PERSONAL EXPLANATION

##### HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. ANDREWS. Mr. Speaker, on rollcall No. 310, due to travel restrictions, I was unavoidably detained and unable to cast my vote. Had I been present, I would have voted "aye."

16925

#### TRIBUTE TO THE MEMBERS OF THE ROSEWOOD (FLORIDA) SUR- VIVORS FAMILY

##### HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mrs. MEEK of Florida. Mr. Speaker, I rise to pay tribute to the proud heirs of the Rosewood (Florida) Survivors Family. On July 22 through July 29, 1999 the descendants will gather together for their first historic reunion in Miami-Dade County. I am extremely delighted that they are celebrating this historic occasion in our community. The John Wesley Bradley-Ruth Lee Davis Chapter of the Rosewood Survivors will host this gathering.

Some 76 years ago as the glow of a New Year ushered in 1923, the early mists of dawn enveloped the town of Rosewood, promising a beautiful, cold morning over what was then a thriving Black community, just off Florida's West Coast. Little did those proud residents know when the serenity of their little town was soon transformed into a cataclysmic scene of terror perpetrated by hordes of angry vigilantes who literally torched every home, killing every Black resident in sight.

This killing rampage was perpetrated for seven harrowing days and reduced Rosewood into a smoldering pit of ashes—all because of the allegation that one married White woman, Fanny Taylor, sought to conceal her indiscretions by accusing a Black man of assaulting her. This happened at a time when the Jim Crow mentality possessed many of the men from the nearby Florida town of Sumner and its environs. Obsessed by an ambience of revenge and utmost brutality, the vigilantes transformed Rosewood into a virtual killing field. There were reports among survivors that a mass grave was hastily dug for the victims.

This episode was literally consigned to the dustbins of the past, and soon became Florida's dark and well-kept secret. In fact, Rosewood was virtually wiped off the map of Florida at the time. Many years would pass hence before the story of the Rosewood massacre was unfolded. It was not until 1992–1995 when the Florida Legislature, under the leadership of State Representatives Al Lawson and Miguel de Grandy, along with then-State Representative Kendrick Meek, resurrected the Rosewood massacre by recognizing this part of the state's ignominious past and thereby authorized its historical imprimatur. The testimony culled from the courage and resilience of two of the survivors provided the compelling evidence that would bring to light this particular shame in Florida's history.

Spurred by this legislative action, the Rosewood massacre was subsequently brought to our national consciousness through its airing on CBS' "60-Minutes." To add insult to this tragedy, however, those who unleashed the destruction of Rosewood and the murder of its Black residents were never charged. In 1993 the hearings on Rosewood concluded that the persons responsible for this tragedy were never apprehended. It lamely declared that the perpetrators were probably dead. Subsequently, the Florida Legislature approved a mere pittance to compensate the Rosewood survivors.

Mr. Speaker, I want you to know that the horrible feelings of disenfranchisement suffered by the survivors and their families throughout these 70-plus years continue to this very day to sear their memories. On the other hand, I am also cognizant of the depth of their genuine faith that gives them their renewed strength and hope.

I rest assured that this Rosewood Survivors Family Reunion will once again buttress the foundation upon which the members and their descendants will pass along and recount their collective experiences, following the spirit of that revered African Ashanti adage: “\* \* \* until the lions get their own historian, the story of the hunt will always glorify the hunter.”

Despite overwhelming odds, they have truly dared to pull themselves up together again, much more determined to be stronger than ever before. They will remind themselves of their unique role in keeping alive the legacy of Florida's shameful past in hopes that, through their courage and vigilance, the specter of the Rosewood massacre will never happen again.

#### BELARUS DESERVES BETTER

#### HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. GEJDENSON. Mr. Speaker, I rise today to speak about the situation in Belarus—a country in which I have a great deal of personal interest and which I believe has a great deal of unrealized potential. My father was born and raised in Parafanyvo, Belarus when it was ruled by Poland before the Nazis invaded. He and his brother narrowly escaped the Nazi troops who massacred the rest of their family. They were hidden by two very brave families, and my father was later able to escape and eventually come to the United States.

Given this personal history, I have a great deal of admiration for the people of Belarus. Sadly, they have experienced a great deal of suffering over the years—as the victims of the Nazis, of Stalin, and of the Chernobyl disaster. I visited Belarus several weeks ago and it is clear to see that the people of Belarus are still getting a bad deal—again at the hands of their leadership.

Under the legitimate constitution of Belarus, President Aleksandr Lukashenka's term is scheduled to expire today. But regrettably, Lukashenka is not going anywhere. When dawn breaks in Minsk tomorrow, Lukashenka will be waking up at the Presidential residence.

For the last several years, Lukashenka has been wreaking havoc on his country, but tomorrow, he officially becomes Belarus' illegitimate president. In the fall of 1996, Lukashenka used bogus tactics to impose a new constitution on Belarus, to abolish the existing parliament and replace it with a rubber-stamp legislature, and to give himself an extra couple of years in office.

Lukashenka is dangerous. Among other things, he has expressed admiration for both Hitler and Stalin. He has refused to acknowledge Stalin's crimes, even rejecting forensic

evidence that thousands of doctors, professors, and other professionals were murdered by Stalin's forces at Kuropaty just outside of Minsk.

Lukashenka has created a climate of fear in Belarus. He has targeted the opposition, non-governmental organizations, young people, and the press. Opposition figures have disappeared; independent newspapers are fighting for survival; and young people have reportedly been coerced to move to areas contaminated by the Chernobyl disaster.

Lukashenka has larger political ambitions. His rhetoric plays well with the most retrograde regions of Russia—the so called “Red Belt.” He has been enthusiastically pushing for a union between Russia and Belarus. Such a union has been under discussion since 1996, but in recent weeks, the Russians too—for their own political purposes—seem to be pushing harder. Lukashenka was quoted earlier this month as suggesting that President Yeltsin could serve as president of the new union, and likely planning on an early Yeltsin departure from the scene—Lukashenka offered to serve as its Vice President.

Lukashenka is pushing his country deeper and deeper into an economic abyss. Prices remain under state control, and there has been no privatization to speak of. The average monthly wage is somewhere around \$30 a month, and many people rely on subsistence farming in a backyard plot to feed their families.

The people of Belarus deserve better. Belarus suffered greatly during the Second World War. The war's legacy in Belarus was that it left a passive people—afraid to speak out for fear that they'd get a bullet in the back of the head. Years of Communist rule only exacerbated these feelings. During my visit, several villagers told me: “we are only ‘malenki’—small people”—unable to affect the political process.

But Belarus is also home to many courageous people. For me personally, the most courageous are the women I met on my visit who at great risk to their own lives, hid my father and his brother from the Nazis in their home and in their barn.

Regrettably, Lukashenka is not going to go away tomorrow—as he should. But perhaps he is beginning to realize that he cannot continue on the present course.

There is a report out of Minsk that the OSCE special mission headed by Adrian Severin has announced that Lukashenka has agreed to hold free parliamentary elections in 2000 and enter a dialogue with the opposition. Let us hope that Lukashenka makes good on that promise.

In any case, the West should do what it can to support the people in Belarus who are willing to speak out and to help them plan for—and perhaps even hasten—the post-Lukashenka days. The West should:

Bolster the opposition by continuing to meet with the legitimately elected parliament. The U.S. is right to refuse to meet with the Lukashenka appointed rubber stamp parliament.

Provide more funding for those who are trying to battle passivity and fear. A small but vibrant NGO community in Belarus, with support from a handful of Western assistance organi-

zations, is working to make citizens feel they can take control over issues that affect their own lives—like housing or the health of their children. Personal empowerment can lead to political empowerment.

Make clear that the future of both Belarus and Russia can be with the West. For Belarus, it is not a choice of Russia or the West. Offering a false choice pushes Belarus and Russia towards each other to our exclusion.

Continue to support private enterprise and democratic change in Russia itself. The more firmly these elements are rooted in Russia, the less likely it is that constituencies in Russia will be attracted to Lukashenka's brand of retrograde politics.

Continue to insist—as the Clinton Administration has been doing—that any integration between former Soviet states must reflect the voluntary will of the people expressed through the democratic process, must be mutually beneficial, and must not erect barriers to integration with the wider community of nations. As the Administration has rightly pointed out, since a democratic process does not now exist in Belarus, that calls into question the legitimacy of efforts to create a genuine Russian-Belarusian Union.

Weave a web of contacts with the West. Fund and encourage travel by Belarusians not only to the United States but to neighboring countries. The more they see of Lithuania and Poland, the more they see what Belarus can be.

Support increased information flow into Belarus—including efforts by the Lithuanians and others to conduct radio broadcasts into Belarus.

In the end, Belarusians' fate is in their own hands. But even as Lukashenka clings to power, their is far more that the West can and should do to help tip the balance towards Belarus joining the democratic community of nations.

#### HONORING DR. GEORGE PAULIKAS

#### HON. STEVEN T. KUYKENDALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. KUYKENDALL. Mr. Speaker, on July 18, 1999, Dr. George Paulikas celebrated 50 years in the United States, during which he and his brothers have made significant contributions to their adopted homeland. The Paulikas family arrived as Lithuanian refugees in Boston Harbor on July 18, 1949, having escaped the atrocities of Josef Stalin and Adolf Hitler. George's brother Arvyd has worked for 34 years as a physicist at Argonne National Laboratories. His youngest brother Ray served in the United States Air Force and then continued his career at Lockheed-Sanders.

I honor George Paulikas today for his service to the United States. He retired in 1998 as Executive Vice President of the Aerospace Corporation, a career which spanned 37 years, and which has garnered him with numerous awards and commendations. He is the recipient of the National Reconnaissance Office Gold Medal, was named a General James Doolittle Fellow, served on the Air Force Scientific Advisory Board, was given the Aerospace Trustees Distinguished Achievement



Award. He continues to serve as a Trustee of the Los Angeles Science Center and he sits on the Los Angeles Area Boy Scouts Council. He is the author of "Thirteen Years: 1936-1949", a book describing his family's journeys through war-torn Europe in their search for stability and freedom from the ravages of despotism and war. Our country has been enriched by George Paulikas' service to the United States of America, and we celebrate with him on this 50th anniversary of his family's passage to freedom.

#### A TRIBUTE TO MARILYN BEYES

##### HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Mr. SHIMKUS. Mr. Speaker, I would like to take this time to commend Marilyn Beyes of Smithboro, Illinois for her unparalleled volunteer activity in the community. She travels 18 miles almost every day to work as a volunteer at a number of community establishments. Marilyn may be seen laying ten-pound bricks in the Fayette County Museum Garden or organizing an art show with over 250 entries and 350 people in attendance.

When asked about why she puts in such long hours as a volunteer she said, "I see a need, and I want to lead this community with something good." When Vandalia Mayor Sandra Leidner was asked about Marilyn she said, "She's the epitome of volunteerism. I think she sets a fine example for others." It is great to see such determination and willingness to lend a hand to the community. Marilyn is a perfect example of not only a community volunteer but also a community leader.

#### PERSONAL EXPLANATION

##### HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Mr. ANDREWS. Mr. Speaker, on rollcall No. 308, due to travel restrictions, I was unavoidably detained and unable to cast my vote. Had I been present, I would have voted "aye."

#### OPEN LETTER FROM COUNCIL OF KHALISTAN CALLS ON SIKHS TO STOP SUPPORTING INDIAN TYRANNY

##### HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Mr. TOWNS. Mr. Speaker, the conflict in Kashmir has been in the news a lot lately. The conflict stemmed from an attack on the Kashmiri freedom fighters in Kargil. While it looks as if the conflict may be receding, there is still fighting. The Sikhs in Punjab are afraid that it will spread to Punjab, Khalistan. The fighting will continue as long as India uses force to

suppress the freedom movements of South Asia.

While the fighting was at its height, the Council of Khalistan, which leads the Sikh freedom struggle, issued an open letter on the situation. The letter told Sikh troops that if they died for India, they would die as mercenaries, but if they died for Sikh freedom, they would die as martyrs. It urged them to go home and join the struggle to liberate Khalistan.

In the letter, the Council of Khalistan pointed out that an Indian colonel said that the troops were "dying like dogs" and that 60 percent of the soldiers killed were Sikhs. This is typical of India's strategy to keep the minority nations of South Asia within their artificial borders. They send draftees from one minority to kill another. They don't put Hindu lives at risk. "Are you willing to die for a country that practices a policy of mass cremations against our Sikh brothers and sisters, a policy the Indian Supreme Court called, 'worse than a genocide'?" said the letter.

It is essential that we help bring real peace to South Asia. Both India and Pakistan have nuclear weapons, and we must do what we can to prevent these weapons from being used. So far, American involvement in the situation has been mainly to lean on Pakistan to bring an end to the conflict. But it is only India that can end the conflict. Only when India stops its efforts to repress the freedom movements can the conflict in South Asia end.

India is anti-American and has tried to organize a security alliance against the United States, and in May the Foreign Minister organized and led a meeting with Cuba, China, Russia, Serbia, Iraq, and Libya "to stop the U.S." Amnesty International reported that thousands of political prisoners remain in illegal detention without charge or trial. Some have been there for 15 years. India has murdered over 250,000 Sikhs since 1984 in its quest for "Hindutva." It has also killed tens of thousands of Christians in Nagaland, Muslims in Kashmir, Dalits, and other peoples in this pursuit. Sooner or later, India is doomed to break up. I only hope that it does so peacefully. We must not allow another Yugoslavia to emerge in South Asia, where nuclear weapons are present.

Mr. Speaker, the time has come for our country to support freedom for all the people of South Asia. If India cannot learn to respect basic human rights as we do in this country, then it should not receive any aid or trade from the United States. It is time for the Congress to put itself on record in support of the freedom movements in Khalistan, Kashmir, Christian Nagaland, and the other nations of South Asia.

Mr. Speaker, I would like to put the Council of Khalistan's open letter on Kashmir into the RECORD for the information of my colleagues.

COUNCIL OF KHALISTAN,  
Washington, DC, June 16, 1999.

OPEN LETTER TO THE SIKH SOLDIERS AND OFFICERS

Stop "Dying Like Dogs" for the Indian Oppressors

Will You Be a Martyr or a Mercenary?  
Join the Freedom Movement to Liberate Khalistan

KHALSA JI: The Indian attack on the Kashmiri freedom fighters at Kargil again shows

the reality of Hindutva. You see the death of your fellow Sikhs on a daily basis. About 60 percent of the casualties are Sikhs. When India wants to suppress a freedom movement, they send other minorities to do the dirty work, pitting minorities against each other. Hindustan will just use you and discard you. Do not let yourself be a mercenary for this divide-and-rule strategy by the Indian tyrants.

India is losing this war. Casualties are mounting. An Indian colonel admitted that the troops are "dying like dogs." A corporal is quoted as saying, "Even in war we don't have such senseless casualties." All these deaths are very tragic, but it is especially sad when Sikh soldiers give their lives for the oppressor. If a Sikh soldier must die, at least die for the Khalsa Panth. If you die for the Khalsa Panth, you will be a martyr. If you die for India, you are just a mercenary.

What are you dying for? Are you willing to die for a country that has murdered over 250,000 of our Sikh brothers and sisters since 1984? Are you willing to die for a country that desecrated the Golden Temple, shot bullet holes through the *Guru Granth Sahib*? Are you willing to die for a country that practices a policy of mass cremations against our Sikh brothers and sisters, a policy the Indian Supreme Court called "worse than a genocide"?

If you are dying anyway, come home and die for our homeland like the martyrs who were murdered in the Golden Temple attack. It is better to promote the freedom and glory of the Khalsa Panth than to promote Hindutva and the "territorial integrity" of India. When human-rights are being violated on such a massive scale, "territorial integrity" is not an issue.

The political creed of India is "Hindu, Hindui, Hindutva, Hindu Rashtra." As the former Speaker of the Lok Sabha, Balram Jakhar, said, "If we have to kill a million Sikhs to preserve our territorial integrity, so be it." When India wants to protect its artificial borders, it is Sikhs who get killed. When we seek freedom, it is Sikhs who get killed. How can Sikhs put their lives on the line for a country like that?

You are all aware of the plight of Sikhs back home in Punjab. The Indian government has bribed Sikh policemen with cash and promotions to murder their Sikh brothers and sisters. The U.S. State Department reported that between 1992 and 1994 the Indian government paid over 41,000 cash bounties to policemen for killing Sikhs. One policeman collected a bounty for murdering a three-year-old boy. Why should Sikhs give their lives for that?

Are you aware that in 37 border villages back in Punjab, the people have evacuated because they are afraid that his war on the Kashmiri freedom fighters will expand to Punjab? As the people of Kosovo fled from their homes in fear of the Serbian government's brutality, the people of Punjab, Khalistan—your family, friends, and neighbors—are fleeing their homes in fear of the brutal Indian government. There has been a new deployment of troops to Punjab, raising fears that India will launch an attack on Pakistan from the Sialkot sector. If that happens, more Sikhs will lose their lives.

Every day in Ardas, Sikhs pray "Raj Kare Ga Khalsa," the Khalsa shall rule. Our heritage is "Khalza Bagi Yan Badshah," the Khalsa rules or it is in rebellion. Our Gurus teach us to oppose tyranny wherever it rears its ugly head. How can Sikhs say that and then go fight for a country that denies our Sikh brothers and sisters the most basic human rights?

India's political situation is unstable and it is losing this bloody war. In desperation, it has resorted to using chemical weapons. This is a shame on India. It shows the Indian government's complete disregard for the lives of Sikhs, Muslims, and other minorities. However, the instability provides an opportunity to liberate Khalistan.

Recently, a group of Sikhs living in Pakistan called for a common front with our Kashmiri brothers to liberate both Khalistan and Kashmir. They said that now is the ideal time for such an effort. They are right. Let us make common cause with the Kashmiri freedom fighters and liberate our countries together.

Sikhs remember their martyrs and we also remember our enemies. Sikhs ended the regime of the tyrant Indira Gandhi. A brave Sikh named Delawar Singh ended the tyranny of Beant Singh. Would you rather be remembered as a brave Sikh martyr like Delawar Singh or as a traitor like K.P.S. Gill?

I call on Sikhs in the Indian armed forces, whether officers or soldiers, to stop shooting at the Kashmiri freedom fighters and join the Sikh freedom movement. Stop "dying like dogs" for the theocratic Indian state. These Kashmiri freedom fighters have the same as the goal of the Sikh Nation: to live in freedom, peace, prosperity, and dignity.

Now is the time to join the Sikh freedom movement and liberate Khalistan. You are trained soldiers. The Khalsa Panth needs your services. You will be remembered as the liberators of Khalistan. Remember Gen. Shabeg Singh who gave his life defending the sanctity of Darbar Sahib and the honor of the Sikh Nation. We must free Khalistan. Nations don't survive without political power. This is the opportune time for us. We must not let this opportunity pass.

Panth Da Sewadar,

DR. GURMIT SINGH AULAKH,  
President.

# EXPRESSING THE SENSE OF THE HOUSE WITH REGARD TO THE UNITED STATES WOMEN'S SOCCER TEAM AND ITS WINNING PERFORMANCE IN THE 1999 WOMEN'S WORLD CUP TOURNAMENT

## HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Ms. SLAUGHTER. Mr. Speaker, the looks on the faces of the little girls gazing up with hero worship to the U.S. Women's Soccer Team made an awful lot of struggles that we have gone through worthwhile. When Title IX was first written and passed in the Congress, there was a great furor about it. The idea of opening athletics to women was almost anathema. We have seen now what a wonderful opportunity we have given; that girls in school know that they too can achieve in sports and that they too can be part of that wonderful experience of being a member of a winning team.

Title IX has helped us to reduce the inequality and the differences in Americans and says to everybody, "You too can be a winner."

I commend to my colleagues the following article from my local paper, the Rochester Democrat and Chronicle.

[From the Rochester Democrat and Chronicle, July 11, 1999]

### GIRLS EXPAND SPORTS HORIZONS

(By Bob Chavez)

Chelsea Kilburn was having too much fun. She not only shed her blocker to reach the quarterback, but her tackle included an "emphasis" that would draw a flag in any organized football game.

Good thing for her this was just a clinic. It's also a good thing that the quarterback was just a stuffed pad.

"I love tackling and that swimming thing," the 13-year-old from Rochester said, referring to the moves taught to her by former Buffalo Bills longsnapper Adam Lingner at yesterday's Girls Sports Festival at Frontier Field.

More than 400 girls attended the festival, in its second year. Robin Guon, who works for Monroe County Sports Development, said the event undoubtedly was a success.

"We got such positive feedback from last year that we decided to do it again," explained Guon, who said attendance was up by about 100 girls this year. "We would like this to be an annual event."

Girls ages 8 to 14 participate in up to six of the 17 sports offered. Some girls selected sports they liked. Others, like Irondequoit's Kristin Deiure, picked lacrosse.

"I just wanted to see what it was like," said Deiure, 11. "It's pretty hard, but I like it."

Emma Hardy, 9, of Penfield tried lacrosse because her friends play on a team. She'd like to do the same some day, but throwing the ball presents quite a challenge.

"Probably because I'm so bad at it," she said. "My dad tells me to watch the ball but it can be so frustrating. But he tells me how to do things correctly and sometimes I just have to concentrate harder."

The best part of the day for Hardy was the chance to try her hand at games she had never played.

"I like all sports and this day is great," she said. "Some of (the games) were new to me. But I tried them and I actually liked them."

Emily Thomas, 10, of Chili had a tough time deciding her favorite, but ultimate frisbee was right near the top of the six sports she tried.

"It was fun to throw the frisbee to other people and I like to learn new things," she said, adding that lacrosse was a close second to frisbee.

Alissa Coates of Honeoye Falls preferred the more physical games. Her list included stops for taekwondo, karate and boxing.

"I learned different kicks and punches," she said. "I also learned different finger locks. It was all new and it was nothing like the taekwondo I learned in school."

Devon Monin, 11, of Rochester was at the baseball clinic, but could not stop talking about all she learned about football.

"You get to tackle and pass the ball a lot," she said. "I also learned that there are a lot of positions. I didn't know there were so many."

Given the choice, she'd play defensive line.

"It's not exactly in the middle and it's not exactly outside," she said of why she liked the position. "You get to play a lot of both."

As much fun as Kilburn had learning to read blocks to sack the quarterback, she was just as glad to have the opportunity to learn.

"It was really good," she said. "I knew nothing about any other sports, but I learned a lot. Now when I watch football with my brother, I'll actually know what I'm talking about."

## CONGRATULATING THE UNITED STATES ARMY SCHOOL OF THE AMERICAS FOR ITS ROLE IN ACHIEVING PEACE ON THE ECUADOR/PERU BORDER

### HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Mr. COLLINS. Mr. Speaker, I rise today to congratulate the nations of Ecuador and Peru for ending their half-century-long border dispute. I also rise to offer congratulations to the United States Army School of the Americas (USARSA) for its important role in resolving this conflict.

Col. Glenn Weidner, the current commandant of the school and a graduate of and former instructor at the USARSA, guided the operation that supervised the cease fire, separated the combatants, demobilized over 140,000 troops, established the demilitarized zone, and negotiated the continuation of the mission, incorporating observers of the two parties. That trajectory laid the basis for the three-year diplomatic effort to settle the underlying border issue. Assistant Secretary of State Alex Watson presented Colonel Weidner special recognition for his "contributions to diplomacy". Colonel Weidner credits the success of his mission in large part to the skills he learned at USARSA in 1986-1987 and the enhanced credibility he enjoyed because of his link to the school.

Of the six officers key to the success of the Peru/Ecuador mission, three were former USARSA students/instructors. The "school tie" provided a higher degree of common understanding and increased confidence upon which to proceed. There were also USARSA grads among the observers and the officers of the two parties with whom they dealt on a daily basis to verify the peace.

Finally, Ambassador Luigi Einaudi, the U.S. diplomat recognized and decorated by Presidents Fujimori and Mahuad as playing a key role in the final settlement, is a strong supporter of the school, and has agreed to serve on the new Board of Visitors.

I find it ironic that this very week, even as we congratulate Peru and Ecuador on their newfound peace, a small but vocal group of extremists continues to mislead the American people and members of this body about the role the USARSA plays in the post-Cold War era. Graduates of the U.S. Army School of the Americas are working daily to enhance peace and security in Latin America and to solidify the democratic transformation that has occurred there. I congratulate the USARSA for its important role in bringing peace to the Ecuador/Peru border and urge my colleagues to recognize the school for what it really is—a meaningful tool for establishing peace and democracy in our own back yard.

July 20, 1999

A TRIBUTE TO COLONEL STEPHEN  
D. BULL III

**HON. KAREN MCCARTHY**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Ms. MCCARTHY of Missouri. Mr. Speaker, I rise today to honor Colonel Stephen D. Bull III upon his retirement from the United States Air Force. Colonel Bull has been a part of the Air Force virtually all of his life, as he was born on Burtonwood Air Force Base in the United Kingdom in 1951. He graduated from the United States Military Academy at West Point in June 1973, and was commissioned as a Second Lieutenant in the Air Force.

Colonel Bull went on to serve his country in several capacities: as a C-130 instructor navigator, a B-52 Offensive Avionics Acquisition Officer, a Strategic Weapons Officer for Bomber Weapons, and as Deputy Chief of the Weapons Systems Division of the U.S. Air Force.

In June 1992, he earned a Master of Arts Degree in National Security and Strategic Studies from the Naval War College at Newport, Rhode Island. After earning his Masters Degree, he was assigned as Executive Officer, Plans and Policy Division, International Military Staff at NATO Headquarters, Brussels, Belgium. He served there as the Chief of Staff for three international general/flag officers responsible for strategic planning, nuclear policy, arms control and disarmament, military cooperation programs and force planning.

Since 1994, Colonel Bull has served as the Chief, Programs and Legislative Division, Directorate of Legislative Liaison, Secretary of the Air Force in Washington, D.C. In this position, he has been responsible for advocating Air Force programs, policies, and proposed legislation to Congress on issues involving aircraft and safety investigations, military construction, force structure, base closure, personnel, environment, services and contracts. His legislative expertise has only been matched by his ability to foster answers for our constituents.

In my district he was able to facilitate the resolution to a constituent inquiry which had lingered for over ten (10) years. Through his leadership this problem was resolved positively for both my constituent and the Air Force. He has built a team of congressional liaisons without equal in their mastery of international issues essential to the success of Congressional delegations. His knowledge of Air Force issues and policy and his commitment to the United States Air Force is impressive and will be missed by Members who, like me, have found him to be unfailingly helpful whenever his assistance was requested.

Mr. Speaker, please join me in thanking Colonel Bull, his wife Carol, and his two daughters, Cristina and Lauren, for his service to the Air Force and to our nation, and extend our best wishes for his retirement.

## EXTENSIONS OF REMARKS

HONORING ROBERT A. MUNYAN,  
PRESIDENT, IBEW LOCAL 1289

**HON. FRANK PALLONE, JR.**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. PALLONE. Mr. Speaker, it is my great pleasure to rise today to honor a man who has spent the last 43 years of his life representing the interests of working men and women in Central New Jersey.

Robert A. Munyan, today, retires as President and Business Manager of International Brotherhood of Electrical Workers Local Union 1289.

For the last several decades, Robert Munyan has spent a majority of his time improving the quality of life for thousands of workers in the State of New Jersey. Throughout his career in organized labor, Mr. Munyan has held numerous positions for Local 1289, culminating with his election as President and Business Manager in 1980.

Mr. Munyan has played an essential role in IBEW contract negotiations, helping shape the New Jersey Master Energy Plan, and protecting workers' rights in the New Jersey State Energy Deregulation Bill. He continues to be a constant supporter of organized labor and works to ensure that all workers have a voice.

With Robert Munyan's retirement, IBEW Local 1289 is losing a worker, a family man, and a leader. I want to offer Mr. Munyan my congratulations and thanks for his outstanding career of service. It is with men like Robert Munyan that our nation's labor movement is such a huge success. He will be sorely missed.

COSPONSOR H.R. 2560

**HON. ERNEST J. ISTOOK, JR.**

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. ISTOOK. Mr. Speaker, I rise today to urge my colleagues to cosponsor H.R. 2560, the "Child Protection Act of 1999." This bill would require that filters that block obscenity and child pornography be placed on all computers with Internet connections that minors can access which have been purchased with Federal funds. Here is a copy of my "Dear Colleague" and a copy of the Congressional Research Service opinion that says this approach is constitutional. It is important that we protect our children from obscenity and child pornography.

### PROTECT OUR CHILDREN FROM OBSCENITY!!!

DEAR COLLEAGUE: There are over 30,000 pornographic Internet web sites. 12-17 year old adolescents are among the larger consumers of Porn (U.S. Commission on Pornography) Transporting obscenity on the Internet is a Federal crime. (Punishable by a fine and not more than 5 years in prison for the first offense and a fine and up to 10 years in prison for the second offense, plus a basic fine of up to \$250,000. 18 USC 1462)

In 1998, Congress tried to protect children from obscenity with the "Child Online Protection Act." That legislation attempted to

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protect our children by requiring adult identification before admission to a site. The court has blocked this since some adults may not have appropriate identification and might be denied access. Our children are still in danger.

If we cannot protect our children from the obscenity on websites, the only solution is to protect them when they use the Internet. In 1998, the Labor-HHS-Education Appropriations subcommittee adopted an amendment which would protect our children from obscenity on the Internet. This provision was supported by every member of the subcommittee, both Democrat and Republican. The roll call vote was unanimous.

This legislation requires a school or library which receives Federal funds for the purchase of computers or computer-related equipment (modems, LANs, etc.), to install an Internet obscenity/child pornography filter on any computer to which minors have access.

Because the filters are not yet perfect, and might inadvertently block non-obscene websites, the provision allows access to other sites with the assistance of an adult. The filter can be turned off with a password, for example, for that one session; the filters routinely turn back on automatically after that user exits the Internet. The filter software is required only for computers to which minors have access, so, for example, it would not restrict a teacher's computer in their personal office, or any computer in a strictly-adult section of a library.

If the filtering software is not installed, the school or library involved would have funds withheld for further payments toward computers and computer-related services, until they comply with the law.

State agencies, who have oversight of the appropriated funds, are responsible for approving software to comply with this legislation. There is no authority for the Department of Education to dictate this selection. The Department of Education only has authority to determine the accepted software packages usable by Indian Tribes and Department of Defense schools and libraries. This is designed to assure local control, and to foster competition in the software market.

The Supreme Court has determined that obscenity is not constitutionally-protected speech. This legislation will not curtail anyone's constitutionally-protected speech.

If you have questions or to cosponsor, call Dr. Bill Duncan (Rep. Istook) at 5-2132.

ERNEST J. ISTOOK, JR.,  
Member of Congress.

CONGRESSIONAL RESEARCH SERVICE,  
LIBRARY OF CONGRESS,  
Washington, DC, June 7, 1999.  
MEMORANDUM

To: Honorable Ernest J. Istook, Attention: Dr. William A. Duncan  
From: Henry Cohen, Legislative Attorney, American Law Division.  
Subject: Constitutionality of Blocking URLs Containing Obscenity and Child Pornography.

This memorandum is furnished in response to your question whether a draft bill titled the "Child Protection Act of 1999" would be constitutional if it were implemented by blocking URLs known to contain obscenity or child pornography. The draft bill would apply to any elementary or secondary school or public library that receives federal funds "for the acquisition or operation of any computer that is accessible to minors and that has access to the Internet." It would require

such schools and libraries to "install software on [any such] computer that is determined [by a specified government official] to be adequately designed to prevent minors from obtaining access to any obscene information or child pornography using that computer," and to "ensure that such software is operational whenever that computer is used by minors, except that such software's operation may be temporarily interrupted to permit a minor to have access to information that is not obscene, is not child pornography, or is otherwise unprotected by the Constitution under the direct supervision of an adult designated by such school or library."

The First Amendment provides: "Congress shall make no law . . . abridging the freedom of speech, or of the press." The First Amendment does not apply to two types of pornography: obscenity and child pornography, as the Supreme Court has defined them.<sup>1</sup> It does, however, protect most pornography, with "pornography" being used to mean any erotic publication. The government may not, on the basis of its content, restrict pornography to which the First Amendment applies unless the restriction is necessary "to promote a compelling interest" and is "the least restrictive means to further the articulated interest."<sup>2</sup> It was on this ground that a federal district court struck down a Loudoun County, Virginia, public library policy that blocked access to pornography on all library computers, whether accessible to adults or children.<sup>3</sup>

The Loudoun County case involved a policy under which "all library computers would be equipped with site-blocking software to block all sites displaying: (a) child pornography and obscene material; and (b) material deemed harmful to juveniles . . . To effectuate the . . . restriction, the library has purchased X-Stop, commercial blocking software manufactured by Log-On Data Corporation. While the method by which X-Stop chooses to block sites has been kept secret by its developers, . . . it is undisputed that it has blocked at least some sites that do not contain any material that is prohibited by the Policy."<sup>4</sup>

The court found "that the Policy is not narrowly tailored because less restrictive means are available to further defendant's interest . . ."<sup>5</sup> One of these less restrictive means was that "filtering software could be installed on only some Internet terminals and minors could be limited to using those terminals. Alternately, the library could install filtering software that could be turned off when an adult is using the terminal. While we find that all of these alternatives are less restrictive than the Policy, we do not find that any of them would necessarily be constitutional if implemented. That question is not before us."<sup>6</sup>

X-Stop, as the court noted, blocks sites. If this means that it blocks URLs that are known to display child pornography and obscenity (and material deemed harmful to juveniles), as opposed to blocking particular material, on all sites, that constitutes child pornography or obscenity, then it would be the sort of software that you ask us to assume would be used to implement the draft bill. The draft bill, however, would be implemented by one of the "less restrictive means" to which the court referred—i.e., by a less restrictive means than the Loudoun County library used. The draft bill would be implemented by a means that would permit the blocking software to be turned off when

an adult is using the terminal. The court in the Loudoun County case did not find that this less restrictive means "would necessarily be constitutional if implemented," but it did not rule out the possibility.

Under the draft bill, whether computers were programmed to block URLs that are known to display child pornography and obscenity, or were programmed to block particular material, on all sites, that constitutes child pornography or obscenity, they would apparently, of necessity, block some material that constitutes neither child pornography nor obscenity. If, however, the former method of blocking were used—i.e., the method of blocking URLs that you ask us to assume would be used—then there would be a Supreme Court precedent that would suggest that the draft bill would be constitutional even if it resulted in the blocking of some material that constitutes neither child pornography nor obscenity. This precedent is *Ginsberg v. New York*.<sup>7</sup>

In *Ginsberg*, the Court upheld a New York State "harmful to minors" statute, which is similar to such statutes in many states. This statute prohibited the sale to minors of material that—

(i) predominantly appeals to the prurient . . . interest of minors, and (ii) is patently offensive to prevailing standards in the adult community . . . with respect to what is suitable material for minors, and (iii) is utterly without redeeming social importance for minors.<sup>8</sup>

The material that this statute prohibited being sold to minors were what the Court referred to as "girlie" picture magazines."<sup>9</sup> It seems unlikely that such magazines were all literally "utterly without redeeming social importance for minors," as some of the magazines that the statute probably prohibited from being sold to minors probably had at least one article concerning a matter of at least slight social importance for minors. Yet this possible objection to the statute was not raised by the Court's opinion or even by the concurring or two dissenting opinions to *Ginsberg*.

Furthermore, the draft bill's prohibition would be less restrictive than the New York statute's, as the draft bill's prohibition would be limited to obscenity and child pornography. The Supreme Court has defined "obscenity" by the Miller test, which asks:

(a) whether the "average person applying contemporary community standards" would find that the work, taken as a whole, appeals to the prurient interest; (b) whether the work depicts or describes, in a patently offensive way, sexual conduct specifically defined by the applicable state law; and (c) whether the work, taken as a whole, lacks serious literary, artistic, political, or scientific value.<sup>10</sup>

The Miller test parallels the New York statute's description of material that is harmful to minors, but, in two respects, it covers less material than does the New York statute. First, to be obscene under the Miller test, material must be prurient and patently offensive as to the community as a whole, not merely as to minors. Second, to be obscene under the Miller test, material must, taken as a whole, lack serious value, but need not be utterly without redeeming social importance for minors.

As for child pornography, it did not exist as a legal concept (i.e., as a category of speech not protected by the First Amendment) when *Ginsberg* was decided. The Supreme Court, however, has defined it so that it is immaterial whether it has serious value.<sup>11</sup> Therefore, the draft bill, in this re-

spect, may be viewed as covering less material than laws against child pornography, as well as less material than laws against obscenity. As *Ginsberg* upheld a statute prohibiting the sale to minors of material that goes beyond obscenity and child pornography, and as the draft bill would be limited to those two categories, it appears that, based on the *Ginsberg* precedent, the draft bill, if implemented by blocking URLs known to contain obscenity or child pornography, would be constitutional.

#### FOOTNOTES

<sup>1</sup> *Miller v. California*, 413 U.S. 15 (1973) (obscenity); *New York v. Ferber*, 458 U.S. 747 (1982) (child pornography).

<sup>2</sup> *Sable Communications of California v. Federal Communications Commission*, 492 U.S. 115, 126 (1989).

<sup>3</sup> *Mainstream Loudoun v. Board of Trustees of the Loudoun County Library*, 24 F. Supp.2d 552 (E.D. Va. 1998). On April 19, 1999, the defendant decided not to appeal this decision.

<sup>4</sup> *Id.* at 556.

<sup>5</sup> *Id.* at 567.

<sup>6</sup> *Id.*

<sup>7</sup> 390 U.S. 629 (1968).

<sup>8</sup> *Id.* at 633.

<sup>9</sup> *Id.* at 634.

<sup>10</sup> *Miller v. California*, supra note 1, at 24.

<sup>11</sup> *New York v. Ferber*, supra note 1, at 763-764.

#### HOUSE JOINT RESOLUTION 99-1037

#### HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Mr. SCHAFFER. Mr. Speaker, Colorado is a national leader in the efforts to protect public health and the integrity of our environment. My state's devotion to high standards is coupled to its desire to maintain the economic prosperity and the excellent quality of life all Coloradans enjoy.

In fact, Colorado has found ways to achieve both objectives due to the brilliance of her citizenry and facility of the state legislature. In particular, I commend the exemplary leadership of Colorado State Representative Jack Taylor, and State Senator Ken Chlouber, in challenging those federal actions which molest Colorado's ability to achieve its enviable balance of environmental health and economic liberty.

This year, the pair persuaded members of their respective houses to join in elevating Colorado's grievances to a national level. As one whose voice speaks for Colorado, I urge my colleagues tonight to lend careful consideration to Colorado's position on the matter of its relationship to the federal regulatory structure.

A resolution adopted by the Colorado General Assembly (HJR 99-1037) was forwarded to the Congress urging our intervention and initiative in this important matter. The content of the Resolution is worthy of review here and now.

Mr. Speaker, protection of public health and the environment is among the highest priority of government requiring a united and uniform effort at all levels. The United States Congress has enacted environmental laws to protect the health of the citizens of the United States. These federal environmental laws often delegate the primacy of their administration and enforcement to individual states.

Mr. Speaker, the United States Environmental Protection Agency (EPA) is responsible

for the administration and enforcement of these federal environmental laws. The states that have been delegated primacy have demonstrated to the EPA that they have adopted laws, regulations, and policies at least as stringent as federal standards. These individual states are best able to administer and enforce environmental laws for the benefit of all citizens of the United States.

Accordingly, the EPA and the states have bilaterally developed policy agreements over the past twenty-five years that reflect the roles of the states and the EPA. These agreements also recognize the primary responsibility for enforcement action resides with the individual states, with EPA taking enforcement action principally where an individual state requests assistance, or is unwilling or unable to take timely and appropriate enforcement action.

However, inconsistent with these policy agreements, the EPA has levied fines and penalties against regulated entities in cases where the state previously took appropriate action consistent with the agreements to bring such entities into compliance. For example, Colorado statutes give authority to the appropriate state agencies for the administration and enforcement of state and federal environmental laws, but the EPA continues to enforce federal environmental laws despite the state's primacy and has acted in areas of violations where the state has already acted.

The EPA has been unwilling to recognize the importance of Colorado's ability to develop methods for the state to meet the standards established by the EPA and federal environmental laws while recognizing state and local concerns unique to Colorado. Mr. Speaker, a cooperative effort between the states and the EPA is clearly essential to ensure such consistency, while making certain to consider state and local concerns.

The EPA has been hesitant to recognize that economic incentives and rewarding compliance are acceptable alternatives to acting only after violations have occurred.

Currently, the EPA's enforcement practices and policies result in detailed oversight, and overfiling of state actions causing a weakening of the states' ability to take effective compliance actions and resolve environmental issues. The EPA's redundant enforcement policy and actions have adversely impacted its working relationships with Colorado and many western states.

In response to the EPA, the Western Governors' Association has adopted "Principles for Environmental Protection of the West," which encourages collaboration and polarization between the EPA and the states, and further encourages the replacement of the EPA's command-and-control structure with economic incentives encouraging results and environmental decisions that weigh costs against benefits in taking actions.

Mr. Speaker, Congress must require the EPA to recognize the states have the requisite authority, expertise, experience, and resources to administer delegated federal environmental programs. The EPA should afford states flexibility and deference in the administration and enforcement of delegated federal environmental programs.

EPA enforcers should also refrain from over-filing against recognized violators when a

state has negotiated a compliance action in accordance with its approved EPA management systems so that compliance action achieves compliance with applicable requirements. The EPA should allow states the ability to develop plans for achieving national environmental standards established by the EPA which are tailored to meet local conditions and priorities.

Moreover, the EPA should enter into memoranda of understanding with individual states outlining performance, firm joint goals, and measures to ensure compliance with federal environmental laws while recognizing states that having achieved primacy in environmental programs have the right to direct compliance actions.

Further, Mr. Speaker, I call upon Congress to direct the EPA to develop policies and practices which recognize successful environmental policy and implementation are best achieved through balanced, open, inclusive approaches where the public and private stakeholders work together to formulate locally-based solutions to environmental issues. In addition, threats of enforcement action to coerce compliance with specific technology or processes often do not result in environmental protection but rather encourage delay and litigation, and are disincentives to technological innovation, increasing animosity between government, industry and the public, and raising the cost of environment protection.

Finally, effective management of environmental compliance is dependent upon the EPA shifting its focus from threats of enforcement action to one of compliance and the use of all available technologies, tools, and actions of the individual states.

#### AMERICAN EMBASSY SECURITY ACT OF 1999

SPEECH OF

**HON. ROBIN HAYES**

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes.

Mr. HAYES. Mr. Chairman, there have long been concerns regarding the funding of the United Nations Population Fund and its family planning practices around the world. From 1986 to 1992, UNFPA received no United States funds because of its presence in China, where coercive population practices have been reported. In 1993, this administration let these family planning practices off the hook and funding was restored. Until the UNFPA provides concrete assurances that it was not engaged in, or does not provide funding for, abortions or coercive family planning programs. I can not support this additional funding to the UNFPA.

Intense pressure to meet family planning targets set by the Chinese government has resulted in documented instances of officials

using coercion, including forced abortion and sterilization, to meet government population goals.

The family practices employed by the Chinese government are alarming. Poll after poll reveals that a significant portion of Americans believe abortion is morally wrong, and even more Americans would agree that federal tax dollars should not be used to fund abortions. This loophole in funding must be closed for the safety of unsuspecting mothers who are given little choice.

I am adamantly opposed to any commitment of federal funds for the purpose of abortion services in the United States or abroad. I also oppose the deceptive actions of the United Nations family planning agencies that use their UN funding to pay the electric bill while diverting "private funds" to pay for their forceful family planning practices. How can I go back to my district and tell my constituents I don't have the resources to help protect our neighborhoods or for after school programs for our students, because we have to sent our federal dollars to the United Nations to perform abortions?

I cannot support funding for the United Nations Population Fund until there are assurances and documented evidence that United States federal funds do not fund abortions half way around the world. I ask my colleagues to support the Smith-Barcia Amendment and to vote no on the Campbell-Gilman amendment.

#### HONORING DAVID ANDERSON

**HON. LOIS CAPPS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mrs. CAPPS. Mr. Speaker, today I rise to bring to the attention of my colleagues a friend and a leader who was recently honored by the Land Trust of Santa Barbara County for years of outstanding commitment to our environment—David Anderson. David has dedicated himself to the preservation of land in Santa Barbara County and the Central Coast.

David Anderson is the co-founder and past President of the Land Trust. He has been intimately involved in almost every conservation effort the Trust has worked on in the last fifteen years. David has been a constant source of support to community groups, property owners and government agencies in Santa Barbara county where the preservation of land was at stake. Because of his efforts and leadership, open space has been preserved on the Gaviota Coast, coastal bluffs have been preserved near Point Sal, the Great Oak Preserve in the Santa Ynez Valley was established, and grasslands near Lompoc have been conserved. These are but a few examples of the land that David and the Trust have secured for today and in perpetuity.

David has also greatly contributed to other community organizations. He has served as Past President and is currently the Co-Executive Director of the Santa Barbara Museum of Natural History, he has been a Board member of the Nature Conservancy, and President of Get Oil Out. In addition, he has been the Past Chairman of the County Air Pollution Hearing

Board and a City of Santa Barbara Planning Commissioner.

Mr. Speaker, I was honored to join the Land Trust for Santa Barbara County this past weekend to pay tribute to David Anderson. He is a man who has dedicated himself to creating and preserving our most precious resources—our land and our environment. I commend him for years of service to the County of Santa Barbara and to our nation.

#### PERSONAL EXPLANATION

### HON. VITO FOSSELLA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. FOSSELLA. Mr. Speaker, I am not recorded on rollcall numbers 308 for the Lewis and Clark Expedition Bicentennial Commemorative Coin Act; 309 for the Sense of Congress Regarding the U.S. in the Cold war and the Fall of the Berlin Wall; and 310 for the Iran Nuclear Proliferation Prevention Act. I was unavoidably detained and therefore, could not vote for this legislation. Had I been present, I would have voted "aye" for all of the above resolutions.

#### HONORING FIRST AMERICAN TITLE COMPANY

### HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize First American Title Company for devoting themselves to the improvement and development of the City of Clovis, California. Through many activities and events, First American Title Company has devoted countless hours to the development and enhancement of the County of Fresno, specifically the City of Clovis.

One of America's oldest and largest real estate related financial services companies celebrated its centennial in 1989. The First American Financial Corporation traces its roots back to 1889 when what was then rural Orange County, California, split off from the County of Los Angeles. At that time, title matters in the brand-new county were handled by two firms—the Orange County Abstract Company and the Santa Ana Abstract Company. In 1894, C.E. Parker, a local businessman, succeeded in merging the two competitors into a single entity, the Orange County Title Company, the immediate predecessor of today's First American Title Insurance Company.

Later, the company took a new name, First American, and expanded the geographic scope of its operations. In 1968, the firm was restructured into a general holding company, The First American Financial Corporation, conducting its title operations through First American Title Insurance Company and its subsidiaries. Existing title and abstract companies were purchased, new offices were established, and agency contacts were negotiated. Through a well-planned and managed expansion

program, First American built an organization that serves every region of the country.

The Company operates through a network of more than 300 offices and 4,000 agents in each of the 50 states. It provides title services abroad in Australia, the Bahamas, Canada, Guam, Mexico, Puerto Rico, the U.S. Virgin Islands, and the United Kingdom.

First American's business practices are a blend of the newest techniques and technologies with the old, tried and true ways of providing personal service. The critical ingredient in the company's formula for success is people.

Mr. Speaker, I rise to recognize First American Title Company as a leader in the community. I urge my colleagues to join me in wishing them many more years of continued success.

#### A GIANT LEAP FOR MANKIND

### HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. HORN. Mr. Speaker, today is the 30th anniversary of man's first steps on the moon. Everyone recognizes the historical importance of the Apollo 11 mission. But we must keep July 20, 1969, from fading from our thoughts as just another date in the history books. The 30th anniversary of the moon landing gives us an opportunity to revisit the drama and sense of wonder that accompanied that momentous occasion.

Although the Soviet Union was first to put a man into space, President Kennedy upped the ante dramatically when he challenged our nation in 1961 to land a human being on the moon before the end of that decade. When our nation fulfilled that goal, it not only demonstrated our technological superiority, but also the patriotism and dedication of the American people.

The success of the Apollo program was a testament to the hard work of many Southern California aerospace workers. Rockwell's production facility in Downey—now owned by Boeing—produced Apollo 11's Command and Service Modules. The energy, enthusiasm, and bold innovation of the aerospace workers in our area was a key component of our nation's fulfillment of President Kennedy's challenge. They brought worldwide recognition to Southern California as a leader in aerospace technology, a reputation that deservedly continues to grow today.

Since aerospace technology has progressed so much in the past three decades, it is easy to forget how incredible a feat the moon landing was in 1969. It is still remarkable. The Saturn V launch vehicle for the Apollo 11 mission contained 960,000 gallons of propellant—enough fuel for a car to drive around the world more than 400 times. The engines of the Saturn V launch vehicle had combined horsepower equivalent to 543 jet fighters.

Recent reports of an alternate speech that President Nixon was prepared to deliver in case of a disaster in the moon mission remind us how potentially dangerous the mission was. The possibility was very real that something

could go terribly wrong with the mission, stranding Neil Armstrong and Buzz Aldrin on the moon. For their courageous willingness to sacrifice, they deserve our continuing gratitude and admiration, as do all of our men and women who have traveled into space.

Our mission of space exploration continues today. The research conducted during space shuttle flights and on the International Space Station brings a wide range of benefits to our lives on Earth, from health care improvements to innovations in industrial processes. And unmanned exploration modules, such as the Pathfinder which went to Mars, expand our knowledge of our universe to a previously unimagined degree. Our space program has achieved things that generations of people never contemplated. If we keep a strong commitment to space exploration now, future generations can turn the science fiction of today into the reality of tomorrow.

#### COLORADO SENATE JOINT MEMORIAL 99-003

### HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. SCHAFFER. Mr. Speaker, federal highway demonstration projects should be eliminated. That is the official position of the State of Colorado as established by Colorado Senate Joint Memorial 99-003 which was recently adopted by the Colorado General Assembly.

The Memorial directs the federal government to replace specific demonstration projects with a state block grant program for distribution of funds remaining after formula distribution. Mr. Speaker, Congress should keep in mind, federal fuel tax funds belong to the people of America residing in the several states. State governments, being closer to the people are clearly better able to distribute and spend these revenues on highway projects more consistent with local priority.

Colorado's position on this matter is one shared by many states and by many Members of Congress including me. On the basis of Colorado's SJM 99-003, I urge my colleagues to consider a more state-centered approach to highway fund redistribution. I am sufficiently persuaded, Mr. Speaker, Colorado can do a much better job and more efficient job of prioritizing federal highway funds than can the politicized methods of Washington, D.C. I ask our colleagues, Mr. Speaker to fully consider the directives issued by the Colorado General Assembly through SJM 99-003. Furthermore the wisdom of our state legislators should figure prominently in the national policy we construct here on the House floor.

Mr. Speaker, I hereby submit for the RECORD a copy of SJM 99-003 and commend State Senator Marilyn Musgrave and State Representative Ron May for their sponsorship of this important Resolution. Their leadership in the area of transportation has proven valuable in furthering the economic stability of our Great State. Moreover, the entire General Assembly of Colorado has once again established itself as a forceful leader in effecting national policy.



## SENATE JOINT MEMORIAL 99-003

(By Senators Musgrave, Hernandez, Nichol, and Powers; also Representatives May, Hoppe, Kaufman, Kester, Larson, Lee, McElhany, Nunez, Scott, Sinclair, Swenson, Taylor, T. Williams, and Young)

MEMORIALIZING CONGRESS TO ESTABLISH A BLOCK GRANT PROGRAM FOR THE DISTRIBUTION OF FEDERAL HIGHWAY MONEYS, TO USE A UNIFORM MEASURE WHEN CONSIDERING THE DONOR AND DONEE ISSUE, TO ELIMINATE DEMONSTRATION PROJECTS, AND TO EXPAND ACTIVITIES TO COMBAT THE EVASION OF FEDERAL HIGHWAY TAXES AND FEES

Whereas, Due to the dynamics of state size, population, and other factors such as federal land ownership and international borders, there is a need for donor states that pay more in federal highway taxes and fees than they receive from the federal government and for donee states that receive more moneys from the federal government than they pay in federal highway taxes and fees; and

Whereas, The existence of such donor and donee states supports the maintenance of a successful nationwide transportation system; and

Whereas, There should be a uniform measure when considering the donor and donee issue, and a ratio derived from the total amount of moneys a state receives divided by the total amount of moneys that the state collects in federal highway taxes and fees is a clear and understandable measure; and

Whereas, Demonstration projects are an ineffective use of federal highway taxes and fees; and

Whereas, All moneys residing in the federal highway trust fund should be returned to the states either for use on the national highway system or nationally uniform highway safety improvement programs or as block grants; and

Whereas, The state block grant program should allow states to make the final decisions that affect the funding of their local highway projects based on the statewide planning process; and

Whereas, Only a reasonable amount of the moneys collected from the federal highway taxes and fees should be retained by the United States Department of Transportation for safety and research purposes; and

Whereas, States with public land holdings should not be penalized for receiving transportation funding through federal land or national park transportation programs, and such funding should not be included in the states' allocation of moneys; and

Whereas, The evasion of federal highway taxes and fees further erodes the ability of the state and the federal government to maintain an efficient nationwide transportation system; now, therefore, be it

*Resolved by the Senate of the Sixty-second General Assembly of the State of Colorado, the House of Representatives concurring herein:*

(1) That, when considering issues related to donor and donee states, the federal government should adopt a ratio derived from the total amount of moneys a state receives in federal highway moneys divided by the total amount of moneys the state collects in federal highway taxes and fees; and

(2) That all demonstration projects should be eliminated; and

(3) That after federal moneys have been expended for the national highway system and safety improvements, a state block grant program should be established for the distribution of the remaining federal moneys; and

(4) That it is necessary to expand federal and state activities to combat the evasion of federal highway taxes and fees. Be it

*Further Resolved*, That copies of this Joint Memorial be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of Colorado's delegation of the United States Congress.

RAY POWERS,  
*President of the Senate.*

PATRICIA K. DICKS,  
*Secretary of the Senate.*

RUSSELL GEORGE,  
*Speaker of the House of Representatives.*

JUDITH M. RODRIGUE,  
*Chief Clerk of the House of Representatives.*

## HONORING SHERIFF JIM THOMAS

## HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mrs. CAPPS. Mr. Speaker, today I rise to honor Sheriff Jim Thomas of Santa Barbara County who was the recipient of the "Guardian of Youth Award" by the Goleta Valley Youth Sports Center. Sheriff Thomas has recently been chosen for this prestigious award because he represents the finest of a community of citizens that has dedicated itself to the future of our youth.

Sheriff Thomas' commitment and service to youth is vast. He has given much of his own time and energy to the Drug Abuse Resistance Program—DARE—by speaking to students about the negative aspects of drug and alcohol abuse. In addition, his administration has devoted five full time deputy sheriffs who spend time on-campus and in school classrooms educating young people about substance abuse, violence, and self-worth. Under his leadership, DARE has reached more than 20,000 elementary and junior high students.

Sheriff Thomas has also committed hundreds of thousands of dollars of confiscated illegal drug money to fund school resource officers, and to support girls' and boys' sports programs, kids camp, and youth scholarship programs. Clearly, Sheriff Thomas' legacy reaches to countless youth and their families.

Mr. Speaker, I would also like to take this opportunity to commend the George "Ben" Page Memorial Youth Center and the Youth Sports Association for their commitment to the fitness and wellness of our children. I believe that the value of the Youth Center is far greater than an extraordinary building—it contains the generosity of spirit of the Association and Santa Barbara County. Most importantly, the Association and its volunteers will positively impact children today and for years to come.

Mr. Speaker, I was honored to join my community this past weekend to pay tribute to Sheriff Jim Thomas. He is a man who has served with unparalleled dedication and compassion. I commend him for years of service to the County of Santa Barbara and to our nation.

## PERSONAL EXPLANATION

## HON. VITO FOSSELLA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. FOSSELLA. Mr. Speaker, I am not recorded on rollcall No. 265 for the Y2K Readiness and Responsibility Act; 191 for the motion to go to conference on the fiscal year 2000 National Defense Authorization Act; and rollcall No. 276 for the Financial Services Act. I was visiting the U.S. troops in Macedonia and could not vote for this legislation. Had I been present, I would have voted "yes" for both bills and the motion to go to conference.

AMERICAN EMBASSY SECURITY  
ACT OF 1999

SPEECH OF

## HON. ANTHONY D. WEINER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes:

Mr. WEINER. Mr. Chairman, in 1998, when a terrorist bomb exploded in front of the U.S. Embassy in Nairobi, Kenya, one of the first humanitarian organizations to arrive at the scene was the Magen David Adom.

Magen David Adom, or MDA, entered the collapsed embassy building at great personal risk and saved dozens of lives. They demonstrated why they are considered to be one of the world's finest humanitarian organizations.

Despite the bravery and competence which the MDA rescuers exhibited that day and every day since its founding in 1930, the International Federation of Red Cross and Red Crescent Societies has refused to recognize the MDA as a fully participating member. The sole reason for this refusal is because the MDA's symbol is a Red Star, not the Red Cross or Red Crescent, the only symbols recognized by the International Federation.

In 1864, when the nations of the world signed a treaty to provide protection for hospitals, medical personnel and patients in time of war, it was decided that the universal symbol for humanitarian services would be the Swiss flag with its colors reversed.

In Turkey, a predominantly Muslim country, the Red Cross was considered a symbol of Christianity, and inappropriate for use as their humanitarian symbol. Instead, they declared that they would use a Red Crescent, a symbol derived from Islam. This was a reasonable request and the Red Crescent was recognized by the International Federation in 1868.

Yet, in 1949, when Israel asked for recognition of its humanitarian symbol, a red star on a white field, based on the ancient symbol of the Jewish faith, the International Federation refused, insisting that Israel either adopt the



cross of Christianity or the crescent of the Muslim faith. The Israeli government refused.

Since that date, though it has worked in partnership with the International Federation of the Red Cross and Red Crescent, the MDA is still denied full membership in the International Federation. This has gone on too long.

This October, the International Federation will hold its 27th meeting in Geneva, Switzerland. This amendment directs the President to work with the signatories of the Geneva Convention and support a resolution at the International Conference to allow for the MDA to become a full member of the International Federation of Red Cross and Red Crescent Societies.

I urge my colleagues to support this amendment.

#### DEVELOPMENTS IN BELARUS

### HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. SMITH of New Jersey. Mr. Speaker, today marks the expiration of the term of office of authoritarian Belarusian President Alyaksandr Lukashenka under the 1994 Belarusian Constitution. To nobody's surprise, Mr. Lukashenka is not abandoning his office, having extended his term of office until 2001 using the vehicle of an illegitimate 1996 constitutional referendum.

Since Lukashenka was elected five years ago, Belarus has witnessed nothing but backsliding in the realm of human rights and democracy and a deterioration of the economic situation. The Belarusian Government continues to violate its commitments under the Organization for Security and Cooperation in Europe (OSCE) relating to human rights, democracy and the rule of law. At the root of these violations lies the excessive power usurped by President Lukashenka since his election in 1994, especially following the illegitimate 1996 constitutional referendum, when he disbanded the Supreme Soviet and created a new legislature subordinate to his rule.

Freedoms of expression, association and assembly remain curtailed. The government hampers freedom of the media by tightly controlling the use of national TV and radio. Administrative and economic measures are used to cripple the independent media and NGOs. Political opposition has been targeted for repression, including imprisonment, detention, fines and harassment. The independence of the judiciary has been further eroded, and the President alone controls judicial appointments. Legislative power is decidedly concentrated in the executive branch of government.

The Helsinki Commission, which I Chair, has extensively monitored and reported on the sad situation in Belarus, and has attempted to encourage positive change in that country through direct contacts with Belarusian officials as well as through the Organization for Security and Cooperation in Europe. The OSCE Parliamentary Assembly meeting in St. Petersburg earlier this month overwhelmingly supported a resolution encouraging democratic change in Belarus, including the conduct

of free and fair elections next year. As Chairman of the U.S. delegation to the OSCE PA, I urged my fellow parliamentarians to join me in calling for the release of ex-Prime Minister Mikhail Chygir and the guarantee of free access to the media by opposition groups. In addition, I joined 125 delegates representing 37 of the 54 participating States in signing a statement which offered more harsh criticism of the political situation in Belarus, condemned the use of violence against Supreme Soviet members and representatives of the democratic opposition, and protested their detention.

Within the last few days, there appears to be some glimmer of hope in the gloomy Belarusian predicament. According to a July 17 joint statement by the OSCE PA ad hoc Working Group on Belarus and the OSCE Advisory and Monitoring Group (AMG) in Belarus: "The Belarusian President states his commitment to the holding of free, fair and recognizable parliamentary elections in Belarus next year, as well as his support for a national dialogue on elections to be held between the government and the opposition." I agree with the Working Group and AMG's emphasis on the importance of "access to electronic media for all participants in the negotiations, and a political climate free of fear and politically motivated prosecution."

Mr. Speaker, while I welcome this statement, I remain guarded, given Mr. Lukashenka's track record. I very much look forward to its implementation by the Belarusian Government, which could be a positive step in reducing Belarus' isolation from the international community and the beginnings of a reversal in the human rights situation in that country.

#### HONORING THE LANDING OF THE FIRST MAN ON THE MOON

### HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. CALVERT. Mr. Speaker, after rising yesterday to honor the passing of one of America's greatest space hero's, Pete Conrad, I happily return to the floor to celebrate the thirtieth anniversary of man landing on the moon.

Last night, I memorialized one of the many heroes involved in the arduous task of sending man from Earth to the moon. Tonight, I would like to recognize all of the men and women that were responsible for one of the single greatest scientific and technological accomplishments in history, man walking on the moon.

President John F. Kennedy challenged the men and women in our nation's space program to accomplish a goal that most believed was unachievable. This goal was the singular focus of a small group of American leaders in space for nearly a decade, a small group that would eventually become international heroes. Heroes, not because they simply went to the moon, but because they set out an impossible goal, dared to dream when they were on the short end of logic, inspired a nation and the

world. These men and women worked feverishly for nearly a decade and committed their lives to the program. Some men even gave the ultimate sacrifice and lost their lives chasing this goal.

To every child in America, I hope that you will take the time to learn of the thrilling story of the men and women involved in Apollo 11's ultimate success. It is a story about working to achieve success against long odds. I am proud to have been alive during this great accomplishment and to know the story behind the men and women who dedicated their lives to ensuring the dream of all mankind was achieved.

Mr. Speaker, I would like to give one last salute to Captain Pete Conrad and congratulate all of the men and women who helped our nation and persevere against impossible odds, and land a man on the moon.

#### IN RECOGNITION OF GERALD GREENWALD, CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF UNITED AIRLINES, ON THE OCCASION OF HIS RETIREMENT

### HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. SHUSTER. Mr. Speaker, on behalf of the members of the Transportation and Infrastructure Committee, I rise to extend congratulations to Jerry Greenwald on the occasion of his retirement as Chairman of United Airlines. He joined United Airlines five years ago. From his takeoff in July 1994 to his landing last week, Jerry Greenwald's has truly been an amazing flight.

Brand new to the aviation industry, Jerry Greenwald led the transition of United Airlines into the largest employee-owned organization in the world. He assumed the helm of a struggling company which was part of an industry burdened by years of mounting financial losses. In an environment when regulations often seemed to make success impossible, he guided the employee-owners of United Airlines to turn the company around. Jerry Greenwald showed that teamwork could be a way of life and not just a slogan. He demonstrated that "labor-management relations" did not have to be a euphemism for mortal combat, but rather a unique means to achieve a range of goals.

By focusing on core business objectives and core customer needs, United Airlines achieved record revenues for four consecutive years, and measurable improvements to delivering on customer preferences for air travel. Jerry Greenwald is investing proceeds into new equipment, technology and customer service initiatives to prepare for the future. During his tenure, Jerry Greenwald has grown United to the equivalent of a whole new airline. And, I'd like to think he's changing how the industry thinks about customer service. The US airline industry is still evolving, but it is clear that Mr. Greenwald has put United on a course to continue to improve and be competitive.

Beyond his focus to make United healthy again, Mr. Greenwald took on an enormous task when he agreed to serve as Chairman of

the National Welfare to Work partnership. United alone has hired nearly 2,000 people from the welfare rolls to work in productive jobs, and he inspired thousands of other companies to do the same. Mr. Greenwald has expanded the United Foundation to support more than 300 charitable organizations and programs around the world, focusing on education, health and community partnerships. And he has personally been involved in these initiatives rather than just leading them; that is an important distinction in today's world.

Throughout his time with United, Mr. Greenwald has been a consistently accessible and responsive partner to those of us in Congress concerned with aviation issues. We have worked together with Mr. Greenwald to tackle complicated issues that affect the interests of the entire nation: airline competitiveness, access for US carriers to global aviation markets, air traffic control reform, taxes, and yes, even customer service. Although we have not always agreed, we have always communicated.

So as Jerry Greenwald pulls "wheels up" and flies off to a fresh attempt at retirement, I ask my colleagues to join me in wishing him well.

A TRIBUTE TO SHARON AWE ON HER RETIREMENT FROM TEACHING AT SOUTH MILWAUKEE HIGH SCHOOL

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Mr. KLECZKA. Mr. Speaker, I rise today to honor Sharon Awe, South Milwaukee High School's (SMHS) Director of Bands, who is retiring after 34½ years of dedicated service to her students and to the community.

Ms. Awe has shared her love for music with thousands of students during her career at SMHS. She inspired some to make music their careers, but her gift to all her students was a solid foundation of a lifetime appreciation for music and the arts.

In more than 34 years of teaching, Sharon has been the driving force behind the South Milwaukee Rocket Band, and she will be sorely missed. And her dedication to her students and the music program did not end at the finish of each school term. For the past 25 summers, Sharon Awe and her band have participated in countless parades and competitions throughout the United States. South Milwaukee High School has a band room stuffed with awards and trophies, and has received a myriad of honors. Sharon and her students have proudly represented the State of Wisconsin at events such as Disney Music Days, the 1989 Gator Bowl, and even the 1996 Independence Day Celebration in Washington, D.C.

But what Ms. Awe gave her students was much more important than a room full of trophies. She instilled in them a sense of accomplishment, discipline, and pride, and afforded them the opportunity for new experiences, camaraderie and memories they will treasure for a lifetime.

And so it is with mixed emotions that I extend my congratulations to Ms. Awe on her well deserved retirement. The Rocket Band won't quite be the same without her striding proudly alongside it on the parade route. But I thank her for the enormous impact she has made on the lives of so many young people, and I wish her the very best for a happy and fulfilling retirement.

IN SPECIAL TRIBUTE TO MERLE F. BRADY FOR HIS OUTSTANDING SERVICE TO THE VAN WERT COMMUNITY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Mr. GILLMOR. Mr. Speaker, it is with a great deal of pleasure that I rise today to pay special tribute to a truly outstanding individual from Ohio's Fifth Congressional District. This Saturday evening, July 24, 1999, members of the Van Wert, Ohio community will gather to recognize the efforts of Merle F. Brady.

Merle Brady was born in Illinois in 1919, but has lived in Van Wert for more than fifty years. During those years, Merle Brady has been a true asset to the community and a friend and neighbor to all those who know him. A successful business man, Merle owned his own retail clothing store for many years, while operating a successful real estate business. For many years, he was Chairman of the Board of the Van Wert National Bank, and still serves as Director Emeritus.

A true American hero, Merle served bravely in the United States military in World War II where he received the American Theater Ribbon, the Good Conduct Medal, and the WWII Victory Medal. He is a life member of the American Legion, and has served as Post Commander, District Commander, Ohio State Commander, and National American Legion Executive Committeeman. Merle is still active in his American Legion Post.

Mr. Speaker, Merle Brady's service to the Van Wert community is endless. He was elected to the Van Wert City Council, and served two terms as Council President. Merle has been an active member of the Van Wert Chamber of Commerce, Lions Club, Masonic Lodge, Elks, and the Trinity United Methodist Church. Merle has also given freely of his time and energy to the Van Wert Y.M.C.A. and Associated Charities Foundation.

Mr. Speaker, it is often said that America prospers due to the outstanding deeds of her citizens. Without question, Merle F. Brady epitomizes that saying. Mr. Speaker, I would urge my colleagues to stand and join me in paying special tribute to Merle F. Brady. Thank you for your unwavering contributions to the Van Wert area, and best wishes for the future.

COMMEMORATING THE 30TH ANNIVERSARY OF THE APOLLO 11 MOON LANDING

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Mr. GORDON. Mr. Speaker, July 20th marks the 30th anniversary of Apollo 11's landing on the moon. This historic achievement was born of the Cold War rivalry between the United States and the Soviet Union. President Kennedy saw the moon race as a means of demonstrating American technological superiority at a time when the Soviets were garnering all of the "firsts" in space exploration. It was a bold initiative that required the skills and teamwork of tens of thousands of people if it was to succeed. It is to their everlasting credit that the Apollo program succeeded beyond all expectations.

Astronauts Neil Armstrong, "Buzz" Aldrin, and Michael Collins were the emissaries of all of those hardworking Americans when they set off for the moon three decades ago. Yet when Neil Armstrong stepped foot on the Moon for the first time, he represented more than just America—he represented all of humanity. His footsteps marked the realization of a dream that had captivated the minds of countless generations through the ages.

In addition, Apollo was an undertaking that stimulated advances in science and technology. It inspired a generation of students to pursue education in math and science. And the images that the Apollo astronauts took of the bluish-white Earth floating in the black void of space profoundly changed our perspective on global concerns such as the environment.

Of course, the Apollo program was a unique undertaking that cannot be replicated. Indeed, the Cold War that spawned Apollo is over, and we now are cooperating rather than competing in space exploration with our former adversaries. Moreover, many of our space activities are now focused on directly benefiting our citizens here on Earth—whether through meteorological satellites, communications satellites, navigation satellites, and so forth.

Yet I am confident that one day we will return to the moon, as well as venture to other parts of our solar system. When we do, we will be in the debt of all those who blazed the trail for us thirty years ago with the Apollo program.

NIH OFFICE OF AUTOIMMUNE DISEASES ACT OF 1999

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Mr. WAXMAN. Mr. Speaker, I am pleased to join with Congresswoman MORELLA in introducing the "NIH Office of Autoimmune Diseases Act of 1999." This legislation is intended to enhance the Federal government's research on autoimmune diseases and disorders. Most importantly, the Act highlights the urgency of treating autoimmune diseases as a priority women's health issue.

Many of our colleagues are familiar with diseases such as multiple sclerosis, lupus, rheumatoid arthritis and chronic fatigue syndrome. But what is not well recognized is how these and dozens of other diseases are linked by autoimmunity. As the NIH explains, "If a person has an autoimmune disease, the immune system mistakenly attacks itself, targeting the cells, tissues and organs of a person's own body."

Today, we have identified at least eighty autoimmune diseases which lead to death, severe disability, and vitiate the quality of life. They inflict a tremendous toll on families and our communities. Collectively, autoimmune diseases affect five percent of the population, or more than 13.5 million Americans, causing untold mortality and morbidity in this country, as well as billions in health care expenditures and lost productivity every year.

What is most striking is the disproportionate impact of these diseases on women. Three quarters of those afflicted with an autoimmune disease are women. Multiple sclerosis is twice as common in women compared to men. And the best available research suggests that autoimmunity may be the cause of 50 to 60 percent of unexplained cases of infertility and is also a major cause of miscarriages.

Compounding the uncertainty surrounding the causation of many of these diseases and the need for effective therapies is a persistent lack of information and understanding about autoimmune diseases. The American Autoimmune Related Diseases Association recently found that two-thirds of all women suffering from autoimmune diseases had been labeled "chronic complainers" before being correctly diagnosed. No woman should have to experience such insensitivity and lack of awareness when seeking care for a life-threatening illness.

The Federal government is pursuing a broad agenda of research and education on autoimmune diseases. For several years, the National Institutes of Health (NIH) has supported a multi-institute research program on the mechanisms of immunotherapy for autoimmune disease. There is an NIH research program for autoimmunity centers of excellence. And NIH institutes and the Office of Women's Health Research are focusing research funding on the genetic susceptibility to autoimmune diseases, as well as the role of environmental and infectious agents.

But it is clear that more can be done. The NIH recently established an autoimmune diseases coordinating committee, to help facilitate the innovative research being conducted on autoimmune diseases. Congresswoman MORELLA played a leadership role in this regard. The Congress has also dramatically increased NIH funding over the past few years, with the expectation that autoimmune disease research would benefit from this trend.

Our bill would take these promising developments a step farther. Progress on finding cures and treatments for autoimmune diseases would be expedited by a permanent office at the NIH dedicated to developing a consensus research agenda, as well as promoting cooperation and coordination of ongoing research. Such an office could serve as an advisor to the Director of NIH and the Secretary of Health and Human Services, and act as a

high-level liaison to the many important autoimmune disease patient groups.

The bill is endorsed and strongly supported by organizations including the National Multiple Sclerosis Society, American Autoimmune Related Diseases Association, National Coalition of Autoimmune Disease Patient Groups, Lupus Foundation of America, CFIDS Association of America, Sjogren's Syndrome Foundation, Crohn's and Colitis Foundation of America, Myositis Association of America, Wegener's Granulomatosis Support Group, Myasthenia Gravis Foundation of America, Coalition of Patient Advocates for Skin Disease Research, the National Alopecia Areata Foundation and the National Pemphigus Foundation.

Mr. Speaker, we urge our colleagues to join us in cosponsoring "NIH Office of Autoimmune Diseases Act of 1999."

#### AMERICAN EMBASSY SECURITY ACT OF 1999

SPEECH OF

**HON. JOHN CONYERS, JR.**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes.

Mr. CONYERS. Mr. Chairman, I rise in support of the Gilman-Campbell-Maloney/Crowley, et al. Amendment to H.R. 2514, the American Embassy Security Act. Passage of this secondary amendment to the Smith amendment would allow up to \$25 million to be appropriated for the United Nations Population Fund (UNFPA) in FY2000 for vital family planning and maternal and child health care programs.

Some of my colleagues have suggested that funding the UNFPA would support the Chinese government's coercive abortion activities. Last year, they eliminated all U.S. funding for UNFPA in the omnibus appropriations bill due to concerns about China. This amendment would allow us to fund UNFPA, while actively discouraging the organization from any activity in China; indeed, one dollar of appropriated U.S. funds would be deducted for each dollar UNFPA spends of other donors' funds in China. Any U.S. contribution that would be made to the UNFPA in FY2000 would have to be maintained in a separate account, none of the funds could be spent in China, and UNFPA would have to certify that it does not fund abortions.

The U.N. Population Fund does not support abortion. In fact, UNFPA works to reduce the need for abortion by enhancing access to family planning. In addition to addressing the reproductive health needs of women, UNFPA devotes significant resources to preventing the spread of HIV/AIDS and other sexually transmitted diseases. Cutting of funds to the U.N. Population fund for even one year will lead to disastrous results; it is estimated that the result of the elimination of U.S. funding for

UNFPA in FY1999 appropriations will have led to 500,000 more unintended pregnancies and 200,000 more abortions throughout the developing world, along with 1,200 more maternal deaths and 22,000 more infant deaths. We cannot risk results like this for another year.

The U.S. government should not, as a matter of principle, hold family planning and UNFPA hostage to a legitimate concern about the conduct of the Chinese government. There is a well-founded concern about China's family planning program—not UNFPA's. The concerns of the U.S. government should be placed on the U.S.-Chinese bi-lateral agenda, along with other human rights issues, and linked as appropriate to trade and other negotiations.

Mr. Chairman, I urge my colleagues to join with me in support the Gilman-Campbell/Maloney-Crowley amendment to fund the United Nations Population Fund.

#### TRUST IS HIGHEST IN EMERGENCY SITUATIONS

**HON. JAMES A. BARCIA**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. BARCIA. Mr. Speaker, one of the most frightening times of our lives is when we ourselves or one of our loved ones face a medical emergency. In this emergency situation, trust is the highest for medical professionals who are providing instant care to treat an injury or to save a life. In my own state, we are blessed in having the Michigan College of Emergency Physicians that helps to educate the physician staff of emergency departments at hospitals around Michigan.

The Michigan College of Emergency Physicians, chartered in 1969, was one of the first chapters of the American College of Emergency Physicians. It was only natural that Michigan be one of the first chapters since the American College was founded in 1968 by Dr. John G. Wiegstein, a Lansing physician who saw the need to develop the specialty of Emergency Medicine. Starting with 208 members in 1969 under the leadership of Dr. Gaus Clark as President, the organization has grown to nearly 1,100 members today under President Dr. Gregory Walker, and President-Elect Dr. Robert Malinowski.

The Michigan College of Emergency Physicians has sponsored educational programs to help improve the initial care of acutely ill patients. The 26th Michigan Emergency Assembly on Mackinac Island this weekend will celebrate the 30th anniversary of the College. Efforts like this annual assembly and the advanced pediatric life support course, the emergency resident assembly, and the advanced cardiac life support instructor course have helped to make Michigan a nationally recognized academic hub in emergency medicine.

Emergency medical services is a priority for the Michigan College, with its representation on numerous state boards and the EMS Expo—the largest education program for pre-hospital personnel in the state. The College is also proud of its legislative accomplishments in its development of the Michigan Emergency

Medical Services law, providing the ability to deliver emergency medical services to the citizens of Michigan, its definition of "prudent layperson", the enforcement of safety belt requirements, and safety helmet legislation.

I recently had the opportunity to monitor emergency room operations at St. Mary's Hospital in Saginaw to see first-hand the demands of split-second decisions in life or death situations. I want to thank Dr. Mary Jo Wagner, Dr. Brian Hancock, and Dr. George Moylan for their courtesies and professional insights. I encourage each of our colleagues to visit an emergency room to truly understand the needs of emergency medicine.

Mr. Speaker, we rarely think of the need for emergency medical care. We and so many others just assume that it is going to be there. On a day like today, we should stop and thank the Michigan College of Emergency Physicians, and their colleagues around the nation, for working to perfect what we take for granted. I ask you and all of our colleagues, Mr. Speaker, to join me in wishing the Michigan College of Emergency Physicians a very happy 30th anniversary, and for every success to President-elect Dr. Malinowski and Executive Director Diane Kay Bollman with their efforts to make sure, once again, that when we or a loved one face a medical emergency, a trained professional will be there to respond to our needs.

#### AMERICAN EMBASSY SECURITY ACT OF 1999

SPEECH OF

**HON. JOSEPH CROWLEY**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes:

Mr. CROWLEY. Mr. Chairman, I rise today in strong support of the Gilman-Campbell-Maloney-Crowley-Greenwood amendment to provide funding to the United Nations Population Fund (UNFPA).

The UNFPA has long supported the right of couples and individuals to decide freely and responsibly the number and spacing of their children, and to have the information and means to do so, free of discrimination, coercion or violence. Accordingly, the UNFPA works to provide women and men with access to safe, effective, affordable and voluntary contraceptive methods of their choice, as well as access to health care for safe pregnancy and childbirth.

Mr. Chairman, I would also like to address two myths that critics of the UNFPA commonly state regarding official UNFPA policies. The first concerns abortion and let me be very clear on this point. The UNFPA does not support or fund abortion in any way shape or form. UNFPA's activities are mandated by the programme of action of the International Conference on Population and Development,

which states that in no case should abortion be promoted as a method of family planning.

Instead, the UNFPA works to prevent abortion through the provision of voluntary family planning services. In addition, the UNFPA has not, does not and will not ever condone coercion in population and family planning policies and programs. They are committed to the realization of the UN's charter and the universal declaration on human rights, and it condemns coercive practices in all forms.

Mr. Chairman, the world has always looked to the U.S. for its leadership in global population and development programs. Restoring our contribution to the UNFPA will again clearly signal our continued commitment to addressing this important global challenge. Therefore, I ask my colleagues to vote for the Gilman - Campbell - Maloney - Crowley - Greenwood amendment.

#### AMERICAN EMBASSY SECURITY ACT OF 1999

SPEECH OF

**HON. LYNN C. WOOLSEY**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes.

Ms. WOOLSEY. Mr. Chairman, each year in the developing world, nearly 600,000 women die from pregnancy-related complications. Maternal mortality is the largest single cause of death among women in their reproductive years. That's why we must support the Campbell/Gilman/Gejdenson/Porter/Maloney amendment to H.R. 2415 which would remove the prohibition against the U.S. contribution to the United Nations Funding Population Fund (UNFPA).

This amendment would authorize critical funding so that voluntary family planning services, like the UNFPA, can provide mothers and families in over 150 other countries new choices and new hope. Further, these services increase child survival and promote safe motherhood for nearly 900,000 women around the world. Without our support, women in developing nations will face more unwanted pregnancies, more poverty, and more despair.

It is extremely hypocritical that those in Congress who would deny women in the developing world the choice of an abortion, would also seek to eliminate our support for family planning programs that reduce the need for abortion. Without access to safe and affordable family planning services, there will be more abortions, not fewer, and more women's lives will be put in danger.

I wish that today we could be voting on legislation allowing our foreign aid dollars to pay for a full range of reproductive health services, not just the limited services that barely get a right-wing seal of approval. But what is most important now is that the House of Representatives oppose the Smith anti-family amend-

ment and support the Campbell/Gilman/Gejdenson/Porter/Maloney amendment to restore funding to the UNFPA.

Let's keep the doors of more family planning clinics open for the women who are desperately in need of this information and these services. We will reduce the number of abortions and improve the lives of women and their children. I urge my colleagues to support the UNFPA.

IN HONOR OF RICHARD S. BRYCE

**HON. ELTON GALLEGLY**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. GALLEGLY. Mr. Speaker, I rise to pay tribute to Ventura County, California, Undersheriff Richard S. Bryce, who will retire next month after a long, honorable and distinguished career.

Undersheriff Bryce accomplished much in his more than three decades with the Ventura County Sheriff's Department, but will perhaps be remembered most for three particular achievements:

He spearheaded California legislation that permitted the merging of the Marshal's Offices into the Sheriff's Departments; he is recognized as an expert on jail operations and management, providing court testimony and conducting seminars throughout the Western United States on custody issues; and he provided leadership in management of the department's budget and in the fight to win passage of California's Proposition 172, which ensured the continued funding for the department and other local public safety agencies.

Richard Bryce began his law enforcement career in 1965 as a reserve deputy. After his appointment as a deputy sheriff on April 22, 1966, he embarked on a number of diverse assignments as he rose through the department's ranks. He was a patrol deputy, a staff officer at the Ventura County Police and Sheriff's Academy, a burglary detective and narcotic detective. As an administrative sergeant, he served at the Jail Honor Farm and in the Civil Bureau. He was a facility lieutenant at the Oxnard Branch Jail, a Civil Bureau lieutenant for Court Services, and a narcotic lieutenant for Special Services.

In 1982, Richard Bryce was promoted to commander of the special Services Bureau, which oversees the department's investigation units. In 1986, then-Sheriff John Gillespie appointed him assistant sheriff, and in 1993 he was appointed undersheriff by then-Sheriff Larry Carpenter.

Richard Bryce's peers have consistently described him as "loyal, ethical, professional, articulate, and conscientious."

Ventura County's undersheriff holds a master's degree in public administration, a bachelor's degree in political science and an associate's degree in administration of justice. He and Loretta have been married for more than 30 years. They have two children, Jeffrey and Kimberly.

Mr. Speaker, I know my colleagues will join me in recognizing Richard S. Bryce for his decades of dedicated service and in wishing

him and his family Godspeed in his retirement. His dedication to public safety and his community will be missed.

# STAMP OUT PROSTATE CANCER ACT

## HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Mr. CUNNINGHAM. Mr. Speaker, today I rise to introduce the Stamp Out Prostate Cancer Act of 1999. I am joined in this effort by my colleague from Ohio, the Honorable SHERROD BROWN, and twenty-two other colleagues. I have also attached letters from organizations in support of this legislation, including the Men's Health Network, National Prostate Cancer Coalition, and CapCure.

According to the National Prostate Cancer Coalition (NPCC), each day 507 men will learn they have prostate cancer. Prostate cancer, the most common cancer in men, is a devastating disease affecting more than 200,000 American men each year. One out of every ten men will develop this terrible disease in his lifetime, and more than 40,000 American men will die each year. This disease does not occur only in older men. Nearly one quarter of all diagnoses occur in men between 40 and 65 years old. The single best thing we can do to help more men combat this disease is to increase funding for research, education, and awareness. Currently, both the National Institutes of Health and the Department of Defense fund prostate cancer research. Yet, the NPCC has identified nearly \$250 million in worthwhile research projects not initiated last year due to lack of funding.

The Stamp Out Prostate Cancer Act will help expand research money available, much like the very successful breast cancer stamp which has raised millions for breast cancer research. This successful model will allow millions of Americans to voluntarily donate to the basic research that will help us find a cure to this terrible disease. I hope that all my colleagues will join me and cosponsor this important bill.

MEN'S HEALTH NETWORK,  
Washington, DC, July 13, 1999.

Hon. RANDY "DUKE" CUNNINGHAM,  
House of Representatives,  
Washington, DC.

DEAR CONGRESSMAN CUNNINGHAM, I am writing on behalf of the Men's Health Network (MHN) in support of legislation that will introduce the Stamp Out Prostate Cancer Stamp Act of 1999. We thank you and Congressman Sherrod Brown for proposing this important legislation.

Prostate cancer is the most commonly occurring cancer in America, affecting about 200,000 men in 1999. Nearly 40,000 men will lose their lives to the disease this year. A man has a one in six chance of getting prostate cancer in his lifetime. If he has a close relative with prostate cancer, his risk doubles. With two close relatives, his risk increases five-fold. With three close relatives, his risk is nearly 97%. Today, African-American men have the highest prostate cancer incidence rate in the world and their mortality rate from the disease is more than twice that of the rate for Caucasian Americans.

With the right investment in public education and research, prostate cancer is preventable, controllable and curable. It is vitally important to educate not only men but also their families as to the risk factors associated with this disease and the need for annual screenings. The creation of a prostate cancer research stamp not only will raise the public's awareness of the risk and prevalence of this deadly disease but also it is an innovative way by which Americans can freely aid scientific research.

Thank you for creating this opportunity for concerned Americans to support the fight against prostate cancer. If there is anything we can do in the future to assist in the passage of your bill, please do not hesitate to let us know.

Sincerely,

TRACIE SNITKER,  
Government Relations.  
CAP CURE

Washington, DC, July 15, 1999.

Representative RANDY "DUKE" CUNNINGHAM,  
House of Representatives,  
Washington, D.C.

DEAR REPRESENTATIVE CUNNINGHAM: Even though I am on the road, I wanted to assure that my office transmits this letter to you.

I admire your courage and conviction to stamp out prostate cancer, and I support your efforts, and those of your many colleagues, in the presentation of your proposed legislation. The "Stamp Out Prostate Cancer Act" creates a simple tool to enhance research funding that will end the toll that prostate cancer takes in this country.

You and your colleagues know that prostate cancer is the most commonly diagnosed nonskin cancer in America today, with almost 200,000 new cases expected in 1999.

You and your colleagues know that almost 40,000 men will lose their lives to the disease this year, creating tragedies for far too many wives, children, fathers, mothers, brothers and sisters.

You and your colleagues know that, despite its burden on individuals and society, prostate cancer research receives only five cents of every federal cancer research dollar.

You and your colleagues know that the National Prostate Cancer Coalition, of which CaP RURE was a founding member, has estimated that \$500 million of unfunded prostate cancer research should be supported this year if resources existed.

Duke, you are helping to expand the opportunities for acceleration of new research—and treatment opportunities—for the men who need them most. You have been stalwart and determined support for all those affected by this devastating disease. As the world's largest private funder of prostate cancer research, CaP CURE considers it a pleasure to support you.

Cordially,

RICHARD N. ATKINS, M.D.,  
President.

July 15, 1999.

Representative RANDY "DUKE" CUNNINGHAM,  
House of Representatives,  
Washington, DC,

DEAR REPRESENTATIVE CUNNINGHAM: On behalf of the thousands of men battling prostate cancer and their families, I want to express our sincere appreciation to you and your colleagues for introducing the "Stamp Out Prostate Cancer Act of 1999".

Our primary goals at the National Prostate Cancer Coalition (NPCC) are to make prostate cancer a national health priority while finding a cure for his deadly disease. In order to accomplish these goals, we must in-

crease awareness of the disease and increase funding for prostate cancer research. Your bill takes great strides forward in both areas.

In 1999, one cancer case in every six will be prostate cancer. About one in four prostate cancer cases strikes a man during his prime working years, under the age of 65. Regrettably, prostate cancer took the lives of about 100 men yesterday. Congressman Cunningham, we know that you are aware of the terrible toll which prostate cancer takes on Americans. We salute you for your playing a role in finding a cure of this disease.

We look forward to working with you to increase the opportunities for new and accelerated research and treatment for prostate cancer. The NPCC stands ready to assist you as your legislation moves through Congress.

Sincerely,

BILL SCHWARTZ,  
Vice-Chairman and CEO,  
National Prostate Cancer Coalition.

# CAMPAIGN FINANCE REFORM

## HON. TOM DELAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Mr. DELAY. Mr. Speaker, our Founding Fathers recognized that restricting the free exchange of ideas in the political arena is the tool of tyranny. The First Amendment ensures that a free exchange of ideas, not the forceful will of the government, will always dominate the political landscape.

Currently, there are those who would obliterate the First Amendment in the name of "campaign finance reform." Reforming our campaign finance system by limiting the ability of individuals and groups to express their views on issues and candidates is like trying to make a car run better by removing the engine.

Time and time again, the Courts have held that the First Amendment protects the right of individuals and groups to speak freely about issues and candidates, free from the heavy hand of government regulation and restrictions.

The American people do not need government speech police dictating what, where, when and how they can speak about issues that are important to them. The "big brother" reforms that are being proposed will trample on the fundamental rights of individuals in order to protect the interests of incumbent politicians.

I commend the following piece by Mr. James Bopp, published by the Heritage Foundation, to my colleagues' attention. Mr. Bopp clearly explains the need for true reform that is constitutional and strengthens, rather than destroys, the ability of the American people to have a voice in their government.

[From the Heritage Foundation, July 19, 1999]

CAMPAIGN FINANCE "REFORM": THE GOOD, THE BAD, AND THE UNCONSTITUTIONAL

(By James Bopp, Jr.)

Campaign finance reform soon will be debated in the U.S. Senate. The problems with the current campaign financing system that are identified by the most vocal reformers,

however, are not real problems for Americans who want more of a say in who is elected and what policies public officials pursue. And although incumbent officeholders in Washington, D.C., may feel threatened by negative advertising and want to manipulate the campaign rules to their advantage, this does not justify imposing further restrictions on the freedom of speech and association. The U.S. Supreme Court already has addressed the remedies proposed by the "reformers" and found them unconstitutional under the First Amendment.

The Supreme Court and numerous federal courts following it have struck down almost all laws that attempt to restrict campaign spending or campaign advertising by individuals or organizations (including corporations, unions, political action committees [PACs], and political parties). Pursuant to the First Amendment, the Supreme Court limits the regulation of political expression to a very narrow class of speech: explicit or express words advocating the election or defeat of clearly identified candidates—such as "vote for" or "elect." But not every type of express or explicit appeal for votes is subject to regulation. For example, the Supreme Court has held that:

A political candidate has an absolute First Amendment right to spend an unlimited amount of his own money expressly advocating his own election (unless he voluntarily waives that right in order to receive public financing).

Individuals and organizations also have an absolute First Amendment right to spend an unlimited amount of their own money expressly advocating the election or defeat of particular candidates so long as there is no coordination between the individual or organization and the candidates. And governments may not presume that there is coordination under certain scenarios—unless there really is some.

In addition, all other election-related speech that discusses candidates and issues

(including their voting records or positions) but does not explicitly call for the election or defeat of particular candidates is protected as "issue advocacy." Although it undoubtedly influences elections, issue advocacy is absolutely protected from regulation by the First Amendment. Consequently, "reforms" that attempt to redefine "express advocacy" to include types of issue advocacy, or to create new categories of speech subject to regulation, or that effectively would ban issue advocacy by corporations and labor unions are doomed to a court-ordered funeral. So is legislation that effectively would require any group engaging in issue advocacy to register and report as a PAC or that would impose burdensome disclosure requirements on issue advocacy.

Political parties enjoy the same unfettered right to receive contributions for and to engage in issue advocacy. And there are even fewer reasons to fear their exercise of this important right because political parties have an interest in a broader array of issues than narrow interest groups do, and their donors know they exist to advance those issues. The Supreme Court also has found that proposed bans on political parties receiving and spending soft money cannot be justified on the ground that it might prevent corruption. Instead, the Supreme Court has determined such a goal is insufficient to restrict the discussion of candidates and their positions on issues.

To adopt true reform, Congress first needs to recognize that today's perceived abuses are simply the predictable result of past "reforms" in which the suppression of free speech was the principal focus. Today's complex laws cause wasteful distortions in the electoral process and lessen transparency and public accountability. There are, however, constitutional measures that would correct these flaws. Specifically, raising or eliminating contribution limits, which have been eroded by inflation, would allow elected officials to concentrate more on their public

duties than on raising funds, make the flow of campaign money more transparent, and improve public accountability. And removing barriers that prevent political parties from exercising a moderating influence on political campaigns would serve to reduce the weight of narrow interests.

These reforms would encourage more direct citizen participation in campaigns, thereby reducing the incentive for indirect involvement through independent expenditures and issue advocacy. Such true reforms not only are constitutional, but they also reinforce the sovereignty of the people over government officials and decrease the threat of corruption by making it more likely that any influence will be exposed. Bearing this in mind,

Congress should not rush to pass measures that would cause uncertainty in the short run and inevitably be struck down as unconstitutional. Because Members of Congress take an oath to support and defend the Constitution, they should pay special attention in the legislative process to any constitutional defects in pending legislation.

Congress should not try to challenge the Supreme Court's rulings on the First Amendment, especially when the people's freedom to speak is at stake and Members self-interest in retaining office conflicts with those rulings.

Instead, to enhance political participation and improve transparency and accountability in the process, Congress should:

1. Raise the individual contribution limit to at least \$2,500, indexing it for inflation; raise the aggregate individual contribution limit; and raise the individual and PAC contribution limits to political parties from \$20,000 and \$15,000, respectively, to at least \$50,000.

2. Remove the limits on coordinated expenditures by political parties with their own candidates.

## SENATE—Wednesday, July 21, 1999

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

### PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Jehovah Shalom, we claim Isaiah's promise about Your faithfulness: "You will keep him in perfect peace whose mind is stayed on You."—Isaiah 26:3. This is good news! You stay our minds on You. This gives us lasting peace of mind and serenity of soul. You know how easily we can be distracted. For hours on end, we can forget You. Often we press on in our work, depending on our own strength, insight, or priorities with little thought of You or time for prayer. That's why Isaiah's promise is so propitious. You won't forget us nor allow us to forget You. You will invade our thinking and remind us that we belong to You, that You are Sovereign of this land, that You are in control, and that our chief end is to glorify You and enjoy You forever.

Bless the Senators today. Rivet their minds on You. Guide their thinking and their decisions. The future of our Nation depends on leaders who seek first Your will and righteousness. Help them to be attentive to You and keep them attuned to Your voice. Thank You in advance for a day filled with Your perfect peace. Amen.

### PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore. Senator HATCH is now designated to lead the Senate in the Pledge of Allegiance.

The Honorable ORRIN HATCH, a Senator from the State of Utah, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

### ORDER OF PROCEDURE

Mr. DURBIN addressed the Chair.

The PRESIDENT pro tempore. The able Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, it is my understanding that I have been allocated 30 minutes in morning business, if I am not mistaken. I will be happy to yield to my colleague from Utah.

Mr. HATCH. Will the Senator from Illinois yield, because I understood I was to begin. I have to do the leadership announcements, and then I was supposed to give my statement.

Mr. DURBIN. I am happy to yield to my colleague.

Mr. HATCH. If my colleague will yield, I would appreciate it.

I thank the Senator.

### SCHEDULE

Mr. HATCH. Mr. President, today the Senate will be in a period of morning business until 10:30 a.m. Following morning business, the Senate will resume debate on the intelligence authorization bill with Senator BINGAMAN to be recognized to offer a second-degree amendment regarding field reporting. Other amendments are expected to be offered and debated throughout today's session of the Senate. Therefore, Senators can expect votes throughout the day and into the evening. The majority leader would like to inform all Members that the Senate will remain in session today until action is completed on the pending intelligence authorization bill.

Upon completion of that bill, it is the intention of the majority leader to proceed to any appropriations bill on the calendar.

I thank my colleagues for their attention.

### RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. ALLARD). Under the previous order, leadership time is reserved.

### MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m. with Senators permitted to speak therein up to 5 minutes each.

Under the previous order, the Senator from Illinois, Mr. DURBIN, or his designee, is to be recognized to speak up to 30 minutes. Also under the previous order, the Senator from Utah, Mr. HATCH, or his designee, is to be recognized to speak up to 30 minutes.

The Senator from Utah.

Mr. HATCH. Mr. President, I thank my colleague from Illinois for allowing me to proceed with the two sets of remarks I would like to make.

### CONDOLENCES TO THE KENNEDY AND BESSETTE FAMILIES

Mr. HATCH. Mr. President, I rise to express my heartfelt sympathy to our colleague, Senator TED KENNEDY, and the whole Kennedy Family on the death of his nephew, John F. Kennedy, Jr.

John Kennedy, Jr. was much admired by all Americans. The son of Camelot, he was aware of his own celebrity but did not flaunt it.

His entry into politics—the Kennedy family business—would have been well paved for him, but he chose to go his own way. He succeeded in the extremely competitive publishing world. When failures in this industry outnumber successes, he created and built "George" into a popular and often insightful magazine. By all accounts, JFK, Jr. was a hands-on editor, had a fair hand, and had an eye for what would be interesting and fresh for American readers.

His marriage to Carolyn Bessette took America's number one bachelor off the market. But, it also gave his life new dimension.

We here in the Senate would be remiss if we did not also express our deepest sympathy to the Bessette family who lost two daughters in this terrible accident. As a father, this is a loss I cannot begin to imagine.

It seems that no family should have to endure the level of tragedy that has befallen the Kennedys. I will say to the Senator from Massachusetts: America mourns with you and the Senate mourns with you, your family, and the Bessette family as well.

Elaine and I want to express publicly what we have said privately, which is that you and your family and the Bessette family are in our thoughts and prayers. May God hold you in the palm of his hand.

(The remarks of Mr. HATCH pertaining to the introduction of S. 1406 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. HATCH. Mr. President, once again, I thank my dear friend from Illinois for allowing me to proceed, and at this point I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, under the order that was previously stated, I yield 3 minutes in morning business to the Senator from Maryland.

The PRESIDING OFFICER. Without objection, the Senator from Maryland is recognized.

### RECOGNITION OF ROBERT TOBIAS

Mr. SARBANES. Mr. President, I rise today to recognize Robert Tobias for his distinguished service at the National Treasury Employees Union, including four terms as its president.

Admired by his friends and adversaries alike, Bob Tobias has garnered



respect as an effective advocate and constructive mediator during his tenure at the NTEU.

Bob and his wife Susan reside in Bethesda, MD, and we are very proud to have them as residents of our State. However, Bob is a native of Michigan and received a bachelor's degree, as well as a master's degree, in business administration from the University of Michigan. Bob completed his education at George Washington University, where he received a law degree. He built upon his formal education with substantial legal experience as a labor relations specialist for General Motors Corporation in Detroit and with the Internal Revenue Service.

When Bob first joined the NTEU in 1968, he became its second staff employee. During his 31-year tenure at NTEU, Bob served the organization in numerous capacities and saw the staff grow to more than 100 members with seven field offices across the country. Now representing more than 150,000 Federal employees at the Internal Revenue Service, Customs Service, and other agencies, NTEU is a strong voice for public servants on Capitol Hill and with the other branches of Government.

Starting at NTEU as a staff attorney, Bob later served as general counsel and executive vice president, supervising a staff of 45 attorneys and field representatives nationwide, as well as the litigation and negotiations staff in the NTEU training program. His dedicated and skillful performance in these positions led to his election as President of NTEU in 1983 and his subsequent reelection on three occasions.

Under Bob's guidance, NTEU has been an influential voice for Federal employees and has waged many successful battles on their behalf. From challenging the line-item veto, to securing the right to picket for Federal employees, to obtaining the payment of over a half billion dollars in back pay from the Nixon administration, Bob Tobias has achieved wide-ranging victories for our public servants.

In addition to his talent for successful litigation, Bob Tobias has worked with the Government and its agencies to improve the status of Federal employees and to enhance their ability to serve the public. For example, he is credited with wide-ranging IRS reforms, rendering the tax-collecting organization a more efficient and responsive public agency. He is credited with instituting the first negotiated alternate work schedule for employees and the first cooperative labor management program for onsite child care.

Because of his extensive interaction with the agencies that employ Federal workers, Bob is highly regarded as an expert on how to improve Government. Many different organizations have sought out his expertise on these matters and, among others, Bob is now a

member of the President's National Partnership Council, the Federal Advisory Committee on Occupational Safety and Health, the Executive Committee of the Internal Revenue Service, and the American Arbitration Association.

Because of his dedicated leadership on behalf of our Federal workers, his consensus-building approach to Government reform, and the highly professional manner in which he carried out his work, Bob Tobias leaves a powerful and enduring legacy as President of the NTEU. I am pleased that he will continue in the public realm since he is planning a career in public policy teaching and writing.

Again, I congratulate Bob Tobias on his outstanding service at NTEU and his terrific record as a public servant on behalf of the American people, and I wish him all the best in the years ahead.

Mr. President, I yield the floor.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

#### ANOTHER TRAGEDY IN THE KENNEDY FAMILY

Mr. DURBIN. Mr. President, I want to say a word about the tragedy which has befallen the Kennedy family and the Bessette family, as we learn about the terrible circumstances involving the plane crash last Friday. When my wife came in in Springfield, IL, Saturday morning and said that she had just heard on the radio that John Kennedy's plane was missing, our reaction was the same: Could this be another tragedy for this family?

The Kennedy family means so much to America, so much to the Democratic Party, and so much to many of us personally. As a young student just starting at Georgetown University in 1963, I arrived weeks before the assassination of President John Kennedy. I stood on Pennsylvania Avenue and watched the funeral cortege leave the White House for this Capitol Building, where President John Kennedy's body was held in reverence for visitation by the American people.

Then I can recall, as a college student, sitting in this gallery and looking down on this floor to watch as Senator TED KENNEDY and Senator Robert Kennedy talked about the war in Vietnam, and in the gallery across the way was Ethel Kennedy and other members of the Kennedy family. Little did I dream that the day would come when I would serve with Senator TED KENNEDY and come to know him personally. Each of us who serves with him understands what an extraordinary person he is. He, in my mind, is the best legislator on the floor of the Senate. He is so well versed, so well prepared, and so hard-working, that he is an inspiration to all of us.

We are reminded from time to time, as we were this weekend, that his obligations go beyond the Senate and certainly to a large family who looks to him for guidance and leadership in times of trial. This week, TED KENNEDY is bringing together the Kennedy family in mourning over the death of John Kennedy, his wife Carolyn Bessette Kennedy, and her sister Lauren. Our hearts go out to him and the entire family and to the Bessette family as well.

Those of us who remember that 1963 assassination graphically can recall exactly where we were at the moment that we heard President John Kennedy was shot. As we watched all the scenes unfold afterwards, one of the most poignant was that of little John Kennedy saluting his father as the casket passed in front of the church. I guess we had always hoped that because Caroline and John Kennedy had endured this tragedy so early in life that God would find a special place for them and they would lead normal, happy, and secure lives. They certainly set out to do it and did it well, both of them. Then again, a tragedy such as this will occur and remind us again of our vulnerability and fragility as human beings.

Our hearts and prayers go out to both families, and certainly to Senator KENNEDY in his leadership role in the Kennedy family. We will be remembering them as this week passes and as we address our concern and sympathy on the floor of the Senate.

Mr. SARBANES. Will the Senator yield?

Mr. DURBIN. I am happy to yield to my colleague.

Mr. SARBANES. Mr. President, I commend my very able colleague from Illinois for his very eloquent remarks about this tragedy, and I associate myself with his remarks. Our hearts do go out to both families, the Kennedy family and the Bessette family. The Bessette family has lost two children.

My State has been fortunate to be blessed by the extraordinary leadership of the next generation of the Kennedy family in terms of Kathleen Kennedy Townsend, who now serves as our lieutenant governor. So I have a direct sense of the strong responsibility of dedicated public service which has marked this family from the very beginning.

All of us are deeply struck by this tragedy. Our hearts reach out to the families. We extend them our very heartfelt sympathies. We feel very deeply about our colleague, Senator KENNEDY, who, of course, has assumed the family leadership responsibilities. We have to press on, but it really comes as a very saddening tragedy for all of us.

I thank my colleague for yielding.

Mr. DURBIN. Mr. President, I inquire of the time remaining under morning business.

The PRESIDING OFFICER. The Senator has 20 minutes under his control.

### TAX CUTS

Mr. DURBIN. Mr. President, I wish to address an issue which is topical and one that most Americans will be hearing about during the course of this week and the next. It is an issue involving tax cuts. Can there be two more glorious words for a politician to utter than "tax cuts"?

People brighten up and their eyes open and they look in anticipation, and they think: What is this politician going to bring me by way of a tax cut?

Our friends on the Republican side of the aisle have decided that they will make the centerpiece of their legislative effort this year a tax cut, a tax cut which, frankly, will have an impact on America—positive in some respects but overwhelmingly negative in other respects—for decades to come. So I think it is important for us to come to the floor and discuss exactly where we are today and where we are going.

First, a bit of history:

In the entire history of the United States of America, from President George Washington and through the administration of President Jimmy Carter, our Nation accumulated \$1 trillion in debt—a huge sum of money over 200 years. But at the end of the Carter administration, and the Reagan and Bush administrations began, we started stacking up debts in numbers that were unimaginable. In fact, today we have over \$5 trillion in national debt. Think about that—200 years, \$1 trillion, and, just in the last 20 years, another \$4 or \$5 trillion in debt.

What does it mean to have a debt in this country? You have to pay interest on it, for one thing. The interest we pay each year on that debt we have accumulated is \$350 billion out of a national budget this year of about \$1.7 trillion. You see that each year about 20 percent of our national budget goes to pay interest on the debt we have accumulated.

The new President came in—President Clinton—in 1992 and said: We have to do something about this. We can't keep going down this path of accumulating debt and paying more money in interest. It isn't good for our current generation to be paying out that money, and certainly we shouldn't saddle our children with that added responsibility.

In 1993, he came to the Congress and said: Let us take from what we have been doing over the past 10 years and do something new. The President proposed a new budget plan—a plan that was determined to bring down this debt. That plan passed without a single Republican vote. In 1993, the Clinton plan passed without a single Republican vote in this Chamber. Vice President Gore came to the Chair and cast the deciding vote to pass the plan.

It was a big gamble. Some Members of Congress on the Democratic side lost in the next election because they voted for the Clinton plan. Marjorie Margolies-Mezvinsky, one of my colleagues from the State of Pennsylvania, cast a courageous vote for that plan and lost in the next election.

But was the President right? History tells us he was dramatically so because in the last 6 years we have seen not only our economy grow dramatically in terms of the creation of jobs and businesses—low inflation, new housing starts, and all the positive things we like—but we have finally seen us turn the corner and move toward balance when it comes to our annual Federal budget.

Now, if you will, we are not discussing what to do as we swim through this sea of red ink but, rather, what to do with an anticipated surplus. In 6 years, we have moved from talk of a deficit to speaking of surplus.

There are two different views on what to do with this future surplus. The Republican side of the aisle is suggesting a \$1 trillion tax cut over a 10-year period of time. I am sure that is appealing to some, particularly if you are in the higher income groups in America who will benefit from this tax cut. But certainly we ought to step back for a second and say: Is that the responsible thing to do? Should we be giving away \$1 trillion in tax cuts over the next 10 years at the expense of virtually everything else?

Our side of the aisle, the Democratic side of the aisle, working with President Clinton, has a different approach, one which I think is more responsible and more consistent with the leadership which the Democrats showed in turning the corner on these Federal deficits. It is basically this:

First, let us meet our current obligations to Social Security and to Medicare.

It is amazing to me, as I listen to the Republicans talk about all of our future challenges, that there is one word they are afraid to utter—the word "Medicare," the health insurance program for over 40 million senior and disabled Americans, a program which needs our attention and help.

What the Democrats and the President propose is to take a portion of the future anticipated surplus as it comes in to solidify Social Security for another 50 years and to make sure Medicare can start to meet its obligations past the year 2012.

We will have to do more, believe me. But at least by dedicating that portion of the surplus, I think we are accepting the responsibility, before we give money away for any new program or give money away for any tax cut, to take care of the programs that mean so much to American families and in the process bring down the national debt and start paying off this \$5 trillion national debt.

Is that important? It is critically important because not only by bringing down this debt will we reduce our annual interest payments of \$350 billion, but we will free up capital in America for small businesses, large businesses, and families alike to borrow money at a low interest rate.

Mrs. BOXER. Mr. President, will the Senator yield for a question?

Mr. DURBIN. I am happy to yield to my colleague, Senator BOXER.

Mrs. BOXER. Mr. President, I am happy to see our colleague, Senator SARBANES, because we all serve on the Budget Committee because we know what a turning point this is for our Nation.

My friend said that with the Clinton plan we have finally turned a sea of red ink into a fiscally responsible situation. Is my friend saying—I want to make sure we all understand—that in the Republican plan for the projected surplus there is not \$1 set aside for Medicare? Is that what my friend is telling me?

Mr. DURBIN. I thank the Senator from California.

I point to this chart. I hope this can be seen because the Republican tax cut plan of \$1 trillion over the first 10 years leaves nothing for Medicare—not a penny for Medicare, as if the Medicare program itself is self-healing. It is not.

If you were going to deal with the Medicare problems—and they are substantial—you have only two or three options: raise payroll taxes and increase the amount paid by those under Medicare or cut benefits. We may face some combination of those, as painful as they will be. But they will be much worse if, in fact, we don't dedicate a portion of the surplus to the Medicare program.

The Senator is right. If you take a look at this, there is not a penny of the Republican tax cut plan for Medicare and other priorities.

Mrs. BOXER. Could I ask a final question?

My friend and I have been on this floor on numerous occasions as proposals have come forward to raise the eligibility age for Medicare to 67 or 68. We have said, at a time when there are so many Americans with no health insurance, let us not raise the eligible age for Medicare.

I know how strongly the Senator feels, and how Senator SARBANES and I feel about Medicare. Does my friend not believe, as I do that, when we talk about the safety net for our senior citizens, we must talk about Social Security and Medicare—that, in fact, they are the twin pillars of the safety net?

I ask my friend—and I will yield to him—that if we save Social Security—and both parties have agreed, because President Clinton laid down the challenge, that that was good—and then do nothing about Medicare—which is the Republican plan—and suddenly those

on Medicare have to pay \$200, \$300, or \$400 a month more for their health care because Medicare is strapped, does that not mean there really is no safety net because the seniors will have to use their Social Security to pay out-of-pocket expenses for their health care?

Does my friend believe, as I do, that to say you are reserving the safety net for seniors and at the same time you do nothing for Medicare, it is really kind of a fraud on the people?

Mr. DURBIN. Mr. President, I agree with the Senator from California.

I think we should take this a step further. It is not only a disservice to seniors who are covered by Medicare but to their families as well.

Those of us who have dealt with aging parents and their medical problems understand that a family often has to rally together to try to figure out how to help a mother, a father, a grandmother, or a grandfather. If the additional expenses that are being shouldered because of the refusal of the Republicans to deal with the Medicare challenge end up falling on the shoulders of the frail and elderly, they will be expenses shared by many members of the family.

I think it is an element that has to be brought to this basic consideration. It is one thing to say we are giving you a tax cut on the one hand and yet we are going to increase the cost of Medicare to you on the other.

I want to make two points which I think are important as well. I am, I guess, right on the age of what is known as the baby boom generation. I took a look at this Republican tax cut not just for the first 10 years. This isn't a tax cut where they want to change the law for 10 years and then go back to the old one. It goes on indefinitely. We have a right and a responsibility to chart out what the Republican tax cut means beyond the first 10 years, to see what it means in the next 10 years and the following 10 years.

Look what happens. It explodes from the years 2000 to 2004, \$156 billion; \$636 billion in the next 5 years; \$903 billion in the following 4 years, and over \$1 trillion in the last.

What does it mean? For the so-called baby boomers such as myself, when the time comes for retirement, the debt is going to start exploding again. The service of that debt, the interest paid on the debt because of the Republican tax cut proposal, will be a new burden to be shouldered by that future generation. It is not responsible. The Republican approach is not responsible. Not only does it ignore Medicare but it drags America right back into the sea of red ink. They are so determined to give these tax cuts to wealthy Americans that they are going to do it at the expense of fiscal sanity. Haven't we learned a lesson over the last 10 or 20 years, that we cannot do this without jeopardizing the possibility that we are

going to have some kind of fiscal sanity for decades to come?

Think about this in the private sector. My friends on the Republican side say run government like a business. Microsoft is a very profitable business. Would Microsoft give shareholders huge dividends based on expected future profits? Of course not. They declare a dividend when the money is in the bank.

The Republican tax cut programs wants to declare a national dividend in anticipation of money coming into the bank; the Democratic alternative says no, dedicate a portion of that surplus to Social Security and to Medicare, and if there is to be a tax cut, let it be a reasonable, affordable tax cut to help middle-income families first. That is the difference. It is an important difference.

We also have to take into consideration that if the Republican tax cut is enacted, it is going to put pressure on Congress to cut spending in future years. Some people say Congress should cut spending; we ought to live within our means. The amount of money that will be taken from the Treasury by the Republican tax cut in the outyears would have a dramatic negative impact on America.

This chart illustrates that. If the Republican budget passes, and the tax cuts which they have propose are enacted, here are the cuts we will face. The Head Start Program—a program for the youngest kids in America, in some of the most vulnerable families, who are given a chance to start school ready to learn—will be cut for 375,000 children. The Republican tax cut leads to a cut in Head Start of services to 375,000 kids.

What will happen to these children? They will show up for kindergarten and the first grade and they may not be ready to learn. So school districts will have added responsibilities and society will have added responsibilities. We see it reflected in crime statistics, in welfare statistics. When we cut back in early childhood education, which the Republican plan leads us to, we will pay for it dearly.

Veterans, VA medical care. If the Republican plan passes, forcing the budget cuts which inevitably follow, they will cut treatment for 1.4 million patients, veterans who come to hospitals asking for the care they were promised when they served our country. Is that a reasonable alternative? I think it is not.

Under title I, education for the disadvantaged, cutting services for 6.5 million children; The FBI, eliminating over 6,000 agents.

The Republicans smile and say, come on, we can give tax cuts, we can cut the budget, and none of this will occur.

We have lived through that era, that era of overpromising, that era that built up the red ink in this country to

the point where we faced a national crisis and pleas from the Republican side to enact a constitutional amendment so that the courts could force Congress to spend its money responsibly. We don't want to return to that again.

This morning I had a meeting with the superintendent of the Office of Education from the State of Illinois, Max McGee, and the chairman of the State board of education, Ron Gidwitz, a businessman from Chicago. They came in asking for more Federal dollars. They want to have early childhood programs so kids get a better start at learning. They want the schoolday to go from 3 o'clock in the afternoon until 6 o'clock where kids have added adult supervision. They want school extended in the summer so kids have an added chance to learn.

These are all wonderful consensus ideas in education, and each one of them costs money. Naturally, our State education officials come to us asking for more Federal dollars. I told them they came at exactly the right moment because the debate starts across the Rotunda in the House today on whether or not the Republican tax cut plan will pass. If it does, and if it is enacted—which I doubt the President would see in the future—we will face the possibility of fewer dollars available for education at a time when most people believe if the 21st century is to be another American century, we need to dedicate resources to education and to our kids. That is the choice. It is stark. It is difficult. It is politically treacherous.

We must do the responsible thing. The responsible thing is to take whatever surplus comes in the future, dedicate it first to Social Security, then to Medicare, and then to retiring the national debt so that families across America and businesses alike can enjoy continued prosperity, a responsible approach which guards the prosperity for the future.

I don't think the American people will be deceived in believing this tax cut is their deliverance from concern in the future.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Maryland.

Mr. SARBANES. Will the Senator yield?

Mr. DURBIN. I am happy to yield to the Senator.

Mr. SARBANES. I commend the Senator from Illinois.

We have a marvelous opportunity at this point, having come out of this deficit box as a consequence of the fiscal policies pursued by this administration, to reduce the national debt for the first time in a great number of years. Indeed, if we maintain proper discipline, we can in effect eliminate the national debt for the first time since the first part of the 19th century.

All of that is at risk of loss, as the Washington Post says, because of the "egregious recklessness of the Republican proposal" which goes way out to the extreme.

I ask unanimous consent that this editorial be printed at the end of this discussion.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. SARBANES. Mr. President, the Senator from Illinois has pointed out very carefully, first of all, this is an exploding tax cut. The cost of this tax cut escalates very quickly as time goes by. While the projections are over the first 10 years, in the second 10 years it virtually triples in terms of cost.

Secondly, it is premised on the proposition there will be about a 20-percent cut in existing programs; Head Start, VA medical care, title I for the disadvantaged—all the investments we need to make for the future strength of our country. The Republican appropriations bills are zeroing out the COPS program which is putting community police on the streets all across America and bringing down the crime rate.

Thirdly, it does not adequately provide for Medicare. In fact, it doesn't provide at all for Medicare looking out into the future.

The real question is whether we are going to take advantage of this opportunity to exercise a responsible fiscal policy. Furthermore, if we start stimulating the economy with a tax cut at the very time that we have gotten unemployment down to 4.2 percent—an unprecedented low level, the best in the last 30 years—then we are going to run the risk that we will start pressure on prices, have an inflation problem, and the Federal Reserve will start raising the interest rates.

In fact, at the last Open Market Committee, the Federal Reserve raised the interest rates a quarter of a point. If the Republicans controlling the Congress start stimulating the economy, you can assume that the Fed will take up these interest rates in order to dampen down economic activity, and we will be right back in the box with a problem we had in terms of how to encourage economic growth and have a responsible economic policy. We have done a good job.

Mr. DURBIN. Mr. President, I ask unanimous consent for 10 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Mr. President, as the Senator from Illinois pointed out, in 1993 when we enacted the President's economic program, not one single person from the other side of the aisle supported that program. Not only did they not support the program, they made all sorts of dire predictions of what would happen to the Nation's economy. In the

debate on this floor, Members stood up and it was as though the sky was going to fall in if this program was carried through.

Only a few have been willing subsequently to own up to the inaccuracy of their prediction—only a few. The others sort of, I guess, forget they ever made the prediction. But the fact of the matter is, the policy has worked extraordinarily well: Unemployment at a 30-year low; inflation at a 30-year low; we have come out of deficit and into surplus. Now we have the opportunity to move ahead in a responsible manner, not in an egregiously reckless manner, as the Washington Post points out in this editorial.

So I commend my colleague from Illinois for his comments. This is an extremely important decision we are about to make in terms of the future course of this Nation. If we make it responsibly, we can continue on the path of prosperity. We can continue to invest in the future strength of our country through education, research and development, and developing our Nation's infrastructure, our transportation, and our communication infrastructure. We can shore up the Social Security system. We can address the problems of Medicare. We can bring down the debt. We can even do targeted tax measures to help middle-income people and to help improve and increase productivity in our Nation. All of those are possible.

But things must be done in moderation. We cannot go to extremes, and the Republican proposal is an extreme proposal. Subjected to analysis, it does not stand up. We must not go down that path. I commend the Senator from Illinois for making that point so effectively here on the floor this morning.

#### EXHIBIT 1

[From the Washington Post, July 20, 1999]

#### A TAX PARTY

In part to placate party moderates whose votes they need, House Republican leaders are proposing modest cuts in the cost of the tax bill they are scheduled to bring to the floor this week. But no one should be fooled by this, least of all the moderates whose stock in trade is that they take governing seriously. The leadership trims don't begin to undo the egregious recklessness of this bill. There are three main problems.

(1) The surplus the sponsors are using to finance the tax cut the bill would grant is mostly phony. It is predicated on a willingness of future Congresses to make deep spending cuts from just the first phase of which this Congress already is retreating. Most programs would have to be cut more than 20 percent in real terms. Without such cuts, about three-fourths of the imaginary surplus in other than Social Security funds disappears; the amount goes from \$1 trillion over the next 10 years to perhaps \$250 billion. If they set aside some money for Medicare, as they are bound to do, even less will be available for tax cuts—most likely nothing.

(2) The bill when fully effective would actually cost much more than the projected surplus. The cost is masked by the fact that so many provisions have been carefully

backloaded—written to take effect only toward the end of the 10-year estimating period. The estimated cost of the first 10 years of the Ways and Means Committee bill is \$864 billion. The likely cost of the next 10 years would be three times that; one estimate puts it at \$2.8 trillion. This is a ludicrous bill, a lemming-like effort to put political points on the board whose effect would be to return the government to the destructive cycle of borrow-and-spend from which it only now is painfully emerging. The economy and the ability of the government to function both would be harmed.

(3) The principal beneficiaries would be people at the very top of the income scale. The rhetoric and some of the analysis surrounding the bill suggest otherwise. But here again, backloading comes into play. Some of the provisions slowest to take effect are those that would be of greatest benefit to the better-off. In the end, one analysis indicates that nearly half the benefit of the bill would accrue to households in the top one percent of the income distribution.

This is a bill that would mainly benefit relatively few people at the expense of many. It would once more strand the government—leave it with obligations far in excess of its means—and in the process do serious social as well as fiscal and economic harm. Not even as a political billboard that the president can be counted upon to veto should it pass. There ought not be a tax cut. The parties ought not use imaginary money to cut a deal at public expense. The greatest favor that this Congress could do the country would be to pass the appropriations bills and go home.

Mr. DURBIN. Mr. President, I thank the Senator from Maryland who has been recognized for his work with the Budget Committee and the Joint Economic Committee. He is a thoughtful analyst of our Nation's economy. I certainly agree with his conclusion.

I would like to make two points, though, that we have not raised so far, to take a closer look at the tax cuts proposed by the Republicans.

The Citizens for Tax Justice have done an analysis of the House tax cut proposal, and they have found that 44 percent of all the benefits in that tax cut bill will go to the wealthiest 1 percent of Americans. I am sure Mr. Gates, Mr. Trump, and all the others who have done so well in this economy would love to see a tax cut. But I am not sure they need a tax cut.

Take a look at this. Mr. President, 60 percent of the Republican tax cut would benefit the wealthiest 5 percent, three-quarters of it to the wealthiest 20 percent. Whom have they left behind? Working families—working families who will see little or no tax relief as a result of this Republican plan.

I think about Governor Ann Richards of Texas who used to make comments about the other party, the Grand Old Party, and say: They just can't help themselves. When it comes to tax cuts, they just can't stay away from giving tax cuts to the wealthiest people in America at the expense of working families, at the expense of Medicare, at the expense of paying down the national debt, and at the expense of our current economic prosperity.

The Republican Party is adrift, searching for an issue. The one they think they can coalesce behind is a tax cut, the one thing that brings every wing of their party, from extreme right to right and everything between it, together. Yet every time they do it, it turns out they have tipped the scales so heavily to the rich that the American people say we do not want any part of this. If this is just going to be a cheering section of people from country clubs who think the tax cuts are really going to be something for the future, so be it, but it is not good enough for the country.

Mrs. BOXER. Will the Senator yield for a very quick question?

Mr. DURBIN. Yes.

Mrs. BOXER. I have to again say thank you to the Senator. I was looking at some of the analysis of the Republican tax cut, the across-the-board one. It said, if you earn about \$300,000 a year, you would get a \$20,000-a-year tax cut. I wonder if the Senator has thought about this. The tax cut, therefore, for those folks who earn over \$300,000, would be almost twice as much money as a person working on the minimum wage earns, which is approximately \$11,000, \$12,000. Could my friend just talk about the unfairness of that situation?

Mr. DURBIN. Mr. President, I think it is fundamentally unfair. I agree with the Senator from California. Most people who are in these high-net-worth situations would not miss a decimal point in their net worth, but the Republican tax cut plan wants to give them more money. Yet when we try to bring up an issue such as increasing the minimum wage from \$5.15 an hour, the Republicans just will not accept that. So we are going to have that fight later this year, I am sure, on the floor of the Senate.

That gives me an opportunity to summarize, if I may, my view of this Congress and the difference between the two parties. Take a look at the Senate over the last 2 months if you want to know the difference between this side of the aisle, the Democratic side, and the Republican side.

On the issue of gun control, sensible gun control, after the shootings in schools across America, the Democrats pushed a sensible gun control plan which attracted the support of six Republican Senators. I salute their courage for joining us, giving us finally enough votes, as a minority, to bring in Vice President GORE casting the tie-breaking vote for sensible gun control—trigger locks for guns that are safer for kids, trying to make sure people buying guns at gun shows are not criminals or children, trying to make sure we do not keep importing these high-capacity ammunition clips of 240 rounds of ammunition. Who needs that for hunting or safety in their homes?

We passed it, sent it over to the Republicans in the House, and they just

beat it to pieces. There is nothing left. We have to get back and pass sensible gun control—a clear difference between Democrats and Republicans.

On the Patients' Bill of Rights, we on the Democratic side came in and said what is going on is scandalous; doctors should make decisions, not insurance companies; and insurance companies should be held accountable when they make the wrong decision. The Democrats stood for that position. The Republicans, with the exception of two Senators, opposed us. The difference between the Democrats and Republicans: We believe in the Patients' Bill of Rights, the Republicans oppose it.

When it comes to this issue, what a change of hats. The Democrats are in the role of fiscal conservatives. The Democrats are saying mind our own business when it comes to Social Security, the future of Medicare, and retiring the national debt; the Republican side says at least \$1 trillion in tax cuts the first 10 years, and then watch it explode in the outyears.

For the American people following this debate in the Senate, they have a choice. If you buy into the Republican philosophy of runaway tax cuts and irresponsible spending in the future, if you buy into the idea of standing up on the floor of the Senate for the health insurance companies and opposing the efforts of families and doctors and hospitals to bring some sanity back to health care, if you buy into the Republican position supporting the National Rifle Association and the gun lobby, then that is your party, that is where you should turn, and be proud of it.

But if you think there is a better choice, if you think coming together on a bipartisan basis for sensible gun control, for the Patients' Bill of Rights, and for a fiscally responsible approach to our budget in the future, I think that is the better way to go. That is the clear choice, and politics is about choices.

I thank my colleagues from California and Maryland for joining me in the morning business, and I yield the remainder of my time.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

#### INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 1555, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1555) to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intel-

ligence Agency Retirement and Disability System, and for other purposes.

Pending:

Kyl amendment No. 1258, to restructure Department of Energy nuclear security functions, including the establishment of the Agency for Nuclear Stewardship.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from New Mexico, Mr. BINGAMAN, is recognized to offer an amendment.

AMENDMENT NO. 1260 TO AMENDMENT NO. 1258  
(Purpose: Relating to the field reporting relationships under the Agency for Nuclear Stewardship)

Mr. BINGAMAN. Mr. President, I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for himself, Mr. DOMENICI, and Mr. REID, proposes an amendment numbered 1260 to amendment No. 1258.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 213 of the Department of Energy Organization Act, as proposed by subsection (c) of the amendment, at the end of subsection (k), insert the following:

"Such supervision and direction of any Director or contract employee of a national security laboratory or of a nuclear weapons production facility shall not interfere with communication to the Department, the President, or Congress, of technical findings or technical assessments derived from, and in accord with, duly authorized activities. The Under Secretary for Nuclear Stewardship shall have responsibility and authority for, and may use, as appropriate field structure for the programs and activities of the Agency."

Mr. BINGAMAN. Mr. President, I offer this amendment on behalf of myself and my cosponsors, Senator DOMENICI and Senator REID.

The amendment does two things. The first sentence of the amendment says:

Such supervision and direction of any Director or contract employee of a national security laboratory or of a nuclear weapons production facility shall not interfere with communication to the Department, the President, or Congress, of technical findings or technical assessments derived from, and in accord with, duly authorized activities.

That sentence makes clear that communication which presently occurs is

intended to continue. The clarification is necessary because in the underlying amendment officers and employees of contractors, including the Directors and employees of the three National Laboratories, are referred to as "personnel of the Agency for Nuclear Stewardship" and all personnel of the Agency are subject to the supervision and direction of the Under Secretary for Nuclear Stewardship.

We want to be sure if they have information of a technical nature or based on their technical assessment that they believe should be directly communicated, that communication occur.

The Directors of the three nuclear weapons laboratories are responsible for certifying the adequacy of the nuclear weapons stockpile. Their independence and the integrity of their judgments are critical to the national security of the Nation. It is important that the legislation recognize and protect that independence and integrity by ensuring that these lab Directors and employees can communicate these technical findings and assessments to the Department, the President, and the Congress.

The second sentence of the amendment simply provides that the Under Secretary for Nuclear Stewardship may use field offices for the programs and activities of the Agency. This is a departure from one of the recommendations of the Rudman report. The Rudman report proposed streamlining the reporting chain for the Agency for Nuclear Stewardship by cutting the ties between the weapons labs and the Department of Energy field offices.

We had a hearing in the Energy Committee last week, and I asked Dr. Vic Reis, who is the Assistant Secretary of Energy for Defense Programs, whether he agreed with that Rudman report recommendation. He said he did not. He said we certainly need weapons ties in the field office because "we cannot run the operation entirely from Washington."

All we are saying is the Secretary has authority to use the field offices in an appropriate fashion—we are not dictating how but in an appropriate fashion to carry out the policies of the Department.

As I understand what Dr. Reis was saying, the important point is to clarify the lines of authority between the Agency for Nuclear Stewardship and the labs. The underlying amendment does that. But he said the new Under Secretary will still need field offices to help them oversee and run the complex of weapons laboratories and production facilities, and this gives the Under Secretary that option.

I believe this amendment is straightforward. My colleague on the Republican side, Senator DOMENICI, is the prime cosponsor of this amendment. I hope it is acceptable. I believe it is acceptable to all Senators, and I hope the Senate will adopt it.

The PRESIDING OFFICER. The Senator from New Mexico, Mr. DOMENICI.

Mr. DOMENICI. Mr. President, I wholeheartedly agree we ought to adopt the amendment. I will speak for one moment on it. I will not address the first portion of it, wherein the amendment discusses the responsibility that rests with reference to making sure that appropriate communications occur rather than be stymied by the new Agency. I think that is good language. I do not know that we would have had anything different than that in the underlying bill, but this clarifies it. I am pleased to be part of that.

With reference to the second part of the amendment, the Department of Energy has been operating with field offices—some of them very successful, some of them not so successful. There has even been a clamor over the past 5 or 6 years to create more of them rather than fewer of them. In fact, there have been proposals to create more field offices that this Senator personally has had to confront in the appropriations bill.

What this says is that rather than being silent in the bill with reference to the Rudman recommendation regarding field offices, this says the Deputy Secretary may use an appropriate field structure for programs and activities of the agency. I think that is good. It gives them the options and it gives them all they need for good management. What we are talking about is good management—field offices versus the national office.

So I urge the Senate to adopt this amendment. We have no objection on our side. I urge the chairman and co-chairman of the Intel Committee to concur in our recommendations.

Mr. SHELBY addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I commend Senator BINGAMAN for offering this amendment. I believe it is constructive in nature. It is something we believe will, at the end of the day, clarify what we are trying to do. That is what this legislation is all about—to restructure the labs, making it harder for espionage to go on at the labs. So it is a good amendment. I urge that at the proper time we adopt it.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I also believe this is a good amendment. I am going to accept it. I think it is a sign that Senators on both sides of the aisle understand that we have an opportunity to do something that is long overdue, but that there is a reason in the past this has not been done; that is to say, restructuring the agency to increase the accountability for the work that is being done on nuclear weapons, both to make certain we preserve sound science at its best and security at its best.

I fervently hope we continue in this spirit, because if we do, we will produce a bill with a big vote, and we will be able to conference it, be able to change the law, and enact good reform that will keep the United States of America and our people safe.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. It has been a pleasure working with Senator BINGAMAN on this and on some other amendments. I say to the two floor managers, it is my hope we can take the four or five remaining issues and see if we can't get one amendment put together to see if we can resolve them. We should have an answer to that for the floor managers within the next half hour, 45 minutes.

Having said that, let me talk about the field offices for a moment. I have also been a proponent of the belief that if you can do some of the business of government down close to where the problems are, you are better off. I believe that such is the case with field offices. If properly run, under the appropriate accountability rules, wherein everybody knows who is accountable for what, I believe they can be very helpful.

Because I believe that, I think this amendment gives the option to retain them in a manner that will be helpful to the new Under Secretary as he puts together the semiautonomous entity.

I think much of the activity in field offices has been good. The fact the entire Department has made it very difficult to run the nuclear weapons part may be some of the reason the Rudman board was not thinking of field offices in a very good light. I believe it is imperative we look at it that way—in a good light. We have not told them how to use them. We have not told them what kind of role they play. We have said they may be used for programs and activities of the agency.

I yield the floor.

Mr. REID. Mr. President, one of the most important contributions to our national security is the annual stockpile report to the President and the Congress in which the safety, security, and reliability of the stockpile is assessed.

A very important piece of that report is an assessment by the Directors of the national security laboratories regarding the results of their technical investigations.

That assessment by the lab Directors combines scientific and engineering findings with expert professional judgment to form an independent evaluation of the quality and character of the weapon designs that make up our nuclear stockpile.

The scientific and engineering findings are derived from data developed at Pantex, at Oak Ridge's Y-12 plant, at the Kansas City Plant, at the Nevada



Test Site, and at the national security labs, Sandia, Los Alamos, and Lawrence Livermore.

Experts from all of these sites combine their efforts to review and validate this information upon which the effectiveness of our stockpile is determined.

More experts are convened to consider the ramifications of findings and the whole effort is finally integrated into a certification of the reliability, the safety, and the security of the stockpile.

It is absolutely essential that this effort be free of political or bureaucratic interference.

Scientists, engineers, and technicians at these national security facilities are hired for their expertise and diligence.

They are the only experts who know the significance of their findings and they should remain absolutely unimpeded in exercising their professional skills and judgment.

At the same time, the lab Directors earn their positions of trust and responsibility by a lifetime of outstanding technical accomplishments, demonstrated skill at integrating large complex bodies of information, and consummate integrity in reporting their conclusions.

They, too, should remain absolutely unimpeded in the performance of their stockpile certification responsibilities.

Mr. President, in matters as important as certification of our stockpile, the possibility of interference, or even just the appearance of the possibility of interference, can affect the exercise of skills and professional judgment.

These professionals should retain their independence from bureaucratic or political interference.

Unfortunately, this amendment takes a step that will destroy that independence by asserting that these civilian contractor employees "shall be responsible to, and subject to the supervision and direction of, the Secretary and the Under Secretary for Nuclear Stewardship or his designee."

So now there are at least three Federal officers, necessarily politicized by their positions, and undoubtedly bureaucratic in their origins, who can direct these professionals in any or all aspects of their work.

That is not an environment that promises assessments that are independent of political or bureaucratic interference.

Mr. President, the labs and production facilities should not be independent of Federal direction, but that direction must not be allowed to dictate technical findings or their interpretation.

My concerns in this regard could be adequately addressed by adding to the appropriate section the following clarification:

Such supervision or direction of any Director or contract employee of a national secu-

rity laboratory or of a nuclear weapons production facility shall not interfere with communication to the Department, to the President, or to the Congress, of technical findings or technical assessments derived from, and in accord with, duly authorized activities.

Mr. KERREY. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1260) was agreed to.

Mr. KERREY. I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERREY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUTCHINSON). Without objection, it is so ordered.

Mrs. MURRAY. Mr. President, I ask unanimous consent to speak as in morning business for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mrs. MURRAY pertaining to the introduction of S. Res. 158 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mrs. MURRAY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. KYL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KYL. Mr. President, I would like to return to the business of today, the Intelligence Committee authorization bill and the underlying Kyl-Domenici-Murkowski amendment to that authorization bill which provides for the reorganization of the Department of Energy with a semiautonomous agency responsible for our nuclear weapons programs. That is the business of the Senate since this time yesterday.

Americans who are watching the activities of the Senate might be a little confused. I would like to try to straighten out some of the confusion. I challenge my colleagues who have a different point of view to express that if, in fact, they care to do so.

We are well aware, over the last several years now, of espionage that has been occurring within our nuclear laboratories and other facilities in this country which has resulted in a signifi-

cant number of very important secrets of this country being obtained by others who should not have them, including, we believe, the Government of China. This is not minor. The secrets that have been obtained, we believe, from our nuclear laboratories include the information necessary to build the most sophisticated weapons ever designed by man. They include the designs for the most sophisticated weapons in our arsenal—the seven or eight nuclear warheads the United States now has on our existing weapons, as well as designs for a weapon that we never produced but which we understand because the Chinese have now said they have; the so-called neutron bomb that they have developed; as well as some other technology dealing with radar, for example, that can detect our submarines under the sea.

These are the most sophisticated technological developments of our country in recent years. Design information about these weapons has been obtained by others. So, naturally, one of the questions is: How did it happen, and how can we prevent it from happening in the future?

We don't know the answer to the question of how it happened exactly, because people involved in espionage don't come forward and say to you, well, here is what I did. But piecing the information together, we have concluded that it is likely that information was obtained from our nuclear weapons laboratories, and this information got into the wrong hands.

So part of the question of how to prevent this in the future is: What do we need to do, if anything, to ensure security at our nuclear laboratories?

Now, it turns out that over the years there have been numerous General Accounting Office studies, studies by other independent groups, and even studies of the Department of Energy itself, which has jurisdiction over these National Laboratories, which have highlighted the ongoing problems and have suggested that there have to be changes made in the organizational structure of the DOE if we are ever to stop this espionage.

Most recently, the President's own Foreign Intelligence Advisory Board, chaired by former Senator Warren Rudman, issued a scathing report and made some very important recommendations about the reorganization of the Department of Energy. In this report, in effect, the Rudman panel said to the President that the Department of Energy will tell you that it can reorganize itself. It can't. It is the problem.

Many of the bureaucrats within the Department don't want to reorganize in a way that will solve these problems. They want to protect their turf. Therefore, it is going to have to be up to Congress to pass a new statute that literally reorganizes the Department of Energy to get this done.



Now, interestingly, just before that Presidential advisory panel made its recommendations, Senator DOMENICI of New Mexico, in whose State two of the three primary weapons labs are located, had come to the same conclusion, based upon a lot of these previous reports that I talked about, and had actually developed an idea of how to reorganize the Department of Energy to provide for greater accountability and responsibility. He discussed those ideas with me and with Senator MURKOWSKI, chairman of the Energy Committee. The three of us decided to introduce legislation, which we attempted to attach to the Department of Defense authorization bill back in May, to accomplish this exact result.

At that time, for a variety of reasons, the leadership, including Senator WARNER and others, said: Don't attach that to this bill, do it later with the intelligence authorization bill—which we now have before us. For one thing, no hearings have been held, and we need time to work out the specific language.

So Senators DOMENICI and MURKOWSKI and I agreed to do that back in May. Since then, there have been, I believe, six different hearings by four different committees specifically on this legislation. Senator Rudman has testified, as has Secretary Richardson, and many others, about this specific legislation.

Since the time of our initial introduction of the amendment, the Rudman panel made its recommendations. It was so close to what Senator DOMENICI and the rest of us had originally proposed that we conformed our legislation to that recommendation so that we were in effect asking the Department to be reorganized exactly along the lines recommended by the President's own advisory panel. That was back in May.

A lot of time has now elapsed, obviously—almost 2 months—while we have been going over this. We have been meeting with Secretary Richardson. We have been talking to each other trying to come up with some compromise language where we thought it was appropriate.

But in the meantime, we have the question of whether our secrets are being protected at our National Laboratories. The Rudman report, and Senator Rudman's testimony before at least one of these committees in the interim, made it clear that we had not solved the problem. The Cox report made the point that espionage was still continuing. The Rudman report specifically said the recommendations of the Secretary of Energy and the implementation of what he was doing was in effect too little too late; it was not solving the problem; it didn't go far enough; and we had to get on with the urgent business of solving this problem.

The reason I point this out is that we agreed to delay even though that delay

poses a risk to the people of the United States of America; that more secrets will fly out the window before we get this thing resolved. But we agreed to hold the hearings and to try to get the acquiescence of the Secretary of Energy.

He has now finally agreed with the proposition that was recommended to the President's advisory panel that we need a semiautonomous agency.

We are now arguing about a lot of the details. But in this matter the details matter. The details matter because it is possible for the bureaucrats within the Department of Energy to scuttle the reform if they can take enough pieces of it out and create the same kind of burdensome, multimanagerial kind of structure that exists today which the Rudman report criticized as being so ineffective.

We fear that is what some of the amendments which will be proposed will do.

We have been trying over the last 48 hours literally to bring this bill before the Senate. We had to actually invoke cloture in order to begin debating the intelligence authorization bill. Democrats objected to the consideration of the intelligence authorization bill.

What does that mean? Without an intelligence authorization bill, the programs for fiscal year 2000 in our intelligence community cannot go forward.

Why would people object to even considering the bill, not voting on it, but even bringing it up when these kinds of threats to our national security exist? Why would they object to the consideration of the amendment for the reorganization of the Department of Energy along the lines recommended by the President's own panel of advisers, the concept of which has been signed off by his Secretary of Energy?

Why would we have this delay? Why now for the last 48 hours have the people who want to amend our proposal not come forward to present this amendment so we can get on with this?

We have had this bill pending for 24 hours. People watching might say: Why have we heard speeches about everything under the Sun except the Department of Energy reorganization?

The answer is because people who object to our proposal have not come to the floor and have not been willing to offer their own amendments.

Senator DOMENICI has been laboring mightily in the back rooms trying to work out some language differences. We have been willing to meet others more than halfway in trying to resolve differences that we could resolve. We have agreed to accept a couple of amendments and make some modifications to language so we can work together in a bipartisan fashion. But I have yet to hear anybody say, who has proposed amendments that we have accepted, that they will agree with and support the legislation at the end of

the day, even if we accept what they have offered.

I am not going to suggest a lack of good faith. But there is a matter of national security involved. Time is wasting.

I see nobody on the floor willing to debate with us or tell us where they think we are wrong or to offer amendments to what we are trying to propose.

Under the rules of the Senate, unless they come down and do that, we are stuck.

We don't want to spend all of the time just reiterating what Senators DOMENICI, MURKOWSKI, THOMPSON, BUNNING, and myself and others have already said on the floor. We could keep talking about this.

I sometimes wonder what the American people think. They hear there is a crisis with intelligence. They hear there is a problem with these National Laboratories. They hear there is a suggestion to fix it made to the President by his own advisory board, and we have amendments to implement those recommendations. Yet nothing happens. In fact, people actually object to bringing up the bill that would begin to fix the problem.

When we finally bring it up because we invoked cloture, we actually made them vote on that—they all agreed to bring it up at that point—and nobody comes down to offer amendments.

I urge my colleagues, even those who disagree with us, to come to the floor. Let's debate this. If you think you have a legitimate point of view, let's talk it out. Reasonable people can differ about these things. If you have an amendment, bring it to the floor so we can debate and vote on it.

But, sooner or later, the American people are going to reach a conclusion, which is that this matter is being delayed.

I find it unconscionable that anybody would delay efforts to secure the Nation's most important secrets and to delay our efforts to ensure the security of our National Laboratories. That is what we are all about here.

I just hope that sooner rather than later people will be willing to come down and work with us to bring this bill to a conclusion so that we can get on with the important business of this country in protecting our national security.

I see Senator DOMENICI is on the floor. I know he has been working mightily to try to work out some language. I think it would be appropriate now to call upon him for a report on the success of his efforts.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me, first of all, congratulate and thank Senator KYL.

There have been many Senators involved, including the occupant of the

Chair, who have serious concerns about the issue. But I believe we have a great threesome who worked together fundamentally from the beginning. Senator KYL was more than willing right up front when the idea evolved. When we said let's work on it, he was most willing to take the lead, and, frankly, knows a lot about nuclear weapons, the safety, and the well-being of them. He knows a lot about the so-called science-based stockpile stewardship. He has not been an advocate of doing anything with reference to nuclear weapons that would diminish in any way America's great strength in that regard. I commend him and thank him for it.

I want to comment for just about 3 minutes on the issue that he raised.

There have been contentions that the Department of Energy is moving in the right direction. In fact, I think the Secretary misspoke once when he said to the Congress and to the people we have taken care of the security problems. That is not a quote. It is just a general notion of what he said.

I noted over the weekend that the new four-star general, retired, has been put in charge of security and counter-intelligence. They called him the czar. I note that he has indicated he is a year away from getting what he thinks is necessary under this dysfunctional department to be able to say we are taking care of the security issues in the best possible way.

Why wouldn't we hurry up and reorganize? Instead of that czar spending all of his time trying to get a structure set up under the old system—which everybody says isn't going to work, and which says, Good luck, general, but when you are finished with all of that, it isn't going to work—we ought to get this reorganization in the hands of that Department, in the hands of the President of the United States, and say, Let's get on with trying to implement.

I submit that it is going to be hard to implement.

There are many ties that are going to have to be broken. There are many parts of the Energy Department that are going to go down swinging in terms of them having little or nothing to say anymore about the nuclear weapons aspect of this. They all have parts in it. It has made it such a bureaucratic mess that even as I look at amendments that want to ease up a little on the semiautonomous nature, my mind immediately goes back to, well, if we open the door a little bit, we are just going to end up in 10 or 5 years right back where we are.

I want to make sure everybody understands that we want to keep it semiautonomous where the Secretary is ultimately engaged, but within that is something similar to the FAA that is doing its own work on nuclear weapons. I think we are close.

However, I suggest to those Senators who want to discuss amendments or

who contemplate offering amendments, including the ranking member of the Armed Services Committee, Senator CARL LEVIN, that we hear from him soon as to what he wants to do. We have a proposal we are discussing about going somewhat in his direction but not totally.

I am trying to see if we can minimize amendments and get this done quickly. If not, I think we will just start voting. Some don't want to do that. I think we will have to do that within the next hour or so if we can't put things together. Then I will have a couple amendments, if that is the case. I think they are more acceptable than what I understand others are going to offer. We will get those debated.

Mr. DOMENICI. I ask unanimous consent I be permitted to speak as in morning business for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### TAX CUTS

Mr. DOMENICI. Mr. President, on the floor of the Senate today, yesterday in a press conference at the White House, today in a press conference, and this afternoon, the President of the United States will end about 48 hours of White House attack on tax cut proposals that Republicans have put forth. We are very grateful, however, that some Democrats are now espousing the same—in particular, in the Senate. The whole idea of the attack is, we don't have enough surplus to give the American people a tax break.

I hope the American people understand the contentions made by the President, by the Secretary of the Treasury, by those on the floor today from the other side who debated it. I hope they understand that this is an attack that should be called "anything but taxes." That is the philosophy of those who are attacking what we are trying to do—anything but taxes.

For those who think we don't have enough resources, I will take some time today, both on the floor and in other places here at the Capitol, to explain that, indeed, it is a prudent plan. Indeed, there are sufficient resources, and there are sufficient resources in the broadest sense, to take care of our commitment to Social Security. We have done that. We want a lockbox, and we can't get it passed in this Senate. There is ample money for reform of the Medicare system to include prescription drugs.

We will also today let the American people know that the Congressional Budget Office believes the President's prescription drugs are not going to cost only \$48 billion in new money; their estimate is they could cost \$118 billion—a very important difference, more than double the amount. The point of all this is the contention that we can't take care of the rest of government if we have a tax cut.

I will just use a round number here. My recollection is that the surplus is \$3.9 trillion—people can't even fathom \$3.9 trillion—over the next decade. To put it in perspective, the entire budget of the United States on an annual basis, including Social Security payments, Medicare payments, all of the appropriated accounts, is about \$1.8 to \$1.9 trillion. Almost twice the total expenditures of the Federal Government in a given year is the surplus accumulating, according to the best estimators and best economists we can put on this issue—experts at both the Office of Management and Budget and Congressional Budget Office.

I quickly penned some figures. If we have \$3.9 trillion in surplus and we want a tax cut over a 10-year period of \$782 billion, that is 20 percent of the surplus that would be given back to the American people by way of tax cuts and tax changes. That will make for better economic sense in the future.

That is a rough number. That is a gross number. However, it puts it in perspective. We ask the question, Where is the rest of it going? We will share in detail what we say it is going for and what the Congressional Budget Office says the President's budget is going to be used for. It will be an interesting comparison.

For those on the other side and those in the White House—including the Secretary of the Treasury—who think they will have free rein making their case, which in my opinion is extremely partisan, it is Democrats in the White House, including the Secretary of the Treasury, who are saying, "We are not for tax cuts," and making every kind of excuse in the world to avoid it.

We will make sure that our side of this is understood. We believe if we don't have a significant tax cut adopted now for the next decade, all that surplus will be spent. We can already see it in plans coming from the White House. We can already see it in the current budget of the President extended over a decade as estimated by the Congressional Budget Office.

I thank the Senate for giving me a little bit of time this morning. I clearly did not today present our case in its totality. I want everybody to know there is another side to the partisan antitax fever that will be coming out of the White House the next couple of weeks. That is what it is. It is a ferocious attack on anyone who wants to give back taxes to the American people, using all kinds of arguments, even if they are totally partisan, one-sided exaggerations.

We won't get as much news because the President's press conference will be heralded everywhere. Before we are finished, we will have a few spokesmen tell the American people what this is about. I wish we had an opportunity to present what we are going to present today to the House. I wish we could do

it in a joint meeting to the public. The concern that there is not enough money for discretionary appropriations in defense is wrong. The notion that there is not enough money for Medicare—be it the President's \$48 billion or the \$118 billion that the CBO says a plan such as the President's would cost—is not so.

In these 5 minutes, that is the best I can do. I don't have charts. They prepared their charts for use today and hereafter. We will use them. Frankly, attacks on the budget resolution by the White House should get thrown in the wastebasket. If Members want to attack a budget, attack the President's budget and see what he did with all this surplus. See what the Congressional Budget Office says he will do with all this surplus. We know what we will do. We will lock up \$1.9 trillion for Social Security. That leaves a very large amount for defense, education, and other areas—indeed, a very significant amount for Medicare, if we choose to reform it, and a tax cut about the size proposed in the budget resolution approved here.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. KYL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000—Continued

Mr. KYL. Mr. President, I ask unanimous consent that Senator LUGAR from Indiana be added as a cosponsor to the Kyl-Domenici-Murkowski amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KYL. Mr. President, I will be happy to defer to Senator LEVIN. He is prepared now to report on one of his amendments.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, in the last half-hour, or hour, there have been discussions going on relative to Senator BINGAMAN's second amendment. One of them has already been accepted, as I understand, in modified form. It is now my understanding that the managers would just as soon proceed to my amendment while they are trying to work out Senator BINGAMAN's second amendment. That is fine with me.

Mr. KYL. Fine.

AMENDMENT NO. 1261 TO AMENDMENT NO. 1258

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Michigan [Mr. LEVIN] proposes an amendment numbered 1261 to amendment No. 1258:

In section 213 of the Department of Energy Organization Act, as proposed by subsection (c) of the amendment, add at the end the following:

(u) The Secretary shall be responsible for developing and promulgating all Department-wide security, counterintelligence and intelligence policies, and may use his immediate staff to assist him in developing and promulgating such policies. The Director of the Agency for Nuclear Stewardship is responsible for implementation of the Secretary's security, counterintelligence, and intelligence policies within the new agency. The Director of the Agency may establish agency-specific policies so long as they are fully consistent with the departmental policies established by the Secretary.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I will be happy to consider a time agreement. My good friend Senator KYL suggested we try to adopt it. It is my understanding it might have been already adopted last night, so I suggest it would be perhaps an hour evenly divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, it is not often an amendment is read in its entirety around here, even a short one. Usually we ask unanimous consent that further reading of the amendment be dispensed with. I do not know how many times I have used those words on this floor in the last 20 years. But in this case I decided to have this amendment—it is fairly short—read in its entirety because it may sound familiar to some people.

These are Senator Rudman's words. This amendment incorporates some very important parts of Senator Rudman's panel's recommendation that are left out of the pending amendment. That is why I wanted the entire amendment read.

The sponsors of this amendment have correctly pointed out that Senator Rudman is recommending a semi-autonomous agency, and that is the heart of Senator Rudman's proposal. It happens to be a proposal that I support. But the difference between my position and the sponsor's position, relative to Senator Rudman's recommendations, is that their amendment leaves out some very critical recommendations of the Rudman panel relative to the operation of the Department of Energy.

My amendment would insert in the pending amendment some very important recommendations of the Rudman panel the pending amendment omits.

We have heard a lot relative to the importance of the Rudman panel recommendations. Senator Rudman and his panel performed an extremely important service to this Nation in pointing out the complicated bureaucratic

maze that exists at the Department of Energy and pointing out that for 20 years, report after report, recommendation after recommendation to streamline the bureaucracy the Department of Energy have been made, including made to the Congress, without action being taken by the Congress.

All of us bear responsibility for that failure. Three administrations and 20 years of Congresses have been told in a number of reports there should be some reorganization done at the Department of Energy.

Finally, a year and a half ago, President Clinton issued a Presidential directive that reorganizes the Department of Energy. That directive has been mainly implemented, not yet fully apparently but mainly implemented. The Rudman panel goes beyond that Presidential directive but does give credit to President Clinton for being the first President in 20 years to direct the reorganization of the Department of Energy, even though three Presidents have been told there is significant organizational problems, and even though as early as 1990 there was a public statement about espionage being carried out by the People's Republic of China at one of these labs.

Secretary Richardson is engaged in significant reorganization of this agency, and the Rudman panel gave credit to Secretary Richardson for beginning the important reorganizational changes.

This Congress has taken some steps to reorganize the Department of Energy. The Armed Services Committee, for instance, upon which our Presiding Officer sits with distinction, has acted on our bill, which is now in conference, to carry out some significant reorganization of the Department of Energy.

On the House side, the Armed Services Committee did the same thing. The language is different. Parts of their provision differ from ours. But the point is, there are some very important things going on in terms of reorganization in the Department of Energy, as we speak. But the Rudman panel goes beyond that. It would put into law, for instance, things which are in an Executive order. We know how much more important a law is than an Executive order because an Executive order, No. 1, can be changed by the next President but, No. 2, can be too often ignored by the bureaucracy. We had a recent example of that in another agency where an agency just almost totally ignored an Executive order.

We want to put into law a significant reorganization, and we want to—at least I do, and I think most of my colleagues want to—put into law a reorganization along the lines of the Rudman panel recommendation. I do not know that there is any disagreement on that, but apparently there is a disagreement

when it comes to setting forth not just the provisions of the Rudman panel's recommendations relative to the power of this new semiautonomous agency, but when it comes to setting forth the power of the Secretary of Energy relative to directing and controlling his Department.

What is left out in this amendment is also important, according to the Rudman panel. This is not the Senator from Michigan talking; this amendment is the Rudman panel talking. I will go into what these provisions are in just one moment.

I emphasize, the security breakdown that has existed for 20 years that was highlighted in the Cox commission report must be corrected. There are a number of steps underway to correct them, but we should act. There have been some pretty important, good-faith discussions going on over the last few days as to how we might be able to come up with a bill which can become law.

We can pass a bill, and if the House does not accept the bill because they think it ought to be a freestanding bill and not on an intelligence authorization bill, or because they do not think it ought to be on a Department of Defense authorization bill—and that is their position in conference relative to the defense authorization bill—we can attach language here. But if we do not have a strong, healthy consensus, it seems to me we are in a much weaker position in getting this law actually passed in the House and signed by the President. That should be our goal.

If we are serious about trying to tighten up and streamline the Department of Energy, if we are serious about passing a law to do that, then we ought to figure out a way we can come together, incorporate the Rudman panel recommendations, including the ones which are left out in this amendment which I will try to add in a moment, so we can go to the House of Representatives with a healthy consensus vote, a strong vote, rather than a divided vote, and the same message would then be delivered to the President.

The Rudman report calls for a semiautonomous Agency for Nuclear Stewardship. I fully support that. That would be an agency which will oversee all nuclear-related matters in the Department of Energy, including defense programs and nuclear nonproliferation. It would also oversee all functions of the national security labs and the weapons production facilities. I strongly support that. It would streamline the new Agency's management structure by abolishing ties between the weapons labs and all DOE regional field and site offices and all contractor intermediaries. It would appoint the Director of the new Agency by the President with Senate confirmation, and it would have effective administration of safeguard security and counter-

intelligence at all the weapons labs and plants by creating a coherent security counterintelligence structure within the new Agency.

In making the recommendation for a semiautonomous agency, the Rudman report cites as models similar agencies within the Department of Defense, such as the National Security Agency, NSA, the Defense Advanced Research Projects Agency, DARPA, and the National Reconnaissance Office, the NRO.

Each of these three agencies is a separately organized agency run by an administrator within the Department of Defense. While the mission of each is different from the other, all three are under the authority, direction, and control of the Secretary of Defense; all three are subject to Department of Defense policies and regulations; and all three are directed by the Secretary and his deputy through an assistant.

That is the model Senator Rudman has based his recommendation on—three agencies in the Department of Defense, separately organized, each having their own staff, but where the Secretary and the Deputy Secretary direct that separately organized agency through an assistant.

That is a very important part of that model which is omitted in this bill. So Senator Rudman and his panel, on June 30, sent a "Memorandum of Clarification" relative to their report. One of those recommendations in the statement is the following: "The Secretary is still responsible," under their model, "for developing and promulgating DOE-wide policy on these matters," these matters being security, intelligence, and counterintelligence, "and it makes sense to us," that is, the Rudman panel, "that a Secretary would want advisers on his/her immediate staff to assist in that vein."

So the first sentence of our amendment says:

The Secretary shall be responsible for developing and promulgating all Department-wide security, counterintelligence and intelligence policies, and may use his immediate staff to assist him in developing and promulgating such policies.

It is verbatim from Senator Rudman's panel's recommendation.

Senator Rudman's panel also says: "... The Agency Director," that is the new Agency, "... is responsible and held accountable for ensuring complete and faithful implementation of the Secretary's security, counterintelligence and intelligence policies within the new Agency."

The second sentence of our amendment reads:

The Director of the Agency for Nuclear Stewardship is responsible for implementation of the Secretary's security, counterintelligence, and intelligence policies within the New Agency.

Again, it is verbatim from the Rudman panel's memorandum of June 30.

The Rudman panel also said on that day that "The Director of the Agency,"

that is, the new Agency "may establish agency-specific policies so long as they are fully consistent with the departmental policies established by the Secretary."

The third line in our amendment says:

The Director of the Agency may establish agency-specific policies so long as they are fully consistent with the departmental policies established by the Secretary.

It is verbatim from the Rudman panel recommendation.

I do not think we can have it both ways. The Rudman panel's recommendations are very important. We are not obligated to adopt every one. We are not obligated to adopt any of them. But there are some of us who believe those recommendations are hugely important. As always is the case when you create a new agency within a Department, you have to figure out a balance between the power of the new Agency and the power of the Secretary to run his Department that contains that new Agency.

That is a very important balance. We are doing it on the Senate floor. Usually that kind of a complex and rather arcane effort would be made by the Governmental Affairs Committee, but in this case, for many reasons, legitimate reasons, it comes to us in this form, and we must deal with it.

But in dealing with these issues, as to that balance, we have guidance. We have guidance from the Rudman panel. The Rudman panel says: Create a semiautonomous agency. It then goes into detail on the functions of that semiautonomous agency and the power both of its director and the Secretary of Energy. It sets them out. It lays this out for us.

The amendment before us omits some critically important recommendations of the Rudman panel, the ones I have just read and the ones that are in my amendment. It is that omission which, it seems to me, so flaws, and unnecessarily flaws, may I say, the amendment before us.

I do not quite fathom why it is that specific recommendations of the Rudman panel, relative to what the balance and the relationship are, should be omitted when they are important.

The sponsors of the amendment will no doubt say that the Secretary reserves the right in their amendment to direct and control the Department, and that is true. But when it comes down to putting any flesh on those bones, when it comes down to saying how the Secretary will do that—that he is able, for instance, to use his staff to promulgate policies, that the agency must comply with the Department's policies that apply departmentwide—when it comes to those things, then we have a problem with this amendment.

This amendment actually suggests the opposite is true from what Rudman has suggested when it says that "The

Secretary may not delegate to any Department official the duty to supervise or direct" but leaves out the critically important power that Rudman would give the Secretary to utilize his staff to assist him in developing and promulgating departmentwide policies.

So we correct this omission. The spirit of Rudman is that there be a semiautonomous agency when it comes to spelling out how that agency would function, what the balance of powers and functions would be between the Secretary of the Department, of which this agency is a part, and the new Agency Director. It is at that point that we have the omissions that Rudman recommends and the omissions in this pending amendment which my amendment would fill in.

Mr. President, I inquire how much time this Senator has left.

The PRESIDING OFFICER (Mr. BURNS). The Senator from Michigan has 10 minutes 26 seconds.

Mr. LEVIN. I thank the Chair and reserve the remainder of my time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. We have 30 minutes on our side?

The PRESIDING OFFICER. The Senator has 30 minutes exactly.

Mr. DOMENICI. Mr. President, the Senator from Illinois, Senator FITZGERALD, had asked, before we knew the Senator was coming up, whether he could come to the floor and speak for 5 minutes. He got here, but the Senator had started so he was cut out for an hour. I wonder if we could have consent for the Senator to speak for 5 minutes and it not be counted against either side.

Mr. LEVIN. I am happy to.

Mr. DOMENICI. I so request.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Illinois.

Mr. FITZGERALD. I thank the Chair. To the Senator from Michigan, I thank him for allowing me to speak on Senator KYL's underlying amendment.

The recent release of the Cox report and the President's Foreign Intelligence Advisory Board's report has confirmed our worst fears that lax security at our national laboratories enabled the Chinese to steal some of our nation's most guarded nuclear secrets. This appears to be among the most severe breaches of American security in our Nation's history. This issue is of particular concern to my state, Illinois, as we are the home of three labs—Argonne National Laboratory, Fermi National Accelerator Laboratory, and the New Brunswick National Laboratory.

But despite years of warnings, beginning with a detailed briefing by the Department of Energy on the issue, the administration did next to nothing to close the breach in security at our na-

tional labs, and did next to nothing to keep suspected scientists away from classified information. Instead, the administration soft-pedaled the issue, encouraged the transfer of technology to China, and even denied that any secrets were lost to China during this administration. The administration's response to report after report of security threats to our labs has been, "See no evil, hear no evil, speak no evil." In fact, the administration sought to undermine the truth and accuracy of reports of these security breaches. And when the disastrous consequences of this policy of denial and inaction were exposed, the administration played a half-hearted game of catch-up that continues to this day.

The report issued by the President's Foreign Intelligence Advisory Board presents a scathing and highly critical account of DOE's handling of, and response to, the threat posed to weapons labs by Chinese espionage. The report characterizes DOE as having a "dysfunctional management structure and culture," unable to respond to the unique challenge posed by China. Unfortunately, DOE is in the words of the report a "dysfunctional bureaucracy that has proven it is incapable of reforming itself."

In the coming years, the United States may pay a terrible price for this dereliction of duty. China is likely to make a great leap forward in its ability to threaten the United States with nuclear attack, thanks to stolen American nuclear weapon and missile technology. In fact, China now admits that it has neutron bomb technology. A well-known proliferator, China may sell or give this advanced technology to Iran or Pakistan, further increasing the spread of weapons of mass destruction and the missiles to deliver them.

For our part we, as Senators, must undertake the task of repairing the system that allowed this information to fall into the hands of China. To this end a number of my colleagues and I have co-sponsored an amendment to the intelligence authorization bill initially offered by Senators KYL, DOMENICI, and Chairman MURKOWSKI. This amendment would create a semi-autonomous agency within DOE responsible for the nuclear weapons laboratories and their security. I ask for and encourage Senators to join me and the other cosponsors in supporting this measure. I welcome Secretary Richardson's change of mind on this issue. Although he was initially opposed to such an agency, the Secretary has joined the bipartisan group of Senators in supporting the concept of a semi-autonomous agency for nuclear stewardship.

I hope that my colleagues will join us in passing this legislation and implementing this important step in sealing the breach in security at our Nation's weapons labs.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I will take the first few minutes and reply to Senator LEVIN's amendment, and then Senator DOMENICI will add his thoughts.

I first note that this language was handed to us as this debate began, and so it has been a little difficult to correlate the provisions of this amendment with the provisions of our bill and with the recommendations of the Rudman report. I think it is fair to say the following four things about this amendment.

First of all, it is not necessary. I haven't really heard any explanation of why we need this different language. I believe that our bill, which tracks the report of the President's Foreign Intelligence Advisory Board, allows the Secretary of Energy to create policies that are applicable to the entire department and that the implementation of security and counterintelligence within this new Agency is the responsibility of the new Under Secretary that is responsible for nuclear stewardship, but that the Secretary of Energy will always have the ultimate say with respect to those security and counterintelligence policies. That is what our bill calls for. That is what the Rudman report recommends should be done. I don't see any need for this different way of saying it.

There are also at least two problems with the language itself. I am a little concerned because Senator LEVIN scores a debater point by saying one of the sentences of his three-sentence amendment comes right out of a letter that Senator Rudman wrote to us. It is not the Rudman report, but it is a letter that he sent to us. Since we have been saying that our legislation tracks the Rudman recommendation, therefore, we have to accept that sentence.

That is, of course, a dual standard. Senator LEVIN is perfectly willing to reject parts of the PFIAB report. Under his analysis, then he should accept everything the Rudman report recommends as well.

The truth of the matter is, we have tried to track it as closely as possible, and I think we have done a good job. We haven't included the sentence from the letter that Senator Rudman wrote. It is not necessary.

I think there is a dual standard being applied here. I think all of us can appreciate the fact that we are trying to track it as closely as we can, consistent with writing this legislation.

The two primary points of objection I have to the amendment are these: As a practical matter, this whole exercise is to do things differently within this new Agency than they are done departmentwide. That is the essence of the President's Foreign Intelligence Advisory Board report. It says: You need to create a new semiautonomous agency that doesn't have to do things the way

they are done all over the rest of the Department of Energy. That has been the problem—all these different people making rules and regulations and policies. It is impossible to protect the Nation's security and our foremost secrets when you have so many people, in effect, with their finger in the pie. You need to create a very specific semi-autonomous agency that has control over those nuclear programs, and don't apply all of the other departmentwide policies, as good as they may be for the rest of the Department, to this new Agency.

Many of the departmentwide policies will be appropriate, but undoubtedly some of them will not be. The whole point is to do things differently than they have been done in the past and to have the flexibility to do them differently within this new Agency.

For example, suppose the Secretary says to one of his staff assistants: I want you to develop a new departmentwide policy on polygraph tests. This person goes out and does the research, comes back and says: We shouldn't have any polygraph tests. The Secretary of Energy says: Okay, that is our departmentwide policy.

Under the Levin amendment, this new Agency, this new semiautonomous Agency that is responsible for control of our nuclear secrets, wouldn't have any choice but to implement that departmentwide policy. That is exactly what this language says. I will read it, Mr. President:

The director of the agency may establish agency-specific policies so long as they are fully consistent with the departmental policies established by the Secretary.

No flexibility to do anything different. That is the whole point. That is what the PFIAB report said: You have to do things differently. You cannot expect a different result if you keep doing them the same old way. You cannot require, for this very unique, highly technical business of making nuclear weapons, the application of all the same standards and policies that apply throughout the Agency.

The one example used frequently is the refrigerator standards. But there are so many differ examples you can point to. Agencywide policies may be fine agencywide, but they should not necessarily be applicable to this new Agency. They may be, but they aren't necessarily. That is the approach our bill takes. It says the Secretary can develop these agencywide policies, but the Director of this new Agency has to have some flexibility to say some of the things that apply to other parts of the Department of Energy should not apply here; they are not applicable, and they may even be dangerous.

That it the whole point of what we are trying to accomplish. When the amendment says the Director of the Agency for Nuclear Stewardship is responsible for the implementation of

the Secretary's security, counterintelligence, and intelligence policies within the new Agency—and he can only devise agency-specific policies as far as they are fully consistent with the departmentwide policies—you are tying his hands behind his back; he is set up for failure before he even starts.

This amendment is very dangerous. One reason it is dangerous is that the language seems to track fairly closely elements of the report. But again, what we are saying is the Secretary, of course, can develop agencywide policies. Some of those will be applicable to this new Agency, but they don't necessarily have to be. That is where we diverge. That is a critical difference here. It would be impossible for this new Agency Director to do his job if he were bound by this language.

Our whole point is to have accountability and responsibility of this person. Well, I would not take the job if I were given the responsibility to protect our Nation's nuclear secrets and then I was told: However, you cannot establish any policy within your new Agency that is inconsistent with departmentwide policies. I would not undertake that job because I would not be able to do it the way I thought best.

Mr. President, with respect for the Senator from Michigan, I have to say this is the wrong approach and we will have to oppose this amendment.

THE PRESIDING OFFICER. Who yields time?

Mr. KYL. How much time do we have on this side?

THE PRESIDING OFFICER. The Senator has 22 minutes 49 seconds. Senator LEVIN has 10 minutes.

Mr. KYL. I inquire, does the Senator from Michigan want to speak next? We have more time on our side. Would he want to address the Senate?

Mr. LEVIN. No.

Mr. KYL. Mr. President, perhaps we should suggest the absence of a quorum.

Mr. LEVIN. I misheard the Senator. Did he say there were additional speakers on his side?

Mr. KYL. Yes.

Mr. LEVIN. Senator KERREY has expressed a desire to speak in support of the amendment. I will briefly yield 2 minutes to myself. Regarding the comments of the Senator from Illinois about both the President and the Secretary relative to the Secretary's actions, the PFIAB, or the Rudman report, as we call it, says the following:

We concur with and encourage many of Secretary Richardson's recent initiatives to address the security problem at the Department. And we are heartened by his aggressive approach and command of the issue. He has recognized the organizational dysfunction and cultural vagaries at the DOE and has taken strong, positive steps to try to reverse the legacy of more than 20 years of security mismanagement.

Now, the contrast between what the Rudman report says about Secretary

Richardson and what the Senator from Illinois says the Rudman report said, relative to Secretary Richardson, is a pretty sharp contrast, indeed. This is what the Rudman panel actually said:

We concur with and encourage many of Secretary Richardson's recent initiatives to address the security problems at the Department. And we are heartened by his aggressive approach and command of the issues. He [Secretary Richardson] has recognized the organizational dysfunction and cultural vagaries at the DOE, and he [Secretary Richardson] has taken strong, positive steps to try to reverse the legacy of more than 20 years of security mismanagement.

I ask the Senator from Nebraska, the ranking Democrat, the vice chair of the committee, whether he wishes to speak at this time.

Mr. KERREY. I am pleased to.

Mr. LEVIN. I gave you both titles.

Mr. KERREY. Mr. President, I apologize to the Senator from Arizona. I did not hear all the reasons for opposing the Levin amendment because I am afraid, in my own mind, this is getting down to a point where it seems to me—I said to Senator LEVIN earlier that it seems the bill gives the Secretary the right to do all these things. I don't see a lot of reason to oppose this, I really don't.

As I understand it, the Senator from Arizona has a problem with the last sentence, which says, "The director of the agency may establish"—this is a nuclear security agency—"agency-specific policies"—that is the same autonomous objection that we have—"so long as they are fully consistent with departmental policy established by the secretary."

It seems to me we want the Secretary to be able to establish Department policies that would apply to everybody and allow the new security Agency still to be able to establish specific policies that don't relate to the rest of the Department. I don't understand the Senator's objection to that because it seems to me that is a reasonable thing to say.

The trouble I am having—and I am trying to make certain we achieve a big bipartisan vote on this because I don't want to lose the opportunity that we have been given many times in the past couple of decades, and the Senator from Arizona has been pushing hard on this thing. I would hate for us to fail as a consequence of not being able to resolve what seems to me is not that big a conflict. I would appreciate the Senator talking about this last sentence and what he thinks seems to be wrong with it.

Mr. KYL. Mr. President, I will respond on my time, and if we need more time, we can utilize that.

Senator KERREY raises the exact right question. In many respects, we are not that far apart. I think this language creates one specific, big problem, however. In the bill, we provide the authority for the Secretary to establish



not only departmentwide policies on security, counterintelligence, and other matters, but also he would have the residual authority to direct those issues within the new Agency itself if he really wanted.

Mr. KERREY. Can the Senator refer to where that is in the bill?

Mr. KYL. I will have my staff find the pages. On page 2 of the bill, there is "general authorities residual to the Secretary."

I refer the Senator's attention to section 213(c):

The secretary shall be responsible for all policies of the agency.

So that is the overall general policy here. That is, of course, consistent with the recommendations of the Rudman report. It is what we have always said has to be—that ultimately the Secretary has the authority to impose his will on this new Agency in any way he should desire to do so, whether it is agency specific, or with respect to a departmentwide policy. We provide for that.

The problem with this amendment and the problem with the last sentence is that it would remove from the Under Secretary in charge of the nuclear program the ability to have policies different from general DOE-wide policies because it says:

The director of the agency may establish agency-specific policies so long as they are fully consistent with the departmental policies established by the Secretary.

I can give an example of polygraphs. If you read the first sentence of this amendment, the Secretary may use his immediate staff to assist him in developing these departmentwide policies.

He asks a person not in this new semiautonomous Agency to go out and develop a policy regarding polygraphs. I am using this as a hypothetical. The person comes back and says we shouldn't have polygraphs. That is a departmentwide policy. And the new Under Secretary, in the second sentence, is directed to implement the Secretary's policies within the new Agency.

How might he do that? The third sentence:

The director of the agency may establish agency-specific policies so long as they are fully consistent with the departmental policies established by the Secretary.

We need to allow enough flexibility so there can be some differences.

The whole point of the Rudman recommendation is that this new Agency may have to do some things different from the rest of the Department. There may be personnel policies. There may be contracting policies. There may even be policies of security and counterintelligence that would be different in this new entity.

But even if they are different—this, I know, goes right to the point of the Senator from Nebraska—even if the person in charge of this new semi-

autonomous Agency says, look, we have to do things differently with respect to security in our new Agency than you do them in the rest of the Departments, the Secretary of Energy still has the ultimate say as to whether he approves of that and agrees with that or not because he is ultimately in charge.

But the way this amendment is written, the new Director wouldn't have any options. He has to do it consistent with the departmentwide policy. He has no discretion to do it differently. He has to have this discretion to do it differently if he thinks it is necessary. Then if the Secretary says, no, I don't want you to, the Secretary still wins. He is still the boss.

That is my answer to the Senator from Nebraska.

Mr. KERREY. I appreciate that answer.

I am struggling. I have been in this position before, I say to my friend from Arizona, where I hear words and they mean something to me and they mean something entirely different to somebody else. I am still struggling.

It seems to me that the language of "the director of the agency may establish agency-specific policies," which is what the Senator from Arizona wants, by the way, this amendment amends section 213(a). At the end of the following, "the secretary shall be responsible"—OK, at the end. It has a paragraph (u) to this.

Is that what the Senator from Michigan just took?

Is the Senator saying in his amendment that the Secretary shall be responsible for all policies of the Agency? The Senator is saying the Secretary still has that authority.

How is that inconsistent? I still don't understand how that undercuts. This one says:

The director of the agency may establish agency-specific policies so long as they are fully consistent with the departmental policies established by the Secretary.

Mr. KYL. Mr. President, the point is as long as they are consistent with departmental policies established by the Secretary. In other words, the policies the Secretary establishes for all of the other Departments would control. We don't want it to.

I might add that the language that I quoted before was specifically requested by the Senator: The Secretary shall be responsible for all policies of the Agency.

We think that is important to clarify—that in the end he always has the authority. If this language says something, it is not wise to try to fix that amendment during debate. But if the language in effect says that the Director of the Agency may establish agency-specific policies, it is obviously always subject to review by the Secretary—no problem. But when I say in the language that they have to be con-

sistent with departmental policies, obviously that infers previously established.

Then you could have a problem.

Mr. KERREY. The Senator is saying that if this language says that the Director of the Agency may establish agency-specific policies—the Senator is quite right; I added that. I appreciate very much that change being made.

Before I get to the rest of it, let me say that one of the reasons I did that was because of the experience of dealing with agencies or situations in the executive branch where somebody has the responsibility but lacks authority. It is a heck of a problem to be in where you are held accountable for something, but you don't really have the authority to do anything about it in the first place.

That is exactly the problem that the Senator is trying to fix with this amendment in the first place—situations where Secretaries have authority and responsibility, but they lack the authority. They lack the ability to actually be able to manage.

I appreciate that inclusion. The Senator is saying that if the language said the Director of the Agency may establish agency-specific policies subject to the approval of the Secretary, you have no problem with that?

Mr. KYL. Mr. President, obviously that is in response to the amendment. But I think that is the general idea.

I also add one other point. In the second sentence of the amendment it provides that the Director of the Agency for Nuclear Stewardship is responsible for implementation of the Secretary's security counterintelligence and intelligence policies within the new Agency.

I think, while that is true, since it follows the Secretary, the sentence previous to it, which talks about departmentwide policies, there is an implication in the second sentence, again, that he has to implement all of the departmentwide policies without exception.

I think we have to make it clear that the second sentence is what we are talking about, and the third sentence as well.

Mr. KERREY. Part of the problem I am having with this is it is very clear in the Senator's amendment that the Secretary shall be responsible for all policies of the Agency. That is very clear in the language of the amendment. That is why I am having difficulty understanding how this language undercuts that, or changes that. The Senator wants the Secretary to have the responsibility for the policies of the Agency. What the Senator is trying to do is establish a sufficient amount of independence that this new Agency for nuclear security can develop its own agency-specific policies. It doesn't undercut or eliminate the authority of the Secretary to be able to come in and say: I don't like that. I am



not going to allow you to do it. But it is going to occur in an environment where Congress knows it, and the people understand what is going on.

It seems to me that is what Senator LEVIN is trying to do, as well.

Mr. KYL. The Senator said it very well.

Obviously, the whole intention here is that there be a lot of things done differently in this new Agency than would otherwise be done within the Department.

Our problem with Senator LEVIN's amendment is it not only implies but in the last sentence actually directs that whatever is departmentwide also has to exist in this new Agency—no exceptions; "fully consistent with."

That is just not what this whole reform is all about. There are going to be a lot of things with a new agency that are going to be different.

To the Senator's point, as I said before, I wouldn't take the job as the new Under Secretary in charge of this new Agency if I took the job knowing that I had to begin by complying with all departmentwide policies.

Mr. KERREY. We have comparable agencies.

I was very much involved with the development of the new law governing the IRS. We wanted that agency also to be semiautonomous.

In that case, we created a board with authority to evaluate the budget and make budget recommendations to the Secretary of the Treasury, and that budget has to be forwarded on. If the President wants to change it, he can change it. That budget gets forwarded on to us.

In addition, we made a change that the Internal Revenue Commissioner has a 5-year term allowing some continuity. That is one of the problems we had. We had lots of turnover.

The same problem existed with the FBI Director a number of years ago. I don't know who was involved in changing that law. We changed some independence of the FBI Director. But in both cases, if the Secretary of the Treasury decides they don't like what the IRS Commissioner is doing, or in Justice's case they don't like what the FBI Director is doing, one of the things we are not talking about is they can always go to the President. The President issues an Executive order; everybody does it. At least they are supposed to do it. Although, again, that is part of the problem that we are trying to address—eliminating a lot of that middle-level management and creating direct lines of authority so Executive orders are carried out. In this case, a Presidential directive was implemented relatively slowly. Perhaps the Senator from Michigan has some suggestions.

Does the Senator see a substantial difference between the language in his amendment that says, "the director of

the agency may establish agency-specific policies so long as they are fully consistent," and language that says, "the director of the agency may establish agency-specific policies understanding," and then reference back to section 213(c) that says the Secretary shall be responsible for all policies of the agency? If the Senator can tie it into that line, it seems that is what he is trying to do.

Mr. LEVIN. If the suggestion is that the Director of the Agency may establish agency-specific policies which are different from the policies which govern the rest of the Department with the approval of the Secretary—if that is the question, I see no difference between that and the last line because at that point those agency-specific policies are consistent with departmental policy. The departmental policy at that point is that that Agency will be governed by a different rule than the rest of the Department. I don't see any difference in terms of that concept with what is already in the last line.

The last part of that discussion I am not sure I fully follow. As far as that specific question is concerned, the Senator from Arizona is saying, as I understand it, and the Senator from Nebraska is responding in the following way: The Senator from Arizona says we want to make it possible for there to be an agency-specific policy that does differ with the departmentwide policy. My answer to that is, yes, providing it is approved by the head of the Department, at which point it is then Department policy that that separate agency have a different policy than the rest of the Department.

I have no problem with that.

Mr. KERREY. If the Senator will yield, it seems to me what we ought to try to do is work this thing a little bit longer and see if we can get agreement.

I think in the key area with the amendment, we have to reference back this very declarative and clear line the Senator from Arizona referenced, which is 213(C) that says the Secretary shall be responsible for all policies of the Agency.

The Senator is shaking his head.

Mr. LEVIN. I don't want to read too much into the Senator from Arizona nodding his head, but I think he is responding positively to how I characterized his suggestion.

I ask the Senator from Nebraska if he would, perhaps, yield to me a moment.

Mr. KERREY. I will yield the floor and let the Senator have more than a moment.

Mr. LEVIN. I want to see if both concur in this.

The Director of the Agency may establish agency-specific policies which are different from the general policy for the Department with the approval of the Secretary.

Those are not artfully perfect words, but that is the concept as I understood

it that the Senator from Arizona is proposing.

I say to my dear friend from Nebraska, if that is what the Senator is proposing and with your intermediary help, that is fine with me.

Mr. KYL. Mr. President, it appears to me that we have achieved a meeting of the minds—almost—and therefore the language could be worked out.

Let me restate the two concerns I have, both of which I think we would have to satisfy. In the second sentence of the amendment, it says that the Director of the Agency is responsible for the implementation of the Secretary's policies within the new Agency. Obviously, that has to mean to the extent that they are applicable to this new Agency and not inconsistent with any agency-specific recommendations.

If the Senator has that language following the first sentence, it doesn't mean that it means whatever the departmentwide policies are this new Director has to implement them. That is not what we intend.

Secondly, to the final sentence, the Senator is correct, this head of this new Agency should have the ability to have agency-specific policies with respect to security and counterintelligence and virtually anything else. It is always subject to the Secretary's approval.

I don't think in this one unique situation we want to say that prior to the effectiveness of any policy, the head of this new Agency has to obtain the approval of the Secretary. But since he has to report to the Secretary, the Secretary, obviously, has the ability to say no.

Clearly, we want this Agency to be running not on its own but semiautonomously. If the new person has to go get approval from people before he does things—obviously, he would have to notify the Secretary—then I think that could diminish his ability to operate the new entity.

However, if the principle is agreed to that there can be, and indeed should be in some cases, different policies within this new Agency than departmentwide, and if we understand that the Secretary always has the ability to say no or to say do it differently, then I will say positively that I think we have a meeting of the minds and it is simply a matter of drafting the language in a way to achieve that.

I thought our bill did that. If the Senator thinks we need to modify it somewhat, clearly we can talk about it.

Mr. KERREY. If I can respond, the Senator from Michigan has a lot of respect on this side of the aisle and I know a lot of respect on that side of the aisle as well, not just because of this particular issue but because of his longstanding interest in the operations of government and his understanding of how statutes need to be written in

order to get government to function properly.

If the goal is to produce a big bipartisan vote so we can seize this opportunity, as the Senator from Arizona has pressed so relentlessly to get done, it is my hope that there could be a meeting of the minds leading to an agreement of language.

If we can get that done, we are one step closer to getting a very large bipartisan vote. That sends a very important signal to the House. That increases the chances to successfully conference this in the Intelligence Committee and bring it back to the full Senate for approval.

Mr. REID. Mr. President, I believe that we are all in agreement that the weapons program should remain within the Department of Energy, with clear lines of authority, responsibility, and accountability.

The sponsors of this amendment agree that the Secretary of Energy must have the ultimate authority for Department functions because he carries the ultimate responsibility.

The question is how does the Secretary exercise his authority in a way that allows him to meet his Cabinet-level responsibilities and still remain consistent with the restrictions in this bill.

The bill's prohibition against delegation of any supervisory or directive authority over the Under Secretary for Nuclear Stewardship means that only the Secretary may intervene in Agency matters that may be inconsistent with Department policy.

That is backwards.

The provision for non-Agency review of Agency programs permits the Secretary to understand the compliance status of the Agency, but the prohibition against delegation requires the Secretary to appeal to the Under Secretary to respond to noncompliance findings.

That is a reveal of normal management flow of authority.

The Under Secretary should be the one making the appeal to the Secretary if the Agency is found to be non-compliant in a review.

Under the provisions of the amendment, the Secretary is likely to spend far too much of his valuable time ensuring that the Agency is complying with the Department policy.

A simple change in the bill would effectively accommodate this concern.

The amendment should specifically acknowledge that the Secretary is endowed with equivalent authority to meet his Department-wide responsibilities; and those include the Agency for Nuclear Stewardship.

Instead of prohibiting delegation of authority, the bill should provide direct appeal authority for the Under Secretary to the Secretary.

I understand the reluctance of the sponsors to encourage broad delegation

of authority to non-Agency Department employees.

Nevertheless, compliance reviews of the Agency should be communicated to the Under Secretary and to the Secretary, with the presumption that any corrective actions would be implemented by the Under Secretary unless he determines to appeal to the Secretary.

This would encourage the Under Secretary to consider the merits of review findings and consider changes before involving the Secretary.

The PRESIDING OFFICER. The Chair informs the Senator from Nebraska all of his time has expired. There are 9 minutes 30 seconds remaining to the Senator from Arizona.

Mr. KYL. Certainly, Senator DOMENICI wants to speak to this issue. To the extent we need any further discussion, I am sure we will agree to provide the time for that.

I agree with Senator KERREY; the more bipartisan this is the better. I say the first goal is security. Frankly, I detect a flaw in the exact wording of this amendment. If we can eliminate that flaw and thereby achieve bipartisan consensus on this point, obviously, that is a twofer. It not only achieves our policy objective but the political objective of the bipartisan approach as well.

Mr. KERREY. I ask unanimous consent for 2 minutes to speak on this and to respond on our side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERREY. Mr. President, I wonder if there is a chance, rather than going to a motion to table, we can work this out. If we can work it out, it increases the chances of getting a big affirmative vote on this bill, which all of us want.

The Senator from Michigan sees a flaw in the bill and is concerned about national security and concerned about good science. He has a lot of experience in this.

I ask the Senator from Arizona if it is possible we could get the two sides to see if the meeting of the minds we apparently have could lead to an agreement on specific language and acceptance of this amendment, rather than having to get a vote to table or a vote up or down on the amendment with disagreement.

Mr. KYL. We will have to defer. I am advised the majority leader is concerned about the amount of time and is desirous of having a vote as soon as possible. I think perhaps after Senator DOMENICI has spoken, we should confer and attempt to resolve this very quickly along the lines the leader has requested.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I hope this issue does not in any firm manner split the Senate. It seems to me that need not be the case.

I want to read from the original Rudman report and then I will try to put quickly into a framework why we think we have complied with what the distinguished Senator, the ranking member of the Department of the defense authorization committee, Senator LEVIN, is concerned about.

I am reading from page 46 of the report:

The panel is convinced that real and lasting security and counterintelligence reform of the weapons lab is simply unworkable within DOE's current structure and culture. To achieve the kind of protection that these sensitive labs must have, they and their functions must have their own autonomous operational structure free of all the other obligations imposed by DOE management.

Actually, when you read that and you read the letter that came some 3 or 4 weeks after the report from the panel, talking about clarification, the best you can conclude is that it is not absolutely clear how we should do this. I submit that when you read the clarifications that were proposed with reference to the issue before us, we have solved that issue in this bill. I hope those who are thinking they can vote against the bill if we do not do this will understand.

On page 2 of the bill, as said a number of times, we have made it eminently clear that the Secretary is the ultimate authority; the Secretary, not the new Under Secretary. We have said:

There shall be within the department a separately organized agency under the direction, authority and control of the Secretary.

...

I do not read the rest of the sentence, but that is what it says. Then it says, at the request of the distinguished Senator from Nebraska, Senator BOB KERREY, paragraph C:

The Secretary shall be responsible for all the policies of the agency.

Then, at the request of others because they wanted to make sure the Secretary could use other Department people to help him—that is, the big Secretary—we said:

The Secretary may direct other officials of the Department who are not within the agency to review agency programs and make recommendations to the Secretary regarding the administration of such programs . . .

And then—I read the next part very slowly:

. . . including consistency with similar programs and activities in the Department.

I read that, and other things in this bill, to say that those who are putting this bill before us to straighten up the Department and give us some security and counterintelligence that is reliable have, to the best of our ability, provided the Secretary and the new Agency with precisely what the Rudman board recommended. First, they wanted autonomy. I read that: It should be a structure free of all other obligations of the DOE. Yet it goes on in the supplemental report, or the letter of transmittal, saying here is our final interpretation of conflicts. It talks about

some policies that ought to be consistent across the Department.

I do not believe we need to put language in that charges the Secretary with putting these policies that are departmentwide in place and then saying this new Agency is bound by them. I think the room ought to be there for the new Agency to prepare its programs in this regard, be it on the environment, be it on management, be it on safety, be it on whatever. The Secretary still has the overriding authority, if he chooses, to say: I have selected some members of the staff of the Department, we have reviewed it carefully, and we recommend that you change something because we want you to be more in harmony with the Department.

But to create a structure that is semiautonomous and then say whatever policies the Secretary pronounces that are departmentwide are binding on this Agency is to deny the Agency the autonomy right up front and to set the presumption in the wrong place. So I hope we do not do that. I am willing to clarify it, if it needs to be clarified further, but I do not think we need this provision ripping at the autonomy at the very outset, waiting around to see what the departmentwide rules are before you can implement this. I just think that is the wrong way to go.

Having said that, I want to recapitulate where we are going for just a moment. The amendments that have been offered so far have been offered on the Democrat side. Senator BINGAMAN and I have one we are going to offer together, that we have resolved and the Senate is going to accept, with reference to work for others within the laboratory, which has been an issue of concern. Then I understand there are a couple more amendments.

I want to say to my friend, Senator BINGAMAN, I know he has an amendment with reference to the environment. Since I have not offered an amendment, I am going to offer an amendment on the environment before he offers his. I am hopeful it will clarify the situation and he may not offer his. But if he chooses to, we will have one on the environment, safety, and others, so as to make it eminently clear we do not intend to exculpate this new Agency from any of the national environmental laws or the national laws with reference to safety. We never intended to. We will make it clear.

Beyond that, we have a little bit of time left. I, myself, am going to run out of time to be able to be down here working on this, but if the Senator thinks another 10 minutes of effort together will help—might I do it this way? Might I ask, how much time do we have left?

The PRESIDING OFFICER. The Senator has 1 minute 20 seconds remaining. The Senator from Michigan has 52 seconds remaining.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent, if we have not reached conclusion of this amendment, that we vote on or in reference to this amendment at 1 o'clock.

The PRESIDING OFFICER. Is there objection?

Mr. SHELBY. Mr. President, reserving the right to object, Senator KERREY has said he would be gone 30 minutes. I indicated to him I would reserve his right to get here before we voted. That will probably be, say, 1:15.

Mr. DOMENICI. I modify my request and make it 1:15.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLARD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLARD. Mr. President, I ask unanimous consent to lay the pending amendment aside and that I be able to speak for 10 minutes on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLARD. Mr. President, I rise in strong support of the Intelligence Authorization Act.

While we cannot discuss the details of the bill, I can say that as a member of the Intelligence Committee, we have provided the necessary funds to the intelligence community to do their job.

One matter of controversy for some is the Kyl-Domenici-Murkowski DOE reorganization amendment. I strongly support this amendment.

In the last year, the Cox report has shown us why we need to improve the security structure at DOE, and the President's Foreign Intelligence Advisory Board, headed by Senator RUDMAN, shows us the way. The Kyl amendment before us is nearly identical to the President's own Advisory Board recommendation.

The President's Advisory Board report states that the problems at DOE are worse than most people could have ever imagined. Quoting from the report:

In response to these problems, the Department has been the subject of a nearly unbroken history of dire warnings and attempted but aborted reforms . . . sSecond only to its

world-class intellectual feats has been its ability to fend off systematic change.

I know that Secretary Richardson has put forward a reorganization plan, and I commend him for taking the initiative. I have known him for some time and I know he is doing what he believes is right for the Department. However, my concern is that he will not be the Secretary forever, and I am worried that the Department's "ability to fend off systematic change" will prevail once he leaves.

The only way to fix the security problems are to make radical changes at the Department, as recommended in the DOE study headed by then chairman of Motorola, Bob Galvin.

The amendment before us is not the most "radical" idea which could have been presented. In many ways, I believe that a separate agency for the nuclear programs could be the best way to enhance security, but I am a realist and know that if the amendment before us causes such heartache, I can only imagine the reaction to a separate agency amendment.

Basically, the Kyl-Domenici-Murkowski amendment would establish a separate entity, the Agency for Nuclear Stewardship, within the Department of Energy. The Agency will have clear lines of authority, accountability, and an independent budget. The new Agency will be headed by an Under Secretary of Nuclear Stewardship who reports directly to the Secretary. The Directors of the 3 national labs and the nuclear labs will report to the Under Secretary.

First, I understand the amendment creates a "security czar," for the lack of a better term, who will be in charge of security for all the nuclear lab programs under the Under Secretary. While I understand why this position would be placed under the Under Secretary, I also understand how bureaucracies work and the perception they hold for their hierarchy of authority. That is why I believe the security czar position should be placed directly under the Secretary, if for no other reason than to show that he is in charge and will be held accountable. However, I have also heard the concern that if this person is placed under the Secretary then his attention may be diverted to the other matters outside of the nuclear programs. For this reason, I hope that it will be understood that the security czar has the authority, both real and perceived, and will be solely focused on the real security concerns of the nuclear programs but also with the flexibility to not be tied to nonnuclear concerns.

Second, Secretary Richardson believes that this amendment would only divide the Department into more fiefdoms. I do not agree with this assessment. We must break the nuclear stewardship programs out of the main programs of DOE. This new Agency for

Nuclear Stewardship is too important and sensitive to treat it like the power marketing administrations, fossil energy, or any other area of the Department. The reports from the last year show that we need to break the nuclear programs out and the approach in this amendment will raise the stature of the programs and will improve the security for our nation.

Let me end by stating that after five internal DOE reviews, four outside studies, six GAO reports, and three blue ribbon commissions, it is time to make these much needed changes at the Department. I ask that all my colleagues support the Kyl-Domenici-Murkowski amendment and the Intelligence Authorization Act.

I yield back the remainder of my time. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, Senator BINGAMAN is in the Chamber. I assume the Bingaman-Domenici amendment with reference to work for others is available and ready; is that correct, I ask the Senator?

Mr. BINGAMAN. Mr. President, it is ready. We have it written up in amendment form. We just got it on a sheet of paper. We can easily do that and take another minute or two.

Mr. DOMENICI. I would like to get it done before this vote.

Mr. BINGAMAN. We will put it on the right paper and go with it.

Mr. DOMENICI. I will use the remaining 10, 15, 20 seconds to say we have been looking through the amendments to see if we can see daylight in dealing with the agency for nuclear weapons development. I believe Senator CARL LEVIN has another amendment. We are going to submit to him some language on reporting, the deputy to the Secretary being available for the Secretary to accomplish some of the responsibilities that the Secretary has. We will get with him on that. Hopefully, we can work that out.

Mr. LEVIN. I thank the Senator from New Mexico.

Mr. DOMENICI. Senator BINGAMAN has an environment and safety amendment. I will have one I will offer ahead of that. Perhaps it can be accepted and Senator BINGAMAN can offer his after it. We will work on that. It seems to me, other than the alleged, talked-about substitute, which I know nothing about, which I assume will be ready—is that correct, I ask Senator LEVIN? It will not cause us a long delay to have that available?

Mr. LEVIN. That is correct, depending on the actions of the Senate prior

to that. It should not take more than perhaps 10, 15 minutes to prepare after we are done with all the amendments.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

#### PRIVILEGE OF THE FLOOR

Mr. LEAHY. Mr. President, I ask unanimous consent Katy Lampron, of my staff, have privileges of the floor throughout today, including all votes today.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BUNNING). Without objection, it is so ordered.

Mr. BYRD. Mr. President, I have some rather brief remarks that will probably take me 15 minutes. Is this a time when I might speak out of order?

The PRESIDING OFFICER. The vote is scheduled to occur at 1:15.

Mr. BYRD. Mr. President, if there is no objection, I would like to proceed. I ask unanimous consent that the vote be delayed for an additional 5 minutes or whatever.

Mr. LOTT. Mr. President, certainly I do not object for such a reasonable request from the Senator. But I would hope there would be no further delay. We had intended to vote at 12; then we were told 12:30, 12:40, 1:15, and now it is 1:20. I know there is an effort being made to work it out, and that is very commendable, but I think we need to have a recorded vote. I will not object, but I plead with Senators, let's vote at 1:20.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the distinguished majority leader.

I do not take the time of the Senate very often. I try not to impose upon other Senators or upon the Senate. But I noted a series of quorum calls, so I felt this might be a good time for me to speak.

#### EULOGY FOR JFK, JR.

Mr. BYRD. Mr. President, the small, serious, tousled-hair lad seemed, even at the tender age of 3, to know just the

right thing to do. With a straight back and a smart, entirely proper, military salute, John F. Kennedy, Jr. expressed the grief of an entire nation with a dignity far beyond his years. He was only 3, yet he gave the Nation a lasting, memorable, indelible image, an image that is remembered by millions and captured on videotape for generations to come.

Now John F. Kennedy, Jr. has, himself, been lost at an age far too young for easy acceptance by a country which had affectionately watched him grow to manhood. His untimely death feels as heavy and oppressive as the too hot, too dry summer in which he lived his final days.

Words fail to express the special deprivation that the human spirit feels when the young, the beautiful, the handsome, the vital among us are suddenly taken from our midst before they have fulfilled their potential promise. Especially, in this case, the mind reels at the spectre of yet another Kennedy, taken too soon, yet another unbearable sorrow for this family which has had so much sorrow to bear. Yet this incredible American family will undoubtedly once again demonstrate to the Nation that they will endure, and that it is how one lives, and not how one dies, that ultimately matters.

John Kennedy, Jr., his wife, Carolyn, and his sister-in-law, Lauren Bessette have vanished in the summer night in the springtime of their years, and our hearts go out to the Bessette and the Kennedy families. I am particularly saddened for my good friend, Senator TED KENNEDY. He is a great Senator. He is a great figure on the American political stage. I know that his heart must be broken by this latest family tragedy, yet I am confident that his expansive spirit and his deep faith in God will see him safely to a harbor of peace and of comfort.

My wife, Erma, and I offer our prayers and our deepest sympathies to him and to the families at this saddest of sad times.

TED KENNEDY, in July of 1996—3 years ago—presented to me a book titled "American Poetry."

I have chosen a bit of poetry by Nathaniel Hawthorne from that book for the RECORD today. It seems to me that it is most appropriate for this occasion.

The title of this poem is "The Ocean."

The Ocean has its silent caves,  
Deep, quiet and alone;  
Though there be fury on the waves,  
Beneath them there is none.  
The awful spirits of the deep  
Hold their communion there;  
And there are those for whom we weep,  
The young, the bright, the fair.  
Calmly the wearied seamen rest  
Beneath their own blue sea.  
The ocean solitudes are blest,  
For there is purity.  
The earth has guilt, the earth has care,  
Unquiet are its graves;

But peaceful sleep is ever there,  
Beneath the dark blue waves.

Mr. President, what is the scheduled time for the vote?

The PRESIDING OFFICER. At 1:15.

Mr. BYRD. I thank the Chair.

Mr. President, I am going to honor the request by the distinguished majority leader, and I am going to yield the floor now. But I will ask unanimous consent that immediately after the vote, I may be recognized to make a second speech, to which I had alluded earlier, which will probably require no longer than 15 minutes at that time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. I thank the Chair, and I yield the floor.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000—Continued

AMENDMENT NO. 1262 TO AMENDMENT NO. 1258

Mr. BINGAMAN. Mr. President, there is an amendment that Senator DOMENICI, Senator REID, and I have agreed to, which I offer at this time and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for himself, Senator DOMENICI and Senator REID, proposes an amendment numbered 1262 to amendment No. 1258.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 213 of the Department of Energy Organization Act, as proposed by subsection (c) of the amendment, strike subsection (o) and insert the following new subsection (o):

(o)(1) The Secretary shall ensure that other programs of the Department, other federal agencies, and other appropriate entities continue to use the capabilities of the national security laboratories.

(2) The Under Secretary, under the direction, authority, and control of the Secretary, shall, consistent with the effective discharge of the Agency's responsibilities, make the capabilities of the national security laboratories available to the entities in paragraph (1) in a manner that continues to provide direct programmatic control by such entities.

Mr. BINGAMAN. Mr. President, I am very pleased that we could get agreement to offer this amendment. It is a

joint amendment that Senator DOMENICI, Senator REID, and I have participated in drafting. It tries to ensure that our national laboratories, particularly those that are focused on defense-related activities and our nuclear weapons capability, are open to do other work, work for other parts of the Department of Energy, work for other agencies of the Government, and work with industry, where appropriate.

We provide what the Secretary needs to ensure that this is the case, and that the Under Secretary, working under the direction of the Secretary, shall make the capabilities of the national laboratories available to these other entities that want to perform work there, and that these entities shall be able to do so in a manner that continues to provide them with direct programmatic control of the activities they are sponsoring at the laboratories.

Mr. President, this concern has been for the future of civilian research and development at the DOE laboratories that carry out defense-related research. I was concerned that the Kyl amendment was setting up an architecture for these laboratories that well may make it more difficult to carry out civilian-related research. We don't want to wake up, 5 years from now, and discover that this architecture dictated the destiny of those laboratories in unfortunate ways.

I don't quarrel with the notion that these labs have, and should continue to have, nuclear weapons as a core mission. But it seems to me that the task of science-based stockpile stewardship cannot succeed unless these labs are fully integrated into the larger world of science and technology.

I believe that the civilian R&D programs at Sandia, Los Alamos, and Lawrence Livermore National Laboratories play a critical role in attracting and keeping the best people in those laboratories. By civilian R&D, I am talking about the work funded at the laboratories by DOE programs other than the defense programs, programs funded by other civilian agencies of the government, and technology partnerships with industry.

There have been numerous cases where this civilian R&D has provided new ideas for defense-related technical activities. In other cases, this civilian R&D has helped maintain core competencies at the labs needed for their defense missions. Our national security, in my view, would be damaged in the long run if these institutions stopped being national laboratories and just had a weapon focus.

My colleagues and co-sponsors agree with this assessment. It is basic to a number of provisions of law that we have enacted in past Congresses, particularly the National Competitiveness Technology Transfer Act of 1989, which I sponsored with Senator DOMENICI.

The findings of that bill are as relevant today, 10 years later, as they were when we passed that bill as part of the Defense Act that year.

Last week, before the Committee on Energy and Natural Resources, we heard testimony from one of DOE's most distinguished laboratory directors, Dr. Burt Richter. He's the head of a civilian DOE laboratory, but has a long acquaintance with the defense side of DOE. He stated, "one has to face the fact that maintaining the credibility of a nuclear deterrent is not the most exciting job in science these days", underlining the issues of attracting and retaining personnel. But he says, "it needs some of the best people to do it".

He then went on to say, "The scientists at the weapons labs have to be able to interact with the rest of the scientific community, because all of the science needed for stockpile stewardship is not in the weapons labs, and the best people will not go into isolation behind a fence in today's world." He concluded by reminding us, "This is not World War II."

I think that he's right. In creating this new Agency, we need to make sure that we are not damaging one of the most precious assets for which the Department of Energy is the custodian.

I think this is an important clarification, an important provision to add to the bill. I appreciate the cooperation of my colleague in getting agreement on the amendment. I hope the Senate will adopt it.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I may proceed for 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I think this is a good amendment. I was pleased to work with the Senator BINGAMAN and Senator REID in getting it developed. I thank our staff.

We are very proud that the laboratories do work for others. That means the Department of Defense and the private sector; it means other agencies of the Federal Government and work for the Department in other areas besides nuclear. It is important, and we knew it from the very beginning, that this flexibility and ability to do such work be protected to the maximum extent in the new configuration and management scheme.

I believe we have done that. It will not detract from its principal mission, which is the subject matter of the amendment, creating a new agency within the Department, but it will assure that these jewels of research, which are the three nuclear deterrent laboratories, remain at the high level they have been for many, many decades. That means it will work for others, thus attracting the very best scientists.

We think this can be done and protect intelligence and counterintelligence activities within the laboratories.

We have no objection on our side, and I don't assume there is any on the other side.

Mr. BINGAMAN. Mr. President, there is no objection here.

Mr. REID. Mr. President, I think we are all in agreement that the quality of American science benefits from participation by the national security labs.

And, I think all would agree that the quality and character of our nuclear stockpile benefits from non-weapons research and development at these labs.

The national weapons labs are truly multi-program labs that apply their skills and facilities, unmatched anywhere in the world, to the solution of critical nondefense problems as well as defense problems.

I do not believe for one moment that any of the bill's sponsors intend to isolate the weapons labs from their scientific roots.

But I do believe that the amendment's restrictive language that assigns direct responsibility and authority to the Under Secretary for Nuclear Stewardship for "all activities at the Department's national security laboratories, and nuclear weapons production facilities" will do just that.

For example, the Director of the Office of Science is responsible for research in high energy physics, a topic of particular interest and skill at the weapons labs.

But, according to the amendment, the Director has no authority over high energy physics work that might be performed at Lawrence Livermore National Lab.

According to the amendment, only the Under Secretary for Nuclear Stewardship can have responsibility and authority for work at that lab.

Mr. President, I suppose that the Director of the Office of Science could simply "trust" the Under Secretary to do the "right thing", but that is not the way things normally work.

A far more likely outcome in my opinion would be that the Director would choose to assign work to a University or other source of skills, regardless of the lost opportunity at these superb weapons labs—just in order to retain authority over things for which the Director is responsible.

In the same way that the Secretary needs to retain authority over functions for which he is responsible, other functionaries in the Department need to retain authority over work for which they are responsible.

There has been unanimous agreement among my colleagues on both sides of the aisle as well as among the members of the President's Foreign Intelligence Advisory Board that no person should be assigned responsibility without appropriate accompanying authority.

So I think we should be able to agree on this matter.

I understand that we are very near agreement on this matter with some differences remaining between whether it is the Secretary or the Under Secretary who ensures that the national security labs remain available for appropriate scientific work for other agencies and other parts of the Department.

I hope we can arrive at some common ground on this issue.

It does not seem wrong to me to call for the Secretary to establish policies regarding the availability of the national security labs since the Secretary is, according to the underlying amendment, responsible for all policies at the Department of Energy.

So I hope my colleagues can continue to work toward a bipartisan agreement that will strengthen this legislation and allow it to endure.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1262. Without objection, the amendment is agreed to.

The amendment (No. 1262) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. BINGAMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### VOTE ON AMENDMENT NO. 1261

Mr. DOMENICI. Mr. President, I ask for the yeas and nays on the Levin amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1261. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAIG) is necessarily absent.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY) is necessarily absent.

The PRESIDING OFFICER. (Mr. VOINOVICH). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 44, nays 54, as follows:

[Rollcall Vote No. 215 Leg.]

#### YEAS—44

Akaka	Dodd	Kerry
Baucus	Dorgan	Kohl
Bayh	Durbin	Landrieu
Biden	Edwards	Lautenberg
Bingaman	Feingold	Leahy
Boxer	Feinstein	Levin
Breaux	Graham	Lieberman
Bryan	Harkin	Lincoln
Byrd	Hollings	Mikulski
Cleland	Inouye	Moynihan
Conrad	Johnson	Murray
Daschle	Kerrey	Reed

Reid  
Robb  
Rockefeller

Sarbanes  
Schumer  
Torricelli

Wellstone  
Wyden

#### NAYS—54

Abraham	Frist	McConnell
Allard	Gorton	Murkowski
Ashcroft	Gramm	Nickles
Bennett	Grams	Roberts
Bond	Grassley	Roth
Brownback	Gregg	Santorum
Bunning	Hagel	Sessions
Burns	Hatch	Shelby
Campbell	Helms	Smith (NH)
Chafee	Hutchinson	Smith (OR)
Cochran	Hutchison	Snowe
Collins	Inhofe	Specter
Coverdell	Jeffords	Stevens
Crapo	Kyl	Thomas
DeWine	Lott	Thompson
Domenici	Lugar	Thurmond
Enzi	Mack	Voinovich
Fitzgerald	McCain	Warner

#### NOT VOTING—2

Craig Kennedy

The amendment (No. 1261) was rejected.

Mr. SPECTER. I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 15 minutes.

#### ONLY A DRIZZLE IN AN EMPTY BUCKET

Mr. BYRD. Mr. President, farmers across America are experiencing hard times. This year, the difficulties of farmers in the northeast and central-Atlantic regions of America have been made worse by a serious lack of rainfall for many, many weeks.

West Virginia's farmers have been especially hard hit by the drought of 1999. No significant rainfall has drenched the scorched earth in my State since May 15. On May 28 the Governor of West Virginia declared an Agricultural State of Emergency for West Virginia. At that time, the U.S. Department of Agriculture's State Emergency Board for West Virginia concurred with that decision. Now farmers await a decision by the U.S. Department of Agriculture that would permit much needed federal emergency assistance funds to be dispensed.

We know that here in Washington, in northern Virginia, in the Maryland suburbs, and on the farms nearby, the ground is dry. We can look out our windows and see that where there was once soft green grass growing, there is now a crispy, lifeless carpet of beige. Where there is no grass, cracked, dusty earth remains. I know that my tomato plants have needed extra watering to keep them growing up their stakes, but these are merely part of my backyard small garden that I sow for pleasure. My life will not drastically change if I fail to bring in a tomato crop. That is not true for those whose livelihood depends upon it.

Close your eyes and take a moment to imagine this: you have been looking

to the sky for two months praying that the clouds will release a downpour, but no drops fall. Your corn plants that should be up to your shoulder by the fourth of July in a normal season, remain below your knees. They are short stems shriveling slowly on acres and acres of parched land. You have moved your herd to your last pasture. In a short period of time the animals have grazed it over so thoroughly that nothing remains but unpalatable dried-out grass stubble. Your pastures have been grazed over so thoroughly that you are now, during the middle of the summer, when lengthy pasture grasses should blow in the gentle summer breeze, and naturally produced resources should be plentiful, feeding your animals with purchased hay and grain as though it were the desolate season of winter. Even though they are being fed enough to gain weight, the extreme heat is causing them so much stress that they are losing weight. It is impossible to keep them cool and comfortable. The pond on your farm that you use as a source of water for your animals is slowly, slowly becoming a puddle. The stream that runs through the far end of your property first became a muddy trickle, but now is becoming dusty and cracked. When you turn on the tap, try to flush your commode, or bathe, no water flows. You instead must travel every day to a truck parked in the middle of your town to get a couple of gallons of water for you and your family to drink. Even if it rains today or tomorrow, you begin to wonder if it will make any difference to you. You have fallen on hard times before as an Appalachian farmer. Times are often lean in that region. Now, in desperation, you begin to think about what you could do if you were not a family farmer.

This is a very real situation for the farmers in West Virginia and in many areas of the country. The most serious impact of the drought on farmers is having to purchase feed for their animals. Under normal conditions, there are regions in West Virginia where farmers can grow two or three cuttings of hay in a year. They use this hay to feed their animals.

Last year's cuttings were thin, and this year's have been even thinner, with farmers barely being able to make one cutting! So, as I mentioned earlier, the farmers have begun to purchase feed. This does not bode well for the winter, either, as farmers will have to rely on purchasing expensive hay and grain brought in from outside the drought areas, or face the prospect of selling off their underweight stock for little or no profit or at a loss. Farmers will not be able to afford to keep feeding their animals in this way. West Virginia's farmers fear that they may lose their farms—not just lose their crop, lose their farms—if they must wait until next spring to receive U.S. Department of Agriculture assistance,

which is how long it would take for the funds we appropriate to reach them if appropriations are completed on time, as I hope they will be. West Virginia farmers need Federal assistance now.

And the same can be said for Maryland farmers and Virginia farmers and others. Nearly \$2.9 million in Federal emergency aid for energy assistance was released through the Department of Housing and Urban Development Low Income Home Energy Assistance Program on Monday, July 12. Hopefully our farmers who have been having a difficult time keeping their animals cool will be allowed a portion of these funds. However, this is a tiny drop of water in a very empty State bucket where it is estimated that the drought has caused \$50 million in damages.

Regulations allow farmers to become eligible for emergency assistance when they have suffered at least a 30-percent loss of normal production in a single enterprise. In West Virginia, which is not a large State and certainly not a large farming State, according to the most recent statistics available, which were calculated in the middle of June, in all but 3 counties 40 to 50 percent of grass hay production has been lost for this year. It has been lost. In 17 West Virginia counties, 35 percent of corn production has already been lost—already been lost; 40 percent of tobacco has been lost; 50 percent of pasture—50 percent of pasture has been lost. A dozen other counties have experienced at least a 10- to 20-percent loss of corn, tobacco, and tobacco crops; a 30- to 50-percent loss of pasture; and a 20- to 40-percent loss of their truck crops, such as apples and peaches, grown for table consumption. Twenty-three other counties have lost 10- to 30-percent of their alfalfa hay, 40- to 50-percent of their pasture, 10- to 30-percent of their corn, and 25- to 30-percent of other grains.

So I remind those listening and those who are watching through the electronic cameras that these statistics are from the middle of June. Now, weeks later, after a continued period of scorching temperatures, and arid conditions, it is expected that a statistical report that will be generated later this week will show significant losses occurring in every one of the 55 counties of the great State of West Virginia.

The Federal Government has established mechanisms that are intended to aid Americans in times of crisis. However, when these mechanisms are slow to work, difficulties have a tendency to grow, and greater assistance becomes necessary. As we have often heard, "One stitch, in time, saves nine." In the case of farmers, if nothing is done, and the farmer is forced to abandon the land that he has worked, it is likely that this land will not be reclaimed next year or the year after as a family farm. A farm is not a machine that can be shut down temporarily until some-

one is ready to work on it again or conditions make it profitable. Farming is, by its very nature, a cyclical industry that every now and then needs the support of the Federal Government.

America can never afford to not help its farmers. Now is the time to help farmers and I speak particularly of West Virginia farmers, of course. If we fail to help them now, they will not be able to survive. Farmers are losing out on every side of their industry. Prices have been, and continue to be, low, the weather is slowing or eliminating crop production, crop insurance payback is so low that it may not even cover costs, and springs and farm ponds are drying up. There are no resources left from which to draw.

Farmers have always been an essential part of the fabric that makes America great. "God made the country but man made the town." And from the country is where America gets much or most of its sustenance—not just America but also the world, many nations in the world.

We cannot forget these farmers. We cannot forget them now like a child forgets a once-treasured security blanket that has become worn and he has now outgrown. Therefore, I am urging that West Virginia be granted Federal disaster area status so that farmers will receive immediate Federal assistance that will enable them to continue to work their land and raise their animals.

I have talked with the Secretary of Agriculture, Mr. Glickman, and he has indicated that as soon as he is supplied with the sufficient data from the State, adequate and careful and prompt consideration will be given. But I have to say that time waits for no one and the clock waits for no one and the farmers' problems cannot wait. We must have help. We need it and the sooner the better.

Mr. President, I thank the Senate and I yield the floor.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CRAPO). Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that I be permitted to speak for up to 6 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### RESPECT AND ADMIRATION FOR THE KENNEDY FAMILY

Mr. LAUTENBERG. Mr. President, I want to take a few minutes to talk



about the events that have weighed so heavily on all of us. Whether one knows Senator KENNEDY well or casually through contact in the Senate, one cannot but have respect and admiration for the contribution the Kennedy family has made to our public well-being for so many years. That is why I am sure others share the same feeling of grief as I do, and others who know the Kennedy family well, at the loss of John F. Kennedy, Jr.

When the news came—and I was on my way to Martha's Vineyard—that the young Mr. Kennedy's airplane was missing, we all, I am sure, had the same reaction—let's pray that it is not true, that there is some information that will come out that will prove to be worry-unfounded. Unfortunately, our worst fears were realized. This day, apparently, the discovery has been made that confirms the death of John F. Kennedy, Jr., 38 years of age.

One of the remarkable things we saw in this young man was the way he treated his position in life, coming from a famous family, with all of the celebrity status one could imagine, from a family that has seen tragedy after tragedy after tragedy.

I had an opportunity, a year ago Christmas week, to sit with Michael Kennedy and his young sons on the morning of the day he perished on the ski slopes below. We actually skied together for a while in the morning. I visited with his brother that night to see if I could be of any help to the family in managing the affairs they had to put in order. It was very sad.

When John F. Kennedy, Jr.'s life was just really beginning to flourish, it is hard to understand what it was that took this young man so full of life. The imagery of John F. Kennedy, Jr., was the same imagery that we had, in a way, of John F. Kennedy, Sr., President of the United States—attractive, intelligent, concerned about the well-being of our country, trying always to lift the opportunity and the spirits of those who in America depended so much on government and individual leadership. John F. Kennedy, Jr., evoked the same imagery—of this attractive young man, of this bright, intelligent, caring person, eschewing the spotlight whenever he could, trying to become part of the society in which we all live.

His early death will prevent what all of us believe was so much talent and so much future. Any of us who have worked with TED KENNEDY—and I have now for 16 years—only gains respect the longer we know Senator KENNEDY. His accomplishments are legendary, but his commitment to people—rich, poor, those who have needed help—is without reservation. We have seen an energized Senator KENNEDY over at his desk, stating the causes and cases he is concerned about. And to see them, the whole Kennedy family, put into the

grief can only be imagined by those who have their family intact without the trail of misfortune that has followed the Kennedy family.

So I just came in, for the RECORD, to make some comments to register my feelings, as I know so many others have, of grief for the families of John F. Kennedy, Jr., his wife, and his sister-in-law, the Kennedys and the Bessettes.

We hope his life will inspire us to give whatever we can by way of service to our country, to recognize the advantages we have as citizens of the United States, not to be discouraged by this untimely tragedy but, rather, to be motivated to try to do better.

Mr. President, I hope we will reserve appropriate time, collectively, to acknowledge our share of feelings for the Kennedy family and the grief they are going through.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BUNNING). Without objection, it is so ordered.

#### INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000—Continued

Mr. DOMENICI. Mr. President, I ask unanimous consent that the junior Senator from Missouri, Mr. ASHCROFT, be made an original cosponsor of the Kyl amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank the Chair.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I note the presence on the floor of my colleague, Senator BINGAMAN. I will shortly send an amendment to the desk on behalf of myself, Senator BINGAMAN, Senator LEVIN, Senator LIEBERMAN, and Senator REID.

Let me suggest, first, that this has been worked out during very serious discussions, and I think it turned out to be a very good amendment.

Senator BINGAMAN has played a vital role in it. He has been concerned and wants to make sure that it is eminently clear that this new semi-autonomous Agency complied with the applicable environmental, safety and health rules, and laws.

I will read quickly a couple of sentences of the amendment and yield to my friend, Senator BINGAMAN, and see if we can agree. We have no objection on our side. I don't believe he has any on his side.

This is section (u), in the underlying Kyl-Domenici-Murkowski amendment. It says:

The Agency for Nuclear Stewardship shall comply with all applicable environmental, safety, and health statutes and substantive requirements. The Under Secretary for Nuclear Stewardship shall develop procedures for meeting such requirements. Nothing in this section shall diminish the authority of the Secretary to ascertain and ensure that such compliance occurs.

AMENDMENT NO. 1263 TO AMENDMENT NO. 1258

Mr. DOMENICI. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for himself, Mr. BINGAMAN, Mr. LEVIN, Mr. LIEBERMAN, and Mr. REID, proposes an amendment numbered 1263 to amendment No. 1258.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 213 of the Department of Energy Organization Act, as proposed by subsection (c) of the amendment, add at the end of the section the following new subsection:

“(u) The Agency for Nuclear Stewardship shall comply with all applicable environmental, safety, and health statutes and substantive requirements. The Under Secretary for Nuclear Stewardship shall develop procedures for meeting such requirements. Nothing in this section shall diminish the authority of the Secretary to ascertain and ensure that such compliance occurs.”.

Mr. DOMENICI. Mr. President, it has always been the intention that this new, semiautonomous agency be subject to applicable environmental, safety, and health rules. The question we had was to make sure the new agency could go about developing their environmental safety and health rules. On the other hand, there was concern that they be bound by the applicable laws and rules. I think this amendment does that.

Then Senator BINGAMAN raised the question which we have just made very clear. I thought it was in the statute. He raised the question about the Secretary making sure there was compliance. As he put it, if something untoward happened of an environmental or safety nature, it needed to be solved. I think we covered that.

I am pleased Senator BINGAMAN had others join in this amendment. I think we will agree to it by voice vote shortly.

I yield to Senator BINGAMAN.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from New Mexico.

Mr. BINGAMAN. I thank my colleague, Senator DOMENICI, for yielding.

I thank him for his willingness to accommodate despite the concerns he just described.

Of course, all of us have intended from the very beginning that all environmental laws be complied with. My concern has been that the Secretary, who is ultimately responsible for the entire Department and for the conduct of the entire Department, Secretary have the wherewithal and the legal authority to be sure that all of these environmental, safety, and health requirements be met.

I believe this amendment adequately meets that concern. I think it is a compromise between a provision I earlier drafted and one that Senator DOMENICI drafted. I think it is a good resolution of this issue. I think it does clarify for all Senators what we intend in this regard.

I am very pleased to cosponsor it. I urge all my colleagues to vote for it.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President I will take just a minute and commend the Senator from New Mexico, Mr. DOMENICI, and also the junior Senator from New Mexico, Mr. BINGAMAN, for their work in bringing this about. I think what they have done is drafted a good amendment. I have no problem with it, and I am sure Senator KERREY doesn't.

I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1263) was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

Mr. SHELBY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENTS NOS. 1264 AND 1265, EN BLOC

Mr. MOYNIHAN. Mr. President, I have two amendments that I believe the distinguished chairman is prepared to accept en bloc, as is the ranking member, as I understand.

They are, first of all, a sense of the Senate, which says:

It is the sense of Congress that the systematic declassification of records of permanent historic value is in the public interest and that the management of classification and

declassification by the Executive Branch agencies requires comprehensive reform and additional resources.

The second measure, in regard to that last phrase, the Information Security Oversight Office, which is charged with administering this Nation's intelligence classification and declassification, would receive an additional \$1.5 million to hire more staff so it can more efficiently manage the program. They are in the National Archives. The Archives asked for \$5 million. They did not get it. This is a small agency. It does indispensable work. It gives you a continuous series of the amount of classification we do and the degree of classification and the agencies that do it.

Mr. SHELBY. Mr. President, have the amendments been sent down?

The PRESIDING OFFICER. Will the Senator send the amendments to the desk.

Mr. MOYNIHAN. I am sorry. Forgive me.

The PRESIDING OFFICER. The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes amendments numbered 1264 and 1265, en bloc.

The amendments (Nos. 1264 and 1265) are as follows:

#### AMENDMENT NO. 1264

On page 5 strike lines 7-12, and insert the following:

#### SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of Central Intelligence for fiscal year 2000 the sum of \$193,572,000. The Information Security Oversight Office, charged with administering this nation's intelligence classification and declassification programs shall receive \$1.5 million of these funds to allow it to hire more staff so that it can more efficiently manage these programs.

#### AMENDMENT NO. 1265

After section 308 insert the following new section:

#### SEC. 309. SENSE OF THE CONGRESS ON CLASSIFICATION AND DECLASSIFICATION

It is the sense of Congress that the systematic declassification of records of permanent historic value is in the public interest and that the management of classification and declassification by Executive Branch agencies requires comprehensive reform and additional resources.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I commend the distinguished senior Senator from New York for offering these amendments. They make sense to me. We have reviewed them. I think Senator KERREY has reviewed them.

I also commend the senior Senator from New York for his past work, not only in the Senate but specifically on the Intelligence Committee, where he

spent a lot of time—a lot of hours, and a lot of years—and understands what we are going through—and what we need to do. Hopefully, this is one of those little steps.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, like Chairman SHELBY, I fully support these two amendments and am enthusiastic as well for the efforts the senior Senator, Mr. MOYNIHAN, has made in the area of secrecy over the years.

I made a point earlier, when we were talking about secrecy, that sometimes secrecy does equal security. We have to have secrecy in order to maintain security. But there are times when secrecy actually makes it harder for us to achieve security. It can make us less secure.

I retold the story in the Senator's book on the Venona project when Omar Bradley made the decision not to inform the President of the United States about Klaus Fuchs and others. As a consequence of believing the President didn't have a need to know, he kept the secret. I think, as a consequence, there was less security for the Nation.

I appreciate and fully agree with the chairman. These amendments are good amendments and should be adopted. I appreciate and applaud and am grateful for the leadership of the Senator from New York on this issue of secrecy.

Mr. SHELBY. Mr. President, I urge adoption of the amendments.

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

The amendments (Nos. 1264 and 1265) were agreed to.

Mr. SHELBY. Mr. President, I move to reconsider the vote.

Mr. KERREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SHELBY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I ask unanimous consent that I may be able to proceed as in morning business for up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### CAMPAIGN FINANCE REFORM

Mr. LEVIN. Mr. President, yesterday, a unanimous consent request was propounded with respect to the Senate's

consideration of campaign finance reform legislation. I objected to the request and I want to explain to my colleagues why I did so.

There is no more important work for this institution than passing campaign finance reform. Despite our good efforts in 1974, following the debacle of Watergate, to limit the influence of money in our political system, we are currently operating without effective limits. We have a law that sets out reasonable limits at \$1,000 for individuals, \$5,000 for PACs, and \$25,000 to a national party. But those limits are easily evaded by the unlimited contributions of soft money. We have, in effect, no limits today.

The 1974 Federal Election Campaign Act has, in effect, been repealed. To return our elections to issues and people and away from money, we must pass campaign finance reform. Since the time agreement is critical to determining how and when we take up campaign finance reform, and perhaps its ultimate success, I wanted to be sure that I understood what the agreement contained. I objected initially on the basis of needing time to review the agreement. Having read the agreement, I do continue my objection to the original unanimous consent proposal, because I believe the agreement is inadequate for the necessary consideration of campaign finance reform.

I am well aware of the opponents' desire to filibuster the McCain-Feingold bill, a bill which is supported by a majority of the Members of the Senate. The opponents have every right to do that, and I respect that right. But supporters of campaign finance reform have every right not to back down in the face of a filibuster.

The unanimous consent agreement proposed that each of us agree that the McCain-Feingold proposal be withdrawn if we do not get 60 votes on the first try to close off a filibuster. But as long as we have a majority of the Members of the Senate supporting passage of campaign finance reform, we should be able to defeat efforts to withdraw the McCain-Feingold bill from Senate consideration. Opponents can filibuster, but supporters don't have to agree in advance to withdraw in the face of that filibuster.

The unanimous consent agreement, however, would require supporters to agree to withdraw if we don't achieve, on the first try, the 60 votes necessary to close off the filibuster.

The unanimous consent agreement said that not sooner than the third calendar day of consideration a cloture motion may be filed on the McCain-Feingold bill, and if cloture is not invoked, the bill will be placed back on the calendar. It then said that it will not be in order during the remainder of the first session of the 106th Congress for the Senate to consider issues relevant to campaign reform. This agree-

ment would lock the Senate into relying on the one cloture vote to determine whether the fight for campaign finance reform, this year, lives or dies.

I cannot agree with that proposal. If we can't at first get 60 votes to close off the filibuster, I can't agree to putting the McCain-Feingold bill back on the calendar and just calling it quits for the year. The proposed time agreement would have us do that.

If it takes an all-out battle to keep campaign finance reform on the front burner of this Congress, I believe we should be prepared to wage such a battle. Opponents say they are prepared to wage such a battle in opposition. Supporters surely feel just as passionately in support of this bill as opponents do in opposition.

Another term of the agreement with respect to the consideration of amendments is also unacceptable to me. The proposed agreement says:

If an amendment is not tabled, it will be in order to lay aside such amendment for two calendar days.

The unusual provision allowing an amendment which the Senate has failed to table to be laid aside for 2 days puts in question whether such amendments will be voted on after they are not tabled prior to the cloture vote. I am afraid this provision would cause more mischief than facilitate serious consideration of key campaign finance issues.

I objected—and do object—to the unanimous consent agreement which was proposed yesterday. But I am, of course, willing to work with colleagues to try to address the concerns that I have.

Again, I want to emphasize that I am speaking as one Senator who was asked to participate in a unanimous consent agreement. The proponents, the sponsors of the bill, of course, with the leadership, have every right to work out any arrangement they see fit.

But to ask unanimous consent from this Senator to agree to proceeding in this form is something to which I objected, and do object, as a Senator.

I thank the Chair.

I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. KERREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000—Continued

AMENDMENTS NOS. 1266 AND 1267 TO AMENDMENT  
NO. 1258, EN BLOC

Mr. KERREY. Mr. President, I send two amendments to the desk—one on behalf of myself for Senator SHELBY, and the other for Senator FEINSTEIN.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Nebraska (Mr. KERREY) for Mr. SHELBY and Mrs. FEINSTEIN, proposes amendments numbered 1266 and 1267 to Amendment No. 1258, en bloc.

Mr. KERREY. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments en bloc are as follows:

AMENDMENT NO. 1266 TO AMENDMENT NO. 1258

Following section (213)(t) add the following new subsection to section 213 as added by the Kyl amendment:

“(u) The Secretary shall be responsible for developing and promulgating Departmental security, counterintelligence and intelligence policies, and may use his immediate staff to assist him in developing and promulgating such policies. The Under Secretary for Nuclear Stewardship is responsible for implementation of all security, counterintelligence and intelligence policies within the Agency for Nuclear Stewardship. The Under Secretary for Nuclear Stewardship may establish agency-specific policies unless disapproved by the Secretary.”.

AMENDMENT NO. 1267 TO AMENDMENT NO. 1258

On page 6, line 13 following the word “report” insert: “, consistent with their contractual obligations.”.

Mr. KERREY. Mr. President, these two amendments have been agreed to on both sides.

The first one was the agreed-upon amendment between Senator LEVIN and Senator KYL. We took my language and the language of Senator SHELBY and merged them. There is agreement on both sides. I think this and the reporting requirements of Senator FEINSTEIN are excellent additions to the bill.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I concur with Senator KERREY.

I commend Senators LEVIN, KYL, DOMENICI, MURKOWSKI, and others who brought about the progress on the bill.

I urge adoption of the amendments en bloc.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

The amendments (Nos. 1266 and 1267) were agreed to.

Mr. SHELBY. Mr. President, I move to reconsider the vote.

Mr. KERREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. Mr. President, I extend my appreciation to the managers, the good Senators, who have worked very hard to adopt this language.

This implements the heart of the amendment which I previously offered. I want to read it so that people who are following this debate—it is very

short—can understand why this is important.

The amendment reads:

The Secretary shall be responsible for developing and promulgating Departmental security, counterintelligence and intelligence policies, and may use his immediate staff to assist him in developing and promulgating such policies.

With one minute change, that is the same sentence which was previously in my amendment.

The next sentence is:

The Under Secretary for Nuclear Stewardship is responsible for implementation of all security, counterintelligence and intelligence policies within the Agency for Nuclear Stewardship.

I think that is basically the previous language.

The one change is really in the third sentence, which is now with this amendment:

The Under Secretary for Nuclear Stewardship may establish agency-specific policies unless disapproved by the Secretary.

That was the intention of the third sentence in effect. Senator KYL thought it was an important change and would clarify a point. We accept that.

We thank Senator KYL, as well as our other colleague, Senator DOMENICI, and others who have worked on this language. This language is fully acceptable to me, because it does indeed carry out the language for the most part in the spirit, in toto, of the previous amendment.

I thank our colleagues.

Mr. KERREY. I didn't hear everything the distinguished Senator said. He read, I think, an earlier draft. I don't think he meant to. The word "all" in the first sentence had been stricken.

Mr. LEVIN. The draft given to me had that in it, and I read it, but it was stricken in the actual amendment sent to the desk.

I thank the Senator for that correction.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SESSIONS). Without objection, it is so ordered.

AMENDMENT NO. 1268 TO AMENDMENT NO. 1258  
(Purpose: To provide for the delegation to the Deputy Secretary of Energy of authority to supervise and direct the Under Secretary of Energy for Nuclear Stewardship)

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Michigan [Mr. LEVIN] proposes an amendment numbered 1268 to amendment No. 1258.

In the fourth sentence of section 213(c) of the Department of Energy Organization Act, as proposed by subsection (c) of the amendment, insert after "to any Department official" the following: "other than the Deputy Secretary".

Mr. LEVIN. Mr. President, this amendment makes it possible for the Secretary of Energy to fully utilize his Deputy Secretary. The Deputy Secretary of Energy, as with the Deputy Secretary of Defense, is the No. 2 person in the Department. The Secretary of Energy simply must be allowed to rely on his deputy to serve in his absence, to help with the running of the Department when he is absent and, indeed, to effectively be his alter ego.

To be useful to the Secretary and perform his job, the Deputy Secretary must be involved fully in every facet of the business of the Department. This amendment will allow the Deputy Secretary to carry out that very important function.

The bill will now have that change, that the Secretary may not delegate to any departmental official other than the deputy the duty to service or direct the Under Secretary for Nuclear Stewardship.

This is a very important change. I thank the managers for their support of this change. I believe it has broad support. I hope it will pass.

The organizational chart contained in the Rudman panel report, which graphically displays the panel's recommendation to create a new separately organized Agency for Nuclear Stewardship, includes the Deputy Secretary in the same box as the Secretary. The amendment before the Senate today, however, is silent with respect to the duties and responsibilities of the Deputy Secretary.

The absence of any reference to the Deputy Secretary of Energy could be simply an oversight. But given the language in the underlying amendment that prohibits all others in the Department of Energy, except the Secretary, from supervising or directing the new Agency or its staff, I believe the role of the Deputy should be clearly spelled out.

Each of the separately organized agencies of the Department of Defense, cited as organizational models by Senators Rudman's panel, relies heavily on the involvement of the Deputy Secretary of Defense. Indeed, the Deputy Secretary of Defense has a full delegation of responsibility from the Secretary of Defense to act for the Secretary.

This amendment removes the potential for confusion about the role of the Deputy Secretary of Energy and is consistent with the organizational charts contained in the Rudman panel report that describe the organization of the new Agency for Nuclear Stewardship.

Mr. KERREY. Mr. President, I think it is a good amendment. I believe the amendment has been cleared by Senator DOMENICI as well. I don't think there is any problem with this amendment at all. I think it is a good amendment and a good improvement in the bill.

Mr. SHELBY. Mr. President, I agree with the Senator from Nebraska. This is an agreed-on amendment. A lot of work has gone into it. I commend the Senator from Michigan, the Senator from Arizona, and also the Senator from New Mexico in fashioning this with their staff.

I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on the amendment.

The amendment (No. 1268) was agreed to.

Mr. SHELBY. I move to reconsider the vote.

Mr. KERREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SHELBY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, the amendments which we have just adopted improve the underlying provision. Nevertheless, there are some important concerns that were raised, and I want to take a moment to address them and speak to the hope they be addressed in conference. Let me go through some of these concerns.

First, section (k) of the amendment prohibits anybody in the Department except for the Secretary and Deputy Secretary from providing supervision or direction to the Agency for Nuclear Stewardship.

That could prohibit certain specific statutory authorities found in other laws from being implemented. For instance, the Chief Financial Officers Act established some very specific authorities and duties for chief financial officers. They must direct all aspects of a department's fiscal policy.

Second, the same is true for the Inspector Generals Act. The inspector general has independent investigatory authority over the entire Department of Energy, including the new Agency. This authority includes the authority to direct and conduct investigations unimpeded. To conduct the investigations, the inspector general has, by law, full access to everyone in the department.

Those two important pieces of law, existing legislation, are key tools in avoiding waste, fraud, and abuse. I do

not believe that we can nor should nor perhaps even intend in this amendment, this underlying amendment, to modify them. But it is unclear and I hope it will be clarified in conference so we do not impede the operation of those laws by this language.

Third, the method of appointing certain employees of the new Agency, in my judgment, violates the appointments clause of the Constitution. For instance, in section 213 (j)(1), the amendment says that "the Under Secretary shall, with the approval of the Secretary and Director of the Federal Bureau of Investigation, designate the chief of Counterintelligence. . . ." That responsibility, making an appointment, is, under the appointments clause, restricted to the Secretary or the President of the United States. I do not think we can delegate that authority by statute to this new Agency Director.

Fourth, there are certain restrictions on how the head of the new Agency submits reports to Congress, which I believe run afoul of the separation of powers doctrine.

Fifth, there are still too many restrictions on the Secretary's authority to control and direct the Agency.

Sixth, there are provisions which establish new relationships between the Department of Energy contractors and Federal employees of the Department. Those relationships may violate the current operating contracts for DOE facilities. More important, these new relationships may make these contractor employees Federal employees for certain purposes, such as the Federal Authority Claims Act, the Federal Drivers Act, and the Federal ethics statutes.

These are a few of the statutes that could be interpreted as being applicable to contractor employees, raising new issues of liability and responsibilities. I believe the implications of these should be and must be fully understood before we finally adopt a law in this area, a reorganization of this Department, and a conference report which contains any such implications or changes.

These issues and others should be addressed in conference on this provision. I wanted to highlight them now for our colleagues. We have made some progress on this underlying amendment, on the amendment which I think reflects the determination of most of us that we do create this semiautonomous agency. That represents, I believe, almost the consensus view of the Senate—pretty close to it—that we have a semiautonomous agency. But there are a lot of subquestions to that issue. Just creating a semiautonomous agency does not resolve the myriad of questions that exist in that process. Some of them have now been resolved. I thank my colleagues for their work with me on that.

Senator BINGAMAN has had some very important amendments which have been adopted as well. The Kyl amendment is a better amendment now that those amendments of ours have been added to it. But, again, there are many remaining questions and doubts which, hopefully, the conferees will resolve. I wanted to bring some of those to the attention of our colleague at this time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KYL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KYL. Mr. President, I want to report on the status, as I understand, of where we are on the Kyl amendment. When you turn on your television set and see what is happening in the Senate Chamber, you see that the pending business is the Kyl amendment. Since that is me, I thought I should explain we are about ready to bring this to a conclusion, I think a very successful conclusion. In fact, the bipartisanship we were seeking to attain earlier in the day, in fact, will be attained with respect to the adoption of the Kyl amendment.

I will back up a little bit and recapitulate where we are. The underlying bill is the intelligence authorization bill. There will be a little bit of business to transact on that after the adoption of the Kyl amendment. Then the intelligence authorization bill can be approved by the Senate and we can move on to other business.

In the meantime, the Kyl amendment is the pending amendment. That is the amendment cosponsored by Senator DOMENICI, Senator MURKOWSKI, and a host of others, that will reform the Department of Energy so it will be less likely in the future that there will be nuclear secrets walking out the door of our National Laboratories. That is an oversimplification, but that is the essence of what we are trying to do.

The reorganization involves the creation of a semiautonomous agency within the Department. We basically have followed the recommendations of the President's Foreign Intelligence Advisory Board in establishing that new Agency.

There have been some amendments dealing with details of this reorganization that have been worked out between representatives of the Democratic side and supporters of our amendment.

With respect to the most perplexing of the difficulties, a matter on which an earlier vote was held, where the Levin amendment was defeated, we have gone back and rewritten the language of the bill and the Levin amend-

ment and combined the two in a way in which we think both sides think we can make the legislation work. There have been some other concessions, as well, to Members on the Democratic side in order to achieve a broad bipartisan consensus for this legislation.

I am pleased to report that there is an agreement, A, to bring this Kyl amendment to a vote very soon, so I think Members should expect that in the very near term we will be able to have a final vote on it; and, B, that it will have the concurrence of many, if not most, of the Members on the other side of the aisle, as well as the Republican side of the aisle. That is because of the concessions that have been made in this intervening time.

So my hope is, if there is anyone else who wishes to discuss any aspect of the Kyl amendment, or to raise any questions about it, or about the other amendments that have been offered and to one degree or another worked out in the interim, that they would come and do that now because in just a matter of a few minutes we are going to propound a request to get on with the vote and then be able to move on. I know that is the leader's desire, and we would like to be able to do that.

If there isn't anybody at this point who wants to weigh in, let me add one other point about the reason why the Senate is acting on this important matter. At the end of the day, for the Nation, there is nothing more important than our national security. We in the Senate and the House and the President understand that probably our first obligation is to protect the American people.

One of the stable elements of the peace that has prevailed over the last many decades has been the nuclear stockpile of the United States, the fact that we have nuclear weapons that provide a deterrent to any attack by an aggressor that would threaten the homeland of the United States.

It is a horrible thing to ever contemplate using those weapons, but it is undeniable that the threat of nuclear retaliation has enabled us to have a period of peace literally since World War II with our major adversaries.

It is important that the stability the world has seen because of the creation of those weapons not be disrupted by other nations acquiring the same weapons. Obviously, that could unbalance this stability that has been created over time because of the U.S. possession of those weapons.

We now know that the design information for all of the nuclear warheads that are currently in our useful arsenal are in the hands of people who could cause us harm if they were able to build weapons from that data, from those plans. That is a very distressing fact.

There are ways that we can hope to prevent the development of those weapons. It is going to require us to be very

careful about what we sell to other countries and what we permit by way of technology transfer because it is still difficult to build a nuclear weapon even if you have the designs. You have to have the materials; you have to have the computing capacity and the machining capacity, and all the rest of it.

So there may still be some ability on our part to have control over our own destiny. There is no question we have now been put at risk because of the theft of these secrets. The National Laboratories, which are responsible for developing those nuclear weapons, have begun to embark upon a very important project called the Stockpile Stewardship Program in which we will attempt to be able to certify the safety and reliability of our nuclear stockpile through computing which will simulate nuclear testing.

If that program is compromised, it would, in effect, be the compromise of everything we have, not just the design information but also our analysis of how all these things work.

If we cannot protect that, we cannot protect our national security. That is one of the reasons why it is important for us to ensure that nothing else happens in the way of security breaches at our National Labs.

The Rudman report made it very clear that under the existing organization of the Department of Energy, we could not guarantee that. There were too many people that had too much influence over things, and, in effect, everybody's responsibility became nobody's responsibility. As a result, that recommendation was: We have to reorganize the Department; and it cannot reorganize itself.

Congress needs to pass a statute that provides for that reorganization. That is why we brought forth the Kyl-Domenici-Murkowski amendment. That is why I am very proud of the fact that soon the Senate is going to vote to approve that amendment. By putting it on the intelligence authorization bill, we will enable it to become the law of the land and enable the Department of Energy to be reorganized with this semiautonomous agency having jurisdiction over the nuclear programs, including the National Laboratories.

That will be a very big step. No one should rest easy that this is the end of the issue, that we do not have to worry about spying, that this will stop the espionage or the release of secrets that other people should not have. But at least it is one thing we can do, and we believe it will have a significant impact in at least this one area.

I guess one of the things many of us were saying was: If we can't do this now, after all of this time, then we think it is fairly clear we can't protect the national security of the United States.

I am not saying this is easy. But if we cannot accomplish this reorganization, then, frankly, we are not up to the task. That is why I am so glad we are going to be able to effect this reorganization. After we pass this bill, I am very hopeful that our friends in the House will be willing to work with us. If they have additional ideas, obviously, we want to work with them. But we need to send to the President a bill that he can sign. After all, his own advisory board made the recommendations we are attempting to follow.

If I am correct that what we have done has resulted in a broad bipartisan consensus, we will be able to make it clear to the executive branch of the Government that it is the will of the Congress—not just one party, the majority party of the Congress—and that should enable us to also then gain the support from the Secretary of Energy, who has acknowledged that he supports the basic concept of a semiautonomous agency but had some disagreements with us about specifics. By making some changes that go some distance toward meeting his objections, I hope we will not only have the support of both Democrats and Republicans in the Congress but also the Secretary of Energy because we have to get about this quickly.

There is no reason, after the Senate acts today, hopefully, that the process cannot begin in anticipation of the fact that this will be the law. No one has to wait until September or whatever date we might actually be able to get the President's signature on this law. This Secretary of Energy has a great opportunity; as the person who came into office about the time all of these revelations were made public and who himself began to make some changes in a positive way, he is in a unique position now to take advantage of the reorganization that we will present to him and actually institute the changes so that his successor, a year and a half from now, whoever that might be, presumably will have in place a very well-functioning Department of Energy with a semiautonomous agency in charge of our nuclear weapons programs.

That is something this Secretary will have the opportunity to do. But it is a real challenge for him. If he is able to accomplish that, he will certainly have earned his place in history. Meanwhile, it is up to us to earn our place in history by adopting this legislation and moving the process forward.

I am very hopeful we will not see any additional delays now. There have been some in the past. I had complained about that earlier in the day. I am hopeful we will not see any additional delays, that we will move this legislation forward, get it signed into law, and get it implemented. If we do that, we will be proud of the fact that we have helped the security of the people of the United States of America.

Mr. President, I will soon propound a request with respect to a vote on my amendment. I will check with a couple other people before I do that. But, again, I think Members should expect that pretty soon we will be having a vote on this amendment.

Mr. CRAIG. Mr. President, I rise to engage in a colloquy with my colleague from New Mexico, Senator DOMENICI, regarding an issue associated with the implementation of the Kyl, Domenici, Murkowski amendment. This amendment creates a new semi-autonomous Agency for Nuclear Stewardship within the Department of Energy by collecting together various national security programs and nuclear weapons laboratories and facilities into a new agency. My state of Idaho hosts two Department of Energy laboratories—the Idaho National Engineering and Environmental Laboratory and Argonne National Laboratory West. Since these laboratories do not meet the definition of nuclear weapons laboratories, they are not included in the amendment, but I want to raise for my colleagues some of the complexities of implementing this new organizational structure.

As I said, the laboratories in my state are not included in the proposal for the new agency but it is important to understand that Idaho's laboratories are making significant contributions to national security. Just as my colleagues from New Mexico have mentioned earlier in this debate, that we must do nothing to impede the continued contribution of the weapons laboratories to the critical civilian missions of the Department of Energy, I want to emphasize and confirm my colleague's agreement that the non-weapons laboratories shall continue to contribute and have their capabilities made available to the national security programs of the Department of Energy.

To clarify this point, I would like to use a specific example from the Idaho National Engineering and Environmental Laboratory. The Advanced Test Reactor, or ATR, in Idaho is the only world-class test reactor left in the United States. I do not state this as a boast, but as a fact. The ATR has a vital role in both improving the operation of the nuclear Navy and supporting our nation's future nuclear energy research and development endeavors. In addition, this important facility has the potential to attract significant international interest and investment. I am concerned that this amendment, which moves the Naval Reactors program from under the umbrella of DOE's nuclear research and development program to the new agency, will also reassign responsibility for this reactor.

Reassigning the responsibility for this reactor to the new agency would be harmful from two perspectives. First, our Naval Reactors program is a user of this facility but should not be

burdened with its operation and maintenance. Second, moving responsibility for this reactor out of the nuclear research and development program could inadvertently endanger its use by the U.S. civilian and international research community. Since this latter use is growing and very important to our future civilian nuclear research activities, could I ask my colleague from New Mexico to confirm that it is not the intent of this amendment to move responsibility for the Advanced Test Reactor when moving the Naval Reactors program to the new agency?

Mr. DOMENICI. In responding, let me first confirm for my friend from Idaho that it is not the intent of this amendment to shift or reassign responsibility for Idaho's Advanced Test Reactor to the new Agency for Nuclear Stewardship. Let me further acknowledge the larger issue that my colleague has raised, by stating that under the new Departmental structure created by the Kyl, Domenici, Murkowski amendment the Secretary of Energy should continue to ensure that the capabilities, skills and unique expertise of all of the Department's laboratories are made available to the national security programs of DOE. In this way, the beneficial collaboration between defense and non-defense sectors of the Department—a collaboration that has been taking place over the entire history of DOE—will continue under the new structure.

Mr. CRAIG. I thank my colleague for that clarification and assurance. The Naval Reactors program has a proud history in Idaho. All spent naval nuclear fuel is sent to Idaho for examination and storage pending its permanent disposition. Although Idaho's facilities are not included in the new agency, I am assured that the many ways in which Idaho's laboratories contribute to our national security will continue under this new organizational structure.

Mr. LIEBERMAN. Mr. President, I rise today in support of Mr. DOMENICI's amendment to the Department of Energy reorganization amendment. I have been a strong supporter of the need to reorganize the defense labs in order to improve security and I applaud the sponsors of the reorganization amendment that we will be considering. It is of overriding importance that we take all necessary actions to protect our national security.

However, as I have considered the very serious need to address security threats, I have also been listening closely to the debate about how environment, safety, and health protections can best be incorporated into the Department of Energy's operations as they relate to the weapons labs.

The legacy of the Atomic Energy Commission and the Department of Energy regarding environmental protection is not a proud one. Since the first

days of the Atomic Energy Commission over 40 years ago, weapons production programs and facilities emphasized production and too often neglected environmental safety. By the 1980s, the history of mismanagement caught up with the Agency, when 17 major plants in 13 states, employing 80,000 people were brought to a standstill because of a series of accidents and leaks. Over 10,000 individual sites have been documented where toxic or radioactive substances were improperly abandoned or released into soil, groundwater, or surface waters. "Tiger Teams" of trained investigators were sent to plants to ensure compliance with environmental and safety requirements. The Agency and the public have paid for the cost of this mismanagement: the price tag of past mistakes is now at about \$250 billion dollars, or \$6 billion a year. Clearly we have to learn from the past as we think about how to deal with environment and safety in the future.

Based on the Rudman report, there is a strong case made for treating environment and safety issues separately. Our former colleague Warren Rudman himself has said that environment and health issues "ought to stay where they ought to stay, with the Secretary . . . because I know what we all went through back during the 1980s." GAO has testified on numerous occasions that independent oversight is critical to ensuring adequate protection of health and safety. They have said explicitly that this oversight needs to encompass on-site reviews of compliance with environmental and safety laws.

Much has changed since the time that rampant disregard for environmental protections at the labs was discovered. Over time, we as a society, within industry, and within government have come to incorporate environment and health concerns more fully into both policy and practice. And I have no reason to believe that there would be any intentional disregard for environmental and health concerns if the those functions were put under the supervision of the Agency for Nuclear Stewardship. However, given the potential magnitude of problems that could be caused even by simple, honest mistakes, the best course of action is to be prudent. I therefore support the Domenici amendment because it allows the Secretary of the Department of Energy to ensure compliance with all environmental, safety and health requirements, while protecting the security of the weapons labs. I am pleased that we were able to work out this issue as part of the restructuring proposal.

Ms. COLLINS. Mr. President, I rise today as a cosponsor to the Kyl/Domenici/Murkowski amendment requiring reorganization of the Department of Energy.

Over the past several months, I have been deeply troubled by the revelations regarding the efforts made by the Peo-

ple's Republic of China to acquire our most sensitive technology. The report of the House Select Committee revealed that design information has been stolen on all of the nuclear warheads that the United States currently has deployed. Among the material stolen by China was design information on the W-88, the most sophisticated nuclear weapon the U.S. has ever built. We use the W-88 on the sixth-generation ballistic missiles carried aboard our nuclear submarine fleet.

With this information, the PRC has rapidly assimilated stolen nuclear secrets into its own weapons systems and advanced their nuclear program by approximately forty years. Not only am I deeply concerned about these incidents of espionage, I am even more disturbed by the lackadaisical response by the Clinton Administration. After learning about the theft of information in 1995, the Administration failed to undertake a serious reassessment of our intelligence community. When questioned a few months ago about the Department of Energy's security structure, Secretary Bill Richardson commented, "whoever figured it out must've been smoking dope or drunk." What a sobering assessment, indeed, of the state of security at our nuclear weapons laboratories. In fact, only after the espionage accounts hit the news media earlier this year did the President take any action to reevaluate the security of our weapons labs.

In March, the President requested that the President's Foreign Intelligence Advisory Board (PFIAB) undertake an inquiry and issue a report on the security threat at the Department of Energy's weapons labs. This review, chaired by the former Senator Warren B. Rudman, found that the Department of Energy is responsible for the worst security record that the members of the advisory board had ever encountered. The Department devoted far too little time, attention, and resources to the responsibilities of security and counterintelligence. Without change, it is feared that the Department of Energy laboratories would continue to be a major target of foreign intelligence services. According to the Rudman report, the only way to combat these problems is through a reorganization which takes the oversight of our weapons labs away from the "dysfunctional bureaucracy" of the Department of Energy and gives it to a new, semi-autonomous agency.

The Kyl/Domenici/Murkowski amendment, which I am pleased to cosponsor, will begin the reform efforts at the Department of Energy by establishing a separate organizational entity, the Agency for Nuclear Stewardship, with clear lines of authority, accountability, and responsibility. These changes will help correct the current organizational disarray and ensure that all programs and activities related



to national security functions receive proper attention and oversight. These changes will strengthen the security and protection of our most vital technological secrets and ensure that if violations do occur, the responsible parties are readily identified, and the proper corrective actions put into place immediately.

I urge my colleagues to join with us in support of this amendment to help ensure the security of our nation for years to come.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRYAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRYAN. Mr. President, I thank the Chair. I ask unanimous consent that the pending amendment be set aside momentarily for the purpose of considering an amendment that I propose to offer.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NO. 1269

(Purpose: To terminate the exemption of certain contractors and other entities from civil penalties for violations of nuclear safety requirements under the Atomic Energy Act of 1954)

Mr. BRYAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. BRYAN] proposes an amendment numbered 1269.

Mr. BRYAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

#### SEC. \_\_\_\_ . TERMINATION OF EXEMPTION OF CERTAIN CONTRACTORS AND OTHER ENTITIES FROM CIVIL PENALTIES FOR VIOLATIONS OF NUCLEAR SAFETY REQUIREMENTS UNDER ATOMIC ENERGY ACT OF 1954.

(a) NONPROFIT EDUCATIONAL INSTITUTIONS.—Subsection b. (2) of section 234A of the Atomic Energy Act of 1954 (42 U.S.C. 2282a) is amended by striking the second sentence.

(b) LIABILITY OF NONPROFIT CONTRACTORS.—Subsection b. of that section is further amended by adding at the end the following:

“(3)(A) Subject to subparagraph (B), the amounts of civil penalties for violations of this section by nonprofit contractors of the Department shall be determined in accordance with the schedule of penalties employed by the Nuclear Regulatory Commission under the General Statement of Policies and Procedures for NRC Enforcement for similar violations by nonprofit contractors.

“(B) A civil penalty may be imposed on a nonprofit contractor of the Department for a

violation of this section only to the extent that such civil penalty, when aggregated with any other penalties under the contract concerned at the time of the imposition of such civil penalty, does not exceed the performance fee of the contractor under such contract.”.

(c) SPECIFIED CONTRACTORS.—That section is further amended by striking subsection d..

(d) APPLICABILITY.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to violations specified in section 234A of the Atomic Energy Act of 1954 that occur on or after that date.

Mr. BRYAN. Mr. President, I want to call your attention to a situation that I became aware of only a short time ago. An article that appeared in the June 28 issue of Newsweek caught my attention. It is entitled “Nuclear Leaks of Another Kind.”

This was in the context of a discussion we have had about some of the espionage activity that has occurred in our labs and, particularly, the issue as it relates to Los Alamos in recent months. Let me share an excerpt so my colleagues will get the flavor of the article and understand the amendment I am offering and its underlying purpose.

The article begins by saying:

Nuclear secrets aren't the only kind of unauthorized leaks from U.S. weapons labs. According to a General Accounting Office draft report obtained by Newsweek, over the past three weeks, the Los Alamos and Lawrence Livermore labs were assessed fines of hundreds of thousands of dollars for safety violations, including exposing their employees to radiation levels that exceed the standards promulgated by the Department of Energy.

Then it goes on to say that, under the law, in an anomaly—which the occupant of the Chair will readily appreciate because of his own extraordinary and impressive legal background—we make a distinction with respect to the contractor status of those who work in the DOE labs. If the contractor is a contractor who is a private entrepreneur—that is to say, it is a profit-making contractor—these fines for safety violations—one in particular that caught my eye is the radiation standards to protect the employees according to the DOE promulgated standards. With respect to those fines that would be imposed upon a contractor who is a private sector contractor, the fines are assessed and collected. But under what I consider an extraordinary anomaly in the law, if you are a nonprofit contractor, the very violation—again, fundamental to the essence of protecting the health and safety of the employees; namely, the radiation standard they would be exposed to—for those kinds of violations, a fine is assessed but is never collected.

So in effect we have a totally inconsistent policy. One says that if you are a private contractor and you are an entrepreneur and are in the business to make money or to profit from that—all of which is very legitimate—and you violate one of the DOE's safety regula-

tions and you are fined, you are assessed initially, and the fine is collected. If you are a nonprofit, you are assessed for the identical violation, but it is never collected.

Let me say that the General Accounting Office report that was referenced in this Newsweek article has now been made public in its final form. This is a document issued June 1999: General Accounting Office, Department of Energy Nuclear Safety, “Enforcement Program Should Be Strengthened.”

This report gives additional persuasive force to what I propose in the amendment. This General Accounting Office report makes an important point that if the regulations were promulgated by the Nuclear Regulatory Commission, the NRC, no distinction is made between the private sector contractor and the public sector contractor. That is to say, if a violation occurs with respect to the nonprofit contractor, and it is a violation of health and safety standards, then the nonprofit is assessed and a fine may be collected. So we have an anomaly in the law that makes no public policy sense at all.

Let me make it clear to my colleagues that it is not my intention to impose onerous fines on nonprofit entities that have a contract. But as the General Accounting Office makes very clear, the fact that a fine may be collected has a deterrent value. As this report further makes the point, there is no rational basis—none whatsoever—in making the distinction between for-profit and nonprofit contractors, and the further point that the purpose of imposing these civil penalties is not to collect fines but to encourage contractors to perform safely, that is the issue that I seek to address.

I recognize the concern that the nonprofits raise that, my golly, if you change the law, somehow this may constitute an invasion of our endowment moneys; that all of this could be compromised. Let me assure my colleagues that nothing is further from the truth. That is not what I intend.

So as a further effort to assuage those concerns in the amendment that is before this body, we would limit any fine that was assessed to the amount of the performance fee provided to the nonprofit contractor by the Department. Let me repeat that. In effect, we would put a ceiling, a limit, if you will, on any fine that would be assessed and would say that, in no event, notwithstanding the extent, severity, and the extended period of time in which the violation may have occurred, may the fine exceed the performance fee that you are provided. It strikes me that that addresses fairly and reasonably the concern that a nonprofit would have in terms of the potential invasion of the endowments.

The point I seek to emphasize is that nonprofits have a track record of some

very extensive fines. The assessments, according to the report, amount to several hundreds of thousands of dollars. So we are not talking about something that is theoretical, hypothetical, or highly speculative; it has occurred. And, remember, under current law, with respect to nonprofits, a fine can be assessed but never collected. So human nature tells us—and our entire legal system is structured on this premise—that for people who violate the rules, whether it is a speed limit or some other regulation, the fact that one can be fined or can be subject to some kind of a sanction, tends to influence our behavior in a positive way. That is, we don't do that sort of thing. No one is accusing the nonprofits of bad faith. But I must say we have not gotten their attention with respect to these violations.

I conclude, as I began, by describing the nature of these violations. We are not talking about some highly technical extenuated rule or regulation that only a flyspeck—as we used to say—lawyer could pick up. We are talking about something fundamental to the public health and safety. That is the radiation standard—the exposure to which employees in these laboratories could be exposed.

I can't think of anything that would be more significant or more important in terms of health and safety than to make sure the laboratory is adhering to a radiation standard which the Department of Energy has promulgated, which they say is to observe to protect health and safety.

Let me say that I have had a little experience in this area, not as a technical person, but many years ago in my youth I worked as an employee at the Nevada Test Site. Every employee who entered the Nevada Test Site was given a badge. That badge had in it a gasometer. The reason for that is this was during the days of atmospheric testing programs. It was to periodically check to make sure no employee by inadvertence or accident was exposed to a higher radiation standard than had been determined necessary for the protection of the health and safety of that employee.

In the same spirit, these standards have been imposed to protect the health and safety of those individuals who work in the lab. That is the kind of violation about which we are talking.

I have attempted to work some type of an accommodation through the very able manager of the bill, and others, particularly the distinguished Senator from New Mexico, who understandably have an interest in this measure. We have not been able to reach an agreement.

I want to serve notice that this is not the last time this amendment will surface. This is a gross injustice to those employees who serve in the lab, and

their families. Their health and safety can be endangered. And those who would do so face no penalty under the law.

I will not ask for a rollcall vote on this amendment. I intend to withdraw the amendment at the appropriate time, after the distinguished chairman of the committee responds. But this is an issue which must be addressed. It will be addressed by this Senator. We will have a series of votes on this at a later point in time if we are not able to reach an accommodation.

I will be happy to either yield the floor or to respond to any questions that the able managers of the bill have.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Alabama. Mr. SHELBY. Mr. President, I will be brief.

First of all, I commend my friend and colleague, Senator BRYAN, who brought this to the attention of the Senate. We have discussed this before. He feels very strongly about it. I believe if you look at it in its entirety, it has some merit. But I also think this should be addressed at the level of the appropriate committee. At the time when he pursues this, I will tell every one of my colleagues to look at this very carefully because I believe what he is proposing should be evaluated in that light. Personally, I think it has some merit.

I commend the Senator from Nevada, who is also a member of the Intelligence Committee, and a senior member. Perhaps soon he will be the vice chairman of the committee—next year.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I, too, thank the Senator from Nevada for bringing this to our attention. I was not aware of the problem. I look forward to the opportunity of having a chance to work with the Senator to change the law and to end the problem he has identified.

Mr. BRYAN. I thank both the Senator from Alabama and the Senator from Nebraska, with whom I have the privilege of working closely in the Intelligence Committee.

We need to address that. His comments have been very helpful and encouraging. We want to work through this and protect the employees in these critically important national security facilities.

I am not sure of the parliamentary vehicle that I may need to employ. If I need to ask unanimous consent to withdraw my amendment—I don't think I need that—if I do, I will ask for it.

If the Chair will guide the gentleman from Nevada, I will ease us out of this parliamentary situation.

The PRESIDING OFFICER. The Senator would need to ask unanimous consent to withdraw the amendment.

## AMENDMENT NO. 1269 WITHDRAWN

Mr. BRYAN. Mr. President, I ask unanimous consent that the amendment be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1269) was withdrawn.

Mr. BRYAN. I thank the Chair. I thank my colleagues.

## AMENDMENT NO. 1258

Mr. SHELBY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the amendment of the Senator from Arizona, Mr. KYL.

Mr. SHELBY. I urge adoption of the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment. On this question, the yeas and nays have been ordered, and the clerk will call the roll. The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) and the Senator from Vermont (Mr. JEFFORDS) are necessarily absent.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 96, nays 1, as follows:

[Rollcall Vote No. 216 Leg.]

## YEAS—96

Abraham	Edwards	Lott
Akaka	Enzi	Lugar
Allard	Feingold	Mack
Ashcroft	Feinstein	McConnell
Baucus	Fitzgerald	Mikulski
Bayh	Frist	Moynihan
Bennett	Gorton	Murkowski
Biden	Graham	Murray
Bingaman	Gramm	Nickles
Bond	Grams	Reed
Boxer	Grassley	Reid
Breaux	Gregg	Robb
Brownback	Hagel	Roberts
Bryan	Harkin	Rockefeller
Bunning	Hatch	Roth
Burns	Helms	Santorum
Byrd	Hollings	Sarbanes
Campbell	Hutchinson	Schumer
Chafee	Hutchison	Sessions
Cleland	Inhofe	Shelby
Cochran	Inouye	Smith (NH)
Collins	Johnson	Smith (OR)
Conrad	Kerrey	Snowe
Coverdell	Kerry	Specter
Craig	Kohl	Stevens
Crapo	Kyl	Thomas
Daschle	Landrieu	Thompson
DeWine	Lautenberg	Thurmond
Dodd	Leahy	Torricelli
Domenici	Levin	Voinovich
Dorgan	Lieberman	Warner
Durbin	Lincoln	Wellstone

## NAYS—1

Wyden

## NOT VOTING—3

Jeffords Kennedy McCain

The amendment (No. 1258), as amended, was agreed to.

Mr. SHELBY. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SHELBY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SHELBY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### UNANIMOUS-CONSENT REQUEST

Mr. SHELBY. Mr. President, I ask unanimous consent that it now be in order to offer a substitute amendment which consists of the committee-reported bill, S. 1009, a managers' package of amendments, and all previously agreed to amendments. The substitute is at the desk, and I ask for its consideration.

The PRESIDING OFFICER. Is there objection?

Mr. KYL. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KYL. There is an issue we have to work out before we can proceed.

Mr. SHELBY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I ask unanimous consent that I be permitted to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### TRIBUTE TO THE KENNEDY AND BESSETTE FAMILIES

Mr. DODD. Mr. President, I want to address the Senate for a few moments about a topic I know has consumed the attention of each and every one of us in this Chamber, indeed all Americans, over the past several days, and that is the tragic deaths of John Kennedy, Jr., his wife Carolyn, and her sister Lauren Bessette.

Permit me, if you will, to engage in a little regional chauvinism, for there are few things in life so pleasant as a New England summer day. It is glorious to behold. The warm sweet air, the cold waters of its rivers and lakes and ocean seem to command a celebration of the very simple pleasures of life.

On this past Saturday, though, the inherent joy of a New England summer season dissolved throughout America

with the news that these three young people were lost off the New England coast. Lost on a day that seemed meant for gladness, not grief. Lost in waters that should have welcomed pleasure, not disaster. For one family, the Kennedy family, a moment of a family's supreme joy—a wedding—was snatched greedily by the hand of a very cruel fate, indeed.

Most of us spent the better part of this past weekend hoping against hope that John and Carolyn and Lauren could be found safe and alive. By Sunday night we were resigned to the awful truth. Two American families have endured unspeakable loss.

One of those families, which is represented by the Bessette and Freeman families, we know very little about. They are constituents of mine and my colleague, Senator LIEBERMAN. We know very little about them other than the fact of their tragic loss. We can only imagine the joy and love and, yes, the easy and brilliant summer days, that they shared with these two remarkable and talented young women.

The other family we know a great deal about—about its moments of triumph and tragedy—and through it all their consistent service to our Nation and to humanity.

It happens that the patriarch, if you will, today of that family is our colleague and one of my dearest friends in this body, TED KENNEDY. We can only wonder at the immense burden of the grief he carries for his relatives over this loss and over all the other senseless, excruciating losses endured by the Kennedy family over the years. Those of us who have come to know him can only admire his courage and perseverance in the face of adversity which would wither the will of other men.

I know I speak for all of us here, and that I echo the sentiments expressed here on the floor this morning and last evening by other colleagues, in saying that we send our deepest, deepest sympathies to him, to his family, and to the family of Carolyn and Lauren Bessette.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I cannot add to the words of Senator DODD. I thank him for what he said on the floor of the Senate. And I say to him that what he said represents how I feel as a Senator from Minnesota.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### UNANIMOUS-CONSENT REQUEST— H.R. 1501

Mr. LEAHY. Mr. President, I am about to propound a unanimous consent request on the juvenile justice conference. I notified the distinguished majority leader that I would be doing this earlier, and a day ago I also notified the distinguished chairman of the Judiciary Committee. I do it not in expectation the unanimous consent request will be agreed to but to, I hope, move this ball down the field.

So my request is this: I ask unanimous consent that the Senate proceed to the consideration of H.R. 1501, the House juvenile justice bill; that all after the enacting clause be stricken, and that the text of S. 254, as passed by the Senate, minus the provision added by Senator FEINSTEIN's amendment No. 343, as modified, be inserted in lieu thereof; the bill be passed, as amended; the Senate insist on its amendment and request a conference with the House; that the conferees be instructed to include in the conference report the provision added by Senator FEINSTEIN's amendment No. 343 to S. 254; and that the Chair be authorized to appoint conferees.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT. I reserve the right to object—and I will object.

First of all, this is the kind of motion that usually the majority leader would make, and it is my intent to do that in the near future. I think we should go to conference on this issue. The juvenile justice bill came from the Judiciary Committee. The committee had been working on it, I think, for 3 years. Senators on both sides of the aisle worked on that bill. It included a variety of Senators, including, obviously, Senator LEAHY, Senator HATCH, Senator FEINSTEIN, Senator SESSIONS, Senator ASHCROFT, Senator THOMPSON, and a whole number of Senators over a period of years.

It does have very important provisions in regard to how do you deal with juvenile crime, how do you try offenders, and where do you incarcerate them. It deals with the real world problems of trying to deal with juvenile crime, including security in our schools. Specifically, it provides for metal detectors at our schools. It has programs that deal with alcohol abuse, drug abuse. It has some very important amendments dealing with values in society and how we can help in that area with our young people.

So I think this is legislation that should go to conference. It is my intent

to move to go to conference and to appoint conferees. However, there have been some Senators who had some concerns about it both in terms of the makeup of who the conferees would be, but also I think it would be fair to say that Senator SMITH of New Hampshire has indicated that he would be opposed to going to conference at this time. I have been working with him to see how that procedure could be worked out. I know most Senators don't get into some of the esoteric rules around here, but believe me, we need to try to find a way to work it out where we can get to conference. I am trying to do that. At an appropriate time, within the next 2 weeks, I will do so—if not this week, next week. The only reason I didn't do it this week is because of interminable delays by the Senate on other issues.

We had the whole of last week tied up with the Patients' Bill of Rights. We didn't want to interrupt the Patients' Bill of Rights for a 3- or 4-hour process to appoint conferees. And then this week we have been dragging all day and yesterday on a question we should have done like that—reorganization of the Department of Energy. Hearings have been held on it. We had a good proposal. Instead, we have been talking and chatting here all day. Now it is 6 o'clock and we still have not gotten it done, the intelligence authorization bill, an authorization for intelligence, the CIA. Give me a break.

If the Senate would like for us to act on some of these issues, then the Senate needs to find a way to quit delaying and dragging out other issues. We have appropriations bills to do. We need to get going on them.

The main thing I want to assure the Senate is, I think we should go to conference. I intend for us to go to conference. If Senators on both sides will work with me and support my effort to do that, I think we will get an overwhelming vote to do that. But as is the case with Senators on both sides of the aisle, when a Senator or Senators have problems, my disposition is to try to see if we can work it out in a way that is acceptable to him or her. That is my intent.

Mr. President, I make that explanation as to what is happening. We do intend to go to conference. With the cooperation of both sides of the aisle, I am sure we will go to conference.

I do object.

The PRESIDING OFFICER. Objection is heard.

Mr. LEAHY. Mr. President, I appreciate the explanation of the distinguished majority leader. He and I had discussed this earlier. I anticipated both the objection and the explanation.

I fully concur that such a unanimous consent request would normally be made by the leadership, but it is also the reason I notified both the distinguished majority leader and the distin-

guished Democratic leader that I would do this. I had expressed my concern, actually, before the Fourth of July recess, how the Congress is able to move legislation and move it quickly if the right interests want it. I compared the priority being put on two separate pieces of legislation, S. 254, the Hatch-Leahy juvenile justice bill, and H.R. 775, the Y2K Act, to show how this works.

The Hatch-Leahy juvenile justice bill, S. 254, passed the Senate after 2 weeks of open debate, after significant improvements, on May 20. That was a vote, as I recall, of 73-25, a bipartisan vote. On June 17, the House passed its version of this legislation but chose not to take up the Senate bill and insert its language, as is standard practice. Nor has the Republican leadership in the House made any effort over the past month to seek a House-Senate conference or to appoint House conferees.

Instead, what the other body did was send the Senate a blue slip, returning S. 254 to the Senate on the ground it contained a revenue provision that must originate in the House. The provision they point to is the amendment to S. 254 that would amend the Federal Criminal Code to ban the import of high-capacity ammunition clips. Whatever the merits are of that particular provision, the majority thought that did have merit. I voted against it. But it appears to me that no matter which side one is on, the House resorted to a procedural technicality to avoid a conference on juvenile justice legislation.

The amendment is in the final bill which a majority of us, three-quarters of us, voted for. The Senate has so far taken no steps to proceed to conference on the juvenile justice bill or to appoint conferees. This delay costs valuable time to get the juvenile justice legislation enacted before school resumes this fall.

I appreciate the words of the distinguished majority leader that we will try to move quickly to it, but I mention this as a contrast to the pace of action on the juvenile justice bill when we look at the Y2K Act. That legislation provided special legal protections to businesses. After earlier action in the House on H.R. 775, the Y2K liability limitations bill, the bill passed the Senate on June 15, almost 1 month after we passed the juvenile justice bill. On June 16, the next day, the Senate asked for a House-Senate conference and appointed its conferees. The House agreed to the conference and appointed its own conferees. The legislation immediately went to conference. The conference met that same day, on June 24. After a weekend break for extensive negotiations with the administration, the conference report was filed on June 29. The bill was taken up, passed before the Fourth of July recess, and the President signed it yesterday.

Now, this took care of the potential liability of a lot of businesses under Y2K, some found it at the expense of American consumers, but whichever way it was, it became law very quickly.

The juvenile justice bill can make a difference in the lives of our children and families. That should be our No. 1 priority, so that we get the conference, conclude it, and so that new programs and protections for schoolchildren can be in place when school resumes this fall, and not wait until this fall to do it. A lot of the programs in here are designed to be available to schools when they come in.

Mr. DURBIN. Will the Senator from Vermont yield?

Mr. LEAHY. I will yield for a question.

Mr. DURBIN. I ask the Senator from Vermont, if the majority leader appoints a conference committee within the next 2 weeks, doesn't that diminish the likelihood that we could even have a conference report and do anything before school starts again?

This bill was inspired in large part by school violence and shootings in schools, and now we will have passed through the entire summer and not have done anything in the Senate or the House to respond to that if we delay this conference committee. Is that not a fact?

Mr. LEAHY. The distinguished senior Senator from Illinois raises a valid point. This bill is designed, very substantive parts of it, for programs that we in the Senate debated and I think the American public are in support of and thought should be in place before our children go back to school this fall. This prompt action is what parents have talked to me about it, what school administrators have talked to me about it—that they need to have it in place before the schoolchildren go back this fall. They want to pass into law the things we learned from Columbine and other school tragedies.

That means we have a very short window, I think about 3 weeks, to finish this before the August recess. We have a very short window. If we don't finish this before the August recess and get it on the President's desk, I don't know how these programs will be in place.

Frankly, a lot has changed since my children were young enough to be in those classes. It may have been growing then, but the demand is paramount today. The Senator from Illinois is absolutely right. If we don't do it now, we are not going to get it done on time.

Mr. DURBIN. I salute the leadership of the Senator from Vermont. I hope he will renew this request on a regular basis until we have a conference committee appointed to pass the juvenile justice bill to do something in Congress about the school violence which American families understand is a national problem we should address.

Mr. SCHUMER. Will the Senator yield?

Mr. LEAHY. I thank the Senator from Illinois. I yield to the Senator from New York without losing my right to the floor.

Mr. SCHUMER. Mr. President, I thank the Senator from Vermont and just want to concur with what the Senator from Illinois said and what the Senator from Vermont said. We should be moving this bill. As I understand the Senate procedure, even if we wait 2 weeks to appoint conferees, and there is objection, we could have trouble there as well. So there is no guarantee at all, given the volatility of this issue, that we would go to conference even after 2 weeks. Am I correct in assuming that?

Mr. LEAHY. The Senator from New York is correct. The Senator from New York has sat on a number of conferences in the other body and now is a distinguished and respected Member of this body. He knows from that experience that conferences can take awhile, especially when you are dealing with criminal law. I recall the Senator from New York and I, when he served in the other body, on a major crime bill, sitting there until 5 or 6 o'clock in the morning, breaking for 45 minutes while we grabbed some breakfast, and going right back in around the clock again.

There is no guarantee if we went tonight that we could finish by August. If we wait until the last few days, it is almost impossible.

Mr. SCHUMER. The bottom line, I say to the Senator, is that if we want to get something done, we really can't afford to wait. There are so many slips between the cup and the lip, especially on an issue such as this, that we ought to be moving and not waiting 2 weeks but appointing conferees tomorrow.

Mr. LEAHY. I agree, Mr. President.

I have been advised by the distinguished chairman and vice chairman of the Senate Intelligence Committee that they are prepared to wrap up with voice votes.

#### UNANIMOUS-CONSENT AGREEMENT

Mr. LEAHY. Mr. President, I ask unanimous consent that I be able to yield the floor for them to finish this up, with the understanding that I will be able to reclaim the floor once they have finished the bill.

Mr. GREGG. Reserving the right to object, there is an appropriations bill we are waiting to bring to the floor this evening. I am interested to know if the Senator will agree to a time agreement as to how much time he will need.

Mr. LEAHY. Mr. President, I can assure the Senator from New Hampshire that I will try to keep to the type of brevity for which our part of the world is known. I have 2 or 3 pages left. I wanted to make sure the RECORD was

clear. I could do it now, but I was trying to accommodate the leadership of the Intelligence Committee.

Mr. GREGG. With that representation, I will not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000—Continued

Mr. SHELBY. Mr. President, I ask unanimous consent that it now be in order to offer a substitute amendment which consists of the committee-reported bill, S. 1009; a managers' package of amendments; and all previously agreed to amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NO. 1270

Mr. SHELBY. Mr. President, I send the substitute amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows: The Senator from Alabama [Mr. SHELBY], for himself and Mr. KERREY, proposes an amendment numbered 1270.

Mr. SHELBY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. SHELBY. Mr. President, I want to inform Members of the Senate that the order of sentences in amendment No. 1258 does not reflect a meeting of the minds of Senators involved, and we have discussed it among them. That will have to be brought to the attention of the conferees for resolution.

I ask unanimous consent that the substitute be agreed to, the bill be read the third time, and passed, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1270) was agreed to.

The bill (H.R. 1555), as amended, was read the third time, and passed, as follows:

*Resolved*, That the bill from the House of Representatives (H.R. 1555) entitled "An Act to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes," do pass with the following amendment:

Strike out all after the enacting clause and insert:

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE*.—This Act may be cited as the "Intelligence Authorization Act for Fiscal Year 2000".

(b) *TABLE OF CONTENTS*.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

#### TITLE I—INTELLIGENCE ACTIVITIES

- Sec. 101. Authorization of appropriations.
- Sec. 102. Classified schedule of authorizations.
- Sec. 103. Personnel ceiling adjustments.
- Sec. 104. Intelligence Community Management Account.

#### TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

- Sec. 201. Authorization of appropriations.

#### TITLE III—GENERAL PROVISIONS

- Sec. 301. Increase in employee compensation and benefits authorized by law.
- Sec. 302. Restriction on conduct of intelligence activities.
- Sec. 303. Extension of application of sanctions laws to intelligence activities.
- Sec. 304. Access to computers and computer data of executive branch employees with access to classified information.
- Sec. 305. Naturalization of certain persons affiliated with a Communist or similar party.
- Sec. 306. Funding for infrastructure and quality of life improvements at Menwith Hill and Bad Aibling stations.
- Sec. 307. Technical amendment.
- Sec. 308. Sense of the Congress on classification and declassification.
- Sec. 309. Declassification of intelligence estimate on Vietnam-era prisoners of war and missing in action personnel and critical assessment of estimate.
- Sec. 310. Submittal to Congress of lists on classified information regarding unrecovered United States prisoners of war and other personnel.
- Sec. 311. Study of background checks for employees of the Department of Energy.
- Sec. 312. Report on legal standards applied for electronic surveillance.

#### TITLE IV—CENTRAL INTELLIGENCE AGENCY

- Sec. 401. Improvement and extension of central services program.
- Sec. 402. Extension of CIA Voluntary Separation Pay Act.

#### TITLE V—DEPARTMENT OF ENERGY INTELLIGENCE ACTIVITIES

- Sec. 501. Short title.
- Sec. 502. Moratorium on foreign visitors program.
- Sec. 503. Background checks on all foreign visitors to national laboratories.
- Sec. 504. Report to Congress.
- Sec. 505. Definitions.

#### TITLE VI—FOREIGN COUNTERINTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

- Sec. 601. Expansion of definition of "agent of a foreign power" for purposes of the Foreign Intelligence Surveillance Act of 1978.
- Sec. 602. Federal Bureau of Investigation reports to other executive agencies on results of counterintelligence activities.

#### TITLE VII—BLOCKING ASSETS OF MAJOR NARCOTICS TRAFFICKERS

- Sec. 701. Finding and policy.
- Sec. 702. Purpose.
- Sec. 703. Designation of certain foreign international narcotics traffickers.
- Sec. 704. Blocking assets.
- Sec. 705. Denial of visas to and inadmissibility of specially designated narcotics traffickers.

# TITLE VIII—COMMISSION TO ASSESS THE BALLISTIC MISSILE THREAT TO THE RUSSIAN FEDERATION

- Sec. 801. Establishment of commission.
- Sec. 802. Duties of commission.
- Sec. 803. Report.
- Sec. 804. Powers.
- Sec. 805. Commission procedures.
- Sec. 806. Personnel matters.

## TITLE IX—AGENCY FOR NUCLEAR STEWARDSHIP

- Sec. 901. Department of Energy Nuclear Security.

## TITLE I—INTELLIGENCE ACTIVITIES

### SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2000 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

- (1) The Central Intelligence Agency.
- (2) The Department of Defense.
- (3) The Defense Intelligence Agency.
- (4) The National Security Agency.
- (5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
- (6) The Department of State.
- (7) The Department of the Treasury.
- (8) The Department of Energy.
- (9) The Federal Bureau of Investigation.
- (10) The National Reconnaissance Office.
- (11) The National Imagery and Mapping Agency.

### SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 2000, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill of the One Hundred Sixth Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the Executive Branch.

### SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 2000 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed two percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever the Director exercises the authority granted by this section.

### SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of Central Intelligence for fiscal

year 2000 the sum of \$193,572,000. The Information Security Oversight Office, charged with administering this Nation's intelligence classification and declassification programs shall receive \$1,500,000 of these funds to allow it to hire more staff so that it can more efficiently manage these programs.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Community Management Account of the Director of Central Intelligence are authorized a total of 353 full-time personnel as of September 30, 2000. Personnel serving in such elements may be permanent employees of the Community Management Account element or personnel detailed from other elements of the United States Government.

(c) CLASSIFIED AUTHORIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated for the Community Management Account by subsection (a), there is also authorized to be appropriated for the Community Management Account for fiscal year 2000 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts shall remain available until September 30, 2001.

(2) AUTHORIZATION OF PERSONNEL.—In addition to the personnel authorized by subsection (b) for elements of the Community Management Account as of September 30, 2000, there is hereby authorized such additional personnel for such elements as of that date as is specified in the classified Schedule of Authorizations.

(d) REIMBURSEMENT.—Except as provided in section 113 of the National Security Act of 1947 (50 U.S.C. 404h), during fiscal year 2000, any officer or employee of the United States or member of the Armed Forces who is detailed to the staff of an element within the Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a non-reimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) NATIONAL DRUG INTELLIGENCE CENTER.—

(1) IN GENERAL.—Of the amount authorized to be appropriated in subsection (a), \$27,000,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, test, and evaluation purposes shall remain available until September 30, 2001, and funds provided for procurement purposes shall remain available until September 30, 2002.

(2) TRANSFER OF FUNDS.—The Director of Central Intelligence shall transfer to the Attorney General of the United States funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for activities of the Center.

(3) LIMITATION.—Amounts available for the National Drug Intelligence Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403-3(d)(1)).

(4) AUTHORITY.—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the National Drug Intelligence Center.

## TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

### SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 2000 the sum of \$209,100,000.

## TITLE III—GENERAL PROVISIONS

### SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

### SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

### SEC. 303. EXTENSION OF APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES.

Section 905 of the National Security Act of 1947 (50 U.S.C. 441d) is amended by striking "January 6, 2000" and inserting "January 6, 2001".

### SEC. 304. ACCESS TO COMPUTERS AND COMPUTER DATA OF EXECUTIVE BRANCH EMPLOYEES WITH ACCESS TO CLASSIFIED INFORMATION.

(a) ACCESS.—Section 801(a)(3) of the National Security Act of 1947 (50 U.S.C. 435(a)(3)) is amended by striking "and travel records" and inserting "travel records, and computers used in the performance of government duties".

(b) COMPUTER DEFINED.—Section 804 of that Act (50 U.S.C. 438) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "and"; and

(3) by adding at the end the following:

"(8) the term 'computer' means any electronic, magnetic, optical, electrochemical, or other high speed data processing device performing logical, arithmetic, or storage functions, and includes any data storage facility or communications facility directly related to or operating in conjunction with such device and any data or other information stored or contained in such device."

(c) APPLICABILITY.—The President shall modify the procedures required by section 801(a)(3) of the National Security Act of 1947 to take into account the amendment to that section made by subsection (a) of this section not later than 90 days after the date of the enactment of this Act.

### SEC. 305. NATURALIZATION OF CERTAIN PERSONS AFFILIATED WITH A COMMUNIST OR SIMILAR PARTY.

Section 313 of the Immigration and Nationality Act (8 U.S.C. 1424) is amended by adding at the end the following:

"(e) A person may be naturalized under this title without regard to the prohibitions in subsections (a)(2) and (c) of this section, if the person—

"(1) is otherwise eligible for naturalization;

"(2) is within the class described in subsection (a)(2) solely because of past membership in, or past affiliation with, a party or organization described in that subsection;

"(3) does not fall within any other of the classes described in that subsection; and

"(4) is jointly determined by the Director of Central Intelligence, the Attorney General, and the Commissioner of Immigration and Naturalization to have made a contribution to the national security or to the national intelligence mission of the United States."

### SEC. 306. FUNDING FOR INFRASTRUCTURE AND QUALITY OF LIFE IMPROVEMENTS AT MENWITH HILL AND BAD AIBLING STATIONS.

Section 506(b) of the Intelligence Authorization Act for Fiscal Year 1996 (Public Law 104-93; 109 Stat. 974), as amended by section 502 of the



Intelligence Authorization Act for Fiscal Year 1998 (Public Law 105-107; 111 Stat. 2262), is further amended by striking "for fiscal years 1998 and 1999" and inserting "for fiscal years 2000 and 2001".

#### SEC. 307. TECHNICAL AMENDMENT.

Section 305(b)(2) of the Intelligence Authorization Act for Fiscal Year 1997 (Public Law 104-293, 110 Stat. 3465; 8 U.S.C. 1427 note) is amended by striking "subparagraph (A), (B), (C), or (D) of section 243(h)(2) of such Act" and inserting "clauses (i) through (iv) of section 241(b)(3)(B) of such Act".

#### SEC. 308. SENSE OF THE CONGRESS ON CLASSIFICATION AND DECLASSIFICATION.

It is the sense of Congress that the systematic declassification of records of permanent historic value is in the public interest and that the management of classification and declassification by Executive Branch agencies requires comprehensive reform and additional resources.

#### SEC. 309. DECLASSIFICATION OF INTELLIGENCE ESTIMATE ON VIETNAM-ERA PRISONERS OF WAR AND MISSING IN ACTION PERSONNEL AND CRITICAL ASSESSMENT OF ESTIMATE.

(a) **DECLASSIFICATION.**—Subject to subsection (b), the Director of Central Intelligence shall declassify the following:

(1) National Intelligence Estimate 98-03 dated April 1998 and entitled "Vietnamese Intentions, Capabilities, and Performance Concerning the POW/MIA Issue".

(2) The assessment dated November 1998 and entitled "A Critical Assessment of National Intelligence Estimate 98-03 prepared by the United States Chairman of the Vietnam War Working Group of the United States-Russia Joint Commission on POWs and MIAs".

(b) **LIMITATIONS.**—The Director shall not declassify any text contained in the estimate or assessment referred to in subsection (a) which would—

(1) reveal intelligence sources and methods; or  
(2) disclose by name the identity of a living foreign individual who has cooperated with United States efforts to account for missing personnel from the Vietnam era.

(c) **DEADLINE.**—The Director shall declassify the estimate and assessment referred to in subsection (a) not later than 30 days after the date of the enactment of this Act.

#### SEC. 310. SUBMITTAL TO CONGRESS OF LISTS ON CLASSIFIED INFORMATION REGARDING UNRECOVERED UNITED STATES PRISONERS OF WAR AND OTHER PERSONNEL.

(a) **REQUIREMENT.**—(1) The head of each element of the United States Government listed in section 101 shall submit to the designated congressional committees a list of all classified documents, files, and other materials under the control of such element that pertain to the subject of United States prisoners of war, missing in action personnel, or killed in action personnel whose remains have not been recovered and identified.

(2) Each list submitted under paragraph (1) shall—

(A) for each document, file, or other material contained in the list—

(i) specify the date of the preparation or dissemination of the document, file, or material;

(ii) specify the date or dates of any information contained in the document, file, or material; and

(iii) identify the subject matter of the document, file, or material; and

(B) be organized in chronological order according to the date of the preparation or dissemination of the documents, files, or materials concerned.

(b) **DEADLINE.**—The lists required by subsection (a) shall be submitted not later than 120 days after the date of the enactment of this Act.

(c) **ACCESS BY COMMITTEES AND MEMBERS OF CONGRESS.**—A designated congressional committee shall, upon request and in accordance with regulations of the committee regarding protection of classified information, make available any list submitted to the committee under subsection (a) to any Member of Congress or committee of Congress, and to any staff member of a Member of Congress or committee of Congress who possesses a security clearance appropriate for access to the list.

(d) **DESIGNATED CONGRESSIONAL COMMITTEE DEFINED.**—In this section, the term "designated congressional committee" means the following:

(1) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

(2) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

#### SEC. 311. STUDY OF BACKGROUND CHECKS FOR EMPLOYEES OF THE DEPARTMENT OF ENERGY.

(a) **STUDY OF BACKGROUND CHECK PRACTICES.**—The Secretary of Energy shall conduct a study comparing the procedures used by the Department for conducting background checks of employees seeking access to classified information with the procedures used by the Central Intelligence Agency, the National Security Agency, the Federal Bureau of Investigation, and other similar departments and agencies of the Federal Government for conducting background checks of such employees.

(b) **REPORT.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of Energy shall submit to Congress a report on the study conducted under subsection (a). The report shall include—

(1) a discussion of the adequacy of the procedures used by the Department for conducting background checks of employees seeking access to classified information in light of the comparison required under the study; and

(2) any other recommendations, including recommendations for legislative action, that the Secretary considers appropriate.

#### SEC. 312. REPORT ON LEGAL STANDARDS APPLIED FOR ELECTRONIC SURVEILLANCE.

(a) **REPORT.**—Not later than 60 days after the date of the enactment of this Act, the Director of Central Intelligence, the Director of the National Security Agency, and the Attorney General shall jointly prepare, and the Director of the National Security Agency shall submit to the appropriate congressional committees a report in classified and unclassified form describing the legal standards employed by elements of the intelligence community in conducting signals intelligence activities, including electronic surveillance.

(b) **MATTERS SPECIFICALLY ADDRESSED.**—The report shall specifically include a statement of each of the following legal standards:

(1) The legal standards for interception of communications when such interception may result in the acquisition of information from a communication to or from United States persons.

(2) The legal standards for intentional targeting of the communications to or from United States persons.

(3) The legal standards for receipt from non-United States sources of information pertaining to communications to or from United States persons.

(4) The legal standards for dissemination of information acquired through the interception of the communications to or from United States persons.

(c) **DEFINITION.**—As used in this section:

(1) The term "intelligence community" has the meaning given that term under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

(2) The term "United States persons" has the meaning given such term under section 101(i) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(i)).

(3) The term "appropriate congressional committees" means the Permanent Select Committee on Intelligence and the Committee on the Judiciary of the House of Representatives, and the Select Committee on Intelligence and the Committee on the Judiciary of the Senate.

### TITLE IV—CENTRAL INTELLIGENCE AGENCY

#### SEC. 401. IMPROVEMENT AND EXTENSION OF CENTRAL SERVICES PROGRAM.

(a) **SCOPE OF PROVISION OF ITEMS AND SERVICES.**—Subsection (a) of section 21 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403u) is amended by striking "and to other" and inserting ", nonappropriated fund entities or instrumentalities associated or affiliated with the Agency, and other".

(b) **DEPOSITS IN CENTRAL SERVICES WORKING CAPITAL FUND.**—Subsection (c)(2) of that section is amended—

(1) by amending subparagraph (D) to read as follows:

"(D) Amounts received in payment for loss or damage to equipment or property of a central service provider as a result of activities under the program.";

(2) by redesignating subparagraph (E) as subparagraph (F); and

(3) by inserting after subparagraph (D), as so amended, the following new subparagraph (E):

"(E) Other receipts from the sale or exchange of equipment or property of a central service provider as a result of activities under the program.".

(c) **AVAILABILITY OF FEES.**—Section (f)(2)(A) of that section is amended by inserting "central service providers and any" before "elements of the Agency".

(d) **EXTENSION OF PROGRAM.**—Subsection (h)(1) of that section is amended by striking "March 31, 2000" and inserting "March 31, 2005".

#### SEC. 402. EXTENSION OF CIA VOLUNTARY SEPARATION PAY ACT.

(a) **EXTENSION OF AUTHORITY.**—Section 2(f) of the Central Intelligence Agency Voluntary Separation Pay Act (50 U.S.C. 403-4 note) is amended by striking "September 30, 1999" and inserting "September 30, 2000".

(b) **REMITTANCE OF FUNDS.**—Section 2(i) of that Act is amended by striking "or fiscal year 1999" and inserting ", 1999, or 2000".

### TITLE V—DEPARTMENT OF ENERGY INTELLIGENCE ACTIVITIES

#### SEC. 501. SHORT TITLE.

This title may be cited as the "Department of Energy Sensitive Country Foreign Visitors Moratorium Act of 1999".

#### SEC. 502. MORATORIUM ON FOREIGN VISITORS PROGRAM.

(a) **MORATORIUM.**—The Secretary of Energy may not admit to any classified facility of a national laboratory any individual who is a citizen of a nation that is named on the current Department of Energy sensitive countries list.

(b) **WAIVER AUTHORITY.**—(1) The Secretary of Energy may waive the prohibition in subsection (a) on a case-by-case basis with respect to specific individuals whose admission to a national laboratory is determined by the Secretary to be necessary for the national security of the United States.

(2) Not later than 30 days after granting a waiver under paragraph (1), the Secretary shall submit to committees referred to in paragraph (4) a report in writing regarding the waiver. The report shall identify each individual for whom such a waiver was granted and, with respect to each such individual, provide a detailed justification for the waiver and the Secretary's certification that the admission of that individual



to a national laboratory is necessary for the national security of the United States.

(3) The authority of the Secretary under paragraph (1) may not be delegated.

(4) The committees referred to in this paragraph are the following:

(A) The Committees on Armed Services, Appropriations, Commerce, and Energy and Natural Resources and the Select Committee on Intelligence of the Senate.

(B) The Committees on Armed Services, Appropriations, Commerce, and Resources and the Permanent Select Committee on Intelligence of the House of Representatives.

#### **SEC. 503. BACKGROUND CHECKS ON ALL FOREIGN VISITORS TO NATIONAL LABORATORIES.**

Before an individual who is a citizen of a foreign nation is allowed to enter a national laboratory, the Secretary of Energy shall require that a security clearance investigation (known as a "background check") be carried out on that individual.

#### **SEC. 504. REPORT TO CONGRESS.**

(a) **REPORT.**—(1) The Director of Central Intelligence and the Director of the Federal Bureau of Investigation jointly shall submit to the committees referred to in subsection (c) a report on counterintelligence activities at the national laboratories, including facilities and areas at the national laboratories at which unclassified work is carried out.

(2) The report shall include—

(A) a description of the status of counterintelligence activities at each of the national laboratories;

(B) the net assessment produced under paragraph (3); and

(C) a recommendation as to whether or not section 502 should be repealed.

(3)(A) A net assessment of the foreign visitors program at the national laboratories shall be produced for purposes of the report under this subsection and included in the report under paragraph (2)(B).

(B) The assessment shall be produced by a panel of individuals with expertise in intelligence, counterintelligence, and nuclear weapons design matters.

(b) **DEADLINE FOR SUBMITTAL.**—The report required by subsection (a) shall be submitted not later than 90 days after the date of the enactment of this Act.

(c) **COMMITTEES.**—The committees referred to in this subsection are the following:

(1) The Committees on Armed Services and Appropriations and the Select Committee on Intelligence of the Senate.

(2) The Committees on Armed Services and Appropriations and the Permanent Select Committee on Intelligence of the House of Representatives.

#### **SEC. 505. DEFINITIONS.**

In this title:

(1) The term "national laboratory" means any of the following:

(A) The Lawrence Livermore National Laboratory, Livermore, California.

(B) The Los Alamos National Laboratory, Los Alamos, New Mexico.

(C) The Sandia National Laboratories, Albuquerque, New Mexico.

(2) The term "sensitive countries list" means the list prescribed by the Secretary of Energy known as the Department of Energy List of Sensitive Countries.

### **TITLE VI—FOREIGN COUNTERINTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS**

#### **SEC. 601. EXPANSION OF DEFINITION OF "AGENT OF A FOREIGN POWER" FOR PURPOSES OF THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.**

Section 101(b)(2) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(b)(2)) is amended—

(1) in subparagraph (C), by striking "or" at the end;

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following new subparagraph (D):

"(D) knowingly enters the United States under a false or fraudulent identity for or on behalf of a foreign power or, while in the United States, knowingly assumes a false or fraudulent identity for or on behalf of a foreign power; or".

#### **SEC. 602. FEDERAL BUREAU OF INVESTIGATION REPORTS TO OTHER EXECUTIVE AGENCIES ON RESULTS OF COUNTERINTELLIGENCE ACTIVITIES.**

Section 811(c)(2) of the Counterintelligence and Security Enhancements Act of 1994 (title VIII of Public Law 103-359; 108 Stat. 3455; 50 U.S.C. 402a(c)(2)) is amended by striking "after a report has been provided pursuant to paragraph (1)(A)".

### **TITLE VII—BLOCKING ASSETS OF MAJOR NARCOTICS TRAFFICKERS**

#### **SEC. 701. FINDING AND POLICY.**

(a) **FINDING.**—Congress makes the following findings:

(1) Presidential Decision Directive 42, issued on October 21, 1995, ordered agencies of the executive branch of the United States Government to, inter alia, increase the priority and resources devoted to the direct and immediate threat international crime presents to national security, work more closely with other governments to develop a global response to this threat, and use aggressively and creatively all legal means available to combat international crime.

(2) Executive Order No. 12978 of October 21, 1995, provides for the use of the authorities in the International Emergency Economic Powers Act (IEEPA) to target and sanction four specially designated narcotics traffickers and their organizations which operate from Colombia.

(b) **POLICY.**—It should be the policy of the United States to impose economic and other financial sanctions against foreign international narcotics traffickers and their organizations worldwide.

#### **SEC. 702. PURPOSE.**

The purpose of this title is to provide for the use of the authorities in the International Emergency Economic Powers Act to sanction additional specially designated narcotics traffickers operating worldwide.

#### **SEC. 703. DESIGNATION OF CERTAIN FOREIGN INTERNATIONAL NARCOTICS TRAFFICKERS.**

(a) **PREPARATION OF LIST OF NAMES.**—Not later than January 1, 2000 and not later than January 1 of each year thereafter, the Secretary of the Treasury, in consultation with the Attorney General, Director of Central Intelligence, Secretary of Defense, and Secretary of State, shall transmit to the President and to the Director of the Office of National Drug Control Policy a list of those individuals who play a significant role in international narcotics trafficking as of that date.

(b) **EXCLUSION OF CERTAIN PERSONS FROM LIST.**—

(1) **IN GENERAL.**—Notwithstanding any other provision of this section, the list described in subsection (a) shall not include the name of any individual if the Director of Central Intelligence

determines that the disclosure of that person's role in international narcotics trafficking could compromise United States intelligence sources or methods. The Director of Central Intelligence shall advise the President when a determination is made to withhold an individual's identity under this subsection.

(2) **REPORTS.**—In each case in which the Director of Central Intelligence has made a determination under paragraph (1), the President shall submit a report in classified form to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives setting forth the reasons for the determination.

(d) **DESIGNATION OF INDIVIDUALS AS THREATS TO THE UNITED STATES.**—The President shall determine not later than March 1 of each year whether or not to designate persons on the list transmitted to the President that year as persons constituting an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. The President shall notify the Secretary of the Treasury of any person designated under this subsection. If the President determines not to designate any person on such list as such a threat, the President shall submit a report to Congress setting forth the reasons therefore.

(e) **CHANGES IN DESIGNATIONS OF INDIVIDUALS.**—

(1) **ADDITIONAL INDIVIDUALS DESIGNATED.**—If at any time after March 1 of a year, but prior to January 1 of the following year, the President determines that a person is playing a significant role in international narcotics trafficking and has not been designated under subsection (d) as a person constituting an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, the President may so designate the person. The President shall notify the Secretary of the Treasury of any person designated under this paragraph.

(2) **REMOVAL OF DESIGNATIONS OF INDIVIDUALS.**—Whenever the President determines that a person designated under subsection (d) or paragraph (1) of this subsection no longer poses an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, the person shall no longer be considered as designated under that subsection.

(f) **REFERENCES.**—Any person designated under subsection (d) or (e) may be referred to in this Act as a "specially designated narcotics trafficker".

#### **SEC. 704. BLOCKING ASSETS.**

(a) **FINDING.**—Congress finds that a national emergency exists with respect to any individual who is a specially designated narcotics trafficker.

(b) **BLOCKING OF ASSETS.**—Except to the extent provided in section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)) and in regulations, orders, directives, or licenses that may be issued pursuant to this Act, and notwithstanding any contract entered into or any license or permit granted prior to the date of designation of a person as a specially designated narcotics trafficker, there are hereby blocked all property and interests in property that are, or after that date come, within the United States, or that are, or after that date come, within the possession or control of any United States person, of—

(1) any specially designated narcotics trafficker;

(2) any person who materially and knowingly assists in, provides financial or technological support for, or provides goods or services in support of, the narcotics trafficking activities of a specially designated narcotics trafficker; and

(3) any person determined by the Secretary of the Treasury, in consultation with the Attorney

General, Director of Central Intelligence, Secretary of Defense, and Secretary of State, to be owned or controlled by, or to act for or on behalf of, a specially designated narcotics trafficker.

(c) **PROHIBITED ACTS.**—Except to the extent provided in section 203(b) of the International Emergency Economic Powers Act or in any regulation, order, directive, or license that may be issued pursuant to this Act, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, the following acts are prohibited:

(1) Any transaction or dealing by a United States person, or within the United States, in property or interests in property of any specially designated narcotics trafficker.

(2) Any transaction or dealing by a United States person, or within the United States, that evades or avoids, has the purpose of evading or avoiding, or attempts to violate, subsection (b).

(d) **LAW ENFORCEMENT AND INTELLIGENCE ACTIVITIES NOT AFFECTED.**—Nothing in this section is intended to prohibit or otherwise limit the authorized law enforcement or intelligence activities of the United States, or the law enforcement activities of any State or subdivision thereof.

(e) **IMPLEMENTATION.**—The Secretary of the Treasury, in consultation with the Attorney General, Director of Central Intelligence, Secretary of Defense, and Secretary of State, is authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by the International Emergency Economic Powers Act as may be necessary to carry out this section. The Secretary of the Treasury may redelegate any of these functions to any other officer or agency of the United States Government. Each agency of the United States shall take all appropriate measures within its authority to carry out this section.

(f) **ENFORCEMENT.**—Violations of licenses, orders, or regulations under this Act shall be subject to the same civil or criminal penalties as are provided by section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) for violations of licenses, orders, and regulations under that Act.

(g) **DEFINITIONS.**—In this section:

(1) **ENTITY.**—The term “entity” means a partnership, association, corporation, or other organization, group or subgroup.

(2) **NARCOTICS TRAFFICKING.**—The term “narcotics trafficking” means any activity undertaken illicitly to cultivate, produce, manufacture, distribute, sell, finance, or transport, or otherwise assist, abet, conspire, or collude with others in illicit activities relating to, narcotic drugs, including, but not limited to, heroin, methamphetamine and cocaine.

(3) **PERSON.**—The term “person” means an individual or entity.

(4) **UNITED STATES PERSON.**—The term “United States person” means any United States citizen or national, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States.

#### **SEC. 705. DENIAL OF VISAS TO AND INADMISSIBILITY OF SPECIALLY DESIGNATED NARCOTICS TRAFFICKERS.**

(a) **PROHIBITION.**—The Secretary of State shall deny a visa to, and the Attorney General may not admit to the United States—

(1) any specially designated narcotics trafficker; or

(2) any alien who the consular officer or the Attorney General knows or has reason to believe—

(A) is a spouse or minor child of a specially designated narcotics trafficker; or

(B) is a person described in paragraph (2) or (3) of section 704(b).

(b) **EXCEPTIONS.**—Subsection (a) shall not apply—

(1) where the Secretary of State finds, on a case-by-case basis, that the entry into the United States of the person is necessary for medical reasons;

(2) upon the request of the Attorney General, Director of Central Intelligence, Secretary of the Treasury, or the Secretary of Defense; or

(3) for purposes of the prosecution of a specially designated narcotics trafficker.

#### **TITLE VIII—COMMISSION TO ASSESS THE BALLISTIC MISSILE THREAT TO THE RUSSIAN FEDERATION**

##### **SEC. 801. ESTABLISHMENT OF COMMISSION.**

(a) **ESTABLISHMENT.**—There is hereby established a commission to be known as the “Commission to Assess the Ballistic Missile Threat to the Russian Federation” (hereinafter in this title referred to as the “Commission”).

(b) **COMPOSITION.**—The Commission shall be composed of nine members appointed by the Director of Central Intelligence. In selecting individuals for appointment to the Commission, the Director should consult with—

(1) the Speaker of the House of Representatives concerning the appointment of three of the members of the Commission;

(2) the majority leader of the Senate concerning the appointment of three of the members of the Commission; and

(3) the minority leader of the House of Representatives and the minority leader of the Senate concerning the appointment of three of the members of the Commission.

(c) **QUALIFICATIONS.**—Members of the Commission shall be appointed from among private United States citizens with knowledge and expertise in the political and military aspects of proliferation of ballistic missiles and the ballistic missile threat to the Russian Federation.

(d) **CHAIRMAN.**—The Speaker of the House of Representatives, after consultation with the majority leader of the Senate and the minority leaders of the House of Representatives and the Senate, shall designate one of the members of the Commission to serve as chairman of the Commission.

(e) **PERIOD OF APPOINTMENT; VACANCIES.**—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(f) **SECURITY CLEARANCES.**—All members of the Commission shall hold appropriate security clearances.

(g) **INITIAL ORGANIZATION REQUIREMENTS.**—(1) All appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act.

(2) The Commission shall convene its first meeting not later than 30 days after the date as of which all members of the Commission have been appointed, but not earlier than October 15, 1999.

##### **SEC. 802. DUTIES OF COMMISSION.**

(a) **REVIEW OF BALLISTIC MISSILE THREAT.**—The Commission shall assess the nature and magnitude of the existing and emerging ballistic missile threat to the Russian Federation.

(b) **COOPERATION FROM GOVERNMENT OFFICIALS.**—In carrying out its duties, the Commission should receive the full and timely cooperation of the Secretary of Defense, the Director of Central Intelligence, and any other United States Government official responsible for providing the Commission with analyses, briefings, and other information necessary for the fulfillment of its responsibilities.

##### **SEC. 803. REPORT.**

The Commission shall, not later than six months after the date of its first meeting, submit to Congress a report on its findings and conclusions.

##### **SEC. 804. POWERS.**

(a) **HEARINGS.**—The Commission or, at its direction, any panel or member of the Commission, may, for the purpose of carrying out the provisions of this title, hold hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths to the extent that the Commission or any panel or member considers advisable.

(b) **INFORMATION.**—The Commission may secure directly from the Department of Defense, the Central Intelligence Agency, and any other Federal department or agency information that the Commission considers necessary to enable the Commission to carry out its responsibilities under this title.

##### **SEC. 805. COMMISSION PROCEDURES.**

(a) **MEETINGS.**—The Commission shall meet at the call of the Chairman.

(b) **QUORUM.**—(1) Five members of the Commission shall constitute a quorum other than for the purpose of holding hearings.

(2) The Commission shall act by resolution agreed to by a majority of the members of the Commission.

(c) **COMMISSION.**—The Commission may establish panels composed of less than full membership of the Commission for the purpose of carrying out the Commission's duties. The actions of each such panel shall be subject to the review and control of the Commission. Any findings and determinations made by such a panel shall not be considered the findings and determinations of the Commission unless approved by the Commission.

(d) **AUTHORITY OF INDIVIDUALS TO ACT FOR COMMISSION.**—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take under this title.

##### **SEC. 806. PERSONNEL MATTERS.**

(a) **PAY OF MEMBERS.**—Members of the Commission shall serve without pay by reason of their work on the Commission.

(b) **TRAVEL EXPENSES.**—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) **STAFF.**—(1) The chairman of the Commission may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint a staff director and such additional personnel as may be necessary to enable the Commission to perform its duties. The appointment of a staff director shall be subject to the approval of the Commission.

(2) The chairman of the Commission may fix the pay of the staff director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay fixed under this paragraph for the staff director may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title and the rate of pay for other personnel may not exceed the maximum rate payable for grade GS-15 of the General Schedule.

(d) **DETAIL OF GOVERNMENT EMPLOYEES.**—Upon request of the chairman of the Commission, the head of any Federal department or agency may detail, on a nonreimbursable basis, any personnel of that department or agency to the Commission to assist it in carrying out its duties.

(e) **PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.**—The chairman of the Commission may procure temporary and intermittent

services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay payable for level V of the Executive Schedule under section 5316 of such title.

#### **TITLE IX—AGENCY FOR NUCLEAR STEWARDSHIP**

##### **SEC. 901. DEPARTMENT OF ENERGY NUCLEAR SECURITY.**

(a) Section 202(a) of the Department of Energy Organization Act (referred to in this section as the "Act") is amended by striking the second sentence and inserting "The Secretary shall delegate to the Deputy Secretary such duties as the Secretary may prescribe unless such delegation is otherwise prohibited by law, and the Deputy Secretary shall act for and exercise the functions of the Secretary during the absence or disability of the Secretary or in the event the office of the Secretary becomes vacant."

(b) Section 202(b) of the Act is amended by striking the first two sentences and inserting "There shall be in the Department two Under Secretaries and a General Counsel, who shall be appointed by the President, by and with the advice and consent of the Senate. One Under Secretary shall be the Under Secretary for Nuclear Stewardship. The other Under Secretary shall bear primary responsibility for science, energy (including energy conservation), and environmental functions."

(c) After section 212 of the Act add the following new section:

#### **"AGENCY FOR NUCLEAR STEWARDSHIP**

"Sec. 213(a) There shall be within the Department a separately organized Agency for Nuclear Stewardship under the direction, authority, and control of the Secretary, to be headed by the Under Secretary for Nuclear Stewardship who shall also serve as Director of the Agency.

"(b) The Under Secretary for Nuclear Stewardship shall be a person who has an extensive background in national security, organizational management and appropriate technical fields, and is especially well qualified to manage the nuclear weapons, nonproliferation and fissile materials disposition programs of the Department in a manner that advances and protects the national security of the United States.

"(c) The Secretary shall be responsible for all policies of the Agency. The Under Secretary for Nuclear Stewardship shall report solely and directly to the Secretary and shall be subject to the supervision and direction of the Secretary. The Secretary shall have a staff adequate to fulfill the responsibility to set policies throughout the Department including establishing policies governing the Agency for Nuclear Stewardship. The Secretary's staff, including but not limited to the General Counsel and the Chief Financial Officer, shall assist the Secretary in the supervision of the development and implementation of policies set forth by the Secretary and shall advise the Secretary on the adequacy of such development and implementation. The Secretary may not delegate to any Department official, other than the Deputy Secretary, the duty to supervise or direct the Under Secretary for Nuclear Stewardship.

"(d) The Secretary may direct other officials of the Department who are not within the Agency for Nuclear Stewardship to review the Agency's programs and to make recommendations to the Secretary regarding the administration of such programs, including consistency with other similar programs and activities in the Department.

"(e) The Secretary shall assign to the Under Secretary for Nuclear Stewardship direct authority over and responsibility for—

"(1) all programs and activities of the Department related to its national security functions, including nuclear weapons, nonproliferation and fissile materials disposition; and

"(2) all activities at the Department's national security laboratories, and nuclear weapons production facilities.

"(f) The Secretary shall assign to the Under Secretary for Nuclear Stewardship direct authority over and responsibility for all executive and administrative operations and functions of the Agency for Nuclear Stewardship (except for the authority and responsibility assigned to the Deputy Director for Naval Reactors), including but not limited to—

"(1) strategic management;

"(2) policy development and guidance;

"(3) budget formulation and guidance;

"(4) resource requirements determination and allocation;

"(5) program direction;

"(6) safeguards and security;

"(7) emergency management;

"(8) integrated safety management;

"(9) environment, safety, and health operations (except those environmental remediation and nuclear waste management activities and facilities that the Secretary determines are best managed by other officials of the Department);

"(10) administration of contracts, including those for the management and operation of the nuclear weapons production facilities and the national security laboratories;

"(11) intelligence;

"(12) counterintelligence;

"(13) personnel, including their selection, appointment, distribution, supervision, fixing of compensation, and separation;

"(14) procurement of services of experts and consultants in accordance with section 3109 of title 5, United States Code; and

"(15) legal matters.

"(g) There shall be within the Agency three Deputy Directors, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, who shall be compensated at the rate provided for at level IV of the Executive Schedule under section 5315 of title 5 (except the Deputy Director for Naval Reactors when an active duty naval officer). There shall be a Deputy Director for each of the following functions—

"(1) defense programs;

"(2) nonproliferation and fissile materials disposition; and

"(3) naval reactors.

"(h) The Deputy Director for Naval Reactors shall report to the Secretary of Energy through the Under Secretary for Nuclear Stewardship and have direct access to the Secretary and other senior officials of the Department, and shall be assigned the responsibilities, authorities, and accountability for all functions of the Office of Naval Reactors as described by the reference in section 1634 of Public Law 98-525. Except as specified in subsection (g) and this subsection, all other provisions described by the reference in section 1634 of Public Law 98-525 remain in full force until changed by law.

"(i) There shall be within the Agency three offices, each of which shall be administered by a Chief appointed by the Under Secretary for Nuclear Stewardship. There shall be a:

"(1) Chief of Nuclear Stewardship Counterintelligence, who shall report to the Under Secretary and implement the counterintelligence policies directed by the Secretary and Under Secretary. The Chief of Nuclear Stewardship Counterintelligence shall have direct access to the Secretary and all other officials of the Department and its contractors concerning counterintelligence matters and shall be responsible for—

"(A) the development and implementation of the Agency's counterintelligence programs to prevent the disclosure or loss of classified or other sensitive information; and

"(B) the development and administration of personnel assurance programs within the Agency for Nuclear Stewardship.

"(2) Chief of Nuclear Stewardship Security, who shall report to the Under Secretary and shall implement the security policies directed by the Secretary and Under Secretary. The chief of Nuclear Stewardship Security shall have direct access to the Secretary and all other officials of the Department and its contractors concerning security matters and shall be responsible for the development and implementation of security programs for the Agency including the protection, control and accounting of materials, and the physical and cybersecurity for all facilities in the Agency.

"(3) Chief of Nuclear Stewardship Intelligence, who shall be a senior executive service employee of the Agency or an agency of the intelligence community who shall report to the Under Secretary and shall have direct access to the Secretary and all other officials of the Department and its contractors concerning intelligence matters and shall be responsible for all programs and activities of the Agency relating to the analysis and assessment of intelligence with respect to foreign nuclear weapons, materials, and other nuclear matters in foreign nations.

"(j)(1) The Under Secretary shall, with the approval of the Secretary and the Director of the Federal Bureau of Investigation, designate the chief of Counterintelligence who shall have special expertise in counterintelligence.

"(2) If such person is a Federal employee of an entity other than the Agency, the service of such employee as Chief shall not result in any loss of employment status, right, or privilege by such employee.

"(k) All personnel of the Agency for Nuclear Stewardship, in carrying out any function of the Agency, shall be responsible to, and subject to the supervision and direction of, the Secretary and the Under Secretary for Nuclear Stewardship or his designee within the Agency, and shall not be responsible to, or subject to the supervision or direction of, any other officer, employee, or agent of any other part of the Department. Such supervision and direction of any Director or contract employee of a national security laboratory or of a nuclear weapons production facility shall not interfere with communication to the Department, the President, or Congress, of technical findings or technical assessments derived from, and in accord with, duly authorized activities. The Under Secretary for Nuclear Stewardship shall have responsibility and authority for, and may use, an appropriate field structure for the programs and activities of the Agency.

"(l) The Under Secretary for Nuclear Stewardship shall delegate responsibilities to the Deputy Directors except that the responsibilities, authorities and accountability of the Deputy Director for Naval Reactors are as described in subsection (h).

"(m) The Directors of the national security laboratories and the heads of the nuclear weapons production facilities and the Nevada Test Site shall report, consistent with their contractual obligations, directly to the Deputy Director for Defense Programs.

"(n) The Under Secretary for Nuclear Stewardship shall maintain within the Agency staff sufficient to implement the policies of the Secretary and Under Secretary for Nuclear Stewardship for the Agency. At a minimum these staff shall be responsible for—

"(1) personnel;

"(2) legal services; and

"(3) financial management.

"(o)(1) The Secretary shall ensure that other programs of the Department, other Federal agencies, and other appropriate entities continue to use the capabilities of the national security laboratories.

"(2) The Under Secretary, under the direction, authority, and control of the Secretary, shall,

consistent with the effective discharge of the Agency's responsibilities, make the capabilities of the national security laboratories available to the entities in paragraph (1) in a manner that continues to provide direct programmatic control by such entities.

"(p)(1) Not later than March 1 of each year the Under Secretary for Nuclear Stewardship shall submit through the Secretary to the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Senate and the House of Representatives, a report on the status and effectiveness of the security and counterintelligence programs of the Agency for Nuclear Stewardship during the preceding year.

"(2) The report shall provide information on—  
 "(A) the status and effectiveness of security and counterintelligence programs at each nuclear weapons production facility, national security laboratory, or any other facility or institution at which classified nuclear weapons work is performed;

"(B) the adequacy of procedures and policies for protecting national security information at each nuclear weapons production facility, national security laboratory, or any other facility or institution at which classified nuclear weapons work is performed;

"(C) whether each nuclear weapons production facility, national security laboratory, or other facility or institution at which classified nuclear weapons work is performed is in full compliance with all security and counterintelligence requirements, and if not what measures are being taken or are in place to bring such facility, laboratory, or institution into compliance;

"(D) any significant violation of law, rule, regulation, or other requirement relating to security or counterintelligence at each nuclear weapons production facility, national security laboratory, or any other facility or institution at which classified nuclear weapons work is performed;

"(E) each foreign visitor or assignee, the national security laboratory, nuclear weapons production facility, or other facility or institution at which classified nuclear weapons work is performed, visited, the purpose and justification for the visit, the duration of the visit, whether the visitor or assignee had access to classified or sensitive information or facilities, and whether a background check was performed on such visitor prior to such visit; and

"(F) such other matters and recommendations to Congress as the Under Secretary deems appropriate.

"(3) Each report required by this subsection shall be submitted in unclassified form, but may include a classified annex.

"(4) Thirty days prior to the submission of the report required by subsection (p)(1), but in any event no later than February 1 of each year, the director of each Department of Energy national security laboratory and nuclear weapons production facility shall certify in writing to the Under Secretary for Nuclear Stewardship whether that laboratory or facility is in full compliance with all national security information protection requirements. If the laboratory or facility is not in full compliance, the director of the laboratory or facility shall report on why it is not in compliance, what measures are being taken to bring it into compliance, and when it will be in compliance.

"(q) The Under Secretary for Nuclear Stewardship shall keep the Secretary, the Committees on Armed Services of the Senate and House of Representatives, the Committee on Energy and Natural Resources of the Senate, the Committee on Governmental Affairs of the Senate, the Committee on Commerce of the House of Representatives, the Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Rep-

resentatives fully and currently informed regarding any actual or potential significant threat to, or loss of, national security information, unless such information has already been reported to the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence pursuant to the National Security Act of 1947, as amended.

"(r) Personnel of the Agency for Nuclear Stewardship who have reason to believe that there is a problem, abuse, violation of law or executive order, or deficiency relating to the management of classified information shall promptly report such problem, abuse, violation, or deficiency to the Under Secretary for Nuclear Stewardship.

"(s)(1) The Under Secretary for Nuclear Stewardship shall not be required to obtain the approval of any officer or employee of the Department of Energy, except the Secretary, or any officer or employee of any other Federal agency or department for the preparation or delivery of any report required by this section.

"(2) No officer or employee of the Department of Energy or any other Federal agency or department may delay, deny, obstruct or otherwise interfere with the preparation of any report required by this section.

"(t) For purposes of this section—

"(1) the term 'personnel of the Agency for Nuclear Stewardship' means each officer or employee within the Department of Energy, and any officer or employee of any contractor of the Department (pursuant to the terms of the contract), whose—

"(A) responsibilities include carrying out a function of the Agency for Nuclear Stewardship; or

"(B) employment is funded primarily under the—

"(i) Weapons Activities; or

"(ii) Nonproliferation, Fissile Materials Disposition or Naval Reactors portions of the Other Defense Activities budget functions of the Department;

"(2) the term 'nuclear weapons production facility' means the following facilities—

"(A) the Kansas City Plant, Kansas City, Missouri;

"(B) the Pantex Plant, Amarillo, Texas;

"(C) the Y-12 Plant, Oak Ridge, Tennessee;

"(D) the tritium operations facilities at the Savannah River Site, Aiken, South Carolina;

"(E) the Nevada Test Site, Nevada; and

"(F) any other facility the Secretary designates.

"(3) the term 'national security laboratory' means the following laboratories—

"(A) the Los Alamos National Laboratory, Los Alamos, New Mexico;

"(B) the Lawrence Livermore National Laboratory, Livermore, California; and

"(C) the Sandia National Laboratories, Albuquerque, New Mexico, and Livermore, California.

"(u) The Agency for Nuclear Stewardship shall comply with all applicable environmental, safety, and health statutes and substantive requirements. The Under Secretary for Nuclear Stewardship shall develop procedures for meeting such requirements. Nothing in this section shall diminish the authority of the Secretary to ascertain and ensure that such compliance occurs.

"(v) The Secretary shall be responsible for developing and promulgating departmental security, counterintelligence and intelligence policies, and may use his immediate staff to assist him in developing and promulgating such policies. The Under Secretary for Nuclear Stewardship is responsible for implementation of all security, counterintelligence and intelligence policies within the Agency for Nuclear Stewardship. The Under Secretary for Nuclear Stewardship

may establish agency-specific policies unless disapproved by the Secretary.

"(w) In addition to any personnel occupying senior-level positions in the Department on the date of enactment of this section, there shall be within the Agency not more than 25 additional employees in senior-level positions, as defined by title 5, United States Code, who shall be employed by the Agency for Nuclear Stewardship and who shall perform such functions as the Under Secretary for Nuclear Stewardship shall prescribe from time to time."

(d) Within 180 days of the date of enactment of this Act, the Secretary shall report to the Senate and the House of Representatives on the adequacy of the Department's procedures and policies for protecting national security information, including national security information at the Department's laboratories, nuclear weapons facilities and other facilities, making such recommendations to Congress as may be appropriate.

(e) The following technical and conforming amendments are made:

(1) Section 5314 of title 5, United States Code, is amended by striking "Under Secretary, Department of Energy" and inserting "Under Secretaries of Energy (2), one of whom serves as the Director, Agency for Nuclear Stewardship".

(2) Section 202(b) of the Act is amended in the third sentence by striking "Under Secretary" and inserting "Under Secretaries".

(3) Section 212 of the Act is amended by striking subsection 212(b) and redesignating subsection 212(c) as subsection 212(b).

(4) Section 309 of the Act is amended by striking "Assistant Secretary to whom the Secretary has assigned the functions listed in section 203(a)(2)(E)" and inserting "Under Secretary for Nuclear Stewardship".

(5) The table of contents of the Act is amended by inserting after the item relating to section 212 the following new item:

"Sec. 213. Agency for Nuclear Stewardship."

Mr. SHELBY. Mr. President, I ask consent that the Senate insist on its amendment, request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER (Mr. ABRAHAM) appointed Mr. SHELBY, Mr. CHAFEE, Mr. LUGAR, Mr. DEWINE, Mr. KYL, Mr. INHOFE, Mr. HATCH, Mr. ROBERTS, Mr. ALLARD, Mr. WARNER, Mr. KERREY of Nebraska, Mr. BRYAN, Mr. GRAHAM of Florida, Mr. KERRY of Massachusetts, Mr. BAUCUS, Mr. ROBB, Mr. LAUTENBERG, and Mr. LEVIN; from the Committee on Armed Services, Mr. WARNER, conferees on the part of the Senate.

Mr. SHELBY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER OF PROCEDURE

Mr. LEAHY. Mr. President, under the previous order, I am to reclaim the floor, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. Mr. President, on the juvenile justice bill, the reason why I have encouraged the leadership to move as quickly as they are able to—and I say, in regard to what the distinguished Senator from Mississippi said earlier, I also know if he were to make the same request I made, he could face an objection. What I am urging is that we find a way to move forward because to have the full impact in the United States of our juvenile justice bill, which passed by a 3-to-1 margin in the Senate, we have to get it on the President's desk in its final form before the August recess so there is some chance of moving before school goes back in this fall. All of us, whether we are parents, grandparents, teachers, or policymakers, have been puzzling over the causes of children turning violent in our country.

Certainly all of us in our lifetimes have seen random acts of violence somewhere in the country. I don't think any of us have seen the severity or the number, almost a regularity, of violence we are seeing today. The root causes are likely multifaceted, and we know that. But the Hatch-Leahy juvenile justice bill is a firm and significant step in the right direction. Passage of this bill shows when the Senate rolls up its sleeves and gets to work, we can make significant progress. But that progress amounts to naught if the House and Senate do not conference and proceed to final passage on a good bill.

Once conferees are appointed, there will be another point in the legislative process where we will have to roll up our sleeves to work out differences between the House- and Senate-passed legislation.

Every parent in this country is concerned this summer about school violence over the last 2 years. They are worried about the situation they are going to confront this fall. Each of us wants to do something to stop that violence. There is no single cause and there is no single legislative solution that will cure the ill of youth violence in our schools or on our streets. But we have an opportunity before us to at least start to do something, to do our part. Now, it is unfortunate we are not moving full speed ahead to seize this opportunity to act on balanced, effective juvenile justice legislation.

We should not repeat the delays that happened in the last Congress on the juvenile justice legislation. In the 105th Congress, the Senate Judiciary Committee reported juvenile justice legislation in July 1997, but then it was left to languish for over a year until the very end of that Congress. In fact, serious efforts to make improvements to this bill did not even occur until the last weeks of that Congress, when it was too late and we ran out of time.

The experience of the last Congress causes me to be wary of this delay in action on this legislation this year. I want to be assured that after the hard work so many Senators put into crafting a juvenile justice bill, that we go to a House-Senate conference that is fair, full, and productive. We have worked too hard in the Senate for a strong, bipartisan juvenile justice bill to simply shrug our shoulders when the House returns a juvenile justice bill rather than proceeding to a conference. I will be vigilant in working to maintain this bipartisanship and to press for action on this important legislation.

To this end, I circulated yesterday to the distinguished chairman of the Judiciary Committee the unanimous consent request that I made. It lays out a simple road map for us to proceed to a juvenile justice conference before the August recess and before the new school year begins. I understand the unanimous consent request cannot be accepted tonight, but if we could accept this, or a form of it, this is what it would do:

We would take up the House juvenile justice bill, H.R. 1501; we would substitute the Hatch-Leahy bill, S. 254, amended to eliminate the provision banning the import of high-capacity ammunition clips; pass the bill as amended; request a conference with the House; instruct the conferees to include in the conference report the eliminated provision on high-capacity ammunition clips—put it back in, because parliamentarily it would be allowed—and we would authorize the Chair to appoint conferees.

The fact that the House returned the Senate juvenile justice bill to us is not an insurmountable obstacle to get to conference on this important issue. This unanimous consent—or a form of it—would lay out a simple procedure for us to get to conference promptly, and the majority has the power to say: We agree, let's go to conference.

We know only too well that when it is something that has the commercial interests of Y2K liability protection, we can go over what seem to be insurmountable obstacles and enact legislation into law. There is no commercial interest. There is certainly far more. It is the safety of our children. It is allowing our children to have a youth. It is allowing our children to go to school, as we did, in safety. It is allowing our children to learn, to be young people, and not to be forced to grow up in violence.

It is a gift we could give to the children of America. It is something we could do before they go back to school. It is something we should do.

Mrs. BOXER. Mr. President, will the Senator yield for a question?

Mr. LEAHY. Yes.

Mrs. BOXER. It is a very brief question.

I have just gone over with my colleague and some of our staff the fact that the House sent this bill over 3 weeks ago. We did our work. They did their work. And when our friend, the majority leader, says we are dragging our feet, we certainly didn't drag our feet on the juvenile justice bill.

I ask my friend if he agrees that we have not dragged our feet on that bill and that we have acted as we should. God knows, we want to make sure we do something to make things better.

As I see it, on June 23, 1999, this bill was placed on the calendar. No one is dragging their feet on this bill. Both Houses have done their work, and it is time to move forward to avoid another tragedy.

I ask my friend if he agrees with that.

Mr. LEAHY. The Senator from California is correct. We have moved very quickly on it. I hope we do not run into the situation that happened last year. We spent a lot of time on the juvenile justice bill, and then it languished and languished after coming out of committee. It sat so long that by the time we got to it, the time of the session ran out. In fact, the end of the Congress ran out.

Here we are not right at the end of a Congress, but we are facing a school year, and we should begin.

I promised the distinguished senior Senator from New Hampshire that I would wrap up. I believe I have wrapped up.

Mr. GREGG. I thank the Senator from Vermont.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from New Hampshire.

#### DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

Mr. GREGG. Mr. President, I ask the Chair to lay before the Senate Calendar No. 153, the fiscal year 2000 Commerce, Justice, and State appropriations bill.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

A bill (S. 1217) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2000, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. GREGG. Mr. President, I bring before the Senate today, on behalf of myself, the Senator from South Carolina, and members of the Appropriations Committee, the bill to fund the Departments of Commerce, Justice, and State, the judiciary, and related agencies, which I want to spend some time discussing.

But before I do that, let me begin by thanking, for the extraordinary

amount of work and effort that they put into this bill, my staff and the staff of the Senator from South Carolina. They have put in so many hours. It is incredible. They spent evenings here. They spent nights here. And they spent weekends here, all at the expense of their families. I, for one, am extraordinarily appreciative of that.

PRIVILEGE OF THE FLOOR

Let me mention a few folks. I ask unanimous consent that all of these people be granted full floor privileges during the consideration of this bill.

Jim Morhard, of course, who is the clerk of the staff and chief operating officer, Paddy Link, Kevin Linskey, Eric Harnischfeger, Clayton Heil, Dana Quam, Meg Burke, Vas Alexopoulos, Jackie Cooney, Brian McLachlan, Lila Helms, Emelie East, and Tim Harding. These folks work incredible hours. We very much appreciate it.

Mr. President, this bill recommends a total of \$35.3 billion in spending for the fiscal year 2000. The bill provides, however, \$918 million less than was appropriated in fiscal year 1999.

In fact, if you include in it the fact that we have had the significant increase in the amount of money that is being spent on the census over what was spent last year, because we are headed into a census period, the real reduction below last year's spending in this bill is closer to about \$2.6 billion. It is, of course, significantly less than the President's request.

Much of this reduction, however, from the President's request, is the result of the fact that we decided not to fund advanced appropriations, something I very much oppose, and I think is bad policy. The President included in his budget request advanced funding requests of considerable amounts. We simply did not proceed with those.

In fact, his advanced funding initiatives covered 6 years out. So I hope the President won't be putting out press statements that we are "denying" him something. When we get to those years, we will take a hard look at his request and, hopefully, be able to address them in a way that we can agree on them, should we all be in our present positions.

The Committee chose not to add a great deal of money for many of the President's requests that are new initiatives. We instead took a very strong, fiscally conservative approach. We stay within our budget allocation, which was \$918 million below last year's level.

The Administration's proposed programmatic spending increased by 29.5 percent over last year's enacted budget. We decided that was a mistake. Ironically, considering the amount of the increase, the President's budget still underfunded what we considered to be critical functions of these agencies under our jurisdiction.

Specifically, the Border Patrol was underfunded by \$185 million; and tar-

geted programs that the Committee relies upon, such as the State and local law enforcement block grants, cut by \$522 million; juvenile crime funding by \$250 million; and State prison grants by \$665 million. These were all reductions in the President's budget, even though the President's budget was a high number.

So we took the President's budget, and we tried to work with it, and we put our priorities in place. I think we have come up with an excellent bill considering the tightness of the allocation and the pressures which are on us. We had to reevaluate our priorities in light of that.

The Justice Department is, of course, the single biggest area in our bill. It is a big number. It represents, obviously, a significant part of the responsibility of the Federal Government. It has within it agencies such as the FBI, DEA, INS, U.S. Attorneys Office, and many other subagencies that do an exceptional job of protecting our country and making us a safe nation in which to live.

We have attempted to show our concern and our respect for the efforts of these agencies by funding them as aggressively as we can in the context of this difficult financial situation in which we find ourselves.

We have, however, also made some initiatives. First, we initiated efforts in the area of children and youth. Last year, unfortunately, we saw—and this year we have seen—students shoot people in schools. We have seen violence in schools of extraordinary proportions that has depressed us and outraged us.

Last year we were a little bit ahead of the curve, I guess, in this Committee in that we set up a fund the purpose of which was to address safe school initiatives. This year we are expanding that fund. The Safe Schools Initiative was really an effort by myself and Senator HOLLINGS. It addressed issues such as making sure that schools would have the opportunity, if they so desired, to have police officers work with the students, making available better equipment for schools, and determining whether weapons were being brought into the schools. It is to provide a significant amount in the area of prevention in the schools so that there would be adequate counseling funds available.

That effort, which was started last year with approximately \$240 million, is continued in this bill aggressively. We have for example, put \$180 million in for school resource officers. The idea is to have police officers in the school systems, if the school systems want them, to help educate kids as to the need to respect the law and to work with law enforcement.

There is \$38 million for community planning and prevention activities, which is a big sum, and \$25 million to develop new and more effective safety technology that schools can use for surveillance.

We are also providing a significant amount of money for a number of specific agencies which we think do an extraordinary job in helping prevent crime and deal with kids who may have gotten off the path in their early years. Specifically, we are providing \$50 million for the Boys and Girls Clubs of America, which we think have done an excellent job.

We also put money in for Big Brothers/Big Sisters and for the National Center for Missing and Exploited Children, significant amounts of dollars, increases over last year.

We don't want to reinvent the wheel. We think there are programs out there working. Rather than trying to reinvent the wheel, we are saying to the programs, "Let us help you." They are the professionals, and they know how to do this. They have a track record of doing it well, such as the Boys and Girls Club, Big Brothers and Big Sisters, the National Center for Missing and Exploited Children. Let us support you. We have done that in this bill. I named those three agencies; there are others.

We also escalated the effort in the area of the Office of Juvenile Justice and Delinquency Prevention to a level of \$284 million, and \$100 million for the juvenile accountability block grants, giving funds to States that come forward to use the money.

We address the Missing and Exploited Children Program. Again, the National Center has done an extraordinary job. The FBI has the strike team in this area. We have funded both those areas very aggressively. We feel very strongly this is an area where we have made progress, and we want to keep that progress going. For example, we have a Cyber Tipline for parents, teachers—even kids, if they are so inclined—who can directly access the National Center for Missing and Exploited Children. The tipline is reached through the Internet. The information entered goes to professionals who review each concern, whether it happens to be pornography, pedophilia, or just a threat to a child. Professionals can directly access the proper law enforcement agency or community service agency to immediately be brought into the process for addressing that person's concern.

We have done a great deal in the area of fighting drugs. I can go on at considerable length in the drug-fighting area. We put a high priority on this. We felt the Administration maybe missed the mark a little bit. Instead of giving the DEA the reinforcement teams they needed, they underfunded the teams. We funded the regional and mobile enforcement teams at the level the DEA wanted so we can have the strike teams that have been so successful. In the methamphetamine area we have done a great deal, and we will continue to push that aggressively.

The Justice Department covers such a broad spectrum, there is no shortage



of areas to discuss. I am trying to highlight themes of the bill. We are trying to put funds where we know we get results. We are trying to address needs we know are essential, such as the safe school programs, the missing children programs, the issue of child pornography on the Internet, and the pedophile issue of predators over the Internet.

Again this year, we put an extremely strong effort into the violence against women initiatives. This was an area both Senator HOLLINGS and I felt strongly about. We have funded this aggressively over the last few years. We will continue to fund this area aggressively. The bill includes \$283 million to combat violence against women. The funding continues special grants started last year at the suggestion of Senator WELLSTONE for colleges to have funds available to address threats against women on campuses.

We have Indian initiatives in the bill, including the Indian Country Law Enforcement Initiative. These have mostly been done at the suggestion of Senator CAMPBELL, who is the head of the Indian Affairs Subcommittee, and is also on this Committee. He has had great ideas.

We have initiatives in the area of DNA identification.

A long-standing effort of the Committee has been to make sure that we are getting better prepared for what is an inevitable, unfortunate event, and that is a terrorist attack against American facilities. We are coming upon, unfortunately, the anniversary of the Nairobi and Dar es Salaam attacks. We know there are evil people that wish Americans harm. We have to get ready for that. We have had a three-prong approach to this which was started about 4 years ago, purely through the urging and initiative of this Committee. We set up a task force effort for coordination of the agencies on counterterrorism. We have great results, although we are nowhere near where we need to be. However, we are moving in the right direction.

The three levels of effort are: (1) counterintelligence, especially overseas counterintelligence; (2) interdiction of people before they get to the United States; and, (3) the issue of dealing with an event should a catastrophe occur as a result of a terrorist attack.

We have set up counterterrorism initiatives in this bill, and we continue to expand all our efforts on all three of those fronts. We fund research to try to get a handle on how to respond to biological and chemical attacks. For first responders, we are giving communities the ability through police, fire, and health facilities, when they are first on the scene, to be able to handle that efficiently. We have an excellent national effort on first responders. There is adequate funding for the FBI and

State Department, which are under our jurisdiction, in their efforts of counterterrorism, intelligence, and identifying the threat.

I don't claim we are there. We are just at the beginning, an adolescence level. We were at an embryonic state 4 years ago, but we have grown and gotten better. We will continue to grow and get better. Unfortunately, we are in a race against time, in my opinion, but we do recognize that. It takes a long time to educate and get people up to speed. It takes a long time to buy the equipment we need. We are doing our best at it. In this Committee, and I think as a government, we are working well together.

The INS issue is another big issue we tried to address. We have had a lot of support from people who have border issues. Certainly, Senator HUTCHISON from Texas has been a strong member of this Subcommittee and feels very strongly about this. Senator DOMENICI, of course, from New Mexico feels strongly about this. Senator KYL from Arizona feels strongly about this.

Last year, we funded an extra 1,000 Border Patrol agents in our bill. Unfortunately, the INS has not been able to put those people in place. There are a lot of excuses flying around and a lot of finger pointing. We think we have in this bill addressed the finger pointing. There should be no excuse for not getting those folks on board. We have added another 1,000 agents on top of those 1,000. We had made a commitment to add 3,000 and we are keeping that. We differ with the White House, who did not address the 1,000 agents. There was a front-page newspaper story about people in terror in Douglas, AZ, of being overrun by illegal aliens. People cannot water their garden without a gun in order to protect themselves. We have to control our borders. This bill makes an extraordinary effort to do that.

We have funded aggressively the Commerce Department. That is not an understatement, even in the context of our tight funding situation.

We have increased the Census Bureau significantly with \$1.7 billion of new funds, for a total of \$3.1 billion. We understand they do not feel that is enough. We will hold hearings to find out what they think they need. The night we were marking up, we got the notice they were upset with the amount of money. I found that to be ironic and not very good management. When I see something similar to that, I say to myself maybe we better find out what they really do need. If they can't get it to us sooner than that, maybe there is not a good management scheme behind that request. We will have hearings to find out. There may have to be some further effort to address the census funding. I recognize that. I think everybody else recognizes that.

The NOAA account is well funded. This is a very important agency for many who live on the coast. Obviously, it is critical, but equally important, for those that happen to live in Oklahoma or in Arkansas where the severity of the weather can have horrible events. As in Oklahoma recently, the importance of adequate atmospheric predictions are critical. We have taken a major effort to adequately fund that.

NTIA and ITC—we have funded all those as best we can. We think we have done a good job, especially in the international trade accounts.

State Department is another agency which comes under the jurisdiction of this Committee. This Committee has fascinating jurisdiction. State Department, of course, is critical. We had the Crowe report, which told us that we need to spend \$1.4 billion annually for a period of 10 years in order to get our embassies to a position where they could adequately defend themselves against potential terrorist attack. We are coming up on the 1-year anniversary of that event.

Now, we did have an emergency appropriation a year ago of \$1.4 billion and that is being spent, and I think they are doing a good job of using that money to do the initial, primary protective things they need to do: put in barriers, change the location of the security houses, and making sure people have adequately secured the immediate activity going on in the embassies. But there are tens of embassies which have to be repaired, changed, physically moved in order to become secure. The cost is extraordinary.

The White House regrettably did not send up a very high number in security. They asked for \$300 million. We put a priority on this. We have it up to \$430 million in this bill, which was difficult to do in the context of the caps we are working with. We hope to find more money somewhere as we move down the road because we feel very strongly that giving adequate security—not only physical security is important, but I feel very strongly, and I know Senator HOLLINGS feels strongly, the dependents of our people we send overseas need to have security. If you have kids going to school, if your wife is living, going to the grocery store or maybe working another job in a foreign country, she, and your children—or your husband and children—should not be at risk. We should be able to give them security too. So we are trying to upgrade the security, not only for the diplomats but also for their dependents, something I place a very high degree of responsibility on.

Obviously, the State Department has a lot of other functions. U.N. arrears has been an item of considerable discussion now that there has been an agreement. With the foreign relations authorization bill being passed, we have funded the arrears. There is still



some discrepancy as to what the number was in that agreement, but our intention is to fund the arrears, pursuant to the agreement reached between Senator HELMS, the Administration, and the U.N. But let's remember those moneys do not get spent unless the U.N. lives up to its responsibilities to start putting in place adequate accounting systems, to cut down on what is the patronage system there, which is outrageous, and to give the United States an adequate voice in the budgetary process. It does not have this now because it was kicked off the Budget Committee which was inexcusable considering the fact we pay 25 percent of the costs of that institution.

We have also, of course, funded a variety of other activities within the State Department, and we are totally committed to trying to give the State Department the resources they need. I recognize there are some shortfalls here in the State Department which again were forced upon us by the tight constraints we are confronting. They are not shortfalls which we are happy with, but they were things we had to do, especially in the overhead area.

There may be some amendments to move money around in the State Department. If there are, I am going to ask people serious questions as how they can do that because there is no budget in the State Department that has any excess money in it. I can assure my colleagues of that, after we have gone through this and had to reduce overall spending a stated \$73.683 million below last year's level, but it's actually \$3.614 billion below the President's budget request. We have funded this year's services at last year's levels. It is something members of the Subcommittee have agreed with.

We also made, as I mentioned, a major initiative in the area of Internet on a variety of different levels. I feel very strongly we should not discipline the Internet. It's not our job to try to control the Internet. It would be a serious mistake as a Government. We should not be taxing it. What we do need to do is look at those areas where the Federal role is appropriate. One, of course, as I mentioned before, is to continue to police the Internet relative to the use of child pornography and the predations of pedophiles on the Internet. We have again aggressively funded the FBI efforts in that area, along with the National Center for Missing and Exploited Children and Boys and Girls Clubs' initiatives in this area, so we can start to get a handle on this. So when a predator goes on the Internet and starts selling child pornography, or starts trying to entice a child, through the use of the Internet, into some sort of meeting that might end in the harm of that child, that predator will have to ask themselves, "Am I talking to a child or am I talking to a FBI agent or a trained local law enforcement

agent?" That is a good question today because, I can tell you, there are a lot of FBI resources committed to this. Every day we are multiplying the number of local law enforcement resources committed, so people are at significant risk if they try to use the Internet for those types of things.

In addition, the Internet is unfortunately being used to prey on senior citizens through fraudulent schemes. We funded the FTC effort in this area, which I think is very important. They started their own initiative to try to deal with fraud over the Internet, and we are aggressively funding this program.

Not of less importance, but not as personally important because it doesn't impact individuals so immediately, but certainly it can impact them, is the need for the Securities and Exchange Commission (SEC) to be more aggressive. They understand this. There is an initiative that came from the SEC to get more aggressive in monitoring the Internet and certainly the stock activities on the Internet. Therefore, we fund the SEC initiatives in this area. We are happy to do that.

In our opinion, we fund adequately the other agencies regulatory agencies, SBA, FCC. I already mentioned the FTC and the SEC. So we have attempted in this bill to address, with the extremely limited amount of money that we had, the needs of the agencies which are under our control.

Mr. President, I now yield to the Senator from South Carolina. Before I do, I thank the Senator from South Carolina for his extraordinary knowledge and support. I say this every year, but it is absolutely true. He brings so much institutional history to this bill, we really could not function without him. He understands what the background is of these issues as they come down the pike, something I do not necessarily understand. That type of information is critical.

He is wonderful to work with. I respect his knowledge, his ability, and his willingness to be supportive and helpful on what is a very complex bill, which includes many strong initiatives of which he is certainly the father.

I yield to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I am pleased to join my subcommittee chairman and colleague, Senator GREGG, in presenting to the Senate S. 1217, the fiscal year 2000 Commerce, Justice, and State, the judiciary, and related agencies appropriations bill. Once again, I would like to commend Chairman GREGG for his outstanding efforts and bipartisan approach in bringing a bill to the floor that—in most areas—is good and balanced.

We fund a wide variety of Federal programs through this appropriations

bill. We fund the FBI, the DEA, the State Department and our embassies overseas, the Census Bureau, NOAA, the Supreme Court, the Federal Communications Commission, the Federal Trade Commission, and the list goes on and on. As a result, this bill provides funding for a host of efforts that range from fighting "the war on drugs" and "the battle against cybercrimes", to preparing at the local level against "domestic terrorism" and "natural disasters." This bill provides funding to protect both our elderly citizens from abuse and marketing scams and our youth from sexual predators on the streets and on the Internet. We provide funding for fisheries research and atmospheric research; we provide funding for our weather satellite systems and forecasts; we provide funding for the management of our fragile coastal areas—initiatives that impact every single aspect of our community—businesses, farms, the fishing industry, the tourism industry, and the consumer.

In total, this bill provides \$34.1 billion in budget authority which is about \$400 million above last year's appropriated level. Even though we had an increase of \$400 million in our allocation for fiscal year 2000, the funding level requested for the Census Bureau for fiscal year 2000 was a \$1.7 billion increase above the current funding level. In other words, Mr. President, to fully fund the 2000 decennial census we were required to cut \$1.3 billion in funding for all other programs. This was not an easy task, and with the exception of a few circumstances that I will touch on in greater detail later, Senator GREGG did a remarkable job.

Chairman GREGG has mentioned many of the funding specifics in this bill, so I will not repeat the details; however, I would like to point out to our colleagues some of the highlights of this bill.

This bill provides \$17 billion for the Department of Justice, including \$2.9 billion for the FBI, \$1.2 billion for the DEA, and \$3 billion for the Office of Justice programs. Within the Department of Justice, we continue the Safe Schools Initiative which Senator GREGG and I started last year, and provides \$218 million in funding for additional school resource officers, technology, and community initiatives in an effort to combat violence in our schools.

Mr. President, again this year Americans watched news stories unfold about shootings and other violent acts as they occurred in our schools. Violent crime in our schools is simply unacceptable and must be stopped. We cannot allow violence or the threat of violence to turn our schools into a hostile setting that prevents our students from obtaining the education they deserve. To fully understand the circumstances under which our youth are

attending school, one needs to only look at a few statistics that have been gathered recently:

During the 1996–97 school year, 10 percent of all public schools reported one or more serious violent crimes to the police or other law enforcement representatives. An additional 47 percent of public schools reported at least one less serious or nonviolent crime to police. (1998 Department of Education Annual Report on School Safety)

About 6,093 students were expelled during the 1996–1997 academic school year for bringing firearms or explosives to school. (1998 Report on State Implementation of the Gun-Free Schools Act—School Year: 1996–1997, Department of Education)

In 1995, over 2 million students between the ages 12 and 19 feared they were going to be attacked or harmed at school.

Likewise, about 2.1 million students between the ages 12 and 19 avoided one or more places at school for fear of their own safety. (1998 Indicators of School Crime and Safety, U.S. Depts. of Education and Justice.)

This Safe Schools initiative is aimed at protecting our children by putting more police in the school setting. The bill provides \$180 million, \$55 million above the President's request, through the Office of Justice programs solely for the hiring of school resource officers. The additional \$38 million is directed towards community planning and prevention activities—for local police departments and sheriff's offices to work with schools and other community-based organizations to develop programs to improve the safety of elementary and secondary school children and educators in and around the schools of our nation. This is a much needed program, and an initiative that has proven to be successful in the past.

This bill also provides \$283.7 million for the Violence Against Women Program, \$75 million for State prison grants, \$400 million for the Local Law Enforcement Block Grant Program, \$40 million for drug courts, and \$284.5 million for juvenile justice programs. In addition, \$25 million has again been provided for the bulletproof vest grant program to reduce the risk of serious injury or death to our nation's law enforcement officers. In an effort to respond to the proliferation of crimes involving children, the committee has provided \$19.9 million for the Missing Children Program, an increase of \$2.78 million over last year's amount. This money will be used to combat the ever increasing number of crimes against children with an emphasis on kidnapping and sexual exploitation.

The bill provides \$7.2 billion for the Commerce Department, of which \$3.1 billion is to be used to conduct the decennial census. The administration submitted a budget amendment for an additional \$1.7 billion in funding for

the decennial census; unfortunately, we received that request only two days before consideration of the bill by the subcommittee and full committee. Senator GREGG and I are working on scheduling a hearing prior to conference with the House to address the budget amendment, and I appreciate the chairman's efforts in addressing this issue in a nonpartisan manner.

The Advanced Technology Program (ATP) of the National Institute of Standards and Technology (NIST) is funded at \$233.1 million which is above last year's level by \$29.6 million, and the Manufacturing Extension Partnership (MEP) program is funded at a level of \$109.8 million. This amount will fully fund all MEP centers.

The bill also provides \$2.5 billion for NOAA, an increase of \$384 million over last year's funding level. I am pleased that the distinguished chairman has worked with me to insure that we maintain a focus on our oceans and coastal waterways.

Regarding NOAA, Mr. President, if I could just take a minute, I would like to recognize the outstanding work of Dr. Nancy Foster, head of the National Ocean Service, which oversees the labs, estuarine reserves, and the Coastal Services Center in my home state of South Carolina. I can tell you she is one of the hardest working public servants with whom I have had the privilege of working over the past several years, and she has brought to the job boundless energy, understanding, and an ability to fix problems.

Dr. Foster has been with NOAA since 1977. She helped create the National Marine Sanctuary and Estuarine Research Reserve Programs. These programs preserve America's near shore and offshore marine environments in the same manner as do the better known national parks and wildlife refuges run by the Department of the Interior. Nancy went on to serve as the Director of Protected Resources at NOAA's National Marine Fisheries Service, where she managed the Government's programs to protect and conserve whales, dolphins, sea turtles and other endangered and protected species. After that, she was named the Deputy Director of the entire fisheries service, where she proved especially sensitive to the economic impact on communities and the need to promote what the folks downtown and in academia call "sustainable development."

In 1997, Secretary Bill Daley and Under Secretary Jim Baker tapped Nancy to take over the National Ocean Service. That is about as high as a career professional can go; in other agencies or bureaus, this level of position would be held by at least an Assistant Secretary-level official. NOS is the oldest part of NOAA—coastal mapping traces its lineage back to 1807—and she directed reinvention and change so that the Ocean Service became one of

the most modern and more effective parts of NOAA. Dr. Foster is always finding new ways to do business. She is an innovator. She directed the total modernization of NOAA's nautical mapping and charting. Along with Dr. Sylvia Earle, she has created a partnership with the National Geographic Society to launch a 5-year undersea exploratory program called "Sustainable Seas Expeditions." Their goal is to use these exploratory dives to rekindle our nation's interest in the oceans, and especially the national marine sanctuaries. They are bringing back the kind of enthusiasm and public education that Jacques Cousteau created when I first came to the Senate.

Mr. President, Nancy Foster is the person at NOAA whom the rank and file employees—the marine biologists, scientists and researchers—trust and look up to. She is a role model for professional women everywhere, especially those who work in the sciences. She is an official whom we in the Congress can look to for leadership and who pays attention to local and constituent issues. She is non-partisan and plays it straight.

Dr. Foster recently underwent surgery at Johns Hopkins Hospital and is home recuperating. So Nancy, if you are watching at home on C-Span, on behalf of Senator GREGG, the Appropriations Committees as well as the Commerce Authorization Committee, and our professional staff, I want to wish you the best. Take your time and get well. We need you back on the job, and wish you a speedy recovery.

The bill includes a total of \$5.4 billion for the Department of State and related agencies. Within the State Department account, \$883 million has been provided for worldwide security, an increase of \$146 million above the President's request. Additionally, in recognition of the high profile risk that State Department family members face in overseas locations, \$40 million has been included to improve the security in and around both housing and school areas for the families of those who serve in this capacity. The funding level also includes payment of international organization and peace-keeping funds, including \$244 million for UN arrears.

I highlighted a few minutes ago the Safe Schools Initiative that Chairman GREGG and I have worked together on for the past 2 years. I would also like to comment briefly on two other important initiatives before closing: electronic commerce and COPS.

Regarding electronic commerce and the Internet, I would like to discuss an area which is growing in significance each day. With the explosion of the Internet as an electronic transaction medium, we cannot ignore the increasing potential for fraud, abuse, and attacks on consumer privacy. If we stop and take a look at the Internet and the

potential that it has, we recognize that its very design allows schemers and con artists to reach more people, with more scams, at a faster rate while remaining virtually anonymous. This is a veritable breeding ground for electronic fraud and abuse. In fact, it was recently reported that the Securities and Exchange Commission (SEC) receives more than 100 complaints per day about illegal Internet activity involving fraudulent stock and investment schemes. In 1998, the National Consumers League received over 7,700 Internet fraud complaints which was a 385-percent increase over the previous year. With reports like this I think that it is clear that protection efforts need to keep pace with the growing number of Internet users, particularly since estimates indicate that perhaps 50 percent of the population of the United States will have access to the Internet by the year 2000.

In response to the growth of this sector, Mr. President, this bill includes funding for a number of programs and activities. I would like to again commend Chairman GREGG for his efforts to address this growing problem of Internet fraud, particularly given the tight budget constraints under which this bill was put together. This bill provides \$133 million in funding to the Federal Trade Commission (FTC) for FY 2000, an increase of \$16.7 million above the current funding level. This increase was provided in part because the subcommittee is mindful of the FTC's efforts toward ensuring that electronic commerce continues to flourish and consumers do not become victims of fraud and abuse while conducting transactions on the web. Additionally, the committee has provided \$10 million in funding for the Securities and Exchange Commission (SEC) to assist in the prevention, detection, and prosecution of Internet related fraud and investment schemes.

Finally, regarding the COPS initiative, I can fully understand the difficult decisions the chairman had to make as we put this bill together. And as I have stated, I support him on just about everything in this bill—with the exception of eliminating the COPS program. This is a good program that has proven to work. And it works well. Crime has been declining for 6½ consecutive years and is at a 25 year low. We are getting the jump on crime and this is not the time to just stop funding the program. Numerous law enforcement groups agree. The International Brotherhood of Police Officers support the program, the National Sheriffs Association supports the program, the National Troopers Coalition supports the program, the International Association of Chiefs of Police supports the program, and the list goes on. I completely understand the limitations under which the chairman operated in getting a bill to the floor. Sev-

eral of my colleagues have been working for the past several weeks in putting together an amendment to reestablish the COPS Program. While I believe that program deserves even more funding than provided in the amendment, I also believe the amendment is a good response and practical effort toward restoring an effective and valuable program while acknowledging the many funding restraints imposed on this bill. I look forward to debating this issue further when the amendment is offered.

In closing let me say again that given the allocation we received, this is a good bill. Many—but not all—of the administration's priorities were addressed to some extent. Likewise many—but not all—of the priorities of congressional Members were addressed to some extent. I know that every year we face difficulties with respect to limited funding and multiple priorities, but the funding caps this year proved to be unusually prohibitive. As a result, tough decisions were made. However, I believe that the Commerce, Justice, State Subcommittee made those decisions in a bipartisan and judicious manner which will allow us to address many critical funding needs such as Census 2000, 1000 additional Border Patrol agents, counter-terrorism efforts, the FBI's capabilities to combat cybercrime and crimes against children, DEA's continued war on drugs, critical fisheries research, and overseas peacekeeping efforts.

I would like to take a moment before closing to acknowledge and thank Senator GREGG's staff and my staff for their hard work and diligence in bringing together a bill that does everything I have just mentioned and more. They have worked nonstop in a straightforward and bipartisan manner, to deliver the bill that is before the Senate today. This bill could not have come together without their efforts and I thank them for all of their hard work.

Mr. President, let me reiterate my gratitude to Chairman GREGG and my admiration for the balanced bill that he has produced. What we were confronted with, in a capsule, was a cut of some \$1.3 billion from the present policy appropriation, with the ad-on demand of \$1.7 billion for the census for next year. Within those confines, Senator GREGG has really done an outstanding job, I can tell you that. It is balanced. It is thoughtful. I have seen, over the years, this bill handled by several chairmen but no one has done the job Senator GREGG has done on this particular measure. So I am glad to join with him. We want to move it as expeditiously as we possibly can.

With that said, let me yield to the chairman.

AMENDMENT NO. 1271

Mr. GREGG. Mr. President, at this time I send to the desk a managers' amendment. I ask unanimous consent

the managers' amendment I have now sent to the desk be considered and agreed to, en bloc. These noncontroversial amendments have been cleared by both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment was agreed to, as follows:

On page 6, line 14, strike "any other provision of law" and insert "31 U.S.C. 3302(b)".

On page 6, line 18, strike "(15 U.S.C. 18(a))" and insert "(15 U.S.C. 18a)".

On page 25, line 23, insert after "(106 Stat. 3524)", "of which \$5,000,000 shall be available to the National Institute of Justice for a national evaluation of the Byrne program."

On page 30, line 17, strike after "1999"; "of which \$12,000,000 shall be available for the Office of Justice Programs' Global Information Integration Initiative;"

On page 50, line 6, insert before the period: "to be made available until expended".

On page 73, between lines 12 and 13, insert the following:

"SEC. 306. Section 604(a)(5) of title 28, United States Code, is amended by adding before the semicolon at the end thereof the following: ', and, notwithstanding any other provision of law, pay on behalf of justices and judges of the United States appointed to hold office during good behavior, aged 65 or over, any increases in the cost of Federal Employees' Group Life Insurance imposed after April 24, 1999, including any expenses generated by such payments, as authorized by the Judicial Conference of the United States.'"

On page 75, line 15, insert the following after "period": "unless the Secretary of State determines that a detail for a period more than a total of 2 years during any 5 year period would further the interests of the Department of State".

On page 75, line 21, insert the following after "detail": "unless the Secretary of State determines that the extension of the detail would further the interests of the Department of State".

On page 76, line 11, insert before the period: "Provided further, That of the amount made available under this heading, not less than \$11,000,000 shall be available for the Office of Defense Trade Controls".

On page 110, strike lines 15 through 23 and insert in lieu thereof:

"(ii) Notwithstanding otherwise applicable law, for each license or construction permit issued by the Commission under this subsection for which a debt or other monetary obligation is owed to the Federal Communications Commission or to the United States, the Commission shall be deemed to have a perfected, first priority security interest in such license or permit, and in the proceeds of sale of such license or permit, to the extent of the outstanding balance of such a debt or other obligation."

On page 111, insert after the end of Sec. 619: "SEC. 620. (a) DEFINITIONS.—For the purposes of this section—

(1) the term "agency" means the Federal Communications Commission.

(2) the term "employee" means an employee (as defined by section 2105 of title 5, United States Code) who is serving under an appointment without time limitation, and has been currently employed by such agency for a continuous period of at least 3 years; but does not include—

(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government.

(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government.

(C) an employee who has been duly notified that he or she is to be involuntarily separated for misconduct or unacceptable performance;

(D) an employee who has previously received any voluntary separation incentive payment from the Federal Government under this section or any other authority.

(E) an employee covered by statutory re-employment rights who is on transfer to another organization; or

(F) any employee who, during the twenty-four month period preceding the date of separation, has received a recruitment or relocation bonus under section 5753 of title 5, United States Code, or who, within the twelve month period preceding the date of separation, received a retention allowance under section 5754 of that title.

(3) The term "Chairman" means the Chairman of the Federal Communications Commission.

(b) AGENCY PLAN.—

(1) IN GENERAL.—The Chairman, prior to obligating any resources for voluntary separation incentive payments, shall submit to the Office of Management and Budget a strategic plan outlining the intended use of such incentive payments and a proposed organizational chart for the agency once such incentive payments have been completed.

(2) CONTENTS.—The agency's plan shall include—

(A) the positions and functions to be reduced, eliminated, and increased, as appropriate, identified by organizational unit, geographic location, occupational category and grade level;

(B) the time period during which incentives may be paid;

(C) the number and amounts of voluntary separation incentive payments to be offered; and

(D) a description of how the agency will operate without the eliminated positions and functions and with any increased or changed occupational skill mix.

(3) CONSULTATION.—The Director of the Office of Management and Budget shall review the agency's plan and may make appropriate recommendations for the plan with respect to the coverage of incentives as described under paragraph (2)(A), and with respect to the matters described in paragraph (2)(B)–(C).

(c) AUTHORITY TO PROVIDE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—

(1) IN GENERAL.—A voluntary separation incentive payment under this section may be paid by the Chairman to any employee only to the extent necessary to eliminate the positions and functions identified by the strategic plan.

(2) AMOUNT AND TREATMENT OF PAYMENTS.—A voluntary incentive payment—

(A) shall be paid in a lump sum, after the employee's separation;

(B) shall be equal to the lesser of—

(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code (without adjustment for any previous payments made); or

(ii) an amount determined by the Chairman, not to exceed \$25,000;

(C) may not be made except in the case of any qualifying employee who voluntarily separates (whether by retirement or resigna-

tion) under the provisions of this section by not later than September 30, 2001;

(D) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(E) shall not be taken into account in determining the amount of any severance pay to which the employee may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(d) ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.—

(1) IN GENERAL.—In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, the agency shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final base pay of each employee of the agency who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this Act.

(2) DEFINITION.—For the purpose of paragraph (1), the term "final basic pay," with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefor.

(e) EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.—

(1) An individual who has received a voluntary separation incentive payment from the agency under this section and accepts any employment for compensation with the Government of the United States, or who works for any agency of the United States Government through a personal services contract, within 5 years after the date of the separation on which the payment is based shall be required to pay, prior to the individual's first day of employment, the entire amount of the lump sum incentive payment to the agency.

(2) If the employment under paragraph (1) is with an Executive agency (as defined by section 105 of title 5, United States Code), the United States Postal Service, or the Postal Rate Commission, the Director of the Office of Personnel Management may, at the request of the head of the agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(3) If the employment under paragraph (1) is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(4) If the employment under paragraph (1) is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant for the position.

(f) INTENDED EFFECT ON AGENCY EMPLOYMENT LEVELS.—

(1) IN GENERAL.—Voluntary separations under this section are not intended to necessarily reduce the total number of full-time equivalent positions in the Federal Communications Commission. The agency may reemploy or use the full-time equivalent positions vacated by voluntary separations under this section to make other positions available to

more critical locations or more critical occupations.

(2) ENFORCEMENT.—The president, through the office of Management and Budget, shall monitor the agency and take any action necessary to ensure that the requirements of this subsection are met.

(g) REGULATIONS.—The Office of Personnel Management may prescribe such regulations as may be necessary to implement this section.

(h) EFFECTIVE DATE.—This section shall take effect on the date of enactment. (Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Act, 1999, as included in Public Law 105-277, section 101(b)."

At the end of title VI, insert the following: "SEC. 621. The Secretary of Commerce (hereinafter the "Secretary") is hereby authorized and directed to create an "Inter-agency Task Force on Indian Arts and Crafts Enforcement" to be composed of representatives of the U.S. Trade Representative, the Department of Commerce, the Department of Interior, the Department of Justice, the Department of Treasury, the International Trade Administration, and representatives of other agencies and departments in the discretion of the Secretary to devise and implement a coordinated enforcement response to prevent the sale or distribution of any product or goods sold in or shipped to the United States that is not in compliance with the Indian Arts and Crafts Act of 1935, as amended."

Mr. GREGG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1272

(Purpose: To extend the Violent Crime Reduction Trust Fund)

Mr. GREGG. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative assistant read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 1272.

Mr. GREGG. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title I, insert the following:

SEC. . EXTENSION OF VIOLENT CRIME REDUCTION TRUST FUND.

(a) IN GENERAL.—Sections 310001(b) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) is amended by striking paragraphs (1) through (5) and inserting the following:

(1) for fiscal year 2001, \$6,025,000,000;

(2) for fiscal year 2002, \$6,169,000,000;

(3) for fiscal year 2003, \$6,316,000,000;

(4) for fiscal year 2004, \$6,458,000,000; and

(5) for fiscal year 2005, \$6,616,000,000.

(b) DISCRETIONARY LIMITS.—Title XXXI of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211 et seq.) is

amended by inserting after section 310001 the following:

**SEC. 310002. DISCRETIONARY LIMITS.**

For the purposes of allocations made for the discretionary category pursuant to section 302(a) of the Congressional Budget Act of 1974 (2 U.S.C. 633(a)), the term 'discretionary spending limit'—

(1) with respect to fiscal year 2002—

(A) for the discretionary category, amounts of budget authority and outlays necessary to adjust the discretionary spending limits to reflect changes in subparagraph (B) as determined by the Chairman of the Budget Committee; and

(B) for the violent crime reduction category; \$6,025,000,000 in new budget authority and \$5,718,000,000 in outlays;

(2) with respect to fiscal year 2002—

(A) for the discretionary category, amounts of budget authority and outlays necessary to adjust the discretionary spending limits to reflect the changes in subparagraph (B) as determined by the Chairman of the Budget Committee; and

(B) for the violent crime reduction category; \$6,169,000,000 in new budget authority and \$6,020,000,000 in outlays; and

(3) with respect to fiscal year 2003—

(A) for the discretionary category, amounts of budget authority and outlays necessary to adjust the discretionary spending limits to reflect the changes in subparagraph (B) as determined by the Chairman of the Budget Committee; and

(B) for the violent crime reduction category; \$6,316,000,000 in new budget authority and \$6,161,000,000 in outlays;

(4) with respect to fiscal year 2004—

(A) for the discretionary category, amounts of budget authority and outlays necessary to adjust the discretionary spending limits to reflect the changes in subparagraph (B) as determined by the Chairman of the Budget Committee; and

(B) for the violent crime reduction category; \$6,458,000 in new budget authority and \$6,303,000,000 in outlays; and

(5) with respect to fiscal year 2005—

(A) for the discretionary category, amounts of budget authority and outlays necessary to adjust the discretionary spending limits to reflect the changes in subparagraph (B) as determined by the Chairman of the Budget Committee; and

(B) for the violent crime reduction category; \$6,616,000 in new budget authority and \$6,452,000,000 in outlays;

as adjusted in accordance with section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)) and section 314 of the Congressional Budget Act of 1974.

Mr. GREGG. Mr. President, this amendment deals with the violent crime trust fund. I understand there are some people who wish to speak on it. I ask unanimous consent that debate on this be limited to an hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, as we know, the violent crime trust fund was set up back in 1993, and the concept of it was through savings which would occur as a result of the reduction in personnel in the Federal Government, that funding from those savings would be used to expand our efforts in fighting crime in this country.

It has been a tremendous success. As a result of the violent crime trust fund,

we have been able to undertake a significant expansion of the efforts of the FBI, the INS, the DEA, just to name a few at the Federal level, and also our local and community law enforcement, who are so important to us. This is critical. Without this trust fund, we might have some serious problems as we go down the road maintaining some of these efforts.

The President is funding his Community Oriented Policing (COPS) Program from the violent crime reduction trust fund. Later, we are going to get from the other side an amendment which, I presume, deals with the COPS Program, but as a practical matter, I think we have resolved it. I do not think we are going to have a problem on this bill with the COPS Program. The COPS Program was a violent crime initiative, and a good one. It worked. I have to admit, I had suspicions about it when it was first offered, but it has worked out.

We move on to other initiatives in the violent crime trust fund: terrorism initiatives; some initiatives to deal with the question of how the FBI is able to identify DNA; and initiatives with local communities, for their efforts to gear up with the technology of today. So, for example, when someone is arrested on the street, a law enforcement officer will have the computer capability to immediately contact the FBI, the National Crime Information Center (NCIC), and get a reading as to whom that person is and in what possible other activity he or she might be involved.

These are critical expansions in our efforts in law enforcement across this country. They are proving to work well. As we move down the road, they will work even better, I am sure.

We have a number of major initiatives at the Federal level. We just got our Integrated Automated Fingerprint Identification System up and running, fingerprinting. The NCIC program is working now. And coming on line—it may take some more years than I would like—is something dealing with information sharing initiative (ISI) which will give Federal agents the computer capability they need to have instant access to what is going on nationally. This is an initiative that is very appropriate. There are a lot of other things that are going to make our law enforcement much more effective as it deals with crime in this Nation.

In addition, of course, we have done a lot in the area of DEA and drug enforcement. The violent crime trust fund plays a major role, and it is about to run out, so we should reauthorize it. That is why I have offered this authorization. I hope the Senate will agree to it.

I suggest we set a vote for tomorrow, if that is all right with the Senator from South Carolina.

Mr. HOLLINGS. I suggest to the distinguished chairman that we limit the time to be equally divided.

Mr. GREGG. I ask unanimous consent that the time be equally divided.

Mr. HOLLINGS. Senator BIDEN and Senator LEAHY wish to be heard on this in the morning. If it is all right with the distinguished chairman, we will reserve that time for the morning.

Mr. GREGG. Why don't we reserve a half hour of the time on this amendment so it can be given to Senator BIDEN and Senator LEAHY and they can take that time between them.

Mr. HOLLINGS. Good. They are ready, then, to lay down that amendment on COPS. I thank the Chair.

Mr. GREGG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GREGG. I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, I ask unanimous consent that under the time agreement, no second-degree amendments be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, tomorrow I will ask unanimous consent that all first-degree amendments be filed by noon. Hopefully, we can get an agreement on that. I am not asking it now.

Mr. HOLLINGS. We have to check on our side.

Mr. GREGG. I am telling people so, hopefully, they will have their amendments together tonight, and staff will listen to this request and be all charged up to get their amendments down here by 12 o'clock tomorrow.

# MORNING BUSINESS

Mr. GREGG. Mr. President, I ask unanimous consent that the Senate now proceed to a period for morning business, with Senators permitted to speak for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

# A TRIBUTE TO JOHN F. KENNEDY, JR.

Mr. FEINGOLD. Mr. President, it is with deep sadness that I come to the

floor today to speak of the tragedy that struck the Kennedy family last Friday night. I offer my condolences to the Kennedy family, and in particular to my friend and colleague, Senator KENNEDY of Massachusetts, who has lost a beloved nephew.

My thoughts and prayers are with the Kennedy and Bessette families as they struggle to cope with the loss of John F. Kennedy, Jr., his wife Carolyn Bessette Kennedy, and her sister Lauren Bessette. While we as a nation mourn the loss of a young man who had so much yet to offer the world, these families must suffer the private pain of the loss of their beloved brother or sisters, their children, their cousins, their friends.

The late John F. Kennedy was a genuine inspiration to me and so many of my generation. I am grateful for the hope and the direction that President Kennedy gave so many of us when we were young, and I know that in his own way John F. Kennedy, Jr., carried on his father's work to inspire young people to public service, or to otherwise serve the public good, throughout his lifetime.

There can perhaps be no comparison to the contributions the Kennedy family has made to our country, or the sacrifices the family has endured, and sadly continues to endure with the death of John F. Kennedy, Jr. Like his father and his uncle Bobby, John F. Kennedy, Jr.'s life was cut tragically short, but like them he lived his life to the fullest, with the vigor and dedication that marks the Kennedy legacy.

Recently I had the honor of receiving the Profile in Courage Award from the late President Kennedy's family, and had the pleasure of meeting and spending time with John F. Kennedy, Jr. I was impressed by his kindness, his dignity, and the keen grasp of both politics and policy which he so often displayed as editor of *George* magazine. John reflected all the best hopes we have for our country, as did his father before him.

In a speech I gave at that time, I chose one of the many beautiful memorials I have heard about President Kennedy to express my own feelings. The following passage from *Romeo and Juliet* was previously used by Robert F. Kennedy himself at the 1964 Democratic convention to memorialize his brother:

and, when he shall die,  
take him and cut him out in little stars,  
And he will make the face of heaven so fine  
That all the world will be in love with  
night

And pay no worship to the garish sun.

These words both pained and consoled us as we remembered John F. Kennedy then, and they do the same today as we mourn the loss of his son, John F. Kennedy, Jr.

Mr. President, again I offer my condolences to all those who have been affected by this tragedy. I yield the floor.

#### THE 30TH ANNIVERSARY OF THE APOLLO 11 LUNAR LANDING

Mr. SHELBY. Mr. President, I rise today in support of the resolution that I offered yesterday with Senator SESSIONS and many of my colleagues which recognizes the 30th Anniversary of the Apollo 11 Lunar Landing.

Mr. President, for thousands of years, men looked to the sky and were fascinated by the moon. To our forefathers it was a source of wonder, hope, curiosity and fear. Near enough to draw their attention, yet so far beyond their reach to remain a constant mystery, the moon was an unattainable destination for the people of earth.

Undaunted by the significance of the task, President Kennedy called upon our nation "to commit itself to achieving the goal . . . of landing a man on the moon and returning him safely to earth." With this challenge, a goal that had previously exceeded the grasp of every generation, became the mission of the United States to achieve within ten years.

Facing this great endeavor, the men and women of the American Space Program set to work with steadfast conviction. While their efforts produced steady results, there were tragic losses and technical setbacks that tested their resolve. Brave men gave their lives. Brilliant men and women spent countless hours trying to work through the numerous difficulties associated with such a complex undertaking. However, all remained dedicated to the goal of landing a man on the moon.

On July 20, 1969, 30 years ago yesterday, that goal was achieved. On that day, Neil Armstrong and Buzz Aldrin closed the timeless breach that had separated the earth from the moon and landed on the Sea of Tranquility. With Neil Armstrong's first step on the lunar surface, the American Space Program met the awesome challenge set by President Kennedy. This important event marks America's ascendance to the preeminent role that it occupies today as the world's leader in space exploration.

While yesterday was an important anniversary for all the people of the world, it was especially important for the people of the United States. Landing men on the moon represents a great triumph of American endeavor. As the Spanish could be proud for having built the great ships that carried Columbus on his voyage of discovery, American scientists and engineers can feel equally proud for having built the Saturn V Rocket, the vehicle that carried the astronauts to the moon. That no other nation has produced a similar vehicle is a testament to the unparalleled achievement of our Space Program.

This resolution celebrates the anniversary of the great achievement of landing men on the moon. It celebrates the efforts of the many men and

women who defied the odds and helped to make what was once believed to be impossible, possible. Finally, it celebrates the courageous spirit of the American people.

#### PENDING NOMINATION OF BILL LANN LEE

Mr. LEAHY. Mr. President, today in communities all around the country and here at the United States Capitol, Asian Pacific Americans are leading all Americans in a demonstration of our commitment to one America, equal opportunity and equal justice under law by urging the Senate to vote on the nomination of Bill Lann Lee to head the Civil Rights Division at the Department of Justice. I hear the call of the Congressional Asian Pacific Caucus, the Congressional Black Caucus and the Congressional Hispanic Caucus for prompt Senate consideration and a vote on this highly-qualified nominee and dedicated public servant. I commend the National Council of Asian Pacific Americans and their Chair Daphne Kwok, the National Asian Pacific American Bar Association and the National Asian Pacific American Legal Consortium for their leadership in connection with this matter and their commitment to fundamental fairness.

Today is the second anniversary of the initial nomination of Bill Lann Lee to the office of Assistant Attorney General for Civil Rights. I repeat today what I have said before: It is past time to do the right thing, the honorable thing, and report this qualified nominee to the Senate so that the Senate may fulfill its constitutional duty under the advice and consent clause and vote on this nomination without further delay. Two years is too long to wait for Senate action on this important nomination.

Yesterday, I was privileged to attend a meeting with the President of the United States in the East Room of the White House in which he issued a challenge to the lawyers of our country to rededicate themselves to help build one America and realize the American dream of equality for all under the law. What kind of message is the Senate sending when it refuses to act on the nomination of this outstanding Asian Pacific American?

After Bill Lann Lee graduated from Yale and then Columbia Law School he could have spent his career in the comfort and affluence of any one of the nation's top law firms. He chose, instead, to spend his career on the front lines, helping to open the doors of opportunity to those who struggle in our society. His is an American story. The son of immigrants whose success can be celebrated by all Americans.

In my view, Bill Lann Lee should be commended for the years he worked to provide legal services and access to our justice system for those without the financial resources otherwise to retain



counsel. His work should be a source of pride and a basis for praise. His career should be a model for those who take up the challenge that the President enunciated yesterday to lawyers across this country. I say that Bill Lann Lee represented the best of the legal profession while serving those without means.

It appears that some on the Republican side want to hold the Lee nomination as a partisan trophy—to kill it through obstruction and delay rather than allowing the Senate to vote up or down on the nomination. This effort started with a letter from the former Speaker of the House, Newt Gingrich, to the Republican Majority Leader of the Senate in 1997. Over the ensuing weekend progress toward confirmation of this nomination ground to a halt. Speaker Gingrich is gone but the disastrous consequence of his unjustified opposition to this nomination lingers. It is past time to put past injustice to rest. As speaker after speaker reiterated today across the country, it is time for the Senate to vote on the nomination of Bill Lann Lee.

Bill Lann Lee's skills, his experience, the compelling personal journey that he and his family have traveled, his commitment to full opportunity for all Americans—these qualities appeal to the best in us. Let us affirm the best in us. Let the Senate vote on the confirmation of this good man. We need Bill Lann Lee's proven problem-solving abilities in these difficult times with apparent hate crimes on the rise across the country. He is spearheading efforts against hate crimes, against modern slavery and for equal justice for all Americans.

If the Senate is allowed to decide, I believe he will be confirmed and will move this country forward to a time when discrimination will subside and affirmative action is no longer needed; a time when each child—girl or boy, black or white, rich or poor, urban or rural, regardless of national or ethnic origin and regardless of sexual orientation or disability—shall have a fair and equal opportunity to live the American dream.

Earlier this year Congress voted to award the Congressional Gold Medal to Mrs. Rosa Parks. I heard Mrs. Parks, Reverend Jackson and the President each take the occasion to remind us that the struggle for equality is not over.

I will ask the Judiciary Committee again tomorrow, in the spirit of fairness, that the Committee recognize the 18-month stewardship of the Civil Rights Division of Bill Lann Lee, his qualifications, and his quiet dignity and strength and send his nomination to the full Senate so that the United States Senate may, at long last, vote on that nomination and, I hope, confirm this fine American to full rank as the Assistant Attorney General for Civil Rights.

When confirmed Bill Lann Lee will be the first Asian Pacific American to be appointed to head the Civil Rights Division in its storied history and the highest ranking Federal Executive officer of Asian Pacific American heritage in our 200-year history.

I have previously brought to all Senators' attention a June letter from the Assistant Attorneys General for Civil Rights from the Eisenhower through Bush Administrations in support of this outstanding nominee: Harold Tyler, Burke Marshall, Stephen J. Pollak, J. Stanley Pottinger, Drew Days and John R. Dunne note in their letter:

Over the past eighteen months, Mr. Lee has shown that he honors the Civil Rights Division's mission to safeguard equal justice for all. He has enforced the nation's civil rights laws fairly and effectively. He has demonstrated that he can and will meet the demands of the position with distinction and thus merits the Senate's confidence.

Civil Rights is about human dignity and opportunity. Bill Lann Lee ought to have an up or down confirmation vote on the Senate floor. The Senate should fulfill its constitutional duty under the advice and consent clause and vote on this nomination. Twenty-four months and three sessions of Congress is too long for this nomination to have to wait. He should no longer be forced to ride in the back on the nominations bus but be given the fair vote that he deserves.

I have often referred to the Senate as acting at its best when it serves as the conscience of the nation. I call on the Judiciary Committee and the Senate to bring this nomination to the floor for an up or down vote without obstruction or further delay so that the Senate may vote and we may confirm a dedicated public servant to lead the Civil Rights Division into the next century. Racial discrimination, and harmful discrimination in all its forms, remain among the most vexing unsolved problems of our society. Let the Senate move forward from the ceremonial commemorations earlier this year by doing what is right and voting on the nomination of Bill Lann Lee.

#### SWEARING IN OF DIANE WATSON AS AMBASSADOR TO MICRONESIA

Mrs. FEINSTEIN. Mr. President, it is with real pleasure that I rise today to note the swearing-in this afternoon of California State Senator Diane Watson as United States Ambassador to the Federated States of Micronesia. Senator Watson's confirmation was a long time coming, and I am proud that today she will finally come to occupy the Ambassadorial posting which she so well deserves.

State Senator Watson was the first African-American woman elected to the California State Senate, and has represented California's 26th District—which includes Los Angeles, Culver

City, Ladera Heights, Baldwin Hills, Palms, Miracle Mile, Mar Vista, Cheviot Hills, and Koreatown—since 1978. Senator Watson has been a real leader in California politics and community life, and has been in the forefront of the fight for civil rights and human rights in Los Angeles and the entire state of California for her entire career. She was a dedicated crusader in the desegregation of Los Angeles school, and, in 1975, became the first elected African American to serve on the Board of Education of the Los Angeles Unified School District.

Prior to her elected office, Senator Watson led a distinguished career in the field of education, including service as an assistant superintendent of child welfare, a school psychologist, and as a member of the faculty at both California State university Los Angeles and Long Beach. She has also traveled extensively, participating in numerous international conference on women's health issues, democracy building, and trade.

As a member of the State Senate and as an educator, Diane Watson has always brought honor to the organizations and people she has represented. For many years now she has been a leader in improving the lives of Californians, and I am pleased that the people of the United States will now also be able to benefit from her experience, energy, and talents as our Ambassador to the Federated States of Micronesia.

#### THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, July 20, 1999, the Federal debt stood at \$5,630,644,963,071.99 (Five trillion, six hundred thirty billion, six hundred forty-four million, nine hundred sixty-three thousand, seventy-one dollars and ninety-nine cents).

One year ago, July 20, 1998, the Federal debt stood at \$5,532,950,000,000 (Five trillion, five hundred thirty-two billion, nine hundred fifty million).

Five years ago, July 20, 1994, the Federal debt stood at \$4,626,395,000,000 (Four trillion, six hundred twenty-six billion, three hundred ninety-five million).

Ten years ago, July 20, 1989, the Federal debt stood at \$2,803,321,000,000 (Two trillion, eight hundred three billion, three hundred twenty-one million).

Fifteen years ago, July 20, 1984, the Federal debt stood at \$1,534,688,000,000 (One trillion, five hundred thirty-four billion, six hundred eighty-eight million) which reflects a debt increase of more than \$4 trillion—\$4,095,956,963,071.99 (Four trillion, ninety-five billion, nine hundred fifty-six million, nine hundred sixty-three thousand, seventy-one dollars and ninety-nine cents) during the past 15 years.



# HIGH TECH AWARD FOR SENATOR ABRAHAM

Mr. MCCAIN. Mr. President, I rise to inform my colleagues of a significant honor recently bestowed upon our colleague, the Senator from Michigan, Mr. ABRAHAM.

On June 16, Senator ABRAHAM became the first United States Senator to receive the "Cyber Champion" award, from the Business Software Alliance. He was recognized for his legislative accomplishments in support of America's high-technology economy. I would like to congratulate Senator ABRAHAM on receiving this well-deserved honor.

Senator ABRAHAM has been a champion of high-tech since coming to the Senate. He has worked hard on a high-tech agenda to keep Americans employed in good jobs at good wages, and to help our nation keep the edge we need in the global marketplace. It has been my pleasure to work with him on many of these issues.

Whether fighting to expand and rationalize the use of electronic signatures, expanding high-tech visas, increasing charitable giving to our schools so that we can train our kids in the uses of high-technology, keeping the Internet free from unnecessary interference and taxation, or seeing to it that we are prepared for the year 2000, Senator ABRAHAM has been a leader on high-tech issues.

Now Senator ABRAHAM is working to protect property rights on the Internet through his anti-cybersquatting legislation. His bill would empower trademark owners to protect their marks, at the same time protecting consumers from potential fraud.

There is no doubt in my mind that Senator ABRAHAM's efforts will help workers and the economy in Michigan and across the United States. Once again, I congratulate him on this honor, and on the accomplishments that have earned it for him.

## PROTECT ACT

Mr. FEINGOLD. Mr. President, I rise today to discuss an issue of increasing national and international importance.

Mr. President, encryption may not yet be the most common term in the American lexicon, but it may well affect every American as we progress in this Information Age. Encryption systems provide security to conventional and cellular telephone conversation, fax transmissions, local and wide area networks, personal computers, remote key entry systems, and radio frequency communication systems. As we become more reliant on these technologies, encryption becomes a more important application.

For these and other reasons, I come to the floor today to discuss my decision to cosponsor S. 798, the Promote Reliable Online Transactions to En-

courage Commerce and Trade, or PROTECT Act. This bill pushes us toward a thoughtful debate on encryption policy.

I appreciate the efforts of the Chairman of the Commerce Committee, Senator MCCAIN, to push this important legislation forward. As the chairman knows all too well, balancing competing interests, regardless of issue, is a difficult, and often thankless, job. In this case, we must find an equitable balance between personal privacy, technological innovation and public safety.

The rapidly expanding global marketplace and our increasing reliance on new technology has resulted in the almost instantaneous transfer of consumer information. Bank information, medical records, and credit card purchases are transferred at lightning speed. But these transactions, and even browsing on the Internet, can leave consumers vulnerable to unwanted and illegal access to private information. Encryption technology offers an effective way consumers can ensure that only the people they choose can read other communications or their e-mail, review their medical records, or take money out of their bank accounts. Plain and simple, encryption products protect consumers.

Over the past couple of years, we have seen the power of Internet commerce. From amazon.com to eBay to drugstore.com, companies with a dot com have become the darlings of the investment world. For consumers, online commerce provides viable competition and, thus, a cost-effective alternative to traditional brick-and-mortar stores.

The Internet, however, will never achieve its full potential as a center of commerce if consumers do not trust that their transactions and communications remain confidential. If we ever are to realize the commercial and communications potential of the Internet, we must have sophisticated and effective encryption.

For these precise reasons, consumers have an economic interest in the use of strong encryption technology. That economic interest necessitates more research and more development of stronger technology. The current export control climate, however, stifles development of domestic encryption technology. I believe that expansion of the market for U.S. developers will serve to quicken the pace of innovation.

Two recent reports bear this out. The Electronic Privacy Information Center found that the United States is virtually alone in its restrictions on encryption. Another report by researchers at George Washington University found that 35 foreign countries manufacture 805 encryption products. The same GWU report found that of the 15 algorithms now being considered by

the National Institute of Standards for a new American encryption standard, 10 have been developed outside the U.S. Clearly, our outdated policies are doing more to exclude U.S. manufacturers from the marketplace than they are doing to keep encryption technology out of the hands of criminals.

I do not mean to belittle the serious law enforcement implications of encryption. As the FBI has stated, "encryption has been used to conceal criminal activity and thwart law enforcement efforts to collect critical evidence needed to solve serious and often violent criminal activities." The same technology that prevents a computer hacker from stealing one's credit card number can prevent a law enforcement officer, even one with a properly obtained court order, from decrypting illegal information.

But the fact of the matter is that criminals simply can purchase and use an advanced encryption product produced in a foreign country. I understand concerns that some in the law enforcement community may have. Muzzling American development and export, however, is a doomed strategy. I believe there should be criminal penalties for those that use encryption in the furtherance of a crime and I hope the Senate will adopt penalties similar to those found in the leading House encryption bill.

Mr. President, there is no question that this bill moves us forward, both in terms of privacy and technological innovation. I must point out, however, that my support for this bill will not preclude me from advocating a stronger privacy position in the future. My cosponsorship of this bill establishes what I believe should be the starting point for the Congress to begin the encryption debate. I look forward to working with my colleagues on this very important issue.

I yield the floor.

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

### EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

## REPORT OF THE NOTICE OF THE CONTINUATION OF THE IRAQI EMERGENCY—MESSAGE FROM THE PRESIDENT—PM 50

The PRESIDING OFFICER laid before the Senate the following message

from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

*To the Congress of the United States:*

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision I have sent the enclosed notice, stating that the Iraqi emergency is to continue in effect beyond August 2, 1999, to the *Federal Register* for publication.

The crisis between the United States and Iraq that led to the declaration on August 2, 1990, of a national emergency has not been resolved. The Government of Iraq continues to engage in activities inimical to stability in the Middle East and hostile to United States interests in the region. Such Iraqi actions pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure on the Government of Iraq.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 20, 1999.

#### MESSAGES FROM THE HOUSE

At 10:42 a.m., a message from the House of Representatives, delivered by Ms. Kelleher, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 31. An act to require the Secretary of the Treasury to mint coins in conjunction with the minting of coins by the Republic of Iceland in commemoration of the discovery of the New World by Leif Ericson.

H.R. 322. An act for the relief of Suchada Kwong.

H.R. 660. An act for the private relief of Ruth Hairston by waiver of a filing deadline for appeal from a ruling relating to her application for a survivor annuity.

H.R. 1033. An act to require the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the Lewis and Clark Expedition, and for other purposes.

H.R. 1477. An act to withhold voluntary proportional assistance for programs and projects of the International Atomic Energy Agency relating to the development and completion of the Bushehr nuclear power plant in Iran, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H.Con.Res. 121. Concurrent resolution designating the Document Door of the United States in the cold war and the fall of the Berlin Wall.

H.Con.Res. 158. Concurrent resolution designating the Document Door of the United States Capitol as the "Memorial Door."

The message further announced that the House has passed the following bills, without amendment:

S. 361. An act to direct the Secretary of the Interior to transfer to John R. and Margaret J. Lowe of Big Horn County, Wyoming, certain land so as to correct an error in the patent issued to their predecessors in interest.

S. 449. An act to direct the Secretary of the Interior to transfer to the personal representative of the estate of Fred Steffens of Big Horn County, Wyoming, certain land comprising the Steffens family property.

#### MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 31. An act to require the Secretary of the Treasury to mint coins in conjunction with the minting of coins by the Republic of Iceland in commemoration of the millennium of the discovery of the new World by Leif Ericson; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 322. An act for the relief of Suchada Kwong; to the Committee on the Judiciary.

H.R. 660. An act for the private relief of Ruth Hairston by waiver of a filing deadline for appeal from a ruling relating to her application for a survivor annuity; to the Committee on Governmental Affairs.

H.R. 1033. An act to require the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the Lewis and Clark Expedition, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 1477. An act to withhold voluntary proportional assistance for programs and projects of the International Atomic Energy Agency relating to the development and completion of the Bushehr nuclear power plant in Iran, and for other purposes; to the Committee on Foreign Relations.

The following concurrent resolution was read and referred as indicated:

H.Con.Res. 121. Concurrent resolution expressing the sense of the Congress regarding the victory of the United States in the cold war and the fall of the Berlin Wall; to the Committee on the Judiciary.

#### EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-4265. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, South Coast Air Quality Management District and Yolo-Solano Air Quality Management District" (FRL # 6376-3), received July 15, 1999; to the Committee on Environment and Public Works.

EC-4266. A communication from the Director, Office of Regulatory Management and

Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of State Implementation Plans; Michigan" (FRL # 6357-3), received July 15, 1999; to the Committee on Environment and Public Works.

EC-4267. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Technical Correction of Partial Withdrawal of Direct Final Rule, Protection of Stratospheric Ozone: Reconsideration of Petition Criteria and Incorporation of Montreal Protocol Decisions" (FRL # 6400-9), received July 15, 1999; to the Committee on Environment and Public Works.

EC-4268. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision; Kern County Air Pollution Control District; Mojave Desert Air Quality Management District; Ventura County Air Pollution Control District" (FRL # 6378-7), received July 15, 1999; to the Committee on Environment and Public Works.

EC-4269. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; Maryland—Fuel Burning Equipment" (FRL # 6378-7), received July 15, 1999; to the Committee on Environment and Public Works.

EC-4270. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Clean Air Act Approval and Promulgation of California State Implementation Plan for the San Joaquin Valley Unified Air Pollution Control District" (FRL # 6378-7), received July 15, 1999; to the Committee on Environment and Public Works.

EC-4271. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Ocean Dumping; Amendment of Site Designation" (FRL # 6377-3), received July 15, 1999; to the Committee on Environment and Public Works.

EC-4272. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Standards for the Use of Disposal of Sewage Sludge" (FRL # 6401-3), received July 15, 1999; to the Committee on Environment and Public Works.

EC-4273. A communication from the Fisheries Biologist, Office of Protected Resources, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Endangered and Threatened Wildlife and Plants; 90-day finding for a petition to list barndoor skate ("Raja laevis") as Threatened or Endangered" (ID 061199C), received July 16, 1999.

EC-4274. A communication from the Fisheries Biologist, Office of Protected Resources, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Listing Endangered and Threatened Species and Designating Critical Habitat: Petition to List Eighteen Species of Marine Fishes in Pudget Sound, Washington" (ID 061199B), received July 16, 1999; to the Committee on Environment and Public Works.

EC-4275. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: MT-Propeller Entwicklung MBH Models MTV-9-B-C and MTV-3-B-C Propellers; Request for Comments; Docket No. 99-NE-35 (7-8/7-15)" (RIN2120-AA64) (1999-0268), received July 15, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4276. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Establishment of Class E Airspace; Avon Park, FL; Docket No. 99-ASO-8 (7-13/7-15)" (RIN2120-AA66) (1999-0221), received July 15, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4277. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Pratt and Whitney JT9D Series Turbofan Engines; Docket No. 99-ANE-23 (7-13/7-15)" (RIN2120-AA64) (1999-0270), received July 15, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4278. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: The New Piper Aircraft, Inc. Models PA-46-310P and PA-46-350P Airplanes; Docket No. 99-CE-112 (7-13/7-15)" (RIN2120-AA64) (1999-0269), received July 15, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4279. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: McDonnell Douglas Model DC-9-10, -20, -30, -40, and -50 Series Airplanes, and C-9 Airplanes; Docket No. 97-NM-49 (7-14/7-15)" (RIN2120-AA64) (1999-0271), received July 15, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4280. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Smme GmbH and Co. KG Model S10-VT Airplanes; Docket No. 99-CE-07 (7-14/7-15)" (RIN2120-AA64) (1999-0272), received July 15, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4281. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast

Stations, (Mullins and Briarcliffe Acres, South Carolina)" (MM Docket No. 97-72; RM 901), received July 15, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4282. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations, (Logan, Utah and Evanston, Wyoming)" (MM Docket No. 98-211), received July 15, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4283. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Closure for Pacific Ocean Perch in the Eastern Aleutian District of the Bering Sea and Aleutian Islands Area", received July 15, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4284. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Atlantic Highly Migratory Species (HMS) Fisheries; Fishery Management Plan (FMP), Amendment, and Consolidation of Regulations", (RIN0648-AJ67) (I.D. 071699B), received July 16, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4285. A communication from the Trial Attorney, National Highway Traffic Safety Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Certification Requirements for Vehicle Alterers" (RIN2127-AH49), received July 15, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4286. A communication from the Secretary of Transportation, transmitting, a draft of proposed legislation relative to the definition of "public aircraft"; to the Committee on Commerce, Science, and Transportation.

EC-4287. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report of the Certification to the Congress for Suriname relative to shrimp harvested with technology; to the Committee on Commerce, Science, and Transportation.

EC-4288. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to danger pay for government employees in Eritrea; to the Committee on Foreign Relations.

EC-4289. A communication from the Director, Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "North Dakota Regulatory Program" (SPATS # ND-038-FOR), received July 15, 1999; to the Committee on Energy and Natural Resources.

EC-4290. A communication from the Secretary of the Army and the Secretary of Agriculture, transmitting jointly, pursuant to law, a report of a joint order interchanging administrative jurisdiction of Department of the Army lands and National Forest lands at Willow Island Locks and Dam and Wayne National Forest; to the Committee on Environment and Public Works.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 1088. A bill to authorize the Secretary of Agriculture to convey certain administrative sites in national forests in the State of Arizona, to convey certain land to the City of Sedona, Arizona for a wastewater treatment facility, and for other purposes (Rept. No. 106-115).

H.R. 15. A bill to designate a portion of the Otay Mountain region of California as wilderness (Rept. No. 106-116).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 581. A bill to protect the Paoli and Brandywine Battlefields in Pennsylvania, to authorize a Valley Forge Museum of the American Revolution at Valley Forge National Historical Park, and for other purposes (Rept. No. 106-117).

#### EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. LUGAR, for the Committee on Agriculture, Nutrition, and Forestry:

William J. Ranier, of New Mexico, to be Chairman of the Commodity Futures Trading Commission.

William J. Ranier, of New Mexico, to be a Commissioner of the Commodity Futures Trading Commission for the term expiring April 13, 2004.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HATCH:

S. 1406. A bill to combat hate crimes; to the Committee on the Judiciary.

By Mr. FRIST:

S. 1407. A bill to authorize appropriations for the Technology Administration of the Department of Commerce for fiscal years 2000, 2001, and 2002, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. JEFFORDS (for himself, Mr. MOYNIHAN, Mr. SCHUMER, Mr. LAUTENBERG, Mr. LIEBERMAN, and Mr. LEAHY):

S. 1408. A bill to amend the Small Business Investment Act of 1958 to promote the clean-up of abandoned, idled, or underused commercial or industrial facilities, the expansion or redevelopment of which are complicated by real or perceived environmental contamination, and for other purposes; to the Committee on Small Business.

By Mr. MCCONNELL (for himself and Mr. BUNNING):

S. 1409. A bill to amend the Internal Revenue Code of 1986 to reduce from 24 months to 12 months the holding period used to determine whether horses are assets described

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

in section 1231 of such Code; to the Committee on Finance.

By Mr. STEVENS:

S. 1410. A bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain air transportation; to the Committee on Finance.

S. 1411. A bill to amend the Internal Revenue Code of 1986 to extend the credit for producing electricity from certain renewable resources; to the Committee on Finance.

#### SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. MURRAY (for herself, Mr. WARNER, Mr. HATCH, Mr. BINGAMAN, Mrs. BOXER, Mr. CHAFEE, Mr. DODD, Mr. DORGAN, Mr. EDWARDS, Mr. GORTON, Mr. GRAMS, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEVIN, Mr. LIEBERMAN, Mr. MOYNIHAN, Mr. REID, Mr. ROBB, Mr. SARBANES, Mr. SCHUMER, Mr. SMITH of Oregon, Mr. SPECTER, Mr. TORRICELLI, and Mr. WELLSTONE):

S. Res. 158. A resolution designating October 21, 1999, as a "Day of National Concern About Young People and Gun Violence"; to the Committee on the Judiciary.

By Mrs. HUTCHISON (for herself, Mr. BOND, Ms. COLLINS, Mr. FRIST, Mr. ALLARD, Mr. EDWARDS, Mr. COCHRAN, Mr. CLELAND, Mr. ROBERTS, and Mr. TORRICELLI):

S. Con. Res. 47. A concurrent resolution expressing the sense of Congress regarding the regulatory burdens on home health agencies; to the Committee on Finance.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH:

S. 1406. A bill to combat hate crimes.  
COMBATING HATE CRIMES

Mr. HATCH: Mr. President, in the face of some of the hate crimes that have riveted public attention—and have unfortunately made the name Benjamin Nathaniel Smith synonymous with the recent spate of shootings in Illinois; the names James Byrd synonymous with Jasper, Texas; and the name Matthew Shepard synonymous with Laramie, Wyoming—I am committed in my view that the Senate must lead and speak against hate crimes.

During and just preceding this past generation, Congress has been the engine of progress in securing America's civil rights achievements and in driving us as a society increasingly closer to the goal of equal rights for all under the law.

Historians will conclude, I have little doubt, that many of America's greatest strides in civil rights progress took place just before this present moment on history's grand time line: Congress protected Americans from employment discrimination on the basis of race, sex, color, religion, and national origin

with the passage of the Civil Rights Act of 1964; Congress protected Americans from gender-based discrimination in rates of pay for equal work with the Equal Pay Act of 1963; and from age discrimination with the passage of the Age Discrimination in Employment Act of 1967; Congress extended protections to immigration status with the Immigration Reform and Control Act in 1986, and to the disabled with the passage of the Americans With Disabilities Act in 1990. And the list continues on and on.

Yet while America's elected officials have striven mightily through the passage of such measures to stop discrimination in the workplace, or at the hands of government actors, what remains tragically unaddressed in large part is discrimination against peoples' own security—that most fundamental right to be free from physical harm.

Despite our best efforts, discrimination continues to persist in many forms in this country, but most sadly in the rudimentary and malicious form of violence against individuals because of their identities.

A fair question for this Congress is what it will do to stem this ugly form of hatred and to counter hate crime as boldly as this Congress has attempted to redress workplace bias and governmental discrimination. Will we continue to advance boldly in this latest civil rights frontier by furthering Congress' proud legacy, or will we demur on the ground that this is not now a battle for our waging?

Let me state, unequivocally, that this is America's fight. As much as we condemn all crime, hate crime can be more sinister than non-hate crime.

A crime committed not just to harm an individual, but out of the motive of sending a message of hatred to an entire community—oftentimes a community defined on the basis of immutable traits—is appropriately punished more harshly, or in a different manner, than other crimes.

This is in keeping with the longstanding principle of criminal justice—as recognized recently by the U.S. Supreme Court in a unanimous decision upholding Wisconsin's sentencing enhancement for hate crimes—that the worse a criminal defendant's motive, the worse the crime. (*Wisconsin v. Mitchell*, 1993)

Moreover, hate crimes are more likely to provoke retaliatory crimes; they inflict deep, lasting, and distinct injuries—some of which never heal—on victims and their family members; they incite community unrest; and, ultimately, they are downright un-American.

The melting pot of America is, worldwide, the most successful multi-ethnic, multi-racial, and multi-faith country in all recorded history. This is something to ponder as we consider the atrocities so routinely sanctioned in

other countries—like Serbia so recently—committed against persons entirely on the basis of their racial, ethnic, or religious identity.

I am resolute in my view that the federal government can play a valuable role in responding to hate crime. One example here is my sponsorship of the Hate Crime Statistics Act of 1990, a law which instituted a data collection system to assess the extent of hate crime activity, and which now has thousands of voluntary law enforcement agency participants.

Another, more recent example, is the passage in 1996 of the Church Arson Protection Act, which, among other things, criminalized the destruction of any church, synagogue, mosque, or other place of religious worship because of the race, color, or ethnic characteristics of an individual associated with that property.

To be sure, however, any federal response—to be a meaningful one—must abide by the constitutional limitations imposed on Congress, and be cognizant of the limitations on Congress' enumerated powers that are routinely enforced by the courts.

This is more true today than it would have been even a mere decade ago, given the significant revival by the U.S. Supreme Court of the federalism doctrine in a string of decisions beginning in 1992. Those decisions must make us particularly vigilant in respecting the courts' restrictions on Congress' powers to legislate under section 5 of the 14th amendment, and under the commerce clause. [*City of Boerne* (invalidating Religious Freedom Restoration Act under 14th amendment); *Lopez* (invalidating Gun-Free School Zones Act under commerce clause); *Brzonkala* (4th circuit decision invalidating one section of the Violence Against Women Act on both grounds).]

We therefore need to arrive at a federal response to hate crimes that is not only as effective as possible, but that carefully navigates the rocky shoals of these court decisions. To that end, I have prepared an approach that I believe will be not only an effective one, but one that would avoid altogether the constitutional risks that attach to other possible federal responses that have been raised.

Indeed, just a couple months ago, Deputy Attorney General Eric Holder testified before the Senate Judiciary Committee that states and localities should continue to be responsible for prosecuting the overwhelming majority of hate crimes, and that no legislation is worthwhile if it is invalidated as unconstitutional.

There are four principal components to my approach:

First, it creates a meaningful partnership between the federal government and the states in combating hate crime, by establishing within the Justice Department a fund to assist state

and local authorities in investigating and prosecuting hate crime.

Much of the cited justification given by those who advocate broad federal jurisdiction over hate crimes is a lack of adequate resources at the state and local level.

Accordingly, before we take the step of making every criminal offense motivated by a hatred of someone's immutable traits a federal offense, it is imperative that we equip states and localities with the resources necessary so that they can undertake these criminal investigations and prosecutions on their own.

Second, my approach undertakes a comprehensive analysis of the raw data that has been collected pursuant to the 1990 Hate Crime Statistics Act, including a comparison of the records of different jurisdictions—some with hate crime law, others without—to determine whether there is, in fact, a problem in certain states' prosecution of those criminal acts constituting hate crimes.

Third, my approach directs an appropriate, neutral forum to develop a model hate crimes statute that would enable states to evaluate their own laws, and adopt—in whole or in part from the model statute—hate crime legislation at the state level.

One of the arguments cited for a federalization of enforcement is the varying scope and punitive force of state laws. Yet there are many areas of grave national concern—such as drunk driving, by way of example—that are appropriately left to the states for criminal enforcement and punishment.

Before we make all hate crimes federal offenses, I believe we should pursue avenues that advance consistency among the states through the voluntary efforts of their legislatures. Perhaps, upon completion of this model hate crime law, Congress will review its recommendation and consider additional ways to promote uniformity among the states.

Fourth, my proposal makes a long-overdue modification of our existing federal hate crime law (passed in 1969) to allow for the prosecution by federal authorities of those hate crimes that are classically within federal jurisdiction—that is, hate crimes in which state lines have been crossed.

Mr. President, I believe that passage of this comprehensive measure will prove a strong antidote to the scourge of hate crimes.

It is no answer for the Senate to sit by silently while these crimes are being committed. The ugly, bigoted, and violent underside of some in our country that is reflected by the commission of hate crimes must be combated at all levels of government.

For some, federal leadership necessitates federal control. I do not subscribe to this view, especially when it comes to this problem. It has been pro-

posed by some that to combat hate crime Congress should enact a new tier of far-reaching federal criminal legislation. That approach strays from the foundations of our constitutional structure—namely, the first principles of federalism that for more than two centuries have vested states with primary responsibility for prosecuting crimes committed within their boundaries.

As important as this issue is, there is little evidence such a step is warranted, or that it will do any more than what I have proposed. In fact, one could argue that national enforcement of hate crime could decrease if states are told the federal government has assumed primary responsibility over hate crime enforcement.

Accordingly, we must lead—but lead responsibly—recognizing that we live in a country of governments of shared and divided responsibilities.

In confronting a world of prejudice greater than any of us can now imagine, Lincoln said to Congress in 1862 that the “dogmas of the quiet past” were “inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise—with the occasion. As our case is new, so we must think anew, and act anew.”

In that very spirit, I encourage this body to question the dogma that federal leadership must include federal control, and I encourage this body to act anew by supporting a proposal that is far-reaching in its efforts to stem hate crime, and that is at the same time respectful of the primacy states have traditionally enjoyed in prosecuting crimes committed within their boundaries.

Ultimately, I believe the approach I have set forth is a principled way to accommodate our twin aims—our well-intentioned desire to investigate, prosecute, and, hopefully, end these vicious crimes; and our unequivocal duty to respect the constitutional boundaries governing any legislative action we take.

My proposal should unite all of us on the point about which we should most fervently agree—that the Senate must speak firmly and meaningfully in denouncing as wrong in all respects those actions we have increasingly come to know as hate crimes. Our continued progress in fighting to protect Americans' civil rights demands no less.

Mr. President, I feel deeply about this. I hope our colleagues will look at this seriously and realize this is the way to go. It appropriately respects the rights of the States and the rights of the Federal Government. It appropriately sets the tone. It appropriately goes after these types of crimes in a very intelligent and decent way. I believe it is the way to get at the bottom of this type of criminal activity in our society today.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1406

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. HATE CRIMES.

(a) DECLARATIONS.—Congress declares that—

(1) further efforts must be taken at all levels of government to respond to the staggering brutality of hate crimes that have riveted public attention and shocked the Nation;

(2) hate crimes are prompted by bias and are committed to send a message of hate to targeted communities, usually defined on the basis of immutable traits;

(3) the prominent characteristic of a hate crime is that it devastates not just the actual victim and the victim's family and friends, but frequently savages the community sharing the traits that caused the victim to be selected;

(4) any efforts undertaken by the Federal Government to combat hate crimes must respect the primacy that States and local officials have traditionally been accorded in the criminal prosecution of acts constituting hate crimes; and

(5) an overly broad reaction by the Federal Government to this serious problem might ultimately diminish the accountability of State and local officials in responding to hate crimes and transgress the constitutional limitations on the powers vested in Congress under the Constitution.

(b) STUDIES.—

(1) COLLECTION OF DATA.—

(A) DEFINITION OF HATE CRIME.—In this paragraph, the term “hate crime” means—

(i) a crime described in subsection (b)(1) of the first section of the Hate Crime Statistics Act (28 U.S.C. 534 note); and

(ii) a crime that manifests evidence of prejudice based on gender or age.

(B) COLLECTION FROM CROSS-SECTION OF STATES.—Not later than 120 days after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the National Governors' Association, shall select 10 jurisdictions with laws classifying certain types of crimes as hate crimes and 10 jurisdictions without such laws from which to collect data described in subparagraph (C) over a 12-month period.

(C) DATA TO BE COLLECTED.—The data to be collected are—

(i) the number of hate crimes that are reported and investigated;

(ii) the percentage of hate crimes that are prosecuted and the percentage that result in conviction;

(iii) the length of the sentences imposed for crimes classified as hate crimes within a jurisdiction, compared with the length of sentences imposed for similar crimes committed in jurisdictions with no hate crime laws; and

(iv) references to and descriptions of the laws under which the offenders were punished.

(D) COSTS.—Participating jurisdictions shall be reimbursed for the reasonable and necessary costs of compiling data under this paragraph.

(2) STUDY OF TRENDS.—

(A) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the

Comptroller General of the United States and the General Accounting Office shall complete a study that analyzes the data collected under paragraph (1) and under the Hate Crime Statistics Act of 1990 to determine the extent of hate crime activity throughout the country and the success of State and local officials in combating that activity.

(B) IDENTIFICATION OF TRENDS.—In the study conducted under subparagraph (A), the Comptroller General of the United States and the General Accounting Office shall identify any trends in the commission of hate crimes specifically by—

- (i) geographic region;
- (ii) type of crime committed; and
- (iii) the number of hate crimes that are prosecuted and the number for which convictions are obtained.

(C) MODEL STATUTE.—

(1) IN GENERAL.—To encourage the identification and prosecution of hate crimes throughout the country, the Attorney General shall, through the National Conference of Commissioners on Uniform State Laws of the American Law Institute or another appropriate forum, and in consultation with the States, develop a model statute to carry out the goals described in subsection (a) and criminalize acts classified as hate crimes.

(2) REQUIREMENTS.—In developing the model statute, the Attorney General shall—

(A) include in the model statute crimes that manifest evidence of prejudice; and

(B) prepare an analysis of all reasons why any crime motivated by prejudice based on any traits of a victim should or should not be included.

(D) SUPPORT FOR CRIMINAL INVESTIGATIONS AND PROSECUTIONS BY STATE AND LOCAL LAW ENFORCEMENT OFFICIALS.—

(1) ASSISTANCE OTHER THAN FINANCIAL ASSISTANCE.—

(A) IN GENERAL.—At the request of a law enforcement official of a State or a political subdivision of a State, the Attorney General, acting through the Director of the Federal Bureau of Investigation, shall provide technical, forensic, prosecutorial, or any other form of assistance in the criminal investigation or prosecution of any crime that—

(i) constitutes a crime of violence (as defined in section 16 of title 18, United States Code);

(ii) constitutes a felony under the laws of the State; and

(iii) is motivated by prejudice based on the victim's race, ethnicity, or religion or is a violation of the State's hate crime law.

(B) PRIORITY.—In providing assistance under subparagraph (A), the Attorney General shall give priority to crimes committed by offenders who have committed crimes in more than 1 State.

(2) GRANTS.—

(A) IN GENERAL.—There is established a grant program within the Department of Justice to assist State and local officials in the investigation and prosecution of hate crimes.

(B) ELIGIBILITY.—A State or political subdivision of a State applying for assistance under this paragraph shall—

(i) describe the purposes for which the grant is needed; and

(ii) certify that the State or political subdivision lacks the resources necessary to investigate or prosecute the hate crime.

(C) DEADLINE.—An application for a grant under this paragraph shall be approved or disapproved by the Attorney General not later than 24 hours after the application is submitted.

(D) GRANT AMOUNT.—A grant under this paragraph shall not exceed \$100,000 for any single case.

(E) REPORT.—Not later than December 31, 2001, the Attorney General, in consultation with the National Governors' Association, shall submit to Congress a report describing the applications made for grants under this paragraph, the award of such grants, and the effectiveness of the grant funds awarded.

(F) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$5,000,000 for each of fiscal years 2000 and 2001.

(G) INTERSTATE TRAVEL TO COMMIT HATE CRIME.—

(1) IN GENERAL.—Chapter 13 of title 18, United States Code, is amended by adding at the end the following:

**“§249. Interstate travel to commit hate crime**

**“(a) IN GENERAL.—**A person, whether or not acting under color of law, who—

**“(1) travels across a State line or enters or leaves Indian country in order, by force or threat of force, to willfully injure, intimidate, or interfere with, or by force or threat of force to attempt to injure, intimidate, or interfere with, any person because of the person's race, color, religion, or national origin; and**

**“(2) by force or threat of force, willfully injures, intimidates, or interferes with, or by force or threat of force attempts to willfully injure, intimidate, or interfere with any person because of the person's race, color, religion, or national origin,** shall be subject to a penalty under subsection (b).

**“(b) PENALTIES.—**A person described in subsection (a) who is subject to a penalty under this subsection—

**“(1) shall be fined under this title, imprisoned not more than 1 year, or both;**

**“(2) if bodily injury results or if the violation includes the use, attempted use, or threatened use of a dangerous weapon, explosives, or fire, shall be fined under this title, imprisoned not more than 10 years, or both; or**

**“(3) if death results or if the violation includes kidnapping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill—**

**“(A) shall be fined under this title, imprisoned for any term of years or for life, or both; or**

**“(B) may be sentenced to death.”.**

(2) TECHNICAL AMENDMENT.—The analysis for chapter 13 of title 18, United States Code, is amended by adding at the end the following:

**“249. Interstate travel to commit hate crime.”.**

By Mr. FRIST:

S. 1407. A bill to authorize appropriations for the Technology Administration of the Department of Commerce for fiscal years 2000, 2001, and 2002, and for other purposes; to the Committee on Commerce, Science, and Transportation.

TECHNOLOGY ADMINISTRATION AUTHORIZATION ACT FOR FISCAL YEARS 2000, 2001, AND 2002

• Mr. FRIST. Mr. President, I rise today to offer a bill to authorize the appropriations for the Technology Administration (TA) of the Department of Commerce for fiscal years 2000, 2001, and 2002. This bill authorizes funding for activities in the National Institute

of Standards and Technology (NIST), the National Technical Information Services (NTIS), the Office of Technology Policy (OTP), and the Office of Space Commercialization (OSC).

The Technology Administration is the only federal agency responsible for maximizing technology's contribution to America's economic growth, and for partnering with industry to improve U.S. industrial competitiveness. Because technological progress is the single most important factor in our current economic growth, it is important that the agency be adequately funded to pursue its missions, even during the current era of fiscal constraints. As the pace of technological changes accelerates and as the world transitions to a digital economy, we must work proactively to ensure that the private sector has the best possible tools to compete in this new economy.

NIST, as the main research laboratory in Technology Administration, promotes and strengthens the U.S. economy by collaborating with industry to apply new technology, measurement methods, and technical standards. In support of the programs in Scientific and Technical Research and Services, the bill seeks to increase the authorization amounts for fiscal years 2001 and 2002 by 5.5 percent annually, consistent with my objective for doubling the aggregate federal funding for civilian research over an 11-year period beginning in fiscal year 2000.

In keeping with my firm belief that our national commitment to technological innovation must include a complete framework that also facilitates the realization and commercialization of new technologies in the marketplace, the bill also continues to provide funding for two NIST programs that have been particularly contentious: the Advanced Technology Program (ATP) and the Manufacturing Extension Program (MEP). We respond to existing criticisms of ATP with several changes to the administration of ATP awards to ensure that the program fulfills its originally intended mission. These modifications include provisions to ensure that federal funds would not interfere or compete with private capital for the commercialization of new technologies, and that these funds would benefit primarily small businesses.

With MEP approaching maturity, the evidence of its success in providing technical assistance and advanced business practices to help small manufacturers improve their competitiveness has been overwhelming. However, as we transition from a labor-based to a knowledge-based economy, the function of the manufacturing sector will change and its needs will evolve accordingly. In anticipation of these changes, the legislation requests the Director of NIST to examine these issues closely, and recommend modification or expansion of MEP as appropriate.



NTIS is an agency within Technology Administration that collects, archives, and disseminates scientific, technical, and related business information produced by or for the federal government. NTIS is required to cover its expenses through its revenues. However, the advance of the Internet and the convenience of electronic dissemination of information freely via agency web sites have severely impacted NTIS's ability to sell its products. It is my belief that the agency serves an important mission in ensuring the preservation of research results produced from federal investment. Yet, prudent fiscal management practice dictates that we give serious consideration to the agency and its future. Accordingly, the bill reauthorizes additional funding for the agency, but only if the Secretary can recommend potential resolutions to the issue. We leave open the option of possibly resolving this issue in a later bill.

Through the Technology Administration Act of 1998 (P.L. 105-309), we created the Office of Space Commercialization, and for the first time, the Office will receive its own funding authorization. As the pace of activities to commercialize aspects of space increases, I hope that the Office will become a more active participant in the ongoing discussion between the government and industry in this strategically important market.

Two other issues that the legislation addresses include the commissioning of a study to strengthen and maintain technical expertise of the national laboratories, and a study on the role and impact of international and domestic technical standards of global commerce. These are issues with national impact that I believe we must discuss in a timely manner.

Mr. President, I believe that this authorization bill reflects a balance between prudent fiscal policies and wise investment for our Nation's future. We have incorporated input from my colleagues in the Senate, the House, and the Administration, as well as my constituents, and other interested parties. The legislation reaffirms our national commitment to maximize technology's contribution to economic growth in a responsible manner, while at the same time, prepares us for changes ahead as we transition into a knowledge-based economy. It also seeks to maintain America's unique technical skills. Therefore, I urge my colleagues to support timely passage of this legislation so that we can give a clear indication to the American people that we are serious about enhancing U.S. competitiveness as we approach the next century, and ensuring that our federal investment is well spent. ●

By Mr. JEFFORDS (for himself,  
Mr. MOYNIHAN, Mr. SCHUMER,  
Mr. LAUTENBERG, Mr.  
LIEBERMAN, and Mr. LEAHY):

S. 1408. A bill to amend the Small Business Investment Act of 1958 to promote the cleanup of abandoned, idled, or underused commercial or industrial facilities, the expansion or redevelopment of which are complicated by real or perceived environmental contamination, and for other purposes; to the Committee on Small Business.

SMALL BUSINESS BROWNFIELDS  
REDEVELOPMENT ACT OF 1999

Mr. JEFFORDS. Mr. President, I rise today to introduce the Small Business Brownfields Redevelopment Act of 1999.

As we debate the best avenue to promote smart growth in our communities, a prominent issue is brownfields revitalization. Historically an issue of corporate America, small businesses can play a crucial role in revitalizing brownfields sites. Providing small businesses with the necessary capital to redevelop these sites is critical. The potential for small businesses to redevelop brownfields sites has gone untapped for far too long.

Although Congress clarified lender liability in 1996—in the FY 1997 Omnibus Appropriations bill—P.L. 104-208—there has been little progress to enhance small business brownfields redevelopment efforts. Larger corporations have the necessary resources; for example, Bank of America has recognized the economic benefits for brownfields lending. The Small Business Brownfields Redevelopment Act of 1999 would level this playing field.

Our goal with this legislation is to take an existing framework—the Small Business Administration's (SBA) successful loan guarantee and community development corporation programs—and channel important resources into brownfields redevelopment and prevention. It is a concept with multiple objectives. It will provide legitimacy to brownfields investment and lending, which does not now exist; and promote innovative cleanup technologies.

By redeveloping brownfields and easing development pressure on greenfields, we are promoting smart growth; and by providing critical financial tools to our small businesses, we are promoting the backbone of our nation's economy. Revitalizing brownfields is pro-business, pro-community, and pro-environment.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1408

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Small Business Brownfields Redevelopment Act of 1999".

**SEC. 2. SMALL BUSINESS DEVELOPMENT COMPANY PROGRAM SET-ASIDE FOR BROWNFIELD PREVENTION AND REDEVELOPMENT.**

Section 504 of the Small Business Investment Act of 1958 (15 U.S.C. 697a) is amended by adding at the end the following:

"(c) SET-ASIDE FOR BROWNFIELD PREVENTION AND REDEVELOPMENT PROJECTS.—

"(1) IN GENERAL.—Of the amount authorized for financings under this section in each fiscal year, the Administration shall set aside the lesser of \$50,000,000 or 10 percent, which shall be used by qualified State and local development companies to finance projects that assist qualified small businesses (or prospective owners or operators of qualified small businesses) in—

"(A) carrying out site assessment and cleanup activities at brownfield sites or at sites contaminated with petroleum; and

"(B) acquiring new, clean technologies and production equipment.

"(2) DEFINITIONS.—In this subsection—

"(A) the term 'brownfield site' has the meaning given that term in section 321(d);

"(B) the term 'site assessment' means any investigation of a site determined to be appropriate by the President and undertaken pursuant to section 104(b) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604(b));

"(C) the term 'qualified small business' means a small business—

"(i) that—

"(I) has acquired a brownfield site; or

"(II) uses, in the course of doing business, any hazardous substance (as defined in section 101(14) of such Act (42 U.S.C. 9601(14)); and

"(ii) that has limited or no access to capital from conventional sources, as determined by the Administration; and

"(D) the term 'qualified State or local development company' has the meaning given that term in section 503(e)."

**SEC. 3. PROMOTION OF SMALL BUSINESS INVESTMENT COMPANIES FOR BROWNFIELD ACTIVITIES.**

Title III of the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.) is amended by adding at the end the following:

**"SEC. 321. SMALL BUSINESS INVESTMENT COMPANIES FOR BROWNFIELD ACTIVITIES.**

"(a) ESTABLISHMENT OF CERTAIN SMALL BUSINESS INVESTMENT COMPANIES.—The Administration shall promote the establishment of 1 or more small business investment companies, the primary purpose of which is to finance—

"(1) cleanup activities for brownfield sites or sites contaminated with petroleum, including those that use innovative or experimental cleanup technologies; or

"(2) projects that assist small businesses in cleaning up the facilities owned or operated by those small businesses and adopting new, clean technologies.

"(b) AUTHORITY TO WAIVE CERTAIN FEE.—The Administration may waive any filing fee otherwise required by the Administration under this title with respect to any small business investment company described in subsection (a).

"(c) SET-ASIDE.—Notwithstanding any other provision of this title, of the amount authorized for purchases of participating securities and guarantees of debentures under this title in each fiscal year, the Administration shall set aside the lesser of \$2,000,000 or 10 percent, which shall be used to provide leverage to any small business investment company described in subsection (a).



“(d) BROWNFIELD SITE DEFINED.—In this section, the term ‘brownfield site’ means an abandoned, idled, or underused commercial or industrial facility, the expansion or redevelopment of which is complicated by real or perceived environmental contamination.”.

Mr. MOYNIHAN. Mr. President, I rise to introduce the Small Business Brownfields Redevelopment Act of 1999, a bill to set aside a portion of the Small business Administration’s (SBA) resources for use by small businesses for brownfields prevention and redevelopment.

I am pleased to co-sponsor this measure with Senator JEFFORDS of Vermont. Together, we co-chair the Northeast-Midwest Senate Coalition. We recognize that our area of the country has its share of brownfields and the need for this important legislation.

Many smaller banks, including those represented by the SBA, are hesitant to lend to projects involving brownfields which they perceive to be risky. Our bill will encourage and provide the legitimacy to brownfields investment and lending that is long overdue.

This bill designates a portion of the funding of two of SBA’s programs, Section 504, Certified Development Companies (CDCs) and Small Business Investment Companies (SBICs), for brownfields activities. This will ensure that small businesses receive the support they need to promote the redevelopment of valuable land.

Companies across the nation have recognized the financial and social advantages of Smart Growth and brownfields redevelopment. Communities call on us to preserve and promote open space. This bill unites the goals of businesses and residents in a common purpose: more efficient, economical and ecological use of our nation’s lands.

By Mr. MCCONNELL (for himself and Mr. BUNNING):

S. 1409. A bill to amend the Internal Revenue Code of 1986 to reduce from 24 months to 12 months the holding period used to determine whether horses are assets described in section 1231 of such Code; to the Committee on Finance.

LEGISLATION REDUCING THE CAPITAL GAINS  
HOLDING PERIOD FOR HORSES

Mr. MCCONNELL. Mr. President, I join with my colleague, Mr. BUNNING, to introduce legislation to reduce from 24 months to 12 months the capital gains holding period for horses. All capital assets—with the exception of horses and cattle—qualify for the lowest capital gains tax rate if held for 12 months. This discrepancy in the tax code is simply not fair to the horse industry.

The horse industry is extremely important to our economy, and accounts for thousands of jobs. Whether it is owning, breeding, racing, or showing horses—or simply enjoying an after-

noon ride along a trail—one in thirty-five Americans is touched by the horse industry. In Kentucky alone, the horse industry has an economic impact of \$3.4 billion, involving 150,000 horses and more than 50,000 employees.

What supports this industry is the investment in the horses themselves. Much like other businesses, outside investments are essential to the operation and growth of the horse industry. Without others willing to buy and breed horses, it is impossible for the industry to remain competitive. The two-year holding period ultimately discourages investment, putting this industry—and the 1.4 million jobs it supports nationwide—at risk. Clearly, this is bad economic policy and must be changed.

Mr. President, the two-year holding period for horses is sorely outdated. It was established in 1969, primarily as an anti-tax shelter provision. Since then, there have been a number of changes in the tax code. Specifically, the passive loss limitations have been adopted, putting an end to these previous tax loopholes.

Although horses are categorized as livestock, they have an entirely different function than other animals, like cattle. While both are livestock, the investment in these two animals is entirely different. Beef is a commodity, with a finite and generally short life span. However, horses—whether they are used for racing, showing, or working—are frequently bought and sold multiple times over their longer life in order to maximize the return on the owner’s investment. Additionally, once horses retire from the track or show arena, they continue to enhance their value through breeding.

Mr. President, there is no sound argument for distinguishing horses from other capital assets. The two-year holding period discriminates against the horse industry and must be reduced. I urge my colleagues to join Senator BUNNING and me in correcting this unfair tax policy. Mr. President, I ask that the text of this legislation be printed in the RECORD.

The bill follows:

S. 1409

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. HOLDING PERIOD REDUCED TO 12 MONTHS FOR PURPOSES OF DETERMINING WHETHER HORSES ARE SECTION 1231 ASSETS.**

(a) IN GENERAL.—Subparagraph (A) of section 1231(b)(3) of the Internal Revenue Code of 1986 (relating to definition of property used in the trade or business) is amended by striking “and horses”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

By Mr. STEVENS:

S. 1410. A bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain air

transportation; to the Committee on Finance.

EMPTY SEAT TAX RELIEF LEGISLATION

Mr. STEVENS. Mr. President, I am introducing a bill to equate the tax treatment of persons occupying what would otherwise be empty seats on private aircraft with the treatment of airline employees flying on a space available basis on regularly scheduled flights. Right now, use of these empty seats is deemed taxable personal income to the employee. I refer to it as the “empty-seat tax.” Filling these empty seats—the way airlines do—can be likened to personnel taking offsets on freight flights, and empty seat passengers on auto, trucks, taxis or limousines that are being driven for business.

Under current law, airline employees and retirees and their parents and children can fly tax-free on scheduled commercial flights for nonbusiness reasons. Military personnel and their families can hop military flights for nonbusiness reasons without the imposition of tax. Current and former employees of airborne freight or cargo haulers, together with their parents and children, can fly tax-free for nonbusiness reasons on seats that would have otherwise been empty.

In addition, no tax is imposed on passengers accompanying employees traveling on business via auto or other non-aircraft transportation. For example, a trucker can take his wife on a haul without facing the imposition of a tax for the seat that she occupies. Yet tax is frequently imposed on employees or “deemed” employees flying for nonbusiness reasons when they occupy what would otherwise be unused seats on business flights of noncommercial aircraft. Employers who own or lease these aircraft are compelled by IRS regulations to consider 13 separate factors or steps in determining the incidence and amount of tax to be imposed on their employees. My proposal seeks to deal with this inequity by treating all passengers the same way.

Under this provision, the employer would have to demonstrate to the IRS on audit that the flight would have been made in the ordinary course of the employer’s business whether or not the person was on the flight. The employer would also have to show that the presence of the person did not cause the employer to incur additional costs for the flight. Personal use of a plane, such as when an executive files with his or her family or guests to a vacation home, would remain fully taxable, just as under current law.

In 1984, the Joint Committee on Taxation concluded that it was “unacceptable” to continue “conditions” under which “taxpayers in identical or comparable situations have been treated differently” because of the “inequities, confusion and administrative difficulties for business, employees and the internal revenue service resulting from

this situation." The Joint Committee on Taxation was right then, and the comment continues to be accurate 15 years later.

This is not just about creating equity for all passengers. It also goes to our ultimate goal of simplifying the Tax Code for all Americans. Upon passage of this provision, a separate category of taxpayer will be eliminated and employees and employers will be able to better assess the tax implications of travel on aircraft.

This is an especially important issue to large States with smaller populations because air travel comprises such a large part of our transportation systems. Instead of getting on a plane to travel across country, many people from rural areas get on a plane to travel within the State.

This is also a health care issue. Many people in rural States like mine must take an empty seat on a company-owned airplane because they get sick and need medical treatment that can only be found in larger cities. In the contiguous States, someone can call an ambulance to take a car or bus to a larger metropolitan area to receive medical treatment. There are no buses from Barrow to Fairbanks or Cold Bay to Anchorage. The current Tax Code overlooks this fact of life and my provision will take this into account. We must begin to treat all passengers fairly, regardless of how they get to their final destination.

By Mr. STEVENS:

S. 1411. A bill to amend the Internal Revenue Code of 1986 to extend the credit for producing electricity from certain renewable resources; to the Committee on Finance.

#### FISH OIL HEAT ACT OF 1999

Mr. STEVENS. Mr. President, today I introduce the Fish Oil Heat Act of 1999. This act would provide a tax credit for fishing operations who choose to burn waste fish oil rather than diesel fuel. Fishing operations would earn a tax credit for each Btu of heat produced by this alternative fuel source. This measure is similar to others that are before the Senate in that it encourages businesses to use alternative energy sources at hand rather than relying solely on fossil fuels.

This bill would amend section 45 of the Tax Code to include fish oil as a qualified energy producing resource. Fishing operations, whether on shore or at sea are able to use fish oil to keep their working areas warm and to process the fish they harvest. My legislation would expand the current Tax Code to provide an incentive to use alternative energy sources by including heat generated by waste fish oil under section 45. As it stands now, the Tax Code allows tax credits for electricity produced by wind or through a closed loop biomass system. Fishing operations are often isolated from energy

grids and they do not rely on the organic biomass systems for energy, so they cannot take advantage of the electricity producing tax credit.

Several Senators have introduced bills to expand the current Tax Code to allow for new energy producing tax credits from alternative resources. However, the tax credits are limited to a single form of energy—electricity. My bill would take into account a different form of energy—heat. This provision would give the same amount of tax credit for a single Btu of heat produced as the current Tax Code allows for a kilowatt hour of electricity produced. This will create equity within the tax system and across industry lines.

Fishing operations in my State are often isolated and rely on the resources they have at hand. Unlike many of the industries in the contiguous United States, fishing operations in Alaska can't connect to area wide power grids. They rely on fossil fuels to run generators for heat and electricity. The fuel must be transported to the operation, often by barge or small boat. This bill would encourage these isolated fishing operations to collect and use the waste fish oil that they generate to keep their business warm. This would cut down on the amount of fossil fuel being transported to these distant locations, thus reducing the chances of fuel spills. Additionally, by encouraging the fishing operations to burn the waste oil they generate, we can reduce the amount of fish oil going to waste.

#### ADDITIONAL COSPONSORS

S. 125

At the request of Mr. FEINGOLD, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. 125, a bill to reduce the number of executive branch political appointees.

S. 294

At the request of Mr. WYDEN, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 294, a bill to direct the Secretary of the Army to develop and implement a comprehensive program for fish screens and passage devices.

S. 459

At the request of Mr. BREAU, the name of the Senator from Wisconsin (Mr. KOHL) was added as a cosponsor of S. 459, a bill to amend the Internal Revenue Code of 1986 to increase the State ceiling on private activity bonds.

S. 472

At the request of Mr. GRASSLEY, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 472, a bill to amend title XVIII of the Social Security Act to provide certain medicare beneficiaries with an exemption to the financial limitations imposed on physical, speech-language pathology, and occupational therapy

services under part B of the medicare program, and for other purposes.

S. 484

At the request of Mr. CAMPBELL, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 484, a bill to provide for the granting of refugee status in the United States to nationals of certain foreign countries in which American Vietnam War POW/MIAs or American Korean War POW/MIAs may be present, if those nationals assist in the return to the United States of those POW/MIAs alive.

S. 510

At the request of Mr. CAMPBELL, the name of the Senator from Kentucky (Mr. BUNNING) was added as a cosponsor of S. 510, a bill to preserve the sovereignty of the United States over public lands and acquired lands owned by the United States, and to preserve State sovereignty and private property rights in non-Federal lands surrounding those public lands and acquired lands.

S. 522

At the request of Mr. LAUTENBERG, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 522, a bill to amend the Federal Water Pollution Control Act to improve the quality of beaches and coastal recreation water, and for other purposes.

S. 541

At the request of Ms. COLLINS, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 541, a bill to amend title XVIII of the Social Security Act to make certain changes related to payments for graduate medical education under the medicare program.

S. 632

At the request of Mr. DEWINE, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 632, a bill to provide assistance for poison prevention and to stabilize the funding of regional poison control centers.

S. 717

At the request of Ms. MIKULSKI, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 717, a bill to amend title II of the Social Security Act to provide that the reductions in social security benefits which are required in the case of spouses and surviving spouses who are also receiving certain Government pensions shall be equal to the amount by which two-thirds of the total amount of the combined monthly benefit (before reduction) and monthly pension exceeds \$1,200, adjusted for inflation.

S. 751

At the request of Mr. LEAHY, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 751, a bill to combat nursing

home fraud and abuse, increase protections for victims of telemarketing fraud, enhance safeguards for pension plans and health care benefit programs, and enhance penalties for crimes against seniors, and for other purposes.

S. 758

At the request of Mr. ASHCROFT, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 758, a bill to establish legal standards and procedures for the fair, prompt, inexpensive, and efficient resolution of personal injury claims arising out of asbestos exposure, and for other purposes.

S. 792

At the request of Mr. MOYNIHAN, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 792, a bill to amend title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide States with the option to allow legal immigrant pregnant women, children, and blind or disabled medically needy individuals to be eligible for medical assistance under the medicaid program, and for other purposes.

S. 980

At the request of Mr. BAUCUS, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 980, a bill to promote access to health care services in rural areas.

S. 1025

At the request of Mr. MOYNIHAN, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 1025, a bill to amend title XVIII of the Social Security Act to ensure the proper payment of approved nursing and allied health education programs under the medicare program.

S. 1053

At the request of Mr. BOND, the names of the Senator from Kentucky (Mr. MCCONNELL) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 1053, a bill to amend the Clean Air Act to incorporate certain provisions of the transportation conformity regulations, as in effect on March 1, 1999.

S. 1159

At the request of Mr. STEVENS, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 1159, a bill to provide grants and contracts to local educational agencies to initiate, expand, and improve physical education programs for all kindergarten through 12th grade students.

S. 1172

At the request of Mr. TORRICELLI, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 1172, a bill to provide a patent term restoration review procedure for certain drug products.

S. 1187

At the request of Mr. DORGAN, the name of the Senator from Hawaii (Mr.

INOUE) was added as a cosponsor of S. 1187, a bill to require the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the Lewis and Clark Expedition, and for other purposes.

S. 1315

At the request of Mr. BINGAMAN, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 1315, a bill to permit the leasing of oil and gas rights on certain lands held in trust for the Navajo Nation or allotted to a member of the Navajo Nation, in any case in which there is consent from a specified percentage interest in the parcel of land under consideration for lease.

S. 1348

At the request of Mr. BROWNBACK, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 1348, a bill to require Congress and the President to fulfill their Constitutional duty to take personal responsibility for Federal laws.

S. 1396

At the request of Mr. FITZGERALD, the names of the Senator from Illinois (Mr. DURBIN), the Senator from Iowa (Mr. GRASSLEY), and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of S. 1396, a bill to amend section 4532 of title 10, United States Code, to provide for the coverage and treatment of overhead costs of United States factories and arsenals when not making supplies for the Army, and for other purposes.

S. 1403

At the request of Mrs. MURRAY, her name was withdrawn as a cosponsor of S. 1403, a bill to amend chapter 3 of title 28, United States Code, to modify en banc procedures for the Ninth Circuit Court of Appeals, and for other purposes.

## SENATE CONCURRENT RESOLUTION 10

At the request of Mr. SARBANES, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of Senate Concurrent Resolution 10, a concurrent resolution expressing the sense of Congress that there should continue to be parity between the adjustments in the compensation of members of the uniformed services and the adjustments in the compensation of civilian employees of the United States.

## SENATE CONCURRENT RESOLUTION 34

At the request of Mr. SPECTER, the names of the Senator from Ohio (Mr. DEWINE) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of Senate Concurrent Resolution 34, a concurrent resolution relating to the observance of "In Memory" Day.

## SENATE RESOLUTION 92

At the request of Mrs. BOXER, the name of the Senator from North Carolina (Mr. EDWARDS) was added as a cosponsor of Senate Resolution 92, a resolution expressing the sense of the Sen-

ate that funding for prostate cancer research should be increased substantially.

## SENATE RESOLUTION 95

At the request of Mr. THURMOND, the names of the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KERRY), the Senator from Rhode Island (Mr. REED), the Senator from Tennessee (Mr. FRIST), the Senator from Wyoming (Mr. ENZI), the Senator from North Carolina (Mr. EDWARDS), the Senator from Illinois (Mr. DURBIN), the Senator from Alabama (Mr. SHELBY), the Senator from Utah (Mr. HATCH), the Senator from Florida (Mr. GRAHAM), the Senator from Hawaii (Mr. AKAKA), the Senator from Oregon (Mr. WYDEN), the Senator from Ohio (Mr. DEWINE), the Senator from Colorado (Mr. ALLARD), the Senator from Idaho (Mr. CRAPO), the Senator from Michigan (Mr. LEVIN), and the Senator from Tennessee (Mr. THOMPSON) were added as cosponsors of Senate Resolution 95, A resolution designating August 16, 1999, as "National Airborne Day."

## SENATE RESOLUTION 106

At the request of Mr. DOMENICI, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of Senate Resolution 106, a resolution to express the sense of the Senate regarding English plus other languages.

## SENATE RESOLUTION 128

At the request of Mr. COCHRAN, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of Senate Resolution 128, a resolution designating March 2000, as "Arts Education Month."

## AMENDMENT NO. 1258

At the request of Mr. DOMENICI the names of the Senator from Indiana (Mr. LUGAR) and the Senator from Missouri (Mr. ASHCROFT) were added as cosponsors of amendment No. 1258 proposed to H.R. 1555, a bill to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

## SENATE CONCURRENT RESOLUTION 47—EXPRESSING THE SENSE OF CONGRESS REGARDING THE REGULATORY BURDENS ON HOME HEALTH AGENCIES

Mrs. HUTCHISON (for herself, Mr. BOND, Ms. COLLINS, Mr. FRIST, Mr. ALLARD, Mr. EDWARDS, Mr. COCHRAN, Mr. CLELAND, Mr. ROBERTS, and Mr. TORRICELLI) submitted the following concurrent resolution; which was referred to the Committee on Finance:

## S. CON. RES. 47

Whereas 3,900,000 elderly persons currently use health care services provided under the medicare home health program;

Whereas the Balanced Budget Act of 1997 made a number of changes to the administration of the medicare home health program;

Whereas many such changes imposed by such Act were required to be implemented by the Health Care Financing Administration (referred to in this resolution as "HCFA") of the Department of Health and Human Services;

Whereas many of such regulations promulgated by HCFA in order to implement such changes have proven to be administratively burdensome, have diverted funds away from needed beneficiary care, and were promulgated as final rules without prior opportunity for comment by the home health industry and home health patients;

Whereas HCFA has implemented a branch office policy that imposes arbitrary distance and suspension requirements that are administratively burdensome and threaten access to home health services, particularly in rural areas;

Whereas, in order to implement the shift of medicare payment for home health services from part A to part B, HCFA imposed a sequential billing policy that prohibited home health agencies from submitting bills for patient services if a previous bill was submitted for that patient who was undergoing medical review;

Whereas HCFA has expanded medical reviews of home health claims so that the processing of such claims has slowed down significantly nationwide;

Whereas HCFA is requiring home health agencies to submit patient data using the Outcomes and Assessment Information Set (referred to in this resolution as "OASIS") in anticipation of and to assist the development of a prospective payment system (PPS) for home health services;

Whereas, HCFA plans to implement an overly burdensome requirement that agencies report visit times in 15-minute increments that fails to account for the entire time spent in the home and on activities such as care planning, coordination, documentation, and travel that are essential for a home health visit;

Whereas most home health agencies will not be reimbursed for any of the costs or the increase in administrative requirements associated with OASIS;

Whereas the slowdown in claims processing, coupled with sequential billing and implementation of OASIS, has substantially increased home health agency cash flow problems because payments are often delayed by 3 months or more;

Whereas the vast majority of home health agencies are small businesses that cannot operate with such significant cash flow problems; and

Whereas there are many other elements of the medicare home health program, such as the interim payment system, which have created financial problems for home health agencies, such that more than 2,200 agencies nationwide have already closed: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—*

(1) Congress should actively oversee the administration by the Health Care Financing Administration (referred to in this resolution as "HCFA") of the medicare home health program;

(2) in overseeing such administration, Congress should pay particular attention to HCFA's compliance with the public notice and comment requirements of the Administrative Procedures Act (5 U.S.C. 551 et seq.),

HCFA's consideration of input from the home health community, and HCFA's coordination and consistent application of policies among HCFA's central and regional offices; and

(3) Congress should monitor HCFA's adherence to and implementation of Congressional intent when executing changes during such administration.

• Mrs. HUTCHISON. Mr. President, I rise today to submit a Senate concurrent resolution intended to focus the attention of Congress on the current plight of Medicare beneficiaries who receive home health care. Specifically, the resolution calls for increased Congressional oversight with regard to home health care of the Health Care Financing Administration (HCFA), which has responsibility of implementing the federal Medicare program.

Home health providers, or "agencies" as they are called, are being decimated by overly burdensome and complex regulations issued by HCFA. Ostensibly issued to implement the Medicare preservation provisions of the 1997 Balanced Budget Act, these regulations instead have ignored or conjured Congressional intent and in the process have driven thousands of home health agencies out of business and left tens of thousands of homebound seniors scrambling to find care.

Mr. President, my home state of Texas is very rural. Despite the fact that there are now almost 20 million people living in Texas, most areas of the state remain rural, even isolated from major population centers. Many of these areas are medically very underserved. There are counties in Texas without a single hospital, and several without so much as a clinic for people to go to find basic health services. It's not unusual for a Texan in some parts of the state to have to drive 100 miles or more just to see a doctor.

When Congress created the home health benefit within the Medicare program, it dramatically extended Medicare's reach to senior citizens and disabled persons living in these rural areas. Home health also offered to bring much needed health services to many who, although they may reside in a city, nevertheless may live an isolated existence because they are homebound.

Because of the tremendous need and demand for home health care, the program began to grow rapidly. This growth began to alarm some who felt that the cost of the program would soon outstrip the Medicare system's ability to pay for it. There were also a growing number of reports of abuse and fraud within Medicare generally, and specifically within the home health program.

So in 1997, as part of a broader Medicare package, Congress acted to make the home health program more efficient and to crack-down on fraud and abuse. While these reforms were intended as a wake-up call to inefficient

and fraudulent home health providers, they were not intended to pull the rug out from under the entire home health industry, and the 4 million patients nationwide who depend on the services home care provides. Unfortunately, that is exactly what has happened.

Home health agencies have been besieged on all sides. Implementation of the Interim Payment System (IPS) has caused immediate cuts in payments to agencies by upwards of 60 percent. In many cases, these cuts are being implemented retroactively, resulting in many agencies being slapped with "overpayment" demand notices for hundreds of thousands of dollars. In some cases, these payment demands exceed the agency's annual payroll. Moreover, the manner in which HCFA has chosen to implement the IPS has caused the most efficient agencies to suffer the most severe cuts. Agencies that were less efficient, and thus were paid more in the past, are ironically given higher reimbursements under the IPS.

At the same time, home health agencies have been hit with many new, complex, and burdensome regulations, some of which seem to have no real purpose other than to generate more paperwork and administrative costs by home care agencies.

For example, home health providers are now required to keep track of and report their time in 15 minute increments. Many visiting nurses and other home health providers report having to use a stopwatch while they administer care to their patients in order to comply with this new requirement. Another example is HCFA's implementation of a sequential billing policy, wherein an agency cannot bill Medicare for services provided to a patient until all previous claims for that patient are resolved, even if those earlier claims are held-up by the Medicare bureaucracy.

Across the nation, and particularly in my home state of Texas, the combined results of these payment cuts and new regulations have been nothing short of catastrophic. In Texas alone, an estimated 700 home care agencies have already gone out of business since 1997, and many more are on the verge of collapse. Nationwide, upwards of 2200 agencies have reportedly shut their doors, representing about a third of the total number of home care agencies.

Mr. President, it seems that everywhere I travel in Texas, and I travel to some very rural areas, the one health complaint I hear consistently from my constituents concerns changes in the Medicare home health benefit. I have heard numerous instances of home health beneficiaries, particularly those with complex illnesses and demanding health needs, who have been left high and dry by the closure of their home care agency. Many of these individuals have been forced into hospitals or nursing homes. Others simply get no care,

or must rely to the extent they can upon what care family or neighbors can provide.

I and many of my colleagues have communicated with HCFA in an attempt to soften the blow of their regulations, with only very limited success. And while HCFA has been largely unresponsive to Congress, it has been even more insulated from the comments, suggestions, and complaints from the home health community. In many cases, payment system changes have been enacted with virtually no public participation or comment.

Mr. President, our nation's homebound senior citizens deserve more.

This resolution seeks to bring attention to the plight of home health beneficiaries under HCFA's cumbersome implementation of the reforms Congress enacted. It calls upon Congress to take a more active role in overseeing the Health Care Financing Administration with regard to home health care and HCFA's implementation of its home care regulations. Most importantly, the resolution calls upon HCFA to adhere more closely to Congressional intent in administering the Medicare home health benefit to ensure that the program is not further eviscerated.

This resolution is certainly not the only solution to the current home health crisis. Just this month I joined with Senators COLLINS, BOND, and others, many of whom are original cosponsors of this resolution, in introducing substantive legislation that will repeal some of the most severe applications of the 1997 Balanced Budget Act. While these changes cannot turn back time to restore the agencies and services that have been lost, it can help prevent even more providers from going out of business and even more homebound patients from being medically stranded.

Mr. President, I call upon my colleagues to support this resolution, as well as the substantive legislation just introduced by my colleague, Senator COLLINS. But most importantly, I call upon my colleagues to recognize the real and ongoing health care crisis facing America's homebound seniors and disabled individuals.●

**SENATE RESOLUTION 158—DESIGNATING OCTOBER 21, 1999, AS A "DAY OF NATIONAL CONCERN ABOUT YOUNG PEOPLE AND GUN VIOLENCE"**

Mrs. MURRAY (for herself, Mr. WARNER, Mr. HATCH, Mr. BINGAMAN, Mrs. BOXER, Mr. CHAFEE, Mr. DODD, Mr. DORGAN, Mr. EDWARDS, Mr. GORTON, Mr. GRAMS, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEVIN, Mr. LIEBERMAN, Mr. MOYNIHAN, Mr. REID, Mr. ROBB, Mr. SARBANES, Mr. SCHUMER, Mr. SMITH of Oregon, Mr. SPECTER, Mr. TORRICELLI, and Mr.

WELLSTONE) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 158

Whereas every day in the United States, 14 children under the age of 19 are killed with guns;

Whereas in 1994, approximately 70 percent of murder victims aged 15 to 17 were killed with a handgun;

Whereas in 1995, nearly 8 percent of high school students reported having carried a gun in the past 30 days;

Whereas young people are our Nation's most important resource, and we, as a society, have a vested interest in enabling children to grow in an environment free from fear and violence;

Whereas young people can, by taking responsibility for their own decisions and actions, and by positively influencing the decisions and actions of others, help chart a new and less violent direction for the entire Nation;

Whereas students in every school district in the Nation will be invited to take part in a day of nationwide observance involving millions of their fellow students, and will thereby be empowered to see themselves as significant agents in a wave of positive social change; and

Whereas the observance of October 21, 1999, as a "Day of National Concern about Young People and Gun Violence" will allow students to make a positive and earnest decision about their future in that such students will have the opportunity to voluntarily sign the "Student Pledge Against Gun Violence", and promise that they will never take a gun to school, will never use a gun to settle a dispute, and will actively use their influence in a positive manner to prevent friends from using guns to settle disputes: Now, therefore, be it

*Resolved*, That the Senate—

(1) designates October 21, 1999, as a "Day of National Concern about Young People and Gun Violence"; and

(2) requests that the President issue a proclamation calling on the school children of the United States to observe the day with appropriate ceremonies and activities.

Mrs. MURRAY. Mr. President, I rise today to introduce a resolution that has passed the Senate now for 3 years unanimously.

My resolution, which I am submitting today, along with Senator WARNER and 28 other original cosponsors, establishes October 21, 1999, as a day of national concern about young people and gun violence. For the last several years, I have sponsored this legislation. This year, Senator WARNER has joined me in leading the cosponsorship drive as we pledge to our young people across the Nation that we support their strong efforts to help stop the violence in their own schools and communities. I thank Senator WARNER for his help and partnership in work on this issue.

Sadly, this resolution has special meaning for all of us after the tragic events that occurred earlier this year in Littleton, CO, and Conyers, GA. These school shootings across the Nation have paralyzed their communities and shocked the country. In recent years, we have seen similar shootings from Mississippi to Oregon. These

events have touched us all. Adults and young people alike have been horrified by the violence that has occurred in our schools, which should be a safe haven for children. We are all left wondering what we can do to prevent these tragedies.

I am again introducing this resolution because I am convinced the best way to prevent gun violence is by reaching out to individual children and helping them make the right decisions. This resolution simply establishes a special day that gives parents and teachers, government leaders, service clubs, police departments, and others a way to focus on the problems caused by gun violence. It also empowers young people to take affirmative steps to end this violence by encouraging them to take a pledge not to use guns to resolve disputes.

A Minnesota homemaker, Mary Lewis Grow, developed this idea of student pledges and for a day of national concern for young people and gun violence. In addition, Mothers Against Violence in America, the National Parent Teacher Association, the American Federation of Teachers, the National Association of Student Councils, and the American Medical Association have joined the effort to establish a special day to express concern about our children and gun violence and support a national effort to encourage students to sign a pledge against gun violence.

In 1998, more than 1 million students across the Nation signed this pledge card. The student pledge against gun violence gives students the chance to make a promise in writing that they will do their part to prevent gun violence. The students' pledge promises three things: First, they will never carry a gun to school; second, they will never resolve a dispute with a gun; and third, they will use their influence with friends to discourage them from resolving disputes with guns.

Just think of the lives we could have saved if all students had signed and lived up to such a pledge just last year.

Consider that in the months between today and the day we demonstrated our concern about youth violence last year, we have had terrifying outbreaks of school violence. Sadly, 12 students and one teacher have been killed, and more than 25 students have been wounded in shootings by children at school. In addition, we have lost many more children in what has become the all too common violence of drive-by shootings, drug wars, and other crime, and in self-inflicted and unintentional shootings.

We all have been heartened by statistics showing crime in America on the decline. Many factors are involved, including community-based policing, stiffer sentences for those convicted, youth crime prevention programs, and population demographics. None of us intend to rest on our success because

we still have far, far too much crime and violence in this society.

So, we must find the solutions that work and focus our limited resources on those. We must get tough on violent criminals—even if they are young—to protect the rest of society from their terrible actions. And we, each and every one of us, must make time to spend with our children, our neighbor's children, and the children who have no one else to care about them. Only when we reach out to our most vulnerable citizens—our kids—will we stop youth violence.

Mr. President, I urge all of my colleagues to join in this simple effort to focus attention on gun violence among youth by proclaiming October 21 a "Day of Concern about Young People and Gun Violence." October is National Crime Prevention Month—the perfect time to center our attention of the special needs of our kids and gun violence. We introduce this resolution today in the hopes of getting all 100 Senators to cosponsor it prior to this passage, which we hope will occur in early September. This is an easy step for us to help facilitate the work that must go on in each community across America, as parents, teachers, friends, and students try to prevent gun violence before it ruins any more lives.

Mr. WARNER. Mr. President, I rise today to submit a resolution that passed the United States Senate by unanimous consent each of the last two years. I am pleased to join Senator MURRAY in establishing October 21, 1999, as the Day of National Concern About Young People and Gun Violence.

On April 20, 1999, two teenagers wearing long black trench coats over fatigues began shooting their fellow classmates and faculty at Columbine High School in Littleton, Colorado. In the end, 15 people died and many others were injured, in the bloodiest school shooting in America's history. Unfortunately, the atrocity that occurred in Littleton, Colorado, is not an isolated incident. Before the shooting in Columbine High School, recent school shootings occurred in Pearl, Mississippi; West Paducah, Kentucky; Jonesboro, Arkansas; and Springfield, Oregon. After Littleton, six students were shot in Conyers, Georgia, by one of their fellow students.

The problem of young people and gun violence expands beyond school shootings. Every day in the United States, 14 children under the age of 19 are killed with guns, and in 1994, approximately 70 percent of murder victims aged 15 to 17 were killed with a handgun. America has lost thousands of children in what has become the all-too-common violence of drive-by shootings, drug wars and other crimes, as well as in self-inflicted and unintentional shootings.

In the aftermath of these tragedies, we all find ourselves looking for answers. While there is no simple solu-

tion as to how to stop youth violence, a Minnesota homemaker, Mary Lewis Grow, developed the idea of a Day of National Concern About Young People and Gun Violence. I believe this idea is a step in the right direction, as do such groups as Mothers Against Violence in America, the National Association of Student Councils, the American Federation of Teachers, the National Parent Teacher Associations, and the American Medical Association.

Simply put, this resolution will establish October 21, 1999, as the Day of National Concern About Young People and Gun Violence. On this day, students in every school district in the Nation will be invited to voluntarily sign the "Student Pledge Against Gun Violence." By signing the pledge, students promise that they will never take a gun to school, will never use a gun to settle a dispute, and will use their influence in a positive manner to prevent friends from using guns to settle disputes.

Mr. President, losing one child from gun violence is one too many. Though this resolution is not the ultimate solution to preventing future tragedies like Littleton, if it stops even one incident of youth gun violence, this resolution will be invaluable. I urge all of my colleagues to join in this resolution to focus attention on gun violence among youth.

#### AMENDMENTS SUBMITTED

#### INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000

#### BINGAMAN (AND OTHERS) AMENDMENT NO. 1260

Mr. BINGAMAN (for himself, Mr. DOMENICI and Mr. REID) proposed an amendment to amendment No. 1258 proposed by Mr. KYL to the bill (H.R. 1555) to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; as follows:

In section 213 of the Department of Energy Organization Act, as proposed by subsection (c) of the amendment, at the end of subsection (k), insert the following:

"Such supervision and direction of any Director or contract employee of a national security laboratory or of a nuclear weapons production facility shall not interfere with communication to the Department, the President, or Congress, of technical findings or technical assessments derived from, and in accord with, duly authorized activities. The Under Secretary for Nuclear Stewardship shall have responsibility and authority for, and may use, an appropriate field structure for the programs and activities of the Agency."

#### LEVIN AMENDMENT NO. 1261

Mr. LEVIN proposed an amendment to amendment No. 1258 proposed by Mr. KYL to the bill, H.R. 1555, *supra*; as follows:

In section 213 of the Department of Energy Organization Act, as proposed by subsection (c) of the amendment, add at the end the following:

(u) The Secretary shall be responsible for developing and promulgating all Department-wide security, counterintelligence and intelligence policies, and may use his immediate staff to assist him in developing and promulgating such policies. The Director of the Agency for Nuclear Stewardship is responsible for implementation of the Secretary's security, counterintelligence, and intelligence policies within the new agency. The Director of the Agency may establish agency-specific policies so long as they are fully consistent with the departmental policies established by the Secretary.

#### BINGAMAN (AND OTHERS) AMENDMENT NO. 1262

Mr. BINGAMAN (for himself, Mr. DOMENICI, and Mr. REID) proposed an amendment to amendment No. 1258 proposed by Mr. KYL to the bill, H.R. 1555, *supra*; as follows:

In section 213 of the Department of Energy Organization Act, as proposed by subsection (c) of the amendment, strike subsection (o) and insert the following new subsection (o):

(o)(1) The Secretary shall ensure that other programs of the Department, other federal agencies, and other appropriate entities continue to use the capabilities of the national security laboratories.

(2) The Under Secretary, under the direction, authority, and control of the Secretary, shall, consistent with the effective discharge of the Agency's responsibilities, make the capabilities of the national security laboratories available to the entities in paragraph (1) in a manner that continues to provide direct programmatic control by such entities.

#### DOMENICI (AND OTHERS) AMENDMENT NO. 1263

Mr. DOMENICI (for himself, Mr. BINGAMAN, Mr. LEVIN, Mr. LIEBERMAN, and Mr. REID) proposed an amendment to amendment No. 1258 proposed by Mr. KYL to the bill, H.R. 1555, *supra*; as follows:

In section 213 of the Department of Energy Organization Act, as proposed by subsection (c) of the amendment, add at the end of the section the following new subsection:

"(u) The Agency for Nuclear Stewardship shall comply with all applicable environmental, safety, and health statutes and substantive requirements. The Under Secretary for Nuclear Stewardship shall develop procedures for meeting such requirements. Nothing in this section shall diminish the authority of the Secretary to ascertain and ensure that such compliance occurs."

#### MOYNIHAN AMENDMENTS NOS. 1264-1265

Mr. MOYNIHAN proposed two amendments to the bill, H.R. 1555, *supra*; as follows:

#### AMENDMENT No. 1264

On page 5 strike lines 7-12, and insert the following:



**SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.**

(a) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of Central Intelligence for fiscal year 2000 the sum of \$193,572,000. The Information Security Oversight Office, charged with administering the nation's intelligence classification and declassification programs shall receive \$1.5 million of these funds to allow it to hire more staff so that it can more efficiently manage these programs.

**AMENDMENT NO. 1265**

After section 308 insert the following new section:

**SEC. 309. SENSE OF THE CONGRESS ON CLASSIFICATION AND DECLASSIFICATION.**

It is the sense of Congress that the systematic declassification of records of permanent historic value is in the public interest and that the management of classification and declassification by Executive Branch agencies requires comprehensive reform and additional resources.

**KERREY (AND SHELBY)  
AMENDMENT NO. 1266**

Mr. KERREY (for himself, and Mr. SHELBY) proposed an amendment to amendment No. 1258 proposed by Mr. KYLE to the bill, H.R. 1555, supra; as follows:

Following section 213(t) add the following new subsection to section 213 as added by the Kyl amendment:

“(u) The Secretary shall be responsible for developing and promulgating Departmental security, counterintelligence and intelligence policies, and may use his immediate staff to assist him in developing and promulgating such policies. The Under Secretary for Nuclear Stewardship is responsible for implementation of all security, counterintelligence and intelligence policies within the Agency for Nuclear Stewardship. The Under Secretary for Nuclear Stewardship may establish agency-specific policies unless disapproved by the Secretary.”

**FEINSTEIN AMENDMENT NO. 1267**

Mr. KERREY (for Mrs. FEINSTEIN) proposed an amendment to amendment No. 1258 proposed by Mr. KYL to the bill, H.R. 1555, supra; as follows:

On page 6, line 13 following the word “report” insert: “, consistent with their contractual obligations.”

**LEVIN AMENDMENT NO. 1268**

Mr. LEVIN proposed an amendment to amendment No. 1258 proposed by Mr. KYL to the bill, H.R. 1555, supra; as follows:

In the fourth sentence of section 213(c) of the Department of Energy Organization Act, as proposed by subsection (c) of the amendment, insert after “to any Department official” the following: “other than the Deputy Secretary”.

**BRYAN AMENDMENT NO. 1269**

Mr. BRYAN proposed an amendment to the bill, H.R. 1555, supra; as follows:

At the appropriate place in the bill, insert the following:

**SEC. \_\_\_\_ . TERMINATION OF EXEMPTION OF CERTAIN CONTRACTORS AND OTHER ENTITIES FROM CIVIL PENALTIES FOR VIOLATIONS OF NUCLEAR SAFETY REQUIREMENTS UNDER ATOMIC ENERGY ACT OF 1954.**

(a) **NONPROFIT EDUCATIONAL INSTITUTIONS.**—Subsection b. (2) of section 234A of the Atomic Energy Act of 1954 (42 U.S.C. 2282a) is amended by striking the second sentence.

(b) **LIABILITY OF NONPROFIT CONTRACTORS.**—Subsection b. of that section is further amended by adding at the end the following:

“(3)(A) Subject to subparagraph (B), the amounts of civil penalties for violations of this section by nonprofit contractors of the Department shall be determined in accordance with the schedule of penalties employed by the Nuclear Regulatory Commission under the General Statement of Policies and Procedures for NRC Enforcement for similar violations by nonprofit contractors.

“(B) A civil penalty may be imposed on a nonprofit contractor of the Department for a violation of this section only to the extent that such civil penalty, when aggregated with any other penalties under the contract concerned at the time of the imposition of such civil penalty, does not exceed the performance fee of the contractor under such contract.”

(c) **SPECIFIED CONTRACTORS.**—That section is further amended by striking subsection d.

(d) **APPLICABILITY.**—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to violations specified in section 234A of the Atomic Energy Act of 1954 that occur on or after that date.

**SHELBY (AND KERREY)  
AMENDMENT NO. 1270**

Mr. SHELBY (for himself and Mr. KERREY) proposed an amendment to the bill, H.R. 1555, supra; as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “Intelligence Authorization Act for Fiscal Year 2000”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—INTELLIGENCE ACTIVITIES**

Sec. 101. Authorization of appropriations.

Sec. 102. Classified schedule of authorizations.

Sec. 103. Personnel ceiling adjustments.

Sec. 104. Community Management Account.

**TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM**

Sec. 201. Authorization of appropriations.

**TITLE III—GENERAL PROVISIONS**

Sec. 301. Increase in employee compensation and benefits authorized by law.

Sec. 302. Restriction on conduct of intelligence activities.

Sec. 303. Extension of application of sanctions laws to intelligence activities.

Sec. 304. Access to computers and computer data of executive branch employees with access to classified information.

Sec. 305. Naturalization of certain persons affiliated with a Communist or similar party.

Sec. 306. Funding for infrastructure and quality of life improvements at Menwith Hill and Bad Aibling stations.

Sec. 307. Technical amendment.

**TITLE IV—CENTRAL INTELLIGENCE AGENCY**

Sec. 401. Improvement and extension of central services program.

Sec. 402. Extension of CIA Voluntary Separation Pay Act.

**TITLE V—DEPARTMENT OF ENERGY INTELLIGENCE ACTIVITIES**

Sec. 501. Short title.

Sec. 502. Moratorium on foreign visitors program.

Sec. 503. Background checks on all foreign visitors to national laboratories.

Sec. 504. Report to Congress.

Sec. 505. Definitions.

**TITLE VI—FOREIGN COUNTERINTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS**

Sec. 601. Expansion of definition of “agent of a foreign power” for purposes of the Foreign Intelligence Surveillance Act of 1978.

Sec. 602. Federal Bureau of Investigation reports to other executive agencies on results of counterintelligence activities.

**TITLE I—INTELLIGENCE ACTIVITIES****SEC. 101. AUTHORIZATION OF APPROPRIATIONS.**

Funds are hereby authorized to be appropriated for fiscal year 2000 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

- (1) The Central Intelligence Agency.
- (2) The Department of Defense.
- (3) The Defense Intelligence Agency.
- (4) The National Security Agency.
- (5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
- (6) The Department of State.
- (7) The Department of the Treasury.
- (8) The Department of Energy.
- (9) The Federal Bureau of Investigation.
- (10) The National Reconnaissance Office.
- (11) The National Imagery and Mapping Agency.

**SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.**

(a) **SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.**—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 2000, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill \_\_\_\_\_ of the One Hundred Sixth Congress.

(b) **AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.**—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the Executive Branch.

**SEC. 103. PERSONNEL CEILING ADJUSTMENTS.**

(a) **AUTHORITY FOR ADJUSTMENTS.**—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 2000 under



section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed two percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever the Director exercises the authority granted by this section.

#### SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of Central Intelligence for fiscal year 2000 the sum of \$193,572,000. The Information Security Oversight Office, charged with administering this nation's intelligence classification and declassification programs shall receive \$1.5 million of these funds to allow it to hire more staff so that it can more efficiently manage these programs.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Community Management Account of the Director of Central Intelligence are authorized a total of 353 full-time personnel as of September 30, 2000. Personnel serving in such elements may be permanent employees of the Community Management Account element or personnel detailed from other elements of the United States Government.

(c) CLASSIFIED AUTHORIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated for the Community Management Account by subsection (a), there is also authorized to be appropriated for the Community Management Account for fiscal year 2000 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts shall remain available until September 30, 2001.

(2) AUTHORIZATION OF PERSONNEL.—In addition to the personnel authorized by subsection (b) for elements of the Community Management Account as of September 30, 2000, there is hereby authorized such additional personnel for such elements as of that date as is specified in the classified Schedule of Authorizations.

(d) REIMBURSEMENT.—Except as provided in section 113 of the National Security Act of 1947 (50 U.S.C. 404h), during fiscal year 2000, any officer or employee of the United States or member of the Armed Forces who is detailed to the staff of an element within the Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a non-reimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) NATIONAL DRUG INTELLIGENCE CENTER.—

(1) IN GENERAL.—Of the amount authorized to be appropriated in subsection (a), \$27,000,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, test, and evaluation purposes shall

remain available until September 30, 2001, and funds provided for procurement purposes shall remain available until September 30, 2002.

(2) TRANSFER OF FUNDS.—The Director of Central Intelligence shall transfer to the Attorney General of the United States funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for activities of the Center.

(3) LIMITATION.—Amounts available for the National Drug Intelligence Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403-3(d)(1)).

(4) AUTHORITY.—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the National Drug Intelligence Center.

#### TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

##### SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 2000 the sum of \$209,100,000.

#### TITLE III—GENERAL PROVISIONS

##### SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

##### SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

##### SEC. 303. EXTENSION OF APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES.

Section 905 of the National Security Act of 1947 (50 U.S.C. 441d) is amended by striking "January 6, 2000" and inserting "January 6, 2001".

##### SEC. 304. ACCESS TO COMPUTERS AND COMPUTER DATA OF EXECUTIVE BRANCH EMPLOYEES WITH ACCESS TO CLASSIFIED INFORMATION.

(a) ACCESS.—Section 801(a)(3) of the National Security Act of 1947 (50 U.S.C. 435(a)(3)) is amended by striking "and travel records" and inserting "travel records, and computers used in the performance of government duties".

(b) COMPUTER DEFINED.—Section 804 of that Act (50 U.S.C. 438) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

(3) by adding at the end the following:

"(8) the term 'computer' means any electronic, magnetic, optical, electrochemical, or other high speed data processing device performing logical, arithmetic, or storage functions, and includes any data storage facility or communications facility directly related to or operating in conjunction with such device and any data or other information stored or contained in such device.".

(c) APPLICABILITY.—The President shall modify the procedures required by section 801(a)(3) of the National Security Act of 1947

to take into account the amendment to that section made by subsection (a) of this section not later than 90 days after the date of the enactment of this Act.

##### SEC. 305. NATURALIZATION OF CERTAIN PERSONS AFFILIATED WITH A COMMUNIST OR SIMILAR PARTY.

Section 313 of the Immigration and Nationality Act (8 U.S.C. 1424) is amended by adding at the end the following:

"(e) A person may be naturalized under this title without regard to the prohibitions in subsections (a)(2) and (c) of this section, if the person—

"(1) is otherwise eligible for naturalization;

"(2) is within the class described in subsection (a)(2) solely because of past membership in, or past affiliation with, a party or organization described in that subsection;

"(3) does not fall within any other of the classes described in that subsection; and

"(4) is jointly determined by the Director of Central Intelligence, the Attorney General, and the Commissioner of Immigration and Naturalization to have made a contribution to the national security or to the national intelligence mission of the United States."

##### SEC. 306. FUNDING FOR INFRASTRUCTURE AND QUALITY OF LIFE IMPROVEMENTS AT MENWITH HILL AND BAD AIBLING STATIONS.

Section 506(b) of the Intelligence Authorization Act for Fiscal Year 1996 (Public Law 104-93; 109 Stat. 974), as amended by section 502 of the Intelligence Authorization Act for Fiscal Year 1998 (Public Law 105-107; 111 Stat. 2262), is further amended by striking "for fiscal years 1998 and 1999" and inserting "for fiscal years 2000 and 2001".

##### SEC. 307. TECHNICAL AMENDMENT.

Section 305(b)(2) of the Intelligence Authorization Act for Fiscal Year 1997 (Public Law 104-293; 110 Stat. 3465; 8 U.S.C. 1427 note) is amended by striking "subparagraph (A), (B), (C), or (D) of section 243(h)(2) of such Act" and inserting "clauses (i) through (iv) of section 241(b)(3)(B) of such Act".

##### SEC. 308. SENSE OF THE CONGRESS ON CLASSIFICATION AND DECLASSIFICATION

It is the sense of Congress that the systematic declassification of records of permanent historic value is in the public interest and that the management of classification and declassification by Executive Branch agencies requires comprehensive reform and additional resources.

##### SEC. \_\_\_\_ DECLASSIFICATION OF INTELLIGENCE ESTIMATE ON VIETNAM-ERA PRISONERS OF WAR AND MISSING IN ACTION PERSONNEL AND CRITICAL ASSESSMENT OF ESTIMATE.

(a) DECLASSIFICATION.—Subject to subsection (b), the Director of Central Intelligence shall declassify the following:

(1) National Intelligence Estimate 98-03 dated April 1998 and entitled "Vietnamese Intentions, Capabilities, and Performance Concerning the POW/MIA Issue".

(2) The assessment dated November 1998 and entitled "A Critical Assessment of National Intelligence Estimate 98-03 prepared by the United States Chairman of the Vietnam War Working Group of the United States-Russia Joint Commission on POWs and MIAs".

(b) LIMITATIONS.—The Director shall not declassify any text contained in the estimate or assessment referred to in subsection (a) which would—

(1) reveal intelligence sources and methods; or

(2) disclose by name the identity of a living foreign individual who has cooperated with

United States efforts to account for missing personnel from the Vietnam era.

(c) **DEADLINE.**—The Director shall declassify the estimate and assessment referred to in subsection (a) not later than 30 days after the date of the enactment of this Act.

**SEC. \_\_\_\_ . SUBMITTAL TO CONGRESS OF LISTS ON CLASSIFIED INFORMATION REGARDING UNRECOVERED UNITED STATES PRISONERS OF WAR AND OTHER PERSONNEL.**

(a) **REQUIREMENT.**—(1) The head of each element of the United States Government listed in section 101 shall submit to the designated congressional committees a list of all classified documents, files, and other materials under the control of such element that pertain to the subject of United States prisoners of war, missing in action personnel, or killed in action personnel whose remains have not been recovered and identified.

(2) Each list submitted under paragraph (1) shall—

(A) for each document, file, or other material contained in the list—

(i) specify the date of the preparation or dissemination of the document, file, or material;

(ii) specify the date or dates of any information contained in the document, file, or material; and

(iii) identify the subject matter of the document, file, or material; and

(B) be organized in chronological order according to the date of the preparation or dissemination of the documents, files, or materials concerned.

(b) **DEADLINE.**—The lists required by subsection (a) shall be submitted not later than 120 days after the date of the enactment of this Act.

(c) **ACCESS BY COMMITTEES AND MEMBERS OF CONGRESS.**—A designated congressional committee shall, upon request and in accordance with regulations of the committee regarding protection of classified information, make available any list submitted to the committee under subsection (a) to any Member of Congress or committee of Congress, and to any staff member of a Member of Congress or committee of Congress who possesses a security clearance appropriate for access to the list.

(d) **DESIGNATED CONGRESSIONAL COMMITTEE DEFINED.**—In this section, the term “designated congressional committee” means the following:

(1) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

(2) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

At the appropriate place in the bill, insert the following:

**SEC. \_\_\_\_ . STUDY OF BACKGROUND CHECKS FOR EMPLOYEES OF THE DEPARTMENT OF ENERGY.**

(a) **STUDY OF BACKGROUND CHECK PRACTICES.**—

(1) The Secretary of Energy shall conduct a study comparing the procedures used by the Department for conducting background checks of employees seeking access to classified information with the procedures used by the Central Intelligence Agency, the National Security Agency, the Federal Bureau of Investigation, and other similar departments and agencies of the Federal Government for conducting background checks of such employees.

(2) Not later than 180 days after the date of the enactment of this Act, the Secretary of Energy shall submit to Congress a report on the study conducted under paragraph (1). The report shall include—

(A) a discussion of the adequacy of the procedures used by the Department for conducting background checks of employees seeking access to classified information in light of the comparison required under the study; and

(B) any other recommendations, including recommendations for legislative action, that the Secretary considers appropriate.

At the appropriate place in the bill, insert the following:

**SEC. \_\_\_\_ . REPORT ON LEGAL STANDARDS APPLIED FOR ELECTRONIC SURVEILLANCE.**

(a) **REPORT.**—Not later than 60 days after the date of the enactment of this Act, the Director of Central Intelligence, the Director of the National Security Agency, and the Attorney General shall jointly prepare, and the Director of the National Security Agency shall submit to the appropriate congressional committees a report in classified and unclassified form describing the legal standards employed by elements of the intelligence community in conducting signals intelligence activities, including electronic surveillance.

(b) **MATTERS SPECIFICALLY ADDRESSED.**—The report shall specifically include a statement of each of the following legal standards:

(1) The legal standards for interception of communications when such interception may result in the acquisition of information from a communication to or from United States persons.

(2) The legal standards for intentional targeting of the communications to or from United States persons.

(3) The legal standards for receipt from non-United States sources of information pertaining to communications to or from United States persons.

(4) The legal standards for dissemination of information acquired through the interception of the communications to or from United States persons.

(c) **DEFINITION.**—As used in this section:

(1) The term “intelligence community” has the meaning given that term under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

(2) The term “United States persons” has the meaning given such term under section 101(i) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(i)).

(3) The term “appropriate congressional committees” means the Permanent Select Committee on Intelligence and the Committee on the Judiciary of the House of Representatives, and the Select Committee on Intelligence and the Committee on the Judiciary of the Senate.

**TITLE IV—CENTRAL INTELLIGENCE AGENCY**

**SEC. 401. IMPROVEMENT AND EXTENSION OF CENTRAL SERVICES PROGRAM.**

(a) **SCOPE OF PROVISION OF ITEMS AND SERVICES.**—Subsection (a) of section 21 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403u) is amended by striking “and to other” and inserting “, nonappropriated fund entities or instrumentalities associated or affiliated with the Agency, and other”.

(b) **DEPOSITS IN CENTRAL SERVICES WORKING CAPITAL FUND.**—Subsection (c)(2) of that section is amended—

(1) by amending subparagraph (D) to read as follows:

“(D) Amounts received in payment for loss or damage to equipment or property of a central service provider as a result of activities under the program.”;

(2) by redesignating subparagraph (E) as subparagraph (F); and

(3) by inserting after subparagraph (D), as so amended, the following new subparagraph (E):

“(E) Other receipts from the sale or exchange of equipment or property of a central service provider as a result of activities under the program.”.

(c) **AVAILABILITY OF FEES.**—Section (f)(2)(A) of that section is amended by inserting “central service providers and any” before “elements of the Agency”.

(d) **EXTENSION OF PROGRAM.**—Subsection (h)(1) of that section is amended by striking “March 31, 2000” and inserting “March 31, 2005”.

**SEC. 402. EXTENSION OF CIA VOLUNTARY SEPARATION PAY ACT.**

(a) **EXTENSION OF AUTHORITY.**—Section 2(f) of the Central Intelligence Agency Voluntary Separation Pay Act (50 U.S.C. 403–4 note) is amended by striking “September 30, 1999” and inserting “September 30, 2000”.

(b) **REMITTANCE OF FUNDS.**—Section 2(i) of that Act is amended by striking “or fiscal year 1999” and inserting “, 1999, or 2000”.

**TITLE V—DEPARTMENT OF ENERGY INTELLIGENCE ACTIVITIES**

**SEC. 501. SHORT TITLE.**

This title may be cited as the “Department of Energy Sensitive Country Foreign Visitors Moratorium Act of 1999”.

**SEC. 502. MORATORIUM ON FOREIGN VISITORS PROGRAM.**

(a) **MORATORIUM.**—The Secretary of Energy may not admit to any classified facility of a national laboratory any individual who is a citizen of a nation that is named on the current Department of Energy sensitive countries list.

(b) **WAIVER AUTHORITY.**—(1) The Secretary of Energy may waive the prohibition in subsection (a) on a case-by-case basis with respect to specific individuals whose admission to a national laboratory is determined by the Secretary to be necessary for the national security of the United States.

(2) Not later than 30 days after granting a waiver under paragraph (1), the Secretary shall submit to committees referred to in paragraph (4) a report in writing regarding the waiver. The report shall identify each individual for whom such a waiver was granted and, with respect to each such individual, provide a detailed justification for the waiver and the Secretary’s certification that the admission of that individual to a national laboratory is necessary for the national security of the United States.

(3) The authority of the Secretary under paragraph (1) may not be delegated.

(4) The committees referred to in this paragraph are the following:

(A) The Committees on Armed Services, Appropriations, Commerce, and Energy and Natural Resources and the Select Committee on Intelligence of the Senate.

(B) The Committees on Armed Services, Appropriations, Commerce, and Resources and the Permanent Select Committee on Intelligence of the House of Representatives.

**SEC. 503. BACKGROUND CHECKS ON ALL FOREIGN VISITORS TO NATIONAL LABORATORIES.**

Before an individual who is a citizen of a foreign nation is allowed to enter a national laboratory, the Secretary of Energy shall require that a security clearance investigation (known as a “background check”) be carried out on that individual.

**SEC. 504. REPORT TO CONGRESS.**

(a) **REPORT.**—(1) The Director of Central Intelligence and the Director of the Federal Bureau of Investigation jointly shall submit

to the committees referred to in subsection (c) a report on counterintelligence activities at the national laboratories, including facilities and areas at the national laboratories at which unclassified work is carried out.

(2) The report shall include—

(A) a description of the status of counterintelligence activities at each of the national laboratories;

(B) the net assessment produced under paragraph (3); and

(C) a recommendation as to whether or not section 502 should be repealed.

(3)(A) A net assessment of the foreign visitors program at the national laboratories shall be produced for purposes of the report under this subsection and included in the report under paragraph (2)(B).

(B) The assessment shall be produced by a panel of individuals with expertise in intelligence, counterintelligence, and nuclear weapons design matters.

(b) DEADLINE FOR SUBMITTAL.—The report required by subsection (a) shall be submitted not later than 90 days after the date of the enactment of this Act.

(c) COMMITTEES.—The committees referred to in this subsection are the following:

(1) The Committees on Armed Services and Appropriations and the Select Committee on Intelligence of the Senate.

(2) The Committees on Armed Services and Appropriations and the Permanent Select Committee on Intelligence of the House of Representatives.

#### SEC. 505. DEFINITIONS.

In this title:

(1) The term “national laboratory” means any of the following:

(A) The Lawrence Livermore National Laboratory, Livermore, California.

(B) The Los Alamos National Laboratory, Los Alamos, New Mexico.

(C) The Sandia National Laboratories, Albuquerque, New Mexico.

(2) The term “sensitive countries list” means the list prescribed by the Secretary of Energy known as the Department of Energy List of Sensitive Countries.

### TITLE VI—FOREIGN COUNTERINTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

#### SEC. 601. EXPANSION OF DEFINITION OF “AGENT OF A FOREIGN POWER” FOR PURPOSES OF THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.

Section 101(b)(2) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(b)(2)) is amended—

(1) in subparagraph (C), by striking “or” at the end;

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following new subparagraph (D):

“(D) knowingly enters the United States under a false or fraudulent identity for or on behalf of a foreign power or, while in the United States, knowingly assumes a false or fraudulent identity for or on behalf of a foreign power; or”.

#### SEC. 602. FEDERAL BUREAU OF INVESTIGATION REPORTS TO OTHER EXECUTIVE AGENCIES ON RESULTS OF COUNTERINTELLIGENCE ACTIVITIES.

Section 811(c)(2) of the Counterintelligence and Security Enhancements Act of 1994 (title VIII of Public Law 103-359; 108 Stat. 3455; 50 U.S.C. 402a(c)(2)) is amended by striking “after a report has been provided pursuant to paragraph (1)(A)”.

### TITLE —BLOCKING ASSETS OF MAJOR NARCOTICS TRAFFICKERS

#### SEC. 01. FINDING AND POLICY.

(a) FINDING.—Congress makes the following findings:

(1) Presidential Decision Directive 42, issued on October 21, 1995, ordered agencies of the executive branch of the United States Government to, inter alia, increase the priority and resources devoted to the direct and immediate threat international crime presents to national security, work more closely with other governments to develop a global response to this threat, and use aggressively and creatively all legal means available to combat international crime.

(2) Executive Order No. 12978 of October 21, 1995, provides for the use of the authorities in the International Emergency Economic Powers Act (IEEPA) to target and sanction four specially designated narcotics traffickers and their organizations which operate from Colombia.

(b) POLICY.—It should be the policy of the United States to impose economic and other financial sanctions against foreign international narcotics traffickers and their organizations worldwide.

#### SEC. 02. PURPOSE.

The purpose of this title is to provide for the use of the authorities in the International Emergency Economic Powers Act to sanction additional specially designated narcotics traffickers operating worldwide.

#### SEC. 03. DESIGNATION OF CERTAIN FOREIGN INTERNATIONAL NARCOTICS TRAFFICKERS.

(a) PREPARATION OF LIST OF NAMES.—Not later than January 1, 2000 and not later than January 1 of each year thereafter, the Secretary of the Treasury, in consultation with the Attorney General, Director of Central Intelligence, Secretary of Defense, and Secretary of State, shall transmit to the President and to the Director of the Office of National Drug Control Policy a list of those individuals who play a significant role in international narcotics trafficking as of that date.

(b) EXCLUSION OF CERTAIN PERSONS FROM LIST.—

(1) IN GENERAL.—Notwithstanding any other provision of this section, the list described in subsection (a) shall not include the name of any individual if the Director of Central Intelligence determines that the disclosure of that person's role in international narcotics trafficking could compromise United States intelligence sources or methods. The Director of Central Intelligence shall advise the President when a determination is made to withhold an individual's identity under this subsection.

(2) REPORTS.—In each case in which the Director of Central Intelligence has made a determination under paragraph (1), the President shall submit a report in classified form to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives setting forth the reasons for the determination.

(d) DESIGNATION OF INDIVIDUALS AS THREATS TO THE UNITED STATES.—The President shall determine not later than March 1 of each year whether or not to designate persons on the list transmitted to the President that year as persons constituting an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. The President shall notify the Secretary of the Treasury of any person designated under this subsection. If the President determines not to designate any person

on such list as such a threat, the President shall submit a report to Congress setting forth the reasons therefore.

(e) CHANGES IN DESIGNATIONS OF INDIVIDUALS.—

(1) ADDITIONAL INDIVIDUALS DESIGNATED.—If at any time after March 1 of a year, but prior to January 1 of the following year, the President determines that a person is playing a significant role in international narcotics trafficking and has not been designated under subsection (d) as a person constituting an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, the President may so designate the person. The President shall notify the Secretary of the Treasury of any person designated under this paragraph.

(2) REMOVAL OF DESIGNATIONS OF INDIVIDUALS.—Whenever the President determines that a person designated under subsection (d) or paragraph (1) of this subsection no longer poses an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, the person shall no longer be considered as designated under that subsection.

(f) REFERENCES.—Any person designated under subsection (d) or (e) may be referred to in this Act as a “specially designated narcotics trafficker”.

#### SEC. 04. BLOCKING ASSETS.

(a) FINDING.—Congress finds that a national emergency exists with respect to any individual who is a specially designated narcotics trafficker.

(b) BLOCKING OF ASSETS.—Except to the extent provided in section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)) and in regulations, orders, directives, or licenses that may be issued pursuant to this Act, and notwithstanding any contract entered into or any license or permit granted prior to the date of designation of a person as a specially designated narcotics trafficker, there are hereby blocked all property and interests in property that are, or after that date come, within the United States, or that are, or after that date come, within the possession or control of any United States person, of—

(1) any specially designated narcotics trafficker;

(2) any person who materially and knowingly assists in, provides financial or technological support for, or provides goods or services in support of, the narcotics trafficking activities of a specially designated narcotics trafficker; and

(3) any person determined by the Secretary of the Treasury, in consultation with the Attorney General, Director of Central Intelligence, Secretary of Defense, and Secretary of State, to be owned or controlled by, or to act for or on behalf of, a specially designated narcotics trafficker.

(c) PROHIBITED ACTS.—Except to the extent provided in section 203(b) of the International Emergency Economic Powers Act or in any regulation, order, directive, or license that may be issued pursuant to this Act, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, the following acts are prohibited:

(1) Any transaction or dealing by a United States person, or within the United States, in property or interests in property of any specially designated narcotics trafficker.

(2) Any transaction or dealing by a United States person, or within the United States, that evades or avoids, has the purpose of evading or avoiding, or attempts to violate, subsection (b).

(d) **LAW ENFORCEMENT AND INTELLIGENCE ACTIVITIES NOT AFFECTED.**—Nothing in this section is intended to prohibit or otherwise limit the authorized law enforcement or intelligence activities of the United States, or the law enforcement activities of any State or subdivision thereof.

(e) **IMPLEMENTATION.**—The Secretary of the Treasury, in consultation with the Attorney General, Director of Central Intelligence, Secretary of Defense, and Secretary of State, is authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by the International Emergency Economic Powers Act as may be necessary to carry out this section. The Secretary of the Treasury may redelegate any of these functions to any other officer or agency of the United States Government. Each agency of the United States shall take all appropriate measures within its authority to carry out this section.

(f) **ENFORCEMENT.**—Violations of licenses, orders, or regulations under this Act shall be subject to the same civil or criminal penalties as are provided by section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) for violations of licenses, orders, and regulations under that Act.

(g) **DEFINITIONS.**—In this section:

(1) **ENTITY.**—The term “entity” means a partnership, association, corporation, or other organization, group or subgroup.

(2) **NARCOTICS TRAFFICKING.**—The term “narcotics trafficking” means any activity undertaken illicitly to cultivate, produce, manufacture, distribute, sell, finance, or transport, or otherwise assist, abet, conspire, or collude with others in illicit activities relating to, narcotic drugs, including, but not limited to, heroin, methamphetamine and cocaine.

(3) **PERSON.**—The term “person” means an individual or entity.

(4) **UNITED STATES PERSON.**—The term “United States person” means any United States citizen or national, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States.

#### **SEC. 05. DENIAL OF VISAS TO AND INADMISSIBILITY OF SPECIALLY DESIGNATED NARCOTICS TRAFFICKERS.**

(a) **PROHIBITION.**—The Secretary of State shall deny a visa to, and the Attorney General may not admit to the United States—

(1) any specially designated narcotics trafficker; or

(2) any alien who the consular officer or the Attorney General knows or has reason to believe—

(A) is a spouse or minor child of a specially designated narcotics trafficker; or

(B) is a person described in paragraph (2) or (3) of section 04(b).

(b) **EXCEPTIONS.**—Subsection (a) shall not apply—

(1) where the Secretary of State finds, on a case-by-case basis, that the entry into the United States of the person is necessary for medical reasons;

(2) upon the request of the Attorney General, Director of Central Intelligence, Secretary of the Treasury, or the Secretary of Defense; or

(3) for purposes of the prosecution of a specially designated narcotics trafficker.

At the end of the bill, add the following:

### **TITLE VII—COMMISSION TO ASSESS THE BALLISTIC MISSILE THREAT TO THE RUSSIAN FEDERATION**

#### **SEC. 701. ESTABLISHMENT OF COMMISSION.**

(a) **ESTABLISHMENT.**—There is hereby established a commission to be known as the “Commission to Assess the Ballistic Missile Threat to the Russian Federation” (hereinafter in this title referred to as the “Commission”).

(b) **COMPOSITION.**—The Commission shall be composed of nine members appointed by the Director of Central Intelligence. In selecting individuals for appointment to the Commission, the Director should consult with—

(1) the Speaker of the House of Representatives concerning the appointment of three of the members of the Commission;

(2) the majority leader of the Senate concerning the appointment of three of the members of the Commission; and

(3) the minority leader of the House of Representatives and the minority leader of the Senate concerning the appointment of three of the members of the Commission.

(c) **QUALIFICATIONS.**—Members of the Commission shall be appointed from among private United States citizens with knowledge and expertise in the political and military aspects of proliferation of ballistic missiles and the ballistic missile threat to the Russian Federation.

(d) **CHAIRMAN.**—The Speaker of the House of Representatives, after consultation with the majority leader of the Senate and the minority leaders of the House of Representatives and the Senate, shall designate one of the members of the Commission to serve as chairman of the Commission.

(e) **PERIOD OF APPOINTMENT; VACANCIES.**—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(f) **SECURITY CLEARANCES.**—All members of the Commission shall hold appropriate security clearances.

(g) **INITIAL ORGANIZATION REQUIREMENTS.**—(1) All appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act.

(2) The Commission shall convene its first meeting not later than 30 days after the date as of which all members of the Commission have been appointed, but not earlier than October 15, 1999.

#### **SEC. 702. DUTIES OF COMMISSION.**

(a) **REVIEW OF BALLISTIC MISSILE THREAT.**—The Commission shall assess the nature and magnitude of the existing and emerging ballistic missile threat to the Russian Federation.

(b) **COOPERATION FROM GOVERNMENT OFFICIALS.**—In carrying out its duties, the Commission should receive the full and timely cooperation of the Secretary of Defense, the Director of Central Intelligence, and any other United States Government official responsible for providing the Commission with analyses, briefings, and other information necessary for the fulfillment of its responsibilities.

#### **SEC. 703. REPORT.**

The Commission shall, not later than six months after the date of its first meeting, submit to Congress a report on its findings and conclusions.

#### **SEC. 704. POWERS.**

(a) **HEARINGS.**—The Commission or, at its direction, any panel or member of the Commission, may, for the purpose of carrying out the provisions of this title, hold hearings, sit and act at times and places, take testimony,

receive evidence, and administer oaths to the extent that the Commission or any panel or member considers advisable.

(b) **INFORMATION.**—The Commission may secure directly from the Department of Defense, the Central Intelligence Agency, and any other Federal department or agency information that the Commission considers necessary to enable the Commission to carry out its responsibilities under this title.

#### **SEC. 705. COMMISSION PROCEDURES.**

(a) **MEETINGS.**—The Commission shall meet at the call of the Chairman.

(b) **QUORUM.**—(1) Five members of the Commission shall constitute a quorum other than for the purpose of holding hearings.

(2) The Commission shall act by resolution agreed to by a majority of the members of the Commission.

(c) **COMMISSION.**—The Commission may establish panels composed of less than full membership of the Commission for the purpose of carrying out the Commission's duties. The actions of each such panel shall be subject to the review and control of the Commission. Any findings and determinations made by such a panel shall not be considered the findings and determinations of the Commission unless approved by the Commission.

(d) **AUTHORITY OF INDIVIDUALS TO ACT FOR COMMISSION.**—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take under this title.

#### **SEC. 706. PERSONNEL MATTERS.**

(a) **PAY OF MEMBERS.**—Members of the Commission shall serve without pay by reason of their work on the Commission.

(b) **TRAVEL EXPENSES.**—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) **STAFF.**—(1) The chairman of the Commission may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint a staff director and such additional personnel as may be necessary to enable the Commission to perform its duties. The appointment of a staff director shall be subject to the approval of the Commission.

(2) The chairman of the Commission may fix the pay of the staff director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay fixed under this paragraph for the staff director may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title and the rate of pay for other personnel may not exceed the maximum rate payable for grade GS-15 of the General Schedule.

(d) **DETAIL OF GOVERNMENT EMPLOYEES.**—Upon request of the chairman of the Commission, the head of any Federal department or agency may detail, on a nonreimbursable basis, any personnel of that department or agency to the Commission to assist it in carrying out its duties.

(e) **PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.**—The chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay payable

for level V of the Executive Schedule under section 5316 of such title.

**SEC. . DEPARTMENT OF ENERGY NUCLEAR SECURITY.**

(a) Section 202(a) of the Department of Energy Organization Act (referred to in this section as the "Act") is amended by striking the second sentence and inserting "The Secretary shall delegate to the Deputy Secretary such duties as the Secretary may prescribe unless such delegation is otherwise prohibited by law, and the Deputy Secretary shall act for and exercise the functions of the Secretary during the absence or disability of the Secretary or in the event the office of the Secretary becomes vacant."

(b) Section 202(b) of the Act is amended by striking the first two sentences and inserting "There shall be in the Department two Under Secretaries and a General Counsel, who shall be appointed by the President, by and with the advice and consent of the Senate. One Under Secretary shall be the Under Secretary for Nuclear Stewardship. The other Under Secretary shall bear primary responsibility for science, energy (including energy conservation), and environmental functions."

(c) After section 212 of the Act add the following new section:

**"AGENCY FOR NUCLEAR STEWARDSHIP**

**"SEC. 213(a).** There shall be within the Department a separately organized Agency for Nuclear Stewardship under the direction, authority, and control of the Secretary, to be headed by the Under Secretary for Nuclear Stewardship who shall also serve as Director of the Agency.

**"(b)** The Under Secretary for Nuclear Stewardship shall be a person who has an extensive background in national security, organizational management and appropriate technical fields, and is especially well qualified to manage the nuclear weapons, non-proliferation and fissile materials disposition programs of the Department in a manner that advances and protects the national security of the United States.

**"(c)** The Secretary shall be responsible for all policies of the Agency. The Under Secretary for Nuclear Stewardship shall report solely and directly to the Secretary and shall be subject to the supervision and direction of the Secretary. The Secretary shall have a staff adequate to fulfill the responsibility to set policies throughout the Department including establishing policies governing the Agency for Nuclear Stewardship. The Secretary's staff, including but not limited to the General Counsel and the Chief Financial Officer, shall assist the Secretary in the supervision of the development and implementation of policies set forth by the Secretary and shall advise the Secretary on the adequacy of such development and implementation. The Secretary may not delegate to any Department official other than the Deputy Secretary the duty to supervise or direct the Under Secretary for Nuclear Stewardship.

**"(d)** The Secretary may direct other officials of the Department who are not within the Agency for Nuclear Stewardship to review the Agency's programs and to make recommendations to the Secretary regarding the administration of such programs, including consistency with other similar programs and activities in the Department.

**"(e)** The Secretary shall assign to the Under Secretary for Nuclear Stewardship direct authority over and responsibility for:

**"(1)** all programs and activities of the Department related to its national security functions, including nuclear weapons, non-

proliferation and fissile materials disposition, and;

**"(2)** all activities at the Department's national security laboratories, and nuclear weapons production facilities.

**"(f)** The Secretary shall assign to the Under Secretary for Nuclear Stewardship direct authority over and responsibility for all executive and administrative operations and functions of the Agency for Nuclear Stewardship (except for the authority and responsibility assigned to the Deputy Director for Naval Reactors), including but not limited to:

**"(1)** strategic management;

**"(2)** policy development and guidance;

**"(3)** budget formulation and guidance;

**"(4)** resource requirements determination and allocation;

**"(5)** program direction;

**"(6)** safeguards and security;

**"(7)** emergency management;

**"(8)** integrated safety management;

**"(9)** environment, safety, and health operations (except those environmental remediation and nuclear waste management activities and facilities that the Secretary determines are best managed by other officials of the Department);

**"(10)** administration of contracts, including those for the management and operation of the nuclear weapons production facilities and the national security laboratories;

**"(11)** intelligence;

**"(12)** counterintelligence;

**"(13)** personnel, including their selection, appointment, distribution, supervision, fixing of compensation, and separation;

**"(14)** procurement of services of experts and consultants in accordance with section 3109 of Title 5, United States Code; and

**"(15)** legal matters.

**"(g)** There shall be within the Agency three Deputy Directors, each of whom shall be appointed by the President, by and with the advice and consent of the Senate; who shall be compensated at the rate provided for at level IV of the Executive Schedule under section 5315 of Title 5 (except the Deputy Director for Naval Reactors when an active duty naval officer). There shall be a Deputy Director for each of the following functions:

**"(1)** defense programs;

**"(2)** non-proliferation and fissile materials disposition; and

**"(3)** naval reactors.

**"(h)** The Deputy Director for Naval Reactors shall report to the Secretary of Energy through the Under Secretary for Nuclear Stewardship and have direct access to the Secretary and other senior officials of the Department; and shall be assigned the responsibilities, authorities, and accountability for all functions of the Office of Naval Reactors as described by the reference in section 1634 of Public Law 98-525. Except as specified in subsection (g) and this subsection, all other provisions described by the reference in section 1634 of Public Law 98-525 remain in full force until changed by law.

**"(i)** There shall be within the Agency three offices, each of which shall be administered by a Chief appointed by the Under Secretary for Nuclear Stewardship. There shall be a:

**"(1)** Chief of Nuclear Stewardship Counterintelligence, who shall report to the Under Secretary and implement the counterintelligence policies directed by the Secretary and Under Secretary. The Chief of Nuclear Stewardship Counterintelligence shall have direct access to the Secretary and all other officials of the Department and its contractors concerning counterintelligence matters and shall be responsible for—

**"(A)** the development and implementation of the Agency's counterintelligence programs to prevent the disclosure or loss of classified or other sensitive information; and

**"(B)** the development and administration of personnel assurance programs within the Agency for Nuclear Stewardship.

**"(2)** Chief of Nuclear Stewardship Security, who shall report to the Under Secretary and shall implement the security policies directed by the Secretary and Under Secretary. The Chief of Nuclear Stewardship Security shall have direct access to the Secretary and all other officials of the Department and its contractors concerning security matters and shall be responsible for the development and implementation of security programs for the Agency including the protection, control and accounting of materials, and the physical and cybersecurity for all facilities in the Agency.

**"(3)** Chief of Nuclear Stewardship Intelligence, who shall be a senior executive service employee of the Agency or an agency of the intelligence community who shall report to the Under Secretary and shall have direct access to the Secretary and all other officials of the Department and its contractors concerning intelligence matters and shall be responsible for all programs and activities of the Agency relating to the analysis and assessment of intelligence with respect to foreign nuclear weapons, materials, and other nuclear matters in foreign nations.

**"(j)(1)** The Under Secretary shall, with the approval of the Secretary and the Director of the Federal Bureau of Investigation, designate the Chief of Counterintelligence who shall have special expertise in counterintelligence.

**"(2)** If such person is a federal employee of an entity other than the Agency, the service of such employee as Chief shall not result in any loss of employment status, right, or privilege by such employee.

**"(k)** All personnel of the Agency for Nuclear Stewardship, in carrying out any function of the Agency, shall be responsible to, and subject to the supervision and direction of, the Secretary and the Under Secretary for Nuclear Stewardship or his designee within the Agency, and shall not be responsible to, or subject to the supervision or direction of, any other officer, employee, or agent of any other part of the Department.

**"Such** supervision and direction of any Director or contract employee of a national security laboratory or of a nuclear weapons production facility shall not interfere with communication to the Department, the President, or Congress, of technical findings or technical assessments derived from, and in accord with, duly authorized activities. The Under Secretary for Nuclear Stewardship shall have responsibility and authority for, and may use, an appropriate field structure for the programs and activities of the Agency.

**"(1)** The Under Secretary for Nuclear Stewardship shall delegate responsibilities to the Deputy Directors except that the responsibilities, authorities and accountability of the Deputy Director for Naval Reactors are as described in subsection (h).

**"(m)** The Directors of the national security laboratories and the heads of the nuclear weapons production facilities and the Nevada Test Site shall report consistent with their contractual obligation directly to the Deputy Director for Defense Programs.

**"(n)** The Under Secretary for Nuclear Stewardship shall maintain within the Agency staff sufficient to implement the policies of the Secretary and Under Secretary for Nuclear Stewardship for the Agency. At a minimum these staff shall be responsible for:

- “(1) personnel;
- “(2) legal services, and;
- “(3) financial management.

“(o)(1) The Secretary shall ensure that other programs of the Department, other federal agencies, and other appropriate entities continue to use the capabilities of the national security laboratories.

“(2) The Under Secretary under the direction, authority, and control of the Secretary, shall, consistent with the effective discharge of the Agency's responsibilities, make the capabilities of the national security laboratories available to the entities in paragraph (1) in a manner that continues to provide direct programmatic control by such entities.

“(p)(1) Not later than March 1 of each year the Under Secretary for Nuclear Stewardship shall submit through the Secretary to the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Senate and the House of Representatives, a report on the status and effectiveness of the security and counterintelligence programs of the Agency for Nuclear Stewardship during the preceding year.

“(2) The report shall provide information on:

“(A) the status and effectiveness of security and counterintelligence programs at each nuclear weapons production facility, national security laboratory, or any other facility or institution at which classified nuclear weapons work is performed;

“(B) the adequacy of procedures and policies for protecting national security information at each nuclear weapons production facility, national security laboratory, or any other facility or institution at which classified nuclear weapons work is performed;

“(C) whether each nuclear weapons production facility, national security laboratory, or other facility or institution at which classified nuclear weapons work is performed is in full compliance with all security and counterintelligence requirements, and if not what measures are being taken or are in place to bring such facility, laboratory, or institution into compliance;

“(D) any significant violation of law, rule, regulation, or other requirement relating to security or counterintelligence at each nuclear weapons production facility, national security laboratory, or any other facility or institution at which classified nuclear weapons work is performed;

“(E) each foreign visitor or assignee; the national security laboratory, nuclear weapons production facility, or other facility or institution at which classified nuclear weapons work is performed visited, the purpose and justification for the visit, the duration of the visit, whether the visitor or assignee had access to classified or sensitive information or facilities, and whether a background check was performed on such visitor prior to such visit; and

“(F) such other matters and recommendations to Congress as the Under Secretary deems appropriate.

“(3) Each report required by this subsection shall be submitted in unclassified form, but may include a classified annex.

“(4) Thirty days prior to the submission of the report required by subsection p(1), but in any event no later than February 1 of each year, the director of each Department of Energy national security laboratory and nuclear weapons production facility shall certify in writing to the Under Secretary for Nuclear Stewardship whether that laboratory or facility is in full compliance with all national security information protection requirements. If the laboratory or facility is

not in full compliance, the director of the laboratory or facility shall report on why it is not in compliance, what measures are being taken to bring it into compliance, and when it will be in compliance.

“(q) The Under Secretary for Nuclear Stewardship shall keep the Secretary, the Committees on Armed Services of the Senate and House of Representatives, the Committee on Energy and Natural Resources of the Senate, the Committee on Governmental Affairs of the Senate, the Committee on Commerce of the House of Representatives, the Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives fully and currently informed regarding any actual or potential significant threat to, or loss of, national security information, unless such information has already been reported to the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence pursuant to the National Security Act of 1947, as amended.

“(r) Personnel of the Agency for Nuclear Stewardship who have reason to believe that there is a problem, abuse, violation of law or executive order, or deficiency relating to the management of classified information shall promptly report such problem, abuse, violation, or deficiency to the Under Secretary for Nuclear Stewardship.

“(s)(1) The Under Secretary for Nuclear Stewardship shall not be required to obtain the approval of any officer or employee of the Department of Energy, except the Secretary, or any officer or employee of any other Federal agency or department for the preparation or delivery of any report required by this section.

“(2) No officer or employee of the Department of Energy or any other Federal agency or department may delay, deny, obstruct or otherwise interfere with the preparation of any report required by this section.

“(t) For purposes of this section—

“(1) the term ‘personnel of the Agency for Nuclear Stewardship’ means each officer or employee within the Department of Energy, and any officer or employee of any contractor of the Department (pursuant to the terms of the contract), whose—

“(A) responsibilities include carrying out a function of the Agency for Nuclear Stewardship; or

“(B) employment is funded primarily under the;

“(1) Weapons Activities, or;

“(ii) Non-proliferation, Fissile Materials Disposition or Naval Reactors portions of the Other Defense Activities budget functions of the Department;

“(2) the term ‘nuclear weapons production facility’ means the following facilities:

“(A) the Kansas City Plant, Kansas City, Missouri;

“(B) the Pantex Plant, Amarillo, Texas;

“(C) the Y-12 Plant, Oak Ridge, Tennessee;

“(D) the tritium operations facilities at the Savannah River Site, Aiken, South Carolina;

“(E) the Nevada Test Site, Nevada, and;

“(F) any other facility the Secretary designates.

“(3) the term ‘national security laboratory’ means the following laboratories:

“(A) the Los Alamos National Laboratory, Los Alamos, New Mexico;

“(B) the Lawrence Livermore National Laboratory, Livermore, California; and

“(C) the Sandia National Laboratories, Albuquerque, New Mexico, and Livermore, California.

“(u) The Agency for Nuclear Stewardship shall comply with all applicable environmental, safety, and health statutes and substantive requirements. The Under Secretary for Nuclear Stewardship shall develop procedures for meeting such requirements. Nothing in this section shall diminish the authority of the Secretary to ascertain and ensure that such compliance occurs.

“(v) The Secretary shall be responsible for developing and promulgating Departmental security, counterintelligence and intelligence policies, and may use his immediate staff to assist him in developing and promulgating such policies. The Under Secretary for Nuclear Stewardship is responsible for implementation of all security, counterintelligence and intelligence policies within the Agency for Nuclear Stewardship. The Under Secretary for Nuclear Stewardship may establish agency-specific policies unless disapproved by the Secretary.

“(w) In addition to any personnel occupying senior-level positions in the Department on the date of enactment of this section, there shall be within the Agency not more than 25 additional employees in senior-level positions, as defined by title 5, U.S.C. who shall be employed by the Agency for Nuclear Stewardship and who shall perform such functions as the Under Secretary for N.S. shall prescribe from time to time.”

(d) Within 180 days of the date of enactment of this Act, the Secretary shall report to the Senate and the House of Representatives on the adequacy of the Department's procedures and policies for protecting national security information, including national security information at the Department's laboratories, nuclear weapons facilities and other facilities, making such recommendations to Congress as may be appropriate.

(e) The following technical and conforming amendments are made:

(1) Section 5314 of title 5, United States Code is amended by striking “Under Secretary, Department of Energy” and inserting “Under Secretaries of Energy (2), one of whom serves as the Director, Agency for Nuclear Stewardship.”

(2) Section 202(b) of the Act is amended in the third sentence by striking “Under Secretary” and inserting “Under Secretaries”.

(3) Section 212 of the Act is amended by striking subsection 212(b) and redesignating subsection 212(c) as subsection 212(b).

(4) Section 309 of the Act is amended by striking “Assistant Secretary to whom the Secretary has assigned the functions listed in section 203(a)(2)(E)” and inserting “Under Secretary for Nuclear Stewardship”.

(5) The Table of Contents of the Act is amended by inserting after the item relating to section 212 the following new item: “Sec. 213. Agency for Nuclear Stewardship.”

## 2000 DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

GREGG (AND HOLLINGS)  
AMENDMENT NO. 1271

Mr. GREGG (for himself and Mr. HOLLINGS) proposed an amendment to the bill (S. 1217) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related

agencies for the fiscal year ending September 30, 2000, and for other purposes; as follows:

On page 6, line 14, strike "any other provision of law" and insert "31 U.S.C. 3302 (b)".  
On page 6, line 18, strike "(15 U.S.C. 18(a))" and insert "(15 U.S.C. 18a)".

On page 25, line 23, insert after "(106 Stat. 3524)", "of which \$5,000,000 shall be available to the National Institute of Justice for a national evaluation of the Byrne program."

On page 30, line 17, strike after "1999"; "of which \$12,000,000 shall be available for the Office of Justice Programs' Global Information Integration Initiative";

On page 50, line 6, insert before the period: "to be made available until expended".

On page 73, between lines 12 and 13, insert the following:

"SEC. 306. Section 604(a)(5) of title 28, United States Code, is amended by adding before the semicolon at the end thereof the following: ', and, notwithstanding any other provision of law, pay on behalf of justices and judges of the United States appointed to hold office during good behavior, aged 65 or over, any increases in the cost of Federal Employees' Group Life Insurance imposed after April 24, 1999, including any expenses generated by such payments, as authorized by the Judicial Conference of the United States.'"

On page 75, line 15, insert the following after "period": ", unless the Secretary of State determines that a detail for a period more than a total of 2 years during any 5 year period would further the interests of the Department of State".

On page 75, line 21, insert the following after "detail": ", unless the Secretary of State determines that the extension of the detail would further the interests of the Department of State".

On page 76, line 11, insert before the period: "Provided further, That of the amount made available under this heading, not less than \$11,000,000 shall be available for the Office of Defense Trade Controls".

On page 110, strike lines 15 through 23 and insert in lieu thereof:

"(i) Notwithstanding otherwise applicable law, for each license or construction permit issued by the Commission under the subsection for which a debt or other monetary obligation is owed to the Federal Communications Commission or to the United States, the Commission shall be deemed to have a perfected, first priority security interest in such license or permit, and in the proceeds of sale of such license or permit, to the extent of the outstanding balance of such a debt or other obligation."

On page 111, insert after the end of Sec. 619: "SEC. 620. (a) DEFINITION.—For the purposes of this section—

(1) the term "agency" means the Federal Communications Commission.

(2) the term "employee" means an employee (as defined by section 2105 of title 5, United States Code) who is serving under an appointment without time limitation, and has been currently employed by such agency for a continuous period of at least 3 years; but does not include—

(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government.

(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government.

(C) an employee who has been duly notified that he or she is to be involuntarily separated for misconduct or unacceptable performance.

(D) an employee who has previously received any voluntary separation incentive payment from the Federal Government under this section or any other authority;

(E) an employee covered by statutory reemployment rights who is on transfer to another organization; or

(F) any employee who, during the twenty-four month period preceding the date of separation, has received a recruitment or relocation bonus under section 5753 of title 5, United States Code, or who, within the twelve month period preceding the date of separation, received a retention allowance under section 5754 of that title.

(3) The term "Chairman" means the Chairman of the Federal Communications Commission.

(b) AGENCY PLAN.—

(1) IN GENERAL.—The Chairman, prior to obligating any resources for voluntary separation incentive payments, shall submit to the Office of Management and Budget a strategic plan outlining the intended use of such incentive payments and a proposed organization chart for the agency once such incentive payments have been completed.

(2) CONTENTS.—The agency's plan shall include—

(A) the positions and functions to be reduced, eliminated, and increased, as appropriate, identified by organizational unit, geographic location, occupational category and grade level;

(B) the time period during which incentives may be paid;

(C) the number and amounts of voluntary separation incentives to be offered; and

(D) a description of how the agency will operate without the eliminated positions and functions and with any increased or changed occupational skill mix.

(3) CONSULTATION.—The Director of the Office of Management and Budget shall review the agency's plan and may make appropriate recommendations for the plan with respect to the coverage of incentives as described under paragraph (2)(A), and with respect to the matters described in paragraph (2)(B)–(C).

(c) AUTHORITY TO PROVIDE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—

(1) IN GENERAL.—A voluntary separation incentive payment under this section may be paid by the Chairman to any employee only to the extent necessary to eliminate the positions and functions identified by the strategic plan.

(2) AMOUNT AND TREATMENT OF PAYMENTS.—A voluntary incentive payment—

(A) shall be paid in a lump sum, after the employee's separation

(B) shall be equal to the lesser of—

(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code (without adjustment for any previous payments made) or

(ii) an amount determined by the Chairman, not to exceed \$25,000;

(C) may not be made except in the case of any qualifying employee who voluntarily separates (whether by retirement or resignation) under the provision of this section by not later than September 30, 2001;

(D) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(E) shall not be taken into account in determining the amount of any severance pay

to which the employee may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(d) ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.—

(1) IN GENERAL.—In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, the agency shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final base pay of each employee of the agency who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this Act.

(2) DEFINITION.—for the purpose of paragraph (1), the term "final basic pay," with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefor.

(e) EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.—

(1) An individual who has received a voluntary separation incentive payment from the agency under this section and accepts any employment for compensation with the Government of the United States, or who works for any agency of the United States Government through a personal services contract, within 5 years after the date of the separation on which the payment is based shall be required to pay, prior to the individual's first day of employment, the entire amount of the lump sum incentive payment to the agency.

(2) If the employment under paragraph (1) is with an Executive agency (as defined by section 105 of title 5, United States Code), the United States Postal service, or the Postal Rate Commission, the Director of the Office of Personnel Management may, at the request of the head of the agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(3) If the employment under paragraph (1) is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(4) If the employment under paragraph (1) is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant for this position.

(f) INTENDED EFFECT ON AGENCY EMPLOYMENT LEVELS.—

(1) IN GENERAL.—Voluntary separations under this section are not intended to necessarily reduce the total number of full-time equivalent positions in the Federal Communications Commission. The agency may redeploy or use the full-time equivalent positions vacated by voluntary separations under this section to make other positions available to more critical locations or more critical occupations.

(2) ENFORCEMENT.—The president, through the office of Management and Budget, shall monitor the agency and take any action necessary to ensure that the requirements of this subsection are met.



(g) REGULATIONS.—The Office of Personnel Management may prescribe such regulations as may be necessary to implement this section.

(h) EFFECTIVE DATE.—This section shall take effect on the date of enactment. (Departments of Commerce, Justice, and State, the Judiciary and Related Agencies of Appropriations Act, 1999, as included in Public Law 105-277, section 101(b)).”.

At the end of title VI, insert the following: “SEC. 621. The Secretary of Commerce (hereinafter the “Secretary”) is hereby authorized and directed to create an “Inter-agency Task Force on Indian Arts and Crafts Enforcement” to be composed of representatives of the U.S. Trade Representative, the Department of Commerce, the Department of Interior, the Department of Justice, the Department of Treasury, the International Trade Administration, and representatives of other agencies and departments in the discretion of the Secretary to devise and implement a coordinated enforcement response to prevent the sale or distribution of any product or goods sold in or shipped to the United States that is not in compliance with the Indian Arts and Crafts Act of 1935, as amended.”.

#### GREGG AMENDMENT NO. 1272

Mr. GREGG proposed an amendment to the bill, S. 1217, supra; as follows:

At the end of title I, insert the following: (a) IN GENERAL.—Section 310001(b) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) is amended by striking paragraphs (1) through (5) and inserting the following:

- (1) for fiscal year 2001, \$6,025,000,000;
- (2) for fiscal year 2002, \$6,169,000,000;
- (3) for fiscal year 2003, \$6,316,000,000;
- (4) for fiscal year 2004, \$6,458,000,000; and
- (5) for fiscal year 2005, \$6,616,000,000.

(b) DISCRETIONARY LIMITS.—Title XXXI of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211 et seq.) is amended by inserting after section 310001 the following:

#### SEC. 310002. DISCRETIONARY LIMITS.

For the purposes of allocations made for the discretionary category pursuant to section 302(a) of the Congressional Budget Act of 1974 (2 U.S.C. 633(a)), the term “discretionary spending limit” means—

(1) with respect to fiscal year 2001—  
(A) for the discretionary category, amounts of budget authority and outlays necessary to adjust the discretionary spending limits to reflect the changes in subparagraph (B) as determined by the Chairman of the Budget Committee; and

(B) for the violent crime reduction category: \$6,025,000,000 in new budget authority and \$5,718,000,000 in outlays;

(2) with respect to fiscal year 2002—  
(A) for the discretionary category, amounts of budget authority and outlays necessary to adjust the discretionary spending limits to reflect the changes in subparagraph (B) as determined by the Chairman of the Budget Committee; and

(B) for the violent crime reduction category: \$6,169,000,000 in new budget authority and \$6,020,000,000 in outlays; and

(3) with respect to fiscal year 2003—  
(A) for the discretionary category, amounts of budget authority and outlays necessary to adjust the discretionary spending limits to reflect the changes in subparagraph (B) as determined by the Chairman of the Budget Committee; and

(B) for the violent crime reduction category: \$6,316,000,000 in new budget authority and \$6,161,000,000 in outlays;

(4) with respect to fiscal year 2004—

(A) for the discretionary category, amounts of budget authority and outlays necessary to adjust the discretionary spending limits to reflect the changes in subparagraph (B) as determined by the Chairman of the Budget Committee; and

(B) for the violent crime reduction category: \$6,458,000,000 in new budget authority and \$6,303,000,000 in outlays; and

(5) with respect to fiscal year 2005—

(A) for the discretionary category, amounts of budget authority and outlays necessary to adjust the discretionary spending limits to reflect the changes in subparagraph (B) as determined by the Chairman of the Budget Committee; and

(B) for the violent crime reduction category: \$6,616,000 in new budget authority and \$6,452,000,000 in outlays;

as adjusted in accordance with section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)) and section 314 of the Congressional Budget Act of 1974.”.

#### NOTICE OF HEARING

Mr. SMITH of Oregon. Mr. President, I would like to announce for the information of the Senate and the public that S. 1377, To amend the Central Utah Project Completion Act regarding the use of funds for water development for the Bonneville Unit, and for other purposes, S. 986, To direct the Secretary of the Interior to convey the Griffith Project to the Southern Nevada Water Authority, have been added to the agenda of the hearing that is scheduled for Wednesday, July 28, 1999 at 2:30 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on Water and Power, Committee on Energy and Natural Resources, United States Senate, 364 Dirksen Senate Office Building, Washington, DC 20510-6150.

For further information, please call Kristin Phillips, Staff Assistant, or Colleen Deegan, Counsel, at (202) 224-8115.

#### AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. DOMENICI. Mr. President, I ask unanimous consent that the committee on Agriculture, Nutrition, and Forestry, be allowed to meet during the session of the Senate on Wednesday July 21, 1999. The purpose of this meeting will be to consider the committee budget resolution and to possibly consider the nomination of William Rainer for Commissioner and Chairman of the Commodity Futures Trading Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. SHELBY. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry, be allowed to meet during the session of the Senate on Wednesday, July 21, 1999. The purpose of this meeting will be to consider the nomination of William Rainer to become Chairman of the Commodity Futures Trading Commission and to conduct and oversight review of the Farmland Protection Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. SHELBY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 9:30 a.m. on Wednesday, July 21, 1999, in open session, to consider the nominations of F. Whitten Peters to be Secretary of the Air Force; and Arthur L. Money to be Assistant Secretary of Defense for Command, Control, Communications and Intelligence.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet Wednesday July 21, 1999 beginning at 10:00 a.m. in room SD-106, to conduct a markup.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. SHELBY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 21, 1999 at 3:30 p.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. SHELBY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 21, 1999 at 4:30 p.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENT AFFAIRS

Mr. SHELBY. Mr. President, I ask unanimous consent that the Governmental Affairs Committee Subcommittee on International Security, Proliferation, and Federal Services be permitted to meet on Wednesday, July 21, 1999, at 2:00 p.m. for a hearing to examine whether the Russian commercial space launch quota has achieved its purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. SHELBY. Mr. President, I ask unanimous consent that the Senate

Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, July 21, 1999 at 9:30 a.m. to conduct a hearing on S. 985, the Intergovernmental Gaming Agreement Act of 1999. The hearing will be held in room 106, Dirksen Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### COMMITTEE ON THE JUDICIARY

Mr. SHELBY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet for a hearing re Oversight of Federal Asset Forfeiture: Its Role in Fighting Crime, during the session of the Senate on Wednesday, July 21, 1999, at 2:00 p.m., in SD628.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### SELECT COMMITTEE ON INTELLIGENCE

Mr. SHELBY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, July 21, 1999 at 2:00 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. SHELBY. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs be authorized to meet during the session of the Senate on Wednesday, July 21, 1999 at 10:00 a.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### SUBCOMMITTEE ON FISHERIES, WILDLIFE, AND DRINKING WATER

Mr. SHELBY. Mr. President, I ask unanimous consent that the Subcommittee on Fisheries, Wildlife, and Drinking Water be granted permission to conduct a hearing Wednesday, July 21, 9:30 a.m., Hearing Room (SD-406), on the science of habitat conservation plans.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### SUBCOMMITTEE ON FOREST AND PUBLIC LAND MANAGEMENT

Mr. SHELBY. Mr. President, I ask unanimous consent that the Subcommittee on Forests & Public Land Management of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, July 21, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2:00 p.m. The purpose of this hearing is to receive testimony on S. 1184, a bill to authorize the Secretary to dispose of land for recreation or other public purposes; S. 1129, a bill to facilitate the acquisition of inholdings in Federal land management units and the disposal of surplus public land, and for other purposes; and

H.R. 150, a bill to amend the Act popularly known as the Recreation and Public Purposes Act to authorize disposal of certain public lands or national forest lands to local education agencies for use for elementary or secondary schools, including public charter schools, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

### ADDITIONAL STATEMENTS

#### INTERNATIONAL MUSEUM OF WOMEN

• Mrs. FEINSTEIN. Mr. President, today I want to call my colleagues attention to a new effort in California, the International Museum of Women. Elizabeth Colton, the president of the Board of Directors of the International Museum of Women is building broad support among community leaders and public officials. The museum will be built in San Francisco, since this city has roots which reach virtually every corner of the globe. The museum will start construction in 2003, and the total cost of the museum is \$50 million.

Women have made important contributions and this museum can help us to better explore the role of women in history. This museum will seek to not simply bring recognition to women and their contributions, but it will re-examine history to more accurately incorporate the effects and implications of women's actions and ideas. The museum's educational programs can play a significant role in shaping how society views women and girls.

In addition, International Museum of Women can provide role models for women and girls, furnish a new context for historical interpretations, and portray the importance and existence of the historic, ongoing fight for equal rights. This museum can open the doors to endless possibilities and limitless opportunities for females.

I call on my colleagues to join me in saluting the International Museum of Women, as one way to eradicate inequality and open doors to opportunity. ●

#### 300TH ANNIVERSARY OF THE MISSION SAN JOSE DE LA LAGUNA

Mr. DOMENICI. Mr. President, Our Independence Day, July 4th is also a significant day at the Laguna Pueblo in New Mexico. On July 4, 1699, seventy-seven years before the famous American Independence day, the Spanish Governor of the New Mexico Territory sanctioned the ground-breaking for the Mission San Jose de la Laguna.

Laguna Pueblo has six villages—Laguna, Mesita, Pagate, Encinal, Paraje, and Seama. The Mission San Jose is the Mother Church for all the villages. To celebrate this important

milestone, a feast day was declared for the Laguna Pueblo. Events started with a fund raising dinner on Friday, July 2. On Saturday, July 3, traditional dances were held at the main plaza and a beautiful fireworks display and community dance closed the first full day of celebration.

On Sunday, July 4, at 8 o'clock in the morning, an open air mass was celebrated by Bishop Donald Pelotte of the Archdiocese of Gallup. Laguna Pueblo drummers and singers in traditional dress participated in the mass. Pottery vessels by Laguna artists were made for the Eucharist.

Special guests included former U.S. Interior Secretary Manuel Lujan, the Blessed Sacrament Sisters, Sisters of St. Agnes, and Sisters of the Immaculate Conception. Father Antonio Trujillo of the San Jose Mission was a key participant in the mass. He spoke of the importance of continuing to embrace two religious traditions in mutual respect.

Gratitude to all who organized this very special Independence Day event for Laguna Pueblo was generously given. Laguna Pueblo Governor Harry Early and the Pueblo Council were present and active throughout the activities. Special guests were introduced.

Traditional Indian dances such as the Hunter's Dance and the Eagle Dance were held throughout the day on the same plaza where the mass was celebrated.

The formal mass of the Mission San Jose and the Laguna Pueblo traditional dances emphasized the beauty in which these two cultures have overcome past difficulties and now flourish in grace and common respect. As Father Mark Joseph noted, we are reminded today to "take care of your family as St. Joseph took care of his family." The Catholic Church and the Laguna Pueblo families have clearly taken this message to heart.

A Spirit Garden was organized and planted to honor all those who farmed these arid lands over the past centuries. A procession to the Rio San Jose was held on Saturday afternoon. Statues of St. Joseph, St. Mary, Jesus Christ, and other saints were brought in from all the villages for this procession.

A new niche about four feet high and a couple of feet deep for a shrine to St. Joseph was carved out of the sandstone between the church and the San Jose River. The niche was hand chiseled by the Siow brothers of Laguna Pueblo, Gaylord, Virgil, and Delbert. A stone carving of St. Joseph holding baby Jesus was placed in the shrine. The statue was made by Robert Dale Tsosie.

This new shrine to St. Joseph was dedicated and blessed with water from the Rio San Jose. This river water was also used to bless the personal and village saints that were carried to the

river by about two hundred participants. Governor Harry Early led the procession as he carried a statue of St. Joseph down to the river and then back up the hill to the Mission San Jose. A blessing ceremony for the saints, the mission, and the Pueblo was held at the river on Saturday, July 3, 1999.

In preparation for this 300th anniversary celebration, many traditional practices like gardening, belt weaving, drum making, and pottery making were undertaken with special pride by young and old alike.

I am pleased to be able to share this special event with my colleagues who will be intrigued by the added significance of the 4th of July to the Laguna Pueblo of New Mexico and to Americans in general.

Mr. President, an article by Debra Haaland Toya further explains the significance of this important anniversary to Laguna Pueblo. This article was published in the June, 1999, edition of New Mexico Magazine. Debra is an enrolled member of Laguna Pueblo and a member of the San Jose 300th Anniversary Committee. I ask that her article be printed in the CONGRESSIONAL RECORD.

The article follows:

#### MISSION SAN JOSE DE LA LAGUNA

(By Debra Haaland Toya)

The splendor of the San Jose Mission at the Village of Old Laguna goes much deeper than its three-century-old altar, dominated by hand-carved pine columns. A magnificent wooden altar screen, originally painted by a man known only as The Laguna Santero, depicts the guardians of the village. Brilliant red and green dominates the floor to ceiling adornment and prominently attests to the unification of traditional Native and Catholic Religions. This July 4th, Laguna's coexistence with the Catholic Church will enter its 300th year.

Built of sandstone, San Jose Mission sits on the highest rise in the village, watching over its caretakers. The church is revered for its magnificent art and architecture, and for its spiritual contributions. Laguna's church was built after the Pueblo Revolt of 1680; therefore, enjoyed a peaceful existence. It missed the fire and destruction exerted by other peoples, onto their churches, as a result of opposition to religious suppression.

Before the mission was built, a delegation of Lagunas traveled the dusty roads, by foot and with horses, to Santa Fe during the late-1600s, to ask Governor Pedro Rodriguez Cubero for a priest. The Governor sent the delegation away and told them that once they prepared a place of worship, a priest would be sent. On July 4, 1699, Mission San Jose was founded along with the recognition by the Spanish Government that Laguna Pueblo was a legitimate possession. The original document attesting to this shift states that Laguna "swore its vassalage and obedience," to Spain.

Throughout the years the church has been a beacon, although its path has not always been a straight one. The Indians continued their traditional ceremonies even after Christianization. From time-to-time, this practice gathered ire from those non-Indians intent on making Lagunas single-minded in their worship. It is documented that during the mid-1800s most Lagunas attended church

out of fear rather than desire. During Mexican rule, prior to 1848, part of the church's convent fell into ruins, and another part of the church was used as a kiva, where sacred ceremonies were prepared for.

In spite of the changes that occur with time, the care the church receives remains constant. In August of 1998 a meeting, of the San Jose 300th Anniversary Committee and the elder women, highlighted plans of replastering the floor. Lifetime resident, Julia Herrera, who has plastered since she was a girl, stressed the importance of youth involvement.

Father Antonio Trujillo, committee chairman, widely announced plans for the 2-week-long project. No fewer than 30 people per day, including teenagers, arrived daily to give their share of toil. The job included removing five inches of old floor, hauling dirt, cutting straw, and mixing mud using a wooden block like a mano. The entire 2300 square feet were plastered on hands and knees. "This is good," Julia says approvingly, "if the kids don't learn how, who'll take care of the church when we're gone?"

The people plan to completely resurface the outside of the church in the near future. During the mid-sixties, in an effort to protect the church, a cement coating instead of plaster was applied. Over the years, the cement has cracked, allowing water to enter but not escape. Upon inspection, Cornerstone Foundation, an organization that helps communities rebuild traditional structures, discovered that the water caused enormous damage to the large rocks at the base of the walls, particularly on the north side.

To undertake this project the people will have to carve away the current coating using special saws, chisels, and hammers. The disintegrated rocks will be replaced and the 30-foot-high-walls will be replastered. Upon surveying the damage, Julia looks up and recalls a time when her relatives hoisted her up with a pulley, and a rope tied around her waist, in order to cover the highest portion of the walls. "Not anymore, I'm too old now," she remarks.

In years past, plastering would occur prior to feast days and neighboring tribal members would offer help. During the work, they were given room and board in village homes and feasted when the work was done. This forthcoming project will be undertaken by the community alone, with no professional help, and this time Julia will be on the ground supervising.

The committee planned a number of cultural events leading up to July 4th when a traditional feast day will take place. Through the years, and due to increased outside influences, such as 30 years of uranium mining, off-reservation employment, and the affects of technology, some cultural activities have not been as strongly exercised as others.

In December 1998, committee member, Ann Ray, organized a day which focused on the almost forgotten practice of making of clay figurines. It was common at Christmas time to send children below the village to get clay from the San Jose River. The family would sit near the wood stove, while a kerosene lamp cast shadows of working hands or the grandfather beating a steady drum, and singing. The family shaped moist earth into animals, houses, vegetables, or other forms, depending upon the wishes of the individuals. Domesticated animals were often popular, as Lagunas have raised cattle and sheep since the seventeenth century. Shapes of corn and melons also defined many people's wishes for rainfall and successful crops the following year.

The people would take the figures to the church altar on Christmas eve and leave them for four days. Upon their return home, the clay cows were, perhaps, buried in the corral, and the corn was laid deep in the field. The symbol of one's wish for the time and endurance to build a home for a loved one might be buried in a vacant plot of land. This past Christmas the altar was graced by figurines, which had not been present for years. Clay figures in 1998 included symbols for good grades in school, money for college, computers, and wishes for athletic ability, in the forms of basketballs and footballs.

A ceremony to bless the saints with water will also be reintroduced on the evening of July 3rd. When the original saint statues came to Laguna, they were taken to the river and dipped in the rushing waters to obtain the earth's blessings, before they were placed in the church. The saints were also believed to hold power. One story tells of a severe drought in the earlier part of this century, wherein the people prayed for rain to no avail. The spiritual leaders of the time entreated the priest to take the saints back to the river and dip them in the water as the ancestors had done in 1699. The drought passed, and the people's faith continued strong. This year, the people will be encouraged to bring their saints from home, and a blessing will take place near the shrine, which was recently erected in honor of San Jose and the 300th Anniversary.

In times past, the San Jose river was also the location on which Lagunas planted their irrigated fields of corn, beans, and squash. Today an irrigation system runs the length of the pueblo and people can successfully plant and harvest miles from the river. Although this system is in place, with the men and boys cleaning the ditches seasonally, many fields lay dormant. One main reason for this absence of agriculture is the 30-year interruption of the Jackpile Mines near the village of Pagate. With the mine's beginning in 1953, Laguna eventually relied primarily on money, rather than bartering, as they had for centuries.

The 300th Anniversary Committee wished to bring back an interest in the ancient art of farming by planting The Spirit Garden, also near the river. Attention to our role as agriculturists has had positive effects, and a new interest in farming will, hopefully, persist. As a girl, I used to go with my grandfather to his field below the village of Mesita, where we would hoe weeds, pick worms off corn, and sit in the shade of his peach trees eating the sweet fruit on hot, breezy days. I was especially proud at taking the fruits of our harvest home for my grandmother to cook. In planting the Spirit Garden, this appreciation for the land will have the opportunity to grow strong again.

The love of agriculture, the people's coexistence with the church, and other events crucial to our purpose on this earth are present in those who are gifted with the ability to recall the stories of our ancestors. A project to document an oral history of Laguna has also been set in motion in a principal effort to teach our young people. Before electricity was available to Laguna households in the late 60s, the absence of television, radio, and video games was filled by the elders telling stories or singing songs. My grandmother was our primary storyteller, once my grandfather died in 1968, and to this day, her knowledge of the past holds our family together.

The public is welcome to visit Laguna and the San Jose Mission on most days. Tours of the Spirit Garden, San Jose Shrine, and the

church are conducted daily, and more frequently as the 300th celebration nears. A traditional feast day will be held on July 4th, with mass in the plaza at 8 AM, arts and crafts, and all-day dancing.

Upon approaching the carved doors of the church, a well-preserved image of the Franciscan Seal, with the crossed arms of Jesus and St. Francis will tell you that the structure was built by the Franciscans. When entering the church, the elaborate decoration will tell you that a people's wish to embrace their God in a Christian way, yet maintain their respect and worship of nature is unwavering. Pax et bonum—Peace and all good.

#### TRIBUTE TO JACK WARNER

• Mr. SHELBY. Mr. President, I rise today to pay tribute to Mr. Jack Warner, a pillar of the Tuscaloosa business community and a man of deep passion both in his business and personal pursuits. The former Chairman and CEO of Gulf States Paper Corporation, I would like to recognize him for the work that he and his wife, Elizabeth, have contributed to Tuscaloosa in the form of time, expertise and money to many local causes.

The pragmatic approach that he has brought to his life combines old-fashioned common sense with a flexible philosophy. This philosophy has evolved over time, through two world wars, numerous labor strikes, and tough financial circumstances. Through it all, Jack Warner has remained steadfast in his beliefs and a pioneer from which others might draw inspiration. He has made tough business decisions throughout the years, and through it all kept Gulf States Paper privately owned, when so many other companies have gone public. His gritty determination has led to financial success, which has helped him to pursue his personal interests and also allowed him to give back to the Tuscaloosa community.

Jack Warner truly represents an era when a man presented his best effort to any obstacle in his path. As an officer in the Army's last horse-mounted unit, his cavalry unit was sent to India to pack supplies along the Burma trail during World War II. Once there, his unit was issued mules instead of horses, which would be enough to take the wind out of any proud soldier's sails. Jack Warner persevered however, and his regiment ended up making a significant contribution to the War effort when a traditional cavalry unit would have had little to offer. This story encapsulates the life of Jack Warner, demonstrating persistence through adversity, and a humble focus to get the job done right.

Jack Warner has made a tremendous impact on Tuscaloosa and the surrounding area. In fact, he has recently completed the redecoration of the University of Alabama President's Mansion at his own expense. Perhaps almost as importantly, Jack followed through with the renovation to the last

small detail, going so far as to choose the drapery as well as replacing a smaller chandelier with an immense late 18th century Waterford crystal chandelier. Again, this typifies the man which has been so integral to the Tuscaloosa community, not only providing the money for the project, but following through and making sure everything turned out right. His commitment to Tuscaloosa and the State of Alabama is greatly appreciated.●

#### NATIONAL YOUTH SCIENCE FOUNDATION

• Mrs. HUTCHISON. Mr. President, I rise today to recognize the National Youth Science Foundation and the 99 outstanding high school students who have been chosen to represent their states in the sciences. The National Youth Science Foundation honors and encourages excellence in science education. Since its inception in 1963, the National Youth Science Camp has brought together thousands of outstanding high school students who excel in the sciences. I want to congratulate the two students chosen from my state for this high honor, Melissa Corley from Dallas and Jason Simon from Highland Village. These students are selected from the program through a competitive process in each state that stresses scholastic excellence, scientific curiosity, and leadership in their schools and communities. These students will participate in a four-week summer forum where delegates exchange ideas with leading scientists and other professionals from academic and corporate worlds. Lectures and hands-on research projects are presented by scientists from across the nation who work on some of the most provocative topics in science today—topics such as fractal geometry, the human genome project, global climate change, the history of the universe, the fate of our rain forests, and robotics. Delegates to the Science Camp are challenged to explore new areas in the biological and physical sciences, arts, and music with resident staff members.

This week my constituent Bill Conner, of Nortel Networks, and an alumnus of the National Youth Science program, will speak at a luncheon in the Senate honoring this year's National Youth Science Camp participants. Bill Conner is an excellent role model for the young scientists who will be honored this week.

The National Youth Science Foundation, Nortel Networks and Bill Conner have like-minded visions. America has much to lose if we do not nurture young scientists and engineers who have the skills, vision and enthusiasm to lead us into the twenty-first century. It gives me great pleasure to recognize the National Youth Science Foundation and thank all those who support America's educational system.●

#### DESIGNATING MEMORIAL DOOR

Mr. GREGG. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H. Con. Res. 158, which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

A concurrent resolution (H. Con. Res. 158) designating the Document Door of the United States Capitol as the "Memorial Door."

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. GREGG. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 158) was agreed to.

The preamble was agreed to.

#### ORDERS FOR THURSDAY, JULY 22, 1999

Mr. GREGG. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Thursday, July 22. I further ask unanimous consent that on Thursday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period for morning business until 10:30 a.m., with Senators speaking for up to 5 minutes each, with the following exceptions: Senator COVERDELL, 10 minutes; Senator COLLINS, 10 minutes; Senator VOINOVICH, 10 minutes; Senator DURBIN, or his designee, 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, I further ask unanimous consent that following morning business, the Senate resume consideration of S. 1217, the Commerce-Justice-State appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### PROGRAM

Mr. GREGG. Mr. President, for the information of all Senators, the Senate will convene at 9:30 a.m. and will be in a period of morning business for 1 hour. Following morning business, the Senate will resume debate on the Commerce-Justice-State appropriations bill. Amendments to the bill will be offered, debated, and voted on throughout the day tomorrow. The majority

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leader announces that there will be no breaks in action on the bill. Therefore, Senators should be prepared for votes and adjust their schedules accordingly.

ADJOURNMENT UNTIL 9:30 A.M.  
TOMORROW

Mr. GREGG. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:49 p.m., adjourned until Thursday, July 22, 1999, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 21, 1999:

DEPARTMENT OF STATE

JEFFREY A. BADER, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF NAMIBIA.

DEPARTMENT OF JUSTICE

JACKIE N. WILLIAMS, OF KANSAS, TO BE UNITED STATES ATTORNEY FOR THE DISTRICT OF KANSAS FOR

THE TERM OF FOUR YEARS VICE RANDALL K. RATHBUN, RESIGNED.

IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR TEMPORARY APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 5721:

*To be Lieutenant commander*

SCOTT R. BARRY  
TIMOTHY A. DERNBACH  
ROBERT C. JAGUSCH  
PAUL W. MARQUIS  
STEVEN D. NORTON  
RICHARD D. RADICE  
RICHARD C. RIGGS  
JAMES B. RYAN  
CHARLES L. TAYLOR

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADES INDICATED IN UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

*To be captain*

LLOYD B. J. CALLIS  
EDMOND C. CAVINESS II 5771  
JUAN L. CHAVEZ  
BERNARD R. DOWNS  
GERALD E. HART  
NORMAN T. HO  
JAMES L. KURIGER  
LAWRENCE L. MUSTO, JR.

*To be commander*

JERRY R. ANDERSON  
ANNIE B. ANDREWS  
DORA J. T. AZMUS  
JANE A. BARCLIFT  
JANE E. BENTLEY  
DIANE T. BIZZELL  
THOMAS H. BOND, JR.

LAYNE R. BOONE  
JUDITH BROCKMACK  
DIANE C. BROOKS  
DENISE C. CARRAWAY  
REX COBB  
ROBIN L. CSUTI  
SUSAN V. DENEALE  
KAY L. DINOVA  
LISA C. DOMBROSKIE  
EVELYN J. DYER  
WILLIAM A. ELAM  
ROBERT J. GAINES  
PAMELA J. GALLUP  
SUZANNE R. GIESEMANN  
ROGER P. GUSEMAN, II 2110  
CAROLINE M. HILLEN  
MILLIE M. KING  
JAMES E. KNAPP, JR.  
CAROLYN M. KRESEK  
ELIZABETH O. LAPE  
CAROL L. LARSON  
DESIREE D. LINSON  
GERRIT L. MAYER  
ALICE L. RAND  
THERESA M. REA  
YOLANDA Y. REAGANS  
TERESIA A. ROBINSON  
KATHRYN G. RUSH  
THEODORE V. SMITS  
EDITH A. SPENCER  
SUSAN G. TALLEY  
DONNA S. VAUGHT  
GREGORY VICKERS  
CARL R. WALLSTEDT  
CHRISTINA C. WARD  
JACKLYN D. WEBB  
AILEEN E. WHITAKER  
CHERYL K. WORLEIN  
MICHELLE L. WULFF

## HOUSE OF REPRESENTATIVES—Wednesday, July 21, 1999

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. BURR of North Carolina).

### DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,  
July 21, 1999.

I hereby appoint the Honorable RICHARD BURR to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,  
*Speaker of the House of Representatives.*

### PRAYER

The Reverend Richard A. Lord, Rector, Church of the Holy Comforter, Vienna, Virginia, offered the following prayer:

Most gracious and ever-living God, You have brought us in safety to the beginning of this new day. In this quiet moment we humbly acknowledge Your presence in our lives and in our world. O God, we are thankful for the sheer wonder and mystery of human life, for the gifts of memory, reason and skill that shape our common work, and for the hope that our deliberations and decisions on this day will unfold against the background of Your loving design. Give us forbearance and mutual respect for one another. Help us to perceive what is noble and good, and grant us both the courage to pursue it and the grace to accomplish it to the glory of Your name and the welfare of all people.

Through Jesus Christ our Lord. Amen.

### THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

### PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Tennessee (Mr. DUNCAN) come forward and lead the House in the Pledge of Allegiance.

Mr. DUNCAN led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 46. Concurrent resolution expressing the sense of Congress that the July 20, 1999, 30th anniversary of the first lunar landing should be a day of celebration and reflection on the Apollo-11 mission to the Moon and the accomplishments of the Apollo program throughout the 1960's and 1970's.

### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 15 1-minutes on each side.

### WELCOME TO REVEREND RICHARD A. LORD

(Mr. DAVIS of Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS of Virginia. Mr. Speaker, it gives me pleasure today to welcome the Reverend Richard A. Lord to the House of Representatives. We all heard the prayer from the Reverend this morning.

Reverend Richard A. Lord is Rector of the Church of the Holy Comforter in Vienna, Virginia. The Church of the Holy Comforter was established in 1895 and is one of the five largest Episcopal churches in the Diocese of Virginia, with over 1,700 families. Holy Comforter is a church active in youth ministry, mission outreach programs and spiritual formation for people living active and busy Northern Virginia lives.

Reverend Lord grew up in Potomac, Maryland, where his father was rector of an Episcopal church for many years. He received a masters of Divinity from Virginia Theological Seminary and a masters of Sacred Theology from Yale Divinity School. Father Lord served as associate rector and interim rector of the Church of the Apostles in Fairfax, Virginia, and as the rector of churches in Monroeville, Pennsylvania, and East Haven, Connecticut. He returned to the Washington area and accepted the call to be rector of the Church of the Holy Comforter.

Reverend Lord has a strong ministry of worship, education and mission, and he is also an accomplished musician. He and his wife, Debbie, have three

children, Rebecca, David, and Julia. Under Father Lord's leadership, the Church of the Holy Comforter has grown dramatically and continues to be a source of spiritual and community growth in Fairfax County. We are pleased to have him offer the opening prayer today.

### PROTECTING AMERICA'S CHILDREN

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, each year more than 1,000 of America's children are abducted and taken out of the United States to foreign countries by noncustodial parents. One such child, Mikey Kale from Nevada, was abducted by his biological father and taken to war-torn Croatia. Mikey was just 6 years old at the time and his parents were recently divorced.

Their divorce decree gave sole legal custody to Mikey's mom, but his father, who had visitation but no custodial rights, was able to obtain a passport for Mikey and subsequently and successfully abduct him, kidnapping him to Croatia.

Fortunately, Mikey Kale made it back to his mom. Yet, it is an inconceivable but irrefutable fact that once a child is taken from the U.S., it is nearly impossible to get that child returned. Clearly, prevention is the key for protecting our children from international parental child abduction.

I have an amendment today on the floor to help safeguard against these family tragedies, an amendment to make it more difficult for would-be child abductors to obtain passports for children by ensuring certain requirements are met before the issuance of a passport for a child under the age of 14. I urge all of my colleagues to support passage of this amendment, an amendment to protect America's children.

### GOP TAX PLAN

(Mr. CROWLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CROWLEY. Mr. Speaker, the massive tax cut of the Republican Party nearly three-quarters of \$1 trillion is totally irresponsible. It stands in the way of strengthening Medicare and Social Security, and threatens the progress we have made in eliminating

the deficit and reducing the national debt. Republican tax breaks means higher deficits, higher interest rates, and lower economic growth.

The Republican bill also declares class warfare against middle-class families. Citizens for Tax Justice finds the GOP tax plan unfairly targets its benefits towards the richest. The wealthiest 1 percent of taxpayers would receive 45 percent of the benefits from this tax break. It ultimately would receive an annual average tax cut of \$48,000 in 1999 dollars, Mr. Speaker, 384 times as much as the bottom three-fifths of taxpayers.

In addition, by failing to include a reasonable and effective school construction initiative in the tax bill, the Republican Congress proves they are more concerned about big tax breaks for the wealthy than providing relief for American school districts. The single focus by Republicans on a big tax break for the rich senselessly blocks common sense tax incentives that would provide crucial aid to America's school.

Republican priorities put wealthy Americans above the needs of our children.

#### DEATH TAX DESERVES TO DIE

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Chairman, the death tax deserves to die. This unfair tax discourages savings and investment, destroys family-owned businesses and has a chilling effect on capital formation and job creation.

Even more disturbing is the fact that the death tax is imposed on income that has already been taxed once and maybe twice. While every American has a duty to pay their taxes, it is simply wrong for the Federal Government to tax the same money again and again.

Mr. Speaker, the Republican majority is committed to eliminating the death tax. Over the next decade, our tax relief plan would reduce the death tax until it is entirely phased out.

I implore my colleagues on both sides of the aisle to stand up for the average American, small business owners, family farmers, and other over-taxed Americans by supporting this common sense tax cut.

#### THE RICH GET RICHER

(Mr. OLVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OLVER. Mr. Speaker, today this people's House is going to vote on a tax cut: the rich get richer.

The Republican leadership says their tax cut is for the middle class, but that is clearly not true. Under their plan,

100 million taxpayers whose income falls below \$65,000 a year, added together, get less than half the tax relief given to 1.25 million taxpayers whose incomes starts at \$300,000 a year and ends at Bill Gates.

In fact, under the rich-get-very-much-richer-plan that the Republicans will pass today, the richest 1 percent of Americans will get more in tax cuts than the 95 percent of taxpayers, all 120 million of them put together whose income falls below the income of a Member of Congress. It is pure propaganda to assert that this plan is for working Americans, the middle class, that needs a tax cut.

In a Congress where cynicism is the norm, this is the most cynical action I have seen in more than 8 years in Congress. But, it is written in the scriptures: as you sow, so shall you reap.

#### SHARE OF TAX PAYMENTS REMAINS UNCHANGED UNDER GOP PLAN

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I would like my colleagues to look at this graph. The folks on this side of the aisle say the tax cut is for the wealthy, but let me show my colleagues: the yellow line is before tax cuts, the red is after tax cuts. If one is making \$10,000 to \$20,000, one is only paying 2 percent of the overall taxes for this country and that is the same before or after our tax cuts, and if one is making \$100,000 and above, one is paying 46 percent of the tax burden of this Nation, before tax cuts or after tax cuts.

So our proposal that these folks are saying are for the wealthy makes no difference in how much these folks pay after or before our tax cuts. So in the main, one has to realize that the burden of this tax is going to those folks that are very wealthy, who are making between \$100 and \$200,000. So when we hear on that side of the aisle that this is tax cuts for the wealthy, I say that the wealthy are going to continue to pay 46 percent of the tax burden before our tax cut or after our tax cut.

Mr. Speaker, I ask the Democrats, can someone on this side of the aisle tell us what part of the tax burden they should pay?

#### BUREAUCRATIC NINCOMPOOPS DRAFTING FOREIGN POLICY

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, reports say that Russia is helping Iran to build a missile capable of hitting America. Let us check this out. America spends billions on Star Wars to pro-

tect us from a missile attack. Then America, out of the goodness of our heart, helps the Russian space program by giving them billions that they cannot raise for themselves.

In addition, America gives billions of dollars in foreign aid to Russia. Think about it. Then Russia turns around and gives American foreign aid money to Iran to build missiles targeted at American cities. Beam me up. I ask, I ask, what bureaucratic nincompoop is drafting these foreign policies? It must be Boris Yeltsin.

I yield back the madness of this stupid foreign policy.

#### COMMEMORATING THE LIFE OF CINCINNATI'S JOHN ROMANO

(Mr. CHABOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHABOT. Mr. Speaker, I want to take a moment this morning to note the tragic and untimely passing last week of a good friend and a good man, John Romano, of Cincinnati, Ohio, a victim of Hodgkins Disease at the young age of 41 years.

John was a small businessman, a true entrepreneur. He was active in his community, giving much of his time. He served as a member of the North College Hill city council for over 10 years. John was instrumental in my being in Congress here today, or even speaking this morning, and he was an important part of the career of the Secretary of State of Ohio, Ken Blackwell.

But most importantly, John was a family man who will be sadly missed by his wife, Christine, and his parents and brothers and sisters and nieces and nephews.

To Christine and the Romano family, our prayers are with you. You have lost a good man, and I have lost a good friend. And our community has lost a leader.

God bless you, John. We all know you are in a better place.

#### THE TRUTH ABOUT THE GOP TAX BILL—WHAT IS IN AND WHAT IS OUT

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, I call on the Republican leadership to pull down the tax bill that they have scheduled for today, an irresponsible piece of legislation that accelerates the \$5.6 trillion of national debt we already have, and jeopardizes the future of Social Security and Medicare.

Those of us who are genuinely concerned with more tax fairness for middle-class taxpayers will not find any help in this bill; but, should the Republicans proceed with the bill, it is important to know what is in and what is out.



Tax relief with a credit for those who have children and seek child care, that is out. Tax relief for the two-martini business luncheon, that is in. Tax relief for the wealthiest people in this country to send their children to private, elite academies, that is, of course, in.

□ 1015

Tax relief to repair dilapidated overcrowded public schools, that, of course, is out. Tax relief that assures one-third of the benefits of this bill go to those that earn over \$200,000, that is in. Relief for the public debt and security for Social Security, that is out.

#### TEN-YEAR TAX CUT

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, the tax cut we will take up today is spread over 10 years. Some people say it is too big. Well, during the first 5 years, the cuts amount to about 1½ percent of total Federal revenues over that period, and the bill has about \$2 billion of debt reduction, more than double the amount of tax cuts.

Just this morning, I read a quote that is very appropriate as we take up our tax cut debt reduction bill today. In a book called the Coming Charitable Revolution are these words, quote, "Governments afflict the people of the world with heavy taxation. With seeming generosity, they return to the subdued masses some of that money in social aid for which the populous will be humbly grateful, and by so doing will submit and conform, giving up a little at a time what little may be left of their freedom. Are we fools? Did our fathers fight in vain?" The words of Claude Morency.

Mr. Speaker, let us give the American people back a very small portion of their own money.

#### FOR THE FIRST TIME IN RECENT HISTORY WE CAN START TO PAY DOWN THE DEBT

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, there is a request for a \$790 billion tax cut, which I call totally irresponsible. We have an opportunity for the first time in recent history to start to pay down the debt, and if we spend \$790 billion on a tax cut the money will not be there to pay down that debt.

I had lunch recently with the chairman of the Federal Reserve Bank in Kansas City and two of his top economists and asked them what would be the effect if we were able to pay down a substantial portion of the national debt? The economist told me that if

that were to happen, he would expect interest rates to drop dramatically, as much as 2 to 3 percent.

When I talk to Chamber groups back home they nod their heads and understand the consequence of an interest rate drop as being the ultimate tax cut. This will do more for us than any tax cut in the magnitude of \$790 billion. We have a chance to do the right thing, the responsible thing, to start to pay down the debt, and not to pass this massive, irresponsible tax cut.

#### GOVERNMENT TAXATION IS A FREEDOM ISSUE

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, George Washington, the Father of our Country, spoke constantly about the importance of the American character. Indeed, his farewell address to the Nation focused on just that issue.

George Washington wanted to leave behind a people that believed in the experiment of self-government that existed nowhere else in the world, and he believed that the American experiment in self-government could easily slide into tyranny if Americans were not jealous of their liberties and ever vigilant against abuses of government power.

Our Nation was born in rebellion, after all, against taxes which people thought were unjust, and tax revolts have been a part of our history from the Whiskey Rebellion in 1794 to Proposition 13 in California in 1978.

In recent years, more and more of my liberal friends have taken to labeling calls for lower taxes as greed and irresponsible. But to Republicans, government taxation is a freedom issue. The question, the critical question, is who decides what to do with the fruits of people's labor, our government masters or the people who labor to produce them?

Constituents, it is your money, not Washington's. Return it before they spend it.

#### A LARGE "D" FOR DEFICIT

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I think it is important this morning to say what the Republican tax plan actually means. It means deficit, a large "D," and finish it out: Deficit. The Republican tax cut is \$864 billion. Add that to the interest loss of \$179 billion and there is a whopping deficit, deficit, no money, minus of \$47 million.

It is my commitment to say that the economy that has been strong in Amer-

ica has been based upon investment in human capital. That is why we see the return on our investment dollars, our stocks and our bonds, because we have the American people working. I would much rather invest in education, Social Security, Medicare, tax cuts on family farms and small businesses, to enhance human capital.

I do not want to enhance a deficit. Let us get real and vote for investment in human capital, the people of the United States of America. Let us not support a tax cut that simply means deficit with a big "D."

#### THE THIRD BALANCED BUDGET IN 3 YEARS

(Mr. WELLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, 2 years ago, this House and this Congress and the President joined with us in enacting the first balanced budget in 28 years, a balanced budget which contained key middle class tax cuts. Thanks to that middle class tax cut we are enjoying a booming economy and a \$3 trillion projected budget surplus.

Of course, under the Republican budget, we set aside two-thirds of the surplus for Medicare and Social Security; one-third we use, of course, for tax relief. I would also point out under this Republican budget this year, the third balanced budget in 3 years, we are going to set aside \$6 for debt retirement for every dollar in tax relief.

I also want to point out in this tax relief package that we are working on right now, that we are addressing a question that I have raised in this House, and that is it is right, is it fair, that under our Tax Code today, married working couples pay more in taxes just because they are married?

A key provision of the Financial Freedom Act, of course, is efforts to eliminate the marriage tax penalty for almost 28 million married working couples, who will receive \$243 in marriage tax relief, and it is time. Think about it; \$243, that is a month's car payment for a lot of families. This legislation deserves bipartisan support.

#### USING BUDGET SURPLUS FOR SAVING SOCIAL SECURITY, NOT FOR RECKLESS TAX CUTS

(Mr. SHOWS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHOWS. Mr. Speaker, having been a farmer in Mississippi, I know firsthand that we are not always going to have good weather come planting and harvest time. No matter what the weatherman says, sometimes it rains when they are predicting sunshine. And sometimes a simple shower becomes a

storm; and before we know it, the fields are flooded; and the crops are ruined.

Mr. Speaker, the leadership is attempting to predict the future of the American economy by squandering away America's great budget surplus on an irresponsible tax cut when the responsible thing to do is use our budget surplus to save Social Security and Medicare first, and reduce the national debt.

We can target tax cuts for folks that really need them, like the estate tax cuts for family farmers and businesses or for small businesses to help their workers get health insurance. Saving Social Security and Medicare should be our top priority for today and tomorrow's seniors, and we must reduce the national debt and continue on the path of fiscal discipline because we have no idea what tomorrow will bring.

We should call their sunshine promises what they really are, a strong chance of thunderstorms that will rain on America's seniors and let Social Security and Medicare go down the drain.

#### THE AMERICAN FAMILY NEEDS TAX RELIEF

(Mr. RYUN of Kansas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYUN of Kansas. Mr. Speaker, today Americans are feeling the heavy burden of very high tax rates. Federal taxes have grown faster in this economy since the 1990s. At the start of the 20th century, Federal, State and local taxes cost only 8 percent of America's income. Today that figure has grown to 35 percent. Americans are paying a record share of their income to the Federal Government.

Mr. Speaker, the American family needs tax relief. Reducing taxes will encourage the economy to grow by providing American families with an incentive to work, save, and invest. And these are qualities that should be promoted, not held back or punished by high tax rates. That is why it is time to seriously support the tax relief and support that will be offered during the Financial Freedom Act of 1999.

Not only will this bill allow Americans to receive the largest tax reduction in history, over \$860 billion, it contains several provisions that will relieve heavy financial drains upon the families caused as a result of tax pressures. In particular, this bill will help make health care more affordable. It will eliminate the death tax. It will provide a 10 percent across the board tax reduction. It will grant marriage penalty relief.

Mr. Speaker, let us give these hard tax-earned dollars back to the American families who have paid their fair share.

#### THERE IS NO BUDGET SURPLUS

(Mr. HILL of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILL of Indiana. Mr. Speaker, as of this moment, there is no budget surplus. According to the Congressional Budget Office, we have an on budget deficit of \$4 billion in the fiscal year of 1999. If we take away the surplus in Social Security, our budget is running a deficit. If we read the fine print of the CBO print, we will not have a real budget surplus next year either.

CBO estimates that we will have a \$3 billion deficit for fiscal year 2000. I do not believe that it is fiscally responsible to spend money that we do not have and that we may not have in the future. After 30 years of budget deficits, this Congress has still not learned that it cannot spend money it does not have.

As we stand on the brink of finally balancing our budget and beginning to pay down our \$5 trillion debt, the leadership of this House has put forward a bill that could blow a giant hole in our budget and create trillions of dollars of new debt that our children and grandchildren will have to pay. I urge this body to set aside whatever real surpluses we have over the next 3 years to pay down our God-awful debt and to protect Social Security and Medicare. This is the responsible thing to do.

#### TRIBUTE TO SANDY PRAEGER

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, last night at the Dr. Nathan Davis Awards Banquet here in Washington, D.C., Kansas State Senator Sandy Praeger was acknowledged for her outstanding contribution to promote the art and science of medicine and the betterment of public health. State Senator Praeger was nominated by the executive director of the Kansas Medical Society, Jerry Slaughter, based on her leadership and commitment to the delivery and availability of health services at all levels.

Under her direction, a model patient protection bill was drafted. It passed the Kansas legislature and was subsequently used in 8 other states.

In 1998, as chair of the Senate Public Health and Welfare Committee, she helped develop the Kansas children health program, giving 60,000 formerly uninsured children health care benefits.

In addition to her efforts in Kansas, she is actively involved with numerous national organizations dedicated to the improvement of health care policy.

Mr. Speaker, too often our national media only criticizes the effort of people in public service. So today I want

to add my voice to those who appreciate the dedication and sacrifice of my friend, State Senator Sandy Praeger.

#### WHICH FORK IN THE ROAD WILL WE TAKE?

(Mr. CUMMINGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CUMMINGS. Mr. Speaker, throughout this Congress we have reached many forks in the road, and once again the Republicans have irresponsibly led us in the wrong direction. This time it is under the belief that we should approve what is nearly an \$800 billion tax cut that would cut veterans, education, and defense.

I believe in responsible navigation and direction to our common destination, which will truly uplift the American people.

It is not responsible to spend all non-Social Security surpluses for the next 10 years while sacrificing debt reduction.

It is not responsible to jeopardize the future of Social Security and Medicare. It is not responsible to give tax breaks to the wealthiest 10 percent at the expense of our Nation's schools. It is obvious that the Democrats of this Congress must once again force a U-turn and reroute us toward a more responsible and direct path.

Mr. Speaker, I urge my colleagues to vote no on H.R. 2488.

#### IT IS TIME TO END THE OVERTAXATION IN AMERICA

(Mr. ROYCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROYCE. Mr. Speaker, President Clinton recently announced that we have \$1 trillion in non-Social Security surpluses. Now, these surpluses are not the creation of Washington. They came from the hard-working Americans who have created a thriving economy and have been overtaxed.

Americans pay more in taxes than at any time since World War II. Americans deserve some of the surplus back. They earned it. It is their money. They deserve one-third of that surplus, at least, back.

If we do not return a portion of the surplus to the taxpayers, I guarantee that very soon special interests here will spend it, or they will waste it.

Americans should be allowed to take care of their own needs first before being asked to finance more government. With tax relief, individuals will be able to obtain better health care, invest in education, save for retirement, or do any number of things they are currently prohibited from doing because of the heavy tax burden. It is time to end the overtaxation in America. Support the Financial Freedom Act.

□ 1030

## REPUBLICAN BUDGET RESULTS

(Mr. HASTINGS of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HASTINGS of Florida. Mr. Speaker, a colleague of mine, the gentleman from Massachusetts (Mr. OLVER) and I were sitting, listening to the debate this morning, and the gentleman from Massachusetts commented to me what I believe to be true, and that is that it is a good thing Republicans are not under oath.

I heard three of them say things in part that were true, but they did not tell the whole truth. The reality is that the Republican budget will do nothing to assist Social Security. It will do nothing to assist Medicare.

If there is a Member of this House of Representatives who has not heard from a constituent regarding Medicare, I would like for he or she to come forward and discuss matters with me, for it is the single biggest item in my office that constituents are concerned about.

How dare my Republican colleagues not be prepared to support the military in a time of desperate need. Their budget results would allow for a \$198 billion cut in military readiness, a \$583 billion cut in domestic investment, 425,000 children denied access to Head Start. They would eliminate all funding for all new Federally funded Superfund cleanups. There would be 306,000 fewer summer jobs.

I urge my colleagues to reject this tax plan of the Republicans.

## BUDGET SURPLUS CHOICES: GIVE IT BACK TO THE TAXPAYERS OR SEND IT TO WASHINGTON

(Mr. WELDON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON of Florida. Mr. Speaker, all the liberals who now claim to be so concerned that the budget surplus not go back to the taxpayers and instead go towards debt reduction, a national debt many of them helped create, do have an option.

They are perfectly free to take the money that they get back in tax relief in the years ahead and return it back to Washington. Yes, send it to Washington and trust the politicians to use it for debt reduction.

Yes, I am sure that is exactly what they will do, all those liberals who say that they are upset that people could get back a little bit of what they have earned, a little bit of what belongs to them.

Why is it that all those middle-class families whom the Democrats call rich will feel quite qualified to spend it right, as the President so famously

said? The choice is send the budget surplus to Washington or give it back to the people who labored long and hard to earn it in the first place. That is our choice.

Washington versus the people. It is no surprise which side the majority of Democrats are on.

## DEFEAT THE IRRESPONSIBLE TAX CUT

(Mr. SHERMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHERMAN. Mr. Speaker, those who forget history are doomed to repeat it. I was in private practice as a CPA back in 1981 when this Congress passed the irresponsible ERTA tax bill. The result was high inflation, unemployment, high interest rates, and now we are about to do it all over again. This tax bill is ERTA on steroids.

A few moderate Republicans could vote against this bill and stop it. Let me bring to them a few facts. One-third of the tax relief in this bill goes to the 90 percent of Americans who are middle class or of modest means. The next one-third goes to the next 9 percent toward the top. And one-third of the benefits goes to the top 1 percent of the income earners.

This is not just an \$800 billion tax cut for ten years. In the second 10 years, it is over \$3 trillion. So as the baby boomers retire, as Social Security is at risk, this bill is at its most irresponsible.

I urge the defeat of this irresponsible tax cut.

## GIVE HARD-WORKING AMERICANS THEIR MONEY BACK

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, is it not ironic that the party who, for 40 years, ran up the national debt to the tune of \$5.4 trillion is now hiding behind the national debt and wanting to reduce it as an excuse not to vote for tax reduction for working America?

Is it not ironic that the party who only wanted to preserve 62 percent of the Social Security surplus is now saying that Republicans who wanted to preserve 100 percent of Social Security, now they are saying, no, we cannot vote for a tax cut?

Is it not typical that the party whose President's budget cut Medicare \$9 billion now is pretending to be the protector of Medicare?

The fact is they want to repeat their performance of 1993 when they passed the largest tax increase in the history of America. They want to grow government.

Let us just think about it this way: if one went into Wal-Mart and one

bought a pair of flip-flops for \$2.50, gave the cashier \$5, one deserve one's change, right? But if it is a Democrat cashier, they are going to keep the money, and they are going to spend it on their friends.

Give working America their money back, and quit holding it and paying it out to your Washington bureaucrat buddies.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BURR of North Carolina). The Chair would remind Members that the wearing of badges or buttons is forbidden on the House floor during debate.

## TAX BILL

(Mr. NEAL of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, a Member of the Republican Party yesterday called the vote on the tax bill today a defining moment; and, by goodness, was he right.

The position of the majority party can be best summarized in a paraphrase of the old, "Extremism in the pursuit of a tax cut is no vice." That is the position they are taking today as a party.

The tax bill they are proposing is the largest since 1981 when supply-side economics gave us an additional \$3 trillion in debt. Both bills are based on economic assumptions which are notoriously chancy, and on budget projections that are just plain wrong.

Democrats want a modest tax cut that the Nation can afford. We want to reserve the surplus until the issues of Social Security and Medicare, I repeat, Social Security and Medicare are dealt with, and until how we see this budget process in the end goes. We do not want to go back to an era of deep deficit spending, which is exactly where the Republican Party will take us today.

Democrats cannot and will not vote for this bill, but it is only moderate elements within Republican Party today who can save us from it. We hope they will.

## AMERICANS WANT, NEED, AND DESERVE TAX RELIEF TODAY

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, some of these liberal Democrats are attacking the Republican tax proposal as risky. They think it is risky, because they do not trust the taxpayer. Who do my colleagues think the money belongs to in the first place? The taxpayer.

Over in the Senate, Senator BOB KERREY said, "Cutting \$800 billion," cutting \$800 billion, giving it back to the people, "when you've got \$3 trillion coming in is hardly an outrageous, irresponsible move."

Two-thirds of the surplus should go for retirement security and Medicare, and that is what we have done, and one-third for tax relief. It is a balanced and sensible plan. Americans want, need, and deserve tax relief today.

#### VOTE FOR DEMOCRATIC ALTERNATIVE TAX BILL

(Mr. WISE asked and was given permission to address the House for 1 minute.)

Mr. WISE. Mr. Speaker, today financial irresponsibility does not just tiptoe through this Chamber. It does not walk softly; it gallops. It runs amok.

Because what is going to happen is, this House is going to take up a tax bill that is the height of fiscal and financial irresponsibility.

I support paying down the national debt. I support saving Social Security. I support saving Medicare and making sure that it is secure. Then and only then, giving targeted tax cuts, tax cuts to working people, tax cuts for child care, tax cuts that are strictly targeted to accomplish certain ends. But, unfortunately, this is not the proposal before us. This is a large tax bill that ignores all of that.

I would just say to those who say we can do this safely over a 10- or 15-year period, when their investment broker tells them they know what the employment is going to be in 2004, do they take that seriously? That is about how seriously I take this tax proposal.

Vote instead for the Democratic alternative that saves Social Security, pays down the national debt, and has targeted tax cuts and targeted only.

#### TAX AND SPEND DEMOCRATS WILL NOT BE HAPPY UNTIL EVERY AMERICAN IS POOR

(Mr. SCHAFFER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHAFFER. Mr. Speaker, I have been listening to my Democrat colleagues repeat one after another "tax cuts for the wealthy, tax cuts for the wealthy," so many times over the past few days that I have come to a few conclusions. These conclusions are based on what they themselves say about what is in our tax relief package.

One might be rich if one wants to save for one's child's education. One might be rich if one wants to have health insurance. One might be rich if one's company or union contributes to a pension fund. One might be rich if one wants to save for one's retirement. One might be rich if one wears a wed-

ding ring on one's finger. One might be rich if one is a senior who wants to work. One might be rich if one cares for a senior at home. One might be rich if one has a child in day care. And one just might be rich if one pays even 1 penny in Federal income taxes.

In other words, the tax and spend Democrats in Washington will never be happy until every American is poor.

#### OUR MONEY IS WHERE OUR VALUES ARE

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, for the first time in 3 decades, the Federal Government projects a surplus. Congress is faced with using this surplus in a way that reflects our values as a Nation.

Democrats propose that we strengthen Social Security, strengthen Medicare, pay down the national debt, and provide targeted tax cuts to middle-class families.

Republicans want to use this surplus for a one-time tax break that mostly benefits the wealthy and jeopardizes our economic health.

Our money is where our values are. The Republican tax plan will force deep cuts in crime, education, national defense, and risks returning our Nation to an era of big deficits. Medicare is a pillar of retirement security that provides our parents with independence and dignity in their later years. It says that I am willing to work for my mother and father and that my children are ready to work for me and for my husband.

The Republican tax scheme saves not 1 penny for Medicare. It lets it slowly twist in the wind. This surplus should be used in a way that reinforces and bolsters our values. Anything less is irresponsible.

#### HOUR OF MEETING ON THURSDAY, JULY 22, 1999

Mr. HOBSON. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

#### APPOINTMENT OF CONFEREES ON H.R. 2465, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 2000

Mr. HOBSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2465) making appropriations for military construction, family housing, and base realignment and closure for the De-

partment of Defense for the fiscal year ending September 30, 2000, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. The Chair is not prepared to appoint conferees at this time. Those conferees will be appointed later in the day.

#### GENERAL LEAVE

Mr. HOBSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2465, making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes, and that I may be allowed to include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

#### APPOINTMENT OF CONFEREES ON H.R. 2490, TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2000

Mr. KOLBE. Mr. Speaker I ask unanimous consent to take from the Speaker's table the bill H.R. 2490, making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 2000, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

□ 1045

The SPEAKER pro tempore (Mr. BURR of North Carolina). Is there objection to the request of the gentleman from Arizona?

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. OLVER

Mr. OLVER. Mr. Speaker, I offer a motion to instruct conferees.

The Clerk read as follows:

Mr. OLVER moves that in resolving the differences between the House and Senate, the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill, H.R. 2490, be instructed to restore \$50 million in funding for the IRS to complete its Year 2000 compliance work to ensure that taxpayers receive their refunds in the year 2000.

The SPEAKER pro tempore. Under the rule, the gentleman from Massachusetts (Mr. OLVER) will be recognized for 30 minutes, and the gentleman from

Arizona (Mr. KOLBE) will be recognized for 30 minutes.

Mr. OLIVER. Mr. Speaker, as my colleagues can see, I have been filling in here. So I ask unanimous consent to hand the time over to the gentleman from Maryland (Mr. HOYER), my distinguished ranking member.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The gentleman from Maryland (Mr. HOYER) will control the 30 minutes.

The Chair recognizes the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have offered this motion to instruct conferees on the basis that the Y2K issue has been an ongoing issue government-wide as well as with the Treasury Department. We are very concerned.

I want to make it clear that I believe that we need more than this restored; but at minimum, we need this money restored. That is why this motion to instruct has been offered.

Mr. Speaker, I reserve the balance of my time.

Mr. KOLBE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not oppose this motion to instruct conferees. Obviously, at this moment we do not have an allocation that is sufficient to permit us to easily restore these Y2K funds without having to take it from some other place that might be even more detrimental. But I am certainly hopeful that it will be possible for us to restore at least this amount of the Y2K funding to the Internal Revenue Service and other Federal agencies.

So, I have no objection to this motion to instruct. But I say that with the understanding that I can give no absolute assurances to my colleagues in this body that we can accomplish this in the conference, although I am hopeful that we would be able to.

Mr. SANDERS. Madam Chairman, I yield myself the balance of my time.

I would urge the Members to have the courage to stand up to the pharmaceutical industry and support this amendment cosponsored by the gentleman from Illinois (Mr. JACKSON), the gentleman from California (Mr. STARK), the gentleman from California (Mr. ROHRABACHER), the gentlewoman from Georgia (Ms. MCKINNEY), the gentleman from Ohio (Mr. KUCINICH), the gentleman from Alabama (Mr. HILLIARD), the gentleman from California (Mr. GEORGE MILLER), the gentlewoman from Illinois (Ms. SCHAKOWSKY) and the gentleman from Arkansas (Mr. BERRY).

Let us win this fight.

Mr. Speaker, I yield back the balance of my time.

Mr. HOYER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct.

The motion was agreed to.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and that I may include tabular and extraneous material on H.R. 2490.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER pro tempore. The Chair will appoint conferees later today.

#### AMERICAN EMBASSY SECURITY ACT OF 1999

The SPEAKER pro tempore (Mr. BURR of North Carolina). Pursuant to House Resolution 247 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2415.

□ 1050

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes, with Mr. KOLBE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, July 20, 1999, amendment No. 8 printed in House Report 106-235 offered by the gentleman from Texas (Mr. PAUL) had been disposed of.

It is now in order to consider amendment No. 15 printed in Part B of House report 106-235.

#### AMENDMENT NO. 15 OFFERED BY MR. SANDERS

Mr. SANDERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B Amendment No. 15 offered by Mr. SANDERS:

Page 35, after line 9, insert the following (and conform the table of contents accordingly):

#### SEC. 211. PROHIBITION ON INTERFERENCE WITH INTELLECTUAL PROPERTY LAW RELATING TO PHARMACEUTICALS OF CERTAIN FOREIGN COUNTRIES.

No employee of the Department of State shall take any action to deter or to otherwise interfere with any intellectual property

law or policy of any country in Africa or Asia (including Israel) that is designed to make pharmaceuticals more affordable if such law or policy, as the case may be, complies with the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)).

The CHAIRMAN. Pursuant to House resolution 247, the gentleman from Vermont (Mr. SANDERS) and the gentleman from Connecticut (Mr. GEJDENSON) each will control 5 minutes.

The Chair recognizes the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Chairman, I yield myself 1¼ minutes.

Mr. Chairman, this amendment, cosponsored by the gentleman from Illinois (Mr. JACKSON), the gentleman from California (Mr. STARK), the gentleman from California (Mr. ROHRABACHER), the gentlewoman from Georgia (Ms. MCKINNEY), the gentleman from Ohio (Mr. KUCINICH), the gentleman from Alabama (Mr. HILLIARD), the gentleman from California (Mr. MILLER), the gentlewoman from Illinois (Ms. SCHAKOWSKY), and the gentleman from Arkansas (Mr. BERRY) deals with one of the great moral challenges of this century.

Millions of people in Africa and Asia are suffering from the horrible AIDS epidemic decimating their countries. Because of poverty, they are unable to afford the very expensive prescription drugs needed to combat this killer disease.

Sadly, the major pharmaceutical companies are using their enormous wealth and influence to fight legislation passed in South Africa, Israel, and Thailand which allows those countries to purchase and manufacture anti-AIDS drugs at far lower prices than those charged by the major drug companies.

These laws are consistent with international trade and copyright law. Once again, these laws are consistent with international trade and copyright laws.

Tragically, the U.S. State Department is currently working with the drug companies to punish South Africa because their government has committed the terrible crime of trying to get affordable drugs to treat their AIDS patients.

What South Africa is doing is legal under international law. And it is morally right.

Please support this amendment. Get the U.S. Government on the right side of this issue and help save millions of lives.

Mr. Chairman, I reserve the balance of my time.

Mr. GEJDENSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the case of the gentleman from Vermont (Mr. SANDERS) frankly is completely flawed. And though while his motives may be noble,

the final result of his action will be reduction in new drugs that will save lives.

We have tested the theory here in this Chamber and elsewhere to see if governments will come up with the research dollars to invent new medicines. Frankly, we cannot get our Government to provide medicine for its own citizens let alone citizens of other countries.

Fully 45 percent of all new drugs are developed in the United States; and the next closest country, the U.K., develops but 14 percent. American taxpayers, through its Congress, will not provide the research dollars to find the cures for cancer and AIDS like the new \$4 pill that will be able to protect the children of mothers with AIDS by one pill given one time at the cost of \$4 instead of AZT at the cost of hundreds of dollars.

What the bill does, it will give the opportunity for wealthier nations to try to evade our intellectual property laws. The United States already loses one out of three dollars when it comes to the opportunity of sales overseas for intellectual property. But we are not talking about corporate profits here. We are talking about countries being able to avoid intellectual property laws, and we are talking about denying the resources from wealthier countries, not from the poorest countries, they already have the ability to control prices.

The poorest countries in this world make agreements with pharmaceutical companies that limit the price of those products in those countries. Frankly, the only country in the world that does not limit prices is the United States.

What the amendment of the gentleman will do is allow wealthy countries like Israel, frankly, that has a per capita income of almost \$16,000, to avoid our intellectual property laws. He will thereby undermine the basic flow of funds to research and may reverse what we see here today.

Forty-five percent of all the new drugs come from the United States. Accept the Sanders amendment and we will not be helping the poor, we will be hurting every one of us in this process as we do not develop the new drugs for AIDS and breast cancer and other illnesses around the world.

The poorest countries already get a lower price for those products. The legislation of the gentleman from Vermont (Mr. SANDERS) would prevent the U.S. Government from protecting intellectual property that is made here in the United States and give wealthier countries the ability to purchase these products through poorer countries. We are not helping poor African countries. We are not helping Bangladesh. These countries can already control prices in agreements with these pharmaceutical companies.

What his legislation would allow is American countries can see their intel-

lectual property transferred to other countries. This is simple theft. It seems to me, if we stand by the Sanders amendment, we will only have ourselves to blame in injuring what has been one of the most productive sectors in the American economy in creating new drugs for all our citizens.

Madam Chairman, I reserve the balance of my time.

Mr. SANDERS. Madam Chairman, I yield 1 minute to the gentlewoman from Georgia (Ms. MCKINNEY).

Ms. MCKINNEY. Madam Chairman, have my colleagues ever seen a bully on the playground and they knew it was not right? Well, that is exactly what our own State Department is doing right now to South Africa.

We can tell a lot about a country the way they act when they think no one is watching. The State Department of the world's indispensable Nation has decided that poor Africans dying of preventable and treatable diseases is okay.

In South Africa, thousands of people are dying every week because they cannot afford to treat deadly but preventable and treatable diseases like malaria, tuberculosis, and typhoid.

In South Africa, it costs more to get a prescription filled than to go to the doctor's office. Therefore, they can go to the doctor to find out what is wrong, but they cannot treat it; they cannot treat the illness.

Accordingly, South Africa decided to fight back. South Africa went to the free market to buy its prescription drugs rather than to the pharmaceutical cartel and the State Department objects to that. Once again, seems to prefer corporate profits over healthy people.

It looks to me like the State Department is the bully on the playground and they think no one is watching. Well, let them see that the Congress is watching by supporting the Sanders amendment.

Mr. GEJDENSON. Madam Chairman, may I inquire how much time I have remaining?

The CHAIRMAN pro tempore (Mrs. EMERSON). The gentleman from Connecticut (Mr. GEJDENSON) has 2 minutes remaining. The gentleman from Vermont (Mr. SANDERS) has 2-3/4 minutes remaining.

Mr. GEJDENSON. Madam Chairman, I yield 1 minute to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Madam Chairman, I thank the gentleman for yielding me the time.

□ 1100

Mr. GILMAN. Madam Chairman, I thank the gentleman for yielding me this time. I rise in opposition to the amendment being offered by the gentleman from Vermont.

I share the concerns of the gentleman from Vermont and all those who want

to combat the spread of AIDS in Africa and I very much welcome Monday's announcement that the administration is joining our House Republicans in calling for a \$127 million spending program to meet this growing health crisis. I will note the Republicans have ensured funding for this for some time. I have also held the only hearings on this subject last year. I intend to work to ensure that this program continues to receive strong support.

The White House AIDS policy director, Sandra Thurman, has reported that the disease is turning millions of children into orphans, reducing life expectancy by more than 20 years and undermining economic development in large parts of Africa. More than 12 million people have died of AIDS in sub-Saharan Africa over the past decade.

However, I believe that the amendment before us is not the way to address this important issue. It threatens patent protection rights and will create new impediments to future AIDS research efforts. Furthermore, its implementation would put the U.S. in violation of our obligations under the Uruguay Round Implementation Act to seek the strengthening of intellectual property laws.

The CHAIRMAN pro tempore (Mrs. EMERSON). The time of the gentleman from New York (Mr. GILMAN) has expired.

Mr. GEJDENSON. Madam Chairman, I ask unanimous consent that debate on this amendment be extended for 2 minutes equally divided and controlled by me and the gentleman from Vermont (Mr. SANDERS).

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GEJDENSON. Madam Chairman, I yield 1 minute to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Madam Chairman, I thank the gentleman for yielding me this additional time.

This amendment would use policies such as compulsory licensing and parallel trade to make pharmaceuticals more affordable. Compulsory licensing would allow generic manufacturers to produce and sell a patented pharmaceutical product before the patent expires, without protecting the rights of the patentholder in the importing country. This approach will discourage research efforts and will not address the underlying problems confronting AIDS patients.

Parallel trade involves purchasing a product at a low price in one market and reselling it in another market at a higher price, outside of normal distribution channels. This proposal has been tried and found wanting in Kenya where it resulted in a flood of counterfeit medicine imports.

Accordingly, I join the gentleman from Connecticut in urging the defeat of the Sanders amendment.

Mr. SANDERS. Madam Chairman, I yield 30 seconds to the gentleman from Arkansas (Mr. BERRY), a former pharmacist.

Mr. BERRY. Madam Chairman, I rise this morning to support this amendment. I commend the gentleman from Vermont for introducing this amendment.

It is critical that our State Department allow countries the tools they need to fight health epidemics such as AIDS as long as they play by the international rules. WTO agreements and fairness should be the driving force behind U.S. policy relating to this issue, not a few very profitable international pharmaceutical companies. We do not have to do things that inappropriately protect their markets like we do in this country and allow them to take advantage of other people.

Mr. SANDERS. Madam Chairman, I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Madam Chairman, I believe this amendment is a good amendment. This amendment will prevent the State Department from punishing countries that use legal means to procure low-cost lifesaving drugs for their citizens. This practice, called parallel importing, is allowed by the World Trade Organization. Many of the poorest nations on earth are experiencing some of the highest death rates because there is not enough money to pay for the high cost of lifesaving drugs. Some countries are even experiencing a return of age-old illnesses such as tuberculosis.

The AIDS epidemic is causing a health care crisis worldwide. What good are lifesaving drugs if they are not affordable for people who need them? We should not punish countries for trying to save their citizens' lives. We should not punish countries for being concerned about their own citizens. We should not punish countries for using perfectly legal means to procure low-cost pharmaceuticals.

Help to save millions of lives by ending a counterproductive State Department practice. Put human life above profit. I urge my colleagues to support this amendment.

Mr. SANDERS. Madam Chairman, I yield myself such time as I may consume. This amendment deals with one of the great moral challenges of our time. While the pharmaceutical industry, which makes wide campaign contributions, spends more money on lobbying and campaign contributions than any other industry in this country, while they are enjoying record-breaking profits, millions of people, poor people throughout the world, are dying of AIDS. Meanwhile, the pharmaceutical companies are down in South Africa trying to do away with legislation in the courts, trying to do away with legislation passed by the South African government because the South

African government is trying to get inexpensive drugs to deal with the epidemic of AIDS.

What this legislation says very clearly is get the State Department off the backs of South Africa when South Africa is operating legally, legally under international law. If the pharmaceutical companies think they are operating illegally, if the U.S. State Department thinks they are operating illegally, go to the World Trade Organization. But the State Department does not want to go to the World Trade Organization. They want to put unilateral action against South Africa. The drug companies want to use their muscle against South Africa. What South Africa is doing is legal. The State Department does not want to challenge them in the World Trade Organization because they will lose.

It is a shame and an embarrassment that the government of the United States of America is working with the multi-billion dollar drug companies to push around South Africa because that country is trying to do the right thing for its people with AIDS.

Madam Chairman, I reserve the balance of my time.

Mr. GEJDENSON. Madam Chairman, I yield the balance of my time to the gentleman from New Jersey (Mr. MENENDEZ).

The CHAIRMAN pro tempore. The gentleman from New Jersey is recognized for 1 minute.

Mr. MENENDEZ. Madam Chairman, I share the gentleman from Vermont's concerns, but I think this amendment is the wrong way to go about it. We do not seek to hurt South Africa, but we also do not seek to hurt American companies and their international intellectual property rights. When you go down the road of saying to American companies, forget about all of the research, all of the intellectual property rights that you possess, you go down a road that is going to hurt South Africa and Africa ultimately, because you want investment to take place and that investment is going to take place if people believe that their intellectual property rights are going to be observed.

This amendment would restrict the ability of the administration to protect the intellectual property rights of American pharmaceutical companies in foreign countries. The State Department plays a crucial role in assisting U.S. companies whose intellectual property rights are violated by foreign governments. In fact, the law says we should defend intellectual property rights.

Now, in the context of AIDS, we share that concern. That is why the U.S. Global Strategy on AIDS, released in March of 1999, cites health care infrastructure problems, including shortage of doctors, clinics and laboratories. That is our biggest obstacle. That is

what we should be doing with the Vice President, \$100 million more, but not violating the intellectual property rights of our companies.

#### IMPACT OF AMENDMENT

The amendment would restrict the ability of the Administration to protect the intellectual property rights of American pharmaceutical companies in foreign countries. The State Department plays a crucial role in assisting U.S. companies whose intellectual property rights are violated by foreign governments. The State Department has been successful in negotiating acceptable resolutions to these international trade conflicts, protecting both American interests and jobs.

In fact, the law says that we should defend intellectual property rights. Section 315 of Uruguay Round Implementation Act states that it is the policy of the U.S. to seek enactment and implementation of foreign intellectual property laws that "strengthen and supplement" TRIPs. This amendment contradicts the law and would inhibit the pharmaceutical industry from seeking assistance from their own government to resolve intellectual property rights issue with foreign governments.

While the author of the amendment contends that the restrictions would not apply if the bill was in compliance with TRIPs, I'm not sure how such a determination of a violation can be made without going to WTO. Unless, we decide that the State Department can make legal determinations about the legality or illegality of intellectual property rights actions, this amendment would allow the Administration to prejudge the outcome of a WTO case.

The amendment is broadly drafted and could prohibit the Administration from acting even when there is a clear violation of TRIPs, as in the case of South Africa. The South African Medicines Act, which is under litigation in South Africa, not only permits parallel importation which is not permitted under Article 28 of the TRIPs agreements, it also contains a provision which allows the complete abrogation of patent rights at the discretion of the Minister of Health.

Specifically, Section 15c of the South African Medicines Act says that, the Health Minister may determine "that the rights with regard to any medicine under a patent granted in the Republic shall not extend to acts in respect of such medicine which has been put on the market by the owner of the medicine, or with his or her consent."

Conceivably the amendment could compel the State Department to refrain from action if the government in question—in this case South Africa—claims that their actions are in compliance with TRIPs, since the amendment does not establish how to determine if an action is compliant with TRIPs.

Members need to know the facts, Article 28 of TRIPs—the WTO Agreement on Trade-Related Aspects of Intellectual Property obligates countries to prohibit parallel importation of patented products.

Pharmaceutical companies spend millions of dollars annually for the research and development of pharmaceutical products—patents protect their intellectual property. If those rights can be arbitrarily violated what incentive remains to pursue R&D for new and more effective drugs.



It is irresponsible to forbid our State Department from acting on behalf of companies and citizens and that is what this amendment would do.

## AIDS CRISIS

It is important to note that the amendment is not specific to AIDS drugs and as such, would affect imports of all medicines.

This amendment is not about the AIDS crisis. We do need to address the AIDS crisis in Africa. Last Friday this Chamber passed two amendments which recognize the need for the public and private sector to expand efforts, including legislation to address the AIDS crisis in Africa.

We should address the AIDS crisis by adopting appropriate policies and programs. We should not adopt a policy which abrogates property rights and international agreements.

The U.S. Global Strategy on HIV/AIDS, released in March 1999, cites health care infrastructure problems, including shortage of doctors, clinics and laboratories, as the biggest obstacles to the delivery of effective HIV/AIDS care. These are issues which we need to consider. On Monday, Vice President GORE announced a \$100 million initiative to fight the growing AIDS epidemic in Africa, this is the type of action that we need to take and I intend to advocate for the authorization and appropriations of those funds.

I urge Members to vote against the Sanders amendment and to look for real, meaningful solutions to the AIDS crisis.

Mr. SANDERS. Madam Chairman, I yield myself the balance of my time.

I would urge the Members to have the courage to stand up to the pharmaceutical industry and support this amendment cosponsored by the gentleman from Illinois (Mr. JACKSON), the gentleman from California (Mr. STARK), the gentleman from California (Mr. ROHRBACHER), the gentlewoman from Georgia (Ms. MCKINNEY), the gentleman from Ohio (Mr. KUCINICH), the gentleman from Alabama (Mr. HILLIARD), the gentleman from California (Mr. GEORGE MILLER), the gentlewoman from Illinois (Ms. SCHAKOWSKY) and the gentleman from Arkansas (Mr. BERRY).

Let us win this fight.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Vermont (Mr. SANDERS).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. GEJDENSON. Madam Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, further proceedings on the amendment offered by the gentleman from Vermont (Mr. SANDERS) will be postponed.

It is now in order to consider amendment No. 18 printed in part B of House Report 106-235.

## AMENDMENT NO. 18 OFFERED BY MR. GIBBONS

Mr. GIBBONS. Madam Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 18 offered by Mr. GIBBONS:

Page 46, after line 22, insert the following:  
**SEC. 257. ISSUANCE OF PASSPORTS FOR THE FIRST TIME TO CHILDREN UNDER AGE 14.**

(a) IN GENERAL.—

(1) REGULATIONS.—Not later than 1 year after the date of the enactment of this Act, the Secretary of State shall issue regulations providing that before a child under the age of 14 years is issued a passport for the first time, the requirements under paragraph (2) shall apply under penalty of perjury.

(2) REQUIREMENTS.—

(A) Both parents, or the child's legal guardian, must execute the application and provide documentary evidence demonstrating that they are the parents or guardian; or

(B) the person executing the application must provide documentary evidence that such person—

(i) has sole custody of the child;

(ii) has the consent of the other parent to the issuance of the passport; or

(iii) is in loco parentis and has the consent of both parents, of a parent with sole custody over the child, or of the child's legal guardian, to the issuance of the passport.

(b) EXCEPTIONS.—The regulations required by subsection (a) may provide for exceptions in exigent circumstances, such as, those involving the health or welfare of the child.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from Nevada (Mr. GIBBONS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Nevada (Mr. GIBBONS).

Mr. GIBBONS. Madam Chairman, I yield myself such time as I may consume.

Simply put, this amendment will help protect our American children from international parental child abduction. It is an inconceivable but irrefutable fact that once a child is taken from the United States, it is nearly impossible to get that child returned.

One of the most difficult and frustrating experiences for parents of internationally abducted children is that U.S. laws and court orders are not usually recognized in foreign countries and therefore are not entitled or enforceable actions abroad.

Even when criminal charges have been filed against the abducting parent in the United States, many foreign nations will not honor a U.S. request for extradition. It is therefore imperative that any measure we take must be preventive, for once these children are taken out of the country, they are often gone forever.

The aim of this amendment is prevention, prevention of anguish to families, prevention of the violation of parental rights, prevention of international child abduction.

These children are often abducted during or shortly after a contentious divorce, sometimes by an abusive par-

ent. At a time when these children are most vulnerable and most uncertain about their future, they are snatched and taken away to a foreign country.

Let me tell a story, Madam Chairman, of Mikey Kale from my home State of Nevada for whom this amendment is named. On Valentine's Day in 1993, then 6-year-old Mikey was abducted by his biological father and kidnapped to war-torn Croatia.

Mikey's father and mother were divorced at this time. His mother had sole legal custody of Mikey. His father did not. But Mikey's father was still able to get a passport for his son even though he did not have any legal custodial rights. Thankfully, after a number of weeks and months and tremendous emotional and financial effort, Mikey's mother was able to get Mikey returned home.

Mikey's mother, Barbara, had this to say about her family's ordeal:

I learned through the State Department in Washington that my ex-husband had obtained a passport and birth certificate for Mikey within weeks of the divorce. I didn't think a person could get a passport for their child unless they had legal custody. I was wrong.

Mikey's mother goes on to say that this one law needs to be revised to help protect American children.

Madam Chairman, I am here to say that Mikey's mom is right. This law needs to be revised. It needs to be changed to protect our American children. We need to make it more difficult for would-be parental child abductors to obtain passports for children to prevent their further goal of taking young children out of this country. My amendment is a simple legislative solution which will implement a system of checks and safeguards prior to the issuance of a passport for the first time issuance to a child under the age of 14.

We who are parents and grandparents know that we are the ones who are looked upon as protectors by our children. This is a common-sense legislative solution to a devastating and tragic problem. And this problem is more common than you would think. Each year, more than 1,000 children are abducted and then taken out of the United States to foreign countries.

Here in the United States where our missing and abducted children are counted meticulously inside our borders, it is still hard to track the number of children who are taken overseas because only 45 nations have signed a Hague treaty designed to resolve international child custody disputes.

Mikey Kale is one of the fortunate ones. Most children are not. Regardless of the number of cases, whether it is 10 or 10,000, one case of international child abduction is too many, and my amendment seeks to prevent that tragedy from occurring.

I ask my colleagues to help me join in this effort to protect the Mikey

Kales out there. Until more can be done, I believe this is the simplest, most cost-effective legislative solution to protect our children's rights and their lives. I would ask all my colleagues to join with me.

Madam Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore. Does any Member seek time in opposition to the amendment?

Mr. GILMAN. Madam Chairman, I ask unanimous consent to claim the time in opposition.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Madam Chairman, I yield myself such time as I may consume.

I appreciate the efforts by the gentleman from Nevada on this amendment and the efforts of the Bureau of Consular Affairs at the State Department. We are willing to accept this amendment. Stopping child abduction is extremely important and the right thing to do.

I commend the gentleman for proposing this matter. We accept the amendment.

Mr. SMITH of New Jersey. Madam Chairman. I rise to support the amendment of my colleague from Nevada, Mr. GIBBONS, which adds safeguards to the issuance of first-time passports to children. By requiring the consent of both parents, or proof that the person executing the application has legal custody of the child, it will be an important weapon in the fight against international child abduction by noncustodial parents.

The problem is very real. In numerous cases, estranged parents who are foreign residents have abducted their children to foreign countries, flagrantly violating the orders of courts in the United States. The problem is serious enough that the United States has become a party to the Hague Convention on the Civil Aspects of International Child Abduction. That Convention establishes an international standard according to which children abducted to foreign countries will be returned to the country of their habitual residence.

Unfortunately, the problem persists, even under the Convention. There are continuing, credible allegations that some countries have become havens for child abductors, and ignore return orders issued pursuant to the Hague Convention. For that reason, Section 203 of the underlying bill extends and expands the State Department's annual reporting on the compliance of signatories to the Convention.

The Gibbons amendment is an additional safeguard that will help ensure that children are not wrongfully removed from the United States in the first place. I hope it receives wide support from my colleagues on both sides of the aisle.

Mr. GILMAN. Madam Chairman, I yield back the balance of my time.

Mr. GIBBONS. Madam Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered

by the gentleman from Nevada (Mr. GIBBONS).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. GEJDENSON. Madam Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, further proceedings on the amendment offered by the gentleman from Nevada (Mr. GIBBONS) will be postponed.

It is now in order to consider amendment No. 22 printed in part B of House Report 106-235.

AMENDMENT NO. 22 OFFERED BY MR. GILMAN

Mr. GILMAN. Madam Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 22 offered by Mr. GILMAN:

Page 84, after line 16, insert the following (and make such technical and conforming changes as may be necessary):

**SEC. 703 RESTRICTIONS ON NUCLEAR COOPERATION WITH NORTH KOREA.**

(a) IN GENERAL.—Notwithstanding any other provision of law or any international agreement, no agreement for cooperation (as defined in sec. 11 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2014 b.)) between the United States and North Korea may become effective, no license may be issued for export directly or indirectly to North Korea of any nuclear material, facilities, components, or other goods, services, or technology that would be subject to such agreement, and no approval may be given for the transfer or re-transfer directly or indirectly to North Korea of any nuclear material, facilities, components, or other goods, services, or technology that would be subject to such agreement, until—

(1) the President determines and reports to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate that—

(A) North Korea has come into full compliance with its safeguards agreement with the IAEA (INFCIRC/403) and has taken all steps that have been deemed necessary by the IAEA in this regard;

(B) North Korea has permitted the IAEA full access to all additional sites and all information (including historical records) deemed necessary by the IAEA to verify the accuracy and completeness of North Korea's initial report of May 4, 1992, to the IAEA on all nuclear sites and material in North Korea;

(C) North Korea is in full compliance with its obligations under the Agreed Framework;

(D) North Korea is in full compliance with its obligations under the Joint Declaration on Denuclearization;

(E) North Korea does not have the capability to enrich uranium, and is not seeking to acquire or develop such capability, or any additional capability to reprocess spent nuclear fuel;

(F) North Korea has terminated its nuclear weapons program, including all efforts to acquire, develop, test, produce, or deploy such weapons; and

(G) the transfer to North Korea of key nuclear components, under the proposed agreement for cooperation with North Korea and

in accordance with the Agreed Framework, is in the national interest of the United States; and

(2) there is enacted a joint resolution stating in substance that the Congress concurs in the determination and report of the President submitted pursuant to paragraph (1).

(b) CONSTRUCTION.—The restrictions contained in subsection (a) shall apply in addition to all other applicable procedures, requirements, and restrictions contained in the Atomic Energy Act of 1954 and other laws.

AMENDMENT NO. 22, AS MODIFIED, OFFERED BY MR. GILMAN

Mr. GILMAN. Madam Chairman, I ask unanimous consent that my amendment be modified with the modification that I have placed at the desk.

The CHAIRMAN pro tempore. The Clerk will report the modification.

The Clerk read as follows:

Part B amendment No. 22, as modified, offered by Mr. GILMAN:

Page 84, after line 16, insert the following (and make such technical and conforming changes as may be necessary):

**SEC. 703. RESTRICTIONS ON NUCLEAR COOPERATION WITH NORTH KOREA.**

(a) IN GENERAL.—Notwithstanding any other provision of law or any international agreement, no agreement for cooperation (as defined in sec. 11 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2014 b.)) between the United States and North Korea may become effective, no license may be issued for export directly or indirectly to North Korea of any nuclear material, facilities, components, or other goods, services, or technology that would be subject to such agreement, and no approval may be given for the transfer or re-transfer directly or indirectly to North Korea of any nuclear material, facilities, components, or other goods, services, or technology that would be subject to such agreement, until—

(1) the President determines and reports to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate that—

(A) North Korea has come into full compliance with its safeguards agreement with the IAEA (INFCIRC/403), and has taken all steps that have been deemed necessary by the IAEA in this regard;

(B) North Korea has permitted the IAEA full access to all additional sites and all information (including historical records) deemed necessary by the IAEA to verify the accuracy and completeness of North Korea's initial report of May 4, 1992, to the IAEA on all nuclear sites and material in North Korea;

(C) North Korea is in full compliance with its obligations under the Agreed Framework;

(D) North Korea is in full compliance with its obligations under the Joint Declaration on Denuclearization;

(E) North Korea does not have the capability to enrich uranium, and is not seeking to acquire or develop such capability, or any additional capability to reprocess spent nuclear fuel;

(F) North Korea has terminated its nuclear weapons program, including all efforts to acquire, develop, test, produce, or deploy such weapons; and

(G) the transfer to North Korea of key nuclear components, under the proposed agreement for cooperation with North Korea and in accordance with the Agreed Framework, is in the national interest of the United States; and

(2) there is enacted a joint resolution stating in substance that the Congress concurs in the determination and report of the President submitted pursuant to paragraph (1).

(b) CONSTRUCTION.—The restrictions contained in subsection (a) shall apply in addition to all other applicable procedures, requirements, and restrictions contained in the Atomic Energy Act of 1954 and other laws.

(c) DEFINITIONS.—In this section:

(1) AGREED FRAMEWORK.—The term "Agreed Framework" means the "Agreed Framework Between the United States of America and the Democratic People's Republic of Korea", signed in Geneva on October 21, 1994, and the Confidential Minute to that Agreement.

(2) IAEA.—The term "IAEA" means the International Atomic Energy Agency.

(3) NORTH KOREA.—The term "North Korea" means the Democratic People's Republic of Korea.

(4) JOINT DECLARATION ON DENUCLEARIZATION.—The term "Joint Declaration on Denuclearization" means the Joint Declaration on the Denuclearization of the Korean Peninsula, signed by the Republic of Korea and the Democratic People's Republic of Korea on January 1, 1992.

Mr. GILMAN (during the reading). Madam Chairman, I ask unanimous consent that the amendment, as modified, be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN pro tempore. Without objection, the modification is agreed to.

There was no objection.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from New York (Mr. GILMAN) and the gentleman from Connecticut (Mr. GEJDENSON) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

□ 1115

Mr. GILMAN. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I am pleased to be joined today in offering this amendment by the distinguished gentleman from Massachusetts (Mr. MARKEY) who has been a preeminent leader in this body in our fight against proliferation of nuclear weapons and other weapons of mass destruction. I know that we were on the right track when this amendment was agreed to by Mr. MARKEY in his cosponsoring this measure.

Our amendment deals with North Korea. There is a debate among experts about the definition of a rogue regime, but so far as I know, everyone agrees that North Korea meets that definition. It is a Nation that has remained in a state of war with our Nation for some 49 years. North Korea has been listed by the State Department as a state sponsor of terrorism. If the State Department had an official list of state

sponsors of drug trafficking today, they would probably be on that list as well. And they are probably the leading proliferator in the world today.

Our amendment deals with the so-called agreed framework which is a 1994 agreement between our Nation and North Korea designed to induce the North Koreans to end their nuclear weapons program. The bargain contained in the agreed framework is very simple. In exchange for some very large benefits from our Nation, the North Koreans promised to freeze or shut down their existing nuclear program and eventually to stop violating the nuclear nonproliferation treaty, the NPT.

The principle benefit that we have to give them is two advanced light water nuclear reactors worth about \$5 billion. Until the first of these reactors is completed, we are obliged to give them about \$50 million worth of heavy fuel oil each and every year. Technically, we promised to organize an international consortium to deliver these things to the North Koreans; but as part of the deal, President Clinton signed a letter obligating our Nation to deliver these things to North Korea in the event such an international consortium failed to do its part.

The critical stage for implementation of the agreed framework will come a few years down the road when a significant portion of the nuclear reactor project has been completed. At this point, North Korea is required under the agreed framework to satisfy the International Atomic Energy Agency, the IAEA, that it has fully accounted for the history of its nuclear program.

Essentially what this amendment does is to require North Korea to meet all of its obligations under the agreed framework including satisfying the IAEA before the key components of the two nuclear reactors can be delivered. We are not trying to re-write the agreed framework, we are not trying to impose any new obligations on North Korea. All that this amendment states is they have to live up to the obligations they accepted before they receive the \$5 billion worth of nuclear power plants from our Nation and our allies.

Now why is it necessary to revise U.S. law to make it clear that the North Koreans should be living up to their end of the bargain if they want us to live up to our end of the bargain? Their answer is that the North Koreans seem to be operating under the misapprehension that at the end of the day the agreed framework is more important to us than it is to them and that our Nation is going to let them get away with less than full compliance with their obligations. This seems to be the only explanation for some of their actions. They have not been cooperating very well with the IAEA. They have been withholding key operating records of their nuclear reactor

for the IAEA. Their relations with the IAEA could hardly be worse.

Then there have been many news stories about the North Koreans cheating on the agreed framework. Most of those reports are sourced to U.S. intelligence reports, so obviously I do not want to discuss that issue in detail during today's debate. But allow me merely to point out that until last year, the administration repeatedly informed us in testimony and in public statements that the agreed framework has ended North Korea's nuclear program. Beginning about this time last year, they stopped making those statements. Now what they tell us, that the agreed framework has ended North Korea's nuclear program at Yongbyon which is the location of the nuclear facilities they publicly acknowledge under the NPT.

Obviously there seems to be a world of difference between saying they have ended their nuclear program period and saying that they have ended it at one location in their country. But that is all that the administration is now stating, and I invite our colleagues to carefully review the administration's statements and reflect on the implications of what the administration is no longer stating to us.

Now I know that some will claim that our amendment could kill the agreed framework, but anyone who states that must believe that North Korea is not going to live up to its obligations under the agreed framework. Either that or they do not believe that the Congress can be expected to use its good judgment in evaluating a certification that they have lived up to those obligations.

The bottom line here, Madam Chairman, is that Congress should not abdicate to the Executive Branch all of our responsibility for judging whether North Korea is actually living up to its obligations.

For those reasons, Madam Chairman, I urge our colleagues to support the Gilman-Markey amendment.

Madam Chairman, I reserve the balance of my time.

Mr. GEJDENSON. Madam Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. MURTHA).

Mr. MURTHA. Madam Chairman, I appreciate what the gentleman from New York (Mr. GILMAN) and the gentleman from Massachusetts (Mr. MARKEY) are trying to do. I understand the thrust of their amendment. I remember 5 years ago Dr. Perry was Secretary of Defense. He asked me to go to Korea because the crisis was to the point where he now in retrospect calls it the greatest crisis in his tenure as Secretary of Defense. He felt we were on the verge of nuclear war.

I went to Korea with a number of members of the Subcommittee on Defense. We looked at our defenses. We

felt they were inadequate. We came back and made a number of recommendations to the administration. We think these recommendations played a part in diffusing this very, very delicate situation between North and South Korea. General Luck was very vigorous in his concern about the possibility of the North Koreans coming south.

Now I think all of us appreciate the difficulty for an administration when it is negotiating with any foreign country to be completely frank and public about what is going on. North Korea being completely ruled by a dictator, being one of the most unstable countries in the world, and yet they have responded to our overtures. From everything I can tell, this crisis has been diffused.

Now Dr. Perry, as all of us know, is heading up a research or a committee that is trying to resolve these difficulties between North Korea and South Korea. They are trying to make sure there is no nonproliferation. He tells me in a phone call that I received just the other day that this would undercut his effort to secure an agreement to continue the progress that they have made.

I got a call from Dr. Hamre today, Undersecretary of Defense. He contends the same thing, that this amendment would be harmful for the progress that they have made.

I understand the nuances of what the gentleman from New York has said, I understand what he is saying about the administration not saying the same thing they were saying before. I do not know why they have said that. In the intelligence that I have read, intelligence reports, the threat is no longer as severe as it was 5 years ago. It is substantially less, and it is less because this administration, working with the Congress, has made North Korea believe that they would pay a heavy price if they were to invade South Korea. One of our most important allies in the world today is Korea.

I enlisted in the Marine Corps in 1952 at the height of the Korean War. We have had troops deployed there since that time, since the end of the Korean war.

There is no question about our obligation to South Korea and the fact that we are trying to prevent any invasion by North Korea, but there is also no question about our obligation to stop proliferation by North Korea. Dr. Perry tells me they are making progress, and he feels that this amendment would not be helpful to man. I do not know that the administration would veto the bill. I know this is a long ways off, but I think it would cause them great concern, and certainly it is something that all of us have to think about.

So I would request and suggest strongly that the Members vote

against this. It sounds good on the face, it sounds like we are doing something that is marvelous, it sounds like we are stopping proliferation. But one thing I found over the years, passing an amendment like this in the Congress of the United States does not always do what we think it is going to do. Sometimes it backfires, sometimes it has the opposite impact, and I think in this particular case, this amendment, although everything sounds good, the thrust of the amendment sounds good, it could have the opposite impact about what we hope.

So I would hope that the Gilman-Markey amendment is defeated and that we send a message to Dr. Perry that we support him in trying to stop proliferation of nuclear weapons.

Mr. GILMAN. Madam Chairman, I yield 6 minutes to the gentleman from Massachusetts (Mr. MARKEY), the former chairman of the Committee on Commerce's Subcommittee on Energy and Power.

Mr. MARKEY. Madam Chairman, I thank the gentleman from New York for yielding this time to me, and I rise obviously with great respect for the gentleman from Connecticut (Mr. GEDENSON) and the gentleman from Pennsylvania (Mr. MURTHA) and obviously with some ambivalence since I am opposing their position and the position of an administration that is headed by a party of which I am a member. So this is not an easy issue, and without question this administration has done much good work on the subject of nonproliferation, but here I think it is important for us to clearly differentiate North Korea from other areas of the world where progress is definable, where progress is being made.

Let us suppose a country spent decades and vast amounts of money to develop nuclear weapons while its people starved. Let us suppose that it signed a series of international agreements and then broke them and that it threatened our allies. Let us suppose that while signing and breaking nuclear agreements it went on developing ballistic missiles that could reach U.S. territory and went on transferring missile technology to other countries.

□ 1130

Would we agree to provide that country with nuclear materials and technology? Surprisingly, the answer is yes.

North Korea has signed a nuclear nonproliferation treaty and then refused to carry out its treaty obligations and threatened to withdraw from the agreement. It has signed an agreement with South Korea not to develop nuclear weapons or reprocessing and then continued to make plutonium.

It has signed a safeguards accord with the International Atomic Energy Agency and then blocked the IAEA inspections of its facilities. And, after

agreeing not to develop nuclear weapons, North Korea has ramped up its ballistic missile program. It is expected soon to test a missile that might be able to reach the West Coast of the United States. These missiles have only one purpose: to be able to deliver nuclear weapons. And, North Korea is spreading this technology around.

In the last few weeks, 177 crates of equipment for making missiles were intercepted on route from North Korea to Pakistan. Yet, in 1994, the United States signed an agreement with North Korea to provide them advanced nuclear technology and to assist them in the building of two nuclear power plants.

This action was intended to provide incentives to North Korea to abandon their nuclear weapons program. But what if they again do not live up to their commitments? What do we do then?

Madam Chairman, this bipartisan amendment has a simple premise. The United States should not help North Korea to develop nuclear weapons. We should assist North Korea in obtaining nuclear power plants only if they actually implement their side of the bargain.

Specifically, they must give the International Atomic Energy Agency full on-site access to verify that they are not using nuclear plants to assist a nuclear weapons program, as they agreed to do in 1992.

Second, they must comply with nuclear treaties they have signed with South Korea in 1991 and with the United States in 1994. And finally, they must end their nuclear weapons program.

This amendment does not raise the bar set by the agreement with North Korea, but just ensures that it stays in place. This amendment also would require the active consent of Congress before the U.S. ships nuclear technology to North Korea.

Too often the executive branch decisions on nuclear exports have been heavily influenced by commercial or extraneous diplomatic issues. Under current law, nuclear cooperation agreements must be submitted to Congress, but they automatically take effect unless both parties pass a joint resolution within 90 days. Congress has never voted to disapprove a nuclear cooperation agreement. Indeed, most of the time Congress has never even cast a vote before the clock runs out.

Recently, the administration brought into effect an agreement allowing nuclear exports to China, despite evidence of continued covert Chinese nuclear assistance to Pakistan and Iran. Despite efforts of opponents of this agreement to block it, supporters were able to run out the congressional clock.

We think that Congress should actively consider the wisdom of giving

nuclear technology to North Korea, not simply allow an agreement to slip by. We should have a vote in this body and in the Senate before we send sensitive nuclear technology to North Korea; and before we vote, we should assure ourselves that North Korea is meeting the requirements of its agreements with the United States, and of the United States nonproliferation laws.

It would certainly be better to have foreign light-water nuclear reactors producing electricity in North Korea than indigenous graphite reactors that produce more weapons material and are not even hooked up to the electricity grid. But it makes absolutely no sense to provide North Korea with any nuclear technologies if they will use our assistance to make nuclear weapons, or if they accept the assistance and then proceed to thumb their noses at international nonproliferation norms.

We should not help a country get weapons that could explode in our face. We should send a strong message to North Korea that we will not provide nuclear assistance unless they live up to their commitments to end their nuclear weapons program.

Madam Chairman, I urge a strong "aye" vote for the Gilman-Markey amendment to limit the spread of nuclear materials on this planet.

Mr. GEJDENSON. Madam Chairman, I yield such time as he may consume to the gentleman from New York (Mr. ACKERMAN).

Mr. ACKERMAN. Madam Chairman, I rise in opposition to the amendment, and I do so reluctantly only because of the great respect that I have for the sponsors of the amendment, both the gentleman from New York (Mr. GILMAN) and the gentleman from Massachusetts (Mr. MARKEY).

Let me start for a moment at the beginning, if I may, to just give the framework of what this is really all about. North Korea is a rather isolated country, probably the most isolated country on the planet Earth. It is a country that the very few of us who have been there have come to realize is almost like a country in a bubble. They are absolutely paranoid.

Madam Chairman, 99.9 percent of the people have never been outside of their country, including the leadership of the country. The people have no idea what is going on in the real world, and they have all been indoctrinated and brainwashed into believing that the entire world is lined up against them and the United States and South Korea at any moment about to invade their country and usurp their way of life.

It is very difficult to deal and to negotiate with the North Koreans who have very, very little experience in the field of dealing with the outside world, let alone the ability to negotiate the way most societies can.

There came a time, Madam Chairman, when we and others were very

fearful of the very fact that North Korea had nuclear capability; that it had nuclear reactors; that it was producing nuclear energy; that these were heavy-water nuclear reactors; and that these reactors were producing weapons-grade plutonium that could be used in weapons of mass destruction.

At around that time, Madam Chairman, discussions were held with Kim Il Sung, the then leader of North Korea, in which he and others within his government were persuaded that it would be in their best interests if they were allowed because of their financial need and because of their great desire to get assistance, to be able to do away with their very dangerous heavy-water reactors and exchange those heavy-water reactors for light-water reactors.

The difference between those two kinds of reactors, Madam Chair, is that the light-water reactors make it very difficult, if not impossible, to produce nuclear weapons-grade material. The world would be much safer if they had light-water reactors rather than the heavy-water reactors which were, indeed, already producing this fissionable material.

The North Koreans entered into an agreement only on certain terms. They said, if we turn off our heavy-water reactors in order to substitute light-water reactors during the interregnum, we will have no power for our poor country, after making tremendous investment in the heavy-water reactors, albeit for reasons of energy as well as producing weapons of mass destruction. So they had a mixed reason.

But they were willing at that time and signed an agreement that said they were willing to swap. But what happens to us, they asked realistically, in the meantime, when we have no power to run our plants and to meet the energy needs of our country?

We led an international consortium that was put together, mainly funded by our friends in Japan and South Korea, in which they said, those other countries said, we will put up the billions of dollars to build the reactor. The North Koreans want the prestige of U.S. leadership and participation, and the U.S. at that time agreed that we would supply them with the money for oil and other alternative sources of energy other than nuclear while they closed down one reactor system and substituted it for another. That is good common sense. This is a very small investment on our part financially, and especially compared to the huge commitment being made by our other international partners in what is known as KEDO. We have been working on that.

What this amendment would do is this amendment would take away our ability to participate in the project that switches the heavy- to the light-water reactors.

Madam Chairman, if the goal today is to see North Korea resume its nu-

clear weapons program, using their heavy-water reactors, then we should vote for the amendment with the gentleman from New York, because that is the likely outcome of adopting that amendment. By unilaterally adding new criteria to this agreed framework, the amendment sets out conditions that the President cannot possibly certify. It guarantees failure. The amendment requires the President to certify North Korean intentions instead of actions.

Who in their right mind would certify anybody else's intentions, let alone the intentions of North Korea? It is their actions that we should be asking the President to certify.

In addition, the amendment requires the President to certify North Korean adherence to the joint declaration on denuclearization, an agreement that the U.S. is not even a party to. The adoption of this amendment will tell our allies in Seoul and Tokyo that we are not prepared to follow through on our commitments. It will also confirm, unfortunately, the worst distorted suspicions of the North Koreans who already believe that we never intended to uphold our portion of the agreement.

Madam Chairman, the underlying assumptions of this amendment is that the administration has not been tough with North Korea in demanding that they adhere to the agreed framework. In fact, as the inspection of the suspected site at Kamchang-Ri indicated, where everybody thought they were rebuilding their original nuclear facilities and which proved to be a vast, empty, cavernous system of caves, we found that the administration is holding North Korea to its commitments.

The purpose of the agreed framework was to freeze the North Korean nuclear program and it has done so. That is an inconvenient fact for my friends on the other side of this issue; but nonetheless, it is the fact. The fastest way to unfreeze that program is to abandon the agreed framework as this amendment would do.

Madam Chairman, I ask my colleagues to seriously consider whether the world is more secure if North Korea has nuclear weapons. I think not, Madam Chairman; and therefore, I urge all of my colleagues in the House to oppose this amendment.

Mr. GILMAN. Madam Chairman, I yield 4 minutes to the gentleman from New Jersey (Mr. SMITH), the distinguished chairman of our Subcommittee on International Operations and Human Rights of our Committee on International Relations.

Mr. SMITH of New Jersey. Madam Chairman, let me just make a couple of points. First of all, let me respond briefly to my friend from New York on one of the points that he raised. He talked about the visit to Kamchang-Ri by inspectors and they found nothing in that hole. Well, we had a hearing,

and the gentleman, I am sure, remembers when Ambassador Lilley, our former ambassador to the People's Republic of China, came and testified and said, as matter of factly as he possibly could have, that we are not going to find anything. They have had about a year to clean it out; there are other caves and caverns and holes where they could put this material.

So this is a Potemkin village, if ever there was one, to have a preannouncement that yes, we are going to come here. We had to buy our way to get into that site to begin with, and wonder of wonders, as predicted, as Ambassador Lilley pointed out so clearly, we know we are not going to find anything.

□ 1145

So I think it is very, very disingenuous to raise that somehow North Korea is complying. We were told in advance by the former ambassador to the People's Republic of China, Ambassador Lilley, that we were not going to find anything. And wonder of wonders, we did not find anything. They had plenty of time to move it to one of their other sites, and there are perhaps 11 other sites that have not been checked out where they could have done so.

So, again, that is why I think the language in here where we talk about the IAEA, full access to all additional sites and all information, including historical records deemed necessary by the IAEA to verify accuracy and completeness and so on, that is the kind of unfettered access that is needed. Otherwise we engage in a diplomatic fiction. We buy into a potential big lie of which this regime in North Korea is certainly highly capable.

Let me just say, Madam Chairman, I do rise in strong support of the Gilman-Markey amendment.

The CIA recently reported that, and I quote, "North Korea has no constraints on its sales of ballistic missiles and related technology," close quote.

As we know, that is alarming; but it is not surprising. In 1992, the IAEA concluded that Pyongyang had violated the nuclear nonproliferation treaty that it signed in 1985. Furthermore, the North Korean government has avoided cooperating with monitoring efforts by the International Atomic Energy Agency as required by its subsequent 1994 agreement with the United States.

Thus, until Pyongyang reverses its practices and abides by the nuclear nonproliferation treaty, any country that sends nuclear reactors and technology to North Korea should assume that it is exporting these most dangerous technologies to other dangerous regimes around the world.

Madam Chairman, the government of North Korea has egregiously violated the human rights of countless of its own citizens, and I know that Members

are aware of that. They may not be aware that food is being used, regrettably, as a weapon, against some of their own people.

There are children—estimated to be somewhere on the order of 500,000 kids—arrested, often incarcerated, because they are poor.

We have these children who are just being arrested. The government is so contemptuous of its own people that these kids are dying; and when they escape, sometimes they even escape to China to try to get a meal, they are brought back and arrested. The international community has no access to them, and that includes UNICEF, which has tried.

So that is the kind of government we are dealing with. I just put that in as a parenthetical because I think it gives a backdrop to what we are talking about here.

Let me just say also, Madam Chairman, before we have any U.S. exports of nuclear reactors, technology and the like to North Korea, we believe—I believe and the chairman believes and the gentleman from Massachusetts (Mr. MARKEY) believes—the President should be required to certify that North Korea is fully complying with its obligations under NPT.

The Congress must shoulder its responsibility to ensure that the North Korean government has kept its agreement not to develop or to export nuclear technology and weapons. When dealing with a country whose record on so many issues has been so poor as North Korea's and with such weighty issues as nuclear technology transfers, we have a responsibility to do no less.

Mr. GEJDENSON. Madam Chairman, I would inquire as to how much time each side has remaining.

The CHAIRMAN pro tempore (Mrs. EMERSON). The gentleman from Connecticut (Mr. GEJDENSON) has 17 minutes remaining and the gentleman from New York (Mr. GILMAN) has 12 minutes.

Mr. GEJDENSON. Madam Chairman, I yield 2 minutes to the gentleman from New York (Mr. ACKERMAN).

Mr. ACKERMAN. Madam Chairman, the gentleman from New Jersey (Mr. SMITH) is correct in his recollection that we all remember the discussion that we had. We did have that discussion and his recollection of it is correct, but also if the gentleman recalls, that cave and the discovery thereof was hyped to the highest degree I have ever seen around here, with accusations that this is where the new nuclear activity was taking place in North Korea. We insisted, and rightfully so, that the IAEA gain admission. It was hyped, I think, more than was hyped Gerald's insistence that he was going to find great evidence when they opened Al Capone's safe.

When, indeed, the IAEA was allowed in, they found several things. First,

they found the cavernous structure was certainly one that could not permit the kind of reactor to be built there.

Scientific tests by the IAEA revealed two things, that there was no evidence that anything of which we are talking about had ever been put there, let alone removed. There was no evidence of a nuclear reactor being taken out and nor was there any evidence that Al Capone had ever visited there.

Mr. GILMAN. Madam Chairman, I yield 30 seconds to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Madam Chairman, just to respond again, it is a very unuseful fiction. The diplomatic fiction sometimes has a place. I do not like it. I like absolute honesty, transparency, everything on the table when dealing with something.

That is why Ambassador Lilley's testimony was so compelling. He said, you are going to go to Kamchang-Ri and you are not going to see anything. They have had sufficient time to move everything out.

For the gentleman from New York (Mr. ACKERMAN), my good friend, to raise it as an example of some kind of compliance, I think misleads, however unintentionally he is doing that.

Mr. GILMAN. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Madam Chairman, in brief response to my colleague from New York, who invoked the name of Al Capone and Gerald Rivera's opening of the safe, I think it is fair to say that Al Capone was never said to have been involved in the manufacture of nuclear weapons and that Al Capone was eventually put away when someone checked his books.

What we are saying here is, we ought to check their books in North Korea. If we verify, then maybe the world can be a peaceful place.

Now, in the agreed framework, North Korea agreed to take steps to implement, and that is, quote, the denuclearization agreement, and agreed to, quote, remain a party to, unquote, and, quote, allow implementation of its safeguards agreement, unquote, under the nonproliferation treaty, and agreed to allow the IAEA inspections and account for any current plutonium stockpile before nuclear plant components are delivered.

Now, if North Korea follows through on these promises, meeting the requirements in this amendment, there should be no problem. This amendment is not meant to renegotiate the agreed framework but to ensure that it is implemented, to ensure that we help build nuclear power plants in North Korea only if North Korea keeps to its commitments to end its nuclear arms program.

I have a great deal of concern, as the gentleman from New York (Mr. ACKERMAN) and others have spoke, that we



not exclude North Korea from the world community; but as we seek to embrace them, we need to share with them our principles about truth and about verification.

Support the amendment.

Mr. GEJDENSON. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I think there is not a general disagreement on our goals here. As a matter of fact, the gentleman from Ohio (Mr. KUCINICH) actually restates the existing policy. We do have to check their books. The administration's agreement is to certify that there is no enriched uranium there, that they are not seeking to get additional uranium there.

The problem with the proposed legislation is that if only a handful of United States senators, more so than the House, decide they do not like something about the agreement, they can stop it with a filibuster.

What troubles me about the proposal before us is that it mandates that both Houses of Congress take an affirmative action once the administration has made these certifications.

Well, the problem, of course, with that, is that the Congress may not be in session; there may be a political squabble in the Senate that has nothing to do with North Korea but may engender the actions of senators, as we watch them hold up nominees because of unrelated issues, decide they are going to hold up the agreement.

Now, the fundamental question is, are we better off today than we were before the agreement?

I do not think there is anybody in this Chamber who thinks it would have been preferable to have the North Koreans continue the development of their own unhindered nuclear program with heavy water reactors.

Dr. Perry, who has the broadest support in this Chamber, says the present approach is right. There is agreement that none of us have any fondness for the policies or the actions of the North Korean government.

To stand here today and say that we are offended by the starvation and the horrors committed to their own people by the North Koreans, there is not an argument over that. The argument on this amendment is should the Congress create a process that allows a handful of senators to bottle up this agreement that has been so critical for reducing tensions on the Korean peninsula? The question is, what happens to South Korea in this process? What happens to the agreement that we have that has, for the first time, gotten real inspections in North Korea?

Prior to this agreement, there were not a handful of Americans or foreign nationals who had been to North Korea. As a result of this agreement, we have begun that process.

We have more contact with the North Koreans today than we had in the pre-

vious decade. Now, should we have more? Should we have a new government in North Korea? Everybody agrees with that.

The question is whether or not the Congress ought to set into law a process that will undermine the credibility we have with the South Koreans and that will allow a handful of United States senators to stop, for whatever reasons they may choose, the approval of the certification that the President has confidence that they do not have the enriched uranium they need to make nuclear weapons.

Now, it seems to me that it is irresponsible of us to move forward with legislation that will undermine what has been a stabilizing factor on the Korean peninsula.

Madam Chairman, I reserve the balance of my time.

#### ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore. The Chair would remind Members not to characterize the actions of the Senate.

Mr. GILMAN. Madam Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. KNOLLENBERG), the distinguished Member of the Subcommittee on Foreign Operations, Export Financing and Related Programs.

Mr. KNOLLENBERG. Madam Chairman, I thank the gentleman from New York (Mr. GILMAN) for yielding me this time.

Madam Chairman, I rise in strong support of the Gilman-Markey amendment. I would like to thank the gentleman from New York (Mr. GILMAN) and the gentleman from Massachusetts (Mr. MARKEY) for their inspiration and leadership on this very important issue.

North Korea presents numerous risks to our national security and to the stability of East Asia. The dangerous regime in Pyongyang contributes to the proliferation of weapons of mass destruction and missile technology, engages in drug trafficking, and sponsors terrorist activities throughout the international community.

Given this rogue nation's hostility to American values over the last 50 years, I believe that it would be irresponsible for the Clinton administration to hand over \$5 billion worth of nuclear reactors to North Korea until it honors its commitments under the 1994 agreed framework.

This agreement calls for the North Koreans to freeze their nuclear weapons program and to come into full compliance with the nuclear nonproliferation treaty. Compliance must be certified by the International Atomic Energy Agency, or the IAEA, but to date, to date, North Korea has denied the IAEA the access it needs to make this assessment.

Madam Chairman, before the United States provides sensitive nuclear technology to the North Koreans, we must

ensure that Pyongyang is holding up its end of the bargain. To do anything less would undermine the credibility of the agreed framework and endanger our national security and that of our allies in Asia.

□ 1200

I urge my colleagues to support the Gilman-Markey amendment. This common sense proposal prohibits key components of the two nuclear reactors in question from being transferred to the North Koreans until the following two things happen: number one, the President certifies to Congress that North Korea has fully satisfied the IAEA that it is in compliance with the Nuclear Non-Proliferation Treaty; and, number two, Congress passes a resolution that it agrees with the President's certification.

Madam Chairman, when it comes to North Korea, we should verify before we trust. Instead of providing another carrot to this rogue nation, the United States must insist that the requirements of the Agreed Framework are met.

I urge the strongest support for the Gilman-Markey amendment.

Mr. GEJDENSON. Madam Chairman, it is my privilege to yield 3½ minutes to the gentleman from Ohio (Mr. HALL).

Mr. HALL of Ohio. Madam Chairman, I thank the gentleman from Connecticut (Mr. GEJDENSON) for yielding me the time.

Mr. Chairman, I rise in opposition to the Gilman-Markey amendment. Madam Speaker, like almost everything else having to do with North Korea, this amendment appears deceptively simple. In reality, the issues it raises are extremely complex. On its face, it makes sense to hold North Korea to its obligations under the 1994 agreement that it signed with the United States. But when we scratch the surface, it is clear that this amendment will not do that, and that in fact it may do just the opposite.

This amendment insists that North Korea keep the bargain it made in the 1994 Agreed Framework years before the United States is required to keep our end of the bargain. It is unreasonable to expect any country to follow the course this amendment suggests, and I urge my colleagues to reject the temptation this amendment represents. This is a highly sensitive time in relations between the United States and North Korea. Now is not the time to micromanage our policy.

Last year, Congress insisted that the President appoint a special envoy to evaluate U.S. policy towards North Korea. That man, former Secretary of Defense, William Perry, has painstakingly consulted with all of us who have expressed an interest in this issue. He has conferred at length with our allies in Japan and South Korea. He has met



with officials in China and North Korea. Dr. Perry brings to this work an unparalleled understanding of the military risks that a policy failure may bring, and he works without the constraints of bureaucracy and career concerns.

Dr. Perry's work is nearing completion. No matter what the House of Representatives thinks of the Agreed Framework, no matter what we think of the peace of the IAEA inspections, no matter what we think of North Korea's policies, now is not the time to undercut Mr. Perry or our national security team.

Nor is this the time to betray our allies. Japan and South Korea, who face a direct threat if North Korea's nuclear program is not frozen, do not just support the Agreed Framework in words, they also are bearing the entire \$4 billion to \$5 billion burden for constructing the light-water reactors that it promises North Korea if it freezes its nuclear weapons programs. Officials in both countries have expressed their concern to me and administration officials about Congressional meddling in U.S. relations with North Korea.

I believe we owe the safety and the wishes of the 175 million people who live in these democratic nations some consideration. This amendment serves neither our national interest nor those of our allies, and we should reject it.

In the months and years ahead, Congress will have many opportunities to ensure the goals of the Gilman-Markey amendment are met. Consideration of this amendment today is premature. Voting for it might make us feel good, but it is likely to do real damage to the serious efforts under way to ease the threat that North Korea still poses.

Our vote today and our rhetoric during this debate hinder the real progress the United States is making in northeast Asia. I urge my colleagues to act responsibly by voting against this amendment.

Madam Chairman, I rise today in opposition to the Gilman-Markey amendment to H.R. 2415, and ask that my full statement be inserted at the appropriate place in the RECORD.

Madam Chairman, like almost everything else having to do with North Korea, this amendment appears deceptively simple. In reality, the issues it raises are extremely complex. On its face, it makes sense to hold North Korea to its obligations under the 1994 agreement it signed with the United States. But when you scratch the surface, it is clear that this amendment will not do that—and that in fact, it may do just the opposite.

This amendment insists that North Korea keep the bargain it made in the 1994 Agreed Framework years before the United States is required to keep our end of that bargain. It is unreasonable to expect any country to follow the course this amendment suggests and I urge my colleagues to reject the temptation this amendment represents. This is a highly sensitive time in relations between the United States and North Korea; now is not the time to micro-manage our policy.

Madam Chairman, I have visited North Korea on several occasions, focusing on the famine there but of necessity examining our broader policy. During the three years I have tried to help save the innocent people in North Korea from starvation, three things have become quite clear:

First, I am convinced that North Korea is changing. Change is not as fast or as dramatic as we all would like, but it is change nevertheless.

Its people, who for 50 years have known Americans only as an enemy, no longer run from me and the dozens of other Americans who now visit the countryside. They know we and others are helping them, but our faces and by the millions of bags of food we have provided—bags that now can be found in almost every corner of the country because they are used over and over, long after the food is gone.

Its government, which for 50 years has engaged in few constructive discussions with the United States, now is willing to talk about a range of issues of concern to both our countries—from its missile exports, to nuclear matters, to the fundamental issues of peace in Northeast Asia.

Even North Korea's military, which for 50 years has posed one of the world's greatest threats to America—and particularly to the 37,000 American servicemen who face North Korean soldiers across the tense DMZ—is changing.

North Korean soldiers' cooperation with efforts to recover the remains of American veterans of the Korean War is outstanding, according to our own military. This work is answering the questions of the families of missing servicemen at the same time it is giving our soldiers and theirs an opportunity to work side by side—something that, until very recently, had been unimaginable.

Second, it is clear to me that the 1994 agreement is one of the more imperfect deals the United States has ever made. It is focused more narrowly than Congress would like, on nuclear issues alone—instead of on the missile program that now poses an equal challenge to our country, and it undertakes an endeavor whose success is dubious: to assure changes in a country that has confounded all diplomatic and military efforts during the past 50 years.

In fairness, though, the Agreed Framework is a document that represents the best our negotiators could do under difficult circumstances. And if it succeeds, it could be a starting point for real progress on other issues.

Unfortunately, the Gilman-Markey amendment asks Congress to look at the Agreed Framework as if it is a snapshot; to judge an agreement that covers many more years not on the basis of its overall progress—but instead by how it appears on July 21, 1999.

Safeguards are written into the Agreed Framework that will ensure North Korea has (1) frozen its nuclear program, and (2) not reprocessed plutonium in violation of the nuclear Non-Proliferation Treaty just as this amendment insists. But these safeguards are not triggered until the light-water reactors are closer to completion, several years from now.

The IAEA's inspectors need every moment of the time between today's vote and the day

the reactors receive their nuclear cores. They need that time to build relationships with their North Korean counterparts, relationships that will ensure they get the access they need to make the inspections required by the Agreed Framework. And, to persuade North Korea to keep its obligation to allow inspections, the IAEA needs the United States, South Korea, and Japan to keep their word.

This amendment will not help the IAEA's inspectors do their work—because it will convince North Korea that the United States plans to renege on our commitment. North Korea's leaders already suspect this is our intention, because we have made precious little progress on normalizing relations—as we promised in the Agreed Framework.

Third, it is clear to me that there is great suspicion among our colleagues about this Administration's policy toward North Korea. The amendment before us today would let many long-time opponents of the Agreed Framework wrest the tiller from the President and put Congress at the helm of our ship of state.

Madam Chairman, that is not what the Founding Fathers had in mind. Adopting this amendment would break new ground—an experiment we shouldn't try on a nation that remains a threat to our national security.

Last year, Congress insisted that the President appoint a special envoy to evaluate U.S. policy toward North Korea. That man, former Secretary of Defense William Perry, has painstakingly consulted with all of us who have expressed any interest in this issue. He has conferred at length with our allies in Japan and South Korea, and he has met with officials in China and North Korea. Dr. Perry brings to this work an unparalleled understanding of the military risks that a policy failure may bring; and he works without the constraints of bureaucracy and career concerns.

Dr. Perry's work is nearing completion. No matter what the House of Representatives thinks of the Agreed Framework, no matter what we think of the pace of IAEA inspections, no matter what we think of North Korea's policies—now is not the time to undercut Dr. Perry or our national security team.

Nor is this the time to betray our allies. Japan and South Korea—who face a direct threat if North Korea's nuclear program is not frozen—don't just support the Agreed Framework in words; they also are bearing the entire \$4–5 billion burden for constructing the light-water reactors that it promises North Korea if it freezes its nuclear weapons program. Officials in both countries have expressed their concern to me and administration officials about Congressional meddling in U.S. relations with North Korea.

I believe we owe the safety and wishes of the 175 million people who live in these democratic nations some consideration. This amendment serves neither our national interests, nor those of our allies and we should reject it.

In the months and years ahead, Congress will have many opportunities to ensure the goals of the Gilman-Markey amendment are met. Consideration of this amendment today is premature. Voting for it might make us all feel good, but it is likely to do real damage to the serious efforts underway to ease the threat that North Korea still poses.

Our vote today, and our rhetoric during this debate, hinder the real progress the United States is making in northeast Asia. I urge my colleagues to act responsibly by voting against the Gilman-Markey amendment to H.R. 2415.

Mr. GILMAN. Madam Chairman, I am pleased to yield 2 minutes to the distinguished gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Madam Chairman, I also would like to support the Gilman-Markey amendment. I know that both sides on this issue are trying to prevent nuclear proliferation by North Korea. But whatever efforts are taking place I do not believe are working.

We have all been concerned in the last few weeks about the conflict in Kashmir, because India and Pakistan both have nuclear weapons. India developed its nuclear weapons indigenously, but not so with Pakistan that continues to get help from North Korea, China, and other countries exporting nuclear weapons and equipment.

On June 25 of this year, a North Korean vessel, the M.V. *Kuwolsan*, docked at Kandia port, which is an India port in the state of Gujarat.

During the examination of the cargo on board, it was found to contain 148 boxes, declared as machines and water-refining equipment. Subsequent examination of these boxes established that equipment was, in fact, for production of tactical surface-to-surface missiles with a range in excess of 300 kilometers. It included special materials and equipment, components for guidance systems, blue prints, drawings, and instruction manuals for production of such missiles.

Subsequently, in what seems to establish North Korea's active role in Pakistan's missile program, *Kuwolsan*, the owner of the Korean ship that was impounded, admitted that the Malta-bound missile parts-manufacturing machinery were to be delivered at the Karachi port in Pakistan.

So we know that North Korea's continued support for the Pakistani nuclear program missile and missile development program continues at this time. Whatever efforts we are making are not working. North Korea continues to be a rogue state. There is no reason why the U.S. Government should allow their nuclear proliferation to continue.

I urge support for the Gilman-Markey amendment. I yield back the balance.

Mr. GEJDENSON. Madam Chairman, I reserve the balance of my time.

Mr. GILMAN. Madam Chairman, I am pleased to yield 5 minutes to the gentleman from Nebraska (Mr. BEREUTER), our distinguished vice chairman of our committee.

Mr. BEREUTER. Madam Chairman, I thank the gentleman from New York (Chairman GILMAN) for yielding me this time.

Madam Chairman, I have been involved in committee debate and have not prepared remarks for the amendment that is offered by the gentleman from New York. But I do think it is so important that we need to see if there is any common ground. I want to address some remarks particularly to the gentleman from Connecticut (Mr. GEJDENSON) and to the gentleman from New York (Mr. ACKERMAN).

As some of my colleagues know, I chair the Subcommittee on Asia and the Pacific. In each of the last three Congresses, I have made the hearing on North Korea the first held each Congress in the Subcommittee on Asia and the Pacific, because I feel it is potentially the most dangerous place in the world that, indeed, as the gentleman from New York (Mr. Ackerman) pointed out, this is a very isolated regime. I would go on to say a very paranoid regime that, all too apparently, cares very little about the welfare of their people.

Among the people I have known in the executive branch appointed to leadership positions, few, if any, would be up there in the ranks of Dr. Perry, a former Secretary of Defense. I have great respect for him. I do not want to do anything to undercut his effort in trying to find if North Korea is willing to take a different tack.

On the other hand, I have great suspicion that, in fact, North Korea is violating the Agreed Framework, that they are proceeding with nuclear development. They are the world's greatest tunnelers. The fact that we have examined one site where we have suspicion tells us really nothing definitive about what they may be doing.

I would say, as they approach what appears to be their intent to proceed with the launch of a Taepo Dong 2 missile, which has extraordinary range, I believe that, if in fact they launch this missile, they will have crossed the line; and we will have to conclude that they are irrevocably on a path that is dangerous for our interest and dangerous for our world and ultimately dangerous for the people living in the United States.

I am very familiar with what we are attempting to do, of course, with KEDO, the light-water reactors, two of them, which would be provided primarily at the expense of the Republic of Korea, South Korea, and Japan, but basically U.S.-licensed design. Of course we have been providing heavy fuel to assist during this period of time when North Koreans say they need the energy.

But we have fallen into a pattern of complying with extortion on the part of the North Koreans. Again and again, we have provided assistance, primarily indirectly through international organizations for food, to help the people of North Korea. They have become our largest recipient of humanitarian as-

sistance in Asia. This is a country that continuously daily, day after day, condemns the United States in the most incredible language.

Now, the gentleman from New York (Mr. ACKERMAN), for whom I have great respect, who was a previous chairman of the Subcommittee on Asia and the Pacific, says he is concerned that none of the conditions for certification by the President could be really implemented, or at least some of them could not be implemented because they express intent. I read them to be action, not intent. So I am not quite sure I understand the gentleman's argument in that respect.

Mostly, however, I would like to say to the gentleman from Connecticut (Mr. GEJDENSON), the point that he has made about, I will refer to it indirectly, action that might take place to stall any kind of affirmative action by the Congress by resolution, joint resolution to approve. The House, of course, earlier, by a 300-plus margin, with the gentleman concurring, voted for such an affirmative action for the transfer of domestic nuclear power components to China. Now, that did not become law, but in fact we embraced that as a possibility.

I would say to the distinguished gentleman from Connecticut (Mr. GEJDENSON) that an expedited procedure, on a one-time basis only, would bridge the gap, would find common ground between those of us concerned about what may be happening there, the need for certification, that could be something that could be accomplished in conference, for example.

Would the gentleman from Connecticut care to comment to the reaction to an expedited procedure so that, in fact, there could be no delays which would make it impossible to have an affirmative action by a joint resolution?

Madam Chairman, I yield to the gentleman from Connecticut (Mr. GEJDENSON).

Mr. GEJDENSON. Madam Chairman, I certainly would find it far more acceptable for a process that provided for expedited procedure than allowing inaction to undermine the entire process.

Mr. BEREUTER. Madam Chairman, I thank the gentleman. I think that is something that we need to consider.

I would say to the gentleman, if Dr. Perry finds they are on a different track, the wrong track for us, clearly this kind of resolution will come to the floor, even if the amendment of the gentleman from New York (Mr. GILMAN) and the gentleman from Massachusetts (Mr. MARKEY) is not approved today. It is inevitable.

Mr. MARKEY. Madam Chairman, will the gentleman yield.

Mr. BEREUTER. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Madam Chairman, I agree with the gentleman that an expedited procedure is something that needs to be supported.

Mr. GEJDENSON. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I think that one of my hesitations in this legislation, of course, is both process and substance. The chairman of the committee was in the process of marking up a piece of legislation to address the situation in North Korea, and then we find ourselves without really having sat down, held hearings and the substantial kind of work that ought to happen with Dr. Perry, that we find ourselves presented with this amendment that has the potential of undermining the agreement on the Korean Peninsula.

I would say to my colleagues that I would venture there is not one Member of this Chamber that believes we were better off on the Korean Peninsula prior to the agreement that the administration worked out.

Frankly, if my colleagues looked at the facts seriously, they could not come to that conclusion. The North Koreans were in the process of developing sufficient fissionable material to make weapons. They have stopped that program. We have inspectors there. We have more contact than we have ever had before.

I, frankly, think wherever the Communist or totalitarian government is, the one element that constantly undermines authoritarian rule is contact with Americans and free societies.

I urge my colleagues to reject this. The chairman of the committee has an opportunity to bring a bill forward that could take a look at expedited procedures, that could set up a process that makes sense. It does not make sense to pass this here. I urge the defeat of this legislation.

Madam Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mrs. EMERSON). The question is on the amendment, as modified, offered by the gentleman from New York (Mr. GILMAN).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

#### RECORDED VOTE

Mr. GILMAN. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The Chairman pro tempore. This will be a 15-minute vote followed by a 5-minute vote on the Sanders amendment.

The vote was taken by electronic device, and there were—ayes 305, noes 120, not voting 8, as follows:

[Roll No. 321]

AYES—305

Abercrombie	Baker	Barton
Aderholt	Ballenger	Bass
Andrews	Barcia	Bateman
Archer	Barr	Bereuter
Armey	Barrett (NE)	Berkley
Bachus	Barrett (WI)	Berry
Baird	Bartlett	Biggert

Bilbray	Hefley	Porter
Bilirakis	Herger	Portman
Blagojevich	Hill (MT)	Price (NC)
Bliley	Hilleary	Pryce (OH)
Blunt	Hobson	Quinn
Boehlert	Hoekstra	Radanovich
Boehner	Holt	Ramstad
Bonilla	Hooley	Rangel
Bono	Horn	Regula
Boswell	Hostettler	Reynolds
Boucher	Houghton	Riley
Brady (TX)	Hulshof	Rivers
Brown (FL)	Hunter	Rogan
Brown (OH)	Hutchinson	Rogers
Bryant	Hyde	Rohrabacher
Burr	Inslee	Ros-Lehtinen
Burton	Isakson	Rothman
Buyer	Istook	Roukema
Callahan	Jackson-Lee	Royce
Calvert	(TX)	Ryan (WI)
Camp	Jenkins	Ryun (KS)
Campbell	Johnson (CT)	Salmon
Canady	Johnson, Sam	Sanchez
Cannon	Jones (NC)	Sanders
Capps	Kaptur	Sanford
Carson	Kasich	Saxton
Castle	Kelly	Scarborough
Chabot	Kildee	Schaffer
Chambliss	Kind (WI)	Schakowsky
Coble	King (NY)	Sensenbrenner
Coburn	Kingston	Serrano
Collins	Knollenberg	Sessions
Combest	Kolbe	Shadegg
Condit	Kucinich	Shaw
Cook	Kuykendall	Shays
Cooksey	LaHood	Sherman
Costello	Latham	Sherwood
Cox	LaTourette	Shimkus
Cramer	Lazio	Shows
Crane	Leach	Shuster
Cubin	Lee	Simpson
Cunningham	Lewis (CA)	Skeen
Danner	Lewis (KY)	Smith (MI)
Davis (VA)	Linder	Smith (NJ)
Deal	Lipinski	Smith (TX)
DeFazio	LoBiondo	Souder
DeLay	Lowey	Spence
DeMint	Lucas (KY)	Spratt
Diaz-Balart	Lucas (OK)	Stabenow
Dickey	Maloney (CT)	Stearns
Doolittle	Manzullo	Stenholm
Dreier	Markey	Strickland
Duncan	McCarthy (NY)	Stump
Dunn	McCollum	Sununu
Ehlers	McCrery	Sweeney
Ehrlich	McGovern	Tancred
Emerson	McHugh	Tanner
English	McInnis	Tauzin
Eshoo	McIntosh	Taylor (MS)
Etheridge	McIntyre	Taylor (NC)
Evans	McKeon	Terry
Everett	McKinney	Thomas
Ewing	McNulty	Thornberry
Fletcher	Meehan	Thune
Foley	Menendez	Thurman
Forbes	Metcalfe	Tiahrt
Ford	Mica	Tierney
Fossella	Miller (FL)	Toomey
Fowler	Miller, Gary	Towns
Franks (NJ)	Moakley	Trafficant
Frelinghuysen	Moore	Turner
Frost	Moran (KS)	Udall (NM)
Galleghy	Moran (VA)	Upton
Ganske	Morella	Velazquez
Gekas	Myrick	Vento
Gibbons	Neal	Vitter
Gilchrest	Nethercutt	Walden
Gillmor	Ney	Walsh
Gilman	Northup	Wamp
Goode	Norwood	Watkins
Goodlatte	Nussle	Watt (NC)
Goodling	Ortiz	Watts (OK)
Gordon	Ose	Weldon (FL)
Goss	Oxley	Weldon (PA)
Graham	Packard	Weller
Granger	Pallone	Weygand
Green (WI)	Pascarell	Whitfield
Greenwood	Paul	Wicker
Gutierrez	Pease	Wilson
Gutknecht	Peterson (MN)	Wise
Hall (TX)	Petri	Wolf
Hansen	Phelps	Wu
Hastings (WA)	Pickering	Wynn
Hayes	Pitts	Young (AK)
Hayworth	Pombo	Young (FL)

#### NOES—120

Ackerman	Gephardt	Murtha
Allen	Gonzalez	Nadler
Baldacci	Green (TX)	Napolitano
Baldwin	Hall (OH)	Oberstar
Becerra	Hastings (FL)	Obe
Bentsen	Hill (IN)	Olver
Berman	Hilliard	Owens
Bishop	Hinojosa	Pastor
Blumenauer	Hoeffel	Payne
Bonior	Holden	Pelosi
Borski	Hoyer	Pickett
Boyd	Jackson (IL)	Pomeroy
Brady (PA)	Jefferson	Rahall
Capuano	John	Reyes
Cardin	Johnson, E.B.	Rodriguez
Clay	Jones (OH)	Roemer
Clayton	Kanjorski	Roybal-Allard
Clement	Kilpatrick	Rush
Clyburn	Klecza	Sabo
Conyers	Klink	Sandlin
Coyne	LaFalce	Lampson
Crowley	Lampson	Sawyer
Cummings	Lantos	Scott
Davis (FL)	Larson	Sisisky
Davis (IL)	Levin	Skelton
DeGette	Lewis (GA)	Slaughter
Delahunt	Lofgren	Smith (WA)
DeLauro	Luther	Snyder
Deutsch	Maloney (NY)	Stark
Dingell	Martinez	Stupak
Dixon	Mascara	Tauscher
Doggett	Matsui	Thompson (CA)
Dooley	McCarthy (MO)	Thompson (MS)
Doyle	Meek (FL)	Udall (CO)
Edwards	Meeks (NY)	Visclosky
Engel	Millender-McDonald	Waters
Farr	Miller, George	Waxman
Fattah	Minge	Weiner
Filner	Mink	Wexler
Frank (MA)	Mollohan	Woolsey
Gejdenson		

#### NOT VOTING—8

Chenoweth	Kennedy	Peterson (PA)
Dicks	Largent	Talent
Hinchey	McDermott	

□ 1237

Messrs. HOLDEN, MASCARA, LEWIS of Georgia, LUTHER, BECERRA, NADLER, OWENS, OLVER, and Ms. MCCARTHY of Missouri changed their vote from “aye” to “no.”

Messrs. FROST, MALONEY of Connecticut, STRICKLAND, BARRETT of Wisconsin, Ms. CARSON, and Mrs. THURMAN changed their vote from “no” to “aye.”

So the amendment, as modified, was agreed to.

The result of the vote was announced as above recorded.

#### SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN pro tempore (Mrs. EMERSON). Pursuant to House Resolution 247, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 15 printed in Part B offered by the gentleman from Vermont (Mr. SANDERS), and amendment No. 18 printed in Part B offered by the gentleman from Nevada (Mr. GIBBONS).

#### AMENDMENT NO. 15 OFFERED BY MR. SANDERS

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on amendment No. 15 printed in Part B offered by the gentleman from Vermont (Mr. SANDERS) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

## RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 117, noes 307, not voting 9, as follows:

[Roll No. 322]

## AYES—117

Abercrombie	Gutierrez	Rivers
Allen	Hall (OH)	Rohrabacher
Bachus	Hastings (FL)	Ros-Lehtinen
Baird	Hayworth	Roybal-Allard
Baldacci	Hilliard	Rush
Baldwin	Hinojosa	Sabo
Barrett (WI)	Jackson (IL)	Sanders
Bartlett	Johnson, E.B.	Sanford
Becerra	Jones (OH)	Scarborough
Berry	Kaptur	Schakowsky
Blagojevich	Kildee	Scott
Bonior	Kilpatrick	Serrano
Brady (PA)	Kucinich	Shays
Brown (FL)	Lantos	Shimkus
Brown (OH)	Lee	Shows
Campbell	Lewis (GA)	Slaughter
Capuano	Luther	Smith (NJ)
Carson	Maloney (NY)	Snyder
Castle	Markey	Stabenow
Clay	McGovern	Stark
Clyburn	McKinney	Strickland
Coburn	McNulty	Taylor (MS)
Condit	Meehan	Thompson (CA)
Conyers	Meek (FL)	Thompson (MS)
Cox	Meeks (NY)	Thierney
Cummings	Miller, George	Towns
Davis (IL)	Mink	Udall (NM)
DeFazio	Moakley	Velazquez
Delahunt	Nadler	Vento
DeLauro	Neal	Wamp
Dixon	Oberstar	Waters
Duncan	Obey	Waxman
Emerson	Oliver	Weiner
Evans	Owens	Weldon (FL)
Farr	Paul	Wexler
Fattah	Payne	Weygand
Filner	Pelosi	Woolsey
Frank (MA)	Peterson (MN)	Wu
Green (TX)	Rangel	Wynn

## NOES—307

Ackerman	Callahan	Doyle
Aderholt	Calvert	Dreier
Andrews	Camp	Dunn
Archer	Canady	Edwards
Armey	Cannon	Ehlers
Baker	Capps	Ehrlich
Ballenger	Cardin	Engel
Barcia	Chabot	English
Barr	Chambliss	Eshoo
Barrett (NE)	Clayton	Etheridge
Barton	Clement	Everett
Bass	Coble	Ewing
Bateman	Collins	Fletcher
Bentsen	Combust	Foley
Bereuter	Cook	Forbes
Berkley	Cooksey	Ford
Berman	Costello	Fossella
Biggart	Coyne	Fowler
Bilbray	Cramer	Franks (NJ)
Bilirakis	Crane	Frelinghuysen
Bishop	Crowley	Frost
Bliley	Cubin	Galleghy
Blumenauer	Cunningham	Ganske
Blunt	Danner	Gejdenson
Boehlert	Davis (FL)	Gekas
Boehner	Davis (VA)	Gephardt
Bonilla	Deal	Gibbons
Bono	DeGette	Gilchrest
Borski	DeLay	Gillmor
Boswell	DeMint	Gilman
Boucher	Deutsch	Gonzalez
Boyd	Diaz-Balart	Goode
Brady (TX)	Dickey	Goodlatte
Bryant	Dingell	Goodling
Burr	Doggett	Gordon
Burton	Dooley	Goss
Buyer	Doolittle	Graham

Granger	Lucas (OK)	Rothman
Green (WI)	Maloney (CT)	Roukema
Greenwood	Manzullo	Royce
Gutknecht	Martinez	Ryan (WI)
Hall (TX)	Mascara	Ryun (KS)
Hansen	Matsui	Salmon
Hastings (WA)	McCarthy (MO)	Sanchez
Hayes	McCarthy (NY)	Sandlin
Hefley	McCollum	Sawyer
Herger	McCrery	Saxton
Hill (IN)	McHugh	Schaffer
Hill (MT)	McInnis	Sensenbrenner
Hilleary	McIntosh	Sessions
Hobson	McIntyre	Shadegg
Hoeffel	McKeon	Shaw
Hoekstra	Menendez	Sherman
Holden	Metcalf	Sherwood
Holt	Millender	Shuster
Hooley	McDonald	Simpson
Horn	Miller (FL)	Sisisky
Hostettler	Miller, Gary	Skeen
Houghton	Minge	Skelton
Hoyer	Mollohan	Smith (MI)
Hulshof	Moore	Smith (TX)
Hunter	Moran (KS)	Smith (WA)
Hutchinson	Moran (VA)	Souder
Hyde	Morella	Spence
Inslee	Murtha	Spratt
Isakson	Myrick	Stearns
Istook	Napolitano	Stenholm
Jackson-Lee	Nethercutt	Stump
(TX)	Ney	Stupak
Jefferson	Northup	Sununu
Jenkins	Norwood	Sweeney
John	Nussle	Tancred
Johnson (CT)	Ortiz	Tanner
Johnson, Sam	Ose	Tauscher
Jones (NC)	Oxley	Tauzin
Kanjorski	Packard	Taylor (NC)
Kasich	Pallone	Terry
Kelly	Pascarell	Thomas
Kind (WI)	Pastor	Thornberry
King (NY)	Pease	Thune
Kingston	Petri	Thurman
Kleczka	Phelps	Tiahrt
Klink	Pickering	Toomey
Knollenberg	Pickett	Trafficant
Kolbe	Pitts	Turner
Kuykendall	Pombo	Udall (CO)
LaFalce	Pomeroy	Upton
LaHood	Porter	Visclosky
Lampson	Portman	Vitter
Largent	Price (NC)	Walden
Larson	Pryce (OH)	Walsh
Latham	Quinn	Watkins
LaTourette	Radanovich	Watt (NC)
Lazio	Rahall	Watts (OK)
Leach	Ramstad	Weldon (PA)
Levin	Regula	Weller
Lewis (KY)	Reyes	Whitfield
Linder	Reynolds	Wicker
Lipinski	Riley	Wilson
LoBiondo	Rodriguez	Wise
Lofgren	Roemer	Wolf
Lowey	Rogan	Young (AK)
Lucas (KY)	Rogers	Young (FL)

## NOT VOTING—9

Chenoweth	Kennedy	Mica
Dicks	Lewis (CA)	Peterson (PA)
Hinchey	McDermott	Talent

□ 1247

Mrs. KELLY and Mr. RAHALL changed their vote from “aye” to “no.” Messrs. WU, TOWNS, GEORGE MILLER of California and BECERRA changed their vote from “no” to “aye.”

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. MICA. Madam Chairman, on rollcall no. 322, I was unavoidably detained. Had I been present, I would have voted “no.”

AMENDMENT NO. 18 OFFERED BY MR. GIBBONS

The CHAIRMAN pro tempore (Mrs. EMERSON). The pending business is the demand for a recorded vote on Part B amendment No. 18 offered by the gentleman from Nevada (Mr. GIBBONS) on

which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

## RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 418, noes 3, not voting 12, as follows:

[Roll No. 323]

## AYES—418

Abercrombie	Conyers	Goodling
Ackerman	Cook	Gordon
Aderholt	Cooksey	Goss
Allen	Costello	Graham
Andrews	Cox	Granger
Archer	Coyne	Green (TX)
Armey	Cramer	Green (WI)
Bachus	Crane	Greenwood
Baird	Crowley	Gutierrez
Baker	Cubin	Gutknecht
Baldacci	Cummings	Hall (OH)
Baldwin	Cunningham	Hall (TX)
Ballenger	Danner	Hansen
Barcia	Davis (FL)	Hastings (FL)
Barrett (NE)	Davis (IL)	Hastings (WA)
Barrett (WI)	Davis (VA)	Hayes
Bartlett	Deal	Hayworth
Barton	DeFazio	Hefley
Bass	DeGette	Herger
Bateman	Delahunt	Hill (IN)
Bentsen	DeLauro	Hill (MT)
Bereuter	DeMint	Hilleary
Berkley	Deutsch	Hilliard
Berman	Diaz-Balart	Hinojosa
Berry	Dickey	Hobson
Biggart	Dicks	Hoeffel
Bilbray	Dingell	Hoekstra
Bilirakis	Dixon	Holden
Blagojevich	Doggett	Holt
Bliley	Dooley	Hooley
Blumenauer	Doolittle	Horn
Blunt	Doyle	Hostettler
Boehlert	Dreier	Houghton
Boehner	Duncan	Hoyer
Bonilla	Dunn	Hulshof
Bonior	Edwards	Hunter
Bono	Ehlers	Hutchinson
Borski	Ehrlich	Hyde
Boswell	Emerson	Inslee
Boucher	Engel	Isakson
Boyd	English	Istook
Brady (PA)	Eshoo	Jackson (IL)
Brady (TX)	Etheridge	Jackson-Lee
Brown (FL)	Evans	(TX)
Brown (OH)	Everett	Jefferson
Bryant	Ewing	Jenkins
Burr	Farr	John
Burton	Fattah	Johnson (CT)
Buyer	Filner	Johnson, E.B.
Callahan	Fletcher	Jones (NC)
Calvert	Foley	Jones (OH)
Camp	Forbes	Kanjorski
Campbell	Ford	Kaptur
Canady	Fossella	Kasich
Cannon	Fowler	Kelly
Capps	Frank (MA)	Kildee
Capuano	Franks (NJ)	Kilpatrick
Cardin	Frelinghuysen	Kind (WI)
Carson	Frost	King (NY)
Castle	Galleghy	Kingston
Chabot	Ganske	Kleczka
Chambliss	Gejdenson	Klink
Clay	Gekas	Knollenberg
Clayton	Gephardt	Kolbe
Clement	Gibbons	Kucinich
Clyburn	Gilchrest	Kuykendall
Coble	Gillmor	LaHood
Coburn	Gilman	Lampson
Collins	Gonzalez	Lantos
Combust	Goode	Largent
Condit	Goodlatte	Larson

Latham	Owens	Skeen
LaTourette	Oxley	Skelton
Lazio	Packard	Slaughter
Leach	Pallone	Smith (MI)
Lee	Pascarell	Smith (NJ)
Levin	Pastor	Smith (TX)
Lewis (CA)	Payne	Smith (WA)
Lewis (GA)	Pease	Snyder
Lewis (KY)	Pelosi	Souder
Linder	Peterson (MN)	Stabenow
Lipinski	Petri	Spratt
LoBiondo	Phelps	Stark
Lofgren	Pickering	Stearns
Lowey	Pickett	Stenholm
Lucas (KY)	Pitts	Strickland
Lucas (OK)	Pombo	Stump
Luther	Pomeroy	Stupak
Maloney (CT)	Porter	Sununu
Maloney (NY)	Portman	Sweeney
Manzullo	Price (NC)	Tancredo
Markey	Pryce (OH)	Tanner
Martinez	Quinn	Tauscher
Mascara	Radanovich	Tauzin
Matsui	Rahall	Taylor (MS)
McCarthy (MO)	Ramstad	Taylor (NC)
McCarthy (NY)	Rangel	Terry
McCollum	Regula	Thomas
McCrery	Reyes	Thompson (CA)
McGovern	Reynolds	Thompson (MS)
McHugh	Riley	Thornberry
McInnis	Rivers	Thune
McIntosh	Rodriguez	Thurman
McIntyre	Roemer	Tiahrt
McKeon	Rogan	Tierney
McNulty	Rogers	Toomey
Meehan	Rohrabacher	Towns
Meek (FL)	Ros-Lehtinen	Traficant
Meeks (NY)	Rothman	Turner
Menendez	Roukema	Udall (NM)
Metcalf	Roybal-Allard	Upton
Mica	Royce	Velazquez
Millender-	Rush	Vento
McDonald	Ryan (WI)	Visclosky
Miller (FL)	Ryun (KS)	Vitter
Miller, Gary	Sabo	Walden
Miller, George	Salmon	Walsh
Minge	Sanchez	Wamp
Mink	Sanders	Waters
Moakley	Sandlin	Watkins
Mollohan	Sanford	Watt (NC)
Moore	Sawyer	Watts (OK)
Moran (KS)	Saxton	Waxman
Moran (VA)	Scarborough	Weiner
Morella	Schaffer	Weldon (FL)
Murtha	Schakowsky	Weldon (PA)
Myrick	Scott	Weller
Nadler	Sensenbrenner	Wexler
Napolitano	Serrano	Weyand
Neal	Sessions	Whitfield
Nethercutt	Shadegg	Wicker
Ney	Shaw	Wilson
Northup	Shays	Wise
Norwood	Sherman	Wolf
Nussle	Sherwood	Woolsey
Oberstar	Shimkus	Wu
Obey	Shows	Wynn
Olver	Shuster	Young (AK)
Ortiz	Simpson	Young (FL)
Ose	Sisisky	

## NOES—3

Barr	McKinney	Paul
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## NOT VOTING—12

Becerra	Hinchey	McDermott
Bishop	Johnson, Sam	Peterson (PA)
Chenoweth	Kennedy	Talent
DeLay	LaFalce	Udall (CO)

□ 1256

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Mr. DELAY: Mr. Chairman, on rollcall No. 323, I was inadvertently detained. Had I been present, I would have voted "aye."

The CHAIRMAN pro tempore (Mr. BARRETT of Nebraska). It is now in order to consider amendment No. 24 printed in part B of House Report 106-235.

## AMENDMENT NO. 24 OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 24 offered by Mr. BEREUTER:

Page 84, after line 16, add the following (and make such technical and conforming changes as may be necessary):

**SEC. 703. SELF-DETERMINATION IN EAST TIMOR.**

(a) FINDINGS.—The Congress finds the following:

(1) On May 5, 1999, the Government of Indonesia and the Government of Portugal signed an agreement that provides for a vote on the political status of East Timor to be held on August 8, 1999, under the auspices of the United Nations.

(2) On June 22, 1999, the vote was rescheduled for August 21 or 22, 1999, because of concerns that the conditions necessary for a free and fair vote could not be established prior to August 8, 1999.

(3) On January 27, 1999, Indonesian President Habibie expressed a willingness to consider independence for East Timor if a majority of the East Timorese reject autonomy in the August 1999 vote.

(4) Under the agreement between the Governments of Indonesia and Portugal, the Government of Indonesia is responsible for ensuring that the August 1999 vote is carried out in a fair and peaceful way and in an atmosphere free of intimidation, violence, or interference.

(5) The inclusion of anti-independence militia members in Indonesian forces that are responsible for establishing security in East Timor violates this agreement because the agreement states that the absolute neutrality of the military and police is essential for holding a free and fair vote.

(6) The arming of anti-independence militias by members of the Indonesian military for the purpose of sabotaging the August 1999 ballot has resulted in hundreds of civilians killed, injured, or missing in separate attacks by these militias and these militias continue to act without restraint.

(7) The United Nations Secretary General has received credible reports of political violence, including intimidation and killing, by armed anti-independence militias against unarmed pro-independence civilians in East Timor.

(8) There have been killings of opponents of independence for East Timor, including civilians and militia members.

(9) The killings in East Timor should be fully investigated and the individuals responsible brought to justice.

(10) Access to East Timor by international human rights monitors and humanitarian organizations is limited and members of the press have been threatened.

(11) The presence of members of the United Nations Assistance Mission in East Timor has already resulted in an improved security environment in the East Timorese capital of Dili.

(12) A robust international observer mission and police force throughout East Timor is critical to creating a stable and secure environment necessary for a free and fair vote.

(13) The Administration should be commended for its support for the United Nations Assistance Mission in East Timor which will provide monitoring and support for the ballot and include international civilian police, military liaison officers, and election monitors.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the President and the Secretary of State should immediately intensify their efforts to prevail upon the Indonesian Government and military—

(A) to disarm and disband anti-independence militias in East Timor;

(B) to grant full access to East Timor by international human rights monitors, humanitarian organizations, and the press; and

(C) to allow Timorese who have been living in exile to return to East Timor to participate in the vote on the political status of East Timor to be held on August 1999 under the auspices of the United Nations; and

(2) not later than 21 days after the date of the enactment of this Act, the President should prepare and transmit to the Congress a report that contains a description of the efforts of the Administration, and an assessment of the steps taken by the Indonesian Government and military, to ensure a stable and secure environment in East Timor for the vote on the political status of East Timor, including an assessment of the steps taken in accordance with subparagraphs (A), (B), and (C) of paragraph (1).

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from Nebraska (Mr. BEREUTER) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

## PARLIAMENTARY INQUIRY

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. BEREUTER. For purposes of a parliamentary inquiry, I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, I would like to know the appropriate time to claim the time in opposition. I do not plan to oppose this amendment. I would ask unanimous consent at that point to have the time in opposition allotted to this Member.

When is the appropriate time to take that?

The CHAIRMAN pro tempore. Without objection, the Member may be recognized to control that time.

Mr. GEJDENSON. Mr. Chairman, I ask unanimous consent to get the time in opposition, to control that time, while I am not in opposition.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. BEREUTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment concerns the upcoming U.N.-administered plebiscite in which the people of East Timor will choose between autonomy within Indonesia and independence. Formerly a Portuguese colony, East Timor was occupied in 1975 by Indonesia. Since that time, its status has been in dispute. The U.N. and most governments, including the United States, have never recognized the incorporation of East Timor into Indonesia.

Mr. Chairman, the human rights violations created by Indonesian security forces seeking to suppress the independence movement in East Timor have for a long time seriously affected U.S. relations with Indonesia and certainly it has been debated here on the House floor fairly often. Admittedly some of the actions by the Indonesians were reprisals for tragic provocations, but violence from any quarter must be condemned.

Indonesia is the world's fourth most populous Nation. It has the largest population of Muslims in the world, and plays a leading role in the important Southeast Asian region. Indonesia is currently embarked on what we certainly hope is a transition to democracy, following the resignation of its longtime ruler Soeharto in May of 1998.

As described in the "findings" portion of the amendment I offered, the Indonesian government has taken important steps toward a solution to the East Timor problem. Under a United Nations-brokered agreement between Indonesia and Portugal, the East Timorese people will choose between autonomy and independence in a vote tentatively scheduled for August 21 or 22 of this year. Unfortunately, repeated violent incidents in East Timor are threatening the ability of the United Nations to organize the vote in a climate free from intimidation.

Much of the violence has been carried out by armed, pro-Indonesian paramilitary organizations attempting to bully the population into supporting the autonomy option. Since last June, militias have also been targeting U.N. officials and non-government organization representatives seeking to aid the displaced local population.

□ 1300

There continues to be evidence that the militias are operating with the support or at least the acquiescence of the Indonesian forces. Although lesser in scope, pro-independence guerrillas have committed violent acts of their own.

Mr. Chairman, the amendment puts the Congress on record in support of a free and fair vote in East Timor. It also expresses the sense of Congress that the administration should redouble its efforts to prevail upon the Indonesian government to disarm the militias and allow the vote to proceed in a climate free of violence and intimidation. Certainly a peaceful outcome in East Timor is important for its own sake. At the same time, it would remove a long standing irritant in relations between the United States and Indonesia, and Indonesia can be and at times has been a very important ally in proceedings in southeast Asia and elsewhere in that region.

This Member urges, therefore, his colleagues to support this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. GEJDENSON. Mr. Chairman, I yield myself 1 minute.

I want to join in support of this amendment. The outrage and attempted genocide by the Indonesians in East Timor over the last decade and more has been an outrageous act. We had initial optimism. We now see some sliding back. This resolution does the right thing. I hope we pass it unanimously.

Mr. Chairman, I ask unanimous consent that our time be controlled by the gentlewoman from Georgia (Ms. MCKINNEY).

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman from Connecticut for his support, and I yield 1 minute to the distinguished gentleman from New York (Mr. GILMAN), chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I commend the gentleman from Nebraska (Mr. BEREUTER) for this amendment. The upcoming August vote in East Timor on independence from Indonesia must take place in an atmosphere that is going to be free and fair. U.N. representatives have been intimidated and hundreds of pro-independence civilians have been killed by anti-independence militias armed by the Indonesian military. The Indonesian government should disarm and disband the anti-independence militias, grant full access to East Timor by international human rights organizations and monitors and allow East Timorese living abroad to return home for the August elections.

Accordingly I am pleased to be supportive of the proposal of the gentleman from Nebraska (Mr. BEREUTER) and I urge Members to support this amendment.

Ms. MCKINNEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, on April 5 of this year, 25 men, women, and children were murdered in a church yard in Liquica, a town about 20 miles west of East Timor's capital. Two weeks later, militia members burst into the home of a prominent independence organizer and murdered his son as well as 14 other people. These attacks and others including attacks upon U.N. referendum monitors are being carried out by bands of paramilitary thugs with the backing of Indonesia's military who are intent on preserving Indonesia's illegal military occupation of East Timor.

They have chosen the tactics of terror over the ballot because it is clear that if the August U.N.-sponsored referendum on independence is free and fair, the people will choose freedom

and independence. But the outcome of the referendum is very much in doubt. The people of East Timor know very well the brutality of Indonesia. Since Indonesia illegally invaded and occupied East Timor 24 years ago, 200,000 East Timorese have lost their lives to political violence. Those 200,000 deaths lend a haunting credence to the threats of the paramilitary bands.

Today we have an opportunity to send a very different message to the people of East Timor. Today we can join our colleagues in the Senate who voted unanimously last month to support disarming, the militia's release of political prisoners, and a free referendum on independence for the people of East Timor.

I urge all of my colleagues to support the Bereuter amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. BEREUTER. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. SMITH), a subcommittee chairman of the Committee on International Relations.

Mr. SMITH of New Jersey. Mr. Chairman, I thank my good friend for yielding this time to me, and I want to commend the gentleman from Nebraska (Mr. BEREUTER) for his amendment regarding self-determination in East Timor. It does represent a modest, but much needed, congressional statement that deserves the overwhelming support of this body.

Mr. Chairman, for over 20 years international human rights advocates have been calling attention to abuses by the Indonesian government in the occupation of East Timor. Indonesia's armed forces invaded East Timor in 1975 only weeks after East Timor had obtained independence from Portugal. Since then, the Indonesian army has carried out a campaign of what amounts to ethnic cleansing against the Timorese through a program of forced migration. Persecution has been particularly harsh against the Christian majority.

More than 200,000 Timorese out of a total population of 700,000 have been killed directly or by starvation in forced migration from their villages since the Indonesian invasion. The upcoming August vote on the political status of East Timor is of critical importance to the people of that region and represents the first step toward a just and humane solution of their political status.

Of course, to be meaningful, that election must be carried out in a fair and peaceful atmosphere, free of violence and free of intimidation. Unfortunately, Mr. Chairman, members of the Indonesian military have been arming anti-independence militias which have been responsible for the intimidation and killing of unarmed pro-independence civilians in East Timor.

According to one estimate, more than 58,000 people are now internally

displaced as a result of paramilitary violence in East Timor. There has not been any independent investigation of recent atrocities including the atrocity at Liquica, the massacre in which over 50 civilians were killed in and around a church.

Notwithstanding the helpful presence of members of the United Nations Assistance Mission in East Timor's capital of Dili, the political atmosphere is far from fair and peaceful, especially in rural areas where there is no international presence. Much more must be done and the Congress must send an unequivocal message to the Indonesian military: Stop the violence.

I would like to at this point, Mr. Chairman, enter into a colloquy with my good friend, the gentleman from Nebraska (Mr. BEREUTER).

In addition to calling on the President and the Secretary of State to intensify their efforts to support self-determination, the original draft of the gentleman's amendment submitted to the Committee on Rules also mentioned the Secretary of Defense, the Secretary of the Treasury and U.S. executive directors to international financial institutions. I understand that those references were withdrawn for reasons of germaneness. However, given the close relationship between the U.S. and Indonesian militaries—I would just point out parenthetically that we have had hearings in my subcommittee on the JCET program in Indonesia. And I have also gone out there and met with them, and I am very, very unhappy with what is going on there in our collaboration with Kopassus. But because of this relationship and because of the obvious influence wielded by the Treasury Department and international financial institutions in Indonesia, those actors may well have more leverage with Indonesian authorities than the State Department does.

Does the gentleman believe, as I do, that although these officials are no longer mentioned in his amendment, it is just as important that they intensify their own efforts in support of self-determination in East Timor?

Mr. BEREUTER. Mr. Chairman, would the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I certainly do agree. I would say to the gentleman, as a matter of jurisdiction, that those particular high officials of our government were not mentioned.

Mr. SMITH of New Jersey. Mr. Chairman, I thank the gentleman, and I urge strong support for the Bereuter amendment.

Mr. BEREUTER. Mr. Chairman, I reserve the balance of my time.

Ms. McKINNEY. Mr. Chairman, I yield 2 minutes to the gentleman from Guam (Mr. UNDERWOOD).

Mr. UNDERWOOD. Mr. Chairman, I thank the gentlewoman for yielding

this time to me, and, Mr. Chairman, I thank the gentleman from Nebraska (Mr. BEREUTER) for offering this amendment on East Timor. I would also like to take the opportunity to commend the efforts of one of our colleagues who is not here, the gentleman from Rhode Island (Mr. KENNEDY) for his dedication and work on this issue.

As the closest Member to East Timor and Indonesia, all the activities in East Timor is taken with a very strong sense of interest and concern in Guam. And at a time when the people of East Timor have a window of opportunity to decide the future of their political status, we must do all that we can to ensure that this process is unhindered and reflective of the true desires of the East Timorese.

Although the language in this amendment is not as forceful as some of us would like, I believe it is an important step in demonstrating to the Indonesian government and the East Timorese that the United States, the American people, is committed to ensuring a free and fair vote in East Timor. As the August vote nears, we may see yet a further escalation of the intimidation tactics and violence employed by the anti independence forces.

The passage of this amendment will send a strong message to the Indonesian government that these activities cannot and will not be tolerated and must cease. I am hopeful that the democratic principles will prevail in East Timor and that at the beginning of the 21st century, we will witness the establishment of East Timorese leadership which is in line with the will of the people of East Timor. It is my earnest hope that the August elections will go on without intimidation and that we stand not only for the elections, fair elections, free and fair elections without intimidation but for the principle of self-determination in East Timor and around the world.

Ms. McKINNEY. Mr. Chairman I yield 2 minutes to the gentleman from Rhode Island (Mr. WEYGAND).

Mr. WEYGAND. Mr. Chairman, I want to thank the gentlewoman for yielding this time to me as well as I want to thank my colleague on the Committee on Banking and Financial Services the gentleman from Nebraska (Mr. BEREUTER) and also, as mentioned before, my good colleague from the State of Rhode Island (Mr. KENNEDY). Both of them have done enormous work to bring this resolution to the floor.

I want to thank them particularly. The gentleman from Rhode Island (Mr. KENNEDY) has done an awful lot of work not only for the East Timorese, but the Portuguese community throughout our State. He has been not only a hard worker, but a hero on these causes, and unfortunately, due to circumstances he is not able to be here, but I want to congratulate him for bringing this to the floor.

Mr. Chairman, in my first term in Congress, I was visited by Constancio Pinto, who many of my colleagues may know him as a well-known leader in the fight for liberty in East Timor. At the time, Mr. Pinto was studying at Brown University in Providence, Rhode Island he came to the Hill to talk about the atrocities in the situation that has occurred in East Timor.

His experiences, he told us about the horrors not only done upon himself but also upon his family and members of his neighborhood and his community. The butchering, the slaughtering, and the kind of intimidation that was going on in East Timor would shock most any person. He was, indeed, arrested and tortured himself in 1991 and into 1992, but he came back to talk about these atrocities and asked for assistance and help.

His meeting with us, he always asked for us to allow for the East Timorese to have the opportunity to vote on independence or autonomy. This resolution does that but goes even a step further. It requires and requests that there be a disarmament of the militia which are the ones that are truly intimidating the East Timorese people. This is an atrocity that cannot occur in a democratic government. We ask them to cease and desist in this effort so that there can be a fair and open vote.

Mr. Chairman, I want to applaud the Member who brought this to the floor, the gentleman from Nebraska (Mr. BEREUTER) as well as the gentleman from Rhode Island (Mr. KENNEDY). This is an important vote for democracy and freedom, and I ask all Members to support it.

Ms. McKINNEY. Mr. Chairman, I have no more speakers, and I yield back the balance of my time.

Mr. BEREUTER. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, I thank the gentleman for yielding this time to me.

The Indonesian invasion and occupation of East Timor has claimed over 200,000 lives. One-third of the total population has perished as Indonesia continues to violate international law and act in defiance of the U.N. Security Council. We must not turn our backs.

□ 1315

This amendment makes it the sense of Congress to seek democracy and peace in East Timor. The amendment calls for the disarmament of anti-independence militias, full access for human rights monitors, and the right of Timorese who have lived in exile to return to their homes to vote. The provisions set out in this amendment are necessary if we are to set this region down a road towards peace and justice. This amendment lays the groundwork for ending the human rights atrocities that are committed daily in East



Timor. We cannot turn our backs on this region. The time to act is now and the killing must stop, the injustice must end and peace must come to the people of East Timor.

Mr. Chairman, I urge support for the Bereuter amendment. Promote democracy, and let us start down that road to lasting peace and justice.

Mr. BEREUTER. Mr. Chairman, I am pleased to yield the remaining time to the gentleman from Virginia (Mr. WOLF).

Mr. WOLF. Mr. Chairman, I want to thank the gentleman from Nebraska (Mr. BEREUTER) for his leadership on this, and all of the Members. There are so many, their names cannot be mentioned, but for the faithful necessary.

I visited East Timor about 2 years ago, the sites, the scenes, the stories of slaughter and death which apparently is still taking place, even in a greater amount. This resolution will help, and I would hope, and I call on the administration, Assistant Secretary Roth to take a high-level official from our DOD to go to Jakarta and also to go to East Timor to tell the Indonesian military that if the violence continues, there will be no support at all from the United States for their military. The gentleman's language I think sets up a good system whereby we can send that message.

Mr. Chairman, I thank the gentleman from Nebraska (Mr. BEREUTER) and all of the Members, the gentleman from New Jersey (Mr. SMITH) and the gentleman from Ohio (Mr. HALL) and may others for their faithfulness.

Mr. Chairman, I rise in support of the amendment being offered by Representative DOUG BEREUTER condemning ongoing violence in East Timor.

I visited East Timor in 1997 and found the island to be in a state of siege. The people with whom I spoke were afraid to look me in the eye. I heard stories of young people being dragged away from their homes at night and could sense the massive military presence that had kept the aspirations of the East Timorese in check since 1974. I met with one young man whose ear had been cut by security officials and heard story after story of violence.

This year brought signs of hope when President Habibie announced in January of his intention of allow for a referendum on the status of east Timor. For the first time, the people of East Timor would be able to make their views known in a legitimate process monitored by the United Nations and a secret ballot. This was a very positive step forward and I personally wrote President Habibie commending this action.

But once again, forces of darkness are conspiring to prevent a referendum from taking place. Paramilitaries, widely believed to be armed and financed by the Indonesian military, are roaming the island, threatening leaders who are calling for independence and terrorizing the population. Tens of thousands of East Timorese have been forced to flee their homes and are hiding out in the hills and for-

ests. Many people continue to die. I enclose for the record a recent article from the Washington Post describing this situation. It is terrifying.

The United Nations mission has been attacked. U.N. monitors are restricted to the capital city of Dili and have not been allowed into the countryside where much of the violence is taking place.

Several months ago, Congress heard the testimony of one young man who survived a massacre in the village of Liquiça on April 5-6. He spoke of the violence, intimidation, terror and abuse that was taking place at the hands of the pro-integration paramilitary units in Timor. More than 200 people died. He barely survived after being beaten over the head with a concrete block by his attackers. The police and plain clothes members of the Indonesian government stood by and watched this attack take place. I enclose a copy of his testimony for the record.

The Bereuter amendment condemns paramilitary violence in East Timor, urges the immediate disarmament of all paramilitary units and urges that international human rights monitors be given free and open access in order to prevent violence in the weeks leading up to the United Nations sponsored referendum.

This amendment is very, very important. Indonesia must get the message that its relationship with the United States will not be fully restored until a free and fair referendum takes place in East Timor.

For Jakarta, this could be a win/win situation. The recent elections in Indonesia showed tremendous progress and signs of hope. The international community, and the American people, are ready to move forward into a new era of U.S.-Indonesian cooperation.

But, the United States should not fully embrace Indonesia until it does everything possible to comply with the terms of the United Nations agreement set forth earlier this year and cooperate with the United Nations mission in East Timor (UNAMET).

The military leaders in Indonesia must recognize that the people of East Timor have a legitimate right to peacefully make their views known about their political future. The Indonesian military must become a force for peace, rather than violence.

Personally, I strongly oppose the resumption of a cooperative military relationship between the U.S. and Indonesia until there is a free, fair and bloodless referendum in East Timor. Congress has denied Indonesia the right to participate in the International Military Exchange Training Program (IMET) and the Joint Combined Exchange Training Program (JCET) because of its concern about ABRI's role in East Timor. We did this over the objections of the administration. I, and I know many of my colleagues share this view, do not support resuming either of these programs until after the referendum takes place.

This message must be relayed regularly and forcefully by high-ranking administration officials. I enclose for the record a copy of my recent letter to Stanley Roth urging him to visit East Timor before the referendum. I have suggested that he take with him a high-ranking military officer, such as Commander in Chief of the Pacific Fleet Admiral Blair, so that there

is no doubt in the mind of the General Wiranto and the rest of the Indonesian military about our intentions. The message must be clear: there will be military cooperation between the U.S. and Indonesia until a free and fair referendum takes place in East Timor.

This amendment is a step in that direction. I support the Bereuter amendment and urge my colleagues to vote in favor of it.

[From the Washington Post, July 20, 1999]

THOUSANDS FLEE HOMES IN E. TIMOR

(By Keith B. Richburg)

FAULARA, INDONESIA.—Army-backed militias have forced tens of thousands of East Timorese villagers from their homes—shoving some over the border into other parts of Indonesia—in a campaign apparently aimed at influencing the outcome of next month's United Nations-sponsored referendum on independence for the territory.

The United Nations, human rights groups and aid agencies have estimated that between 40,000 and 60,000 people have been driven from their homes, with thousands being held in town centers as virtual hostages to the militias, who hold indoctrination classes instructing them to vote against independence. The militias have confiscated radios to ensure that the villagers have no access to outside information about the ballot, say U.N. officials, aid workers and some of the displaced people.

Some of the people have fled into the surrounding hills and forests where they are suffering from lack of food and medicine and outside the reach of aid agencies. Many of those in the forests and camped along roadsides said they fled after being told they would be killed if they did not join the militia, known in this area as the Besi Merah Putih (BMP), which means Red and White Iron, after the colors of the Indonesian flag.

"They came and said you all have to become Besi Merah Putih or you die," said Laurendo, 28, interviewed along the road in the Sarai area in the western portion of the territory, which is now home to about 3,500 displaced people. "Some joined, because they didn't want to die. Some ran into the hills. Others were killed. They just killed them right there, and left the bodies for others to collect."

Ian Martin, head of the U.N. mission in East Timor, known as UNAMET, said the issue of displaced people is one of the biggest hurdles to overcome in ensuring a free and fair vote next month.

He said they numbered "ten of thousands. The nature of the problem is such that you can't hope to put a number on it."

Another relief agency, whose officials asked that their names and organizations not be published, put the number of displaced at "58,000 or more," including 11,000 who have sought refuge in the territory's capital, Dili.

The three western districts where the BMP holds sway are East Timor's most populous provinces. The militias rule with virtual impunity here, and U.N. workers have been attacked and threatened. And it is here that the anti-independence militias have threatened to carve off the western provinces and partition the territory, if East Timor votes for independence.

Last May, Indonesia signed an agreement at the United Nations setting up the August referendum that most analysts say is likely to lead to approval of independence, almost 24 years after Indonesian troops invaded the territory and began a violent occupation that has killed about 200,000 people. But even

while agreeing to hold the ballot, the Indonesian military since the beginning of the year has been arming and supporting as many as 13 militia groups like the Red and White Iron, which have been terrorizing and trying to intimidate people into voting to remain a part of Indonesia.

"On the face of it, it seems they want to force people to vote for autonomy [and against independence], so they use violence, terror, even money," said Aniceto Guterres Lopes, a Timorese lawyer who heads the Legal Aid, Human Rights and Justice Foundation in Dili.

Guterres said his group has data putting the number of displaced people as high as 60,000. "People are unable to stay in one location," he said. He also said his office has received consistent reports of displaced people, mostly women, children and the elderly, who have been forced out of East Timor, across the border to the town of Atambua, in West Timor, which is part of Indonesia. The men, he said, "are left behind and forced to join the militia."

Villagers appeared to confirm reports of a campaign to prevent large numbers of East Timorese from voting. Santiago, 20, wearing a ripped white T-shirt, shorts and a herded-band, and armed with a machete, recalls how 30 people from his village were headed away—including his mother and father.

"They took them away in an army truck," he said. "All the men were killed. Only the women and old people were spared." He said the militiamen told them their relatives were being moved across the border. And now Santiago and his friend, Maumeta, where standing along the road, on watch for any sign of militiamen approaching.

Dan Murphy, an American doctor working in Dili, was on the only aid convoy that went into the area to find displaced people. The convoy, including several U.N. vehicles, was attacked by a militia outside Likisia on the return trip. "The militias destroy any radio," he said. "You've killed or punished if you listen to a radio. The only information they want you to have is what they tell you."

"Western [East] Timor is decimated," Murphy said. "The entire population has just spread, running through the jungles . . . You can argue about the numbers, but the fact is, the population has been decimated."

A trip to the region by three journalists confirmed the extent of the depopulation. Dozens of houses have been burned to ruin along a 30-mile stretch of road between the towns of Likisia and Sarai. The area now seems largely empty of people.

One village, called Guico, appeared especially hard hit; all that remained from a militia attack were the frames of buildings and a few collapsed corrugated tin roofs. On the wall of one burned-out shell of what may have been a guard shack, a scrawled line of graffiti reads: "Goodbye, Guico—you are a village that will always be in my memory."

Some who fled have become so hungry and weak after months in hiding that they have begun the trek back home, despite the risk of encountering the militia. This reverse movement is what aid groups and others say has made a precise count of displaced people difficult.

The journalists last week encountered a group of 11 families making the return trip, after hiding in the forest since February. They came along the road with their belongings tied to their backs, piled in wheelbarrows, and strapped on horseback—plastic containers and wicker mats, machetes for cutting wood and a few burlap sacks.

Among the group was a 28-year-old woman named Akalina, traveling with her husband, and a 1-month old baby who was listless and underweight.

"If we stayed in the forest any longer, we wouldn't have enough to eat," she said.

U.N. Secretary General Kofi Annan decided to allow voter registration to begin July 16 despite the problem of the displaced people. Even taking the lowest estimates, they represent more than 10 percent of the voting population of around 400,000.

To make sure the displaced are not left out, the world body is considering mobile voting registration teams that will seek them out. If they have lost their identity cards or other documents, the refugees will be able to sign an affidavit when they register.

In addition, the Japanese government has given 2,000 portable radios to UNAMET, and David Wilmhurst, the U.N. spokesman in Dili, said some of those will be allocated to the displaced people.

For the moment, the displaced people here at Faulara are interested mainly in survival, and that means staying alert, being ready to move when necessary, and keeping one step ahead of the militias.

#### MASS KILLING IN LIQUICA

##### INTRODUCTION

First I would like to express my sincere gratitude to the people and government of the US for this invaluable opportunity to give a testimony about the suffering experienced by the people of Timor Leste.

My name is Francisco de Jesus da Costa. I am one of the victims and witnesses of the massacre committed by the Indonesian Military (TNI) in Liquica who managed to escape death.

Before the bloody incident, the TNI and the paramilitary had engaged in various forms of violence such as intimidation, terror, abuse, and killing in Liquica. They perpetrated these horrible acts to pressure and coerce people to choose the autonomy plan offered by the Indonesian government. The targets of this terror and killing are the leaders of the pro-independence movement and their followers. The terror had created an atmosphere of intense fear among the community and caused waves of refugees in different numbers to look for a safer place to live. Usually the people feel more secure in the churches.

In sub-district Liquica where I come from, the terror reached its peak with the mass killing on April 6, 1999. Before I come to the main part of my testimony, I'll describe the incident on April 5, 1999 which caused seven people to die.

A. 5 APRIL 1999

The militia which is based in Maubara village, about 15 kilometers from the town of Liquica, attacked the pro-independence people and their leaders in Liquica. At the border of Liquica and Maubara they encountered the pro-independence people. In this clash the TNI and the militia killed two civilians and injured seven others.

At 09:00 AM the militia backed by the TNI moved toward Liquica town and along the way they terrorized just about everybody they encountered.

Around 02:00 PM they arrived in Liquica town and they were accompanied by Indonesian troops who sent random shots. This action terrorized the population and made some of them flee to the residence of Father Rafael and some others ran away to the jungle to save themselves. About 1000 people gathered at the Father's residence.

An hour later the TNI and paramilitary troops terrorized the whole town of Liquica by burning people's houses, taking away the vehicles owned by the supporters of independence and other forms of violence.

Around five in the evening, the paramilitary and the TNI killed a man, Laurindo (48) and his son, Herminho (17), and then they took their car to terrorize other people in the town. After committing this atrocious act, they killed another two civilians at the house of the village chief of Dato. Around seven in the evening they kidnapped another man, Herminho do Santos (38), a worker at the Public Water Office, and killed him later on at night.

B. 6 APRIL 1999

At 06:00 AM the Red and White Iron Rod (BMP) militia began to launch provocation and terror against the refugees at the residence of Father Rafael dos Santos.

Around 8:30 AM the BMP paramilitary threw stones at the refugees gathering inside the priest residence and this caused two people injured. This act continued until around 11:00 AM.

After that one of the leaders of the militia, Eurico Guterres, came to see the priest and offered a peaceful solution. The priest took the offer. Eurico then went to pass on the message about the agreement to the leader of the BMP, Manuel Sousa, and the head of Liquica district, Leonito Martins. It turned out that both Manuel Sousa and Leonito Martins rejected the agreement made between the priest and Eurico Guterres.

Around 12:30 PM four trucks full with soldiers and two cars with police from the special force Mobil Brigade came to the area. The military were stationed at the local army headquarters (Kodim), while the police were around the location of incident.

At 1:30 PM the police attempted to drive away the militia troops from the surrounding of the priest's residence but the militia ignored it. They showed their insistence to attack us at the house.

Around 2:00 PM the militia with the support of the plain-clothes members of the Indonesian army attacked the refugees in the house of Father Rafael. The plain-clothes military shot the people from outside the fence of the priest's house, while the BMP militia rushed into the residence. They started to beat, stab and hack the people inside the priest's house. The police threw some tear gas bomb at the thousands people. The effect of this tear gas benefited the militia because they could easily butcher the refugees. Meanwhile the plain-clothes military continued to help the militia by shooting at the hundreds of people who could not get into the priest's house because it was jammed with panicked people. This horrifying attack continued until 5:30 PM. The Police did not do anything toward the militia who slaughtered the people.

Along with some other people, I hid in the priest's dining room during the killing outside. Around five in the afternoon I was forced to go out to save myself. At that moment the militia beat me with a concrete block and jabbed my head. Later on I realized that there were about six wounds in my head. I was very lucky that I could escape death because a police friend whom I happened to know saved me.

When I was outside I saw dead bodies scattered on the ground, children, women, young and old people. I was walking among those corpses. I estimated that there were about 200 bodies at that time.

The police who saved me took me to the Mobil Brigade vehicle and I was taken to the

house of the district head with more than 30 people who were injured. We received an emergency treatment from a nurse at the house of the sub-district head. We were coerced to promise to choose autonomy during the ballot. The sub-district head ordered us to raise the red and white flag once we returned to our house. I returned to my house but the situation was so unsafe that I decided to stay for the night at the house of the policeman. On Thursday I went to Dili to get treatment for my wounds.

The people who were still alive and wounded were taken to various places, including the sub-district and district military headquarters, the police office and the house of the district head. While the dead bodies were taken away by the military vehicles and thrown out in unknown place. Until now those corpses are not yet returned to their families for proper burial.

From the above story I want to emphasize several things:

1. The Liquiça incident was a mass killing of unarmed civilians. This massacre was committed by the Indonesian Military.

2. It can be said that the Indonesian military was both the brain and the actor of the massacre. They openly supported the militia.

3. According to an Indonesian military official, five people died in this massacre. The church (Bishop Belo) said that 25 people died. But, to me who escaped the massacre and witnessed it as well, I doubt the numbers they announced. I believe that more than 200 people died on that day.

4. None of the bodies of the victims have been returned to their families for proper burials.

5. All the brutal actions perpetrated by the militia and the Indonesian troops, whether it be terror, intimidation or massacre, are intended to threaten the people to choose integration with Indonesia or autonomy under Indonesian rule.

In this golden opportunity I would like to pass on some demands to the international community and to the government and the people of the US:

1. We call for the UN and especially the US government, to pressure the Indonesian government and the TNI to remove the weapons they supplied to the militia who committed terror, intimidation and killing of the unarmed civilians in Timor Leste.

2. We demand that the U.S. government as the member of the UN Security Council to be more active in pressuring the Indonesian government and its military to create a safe and secure condition for carrying out the ballot in Timor Leste this coming August.

3. We demand that the US government pressure the Indonesian government and its military forces to respect the rights of the East Timorese to self determination.

Hereby our testimony to the people and government of the US. Again thank you very much for your kind attention.

My best regards, Francisco de Jesus da Costa.

JUNE 23, 1999.

Hon. STANLEY ROTH,  
Assistant Secretary, East Asian and Pacific,  
U.S. Department of State, Washington, DC.

DEAR AMBASSADOR ROTH: I received a briefing from my staff about the meeting in Representative Frank's office. I appreciate your taking time to come up to the Hill to discuss issues related to East Timor and apologize for not being there. I was in an Appropriations Committee markup. My staff informed me that meeting was very useful and that the administration seems to be more

proactive in protesting the violence and pushing for an international presence in East Timor. I commend you for your leadership.

We really cannot do too much to encourage a free and fair referendum in East Timor. People are dying, as you know well, and we must not let up the pressure before the vote. I think it may be beneficial for you to visit East Timor before the referendum and to take with you a high-ranking military flag officer such as Admiral Dennis Blair, Commander-in-Chief of the U.S. Pacific Command, Lieutenant General Edward P. Smith, commanding general of the U.S. Army Pacific region or another comparably ranked official.

I am pleased that U.S. military officials and high-ranking administration officials have been talking to General Wiranto and others about Indonesian military abuses in East Timor. I think a visit by you and a military officer at this time would help reinforce that message and let them know, again, how important a free and fair referendum, without violence and intimidation, is to the United States government.

Thank you again for taking time to meet with us. Best wishes.

FRANK R. WOLF,  
Member of Congress.

Mr. MCGOVERN. Mr. Chairman, I rise in strong support of the Bereuter amendment on East Timor. This tiny country, so long repressed, is facing an historic moment to determine its own future, but only if the Government and military of Indonesia allow for free and fair elections to take place at the end of August. It is critical that Congress express its support for the upcoming plebiscite on independence or autonomy in East Timor, and presses the Indonesian government to remove Indonesian military forces from East Timor, disarm anti-independence paramilitary groups and keep them from interfering with a free and fair vote.

Last week, on Tuesday, July 13, the United Nations Security Council called upon Indonesia to urgently improve security in East Timor where violence threatens to halt the U.N.-sponsored August plebiscite. United Nations Secretary General Kofi Annan has already had to postpone the ballot once from August 8th to August 21st. The start of voter registration was pushed back from Tuesday, July 13th, to Friday, July 16th, because of violence that included militia attacks against United Nations staff and observers.

On Wednesday, July 14th, U.S. Assistant Secretary of State for Asian Affairs Stanley Roth warned the Indonesian government about the consequences of failing to bring under control the pro-Jakarta militias that have killed scores of civilians and attacked U.N. personnel.

According to the U.S. Catholic Conference Office of International Justice and Peace, the situation in East Timor has sharply deteriorated in recent months, with hundreds killed in paramilitary violence aimed at disrupting the referendum. As emphasized in a June 10, 1999 statement, Archbishop McCarrick, Chairman of the USCC International Policy Committee said: "Thus far this year, the people of East Timor have experienced a level of violence not seen since the 1970s when Indonesian forces invaded and annexed the territory. Rampaging groups of armed militias have committed numerous atrocities upon mostly

unarmed, pro-independence communities and individuals \* \* \* On April 6, dozens of people were shot and hacked to death at the Catholic church in Liquica, a massacre Bishop Carlos Ximenes Belo of Dili has likened to that at the Santa Cruz Cemetery in 1991 \* \* \* Throughout the territory, armed members of the dozen or so local militias that have sprung up in the months after B.J. Habibie became president of Indonesia a year ago have waged a relentless campaign of intimidation and violence directed at those thought to favor independence."

Clearly a campaign of violence, of intimidation, of terror is being fostered by the Indonesian military and anti-independence paramilitary groups operating inside of East Timor. Over 40,000 East Timorese have fled their homes and farms, raising again the specter of hunger that devastated much of the island in the late 1970s. While some of the internally displaced persons are in centers assisted by the Catholic Church's CARITAS workers, many are without any help and need the protection and relief that could be provided by the international committee of the Red Cross, if it were allowed to enter in sufficient numbers.

Increased international pressure is urgently needed to address this situation, both to provide relief and an international presence to diminish the attacks and violence by paramilitary groups, which are acting with the support and tolerance of the Indonesian military. United Nations monitors have been attacked and not allowed to travel outside of Dili into the countryside. Unless the violence is brought under control and the militias disbanded, the conditions essential for a fair and free vote will be seriously lacking.

I want to thank the gentleman from Nebraska [Mr. BEREUTER] for bringing this amendment to the floor of the House today. I also want to thank Congressmen PATRICK KENNEDY and RICHARD POMBO who coordinate the Portuguese Issues Caucus for keeping the East Timor situation in the forefront of Congressional advocacy and supporting human rights, democracy and self-determination for suffering people.

The United States government and the Congress must do everything possible to ensure this historic moment is not lost. The East Timorese people have a right to determine their own destiny through a free and fair ballot on autonomy or independence.

I urge my colleagues to support the Bereuter amendment.

Mr. BEREUTER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. BARRETT of Nebraska). The question is on the amendment offered by the gentleman from Nebraska (Mr. BEREUTER). The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider Amendment No. 26 printed in part B of House report 106-235.

AMENDMENT NO. 26 OFFERED BY MR. GOODLING  
Mr. GOODLING. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B Amendment No. 26 offered by Mr. GOODLING:

Page 84, after line 16, insert the following new title:

**TITLE VIII—PROHIBITION ON ASSISTANCE TO COUNTRIES THAT CONSISTENTLY OPPOSE THE UNITED STATES POSITION IN THE UNITED NATIONS GENERAL ASSEMBLY**

**SEC. 801. PROHIBITION ON ASSISTANCE TO COUNTRIES THAT CONSISTENTLY OPPOSE THE UNITED STATES POSITION IN THE UNITED NATIONS GENERAL ASSEMBLY.**

(a) PROHIBITION.—United States assistance may not be provided to a country that consistently opposed the United States position in the United Nations General Assembly during the most recent session of the General Assembly.

(b) CHANGE IN GOVERNMENT.—If—

(1) the Secretary of State determines that, since the beginning of the most recent session of the General Assembly, there has been a fundamental change in the leadership and policies of the government of a country to which the prohibition in subsection (a) applies, and

(2) the Secretary believes that because of that change the government of that country will no longer consistently oppose the United States position in the General Assembly, the Secretary may exempt that country from that prohibition. Any such exemption shall be effective only until submission of the next report under section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (22 U.S.C. 2414a). The Secretary shall submit to the Congress a certification of each exemption made under this subsection. Such certification shall be accompanied by a discussion of the basis for the Secretary's determination and belief with respect to such exemption.

(c) WAIVER AUTHORITY.—The Secretary of State may waive the requirement of subsection (a) if the Secretary determines and reports to the Congress that despite the United Nations voting pattern of a particular country, the provision of United States assistance to that country is necessary to promote United States foreign policy objectives.

(d) DEFINITIONS.—As used in this section—

(1) the term "consistently opposed the United States position" means, in the case of a country, that the country's votes in the United Nations General Assembly coincided with the United States position less than 25 percent of the time, using for this purpose the overall percentage-of-voting coincidences set forth in the annual report submitted to the Congress pursuant to section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991;

(2) the term "most recent session of the General Assembly" means the most recently completed plenary session of the General Assembly for which overall percentage-of-voting coincidences is set forth in the most recent report submitted to the Congress pursuant to section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991; and

(3) the term "United States assistance" means assistance under—

(A) chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund),

(B) chapter 5 of part II of that Act (relating to international military education and training), or

(C) the "Foreign Military Financing Program" account under section 23 of the Arms Export Control Act.

(e) EFFECTIVE DATE.—This section takes effect upon the date of the submission to the

Congress of the report pursuant to section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991, that is required to be submitted by March 31, 2000.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from Pennsylvania (Mr. GOODLING) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

I offer a very common sense amendment. It basically says that if one cannot vote with us 25 percent of the time in the United Nations, not 50, not 75, but 25 percent of the time in the United Nations, we do not send any military aid.

Now, it is sheer arrogance for Members of Congress to say to the American public that we will send arms to countries who do not believe in the importance of human rights, who do not believe in freedom and democracy, who do not believe in anything that we believe in the United States, and we will send military arms so that they, in fact, can use them back against our own men and women. It is just as simple as that.

Now, there are people who are going to say, oh, we are targeting this country; we are targeting that country. I am not targeting any country. It is not retroactive. I am telling them up front, in advance, it is not retroactive, so we are not targeting any country. Then they will say, well, the amendment would cut off millions of dollars of development assistance to needy people around the world. Nonsense. It does not touch humanitarian aid. It does not touch developmental assistance. It is strictly military assistance.

The next thing they will say is we will tie the President's hand in the conduct of foreign policy. Nonsense. There are waivers in there. If the President believes it is in our best interest to do what he believes is important, the waiver is there, and he can do it.

Then we will hear that we are only considering a select number of votes. Again, we are considering all votes except consensus votes in the United Nations.

So I cannot imagine anybody being able to tell the American people that we are so arrogant that we will spend their tax money to send military arms to rogue nations, to nations who are going to use them back against us, to nations who support terrorism around the world. It is not retroactive; it is up front. Either they can find a way to agree that 25 percent of the time we are right, or they get no military aid.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore. Is the gentlewoman from Georgia (Ms. McKINNEY) opposed to the amendment?

Ms. McKINNEY. Yes, I am, Mr. Chairman.

The CHAIRMAN pro tempore. The gentlewoman from Georgia is recognized for 5 minutes.

Ms. McKINNEY. Mr. Chairman, I yield 1½ minutes to the gentleman from New York (Mr. ACKERMAN).

Mr. ACKERMAN. Mr. Chairman, oh, that I wish it was as simple as the proponent of the amendment suggests. This is not a simple amendment. This is plain and simple and surely an amendment to bash India and another attempt to do that in a long series of failed attempts over the last several years.

Sure, it would be easy and nice to say well, they should vote with us at least 25 percent of the time at the United Nations. Well, guess what? India does that. Mr. Chairman, 77 percent of the votes in the United Nations, 70 percent of the time that they have an issue, it is done by consensus, with the agreement of India, along with the United States and the other people represented in the United Nations. What the gentleman refers to as only some recorded votes are quite different than all of the matters considered by the United Nations.

Votes in the United Nations on U.S. aid should not be used to reward somebody in order to bribe them to vote the way we think. India is a thriving democracy, the world's largest democracy.

In addition to that, this would be a terrible time to send that message. This would ironically reward Pakistan, that has just invaded India's side of the line of control in Kashmir and Jammu. When India has exercised complete constraint as the world's newest nuclear power and handled itself admirably and appropriately in the eyes of the whole international community, what a horrible message for us to send out now. India has been our friend; they are progressing as a democracy. The gentleman's amendment would cut off even the economic support fund, if he reads his own amendment, and that would be a terrible thing to do.

Mr. GOODLING. Mr. Chairman, I yield 1½ minutes to the gentleman from North Carolina (Mr. BALLENGER).

Mr. BALLENGER. Mr. Chairman, I want to speak in support of the amendment of my good friend, the distinguished gentleman from Pennsylvania (Mr. GOODLING) which, as he has explained, would withhold military assistance from countries that do not support the U.S. position in at least 25 percent of the votes before the United Nations General Assembly. Let me stress that humanitarian aid and development assistance would not be affected.

Many of my constituents question the amount of money the U.S. spends on foreign aid anyhow, including the billions we send to the United Nations.

They question why we continue to send money to an organization wherein many of the recipients of that aid routinely vote against U.S. interests. And according to the statistics compiled by the State Department, that is the case.

While the United States sends military assistance to fewer nations who oppose our interests in the U.N. than it did just a few years ago, we have further to go. If we are cutting popular programs at home to remain under budget caps, the American people should be able to expect that foreign aid takes a fair share of its cuts. The Goodling amendment is one excellent way to prioritize our foreign aid dollars, and I urge its adoption.

The CHAIRMAN pro tempore. The gentleman from Pennsylvania (Mr. GOODLING) has 2 minutes remaining; the gentlewoman from Georgia (Ms. MCKINNEY) has 3½ minutes remaining.

Ms. MCKINNEY. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Chairman, this is nothing more than a slap in the face to India. The bottom line is, when did anyone decide that the votes in the general assembly, which many people in this body consider almost irrelevant, are a basis for deciding whether or not a country is a friend or a foe of the United States? I do not need to mention this again, but the gentleman's amendment refers to recorded votes. If we count all votes in the general assembly, India votes with the U.S. 84 percent of the time. If we count important votes by the State Department, India is with us 75 percent of the time. This is just a way to configure largely irrelevant votes in the general assembly to try to say that India is bad.

Well, my friends, India and the United States have a lot in common. We have a lot of business interests and trade interests in India; and India, in fact, in the last few weeks if we look at what has happened in Kashmir, India was attacked, Pakistan was the aggressor, and the United States and the President clearly pointed out that Pakistan should withdraw and that India showed restraint and cooperated with the United States in that conflict.

This is not the time to send a vote that refers to these irrelevant votes in the general assembly. Oppose the Goodling amendment.

Mr. Chairman, I believe this amendment is unnecessary and potentially destructive to U.S. interests internationally. According to the amendment, the sole method for determining how pro- or anti-U.S. a country is would be how the country votes in the United Nations General Assembly. This is a largely irrelevant way of determining who our friends and foes are. Under the Goodling Amendment, all of our other diplomatic, political, strategic or economic interests would be sacrificed to the mostly symbolic indicator of General Assembly votes—often on issues of peripheral importance.

In practical terms, this amendment would serve as a symbolic slap at India, the world's largest democracy, a country that is moving forward with historic free-market reforms that offer tremendous opportunities for American trade and investment. At a time when Congress is working on a bipartisan basis to lift the unilateral sanctions imposed on India last year, enactment of this provision would set back much of the progress we have been making. It would be seen as a purely punitive action, creating an atmosphere of distrust that would make it much more difficult for us to achieve vitally important goals.

Mr. Chairman, the vast majority of Resolutions adopted by the General Assembly are adopted by consensus. When you count those votes, India votes with the U.S. 84 percent of the time. If you look at the votes identified as "important" by our State Department, including the consensus votes, India is with us 75 percent of the time.

India also cooperates with the U.S. in a wide range of other U.N. activities, ranging from health issues to cultural and scientific matters. India has sent significant troop contingents to various peace-keeping missions around the world, serving as a partner to further our mutual interests.

But the U.N. is only a small part of the story of how the United States and India work in partnership and friendship in ways that help the people of both of our countries. Passage of this amendment would create a poisonous atmosphere that would set back these other efforts.

Most of the other countries that would be affected by this amendment are already barred from receiving U.S. assistance under various sanctions, many of which have been on the books for decades. Thus, realistically, we're talking about cutting \$130,000 in IMET funding to one country, India, a democracy that shares many of our values and interests and works with us in countless positive ways.

Mr. Chairman, India and the United States have a great stake in working for improved relations. We should focus on the significant issues that unite us, and not the minor disagreements. I urge my colleagues to defeat the Goodling Amendment.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Chairman, I support the Goodling amendment. It is about time that we stop giving our money and support to countries that in crunch time do not support us. Reports today show, for example, that Russia has given some of our foreign aid to Iran to develop a missile that could hit America. I think the gentleman from Pennsylvania (Mr. GOODLING) is on target. We have the United Nations; we have recorded votes. Those recorded votes are of significance and in significant moments those countries that get our money that are not with us should think twice.

I support this amendment, and I think our policies are foolish and maddening, that we continue to buoy up our opposition.

I was elected to the Congress of the United States, not the United Nations;

and if these countries on recorded votes are not with us, then by God, we should not be with them financially.

Ms. MCKINNEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, our security assistance ought to be about U.S. security and not about the United Nations. This amendment unfortunately establishes an iron link between a country's voting pattern in the U.N. and whether or not it could receive security assistance from our country. While I understand the value of working to obtain greater support for our positions in the general assembly, this is the wrong way to go about it. We should give security assistance based on whether or not this assistance contributes to the security of the United States. That decision has absolutely nothing to do with how a country votes at the U.N.

If this amendment passes, we could be restricted in providing security assistance even when it makes our citizens safer. That makes absolutely no sense.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore. The gentleman from Pennsylvania (Mr. GOODLING) has 1 minute remaining; the gentlewoman from Georgia (Ms. MCKINNEY) has 1½ minutes remaining.

Mr. GOODLING. Mr. Chairman, I yield myself the balance of my time.

Let me make it very clear, we are talking about the security of the United States. Let me talk about some of the votes. U.N. embargo of Cuba. How about coercive economic measures. How about International Atomic Energy Agency report. How about nuclear testing in south Asia. How about a new agenda for nuclear disarmament, human rights in Iraq, in Iran, human rights in former Yugoslavia, human rights in Kosovo. All of those deal with our security. There is no question about it.

Again, there is a waiver there. If it is in our interests in the United States in order to do something contrary to this amendment, the waiver is there, the President uses that waiver, and the Secretary of State uses that waiver.

We are talking only about military assistance which someday may come back to kill American young men and women, and we are arrogant enough in the United States Congress to say, we will take taxpayers' money and do with it whatever we want. We do not care what the public has to say.

I do not know what country might be caught in a web because it is not retroactive, and my minister, as a matter of fact, is a wonderful gentleman from India.

Ms. MCKINNEY. Mr. Chairman, I yield the balance of my time to the gentleman from Connecticut (Mr. GEJDENSON).

□ 1330

Mr. GEJDENSON. Mr. Chairman, this is a particularly ill-advised amendment. What it would do would handcuff the administration in dealing with the most populous democracy on this planet.

Some time in the last month or this month, this world becomes a 6 billion person planet. We are talking about a country that has 1 billion people. We are talking about American national interests, and when we look at the United Nations most of what happens is by consensus. Do not hamstring this or future administrations by a standard that really does not measure co-operation.

In the United Nations, most of what happens is by consensus. This is a bad amendment that would harm the relationship we have with the most populous democracy on this planet. Think of a challenge of running a democratic government with a billion people on it. It is a bad amendment. It ought to be defeated.

I urge my colleagues to join those of us who recognize the folly in this amendment to reject it and reject it strongly. I commend those who have spoken against it.

Mr. ACKERMAN. Mr. Chairman, I ask unanimous consent for 2 additional minutes divided equally so that we could afford the distinguished chairman of the full committee one of those minutes.

The CHAIRMAN pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GEJDENSON. Mr. Chairman, I yield to the gentleman from New York (Mr. GILMAN), the chairman of the committee.

Mr. GILMAN. Mr. Chairman, I rise in opposition to the amendment offered by the distinguished gentleman from Pennsylvania (Mr. GOODLING). While well-intentioned and aimed at protecting our interests at the U.N., its implementation would only harm our ability to conduct multilateral diplomacy. With its arbitrary targets for foreign aid cutoffs for those countries failing to support our positions in the General Assembly votes, it is likely to end up undercutting our relations with key nations in South Asia and Latin America.

At a time when we are trying to curtail proliferation around the world and advance our vital interests, such as stopping the flow of narcotics into the United States, we should not put any additional roadblocks in the way of our diplomats trying to accomplish these important objectives.

In the near future, we will be attempting to put a U.N. reform package together whereby we will be paying our arrearages to the U.N. in return for the implementation of significant reforms

inside the world body and the U.N. specialized agency.

I am concerned that the adoption of this amendment would undercut our ability to achieve these long-sought reforms. In short, I believe that its practical effect is penny-wise and pound-foolish.

Mrs. MALONEY of New York. Mr. Chairman, I rise in opposition to the Goodling amendment.

Mr. GOODLING. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me again emphasize that all this amendment says is that they have to vote with us 25 percent of the time in the General Assembly if they want our military aid.

Otherwise, if they cannot vote with us 25 percent, obviously along the line they are going to be using that same military aid against us or they are going to give it to some rogue nation to use it against us.

Let me also remind my colleagues that the waiver is big enough that the President or the Secretary of State can drive a truck through it. So if it has anything to do with protecting our security, he is protected. But for goodness sakes, respect for human rights, respect for freedom, democracy, respect for individual rights, I cannot imagine how we could possibly vote against that.

Let us not be arrogant and tell the American public we do not care what they think about how we spend their taxpayers dollars. We want to tell them that, yes, we do have respect for what they believe and what we believe is we should not support any rogue nation who is going to take care of us at a later time or could, and we are thinking about our national security, not someone else's. It is our money; not someone else's.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GOODLING).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. GEJDENSON. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, further proceedings on the amendment offered by the gentleman from Pennsylvania (Mr. GOODLING) will be postponed.

It is now in order to consider amendment No. 27 printed in part B of House Report 106-235.

AMENDMENT NO. 27 OFFERED BY MR. CONDIT

Mr. CONDIT. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 27 offered by Mr. CONDIT:

Page 84, after line 16, insert the following:

# TITLE VIII—FOREIGN ASSISTANCE REPORTING REFORM

## SEC. 801. SHORT TITLE.

This title may be cited as the "Foreign Assistance Reporting Reform Act of 1999".

## SEC. 802. PROHIBITION ON FOREIGN ASSISTANCE AND CONTRIBUTIONS UNLESS CERTAIN REPORTING REQUIREMENTS ARE MET.

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2351) is amended—

(1) by redesignating the second section 620G (as added by section 149 of Public Law 104-164 (110 Stat. 1436)) as section 620J; and

(2) by adding at the end the following:

## "SEC. 620K. PROHIBITION ON FOREIGN ASSISTANCE AND CONTRIBUTIONS UNLESS CERTAIN REPORTING REQUIREMENTS ARE MET.

"(a) PROHIBITION.—Notwithstanding any other provision of law, United States assistance may not be provided to a foreign country, and contributions may not be provided to an international organization, for a fiscal year unless—

"(1) such country or organization, as the case may be, prepares and transmits to the United States a report in accordance with subsection (b); and

"(2) the President transmits each such report to the Congress.

"(b) REPORTS TO THE UNITED STATES.—A foreign country that seeks to obtain United States assistance or other international organization that seeks to obtain a United States contribution, shall prepare and transmit to the United States a report that contains—

"(1) the amount of each type of United States assistance or contribution sought;

"(2) the justification for seeking each such type of assistance or contribution;

"(3) the objectives that each such type of assistance or contribution is intended to achieve;

"(4) an estimation of the date by which—

"(A) the objectives of each type of assistance or contribution will be achieved; and

"(B) such assistance or contribution can be terminated; and

"(5) a commitment to provide a detailed accounting of how such assistance or contribution was spent.

"(c) DEFINITIONS.—In this section the term 'United States assistance' means—

"(1) assistance authorized under this Act (such as the development assistance program, the economic support fund program, and the international military education and training program) or authorized under the African Development Foundation Act, section 401 of the Foreign Assistance Act of 1969 (relating to the Inter-American Development Foundation), or any other foreign assistance legislation;

"(2) grant, credit, or guaranty assistance under the Arms Export Control Act;

"(3) assistance under the Migration and Refugee Assistance Act of 1962; or

"(4) assistance under any title of the Agricultural Trade Development and Assistance Act of 1954."

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from California (Mr. CONDIT) and a Member opposed each will control 5 minutes.

The Chair now recognizes the gentleman from California (Mr. CONDIT).

Mr. CONDIT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the goal of my amendment is to increase the amount of information Congress receives about how



the U.S. foreign assistance is being spent. Under the amendment, recipients of U.S. foreign aid would be required to file a report with the U.S. on the amount of money they received and justification for this money, the objective of the assistance, and an estimate of when such assistance will no longer be needed.

This amendment is about transparency. I am concerned that our foreign assistance process be as transparent as possible and that the Congress be held accountable for all U.S. foreign assistance.

Mr. Chairman, I yield to the gentleman from Connecticut (Mr. GEJDENSON) for the purpose of entering into a colloquy to try to resolve some of my concerns.

Mr. GEJDENSON. Mr. Chairman, I share the concerns of my colleague and friend that Congress be provided as much information as possible about U.S. foreign assistance and how it is being spent.

At the beginning of each year, the administration sends up its congressional presentation for foreign operations with the President's annual budget request. This booklet outlines how the administration proposes to spend foreign aid for the upcoming year. The book lists the total amount, the type of aid going to particular countries, a breakdown on how that money is spent and will be used for regional stability and to open markets, expanding U.S. exports, counter-narcotics, et cetera., the guideline for how it will determine whether our foreign aid achieves its goal during that year.

Throughout the year, the agency for international development sends up to the Congress notification to the Hill which indicates any changes as to how foreign aid will be used and the name of the AID contractor if appropriate.

Mr. CONDIT. Reclaiming my time, if I may, Mr. Chairman, I am concerned that we take every possible step to ensure that any funds distributed as foreign assistance is not misspent. I would like to ask my colleague if he could address these concerns.

Mr. GEJDENSON. Mr. Chairman, to ensure that the money is not misspent, AID has personnel stationed in many embassies abroad who work closely with foreign aid recipients, closely monitoring the expenditure of the funds.

Mr. CONDIT. Under the current law, is it the understanding of the gentleman that in the event the U.S. foreign aid is used for purposes other than its original intent, such aid would be terminated?

Mr. GEJDENSON. AID has the authority to suspend its cooperation with an AID grant recipient should it determine the money is not being used for that intended purpose. The matter will then be referred to the Inspector General.

I appreciate the gentleman raising this issue, because I think there are two things that are involved here. One is, he is absolutely correct that like all government expenditures, the elected Members of Congress who do the work on these programs need to spend more time and be more informed of where those expenditures occur.

The agencies have to do a much better job making sure that every Member of Congress, when he or she has a question about how that money is spent, that those answers are presented in a timely manner. Members of Congress should not be left in the dark about these expenditures, and we have to make sure the agencies increase their effort to make sure Members are informed of how those expenditures are monitored.

Mr. CONDIT. I thank my friend, the gentleman from Connecticut (Mr. GEJDENSON), for his explanation, and I look forward to working closely with him and others during the next year to bring about additional transparency and accountability to the foreign aid process.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 29 in part B of House Report 106-235.

AMENDMENT NO. 29 OFFERED BY MR. TRAFICANT, AS MODIFIED

Mr. TRAFICANT. Mr. Chairman, I offer an amendment and ask unanimous consent to modify amendment No. 29 pursuant to the language that has been given to the desk.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 29 offered by Mr. TRAFICANT:

Page 84, after line 16, insert the following:

(a) IN GENERAL.—Funds made available for assistance for fiscal year 2000 under the Foreign Assistance Act of 1961, the Arms Export Control Act, or any other provision of law described in this Act for which amounts are authorized to be appropriated for such fiscal years, may be used for procurement outside the United States or less developed countries only if—

(1) such funds are used for the procurement of commodities or services, or defense articles or defense services, produced in the country in which the assistance is to be provided, except that this paragraph only applies if procurement in that country would cost less than procurement in the United States or less developed countries;

(2) the provision of such assistance requires commodities or services, or defense articles or defense services, of a type that are not produced in, the available for purchase from, the United States, less developed countries, or the country in which the assistance is to be provided;

(3) the Congress has specifically authorized procurement outside the United States or less developed countries; or

(4) the President determines on a case-by-case basis that procurement outside the United States or less developed countries would result in the more efficient use of United States foreign assistance resources.

(b) EXCEPTION.—Subsection (a) shall not apply to assistance for Kosovo or the people of Kosovo.

The CHAIRMAN pro tempore. The Clerk will report the modification.

The Clerk read as follows:

Part B amendment No. 29, as modified, offered by Mr. TRAFICANT:

Page 84, after line 16, insert the following:

# **TITLE VIII—LIMITATION ON PROCUREMENT OUTSIDE THE UNITED STATES**

## **SEC. 801. LIMITATION ON PROCUREMENT OUTSIDE THE UNITED STATES.**

(a) IN GENERAL.—Funds made available for assistance for fiscal year 2000 under the Foreign Assistance Act of 1961, the Arms Export Control Act, or any other provision of law described in this Act for which amounts are authorized to be appropriated for such fiscal years, may be used for procurement outside the United States or less developed countries only if—

(1) such funds are used for the procurement of commodities or services, or defense articles or defense services, produced in the country in which the assistance is to be provided, except that this paragraph only applies if procurement in that country would cost less than procurement in the United States or less developed countries;

(2) the provision of such assistance requires commodities or services, or defense articles or defense services, of a type that are not produced in, and available for purchase from, the United States, less developed countries, or the country in which the assistance is to be provided;

(3) the Congress has specifically authorized procurement outside the United States or less developed countries; or

(4) the President determines on a case-by-case basis that procurement outside the United States or less developed countries would result in the more efficient use of United States foreign assistance resources.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the modification be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN pro tempore. Is there objection to the modification offered by the gentleman from Ohio (Mr. TRAFICANT)?

There was no objection.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from Ohio (Mr. TRAFICANT) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think the most amazing thing about some of our foreign aid is that we give money to needy countries and then these needy countries take American money and buy



products and goods and services from Japan and other developed nations.

The Traficant language is straightforward. It says if a needy country gets money from Uncle Sam, they shall buy that product within their own country that we are trying to help, but if they do not produce that product or goods, they shall buy it from Uncle Sam.

Now, it does provide for exceptions on a case-by-case basis, where the President could waive this requirement, where the money would not be used efficiently or where there are other circumstances, but the focus is very straightforward. If someone gets money from Uncle Sam, we do not want them buying a Japanese product. We do not want them buying a product from another developed country when America makes and sells that product at the same competitive and comparable price factor.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore. Is there a Member in opposition to the amendment?

Mr. BEREUTER. Mr. Chairman, I am not in opposition, but I ask unanimous consent to claim the time in opposition.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just rise to say that the majority has no objection to the amendment of the gentleman from Ohio (Mr. TRAFICANT), and we accept it.

Mr. TRAFICANT. Mr. Chairman, I appreciate the support.

The CHAIRMAN pro tempore. The question is on the amendment, as modified, offered by the gentleman from Ohio (Mr. TRAFICANT).

The amendment, as modified, was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 30 printed in House Report 106-235.

AMENDMENT NO. 30 OFFERED BY MR. STEARNS

Mr. STEARNS. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 30 offered by Mr. STEARNS:

Page 84, after line 16, insert the following:  
**SEC. 703. SENSE OF CONGRESS RELATING TO LINDA SHENWICK.**

(a) FINDINGS.—The Congress makes the following findings:

(1) Linda Shenwick, an employee of the Department of State, in the performance of her duties, informed the Congress of waste, fraud, and mismanagement at the United Nations.

(2) Ms. Shenwick is being persecuted by Secretary of State Madeleine Albright and other State Department officials who have

removed her from her current position at the United Nations and withheld her salary.

(3) Ms. Shenwick was even blocked from entering her office at the United States Mission to the United Nations to retrieve her personal effects unless accompanied by an armed guard.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that employees of the Department of State who, in the performance of their duties, inform the Congress of pertinent facts concerning their responsibilities, should not as a result be demoted or removed from their current position or from Federal employment.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from Florida (Mr. STEARNS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Florida (Mr. STEARNS).

Mr. STEARNS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment is pretty simple. I thought for the benefit of my colleagues I would read this to them. Quote, it is a sense of this Congress that employees of the Department of State who, in the performance of their duties, inform the Congress of pertinent facts concerning their responsibilities, should not, as a result, be demoted or removed.

So I think my colleagues should realize that this is a sense of a Congress that is basically protecting whistleblowers.

In this great Nation of ours, we have laws to protect Federal civil servants from political manipulation. We also have Federal laws to protect whistleblowers who, in the performance of their Federal jobs, must report to Congress outside of the official channels within their bureaucracies information pertaining to their work.

Now, we have seen the case of the White House Travel Office, where with great controversy and there was accusations. We have seen the Department of Energy under Secretary Richardson, where whistleblowers were very uncomfortable and threatened. Now I think we have a case again of a dedicated, honest, trustworthy civil servant who has been unfairly and illegally removed from her Federal position.

Mr. Chairman, I am speaking of Ms. Linda Shenwick, a professional State Department employee who has been serving at the U.S. mission at the United Nations since 1987. She has held various positions during her career at the United Nations while becoming a noted budgetary expert on the United Nations finances.

During her employment, Ms. Shenwick has provided a valuable service to the United States Congress by providing to Congress information concerning budgetary reforms at the U.N. and information about waste, fraud and mismanagement there.

□ 1345

Ms. Shenwick has been labeled as a malcontent by the administration, es-

pecially within the State Department, because of her decision to perform her job as she saw fit, which required her to notify Congress of budgetary details at the U.N. and to notify Congress of waste, fraud, and mismanagement there.

So, in essence, Mr. Chairman, Ms. Shenwick provided Congress with information that the United Nations and the administration did not want made public. For instance, Ms. Shenwick reported in February of 1993 to her superiors that she had seen pictures of large amounts of U.S. currency stored openly on tables in Somalia.

Her reports were ignored. She then provided Congress with this information, and it later became public in April of 1994 that \$3.9 million of U.N. cash was reported stolen in Somalia.

Now, this report and others like it helped Congress force the United Nations to create an Office of Inspector General to end such fraud and mismanagement as had occurred in Somalia.

Between 1987 and 1994, Ms. Shenwick received the highest personal evaluation, employment evaluation, four times and the second highest once. Her job performance has not been based on political consideration or political favoritism.

In 1992, Ms. Shenwick reported that President Bush's ambassador to the United Nations, Thomas Pickering, had misused government aircraft for personal use and committed other improper activities.

When she began to report problems at the United Nations in 1993, her employment evaluations started to turn negative and the threats that she would be removed from her position began.

Ms. Shenwick has now been forcibly removed from her position at the United States Mission. When she attempted to return to her office, she was banned from entering her own office. When she attempted to collect her personal belongings in her own office, she was told that she would have to be escorted by uniformed and armed security officers.

As of this time, she has lost her Federal position, and her attorneys have notified my office that her salary has been terminated.

So I ask my colleagues this afternoon, how can this happen in our great country to a civil servant who has done such a great job?

The way she has been treated is outrageous and against Federal employment guidelines. We have Federal laws to protect whistleblowers, but somehow the bureaucrats at the State Department have gotten away with this personal vendetta against a Federal employee. It is not right. It is not fair.

My amendment is a simple "sense of the Congress" amendment that states, as I pointed out earlier, that this

should not occur. So I urge my colleagues to support my sense of the Congress, do the right thing, add their voice of support for this great public servant.

Mr. GEJDENSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. SMITH), and I ask unanimous consent that he be allowed to control that time.

Mr. CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SMITH of New Jersey. Mr. Chairman, I thank the gentleman from Connecticut for yielding me this time.

Mr. Chairman, I rise to express my deep concern about the course of actions that appear to constitute retaliation against Linda Shenwick. In the most recent series of questionable actions, Ms. Shenwick has been ordered to vacate her office in New York by the close of business—she has already been told to do that—with a directed transfer to another Department of State position.

We believe this action is properly construed as retaliatory and in violation of the Whistleblower Protection Act. Accordingly, I and many other Members, including the gentleman from New York (Mr. GILMAN), the chairman of the full committee, have asked that she be protected and that this proceeding needs to be looked into much more.

I think the amendment of the gentleman from Florida (Mr. STEARNS) certainly puts us on record as being very much against what is happening here.

Let me also say that she has been a whistleblower in a bipartisan way, bringing information to the fore that needs to be brought forward.

One of the things that has galled me in 19 years as a Member of Congress—4 years now and counting as the chairman of the Subcommittee on International Operations and Human Rights—is our inability to get information in a timely and usable form. There is not transparency with this administration. We need to have it. I think the whistleblower needs to be protected rather than retaliated and punished.

So I think the gentleman from Florida (Mr. STEARNS) has done a very, very good thing with his amendment. I hope everybody will support it.

Mr. GEJDENSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there are a significant number of allegations having been made here, and there is a process in place to adjudicate those accusations. That process is presently under way.

The gentlewoman in question has availed herself of legal counsel, and there is presently under consideration

by the Office of Special Counsel, an independent Federal agency, a review of this case.

Now, the accusations are what? That she is being removed from her present job. It is true. She is being removed from her present job. Why? Because she got an unsatisfactory review. One of the charges, among others, is that numbers that she provided were simply inaccurate, that she mixed numbers that were preliminary numbers and gave them as final numbers.

So there is a debate here, apparently by some, whether or not this individual carried out her responsibilities in a proper, professional manner. What is the response of Congress? It seems to me the response of Congress ought to be to allow the judicial process to move forward, to allow that review so that we have some facts.

Right now, what we have is the employer saying she is not doing her job, the employee saying I am being persecuted, and we have a Member of Congress rushing to the floor, several, saying, oh, we have got to protect this woman from persecution by the Secretary of State.

First of all, I think it is nonsense that the Secretary of State would be taking her time to go out and go after some staffer based on I do not know what. There is no argument here that there is any personal animosity. There is a debate about whether or not she was doing her job.

It seems to me that we ought to allow the process to go forward and make a determination did she or did she not do her job, did she provide false information, did she then end up in a situation where she had to be removed from her job because she was not doing it.

If that is the case, my understanding is they were not ordered to go in with uniformed and armed police to make this appear as some authoritarian, totalitarian action. She simply had to be escorted by another State Department employee, without guns, without machine guns, without uniforms, to remove her from a job that she was no longer allowed to be at.

Then the State Department did not say, just because she did not do this job well, we do not believe she can ever work again. The punishment was, most people would be happy to get this, we are moving you to Washington to another job. Oh, she says, no, no, no, no. You may be the employer. I may have gotten a bad report. But I do not want to move from New York to Washington. I do not want to leave the U.N.

The gentleman from Florida (Mr. STEARNS) rushes here to the floor, I am sure quite earnestly, with a conclusion that she is being persecuted. It seems to me what we ought to do is allow the judicial process to come back and determine whether or not there was persecution, whether or not she actually

did her job. If she did not do her job, maybe then we ought to applaud the action.

Mr. STEARNS. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I am happy to yield to the gentleman from Florida, who I know is earnest in his desire to see justice served.

Mr. STEARNS. Mr. Chairman, this individual got one poor evaluation. But her evaluations before that were outstanding, and one she had was the highest in her department. When she was escorted back, she said, I just want to get my picture frames. I just want to get my personal effects. Oh, no, you have got to have a security armed guard.

Mr. GEJDENSON. Mr. Chairman, reclaiming my time, the gentleman is right. She could go back and get what she wanted. They simply said that a fired employee from a particular job, she is not being fired, she is being moved to another division, that want they wanted to do, for lots of security and other reasons, people are often very unhappy when they lose their jobs, was to make sure that the only thing she does is remove the items that are personally hers. They had her escorted. Escorted. Perfectly within the rules.

I urge the defeat of this very bad idea.

The CHAIRMAN pro tempore (Mr. BARRETT of Nebraska). All time for debate has expired.

Mr. STEARNS. Mr. Chairman, I ask unanimous consent for an additional 30 seconds.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. GEJDENSON. Mr. Chairman, I have to object. I think we have discussed this matter enough.

The CHAIRMAN pro tempore. Objection is heard.

The question is on the amendment offered by the gentleman from Florida (Mr. STEARNS).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. STEARNS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, further proceedings on the amendment offered by the gentleman from Florida (Mr. STEARNS) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, proceedings will now resume on those amendments on which further proceedings were postponed in the following order:

Part B amendment No. 26 offered by the gentleman from Pennsylvania (Mr. GOODLING) and Part B amendment No. 30 offered by the gentleman from Florida (Mr. STEARNS).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 26 OFFERED BY MR. GOODLING

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on amendment No. 26 offered by the gentleman from Pennsylvania (Mr. GOODLING) on which further proceedings were postponed and on which the ayes prevailed by a voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

#### RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 169, noes 256, not voting 8, as follows:

[Roll No. 324]

#### AYES—169

Aderholt	Goode	Pryce (OH)
Andrews	Goodlatte	Radanovich
Armey	Goodling	Ramstad
Bachus	Graham	Regula
Baker	Granger	Reynolds
Barr	Green (WI)	Riley
Barrett (NE)	Gutknecht	Roemer
Bartlett	Hansen	Rogan
Barton	Hastings (WA)	Rogers
Bass	Hayes	Rohrabacher
Bateman	Hayworth	Ros-Lehtinen
Bilbray	Hefley	Ryan (WI)
Bilirakis	Herger	Ryun (KS)
Bliley	Hill (MT)	Sanford
Blunt	Hilleary	Scarborough
Boehner	Hoekstra	Schaffer
Bonilla	Hostettler	Sensenbrenner
Bono	Hulshof	Sessions
Brady (TX)	Hunter	Shadegg
Bryant	Hutchinson	Sherwood
Burr	Isakson	Shimkus
Burton	Istook	Shuster
Buyer	Jenkins	Simpson
Camp	Johnson, Sam	Skeen
Canady	Jones (NC)	Smith (MI)
Cannon	Kasich	Smith (NJ)
Castle	King (NY)	Smith (TX)
Chabot	Largent	Spence
Chambliss	Latham	Stearns
Coble	Lewis (KY)	Stump
Coburn	Linder	Sununu
Collins	LoBiondo	Sweeney
Combest	Lucas (KY)	Tancredo
Cox	Lucas (OK)	Tanner
Crane	Manzullo	Tauzin
Cubin	McCrery	Taylor (MS)
Cunningham	McHugh	Taylor (NC)
Deal	McInnis	Terry
DeLay	McIntosh	Thomas
DeMint	McKeon	Thornberry
Diaz-Balart	Metcalfe	Thune
Dickey	Miller (FL)	Tiahrt
Doolittle	Miller, Gary	Toomey
Dreier	Moran (KS)	Traficant
Duncan	Myrick	Upton
Ehrlich	Nethercutt	Vitter
Emerson	Northup	Walden
Everett	Norwood	Wamp
Fletcher	Nussle	Watkins
Foley	Packard	Watts (OK)
Fowler	Paul	Weldon (FL)
Franks (NJ)	Pease	Weller
Gallegly	Peterson (MN)	Wickert
Gekas	Petri	Young (AK)
Gibbons	Pickering	Young (FL)
Gilchrest	Pitts	
Gillmor	Pombo	

#### NOES—256

Abercrombie	Baird	Barcia
Ackerman	Baldacci	Barrett (WI)
Allen	Baldwin	Becerra

Bentsen	Hastings (FL)	Ney
Bereuter	Hill (IN)	Oberstar
Berkley	Hilliard	Obey
Berman	Hinchey	Olver
Berry	Hinojosa	Ortiz
Biggert	Hobson	Ose
Bishop	Hoeffel	Owens
Blagojevich	Holden	Oxley
Blumenauer	Holt	Pallone
Boehlert	Hooley	Pascarell
Bonior	Horn	Pastor
Borski	Houghton	Payne
Boswell	Hoyer	Pelosi
Boucher	Inslee	Phelps
Boyd	Jackson (IL)	Pickett
Brady (PA)	Jackson-Lee	Pomeroy
Brown (FL)	(TX)	Porter
Brown (OH)	Jefferson	Portman
Callahan	John	Price (NC)
Calvert	Johnson (CT)	Quinn
Campbell	Johnson, E.B.	Rahall
Capps	Jones (OH)	Rangel
Capuano	Kanjorski	Reyes
Cardin	Kaptur	Rivers
Carson	Kelly	Rodriguez
Clay	Kildee	Rothman
Clayton	Kilpatrick	Roybal-Allard
Clement	Kind (WI)	Royce
Clyburn	Kingston	Rush
Condit	Klecicka	Sabo
Conyers	Klink	Salmon
Cook	Knollenberg	Sanchez
Cooksey	Kolbe	Sanders
Costello	Kucinich	Sandlin
Coyne	Kuykendall	Sawyer
Cramer	LaFalce	Saxton
Crowley	LaHood	Schakowsky
Cummings	Lampson	Scott
Danner	Lantos	Serrano
Davis (FL)	Larson	Shaw
Davis (IL)	LaTourette	Shays
Davis (VA)	Lazio	Sherman
DeFazio	Leach	Shows
DeGette	Lee	Sisisky
Delahunt	Levin	Skeltan
DeLauro	Lewis (CA)	Slaughter
Deutsch	Lewis (GA)	Smith (WA)
Dicks	Lipinski	Snyder
Dingell	Lofgren	Souder
Dixon	Lowey	Spratt
Doggett	Luther	Stabenow
Dooley	Maloney (CT)	Stark
Doyle	Maloney (NY)	Stenholm
Dunn	Markey	Strickland
Edwards	Martinez	Stupak
Ehlers	Mascara	Talent
Engel	Matsui	Tauscher
English	McCarthy (MO)	Thompson (CA)
Eshoo	McCarthy (NY)	Thompson (MS)
Etheridge	McCollum	Thurman
Evans	McGovern	Tierney
Ewing	McIntyre	Towns
Farr	McKinney	Turner
Fattah	McNulty	Udall (CO)
Filner	Meehan	Udall (NM)
Forbes	Meek (FL)	Velazquez
Ford	Meeks (NY)	Vento
Fossella	Menendez	Visclosky
Frank (MA)	Mica	Walsh
Frelinghuysen	Millender-McDonald	Waters
Frost	Miller, George	Watt (NC)
Ganske	Minge	Waxman
Gejdenson	Mink	Weiner
Gephardt	Moakley	Weldon (PA)
Gilman	Mollohan	Wexler
Gonzalez	Moore	Weygand
Gordon	Moran (VA)	Whitfield
Goss	Morella	Wilson
Green (TX)	Murtha	Wise
Greenwood	Nadler	Wolf
Gutierrez	Napolitano	Woolsey
Hall (OH)	Neal	Wu
Hall (TX)		Wynn

#### NOT VOTING—8

Archer	Hyde	Peterson (PA)
Ballenger	Kennedy	Roukema
Chenoweth	McDermott	

□ 1419

Messrs. DAVIS of Virginia, HOBSON, PORTMAN, PAYNE, HINCHEY, FOSSELLA, INSLEE, WELDON of

Pennsylvania, OWENS, and MICA changed their vote from “aye” to “no.”

So the amendment was rejected.

The result of the vote was announced as above recorded.

#### ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. BARRETT of Nebraska). Pursuant to House Resolution 247, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each amendment on which the Chair has postponed further proceedings.

AMENDMENT NO. 30 OFFERED BY MR. STEARNS

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on Amendment No. 30 offered by the gentleman from Florida (Mr. STEARNS) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

#### RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 287, noes 136, not voting 10, as follows:

[Roll No. 325]

#### AYES—287

Abercrombie	Clement	Gallegly
Aderholt	Coble	Ganske
Andrews	Coburn	Gekas
Armey	Collins	Gibbons
Bachus	Combest	Gilchrest
Baker	Condit	Gillmor
Ballenger	Cook	Gilman
Barcia	Cooksey	Goode
Barr	Costello	Goodlatte
Barrett (NE)	Cox	Goodling
Bartlett	Cramer	Goss
Barton	Crane	Graham
Bass	Cubin	Granger
Bateman	Cunningham	Green (TX)
Bereuter	Danner	Green (WI)
Berkley	Davis (VA)	Greenwood
Berry	Deal	Gutknecht
Biggert	DeFazio	Hall (TX)
Bilbray	DeLay	Hansen
Bilirakis	DeMint	Hastings (WA)
Bliley	Diaz-Balart	Hayes
Blunt	Dickey	Hayworth
Boehlert	Doggett	Hefley
Boehner	Doolittle	Herger
Bonilla	Doyle	Hill (MT)
Bono	Dreier	Hinojosa
Boswell	Duncan	Hobson
Boucher	Dunn	Hoeffel
Brady (TX)	Ehlers	Hoekstra
Brown (FL)	Ehrlich	Holden
Bryant	Emerson	Horn
Burr	English	Hostettler
Burton	Eshoo	Hulshof
Buyer	Etheridge	Hunter
Callahan	Evans	Hutchinson
Calvert	Everett	Inslee
Camp	Ewing	Isakson
Campbell	Fletcher	Istook
Canady	Foley	Jenkins
Cannon	Forbes	John
Castle	Fossella	Johnson (CT)
Chabot	Fowler	Johnson, Sam
Chambliss	Franks (NJ)	Jones (NC)
Clay	Frelinghuysen	

Kanjorski	Norwood	Shuster
Kasich	Nussle	Simpson
Kelly	Ortiz	Sisisky
Kind (WI)	Ose	Skeen
King (NY)	Oxley	Skelton
Kingston	Packard	Smith (MI)
Klink	Paul	Smith (NJ)
Knollenberg	Pease	Smith (TX)
Kolbe	Peterson (MN)	Smith (WA)
Kucinich	Petri	Souder
Kuykendall	Phelps	Spence
LaHood	Pickering	Spratt
Largent	Pitts	Stark
Latham	Pombo	Stearns
LaTourette	Porter	Stenholm
Lazio	Portman	Stump
Leach	Pryce (OH)	Sununu
Lewis (CA)	Quinn	Sweeney
Lewis (GA)	Radanovich	Talent
Lewis (KY)	Rahall	Tancred
Linder	Ramstad	Tanner
Lipinski	Regula	Tauzin
LoBiondo	Reyes	Taylor (MS)
Lucas (KY)	Reynolds	Taylor (NC)
Lucas (OK)	Riley	Terry
Luther	Rivers	Thomas
Maloney (CT)	Roemer	Thornberry
Manzullo	Rogan	Thune
Markey	Rogers	Thurman
Mascara	Rohrabacher	Tiahrt
McCollum	Ros-Lehtinen	Tierney
McCrery	Roukema	Toomey
McHugh	Royce	Trafficant
McInnis	Ryan (WI)	Udall (NM)
McIntosh	Ryun (KS)	Upton
McIntyre	Salmon	Visclosky
McKeon	Sanders	Vitter
McKinney	Sandlin	Walden
Meek (FL)	Sanford	Walsh
Metcalfe	Saxton	Wamp
Mica	Scarborough	Watkins
Miller (FL)	Schaffer	Watts (OK)
Miller, Gary	Scott	Weldon (FL)
Minge	Sensenbrenner	Weldon (PA)
Mink	Sessions	Weller
Moran (KS)	Shadegg	Whitfield
Morella	Shaw	Wicker
Murtha	Shays	Wolf
Myrick	Sherman	Wu
Nethercutt	Sherwood	Wynn
Ney	Shimkus	Young (AK)
Northup	Shows	

## NOES—136

Ackerman	Filner	Meehan
Allen	Ford	Meeks (NY)
Baird	Frank (MA)	Menendez
Baldacci	Frost	Millender-
Baldwin	Gejdenson	McDonald
Barrett (WI)	Gephardt	Miller, George
Becerra	Gonzalez	Moakley
Bentsen	Gordon	Mollohan
Berman	Gutierrez	Moore
Bishop	Hall (OH)	Moran (VA)
Blagojevich	Hastings (FL)	Nadler
Blumenauer	Hill (IN)	Napolitano
Bonior	Hilliard	Neal
Borski	Hinche	Oberstar
Boyd	Holt	Olver
Brady (PA)	Hoolley	Owens
Brown (OH)	Jackson (IL)	Pallone
Capps	Jackson-Lee	Pascarell
Capuano	(TX)	Pastor
Cardin	Jefferson	Payne
Carson	Johnson, E.B.	Pelosi
Clayton	Jones (OH)	Pickett
Clyburn	Kaptur	Pomeroy
Conyers	Kildee	Price (NC)
Coyne	Kilpatrick	Rangel
Crowley	Klecicka	Rodriguez
Cummings	LaFalce	Rothman
Davis (FL)	Lampson	Roybal-Allard
Davis (IL)	Lantos	Rush
DeGette	Larson	Sabo
Delahunt	Lee	Sanchez
DeLauro	Levin	Sawyer
Deutsch	Lofgren	Schakowsky
Dicks	Lowe	Serrano
Dingell	Maloney (NY)	Slaughter
Dixon	Martinez	Snyder
Dooley	Matsui	Stabenow
Edwards	McCarthy (MO)	Strickland
Engel	McCarthy (NY)	Stupak
Farr	McGovern	Tauscher
Fattah	McNulty	Thompson (CA)

Thompson (MS)	Vento	Wexler
Towns	Waters	Weygand
Turner	Watt (NC)	Wilson
Udall (CO)	Waxman	Wise
Velazquez	Weiner	Woolsey

## NOT VOTING—10

Archer	Hyde	Peterson (PA)
Chenoweth	Kennedy	Young (FL)
Hilleary	McDermott	
Hoyer	Obey	

□ 1427

Messrs. EDWARDS, MEEHAN, NADLER, DEUTSCH, and TURNER changed their vote from "aye" to "no."

Mrs. MEEK of Florida changed her vote from "no" to "aye".

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore. It is now in order to consider Amendment No. 31 printed in Part B of House Report 106-235.

## AMENDMENT NO. 31 OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 31 offered by Ms. WATERS: Page 84, after line 16, insert the following:

**SEC. 703. SENSE OF CONGRESS CONCERNING SUPPORT FOR DEMOCRACY IN PERU AND THE RELEASE OF LORI BERENSON, AN AMERICAN CITIZEN IMPRISONED IN PERU.**

It is the sense of the Congress that—

(1) the United States should increase its support to democracy and human rights activists in Peru, providing assistance with the same intensity and decisiveness with which it supported the pro-democracy movements in Eastern Europe during the Cold War;

(2) the United States should complete the review of the Department of State investigation of threats to press freedom and judicial independence in Peru and publish the findings;

(3) the United States should use all available diplomatic efforts to secure the release of Lori Berenson, an American citizen who was accused of being a terrorist, denied the opportunity to defend herself of the charges, allowed no witnesses to speak in her defense, allowed no time to privately consult with her lawyer, and declared guilty by a hooded judge in a military court; and

(4) in deciding whether to provide economic and other forms of assistance to Peru, the United States should take into consideration the willingness of Peru to assist in the release of Lori Berenson.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from California (Ms. WATERS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California (Ms. WATERS).

□ 1430

Ms. WATERS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, 176 Members of Congress have signed and joined a campaign for the release of Lori Berenson, a young, educated, idealistic, middle-class journalist.

In November of 1995, Lori was arrested as a suspected terrorist, subjected to a secret, hooded military tribunal in which she was denied every semblance of due process according to the United States State Department, every major human rights group, and the United Nations Commission on Human Rights. She was convicted of treason and given a life sentence without parole.

Despite President Fujimori's promise for an open democracy when he was elected in 1990, he annulled Peru's constitution, dissolved the legislature, removed judges and dismantled the courts in April of 1992, and he has established secret military trials with jurisdiction over civilians. Human rights workers and journalists in Peru have been subjected to intimidation, death threats, abductions, tortures, interrogation and imprisonment by the Peruvian government.

On Thursday, July 1, 1999, the House Committee on International Relations passed by voice vote H.R. 57 which expresses concern over the interference with freedom of the press.

Mr. Chairman, I reserve the balance of my time.

Mr. SMITH of New Jersey. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN pro tempore (Mr. BARRETT of Nebraska). The gentleman from New Jersey is recognized for 5 minutes.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself such time as I may consume.

First, I rise in reluctant opposition to the amendment offered by my friend and colleague from California. I share the Member's concern about recent negative trends within Peru. I have held hearings in my own Subcommittee on International Operations and Human Rights focusing on some of those concerns with regard to human rights problems. There is a serious need for increased press freedom and judicial independence in that country. There is no doubt about that. I also agree that the procedures used to convict Lori Berenson of aggravated terrorism were egregious.

Lori Berenson certainly deserves due process and to have her case tried by an open, civilian court in Peru. The fact that Peru discontinued its use of faceless military tribunals in 1997 is a further indictment of the process that was used to convict her.

But the amendment before us calls for something different than a fair trial and due process rights for Berenson. Let me just point out that it calls for release. It calls for her release. I think that goes beyond what we should be willing to do. In so doing, it implies her innocence. We should be taking no stance on the merits of the very serious terrorism charges leveled against

Ms. Berenson and we must avoid commenting, even implicitly, on the serious evidence against her. To do anything else would denigrate the valid interest of the people of Peru in combating terrorism, which that has claimed the lives of tens of thousands of Peruvian civilians during the past two decades.

Mr. Chairman, the Tupac Amaru Revolutionary Movement, or MRTA, which Ms. Berenson is accused of assisting, is a terrorist organization. According to our State Department, it was responsible for numerous killings of civilians, hundreds of violent attacks and other egregious human rights violations in Peru during the past year. The MRTA was responsible for the siege of the Japanese ambassador's residence in late 1996 which resulted in the holding of numerous hostages, including over a dozen Americans, for 5 months. Assisting such activities could merit someone a life sentence here in the United States. Again, she needs due process and a fair trial and we should not comment on whether or not she is innocent or guilty.

Mr. Chairman, people in the United States have the right to a fair trial and an opportunity to confront their accusers. I believe we must demand such basic rights for U.S. citizens abroad, no matter how serious the charges may be against them. We must demand an open, fair trial for Lori Berenson. Unfortunately, this amendment does not do that. It says in the plain text, it calls for her release. So I must respectfully oppose it.

Let me also point out, Mr. Chairman, that the human rights organizations, such as Amnesty International have been calling for a fair trial. They have not been calling for her release. I respectfully suggest to the gentlewoman from California, these groups—and I am a great admirer of Amnesty International—have not said release her. They have said she has to get a fair trial.

Ms. WATERS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentlewoman from California.

Ms. WATERS. Mr. Chairman, first of all, let me draw the gentleman's attention to what the amendment actually says: "The United States should use all available diplomatic efforts to secure the release of Lori Berenson."

Mr. SMITH of New Jersey. Reclaiming my time, it is the release that we are talking about. I believe she needs a fair trial. That is where all of our diplomatic efforts must be put. No American should be immune from prosecution of a criminal charge, but they are entitled, I say to the chairman and to my colleagues, to a fair trial. She has not gotten it and that is where I believe that President Fujimori has erred completely. I happen to believe that the tendency in Peru is towards dicta-

torship on the part of the President, although there have been some trends that may suggest otherwise.

I would ask for a fair trial, not her release. I would hope—and we had asked the gentlewoman through staff and through other ways to reword her amendment so we could all support it, asking again for due process rights to be protected, not for her release.

Mr. Chairman, I reserve the balance of my time.

Ms. WATERS. Mr. Chairman, I yield 1 minute to the gentlewoman from New York (Mrs. MALONEY) who represents Berenson's parents.

Mrs. MALONEY of New York. Mr. Chairman, Lori Berenson grew up in my district. Her parents Rhoda and Mark are living every parent's nightmare, the fear that their child could be taken from the streets of a foreign country and thrown into jail without American concepts of justice.

Mr. Chairman, I include for the RECORD letters from Lori Berenson that she was never able to present her point of view in trials. She says, "I was never a member of the MRTA." She was never given the opportunity to cross-examine witnesses against her or to provide witnesses in her support.

Members of the Community of Organizations for Human Rights.

ESTEEMED MEN AND WOMEN: Through this communication permit me to congratulate you on your important work for human rights.

I would like to inform you of some details about me and my case.

As you know, I have been confined for more than two and a half years at the Yanamayo maximum security military prison, accused of being a member of the MRTA, and fulfilling the sentence of life imprisonment dictated by a faceless military tribunal.

I have never been a member of the MRTA; I have never participated in the planning of a violent act, neither with the MRTA nor anybody else; neither have I ever promoted violence, and, what is more, I do not believe in violence and it would not be possible for me to participate in violence.

I do believe in ideals of justice and equality; to share the ideals of a more just world for the poor majority does not imply that I share in the use of violence to achieve such goals.

In my own way, I have worked for these ideals. In Peru, I sought to learn about and find ways to help the most poor and oppressed people. I met with, observed, and studied these people, including their history, their culture, their music. I also tried to observe how the government, the law, and the economically powerful treated the poor. I was writing about what I experienced and learned and I had legitimate journalistic credentials from two U.S. publications. I hoped to be able to help the situation of human rights and social justice for the most poor; I still believe in that, and I believe it will happen.

Certainly, I have not had real justice. I am completely innocent of the horrendous charges made against me, and there could not be real evidence that shows such crimes.

I hope that these details might give you a better basis to facilitate an understanding of

my situation and, at the same time, I turn to reiterate my greatest respect and admiration for your important works for the good of humanity.

With much respect,

LORI BERENSON.

U.S. SENATE,

Washington, DC, April 27, 1999.

Hon. MADELEINE K. ALBRIGHT,  
Department of State, Washington, DC.

DEAR MADAM SECRETARY: It has been more than three years since Lori Helene Berenson, an American citizen, was sentenced to life in prison for treason by a secret Peruvian military tribunal. A recent decision by the United Nations High Commission on Human Rights (UNHCR) about Ms. Berenson's case found Peru in violation of international law, while her deteriorating health makes attention to this matter all the more urgent.

On December 3, 1998, UNHCR, through its Working Group on Arbitrary Detention, rendered its decision on Ms. Berenson's case in Opinion No. 26/1998. It states, "[t]he deprivation of Lori Berenson's liberty is arbitrary, as it contravenes Articles 8, 9 and 10 of the Universal Declaration of Human Rights, and Articles 9 and 14 of the International Covenant on Civil and Political Rights." Peru voted in favor of the Universal Declaration of Human Rights and has both signed and ratified the Covenant on Civil and Political Rights. Further, the Working Group asks the Peruvian government "to adopt measures necessary to remedy the situation, in accordance with the norms and principles enunciated in the Universal Declaration on Human Rights and in the International Covenant on Civil and Political Rights." As of this date, Peru has not adopted any such measures.

During the last three years, Ms. Berenson has developed physical ailments associated with imprisonment at a high altitude and recently spent 115 days in solitary confinement. Although she has been transferred to a lower altitude at the Socabaya prison, Ms. Berenson's health problems continue to develop; she has numbness in both her hands and at night experiences blindness in her right eye.

Many of us have previously called for an open and fair proceeding in a civilian court for Ms. Berenson. We now believe that Ms. Berenson's deteriorating health warrants humanitarian release from prison and urge you to use your authority to secure Ms. Berenson's release before her health further deteriorates.

Thank you for your consideration.

Sincerely,

DANIEL PATRICK MOYNIHAN.  
JAMES M. JEFFORDS.

33 COSIGNERS OF A DEAR COLLEAGUE LETTER TO  
SECRETARY-OF-STATE ALBRIGHT

Daniel Akaka (D-HI)  
Max Baucus (D-MT)  
Joseph Biden, Jr. (D-DE)  
Jeff Bingaman (D-NM)  
Barbara Boxer (D-CA)  
John Breaux (D-LA)  
*Ben Nighthorse Campbell (R-CO)*  
*Sue Collins (R-ME)*  
Christopher Dodd (D-CT)  
Byron Dorgan (D-ND)  
Richard Durbin (D-IL)  
Russell Feingold (D-WI)  
Dianne Feinstein (D-CA)  
Tom Harkin (D-IA)  
Daniel Inouye (D-HI)  
*James Jeffords (R-VT)*  
Tim Johnson (D-SD)  
Ted Kennedy (D-MA)

J. Robert Kerrey (D-NE)  
 John Kerry (D-MA)  
 Mary Landrieu (D-LA)  
 Frank Lautenberg (D-NJ)  
 Patrick Leahy (D-VT)  
 Carl Levin (D-MI)  
 Blanche Lambert Lincoln (D-AR)  
 Barbara Mikulski (D-MD)  
 Daniel Patrick Moynihan (D-NY)  
 Patty Murray (D-WA)  
 John D. Rockefeller IV (D-WV)  
 Paul Sarbanes (D-MD)  
 Charles Schumer (D-NY)  
 Arlen Specter (R-PA)  
 Robert Torricelli (D-NJ)

*Notes:* The letter was sponsored by Senators Jeffords and Moynihan. Senators Rick Santorum (R-PA) and Paul Wellstone (D-MN) agreed to write their own letters.

CONGRESS OF THE UNITED STATES,  
 Washington, DC, May 31, 1999.

President WILLIAM JEFFERSON CLINTON,  
*The White House,*  
*Washington, DC.*

DEAR PRESIDENT CLINTON: For more than three years, Lori Berenson, an American citizen, has been incarcerated in Peru, serving a life sentence after being convicted by a faceless military tribunal for treason. Lori Berenson has always maintained her innocence, but she has been systematically denied due process by Peru. We urge you to do everything within your power to seek justice in her case.

Recently the United Nations High Commission on Human Rights, through its Working Group on Arbitrary Detention, stated in its official Opinion 26/1998 that Lori Berenson has been deprived of her liberty arbitrarily and that the government of Peru is in violation of two international pacts to which it is signatory—Articles 8, 9, and 10 of the Universal Declaration of Human Rights and Articles 9 and 14 of the International Covenant on Civil and Political Rights. The Working Group has declared that Peru take all necessary steps to remedy Lori's wrongful incarceration in accordance with the norms and principles enunciated in the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights. Peru has not taken steps to comply with the Commission's ruling and, in fact, recently Lori was kept in solitary confinement for 115 days in Socabayo prison. On March 11, 1999, the New York Times reported that an American delegation visited Lori and found her to be in poor health.

Members of Congress have expressed their concerns about Lori's treatment in letters to Peruvian President Fujimori from 20 U.S. Senators and 87 Representatives in August 1996 and letters to Secretary Albright from 55 Senators and 180 Representatives in December 1997. It is time for stronger action.

Title 22 U.S.C. Section 1732 directs the President to take all necessary steps, short of going to war, to secure the release of an incarcerated American citizen "if it appears to be wrongful." The finding of the United Nations High Commission on Human Rights is that the Peruvian government's disregard for international norms in Lori Berenson's case is so egregious, relative to impartial judgment, that it has resulted in the wrongful arbitrary deprivation of her liberty.

Lack of leadership and effective action on Lori's case could endanger U.S. citizens not only in Peru, but in many other countries. It sends the unfortunate message that the U.S. will not act when its citizens are wrongfully imprisoned in foreign countries. In addition, lack of strong action in this case would jeop-

ardize the importance of the office of United Nations High Commission on Human Rights and denigrate the cause of justice and human rights throughout the world.

We know that you share our concern for Lori Berenson and the unjust treatment that she has received, and we look forward to working with you to resolve her case.

Sincerely,

176 COSIGNERS OF A DEAR COLLEAGUE LETTER  
 TO PRESIDENT CLINTON

Abercrombie (D-HI), Allen (D-ME), Andrews (D-NJ), Baldacci (D-ME), Baldwin (D-WI), Becerra (D-Ca), Bentsen (D-TX), Berman (D-CA), Blagojevich (D-IL), Blunt (R-MO), Bonior (D-MI), Borski (D-PA), Boucher (D-VA), Boyd (D-FL), Brady (D-PA), Brown, G. (D-CA), Brown, S. (D-OH), Capps (D-CA), Capuano (D-MA), Carson (D-IN), Christian-Christensen (D-VI), Clay (D-MO), Clayton (D-NC), Clement (D-TN), Clyburn (D-SC), Conyers, Jr. (D-MI), Costello (D-IL), Crowley (D-NY), Cunningham (R-CA), Danner (D-MO), Davis, D.K. (D-IL), DeFazio (D-OR), DeGette (D-CO), Delahunt (D-MA), DeLauro (D-CT), Deutsch (D-FL), Dicks (D-WA), Dixon (D-CA), Doyle (D-PA), Engel (D-NY), English (R-PA), Eshoo (D-CA), Faleomavaega (D-AS), Farr (D-CA).

Filner (D-CA), Ford, Jr. (D-TN), Franks (R-NJ), Frost (D-TX), Gejdenson (D-CT), Gonzalez (D-TX), Goode, Jr. (D-VA), Granger (R-TX), Greenwood (R-PA), Gutierrez (D-IL), Hall, R. (D-TX), Hall, T. (D-OH), Hastings (D-FL), Hinchey (D-NY), Hoeffel (D-PA), Hoekstra (R-MI), Holden (D-PA), Holt (D-NJ), Horn (R-CA), Inslee (D-WA), Jackson, Jr. (D-IL), Jackson-Lee (D-TX), Jefferson (D-LA), John (D-LA), Johnson, E.B. (D-TX), Johnson, N. (R-CT), Jones (D-OH), Kaptur (D-OH), Kelly (R-NY), Kennedy (D-RI), Kil-dee (D-MI), Kilpatrick (D-MI), Kind (D-WI), King (R-NY), Kleczka (D-WI), Kuykendall (R-CA), LaFalce (D-NY), Lampson (D-TX), Lantos (D-CA), Larson (D-CT), Lazio (R-NY), Leach (R-IA), Lee (D-CA), Levin (D-MI).

Lewis (D-GA), LoBiondo (R-NJ), Lofgren (D-CA), Lowey (D-NY), Luther (D-MN), Maloney, C. (D-NY), Maloney, J. (D-CT), Markey (D-MA), Martinez (D-CA), Matsui (D-CA), McCarthy (D-NY), McGovern (D-MA), McInnis (R-CO), McKinney (D-GA), McNulty (D-NY), Meehan (D-MA), Meek (D-FL), Meeks (D-NY), Millender-McDonald (D-CA), Miller (D-CA), Minge (D-MN), Mink (D-HI), Moakley (D-MA), Morella (R-MD), Murtha (D-PA), Nadler (D-NY), Napolitano (D-CA), Neal (D-MA), Oberstar (D-MN), Obey (D-WI), Oliver (D-MA), Ose (R-CA), Owens (D-NY), Pallone, Jr. (D-NJ), Pascarelli, Jr. (D-NJ), Pastor (D-AZ), Payne (D-NJ), Pelosi (D-CA), Peterson (D-MN), Porter (R-IL), Price (D-NC), Pryce (R-OH), Rangel (D-NY), Rodriguez (D-TX).

Rogan (R-CA), Romero-Barcelo (D-PR), Rothman (D-NJ), Roybal-Allard (D-CA), Royce (R-CA), Rush (D-IL), Sabo (D-MN), Sanchez (D-CA), Sanders (I-VT), Sandlin (D-TX), Schakowsky (D-IL), Serrano (D-NY), Shays (R-CT), Sherman (D-CA), Sherwood (R-PA), Shows (D-MS), Slaughter (D-NY), Smith (D-WA), Snyder (D-AR), Spratt, Jr. (D-SC), Stark (D-CA), Strickland (D-OH), Stupak (D-MI), Talent (R-MO), Thompson, B. (D-MS), Thompson, M. (D-CA), Tierney (D-MA), Towns (D-NY), Traficant, Jr. (D-OH), Turner (D-TX), Udall (D-CO), Underwood (D-GU), Upton (R-MI), Velázquez (D-NY), Waters (D-CA), Watt (D-NC), Waxman (D-CA), Weiner (D-NY), Wexler (D-FL), Weygand (D-RI), Whitfield (R-KY), Woolsey (D-CA), Wu (D-OR), Wynn (D-MD).

*Notes:* The letter was sponsored by Representatives C. Maloney, J. Leach, C.

Morella, and M. Waters. Representatives Hooley (D-OR), Menendez (D-NJ), Moore (D-KS), and Vento (D-MN) agreed to sign post-deadline. Representative Frank (D-MA) decided to write his own letter to Secretary Albright.

STATEMENT ON LORI BERENSON BY NOAM  
 CHOMSKY

Lori Berenson has been subjected to a travesty of justice and a grim exercise of state terror. The victim in this case is a young North American woman of remarkable courage and integrity, who has chosen to accept the fate of all too many others in Peru. She is also—and not so indirectly—a victim of Washington's policies, in two respects: because of its support for the Peruvian terror state and the conditions it imposes on its population, and because of its evasiveness in coming to her defense, as it can readily do, with considerable if not decisive influence. Also not so indirectly, she is a victim of all of those—in all honesty, I cannot fail to include myself—who have done far too little to rescue her from the suffering she has endured for her refusal to bend to the will of state terrorist authorities.

Lori Berenson eminently qualifies as a prisoner of conscience. She has rightly received the support of the UN High Commission on Human Rights and Amnesty International. With immense courage and self-sacrifice, she is not only standing up with honor and dignity for her own rights, but for the great number of people of Peru who are suffering severe repression and extreme economic hardship as a consequence of policies that sacrifice much of the population to the greed and power of small sectors of privilege—in Peru itself, and in the deeply unjust and coercive global system that has been constructed to yield such outcomes.

Lori Berenson is not only a wonderful person whose rights are under savage attack, but also an inspiring symbol of the aspirations of countless people throughout the world who seek a measure of the freedom and rights that they deserve, in a world that is more humane and more just, and that we can help create if we are willing to devote to this cause a fraction of the heroism that Lori Berenson has so impressively demonstrated in her honorable and far too lonely struggle.

[From the Jewish Week, June 25, 1999]

STATEMENT ON LORI BERENSON BY RABBI  
 MARCELO BRONSTEIN

On May 26, 1999 Rabbi Marcelo Bronstein, Temple B'nai Jeshurun in New York City, participated in an ecumenical delegation that visited Lori Berenson for one hour in Socabaya Prison in Arequipa, Peru. The delegation also included the Reverend Doctor William J. Nottingham from the Christian Theological Seminary in Indianapolis and Sister Doctor Eileen Storey of Sisters of Charity in New York City.

The Jewish Week interviewed Rabbi Bronstein upon his return to New York City. The newspaper reported the following: "The delegation met with Berenson, 29, in a room with guards outside the open door. She declared her innocence and the difficulties of solitary confinement. They spoke about the future, her faith, and her health."

The following are the four quotes attributed to Rabbi Bronstein:

"I would like to say that Lori is a person with the right values at the wrong place and the wrong time, values of justice, caring."

"I didn't find a drop of bitterness or anger, just lots of pain and sorrow."

"She is thirsty to know what's going on in the world. She feels useless."

"I am very worried about Lori's spiritual and psychological health."

There are further press reports from Fujimori where he announced that he would not respect the organization of Americans decision on Lori's appeal regardless of the outcome. For years I have tried to get a fair trial. Hundreds of my colleagues have joined me in appealing for a fair trial. This has been denied.

I went to see Lori. I went to see her in prison in November of 1997. She has permanent laryngitis. Her eyesight is failing. She is suffering. I ask my colleagues to support this resolution, and I personally support release on humanitarian grounds.

Ms. WATERS. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts (Mr. MCGOVERN).

Mr. MCGOVERN. Mr. Chairman, I rise in strong support of the Waters amendment.

The Lori Berenson case illustrates the history of judicial abuse in Peru. A closed military tribunal, a hooded judge, no legal counsel, no right to defend oneself, and a masked man holding a gun to Lori's head throughout the proceeding. But this is a reality experienced by hundreds of Peruvians.

While closed military tribunals have now been abolished in Peru, hundreds of individuals are serving life sentences like Lori Berenson because of the judgments rendered by these tribunals. In addition, even the State Department concludes that it is still impossible to receive a fair trial, to undergo a just process in Peru's current judicial system. So asking for a new trial in Lori's case is very problematic, because it is impossible to get a fair trial in Peru today.

Over the past 2 years, years during which Lori Berenson has been imprisoned, the U.S. has given to Peru over \$300 million in economic and military aid. During that same period, the U.S. sent over \$23 million in additional military counternarcotics aid. I think we have some leverage with Peru and I think it is time we used it. On behalf of Lori Berenson and all Peruvians who have been victims of human rights abuses by the Peruvian government, military and courts, I urge my colleagues to support the Waters amendment.

Ms. WATERS. Mr. Chairman, I yield 1 minute to the gentlewoman from Georgia (Ms. MCKINNEY), ranking member of the Subcommittee on International Operations and Human Rights of the Committee on International Relations.

Ms. MCKINNEY. Mr. Chairman, the most important part of this amendment calls for the release of an American citizen, Lori Berenson, who was convicted of involvement with terrorist groups after a trial before hooded military judges in which there was no due process whatever. We have asked the

Peruvian government to give her a fair civilian trial. President Fujimori himself has publicly refused.

Now it is time to do something about this. If Lori Berenson is not going to get a fair trial, and she is not, then she deserves to be set free. That is what we would do here for people who are tried unfairly, and we have no right letting a foreign government get away with less when Americans are involved.

The Waters amendment is about whether Americans overseas should get fair trials when they are arrested and whether we believe the rule of law and due process are important. They should, and they are. Join me in supporting fairness for our citizens, due process and the rule of law. Vote for the Waters amendment.

Ms. WATERS. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Chairman, I rise to express my support for this amendment.

Ms. WATERS. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. Mr. Chairman, I rise in support of the gentlewoman from California's amendment.

Ms. WATERS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Chairman, I rise to strongly support the Waters amendment for fairness and justice.

Ms. WATERS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Chairman, I rise in support of the Waters amendment and say that this is the right thing to do, it is the fair thing to do, and I think our colleagues know we must do this.

Ms. WATERS. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. ACKERMAN).

Mr. ACKERMAN. Mr. Chairman, I rise in opposition to the amendment.

Ms. WATERS. Mr. Chairman, I would like to make an inquiry of whether or not I get the last speaker on this amendment. I think the gentleman from New Jersey has 1 minute left.

The CHAIRMAN pro tempore. The gentleman from New Jersey (Mr. SMITH) has the right to close.

Ms. WATERS. Mr. Chairman, I yield 1 minute to the gentlewoman from Maryland (Mrs. MORELLA), a signatory to the May 31 letter.

Mrs. MORELLA. Mr. Chairman, I rise in support of the Waters sense of Congress amendment.

We have heard about the Lori Berenson case, an American citizen un-

justly imprisoned in Peru on charges of treason. The first problem is, how can one commit treason against a country of which one is not a citizen?

Furthermore, Lori's trial was completely lacking in due process. She was tried in a military court by a faceless judge. She never received written notice of the charges against her. She had only limited access to an attorney. She was not informed of the evidence against her, nor did she have the opportunity to cross-examine witnesses. She has been sentenced to life in prison under conditions which are cruel and inhumane.

Our State Department has criticized these military tribunals. The U.N. Human Rights Commission has judged her case to be one of arbitrary detention. In a similar case involving four Chileans, the Inter-American Court on Human Rights called for a new trial, but Peru did not accept that.

Mr. Chairman, the Peruvian government should provide Lori and all others unjustly imprisoned a fair trial with due process. If Lima is unwilling to do so, then Lori should be released and deported.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself the balance of my time.

Just let me make a couple of points. In reading over this amendment again, I have great empathy for it. I have had hearings in my subcommittee about human rights abuses and have gone down to Lima, Peru to meet with President Fujimori to express my own concerns, especially in light of the "Fuji coup" that took place some years back. But again my position comports with that of the administration and the State Department. And the human rights organizations like Amnesty International, are not saying release her, they are saying give her a fair trial. I think that is where our efforts ought to be put. We do not have the capability or the competence or the information—because I have looked at the reams of information—to make a definitive decision as to whether or not she should be freed.

□ 1445

There are very serious charges of terrorism with a group that has a despicable track record on the use of violence against individuals and innocent people. Whether or not she is a part of it, I do not know, but there are serious allegations. She was given a sham trial, no doubt about it.

I would be willing to ask unanimous consent, if the gentlewoman would change the wording in her amendment from "the release of" Lori Berenson to "a fair trial for" Lori Berenson. We could all support that amendment.

But again, to say we should release somebody?

Mr. Chairman, I would ask unanimous consent if the gentlewoman could



accept that kind of change in the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

Ms. WATERS. Reserving the right to object, Mr. Chairman, I would like for the gentleman from New Jersey to restate his request.

Mr. SMITH of New Jersey. Mr. Chairman, on Line 17, where it says "to secure the release of Lori Berenson," to strike "the release of" and put "a fair trial for" Lori Berenson, and also on Page 2, Line 6, just so it is internally consistent, "to assist in providing a fair trial for." And then I hope we would be unanimous, because I do believe it was a sham trial, as I said to the gentlewoman. My subcommittee has looked into it. We think it is awful. Her due process rights were trashed. But if indeed we are talking about a situation where she may have been involved with this, that is something that a fair trial has to adjudicate.

#### PARLIAMENTARY INQUIRY

Ms. WATERS. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN pro tempore. The gentlewoman will state her inquiry.

Ms. WATERS. Mr. Chairman, do I need unanimous consent for 1 minute in order to respond to the request that is being made by the gentleman?

The CHAIRMAN pro tempore. Perhaps the gentlewoman from California would care to ask unanimous consent to proceed with debate time for 1 minute on each side.

Ms. WATERS. Yes, Mr. Chairman.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Ms. WATERS. Mr. Speaker, I would like very much to be able to comply with the request that the gentleman is making, however when the gentleman asked us who are working so hard for fairness for this young lady to be put back in the hands of Fujimori who has dismantled his government, who has opted out of human rights, the International Human Rights Commission, who in no way is committed to democracy, who is threatening lives, who is intimidating, how then does my colleague expect her to get a fair trial from an unfair dictator?

Mr. SMITH of New Jersey. Mr. Chairman, will the gentlewoman yield?

Ms. WATERS. I yield to the gentleman from New Jersey.

Mr. SMITH of New Jersey. This is exactly why the attempt has to be at the highest levels of our government, going right to the President of the United States, who needs to make this a major issue—that she be given a fair trial. That goes for all of us. To date, it has not been a major issue.

Ms. WATERS. Reclaiming my time, we have asked Fujimori over and over and over again. He has denied us. This

is an American young woman that is sitting up there in the Andes who is freezing to death, who is losing her voice, who is getting crippled from arthritis. This is an American child.

Mrs. MALONEY of New York. Mr. Chairman, will the gentlewoman yield?

Ms. WATERS. I yield to the gentlewoman from New York.

Mrs. MALONEY of New York. And now he would not respect the organization of American decision on Lori's appeal regardless of the outcome. What does that tell us? They are not going to give her a fair trial. Even if she wins in the OAA, they are saying no.

The CHAIRMAN pro tempore. The time of the gentlewoman from California (Ms. WATERS) has expired.

Ms. WATERS. Mr. Chairman, I ask unanimous consent for 2 more minutes for this debate, 1 minute on each side.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from New Jersey (Mr. SMITH) is recognized for 1 minute.

Mr. SMITH of New Jersey. Mr. Chairman, again I think it is unfortunate that the gentlewoman from California cannot accept a fair trial language in place of the release of.

I think it will be very wrong, I would say to my colleagues, if all of us went on record saying that this lady, and she may be innocent, we do not know. I believe we have to be honest enough to say that the charges, and I have checked with the human rights groups, they are in doubt as to her innocence, and that is to leading groups.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, I ask unanimous consent for 2 additional minutes, one on each side.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SMITH of New Jersey. Reclaiming my time just briefly, and then I will be happy.

As my colleagues know, the charges are that she was planning on blowing up the Peruvian Congress. Now I do not know if that is true or not, but we know how seriously we take those acts of violence that are committed on our own Congress, killing of our two policemen which we so rightfully honored yesterday.

This lady may be completely innocent. What she deserves is a fair trial, not a de facto exoneration by the Congress or the House of Representatives of the United States, and I think we err seriously if we make a decision not knowing, and Members will be walking in that door voting based on a handout in some cases or just a scintilla of

knowledge. We need to know the real facts which are voluminous about this case.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, I think all sides here are genuine in the desire to come to agreement, and might I make this suggestion?

I think the gentlewoman from California is concerned that there is no structure that could guarantee a free trial, and what I would ask is unanimous consent if the gentlewoman from California (Ms. WATERS) and the gentleman from New Jersey (Mr. SMITH) could be given a moment to see if they can work out some agreed upon language that would be based on the principle that if a fair trial could be guaranteed, if Mr. Fujimori were to step down tomorrow, if there was a new election, if there was a free and fair judicial process established, then we would see a fair trial. If we cannot have that, they ought to release her.

The CHAIRMAN pro tempore. The time of the gentleman from New Jersey (Mr. SMITH) has expired.

Mr. GEJDENSON. Mr. Chairman, I ask unanimous consent for another minute on each side.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GEJDENSON. Mr. Chairman, I ask unanimous consent if we would pass over this for a moment, go to the next amendment, give these two folks, who I think are both intent on achieving justice, an opportunity to sit down and see if they can work something out. They may not be able to. Then we would come back and conclude and add this to the voting list in the regular order.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Connecticut?

Mr. SMITH of New Jersey. Mr. Chairman, I think the gentleman from Connecticut makes a very helpful suggestion. I would hope that the gentlewoman from California would agree to that, and that would require us proceeding out of order.

A unanimous consent would be proposed to let the gentleman from California (Mr. BILBRAY) proceed while we discuss, and hopefully we can come to language that will send the message to the Peruvian government, to Fujimori, that we are united, that she has been denied her due process rights, and I mean we all want justice. I do not know if exoneration, release is justice. It may be; I do not know. I have looked at the case. If I were a jury, I would want to know a lot more.

So I would hope that we can do what the gentleman from Connecticut has suggested.

The CHAIRMAN pro tempore. Would the gentlewoman from California be willing to withdraw her amendment momentarily in order to accommodate the suggestion made by the ranking member?

Ms. WATERS. Following the 1 minute of the 2 minutes which were granted for the extension of the debate, I would be willing to do that. But for the 1 minute that is still left in this debate I would respectfully like to take that at this time, Mr. Chairman.

The CHAIRMAN pro tempore. The gentlewoman from California is recognized.

Ms. WATERS. Mr. Chairman, Lori Berenson has been in prison for 3½ years. She was tried by a military tribunal that was hooded. She did not receive any justice. Does not the time served count for anything? Or are we to believe that Fujimori, who has said to us by way of communication in a letter and otherwise to everybody who has attempted diplomatic relations with him that he will not release her, are we to believe that this man is capable of giving her a fair trial? Do we not care that she may die up in the Andes, a young woman who is an idealistic journalist who thinks she is working for the rights, human rights, of individuals? Does she deserve to be treated this way?

My colleague has admitted that he does not know if she is innocent or not, but how can he be comfortable not being sure that she is guilty of a crime, that she continues to serve even beyond this 3½ years?

She has said she is not a terrorist, she does not belong to that terrorist organization, and the international human rights committees are not demanding a fair trial of Fujimori. They are demanding her release.

This statement, this amendment that I have, is an amendment that asks the State Department to use all of its diplomatic relations for the release of her. That does not dictate how that is done, but it simply says that the Congress of the United States is interested in them being about the business of showing some care and concern about an American citizen who has been imprisoned unfairly and unjustly over in Peru by a dictator.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, I have just been informed by the Parliamentarian that we would have to go to the full House. So what I would suggest at this stage is that the gentlewoman and gentleman sit down and work it out. If they cannot work it out, we go right to the vote in the appropriate order. If they can work it out, we would include the new language in the en bloc amendment at the end.

Mr. SMITH of New Jersey. Reclaiming my time, Mr. Chairman, I would

just say to my friend we could move to rise, and it will take all of 30 seconds to do it in the full House and then go right back.

Mr. GEJDENSON. We achieve the same goal, and I think my colleagues could sit down. Either way we get the same result.

Mr. SMITH of New Jersey. I am not sure if the gentlewoman is willing.

Mr. ACKERMAN. Mr. Chairman, I move to table this amendment with the understanding that it would be untabled at the appropriate time.

The CHAIRMAN pro tempore. In Committee of the Whole the motion to table is not in order.

All time is expired.

Mr. SMITH of New Jersey. Mr. Chairman, for purposes of working this out, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. KINGSTON) having assumed the chair, Mr. BARRETT of Nebraska, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes, had come to no resolution thereon.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

#### MAKING IN ORDER CONSIDERATION OF WATERS AMENDMENT NO. 31 AFTER BILBRAY AMENDMENT NO. 33 DURING FURTHER CONSIDERATION IN THE COMMITTEE OF THE WHOLE OF H.R. 2415, AMERICAN EMBASSY SECURITY ACT OF 1999

Mr. SMITH of New Jersey. Mr. Speaker, I ask unanimous consent to proceed out of order and to proceed directly to the Bilbray amendment when we return to the Committee of the Whole House and then, after that point, to return to the amendment from the gentlewoman from California (Ms. WATERS).

The SPEAKER pro tempore. Does the gentleman ask for unanimous consent to return to the Waters amendment to be reoffered after the Bilbray amendment in Committee of the Whole?

Mr. SMITH of New Jersey. That is correct, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

#### AMERICAN EMBASSY SECURITY ACT OF 1999

The SPEAKER pro tempore. Pursuant to House Resolution 247 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2415.

□ 1458

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes, with Mr. BARRETT of Nebraska (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose earlier today, the amendment offered by the gentlewoman from California (Ms. WATERS) had been withdrawn.

It is now in order to consider amendment No. 33 printed in Part B of House Report 106-235.

#### AMENDMENT NO. 33 OFFERED BY MR. BILBRAY

Mr. BILBRAY. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B Amendment No. 33 offered by Mr. BILBRAY:

Page 84, after line 16, insert the following:  
**SEC. 703. SENSE OF CONGRESS REGARDING SEWAGE TREATMENT ALONG THE BORDER BETWEEN THE UNITED STATES AND MEXICO.**

#### (a) FINDINGS.—

(1) The Congress finds that it must take action to address the comprehensive treatment of sewage emanating from the Tijuana River, so as to eliminate river and ocean pollution in the San Diego border region.

(2) Congress bases this finding on the following factors:

(A) The San Diego border region is adversely impacted from cross border raw sewage flows that effect the health and safety of citizens in the United States and Mexico and the environment.

(B) The United States and Mexico have agreed pursuant to the Treaty for the Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande, dated February 3, 1944, "to give preferential attention to the solution of all border sanitation problems".

(C) The United States and Mexico recognize the need for utilization of reclaimed water to supply the growing needs of the City of Tijuana, Republic of Mexico, and the entire border region.

(D) Current legislative authority limits the scope of proposed treatment options in a way that prevents a comprehensive plan to address the volume of cross border raw sewage flows and the effective utilization of reclamation opportunities.

(E) This section encourages action to address the comprehensive treatment of sewage emanating from the Tijuana River, so as to

eliminate river and ocean pollution in the San Diego border region, and to exploit effective reclamation opportunities.

(b) SENSE OF CONGRESS.—The Congress—

(1) encourages the Secretary of State to give the highest priority to the negotiation and execution of a new treaty minute with Mexico, which would augment Minute 283 so as to allow for the siting of sewage treatment facilities in Mexico, to provide for additional treatment capacity, up to 50,000,000 gallons per day, for the treatment of additional sewage emanating from the Tijuana area, and to provide direction and authority so that a comprehensive solution to this trans-border sanitation problem may be implemented as soon as practicable;

(2) encourages the Administrator of the Environmental Protection Agency and the United States section of the International Boundary and Water Commission to enter into an agreement to provide for secondary treatment in Mexico of effluent from the International Wastewater Treatment Plant (IWTP);

(3) encourages the United States section of the International Boundary and Water Commission to provide for the development of a privately-funded Mexican Facility, through the execution of a fee-for-services contract with the owner of such facility, in order to provide for—

(A) secondary treatment of effluent from the IWTP, if found to be necessary, in compliance with applicable water quality laws of the United States, Mexico, and California; and

(B) additional capacity for primary and secondary treatment of up to 50,000,000 gallons per day, for the purpose of providing additional sewage treatment capacity in order to fully address the trans-border sanitation problem;

(C) provision for any and all approvals from Mexican authorities necessary to facilitate water quality verification and enforcement at the Mexican Facility to be carried out by the International Boundary and Water Commission or other appropriate authority;

(D) any terms and conditions deemed necessary to allow for use in the United States of treated effluent from the Mexican Facility if there is reclaimed water surplus to the needs of users in Mexico; and

(E) return transportation of whatever portion of the treated effluent which cannot be reused to the South Bay Ocean Outfall; and

(4) in addition to other terms and conditions considered appropriate by the International Boundary and Water Commission, in any fee-for-services contract, encourages the International Boundary and Water Commission to include the following terms and conditions—

(A) a term of 30 years;

(B) appropriate arrangements for the monitoring and verification of compliance with applicable United States, California, and Mexican water quality standards;

(C) arrangements for the appropriate disposition of sludge, produced from the IWTP and the Mexican Facility, at a location or locations in Mexico; and

(D) payment of appropriate fees from the International Boundary and Water Commission to the owner of the Mexican Facility for sewage treatment services, with the annual amount payable to be reflective of all costs associated with the development, construction, operation, and financing of the Mexican Facility.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from California (Mr. BILBRAY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California (Mr. BILBRAY).

□ 1500

Mr. FILNER. Mr. Chairman, although I am not opposed, I ask unanimous consent to claim the 5 minutes in opposition to the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BILBRAY. Mr. Chairman, I yield myself such time as I may consume.

Today the House has the pleasure of supporting a bipartisan amendment that will help clean up the environment and could possibly save hundreds of millions of dollars for the American taxpayer. It is an amendment that is supported by not only the chairman, but also the ranking member of the committee. It is an amendment that hopefully can be used as an example of bipartisan ship and international cooperation, for the good of the taxpayers of this country and for the environment in the United States and Mexico.

Mr. Chairman, my amendment specifically addresses an issue that has gone on for much too long, it is something that addresses the issue of the Tijuana sewage problem that has for so long polluted the beaches of southern California. The gentleman from California (Mr. FILNER) has worked with me on this issue in order to pursue a solution that may be able to save hundreds of millions of dollars.

The issue really is tied to the fact that Tijuana does not have adequate sewage treatment capabilities at this time and has not historically had those. This amendment would encourage a bipartisan minute order between Mexico and the United States, through the vehicle of the International Boundary and Water Commission, that specifically states that the agencies will work together and cooperate in finally addressing the treatment of the sewage and the appropriate disposal of that sewage, in consistency with not only the Clean Water Act of the United States, but also with Mexican environmental regulations.

This amendment specifically is a sense of Congress, and it is a sense of Congress supporting the concept that the Administration, working with Mexico, will look at the most cost-effective alternatives and opportunities of treating Mexican sewage. That opportunity may exist in the United States, but it may also exist in Mexico.

It may seem like a rather novel idea to some people, but I think if we have the potential to treat Mexican sewage in Mexico and do it cheaper and in a

more environmentally sensitive manner, than what we could do on our side of the border, we not only have a right, Mr. Chairman, we have a responsibility to look into this.

I would like to include for the RECORD a statement from the Surfrider Foundation of San Diego County dated July 9, 1999. It is titled, the Surfrider Policy Regarding Delays in Achieving Secondary Treatment at the U.S.-Mexico Border. Mr. Chairman, I will just quote briefly from this statement. Surfrider states in their communique that "a comprehensive solution will offer the benefits of timeliness as well as the consideration of other priority issues such as the ability to treat all of the sewage problems within the region." It says that the proposal is within the existing systems of wastewater treatment that will benefit both Mexico and the United States.

Mr. Chairman, I rise today in strong support of this simple, bipartisan, and common-sense amendment. This may seem like a relatively minor element of such an important and sweeping bill, but it has a potentially huge positive impact on the public health and environment of the international border region between the cities of Tijuana and San Diego. I would ask our colleagues to focus on it for just a moment, and give it your attention and support.

Many of you are well aware of the ongoing health and environmental threats which have existed along this border region for decades as a result of renegade flows of untreated sewage from Mexico. You have heard me and my colleague Mr. FILNER speak to this problem on a number of occasions, and I am happy to report that progress has been made in recent years and months, and is being made even now. An International Wastewater Treatment Plant (IWTP) has been constructed on the U.S. side right at the border and is operating now, treating Mexican sewage to primary levels, with a second treatment component to follow. After a lengthy environmental review of alternatives for providing the required levels of secondary treatment, a decision must be made as to how to proceed with selecting and implementing an environmentally preferable secondary alternative. Right now, the leading alternative is a 25 mgd plant which would consist of an aerated ponding system, which under existing international agreement would be constructed on the U.S. side of the border.

We have come a long way to reach this point, and we now find ourselves at something of a strategic crossroads. I wholeheartedly support secondary treatment of these sewage flows, in order to better protect the beaches, estuaries, and citizens on both sides of the border region. However, it has become clear that the secondary ponds alternative which could be constructed on the U.S. side, while clearly benefited, will be overwhelmed and operating beyond its capacity—25 million gallons per day (mgd)—from its day of operation. Under these circumstances, we would need to immediately begin working on establishing a means to treat the excess capacity of flows—50 mgd and higher—on the U.S. side of the border. This will necessarily take additional

time to develop, and additional U.S. tax dollars to construct and implement. I am more than willing to spend whatever time and money may be needed in order to deal with this problem conclusively, but both time and available dollars are precious commodities, especially when the public health continues to be at risk.

An opportunity has emerged to "think outside the box" and carefully consider a progressive and comprehensive strategy which would entail a public-private partnership, and benefit the entire region well into the future, by constructing in Mexico a 25 mgd treatment plant, using the same ponding technology, but with the capacity for safely treating anticipated future flows of 50 to even 100 mgd. In the process, this facility would be able to reclaim treated wastewater and make it available to the rapidly expanding business and industrial sectors of Tijuana. In this growing and arid border region, water is a scarce commodity, and water reclaimed from treatment facilities could free up precious potable water for use in Mexican households.

There is tremendous potential in this innovative approach, and the intent of our amendment is to provide every encouragement that it be pursued to the fullest. We simply want to send the message that Congress supports the idea of a binational agreement, which would be needed in order to facilitate the development and implementation of such a public-private arrangement, with the consent of both federal governments. This potential strategy has considerable popular support in the region, including the City of San Diego and other local elected officials, and respected environmental organizations such as the Surfrider Foundation. I have a brief statement on this topic from the Surfrider Foundation which I would ask to be entered into the record at this point.

If it can be developed and implemented, a long-term and comprehensive solution to a chronic environmental problem will be at hand, U.S. tax dollars will be saved, a new source of reclaimed water will be available to a ready market in Mexico, and the children and families of both Tijuana and San Diego will be able to go to their beaches, play in the estuaries, fish in the oceans, and live their lives in their communities without the chronic stigma and health threat of sewage pollution which is an unfortunate fact of life in the region.

The amendment is respectful of the sovereignty of both nations, and the missions of local, state, and federal governments and agencies which are working on this issue on both sides of the border. Its intent is simply to establish some momentum behind this strategy, and indicate that this Congress is serious in encouraging that it be fully explored and evaluated by both governments and other involved stakeholders as a solution for the region's sewage problem.

There is work that remains to be done at several levels for such a scenario to unfold, but its potential is tremendous, and we can help grow this potential today by supporting this amendment, and laying the groundwork for what could be the final chapter of one of the biggest and for too long most overlooked environmental problems this country has ever seen.

Please help explore this possibility by supporting the Bilbray-Filner amendment.

#### SURFRIDER FOUNDATION POLICY REGARDING DELAYS IN ACHIEVING SECONDARY TREATMENT AT THE U.S. MEXICAN BORDER

Currently, more than 50 million gallons per day (mgd) of raw, untreated sewage enters the Tijuana River and the Tijuana Municipal Wastewater System. Less than half of this, approximately 25 mgd, is treated to advanced primary standards at the International Wastewater Treatment Plant (ITP) and discharged into the ocean via the South Bay ocean outfall. A portion of the remaining untreated sewage, up to 17mgd, receives some indeterminate level of treatment at the San Antonio de Los Buenos Treatment Plant in Mexico. The remainder of untreated sewage is discharged directly into the nearshore marine environment at the mouth of the Tijuana River and at Punta Banderas, 5 miles south of the Border. Together with numerous other groups, the San Diego County Chapter of the Surfrider Foundation is concerned about the environmental impacts and human health risks of discharging any raw sewage into the ocean, as well as effluent that receives anything less than secondary treatment.

The Environmental Protection Agency (EPA) and International Boundary and Water Commission (IBWC) are required to achieve secondary standards of treatment for all sewage discharged from the ITP by December 2000. Several options for an appropriate treatment plant have been considered by EPA and IBWC, however, no final preferred option has been chosen. The frontrunner to date is a 25mgd secondary treatment plant using "Completely Mixed Aerated" pond technology at the "Hofer" site adjacent to the ITP. Because the deadline to begin construction of a secondary treatment plant which would be operational by the December date has passed, the agencies have sought more time to select a preferred alternative. Additionally, this added time as been sought to fully consider options not previously considered, which would provide for a comprehensive solution to the known and future anticipated volume of sewage.

The Surfrider Foundation agrees with many others that secondary treatment must be achieved as quickly as possible. The harmful effects to the deep ocean environment, the public, as well as to the beaches and beach communities of southern San Diego County must not continue. However, recognizing that a partial solution is no solution, the Surfrider Foundation is strongly in favor of a comprehensive solution, fully aware of the risk of slight delay. A comprehensive solution will offer the benefits of timeliness as well as the consideration of other priority issues such as the ability to treat all present and future flows, impact of the plant location upon the immediate environment and population, plant expansion capability, feasibility of beneficial water reuse, proper sludge handling, and the relationship and compatibility of the proposal within the existing system of wastewater treatment in both the U.S. and Mexico.

Therefore, the Surfrider Foundation will support the EPA and the IBWC in their efforts to provide comprehensive secondary treatment of all sewage flowing from the Tijuana River as quickly as possible.

Mr. BILBRAY. Mr. Chairman, I yield such time as he may consume to the gentleman from Huntington Beach, California (Mr. ROHRBACHER), my fellow colleague.

Mr. ROHRBACHER. Mr. Chairman, I would like to commend the gentle-

men from California (Mr. FILNER and Mr. BILBRAY) for working together on this important piece of legislation. We all live along the coastline of Southern California and this issue of sewage, especially from Mexico going into our waters, is of utmost importance to the health of our people; and both of the gentlemen from California (Mr. FILNER and Mr. BILBRAY) have put out an enormous effort. They have shown bipartisan spirit.

I want to commend both of them, and I appreciate the efforts they have been putting out, especially those of us who do surf in the ocean, recognize the importance of the quality of that water.

Mr. BILBRAY. Mr. Chairman, I reserve the balance of my time.

Mr. FILNER. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I want to thank the gentleman from New York (Mr. GILMAN), the chairman of the committee, and the gentleman from Connecticut (Mr. GEJDENSON), the ranking member, for working with us to have this amendment in order and to support it. And of course I want to thank the gentleman from California (Mr. BILBRAY), my colleague, for being the chief sponsor of this amendment.

The two of us have been knee deep, literally, in this problem for probably 50 years between us; he when he started as a city council member and the mayor of Imperial Beach, California; myself since I was a city council member in San Diego. The two of us in local government have worked very hard to deal with an issue that few people in this House could face, and that is 50 million gallons a day of raw sewage flowing through their districts. This occurs because Mexico simply does not have the facilities to treat this sewage.

We are in the process of solving that. Because of timing, because of the processes of budgeting, we are in an interesting and unique situation. We have a chance, with this House's support, to have a bipartisan, binational environmental-friendly, taxpayer-friendly solution, finally, to a problem that has plagued us for nearly 5 decades.

What we want this House to go on record to do with this amendment is to approve in concept an innovative public-private partnership that says, we can treat this raw sewage originating in Mexico in Mexico with the highest standards to which we would be accustomed to in this country, with an environmentally-sound process which would be paid for up front by the private sector, and which would provide a comprehensive solution, finally, to this problem.

This is a rare opportunity where an innovative solution can be considered. It is not in the box of thinking of the traditional bureaucracies. They have had some trouble studying this to the degree that we would have liked, and so this Congress we are asking to go on

record to approve the concept of studying this innovative public-private partnership, environmentally-friendly approach.

Mr. Chairman, it is time for this problem in Southern California, in southern San Diego which crosses the borders of not only Mexico, the districts of Mr. BILBRAY and myself, to solve this problem.

Mr. Chairman, I reserve the balance of my time.

Mr. BILBRAY. Mr. Chairman, may I inquire on how much time remains?

The CHAIRMAN pro tempore (Mr. BARRETT of Nebraska). The gentleman from San Diego (Mr. BILBRAY) has one 1 minute remaining; the other gentleman from San Diego (Mr. FILNER) has 2 minutes remaining.

Mr. BILBRAY. Mr. Chairman, I yield myself such time as I may consume.

We are talking about the basic decency of allowing our children and families not to have to face pollution and sewage closing our beaches, polluting our estuaries, and especially sewage that is not coming from our neighborhoods or our area. It is actually coming from a foreign country.

Now, the Federal Government has finally awoken to the fact that we have a legal and moral obligation to address this environmental issue. This is a chance for both Republicans and Democrats to stand up to protecting American soil, making sure that the environment really does count, and also saving the taxpayers massive amounts of money. It is, I hate to use the cliché, a classic example of a win-win. I think that is why we see both the ranking member and the chairman of the committee supporting this, with such diverse political views as Mr. Filner and myself supporting this.

It really comes down to the fact that those of us who have lived in this area have been suffering under huge amounts of pollution for decades. Sadly, my children are second generation sewage kids. It is time Congress sends a clear signal that this will come to an end now, and I urge my colleagues to support this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. FILNER. Mr. Chairman, I yield 1 minute to the gentlewoman from Georgia (Ms. MCKINNEY).

Ms. MCKINNEY. Mr. Chairman, I would just like to lend my voice of support for this amendment. It is a bipartisan amendment. It gets rid of raw sewage that originates in Mexico and finds its way on to our shores.

Mr. Chairman, the gentlemen from California have found a way to clean up this issue and to protect American soil. It is very important that we support this amendment, and I am pleased to lend my voice of support.

Mr. FILNER. Mr. Chairman, I yield myself such time as I may consume.

I again want to thank certainly the gentleman from California (Mr.

BILBRAY) and his staff for working with me and my staff in preparing this comprehensive amendment. The gentleman from New York (Mr. GILMAN) and the gentleman from Connecticut (Mr. GEJDESON) have been very supportive. Also, I want to acknowledge the experts on the Clean Water Act and these issues as they relate to the Committee on Transportation and Infrastructure, the gentleman from Pennsylvania (Mr. SHUSTER), the gentleman from Minnesota (Mr. OBERSTAR), the gentleman from Pennsylvania (Mr. BORSKI), and the gentleman from New York (Mr. BOEHLERT) for their support of this approach.

Again, it is a win-win situation. We are going to save taxpayers' money. We have an environmentally sustainable solution that is being applied. It allows Mexico to make use of reclaimed sewage water for its agriculture and commercial purposes. It solves the problem that has been with us for 50 years.

Mr. Chairman, I ask my colleagues in the Congress to support this approach and finally close out a problem that too many of us have suffered with too long.

Mr. Chairman, I yield back the balance of my time.

Mr. BILBRAY. Mr. Chairman, I yield myself the balance of my time.

I would like to thank the chairman for cooperating with us on this issue. This is good for the environment on both sides of the border, as well as on both sides of the aisle. It is time that Congress sends a clear message that we should do whatever we can to help the environment in the most cost-effective, reasonable, and intelligent way. All this says is let us do it the right way with the least amount of cost.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California (Mr. BILBRAY).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. BILBRAY. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, further proceedings on the amendment offered by the gentleman from California (Mr. BILBRAY) will be postponed.

Pursuant to the order of the House, it is now in order to consider Amendment No. 31 printed in Part B of the House report 106-235.

AMENDMENT NO. 31 OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B Amendment No. 31 offered by Ms. WATERS:

Page 84, after line 16, insert the following:

**SEC. 703. SENSE OF CONGRESS CONCERNING SUPPORT FOR DEMOCRACY IN PERU AND THE RELEASE OF LORI BERENSON, AN AMERICAN CITIZEN IMPRISONED IN PERU.**

It is the sense of the Congress that—

(1) the United States should increase its support to democracy and human rights activists in Peru, providing assistance with the same intensity and decisiveness with which it supported the pro-democracy movements in Eastern Europe during the Cold War;

(2) the United States should complete the review of the Department of State investigation of threats to press freedom and judicial independence in Peru and publish the findings;

(3) the United States should use all available diplomatic efforts to secure the release of Lori Berenson, an American citizen who was accused of being a terrorist, denied the opportunity to defend herself of the charges, allowed no witnesses to speak in her defense, allowed no time to privately consult with her lawyer, and declared guilty by a hooded judge in a military court; and

(4) in deciding whether to provide economic and other forms of assistance to Peru, the United States should take into consideration the willingness of Peru to assist in [the release of] Lori Berenson.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentlewoman from California (Ms. WATERS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

As my colleagues know, I offered an amendment that would instruct the State Department to use all diplomatic efforts for the release of Lori Berenson. Again, I reiterate that Lori Berenson is a young woman who hails from New York. She is a journalist. She comes from a fine family. She went to Peru to work on human rights issues. She has been jailed by Fujimori. She has been placed high in the Andes in a room, in a prison where the temperature never gets above 40. Her health is failing her. She has been accused of being a terrorist, and she has been sentenced to life in prison.

We have done everything in our power to try and persuade President Fujimori to give her a fair trial. The trial that she received was certainly not fair. It was a trial by a military tribunal. They were hooded. She did not have a chance to offer a defense. She did not have a chance to offer any evidence. She did not have a chance to do anything that would ensure that she could have a fair trial. And so, she has been in prison now for 3 years and 8 months. She has been in prison for 3 years and 8 months with Americans trying to go down there to visit her.

The gentlewoman from New York (Mrs. MALONEY) has been there. We are working with her parents. Mr. Chairman, 176 Members of Congress on both sides of the aisle have joined in a campaign for her release, Democrats and Republicans. We are outraged that we would allow Fujimori to do this to a young American woman.

There is no reason that we should allow Fujimori, who has basically dismantled his government, who has taken over and appointed all of his judges, who really literally has shut down the media, we should not allow him to continue to imprison this young lady. She has said she is not a terrorist, she was not involved in any terrorist activities; and the human rights groups throughout this Nation have asked for a fair trial. He has refused a fair trial.

Now the gentleman from New Jersey (Mr. SMITH) is saying that he would like to see her get a fair trial.

□ 1530

We have some compromise language. Our language would concede to his concerns about a fair trial, even though we do not think she can get one. We would amend our language to say that she should have a fair trial according to international standards, within a year, and failing that, that she should be released.

Now, everything is fair about this. Number one, the gentleman from New Jersey (Mr. SMITH) said he wanted to see a fair trial. Despite the fact that we do not think she can get one, we are conceding to him that we will ask one more time, by way of this formal procedure that we are involved with here in the Congress on the floor of the House, to ask for a fair trial, but we want it according to international standards.

We want to make sure that we are on the same track and we have the same definition for what is fair. Failing that, and only failing that, for example, if they say, no, we will not give her a fair trial, if they say, no, wait 10 more years, if they say we do not know what is meant by a fair trial, if they do not do it, if they do not actually carry out, rather, a fair trial, then we are asking for her release.

Mr. Chairman, I do not know what could be any fairer than that. We do not believe, again, that she can get a fair trial; but we are going to go along, and we are going to ask for it. We do not think it should hang out there forever, with them saying 5, 10 years from now we are trying to give her a fair trial.

So we have asked for a fair trial according to international standards within 1 year and, failing that, and only failing that, she should be released.

I would say to the Members of this House that I think that we can at least do this for this American, for a young woman who has not been proven guilty of anything; for a young woman who may be idealistic, but she does not deserve to have her life taken away from her.

Her parents are people who live up in the district of the gentlewoman from New York (Mrs. MALONEY). They travel

throughout this country. They knock on the doors of the Members of Congress. They are begging us to please, to please, understand what is going on.

Mr. SMITH of New Jersey. Mr. Chairman, I rise in opposition to the amendment, and yield myself such time as I may consume.

Mr. Chairman, again, I want to repeat my request to the gentlewoman from California (Ms. WATERS). We were unable to work it out in that short time we had together.

I wanted to put, in lieu of "the release of" Lori Berenson, "a fair trial pursuant to international standards." Regrettably, the gentlewoman from California (Ms. WATERS) wanted to add the words, "or release," or, as she just pointed out, 1 year later there would be a release.

I can say this having raised this issue myself before, with all my force. I have been concerned about it, like many Members on both sides of the aisle. But the issue here is one of fair trial and not of judging the evidence, because there is a lot of evidence, pro and con. Regrettably, in a sense of the Congress, which is a very serious matter, we should not go on record calling for the release of someone about whose innocence we are not persuaded one way or the other when the allegation is of a very, very serious terrorism charge.

The MRTA, with which Ms. Berenson has been identified—and I think this should be underscored—is exceedingly violent. It was responsible, as I said earlier in the debate, among other acts of terrorism, for the seizure of the Japanese ambassador's residence in Peru.

Remember, I say to my colleagues, day in and day out, as we watched CNN and we watched the news clips of those ambassadors and support personnel and everyone else who were caught behind those closed doors. Those hostages lived in agony for 5 months. To be associated with that group is a serious charge.

Although we cannot effectuate it, we must at least use the moral suasion of Congress to emphasize that there needs to be a fair trial, pursuant to international standards. The gentlewoman from California (Ms. WATERS) goes far beyond what we should be recommending in this situation.

I would also point out that I have raised this issue. I take a back seat to no one regarding human rights violations that occur in Peru, or anywhere else in the world. My Subcommittee on International Operations and Human Rights has had something on the order of 100 hearings since I have been chairman. We have had fact-finding missions, including one to Peru, to raise issues of human rights.

I believe in due process rights. I believe that she deserves them. As the gentlewoman from California (Ms. WATERS) knows, our embassy was trying, our personnel were trying, to get her to

serve out her sentence here in the United States in what, hopefully, would be a more pleasant situation or circumstance, relatively speaking.

So I really reluctantly rise in opposition to this.

Mr. WATERS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentlewoman from California.

Ms. WATERS. Mr. Chairman, will the gentleman from New Jersey (Mr. SMITH) articulate where we differ? We have agreed that there should be a fair trial. We agree on that.

Where do we differ? We have said that if they do not give her a fair trial within a year, then that would be what would trigger release. We do not say release without a fair trial. Now, where do we differ?

Mr. SMITH of New Jersey. Reclaiming my time, the word "release" should not appear in this document, in this Sense of the Congress, because we should not be coming down on the side of releasing someone who has been accused of a very, very serious offense in cooperation with a terrorist organization that has a despicable record in Peru. But, again, we must demand that the charges against her be properly adjudicated.

Let me remind Members that there were Americans who were held hostage in the Japanese ambassador's residence by this very group. I would urge a no vote on this, and I say that with reluctance. This is not a properly constructed amendment.

Mrs. MEEK of Florida. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from California, MAXINE WATERS. This amendment expresses the sense of the Congress that the United States should increase support to democracy and human rights activities in Peru; urge the Organization of American States to investigate threats to judicial independence and freedom of the press in Peru; use all diplomatic means to get Peru to release Lori Berenson (a U.S. citizen sentenced to life in prison by a military judge in 1996 for alleged terrorist acts); and take into consideration the willingness of Peru to release Lori Berenson before providing economic or other assistance to Peru.

While I understand that Peru is a sovereign nation, the country is lacking three principles that are fundamental for a democratic society governed by law: (1) freedom of expression; (2) integrity of a judicial system in a constitutional government; and (3) due process.

In its annual human rights report on Peru, the U.S. State Department has flagged several serious violations, with particular emphasis on freedom of the press. Peru has been condemned by several international organizations for serious "freedom of the press" abuses.

On Thursday, July 1, 1999, the House Committee on International Relations passed by voice vote H. Res. 57, expressing concern with the interferences with both the freedom of the press in Peru, as well as the judicial institutions of Peru.

Due process is a fundamental human right and completely necessary to a functioning democracy. Without due process, there can be



no fairness, no justice, and no protection for any of the other fundamental freedoms of expression.

In November 1995, a U.S. citizen, Lori Berenson was arrested and subjected to a secret, hooded military tribunal in which she was denied due process, according to the State Department, human rights groups and the United Nations Commission on Human Rights. She was convicted of treason and given a life sentence without parole for allegedly being a leader of a terrorist group. Lori has proclaimed her innocence to these charges and in a letter to the human rights community, has denounced violence and terrorism.

Lori has continuously been denied the opportunity to speak with human rights groups and the media. She has been held under horrendous prison conditions in the Peruvian Andes and we are all very concerned with her failing health. Lori has been subjected to long periods of isolation which have been cited by Amnesty International as cruel, inhumane and degrading treatment, in violation of Article 5 of the Universal Declaration of Human Rights.

Dennis Jett, the U.S. Ambassador to Peru, has publicly stated that Lori Berenson has been singled out and treated badly simply because she is a U.S. citizen. The Peruvian military tribunal that convicted Lori was in secret. Additionally, the Peruvian government has never demonstrated any significant evidence against Lori because it does not exist. Meanwhile, Lori has continued to proclaim her innocence.

Mr. Chairman, if we are to carry out the full intent of Title 22 U.S.C. section 1732, by which Congress has given the President the authority, short of war, to gain the release of a U.S. citizen who has been wrongly incarcerated abroad, then we must do all that we can do to bring Lori home.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The question is on the amendment offered by the gentlewoman from California (Ms. WATERS).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

## RECORDED VOTE

Ms. WATERS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 15-minute vote followed by a 5-minute vote on the Bilbray amendment.

The vote was taken by electronic device, and there were—ayes 189, noes 234, answered “present” 5, not voting 5, as follows:

[Roll No. 326]

## AYES—189

Abercrombie	Blumenauer	Capuano
Allen	Bonior	Cardin
Andrews	Borski	Carson
Baird	Boswell	Clay
Baldacci	Boucher	Clayton
Baldwin	Boyd	Clement
Becerra	Brady (PA)	Clyburn
Berkley	Brown (FL)	Conyers
Berman	Brown (OH)	Costello
Berry	Callahan	Coyne
Bishop	Campbell	Crowley
Blagojevich	Capps	Cummings

Danner	Kilpatrick	Phelps
Davis (FL)	Klecza	Pickett
Davis (IL)	Kucinich	Pomeroy
DeFazio	LaFalce	Price (NC)
DeGette	Lampson	Pryce (OH)
Delahunt	Lantos	Rahall
Deutsch	Larson	Rangel
Dicks	Lee	Rivers
Dixon	Levin	Rodriguez
Doggett	Lewis (GA)	Rothman
Dooley	Lipinski	Roybal-Allard
Doyle	Lofgren	Rush
Edwards	Lowey	Sabo
Engel	Lucas (KY)	Salmon
English	Luther	Sanchez
Eshoo	Maloney (CT)	Sanders
Etheridge	Maloney (NY)	Sandlin
Evans	Markey	Sawyer
Farr	Martinez	Scarborough
Fattah	Mascara	Schakowsky
Filner	Matsui	Scott
Ford	McCarthy (MO)	Serrano
Frost	McCarthy (NY)	Sherman
Gejdenson	McGovern	Sherwood
Gephardt	McIntyre	Skelton
Gonzalez	McKinney	Slaughter
Gordon	McNulty	Spratt
Green (TX)	Meehan	Stabenow
Gutierrez	Meek (FL)	Stark
Hall (OH)	Meeks (NY)	Strickland
Hastings (FL)	Millender-	Tanner
Hilliard	McDonald	Tauscher
Hinchey	Miller, George	Thompson (CA)
Hinojosa	Mink	Thompson (MS)
Hobson	Moakley	Thurman
Hoeffel	Moore	Tierney
Holden	Moran (VA)	Turner
Holt	Morella	Udall (CO)
Hooley	Nadler	Udall (NM)
Horn	Napolitano	Velazquez
Hoyer	Neal	Vento
Inslee	Oberstar	Waters
Jackson (IL)	Obey	Watt (NC)
Jackson-Lee	Oliver	Waxman
(TX)	Ortiz	Weiner
Jefferson	Ose	Wexler
Johnson (CT)	Owens	Weyand
Johnson, E.B.	Pallone	Whitfield
Jones (OH)	Pascarell	Woolsey
Kaptur	Pastor	Wu
Kelly	Payne	Wynn
Kildee	Pelosi	

## NOES—234

Ackerman	Condit	Goodlatte
Aderholt	Cook	Goodling
Archer	Cooksey	Goss
Armey	Cox	Graham
Bachus	Cramer	Granger
Baker	Crane	Green (WI)
Ballenger	Cubin	Greenwood
Barcia	Cunningham	Gutknecht
Barr	Davis (VA)	Hall (TX)
Barrett (NE)	Deal	Hansen
Bartlett	DeLauro	Hastings (WA)
Barton	DeLay	Hayes
Bass	DeMint	Hayworth
Bateman	Diaz-Balart	Hefley
Bentsen	Dickey	Hergert
Bereuter	Dingell	Hill (MT)
Biggert	Doolittle	Hilleary
Bilbray	Dreier	Hoekstra
Bilirakis	Duncan	Hostettler
Bliley	Dunn	Houghton
Blunt	Ehlers	Hulshof
Boehlert	Ehrlich	Hunter
Boehner	Emerson	Hutchinson
Bonilla	Everett	Hyde
Bono	Ewing	Isakson
Brady (TX)	Fletcher	Istook
Bryant	Foley	Jenkins
Burr	Forbes	John
Burton	Fossella	Johnson, Sam
Buyer	Fowler	Jones (NC)
Calvert	Frank (MA)	Kanjorski
Camp	Franks (NJ)	Kasich
Canady	Frelinghuysen	Kind (WI)
Cannon	Gallely	King (NY)
Castle	Ganske	Kingston
Chabot	Gekas	Klink
Chambliss	Gibbons	Knollenberg
Coble	Gilchrest	Kolbe
Coburn	Gillmor	Kuykendall
Collins	Gilman	LaHood
Combest	Goode	Largent

Latham	Pickering	Smith (WA)
LaTourette	Pitts	Souder
Lazio	Pombo	Spence
Leach	Porter	Stearns
Lewis (CA)	Portman	Stenholm
Lewis (KY)	Quinn	Stump
Linder	Radanovich	Stupak
LoBiondo	Ramstad	Sununu
Lucas (OK)	Regula	Sweeney
Manzullo	Reynolds	Talent
McCollum	Riley	Tancredo
McCrery	Roemer	Tauzin
McHugh	Rogan	Taylor (MS)
McInnis	Rogers	Taylor (NC)
McIntosh	Rohrabacher	Terry
McKeon	Ros-Lehtinen	Thomas
Menendez	Roukema	Thornberry
Metcalfe	Royce	Thune
Mica	Ryan (WI)	Tiahrt
Miller (FL)	Ryun (KS)	Toomey
Miller, Gary	Sanford	Traficant
Minge	Saxton	Upton
Mollohan	Schaffer	Visclosky
Moran (KS)	Sensenbrenner	Vitter
Murtha	Sessions	Walden
Myrick	Shadegg	Walsh
Nethercutt	Shaw	Wamp
Ney	Shays	Watkins
Northup	Shimkus	Watts (OK)
Norwood	Shows	Weldon (FL)
Nussle	Shuster	Weldon (PA)
Oxley	Simpson	Weller
Packard	Sisisky	Wicker
Paul	Skeen	Wise
Pease	Smith (MI)	Wolf
Peterson (MN)	Smith (NJ)	Young (AK)
Petri	Smith (TX)	Young (FL)

## ANSWERED “PRESENT”—5

Barrett (WI)	Reyes	Wilson
Hill (IN)	Snyder	

## NOT VOTING—5

Chenoweth	McDermott	Towns
Kennedy	Peterson (PA)	

□ 1544

Messrs. SHOWS, WELDON of Florida, BENTSEN and WISE and Mrs. BONO changed their vote from “aye” to “no.”

Mrs. KELLY, Mr. HOBSON, Mr. ENGLISH and Ms. KAPTUR changed their vote from “no” to “aye.”

So the amendment was rejected.

The result of the vote was announced as above recorded.

## ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). Pursuant to House Resolution 247, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each amendment on which the Chair has postponed further proceedings.

## AMENDMENT NO. 33 OFFERED BY BILBRAY

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on amendment No. 33 offered by the gentleman from California (Mr. BILBRAY) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

## RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.



A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 427, noes 0, not voting 6, as follows:

[Roll No. 327]

AYES—427

Abercrombie	Danner	Hobson
Ackerman	Davis (FL)	Hoefel
Aderholt	Davis (IL)	Hoekstra
Allen	Davis (VA)	Holden
Andrews	Deal	Holt
Archer	DeFazio	Hooley
Armey	DeGette	Horn
Bachus	DeLauro	Hostettler
Baird	DeLay	Houghton
Baker	DeMint	Hoyer
Baldacci	Deutsch	Hulshof
Baldwin	Diaz-Balart	Hunter
Ballenger	Dickey	Hutchinson
Barcia	Dicks	Hyde
Barr	Dingell	Inslee
Barrett (NE)	Dixon	Isakson
Barrett (WI)	Doggett	Istook
Bartlett	Dooley	Jackson (IL)
Barton	Doolittle	Jackson-Lee
Bass	Doyle	(TX)
Becerra	Dreier	Jefferson
Bentsen	Duncan	Jenkins
Bereuter	Dunn	John
Berkley	Edwards	Johnson (CT)
Berman	Ehlers	Johnson, E.B.
Berry	Ehrlich	Johnson, Sam
Biggert	Emerson	Jones (NC)
Bilbray	Engel	Jones (OH)
Billirakis	English	Kanjorski
Bishop	Eshoo	Kaptur
Blagojevich	Etheridge	Kasich
Bliley	Evans	Kelly
Blumenauer	Everett	Kildee
Blunt	Ewing	Kilpatrick
Boehlert	Farr	Kind (WI)
Boehner	Fattah	King (NY)
Bonilla	Filner	Kingston
Bonior	Fletcher	Kleczka
Bono	Foley	Klink
Borski	Forbes	Knollenberg
Boswell	Ford	Kolbe
Boucher	Fossella	Kucinich
Boyd	Fowler	Kuykendall
Brady (PA)	Frank (MA)	LaFalce
Brady (TX)	Franks (NJ)	LaHood
Brown (FL)	Frelinghuysen	Lampson
Brown (OH)	Frost	Lantos
Bryant	Galleghy	Largent
Burr	Ganske	Larson
Burton	Gejdenson	Latham
Buyer	Gekas	LaTourette
Callahan	Gephardt	Lazio
Calvert	Gibbons	Leach
Camp	Gilchrest	Lee
Campbell	Gillmor	Levin
Canady	Gilman	Lewis (CA)
Cannon	Gonzalez	Lewis (GA)
Capps	Goode	Lewis (KY)
Capuano	Goodlatte	Linder
Cardin	Goodling	Lipinski
Carson	Gordon	LoBiondo
Castle	Goss	Lofgren
Chabot	Graham	Lowey
Chambliss	Granger	Lucas (KY)
Clay	Green (TX)	Lucas (OK)
Clayton	Green (WI)	Luther
Clement	Greenwood	Maloney (CT)
Clyburn	Gutierrez	Maloney (NY)
Coble	Gutknecht	Manzullo
Coburn	Hall (OH)	Markey
Collins	Hall (TX)	Martinez
Combest	Hansen	Mascara
Condit	Hastings (FL)	Matsui
Conyers	Hastings (WA)	McCarthy (MO)
Cook	Hayes	McCarthy (NY)
Cooksey	Hayworth	McCollum
Costello	Hefley	McCrery
Cox	Herger	McGovern
Coyne	Hill (IN)	McHugh
Cramer	Hill (MT)	McInnis
Crane	Hilleary	McIntosh
Crowley	Hilliard	McIntyre
Cubin	Hinchee	McKeon
Cummings	Hinojosa	McKinney
Cunningham		McNulty

Meehan	Rahall	Stark
Meek (FL)	Ramstad	Stearns
Meeks (NY)	Rangel	Stenholm
Menendez	Regula	Strickland
Metcalfe	Reyes	Stump
Mica	Reynolds	Stupak
Miller-	Riley	Sununu
McDonald	Rivers	Sweeney
Miller (FL)	Rodriguez	Talent
Miller, Gary	Roemer	Tancredo
Miller, George	Rogan	Tanner
Minge	Rogers	Tauscher
Mink	Rohrabacher	Tauzin
Moakley	Ros-Lehtinen	Taylor (MS)
Mollohan	Rothman	Taylor (NC)
Moore	Roukema	Terry
Moran (KS)	Roybal-Allard	Thomas
Moran (VA)	Royce	Thompson (CA)
Morella	Rush	Thompson (MS)
Murtha	Ryan (WI)	Thornberry
Myrick	Ryun (KS)	Thune
Nadler	Sabo	Thurman
Napolitano	Salmon	Tiahrt
Neal	Sanchez	Tierney
Nethercutt	Sanders	Toomey
Ney	Sandlin	Trafficant
Northup	Sanford	Turner
Norwood	Sawyer	Udall (CO)
Nussle	Saxton	Udall (NM)
Oberstar	Scarborough	Upton
Obey	Schaffer	Velazquez
Oliver	Schakowsky	Vento
Ortiz	Scott	Visclosky
Ose	Sensenbrenner	Vitter
Owens	Serrano	Walden
Oxley	Sessions	Walsh
Packard	Shadegg	Wamp
Pallone	Shaw	Waters
Pascrell	Shays	Watkins
Pastor	Sherman	Watt (NC)
Paul	Sherwood	Watts (OK)
Payne	Shimkus	Waxman
Pease	Shows	Weiner
Pelosi	Shuster	Weldon (FL)
Peterson (MN)	Simpson	Weldon (PA)
Petri	Sisisky	Weller
Phelps	Skeen	Wexler
Pickering	Skelton	Weygand
Pickett	Slaughter	Whitfield
Pitts	Smith (MI)	Wicker
Pombo	Smith (NJ)	Wilson
Pomeroy	Smith (TX)	Wise
Porter	Smith (WA)	Wolf
Portman	Snyder	Woolsey
Price (NC)	Souder	Wu
Pryce (OH)	Spence	Wynn
Quinn	Spratt	Young (AK)
Radanovich	Stabenow	Young (FL)

NOT VOTING—6

Bateman	Kennedy	Peterson (PA)
Chenoweth	McDermott	Towns

□ 1554

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The Chair understands amendments No. 34 and 35 will not be offered.

It is now in order to consider amendment No. 36 printed in part B of House Report number 106-235.

AMENDMENT NO. 36 OFFERED BY MR. DOGGETT

Mr. DOGGETT. Mr. Chairman, I offer an amendment made in order under the rule.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 36 offered by Mr. DOGGETT:

Page 84, after line 16, insert the following new title:

## TITLE VIII—GULF WAR VETERANS' IRAQI CLAIMS PROTECTION

### SEC. 801. SHORT TITLE.

This title may be cited as the "Gulf War Veterans' Iraqi Claims Protection Act of 1999".

### SEC. 802. ADJUDICATION OF CLAIMS.

(a) CLAIMS AGAINST IRAQ.—The United States Commission is authorized to receive and determine the validity and amounts of any claims by nationals of the United States against the Government of Iraq. Such claims must be submitted to the United States Commission within the period specified by such Commission by notice published in the Federal Register. The United States Commission shall certify to each claimant the amount determined by the Commission to be payable on the claim under this title.

(b) DECISION RULES.—In deciding claims under subsection (a), the United States Commission shall apply, in the following order—

(1) applicable substantive law, including international law; and

(2) applicable principles of justice and equity.

(c) PRIORITY CLAIMS.—Before deciding any other claim against the Government of Iraq, the United States Commission shall, to the extent practical, decide all pending non-commercial claims of active, retired, or reserve members of the United States Armed Forces, retired former members of the United States Armed Forces, and other individuals arising out of Iraq's invasion and occupation of Kuwait or out of the 1987 attack on the USS Stark.

(d) APPLICABILITY OF INTERNATIONAL CLAIMS SETTLEMENT ACT.—To the extent they are not inconsistent with the provisions of this title, the provisions of title I (other than section 802(c)) and title VII of the International Claims Settlement Act of 1949 (22 U.S.C. 1621-1627 and 1645-1645o) shall apply with respect to claims under this title.

### SEC. 803. CLAIMS FUNDS.

(a) IRAQ CLAIMS FUND.—The Secretary of the Treasury is authorized to establish in the Treasury of the United States a fund (hereafter in this title referred to as the "Iraq Claims Fund") for payment of claims certified under section 802(a). The Secretary of the Treasury shall cover into the Iraq Claims Fund such amounts as are allocated to such fund pursuant to subsection (b).

(b) ALLOCATION OF PROCEEDS FROM IRAQI ASSET LIQUIDATION.—

(1) IN GENERAL.—The President shall allocate funds resulting from the liquidation of assets pursuant to section 804 in the manner the President determines appropriate between the Iraq Claims Fund and such other accounts as are appropriate for the payment of claims of the United States Government against Iraq, subject to the limitation in paragraph (2).

(2) LIMITATION.—The amount allocated pursuant to this subsection for payment of claims of the United States Government against Iraq may not exceed the amount which bears the same relation to the amount allocated to the Iraq Claims Fund pursuant to this subsection as the sum of all certified claims of the United States Government against Iraq bears to the sum of all claims certified under section 802(a). As used in this paragraph, the term "certified claims of the United States Government against Iraq" means those claims of the United States Government against Iraq which are determined by the Secretary of State to be outside the jurisdiction of the United Nations Commission and which are determined to be valid, and whose amount has been certified,

under such procedures as the President may establish.

#### SEC. 804. AUTHORITY TO VEST IRAQI ASSETS.

The President is authorized to vest and liquidate as much of the assets of the Government of Iraq in the United States that have been blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) as may be necessary to satisfy claims under section 802(a), claims of the United States Government against Iraq which are determined by the Secretary of State to be outside the jurisdiction of the United Nations Commission, and administrative expenses under section 805.

#### SEC. 805. REIMBURSEMENT FOR ADMINISTRATIVE EXPENSES.

(a) DEDUCTION.—In order to reimburse the United States Government for its expenses in administering this title, the Secretary of the Treasury shall deduct 1.5 percent of any amount covered into the Iraq Claims Fund to satisfy claims under this title.

(b) DEDUCTIONS TREATED AS MISCELLANEOUS RECEIPTS.—Amounts deducted pursuant to subsection (a) shall be deposited in the Treasury of the United States as miscellaneous receipts.

#### SEC. 806. PAYMENTS.

(a) IN GENERAL.—The United States Commission shall certify to the Secretary of the Treasury each award made pursuant to section 802. The Secretary of the Treasury shall make payment, out of the Iraq Claims Fund, in the following order of priority to the extent funds are available in such fund:

(1) Payment of \$10,000 or the principal amount of the award, whichever is less.

(2) For each claim that has priority under section 802(c), payment of an additional \$90,000 toward the unpaid balance of the principal amount of the award.

(3) Payments from time to time in ratable proportions on account of the unpaid balance of the principal amounts of all awards according to the proportions which the unpaid balance of such awards bear to the total amount in the Iraq Claims Fund that is available for distribution at the time such payments are made.

(4) After payment has been made of the principal amounts of all such awards, pro rata payments on account of accrued interest on such awards as bear interest.

(b) UNSATISFIED CLAIMS.—Payment of any award made pursuant to this title shall not extinguish any unsatisfied claim, or be construed to have divested any claimant, or the United States on his or her behalf, of any rights against the Government of Iraq with respect to any unsatisfied claim.

#### SEC. 807. AUTHORITY TO TRANSFER RECORDS.

The head of any Executive agency may transfer or otherwise make available to the United States Commission such records and documents relating to claims authorized to be determined under this title as may be required by the United States Commission in carrying out its functions under this title.

#### SEC. 808. STATUTE OF LIMITATIONS; DISPOSITION OF UNUSED FUNDS.

(a) STATUTE OF LIMITATIONS.—Any demand or claim for payment on account of an award that is certified under this title shall be barred on and after the date that is one year after the date of publication of the notice required by subsection (b).

(b) PUBLICATION OF NOTICE.—

(1) IN GENERAL.—At the end of the 9-year period specified in paragraph (2), the Secretary of the Treasury shall publish a notice in the Federal Register detailing the statute of limitations provided for in subsection (a)

and identifying the claim numbers of, and the names of the claimants holding, unpaid certified claims.

(2) PUBLICATION DATE.—The notice required by paragraph (1) shall be published 9 years after the last date on which the Secretary of the Treasury covers into the Iraq Claims Fund amounts allocated to that fund pursuant to section 803(b).

(c) DISPOSITION OF UNUSED FUNDS.—

(1) DISPOSITION.—At the end of the 2-year period beginning on the publication date of the notice required by subsection (b), the Secretary of the Treasury shall dispose of all unused funds described in paragraph (2) by depositing in the Treasury of the United States as miscellaneous receipts any such funds that are not used for payments of certified claims under this title.

(2) UNUSED FUNDS.—The unused funds referred to in paragraph (1) are any remaining balance in the Iraq Claims Fund.

#### SEC. 809. DEFINITIONS.

As used in this title:

(1) EXECUTIVE AGENCY.—The term "Executive agency" has the meaning given that term by section 105 of title 5, United States Code.

(2) GOVERNMENT OF IRAQ.—The term "Government of Iraq" includes agencies, instrumentalities, and entities controlled by that government (including public sector enterprises).

(3) UNITED NATIONS COMMISSION.—The term "United Nations Commission" means the United Nations Compensation Commission established pursuant to United Nations Security Council Resolution 687 (1991).

(4) UNITED STATES COMMISSION.—The term "United States Commission" means the Foreign Claims Settlement Commission of the United States.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from Texas (Mr. DOGGETT) and a Member opposed will each control 5 minutes.

The Chair recognizes the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, since 1990, over \$1 billion in frozen Iraqi assets sitting in American banks have been available to satisfy the just claims of American citizens. But almost a decade later, this Congress has still not approved legislation that would let Americans collect.

This amendment would authorize the Secretary of the Treasury to vest this Iraqi money in an account known as the Iraq Claims Fund and authorize the Foreign Claims Settlement Commission to begin the process of resolving these claims against that Iraqi money with just one stipulation: The first claims to be resolved should be those of our Desert Storm and Desert Shield veterans, many of whom have been plagued with all the physical ailments that are referred to as Gulf War Syndrome.

Mr. Chairman, these men and women gave their all against an enemy of the United States, and now these brave veterans deserve nothing less from the government of the United States.

The House has already gone on record twice to support this objective.

In 1994, by a vote of 398 to 5, in support of a similar provision in a State Department bill, and in 1997, in support of my motion to instruct conferees to reject an outrageous Senate provision in the State Department authorization bill by a vote of 412 to 5, we stood up at those times and declared that the men and women who put their lives on the line for our country are second to no one. Now we must do so again.

Mr. Chairman, I yield 1 minute to the gentleman from Missouri (Mr. SKELTON), the distinguished ranking member on the Committee on Armed Services.

Mr. SKELTON. Mr. Chairman, I thank the gentleman for yielding me this time and allowing me to speak on this very important issue.

What we do today on this amendment not only draws a lot of attention but it sends a sincere and straightforward message to those young men and young women who today find themselves in uniform defending the interests of the United States of America.

The money is there, Mr. Chairman. The fund is there. What is wrong with following the precedent that we have already set by voting in this House to allow that trust fund to be created from the Iraqi funds in order to take care of those young men and young women who might well be suffering from the Gulf War Syndrome?

Saddam Hussein, the country of Iraq, did very, very wrong, and the Americans righted that wrong by getting them out of Kuwait. But in the process, those young men and young women, those veterans of that conflict, as a result of the toxics that they ingested in themselves, became victims. And I certainly think we can follow through and help them reclaim what is rightfully theirs; the dollars from that fund.

□ 1600

Mr. DOGGETT. Mr. Chairman, if no one is claiming time in opposition to this bill, I ask unanimous consent to control the 5 minutes allocated for opposition.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Texas (Mr. DOGGETT) is recognized for an additional 5 minutes.

Mr. DOGGETT. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. EVANS), the ranking member of the Committee on Veterans' Affairs.

Mr. EVANS. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Texas (Mr. DOGGETT).

The intent of this amendment is clear, to give our veterans in the Persian Gulf War first priority in seeking

claims against Iraqi assets frozen by our Government during the war.

This amendment has the strong support of veterans groups, including Gulf War veterans. They know that while we can never make up the losses that were incurred in the Gulf War, veterans and their families should have the assurances that we will continue to seek every chance to collect damages against those injuries that they have suffered from.

Mr. DOGGETT. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. EDWARDS) who represents the largest military base in the world, Ft. Hood, Texas.

Mr. EDWARDS. Mr. Chairman, it is not good enough to honor veterans on just Veterans' Day and Memorial Day. It is not good enough to just honor veterans with our speeches and our words. It is time we honored veterans with our actions.

Veterans do not need our rhetoric. They need our support. A vote for the Doggett amendment today is a vote to put veterans first where they should be. We have a clear choice. We can vote to give Desert Storm and Desert Shield veterans first claim on \$1 billion of frozen Iraqi assets, or we can vote to let countries who sold cigarettes to Saddam Hussein put their claims before our American veterans.

We can vote to support those who put their lives on the line fighting against Saddam Hussein, or we can vote to support those who made profits selling to Saddam Hussein.

Whose side are we on? That is the question before us. American veterans who were on the front lines in fighting against Saddam should not be put in the back of the line when Iraqi assets are unfrozen. Vote for our veterans. Vote for the Doggett amendment.

Mr. DOGGETT. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut (Mr. GEJDENSON), the ranking member on the Committee on International Relations.

Mr. GEJDENSON. Mr. Chairman, I would like to commend the gentleman from Texas (Mr. DOGGETT) for bringing this to the floor. This is the right action to take here.

We ask our military personnel to take the first action in defending America's interests, the West's interests, our economic interests, our political interests, and our security interests. They should not be anywhere else in line but first when it comes to claiming their duly deserved compensation.

This is an excellent amendment. The gentleman from Texas (Mr. DOGGETT) is doing the right thing, and we should unanimously support him.

Mr. DOGGETT. Mr. Chairman, how much time remains, Mr. Chairman?

The CHAIRMAN pro tempore. The gentleman from Texas (Mr. DOGGETT) has 6 minutes remaining.

Mr. DOGGETT. Mr. Chairman, I yield myself an additional 3 minutes.

Mr. Chairman, it appears that no one will rise to speak against this amendment. I am pleased about that, and I know that our Nation's veterans will be pleased about it.

The Veterans of Foreign Wars and the Gulf Veterans Resource Center have been active in supporting this measure. When this measure came before the Committee on International Affairs back in 1993, these organizations and other veterans organizations spoke out in favor of this provision.

Yet, why is it that with such strong support from veterans, with a near unanimous vote of this House in 1994 on a strong bipartisan basis, again on my motion in 1997 a strong bipartisan basis, we have not provided our veterans with the mechanism to have a chance to get some recovery from the frozen assets of Saddam Hussein that are sitting in banks right here in the United States?

It is because there are some who have claims that are competing with the veterans and do not want veterans to have a first claim on these assets.

Some of the entities that have registered their claims with regard to these assets are the very companies that supplied Saddam Hussein with the means to have weapons of mass destruction, chemical and biological weapons, components that could be used in the development of nuclear weaponry, conventional weapons that were made available to Saddam Hussein. They now are competing with our veterans.

Another group of entities that are competing and seem to have played a big role in this bill during the last Congress are the major tobacco companies. They also have claims. One has a claim of some \$12 million.

Now, I am not suggesting that any of those, even those that supplied Saddam Hussein with the means for his war machine, ought not to have their day in court or the day before the commission. But I am suggesting that before they have their day in court we should at least resolve the claims of those who put their lives on the line and some of whom actually sacrificed and gave their lives and others of whom will be plagued for the rest of their lives, bright young men and women with a shining future who now suffer disability as the result of Gulf War Syndrome.

I would say, as to those young men and women who gave their all to this country, who put their country first and made this sacrifice, that they deserve to have their claims put ahead of the companies that supplied weaponry and the means to develop weaponry to Saddam Hussein and that they deserve to be placed ahead of the major tobacco companies that say they want their claims settled, not that they are left out, but that our veterans go first.

I know that there are others across this Capitol, Mr. JESSE HELMS in particular, that disagree with this approach. But I believe this House, for a third time having spoken out with, I hope, a unanimous voice and a recorded vote, will be sending a message that we will not leave our veterans behind anymore and that, as we close out this millennium, we will finally put our Gulf War veterans first and let them have a claim, a legitimate claim, against these assets of Saddam Hussein.

Mr. Chairman, I yield 1½ minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Chairman, I just want to thank the gentleman for his efforts.

I would like to point out that I think it is outrageous if Members do not have the courage to come in the light of day on the floor of this House to say they oppose the amendment of the gentleman, an effort to put veterans first, and yet behind closed doors in conference committee this effort seems to be killed.

I would hope that the silence and opposition to this amendment would indicate that this will pass through the conference committee. I hope that the veterans organizations in America will be watching this effort very, very carefully.

Mr. DOGGETT. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS. I yield to the gentleman from Texas.

Mr. DOGGETT. Mr. Chairman, I ask the gentleman to respond to this question.

I believe the gentleman was here on the floor in 1997 when we had our motion to instruct. It took up an entire hour of time. Am I not correct that, in the course of that debate, only one Member of this entire House on either side of the aisle or a Republican colleague of ours rose to oppose the motion to instruct and after the debate he voted with us in favor of the motion to instruct to tell JESSE HELMS and all the members of the conference committee do not put veterans last, because if we put them last, given the size of the claims of some of these companies that helped fuel Saddam Hussein's war machine and supplied tobacco to the children and adults of Iraq, if we put the veterans down behind them, the veterans will not get a penny; it will not be a matter of putting veterans last, it will be a matter of putting veterans out and they will never get a dime? Is that not correct?

Mr. EDWARDS. Mr. Chairman, reclaiming my time, that is correct.

It is my hope, Mr. Chairman, that every major veterans group in America will watch like a hawk what happens in conference committee on this. It would be unfair and morally wrong to our Nation's veterans to take this language out in conference committee.

Mr. DOGGETT. Mr. Chairman, I have no further speakers, and I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Texas (Mr. DOGGETT).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. DOGGETT. Mr. Chairman, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 247, further proceedings on the amendment offered by the gentleman from Texas (Mr. DOGGETT) will be postponed.

The point of no quorum is considered withdrawn.

It is now in order to consider Amendment No. 37 printed in Part B of House Report 106-235.

AMENDMENT NO. 37 OFFERED BY MR. ENGEL

Mr. ENGEL. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Part B amendment No. 37 offered by Mr. ENGEL:

Page 84, after line 16, add the following (and conform the table of contents accordingly):

**SEC. 703. KOSOVAR ALBANIAN PRISONERS HELD IN SERBIA.**

(a) FINDINGS.—The Congress makes the following findings:

(1) At the conclusion of the NATO campaign to halt the Serbian and Yugoslav ethnic cleansing in Kosovo, a large, but undetermined number of Kosovar Albanians held in Serbian prisons in Kosovo were taken from Kosovo before and during the withdrawal of Serbian and Yugoslav police and military forces from Kosovo.

(2) Serbian Justice Minister Dragoljub Jankovic has admitted that 1,860 prisoners were brought to Serbia from Kosovo on June 10, 1999, the day Serbian and Yugoslav police and military forces began their withdrawal from Kosovo.

(3) International humanitarian organizations, including the International Committee of the Red Cross (ICRC) and Human Rights Watch, have expressed serious concern with the detention of Kosovar Albanians in prisons in Serbia.

(4) On June 25, 1999, Serbia released 166 of the detained Kosovar Albanian prisoners to the ICRC.

(5) On July 10, 1999, the Parliamentary Assembly of the Organization for Security and Cooperation in Europe, comprised of parliamentarians from Across Europe, the United States and Canada, adopted a resolution calling upon Serbia and Yugoslavia, in accordance with international humanitarian law, to grant full, immediate and ongoing ICRC access to all prisoners held in relation to the Kosovo crisis, to ensure the humane treatment of such prisoners, and to arrange for the release of all such prisoners.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Serbian and Yugoslav Governments should immediately account for all Kosovar

Albanians held in their prisons and treat them in accordance with all applicable international standards;

(2) the ICRC should be given full, immediate, and ongoing access to all Kosovar Albanians held in Serbian and Yugoslav prisons; and

(3) all Kosovar Albanians held in Serbian and Yugoslav prisons should be released and returned to Kosovo.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from New York (Mr. ENGEL) and a Member opposed each will control 5 minutes.

Mr. GILMAN. Mr. Chairman, I ask unanimous consent to claim the time in opposition to the Engel amendment although I am not opposed to the amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, after the allies won the war in Kosovo, when the Serbian forces left Kosovo to go back to Serbia, they kidnapped anywhere from 1,800 prisoners, Kosovar Albanian prisoners, to up to 5,000 Kosovar Albanian prisoners, and took them back to Serbia, away from their homes, and jailed them.

The Serbian justice minister mentions a total of 1,860 Kosovar Albanians jailed. But I have from a very respected newspaper, Koha Ditore, a list of 5,000 ethnic Albanian prisoners who are now detained in jails in Serbia.

This amendment simply would call on the International Committee of the Red Cross to be allowed to visit these prisoners to call for an accounting of these prisoners and to give the International Committee of the Red Cross access to all Kosovar Albanians detained in Serbian prisons.

It also asks for the release and return to Kosovo of all these people and is virtually identical to a resolution that was passed by the OSCE recently which contained the same provisions and was the European parliamentarians' same request.

We cannot allow Slobodan Milosevic to capture these people and to keep them there as virtual prisoners. It is absolutely important that the world community stand up and say that we will not tolerate the continued Serbian aggression.

Mr. Chairman, I include for the RECORD the list of prisoners and two articles, one from the Washington Post and one from the Los Angeles Times, which highlights this problem and the problem of the Kosovar Albanians who are captured and kidnapped in Serbian prisons.

**THE LIST OF KOSOVAR PRISONERS HELD IN SERBIA TAKEN FROM KOHA DITORE**

*City Prison-Pozharevc (Serbia):*

Lutfi Xhaferi, Muhamet Bajrami, Fadil Salihu, Naser Osmani, Rijad Begu, Isak Abazi, Xhemshit Ferati, Shaqir Pllana, Afrim Salihu, Ibrahim Bajrami, Sylejman Bejtullahu, Xhevdet Bejtullahu, Agron Pllana, Nexhat Brahimi, Hazir Peci, Milaim Hajrizi, Fehmi Hasani, Shaban Duraku, Adem Tahiri, Rushit Strana, Isa Aliu, Ferit Pllana, Kaplan Salihu, Sami Hasani, Nuh Januzi, Behxhet Maloku, Besim Brahimi, Sabit Strana, Rexhep Uka, Hamit Maleta, Ismet Pllana, Xhelal Bejtullahu, Hajrullah Peci, Agim Peci, Ismail Peci, Miftar Gashi, Feti Asllanaj, Sejdi Lahu, Skënder Sadiku, Sejdi Zekaj, Fazli Kadriu, Ramadan Bislimi, Skënder Haxha, Shaban Zuhuranaj, Bajram Rukolli, Imer Haziraj, Xhevat Mustafa, Zani Mustafa, Sabit Arifi, Bexhet Zeneli, Miftar Sahiti, Mustafa Ramadani, Sabri Osmani, Agim Islami, Aziz Islami, Kadri Durguti, Abdyl Kleçka, Behajdin Kleçka, Burim Ejupi, Sabit Shehu, Zeqir Shehu, Jusuf Kollari, Xhevdet Durguti, Mehdi Kollari, Arben Shala, Destan Nurshaba, Mujedin Korenica, Veton Mulija, Beqir Kollari, Fahredin Dina, Bashkim Hoxha, Arsim Haska, Fadil Isma, Esad Kasapi, Zijadin Miftari, Eshref Kleçka, Selami Sharku, Lan Isufaj, Rasim Isufaj, Njazi Isufaj, Naim Hadergjonaj, Rasim Selmanaj, Jahir Agushi, Visar Muriqi, Ragip Ahmeti, Ramadan Gashi, Fatmir Shishani, Agim Leka, Hazir Stoliqi, Gani Ahmetxhekaj, Mujë Zekaj, Salih Zariqi, Jakup Rexhepi, Bajram Gashi, Nezir Bajraktari, Mustafë Mehmetaj, Arben Bajraktaraj, Nexhat Dervishaj, Demë Ramosaj, Shaban Mehmetaj, Sadik Haradini, Ramiz Isufaj, Ministet Shala, Ismet Paçarizi, Izet Zenuni, Gani Baqaj, Sali Gashi, Skënder Bajraktari, Llmi Zeneli, Xhafer Qufaj, Gëzim Zeçaj, Bujar Goranci, Muhamet Gashi, Xhemë Morina, Florim Zukaj, Asllan Asllani, Shpend Dobrunaj, Luan Ahmetxhekaj, Besnik Ismaili, Xhavit Musëshabanaj, Driton Zukaj, Llmi Karaxha, Nikollë Markaj, Ukë Golaj, Dervish Zukaj, Rasim Gjota, Skënder Hajdari, Ardian Kumnova, Flamur Krasniqi, Isak Hoti, Ramadan Morina, Ismet Krasniqi, Demir Limaj, Lavdim Tetaj, Arsim Krasniqi, Arton Krasniqi, Avni Shala, Hazir Krasniqi, Llir Krasniqi, Fahri Krasniqi, Zhujë Gashi, Muhamed Avdiaj, Bekim Istogu, Azem Buzhala, Faik Topalli, Nysret Hoti, Nazim Zenelaj, Adnan Topalli, Musli Leku, Remzi Morina, Avni Memia, Avdi Kabashi, Ibrahim Ferizi, Visar Demiri, Bekim Rama, Tahir Rraci, Blerim Camaj, Reshat Nurboja, Ibrahim Gashi, Astrit Elshani, Hasan Vërslaku, Avdullah Lushi, Lush Marku, Mustafë Gjocaj, Rrustem Jetishi, Bekim Maçi, Asllan Nebihi, Afrim Vërslaku, Kujtim Jetishi, Avdyli Maçi, Skënder Hoxha, Muhamet Kiçina, Fadil Avdyli, Bajram Avdyli, Sokol Sylja, Hasan Berisha, Luan Mazrreku, Enver Hoxhaj, Ismet Gashi, Zeqir Gashi, Fadil Topalli, Bujar Sylaj, Agim Gashi, Hetem Elshani, Isa Topalli, Flurim Haxhymeri, Haki Haxhimustafa, Beqir Alimusaj, Bajram Shala, Gazmend Zeka, Fadil Jetishi, Isa Shala, Isuf Shala, Ylber Dizdari, Milaim Cekaj, Musa Krasniqi, Ismet Berbat, Ramiz Gjocaj, Demë Batusha, Reshat Suka, Tahir Panxhaj, Sylë Salihu, Ismet Isufi, Ukë Rexha, Fehmi Kukiqi, Arslan Selimi, Fetah Shala, Milazim Shehu, Nait Hasani, Riza Alla, Gani Cekaj, Sefedin Morina, Sadri Tërdevci, Habib Morina, Elmi Morina, Rexhep Morina, Isa Morina, Lajet Mola, Sylejman Bajgora, Feriz Çorri, Raif Hasi, Smail Hasi, Rrahim Limani, Sadik

Limani, Jakup Limani, Agim Nimani, Besnik Heta, Afrim Ruçaj, Qamil Pllana, Hashim Mecina, Shemsi Shaqiri, Avdush Hysi, Miftar Dobra, Nexhat Ahmeti, Fadil Ajeti, Bahri Istrefi, Bedri Qerimi, Nexhat Mustafa, Izet Miftaraj, Fuat Buçinca, Reci Dosti, Naim Haziri, Sali Azemi, Kenan Hasani, Rifat Dobra, Shaban Rexhepi, Daut Rahmani, Ali Haradini, Latif Ismaili (minor), Fehmi Jashari, Naim Peci, Gani Arslani, Muharrem Zymeri, Elmaz Hasani, Ukshin Hasani, Hakif Duraku, Sherafedin Hasani, Jashar Istrefi, Rrahman Istrefi, Gani Muja, Rrahman Ahmeti, Ferid Zeneli, Duka Aliu, Nuredin Jashari, Ilmi Jashari, Hajro Brahimi, Fahri Berisha, Naim Pllana, Shkëlzen Pllana, Fehmi Pllana, Megdia Pllana, Behxhet Sejdiaj, Faik Sejdiaj, Bekim Sejdiaj, Tafil Prokshi, Shemsi Miftaraj, Ahmet Murati, Dibran Krasniqi, Shefki Tahiri, Shefket Duraku, Beqir Bialku, Ibrahim Krasniqi, Mehmet Xhelili, Idriz Klinaku, Ahmet Hasani, Përparim Mustafa, Halil Mustafa, Milazim Mustafa, Fatos Asllanaj, Enes Kalludra, Hajriz Islami, Ismet Laka, Fazli Ademi, Mujë Shabani, Avdyli Sejdiu, Rifat Hasani, Ejup Sejdiu, Nasuf Deliaj, Agim Ahmetaj, Kasem Ahmetaj, Mustafë Ahmetaj, Ekrem Avdiu, Nexhmedin Llausha, Shpend Kopriva, Lulzim Ymeri, Ertan Bislami, Krenar Telçiu, Bashkim Gllgovci, Ilir Hoxha, Luan Sejdiu, Agim Morina, Fehmi Muharremi, Ibrahim Berisha, Mustafë Berisha, Gani Baliqi, Osman Kastrati, Shaban Çupi, Arben Jahaj, Ardian Haxhaj, Mehmet Memçaj, Agim Lumi, Skënder Hoti, Sokol Morina, Fazli Gashi, Besim Kastrati, Sherif Berisha, Shefket Topojani, Naim Krasniqi, Mujë Prekuni, Elmi Cujani, Qazim Sejdiu, Ali Çulqi, Isak Shabani, Selim Gashi, Shkëlzen Zariqi, Agron Tolaj, Hajdin Ramaj, Ismet Gashi, Muhamet Rama, Esat Shehu, Selman Ukëhaxhaj, Agim Sylja, Hasan Rama, Ramadan Nishori, Hidaïim Morina, Sadik Bytyci, Enver Hashani, Besim Rama, Valon Berisha, Nexhat Shulaku, Edmond Dushi, Naser Shurnjaku, Visar Dushi, Agim Hoda, Mustafë Ahmeti, Arsim Bakalli, Menduh Duraku, Muhedin Zeka, Kreshnik Hoda, Admir Pruthi, Nexhmedin Baraku, Mehdi Ferizi, Fisnik Zhaveli, Muhamet Guta, Faik Mustafa, Selami Curraj, Artan Nasi, Yll Kusari, Yll Ferizi, Përparim Efendija, Arbnor Koshi, Petrit Vula, Idriz Feta, Jeton Rizniqi, Genc Xhara, Behar Hoti, Qamil Haxhibeqiri, Fahri Hoti, Adnan Hoti, Fatmir Tafarshiku, Shpetim Hoxha, Esat Ahma, Hysen Juniku, Yll Pepa, Erdogan Mati, Shkëlzen Nura, Esat Zherka, Shpend Musacana, Adriatik Pula, Labinot Pula, Gëzim Sada, Bekim Jota, Emin Delia, Zog Delia, Alb Delia, Yll Delia, As Ahmeti, Yll Kastrati, Adnan Haxhibeqiri, Gazmend Zhubi, Gent Nushi, Enver Dula, Mithat Buza, Bekim Rragomi, Aliriza Truti, Skënder Zhina, Petrit Jakupaj, Elmi Tahiri, Agim Muhaxheri, Faton Hoda, Agron Pula, Tahir Kajdomçaj, Florent Trudi, Adriatik Vokshi, Ymri Ahmeti, Armond Koshi, Atli Kryeziu, Dukagjin Pula, Jusuf Brovina, Gani Gexha, Sulejman Brovina, Hasan Halilaj, Halil Guta, Albert Koshi, Fatos Dautaga, Sami Morina, Luan Xheka, Tahir Skënderaj, Bjerem Juniku, Sabit Beqiri, Dijamant Mici, Nexhat Vehapi, Fadil Lushaj, Binak Haxhija, Avdyli Precaj, Xhamajl Thaçi, Nazim Morina, Flamur Pana, Fatos Deva, Musat Ukaj, Ardian Tetrica, Driton Aliaga, Bekim Mullahasani, Bashkim Mustafa, Besfort Mullahasani, Driton Ballata, Diamant Manxhuka, Rinor Lama, Fatmir Pruthi, Ferhat Luhani, Bekim Musa, Petrit Këpuska, Mithat Guta, Agim Hasiqi, Gemi

Batusha, Hysni Hoda, Hivzi Perolli, Mazllom Grushti, Jeton Bytyci, Bujar Hasiqi, Petrit Sahatqija, Vilazim Radogoshi, Imer Guta, Shefket Bokshi, Kastriot Zhubi, Florent Zhubi, Edmond Shtaloja, Burim Dobruna, Isa Axhanela, Driton Xhiha, Hasan Zeneli, Rasim Rexha, Haqif Ilazi, Bilbil Duraku, Sejdi Bellanica, Defrim Rifaj, Nehat Binaku, Enver Berisha, Jakif Mazreku, Hysni Krasniqi, Haki Elshani, Avni Koleci, Shaban Kolgeci, Rexhep Agilaj, Arif Kabashi, Azem Nedrotaj, Xhevat Shukolli, Zaim Çatapi, Milaim Kabashi, Xhavit Kolgeci, Maliq Sokoli, Haxhi Ukaj, Ramadan Kokollari, Arben Basha, Feriz Haziri, Sedji Haziraj, Hazir Zenelaj, Xhavit Krasniqi, Milaim Matoshi, Mustafë Kolgeci, Arsim Gashi, Emin Kryeziu, Sherif Ilazi, Arsim Ziba, Defrim Kiqina, Zenel Ademi, Fadil Xhulani, Qamil Rama, Pjetër Çira, Bilbil Shehu, Isuf Bardoshi, Ilir Kortoshi, Osman Tortoshi, Sulo Kuqi, Sulejman Deliu, Gazmend Krasniqi, Zil Qipa, Shaban Rama, Jahë Sadrija, Muharrem Pajazit, Naser Tahirsylaj, Muhamet Tahiri, Arben Dobani, Besim Zogaj, Xhavit Gashi, Sali Cunaj, Fatmir Kokollari, Nezir Zogaj, Naim Balesi, Agron Borani, Rakip Mirena, Bekim Krasniqi, Rexhep Luzha, Ramiz Bajrami, Ali Gashi, Ramadan Berisha, Abdullah Cunaj, Sinan Bytyci, Shemsi Gallopi, Shefket Kabashi, Fazli Franca, Musli Avdyli, Ibrahim Isufaj, Sulejman Bytyci, Muharrem Qypaj, Ahmet Demiri, Xhafer Shala, Sami Gashi, Agron Berisha, Sahit Ziba, Nijazi Kryeziu, Hasan Shala, Abaz Beqiri, Filip Pjetri, Nazmi Haliti, Agim Ibraj, Haxhi Barjaktari, Ruzhdi Morina, Bashkim Jusufi, Burim Musliu, Himë Shala, Haki Haziraj, Valdet Rama, Gasper Selmanaj, Besnik Kuqi, Adem Kuqi, Jeton Alia, Ademali Metaj, Naim Balaj, Halit Ndrecaj, Bajram, Bajraj, Xhavit Kacaniku, Naim Zejraj, Feriz Zabelaj, Nexhat Sylaj, Nuh Boka, Hajrullah Samadaxha, Naser Kalimoshi, Qazim Krasniqi, Ali Isa, Kadri Jaha, Ymer Krasniqi, Sali Ahmed, Hajdin Alia, Asllan Lumi, Xhemajl Sallauka, Murat Kabashi, Hamit Buzhala, Lumni Matoshi, Gazmend Bytyci, Xhavit Malaj, Daut Gashi, Zymer Gashi, Mehdi Gashi, Nasuf Gorani, Osman Llugaxhia, Fatmir Berisha, Hasan Istogu, Milaim Kastrati, Rexhep Alimusaj, Abdullah Shala, Ukë Kolgeci, Hasan Kuqi, Sali Loshi, Burim Bllaca, Sedat Kolgeci, Albert Kolgeci, Emri Loshi, Sherif Hamza, Ukë Thaci, Nazmi Franca, Naim Leku, Riza Krasniqi, Tafë Kurtaj, Ismet Beqiraj, Bahri Beqaj, Sali Maliqaj, Muhedin Nivokazi, Ramadan Zymeraj, Haki Ademaj, Hajzer Hajrullahu, Hekuran Cari, Adem Zenuni, Dul Cunaj, Ferit Tafallari, Sinan Tafila, Shaqir Selmanaj, Hasan Sadikaj, Blerim Krasniqi, Maki Begolli, Behar Jetishi, Agim Jetishi, Kastriot Jetishi, Zenel Jetishi, Skënder Kelmendi, Nexhat Krasniqi, Bashkim Dvorani, Bekim Mazrreku, Izet Sejfiqaj, Rexhep Xhemajli, Xhemajl Muharremi, Ismet Sukaj, Besim Ramaj, Blerim Shala, Adem Morina, Hasan Mulaj, Frashër Shabani, Xhevat Haziri, Ismet Musaj, Fatos Malaj, Haki Mahmudademaj, Kamber Goxholi, Mustafë Shala, Avni Sylja, Ahmet Kapitaj, Pashk Quni, Driton Berisha, Luan Bajrami, Selim Sutaj, Riza Tahirukaj, Rexhë Jakupi, Hamdi Hyseni, Mersin Berisha, Nexhdet Kida, Lahë Mataj, Naim Kidaj, Ismet Ademi, Tahir Salih, Arben Bazi, Arif Ahmeti, Istref Sadrija, Sadik Zeqiri, Bajram Merqa, Gëzim Abazi, Sahit Haxhosaj, Idriz Asllanaj, Agim Makolli, Halil Deliu, Bektesh Qahili, Adil Kollari, Avdyli Jetishi, Burim Jetishi, Shkëlzen Kida, Skender Cakolli, Qerim Jetishi, Mikel Dodaj, Lekë Pëvorfi,

Brahim Pepshi, Rrahmon Jonuzaj, Fitim Halimi, Behar Jetishi, Bedri Shabanaj, Shkumbin Malaj, Zenel Kurmehaj, Jeton Malaj, Sejdi Begaj, Misin Rexha, Hasan Daloshi, Fatmir Kurtaj, Agim Reqica, Shpëtim Krasniqi, Zeqir Leshani, Ylber Topalli, Shefket Beqa, Besim Zymberi, Qamil Abazi, Brahë Beqiraj, Din Gjoni, Skender Gashi, Shaban Beka, Agron Ramadani, Arif Vokshi, Nebi Tahiri, Skender Racaj, Ilaz Bislami, Rexhë Gashi, Sabri Arifaj, Nizat Morina, Ahmet Ahmeti, Burim Brovina, Përparim Zejnullahu, Abdurrahman Naha, Artan Morina, Falmur Godeni, Valdet Krasniqi, Adnan Brovina, Fatmir Bytyqi, Mexhit Zenelaj, Rizo Bekiq, Milazim Kolgeci, Vesel Llugaxhia, Arben Llugaxhia, Selim Hasani, Arben Morina, Gani Igalli, Genc Kida, Ajat Ibraj, Mujë Ibraj, Tarap Kida, Samat Gati, Leonard Krasniqi, Bashkim Haziraj, Bashkim Kabashi, Çaus Sevga, Ramiz Berisha, Gjoni Sefaj, Arsim Kullashi, Hasan Zariqi, Mehmet Rexhaj, Agim Hulaj, Mujë Tafila, Ramadan Avdiu, Raim Aliu, Isuf Zekaj, Smajl Smajli.

*Prison of Sremska Mitrovica (Serbia):*

Bedri Zymer Shabanaj, Liman Shefki Haxholli, Sami Kamer Ajeti, Rasim Xheladin Muja, Luan Ajat Statovci, Gezim Nazmi Statovci, Enver Hamit Sekiraga, Bekim Ilmi Istogu, Sylejman Bejtullah Sopjani, Isak Iljaz Kurshumlija, Lek Mihilja Pervulfi, Ragip Syle Ahmeti, Fehim Rustem Vrelaku, Ilmi Musli Karagjani, Bekim Avdulla Mazreku, Agim Sylejman Kelmendi, Rexhep Rushit Musliu, Hysni Rrustem Nursedi, Izet Sadik Sadriu, Faton Zymer Malaj, Muharrem Jahe Krasniqi, Naser Bajram Istogu, Avdyli Jusuf Jetishi, Riza Hajdar Dembogaj, Zeqir A. Pacolli, Gani Asllan Daci, Liman Fazli Aliu, Muhamer Avdiu, Shkumbin S. Malaj, Lah Haxhi Mataj, Sheremet Zenel Ahmeti, Halip Hajrullah Reshica, Bajrush Muharrem Xhemaili, Gent Jakup Nushi, Dem Halil Ranoshaj, Xhemajl Muharrem Muharremi, Xhavit Shaban Mustapani, Ahmet Sefë Ahmeti, Skender Sylejman Gjija, Fahri Rexhep Ejupi, Bastri Jahim Azemi, Iljaz Gani Gashi, Shefket Aziz Kosumi, Jakup Hasan Ademi, Behar Kadri Zymeri, Florijan Hilmi Istogu, Habib Shaban Shabani, Shaip Malë Berisha, Hasan Ahmet Jashari, Halim Ramadan Musliu, Abdullah Haxhi Hoxha, Ajat Liman Zariqi, Agron Beqir Ejupi, Asllan Jusuf Zekaj, Skender Haxhi Kelmendi, Ridvan Shaip Salihu, Rasim Ramadan Zota, Bekim Nevruz Ragipi, Bajram Mustafë Tahi, Ukë Mehmet Goxhaj, Halil Hajrullah Nashica, Bajrush Muharrem Gjemaili, Xhemajl Muharrem Muharremi, Ahmet Sefa Ahmeti, Fahri Rexhep Ujupi, Iljaz Gani Gashi, Jakup Hasan Ademi, Ergjylent Elbasan Gashi, Arben Ahmet Bajraktari, Adem Jusuf Morina, Nezir Tafil Sh., Bekim Ibrahim Istogu, Afrim Ismet Uka, Drestan Islam Sukaj, Fadil Kosum Gashi, Bujar Xhafer Goranci, Fejzullah Hasim N., Ramiz Ibrahim Isufaj, Avdyli Beqir Kreqka, Imer Bajram Zhushi, Mirsad Vesel Bashota, Izet Sabri Zenuni, Mehmet Rexhep Gashi, Osman Haxhi T., Fejzullah Zenel Avdyli, Bexhet Isë Gashi, Zeqir Abdullahu, Shkëqim Rrahim Selimi, Sylë R. Murati, Kujtim H. Sh., Musa Hajriz Gashi, Abedin Mugaj, Osman Isuf Hoti, Ramiz Riza Sopjani, Braim Muharrem Isufi, Muhamet Bexhet Thaçi, Azem Hazir Sylejmani, Avdi Zejnullah Ajeti, Sokol Xhafer Jakupi, Xhevat Esat Aziri, Qamil Abaz Abazi, Sinan Sylejman Kelmendi, Kastriot Qazim Jetishi, Beqë Isuf Ukshini, Arbër Shefket Pervuku, Ahmet Mustafë Kapitaj, Besim Muhamet Zymberi, Mexhdet Ramadan Kida, Mustafë Emin Shaga, Rexhë Ibrahim Jakupi, Faton

Veseli Istogu, Bahtir Hamdi Bahtiri, Rexhep Tafil Topalli, Feriz Aziz Kaqilli, Isuf Asllan Sylaj, Besim Hasan Jashari, Rrahim Avdi Nika, Florim Sadri Dervishi, Tomorr Haxhi Hoxha, Shaban Haxhi Hoxha, Agim Likë Brahimi, Shkelzen Ramadan Kida, Mersin Beqir Berisha, Durak Riza Gërbeshi, Shaban Hamëz Frashëri, Bujar Ibrahim Çuni, Beqir Akil Abazi, Kamber Sylë Buçolli, Hasan Beqir Mula, Haxhibeqir Masar Ajdini, Avdyll Xhabir Skilferi, Enver Muhamed Dula, Agim Sadri Çeku, Gani Elez Baqaj, Behxhet Kadri Krasniqi, Sabri Bajram Arifaj, Hazir Mustafë Stoliqi, Hysen Abdyl Blakqorri, Idriz Bajram Cufaj, Basri Mehmet Dragusha, Shpëtim Feriz Gashi, Arben Jakup Gashi, Zenel Asllan Myftari, Gani Xhemë Ahmetgjekaj, Hajredin Hajdar Hyseni, Artion Ruzhdi Bashota, Shpend Fazli Dobruna, Xhemsat Malë Shehaj, Avni Ibrahim Memija, Haki Osman Haziraj, Adnan Ismajl Topalli, Hysni Xhelaladin Dautaj, Bujar Hasan Sylaj, Sylejman Faik Bytyçi, Fadil Zenun Xhavitaj, Fazli Myftar Franca, Zijadin Abdullah Blakqorri, Valdet Qazim Jetishi, Nebi Dibran Rama, Fitim Nazmi Halimi, Remzi Idriz Dacoli, Fehmi Zejnullah Uka, Zenel Myftar Jetishi, Nazim Xhavit Halili, Gazmend Mustafë Tahiraj, Halil Sylejman Xhelili, Agim Nurë Jetishi, Hilmi Tahir Begolli, Ekrem Zejnel Jusufi, Azem Hasan Hasani, Skender Sokol Topalli, Sevdie Rrahman Muratoviçi, Xhevat, Shaban Tahiri, Sherif Zeqir Demaj, Halil Muhamet Kadriaj, Nizat Morina, Ylber Shanë Kastrati, Mehmet Banë Kelmendi, Luan Selman Ahmetgjekaj, Skender Ramë Bajraktari, Arsim Shaban Berisha, Hashim Ramadan Krasniqi, Halil Sahit Lika, Suat Beqir Lushtaku, Refik Hamdi Hasani, Bedri Izet Ademi, Sali Sylë Ramaj, Bashkim Mehdi Sadiku, Hysni Sejdi Drenica, Azem Ramadan Jegrova, Afrim Feriz Seferi, Zymer Hamit Toplani, Safet Rexhep Kelmendi, Blerim Sadik Shatri, Behxhet Ymer Rmoku, Rexhep Selim Koça, Rexhë Fazli Gashi, Rasim Muhamet Selmanaj, Enver Ibrahim Thaçi, Luan Sylë Bajrami, Behar Gani Jetishi, Jeton Zymber Mala, Strellci i epërm, Abedin Mursel Meha, Prekazi ultë, Sahit Musli Pllana, Leskoshij, Valon Idriz Gashi, Balince, Klinë, Besim Musë Ramaj, Prishtina, Nexhat Murat Krasniqi, Negroc, Glogoc, Bekim Sadri Cikaqi, Doberdelan, Bislim Selan Bajraktari, Klina e epërme, Bashkim Shefqet Diorani, Terstenik, Glogoc, Isat Selim Shala Barilevë, Prishtinë, Sali Sylë Gashi, Klinë, Hysni Rustem Podrimçaku, Kreqkovm Glogoc, Arben Rizë Shabani, Dashevc Skenderaj, Dervish Kadri Zukaj, Pejë, Ministet Xhafer Shala, Prizren, Syl Abdullah Abdyl, Likoshan, Skender Smail Asani, Likoshan, Sylejman Sali Bajgora, Herticë Podujevë, Ekrem Selim Leci, Barilevë, Fadil Jashar Makolli, Prishtina, Gani Kadri Elshani, Glogoc, Xhevat Bexhet Podvorica, Dumosh, Podujevë, Abaz Ilaz Krasniqi, Vuçjak, Glogoc, Muj Halil Zekaj, Cerobreg, Deçan Ismet Islam Suljka, Obri Glogoc, Aziz Ibrahim Hamzaj, Gjinovë Suha Rekë, Gazmend Rafret Zhubi, Gjakovë, Qerkin Mehmet Brajshori, Sharban Prishtinë, Gëzim Muhamet Zeçaj, Samodrexh, Suharekë, Fatmir Bajram Canolli, Marevc, Prishtinë, Selim Sadri Sutaj, Llluka e Epërme, Deçan Xhemshir Rafat Altiti, Çikatov, Glogoc, Alban Muharrem Elshani, Korotic, Glogoc, Muharrem Gashi, Prishtinë, Isuf Haxhi Hadri, Gjakovë Skender Bekë Mekaj, Nabrgje, Pejë, Pashk Pren Çuni, Talibare, Gjakovë, Burim Syl Morina, Suharekë, Ramadan Bajram Jakupi, Prapashitë, Safet Balja, Gllarevë, Klinë, Ramiz Shefki

Sylejmani, Konçul Bujanoc, Yenel Haxhi Kolmehaj, Strellci i epërm, Deçan, Hasan Mustafë Alija Kraljan, Gjakovë, Agron Shaban Prokshi, Brbatovc, Glogoc, Abdullah Islam Bajraktari, Glogoc, Arsim Idriz Hasani, Podujevë, Fatmir Ismail Shishani, Dobroshec, Ramiz Shefki Vitia, Marevc, Xhevdet Sherif Murseli, Shtrubullovc, Glogoc, Sadri Idriz, Krasniqi, Makoc, Osman Rrahman Murati, Tupall, Medvegj, Xhevdet Adem Stublla, Alabak, Podujevë, Xhavit Xhafer Ajazi, Dobratin, Ibrahim Bahtir Grbeshi, Marec, Ali Rustem Berisha, Graboc, Agim Musë Buzoku, Marec, Bajram Pacolli Marec, Nysret Sadik Sadiku, Veternik, Ilir Idriz Krasniqi, Vrahovc Pejë, Yojë Sefer Gashi, Pejë, Arsim Isa Krasniqi, Prishtinë, Agim Isa Krasniqi, Prishtinë, Naser Selim Pajaziti, Orlan Podujevë, Shaban Imer Mehmetaj, Rudice, Klinë, Blerim Zeqir Shala, Vuçjak Glogoc, Kadri, Shyqyri Dërguti, Rahovec, Arbnor Nexhat Xhemajli, Pejë, Remzi Zenel Tetirica, Gjakovë, Jahir Sadik Agushi, Drenoc, Avni Sylja, Mulliq, Xhem Sadri Morina, Ratkovc, Florin Zokaj Belegë, Deçan, Salih Selman Zariqi, Baicë, Xhemail Avdi Elshani, Kraljkovë, Ekrem Shejki Ejupi, Sekirac, Podujevë, Sejdi Tahir Bega, Jezerc, Nezir Rexhep Bajraktari, Radicë, Klinë, Hasan, Ali Ademi, Karaq, Vushttri, Nazif Ahmet, Çulani, Baicë, Neki Selajdin Sadiku, Gjakovë, Isuf Smail Hajrizj, Keçekoll, Avdi Abdullah Vitija, Hajvali, Barsi Bajram Gashi, Vrbica, Gjilan, Ismet Mahmuti, Podujevë, Arif Toskaj, Novo Sellë, Pejë, Driton Osman Berisha, Gjakovë, Avdi Zeqir Pacolli, Marec, Agim Vrshevc, Domanek, Bekim Shala, Trud, Prishtinë, Nexhid Hamid Zani, Abedin Mustafë, Mehmeti, Klinë e mesme, Ismet Paçarizi, Dragobil, Namon Murati, Topalle, Enver Beselica, Prishtinë, Pjetër Buzhalja, Pejë, Tefik Shabani, Prishtinë, Albert Sadiku, Pejë, Mitat Buza, Gjakovë, Valdet Halilaj, Trdevc, Haki Mahmut Demaj, Sreocce, Deçane, Rustem Letaj, osekhil, Gjakovë, Hazir Krasniqi, Negroc, Mustafë Mehmetaj, Rodicë, klinë, Tefik Salihu, Trstenik, Fatmir Krasniqi, Lukare, Ibrahim Bekë Pepoci, Dujakë, Gjakovë, Jakup Rexhepi, Glogoc, Ramadan Gashim Svrhë, Klinë, Visar Muriqi, Pejë, Fazli Hajdari, Dobroshec, Besnik Ismaili, Tucevac, Kamenicë, Ilmi Zenili, Petriç, Klinë, Xhafer Cufaj, Prilep, Deçan, Aslan Selim Asllani, Brovinë, Gjakovë, Predrag Ismail Hasani, Dobruska, Istok, Ziça Xhelili, Prelepnica Gjilanë, Haki Kastrati, Radost Rahovec, Nikoll Markaj, Radac Gjakovë, Naser Shporta, Prizren, Migjen Shala, Truda, Prishtinë, Baki kamani, Prishtinë, Bekim Begolli, Trnovë, Podujevë, Sabit Thaçi, Ilapushnik, Faruk Dakaj, Cerovik, Veli Kajtazaj, Prishtinë, Nexhmedin Gashi, Hajvali, Shefqet Beqa, Dac, Kaçanik, Bujar Maksuti, Prishtinë, Muhamet Bega, Jezerc, Ferizaj, Riza Tahirukaj, Luka e epërme, Deçan, Hajriz Murati, Shakovicë, Rexhep Veseli, Shkup, Abdullah Gjunaji, Konjush, Sali Kautaj, Shillovë.

*City Prison of Krushevc (Serbia):*

Veli Zogaj, Agim Qemal Bajrami.

*City Prison of Vranje (Serbia):*

Njazi Hajdari, Besim Ramadani, Fadil Kallaba, Sabit Hoxha, Mubijan Arifi, Ejup Morina, Bekim Bunjak, Shefik Maksuti, Ziadin Mehmeti, Murat Baralia, Fehmi Lecaj, Naim Shaqiri, Muharrem Bajrami, Xhemajli Xhemajli, Rasim Rulani, Bejtullah Novobrdalia, Jeton Vilasalia, Besim Ahmeti, Shaban Asani, Adem Asani, Ramiz Bajrami, Ahmet Aliu, Zulfli Gashi, Ruzhdi Jashari, Bajram Demiqi, Rustem Demiqi, Fahri

Baftia, Islam Lipovica, Zeqir Morina, Fevzi Lekiqi, Fazil Abdullahu, Xhevat Demiri.

*City Prison of Zajecar (Serbia):*

Braim Mehmet Shala, Canë Nimon Shoshaj, Isat Ramadan Shoshaj, Agim Sylë Shoshaj, Fazli Zenel Shoshaj, Kamber Zenel Shoshaj, Vedat Ramadan Shoshaj, Selman Sadik Çekaj, Xhevdet Rama Qorraj, Afrim Avdi Blakaj, Afrim Shaban Alilaj, Mustafa Rrustem Alilaj, Fetah Ukë Alilaj, Sali Shaban Asllani, Mentor Dervish Balaj, Fahri Rrustem Balaj, Arbnor Xhelal Bajraktari, Arianit Xhelal Barjaktari, Ilir Avdi Barjaktari, Avni Musa Barjaktari, Muharrem Rexhep Barjaktari, Ibish Musa Pepaj, Agim Halil Berisha, Muhamet Ibër Berisha, Aziz Ikër Kerisha Xhavit Idriz Berisha, Skënder Isa Berisha, Rasim Maxhun Berisha, Mujo Maxhun Berisha, Ramiz Muharrem Berisha, Osman Ramë Berisha, Zenun Selim Berisha, Kujtim Smail Berisha, Shefqet Sokol Berisha, Tahir Musa Berisha, Muharrem Musa Berisha, Driton Ibish Blakaj, Gëzim Muharrem Blakaj, Rexho Haxhi Buçolli, Bujar Ismajl Mavraj, Ramiz Emshir Cërnovrshani, Rashid Emshir Cërnovrshani, Bekim Çausht Dautaj, Fidan Aziz Dervishaj, Kemaj Hasan Dobra, Shefqet Arif Dreshaj, Arif Bajram Dreshaj, Agim Zymer Dreshaj, Hasim Kadri Dukaj, Avni Kadri Dukaj, Fadil Smail Berisha, Florent Isa Ukaj, Atthe Bajram Gashi, Isuf Bajram Gashi, Bashkim Caca Gashi, Jusuf Ibish Gashi, Haxhi Smail Gashi, Arif Smail Gashi, Ajet Mujo Gecaj, Armend Ibrahim Grudi, Sadri Muharrem Haxhij, Jahë Sali Haxhij, Adem Zeqë Halili, Dem Isuf Haradinaj, Armend Shpend Hasaj, Zeqo Adem Hasaj, Afrim Smail Hasaj, Agron Zenel Hasanaj, Islam Ajet Hysenaj, Isa Smail Hysenaj, Rustem Sadri Husaj, Zenel Idriz Husaj, Huharem Sadri Idrizaj, Burim Osman Kabashi, Faruk Isuf Kabashi, Imer Sherif Kelmendi, Milazim Haxhi Kelmendi, Mustafa Jusuf Kelmendi, Fidan Rama Kelmendi, Erzen Ramaden Kelmendi, Safet Rama Kabashi, Agron Avdyll Krasniqi, Gani Tahir Krasniqi, Xhavit Selman Kuqi, Kujtim Mehmet Leka, Labinot Ali Lipoveci, Tahir Adem Madonaj, Ahmet Binak Mahmudaj, Bedri Binak Mahmudaj, Lavdim Beqir Mavraj, Besar Dema Mavraj, Petrit Emin Mavraj, Hamdi Feriz Mavraj, Ragip Januz Mavraj, Fadil Miftar Mavraj, Nazmi Muharem Navraj, Aush Musa Mavraj, Kadri Musa Mavraj, Abedin Nezir Mavraj, Nesret Nezir Mavraj, Muhamet Nezir Mavraj, Hasan Ali Mazrekaj, Rustem Ali Mazrekaj, Rame Selman Mazrekaj, Avni Adem Mehmetaj, Durim Ramadan Mehmetj, Hajdar Ramo Mekaj, Miftar Ramo Mekaj, Smail Shaban Miftaraj, Selim Binak Morina, Arkin Azem Muqkurtaç, Muhamet Qamil Thaqi, Muhamet Mustaf Qetaç, Shaban Bajram Muriqi, Kaplan Bajram Muriqi, Kaplan Selim Nikqi, Hys Selim Nikqi, Ymer Beko Nitaj, Sefer Beko Nitaj, Besim Ismet Nitaj, Zenel Miftar Nitaj, Zeke Hajdar Osmanaj, Arben Sadri Osmanaj, Shaqir Ahmet Osmanaj, Shaqir Ahmet Osmanaj, Faton Ymer Osmani, Fitim Osman Osmani, Ymer Ukshin Osmani, Xhemaji Justafe Lajiqi, Valdet Muhemet Lekaj, Ramadan Tahir Keimendi, Sulo Qazim Rexhaj, Elzen Ahmet Rexhaj, Agush Muharrem Rexhaj, Mehmet Musa Rexhaj, Mustafa Tahir Rexhaj, Agron Zenun Rexhaj, Rexho Ahmet Fetahaj, Qazim Sejdi Sejdiqaj, Ahmet Haxhi Sulaj, Shefqet Hasan Thaqi, Ismet Xhemo Tuzi, Azem Xhemo Tuzi, Azem Xhemo Tuzi, Hajim Haki Vranezi, Zeqe Mete Zeqa, Mexhid Mehmed Zeqaj, Aziz Mehmed Zeqaj, Nukman Zeqir Zemaç, Agim Haxhi Zumeri, Vegim Qamil Zuna.



*City Prison of Leskovac (Serbia)*

Ali Hajdin Zeneli, Bekim Syl Kalamoshi, Murtez Dam Islamaj, Shkelzen Selmon Zukaj, Sherif Zeqir Krasniqi, Shaban Binak Thaqi, Shkelzen Xhemaji; Muslijaq, Beqir Arif Beqiraj, Isuf Smajl Ymeri, Kadri Smajl Ymeri, Gazmend Siqan Bajrami, Xhevdet Rem Bajrami, Beqir Tahir Loxhaj, Vllaznim Ibrahim Perxhexhaj, Agron Ibrahim Kocaku, Binak Mislim Selmonaj, Beke Smajl Selmonaj, Sadik Lush Danaj, Musa Nazir Beqiraj, Nimon Maxhun Zekaj, Islam Miftar Qestaj, Kujtim Ymer Salihaj, Xhafer Meta Maloku, Rexhe Xhemajl Abdulahu, Arif Salih Fetahaj, Skender Ali Mehmeti, Abdulah Sadik Hoxha, Behar Adem Bahri, Shaban Rustem Hadergjonaj, Ndreç Zef Kqiro, Idriz Halil Ramoni, Zef Ndue Markaj, Ali Dervish Curaj, Shaqir Azem Hajdaraj, Fazli Zeke Rexhaj, Kristijan Gjoke Bibiqaj, Ibrahim Rexhep Salcaj, Nikol Frat Berisha, Islam Rame Qekaj, Isuf Bajram Krasniqi, Isuf Bajram Krasniqi, Shpetim Bajram Hoti, Deme Hasan Bunjaku, Lutfi Zeke Miroci, Smajl Muharem Ramqaj, Haxhi Muharem Zubaj, Zija Rasim Humaj, Xhafer Zenel Lotaj, Bekim Adem Memaj, Riza Rustem Mavraj, Xheme Elez Mavraj, Sami Rame Shala, Him Misin Balaj, Valdet Beqir Barjaktari, Naim Gjoni Tuzi, Rame Mehmet Muqaj, Musli Qazim Berisha, Hamdi Elez Mavraj, Arif Deme Neziraj, Afrim Bilal Shabani, Selmon Hise Osmanaj, Haxhi Duqa Mehmetaj, Izet Nezir Kuqi, Ferad Sali Berisha, Zenel Syle Iberdemaj, Musa Tahir Blakaj, Deme Maxhun Berisha, Nexhmedin Tahir Mavraj, Avni Zenun Balaj, Ilo Shefki Seniku, Zef Pren Bicaj, Deli Mustafe Mavraj, Sali Musa Belaj, Ragip Azem Vranezi, Mahmutaj Rame Nexhaj, Fadil Ramadan Quliqi, Milazim Sadik Blakaj, Iso Rexhep Kelmendi, Xhelo Shaban Shala, Naim Dervish Balaj, Faruk Azem Kelmendi, Riza Rame Ceku, Ismajl Sherif Kelmendi, Nexhat Januz Kabashi, Bajram Rexhep Kelmendi, Nexhdet Isuf Bajramaj, Avni Nimon Shoshaj, Idriz Zeko Blakaj, Halil Sait Gashi, Hamdi Ymer Shoshaj, Blerim Ymer Kelmendi, Hasan Adem Cocaj, Adem Sheremet Berisha, Tahir Isuf Barjaktari, Skender Hasan Shoshaj, Skender Rizo Shabaj, Avdyll Mahmut Husaj, Xhavit Musa Dresh, Arif Cafe Hysaj, Luarez Jusuf Kelmendi, Muhamed Zeke Bajraj, Fadil Binak Qalaj, Florim Deme Gashi, Xhafer Deli Gashi, Halil Adem Gashi, Arif Rexhep Gashi, Sejdi Qerim Gashi, Gezim Rame Kabashi, Ise Ali Kabashi, Mustafe Duat Bajramaj, Riza Ibish Ukaj, Flakron Hajdar Nekaj, Blerim Bajram Beqiraj, Qerim Bajram Elshani, Rifat Hasan Nurina, Shaban Osman Gashi, Xheme Rexhep Berisha, Ali Deme Qelaj, Sejdi Binak Ahmeti, Sulejman Sejdi Zekaj, Ismajl Rexhe Zekaj, Abdulla Avdi Zekaj, Ise Rame Tahiraj, Sadri Ali Zekaj, Tahir Rize Alijaj, Valon Osman Zekaj, Zeqir Osman Morina, Rexhep Tahir Kurtaj, Ramadan Avdi Zekaj, Mustafe Feka Nimonaq, Ismajl Shaban Hysa, Bashkim Deme Gashi, Shaban Deme Gashi, Syle Rexhep Bytyqi, Pajzit Hazir Gashi, Xhevdat Xhemajl Gashi, Arben Mehmet Gashi, Zenun Bajram Bajrami, Enver Mehmet Gashi, Bajram Zenun Bajrami, Nezir Tahir Gashi, Haser Sadik Gashi, Fadil Daut Gashi, Nimon Nezir Gashi, Mehmet Ibrahim Gashi, Avni Rustem Mavraj, Mehdi Memet Zeqaj, Driton Bali Hysaj, Hajredin Binak Mavraj, Agim Myftar Abdulahu, Bajram Rame Kelmendi, Sadri Rexhep Kelmendi, Berat Murat Kabashi, Isa Shaban Shabaj, Ramiz Sadik Berisha, Valdet Sali Mavraj, Jahe Elez Mavraj, Mentor Qaush Dautaj, Rustem Hajdar Mamaj, Florent Ali Lipoveci, Rame Tahir Haziraj,

Gazmend Hasan Kameraj, Albert Rexhep Salih, Bekri Sadik Rrustemaj, Avni Rezi Shala, Nezir Hajdar Latifi, Hasan Jusuf Ukaj, Pjeter Matej Ndrecaj, Pal Pren Ndrecaj, Riza Mete Sadrijaq, Xhafer Musa Zeneli, Rasim Adem Hysenaj, Hasan Puka, Muharem Donaj, Vesel Murta, Bashkim Arif Bajrami, Eduard Rifat Muharemi, Mal Tahir Ajdinaj, Vladimir Momqillo Vrdar, Vladimir Tonko Dupalo, Blerim Uke Hetaj, Suad Etem Hetaj, Shefqet Isuf Osmanaj, Xhafter Isuf Osmanaj, Mehmet Qazim Krasniqi, Qaush Nezir Shpatollaj, Ramadan Ahmet Sopjani, Neset Xhemajl Zhabeli, Esat Ibrahim Zeka, Musa Omer Sinani, Tahir Arslan Mehmetaj, Dede Mark Gecaj, Hamze Gani Luboja.

*City Prison of Nish (Serbia):*

Hasan Zeneli, Ramadan Kokulaj, Arben Basha, Jahir Mazreku, Sejdi Haziraj, Haxhi Ukaj, Ferik Haziri, Mustafe Alimusaj, Hasan Shala, Haqif Ilazi, Enver Berisha, Milaim Kabashi, Hysni Krasniqi, Mexhit Zenelaj, Arif Kabashi, Arsim Kabashi, Defrim Rifaj, Rexhep Aliaj, Hazir Zenelaj, Sejdi Belanica, Bylbyl Duraku, Selim Kadriu, Rizo Gjekiç, Zaim Qatani, Zadin Berisha, Xhavit Krasniqi, Nijazi Kryeqiu, Xhevdat Daciç, Sylejman Ziba, Arsim Ziba, Xhemajl Salauka, Murat Kabashi, Arben Llugaxhiu, Arben Kolgeci, Emri Loshi, Arben Morina, Jemin Kryeziu, Hasan Istogu, Milaim Kastrati, Hasan Muqa, Burim Bllaca, Selim Gashani, Uke Ndrecaj, Nazmi Franca, Zymer Gashi, Vesel Llugaxhiu, Uke Kolgeci, Osman Llugaxhiu, Mehdi Gashi, Avni Kolgeci, Daut Gashi, Xhevdat Shukolli, Agron Perteshi, Maliq Shukolli, Nasuf Dvorani, Mustafe Kolgeci, Naser Hysaj, Sokol Morina, Sherif Berisha, Ismet Krasniqi, Shaban Quipi, Neqir Shala, Hilmi Krasniqi, Arton Krasniqi, Shaban Kolgeci, Hamit Buzhala, Xhavit Mala, Abdullah Shala, Shefqet Topolani, Riza Krasniqi, Sahit Ziba, Gezim Ziba, Asllan Lumi, Skender Hoti, Milazim Kolgeci, Lum Matoshi, Naim Leku, Gani Ibali, Milaim Matoshi, Haki Elshani, Sali Loshi, Uke Thaqi, Xhavit Kolgeci, Gazmend Bytyqi, Sherif Hamza, Sedat Kolgeci, Isa Ismajlaj, Ramadan Morina, Asim Morina, Selim Lokaj, Selim Gashi, Demir Limaj, Ali Xhulliku, Mustafe Berisha, Ibrahim Berisha, Muhamet Rama, Mehmed Memqia, Agim Lumi, Shkelzen Zllanoga, Halim Shatri, Gani Balia, Isak Hoti, Adrian Haxhaj, Vehbi Mhuarremi, Lavdim Tetaj, Fazli Gashi, Arben Lukaj, Asman Kastrati, Muje Prekupi, Visar Balovci, Rafik Qela, Libum Aliu, Shaban Beka, Arif Vokshi, Agim Sylaj, Ilaz Dugolli, Ilaz Bislmi, Brahe Beqiraj, Agron Ramadani, Enver Dugolli, Ramadan Nisholli, Skender Recaj, Besim Rama, Avdi Zekaj, Mehmedoviq, Dine Gjocaj, Zejnullah Shala, Selman Ukehazhaj, Maliq Muharemoviq, Rexhep Oruqi, Shabedin Asallri, Valon Berisha, Idriz Musliu, Luz Marku, Blerim Camaj, Naim Lushi, Musa Krasniqi, Leonard Krasniqi, Hasan Vrelaku, Ismet Berbat, Isa Shalaj, Arif Vrelaku, Fadil Jetishi, Arbnor Koshi, Hasan Rama, Esat Shehu, Luan Sejdia, Shefqet Vokshi, Elmi Gjulan, Naim Krasniqi, Ismet Alia, Maki Degolli, Hil Qira, Nazim Zenelaj, Artan Hasi, Blerim Krasniqi, Arsim Jullashi, Naser Shunjak, Meduh Duraku, Faik Mustafa, Kreshnik Hoxha, Fismik Zhaveli, Bislmi Zoqaj, Asllan Selimi, Dylber Beka, Arben Selmoni, Avdi Kabashi, Faton Hoxha, Fatmir Tafarshiku, Asim Bakalli, Filip Pjetri, Shefqet Kabashi, Mithat Zeka, Shpend Ganinmusa, Besnik Mezin, Muhamet Guta, Muhedin Zeka, Jeton Xharra, Nexhmedin Varaku, Lulzim Qerimi, Yll Kusari, Endogand Mati, Mustafe Gjocaj, Agron Dvorani, Bekim Krasniqi, Fadil Topalli, Bashkim Jusufi, Ruzhdi

Morina, Huhamet Kiqina, Ylber Dizdari, Astrit Elshani, Rustem Jetishi, Ramiz Gjocaj, Enver Hoxha, Hekuran Qarri, Rexhep Sejdiu, Jusuf Shala, Hysen Reka, Xhavit Gashi, Naim Baleci, Ismajl Musa, Naser Kalimshi, Isa Alia, Gani Qekaj, Hddin Alia, Esat Afma, Hysen Juniku, Ismet Gashi, Shpejtim Hoxha, Naim Zejna, Hamdi Hareqi, Azem Krasniqi, Hasan Berisha, Selim Qekaj, Sali Hameli, Kadri Jahaj, Naser Qerimi, Ramadan Avdiu, Boge Hereqi, Riza Alia, Jeton Alia, Bekim Maqi, Kujtim Jetishi, Bajram Avdyli, Naim Lulaj, Sami Gashi, Avdyll Maqi, Luan Mazreku, Sami Hasani, Arton Morina, Genc Kida, Sali Mariqi, Bali Beqaj, Nuh Bokaj, Avdi Rrahmani, Flamur Godeni, Isuf Zekaj, Hajrullah Samadrazha, Gani Gexha, Fatmir Bytyqi, Afrim Caka, Skender Sina, Adnan Brovina, Sylejman Brovina, Agim Muhaxheri, Remzi Krasniqi, Jusuf Brovina, Jahir Shala, Skender Tasholli, Bashkim Berisha, Ymer Krasniqi, Arif Meta, Ismet Beqiraj, Tahir Hyseni, Feriz Zabelaj, Fejzi Krasniqi, Sadik Rexhaj, Ibrahim Aliu, Fatmir Malaj, Reshat Behluli, Adriatik Vokshi, Flamur Hana, Genc Batusha, Rifat Thaci, Xhemajl Thaci, Dritero Baleta, Befort Mullahasani, Binak Haxhijai, Shefki Frazlijaj, Kastriot Gerkuqu, Tahir Kajdomqai, Florent Rudi, Feriz Bozhdaraj, Driton Aliaga, Hysni Hoxha, Luan Xheka, Bashkim Mustafa, Sabit Lushaj, Rinor Lamaj, Avdyll Ndrecaj, Nazim Morina, Mustaf Ukaj, Ferat Luhani, Jeton Bytyqi, Mazllom Grushi, Hasan Aliaj, Hivzi Perolli, Bujar Hasiqti, Sami Morina, Burim Hasiqi, Ramadan Xhogaj, Adem Morina, Agim Hasiqi, Valdet Krasniqi, Avni Bytyqi, Ardian Tetrica, Naser Mema, Ruzhdi Abazi, Beqir Belani, Azem Buzhala, Merxhan Zhubi, Visar Dushi, Mustaf Ahmeti, Isa Axhanela, Istref Hasani, Halil Ademaj, Hased Jaia, Ndre Matiqi, Hilmi Hajdari, Kastriot Zhubi, Bajram Mustafa, Adrian Kumnova, Alban Koshi, Admand Shtaloja, Edmond Dushi, Nexhat Shujaku, Driton Xhiha, Burim Dobruna, Agron Lama, Florent Zhubi, Mehdi Ferizi, Yll Ferizi, Agron Sylja, Yll Pepa, Sadik Zeqiri, Limon Abazi, Emin Deliu, Shkelzen Nura, Selim Curraj, Lulzim Delia, Burim Zhubi, Petrit Vula, Idriz Pepa, Adnan Koshi, Adratik Pula, Genc Xharra, Fahri Koshi, Jeton Reznqi, Admir Pruthi, Behar Koshi, Labint Pula, Genc Sada, Bekim Lota, Lir Lota, Zog Delia, Vllazrim Radogoshi, Ahmet Asllani, Agim Hoda, Istref Sadrija, Fatmir Pruthi, Jusuf Kollari, Zeqir Hyseni, Perparim Zejnullahu, Agim Mehmeti, Nexhat Vehapi, Dijamant Mici, Arben Abazi, Mithat Guta, Fatos Deva, Bekim Musa, Petrit Kepuska, Dijamant Manxhuka, Qamil Beqiri, Tahir Skenderaj, Dukogjin Pula, Agron Pula, Fatos Dautaga, Bruim Brovina, Ymer Guta, Petrit Sahatqiu, Muhamet Zymi, Ahmet Hyseni, Arben Shala.

[From the Washington Post, July 10, 1999]

AMONG THE MISSING: PRISONERS OF SERBIA  
(By William Booth)

POZAREVAC, YUGOSLAVIA.—The most famous prisoner in Serbia shuffled into the deputy warden's office today, her boots missing their laces and her hands clasped behind her back. She was pale and her fingers trembled, but she was defiant and angry.

Flore Brovina, a middle-aged pediatrician and poet with dyed blond hair, beloved in her native Kosovo but accused of being an enemy of the state by Yugoslav authorities, is among hundreds of ethnic Albanians who were taken from jails in Kosovo in the last days of the war last month and moved to prisons in Serbia.

Brovina is among the lucky ones; she has been found. Most of the prisoners have yet to



be accounted for, and they are among the larger ranks of missing ethnic Albanians whose fate is one of the great human rights mysteries of the Kosovo conflict. Over the three months of war, thousands of ethnic Albanians in Kosovo, mostly men of fighting age, were pulled from their homes and from columns of refugees streaming into Albania, Macedonia and Montenegro.

They vanished without a trace.

Some were killed, and only the digging in graves and forensic investigations will tell their stories. But many were incarcerated in seven prisons around Kosovo. Many were held without formal charges, allowed under a martial law decree that governed Yugoslavia during the war.

At war's end, as NATO forces advanced into Kosovo province, some prisoners escaped—how many is unknown. At least 800 were marched to the Albanian border and released by Yugoslav security forces. The rest were taken in a long convoy of buses and trucks to Serbia.

Today, Brovina took a seat before her captors and announced to her first visitor since her arrest in April, "I do not consider myself a prisoner, but a slave."

She said, "I have only one question: Why am I here?"

For the next two hours, as the deputy warden and a guard by turns grimaced with shame or anger, disbelief or disgust, Brovina, 50, described her journey through the Serbian criminal justice system, where she is charged with being a terrorist.

Serbian Justice Minister Dragoljub Jankovic said in an interview this week that his staff has accounted for 1,860 prisoners brought to Serbia from Kosovo on June 10, the day Yugoslav forces began withdrawing from the province. The prisons of Kosovo are now empty, and the largest, at Istok, was bombed into rubble—and prisoners killed—by NATO airstrikes in late May.

According to Jankovic, there are 800 of the missing at the prison here in Pozarevac; 400 in Nis; 330 in Sremska Mitrovica; 180 in Leskovac; 95 in Prokuplje; and 55 in Zajecar. These cities are all in Serbia.

The minister said he will soon turn over the names and locations, still being tabulated, to the International Committee for the Red Cross.

The 1,860—or more—brought to Serbia from Kosovo are approximately the same number of missing prisoners circulating among humanitarian groups and lawyers in Serbia and Kosovo, its southern province. But even Jankovic acknowledged the final tally may grow. He said that many prisoners were moved, but their case files and other documentation, including investigative and trial proceedings, were lost in the race by Yugoslav forces and Serbian authorities to withdraw from Kosovo. Serbia is the dominant republic in the Yugoslav federation.

"We're doing the best we can under very difficult circumstances," Jankovic said.

The Belgrade government released 166 ethnic Albanian prisoners in June. Jankovic said another 200 would probably be freed soon.

The chief warden here, Stipe Marusic, said he received 647 prisoners from Kosovo on the last day of the war, of which 579 were ethnic Albanians, most of whom are not yet convicted of any crime but are listed on his manifests as "detainees" or "under investigation." Others are simply prisoners arrested in the last four months by the Serbian special police.

"We expect some to be convicted" of charges of terrorist activities, he said, "and some to be exchanged."

Human rights activists here and in Kosovo have faulted NATO leaders for not including in the peace accords more language about what is to be done with the prisoners.

Brovina said she believed they were being held as "bargaining chips," and were being "fattened" up in Serbian prisons before some are eventually released.

For weeks, Brovina's lawyer was not sure where she was. The Serbian Ministry of Justice could not find her. Confused about her misspelled name, the authorities said they were looking for a man. Jankovic assisted a reported in finding Brovina. Brovina has been in trouble with Serbian authorities since the early 1990s, when ethnic Albanians in Kosovo began actively resisting a decree by Slobodan Milosevic, who was then president of Serbia, to strip the province of its limited autonomy and bring the majority ethnic Albanian population to heel.

In the purges that followed, Brovina was fired from her job at the hospital in Pristina, the Kosovo capital, but then founded the League of Albania Women, which sponsored protests against massacres and repression. She also opened a center for vulnerable women and children.

"Our slogan was very simple," she said. "It was STOP." Brovina said they just wanted peace. But she admitted today that her sympathies clearly lie with the separatist Kosovo Liberation Army, which battled Yugoslav forces for 16 months in an effort to win independence. "We didn't have anything to do with the KLA," Brovina said. "But if those were our sons, our husbands, our fathers, of course we liked them."

Brovina remained in Pristina at the start of the NATO airstrikes on March 24. But on April 20, she was arrested.

She was taken to be the prison in Lipljan, on the outskirts of Pristina. She claims to have seen ethnic Albanian prisoners, arrested under Articles 125 and 136 as terrorist enemies of the state, lying naked on the floor, being beaten with ropes on the genitals in cells in the Lipljan jail.

She charges that the Yugoslav army erected an antiaircraft battery at the prison. "We were not prisoners," she said. "We were made targets."

Brovina said the prisoners at Lipljan were forced to say "Long Live Serbia" before they were allowed to use the toilets. Many complained about the food and the stingy rations, but Brovina and her warden agreed that the whole Kosovo was doing without.

At the prison here today, two men held in Lipljan gave differing accounts. Neither saw an antiaircraft battery or soldiers, but one man, Hajdari Mursel, 63, a retiree, said he spent two weeks at Lipljan, where the guards "screwed with us," and "beat people with rubber hoses."

All prisoners at Lipljan said that conditions there were much worse than in their new Serbian jails. Indeed, several prisoners went out of their way to say that they were well treated here at Pozarevac.

"They have not harassed me in any way," said Becir Bilalli, 44, the owner of a small shop. "I have only one problem now, that I am away from my family, and these charges against me."

Bilalli said that he was arrested at a checkpoint outside Kosovska Mitrovica in Kosovo last August. He is charged with terrorist activities. The reason, Bilalli said, is that like many in Kosovo he stood duty with a rifle on his shoulder outside his village at night.

"Everybody was on guard in Kosovo," he said. Bilalli, like the other prisoners, said he

has not communicated with his family since the NATO air war began, and that he does not know where his wife and sons are. They do not know he is in prison in Serbia.

On the eve of the final withdrawal of all Yugoslav army and security forces from Kosovo on June 10, Brovina and hundreds of other prisoners were loaded onto buses and driven to other parts of Serbia. They were ordered to keep their heads down, Brovina said, and told not to look out of the windows.

"We did not know where we were being taken," she said. Some prisoners feared they would be taken to a field and shot. Others wore all their clothes so that in event they were beaten, the blows would not be as punishing. There were few women in the prison convoys, Brovina said, but all the young ones feared they might be raped. There were not.

Many of the 579 ethnic Albanians taken to this prison came from Dubrava prison in the Kosovo town of Istok. Before the war, the Istok prison was the largest, and most modern, in Serbia. Built on the Swedish model, the prison had recreation rooms, a motel for conjugal visits and a decent library.

Enver Ramadani, 21, who was convicted of racketeering before the war, and confessed today he was indeed guilty of the crime, was at Istok. He called the prison "super."

But that was before the NATO bombing. In late May, Istok prison was hit for five days by NATO airstrikes. The exact number of dead and wounded are still unknown. What is known is that the prison was filled with prisoners, many of them ethnic Albanians detained in the last weeks of the war.

Initially, Serbian officials said that 44 prisoners and guards were killed. Jankovic, the Serbian justice minister, said his latest information is that only six were killed, and 196 wounded, 20 seriously.

Ramadani said that he saw 30 dead bodies in the prison yard, covered from the sun by blankets. For five days, NATO bombed, and he described a scene from hell: The guards fled into the woods, leaving the prisoners to fend for themselves. They raided the kitchens. They hid from the bombs down manholes into the sewers, packed like rats, waiting for the concussions to end. He said that many were wounded and were treated by "so-called doctors" among them, who did the best they could. There was blood everywhere.

Ramadani did not see prisoners executed by Serbian security forces, although reporters who returned to Istok saw bullet holes in the walls and bloody mattresses, where heads would have lain.

Jankovic said that for the five days of the bombing, his people were not in charge. He does not know what happened during the bombardment, and seemed to suggest that if any atrocities occurred, it was others—special police, paramilitaries—who were responsible. NATO officials stated that the site was a legitimate military target. "That was a military barracks, and we attacked it twice," said NATO spokesman Jamie Shea after the initial bombings. "Whether the Serbs were using it to house other people—that's a different thing."

Husnija, an ethnic Albanian attorney working in Serbia and Brovina's newly appointed lawyer, said that one of the most disturbing things he has uncovered is that during the war, Serb prisoners in Kosovo were moved north to Serbia, while ethnic Albanians incarcerated in Serbia were moved to Kosovo. He does not know why.

Natasa Kandic, a human rights attorney based in Belgrade, said that she initially feared that many of the missing were dead.

Now, she believes they are in prisons around Serbia. That is not good, she said, but it is better than the missing being found in mass graves.

[From the Los Angeles Times, July 9, 1999]

# DETAINÉES LOST IN MAZE OF YUGOSLAV PRISON SYSTEM

(By Mark Fineman)

BELGRADE, YUGOSLAVIA.—When they boarded the Fati Tours bus from Slovenia to Kosovo last July, Baljaj Naim, Zogaj Enver and Hrecaj Haljit were much like the 51 other ethnic Albanian passengers.

Like the others, the three men were contract workers going home—their pockets full of hard-earned construction wages—to wives, children and parents they hadn't seen for months.

But nearly a year after all the workers were detained at a Serbian police checkpoint in Kosovo on suspicion of being terrorists, the three men and 12 others still haven't made it home.

After a torturous eight months of trials and appeals that moved them from prison to prison, the 15 men—who were convicted on vague terrorist charges just weeks before NATO launched its air war March 24—personify the problem now known simply as “the prisoners.”

They are among an estimated 2,000 ethnic Albanian detainees and convicts who, the Yugoslav government acknowledges, were in Kosovo's prisons during NATO's air war. An undetermined number of those prisoners were moved to jails elsewhere in Serbia during the final weeks of the conflict.

The fate of imprisoned ethnic Albanians is moving to center stage in the aftermath of NATO's war on Yugoslavia. And the saga of the men from the bus, say their lawyers here, epitomizes their advocates' frustrated search for justice.

Eight of the 15 passengers, missing since May, finally turned up this week in a Serbian prison in Nis. The other seven—including Naim, Enver and Haljit—simply vanished in the chaos and killing that was Kosovo during and after NATO's 11-week air war. They are among hundreds of prisoners whose fate is unknown.

On Thursday, the head of an International Committee of the Red Cross delegation, which interviewed its first 330 ethnic Albanian prisoners in Serbia this week, said tracing the rest and resolving their cases rank among the most enduring and confounding problems of the postwar period.

“It's Benedictine work,” Dominique Dufour said. “This will probably keep us busy for many, many years to come.”

Compounding the problem, he and other Western officials said, is the fact that the North Atlantic Treaty Organization and Yugoslav officials never addressed the issue of the ethnic Albanian prisoners when they negotiated the withdrawal of Yugoslav troops from Kosovo last month.

“The attitude of the Serbian government about these Albanian prisoners is, ‘We are holding a number of Yugoslav citizens detained within Yugoslavia and still being detained within Yugoslavia for crimes committed in Yugoslavia,’” explained Dufour, who stressed that the Justice Ministry of Serbia, the dominant republic in Yugoslavia, has been cooperating in the effort to trace them.

“So now, in their eyes, you're talking about some form of amnesty,” Dufour said. “But there was no agreement reached between the Western powers and Yugoslavia regarding these prisoners, and there probably needs to be.”

Human rights workers in Kosovo and elsewhere in Serbia say that, in addition to prisoners who were formally charged before and during the air war, Serbian authorities searching for members and supporters of the separatist Kosovo Liberation Army, or KLA, plucked hundreds of ethnic Albanian refugees out of the columns of those fleeing last spring and detained them despite having little or no known documentation of a crime.

Serbian authorities have, in fact, released about 1,000 of those prisoners in recent weeks: About 800 were freed near the Albanian border last month as Yugoslav troops withdrew from the province, and 166 prisoners were turned over to the Red Cross here this month.

The Yugoslav government says the issue is further complicated by the rapid withdrawal from the province last month of Yugoslav troops, court personnel and judicial staff, which left prisoners' court files in disarray.

But Dufour and others working to resolve the issue say that, in most of the cases involving ethnic Albanian prisoners who were removed from Kosovo or are missing, Serbian authorities kept detailed records of court proceedings and prisoner transfers. Justice Ministry officials, defense lawyers and the Red Cross are working to reconstruct the records.

Extensive court records exist in the case of the 15 “terrorists” seized from the Fati Tours bus.

The records obtained by The Times, help illustrate just why so many ethnic Albanians landed in prisons in the first place. Combined with witness accounts during the war and other documents here, the records also indicate that NATO might have helped obscure the fate of those prisoners and hundreds of other missing ethnic Albanians when its warplanes bombed Kosovo's largest prison, in the town of Istok, at the height of the air war.

For the Fati 15, returning last year to the province with pockets filled with wages, the nightmare began when they reached a Serbian police checkpoint in the city of Podujevo on July 20 during heavy fighting between Yugoslav forces and KLA rebels.

Here's how the Serbian judge, who found all 15 guilty after a four-day trial in February, described in this final judgment what happened next:

“Police stopped them. They checked the passengers and luggage and found on them the hard currency. [Police] immediately understood that it was being carried to Kosovo, that they were bound to join the terrorist organization [KLA] to buy arms and ammunition for the hard currency. They were escorted to Pristina . . . and arrests ensued.”

After an investigation that lasted months—during which Serbia's justice minister labeled the 15 passengers “terrorists” in an article that appeared in a state-run newspaper months before the trial—prosecutors dropped all charges against 39 other passengers and released them.

For the remaining 15, the court record shows, not a single witness testified against them during their trial in the Serbian city of Prokuplje, about 120 miles southeast of Belgrade, the capital of Yugoslavia and Serbia. No hard evidence was introduced linking them to the KLA, and the judge wrote that his guilty finding was based on the \$56,000 worth of German marks the men carried, the fact that they were construction workers who left Slovenia at the height of that former Yugoslav republic's building season, and that they were “smuggling” the money into Yugoslavia “in their pockets.”

In his appeal to Serbia's Supreme Court in April, the passengers' Belgrade-based ethnic Albanian lawyer, Husniya Bitic, called the verdict “totally upside down . . . an attack on the legal system and the state . . . a political pamphlet or a speech of some political leader at one of his [Serbian] nationalist rallies.”

Bitic stressed in his Supreme Court brief that few of the 54 passengers knew each other when they boarded the bus; that witnesses told the court that the cash was for the workers families and for the families of their co-workers; that the money had come from performing legitimate construction work; and that the bus was on a regularly scheduled, twice-weekly route.

“Had such a verdict been delivered somewhere in Afghanistan [or] Papua New Guinea . . . perhaps it may be said this was being done by people who know nothing of the law,” Bitic stated in the appeal. “But for such a verdict to be passed in the middle of civilized Europe . . . this we could not expect.”

That was in April, after NATO had begun bombing Yugoslavia. The court rejected the appeal, and the 15 men continued to serve sentences ranging from 3½ to 4 years.

Then the real trouble started.

“Until April 23, those 15 people were in Prokuplje,” Bitic said here Wednesday. “On April 26, they moved them to Istok. And on June 10, all prisoners in Kosovo were deserted. Until today, I've only found eight of them in prison in Nis. I'm still searching for the others.”

Given what happened at Istok's Dubrava penitentiary on May 19, it's a miracle Bitic managed to find the eight. NATO bombed the prison several times that day, and foreign journalists who visited the scene between bombing runs described tense, hellish scenes of prison guards struggling to control about 1,000 inmates after the bombs killed 19 inmates and guards, breached the prison wall and left the facility's records in ruin.

When asked that day why NATO had bombed the modern, Swedish-built prison complex, which was widely known throughout Europe as one of the continent's largest such facilities, NATO spokesman Jamie Shea replied: “That was a military barracks, and we attacked it twice. . . . Whether the Serbs were using it to house other people—that's a different thing.”

But the overwhelming majority of the 1,004 inmates that Serbian authorities and the Red Cross say were being held in Dubrava when the bombs fell were ethnic Albanians. Most of them were like the Fati 15, charged or convicted under counter-terrorism laws. Western reporters and camera crews who visited the abandoned prison after the Yugoslav withdrawal found bullet-pocked walls, bloodied bedclothes and other signs of possible reprisals by prison guards.

An Italian film crew also found 94 fresh, unmarked graves a few miles from the prison, where unconfirmed reports persist among villagers of an unsuccessful prison break and a massacre of inmates after the NATO bombardment.

For Bitic, who is in touch almost daily with relatives of the missing seven, their case is “a tremendous weight on my back. What will I tell the family? Well, at least for now, we're still looking.”

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I strongly support the Engel amendment.

Only last week we passed a resolution calling on Mr. Milosevic to release

the humanitarian workers for the CARE organization. Those workers had his thugs arrested and convicted.

It is also reported that Milosevic's troops have imprisoned up to 2,000 citizens of Kosovo inside Serbia long after the war's end. Those prisoners must be released. Serb authorities must provide the Red Cross access to those prisoners and then turn them over to the custody of the U.N.

Our committee is going to be taking a long look at the manner in which Milosevic has been holding on to power and ways in which we can help to bring the Democratic opposition to power through elections in Serbia.

The world now knows Milosevic is a war criminal, and the list of his crimes will only grow as the investigations and investigators continue their work in Kosovo.

This amendment serves notice that we are watching what is happening with regard to the 2,000 prisoners that he is holding. Accordingly, I urge our colleagues to fully support the Engel amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. ENGEL. Mr. Chairman, I yield 1 minute to the gentleman from Virginia (Mr. MORAN).

□ 1615

Mr. MORAN of Virginia. Mr. Chairman, I thank the gentleman from New York for yielding me the time, but more importantly for his leadership on this issue. This is an important amendment. I would hope that it would pass unanimously.

The gentleman from New York has mentioned a list of 5,000 people who are unaccounted for. We know the ruthless, lawless way in which the Serbian military, paramilitary and police have treated Kosovar Albanians. But these 5,000 people are represented by families, thousands of people who do not know whether their loved ones have been executed in any number of the brutal massacres that we know have occurred in Kosovo or whether they are being held in prison.

If we allow access by the International Committee of the Red Cross, we will at least enable the parents, the families, to know what might have happened to their loved ones. It also means that we will be able to impose some limits on the conditions in which these people are living.

There is a good reason why the Red Cross has not been allowed access, we are afraid, and, that is, that they do not want us to know what they are doing, how they are treating the prisoners in their jails.

This is a good amendment and it should pass unanimously.

Mr. GILMAN. Mr. Chairman, I am pleased to yield the balance of my time to the gentleman from New Jersey (Mr. SMITH), the distinguished chairman of

our Subcommittee on International Operations and Human Rights.

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). The gentleman from New Jersey is recognized for 3½ minutes.

Mr. SMITH of New Jersey. Mr. Chairman, I thank my very good friend for yielding me this time and rise in strong support of the Engel amendment and thank him for offering it to us this afternoon.

Mr. Chairman, the people of Kosovo suffered greatly in the past 18 months, especially during the brutal ethnic cleansing campaign which paralleled the NATO air strikes from March to June of this year.

While now is the time for Kosovars to return and rebuild their homes and their lives, many continue to be held in Serbian prisons, wrongly held, and illegally held.

Over the 3 months of the conflict, thousands of Albanians in Kosovo, mostly men, were pulled from their homes and from columns of refugees. Some were killed and only the excavation of mass graves and subsequent forensic investigations will tell their stories. But many were incarcerated in seven prisons around Kosovo, without formal charges, under a martial law decree that governed Yugoslavia during the war. At war's end as NATO forces advanced into Kosovo province, some prisoners escaped, others were marched to the Albanian border and released by Yugoslav forces, and the rest were taken in a long convoy of buses and trucks to Serbia. We do not know the exact numbers, but these are the people that we speak to in this amendment.

I would like to point out that recently I led a delegation to the Organization for Security and Cooperation in Europe Parliamentary Assembly of the OSCE in St. Petersburg. I want to commend the gentleman from Maryland (Mr. CARDIN) because he was able to raise the issue during the course of those deliberations and we got language in the concluding document, the St. Petersburg Declaration, that raised this issue in a way that hopefully will get the attention of the entire international community and especially of Belgrade to let them go.

The bottom line, Mr. Chairman, is that the continued incarceration of Kosovar Albanians by Serbian authorities is in violation of the Geneva Conventions, as is the denial of outside access by other international observers like the Red Cross. This must be corrected. It is very important that we go on the record, hopefully unanimously, saying: Let these people go.

Mr. ENGEL. Mr. Chairman, as I mentioned before, the Parliamentary Assembly of the OSCE, Organization for Security and Cooperation in Europe, passed a resolution similar to our amendment.

Mr. Chairman, I yield 1 minute to the gentleman from Maryland (Mr. CARDIN), the author of that resolution.

Mr. CARDIN. Mr. Chairman, I thank the gentleman from New York (Mr. ENGEL) for authoring this amendment. It is a very important amendment. It does carry out what we have done in the OSCE Parliamentary Assembly.

Mr. Chairman, international organizations, including U.N. officials, have reported that between 1,500 to 5,000 prisoners were transferred from Kosovo to jails in Serbia around the time of the entry of international forces into Kosovo and that the Serbian Ministry of Justice has acknowledged that such transfers were made.

International humanitarian law requires humane treatment of all prisoners seized in conjunction with the Kosovo crisis, and Red Cross access to such prisoners is guaranteed under international law. They must be released without delay after the cessation of active hostilities. That has not occurred.

The Belgrade authorities have provided inaccurate lists and have not allowed access by the Red Cross. The illegal detention of these individuals is unacceptable. The OSCE has adopted a resolution that I authored on behalf of the United States delegation, a very similar resolution.

It is time that the United States Congress also acts. I encourage my colleagues to approve this resolution.

Mr. ENGEL. Mr. Chairman, I ask unanimous consent for an additional 2 minutes.

The CHAIRMAN pro tempore. Without objection, both sides will be granted an additional 2 minutes.

There was no objection.

Mr. ENGEL. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts (Mr. OLVER).

Mr. OLVER. Mr. Chairman, I appreciate the indulgence of the body for that additional time. This resolution seems not to have any significant opposition and I assume it is going to be adopted unanimously, but I thought I would make just a couple of comments and also describe a little bit of the experience of the congressional delegation that went to Kosovo that was built out of the leadership of the chairman of the Subcommittee on Military Construction of the Committee on Appropriations of which I am the ranking member just a matter of a week or so ago.

The men and boys that are involved in this resolution are those largely that were randomly pulled from columns of refugees and taken without trial, held without trial, without contact as an act really of terrorism on the part of the paramilitary Serbian forces at that time.

Now, they should be released. They should be, and we should adopt that resolution unanimously. If there are

problems, if there are people who were actively law-breakers, then what should happen is that the detention process that is happening in every one of the occupation zones in Kosovo should take over.

We visited a detention camp where there were several Serbs and about twice as many Albanian ethnics, Kosovars, who were being detained because they had committed some crime, which could have been murder or arson or robbery or whatever after the agreement had been reached. And ultimately if there are people who have committed a crime, they should be dealt with in the same way because we need to build a system, a legal system in which people can trust.

I would hope that this amendment would be adopted unanimously without dissent.

Mr. ENGEL. Mr. Chairman, I just want to thank my colleagues. This obviously is supported on both sides of the aisle very strongly. I want to thank the gentleman from New Jersey (Mr. SMITH) for his wonderful work on human rights and the gentleman from New York (Mr. GILMAN) and all the people on both sides of the aisle who have supported this.

Mr. Chairman, I yield back the balance of my time.

Mr. SMITH of New Jersey. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New York (Mrs. KELLY).

Mrs. KELLY. Mr. Chairman, I rise today in support of the amendment offered by my colleague and good friend from New York. The Kosovar Albanians that are being held in the Serbian prisons must be released and accounted for. Think of the agony felt by the families of these 5,000 men who do not know what happened to their fathers, husbands and sons. The events that have taken place that have affected the families in Kosovo during the last several years have been atrocious and we cannot stand by and continue to allow this blatant disregard for the peace agreement. With the implementation of the Military Technical Agreement on June 9, the peacekeeping forces in Kosovo have been working to bring peace and stability back to this historically troubled region, but this job has only begun. The Kosovar Albanians held in these prisons are there without any formal charge, are being held in clear violation of international law, and this can only prove to erode the faith in the peace agreement.

Mr. Chairman, despite the end of the military action that the international community had engaged in to bring about an end of the Serbian aggression, the war is not over for these 5,000 people. They still have a long way to go, they have lived through a terrible time, until they can live in peace and not fear for their safety.

Mr. Chairman, Congress has to weigh in on this important issue.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York (Mr. ENGEL).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. ENGEL. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, further proceedings on the amendment offered by the gentleman from New York (Mr. ENGEL) will be postponed.

AMENDMENTS EN BLOC OFFERED BY MR. GILMAN

Mr. GILMAN. Mr. Chairman, pursuant to the authority granted in H. Res. 247, I offer amendments en bloc.

The CHAIRMAN pro tempore. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Part B amendments en bloc offered by Mr. GILMAN, consisting of the following:

Amendment No. 4 offered by Mr. GEJDENSON:

Page 8, after line 12, insert the following:

(C) CIVIL BUDGET OF THE NORTH ATLANTIC TREATY ORGANIZATION.—For the fiscal year 2000, there are authorized to be appropriated such sums as may be necessary to pay the full amount for the United States assessment for the civil budget of the North Atlantic Treaty Organization.

Amendment No. 11 offered by Mr. GEJDENSON:

Page 35, after line 9, insert the following:

**SEC. 211. REPORT CONCERNING PROLIFERATION OF SMALL ARMS.**

Not later than 180 days after the date of enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a report containing—

(1) an assessment of whether the global trade in small arms poses any proliferation problems including—

(A) estimates of the numbers and sources of licit and illicit small arms and light arms in circulation and their origins;

(B) the challenges associated with monitoring small arms; and

(C) the political, economic, and security dimensions of this issue, and the threats posed, if any, by these weapons to United States interests, including national security interests;

(2) an assessment of whether the export of small arms of the type sold commercially in the United States should be considered a foreign policy or proliferation issue;

(3) a description and analysis of the adequacy of current Department of State activities to monitor and, to the extent possible ensure adequate control of, both the licit and illicit manufacture, transfer, and proliferation of small arms and light weapons, including efforts to survey and assess this matter with respect to Africa and to survey and assess the scope and scale of the issue, including stockpile security and destruction of excess inventory, in NATO and Partnership for Peace countries;

(4) a description of the impact of the reorganization of the Department of State made by the Foreign Affairs Reform and Restructuring Act of 1998 on the transfer of functions relating to monitoring licensing, analysis, and policy on small arms and light weapons, including—

(A) the integration of and the functions relating to small arms and light weapons of the United States Arms Control and Disarmament Agency with those of the Department of State;

(B) the functions of the Bureau of Arms Control, the Bureau of Nonproliferation, the Bureau of Political-Military Affairs, the Bureau of International Narcotics and Law Enforcement, regional bureaus, and any other relevant bureau or office of the Department of State, including the allocation of personnel and funds, as they pertain to small arms and light weapons;

(C) the functions of the regional bureaus of the Department of State in providing information and policy coordination in bilateral and multilateral settings on small arms and light weapons;

(D) the functions of the Under Secretary of State for Arms Control and International Security pertaining to small arms and light weapons; and

(E) the functions of the scientific and policy advisory board on arms control, nonproliferation, and disarmament pertaining to small arms and light weapons; and

(5) an assessment of whether foreign governments are enforcing their own laws concerning small arms and light weapons import and sale, including commitments under the Inter-American Convention Against the Illicit Manufacturing of an Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials or other relevant international agreements.

Amendment No. 23 offered by Mr. GEJDENSON:

Page 84, after line 16, insert the following:

**SEC. 703. SENSE OF THE CONGRESS REGARDING COLOMBIA.**

(a) FINDINGS.—Congress makes the following findings:

(1) Colombia is a democratic country fighting multiple wars—

(A) a war against the Colombian Revolutionary Armed Forces (FARC);

(B) a war against the National Liberation Army (ELN);

(C) a war against the United Self-Defense Forces of Colombia (AUC) and other paramilitary organizations; and

(D) a war against drug lords who traffic in deadly cocaine and heroin.

(2) In 1998 alone, 308,000 Colombians were internally displaced in Colombia. Over the last decade, 35,000 Colombians have been killed.

(3) The operations of the FARC, ELN, AUC, and other extragovernmental forces have profited from, and become increasingly dependent upon, cooperation with the illicit narcotics trade.

(4) The FARC and ELN have waged the longest-running anti-government insurgencies in Latin America and control roughly 60 percent of the country, including a demilitarized zone ruled by the FARC.

(5) Representatives of the Government of Colombia and the FARC are scheduled to begin peace talks on July 20, 1999.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the United States should recognize the crisis in Colombia and play a more proactive role in its resolution, including offering U.S. political support to help Colombia with the peace process;

(2) all extragovernmental combatant groups, including the FARC, ELN, and AUC, should demonstrate their commitment to peace by ceasing to engage in violence, kidnapping, and cooperation with the drug trade; and

(3) the United States should mobilize the international community pro-actively engage in resolving the Colombian wars.

Amendment No. 25 offered by Mr. HASTINGS of Florida:

Page 84, after line 16, insert the following:  
**SEC. 703. SENSE OF THE HOUSE OF REPRESENTATIVES CONCERNING HAITIAN ELECTIONS.**

The House of Representatives supports the critically important Haitian parliamentary and local elections scheduled for November 1999 and urges the Department of State to review embassy operations to ensure that the embassy has sufficient personnel and resources necessary to carry out its important responsibilities during the run-up to the fall elections.

Amendment No. 32 offered by Mrs. CAPPS: Page 84, after line 16, insert the following new section:

**SEC. 703. SENSE OF CONGRESS COMMENDING THE PEOPLE OF ISRAEL FOR RE-AFFIRMING THE DEMOCRATIC IDEALS OF ISRAEL IN ITS ELECTIONS.**

(a) FINDINGS.—The Congress makes the following findings:

(1) Since its creation in 1948, Israel has fulfilled the dreams of its founders who envisioned a vigorous, open, and stable democracy.

(2) The centerpiece of Israeli democracy is its system of competitive and free elections.

(3) On May 17, 1999, the Israeli people—Israeli Jews and Israeli Arabs—went to the polls in large numbers in a remarkably peaceful election.

(4) This election is only the latest example of Israel's commitment to the democratic ideals of freedom and pluralism, values that it shares with the United States.

(b) SENSE OF CONGRESS.—The Congress—  
 (1) commends the people of Israel for reaffirming, in the May 17, 1999, election, its dedication to democratic ideals;

(2) congratulates Ehud Barak on his election as Prime Minister of Israel; and

(3) pledges to work with the President of the United States and the new Government of Israel to strengthen the bonds between the United States and Israel and to advance the cause of peace in the Middle East.

Amendment No. 34 offered by Mr. ANDREWS:

Page 84, after line 16, insert the following:  
**SEC. 703. SENSE OF CONGRESS REGARDING THE SOVEREIGNTY OF TERRITORIES IN THE AEGEAN SEA.**

(a) FINDINGS.—Congress makes the following findings:

(1) The maritime borders between Greece and Turkey in the Aegean have been delimited in international law and are regarded as having been agreed, established, and settled.

(2) A fundamental principle of international law is that, once agreed, a boundary shall remain stable and predictable.

(3) Turkey is claiming sovereignty to numerous islands and islets and unspecified "gray areas" in the Aegean Sea.

(4) In Article 15 of the Treaty of Peace with Turkey, and Other Instruments, signed at Lausanne on July 24, 1923, Turkey renounced in favor of Italy all right, title, and interest of Turkey in the 12 enumerated island in the Dodecanese region that were occupied at the time of the treaty by Italy, including the Island of Calymnos, and the islets dependent on such islands.

(5) The Convention Between Italy and Turkey for the Delimitation of the Territorial

Waters Between the Coasts of Anatolia and the Island of Castellorizo, signed at Ankara on January 4, 1932, established the rights of Italy and Turkey in coastal islands, waters, and rocks in the Aegean Sea and delimited a maritime frontier between the two countries.

(6) A protocol dated December 28, 1932, annexed to that Convention memorialized an agreement on a water boundary between Italy and Turkey which placed the Imia Islets under the sovereignty of Italy.

(7) In Article 14 of the 1947 Paris Treaty of Peace with Italy, Italy ceded to Greece the Dodecanese Islands under Italy's control, including the Island of Calymnos and the adjacent Islets of Imia.

(8) By resolution dated February 15, 1996, the European Parliament resolved that the water boundaries established in the Treaty of Lausanne of 1923 and the 1932 Convention Between Italy and Turkey, including the protocol annexed to such Convention, are the borders between Greece and Turkey.

(9) Greece, as the successor state to Italy under the above-enumerated treaties, conventions, and protocols, acceded to sovereignty under the same treaties, conventions, and protocols.

(10) Turkish Government claims to territories in the Aegean delimited as Greek sovereign territory under the above-enumerated treaties, conventions, and protocols contravene these same treaties, conventions, and treaties.

(11) Both Greece and Turkey are members of the North Atlantic Treaty Organization (NATO) and allies of the United States.

(12) It is in the interest of the United States and other nations to have disputes resolved peacefully.

(13) The Eastern Mediterranean region, in which the Aegean Sea is located, is a region of vital strategic importance to the United States.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the water boundaries established in the Treaty of Lausanne of 1923 and the 1932 Convention Between Italy and Turkey, including the Protocol annexed to such Convention, are the borders between Greece and Turkey in the Aegean Sea; and

(2) any party, including Turkey, objecting to these established boundaries should seek redress in the International Court of Justice at The Hague.

Amendment No. 35 offered by Mr. ANDREWS:

Page 84, after line 16, insert the following:  
**SEC. 703. SENSE OF CONGRESS THAT THE PRESIDENT SHOULD SEEK A PUBLIC RENUNCIATION BY THE PEOPLE'S REPUBLIC OF CHINA OF ANY USE OF FORCE, OR THREAT TO USE FORCE, AGAINST TAIWAN, AND THAT THE UNITED STATES SHOULD HELP TAIWAN IN CASE OF THREATS OR A MILITARY ATTACK BY THE PEOPLE'S REPUBLIC OF CHINA.**

(a) FINDINGS.—The Congress makes the following findings:

(1) In March of 1996, the political leadership of the People's Republic of China used provocative military maneuvers, including missile launch exercises in the Taiwan Strait, in an attempt to intimidate the people of Taiwan during their historic, free, and democratic presidential elections.

(2) The People's Republic of China refuses to renounce the use of force against Taiwan.

(3) The House of Representatives passed a resolution by a vote of 411-0 in June 1998 urging the President to seek, during his July

1998 summit meeting in Beijing, a public renunciation by the People's Republic of China of any use of force, or threat of use of force, against democratic Taiwan.

(4) Senior United States executive branch officials have called upon the People's Republic of China to renounce the use of force against Taiwan.

(5) The use of force, and the threat to use force, by the People's Republic of China against Taiwan threatens peace and stability in the region.

(6) The Taiwan Relations Act, enacted in 1979, states that "[i]t is the policy of the United States . . . to consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States".

(7) The Taiwan Relations Act states that it is the policy of the United States to provide Taiwan with arms of a defensive character.

(b) SENSE OF CONGRESS.—

(1) The Congress commends the people of Taiwan for having established a democracy in Taiwan over the past decades and repeatedly reaffirming their dedication to democratic ideals.

(2) It is the sense of the Congress that—

(A) the President of the United States should seek a public renunciation by the People's Republic of China of any use of force, or threat to use force, against Taiwan, especially in Taiwan's March 2000 free Presidential elections; and

(B) the United States should help Taiwan defend itself in case of threats or a military attack by the People's Republic of China against Taiwan.

The CHAIRMAN pro tempore. The Clerk will report the amendment, as modified.

The Clerk read as follows:

Amendment No. 41, as modified, offered by Mr. GILMAN:

Page 84, after line 16, insert the following:  
**SEC. 703. SENSE OF CONGRESS REGARDING SUPPORT FOR THE IRAQI DEMOCRATIC OPPOSITION.**

It is the sense of Congress that the United States Government should support the holding of a plenary session of the Iraqi National Assembly in the near future.

Mr. GILMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment, as modified, be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN pro tempore. Pursuant to House Resolution 247, the gentleman from New York (Mr. GILMAN) and the gentleman from Connecticut (Mr. GELDENSON) each will control 10 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I yield myself such time as I may consume. I appreciate the contributions that our Members have made to the bill and their willingness to en bloc their provisions.

One of the provisions included in this group in the en bloc is the amendment

offered by the gentleman from Connecticut (Mr. GEJDENSON), the ranking Democrat of the Committee on International Relations, that addresses the situation in Colombia.

I believe that the gentleman from Connecticut has made a good faith effort in this amendment to identify many of the concerns that we all share regarding the situation in Colombia, and I thank the gentleman for his agreement to include a reference to increased aid in this amendment. We have an obligation to provide political support but appropriate forms of aid as well for a democracy in real trouble. I would hope that the administration would get off the dime and get the aid down where we have already appropriated the moneys for to fight drugs.

I note Colombian President Pastrana himself has stated today, according to news reports, that he is losing patience with the rebels and that they are throwing obstacles in his path to find peace. We may be praising a peace process headed for the dustbin of history as another failed effort at appeasement.

With regard to the amendment offered by the gentleman from New Jersey (Mr. ANDREWS) on Taiwan, the President should continue to call upon the People's Republic of China to renounce the use of force against Taiwan in determining the future of that island democracy. Our Nation has indeed had an abiding interest in peace and stability in East Asia and China's refusal to renounce the use of force against Taiwan is provocative and destabilizing. Any use of force by the PRC against Taiwan would be of grave concern to our Nation as stated in the 1979 Taiwan Relations Act.

I call upon the parties on both sides of the Taiwan Strait to make certain that Taiwan's future will be resolved in a peaceful manner and consistent with the desire of the people of Taiwan.

Let me also state that there are reports circulating that the administration has been considering curtailing security assistance to Taiwan due to its displeasure with President Lee's recent statements and a desire to mend relations with Beijing. If that is true, these shortsighted, wrongheaded sanctions are not in our Nation's best interest, they will undermine Taiwan's fundamental security, and could destabilize the fragile peace in Northeast Asia.

Recently, the appropriate committees in the Congress have expressed willingness to consider two notifications for armed transfers to Taiwan. It appears that these transfers were never notified to the Congress due to the administration's decision to punish Taiwan and to curry favor with China. I cannot accept undercutting Taiwan's national security and its rights under the 1979 Taiwan Relations Act to receive appropriate security assistance from our Nation to meet its legitimate self-defense needs.

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Accordingly, as a result of these concerns, I plan at this point to withhold my approval for arms transfers notified to the Congress until this matter is resolved to our satisfaction.

Finally, Mr. Chairman, I note that the en bloc amendment includes my amendment calling on our Nation's government to support the holding of a plenary session of the Iraqi National Assembly in the near future. This amendment is our response to the July 7, 1999, letter from the Executive Council of the Iraqi National Congress to Secretary of State Albright seeking our support for holding an Iraqi National Assembly meeting in Salahuddin in Iraq. I am supporting the holding of such a meeting. We are reiterating our continued support for the Iraqi democratic opposition and the policy of replacing the Saddam Hussein regime which we endorsed in last year's Iraq Liberation Act.

Mr. Chairman, we have discussed a number of important issues during the debate of this measure and the many amendments for this bill, AIDS in Africa, the North Korean threat and international family planning. Here at the end of this day, however, we must focus on one vital issue, security for those brave Americans who serve our Nation abroad.

Last year, and let me remind our colleagues, 12 Americans were killed when our embassies in Kenya and in Tanzania were bombed by Osama bin Ladin's cowardly terrorists. Bipartisan Review Board chaired by Admiral William Crowe recommended that we fund upgrades to our embassy security at the level of \$1.4 billion per year for a 10-year period.

This bill meets those recommended levels, and Admiral Crowe has endorsed it along with several former secretaries of state. Last year, we in Congress indicated our commitment to Americans serving our government abroad by appropriating an initial \$1.4 billion for embassy security. Today we have the opportunity to follow through on that commitment.

This measure has been endorsed, as I noted, by former Secretary of State James Baker and Secretary Larry Eagleburger. It is the right thing to do, and I urge my colleagues to fully support this bill, the American Embassy Security Act.

Mr. Chairman, I reserve the balance of my time.

Mr. GEJDENSON. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Mrs. CAPPS) who has done such exemplary work on the peace process in the Middle East, a former member of the committee that we miss.

Mrs. CAPPS. Mr. Chairman, I thank my colleague for yielding me the time, and I am very pleased to rise in support of this en bloc amendment, and I thank

the gentleman from New York (Mr. GILMAN) and the gentleman from Connecticut (Mr. GEJDENSON) for their hard work and kind support.

This amendment contains a provision that I have authored with the gentleman from New York (Mr. HOUGHTON) commending Israel for reaffirming its democratic ideals in the recent election. The amendment reminds the American people that Israel and the United States share the values of freedom and pluralism.

The amendment also congratulates Ehud Barak on his election as prime minister, and it reaffirms the commitment of Congress to strengthen the bonds between our two nations and to advance the cause of peace. Yesterday, Mr. Barak concluded his first visit to Washington as prime minister. He spent the day here in this capital meeting with many of us in Congress. The Prime Minister has pledged to work hard to nurture warm relations with our country. His trip to Washington has breathed new life into the peace process.

Mr. Chairman, I ask the House to formally congratulate Mr. Barak and commend our friend and ally, Israel, for its magnificent display of democracy.

Mr. GEJDENSON. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Chairman, I thank Mr. GEJDENSON for yielding this time. I would like to express my appreciation to the gentleman from New York (Mr. GILMAN) and the gentleman from Connecticut (Mr. GEJDENSON) for their cooperation in including two items of legislation I have proposed in the en bloc amendment.

I am very proud of my country. Throughout history, great powers have used their power usually when they are attacked or to gain treasure or territory. I am very proud of the fact that our country, as a great power, has chosen to exert its considerable power and influence to promote a cause, and that cause is that nations should resort to peaceful means of negotiation and law to resolve their disputes rather than resorting to violence.

My two amendments speak to that principle. Amendment No. 34 expresses our sense that the water boundaries established in the Treaty of Lausanne of 1923 and the 1932 convention between Italy and Turkey established the borders between Greece and Turkey in the Aegean today, and it calls upon Turkey to resort to the ordinary processes of international law and not violence if it objects to that conclusion.

I appreciate the gentleman from New York mentioning my amendment with respect to China. It calls upon the President to continue to urge the People's Republic of China to renounce any offensive strike policy against the free



people of Taiwan. Certainly there are differences between Taiwan and the People's Republic of China, but we recognize that the proper method to resolve those differences is by international law and negotiation, not by conflict. The free people of Taiwan and the free people of the United States deserve no less.

Again I appreciate the cooperation of the chairman and the ranking member, and I urge my colleagues to support these amendments as well as the entire en bloc amendment.

Mr. GILMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. BILIRAKIS).

Mr. BILIRAKIS. Mr. Chairman, I thank the chairman for yielding this time to me.

Mr. Chairman, as to the Andrews amendment and the water boundaries in the Aegean, I rise in support. My parents were born on the island of Kalymnos only miles from an occupied islet of Imia. The group of islets have always been considered Greek territory, and at no previous time has Turkey questioned Imia's territorial ownership.

The European Parliament overwhelmingly approved a resolution which stated that, and I quote, the islets of Imia belong to the Dodecanese group of islands on the basis of the Lausanne Treaty of 1923, the protocol between Italy and Turkey of 1932, the Paris Treaty of 1947, and whereas even on Turkish maps from the 1960s the islets are shown as Greek territory. Turkey has been invited by Greece to take their case to the International Court of Justice at the Hague; and to this day, Turkey has not sought redress. Although Turkey is an ally, Mr. Chairman, its actions must not go unquestioned. Turkey must respect and abide by international law. As President Eisenhower once stated and I quote him, there can be no peace without law, and there could be no law if we were to invoke one code of international conduct for those who oppose us and another for our friends.

Mr. Chairman, enough is enough. We must support the amendment.

Mr. Chairman, I rise also in support of the Andrews amendment regarding Taiwan. Taiwan has been one of our oldest and closest friends in Asia since 1949. The people of that republic live in a free democratic society, and we should commend Taiwan for its dedication to democratic ideals. Last year, the House overwhelmingly approved a resolution reaffirming the importance of the Taiwan Relations Act and our commitment to the people of Taiwan. Congress must once again send a strong message to the People's Republic of China and the world that we intend to stand by our friends and allies. The United States must dispel any notion on the part of China's leaders that we will tolerate the use of force in de-

termining the future of Taiwan. The people of Taiwan must be responsible for determining their own future in a peaceful and democratic fashion.

Mr. Chairman, I rise in support of the Andrews amendment on recognition of the Sovereignty of the Territories in the Aegean Sea. On December 25, 1995, a Turkish cargo ship ran aground on one of the Imia islets. The ships' captain refused assistance from the Greek Coast Guard on the basis that the Islet was Turkish.

Tensions began to mount and by January 29, 1996, both Greece and Turkey had dispatched naval vessels to the area. On January 31st, through U.S. mediation, both sides agreed to withdraw. While I am thankful that this incident did not lead to an armed conflict then, this matter still remains unresolved today because Turkey continues to breach international law.

As you may know, my parents were born on the island of Kalymnos—only miles from Imia. The group of islets have always been considered Greek territory and at no previous time has Turkey questioned Imia's territorial ownership. Indeed, past Greek foreign minister Theodore Pangalos stated "This is the first time that Turkey has actually laid claim to Greek territory."

The European parliament overwhelmingly approved a resolution which stated that "The Islets of Imia belong to the Dodecanese group of islands, on the basis of the Lausanne Treaty of 1923, the protocol between Italy and Turkey of 1932, the Paris Treaty of 1947, and whereas even on Turkish maps from the 1960's, the Islets are shown as Greek territory."

Moreover, the governments of Italy and France have publicly stated their support of Greek sovereignty over Imia, as provided by international law.

Turkey has been invited by Greece to take their case to the international court of justice at the Hague. To this date, Turkey has not sought redress.

Although Turkey is an ally, its actions must not go unquestioned. Turkey must respect and abide by international law. As President Eisenhower once stated, "There can be no peace without law. And there can be no law if we were to invoke one code of international conduct for those who oppose us and another for our friends."

Mr. Chairman, enough is enough.

Mr. GILMAN. Mr. Chairman, I yield 1 3/4 minutes to the distinguished gentleman from Nebraska (Mr. BEREUTER), vice chairman of our committee.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for this time as we wind up debate on the Embassy Security Act of 1999. We have had good debate here on a variety of issues. We have had some close votes occasionally; but I think despite those close votes, all Members of this body should feel good about this legislation. The proper emphasis has been on embassy security, as the title implies, and as we close debate, I want to remind my colleagues of our responsibilities here.

Think back just to last August. On August 7, terrorists successfully at-

tacked U.S. embassies in Nairobi and Dar es Salaam. Over 220 people were killed including 12 Americans, 40 local hires. While all in this body would like to believe this could never happen again, unfortunately, it can. And terrorist attacks are becoming more sophisticated, more deadly all the time.

We had a rocket attack against our embassy in Moscow, we had a rocket attack a couple years ago against our embassy in Athens, a NATO country, a friendly country. Only because of technical failures did we escape any damage and loss of life. We had the windows blown out of our embassy in Uzbekistan in February from an auxiliary explosion nearby.

In fact, there have been too many attacks, and we had to close our embassies in Africa last month because of extraordinary threat against a number of them by Bin Ladin. The Crowe report urges a total of \$1.4 billion be authorized. In this bill we are and appropriated for dealing with the security issues for our embassies and consulates abroad. Remember it is our responsibility ultimately for the safety and soundness of the people that represent us abroad, the State Department personnel, but it goes beyond that to include personnel from many other agencies that are housed in our consulates and embassies and the people that we hire from those countries. None of us want to have a responsibility falling on this body because we fail to do what is recommended to us by a blue ribbon commission. I urge my colleagues to strongly support an excellent piece of legislation.

Mr. GILMAN. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN pro tempore. The gentleman from New York is recognized for 15 seconds.

Mr. GILMAN. Mr. Chairman, I want to indicate that the legislative history of this bill is the same as the legislative history of the provisions of H.R. 1211 that were identical to those in H.R. 2145. H.R. 1211 was a bill from which H.R. 2415 was derived, and, Mr. Chairman, I want to thank the staff, and I want to thank the Chairman pro tempore for his patience in this bill and thank our minority members for being patient and helping us get this bill through at this point.

Mr. Chairman, I yield back the balance of my time.

Mr. GEJDENSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just like to join the gentleman from New York in expressing my appreciation for the cooperation and support for Members on both sides of the aisle and staff in accomplishing our work in a good spirit and an effort to try and achieve a bipartisan goal here of a better policy. Sometimes we succeed, sometimes we fail, but we are all working for the best interests of the country.



Mr. PALLONE. Mr. Chairman, I rise in strong support of the Andrews amendment, part of the en bloc, and thank my colleague from New Jersey for offering it. In February of this year, I introduced a bill, H. Con. Res. 36, that is very similar to my colleague's amendment. Like the amendment, it expresses the Sense of the Congress that the islets of Imia in the Aegean Sea are sovereign Greek territory under international law.

As those who are familiar with this issue know, for some three and a half years now Turkey has stood firm in its totally groundless claim that it has sovereignty over the Greek islets of Imia.

On December 25, 1995 a Turkish bulk carrier ran ashore on the islets of Imia, one of two uninhabited islets which are part of the Dodecanese islands group in the Aegean Sea. This incident nearly escalated into armed conflict between NATO allies Turkey and Greece due to Turkey's belligerent claim that the islets, which are sovereign Greek territory, belonged to Turkey. Hostilities were avoided after the Greek government refused to attack a detachment of Turkish commandos who had been dispatched to the islets and President Clinton personally intervened to help defuse the crisis.

Despite Turkey's continued insistence that the islets are Turkish territories, the historical record on this issue is clear. As this amendment, as well as my bill details, the Dodecanese islands group was ceded by Turkey to Italy in the Lausanne Treaty of 1923. The boundaries delineating the exact sovereignty between Turkey and the islands group were finalized in a December 1932 protocol between Turkey and Italy. That protocol, which was annexed to the Convention Between Italy and Turkey for the Delimitation of Anatolia and the Island of Castellorizo, placed the islets of Imia under the sovereignty of Italy. In the 1947 Paris Treaty of Peace with Italy, Italy ceded the Dodecanese islands groups to Greece.

The legal status of the Dodecanese islands group remained unchallenged by Turkey until its bulk carrier ran aground in late 1995 and Ankara began making its unfounded claims in 1996. That same year, the European Parliament approved a resolution reaffirming the historical record. The 1996 resolution stated that the water boundaries established in the Treaty of Lausanne of 1923 and the 1932 protocol to the convention between Italy and Turkey, are the borders between Greece and Turkey.

Despite all of these readily available and irrefutable facts, Turkey continues to promote instability in the region by ignoring the historical record with its claim of sovereignty over the islets of Imia.

Mr. Chairman, Turkey's unfounded claim should not go unnoticed by Congress. The United States Congress should follow the precedent of the European Parliament and reaffirm the historical record in a show of support for territory that is unquestionably sovereign to Greece and for the rule of international law in general. The United States should also pressure Turkey to resolve this issue, and all other outstanding territorial disputes with Greece—the most notable of which is the nearly 25 year old invasion of Cyprus—in a peaceful fashion. To that end, in addition

to reaffirming Greece's sovereignty over the islets of Imia, both my bill and the Andrews amendment include language urging Turkey to agree to bring the dispute in the Aegean over Imia to the International Court of Justice at the Hague for a resolution.

I encourage all Members to join myself and Mr. ANDREWS in formally putting the United States on record in support of Greek sovereignty and in opposition to Turkey's seemingly endless campaign to subvert international law and destabilize the entire Mediterranean region.

I urge support of the en bloc amendment.

Mr. MCGOVERN. Mr. Chairman, I rise in strong support of the Andrews amendment, which expresses the Sense of Congress that the water boundaries established by the 1923 Treaty of Lausanne and the 1932 Convention between Italy and Turkey are the borders between Greece and Turkey in the Aegean Sea. The amendment further states that any party, including Turkey, that objects to these boundaries should seek redress in the International Court of Justice at The Hague.

What could be more reasonable? Certainly, the stability of the eastern Mediterranean and the stability of international boundaries are of fundamental interest to the United States, as well as respect for international law.

Yet the Government of Turkey continues to claim sovereignty to the islets in the Aegean Sea called Imia by Greece and Kardak by Turkey. These disputes were settled over 67 years ago. The international community regards them as agreed and settled, yet Turkey continues to raise unilateral objections to these boundaries, but has cited no legal authority for such claims.

As recently as February 15, 1996, the European Parliament adopted a resolution that the water boundaries established in the Treaty of Lausanne of 1923 and the 1932 Convention between Italy and Turkey are indeed the borders between Greece and Turkey. The United States should accept this position, as well as supporting Greece's proposal to Turkey that it should refer its claims to the International Court of Justice in The Hague for adjudication. Turkey has thus far refused to take such a step and has rejected the Greek proposal.

Clearly it is in the interest of the United States, Europe and the Mediterranean region to have this dispute resolved once and for all, and resolved peacefully. Turkey needs to agree to bring this matter before the International Court of Justice at The Hague, Netherlands, for a resolution. And the United States needs to recognize that the islets of Imia in the Aegean Sea are the sovereign territory of Greece under international law and to state that it accepts the present maritime boundaries between Greece and Turkey in the Aegean.

I urge my colleagues to stand up for international law and support the Andrews amendment.

Mrs. MEEK of Florida. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

I rise in strong support of the gentleman from Florida, Mr. HASTINGS' amendment (#36) to the State Department authorization bill, expressing the sense of the House's support for the parliamentary and local elections scheduled for November 1999 in Haiti.

The establishment of a constitutional government and functioning parliament in Haiti demands a commitment to support free and fair elections. It is essential that the State Department ensure that the U.S. Embassy in Haiti have sufficient personnel and resources to carry out its election-related activities.

Earlier this year, President Rene Preval's government and six political parties signed an agreement aimed at resolving a costly and contentious political standoff that has left Haiti without a functioning government for the past two years.

This agreement paves the way for new parliamentary elections. The gentleman's amendment will help to assure that these elections are successful.

Mr. Chairman, the situation in Haiti is fragile. We know that since the resignation of the Prime Minister in June 1997, this impoverished country has been experiencing some very disturbing violence.

These conditions have alerted the country's landscape in ways that, among other things, have limited Haiti's ability to advance business deals and to provide needed services to a desperate people.

The United States has made a significant commitment to democracy in Haiti. A Democratic Haiti is in our national interest. The United States should stay the course and support democracy in Haiti.

Supporting the Hastings amendment.

Mr. GILMAN. Mr. Chairman, along with my colleagues Mr. GOSS, Mr. RANGER and Mr. CONYERS, I returned from a visit to Haiti in January of this year convinced that good elections were essential in Haiti. Judge HASTINGS recently brought a resolution before our International Relations Committee regarding the Haitian elections which was approved. I thank him for his gracious efforts to achieve a consensus with this side of the aisle on that measure.

I thank the gentleman from Florida for offering this amendment which underscores U.S. congressional support for Haiti. However, I am concerned that the upcoming parliamentary and local elections must be credible in order to help Haiti move forward.

Regrettably, the election process in Haiti is getting off to a rocky start. President Preval finally signed a decree prepared by Haiti's electoral authorities on Friday of last week. That measure was carefully framed by Haiti's provisional electoral council to be the cornerstone of the upcoming elections.

I am deeply disappointed that President Preval modified the electoral law and, in particular, eliminated a provision in the law calling for elections for 19 Senate seats. This particular element of the electoral measure would have provided for a transparent resolution of the disputed April 1997 elections.

The State Department is hoping that Haiti's electoral council can act to correct President Preval's elimination of the "19 seat" provision. There must not be any further delay in fully enacting this critically important measure.

The United States and our allies in the international community stand poised to provide substantial support for these elections. However, statutory restrictions and common sense require there to be a transparent settlement of the disputed 1997 elections. Only then will

U.S. assistance be able to flow to these critically important elections that can and should be Haiti's way out of its protracted and costly crisis.

I support the Hastings amendment. However, I hope that the gentleman from Florida will agree with me that securing a good election first requires a transparent resolution of the 1997 elections, and will then require both support and sustained vigilance from the international community.

Mr. HASTINGS of Florida. Mr. Chairman, since the time for debate on this amendment is limited, I will be brief. I traveled recently to Haiti with Senator BOB GRAHAM and Congressman DELAHUNT. What I saw there reinforced my strong belief that Haiti is in dire need of our support. The stability of Haiti rests on the transparency and legitimacy of the upcoming parliamentary elections.

Our approach to Haiti must be multi-dimensional. To assist in maintaining stability in Haiti and strengthening the roots of the rule of law there we must do the following: illustrate our support for the election monitors on the ground; recognize the invaluable good works that our armed forces have carried out in Haiti; salute the electoral authorities for striving to be fair and judicious; and condemn any person or persons, including President Preval, who attempts to abrogate, alter, or delay the implementation of the electoral laws which have been so painstakingly crafted.

Mr. Chairman, my amendment is simple: it expresses the sense of this body in support of parliamentary elections in Haiti, and urges the Department of State to ensure that the U.S. Embassy in Haiti has sufficient personnel and resources necessary to carry out its responsibilities related to these elections.

I believe that all persons in this body, no matter where they stand on the issue of U.S. involvement in Haiti, can support this simple resolution. While it demands little of us in the way of expenditures of personnel and resources, it illustrates the importance which the U.S. places on free, fair and transparent elections in Haiti. Please support this amendment.

Mr. GOSS. Mr. Chairman, the Hastings amendment is well meaning in restating the obvious that it is the sense of Congress to support Democratic elections scheduled for November 1999 in Haiti. Continued encouragement is appropriate considering the fact that the Clinton-Gore administration has already committed millions of dollars in election assistance, as have other countries. So I would characterize the Hastings amendment as a benign placebo—the problem is Haiti needs strong medicine—in large doses. Since January, 1999, there has been plenty of bad news from Haiti, only one small piece of it good. Now even that has been spoiled by Haiti's own home-style power mongers. An independent election commission has tentatively announced a transparent reasonable resolution of the fraudulent 1997 elections, which were the trigger event of today's Government crisis in Haiti.

But a spokesman for former President Aristide described this development this way: "You are declaring war on Aristide. This is a second coup d'etat against Aristide . . . The CEP (electoral council) must correct it immediately if it wants elections to really take place

. . . ." Mr. Chairman, with all due respect to former President Aristide, these are not the words of a democrat or someone committed to the rule of law. They are the threatening words of a dictator intent on maintaining his control over the country at any price. And now Aristide's handpicked successor, President Rene Preval, did not sign the election law as drafted but he gutted it first. Mr. Chairman the United States has given Haiti every possible opportunity to embrace democracy. It is an absolute tragedy that some of the Haitian leaders care more about power than they do democracy and the needs of the Haitian people. I wish my friends on the other side of the Aisle and the political advisors in the Clinton administration would end the pretense and admit that poor Haiti is sick—really sick. My good friend and colleague from Florida's placebo isn't going to cure what's wrong. And neither are the current expensive and misguided policies of the Clinton-Gore administration, which seems to focus more on happy face diagnoses, over-optimistic prognoses and expensive treatments that cure nothing. Democracy in Haiti is dying fast. It is being deliberately smothered by emerging dictatorship. What's worse is that the Clinton-Gore administration is tolerating it—if not helping people hold the pillows. This is equivalent of Dr. Kevorkian foreign policy and it needs to stop.

Mr. GALLEGLY. Mr. Chairman, as Chairman of the Western Hemisphere Subcommittee, I rise in support of the amendment offered by the Ranking Democrat of the International Relations Committee and the other cosponsors who have joined in this bi-partisan effort to support a peaceful resolution of the conflict in Colombia.

I want to thank the distinguished Chairman of the International Relations Committee, BEN GILMAN, for including this important initiative in the en bloc amendment.

This amendment condemns the continued violence being carried out by the FARC and ELN guerrillas and the paramilitaries of the United Self-Defense Forces in the conflict and urges the leadership of the Revolutionary Armed Forces of Colombia to begin substantive negotiations to end the conflict.

I especially want to commend our colleagues, Mr. ACKERMAN, our Subcommittee's Ranking Democrat, Mr. BALLENGER, and Mr. DELAHUNT, for helping to bring this provision to the Floor.

As Subcommittee Chairman I have been very supportive of the counter-narcotics efforts of the Colombian National Police and our own law enforcement agencies to stem the flow of dangerous drugs from Colombia. But despite the valiant efforts of the Colombian Police, who have sacrificed so much in their thus far successful efforts against drugs, I am concerned that their 4,000 strong elite DANTE counter-narcotics force may be no match for the 20,000 strong guerrilla forces of the FARC and the ELN. And, as long as the FARC and ELN continue to use their substantial military power to protect the drug trade, I fear the police will not be able to achieve ultimate success over drugs.

Therefore, I believe it is critical that we support the Colombian government's attempts to bring the long and deadly guerrilla insurgency to an end. Despite the recent announcement

that the peace talks have been suspended because of the continued violence, a condition which lies squarely on the shoulders of the FARC, it will only be through a negotiated settlement of this insurgency that Colombia can realistically expect to end the violence and turn its full attentions to a nationwide commitment to end the deadly narcotics trade which plagues that nation and brings so much destruction, human suffering and violence to communities around the world.

While we should support peace efforts, as embodied in this amendment, we must be firm in condemning the unacceptable kidnappings and violence of the guerrillas and paramilitaries against innocent civilian populations, and especially against human rights workers and American citizens. These unprovoked attacks and acts of violence strain the patience of many Americans and others who are willing to give peace a chance.

At the same time, Mr. Speaker, we as a nation, should reassess our current limited support for the Colombian military in the event the peace process fails to bring an end to the violence. The fact that the FARC refuse to enter into a cease fire and continue to attack Colombian government institutions, can only lead one to doubt the sincerity of the FARC's real interest in a peaceful resolution. If this is true, we must help the Colombian government and its military protect the democracy and those freedoms we in this country so cherish.

This amendment expresses our support for the efforts to bring about a peaceful resolution to the conflict being pursued by President Pastrana and will help him in those efforts.

Mr. Chairman, I urge the House to adopt this amendment.

Mr. FARR of California. Mr. Chairman, Colombia, South America is one of the most beautiful and diverse countries in the world. Its location on both the Caribbean and Pacific Oceans where the snow capped mountains can be seen from tropical beaches is the second most biologically diverse country on the planet.

The people of Colombia created and maintain what is now the oldest democracy in Latin America. As one of the original Peace Corps countries, Colombia was a leader in the Alliance for Progress during the 1960's.

Drug demand in North America created a market for illegal cultivation in a country once rich in agricultural diversity. Now, whole regions are dependent on illegal crops. Drug profits corrupted the Colombian economy and led many farmers to stop growing sustenance crops in favor of marijuana, coca, and poppies.

The war against drugs, combined with regional violence, has led Colombia to near collapse. Hundreds of thousands of people are displaced and tens of thousands have died in the civil war that is tearing the country apart. With the election of President Andres Pastrana, Colombians were given new hope that the killings and kidnappings would finally come to an end.

The willingness of the Revolutionary Armed Forces of Colombia (FARC) to negotiate with the Pastrana Administration was a much needed leap toward peace. I was extremely pleased that long sought negotiations between the Colombian government and the FARC

were set to begin this week. Unfortunately, those talks have been postponed.

This, however, does not diminish the importance of Mr. GEJDENSON's amendment to support the peace process in Colombia. In fact, it is all the more important to support peace now when it is in jeopardy of falling apart. I feel that, as their neighbors, we have a responsibility to foster an environment in which that peace can blossom. This will affect the daily lives of Colombians, the stability of the region and the ability to combat drug traffickers.

Having lived in Colombia during my service in the Peace Corps, I have a special affinity for the Colombian people. I know they want peace. I know they are willing to work for it. I know they will be successful given time and support. And I want to do everything possible to help them through this long process. This amendment is one step in that process.

I encourage my colleagues to support this amendment, and send a strong message to the Colombian people that we stand behind them and encourage them to continue to work toward peace.

Mr. GEJDENSON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendments en bloc offered by the gentleman from New York (Mr. GILMAN).

The amendments en bloc were agreed to.

#### SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 247, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 36 in Part B offered by the gentleman from Texas (Mr. DOGGETT); Amendment No. 37 in Part B offered by the gentleman from New York (Mr. ENGEL).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

#### AMENDMENT NO. 36 OFFERED BY MR. DOGGETT

The CHAIRMAN pro tempore. The pending business is a demand for a recorded vote on amendment No. 36 offered by the gentleman from Texas (Mr. DOGGETT) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

#### RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 427, noes 0, not voting 6, as follows:

[Roll No. 328]

AYES—427

Ackerman	Baird	Barrett (NE)
Aderholt	Baker	Barrett (WI)
Allen	Baldacci	Bartlett
Andrews	Baldwin	Barton
Archer	Ballenger	Bass
Armey	Barcia	Bateman
Bachus	Barr	Becerra

Bentsen	Eshoo	Knollenberg
Bereuter	Etheridge	Kolbe
Berkley	Evans	Kucinich
Berman	Everett	Kuykendall
Berry	Ewing	LaFalce
Biggert	Farr	LaHood
Bilbray	Fattah	Lampson
Bilirakis	Filmer	Lantos
Bishop	Fletcher	Largent
Blagojevich	Foley	Larson
Bliley	Forbes	Latham
Blumenauer	Ford	LaTourette
Blunt	Fossella	Lazio
Boehrlert	Fowler	Leach
Boehner	Frank (MA)	Lee
Bonilla	Franks (NJ)	Levin
Bonior	Frelinghuysen	Lewis (CA)
Bono	Frost	Lewis (GA)
Borski	Galleghy	Lewis (KY)
Boswell	Ganske	Linder
Boucher	Gejdenson	Lipinski
Boyd	Gekas	LoBiondo
Brady (PA)	Gephardt	Lofgren
Brady (TX)	Gibbons	Lowey
Brown (FL)	Gilchrest	Lucas (KY)
Brown (OH)	Gillmor	Lucas (OK)
Bryant	Gilman	Luther
Burr	Gonzalez	Maloney (CT)
Burton	Goode	Maloney (NY)
Buyer	Goodlatte	Manzullo
Callahan	Goodling	Markey
Calvert	Gordon	Martinez
Camp	Goss	Mascara
Campbell	Graham	Matsui
Canady	Granger	McCarthy (MO)
Cannon	Green (TX)	McCarthy (NY)
Capps	Green (WI)	McCollum
Capuano	Greenwood	McCreery
Cardin	Gutierrez	McGovern
Carson	Gutknecht	McHugh
Castle	Hall (OH)	McInnis
Chabot	Hall (TX)	McIntosh
Chambliss	Hansen	McIntyre
Clay	Hastings (FL)	McKeon
Clayton	Hastings (WA)	McKinney
Clement	Hayes	McNulty
Clyburn	Hayworth	Meehan
Coble	Hefley	Meek (FL)
Coburn	Herger	Meeks (NY)
Collins	Hill (IN)	Menendez
Combest	Hill (MT)	Metcalfe
Condit	Hilleary	Mica
Conyers	Hilliard	Millender-
Cook	Hinchey	McDonald
Cooksey	Hinojosa	Miller (FL)
Costello	Hobson	Miller, Gary
Cox	Hoeffel	Miller, George
Coyne	Hoekstra	Minge
Cramer	Holden	Mink
Crane	Holt	Moakley
Crowley	Hooley	Mollohan
Cubin	Horn	Moore
Cummings	Hostettler	Moran (KS)
Cunningham	Houghton	Moran (VA)
Danner	Hoyer	Morella
Davis (FL)	Hulshof	Murtha
Davis (IL)	Hunter	Myrick
Davis (VA)	Hutchinson	Nadler
Deal	Hyde	Napolitano
DeFazio	Inslee	Neal
DeGette	Isakson	Nethercutt
Delahunt	Istook	Ney
DeLauro	Jackson (IL)	Northup
DeLay	Jackson-Lee	Norwood
DeMint	(TX)	Nussle
Deutsch	Jefferson	Oberstar
Diaz-Balart	Jenkins	Obey
Dickey	John	Olver
Dicks	Johnson (CT)	Ortiz
Dingell	Johnson, E.B.	Ose
Dixon	Johnson, Sam	Owens
Doggett	Jones (NC)	Oxley
Dooley	Jones (OH)	Packard
Doolittle	Kanjorski	Pallone
Doyle	Kaptur	Pascrell
Dreier	Kasich	Pastor
Duncan	Kelly	Paul
Dunn	Kildee	Payne
Edwards	Kilpatrick	Pease
Ehlers	Kind (WI)	Pelosi
Ehrlich	King (NY)	Peterson (MN)
Emerson	Kingston	Petri
Engel	Kleczka	Phelps
English	Klink	Pickering

#### NOT VOTING—6

Abercrombie	Kennedy	Peterson (PA)
Chenoweth	McDermott	Towns

□ 1704

Mr. RADANOVICH changed his vote from “no” to “aye.”

So the amendment was agreed to.

The result of the vote was announced as above recorded.

#### ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). Pursuant to House Resolution 247, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on the additional amendment on which the Chair has postponed further proceedings.

#### AMENDMENT NO. 37 OFFERED BY MR. ENGEL

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on amendment No. 37 offered by the gentleman from New York (Mr. ENGEL) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

#### RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 424, noes 0, not voting 9, as follows:

[Roll No. 329]

AYES—424

Abercrombie	Bonior	Costello
Ackerman	Bono	Cox
Aderholt	Borski	Coyne
Allen	Boswell	Cramer
Andrews	Boucher	Crane
Archer	Boyd	Crowley
Armey	Brady (PA)	Cubin
Bachus	Brady (TX)	Cummings
Baird	Brown (FL)	Cunningham
Baker	Brown (OH)	Danner
Baldacci	Bryant	Davis (FL)
Baldwin	Burr	Davis (IL)
Ballenger	Burton	Davis (VA)
Barcia	Buyer	Deal
Barr	Callahan	DeFazio
Barrett (NE)	Calvert	DeGette
Barrett (WI)	Camp	Delahunt
Bartlett	Campbell	DeLauro
Barton	Canady	DeMint
Bass	Cannon	Deutsch
Bateman	Capps	Diaz-Balart
Becerra	Capuano	Dickey
Bentsen	Cardin	Dicks
Bereuter	Carson	Dingell
Berkley	Castle	Dixon
Berman	Chabot	Doggett
Berry	Chambliss	Dooley
Biggert	Clay	Doolittle
Bilbray	Clayton	Doyle
Bilirakis	Clement	Dreier
Bishop	Clyburn	Duncan
Blagojevich	Coble	Dunn
Bliley	Collins	Edwards
Blumenauer	Combest	Ehlers
Blunt	Condit	Ehrlich
Boehrlert	Conyers	Emerson
Boehner	Cook	Engel
Bonilla	Cooksey	English

Eshoo	Kuykendall	Portman
Etheridge	LaFalce	Price (NC)
Evans	LaHood	Pryce (OH)
Everett	Lampson	Quinn
Ewing	Lantos	Radanovich
Farr	Largent	Rahall
Fattah	Larson	Ramstad
Filner	Latham	Rangel
Fletcher	LaTourette	Regula
Foley	Lazio	Reyes
Ford	Leach	Reynolds
Fossella	Lee	Riley
Fowler	Levin	Rivers
Frank (MA)	Lewis (CA)	Rodriguez
Franks (NJ)	Lewis (GA)	Roemer
Frelinghuysen	Lewis (KY)	Rogan
Frost	Linder	Rogers
Galleghy	Lipinski	Rohrabacher
Ganske	LoBiondo	Ros-Lehtinen
Gejdenson	Lofgren	Rothman
Gekas	Lowey	Roukema
Gephardt	Lucas (KY)	Roybal-Allard
Gibbons	Lucas (OK)	Royce
Gilchrest	Luther	Rush
Gillmor	Maloney (CT)	Ryan (WI)
Gilman	Maloney (NY)	Ryun (KS)
Gonzalez	Manzullo	Sabo
Goode	Markey	Salmon
Goodlatte	Martinez	Sanchez
Goodling	Mascara	Sanders
Gordon	Matsui	Sandlin
Goss	McCarthy (MO)	Sanford
Graham	McCarthy (NY)	Sawyer
Granger	McCollum	Saxton
Green (TX)	McCrery	Scarborough
Green (WI)	McGovern	Schaffer
Greenwood	McHugh	Schakowsky
Gutierrez	McInnis	Scott
Gutknecht	McIntosh	Sensenbrenner
Hall (OH)	McIntyre	Serrano
Hall (TX)	McKeon	Sessions
Hansen	McKinney	Shadegg
Hastings (FL)	McNulty	Shaw
Hastings (WA)	Meehan	Shays
Hayes	Meek (FL)	Sherman
Hayworth	Meeks (NY)	Sherwood
Hefley	Menendez	Shimkus
Henger	Metcalf	Shows
Hill (IN)	Mica	Shuster
Hill (MT)	Millender-	Simpson
Hilleary	McDonald	Sisisky
Hilliard	Miller (FL)	Skeen
Hinchey	Miller, Gary	Skelton
Hinojosa	Miller, George	Slaughter
Hobson	Minge	Smith (MI)
Hoeffel	Mink	Smith (NJ)
Hoekstra	Moakley	Smith (TX)
Holden	Mollohan	Smith (WA)
Holt	Moore	Snyder
Hoolley	Moran (KS)	Souder
Horn	Moran (VA)	Spence
Hostettler	Morella	Spratt
Houghton	Murtha	Stabenow
Hoyer	Myrick	Stark
Hulshof	Nadler	Stearns
Hunter	Napolitano	Stenholm
Hutchinson	Neal	Strickland
Hyde	Nethercutt	Stump
Inlee	Ney	Stupak
Isakson	Northup	Sununu
Istook	Norwood	Sweeney
Jackson (IL)	Nussle	Talent
Jackson-Lee	Oberstar	Tancredo
(TX)	Obey	Tanner
Jefferson	Olver	Tauscher
Jenkins	Ortiz	Tauzin
John	Ose	Taylor (MS)
Johnson (CT)	Owens	Taylor (NC)
Johnson, E.B.	Oxley	Terry
Johnson, Sam	Packard	Thomas
Jones (NC)	Pallone	Thompson (CA)
Jones (OH)	Pascarell	Thompson (MS)
Kanjorski	Pastor	Thornberry
Kaptur	Paul	Thune
Kasich	Payne	Thurman
Kelly	Pease	Tiahrt
Kildee	Pelosi	Tierney
Kilpatrick	Peterson (MN)	Toomey
Kind (WI)	Petri	Trafficant
King (NY)	Phelps	Turner
Kingston	Pickering	Udall (CO)
Klecza	Pickett	Udall (NM)
Klink	Pitts	Upton
Knollenberg	Pombo	Velazquez
Kolbe	Pomeroy	Vento
Kucinich	Porter	Visclosky

Vitter	Weiner	Wilson
Walden	Weldon (FL)	Wise
Walsh	Weldon (PA)	Wolf
Wamp	Weller	Woolsey
Waters	Wexler	Wu
Watkins	Weygand	Wynn
Watt (NC)	Whitfield	Young (AK)
Waxman	Wicker	Young (FL)

## NOT VOTING—9

Chenoweth	Forbes	Peterson (PA)
Coburn	Kennedy	Towns
DeLay	McDermott	Watts (OK)

□ 1714

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Mr. DELAY. Mr. Chairman, on rollcall No. 329, I was inadvertently detained. Had I been present, I would have voted "yes."

Mr. BERMAN. Mr. Chairman, Radio Free Europe/Radio Liberty's remarkable response to the Kosovo crisis demonstrates why we need to continue to support this station at current or even enhanced funding levels. As you know, I have been a longtime supporter of RFE/RL both because of its contribution to the cause of freedom during the cold war and because of its continuing assistance to post-communist countries who are still struggling to complete the transition to democracy and free market economies. But RFE/RL's effort during the Kosovo crisis convinces me that we need RFE/RL now more than ever.

As the crisis deepened last year, RFE/RL and in particular its South Slavic Service rapidly expanded their broadcasts to the region. In April, 1999 the Prague-based radios increased surge broadcasting in cooperation with other American and European stations to ensure that the Serbs received the kind of reliable information 24 hours a day that their government sought to prevent them from obtaining. And they set up an Albanian language unit that provided news to Kosovars both in that region and in the refugee camps.

Our government and NATO commanders have praised RFE/RL's efforts, noting that just as in Bosnia, such broadcasting has helped to calm the situation, explain NATO's mission, and thus helped the alliance to overcome the resistance of those who had earlier opposed it. And perhaps even more important, those listening to these broadcasts have sent letters and e-mails pointing out that these broadcasts helped them to survive through a most difficult time.

But despite these contributions, contributions that cost very little, many question why we should maintain RFE/RL when we also spend money to support the Voice of America. To my mind, there are several good reasons for this, all of which have been highlighted by the Kosovo crisis.

First of all, RFE/RL's South Slavic Service is unique in broadcasting to all the peoples of the former Yugoslavia in different languages but with a common perspective on the need for peaceful, democratic development. RFE/RL did not broadcast to Yugoslavia during the Cold War. Had it done so, we might be facing fewer problems today.

In addition, RFE/RL continues to be a "home service" for people whose governments often deny them the chance to have a free media. The Voice of America proudly pre-

sents America's position on the issues; RFE/RL makes sure that its listeners be they in Belgrade or in Kosovo have the information they need about their own country as well. These are complementary missions; we need both.

And finally, in Eastern Europe, RFE/RL not only has real brand loyalty but also represents an important symbol of American concern about the region. People there continue to listen to RFE/RL because it provides reliable information that they need, and they see the existence of this station as reflecting America's longstanding commitment to freedom and democracy in their own countries. VOA also plays a role, and it also enjoys this kind of support. But in our time particularly, symbols matter, and RFE/RL's broadcasts remain an extraordinarily important one.

Not only is RFE/RL effective in promoting our national interests, but it is remarkably efficient: It now broadcasts more hours each week than it did a decade ago when both its budget and its number of employees were three times larger than they are now. That is a record few other broadcasters or government agencies can match. And it is one that we should reward rather than punish, continue rather than stop.

As the tragic events of Kosovo and NATO's recent military conflict with Serbia have demonstrated, the transition to a peaceful and democratic Europe is far from complete. We should support RFE/RL's vital work as we enter the 21st century.

□ 1715

The CHAIRMAN pro tempore (Mr. HASTINGS of Washington). Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PEASE) having assumed the chair, Mr. HASTINGS of Washington, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes, pursuant to House Resolution 247, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

**AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN THE ENGROSSMENT OF H.R. 2415, AMERICAN EMBASSY SECURITY ACT OF 1999**

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill, H.R. 2415, the Clerk be authorized to correct section numbers, cross-references, punctuation, and indentation, and to make the other technical and conforming changes necessary to reflect the actions of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

**PERSONAL EXPLANATION**

Mr. HAYES. Mr. Speaker, I was unavoidably absent from Monday evening's votes. Had I been here, I would have supported three measures, H.R. 1033, House Resolution 25, and H.R. 1477, that passed under suspension overwhelmingly. Again, I would have voted "yea" on rollcall votes 308, 309, and 310.

**CONTINUATION OF NATIONAL EMERGENCY WITH RESPECT TO IRAQ—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106-102)**

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

*To the Congress of the United States:*

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision I have sent the enclosed notice, stating that the Iraqi emergency is to continue in effect beyond August 2, 1999, to the *Federal Register* for publication.

The crisis between the United States and Iraq that led to the declaration on August 2, 1990, of a national emergency has not been resolved. The Government of Iraq continues to engage in activities inimical to stability in the Middle East and hostile to United States interests in the region. Such Iraqi actions pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. For these reasons, I have determined that it is

necessary to maintain in force the broad authorities necessary to apply economic pressure on the Government of Iraq.

WILLIAM J. CLINTON.  
THE WHITE HOUSE, July 20, 1999.

**LEGISLATIVE PROGRAM**

(Mr. RANGEL asked and was given permission to address the House for 1 minute.)

Mr. RANGEL. Mr. Speaker, I would like to inquire from the majority as to what will be the remainder of the schedule for today, specifically as it relates to tax legislation.

Mr. GOSS. Mr. Speaker, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Florida.

Mr. GOSS. Mr. Speaker, I do not know how I found myself in the position other than the fact that I am standing at this microphone. But I do have a strong message that we are going to have a brief recess and then plan to reassemble. I would say check in about early evening.

Mr. RANGEL. Mr. Speaker, so that the Members will have an opportunity to plan the rest of the evening, is it possible to have some guesstimate as to what time the majority will be prepared to return to the floor?

Mr. GOSS. Approximately 6 p.m.

**REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2561, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2000**

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 106-247) on the resolution (H. Res. 257) providing for consideration of the bill (H.R. 2561) making appropriations for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes, which was referred to the House Calendar and ordered to be printed.

**REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1074, REGULATORY RIGHT-TO-KNOW ACT OF 1999**

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 106-248) on the resolution (H. Res. 258) providing for consideration of the bill (H.R. 1074) to provide Government-wide accounting of regulatory costs and benefits, and for other purposes, which was referred to the House Calendar and ordered to be printed.

**APPOINTMENT OF CONFEREES ON H.R. 2465, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 2000**

The SPEAKER pro tempore. Without objection, the Chair appoints the fol-

lowing conferees on the bill (H.R. 2465) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes:

Messrs. HOBSON, PORTER, WICKER, TIAHRT, WALSH, MILLER of Florida, ADERHOLT, Ms. GRANGER, Messrs. YOUNG of Florida, OLVER, EDWARDS, FARR of California, BOYD, DICKS, and OBEY.

There was no objection.

**APPOINTMENT OF CONFEREES ON H.R. 2490, TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2000**

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees on the bill (H.R. 2490) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2000, and for other purposes:

Mr. KOLBE, Mr. WOLF, Mrs. NORTHUP, Mrs. EMERSON, Messrs. SUNUNU, PETERSON of Pennsylvania, BLUNT, YOUNG of Florida, HOYER, Mrs. MEEK of Florida, Mr. PRICE of North Carolina, Ms. ROYBAL-ALLARD, and Mr. OBEY.

There was no objection.

**REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 987**

Mr. BARCIA. Mr. Speaker, I ask unanimous consent to remove my name as a cosponsor of H.R. 987.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

**RECESS**

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 5 o'clock and 23 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1018

**AFTER RECESS**

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. COMBEST) at 10 o'clock and 18 minutes p.m.

**FUELS REGULATORY RELIEF ACT**

Mr. BLUNT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 880) to amend the Clean Air Act to remove

flammable fuels from the list of substances with respect to which reporting and other activities are required under the risk management plan program, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, and I do not intend to object, but I yield to the gentleman from Missouri (Mr. BLUNT) to explain his unanimous consent request.

Mr. BLUNT. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Missouri.

Mr. BLUNT. Mr. Speaker, I thank my friend, the gentleman from Ohio (Mr. BROWN), for yielding.

S. 880, as amended, would resolve the existing national security crisis presented by the EPA's distribution of chemical facility worst-case scenarios. It is critical that we resolve this issue immediately, as EPA already has received Freedom of Information Act requests for this material and cannot, without this bill, prevent inappropriate dissemination of the national database of worst-case scenarios.

The EPA also chose to include propane under the risk management program regulations intended to reduce the risks associated with toxic chemicals accidents. Propane, however, is not toxic.

While the threshold quantity for listed substances is determined by criteria that includes flammability and combustibility because propane is not toxic, it should not be on the list of covered substances in the first place. This legislation removes it from the list.

A bill I had in the House, H.R. 1301, that does this same thing, has 145 cosponsors. S. 880 successfully accomplishes this objective and also meets the important criteria of the risk criteria.

As the gentleman is well aware, S. 880 was amended through the cooperation and careful consideration of the minority and of the administration, and we will include a joint statement in the RECORD describing the bill. It is a balanced, bipartisan measure that will ensure that local citizens receive information concerning the risks presented by local chemical facilities while at the same time protecting our national security.

Mr. BROWN of Ohio. Mr. Speaker, further reserving my right to object, I wish to extend my thanks to my colleagues on both sides of the aisle for working together to reach agreement on the Chemical Safety Information, Site Security, and Fuels Regulatory Relief Act. I concur with the joint statement of the gentleman from Vir-

ginia (Mr. BLILEY), the gentleman from Michigan (Mr. DINGELL), the ranking member, the gentleman from Missouri (Mr. BLUNT), and the gentleman from Florida (Mr. BILIRAKIS) concerning S. 880.

This bill places a one-year moratorium on distribution of worst case scenario information to the general public and requires the administration to promulgate regulations on the dissemination of worst-case scenarios to the public after performing two separate assessments: One on the risk of terrorist activity associated with the posting of the information on the Internet and another on the incentives created by public disclosure of worst-case scenarios for reduction in the risk of accidental releases.

I expect the administration will find that the preparation in dissemination of these worst-case scenarios benefits the public in several ways. The public will be better prepared for accidental releases of extremely hazardous substances. The facilities that utilize these substances will manage them responsibly and the workers at these facilities will be able to engage in a productive dialogue with their employers about the use and management of these substances.

I know a number of responsible companies already have convened public meetings to share this worst case scenario information with emergency responders and other citizens in the communities that may be affected by the release of these substances.

To that end, I support the provisions of this bill that would require the facilities to submit worst-case scenarios to conduct an informational meeting in their communities during the moratorium period.

As well, it is my expectation that the regulations developed by the administration in the coming year will recognize the importance of community right to know. A citizen should be able to obtain worst case scenario information for all facilities that could affect her community or his community. With accurate information about chemical facilities in hand, neighbors, workers, local leaders, researchers and emergency response personnel can work with the owners and the managers of chemical facilities to build safer communities for everyone.

Mr. GREEN of Texas. Mr. Speaker, on June 17, with the support of every Democratic Member of the Commerce Health and Environment Subcommittee, I introduced H.R. 2257, the Chemical Security Act of 1999. This bill represented a consensus among Subcommittee Democrats that I believe would have recognized and respected the Right-to-Know laws while shielding chemical facilities and their employees from potential terrorist attacks.

However, after weeks of negotiations with our Republican colleagues, I believe the legislation before us today achieves the same goal and is worthy of all our support.

Most importantly, the House-amended version of S. 880 would preserve the intent of the Clean Air Act Amendments of 1990 by requiring public meetings to inform citizens who would be impacted by off-site worst case scenarios at each covered facility. These meetings, which will take place during the moratorium on information disclosure, will provide every interested resident with the relevant information about the potential dangers in their community.

It is our intent and hope that these meetings will not only include facility representatives, as required by the Act, but also local emergency planning responders who are most qualified to answer questions about safety and security as well as how to react to an accidental off-site chemical release. By bringing different community representatives together to discuss the off-site consequences of a worst case scenario, we maximize the probability that the damage caused by such an event will be minimized for the facility, its employees, and especially the surrounding community.

It is also our intent that the Administration will develop regulations that recognizes every individual's fundamental right to the Off-Site Consequence Analysis (OCA) information affecting their community—including their home, office and children's school. I have not heard any justifiable reason, based on either policy or security, that would allow this information to be compiled by the government but prevent citizens from receiving the OCA data impacting their own community. The widespread public release of public information is being delayed to give the Administration some time to determine how, not if, this information can be distributed safely to the people impacted by worst-case scenarios.

I am also supporting this legislation because it includes the appropriate and necessary site security studies to be completed by the Attorney General. If we agree that the legislation is necessary because of potential risks to site security, than we have a responsibility to aggressively investigate these concerns. With the results of this study, the Administration and Congress will have the necessary tools to base future decisions on site security on substantive and complete information. The results can also be used by the facilities to improve their internal safety procedures to minimize risk to the facility and its employees.

Again, I want to express my appreciation to the Chairmen and Ranking Members of both the full Commerce Committee and Health and Environment Subcommittee for working so hard to develop this consensus bill in a truly bipartisan manner.

Mr. DINGELL. Mr. Speaker, since the Senate passed this bill on June 23rd, Members of our Committee and staff have expended considerable effort to address several problematic issues presented by the Senate-passed version. I commend my colleagues, Mr. GREEN, Mr. WAXMAN, and Mr. BROWN, as well as Mr. BLILEY and Mr. BILIRAKIS for their diligent efforts to make the necessary revisions to this bill in an expeditious and cooperative manner.

This bill amends section 112 of the Clean Air Act, entitled "Prevention of Accidental Releases." To achieve this purpose, the facilities that handle threshold amounts of extremely

hazardous substances are required to implement risk management plans to detect and prevent or minimize accidental releases. An integral part of these plans is the evaluation of worst case accidental releases—also called the worst case scenario.

There is no question that the drafters of the Clean Air Act in 1990 required these risk management plans, as well as the worst case scenarios, be made available to the public on equal footing with emergency responders and other recipients. We may never have anticipated the complex issues posed by impending popularity of the Internet, but we certainly knew the inherent risk of a free and open society. We struck this balance in 1990, but today the national security agencies have urged us to consider that balance once again. I believe we have done so in an appropriate fashion in this bill, although I would not deem this bill perfect by any means.

I remain concerned about the imposition of any penalties, particularly criminal penalties, on the state and local officials who are the statutory recipients of the worst case scenario information. These are the very people we trust to respond in the unlikely event of tragedy, whether caused by accident or criminal act. I would not want to discourage these much-needed individuals from volunteering to serve on local emergency planning committees or emergency response teams, nor would I want to discourage them from obtaining and using this information for its intended purpose. It is not these people, who are performing their official duties, whom we intend to deter or punish. The House amendment to S. 880 improves the Senate product markedly. But by imposing criminal fines for willful violations of the Act or the yet to be promulgated regulations, we nevertheless will punish a local official for sharing this information by electronic means with his constituent, even if the information is related only to a facility in his own neighborhood. I do not believe that such sharing of information, by the very official the community relies upon to inform them, should be deemed a criminal act.

This bill makes clear, however, that state and local officials may summarize the information or discuss the information with constituents or with other local officials. As our only concern is that a national, searchable database of worst case scenario information should not be readily compiled, it is sound policy to freely allow any use of this information, such as discussion of the information or distribution of the information in any other format that avoids compilation of a national database.

We require that the President promulgate regulations that will govern the dissemination of worst case scenario information. As this requires an assessment and balancing of the national security against the public's need to be informed of hazards associated with extremely dangerous substances, I prefer that Congress perform that assessment. However, I believe that we have given clear direction in this bill to the President that he must follow in promulgating the regulations. The bill guarantees that the public will obtain the information, without geographical restriction. Although the President will decide on whether and how to limit the number of requests for this information that an individual may make, I believe that

any person should be able to obtain all worst case scenario information on any facility that may affect his or her community.

Further, I would like to clarify the intent of the provisions pertaining to the preservation of state laws. This bill plainly provides that if a state, under an existing law or a law yet to be enacted, were to require the submission of similar or even identical information about chemical releases, no federal restrictions would apply to its distribution. I believe it is sound policy that we allow the state legislatures to strike the appropriate balance between security concerns and the value of this information to the public, as we have attempted to do on the federal level.

I urge my colleagues to support this bill.

Mr. BLILEY. Mr. Speaker, I rise in support of S. 880, the Chemical Safety Information, Site Security and Fuels Regulatory Relief Act. This bipartisan measure proves what I have said all along: that communities can have access to information on chemical facilities in a manner that does not pose a threat to national security.

By way of background, in the Clean Air Act Amendments of 1990, Congress required tens of thousands of facilities to submit chemical accident prevention plans to the Environmental Protection Agency that ultimately would be made available to the public. Back then, Congress and the American people surely never imagined that the EPA would ever propose posting all of this information—including human injury estimates of a worst-case release from chemical facilities—on the Internet in a worldwide electronic database, easily searchable from Boston to Baghdad, from Los Angeles to Libya. But that is exactly what the EPA proposed to do some two years ago.

At that time, the FBI and other law enforcement groups told EPA that the worst-case scenario database should not be available on the Internet because it could be used as a targeting tool by terrorists. Yet EPA still went forward with its plan to put the national database of worst-case scenarios on the Internet. It was only last Fall that, in response to the security concerns raised by the FBI, CIA, the Commerce Committee and others, that EPA abandoned its original, reckless plan to put the worst-case scenario data at every terrorists' fingertips by posting it on EPA's own Internet website.

While this was a good first step, EPA did not have a plan to protect third parties from obtaining the national electronic database of worst-case scenarios from EPA and then posting this database on the Internet. In fact, as EPA admitted in hearings before the Commerce Committee, EPA is now powerless to protect the entire national electronic database of worst-case scenarios from a simple Freedom of Information Act Request. Such requests have been filed with EPA after the agency received the worst-case scenarios on June 21, 1999.

Last February, EPA said that it would quickly solve this problem. Months later, the Administration on May 7th sent a bill to Congress. I introduced that bill by request as H.R. 1790. It was also introduced in the Senate as S. 880. It was soon clear, however, that the Administration had not conducted sufficient public outreach on its proposal, and that the Administration's bill required significant fine tuning.

The Committee asked the Administration to perform this fine tuning, and to that end Commerce Committee staff conducted a number of extensive meetings with Administration officials. Unfortunately, the Administration never supplied us with any suggested changes to H.R. 1790.

However, Congress has acted where the Administration has not. Recently, the Senate's version of the Administration bill, S. 880, was amended in a bipartisan fashion to address these problems. The amended S. 880 passed the Senate by unanimous consent. In a similar bipartisan fashion, a group of Commerce Committee members have developed an amendment to S. 880 that makes further perfecting changes. That amendment is before the House today.

This careful, compromise bill provides a temporary moratorium ensuring that the worst-case scenario information will be managed responsibly during the period in which the Administration develops—through public comment—a permanent distribution system. S. 880 requires that the distribution system be balanced to achieve both an informed local community and protection of national security. It is important to note that, even during this temporary moratorium period, local emergency responders such as fire fighters, police, and hospitals will have full access to the data.

Furthermore, during the moratorium, chemical facilities must conduct a one-time public outreach meeting to ensure that the community will have a point of contact. The meeting provision contains an alternative compliance mechanism for small businesses that takes into account the limited resources of these important enterprises.

Additionally, S. 880 provides that Attorney General will conduct a study of the threat of criminal and terrorist activity against these chemical facilities, and will report her findings on these matters to Congress. The bill also provides that EPA will provide technical assistance to industries that participate in voluntary industry standards to reduce the risk of terrorist activity.

S. 880 also makes an adjustment to the scope of EPA's Risk Management Program regulations. The bill recognizes that the use as a fuel of certain non-toxic flammable substances such as propane is adequately regulated under state and local law. Accordingly, S. 880 provides that non-toxic fuels like propane are not within section 112(r) of the Clean Air Act when used or sold as a fuel.

In addition to my remarks today, I have included a joint statement that discusses in greater detail the elements of S. 880 as amended by the House.

In closing, the amended, S. 880 will protect the public by providing information to communities and by ensuring that methods used to manage this information do not jeopardize national security. As amended, the bill is a bipartisan measure that is reasonable and balanced.

S. 880 shows what Congress can do when it works together to solve an important national policy issue. I ask that you vote in favor of S. 880 to provide an effective solution to the worst-case scenario problem, as Congress has been asked to do by groups such as the



Fraternal Order of Police, the International Association of Fire Chiefs, the International Association of Chiefs of Police, and the National Volunteer Fire Council. Congress must act quickly to resolve this issue, and S. 880 gives us that opportunity. Accordingly, I urge that the House vote to approve S. 880, as amended.

Finally, I wish to thank our colleagues from the minority for their good faith efforts that have yielded this bipartisan legislation. I also wish to thank Chairman HYDE and Chairman BURTON for their cooperation in consideration of this bill, and have included for the RECORD exchanges of correspondence between committees of jurisdiction.

JOINT STATEMENT OF CHAIRMAN TOM BLILEY, RANKING MEMBER JOHN D. DINGELL, SUBCOMMITTEE CHAIRMAN MICHAEL BILIRAKIS AND SUBCOMMITTEE RANKING MEMBER SHERROD BROWN CONCERNING S. 880, AS APPROVED BY THE HOUSE OF REPRESENTATIVES

The House of Representatives has made certain changes to S. 880 as approved by the Senate. These changes both revise and clarify provisions of S. 880 as approved by the Senate, as well as add statutory provisions to that measure.

As approved by the House, Section 1 provides that the Act may be cited as "The Chemical Safety Information, Site Security and Fuels Regulatory Relief Act." This title reflects the fact that the Act both clarifies the application of the section 112(r) of the Clean Air Act to flammable substances as well as addresses the dissemination of offsite consequence analysis information and provides for a review of site security and public meetings with respect to covered facilities.

Section 2 of the Act provides that flammable substances, when used as fuel or held for sale at retail facilities, shall not be listed under Section 112(r)(4) of the Clean Air Act solely because of the explosive or flammable properties of the substance absent certain identified conditions. This section makes it clear that end users and retailers of propane which meet the definition provided in the Act will not be required to file risk management plans under section 112(r)(7) of the Clean Air Act.

Section 3 of the Act adds a new subparagraph (H) to paragraph 112(r)(7) of the Clean Air Act. This new subparagraph provides that off-site consequence analysis information, and any ranking of stationary sources derived from that information, shall not be available under the Freedom of Information Act for a one-year period. During this one-year period, the President is required to complete an assessment of certain risks and incentives with respect to offsite consequence analysis information and, based on this assessment, to promulgate regulations governing the distribution of this information. These regulations are subject to certain identified minimum criteria. Section 3 also provides that off-site consequence analysis information shall not be available under State or local law, except where States make available certain data collected in accordance with State law.

Within one year after the date of enactment, Section 3 additionally provides that the Administrator of the Environmental Protection Agency (EPA) shall make off-site consequence analysis information available to covered persons for official use and provide notice of restrictions and penalties for further dissemination of this information. During this period, the Administrator of EPA is also required to make offsite con-

sequence analysis information available to the public in a form that does not contain information on the identity or location of stationary sources and to qualified researchers, subject to certain limitations. The Administrator must also establish an information technology system that provides for public availability in a "read only" format.

Section 3 is intended to address the concerns of the Department of Justice and the Administration, as well as private commentators, that Internet posting of a database of worst case scenario information required of certain facilities under subsection 112(r) of the Clean Air Act could pose a danger to national security and to people who live around such facilities. We also recognize that subsection 112(r) requires that risk management plans shall be available to the public, and that the objective of EPA's risk management program is to prevent accidental releases of regulated substances and to minimize the consequences of any such releases.

The rulemaking required under Section 3 needs to consider and reach an appropriate balance between both public policy priorities. Accordingly, we require that the President perform two separate assessments: (1) an assessment of the increased risk of terrorist and other criminal activity associated with the Internet posting of off-site consequence analysis information, and (2) an assessment of the incentives created by public disclosure of off-site consequence analysis information for reduction in the risk of accidental releases. We intend that the President create written documentation of the two assessments. We also intend that this written documentation, and all information and data that the President utilizes in preparation of the assessments (except for information that will pose a threat to national security), be a part of the administrative record associated with the regulations required under Section 3.

Under new subclause (H)(ii)(II) of the Clean Air Act established by this Act, the regulations promulgated under the authority of Section 3 must meet several minimum criteria. One of these criteria is contained in (H)(ii)(II)(aa) which ensures that any member of the public can obtain a limited number of paper copies of off-site consequence analysis information for facilities whether or not they are located in his or her own community.

We note that other provisions contained in Section 3 of this Act also seek to ensure that citizens will enjoy effective public access to off-site consequence analysis information in their communities and elsewhere. In specific, as referenced above, (H)(ii)(II)(bb) establishes criteria which allows other public access to off-site consequence analysis information as appropriate and clause (H)(viii) requires the Administrator of the Environmental Protection Agency to establish a "read only" technology system to provide for the public availability of off-site consequence analysis. We believe that these provisions will work together with (H)(ii)(II)(aa) to allow effective public access to offsite consequence analysis information, while ensuring that risks associated with Internet posting of off-site consequence analysis information are assessed and minimized in the regulations promulgated under subclause (H)(ii)(II).

Section 3 of the Act further requires that the Attorney General, after consultation, shall submit a report to Congress regarding the extent to which regulations promulgated under the Act have resulted in effective ac-

tions to detect, prevent and minimize the consequences of releases caused by criminal activity. As part of this report, the Attorney General must also review the vulnerability of covered stationary sources to criminal and terrorist activity, current industry practices regarding site security and the security of transportation of regulated substances. An interim report is due 12 months after the date of enactment.

Section 4 of the Act requires each owner or operator of a stationary source covered by clause 112(r)(7)(B)(ii) of the Clean Air Act to convene a public meeting in order to describe and discuss the local implications of risk management plans. Certain small businesses of less than 100 employees may, in lieu of a public meeting, publicly post a summary of the off-site consequence analysis information. The one-time meeting requirement in Section 5 reflects the temporary circumstances that are presented by the one year moratorium on the widespread distribution of off-site consequence analysis information.

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES, COM-  
MITTEE ON THE JUDICIARY,

Washington, DC, July 21, 1999.

Hon. TOM BLILEY,  
Chairman, Committee on Commerce, U.S. House  
of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to you concerning the bill S. 880, the Chemical Safety Information, Site Security, and Fuels Regulatory Relief Act.

It is my understanding that your committee wishes to proceed immediately to the floor with this bill in an amended form which contain language inspections 3 and 4 which fall within the Rule X jurisdiction of this committee. Specifically, the amended bill would create new duties for the Attorney General and the Director of the Federal Bureau of Investigation.

Due to the pressure of time, I am willing to forgo this committee's right to referral of this bill in order to comply with the leadership's desire to proceed expeditiously. However, this action in no way waives our jurisdictional rights with regard to the subject matter contained in the bill. Furthermore, we retain our right to request conferees on this legislation should a House-Senate conference occur. I would appreciate your placing this exchange of correspondence in the Congressional Record when the legislation is considered by the House.

Thank you for working with me on this matter.

Sincerely,

HENRY J. HYDE.

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON COMMERCE,  
Washington, DC, July 21, 1999.

Hon. HENRY HYDE,  
Chairman, Committee on the Judiciary, U.S.  
House of Representatives, Washington, DC.

DEAR HENRY: Thank you for your letter regarding your Committee's jurisdictional interest in S. 880, the Chemical Safety Information, Site Security, and Fuels Regulatory Relief Act.

I acknowledge your committee's jurisdiction over sections 3 and 4 of this legislation, as amended by the House, and appreciate your cooperation in moving the bill to the House floor expeditiously. I agree that your decision to forgo further action on the bill will not prejudice the Judiciary Committee with respect to its jurisdictional prerogatives on this or similar provisions, and recognize your right to request conferees on

those provisions within the Committee on the Judiciary's jurisdiction should they be the subject of a House-Senate conference. I will also include a copy of your letter and this response in the Congressional Record when the legislation is considered by the House.

Thank you again for your cooperation.

Sincerely,

TOM BILLEY,  
Chairman.

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES, COM-  
MITTEE ON GOVERNMENT REFORM,  
Washington, DC, July 21, 1999.

Hon. J. DENNIS HASTERT,  
The Speaker, Washington, DC.

DEAR MR. SPEAKER: In the interest of expediting floor consideration of S. 880, the Fuels Regulatory Relief Act, the Committee on Government Reform does not intend to exercise its jurisdiction over this bill.

As you know, House Rule X, Organization of Committees, grants the Government Reform Committee with jurisdiction over government management and accounting matters generally. In the interest of moving expeditiously on S. 880, the Committee on Government Reform has decided not to assert its jurisdiction over the bill. This action is not designed to limit our jurisdiction over any future consideration of these issues.

Thank you for your dedication and hard work on this issue. I look forward to working with you on this and other issues throughout the 106th Congress.

Sincerely,

DAN BURTON,  
Chairman.

Mr. BILIRAKIS. Mr. Speaker, I rise in support of the bipartisan agreement on S. 880, the Chemical Site Information, Site Security and Fuels Regulatory Relief Act.

As you know, this legislation is the product of hard work and good faith compromise between the majority and the minority members of the House Commerce Committee. The legislation recognizes that there are complex public policy issues to be resolved concerning the dissemination of "worst case scenario" data for chemical and industrial facilities. Thus, the legislation seeks to resolve these issues in a straightforward manner: first, by imposing a one-year moratorium on the release of such information, and second, by requiring the President to assess security risks and the incentives created by public disclosure and then to promulgate regulations based on specified criteria.

During hearings held by the Health and Environment Subcommittee, we learned that security experts inside and outside of the Administration had concerns that widespread dissemination of worst-case scenario data could provide a "roadmap for terrorists." An estimated 35,000 facilities nationwide may eventually file such data with the Environmental Protection Agency (EPA). This data, especially if manipulated in an electronic format, could provide for a ranking of potential targets and a means to select targets of opportunity.

The bipartisan compromise requires additional review of this threat, which balancing such risks against the incentives created by public disclosure of off-site consequence analysis information. Regulations must be based on this analysis and provide for public access to a limited number of paper copies of off-site

consequence analysis information and other public access as appropriate. Additionally, qualified researchers may obtain access to this information and the Attorney General must establish a "read only" technology information system to provide further public access.

Under the bipartisan agreement, facilities which are subject to the requirement to file off-site consequence analysis information are also required to inform surrounding communities of the local implications of the risk management plans through public meetings. Small businesses may fulfill this requirement through a public posting of such information, but altogether, it is clear that public outreach concerning risks to the surrounding community must occur. Under separate provisions of the legislation, the Attorney General is to further a review of the vulnerability of covered stationary sources to criminal and terrorist activity, practices concerning site security and transportation security. The Attorney General must then report back to Congress on these matters within 3 years.

The legislation also provides an exemption for certain retail facilities which sell flammable substances used as a fuel. This exemption recognizes that such facilities are regulated under state and local laws and codes and that section 112(r) of the Clean Air Act was designed to address accidental releases of toxic substances, not fuels which are subject to a myriad of other requirements and industry procedures.

Thus, it is clear that this legislation is fundamentally about protecting the public. Rather than cross our fingers and hope that nothing will happen if detailed off-site information on 35,000 facilities was released, our agreement asks for a cold-eye assessment and public rulemaking. During this process, all points of view on access to off-site information will have the opportunity to be heard. Yet, at the same time, we will not take the precipitous and irreversible step of releasing all information without a thorough assessment of the damage to national security and local communities that could occur.

Altogether then, the revisions we have made to S. 880 are prudent, reasonable and balanced. They are based on our committee's hearing record and consultations with the Administration. They protect the public without unduly burdening the flow of information in our free society. And they promote a deliberate process to resolve outstanding issues, instead of a quick legislative fix.

I want to thank my colleagues from the other side of the aisle for the free and frank exchanges which have occurred in reaching agreement on this important legislation. I urge my colleagues to support this agreement and vote to approve S. 880, as amended.

Mr. BROWN of Ohio. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 880

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Fuels Regulatory Relief Act".

#### SEC. 2. FINDINGS.

Congress finds that, because of their low toxicity and because they are regulated sufficiently under other programs, flammable fuels, such as propane, should not be included on the list of substances subject to the risk management plan program under section 112(r) of the Clean Air Act (42 U.S.C. 7412(r)).

#### SEC. 3. REMOVAL OF FLAMMABLE FUELS FROM RISK MANAGEMENT LIST.

Section 112(r)(4) of the Clean Air Act (42 U.S.C. 7412(r)(4)) is amended—

(1) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and indenting appropriately;

(2) by striking "Administrator shall consider each of the following criteria—" and inserting the following: "Administrator—

"(A) shall consider—";

(3) in subparagraph (A)(iii) (as designated by paragraphs (1) and (2)), by striking the period at the end and inserting "; and"; and

(4) by adding at the end the following:

"(B) shall not list a flammable substance when used as a fuel or held for sale as a fuel under this subsection solely because of the explosive or flammable properties of the substance, unless a fire or explosion caused by the substance will result in acute adverse health effects from human exposure to the substance, including the unburned fuel or its combustion byproducts, other than those caused by the heat of the fire or impact of the explosion.".

#### SEC. 4. PUBLIC ACCESS TO OFF-SITE CONSEQUENCE ANALYSIS INFORMATION.

(a) IN GENERAL.—Section 112(r)(7) of the Clean Air Act (42 U.S.C. 7412(r)(7)) is amended by adding at the end the following:

"(H) PUBLIC ACCESS TO OFF-SITE CONSEQUENCE ANALYSIS INFORMATION.—

"(i) DEFINITIONS.—In this subparagraph:

"(I) COVERED PERSON.—The term 'covered person' means—

"(aa) an officer or employee of the United States;

"(bb) an officer or employee of an agent or contractor of the Federal Government;

"(cc) an officer or employee of a State or local government;

"(dd) an officer or employee of an agent or contractor of a State or local government;

"(ee) an individual affiliated with an entity that has been given, by a State or local government, responsibility for preventing, planning for, or responding to accidental releases and criminal releases;

"(ff) an officer or employee or an agent or contractor of an entity described in item (ee); and

"(gg) a qualified researcher under clause (vii).

"(II) CRIMINAL RELEASE.—The term 'criminal release' means an emission of a regulated substance into the ambient air from a stationary source that is caused, in whole or in part, by a criminal act.

"(III) OFFICIAL USE.—The term 'official use' means an action of a Federal, State, or local government agency or an entity referred to in subclause (I)(ee) intended to carry out a function relevant to preventing, planning for, or responding to accidental releases or criminal releases.

"(IV) OFF-SITE CONSEQUENCE ANALYSIS INFORMATION.—The term 'off-site consequence analysis information' means those portions of a risk management plan, excluding the executive summary of the plan, consisting of

an evaluation of 1 or more worst-case scenario or alternative scenario accidental releases, and any electronic data base created by the Administrator from those portions.

“(V) RISK MANAGEMENT PLAN.—The term ‘risk management plan’ means a risk management plan submitted to the Administrator by an owner or operator of a stationary source under subparagraph (B).

“(ii) REGULATIONS.—Not later than 1 year after the date of enactment of this subparagraph, the President shall—

“(I) assess—

“(aa) the increased risk of terrorist and other criminal activity associated with the posting of off-site consequence analysis information on the Internet; and

“(bb) the incentives created by public disclosure of off-site consequence analysis information for reduction in the risk of accidental releases and criminal releases; and

“(II) based on the assessment under subparagraph (I), promulgate regulations governing the distribution of off-site consequence analysis information in a manner that, in the opinion of the President, minimizes the likelihood of accidental releases and criminal releases and the likelihood of harm to public health and welfare, and—

“(aa) allows access by any member of the public to paper copies of off-site consequence analysis information for a limited number of stationary sources located anywhere in the United States;

“(bb) allows other public access to off-site consequence analysis information as appropriate;

“(cc) allows access for official use by a covered person described in any of items (cc) through (ff) of clause (i)(I) (referred to in this subclause as a ‘State or local covered person’) to off-site consequence analysis information relating to stationary sources located in the person’s State;

“(dd) allows a State or local covered person to provide, for official use, off-site consequence analysis information relating to stationary sources located in the person’s State to a State or local covered person in a contiguous State; and

“(ee) allows a State or local covered person to obtain for official use, by request to the Administrator, off-site consequence analysis information that is not available to the person under item (cc).

“(iii) AVAILABILITY UNDER FREEDOM OF INFORMATION ACT.—

“(I) FIRST YEAR.—Off-site consequence analysis information, and any ranking of stationary sources derived from the information, shall not be made available under section 552 of title 5, United States Code, during the 1-year period beginning on the date of enactment of this subparagraph.

“(II) AFTER FIRST YEAR.—If the regulations under clause (ii) are promulgated on or before the end of the period described in subparagraph (I), off-site consequence analysis information covered by the regulations, and any ranking of stationary sources derived from the information, shall not be made available under section 552 of title 5, United States Code, after the end of that period.

“(III) APPLICABILITY.—Subclauses (I) and (II) apply to off-site consequence analysis information submitted to the Administrator before, on, or after the date of enactment of this subparagraph.

“(iv) AVAILABILITY OF INFORMATION DURING TRANSITION PERIOD.—The Administrator shall make off-site consequence analysis information available to covered persons for official use in a manner that meets the requirements of items (cc) through (ee) of clause (ii)(II),

and to the public in a form that does not make available any information concerning the identity or location of stationary sources, during the period—

“(I) beginning on the date of enactment of this subparagraph; and

“(II) ending on the earlier of the date of promulgation of the regulations under clause (ii) or the date that is 1 year after the date of enactment of this subparagraph.

“(v) PROHIBITION ON UNAUTHORIZED DISCLOSURE OF INFORMATION BY COVERED PERSONS.—

“(I) IN GENERAL.—Beginning on the date of enactment of this subparagraph, a covered person shall not disclose to the public off-site consequence analysis information in any form, or any statewide or national ranking of identified stationary sources derived from such information, except as authorized by this subparagraph (including the regulations promulgated under clause (ii)). After the end of the 1-year period beginning on the date of enactment of this subparagraph, if regulations have not been promulgated under clause (ii), the preceding sentence shall not apply.

“(II) CRIMINAL PENALTIES.—

“(aa) KNOWING VIOLATIONS.—A covered person that knowingly violates a restriction or prohibition established by this subparagraph (including the regulations promulgated under clause (ii)) shall be fined not more than \$5,000 for each unauthorized disclosure of off-site consequence analysis information. The disclosure of off-site consequence analysis information for each specific stationary source shall be considered a separate offense. Section 3571 of title 18, United States Code, shall not apply to an offense under this item. The total of all penalties that may be imposed on a single person or organization under this item shall not exceed \$100,000 for violations committed during any 1 calendar year.

“(bb) WILLFUL VIOLATIONS.—A covered person that willfully violates a restriction or prohibition established by this subparagraph (including the regulations promulgated under clause (ii)) shall be fined under section 3571 of title 18, United States Code, for each unauthorized disclosure of off-site consequence analysis information, but shall not be subject to imprisonment. The total of all penalties that may be imposed on a single person or organization under this item shall not exceed \$1,000,000 for violations committed during any 1 calendar year.

“(III) APPLICABILITY.—If the owner or operator of a stationary source makes off-site consequence analysis information relating to that stationary source available to the public without restriction—

“(aa) subclauses (I) and (II) shall not apply with respect to the information; and

“(bb) the owner or operator shall notify the Administrator of the public availability of the information.

“(IV) LIST.—The Administrator shall maintain and make publicly available a list of all stationary sources that have provided notification under subclause (III)(bb).

“(vi) GUIDANCE.—

“(I) ISSUANCE.—Not later than 60 days after the date of enactment of this subparagraph, the Administrator, after consultation with the Attorney General and the States, shall issue guidance that describes official uses of off-site consequence analysis information in a manner consistent with the restrictions in items (cc) through (ee) of clause (ii)(II).

“(II) RELATIONSHIP TO REGULATIONS.—The guidance describing official uses shall be modified, as appropriate, consistent with the regulations promulgated under clause (ii).

“(III) DISTRIBUTION.—The Administrator shall transmit a copy of the guidance describing official uses to—

“(aa) each covered person to which off-site consequence analysis information is made available under clause (iv); and

“(bb) each covered person to which off-site consequence analysis information is made available for an official use under the regulations promulgated under clause (ii).

“(vii) QUALIFIED RESEARCHERS.—

“(I) IN GENERAL.—Not later than 180 days after the date of enactment of this subparagraph, the Administrator, in consultation with the Attorney General, shall develop and implement a system for providing off-site consequence analysis information, including facility identification, to any qualified researcher, including a qualified researcher from industry or any public interest group.

“(II) LIMITATION ON DISSEMINATION.—The system shall not allow the researcher to disseminate, or make available on the Internet, the off-site consequence analysis information, or any portion of the off-site consequence analysis information, received under this clause.

“(viii) READ-ONLY INFORMATION TECHNOLOGY SYSTEM.—In consultation with the Attorney General and the heads of other appropriate Federal agencies, the Administrator shall establish an information technology system that provides for the availability to the public of off-site consequence analysis information by means of a central data base under the control of the Federal Government that contains information that users may read, but that provides no means by which an electronic or mechanical copy of the information may be made.

“(ix) VOLUNTARY INDUSTRY ACCIDENT PREVENTION STANDARDS.—The Environmental Protection Agency, the Department of Justice, and other appropriate agencies may provide technical assistance to owners and operators of stationary sources and participate in the development of voluntary industry standards that will help achieve the objectives set forth in paragraph (1).

“(x) EFFECT ON STATE OR LOCAL LAW.—

“(I) IN GENERAL.—Subject to subclause (II), this subparagraph (including the regulations promulgated under this subparagraph) shall supersede any provision of State or local law that is inconsistent with this subparagraph (including the regulations).

“(II) AVAILABILITY OF INFORMATION UNDER STATE LAW.—Nothing in this subparagraph precludes a State from making available data on the off-site consequences of chemical releases collected in accordance with State law.

“(xi) REPORT ON ACHIEVEMENT OF OBJECTIVES.—

“(I) IN GENERAL.—Not later than 3 years after the date of enactment of this subparagraph, the Comptroller General shall submit to Congress a report that describes the extent to which the regulations promulgated under this paragraph have resulted in actions, including the design and maintenance of safe facilities, that are effective in detecting, preventing, and minimizing the consequences of releases of regulated substances that may be caused by criminal activity.

“(II) INTERIM REPORT.—Not later than 270 days after the date of enactment of this subparagraph, the Comptroller General shall submit to Congress an interim report that includes, at a minimum—

“(aa) the preliminary findings under subclause (I);

“(bb) the methods used to develop those findings; and

“(cc) an explanation of the activities expected to occur that could cause the findings of the report under subclause (I) to be different from the preliminary findings.

“(xii) SCOPE.—This subparagraph—

“(I) applies only to covered persons; and

“(II) does not restrict the dissemination of off-site consequence analysis information by any covered person in any manner or form except in the form of a risk management plan or an electronic data base created by the Administrator from off-site consequence analysis information.

“(xiii) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Administrator and the Attorney General such sums as are necessary to carry out this subparagraph (including the regulations promulgated under clause (ii)), to remain available until expended.”.

(b) REPORTS.—

(1) DEFINITION OF ACCIDENTAL RELEASE.—In this subsection, the term “accidental release” has the meaning given the term in section 112(r)(2) of the Clean Air Act (42 U.S.C. 7412(r)(2)).

(2) REPORT ON STATUS OF CERTAIN AMENDMENTS.—Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the status of the development of amendments to the National Fire Protection Association Code for Liquefied Petroleum Gas that will result in the provision of information to local emergency response personnel concerning the off-site effects of accidental releases of substances exempted from listing under section 112(r)(4)(B) of the Clean Air Act (as added by section 3).

(3) REPORT ON COMPLIANCE WITH CERTAIN INFORMATION SUBMISSION REQUIREMENTS.—Not later than 3 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report that—

(A) describes the level of compliance with Federal and State requirements relating to the submission to local emergency response personnel of information intended to help the local emergency response personnel respond to chemical accidents or related environmental or public health threats; and

(B) contains an analysis of the adequacy of the information required to be submitted and the efficacy of the methods for delivering the information to local emergency response personnel.

(c) TERMINATION OF AUTHORITY.—The authority provided by this section and the amendment made by this section terminates 6 years after the date of enactment of this Act.

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
OFFERED BY MR. BLUNT

Mr. BLUNT. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. BLUNT:

Strike all after the enacting clause and insert the following:

#### SECTION 1. SHORT TITLE.

This Act may be cited as the “Chemical Safety Information, Site Security and Fuels Regulatory Relief Act”.

#### SEC. 2. REMOVAL OF PROPANE SOLD BY RETAILERS AND OTHER FLAMMABLE FUELS FROM RISK MANAGEMENT LIST.

Section 112(r) of the Clean Air Act (42 U.S.C. 7412(r)) is amended—

(1) by redesignating subparagraphs (A) through (C) of paragraph (4) as clauses (i)

through (iii), respectively, and indenting appropriately;

(2) by striking in paragraph (4) “Administrator shall consider each of the following criteria—” and inserting the following: “Administrator—

“(A) shall consider—”;

(3) in subparagraph (A)(iii) (as designated by paragraphs (1) and (2)), of paragraph (4) by striking the period at the end and inserting “; and”;

(4) by adding at the end of paragraph (4) the following:

“(B) shall not list a flammable substance when used as a fuel or held for sale as a fuel at a retail facility under this subsection solely because of the explosive or flammable properties of the substance, unless a fire or explosion caused by the substance will result in acute adverse health effects from human exposure to the substance, including the unburned fuel or its combustion byproducts, other than those caused by the heat of the fire or impact of the explosion.”; and

(5) by inserting the following new subparagraph at the end of paragraph (2):

“(D) The term ‘retail facility’ means a stationary source at which more than one-half of the income is obtained from direct sales to end users or at which more than one-half of the fuel sold, by volume, is sold through a cylinder exchange program.”.

#### SEC. 3. PUBLIC ACCESS TO OFF-SITE CONSEQUENCE ANALYSIS INFORMATION.

(a) IN GENERAL.—Section 112(r)(7) of the Clean Air Act (42 U.S.C. 7412(r)(7)) is amended by adding at the end the following:

“(H) PUBLIC ACCESS TO OFF-SITE CONSEQUENCE ANALYSIS INFORMATION.—

“(i) DEFINITIONS.—In this subparagraph:

“(I) COVERED PERSON.—The term ‘covered person’ means—

“(aa) an officer or employee of the United States;

“(bb) an officer or employee of an agent or contractor of the Federal Government;

“(cc) an officer or employee of a State or local government;

“(dd) an officer or employee of an agent or contractor of a State or local government;

“(ee) an individual affiliated with an entity that has been given, by a State or local government, responsibility for preventing, planning for, or responding to accidental releases;

“(ff) an officer or employee or an agent or contractor of an entity described in item (ee); and

“(gg) a qualified researcher under clause (vii).

“(II) OFFICIAL USE.—The term ‘official use’ means an action of a Federal, State, or local government agency or an entity referred to in subclause (I)(ee) intended to carry out a function relevant to preventing, planning for, or responding to accidental releases.

“(III) OFF-SITE CONSEQUENCE ANALYSIS INFORMATION.—The term ‘off-site consequence analysis information’ means those portions of a risk management plan, excluding the executive summary of the plan, consisting of an evaluation of 1 or more worst-case release scenarios or alternative release scenarios, and any electronic data base created by the Administrator from those portions.

“(IV) RISK MANAGEMENT PLAN.—The term ‘risk management plan’ means a risk management plan submitted to the Administrator by an owner or operator of a stationary source under subparagraph (B)(iii).

“(ii) REGULATIONS.—Not later than 1 year after the date of enactment of this subparagraph, the President shall—

“(I) assess—

“(aa) the increased risk of terrorist and other criminal activity associated with the posting of off-site consequence analysis information on the Internet; and

“(bb) the incentives created by public disclosure of off-site consequence analysis information for reduction in the risk of accidental releases; and

“(II) based on the assessment under subclause (I), promulgate regulations governing the distribution of off-site consequence analysis information in a manner that, in the opinion of the President, minimizes the likelihood of accidental releases and the risk described in subclause (I)(aa) and the likelihood of harm to public health and welfare, and—

“(aa) allows access by any member of the public to paper copies of off-site consequence analysis information for a limited number of stationary sources located anywhere in the United States, without any geographical restriction;

“(bb) allows other public access to off-site consequence analysis information as appropriate;

“(cc) allows access for official use by a covered person described in any of items (cc) through (ff) of clause (i)(I) (referred to in this subclause as a ‘State or local covered person’) to off-site consequence analysis information relating to stationary sources located in the person’s State;

“(dd) allows a State or local covered person to provide, for official use, off-site consequence analysis information relating to stationary sources located in the person’s State to a State or local covered person in a contiguous State; and

“(ee) allows a State or local covered person to obtain for official use, by request to the Administrator, off-site consequence analysis information that is not available to the person under item (cc).

“(iii) AVAILABILITY UNDER FREEDOM OF INFORMATION ACT.—

“(I) FIRST YEAR.—Off-site consequence analysis information, and any ranking of stationary sources derived from the information, shall not be made available under section 552 of title 5, United States Code, during the 1-year period beginning on the date of enactment of this subparagraph.

“(II) AFTER FIRST YEAR.—If the regulations under clause (ii) are promulgated on or before the end of the period described in subclause (I), off-site consequence analysis information covered by the regulations, and any ranking of stationary sources derived from the information, shall not be made available under section 552 of title 5, United States Code, after the end of that period.

“(III) APPLICABILITY.—Subclauses (I) and (II) apply to off-site consequence analysis information submitted to the Administrator before, on, or after the date of enactment of this subparagraph.

“(iv) AVAILABILITY OF INFORMATION DURING TRANSITION PERIOD.—The Administrator shall make off-site consequence analysis information available to covered persons for official use in a manner that meets the requirements of items (cc) through (ee) of clause (ii)(I), and to the public in a form that does not make available any information concerning the identity or location of stationary sources, during the period—

“(I) beginning on the date of enactment of this subparagraph; and

“(II) ending on the earlier of the date of promulgation of the regulations under clause (ii) or the date that is 1 year after the date of enactment of this subparagraph.

“(v) PROHIBITION ON UNAUTHORIZED DISCLOSURE OF INFORMATION BY COVERED PERSONS.—

“(I) IN GENERAL.—Beginning on the date of enactment of this subparagraph, a covered person shall not disclose to the public off-site consequence analysis information in any form, or any statewide or national ranking of identified stationary sources derived from such information, except as authorized by this subparagraph (including the regulations promulgated under clause (ii)). After the end of the 1-year period beginning on the date of enactment of this subparagraph, if regulations have not been promulgated under clause (ii), the preceding sentence shall not apply.

“(II) CRIMINAL PENALTIES.—Notwithstanding section 113, a covered person that willfully violates a restriction or prohibition established by this subparagraph (including the regulations promulgated under clause (ii)) shall, upon conviction, be fined for an infraction under section 3571 of title 18, United States Code, (but shall not be subject to imprisonment) for each unauthorized disclosure of off-site consequence analysis information, except that subsection (d) of such section 3571 shall not apply to a case in which the offense results in pecuniary loss unless the defendant knew that such loss would occur. The disclosure of off-site consequence analysis information for each specific stationary source shall be considered a separate offense. The total of all penalties that may be imposed on a single person or organization under this item shall not exceed \$1,000,000 for violations committed during any 1 calendar year.

“(III) APPLICABILITY.—If the owner or operator of a stationary source makes off-site consequence analysis information relating to that stationary source available to the public without restriction—

“(aa) subclauses (I) and (II) shall not apply with respect to the information; and

“(bb) the owner or operator shall notify the Administrator of the public availability of the information.

“(IV) LIST.—The Administrator shall maintain and make publicly available a list of all stationary sources that have provided notification under subclause (II)(bb).

“(vi) NOTICE.—The Administrator shall provide notice of the definition of official use as provided in clause (i)(III) and examples of actions that would and would not meet that definition, and notice of the restrictions on further dissemination and the penalties established by this Act to each covered person who receives off-site consequence analysis information under clause (iv) and each covered person who receives off-site consequence analysis information for an official use under the regulations promulgated under clause (ii).

“(vii) QUALIFIED RESEARCHERS.—

“(I) IN GENERAL.—Not later than 180 days after the date of enactment of this subparagraph, the Administrator, in consultation with the Attorney General, shall develop and implement a system for providing off-site consequence analysis information, including facility identification, to any qualified researcher, including a qualified researcher from industry or any public interest group.

“(II) LIMITATION ON DISSEMINATION.—The system shall not allow the researcher to disseminate, or make available on the Internet, the off-site consequence analysis information, or any portion of the off-site consequence analysis information, received under this clause.

“(viii) READ-ONLY INFORMATION TECHNOLOGY SYSTEM.—In consultation with the Attorney General and the heads of other appropriate Federal agencies, the Adminis-

trator shall establish an information technology system that provides for the availability to the public of off-site consequence analysis information by means of a central data base under the control of the Federal Government that contains information that users may read, but that provides no means by which an electronic or mechanical copy of the information may be made.

“(ix) VOLUNTARY INDUSTRY ACCIDENT PREVENTION STANDARDS.—The Environmental Protection Agency, the Department of Justice, and other appropriate agencies may provide technical assistance to owners and operators of stationary sources and participate in the development of voluntary industry standards that will help achieve the objectives set forth in paragraph (I).

“(x) EFFECT ON STATE OR LOCAL LAW.—

“(I) IN GENERAL.—Subject to subclause (II), this subparagraph (including the regulations promulgated under this subparagraph) shall supersede any provision of State or local law that is inconsistent with this subparagraph (including the regulations).

“(II) AVAILABILITY OF INFORMATION UNDER STATE LAW.—Nothing in this subparagraph precludes a State from making available data on the off-site consequences of chemical releases collected in accordance with State law.

“(xi) REPORT.—

“(I) IN GENERAL.—Not later than 3 years after the date of enactment of this subparagraph, the Attorney General, in consultation with appropriate State, local, and Federal Government agencies, affected industry, and the public, shall submit to Congress a report that describes the extent to which regulations promulgated under this paragraph have resulted in actions, including the design and maintenance of safe facilities, that are effective in detecting, preventing, and minimizing the consequences of releases of regulated substances that may be caused by criminal activity. As part of this report, the Attorney General, using available data to the extent possible, and a sampling of covered stationary sources selected at the discretion of the Attorney General, and in consultation with appropriate State, local, and Federal governmental agencies, affected industry, and the public, shall review the vulnerability of covered stationary sources to criminal and terrorist activity, current industry practices regarding site security, and security of transportation of regulated substances. The Attorney General shall submit this report, containing the results of the review, together with recommendations, if any, for reducing vulnerability of covered stationary sources to criminal and terrorist activity, to the Committee on Commerce of the United States House of Representatives and the Committee on Environment and Public Works of the United States Senate and other relevant committees of Congress.

“(II) INTERIM REPORT.—Not later than 12 months after the date of enactment of this subparagraph, the Attorney General shall submit to the Committee on Commerce of the United States House of Representatives and the Committee on Environment and Public Works of the United States Senate, and other relevant committees of Congress, an interim report that includes, at a minimum—

“(aa) the preliminary findings under subclause (I);

“(bb) the methods used to develop the findings; and

“(cc) an explanation of the activities expected to occur that could cause the findings of the report under subclause (I) to be different than the preliminary findings.

“(III) AVAILABILITY OF INFORMATION.—Information that is developed by the Attorney General or requested by the Attorney General and received from a covered stationary source for the purpose of conducting the review under subclauses (I) and (II) shall be exempt from disclosure under section 552 of title 5, United States Code, if such information would pose a threat to national security.

“(xii) SCOPE.—This subparagraph—

“(I) applies only to covered persons; and

“(II) does not restrict the dissemination of off-site consequence analysis information by any covered person in any manner or form except in the form of a risk management plan or an electronic data base created by the Administrator from off-site consequence analysis information.

“(xiii) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Administrator and the Attorney General such sums as are necessary to carry out this subparagraph (including the regulations promulgated under clause (ii)), to remain available until expended.”.

(b) REPORTS.—

(1) DEFINITION OF ACCIDENTAL RELEASE.—In this subsection, the term “accidental release” has the meaning given the term in section 112(r)(2) of the Clean Air Act (42 U.S.C. 7412(r)(2)).

(2) REPORT ON STATUS OF CERTAIN AMENDMENTS.—Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the status of the development of amendments to the National Fire Protection Association Code for Liquefied Petroleum Gas that will result in the provision of information to local emergency response personnel concerning the off-site effects of accidental releases of substances exempted from listing under section 112(r)(4)(B) of the Clean Air Act (as added by section 3).

(3) REPORT ON COMPLIANCE WITH CERTAIN INFORMATION SUBMISSION REQUIREMENTS.—Not later than 3 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report that—

(A) describes the level of compliance with Federal and State requirements relating to the submission to local emergency response personnel of information intended to help the local emergency response personnel respond to chemical accidents or related environmental or public health threats; and

(B) contains an analysis of the adequacy of the information required to be submitted and the efficacy of the methods for delivering the information to local emergency response personnel.

(c) REEVALUATION OF REGULATIONS.—The President shall reevaluate the regulations promulgated under this section within 6 years after the enactment of this Act. If the President determines not to modify such regulations, the President shall publish a notice in the Federal Register stating that such reevaluation has been completed and that a determination has been made not to modify the regulations. Such notice shall include an explanation of the basis of such decision.

#### SEC. 4. PUBLIC MEETING DURING MORATORIUM PERIOD.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, each owner or operator of a stationary source covered by section 112(r)(7)(B)(ii) of the Clean Air Act shall convene a public meeting, after reasonable public notice, in order to describe and discuss the local implications of the risk management plan submitted by the stationary source pursuant to section

112(r)(7)(B)(iii) of the Clean Air Act, including a summary of the off-site consequence analysis portion of the plan. Two or more stationary sources may conduct a joint meeting. In lieu of conducting such a meeting, small business stationary sources as defined in section 507(c)(1) of the Clean Air Act may comply with this section by publicly posting a summary of the off-site consequence analysis information for their facility not later than 180 days after the enactment of this Act. Not later than 10 months after the date of enactment of this Act, each such owner or operator shall send a certification to the director of the Federal Bureau of Investigation stating that such meeting has been held, or that such summary has been posted, within 1 year prior to, or within 6 months after, the date of the enactment of this Act. This section shall not apply to sources that employ only Program 1 processes within the meaning of regulations promulgated under section 112(r)(7)(B)(i) of the Clean Air Act.

(b) ENFORCEMENT.—The Administrator of the Environmental Protection Agency may bring an action in the appropriate United States district court against any person who fails or refuses to comply with the requirements of this section, and such court may issue such orders, and take such other actions, as may be necessary to require compliance with such requirements.

Mr. BLUNT (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The amendment in the nature of a substitute was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read:

“A bill to amend the Clean Air Act to remove flammable fuels from the list of substances with respect to which reporting and other activities are required under the risk management plan program and for other purposes.”.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. BLUNT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 880.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

#### PROVIDING FOR CONSIDERATION OF H.R. 2488, FINANCIAL FREEDOM ACT OF 1999

Ms. PRYCE of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 256 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

#### H. RES. 256

*Resolved*, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 2488) to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, to provide marriage penalty relief, to reduce taxes on savings and investments, to provide estate and gift tax relief, to provide incentives for education savings and health care, and for other purposes. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill, modified by the amendments printed in part A of the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) two hours of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) a further amendment in the nature of a substitute printed in part B of the report of the Committee on Rules, if offered by Representative Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentlewoman from Ohio (Ms. PRYCE) is recognized for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to my friend, the gentleman from Massachusetts (Mr. MOAKLEY), the ranking member of the Committee on Rules, pending which I yield myself such time as I may consume. During consideration of the resolution, all time yielded is for the purposes of debate only.

Mr. Speaker, House Resolution 256 is a structured rule that provides for the consideration of H.R. 2488, the Financial Freedom Act. This fair rule provides for 2 hours of general debate, equally divided and controlled by the chairman and ranking member of the Committee on Ways and Means. With the adoption of this rule, the House will amend the bill that was reported by the Committee on Ways and Means.

This amendment, which was printed in part A of the Committee on Rules report, will reduce the size of the bill from \$864 billion to \$792 billion in an effort to comply with the Senate's interpretation of the budget resolution.

To achieve this reduction, the amendment slows the phase-in period for several provisions in the bill, including the 10-percent reduction in income taxes, the repeal of the individual alternative minimum tax, the repeal of the death tax and the reduction of the corporate capital gains tax.

In addition, the small-saver provision, corporate AMT changes, and cer-

tain pension provisions are also modified by the amendment.

More importantly, this rule adds a new title to the Financial Freedom Act that strengthens our commitment to debt reduction. Tax relief and debt reduction are not at odds with one another and achieving both goals simultaneously makes good economic sense.

For years, Republicans fought tooth and nail to achieve the balanced budget we enjoy today. We argued that it was immoral to continue a pattern of deficit spending that adds to our debt and places a burden of higher interest payments on the backs of our children and grandchildren. We stand by those arguments today and will continue to pursue our priority of debt reduction through this legislation.

A vote for this rule will be a vote in favor of reducing our national public debt by \$2 trillion over the next 10 years, and this is not an empty promise. The fact is that we are paying down debt as we speak. The Social Security surplus that we have locked away, which is not currently being used to pay benefits, is reducing our debt now. America's debt is shrinking fast. Debt as a share of our economy is rapidly heading toward its post-World War II low of 23.8 percent. This is compared to just 5 years ago when debt as a share of the economy was above 50 percent.

So we are making significant progress and by voting for this rule we will ensure that we continue down this path of steady debt reduction.

At the conclusion of the debate on the rule, I will seek to amend the rule to further address the issue of debt reduction. My amendment will self-execute a change requiring across-the-board tax relief to take effect only if specific debt reduction targets are met. In addition to these changes, the House will have the opportunity to debate and vote on a minority substitute to be offered by the gentleman from New York (Mr. RANGEL) or his designee.

This amendment, which provides an alternative to the Financial Freedom Act, is printed in part B of the Committee on Rules report and will be debatable for 1 hour. All points of order against the Rangel amendment are waived.

Finally, the minority will have an additional opportunity to change the bill through a motion to recommit with or without instructions.

□ 2230

Mr. Speaker, today is a great day for America. For the first time in decades, the Federal Government is living within its means and actually spending less money than it has received from the taxpayers.

Twenty, 10 or even 5 years ago, who would have thought it possible that the Federal Government could muster the discipline to curb its appetite for



spending, slow the growth of government, and actually have some money left over at the end of the year? Amazing.

But we stand here today to tell the American people that it is true. This year, there will be a total surplus of \$161 billion, and, over 10 years, we expect a surplus of \$2.8 trillion. Even to the government, that is a lot of money.

Let us be clear. We are not just talking about the dollars we have locked away in the Social Security Trust Fund. We are also talking about an on-budget surplus that has not been identified for any specific program or purpose. It is extra money that the government has no plans to spend.

So, today, we say to the American people, we are sorry that we overcharged you. We have enough money to run the government and to meet our obligations. So we are going to give back some of your hard-earned tax dollars. That is what the Financial Freedom Act is all about.

This comprehensive legislation will provide tax relief for all Americans to manage their most important needs at virtually every stage of life. We believe that every taxpayer deserves relief. So the bill provides a 10 percent reduction in taxes across the board.

In addition, the bill includes a number of specific tax relief provisions that will give people greater freedom to fulfill their personal priorities. If one is a student, one will benefit through the expanded education savings accounts and more interest deductions for student loans.

If one is married, one can expect relief from the marriage penalty to the tune of \$250 a year.

If one is a small business owner, one will get an increased deduction for your health care premiums. One will be able to expense more of one's office equipment, and one will escape the extra surcharge on the unemployment taxes that one pays.

If one is planning for retirement, the Financial Freedom Act offers one a stronger pension system, a 100 percent deduction for the purchase of long-term care insurance and capital gains relief.

If one lives in a low-income community, one will see one's neighborhood improved through targeted pro-growth tax initiatives that help start-up businesses, encourage revitalization of buildings, and help poor families save more of their money.

When one dies, one's family business, family farm, or personal savings will no longer suffer a fate of extinction. This bill phases out the destructive death tax.

Mr. Speaker, I could go on and on. I am sure many of my colleagues will discuss the details of these many provisions. But the point is that all taxpayers deserve a share in the rewards of a balanced budget, and this bill

seeks to give back to all American taxpayers what is rightfully theirs, the overpayment they have made to the Federal Government.

Now, Mr. Speaker, some of my colleagues do not share this view. They want to hang on to the taxpayers' money, and they are fighting tax relief with the rhetoric that relies on erroneous claims that we are forsaking our commitment to Social Security and Medicare if we pass this bill. Well, I am pleased to have this opportunity to set the record straight.

The Republican budget plan, along with the Social Security lockbox legislation which the House passed and the President supports will reserve \$1.9 trillion for the Social Security and Medicare programs. That is far more money than we are devoting to tax relief. In fact, \$2 out of every \$3 of the total budget surplus will go to strengthen Social Security and Medicare. Every dime of payroll taxes will be used for these retirement programs, every dime.

So given the facts which demonstrate an honest commitment to the long-term stability of Social Security and Medicare, I have to wonder whether my colleagues' protests are heartfelt or if some other issue is really driving their opposition to this bill.

I know it is hard for some of my colleagues to part with a surplus. But today, Americans are paying a record high 21 percent of GDP in taxes. What is the justification for this financial punishment that we are asking the American people to endure? If we cannot provide tax relief in a time of peace and prosperity when the Federal Government is awash in money and people are being taxed at record rates, then when will the time be right?

I hope I live to see better circumstances, but I believe we have a rare opportunity today to return some money and control back to the individuals who make this Nation strong so that they can make decisions for their families and their futures with the money they have earned.

By giving this money back, we are imposing additional discipline on politicians who will not have the money to spend on bigger government.

Mr. Speaker, we should all be proud of the part we have played in moving our government down a path of fiscal responsibility that has contributed to the economic prosperity our Nation enjoys today.

I hope my colleagues will join me in taking this next step toward creating a limited government that meets its core responsibilities but then gets out of the way so that the people can be free to pursue their personal priorities and seize on the opportunities that will allow them to live their American dream.

I urge my colleagues to support this fair rule so the House can move for-

ward to debate and pass the Financial Freedom Act.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume, and I thank the gentlewoman from Ohio (Ms. PRYCE) for yielding me the customary half hour.

Mr. Speaker, we reported this bill out of Committee on Rules at 12:30 this morning, and we have been on notice since 6 o'clock. In fact, I was clean shaven when I was first given notice that we were going to have this bill on the floor. But I am glad we finally do have the bill on the floor.

Mr. Speaker, next year, our government will make history. Next year, the Federal Government of the United States of America will no longer be running a deficit. Even though we still have a debt, Mr. Speaker, people are already lining up to spend the surplus.

Democrats want to save the surplus to protect Social Security. They want to protect Medicare which will run into trouble starting in the year 2015.

Republicans, as usual, want to raid the Social Security and Medicare trust funds to give the huge breaks to the very rich. A tax break will actually end up putting us back in the red to the tune of about \$3 trillion. Like so many other Republican proposals, it will benefit very few at the expense of very many.

The top 1 percent of American taxpayers, people making an average of \$833,000, will each get a tax cut of \$37,854. But the bottom 60 percent of the American taxpayers, people making an average of \$20,000, will only get an average of \$138.33.

To make matters worse, Mr. Speaker, the Republican plan does not extend the life of either the Medicare or Social Security trust funds one single day. Instead, it uses the entire on-budget surplus for tax breaks for those very wealthy Americans.

Mr. Speaker, this enormous tax break is not without consequences. It will cost nearly \$3 trillion to give a tax break to the rich while Medicare and Social Security crumble before our very eyes.

This tax break will force Head Start to cut services to 260,000 children. It will force the Veterans Administration to treat 986,000 fewer hospital cases. It will force HUD to end rent subsidies for about 1 million people.

Mr. Speaker, in the next century, the number of people enrolled in Medicare will double from 40 million to 80 million. Unless we do something and we do something now, Medicare will run out of money in the year 2015.

Mr. Speaker, the deficit is nearly gone. The economy is strong. The baby boomers have not yet retired. The time to fix Medicare is now, right now, not a few years down the road when American seniors will be hungry and be sick.



That is exactly what the Democratic plan will do. The Democratic substitute will extend the life of Medicare until the year 2027 and extend the life of Social Security till the year 2050. It will also pay down the debt and provide middle-class families with education credits and long-term care credits.

So I urge my colleagues to oppose this rule and oppose the bill. As strong as our economy is, we can ill-afford to be offering nearly \$400 billion in tax breaks to the richest 5 percent of Americans, while Medicare and Social Security fall apart.

Mr. Speaker, I reserve the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Missouri (Mr. BLUNT), our deputy whip.

Mr. BLUNT. Mr. Speaker, I thank the gentlewoman from Ohio for yielding me this time, and I urge my colleagues to support the rule and to support the bill.

This bill, like this debate, is really all about who this money belongs to. Does this money belong to the people that sent it to Washington? If it does, we should send it back. Or does it belong to the people here who many, in many cases, think they are smarter than the folks who send it here and work hard for it? If we believe this money belongs to the people that send it, we will decide to give this money back.

Certainly, we are about to do something that no Congress has done in 40 years, and that is approve a budget and an appropriations process that is balanced without using a penny of Social Security.

Even above that, we still have a \$3 trillion anticipated surplus. What happens with that \$3 trillion? The money that comes from Social Security, for the first time in 29 years, gets set aside for the retirement future of the Americans that sent that money in.

The other trillion dollars we are saying we would like to take 790-plus billion dollars of that and let the people who earned it keep it, let them spend it for the benefit of their family, let them spend it for the benefit of their future, let them spend it for the benefit of their small business, eliminate over the course of this time the death tax, reduce taxes for every single American that pays taxes, and in an important late addition to this rule, even today, have a guarantee that there will be a \$2 trillion reduction in the debt held by the public that the government each and every time that the debt is reissued will be competing for less of that debt because we are applying that to the future of Social Security.

Beyond that, there is a requirement that the debt not be allowed to increase as this across-the-board tax provision goes into effect. This is a good rule. It is a good bill. I urge my col-

leagues to remember who the money belongs to.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. FROST), the chairman of the Democratic Caucus.

Mr. FROST. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

I would like to talk a little bit about procedure and a little bit about substance. First of all, I would like to observe that the incompetence on the other side of the aisle is appalling. Time after time this year, in this Congress, the Republicans have had to amend rules after bringing them out of the Committee on Rules, amend them on the floor, and even withdraw rules. They simply cannot run this House in an orderly manner.

Mr. Speaker, tonight Americans have the opportunity to see revealed in crisp, bright colors the contrasting priorities, the very different fundamental values that separate the Democratic and Republican parties.

Democrats have a fiscally responsible plan that uses the surplus to extend the solvency of Social Security and Medicare, to pay down the debt and keep interest rates low and the economy growing, to allow us to fund America's priorities like a prescription drug benefit, and to provide targeted tax relief for middle-class families.

On the other hand, Republican leaders want to risk Social Security, Medicare, and our economy on a fiscally irresponsible budget-busting tax break for the wealthiest that will cost us more than \$3 trillion over the next 20 years.

What, Mr. Speaker, does this say about the priorities of the Republican Party? Well, it reminds me of another very revealing debate we had on the floor a few months ago.

□ 2245

Then the Republican whip, my colleague from Texas (Mr. DELAY), gave us his party's answer to the epidemic of school violence: stop sending kids to day care and start teaching creationism in our schools. That was the answer of the gentleman from Texas.

Today, yet again, it is clear that Republican leaders believe the only function of this House is providing red meat for their right wing extremists. In so doing today, Mr. Speaker, Republican leaders are asking Members to overlook the dangerous, long-term costs of this irresponsible tax bill. It fails to extend the solvency of Social Security and Medicare, the twin pillars of retirement security for Americans by even a single day; it will blow a hole in the deficit and risk driving up interest rates and endangering our economy; and it squanders resources we should be using to address America's families' priorities, like helping seniors pay the high cost of prescription drugs.

Make no mistake, Mr. Speaker, the majority could have worked with Democrats to pass responsible tax relief on a bipartisan basis, but as they have done so many times in this year, Republican leaders have chosen political rhetoric over problem solving. For all these reasons, Mr. Speaker, I urge my colleagues to defeat this bill and support the Democratic alternative.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. TOOMEY), and I might just point out that if we had had any cooperation or assistance from the minority we would not have to amend rules on the floor.

Mr. TOOMEY. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I would like to urge my colleagues to vote "yes" on this very fair and reasonable rule.

Mr. Speaker, I would like to put this bill in some context. First of all, the Federal Government today is bigger than it has ever been in our history. We will spend more money this year than ever before, and next year more money still, and the year after more money than that. Taxes are at a record high level. Not since World War II has the Federal Government assumed a larger share of our economic output.

And let us look at the budget. Our budget has taken Social Security totally off the table. Every penny of Social Security revenue is going to go to the Social Security program; \$1.9 trillion over 10 years. We have set aside the money to start rebuilding our defensive forces. We have set aside the money to increase spending for primary and secondary education, more than the President called for in his budget. And we refused to make the cuts in Medicare that the President called for in his proposal.

Now, after paying all those bills, and keeping the budget balanced, and setting aside two-thirds of total surpluses for debt reduction and Social Security and Medicare, when the American people have paid for all that, I say they have paid enough. And that is when we have an opportunity and, in fact, a moral obligation to allow them to keep the surplus that they are creating.

Why? Yes, because tax cuts are good for the economy. It will in fact increase the growth and opportunity, increase the savings rate, create more jobs and more wealth. And, yes, in fact these cuts will increase the probability that the revenue and expenditure projections will materialize rather than new spending programs, which will most likely result in excess of their original projections. But there is a more important reason, Mr. Speaker, and that is that in a free society, it is people who are sovereign. And it is the people's money, not the government's money.

That is why we have an obligation to let them keep as much of their hard-

earned money as we possibly can. That is why I urge a "yes" vote on this rule and a "yes" vote on final passage of this bill.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. MENENDEZ), vice chairman of the Democratic Caucus.

Mr. MENENDEZ. Mr. Speaker, Republicans are asking us to consider trillion dollar legislation that could affect the entire economy, put our Nation's jobs and prosperity at risk, sink our country into deficits, debt, and red ink, and they drew it all together in a few hours, like a patchwork quilt, and it is so ugly that they bring it out in the darkest of night.

Republicans talk about the value of a trillion dollar tax cut for our wealthiest citizens. Their idea of family values is to leave a legacy of debt and fiscal irresponsibility for the next generation of taxpayers to clean up. The Democrats' idea of fiscal responsibility has been to resist budget-busting tax giveaways, and the result has been the first balanced budget in more than a generation.

We have shown that fiscal discipline works, and that fiscal discipline is giving working Americans the biggest tax break of all: low interest rates, so they can afford to buy a home or a car; so their savings are not eaten away by inflation; so businesses can invest in new equipment and capital and create new jobs; and so workers' salaries maintain their value. But ever since they became the majority in this Congress, their only real value has been to propose one fiscally irresponsible giveaway after another.

We Democrats believe in a different value: honoring our commitments. We believe in honoring our commitment to our senior citizens, who have paid into Social Security and Medicare over a lifetime of hard work and who deserve security in their retirement. We believe in honoring our commitment to our children's education, to make sure that every child in this Nation has the opportunity to reach his or her God-given potential. And we believe in honoring our commitment to future generations by using the budget surplus to truly pay down the national debt.

Republicans, on the other hand, want to give a risky trillion dollar tax cut to the very wealthiest citizens that jeopardize all of these important commitments. And under their plan nearly half of those tax cuts would go to the wealthiest 1 percent.

Mr. Speaker, the difference could not be clearer. Democrats want to honor our commitments to all of our citizens and the next generation. Their risk is a risk we cannot afford. Oppose the rule.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. SESSIONS), a member of the Committee on Rules.

Mr. SESSIONS. Mr. Speaker, I thank my colleague on the Committee on

Rules for yielding me this time and allowing me a few minutes to respond back to our colleagues.

Mr. Speaker, I sit on the Committee on Rules and on a regular basis have an opportunity to hear the minority talk time, after time, after time about all the things that Republicans are doing to ruin our country; like welfare reform, and a balanced budget for the first time in 30 years, tax cuts for the first time in 16 years, our pledge to take 100 percent of Social Security dollars and the interest to Social Security.

Over, and over, and over, and over Republican ideas are simply beaten up by the minority party. What they want to do is argue every single time that government should be better off than the middle class of this country. They want to argue that government should be the first one with their hand out and paid first. We happen to believe that the people who produce the income, the people who get up and go to work every single day, the people who are taking care of their families, the people who are taking care of their parents and their children, these are the people who deserve to get the money back.

The previous speaker was talking about what it would mean, all these things the Republicans would take away. The fact of the matter is that in the State of New Jersey, over the next 10 years, the average person from New Jersey will get back \$3,747. That is money that will go to people, the average person in New Jersey, so they will be able to take care of themselves, they will be able to take care of their family. It is their money and they earned it.

The bottom line is that day, after day, after day we hear the same worn-out statements of what Republicans are doing to ruin this country. Let me tell my colleagues, it is all about freedom, it is all about economic prosperity, and it is all about more take-home pay. I believe that the American public understands the difference. I believe the American public will understand that when they get back this average, just like in New Jersey, \$3,747 over the next 10 years, that they will recognize that it is something that they earned, that they will put it in their pocket and that it will help them take care of their own families.

The difference between begging and freedom is what we are talking about here today.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. RANGEL), the ranking member of the Committee on Ways and Means and the author of the Rangel amendment.

Mr. RANGEL. Mr. Speaker, I do not know exactly what they put in the water over there in the Republican cloakroom, but it cannot be that they really think that we are going through

a legitimate procedure on this floor tonight with this rule.

It is bad enough that the Committee on Ways and Means got the bill already drafted when we got there. I was not disappointed, because my Republican colleagues did not know about the bill anyway. I was hoping that it had come from the Speaker's office, but he did not know about it. And so 2 days later they are still working on it.

And I would have hoped that perhaps someone might come and share with us. Not with a meeting, that would be too constitutional, but certainly with just a flyer to say what is in the bill. But, surprise, it is now the Committee on Rules that writes the tax bill. Because in the middle of the night, while they said that we could go on recess and trust them, they went to the Committee on Rules.

And in the rule it is Greenspan that determines whether or not there is a 10 percent across-the-board tax cut. I cannot believe it. Whether or not there is going to be a 10 percent tax cut is going to be determined by whether or not there is a debt increase. And who determines the debt increase? The Congress? The Committee on Ways and Means? The Speaker? Oh no, it is in the water that they are drinking. Because Greenspan will then tell the American people, yes, the Republicans promised a tax cut, but, my God, the interest rate went up, as a matter of fact, I made it go up, and now we will have it denied.

Thank God we have a President that is going to veto this foolishness, and thank God we have a Congress that is not going to override that veto.

What the Republicans have done is started their campaign with this dog-gone tax bill. They have done it. And, believe me, it is going to be the nails in the coffin that denies them the majority for the year 2000.

We tried to work with the other side. We tried to make it bipartisan. We reached out across the aisle. And what I am saying to my colleagues on the other side is this, it is bad enough that they do not leave it up to the Committee on Ways and Means; it is bad enough that they exclude the Democrats and Republicans, but it should hurt the very nature of this institution to know that we have to go to the Committee on Rules close to midnight to find out what else they have put in the bill.

Now, I know the Republicans do not want to circulate it, and I know that they are talking about great political statements when they talk about the rule, but why do they not talk about what is in the rule? Where is Chairman Greenspan in the rule?

I tell my colleagues this: on tomorrow, and maybe tonight, we will find out what Chairman Greenspan thinks about a 10 percent cut across the board. He testified in front of our committee.

He said it was wrong then, it is wrong tonight, and it is going to be wrong when it gets to the President's office.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. Mr. Speaker, all I would like to say to the gentleman from New York and the gentleman from New Jersey, who have commented this is in the dark of the night, that it gets dark up here at night and we are going to work at night. We are not going to lay out at 6 o'clock; we are going to keep working. So I would like a unanimous consent that we all agree it is dark now, it is night, and so let us get started.

Mr. Speaker, this bill addresses several things that we should not put up with in this country. The first: when a brides goes down the aisle to meet her groom, the preacher is down there, the groom is down there, and the tax man is down there.

□ 2300

We should not penalize marriages. This bill puts an end to the marriage penalty.

Another thing we should not penalize. We are killing hometown businesses. The death tax is death tax not only to family businesses but to hometown businesses.

In my district, we have lost hometown drugstores, hometown car dealers, hometown funeral homes. The only funeral home in my hometown is owned by a Texas company because they could not pay the death taxes. I am for hometown businesses, so I am for ending these death taxes.

We talked about them killing family businesses. It does that. It kills hometown businesses. How often have my colleagues said, I am tired of every business in town being owned by some company in another country, if not another State? This puts an end to it.

The third thing, 30 million American families will benefit from this plan because it makes college more affordable for their children. How many times do we hear people say to the people we represent, how will I ever afford to send my children to college?

This bill, according to the Center for Data Analysis, says 30 million American children will be able to go to college, it will be more affordable.

Let us send them to college. Let us give them a chance. Let us invest in their future with an education.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman said it is the dark of the night. I have been here a little longer than him. I remember when this job used to be a day job.

Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. MALONEY).

Mr. MALONEY of Connecticut. Mr. Speaker, I rise to oppose this rule.

I start by thanking the gentleman from Massachusetts (Mr. MOAKLEY) for yielding to allow members of the new Democratic Coalition an opportunity during this debate to speak about the tax relief proposal that we have prepared and that I and my colleague from Indiana (Mr. ROEMER) on behalf of 30 other Democratic Members of Congress presented yesterday at the Committee on Rules hearing on this resolution.

The new Democratic Coalition tax bill is pro-family, pro-growth, and pro-reform tax relief for American families and businesses. It is fiscally responsible and stays within the outlines contained in the President's budget proposal to dedicate 12 percent of the surplus to targeted tax relief after reserving 77 percent of the budget surplus for strengthening Social Security and Medicare.

Our proposal strikes exactly the right balance, a fiscally responsible balance, between paying down the national debt, strengthening Social Security and Medicare, providing targeted tax relief, and addressing pressing national priorities such as education, defense, and the environment.

We are disappointed that the Committee on Rules did not make our proposal in order. Our proposal also calls for substantial simplification of the Tax Code and specifically calls for the establishment of a commission to offer recommendations on comprehensively simplifying and reforming our Nation's Tax Code modeled on the successful Social Security Reform Commission of 1983.

We have the opportunity to pass a fiscally responsible pro-family, pro-growth, pro-reform tax measure, and we should do so now.

We are pleased to see that many of the new Democratic Coalition tax proposals have been incorporated under the leadership of the gentleman from New York (Chairman RANGEL) into the Democratic substitute, and we look forward to working with our colleagues to enact tax legislation that is both fiscally responsible and directed to where it is most needed, American families and continued economic growth.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 1 minute to my distinguished colleague, the gentleman from California (Mr. KUYKENDALL).

Mr. KUYKENDALL. Mr. Speaker, the point that I am most impressed with in this package we bring before my colleagues in the rule and will eventually vote on it when we vote on the amendment is the fact that we put a trigger in here that is going to protect the fact that we pay down debt or we do not do the tax cut.

That is a very simple premise. This is a responsible premise. There should not be anybody in here opposed to that, especially as to the fact that the Government is now operating at a surplus and we have now designed a mechanism in

here to do that. That is the kind of policy that makes good politics, and it is good for America.

We are going to talk about the kinds of tax cuts we have and how much of the tax cuts and which ones they are and all that. But we have protected the ability to keep getting the tax cuts as long as we are responsible with paying down the debt that this Nation has incurred so that we can again fight a Cold War that took all of these trillions of dollars to win it.

We may never have to do that again. But if we are not prepared to and have the ability as a Government to go back up that course, we would never have it again. I urge my colleagues to vote "yes".

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. BONIOR) the minority whip.

Mr. BONIOR. Mr. Speaker, a trillion-dollar tax cut, a third to the top one percent, a third to the top 10 percent, and a third to the other 90 percent. My colleagues heard me right. A third of it to the top one percent. A third of it to the top 90 percent of the American taxpayers. This is an irresponsible tax plan that will explode the national debt and will wreck the U.S. economy.

America is enjoying the strongest economy in a generation. Unemployment is low. Inflation is low. Interest rates are low. And because of that, we have a unique opportunity, a once-in-a-lifetime opportunity, to pay down our national debt.

Our debt is so big that Americans have to spend \$230 billion a year just to cover the interest payment. That is money that could be set aside to strengthen Medicare and Social Security, to make prescription drugs possible for our seniors, to modernize our schools.

Unfortunately, this trillion-dollar tax scheme is just the beginning. The Republicans do not want to tell the American people the true cost of their plan. Over time, the real cost would triple to nearly \$3 trillion.

Remember, Jackie Gleason used to say, "Va-vavoom, to the Moon, Alice." That is where this is going, to the Moon.

Now, I do not call this a tax cut. This is an economic hangover. Economists all across the spectrum agree that the GOP plan would drive up interest rates, drive up our debt, and drive our economy right over the cliff. It could drive Social Security and Medicare straight into the ground just when the baby-boomers would be retiring in record numbers.

This is irresponsible. It is wrong. Vote "no" on the rule and "no" on the bill.

Ms. PRYCE of Ohio. Mr. Speaker, may I inquire as to how much time is remaining?

The SPEAKER pro tempore (Mr. COMBEST). The gentlewoman from Ohio

(Ms. PRYCE) has 11 minutes remaining. The gentleman from Massachusetts (Mr. MOAKLEY) has 14 minutes remaining.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 1 minute to my distinguished colleague, the gentleman from Montana (Mr. HILL).

Mr. HILL of Montana. Mr. Speaker, I thank the gentlewoman for yielding me the time.

Mr. Speaker, I am excited to stand here in support of a bill that has a theme of simpler, fairer, and lower taxes for Americans. But I want to talk about the reforms to the estate tax, which are very important to the folks in agriculture, particularly the farm and ranch families in my home State of Montana.

In the suburbs and the cities, the economy is going very well. But in farming and ranching today, it is not very lucrative.

Most family farms and ranches do not show a profit. Few even can generate a cash flow. But their land can be quite valuable. Some will call that property poor, lots of net worth on paper but not much money.

But when these families look at the daunting task of trying to find a way to transfer these farms and ranches to the next generation, they are truly discouraged because it is virtually impossible to pay the death taxes and to keep the family farm in the family. So they sell. Sometimes they sell to a movie star. Other times they sell to a subdivider.

But what is likely to happen is that family agriculture in this country is going to end with this generation. But tonight we can lay the foundation to change that. We can phase out, eventually eliminate the death tax. We can save these family farms and ranches.

I urge my colleagues to support this. The Democrats have said they have written off rural America. We need to stand for it.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, my question for my Republican colleagues: Time and again, why is it that those who pay the most to our society come home with the least?

I heard my friend from California talk about a woman walking down the aisle. This woman walked down the aisle. She is married to a United States Marine. This is a photograph from the front page of the Washington Post of her picking up used furniture on the side of the road so that other Marines will have some furniture in their house.

□ 2310

What do you do for them? After 5 years of Republican defense budgets, what do you do for them? You do nothing.

For \$100 million, we could get every single soldier, sailor, airman, marine and coast guardsman off of food stamps. You cannot find the money for that. For \$1.2 billion, we could fulfill the promise of lifetime health care for every single military retiree. You cannot find the money for that. But you have got \$400 billion for the fat cats, the guys who write the \$1,000 checks to you and the \$10,000 checks to the Republican National Committee and that are delivering cases of champagne right now over to the Capitol Hill Club and the steaks are lined up because they know they are going to get a big tax break, the top 1 percent.

But my question is, what do you do for those who pay the price to keep our country free? You do nothing.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 30 seconds to the gentleman from Ohio (Mr. HOBSON).

Mr. HOBSON. Mr. Speaker, to the previous speaker, I would just suggest that he look at the President's suggestions and submission on the defense versus ours and he will see that we do a lot for the troops, including a pay raise, including money for retention of pilots. The President does not do anything.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, in the last hour, this bill has been made obscenely worse, in the dead of night, with very few of the press here.

We already knew that most of the benefit, two-thirds of the benefit, goes to the richest 10 percent of Americans, but now they have added a trigger that allows Alan Greenspan to fatally shoot the 10 percent across-the-board tax cut provided for the middle class. But no matter what Alan Greenspan does, no matter what happens to interest costs, no trigger can prevent the huge tax loopholes for the superwealthy.

This is a bad rule because it prevents us from dealing with the New Democratic Coalition proposal to provide a roughly \$300 billion tax cut. This rule allows only a discussion of the lowest possible tax cut or the most extreme and biased tax cut.

Do not muzzle the moderates. Defeat the rule.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 3 minutes to the very distinguished gentleman from Illinois (Mr. HASTERT), the Speaker of the House of Representatives of the United States of America.

Mr. HASTERT. Ladies and gentlemen, we have a great opportunity. We are on the cusp of doing something for the American people that has not been done in this House for a long, long time. We are giving the American people the opportunity to take more money home to put in their own pockets instead of putting it in the pockets of bureaucracies.

The American people are going to have a choice. They are going to have a choice to be able to decide how their kids' education is going to be done because they will have education savings accounts. We are going to give them the fairness to be able to decide how that is spent.

We are going to be fair because we are going to treat people who are married the same way as people who are single. We are going to try to say that those folks who punch a time clock or commute to work or have to contribute to the economy will be able to take more of those dollars home and put them in their pocket.

We will have over the first 5 years \$800 billion of debt retirement and \$156 billion of tax relief for the American people. If you look out over the next 10 years, American taxpayers will be paying over \$28 trillion in taxes.

We give the American people the chance to take a little bit of that money back home, decide how they are going to treat their kids' education, decide what they are going to do with their future and their retirement. And also in this bill for senior citizens, who are over the age of 65, that decide that they want to be productive and they want to work, we take the earnings test penalty away so that they are not penalized \$2 in their Social Security for every \$1 they earn, twice the rate that millionaires have to pay.

This is a tax cut for fairness, it is a tax cut for the American working people, and it is a tax cut that the American people deserve, not a tax increase like our friends on the other side of the aisle would like to give.

Mr. Speaker, I rise in support of this rule and in support of the Financial Freedom Act. I urge my colleagues to vote for both. I want to commend Chairman ARCHER for his fine work on this bill.

Over the last four years, the nation has seen a remarkable turnaround in our financial fortunes.

Four years ago, the President submitted a budget that had 200 billion dollar deficits for as far as the eye could see.

We said that the President was wrong. We said it was time to balance the budget, to make the government smaller and smarter, and to give tax relief to the American people.

They said that it couldn't be done. They said our budget plans were irresponsible. They said that our tax proposals were unrealistic.

Well, they were wrong.

Because of our efforts to cut wasteful spending, because of our efforts to move people off of welfare and into work, and because of our efforts to give tax relief to the American people, we have the healthiest economy in our nation's history.

Today, we have the largest surplus in history. This surplus gives us two options.

We can do what the President wants. He wants to spend the surplus, including a portion of the social security surplus, on more Washington programs.

The President thinks more Washington spending is responsible. He believes that giving this money back to the people is risky, because he doesn't know how the people will spend their own money.

Once again the President is wrong. It is not risky to give the American people their money back.

We have a better plan.

First, we lock away the social security surplus so that it can be spent only on retirement security.

Over ten years, we put two dollars away for retirement security for every one dollar of tax relief.

Second, we allow for government to grow slowly. In fact, the government will increase its spending by close to a half a trillion dollars in the next ten years, under our plan.

This means we can keep funding programs that are important to the American people, while we keep working to cut wasteful Washington spending.

And finally, we give some of the surplus back to the American people by targeting the unfair parts of our tax code.

We believe it is unfair to tax marriage, so we reduce the marriage penalty.

We believe it is unfair to tax people when they die, so we phase out the death tax.

We believe it is unfair to tax people who want to save for the children's education, so we include education savings accounts.

And we believe that it is unfair to tax people at the highest rate since the Second World War. We include a 10 percent across the board tax cut that phases in over 10 years.

Our tax relief proposal is responsible and balanced.

It will keep the budget balanced. It will keep the economy growing. And it will return power back to the American people.

Today, the House has a simple choice: We can give some of the surplus back to the people or we can spend it here in Washington.

I urge my colleagues to make the right choice. Vote for this rule, vote for this responsible tax relief measure and vote to give some money back to the American people.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. STUPAK).

Mr. STUPAK. Mr. Speaker, we just heard about the GOP bill and what it claims to do. It claims to do many things which is not fiscally possible or fiscally responsible.

I proposed a simple amendment at the Committee on Rules. My amendment said, no surplus, no tax breaks. We cannot follow the Republicans back to the days of budget deficits and uncontrollable spending. When there is no surplus, we cannot afford more tax breaks. We must keep our fiscal house in order. Democrats believe in fiscal responsibility. Let us not spend a surplus if it is not there.

Mr. Speaker, what my amendment said, after we take care of our obligations to Social Security and Medicare for this and future generations, then certify to us what the surplus is, and then and only then do we use that surplus for tax breaks. Unfortunately, the

Committee on Rules would not make this amendment in order. No more raiding of the Social Security trust funds, no more raiding of the Medicare trust funds. No tax breaks until there is a surplus. Let us take care of our obligations first. Let us be honest. No surplus, no tax breaks.

Vote "no" on the rule.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 1 minute to the distinguished gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Well, it is tax reduction time and the rhetorical terrorism is at its height, designed to scare seniors, children, teachers and the needy. We know the Washington bureaucrats are scared because any time we try to shrink the size of government, they get frightened. And frightened because we want to return more money to the people who earned it.

This surplus does not exist because of the great wisdom of your party which passed the largest tax increase in history. If it did, let us pass it again. Let us give people some real relief and do another Clinton tax increase. The fact is that is what you are trying to do.

This is the Joint Tax Committee review of the Democrat Rangel plan. After 10 years, this plan, ladies and gentlemen, increases taxes \$3.9 billion. Talk about a Trojan horse.

Go back to the drawing board, get your folks in the back room to take some smart pills, and do not try to increase taxes one more time. We know you love it, but do not try to do it. We are trying to honestly give back to people who earn the money their money back and you are trying to take another hit off of them.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, first of all I do not know if the speaker is here. Unless he is reading a bill that we have not seen, there is no reference to the earnings test. I think that indicates the sloppiness with which this matter is being confronted. We have changes at the last minute. I want to comment on that.

But before I do that, I want to say this. We should be giving back our constituents some money in the form of a long-term guarantee for their Social Security and Medicare and you do not do that one iota. And we should also be giving back constituents their money in terms of really paying down the national debt, and you do essentially lip service to that; lip service to that. You created this national debt, at least you ought to get together with us and pay it down.

□ 2320

Listen, I was here when they passed those budgets.

Look, this proposal of the Republicans would reduce the revenues by almost 800 billion in 10 years and 3 trillion in the second 10 years, and I want my colleagues to think about this:

The second 10 years, according to the actuaries, those are the exact years when the Medicare and the Social Security surplus begins to decline, and so does the on-budget surplus.

So essentially, when those revenues begin to decline, they take \$3 trillion out of the budget. It will not work.

What they are doing, the Republicans, is playing for the next election, and what we are doing is planning for the next generation for Social Security and Medicare.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 1 minute to my distinguished colleague, the gentleman from Michigan (Mr. UPTON).

Mr. UPTON. Mr. Speaker, I came here for one reason, eliminate the deficit and the decades of runaway spending, and now we have a surplus. We do not have a deficit. None of the provisions in this rule; we now trigger about half of the tax cut to make sure that the debt really does come down. Because of the years of runaway spending we have a debt, a national debt of about \$5.5 trillion dollars.

Yes, the deficits are gone every year, but we still have a debt, and that debt has got to go down. The triggers that are in place ensure that before we see these tax cuts come into play, we see a real reduction in the national debt.

That is fair, that is reasonable, and that is where we ought to be, and we ought to be proud of this rule and proud of the tax bill we are going to take up tomorrow.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, as the hour grows late and the exaggeration and hyperbole rises, let us get down to the facts.

The fact of the matter is Democrats and Republicans deserve some credit for balancing the budget.

Fact: Democrats and Republicans deserve some credit for some surpluses.

Fact: Democrats and Republicans now have significant and profound differences on what to do with those so-called surpluses.

There are two major differences. One is what to do with the so-called surplus, and secondly, the scope of the tax cuts that Democrats also support.

On the first fact:

Democrats are for drawing down the national debt. Democrats are for committing to our obligation to our seniors on Social Security. And fact: Democrats are for making sure Medicaid has a longer life for our seniors. That is a big difference.

Now Republicans want to give a trillion dollars in tax cuts to defense companies, to utilities, to oil and gas interests.

Special interests over our obligations and our commitments to Social Security and debt relief.

Now the other profound difference is the scope of the tax cut. The Democrats want to draw down the debt and provide lower interest rates for every single American. Everybody benefits from that tax cut, paying lower interest rates, lower rates on their car payments, better access to cheaper capital for small businesses and farmers.

We Democrats are also for paid-for and responsible tax cuts such as estate tax relief for small businesses and small farmers.

Let us vote for the Democratic proposal for debt relief and for Social Security.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from Kansas (Mr. TIAHRT).

Mr. TIAHRT. Mr. Speaker, I thank the gentlewoman from Ohio for yielding this time to me.

Mr. Speaker, here is the classic battle philosophy in Washington.

The liberals say it is too risky to give working Americans some of their own money back, money they worked hard to earn. They see hundreds of billions of dollars slipping between their fingers, money that will be gone, gone from Washington, D.C., and the liberals will not be able to feed the beast of big government. The beast will have to go on a diet.

Republicans, Mr. Speaker, trust American workers. We trust them to love their families better than any Federal program. We trust them to spend their own money more wisely than any Federal Government.

But this is not a new idea. In the 1991 tax relief, ignited the largest peacetime expansion in our Nation's history. In 1995, we passed tax relief. The Dow Jones industrial average went from 4000 to 11,000. Now it is time to do it again, and let us see what the Senator, the Democrat Senator from Nebraska, has to say about our Federal surplus and our tax relief.

When we have got 3 trillion coming, it is hardly outrageous or irresponsible for this type of move. It was in today's Washington Post, Mr. Speaker. This is the right thing to do. Let us vote for the rule, let us vote for the bill, let us starve the beast and feed the pocketbooks and the family budgets of working Americans.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Mr. Speaker, I rise tonight, or is it morning yet, in opposition to this rule. This tax cut is huge and depends on surpluses that do not exist yet. I always called this funny money.

When Americans read in their local newspapers that two-thirds of the majority of this trillion-dollar tax cut is

targeted to the wealthiest 10 percent of American public, I do not think my friends on the other side of the aisle will be touted as heroes.

If interest rates and inflation and our national debt rise, eating up the benefits of this tax cut by creating higher mortgage payments, higher credit card payments, voters will not be pleased with those who sent this bill to the floor.

If Medicare is not strengthened and the fiscal stability of Social Security is not extended, I think Americans will ask why did Congress not do something about this.

Finally, if these projected surpluses do not materialize, this tax cut begins to do harm, and taxpayers will have a lot more questions.

Let us provide a balanced approach that protects Social Security and Medicare first, pays down the debt and makes tax cuts for those that need it the most. Send back this bill to the committee. Defeat the rule.

Ms. PRYCE of Ohio. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I rise in the strongest possible opposition to the most fiscally irresponsible bill to come before this House in the 20½ years that I have served here.

I want to be sure that my colleagues understand why I say that. It is the second 10 years of the effect on this Social Security bill that causes me pain because it is when our children and grandchildren are going to regret that which we proposed to do tonight.

Let me also share another secret with my friends on this side. We have already busted the caps, so any moneys that we are going to be spending on defense, on veterans, on health care, on education, on agriculture, is going to come from Social Security trust funds if my colleagues should, by chance, pass that which they propose tonight.

□ 2330

On the deficit side of the question, the Blue Dog proposal that will be in the motion to recommit will reduce the national debt \$1,650 per man, woman and child in the next 20 years over what my colleagues propose in their revised, extended version of that which they propose tonight. Please deal with the facts. Let us stop the rhetoric. We cannot afford this kind of a tax cut. What we ought to do right now is pay down the debt, solve Social Security and Medicare, and then deal with tax cuts.

Ms. PRYCE of Ohio. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, the Republican tax bill is wrong for America

for three reasons. First, it spends money we do not have. The Republican theme is return it, but we cannot return what we do not have. Mr. Speaker, the \$2.9 trillion surplus is an estimate of future revenues not yet seen, not yet collected, not yet in the bank.

The Federal Government has run up an annual deficit for 30 years. Only next year will we see a true, on-budget surplus. Do we not think we could wait for at least one real actual surplus before we spend one not here yet, only in the forecast estimated surplus.

Secondly, the best tax cut we can give the American people is lower interest rates for all Americans. Eliminating the debt would mean that no longer would we spend more on interest than we spend on national defense.

Finally, the Republican tax bill puts our economic security, our economic health, and our retirement at risk.

The Republican tax bill gives it back, all right, and more. On-budget, zero for Social Security, zero for Medicare, zero for national defense, zero for veterans, zero for reducing the national debt. Do we not think it is time to be fiscally conservative?

The Republican tax reduction bill is wrong for the American people for 3 reasons:

First, it spends money we don't have. The Republican theme is "Return it." But you can't return what you don't yet have. The 2.9 trillion dollar surplus is an estimate of future revenues not yet seen, not yet collected, and not yet in the bank. In addition, the assumptions and economic predictions on which the surplus number is based may not turn out to be true.

What if federal spending merely increases with inflation (even at today's low rate) rather than going down 8% over the next three years as projected in the surplus estimate?

What if Medicare spending grows just 1% faster than projected?

What if our nation's productivity grows at 1.1% annually, the average rate since 1993, rather than at 1.8%, the projected rate in the surplus estimate?

What if the unemployment rate is just one quarter of 1% more than the projected rate?

If all 4 "what ifs" occur—there is no surplus. In fact, there would be a deficit over the next 10 years, not a surplus. If we spend our projected surplus on an 800 billion dollar budget-busting tax cut and the surplus never shows up, we will generate an even bigger national debt for our children, and we will have bankrupted Social Security just when the bulk of the baby boomers begin to be entitled to their benefits. The federal government has run up an annual deficit for 30 years. Only next year will we see a true on-budget surplus. Don't we think we could wait to see at least one real, actual surplus before we spend a not-here-yet, only-in-the-forecast, estimated 10-year surplus.

Secondly, this budget-busting tax cut is not the best use of any surplus for working families. The best use of any surplus is to pay down the 5.6 trillion dollar national debt rather than to pass this debt on to our children.

The best tax cut we can give all Americans is paying down the 5.6 trillion national debt.



Less debt means lower interest rates for working families, lower mortgage payments, lower car payments, lower student loan payments. Each percentage point decrease in interest rates means over \$200 billion in lower debt payments over 10 years for working families. Eliminating the debt would mean that no longer will we spend 25% of all individual federal income taxes collected just to pay the annual interest on the federal debt and no longer would we spend more on interest payments than the combined total of all spending on national defense.

Finally, the Republican tax reduction bill puts our economic security, our health security, and our retirement security at risk. Our generation has a historic opportunity to put America on a stable economic path by continuing down the road of fiscally conservative, pro-growth economics by paying down our debt rather than passing it on to our children, by keeping interest rates down, by protecting Social Security and preparing for the demands of the baby boomers' retirements that begin in earnest in 2014, and by restoring our Medicare system to future solvency, building a strong national defense and keeping our commitments to our veterans.

The Republican tax bill gives it all back alright and more.

On-budget:

Zero for Social Security.

Zero for Medicare.

Zero for national defense.

Zero for veterans.

Zero for reducing the national debt.

Where have all the fiscal conservatives gone? Fiscal conservatives don't spend money they don't have. Fiscal conservatives don't return it until they earn it. Vote no on the Republican tax bill and yes for the future of America's children.

Ms. PRYCE of Ohio. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas (Mr. SNYDER).

Mr. SNYDER. Mr. Speaker, this irresponsible tax bill is wrong for Arkansas. I have a dozen reasons why I will not vote for it: World War I veterans, World War II veterans, Korean War veterans, Vietnam veterans, Gulf War veterans, veterans of the Balkans, Cold War veterans, all other veterans. Social Security recipients, Medicare recipients, future recipients of Social Security, and most importantly, future generations.

At the very time we are debating an irresponsible tax cut, we have not begun to solve the long-term challenges of Social Security and Medicare. We fail in our duty to future generations by not paying down the \$5.5 trillion national debt, and worst of all, we have not even adequately funded this year's veterans budget, much less future budgets.

Mr. Speaker, I want to give my constituents a tax cut, but I want to do it without saddling future generations with debt, without threatening the future of Social Security and Medicare, and most important of all, without

breaking promises to all of our Nation's veterans.

Ms. PRYCE of Ohio. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. ETHERIDGE).

Mr. ETHERIDGE. Mr. Speaker, I rise in opposition to this rule which will return us back to the deficits of the 1980s.

Mr. Speaker, I rise in strong opposition to this risky tax scheme and urge my colleagues to vote against it.

Through the hard work of America's families and with responsible fiscal policy, our nation has produced an economic engine that would have been unimaginable a few short years ago. Just this week, officials in my state reported that the unemployment rate is the lowest it has ever been. And this risky tax scheme would cut the legs out from under that accomplishment and deny us the opportunity to address the challenges we face in the years to come.

Mr. Speaker, we need to save Social Security and Medicare for today's senior citizens and for future generations, but this bill would prevent us from doing that. We need to invest in education, research and technology to keep this nation's economy strong. This bill would return us to the bad old days of massive deficits, crushing inflation and a weak economy. We need to pass balanced targeted tax relief for hard working middle class families, and this bill benefits the wealthy special interests at the expense of the middle class.

Now that we have balanced the budget, we must provide for a sound future for America's families. We need to save Social Security and Medicare for our seniors, provide targeted tax relief for middle class priorities like school construction and pay down the national debt to keep our economy strong. The Rangel substitute achieves these goals, and we should support it. I urge my colleagues to vote against this risky tax scheme.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, more than two-thirds of this extravagant bauble of a tax cut has been unceremoniously transferred from programs that were put on a starvation diet in the 1997 Balanced Budget Act, which included hospital cuts, cuts to home health care and visiting nurses, and cuts to Medicare benefits. That is why we have this surplus.

Do the Republicans say, let us now replenish home health care? Let us now replenish Medicare? No. This is the pluperfect form of the Republican Robin Hood in reverse. The wealthiest Americans get huge tax breaks, and the vast majority of ordinary people get nothing. No money for Medicare, no money for Social Security, no money for over-crowded schools, no money for the environment.

Our Republican reverse Robin Hoods could not be more proud. It is tax cuts for the wealthy and nothing for the

unhealthy, and the longer we go, the worse it is going to get.

Ms. PRYCE of Ohio. Mr. Speaker, I reserve my time.

Mr. MOAKLEY. Mr. Speaker, may I inquire as to the remaining time.

The SPEAKER pro tempore (Mr. COMBEST). The gentleman from Massachusetts (Mr. MOAKLEY) has 2 minutes remaining; the gentlewoman from Ohio (Ms. PRYCE) has 3½ minutes remaining.

Mr. MOAKLEY. Mr. Speaker, can I inquire as to how many speakers the gentlewoman has remaining.

Ms. PRYCE of Ohio. Mr. Speaker, we have one speaker remaining.

Mr. MOAKLEY. Mr. Speaker, I yield the balance of my time to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Speaker, it is rather fitting that we are here late at night, because for weeks we have heard from conservative Republicans how they were upset about the failure of their bill to provide for debt reduction. Then we heard from the moderate Republicans how they were concerned about the size of the tax cut and the failure to meet deficit reduction and some of the programs they were worried that were going to be sacrificed on the altar of this trillion dollar tax cut. Somewhere tonight, they lost the courage of their convictions. On the way to the Committee on Rules, they lost their convictions.

But I should say to them, do not fear. The leadership will respect you in the morning.

The Speaker said that tonight we are doing something to the American people that has not been done to them in a long, long time. He is right. It has been 18 years since the last time in the middle of the night we passed a Republican tax bill that set this Nation on a sea of red ink, unlike anything we have ever seen. Never had we had a deficit larger than \$70 billion, and until Bill Clinton came to office, we were headed for \$400 billion deficits every year, each and every year, each and every year.

Mr. Speaker, I guess the Republican Party has not learned from history, but the American family has, because they have experienced in the last 8 years the greatest economic recovery since the Second World War, maybe in our history. More of them are working, earning more money; they are buying more houses, more automobiles; they are able to educate their children, because interest rates and inflation are low.

But my Republican colleagues have decided tonight, after beating their Members around the head, that they will take out the dice and roll them. They will play dice with the American economy. They will play dice with people's ability in the future to refinance their homes, to pay for their college educations, to take care of their parents, to take care of their children, to provide a first-class elementary and secondary education.



That is what my colleagues put at risk tonight with this trillion dollar and soon-to-be \$3 trillion tax cut. That is the sea of red ink that my colleagues threaten to launch in this Nation again, and my colleagues should not be allowed to do it. They should take care of the people's money. They should take very good care of the people's money.

Mr. Speaker, the Republican Party should take care of the American people's money.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 3 minutes to the distinguished Chairman of the Committee on Rules, the gentleman from California (Mr. DREIER).

Mr. DREIER. Mr. Speaker, this has been a very interesting debate, and we are poised to make history. At the beginning of the 106th Congress, Speaker HASTERT stood right here in this well and made a very eloquent speech. He came from the Speaker's chair down here to address the House, and he said that he had several things that he wanted to see us address.

My colleagues will recall that improving public education was a top priority. We earlier passed the Education Flexibility Act, and just earlier we passed the Teacher Empowerment Act. He said that he wanted to save Social Security and Medicare. What have we done? Well, with bipartisan support we passed a Social Security lockbox, and we also had a very strong commitment to rebuild our Nation's defense capability. And what have we seen from that? Well, we have seen, obviously, very strong support in a bipartisan way for the Department of Defense authorization bill and at the same time, we are now getting ready to proceed with the defense appropriations bill, with bipartisan support.

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Today we are going to, in just a very few minutes, pass the rule that will lay the groundwork for us to pass this very, very important opportunity to do exactly what we did back in 1981, say a little bit of money should be able to stay in the pockets of the American worker.

The fact of the matter is this rule, under which we are considering it, is a very generous rule, much more generous than rules that have been used for consideration in the past. We are giving the Democrats not only the substitute that my friend, the gentleman from New York (Mr. RANGEL), will offer, but we are also allowing them a motion to recommit with instructions, something that they did not often give us in the past.

So we are being overly generous in this rule, even though many of them have come down here and criticized us on it.

When we think about this issue of debt reduction, my friend, the gen-

tleman from California (Mr. MILLER), is right, we want to deal with the issue of debt relief. In the first 5 years, what is it we are going to see? For every one dollar in taxes reduced we are going to see \$6 in debt reduction. That seems to be a very strong commitment that we have been able to work out.

We have to work only on our side because we get no cooperation on legislation like this. We do not get any support or help for what it is we are trying to do here.

Now, I guess they are trying to help us. It sounds like they want to step forward and help us, Mr. Speaker, and we welcome it.

The fact of the matter is, if we were to walk down the street and find a wallet that had an identification in it and some cash, we would return those dollars. Similarly, as we look at the issue of an over charge that is there, we would return it. Well, I am very proud of the fact that since we have had Republican Congresses, it has been the Republican Congress that has brought us this surplus. We have a responsibility to turn dollars back to the American people, and we are going to do that. We are going to do that.

So I urge my colleagues to support this rule and proceed with strong support for the Archer bill.

The SPEAKER pro tempore (Mr. COMBEST). The gentleman from Ohio has 30 seconds remaining.

Ms. PRYCE of Ohio. Mr. Speaker, I ask unanimous consent to insert a description of the amendment that I will offer in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The description previously referred to follows:

DESCRIPTION OF PROPOSED MODIFICATIONS TO H.R. 2488, AS REPORTED BY THE HOUSE COMMITTEE ON WAYS AND MEANS ON JULY 16, 1999

Section 101 (10-percent reduction in individual income tax rates) would be modified to phase in the 10-percent across-the-board rate reduction as follows: 1.0 percent for 2001 through 2003, 2.5 percent for 2004, 5.0 percent for 2005 through 2007, 7.5 percent for 2008, and 10 percent for 2009 and thereafter. Beginning in 2002, the reduction in rates would be contingent upon no increase in interest outlays for the public debt and trust fund debt of the Federal government.

Section 121 (repeal of individual alternative minimum tax on individuals) would be modified so that, during the period when the individual alternative minimum tax ("AMT") is being phased out, taxpayers would pay the following percentages of individual AMT liability: 80 percent in 2005, 70 percent in 2006, 60 percent in 2007, 50 percent in 2008, and 0 percent in 2009 and thereafter.

Section 201 (exemption of certain interest and dividend income from tax) would be modified to provide the following exclusion from income: \$50 (\$100 in the case of a married couple filing a joint return) for 2001 through 2002, \$100 (\$200 in the case of a married couple filing a joint return) for 2003

through 2004, and \$200 (\$400 in the case of a married couple filing a joint return) for 2005 and thereafter.

Section 301 (reduction in corporate capital gain tax rate) would be modified to reduce the tax on capital gains of corporations to 30 percent in 2005 and thereafter.

Section 302(a) (repeal of alternative minimum tax on corporations) would be modified to allow AMT credit carryovers to offset the current year's minimum tax liability as follows: 20 percent in 2005, 30 percent in 2006, 40 percent in 2007, 50 percent in 2008, and 100 percent in 2009 and thereafter.

Section 601 (repeal of estate, gift, and generation-skipping taxes) and section 611 (additional reductions of estate and gift tax rates) would be modified to phase in the repeal of the estate, gift, and generation-skipping taxes as follows: in 2001, repeal rates in excess of 53 percent; in 2002, repeal rates in excess of 50 percent; in 2003 through 2006, reduce all rates by 1 percentage point per year; in 2007, reduce all rates by 1.5 percentage point; and in 2008, reduce all rates by 2 percentage points.

Sections 1205 (reduced PBGC premium for new plans of small employers), section 1206 (reduction of additional PBGC premium for new and small plans), 1243 (missing participants), and section 1254 (substantial owner benefits in terminated plans) would be deleted.

A new provision would be added to Title XII—Provisions Relating to Pensions—to provide that the 100 percent of compensation limitation does not apply to multiemployer defined benefit pension plans. The modification would be effective with respect to years beginning after December 31, 2000.

A new Title XVII—Commitment to Debt Reduction would be added. This title contains a provision regarding the commitment of the Congress to debt reduction. The provision would reflect the sense of the Congress that: (1) the national debt of the United States held by the public is \$3.619 trillion as of fiscal year 1999; (2) the Federal budget is projected to produce a surplus each year in the next 10 fiscal years; (3) refunding taxes and reducing the national debt held by the public will assure continued economic growth and financial freedom for future generations; and (4) the national debt held by the public shall be reduced from \$3.619 trillion to a level below \$1.61 trillion by fiscal year 2009.

A new Title XVIII—Budgetary Treatment would be added. This title contains a provision that would provide that, upon enactment of the Act, the Director of the Office of Management and Budget shall not make any estimate of the changes in direct spending outlays and receipts under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 resulting from the enactment of the Act.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MS. PRYCE OF OHIO

Ms. PRYCE of Ohio. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Ms. PRYCE of Ohio:

Strike all after the resolved clause and insert in lieu thereof the following:

"That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 2488) to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, to provide marriage penalty

relief, to reduce taxes on savings and investments, to provide estate and gift tax relief, to provide incentives for education savings and health care, and for other purposes. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill, modified by the amendments printed in section 3 of this resolution, shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto final passage without intervening motion except: (1) two hours of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment in the nature of a substitute printed in part B of House Report 106-246, if offered by Representatives Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with our without instructions.

"SEC. 2. During consideration of H.R. 2488, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill until the following legislation day, when consideration shall resume at a time designated by the Speaker.

"SEC. 3. The amendments specified in the first section of this resolution are as follows:

#### Amendments to H.R. 2488, as Reported

OFFERED BY MR. ARCHER OF TEXAS

Page 10, strike the table after line 18 and insert the following:

<b>"For taxable years beginning in calendar year—</b>	<b>The applicable percentage is—</b>
2001 through 2003 .....	1.0
2004 .....	2.5
2005 through 2007 .....	5.0
2008 .....	7.5
2009 and thereafter .....	10.0.

In the case of taxable years beginning in calendar year 2001, the rounding referred to in the preceding sentence shall be to the next highest tenth.

"(9) POST-2001 RATE REDUCTIONS CONTINGENT ON NO INCREASE IN INTEREST ON TOTAL UNITED STATES DEBT.—

"(A) IN GENERAL.—In the case of taxable years beginning after December 31, 2001, paragraph (8) shall apply only to taxable years beginning after the first debt reduction calendar year.

"(B) DELAY OF FURTHER RATE REDUCTIONS IF INCREASE IN INTEREST ON TOTAL UNITED STATES DEBT.—For each calendar year after 2000 which is not a debt reduction calendar year, the table in paragraph (8) shall be applied for each subsequent calendar year by substituting the calendar year which is 1 year later. The preceding sentence shall cease to apply after the earliest calendar year with respect to which the applicable percentage under paragraph (8) is 10 percent (after the application of the preceding sentence).

"(C) DEBT REDUCTION CALENDAR YEAR.—For purposes of this paragraph, the term 'debt reduction calendar year' means any calendar year after 2000 if, for the 12-month period ending on July 31 of such calendar year, the interest expense on the total United States debt is not greater than such interest expense for the 12-month period ending on July 31 of the preceding calendar year.

"(D) TOTAL UNITED STATES DEBT.—For purposes of this paragraph, the term 'total United States debt' means obligations which are subject to the public debt limit in section 3101 of title 31, United States Code."

Page 16, line 24, strike "2007" and insert "2008".

Page 17, line 7, strike "2002" and insert "2004".

Page 17, line 8, strike "2008" and insert "2009".

Page 17, strike the table after line 13 and insert the following new table:

<b>"For taxable years beginning in calendar year—</b>	<b>The applicable percentage is—</b>
2005 .....	80
2006 .....	70
2007 .....	60
2008 .....	50."

Page 18, lines 18 and 19, strike "2007" and insert "2008".

Page 20, strike lines 1 through 6 and insert the following:

"(A) in the case of any taxable year beginning in 2001 or 2002, \$50 (\$100 in the case of a joint return),

"(B) in the case of any taxable year beginning in 2003 or 2004, \$100 (\$200 in the case of a joint return), and

"(C) in the case of any taxable year beginning after 2004, \$200 (\$400 in the case of a joint return).

Page 38, strike line 24 and all that follows through page 40, line 17, and insert the following:

"(2) a tax of 30 percent of the net capital gain (or, if less, taxable income).

"(b) CROSS REFERENCES.—For computation of the alternative tax—

"(1) in the case of life insurance companies, see section 801(a)(2),

"(2) in the case of regulated investment companies and their shareholders, see section 852(b)(3)(A) and (D), and

"(3) in the case of real estate investment trusts, see section 857(b)(3)(A)."

(b) TECHNICAL AMENDMENTS.—

(1) Paragraphs (1) and (2) of section 1445(e) are each amended by striking "35 percent" and inserting "30 percent".

(2)(A) The second sentence of section 7518(g)(6)(A) is amended by striking "34 percent" and inserting "30 percent".

(B) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936, is amended by striking "34 percent" and inserting "30 percent".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2004.

(2) WITHHOLDING.—The amendment made by subsection (b)(1) shall apply to amounts paid after December 31, 2004.

Page 41, strike line 16 and all that follows through the end of the page and insert the following:

"(2) CORPORATIONS FOR TAXABLE YEARS BEGINNING AFTER 2004.—In the case of a corporation for any taxable year beginning after 2004 and before 2009, the limitation under paragraph (1) shall be increased by the applicable percentage (determined in accordance with the following table) of the tentative minimum tax for the taxable year.

<b>"For taxable years beginning in calendar year—</b>	<b>The applicable percentage is—</b>
2005 .....	20
2006 .....	30
2007 .....	40
2008 .....	50.

Page 42, line 17, strike "2002" and insert "2004".

Page 42, line 24, strike "2007" and insert "2008".

Page 85, strike line 20 and all that follows through page 88, line 7, and insert the following new section:

#### SEC. 611. ADDITIONAL REDUCTIONS OF ESTATE AND GIFT TAX RATES.

(a) MAXIMUM RATE OF TAX REDUCED TO 50 PERCENT.—

(1) IN GENERAL.—The table contained in section 2001(c)(1) is amended by striking the 2 highest brackets and inserting the following:

"Over \$2,500,000 ..... \$1,025,800, plus 50% of the excess over \$2,500,000."

(2) PHASE-IN OF REDUCED RATE.—Subsection (c) of section 2001 is amended by adding at the end the following new paragraph:

"(3) PHASE-IN OF REDUCED RATE.—In the case of decedents dying, and gifts made, during 2001, the last item in the table contained in paragraph (1) shall be applied by substituting '53%' for '50%'."

(b) REPEAL OF PHASEOUT OF GRADUATED RATES.—Subsection (c) of section 2001 is amended by striking paragraph (2) and redesignating paragraph (3), as added by subsection (a), as paragraph (2).

(c) ADDITIONAL REDUCTIONS OF RATES OF TAX.—Subsection (c) of section 2001, as so amended, is amended by adding at the end the following new paragraph:

"(3) PHASEDOWN OF TAX.—In the case of estates of decedents dying, and gifts made, during any calendar year after 2004 and before 2009—

"(A) IN GENERAL.—Except as provided in subparagraph (C), the tentative tax under this subsection shall be determined by using a table prescribed by the Secretary (in lieu of using the table contained in paragraph (1)) which is the same as such table; except that—

"(i) each of the rates of tax shall be reduced by the number of percentage points determined under subparagraph (B), and

"(ii) the amounts setting forth the tax shall be adjusted to the extent necessary to reflect the adjustments under clause (i).

"(B) PERCENTAGE POINTS OF REDUCTION.—

<b>"For calendar year:</b>	<b>The number of percentage points is:</b>
2003 .....	1.0
2004 .....	2.0
2005 .....	3.0
2006 .....	4.0
2007 .....	5.5
2008 .....	7.5.

"(C) COORDINATION WITH INCOME TAX RATES.—The reductions under subparagraph (A)—

"(i) shall not reduce any rate under paragraph (1) below the lowest rate in section 1(c), and

"(ii) shall not reduce the highest rate under paragraph (1) below the highest rate in section 1(c).

"(D) COORDINATION WITH CREDIT FOR STATE DEATH TAXES.—Rules similar to the rules of subparagraph (A) shall apply to the table contained in section 2011(b) except that the Secretary shall prescribe percentage point reductions which maintain the proportionate relationship (as in effect before any reduction under this paragraph) between the credit under section 2011 and the tax rates under subsection (c)."

(d) EFFECTIVE DATES.—

(1) SUBSECTIONS (a) AND (b).—The amendments made by subsections (a) and (b) shall apply to estates of decedents dying, and gifts made, after December 31, 2000.

(2) SUBSECTION (c).—The amendment made by subsection (c) shall apply to estates of decedents dying, and gifts made, after December 31, 2004.

Page 278, strike line 1 and all that follows through page 282, line 6.

Page 334, strike line 6 and all that follows through page 336, line 13.

Page 345, strike line 10 and all that follows through page 349, line 15.

Page 358, after line 2, insert the following new section:

**SEC. 1264. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.**

(a) IN GENERAL.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

“(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

At the end of the bill insert the following new titles:

**TITLE XVII—COMMITMENT TO DEBT REDUCTION**

**SEC. 1701. COMMITMENT TO DEBT REDUCTION.**

(a) FINDINGS.—The Congress finds that—

(1) the national debt of the United States held by the public is \$3.619 trillion as of fiscal year 1999,

(2) the Federal budget is projected to produce a surplus each year in the next 10 fiscal years, and

(3) refunding taxes and reducing the national debt held by the public will assure continued economic growth and financial freedom for future generations.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the national debt held by the public shall be reduced from \$3.619 trillion to a level below \$1.61 trillion by fiscal year 2009.

**TITLE XVIII—BUDGETARY TREATMENT**

**SEC. 1801. EXCLUSION OF EFFECTS OF THIS ACT FROM PAYGO SCORECARD.**

Upon the enactment of this Act, the Director of the Office of Management and Budget shall not make any estimate of changes in direct spending outlays and receipts under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 resulting from the enactment of this Act.

Conform the section numbering and the table of contents accordingly.

Ms. PRYCE of Ohio (during the reading). Mr. Speaker, I ask unanimous consent that section 3 of the amendment in the nature of a substitute be considered as read and printed in the RECORD, and that this request not be considered a precedent.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

Mr. RANGEL. Mr. Speaker, reserving the right to object.

Ms. PRYCE of Ohio. Mr. Speaker, I withdraw my unanimous consent request.

The SPEAKER pro tempore. The Clerk will read.

The Clerk continued reading the amendment.

**PARLIAMENTARY INQUIRY**

Mr. RANGEL (during the reading). Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. RANGEL. Mr. Speaker, in order to avoid the full reading of the rule, my parliamentary inquiry is that are there any provisions in this rule that restricts the tax cut from taking place based on the amount of the debt, the Federal debt? That is my only question?

The SPEAKER pro tempore (Mr. COMBEST). The gentlewoman from Ohio (Ms. PRYCE) may repeat her unanimous consent and, under a reservation, someone may yield to her to explain or to answer the question of the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I ask the gentlewoman from Ohio (Ms. PRYCE) to renew her request. Because my reserving the right to object is only to find out whether or not someplace in the rule is the provision that I made inquiry of the Speaker.

The SPEAKER pro tempore. Absent a unanimous consent request, the Clerk will read.

The Clerk continued reading the amendment.

Mr. GEORGE MILLER of California (during the reading). Mr. Speaker, I ask unanimous consent that we suspend with the reading of the bill until my colleagues are done writing the bill.

The SPEAKER pro tempore. The Clerk will read.

The Clerk continued reading the amendment.

Mr. RANGEL (during the reading). Mr. Speaker, I ask unanimous consent that we dispense with the reading of the rule in view of the fact that the majority really does not want to tell us what is in it. Then there is no sense reading it.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. NUSSLE. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk will read.

The Clerk continued reading the amendment.

Mr. LEACH (during the reading). Mr. Speaker, I ask unanimous consent that the section be considered as read, printed in the RECORD, and that the request not be considered a precedent.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Ms. PRYCE of Ohio. Mr. Speaker, I move the previous question on the amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentlewoman from Ohio (Ms. PRYCE).

The amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

**RECORDED VOTE**

Mr. MOAKLEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 219, noes 208, not voting 7, as follows:

[Roll No. 330]

**AYES—219**

Aderholt	Gillmor	Paul
Archer	Gilman	Pease
Armey	Goodlatte	Petri
Bachus	Goodling	Pickering
Baker	Goss	Pitts
Ballenger	Graham	Pombo
Barr	Granger	Porter
Barrett (NE)	Green (WI)	Portman
Bartlett	Greenwood	Pryce (OH)
Barton	Gutknecht	Quinn
Bass	Hansen	Radanovich
Bateman	Hastert	Ramstad
Bereuter	Hastings (WA)	Regula
Biggert	Hayes	Reynolds
Bilbray	Hayworth	Riley
Billirakis	Hefley	Rogan
Bliley	Herger	Rogers
Blunt	Hill (MT)	Rohrabacher
Boehlert	Hilleary	Ros-Lehtinen
Boehner	Hobson	Roukema
Bonilla	Hoekstra	Royce
Bono	Horn	Ryan (WI)
Brady (TX)	Hostettler	Ryun (KS)
Bryant	Houghton	Salmon
Burr	Hulshof	Sanford
Burton	Hunter	Saxton
Buyer	Hutchinson	Scarborough
Callahan	Hyde	Schaffer
Calvert	Isakson	Sensenbrenner
Camp	Istook	Sessions
Campbell	Jenkins	Shadegg
Canady	Johnson (CT)	Shaw
Cannon	Johnson, Sam	Shays
Castle	Jones (NC)	Sherwood
Chabot	Kasich	Shimkus
Chambliss	Kelly	Shuster
Chenoweth	King (NY)	Simpson
Coble	Kingston	Skeen
Coburn	Knollenberg	Smith (MI)
Collins	Kolbe	Smith (NJ)
Combest	Kuykendall	Smith (TX)
Cook	LaHood	Souder
Cooksey	Largent	Spence
Cox	Latham	Stearns
Crane	LaTourette	Stump
Cubin	Lazio	Sununu
Cunningham	Leach	Sweeney
Davis (VA)	Lewis (CA)	Talent
Deal	Lewis (KY)	Tancredo
DeLay	Linder	Tauzin
DeMint	LoBiondo	Taylor (NC)
Diaz-Balart	Lucas (OK)	Terry
Dickey	Manzullo	Thomas
Doolittle	McCollum	Thornberry
Dreier	McCrery	Thune
Duncan	McHugh	Tiahrt
Dunn	McInnis	Toomey
Ehlers	McIntosh	Upton
Ehrlich	McKeon	Vitter
Emerson	Metcalfe	Walden
English	Mica	Walsh
Everett	Miller (FL)	Wamp
Ewing	Miller, Gary	Watkins
Fletcher	Moran (KS)	Watts (OK)
Foley	Myrick	Weldon (FL)
Fossella	Nethercutt	Weldon (PA)
Fowler	Ney	Weller
Franks (NJ)	Northup	Whitfield
Frelinghuysen	Norwood	Wicker
Gallegly	Nussle	Wilson
Gekas	Ose	Wolf
Gibbons	Oxley	Young (AK)
Gilchrest	Packard	Young (FL)

## NOES—208

Abercrombie	Gordon	Napolitano
Ackerman	Green (TX)	Neal
Allen	Gutierrez	Oberstar
Andrews	Hall (OH)	Obey
Baird	Hall (TX)	Oliver
Baldacci	Hastings (FL)	Ortiz
Baldwin	Hill (IN)	Owens
Barcia	Hilliard	Pallone
Barrett (WI)	Hinchey	Pascarell
Becerra	Hinojosa	Pastor
Bentsen	Hoeffel	Payne
Berkley	Holden	Pelosi
Berman	Holt	Peterson (MN)
Berry	Hooley	Phelps
Bishop	Hoyer	Pomeroy
Blagojevich	Inslee	Price (NC)
Blumenauer	Jackson (IL)	Rahall
Bonior	Jackson-Lee	Rangel
Borski	(TX)	Reyes
Boswell	Jefferson	Rivers
Boucher	John	Rodriguez
Boyd	Johnson, E.B.	Roemer
Brady (PA)	Jones (OH)	Rothman
Brown (FL)	Brown (FL)	Kanjorski
Brown (OH)	Kaptur	Roybal-Allard
Capps	Kildee	Rush
Capuano	Kilpatrick	Sanchez
Cardin	Kind (WI)	Sanders
Carson	Kleccka	Sandlin
Clay	Klink	Sawyer
Clayton	Kucinich	Schakowsky
Clement	LaFalce	Scott
Clyburn	Lampson	Serrano
Condit	Lantos	Sherman
Conyers	Larson	Shows
Costello	Lee	Sisisky
Coyne	Levin	Skelton
Cramer	Lewis (GA)	Slaughter
Crowley	Lipinski	Smith (WA)
Cummings	Lofgren	Snyder
Danner	Lowey	Spratt
Davis (FL)	Lucas (KY)	Stabenow
Davis (IL)	Luther	Stark
DeFazio	Maloney (CT)	Stenholm
DeGette	Maloney (NY)	Strickland
Delahunt	Markey	Stupak
DeLauro	Martinez	Tanner
Deutsch	Mascara	Tauscher
Dicks	Matsui	Taylor (MS)
Dingell	McCarthy (MO)	Thompson (CA)
Dixon	McCarthy (NY)	Thompson (MS)
Doggett	McGovern	Thurman
Dooley	McIntyre	Tierney
Doyle	McKinney	Towns
Edwards	McNulty	Trafigant
Eshoo	Meehan	Turner
Etheridge	Meek (FL)	Udall (CO)
Evans	Meeks (NY)	Udall (NM)
Farr	Menendez	Velazquez
Fattah	Millender-	Vento
Filner	McDonald	Visclosky
Forbes	Miller, George	Waters
Ford	Minge	Watt (NC)
Frank (MA)	Mink	Waxman
Frost	Moakley	Weiner
Ganske	Moore	Wexler
Gejdenson	Moran (VA)	Weygand
Gephardt	Morella	Wise
Gonzalez	Murtha	Woolsey
Goode	Nadler	Wynn

## NOT VOTING—7

Engel	Mollohan	Sabo
Kennedy	Peterson (PA)	
McDermott	Pickett	

□ 0012

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Ms. PRYCE of Ohio. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their re-

marks and to include extraneous material on H. Res. 256.

The SPEAKER pro tempore (Mr. COMBEST). Is there objection to the request of the gentlewoman from Ohio? There was no objection.

## FINANCIAL FREEDOM ACT OF 1999

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 256, I call up the bill (H.R. 2488) to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, to provide marriage penalty relief, to reduce taxes on savings and investments, to provide estate and gift tax relief, to provide incentives for education savings and health care, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. COMBEST). Pursuant to House Resolution 256, the bill is considered read for amendment.

The text of H.R. 2488 is as follows:

## H.R. 2488

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the “Financial Freedom Act of 1999”.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(d) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; etc.

## TITLE I—BROAD-BASED TAX RELIEF

## Subtitle A—10-Percent Reduction in Individual Income Tax Rates

Sec. 101. 10-percent reduction in individual income tax rates.

## Subtitle B—Marriage Penalty Tax Relief

Sec. 111. Elimination of marriage penalty in standard deduction.

Sec. 112. Elimination of marriage penalty in deduction for interest on education loans.

Sec. 113. Rollover from regular IRA to Roth IRA.

## Subtitle C—Repeal of Alternative Minimum Tax on Individuals

Sec. 121. Repeal of Alternative Minimum Tax on Individuals.

## TITLE II—RELIEF FROM TAXATION ON SAVINGS AND INVESTMENTS

Sec. 201. Exemption of certain interest and dividend income from tax.

Sec. 202. Reduction in individual capital gain tax rates.

Sec. 203. Capital gains tax rates applied to capital gains of designated settlement funds.

Sec. 204. Special rule for members of uniformed services and foreign service, and other employees, in determining exclusion of gain from sale of principal residence.

Sec. 205. Treatment of certain dealer derivative financial instruments, hedging transactions, and supplies as ordinary assets.

Sec. 206. Worthless securities of financial institutions.

## TITLE III—INCENTIVES FOR BUSINESS INVESTMENT AND JOB CREATION

Sec. 301. Reduction in corporate capital gain tax rate.

Sec. 302. Repeal of alternative minimum tax on corporations.

## TITLE IV—EDUCATION SAVINGS INCENTIVES

Sec. 401. Modifications to education individual retirement accounts.

Sec. 402. Modifications to qualified tuition programs.

Sec. 403. Exclusion of certain amounts received under the National Health Service Corps scholarship program, the F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program, and certain other programs.

Sec. 404. Additional increase in arbitrage rebate exception for governmental bonds used to finance educational facilities.

Sec. 405. Modification of arbitrage rebate rules applicable to public school construction bonds.

Sec. 406. Repeal of 60-month limitation on deduction for interest on education loans.

## TITLE V—HEALTH CARE PROVISIONS

Sec. 501. Deduction for health and long-term care insurance costs of individuals not participating in employer-subsidized health plans.

Sec. 502. Long-term care insurance permitted to be offered under cafeteria plans and flexible spending arrangements.

Sec. 503. Expansion of availability of medical savings accounts.

Sec. 504. Additional personal exemption for taxpayer caring for elderly family member in taxpayer's home.

Sec. 505. Expanded human clinical trials qualifying for orphan drug credit.

Sec. 506. Inclusion of certain vaccines against streptococcus pneumoniae to list of taxable vaccines.

## TITLE VI—ESTATE TAX RELIEF

Subtitle A—Repeal of Estate, Gift, and Generation-Skipping Taxes; Repeal of Step Up in Basis At Death

Sec. 601. Repeal of estate, gift, and generation-skipping taxes.

Sec. 602. Termination of step up in basis at death.

Sec. 603. Carryover basis at death.

## Subtitle B—Reductions of Estate and Gift Tax Rates Prior to Repeal

Sec. 611. Additional reductions of estate and gift tax rates.

## Subtitle C—Unified Credit Replaced With Unified Exemption Amount

Sec. 621. Unified credit against estate and gift taxes replaced with unified exemption amount.

## Subtitle D—Modifications of Generation-Skipping Transfer Tax

Sec. 631. Deemed allocation of GST exemption to lifetime transfers to trusts; retroactive allocations.

Sec. 632. Severing of trusts.

Sec. 633. Modification of certain valuation rules.

Sec. 634. Relief provisions.

#### TITLE VII—TAX RELIEF FOR DISTRESSED COMMUNITIES AND INDUSTRIES

##### Subtitle A—American Community Renewal Act of 1999

Sec. 701. Short title.

Sec. 702. Designation of and tax incentives for renewal communities.

Sec. 703. Extension of expensing of environmental remediation costs to renewal communities.

Sec. 704. Extension of work opportunity tax credit for renewal communities.

Sec. 705. Conforming and clerical amendments.

Sec. 706. Evaluation and reporting requirements.

##### Subtitle B—Farming Incentive

Sec. 711. Production flexibility contract payments.

##### Subtitle C—Oil and Gas Incentive

Sec. 721. 5-year net operating loss carryback for losses attributable to operating mineral interests of independent oil and gas producers.

##### Subtitle D—Timber Incentive

Sec. 731. Increase in maximum permitted amortization of reforestation expenditures.

##### Subtitle E—Steel Industry Incentive

Sec. 741. Minimum tax relief for steel industry.

#### TITLE VIII—RELIEF FOR SMALL BUSINESSES

Sec. 801. Deduction for 100 percent of health insurance costs of self-employed individuals.

Sec. 802. Increase in expense treatment for small businesses.

Sec. 803. Repeal of Federal unemployment surtax.

Sec. 804. Restoration of 80 percent deduction for meal expenses.

#### TITLE IX—INTERNATIONAL TAX RELIEF

Sec. 901. Interest allocation rules.

Sec. 902. Look-thru rules to apply to dividends from noncontrolled section 902 corporations.

Sec. 903. Clarification of treatment of pipeline transportation income.

Sec. 904. Subpart F treatment of income from transmission of high voltage electricity.

Sec. 905. Recharacterization of overall domestic loss.

Sec. 906. Treatment of military property of foreign sales corporations.

Sec. 907. Treatment of certain dividends of regulated investment companies.

Sec. 908. Repeal of special rules for applying foreign tax credit in case of foreign oil and gas income.

Sec. 909. Study of proper treatment of European Union under same country exceptions.

Sec. 910. Application of denial of foreign tax credit with respect to certain foreign countries.

Sec. 911. Advance pricing agreements treated as confidential taxpayer information.

Sec. 912. Increase in dollar limitation on section 911 exclusion.

#### TITLE X—PROVISIONS RELATING TO TAX-EXEMPT ORGANIZATIONS

Sec. 1001. Exemption from income tax for State-created organizations providing property and casualty insurance for property for which such coverage is otherwise unavailable.

Sec. 1002. Modification of special arbitrage rule for certain funds.

Sec. 1003. Charitable split-dollar life insurance, annuity, and endowment contracts.

Sec. 1004. Exemption procedure from taxes on self-dealing.

Sec. 1005. Expansion of declaratory judgment remedy to tax-exempt organizations.

Sec. 1006. Modifications to section 512(b)(13).

#### TITLE XI—REAL ESTATE PROVISIONS

##### Subtitle A—Provisions Relating to Real Estate Investment Trusts

##### PART I—TREATMENT OF INCOME AND SERVICES PROVIDED BY TAXABLE REIT SUBSIDIARIES

Sec. 1101. Modifications to asset diversification test.

Sec. 1102. Treatment of income and services provided by taxable REIT subsidiaries.

Sec. 1103. Taxable REIT subsidiary.

Sec. 1104. Limitation on earnings stripping.

Sec. 1105. 100 percent tax on improperly allocated amounts.

Sec. 1106. Effective date.

##### PART II—HEALTH CARE REIT'S

Sec. 1111. Health care REIT's.

##### PART III—CONFORMITY WITH REGULATED INVESTMENT COMPANY RULES

Sec. 1121. Conformity with regulated investment company rules.

##### PART IV—CLARIFICATION OF EXCEPTION FROM IMPERMISSIBLE TENANT SERVICE INCOME

Sec. 1131. Clarification of exception for independent operators.

##### PART V—MODIFICATION OF EARNINGS AND PROFITS RULES

Sec. 1141. Modification of earnings and profits rules.

##### PART VI—STUDY RELATING TO TAXABLE REIT SUBSIDIARIES

Sec. 1151. Study relating to taxable REIT subsidiaries.

##### Subtitle B—Modification of At-Risk Rules for Publicly Traded Securities

Sec. 1161. Treatment under at-risk rules of publicly traded nonrecourse debt.

##### Subtitle C—Treatment of Construction Allowances and Certain Contributions To Capital of Retailers

Sec. 1171. Exclusion from gross income of qualified lessee construction allowances not limited for certain retailers to short-term leases.

Sec. 1172. Exclusion from gross income for certain contributions to the capital of certain retailers.

#### TITLE XII—PROVISIONS RELATING TO PENSIONS

##### Subtitle A—Expanding Coverage

Sec. 1201. Increase in benefit and contribution limits.

Sec. 1202. Plan loans for subchapter S owners, partners, and sole proprietors.

Sec. 1203. Modification of top-heavy rules.

Sec. 1204. Elective deferrals not taken into account for purposes of deduction limits.

Sec. 1205. Reduced PBGC premium for new plans of small employers.

Sec. 1206. Reduction of additional PBGC premium for new and small plans.

Sec. 1207. Repeal of coordination requirements for deferred compensation plans of State and local governments and tax-exempt organizations.

Sec. 1208. Elimination of user fee for requests to IRS regarding pension plans.

Sec. 1209. Deduction limits.

Sec. 1210. Option to treat elective deferrals as after-tax contributions.

##### Subtitle B—Enhancing Fairness for Women

Sec. 1211. Additional salary reduction catch-up contributions.

Sec. 1212. Equitable treatment for contributions of employees to defined contribution plans.

Sec. 1213. Faster vesting of certain employer matching contributions.

Sec. 1214. Simplify and update the minimum distribution rules.

Sec. 1215. Clarification of tax treatment of division of section 457 plan benefits upon divorce.

##### Subtitle C—Increasing Portability for Participants

Sec. 1221. Rollovers allowed among various types of plans.

Sec. 1222. Rollovers of IRAs into workplace retirement plans.

Sec. 1223. Rollovers of after-tax contributions.

Sec. 1224. Hardship exception to 60-day rule.

Sec. 1225. Treatment of forms of distribution.

Sec. 1226. Rationalization of restrictions on distributions.

Sec. 1227. Purchase of service credit in governmental defined benefit plans.

Sec. 1228. Employers may disregard rollovers for purposes of cash-out amounts.

Sec. 1229. Minimum distribution and inclusion requirements for deferred compensation plans of State and local governments.

##### Subtitle D—Strengthening Pension Security and Enforcement

Sec. 1231. Repeal of 150 percent of current liability funding limit.

Sec. 1232. Maximum contribution deduction rules modified and applied to all defined benefit plans.

Sec. 1233. Missing participants.

Sec. 1234. Excise tax relief for sound pension funding.

Sec. 1235. Excise tax on failure to provide notice by defined benefit plans significantly reducing future benefit accruals.

##### Subtitle E—Reducing Regulatory Burdens

Sec. 1241. Repeal of the multiple use test.

Sec. 1242. Modification of timing of plan valuations.

Sec. 1243. Flexibility and nondiscrimination and line of business rules.

Sec. 1244. Substantial owner benefits in terminated plans.

Sec. 1245. ESOP dividends may be reinvested without loss of dividend deduction.

Sec. 1246. Notice and consent period regarding distributions.

Sec. 1247. Repeal of transition rule relating to certain highly compensated employees.

Sec. 1248. Employees of tax-exempt entities.

Sec. 1249. Clarification of treatment of employer-provided retirement advice.

Sec. 1250. Provisions relating to plan amendments.

Sec. 1251. Model plans for small businesses.

Sec. 1252. Simplified annual filing requirement for plans with fewer than 25 employees.

Sec. 1253. Intermediate sanctions for inadvertent failures.

#### TITLE XIII—MISCELLANEOUS PROVISIONS

##### Subtitle A—Provisions Primarily Affecting Individuals

Sec. 1301. Exclusion for foster care payments to apply to payments by qualified placement agencies.

Sec. 1302. Mileage reimbursements to charitable volunteers excluded from gross income.

Sec. 1303. W-2 to include employer social security taxes.

##### Subtitle B—Provisions Primarily Affecting Businesses

Sec. 1311. Distributions from publicly traded partnerships treated as qualifying income of regulated investment companies.

Sec. 1312. Special passive activity rule for publicly traded partnerships to apply to regulated investment companies.

Sec. 1313. Large electric trucks, vans, and buses eligible for deduction for clean-fuel vehicles in lieu of credit.

Sec. 1314. Modifications to special rules for nuclear decommissioning costs.

Sec. 1315. Consolidation of life insurance companies with other corporations.

##### Subtitle C—Provisions Relating to Excise Taxes

Sec. 1321. Consolidation of Hazardous Substance Superfund and Leaking Underground Storage Tank Trust Fund.

Sec. 1322. Repeal of certain motor fuel excise taxes on fuel used by railroads and on inland waterway transportation.

Sec. 1323. Repeal of excise tax on fishing tackle boxes.

##### Subtitle D—Other Provisions

Sec. 1331. Increase in volume cap on private activity bonds.

Sec. 1332. Tax treatment of Alaska Native Settlement Trusts.

Sec. 1333. Increase in threshold for Joint Committee reports on refunds and credits.

##### Subtitle E—Tax Court Provisions

Sec. 1341. Tax Court filing fee in all cases commenced by filing petition.

Sec. 1342. Expanded use of Tax Court practice fee.

Sec. 1343. Confirmation of authority of Tax Court to apply doctrine of equitable recoupment.

#### TITLE XIV—EXTENSIONS OF EXPIRING PROVISIONS

Sec. 1401. Research credit.

Sec. 1402. Subpart F exemption for active financing income.

Sec. 1403. Taxable income limit on percentage depletion for marginal production.

Sec. 1404. Work Opportunity Credit and Welfare-to-Work Credit.

#### TITLE XV—REVENUE OFFSETS

Sec. 1501. Returns relating to cancellations of indebtedness by organizations lending money.

Sec. 1502. Extension of Internal Revenue Service user fees.

Sec. 1503. Limitations on welfare benefit funds of 10 or more employer plans.

Sec. 1504. Increase in elective withholding rate for nonperiodic distributions from deferred compensation plans.

Sec. 1505. Controlled entities ineligible for REIT status.

Sec. 1506. Treatment of gain from constructive ownership transactions.

Sec. 1507. Transfer of excess defined benefit plan assets for retiree health benefits.

Sec. 1508. Modification of installment method and repeal of installment method for accrual method taxpayers.

#### TITLE XVI—TECHNICAL CORRECTIONS

Sec. 1601. Amendments related to Tax and Trade Relief Extension Act of 1998.

Sec. 1602. Amendments related to Internal Revenue Service Restructuring and Reform Act of 1998.

Sec. 1603. Amendments related to Taxpayer Relief Act of 1997.

Sec. 1604. Other technical corrections.

Sec. 1605. Clerical changes.

#### TITLE I—BROAD-BASED TAX RELIEF

##### Subtitle A—10-Percent Reduction in Individual Income Tax Rates

##### SEC. 101. 10-PERCENT REDUCTION IN INDIVIDUAL INCOME TAX RATES.

(a) REGULAR INCOME TAX RATES.—

(1) IN GENERAL.—Subsection (f) of section 1 is amended by adding at the end the following new paragraph:

“(8) RATE REDUCTIONS.—In prescribing the tables under paragraph (1) which apply with respect to taxable years beginning in a calendar year after 2000, each rate in such tables (without regard to this paragraph) shall be reduced by the number of percentage points (rounded to the next lowest tenth) equal to the applicable percentage (determined in accordance with the following table) of such rate:

“For taxable years beginning in calendar year—	The applicable percentage is—
2001 through 2004 .....	2.5
2005 through 2007 .....	5.0
2008 .....	7.5
2009 and thereafter .....	10.0.”

(2) TECHNICAL AMENDMENTS.—

(A) Subparagraph (B) of section 1(f)(2) is amended by inserting “except as provided in paragraph (8),” before “by not changing”.

(B) Subparagraph (C) of section 1(f)(2) is amended by inserting “and the reductions under paragraph (8) in the rates of tax” before the period.

(C) The heading for subsection (f) of section 1 is amended by inserting “RATE REDUCTIONS;” before “ADJUSTMENTS”.

(D) Section 1(g)(7)(B)(ii)(II) is amended by striking “15 percent” and inserting “the percentage applicable to the lowest income bracket in subsection (c)”.

(E) Subparagraphs (A)(ii)(I) and (B)(i) of section 1(h)(1) are each amended by striking “28 percent” and inserting “25.2 percent”.

(F) Section 531 is amended by striking “39.6 percent of the accumulated taxable income” and inserting “the product of the accumulated taxable income and the percent-

age applicable to the highest income bracket in section 1(c)”.

(G) Section 541 is amended by striking “39.6 percent of the undistributed personal holding company income” and inserting “the product of the undistributed personal holding company income and the percentage applicable to the highest income bracket in section 1(c)”.

(H) Section 3402(p)(1)(B) is amended by striking “specified is 7, 15, 28, or 31 percent” and all that follows and inserting “specified is—

“(i) 7 percent,

“(ii) a percentage applicable to 1 of the 3 lowest income brackets in section 1(c), or

“(iii) such other percentage as is permitted under regulations prescribed by the Secretary.”

(I) Section 3402(p)(2) is amended by striking “15 percent of such payment” and inserting “the product of such payment and the percentage applicable to the lowest income bracket in section 1(c)”.

(J) Section 3402(q)(1) is amended by striking “28 percent of such payment” and inserting “the product of such payment and the percentage applicable to the next to the lowest income bracket in section 1(c)”.

(K) Section 3402(r)(3) is amended by striking “31 percent” and inserting “the rate applicable to the third income bracket in such section”.

(L) Section 3406(a)(1) is amended by striking “31 percent of such payment” and inserting “the product of such payment and the percentage applicable to the third income bracket in section 1(c)”.

(b) MINIMUM TAX RATES.—Subparagraph (A) of section 55(b)(1) is amended by adding at the end the following new clause:

“(iv) RATE REDUCTION.—In the case of taxable years beginning after 2000, each rate in clause (i) (without regard to this clause) shall be reduced by the number of percentage points (rounded to the next lowest tenth) equal to the applicable percentage (determined in accordance with section 1(f)(8)) of such rate.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

##### Subtitle B—Marriage Penalty Tax Relief

##### SEC. 111. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking “\$5,000” in subparagraph (A) and inserting “twice the dollar amount in effect under subparagraph (C) for the taxable year”;

(2) by adding “or” at the end of subparagraph (B),

(3) by striking “in the case of” and all that follows in subparagraph (C) and inserting “in any other case.”; and

(4) by striking subparagraph (D).

(b) PHASE-IN.—Subsection (c) of section 63 is amended by adding at the end the following new paragraph:

“(7) PHASE-IN OF INCREASE IN BASIC STANDARD DEDUCTION.—In the case of taxable years beginning before January 1, 2003—

“(A) paragraph (2)(A) shall be applied by substituting for ‘twice’—

“(i) ‘1.778 times’ in the case of taxable years beginning during 2001, and

“(ii) ‘1.889 times’ in the case of taxable years beginning during 2002, and

“(B) the basic standard deduction for a married individual filing a separate return shall be one-half of the amount applicable under paragraph (2)(A).”

If any amount determined under subparagraph (A) is not a multiple of \$50, such amount shall be rounded to the next lowest multiple of \$50."

**(c) TECHNICAL AMENDMENTS.—**

(1) Subparagraph (B) of section 1(f)(6) is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied".

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

"The preceding sentence shall not apply to the amount referred to in paragraph (2)(A)."

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

**SEC. 112. ELIMINATION OF MARRIAGE PENALTY IN DEDUCTION FOR INTEREST ON EDUCATION LOANS.**

(a) **IN GENERAL.**—Subparagraph (B) of section 221(b)(2) (relating to limitation based on modified adjusted gross income) is amended—

(1) by striking "\$60,000" in clause (i)(II) and inserting "twice such amount", and

(2) by inserting "\$30,000 in the case of a joint return)" after "\$15,000" in clause (ii).

(b) **CONFORMING AMENDMENT.**—Paragraph (1) of section 221(g) is amended by striking "and \$60,000 amounts in subsection (b)(2) shall each" and inserting "amount in subsection (b)(2) shall".

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 113. ROLLOVER FROM REGULAR IRA TO ROTH IRA.**

(a) **IN GENERAL.**—Clause (i) of section 408A(c)(3)(B) is amended by inserting "\$160,000 in the case of a joint return)" after "\$100,000".

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**Subtitle C—Repeal of Alternative Minimum Tax on Individuals**

**SEC. 121. REPEAL OF ALTERNATIVE MINIMUM TAX ON INDIVIDUALS.**

(a) **IN GENERAL.**—Subsection (a) of section 55 is amended by adding at the end the following new flush sentence:

"For purposes of this title, the tentative minimum tax on any taxpayer other than a corporation for any taxable year beginning after December 31, 2007, shall be zero."

(b) **REDUCTION OF TAX ON INDIVIDUALS PRIOR TO REPEAL.**—Section 55 is amended by adding at the end the following new subsection:

"(f) **PHASEOUT OF TAX ON INDIVIDUALS.**—

"(1) **IN GENERAL.**—The tax imposed by this section on a taxpayer other than a corporation for any taxable year beginning after December 31, 2002, and before January 1, 2008, shall be the applicable percentage of the tax which would be imposed but for this subsection.

"(2) **APPLICABLE PERCENTAGE.**—For purposes of paragraph (1), the applicable percentage shall be determined in accordance with the following table:

<b>"For taxable years beginning in calendar year—</b>	<b>The applicable percentage is—</b>
2003 .....	80
2004 .....	70
2005 .....	60
2006 or 2007 .....	50."

(c) **NONREFUNDABLE PERSONAL CREDITS FULLY ALLOWED AGAINST REGULAR TAX LIABILITY.**—

(1) **IN GENERAL.**—Subsection (a) of section 26 (relating to limitation based on amount of tax) is amended to read as follows:

"(a) **LIMITATION BASED ON AMOUNT OF TAX.**—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the taxpayer's regular tax liability for the taxable year."

(2) **CHILD CREDIT.**—Subsection (d) of section 24 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(d) **LIMITATION ON USE OF CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.**—Subsection (c) of section 53 is amended to read as follows:

"(c) **LIMITATION.**—

"(1) **IN GENERAL.**—Except as otherwise provided in this subsection, the credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) the regular tax liability of the taxpayer for such taxable year reduced by the sum of the credits allowable under subparts A, B, D, E, and F of this part, over

"(B) the tentative minimum tax for the taxable year.

"(2) **TAXABLE YEARS BEGINNING AFTER 2007.**—In the case of any taxable year beginning after 2007, the credit allowable under subsection (a) to a taxpayer other than a corporation for any taxable year shall not exceed 90 percent of the excess (if any) of—

"(A) regular tax liability of the taxpayer for such taxable year, over

"(B) the sum of the credits allowable under subparts A, B, D, E, and F of this part."

(e) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

**TITLE II—RELIEF FROM TAXATION ON SAVINGS AND INVESTMENTS**

**SEC. 201. EXEMPTION OF CERTAIN INTEREST AND DIVIDEND INCOME FROM TAX.**

(a) **IN GENERAL.**—Part III of subchapter B of chapter 1 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

**"SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.**

"(a) **EXCLUSION FROM GROSS INCOME.**—Gross income does not include dividends and interest otherwise includible in gross income which are received during the taxable year by an individual.

"(b) **LIMITATIONS.**—

"(1) **MAXIMUM AMOUNT.**—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed—

"(A) in the case of any taxable year beginning in 2001 or 2002, \$100 (\$200 in the case of a joint return), and

"(B) in the case of any taxable year beginning after 2002, \$200 (\$400 in the case of a joint return).

"(2) **CERTAIN DIVIDENDS EXCLUDED.**—Subsection (a) shall not apply to any dividend from a corporation which for the taxable year of the corporation in which the distribution is made is a corporation exempt from tax under section 521 (relating to farmers' cooperative associations).

"(c) **SPECIAL RULES.**—For purposes of this section—

"(1) **EXCLUSION NOT TO APPLY TO CAPITAL GAIN DIVIDENDS FROM REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.**—

"For treatment of capital gain dividends, see sections 854(a) and 857(c).

"(2) **CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EXCLUSION.**—In the case of a non-

resident alien individual, subsection (a) shall apply only in determining the taxes imposed for the taxable year pursuant to sections 871(b)(1) and 877(b).

"(3) **DIVIDENDS FROM EMPLOYEE STOCK OWNERSHIP PLANS.**—Subsection (a) shall not apply to any dividend described in section 404(k)."

(b) **CONFORMING AMENDMENTS.**—

(1) Subparagraph (C) of section 32(c)(5) is amended by striking "or" at the end of clause (i), by striking the period at the end of clause (ii) and inserting "; or", and by inserting after clause (ii) the following new clause:

"(iii) interest and dividends received during the taxable year which are excluded from gross income under section 116."

(2) Subparagraph (A) of section 32(i)(2) is amended by inserting "(determined without regard to section 116)" before the comma.

(3) Subparagraph (B) of section 86(b)(2) is amended to read as follows:

"(B) increased by the sum of—

"(i) the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax, and

"(ii) the amount of interest and dividends received during the taxable year which are excluded from gross income under section 116."

(4) Subsection (d) of section 135 is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) **COORDINATION WITH SECTION 116.**—This section shall be applied before section 116."

(5) Paragraph (2) of section 265(a) is amended by inserting before the period "or to purchase or carry obligations or shares, or to make deposits, to the extent the interest thereon is excludable from gross income under section 116".

(6) Subsection (c) of section 584 is amended by adding at the end the following new flush sentence:

"The proportionate share of each participant in the amount of dividends or interest received by the common trust fund and to which section 116 applies shall be considered for purposes of such section as having been received by such participant."

(7) Subsection (a) of section 643 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

"(7) **DIVIDENDS OR INTEREST.**—There shall be included the amount of any dividends or interest excluded from gross income pursuant to section 116."

(8) Section 854(a) is amended by inserting "section 116 (relating to partial exclusion of dividends and interest received by individuals) and" after "For purposes of".

(9) Section 857(c) is amended to read as follows:

"(c) **RESTRICTIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.**—

"(1) **TREATMENT FOR SECTION 116.**—For purposes of section 116 (relating to partial exclusion of dividends and interest received by individuals), a capital gain dividend (as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

"(2) **TREATMENT FOR SECTION 243.**—For purposes of section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend."



(10) The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 115 the following new item:

“Sec. 116. Partial exclusion of dividends and interest received by individuals.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

**SEC. 202. REDUCTION IN INDIVIDUAL CAPITAL GAIN TAX RATES.**

(a) **IN GENERAL.**—

(1) Sections 1(h)(1)(B) and 55(b)(3)(B) are each amended by striking “10 percent” and inserting “7.5 percent”.

(2) The following sections are each amended by striking “20 percent” and inserting “15 percent”:

(A) Section 1(h)(1)(C).

(B) Section 55(b)(3)(C).

(C) Section 1445(e)(1).

(D) The second sentence of section 7518(g)(6)(A).

(E) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936.

(3) Sections 1(h)(1)(D) and 55(b)(3)(D) are each amended by striking “25 percent” and inserting “20 percent”.

(b) **CONFORMING AMENDMENTS.**—

(1) Section 311 of the Taxpayer Relief Act of 1997 is amended by striking subsection (e).

(2) Section 1(h) is amended—

(A) by striking paragraphs (2), (9), and (13),

(B) by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively, and

(C) by redesignating paragraphs (10), (11), and (12) as paragraphs (8), (9), and (10), respectively.

(3) Paragraph (3) of section 55(b) is amended by striking “In the case of taxable years beginning after December 31, 2000, rules similar to the rules of section 1(h)(2) shall apply for purposes of subparagraphs (B) and (C).”.

(4) Paragraph (7) of section 57(a) is amended—

(A) by striking “42 percent” and inserting “6 percent”, and

(B) by striking the last sentence.

(c) **TRANSITIONAL RULES FOR TAXABLE YEARS WHICH INCLUDE JULY 1, 1999.**—For purposes of applying section 1(h) of the Internal Revenue Code of 1986 in the case of a taxable year which includes July 1, 1999—

(1) The amount of tax determined under subparagraph (B) of section 1(h)(1) of such Code shall be the sum of—

(A) 7.5 percent of the lesser of—

(i) the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year on or after such date (determined without regard to collectibles gain or loss, gain described in section 1(h)(6)(A)(i) of such Code, and section 1202 gain), or

(ii) the amount on which a tax is determined under such subparagraph (without regard to this subsection), plus

(B) 10 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A).

(2) The amount of tax determined under subparagraph (C) of section 1(h)(1) of such Code shall be the sum of—

(A) 15 percent of the lesser of—

(i) the excess (if any) of the amount of net capital gain determined under subparagraph (A)(i) of paragraph (1) of this subsection over the amount on which a tax is determined

under subparagraph (A) of paragraph (1) of this subsection, or

(ii) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), plus

(B) 20 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A) of this paragraph.

(3) The amount of tax determined under subparagraph (D) of section 1(h)(1) of such Code shall be the sum of—

(A) 20 percent of the lesser of—

(i) the amount which would be determined under section 1(h)(6)(A)(i) of such Code taking into account only gain properly taken into account for the portion of the taxable year on or after such date, or

(ii) the amount on which a tax is determined under such subparagraph (D) (without regard to this subsection), plus

(B) 25 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (D) (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A) of this paragraph.

(4) For purposes of applying section 55(b)(3) of such Code, rules similar to the rules of paragraphs (1), (2), and (3) of this subsection shall apply.

(5) In applying this subsection with respect to any pass-thru entity, the determination of when gains and loss are properly taken into account shall be made at the entity level.

(6) Terms used in this subsection which are also used in section 1(h) of such Code shall have the respective meanings that such terms have in such section.

(d) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—Except as otherwise provided by this subsection, the amendments made by this section shall apply to taxable years ending after June 30, 1999.

(2) **WITHHOLDING.**—The amendment made by subsection (a)(2)(C) shall apply to amounts paid after the date of the enactment of this Act.

(3) **SMALL BUSINESS STOCK.**—The amendments made by subsection (b)(4) shall apply to dispositions on or after July 1, 1999.

**SEC. 203. CAPITAL GAINS TAX RATES APPLIED TO CAPITAL GAINS OF DESIGNATED SETTLEMENT FUNDS.**

(a) **IN GENERAL.**—Paragraph (1) of section 468B(b) (relating to taxation of designated settlement funds) is amended by inserting “(subject to section 1(h))” after “maximum rate”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 204. SPECIAL RULE FOR MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE, AND OTHER EMPLOYEES, IN DETERMINING EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.**

(a) **IN GENERAL.**—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraphs:

“(9) MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.—

“(A) **IN GENERAL.**—The running of the 5-year period described in subsection (a) shall be suspended with respect to an individual during any time that such individual or such individual’s spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service.

“(B) **QUALIFIED OFFICIAL EXTENDED DUTY.**—For purposes of this paragraph—

“(i) **IN GENERAL.**—The term ‘qualified official extended duty’ means any period of extended duty as a member of the uniformed services or a member of the Foreign Service during which the member serves at a duty station which is at least 50 miles from such property or is under Government orders to reside in Government quarters.

“(ii) **UNIFORMED SERVICES.**—The term ‘uniformed services’ has the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of the Financial Freedom Act of 1999.

“(iii) **FOREIGN SERVICE OF THE UNITED STATES.**—The term ‘member of the Foreign Service’ has the meaning given the term ‘member of the Service’ by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of the Financial Freedom Act of 1999.

“(iv) **EXTENDED DUTY.**—The term ‘extended duty’ means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.

“(10) **OTHER EMPLOYEES.**—

“(A) **IN GENERAL.**—The running of the 5-year period described in subsection (a) shall be suspended with respect to an individual during any time that such individual or such individual’s spouse is serving as an employee for a period in excess of 90 days in an assignment by the such employee’s employer outside the United States.

“(B) **LIMITATIONS AND SPECIAL RULES.**—

“(i) **MAXIMUM PERIOD OF SUSPENSION.**—The suspension under subparagraph (A) with respect to a principal residence shall not exceed (in the aggregate) 5 years.

“(ii) **MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.**—Subparagraph (A) shall not apply to an individual to whom paragraph (9) applies.

“(iii) **SELF-EMPLOYED INDIVIDUAL NOT CONSIDERED AN EMPLOYEE.**—For purposes of this paragraph, the term ‘employee’ does not include an individual who is an employee within the meaning of section 401(c)(1) (relating to self-employed individuals).”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

**SEC. 205. TREATMENT OF CERTAIN DEALER DERIVATIVE FINANCIAL INSTRUMENTS, HEDGING TRANSACTIONS, AND SUPPLIES AS ORDINARY ASSETS.**

(a) **IN GENERAL.**—Section 1221 (defining capital assets) is amended—

(1) by striking “For purposes” and inserting the following:

“(a) **IN GENERAL.**—For purposes”,

(2) by striking the period at the end of paragraph (5) and inserting a semicolon, and

(3) by adding at the end the following:

“(6) any commodities derivative financial instrument held by a commodities derivatives dealer, unless—

“(A) it is established to the satisfaction of the Secretary that such instrument has no connection to the activities of such dealer as a dealer, and

“(B) such instrument is clearly identified in such dealer’s records as being described in subparagraph (A) before the close of the day on which it was acquired, originated, or entered into (or such other time as the Secretary may by regulations prescribe);

“(7) any hedging transaction which is clearly identified as such before the close of the day on which it was acquired, originated,

or entered into (or such other time as the Secretary may by regulations prescribe); or

“(8) supplies of a type regularly used or consumed by the taxpayer in the ordinary course of a trade or business of the taxpayer.

“(b) DEFINITIONS AND SPECIAL RULES.—

“(1) COMMODITIES DERIVATIVE FINANCIAL INSTRUMENTS.—For purposes of subsection (a)(6)—

“(A) COMMODITIES DERIVATIVES DEALER.—The term ‘commodities derivatives dealer’ means a person which regularly offers to enter into, assume, offset, assign, or terminate positions in commodities derivative financial instruments with customers in the ordinary course of a trade or business.

“(B) COMMODITIES DERIVATIVE FINANCIAL INSTRUMENT.—

“(i) IN GENERAL.—The term ‘commodities derivative financial instrument’ means any contract or financial instrument with respect to commodities (other than a share of stock in a corporation, a beneficial interest in a partnership or trust, a note, bond, debenture, or other evidence of indebtedness, or a section 1256 contract (as defined in section 1256(b)) the value or settlement price of which is calculated by or determined by reference to a specified index.

“(ii) SPECIFIED INDEX.—The term ‘specified index’ means any one or more or any combination of—

“(I) a fixed rate, price, or amount, or

“(II) a variable rate, price, or amount, which is based on any current, objectively determinable financial or economic information which is not within the control of any of the parties to the contract or instrument and is not unique to any of the parties’ circumstances.

“(2) HEDGING TRANSACTION.—

“(A) IN GENERAL.—For purposes of this section, the term ‘hedging transaction’ means any transaction entered into by the taxpayer in the normal course of the taxpayer’s trade or business primarily—

“(i) to manage risk of price changes or currency fluctuations with respect to ordinary property which is held or to be held by the taxpayer, or

“(ii) to manage risk of interest rate or price changes or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, by the taxpayer.

“(B) TREATMENT OF NONIDENTIFICATION OR IMPROPER IDENTIFICATION OF HEDGING TRANSACTIONS.—Notwithstanding subsection (a)(7), the Secretary shall prescribe regulations to properly characterize of any income, gain, expense, or loss arising from a transaction—

“(i) which is a hedging transaction but which was not identified as such in accordance with subsection (a)(7), or

“(ii) which was so identified but is not a hedging transaction.

“(3) REGULATIONS.—The Secretary shall prescribe such regulations as are appropriate to carry out the purposes of paragraph (6) and (7) of subsection (a) in the case of transactions involving related parties.”.

(b) MANAGEMENT OF RISK.—

(1) Section 475(c)(3) is amended by striking “reduces” and inserting “manages”.

(2) Section 871(h)(4)(C)(iv) is amended by striking “to reduce” and inserting “to manage”.

(3) Clauses (i) and (ii) of section 988(d)(2)(A) are each amended by striking “to reduce” and inserting “to manage”.

(4) Paragraph (2) of section 1256(e) is amended to read as follows:

“(2) DEFINITION OF HEDGING TRANSACTION.—For purposes of this subsection, the term

‘hedging transaction’ means any hedging transaction (as defined in section 1221(b)(2)(A)) if, before the close of the day on which such transaction was entered into (or such earlier time as the Secretary may prescribe by regulations), the taxpayer clearly identifies such transaction as being a hedging transaction.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any instrument held, acquired, or entered into, any transaction entered into, and supplies held or acquired on or after the date of enactment of this Act.

#### SEC. 206. WORTHLESS SECURITIES OF FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—The first sentence following section 165(g)(3)(B) (relating to securities of affiliated corporation) is amended to read as follows: “In computing gross receipts for purposes of the preceding sentence, (i) gross receipts from sales or exchanges of stocks and securities shall be taken into account only to the extent of gains therefrom, and (ii) gross receipts from royalties, rents, dividends, interest, annuities, and gains from sales or exchanges of stocks and securities derived from (or directly related to) the conduct of an active trade or business of an insurance company subject to tax under subchapter L or a qualified financial institution (as defined in subsection (l)(3)) shall be treated as from such sources other than royalties, rents, dividends, interest, annuities, and gains.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to securities which become worthless in taxable years beginning after December 31, 1999.

#### TITLE III—INCENTIVES FOR BUSINESS INVESTMENT AND JOB CREATION

#### SEC. 301. REDUCTION IN CORPORATE CAPITAL GAIN TAX RATE.

(a) IN GENERAL.—Section 1201 is amended to read as follows:

##### “SEC. 1201. ALTERNATIVE TAX FOR CORPORATIONS.

“(a) GENERAL RULE.—If for any taxable year a corporation has a net capital gain, then, in lieu of the tax imposed by sections 11, 511, or 831(a) or (b), there is hereby imposed a tax (if such tax is less than the tax imposed by such sections) which shall consist of the sum of—

“(1) a tax computed on the taxable income reduced by the net capital gain, at the rates and in the manner as if this subsection had not been enacted, plus

“(2) the applicable percentage of the net capital gain (or, if less, taxable income).

“(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage shall be determined in accordance with the following table:

“For taxable years beginning in calendar year—	The applicable percentage is—
2000 .....	34
2001 .....	33
2002 .....	32
2003 .....	31
2004 .....	30
2005 .....	29
2006 .....	28
2007 .....	27
2008 .....	26
2009 and thereafter .....	25.

“(c) CROSS REFERENCES.—For computation of the alternative tax—

“(1) in the case of life insurance companies, see section 801(a)(2),

“(2) in the case of regulated investment companies and their shareholders, see section 852(b)(3)(A) and (D), and

“(3) in the case of real estate investment trusts, see section 857(b)(3)(A).”

(b) TECHNICAL AMENDMENTS.—

(1) Paragraphs (1) and (2) of section 1445(e) are each amended by striking “35 percent” and inserting “the applicable percentage determined under section 1201(b) for the calendar year in which the payment is made”.

(2)(A) The second sentence of section 7518(g)(6)(A) is amended by striking “34 percent” and inserting “the applicable percentage (within the meaning of section 1201(b))”.

(B) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936, is amended by striking “34 percent” and inserting “the applicable percentage (within the meaning of section 1201(b) of the Internal Revenue Code of 1986)”.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1999.

(2) WITHHOLDING.—The amendment made by subsection (b)(1) shall apply to amounts paid after December 31, 1999.

#### SEC. 302. REPEAL OF ALTERNATIVE MINIMUM TAX ON CORPORATIONS.

(a) IN GENERAL.—The last sentence of section 55(a), as amended by section 121, is amended by striking “on any taxpayer other than a corporation”.

(b) REPEAL OF 90 PERCENT LIMITATION ON FOREIGN TAX CREDIT.—

(1) IN GENERAL.—Section 59(a) (relating to alternative minimum tax foreign tax credit) is amended by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(2) CONFORMING AMENDMENT.—Section 53(d)(1)(B)(i)(II) is amended by striking “and if section 59(a)(2) did not apply”.

(c) LIMITATION ON USE OF CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.—

(1) IN GENERAL.—Subsection (c) of section 53, as amended by section 121, is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

“(2) CORPORATIONS FOR TAXABLE YEARS BEGINNING AFTER 2002.—In the case of corporation for any taxable year beginning after 2002 and before 2008, the limitation under paragraph (1) shall be increased by the applicable percentage (determined in accordance with the following table) of the tentative minimum tax for the taxable year.

“For taxable years beginning in calendar year—	The applicable percentage is—
2003 .....	20
2004 .....	30
2005 .....	40
2006 or 2007 .....	50.

In no event shall the limitation determined under this paragraph be greater than the sum of the tax imposed by section 55 and the regular tax reduced by the sum of the credits allowed under subparts A, B, D, E, and F of this part.”

(2) CONFORMING AMENDMENT.—Section 55(e) is amended by striking paragraph (5).

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to taxable years beginning after December 31, 2002.

(2) REPEAL OF 90 PERCENT LIMITATION ON FOREIGN TAX CREDIT.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 2001.

(3) SUBSECTION (c)(2).—The amendment made by subsection (c)(2) shall apply to taxable years beginning after December 31, 2007.

# **TITLE IV—EDUCATION SAVINGS INCENTIVES**

## **SEC. 401. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.**

### (a) MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) (defining education individual retirement account) is amended by striking “\$500” and inserting “\$2,000”.

(2) CONFORMING AMENDMENT.—Section 4973(e)(1)(A) is amended by striking “\$500” and inserting “\$2,000”.

### (b) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) (defining qualified higher education expenses) is amended to read as follows:

#### “(2) QUALIFIED EDUCATION EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified education expenses’ means—

“(i) qualified higher education expenses (as defined in section 529(e)(3)), and

“(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)).

“(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include any contribution to a qualified State tuition program (as defined in section 529(b)) on behalf of the designated beneficiary (as defined in section 529(e)(1)); but there shall be no increase in the investment in the contract for purposes of applying section 72 by reason of any portion of such contribution which is not includible in gross income by reason of subsection (d)(2).”

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—Section 530(b) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

#### “(4) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified elementary and secondary education expenses’ means—

“(i) expenses for tuition, fees, academic tutoring, special needs services, books, supplies, computer equipment (including related software and services), and other equipment which are incurred in connection with the enrollment or attendance of the designated beneficiary of the trust as an elementary or secondary school student at a public, private, or religious school, and

“(ii) expenses for room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required or provided by a public, private, or religious school in connection with such enrollment or attendance.

“(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described in subparagraph (A)(i) in connection with education provided by homeschooling if the requirements of any applicable State or local law are met with respect to such education.

“(C) SCHOOL.—The term ‘school’ means any school which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.”

(3) CONFORMING AMENDMENTS.—Section 530 is amended—

(A) by striking “higher” each place it appears in subsections (b)(1) and (d)(2), and

(B) by striking “HIGHER” in the heading for subsection (d)(2).

(c) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Section 530(b)(1) (defining education individual retirement account) is amended by adding at the end the following flush sentence:

“The age limitations in subparagraphs (A)(ii) and (E) and paragraphs (5) and (6) of

subsection (d) shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).”

(d) ENTITIES PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended by striking “The maximum amount which a contributor” and inserting “In the case of a contributor who is an individual, the maximum amount the contributor”.

### (e) TIME WHEN CONTRIBUTIONS DEEMED MADE.—

(1) IN GENERAL.—Section 530(b) (relating to definitions and special rules), as amended by subsection (b)(2), is amended by adding at the end the following new paragraph:

“(5) TIME WHEN CONTRIBUTIONS DEEMED MADE.—An individual shall be deemed to have made a contribution to an education individual retirement account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).”

(2) EXTENSION OF TIME TO RETURN EXCESS CONTRIBUTIONS.—Subparagraph (C) of section 530(d)(4) (relating to additional tax for distributions not used for educational expenses) is amended—

(A) by striking clause (i) and inserting the following new clause:

“(i) such distribution is made before the 1st day of the 6th month of the taxable year following the taxable year, and”, and

(B) by striking “DUE DATE OF RETURN” in the heading and inserting “CERTAIN DATE”.

### (f) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 530(d)(2)(C) is amended to read as follows:

“(C) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—For purposes of subparagraph (A)—

“(i) CREDIT COORDINATION.—The total amount of qualified higher education expenses with respect to an individual for the taxable year shall be reduced—

“(I) as provided in section 25A(g)(2), and

“(II) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A.

“(ii) COORDINATION WITH QUALIFIED TUITION PROGRAMS.—If, with respect to an individual for any taxable year—

“(I) the aggregate distributions during such year to which subparagraph (A) and section 529(c)(3)(B) apply, exceed

“(II) the total amount of qualified education expenses (after the application of clause (i)) for such year, the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under subparagraph (A) and section 529(c)(3)(B).”

### (2) CONFORMING AMENDMENTS.—

(A) Subsection (e) of section 25A is amended to read as follows:

“(e) ELECTION NOT TO HAVE SECTION APPLY.—A taxpayer may elect not to have this section apply with respect to the qualified tuition and related expenses of an individual for any taxable year.”

(B) Section 135(d)(2)(A) is amended by striking “allowable” and inserting “allowed”.

(C) Section 530(d)(2)(D) is amended—

(i) by striking “or credit”, and

(ii) by striking “CREDIT OR” in the heading.

(D) Section 4973(e)(1) is amended by adding “and” at the end of subparagraph (A), by striking subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

### (g) RENAMING EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS AS EDUCATION SAVINGS ACCOUNTS.—

#### (1) IN GENERAL.—

(A) Section 530 (as amended by the preceding provisions of this section) is amended by striking “education individual retirement account” each place it appears and inserting “education savings account”.

(B) The heading for paragraph (1) of section 530(b) is amended by striking “EDUCATION INDIVIDUAL RETIREMENT ACCOUNT” and inserting “EDUCATION SAVINGS ACCOUNT”.

(C) The heading for section 530 is amended to read as follows:

### “SEC. 530. EDUCATION SAVINGS ACCOUNTS.”

(D) The item in the table of contents for part VII of subchapter F of chapter 1 relating to section 530 is amended to read as follows:

“Sec. 530. Education savings accounts.”.

#### (2) CONFORMING AMENDMENTS.—

(A) The following provisions are each amended by striking “education individual retirement” each place it appears and inserting “education savings”:

(i) Section 25A(e)(2).

(ii) Section 26(b)(2)(E).

(iii) Section 72(e)(9).

(iv) Section 135(c)(2)(C).

(v) Subsections (a) and (e) of section 4973.

(vi) Subsections (c) and (e) of section 4975.

(vii) Section 6693(a)(2)(D).

(B) The headings for each of the following provisions are amended by striking “EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS” each place it appears and inserting “EDUCATION SAVINGS ACCOUNTS”.

(i) Section 72(e)(9).

(ii) Section 135(c)(2)(C).

(iii) Section 4973(e).

(iv) Section 4975(c)(5).

(h) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) SUBSECTION (g).—The amendments made by subsection (g) shall take effect on the date of the enactment of this Act.

## **SEC. 402. MODIFICATIONS TO QUALIFIED TUITION PROGRAMS.**

(a) ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 529(b)(1) (defining qualified State tuition program) is amended by inserting “or by 1 or more eligible educational institutions” after “maintained by a State or agency or instrumentality thereof”.

(2) PRIVATE QUALIFIED TUITION PROGRAMS LIMITED TO BENEFIT PLANS.—Clause (ii) of section 529(b)(1)(A) is amended by inserting “in the case of a program established and maintained by a State or agency or instrumentality thereof,” before “may make”.

### (3) CONFORMING AMENDMENTS.—

(A) Sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530(b)(2)(B), 4973(e), and 6693(a)(2)(C) are each amended by striking “qualified State tuition” each place it appears and inserting “qualified tuition”.

(B) The headings for sections 72(e)(9) and 135(c)(2)(C) are each amended by striking “QUALIFIED STATE TUITION” and inserting “QUALIFIED TUITION”.

(C) The headings for sections 529(b) and 530(b)(2)(B) are each amended by striking

"QUALIFIED STATE TUITION" and inserting "QUALIFIED TUITION".

(D) The heading for section 529 is amended by striking "state".

(E) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking "State".

(b) EXCLUSION FROM GROSS INCOME OF EDUCATION DISTRIBUTIONS FROM QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 529(c)(3)(B) (relating to distributions) is amended to read as follows:

"(B) DISTRIBUTIONS FOR QUALIFIED HIGHER EDUCATION EXPENSES.—

"(i) IN GENERAL.—For purposes of this paragraph—

"(I) no amount shall be includible in gross income under subparagraph (A) by reason of a distribution which consists of providing a benefit to the distributee which, if paid for by the distributee, would constitute payment of a qualified higher education expense, and

"(II) in the case of distributions not described in subclause (I), the amount otherwise includible in gross income under subparagraph (A) shall be reduced by an amount which bears the same ratio to the otherwise includible amount as the qualified higher education expenses (other than expenses paid by distributions described in subclause (I)) bear to the aggregate of such distributions.

"(ii) EXCEPTION FOR INSTITUTIONAL PROGRAMS.—In the case of any taxable year beginning before January 1, 2004, clause (i) shall not apply with respect to any distribution during such taxable year under a qualified tuition program established and maintained by 1 or more eligible educational institutions.

"(iii) IN-KIND DISTRIBUTIONS.—Any benefit furnished to a designated beneficiary under a qualified tuition program shall be treated as a distribution to the beneficiary for purposes of this paragraph.

"(iv) COORDINATION WITH HOPE AND LIFE-TIME LEARNING CREDITS.—The total amount of qualified higher education expenses with respect to an individual for the taxable year shall be reduced—

"(I) as provided in section 25A(g)(2), and

"(II) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A.

"(v) COORDINATION WITH EDUCATION SAVINGS ACCOUNTS.—If, with respect to an individual for any taxable year—

"(I) the aggregate distributions to which clause (i) and section 530(d)(2)(A) apply, exceed

"(II) the total amount of qualified higher education expenses otherwise taken into account under clause (i) (after the application of clause (iv)) for such year,

the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under clause (i) and section 530(d)(2)(A)."

(2) CONFORMING AMENDMENTS.—

(A) Section 135(d)(2)(B) is amended by striking "the exclusion under section 530(d)(2)" and inserting "the exclusions under sections 529(c)(3)(B)(i) and 530(d)(2)".

(B) Section 221(e)(2)(A) is amended by inserting "529," after "135,".

(c) ROLLOVER TO DIFFERENT PROGRAM FOR BENEFIT OF SAME DESIGNATED BENEFICIARY.—Section 529(c)(3)(C) (relating to change in beneficiaries) is amended—

(1) by striking "transferred to the credit" in clause (i) and inserting "transferred—

"(I) to another qualified tuition program for the benefit of the designated beneficiary, or

"(II) to the credit",

(2) by adding at the end the following new clause:

"(iii) LIMITATION ON CERTAIN ROLLOVERS.—Clause (i)(I) shall not apply to any amount transferred with respect to a designated beneficiary if, at any time during the 1-year period ending on the day of such transfer, any other amount was transferred which was not includible in gross income by reason of clause (i)(I).", and

(3) by inserting "OR PROGRAMS" after "BENEFICIARIES" in the heading.

(d) MEMBER OF FAMILY INCLUDES FIRST COUSIN.—Section 529(e)(2) (defining member of family) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and by inserting "; and", and by adding at the end the following new subparagraph:

"(D) any first cousin of such beneficiary."

(e) DEFINITION OF QUALIFIED HIGHER EDUCATION EXPENSES.—

(1) IN GENERAL.—Subparagraph (A) of section 529(e)(3) (relating to definition of qualified higher education expenses) is amended to read as follows:

"(A) IN GENERAL.—The term 'qualified higher education expenses' means—

"(i) tuition and fees required for the enrollment or attendance of a designated beneficiary at an eligible educational institution for courses of instruction of such beneficiary at such institution, and

"(ii) expenses for books, supplies, and equipment which are incurred in connection with such enrollment or attendance, but not to exceed the allowance for books and supplies included in the cost of attendance (as defined in section 472 of the Higher Education Act of 1965 (20 U.S.C. 108711), as in effect on the date of enactment of the Financial Freedom Act of 1999) as determined by the eligible educational institution."

(2) EXCEPTION FOR EDUCATION INVOLVING SPORTS, ETC.—Paragraph (3) of section 529(e) (relating to qualified higher education expenses) is amended by adding at the end the following new subparagraph:

"(C) EXCEPTION FOR EDUCATION INVOLVING SPORTS, ETC.—The term 'qualified higher education expenses' shall not include expenses with respect to any course or other education involving sports, games, or hobbies unless such course or other education is part of the beneficiary's degree program or is taken to acquire or improve job skills of the beneficiary."

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) QUALIFIED HIGHER EDUCATION EXPENSES.—The amendments made by subsection (e) shall apply to amounts paid for education furnished after December 31, 1999.

**SEC. 403. EXCLUSION OF CERTAIN AMOUNTS RECEIVED UNDER THE NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM, THE F. EDWARD HEBERT ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM, AND CERTAIN OTHER PROGRAMS.**

(a) IN GENERAL.—Section 117(c) (relating to the exclusion from gross income amounts received as a qualified scholarship) is amended—

(1) by striking "Subsections (a)" and inserting the following:

"(1) IN GENERAL.—Except as provided in paragraph (2), subsections (a)", and

(2) by adding at the end the following new paragraph:

"(2) EXCEPTIONS.—Paragraph (1) shall not apply to any amount received by an individual under—

"(A) the National Health Service Corps Scholarship program under section 338A(g)(1)(A) of the Public Health Service Act,

"(B) the Armed Forces Health Professions Scholarship and Financial Assistance program under subchapter I of chapter 105 of title 10, United States Code,

"(C) the National Institutes of Health Undergraduate Scholarship program under section 487D of the Public Health Service Act, or

"(D) any State program determined by the Secretary to have substantially similar objectives as such programs."

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to amounts received in taxable years beginning after December 31, 1993.

(2) STATE PROGRAMS.—Section 117(c)(2)(D) of the Internal Revenue Code of 1986 (as added by the amendments made by subsection (a)) shall apply to amounts received in taxable years beginning after December 31, 1999.

**SEC. 404. ADDITIONAL INCREASE IN ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS USED TO FINANCE EDUCATIONAL FACILITIES.**

(a) IN GENERAL.—Section 148(f)(4)(D)(vii) (relating to increase in exception for bonds financing public school capital expenditures) is amended by striking "\$5,000,000" the second place it appears and inserting "\$10,000,000".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued in calendar years beginning after December 31, 1999.

**SEC. 405. MODIFICATION OF ARBITRAGE REBATE RULES APPLICABLE TO PUBLIC SCHOOL CONSTRUCTION BONDS.**

(a) IN GENERAL.—Subparagraph (C) of section 148(f)(4) is amended by adding at the end the following new clause:

"(xviii) 4-YEAR SPENDING REQUIREMENT FOR PUBLIC SCHOOL CONSTRUCTION ISSUE.—

"(I) IN GENERAL.—In the case of a public school construction issue, the spending requirements of clause (ii) shall be treated as met if at least 10 percent of the available construction proceeds of the construction issue are spent for the governmental purposes of the issue within the 1-year period beginning on the date the bonds are issued, 30 percent of such proceeds are spent for such purposes within the 2-year period beginning on such date, 60 percent of such proceeds are spent for such purposes within the 3-year period beginning on such date, and 100 percent of such proceeds are spent for such purposes within the 4-year period beginning on such date.

"(II) PUBLIC SCHOOL CONSTRUCTION ISSUE.—For purposes of this clause, the term 'public school construction issue' means any construction issue if no bond which is part of such issue is a private activity bond and all of the available construction proceeds of such issue are to be used for the construction (as defined in clause (iv)) of public school facilities to provide education or training below the postsecondary level or for the acquisition of land that is functionally related and subordinate to such facilities.

"(III) OTHER RULES TO APPLY.—Rules similar to the rules of the preceding provisions of

this subparagraph which apply to clause (ii) also apply to this clause.”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to obligations issued after December 31, 1999.

**SEC. 406. REPEAL OF 60-MONTH LIMITATION ON DEDUCTION FOR INTEREST ON EDUCATION LOANS.**

(a) **IN GENERAL.**—Section 221 (relating to interest on education loans) is amended by striking subsection (d) and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(b) **CONFORMING AMENDMENT.**—Subsection (e) of section 6050S is amended by striking “section 221(e)(1)” and inserting “section 221(d)(1)”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to loan interest payments made after December 31, 1999, in taxable years ending after such date.

**TITLE V—HEALTH CARE PROVISIONS**

**SEC. 501. DEDUCTION FOR HEALTH AND LONG-TERM CARE INSURANCE COSTS OF INDIVIDUALS NOT PARTICIPATING IN EMPLOYER-SUBSIDIZED HEALTH PLANS.**

(a) **IN GENERAL.**—Part VII of subchapter B of chapter 1 is amended by redesignating section 222 as section 223 and by inserting after section 221 the following new section:

**“SEC. 222. HEALTH AND LONG-TERM CARE INSURANCE COSTS.**

“(a) **IN GENERAL.**—In the case of an individual, there shall be allowed as a deduction an amount equal to the applicable percentage of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer’s spouse, and dependents.

“(b) **APPLICABLE PERCENTAGE.**—For purposes of subsection (a), the applicable percentage shall be determined in accordance with the following table:

<b>For taxable years beginning in calendar year—</b>	<b>The applicable percentage is—</b>
2001 .....	25
2002 .....	40
2003, 2004, 2005, and 2006 .....	50
2007 .....	75
2008 and thereafter .....	100.

“(c) **LIMITATION BASED ON OTHER COVERAGE.**—

“(1) **COVERAGE UNDER CERTAIN SUBSIDIZED EMPLOYER PLANS.**—

“(A) **IN GENERAL.**—Subsection (a) shall not apply to any taxpayer for any calendar month for which the taxpayer participates in any health plan maintained by any employer of the taxpayer or of the spouse of the taxpayer if 50 percent or more of the cost of coverage under such plan (determined under section 4980B) is paid or incurred by the employer.

“(B) **EMPLOYER CONTRIBUTIONS TO CAFETERIA PLANS, FLEXIBLE SPENDING ARRANGEMENTS, AND MEDICAL SAVINGS ACCOUNTS.**—Employer contributions to a cafeteria plan, a flexible spending or similar arrangement, or a medical savings account which are excluded from gross income under section 106 shall be treated for purposes of subparagraph (A) as paid by the employer.

“(C) **AGGREGATION OF PLANS OF EMPLOYER.**—A health plan which is not otherwise described in subparagraph (A) shall be treated as described in such subparagraph if such plan would be so described if all health plans of persons treated as a single employer under subsections (b), (c), (m), or (o) of section 414 were treated as one health plan.

“(D) **SEPARATE APPLICATION TO HEALTH INSURANCE AND LONG-TERM CARE INSURANCE.**—Subparagraphs (A) and (C) shall be applied separately with respect to—

“(i) plans which include primarily coverage for qualified long-term care services or are qualified long-term care insurance contracts, and

“(ii) plans which do not include such coverage and are not such contracts.

“(2) **COVERAGE UNDER CERTAIN FEDERAL PROGRAMS.**—

“(A) **IN GENERAL.**—Subsection (a) shall not apply to any amount paid for any coverage for an individual for any calendar month if, as of the first day of such month, the individual is covered under any medical care program described in—

“(i) title XVIII, XIX, or XXI of the Social Security Act,

“(ii) chapter 55 of title 10, United States Code,

“(iii) chapter 17 of title 38, United States Code,

“(iv) chapter 89 of title 5, United States Code, or

“(v) the Indian Health Care Improvement Act.

“(B) **EXCEPTIONS.**—

“(i) **QUALIFIED LONG-TERM CARE.**—Subparagraph (A) shall not apply to amounts paid for coverage under a qualified long-term care insurance contract.

“(ii) **CONTINUATION COVERAGE OF FEHBP.**—Subparagraph (A)(iv) shall not apply to coverage which is comparable to continuation coverage under section 4980B.

“(d) **LONG-TERM CARE DEDUCTION LIMITED TO QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.**—In the case of a qualified long-term care insurance contract, only eligible long-term care premiums (as defined in section 213(d)(10)) may be taken into account under subsection (a).

“(e) **SPECIAL RULES.**—

“(1) **COORDINATION WITH DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.**—The amount taken into account by the taxpayer in computing the deduction under section 162(l) shall not be taken into account under this section.

“(2) **COORDINATION WITH MEDICAL EXPENSE DEDUCTION.**—The amount taken into account by the taxpayer in computing the deduction under this section shall not be taken into account under section 213.”

(b) **DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES OTHER DEDUCTIONS.**—Subsection (a) of section 62 is amended by inserting after paragraph (17) the following new item:

“(18) **HEALTH AND LONG-TERM CARE INSURANCE COSTS.**—The deduction allowed by section 222.”

(c) **CLERICAL AMENDMENT.**—The table of sections for part VII of subchapter B of chapter 1 is amended by striking the last item and inserting the following new items:

“Sec. 222. Health and long-term care insurance costs.

“Sec. 223. Cross reference.”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

**SEC. 502. LONG-TERM CARE INSURANCE PERMITTED TO BE OFFERED UNDER CAFETERIA PLANS AND FLEXIBLE SPENDING ARRANGEMENTS.**

(a) **CAFETERIA PLANS.**—Subsection (f) of section 125 (defining qualified benefits) is amended by inserting before the period at the end “unless such product is a qualified long-term care insurance contract (as defined in section 7702B)”.

(b) **FLEXIBLE SPENDING ARRANGEMENTS.**—Section 106 (relating to contributions by employer to accident and health plans) is amended by striking subsection (c).

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

**SEC. 503. EXPANSION OF AVAILABILITY OF MEDICAL SAVINGS ACCOUNTS.**

(a) **REPEAL OF LIMITATIONS ON NUMBER OF MEDICAL SAVINGS ACCOUNTS.**—

(1) **IN GENERAL.**—Subsections (i) and (j) of section 220 are hereby repealed.

(2) **CONFORMING AMENDMENT.**—Paragraph (1) of section 220(c) is amended by striking subparagraph (D).

(b) **ALL EMPLOYERS MAY OFFER MEDICAL SAVINGS ACCOUNTS.**—

(1) **IN GENERAL.**—Subclause (I) of section 220(c)(1)(A)(iii) (defining eligible individual) is amended by striking “and such employer is a small employer”.

(2) **CONFORMING AMENDMENTS.**—

(A) Paragraph (1) of section 220(c) is amended by striking subparagraph (C).

(B) Subsection (c) of section 220 is amended by striking paragraph (4) and by redesignating paragraph (5) as paragraph (4).

(c) **INCREASE IN AMOUNT OF DEDUCTION ALLOWED FOR CONTRIBUTIONS TO MEDICAL SAVINGS ACCOUNTS.**—

(1) **IN GENERAL.**—Paragraph (2) of section 220(b) is amended to read as follows:

“(2) **MONTHLY LIMITATION.**—The monthly limitation for any month is the amount equal to 1/2 of the annual deductible (as of the first day of such month) of the individual’s coverage under the high deductible health plan.”.

(2) **CONFORMING AMENDMENT.**—Clause (ii) of section 220(d)(1)(A) is amended by striking “75 percent of”.

(d) **BOTH EMPLOYERS AND EMPLOYEES MAY CONTRIBUTE TO MEDICAL SAVINGS ACCOUNTS.**—Paragraph (5) of section 220(b) is amended to read as follows:

“(5) **COORDINATION WITH EXCLUSION FOR EMPLOYER CONTRIBUTIONS.**—The limitation which would (but for this paragraph) apply under this subsection to the taxpayer for any taxable year shall be reduced (but not below zero) by the amount which would (but for section 106(b)) be includible in the taxpayer’s gross income for such taxable year.”.

(e) **REDUCTION OF PERMITTED DEDUCTIBLES UNDER HIGH DEDUCTIBLE HEALTH PLANS.**—

(1) **IN GENERAL.**—Subparagraph (A) of section 220(c)(2) (defining high deductible health plan) is amended—

(A) by striking “\$1,500” in clause (i) and inserting “\$1,000”, and

(B) by striking “\$3,000” in clause (ii) and inserting “\$2,000”.

(2) **CONFORMING AMENDMENT.**—Subsection (g) of section 220 is amended to read as follows:

“(g) **COST-OF-LIVING ADJUSTMENT.**—

“(1) **IN GENERAL.**—In the case of any taxable year beginning in a calendar year after 1998, each dollar amount in subsection (c)(2) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which such taxable year begins by substituting ‘calendar year 1997’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(2) **SPECIAL RULES.**—In the case of the \$1,000 amount in subsection (c)(2)(A)(i) and the \$2,000 amount in subsection (c)(2)(A)(ii), paragraph (1)(B) shall be applied by substituting ‘calendar year 1999’ for ‘calendar year 1997’.

“(3) **ROUNDING.**—If any increase under paragraph (1) or (2) is not a multiple of \$50, such increase shall be rounded to the nearest multiple of \$50.

(f) **MEDICAL SAVINGS ACCOUNTS MAY BE OFFERED UNDER CAFETERIA PLANS.**—Subsection

(f) of section 125 is amended by striking "106(b).".

(g) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

**SEC. 504. ADDITIONAL PERSONAL EXEMPTION FOR TAXPAYER CARING FOR ELDERLY FAMILY MEMBER IN TAXPAYER'S HOME.**

(a) **IN GENERAL.**—Section 151 (relating to allowance of deductions for personal exemptions) is amended by adding at the end redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

“(e) **ADDITIONAL EXEMPTION FOR CERTAIN ELDERLY FAMILY MEMBERS RESIDING WITH TAXPAYER.**—

“(1) **IN GENERAL.**—An exemption of the exemption amount for each qualified family member of the taxpayer.

“(2) **QUALIFIED FAMILY MEMBER.**—For purposes of this subsection, the term ‘qualified family member’ means, with respect to any taxable year, any individual—

“(A) who is an ancestor of the taxpayer or of the taxpayer's spouse or who is the spouse of any such ancestor,

“(B) who is a member for the entire taxable year of a household maintained by the taxpayer, and

“(C) who has been certified, before the due date for filing the return of tax for the taxable year (without extensions), by a physician (as defined in section 1861(r)(1) of the Social Security Act) as being an individual with long-term care needs described in paragraph (3) for a period—

“(i) which is at least 180 consecutive days, and

“(ii) a portion of which occurs within the taxable year.

Such term shall not include any individual otherwise meeting the requirements of the preceding sentence unless within the 39½ month period ending on such due date (or such other period as the Secretary prescribes) a physician (as so defined) has certified that such individual meets such requirements.

“(3) **INDIVIDUALS WITH LONG-TERM CARE NEEDS.**—An individual is described in this paragraph if the individual—

“(A) is unable to perform (without substantial assistance from another individual) at least 2 activities of daily living (as defined in section 7702B(c)(2)(B)) due to a loss of functional capacity, or

“(B) requires substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment and is unable to perform, without reminding or cuing assistance, at least 1 activity of at least 1 activity of daily living (as so defined) or to the extent provided in regulations prescribed by the Secretary (in consultation with the Secretary of Health and Human Services), is unable to engage in age appropriate activities.

“(4) **SPECIAL RULES.**—Rules similar to the rules of paragraphs (1), (2), (3), (4), and (5) of section 21(e) shall apply for purposes of this subsection.”

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 505. EXPANDED HUMAN CLINICAL TRIALS QUALIFYING FOR ORPHAN DRUG CREDIT.**

(a) **IN GENERAL.**—Subclause (I) of section 45C(b)(2)(A)(ii) is amended to read as follows:

“(I) after the date that the application is filed for designation under such section 526, and”.

(b) **CONFORMING AMENDMENT.**—Clause (i) of section 45C(b)(2)(A) is amended by inserting “‘which is’” before “‘being’” and by inserting before the comma at the end “and which is designated under section 526 of such Act”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to amounts paid or incurred after December 31, 1999.

**SEC. 506. INCLUSION OF CERTAIN VACCINES AGAINST STREPTOCOCCUS PNEUMONIAE TO LIST OF TAXABLE VACCINES.**

(a) **IN GENERAL.**—Section 4132(a)(1) (defining taxable vaccine) is amended by adding at the end the following new subparagraph:

“(L) Any conjugate vaccine against streptococcus pneumoniae.”

(b) **EFFECTIVE DATE.**—

(1) **SALES.**—The amendment made by this section shall apply to vaccine sales beginning on the day after the date on which the Centers for Disease Control makes a final recommendation for routine administration to children of any conjugate vaccine against streptococcus pneumoniae.

(2) **DELIVERIES.**—For purposes of paragraph (1), in the case of sales on or before the date described in such paragraph for which delivery is made after such date, the delivery date shall be considered the sale date.

(c) **REPORT.**—Not later than 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall prepare and submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the operation of the Vaccine Injury Compensation Trust Fund and on the adequacy of such Fund to meet future claims made under the Vaccine Injury Compensation Program.

**TITLE VI—ESTATE TAX RELIEF**

**Subtitle A—Repeal of Estate, Gift, and Generation-Skipping Taxes; Repeal of Step Up in Basis At Death**

**SEC. 601. REPEAL OF ESTATE, GIFT, AND GENERATION-SKIPPING TAXES.**

(a) **IN GENERAL.**—Subtitle B is hereby repealed.

(b) **EFFECTIVE DATE.**—The repeal made by subsection (a) shall apply to the estates of decedents dying, and gifts and generation-skipping transfers made, after December 31, 2008.

**SEC. 602. TERMINATION OF STEP UP IN BASIS AT DEATH.**

(a) **TERMINATION OF APPLICATION OF SECTION 1014.**—Section 1014 (relating to basis of property acquired from a decedent) is amended by adding at the end the following:

“(f) **TERMINATION.**—In the case of a decedent dying after December 31, 2008, this section shall not apply to property for which basis is provided by section 1022.”

(b) **CONFORMING AMENDMENT.**—Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking “and” at the end of paragraph (26), by striking the period at the end of paragraph (27) and inserting “; and”, and by adding at the end the following:

“(28) to the extent provided in section 1022 (relating to basis for certain property acquired from a decedent dying after December 31, 2008).”

**SEC. 603. CARRYOVER BASIS AT DEATH.**

(a) **GENERAL RULE.**—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1021 the following:

**“SEC. 1022. CARRYOVER BASIS FOR CERTAIN PROPERTY ACQUIRED FROM A DECEDENT DYING AFTER DECEMBER 31, 2008.**

“(a) **CARRYOVER BASIS.**—Except as otherwise provided in this section, the basis of

carryover basis property in the hands of a person acquiring such property from a decedent shall be determined under section 1015.

“(b) **CARRYOVER BASIS PROPERTY DEFINED.**—

“(1) **IN GENERAL.**—For purposes of this section, the term ‘carryover basis property’ means any property—

“(A) which is acquired from or passed from a decedent who died after December 31, 2008, and

“(B) which is not excluded pursuant to paragraph (2).

The property taken into account under subparagraph (A) shall be determined under section 1014(b) without regard to subparagraph (A) of the last sentence of paragraph (9) thereof.

“(2) **CERTAIN PROPERTY NOT CARRYOVER BASIS PROPERTY.**—The term ‘carryover basis property’ does not include—

“(A) any item of gross income in respect of a decedent described in section 691,

“(B) property which was acquired from the decedent by the surviving spouse of the decedent, the value of which would have been deductible from the value of the taxable estate of the decedent under section 2056, as in effect on the day before the date of enactment of the Financial Freedom Act of 1999, and

“(C) any includible property of the decedent if the aggregate adjusted fair market value of such property does not exceed \$2,000,000.

For purposes of this paragraph and paragraph (3), the term ‘adjusted fair market value’ means, with respect to any property, fair market value reduced by any indebtedness secured by such property.

“(3) **PHASE IN OF CARRYOVER BASIS IF INCLUDIBLE PROPERTY EXCEEDS \$1,300,000.**—

“(A) **IN GENERAL.**—If the adjusted fair market value of the includible property of the decedent exceeds \$1,300,000, but does not exceed \$2,000,000, the amount of the increase in the basis of such property which would (but for this paragraph) result under section 1014 shall be reduced by the amount which bears the same ratio to such increase as such excess bears to \$700,000.

“(B) **ALLOCATION OF REDUCTION.**—The reduction under subparagraph (A) shall be allocated among only the includible property having net appreciation and shall be allocated in proportion to the respective amounts of such net appreciation. For purposes of the preceding sentence, the term ‘net appreciation’ means the excess of the adjusted fair market value over the decedent's adjusted basis immediately before such decedent's death.

“(4) **INCLUDIBLE PROPERTY.**—

“(A) **IN GENERAL.**—For purposes of this subsection, the term ‘includible property’ means property which would be included in the gross estate of the decedent under any of the following provisions as in effect on the day before the date of the enactment of the Financial Freedom Act of 1999:

“(i) Section 2033.

“(ii) Section 2038.

“(iii) Section 2040.

“(iv) Section 2041.

“(v) Section 2042(a)(1).

“(B) **EXCLUSION OF PROPERTY ACQUIRED BY SPOUSE.**—Such term shall not include property described in paragraph (2)(B).

“(c) **REGULATIONS.**—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.”

(b) **MISCELLANEOUS AMENDMENTS RELATED TO CARRYOVER BASIS.**—

(1) **CAPITAL GAIN TREATMENT FOR INHERITED ART WORK OR SIMILAR PROPERTY.**—



(A) IN GENERAL.—Subparagraph (C) of section 1221(3) (defining capital asset) is amended by inserting “(other than by reason of section 1022)” after “is determined”.

(B) COORDINATION WITH SECTION 170.—Paragraph (1) of section 170(e) (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following: “For purposes of this paragraph, the determination of whether property is a capital asset shall be made without regard to the exception contained in section 1221(3)(C) for basis determined under section 1022.”

(2) DEFINITION OF EXECUTOR.—Section 7701(a) (relating to definitions) is amended by adding at the end the following:

“(47) EXECUTOR.—The term ‘executor’ means the executor or administrator of the decedent, or, if there is no executor or administrator appointed, qualified, and acting within the United States, then any person in actual or constructive possession of any property of the decedent.”

(3) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of chapter 1 is amended by adding at the end the following new item:

“Sec. 1022. Carryover basis for certain property acquired from a decedent dying after December 31, 2008.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2008.

#### **Subtitle B—Reductions of Estate and Gift Tax Rates Prior to Repeal**

#### **SEC. 611. ADDITIONAL REDUCTIONS OF ESTATE AND GIFT TAX RATES.**

(a) MAXIMUM RATE OF TAX REDUCED TO 50 PERCENT.—The table contained in section 2001(c)(1) is amended by striking the 2 highest brackets and inserting the following:

Over \$2,500,000 ..... \$1,025,800, plus 50% of the excess over \$2,500,000.”

(b) REPEAL OF PHASEOUT OF GRADUATED RATES.—Subsection (c) of section 2001 is amended by striking paragraph (2).

(c) ADDITIONAL REDUCTIONS OF RATES OF TAX.—Subsection (c) of section 2001, as amended by subsection (b), is amended by adding at the end the following new paragraph:

“(2) PHASEDOWN OF TAX.—In the case of estates of decedents dying, and gifts made, during any calendar year after 2001 and before 2009—

“(A) IN GENERAL.—Except as provided in subparagraph (C), the tentative tax under this subsection shall be determined by using a table prescribed by the Secretary (in lieu of using the table contained in paragraph (1)) which is the same as such table; except that—

“(i) each of the rates of tax shall be reduced by the number of percentage points determined under subparagraph (B), and

“(ii) the amounts setting forth the tax shall be adjusted to the extent necessary to reflect the adjustments under clause (i).

“(B) PERCENTAGE POINTS OF REDUCTION.—

The number of	
For calendar year:	percentage points is:
2002 .....	1
2003 .....	2
2004 .....	3
2005 .....	5
2006 .....	7
2007 .....	9
2008 .....	11.

“(C) COORDINATION WITH INCOME TAX RATES.—The reductions under subparagraph (A)—

“(i) shall not reduce any rate under paragraph (1) below the lowest rate in section 1(c), and

“(ii) shall not reduce the highest rate under paragraph (1) below the highest rate in section 1(c).

“(D) COORDINATION WITH CREDIT FOR STATE DEATH TAXES.—Rules similar to the rules of subparagraph (A) shall apply to the table contained in section 2011(b) except that the Secretary shall prescribe percentage point reductions which maintain the proportionate relationship (as in effect before any reduction under this paragraph) between the credit under section 2011 and the tax rates under subsection (c).”

(d) EFFECTIVE DATES.—

(1) SUBSECTIONS (a) AND (b).—The amendments made by subsections (a) and (b) shall apply to estates of decedents dying, and gifts made, after December 31, 2000.

(2) SUBSECTION (c).—The amendment made by subsection (c) shall apply to estates of decedents dying, and gifts made, after December 31, 2001.

#### **Subtitle C—Unified Credit Replaced With Unified Exemption Amount**

#### **SEC. 621. UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES REPLACED WITH UNIFIED EXEMPTION AMOUNT.**

(a) IN GENERAL.—

(1) ESTATE TAX.—Part IV of subchapter A of chapter 11 is amended by inserting after section 2051 the following new section:

#### **“SEC. 2052. EXEMPTION.**

“(a) IN GENERAL.—For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate an amount equal to the excess (if any) of—

“(1) the exemption amount for the calendar year in which the decedent died, over

“(2) the sum of—

“(A) the aggregate amount allowed as an exemption under section 2521 with respect to gifts made by the decedent after December 31, 2000, and

“(B) the aggregate amount of gifts made by the decedent for which credit was allowed by section 2505 (as in effect on the day before the date of the enactment of the Financial Freedom Act of 1999).

Gifts which are includible in the gross estate of the decedent shall not be taken into account in determining the amounts under paragraph (2).

“(b) EXEMPTION AMOUNT.—For purposes of subsection (a), the term ‘exemption amount’ means the amount determined in accordance with the following table:

In the case of calendar year:	The exemption amount is:
2001 .....	\$675,000
2002 and 2003 .....	\$700,000
2004 .....	\$850,000
2005 .....	\$950,000
2006 or thereafter .....	\$1,000,000.”

(2) GIFT TAX.—Subchapter C of chapter 12 (relating to deductions) is amended by inserting before section 2522 the following new section:

#### **“SEC. 2521. EXEMPTION.**

“(a) IN GENERAL.—In computing taxable gifts for any calendar year, there shall be allowed as a deduction in the case of a citizen or resident of the United States an amount equal to the excess of—

“(1) the exemption amount determined under section 2052 for such calendar year, over

“(2) the sum of—

“(A) the aggregate amount allowed as an exemption under this section for all preceding calendar years after 2000, and

“(B) the aggregate amount of gifts for which credit was allowed by section 2505 (as

in effect on the day before the date of the enactment of the Financial Freedom Act of 1999).”

(b) REPEAL OF UNIFIED CREDITS.—

(1) Section 2010 (relating to unified credit against estate tax) is hereby repealed.

(2) Section 2505 (relating to unified credit against gift tax) is hereby repealed.

(c) CONFORMING AMENDMENTS.—

(1)(A) Subparagraph (B) of section 2001(b)(1) is amended by inserting before the comma “reduced by the amount of described in section 2052(a)(2).”

(B) Subsection (b) of section 2001 is amended by adding at the end the following new sentence: “For purposes of paragraph (2), the amount of the tax payable under chapter 12 shall be determined without regard to the credit provided by section 2505 (as in effect on the day before the date of the enactment of the Financial Freedom Act of 1999).”

(2) Subsection (f) of section 2011 is amended by striking “, reduced by the amount of the unified credit provided by section 2010”.

(3) Subsection (a) of section 2012 is amended by striking “and the unified credit provided by section 2010”.

(4) Subsection (b) of section 2013 is amended by inserting before the period at the end of the first sentence “and increased by the exemption allowed under section 2052 or 2106(a)(4) (or the corresponding provisions of prior law) in determining the taxable estate of the transferor for purposes of the estate tax”.

(5) Subparagraph (A) of section 2013(c)(1) is amended by striking “2010.”.

(6) Paragraph (2) of section 2014(b) is amended by striking “2010.”.

(7) Clause (ii) of section 2056A(b)(12)(C) is amended to read as follows:

“(ii) to treat any reduction in the tax imposed by paragraph (1)(A) by reason of the credit allowable under section 2010 (as in effect on the day before the date of the enactment of the Financial Freedom Act of 1999) or the exemption allowable under section 2052 with respect to the decedent as such a credit or exemption (as the case may be) allowable to such surviving spouse for purposes of determining the amount of the exemption allowable under section 2521 with respect to taxable gifts made by the surviving spouse during the year in which the spouse becomes a citizen or any subsequent year.”

(8) Section 2102 is amended by striking subsection (c).

(9) Subsection (a) of section 2106 is amended by adding at the end the following new paragraph:

“(4) EXEMPTION.—

“(A) IN GENERAL.—An exemption of \$60,000.

“(B) RESIDENTS OF POSSESSIONS OF THE UNITED STATES.—In the case of a decedent who is considered to be a nonresident not a citizen of the United States under section 2209, the exemption under this paragraph shall be the greater of—

“(i) \$60,000, or

“(ii) that proportion of \$175,000 which the value of that part of the decedent's gross estate which at the time of his death is situated in the United States bears to the value of his entire gross estate wherever situated.

“(C) SPECIAL RULES.—

“(i) COORDINATION WITH TREATIES.—To the extent required under any treaty obligation of the United States, the exemption allowed under this paragraph shall be equal to the amount which bears the same ratio to the exemption amount under section 2052 (for the calendar year in which the decedent died) as the value of the part of the decedent's gross estate which at the time of his



death is situated in the United States bears to the value of his entire gross estate wherever situated. For purposes of the preceding sentence, property shall not be treated as situated in the United States if such property is exempt from the tax imposed by this subchapter under any treaty obligation of the United States.

“(ii) COORDINATION WITH GIFT TAX EXEMPTION AND UNIFIED CREDIT.—If an exemption has been allowed under section 2521 (or a credit has been allowed under section 2505 as in effect on the day before the date of the enactment of the Financial Freedom Act of 1999) with respect to any gift made by the decedent, each dollar amount contained in subparagraph (A) or (B) or the exemption amount applicable under clause (i) of this subparagraph (whichever applies) shall be reduced by the exemption so allowed under 2521 (or, in the case of such a credit, by the amount of the gift for which the credit was so allowed).”

(10) Subsection (c) of section 2107 is amended—

(A) by striking paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively, and

(B) by striking the second sentence of paragraph (2) (as so redesignated).

(11) Section 2206 is amended by striking “the taxable estate” in the first sentence and inserting “the sum of the taxable estate and the amount of the exemption allowed under section 2052 or 2106(a)(4) in computing the taxable estate”.

(12) Section 2207 is amended by striking “the taxable estate” in the first sentence and inserting “the sum of the taxable estate and the amount of the exemption allowed under section 2052 or 2106(a)(4) in computing the taxable estate”.

(13) Subparagraph (B) of section 2207B(a)(1) is amended to read as follows:

“(B) the sum of the taxable estate and the amount of the exemption allowed under section 2052 or 2106(a)(4) in computing the taxable estate.”

(14) Subsection (a) of section 2503 is amended by striking “section 2522” and inserting “section 2521”.

(15) Paragraph (1) of section 6018(a) is amended by striking “\$600,000” and inserting “the exemption amount under section 2052 for the calendar year which includes the date of death”.

(16) Subparagraph (A) of section 6601(j)(2) is amended to read as follows:

“(A) the amount of the tax which would be imposed by chapter 11 on an amount of taxable estate equal to the excess of \$1,000,000 over the exemption amount allowable under section 2052, or”.

(17) The table of sections for part II of subchapter A of chapter 11 is amended by striking the item relating to section 2010.

(18) The table of sections for subchapter A of chapter 12 is amended by striking the item relating to section 2505.

(d) EFFECTIVE DATE.—The amendments made by this section—

(1) insofar as they relate to the tax imposed by chapter 11 of the Internal Revenue Code of 1986, shall apply to estates of decedents dying after December 31, 2000, and

(2) insofar as they relate to the tax imposed by chapter 12 of such Code, shall apply to gifts made after December 31, 2000.

#### Subtitle D—Modifications of Generation-Skipping Transfer Tax

#### SEC. 631. DEEMED ALLOCATION OF GST EXEMPTION TO LIFETIME TRANSFERS TO TRUSTS; RETROACTIVE ALLOCATIONS.

(a) IN GENERAL.—Section 2632 (relating to special rules for allocation of GST exemption) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsections:

“(c) DEEMED ALLOCATION TO CERTAIN LIFETIME TRANSFERS TO GST TRUSTS.—

“(1) IN GENERAL.—If any individual makes an indirect skip during such individual's lifetime, any unused portion of such individual's GST exemption shall be allocated to the property transferred to the extent necessary to make the inclusion ratio for such property zero. If the amount of the indirect skip exceeds such unused portion, the entire unused portion shall be allocated to the property transferred.

“(2) UNUSED PORTION.—For purposes of paragraph (1), the unused portion of an individual's GST exemption is that portion of such exemption which has not previously been—

“(A) allocated by such individual,

“(B) treated as allocated under subsection (b) with respect to a direct skip occurring during or before the calendar year in which the indirect skip is made, or

“(C) treated as allocated under paragraph (1) with respect to a prior indirect skip.

“(3) DEFINITIONS.—

“(A) INDIRECT SKIP.—For purposes of this subsection, the term ‘indirect skip’ means any transfer of property (other than a direct skip) subject to the tax imposed by chapter 12 made to a GST trust.

“(B) GST TRUST.—The term ‘GST trust’ means a trust that could have a generation-skipping transfer with respect to the transferor unless—

“(i) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by 1 or more individuals who are non-skip persons—

“(I) before the date that the individual attains age 46,

“(II) on or before 1 or more dates specified in the trust instrument that will occur before the date that such individual attains age 46, or

“(III) upon the occurrence of an event that, in accordance with regulations prescribed by the Secretary, may reasonably be expected to occur before the date that such individual attains age 46;

“(ii) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by 1 or more individuals who are non-skip persons and who are living on the date of death of another person identified in the instrument (by name or by class) who is more than 10 years older than such individuals;

“(iii) the trust instrument provides that, if 1 or more individuals who are non-skip persons die on or before a date or event described in clause (i) or (ii), more than 25 percent of the trust corpus either must be distributed to the estate or estates of 1 or more of such individuals or is subject to a general power of appointment exercisable by 1 or more of such individuals;

“(iv) the trust is a trust any portion of which would be included in the gross estate of a non-skip person (other than the transferor) if such person died immediately after the transfer;

“(v) the trust is a charitable lead annuity trust (within the meaning of section

2642(e)(3)(A)) or a charitable remainder annuity trust or a charitable remainder unitrust (within the meaning of section 664(d)); or

“(vi) the trust is a trust with respect to which a deduction was allowed under section 2522 for the amount of an interest in the form of the right to receive annual payments of a fixed percentage of the net fair market value of the trust property (determined yearly) and which is required to pay principal to a non-skip person if such person is alive when the yearly payments for which the deduction was allowed terminate.

For purposes of this subparagraph, the value of transferred property shall not be considered to be includible in the gross estate of a non-skip person or subject to a right of withdrawal by reason of such person holding a right to withdraw so much of such property as does not exceed the amount referred to in section 2503(b) with respect to any transferor, and it shall be assumed that powers of appointment held by non-skip persons will not be exercised.

“(4) AUTOMATIC ALLOCATIONS TO CERTAIN GST TRUSTS.—For purposes of this subsection, an indirect skip to which section 2642(f) applies shall be deemed to have been made only at the close of the estate tax inclusion period. The fair market value of such transfer shall be the fair market value of the trust property at the close of the estate tax inclusion period.

“(5) APPLICABILITY AND EFFECT.—

“(A) IN GENERAL.—An individual—

“(i) may elect to have this subsection not apply to—

“(I) an indirect skip, or

“(II) any or all transfers made by such individual to a particular trust, and

“(ii) may elect to treat any trust as a GST trust for purposes of this subsection with respect to any or all transfers made by such individual to such trust.

“(B) ELECTIONS.—

“(i) ELECTIONS WITH RESPECT TO INDIRECT SKIPS.—An election under subparagraph (A)(i)(I) shall be deemed to be timely if filed on a timely filed gift tax return for the calendar year in which the transfer was made or deemed to have been made pursuant to paragraph (4) or on such later date or dates as may be prescribed by the Secretary.

“(ii) OTHER ELECTIONS.—An election under clause (i)(II) or (ii) of subparagraph (A) may be made on a timely filed gift tax return for the calendar year for which the election is to become effective.

“(d) RETROACTIVE ALLOCATIONS.—

“(1) IN GENERAL.—If—

“(A) a non-skip person has an interest or a future interest in a trust to which any transfer has been made,

“(B) such person—

“(i) is a lineal descendant of a grandparent of the transferor or of a grandparent of the transferor's spouse or former spouse, and

“(ii) is assigned to a generation below the generation assignment of the transferor, and

“(C) such person predeceases the transferor,

then the transferor may make an allocation of any of such transferor's unused GST exemption to any previous transfer or transfers to the trust on a chronological basis.

“(2) SPECIAL RULES.—If the allocation under paragraph (1) by the transferor is made on a gift tax return filed on or before the date prescribed by section 6075(b) for gifts made within the calendar year within which the non-skip person's death occurred—

“(A) the value of such transfer or transfers for purposes of section 2642(a) shall be determined as if such allocation had been made on

a timely filed gift tax return for each calendar year within which each transfer was made.

“(B) such allocation shall be effective immediately before such death, and

“(C) the amount of the transferor’s unused GST exemption available to be allocated shall be determined immediately before such death.

“(3) FUTURE INTEREST.—For purposes of this subsection, a person has a future interest in a trust if the trust may permit income or corpus to be paid to such person on a date or dates in the future.”

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 2632(b) is amended by striking “with respect to a direct skip” and inserting “or subsection (c)(1)”.

(c) EFFECTIVE DATES.—

(1) DEEMED ALLOCATION.—Section 2632(c) of the Internal Revenue Code of 1986 (as added by subsection (a)), and the amendment made by subsection (b), shall apply to transfers subject to chapter 11 or 12 made after December 31, 1999, and to estate tax inclusion periods ending after December 31, 1999.

(2) RETROACTIVE ALLOCATIONS.—Section 2632(d) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to deaths of non-skip persons occurring after the date of the enactment of this Act.

#### SEC. 632. SEVERING OF TRUSTS.

(a) IN GENERAL.—Subsection (a) of section 2642 (relating to inclusion ratio) is amended by adding at the end the following new paragraph:

“(3) SEVERING OF TRUSTS.—

“(A) IN GENERAL.—If a trust is severed in a qualified severance, the trusts resulting from such severance shall be treated as separate trusts thereafter for purposes of this chapter.

“(B) QUALIFIED SEVERANCE.—For purposes of subparagraph (A)—

“(i) IN GENERAL.—The term ‘qualified severance’ means the division of a single trust and the creation (by any means available under the governing instrument or under local law) of 2 or more trusts if—

“(I) the single trust was divided on a fractional basis, and

“(II) the terms of the new trusts, in the aggregate, provide for the same succession of interests of beneficiaries as are provided in the original trust.

“(ii) TRUSTS WITH INCLUSION RATIO GREATER THAN ZERO.—If a trust has an inclusion ratio of greater than zero and less than 1, a severance is a qualified severance only if the single trust is divided into 2 trusts, one of which receives a fractional share of the total value of all trust assets equal to the applicable fraction of the single trust immediately before the severance. In such case, the trust receiving such fractional share shall have an inclusion ratio of zero and the other trust shall have an inclusion ratio of 1.

“(iii) REGULATIONS.—The term ‘qualified severance’ includes any other severance permitted under regulations prescribed by the Secretary.

“(C) TIMING AND MANNER OF SEVERANCES.—A severance pursuant to this paragraph may be made at any time. The Secretary shall prescribe by forms or regulations the manner in which the qualified severance shall be reported to the Secretary.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to severances after the date of the enactment of this Act.

#### SEC. 633. MODIFICATION OF CERTAIN VALUATION RULES.

(a) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—Para-

graph (1) of section 2642(b) (relating to valuation rules, etc.) is amended to read as follows:

“(1) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—If the allocation of the GST exemption to any transfers of property is made on a gift tax return filed on or before the date prescribed by section 6075(b) for such transfer or is deemed to be made under section 2632 (b)(1) or (c)(1)—

“(A) the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 12 (within the meaning of section 2001(f)(2)), or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, its value at the time of the close of the estate tax inclusion period, and

“(B) such allocation shall be effective on and after the date of such transfer, or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, on and after the close of such estate tax inclusion period.”

(b) TRANSFERS AT DEATH.—Subparagraph (A) of section 2642(b)(2) is amended to read as follows:

“(A) TRANSFERS AT DEATH.—If property is transferred as a result of the death of the transferor, the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 11; except that, if the requirements prescribed by the Secretary respecting allocation of post-death changes in value are not met, the value of such property shall be determined as of the time of the distribution concerned.”

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 1431 of the Tax Reform Act of 1986.

#### SEC. 634. RELIEF PROVISIONS.

(a) IN GENERAL.—Section 2642 is amended by adding at the end the following new subsection:

“(g) RELIEF PROVISIONS.—

“(1) RELIEF FOR LATE ELECTIONS.—

“(A) IN GENERAL.—The Secretary shall by regulation prescribe such circumstances and procedures under which extensions of time will be granted to make—

“(i) an allocation of GST exemption described in paragraph (1) or (2) of subsection (b), and

“(ii) an election under subsection (b)(3) or (c)(5) of section 2632.

Such regulations shall include procedures for requesting comparable relief with respect to transfers made before the date of enactment of this paragraph.

“(B) BASIS FOR DETERMINATIONS.—In determining whether to grant relief under this paragraph, the Secretary shall take into account all relevant circumstances, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant. For purposes of determining whether to grant relief under this paragraph, the time for making the allocation (or election) shall be treated as if not expressly prescribed by statute.

“(2) SUBSTANTIAL COMPLIANCE.—An allocation of GST exemption under section 2632 that demonstrates an intent to have the lowest possible inclusion ratio with respect to a transfer or a trust shall be deemed to be an allocation of so much of the transferor’s unused GST exemption as produces the lowest possible inclusion ratio. In determining whether there has been substantial compliance, all relevant circumstances shall be taken into account, including evidence of in-

tent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant.”

(b) EFFECTIVE DATES.—

(1) RELIEF FOR LATE ELECTIONS.—Section 2642(g)(1) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to requests pending on, or filed after, the date of the enactment of this Act.

(2) SUBSTANTIAL COMPLIANCE.—Section 2642(g)(2) of such Code (as so added) shall take effect on the date of the enactment of this Act and shall apply to allocations made prior to such date for purposes of determining the tax consequences of generation-skipping transfers with respect to which the period of time for filing claims for refund has not expired. No negative implication is intended with respect to the availability of relief for late elections or the application of a rule of substantial compliance prior to the enactment of this amendment.

### TITLE VII—TAX RELIEF FOR DISTRESSED COMMUNITIES AND INDUSTRIES

#### Subtitle A—American Community Renewal Act of 1999

##### SEC. 701. SHORT TITLE.

This subtitle may be cited as the “American Community Renewal Act of 1999”.

##### SEC. 702. DESIGNATION OF AND TAX INCENTIVES FOR RENEWAL COMMUNITIES.

(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following new subchapter:

#### “Subchapter X—Renewal Communities

“Part I. Designation.

“Part II. Renewal community capital gain; renewal community business.

“Part III. Family development accounts.

“Part IV. Additional incentives.

#### “PART I—DESIGNATION

“Sec. 1400E. Designation of renewal communities.

##### “SEC. 1400E. DESIGNATION OF RENEWAL COMMUNITIES.

“(a) DESIGNATION.—

“(1) DEFINITIONS.—For purposes of this title, the term ‘renewal community’ means any area—

“(A) which is nominated by one or more local governments and the State or States in which it is located for designation as a renewal community (hereinafter in this section referred to as a ‘nominated area’); and

“(B) which the Secretary of Housing and Urban Development designates as a renewal community, after consultation with—

“(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration; and

“(ii) in the case of an area on an Indian reservation, the Secretary of the Interior.

“(2) NUMBER OF DESIGNATIONS.—

“(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 20 nominated areas as renewal communities.

“(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under paragraph (1), at least 4 must be areas—

“(i) which are within a local government jurisdiction or jurisdictions with a population of less than 50,000,

“(ii) which are outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

“(iii) which are determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

“(3) AREAS DESIGNATED BASED ON DEGREE OF POVERTY, ETC.—

“(A) IN GENERAL.—Except as otherwise provided in this section, the nominated areas designated as renewal communities under this subsection shall be those nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (B), (C), and (D) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area which exceeds such criterion by the greatest amount given the highest ranking.

“(B) EXCEPTION WHERE INADEQUATE COURSE OF ACTION, ETC.—An area shall not be designated under subparagraph (A) if the Secretary of Housing and Urban Development determines that the course of action described in subsection (d)(2) with respect to such area is inadequate.

“(C) PRIORITY FOR EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES WITH RESPECT TO FIRST HALF OF DESIGNATIONS.—With respect to the first 10 designations made under this section—

“(i) all shall be chosen from nominated areas which are empowerment zones or enterprise communities (and are otherwise eligible for designation under this section); and

“(ii) 2 shall be areas described in paragraph (2)(B).

“(4) LIMITATION ON DESIGNATIONS.—

“(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

“(i) the procedures for nominating an area under paragraph (1)(A);

“(ii) the parameters relating to the size and population characteristics of a renewal community; and

“(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

“(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate nominated areas as renewal communities only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

“(C) PROCEDURAL RULES.—The Secretary of Housing and Urban Development shall not make any designation of a nominated area as a renewal community under paragraph (2) unless—

“(i) the local governments and the States in which the nominated area is located have the authority—

“(I) to nominate such area for designation as a renewal community;

“(II) to make the State and local commitments described in subsection (d); and

“(III) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled,

“(ii) a nomination regarding such area is submitted in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall by regulation prescribe; and

“(iii) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate.

“(5) NOMINATION PROCESS FOR INDIAN RESERVATIONS.—For purposes of this subchapter, in the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be treated as being both the State and local governments with respect to such area.

“(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

“(1) IN GENERAL.—Any designation of an area as a renewal community shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

“(A) December 31, 2007,

“(B) the termination date designated by the State and local governments in their nomination, or

“(C) the date the Secretary of Housing and Urban Development revokes such designation.

“(2) REVOCATION OF DESIGNATION.—The Secretary of Housing and Urban Development may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which the area is located—

“(A) has modified the boundaries of the area, or

“(B) is not complying substantially with, or fails to make progress in achieving, the State or local commitments, respectively, described in subsection (d).

“(c) AREA AND ELIGIBILITY REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate a nominated area as a renewal community under subsection (a) only if the area meets the requirements of paragraphs (2) and (3) of this subsection.

“(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

“(A) the area is within the jurisdiction of one or more local governments;

“(B) the boundary of the area is continuous; and

“(C) the area—

“(i) has a population, of at least—

“(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (within the meaning of section 143(k)(2)(B)) which has a population of 50,000 or greater; or

“(II) 1,000 in any other case; or

“(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

“(3) ELIGIBILITY REQUIREMENTS.—A nominated area meets the requirements of this paragraph if the State and the local governments in which it is located certify (and the Secretary of Housing and Urban Development, after such review of supporting data as he deems appropriate, accepts such certification) that—

“(A) the area is one of pervasive poverty, unemployment, and general distress;

“(B) the unemployment rate in the area, as determined by the most recent available data, was at least 1½ times the national unemployment rate for the period to which such data relate;

“(C) the poverty rate for each population census tract within the nominated area is at least 20 percent; and

“(D) in the case of an urban area, at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households within the jurisdiction of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

“(4) CONSIDERATION OF HIGH INCIDENCE OF CRIME.—The Secretary of Housing and Urban

Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, the extent to which such areas have a high incidence of crime.

“(5) CONSIDERATION OF COMMUNITIES IDENTIFIED IN GAO STUDY.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, if the area has census tracts identified in the May 12, 1998, report of the Government Accounting Office regarding the identification of economically distressed areas.

“(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

“(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if—

“(A) the local government and the State in which the area is located agree in writing that, during any period during which the area is a renewal community, such governments will follow a specified course of action which meets the requirements of paragraph (2) and is designed to reduce the various burdens borne by employers or employees in such area; and

“(B) the economic growth promotion requirements of paragraph (3) are met.

“(2) COURSE OF ACTION.—

“(A) IN GENERAL.—A course of action meets the requirements of this paragraph if such course of action is a written document, signed by a State (or local government) and neighborhood organizations, which evidences a partnership between such State or government and community-based organizations and which commits each signatory to specific and measurable goals, actions, and timetables. Such course of action shall include at least five of the following:

“(i) A reduction of tax rates or fees applying within the renewal community.

“(ii) An increase in the level of efficiency of local services within the renewal community.

“(iii) Crime reduction strategies, such as crime prevention (including the provision of such services by nongovernmental entities).

“(iv) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the renewal community.

“(v) Involvement in the program by private entities, organizations, neighborhood organizations, and community groups, particularly those in the renewal community, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents from the renewal community.

“(vi) State or local income tax benefits for fees paid for services performed by a nongovernmental entity which were formerly performed by a governmental entity.

“(vii) The gift (or sale at below fair market value) of surplus real property (such as land, homes, and commercial or industrial structures) in the renewal community to neighborhood organizations, community development corporations, or private companies.

“(B) RECOGNITION OF PAST EFFORTS.—For purposes of this section, in evaluating the course of action agreed to by any State or local government, the Secretary of Housing and Urban Development shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

“(3) ECONOMIC GROWTH PROMOTION REQUIREMENTS.—The economic growth promotion requirements of this paragraph are met with respect to a nominated area if the local government and the State in which such area is located certify in writing that such government and State, respectively, have repealed or otherwise will not enforce within the area, if such area is designated as a renewal community—

“(A) licensing requirements for occupations that do not ordinarily require a professional degree;

“(B) zoning restrictions on home-based businesses which do not create a public nuisance;

“(C) permit requirements for street vendors who do not create a public nuisance;

“(D) zoning or other restrictions that impede the formation of schools or child care centers; and

“(E) franchises or other restrictions on competition for businesses providing public services, including but not limited to taxicabs, jitneys, cable television, or trash hauling,

except to the extent that such regulation of businesses and occupations is necessary for and well-tailored to the protection of health and safety.

“(e) COORDINATION WITH TREATMENT OF EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.—For purposes of this title, if there are in effect with respect to the same area both—

“(1) a designation as a renewal community; and

“(2) a designation as an empowerment zone or enterprise community,

both of such designations shall be given full effect with respect to such area.

“(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this subchapter—

“(1) GOVERNMENTS.—If more than one government seeks to nominate an area as a renewal community, any reference to, or requirement of, this section shall apply to all such governments.

“(2) STATE.—The term ‘State’ includes Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

“(3) LOCAL GOVERNMENT.—The term ‘local government’ means—

“(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State;

“(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development; and

“(C) the District of Columbia.

“(4) APPLICATION OF RULES RELATING TO CENSUS TRACTS AND CENSUS DATA.—The rules of sections 1392(b)(4) and 1393(a)(9) shall apply.

## **“PART II—RENEWAL COMMUNITY CAPITAL GAIN; RENEWAL COMMUNITY BUSINESS**

“Sec. 1400F. Renewal community capital gain.

“Sec. 1400G. Renewal community business defined.

## **“SEC. 1400F. RENEWAL COMMUNITY CAPITAL GAIN.**

“(a) GENERAL RULE.—Gross income does not include any qualified capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years.

“(b) QUALIFIED COMMUNITY ASSET.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified community asset’ means—

“(A) any qualified community stock;

“(B) any qualified community partnership interest; and

“(C) any qualified community business property.

“(2) QUALIFIED COMMUNITY STOCK.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the term ‘qualified community stock’ means any stock in a domestic corporation if—

“(i) such stock is acquired by the taxpayer after December 31, 2000, and before January 1, 2008, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash;

“(ii) as of the time such stock was issued, such corporation was a renewal community business (or, in the case of a new corporation, such corporation was being organized for purposes of being a renewal community business); and

“(iii) during substantially all of the taxpayer’s holding period for such stock, such corporation qualified as a renewal community business.

“(B) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

“(3) QUALIFIED COMMUNITY PARTNERSHIP INTEREST.—The term ‘qualified community partnership interest’ means any capital or profits interest in a domestic partnership if—

“(A) such interest is acquired by the taxpayer after December 31, 2000, and before January 1, 2008;

“(B) as of the time such interest was acquired, such partnership was a renewal community business (or, in the case of a new partnership, such partnership was being organized for purposes of being a renewal community business); and

“(C) during substantially all of the taxpayer’s holding period for such interest, such partnership qualified as a renewal community business.

A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph.

“(4) QUALIFIED COMMUNITY BUSINESS PROPERTY.—

“(A) IN GENERAL.—The term ‘qualified community business property’ means tangible property if—

“(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 2000, and before January 1, 2008;

“(ii) the original use of such property in the renewal community commences with the taxpayer; and

“(iii) during substantially all of the taxpayer’s holding period for such property, substantially all of the use of such property was in a renewal community business of the taxpayer.

“(B) SPECIAL RULE FOR SUBSTANTIAL IMPROVEMENTS.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

“(i) property which is substantially improved (within the meaning of section 1400B(b)(4)(B)(ii)) by the taxpayer before January 1, 2008; and

“(ii) any land on which such property is located.

“(c) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (5), (6), and (7) of subsection (b), and subsections (e), (f), and (g), of section 1400B shall apply for purposes of this section.

## **“SEC. 1400G. RENEWAL COMMUNITY BUSINESS DEFINED.**

“For purposes of this part, the term ‘renewal community business’ means any enti-

ty or proprietorship which would be a qualified business entity or qualified proprietorship under section 1397B if—

“(1) references to renewal communities were substituted for references to empowerment zones in such section; and

“(2) ‘80 percent’ were substituted for ‘50 percent’ in subsections (b)(2) and (c)(1) of such section.

## **“PART III—FAMILY DEVELOPMENT ACCOUNTS**

“Sec. 1400H. Family development accounts for renewal community EITC recipients.

“Sec. 1400I. Demonstration program to provide matching contributions to family development accounts in certain renewal communities.

“Sec. 1400J. Designation of earned income tax credit payments for deposit to family development account.

## **“SEC. 1400H. FAMILY DEVELOPMENT ACCOUNTS FOR RENEWAL COMMUNITY EITC RECIPIENTS.**

“(a) ALLOWANCE OF DEDUCTION.—

“(1) IN GENERAL.—There shall be allowed as a deduction—

“(A) in the case of a qualified individual, the amount paid in cash for the taxable year by such individual to any family development account for such individual’s benefit; and

“(B) in the case of any person other than a qualified individual, the amount paid in cash for the taxable year by such person to any family development account for the benefit of a qualified individual but only if the amount so paid is designated for purposes of this section by such individual.

No deduction shall be allowed under this paragraph for any amount deposited in a family development account under section 1400I (relating to demonstration program to provide matching amounts in renewal communities).

“(2) LIMITATION.—

“(A) IN GENERAL.—The amount allowable as a deduction to any individual for any taxable year by reason of paragraph (1)(A) shall not exceed the lesser of—

“(i) \$2,000, or

“(ii) an amount equal to the compensation includible in the individual’s gross income for such taxable year.

“(B) PERSONS DONATING TO FAMILY DEVELOPMENT ACCOUNTS OF OTHERS.—The amount which may be designated under paragraph (1)(B) by any qualified individual for any taxable year of such individual shall not exceed \$1,000.

“(3) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—Rules similar to rules of section 219(c) shall apply to the limitation in paragraph (2)(A).

“(4) COORDINATION WITH IRAS.—No deduction shall be allowed under this section for any taxable year to any person by reason of a payment to an account for the benefit of a qualified individual if any amount is paid for such taxable year into an individual retirement account (including a Roth IRA) for the benefit of such individual.

“(5) ROLLOVERS.—No deduction shall be allowed under this section with respect to any rollover contribution.

“(b) TAX TREATMENT OF DISTRIBUTIONS.—

“(1) INCLUSION OF AMOUNTS IN GROSS INCOME.—Except as otherwise provided in this subsection, any amount paid or distributed out of a family development account shall be included in gross income by the payee or distributee, as the case may be.

“(2) EXCLUSION OF QUALIFIED FAMILY DEVELOPMENT DISTRIBUTIONS.—Paragraph (1) shall

not apply to any qualified family development distribution.

“(C) QUALIFIED FAMILY DEVELOPMENT DISTRIBUTION.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified family development distribution’ means any amount paid or distributed out of a family development account which would otherwise be includible in gross income, to the extent that such payment or distribution is used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder.

“(2) QUALIFIED FAMILY DEVELOPMENT EXPENSES.—The term ‘qualified family development expenses’ means any of the following:

“(A) Qualified higher education expenses.

“(B) Qualified first-time homebuyer costs.

“(C) Qualified business capitalization costs.

“(D) Qualified medical expenses.

“(E) Qualified rollovers.

“(3) QUALIFIED HIGHER EDUCATION EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified higher education expenses’ has the meaning given such term by section 72(t)(7), determined by treating postsecondary vocational educational schools as eligible educational institutions.

“(B) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—The term ‘postsecondary vocational educational school’ means an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

“(C) COORDINATION WITH OTHER BENEFITS.—The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2).

“(4) QUALIFIED FIRST-TIME HOMEBUYER COSTS.—The term ‘qualified first-time homebuyer costs’ means qualified acquisition costs (as defined in section 72(t)(8) without regard to subparagraph (B) thereof) with respect to a principal residence (within the meaning of section 121) for a qualified first-time homebuyer (as defined in section 72(t)(8)).

“(5) QUALIFIED BUSINESS CAPITALIZATION COSTS.—

“(A) IN GENERAL.—The term ‘qualified business capitalization costs’ means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

“(B) QUALIFIED EXPENDITURES.—The term ‘qualified expenditures’ means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

“(C) QUALIFIED BUSINESS.—The term ‘qualified business’ means any trade or business other than any trade or business—

“(i) which consists of the operation of any facility described in section 144(c)(6)(B), or

“(ii) which contravenes any law.

“(D) QUALIFIED PLAN.—The term ‘qualified plan’ means a business plan which meets such requirements as the Secretary may specify.

“(6) QUALIFIED MEDICAL EXPENSES.—The term ‘qualified medical expenses’ means any amount paid during the taxable year, not compensated for by insurance or otherwise, for medical care (as defined in section 213(d) of the taxpayer, his spouse, or his dependent (as defined in section 152).

“(7) QUALIFIED ROLLOVERS.—The term ‘qualified rollover’ means any amount paid from a family development account of a taxpayer into another such account established for the benefit of—

“(A) such taxpayer, or

“(B) any qualified individual who is—

“(i) the spouse of such taxpayer, or

“(ii) any dependent (as defined in section 152) of the taxpayer.

Rules similar to the rules of section 408(d)(3) shall apply for purposes of this paragraph.

“(d) TAX TREATMENT OF ACCOUNTS.—

“(1) IN GENERAL.—Any family development account is exempt from taxation under this subtitle unless such account has ceased to be a family development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations). Notwithstanding any other provision of this title (including chapters 11 and 12), the basis of any person in such an account is zero.

“(2) LOSS OF EXEMPTION IN CASE OF PROHIBITED TRANSACTIONS.—For purposes of this section, rules similar to the rules of section 408(e) shall apply.

“(3) OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (4), (5), and (6) of section 408(d) shall apply for purposes of this section.

“(e) FAMILY DEVELOPMENT ACCOUNT.—For purposes of this title, the term ‘family development account’ means a trust created or organized in the United States for the exclusive benefit of a qualified individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

“(1) Except in the case of a qualified rollover (as defined in subsection (c)(7))—

“(A) no contribution will be accepted unless it is in cash; and

“(B) contributions will not be accepted for the taxable year in excess of \$3,000 (determined without regard to any contribution made under section 1400I (relating to demonstration program to provide matching amounts in renewal communities)).

“(2) The requirements of paragraphs (2) through (6) of section 408(a) are met.

“(f) QUALIFIED INDIVIDUAL.—For purposes of this section, the term ‘qualified individual’ means, for any taxable year, an individual—

“(1) who is a bona fide resident of a renewal community throughout the taxable year; and

“(2) to whom a credit was allowed under section 32 for the preceding taxable year.

“(g) OTHER DEFINITIONS AND SPECIAL RULES.—

“(1) COMPENSATION.—The term ‘compensation’ has the meaning given such term by section 219(f)(1).

“(2) MARRIED INDIVIDUALS.—The maximum deduction under subsection (a) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

“(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to a family development account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

“(4) EMPLOYER PAYMENTS; CUSTODIAL ACCOUNTS.—Rules similar to the rules of sec-

tions 219(f)(5) and 408(h) shall apply for purposes of this section.

“(5) REPORTS.—The trustee of a family development account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions (and the years to which they relate), distributions, and such other matters as the Secretary may require under regulations. The reports required by this paragraph—

“(A) shall be filed at such time and in such manner as the Secretary prescribes in such regulations; and

“(B) shall be furnished to individuals—

“(i) not later than January 31 of the calendar year following the calendar year to which such reports relate; and

“(ii) in such manner as the Secretary prescribes in such regulations.

“(6) INVESTMENT IN COLLECTIBLES TREATED AS DISTRIBUTIONS.—Rules similar to the rules of section 408(m) shall apply for purposes of this section.

“(h) PENALTY FOR DISTRIBUTIONS NOT USED FOR QUALIFIED FAMILY DEVELOPMENT EXPENSES.—

“(1) IN GENERAL.—If any amount is distributed from a family development account and is not used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder, the tax imposed by this chapter for the taxable year of such distribution shall be increased by the sum of—

“(A) 100 percent of the portion of such amount which is includible in gross income and is attributable to amounts contributed under section 1400I (relating to demonstration program to provide matching amounts in renewal communities); and

“(B) 10 percent of the portion of such amount which is includible in gross income and is not described in subparagraph (A).

For purposes of this subsection, distributions which are includable in gross income shall be treated as attributable to amounts contributed under section 1400I to the extent thereof. For purposes of the preceding sentence, all family development accounts of an individual shall be treated as one account.

“(2) EXCEPTION FOR CERTAIN DISTRIBUTIONS.—Paragraph (1) shall not apply to distributions which are—

“(A) made on or after the date on which the account holder attains age 59½,

“(B) made to a beneficiary (or the estate of the account holder) on or after the death of the account holder, or

“(C) attributable to the account holder’s being disabled within the meaning of section 72(m)(7).

“(i) APPLICATION OF SECTION.—This section shall apply to amounts paid to a family development account for any taxable year beginning after December 31, 2000, and before January 1, 2008.

#### “SEC. 1400I. DEMONSTRATION PROGRAM TO PROVIDE MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS IN CERTAIN RENEWAL COMMUNITIES.

“(a) DESIGNATION.—

“(1) DEFINITIONS.—For purposes of this section, the term ‘FDA matching demonstration area’ means any renewal community—

“(A) which is nominated under this section by each of the local governments and States which nominated such community for designation as a renewal community under section 1400E(a)(1)(A); and

“(B) which the Secretary of Housing and Urban Development designates as an FDA

matching demonstration area after consultation with—

“(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury, the Director of the Office of Management and Budget, and the Administrator of the Small Business Administration; and

“(ii) in the case of a community on an Indian reservation, the Secretary of the Interior.

“(2) NUMBER OF DESIGNATIONS.—

“(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 5 renewal communities as FDA matching demonstration areas.

“(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under subparagraph (A), at least 2 must be areas described in section 1400E(a)(2)(B).

“(3) LIMITATIONS ON DESIGNATIONS.—

“(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

“(i) the procedures for nominating a renewal community under paragraph (1)(A) (including procedures for coordinating such nomination with the nomination of an area for designation as a renewal community under section 1400E); and

“(ii) the manner in which nominated renewal communities will be evaluated for purposes of this section.

“(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate renewal communities as FDA matching demonstration areas only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

“(4) DESIGNATION BASED ON DEGREE OF POVERTY, ETC.—The rules of section 1400E(a)(3) shall apply for purposes of designations of FDA matching demonstration areas under this section.

“(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—Any designation of a renewal community as an FDA matching demonstration area shall remain in effect during the period beginning on the date of such designation and ending on the date on which such area ceases to be a renewal community.

“(c) MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS.—

“(1) IN GENERAL.—Not less than once each taxable year, the Secretary shall deposit (to the extent provided in appropriation Acts) into a family development account of each qualified individual (as defined in section 1400H(f))—

“(A) who is a resident throughout the taxable year of an FDA matching demonstration area; and

“(B) who requests (in such form and manner as the Secretary prescribes) such deposit for the taxable year,

an amount equal to the sum of the amounts deposited into all of the family development accounts of such individual during such taxable year (determined without regard to any amount contributed under this section).

“(2) LIMITATIONS.—

“(A) ANNUAL LIMIT.—The Secretary shall not deposit more than \$1000 under paragraph (1) with respect to any individual for any taxable year.

“(B) AGGREGATE LIMIT.—The Secretary shall not deposit more than \$2000 under paragraph (1) with respect to any individual for all taxable years.

“(3) EXCLUSION FROM INCOME.—Except as provided in section 1400H, gross income shall

not include any amount deposited into a family development account under paragraph (1).

“(d) NOTICE OF PROGRAM.—The Secretary shall provide appropriate notice to residents of FDA matching demonstration areas of the availability of the benefits under this section.

“(e) TERMINATION.—No amount may be deposited under this section for any taxable year beginning after December 31, 2007.

#### “SEC. 1400J. DESIGNATION OF EARNED INCOME TAX CREDIT PAYMENTS FOR DEPOSIT TO FAMILY DEVELOPMENT ACCOUNT.

“(a) IN GENERAL.—With respect to the return of any qualified individual (as defined in section 1400H(f)) for the taxable year of the tax imposed by this chapter, such individual may designate that a specified portion (not less than \$1) of any overpayment of tax for such taxable year which is attributable to the earned income tax credit shall be deposited by the Secretary into a family development account of such individual. The Secretary shall so deposit such portion designated under this subsection.

“(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year—

“(1) at the time of filing the return of the tax imposed by this chapter for such taxable year, or

“(2) at any other time (after the time of filing the return of the tax imposed by this chapter for such taxable year) specified in regulations prescribed by the Secretary.

Such designation shall be made in such manner as the Secretary prescribes by regulations.

“(c) PORTION ATTRIBUTABLE TO EARNED INCOME TAX CREDIT.—For purposes of subsection (a), an overpayment for any taxable year shall be treated as attributable to the earned income tax credit to the extent that such overpayment does not exceed the credit allowed to the taxpayer under section 32 for such taxable year.

“(d) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this title, any portion of an overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by this chapter (determined without regard to extensions) or, if later, the date the return is filed.

“(e) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 2007.

#### “PART IV—ADDITIONAL INCENTIVES

“Sec. 1400K. Commercial revitalization deduction.

“Sec. 1400L. Increase in expensing under section 179.

#### “SEC. 1400K. COMMERCIAL REVITALIZATION DEDUCTION.

“(a) GENERAL RULE.—At the election of the taxpayer, either—

“(1) one-half of any qualified revitalization expenditures chargeable to capital account with respect to any qualified revitalization building shall be allowable as a deduction for the taxable year in which the building is placed in service, or

“(2) a deduction for all such expenditures shall be allowable ratably over the 120-month period beginning with the month in which the building is placed in service.

The deduction provided by this section with respect to such expenditure shall be in lieu of any depreciation deduction otherwise allowable on account of such expenditure.

“(b) QUALIFIED REVITALIZATION BUILDINGS AND EXPENDITURES.—For purposes of this section—

“(1) QUALIFIED REVITALIZATION BUILDING.—The term ‘qualified revitalization building’ means any building (and its structural components) if—

“(A) such building is located in a renewal community and is placed in service after December 31, 2000;

“(B) a commercial revitalization deduction amount is allocated to the building under subsection (d); and

“(C) depreciation (or amortization in lieu of depreciation) is allowable with respect to the building (without regard to this section).

“(2) QUALIFIED REVITALIZATION EXPENDITURE.—

“(A) IN GENERAL.—The term ‘qualified revitalization expenditure’ means any amount properly chargeable to capital account—

“(i) for property for which depreciation is allowable under section 168 (without regard to this section) and which is—

“(I) nonresidential real property; or

“(II) an addition or improvement to property described in subclause (I);

“(ii) in connection with the construction of any qualified revitalization building which was not previously placed in service or in connection with the substantial rehabilitation (within the meaning of section 47(c)(1)(C)) of a building which was placed in service before the beginning of such rehabilitation; and

“(iii) for land (including land which is functionally related to such property and subordinate thereto).

“(B) DOLLAR LIMITATION.—The aggregate amount which may be treated as qualified revitalization expenditures with respect to any qualified revitalization building for any taxable year shall not exceed the excess of—

“(i) \$10,000,000, reduced by

“(ii) any such expenditures with respect to the building taken into account by the taxpayer or any predecessor in determining the amount of the deduction under this section for all preceding taxable years.

“(C) CERTAIN EXPENDITURES NOT INCLUDED.—The term ‘qualified revitalization expenditure’ does not include—

“(i) ACQUISITION COSTS.—The costs of acquiring any building or interest therein and any land in connection with such building to the extent that such costs exceed 30 percent of the qualified revitalization expenditures determined without regard to this clause.

“(ii) CREDITS.—Any expenditure which the taxpayer may take into account in computing any credit allowable under this title unless the taxpayer elects to take the expenditure into account only for purposes of this section.

“(c) WHEN EXPENDITURES TAKEN INTO ACCOUNT.—Qualified revitalization expenditures with respect to any qualified revitalization building shall be taken into account for the taxable year in which the qualified revitalization building is placed in service. For purposes of the preceding sentence, a substantial rehabilitation of a building shall be treated as a separate building.

“(d) LIMITATION ON AGGREGATE DEDUCTIONS ALLOWABLE WITH RESPECT TO BUILDINGS LOCATED IN A STATE.—

“(1) IN GENERAL.—The amount of the deduction determined under this section for any taxable year with respect to any building shall not exceed the commercial revitalization deduction amount (in the case of an amount determined under subsection (a)(2), the present value of such amount as determined under the rules of section 42(b)(2)(C))

by substituting '100 percent' for '72 percent' in clause (ii) thereof) allocated to such building under this subsection by the commercial revitalization agency. Such allocation shall be made at the same time and in the same manner as under paragraphs (1) and (7) of section 42(h).

“(2) COMMERCIAL REVITALIZATION DEDUCTION AMOUNT FOR AGENCIES.—

“(A) IN GENERAL.—The aggregate commercial revitalization deduction amount which a commercial revitalization agency may allocate for any calendar year is the amount of the State commercial revitalization deduction ceiling determined under this paragraph for such calendar year for such agency.

“(B) STATE COMMERCIAL REVITALIZATION DEDUCTION CEILING.—The State commercial revitalization deduction ceiling applicable to any State—

“(i) for each calendar year after 2000 and before 2008 is \$6,000,000 for each renewal community in the State; and

“(ii) zero for each calendar year thereafter.

“(C) COMMERCIAL REVITALIZATION AGENCY.—For purposes of this section, the term ‘commercial revitalization agency’ means any agency authorized by a State to carry out this section.

“(e) RESPONSIBILITIES OF COMMERCIAL REVITALIZATION AGENCIES.—

“(1) PLANS FOR ALLOCATION.—Notwithstanding any other provision of this section, the commercial revitalization deduction amount with respect to any building shall be zero unless—

“(A) such amount was allocated pursuant to a qualified allocation plan of the commercial revitalization agency which is approved (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof) by the governmental unit of which such agency is a part; and

“(B) such agency notifies the chief executive officer (or its equivalent) of the local jurisdiction within which the building is located of such allocation and provides such individual a reasonable opportunity to comment on the allocation.

“(2) QUALIFIED ALLOCATION PLAN.—For purposes of this subsection, the term ‘qualified allocation plan’ means any plan—

“(A) which sets forth selection criteria to be used to determine priorities of the commercial revitalization agency which are appropriate to local conditions;

“(B) which considers—

“(i) the degree to which a project contributes to the implementation of a strategic plan that is devised for a renewal community through a citizen participation process;

“(ii) the amount of any increase in permanent, full-time employment by reason of any project; and

“(iii) the active involvement of residents and nonprofit groups within the renewal community; and

“(C) which provides a procedure that the agency (or its agent) will follow in monitoring compliance with this section.

“(f) REGULATIONS.—For purposes of this section, the Secretary shall, by regulations, provide for the application of rules similar to the rules of section 49 and subsections (a) and (b) of section 50.

“(g) TERMINATION.—This section shall not apply to any building placed in service after December 31, 2007.

#### “SEC. 1400L. INCREASE IN EXPENSING UNDER SECTION 179.

“(a) GENERAL RULE.—In the case of a renewal community business (as defined in section 1400G), for purposes of section 179—

“(1) the limitation under section 179(b)(1) shall be increased by the lesser of—

“(A) \$35,000; or

“(B) the cost of section 179 property which is qualified renewal property placed in service during the taxable year; and

“(2) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified renewal property shall be 50 percent of the cost thereof.

“(b) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified renewal property which ceases to be used in a renewal community by a renewal community business.

“(c) QUALIFIED RENEWAL PROPERTY.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified renewal property’ means any property to which section 168 applies (or would apply but for section 179) if—

“(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 2000, and before January 1, 2008; and

“(B) such property would be qualified zone property (as defined in section 1397C) if references to renewal communities were substituted for references to empowerment zones in section 1397C.

“(2) CERTAIN RULES TO APPLY.—The rules of subsections (a)(2) and (b) of section 1397C shall apply for purposes of this section.”.

#### SEC. 703. EXTENSION OF EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS TO RENEWAL COMMUNITIES.

(a) EXTENSION.—Paragraph (2) of section 198(c) (defining targeted area) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

“(C) RENEWAL COMMUNITIES INCLUDED.—Except as provided in subparagraph (B), such term shall include a renewal community (as defined in section 1400E) with respect to expenditures paid or incurred after December 31, 2000.”.

(b) EXTENSION OF TERMINATION DATE FOR RENEWAL COMMUNITIES.—Subsection (h) of section 198 is amended by inserting before the period “(December 31, 2007, in the case of a renewal community, as defined in section 1400E).”.

#### SEC. 704. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR RENEWAL COMMUNITIES

(a) EXTENSION.—Subsection (c) of section 51 (relating to termination) is amended by adding at the end the following new paragraph:

“(5) EXTENSION OF CREDIT FOR RENEWAL COMMUNITIES.—

“(A) IN GENERAL.—In the case of an individual who begins work for the employer after the date contained in paragraph (4)(B), for purposes of section 38—

“(i) in lieu of applying subsection (a), the amount of the work opportunity credit determined under this section for the taxable year shall be equal to—

“(I) 15 percent of the qualified first-year wages for such year; and

“(II) 30 percent of the qualified second-year wages for such year;

“(ii) subsection (b)(3) shall be applied by substituting ‘\$10,000’ for ‘\$6,000’;

“(iii) paragraph (4)(B) shall be applied by substituting for the date contained therein the last day for which the designation under section 1400E of the renewal community referred to in subparagraph (B)(i) is in effect; and

“(iv) rules similar to the rules of section 51A(b)(5)(C) shall apply.

“(B) QUALIFIED FIRST- AND SECOND-YEAR WAGES.—For purposes of subparagraph (A)—

“(i) IN GENERAL.—The term ‘qualified wages’ means, with respect to each 1-year pe-

riod referred to in clause (ii) or (iii), as the case may be, the wages paid or incurred by the employer during the taxable year to any individual but only if—

“(I) the employer is engaged in a trade or business in a renewal community throughout such 1-year period;

“(II) the principal place of abode of such individual is in such renewal community throughout such 1-year period; and

“(III) substantially all of the services which such individual performs for the employer during such 1-year period are performed in such renewal community.

“(ii) QUALIFIED FIRST-YEAR WAGES.—The term ‘qualified first-year wages’ means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

“(iii) QUALIFIED SECOND-YEAR WAGES.—The term ‘qualified second-year wages’ means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under clause (ii).”.

(b) CONGRUENT TREATMENT OF RENEWAL COMMUNITIES AND ENTERPRISE ZONES FOR PURPOSES OF YOUTH RESIDENCE REQUIREMENTS.—

(1) HIGH-RISK YOUTH.—Subparagraphs (A)(ii) and (B) of section 51(d)(5) are each amended by striking “empowerment zone or enterprise community” and inserting “empowerment zone, enterprise community, or renewal community”.

(2) QUALIFIED SUMMER YOUTH EMPLOYEE.—Clause (iv) of section 51(d)(7)(A) is amended by striking “empowerment zone or enterprise community” and inserting “empowerment zone, enterprise community, or renewal community”.

(3) HEADINGS.—Paragraphs (5)(B) and (7)(C) of section 51(d) are each amended by inserting “OR COMMUNITY” in the heading after “ZONE”.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to individuals who begin work for the employer after December 31, 2000.

#### SEC. 705. CONFORMING AND CLERICAL AMENDMENTS.

(a) DEDUCTION FOR CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS ALLOWABLE WHETHER OR NOT TAXPAYER ITEMIZES.—Subsection (a) of section 62 (relating to adjusted gross income defined) is amended by inserting after paragraph (18) the following new paragraph:

“(19) FAMILY DEVELOPMENT ACCOUNTS.—The deduction allowed by section 1400H(a)(1).”.

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) TAX IMPOSED.—Subsection (a) of section 4973 is amended by striking “or” at the end of paragraph (3), adding “or” at the end of paragraph (4), and inserting after paragraph (4) the following new paragraph:

“(5) a family development account (within the meaning of section 1400H(e)).”.

(2) EXCESS CONTRIBUTIONS.—Section 4973 is amended by adding at the end the following new subsection:

“(g) FAMILY DEVELOPMENT ACCOUNTS.—For purposes of this section, in the case of family development accounts, the term ‘excess contributions’ means the sum of—

“(1) the excess (if any) of—

“(A) the amount contributed for the taxable year to the accounts (other than a qualified rollover, as defined in section 1400H(c)(7), or a contribution under section 1400I), over



“(B) the amount allowable as a deduction under section 1400H for such contributions; and

“(2) the amount determined under this subsection for the preceding taxable year reduced by the sum of—

“(A) the distributions out of the accounts for the taxable year which were included in the gross income of the payee under section 1400H(b)(1);

“(B) the distributions out of the accounts for the taxable year to which rules similar to the rules of section 408(d)(5) apply by reason of section 1400H(d)(3); and

“(C) the excess (if any) of the maximum amount allowable as a deduction under section 1400H for the taxable year over the amount contributed to the account for the taxable year (other than a contribution under section 1400I).

For purposes of this subsection, any contribution which is distributed from the family development account in a distribution to which rules similar to the rules of section 408(d)(4) apply by reason of section 1400H(d)(3) shall be treated as an amount not contributed.”.

(c) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

“(6) SPECIAL RULE FOR FAMILY DEVELOPMENT ACCOUNTS.—An individual for whose benefit a family development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a family development account by reason of the application of section 1400H(d)(2) to such account.”; and

(2) in subsection (e)(1), by striking “or” at the end of subparagraph (E), by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

“(F) a family development account described in section 1400H(e), or”.

(d) INFORMATION RELATING TO CERTAIN TRUSTS AND ANNUITY PLANS.—Subsection (c) of section 6047 is amended—

(1) by inserting “or section 1400H” after “section 219”; and

(2) by inserting “, of any family development account described in section 1400H(e),” after “section 408(a)”.

(e) INSPECTION OF APPLICATIONS FOR TAX EXEMPTION.—Clause (i) of section 6104(a)(1)(B) is amended by inserting “a family development account described in section 1400H(e),” after “section 408(a),”.

(f) FAILURE TO PROVIDE REPORTS ON FAMILY DEVELOPMENT ACCOUNTS.—Paragraph (2) of section 6693(a) is amended by striking “and” at the end of subparagraph (C), by striking the period and inserting “, and” at the end of subparagraph (D), and by adding at the end the following new subparagraph:

“(E) section 1400H(g)(6) (relating to family development accounts).”.

(g) CONFORMING AMENDMENTS REGARDING COMMERCIAL REVITALIZATION DEDUCTION.—

(1) Section 172 is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

“(j) NO CARRYBACK OF SECTION 1400K DEDUCTION BEFORE DATE OF ENACTMENT.—No portion of the net operating loss for any taxable year which is attributable to any commercial revitalization deduction determined under section 1400K may be carried back to a

taxable year ending before the date of the enactment of section 1400K.”.

(2) Subparagraph (B) of section 48(a)(2) is amended by inserting “or commercial revitalization” after “rehabilitation” each place it appears in the text and heading.

(3) Subparagraph (C) of section 469(i)(3) is amended—

(A) by inserting “or section 1400K” after “section 42”; and

(B) by inserting “AND COMMERCIAL REVITALIZATION DEDUCTION” after “CREDIT” in the heading.

(h) CLERICAL AMENDMENTS.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

“Subchapter X. Renewal Communities.”.

#### SEC. 706. EVALUATION AND REPORTING REQUIREMENTS.

Not later than the close of the fourth calendar year after the year in which the Secretary of Housing and Urban Development first designates an area as a renewal community under section 1400E of the Internal Revenue Code of 1986, and at the close of each fourth calendar year thereafter, such Secretary shall prepare and submit to the Congress a report on the effects of such designations in stimulating the creation of new jobs, particularly for disadvantaged workers and long-term unemployed individuals, and promoting the revitalization of economically distressed areas.

#### Subtitle B—Farming Incentive

#### SEC. 711. PRODUCTION FLEXIBILITY CONTRACT PAYMENTS.

Any option to accelerate the receipt of any payment under a production flexibility contract which is payable under the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7200 et seq.), as in effect on the date of the enactment of this Act, shall be disregarded in determining the taxable year for which such payment is properly includible in gross income for purposes of the Internal Revenue Code of 1986.

#### Subtitle C—Oil and Gas Incentive

#### SEC. 721. 5-YEAR NET OPERATING LOSS CARRYBACK FOR LOSSES ATTRIBUTABLE TO OPERATING MINERAL INTERESTS OF INDEPENDENT OIL AND GAS PRODUCERS.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to years to which loss may be carried) is amended by adding at the end the following new subparagraph:

“(H) LOSSES ON OPERATING MINERAL INTERESTS OF INDEPENDENT OIL AND GAS PRODUCERS.—In the case of a taxpayer—

“(i) which has an eligible oil and gas loss (as defined in subsection (j)) for a taxable year, and

“(ii) which is not an integrated oil company (as defined in section 291(b)(4)),

such eligible oil and gas loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss.”.

(b) ELIGIBLE OIL AND GAS LOSS.—Section 172 is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

“(j) ELIGIBLE OIL AND GAS LOSS.—For purposes of this section—

“(1) IN GENERAL.—The term ‘eligible oil and gas loss’ means the lesser of—

“(A) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to operating mineral interests (as defined in section 614(d)) in oil and gas wells are taken into account, or

“(B) the amount of the net operating loss for such taxable year.

“(2) COORDINATION WITH SUBSECTION (b)(2).—For purposes of applying subsection (b)(2), an eligible oil and gas loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

“(3) ELECTION.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(H) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(H).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to net operating losses for taxable years beginning after December 31, 1998.

#### Subtitle D—Timber Incentive

#### SEC. 731. INCREASE IN MAXIMUM PERMITTED AMORTIZATION OF REFORESTATION EXPENDITURES.

(a) IN GENERAL.—Paragraph (1) of section 194(b) (relating to amortization of reforestation expenditures) is amended by striking “\$10,000 (\$5,000)” and inserting “\$25,000 (\$12,500)”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to additions to capital account made in taxable years beginning after December 31, 1998.

#### Subtitle E—Steel Industry Incentive

#### SEC. 741. MINIMUM TAX RELIEF FOR STEEL INDUSTRY.

(a) IN GENERAL.—Subsection (c) of section 53 (as amended by section 302) is amended by adding at the end the following new paragraph:

“(4) STEEL COMPANIES.—In the case of a qualified corporation (as defined in section 212(g)(1) of the Tax Reform Act of 1986), in lieu of applying paragraph (2), the limitation under paragraph (1) for any taxable year beginning after December 31, 1998, shall be increased (subject to the rule of the last sentence of paragraph (2)) by 90 percent of the tentative minimum tax.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

#### TITLE VIII—RELIEF FOR SMALL BUSINESSES

#### SEC. 801. DEDUCTION FOR 100 PERCENT OF HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (1) of section 162(l) is amended to read as follows:

“(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to 100 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

#### SEC. 802. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) IN GENERAL.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

“(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed \$30,000.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

#### SEC. 803. REPEAL OF FEDERAL UNEMPLOYMENT SURTAX.

(a) IN GENERAL.—Section 3301 (relating to rate of Federal unemployment tax) is amended—

(1) by striking "2007" and inserting "2004", and

(2) by striking "2008" and inserting "2005".

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to calendar years beginning after the date of the enactment of this Act.

**SEC. 804. RESTORATION OF 80 PERCENT DEDUCTION FOR MEAL EXPENSES.**

(a) **IN GENERAL.**—Paragraph (1) of section 274(n) (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by striking "50 percent" in the text and inserting "the allowable percentage".

(b) **ALLOWABLE PERCENTAGES.**—Subsection (n) of section 274 is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (2) the following new paragraph:

"(2) **ALLOWABLE PERCENTAGE.**—For purposes of paragraph (1), the allowable percentage is—

"(A) in the case of amounts for items described in paragraph (1)(B), 50 percent, and

"(B) in the case of expenses for food or beverages, the percentage determined in accordance with the following table:

<b>"For taxable years beginning in calendar year—</b>	<b>The allowable percentage is—</b>
2000 through 2003 .....	50
2004 .....	55
2005 .....	60
2006 .....	65
2007 .....	70
2008 .....	75
2009 and thereafter .....	80."

(b) **CONFORMING AMENDMENTS.**—

(1) The heading for subsection (n) of section 274 is amended by striking "50 PERCENT" and inserting "LIMITED PERCENTAGES".

(2) Subparagraph (A) of section 274(n)(4), as redesignated by subsection (a), is amended by striking "50 percent" and inserting "the allowable percentage".

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**TITLE IX—INTERNATIONAL TAX RELIEF**

**SEC. 901. INTEREST ALLOCATION RULES.**

(a) **ELECTION TO ALLOCATE INTEREST ON A WORLDWIDE BASIS.**—Subsection (e) of section 864 (relating to rules for allocating interest, etc.) is amended by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively, and by inserting after paragraph (5) the following new paragraph:

"(6) **ELECTION TO ALLOCATE INTEREST ON A WORLDWIDE BASIS.**—

"(A) **IN GENERAL.**—Except as provided in this paragraph, this subsection (other than paragraph (7)) shall be applied by treating each worldwide affiliated group for which an election under this paragraph is in effect as an affiliated group.

"(B) **WORLDWIDE AFFILIATED GROUP.**—For purposes of this paragraph, the term 'worldwide affiliated group' means the group of corporations which consists of—

"(i) all corporations in an affiliated group (as defined in paragraph (5)), and

"(ii) all foreign corporations (other than a FSC, as defined in section 922(a)) with respect to which corporations described in clause (i) own stock meeting the ownership requirements of section 957(a) (without regard to stock considered as owned under section 958(b)).

"(C) **ALLOCATION.**—

"(i) **IN GENERAL.**—For purposes of paragraph (1), only the applicable percentage of

the interest expense and assets of a foreign corporation described in subparagraph (B)(ii) shall be taken into account.

"(ii) **APPLICABLE PERCENTAGE.**—For purposes of this paragraph, the term 'applicable percentage' means, with respect to any foreign corporation, the percentage equal to the ratio which the value of the stock in such corporation taken into account under subparagraph (B)(ii) bears to the aggregate value of all stock in such corporation.

"(D) **TREATMENT OF FOREIGN INTEREST EXPENSE.**—Interest expense of members of an electing worldwide affiliated group which is allocated to foreign source income under this subsection shall be reduced (but not below zero) by the applicable percentage of the interest expense incurred by any foreign corporation in the electing worldwide affiliated group to the extent such interest would have been allocated and apportioned to foreign source income of such corporation if this subsection were applied to a group consisting of all the foreign corporations in such affiliated group.

"(E) **ELECTION.**—An election under this paragraph with respect to any worldwide affiliated group may be made only by the common parent of the affiliated group referred to in subparagraph (B)(i) and may be made only for the first taxable year beginning after December 31, 2001, in which a worldwide affiliated group exists which includes such affiliated group and at least 1 corporation described in subparagraph (B)(ii). Such an election, once made, shall apply to such parent and all other corporations which are included in such worldwide affiliated group for such taxable year and all subsequent years unless revoked with the consent of the Secretary."

(b) **ELECTION TO ALLOCATE INTEREST WITHIN FINANCIAL INSTITUTION GROUPS AND SUBSIDIARY GROUPS.**—Section 864 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) **ELECTION TO APPLY SUBSECTION (e) ON BASIS OF FINANCIAL INSTITUTION GROUP AND SUBSIDIARY GROUPS.**—

"(1) **IN GENERAL.**—Subsection (e) (other than paragraph (7) thereof) shall be applied—

"(A) as if the electing financial institution group were a separate affiliated group, and

"(B) for purposes of allocating interest expense with respect to qualified indebtedness of members of an electing subsidiary group, as if each electing subsidiary group were a separate affiliated group.

Subsection (e) shall apply to any such electing group in the same manner as subsection (e) applies to the pre-election affiliated group of which such electing group is a part.

"(2) **ELECTING FINANCIAL INSTITUTION GROUP.**—For purposes of this subsection—

"(A) **IN GENERAL.**—The term 'electing financial institution group' means any group of corporations if—

"(i) such group consists only of all of the financial corporations in the pre-election affiliated group, and

"(ii) an election under this paragraph is in effect for such group of corporations.

"(B) **FINANCIAL CORPORATION.**—The term 'financial corporation' means any corporation if at least 80 percent of its gross income is income described in section 904(d)(2)(C)(ii) and the regulations thereunder. To the extent provided in regulations prescribed by the Secretary, such term includes a bank holding company (within the meaning of section 2(a) of the Bank Holding Company Act of 1956).

"(C) **EFFECT OF CERTAIN TRANSACTIONS.**—Rules similar to the rules of paragraph (3)(D)

shall apply to transactions between any member of the electing financial institution group and any member of the pre-election affiliated group (other than a member of the electing financial institution group).

"(D) **ELECTION.**—An election under this paragraph with respect to any financial institution group may be made only by the common parent of the pre-election affiliated group. Such an election, once made, shall apply only to the taxable year for which made.

"(3) **ELECTING SUBSIDIARY GROUPS.**—

"(A) **IN GENERAL.**—The term 'electing subsidiary group' means any group of corporations if—

"(i) such group consists only of corporations in the pre-election affiliated group,

"(ii) such group includes—

"(I) a domestic corporation (which is not the common parent of the pre-election affiliated group or a member of an electing financial institution group) which incurs interest expense with respect to qualified indebtedness, and

"(II) every other corporation (other than a member of an electing financial institution group) which is in the pre-election affiliated group and which would be a member of an affiliated group having such domestic corporation as the common parent, and

"(iii) an election under this paragraph is in effect for such group.

"(B) **EQUALIZATION RULE.**—All interest expense of a pre-election affiliated group (other than subgroup interest expense) shall be treated as allocated to foreign source income to the extent such expense does not exceed the excess (if any) of—

"(i) the interest expense of the pre-election affiliated group (including subgroup interest expense) which would (but for any election under this paragraph) be allocated to foreign source income, over

"(ii) the subgroup interest expense allocated to foreign source income.

For purposes of the preceding sentence, the subgroup interest expense is the interest expense to which subsection (e) applies separately by reason of paragraph (1)(B).

"(C) **QUALIFIED INDEBTEDNESS.**—For purposes of this subsection, the term 'qualified indebtedness' means any indebtedness of a domestic corporation—

"(i) which is held by an unrelated person, and

"(ii) which is not guaranteed (or otherwise supported) by any corporation which is a member of the pre-election affiliated group other than a corporation which is a member of the electing subsidiary group.

For purposes of this subparagraph, the term 'unrelated person' means any person not bearing a relationship specified in section 267(b) or 707(b)(1) to the corporation.

"(D) **EFFECT OF CERTAIN TRANSACTIONS ON QUALIFIED INDEBTEDNESS.**—In the case of a corporation which is a member of an electing subsidiary group, to the extent that such corporation—

"(i) distributes dividends or makes other distributions with respect to its stock after the date of the enactment of this paragraph to any member of the pre-election affiliated group (other than to a member of the electing subsidiary group) in excess of the greater of—

"(I) its average annual dividend (expressed as a percentage of current earnings and profits) during the 5-taxable-year period ending with the taxable year preceding the taxable year, or

“(II) 25 percent of its average annual earnings and profits for such 5 taxable year period, or

“(ii) deals with any person in any manner not clearly reflecting the income of the corporation (as determined under principles similar to the principles of section 482),

an amount of qualified indebtedness equal to the excess distribution or the understatement or overstatement of income, as the case may be, shall be recharacterized (for the taxable year and subsequent taxable years) for purposes of this subsection as indebtedness which is not qualified indebtedness. If a corporation has not been in existence for 5 taxable years, this subparagraph shall be applied with respect to the period it was in existence.

“(E) ELECTION.—An election under this paragraph with respect to any electing subsidiary group may be made only by the common parent of the pre-election affiliated group. Such an election, once made, shall apply only to the taxable year for which made. No election may be made under this paragraph if the effect of the election would be to have the same member of the pre-election affiliated group included in more than 1 electing subsidiary group.

“(4) PRE-ELECTION AFFILIATED GROUP.—For purposes of this subsection, the term ‘pre-election affiliated group’ means, with respect to a corporation, the affiliated group or electing worldwide affiliated group of which such corporation would (but for an election under this subsection) be a member for purposes of applying subsection (e).

“(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this subsection and subsection (e), including regulations—

“(A) providing for the direct allocation of interest expense in other circumstances where such allocation would be appropriate to carry out the purposes of this subsection,

“(B) preventing assets or interest expense from being taken into account more than once, and

“(C) dealing with changes in members of any group (through acquisitions or otherwise) treated under this subsection as an affiliated group for purposes of subsection (e).”

(c) INSURANCE COMPANIES INCLUDED IN AFFILIATED GROUPS.—Paragraph (5) of section 864(e) is amended to read as follows:

“(5) AFFILIATED GROUP.—The term ‘affiliated group’ has the meaning given such term by section 1504 (determined without regard to paragraphs (2) and (4) of section 1504(b)).”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

#### SEC. 902. LOOK-THRU RULES TO APPLY TO DIVIDENDS FROM NONCONTROLLED SECTION 902 CORPORATIONS.

(a) IN GENERAL.—Section 904(d)(4) (relating to application of look-thru rules to dividends from noncontrolled section 902 corporations) is amended to read as follows:

“(4) LOOK-THRU APPLIES TO DIVIDENDS FROM NONCONTROLLED SECTION 902 CORPORATIONS.—

“(A) IN GENERAL.—For purposes of this subsection, any dividend from a noncontrolled section 902 corporation with respect to the taxpayer shall be treated as income in a separate category in proportion to the ratio of—

“(i) the portion of earnings and profits attributable to income in such category, to

“(ii) the total amount of earnings and profits.

“(B) SPECIAL RULES.—For purposes of this paragraph—

“(i) IN GENERAL.—Rules similar to the rules of paragraph (3)(F) shall apply; except

that the term ‘separate category’ shall include the category of income described in paragraph (1)(I).

“(ii) EARNINGS AND PROFITS.—

“(I) IN GENERAL.—The rules of section 316 shall apply.

“(II) REGULATIONS.—The Secretary may prescribe regulations regarding the treatment of distributions out of earnings and profits for periods before the taxpayer’s acquisition of the stock to which the distributions relate.

“(iii) DIVIDENDS NOT ALLOCABLE TO SEPARATE CATEGORY.—The portion of any dividend from a noncontrolled section 902 corporation which is not treated as income in a separate category under subparagraph (A) shall be treated as a dividend to which subparagraph (A) does not apply.

“(iv) LOOK-THRU WITH RESPECT TO CARRYFORWARDS OF CREDIT.—Rules similar to subparagraph (A) also shall apply to any carryforward under subsection (c) from a taxable year beginning before January 1, 2002, of tax allocable to a dividend from a noncontrolled section 902 corporation with respect to the taxpayer.”

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (E) of section 904(d)(1), as in effect both before and after the amendments made by section 1105 of the Taxpayer Relief Act of 1997, is hereby repealed.

(2) Section 904(d)(2)(C)(iii), as so in effect, is amended by striking subclause (II) and by redesignating subclause (III) as subclause (II).

(3) The last sentence of section 904(d)(2)(D), as so in effect, is amended to read as follows: “Such term does not include any financial services income.”

(4) Section 904(d)(2)(E) is amended by striking clauses (ii) and (iv) and by redesignating clause (iii) as clause (ii).

(5) Section 904(d)(3)(F) is amended by striking “(D), or (E)” and inserting “or (D)”.

(6) Section 864(d)(5)(A)(i) is amended by striking “(C)(iii)(III)” and inserting “(C)(iii)(II)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

#### SEC. 903. CLARIFICATION OF TREATMENT OF PIPELINE TRANSPORTATION INCOME.

(a) IN GENERAL.—Section 954(g)(1) (defining foreign base company oil related income) is amended by striking “or” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, or”, and by inserting after subparagraph (B) the following new subparagraph:

“(C) the pipeline transportation of oil or gas within such foreign country.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of controlled foreign corporations beginning after December 31, 2001, and taxable years of United States shareholders with or within which such taxable years of controlled foreign corporations end.

#### SEC. 904. SUBPART F TREATMENT OF INCOME FROM TRANSMISSION OF HIGH VOLTAGE ELECTRICITY.

(a) IN GENERAL.—Paragraph (2) of section 954(e) (relating to foreign base company services income) is amended by striking “or” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, or”, and by inserting after subparagraph (B) the following new subparagraph:

“(C) the transmission of high voltage electricity.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable

years of controlled foreign corporations beginning after December 31, 2001, and taxable years of United States shareholders with or within which such taxable years of controlled foreign corporations end.

#### SEC. 905. RECHARACTERIZATION OF OVERALL DOMESTIC LOSS.

(a) GENERAL RULE.—Section 904 is amended by redesignating subsections (g), (h), (i), (j), and (k) as subsections (h), (i), (j), (k), and (l), respectively, and by inserting after subsection (f) the following new subsection:

“(g) RECHARACTERIZATION OF OVERALL DOMESTIC LOSS.—

“(1) GENERAL RULE.—For purposes of this subpart and section 936, in the case of any taxpayer who sustains an overall domestic loss for any taxable year beginning after December 31, 2004, that portion of the taxpayer’s taxable income from sources within the United States for each succeeding taxable year which is equal to the lesser of—

“(A) the amount of such loss (to the extent not used under this paragraph in prior taxable years), or

“(B) 50 percent of the taxpayer’s taxable income from sources within the United States for such succeeding taxable year, shall be treated as income from sources without the United States (and not as income from sources within the United States).

“(2) OVERALL DOMESTIC LOSS DEFINED.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘overall domestic loss’ means any domestic loss to the extent such loss offsets taxable income from sources without the United States for the taxable year or for any preceding taxable year by reason of a carryback. For purposes of the preceding sentence, the term ‘domestic loss’ means the amount by which the gross income for the taxable year from sources within the United States is exceeded by the sum of the deductions properly apportioned or allocated thereto (determined without regard to any carryback from a subsequent taxable year).

“(B) TAXPAYER MUST HAVE ELECTED FOREIGN TAX CREDIT FOR YEAR OF LOSS.—The term ‘overall domestic loss’ shall not include any loss for any taxable year unless the taxpayer chose the benefits of this subpart for such taxable year.

“(3) CHARACTERIZATION OF SUBSEQUENT INCOME.—

“(A) IN GENERAL.—Any income from sources within the United States that is treated as income from sources without the United States under paragraph (1) shall be allocated among and increase the income categories in proportion to the loss from sources within the United States previously allocated to those income categories.

“(B) INCOME CATEGORY.—For purposes of this paragraph, the term ‘income category’ has the meaning given such term by subsection (f)(5)(E)(i).

“(4) COORDINATION WITH SUBSECTION (f).—The Secretary shall prescribe such regulations as may be necessary to coordinate the provisions of this subsection with the provisions of subsection (f).”

(b) CONFORMING AMENDMENTS.—

(1) Section 535(d)(2) is amended by striking “section 904(g)(6)” and inserting “section 904(h)(6)”.

(2) Subparagraph (A) of section 936(a)(2) is amended by striking “section 904(f)” and inserting “subsections (f) and (g) of section 904”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to losses for taxable years beginning after December 31, 2004.

**SEC. 906. TREATMENT OF MILITARY PROPERTY OF FOREIGN SALES CORPORATIONS.**

(a) IN GENERAL.—Section 923(a) (defining exempt foreign trade income) is amended by striking paragraph (5) and by redesignating paragraph (6) as paragraph (5).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

**SEC. 907. TREATMENT OF CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.**

(a) TREATMENT OF CERTAIN DIVIDENDS.—

(1) NONRESIDENT ALIEN INDIVIDUALS.—Section 871 (relating to tax on nonresident alien individuals) is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

“(k) EXEMPTION FOR CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.—

“(1) INTEREST-RELATED DIVIDENDS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), no tax shall be imposed under paragraph (1)(A) of subsection (a) on any interest-related dividend received from a regulated investment company.

“(B) EXCEPTIONS.—Subparagraph (A) shall not apply—

“(i) to any interest-related dividend received from a regulated investment company by a person to the extent such dividend is attributable to interest (other than interest described in subparagraph (E) (i) or (iii)) received by such company on indebtedness issued by such person or by any corporation or partnership with respect to which such person is a 10-percent shareholder,

“(ii) to any interest-related dividend with respect to stock of a regulated investment company unless the person who would otherwise be required to deduct and withhold tax from such dividend under chapter 3 receives a statement (which meets requirements similar to the requirements of subsection (h)(5)) that the beneficial owner of such stock is not a United States person, and

“(iii) to any interest-related dividend paid to any person within a foreign country (or any interest-related dividend payment addressed to, or for the account of, persons within such foreign country) during any period described in subsection (h)(6) with respect to such country.

Clause (iii) shall not apply to any dividend with respect to any stock the holding period of which begins on or before the date of the publication of the Secretary's determination under subsection (h)(6).

“(C) INTEREST-RELATED DIVIDEND.—For purposes of this paragraph, an interest-related dividend is any dividend (or part thereof) which is designated by the regulated investment company as an interest-related dividend in a written notice mailed to its shareholders not later than 60 days after the close of its taxable year. If the aggregate amount so designated with respect to a taxable year of the company (including amounts so designated with respect to dividends paid after the close of the taxable year described in section 855) is greater than the qualified net interest income of the company for such taxable year, the portion of each distribution which shall be an interest-related dividend shall be only that portion of the amounts so designated which such qualified net interest income bears to the aggregate amount so designated.

“(D) QUALIFIED NET INTEREST INCOME.—For purposes of subparagraph (C), the term ‘qualified net interest income’ means the qualified interest income of the regulated investment company reduced by the deductions properly allocable to such income.

“(E) QUALIFIED INTEREST INCOME.—For purposes of subparagraph (D), the term ‘qualified interest income’ means the sum of the following amounts derived by the regulated investment company from sources within the United States:

“(i) Any amount includible in gross income as original issue discount (within the meaning of section 1273) on an obligation payable 183 days or less from the date of original issue (without regard to the period held by the company).

“(ii) Any interest includible in gross income (including amounts recognized as ordinary income in respect of original issue discount or market discount or acquisition discount under part V of subchapter P and such other amounts as regulations may provide) on an obligation which is in registered form; except that this clause shall not apply to—

“(I) any interest on an obligation issued by a corporation or partnership if the regulated investment company is a 10-percent shareholder in such corporation or partnership, and

“(II) any interest which is treated as not being portfolio interest under the rules of subsection (h)(4).

“(iii) Any interest referred to in subsection (i)(2)(A) (without regard to the trade or business of the regulated investment company).

“(iv) Any interest-related dividend includible in gross income with respect to stock of another regulated investment company.

Such term includes any interest derived by the regulated investment company from sources outside the United States other than interest that is subject to a tax imposed by a foreign jurisdiction if the amount of such tax is reduced (or eliminated) by a treaty with the United States.

“(F) 10-PERCENT SHAREHOLDER.—For purposes of this paragraph, the term ‘10-percent shareholder’ has the meaning given such term by subsection (h)(3)(B).

“(2) SHORT-TERM CAPITAL GAIN DIVIDENDS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), no tax shall be imposed under paragraph (1)(A) of subsection (a) on any short-term capital gain dividend received from a regulated investment company.

“(B) EXCEPTION FOR ALIENS TAXABLE UNDER SUBSECTION (a)(2).—Subparagraph (A) shall not apply in the case of any nonresident alien individual subject to tax under subsection (a)(2).

“(C) SHORT-TERM CAPITAL GAIN DIVIDEND.—For purposes of this paragraph, a short-term capital gain dividend is any dividend (or part thereof) which is designated by the regulated investment company as a short-term capital gain dividend in a written notice mailed to its shareholders not later than 60 days after the close of its taxable year. If the aggregate amount so designated with respect to a taxable year of the company (including amounts so designated with respect to dividends paid after the close of the taxable year described in section 855) is greater than the qualified short-term gain of the company for such taxable year, the portion of each distribution which shall be a short-term capital gain dividend shall be only that portion of the amounts so designated which such qualified short-term gain bears to the aggregate amount so designated.

“(D) QUALIFIED SHORT-TERM GAIN.—For purposes of subparagraph (C), the term ‘qualified short-term gain’ means the excess of the net short-term capital gain of the regulated investment company for the taxable year over the net long-term capital loss (if

any) of such company for such taxable year. For purposes of this subparagraph—

“(i) the net short-term capital gain of the regulated investment company shall be computed by treating any short-term capital gain dividend includible in gross income with respect to stock of another regulated investment company as a short-term capital gain, and

“(ii) the excess of the net short-term capital gain for a taxable year over the net long-term capital loss for a taxable year (to which an election under section 4982(e)(4) does not apply) shall be determined without regard to any net capital loss or net short-term capital loss attributable to transactions after October 31 of such year, and any such net capital loss or net short-term capital loss shall be treated as arising on the 1st day of the next taxable year.

To the extent provided in regulations, clause (ii) shall apply also for purposes of computing the taxable income of the regulated investment company.”

(2) FOREIGN CORPORATIONS.—Section 881 (relating to tax on income of foreign corporations not connected with United States business) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

“(e) TAX NOT TO APPLY TO CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.—

“(1) INTEREST-RELATED DIVIDENDS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), no tax shall be imposed under paragraph (1) of subsection (a) on any interest-related dividend (as defined in section 871(k)(1)) received from a regulated investment company.

“(B) EXCEPTION.—Subparagraph (A) shall not apply—

“(i) to any dividend referred to in section 871(k)(1)(B), and

“(ii) to any interest-related dividend received by a controlled foreign corporation (within the meaning of section 957(a)) to the extent such dividend is attributable to interest received by the regulated investment company from a person who is a related person (within the meaning of section 864(d)(4)) with respect to such controlled foreign corporation.

“(C) TREATMENT OF DIVIDENDS RECEIVED BY CONTROLLED FOREIGN CORPORATIONS.—The rules of subsection (c)(5)(A) shall apply to any interest-related dividend received by a controlled foreign corporation (within the meaning of section 957(a)) to the extent such dividend is attributable to interest received by the regulated investment company which is described in clause (ii) of section 871(k)(1)(E) (and not described in clause (i) or (iii) of such section).

“(2) SHORT-TERM CAPITAL GAIN DIVIDENDS.—No tax shall be imposed under paragraph (1) of subsection (a) on any short-term capital gain dividend (as defined in section 871(k)(2)) received from a regulated investment company.”

(3) WITHHOLDING TAXES.—

(A) Section 1441(c) (relating to exceptions) is amended by adding at the end the following new paragraph:

“(12) CERTAIN DIVIDENDS RECEIVED FROM REGULATED INVESTMENT COMPANIES.—

“(A) IN GENERAL.—No tax shall be required to be deducted and withheld under subsection (a) from any amount exempt from the tax imposed by section 871(a)(1)(A) by reason of section 871(k).

“(B) SPECIAL RULE.—For purposes of subparagraph (A), clause (i) of section

871(k)(1)(B) shall not apply to any dividend unless the regulated investment company knows that such dividend is a dividend referred to in such clause. A similar rule shall apply with respect to the exception contained in section 871(k)(2)(B)."

(B) Section 1442(a) (relating to withholding of tax on foreign corporations) is amended—

(i) by striking "and the reference in section 1441(c)(10)" and inserting "the reference in section 1441(c)(10)", and

(ii) by inserting before the period at the end the following: ", and the references in section 1441(c)(12) to sections 871(a) and 871(k) shall be treated as referring to sections 881(a) and 881(e) (except that for purposes of applying subparagraph (A) of section 1441(c)(12), as so modified, clause (ii) of section 881(e)(1)(B) shall not apply to any dividend unless the regulated investment company knows that such dividend is a dividend referred to in such clause)".

(b) ESTATE TAX TREATMENT OF INTEREST IN CERTAIN REGULATED INVESTMENT COMPANIES.—Section 2105 (relating to property without the United States for estate tax purposes) is amended by adding at the end the following new subsection:

"(d) STOCK IN A RIC.—

"(1) IN GENERAL.—For purposes of this subchapter, stock in a regulated investment company (as defined in section 851) owned by a nonresident not a citizen of the United States shall not be deemed property within the United States in the proportion that, at the end of the quarter of such investment company's taxable year immediately preceding a decedent's date of death (or at such other time as the Secretary may designate in regulations), the assets of the investment company that were qualifying assets with respect to the decedent bore to the total assets of the investment company.

"(2) QUALIFYING ASSETS.—For purposes of this subsection, qualifying assets with respect to a decedent are assets that, if owned directly by the decedent, would have been—

"(A) amounts, deposits, or debt obligations described in subsection (b) of this section,

"(B) debt obligations described in the last sentence of section 2104(c), or

"(C) other property not within the United States."

(c) TREATMENT OF REGULATED INVESTMENT COMPANIES UNDER SECTION 897.—

(1) Paragraph (1) of section 897(h) is amended by striking "REIT" each place it appears and inserting "qualified investment entity".

(2) Paragraphs (2) and (3) of section 897(h) are amended to read as follows:

"(2) SALE OF STOCK IN DOMESTICALLY CONTROLLED ENTITY NOT TAXED.—The term 'United States real property interest' does not include any interest in a domestically controlled qualified investment entity.

"(3) DISTRIBUTIONS BY DOMESTICALLY CONTROLLED QUALIFIED INVESTMENT ENTITIES.—In the case of a domestically controlled qualified investment entity, rules similar to the rules of subsection (d) shall apply to the foreign ownership percentage of any gain."

(3) Subparagraphs (A) and (B) of section 897(h)(4) are amended to read as follows:

"(A) QUALIFIED INVESTMENT ENTITY.—The term 'qualified investment entity' means any real estate investment trust and any regulated investment company.

"(B) DOMESTICALLY CONTROLLED.—The term 'domestically controlled qualified investment entity' means any qualified investment entity in which at all times during the testing period less than 50 percent in value of the stock was held directly or indirectly by foreign persons."

(4) Subparagraphs (C) and (D) of section 897(h)(4) are each amended by striking "REIT" and inserting "qualified investment entity".

(5) The subsection heading for subsection (h) of section 897 is amended by striking "REITS" and inserting "CERTAIN INVESTMENT ENTITIES".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to dividends with respect to taxable years of regulated investment companies beginning after December 31, 2004.

(2) ESTATE TAX TREATMENT.—The amendment made by subsection (b) shall apply to estates of decedents dying after December 31, 2004.

(3) CERTAIN OTHER PROVISIONS.—The amendments made by subsection (c) (other than paragraph (1) thereof) shall take effect on January 1, 2005.

#### SEC. 908. REPEAL OF SPECIAL RULES FOR APPLYING FOREIGN TAX CREDIT IN CASE OF FOREIGN OIL AND GAS INCOME.

(a) IN GENERAL.—Section 907 (relating to special rules in case of foreign oil and gas income) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Each of the following provisions are amended by striking "907,":

(A) Section 245(a)(10).

(B) Section 865(h)(1)(B).

(C) Section 904(d)(1).

(D) Section 904(g)(10)(A).

(2) Section 904(f)(5)(E)(iii) is amended by inserting ", as in effect before its repeal by the Financial Freedom Act of 1999" after "section 907(c)(4)(B)".

(3) Section 954(g)(1) is amended by inserting ", as in effect before its repeal by the Financial Freedom Act of 1999" after "907(c)".

(4) Section 6501(i) is amended—

(A) by striking ", or under section 907(f) (relating to carryback and carryover of disallowed oil and gas extraction taxes)", and

(B) by striking "or 907(f)".

(5) The table of sections for subpart A of part III of subchapter N of chapter 1 is amended by striking the item relating to section 907.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

#### SEC. 909. STUDY OF PROPER TREATMENT OF EUROPEAN UNION UNDER SAME COUNTRY EXCEPTIONS.

(a) STUDY.—The Secretary of the Treasury or the Secretary's delegate shall conduct a study on the feasibility of treating all countries included in the European Union as 1 country for purposes of applying the same country exceptions under subpart F of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1986.

(b) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the results of the study conducted under subsection (a), including recommendations (if any) for legislation.

#### SEC. 910. APPLICATION OF DENIAL OF FOREIGN TAX CREDIT WITH RESPECT TO CERTAIN FOREIGN COUNTRIES.

(a) IN GENERAL.—Clause (ii) of section 901(j)(2)(B) (relating to denial of foreign tax credit, etc., with respect to certain foreign countries) is amended by inserting before the period "or, if earlier, ending on the date that the President determines that the application of this subsection to such foreign coun-

try is no longer in the national interests of the United States".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

#### SEC. 911. ADVANCE PRICING AGREEMENTS TREATED AS CONFIDENTIAL TAXPAYER INFORMATION.

(a) IN GENERAL.—

(1) TREATMENT AS RETURN INFORMATION.—Paragraph (2) of section 6103(b) (defining return information) is amended by striking "and" at the end of subparagraph (A), by inserting "and" at the end of subparagraph (B), and by inserting after subparagraph (B) the following new subparagraph:

"(C) any advance pricing agreement entered into by a taxpayer and the Secretary and any background information related to such agreement or any application for an advance pricing agreement."

(2) EXCEPTION FROM PUBLIC INSPECTION AS WRITTEN DETERMINATION.—Paragraph (1) of section 6110(b) (defining written determination) is amended by adding at the end the following new sentence: "Such term shall not include any advance pricing agreement entered into by a taxpayer and the Secretary and any background information related to such agreement or any application for an advance pricing agreement."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(b) ANNUAL REPORT REGARDING ADVANCE PRICING AGREEMENTS.—

(1) IN GENERAL.—Not later than 90 days after the end of each calendar year, the Secretary of the Treasury shall prepare and publish a report regarding advance pricing agreements.

(2) CONTENTS OF REPORT.—The report shall include the following for the calendar year to which such report relates:

(A) Information about the structure, composition, and operation of the advance pricing agreement program office.

(B) A copy of each model advance pricing agreement.

(C) The number of—

(i) applications filed during such calendar year for advanced pricing agreements;

(ii) advance pricing agreements executed cumulatively to date and during such calendar year;

(iii) renewals of advanced pricing agreements issued;

(iv) pending requests for advance pricing agreements;

(v) pending renewals of advance pricing agreements;

(vi) for each of the items in clauses (ii) through (v), the number that are unilateral, bilateral, and multilateral, respectively;

(vii) advance pricing agreements revoked or canceled, and the number of withdrawals from the advance pricing agreement program; and

(viii) advanced pricing agreements finalized or renewed by industry.

(D) General descriptions of—

(i) the nature of the relationships between the related organizations, trades, or businesses covered by advance pricing agreements;

(ii) the covered transactions and the business functions performed and risks assumed by such organizations, trades, or businesses;

(iii) the related organizations, trades, or businesses whose prices or results are tested to determine compliance with transfer pricing methodologies prescribed in advanced pricing agreements;

(iv) methodologies used to evaluate tested parties and transactions and the circumstances leading to the use of those methodologies;

(v) critical assumptions made and sources of comparables used;

(vi) comparable selection criteria and the rationale used in determining such criteria;

(vii) the nature of adjustments to comparables or tested parties;

(viii) the nature of any ranges agreed to, including information regarding when no range was used and why, when interquartile ranges were used, and when there was a statistical narrowing of the comparables;

(ix) adjustment mechanisms provided to rectify results that fall outside of the agreed upon advance pricing agreement range;

(x) the various term lengths for advance pricing agreements, including rollback years, and the number of advance pricing agreements with each such term length;

(xi) the nature of documentation required; and

(xii) approaches for sharing of currency or other risks.

(E) Statistics regarding the amount of time taken to complete new and renewal advance pricing agreements.

(3) CONFIDENTIALITY.—The reports required by this subsection shall be treated as authorized by the Internal Revenue Code of 1986 for purposes of section 6103 of such Code, but the reports shall not include information—

(A) which would not be permitted to be disclosed under section 6110(c) of such Code if such report were a written determination as defined in section 6110 of such Code, or

(B) which can be associated with, or otherwise identify, directly or indirectly, a particular taxpayer.

(4) FIRST REPORT.—The report for calendar year 1999 shall include prior calendar years after 1990.

(c) USER FEE.—Section 7527, as added by title XV of this Act, is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

“(c) ADVANCE PRICING AGREEMENTS.—

“(1) IN GENERAL.—In addition to any fee otherwise imposed under this section, the fee imposed for requests for advance pricing agreements shall be increased by \$500.

“(2) REDUCED FEE FOR SMALL BUSINESSES.—The Secretary shall provide an appropriate reduction in the amount imposed by reason of paragraph (1) for requests for advance pricing agreements for small businesses.”

(d) REGULATIONS.—The Secretary of the Treasury or the Secretary's delegate shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of section 6103(b)(2)(C), and the last sentence of section 6110(b)(1), of the Internal Revenue Code of 1986, as added by this section.

#### SEC. 912. INCREASE IN DOLLAR LIMITATION ON SECTION 911 EXCLUSION.

(a) GENERAL RULE.—The table contained in clause (i) of section 911(b)(2)(D) is amended to read as follows:

For calendar year—	The exclusion amount is—
2000 .....	\$76,000
2001 .....	78,000
2002 .....	80,000
2003 .....	83,000
2004 .....	86,000
2005 .....	89,000
2006 .....	92,000
2007 and thereafter .....	95,000.”

(b) CONFORMING AMENDMENT.—Clause (ii) of section 911(b)(2)(D) is amended by striking “\$80,000” and inserting “\$95,000”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

#### TITLE X—PROVISIONS RELATING TO TAX-EXEMPT ORGANIZATIONS

##### SEC. 1001. EXEMPTION FROM INCOME TAX FOR STATE-CREATED ORGANIZATIONS PROVIDING PROPERTY AND CASUALTY INSURANCE FOR PROPERTY FOR WHICH SUCH COVERAGE IS OTHERWISE UNAVAILABLE.

(a) IN GENERAL.—Subsection (c) of section 501 (relating to exemption from tax on corporations, certain trusts, etc.) is amended by adding at the end the following new paragraph:

“(28)(A) Any association created before January 1, 1999, by State law and organized and operated exclusively to provide property and casualty insurance coverage for property located within the State for which the State has determined that coverage in the authorized insurance market is limited or unavailable at reasonable rates, if—

“(i) no part of the net earnings of which inures to the benefit of any private shareholder or individual,

“(ii) except as provided in clause (v), no part of the assets of which may be used for, or diverted to, any purpose other than—

“(I) to satisfy, in whole or in part, the liability of the association for, or with respect to, claims made on policies written by the association,

“(II) to invest in investments authorized by applicable law, or

“(III) to pay reasonable and necessary administration expenses in connection with the establishment and operation of the association and the processing of claims against the association,

“(iii) the State law governing the association permits the association to levy assessments on property and casualty insurance policyholders with insurable interests in property located in the State to fund deficits of the association, including the creation of reserves,

“(iv) the plan of operation of the association is subject to approval by the chief executive officer or other executive branch official of the State, by the State legislature, or both, and

“(v) the assets of the association revert upon dissolution to the State, the State's designee, or an entity designated by the State law governing the association, or State law does not permit the dissolution of the association.

“(B)(i) An entity described in clause (ii) shall be disregarded as a separate entity and treated as part of the association described in subparagraph (A) from which it receives remittances described in clause (ii) if an election is made within 30 days after the date that such association is determined to be exempt from tax.

“(ii) An entity is described in this clause if it is an entity or fund created before January 1, 1999, pursuant to State law and organized and operated exclusively to receive, hold, and invest remittances from an association described in subparagraph (A) and exempt from tax under subsection (a) and to make disbursements to pay claims on insurance contracts issued by such association.

“(C) Subparagraph (A) shall not apply to an association for any taxable year if the association's surplus income for such year exceeds 15 percent of the total coverage in force under insurance contracts issued by such association and outstanding as of the close of the taxable year.”

(b) TRANSITIONAL RULE.—No income or gain shall be recognized by an association as

a result of a change in status to that of an association described by section 501(c)(28) of the Internal Revenue Code of 1986, as amended by subsection (a).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1999.

##### SEC. 1002. MODIFICATION OF SPECIAL ARBITRAGE RULE FOR CERTAIN FUNDS.

(a) IN GENERAL.—Paragraph (1) of section 648 of the Tax Reform Act of 1984 is amended to read as follows:

“(1) such securities or obligations are held in a fund—

“(A) which, except to the extent of the investment earnings on such securities or obligations, cannot be used, under State constitutional or statutory restrictions continuously in effect since October 9, 1969, through the date of issue of the bond issue, to pay debt service on the bond issue or to finance the facilities that are to be financed with the proceeds of the bonds, or

“(B) the annual distributions from which cannot exceed 7 percent of the average fair market value of the assets held in such fund except to the extent distributions are necessary to pay debt service on the bond issue.”

(b) CONFORMING AMENDMENT.—Paragraph (3) of such section is amended by striking “the investment earnings of” and inserting “distributions from”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2000.

##### SEC. 1003. CHARITABLE SPLIT-DOLLAR LIFE INSURANCE, ANNUITY, AND ENDOWMENT CONTRACTS.

(a) IN GENERAL.—Subsection (f) of section 170 (relating to disallowance of deduction in certain cases and special rules) is amended by adding at the end the following new paragraph:

“(10) SPLIT-DOLLAR LIFE INSURANCE, ANNUITY, AND ENDOWMENT CONTRACTS.—

“(A) IN GENERAL.—Nothing in this section or in section 545(b)(2), 556(b)(2), 642(c), 2055, 2106(a)(2), or 2522 shall be construed to allow a deduction, and no deduction shall be allowed, for any transfer to or for the use of an organization described in subsection (c) if in connection with such transfer—

“(i) the organization directly or indirectly pays, or has previously paid, any premium on any personal benefit contract with respect to the transferor, or

“(ii) there is an understanding or expectation that any person will directly or indirectly pay any premium on any personal benefit contract with respect to the transferor.

“(B) PERSONAL BENEFIT CONTRACT.—For purposes of subparagraph (A), the term ‘personal benefit contract’ means, with respect to the transferor, any life insurance, annuity, or endowment contract if any direct or indirect beneficiary under such contract is the transferor, any member of the transferor's family, or any other person (other than an organization described in subsection (c)) designated by the transferor.

“(C) APPLICATION TO CHARITABLE REMAINDER TRUSTS.—In the case of a transfer to a trust referred to in subparagraph (E), references in subparagraphs (A) and (F) to an organization described in subsection (c) shall be treated as a reference to such trust.

“(D) EXCEPTION FOR CERTAIN ANNUITY CONTRACTS.—If, in connection with a transfer to or for the use of an organization described in subsection (c), such organization incurs an obligation to pay a charitable gift annuity (as defined in section 501(m)) and such organization purchases any annuity contract to



fund such obligation, persons receiving payments under the charitable gift annuity shall not be treated for purposes of subparagraph (B) as indirect beneficiaries under such contract if—

“(i) such organization possesses all of the incidents of ownership under such contract,

“(ii) such organization is entitled to all the payments under such contract, and

“(iii) the timing and amount of payments under such contract are substantially the same as the timing and amount of payments to each such person under such obligation (as such obligation is in effect at the time of such transfer).

“(E) EXCEPTION FOR CERTAIN CONTRACTS HELD BY CHARITABLE REMAINDER TRUSTS.—A person shall not be treated for purposes of subparagraph (B) as an indirect beneficiary under any life insurance, annuity, or endowment contract held by a charitable remainder annuity trust or a charitable remainder unitrust (as defined in section 664(d)) solely by reason of being entitled to any payment referred to in paragraph (1)(A) or (2)(A) of section 664(d) if—

“(i) such trust possesses all of the incidents of ownership under such contract, and

“(ii) such trust is entitled to all the payments under such contract.

“(F) EXCISE TAX ON PREMIUMS PAID.—

“(i) IN GENERAL.—There is hereby imposed on any organization described in subsection (c) an excise tax equal to the premiums paid by such organization on any life insurance, annuity, or endowment contract if the payment of premiums on such contract is in connection with a transfer for which a deduction is not allowable under subparagraph (A), determined without regard to when such transfer is made.

“(ii) PAYMENTS BY OTHER PERSONS.—For purposes of clause (i), payments made by any other person pursuant to an understanding or expectation referred to in subparagraph (A) shall be treated as made by the organization.

“(iii) REPORTING.—Any organization on which tax is imposed by clause (i) with respect to any premium shall file an annual return which includes—

“(I) the amount of such premiums paid during the year and the name and TIN of each beneficiary under the contract to which the premium relates, and

“(II) such other information as the Secretary may require.

The penalties applicable to returns required under section 6033 shall apply to returns required under this clause. Returns required under this clause shall be furnished at such time and in such manner as the Secretary shall by forms or regulations require.

“(iv) CERTAIN RULES TO APPLY.—The tax imposed by this subparagraph shall be treated as imposed by chapter 42 for purposes of this title other than subchapter B of chapter 42.

“(G) SPECIAL RULE WHERE STATE REQUIRES SPECIFICATION OF CHARITABLE GIFT ANNUITANT IN CONTRACT.—In the case of an obligation to pay a charitable gift annuity referred to in subparagraph (D) which is entered into under the laws of a State which requires, in order for the charitable gift annuity to be exempt from insurance regulation by such State, that each beneficiary under the charitable gift annuity be named as a beneficiary under an annuity contract issued by an insurance company authorized to transact business in such State, the requirements of clauses (i) and (ii) of subparagraph (D) shall be treated as met if—

“(i) such State law requirement was in effect on February 8, 1999,

“(ii) each such beneficiary under the charitable gift annuity is a bona fide resident of such State at the time the obligation to pay a charitable gift annuity is entered into, and

“(iii) the only persons entitled to payments under such contract are persons entitled to payments as beneficiaries under such obligation on the date such obligation is entered into.

“(H) MEMBER OF FAMILY.—For purposes of this paragraph, an individual's family consists of the individual's grandparents, the grandparents of such individual's spouse, the lineal descendants of such grandparents, and any spouse of such a lineal descendant.

“(I) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations to prevent the avoidance of such purposes.”

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this section, the amendment made by this section shall apply to transfers made after February 8, 1999.

(2) EXCISE TAX.—Except as provided in paragraph (3) of this subsection, section 170(f)(10)(F) of the Internal Revenue Code of 1986 (as added by this section) shall apply to premiums paid after the date of the enactment of this Act.

(3) REPORTING.—Clause (iii) of such section 170(f)(10)(F) shall apply to premiums paid after February 8, 1999 (determined as if the tax imposed by such section applies to premiums paid after such date).

#### SEC. 1004. EXEMPTION PROCEDURE FROM TAXES ON SELF-DEALING.

(a) IN GENERAL.—Subsection (d) of section 4941 (relating to taxes on self-dealing) is amended by adding at the end the following new paragraph:

“(3) SPECIAL EXEMPTION.—The Secretary shall establish an exemption procedure for purposes of this subsection. Pursuant to such procedure, the Secretary may grant a conditional or unconditional exemption of any disqualified person or transaction or class of disqualified persons or transactions, from all or part of the restrictions imposed by paragraph (1). The Secretary may not grant an exemption under this paragraph unless he finds that such exemption is—

“(A) administratively feasible,

“(B) in the interests of the private foundation, and

“(C) protective of the rights of the private foundation.

Before granting an exemption under this paragraph, the Secretary shall require adequate notice to be given to interested persons and shall publish notice in the Federal Register of the pendency of such exemption and shall afford interested persons an opportunity to present views.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to transactions occurring after the date of the enactment of this Act.

#### SEC. 1005. EXPANSION OF DECLARATORY JUDGMENT REMEDY TO TAX-EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subsection (a) of section 7428 (relating to creation of remedy) is amended—

(1) in subparagraph (B) by inserting after “509(a))” the following: “or as a private operating foundation (as defined in section 4942(j)(3))”, and

(2) by amending subparagraph (C) to read as follows:

“(C) with respect to the initial qualification or continuing qualification of an organization as an organization described in section 501(c) (other than paragraph (3)) which is exempt from tax under section 501(a), or”.

(b) COURT JURISDICTION.—Subsection (a) of section 7428 is amended in the material following paragraph (2) by striking “United States Tax Court, the United States Claims Court, or the district court of the United States for the District of Columbia” and inserting the following: “United States Tax Court (in the case of any such determination or failure) or the United States Claims Court or the district court of the United States for the District of Columbia (in the case of a determination or failure with respect to an issue referred to in subparagraph (A) or (B) of paragraph (1)),”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to pleadings filed with respect to determinations (or requests for determinations) made after the date of the enactment of this Act.

#### SEC. 1006. MODIFICATIONS TO SECTION 512(b)(13).

(a) IN GENERAL.—Paragraph (13) of section 512(b) is amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new paragraph:

“(E) PARAGRAPH TO APPLY ONLY TO EXCESS PAYMENTS.—

“(i) IN GENERAL.—Subparagraph (A) shall apply only to the portion of a specified payment received by the controlling organization that exceeds the amount which would have been paid if such payment met the requirements prescribed under section 482.

“(ii) ADDITION TO TAX FOR VALUATION MISSTATEMENTS.—The tax imposed by this chapter on the controlling organization shall be increased by an amount equal to 20 percent of such excess.”

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to payments received or accrued after December 31, 1999.

(2) PAYMENTS SUBJECT TO BINDING CONTRACT TRANSITION RULE.—If the amendments made by section 1041 of the Taxpayer Relief Act of 1997 do not apply to any amount received or accrued after the date of the enactment of this Act under any contract described in subsection (b)(2) of such section, such amendments also shall not apply to amounts received or accrued under such contract before January 1, 2000.

#### TITLE XI—REAL ESTATE PROVISIONS

##### Subtitle A—Provisions Relating to Real Estate Investment Trusts

#### PART I—TREATMENT OF INCOME AND SERVICES PROVIDED BY TAXABLE REIT SUBSIDIARIES

##### SEC. 1101. MODIFICATIONS TO ASSET DIVERSIFICATION TEST.

(a) IN GENERAL.—Subparagraph (B) of section 856(c)(4) is amended to read as follows:

“(B)(i) not more than 25 percent of the value of its total assets is represented by securities (other than those includible under subparagraph (A)), and

“(ii) except with respect to a taxable REIT subsidiary and securities includible under subparagraph (A)—

“(I) not more than 5 percent of the value of its total assets is represented by securities of any 1 issuer,

“(II) the trust does not hold securities possessing more than 10 percent of the total voting power of the outstanding securities of any 1 issuer, and

“(III) the trust does not hold securities having a value of more than 10 percent of the



total value of the outstanding securities of any 1 issuer.”

(b) **EXCEPTION FOR STRAIGHT DEBT SECURITIES.**—Subsection (c) of section 856 is amended by adding at the end the following new paragraph:

“(7) **STRAIGHT DEBT SAFE HARBOR IN APPLYING PARAGRAPH (4).**—Securities of an issuer which are straight debt (as defined in section 1361(c)(5) without regard to subparagraph (B)(iii) thereof) shall not be taken into account in applying paragraph (4)(B)(ii)(III) if—

“(A) the only securities of such issuer which are held by the trust or a taxable REIT subsidiary of the trust are straight debt (as so defined), or

“(B) the issuer is a partnership and the trust holds at least a 20 percent profits interest in the partnership.”

**SEC. 1102. TREATMENT OF INCOME AND SERVICES PROVIDED BY TAXABLE REIT SUBSIDIARIES.**

(a) **INCOME FROM TAXABLE REIT SUBSIDIARIES NOT TREATED AS IMPERMISSIBLE TENANT SERVICE INCOME.**—Clause (i) of section 856(d)(7)(C) (relating to exceptions to impermissible tenant service income) is amended by inserting “or through a taxable REIT subsidiary of such trust” after “income”.

(b) **CERTAIN INCOME FROM TAXABLE REIT SUBSIDIARIES NOT EXCLUDED FROM RENTS FROM REAL PROPERTY.**—

(1) **IN GENERAL.**—Subsection (d) of section 856 (relating to rents from real property defined) is amended by adding at the end the following new paragraphs:

“(8) **SPECIAL RULE FOR TAXABLE REIT SUBSIDIARIES.**—For purposes of this subsection, amounts paid to a real estate investment trust by a taxable REIT subsidiary of such trust shall not be excluded from rents from real property by reason of paragraph (2)(B) if the requirements of subparagraph (A) or (B) are met.

“(A) **LIMITED RENTAL EXCEPTION.**—The requirements of this subparagraph are met with respect to any property if at least 90 percent of the leased space of the property is rented to persons other than taxable REIT subsidiaries of such trust and other than persons described in section 856(d)(2)(B). The preceding sentence shall apply only to the extent that the amounts paid to the trust as rents from real property (as defined in paragraph (1) without regard to paragraph (2)(B)) from such property are substantially comparable to such rents made by the other tenants of the trust's property for comparable space.

“(B) **EXCEPTION FOR CERTAIN LODGING FACILITIES.**—The requirements of this subparagraph are met with respect to an interest in real property which is a qualified lodging facility leased by the trust to a taxable REIT subsidiary of the trust if the property is operated on behalf of such subsidiary by a person who is an eligible independent contractor.

“(9) **ELIGIBLE INDEPENDENT CONTRACTOR.**—For purposes of paragraph (8)(B)—

“(A) **IN GENERAL.**—The term ‘eligible independent contractor’ means, with respect to any qualified lodging facility, any independent contractor if, at the time such contractor enters into a management agreement or other similar service contract with the taxable REIT subsidiary to operate the facility, such contractor (or any related person) is actively engaged in the trade or business of operating qualified lodging facilities for any person who is not a related person with respect to the real estate investment trust or the taxable REIT subsidiary.

“(B) **SPECIAL RULES.**—Solely for purposes of this paragraph and paragraph (8)(B), a person shall not fail to be treated as an independent contractor with respect to any qualified lodging facility by reason of any of the following:

“(i) The taxable REIT subsidiary bears the expenses for the operation of the facility pursuant to the management agreement or other similar service contract.

“(ii) The taxable REIT subsidiary receives the revenues from the operation of such facility, net of expenses for such operation and fees payable to the operator pursuant to such agreement or contract.

“(iii) The real estate investment trust receives income from such person with respect to another property that is attributable to a lease of such other property to such person that was in effect as on the later of—

“(I) January 1, 1999, or

“(II) the earliest date that any taxable REIT subsidiary of such trust entered into a management agreement or other similar service contract with such person with respect to such qualified lodging facility.

“(C) **RENEWALS, ETC., OF EXISTING LEASES.**—For purposes of subparagraph (B)(iii)—

“(i) a lease shall be treated as in effect on January 1, 1999, without regard to its renewal after such date, so long as such renewal is pursuant to the terms of such lease as in effect on whichever of the dates under subparagraph (B)(iii) is the latest, and

“(ii) a lease of a property entered into after whichever of the dates under subparagraph (B)(iii) is the latest shall be treated as in effect on such date if—

“(I) on such date, a lease of such property from the trust was in effect, and

“(II) under the terms of the new lease, such trust receives a substantially similar or lesser benefit in comparison to the lease referred to in subclause (I).

“(D) **QUALIFIED LODGING FACILITY.**—For purposes of this paragraph—

“(i) **IN GENERAL.**—The term ‘qualified lodging facility’ means any lodging facility unless wagering activities are conducted at or in connection with such facility by any person who is engaged in the business of accepting wagers and who is legally authorized to engage in such business at or in connection with such facility.

“(ii) **LODGING FACILITY.**—The term ‘lodging facility’ means a hotel, motel, or other establishment more than one-half of the dwelling units in which are used on a transient basis.

“(iii) **CUSTOMARY AMENITIES AND FACILITIES.**—The term ‘lodging facility’ includes customary amenities and facilities operated as part of, or associated with, the lodging facility so long as such amenities and facilities are customary for other properties of a comparable size and class owned by other owners unrelated to such real estate investment trust.

“(E) **OPERATE INCLUDES MANAGE.**—References in this paragraph to operating a property shall be treated as including a reference to managing the property.

“(F) **RELATED PERSON.**—Persons shall be treated as related to each other if such persons are treated as a single employer under subsection (a) or (b) of section 52.”

(2) **CONFORMING AMENDMENT.**—Subparagraph (B) of section 856(d)(2) is amended by inserting “except as provided in paragraph (8),” after “(B)”.

**SEC. 1103. TAXABLE REIT SUBSIDIARY.**

(a) **IN GENERAL.**—Section 856 is amended by adding at the end the following new subsection:

“(1) **TAXABLE REIT SUBSIDIARY.**—For purposes of this part—

“(1) **IN GENERAL.**—The term ‘taxable REIT subsidiary’ means, with respect to a real estate investment trust, a corporation (other than a real estate investment trust) if—

“(A) such trust directly or indirectly owns stock in such corporation, and

“(B) such trust and such corporation jointly elect that such corporation shall be treated as a taxable REIT subsidiary of such trust for purposes of this part.

Such an election, once made, shall be irrevocable unless both such trust and corporation consent to its revocation. Such election, and any revocation thereof, may be made without the consent of the Secretary.

“(2) **35 PERCENT OWNERSHIP IN ANOTHER TAXABLE REIT SUBSIDIARY.**—The term ‘taxable REIT subsidiary’ includes, with respect to any real estate investment trust, any corporation (other than a real estate investment trust) with respect to which a taxable REIT subsidiary of such trust owns directly or indirectly—

“(A) securities possessing more than 35 percent of the total voting power of the outstanding securities of such corporation, or

“(B) securities having a value of more than 35 percent of the total value of the outstanding securities of such corporation.

The preceding sentence shall not apply to a qualified REIT subsidiary (as defined in subsection (i)(2)). The rule of section 856(c)(7) shall apply for purposes of subparagraph (B).

“(3) **EXCEPTIONS.**—The term ‘taxable REIT subsidiary’ shall not include—

“(A) any corporation which directly or indirectly operates or manages a lodging facility or a health care facility, and

“(B) any corporation which directly or indirectly provides to any other person (under a franchise, license, or otherwise) rights to any brand name under which any lodging facility or health care facility is operated.

Subparagraph (B) shall not apply to rights provided to an eligible independent contractor to operate or manage a lodging facility if such rights are held by such corporation as a franchisee, licensee, or in a similar capacity and such lodging facility is either owned by such corporation or is leased to such corporation from the real estate investment trust.

“(4) **DEFINITIONS.**—For purposes of paragraph (3)—

“(A) **LODGING FACILITY.**—The term ‘lodging facility’ has the meaning given to such term by paragraph (9)(D)(ii).

“(B) **HEALTH CARE FACILITY.**—The term ‘health care facility’ has the meaning given to such term by subsection (e)(6)(D)(ii).”

(b) **CONFORMING AMENDMENT.**—Paragraph (2) of section 856(i) is amended by adding at the end the following new sentence: “Such term shall not include a taxable REIT subsidiary.”

**SEC. 1104. LIMITATION ON EARNINGS STRIPPING.**

Paragraph (3) of section 163(j) (relating to limitation on deduction for interest on certain indebtedness) is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, and”, and by adding at the end the following new subparagraph:

“(C) any interest paid or accrued (directly or indirectly) by a taxable REIT subsidiary (as defined in section 856(1)) of a real estate investment trust to such trust.”

**SEC. 1105. 100 PERCENT TAX ON IMPROPERLY ALLOCATED AMOUNTS.**

(a) IN GENERAL.—Subsection (b) of section 857 (relating to method of taxation of real estate investment trusts and holders of shares or certificates of beneficial interest) is amended by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively, and by inserting after paragraph (6) the following new paragraph:

“(7) INCOME FROM REDETERMINED RENTS, REDETERMINED DEDUCTIONS, AND EXCESS INTEREST.—

“(A) IMPOSITION OF TAX.—There is hereby imposed for each taxable year of the real estate investment trust a tax equal to 100 percent of redetermined rents, redetermined deductions, and excess interest.

“(B) REDETERMINED RENTS.—

“(i) IN GENERAL.—The term ‘redetermined rents’ means rents from real property (as defined in subsection 856(d)) the amount of which would (but for subparagraph (E)) be reduced on distribution, apportionment, or allocation under section 482 to clearly reflect income as a result of services furnished or rendered by a taxable REIT subsidiary of the real estate investment trust to a tenant of such trust.

“(ii) EXCEPTION FOR CERTAIN SERVICES.—Clause (i) shall not apply to amounts received directly or indirectly by a real estate investment trust for services described in paragraph (1)(B) or (7)(C)(i) of section 856(d).

“(iii) EXCEPTION FOR DE MINIMIS AMOUNTS.—Clause (i) shall not apply to amounts described in section 856(d)(7)(A) with respect to a property to the extent such amounts do not exceed the one percent threshold described in section 856(d)(7)(B) with respect to such property.

“(iv) EXCEPTION FOR COMPARABLY PRICED SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if—

“(I) such subsidiary renders a significant amount of similar services to persons other than such trust and tenants of such trust who are unrelated (within the meaning of section 856(d)(8)(F)) to such subsidiary, trust, and tenants, but

“(II) only to the extent the charge for such service so rendered is substantially comparable to the charge for the similar services rendered to persons referred to in subclause (I).

“(v) EXCEPTION FOR CERTAIN SEPARATELY CHARGED SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if—

“(I) the rents paid to the trust by tenants (leasing at least 25 percent of the net leasable space in the trust’s property) who are not receiving such service from such subsidiary are substantially comparable to the rents paid by tenants leasing comparable space who are receiving such service from such subsidiary, and

“(II) the charge for such service from such subsidiary is separately stated.

“(vi) EXCEPTION FOR CERTAIN SERVICES BASED ON SUBSIDIARY’S INCOME FROM THE SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if the gross income of such subsidiary from such service is not less than 150 percent of such subsidiary’s direct cost in furnishing or rendering the service.

“(vii) EXCEPTIONS GRANTED BY SECRETARY.—The Secretary may waive the tax otherwise imposed by subparagraph (A) if the trust establishes to the satisfaction of the

Secretary that rents charged to tenants were established on an arms’ length basis even though a taxable REIT subsidiary of the trust provided services to such tenants.

“(C) REDETERMINED DEDUCTIONS.—The term ‘redetermined deductions’ means deductions (other than redetermined rents) of a taxable REIT subsidiary of a real estate investment trust if the amount of such deductions would (but for subparagraph (E)) be increased on distribution, apportionment, or allocation under section 482 to clearly reflect income as between such subsidiary and such trust.

“(D) EXCESS INTEREST.—The term ‘excess interest’ means any deductions for interest payments by a taxable REIT subsidiary of a real estate investment trust to such trust to the extent that the interest payments are in excess of a rate that is commercially reasonable.

“(E) COORDINATION WITH SECTION 482.—The imposition of tax under subparagraph (A) shall be in lieu of any distribution, apportionment, or allocation under section 482.

“(F) REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph. Until the Secretary prescribes such regulations, real estate investment trusts and their taxable REIT subsidiaries may base their allocations on any reasonable method.”

(b) AMOUNT SUBJECT TO TAX NOT REQUIRED TO BE DISTRIBUTED.—Subparagraph (E) of section 857(b)(2) (relating to real estate investment trust taxable income) is amended by striking “paragraph (5)” and inserting “paragraphs (5) and (7)”.

**SEC. 1106. EFFECTIVE DATE.**

(a) IN GENERAL.—The amendments made by this part shall apply to taxable years beginning after December 31, 2000.

(b) TRANSITIONAL RULES RELATED TO SECTION 1101.—

(1) EXISTING ARRANGEMENTS.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendment made by section 1101 shall not apply to a real estate investment trust with respect to—

(i) securities of a corporation held directly or indirectly by such trust on July 12, 1999,

(ii) securities of a corporation held by an entity on July 12, 1999, if such trust acquires control of such entity pursuant to a written binding contract in effect on such date and at all times thereafter before such acquisition,

(iii) securities received by such trust (or a successor) in exchange for, or with respect to, securities described in clause (i) or (ii) in a transaction in which gain or loss is not recognized, and

(iv) securities acquired directly or indirectly by such trust as part of a reorganization (as defined in section 368(a)(1) of the Internal Revenue Code of 1986) with respect to such trust if such securities are described in clause (i), (ii), or (iii) with respect to any other real estate investment trust.

(B) NEW TRADE OR BUSINESS OR SUBSTANTIAL NEW ASSETS.—Subparagraph (A) shall cease to apply to securities of a corporation as of the first day after July 12, 1999, on which such corporation engages in a substantial new line of business, or acquires any substantial asset, other than—

(i) pursuant to a binding contract in effect on such date and at all times thereafter before the acquisition of such asset,

(ii) in a transaction in which gain or loss is not recognized by reason of section 1031 or 1033 of the Internal Revenue Code of 1986, or

(iii) in a reorganization (as so defined) with another corporation the securities of which

are described in paragraph (1)(A) of this subsection.

(2) TAX-FREE CONVERSION.—If—

(A) at the time of an election for a corporation to become a taxable REIT subsidiary, the amendment made by section 1101 does not apply to such corporation by reason of paragraph (1), and

(B) such election first takes effect before January 1, 2004,

such election shall be treated as a reorganization qualifying under section 368(a)(1)(A) of such Code.

**PART II—HEALTH CARE REITS****SEC. 1111. HEALTH CARE REITS.**

(a) SPECIAL FORECLOSURE RULE FOR HEALTH CARE PROPERTIES.—Subsection (e) of section 856 (relating to special rules for foreclosure property) is amended by adding at the end the following new paragraph:

“(6) SPECIAL RULE FOR QUALIFIED HEALTH CARE PROPERTIES.—For purposes of this subsection—

“(A) ACQUISITION AT EXPIRATION OF LEASE.—The term ‘foreclosure property’ shall include any qualified health care property acquired by a real estate investment trust as the result of the termination of a lease of such property (other than a termination by reason of a default, or the imminence of a default, on the lease).

“(B) GRACE PERIOD.—In the case of a qualified health care property which is foreclosure property solely by reason of subparagraph (A), in lieu of applying paragraphs (2) and (3)—

“(i) the qualified health care property shall cease to be foreclosure property as of the close of the second taxable year after the taxable year in which such trust acquired such property, and

“(ii) if the real estate investment trust establishes to the satisfaction of the Secretary that an extension of the grace period in clause (i) is necessary to the orderly leasing or liquidation of the trust’s interest in such qualified health care property, the Secretary may grant 1 or more extensions of the grace period for such qualified health care property.

Any such extension shall not extend the grace period beyond the close of the 6th year after the taxable year in which such trust acquired such qualified health care property.

“(C) INCOME FROM INDEPENDENT CONTRACTORS.—For purposes of applying paragraph (4)(C) with respect to qualified health care property which is foreclosure property by reason of subparagraph (A) or paragraph (1), income derived or received by the trust from an independent contractor shall be disregarded to the extent such income is attributable to—

“(i) any lease of property in effect on the date the real estate investment trust acquired the qualified health care property (without regard to its renewal after such date so long as such renewal is pursuant to the terms of such lease as in effect on such date), or

“(ii) any lease of property entered into after such date if—

“(I) on such date, a lease of such property from the trust was in effect, and

“(II) under the terms of the new lease, such trust receives a substantially similar or lesser benefit in comparison to the lease referred to in subclause (I).

“(D) QUALIFIED HEALTH CARE PROPERTY.—

“(i) IN GENERAL.—The term ‘qualified health care property’ means any real property (including interests therein), and any personal property incident to such real property, which—

“(I) is a health care facility, or  
 “(II) is necessary or incidental to the use of a health care facility.

“(ii) **HEALTH CARE FACILITY.**—For purposes of clause (i), the term ‘health care facility’ means a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility (as defined in section 7872(g)(4)), or other licensed facility which extends medical or nursing or ancillary services to patients and which, immediately before the termination, expiration, default, or breach of the lease of or mortgage secured by such facility, was operated by a provider of such services which was eligible for participation in the medicare program under title XVIII of the Social Security Act with respect to such facility.”

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

### **PART III—CONFORMITY WITH REGULATED INVESTMENT COMPANY RULES**

#### **SEC. 1121. CONFORMITY WITH REGULATED INVESTMENT COMPANY RULES.**

(a) **DISTRIBUTION REQUIREMENT.**—Clauses (i) and (ii) of section 857(a)(1)(A) (relating to requirements applicable to real estate investment trusts) are each amended by striking “95 percent (90 percent for taxable years beginning before January 1, 1980)” and inserting “90 percent”.

(b) **IMPOSITION OF TAX.**—Clause (i) of section 857(b)(5)(A) (relating to imposition of tax in case of failure to meet certain requirements) is amended by striking “95 percent (90 percent in the case of taxable years beginning before January 1, 1980)” and inserting “90 percent”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

### **PART IV—CLARIFICATION OF EXCEPTION FROM IMPERMISSIBLE TENANT SERVICE INCOME**

#### **SEC. 1131. CLARIFICATION OF EXCEPTION FOR INDEPENDENT OPERATORS.**

(a) **IN GENERAL.**—Paragraph (3) of section 856(d) (relating to independent contractor defined) is amended by adding at the end the following flush sentence:

“In the event that any class of stock of either the real estate investment trust or such person is regularly traded on an established securities market, only persons who own, directly or indirectly, more than 5 percent of such class of stock shall be taken into account as owning any of the stock of such class for purposes of applying the 35 percent limitation set forth in subparagraph (B) (but all of the outstanding stock of such class shall be considered outstanding in order to compute the denominator for purpose of determining the applicable percentage of ownership).”

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

### **PART V—MODIFICATION OF EARNINGS AND PROFITS RULES**

#### **SEC. 1141. MODIFICATION OF EARNINGS AND PROFITS RULES.**

(a) **RULES FOR DETERMINING WHETHER REGULATED INVESTMENT COMPANY HAS EARNINGS AND PROFITS FROM NON-RIC YEAR.**—Subsection (c) of section 852 is amended by adding at the end the following new paragraph:

“(3) **DISTRIBUTIONS TO MEET REQUIREMENTS OF SUBSECTION (a)(2)(B).**—Any distribution which is made in order to comply with the requirements of subsection (a)(2)(B)—

“(A) shall be treated for purposes of this subsection and subsection (a)(2)(B) as made

from the earliest earnings and profits accumulated in any taxable year to which the provisions of this part did not apply rather than the most recently accumulated earnings and profits, and

“(B) to the extent treated under subparagraph (A) as made from accumulated earnings and profits, shall not be treated as a distribution for purposes of subsection (b)(2)(D) and section 855.”

(b) **CLARIFICATION OF APPLICATION OF REIT SPILLOVER DIVIDEND RULES TO DISTRIBUTIONS TO MEET QUALIFICATION REQUIREMENT.**—Subparagraph (B) of section 857(d)(3) is amended by inserting before the period “and section 858”.

(c) **APPLICATION OF DEFICIENCY DIVIDEND PROCEDURES.**—Paragraph (1) of section 852(e) is amended by adding at the end the following new sentence: “If the determination under subparagraph (A) is solely as a result of the failure to meet the requirements of subsection (a)(2), the preceding sentence shall also apply for purposes of applying subsection (a)(2) to the non-RIC year.”

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to distributions after December 31, 2000.

### **PART VI—STUDY RELATING TO TAXABLE REIT SUBSIDIARIES**

#### **SEC. 1151. STUDY RELATING TO TAXABLE REIT SUBSIDIARIES.**

The Commissioner of the Internal Revenue shall conduct a study to determine how many taxable REIT subsidiaries are in existence and the aggregate amount of taxes paid by such subsidiaries. The Secretary shall submit a report to the Congress describing the results of such study.

### **Subtitle B—Modification of At-Risk Rules for Publicly Traded Securities**

#### **SEC. 1161. TREATMENT UNDER AT-RISK RULES OF PUBLICLY TRADED NON-RECOURSE DEBT.**

(a) **IN GENERAL.**—Subparagraph (A) of section 465(b)(6) (relating to qualified non-recourse financing treated as amount at risk) is amended by striking “share of” and all that follows and inserting “share of—

“(i) any qualified nonrecourse financing which is secured by real property used in such activity, and

“(ii) any other financing which—

“(I) would (but for subparagraph (B)(ii)) be qualified nonrecourse financing,

“(II) is qualified publicly traded debt, and

“(III) is not borrowed by the taxpayer from a person described in subclause (I), (II), or (III) of section 49(a)(1)(D)(iv).”

(b) **QUALIFIED PUBLICLY TRADED DEBT.**—Paragraph (6) of section 465(b) is amended by adding at the end the following new subparagraph:

“(F) **QUALIFIED PUBLICLY TRADED DEBT.**—For purposes of subparagraph (A), the term ‘qualified publicly traded debt’ means any debt instrument which is readily tradable on an established securities market. Such term shall not include any debt instrument which has a yield to maturity which equals or exceeds the limitation in section 163(i)(1)(B).”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to debt instruments issued after December 31, 1999.

### **Subtitle C—Treatment of Construction Allowances and Certain Contributions To Capital of Retailers**

#### **SEC. 1171. EXCLUSION FROM GROSS INCOME OF QUALIFIED LESSEE CONSTRUCTION ALLOWANCES NOT LIMITED FOR CERTAIN RETAILERS TO SHORT-TERM LEASES.**

(a) **IN GENERAL.**—Subsection (a) section 110 (relating to qualified lessee construction al-

lowances for short-term leases) is amended by adding at the end the following new sentence: “Paragraph (1) shall not apply if the lessee is a qualified retail business (as defined by section 118(d)(3)).”

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to leases entered into after December 31, 1999.

### **SEC. 1172. EXCLUSION FROM GROSS INCOME FOR CERTAIN CONTRIBUTIONS TO THE CAPITAL OF CERTAIN RETAILERS.**

(a) **IN GENERAL.**—Section 118 (relating to contributions to the capital of a corporation) is amended by redesignating subsections (d) and (e) as subsections (e) and (f), respectively, and by inserting after subsection (c) the following new subsection:

“(d) **SAFE HARBOR FOR CONTRIBUTIONS TO CERTAIN RETAILERS.**—

“(1) **GENERAL RULE.**—For purposes of this section, the term ‘contribution to the capital of the taxpayer’ includes any amount of money or other property received by the taxpayer if—

“(A) the taxpayer has entered into an agreement to operate (or cause to be operated) a qualified retail business at a particular location for a period of at least 15 years,

“(B)(i) immediately after the receipt of such money or other property, the taxpayer owns the land and the structure to be used by the taxpayer in carrying on a qualified retail business at such location, or

“(ii) the taxpayer uses such amount to acquire ownership of at least such land and structure,

“(C) such amount meets the requirements of the expenditure rule of paragraph (2), and

“(D) the contributor of such amount does not hold a beneficial interest in any property located on the premises of such qualified retail business other than de minimis amounts of property associated with the operation of property adjacent to such premises.

“(2) **EXPENDITURE RULE.**—An amount meets the requirements of this paragraph if—

“(A) an amount equal to such amount is expended for the acquisition of land or for acquisition or construction of other property described in section 1231(b)—

“(i) which was the purpose motivating the contribution, and

“(ii) which is used predominantly in a qualified retail business at the location referred to in paragraph (1)(A),

“(B) the expenditure referred to in subparagraph (A) occurs before the end of the second taxable year after the year in which such amount was received, and

“(C) accurate records are kept of the amounts contributed and expenditures made on the basis of the project for which the contribution was made and on the basis of the year of the contribution expenditure.

“(3) **DEFINITION OF QUALIFIED RETAIL BUSINESS.**—

“(A) **IN GENERAL.**—Except as provided in subparagraph (B), the term ‘qualified retail business’ means a trade or business of selling tangible personal property to the general public if the premises on which such trade or business is conducted is in close proximity to property that the contributor of the amount referred to in paragraph (1) is developing or operating for profit (or, in the case of a contributor which is a governmental entity, is attempting to revitalize).

“(B) **SERVICES.**—A trade or business shall not fail to be treated as a qualified retail business by reason of sales of services if such sales are incident to the sale of tangible personal property or if the services are de minimis in amount.

“(4) SPECIAL RULES.—

“(A) LEASES.—For purposes of paragraph (1)(B)(i), property shall be treated as owned by the taxpayer if the taxpayer is the lessee of such property under a lease having a term of at least 30 years and on which only nominal rent is required.

“(B) CONTROLLED GROUPS.—For purposes of this subsection, all persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as 1 person.

“(5) DISALLOWANCE OF DEDUCTIONS AND CREDITS; ADJUSTED BASIS.—Notwithstanding any other provision of this subtitle, no deduction or credit shall be allowed for, or by reason of, any amount received by the taxpayer which constitutes a contribution to capital to which this subsection applies. The adjusted basis of any property acquired with the contributions to which this subsection applies shall be reduced by the amount of the contributions to which this subsection applies.

“(6) REGULATIONS.—The Secretary shall prescribe such regulations are appropriate to prevent the abuse of the purposes of the subsection, including regulations which allocate income and deductions (or adjust the amount excludable under this subsection) in cases in which—

“(A) payments in excess of fair market value are paid to the contributor by the taxpayer, or

“(B) the contributor and the taxpayer are related parties.”

(b) CONFORMING AMENDMENT.—Subsection (e) of section 118 (as redesignated by subsection (a)) is amended by adding at the end the following flush sentence:

“Rules similar to the rules of the preceding sentence shall apply to any amount treated as a contribution to the capital of the taxpayer under subsection (d).”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after December 31, 1999.

## TITLE XII—PROVISIONS RELATING TO PENSIONS

### Subtitle A—Expanding Coverage

#### SEC. 1201. INCREASE IN BENEFIT AND CONTRIBUTION LIMITS.

##### (a) DEFINED BENEFIT PLANS.—

###### (1) DOLLAR LIMIT.—

(A) Subparagraph (A) of section 415(b)(1) (relating to limitation for defined benefit plans) is amended by striking “\$90,000” and inserting “\$160,000”.

(B) Subparagraphs (C) and (D) of section 415(b)(2) are each amended by striking “\$90,000” each place it appears in the headings and the text and inserting “\$160,000”.

(C) Paragraph (7) of section 415(b) (relating to benefits under certain collectively bargained plans) is amended by striking “the greater of \$68,212 or one-half the amount otherwise applicable for such year under paragraph (1)(A) for ‘\$90,000’” and inserting “one-half the amount otherwise applicable for such year under paragraph (1)(A) for ‘\$160,000’”.

(2) LIMIT REDUCED WHEN BENEFIT BEGINS BEFORE AGE 62.—Subparagraph (C) of section 415(b)(2) is amended by striking “the social security retirement age” each place it appears in the heading and text and inserting “age 62”.

(3) LIMIT INCREASED WHEN BENEFIT BEGINS AFTER AGE 65.—Subparagraph (D) of section 415(b)(2) is amended by striking “the social security retirement age” each place it appears in the heading and text and inserting “age 65”.

(4) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) in paragraph (1)(A) by striking “\$90,000” and inserting “\$160,000”, and

(B) in paragraph (3)(A)—

(i) by striking “\$90,000” in the heading and inserting “\$160,000”, and

(ii) by striking “October 1, 1986” and inserting “July 1, 2000”.

(5) CONFORMING AMENDMENT.—Section 415(b)(2) is amended by striking subparagraph (F).

##### (b) DEFINED CONTRIBUTION PLANS.—

(1) DOLLAR LIMIT.—Subparagraph (A) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking “\$30,000” and inserting “\$40,000”.

(2) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) in paragraph (1)(C) by striking “\$30,000” and inserting “\$40,000”, and

(B) in paragraph (3)(D)—

(i) by striking “\$30,000” in the heading and inserting “\$40,000”, and

(ii) by striking “October 1, 1993” and inserting “July 1, 2000”.

##### (c) QUALIFIED TRUSTS.—

(1) COMPENSATION LIMIT.—Sections 401(a)(17), 404(l), 408(k), and 505(b)(7) are each amended by striking “\$150,000” each place it appears and inserting “\$200,000”.

(2) BASE PERIOD AND ROUNDING OF COST-OF-LIVING ADJUSTMENT.—Subparagraph (B) of section 401(a)(17) is amended—

(A) by striking “October 1, 1993” and inserting “July 1, 2000”, and

(B) by striking “\$10,000” both places it appears and inserting “\$5,000”.

##### (d) ELECTIVE DEFERRALS.—

(1) IN GENERAL.—Paragraph (1) of section 402(g) (relating to limitation on exclusion for elective deferrals) is amended to read as follows:

###### “(1) IN GENERAL.—

“(A) LIMITATION.—Notwithstanding subsections (e)(3) and (h)(1)(B), the elective deferrals of any individual for any taxable year shall be included in such individual’s gross income to the extent the amount of such deferrals for the taxable year exceeds the applicable dollar amount.

“(B) APPLICABLE DOLLAR AMOUNT.—For purposes of subparagraph (A), the applicable dollar amount shall be the amount determined in accordance with the following table:

###### “Taxable year: Applicable dollar amount:

2001 .....	\$11,000
2002 .....	\$12,000
2003 .....	\$13,000
2004 .....	\$14,000
2005 or thereafter .....	\$15,000.”

(2) COST-OF-LIVING ADJUSTMENT.—Paragraph (5) of section 402(g) is amended to read as follows:

“(5) COST-OF-LIVING ADJUSTMENT.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the \$15,000 amount under paragraph (1)(B) at the same time and in the same manner as under section 415(d); except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph which is not a multiple of \$500 shall be rounded to the next lowest multiple of \$500.”

##### (3) CONFORMING AMENDMENTS.—

(A) Section 402(g) (relating to limitation on exclusion for elective deferrals), as amended by paragraphs (1) and (2), is further amended by striking paragraph (4) and redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (4), (5), (6), (7), and (8), respectively.

(B) Paragraph (2) of section 457(c) is amended by striking “402(g)(8)(A)(iii)” and inserting “402(g)(7)(A)(iii)”.

(C) Clause (iii) of section 501(c)(18)(D) is amended by striking “(other than paragraph (4) thereof)”.

(e) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended—

(A) in subsections (b)(2)(A) and (c)(1) by striking “\$7,500” each place it appears and inserting “the applicable dollar amount”, and

(B) in subsection (b)(3)(A) by striking “\$15,000” and inserting “twice the dollar amount in effect under subsection (b)(2)(A)”.

(2) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—Paragraph (15) of section 457(e) is amended to read as follows:

###### “(15) APPLICABLE DOLLAR AMOUNT.—

“(A) IN GENERAL.—The applicable dollar amount shall be the amount determined in accordance with the following table:

###### “Taxable year: Applicable dollar amount:

2001 .....	\$11,000
2002 .....	\$12,000
2003 .....	\$13,000
2004 .....	\$14,000
2005 or thereafter .....	\$15,000.

“(B) COST-OF-LIVING ADJUSTMENTS.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the \$15,000 amount specified in the table in subparagraph (A) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph which is not a multiple of \$500 shall be rounded to the next lowest multiple of \$500.”

##### (f) SIMPLE RETIREMENT ACCOUNTS.—

(1) LIMITATION.—Clause (ii) of section 408(p)(2)(A) (relating to general rule for qualified salary reduction arrangement) is amended by striking “\$6,000” and inserting “the applicable dollar amount”.

(2) APPLICABLE DOLLAR AMOUNT.—Subparagraph (E) of 408(p)(2) is amended to read as follows:

“(E) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—

“(i) IN GENERAL.—For purposes of subparagraph (A)(ii), the applicable dollar amount shall be the amount determined in accordance with the following table:

###### “Taxable year: Applicable dollar amount:

2001 .....	\$7,000
2002 .....	\$8,000
2003 .....	\$9,000
2004 or thereafter .....	\$10,000.

“(ii) COST-OF-LIVING ADJUSTMENT.—In the case of a year beginning after December 31, 2004, the Secretary shall adjust the \$10,000 amount under clause (i) at the same time and in the same manner as under section 415(d), except that the base period taken into account shall be the calendar quarter beginning July 1, 2003, and any increase under this subparagraph which is not a multiple of \$500 shall be rounded to the next lower multiple of \$500.”

##### (3) CONFORMING AMENDMENTS.—

(A) Clause (I) of section 401(k)(11)(B)(i) is amended by striking “\$6,000” and inserting “the amount in effect under section 408(p)(2)(A)(ii)”.

(B) Section 401(k)(11) is amended by striking subparagraph (E).

(g) ROUNDING RULE RELATING TO DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION

PLANS.—Paragraph (4) of section 415(d) is amended to read as follows:

“(4) ROUNDING.—

“(A) \$160,000 AMOUNT.—Any increase under subparagraph (A) of paragraph (1) which is not a multiple of \$5,000 shall be rounded to the next lowest multiple of \$5,000.

“(B) \$40,000 AMOUNT.—Any increase under subparagraph (C) of paragraph (1) which is not a multiple of \$1,000 shall be rounded to the next lowest multiple of \$1,000.”.

(h) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to years beginning after December 31, 2000.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified by the date of enactment of this Act, the amendments made by this section shall not apply to contributions or benefits pursuant to any such agreement for years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of enactment), or

(ii) January 1, 2001, or

(B) January 1, 2005.

#### SEC. 1202. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) IN GENERAL.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions not to apply to certain transactions) is amended by adding at the end the following new clause:

“(iii) LOAN EXCEPTION.—For purposes of subparagraph (A)(i), the term ‘owner-employee’ shall only include a person described in subclause (II) or (III) of clause (i).”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to loans made after December 31, 2000.

#### SEC. 1203. MODIFICATION OF TOP-HEAVY RULES.

(a) SIMPLIFICATION OF DEFINITION OF KEY EMPLOYEE.—

(1) IN GENERAL.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking “or any of the 4 preceding plan years” in the matter preceding clause (i),

(B) by striking clause (i) and inserting the following:

“(i) an officer of the employer having an annual compensation greater than \$150,000.”,

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C).

(2) CONFORMING AMENDMENT.—Section 416(i)(1)(B)(iii) is amended by striking “and subparagraph (A)(ii)”.

(b) MATCHING CONTRIBUTIONS TAKEN INTO ACCOUNT FOR MINIMUM CONTRIBUTION REQUIREMENTS.—Section 416(c)(2)(A) (relating to defined contribution plans) is amended by adding at the end the following: “Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph.”.

(c) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

(1) IN GENERAL.—Paragraph (3) of section 416(g) is amended to read as follows:

“(3) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

“(A) IN GENERAL.—For purposes of determining—

“(i) the present value of the cumulative accrued benefit for any employee, or

“(ii) the amount of the account of any employee,

such present value or amount shall be increased by the aggregate distributions made with respect to such employee under the plan during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which if it had not been terminated would have been required to be included in an aggregation group.

“(B) 5-YEAR PERIOD IN CASE OF IN-SERVICE DISTRIBUTION.—In the case of any distribution made for a reason other than separation from service, death, or disability, subparagraph (A) shall be applied by substituting ‘5-year period’ for ‘1-year period’.”.

(2) BENEFITS NOT TAKEN INTO ACCOUNT.—Subparagraph (E) of section 416(g)(4) is amended—

(A) by striking “LAST 5 YEARS” in the heading and inserting “LAST YEAR BEFORE DETERMINATION DATE”, and

(B) by striking “5-year period” and inserting “1-year period”.

(d) DEFINITION OF TOP-HEAVY PLANS.—Paragraph (4) of section 416(g) (relating to other special rules for top-heavy plans) is amended by adding at the end the following new subparagraph:

“(H) CASH OR DEFERRED ARRANGEMENTS USING ALTERNATIVE METHODS OF MEETING NON-DISCRIMINATION REQUIREMENTS.—The term ‘top-heavy plan’ shall not include a plan which consists solely of—

“(i) a cash or deferred arrangement which meets the requirements of section 401(k)(12), and

“(ii) matching contributions with respect to which the requirements of section 401(m)(11) are met.

If, but for this subparagraph, a plan would be treated as a top-heavy plan because it is a member of an aggregation group which is a top-heavy group, contributions under the plan may be taken into account in determining whether any other plan in the group meets the requirements of subsection (c)(2).”

(e) FROZEN PLAN EXEMPT FROM MINIMUM BENEFIT REQUIREMENT.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(A) in clause (i), by striking “clause (ii)” and inserting “clause (ii) or (iii)”, and

(B) by adding at the end the following:

“(iii) EXCEPTION FOR FROZEN PLAN.—For purposes of determining an employee’s years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b)) no employee or former employee.”.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

#### SEC. 1204. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404 (relating to deduction for contributions of an employer to an employees’ trust or annuity plan and compensation under a deferred payment plan) is amended by adding at the end the following new subsection:

“(n) ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.—Elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of

subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

#### SEC. 1205. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended—

(1) in clause (i), by inserting “other than a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined),” after “single-employer plan,”,

(2) in clause (iii), by striking the period at the end and inserting “, and”, and

(3) by adding at the end the following new clause:

“(iv) in the case of a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined) for the plan year, \$5 for each individual who is a participant in such plan during the plan year.”.

(b) DEFINITION OF NEW SINGLE-EMPLOYER PLAN.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new subparagraph:

“(F)(i) For purposes of this paragraph, a single-employer plan maintained by a contributing sponsor shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of such plan, the sponsor or any member of such sponsor’s controlled group (or any predecessor of either) had not established or maintained a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new single-employer plan.

“(ii)(I) For purposes of this paragraph, the term ‘small employer’ means an employer which on the first day of any plan year has, in aggregation with all members of the controlled group of such employer, 100 or fewer employees.

“(II) In the case of a plan maintained by 2 or more contributing sponsors that are not part of the same controlled group, the employees of all contributing sponsors and controlled groups of such sponsors shall be aggregated for purposes of determining whether any contributing sponsor is a small employer.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plans established after December 31, 2000.

#### SEC. 1206. REDUCTION OF ADDITIONAL PBGC PREMIUM FOR NEW AND SMALL PLANS.

(a) NEW PLANS.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new clause:

“(v) In the case of a new defined benefit plan, the amount determined under clause (ii) for any plan year shall be an amount equal to the product of the amount determined under clause (ii) and the applicable percentage. For purposes of this clause, the term ‘applicable percentage’ means—

“(I) 0 percent, for the first plan year.

“(II) 20 percent, for the second plan year.

“(III) 40 percent, for the third plan year.

“(IV) 60 percent, for the fourth plan year.

“(V) 80 percent, for the fifth plan year.

For purposes of this clause, a defined benefit plan (as defined in section 3(35)) maintained

by a contributing sponsor shall be treated as a new defined benefit plan for its first 5 plan years if, during the 36-month period ending on the date of the adoption of the plan, the sponsor and each member of any controlled group including the sponsor (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new plan."

(b) **SMALL PLANS.**—Paragraph (3) of section 4006(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)) is amended—

(1) in subparagraph (E)(i) by striking "The" and inserting "Except as provided in subparagraph (G), the", and

(2) by inserting after subparagraph (F) the following new subparagraph:

"(G)(i) In the case of an employer who has 25 or fewer employees on the first day of the plan year, the additional premium determined under subparagraph (E) for each participant shall not exceed \$5 multiplied by the number of participants in the plan as of the close of the preceding plan year.

"(ii) For purposes of clause (i), whether an employer has 25 or fewer employees on the first day of the plan year is determined taking into consideration all of the employees of all members of the contributing sponsor's controlled group. In the case of a plan maintained by 2 or more contributing sponsors, the employees of all contributing sponsors and their controlled groups shall be aggregated for purposes of determining whether 25-or-fewer-employees limitation has been satisfied."

(c) **EFFECTIVE DATES.**—

(1) **SUBSECTION (a).**—The amendments made by subsection (a) shall apply to plans established after December 31, 2000.

(2) **SUBSECTION (b).**—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 2000.

**SEC. 1207. REPEAL OF COORDINATION REQUIREMENTS FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.**

(a) **IN GENERAL.**—Subsection (c) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations), as amended by section 1201(e), is amended to read as follows:

"(c) **LIMITATION.**—The maximum amount of the compensation of any one individual which may be deferred under subsection (a) during any taxable year shall not exceed the amount in effect under subsection (b)(2)(A) (as modified by any adjustment provided under subsection (b)(3))."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to years beginning after December 31, 2000.

**SEC. 1208. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING PENSION PLANS.**

(a) **ELIMINATION OF CERTAIN USER FEES.**—The Secretary of the Treasury or the Secretary's delegate shall not require payment of user fees under the program established under section 7527 of the Internal Revenue Code of 1986 for requests to the Internal Revenue Service for determination letters with respect to the qualified status of a pension benefit plan maintained solely by one or more eligible employers or any trust which is part of the plan. The preceding sentence shall not apply to any request made by the sponsor of any prototype or similar plan which the sponsor intends to market to participating employers.

(b) **PENSION BENEFIT PLAN.**—For purposes of this section, the term "pension benefit

plan" means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan.

(c) **ELIGIBLE EMPLOYER.**—For purposes of this section, the term "eligible employer" has the same meaning given such term in section 408(p)(2)(C)(i)(I) of the Internal Revenue Code of 1986. The determination of whether an employer is an eligible employer under this section shall be made as of the date of the request described in subsection (a).

(d) **EFFECTIVE DATE.**—The provisions of this section shall apply with respect to requests made after December 31, 2000.

**SEC. 1209. DEDUCTION LIMITS.**

(a) **IN GENERAL.**—Section 404(a) (relating to general rule) is amended by adding at the end the following:

"(12) **DEFINITION OF COMPENSATION.**—For purposes of paragraphs (3), (7), (8), and (9), the term 'compensation' shall include amounts treated as participant's compensation under subparagraph (C) or (D) of section 415(c)(3)."

(b) **CONFORMING AMENDMENT.**—Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to years beginning after December 31, 2000.

**SEC. 1210. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX CONTRIBUTIONS.**

(a) **IN GENERAL.**—Subpart A of part I of subchapter D of chapter 1 (relating to deferred compensation, etc.) is amended by inserting after section 402 the following new section:

**"SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS PLUS CONTRIBUTIONS.**

"(a) **GENERAL RULE.**—If an applicable retirement plan includes a qualified plus contribution program—

"(1) any designated plus contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such contribution shall not be excludable from gross income, and

"(2) such plan (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

"(b) **QUALIFIED PLUS CONTRIBUTION PROGRAM.**—For purposes of this section—

"(1) **IN GENERAL.**—The term 'qualified plus contribution program' means a program under which an employee may elect to make designated plus contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the applicable retirement plan.

"(2) **SEPARATE ACCOUNTING REQUIRED.**—A program shall not be treated as a qualified plus contribution program unless the applicable retirement plan—

"(A) establishes separate accounts ('designated plus accounts') for the designated plus contributions of each employee and any earnings properly allocable to the contributions, and

"(B) maintains separate recordkeeping with respect to each account.

"(c) **DEFINITIONS AND RULES RELATING TO DESIGNATED PLUS CONTRIBUTIONS.**—For purposes of this section—

"(1) **DESIGNATED PLUS CONTRIBUTION.**—The term 'designated plus contribution' means any elective deferral which—

"(A) is excludable from gross income of an employee without regard to this section, and

"(B) the employee designates (at such time and in such manner as the Secretary may prescribe) as not being so excludable.

"(2) **DESIGNATION LIMITS.**—The amount of elective deferrals which an employee may designate under paragraph (1) shall not exceed the excess (if any) of—

"(A) the maximum amount of elective deferrals excludable from gross income of the employee for the taxable year (without regard to this section), over

"(B) the aggregate amount of elective deferrals of the employee for the taxable year which the employee does not designate under paragraph (1).

"(3) **ROLLOVER CONTRIBUTIONS.**—

"(A) **IN GENERAL.**—A rollover contribution of any payment or distribution from a designated plus account which is otherwise allowable under this chapter may be made only if the contribution is to—

"(i) another designated plus account of the individual from whose account the payment or distribution was made, or

"(ii) a Roth IRA of such individual.

"(B) **COORDINATION WITH LIMIT.**—Any rollover contribution to a designated plus account under subparagraph (A) shall not be taken into account for purposes of paragraph (1).

"(d) **DISTRIBUTION RULES.**—For purposes of this title—

"(1) **EXCLUSION.**—Any qualified distribution from a designated plus account shall not be includable in gross income.

"(2) **QUALIFIED DISTRIBUTION.**—For purposes of this subsection—

"(A) **IN GENERAL.**—The term 'qualified distribution' has the meaning given such term by section 408A(d)(2)(A) (without regard to clause (iv) thereof).

"(B) **DISTRIBUTIONS WITHIN NONEXCLUSION PERIOD.**—A payment or distribution from a designated plus account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

"(i) the 1st taxable year for which the individual made a designated plus contribution to any designated plus account established for such individual under the same applicable retirement plan, or

"(ii) if a rollover contribution was made to such designated plus account from a designated plus account previously established for such individual under another applicable retirement plan, the 1st taxable year for which the individual made a designated plus contribution to such previously established account.

"(C) **DISTRIBUTIONS OF EXCESS DEFERRALS AND EARNINGS.**—The term 'qualified distribution' shall not include any distribution of any excess deferral under section 402(g)(2) and any income on the excess deferral.

"(3) **AGGREGATION RULES.**—Section 72 shall be applied separately with respect to distributions and payments from a designated plus account and other distributions and payments from the plan.

"(e) **OTHER DEFINITIONS.**—For purposes of this section—

"(1) **APPLICABLE RETIREMENT PLAN.**—The term 'applicable retirement plan' means—

"(A) an employees' trust described in section 401(a) which is exempt from tax under section 501(a), and

"(B) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b).

"(2) **ELECTIVE DEFERRAL.**—The term 'elective deferral' means any elective deferral described in subparagraph (A) or (C) of section 402(g)(3)."



(b) **EXCESS DEFERRALS.**—Section 402(g) (relating to limitation on exclusion for elective deferrals) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: “The preceding sentence shall not apply to so much of such excess as does not exceed the designated plus contributions of the individual for the taxable year.”, and

(2) by inserting “(or would be included but for the last sentence thereof)” after “paragraph (1)” in paragraph (2)(A).

(c) **ROLLOVERS.**—Subparagraph (B) of section 402(c)(8) is amended by adding at the end the following:

“If any portion of an eligible rollover distribution is attributable to payments or distributions from a designated plus account (as defined in section 402A), an eligible retirement plan with respect to such portion shall include only another designated plus account and a Roth IRA.”

(d) **REPORTING REQUIREMENTS.**—

(1) **W-2 INFORMATION.**—Section 6051(a)(8) is amended by inserting “, including the amount of designated plus contributions (as defined in section 402A)” before the comma at the end.

(2) **INFORMATION.**—Section 6047 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

“(f) **DESIGNATED PLUS CONTRIBUTIONS.**—The Secretary shall require the plan administrator of each applicable retirement plan (as defined in section 402A) to make such returns and reports regarding designated plus contributions (as so defined) to the Secretary, participants and beneficiaries of the plan, and such other persons as the Secretary may prescribe.”

(e) **CONFORMING AMENDMENTS.**—

(1) Section 408A(e) is amended by adding after the first sentence the following new sentence: “Such term includes a rollover contribution described in section 402A(c)(3)(A).”

(2) The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 402 the following new item:

“Sec. 402A. Optional treatment of elective deferrals as plus contributions.”

(f) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

**SEC. 1211. INCREASE IN MINIMUM DEFINED BENEFIT LIMIT UNDER SECTION 415.**

(a) **IN GENERAL.**—Paragraph (4) of section 415(b) (relating to total annual benefits not in excess of \$10,000) is amended to read as follows:

“(4) **TOTAL ANNUAL BENEFITS NOT IN EXCESS OF \$40,000.**—

“(A) **IN GENERAL.**—Notwithstanding the preceding provisions of this subsection, the benefits payable with respect to a participant under any defined benefit plan shall be deemed not to exceed the limitation of this subsection if the retirement benefits payable with respect to such participant under such plan and under all other defined benefit plans of the employer do not exceed applicable limit which applies to the plan year, or the applicable limit which applies to prior plan years.

“(B) **APPLICABLE LIMIT.**—For purposes of subparagraph (A), the applicable limit is—

“(i) \$10,000 for plan years beginning before 2001,

“(ii) \$20,000 for plan years beginning during 2001,

“(iii) \$30,000 for plan years beginning during 2002, and

“(iv) \$40,000 for plan years beginning after 2002.”

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to years beginning after December 31, 2000.

**Subtitle B—Enhancing Fairness for Women**  
**SEC. 1221. ADDITIONAL SALARY REDUCTION CATCH-UP CONTRIBUTIONS.**

(a) **LIMITATION ON EXCLUSION FOR ELECTIVE DEFERRALS.**—

(1) **IN GENERAL.**—Subsection (g) of section 402 (as amended by section 1201(d)) is further amended by adding at the end the following:

“(9) **CATCH-UP CONTRIBUTIONS FOR THOSE APPROACHING RETIREMENT.**—

“(A) **IN GENERAL.**—In the case of an individual who is at least age 50 as of the end of any taxable year, the limitation of paragraph (1) for such year, after the application of paragraph (7), shall be increased by the applicable catch-up amount.

“(B) **APPLICABLE CATCH-UP AMOUNT.**—For purposes of subparagraph (A), the applicable catch-up amount shall be the amount determined in accordance with the following table:

<b>Taxable year:</b>	<b>Applicable catch-up amount:</b>
2001 .....	\$1,000
2002 .....	\$2,000
2003 .....	\$3,000
2004 .....	\$4,000
2005 or thereafter .....	\$5,000.”

(2) **COST-OF-LIVING ADJUSTMENTS.**—Paragraph (4) of section 402(g) (relating to cost-of-living adjustment), as amended by section 1201(d), is further amended by inserting “and the \$5,000 dollar amount in paragraph (9)” after “paragraph (1)(B)”.

(b) **SIMPLE RETIREMENT ACCOUNTS.**—Paragraph (2) of section 408(p) (relating to qualified salary reduction arrangement) is amended by inserting at the end of the following new subparagraph:

“(F) **CATCH-UP CONTRIBUTIONS FOR THOSE APPROACHING RETIREMENT.**—In the case of an individual who is at least age 50 as of the end of any taxable year, the limitation of subparagraph (A)(ii) for such year shall be increased by the applicable catch-up amount. For purposes of the preceding sentence, the applicable catch-up amount is the amount in effect under section 402(g)(9) for such taxable year.”

(c) **DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.**—Subsection (e) of section 457 (relating to other definitions and special rules) is amended by adding after paragraph (16) the following new paragraph:

“(17) **CATCH-UP AMOUNTS.**—In the case of an individual who is at least age 50 as of the end of any taxable year, the limitation of subsection (b)(2)(A) for such year shall be increased by the applicable catch-up amount (as in effect under section 402(g)(9) for such taxable year), except that this paragraph shall not apply to any taxable year to which subsection (b)(3) applies.”

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to years beginning after December 31, 2000.

**SEC. 1222. EQUITABLE TREATMENT FOR CONTRIBUTIONS OF EMPLOYEES TO DEFINED CONTRIBUTION PLANS.**

(a) **EQUITABLE TREATMENT.**—

(1) **IN GENERAL.**—Subparagraph (B) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking “25 percent” and inserting “100 percent”.

(2) **APPLICATION TO SECTION 403(b).**—Section 403(b) is amended—

(A) by striking “the exclusion allowance for such taxable year” in paragraph (1) and

inserting “the applicable limit under section 415”;

(B) by striking paragraph (2), and

(C) by inserting “or any amount received by a former employee after the 5th taxable year following the taxable year in which such employee was terminated” before the period at the end of the second sentence of paragraph (3).

(3) **CONFORMING AMENDMENTS.**—

(A) Subsection (f) of section 72 is amended by striking “section 403(b)(2)(D)(iii)” and inserting “section 403(b)(2)(D)(iii), as in effect on December 31, 2000”.

(B) Section 404(a)(10)(B) is amended by striking “, the exclusion allowance under section 403(b)(2).”

(C) Section 415(a)(2) is amended by striking “, and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2).”

(D) Section 415(c)(3) is amended by adding at the end the following new subparagraph:

“(E) **ANNUITY CONTRACTS.**—In the case of an annuity contract described in section 403(b), the term ‘participant’s compensation’ means the participant’s includible compensation determined under section 403(b)(3).”

(E) Section 415(c) is amended by striking paragraph (4).

(F) Section 415(c)(7) is amended to read as follows:

“(7) **CERTAIN CONTRIBUTIONS BY CHURCH PLANS NOT TREATED AS EXCEEDING LIMIT.**—

“(A) **IN GENERAL.**—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant’s account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of \$10,000.

“(B) **\$40,000 AGGREGATE LIMITATION.**—The total amount of additions with respect to any participant which may be taken into account for purposes of this subparagraph for all years may not exceed \$40,000.

“(C) **ANNUAL ADDITION.**—For purposes of this paragraph, the term ‘annual addition’ has the meaning given such term by paragraph (2).”

(G) Subparagraph (B) of section 402(g)(7) (as amended by section 1201(d)) is amended by inserting before the period at the end the following: “(as in effect on the date of the enactment of the Financial Freedom Act of 1999)”.

(3) **EFFECTIVE DATE.**—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(b) **SPECIAL RULES FOR SECTIONS 403(b) AND 408.**—

(1) **IN GENERAL.**—Subsection (k) of section 415 is amended by adding at the end the following new paragraph:

“(4) **SPECIAL RULES FOR SECTIONS 403(b) AND 408.**—For purposes of this section, any annuity contract described in section 403(b) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (b) or (c) of section 414 (as modified by subsection (h)). For purposes of this section, any contribution by an employer to a simplified employee pension plan for an individual for a taxable year shall be treated as



an employer contribution to a defined contribution plan for such individual for such year.”.

(2) **EFFECTIVE DATE.**—

(A) **IN GENERAL.**—The amendment made by paragraph (1) shall apply to limitation years beginning after December 31, 1999.

(B) **EXCLUSION ALLOWANCE.**—Effective for limitation years beginning in 2000, in the case of any annuity contract described in section 403(b) of the Internal Revenue Code of 1986, the amount of the contribution disqualified by reason of section 415(g) of such Code shall reduce the exclusion allowance as provided in section 403(b)(2) of such Code.

(C) **DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.**—

(1) **IN GENERAL.**—Subparagraph (B) of section 457(b)(2) (relating to salary limitation on eligible deferred compensation plans) is amended by striking “33½ percent” and inserting “100 percent”.

(2) **EFFECTIVE DATE.**—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

**SEC. 1223. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.**

(a) **IN GENERAL.**—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking “A plan” and inserting “Except as provided in paragraph (12), a plan”;

(2) by adding at the end the following:

“(12) **FASTER VESTING FOR MATCHING CONTRIBUTIONS.**—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

“(A) by substituting ‘3 years’ for ‘5 years’ in subparagraph (A), and

“(B) by substituting the following table for the table contained in subparagraph (B):

<b>Years of service:</b>	<b>The nonforfeitable percentage is:</b>
2 .....	20
3 .....	40
4 .....	60
5 .....	80
6 or more .....	100.”.

(b) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the amendments made by this section shall apply to plan years beginning after December 31, 2000.

(2) **COLLECTIVE BARGAINING AGREEMENTS.**—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified by the date of the enactment of this Act, the amendments made by this section shall not apply to plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of enactment), or

(ii) January 1, 2001, or

(B) January 1, 2005.

(3) **SERVICE REQUIRED.**—With respect to any plan, the amendments made by this section shall not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

**SEC. 1224. SIMPLIFY AND UPDATE THE MINIMUM DISTRIBUTION RULES.**

(a) **SIMPLIFICATION AND FINALIZATION OF MINIMUM DISTRIBUTION REQUIREMENTS.**—

(1) **IN GENERAL.**—The Secretary of the Treasury shall—

(A) simplify and finalize the regulations relating to minimum distribution requirements under sections 401(a)(9), 408(a)(6) and (b)(3), 403(b)(10), and 457(d)(2) of the Internal Revenue Code of 1986, and

(B) modify such regulations to—

(i) reflect current life expectancy, and

(ii) revise the required distribution methods so that, under reasonable assumptions, the amount of the required minimum distribution does not decrease over a participant's life expectancy.

(2) **FRESH START.**—Notwithstanding subparagraph (D) of section 401(a)(9) of such Code, during the first year that regulations are in effect under this subsection, required distributions for future years may be redetermined to reflect changes under such regulations. Such redetermination shall include the opportunity to choose a new designated beneficiary and to elect a new method of calculating life expectancy.

(3) **EFFECTIVE DATE FOR REGULATIONS.**—Regulations referred to in paragraph (1) shall be effective for years beginning after December 31, 2000, and shall apply in such years without regard to whether an individual had previously begun receiving minimum distributions.

(b) **REPEAL OF RULE WHERE DISTRIBUTIONS HAD BEGUN BEFORE DEATH OCCURS.**—

(1) **IN GENERAL.**—Subparagraph (B) of section 401(a)(9) is amended by striking clause (i) and redesignating clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively.

(2) **CONFORMING CHANGES.**—

(A) Clause (i) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking “FOR OTHER CASES” in the heading, and

(ii) by striking “the distribution of the employee's interest has begun in accordance with subparagraph (A)(ii)” and inserting “his entire interest has been distributed to him.”.

(B) Clause (ii) of section 401(a)(9)(B) (as so redesignated) is amended by striking “clause (ii)” and inserting “clause (i)”.

(C) Clause (iii) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking “clause (iii)(I)” and inserting “clause (ii)(I)”;

(ii) in subclause (I) by striking “clause (iii)(II)” and inserting “clause (ii)(II)”;

(iii) in subclause (I) by striking “the date on which the employee would have attained the age 70½,” and inserting “April 1 of the calendar year following the calendar year in which the spouse attains 70½,”; and

(iv) in subclause (II) by striking “the distributions to such spouse begin,” and inserting “his entire interest has been distributed to him.”.

(3) **EFFECTIVE DATE.**—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(c) **REDUCTION IN EXCISE TAX.**—

(1) **IN GENERAL.**—Subsection (a) of section 4974 is amended by striking “50 percent” and inserting “10 percent”.

(2) **EFFECTIVE DATE.**—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

**SEC. 1225. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.**

(a) **IN GENERAL.**—Section 414(p)(11) (relating to application of rules to governmental and church plans) is amended—

(1) by inserting “or an eligible deferred compensation plan (within the meaning of section 457(b))” after “subsection (e))”, and

(2) in the heading, by striking “GOVERNMENTAL AND CHURCH PLANS” and inserting “CERTAIN OTHER PLANS”.

(b) **WAIVER OF CERTAIN DISTRIBUTION REQUIREMENTS.**—Paragraph (10) of section 414(p) is amended by striking “and section 409(d)” and inserting “section 409(d), and section 457(d)”.

(c) **TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.**—Subsection (p) of section 414 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

“(12) **TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.**—If a distribution or payment from an eligible deferred compensation plan described in section 457(b) is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(e)(1)(A) shall apply to such distribution or payment.”.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to transfers, distributions, and payments made after December 31, 2000.

**Subtitle C—Increasing Portability for Participants**

**SEC. 1231. ROLLOVERS ALLOWED AMONG VARIOUS TYPES OF PLANS.**

(a) **ROLLOVERS FROM AND TO SECTION 457 PLANS.**—

(1) **ROLLOVERS FROM SECTION 457 PLANS.**—

(A) **IN GENERAL.**—Section 457(e) (relating to other definitions and special rules) is amended by adding at the end the following:

“(16) **ROLLOVER AMOUNTS.**—

“(A) **GENERAL RULE.**—In the case of an eligible deferred compensation plan established and maintained by an employer described in subsection (e)(1)(A), if—

“(i) any portion of the balance to the credit of an employee in such plan is paid to such employee in an eligible rollover distribution (within the meaning of section 402(c)(4) without regard to subparagraph (C) thereof),

“(ii) the employee transfers any portion of the property such employee receives in such distribution to an eligible retirement plan described in section 402(c)(8)(B), and

“(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed, then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

“(B) **CERTAIN RULES MADE APPLICABLE.**—The rules of paragraphs (2) through (7) (other than paragraph (4)(C)) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A).

“(C) **REPORTING.**—Rollovers under this paragraph shall be reported to the Secretary in the same manner as rollovers from qualified retirement plans (as defined in section 4974(c)).”.

(B) **DEFERRAL LIMIT DETERMINED WITHOUT REGARD TO ROLLOVER AMOUNTS.**—Section 457(b)(2) (defining eligible deferred compensation plan) is amended by inserting “(other than rollover amounts)” after “taxable year”.

(C) **DIRECT ROLLOVER.**—Paragraph (1) of section 457(d) is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, and”, and by inserting after subparagraph (B) the following:

“(C) in the case of a plan maintained by an employer described in subsection (e)(1)(A), the plan meets requirements similar to the requirements of section 401(a)(31). Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of transfer.”.

(D) **WITHHOLDING.**—

(i) Paragraph (12) of section 3401(a) is amended by adding at the end the following:

“(E) under or to an eligible deferred compensation plan which, at the time of such payment, is a plan described in section 457(b) maintained by an employer described in section 457(e)(1)(A); or”.

(ii) Paragraph (3) of section 3405(c) is amended to read as follows:

“(3) ELIGIBLE ROLLOVER DISTRIBUTION.—For purposes of this subsection, the term ‘eligible rollover distribution’ has the meaning given such term by section 402(f)(2)(A).”.

(iii) LIABILITY FOR WITHHOLDING.—Subparagraph (B) of section 3405(d)(2) is amended by striking “or” at the end of clause (ii), by striking the period at the end of clause (iii) and inserting “, or”, and by adding at the end the following:

“(iv) section 457(b).”.

(2) ROLLOVERS TO SECTION 457 PLANS.—

(A) IN GENERAL.—Section 402(c)(8)(B) (defining eligible retirement plan) is amended by striking “and” at the end of clause (iii), by striking the period at the end of clause (iv) and inserting “, and”, and by inserting after clause (iv) the following new clause:

“(v) an eligible deferred compensation plan described in section 457(b) of an employer described in section 457(e)(1)(A).”.

(B) SEPARATE ACCOUNTING.—Section 402(c) is amended by adding at the end the following new paragraph:

“(1) SEPARATE ACCOUNTING.—Unless a plan described in clause (v) of paragraph (8)(B) agrees to separately account for amounts rolled into such plan from eligible retirement plans not described in such clause, the plan described in such clause may not accept transfers or rollovers from such retirement plans.”.

(C) 10 PERCENT ADDITIONAL TAX.—Subsection (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new paragraph:

“(9) SPECIAL RULE FOR ROLLOVERS TO SECTION 457 PLANS.—For purposes of this subsection, a distribution from an eligible deferred compensation plan (as defined in section 457(b)) of an employer described in section 457(e)(1)(A) shall be treated as a distribution from a qualified retirement plan described in 4974(c)(1) to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in section 4974(c)).”.

(b) ALLOWANCE OF ROLLOVERS FROM AND TO 403(b) PLANS.—

(1) ROLLOVERS FROM SECTION 403(b) PLANS.—Section 403(b)(8)(A)(ii) (relating to rollover amounts) is amended by striking “such distribution” and all that follows and inserting “such distribution to an eligible retirement plan described in section 402(c)(8)(B), and”.

(2) ROLLOVERS TO SECTION 403(b) PLANS.—Section 402(c)(8)(B) (defining eligible retirement plan), as amended by subsection (a), is amended by striking “and” at the end of clause (iv), by striking the period at the end of clause (v) and inserting “, and”, and by inserting after clause (v) the following new clause:

“(vi) an annuity contract described in section 403(b).”.

(c) EXPANDED EXPLANATION TO RECIPIENTS OF ROLLOVER DISTRIBUTIONS.—Paragraph (1) of section 402(f) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking “and” at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting “, and”, and by adding at the end the following new subparagraph:

“(E) of the provisions under which distributions from the eligible retirement plan receiving the distribution may be subject to restrictions and tax consequences which are different from those applicable to distributions from the plan making such distribution.”.

(d) SPOUSAL ROLLOVERS.—Section 402(c)(9) (relating to rollover where spouse receives distribution after death of employee) is amended by striking “; except that” and all that follows up to the end period.

(e) CONFORMING AMENDMENTS.—

(1) Section 72(o)(4) is amended by striking “and 408(d)(3)” and inserting “403(b)(8), 408(d)(3), and 457(e)(16)”.

(2) Section 219(d)(2) is amended by striking “or 408(d)(3)” and inserting “408(d)(3), or 457(e)(16)”.

(3) Section 401(a)(31)(B) is amended by striking “and 403(a)(4)” and inserting “, 403(a)(4), 403(b)(8), and 457(e)(16)”.

(4) Subparagraph (A) of section 402(f)(2) is amended by striking “or paragraph (4) of section 403(a), subparagraph (A) of section 403(b)(8), or subparagraph (A) of section 457(e)(16)”.

(5) Paragraph (1) of section 402(f) is amended by striking “from an eligible retirement plan”.

(6) Subparagraphs (A) and (B) of section 402(f)(1) are amended by striking “another eligible retirement plan” and inserting “an eligible retirement plan”.

(7) Subparagraph (B) of section 403(b)(8) is amended to read as follows:

“(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A), except that section 402(f) shall be applied to the payor in lieu of the plan administrator.”.

(8) Section 408(a)(1) is amended by striking “or 403(b)(8)” and inserting “, 403(b)(8), or 457(e)(16)”.

(9) Subparagraphs (A) and (B) of section 415(b)(2) are each amended by striking “and 408(d)(3)” and inserting “403(b)(8), 408(d)(3), and 457(e)(16)”.

(10) Section 415(c)(2) is amended by striking “and 408(d)(3)” and inserting “408(d)(3), and 457(e)(16)”.

(11) Section 4973(b)(1)(A) is amended by striking “or 408(d)(3)” and inserting “408(d)(3), or 457(e)(16)”.

(f) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of any amendment made by this section.

#### SEC. 1232. ROLLOVERS OF IRAS INTO WORK-PLACE RETIREMENT PLANS.

(a) IN GENERAL.—Subparagraph (A) of section 408(d)(3) (relating to rollover amounts) is amended by adding “or” at the end of clause (i), by striking clauses (ii) and (iii), and by adding at the end the following:

“(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the max-

imum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to this paragraph).

For purposes of clause (ii), the term ‘eligible retirement plan’ has the meaning given such term by clauses (iii), (iv), (v), and (vi) of section 402(c)(8)(B).”.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 403(b) is amended by striking “section 408(d)(3)(A)(iii)” and inserting “section 408(d)(3)(A)(ii)”.

(2) Clause (i) of section 408(d)(3)(D) is amended by striking “(i), (ii), or (iii)” and inserting “(i) or (ii)”.

(3) Subparagraph (G) of section 408(d)(3) is amended to read as follows:

“(G) SIMPLE RETIREMENT ACCOUNTS.—In the case of any payment or distribution out of a simple retirement account (as defined in subsection (p)) to which section 72(t)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.”.

(c) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of the amendments made by this section.

#### SEC. 1233. ROLLOVERS OF AFTER-TAX CONTRIBUTIONS.

(a) ROLLOVERS FROM EXEMPT TRUSTS.—Paragraph (2) of section 402(c) (relating to maximum amount which may be rolled over) is amended by adding at the end the following: “The preceding sentence shall not apply to such distribution to the extent—

“(A) such portion is transferred in a direct trustee-to-trustee transfer to a qualified trust which is part of a plan which is a defined contribution plan and which agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

“(B) such portion is transferred to an eligible retirement plan described in clause (i) or (ii) of paragraph (8)(B).”.

(b) OPTIONAL DIRECT TRANSFER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.—Subparagraph (B) of section 401(a)(31) (relating to limitation) is amended by adding at the end the following: “The preceding sentence shall not apply to such distribution if the plan to which such distribution is transferred—

“(i) agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

“(ii) is an eligible retirement plan described in clause (i) or (ii) of section 402(c)(8)(B).”.

(c) RULES FOR APPLYING SECTION 72 TO IRAS.—Paragraph (3) of section 408(d) (relating to special rules for applying section 72) is amended by inserting at the end the following:

“(H) APPLICATION OF SECTION 72.—

“(i) IN GENERAL.—If—

“(I) a distribution is made from an individual retirement plan, and

“(II) a rollover contribution is made to an eligible retirement plan described in section 402(c)(8)(B)(iii), (iv), (v), or (vi) with respect to all or part of such distribution, then, notwithstanding paragraph (2), the rules of clause (i) shall apply for purposes of applying section 72.

“(ii) APPLICABLE RULES.—In the case of a distribution described in clause (i)—

“(I) section 72 shall be applied separately to such distribution,

“(II) notwithstanding the pro rata allocation of income on, and investment in the contract, to distributions under section 72, the portion of such distribution rolled over to an eligible retirement plan described in clause (i) shall be treated as from income on the contract (to the extent of the aggregate income on the contract from all individual retirement plans of the distributee), and

“(III) appropriate adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2000.

#### SEC. 1234. HARDSHIP EXCEPTION TO 60-DAY RULE.

(a) EXEMPT TRUSTS.—Paragraph (3) of section 402(c) (relating to transfer must be made within 60 days of receipt) is amended to read as follows:

“(3) TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

“(B) HARDSHIP EXCEPTION.—The Secretary may waive the 60-day requirement under subparagraph (A) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.”

(b) IRAS.—Paragraph (3) of section 408(d) (relating to rollover contributions) is amended by adding after subparagraph (H) the following new subparagraph:

“(I) WAIVER OF 60-DAY REQUIREMENT.—The Secretary may waive the 60-day requirement under subparagraphs (A) and (D) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

#### SEC. 1235. TREATMENT OF FORMS OF DISTRIBUTION.

(a) PLAN TRANSFERS.—

(1) IN GENERAL.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

“(D) PLAN TRANSFERS.—

“(i) A defined contribution plan (in this subparagraph referred to as the ‘transferee plan’) shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the ‘transferor plan’) to the extent that—

“(I) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan;

“(II) the terms of both the transferor plan and the transferee plan authorize the transfer described in subclause (I);

“(III) the transfer described in subclause (I) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan;

“(IV) the election described in subclause (III) was made after the participant or beneficiary received a notice describing the consequences of making the election;

“(V) if the transferor plan provides for an annuity as the normal form of distribution under the plan in accordance with section 417, the transfer is made with the consent of the participant’s spouse (if any), and such consent meets requirements similar to the requirements imposed by section 417(a)(2); and

“(VI) the transferee plan allows the participant or beneficiary described in subclause (III) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

“(ii) Clause (i) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

“(E) ELIMINATION OF FORM OF DISTRIBUTION.—Except to the extent provided in regulations, a defined contribution plan shall not be treated as failing to meet the requirements of this section merely because of the elimination of a form of distribution previously available thereunder. This subparagraph shall not apply to the elimination of a form of distribution with respect to any participant unless—

“(i) a single sum payment is available to such participant at the same time or times as the form of distribution being eliminated; and

“(ii) such single sum payment is based on the same or greater portion of the participant’s account as the form of distribution being eliminated.”

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

(b) REGULATIONS.—

(1) IN GENERAL.—The last sentence of paragraph (6)(B) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended to read as follows: “The Secretary may by regulations provide that this subparagraph shall not apply to any plan amendment that does not adversely affect the rights of participants in a material manner.”

(2) SECRETARY DIRECTED.—Not later than December 31, 2001, the Secretary of the Treasury is directed to issue final regulations under section 411(d)(6) of the Internal Revenue Code of 1986. Such regulations shall apply to plan years beginning after December 31, 2001, or such earlier date as is specified by the Secretary of the Treasury.

#### SEC. 1236. RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS.

(a) MODIFICATION OF SAME DESK EXCEPTION.—

(1) SECTION 401(k).—

(A) Section 401(k)(2)(B)(i)(I) (relating to qualified cash or deferred arrangements) is

amended by striking “separation from service” and inserting “severance from employment”.

(B) Subparagraph (A) of section 401(k)(10) (relating to distributions upon termination of plan or disposition of assets or subsidiary) is amended to read as follows:

“(A) IN GENERAL.—An event described in this subparagraph is the termination of the plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7)).”

(C) Section 401(k)(10) is amended—

(i) in subparagraph (B)—

(I) by striking “An event” in clause (i) and inserting “A termination”, and

(II) by striking “the event” in clause (i) and inserting “the termination”,

(ii) by striking subparagraph (C), and

(iii) by striking “OR DISPOSITION OF ASSETS OR SUBSIDIARY” in the heading.

(2) SECTION 403(b).—

(A) Paragraphs (7)(A)(ii) and (11)(A) of section 403(b) are each amended by striking “separates from service” and inserting “has a severance from employment”.

(B) The heading for paragraph (11) of section 403(b) is amended by striking “SEPARATION FROM SERVICE” and inserting “SEVERANCE FROM EMPLOYMENT”.

(3) SECTION 457.—Clause (ii) of section 457(d)(1)(A) is amended by striking “is separated from service” and inserting “has a severance from employment”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

#### SEC. 1237. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.

(a) 403(b) PLANS.—Subsection (b) of section 403 is amended by adding at the end the following new paragraph:

“(13) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

“(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

“(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.”

(b) 457 PLANS.—

(1) Subsection (e) of section 457 is amended by adding after paragraph (17) the following new paragraph:

“(18) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

“(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

“(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.”

(2) Section 457(b)(2) is amended by striking “(other than rollover amounts)” and inserting “(other than rollover amounts and amounts received in a transfer referred to in subsection (e)(16))”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to trustee-to-trustee transfers after December 31, 2000.

**SEC. 1238. EMPLOYERS MAY DISREGARD ROLLOVERS FOR PURPOSES OF CASH-OUT AMOUNTS.**

(a) IN GENERAL.—Section 411(a)(11) (relating to restrictions on certain mandatory distributions) is amended by adding at the end the following:

“(D) SPECIAL RULE FOR ROLLOVER CONTRIBUTIONS.—A plan shall not fail to meet the requirements of this paragraph if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term ‘rollover contributions’ means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).”

(b) ELIGIBLE DEFERRED COMPENSATION PLANS.—Clause (1) of section 457(e)(9)(A) is amended by striking “such amount” and inserting “the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D)).”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

**SEC. 1239. MINIMUM DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 457 PLANS.**

(a) MINIMUM DISTRIBUTION REQUIREMENTS.—Paragraph (2) of section 457(d) (relating to distribution requirements) is amended to read as follows:

“(2) MINIMUM DISTRIBUTION REQUIREMENTS.—A plan meets the minimum distribution requirements of this paragraph if such plan meets the requirements of section 401(a)(9).”

(b) INCLUSION IN GROSS INCOME.—

(1) YEAR OF INCLUSION.—Subsection (a) of section 457 (relating to year of inclusion in gross income) is amended to read as follows:

“(a) YEAR OF INCLUSION IN GROSS INCOME.—

“(1) IN GENERAL.—Any amount of compensation deferred under an eligible deferred compensation plan, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income—

“(A) is paid to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(A), and

“(B) is paid or otherwise made available to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(B).

“(2) SPECIAL RULE FOR ROLLOVER AMOUNTS.—To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.”

(2) CONFORMING AMENDMENT.—So much of paragraph (9) of section 457(e) as precedes subparagraph (A) is amended to read as follows:

“(9) BENEFITS OF TAX EXEMPT ORGANIZATION PLANS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.—In the case of an eligible deferred compensation plan of an employer described in subsection (e)(1)(B)—”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

**Subtitle D—Strengthening Pension Security and Enforcement****SEC. 1241. REPEAL OF 150 PERCENT OF CURRENT LIABILITY FUNDING LIMIT.**

(a) IN GENERAL.—Section 412(c)(7) (relating to full-funding limitation) is amended—

(1) by striking “the applicable percentage” in subparagraph (A)(i)(I) and inserting “in the case of plan years beginning before January 1, 2004, the applicable percentage”, and

(2) by amending subparagraph (F) to read as follows:

“(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

<b>“In the case of any plan year beginning in—</b>	<b>The applicable percentage is—</b>
2001 .....	160
2002 .....	165
2003 .....	170.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

**SEC. 1242. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.**

(a) IN GENERAL.—Subparagraph (D) of section 404(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

“(D) SPECIAL RULE IN CASE OF CERTAIN PLANS.—

“(1) IN GENERAL.—In the case of any defined benefit plan, except as provided in regulations, the maximum amount deductible under the limitations of this paragraph shall not be less than the unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(II) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year).

“(ii) PLANS WITH LESS THAN 100 PARTICIPANTS.—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q)) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

“(iii) RULE FOR DETERMINING NUMBER OF PARTICIPANTS.—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained by the same employer (or any member of such employer’s controlled group (within the meaning of section 412(l)(8)(C))) shall be treated as 1 plan, but only employees of such member or employer shall be taken into account.

“(iv) PLANS ESTABLISHED AND MAINTAINED BY PROFESSIONAL SERVICE EMPLOYERS.—Clause (i) shall not apply to a plan described in section 4021(b)(13) of the Employee Retirement Income Security Act of 1974.”

(b) CONFORMING AMENDMENT.—Paragraph (6) of section 4972(c) is amended to read as follows:

“(6) EXCEPTIONS.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to 1 or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

“(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the plans, or

“(B) the sum of—

“(i) the amount of contributions described in section 401(m)(4)(A), plus

“(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

**SEC. 1243. MISSING PARTICIPANTS.**

(a) IN GENERAL.—Section 4050 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1350) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following:

“(c) MULTIEMPLOYER PLANS.—The corporation shall prescribe rules similar to the rules in subsection (a) for multiemployer plans covered by this title that terminate under section 4041A.

“(d) PLANS NOT OTHERWISE SUBJECT TO TITLE.—

“(1) TRANSFER TO CORPORATION.—The plan administrator of a plan described in paragraph (4) may elect to transfer a missing participant’s benefits to the corporation upon termination of the plan.

“(2) INFORMATION TO THE CORPORATION.—To the extent provided in regulations, the plan administrator of a plan described in paragraph (4) shall, upon termination of the plan, provide the corporation information with respect to benefits of a missing participant if the plan transfers such benefits—

“(A) to the corporation, or

“(B) to an entity other than the corporation or a plan described in paragraph (4)(B)(ii).

“(3) PAYMENT BY THE CORPORATION.—If benefits of a missing participant were transferred to the corporation under paragraph (1), the corporation shall, upon location of the participant or beneficiary, pay to the participant or beneficiary the amount transferred (or the appropriate survivor benefit) either—

“(A) in a single sum (plus interest), or

“(B) in such other form as is specified in regulations of the corporation.

“(4) PLANS DESCRIBED.—A plan is described in this paragraph if—

“(A) the plan is a pension plan (within the meaning of section 3(2))—

“(i) to which the provisions of this section do not apply (without regard to this subsection), and

“(ii) which is not a plan described in paragraphs (2) through (11) of section 4021(b), and

“(B) at the time the assets are to be distributed upon termination, the plan—

“(i) has missing participants, and

“(ii) has not provided for the transfer of assets to pay the benefits of all missing participants to another pension plan (within the meaning of section 3(2)).

“(5) CERTAIN PROVISIONS NOT TO APPLY.—Subsections (a)(1) and (a)(3) shall not apply to a plan described in paragraph (4).”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made after final regulations implementing subsections (c) and (d) of section 4050 of the Employee Retirement Income Security Act of 1974 (as added by subsection (a)), respectively, are prescribed.

**SEC. 1244. EXCISE TAX RELIEF FOR SOUND PENSION FUNDING.**

(a) IN GENERAL.—Subsection (c) of section 4972 (relating to nondeductible contributions) is amended by adding at the end the following new paragraph:

“(7) DEFINED BENEFIT PLAN EXCEPTION.—In determining the amount of nondeductible

contributions for any taxable year, an employer may elect for such year not to take into account any contributions to a defined benefit plan except to the extent that such contributions exceed the full-funding limitation (as defined in section 412(c)(7)), determined without regard to subparagraph (A)(i)(I) thereof. For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to defined contribution plans and then to amounts described in this paragraph. If an employer makes an election under this paragraph for a taxable year, paragraph (6) shall not apply to such employer for such taxable year."

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to years beginning after December 31, 2000.

**SEC. 1245. EXCISE TAX ON FAILURE TO PROVIDE NOTICE BY DEFINED BENEFIT PLANS SIGNIFICANTLY REDUCING FUTURE BENEFIT ACCRUALS.**

(a) **IN GENERAL.**—Chapter 43 of subtitle D (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

**"SEC. 4980F. FAILURE OF APPLICABLE PLANS REDUCING BENEFIT ACCRUALS TO SATISFY NOTICE REQUIREMENTS.**

"(a) **IMPOSITION OF TAX.**—There is hereby imposed a tax on the failure of any applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

"(b) **AMOUNT OF TAX.**—

"(1) **IN GENERAL.**—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual shall be \$100 for each day in the noncompliance period with respect to such failure.

"(2) **NONCOMPLIANCE PERIOD.**—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the failure is corrected.

"(c) **LIMITATIONS ON AMOUNT OF TAX.**—

"(1) **OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.**—In the case of failures that are due to reasonable cause and not to willful neglect, the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed \$500,000. For purposes of the preceding sentence, all multiemployer plans of which the same trust forms a part shall be treated as 1 plan. For purposes of this paragraph, if not all persons who are treated as a single employer for purposes of this section have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

"(2) **WAIVER BY SECRETARY.**—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

"(d) **LIABILITY FOR TAX.**—The following shall be liable for the tax imposed by subsection (a):

"(1) In the case of a plan other than a multiemployer plan, the employer.

"(2) In the case of a multiemployer plan, the plan.

"(e) **NOTICE REQUIREMENTS FOR PLANS SIGNIFICANTLY REDUCING BENEFIT ACCRUALS.**—

"(1) **IN GENERAL.**—If an applicable pension plan is amended to provide for a significant reduction in the rate of future benefit ac-

cruel, the plan administrator shall provide written notice to each applicable individual (and to each employee organization representing applicable individuals).

"(2) **NOTICE.**—The notice required by paragraph (1) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with regulations prescribed by the Secretary) to allow applicable individuals to understand the effect of the plan amendment.

"(3) **TIMING OF NOTICE.**—Except as provided in regulations, the notice required by paragraph (1) shall be provided within a reasonable time before the effective date of the plan amendment.

"(4) **DESIGNEES.**—Any notice under paragraph (1) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

"(5) **NOTICE BEFORE ADOPTION OF AMENDMENT.**—A plan shall not be treated as failing to meet the requirements of paragraph (1) merely because notice is provided before the adoption of the plan amendment if no material modification of the amendment occurs before the amendment is adopted.

"(f) **APPLICABLE INDIVIDUAL; APPLICABLE PENSION PLAN.**—For purposes of this section—

"(1) **APPLICABLE INDIVIDUAL.**—The term 'applicable individual' means, with respect to any plan amendment—

"(A) any participant in the plan, and

"(B) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)), who may reasonably be expected to be affected by such plan amendment.

"(2) **APPLICABLE PENSION PLAN.**—The term 'applicable pension plan' means—

"(A) any defined benefit plan, or

"(B) an individual account plan which is subject to the funding standards of section 412,

which had 100 or more participants who had accrued a benefit, or with respect to whom contributions were made, under the plan (whether or not vested) as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective."

(b) **CLERICAL AMENDMENT.**—The table of sections for chapter 43 of subtitle D is amended by adding at the end the following new item:

"Sec. 4980F. Failure of applicable plans reducing benefit accruals to satisfy notice requirements."

(c) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(2) **TRANSITION.**—Until such time as the Secretary of the Treasury issues regulations under sections 4980F(e)(2) and (3) of the Internal Revenue Code of 1986 (as added by the amendment made by subsection (a)), a plan shall be treated as meeting the requirements of such section if it makes a good faith effort to comply with such requirements.

(3) **SPECIAL RULE.**—The period for providing any notice required by the amendments made by this section shall not end before the date which is 3 months after the date of the enactment of this Act.

**Subtitle E—Reducing Regulatory Burdens**

**SEC. 1251. REPEAL OF THE MULTIPLE USE TEST.**

(a) **IN GENERAL.**—Paragraph (9) of section 401(m) is amended to read as follows:

"(9) **REGULATIONS.**—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and subsection (k), including regulations permitting appropriate aggregation of plans and contributions."

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to years beginning after December 31, 2000.

**SEC. 1252. MODIFICATION OF TIMING OF PLAN VALUATIONS.**

(a) **IN GENERAL.**—Section 412(c)(9) (relating to annual valuation) is amended—

(1) by striking "For purposes" and inserting the following:

"(A) **IN GENERAL.**—For purposes", and

(2) by adding at the end the following:

"(B) **ELECTION TO USE PRIOR YEAR VALUATION.**—

"(i) **IN GENERAL.**—Except as provided in clause (ii), if, for any plan year—

"(I) an election is in effect under this subparagraph with respect to a plan, and

"(II) the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)), determined as of the valuation date for the preceding plan year,

then this section shall be applied using the information available as of such valuation date.

"(ii) **EXCEPTIONS.**—

"(I) **ACTUAL VALUATION EVERY 3 YEARS.**—Clause (i) shall not apply for more than 2 consecutive plan years and valuation shall be under subparagraph (A) with respect to any plan year to which clause (i) does not apply by reason of this clause.

"(II) **REGULATIONS.**—Subclause (I) shall not apply to the extent that more frequent valuations are required under the regulations under subparagraph (A).

"(iii) **ADJUSTMENTS.**—Information under clause (i) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

"(iv) **ELECTION.**—An election under this subparagraph, once made, shall be irrevocable without the consent of the Secretary."

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

**SEC. 1253. FLEXIBILITY AND NONDISCRIMINATION AND LINE OF BUSINESS RULES.**

The Secretary of the Treasury shall, on or before December 31, 2000, modify the existing regulations issued under section 401(a)(4) and section 414(r) of the Internal Revenue Code of 1986 in order to expand (to the extent that the Secretary determines appropriate) the ability of a pension plan to demonstrate compliance with the nondiscrimination and line of business requirements based upon the facts and circumstances surrounding the design and operation of the plan, even though the plan is unable to satisfy the mechanical tests currently used to determine compliance.

**SEC. 1254. SUBSTANTIAL OWNER BENEFITS IN TERMINATED PLANS.**

(a) **MODIFICATION OF PHASE-IN OF GUARANTEE.**—Section 4022(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(5)) is amended to read as follows:

"(5)(A) For purposes of this paragraph, the term 'majority owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

"(i) owns the entire interest in an unincorporated trade or business,

“(ii) in the case of a partnership, is a partner who owns, directly or indirectly, 50 percent or more of either the capital interest or the profits interest in such partnership, or

“(iii) in the case of a corporation, owns, directly or indirectly, 50 percent or more in value of either the voting stock of that corporation or all the stock of that corporation. For purposes of clause (iii), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).

“(B) In the case of a participant who is a majority owner, the amount of benefits guaranteed under this section shall equal the product of—

“(i) a fraction (not to exceed 1) the numerator of which is the number of years from the later of the effective date or the adoption date of the plan to the termination date, and the denominator of which is 10, and

“(ii) the amount of benefits that would be guaranteed under this section if the participant were not a majority owner.”.

(b) MODIFICATION OF ALLOCATION OF ASSETS.—

(1) Section 4044(a)(4)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1344(a)(4)(B)) is amended by striking “section 4022(b)(5)” and inserting “section 4022(b)(5)(B)”.

(2) Section 4044(b) of such Act (29 U.S.C. 1344(b)) is amended—

(A) by striking “(5)” in paragraph (2) and inserting “(4), (5).”, and

(B) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively, and by inserting after paragraph (2) the following:

“(3) If assets available for allocation under paragraph (4) of subsection (a) are insufficient to satisfy in full the benefits of all individuals who are described in that paragraph, the assets shall be allocated first to benefits described in subparagraph (A) of that paragraph. Any remaining assets shall then be allocated to benefits described in subparagraph (B) of that paragraph. If assets allocated to such subparagraph (B) are insufficient to satisfy in full the benefits described in that subparagraph, the assets shall be allocated pro rata among individuals on the basis of the present value (as of the termination date) of their respective benefits described in that subparagraph.”.

(c) CONFORMING AMENDMENTS.—

(1) Section 4021 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1321) is amended—

(A) in subsection (b)(9), by striking “as defined in section 4022(b)(6)”, and

(B) by adding at the end the following:

“(d) For purposes of subsection (b)(9), the term ‘substantial owner’ means an individual who, at any time during the 60-month period ending on the date the determination is being made—

“(1) owns the entire interest in an unincorporated trade or business,

“(2) in the case of a partnership, is a partner who owns, directly or indirectly, more than 10 percent of either the capital interest or the profits interest in such partnership, or

“(3) in the case of a corporation, owns, directly or indirectly, more than 10 percent in value of either the voting stock of that corporation or all the stock of that corporation. For purposes of paragraph (3), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).”.

(2) Section 4043(c)(7) of such Act (29 U.S.C. 1343(c)(7)) is amended by striking “section 4022(b)(6)” and inserting “section 4021(d)”.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan terminations—

(A) under section 4041(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1341(c)) with respect to which notices of intent to terminate are provided under section 4041(a)(2) of such Act (29 U.S.C. 1341(a)(2)) after December 31, 2000, and

(B) under section 4042 of such Act (29 U.S.C. 1342) with respect to which proceedings are instituted by the corporation after such date.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (c) shall take effect on the date of enactment of this Act.

#### SEC. 1255. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DEDUCTION.

(a) IN GENERAL.—Section 404(k)(2)(A) (defining applicable dividends) is amended by striking “or” at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

“(iii) is, at the election of such participants or their beneficiaries—

“(I) payable as provided in clause (i) or (ii), or

“(II) paid to the plan and reinvested in qualifying employer securities, or”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

#### SEC. 1256. NOTICE AND CONSENT PERIOD REGARDING DISTRIBUTIONS.

(a) EXPANSION OF PERIOD.—

(1) IN GENERAL.—Subparagraph (A) of section 417(a)(6) is amended by striking “90-day” and inserting “180-day”.

(2) MODIFICATION OF REGULATIONS.—The Secretary of the Treasury shall modify the regulations under sections 402(f), 411(a)(11), and 417 of the Internal Revenue Code of 1986 to substitute “180 days” for “90 days” each place it appears in Treasury Regulations sections 1.402(f)-1, 1.411(a)-11(c), and 1.417(e)-1(b).

(3) EFFECTIVE DATE.—The amendments made by paragraph (1) and the modifications required by paragraph (2) shall apply to years beginning after December 31, 2000.

(b) CONSENT REGULATION INAPPLICABLE TO CERTAIN DISTRIBUTIONS.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the regulations under section 411(a)(11) of the Internal Revenue Code of 1986 to provide that the description of a participant’s right, if any, to defer receipt of a distribution shall also describe the consequences of failing to defer such receipt.

(2) EFFECTIVE DATE.—The modifications required by paragraph (1) shall apply to years beginning after December 31, 2000.

#### SEC. 1257. REPEAL OF TRANSITION RULE RELATING TO CERTAIN HIGHLY COMPENSATED EMPLOYEES.

(a) IN GENERAL.—Paragraph (4) of section 1114(c) of the Tax Reform Act of 1986 is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to plan years beginning on or after January 1, 2000.

#### SEC. 1258. EMPLOYEES OF TAX-EXEMPT ENTITIES.

(a) IN GENERAL.—The Secretary of the Treasury shall modify Treasury Regulations section 1.410(b)-6(g) to provide that employees of an organization described in section 403(b)(1)(A)(i) of the Internal Revenue Code

of 1986 who are eligible to make contributions under section 403(b) pursuant to a salary reduction agreement may be treated as excludable with respect to a plan under section 401(k), or section 401(m) of such Code that is provided under the same general arrangement as a plan under such section 401(k), if—

(1) no employee of an organization described in section 403(b)(1)(A)(i) of such Code is eligible to participate in such section 401(k) plan or section 401(m) plan, and

(2) 95 percent of the employees who are not employees of an organization described in section 403(b)(1)(A)(i) of such Code are eligible to participate in such section 401(k) plan or section 401(m) plan.

(b) EFFECTIVE DATE.—The modification required by subsection (a) shall apply as of the same date set forth in section 1426(b) of the Small Business Job Protection Act of 1996.

#### SEC. 1259. CLARIFICATION OF TREATMENT OF EMPLOYER-PROVIDED RETIREMENT ADVICE.

(a) IN GENERAL.—Subsection (a) of section 132 (relating to exclusion from gross income) is amended by striking “or” at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting “, or”, and by adding at the end the following new paragraph:

“(7) qualified retirement planning services.”.

(b) QUALIFIED RETIREMENT PLANNING SERVICES DEFINED.—Section 132 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following:

“(m) QUALIFIED RETIREMENT PLANNING SERVICES.—

“(1) IN GENERAL.—For purposes of this section, the term ‘qualified retirement planning services’ means any retirement planning service provided to an employee and his spouse by an employer maintaining a retirement plan.

“(2) NONDISCRIMINATION RULE.—Subsection (a)(7) shall apply in the case of highly compensated employees only if such services are available on substantially the same terms to each member of the group of employees normally provided education and information regarding the employer’s pension plan.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

#### SEC. 1260. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) IN GENERAL.—If this section applies to any plan or contract amendment—

(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A), and

(2) such plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 by reason of such amendment.

(b) AMENDMENTS TO WHICH SECTION APPLIES.—

(1) IN GENERAL.—This section shall apply to any amendment to any plan or annuity contract which is made—

(A) pursuant to any amendment made by this Act, or pursuant to any regulation issued under this Act, and

(B) on or before the last day of the first plan year beginning on or after January 1, 2003.

In the case of a government plan (as defined in section 414(d) of the Internal Revenue Code of 1986, this paragraph shall be applied by substituting “2005” for “2003”.

(2) CONDITIONS.—This section shall not apply to any amendment unless—



(A) during the period—

(i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan), and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect, and

(B) such plan or contract amendment applies retroactively for such period.

**SEC. 1261. MODEL PLANS FOR SMALL BUSINESSES.**

(a) IN GENERAL.—Not later than December 31, 2000, the Secretary of the Treasury is directed to issue at least one model defined contribution plan and at least one model defined benefit plan that fit the needs of small businesses and that shall be treated as meeting the requirements of section 401(a) of the Internal Revenue Code of 1986 with respect to the form of the plan. To the extent that the requirements of section 401(a) of such Code are modified after the issuance of such plans, the Secretary of the Treasury shall, in a timely manner, issue model amendments that, if adopted in a timely manner by an employer that has a model plan in effect, shall cause such model plan to be treated as meeting the requirements of section 401(a) of such Code, as modified, with respect to the form of the plan.

(b) PROTOTYPE PLAN ALTERNATIVE.—The Secretary of the Treasury may satisfy the requirements of subsection (a) through the enhancement and simplification of the Secretary's programs for prototype plans in such a manner as to achieve the purposes of subsection (a).

**SEC. 1262. SIMPLIFIED ANNUAL FILING REQUIREMENT FOR PLANS WITH FEWER THAN 25 EMPLOYEES.**

(a) IN GENERAL.—In the case of a retirement plan which covers less than 25 employees on the 1st day of the plan year and meets the requirements described in subsection (b), the Secretary of the Treasury shall provide for the filing of a simplified annual return that is substantially similar to the annual return required to be filed by a one-participant retirement plan.

(b) REQUIREMENTS.—A plan meets the requirements of this subsection if it—

(1) meets the minimum coverage requirements of section 410(b) of the Internal Revenue Code of 1986 without being combined with any other plan of the business that covers the employees of the business,

(2) does not cover a business that is a member of an affiliated service group, a controlled group of corporations, or a group of businesses under common control, and

(3) does not cover a business that leases employees.

**SEC. 1263. INTERMEDIATE SANCTIONS FOR INADVERTENT FAILURES.**

The Secretary of the Treasury shall continue to update and improve the Employee Plans Compliance Resolution System (or any successor program) giving special attention to—

(1) increasing the awareness and knowledge of small employers concerning the availability and use of the program,

(2) taking into account special concerns and circumstances that small employers face with respect to compliance and correction of compliance failures,

(3) extending the duration of the self-correction period under the Administrative Pol-

icy Regarding Self-Correction for significant compliance failures,

(4) expanding the availability to correct insignificant compliance failures under the Administrative Policy Regarding Self-Correction during audit, and

(5) assuring that any tax, penalty, or sanction that is imposed by reason of a compliance failure is not excessive and bears a reasonable relationship to the nature, extent, and severity of the failure.

**TITLE XIII—MISCELLANEOUS PROVISIONS**

**Subtitle A—Provisions Primarily Affecting Individuals**

**SEC. 1301. EXCLUSION FOR FOSTER CARE PAYMENTS TO APPLY TO PAYMENTS BY QUALIFIED PLACEMENT AGENCIES.**

(a) IN GENERAL.—The matter preceding subparagraph (B) of section 131(b)(1) (defining qualified foster care payment) is amended to read as follows:

“(1) IN GENERAL.—The term ‘qualified foster care payment’ means any payment made pursuant to a foster care program of a State or political subdivision thereof—

“(A) which is paid by—

“(i) a State or political subdivision thereof, or

“(ii) a qualified foster care placement agency, and”.

(b) QUALIFIED FOSTER INDIVIDUALS TO INCLUDE INDIVIDUALS PLACED BY QUALIFIED PLACEMENT AGENCIES.—Subparagraph (B) of section 131(b)(2) (defining qualified foster individual) is amended to read as follows:

“(B) a qualified foster care placement agency.”

(c) QUALIFIED FOSTER CARE PLACEMENT AGENCY DEFINED.—Subsection (b) of section 131 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

“(3) QUALIFIED FOSTER CARE PLACEMENT AGENCY.—The term ‘qualified foster care placement agency’ means any placement agency which is licensed or certified by—

“(A) a State or political subdivision thereof, or

“(B) an entity designated by a State or political subdivision thereof, for the foster care program of such State or political subdivision to make foster care payments to providers of foster care.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 1302. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS EXCLUDED FROM GROSS INCOME.**

(A) IN GENERAL.—Part III of subchapter B of chapter 1 is amended by inserting after section 138 the following new section:

**“SEC. 138A. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS.**

“(a) IN GENERAL.—Gross income of an individual does not include amounts received, from an organization described in section 170(c), as reimbursement of operating expenses with respect to use of a passenger automobile for the benefit of such organization. The preceding sentence shall apply only to the extent that such reimbursement would be deductible under section 274(d) (determined by applying the standard business mileage rate established pursuant to section 274(d)) if the organization were not so described and such individual were an employee of such organization.

“(b) NO DOUBLE BENEFIT.—Subsection (a) shall not apply with respect to any expenses if the individual claims a deduction or credit for such expenses under any other provision of this title.

“(c) EXEMPTION FROM REPORTING REQUIREMENTS.—Section 6041 shall not apply with re-

spect to reimbursements excluded from income under subsection (a).”

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 138 the following new items:

“Sec. 138A. Reimbursement for use of passenger automobile for charity.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 1303. W-2 TO INCLUDE EMPLOYER SOCIAL SECURITY TAXES.**

(a) IN GENERAL.—Subsection (a) of section 6051 (relating to receipts for employees) is amended by striking “and” at the end of paragraph (10), by striking the period at the end of paragraph (11) and inserting a comma, and by inserting after paragraph (11) the following new paragraphs:

“(12) the amount of tax imposed by section 3111(a), and

“(13) the amount of tax imposed by section 3111(b).”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to remuneration paid after December 31, 1999.

**Subtitle B—Provisions Primarily Affecting Businesses**

**SEC. 1311. DISTRIBUTIONS FROM PUBLICLY TRADED PARTNERSHIPS TREATED AS QUALIFYING INCOME OF REGULATED INVESTMENT COMPANIES.**

(a) IN GENERAL.—Paragraph (2) of section 851(b) (defining regulated investment company) is amended by inserting “income derived from an interest in a publicly traded partnership (as defined in section 7704(b)),” after “dividends, interest,”.

(b) SOURCE FLOW-THROUGH RULE NOT TO APPLY.—The last sentence of section 851(b) is amended by inserting “(other than a publicly traded partnership (as defined in section 7704(b)))” after “derived from a partnership”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

**SEC. 1312. SPECIAL PASSIVE ACTIVITY RULE FOR PUBLICLY TRADED PARTNERSHIPS TO APPLY TO REGULATED INVESTMENT COMPANIES.**

(a) IN GENERAL.—Subsection (k) of section 469 (relating to separate application of section in case of publicly traded partnerships) is amended by adding at the end the following new paragraph:

“(4) APPLICATION TO REGULATED INVESTMENT COMPANIES.—For purposes of this section, a regulated investment company (as defined in section 851) holding an interest in a publicly traded partnership shall be treated as a taxpayer described in subsection (a)(2) with respect to items attributable to such interest.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

**SEC. 1313. LARGE ELECTRIC TRUCKS, VANS, AND BUSES ELIGIBLE FOR DEDUCTION FOR CLEAN-FUEL VEHICLES IN LIEU OF CREDIT.**

(a) IN GENERAL.—Paragraph (1) of section 30(c) (relating to credit for qualified electric vehicles) is amended by adding at the end the following new flush sentence:

“Such term shall not include any vehicle described in subclause (I) or (II) of section 179A(b)(1)(A)(iii).”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 1999.



**SEC. 1314. MODIFICATIONS TO SPECIAL RULES FOR NUCLEAR DECOMMISSIONING COSTS.**

(a) **REPEAL OF LIMITATION ON DEPOSITS INTO FUND BASED ON COST OF SERVICE.**—Subsection (b) of section 468A is amended to read as follows:

“(b) **LIMITATION ON AMOUNTS PAID INTO FUND.**—The amount which a taxpayer may pay into the Fund for any taxable year shall not exceed the ruling amount applicable to such taxable year.”

(b) **CLARIFICATION OF TREATMENT OF FUND TRANSFERS.**—Subsection (e) of section 468A is amended by adding at the end the following new paragraph:

“(8) **TREATMENT OF FUND TRANSFERS.**—If, in connection with the transfer of the taxpayer's interest in a nuclear powerplant, the taxpayer transfers the Fund with respect to such powerplant to the transferee of such interest and the transferee elects to continue the application of this section to such Fund—

“(A) the transfer of such Fund shall not cause such Fund to be disqualified from the application of this section, and

“(B) no amount shall be treated as distributed from such Fund, or be includible in gross income, by reason of such transfer.”

(c) **TRANSFERS OF BALANCES IN NON-QUALIFIED FUNDS.**—Section 468A is amended by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and by inserting after subsection (e) the following new subsection:

“(f) **TRANSFERS OF BALANCES IN NON-QUALIFIED FUNDS INTO QUALIFIED FUNDS.**—

“(1) **IN GENERAL.**—Notwithstanding subsection (b), any taxpayer maintaining a Fund to which this section applies with respect to a nuclear powerplant may transfer into such Fund amounts held in any non-qualified fund of such taxpayer with respect to such powerplant.

“(2) **MAXIMUM AMOUNT PERMITTED TO BE TRANSFERRED.**—The amount permitted to be transferred under paragraph (1) shall not exceed the balance in the nonqualified fund as of December 31, 1998.

“(3) **DEDUCTION FOR AMOUNTS TRANSFERRED.**—

“(A) **IN GENERAL.**—The deduction allowed by subsection (a) for any transfer permitted by this subsection shall be allowed ratably over the remaining estimated useful life (within the meaning of subsection (d)(2)(A)) of the nuclear powerplant, beginning with the later of the taxable year during which the transfer is made or the taxpayer's first taxable year beginning after December 31, 2001.

“(B) **DENIAL OF DEDUCTION FOR PREVIOUSLY DEDUCTED AMOUNTS.**—No deduction shall be allowed for any transfer under this subsection of an amount for which a deduction was allowed when such amount was paid into the nonqualified fund. For purposes of the preceding sentence, a ratable portion of each transfer shall be treated as being from previously deducted amounts to the extent thereof.

“(C) **TRANSFERS OF QUALIFIED FUNDS.**—If—

“(i) any transfer permitted by this subsection is made to any Fund to which this section applies, and

“(ii) such Fund is transferred thereafter, any deduction under this subsection for taxable years ending after the date that such Fund is transferred shall be allowed to the transferee and not to the transferor. The preceding sentence shall not apply if the transferor is an organization exempt from tax imposed by this chapter.

“(4) **NEW RULING AMOUNT REQUIRED.**—Paragraph (1) shall not apply to any transfer unless the taxpayer requests from the Secretary a new schedule of ruling amounts in connection with such transfer.

“(5) **NONQUALIFIED FUND.**—For purposes of this subsection, the term ‘nonqualified fund’ means, with respect to any nuclear powerplant, any fund in which amounts are irrevocably set aside pursuant to the requirements of any State or Federal agency exclusively for the purpose of funding the decommissioning of such powerplant.

“(6) **NO BASIS IN QUALIFIED FUNDS.**—Notwithstanding any other provision of law, the basis of any Fund to which this section applies shall not be increased by reason of any transfer permitted by this subsection.”

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 1315. CONSOLIDATION OF LIFE INSURANCE COMPANIES WITH OTHER CORPORATIONS.**

(a) **IN GENERAL.**—Section 1504(b) (defining includible corporation) is amended by striking paragraph (2).

(b) **CONFORMING AMENDMENTS.**—

(1) Subsection (c) of section 1503 is amended by striking paragraph (2) (relating to losses of recent nonlife affiliates).

(2) Section 1504 is amended by striking subsection (c) and by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.

(3) Section 1503(c)(1) (relating to special rule for application of certain losses against income of insurance companies taxed under section 801) is amended by striking “an election under section 1504(c)(2) is in effect for the taxable year and”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

(d) **NO CARRYBACK BEFORE JANUARY 1, 2005.**—To the extent that a consolidated net operating loss is allowed or increased by reason of the amendments made by this section, such loss may not be carried back to a taxable year beginning before January 1, 2005.

(e) **NONTERMINATION OF GROUP.**—No affiliated group shall terminate solely as a result of the amendments made by this section.

(f) **WAIVER OF 5-YEAR WAITING PERIOD.**—Under regulations prescribed by the Secretary of the Treasury or his delegate, an automatic waiver from the 5-year waiting period for reconsolidation provided in section 1504(a)(3) of such Code shall be granted to any corporation which was previously an includible corporation but was subsequently deemed a nonincludible corporation as a result of becoming a subsidiary of a corporation which was not an includible corporation solely by operation of section 1504(c)(2) of such Code (as in effect on the day before the date of enactment of this Act).

**Subtitle C—Provisions Relating to Excise Taxes****SEC. 1321. CONSOLIDATION OF HAZARDOUS SUBSTANCE SUPERFUND AND LEAKING UNDERGROUND STORAGE TANK TRUST FUND.**

(a) **IN GENERAL.**—Subchapter A of chapter 98 (relating to trust fund code) is amended by striking sections 9507 and 9508 and inserting the following new section:

**“SEC. 9507. ENVIRONMENTAL REMEDIATION TRUST FUND.**

“(a) **CREATION OF TRUST FUND.**—There is established in the Treasury of the United States a trust fund to be known as the ‘Environmental Remediation Trust Fund’ consisting of such amounts as may be—

“(1) appropriated to the Environmental Remediation Trust Fund as provided in this section,

“(2) appropriated to the Environmental Remediation Trust Fund pursuant to section 517(b) of the Superfund Revenue Act of 1986, or

“(3) credited to the Environmental Remediation Trust Fund as provided in section 9602(b).

“(b) **TRANSFERS TO ENVIRONMENTAL REMEDIATION TRUST FUND.**—

“(1) **IN GENERAL.**—There are hereby appropriated to the Environmental Remediation Trust Fund amounts equivalent to—

“(A) the taxes received in the Treasury under—

“(i) section 59A, 4611, 4661, or 4671 (relating to environmental taxes),

“(ii) section 4041(d) (relating to additional taxes on motor fuels),

“(iii) section 4081 (relating to tax on gasoline, diesel fuel, and kerosene) to the extent attributable to the Environmental Remediation Trust Fund financing rate under such section,

“(iv) section 4091 (relating to tax on aviation fuel) to the extent attributable to the Environmental Remediation Trust Fund financing rate under such section, and

“(v) section 4042 (relating to tax on fuel used in commercial transportation on inland waterways) to the extent attributable to the Environmental Remediation Trust Fund financing rate under such section,

“(B) amounts recovered on behalf of the Environmental Remediation Trust Fund under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (hereinafter in this section referred to as ‘CERCLA’),

“(C) all moneys recovered or collected under section 311(b)(6)(B) of the Clean Water Act,

“(D) penalties assessed under title I of CERCLA,

“(E) punitive damages under section 107(c)(3) of CERCLA, and

“(F) amounts received in the Treasury and collected under section 9003(h)(6) of the Solid Waste Disposal Act.

“(2) **LIMITATION ON TRANSFERS.**—

“(A) **IN GENERAL.**—Except as provided in subparagraph (B), no amount may be appropriated or credited to the Environmental Remediation Trust Fund on and after the date of any expenditure from any such Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

“(i) any provision of law which is not contained or referenced in this title or in a revenue Act, and

“(ii) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this paragraph.

“(B) **EXCEPTION FOR PRIOR OBLIGATIONS.**—Subparagraph (A) shall not apply to any expenditure to liquidate any contract entered into (or for any amount otherwise obligated) in accordance with the provisions of this section.”

“(c) **EXPENDITURES FROM ENVIRONMENTAL REMEDIATION TRUST FUND.**—

“(1) **IN GENERAL.**—Amounts in the Environmental Remediation Trust Fund shall be available, as provided in appropriation Acts, only for purposes of making expenditures—

“(A) to carry out the purposes of—

“(i) paragraphs (1), (2), (5), and (6) of section 111(a) of CERCLA as in effect on July 12, 1999,

“(ii) section 111(c) of CERCLA (as so in effect), other than paragraphs (1) and (2) thereof, and

“(iii) section 111(m) of CERCLA (as so in effect), or

“(B) to carry out section 9003(h) of the Solid Waste Disposal Act as in effect on July 12, 1999.

“(2) EXCEPTION FOR CERTAIN TRANSFERS, ETC., OF HAZARDOUS SUBSTANCES.—No amount in the Environmental Remediation Trust Fund or derived from the Environmental Remediation Trust Fund shall be available or used for the transfer or disposal of hazardous waste carried out pursuant to a cooperative agreement between the Administrator of the Environmental Protection Agency and a State if the following conditions apply—

“(A) the transfer or disposal, if made on December 13, 1985, would not comply with a State or local requirement,

“(B) the transfer is to a facility for which a final permit under section 3005(a) of the Solid Waste Disposal Act was issued after January 1, 1983, and before November 1, 1984, and

“(C) the transfer is from a facility identified as the McColl Site in Fullerton, California.

“(3) TRANSFERS FROM TRUST FUND FOR CERTAIN REPAYMENTS AND CREDITS.—

“(A) IN GENERAL.—The Secretary shall pay from time to time from the Environmental Remediation Trust Fund into the general fund of the Treasury amounts equivalent to—

“(i) amounts paid under—

“(I) section 6420 (relating to amounts paid in respect of gasoline used on farms),

“(II) section 6421 (relating to amounts paid in respect of gasoline used for certain non-highway purposes or by local transit systems), and

“(III) section 6427 (relating to fuels not used for taxable purposes), and

“(ii) credits allowed under section 34, with respect to the taxes imposed by section 4041(d) or by sections 4081 and 4091 (to the extent attributable to the Leaking Underground Storage Tank Trust Fund financing rate or the Environmental Remediation Trust Fund financing rate under such sections).

“(B) TRANSFERS BASED ON ESTIMATES.—Transfers under subparagraph (A) shall be made on the basis of estimates by the Secretary, and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

“(d) LIABILITY OF UNITED STATES LIMITED TO AMOUNT IN TRUST FUND.—

“(1) GENERAL RULE.—Any claim filed against the Environmental Remediation Trust Fund may be paid only out of the Environmental Remediation Trust Fund.

“(2) COORDINATION WITH OTHER PROVISIONS.—Nothing in CERCLA or the Superfund Amendments and Reauthorization Act of 1986 (or in any amendment made by either of such Acts) shall authorize the payment by the United States Government of any amount with respect to any such claim out of any source other than the Environmental Remediation Trust Fund.

“(3) ORDER IN WHICH UNPAID CLAIMS ARE TO BE PAID.—If at any time the Environmental Remediation Trust Fund has insufficient funds to pay all of the claims payable out of the Environmental Remediation Trust Fund at such time, such claims shall, to the extent permitted under paragraph (1), be paid in full in the order in which they were finally determined.”

(b) CONFORMING AMENDMENTS.—

(1) Subsections (c) and (d) of section 4611 are each amended by striking “Hazardous Substance Superfund” each place it appears and inserting “Environmental Remediation Trust Fund”.

(2) Subsection (c) of section 4661 is amended by striking “Hazardous Substance Superfund” and inserting “Environmental Remediation Trust Fund”.

(3) Sections 4041(d), 4042(b), 4081(a)(2)(B), 4081(d)(3), 4091(b), 4092(b), 6421(f), and 6427(l) are each amended by striking “Leaking Underground Storage Tank” each place it appears (other than the headings) and inserting “Environmental Remediation”.

(4) The heading for subsection (d) of section 4041 is amended by striking “LEAKING UNDERGROUND STORAGE TANK” and inserting “ENVIRONMENTAL REMEDIATION”.

(5) The headings for subsections (a)(2)(B) and (d)(3) of section 4081 and section 4091(b)(2) are each amended by striking “LEAKING UNDERGROUND STORAGE TANK” and inserting “ENVIRONMENTAL REMEDIATION”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1999.

(d) ENVIRONMENTAL REMEDIATION TRUST FUND TREATED AS CONTINUATION OF OLD TRUST FUNDS.—The Environmental Remediation Trust Fund established by the amendments made by this section shall be treated for all purposes of law as a continuation of both the Hazardous Substance Superfund and the Leaking Underground Storage Tank Trust Fund. Any reference in any law to the Hazardous Substance Superfund or the Leaking Underground Storage Tank Trust Fund shall be deemed to include (wherever appropriate) a reference to the Environmental Remediation Trust Fund established by such amendments.

#### SEC. 1322. REPEAL OF CERTAIN MOTOR FUEL EXCISE TAXES ON FUEL USED BY RAILROADS AND ON INLAND WATERWAY TRANSPORTATION.

(a) REPEAL OF LEAKING UNDERGROUND STORAGE TANK TRUST FUND TAXES ON FUEL USED IN TRAINS.—

(1) IN GENERAL.—Paragraph (1) of section 4041(d) is amended by adding at the end the following new sentence: “The preceding sentence shall not apply to any sale for use, or use, of fuel in a diesel-powered train.”

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (3) of section 6421(f) is amended by striking “with respect to—” and all that follows through “so much of” and inserting “with respect to so much of”.

(B) Paragraph (3) of section 6427(l) is amended by striking “with respect to—” and all that follows through “so much of” and inserting “with respect to so much of”.

(b) REPEAL OF 4.3-CENT MOTOR FUEL EXCISE TAXES ON RAILROADS AND INLAND WATERWAY TRANSPORTATION WHICH REMAIN IN GENERAL FUND.—

(1) TAXES ON TRAINS.—

(A) IN GENERAL.—Subparagraph (A) of section 4041(a)(1) is amended by striking “or a diesel-powered train” each place it appears and by striking “or train”.

(B) CONFORMING AMENDMENTS.—

(i) Subparagraph (C) of section 4041(a)(1) is amended by striking clause (ii) and by redesignating clause (iii) as clause (ii).

(ii) Subparagraph (C) of section 4041(b)(1) is amended by striking all that follows “section 6421(e)(2)” and inserting a period.

(iii) Paragraph (3) of section 4083(a) is amended by striking “or a diesel-powered train”.

(iv) Section 6421(f) is amended by striking paragraph (3).

(v) Section 6427(l) is amended by striking paragraph (3).

(2) FUEL USED ON INLAND WATERWAYS.—

(A) IN GENERAL.—Paragraph (1) of section 4042(b) is amended by adding “and” at the end of subparagraph (A), by striking “, and” at the end of subparagraph (B) and inserting a period, and by striking subparagraph (C).

(B) CONFORMING AMENDMENT.—Paragraph (2) of section 4042(b) is amended by striking subparagraph (C).

(c) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 1999 (October 1, 2003, in the case of the amendments made by subsection (b)), but shall not take effect if section 1321 does not take effect.

#### SEC. 1323. REPEAL OF EXCISE TAX ON FISHING TACKLE BOXES.

(a) IN GENERAL.—Paragraph (6) of section 4162(a) (defining sport fishing equipment) is amended by striking subparagraph (C) and by redesignating subparagraphs (D) through (J) as subparagraphs (C) through (I), respectively.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to articles sold by the manufacturer, producer, or importer more than 30 days after the date of the enactment of this Act.

#### Subtitle D—Other Provisions

#### SEC. 1331. INCREASE IN VOLUME CAP ON PRIVATE ACTIVITY BONDS.

(a) IN GENERAL.—Subsection (d) of section 146 (relating to volume cap) is amended by striking paragraph (2), by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and by striking paragraph (1) and inserting the following new paragraph:

“(1) IN GENERAL.—The State ceiling applicable to any State for any calendar year shall be the greater of—

“(A) an amount equal to \$75 multiplied by the State population, or

“(B) \$225,000,000.

Subparagraph (B) shall not apply to any possession of the United States.”.

(b) CONFORMING AMENDMENT.—Sections 25(f)(3) and 42(h)(3)(E)(iii) are each amended by striking “section 146(d)(3)(C)” and inserting “section 146(d)(2)(C)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 1999.

#### SEC. 1332. TAX TREATMENT OF ALASKA NATIVE SETTLEMENT TRUSTS.

(a) IN GENERAL.—Subpart A of part I of subchapter J of chapter 1 (relating to general rules for taxation of trusts and estates) is amended by adding at the end the following new section:

#### “SEC. 646. ELECTING ALASKA NATIVE SETTLEMENT TRUSTS.

“(a) IN GENERAL.—Except as otherwise provided in this section, the provisions of this subchapter and section 1(e) shall apply to all Settlement Trusts.

“(b) BENEFICIARIES OF ELECTING TRUST NOT TAXED ON CONTRIBUTIONS.—

“(1) IN GENERAL.—In the case of a Settlement Trust for which an election under paragraph (2) is in effect for any taxable year, no amount shall be includible in the gross income of a beneficiary of the Settlement Trust by reason of a contribution to the Settlement Trust made during such taxable year.

“(2) ONE-TIME ELECTION.—

“(A) IN GENERAL.—A Settlement Trust may elect to have the provisions of this section apply to the trust and its beneficiaries.

“(B) TIME AND METHOD OF ELECTION.—An election under subparagraph (A) shall be made—

“(i) before the due date (including extensions) for filing the Settlement Trust’s return of tax for the 1st taxable year of the Settlement Trust ending after December 31, 1999, and

“(ii) by attaching to such return of tax a statement specifically providing for such election.

“(C) PERIOD ELECTION IN EFFECT.—Except as provided in paragraph (3), an election under subparagraph (A)—

“(i) shall apply to the 1st taxable year described in subparagraph (B)(i) and all subsequent taxable years, and

“(ii) may not be revoked once it is made.

“(c) SPECIAL RULES WHERE TRANSFER RESTRICTIONS MODIFIED.—

“(1) TRANSFER OF BENEFICIAL INTERESTS.—If, at any time, a beneficial interest in a Settlement Trust may be disposed of to a person in a manner which would not be permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)) if the interest were Settlement Common Stock—

“(A) no election may be made under subsection (b)(2) with respect to such trust, and

“(B) if such an election is in effect as of such time, such election shall cease to apply for purposes of subsection (b)(1) as of the 1st day of the taxable year following the taxable year in which such disposition is first permitted.

“(2) STOCK IN CORPORATION.—If—

“(A) the Settlement Common Stock in any Native Corporation which transferred assets to a Settlement Trust making an election under subsection (b)(2) may be disposed of to a person in a manner not permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)), and

“(B) at any time after such disposition of stock is first permitted, such corporation transfers assets to such trust, subparagraph (B) of paragraph (1) shall be applied to such trust on and after the date of the transfer in the same manner as if the trust permitted dispositions of beneficial interests in the trust in a manner not permitted by such section 7(h).

“(c) TAX TREATMENT OF DISTRIBUTIONS TO BENEFICIARIES.—

“(1) IN GENERAL.—In the case of a Settlement Trust for which an election under subsection (b)(2) is in effect for any taxable year, any distribution to a beneficiary shall be included in gross income of the beneficiary as ordinary income to the extent such distribution reduces the earnings and profits of any Native Corporation making a contribution to such Trust.

“(2) EARNINGS AND PROFITS.—The earnings and profits of any Native Corporation making a contribution to a Settlement Trust shall not be reduced on account thereof at the time of such contribution, but such earnings and profits shall be reduced (up to the amount of such contribution) as distributions are thereafter made by the Settlement Trust which exceed the sum of—

“(A) such Trust’s total undistributed net income for all prior years during which an election under subsection (b)(2) is in effect, and

“(B) such Trust’s distributable net income.

“(d) DEFINITIONS.—For purposes of this section—

“(1) NATIVE CORPORATION.—The term ‘Native Corporation’ has the meaning given such term by section 3(m) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)).

“(2) SETTLEMENT TRUST.—The term ‘Settlement Trust’ means a trust which constitutes a Settlement Trust under section 39 of the

Alaska Native Claims Settlement Act (43 U.S.C. 1629e).”

(b) WITHHOLDING ON DISTRIBUTIONS BY ELECTING ANCSA SETTLEMENT TRUSTS.—Section 3402 is amended by adding at the end the following new subsection:

“(t) TAX WITHHOLDING ON DISTRIBUTIONS BY ELECTING ANCSA SETTLEMENT TRUSTS.—

“(1) IN GENERAL.—Any Settlement Trust (as defined in section 646(d)) for which an election under section 646(b)(2) is in effect (in this subsection referred to as an ‘electing trust’) and which makes a payment to any beneficiary which is includable in gross income under section 646(c) shall deduct and withhold from such payment a tax in an amount equal to such payment’s proportionate share of the annualized tax.

“(2) EXCEPTION.—The tax imposed by paragraph (1) shall not apply to any payment to the extent that such payment, when annualized, does not exceed an amount equal to the amount in effect under section 6012(a)(1)(A)(i) for taxable years beginning in the calendar year in which the payment is made.

“(3) ANNUALIZED TAX.—For purposes of paragraph (1), the term ‘annualized tax’ means, with respect to any payment, the amount of tax which would be imposed by section 1(c) (determined without regard to any rate of tax in excess of 31 percent) on an amount of taxable income equal to the excess of—

“(A) the annualized amount of such payment, over

“(B) the amount determined under paragraph (2).

“(4) ANNUALIZATION.—For purposes of this subsection, amounts shall be annualized in the manner prescribed by the Secretary.

“(5) ALTERNATE WITHHOLDING PROCEDURES.—At the election of an electing trust, the tax imposed by this subsection on any payment made by such trust shall be determined in accordance with such tables or computational procedures as may be specified in regulations prescribed by the Secretary (in lieu of in accordance with paragraphs (2) and (3)).

“(6) COORDINATION WITH OTHER SECTIONS.—For purposes of this chapter and so much of subtitle F as relates to this chapter, payments which are subject to withholding under this subsection shall be treated as if they were wages paid by an employer to an employee.”

(c) REPORTING.—Section 6041 is amended by adding at the end the following new subsection:

“(f) APPLICATION TO ALASKA NATIVE SETTLEMENT TRUSTS.—In the case of any distribution from a Settlement Trust (as defined in section 646(d)) to a beneficiary which is includable in gross income under section 646(c), this section shall apply, except that—

“(1) this section shall apply to such distribution without regard to the amount thereof,

“(2) the Settlement Trust shall include on any return or statement required by this section information as to the character of such distribution (if applicable) and the amount of tax imposed by chapter 1 which has been deducted and withheld from such distribution, and

“(3) the filing of any return or statement required by this section shall satisfy any requirement to file any other form or schedule under this title with respect to distributive share information (including any form or schedule to be included with the trust’s tax return).”

(d) CLERICAL AMENDMENT.—The table of sections for subpart A of part I of subchapter

J of chapter 1 is amended by adding at the end the following new item:

“Sec. 646. Electing Alaska Native Settlement Trusts.”

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of Settlement Trusts ending after December 31, 1999, and to contributions to such trusts after such date.

#### SEC. 1333. INCREASE IN THRESHOLD FOR JOINT COMMITTEE REPORTS ON REFUNDS AND CREDITS.

(a) GENERAL RULE.—Subsections (a) and (b) of section 6405 are each amended by striking “\$1,000,000” and inserting “\$2,000,000”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act, except that such amendment shall not apply with respect to any refund or credit with respect to a report that has been made before such date of enactment under section 6405 of the Internal Revenue Code of 1986.

#### Subtitle E—Tax Court Provisions

#### SEC. 1341. TAX COURT FILING FEE IN ALL CASES COMMENCED BY FILING PETITION.

(a) IN GENERAL.—Section 7451 (relating to fee for filing a Tax Court petition) is amended by striking all that follows “petition” and inserting a period.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

#### SEC. 1342. EXPANDED USE OF TAX COURT PRACTICE FEE.

Subsection (b) of section 7475 (relating to use of fees) is amended by inserting before the period at the end “and to provide services to pro se taxpayers”.

#### SEC. 1343. CONFIRMATION OF AUTHORITY OF TAX COURT TO APPLY DOCTRINE OF EQUITABLE RECOUPMENT.

(a) CONFIRMATION OF AUTHORITY OF TAX COURT TO APPLY DOCTRINE OF EQUITABLE RECOUPMENT.—Subsection (b) of section 6214 (relating to jurisdiction over other years and quarters) is amended by adding at the end the following new sentence: “Notwithstanding the preceding sentence, the Tax Court may apply the doctrine of equitable recoupment to the same extent that it is available in civil tax cases before the district courts of the United States and the United States Court of Federal Claims.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to any action or proceeding in the Tax Court with respect to which a decision has not become final (as determined under section 7481 of the Internal Revenue Code of 1986) as of the date of the enactment of this Act.

#### TITLE XIV—EXTENSIONS OF EXPIRING PROVISIONS

#### SEC. 1401. RESEARCH CREDIT.

(a) EXTENSION.—

(1) IN GENERAL.—Paragraph (1) of section 41(h) (relating to termination) is amended—

(A) by striking “June 30, 1999” and inserting “June 30, 2004”, and

(B) by striking the material following subparagraph (B).

(2) TECHNICAL AMENDMENT.—Subparagraph (D) of section 45C(b)(1) is amended by striking “June 30, 1999” and inserting “June 30, 2004”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1999.

#### (b) INCREASE IN PERCENTAGES UNDER ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) is amended—

(A) by striking “1.65 percent” and inserting “2.65 percent”,

(B) by striking “2.2 percent” and inserting “3.2 percent”, and

(C) by striking “2.75 percent” and inserting “3.75 percent”.

(2) **EFFECTIVE DATE.**—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1999.

**SEC. 1402. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.**

(a) **IN GENERAL.**—Sections 953(e)(10) and 954(h)(9) are each amended—

(1) by striking “the first taxable year” and inserting “taxable years”, and

(2) by striking “January 1, 2000” and inserting “January 1, 2005”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 1403. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR MARGINAL PRODUCTION.**

(a) **IN GENERAL.**—Subparagraph (H) of section 613A(c)(6) is amended by striking “January 1, 2000” and inserting “January 1, 2005”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 1404. WORK OPPORTUNITY CREDIT AND WELFARE-TO-WORK CREDIT.**

(a) **TEMPORARY EXTENSION.**—Sections 51(c)(4)(B) and 51A(f) (relating to termination) are each amended by striking “June 30, 1999” and inserting “June 30, 2001”.

(b) **CLARIFICATION OF FIRST YEAR OF EMPLOYMENT.**—Paragraph (2) of section 51(i) is amended by striking “during which he was not a member of a targeted group”.

(c) **ELECTRONIC FILING OF CERTIFICATION.**—Not later than July 1, 2001, the Secretary of the Treasury or the Secretary’s delegate shall provide an electronic format by which employers may submit requests to designated local agencies (as defined in section 51(d)(11) of the Internal Revenue Code of 1986) for certifications that individuals are members of targeted groups for purposes of section 51 of such Code.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to individuals who begin work for the employer after June 30, 1999.

**TITLE XV—REVENUE OFFSETS**

**SEC. 1501. RETURNS RELATING TO CANCELLATIONS OF INDEBTEDNESS BY ORGANIZATIONS LENDING MONEY.**

(a) **IN GENERAL.**—Paragraph (2) of section 6050P(c) (relating to definitions and special rules) is amended by striking “and” at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting “, and”, and by inserting after subparagraph (C) the following new subparagraph:

“(D) any organization a significant trade or business of which is the lending of money.”

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to discharges of indebtedness after December 31, 1999.

**SEC. 1502. EXTENSION OF INTERNAL REVENUE SERVICE USER FEES.**

(a) **IN GENERAL.**—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

**“SEC. 7527. INTERNAL REVENUE SERVICE USER FEES.**

“(a) **GENERAL RULE.**—The Secretary shall establish a program requiring the payment of user fees for—

“(1) requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters, and

“(2) other similar requests.

“(b) **PROGRAM CRITERIA.**—

“(1) **IN GENERAL.**—The fees charged under the program required by subsection (a)—

“(A) shall vary according to categories (or subcategories) established by the Secretary,

“(B) shall be determined after taking into account the average time for (and difficulty of) complying with requests in each category (and subcategory), and

“(C) shall be payable in advance.

“(2) **EXEMPTIONS, ETC.**—The Secretary shall provide for such exemptions (and reduced fees) under such program as the Secretary determines to be appropriate.

“(3) **AVERAGE FEE REQUIREMENT.**—The average fee charged under the program required by subsection (a) shall not be less than the amount determined under the following table:

“Category	Average Fee
Employee plan ruling and opinion ..	\$250
Exempt organization ruling .....	\$350
Employee plan determination .....	\$300
Exempt organization determina-	\$275
tion.	
Chief counsel ruling .....	\$200.

“(c) **TERMINATION.**—No fee shall be imposed under this section with respect to requests made after September 30, 2007.”

(b) **CONFORMING AMENDMENTS.**—

(1) The table of sections for chapter 77 is amended by adding at the end the following new item:

“Sec. 7527. Internal Revenue Service user fees.”

(2) Section 10511 of the Revenue Act of 1987 is repealed.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to requests made after the date of the enactment of this Act.

**SEC. 1503. LIMITATIONS ON WELFARE BENEFIT FUNDS OF 10 OR MORE EMPLOYER PLANS.**

(a) **BENEFITS TO WHICH EXCEPTION APPLIES.**—Section 419A(f)(6)(A) (relating to exception for 10 or more employer plans) is amended to read as follows:

“(A) **IN GENERAL.**—This subpart shall not apply to a welfare benefit fund which is part of a 10 or more employer plan if the only benefits provided through the fund are 1 or more of the following:

“(i) Medical benefits.

“(ii) Disability benefits.

“(iii) Group term life insurance benefits which do not provide for any cash surrender value or other money that can be paid, assigned, borrowed, or pledged for collateral for a loan.

The preceding sentence shall not apply to any plan which maintains experience-rating arrangements with respect to individual employers.”

(b) **LIMITATION ON USE OF AMOUNTS FOR OTHER PURPOSES.**—Section 4976(b) (defining disqualified benefit) is amended by adding at the end the following new paragraph:

“(5) **SPECIAL RULE FOR 10 OR MORE EMPLOYER PLANS EXEMPTED FROM PREFUNDING LIMITS.**—For purposes of paragraph (1)(C), if—

“(A) subpart D of part I of subchapter D of chapter 1 does not apply by reason of section 419A(f)(6) to contributions to provide 1 or more welfare benefits through a welfare benefit fund under a 10 or more employer plan, and

“(B) any portion of the welfare benefit fund attributable to such contributions is used for a purpose other than that for which the contributions were made,

then such portion shall be treated as reverting to the benefit of the employers maintaining the fund.”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to contributions paid or accrued after June 9, 1999, in taxable years ending after such date.

**SEC. 1504. INCREASE IN ELECTIVE WITHHOLDING RATE FOR NONPERIODIC DISTRIBUTIONS FROM DEFERRED COMPENSATION PLANS.**

(a) **IN GENERAL.**—Section 3405(b)(1) (relating to withholding) is amended by striking “10 percent” and inserting “15 percent”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to distributions after December 31, 1999.

**SEC. 1505. CONTROLLED ENTITIES INELIGIBLE FOR REIT STATUS.**

(a) **IN GENERAL.**—Subsection (a) of section 856 (relating to definition of real estate investment trust) is amended by striking “and” at the end of paragraph (6), by redesignating paragraph (7) as paragraph (8), and by inserting after paragraph (6) the following new paragraph:

“(7) which is not a controlled entity (as defined in subsection (1)); and”.

(b) **CONTROLLED ENTITY.**—Section 856 is amended by adding at the end the following new subsection:

“(1) **CONTROLLED ENTITY.**—

“(1) **IN GENERAL.**—For purposes of subsection (a)(7), an entity is a controlled entity if, at any time during the taxable year, one person (other than a qualified entity)—

“(A) in the case of a corporation, owns stock—

“(i) possessing at least 50 percent of the total voting power of the stock of such corporation, or

“(ii) having a value equal to at least 50 percent of the total value of the stock of such corporation,

“(B) in the case of a partnership, owns at least 50 percent of the capital or profits interests in the partnership, or

“(C) in the case of a trust, owns at least 50 percent of the beneficial interests in the trust.

“(2) **QUALIFIED ENTITY.**—For purposes of paragraph (1), the term ‘qualified entity’ means—

“(A) any real estate investment trust, and

“(B) any partnership in which one real estate investment trust owns at least 50 percent of the capital and profits interests in the partnership.

“(3) **ATTRIBUTION RULES.**—For purposes of this paragraphs (1) and (2)—

“(A) **IN GENERAL.**—Rules similar to the rules of subsections (d)(5) and (h)(3) shall apply.

“(B) **STAPLED ENTITIES.**—A group of entities which are stapled entities (as defined in section 269B(c)(2)) shall be treated as 1 person.

“(4) **EXCEPTION FOR CERTAIN NEW REITS.**—

“(A) **IN GENERAL.**—The term ‘controlled entity’ shall not include an incubator REIT.

“(B) **INCUBATOR REIT.**—A corporation shall be treated as an incubator REIT for any taxable year during the eligibility period if it meets all the following requirements for such year:

“(i) The corporation elects to be treated as an incubator REIT.

“(ii) The corporation has only voting common stock outstanding.

“(iii) Not more than 50 percent of the corporation’s real estate assets consist of mortgages.

“(iv) From not later than the beginning of the last half of the second taxable year, at least 10 percent of the corporation’s capital is provided by lenders or equity investors who are unrelated to the corporation’s largest shareholder.

“(v) The directors of the corporation adopt a resolution setting forth an intent to engage in a going public transaction.

No election may be made with respect to any REIT if an election under this subsection was in effect for any predecessor of such REIT.

“(C) ELIGIBILITY PERIOD.—The eligibility period (for which an incubator REIT election can be made) begins with the REIT's second taxable year and ends at the close of the REIT's third taxable year, but, subject to the following rules, it may be extended for an additional 2 taxable years if the REIT so elects:

“(i) A REIT cannot elect to extend the eligibility period unless it agrees that, if it does not engage in a going public transaction by the end of the extended eligibility period, it shall pay Federal income taxes for the 2 years of the extended eligibility period as if it had not made an incubator REIT election and had ceased to qualify as a REIT for those 2 taxable years.

“(ii) In the event the corporation ceases to be treated as a REIT by operation of clause (i), the corporation shall file any appropriate amended returns reflecting the change in status within 3 months of the close of the extended eligibility period. Interest would be payable but, unless there was a finding under subparagraph (D), no substantial underpayment penalties shall be imposed. The corporation shall, at the same time, also notify its shareholders and any other persons whose tax position is, or may reasonably be expected to be, affected by the change in status so they also may file any appropriate amended returns to conform their tax treatment consistent with the corporation's loss of REIT status. The Secretary shall provide appropriate regulations setting forth transferee liability and other provisions to ensure collection of tax and the proper administration of this provision.

“(iii) Clause (i) and (ii) shall not apply if the corporation allows its incubator REIT status to lapse at the end of the initial 2-year eligibility period without engaging in a going public transaction, provided the corporation satisfies the requirements of the closely-held test commencing with its fourth taxable year. In such a case, the corporation's directors may still be liable for the penalties described in subparagraph (D) during the eligibility period.

“(D) SPECIAL PENALTIES.—If the Secretary determines that an incubator REIT election was filed for a principal purpose other than as part of a reasonable plan to undertake a going public transaction, an excise tax of \$20,000 would be imposed on each of the corporation's directors for each taxable year for which an election was in effect.

“(E) GOING PUBLIC TRANSACTION.—For purposes of this paragraph, a going public transaction means—

“(i) a public offering of shares of the stock of the incubator REIT;

“(ii) a transaction, or series of transactions, that results in the stock of the incubator REIT being regularly traded on an established securities market and that results in at least 50 percent of such stock being held by shareholders who are unrelated to persons who held such stock before it began to be so regularly traded; or

“(iii) any transaction resulting in ownership of the REIT by 200 or more persons (excluding the largest single shareholder) who in the aggregate own at least 50 percent of the stock of the REIT.

For the purposes of this subparagraph, the rules of section 318 shall apply in determining the ownership of stock.

“(F) DEFINITIONS.—The term “established securities market” shall have the meaning set forth in the regulations under section 897.”

(c) CONFORMING AMENDMENT.—Paragraph (2) of section 856(h) is amended by striking “and (6)” each place it appears and inserting “, (6), and (7)”.  
(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after July 12, 1999.

(2) EXCEPTION FOR EXISTING CONTROLLED ENTITIES.—The amendments made by this section shall not apply to any entity which is a controlled entity (as defined in section 856(1) of the Internal Revenue Code of 1986, as added by this section) as of July 12, 1999, and which has significant business assets or activities as of such date.

#### SEC. 1506. TREATMENT OF GAIN FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

(a) IN GENERAL.—Part IV of subchapter P of chapter 1 (relating to special rules for determining capital gains and losses) is amended by inserting after section 1259 the following new section:

##### “SEC. 1260. GAINS FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

“(a) IN GENERAL.—If the taxpayer has gain from a constructive ownership transaction with respect to any financial asset and such gain would (without regard to this section) be treated as a long-term capital gain—

“(1) such gain shall be treated as ordinary income to the extent that such gain exceeds the net underlying long-term capital gain, and

“(2) to the extent such gain is treated as a long-term capital gain after the application of paragraph (1), the determination of the capital gain rate (or rates) applicable to such gain under section 1(h) shall be determined on the basis of the respective rate (or rates) that would have been applicable to the net underlying long-term capital gain.

“(b) INTEREST CHARGE ON DEFERRAL OF GAIN RECOGNITION.—

“(1) IN GENERAL.—If any gain is treated as ordinary income for any taxable year by reason of subsection (a)(1), the tax imposed by this chapter for such taxable year shall be increased by the amount of interest determined under paragraph (2) with respect to each prior taxable year during any portion of which the constructive ownership transaction was open. Any amount payable under this paragraph shall be taken into account in computing the amount of any deduction allowable to the taxpayer for interest paid or accrued during such taxable year.

“(2) AMOUNT OF INTEREST.—The amount of interest determined under this paragraph with respect to a prior taxable year is the amount of interest which would have been imposed under section 6601 on the underpayment of tax for such year which would have resulted if the gain (which is treated as ordinary income by reason of subsection (a)(1)) had been included in gross income in the taxable years in which it accrued (determined by treating the income as accruing at a constant rate equal to the applicable Federal rate as in effect on the day the transaction closed). The period during which such interest shall accrue shall end on the due date (without extensions) for the return of tax imposed by this chapter for the taxable year in which such transaction closed.

“(3) APPLICABLE FEDERAL RATE.—For purposes of paragraph (2), the applicable Federal rate is the applicable Federal rate determined under 1274(d) (compounded semiannu-

ally) which would apply to a debt instrument with a term equal to the period the transaction was open.

“(4) NO CREDITS AGAINST INCREASE IN TAX.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining—

“(A) the amount of any credit allowable under this chapter, or

“(B) the amount of the tax imposed by section 55.

“(c) FINANCIAL ASSET.—For purposes of this section—

“(1) IN GENERAL.—The term ‘financial asset’ means—

“(A) any equity interest in any pass-thru entity, and

“(B) to the extent provided in regulations—

“(i) any debt instrument, and

“(ii) any stock in a corporation which is not a pass-thru entity.

“(2) PASS-THRU ENTITY.—For purposes of paragraph (1), the term ‘pass-thru entity’ means—

“(A) a regulated investment company,

“(B) a real estate investment trust,

“(C) an S corporation,

“(D) a partnership,

“(E) a trust,

“(F) a common trust fund,

“(G) a passive foreign investment company (as defined in section 1297),

“(H) a foreign personal holding company, and

“(I) a foreign investment company (as defined in section 1246(b)).

“(d) CONSTRUCTIVE OWNERSHIP TRANSACTION.—For purposes of this section—

“(1) IN GENERAL.—The taxpayer shall be treated as having entered into a constructive ownership transaction with respect to any financial asset if the taxpayer—

“(A) holds a long position under a notional principal contract with respect to the financial asset,

“(B) enters into a forward or futures contract to acquire the financial asset,

“(C) is the holder of a call option, and is the grantor of a put option, with respect to the financial asset and such options have substantially equal strike prices and substantially contemporaneous maturity dates, or

“(D) to the extent provided in regulations prescribed by the Secretary, enters into 1 or more other transactions (or acquires 1 or more positions) that have substantially the same effect as a transaction described in any of the preceding subparagraphs.

“(2) EXCEPTION FOR POSITIONS WHICH ARE MARKED TO MARKET.—This section shall not apply to any constructive ownership transaction if all of the positions which are part of such transaction are marked to market under any provision of this title or the regulations thereunder.

“(3) LONG POSITION UNDER NOTIONAL PRINCIPAL CONTRACT.—A person shall be treated as holding a long position under a notional principal contract with respect to any financial asset if such person—

“(A) has the right to be paid (or receive credit for) all or substantially all of the investment yield (including appreciation) on such financial asset for a specified period, and

“(B) is obligated to reimburse (or provide credit for) all or substantially all of any decline in the value of such financial asset.

“(4) FORWARD CONTRACT.—The term ‘forward contract’ means any contract to acquire in the future (or provide or receive credit for the future value of) any financial asset.

“(e) NET UNDERLYING LONG-TERM CAPITAL GAIN.—For purposes of this section, in the case of any constructive ownership transaction with respect to any financial asset, the term ‘net underlying long-term capital gain’ means the aggregate net capital gain that the taxpayer would have had if—

“(1) the financial asset had been acquired for fair market value on the date such transaction was opened and sold for fair market value on the date such transaction was closed, and

“(2) only gains and losses that would have resulted from the deemed ownership under paragraph (1) were taken into account. The amount of the net underlying long-term capital gain with respect to any financial asset shall be treated as zero unless the amount thereof is established by clear and convincing evidence.

“(f) SPECIAL RULE WHERE TAXPAYER TAKES DELIVERY.—Except as provided in regulations prescribed by the Secretary, if a constructive ownership transaction is closed by reason of taking delivery, this section shall be applied as if the taxpayer had sold all the contracts, options, or other positions which are part of such transaction for fair market value on the closing date. The amount of gain recognized under the preceding sentence shall not exceed the amount of gain treated as ordinary income under subsection (a). Proper adjustments shall be made in the amount of any gain or loss subsequently realized for gain recognized and treated as ordinary income under this subsection.

“(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

“(1) to permit taxpayers to mark to market constructive ownership transactions in lieu of applying this section, and

“(2) to exclude certain forward contracts which do not convey substantially all of the economic return with respect to a financial asset.”

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 is amended by adding at the end the following new item:

“Sec. 1260. Gains from constructive ownership transactions.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after July 11, 1999.

#### SEC. 1507. TRANSFER OF EXCESS DEFINED BENEFIT PLAN ASSETS FOR RETIREE HEALTH BENEFITS.

(a) EXTENSION.—Paragraph (5) of section 420(b) (relating to expiration) is amended by striking “in any taxable year beginning after December 31, 2000” and inserting “made after September 30, 2009”.

(b) APPLICATION OF MINIMUM COST REQUIREMENTS.—

(1) IN GENERAL.—Paragraph (3) of section 420(c) is amended to read as follows:

“(3) MINIMUM COST REQUIREMENTS.—

“(A) IN GENERAL.—The requirements of this paragraph are met if each group health plan or arrangement under which applicable health benefits are provided provides that the applicable employer cost for each taxable year during the cost maintenance period shall not be less than the higher of the applicable employer costs for each of the 2 taxable years immediately preceding the taxable year of the qualified transfer.

“(B) APPLICABLE EMPLOYER COST.—For purposes of this paragraph, the term ‘applicable employer cost’ means, with respect to any taxable year, the amount determined by dividing—

“(i) the qualified current retiree health liabilities of the employer for such taxable year determined—

“(I) without regard to any reduction under subsection (e)(1)(B), and

“(II) in the case of a taxable year in which there was no qualified transfer, in the same manner as if there had been such a transfer at the end of the taxable year, by

“(ii) the number of individuals to whom coverage for applicable health benefits was provided during such taxable year.

“(C) ELECTION TO COMPUTE COST SEPARATELY.—An employer may elect to have this paragraph applied separately with respect to individuals eligible for benefits under title XVIII of the Social Security Act at any time during the taxable year and with respect to individuals not so eligible.

“(D) COST MAINTENANCE PERIOD.—For purposes of this paragraph, the term ‘cost maintenance period’ means the period of 5 taxable years beginning with the taxable year in which the qualified transfer occurs. If a taxable year is in 2 or more overlapping cost maintenance periods, this paragraph shall be applied by taking into account the highest applicable employer cost required to be provided under subparagraph (A) for such taxable year.”

(2) CONFORMING AMENDMENTS.—

(A) Clause (iii) of section 420(b)(1)(C) is amended by striking “benefits” and inserting “cost”.

(B) Subparagraph (D) of section 420(e)(1) is amended by striking “and shall not be subject to the minimum benefit requirements of subsection (c)(3)” and inserting “or in calculating applicable employer cost under subsection (c)(3)(B)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to qualified transfers occurring after the date of the enactment of this Act.

#### SEC. 1508. MODIFICATION OF INSTALLMENT METHOD AND REPEAL OF INSTALLMENT METHOD FOR ACCRUAL METHOD TAXPAYERS.

(a) REPEAL OF INSTALLMENT METHOD FOR ACCRUAL BASIS TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 453 (relating to installment method) is amended to read as follows:

“(a) USE OF INSTALLMENT METHOD.—

“(1) IN GENERAL.—Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this title under the installment method.

“(2) ACCRUAL METHOD TAXPAYER.—The installment method shall not apply to income from an installment sale if such income would be reported under an accrual method of accounting without regard to this section. The preceding sentence shall not apply to a disposition described in subparagraph (A) or (B) of subsection (1)(2).”

(2) CONFORMING AMENDMENTS.—Sections 453(d)(1), 453(i)(1), and 453(k) are each amended by striking “(a)” each place it appears and inserting “(a)(1)”.

(b) MODIFICATION OF PLEDGE RULES.—Paragraph (4) of section 453A(d) (relating to pledges, etc., of installment obligations) is amended by adding at the end the following: “A payment shall be treated as directly secured by an interest in an installment obligation to the extent an arrangement allows the taxpayer to satisfy all or a portion of the indebtedness with the installment obligation.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or other dispositions occurring on or after the date of the enactment of this Act.

#### TITLE XVI—TECHNICAL CORRECTIONS

##### SEC. 1601. AMENDMENTS RELATED TO TAX AND TRADE RELIEF EXTENSION ACT OF 1998.

(a) AMENDMENT RELATED TO SECTION 1004(b) OF THE ACT.—Subsection (d) of section 6104 is amended by adding at the end the following new paragraph:

“(6) APPLICATION TO NONEXEMPT CHARITABLE TRUSTS AND NONEXEMPT PRIVATE FOUNDATIONS.—The organizations referred to in paragraphs (1) and (2) of section 6033(d) shall comply with the requirements of this subsection relating to annual returns filed under section 6033 in the same manner as the organizations referred to in paragraph (1).”

(b) AMENDMENTS RELATED TO SECTION 4003 OF THE ACT.—

(1) Subsection (b) of section 4003 of the Tax and Trade Relief Extension Act of 1998 is amended by inserting “(7)(A)(i)(II),” after “(5)(A)(ii)(I).”

(2) Subparagraph (A) of section 9510(c)(1) is amended by striking “August 5, 1997” and inserting “October 21, 1998”.

(c) VACCINE TAX AND TRUST FUND.—Sections 1503 and 1504 of the Vaccine Injury Compensation Program Modification Act (and the amendments made by such sections) are hereby repealed.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Tax and Trade Relief Extension Act of 1998 to which they relate.

##### SEC. 1602. AMENDMENTS RELATED TO INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998.

(a) AMENDMENT RELATED TO 1103 OF THE ACT.—Paragraph (6) of section 6103(k) is amended—

(1) by inserting “and an officer or employee of the Office of Treasury Inspector General for Tax Administration” after “internal revenue officer or employee”, and

(2) by striking “INTERNAL REVENUE” in the heading and inserting “CERTAIN”.

(b) AMENDMENT RELATED TO SECTION 3509 OF THE ACT.—Subparagraph (A) of section 6110(g)(5) is amended by inserting “, any Chief Counsel advice,” after “technical advice memorandum”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Internal Revenue Service Restructuring and Reform Act of 1998 to which they relate.

##### SEC. 1603. AMENDMENTS RELATED TO TAXPAYER RELIEF ACT OF 1997.

(a) AMENDMENT RELATED TO SECTION 302 OF THE ACT.—The last sentence of section 3405(e)(1)(B) is amended by inserting “(other than a Roth IRA)” after “individual retirement plan”.

(b) AMENDMENTS RELATED TO SECTION 1072 OF THE ACT.—

(1) Clause (ii) of section 415(c)(3)(D) and subparagraph (B) of section 403(b)(3) are each amended by striking “section 125 or” and inserting “section 125, 132(f)(4), or”.

(2) Paragraph (2) of section 414(s) is amended by striking “section 125, 402(e)(3)” and inserting “section 125, 132(f)(4), 402(e)(3)”.

(c) AMENDMENT RELATED TO SECTION 1454 OF THE ACT.—Subsection (a) of section 7436 is amended by inserting before the period at the end of the first sentence “and the proper amount of employment tax under such determination”.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Taxpayer Relief of 1997 to which they relate.

##### SEC. 1604. OTHER TECHNICAL CORRECTIONS.

(a) AFFILIATED CORPORATIONS IN CONTEXT OF WORTHLESS SECURITIES.—



(1) Subparagraph (A) of section 165(g)(3) is amended to read as follows:

“(A) the taxpayer owns directly stock in such corporation meeting the requirements of section 1504(a)(2), and”.

(2) Paragraph (3) of section 165(g) is amended by striking the last sentence.

(3) The amendments made by this subsection shall apply to taxable years beginning after December 31, 1984.

(b) REFERENCE TO CERTAIN STATE PLANS.—  
(1) Subparagraph (B) of section 51(d)(2) is amended—

(A) by striking “plan approved” and inserting “program funded”, and

(B) by striking “(relating to assistance for needy families with minor children)”.

(2) The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 1201 of the Small Business Job Protection Act of 1996.

(c) AMOUNT OF IRA CONTRIBUTION OF LESSER EARNING SPOUSE.—

(1) Clause (ii) of section 219(c)(1)(B) is amended by striking “and” at the end of subclause (I), by redesignating subclause (II) as subclause (III), and by inserting after subclause (I) the following new subclause:

“(II) the amount of any designated non-deductible contribution (as defined in section 408(o)) on behalf of such spouse for such taxable year, and”.

(2) The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1999.

(d) MODIFIED ENDOWMENT CONTRACTS.—

(1) Paragraph (2) of section 7702A(a) is amended by inserting “or this paragraph” before the period.

(2) Clause (ii) of section 7702A(c)(3)(A) is amended by striking “under the contract” and inserting “under the old contract”.

(3) The amendments made by this subsection shall take effect as if included in the amendments made by section 5012 of the Technical and Miscellaneous Revenue Act of 1988.

(e) LUMP-SUM DISTRIBUTIONS.—

(1) Clause (ii) of section 401(k)(10)(B) is amended by adding at the end the following new sentence: “Such term includes a distribution of an annuity contract from—

“(I) a trust which forms a part of a plan described in section 401(a) and which is exempt from tax under section 501(a), or

“(II) an annuity plan described in section 403(a).”

(2) The amendment made by paragraph (1) shall take effect as if included in section 1401 of the Small Business Job Protection Act of 1996.

(f) TENTATIVE CARRYBACK ADJUSTMENTS OF LOSSES FROM SECTION 1256 CONTRACTS.—

(1) Subsection (a) of section 6411 is amended by striking “section 1212(a)(1)” and inserting “subsection (a)(1) or (c) of section 1212”.

(2) The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 504 of the Economic Recovery Tax Act of 1981.

#### SEC. 1605. CLERICAL CHANGES.

(1) Subsection (f) of section 67 is amended by striking “the last sentence” and inserting “the second sentence”.

(2) The heading for paragraph (5) of section 408(d) is amended to read as follows:

“(5) DISTRIBUTIONS OF EXCESS CONTRIBUTIONS AFTER DUE DATE FOR TAXABLE YEAR AND CERTAIN EXCESS ROLLOVER CONTRIBUTIONS.—”.

(3) The heading for subparagraph (B) of section 529(e)(3) is amended by striking “UNDER GUARANTEED PLANS”.

(4)(A) Subsection (e) of section 678 is amended by striking “an electing small busi-

ness corporation” and inserting “an S corporation”.

(B) Clause (v) of section 6103(e)(1)(D) is amended to read as follows:

“(v) if the corporation was an S corporation, any person who was a shareholder during any part of the period covered by such return during which an election under section 1362(a) was in effect, or”.

(5) Subparagraph (B) of section 995(b)(3) is amended by striking “the Military Security Act of 1954 (22 U.S.C. 1934)” and inserting “section 38 of the International Security Assistance and Arms Export Control Act of 1976 (22 U.S.C. 2778)”.

(6) Subparagraph (B) of section 4946(c)(3) is amended by striking “the lowest rate of compensation prescribed for GS-16 of the General Schedule under section 5332” and inserting “the lowest rate of basic pay for the Senior Executive Service under section 5382”.

The SPEAKER pro tempore. The amendment printed in the bill, modified by the amendments printed in section 3 of House Resolution 256, is adopted.

The text of the committee amendment in the nature of a substitute, as modified, is as follows:

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*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the “Financial Freedom Act of 1999”.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(d) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; etc.

#### TITLE I—BROAD-BASED TAX RELIEF

##### Subtitle A—10-Percent Reduction in Individual Income Tax Rates

Sec. 101. 10-percent reduction in individual income tax rates.

##### Subtitle B—Marriage Penalty Tax Relief

Sec. 111. Elimination of marriage penalty in standard deduction.

Sec. 112. Elimination of marriage penalty in deduction for interest on education loans.

Sec. 113. Rollover from regular IRA to Roth IRA.

##### Subtitle C—Repeal of Alternative Minimum Tax on Individuals

Sec. 121. Repeal of alternative minimum tax on individuals.

#### TITLE II—RELIEF FROM TAXATION ON SAVINGS AND INVESTMENTS

Sec. 201. Exemption of certain interest and dividend income from tax.

Sec. 202. Reduction in individual capital gain tax rates.

Sec. 203. Capital gains tax rates applied to capital gains of designated settlement funds.

Sec. 204. Special rule for members of uniformed services and foreign service, and other employees, in determining exclusion of gain from sale of principal residence.

Sec. 205. Treatment of certain dealer derivative financial instruments, hedging transactions, and supplies as ordinary assets.

Sec. 206. Worthless securities of financial institutions.

#### TITLE III—INCENTIVES FOR BUSINESS INVESTMENT AND JOB CREATION

Sec. 301. Reduction in corporate capital gain tax rate.

Sec. 302. Repeal of alternative minimum tax on corporations.

#### TITLE IV—EDUCATION SAVINGS INCENTIVES

Sec. 401. Modifications to education individual retirement accounts.

Sec. 402. Modifications to qualified tuition programs.

Sec. 403. Exclusion of certain amounts received under the National Health Service Corps scholarship program, the F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program, and certain other programs.

Sec. 404. Additional increase in arbitrage rebate exception for governmental bonds used to finance educational facilities.

Sec. 405. Modification of arbitrage rebate rules applicable to public school construction bonds.

Sec. 406. Repeal of 60-month limitation on deduction for interest on education loans.

#### TITLE V—HEALTH CARE PROVISIONS

Sec. 501. Deduction for health and long-term care insurance costs of individuals not participating in employer-subsidized health plans.

Sec. 502. Long-term care insurance permitted to be offered under cafeteria plans and flexible spending arrangements.

Sec. 503. Expansion of availability of medical savings accounts.

Sec. 504. Additional personal exemption for taxpayer caring for elderly family member in taxpayer's home.

Sec. 505. Expanded human clinical trials qualifying for orphan drug credit.

Sec. 506. Inclusion of certain vaccines against streptococcus pneumoniae to list of taxable vaccines.

Sec. 507. Above-the-line deduction for prescription drug insurance coverage of medicare beneficiaries if certain medicare and low-income assistance provisions in effect.

#### TITLE VI—ESTATE TAX RELIEF

Subtitle A—Repeal of Estate, Gift, and Generation-Skipping Taxes; Repeal of Step Up in Basis At Death

Sec. 601. Repeal of estate, gift, and generation-skipping taxes.

Sec. 602. Termination of step up in basis at death.

Sec. 603. Carryover basis at death.

##### Subtitle B—Reductions of Estate and Gift Tax Rates Prior to Repeal

Sec. 611. Additional reductions of estate and gift tax rates.

##### Subtitle C—Unified Credit Replaced With Unified Exemption Amount

Sec. 621. Unified credit against estate and gift taxes replaced with unified exemption amount.

##### Subtitle D—Modifications of Generation-Skipping Transfer Tax

Sec. 631. Deemed allocation of GST exemption to lifetime transfers to trusts; retroactive allocations.



Sec. 632. Severing of trusts.  
 Sec. 633. Modification of certain valuation rules.

Sec. 634. Relief provisions.

#### TITLE VII—TAX RELIEF FOR DISTRESSED COMMUNITIES AND INDUSTRIES

##### Subtitle A—American Community Renewal Act of 1999

Sec. 701. Short title.  
 Sec. 702. Designation of and tax incentives for renewal communities.  
 Sec. 703. Extension of expensing of environmental remediation costs to renewal communities.  
 Sec. 704. Extension of work opportunity tax credit for renewal communities.  
 Sec. 705. Conforming and clerical amendments.  
 Sec. 706. Evaluation and reporting requirements.

##### Subtitle B—Farming Incentive

Sec. 711. Production flexibility contract payments.

##### Subtitle C—Oil and Gas Incentives

Sec. 721. 5-year net operating loss carryback for losses attributable to operating mineral interests of independent oil and gas producers.  
 Sec. 722. Deduction for delay rental payments.  
 Sec. 723. Election to expense geological and geophysical expenditures.  
 Sec. 724. Temporary suspension of limitation based on 65 percent of taxable income.  
 Sec. 725. Determination of small refiner exception to oil depletion deduction.

##### Subtitle D—Timber Incentives

Sec. 731. Temporary suspension of maximum amount of amortizable reforestation expenditures.  
 Sec. 732. Capital gain treatment under section 631(b) to apply to outright sales by land owner.

##### Subtitle E—Steel Industry Incentive

Sec. 741. Minimum tax relief for steel industry.

#### TITLE VIII—RELIEF FOR SMALL BUSINESSES

Sec. 801. Deduction for 100 percent of health insurance costs of self-employed individuals.  
 Sec. 802. Increase in expense treatment for small businesses.  
 Sec. 803. Repeal of Federal unemployment surtax.  
 Sec. 804. Restoration of 80 percent deduction for meal expenses.

#### TITLE IX—INTERNATIONAL TAX RELIEF

Sec. 901. Interest allocation rules.  
 Sec. 902. Look-thru rules to apply to dividends from noncontrolled section 902 corporations.  
 Sec. 903. Clarification of treatment of pipeline transportation income.  
 Sec. 904. Subpart F treatment of income from transmission of high voltage electricity.  
 Sec. 905. Recharacterization of overall domestic loss.  
 Sec. 906. Treatment of military property of foreign sales corporations.  
 Sec. 907. Treatment of certain dividends of regulated investment companies.  
 Sec. 908. Repeal of special rules for applying foreign tax credit in case of foreign oil and gas income.  
 Sec. 909. Study of proper treatment of European Union under same country exceptions.  
 Sec. 910. Application of denial of foreign tax credit with respect to certain foreign countries.  
 Sec. 911. Advance pricing agreements treated as confidential taxpayer information.

Sec. 912. Increase in dollar limitation on section 911 exclusion.

#### TITLE X—PROVISIONS RELATING TO TAX-EXEMPT ORGANIZATIONS

Sec. 1001. Exemption from income tax for State-created organizations providing property and casualty insurance for property for which such coverage is otherwise unavailable.  
 Sec. 1002. Modification of special arbitrage rule for certain funds.  
 Sec. 1003. Charitable split-dollar life insurance, annuity, and endowment contracts.  
 Sec. 1004. Exemption procedure from taxes on self-dealing.  
 Sec. 1005. Expansion of declaratory judgment remedy to tax-exempt organizations.  
 Sec. 1006. Modifications to section 512(b)(13).

#### TITLE XI—REAL ESTATE PROVISIONS

##### Subtitle A—Provisions Relating to Real Estate Investment Trusts

##### PART I—TREATMENT OF INCOME AND SERVICES PROVIDED BY TAXABLE REIT SUBSIDIARIES

Sec. 1101. Modifications to asset diversification test.  
 Sec. 1102. Treatment of income and services provided by taxable REIT subsidiaries.  
 Sec. 1103. Taxable REIT subsidiary.  
 Sec. 1104. Limitation on earnings stripping.  
 Sec. 1105. 100 percent tax on improperly allocated amounts.  
 Sec. 1106. Effective date.

##### PART II—HEALTH CARE REITS

Sec. 1111. Health care REITs.

##### PART III—CONFORMITY WITH REGULATED INVESTMENT COMPANY RULES

Sec. 1121. Conformity with regulated investment company rules.

##### PART IV—CLARIFICATION OF EXCEPTION FROM IMPERMISSIBLE TENANT SERVICE INCOME

Sec. 1131. Clarification of exception for independent operators.

##### PART V—MODIFICATION OF EARNINGS AND PROFITS RULES

Sec. 1141. Modification of earnings and profits rules.

##### PART VI—STUDY RELATING TO TAXABLE REIT SUBSIDIARIES

Sec. 1151. Study relating to taxable REIT subsidiaries.

##### Subtitle B—Modification of At-Risk Rules for Publicly Traded Nonrecourse Debt

Sec. 1161. Treatment under at-risk rules of publicly traded nonrecourse debt.

##### Subtitle C—Treatment of Construction Allowances and Certain Contributions to Capital of Retailers

Sec. 1171. Exclusion from gross income of qualified lessee construction allowances not limited for certain retailers to short-term leases.  
 Sec. 1172. Exclusion from gross income for certain contributions to the capital of certain retailers.

#### TITLE XII—PROVISIONS RELATING TO PENSIONS

##### Subtitle A—Expanding Coverage

Sec. 1201. Increase in benefit and contribution limits.  
 Sec. 1202. Plan loans for subchapter S owners, partners, and sole proprietors.  
 Sec. 1203. Modification of top-heavy rules.  
 Sec. 1204. Elective deferrals not taken into account for purposes of deduction limits.  
 Sec. 1205. Repeal of coordination requirements for deferred compensation plans of State and local governments and tax-exempt organizations.

Sec. 1206. Elimination of user fee for requests to IRS regarding pension plans.

Sec. 1207. Deduction limits.

Sec. 1208. Option to treat elective deferrals as after-tax contributions.

Sec. 1209. Increase in minimum defined benefit limit under section 415.

##### Subtitle B—Enhancing Fairness for Women

Sec. 1221. Additional salary reduction catch-up contributions.  
 Sec. 1222. Equitable treatment for contributions of employees to defined contribution plans.  
 Sec. 1223. Faster vesting of certain employer matching contributions.  
 Sec. 1224. Simplify and update the minimum distribution rules.  
 Sec. 1225. Clarification of tax treatment of division of section 457 plan benefits upon divorce.

##### Subtitle C—Increasing Portability for Participants

Sec. 1231. Rollovers allowed among various types of plans.  
 Sec. 1232. Rollovers of IRAs into workplace retirement plans.  
 Sec. 1233. Rollovers of after-tax contributions.  
 Sec. 1234. Hardship exception to 60-day rule.  
 Sec. 1235. Treatment of forms of distribution.  
 Sec. 1236. Rationalization of restrictions on distributions.  
 Sec. 1237. Purchase of service credit in governmental defined benefit plans.  
 Sec. 1238. Employers may disregard rollovers for purposes of cash-out amounts.  
 Sec. 1239. Minimum distribution and inclusion requirements for section 457 plans.

##### Subtitle D—Strengthening Pension Security and Enforcement

Sec. 1241. Repeal of 150 percent of current liability funding limit.  
 Sec. 1242. Maximum contribution deduction rules modified and applied to all defined benefit plans.  
 Sec. 1243. Excise tax relief for sound pension funding.  
 Sec. 1244. Excise tax on failure to provide notice by defined benefit plans significantly reducing future benefit accruals.

##### Subtitle E—Reducing Regulatory Burdens

Sec. 1251. Repeal of the multiple use test.  
 Sec. 1252. Modification of timing of plan valuations.  
 Sec. 1253. Flexibility and nondiscrimination and line of business rules.  
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**TITLE XVI—TECHNICAL CORRECTIONS**

- Sec. 1601. Amendments related to Tax and Trade Relief Extension Act of 1998.
- Sec. 1602. Amendments related to Internal Revenue Service Restructuring and Reform Act of 1998.
- Sec. 1603. Amendments related to Taxpayer Relief Act of 1997.
- Sec. 1604. Other technical corrections.
- Sec. 1605. Clerical changes.

**TITLE XVII—COMMITMENT TO DEBT REDUCTION**

- Sec. 1701. Commitment to Debt Reduction.

**TITLE XVIII—BUDGETARY TREATMENT**

- Sec. 1801. Exclusion of Effects of This Act from Paygo Scorecard.

**TITLE I—BROAD-BASED TAX RELIEF**

**Subtitle A—10-Percent Reduction in Individual Income Tax Rates**

**SEC. 101. 10-PERCENT REDUCTION IN INDIVIDUAL INCOME TAX RATES.**

- (a) REGULAR INCOME TAX RATES.—

(1) IN GENERAL.—Subsection (f) of section 1 is amended by adding at the end the following new paragraph:

“(8) RATE REDUCTIONS.—In prescribing the tables under paragraph (1) which apply with respect to taxable years beginning in a calendar year after 2000, each rate in such tables (without regard to this paragraph) shall be reduced by the number of percentage points (rounded to the next lowest tenth) equal to the applicable percentage (determined in accordance with the following table) of such rate:

<b>“For taxable years beginning in calendar year—</b>	<b>The applicable percentage is—</b>
2001 through 2003 .....	1.0
2004 .....	2.5
2005 through 2007 .....	5.0
2008 .....	7.5
2009 and thereafter .....	10.0.”

In the case of taxable years beginning in calendar year 2001, the rounding referred to in the preceding sentence shall be to the next highest tenth.

“(9) POST-2001 RATE REDUCTIONS CONTINGENT ON NO INCREASE IN INTEREST ON TOTAL UNITED STATES DEBT.—

“(A) IN GENERAL.—IN THE CASE OF TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2002, PARAGRAPH (8) SHALL APPLY ONLY TO TAXABLE YEARS BEGINNING AFTER THE FIRST DEBT REDUCTION CALENDAR YEAR.

“(B) DELAY OF FURTHER RATE REDUCTIONS IF INCREASE IN INTEREST ON TOTAL UNITED STATES DEBT.—For each calendar year after 2000 which is not a debt reduction calendar year, the table in paragraph (8) shall be applied for each subsequent calendar year by substituting the calendar year which is 1 year later. The preceding sentence shall cease to apply after the earliest calendar year with respect to which the applicable percentage under paragraph (8) is 10 percent (after the application of the preceding sentence).

“(C) DEBT REDUCTION CALENDAR YEAR.—For purposes of this paragraph, the term ‘debt reduction calendar year’ means any calendar year after 2000 if, for the 12-month period ending July 31 of such calendar year, the interest expense on the total United States debt is not greater than such interest expense for the 12-month period ending on July 31 of the preceding calendar year.

“(D) TOTAL UNITED STATES DEBT.—For purposes of this paragraph, the term ‘total United States debt’ means obligations which are subject to the public debt limit in section 3101 of title 31, United States Code.”

**(2) TECHNICAL AMENDMENTS.—**

(A) Subparagraph (B) of section 1(f)(2) is amended by inserting “except as provided in paragraph (8),” before “by not changing”.

(B) Subparagraph (C) of section 1(f)(2) is amended by inserting “and the reductions under paragraph (8) in the rates of tax” before the period.

(C) The heading for subsection (f) of section 1 is amended by inserting “RATE REDUCTIONS;” before “ADJUSTMENTS”.

(D) Section 1(g)(7)(B)(ii)(II) is amended by striking “15 percent” and inserting “the percentage applicable to the lowest income bracket in subsection (c)”.

(E) Subparagraphs (A)(ii)(I) and (B)(i) of section 1(h)(1) are each amended by striking “28 percent” and inserting “25.2 percent”.

(F) Section 531 is amended by striking “39.6 percent of the accumulated taxable income” and inserting “the product of the accumulated taxable income and the percentage applicable to the highest income bracket in section 1(c)”.

(G) Section 541 is amended by striking “39.6 percent of the undistributed personal holding company income” and inserting “the product of

the undistributed personal holding company income and the percentage applicable to the highest income bracket in section 1(c)".

(H) Section 3402(p)(1)(B) is amended by striking "specified is 7, 15, 28, or 31 percent" and all that follows and inserting "specified is—

"(i) 7 percent,

"(ii) a percentage applicable to 1 of the 3 lowest income brackets in section 1(c), or

"(iii) such other percentage as is permitted under regulations prescribed by the Secretary."

(I) Section 3402(p)(2) is amended by striking "15 percent of such payment" and inserting "the product of such payment and the percentage applicable to the lowest income bracket in section 1(c)".

(J) Section 3402(q)(1) is amended by striking "28 percent of such payment" and inserting "the product of such payment and the percentage applicable to the next to the lowest income bracket in section 1(c)".

(K) Section 3402(r)(3) is amended by striking "31 percent" and inserting "the rate applicable to the third income bracket in such section".

(L) Section 3406(a)(1) is amended by striking "31 percent of such payment" and inserting "the product of such payment and the percentage applicable to the third income bracket in section 1(c)".

(b) MINIMUM TAX RATES.—Subparagraph (A) of section 55(b)(1) is amended by adding at the end the following new clause:

"(iv) RATE REDUCTION.—In the case of taxable years beginning after 2000, each rate in clause (i) (without regard to this clause) shall be reduced by the number of percentage points (rounded to the next lowest tenth) equal to the applicable percentage (determined in accordance with section 1(f)(8)) of such rate."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

#### Subtitle B—Marriage Penalty Tax Relief

#### SEC. 111. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking "\$5,000" in subparagraph (A) and inserting "twice the dollar amount in effect under subparagraph (C) for the taxable year",

(2) by adding "or" at the end of subparagraph (B),

(3) by striking "in the case of" and all that follows in subparagraph (C) and inserting "in any other case.", and

(4) by striking subparagraph (D).

(b) PHASE-IN.—Subsection (c) of section 63 is amended by adding at the end the following new paragraph:

"(7) PHASE-IN OF INCREASE IN BASIC STANDARD DEDUCTION.—In the case of taxable years beginning before January 1, 2003—

"(A) paragraph (2)(A) shall be applied by substituting for 'twice'—

"(i) '1.778 times' in the case of taxable years beginning during 2001, and

"(ii) '1.889 times' in the case of taxable years beginning during 2002, and

"(B) the basic standard deduction for a married individual filing a separate return shall be one-half of the amount applicable under paragraph (2)(A).

If any amount determined under subparagraph (A) is not a multiple of \$50, such amount shall be rounded to the next lowest multiple of \$50."

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied".

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

"The preceding sentence shall not apply to the amount referred to in paragraph (2)(A)."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

#### SEC. 112. ELIMINATION OF MARRIAGE PENALTY IN DEDUCTION FOR INTEREST ON EDUCATION LOANS.

(a) IN GENERAL.—Subparagraph (B) of section 221(b)(2) (relating to limitation based on modified adjusted gross income) is amended—

(1) by striking "\$60,000" in clause (i)(II) and inserting "twice such amount", and

(2) by inserting "(\$30,000 in the case of a joint return)" after "\$15,000" in clause (ii).

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 221(g) is amended by striking "and \$60,000 amounts in subsection (b)(2) shall each" and inserting "amount in subsection (b)(2) shall".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

#### SEC. 113. ROLLOVER FROM REGULAR IRA TO ROTH IRA.

(a) IN GENERAL.—Clause (i) of section 408A(c)(3)(B) is amended by inserting "(\$160,000 in the case of a joint return)" after "\$100,000".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

#### Subtitle C—Repeal of Alternative Minimum Tax on Individuals

#### SEC. 121. REPEAL OF ALTERNATIVE MINIMUM TAX ON INDIVIDUALS.

(a) IN GENERAL.—Subsection (a) of section 55 is amended by adding at the end the following new flush sentence:

"For purposes of this title, the tentative minimum tax on any taxpayer other than a corporation for any taxable year beginning after December 31, 2008, shall be zero."

(b) REDUCTION OF TAX ON INDIVIDUALS PRIOR TO REPEAL.—Section 55 is amended by adding at the end the following new subsection:

"(f) PHASEOUT OF TAX ON INDIVIDUALS.—

"(1) IN GENERAL.—The tax imposed by this section on a taxpayer other than a corporation for any taxable year beginning after December 31, 2004, and before January 1, 2009, shall be the applicable percentage of the tax which would be imposed but for this subsection.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be determined in accordance with the following table:

<b>"For taxable years beginning in calendar year—</b>	<b>The applicable percentage is—</b>
2005 .....	80
2006 .....	70
2007 .....	60
2008 .....	50."

(c) NONREFUNDABLE PERSONAL CREDITS FULLY ALLOWED AGAINST REGULAR TAX LIABILITY.—

(1) IN GENERAL.—Subsection (a) of section 26 (relating to limitation based on amount of tax) is amended to read as follows:

"(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the taxpayer's regular tax liability for the taxable year."

(2) CHILD CREDIT.—Subsection (d) of section 24 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(d) LIMITATION ON USE OF CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.—Subsection (c) of section 53 is amended to read as follows:

"(c) LIMITATION.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) the regular tax liability of the taxpayer for such taxable year reduced by the sum of the credits allowable under subparts A, B, D, E, and F of this part, over

"(B) the tentative minimum tax for the taxable year.

"(2) TAXABLE YEARS BEGINNING AFTER 2008.—In the case of any taxable year beginning after 2008, the credit allowable under subsection (a) to a taxpayer other than a corporation for any taxable year shall not exceed 90 percent of the excess (if any) of—

"(A) regular tax liability of the taxpayer for such taxable year, over

"(B) the sum of the credits allowable under subparts A, B, D, E, and F of this part."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

#### TITLE II—RELIEF FROM TAXATION ON SAVINGS AND INVESTMENTS

#### SEC. 201. EXEMPTION OF CERTAIN INTEREST AND DIVIDEND INCOME FROM TAX.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

#### "SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

"(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include dividends and interest otherwise includible in gross income which are received during the taxable year by an individual.

"(b) LIMITATIONS.—

"(1) MAXIMUM AMOUNT.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed—

"(A) in the case of any taxable year beginning in 2001 or 2002, \$50 (\$100 in the case of a joint return),

"(B) in the case of any taxable year beginning in 2003 or 2004, \$100 (\$200 in the case of a joint return), and

"(C) in the case of any taxable year beginning after 2004, \$200 (\$400 in the case of a joint return).

"(2) CERTAIN DIVIDENDS EXCLUDED.—Subsection (a) shall not apply to any dividend from a corporation which for the taxable year of the corporation in which the distribution is made is a corporation exempt from tax under section 521 (relating to farmers' cooperative associations).

"(c) SPECIAL RULES.—For purposes of this section—

"(1) EXCLUSION NOT TO APPLY TO CAPITAL GAIN DIVIDENDS FROM REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—

"For treatment of capital gain dividends, see sections 854(a) and 857(c).

"(2) CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EXCLUSION.—In the case of a nonresident alien individual, subsection (a) shall apply only in determining the taxes imposed for the taxable year pursuant to sections 871(b)(1) and 877(b).

"(3) DIVIDENDS FROM EMPLOYEE STOCK OWNERSHIP PLANS.—Subsection (a) shall not apply to any dividend described in section 404(k)."

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (C) of section 32(c)(5) is amended by striking "or" at the end of clause (i), by striking the period at the end of clause (ii) and inserting "; or", and by inserting after clause (ii) the following new clause:

"(iii) interest and dividends received during the taxable year which are excluded from gross income under section 116."

(2) Subparagraph (A) of section 32(i)(2) is amended by inserting "(determined without regard to section 116)" before the comma.

(3) Subparagraph (B) of section 86(b)(2) is amended to read as follows:

“(B) increased by the sum of—

“(i) the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax, and

“(ii) the amount of interest and dividends received during the taxable year which are excluded from gross income under section 116.”

(4) Subsection (d) of section 135 is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

“(4) COORDINATION WITH SECTION 116.—This section shall be applied before section 116.”

(5) Paragraph (2) of section 265(a) is amended by inserting before the period “, or to purchase or carry obligations or shares, or to make deposits, to the extent the interest thereon is excludable from gross income under section 116”.

(6) Subsection (c) of section 584 is amended by adding at the end the following new flush sentence:

“The proportionate share of each participant in the amount of dividends or interest received by the common trust fund and to which section 116 applies shall be considered for purposes of such section as having been received by such participant.”

(7) Subsection (a) of section 643 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

“(7) DIVIDENDS OR INTEREST.—There shall be included the amount of any dividends or interest excluded from gross income pursuant to section 116.”

(8) Section 854(a) is amended by inserting “section 116 (relating to partial exclusion of dividends and interest received by individuals) and” after “For purposes of”.

(9) Section 857(c) is amended to read as follows:

“(c) RESTRICTIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—

“(1) TREATMENT FOR SECTION 116.—For purposes of section 116 (relating to partial exclusion of dividends and interest received by individuals), a capital gain dividend (as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

“(2) TREATMENT FOR SECTION 243.—For purposes of section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.”

(10) The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 115 the following new item:

“Sec. 116. Partial exclusion of dividends and interest received by individuals.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

#### SEC. 202. REDUCTION IN INDIVIDUAL CAPITAL GAIN TAX RATES.

(a) IN GENERAL.—

(1) Sections 1(h)(1)(B) and 55(b)(3)(B) are each amended by striking “10 percent” and inserting “7.5 percent”.

(2) The following sections are each amended by striking “20 percent” and inserting “15 percent”:

(A) Section 1(h)(1)(C).

(B) Section 55(b)(3)(C).

(C) Section 1445(e)(1).

(D) The second sentence of section 7518(g)(6)(A).

(E) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936.

(3) Sections 1(h)(1)(D) and 55(b)(3)(D) are each amended by striking “25 percent” and inserting “20 percent”.

(b) CONFORMING AMENDMENTS.—

(1) Section 311 of the Taxpayer Relief Act of 1997 is amended by striking subsection (e).

(2) Section 1(h) is amended—

(A) by striking paragraphs (2), (9), and (13),

(B) by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively, and

(C) by redesignating paragraphs (10), (11), and (12) as paragraphs (8), (9), and (10), respectively.

(3) Paragraph (3) of section 55(b) is amended by striking “In the case of taxable years beginning after December 31, 2000, rules similar to the rules of section 1(h)(2) shall apply for purposes of subparagraphs (B) and (C).”

(4) Paragraph (7) of section 57(a) is amended—

(A) by striking “42 percent” and inserting “6 percent”, and

(B) by striking the last sentence.

(c) TRANSITIONAL RULES FOR TAXABLE YEARS WHICH INCLUDE JULY 1, 1999.—For purposes of applying section 1(h) of the Internal Revenue Code of 1986 in the case of a taxable year which includes July 1, 1999—

(1) The amount of tax determined under subparagraph (B) of section 1(h)(1) of such Code shall be the sum of—

(A) 7.5 percent of the lesser of—

(i) the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year on or after such date (determined without regard to collectibles gain or loss, gain described in section 1(h)(6)(A)(i) of such Code, and section 1202 gain), or

(ii) the amount on which a tax is determined under such subparagraph (without regard to this subsection), plus

(B) 10 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A).

(2) The amount of tax determined under subparagraph (C) of section 1(h)(1) of such Code shall be the sum of—

(A) 15 percent of the lesser of—

(i) the excess (if any) of the amount of net capital gain determined under subparagraph (A)(i) of paragraph (1) of this subsection over the amount on which a tax is determined under subparagraph (A) of paragraph (1) of this subsection, or

(ii) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), plus

(B) 20 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A) of this paragraph.

(3) The amount of tax determined under subparagraph (D) of section 1(h)(1) of such Code shall be the sum of—

(A) 20 percent of the lesser of—

(i) the amount which would be determined under section 1(h)(6)(A)(i) of such Code taking into account only gain properly taken into account for the portion of the taxable year on or after such date, or

(ii) the amount on which a tax is determined under such subparagraph (D) (without regard to this subsection), plus

(B) 25 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (D) (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A) of this paragraph.

(4) For purposes of applying section 55(b)(3) of such Code, rules similar to the rules of paragraphs (1), (2), and (3) of this subsection shall apply.

(5) In applying this subsection with respect to any pass-thru entity, the determination of when gains and loss are properly taken into account shall be made at the entity level.

(6) Terms used in this subsection which are also used in section 1(h) of such Code shall have the respective meanings that such terms have in such section.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided by this subsection, the amendments made by this section shall apply to taxable years ending after June 30, 1999.

(2) WITHHOLDING.—The amendment made by subsection (a)(2)(C) shall apply to amounts paid after the date of the enactment of this Act.

(3) SMALL BUSINESS STOCK.—The amendments made by subsection (b)(4) shall apply to dispositions on or after July 1, 1999.

#### SEC. 203. CAPITAL GAINS TAX RATES APPLIED TO CAPITAL GAINS OF DESIGNATED SETTLEMENT FUNDS.

(a) IN GENERAL.—Paragraph (1) of section 468B(b) (relating to taxation of designated settlement funds) is amended by inserting “(subject to section 1(h))” after “maximum rate”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

#### SEC. 204. SPECIAL RULE FOR MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE, AND OTHER EMPLOYEES, IN DETERMINING EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraphs:

“(9) MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.—

“(A) IN GENERAL.—The running of the 5-year period described in subsection (a) shall be suspended with respect to an individual during any time that such individual or such individual's spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service.

“(B) QUALIFIED OFFICIAL EXTENDED DUTY.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘qualified official extended duty’ means any period of extended duty as a member of the uniformed services or a member of the Foreign Service during which the member serves at a duty station which is at least 50 miles from such property or is under Government orders to reside in Government quarters.

“(ii) UNIFORMED SERVICES.—The term ‘uniformed services’ has the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of the Financial Freedom Act of 1999.

“(iii) FOREIGN SERVICE OF THE UNITED STATES.—The term ‘member of the Foreign Service’ has the meaning given the term ‘member of the Service’ by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of the Financial Freedom Act of 1999.

“(iv) EXTENDED DUTY.—The term ‘extended duty’ means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.

“(10) OTHER EMPLOYEES.—

“(A) IN GENERAL.—The running of the 5-year period described in subsection (a) shall be suspended with respect to an individual during any time that such individual or such individual's spouse is serving as an employee for a period in

excess of 90 days in an assignment by the such employee's employer outside the United States.

“(B) LIMITATIONS AND SPECIAL RULES.—

“(i) MAXIMUM PERIOD OF SUSPENSION.—The suspension under subparagraph (A) with respect to a principal residence shall not exceed (in the aggregate) 5 years.

“(ii) MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.—Subparagraph (A) shall not apply to an individual to whom paragraph (9) applies.

“(iii) SELF-EMPLOYED INDIVIDUAL NOT CONSIDERED AN EMPLOYEE.—For purposes of this paragraph, the term ‘employee’ does not include an individual who is an employee within the meaning of section 401(c)(1) (relating to self-employed individuals).”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

**SEC. 205. TREATMENT OF CERTAIN DEALER DERIVATIVE FINANCIAL INSTRUMENTS, HEDGING TRANSACTIONS, AND SUPPLIES AS ORDINARY ASSETS.**

(a) IN GENERAL.—Section 1221 (defining capital assets) is amended—

(1) by striking “For purposes” and inserting the following:

“(a) IN GENERAL.—For purposes”.

(2) by striking the period at the end of paragraph (5) and inserting a semicolon, and

(3) by adding at the end the following:

“(6) any commodities derivative financial instrument held by a commodities derivatives dealer, unless—

“(A) it is established to the satisfaction of the Secretary that such instrument has no connection to the activities of such dealer as a dealer, and

“(B) such instrument is clearly identified in such dealer's records as being described in subparagraph (A) before the close of the day on which it was acquired, originated, or entered into (or such other time as the Secretary may by regulations prescribe);

“(7) any hedging transaction which is clearly identified as such before the close of the day on which it was acquired, originated, or entered into (or such other time as the Secretary may by regulations prescribe); or

“(8) supplies of a type regularly used or consumed by the taxpayer in the ordinary course of a trade or business of the taxpayer.

“(b) DEFINITIONS AND SPECIAL RULES.—

“(1) COMMODITIES DERIVATIVE FINANCIAL INSTRUMENTS.—For purposes of subsection (a)(6)—

“(A) COMMODITIES DERIVATIVES DEALER.—The term ‘commodities derivatives dealer’ means a person which regularly offers to enter into, assume, offset, assign, or terminate positions in commodities derivative financial instruments with customers in the ordinary course of a trade or business.

“(B) COMMODITIES DERIVATIVE FINANCIAL INSTRUMENT.—

“(i) IN GENERAL.—The term ‘commodities derivative financial instrument’ means any contract or financial instrument with respect to commodities (other than a share of stock in a corporation, a beneficial interest in a partnership or trust, a note, bond, debenture, or other evidence of indebtedness, or a section 1256 contract (as defined in section 1256(b)) the value or settlement price of which is calculated by or determined by reference to a specified index.

“(ii) SPECIFIED INDEX.—The term ‘specified index’ means any one or more or any combination of—

“(I) a fixed rate, price, or amount, or

“(II) a variable rate, price, or amount, which is based on any current, objectively determinable financial or economic information with respect to commodities which is not within the control of any of the parties to the contract or

instrument and is not unique to any of the parties' circumstances.

“(2) HEDGING TRANSACTION.—

“(A) IN GENERAL.—For purposes of this section, the term ‘hedging transaction’ means any transaction entered into by the taxpayer in the normal course of the taxpayer's trade or business primarily—

“(i) to manage risk of price changes or currency fluctuations with respect to ordinary property which is held or to be held by the taxpayer, or

“(ii) to manage risk of interest rate or price changes or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, by the taxpayer.

“(B) TREATMENT OF NONIDENTIFICATION OR IMPROPER IDENTIFICATION OF HEDGING TRANSACTIONS.—Notwithstanding subsection (a)(7), the Secretary shall prescribe regulations to properly characterize of any income, gain, expense, or loss arising from a transaction—

“(i) which is a hedging transaction but which was not identified as such in accordance with subsection (a)(7), or

“(ii) which was so identified but is not a hedging transaction.

“(3) REGULATIONS.—The Secretary shall prescribe such regulations as are appropriate to carry out the purposes of paragraph (6) and (7) of subsection (a) in the case of transactions involving related parties.”.

(b) MANAGEMENT OF RISK.—

(1) Section 475(c)(3) is amended by striking “reduces” and inserting “manages”.

(2) Section 871(h)(4)(C)(iv) is amended by striking “to reduce” and inserting “to manage”.

(3) Clauses (i) and (ii) of section 988(d)(2)(A) are each amended by striking “to reduce” and inserting “to manage”.

(4) Paragraph (2) of section 1256(e) is amended to read as follows:

“(2) DEFINITION OF HEDGING TRANSACTION.—For purposes of this subsection, the term ‘hedging transaction’ means any hedging transaction (as defined in section 1221(b)(2)(A)) if, before the close of the day on which such transaction was entered into (or such earlier time as the Secretary may prescribe by regulations), the taxpayer clearly identifies such transaction as being a hedging transaction.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any instrument held, acquired, or entered into, any transaction entered into, and supplies held or acquired on or after the date of enactment of this Act.

**SEC. 206. WORTHLESS SECURITIES OF FINANCIAL INSTITUTIONS.**

(a) IN GENERAL.—The first sentence following section 165(g)(3)(B) (relating to securities of affiliated corporation) is amended to read as follows: “In computing gross receipts for purposes of the preceding sentence, (i) gross receipts from sales or exchanges of stocks and securities shall be taken into account only to the extent of gains therefrom, and (ii) gross receipts from royalties, rents, dividends, interest, annuities, and gains from sales or exchanges of stocks and securities derived from (or directly related to) the conduct of an active trade or business of an insurance company subject to tax under subchapter L or a qualified financial institution (as defined in subsection (1)(3)) shall be treated as from such sources other than royalties, rents, dividends, interest, annuities, and gains.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to securities which become worthless in taxable years beginning after December 31, 1999.

**TITLE III—INCENTIVES FOR BUSINESS INVESTMENT AND JOB CREATION**

**SEC. 301. REDUCTION IN CORPORATE CAPITAL GAIN TAX RATE.**

(a) IN GENERAL.—Section 1201 is amended to read as follows:

**“SEC. 1201. ALTERNATIVE TAX FOR CORPORATIONS.**

“(a) GENERAL RULE.—If for any taxable year a corporation has a net capital gain, then, in lieu of the tax imposed by sections 11, 511, or 831(a) or (b), there is hereby imposed a tax (if such tax is less than the tax imposed by such sections) which shall consist of the sum of—

“(1) a tax computed on the taxable income reduced by the net capital gain, at the rates and in the manner as if this subsection had not been enacted, plus

“(2) a tax of 30 percent of the net capital gain (or, if less, taxable income).

“(b) CROSS REFERENCES.—For computation of the alternative tax—

“(1) in the case of life insurance companies, see section 801(a)(2),

“(2) in the case of regulated investment companies and their shareholders, see section 852(b)(3) (A) and (D), and

“(3) in the case of real estate investment trusts, see section 857(b)(3)(A).”

(b) TECHNICAL AMENDMENTS.—

(1) Paragraphs (1) and (2) of section 1445(e) are each amended by striking “35 percent” and inserting “30 percent”.

(2)(A) The second sentence of section 7518(g)(6)(A) is amended by striking “34 percent” and inserting “30 percent”.

(B) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936, is amended by striking “34 percent” and inserting “30 percent”.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2004.

(2) WITHHOLDING.—The amendment made by subsection (b)(1) shall apply to amounts paid after December 31, 2004.

**SEC. 302. REPEAL OF ALTERNATIVE MINIMUM TAX ON CORPORATIONS.**

(a) IN GENERAL.—The last sentence of section 55(a), as amended by section 121, is amended by striking “on any taxpayer other than a corporation”.

(b) REPEAL OF 90 PERCENT LIMITATION ON FOREIGN TAX CREDIT.—

(1) IN GENERAL.—Section 59(a) (relating to alternative minimum tax foreign tax credit) is amended by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(2) CONFORMING AMENDMENT.—Section 53(d)(1)(B)(i)(II) is amended by striking “and if section 59(a)(2) did not apply”.

(c) LIMITATION ON USE OF CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.—

(1) IN GENERAL.—Subsection (c) of section 53, as amended by section 121, is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

“(2) CORPORATIONS FOR TAXABLE YEARS BEGINNING AFTER 2004.—In the case of a corporation for any taxable year beginning after 2004 and before 2009, the limitation under paragraph (1) shall be increased by the applicable percentage (determined in accordance with the following table) of the tentative minimum tax for the taxable year.

<b>“For taxable years beginning in calendar year—</b>	<b>The applicable percentage is—</b>
2005 .....	20
2006 .....	30
2007 .....	40
2008 .....	50.

In no event shall the limitation determined under this paragraph be greater than the sum of the tax imposed by section 55 and the regular tax reduced by the sum of the credits allowed under subparts A, B, D, E, and F of this part.”

## (2) CONFORMING AMENDMENTS.—

(A) Section 55(e) is amended by striking paragraph (5).

(B) Paragraph (3) of section 53(c), as redesignated by paragraph (1), is amended by striking “to a taxpayer other than a corporation”.

## (d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to taxable years beginning after December 31, 2004.

(2) REPEAL OF 90 PERCENT LIMITATION ON FOREIGN TAX CREDIT.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 2001.

(3) SUBSECTION (c)(2)(A).—The amendment made by subsection (c)(2)(A) shall apply to taxable years beginning after December 31, 2008.

#### TITLE IV—EDUCATION SAVINGS INCENTIVES

##### SEC. 401. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

## (a) MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) (defining education individual retirement account) is amended by striking “\$500” and inserting “\$2,000”.

(2) CONFORMING AMENDMENT.—Section 4973(e)(1)(A) is amended by striking “\$500” and inserting “\$2,000”.

## (b) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) (defining qualified higher education expenses) is amended to read as follows:

## “(2) QUALIFIED EDUCATION EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified education expenses’ means—

“(i) qualified higher education expenses (as defined in section 529(e)(3)), and

“(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)).

“(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include any contribution to a qualified State tuition program (as defined in section 529(b)) on behalf of the designated beneficiary (as defined in section 529(e)(1)); but there shall be no increase in the investment in the contract for purposes of applying section 72 by reason of any portion of such contribution which is not includible in gross income by reason of subsection (d)(2).”

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—Section 530(b) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

## “(4) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified elementary and secondary education expenses’ means—

“(i) expenses for tuition, fees, academic tutoring, special needs services, books, supplies, computer equipment (including related software and services), and other equipment which are incurred in connection with the enrollment or attendance of the designated beneficiary of the trust as an elementary or secondary school student at a public, private, or religious school, and

“(ii) expenses for room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required or provided by a public, private, or religious school in connection with such enrollment or attendance.

“(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described in subparagraph (A)(i) in connection with education provided by homeschooling if the requirements of any applicable State or local law are met with respect to such education.

“(C) SCHOOL.—The term ‘school’ means any school which provides elementary education or

secondary education (kindergarten through grade 12), as determined under State law.”

(3) CONFORMING AMENDMENTS.—Section 530 is amended—

(A) by striking “higher” each place it appears in subsections (b)(1) and (d)(2), and

(B) by striking “HIGHER” in the heading for subsection (d)(2).

(c) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Section 530(b)(1) (defining education individual retirement account) is amended by adding at the end the following flush sentence:

“The age limitations in subparagraphs (A)(ii) and (E) and paragraphs (5) and (6) of subsection (d) shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).”

(d) ENTITIES PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended by striking “The maximum amount which a contributor” and inserting “In the case of a contributor who is an individual, the maximum amount the contributor”.

(e) TIME WHEN CONTRIBUTIONS DEEMED MADE.—

(1) IN GENERAL.—Section 530(b) (relating to definitions and special rules), as amended by subsection (b)(2), is amended by adding at the end the following new paragraph:

“(5) TIME WHEN CONTRIBUTIONS DEEMED MADE.—An individual shall be deemed to have made a contribution to an education individual retirement account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).”

(2) EXTENSION OF TIME TO RETURN EXCESS CONTRIBUTIONS.—Subparagraph (C) of section 530(d)(4) (relating to additional tax for distributions not used for educational expenses) is amended—

(A) by striking clause (i) and inserting the following new clause:

“(i) such distribution is made before the 1st day of the 6th month of the taxable year following the taxable year, and”, and

(B) by striking “DUE DATE OF RETURN” in the heading and inserting “CERTAIN DATE”.

(f) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 530(d)(2)(C) is amended to read as follows:

“(C) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—For purposes of subparagraph (A)—

“(i) CREDIT COORDINATION.—The total amount of qualified higher education expenses with respect to an individual for the taxable year shall be reduced—

“(I) as provided in section 25A(g)(2), and

“(II) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A.

“(ii) COORDINATION WITH QUALIFIED TUITION PROGRAMS.—If, with respect to an individual for any taxable year—

“(I) the aggregate distributions during such year to which subparagraph (A) and section 529(c)(3)(B) apply, exceed

“(II) the total amount of qualified education expenses (after the application of clause (i)) for such year, the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under subparagraph (A) and section 529(c)(3)(B).”

(2) CONFORMING AMENDMENTS.—

(A) Subsection (e) of section 25A is amended to read as follows:

“(e) ELECTION NOT TO HAVE SECTION APPLY.—A taxpayer may elect not to have this section apply with respect to the qualified tuition and related expenses of an individual for any taxable year.”

(B) Section 135(d)(2)(A) is amended by striking “allowable” and inserting “allowed”.

(C) Section 530(d)(2)(D) is amended—

(i) by striking “or credit”, and

(ii) by striking “CREDIT OR” in the heading.

(D) Section 4973(e)(1) is amended by adding “and” at the end of subparagraph (A), by striking subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

(g) RENAMING EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS AS EDUCATION SAVINGS ACCOUNTS.—

(1) IN GENERAL.—

(A) Section 530 (as amended by the preceding provisions of this section) is amended by striking “education individual retirement account” each place it appears and inserting “education savings account”.

(B) The heading for paragraph (1) of section 530(b) is amended by striking “EDUCATION INDIVIDUAL RETIREMENT ACCOUNT” and inserting “EDUCATION SAVINGS ACCOUNT”.

(C) The heading for section 530 is amended to read as follows:

“SEC. 530. EDUCATION SAVINGS ACCOUNTS.”

(D) The item in the table of contents for part VII of subchapter F of chapter 1 relating to section 530 is amended to read as follows:

“Sec. 530. Education savings accounts.”.

(2) CONFORMING AMENDMENTS.—

(A) The following provisions are each amended by striking “education individual retirement” each place it appears and inserting “education savings”:

(i) Section 25A(e)(2).

(ii) Section 26(b)(2)(E).

(iii) Section 72(e)(9).

(iv) Section 135(c)(2)(C).

(v) Subsections (a) and (e) of section 4973.

(vi) Subsections (c) and (e) of section 4975.

(vii) Section 6693(a)(2)(D).

(B) The headings for each of the following provisions are amended by striking “EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS” each place it appears and inserting “EDUCATION SAVINGS ACCOUNTS”:

(i) Section 72(e)(9).

(ii) Section 135(c)(2)(C).

(iii) Section 4973(e).

(iv) Section 4975(c)(5).

(h) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) SUBSECTION (g).—The amendments made by subsection (g) shall take effect on the date of the enactment of this Act.

##### SEC. 402. MODIFICATIONS TO QUALIFIED TUITION PROGRAMS.

(a) ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 529(b)(1) (defining qualified State tuition program) is amended by inserting “or by 1 or more eligible educational institutions” after “maintained by a State or agency or instrumentality thereof”.

(2) PRIVATE QUALIFIED TUITION PROGRAMS LIMITED TO BENEFIT PLANS.—Clause (ii) of section 529(b)(1)(A) is amended by inserting “in the case of a program established and maintained by a State or agency or instrumentality thereof,” before “may make”.

(3) CONFORMING AMENDMENTS.—

(A) Sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530(b)(2)(B), 4973(e), and 6693(a)(2)(C) are



each amended by striking "qualified State tuition" each place it appears and inserting "qualified tuition".

(B) The headings for sections 72(e)(9) and 135(c)(2)(C) are each amended by striking "QUALIFIED STATE TUITION" and inserting "QUALIFIED TUITION".

(C) The headings for sections 529(b) and 530(b)(2)(B) are each amended by striking "QUALIFIED STATE TUITION" and inserting "QUALIFIED TUITION".

(D) The heading for section 529 is amended by striking "STATE".

(E) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking "State".

(b) EXCLUSION FROM GROSS INCOME OF EDUCATION DISTRIBUTIONS FROM QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 529(c)(3)(B) (relating to distributions) is amended to read as follows:

"(B) DISTRIBUTIONS FOR QUALIFIED HIGHER EDUCATION EXPENSES.—

"(i) IN GENERAL.—For purposes of this paragraph—

"(I) no amount shall be includible in gross income under subparagraph (A) by reason of a distribution which consists of providing a benefit to the distributee which, if paid for by the distributee, would constitute payment of a qualified higher education expense, and

"(II) in the case of distributions not described in subclause (I), the amount otherwise includible in gross income under subparagraph (A) shall be reduced by an amount which bears the same ratio to the otherwise includible amount as the qualified higher education expenses (other than expenses paid by distributions described in subclause (I)) bear to the aggregate of such distributions.

"(ii) EXCEPTION FOR INSTITUTIONAL PROGRAMS.—In the case of any taxable year beginning before January 1, 2004, clause (i) shall not apply with respect to any distribution during such taxable year under a qualified tuition program established and maintained by 1 or more eligible educational institutions.

"(iii) IN-KIND DISTRIBUTIONS.—Any benefit furnished to a designated beneficiary under a qualified tuition program shall be treated as a distribution to the beneficiary for purposes of this paragraph.

"(iv) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS.—The total amount of qualified higher education expenses with respect to an individual for the taxable year shall be reduced—

"(I) as provided in section 25A(g)(2), and

"(II) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A.

"(v) COORDINATION WITH EDUCATION SAVINGS ACCOUNTS.—If, with respect to an individual for any taxable year—

"(I) the aggregate distributions to which clause (i) and section 530(d)(2)(A) apply, exceed

"(II) the total amount of qualified higher education expenses otherwise taken into account under clause (i) (after the application of clause (iv)) for such year,

the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under clause (i) and section 530(d)(2)(A)."

(2) CONFORMING AMENDMENTS.—

(A) Section 135(d)(2)(B) is amended by striking "the exclusion under section 530(d)(2)" and inserting "the exclusions under sections 529(c)(3)(B)(i) and 530(d)(2)".

(B) Section 221(e)(2)(A) is amended by inserting "529," after "135,".

(c) ROLLOVER TO DIFFERENT PROGRAM FOR BENEFIT OF SAME DESIGNATED BENEFICIARY.—

Section 529(c)(3)(C) (relating to change in beneficiaries) is amended—

(1) by striking "transferred to the credit" in clause (i) and inserting "transferred—

"(I) to another qualified tuition program for the benefit of the designated beneficiary, or

"(II) to the credit",

(2) by adding at the end the following new clause:

"(iii) LIMITATION ON CERTAIN ROLLOVERS.—Clause (i)(I) shall not apply to any amount transferred with respect to a designated beneficiary if, at any time during the 1-year period ending on the day of such transfer, any other amount was transferred which was not includible in gross income by reason of clause (i)(I).", and

(3) by inserting "OR PROGRAMS" after "BENEFICIARIES" in the heading.

(d) MEMBER OF FAMILY INCLUDES FIRST COUSIN.—Section 529(e)(2) (defining member of family) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and by inserting "and", and by adding at the end the following new subparagraph:

"(D) any first cousin of such beneficiary."

(e) DEFINITION OF QUALIFIED HIGHER EDUCATION EXPENSES.—

(1) IN GENERAL.—Subparagraph (A) of section 529(e)(3) (relating to definition of qualified higher education expenses) is amended to read as follows:

"(A) IN GENERAL.—The term 'qualified higher education expenses' means—

"(i) tuition and fees required for the enrollment or attendance of a designated beneficiary at an eligible educational institution for courses of instruction of such beneficiary at such institution, and

"(ii) expenses for books, supplies, and equipment which are incurred in connection with such enrollment or attendance, but not to exceed the allowance for books and supplies included in the cost of attendance (as defined in section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087l), as in effect on the date of enactment of the Financial Freedom Act of 1999) as determined by the eligible educational institution."

(2) EXCEPTION FOR EDUCATION INVOLVING SPORTS, ETC.—Paragraph (3) of section 529(e) (relating to qualified higher education expenses) is amended by adding at the end the following new subparagraph:

"(C) EXCEPTION FOR EDUCATION INVOLVING SPORTS, ETC.—The term 'qualified higher education expenses' shall not include expenses with respect to any course or other education involving sports, games, or hobbies unless such course or other education is part of the beneficiary's degree program or is taken to acquire or improve job skills of the beneficiary."

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) QUALIFIED HIGHER EDUCATION EXPENSES.—The amendments made by subsection (e) shall apply to amounts paid for education furnished after December 31, 1999.

**SEC. 403. EXCLUSION OF CERTAIN AMOUNTS RECEIVED UNDER THE NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM, THE F. EDWARD HEBERT ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM, AND CERTAIN OTHER PROGRAMS.**

(a) IN GENERAL.—Section 117(c) (relating to the exclusion from gross income amounts received as a qualified scholarship) is amended—

(1) by striking "Subsections (a)" and inserting the following:

"(1) IN GENERAL.—Except as provided in paragraph (2), subsections (a)", and

(2) by adding at the end the following new paragraph:

"(2) EXCEPTIONS.—Paragraph (1) shall not apply to any amount received by an individual under—

"(A) the National Health Service Corps Scholarship program under section 338A(g)(1)(A) of the Public Health Service Act,

"(B) the Armed Forces Health Professions Scholarship and Financial Assistance program under subchapter I of chapter 105 of title 10, United States Code,

"(C) the National Institutes of Health Undergraduate Scholarship program under section 487D of the Public Health Service Act, or

"(D) any State program determined by the Secretary to have substantially similar objectives as such programs."

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to amounts received in taxable years beginning after December 31, 1993.

(2) STATE PROGRAMS.—Section 117(c)(2)(D) of the Internal Revenue Code of 1986 (as added by the amendments made by subsection (a)) shall apply to amounts received in taxable years beginning after December 31, 1999.

**SEC. 404. ADDITIONAL INCREASE IN ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS USED TO FINANCE EDUCATIONAL FACILITIES.**

(a) IN GENERAL.—Section 148(f)(4)(D)(vii) (relating to increase in exception for bonds financing public school capital expenditures) is amended by striking "\$5,000,000" the second place it appears and inserting "\$10,000,000".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued in calendar years beginning after December 31, 1999.

**SEC. 405. MODIFICATION OF ARBITRAGE REBATE RULES APPLICABLE TO PUBLIC SCHOOL CONSTRUCTION BONDS.**

(a) IN GENERAL.—Subparagraph (C) of section 148(f)(4) is amended by adding at the end the following new clause:

"(xviii) 4-YEAR SPENDING REQUIREMENT FOR PUBLIC SCHOOL CONSTRUCTION ISSUE.—

"(I) IN GENERAL.—In the case of a public school construction issue, the spending requirements of clause (ii) shall be treated as met if at least 10 percent of the available construction proceeds of the construction issue are spent for the governmental purposes of the issue within the 1-year period beginning on the date the bonds are issued, 30 percent of such proceeds are spent for such purposes within the 2-year period beginning on such date, 60 percent of such proceeds are spent for such purposes within the 3-year period beginning on such date, and 100 percent of such proceeds are spent for such purposes within the 4-year period beginning on such date.

"(II) PUBLIC SCHOOL CONSTRUCTION ISSUE.—For purposes of this clause, the term 'public school construction issue' means any construction issue if no bond which is part of such issue is a private activity bond and all of the available construction proceeds of such issue are to be used for the construction (as defined in clause (iv)) of public school facilities to provide education or training below the postsecondary level or for the acquisition of land that is functionally related and subordinate to such facilities.

"(III) OTHER RULES TO APPLY.—Rules similar to the rules of the preceding provisions of this subparagraph which apply to clause (ii) also apply to this clause."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after December 31, 1999.



**SEC. 406. REPEAL OF 60-MONTH LIMITATION ON DEDUCTION FOR INTEREST ON EDUCATION LOANS.**

(a) *IN GENERAL.*—Section 221 (relating to interest on education loans) is amended by striking subsection (d) and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(b) *CONFORMING AMENDMENT.*—Subsection (e) of section 6050S is amended by striking “section 221(e)(1)” and inserting “section 221(d)(1)”.

(c) *EFFECTIVE DATE.*—The amendments made by this section shall apply to loan interest payments made after December 31, 1999, in taxable years ending after such date.

**TITLE V—HEALTH CARE PROVISIONS****SEC. 501. DEDUCTION FOR HEALTH AND LONG-TERM CARE INSURANCE COSTS OF INDIVIDUALS NOT PARTICIPATING IN EMPLOYER-SUBSIDIZED HEALTH PLANS.**

(a) *IN GENERAL.*—Part VII of subchapter B of chapter 1 is amended by redesignating section 222 as section 223 and by inserting after section 221 the following new section:

**“SEC. 222. HEALTH AND LONG-TERM CARE INSURANCE COSTS.**

“(a) *IN GENERAL.*—In the case of an individual, there shall be allowed as a deduction an amount equal to the applicable percentage of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.

“(b) *APPLICABLE PERCENTAGE.*—For purposes of subsection (a), the applicable percentage shall be determined in accordance with the following table:

<b>“For taxable years beginning in calendar year—</b>	<b>The applicable percentage is—</b>
2001 .....	25
2002 .....	40
2003, 2004, 2005, and 2006 .....	50
2007 .....	75
2008 and thereafter .....	100.

“(c) *LIMITATION BASED ON OTHER COVERAGE.*—

“(1) *COVERAGE UNDER CERTAIN SUBSIDIZED EMPLOYER PLANS.*—

“(A) *IN GENERAL.*—Subsection (a) shall not apply to any taxpayer for any calendar month for which the taxpayer participates in any health plan maintained by any employer of the taxpayer or of the spouse of the taxpayer if 50 percent or more of the cost of coverage under such plan (determined under section 4980B) is paid or incurred by the employer.

“(B) *EMPLOYER CONTRIBUTIONS TO CAFETERIA PLANS, FLEXIBLE SPENDING ARRANGEMENTS, AND MEDICAL SAVINGS ACCOUNTS.*—Employer contributions to a cafeteria plan, a flexible spending or similar arrangement, or a medical savings account which are excluded from gross income under section 106 shall be treated for purposes of subparagraph (A) as paid by the employer.

“(C) *AGGREGATION OF PLANS OF EMPLOYER.*—A health plan which is not otherwise described in subparagraph (A) shall be treated as described in such subparagraph if such plan would be so described if all health plans of persons treated as a single employer under subsections (b), (c), (m), or (o) of section 414 were treated as one health plan.

“(D) *SEPARATE APPLICATION TO HEALTH INSURANCE AND LONG-TERM CARE INSURANCE.*—Subparagraphs (A) and (C) shall be applied separately with respect to—

“(i) plans which include primarily coverage for qualified long-term care services or are qualified long-term care insurance contracts, and

“(ii) plans which do not include such coverage and are not such contracts.

“(2) *COVERAGE UNDER CERTAIN FEDERAL PROGRAMS.*—

“(A) *IN GENERAL.*—Subsection (a) shall not apply to any amount paid for any coverage for an individual for any calendar month if, as of the first day of such month, the individual is covered under any medical care program described in—

“(i) title XVIII, XIX, or XXI of the Social Security Act,

“(ii) chapter 55 of title 10, United States Code,

“(iii) chapter 17 of title 38, United States Code,

“(iv) chapter 89 of title 5, United States Code, or

“(v) the Indian Health Care Improvement Act.

“(B) *EXCEPTIONS.*—

“(i) *QUALIFIED LONG-TERM CARE.*—Subparagraph (A) shall not apply to amounts paid for coverage under a qualified long-term care insurance contract.

“(ii) *CONTINUATION COVERAGE OF FEHBP.*—Subparagraph (A)(iv) shall not apply to coverage which is comparable to continuation coverage under section 4980B.

“(d) *LONG-TERM CARE DEDUCTION LIMITED TO QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.*—In the case of a qualified long-term care insurance contract, only eligible long-term care premiums (as defined in section 213(d)(10)) may be taken into account under subsection (a).

“(e) *SPECIAL RULES.*—

“(1) *COORDINATION WITH DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.*—The amount taken into account by the taxpayer in computing the deduction under section 162(l) shall not be taken into account under this section.

“(2) *COORDINATION WITH MEDICAL EXPENSE DEDUCTION.*—The amount taken into account by the taxpayer in computing the deduction under this section shall not be taken into account under section 213.

“(f) *REGULATIONS.*—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations requiring employers to report to their employees and the Secretary such information as the Secretary determines to be appropriate.”

(b) *DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES OTHER DEDUCTIONS.*—Subsection (a) of section 62 is amended by inserting after paragraph (17) the following new item:

“(18) *HEALTH AND LONG-TERM CARE INSURANCE COSTS.*—The deduction allowed by section 222.”

(c) *CLERICAL AMENDMENT.*—The table of sections for part VII of subchapter B of chapter 1 is amended by striking the last item and inserting the following new items:

“Sec. 222. Health and long-term care insurance costs.

“Sec. 223. Cross reference.”

(c) *EFFECTIVE DATE.*—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

**SEC. 502. LONG-TERM CARE INSURANCE PERMITTED TO BE OFFERED UNDER CAFETERIA PLANS AND FLEXIBLE SPENDING ARRANGEMENTS.**

(a) *CAFETERIA PLANS.*—Subsection (f) of section 125 (defining qualified benefits) is amended by inserting before the period at the end “unless such product is a qualified long-term care insurance contract (as defined in section 7702B)”.

(b) *FLEXIBLE SPENDING ARRANGEMENTS.*—Section 106 (relating to contributions by employer to accident and health plans) is amended by striking subsection (c).

(c) *EFFECTIVE DATE.*—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

**SEC. 503. EXPANSION OF AVAILABILITY OF MEDICAL SAVINGS ACCOUNTS.**

(a) *REPEAL OF LIMITATIONS ON NUMBER OF MEDICAL SAVINGS ACCOUNTS.*—

(1) *IN GENERAL.*—Subsections (i) and (j) of section 220 are hereby repealed.

(2) *CONFORMING AMENDMENT.*—Paragraph (1) of section 220(c) is amended by striking subparagraph (D).

(b) *ALL EMPLOYERS MAY OFFER MEDICAL SAVINGS ACCOUNTS.*—

(1) *IN GENERAL.*—Subclause (I) of section 220(c)(1)(A)(iii) (defining eligible individual) is amended by striking “and such employer is a small employer”.

(2) *CONFORMING AMENDMENTS.*—

(A) Paragraph (1) of section 220(c) is amended by striking subparagraph (C).

(B) Subsection (c) of section 220 is amended by striking paragraph (4) and by redesignating paragraph (5) as paragraph (4).

(c) *INCREASE IN AMOUNT OF DEDUCTION ALLOWED FOR CONTRIBUTIONS TO MEDICAL SAVINGS ACCOUNTS.*—

(1) *IN GENERAL.*—Paragraph (2) of section 220(b) is amended to read as follows:

“(2) *MONTHLY LIMITATION.*—The monthly limitation for any month is the amount equal to 1/2 of the annual deductible (as of the first day of such month) of the individual's coverage under the high deductible health plan.”

(2) *CONFORMING AMENDMENT.*—Clause (ii) of section 220(d)(1)(A) is amended by striking “75 percent of”.

(d) *BOTH EMPLOYERS AND EMPLOYEES MAY CONTRIBUTE TO MEDICAL SAVINGS ACCOUNTS.*—Paragraph (5) of section 220(b) is amended to read as follows:

“(5) *COORDINATION WITH EXCLUSION FOR EMPLOYER CONTRIBUTIONS.*—The limitation which would (but for this paragraph) apply under this subsection to the taxpayer for any taxable year shall be reduced (but not below zero) by the amount which would (but for section 106(b)) be includible in the taxpayer's gross income for such taxable year.”

(e) *REDUCTION OF PERMITTED DEDUCTIBLES UNDER HIGH DEDUCTIBLE HEALTH PLANS.*—

(1) *IN GENERAL.*—Subparagraph (A) of section 220(c)(2) (defining high deductible health plan) is amended—

(A) by striking “\$1,500” in clause (i) and inserting “\$1,000”, and

(B) by striking “\$3,000” in clause (ii) and inserting “\$2,000”.

(2) *CONFORMING AMENDMENT.*—Subsection (g) of section 220 is amended to read as follows:

“(g) *COST-OF-LIVING ADJUSTMENT.*—

“(1) *IN GENERAL.*—In the case of any taxable year beginning in a calendar year after 1998, each dollar amount in subsection (c)(2) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which such taxable year begins by substituting ‘calendar year 1997’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(2) *SPECIAL RULES.*—In the case of the \$1,000 amount in subsection (c)(2)(A)(i) and the \$2,000 amount in subsection (c)(2)(A)(ii), paragraph (1)(B) shall be applied by substituting ‘calendar year 1999’ for ‘calendar year 1997’.

“(3) *ROUNDING.*—If any increase under paragraph (1) or (2) is not a multiple of \$50, such increase shall be rounded to the nearest multiple of \$50.

(f) *MEDICAL SAVINGS ACCOUNTS MAY BE OFFERED UNDER CAFETERIA PLANS.*—Subsection (f) of section 125 is amended by striking “106(b)”,

(g) *EFFECTIVE DATE.*—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

**SEC. 504. ADDITIONAL PERSONAL EXEMPTION FOR TAXPAYER CARING FOR ELDERLY FAMILY MEMBER IN TAXPAYER'S HOME.**

(a) *IN GENERAL.*—Section 151 (relating to allowance of deductions for personal exemptions) is amended by adding at the end redesignating subsection (e) as subsection (f) and by inserting

after subsection (d) the following new subsection:

“(e) **ADDITIONAL EXEMPTION FOR CERTAIN ELDERLY FAMILY MEMBERS RESIDING WITH TAXPAYER.**—

“(1) **IN GENERAL.**—An exemption of the exemption amount for each qualified family member of the taxpayer.

“(2) **QUALIFIED FAMILY MEMBER.**—For purposes of this subsection, the term ‘qualified family member’ means, with respect to any taxable year, any individual—

“(A) who is an ancestor of the taxpayer or of the taxpayer’s spouse or who is the spouse of any such ancestor,

“(B) who is a member for the entire taxable year of a household maintained by the taxpayer, and

“(C) who has been certified, before the due date for filing the return of tax for the taxable year (without extensions), by a physician (as defined in section 1861(r)(1) of the Social Security Act) as being an individual with long-term care needs described in paragraph (3) for a period—

“(i) which is at least 180 consecutive days, and

“(ii) a portion of which occurs within the taxable year.

Such term shall not include any individual otherwise meeting the requirements of the preceding sentence unless within the 39½ month period ending on such due date (or such other period as the Secretary prescribes) a physician (as so defined) has certified that such individual meets such requirements.

“(3) **INDIVIDUALS WITH LONG-TERM CARE NEEDS.**—An individual is described in this paragraph if the individual—

“(A) is unable to perform (without substantial assistance from another individual) at least 2 activities of daily living (as defined in section 7702B(c)(2)(B)) due to a loss of functional capacity, or

“(B) requires substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment and is unable to perform, without reminding or cuing assistance, at least 1 activity of at least 1 activity of daily living (as so defined) or to the extent provided in regulations prescribed by the Secretary (in consultation with the Secretary of Health and Human Services), is unable to engage in age appropriate activities.

“(4) **SPECIAL RULES.**—Rules similar to the rules of paragraphs (1), (2), (3), (4), and (5) of section 21(e) shall apply for purposes of this subsection.”

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 505. EXPANDED HUMAN CLINICAL TRIALS QUALIFYING FOR ORPHAN DRUG CREDIT.**

(a) **IN GENERAL.**—Subclause (I) of section 45C(b)(2)(A)(ii) is amended to read as follows:

“(I) after the date that the application is filed for designation under such section 526, and”.

(b) **CONFORMING AMENDMENT.**—Clause (i) of section 45C(b)(2)(A) is amended by inserting “which is” before “being” and by inserting before the comma at the end “and which is designated under section 526 of such Act”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to amounts paid or incurred after December 31, 1999.

**SEC. 506. INCLUSION OF CERTAIN VACCINES AGAINST STREPTOCOCCUS PNEUMONIAE TO LIST OF TAXABLE VACCINES.**

(a) **IN GENERAL.**—Section 4132(a)(1) (defining taxable vaccine) is amended by adding at the end the following new subparagraph:

“(L) Any conjugate vaccine against streptococcus pneumoniae.”

(b) **EFFECTIVE DATE.**—

(1) **SALES.**—The amendment made by this section shall apply to vaccine sales beginning on the day after the date on which the Centers for Disease Control makes a final recommendation for routine administration to children of any conjugate vaccine against streptococcus pneumoniae.

(2) **DELIVERIES.**—For purposes of paragraph (1), in the case of sales on or before the date described in such paragraph for which delivery is made after such date, the delivery date shall be considered the sale date.

(c) **REPORT.**—Not later than December 31, 1999, the Comptroller General of the United States shall prepare and submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the operation of the Vaccine Injury Compensation Trust Fund and on the adequacy of such Fund to meet future claims made under the Vaccine Injury Compensation Program.

**SEC. 507. ABOVE-THE-LINE DEDUCTION FOR PRESCRIPTION DRUG INSURANCE COVERAGE OF MEDICARE BENEFICIARIES IF CERTAIN MEDICARE AND LOW-INCOME ASSISTANCE PROVISIONS IN EFFECT.**

(a) **IN GENERAL.**—Subsection (a) of section 213 is amended by adding at the end the following new sentence: “The 7.5 percent adjusted gross income threshold in the preceding sentence shall not apply to the expenses paid during the taxable year for prescription drug insurance coverage of a medicare beneficiary who is the taxpayer, the taxpayer’s spouse, or a dependent (as defined in section 152) if—

“(1) the Secretary certifies that, throughout such taxable year, the conditions specified in subsection (e) are met, and

“(2) the amount paid for such coverage is either separately stated in the contract or furnished to the policyholder by the insurance company in a separate statement.

Expenses to which the preceding sentence applies shall not be taken into account in applying such threshold to other expenses. For purposes of this subsection, the term ‘medicare beneficiary’ means an individual who is entitled to benefits under part A, B, or C of title XVIII of the Social Security Act.”

(b) **CONDITIONS.**—Section 213 is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

“(e) **CONDITIONS FOR SEPARATE DEDUCTION FOR PRESCRIPTION DRUG INSURANCE COVERAGE.**—For purposes of subsection (a), the conditions specified in this subsection are met if all of the following are in effect:

“(1) **ASSISTANCE FOR PRESCRIPTION DRUGS FOR LOW-INCOME MEDICARE BENEFICIARIES.**—

“(A) Low-income assistance to enable the purchase of coverage of prescription drugs as described in paragraph (2) or (3) for medicare beneficiaries with incomes under 135 percent of the applicable Federal poverty level, with such assistance phasing out for beneficiaries with incomes between 135 percent and 150 percent of such level.

“(B) The Federal Government provides funding for the costs of such assistance.

“(2) **SUPPLEMENTAL COVERAGE OF PRESCRIPTION DRUGS.**—All policies supplemental to Medicare include coverage for costs of prescription drugs.

“(3) **STRUCTURAL MEDICARE REFORM.**—Coverage for outpatient prescription drugs for medicare beneficiaries is provided only through integrated comprehensive health plans which offer current Medicare covered services and maximum limitations on out-of-pocket spending and such comprehensive plans sponsored by the Health Care Financing Administration compete on the same basis as private plans.”

(c) **DEDUCTION FOR PRESCRIPTION DRUG INSURANCE COVERAGE ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES OTHER DEDUCTIONS.**—Subsection (a) of section 62 (defining adjusted gross income) is amended by inserting after paragraph (18) the following new paragraph:

“(19) **PRESCRIPTION DRUG INSURANCE COVERAGE.**—The deduction allowed by section 213(a) to the extent of the expenses described in the second sentence thereof.”

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

**TITLE VI—ESTATE TAX RELIEF**

**Subtitle A—Repeal of Estate, Gift, and Generation-Skipping Taxes; Repeal of Step Up in Basis At Death**

**SEC. 601. REPEAL OF ESTATE, GIFT, AND GENERATION-SKIPPING TAXES.**

(a) **IN GENERAL.**—Subtitle B is hereby repealed.

(b) **EFFECTIVE DATE.**—The repeal made by subsection (a) shall apply to the estates of decedents dying, and gifts and generation-skipping transfers made, after December 31, 2008.

**SEC. 602. TERMINATION OF STEP UP IN BASIS AT DEATH.**

(a) **TERMINATION OF APPLICATION OF SECTION 1014.**—Section 1014 (relating to basis of property acquired from a decedent) is amended by adding at the end the following:

“(f) **TERMINATION.**—In the case of a decedent dying after December 31, 2008, this section shall not apply to property for which basis is provided by section 1022.”

(b) **CONFORMING AMENDMENT.**—Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking “and” at the end of paragraph (26), by striking the period at the end of paragraph (27) and inserting “; and”, and by adding at the end the following:

“(28) to the extent provided in section 1022 (relating to basis for certain property acquired from a decedent dying after December 31, 2008).”

**SEC. 603. CARRYOVER BASIS AT DEATH.**

(a) **GENERAL RULE.**—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1021 the following:

**“SEC. 1022. CARRYOVER BASIS FOR CERTAIN PROPERTY ACQUIRED FROM A DECEDENT DYING AFTER DECEMBER 31, 2008.**

“(a) **CARRYOVER BASIS.**—Except as otherwise provided in this section, the basis of carryover basis property in the hands of a person acquiring such property from a decedent shall be determined under section 1015.

“(b) **CARRYOVER BASIS PROPERTY DEFINED.**—

“(1) **IN GENERAL.**—For purposes of this section, the term ‘carryover basis property’ means any property—

“(A) which is acquired from or passed from a decedent who died after December 31, 2008, and

“(B) which is not excluded pursuant to paragraph (2).

The property taken into account under subparagraph (A) shall be determined under section 1014(b) without regard to subparagraph (A) of the last sentence of paragraph (9) thereof.

“(2) **CERTAIN PROPERTY NOT CARRYOVER BASIS PROPERTY.**—The term ‘carryover basis property’ does not include—

“(A) any item of gross income in respect of a decedent described in section 691,

“(B) property which was acquired from the decedent by the surviving spouse of the decedent, the value of which would have been deductible from the value of the taxable estate of the decedent under section 2056, as in effect on the day before the date of enactment of the Financial Freedom Act of 1999, and

“(C) any includible property of the decedent if the aggregate adjusted fair market value of such property does not exceed \$2,000,000.

For purposes of this paragraph and paragraph (3), the term ‘adjusted fair market value’ means, with respect to any property, fair market value reduced by any indebtedness secured by such property.

“(3) PHASE-IN OF CARRYOVER BASIS IF INCLUDIBLE PROPERTY EXCEEDS \$1,300,000.—

“(A) IN GENERAL.—If the adjusted fair market value of the includible property of the decedent exceeds \$1,300,000, but does not exceed \$2,000,000, the amount of the increase in the basis of such property which would (but for this paragraph) result under section 1014 shall be reduced by the amount which bears the same ratio to such increase as such excess bears to \$700,000.

“(B) ALLOCATION OF REDUCTION.—The reduction under subparagraph (A) shall be allocated among only the includible property having net appreciation and shall be allocated in proportion to the respective amounts of such net appreciation. For purposes of the preceding sentence, the term ‘net appreciation’ means the excess of the adjusted fair market value over the decedent’s adjusted basis immediately before such decedent’s death.

“(4) INCLUDIBLE PROPERTY.—

“(A) IN GENERAL.—For purposes of this subsection, the term ‘includible property’ means property which would be included in the gross estate of the decedent under any of the following provisions as in effect on the day before the date of the enactment of the Financial Freedom Act of 1999:

“(i) Section 2033.

“(ii) Section 2038.

“(iii) Section 2040.

“(iv) Section 2041.

“(v) Section 2042(a)(1).

“(B) EXCLUSION OF PROPERTY ACQUIRED BY SPOUSE.—Such term shall not include property described in paragraph (2)(B).

“(c) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.”

(b) MISCELLANEOUS AMENDMENTS RELATED TO CARRYOVER BASIS.—

(1) CAPITAL GAIN TREATMENT FOR INHERITED ART WORK OR SIMILAR PROPERTY.—

(A) IN GENERAL.—Subparagraph (C) of section 1221(3) (defining capital asset) is amended by inserting “(other than by reason of section 1022)” after “is determined”.

(B) COORDINATION WITH SECTION 170.—Paragraph (1) of section 170(e) (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following: “For purposes of this paragraph, the determination of whether property is a capital asset shall be made without regard to the exception contained in section 1221(3)(C) for basis determined under section 1022.”

(2) DEFINITION OF EXECUTOR.—Section 7701(a) (relating to definitions) is amended by adding at the end the following:

“(47) EXECUTOR.—The term ‘executor’ means the executor or administrator of the decedent, or, if there is no executor or administrator appointed, qualified, and acting within the United States, then any person in actual or constructive possession of any property of the decedent.”

(3) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of chapter 1 is amended by adding at the end the following new item:

“Sec. 1022. Carryover basis for certain property acquired from a decedent dying after December 31, 2008.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2008.

## Subtitle B—Reductions of Estate and Gift Tax Rates Prior to Repeal

### SEC. 611. ADDITIONAL REDUCTIONS OF ESTATE AND GIFT TAX RATES.

(a) MAXIMUM RATE OF TAX REDUCED TO 50 PERCENT.—

(1) IN GENERAL.—The table contained in section 2001(c)(1) is amended by striking the 2 highest brackets and inserting the following:

Over \$2,500,000 ..... \$1,025,800, plus 50% of the excess over \$2,500,000.”

(2) PHASE-IN OF REDUCED RATE.—Subsection (c) of section 2001 is amended by adding at the end the following new paragraph:

“(3) PHASE-IN OF REDUCED RATE.—In the case of decedents dying, and gifts made, during 2001, the last item in the table contained in paragraph (1) shall be applied by substituting ‘53%’ for ‘50%’.”

(b) REPEAL OF PHASEOUT OF GRADUATED RATES.—Subsection (c) of section 2001 is amended by striking paragraph (2) and redesignating paragraph (3), as added by subsection (a), as paragraph (2).

(c) ADDITIONAL REDUCTIONS OF RATES OF TAX.—Subsection (c) of section 2001, as so amended, is amended by adding at the end the following new paragraph:

“(3) PHASEDOWN OF TAX.—In the case of estates of decedents dying, and gifts made, during any calendar year after 2001 and before 2009—

“(A) IN GENERAL.—Except as provided in subparagraph (C), the tentative tax under this subsection shall be determined by using a table prescribed by the Secretary (in lieu of using the table contained in paragraph (1)) which is the same as such table; except that—

“(i) each of the rates of tax shall be reduced by the number of percentage points determined under subparagraph (B), and

“(ii) the amounts setting forth the tax shall be adjusted to the extent necessary to reflect the adjustments under clause (i).

“(B) PERCENTAGE POINTS OF REDUCTION.—

“For calendar year: The number of

	percentage points is:
2003 .....	1.0
2004 .....	2.0
2005 .....	3.0
2006 .....	4.0
2007 .....	5.5
2008 .....	7.5.

“(C) COORDINATION WITH INCOME TAX RATES.—The reductions under subparagraph (A)—

“(i) shall not reduce any rate under paragraph (1) below the lowest rate in section 1(c), and

“(ii) shall not reduce the highest rate under paragraph (1) below the highest rate in section 1(c).

“(D) COORDINATION WITH CREDIT FOR STATE DEATH TAXES.—Rules similar to the rules of subparagraph (A) shall apply to the table contained in section 2011(b) except that the Secretary shall prescribe percentage point reductions which maintain the proportionate relationship (as in effect before any reduction under this paragraph) between the credit under section 2011 and the tax rates under subsection (c).”

(d) EFFECTIVE DATES.—

(1) SUBSECTIONS (a) AND (b).—The amendments made by subsections (a) and (b) shall apply to estates of decedents dying, and gifts made, after December 31, 2000.

(2) SUBSECTION (c).—The amendment made by subsection (c) shall apply to estates of decedents dying, and gifts made, after December 31, 2004.

## Subtitle C—Unified Credit Replaced With Unified Exemption Amount

### SEC. 621. UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES REPLACED WITH UNIFIED EXEMPTION AMOUNT.

(a) IN GENERAL.—

(1) ESTATE TAX.—Part IV of subchapter A of chapter 11 is amended by inserting after section 2051 the following new section:

#### “SEC. 2052. EXEMPTION.

“(a) IN GENERAL.—For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate an amount equal to the excess (if any) of—

“(1) the exemption amount for the calendar year in which the decedent died, over

“(2) the sum of—

“(A) the aggregate amount allowed as an exemption under section 2521 with respect to gifts made by the decedent after December 31, 2000, and

“(B) the aggregate amount of gifts made by the decedent for which credit was allowed by section 2505 (as in effect on the day before the date of the enactment of the Financial Freedom Act of 1999).

Gifts which are includible in the gross estate of the decedent shall not be taken into account in determining the amounts under paragraph (2).

“(b) EXEMPTION AMOUNT.—For purposes of subsection (a), the term ‘exemption amount’ means the amount determined in accordance with the following table:

In the case of cal- endar year:	The exemption amount is:
2001 .....	\$675,000
2002 and 2003 .....	\$700,000
2004 .....	\$850,000
2005 .....	\$950,000
2006 or thereafter .....	\$1,000,000.”

(2) GIFT TAX.—Subchapter C of chapter 12 (relating to deductions) is amended by inserting before section 2522 the following new section:

#### “SEC. 2521. EXEMPTION.

“(a) IN GENERAL.—In computing taxable gifts for any calendar year, there shall be allowed as a deduction in the case of a citizen or resident of the United States an amount equal to the excess of—

“(1) the exemption amount determined under section 2052 for such calendar year, over

“(2) the sum of—

“(A) the aggregate amount allowed as an exemption under this section for all preceding calendar years after 2000, and

“(B) the aggregate amount of gifts for which credit was allowed by section 2505 (as in effect on the day before the date of the enactment of the Financial Freedom Act of 1999).”

(b) REPEAL OF UNIFIED CREDITS.—

(1) Section 2010 (relating to unified credit against estate tax) is hereby repealed.

(2) Section 2505 (relating to unified credit against gift tax) is hereby repealed.

(c) CONFORMING AMENDMENTS.—

(1)(A) Subparagraph (B) of section 2001(b)(1) is amended by inserting before the comma “reduced by the amount of described in section 2052(a)(2)”.

(B) Subsection (b) of section 2001 is amended by adding at the end the following new sentence: “For purposes of paragraph (2), the amount of the tax payable under chapter 12 shall be determined without regard to the credit provided by section 2505 (as in effect on the day before the date of the enactment of the Financial Freedom Act of 1999).”

(2) Subsection (f) of section 2011 is amended by striking “, reduced by the amount of the unified credit provided by section 2010”.

(3) Subsection (a) of section 2012 is amended by striking “and the unified credit provided by section 2010”.

(4) Subsection (b) of section 2013 is amended by inserting before the period at the end of the first sentence “and increased by the exemption allowed under section 2052 or 2106(a)(4) (or the corresponding provisions of prior law) in determining the taxable estate of the transferor for purposes of the estate tax”.

(5) Subparagraph (A) of section 2013(c)(1) is amended by striking "2010,".

(6) Paragraph (2) of section 2014(b) is amended by striking "2010,".

(7) Clause (ii) of section 2056A(b)(12)(C) is amended to read as follows:

"(ii) to treat any reduction in the tax imposed by paragraph (1)(A) by reason of the credit allowable under section 2010 (as in effect on the day before the date of the enactment of the Financial Freedom Act of 1999) or the exemption allowable under section 2052 with respect to the decedent as such a credit or exemption (as the case may be) allowable to such surviving spouse for purposes of determining the amount of the exemption allowable under section 2521 with respect to taxable gifts made by the surviving spouse during the year in which the spouse becomes a citizen or any subsequent year,".

(8) Section 2102 is amended by striking subsection (c).

(9) Subsection (a) of section 2106 is amended by adding at the end the following new paragraph:

"(4) EXEMPTION.—

"(A) IN GENERAL.—An exemption of \$60,000.

"(B) RESIDENTS OF POSSESSIONS OF THE UNITED STATES.—In the case of a decedent who is considered to be a nonresident not a citizen of the United States under section 2209, the exemption under this paragraph shall be the greater of—

"(i) \$60,000, or

"(ii) that proportion of \$175,000 which the value of that part of the decedent's gross estate which at the time of his death is situated in the United States bears to the value of his entire gross estate wherever situated.

"(C) SPECIAL RULES.—

"(i) COORDINATION WITH TREATIES.—To the extent required under any treaty obligation of the United States, the exemption allowed under this paragraph shall be equal to the amount which bears the same ratio to the exemption amount under section 2052 (for the calendar year in which the decedent died) as the value of the part of the decedent's gross estate which at the time of his death is situated in the United States bears to the value of his entire gross estate wherever situated. For purposes of the preceding sentence, property shall not be treated as situated in the United States if such property is exempt from the tax imposed by this subchapter under any treaty obligation of the United States.

"(ii) COORDINATION WITH GIFT TAX EXEMPTION AND UNIFIED CREDIT.—If an exemption has been allowed under section 2521 (or a credit has been allowed under section 2505 as in effect on the day before the date of the enactment of the Financial Freedom Act of 1999) with respect to any gift made by the decedent, each dollar amount contained in subparagraph (A) or (B) or the exemption amount applicable under clause (i) of this subparagraph (whichever applies) shall be reduced by the exemption so allowed under 2521 (or, in the case of such a credit, by the amount of the gift for which the credit was so allowed)."

(10) Subsection (c) of section 2107 is amended—

(A) by striking paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively, and

(B) by striking the second sentence of paragraph (2) (as so redesignated).

(11) Section 2206 is amended by striking "the taxable estate" in the first sentence and inserting "the sum of the taxable estate and the amount of the exemption allowed under section 2052 or 2106(a)(4) in computing the taxable estate".

(12) Section 2207 is amended by striking "the taxable estate" in the first sentence and insert-

ing "the sum of the taxable estate and the amount of the exemption allowed under section 2052 or 2106(a)(4) in computing the taxable estate".

(13) Subparagraph (B) of section 2207B(a)(1) is amended to read as follows:

"(B) the sum of the taxable estate and the amount of the exemption allowed under section 2052 or 2106(a)(4) in computing the taxable estate."

(14) Subsection (a) of section 2503 is amended by striking "section 2522" and inserting "section 2521".

(15) Paragraph (1) of section 6018(a) is amended by striking "\$600,000" and inserting "the exemption amount under section 2052 for the calendar year which includes the date of death".

(16) Subparagraph (A) of section 6601(j)(2) is amended to read as follows:

"(A) the amount of the tax which would be imposed by chapter 11 on an amount of taxable estate equal to the excess of \$1,000,000 over the exemption amount allowable under section 2052, or".

(17) The table of sections for part II of subchapter A of chapter 11 is amended by striking the item relating to section 2010.

(18) The table of sections for subchapter A of chapter 12 is amended by striking the item relating to section 2505.

(d) EFFECTIVE DATE.—The amendments made by this section—

(1) insofar as they relate to the tax imposed by chapter 11 of the Internal Revenue Code of 1986, shall apply to estates of decedents dying after December 31, 2000, and

(2) insofar as they relate to the tax imposed by chapter 12 of such Code, shall apply to gifts made after December 31, 2000.

#### **Subtitle D—Modifications of Generation-Skipping Transfer Tax**

#### **SEC. 631. DEEMED ALLOCATION OF GST EXEMPTION TO LIFETIME TRANSFERS TO TRUSTS; RETROACTIVE ALLOCATIONS.**

(a) IN GENERAL.—Section 2632 (relating to special rules for allocation of GST exemption) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsections:

"(c) DEEMED ALLOCATION TO CERTAIN LIFETIME TRANSFERS TO GST TRUSTS.—

"(1) IN GENERAL.—If any individual makes an indirect skip during such individual's lifetime, any unused portion of such individual's GST exemption shall be allocated to the property transferred to the extent necessary to make the inclusion ratio for such property zero. If the amount of the indirect skip exceeds such unused portion, the entire unused portion shall be allocated to the property transferred.

"(2) UNUSED PORTION.—For purposes of paragraph (1), the unused portion of an individual's GST exemption is that portion of such exemption which has not previously been—

"(A) allocated by such individual,

"(B) treated as allocated under subsection (b) with respect to a direct skip occurring during or before the calendar year in which the indirect skip is made, or

"(C) treated as allocated under paragraph (1) with respect to a prior indirect skip.

"(3) DEFINITIONS.—

"(A) INDIRECT SKIP.—For purposes of this subsection, the term 'indirect skip' means any transfer of property (other than a direct skip) subject to the tax imposed by chapter 12 made to a GST trust.

"(B) GST TRUST.—The term 'GST trust' means a trust that could have a generation-skipping transfer with respect to the transferor unless—

"(i) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by 1 or more individuals who are non-skip persons—

"(I) before the date that the individual attains age 46,

"(II) on or before 1 or more dates specified in the trust instrument that will occur before the date that such individual attains age 46, or

"(III) upon the occurrence of an event that, in accordance with regulations prescribed by the Secretary, may reasonably be expected to occur before the date that such individual attains age 46;

"(ii) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by 1 or more individuals who are non-skip persons and who are living on the date of death of another person identified in the instrument (by name or by class) who is more than 10 years older than such individuals;

"(iii) the trust instrument provides that, if 1 or more individuals who are non-skip persons die on or before a date or event described in clause (i) or (ii), more than 25 percent of the trust corpus either must be distributed to the estate or estates of 1 or more of such individuals or is subject to a general power of appointment exercisable by 1 or more of such individuals;

"(iv) the trust is a trust any portion of which would be included in the gross estate of a non-skip person (other than the transferor) if such person died immediately after the transfer;

"(v) the trust is a charitable lead annuity trust (within the meaning of section 2642(e)(3)(A)) or a charitable remainder annuity trust or a charitable remainder unitrust (within the meaning of section 664(d)); or

"(vi) the trust is a trust with respect to which a deduction was allowed under section 2522 for the amount of an interest in the form of the right to receive annual payments of a fixed percentage of the net fair market value of the trust property (determined yearly) and which is required to pay principal to a non-skip person if such person is alive when the yearly payments for which the deduction was allowed terminate. For purposes of this subparagraph, the value of transferred property shall not be considered to be includible in the gross estate of a non-skip person or subject to a right of withdrawal by reason of such person holding a right to withdraw so much of such property as does not exceed the amount referred to in section 2503(b) with respect to any transferor, and it shall be assumed that powers of appointment held by non-skip persons will not be exercised.

"(4) AUTOMATIC ALLOCATIONS TO CERTAIN GST TRUSTS.—For purposes of this subsection, an indirect skip to which section 2642(f) applies shall be deemed to have been made only at the close of the estate tax inclusion period. The fair market value of such transfer shall be the fair market value of the trust property at the close of the estate tax inclusion period.

"(5) APPLICABILITY AND EFFECT.—

"(A) IN GENERAL.—An individual—

"(i) may elect to have this subsection not apply to—

"(I) an indirect skip, or

"(II) any or all transfers made by such individual to a particular trust, and

"(ii) may elect to treat any trust as a GST trust for purposes of this subsection with respect to any or all transfers made by such individual to such trust.

"(B) ELECTIONS.—

"(i) ELECTIONS WITH RESPECT TO INDIRECT SKIPS.—An election under subparagraph (A)(i)(I) shall be deemed to be timely if filed on a timely filed gift tax return for the calendar year in which the transfer was made or deemed to have been made pursuant to paragraph (4) or on such later date or dates as may be prescribed by the Secretary.

"(ii) OTHER ELECTIONS.—An election under clause (i)(II) or (ii) of subparagraph (A) may be

made on a timely filed gift tax return for the calendar year for which the election is to become effective.

“(d) RETROACTIVE ALLOCATIONS.—

“(1) IN GENERAL.—If—

“(A) a non-skip person has an interest or a future interest in a trust to which any transfer has been made,

“(B) such person—

“(i) is a lineal descendant of a grandparent of the transferor or of a grandparent of the transferor's spouse or former spouse, and

“(ii) is assigned to a generation below the generation assignment of the transferor, and

“(C) such person predeceases the transferor, then the transferor may make an allocation of any of such transferor's unused GST exemption to any previous transfer or transfers to the trust on a chronological basis.

“(2) SPECIAL RULES.—If the allocation under paragraph (1) by the transferor is made on a gift tax return filed on or before the date prescribed by section 6075(b) for gifts made within the calendar year within which the non-skip person's death occurred—

“(A) the value of such transfer or transfers for purposes of section 2642(a) shall be determined as if such allocation had been made on a timely filed gift tax return for each calendar year within which each transfer was made,

“(B) such allocation shall be effective immediately before such death, and

“(C) the amount of the transferor's unused GST exemption available to be allocated shall be determined immediately before such death.

“(3) FUTURE INTEREST.—For purposes of this subsection, a person has a future interest in a trust if the trust may permit income or corpus to be paid to such person on a date or dates in the future.”.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 2632(b) is amended by striking “with respect to a direct skip” and inserting “or subsection (c)(1)”.

(c) EFFECTIVE DATES.—

(1) DEEMED ALLOCATION.—Section 2632(c) of the Internal Revenue Code of 1986 (as added by subsection (a)), and the amendment made by subsection (b), shall apply to transfers subject to chapter 11 or 12 made after December 31, 1999, and to estate tax inclusion periods ending after December 31, 1999.

(2) RETROACTIVE ALLOCATIONS.—Section 2632(d) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to deaths of non-skip persons occurring after the date of the enactment of this Act.

#### SEC. 632. SEVERING OF TRUSTS.

(a) IN GENERAL.—Subsection (a) of section 2642 (relating to inclusion ratio) is amended by adding at the end the following new paragraph:

“(3) SEVERING OF TRUSTS.—

“(A) IN GENERAL.—If a trust is severed in a qualified severance, the trusts resulting from such severance shall be treated as separate trusts thereafter for purposes of this chapter.

“(B) QUALIFIED SEVERANCE.—For purposes of subparagraph (A)—

“(i) IN GENERAL.—The term ‘qualified severance’ means the division of a single trust and the creation (by any means available under the governing instrument or under local law) of 2 or more trusts if—

“(I) the single trust was divided on a fractional basis, and

“(II) the terms of the new trusts, in the aggregate, provide for the same succession of interests of beneficiaries as are provided in the original trust.

“(ii) TRUSTS WITH INCLUSION RATIO GREATER THAN ZERO.—If a trust has an inclusion ratio of greater than zero and less than 1, a severance is a qualified severance only if the single trust is divided into 2 trusts, one of which receives a

fractional share of the total value of all trust assets equal to the applicable fraction of the single trust immediately before the severance. In such case, the trust receiving such fractional share shall have an inclusion ratio of zero and the other trust shall have an inclusion ratio of 1.

“(iii) REGULATIONS.—The term ‘qualified severance’ includes any other severance permitted under regulations prescribed by the Secretary.

“(C) TIMING AND MANNER OF SEVERANCES.—A severance pursuant to this paragraph may be made at any time. The Secretary shall prescribe by forms or regulations the manner in which the qualified severance shall be reported to the Secretary.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to severances after the date of the enactment of this Act.

#### SEC. 633. MODIFICATION OF CERTAIN VALUATION RULES.

(a) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—Paragraph (1) of section 2642(b) (relating to valuation rules, etc.) is amended to read as follows:

“(1) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—If the allocation of the GST exemption to any transfers of property is made on a gift tax return filed on or before the date prescribed by section 6075(b) for such transfer or is deemed to be made under section 2632 (b)(1) or (c)(1)—

“(A) the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 12 (within the meaning of section 2001(f)(2)), or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, its value at the time of the close of the estate tax inclusion period, and

“(B) such allocation shall be effective on and after the date of such transfer, or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, on and after the close of such estate tax inclusion period.”.

(b) TRANSFERS AT DEATH.—Subparagraph (A) of section 2642(b)(2) is amended to read as follows:

“(A) TRANSFERS AT DEATH.—If property is transferred as a result of the death of the transferor, the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 11; except that, if the requirements prescribed by the Secretary respecting allocation of post-death changes in value are not met, the value of such property shall be determined as of the time of the distribution concerned.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 1431 of the Tax Reform Act of 1986.

#### SEC. 634. RELIEF PROVISIONS.

(a) IN GENERAL.—Section 2642 is amended by adding at the end the following new subsection:

“(g) RELIEF PROVISIONS.—

“(1) RELIEF FOR LATE ELECTIONS.—

“(A) IN GENERAL.—The Secretary shall by regulation prescribe such circumstances and procedures under which extensions of time will be granted to make—

“(i) an allocation of GST exemption described in paragraph (1) or (2) of subsection (b), and

“(ii) an election under subsection (b)(3) or (c)(5) of section 2632.

Such regulations shall include procedures for requesting comparable relief with respect to transfers made before the date of enactment of this paragraph.

“(B) BASIS FOR DETERMINATIONS.—In determining whether to grant relief under this paragraph, the Secretary shall take into account all relevant circumstances, including evidence of

intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant. For purposes of determining whether to grant relief under this paragraph, the time for making the allocation (or election) shall be treated as if not expressly prescribed by statute.

“(2) SUBSTANTIAL COMPLIANCE.—An allocation of GST exemption under section 2632 that demonstrates an intent to have the lowest possible inclusion ratio with respect to a transfer or a trust shall be deemed to be an allocation of so much of the transferor's unused GST exemption as produces the lowest possible inclusion ratio. In determining whether there has been substantial compliance, all relevant circumstances shall be taken into account, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant.”.

(b) EFFECTIVE DATES.—

(1) RELIEF FOR LATE ELECTIONS.—Section 2642(g)(1) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to requests pending on, or filed after, the date of the enactment of this Act.

(2) SUBSTANTIAL COMPLIANCE.—Section 2642(g)(2) of such Code (as so added) shall take effect on the date of the enactment of this Act and shall apply to allocations made prior to such date for purposes of determining the tax consequences of generation-skipping transfers with respect to which the period of time for filing claims for refund has not expired. No negative implication is intended with respect to the availability of relief for late elections or the application of a rule of substantial compliance prior to the enactment of this amendment.

### TITLE VII—TAX RELIEF FOR DISTRESSED COMMUNITIES AND INDUSTRIES

#### Subtitle A—American Community Renewal Act of 1999

##### SEC. 701. SHORT TITLE.

This subtitle may be cited as the “American Community Renewal Act of 1999”.

##### SEC. 702. DESIGNATION OF AND TAX INCENTIVES FOR RENEWAL COMMUNITIES.

(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following new subchapter:

#### “Subchapter X—Renewal Communities

“Part I. Designation.

“Part II. Renewal community capital gain; renewal community business.

“Part III. Family development accounts.

“Part IV. Additional incentives.

#### “PART I—DESIGNATION

“Sec. 1400E. Designation of renewal communities.

#### “SEC. 1400E. DESIGNATION OF RENEWAL COMMUNITIES.

“(a) DESIGNATION.—

“(1) DEFINITIONS.—For purposes of this title, the term ‘renewal community’ means any area—

“(A) which is nominated by one or more local governments and the State or States in which it is located for designation as a renewal community (hereinafter in this section referred to as a ‘nominated area’); and

“(B) which the Secretary of Housing and Urban Development designates as a renewal community, after consultation with—

“(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration; and

“(ii) in the case of an area on an Indian reservation, the Secretary of the Interior.

“(2) NUMBER OF DESIGNATIONS.—

“(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 20 nominated areas as renewal communities.

“(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under paragraph (1), at least 4 must be areas—

“(i) which are within a local government jurisdiction or jurisdictions with a population of less than 50,000,

“(ii) which are outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

“(iii) which are determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

“(3) AREAS DESIGNATED BASED ON DEGREE OF POVERTY, ETC.—

“(A) IN GENERAL.—Except as otherwise provided in this section, the nominated areas designated as renewal communities under this subsection shall be those nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (B), (C), and (D) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area which exceeds such criterion by the greatest amount given the highest ranking.

“(B) EXCEPTION WHERE INADEQUATE COURSE OF ACTION, ETC.—An area shall not be designated under subparagraph (A) if the Secretary of Housing and Urban Development determines that the course of action described in subsection (d)(2) with respect to such area is inadequate.

“(C) PRIORITY FOR EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES WITH RESPECT TO FIRST HALF OF DESIGNATIONS.—With respect to the first 10 designations made under this section—

“(i) all shall be chosen from nominated areas which are empowerment zones or enterprise communities (and are otherwise eligible for designation under this section); and

“(ii) 2 shall be areas described in paragraph (2)(B).

“(4) LIMITATION ON DESIGNATIONS.—

“(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

“(i) the procedures for nominating an area under paragraph (1)(A);

“(ii) the parameters relating to the size and population characteristics of a renewal community; and

“(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

“(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate nominated areas as renewal communities only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

“(C) PROCEDURAL RULES.—The Secretary of Housing and Urban Development shall not make any designation of a nominated area as a renewal community under paragraph (2) unless—

“(i) the local governments and the States in which the nominated area is located have the authority—

“(I) to nominate such area for designation as a renewal community;

“(II) to make the State and local commitments described in subsection (d); and

“(III) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled,

“(ii) a nomination regarding such area is submitted in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall by regulation prescribe; and

“(iii) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate.

“(5) NOMINATION PROCESS FOR INDIAN RESERVATIONS.—For purposes of this subchapter, in the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be treated as being both the State and local governments with respect to such area.

“(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

“(1) IN GENERAL.—Any designation of an area as a renewal community shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

“(A) December 31, 2007,

“(B) the termination date designated by the State and local governments in their nomination, or

“(C) the date the Secretary of Housing and Urban Development revokes such designation.

“(2) REVOCATION OF DESIGNATION.—The Secretary of Housing and Urban Development may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which the area is located—

“(A) has modified the boundaries of the area, or

“(B) is not complying substantially with, or fails to make progress in achieving, the State or local commitments, respectively, described in subsection (d).

“(c) AREA AND ELIGIBILITY REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate a nominated area as a renewal community under subsection (a) only if the area meets the requirements of paragraphs (2) and (3) of this subsection.

“(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

“(A) the area is within the jurisdiction of one or more local governments;

“(B) the boundary of the area is continuous; and

“(C) the area—

“(i) has a population, of at least—

“(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (within the meaning of section 143(k)(2)(B)) which has a population of 50,000 or greater; or

“(II) 1,000 in any other case; or

“(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

“(3) ELIGIBILITY REQUIREMENTS.—A nominated area meets the requirements of this paragraph if the State and the local governments in which it is located certify (and the Secretary of Housing and Urban Development, after such review of supporting data as he deems appropriate, accepts such certification) that—

“(A) the area is one of pervasive poverty, unemployment, and general distress;

“(B) the unemployment rate in the area, as determined by the most recent available data, was at least 1½ times the national unemployment rate for the period to which such data relate;

“(C) the poverty rate for each population census tract within the nominated area is at least 20 percent; and

“(D) in the case of an urban area, at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households within the jurisdiction of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

“(4) CONSIDERATION OF HIGH INCIDENCE OF CRIME.—The Secretary of Housing and Urban

Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, the extent to which such areas have a high incidence of crime.

“(5) CONSIDERATION OF COMMUNITIES IDENTIFIED IN GAO STUDY.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, if the area has census tracts identified in the May 12, 1998, report of the Government Accounting Office regarding the identification of economically distressed areas.

“(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

“(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if—

“(A) the local government and the State in which the area is located agree in writing that, during any period during which the area is a renewal community, such governments will follow a specified course of action which meets the requirements of paragraph (2) and is designed to reduce the various burdens borne by employers or employees in such area; and

“(B) the economic growth promotion requirements of paragraph (3) are met.

“(2) COURSE OF ACTION.—

“(A) IN GENERAL.—A course of action meets the requirements of this paragraph if such course of action is a written document, signed by a State (or local government) and neighborhood organizations, which evidences a partnership between such State or government and community-based organizations and which commits each signatory to specific and measurable goals, actions, and timetables. Such course of action shall include at least five of the following:

“(i) A reduction of tax rates or fees applying within the renewal community.

“(ii) An increase in the level of efficiency of local services within the renewal community.

“(iii) Crime reduction strategies, such as crime prevention (including the provision of such services by nongovernmental entities).

“(iv) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the renewal community.

“(v) Involvement in the program by private entities, organizations, neighborhood organizations, and community groups, particularly those in the renewal community, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents from the renewal community.

“(vi) State or local income tax benefits for fees paid for services performed by a nongovernmental entity which were formerly performed by a governmental entity.

“(vii) The gift (or sale at below fair market value) of surplus real property (such as land, homes, and commercial or industrial structures) in the renewal community to neighborhood organizations, community development corporations, or private companies.

“(B) RECOGNITION OF PAST EFFORTS.—For purposes of this section, in evaluating the course of action agreed to by any State or local government, the Secretary of Housing and Urban Development shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

“(3) ECONOMIC GROWTH PROMOTION REQUIREMENTS.—The economic growth promotion requirements of this paragraph are met with respect to a nominated area if the local government and the State in which such area is located certify in writing that such government



and State, respectively, have repealed or otherwise will not enforce within the area, if such area is designated as a renewal community—

“(A) licensing requirements for occupations that do not ordinarily require a professional degree;

“(B) zoning restrictions on home-based businesses which do not create a public nuisance;

“(C) permit requirements for street vendors who do not create a public nuisance;

“(D) zoning or other restrictions that impede the formation of schools or child care centers; and

“(E) franchises or other restrictions on competition for businesses providing public services, including but not limited to taxicabs, jitneys, cable television, or trash hauling,

except to the extent that such regulation of businesses and occupations is necessary for and well-tailored to the protection of health and safety.

“(e) COORDINATION WITH TREATMENT OF EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.—For purposes of this title, if there are in effect with respect to the same area both—

“(1) a designation as a renewal community; and

“(2) a designation as an empowerment zone or enterprise community, both of such designations shall be given full effect with respect to such area.

“(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this subchapter—

“(1) GOVERNMENTS.—If more than one government seeks to nominate an area as a renewal community, any reference to, or requirement of, this section shall apply to all such governments.

“(2) STATE.—The term ‘State’ includes Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

“(3) LOCAL GOVERNMENT.—The term ‘local government’ means—

“(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State;

“(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development; and

“(C) the District of Columbia.

“(4) APPLICATION OF RULES RELATING TO CENSUS TRACTS AND CENSUS DATA.—The rules of sections 1392(b)(4) and 1393(a)(9) shall apply.

## **“PART II—RENEWAL COMMUNITY CAPITAL GAIN; RENEWAL COMMUNITY BUSINESS**

“Sec. 1400F. Renewal community capital gain.

“Sec. 1400G. Renewal community business defined.

## **“SEC. 1400F. RENEWAL COMMUNITY CAPITAL GAIN.**

“(a) GENERAL RULE.—Gross income does not include any qualified capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years.

“(b) QUALIFIED COMMUNITY ASSET.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified community asset’ means—

“(A) any qualified community stock;

“(B) any qualified community partnership interest; and

“(C) any qualified community business property.

“(2) QUALIFIED COMMUNITY STOCK.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the term ‘qualified community stock’ means any stock in a domestic corporation if—

“(i) such stock is acquired by the taxpayer after December 31, 2000, and before January 1, 2008, at its original issue (directly or through an

underwriter) from the corporation solely in exchange for cash;

“(ii) as of the time such stock was issued, such corporation was a renewal community business (or, in the case of a new corporation, such corporation was being organized for purposes of being a renewal community business); and

“(iii) during substantially all of the taxpayer’s holding period for such stock, such corporation qualified as a renewal community business.

“(B) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

“(3) QUALIFIED COMMUNITY PARTNERSHIP INTEREST.—The term ‘qualified community partnership interest’ means any capital or profits interest in a domestic partnership if—

“(A) such interest is acquired by the taxpayer after December 31, 2000, and before January 1, 2008;

“(B) as of the time such interest was acquired, such partnership was a renewal community business (or, in the case of a new partnership, such partnership was being organized for purposes of being a renewal community business); and

“(C) during substantially all of the taxpayer’s holding period for such interest, such partnership qualified as a renewal community business.

A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph.

“(4) QUALIFIED COMMUNITY BUSINESS PROPERTY.—

“(A) IN GENERAL.—The term ‘qualified community business property’ means tangible property if—

“(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 2000, and before January 1, 2008;

“(ii) the original use of such property in the renewal community commences with the taxpayer; and

“(iii) during substantially all of the taxpayer’s holding period for such property, substantially all of the use of such property was in a renewal community business of the taxpayer.

“(B) SPECIAL RULE FOR SUBSTANTIAL IMPROVEMENTS.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

“(i) property which is substantially improved (within the meaning of section 1400B(b)(4)(B)(ii)) by the taxpayer before January 1, 2008; and

“(ii) any land on which such property is located.

“(c) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (5), (6), and (7) of subsection (b), and subsections (e), (f), and (g), of section 1400B shall apply for purposes of this section.

## **“SEC. 1400G. RENEWAL COMMUNITY BUSINESS DEFINED.**

“For purposes of this part, the term ‘renewal community business’ means any entity or proprietorship which would be a qualified business entity or qualified proprietorship under section 1397B if—

“(1) references to renewal communities were substituted for references to empowerment zones in such section; and

“(2) ‘80 percent’ were substituted for ‘50 percent’ in subsections (b)(2) and (c)(1) of such section.

## **“PART III—FAMILY DEVELOPMENT ACCOUNTS**

“Sec. 1400H. Family development accounts for renewal community EITC recipients.

“Sec. 1400I. Demonstration program to provide matching contributions to family development accounts in certain renewal communities.

“Sec. 1400J. Designation of earned income tax credit payments for deposit to family development account.

## **“SEC. 1400H. FAMILY DEVELOPMENT ACCOUNTS FOR RENEWAL COMMUNITY EITC RECIPIENTS.**

“(a) ALLOWANCE OF DEDUCTION.—

“(1) IN GENERAL.—There shall be allowed as a deduction—

“(A) in the case of a qualified individual, the amount paid in cash for the taxable year by such individual to any family development account for such individual’s benefit; and

“(B) in the case of any person other than a qualified individual, the amount paid in cash for the taxable year by such person to any family development account for the benefit of a qualified individual but only if the amount so paid is designated for purposes of this section by such individual.

No deduction shall be allowed under this paragraph for any amount deposited in a family development account under section 1400I (relating to demonstration program to provide matching amounts in renewal communities).

“(2) LIMITATION.—

“(A) IN GENERAL.—The amount allowable as a deduction to any individual for any taxable year by reason of paragraph (1)(A) shall not exceed the lesser of—

“(i) \$2,000, or

“(ii) an amount equal to the compensation includible in the individual’s gross income for such taxable year.

“(B) PERSONS DONATING TO FAMILY DEVELOPMENT ACCOUNTS OF OTHERS.—The amount which may be designated under paragraph (1)(B) by any qualified individual for any taxable year of such individual shall not exceed \$1,000.

“(3) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—Rules similar to rules of section 219(c) shall apply to the limitation in paragraph (2)(A).

“(4) COORDINATION WITH IRAS.—No deduction shall be allowed under this section for any taxable year to any person by reason of a payment to an account for the benefit of a qualified individual if any amount is paid for such taxable year into an individual retirement account (including a Roth IRA) for the benefit of such individual.

“(5) ROLLOVERS.—No deduction shall be allowed under this section with respect to any rollover contribution.

“(b) TAX TREATMENT OF DISTRIBUTIONS.—

“(1) INCLUSION OF AMOUNTS IN GROSS INCOME.—Except as otherwise provided in this subsection, any amount paid or distributed out of a family development account shall be included in gross income by the payee or distributee, as the case may be.

“(2) EXCLUSION OF QUALIFIED FAMILY DEVELOPMENT DISTRIBUTIONS.—Paragraph (1) shall not apply to any qualified family development distribution.

“(c) QUALIFIED FAMILY DEVELOPMENT DISTRIBUTION.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified family development distribution’ means any amount paid or distributed out of a family development account which would otherwise be includible in gross income, to the extent that such payment or distribution is used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder.

“(2) QUALIFIED FAMILY DEVELOPMENT EXPENSES.—The term ‘qualified family development expenses’ means any of the following:

“(A) Qualified higher education expenses.



“(B) Qualified first-time homebuyer costs.

“(C) Qualified business capitalization costs.

“(D) Qualified medical expenses.

“(E) Qualified rollovers.

“(3) QUALIFIED HIGHER EDUCATION EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified higher education expenses’ has the meaning given such term by section 72(t)(7), determined by treating postsecondary vocational educational schools as eligible educational institutions.

“(B) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—The term ‘postsecondary vocational educational school’ means an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

“(C) COORDINATION WITH OTHER BENEFITS.—The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2).

“(4) QUALIFIED FIRST-TIME HOMEBUYER COSTS.—The term ‘qualified first-time homebuyer costs’ means qualified acquisition costs (as defined in section 72(t)(8) without regard to subparagraph (B) thereof) with respect to a principal residence (within the meaning of section 121) for a qualified first-time homebuyer (as defined in section 72(t)(8)).

“(5) QUALIFIED BUSINESS CAPITALIZATION COSTS.—

“(A) IN GENERAL.—The term ‘qualified business capitalization costs’ means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

“(B) QUALIFIED EXPENDITURES.—The term ‘qualified expenditures’ means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

“(C) QUALIFIED BUSINESS.—The term ‘qualified business’ means any trade or business other than any trade or business—

“(i) which consists of the operation of any facility described in section 144(c)(6)(B), or

“(ii) which contravenes any law.

“(D) QUALIFIED PLAN.—The term ‘qualified plan’ means a business plan which meets such requirements as the Secretary may specify.

“(6) QUALIFIED MEDICAL EXPENSES.—The term ‘qualified medical expenses’ means any amount paid during the taxable year, not compensated for by insurance or otherwise, for medical care (as defined in section 213(d)) of the taxpayer, his spouse, or his dependent (as defined in section 152).

“(7) QUALIFIED ROLLOVERS.—The term ‘qualified rollover’ means any amount paid from a family development account of a taxpayer into another such account established for the benefit of—

“(A) such taxpayer, or

“(B) any qualified individual who is—

“(i) the spouse of such taxpayer, or

“(ii) any dependent (as defined in section 152) of the taxpayer.

Rules similar to the rules of section 408(d)(3) shall apply for purposes of this paragraph.

“(d) TAX TREATMENT OF ACCOUNTS.—

“(1) IN GENERAL.—Any family development account is exempt from taxation under this subtitle unless such account has ceased to be a family development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations). Notwithstanding any other provision of this title (including chapters 11 and 12), the basis of any person in such an account is zero.

“(2) LOSS OF EXEMPTION IN CASE OF PROHIBITED TRANSACTIONS.—For purposes of this section, rules similar to the rules of section 408(e) shall apply.

“(3) OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (4), (5), and (6) of section 408(d) shall apply for purposes of this section.

“(e) FAMILY DEVELOPMENT ACCOUNT.—For purposes of this title, the term ‘family development account’ means a trust created or organized in the United States for the exclusive benefit of a qualified individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

“(1) Except in the case of a qualified rollover (as defined in subsection (c)(7))—

“(A) no contribution will be accepted unless it is in cash; and

“(B) contributions will not be accepted for the taxable year in excess of \$3,000 (determined without regard to any contribution made under section 1400I (relating to demonstration program to provide matching amounts in renewal communities)).

“(2) The requirements of paragraphs (2) through (6) of section 408(a) are met.

“(f) QUALIFIED INDIVIDUAL.—For purposes of this section, the term ‘qualified individual’ means, for any taxable year, an individual—

“(1) who is a bona fide resident of a renewal community throughout the taxable year; and

“(2) to whom a credit was allowed under section 32 for the preceding taxable year.

“(g) OTHER DEFINITIONS AND SPECIAL RULES.—

“(1) COMPENSATION.—The term ‘compensation’ has the meaning given such term by section 219(f)(1).

“(2) MARRIED INDIVIDUALS.—The maximum deduction under subsection (a) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

“(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to a family development account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

“(4) EMPLOYER PAYMENTS; CUSTODIAL ACCOUNTS.—Rules similar to the rules of sections 219(f)(5) and 408(h) shall apply for purposes of this section.

“(5) REPORTS.—The trustee of a family development account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions (and the years to which they relate), distributions, and such other matters as the Secretary may require under regulations. The reports required by this paragraph—

“(A) shall be filed at such time and in such manner as the Secretary prescribes in such regulations; and

“(B) shall be furnished to individuals—

“(i) not later than January 31 of the calendar year following the calendar year to which such reports relate; and

“(ii) in such manner as the Secretary prescribes in such regulations.

“(6) INVESTMENT IN COLLECTIBLES TREATED AS DISTRIBUTIONS.—Rules similar to the rules of section 408(m) shall apply for purposes of this section.

“(h) PENALTY FOR DISTRIBUTIONS NOT USED FOR QUALIFIED FAMILY DEVELOPMENT EXPENSES.—

“(1) IN GENERAL.—If any amount is distributed from a family development account and is

not used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder, the tax imposed by this chapter for the taxable year of such distribution shall be increased by the sum of—

“(A) 100 percent of the portion of such amount which is includible in gross income and is attributable to amounts contributed under section 1400I (relating to demonstration program to provide matching amounts in renewal communities); and

“(B) 10 percent of the portion of such amount which is includible in gross income and is not described in subparagraph (A).

For purposes of this subsection, distributions which are includible in gross income shall be treated as attributable to amounts contributed under section 1400I to the extent thereof. For purposes of the preceding sentence, all family development accounts of an individual shall be treated as one account.

“(2) EXCEPTION FOR CERTAIN DISTRIBUTIONS.—Paragraph (1) shall not apply to distributions which are—

“(A) made on or after the date on which the account holder attains age 59½,

“(B) made to a beneficiary (or the estate of the account holder) on or after the death of the account holder, or

“(C) attributable to the account holder’s being disabled within the meaning of section 72(m)(7).

“(i) APPLICATION OF SECTION.—This section shall apply to amounts paid to a family development account for any taxable year beginning after December 31, 2000, and before January 1, 2008.

#### “SEC. 1400I. DEMONSTRATION PROGRAM TO PROVIDE MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS IN CERTAIN RENEWAL COMMUNITIES.

“(a) DESIGNATION.—

“(1) DEFINITIONS.—For purposes of this section, the term ‘FDA matching demonstration area’ means any renewal community—

“(A) which is nominated under this section by each of the local governments and States which nominated such community for designation as a renewal community under section 1400E(a)(1)(A); and

“(B) which the Secretary of Housing and Urban Development designates as an FDA matching demonstration area after consultation with—

“(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury, the Director of the Office of Management and Budget, and the Administrator of the Small Business Administration; and

“(ii) in the case of a community on an Indian reservation, the Secretary of the Interior.

“(2) NUMBER OF DESIGNATIONS.—

“(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 5 renewal communities as FDA matching demonstration areas.

“(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under subparagraph (A), at least 2 must be areas described in section 1400E(a)(2)(B).

“(3) LIMITATIONS ON DESIGNATIONS.—

“(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

“(i) the procedures for nominating a renewal community under paragraph (1)(A) (including procedures for coordinating such nomination with the nomination of an area for designation as a renewal community under section 1400E); and

“(ii) the manner in which nominated renewal communities will be evaluated for purposes of this section.

“(B) **TIME LIMITATIONS.**—The Secretary of Housing and Urban Development may designate renewal communities as FDA matching demonstration areas only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

“(4) **DESIGNATION BASED ON DEGREE OF POVERTY, ETC.**—The rules of section 1400E(a)(3) shall apply for purposes of designations of FDA matching demonstration areas under this section.

“(b) **PERIOD FOR WHICH DESIGNATION IS IN EFFECT.**—Any designation of a renewal community as an FDA matching demonstration area shall remain in effect during the period beginning on the date of such designation and ending on the date on which such area ceases to be a renewal community.

“(c) **MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS.**—

“(1) **IN GENERAL.**—Not less than once each taxable year, the Secretary shall deposit (to the extent provided in appropriation Acts) into a family development account of each qualified individual (as defined in section 1400H(f))—

“(A) who is a resident throughout the taxable year of an FDA matching demonstration area; and

“(B) who requests (in such form and manner as the Secretary prescribes) such deposit for the taxable year,

an amount equal to the sum of the amounts deposited into all of the family development accounts of such individual during such taxable year (determined without regard to any amount contributed under this section).

“(2) **LIMITATIONS.**—

“(A) **ANNUAL LIMIT.**—The Secretary shall not deposit more than \$1000 under paragraph (1) with respect to any individual for any taxable year.

“(B) **AGGREGATE LIMIT.**—The Secretary shall not deposit more than \$2000 under paragraph (1) with respect to any individual for all taxable years.

“(3) **EXCLUSION FROM INCOME.**—Except as provided in section 1400H, gross income shall not include any amount deposited into a family development account under paragraph (1).

“(d) **NOTICE OF PROGRAM.**—The Secretary shall provide appropriate notice to residents of FDA matching demonstration areas of the availability of the benefits under this section.

“(e) **TERMINATION.**—No amount may be deposited under this section for any taxable year beginning after December 31, 2007.

**“SEC. 1400J. DESIGNATION OF EARNED INCOME TAX CREDIT PAYMENTS FOR DEPOSIT TO FAMILY DEVELOPMENT ACCOUNT.**

“(a) **IN GENERAL.**—With respect to the return of any qualified individual (as defined in section 1400H(f)) for the taxable year of the tax imposed by this chapter, such individual may designate that a specified portion (not less than \$1) of any overpayment of tax for such taxable year which is attributable to the earned income tax credit shall be deposited by the Secretary into a family development account of such individual. The Secretary shall so deposit such portion designated under this subsection.

“(b) **MANNER AND TIME OF DESIGNATION.**—A designation under subsection (a) may be made with respect to any taxable year—

“(1) at the time of filing the return of the tax imposed by this chapter for such taxable year, or

“(2) at any other time (after the time of filing the return of the tax imposed by this chapter for

such taxable year) specified in regulations prescribed by the Secretary.

Such designation shall be made in such manner as the Secretary prescribes by regulations.

“(c) **PORTION ATTRIBUTABLE TO EARNED INCOME TAX CREDIT.**—For purposes of subsection (a), an overpayment for any taxable year shall be treated as attributable to the earned income tax credit to the extent that such overpayment does not exceed the credit allowed to the taxpayer under section 32 for such taxable year.

“(d) **OVERPAYMENTS TREATED AS REFUNDED.**—For purposes of this title, any portion of an overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by this chapter (determined without regard to extensions) or, if later, the date the return is filed.

“(e) **TERMINATION.**—This section shall not apply to any taxable year beginning after December 31, 2007.

**“PART IV—ADDITIONAL INCENTIVES**

“Sec. 1400K. Commercial revitalization deduction.

“Sec. 1400L. Increase in expensing under section 179.

**“SEC. 1400K. COMMERCIAL REVITALIZATION DEDUCTION.**

“(a) **GENERAL RULE.**—At the election of the taxpayer, either—

“(1) one-half of any qualified revitalization expenditures chargeable to capital account with respect to any qualified revitalization building shall be allowable as a deduction for the taxable year in which the building is placed in service, or

“(2) a deduction for all such expenditures shall be allowable ratably over the 120-month period beginning with the month in which the building is placed in service.

The deduction provided by this section with respect to such expenditure shall be in lieu of any depreciation deduction otherwise allowable on account of such expenditure.

“(b) **QUALIFIED REVITALIZATION BUILDINGS AND EXPENDITURES.**—For purposes of this section—

“(1) **QUALIFIED REVITALIZATION BUILDING.**—The term ‘qualified revitalization building’ means any building (and its structural components) if—

“(A) such building is located in a renewal community and is placed in service after December 31, 2000;

“(B) a commercial revitalization deduction amount is allocated to the building under subsection (d); and

“(C) depreciation (or amortization in lieu of depreciation) is allowable with respect to the building (without regard to this section).

“(2) **QUALIFIED REVITALIZATION EXPENDITURE.**—

“(A) **IN GENERAL.**—The term ‘qualified revitalization expenditure’ means any amount properly chargeable to capital account—

“(i) for property for which depreciation is allowable under section 168 (without regard to this section) and which is—

“(I) nonresidential real property; or

“(II) an addition or improvement to property described in subclause (I);

“(ii) in connection with the construction of any qualified revitalization building which was not previously placed in service or in connection with the substantial rehabilitation (within the meaning of section 47(c)(1)(C)) of a building which was placed in service before the beginning of such rehabilitation; and

“(iii) for land (including land which is functionally related to such property and subordinate thereto).

“(B) **DOLLAR LIMITATION.**—The aggregate amount which may be treated as qualified revita-

lization expenditures with respect to any qualified revitalization building for any taxable year shall not exceed the excess of—

“(i) \$10,000,000, reduced by

“(ii) any such expenditures with respect to the building taken into account by the taxpayer or any predecessor in determining the amount of the deduction under this section for all preceding taxable years.

“(C) **CERTAIN EXPENDITURES NOT INCLUDED.**—The term ‘qualified revitalization expenditure’ does not include—

“(i) **ACQUISITION COSTS.**—The costs of acquiring any building or interest therein and any land in connection with such building to the extent that such costs exceed 30 percent of the qualified revitalization expenditures determined without regard to this clause.

“(ii) **CREDITS.**—Any expenditure which the taxpayer may take into account in computing any credit allowable under this title unless the taxpayer elects to take the expenditure into account only for purposes of this section.

“(c) **WHEN EXPENDITURES TAKEN INTO ACCOUNT.**—Qualified revitalization expenditures with respect to any qualified revitalization building shall be taken into account for the taxable year in which the qualified revitalization building is placed in service. For purposes of the preceding sentence, a substantial rehabilitation of a building shall be treated as a separate building.

“(d) **LIMITATION ON AGGREGATE DEDUCTIONS ALLOWABLE WITH RESPECT TO BUILDINGS LOCATED IN A STATE.**—

“(1) **IN GENERAL.**—The amount of the deduction determined under this section for any taxable year with respect to any building shall not exceed the commercial revitalization deduction amount (in the case of an amount determined under subsection (a)(2), the present value of such amount as determined under the rules of section 42(b)(2)(C) by substituting ‘100 percent’ for ‘72 percent’ in clause (ii) thereof) allocated to such building under this subsection by the commercial revitalization agency. Such allocation shall be made at the same time and in the same manner as under paragraphs (1) and (7) of section 42(h).

“(2) **COMMERCIAL REVITALIZATION DEDUCTION AMOUNT FOR AGENCIES.**—

“(A) **IN GENERAL.**—The aggregate commercial revitalization deduction amount which a commercial revitalization agency may allocate for any calendar year is the amount of the State commercial revitalization deduction ceiling determined under this paragraph for such calendar year for such agency.

“(B) **STATE COMMERCIAL REVITALIZATION DEDUCTION CEILING.**—The State commercial revitalization deduction ceiling applicable to any State—

“(i) for each calendar year after 2000 and before 2008 is \$6,000,000 for each renewal community in the State; and

“(ii) zero for each calendar year thereafter.

“(C) **COMMERCIAL REVITALIZATION AGENCY.**—For purposes of this section, the term ‘commercial revitalization agency’ means any agency authorized by a State to carry out this section.

“(e) **RESPONSIBILITIES OF COMMERCIAL REVITALIZATION AGENCIES.**—

“(1) **PLANS FOR ALLOCATION.**—Notwithstanding any other provision of this section, the commercial revitalization deduction amount with respect to any building shall be zero unless—

“(A) such amount was allocated pursuant to a qualified allocation plan of the commercial revitalization agency which is approved (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof)) by the governmental unit of which such agency is a part; and

“(B) such agency notifies the chief executive officer (or its equivalent) of the local jurisdiction within which the building is located of such allocation and provides such individual a reasonable opportunity to comment on the allocation.”

“(2) **QUALIFIED ALLOCATION PLAN.**—For purposes of this subsection, the term ‘qualified allocation plan’ means any plan—

“(A) which sets forth selection criteria to be used to determine priorities of the commercial revitalization agency which are appropriate to local conditions;

“(B) which considers—

“(i) the degree to which a project contributes to the implementation of a strategic plan that is devised for a renewal community through a citizen participation process;

“(ii) the amount of any increase in permanent, full-time employment by reason of any project; and

“(iii) the active involvement of residents and nonprofit groups within the renewal community; and

“(C) which provides a procedure that the agency (or its agent) will follow in monitoring compliance with this section.

“(f) **REGULATIONS.**—For purposes of this section, the Secretary shall, by regulations, provide for the application of rules similar to the rules of section 49 and subsections (a) and (b) of section 50.

“(g) **TERMINATION.**—This section shall not apply to any building placed in service after December 31, 2007.

**“SEC. 1400L. INCREASE IN EXPENSING UNDER SECTION 179.**

“(a) **GENERAL RULE.**—In the case of a renewal community business (as defined in section 1400G), for purposes of section 179—

“(1) the limitation under section 179(b)(1) shall be increased by the lesser of—

“(A) \$35,000; or

“(B) the cost of section 179 property which is qualified renewal property placed in service during the taxable year; and

“(2) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified renewal property shall be 50 percent of the cost thereof.

“(b) **RECAPTURE.**—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified renewal property which ceases to be used in a renewal community by a renewal community business.

“(c) **QUALIFIED RENEWAL PROPERTY.**—For purposes of this section—

“(1) **IN GENERAL.**—The term ‘qualified renewal property’ means any property to which section 168 applies (or would apply but for section 179) if—

“(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 2000, and before January 1, 2008; and

“(B) such property would be qualified zone property (as defined in section 1397C) if references to renewal communities were substituted for references to empowerment zones in section 1397C.

“(2) **CERTAIN RULES TO APPLY.**—The rules of subsections (a)(2) and (b) of section 1397C shall apply for purposes of this section.”

**SEC. 703. EXTENSION OF EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS TO RENEWAL COMMUNITIES.**

(a) **EXTENSION.**—Paragraph (2) of section 198(c) (defining targeted area) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

“(C) **RENEWAL COMMUNITIES INCLUDED.**—Except as provided in subparagraph (B), such term shall include a renewal community (as defined

in section 1400E) with respect to expenditures paid or incurred after December 31, 2000.”

(b) **EXTENSION OF TERMINATION DATE FOR RENEWAL COMMUNITIES.**—Subsection (h) of section 198 is amended by inserting before the period “(December 31, 2007, in the case of a renewal community, as defined in section 1400E).”

**SEC. 704. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR RENEWAL COMMUNITIES**

(a) **EXTENSION.**—Subsection (c) of section 51 (relating to termination) is amended by adding at the end the following new paragraph:

“(5) **EXTENSION OF CREDIT FOR RENEWAL COMMUNITIES.**—

“(A) **IN GENERAL.**—In the case of an individual who begins work for the employer after the date contained in paragraph (4)(B), for purposes of section 38—

“(i) in lieu of applying subsection (a), the amount of the work opportunity credit determined under this section for the taxable year shall be equal to—

“(I) 15 percent of the qualified first-year wages for such year; and

“(II) 30 percent of the qualified second-year wages for such year;

“(ii) subsection (b)(3) shall be applied by substituting ‘\$10,000’ for ‘\$6,000’;

“(iii) paragraph (4)(B) shall be applied by substituting for the date contained therein the last day for which the designation under section 1400E of the renewal community referred to in subparagraph (B)(i) is in effect; and

“(iv) rules similar to the rules of section 51A(b)(5)(C) shall apply.

“(B) **QUALIFIED FIRST- AND SECOND-YEAR WAGES.**—For purposes of subparagraph (A)—

“(i) **IN GENERAL.**—The term ‘qualified wages’ means, with respect to each 1-year period referred to in clause (ii) or (iii), as the case may be, the wages paid or incurred by the employer during the taxable year to any individual but only if—

“(I) the employer is engaged in a trade or business in a renewal community throughout such 1-year period;

“(II) the principal place of abode of such individual is in such renewal community throughout such 1-year period; and

“(III) substantially all of the services which such individual performs for the employer during such 1-year period are performed in such renewal community.

“(ii) **QUALIFIED FIRST-YEAR WAGES.**—The term ‘qualified first-year wages’ means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

“(iii) **QUALIFIED SECOND-YEAR WAGES.**—The term ‘qualified second-year wages’ means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under clause (ii).”

(b) **CONGRUENT TREATMENT OF RENEWAL COMMUNITIES AND ENTERPRISE ZONES FOR PURPOSES OF YOUTH RESIDENCE REQUIREMENTS.**—

(1) **HIGH-RISK YOUTH.**—Subparagraphs (A)(ii) and (B) of section 51(d)(5) are each amended by striking “empowerment zone or enterprise community” and inserting “empowerment zone, enterprise community, or renewal community”.

(2) **QUALIFIED SUMMER YOUTH EMPLOYEE.**—Clause (iv) of section 51(d)(7)(A) is amended by striking “empowerment zone or enterprise community” and inserting “empowerment zone, enterprise community, or renewal community”.

(3) **HEADINGS.**—Paragraphs (5)(B) and (7)(C) of section 51(d) are each amended by inserting “OR COMMUNITY” in the heading after “ZONE”.

(4) **EFFECTIVE DATE.**—The amendments made by this subsection shall apply to individuals

who begin work for the employer after December 31, 2000.

**SEC. 705. CONFORMING AND CLERICAL AMENDMENTS.**

(a) **DEDUCTION FOR CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS ALLOWABLE WHETHER OR NOT TAXPAYER ITEMIZES.**—Subsection (a) of section 62 (relating to adjusted gross income defined) is amended by inserting after paragraph (19) the following new paragraph:

“(20) **FAMILY DEVELOPMENT ACCOUNTS.**—The deduction allowed by section 1400H(a)(1).”

(b) **TAX ON EXCESS CONTRIBUTIONS.**—

(1) **TAX IMPOSED.**—Subsection (a) of section 4973 is amended by striking “or” at the end of paragraph (3), adding “or” at the end of paragraph (4), and inserting after paragraph (4) the following new paragraph:

“(5) a family development account (within the meaning of section 1400H(e)).”

(2) **EXCESS CONTRIBUTIONS.**—Section 4973 is amended by adding at the end the following new subsection:

“(g) **FAMILY DEVELOPMENT ACCOUNTS.**—For purposes of this section, in the case of family development accounts, the term ‘excess contributions’ means the sum of—

“(1) the excess (if any) of—

“(A) the amount contributed for the taxable year to the accounts (other than a qualified rollover, as defined in section 1400H(c)(7), or a contribution under section 1400I), over

“(B) the amount allowable as a deduction under section 1400H for such contributions; and

“(2) the amount determined under this subsection for the preceding taxable year reduced by the sum of—

“(A) the distributions out of the accounts for the taxable year which were included in the gross income of the payee under section 1400H(b)(1);

“(B) the distributions out of the accounts for the taxable year to which rules similar to the rules of section 408(d)(5) apply by reason of section 1400H(d)(3); and

“(C) the excess (if any) of the maximum amount allowable as a deduction under section 1400H for the taxable year over the amount contributed to the account for the taxable year (other than a contribution under section 1400I).

For purposes of this subsection, any contribution which is distributed from the family development account in a distribution to which rules similar to the rules of section 408(d)(4) apply by reason of section 1400H(d)(3) shall be treated as an amount not contributed.”

(c) **TAX ON PROHIBITED TRANSACTIONS.**—Section 4975 is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

“(6) **SPECIAL RULE FOR FAMILY DEVELOPMENT ACCOUNTS.**—An individual for whose benefit a family development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a family development account by reason of the application of section 1400H(d)(2) to such account.”; and

(2) in subsection (e)(1), by striking “or” at the end of subparagraph (E), by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

“(F) a family development account described in section 1400H(e), or”

(d) **INFORMATION RELATING TO CERTAIN TRUSTS AND ANNUITY PLANS.**—Subsection (c) of section 6047 is amended—

(1) by inserting “or section 1400H” after “section 219”; and

(2) by inserting “, of any family development account described in section 1400H(e),” after “section 408(a)”.

(e) **INSPECTION OF APPLICATIONS FOR TAX EXEMPTION.**—Clause (i) of section 6104(a)(1)(B) is amended by inserting “a family development account described in section 1400H(e),” after “section 408(a).”

(f) **FAILURE TO PROVIDE REPORTS ON FAMILY DEVELOPMENT ACCOUNTS.**—Paragraph (2) of section 6693(a) is amended by striking “and” at the end of subparagraph (C), by striking the period and inserting “, and” at the end of subparagraph (D), and by adding at the end the following new subparagraph:

“(E) section 1400H(g)(6) (relating to family development accounts).”

(g) **CONFORMING AMENDMENTS REGARDING COMMERCIAL REVITALIZATION DEDUCTION.**—

(1) Section 172 is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

“(j) **NO CARRYBACK OF SECTION 1400K DEDUCTION BEFORE DATE OF ENACTMENT.**—No portion of the net operating loss for any taxable year which is attributable to any commercial revitalization deduction determined under section 1400K may be carried back to a taxable year ending before the date of the enactment of section 1400K.”

(2) Subparagraph (B) of section 48(a)(2) is amended by inserting “or commercial revitalization” after “rehabilitation” each place it appears in the text and heading.

(3) Subparagraph (C) of section 469(i)(3) is amended—

(A) by inserting “or section 1400K” after “section 42”; and

(B) by inserting “AND COMMERCIAL REVITALIZATION DEDUCTION” after “CREDIT” in the heading.

(h) **CLERICAL AMENDMENTS.**—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

“Subchapter X. Renewal Communities.”

#### **SEC. 706. EVALUATION AND REPORTING REQUIREMENTS.**

Not later than the close of the fourth calendar year after the year in which the Secretary of Housing and Urban Development first designates an area as a renewal community under section 1400E of the Internal Revenue Code of 1986, and at the close of each fourth calendar year thereafter, such Secretary shall prepare and submit to the Congress a report on the effects of such designations in stimulating the creation of new jobs, particularly for disadvantaged workers and long-term unemployed individuals, and promoting the revitalization of economically distressed areas.

#### **Subtitle B—Farming Incentive**

#### **SEC. 711. PRODUCTION FLEXIBILITY CONTRACT PAYMENTS.**

Any option to accelerate the receipt of any payment under a production flexibility contract which is payable under the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7200 et seq.), as in effect on the date of the enactment of this Act, shall be disregarded in determining the taxable year for which such payment is properly includible in gross income for purposes of the Internal Revenue Code of 1986.

#### **Subtitle C—Oil and Gas Incentives**

#### **SEC. 721. 5-YEAR NET OPERATING LOSS CARRYBACK FOR LOSSES ATTRIBUTABLE TO OPERATING MINERAL INTERESTS OF INDEPENDENT OIL AND GAS PRODUCERS.**

(a) **IN GENERAL.**—Paragraph (1) of section 172(b) (relating to years to which loss may be carried) is amended by adding at the end the following new subparagraph:

“(H) **LOSSES ON OPERATING MINERAL INTERESTS OF INDEPENDENT OIL AND GAS PRODUCERS.**—In the case of a taxpayer—

“(i) which has an eligible oil and gas loss (as defined in subsection (j)) for a taxable year, and

“(ii) which is not an integrated oil company (as defined in section 291(b)(4)),

such eligible oil and gas loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss.”

(b) **ELIGIBLE OIL AND GAS LOSS.**—Section 172 is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

“(j) **ELIGIBLE OIL AND GAS LOSS.**—For purposes of this section—

“(1) **IN GENERAL.**—The term ‘eligible oil and gas loss’ means the lesser of—

“(A) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to operating mineral interests (as defined in section 614(d)) in oil and gas wells are taken into account, or

“(B) the amount of the net operating loss for such taxable year.

“(2) **COORDINATION WITH SUBSECTION (b)(2).**—For purposes of applying subsection (b)(2), an eligible oil and gas loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

“(3) **ELECTION.**—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(H) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(H).”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to net operating losses for taxable years beginning after December 31, 1998.

#### **SEC. 722. DEDUCTION FOR DELAY RENTAL PAYMENTS.**

(a) **IN GENERAL.**—Section 263 (relating to capital expenditures) is amended by adding after subsection (i) the following new subsection:

“(j) **DELAY RENTAL PAYMENTS FOR DOMESTIC OIL AND GAS WELLS.**—

“(1) **IN GENERAL.**—Notwithstanding subsection (a), a taxpayer may elect to treat delay rental payments incurred in connection with the development of oil or gas within the United States (as defined in section 638) as payments which are not chargeable to capital account. Any payments so treated shall be allowed as a deduction in the taxable year in which paid or incurred.

“(2) **DELAY RENTAL PAYMENTS.**—For purposes of paragraph (1), the term ‘delay rental payment’ means an amount paid for the privilege of deferring development of an oil or gas well.”

(b) **CONFORMING AMENDMENT.**—Section 263A(c)(3) is amended by inserting “263(j),” after “263(i).”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 1999.

#### **SEC. 723. ELECTION TO EXPENSE GEOLOGICAL AND GEOPHYSICAL EXPENDITURES.**

(a) **IN GENERAL.**—Section 263 (relating to capital expenditures) is amended by adding after subsection (j) the following new subsection:

“(k) **GEOLOGICAL AND GEOPHYSICAL EXPENDITURES FOR DOMESTIC OIL AND GAS WELLS.**—Notwithstanding subsection (a), a taxpayer may elect to treat geological and geophysical expenses incurred in connection with the exploration for, or development of, oil or gas within the United States (as defined in section 638) as expenses which are not chargeable to capital account. Any expenses so treated shall be allowed as a deduction in the taxable year in which paid or incurred.”

(b) **CONFORMING AMENDMENT.**—Section 263A(c)(3) is amended by inserting “263(k),” after “263(j).”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to costs paid or incurred in taxable years beginning after December 31, 1999.

#### **SEC. 724. TEMPORARY SUSPENSION OF LIMITATION BASED ON 65 PERCENT OF TAXABLE INCOME.**

(a) **IN GENERAL.**—Subsection (d) of section 613A (relating to limitation on percentage depletion in case of oil and gas wells) is amended by adding at the end the following new paragraph:

“(6) **TEMPORARY SUSPENSION OF TAXABLE INCOME LIMIT.**—Paragraph (1) shall not apply to taxable years beginning after December 31, 1998, and before January 1, 2005, including with respect to amounts carried under the second sentence of paragraph (1) to such taxable years.”

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

#### **SEC. 725. DETERMINATION OF SMALL REFINER EXCEPTION TO OIL DEPLETION DEDUCTION.**

(a) **IN GENERAL.**—Paragraph (4) of section 613A(d) (relating to certain refiners excluded) is amended to read as follows:

“(4) **CERTAIN REFINERS EXCLUDED.**—If the taxpayer or a related person engages in the refining of crude oil, subsection (c) shall not apply to the taxpayer for a taxable year if the average daily refinery runs of the taxpayer and the related person for the taxable year exceed 50,000 barrels. For purposes of this paragraph, the average daily refinery runs for any taxable year shall be determined by dividing the aggregate refinery runs for the taxable year by the number of days in the taxable year.”

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

#### **Subtitle D—Timber Incentives**

#### **SEC. 731. TEMPORARY SUSPENSION OF MAXIMUM AMOUNT OF AMORTIZABLE REFORESTATION EXPENDITURES.**

(a) **INCREASE IN DOLLAR LIMITATION.**—Paragraph (1) of section 194(b) (relating to amortization of reforestation expenditures) is amended by striking “\$10,000 (\$5,000) and inserting “\$25,000 (\$12,500).”

(b) **TEMPORARY SUSPENSION OF INCREASED DOLLAR LIMITATION.**—Subsection (b) of section 194(b) (relating to amortization of reforestation expenditures) is amended by adding at the end the following new paragraph:

“(5) **SUSPENSION OF DOLLAR LIMITATION.**—Paragraph (1) shall not apply to taxable years beginning after December 31, 1999, and before January 1, 2004.

(c) **CONFORMING AMENDMENT.**—Paragraph (1) of section 48(b) is amended by striking “section 194(b)(1)” and inserting “section 194(b)(1) and without regard to section 194(b)(5).”

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

#### **SEC. 732. CAPITAL GAIN TREATMENT UNDER SECTION 631(b) TO APPLY TO OUTRIGHT SALES BY LAND OWNER.**

(a) **IN GENERAL.**—Subsection (b) of section 631 (relating to disposal of timber with a retained economic interest) is amended—

(1) by inserting “AND OUTRIGHT SALES OF TIMBER” after “ECONOMIC INTEREST” in the subsection heading, and

(2) by adding before the last sentence the following new sentence: “The requirement in the first sentence of this subsection to retain an economic interest in timber shall not apply to an outright sale of such timber by the owner thereof if such owner owned the land (at the time of such sale) from which the timber is cut.”

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to sales after the date of the enactment of this Act.

**Subtitle E—Steel Industry Incentive****SEC. 741. MINIMUM TAX RELIEF FOR STEEL INDUSTRY.**

(a) IN GENERAL.—Subsection (c) of section 53 (as amended by section 302) is amended by adding at the end the following new paragraph:

“(4) STEEL COMPANIES.—

“(A) IN GENERAL.—In the case of a corporation engaged in the trade or business of manufacturing steel in the United States for sale to customers, in lieu of applying paragraph (2), the limitation under paragraph (1) for any taxable year beginning after December 31, 1998, shall be increased (subject to the rule of the last sentence of paragraph (2)) by 90 percent of the tentative minimum tax.

“(B) LIMITATION.—The increase in the credit allowed by this section by reason of this paragraph for any taxable year shall not exceed the increase in the credit which would be so allowed if the trade or business of such corporation of manufacturing steel in the United States for sale to customers were a separate taxpayer.

“(C) REGULATIONS.—The Secretary shall prescribe regulations to prevent the abuse of the purposes of this paragraph, including regulations to prevent the benefits of this paragraph from becoming available to any other corporation through any reorganization or other acquisition.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

**TITLE VIII—RELIEF FOR SMALL BUSINESSES****SEC. 801. DEDUCTION FOR 100 PERCENT OF HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.**

(a) IN GENERAL.—Paragraph (1) of section 162(l) is amended to read as follows:

“(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to 100 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 802. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.**

(a) IN GENERAL.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

“(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed \$30,000.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 803. REPEAL OF FEDERAL UNEMPLOYMENT SURTAX.**

(a) IN GENERAL.—Section 3301 (relating to rate of Federal unemployment tax) is amended—

(1) by striking “2007” and inserting “2004”, and

(2) by striking “2008” and inserting “2005”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to calendar years beginning after the date of the enactment of this Act.

**SEC. 804. RESTORATION OF 80 PERCENT DEDUCTION FOR MEAL EXPENSES.**

(a) IN GENERAL.—Paragraph (1) of section 274(n) (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by striking “50 percent” in the text and inserting “the allowable percentage”.

(b) ALLOWABLE PERCENTAGES.—Subsection (n) of section 274 is amended by redesignating para-

graphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (2) the following new paragraph:

“(2) ALLOWABLE PERCENTAGE.—For purposes of paragraph (1), the allowable percentage is—

“(A) in the case of amounts for items described in paragraph (1)(B), 50 percent, and

“(B) in the case of expenses for food or beverages, the percentage determined in accordance with the following table:

<b>“For taxable years beginning in calendar year—</b>	<b>The allowable percentage is—</b>
2000 through 2004 .....	50
2005 .....	55
2006 .....	60
2007 .....	65
2008 .....	70
2009 .....	75
2010 and thereafter .....	80.”

(b) CONFORMING AMENDMENTS.—

(1) The heading for subsection (n) of section 274 is amended by striking “50 PERCENT” and inserting “LIMITED PERCENTAGES”.

(2) Subparagraph (A) of section 274(n)(4), as redesignated by subsection (a), is amended by striking “50 percent” and inserting “the allowable percentage”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**TITLE IX—INTERNATIONAL TAX RELIEF****SEC. 901. INTEREST ALLOCATION RULES.**

(a) ELECTION TO ALLOCATE INTEREST ON A WORLDWIDE BASIS.—Subsection (e) of section 864 (relating to rules for allocating interest, etc.) is amended by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively, and by inserting after paragraph (5) the following new paragraph:

“(6) ELECTION TO ALLOCATE INTEREST ON A WORLDWIDE BASIS.—

“(A) IN GENERAL.—Except as provided in this paragraph, this subsection shall be applied by treating each worldwide affiliated group for which an election under this paragraph is in effect as an affiliated group solely for purposes of allocating and apportioning interest expense of domestic corporations which are members of such group.

“(B) WORLDWIDE AFFILIATED GROUP.—For purposes of this paragraph, the term ‘worldwide affiliated group’ means the group of corporations which consists of—

“(i) all corporations in an affiliated group (as defined in paragraph (5)), and

“(ii) all foreign corporations (other than a FSC, as defined in section 922(a)) with respect to which corporations described in clause (i) own stock meeting the ownership requirements of section 957(a) (without regard to stock considered as owned under section 958(b)).

“(C) ALLOCATION.—

“(i) IN GENERAL.—For purposes of paragraph (1), only the applicable percentage of the interest expense and assets of a foreign corporation described in subparagraph (B)(ii) shall be taken into account.

“(ii) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the term ‘applicable percentage’ means, with respect to any foreign corporation, the percentage equal to the ratio which the value of the stock in such corporation taken into account under subparagraph (B)(ii) bears to the aggregate value of all stock in such corporation.

“(D) TREATMENT OF FOREIGN INTEREST EXPENSE.—Interest expense of domestic corporations which are members of an electing worldwide affiliated group which is allocated to foreign source income under this subsection shall be reduced (but not below zero) by the applicable percentage of the interest expense incurred

by any foreign corporation in the electing worldwide affiliated group to the extent such interest expense of such foreign corporation would have been allocated and apportioned to foreign source income of such foreign corporation if this subsection were applied to a group consisting of all the foreign corporations in such affiliated group.

“(E) ELECTION.—An election under this paragraph with respect to any worldwide affiliated group may be made only by the common parent of the affiliated group referred to in subparagraph (B)(i) and may be made only for the first taxable year beginning after December 31, 2001, in which a worldwide affiliated group exists which includes such affiliated group and at least 1 corporation described in subparagraph (B)(ii). Such an election, once made, shall apply to such parent and all other corporations which are included in such worldwide affiliated group for such taxable year and all subsequent years unless revoked with the consent of the Secretary.”

(b) ELECTION TO ALLOCATE INTEREST WITHIN FINANCIAL INSTITUTION GROUPS AND SUBSIDIARY GROUPS.—Section 864 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

“(f) ELECTION TO APPLY SUBSECTION (e) ON BASIS OF FINANCIAL INSTITUTION GROUP AND SUBSIDIARY GROUPS.—

“(1) IN GENERAL.—Subsection (e) shall be applied—

“(A) as if the electing financial institution group were a separate affiliated group, and

“(B) for purposes of allocating interest expense with respect to qualified indebtedness of members of an electing subsidiary group, as if each electing subsidiary group were a separate affiliated group.

Subsection (e) shall apply to any such electing group in the same manner as subsection (e) applies to the pre-election affiliated group of which such electing group is a part.

“(2) ELECTING FINANCIAL INSTITUTION GROUP.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘electing financial institution group’ means any group of corporations if—

“(i) such group consists only of all of the financial corporations in the pre-election affiliated group, and

“(ii) an election under this paragraph is in effect for such group of corporations.

“(B) FINANCIAL CORPORATION.—The term ‘financial corporation’ means any corporation if at least 80 percent of its gross income is income described in section 904(d)(2)(C)(ii) and the regulations thereunder. To the extent provided in regulations prescribed by the Secretary, such term includes a bank holding company (within the meaning of section 2(a) of the Bank Holding Company Act of 1956).

“(C) EFFECT OF CERTAIN TRANSACTIONS.—Rules similar to the rules of paragraph (3)(D) shall apply to transactions between any member of the electing financial institution group and any member of the pre-election affiliated group (other than a member of the electing financial institution group).

“(D) ELECTION.—An election under this paragraph with respect to any financial institution group may be made only by the common parent of the pre-election affiliated group. Such an election, once made, shall apply only to the taxable year for which made.

“(3) ELECTING SUBSIDIARY GROUPS.—

“(A) IN GENERAL.—The term ‘electing subsidiary group’ means any group of corporations if—

“(i) such group consists only of corporations in the pre-election affiliated group,

“(ii) such group includes—

“(I) a domestic corporation (which is not the common parent of the pre-election affiliated group or a member of an electing financial institution group) which incurs interest expense with respect to qualified indebtedness, and

“(II) every other corporation (other than a member of an electing financial institution group) which is in the pre-election affiliated group and which would be a member of an affiliated group having such domestic corporation as the common parent, and

“(iii) an election under this paragraph is in effect for such group.

“(B) **EQUALIZATION RULE.**—All interest expense of a domestic corporation which is a member of a pre-election affiliated group (other than subsidiary group interest expense) shall be treated as allocated to foreign source income to the extent such expense does not exceed the excess (if any) of—

“(i) the interest expense of the pre-election affiliated group (including subsidiary group interest expense) which would (but for any election under this paragraph) be allocated to foreign source income, over

“(ii) the subsidiary group interest expense allocated to foreign source income.

For purposes of the preceding sentence, the subsidiary group interest expense is the interest expense to which subsection (e) applies separately by reason of paragraph (1)(B).

“(C) **QUALIFIED INDEBTEDNESS.**—For purposes of this subsection, the term ‘qualified indebtedness’ means any indebtedness of a domestic corporation—

“(i) which is held by an unrelated person, and

“(ii) which is not guaranteed (or otherwise supported) by any corporation which is a member of the pre-election affiliated group other than a corporation which is a member of the electing subsidiary group.

For purposes of this subparagraph, the term ‘unrelated person’ means any person not bearing a relationship specified in section 267(b) or 707(b)(1) to the corporation.

“(D) **EFFECT OF CERTAIN TRANSACTIONS ON QUALIFIED INDEBTEDNESS.**—In the case of a corporation which is a member of an electing subsidiary group, to the extent that such corporation—

“(i) distributes dividends or makes other distributions with respect to its stock after the date of the enactment of this paragraph to any member of the pre-election affiliated group (other than to a member of the electing subsidiary group) in excess of the greater of—

“(I) its average annual dividend (expressed as a percentage of current earnings and profits) during the 5-taxable-year period ending with the taxable year preceding the taxable year, or

“(II) 25 percent of its average annual earnings and profits for such 5 taxable year period, or

“(ii) deals with any person in any manner not clearly reflecting the income of the corporation (as determined under principles similar to the principles of section 482),

an amount of qualified indebtedness equal to the excess distribution or the understatement or overstatement of income, as the case may be, shall be recharacterized (for the taxable year and subsequent taxable years) for purposes of this subsection as indebtedness which is not qualified indebtedness. If a corporation has not been in existence for 5 taxable years, this subparagraph shall be applied with respect to the period it was in existence.

“(E) **ELECTION.**—An election under this paragraph with respect to any electing subsidiary group may be made only by the common parent of the pre-election affiliated group. Such an election, once made, shall apply only to the taxable year for which made. No election may be made under this paragraph if the effect of the

election would be to have the same member of the pre-election affiliated group included in more than 1 electing subsidiary group.

“(4) **PRE-ELECTION AFFILIATED GROUP.**—For purposes of this subsection, the term ‘pre-election affiliated group’ means, with respect to a corporation, the affiliated group or electing worldwide affiliated group of which such corporation would (but for an election under this subsection) be a member for purposes of applying subsection (e).

“(5) **REGULATIONS.**—The Secretary shall prescribe such regulations as may be appropriate to carry out this subsection and subsection (e), including regulations—

“(A) providing for the direct allocation of interest expense in other circumstances where such allocation would be appropriate to carry out the purposes of this subsection,

“(B) preventing assets or interest expense from being taken into account more than once, and

“(C) dealing with changes in members of any group (through acquisitions or otherwise) treated under this subsection as an affiliated group for purposes of subsection (e).”

(c) **INSURANCE COMPANIES INCLUDED IN AFFILIATED GROUPS.**—Paragraph (5) of section 864(e) is amended to read as follows:

“(5) **AFFILIATED GROUP.**—The term ‘affiliated group’ has the meaning given such term by section 1504 (determined without regard to paragraphs (2) and (4) of section 1504(b)).”

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

#### **SEC. 902. LOOK-THRU RULES TO APPLY TO DIVIDENDS FROM NONCONTROLLED SECTION 902 CORPORATIONS.**

(a) **IN GENERAL.**—Section 904(d)(4) (relating to application of look-thru rules to dividends from noncontrolled section 902 corporations) is amended to read as follows:

“(4) **LOOK-THRU APPLIES TO DIVIDENDS FROM NONCONTROLLED SECTION 902 CORPORATIONS.**—

“(A) **IN GENERAL.**—For purposes of this subsection, any dividend from a noncontrolled section 902 corporation with respect to the taxpayer shall be treated as income in a separate category in proportion to the ratio of—

“(i) the portion of earnings and profits attributable to income in such category, to

“(ii) the total amount of earnings and profits.

“(B) **SPECIAL RULES.**—For purposes of this paragraph—

“(i) **IN GENERAL.**—Rules similar to the rules of paragraph (3)(F) shall apply; except that the term ‘separate category’ shall include the category of income described in paragraph (1)(I).

“(ii) **EARNINGS AND PROFITS.**—

“(I) **IN GENERAL.**—The rules of section 316 shall apply.

“(II) **REGULATIONS.**—The Secretary may prescribe regulations regarding the treatment of distributions out of earnings and profits for periods before the taxpayer’s acquisition of the stock to which the distributions relate.

“(iii) **DIVIDENDS NOT ALLOCABLE TO SEPARATE CATEGORY.**—The portion of any dividend from a noncontrolled section 902 corporation which is not treated as income in a separate category under subparagraph (A) shall be treated as a dividend to which subparagraph (A) does not apply.

“(iv) **LOOK-THRU WITH RESPECT TO CARRYFORWARDS OF CREDIT.**—Rules similar to subparagraph (A) also shall apply to any carryforward under subsection (c) from a taxable year beginning before January 1, 2002, of tax allocable to a dividend from a noncontrolled section 902 corporation with respect to the taxpayer.”

(b) **CONFORMING AMENDMENTS.**—

(1) Subparagraph (E) of section 904(d)(1), as in effect both before and after the amendments

made by section 1105 of the Taxpayer Relief Act of 1997, is hereby repealed.

(2) Section 904(d)(2)(C)(iii), as so in effect, is amended by striking subclause (II) and by redesignating subclause (III) as subclause (II).

(3) The last sentence of section 904(d)(2)(D), as so in effect, is amended to read as follows: “Such term does not include any financial services income.”

(4) Section 904(d)(2)(E) is amended by striking clauses (ii) and (iv) and by redesignating clause (iii) as clause (ii).

(5) Section 904(d)(3)(F) is amended by striking “(D), or (E)” and inserting “or (D)”.

(6) Section 864(d)(5)(A)(i) is amended by striking “(C)(iii)(III)” and inserting “(C)(iii)(II)”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

#### **SEC. 903. CLARIFICATION OF TREATMENT OF PIPELINE TRANSPORTATION INCOME.**

(a) **IN GENERAL.**—Section 954(g)(1) (defining foreign base company oil related income) is amended by striking “or” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, or”, and by inserting after subparagraph (B) the following new subparagraph:

“(C) the pipeline transportation of oil or gas within such foreign country.”

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years of controlled foreign corporations beginning after December 31, 2001, and taxable years of United States shareholders with or within which such taxable years of controlled foreign corporations end.

#### **SEC. 904. SUBPART F TREATMENT OF INCOME FROM TRANSMISSION OF HIGH VOLTAGE ELECTRICITY.**

(a) **IN GENERAL.**—Paragraph (2) of section 954(e) (relating to foreign base company services income) is amended by striking “or” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, or”, and by inserting after subparagraph (B) the following new subparagraph:

“(C) the transmission of high voltage electricity.”

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years of controlled foreign corporations beginning after December 31, 2001, and taxable years of United States shareholders with or within which such taxable years of controlled foreign corporations end.

#### **SEC. 905. RECHARACTERIZATION OF OVERALL DOMESTIC LOSS.**

(a) **GENERAL RULE.**—Section 904 is amended by redesignating subsections (g), (h), (i), (j), and (k) as subsections (h), (i), (j), (k), and (l), respectively, and by inserting after subsection (f) the following new subsection:

“(g) **RECHARACTERIZATION OF OVERALL DOMESTIC LOSS.**—

“(I) **GENERAL RULE.**—For purposes of this subpart and section 936, in the case of any taxpayer who sustains an overall domestic loss for any taxable year beginning after December 31, 2004, that portion of the taxpayer’s taxable income from sources within the United States for each succeeding taxable year which is equal to the lesser of—

“(A) the amount of such loss (to the extent not used under this paragraph in prior taxable years), or

“(B) 50 percent of the taxpayer’s taxable income from sources within the United States for such succeeding taxable year, shall be treated as income from sources without the United States (and not as income from sources within the United States).

“(2) **OVERALL DOMESTIC LOSS DEFINED.**—For purposes of this subsection—



“(A) *IN GENERAL.*—The term ‘overall domestic loss’ means any domestic loss to the extent such loss offsets taxable income from sources without the United States for the taxable year or for any preceding taxable year by reason of a carryback. For purposes of the preceding sentence, the term ‘domestic loss’ means the amount by which the gross income for the taxable year from sources within the United States is exceeded by the sum of the deductions properly apportioned or allocated thereto (determined without regard to any carryback from a subsequent taxable year).

“(B) *TAXPAYER MUST HAVE ELECTED FOREIGN TAX CREDIT FOR YEAR OF LOSS.*—The term ‘overall domestic loss’ shall not include any loss for any taxable year unless the taxpayer chose the benefits of this subpart for such taxable year.

“(3) *CHARACTERIZATION OF SUBSEQUENT INCOME.*—

“(A) *IN GENERAL.*—Any income from sources within the United States that is treated as income from sources without the United States under paragraph (1) shall be allocated among and increase the income categories in proportion to the loss from sources within the United States previously allocated to those income categories.

“(B) *INCOME CATEGORY.*—For purposes of this paragraph, the term ‘income category’ has the meaning given such term by subsection (f)(5)(E)(i).

“(4) *COORDINATION WITH SUBSECTION (f).*—The Secretary shall prescribe such regulations as may be necessary to coordinate the provisions of this subsection with the provisions of subsection (f).”

(b) *CONFORMING AMENDMENTS.*—

(1) Section 535(d)(2) is amended by striking “section 904(g)(6)” and inserting “section 904(h)(6)”.

(2) Subparagraph (A) of section 936(a)(2) is amended by striking “section 904(f)” and inserting “subsections (f) and (g) of section 904”.

(c) *EFFECTIVE DATE.*—The amendments made by this section shall apply to losses for taxable years beginning after December 31, 2004.

#### **SEC. 906. TREATMENT OF MILITARY PROPERTY OF FOREIGN SALES CORPORATIONS.**

(a) *IN GENERAL.*—Section 923(a) (defining exempt foreign trade income) is amended by striking paragraph (5) and by redesignating paragraph (6) as paragraph (5).

(b) *EFFECTIVE DATE.*—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

#### **SEC. 907. TREATMENT OF CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.**

(a) *TREATMENT OF CERTAIN DIVIDENDS.*—

(1) *NONRESIDENT ALIEN INDIVIDUALS.*—Section 871 (relating to tax on nonresident alien individuals) is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

“(k) *EXEMPTION FOR CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.*—

“(1) *INTEREST-RELATED DIVIDENDS.*—

“(A) *IN GENERAL.*—Except as provided in subparagraph (B), no tax shall be imposed under paragraph (1)(A) of subsection (a) on any interest-related dividend received from a regulated investment company.

“(B) *EXCEPTIONS.*—Subparagraph (A) shall not apply—

“(i) to any interest-related dividend received from a regulated investment company by a person to the extent such dividend is attributable to interest (other than interest described in clause (i), (iii), or the last sentence of subparagraph (E)) received by such company on indebtedness issued by such person or by any corporation or partnership with respect to which such person is a 10-percent shareholder,

“(ii) to any interest-related dividend with respect to stock of a regulated investment com-

pany unless the person who would otherwise be required to deduct and withhold tax from such dividend under chapter 3 receives a statement (which meets requirements similar to the requirements of subsection (h)(5)) that the beneficial owner of such stock is not a United States person, and

“(iii) to any interest-related dividend paid to any person within a foreign country (or any interest-related dividend payment addressed to, or for the account of, persons within such foreign country) during any period described in subsection (h)(6) with respect to such country.

Clause (iii) shall not apply to any dividend with respect to any stock the holding period of which begins on or before the date of the publication of the Secretary's determination under subsection (h)(6).

“(C) *INTEREST-RELATED DIVIDEND.*—For purposes of this paragraph, an interest-related dividend is any dividend (or part thereof) which is designated by the regulated investment company as an interest-related dividend in a written notice mailed to its shareholders not later than 60 days after the close of its taxable year. If the aggregate amount so designated with respect to a taxable year of the company (including amounts so designated with respect to dividends paid after the close of the taxable year described in section 855) is greater than the qualified net interest income of the company for such taxable year, the portion of each distribution which shall be an interest-related dividend shall be only that portion of the amounts so designated which such qualified net interest income bears to the aggregate amount so designated.

“(D) *QUALIFIED NET INTEREST INCOME.*—For purposes of subparagraph (C), the term ‘qualified net interest income’ means the qualified interest income of the regulated investment company reduced by the deductions properly allocable to such income.

“(E) *QUALIFIED INTEREST INCOME.*—For purposes of subparagraph (D), the term ‘qualified interest income’ means the sum of the following amounts derived by the regulated investment company from sources within the United States:

“(i) Any amount includible in gross income as original issue discount (within the meaning of section 1273) on an obligation payable 183 days or less from the date of original issue (without regard to the period held by the company).

“(ii) Any interest includible in gross income (including amounts recognized as ordinary income in respect of original issue discount or market discount or acquisition discount under part V of subchapter P and such other amounts as regulations may provide) on an obligation which is in registered form; except that this clause shall not apply to—

“(I) any interest on an obligation issued by a corporation or partnership if the regulated investment company is a 10-percent shareholder in such corporation or partnership, and

“(II) any interest which is treated as not being portfolio interest under the rules of subsection (h)(4).

“(iii) Any interest referred to in subsection (i)(2)(A) (without regard to the trade or business of the regulated investment company).

“(iv) Any interest-related dividend includible in gross income with respect to stock of another regulated investment company.

Such term includes any interest derived by the regulated investment company from sources outside the United States other than interest that is subject to a tax imposed by a foreign jurisdiction if the amount of such tax is reduced (or eliminated) by a treaty with the United States.

“(F) *10-PERCENT SHAREHOLDER.*—For purposes of this paragraph, the term ‘10-percent shareholder’ has the meaning given such term by subsection (h)(3)(B).

“(2) *SHORT-TERM CAPITAL GAIN DIVIDENDS.*—

“(A) *IN GENERAL.*—Except as provided in subparagraph (B), no tax shall be imposed under paragraph (1)(A) of subsection (a) on any short-term capital gain dividend received from a regulated investment company.

“(B) *EXCEPTION FOR ALIENS TAXABLE UNDER SUBSECTION (a)(2).*—Subparagraph (A) shall not apply in the case of any nonresident alien individual subject to tax under subsection (a)(2).

“(C) *SHORT-TERM CAPITAL GAIN DIVIDEND.*—For purposes of this paragraph, a short-term capital gain dividend is any dividend (or part thereof) which is designated by the regulated investment company as a short-term capital gain dividend in a written notice mailed to its shareholders not later than 60 days after the close of its taxable year. If the aggregate amount so designated with respect to a taxable year of the company (including amounts so designated with respect to dividends paid after the close of the taxable year described in section 855) is greater than the qualified short-term gain of the company for such taxable year, the portion of each distribution which shall be a short-term capital gain dividend shall be only that portion of the amounts so designated which such qualified short-term gain bears to the aggregate amount so designated.

“(D) *QUALIFIED SHORT-TERM GAIN.*—For purposes of subparagraph (C), the term ‘qualified short-term gain’ means the excess of the net short-term capital gain of the regulated investment company for the taxable year over the net long-term capital loss (if any) of such company for such taxable year. For purposes of this subparagraph—

“(i) the net short-term capital gain of the regulated investment company shall be computed by treating any short-term capital gain dividend includible in gross income with respect to stock of another regulated investment company as a short-term capital gain, and

“(ii) the excess of the net short-term capital gain for a taxable year over the net long-term capital loss for a taxable year (to which an election under section 4982(e)(4) does not apply) shall be determined without regard to any net capital loss or net short-term capital loss attributable to transactions after October 31 of such year, and any such net capital loss or net short-term capital loss shall be treated as arising on the 1st day of the next taxable year.

To the extent provided in regulations, clause (ii) shall apply also for purposes of computing the taxable income of the regulated investment company.”

(2) *FOREIGN CORPORATIONS.*—Section 881 (relating to tax on income of foreign corporations not connected with United States business) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

“(e) *TAX NOT TO APPLY TO CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.*—

“(1) *INTEREST-RELATED DIVIDENDS.*—

“(A) *IN GENERAL.*—Except as provided in subparagraph (B), no tax shall be imposed under paragraph (1) of subsection (a) on any interest-related dividend (as defined in section 871(k)(1)) received from a regulated investment company.

“(B) *EXCEPTION.*—Subparagraph (A) shall not apply—

“(i) to any dividend referred to in section 871(k)(1)(B), and

“(ii) to any interest-related dividend received by a controlled foreign corporation (within the meaning of section 957(a)) to the extent such dividend is attributable to interest received by the regulated investment company from a person who is a related person (within the meaning of section 864(d)(4)) with respect to such controlled foreign corporation.

“(C) *TREATMENT OF DIVIDENDS RECEIVED BY CONTROLLED FOREIGN CORPORATIONS.*—The rules



of subsection (c)(5)(A) shall apply to any interest-related dividend received by a controlled foreign corporation (within the meaning of section 957(a)) to the extent such dividend is attributable to interest received by the regulated investment company which is described in clause (ii) of section 871(k)(1)(E) (and not described in clause (i), (iii), or the last sentence of such section).

“(2) **SHORT-TERM CAPITAL GAIN DIVIDENDS.**—No tax shall be imposed under paragraph (1) of subsection (a) on any short-term capital gain dividend (as defined in section 871(k)(2)) received from a regulated investment company.”

(3) **WITHHOLDING TAXES.**—

(A) Section 1441(c) (relating to exceptions) is amended by adding at the end the following new paragraph:

“(12) **CERTAIN DIVIDENDS RECEIVED FROM REGULATED INVESTMENT COMPANIES.**—

“(A) **IN GENERAL.**—No tax shall be required to be deducted and withheld under subsection (a) from any amount exempt from the tax imposed by section 871(a)(1)(A) by reason of section 871(k).

“(B) **SPECIAL RULE.**—For purposes of subparagraph (A), clause (i) of section 871(k)(1)(B) shall not apply to any dividend unless the regulated investment company knows that such dividend is a dividend referred to in such clause. A similar rule shall apply with respect to the exception contained in section 871(k)(2)(B).”

(B) Section 1442(a) (relating to withholding of tax on foreign corporations) is amended—

(i) by striking “and the reference in section 1441(c)(10)” and inserting “the reference in section 1441(c)(10)”, and

(ii) by inserting before the period at the end the following: “, and the references in section 1441(c)(12) to sections 871(a) and 871(k) shall be treated as referring to sections 881(a) and 881(e) (except that for purposes of applying subparagraph (A) of section 1441(c)(12), as so modified, clause (ii) of section 881(e)(1)(B) shall not apply to any dividend unless the regulated investment company knows that such dividend is a dividend referred to in such clause).”

(b) **ESTATE TAX TREATMENT OF INTEREST IN CERTAIN REGULATED INVESTMENT COMPANIES.**—Section 2105 (relating to property without the United States for estate tax purposes) is amended by adding at the end the following new subsection:

“(d) **STOCK IN A RIC.**—

“(1) **IN GENERAL.**—For purposes of this subchapter, stock in a regulated investment company (as defined in section 851) owned by a nonresident not a citizen of the United States shall not be deemed property within the United States in the proportion that, at the end of the quarter of such investment company's taxable year immediately preceding a decedent's date of death (or at such other time as the Secretary may designate in regulations), the assets of the investment company that were qualifying assets with respect to the decedent bore to the total assets of the investment company.

“(2) **QUALIFYING ASSETS.**—For purposes of this subsection, qualifying assets with respect to a decedent are assets that, if owned directly by the decedent, would have been—

“(A) amounts, deposits, or debt obligations described in subsection (b) of this section,

“(B) debt obligations described in the last sentence of section 2104(c), or

“(C) other property not within the United States.”

(c) **TREATMENT OF REGULATED INVESTMENT COMPANIES UNDER SECTION 897.**—

(1) Paragraph (1) of section 897(h) is amended by striking “REIT” each place it appears and inserting “qualified investment entity”.

(2) Paragraphs (2) and (3) of section 897(h) are amended to read as follows:

“(2) **SALE OF STOCK IN DOMESTICALLY CONTROLLED ENTITY NOT TAXED.**—The term ‘United States real property interest’ does not include any interest in a domestically controlled qualified investment entity.

“(3) **DISTRIBUTIONS BY DOMESTICALLY CONTROLLED QUALIFIED INVESTMENT ENTITIES.**—In the case of a domestically controlled qualified investment entity, rules similar to the rules of subsection (d) shall apply to the foreign ownership percentage of any gain.”

(3) Subparagraphs (A) and (B) of section 897(h)(4) are amended to read as follows:

“(A) **QUALIFIED INVESTMENT ENTITY.**—The term ‘qualified investment entity’ means any real estate investment trust and any regulated investment company.

“(B) **DOMESTICALLY CONTROLLED.**—The term ‘domestically controlled qualified investment entity’ means any qualified investment entity in which at all times during the testing period less than 50 percent in value of the stock was held directly or indirectly by foreign persons.”

(4) Subparagraphs (C) and (D) of section 897(h)(4) are each amended by striking “REIT” and inserting “qualified investment entity”.

(5) The subsection heading for subsection (h) of section 897 is amended by striking “REITS” and inserting “CERTAIN INVESTMENT ENTITIES”.

(d) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as otherwise provided in this subsection, the amendments made by this section shall apply to dividends with respect to taxable years of regulated investment companies beginning after December 31, 2004.

(2) **ESTATE TAX TREATMENT.**—The amendment made by subsection (b) shall apply to estates of decedents dying after December 31, 2004.

(3) **CERTAIN OTHER PROVISIONS.**—The amendments made by subsection (c) (other than paragraph (1) thereof) shall take effect on January 1, 2005.

#### **SEC. 908. REPEAL OF SPECIAL RULES FOR APPLYING FOREIGN TAX CREDIT IN CASE OF FOREIGN OIL AND GAS INCOME.**

(a) **IN GENERAL.**—Section 907 (relating to special rules in case of foreign oil and gas income) is repealed.

(b) **CONFORMING AMENDMENTS.**—

(1) Each of the following provisions are amended by striking “907,”:

(A) Section 245(a)(10).

(B) Section 865(h)(1)(B).

(C) Section 904(d)(1).

(D) Section 904(g)(10)(A).

(2) Section 904(f)(5)(E)(iii) is amended by inserting “, as in effect before its repeal by the Financial Freedom Act of 1999” after “section 907(c)(4)(B)”.

(3) Section 954(g)(1) is amended by inserting “, as in effect before its repeal by the Financial Freedom Act of 1999” after “907(c)”.

(4) Section 6501(i) is amended—

(A) by striking “, or under section 907(f) (relating to carryback and carryover of disallowed oil and gas extraction taxes)”, and

(B) by striking “or 907(f)”.

(5) The table of sections for subpart A of part III of subchapter N of chapter 1 is amended by striking the item relating to section 907.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

#### **SEC. 909. STUDY OF PROPER TREATMENT OF EUROPEAN UNION UNDER SAME COUNTRY EXCEPTIONS.**

(a) **STUDY.**—The Secretary of the Treasury or the Secretary's delegate shall conduct a study on the feasibility of treating all countries included in the European Union as 1 country for purposes of applying the same country exceptions under subpart F of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1986.

(b) **REPORT.**—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the results of the study conducted under subsection (a), including recommendations (if any) for legislation.

#### **SEC. 910. APPLICATION OF DENIAL OF FOREIGN TAX CREDIT WITH RESPECT TO CERTAIN FOREIGN COUNTRIES.**

(a) **IN GENERAL.**—Clause (ii) of section 901(j)(2)(B) (relating to denial of foreign tax credit, etc., with respect to certain foreign countries) is amended by inserting before the period “or, if earlier, ending on the date that the President determines that the application of this subsection to such foreign country is no longer in the national interests of the United States”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect on the date of the enactment of this Act.

#### **SEC. 911. ADVANCE PRICING AGREEMENTS TREATED AS CONFIDENTIAL TAXPAYER INFORMATION.**

(a) **IN GENERAL.**—

(1) **TREATMENT AS RETURN INFORMATION.**—Paragraph (2) of section 6103(b) (defining return information) is amended by striking “and” at the end of subparagraph (A), by inserting “and” at the end of subparagraph (B), and by inserting after subparagraph (B) the following new subparagraph:

“(C) any advance pricing agreement entered into by a taxpayer and the Secretary and any background information related to such agreement or any application for an advance pricing agreement.”

(2) **EXCEPTION FROM PUBLIC INSPECTION AS WRITTEN DETERMINATION.**—Paragraph (1) of section 6110(b) (defining written determination) is amended by adding at the end the following new sentence: “Such term shall not include any advance pricing agreement entered into by a taxpayer and the Secretary and any background information related to such agreement or any application for an advance pricing agreement.”

(3) **EFFECTIVE DATE.**—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(b) **ANNUAL REPORT REGARDING ADVANCE PRICING AGREEMENTS.**—

(1) **IN GENERAL.**—Not later than 90 days after the end of each calendar year, the Secretary of the Treasury shall prepare and publish a report regarding advance pricing agreements.

(2) **CONTENTS OF REPORT.**—The report shall include the following for the calendar year to which such report relates:

(A) Information about the structure, composition, and operation of the advance pricing agreement program office.

(B) A copy of each model advance pricing agreement.

(C) The number of—

(i) applications filed during such calendar year for advanced pricing agreements;

(ii) advance pricing agreements executed cumulatively to date and during such calendar year;

(iii) renewals of advanced pricing agreements issued;

(iv) pending requests for advance pricing agreements;

(v) pending renewals of advance pricing agreements;

(vi) for each of the items in clauses (ii) through (v), the number that are unilateral, bilateral, and multilateral, respectively;

(vii) advance pricing agreements revoked or canceled, and the number of withdrawals from the advance pricing agreement program; and

(viii) advanced pricing agreements finalized or renewed by industry.

## (D) General descriptions of—

(i) the nature of the relationships between the related organizations, trades, or businesses covered by advance pricing agreements;

(ii) the covered transactions and the business functions performed and risks assumed by such organizations, trades, or businesses;

(iii) the related organizations, trades, or businesses whose prices or results are tested to determine compliance with transfer pricing methodologies prescribed in advanced pricing agreements;

(iv) methodologies used to evaluate tested parties and transactions and the circumstances leading to the use of those methodologies;

(v) critical assumptions made and sources of comparables used;

(vi) comparable selection criteria and the rationale used in determining such criteria;

(vii) the nature of adjustments to comparables or tested parties;

(viii) the nature of any ranges agreed to, including information regarding when no range was used and why, when interquartile ranges were used, and when there was a statistical narrowing of the comparables;

(ix) adjustment mechanisms provided to rectify results that fall outside of the agreed upon advance pricing agreement range;

(x) the various term lengths for advance pricing agreements, including rollback years, and the number of advance pricing agreements with each such term length;

(xi) the nature of documentation required; and

(xii) approaches for sharing of currency or other risks.

(E) Statistics regarding the amount of time taken to complete new and renewal advance pricing agreements.

(3) CONFIDENTIALITY.—The reports required by this subsection shall be treated as authorized by the Internal Revenue Code of 1986 for purposes of section 6103 of such Code, but the reports shall not include information—

(A) which would not be permitted to be disclosed under section 6110(c) of such Code if such report were a written determination as defined in section 6110 of such Code, or

(B) which can be associated with, or otherwise identify, directly or indirectly, a particular taxpayer.

(4) FIRST REPORT.—The report for calendar year 1999 shall include prior calendar years after 1990.

(c) USER FEE.—Section 7527, as added by title XV of this Act, is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

“(c) ADVANCE PRICING AGREEMENTS.—

“(1) IN GENERAL.—In addition to any fee otherwise imposed under this section, the fee imposed for requests for advance pricing agreements shall be increased by \$500.

“(2) REDUCED FEE FOR SMALL BUSINESSES.—The Secretary shall provide an appropriate reduction in the amount imposed by reason of paragraph (1) for requests for advance pricing agreements for small businesses.”

(d) REGULATIONS.—The Secretary of the Treasury or the Secretary's delegate shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of section 6103(b)(2)(C), and the last sentence of section 6110(b)(1), of the Internal Revenue Code of 1986, as added by this section.

#### SEC. 912. INCREASE IN DOLLAR LIMITATION ON SECTION 911 EXCLUSION.

(a) GENERAL RULE.—The table contained in clause (i) of section 911(b)(2)(D) is amended to read as follows:

“For calendar year— The exclusion amount is—

2000 .....\$76,000

#### “For calendar year— The exclusion amount is—

2001 ..... 78,000  
2002 ..... 80,000  
2003 ..... 83,000  
2004 ..... 86,000  
2005 ..... 89,000  
2006 ..... 92,000  
2007 and thereafter ..... 95,000.”

(b) CONFORMING AMENDMENT.—Clause (ii) of section 911(b)(2)(D) is amended by striking “\$80,000” and inserting “\$95,000”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

#### TITLE X—PROVISIONS RELATING TO TAX-EXEMPT ORGANIZATIONS

##### SEC. 1001. EXEMPTION FROM INCOME TAX FOR STATE-CREATED ORGANIZATIONS PROVIDING PROPERTY AND CASUALTY INSURANCE FOR PROPERTY FOR WHICH SUCH COVERAGE IS OTHERWISE UNAVAILABLE.

(a) IN GENERAL.—Subsection (c) of section 501 (relating to exemption from tax on corporations, certain trusts, etc.) is amended by adding at the end the following new paragraph:

“(28)(A) Any association created before January 1, 1999, by State law and organized and operated exclusively to provide property and casualty insurance coverage for property located within the State for which the State has determined that coverage in the authorized insurance market is limited or unavailable at reasonable rates, if—

“(i) no part of the net earnings of which inures to the benefit of any private shareholder or individual,

“(ii) except as provided in clause (v), no part of the assets of which may be used for, or diverted to, any purpose other than—

“(I) to satisfy, in whole or in part, the liability of the association for, or with respect to, claims made on policies written by the association,

“(II) to invest in investments authorized by applicable law,

“(III) to pay reasonable and necessary administration expenses in connection with the establishment and operation of the association and the processing of claims against the association, or

“(IV) to make remittances pursuant to State law to be used by the State to provide for the payment of claims on policies written by the association, purchase reinsurance covering losses under such policies, or to support governmental programs to prepare for or mitigate the effects of natural catastrophic events,

“(iii) the State law governing the association permits the association to levy assessments on insurance companies authorized to sell property and casualty insurance in the State, or on property and casualty insurance policyholders with insurable interests in property located in the State to fund deficits of the association, including the creation of reserves,

“(iv) the plan of operation of the association is subject to approval by the chief executive officer or other official of the State, by the State legislature, or both, and

“(v) the assets of the association revert upon dissolution to the State, the State's designee, or an entity designated by the State law governing the association, or State law does not permit the dissolution of the association.

“(B)(i) An entity described in clause (ii) shall be disregarded as a separate entity and treated as part of the association described in subparagraph (A) from which it receives remittances described in clause (ii) if an election is made within 30 days after the date that such association is determined to be exempt from tax.

“(ii) An entity is described in this clause if it is an entity or fund created before January 1,

1999, pursuant to State law and organized and operated exclusively to receive, hold, and invest remittances from an association described in subparagraph (A) and exempt from tax under subsection (a), to make disbursements to pay claims on insurance contracts issued by such association, and to make disbursements to support governmental programs to prepare for or mitigate the effects of natural catastrophic events.”

(b) UNRELATED BUSINESS TAXABLE INCOME.—Subsection (a) of section 512 (relating to unrelated business taxable income) is amended by adding at the end the following new paragraph:

“(6) SPECIAL RULE APPLICABLE TO ORGANIZATIONS DESCRIBED IN SECTION 501(C)(28).—In the case of an organization described in section 501(c)(28), the term ‘unrelated business taxable income’ means taxable income for a taxable year computed without the application of section 501(c)(28) if at the end of the immediately preceding taxable year the organization's net equity exceeded 15 percent of the total coverage in force under insurance contracts issued by the organization and outstanding at the end of such preceding year.”

(c) TRANSITIONAL RULE.—No income or gain shall be recognized by an association as a result of a change in status to that of an association described by section 501(c)(28) of the Internal Revenue Code of 1986, as amended by subsection (a).

(d) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1999.

##### SEC. 1002. MODIFICATION OF SPECIAL ARBITRAGE RULE FOR CERTAIN FUNDS.

(a) IN GENERAL.—Paragraph (1) of section 648 of the Tax Reform Act of 1984 is amended to read as follows:

“(1) such securities or obligations are held in a fund—

“(A) which, except to the extent of the investment earnings on such securities or obligations, cannot be used, under State constitutional or statutory restrictions continuously in effect since October 9, 1969, through the date of issue of the bond issue, to pay debt service on the bond issue or to finance the facilities that are to be financed with the proceeds of the bonds, or

“(B) the annual distributions from which cannot exceed 7 percent of the average fair market value of the assets held in such fund except to the extent distributions are necessary to pay debt service on the bond issue.”

(b) CONFORMING AMENDMENT.—Paragraph (3) of such section is amended by striking “the investment earnings of” and inserting “distributions from”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2000.

##### SEC. 1003. CHARITABLE SPLIT-DOLLAR LIFE INSURANCE, ANNUITY, AND ENDOWMENT CONTRACTS.

(a) IN GENERAL.—Subsection (f) of section 170 (relating to disallowance of deduction in certain cases and special rules) is amended by adding at the end the following new paragraph:

“(10) SPLIT-DOLLAR LIFE INSURANCE, ANNUITY, AND ENDOWMENT CONTRACTS.—

“(A) IN GENERAL.—Nothing in this section or in section 545(b)(2), 556(b)(2), 642(c), 2055, 2106(a)(2), or 2522 shall be construed to allow a deduction, and no deduction shall be allowed, for any transfer to or for the use of an organization described in subsection (c) if in connection with such transfer—

“(i) the organization directly or indirectly pays, or has previously paid, any premium on any personal benefit contract with respect to the transferor, or

“(ii) there is an understanding or expectation that any person will directly or indirectly pay any premium on any personal benefit contract with respect to the transferor.

“(B) PERSONAL BENEFIT CONTRACT.—For purposes of subparagraph (A), the term ‘personal benefit contract’ means, with respect to the transferor, any life insurance, annuity, or endowment contract if any direct or indirect beneficiary under such contract is the transferor, any member of the transferor’s family, or any other person (other than an organization described in subsection (c)) designated by the transferor.

“(C) APPLICATION TO CHARITABLE REMAINDER TRUSTS.—In the case of a transfer to a trust referred to in subparagraph (E), references in subparagraphs (A) and (F) to an organization described in subsection (c) shall be treated as a reference to such trust.

“(D) EXCEPTION FOR CERTAIN ANNUITY CONTRACTS.—If, in connection with a transfer to or for the use of an organization described in subsection (c), such organization incurs an obligation to pay a charitable gift annuity (as defined in section 501(m)) and such organization purchases any annuity contract to fund such obligation, persons receiving payments under the charitable gift annuity shall not be treated for purposes of subparagraph (B) as indirect beneficiaries under such contract if—

“(i) such organization possesses all of the incidents of ownership under such contract,

“(ii) such organization is entitled to all the payments under such contract, and

“(iii) the timing and amount of payments under such contract are substantially the same as the timing and amount of payments to each such person under such obligation (as such obligation is in effect at the time of such transfer).

“(E) EXCEPTION FOR CERTAIN CONTRACTS HELD BY CHARITABLE REMAINDER TRUSTS.—A person shall not be treated for purposes of subparagraph (B) as an indirect beneficiary under any life insurance, annuity, or endowment contract held by a charitable remainder annuity trust or a charitable remainder unitrust (as defined in section 664(d)) solely by reason of being entitled to any payment referred to in paragraph (1)(A) or (2)(A) of section 664(d) if—

“(i) such trust possesses all of the incidents of ownership under such contract, and

“(ii) such trust is entitled to all the payments under such contract.

“(F) EXCISE TAX ON PREMIUMS PAID.—

“(i) IN GENERAL.—There is hereby imposed on any organization described in subsection (c) an excise tax equal to the premiums paid by such organization on any life insurance, annuity, or endowment contract if the payment of premiums on such contract is in connection with a transfer for which a deduction is not allowable under subparagraph (A), determined without regard to when such transfer is made.

“(ii) PAYMENTS BY OTHER PERSONS.—For purposes of clause (i), payments made by any other person pursuant to an understanding or expectation referred to in subparagraph (A) shall be treated as made by the organization.

“(iii) REPORTING.—Any organization on which tax is imposed by clause (i) with respect to any premium shall file an annual return which includes—

“(I) the amount of such premiums paid during the year and the name and TIN of each beneficiary under the contract to which the premium relates, and

“(II) such other information as the Secretary may require.

The penalties applicable to returns required under section 6033 shall apply to returns required under this clause. Returns required under this clause shall be furnished at such time and in such manner as the Secretary shall by forms or regulations require.

“(iv) CERTAIN RULES TO APPLY.—The tax imposed by this subparagraph shall be treated as imposed by chapter 42 for purposes of this title other than subchapter B of chapter 42.

“(G) SPECIAL RULE WHERE STATE REQUIRES SPECIFICATION OF CHARITABLE GIFT ANNUITY IN CONTRACT.—In the case of an obligation to pay a charitable gift annuity referred to in subparagraph (D) which is entered into under the laws of a State which requires, in order for the charitable gift annuity to be exempt from insurance regulation by such State, that each beneficiary under the charitable gift annuity be named as a beneficiary under an annuity contract issued by an insurance company authorized to transact business in such State, the requirements of clauses (i) and (ii) of subparagraph (D) shall be treated as met if—

“(i) such State law requirement was in effect on February 8, 1999,

“(ii) each such beneficiary under the charitable gift annuity is a bona fide resident of such State at the time the obligation to pay a charitable gift annuity is entered into, and

“(iii) the only persons entitled to payments under such contract are persons entitled to payments as beneficiaries under such obligation on the date such obligation is entered into.

“(H) MEMBER OF FAMILY.—For purposes of this paragraph, an individual’s family consists of the individual’s grandparents, the grandparents of such individual’s spouse, the lineal descendants of such grandparents, and any spouse of such a lineal descendant.

“(I) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations to prevent the avoidance of such purposes.”

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this section, the amendment made by this section shall apply to transfers made after February 8, 1999.

(2) EXCISE TAX.—Except as provided in paragraph (3) of this subsection, section 170(f)(10)(F) of the Internal Revenue Code of 1986 (as added by this section) shall apply to premiums paid after the date of the enactment of this Act.

(3) REPORTING.—Clause (iii) of such section 170(f)(10)(F) shall apply to premiums paid after February 8, 1999 (determined as if the tax imposed by such section applies to premiums paid after such date).

#### SEC. 1004. EXEMPTION PROCEDURE FROM TAXES ON SELF-DEALING.

(a) IN GENERAL.—Subsection (d) of section 4941 (relating to taxes on self-dealing) is amended by adding at the end the following new paragraph:

“(3) SPECIAL EXEMPTION.—The Secretary shall establish an exemption procedure for purposes of this subsection. Pursuant to such procedure, the Secretary may grant a conditional or unconditional exemption of any disqualified person or transaction or class of disqualified persons or transactions, from all or part of the restrictions imposed by paragraph (1). The Secretary may not grant an exemption under this paragraph unless he finds that such exemption is—

“(A) administratively feasible,

“(B) in the interests of the private foundation, and

“(C) protective of the rights of the private foundation.

Before granting an exemption under this paragraph, the Secretary shall require adequate notice to be given to interested persons and shall publish notice in the Federal Register of the pendency of such exemption and shall afford interested persons an opportunity to present views.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to transactions occurring after the date of the enactment of this Act.

#### SEC. 1005. EXPANSION OF DECLARATORY JUDGMENT REMEDY TO TAX-EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subsection (a) of section 7428 (relating to creation of remedy) is amended—

(1) in subparagraph (B) by inserting after “509(a))” the following: “or as a private operating foundation (as defined in section 4942(j)(3))”, and

(2) by amending subparagraph (C) to read as follows:

“(C) with respect to the initial qualification or continuing qualification of an organization as an organization described in section 501(c) (other than paragraph (3)) which is exempt from tax under section 501(a), or”.

(b) COURT JURISDICTION.—Subsection (a) of section 7428 is amended in the material following paragraph (2) by striking “United States Tax Court, the United States Claims Court, or the district court of the United States for the District of Columbia” and inserting the following: “United States Tax Court (in the case of any such determination or failure) or the United States Claims Court or the district court of the United States for the District of Columbia (in the case of a determination or failure with respect to an issue referred to in subparagraph (A) or (B) of paragraph (1)).”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to pleadings filed with respect to determinations (or requests for determinations) made after the date of the enactment of this Act.

#### SEC. 1006. MODIFICATIONS TO SECTION 512(b)(13).

(a) IN GENERAL.—Paragraph (13) of section 512(b) is amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new paragraph:

“(E) PARAGRAPH TO APPLY ONLY TO EXCESS PAYMENTS.—

“(i) IN GENERAL.—Subparagraph (A) shall apply only to the portion of a specified payment received by the controlling organization that exceeds the amount which would have been paid if such payment met the requirements prescribed under section 482.

“(ii) ADDITION TO TAX FOR VALUATION MISSTATEMENTS.—The tax imposed by this chapter on the controlling organization shall be increased by an amount equal to 20 percent of such excess.”

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to payments received or accrued after December 31, 1999.

(2) PAYMENTS SUBJECT TO BINDING CONTRACT TRANSITION RULE.—If the amendments made by section 1041 of the Tarpayer Relief Act of 1997 do not apply to any amount received or accrued after the date of the enactment of this Act under any contract described in subsection (b)(2) of such section, such amendments also shall not apply to amounts received or accrued under such contract before January 1, 2000.

#### TITLE XI—REAL ESTATE PROVISIONS

##### Subtitle A—Provisions Relating to Real Estate Investment Trusts

#### PART I—TREATMENT OF INCOME AND SERVICES PROVIDED BY TAXABLE REIT SUBSIDIARIES

#### SEC. 1101. MODIFICATIONS TO ASSET DIVERSIFICATION TEST.

(a) IN GENERAL.—Subparagraph (B) of section 856(c)(4) is amended to read as follows:

“(B)(i) not more than 25 percent of the value of its total assets is represented by securities (other than those includible under subparagraph (A)), and

“(ii) except with respect to a taxable REIT subsidiary and securities includible under subparagraph (A)—

“(I) not more than 5 percent of the value of its total assets is represented by securities of any 1 issuer,

“(II) the trust does not hold securities possessing more than 10 percent of the total voting power of the outstanding securities of any 1 issuer, and

“(III) the trust does not hold securities having a value of more than 10 percent of the total value of the outstanding securities of any 1 issuer.”

(b) **EXCEPTION FOR STRAIGHT DEBT SECURITIES.**—Subsection (c) of section 856 is amended by adding at the end the following new paragraph:

“(7) **STRAIGHT DEBT SAFE HARBOR IN APPLYING PARAGRAPH (4).**—Securities of an issuer which are straight debt (as defined in section 1361(c)(5) without regard to subparagraph (B)(iii) thereof) shall not be taken into account in applying paragraph (4)(B)(ii)(III) if—

“(A) the only securities of such issuer which are held by the trust or a taxable REIT subsidiary of the trust are straight debt (as so defined), or

“(B) the issuer is a partnership and the trust holds at least a 20 percent profits interest in the partnership.”

**SEC. 1102. TREATMENT OF INCOME AND SERVICES PROVIDED BY TAXABLE REIT SUBSIDIARIES.**

(a) **INCOME FROM TAXABLE REIT SUBSIDIARIES NOT TREATED AS IMPERMISSIBLE TENANT SERVICE INCOME.**—Clause (i) of section 856(d)(7)(C) (relating to exceptions to impermissible tenant service income) is amended by inserting “or through a taxable REIT subsidiary of such trust” after “income”.

(b) **CERTAIN INCOME FROM TAXABLE REIT SUBSIDIARIES NOT EXCLUDED FROM RENTS FROM REAL PROPERTY.**—

(1) **IN GENERAL.**—Subsection (d) of section 856 (relating to rents from real property defined) is amended by adding at the end the following new paragraphs:

“(8) **SPECIAL RULE FOR TAXABLE REIT SUBSIDIARIES.**—For purposes of this subsection, amounts paid to a real estate investment trust by a taxable REIT subsidiary of such trust shall not be excluded from rents from real property by reason of paragraph (2)(B) if the requirements of subparagraph (A) or (B) are met.

“(A) **LIMITED RENTAL EXCEPTION.**—The requirements of this subparagraph are met with respect to any property if at least 90 percent of the leased space of the property is rented to persons other than taxable REIT subsidiaries of such trust and other than persons described in section 856(d)(2)(B). The preceding sentence shall apply only to the extent that the amounts paid to the trust as rents from real property (as defined in paragraph (1) without regard to paragraph (2)(B)) from such property are substantially comparable to such rents made by the other tenants of the trust's property for comparable space.

“(B) **EXCEPTION FOR CERTAIN LODGING FACILITIES.**—The requirements of this subparagraph are met with respect to an interest in real property which is a qualified lodging facility leased by the trust to a taxable REIT subsidiary of the trust if the property is operated on behalf of such subsidiary by a person who is an eligible independent contractor.

“(9) **ELIGIBLE INDEPENDENT CONTRACTOR.**—For purposes of paragraph (8)(B)—

“(A) **IN GENERAL.**—The term ‘eligible independent contractor’ means, with respect to any qualified lodging facility, any independent contractor if, at the time such contractor enters into a management agreement or other similar service contract with the taxable REIT subsidiary to operate the facility, such contractor (or any related person) is actively engaged in the trade or

business of operating qualified lodging facilities for any person who is not a related person with respect to the real estate investment trust or the taxable REIT subsidiary.

“(B) **SPECIAL RULES.**—Solely for purposes of this paragraph and paragraph (8)(B), a person shall not fail to be treated as an independent contractor with respect to any qualified lodging facility by reason of any of the following:

“(i) The taxable REIT subsidiary bears the expenses for the operation of the facility pursuant to the management agreement or other similar service contract.

“(ii) The taxable REIT subsidiary receives the revenues from the operation of such facility, net of expenses for such operation and fees payable to the operator pursuant to such agreement or contract.

“(iii) The real estate investment trust receives income from such person with respect to another property that is attributable to a lease of such other property to such person that was in effect as on the later of—

“(I) January 1, 1999, or

“(II) the earliest date that any taxable REIT subsidiary of such trust entered into a management agreement or other similar service contract with such person with respect to such qualified lodging facility.

“(C) **RENEWALS, ETC., OF EXISTING LEASES.**—For purposes of subparagraph (B)(iii)—

“(i) a lease shall be treated as in effect on January 1, 1999, without regard to its renewal after such date, so long as such renewal is pursuant to the terms of such lease as in effect on whichever of the dates under subparagraph (B)(iii) is the latest, and

“(ii) a lease of a property entered into after whichever of the dates under subparagraph (B)(iii) is the latest shall be treated as in effect on such date if—

“(I) on such date, a lease of such property from the trust was in effect, and

“(II) under the terms of the new lease, such trust receives a substantially similar or lesser benefit in comparison to the lease referred to in subclause (I).

“(D) **QUALIFIED LODGING FACILITY.**—For purposes of this paragraph—

“(i) **IN GENERAL.**—The term ‘qualified lodging facility’ means any lodging facility unless wagering activities are conducted at or in connection with such facility by any person who is engaged in the business of accepting wagers and who is legally authorized to engage in such business at or in connection with such facility.

“(ii) **LODGING FACILITY.**—The term ‘lodging facility’ means a hotel, motel, or other establishment more than one-half of the dwelling units in which are used on a transient basis.

“(iii) **CUSTOMARY AMENITIES AND FACILITIES.**—The term ‘lodging facility’ includes customary amenities and facilities operated as part of, or associated with, the lodging facility so long as such amenities and facilities are customary for other properties of a comparable size and class owned by other owners unrelated to such real estate investment trust.

“(E) **OPERATE INCLUDES MANAGE.**—References in this paragraph to operating a property shall be treated as including a reference to managing the property.

“(F) **RELATED PERSON.**—Persons shall be treated as related to each other if such persons are treated as a single employer under subsection (a) or (b) of section 52.”

(2) **CONFORMING AMENDMENT.**—Subparagraph (B) of section 856(d)(2) is amended by inserting “except as provided in paragraph (8),” after “(B)”.

**SEC. 1103. TAXABLE REIT SUBSIDIARY.**

(a) **IN GENERAL.**—Section 856 is amended by adding at the end the following new subsection:

“(l) **TAXABLE REIT SUBSIDIARY.**—For purposes of this part—

“(1) **IN GENERAL.**—The term ‘taxable REIT subsidiary’ means, with respect to a real estate investment trust, a corporation (other than a real estate investment trust) if—

“(A) such trust directly or indirectly owns stock in such corporation, and

“(B) such trust and such corporation jointly elect that such corporation shall be treated as a taxable REIT subsidiary of such trust for purposes of this part.

Such an election, once made, shall be irrevocable unless both such trust and corporation consent to its revocation. Such election, and any revocation thereof, may be made without the consent of the Secretary.

“(2) **35 PERCENT OWNERSHIP IN ANOTHER TAXABLE REIT SUBSIDIARY.**—The term ‘taxable REIT subsidiary’ includes, with respect to any real estate investment trust, any corporation (other than a real estate investment trust) with respect to which a taxable REIT subsidiary of such trust owns directly or indirectly—

“(A) securities possessing more than 35 percent of the total voting power of the outstanding securities of such corporation, or

“(B) securities having a value of more than 35 percent of the total value of the outstanding securities of such corporation.

The preceding sentence shall not apply to a qualified REIT subsidiary (as defined in subsection (i)(2)). The rule of section 856(c)(7) shall apply for purposes of subparagraph (B).

“(3) **EXCEPTIONS.**—The term ‘taxable REIT subsidiary’ shall not include—

“(A) any corporation which directly or indirectly operates or manages a lodging facility or a health care facility, and

“(B) any corporation which directly or indirectly provides to any other person (under a franchise, license, or otherwise) rights to any brand name under which any lodging facility or health care facility is operated.

Subparagraph (B) shall not apply to rights provided to an eligible independent contractor to operate or manage a lodging facility if such rights are held by such corporation as a franchisee, licensee, or in a similar capacity and such lodging facility is either owned by such corporation or is leased to such corporation from the real estate investment trust.

“(4) **DEFINITIONS.**—For purposes of paragraph (3)—

“(A) **LODGING FACILITY.**—The term ‘lodging facility’ has the meaning given to such term by paragraph (9)(D)(ii).

“(B) **HEALTH CARE FACILITY.**—The term ‘health care facility’ has the meaning given to such term by subsection (e)(6)(D)(ii).”

(b) **CONFORMING AMENDMENT.**—Paragraph (2) of section 856(i) is amended by adding at the end the following new sentence: “Such term shall not include a taxable REIT subsidiary.”

**SEC. 1104. LIMITATION ON EARNINGS STRIPPING.**

Paragraph (3) of section 163(j) (relating to limitation on deduction for interest on certain indebtedness) is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, and”, and by adding at the end the following new subparagraph:

“(C) any interest paid or accrued (directly or indirectly) by a taxable REIT subsidiary (as defined in section 856(l)) of a real estate investment trust to such trust.”

**SEC. 1105. 100 PERCENT TAX ON IMPROPERLY ALLOCATED AMOUNTS.**

(a) **IN GENERAL.**—Subsection (b) of section 857 (relating to method of taxation of real estate investment trusts and holders of shares or certificates of beneficial interest) is amended by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively, and by inserting after paragraph (6) the following new paragraph:

“(7) **INCOME FROM REDETERMINED RENTS, REDETERMINED DEDUCTIONS, AND EXCESS INTEREST.**—

“(A) IMPOSITION OF TAX.—There is hereby imposed for each taxable year of the real estate investment trust a tax equal to 100 percent of redetermined rents, redetermined deductions, and excess interest.

“(B) REDETERMINED RENTS.—

“(i) IN GENERAL.—The term ‘redetermined rents’ means rents from real property (as defined in subsection 856(d)) the amount of which would (but for subparagraph (E)) be reduced on distribution, apportionment, or allocation under section 482 to clearly reflect income as a result of services furnished or rendered by a taxable REIT subsidiary of the real estate investment trust to a tenant of such trust.

“(ii) EXCEPTION FOR CERTAIN SERVICES.—Clause (i) shall not apply to amounts received directly or indirectly by a real estate investment trust for services described in paragraph (1)(B) or (7)(C)(i) of section 856(d).

“(iii) EXCEPTION FOR DE MINIMIS AMOUNTS.—Clause (i) shall not apply to amounts described in section 856(d)(7)(A) with respect to a property to the extent such amounts do not exceed the one percent threshold described in section 856(d)(7)(B) with respect to such property.

“(iv) EXCEPTION FOR COMPARABLY PRICED SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if—

“(I) such subsidiary renders a significant amount of similar services to persons other than such trust and tenants of such trust who are unrelated (within the meaning of section 856(d)(8)(F)) to such subsidiary, trust, and tenants, but

“(II) only to the extent the charge for such service so rendered is substantially comparable to the charge for the similar services rendered to persons referred to in subclause (I).

“(v) EXCEPTION FOR CERTAIN SEPARATELY CHARGED SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if—

“(I) the rents paid to the trust by tenants (leasing at least 25 percent of the net leasable space in the trust’s property) who are not receiving such service from such subsidiary are substantially comparable to the rents paid by tenants leasing comparable space who are receiving such service from such subsidiary, and

“(II) the charge for such service from such subsidiary is separately stated.

“(vi) EXCEPTION FOR CERTAIN SERVICES BASED ON SUBSIDIARY’S INCOME FROM THE SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if the gross income of such subsidiary from such service is not less than 150 percent of such subsidiary’s direct cost in furnishing or rendering the service.

“(vii) EXCEPTIONS GRANTED BY SECRETARY.—The Secretary may waive the tax otherwise imposed by subparagraph (A) if the trust establishes to the satisfaction of the Secretary that rents charged to tenants were established on an arms’ length basis even though a taxable REIT subsidiary of the trust provided services to such tenants.

“(C) REDETERMINED DEDUCTIONS.—The term ‘redetermined deductions’ means deductions (other than redetermined rents) of a taxable REIT subsidiary of a real estate investment trust if the amount of such deductions would (but for subparagraph (E)) be increased on distribution, apportionment, or allocation under section 482 to clearly reflect income as between such subsidiary and such trust.

“(D) EXCESS INTEREST.—The term ‘excess interest’ means any deductions for interest payments by a taxable REIT subsidiary of a real es-

tate investment trust to such trust to the extent that the interest payments are in excess of a rate that is commercially reasonable.

“(E) COORDINATION WITH SECTION 482.—The imposition of tax under subparagraph (A) shall be in lieu of any distribution, apportionment, or allocation under section 482.

“(F) REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph. Until the Secretary prescribes such regulations, real estate investment trusts and their taxable REIT subsidiaries may base their allocations on any reasonable method.”.

(b) AMOUNT SUBJECT TO TAX NOT REQUIRED TO BE DISTRIBUTED.—Subparagraph (E) of section 857(b)(2) (relating to real estate investment trust taxable income) is amended by striking “paragraph (5)” and inserting “paragraphs (5) and (7)”.

#### SEC. 1106. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this part shall apply to taxable years beginning after December 31, 2000.

(b) TRANSITIONAL RULES RELATED TO SECTION 1101.—

(1) EXISTING ARRANGEMENTS.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendment made by section 1101 shall not apply to a real estate investment trust with respect to—

(i) securities of a corporation held directly or indirectly by such trust on July 12, 1999,

(ii) securities of a corporation held by an entity on July 12, 1999, if such trust acquires control of such entity pursuant to a written binding contract in effect on such date and at all times thereafter before such acquisition,

(iii) securities received by such trust (or a successor) in exchange for, or with respect to, securities described in clause (i) or (ii) in a transaction in which gain or loss is not recognized, and

(iv) securities acquired directly or indirectly by such trust as part of a reorganization (as defined in section 368(a)(1) of the Internal Revenue Code of 1986) with respect to such trust if such securities are described in clause (i), (ii), or (iii) with respect to any other real estate investment trust.

(B) NEW TRADE OR BUSINESS OR SUBSTANTIAL NEW ASSETS.—Subparagraph (A) shall cease to apply to securities of a corporation as of the first day after July 12, 1999, on which such corporation engages in a substantial new line of business, or acquires any substantial asset, other than—

(i) pursuant to a binding contract in effect on such date and at all times thereafter before the acquisition of such asset,

(ii) in a transaction in which gain or loss is not recognized by reason of section 1031 or 1033 of the Internal Revenue Code of 1986, or

(iii) in a reorganization (as so defined) with another corporation the securities of which are described in paragraph (1)(A) of this subsection.

(2) TAX-FREE CONVERSION.—If—

(A) at the time of an election for a corporation to become a taxable REIT subsidiary, the amendment made by section 1101 does not apply to such corporation by reason of paragraph (1), and

(B) such election first takes effect before January 1, 2004,

such election shall be treated as a reorganization qualifying under section 368(a)(1)(A) of such Code.

### PART II—HEALTH CARE REITS

#### SEC. 1111. HEALTH CARE REITS.

(a) SPECIAL FORECLOSURE RULE FOR HEALTH CARE PROPERTIES.—Subsection (e) of section 856 (relating to special rules for foreclosure property) is amended by adding at the end the following new paragraph:

“(6) SPECIAL RULE FOR QUALIFIED HEALTH CARE PROPERTIES.—For purposes of this subsection—

“(A) ACQUISITION AT EXPIRATION OF LEASE.—The term ‘foreclosure property’ shall include any qualified health care property acquired by a real estate investment trust as the result of the termination of a lease of such property (other than a termination by reason of a default, or the imminence of a default, on the lease).

“(B) GRACE PERIOD.—In the case of a qualified health care property which is foreclosure property solely by reason of subparagraph (A), in lieu of applying paragraphs (2) and (3)—

“(i) the qualified health care property shall cease to be foreclosure property as of the close of the second taxable year after the taxable year in which such trust acquired such property, and

“(ii) if the real estate investment trust establishes to the satisfaction of the Secretary that an extension of the grace period in clause (i) is necessary to the orderly leasing or liquidation of the trust’s interest in such qualified health care property, the Secretary may grant 1 or more extensions of the grace period for such qualified health care property.

Any such extension shall not extend the grace period beyond the close of the 6th year after the taxable year in which such trust acquired such qualified health care property.

“(C) INCOME FROM INDEPENDENT CONTRACTORS.—For purposes of applying paragraph (4)(C) with respect to qualified health care property which is foreclosure property by reason of subparagraph (A) or paragraph (1), income derived or received by the trust from an independent contractor shall be disregarded to the extent such income is attributable to—

“(i) any lease of property in effect on the date the real estate investment trust acquired the qualified health care property (without regard to its renewal after such date so long as such renewal is pursuant to the terms of such lease as in effect on such date), or

“(ii) any lease of property entered into after such date if—

“(I) on such date, a lease of such property from the trust was in effect, and

“(II) under the terms of the new lease, such trust receives a substantially similar or lesser benefit in comparison to the lease referred to in subclause (I).

“(D) QUALIFIED HEALTH CARE PROPERTY.—

“(i) IN GENERAL.—The term ‘qualified health care property’ means any real property (including interests therein), and any personal property incident to such real property, which—

“(I) is a health care facility, or

“(II) is necessary or incidental to the use of a health care facility.

“(ii) HEALTH CARE FACILITY.—For purposes of clause (i), the term ‘health care facility’ means a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility (as defined in section 7872(g)(4)), or other licensed facility which extends medical or nursing or ancillary services to patients and which, immediately before the termination, expiration, default, or breach of the lease of or mortgage secured by such facility, was operated by a provider of such services which was eligible for participation in the medicare program under title XVIII of the Social Security Act with respect to such facility.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

### PART III—CONFORMITY WITH REGULATED INVESTMENT COMPANY RULES

#### SEC. 1121. CONFORMITY WITH REGULATED INVESTMENT COMPANY RULES.

(a) DISTRIBUTION REQUIREMENT.—Clauses (i) and (ii) of section 857(a)(1)(A) (relating to requirements applicable to real estate investment

trusts) are each amended by striking "95 percent (90 percent for taxable years beginning before January 1, 1980)" and inserting "90 percent".

(b) IMPOSITION OF TAX.—Clause (i) of section 857(b)(5)(A) (relating to imposition of tax in case of failure to meet certain requirements) is amended by striking "95 percent (90 percent in the case of taxable years beginning before January 1, 1980)" and inserting "90 percent".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

#### **PART IV—CLARIFICATION OF EXCEPTION FROM IMPERMISSIBLE TENANT SERVICE INCOME**

##### **SEC. 1131. CLARIFICATION OF EXCEPTION FOR INDEPENDENT OPERATORS.**

(a) IN GENERAL.—Paragraph (3) of section 856(d) (relating to independent contractor defined) is amended by adding at the end the following flush sentence:

"In the event that any class of stock of either the real estate investment trust or such person is regularly traded on an established securities market, only persons who own, directly or indirectly, more than 5 percent of such class of stock shall be taken into account as owning any of the stock of such class for purposes of applying the 35 percent limitation set forth in subparagraph (B) (but all of the outstanding stock of such class shall be considered outstanding in order to compute the denominator for purpose of determining the applicable percentage of ownership)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

#### **PART V—MODIFICATION OF EARNINGS AND PROFITS RULES**

##### **SEC. 1141. MODIFICATION OF EARNINGS AND PROFITS RULES.**

(a) RULES FOR DETERMINING WHETHER REGULATED INVESTMENT COMPANY HAS EARNINGS AND PROFITS FROM NON-RIC YEAR.—Subsection (c) of section 852 is amended by adding at the end the following new paragraph:

"(3) DISTRIBUTIONS TO MEET REQUIREMENTS OF SUBSECTION (a)(2)(B).—Any distribution which is made in order to comply with the requirements of subsection (a)(2)(B)—

"(A) shall be treated for purposes of this subsection and subsection (a)(2)(B) as made from the earliest earnings and profits accumulated in any taxable year to which the provisions of this part did not apply rather than the most recently accumulated earnings and profits, and

"(B) to the extent treated under subparagraph (A) as made from accumulated earnings and profits, shall not be treated as a distribution for purposes of subsection (b)(2)(D) and section 855."

(b) CLARIFICATION OF APPLICATION OF REIT SPILLOVER DIVIDEND RULES TO DISTRIBUTIONS TO MEET QUALIFICATION REQUIREMENT.—Subparagraph (B) of section 857(d)(3) is amended by inserting before the period "and section 858".

(c) APPLICATION OF DEFICIENCY DIVIDEND PROCEDURES.—Paragraph (1) of section 852(e) is amended by adding at the end the following new sentence: "If the determination under subparagraph (A) is solely as a result of the failure to meet the requirements of subsection (a)(2), the preceding sentence shall also apply for purposes of applying subsection (a)(2) to the non-RIC year."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

#### **PART VI—STUDY RELATING TO TAXABLE REIT SUBSIDIARIES**

##### **SEC. 1151. STUDY RELATING TO TAXABLE REIT SUBSIDIARIES.**

The Commissioner of the Internal Revenue shall conduct a study to determine how many

taxable REIT subsidiaries are in existence and the aggregate amount of taxes paid by such subsidiaries. The Secretary shall submit a report to the Congress describing the results of such study.

#### **Subtitle B—Modification of At-Risk Rules for Publicly Traded Nonrecourse Debt**

##### **SEC. 1161. TREATMENT UNDER AT-RISK RULES OF PUBLICLY TRADED NONRECOURSE DEBT.**

(a) IN GENERAL.—Subparagraph (A) of section 465(b)(6) (relating to qualified nonrecourse financing treated as amount at risk) is amended by striking "share of" and all that follows and inserting "share of—

"(i) any qualified nonrecourse financing which is secured by real property used in such activity, and

"(ii) any other financing which—

"(I) would (but for subparagraph (B)(ii)) be qualified nonrecourse financing,

"(II) is qualified publicly traded debt, and

"(III) is not borrowed by the taxpayer from a person described in subclause (I), (II), or (III) of section 49(a)(1)(D)(iv)."

(b) QUALIFIED PUBLICLY TRADED DEBT.—Paragraph (6) of section 465(b) is amended by adding at the end the following new subparagraph:

"(F) QUALIFIED PUBLICLY TRADED DEBT.—For purposes of subparagraph (A), the term 'qualified publicly traded debt' means any debt instrument which is readily tradable on an established securities market. Such term shall not include any debt instrument which has a yield to maturity which equals or exceeds the limitation in section 163(i)(1)(B)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to debt instruments issued after December 31, 1999.

#### **Subtitle C—Treatment of Construction Allowances and Certain Contributions to Capital of Retailers**

##### **SEC. 1171. EXCLUSION FROM GROSS INCOME OF QUALIFIED LESSEE CONSTRUCTION ALLOWANCES NOT LIMITED FOR CERTAIN RETAILERS TO SHORT-TERM LEASES.**

(a) IN GENERAL.—Subsection (a) section 110 (relating to qualified lessee construction allowances for short-term leases) is amended by adding at the end the following new sentence: "Paragraph (1) shall not apply if the lessee is a qualified retail business (as defined by section 118(d)(3) without regard to the proximity requirement in subparagraph (A) thereof)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to leases entered into after December 31, 1999.

##### **SEC. 1172. EXCLUSION FROM GROSS INCOME FOR CERTAIN CONTRIBUTIONS TO THE CAPITAL OF CERTAIN RETAILERS.**

(a) IN GENERAL.—Section 118 (relating to contributions to the capital of a corporation) is amended by redesignating subsections (d) and (e) as subsections (e) and (f), respectively, and by inserting after subsection (c) the following new subsection:

"(d) SAFE HARBOR FOR CONTRIBUTIONS TO CERTAIN RETAILERS.—

"(1) GENERAL RULE.—For purposes of this section, the term 'contribution to the capital of the taxpayer' includes any amount of money or other property received by the taxpayer if—

"(A) the taxpayer has entered into an agreement to operate (or cause to be operated) a qualified retail business at a particular location for a period of at least 15 years,

"(B)(i) immediately after the receipt of such money or other property, the taxpayer owns the land and the structure to be used

by the taxpayer in carrying on a qualified retail business at such location, or

"(ii) the taxpayer uses such amount to acquire ownership of at least such land and structure,

"(C) such amount meets the requirements of the expenditure rule of paragraph (2), and

"(D) the contributor of such amount does not hold a beneficial interest in any property located on the premises of such qualified retail business other than de minimis amounts of property associated with the operation of property adjacent to such premises.

"(2) EXPENDITURE RULE.—An amount meets the requirements of this paragraph if—

"(A) an amount equal to such amount is expended for the acquisition of land or for acquisition or construction of other property described in section 1231(b)—

"(i) which was the purpose motivating the contribution, and

"(ii) which is used predominantly in a qualified retail business at the location referred to in paragraph (1)(A),

"(B) the expenditure referred to in subparagraph (A) occurs before the end of the second taxable year after the year in which such amount was received, and

"(C) accurate records are kept of the amounts contributed and expenditures made on the basis of the project for which the contribution was made and on the basis of the year of the contribution expenditure.

"(3) DEFINITION OF QUALIFIED RETAIL BUSINESS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'qualified retail business' means a trade or business of selling tangible personal property to the general public if the premises on which such trade or business is conducted is in close proximity to property that the contributor of the amount referred to in paragraph (1) is developing or operating for profit (or, in the case of a contributor which is a governmental entity, is attempting to revitalize).

"(B) SERVICES.—A trade or business shall not fail to be treated as a qualified retail business by reason of sales of services if such sales are incident to the sale of tangible personal property or if the services are de minimis in amount.

"(4) SPECIAL RULES.—

"(A) LEASES.—For purposes of paragraph (1)(B)(i), property shall be treated as owned by the taxpayer if the taxpayer is the lessee of such property under a lease having a term of at least 30 years and on which only nominal rent is required.

"(B) CONTROLLED GROUPS.—For purposes of this subsection, all persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as 1 person.

"(5) DISALLOWANCE OF DEDUCTIONS AND CREDITS; ADJUSTED BASIS.—Notwithstanding any other provision of this subtitle, no deduction or credit shall be allowed for, or by reason of, any amount received by the taxpayer which constitutes a contribution to capital to which this subsection applies. The adjusted basis of any property acquired with the contributions to which this subsection applies shall be reduced by the amount of the contributions to which this subsection applies.

"(6) REGULATIONS.—The Secretary shall prescribe such regulations are appropriate to prevent the abuse of the purposes of the subsection, including regulations which allocate income and deductions (or adjust the amount excludable under this subsection) in cases in which—

"(A) payments in excess of fair market value are paid to the contributor by the taxpayer, or



“(B) the contributor and the taxpayer are related parties.”

(b) CONFORMING AMENDMENT.—Subsection (e) of section 118 (as redesignated by subsection (a)) is amended by adding at the end the following flush sentence:

“Rules similar to the rules of the preceding sentence shall apply to any amount treated as a contribution to the capital of the taxpayer under subsection (d).”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after December 31, 1999.

## TITLE XII—PROVISIONS RELATING TO PENSIONS

### Subtitle A—Expanding Coverage

#### SEC. 1201. INCREASE IN BENEFIT AND CONTRIBUTION LIMITS.

(a) DEFINED BENEFIT PLANS.—

(1) DOLLAR LIMIT.—

(A) Subparagraph (A) of section 415(b)(1) (relating to limitation for defined benefit plans) is amended by striking “\$90,000” and inserting “\$160,000”.

(B) Subparagraphs (C) and (D) of section 415(b)(2) are each amended by striking “\$90,000” each place it appears in the headings and the text and inserting “\$160,000”.

(C) Paragraph (7) of section 415(b) (relating to benefits under certain collectively bargained plans) is amended by striking “the greater of \$68,212 or one-half the amount otherwise applicable for such year under paragraph (1)(A) for \$90,000” and inserting “one-half the amount otherwise applicable for such year under paragraph (1)(A) for \$160,000”.

(2) LIMIT REDUCED WHEN BENEFIT BEGINS BEFORE AGE 62.—Subparagraph (C) of section 415(b)(2) is amended by striking “the social security retirement age” each place it appears in the heading and text and inserting “age 62”.

(3) LIMIT INCREASED WHEN BENEFIT BEGINS AFTER AGE 65.—Subparagraph (D) of section 415(b)(2) is amended by striking “the social security retirement age” each place it appears in the heading and text and inserting “age 65”.

(4) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) in paragraph (1)(A) by striking “\$90,000” and inserting “\$160,000”, and

(B) in paragraph (3)(A)—

(i) by striking “\$90,000” in the heading and inserting “\$160,000”, and

(ii) by striking “October 1, 1986” and inserting “July 1, 2000”.

(5) CONFORMING AMENDMENT.—Section 415(b)(2) is amended by striking subparagraph (F).

(b) DEFINED CONTRIBUTION PLANS.—

(1) DOLLAR LIMIT.—Subparagraph (A) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking “\$30,000” and inserting “\$40,000”.

(2) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) in paragraph (1)(C) by striking “\$30,000” and inserting “\$40,000”, and

(B) in paragraph (3)(D)—

(i) by striking “\$30,000” in the heading and inserting “\$40,000”, and

(ii) by striking “October 1, 1993” and inserting “July 1, 2000”.

(c) QUALIFIED TRUSTS.—

(1) COMPENSATION LIMIT.—Sections 401(a)(17), 404(l), 408(k), and 505(b)(7) are each amended by striking “\$150,000” each place it appears and inserting “\$200,000”.

(2) BASE PERIOD AND ROUNDING OF COST-OF-LIVING ADJUSTMENT.—Subparagraph (B) of section 401(a)(17) is amended—

(A) by striking “October 1, 1993” and inserting “July 1, 2000”, and

(B) by striking “\$10,000” both places it appears and inserting “\$5,000”.

(d) ELECTIVE DEFERRALS.—

(1) IN GENERAL.—Paragraph (1) of section 402(g) (relating to limitation on exclusion for elective deferrals) is amended to read as follows:

“(1) IN GENERAL.—

“(A) LIMITATION.—Notwithstanding subsections (e)(3) and (h)(1)(B), the elective deferrals of any individual for any taxable year shall be included in such individual's gross income to the extent the amount of such deferrals for the taxable year exceeds the applicable dollar amount.

“(B) APPLICABLE DOLLAR AMOUNT.—For purposes of subparagraph (A), the applicable dollar amount shall be the amount determined in accordance with the following table:

“Taxable year: Applicable dollar amount:

2001 .....	\$11,000
2002 .....	\$12,000
2003 .....	\$13,000
2004 .....	\$14,000
2005 or thereafter .....	\$15,000.”

(2) COST-OF-LIVING ADJUSTMENT.—Paragraph (5) of section 402(g) is amended to read as follows:

“(5) COST-OF-LIVING ADJUSTMENT.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the \$15,000 amount under paragraph (1)(B) at the same time and in the same manner as under section 415(d); except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph which is not a multiple of \$500 shall be rounded to the next lowest multiple of \$500.”

(3) CONFORMING AMENDMENTS.—

(A) Section 402(g) (relating to limitation on exclusion for elective deferrals), as amended by paragraphs (1) and (2), is further amended by striking paragraph (4) and redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (4), (5), (6), (7), and (8), respectively.

(B) Paragraph (2) of section 457(c) is amended by striking “402(g)(8)(A)(iii)” and inserting “402(g)(7)(A)(iii)”.

(C) Clause (iii) of section 501(c)(18)(D) is amended by striking “(other than paragraph (4) thereof)”.

(e) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended—

(A) in subsections (b)(2)(A) and (c)(1) by striking “\$7,500” each place it appears and inserting “the applicable dollar amount”, and

(B) in subsection (b)(3)(A) by striking “\$15,000” and inserting “twice the dollar amount in effect under subsection (b)(2)(A)”.

(2) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—Paragraph (15) of section 457(e) is amended to read as follows:

“(15) APPLICABLE DOLLAR AMOUNT.—

“(A) IN GENERAL.—The applicable dollar amount shall be the amount determined in accordance with the following table:

“Taxable year: Applicable dollar amount:	
2001 .....	\$11,000
2002 .....	\$12,000
2003 .....	\$13,000
2004 .....	\$14,000
2005 or thereafter .....	\$15,000.

“(B) COST-OF-LIVING ADJUSTMENTS.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the \$15,000 amount specified in the table in subparagraph (A) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph

which is not a multiple of \$500 shall be rounded to the next lowest multiple of \$500.”

(f) SIMPLE RETIREMENT ACCOUNTS.—

(1) LIMITATION.—Clause (ii) of section 408(p)(2)(A) (relating to general rule for qualified salary reduction arrangement) is amended by striking “\$6,000” and inserting “the applicable dollar amount”.

(2) APPLICABLE DOLLAR AMOUNT.—Subparagraph (E) of 408(p)(2) is amended to read as follows:

“(E) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—

“(i) IN GENERAL.—For purposes of subparagraph (A)(ii), the applicable dollar amount shall be the amount determined in accordance with the following table:

“Year: Applicable dollar amount:	
2001 .....	\$7,000
2002 .....	\$8,000
2003 .....	\$9,000
2004 or thereafter .....	\$10,000.

“(ii) COST-OF-LIVING ADJUSTMENT.—In the case of a year beginning after December 31, 2004, the Secretary shall adjust the \$10,000 amount under clause (i) at the same time and in the same manner as under section 415(d), except that the base period taken into account shall be the calendar quarter beginning July 1, 2003, and any increase under this subparagraph which is not a multiple of \$500 shall be rounded to the next lower multiple of \$500.”

(3) CONFORMING AMENDMENTS.—

(A) Clause (1) of section 401(k)(11)(B)(i) is amended by striking “\$6,000” and inserting “the amount in effect under section 408(p)(2)(A)(ii)”.

(B) Section 401(k)(11) is amended by striking subparagraph (E).

(g) ROUNDING RULE RELATING TO DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION PLANS.—Paragraph (4) of section 415(d) is amended to read as follows:

“(4) ROUNDING.—

“(A) \$160,000 AMOUNT.—Any increase under subparagraph (A) of paragraph (1) which is not a multiple of \$5,000 shall be rounded to the next lowest multiple of \$5,000.

“(B) \$40,000 AMOUNT.—Any increase under subparagraph (C) of paragraph (1) which is not a multiple of \$1,000 shall be rounded to the next lowest multiple of \$1,000.”

(h) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to years beginning after December 31, 2000.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified by the date of enactment of this Act, the amendments made by this section shall not apply to contributions or benefits pursuant to any such agreement for years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of enactment), or

(ii) January 1, 2001, or

(B) January 1, 2005.

#### SEC. 1202. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) IN GENERAL.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions not to apply to certain transactions) is amended by adding at the end the following new clause:

“(iii) LOAN EXCEPTION.—For purposes of subparagraph (A)(i), the term ‘owner-employee’ shall only include a person described in subclause (II) or (III) of clause (i).”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to loans made after December 31, 2000.



**SEC. 1203. MODIFICATION OF TOP-HEAVY RULES.**

(a) SIMPLIFICATION OF DEFINITION OF KEY EMPLOYEE.—

(1) IN GENERAL.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking “or any of the 4 preceding plan years” in the matter preceding clause (i),

(B) by striking clause (i) and inserting the following:

“(i) an officer of the employer having an annual compensation greater than \$150,000,”

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C).

(2) CONFORMING AMENDMENT.—Section 416(i)(1)(B)(iii) is amended by striking “and subparagraph (A)(ii)”.

(b) MATCHING CONTRIBUTIONS TAKEN INTO ACCOUNT FOR MINIMUM CONTRIBUTION REQUIREMENTS.—Section 416(c)(2)(A) (relating to defined contribution plans) is amended by adding at the end the following: “Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph.”.

(c) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

(1) IN GENERAL.—Paragraph (3) of section 416(g) is amended to read as follows:

“(3) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

“(A) IN GENERAL.—For purposes of determining—

“(i) the present value of the cumulative accrued benefit for any employee, or

“(ii) the amount of the account of any employee,

such present value or amount shall be increased by the aggregate distributions made with respect to such employee under the plan during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which if it had not been terminated would have been required to be included in an aggregation group.

“(B) 5-YEAR PERIOD IN CASE OF IN-SERVICE DISTRIBUTION.—In the case of any distribution made for a reason other than separation from service, death, or disability, subparagraph (A) shall be applied by substituting ‘5-year period’ for ‘1-year period’.”.

(2) BENEFITS NOT TAKEN INTO ACCOUNT.—Subparagraph (E) of section 416(g)(4) is amended—

(A) by striking “LAST 5 YEARS” in the heading and inserting “LAST YEAR BEFORE DETERMINATION DATE”, and

(B) by striking “5-year period” and inserting “1-year period”.

(d) DEFINITION OF TOP-HEAVY PLANS.—Paragraph (4) of section 416(g) (relating to other special rules for top-heavy plans) is amended by adding at the end the following new subparagraph:

“(H) CASH OR DEFERRED ARRANGEMENTS USING ALTERNATIVE METHODS OF MEETING NON-DISCRIMINATION REQUIREMENTS.—The term ‘top-heavy plan’ shall not include a plan which consists solely of—

“(i) a cash or deferred arrangement which meets the requirements of section 401(k)(12), and

“(ii) matching contributions with respect to which the requirements of section 401(m)(11) are met.

If, but for this subparagraph, a plan would be treated as a top-heavy plan because it is a member of an aggregation group which is a top-heavy group, contributions under the plan may be taken into account in determining whether any other plan in the group meets the requirements of subsection (c)(2).”

(e) FROZEN PLAN EXEMPT FROM MINIMUM BENEFIT REQUIREMENT.—Subparagraph (C) of

section 416(c)(1) (relating to defined benefit plans) is amended—

(A) in clause (i), by striking “clause (ii)” and inserting “clause (ii) or (iii)”, and

(B) by adding at the end the following:

“(iii) EXCEPTION FOR FROZEN PLAN.—For purposes of determining an employee’s years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b)) no employee or former employee.”.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

**SEC. 1204. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.**

(a) IN GENERAL.—Section 404 (relating to deduction for contributions of an employer to an employees’ trust or annuity plan and compensation under a deferred payment plan) is amended by adding at the end the following new subsection:

“(n) ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.—Elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

**SEC. 1207. REPEAL OF COORDINATION REQUIREMENTS FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.**

(a) IN GENERAL.—Subsection (c) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations), as amended by section 1201(e), is amended to read as follows:

“(c) LIMITATION.—The maximum amount of the compensation of any one individual which may be deferred under subsection (a) during any taxable year shall not exceed the amount in effect under subsection (b)(2)(A) (as modified by any adjustment provided under subsection (b)(3)).”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2000.

**SEC. 1208. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING PENSION PLANS.**

(a) ELIMINATION OF CERTAIN USER FEES.—The Secretary of the Treasury or the Secretary’s delegate shall not require payment of user fees under the program established under section 7527 of the Internal Revenue Code of 1986 for requests to the Internal Revenue Service for determination letters with respect to the qualified status of a pension benefit plan maintained solely by one or more eligible employers or any trust which is part of the plan. The preceding sentence shall not apply to any request made by the sponsor of any prototype or similar plan which the sponsor intends to market to participating employers.

(b) PENSION BENEFIT PLAN.—For purposes of this section, the term “pension benefit plan” means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan.

(c) ELIGIBLE EMPLOYER.—For purposes of this section, the term “eligible employer” has the same meaning given such term in section 408(p)(2)(C)(i)(I) of the Internal Revenue Code of 1986. The determination of whether an employer is an eligible employer under this section shall be made as of the date of the request described in subsection (a).

(d) EFFECTIVE DATE.—The provisions of this section shall apply with respect to requests made after December 31, 2000.

**SEC. 1209. DEDUCTION LIMITS.**

(a) IN GENERAL.—Section 404(a) (relating to general rule) is amended by adding at the end the following:

“(12) DEFINITION OF COMPENSATION.—For purposes of paragraphs (3), (7), (8), and (9), the term ‘compensation’ shall include amounts treated as participant’s compensation under subparagraph (C) or (D) of section 415(c)(3).”.

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

**SEC. 1210. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX CONTRIBUTIONS.**

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 (relating to deferred compensation, etc.) is amended by inserting after section 402 the following new section:

**“SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS PLUS CONTRIBUTIONS.**

“(a) GENERAL RULE.—If an applicable retirement plan includes a qualified plus contribution program—

“(1) any designated plus contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such contribution shall not be excludable from gross income, and

“(2) such plan (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

“(b) QUALIFIED PLUS CONTRIBUTION PROGRAM.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified plus contribution program’ means a program under which an employee may elect to make designated plus contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the applicable retirement plan.

“(2) SEPARATE ACCOUNTING REQUIRED.—A program shall not be treated as a qualified plus contribution program unless the applicable retirement plan—

“(A) establishes separate accounts (‘designated plus accounts’) for the designated plus contributions of each employee and any earnings properly allocable to the contributions, and

“(B) maintains separate recordkeeping with respect to each account.

“(c) DEFINITIONS AND RULES RELATING TO DESIGNATED PLUS CONTRIBUTIONS.—For purposes of this section—

“(1) DESIGNATED PLUS CONTRIBUTION.—The term ‘designated plus contribution’ means any elective deferral which—

“(A) is excludable from gross income of an employee without regard to this section, and

“(B) the employee designates (at such time and in such manner as the Secretary may prescribe) as not being so excludable.

“(2) DESIGNATION LIMITS.—The amount of elective deferrals which an employee may designate under paragraph (1) shall not exceed the excess (if any) of—

“(A) the maximum amount of elective deferrals excludable from gross income of the employee for the taxable year (without regard to this section), over

“(B) the aggregate amount of elective deferrals of the employee for the taxable year which the employee does not designate under paragraph (1).

“(3) ROLLOVER CONTRIBUTIONS.—

“(A) IN GENERAL.—A rollover contribution of any payment or distribution from a designated

plus account which is otherwise allowable under this chapter may be made only if the contribution is to—

“(i) another designated plus account of the individual from whose account the payment or distribution was made, or

“(ii) a Roth IRA of such individual.

“(B) COORDINATION WITH LIMIT.—Any rollover contribution to a designated plus account under subparagraph (A) shall not be taken into account for purposes of paragraph (1).

“(d) DISTRIBUTION RULES.—For purposes of this title—

“(1) EXCLUSION.—Any qualified distribution from a designated plus account shall not be includible in gross income.

“(2) QUALIFIED DISTRIBUTION.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘qualified distribution’ has the meaning given such term by section 408A(d)(2)(A) (without regard to clause (iv) thereof).

“(B) DISTRIBUTIONS WITHIN NONEXCLUSION PERIOD.—A payment or distribution from a designated plus account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

“(i) the 1st taxable year for which the individual made a designated plus contribution to any designated plus account established for such individual under the same applicable retirement plan, or

“(ii) if a rollover contribution was made to such designated plus account from a designated plus account previously established for such individual under another applicable retirement plan, the 1st taxable year for which the individual made a designated plus contribution to such previously established account.

“(C) DISTRIBUTIONS OF EXCESS DEFERRALS AND EARNINGS.—The term ‘qualified distribution’ shall not include any distribution of any excess deferral under section 402(g)(2) and any income on the excess deferral.

“(3) AGGREGATION RULES.—Section 72 shall be applied separately with respect to distributions and payments from a designated plus account and other distributions and payments from the plan.

“(e) OTHER DEFINITIONS.—For purposes of this section—

“(1) APPLICABLE RETIREMENT PLAN.—The term ‘applicable retirement plan’ means—

“(A) an employees’ trust described in section 401(a) which is exempt from tax under section 501(a), and

“(B) a plan under which amounts are contributed by an individual’s employer for an annuity contract described in section 403(b).

“(2) ELECTIVE DEFERRAL.—The term ‘elective deferral’ means any elective deferral described in subparagraph (A) or (C) of section 402(g)(3).”

(b) EXCESS DEFERRALS.—Section 402(g) (relating to limitation on exclusion for elective deferrals) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: “The preceding sentence shall not apply to so much of such excess as does not exceed the designated plus contributions of the individual for the taxable year.”, and

(2) by inserting “(or would be included but for the last sentence thereof)” after “paragraph (1)” in paragraph (2)(A).

(c) ROLLOVERS.—Subparagraph (B) of section 402(c)(8) is amended by adding at the end the following:

“If any portion of an eligible rollover distribution is attributable to payments or distributions from a designated plus account (as defined in section 402A), an eligible retirement plan with respect to such portion shall include only another designated plus account and a Roth IRA.”

(d) REPORTING REQUIREMENTS.—

(1) W-2 INFORMATION.—Section 6051(a)(8) is amended by inserting “, including the amount of designated plus contributions (as defined in section 402A)” before the comma at the end.

(2) INFORMATION.—Section 6047 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

“(f) DESIGNATED PLUS CONTRIBUTIONS.—The Secretary shall require the plan administrator of each applicable retirement plan (as defined in section 402A) to make such returns and reports regarding designated plus contributions (as so defined) to the Secretary, participants and beneficiaries of the plan, and such other persons as the Secretary may prescribe.”

(e) CONFORMING AMENDMENTS.—

(1) Section 408A(e) is amended by adding after the first sentence the following new sentence: “Such term includes a rollover contribution described in section 402A(c)(3)(A).”

(2) The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 402 the following new item:

“Sec. 402A. Optional treatment of elective deferrals as plus contributions.”

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

#### SEC. 1211. INCREASE IN MINIMUM DEFINED BENEFIT LIMIT UNDER SECTION 415.

(a) IN GENERAL.—Paragraph (4) of section 415(b) (relating to total annual benefits not in excess of \$10,000) is amended to read as follows:

“(4) TOTAL ANNUAL BENEFITS NOT IN EXCESS OF \$40,000.—Notwithstanding the preceding provisions of this subsection, the benefits payable with respect to a participant under any defined benefit plan shall be deemed not to exceed the limitation of this subsection if the retirement benefits payable with respect to such participant under such plan and under all other defined benefit plans of the employer do not exceed \$40,000 for the plan year or any prior plan year. The preceding sentence shall be applied by substituting for ‘\$40,000’—

“(A) \$20,000 if the plan year begins during 2001, and

“(B) \$30,000 if the plan year begins during 2002.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

#### Subtitle B—Enhancing Fairness for Women

#### SEC. 1221. ADDITIONAL SALARY REDUCTION CATCH-UP CONTRIBUTIONS.

(a) LIMITATION ON EXCLUSION FOR ELECTIVE DEFERRALS.—

(1) IN GENERAL.—Subsection (g) of section 402 (as amended by section 1201(d)) is further amended by adding at the end the following:

“(9) CATCH-UP CONTRIBUTIONS FOR THOSE APPROACHING RETIREMENT.—

“(A) IN GENERAL.—In the case of an individual who is at least age 50 as of the end of any taxable year, the limitation of paragraph (1) for such year, after the application of paragraph (7), shall be increased by the applicable catch-up amount.

“(B) APPLICABLE CATCH-UP AMOUNT.—For purposes of subparagraph (A), the applicable catch-up amount shall be the amount determined in accordance with the following table:

Taxable year:	Applicable catch-up amount:
2001 .....	\$1,000
2002 .....	\$2,000
2003 .....	\$3,000
2004 .....	\$4,000
2005 or thereafter .....	\$5,000.”

(2) COST-OF-LIVING ADJUSTMENTS.—Paragraph (4) of section 402(g) (relating to cost-of-living

adjustment), as amended by section 1201(d), is further amended by inserting “and the \$5,000 dollar amount in paragraph (9)” after “paragraph (1)(B)”.

(b) SIMPLE RETIREMENT ACCOUNTS.—Paragraph (2) of section 408(p) (relating to qualified salary reduction arrangement) is amended by inserting at the end of the following new subparagraph:

“(F) CATCH-UP CONTRIBUTIONS FOR THOSE APPROACHING RETIREMENT.—In the case of an individual who is at least age 50 as of the end of any taxable year, the limitation of subparagraph (A)(ii) for such year shall be increased by the applicable catch-up amount. For purposes of the preceding sentence, the applicable catch-up amount is the amount in effect under section 402(g)(9) for such taxable year.”.

(c) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—Subsection (e) of section 457 (relating to other definitions and special rules) is amended by adding after paragraph (16) the following new paragraph:

“(17) CATCH-UP AMOUNTS.—In the case of an individual who is at least age 50 as of the end of any taxable year, the limitation of subsection (b)(2)(A) for such year shall be increased by the applicable catch-up amount (as in effect under section 402(g)(9) for such taxable year), except that this paragraph shall not apply to any taxable year to which subsection (b)(3) applies.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

#### SEC. 1222. EQUITABLE TREATMENT FOR CONTRIBUTIONS OF EMPLOYEES TO DEFINED CONTRIBUTION PLANS.

(a) EQUITABLE TREATMENT.—

(1) IN GENERAL.—Subparagraph (B) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking “25 percent” and inserting “100 percent”.

(2) APPLICATION TO SECTION 403(b).—Section 403(b) is amended—

(A) by striking “the exclusion allowance for such taxable year” in paragraph (1) and inserting “the applicable limit under section 415”,

(B) by striking paragraph (2), and

(C) by inserting “or any amount received by a former employee after the 5th taxable year following the taxable year in which such employee was terminated” before the period at the end of the second sentence of paragraph (3).

(3) CONFORMING AMENDMENTS.—

(A) Subsection (f) of section 72 is amended by striking “section 403(b)(2)(D)(iii)” and inserting “section 403(b)(2)(D)(iii), as in effect on December 31, 2000”.

(B) Section 404(a)(10)(B) is amended by striking “, the exclusion allowance under section 403(b)(2).”,

(C) Section 415(a)(2) is amended by striking “, and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2)”,

(D) Section 415(c)(3) is amended by adding at the end the following new subparagraph:

“(E) ANNUITY CONTRACTS.—In the case of an annuity contract described in section 403(b), the term ‘participant’s compensation’ means the participant’s includible compensation determined under section 403(b)(3).”.

(E) Section 415(c) is amended by striking paragraph (4).

(F) Section 415(c)(7) is amended to read as follows:

“(7) CERTAIN CONTRIBUTIONS BY CHURCH PLANS NOT TREATED AS EXCEEDING LIMIT.—

“(A) IN GENERAL.—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or a convention or association of churches, including an organization described in section

414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant's account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of \$10,000.

“(B) \$40,000 AGGREGATE LIMITATION.—The total amount of additions with respect to any participant which may be taken into account for purposes of this subparagraph for all years may not exceed \$40,000.

“(C) ANNUAL ADDITION.—For purposes of this paragraph, the term ‘annual addition’ has the meaning given such term by paragraph (2).”

(G) Subparagraph (B) of section 402(g)(7) (as amended by section 1201(d)) is amended by inserting before the period at the end the following: “(as in effect on the date of the enactment of the Financial Freedom Act of 1999)”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(b) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—

(1) IN GENERAL.—Subsection (k) of section 415 is amended by adding at the end the following new paragraph:

“(4) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—For purposes of this section, any annuity contract described in section 403(b) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (b) or (c) of section 414 (as modified by subsection (h)). For purposes of this section, any contribution by an employer to a simplified employee pension plan for an individual for a taxable year shall be treated as an employer contribution to a defined contribution plan for such individual for such year.”

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to limitation years beginning after December 31, 1999.

(B) EXCLUSION ALLOWANCE.—Effective for limitation years beginning in 2000, in the case of any annuity contract described in section 403(b) of the Internal Revenue Code of 1986, the amount of the contribution disqualified by reason of section 415(g) of such Code shall reduce the exclusion allowance as provided in section 403(b)(2) of such Code.

(c) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Subparagraph (B) of section 457(b)(2) (relating to salary limitation on eligible deferred compensation plans) is amended by striking “33½ percent” and inserting “100 percent”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

#### SEC. 1223. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) IN GENERAL.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking “A plan” and inserting “Except as provided in paragraph (12), a plan”, and

(2) by adding at the end the following:

“(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

“(A) by substituting ‘3 years’ for ‘5 years’ in subparagraph (A), and

“(B) by substituting the following table for the table contained in subparagraph (B):

<b>Years of service:</b>	<b>The nonforfeitable percentage is:</b>
2 .....	20

3 .....	40
4 .....	60
5 .....	80
6 or more .....	100.”.

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan years beginning after December 31, 2000.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified by the date of the enactment of this Act, the amendments made by this section shall not apply to plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of enactment), or

(ii) January 1, 2001, or

(B) January 1, 2005.

(3) SERVICE REQUIRED.—With respect to any plan, the amendments made by this section shall not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

#### SEC. 1224. SIMPLIFY AND UPDATE THE MINIMUM DISTRIBUTION RULES.

(a) SIMPLIFICATION AND FINALIZATION OF MINIMUM DISTRIBUTION REQUIREMENTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall—

(A) simplify and finalize the regulations relating to minimum distribution requirements under sections 401(a)(9), 408(a)(6) and (b)(3), 403(b)(10), and 457(d)(2) of the Internal Revenue Code of 1986, and

(B) modify such regulations to—

(i) reflect current life expectancy, and

(ii) revise the required distribution methods so that, under reasonable assumptions, the amount of the required minimum distribution does not decrease over a participant's life expectancy.

(2) FRESH START.—Notwithstanding subparagraph (D) of section 401(a)(9) of such Code, during the first year that regulations are in effect under this subsection, required distributions for future years may be redetermined to reflect changes under such regulations. Such redetermination shall include the opportunity to choose a new designated beneficiary and to elect a new method of calculating life expectancy.

(3) EFFECTIVE DATE FOR REGULATIONS.—Regulations referred to in paragraph (1) shall be effective for years beginning after December 31, 2000, and shall apply in such years without regard to whether an individual had previously begun receiving minimum distributions.

(b) REPEAL OF RULE WHERE DISTRIBUTIONS HAD BEGUN BEFORE DEATH OCCURS.—

(1) IN GENERAL.—Subparagraph (B) of section 401(a)(9) is amended by striking clause (i) and redesignating clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively.

(2) CONFORMING CHANGES.—

(A) Clause (i) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking “FOR OTHER CASES” in the heading, and

(ii) by striking “the distribution of the employee's interest has begun in accordance with subparagraph (A)(ii)” and inserting “his entire interest has been distributed to him.”.

(B) Clause (ii) of section 401(a)(9)(B) (as so redesignated) is amended by striking “clause (ii)” and inserting “clause (i)”.

(C) Clause (iii) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking “clause (iii)(I)” and inserting “clause (ii)(I)”,

(ii) in subclause (I) by striking “clause (iii)(III)” and inserting “clause (ii)(III)”,

(iii) in subclause (I) by striking “the date on which the employee would have attained the age 70½,” and inserting “April 1 of the calendar year following the calendar year in which the spouse attains 70½,”, and

(iv) in subclause (II) by striking “the distributions to such spouse begin,” and inserting “his entire interest has been distributed to him.”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(c) REDUCTION IN EXCISE TAX.—

(1) IN GENERAL.—Subsection (a) of section 4974 is amended by striking “50 percent” and inserting “10 percent”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

#### SEC. 1225. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.

(a) IN GENERAL.—Section 414(p)(11) (relating to application of rules to governmental and church plans) is amended—

(1) by inserting “or an eligible deferred compensation plan (within the meaning of section 457(b))” after “subsection (e))”, and

(2) in the heading, by striking “GOVERNMENTAL AND CHURCH PLANS” and inserting “CERTAIN OTHER PLANS”.

(b) WAIVER OF CERTAIN DISTRIBUTION REQUIREMENTS.—Paragraph (10) of section 414(p) is amended by striking “and section 409(d)” and inserting “section 409(d), and section 457(d)”.

(c) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—Subsection (p) of section 414 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

“(12) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—If a distribution or payment from an eligible deferred compensation plan described in section 457(b) is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(e)(1)(A) shall apply to such distribution or payment.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers, distributions, and payments made after December 31, 2000.

#### Subtitle C—Increasing Portability for Participants

#### SEC. 1231. ROLLOVERS ALLOWED AMONG VARIOUS TYPES OF PLANS.

(a) ROLLOVERS FROM AND TO SECTION 457 PLANS.—

(1) ROLLOVERS FROM SECTION 457 PLANS.—

(A) IN GENERAL.—Section 457(e) (relating to other definitions and special rules) is amended by adding at the end the following:

“(16) ROLLOVER AMOUNTS.—

“(A) GENERAL RULE.—In the case of an eligible deferred compensation plan established and maintained by an employer described in subsection (e)(1)(A), if—

“(i) any portion of the balance to the credit of an employee in such plan is paid to such employee in an eligible rollover distribution (within the meaning of section 402(c)(4) without regard to subparagraph (C) thereof),

“(ii) the employee transfers any portion of the property such employee receives in such distribution to an eligible retirement plan described in section 402(c)(8)(B), and

“(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed, then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

“(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) (other than

paragraph (4)(C)) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A).

“(C) REPORTING.—Rollovers under this paragraph shall be reported to the Secretary in the same manner as rollovers from qualified retirement plans (as defined in section 4974(c)).”.

(B) DEFERRAL LIMIT DETERMINED WITHOUT REGARD TO ROLLOVER AMOUNTS.—Section 457(b)(2) (defining eligible deferred compensation plan) is amended by inserting “(other than rollover amounts)” after “taxable year”.

(C) DIRECT ROLLOVER.—Paragraph (1) of section 457(d) is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, and”, and by inserting after subparagraph (B) the following:

“(C) in the case of a plan maintained by an employer described in subsection (e)(1)(A), the plan meets requirements similar to the requirements of section 401(a)(31).”.

Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of transfer.”.

(D) WITHHOLDING.—

(i) Paragraph (12) of section 3401(a) is amended by adding at the end the following:

“(E) under or to an eligible deferred compensation plan which, at the time of such payment, is a plan described in section 457(b) maintained by an employer described in section 457(e)(1)(A); or”.

(ii) Paragraph (3) of section 3405(c) is amended to read as follows:

“(3) ELIGIBLE ROLLOVER DISTRIBUTION.—For purposes of this subsection, the term ‘eligible rollover distribution’ has the meaning given such term by section 402(f)(2)(A).”.

(iii) LIABILITY FOR WITHHOLDING.—Subparagraph (B) of section 3405(d)(2) is amended by striking “or” at the end of clause (ii), by striking the period at the end of clause (iii) and inserting “, or”, and by adding at the end the following:

“(iv) section 457(b).”.

(2) ROLLOVERS TO SECTION 457 PLANS.—

(A) IN GENERAL.—Section 402(c)(8)(B) (defining eligible retirement plan) is amended by striking “and” at the end of clause (iii), by striking the period at the end of clause (iv) and inserting “, and”, and by inserting after clause (iv) the following new clause:

“(v) an eligible deferred compensation plan described in section 457(b) of an employer described in section 457(e)(1)(A).”.

(B) SEPARATE ACCOUNTING.—Section 402(c) is amended by adding at the end the following new paragraph:

“(11) SEPARATE ACCOUNTING.—Unless a plan described in clause (v) of paragraph (8)(B) agrees to separately account for amounts rolled into such plan from eligible retirement plans not described in such clause, the plan described in such clause may not accept transfers or rollovers from such retirement plans.”.

(C) 10 PERCENT ADDITIONAL TAX.—Subsection (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new paragraph:

“(9) SPECIAL RULE FOR ROLLOVERS TO SECTION 457 PLANS.—For purposes of this subsection, a distribution from an eligible deferred compensation plan (as defined in section 457(b)) of an employer described in section 457(e)(1)(A) shall be treated as a distribution from a qualified retirement plan described in 4974(c)(1) to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in section 4974(c)).”.

(b) ALLOWANCE OF ROLLOVERS FROM AND TO 403(b) PLANS.—

(1) ROLLOVERS FROM SECTION 403(b) PLANS.—Section 403(b)(8)(A)(ii) (relating to rollover amounts) is amended by striking “such distribution” and all that follows and inserting “such distribution to an eligible retirement plan described in section 402(c)(8)(B), and”.

(2) ROLLOVERS TO SECTION 403(b) PLANS.—Section 402(c)(8)(B) (defining eligible retirement plan), as amended by subsection (a), is amended by striking “and” at the end of clause (iv), by striking the period at the end of clause (v) and inserting

“, and”, and by inserting after clause (v) the following new clause:

“(vi) an annuity contract described in section 403(b).”.

(c) EXPANDED EXPLANATION TO RECIPIENTS OF ROLLOVER DISTRIBUTIONS.—Paragraph (1) of section 402(f) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking “and” at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting “, and”, and by adding at the end the following new subparagraph:

“(E) of the provisions under which distributions from the eligible retirement plan receiving the distribution may be subject to restrictions and tax consequences which are different from those applicable to distributions from the plan making such distribution.”.

(d) SPOUSAL ROLLOVERS.—Section 402(c)(9) (relating to rollover where spouse receives distribution after death of employee) is amended by striking “; except that” and all that follows up to the end period.

(e) CONFORMING AMENDMENTS.—

(1) Section 72(o)(4) is amended by striking “and 408(d)(3)” and inserting “403(b)(8), 408(d)(3), and 457(e)(16)”.

(2) Section 219(d)(2) is amended by striking “or 408(d)(3)” and inserting “408(d)(3), or 457(e)(16)”.

(3) Section 401(a)(31)(B) is amended by striking “and 403(a)(4)” and inserting “, 403(a)(4), 403(b)(8), and 457(e)(16)”.

(4) Subparagraph (A) of section 402(f)(2) is amended by striking “or paragraph (4) of section 403(a)” and inserting “, paragraph (4) of section 403(a), subparagraph (A) of section 403(b)(8), or subparagraph (A) of section 457(e)(16)”.

(5) Paragraph (1) of section 402(f) is amended by striking “from an eligible retirement plan”.

(6) Subparagraphs (A) and (B) of section 402(f)(1) are amended by striking “another eligible retirement plan” and inserting “an eligible retirement plan”.

(7) Subparagraph (B) of section 403(b)(8) is amended to read as follows:

“(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A), except that section 402(f) shall be applied to the payor in lieu of the plan administrator.”.

(8) Section 408(a)(1) is amended by striking “or 403(b)(8)” and inserting “, 403(b)(8), or 457(e)(16)”.

(9) Subparagraphs (A) and (B) of section 415(b)(2) are each amended by striking “and 408(d)(3)” and inserting “403(b)(8), 408(d)(3), and 457(e)(16)”.

(10) Section 415(c)(2) is amended by striking “and 408(d)(3)” and inserting “408(d)(3), and 457(e)(16)”.

(11) Section 4973(b)(1)(A) is amended by striking “or 408(d)(3)” and inserting “408(d)(3), or 457(e)(16)”.

(f) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and

(h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of any amendment made by this section.

#### SEC. 1232. ROLLOVERS OF IRAS INTO WORKPLACE RETIREMENT PLANS.

(a) IN GENERAL.—Subparagraph (A) of section 408(d)(3) (relating to rollover amounts) is amended by adding “or” at the end of clause (i), by striking clauses (ii) and (iii), and by adding at the end the following:

“(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to this paragraph).”.

For purposes of clause (ii), the term ‘eligible retirement plan’ has the meaning given such term by clauses (iii), (iv), (v), and (vi) of section 402(c)(8)(B).”.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 403(b) is amended by striking “section 408(d)(3)(A)(iii)” and inserting “section 408(d)(3)(A)(ii)”.

(2) Clause (i) of section 408(d)(3)(D) is amended by striking “(i, (ii), or (iii))” and inserting “(i) or (ii)”.

(3) Subparagraph (G) of section 408(d)(3) is amended to read as follows:

“(G) SIMPLE RETIREMENT ACCOUNTS.—In the case of any payment or distribution out of a simple retirement account (as defined in subsection (p)) to which section 72(t)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.”.

(c) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of the amendments made by this section.

#### SEC. 1233. ROLLOVERS OF AFTER-TAX CONTRIBUTIONS.

(a) ROLLOVERS FROM EXEMPT TRUSTS.—Paragraph (2) of section 402(c) (relating to maximum amount which may be rolled over) is amended by adding at the end the following: “The preceding sentence shall not apply to such distribution to the extent—

“(A) such portion is transferred in a direct trustee-to-trustee transfer to a qualified trust which is part of a plan which is a defined contribution plan and which agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

“(B) such portion is transferred to an eligible retirement plan described in clause (i) or (ii) of paragraph (8)(B).”.

(b) OPTIONAL DIRECT TRANSFER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.—Subparagraph (B) of section 401(a)(31) (relating to limitation) is

amended by adding at the end the following: "The preceding sentence shall not apply to such distribution if the plan to which such distribution is transferred—

"(i) agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

"(ii) is an eligible retirement plan described in clause (i) or (ii) of section 402(c)(8)(B)."

(C) RULES FOR APPLYING SECTION 72 TO IRAS.—Paragraph (3) of section 408(d) (relating to special rules for applying section 72) is amended by inserting at the end the following:

"(H) APPLICATION OF SECTION 72.—

"(i) IN GENERAL.—If—

"(I) a distribution is made from an individual retirement plan, and

"(II) a rollover contribution is made to an eligible retirement plan described in section 402(c)(8)(B)(iii), (iv), (v), or (vi) with respect to all or part of such distribution,

then, notwithstanding paragraph (2), the rules of clause (ii) shall apply for purposes of applying section 72.

"(ii) APPLICABLE RULES.—In the case of a distribution described in clause (i)—

"(I) section 72 shall be applied separately to such distribution,

"(II) notwithstanding the pro rata allocation of income on, and investment in the contract, to distributions under section 72, the portion of such distribution rolled over to an eligible retirement plan described in clause (i) shall be treated as from income on the contract (to the extent of the aggregate income on the contract from all individual retirement plans of the distributee), and

"(III) appropriate adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2000.

#### SEC. 1234. **HARDSHIP EXCEPTION TO 60-DAY RULE.**

(a) EXEMPT TRUSTS.—Paragraph (3) of section 402(c) (relating to transfer must be made within 60 days of receipt) is amended to read as follows:

"(3) TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

"(B) HARDSHIP EXCEPTION.—The Secretary may waive the 60-day requirement under subparagraph (A) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement."

(b) IRAS.—Paragraph (3) of section 408(d) (relating to rollover contributions) is amended by adding after subparagraph (H) the following new subparagraph:

"(I) WAIVER OF 60-DAY REQUIREMENT.—The Secretary may waive the 60-day requirement under subparagraphs (A) and (D) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

#### SEC. 1235. **TREATMENT OF FORMS OF DISTRIBUTION.**

(a) PLAN TRANSFERS.—

(1) IN GENERAL.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

"(D) PLAN TRANSFERS.—

"(i) A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the 'transferor plan') to the extent that—

"(I) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan;

"(II) the terms of both the transferor plan and the transferee plan authorize the transfer described in subclause (I);

"(III) the transfer described in subclause (I) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan;

"(IV) the election described in subclause (III) was made after the participant or beneficiary received a notice describing the consequences of making the election;

"(V) if the transferor plan provides for an annuity as the normal form of distribution under the plan in accordance with section 417, the transfer is made with the consent of the participant's spouse (if any), and such consent meets requirements similar to the requirements imposed by section 417(a)(2); and

"(VI) the transferee plan allows the participant or beneficiary described in subclause (III) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

"(ii) Clause (i) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

"(E) ELIMINATION OF FORM OF DISTRIBUTION.—Except to the extent provided in regulations, a defined contribution plan shall not be treated as failing to meet the requirements of this section merely because of the elimination of a form of distribution previously available thereunder. This subparagraph shall not apply to the elimination of a form of distribution with respect to any participant unless—

"(i) a single sum payment is available to such participant at the same time or times as the form of distribution being eliminated; and

"(ii) such single sum payment is based on the same or greater portion of the participant's account as the form of distribution being eliminated."

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

(b) REGULATIONS.—

(1) IN GENERAL.—The last sentence of paragraph (6)(B) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended to read as follows: "The Secretary may by regulations provide that this subparagraph shall not apply to any plan amendment that does not adversely affect the rights of participants in a material manner."

(2) SECRETARY DIRECTED.—Not later than December 31, 2001, the Secretary of the Treasury is directed to issue final regulations under section 411(d)(6) of the Internal Revenue Code of 1986. Such regulations shall apply to plan years beginning after December 31, 2001, or such earlier

date as is specified by the Secretary of the Treasury.

#### SEC. 1236. **RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS.**

(a) MODIFICATION OF SAME DESK EXCEPTION.—

(1) SECTION 401(k).—

(A) Section 401(k)(2)(B)(i)(I) (relating to qualified cash or deferred arrangements) is amended by striking "separation from service" and inserting "severance from employment".

(B) Subparagraph (A) of section 401(k)(10) (relating to distributions upon termination of plan or disposition of assets or subsidiary) is amended to read as follows:

"(A) IN GENERAL.—An event described in this subparagraph is the termination of the plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7))."

(C) Section 401(k)(10) is amended—

(i) in subparagraph (B)—

(I) by striking "An event" in clause (i) and inserting "A termination", and

(II) by striking "the event" in clause (i) and inserting "the termination",

(ii) by striking subparagraph (C), and

(iii) by striking "OR DISPOSITION OF ASSETS OR SUBSIDIARY" in the heading.

(2) SECTION 403(b).—

(A) Paragraphs (7)(A)(ii) and (11)(A) of section 403(b) are each amended by striking "separates from service" and inserting "has a severance from employment".

(B) The heading for paragraph (11) of section 403(b) is amended by striking "SEPARATION FROM SERVICE" and inserting "SEVERANCE FROM EMPLOYMENT".

(3) SECTION 457.—Clause (ii) of section 457(d)(1)(A) is amended by striking "is separated from service" and inserting "has a severance from employment".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

#### SEC. 1237. **PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.**

(a) 403(b) PLANS.—Subsection (b) of section 403 is amended by adding at the end the following new paragraph:

"(13) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

"(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

"(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof."

(b) 457 PLANS.—

(1) Subsection (e) of section 457 is amended by adding after paragraph (17) the following new paragraph:

"(18) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

"(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

"(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof."

(2) Section 457(b)(2) is amended by striking "(other than rollover amounts)" and inserting "(other than rollover amounts and amounts received in a transfer referred to in subsection (e)(16))".

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to trustee-to-trustee transfers after December 31, 2000.

**SEC. 1238. EMPLOYERS MAY DISREGARD ROLLOVERS FOR PURPOSES OF CASH-OUT AMOUNTS.**

(a) **IN GENERAL.**—Section 411(a)(11) (relating to restrictions on certain mandatory distributions) is amended by adding at the end the following:

“(D) **SPECIAL RULE FOR ROLLOVER CONTRIBUTIONS.**—A plan shall not fail to meet the requirements of this paragraph if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term ‘rollover contributions’ means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).”.

(b) **ELIGIBLE DEFERRED COMPENSATION PLANS.**—Clause (i) of section 457(e)(9)(A) is amended by striking “such amount” and inserting “the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to distributions after December 31, 2000.

**SEC. 1239. MINIMUM DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 457 PLANS.**

(a) **MINIMUM DISTRIBUTION REQUIREMENTS.**—Paragraph (2) of section 457(d) (relating to distribution requirements) is amended to read as follows:

“(2) **MINIMUM DISTRIBUTION REQUIREMENTS.**—A plan meets the minimum distribution requirements of this paragraph if such plan meets the requirements of section 401(a)(9).”

(b) **INCLUSION IN GROSS INCOME.**—

(1) **YEAR OF INCLUSION.**—Subsection (a) of section 457 (relating to year of inclusion in gross income) is amended to read as follows:

“(a) **YEAR OF INCLUSION IN GROSS INCOME.**—

“(1) **IN GENERAL.**—Any amount of compensation deferred under an eligible deferred compensation plan, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income—

“(A) is paid to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(A), and

“(B) is paid or otherwise made available to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(B).

“(2) **SPECIAL RULE FOR ROLLOVER AMOUNTS.**—To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.”.

(2) **CONFORMING AMENDMENT.**—So much of paragraph (9) of section 457(e) as precedes subparagraph (A) is amended to read as follows:

“(9) **BENEFITS OF TAX EXEMPT ORGANIZATION PLANS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.**—In the case of an eligible deferred compensation plan of an employer described in subsection (e)(1)(B)—”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to distributions after December 31, 2000.

**Subtitle D—Strengthening Pension Security and Enforcement**

**SEC. 1241. REPEAL OF 150 PERCENT OF CURRENT LIABILITY FUNDING LIMIT.**

(a) **IN GENERAL.**—Section 412(c)(7) (relating to full-funding limitation) is amended—

(1) by striking “the applicable percentage” in subparagraph (A)(i)(I) and inserting “in the case of plan years beginning before January 1, 2004, the applicable percentage”, and

(2) by amending subparagraph (F) to read as follows:

“(F) **APPLICABLE PERCENTAGE.**—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

<b>“In the case of any plan year beginning in—</b>	<b>The applicable percentage is—</b>
2001 .....	160
2002 .....	165
2003 .....	170.”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

**SEC. 1242. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.**

(a) **IN GENERAL.**—Subparagraph (D) of section 404(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

“(D) **SPECIAL RULE IN CASE OF CERTAIN PLANS.**—

“(i) **IN GENERAL.**—In the case of any defined benefit plan, except as provided in regulations, the maximum amount deductible under the limitations of this paragraph shall not be less than the unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(I) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year).

“(ii) **PLANS WITH LESS THAN 100 PARTICIPANTS.**—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q)) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

“(iii) **RULE FOR DETERMINING NUMBER OF PARTICIPANTS.**—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained by the same employer (or any member of such employer’s controlled group (within the meaning of section 412(l)(8)(C))) shall be treated as 1 plan, but only employees of such member or employer shall be taken into account.

“(iv) **PLANS ESTABLISHED AND MAINTAINED BY PROFESSIONAL SERVICE EMPLOYERS.**—Clause (i) shall not apply to a plan described in section 4021(b)(13) of the Employee Retirement Income Security Act of 1974.”.

(b) **CONFORMING AMENDMENT.**—Paragraph (6) of section 4972(c) is amended to read as follows:

“(6) **EXCEPTIONS.**—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to 1 or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

“(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the plans, or

“(B) the sum of—

“(i) the amount of contributions described in section 401(m)(4)(A), plus

“(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

**SEC. 1244. EXCISE TAX RELIEF FOR SOUND PENSION FUNDING.**

(a) **IN GENERAL.**—Subsection (c) of section 4972 (relating to nondeductible contributions) is amended by adding at the end the following new paragraph:

“(7) **DEFINED BENEFIT PLAN EXCEPTION.**—In determining the amount of nondeductible contributions for any taxable year, an employer may elect for such year not to take into account any contributions to a defined benefit plan except to the extent that such contributions exceed the full-funding limitation (as defined in section 412(c)(7), determined without regard to subparagraph (A)(i)(I) thereof). For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to defined contribution plans and then to amounts described in this paragraph. If an employer makes an election under this paragraph for a taxable year, paragraph (6) shall not apply to such employer for such taxable year.”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to years beginning after December 31, 2000.

**SEC. 1245. EXCISE TAX ON FAILURE TO PROVIDE NOTICE BY DEFINED BENEFIT PLANS SIGNIFICANTLY REDUCING FUTURE BENEFIT ACCRUALS.**

(a) **IN GENERAL.**—Chapter 43 of subtitle D (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

**“SEC. 4980F. FAILURE OF APPLICABLE PLANS REDUCING BENEFIT ACCRUALS TO SATISFY NOTICE REQUIREMENTS.**

“(a) **IMPOSITION OF TAX.**—There is hereby imposed a tax on the failure of any applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

“(b) **AMOUNT OF TAX.**—

“(1) **IN GENERAL.**—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual shall be \$100 for each day in the noncompliance period with respect to such failure.

“(2) **NONCOMPLIANCE PERIOD.**—For purposes of this section, the term ‘noncompliance period’ means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the failure is corrected.

“(c) **LIMITATIONS ON AMOUNT OF TAX.**—

“(1) **OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.**—In the case of failures that are due to reasonable cause and not to willful neglect, the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed \$500,000. For purposes of the preceding sentence, all multiemployer plans of which the same trust forms a part shall be treated as 1 plan. For purposes of this paragraph, if not all persons who are treated as a single employer for purposes of this section have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

“(2) **WAIVER BY SECRETARY.**—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

“(d) **LIABILITY FOR TAX.**—The following shall be liable for the tax imposed by subsection (a):

“(1) In the case of a plan other than a multiemployer plan, the employer.

“(2) In the case of a multiemployer plan, the plan.

“(e) **NOTICE REQUIREMENTS FOR PLANS SIGNIFICANTLY REDUCING BENEFIT ACCRUALS.**—



“(1) **IN GENERAL.**—If an applicable pension plan is amended to provide for a significant reduction in the rate of future benefit accrual, the plan administrator shall provide written notice to each applicable individual (and to each employee organization representing applicable individuals).

“(2) **NOTICE.**—The notice required by paragraph (1) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with regulations prescribed by the Secretary) to allow applicable individuals to understand the effect of the plan amendment.

“(3) **TIMING OF NOTICE.**—Except as provided in regulations, the notice required by paragraph (1) shall be provided within a reasonable time before the effective date of the plan amendment.

“(4) **DESIGNEES.**—Any notice under paragraph (1) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

“(5) **NOTICE BEFORE ADOPTION OF AMENDMENT.**—A plan shall not be treated as failing to meet the requirements of paragraph (1) merely because notice is provided before the adoption of the plan amendment if no material modification of the amendment occurs before the amendment is adopted.

“(f) **APPLICABLE INDIVIDUAL; APPLICABLE PENSION PLAN.**—For purposes of this section—

“(1) **APPLICABLE INDIVIDUAL.**—The term ‘applicable individual’ means, with respect to any plan amendment—

“(A) any participant in the plan, and

“(B) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)), who may reasonably be expected to be affected by such plan amendment.

“(2) **APPLICABLE PENSION PLAN.**—The term ‘applicable pension plan’ means—

“(A) any defined benefit plan, or

“(B) an individual account plan which is subject to the funding standards of section 412, which had 100 or more participants who had accrued a benefit, or with respect to whom contributions were made, under the plan (whether or not vested) as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective.”

(b) **CLERICAL AMENDMENT.**—The table of sections for chapter 43 of subtitle D is amended by adding at the end the following new item:

“Sec. 4980F. Failure of applicable plans reducing benefit accruals to satisfy notice requirements.”

(c) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(2) **TRANSITION.**—Until such time as the Secretary of the Treasury issues regulations under sections 4980F(e)(2) and (3) of the Internal Revenue Code of 1986 (as added by the amendment made by subsection (a)), a plan shall be treated as meeting the requirements of such section if it makes a good faith effort to comply with such requirements.

(3) **SPECIAL RULE.**—The period for providing any notice required by the amendments made by this section shall not end before the date which is 3 months after the date of the enactment of this Act.

#### Subtitle E—Reducing Regulatory Burdens

#### SEC. 1251. REPEAL OF THE MULTIPLE USE TEST.

(a) **IN GENERAL.**—Paragraph (9) of section 401(m) is amended to read as follows:

“(9) **REGULATIONS.**—The Secretary shall prescribe such regulations as may be necessary to

carry out the purposes of this subsection and subsection (k), including regulations permitting appropriate aggregation of plans and contributions.”

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to years beginning after December 31, 2000.

#### SEC. 1252. MODIFICATION OF TIMING OF PLAN VALUATIONS.

(a) **IN GENERAL.**—Section 412(c)(9) (relating to annual valuation) is amended—

(1) by striking “For purposes” and inserting the following:

“(A) **IN GENERAL.**—For purposes”, and

(2) by adding at the end the following:

“(B) **ELECTION TO USE PRIOR YEAR VALUATION.**—

“(i) **IN GENERAL.**—Except as provided in clause (ii), if, for any plan year—

“(I) an election is in effect under this subparagraph with respect to a plan, and

“(II) the assets of the plan are not less than 125 percent of the plan’s current liability (as defined in paragraph (7)(B)), determined as of the valuation date for the preceding plan year, then this section shall be applied using the information available as of such valuation date.

“(ii) **EXCEPTIONS.**—

“(I) **ACTUAL VALUATION EVERY 3 YEARS.**—

Clause (i) shall not apply for more than 2 consecutive plan years and valuation shall be under subparagraph (A) with respect to any plan year to which clause (i) does not apply by reason of this clause.

“(II) **REGULATIONS.**—Subclause (I) shall not apply to the extent that more frequent valuations are required under the regulations under subparagraph (A).

“(iii) **ADJUSTMENTS.**—Information under clause (i) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

“(iv) **ELECTION.**—An election under this subparagraph, once made, shall be irrevocable without the consent of the Secretary.”

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

#### SEC. 1253. FLEXIBILITY AND NONDISCRIMINATION AND LINE OF BUSINESS RULES.

The Secretary of the Treasury shall, on or before December 31, 2000, modify the existing regulations issued under section 401(a)(4) and section 414(r) of the Internal Revenue Code of 1986 in order to expand (to the extent that the Secretary determines appropriate) the ability of a pension plan to demonstrate compliance with the nondiscrimination and line of business requirements based upon the facts and circumstances surrounding the design and operation of the plan, even though the plan is unable to satisfy the mechanical tests currently used to determine compliance.

#### SEC. 1255. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DEDUCTION.

(a) **IN GENERAL.**—Section 404(k)(2)(A) (defining applicable dividends) is amended by striking “or” at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

“(iii) is, at the election of such participants or their beneficiaries—

“(I) payable as provided in clause (i) or (ii), or

“(II) paid to the plan and reinvested in qualifying employer securities, or”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

#### SEC. 1256. NOTICE AND CONSENT PERIOD REGARDING DISTRIBUTIONS.

(a) **EXPANSION OF PERIOD.**—

(1) **IN GENERAL.**—Subparagraph (A) of section 417(a)(6) is amended by striking “90-day” and inserting “180-day”.

(2) **MODIFICATION OF REGULATIONS.**—The Secretary of the Treasury shall modify the regulations under sections 402(f), 411(a)(11), and 417 of the Internal Revenue Code of 1986 to substitute “180 days” for “90 days” each place it appears in Treasury Regulations sections 1.402(f)–1, 1.411(a)–11(c), and 1.417(e)–1(b).

(3) **EFFECTIVE DATE.**—The amendments made by paragraph (1) and the modifications required by paragraph (2) shall apply to years beginning after December 31, 2000.

#### (b) CONSENT REGULATION INAPPLICABLE TO CERTAIN DISTRIBUTIONS.—

(1) **IN GENERAL.**—The Secretary of the Treasury shall modify the regulations under section 411(a)(11) of the Internal Revenue Code of 1986 to provide that the description of a participant’s right, if any, to defer receipt of a distribution shall also describe the consequences of failing to defer such receipt.

(2) **EFFECTIVE DATE.**—The modifications required by paragraph (1) shall apply to years beginning after December 31, 2000.

#### SEC. 1257. REPEAL OF TRANSITION RULE RELATING TO CERTAIN HIGHLY COMPENSATED EMPLOYEES.

(a) **IN GENERAL.**—Paragraph (4) of section 1114(c) of the Tax Reform Act of 1986 is hereby repealed.

(b) **EFFECTIVE DATE.**—The repeal made by subsection (a) shall apply to plan years beginning after December 31, 2000.

#### SEC. 1258. EMPLOYEES OF TAX-EXEMPT ENTITIES.

(a) **IN GENERAL.**—The Secretary of the Treasury shall modify Treasury Regulations section 1.410(b)–6(g) to provide that employees of an organization described in section 403(b)(1)(A)(i) of the Internal Revenue Code of 1986 who are eligible to make contributions under section 403(b) pursuant to a salary reduction agreement may be treated as excludable with respect to a plan under section 401(k), or section 401(m) of such Code that is provided under the same general arrangement as a plan under such section 401(k), if—

(1) no employee of an organization described in section 403(b)(1)(A)(i) of such Code is eligible to participate in such section 401(k) plan or section 401(m) plan, and

(2) 95 percent of the employees who are not employees of an organization described in section 403(b)(1)(A)(i) of such Code are eligible to participate in such section 401(k) plan or section 401(m) plan.

(b) **EFFECTIVE DATE.**—The modification required by subsection (a) shall apply as of the same date set forth in section 1426(b) of the Small Business Job Protection Act of 1996.

#### SEC. 1259. CLARIFICATION OF TREATMENT OF EMPLOYER-PROVIDED RETIREMENT ADVICE.

(a) **IN GENERAL.**—Subsection (a) of section 132 (relating to exclusion from gross income) is amended by striking “or” at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting “, or”, and by adding at the end the following new paragraph:

“(7) qualified retirement planning services.”.

(b) **QUALIFIED RETIREMENT PLANNING SERVICES DEFINED.**—Section 132 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following:

“(m) **QUALIFIED RETIREMENT PLANNING SERVICES.**—

“(1) **IN GENERAL.**—For purposes of this section, the term ‘qualified retirement planning services’ means any retirement planning service provided to an employee and his spouse by an employer maintaining a retirement plan.

“(2) **NONDISCRIMINATION RULE.**—Subsection (a)(7) shall apply in the case of highly compensated employees only if such services are available on substantially the same terms to each member of the group of employees normally



provided education and information regarding the employer's pension plan."

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to years beginning after December 31, 2000.

**SEC. 1260. PROVISIONS RELATING TO PLAN AMENDMENTS.**

(a) **IN GENERAL.**—If this section applies to any plan or contract amendment—

(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A), and

(2) such plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 by reason of such amendment.

(b) **AMENDMENTS TO WHICH SECTION APPLIES.**—

(1) **IN GENERAL.**—This section shall apply to any amendment to any plan or annuity contract which is made—

(A) pursuant to any amendment made by this title, or pursuant to any regulation issued under this title, and

(B) on or before the last day of the first plan year beginning on or after January 1, 2003.

In the case of a government plan (as defined in section 414(d) of the Internal Revenue Code of 1986, this paragraph shall be applied by substituting "2005" for "2003").

(2) **CONDITIONS.**—This section shall not apply to any amendment unless—

(A) during the period—

(i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan), and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted), the plan or contract is operated as if such plan or contract amendment were in effect, and

(B) such plan or contract amendment applies retroactively for such period.

**SEC. 1261. MODEL PLANS FOR SMALL BUSINESSES.**

(a) **IN GENERAL.**—Not later than December 31, 2000, the Secretary of the Treasury is directed to issue at least one model defined contribution plan and at least one model defined benefit plan that fit the needs of small businesses and that shall be treated as meeting the requirements of section 401(a) of the Internal Revenue Code of 1986 with respect to the form of the plan. To the extent that the requirements of section 401(a) of such Code are modified after the issuance of such plans, the Secretary of the Treasury shall, in a timely manner, issue model amendments that, if adopted in a timely manner by an employer that has a model plan in effect, shall cause such model plan to be treated as meeting the requirements of section 401(a) of such Code, as modified, with respect to the form of the plan.

(b) **PROTOTYPE PLAN ALTERNATIVE.**—The Secretary of the Treasury may satisfy the requirements of subsection (a) through the enhancement and simplification of the Secretary's programs for prototype plans in such a manner as to achieve the purposes of subsection (a).

**SEC. 1262. SIMPLIFIED ANNUAL FILING REQUIREMENT FOR PLANS WITH FEWER THAN 25 EMPLOYEES.**

(a) **IN GENERAL.**—In the case of a retirement plan which covers less than 25 employees on the 1st day of the plan year and meets the requirements described in subsection (b), the Secretary of the Treasury shall provide for the filing of a simplified annual return that is substantially similar to the annual return required to be filed by a one-participant retirement plan.

(b) **REQUIREMENTS.**—A plan meets the requirements of this subsection if it—

(1) meets the minimum coverage requirements of section 410(b) of the Internal Revenue Code of 1986 without being combined with any other plan of the business that covers the employees of the business,

(2) does not cover a business that is a member of an affiliated service group, a controlled group of corporations, or a group of businesses under common control, and

(3) does not cover a business that leases employees.

**SEC. 1263. IMPROVEMENT OF EMPLOYEE PLANS COMPLIANCE RESOLUTION SYSTEM.**

The Secretary of the Treasury shall continue to update and improve the Employee Plans Compliance Resolution System (or any successor program) giving special attention to—

(1) increasing the awareness and knowledge of small employers concerning the availability and use of the program,

(2) taking into account special concerns and circumstances that small employers face with respect to compliance and correction of compliance failures,

(3) extending the duration of the self-correction period under the Administrative Policy Regarding Self-Correction for significant compliance failures,

(4) expanding the availability to correct insignificant compliance failures under the Administrative Policy Regarding Self-Correction during audit, and

(5) assuring that any tax, penalty, or sanction that is imposed by reason of a compliance failure is not excessive and bears a reasonable relationship to the nature, extent, and severity of the failure.

**SEC. 1264. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.**

(a) **IN GENERAL.**—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

"(11) **SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.**—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply."

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to years beginning after December 31, 2000.

**TITLE XIII—MISCELLANEOUS PROVISIONS**  
**Subtitle A—Provisions Primarily Affecting Individuals**

**SEC. 1301. EXCLUSION FOR FOSTER CARE PAYMENTS TO APPLY TO PAYMENTS BY QUALIFIED PLACEMENT AGENCIES.**

(a) **IN GENERAL.**—The matter preceding subparagraph (B) of section 131(b)(1) (defining qualified foster care payment) is amended to read as follows:

"(1) **IN GENERAL.**—The term 'qualified foster care payment' means any payment made pursuant to a foster care program of a State or political subdivision thereof—

"(A) which is paid by—

"(i) a State or political subdivision thereof, or

"(ii) a qualified foster care placement agency, and"

(b) **QUALIFIED FOSTER INDIVIDUALS TO INCLUDE INDIVIDUALS PLACED BY QUALIFIED PLACEMENT AGENCIES.**—Subparagraph (B) of section 131(b)(2) (defining qualified foster individual) is amended to read as follows:

"(B) a qualified foster care placement agency."

(c) **QUALIFIED FOSTER CARE PLACEMENT AGENCY DEFINED.**—Subsection (b) of section 131 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) **QUALIFIED FOSTER CARE PLACEMENT AGENCY.**—The term 'qualified foster care place-

ment agency' means any placement agency which is licensed or certified by—

"(A) a State or political subdivision thereof, or

"(B) an entity designated by a State or political subdivision thereof, for the foster care program of such State or political subdivision to make foster care payments to providers of foster care."

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 1302. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS EXCLUDED FROM GROSS INCOME.**

(A) **IN GENERAL.**—Part III of subchapter B of chapter 1 is amended by inserting after section 138 the following new section:

**"SEC. 138A. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS.**

"(a) **IN GENERAL.**—Gross income of an individual does not include amounts received, from an organization described in section 170(c), as reimbursement of operating expenses with respect to use of a passenger automobile for the benefit of such organization. The preceding sentence shall apply only to the extent that such reimbursement would be deductible under section 274(d) (determined by applying the standard business mileage rate established pursuant to section 274(d)) if the organization were not so described and such individual were an employee of such organization.

"(b) **NO DOUBLE BENEFIT.**—Subsection (a) shall not apply with respect to any expenses if the individual claims a deduction or credit for such expenses under any other provision of this title.

"(c) **EXEMPTION FROM REPORTING REQUIREMENTS.**—Section 6041 shall not apply with respect to reimbursements excluded from income under subsection (a)."

(b) **CLERICAL AMENDMENT.**—The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 138 the following new items:

"Sec. 138A. Reimbursement for use of passenger automobile for charity."

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 1303. W-2 TO INCLUDE EMPLOYER SOCIAL SECURITY TAXES.**

(a) **IN GENERAL.**—Subsection (a) of section 6051 (relating to receipts for employees) is amended by striking "and" at the end of paragraph (10), by striking the period at the end of paragraph (11) and inserting a comma, and by inserting after paragraph (11) the following new paragraphs:

"(12) the amount of tax imposed by section 3111(a), and

"(13) the amount of tax imposed by section 3111(b)."

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply with respect to remuneration paid after December 31, 1999.

**SEC. 1304. CONSISTENT TREATMENT OF SURVIVOR BENEFITS FOR PUBLIC SAFETY OFFICERS KILLED IN THE LINE OF DUTY.**

Subsection (b) of section 1528 of the Taxpayer Relief Act of 1997 (Public Law 105-34) is amended by striking the period and inserting ', and to amounts received in taxable years beginning after December 31, 1999, with respect to individuals dying on or before December 31, 1996.'

**Subtitle B—Provisions Primarily Affecting Businesses**

**SEC. 1311. DISTRIBUTIONS FROM PUBLICLY TRADED PARTNERSHIPS TREATED AS QUALIFYING INCOME OF REGULATED INVESTMENT COMPANIES.**

(a) **IN GENERAL.**—Paragraph (2) of section 851(b) (defining regulated investment company)

is amended by inserting "income derived from an interest in a publicly traded partnership (as defined in section 7704(b)), after "dividends, interest,".

(b) **SOURCE FLOW-THROUGH RULE NOT TO APPLY.**—The last sentence of section 851(b) is amended by inserting "(other than a publicly traded partnership (as defined in section 7704(b)))" after "derived from a partnership".

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

**SEC. 1312. SPECIAL PASSIVE ACTIVITY RULE FOR PUBLICLY TRADED PARTNERSHIPS TO APPLY TO REGULATED INVESTMENT COMPANIES.**

(a) **IN GENERAL.**—Subsection (k) of section 469 (relating to separate application of section in case of publicly traded partnerships) is amended by adding at the end the following new paragraph:

"(4) **APPLICATION TO REGULATED INVESTMENT COMPANIES.**—For purposes of this section, a regulated investment company (as defined in section 851) holding an interest in a publicly traded partnership shall be treated as a taxpayer described in subsection (a)(2) with respect to items attributable to such interest."

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

**SEC. 1313. LARGE ELECTRIC TRUCKS, VANS, AND BUSES ELIGIBLE FOR DEDUCTION FOR CLEAN-FUEL VEHICLES IN LIEU OF CREDIT.**

(a) **IN GENERAL.**—Paragraph (1) of section 30(c) (relating to credit for qualified electric vehicles) is amended by adding at the end the following new flush sentence:

"Such term shall not include any vehicle described in subclause (I) or (II) of section 179A(b)(1)(A)(iii)."

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to property placed in service after December 31, 1999.

**SEC. 1314. MODIFICATIONS TO SPECIAL RULES FOR NUCLEAR DECOMMISSIONING COSTS.**

(a) **REPEAL OF LIMITATION ON DEPOSITS INTO FUND BASED ON COST OF SERVICE.**—Subsection (b) of section 468A is amended to read as follows:

"(b) **LIMITATION ON AMOUNTS PAID INTO FUND.**—The amount which a taxpayer may pay into the Fund for any taxable year shall not exceed the ruling amount applicable to such taxable year."

(b) **CLARIFICATION OF TREATMENT OF FUND TRANSFERS.**—Subsection (e) of section 468A is amended by adding at the end the following new paragraph:

"(8) **TREATMENT OF FUND TRANSFERS.**—If, in connection with the transfer of the taxpayer's interest in a nuclear powerplant, the taxpayer transfers the Fund with respect to such powerplant to the transferee of such interest and the transferee elects to continue the application of this section to such Fund—

"(A) the transfer of such Fund shall not cause such Fund to be disqualified from the application of this section, and

"(B) no amount shall be treated as distributed from such Fund, or be includible in gross income, by reason of such transfer."

(c) **TRANSFERS OF BALANCES IN NONQUALIFIED FUNDS.**—Section 468A is amended by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and by inserting after subsection (e) the following new subsection:

"(f) **TRANSFERS OF BALANCES IN NON-QUALIFIED FUNDS INTO QUALIFIED FUNDS.**—

"(1) **IN GENERAL.**—Notwithstanding subsection (b), any taxpayer maintaining a Fund to which this section applies with respect to a nuclear powerplant may transfer into such Fund

amounts held in any nonqualified fund of such taxpayer with respect to such powerplant.

"(2) **MAXIMUM AMOUNT PERMITTED TO BE TRANSFERRED.**—The amount permitted to be transferred under paragraph (1) shall not exceed the balance in the nonqualified fund as of December 31, 1998.

"(3) **DEDUCTION FOR AMOUNTS TRANSFERRED.**—

"(A) **IN GENERAL.**—The deduction allowed by subsection (a) for any transfer permitted by this subsection shall be allowed ratably over the remaining estimated useful life (within the meaning of subsection (d)(2)(A)) of the nuclear powerplant, beginning with the later of the taxable year during which the transfer is made or the taxpayer's first taxable year beginning after December 31, 2001.

"(B) **DENIAL OF DEDUCTION FOR PREVIOUSLY DEDUCTED AMOUNTS.**—No deduction shall be allowed for any transfer under this subsection of an amount for which a deduction was allowed when such amount was paid into the nonqualified fund. For purposes of the preceding sentence, a ratable portion of each transfer shall be treated as being from previously deducted amounts to the extent thereof.

"(C) **TRANSFERS OF QUALIFIED FUNDS.**—If—

"(i) any transfer permitted by this subsection is made to any Fund to which this section applies, and

"(ii) such Fund is transferred thereafter, any deduction under this subsection for taxable years ending after the date that such Fund is transferred shall be allowed to the transferee and not to the transferor. The preceding sentence shall not apply if the transferor is an organization exempt from tax imposed by this chapter.

"(4) **NEW RULING AMOUNT REQUIRED.**—Paragraph (1) shall not apply to any transfer unless the taxpayer requests from the Secretary a new schedule of ruling amounts in connection with such transfer.

"(5) **NONQUALIFIED FUND.**—For purposes of this subsection, the term 'nonqualified fund' means, with respect to any nuclear powerplant, any fund in which amounts are irrevocably set aside pursuant to the requirements of any State or Federal agency exclusively for the purpose of funding the decommissioning of such powerplant.

"(6) **NO BASIS IN QUALIFIED FUNDS.**—Notwithstanding any other provision of law, the basis of any Fund to which this section applies shall not be increased by reason of any transfer permitted by this subsection."

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 1315. CONSOLIDATION OF LIFE INSURANCE COMPANIES WITH OTHER CORPORATIONS.**

(a) **IN GENERAL.**—Section 1504(b) (defining includible corporation) is amended by striking paragraph (2).

(b) **CONFORMING AMENDMENTS.**—

(1) Subsection (c) of section 1503 is amended by striking paragraph (2) (relating to losses of recent nonlife affiliates).

(2) Section 1504 is amended by striking subsection (c) and by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.

(3) Section 1503(c)(1) (relating to special rule for application of certain losses against income of insurance companies taxed under section 801) is amended by striking "an election under section 1504(c)(2) is in effect for the taxable year and".

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

(d) **NO CARRYBACK BEFORE JANUARY 1, 2005.**—To the extent that a consolidated net operating

loss is allowed or increased by reason of the amendments made by this section, such loss may not be carried back to a taxable year beginning before January 1, 2005.

(e) **NONTERMINATION OF GROUP.**—No affiliated group shall terminate solely as a result of the amendments made by this section.

(f) **WAIVER OF 5-YEAR WAITING PERIOD.**—Under regulations prescribed by the Secretary of the Treasury or his delegate, an automatic waiver from the 5-year waiting period for re-consolidation provided in section 1504(a)(3) of such Code shall be granted to any corporation which was previously an includible corporation but was subsequently deemed a nonincludible corporation as a result of becoming a subsidiary of a corporation which was not an includible corporation solely by operation of section 1504(c)(2) of such Code (as in effect on the day before the date of enactment of this Act).

**Subtitle C—Provisions Relating to Excise Taxes**

**SEC. 1321. CONSOLIDATION OF HAZARDOUS SUBSTANCE SUPERFUND AND LEAKING UNDERGROUND STORAGE TANK TRUST FUND.**

(a) **IN GENERAL.**—Subchapter A of chapter 98 (relating to trust fund code) is amended by striking sections 9507 and 9508 and inserting the following new section:

**"SEC. 9507. ENVIRONMENTAL REMEDIATION TRUST FUND.**

"(a) **CREATION OF TRUST FUND.**—There is established in the Treasury of the United States a trust fund to be known as the 'Environmental Remediation Trust Fund' consisting of such amounts as may be—

"(1) appropriated to the Environmental Remediation Trust Fund as provided in this section,

"(2) appropriated to the Environmental Remediation Trust Fund pursuant to section 517(b) of the Superfund Revenue Act of 1986, or

"(3) credited to the Environmental Remediation Trust Fund as provided in section 9602(b).

"(b) **TRANSFERS TO ENVIRONMENTAL REMEDIATION TRUST FUND.**—

"(1) **IN GENERAL.**—There are hereby appropriated to the Environmental Remediation Trust Fund amounts equivalent to—

"(A) the taxes received in the Treasury under—

"(i) section 59A, 4611, 4661, or 4671 (relating to environmental taxes),

"(ii) section 4041(d) (relating to additional taxes on motor fuels),

"(iii) section 4081 (relating to tax on gasoline, diesel fuel, and kerosene) to the extent attributable to the Environmental Remediation Trust Fund financing rate under such section,

"(iv) section 4091 (relating to tax on aviation fuel) to the extent attributable to the Environmental Remediation Trust Fund financing rate under such section, and

"(v) section 4042 (relating to tax on fuel used in commercial transportation on inland waterways) to the extent attributable to the Environmental Remediation Trust Fund financing rate under such section,

"(B) amounts recovered on behalf of the Environmental Remediation Trust Fund under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (hereinafter in this section referred to as 'CERCLA'),

"(C) all moneys recovered or collected under section 311(b)(6)(B) of the Clean Water Act,

"(D) penalties assessed under title I of CERCLA,

"(E) punitive damages under section 107(c)(3) of CERCLA, and

"(F) amounts received in the Treasury and collected under section 9003(h)(6) of the Solid Waste Disposal Act.

"(2) **LIMITATION ON TRANSFERS.**—

"(A) **IN GENERAL.**—Except as provided in subparagraph (B), no amount may be appropriated

or credited to the Environmental Remediation Trust Fund on and after the date of any expenditure from any such Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

“(i) any provision of law which is not contained or referenced in this title or in a revenue Act, and

“(ii) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this paragraph.

“(B) EXCEPTION FOR PRIOR OBLIGATIONS.—Subparagraph (A) shall not apply to any expenditure to liquidate any contract entered into (or for any amount otherwise obligated) in accordance with the provisions of this section.”

“(C) EXPENDITURES FROM ENVIRONMENTAL REMEDIATION TRUST FUND.—

“(1) IN GENERAL.—Amounts in the Environmental Remediation Trust Fund shall be available, as provided in appropriation Acts, only for purposes of making expenditures—

“(A) to carry out the purposes of—

“(i) paragraphs (1), (2), (5), and (6) of section 111(a) of CERCLA as in effect on July 12, 1999,

“(ii) section 111(c) of CERCLA (as so in effect), other than paragraphs (1) and (2) thereof, and

“(iii) section 111(m) of CERCLA (as so in effect), or

“(B) to carry out section 9003(h) of the Solid Waste Disposal Act as in effect on July 12, 1999.

“(2) EXCEPTION FOR CERTAIN TRANSFERS, ETC., OF HAZARDOUS SUBSTANCES.—No amount in the Environmental Remediation Trust Fund or derived from the Environmental Remediation Trust Fund shall be available or used for the transfer or disposal of hazardous waste carried out pursuant to a cooperative agreement between the Administrator of the Environmental Protection Agency and a State if the following conditions apply—

“(A) the transfer or disposal, if made on December 13, 1985, would not comply with a State or local requirement,

“(B) the transfer is to a facility for which a final permit under section 3005(a) of the Solid Waste Disposal Act was issued after January 1, 1983, and before November 1, 1984, and

“(C) the transfer is from a facility identified as the McColl Site in Fullerton, California.

“(3) TRANSFERS FROM TRUST FUND FOR CERTAIN REPAYMENTS AND CREDITS.—

“(A) IN GENERAL.—The Secretary shall pay from time to time from the Environmental Remediation Trust Fund into the general fund of the Treasury amounts equivalent to—

“(i) amounts paid under—

“(I) section 6420 (relating to amounts paid in respect of gasoline used on farms),

“(II) section 6421 (relating to amounts paid in respect of gasoline used for certain nonhighway purposes or by local transit systems), and

“(III) section 6427 (relating to fuels not used for taxable purposes), and

“(ii) credits allowed under section 34, with respect to the taxes imposed by section 4041(d) or by sections 4081 and 4091 (to the extent attributable to the Leaking Underground Storage Tank Trust Fund financing rate or the Environmental Remediation Trust Fund financing rate under such sections).

“(B) TRANSFERS BASED ON ESTIMATES.—Transfers under subparagraph (A) shall be made on the basis of estimates by the Secretary, and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

“(d) LIABILITY OF UNITED STATES LIMITED TO AMOUNT IN TRUST FUND.—

“(1) GENERAL RULE.—Any claim filed against the Environmental Remediation Trust Fund

may be paid only out of the Environmental Remediation Trust Fund.

“(2) COORDINATION WITH OTHER PROVISIONS.—Nothing in CERCLA or the Superfund Amendments and Reauthorization Act of 1986 (or in any amendment made by either of such Acts) shall authorize the payment by the United States Government of any amount with respect to any such claim out of any source other than the Environmental Remediation Trust Fund.

“(3) ORDER IN WHICH UNPAID CLAIMS ARE TO BE PAID.—If at any time the Environmental Remediation Trust Fund has insufficient funds to pay all of the claims payable out of the Environmental Remediation Trust Fund at such time, such claims shall, to the extent permitted under paragraph (1), be paid in full in the order in which they were finally determined.”

(b) CONFORMING AMENDMENTS.—

(1) Subsections (c) and (d) of section 4611 are each amended by striking “Hazardous Substance Superfund” each place it appears and inserting “Environmental Remediation Trust Fund”.

(2) Subsection (c) of section 4661 is amended by striking “Hazardous Substance Superfund” and inserting “Environmental Remediation Trust Fund”.

(3) Sections 4041(d), 4042(b), 4081(a)(2)(B), 4081(d)(3), 4091(b), 4092(b), 6421(f), and 6427(l) are each amended by striking “Leaking Underground Storage Tank” each place it appears (other than the headings) and inserting “Environmental Remediation”.

(4) The heading for subsection (d) of section 4041 is amended by striking “LEAKING UNDERGROUND STORAGE TANK” and inserting “ENVIRONMENTAL REMEDIATION”.

(5) The headings for subsections (a)(2)(B) and (d)(3) of section 4081 and section 4091(b)(2) are each amended by striking “LEAKING UNDERGROUND STORAGE TANK” and inserting “ENVIRONMENTAL REMEDIATION”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1999.

(d) ENVIRONMENTAL REMEDIATION TRUST FUND TREATED AS CONTINUATION OF OLD TRUST FUNDS.—The Environmental Remediation Trust Fund established by the amendments made by this section shall be treated for all purposes of law as a continuation of both the Hazardous Substance Superfund and the Leaking Underground Storage Tank Trust Fund. Any reference in any law to the Hazardous Substance Superfund or the Leaking Underground Storage Tank Trust Fund shall be deemed to include (wherever appropriate) a reference to the Environmental Remediation Trust Fund established by such amendments.

**SEC. 1322. REPEAL OF CERTAIN MOTOR FUEL EXCISE TAXES ON FUEL USED BY RAILROADS AND ON INLAND WATERWAY TRANSPORTATION.**

(a) REPEAL OF LEAKING UNDERGROUND STORAGE TANK TRUST FUND TAXES ON FUEL USED IN TRAINS.—

(1) IN GENERAL.—Paragraph (1) of section 4041(d) is amended by adding at the end the following new sentence: “The preceding sentence shall not apply to any sale for use, or use, of fuel in a diesel-powered train.”

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (3) of section 6421(f) is amended by striking “with respect to—” and all that follows through “so much of” and inserting “with respect to so much of”.

(B) Paragraph (3) of section 6427(l) is amended by striking “with respect to—” and all that follows through “so much of” and inserting “with respect to so much of”.

(b) REPEAL OF 4.3-CENT MOTOR FUEL EXCISE TAXES ON RAILROADS AND INLAND WATERWAY TRANSPORTATION WHICH REMAIN IN GENERAL FUND.—

(1) TAXES ON TRAINS.—

(A) IN GENERAL.—Subparagraph (A) of section 4041(a)(1) is amended by striking “or a diesel-powered train” each place it appears and by striking “or train”.

(B) CONFORMING AMENDMENTS.—

(i) Subparagraph (C) of section 4041(a)(1) is amended by striking clause (ii) and by redesignating clause (iii) as clause (ii).

(ii) Subparagraph (C) of section 4041(b)(1) is amended by striking all that follows “section 6421(e)(2)” and inserting a period.

(iii) Paragraph (3) of section 4083(a) is amended by striking “or a diesel-powered train”.

(iv) Section 6421(f) is amended by striking paragraph (3).

(v) Section 6427(l) is amended by striking paragraph (3).

(2) FUEL USED ON INLAND WATERWAYS.—

(A) IN GENERAL.—Paragraph (1) of section 4042(b) is amended by adding “and” at the end of subparagraph (A), by striking “, and” at the end of subparagraph (B) and inserting a period, and by striking subparagraph (C).

(B) CONFORMING AMENDMENT.—Paragraph (2) of section 4042(b) is amended by striking subparagraph (C).

(c) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 1999 (October 1, 2003, in the case of the amendments made by subsection (b)), but shall not take effect if section 1321 does not take effect.

**SEC. 1323. REPEAL OF EXCISE TAX ON FISHING TACKLE BOXES.**

(a) IN GENERAL.—Paragraph (6) of section 4162(a) (defining sport fishing equipment) is amended by striking subparagraph (C) and by redesignating subparagraphs (D) through (J) as subparagraphs (C) through (I), respectively.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to articles sold by the manufacturer, producer, or importer more than 30 days after the date of the enactment of this Act.

**SEC. 1324. CLARIFICATION OF EXCISE TAX IMPOSED ON ARROW COMPONENTS.**

(a) IN GENERAL.—Paragraph (2) of section 4161(b) (relating to bows and arrows, etc.) is amended to read as follows:

“(2) ARROWS.—

“(A) IN GENERAL.—There is hereby imposed on the sale by the manufacturer, producer, or importer of any shaft, point, article used to attach a point to a shaft, nock, or vane of a type used in the manufacture of any arrow which after its assembly—

“(i) measures 18 inches overall or more in length, or

“(ii) measures less than 18 inches overall in length but is suitable for use with a bow described in paragraph (1)(A), a tax equal to 12.4 percent of the price for which so sold.

“(B) REDUCED RATE ON CERTAIN HUNTING POINTS.—Subparagraph (A) shall be applied by substituting ‘11 percent’ for ‘12.4 percent’ in the case of a point which is designed primarily for use in hunting fish or large animals.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to articles sold by the manufacturer, producer, or importer after the close of the first calendar month ending more than 30 days after the date of the enactment of this Act.

**Subtitle D—Improvements in Low-Income Housing Credit**

**SEC. 1331. INCREASE IN STATE CEILING ON LOW-INCOME HOUSING CREDIT.**

(a) INCREASE IN STATE CEILING.—Clause (i) of section 42(h)(3)(C) (relating to State housing credit ceiling) is amended by striking “\$1.25” and inserting “the applicable amount under subparagraph (H)”.

(b) APPLICABLE AMOUNT; ADJUSTMENT OF STATE CEILING FOR INCREASES IN COST-OF-LIVING.—Paragraph (3) of section 42(h) (relating to

housing credit dollar amount for agencies) is amended by adding at the end the following new subparagraphs:

“(H) INITIAL AMOUNT OF STATE CEILING.—For purposes of subparagraph (C)(i), the applicable amount shall be determined under the following table:

“For calendar year	The applicable amount is
2000 .....	\$1.35
2001 .....	1.45
2002 .....	1.55
2003 .....	1.65
2004 and thereafter .....	1.75.

“(I) COST-OF-LIVING ADJUSTMENT.—

“(i) IN GENERAL.—In the case of a calendar year after 2004 the \$1.75 amount in subparagraph (H) shall be increased by an amount equal to—

“(I) such dollar amount, multiplied by  
“(II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting ‘calendar year 2003’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(ii) ROUNDING.—Any increase under clause (i) which is not a multiple of 5 cents shall be rounded to the next lowest multiple of 5 cents.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 1999.

#### SEC. 1332. MODIFICATION OF CRITERIA FOR ALLOCATING HOUSING CREDITS AMONG PROJECTS.

(a) SELECTION CRITERIA.—Subparagraph (C) of section 42(m)(1) (relating to certain selection criteria must be used) is amended—

(1) by inserting “, including whether the project includes the use of existing housing as part of a community revitalization plan” before the comma at the end of clause (iii), and

(2) by striking clauses (v), (vi), and (vii) and inserting the following new clauses:

“(v) tenant populations with special housing needs,

“(vi) public housing waiting lists,

“(vii) tenant populations of individuals with children, and

“(viii) projects intended for eventual tenant ownership.”

(b) PREFERENCE FOR COMMUNITY REVITALIZATION PROJECTS LOCATED IN QUALIFIED CENSUS TRACTS.—Clause (ii) of section 42(m)(1)(B) is amended by striking “and” at the end of subclause (I), by adding “and” at the end of subclause (II), and by inserting after subclause (II) the following new subclause:

“(III) projects which are located in qualified census tracts (as defined in subsection (d)(5)(C)) and the development of which contributes to a concerted community revitalization plan.”.

#### SEC. 1333. ADDITIONAL RESPONSIBILITIES OF HOUSING CREDIT AGENCIES.

(a) MARKET STUDY; PUBLIC DISCLOSURE OF RATIONALE FOR NOT FOLLOWING CREDIT ALLOCATION PRIORITIES.—Subparagraph (A) of section 42(m)(1) (relating to responsibilities of housing credit agencies) is amended by striking “and” at the end of clause (i), by striking the period at the end of clause (ii) and inserting a comma, and by adding at the end the following new clauses:

“(iii) a comprehensive market study of the housing needs of low-income individuals in the area to be served by the project is conducted before the credit allocation is made and at the developer's expense by a disinterested party who is approved by such agency, and

“(iv) a written explanation is available to the general public for any allocation of a housing credit dollar amount which is not made in accordance with established priorities and selection criteria of the housing credit agency.”.

(b) SITE VISITS.—Clause (iii) of section 42(m)(1)(B) (relating to qualified allocation

plan) is amended by inserting before the period “and in monitoring for noncompliance with habitability standards through regular site visits”.

#### SEC. 1334. MODIFICATIONS TO RULES RELATING TO BASIS OF BUILDING WHICH IS ELIGIBLE FOR CREDIT.

(a) HOME ASSISTANCE NOT TO DISQUALIFY BUILDING FOR ADDITIONAL CREDIT AVAILABLE TO BUILDINGS IN HIGH COST AREAS.—Clause (i) of section 42(i)(2)(E) (relating to buildings receiving HOME assistance) is amended by striking the last sentence.

(b) ADJUSTED BASIS TO INCLUDE PORTION OF CERTAIN BUILDINGS USED BY LOW-INCOME INDIVIDUALS WHO ARE NOT TENANTS AND BY PROJECT EMPLOYEES.—Paragraph (4) of section 42(d) (relating to special rules relating to determination of adjusted basis) is amended—

(1) by striking “subparagraph (B)” in subparagraph (A) and inserting “subparagraphs (B) and (C)”,

(2) by redesignating subparagraph (C) as subparagraph (D), and

(3) by inserting after subparagraph (B) the following new subparagraph:

“(C) INCLUSION OF BASIS OF PROPERTY USED TO PROVIDE SERVICES FOR CERTAIN NONTENANTS.—

“(i) IN GENERAL.—The adjusted basis of any building located in a qualified census tract (as defined in paragraph (5)(C)) shall be determined by taking into account the adjusted basis of property (of a character subject to the allowance for depreciation and not otherwise taken into account) used throughout the taxable year in providing any community service facility.

“(ii) LIMITATION.—The increase in the adjusted basis of any building which is taken into account by reason of clause (i) shall not exceed 20 percent of the eligible basis of the qualified low-income housing project of which it is a part. For purposes of the preceding sentence, all community service facilities which are part of the same qualified low-income housing project shall be treated as 1 facility.

“(iii) COMMUNITY SERVICE FACILITY.—For purposes of this subparagraph, the term ‘community service facility’ means any facility designed to serve primarily individuals whose income is 60 percent or less of area median income (within the meaning of subsection (g)(1)(B)).”.

#### SEC. 1335. OTHER MODIFICATIONS.

(a) ALLOCATION OF CREDIT LIMIT TO CERTAIN BUILDINGS.—

(1) The first sentence of section 42(h)(1)(E)(ii) is amended by striking “(as of” the first place it appears and inserting “(as of the later of the date which is 6 months after the date that the allocation was made or”.

(2) The last sentence of section 42(h)(3)(C) is amended by striking “project which” and inserting “project which fails to meet the 10 percent test under paragraph (1)(E)(ii) on a date after the close of the calendar year in which the allocation was made or which”.

(b) DETERMINATION OF WHETHER BUILDINGS ARE LOCATED IN HIGH COST AREAS.—The first sentence of section 42(d)(5)(C)(ii)(I) is amended—

(1) by inserting “either” before “in which 50 percent”, and

(2) by inserting before the period “or which has a poverty rate of at least 25 percent”.

#### SEC. 1336. CARRYFORWARD RULES.

(a) IN GENERAL.—Clause (ii) of section 42(h)(3)(D) (relating to unused housing credit carryovers allocated among certain states) is amended by striking “the excess” and all that follows and inserting “the excess (if any) of—

“(I) the unused State housing credit ceiling for the year preceding such year, over

“(II) the aggregate housing credit dollar amount allocated for such year.”.

(b) CONFORMING AMENDMENT.—The second sentence of section 42(h)(3)(C) (relating to State housing credit ceiling) is amended by striking “clauses (i) and (iii)” and inserting “clauses (i) through (iv)”.

#### SEC. 1337. EFFECTIVE DATE.

Except as otherwise provided in this subtitle, the amendments made by this subtitle shall apply to—

(1) housing credit dollar amounts allocated after December 31, 2000, and

(2) buildings placed in service after such date to the extent paragraph (1) of section 42(h) of the Internal Revenue Code of 1986 does not apply to any building by reason of paragraph (4) thereof, but only with respect to bonds issued after such date.

#### Subtitle E—Entrepreneurial Equity Capital Formation

#### PART I—TAX-FREE CONVERSIONS OF SPECIALIZED SMALL BUSINESS INVESTMENT COMPANIES INTO PASS-THRU ENTITIES

#### SEC. 1341. MODIFICATIONS TO PROVISIONS RELATING TO REGULATED INVESTMENT COMPANIES.

(a) IN GENERAL.—Section 851 (relating to definition of regulated investment company) is amended by adding at the end the following new subsection:

“(i) SPECIAL RULES FOR SPECIALIZED SMALL BUSINESS INVESTMENT COMPANIES.—

“(1) IN GENERAL.—For purposes of determining whether a specialized small business investment company is a regulated investment company for purposes of this subchapter—

“(A) income derived from an investment as a limited partner in a partnership shall be treated as qualifying income under subsection (b)(2) if—

“(i) the company does not participate in the active management of the normal business operations of the partnership, and

“(ii) the company's investment in such partnership is an investment permitted for specialized small business investment companies under the Small Business Investment Act of 1958, and

“(B) the requirements of subsection (b)(3) shall be treated as met if, at the close of each quarter of the taxable year, at least 50 percent of the value of its total assets is represented by—

“(i) assets described in subsection (b)(3)(A)(i), and

“(ii) other investments permitted to be made by a specialized small business investment company under the Small Business Investment Act of 1958.

“(2) COORDINATION OF DISTRIBUTION REQUIREMENTS WITH SBIC REQUIREMENTS.—A specialized small business investment company shall be treated as meeting the requirements of section 852(a)(1) if the deduction for dividends paid during the taxable year (as defined in section 561, but without regard to capital gain dividends) equals or exceeds the lesser of the amount required under section 852(a)(1) or 100 percent of the maximum amount that the company would be permitted to distribute during such year under the Small Business Investment Act of 1958.

“(3) SPECIALIZED SMALL BUSINESS INVESTMENT COMPANY.—For purposes of this subsection, the term ‘specialized small business investment company’ has the meaning given to such term by section 1044(c)(3).

“(4) REFERENCES TO 1958 ACT.—For purposes of this subsection, references to the Small Business Investment Act of 1958 shall be treated as references to such Act as in effect on May 13, 1993.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of enactment of this Act.

**SEC. 1342. TAX-FREE REORGANIZATION OF SPECIALIZED SMALL BUSINESS INVESTMENT COMPANY AS A PARTNERSHIP.**

(a) **IN GENERAL.**—If, within 180 days after the date of the enactment of this Act, a corporation which is a specialized small business investment company transfers substantially all of its assets to a partnership (including its license to operate as a specialized small business investment company) solely in exchange for partnership interests in such partnership, no gain or loss shall be recognized to the corporation on such a transfer if—

(1) immediately after such exchange, such corporation holds partnership interests in such partnership having a value equal to at least 80 percent of the total value of all partnership interests in such partnership, and

(2) before the 90th day after such exchange, such corporation transfers all partnership interests held by the corporation in such partnership, and all remaining assets of the corporation, to its shareholders in the complete liquidation of such corporation.

(b) **NONRECOGNITION OF GAIN OR LOSS TO CORPORATION ON DISTRIBUTION OF PARTNERSHIP INTERESTS.**—In the case of any distribution of a partnership interest acquired by the liquidating corporation in an exchange to which subsection (a) applies—

(1) no gain or loss shall be recognized to the liquidating corporation by reason of such distribution, and

(2) such distribution shall not be treated as a sale or exchange for purposes of section 708(b)(1)(B) of the Internal Revenue Code of 1986.

(c) **GAIN RECOGNIZED BY SHAREHOLDERS ON RECEIPT OF PROPERTY OTHER THAN PARTNERSHIP INTERESTS.**—

(1) **IN GENERAL.**—No gain or loss shall be recognized to a shareholder of a corporation on the transfer of such shareholder's stock in such corporation to such corporation solely in exchange for a partnership interest in the partnership referred to in subsection (a)(1).

(2) **RECEIPT OF PROPERTY.**—If paragraph (1) would apply to an exchange but for the fact that there is received, in addition to the partnership interests permitted to be received under paragraph (1), other property or money, then—

(A) gain (if any) to such recipient shall be recognized, but not in excess of—

(i) the amount of money received, plus

(ii) the fair market value of such other property received, and

(B) no loss to such recipient shall be recognized.

(d) **BASIS.**—The basis of property received in any exchange to which this section applies shall be determined in accordance with rules similar to the rules of section 358 of the Internal Revenue Code of 1986.

(e) **ADDITIONAL REQUIREMENTS.**—This section shall not apply to any specialized small business investment company unless—

(1) such company elects to be subject to tax on its built-in gains computed in a manner similar to that provided in section 1374 of such Code (without regard to any recognition period (as defined in subsection (d)(7) thereof)), and

(2) such company distributes all of its accumulated earnings and profits (in distributions to which section 301 of such Code applies) before its liquidation under this section.

If, after making an election under paragraph (1), a company ceases to be a specialized small business investment company, such company shall be treated as having disposed of all of its assets for purposes of applying paragraph (1).

(f) **SPECIALIZED SMALL BUSINESS INVESTMENT COMPANY.**—For purposes of this section, the term "specialized small business investment company" has the meaning given to such term by section 1044(c)(3) of such Code.

**PART II—ADDITIONAL INCENTIVES RELATED TO INVESTING IN SPECIALIZED SMALL BUSINESS INVESTMENT COMPANIES****SEC. 1346. EXPANSION OF NONRECOGNITION TREATMENT FOR SECURITIES GAIN ROLLED OVER INTO SPECIALIZED SMALL BUSINESS INVESTMENT COMPANIES.**

(a) **EXTENSION OF ROLLOVER PERIOD.**—Paragraph (1) of section 1044(a) (relating to nonrecognition of gain) is amended by striking "60-day period" and inserting "180-day period".

(b) **INCREASE OF MAXIMUM EXCLUSION.**—

(1) **IN GENERAL.**—Paragraphs (1) and (2) of section 1044(b) (relating to limitations) are amended to read as follows:

"(1) **LIMITATION ON INDIVIDUALS.**—In the case of an individual, the amount of gain which may be excluded under subsection (a) for any taxable year shall not exceed—

"(A) \$750,000, reduced by

"(B) the amount of gain excluded under subsection (a) for all preceding taxable years.

"(2) **LIMITATION ON C CORPORATIONS.**—In the case of a C corporation, the amount of gain which may be excluded under subsection (a) for any taxable year shall not exceed—

"(A) \$2,000,000, reduced by

"(B) the amount of gain excluded under subsection (a) for all preceding taxable years."

(2) **CONFORMING AMENDMENT.**—Subparagraph (A) of section 1044(b)(3) (relating to special rules for married individuals) is amended to read as follows:

"(A) **SEPARATE RETURNS.**—In the case of a separate return by a married individual, paragraph (1) shall be applied by substituting '\$375,000' for '\$750,000'."

(c) **EXTENSION TO PREFERRED STOCK.**—Paragraph (1) of section 1044(a) is amended by striking "common".

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to sales occurring after the date of the enactment of this Act.

**SEC. 1347. MODIFICATIONS TO EXCLUSION FOR GAIN FROM QUALIFIED SMALL BUSINESS STOCK.**

(a) **IN GENERAL.**—Section 1202 (relating to 50-percent exclusion for gain from certain small business stock) is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

"(k) **SPECIAL RULES FOR SPECIALIZED SMALL BUSINESS INVESTMENT COMPANIES.**—

"(1) **INCREASE IN EXCLUSION.**—In the case of—

"(A) the sale or exchange of stock in a specialized small business investment company, and

"(B) any amount treated under subsection (g) as gain described in subsection (a) by reason of the sale or exchange of stock in a specialized small business investment company,

subsection (a) shall be applied by substituting '60 percent' for '50 percent'."

"(2) **WAIVER OF ACTIVE BUSINESS REQUIREMENT.**—Notwithstanding any provision of subsection (e), a corporation shall be treated as meeting the active business requirements of such subsection for any period during which such corporation qualifies as a specialized small business investment company.

"(3) **SPECIALIZED SMALL BUSINESS INVESTMENT COMPANY.**—For purposes of this section, the term "specialized small business investment company" means any eligible corporation (as defined in subsection (e)(4)) which is licensed to operate under section 301(d) of the Small Business Investment Act of 1958 (as in effect on May 13, 1993)."

(b) **CONFORMING AMENDMENT.**—Section 1202(c)(2) is amended to read as follows:

"(2) **ACTIVE BUSINESS REQUIREMENT, ETC.**—Stock in a corporation shall not be treated as qualified small business stock unless, during

substantially all of the taxpayer's holding period for such stock, such corporation meets the active business requirements of subsection (e) and such corporation is a C corporation."

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to sales and exchanges occurring after the date of the enactment of this Act.

**Subtitle F—Other Provisions****SEC. 1351. INCREASE IN VOLUME CAP ON PRIVATE ACTIVITY BONDS.**

(a) **IN GENERAL.**—Subsection (d) of section 146 (relating to volume cap) is amended by striking paragraph (2), by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and by striking paragraph (1) and inserting the following new paragraph:

"(1) **IN GENERAL.**—The State ceiling applicable to any State for any calendar year shall be the greater of—

"(A) an amount equal to \$75 multiplied by the State population, or

"(B) \$225,000,000.

Subparagraph (B) shall not apply to any possession of the United States."

(b) **CONFORMING AMENDMENT.**—Sections 25(f)(3) and 42(h)(3)(E)(iii) are each amended by striking "section 146(d)(3)(C)" and inserting "section 146(d)(2)(C)".

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to calendar years after 1999.

**SEC. 1352. TAX TREATMENT OF ALASKA NATIVE SETTLEMENT TRUSTS.**

(a) **IN GENERAL.**—Subpart A of part I of subchapter J of chapter 1 (relating to general rules for taxation of trusts and estates) is amended by adding at the end the following new section:

**"SEC. 646. ELECTING ALASKA NATIVE SETTLEMENT TRUSTS.**

"(a) **IN GENERAL.**—Except as otherwise provided in this section, the provisions of this subchapter and section 1(e) shall apply to all Settlement Trusts.

"(b) **BENEFICIARIES OF ELECTING TRUST NOT TAXED ON CONTRIBUTIONS.**—

"(1) **IN GENERAL.**—In the case of a Settlement Trust for which an election under paragraph (2) is in effect for any taxable year, no amount shall be includible in the gross income of a beneficiary of the Settlement Trust by reason of a contribution to the Settlement Trust made during such taxable year.

"(2) **ONE-TIME ELECTION.**—

"(A) **IN GENERAL.**—A Settlement Trust may elect to have the provisions of this section apply to the trust and its beneficiaries.

"(B) **TIME AND METHOD OF ELECTION.**—An election under subparagraph (A) shall be made—

"(i) before the due date (including extensions) for filing the Settlement Trust's return of tax for the 1st taxable year of the Settlement Trust ending after December 31, 1999, and

"(ii) by attaching to such return of tax a statement specifically providing for such election.

"(C) **PERIOD ELECTION IN EFFECT.**—Except as provided in paragraph (3), an election under subparagraph (A)—

"(i) shall apply to the 1st taxable year described in subparagraph (B)(i) and all subsequent taxable years, and

"(ii) may not be revoked once it is made.

"(c) **SPECIAL RULES WHERE TRANSFER RESTRICTIONS MODIFIED.**—

"(1) **TRANSFER OF BENEFICIAL INTERESTS.**—If, at any time, a beneficial interest in a Settlement Trust may be disposed of to a person in a manner which would not be permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)) if the interest were Settlement Common Stock—

"(A) no election may be made under subsection (b)(2) with respect to such trust, and

“(B) if such an election is in effect as of such time, such election shall cease to apply for purposes of subsection (b)(1) as of the 1st day of the taxable year following the taxable year in which such disposition is first permitted.

“(2) STOCK IN CORPORATION.—If—

“(A) the Settlement Common Stock in any Native Corporation which transferred assets to a Settlement Trust making an election under subsection (b)(2) may be disposed of to a person in a manner not permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)), and

“(B) at any time after such disposition of stock is first permitted, such corporation transfers assets to such trust,

subparagraph (B) of paragraph (1) shall be applied to such trust on and after the date of the transfer in the same manner as if the trust permitted dispositions of beneficial interests in the trust in a manner not permitted by such section 7(h).

“(c) TAX TREATMENT OF DISTRIBUTIONS TO BENEFICIARIES.—

“(1) IN GENERAL.—In the case of a Settlement Trust for which an election under subsection (b)(2) is in effect for any taxable year, any distribution to a beneficiary shall be included in gross income of the beneficiary as ordinary income to the extent such distribution reduces the earnings and profits of any Native Corporation making a contribution to such Trust.

“(2) EARNINGS AND PROFITS.—The earnings and profits of any Native Corporation making a contribution to a Settlement Trust shall not be reduced on account thereof at the time of such contribution, but such earnings and profits shall be reduced (up to the amount of such contribution) as distributions are thereafter made by the Settlement Trust which exceed the sum of—

“(A) such Trust's total undistributed net income for all prior years during which an election under subsection (b)(2) is in effect, and

“(B) such Trust's distributable net income.

“(d) DEFINITIONS.—For purposes of this section—

“(1) NATIVE CORPORATION.—The term ‘Native Corporation’ has the meaning given such term by section 3(m) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)).

“(2) SETTLEMENT TRUST.—The term ‘Settlement Trust’ means a trust which constitutes a Settlement Trust under section 39 of the Alaska Native Claims Settlement Act (43 U.S.C. 1629e).”

(b) WITHHOLDING ON DISTRIBUTIONS BY ELECTING ANCSA SETTLEMENT TRUSTS.—Section 3402 is amended by adding at the end the following new subsection:

“(t) TAX WITHHOLDING ON DISTRIBUTIONS BY ELECTING ANCSA SETTLEMENT TRUSTS.—

“(1) IN GENERAL.—Any Settlement Trust (as defined in section 646(d)) for which an election under section 646(b)(2) is in effect (in this subsection referred to as an ‘electing trust’) and which makes a payment to any beneficiary which is includable in gross income under section 646(c) shall deduct and withhold from such payment a tax in an amount equal to such payment's proportionate share of the annualized tax.

“(2) EXCEPTION.—The tax imposed by paragraph (1) shall not apply to any payment to the extent that such payment, when annualized, does not exceed an amount equal to the amount in effect under section 6012(a)(1)(A)(i) for taxable years beginning in the calendar year in which the payment is made.

“(3) ANNUALIZED TAX.—For purposes of paragraph (1), the term ‘annualized tax’ means, with respect to any payment, the amount of tax which would be imposed by section 1(c) (determined without regard to any rate of tax in excess of 31 percent) on an amount of taxable income equal to the excess of—

“(A) the annualized amount of such payment, over

“(B) the amount determined under paragraph (2).

“(4) ANNUALIZATION.—For purposes of this subsection, amounts shall be annualized in the manner prescribed by the Secretary.

“(5) ALTERNATE WITHHOLDING PROCEDURES.—At the election of an electing trust, the tax imposed by this subsection on any payment made by such trust shall be determined in accordance with such tables or computational procedures as may be specified in regulations prescribed by the Secretary (in lieu of in accordance with paragraphs (2) and (3)).

“(6) COORDINATION WITH OTHER SECTIONS.—For purposes of this chapter and so much of subtitle F as relates to this chapter, payments which are subject to withholding under this subsection shall be treated as if they were wages paid by an employer to an employee.”

(c) REPORTING.—Section 6041 is amended by adding at the end the following new subsection:

“(f) APPLICATION TO ALASKA NATIVE SETTLEMENT TRUSTS.—In the case of any distribution from a Settlement Trust (as defined in section 646(d)) to a beneficiary which is includable in gross income under section 646(c), this section shall apply, except that—

“(1) this section shall apply to such distribution without regard to the amount thereof,

“(2) the Settlement Trust shall include on any return or statement required by this section information as to the character of such distribution (if applicable) and the amount of tax imposed by chapter 1 which has been deducted and withheld from such distribution, and

“(3) the filing of any return or statement required by this section shall satisfy any requirement to file any other form or schedule under this title with respect to distributive share information (including any form or schedule to be included with the trust's tax return).”

(d) CLERICAL AMENDMENT.—The table of sections for subpart A of part I of subchapter J of chapter 1 is amended by adding at the end the following new item:

“Sec. 646. Electing Alaska Native Settlement Trusts.”

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of Settlement Trusts ending after December 31, 1999, and to contributions to such trusts after such date.

#### SEC. 1353. INCREASE IN THRESHOLD FOR JOINT COMMITTEE REPORTS ON REFUNDS AND CREDITS.

(a) GENERAL RULE.—Subsections (a) and (b) of section 6405 are each amended by striking “\$1,000,000” and inserting “\$2,000,000”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act, except that such amendment shall not apply with respect to any refund or credit with respect to a report that has been made before such date of enactment under section 6405 of the Internal Revenue Code of 1986.

#### SEC. 1354. CLARIFICATION OF DEPRECIATION STUDY.

Paragraph (1) of section 2022 of the Tax and Trade Relief Extension Act of 1998 (Public Law 105-277; 112 Stat. 2681-903) is amended by inserting after “1986,” the following: “including such periods and methods applicable to section 1250 property used in connection with a franchise (within the meaning of section 1253) and owned by the franchisee.”

#### Subtitle G—Tax Court Provisions

#### SEC. 1361. TAX COURT FILING FEE IN ALL CASES COMMENCED BY FILING PETITION.

(a) IN GENERAL.—Section 7451 (relating to fee for filing a Tax Court petition) is amended by striking all that follows “petition” and inserting a period.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

#### SEC. 1362. EXPANDED USE OF TAX COURT PRACTICE FEE.

Subsection (b) of section 7475 (relating to use of fees) is amended by inserting before the period at the end “and to provide services to pro se taxpayers”.

#### SEC. 1363. CONFIRMATION OF AUTHORITY OF TAX COURT TO APPLY DOCTRINE OF EQUITABLE RECOUPMENT.

(a) CONFIRMATION OF AUTHORITY OF TAX COURT TO APPLY DOCTRINE OF EQUITABLE RECOUPMENT.—Subsection (b) of section 6214 (relating to jurisdiction over other years and quarters) is amended by adding at the end the following new sentence: “Notwithstanding the preceding sentence, the Tax Court may apply the doctrine of equitable recoupment to the same extent that it is available in civil tax cases before the district courts of the United States and the United States Court of Federal Claims.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to any action or proceeding in the Tax Court with respect to which a decision has not become final (as determined under section 7481 of the Internal Revenue Code of 1986) as of the date of the enactment of this Act.

#### Subtitle H—Tax-Free Transfer of Bottled Distilled Spirits to Bonded Dealers

#### SEC. 1371. TAX-FREE TRANSFER OF BOTTLED DISTILLED SPIRITS FROM DISTILLED SPIRITS PLANT TO BONDED DEALER.

(a) DOMESTIC BOTTLED DISTILLED SPIRITS.—

(1) IN GENERAL.—The last sentence of section 5212 is amended by inserting before the period “and shall not apply to bottled distilled spirits transferred from a distilled spirits plant (other than a bonded dealer) to a bonded dealer if the proprietor of such plant notifies (in such form and manner as the Secretary prescribes by regulations) such bonded dealer of the amount of tax determined on the distilled spirits so transferred”.

(2) TRANSFER OF LIABILITY CONTINGENT ON FURNISHING OF CERTAIN INFORMATION.—Paragraph (2) of section 5005(c) is amended by adding at the end the following new sentence: “In the case of a transfer of bottled distilled spirits from a distilled spirits plant to a bonded dealer, the preceding provisions of this subsection shall apply only to the extent of the amount specified by the proprietor of such plant in accordance with the last sentence of section 5212.”

(b) COMPARABLE TREATMENT FOR IMPORTED BOTTLED DISTILLED SPIRITS.—Subsection (a) of section 5232 is amended to read as follows:

“(a) TRANSFER TO DISTILLED SPIRITS PLANT WITHOUT PAYMENT OF TAX.—

“(1) IN GENERAL.—Distilled spirits imported or brought into the United States in bulk containers may, under such regulations as the Secretary shall prescribe, be withdrawn from customs custody and transferred in such bulk containers or by pipeline to the bonded premises of a distilled spirits plant without payment of the internal revenue tax imposed on such distilled spirits by section 5001.

“(2) IMPORTED BOTTLED DISTILLED SPIRITS.—The restriction under paragraph (1) to transfers in bulk or by pipeline shall not apply to bottled distilled spirits transferred from customs custody to a bonded dealer if the proprietor of the customs bonded warehouse notifies (in such form and manner as the Secretary prescribes by regulations) such bonded dealer of the amount of tax determined on the distilled spirits so transferred.

“(3) TRANSFER OF LIABILITY.—The person operating the bonded premises of the distilled spirits plant to which such spirits are transferred shall become liable for the tax on distilled spirits withdrawn from customs custody under this section upon release of the spirits from customs



custody, and the importer, or the person bringing such distilled spirits into the United States, shall thereupon be relieved of his liability for such tax. In the case of a transfer of bottled distilled spirits from a customs bonded warehouse to a bonded dealer, the preceding sentence shall apply only to the extent of the amount specified by the proprietor of such warehouse in accordance with paragraph (2)."

(c) **PENALTY FOR FALSE OR ERRONEOUS INFORMATION TO BONDED DEALERS.**—

(1) **IN GENERAL.**—Section 5684 is amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and inserting after subsection (a) the following new subsection:

"(b) **FALSE OR ERRONEOUS INFORMATION TO BONDED DEALERS.**—Any distilled spirits plant or importer which furnishes false or erroneous information to a bonded dealer relating to the amount of tax determined on a product, as required under sections 5212 and 5232, shall, in addition to any other penalty imposed by this title, be liable for a penalty equal to the greater of \$1,000 or 5 times the amount of additional tax due on the product."

(2) **CONFORMING AMENDMENT.**—Subsection (c) of section 5684, as redesignated by paragraph (1), is amended by striking "subsection (a)" and inserting "subsections (a) and (b)".

**SEC. 1372. ESTABLISHMENT OF DISTILLED SPIRITS PLANT.**

Section 5171 is amended—

(1) by striking from subsection (a) "or processor" and inserting "processor, or bonded dealer", and

(2) by striking from subsection (b) "or both." and inserting "as a bonded dealer, or as any combination thereof."

**SEC. 1373. DISTILLED SPIRITS PLANTS.**

Section 5178(a) is amended by adding at the end the following new paragraph:

"(5) **BONDED DEALER OPERATIONS.**—Any person establishing a distilled spirits plant to conduct operations as a bonded dealer may, as described in the application for registration—

"(A) store distilled spirits in any approved container on the bonded premises of such plant, and

"(B) under such regulations as the Secretary shall prescribe, store taxpaid distilled spirits, beer and wine and such other beverages and items (products) not subject to tax or regulation under this title on such bonded premises."

**SEC. 1374. BONDED DEALERS.**

(a) **IN GENERAL.**—Subpart A of part I of subchapter A of chapter 51 (relating to distilled spirits) is amended by adding at the end the following new section:

**"SEC. 5011. ELECTION TO BE TREATED AS BONDED DEALER.**

"(a) **ELECTION.**—

"(1) **IN GENERAL.**—Any wholesale dealer, or any control State entity, may elect to be treated as a bonded dealer if such wholesale dealer or entity sells bottled distilled spirits exclusively to 1 or more of the following: wholesale dealers in liquor, independent retail dealers, or other bonded dealers.

"(2) **ELECTION BY CERTAIN ENTITIES NOT PERMITTED.**—

"(A) **RETAIL DEALERS.**—Except in the case of a control State entity, the election under paragraph (1) may not be made by a retail dealer in liquor.

"(B) **SMALL DEALERS.**—The election under paragraph (1) may not be made by any person who is part of a group treated as a single taxpayer under section 5061(e)(3) if the gross receipts of such group from the sale of distilled spirits during the 12-month period prior to making such election is less than \$10,000,000.

"(3) **CONTROL STATE ENTITIES PERMITTED TO SELL TO RELATED RETAIL DEALERS.**—In the case

of a control State entity, paragraph (1) shall be applied by substituting 'retail dealers' for 'independent retail dealers'.

"(b) **INDEPENDENT RETAIL DEALER.**—For purposes of subsection (a), the term 'independent retail dealer' means, with respect to a bonded dealer, any retail dealer if—

"(1) the bonded dealer does not have a greater than 10 percent ownership interest in, or control of, the retail dealer,

"(2) the retail dealer does not have a greater than 10 percent ownership interest in, or control of, the bonded dealer, and

"(3) no person has a greater than 10 percent ownership interest in, or control of, both the bonded and retail dealer.

For purposes of this subsection, rules similar to the rules of section 318 shall apply.

"(c) **INVENTORY OWNED AT TIME OF ELECTION.**—Any bottled distilled spirits in the inventory of any person electing under this section to be treated as a bonded dealer shall not be subject to additional Federal excise tax on such spirits as a result of the election being in effect to the extent that the bonded dealer establishes that the Federal excise tax previously has been determined and paid at the time the election becomes effective.

"(d) **REVOCATION OF ELECTION.**—The election made under this section may be revoked by the bonded dealer at any time, but once revoked shall not be made again without the consent of the Secretary. When the election is revoked, the bonded dealer shall immediately withdraw the distilled spirits on determination of tax in accordance with a tax payment procedure established by the Secretary.

"(e) **APPROVAL OF APPLICATION.**—Any application under section 5171(c) submitted by a person electing to be treated as a bonded dealer shall be subject to the same conditions as an application for a basic permit under section 204(a)(2) of title 27 of the United States Code (the Federal Alcohol Administration Act) and shall be accorded notice and hearing as described in section 204(b) of such title 27.

"(f) **ADDITIONAL TAX.**—

"(1) **IN GENERAL.**—In addition to any other tax imposed by this chapter, there is hereby imposed on each bonded dealer a tax for each semimonthly period under section 5061(d) for which an election under this section is in effect for such dealer.

"(2) **AMOUNT OF TAX.**—The tax imposed by this subsection for any semimonthly period shall be equal to 1.5 percent of the liability for tax under sections 5001 and 7652 of such dealer for such semimonthly period.

"(3) **PAYMENT OF TAX.**—The tax imposed by this subsection shall be paid with the return of tax for such semimonthly period.

"(4) **TAXPAYERS NOT PAYING ON SEMIMONTHLY BASIS.**—If the taxes referred to in paragraph (2) are not paid on the basis of semimonthly periods, this subsection shall be applied by substituting the time such taxes are required to be paid for such periods.

"(5) **TERMINATION.**—The tax imposed by this subsection shall not apply to any semimonthly period ending after December 31, 2010."

(b) **CONFORMING AMENDMENTS.**—

(1) Section 5002(a) is amended by adding the end the following new paragraphs:

"(16) **BONDED DEALER.**—The term 'bonded dealer' means any person who has elected under section 5011 to be treated as a bonded dealer.

"(17) **CONTROL STATE ENTITY.**—The term 'control State entity' means a State or a political subdivision of a State in which only the State or a political subdivision thereof is allowed under applicable law to perform distilled spirit operations, or any instrumentality of such a State or political subdivision."

(2) The table of sections of subpart A of part I of subchapter A of chapter 51 and the table of

contents of subtitle E are each amended by adding at the appropriate places:

"Sec. 5011. Election to be treated as bonded dealer."

**SEC. 1375. TIME FOR COLLECTING TAX ON DISTILLED SPIRITS.**

(a) **IN GENERAL.**—Section 5061(d) is amended by adding at the end the following new paragraph:

"(6) **ADVANCED PAYMENT OF DISTILLED SPIRITS TAX BY BONDED DEALERS.**—Notwithstanding the preceding provisions of this subsection, in the case of any tax imposed by section 5001, 5011(f), or 7652 with respect to a bonded dealer who has an election under section 5011 in effect on September 20 of any year, any payment which would, but for this paragraph, be due in October or November of that year, shall be made on such September 20. No penalty or interest shall be imposed for the period after such September 20 and before the due date for such payment (determined without regard to this paragraph) to the extent that the tax due exceeds the payment which would have been due in such October and November had the election under section 5011 been in effect."

(b) **PAYMENT BY ELECTRONIC FUND TRANSFER.**—Section 5061(e)(1) is amended by inserting "and any bonded dealer," after "respectively,".

**SEC. 1376. EXEMPTION FROM OCCUPATIONAL TAX NOT APPLICABLE.**

Section 5113(a) is amended by adding at the end the following new sentence: "The exemption under this subsection shall not apply to a proprietor of a distilled spirits plant whose premises are used for operations of a bonded dealer."

**SEC. 1377. TECHNICAL, CONFORMING, AND CLERICAL AMENDMENTS.**

(a) **TECHNICAL AND CONFORMING AMENDMENTS.**—

(1) Section 5003(3) is amended by striking "certain".

(2) Subsection (a) of section 5214 is amended by inserting "(other than a bonded dealer)" after "distilled spirits plant".

(3) Section 5362(b)(5) is amended by adding at the end the following new sentence: "This term shall not apply to premises used for operations as a bonded dealer."

(4) Section 5551(a) is amended by inserting "bonded dealer," after "processor," each place it appears.

(5) Section 5601(a) (2), (3), (4), (5), and (b) are amended by inserting ", bonded dealer" before "or processor" each place it appears.

(6) Section 5602 is amended—

(A) by inserting ", warehouseman, processor, or bonded dealer" after "distiller", and

(B) by inserting "or possessed" after "distilled".

(7) Sections 5180 and 5681 are repealed.

(b) **CLERICAL AMENDMENTS.**—

(1) The table of sections for subchapter B of chapter 51 is amended by striking the item relating to section 5180.

(2) The table of sections for part IV of subchapter J of chapter 51 is amended by striking the item relating to section 5681.

**SEC. 1378. COOPERATIVE AGREEMENTS.**

(a) **STUDY.**—The Secretary of the Treasury shall study and report to Congress concerning possible administrative efficiencies which could inure to the benefit of the Federal Government of cooperative agreements with States regarding the collection of distilled spirits excise taxes. Such study shall include, but not be limited to, possible benefits of the standardization of forms and collection procedures and shall be submitted 1 year after the date of the enactment of this Act.

(b) **COOPERATIVE AGREEMENT.**—The Secretary of the Treasury is authorized to enter into such cooperative agreements with States which the

Secretary deems will increase the efficient collection of distilled spirits excise taxes.

#### SEC. 1379. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this subtitle shall take effect at the beginning of the first calendar quarter that begins after one hundred and twenty days following enactment.

(b) AUTHORITY TO ESTABLISH DISTILLED SPIRITS PLANT.—

(1) IN GENERAL.—The amendments made by section 1372 of this Act shall take effect on the date of enactment of this Act.

(2) DEEMED QUALIFICATION IN CERTAIN CASES.—Each wholesale dealer—

(A) who is required to file an application for registration under section 5171(c) of the Internal Revenue Code of 1986,

(B) whose operations are required to be covered by a basic permit under the Federal Alcohol Administration Act (27 U.S.C. 203 and 204) and who has received such a basic permit as an importer, wholesaler, or both, and

(C) has obtained a bond required under this subchapter, shall be treated as having such application approved as of the first day of the first calendar quarter that begins at least 9 months after the application is filed until such time as the Secretary or the Secretary's delegate takes final action on such application.

(3) CONTROL STATE ENTITIES.—In the case of a control State entity, paragraph (2) shall be applied without regard to subparagraph (B) thereof.

(c) EQUITABLE TREATMENT OF BONDED DEALERS USING LIFO INVENTORY.—The Secretary of the Treasury or the Secretary's delegate shall provide such rules as may be necessary to assure that taxpayers using the last-in first-out method of inventory valuation do not suffer a recapture of their LIFO reserve by reason of making the election under section 5011 of such Code or by reason of operating a bonded wine cellar as permitted by section 5351 of such Code.

#### SEC. 1380. STUDY.

Not later than June 1, 2002, the Secretary of the Treasury or the Secretary's delegate shall prepare and submit to the Congress a report—

(1) on the extent to which (if any) there has been a decrease in compliance with the provisions of chapter 51 of the Internal Revenue Code of 1986 by reason of the amendments made by this subtitle, and

(2) on any particular compliance issues in applying the credit allowable by section 5010 of such Code under the amendments made by this subtitle.

### TITLE XIV—EXTENSIONS OF EXPIRING PROVISIONS

#### SEC. 1401. RESEARCH CREDIT.

(a) EXTENSION.—

(1) IN GENERAL.—Paragraph (1) of section 41(h) (relating to termination) is amended—

(A) by striking “June 30, 1999” and inserting “June 30, 2004”, and

(B) by striking the material following subparagraph (B).

(2) TECHNICAL AMENDMENT.—Subparagraph (D) of section 45C(b)(1) is amended by striking “June 30, 1999” and inserting “June 30, 2004”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1999.

(b) INCREASE IN PERCENTAGES UNDER ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) is amended—

(A) by striking “1.65 percent” and inserting “2.65 percent”,

(B) by striking “2.2 percent” and inserting “3.2 percent”, and

(C) by striking “2.75 percent” and inserting “3.75 percent”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1999.

#### SEC. 1402. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) IN GENERAL.—Sections 953(e)(10) and 954(h)(9) are each amended—

(1) by striking “the first taxable year” and inserting “taxable years”, and

(2) by striking “January 1, 2000” and inserting “January 1, 2005”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

#### SEC. 1403. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR MARGINAL PRODUCTION.

(a) IN GENERAL.—Subparagraph (H) of section 613A(c)(6) is amended by striking “January 1, 2000” and inserting “January 1, 2005”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

#### SEC. 1404. WORK OPPORTUNITY CREDIT AND WELFARE-TO-WORK CREDIT.

(a) TEMPORARY EXTENSION.—Sections 51(c)(4)(B) and 51A(f) (relating to termination) are each amended by striking “June 30, 1999” and inserting “December 31, 2001”.

(b) CLARIFICATION OF FIRST YEAR OF EMPLOYMENT.—Paragraph (2) of section 51(i) is amended by striking “during which he was not a member of a targeted group”.

(c) ELECTRONIC FILING OF CERTIFICATION.—Not later than July 1, 2001, the Secretary of the Treasury or the Secretary's delegate shall provide an electronic format by which employers may submit requests to designated local agencies (as defined in section 51(d)(11) of the Internal Revenue Code of 1986) for certifications that individuals are members of targeted groups for purposes of section 51 of such Code.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after June 30, 1999.

### TITLE XV—REVENUE OFFSETS

#### SEC. 1501. RETURNS RELATING TO CANCELLATIONS OF INDEBTEDNESS BY ORGANIZATIONS LENDING MONEY.

(a) IN GENERAL.—Paragraph (2) of section 6050P(c) (relating to definitions and special rules) is amended by striking “and” at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting “, and”, and by inserting after subparagraph (C) the following new subparagraph:

“(D) any organization a significant trade or business of which is the lending of money.”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to discharges of indebtedness after December 31, 1999.

#### SEC. 1502. EXTENSION OF INTERNAL REVENUE SERVICE USER FEES.

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

“SEC. 7527. INTERNAL REVENUE SERVICE USER FEES.

“(a) GENERAL RULE.—The Secretary shall establish a program requiring the payment of user fees for—

(1) requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters, and

(2) other similar requests.

“(b) PROGRAM CRITERIA.—

“(1) IN GENERAL.—The fees charged under the program required by subsection (a)—

“(A) shall vary according to categories (or subcategories) established by the Secretary,

“(B) shall be determined after taking into account the average time for (and difficulty of) complying with requests in each category (and subcategory), and

“(C) shall be payable in advance.

“(2) EXEMPTIONS, ETC.—The Secretary shall provide for such exemptions (and reduced fees) under such program as the Secretary determines to be appropriate.

“(3) AVERAGE FEE REQUIREMENT.—The average fee charged under the program required by subsection (a) shall not be less than the amount determined under the following table:

Category	Average Fee
Employee plan ruling and opinion .....	\$250
Exempt organization ruling .....	\$350
Employee plan determination .....	\$300
Exempt organization determination ...	\$275
Chief counsel ruling .....	\$200.

“(c) TERMINATION.—No fee shall be imposed under this section with respect to requests made after September 30, 2009.”

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for chapter 77 is amended by adding at the end the following new item:

“Sec. 7527. Internal Revenue Service user fees.”

(2) Section 10511 of the Revenue Act of 1987 is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to requests made after the date of the enactment of this Act.

#### SEC. 1503. LIMITATIONS ON WELFARE BENEFIT FUNDS OF 10 OR MORE EMPLOYER PLANS.

(a) BENEFITS TO WHICH EXCEPTION APPLIES.—Section 419A(f)(6)(A) (relating to exception for 10 or more employer plans) is amended to read as follows:

“(A) IN GENERAL.—This subpart shall not apply to a welfare benefit fund which is part of a 10 or more employer plan if the only benefits provided through the fund are 1 or more of the following:

“(i) Medical benefits.

“(ii) Disability benefits.

“(iii) Group term life insurance benefits which do not provide for any cash surrender value or other money that can be paid, assigned, borrowed, or pledged for collateral for a loan.

The preceding sentence shall not apply to any plan which maintains experience-rating arrangements with respect to individual employees.”

(b) LIMITATION ON USE OF AMOUNTS FOR OTHER PURPOSES.—Section 4976(b) (defining disqualified benefit) is amended by adding at the end the following new paragraph:

“(5) SPECIAL RULE FOR 10 OR MORE EMPLOYER PLANS EXEMPTED FROM PREFUNDING LIMITS.—For purposes of paragraph (1)(C), if—

“(A) subpart D of part I of subchapter D of chapter 1 does not apply by reason of section 419A(f)(6) to contributions to provide 1 or more welfare benefits through a welfare benefit fund under a 10 or more employer plan, and

“(B) any portion of the welfare benefit fund attributable to such contributions is used for a purpose other than that for which the contributions were made, then such portion shall be treated as reverting to the benefit of the employers maintaining the fund.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or accrued after June 9, 1999, in taxable years ending after such date.

#### SEC. 1504. INCREASE IN ELECTIVE WITHHOLDING RATE FOR NONPERIODIC DISTRIBUTIONS FROM DEFERRED COMPENSATION PLANS.

(a) IN GENERAL.—Section 3405(b)(1) (relating to withholding) is amended by striking “10 percent” and inserting “15 percent”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to distributions after December 31, 1999.

#### SEC. 1505. CONTROLLED ENTITIES INELIGIBLE FOR REIT STATUS.

(a) IN GENERAL.—Subsection (a) of section 856 (relating to definition of real estate investment

trust) is amended by striking "and" at the end of paragraph (6), by redesignating paragraph (7) as paragraph (8), and by inserting after paragraph (6) the following new paragraph:

"(7) which is not a controlled entity (as defined in subsection (1)); and".

(b) **CONTROLLED ENTITY.**—Section 856 is amended by adding at the end the following new subsection:

"(1) **CONTROLLED ENTITY.**—

"(I) **IN GENERAL.**—For purposes of subsection (a)(7), an entity is a controlled entity if, at any time during the taxable year, one person (other than a qualified entity)—

"(A) in the case of a corporation, owns stock—

"(i) possessing at least 50 percent of the total voting power of the stock of such corporation, or

"(ii) having a value equal to at least 50 percent of the total value of the stock of such corporation, or

"(B) in the case of a trust, owns beneficial interests in the trust which would meet the requirements of subparagraph (A) if such interests were stock.

"(2) **QUALIFIED ENTITY.**—For purposes of paragraph (1), the term 'qualified entity' means—

"(A) any real estate investment trust, and

"(B) any partnership in which one real estate investment trust owns at least 50 percent of the capital and profits interests in the partnership.

"(3) **ATTRIBUTION RULES.**—For purposes of this paragraphs (1) and (2)—

"(A) **IN GENERAL.**—Rules similar to the rules of subsections (d)(5) and (h)(3) shall apply.

"(B) **STAPLED ENTITIES.**—A group of entities which are stapled entities (as defined in section 269B(c)(2)) shall be treated as 1 person.

"(4) **EXCEPTION FOR CERTAIN NEW REITS.**—

"(A) **IN GENERAL.**—The term 'controlled entity' shall not include an incubator REIT.

"(B) **INCUBATOR REIT.**—A corporation shall be treated as an incubator REIT for any taxable year during the eligibility period if it meets all the following requirements for such year:

"(i) The corporation elects to be treated as an incubator REIT.

"(ii) The corporation has only voting common stock outstanding.

"(iii) Not more than 50 percent of the corporation's real estate assets consist of mortgages.

"(iv) From not later than the beginning of the last half of the second taxable year, at least 10 percent of the corporation's capital is provided by lenders or equity investors who are unrelated to the corporation's largest shareholder.

"(v) The directors of the corporation adopt a resolution setting forth an intent to engage in a going public transaction.

No election may be made with respect to any REIT if an election under this subsection was in effect for any predecessor of such REIT.

"(C) **ELIGIBILITY PERIOD.**—The eligibility period (for which an incubator REIT election can be made) begins with the REIT's second taxable year and ends at the close of the REIT's third taxable year, but, subject to the following rules, it may be extended for an additional 2 taxable years if the REIT so elects:

"(i) A REIT cannot elect to extend the eligibility period unless it agrees that, if it does not engage in a going public transaction by the end of the extended eligibility period, it shall pay Federal income taxes for the 2 years of the extended eligibility period as if it had not made an incubator REIT election and had ceased to qualify as a REIT for those 2 taxable years.

"(ii) In the event the corporation ceases to be treated as a REIT by operation of clause (i), the corporation shall file any appropriate amended returns reflecting the change in status within 3 months of the close of the extended eligibility period. Interest would be payable but, unless

there was a finding under subparagraph (D), no substantial underpayment penalties shall be imposed. The corporation shall, at the same time, also notify its shareholders and any other persons whose tax position is, or may reasonably be expected to be, affected by the change in status so they also may file any appropriate amended returns to conform their tax treatment consistent with the corporation's loss of REIT status. The Secretary shall provide appropriate regulations setting forth transferee liability and other provisions to ensure collection of tax and the proper administration of this provision.

"(ii) Clause (i) and (ii) shall not apply if the corporation allows its incubator REIT status to lapse at the end of the initial 2-year eligibility period without engaging in a going public transaction, provided the corporation satisfies the requirements of the closely-held test commencing with its fourth taxable year. In such a case, the corporation's directors may still be liable for the penalties described in subparagraph (D) during the eligibility period.

"(D) **SPECIAL PENALTIES.**—If the Secretary determines that an incubator REIT election was filed for a principal purpose other than as part of a reasonable plan to undertake a going public transaction, an excise tax of \$20,000 would be imposed on each of the corporation's directors for each taxable year for which an election was in effect.

"(E) **GOING PUBLIC TRANSACTION.**—For purposes of this paragraph, a going public transaction means—

"(i) a public offering of shares of the stock of the incubator REIT;

"(ii) a transaction, or series of transactions, that results in the stock of the incubator REIT being regularly traded on an established securities market and that results in at least 50 percent of such stock being held by shareholders who are unrelated to persons who held such stock before it began to be so regularly traded; or

"(iii) any transaction resulting in ownership of the REIT by 200 or more persons (excluding the largest single shareholder) who in the aggregate own at least 50 percent of the stock of the REIT.

For the purposes of this subparagraph, the rules of paragraph (3) shall apply in determining the ownership of stock.

"(F) **DEFINITIONS.**—The term 'established securities market' shall have the meaning set forth in the regulations under section 897."

(c) **CONFORMING AMENDMENT.**—Paragraph (2) of section 856(h) is amended by striking "and (6)" each place it appears and inserting ", (6), and (7)".

(d) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—The amendments made by this section shall apply to taxable years ending after July 12, 1999.

(2) **EXCEPTION FOR EXISTING CONTROLLED ENTITIES.**—The amendments made by this section shall not apply to any entity which is a controlled entity (as defined in section 856(l) of the Internal Revenue Code of 1986, as added by this section) as of July 12, 1999, which is a real estate investment trust for the taxable year which includes such date, and which has significant business assets or activities as of such date.

#### **SEC. 1506. TREATMENT OF GAIN FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.**

(a) **IN GENERAL.**—Part IV of subchapter P of chapter 1 (relating to special rules for determining capital gains and losses) is amended by inserting after section 1259 the following new section:

#### **"SEC. 1260. GAINS FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.**

"(a) **IN GENERAL.**—If the taxpayer has gain from a constructive ownership transaction with

respect to any financial asset and such gain would (without regard to this section) be treated as a long-term capital gain—

"(1) such gain shall be treated as ordinary income to the extent that such gain exceeds the net underlying long-term capital gain, and

"(2) to the extent such gain is treated as a long-term capital gain after the application of paragraph (1), the determination of the capital gain rate (or rates) applicable to such gain under section 1(h) shall be determined on the basis of the respective rate (or rates) that would have been applicable to the net underlying long-term capital gain.

"(b) **INTEREST CHARGE ON DEFERRAL OF GAIN RECOGNITION.**—

"(1) **IN GENERAL.**—If any gain is treated as ordinary income for any taxable year by reason of subsection (a)(1), the tax imposed by this chapter for such taxable year shall be increased by the amount of interest determined under paragraph (2) with respect to each prior taxable year during any portion of which the constructive ownership transaction was open. Any amount payable under this paragraph shall be taken into account in computing the amount of any deduction allowable to the taxpayer for interest paid or accrued during such taxable year.

"(2) **AMOUNT OF INTEREST.**—The amount of interest determined under this paragraph with respect to a prior taxable year is the amount of interest which would have been imposed under section 6601 on the underpayment of tax for such year which would have resulted if the gain (which is treated as ordinary income by reason of subsection (a)(1)) had been included in gross income in the taxable years in which it accrued (determined by treating the income as accruing at a constant rate equal to the applicable Federal rate as in effect on the day the transaction closed). The period during which such interest shall accrue shall end on the due date (without extensions) for the return of tax imposed by this chapter for the taxable year in which such transaction closed.

"(3) **APPLICABLE FEDERAL RATE.**—For purposes of paragraph (2), the applicable Federal rate is the applicable Federal rate determined under 1274(d) (compounded semiannually) which would apply to a debt instrument with a term equal to the period the transaction was open.

"(4) **NO CREDITS AGAINST INCREASE IN TAX.**—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining—

"(A) the amount of any credit allowable under this chapter, or

"(B) the amount of the tax imposed by section 55.

"(c) **FINANCIAL ASSET.**—For purposes of this section—

"(1) **IN GENERAL.**—The term 'financial asset' means—

"(A) any equity interest in any pass-thru entity, and

"(B) to the extent provided in regulations—

"(i) any debt instrument, and

"(ii) any stock in a corporation which is not a pass-thru entity.

"(2) **PASS-THRU ENTITY.**—For purposes of paragraph (1), the term 'pass-thru entity' means—

"(A) a regulated investment company,

"(B) a real estate investment trust,

"(C) an S corporation,

"(D) a partnership,

"(E) a trust,

"(F) a common trust fund,

"(G) a passive foreign investment company (as defined in section 1297),

"(H) a foreign personal holding company, and

"(I) a foreign investment company (as defined in section 1246(b)).

“(d) CONSTRUCTIVE OWNERSHIP TRANSACTION.—For purposes of this section—

“(1) IN GENERAL.—The taxpayer shall be treated as having entered into a constructive ownership transaction with respect to any financial asset if the taxpayer—

“(A) holds a long position under a notional principal contract with respect to the financial asset,

“(B) enters into a forward or futures contract to acquire the financial asset,

“(C) is the holder of a call option, and is the grantor of a put option, with respect to the financial asset and such options have substantially equal strike prices and substantially contemporaneous maturity dates, or

“(D) to the extent provided in regulations prescribed by the Secretary, enters into 1 or more other transactions (or acquires 1 or more positions) that have substantially the same effect as a transaction described in any of the preceding subparagraphs.

“(2) EXCEPTION FOR POSITIONS WHICH ARE MARKED TO MARKET.—This section shall not apply to any constructive ownership transaction if all of the positions which are part of such transaction are marked to market under any provision of this title or the regulations thereunder.

“(3) LONG POSITION UNDER NOTIONAL PRINCIPAL CONTRACT.—A person shall be treated as holding a long position under a notional principal contract with respect to any financial asset if such person—

“(A) has the right to be paid (or receive credit for) all or substantially all of the investment yield (including appreciation) on such financial asset for a specified period, and

“(B) is obligated to reimburse (or provide credit for) all or substantially all of any decline in the value of such financial asset.

“(4) FORWARD CONTRACT.—The term ‘forward contract’ means any contract to acquire in the future (or provide or receive credit for the future value of) any financial asset.

“(e) NET UNDERLYING LONG-TERM CAPITAL GAIN.—For purposes of this section, in the case of any constructive ownership transaction with respect to any financial asset, the term ‘net underlying long-term capital gain’ means the aggregate net capital gain that the taxpayer would have had if—

“(1) the financial asset had been acquired for fair market value on the date such transaction was opened and sold for fair market value on the date such transaction was closed, and

“(2) only gains and losses that would have resulted from the deemed ownership under paragraph (1) were taken into account.

The amount of the net underlying long-term capital gain with respect to any financial asset shall be treated as zero unless the amount thereof is established by clear and convincing evidence.

“(f) SPECIAL RULE WHERE TAXPAYER TAKES DELIVERY.—Except as provided in regulations prescribed by the Secretary, if a constructive ownership transaction is closed by reason of taking delivery, this section shall be applied as if the taxpayer had sold all the contracts, options, or other positions which are part of such transaction for fair market value on the closing date. The amount of gain recognized under the preceding sentence shall not exceed the amount of gain treated as ordinary income under subsection (a). Proper adjustments shall be made in the amount of any gain or loss subsequently realized for gain recognized and treated as ordinary income under this subsection.

“(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

“(1) to permit taxpayers to mark to market constructive ownership transactions in lieu of applying this section, and

“(2) to exclude certain forward contracts which do not convey substantially all of the economic return with respect to a financial asset.”

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 is amended by adding at the end the following new item:

“Sec. 1260. Gains from constructive ownership transactions.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after July 11, 1999.

#### SEC. 1507. TRANSFER OF EXCESS DEFINED BENEFIT PLAN ASSETS FOR RETIREE HEALTH BENEFITS.

(a) EXTENSION.—Paragraph (5) of section 420(b) (relating to expiration) is amended by striking “in any taxable year beginning after December 31, 2000” and inserting “made after September 30, 2009”.

(b) APPLICATION OF MINIMUM COST REQUIREMENTS.—

(1) IN GENERAL.—Paragraph (3) of section 420(c) is amended to read as follows:

“(3) MINIMUM COST REQUIREMENTS.—

“(A) IN GENERAL.—The requirements of this paragraph are met if each group health plan or arrangement under which applicable health benefits are provided provides that the applicable employer cost for each taxable year during the cost maintenance period shall not be less than the higher of the applicable employer costs for each of the 2 taxable years immediately preceding the taxable year of the qualified transfer.

“(B) APPLICABLE EMPLOYER COST.—For purposes of this paragraph, the term ‘applicable employer cost’ means, with respect to any taxable year, the amount determined by dividing—

“(i) the qualified current retiree health liabilities of the employer for such taxable year determined—

“(I) without regard to any reduction under subsection (e)(1)(B), and

“(II) in the case of a taxable year in which there was no qualified transfer, in the same manner as if there had been such a transfer at the end of the taxable year, by

“(ii) the number of individuals to whom coverage for applicable health benefits was provided during such taxable year.

“(C) ELECTION TO COMPUTE COST SEPARATELY.—An employer may elect to have this paragraph applied separately with respect to individuals eligible for benefits under title XVIII of the Social Security Act at any time during the taxable year and with respect to individuals not so eligible.

“(D) COST MAINTENANCE PERIOD.—For purposes of this paragraph, the term ‘cost maintenance period’ means the period of 5 taxable years beginning with the taxable year in which the qualified transfer occurs. If a taxable year is in 2 or more overlapping cost maintenance periods, this paragraph shall be applied by taking into account the highest applicable employer cost required to be provided under subparagraph (A) for such taxable year.”

(2) CONFORMING AMENDMENTS.—

(A) Clause (iii) of section 420(b)(1)(C) is amended by striking “benefits” and inserting “cost”.

(B) Subparagraph (D) of section 420(e)(1) is amended by striking “and shall not be subject to the minimum benefit requirements of subsection (c)(3)” and inserting “or in calculating applicable employer cost under subsection (c)(3)(B)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to qualified transfers occurring after the date of the enactment of this Act.

#### SEC. 1508. MODIFICATION OF INSTALLMENT METHOD AND REPEAL OF INSTALLMENT METHOD FOR ACCRUAL METHOD TAXPAYERS.

(a) REPEAL OF INSTALLMENT METHOD FOR ACCRUAL BASIS TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 453 (relating to installment method) is amended to read as follows:

“(a) USE OF INSTALLMENT METHOD.—

“(1) IN GENERAL.—Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this title under the installment method.

“(2) ACCRUAL METHOD TAXPAYER.—The installment method shall not apply to income from an installment sale if such income would be reported under an accrual method of accounting without regard to this section. The preceding sentence shall not apply to a disposition described in subparagraph (A) or (B) of subsection (1)(2).”

(2) CONFORMING AMENDMENTS.—Sections 453(d)(1), 453(i)(1), and 453(k) are each amended by striking “(a)” each place it appears and inserting “(a)(1)”.

(b) MODIFICATION OF PLEDGE RULES.—Paragraph (4) of section 453A(d) (relating to pledges, etc., of installment obligations) is amended by adding at the end the following: “A payment shall be treated as directly secured by an interest in an installment obligation to the extent an arrangement allows the taxpayer to satisfy all or a portion of the indebtedness with the installment obligation.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or other dispositions occurring on or after the date of the enactment of this Act.

#### SEC. 1509. LIMITATION ON USE OF NONACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) IN GENERAL.—Section 448(d)(5) (relating to special rule for services) is amended—

(1) by inserting “in fields described in paragraph (2)(A)” after “services by such person”, and

(2) by inserting “CERTAIN PERSONAL” before “SERVICES” in the heading.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period (not greater than 4 taxable years) beginning with such first taxable year.

#### SEC. 1510. EXCLUSION OF LIKE-KIND EXCHANGE PROPERTY FROM NONRECOGNITION TREATMENT ON THE SALE OF A PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Subsection (d) of section 121 (relating to the exclusion of gain from the sale of a principal residence) is amended by adding at the end the following new paragraph:

“(9) LIKE-KIND EXCHANGES.—Subsection (a) shall not apply to any sale or exchange of a residence if such residence was acquired by the taxpayer during the 5-year period ending on the date of such sale or exchange in an exchange in which any amount of gain was not recognized under section 1031.”

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to any sale or exchange of a principal residence after the date of the enactment of this Act.

#### **TITLE XVI—TECHNICAL CORRECTIONS**

##### **SEC. 1601. AMENDMENTS RELATED TO TAX AND TRADE RELIEF EXTENSION ACT OF 1998.**

(a) **AMENDMENT RELATED TO SECTION 1004(b) OF THE ACT.**—Subsection (d) of section 6104 is amended by adding at the end the following new paragraph:

“(6) **APPLICATION TO NONEXEMPT CHARITABLE TRUSTS AND NONEXEMPT PRIVATE FOUNDATIONS.**—The organizations referred to in paragraphs (1) and (2) of section 6033(d) shall comply with the requirements of this subsection relating to annual returns filed under section 6033 in the same manner as the organizations referred to in paragraph (1).”

(b) **AMENDMENTS RELATED TO SECTION 4003 OF THE ACT.**—

(1) Subsection (b) of section 4003 of the Tax and Trade Relief Extension Act of 1998 is amended by inserting “(7)(A)(i)(II),” after “(5)(A)(ii)(I).”

(2) Subparagraph (A) of section 9510(c)(1) is amended by striking “August 5, 1997” and inserting “October 21, 1998”.

(c) **VACCINE TAX AND TRUST FUND.**—Sections 1503 and 1504 of the Vaccine Injury Compensation Program Modification Act (and the amendments made by such sections) are hereby repealed.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall take effect as if included in the provisions of the Tax and Trade Relief Extension Act of 1998 to which they relate.

##### **SEC. 1602. AMENDMENTS RELATED TO INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998.**

(a) **AMENDMENT RELATED TO 1103 OF THE ACT.**—Paragraph (6) of section 6103(k) is amended—

(1) by inserting “and an officer or employee of the Office of Treasury Inspector General for Tax Administration” after “internal revenue officer or employee”, and

(2) by striking “INTERNAL REVENUE” in the heading and inserting “CERTAIN”.

(b) **AMENDMENT RELATED TO SECTION 3509 OF THE ACT.**—Subparagraph (A) of section 6110(g)(5) is amended by inserting “, any Chief Counsel advice,” after “technical advice memorandum”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect as if included in the provisions of the Internal Revenue Service Restructuring and Reform Act of 1998 to which they relate.

##### **SEC. 1603. AMENDMENTS RELATED TO TAXPAYER RELIEF ACT OF 1997.**

(a) **AMENDMENT RELATED TO SECTION 302 OF THE ACT.**—The last sentence of section 3405(e)(1)(B) is amended by inserting “(other than a Roth IRA)” after “individual retirement plan”.

(b) **AMENDMENTS RELATED TO SECTION 1072 OF THE ACT.**—

(1) Clause (ii) of section 415(c)(3)(D) and subparagraph (B) of section 403(b)(3) are each amended by striking “section 125 or” and inserting “section 125, 132(f)(4), or”.

(2) Paragraph (2) of section 414(s) is amended by striking “section 125, 402(e)(3)” and inserting “section 125, 132(f)(4), 402(e)(3)”.

(c) **AMENDMENT RELATED TO SECTION 1454 OF THE ACT.**—Subsection (a) of section 7436 is amended by inserting before the period at the end of the first sentence “and the proper amount of employment tax under such determination”.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall take effect as if included in

the provisions of the Taxpayer Relief of 1997 to which they relate.

##### **SEC. 1604. OTHER TECHNICAL CORRECTIONS.**

(a) **AFFILIATED CORPORATIONS IN CONTEXT OF WORTHLESS SECURITIES.**—

(1) Subparagraph (A) of section 165(g)(3) is amended to read as follows:

“(A) the taxpayer owns directly stock in such corporation meeting the requirements of section 1504(a)(2), and”.

(2) Paragraph (3) of section 165(g) is amended by striking the last sentence.

(3) The amendments made by this subsection shall apply to taxable years beginning after December 31, 1984.

(b) **REFERENCE TO CERTAIN STATE PLANS.**—

(1) Subparagraph (B) of section 51(d)(2) is amended—

(A) by striking “plan approved” and inserting “program funded”, and

(B) by striking “(relating to assistance for needy families with minor children)”.

(2) The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 1201 of the Small Business Job Protection Act of 1996.

(c) **AMOUNT OF IRA CONTRIBUTION OF LESSER EARNING SPOUSE.**—

(1) Clause (ii) of section 219(c)(1)(B) is amended by striking “and” at the end of subclause (I), by redesignating subclause (II) as subclause (III), and by inserting after subclause (I) the following new subclause:

“(II) the amount of any designated non-deductible contribution (as defined in section 408(o)) on behalf of such spouse for such taxable year, and”.

(2) The amendment made by paragraph (1) shall take effect as if included in section 1427 of the Small Business Job Protection Act of 1996.

(d) **MODIFIED ENDOWMENT CONTRACTS.**—

(1) Paragraph (2) of section 7702A(a) is amended by inserting “or this paragraph” before the period.

(2) Clause (ii) of section 7702A(c)(3)(A) is amended by striking “under the contract” and inserting “under the old contract”.

(3) The amendments made by this subsection shall take effect as if included in the amendments made by section 5012 of the Technical and Miscellaneous Revenue Act of 1988.

(e) **LUMP-SUM DISTRIBUTIONS.**—

(1) Clause (ii) of section 401(k)(10)(B) is amended by adding at the end the following new sentence: “Such term includes a distribution of an annuity contract from—

“(I) a trust which forms a part of a plan described in section 401(a) and which is exempt from tax under section 501(a), or

“(II) an annuity plan described in section 403(a).”

(2) The amendment made by paragraph (1) shall take effect as if included in section 1401 of the Small Business Job Protection Act of 1996.

(f) **TENTATIVE CARRYBACK ADJUSTMENTS OF LOSSES FROM SECTION 1256 CONTRACTS.**—

(1) Subsection (a) of section 6411 is amended by striking “section 1212(a)(1)” and inserting “subsection (a)(1) or (c) of section 1212”.

(2) The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 504 of the Economic Recovery Tax Act of 1981.

##### **SEC. 1605. CLERICAL CHANGES.**

(1) Subsection (f) of section 67 is amended by striking “the last sentence” and inserting “the second sentence”.

(2) The heading for paragraph (5) of section 408(d) is amended to read as follows:

“(5) **DISTRIBUTIONS OF EXCESS CONTRIBUTIONS AFTER DUE DATE FOR TAXABLE YEAR AND CERTAIN EXCESS ROLLOVER CONTRIBUTIONS.**—”

(3) The heading for subparagraph (B) of section 529(e)(3) is amended by striking “UNDER GUARANTEED PLANS”.

(4)(A) Subsection (e) of section 678 is amended by striking “an electing small business corporation” and inserting “an S corporation”.

(B) Clause (v) of section 6103(e)(1)(D) is amended to read as follows:

“(v) if the corporation was an S corporation, any person who was a shareholder during any part of the period covered by such return during which an election under section 1362(a) was in effect, or”.

(5) Subparagraph (B) of section 995(b)(3) is amended by striking “the Military Security Act of 1954 (22 U.S.C. 1934)” and inserting “section 38 of the International Security Assistance and Arms Export Control Act of 1976 (22 U.S.C. 2778)”.

(6) Subparagraph (B) of section 4946(c)(3) is amended by striking “the lowest rate of compensation prescribed for GS-16 of the General Schedule under section 5332” and inserting “the lowest rate of basic pay for the Senior Executive Service under section 5382”.

#### **TITLE XVIII—COMMITMENT TO DEBT REDUCTION**

##### **SEC. 1701. COMMITMENT TO DEBT REDUCTION.**

(a) **FINDINGS.**—The Congress finds that—

(1) the national debt of the United States held by the public is \$3.619 trillion as of fiscal year 1999,

(2) the Federal budget is projected to produce a surplus each year in the next 10 fiscal years, and

(3) refunding taxes and reducing the national debt held by the public will assure continued economic growth and financial freedom for future generations.

(b) **SENSE OF CONGRESS.**—It is the sense of the Congress that the national debt held by the public shall be reduced from \$3.619 trillion to a level below \$1.61 trillion by fiscal year 2009.

#### **TITLE XVIII—BUDGETARY TREATMENT**

##### **SEC. 1801. EXCLUSION OF EFFECTS OF THIS ACT FROM PAYGO SCORECARD.**

Upon the enactment of this Act, the Director of the Office of Management and Budget shall not make any estimate of changes in direct spending outlays and receipts under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 resulting from the enactment of this Act.

The SPEAKER pro tempore. After 2 hours of debate on the bill, as amended, it shall be in order to consider the further amendment printed in Part B of that report if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered read and debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

Pursuant to Section 2 of the resolution, the Chair may postpone further consideration of the bill until the following legislative day, when consideration shall resume at a time designated by the Speaker.

The gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) each will control 1 hour.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

#### **GENERAL LEAVE**

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H.R. 2488.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am proud of the Financial Freedom Act of 1999 because it returns a portion of the tax overcharge to American families and individuals whose income taxes, and I repeat that, whose income taxes have created this historic surplus.

After all, it is their money, they earned it, and we should give it back to them or it will surely be spent by the politicians in Washington.

The American people are caught in a tax trap. The harder they work, the longer they work, the more they pay. And that is wrong.

We should be rewarding success, not punishing it, not punishing the American dream. And the evidence is overwhelming that taxpayers are simply paying too much.

Consider these statistics. Americans are paying the highest taxes as they are a percentage of their productivity since World War II. The typical American family pays more than 38 percent of its income in total taxes. That is more than it spends on food, shelter, and clothing combined.

The average household paid \$9,445 in Federal income taxes alone last year. Mr. Speaker, that is twice as much as they paid in 1985. Is it any wonder that Americans are working harder and longer just to pay their household bills?

The strongest evidence of all that Americans are paying too much is that the Treasury is overflowing with piles and piles of their hard-earned cash. Believe it or not, Americans are sending so much money to Washington that there is actually more money, far more money, than the Government needs to operate.

Now, if the power company or the phone company overbilled their customers, the customers would rightfully be irate. If a local grocery store charged \$5 for a gallon of milk, people would shop somewhere else. But the exact same thing is happening in Washington, and the American people have the right to a refund.

Today we should take a major step in that direction. The Financial Freedom Act is based on the principle of fairness. All American income taxpayers created this surplus, and it is only fair to return it to those who sent it here.

So the biggest component of our bill is an evenhanded 10 percent across-the-board rate reduction. That is fair. That means an average family with an income of about \$55,000 will get \$1,000 in tax relief, money that can be used however that family sees fit.

□ 0020

A single person making about \$25,000 will get \$380 to help with a car pay-

ment or a student loan. And a senior with income of \$30,000 would have an extra \$510 for prescription drugs or other health care costs or whatever they need to sustain life.

We also help fix the marriage penalty that makes about 42 million Americans pay higher taxes just because they are married. And our bill gives relief of \$250 per couple.

We also help parents and students with the cost of education. We keep student loan interest payments tax deductible, we expand education savings accounts, and we make prepaid college tuition plans tax-free for both public colleges and private colleges. We include a national public school construction initiative to help build and renovate public schools.

In the health area, we make health insurance more affordable and accessible for all Americans because we have a 100 percent deduction for people who buy their own health insurance. And to help with the growing need for long-term care, we provide an additional tax exemption for people who care for their own elderly in their own homes. Where they prefer to look after their own elderly rather than place them in a retirement home, today they get no tax benefit, this bill for the first time will give them that.

This plan also strengthens and simplifies our pension systems, so that more American workers, particularly women, have access to a pension plan, portability and greater retirement security.

To deal with our historically low personal savings rate, and that is right, in this country today we have the lowest savings rate in all history. It is negative. So what do we do? We reduce capital gains taxes which protects existing savings and gives incentive for more. Up to 100 million Americans today are investing in the stock market and will take advantage of this to save their savings. We repeal the death tax which is a dollar-for-dollar tax on savings, and the losers when someone dies are those who are employed by family farms and family businesses that have to be sold. And we include tax breaks for Americans with small savings accounts.

Finally, we simplify the tax code, long overdue. We get rid of 240 pages of the tax code in this bill, including repealing the tax hike time bomb on middle-income Americans that is known as the alternative minimum tax.

Today we will hear a lot about priorities, and I look forward to that debate, because the Republican agenda is based on securing America's future for our children and our grandchildren. We will save Social Security for all time without cutting benefits and without raising taxes, and we have a precise, comprehensive plan to do that. We will strengthen Medicare and include pre-

scription drug benefits for older Americans. We will pay down the public debt. And we provide tax relief for the people who created our surplus in the first place.

We will also hear a lot of predictions about the future. Like a circus palm reader, we will hear dire claims that the government cannot afford this tax cut, that we have other needs, that we should save this money to pay off the debt. And that will all sound very good to very many people. But just as no one knows what the future holds, everyone watching this debate knows one thing for certain, if the money is left in Washington, politicians will spend it most certainly, every dime of it. What we seem to learn from history is that we never seem to learn from history, and that has been true throughout the halls of history. Government will get bigger and our children and grandchildren will be forced to sustain a government structure that takes the largest percentage of their productivity and work in all history.

Mr. Speaker, today's debate is about choices. We are committed to saving Social Security, strengthening Medicare and paying down the public debt, but once we have done that, Republicans believe it is a matter of principle to return excess tax money in Washington to the families and workers who sent it here in the first place. Republicans believe that Americans have the right to keep more of what they earn, and we are starting today to give it back.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the majority has said that if this surplus is not returned to the taxpayers, that the politicians in Washington would surely spend it. I have not heard language like this since it would grab these mad criminals who seem like they want to get caught and they say, "Stop me before I kill again."

Who are these politicians in Washington? Who will be spending the money? Now, I know that Republicans have a leadership problem, but still, you have the majority. All we are saying is, take some of this money and pay down the Federal debt. We borrowed the money, and we are asking that you join with us in giving a smaller tax cut and save Medicare and save Social Security. Since when have you been so afraid that the trillion dollars, that one-third of it, two-thirds of it goes to the top 10 percent of the highest paid people in the United States, but what is all this business about you do not trust yourselves, that you have to give it back before you do something crazy and spend it?

If you want to have a real tax bill that is going to be signed into law, for openers you try to have it as a bipartisan thing. But if you want a political



statement, then God knows that you and the Committee on Rules have worked that out and it has been an ever-changing so-called tax bill. It is hard to know every hour what other changes are being made.

And so all we can say is that we may not be on the side of the angels, but we certainly are on the side of Chairman Greenspan who told our committee, who told the Congress, who told the American people, "If you don't trust the Republican politicians in Washington that they will spend the money, then pay down the debt." And he asked that we consider doing that. He also when asked about the 10 percent across-the-board tax cut suggested that we not do this, that it was not in the best interest of our economy and our country.

And so whatever you decide to do, it just surprises me that you would have a rule that would make the tax cut conditional on the amount of increase in the interest on our national debt. Now, I know the Committee on Rules are expert in tax law and interest and all those other things. They are expert in everything. But constitutionally the Committee on Ways and Means is the tax-writing committee. And if you cannot do it with Democrats and you cannot do it with Republicans, for God sake, do not turn it over to the Committee on Rules.

So if we want to know whether or not the wealthy supporters of your party are going to get an across-the-board tax cut, we cannot even go to the IRS anymore. We have to now go to the Federal Reserve Board Chairman and ask, "What does it look like for a tax cut for our friends?"

Well, the only thing I can say in justification of doing this in the middle of the night is that I know that you know it is not on the level.

□ 0030

I know that this is a salvo for campaign 2000. If my Republican colleagues can live with it; I do not think the American people can.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. SAM JOHNSON), a true American hero and a Member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I just want to say to the previous speaker and to all of those in New York, my Democratic colleague is going to deny about \$3,823 per capita to the taxpayers in his State of New York if he votes against this bill. That is not fair. We ought to return that money to the people of New York, and I think you New Yorkers ought to have it, just so Washington cannot spend it on more government programs.

For too long the American tax system has been punished the very virtues

that we live by in America: hard work, marriage, savings, entrepreneurship, and freedom. Let us look at what happens when we play by the rules. If you get married, the government punishes you. You pay more in taxes than an unmarried couple. If you save and invest money for your family's future, you pay capital gains taxes on the earnings from those savings. If you work hard to earn more, you end up paying what is called an alternative minimum tax or AMT and lose your family tax credits.

Finally, if you build a successful business and try to leave it to your kids, they may have to sell it just in order to pay off Uncle Sam when you die. That is an assault on American values, and there are so many examples, and the consequences are devastating.

Our sons and daughters cannot afford to marry and thus never truly make a lifelong commitment to God, each other, and their children. Families give up on trying to save and invest because they see it is cheaper to spend their money than pay taxes on their savings and investments. My Republican colleagues and I are committed to ending this assault on our values of family, investing, savings, hard work, entrepreneurship, and freedom. This bill is one giant step forward for freedom and removing the greedy hand of government from your lives.

Mr. Speaker, 88 percent of nearly \$800 billion of tax relief over 10 years goes to families. Let us give America's families a break and vote for freedom.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise at this late hour and early morning to support the Rangel substitute and in strong opposition to the Republicans financial reckless and fiscally irresponsible tax cut proposal. The Republican tax cut proposal fails to protect Medicare. I care about Medicare; and Social Security, I care about Social Security. Instead of paying off the national debt, it would explode the deficit, as I understand it in 10 years, and by the year 2009 it would require massive cuts in education, housing, and other programs for our citizens.

Mr. Speaker, Republicans have produced a very strong bill for Wall Street, not main street, not for Joe Lunch Bucket, but for the rich and the middle class. Their bill cuts taxes for the rich, while leaving crumbs for an average American family. Republicans seem to think that the welfare of the Nation means giving rich people welfare-like tax breaks and write off office. A more appropriate name for the Republican tax cut proposal would be the "Financial Freedom Act for the Rich." Mr. Speaker, 45 percent of the

benefits of the Republican tax cut will go to the top 1 percent of taxpayers, and 65 percent will go to the wealthiest 10 percent. Such tax relief for the rich today means trouble for the country in the years to come.

Mr. Speaker, I have been around long enough to know what happened back in the 1980s. The Republicans tried to sell us a bill of goods with supply-side economics which tripled the national debt. The country learned the hard way the error of this approach. It never trickled down. But while the country changed, the Republicans did not. Instead of at a time when the Nation is at its strongest militarily, economically and internationally, the Republicans are still trying to do supply-side economics. It is time that we defeat the Republican tax cut bill.

But the American people are not buying it! The investments that we have made in the past seven years have placed our economy in the strong position that it is today. We need to continue our policies of making prudent investments that will maintain the strength and economic vitality of this great country.

What we need is a tax cut that will help middle class Americans save for college and for retirement. We need a tax cut that would provide tax relief to lower and middle income people and not only to the rich. We need to use the rest of the surplus to reduce our national debt, shore up Social Security and Medicare, and make needed investments in education, national defense and infrastructure—improvements that we know America will need to continue as the world's leader in the next century.

The Rangel substitute is a common-sense approach that will allow us to preserve Medicare and Social Security. It is a bill for the middle class and the poor; for all Americans, not just the rich. Let's maintain fiscal responsibility and keep faith with the American people. Reject the Republicans' welfare bill for the rich. Support the Rangel substitute.

Mr. ARCHER. Mr. Speaker, I yield 3½ minutes to the gentleman from Arizona (Mr. HAYWORTH), a respected Member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank the chairman for yielding me this time.

Mr. Speaker, I would simply point out to the previous speaker that in attempting to deny this legislation for tax fairness and tax equity, my colleague will deny about \$3,299 per capita to the taxpayers in the State of Florida if, in fact, my colleague chooses to vote against this bill.

Mr. Speaker, despite all of the talk of the dead of night, it is prime time in Arizona, and it is high time that the American people finally get more of their hard-earned money back in their pocket.

My colleagues will hear a lot of mistaken impressions tonight from my friend on the left, one of them being that somehow we want to sacrifice Social Security and Medicare.

Mr. Speaker, my friends on the left are mistaken. Because they should recall that we voted to install a lockbox, to save 100 percent of the Social Security surplus for Social Security and Medicare. Mr. Speaker, so often we talk about trillions of dollars, but at times it seems all of our eyes glaze over.

Let us put it in simple perspective. When we talk about the surplus that will exist over the next 10 years, think about it in terms of \$3 billions right here. And this is what our common sense majority proposes. That we save about 2 of those to go to save and strengthen Social Security and Medicare. But then the question remains about the remaining money, the overcharge that has been charged America's taxpayers.

What should we do with this? Our friends on the left would say, spend it. We say, that is not what people want. The American people gave this money to run this government, but it is not needed, so the money should be returned to the American people.

Mr. Speaker, with reference to the alleged saviors of Social Security, I would point out that the President of the United States came to this podium, Mr. Speaker, and in his State of the Union message he said, now, listen Mr. Speaker, he said he proposed to save 62 percent of the surplus for Social Security.

Hello. The remaining 38 percent, almost 40 percent was going to be spent on new programs. And then the next day, the President of the United States went to Buffalo, New York and in a rare moment of candor said to the people of Buffalo and the people of America, Mr. Speaker, now, we could give that surplus back to you and trust you to spend it right.

Mike Ritter of the Mesa Tribune remembered that remark from the President of the United States, and he offered this cartoon. The headline: No tax cut, says Pres. Americans won't spend their wages correctly. And then the stick-up artist saying, I agree with the President. You'd just waste it anyway, as he sticks up the American people. It is high time to strike a blow for tax fairness and for the American people, the people of Florida, the people of Arizona. Yes to tax fairness; yes to this bill.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

I was about to challenge the figures that the gentleman from Oklahoma was citing and substitute it with the figures from the Joint Committee on Taxation, but now that I see that he is using cartoons to make his point, I assume he is using the comics for his statistics.

Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin (Mr. KLECZKA).

□ 0040

Mr. KLECZKA. Mr. Speaker, I think the debate tonight is a little more important than cartoons and bogey figures. We are going to hear time after time the per capita tax savings in the States. That is per capita. That is not per individual. So in Wisconsin, it might come out to \$3,000 but the working person in my district will get on average, according to Joint Committee on Taxation, about \$400, and the most wealthy individuals from Wisconsin, in Menomonee Falls, will get the balance. Do not give me this \$3,000 per capita because that is not by individual.

Let me respond for a moment to a couple of points that were made, one by my good friend, the chairman of the committee, the gentleman from Texas (Mr. ARCHER).

He indicates that the Treasury is bursting with piles and piles of money. He knows and I know and we all know that is totally false. As we close out this fiscal year, the non-Social Security surplus is actually a \$5 billion deficit. There is no bursting of money here. What we are looking at is a possibility, a hope and a prayer that over the next 10 years we are going to have a trillion dollars available to provide for tax cuts.

What does that assume? Fourteen years of unprecedented economic growth.

I would say to the gentleman from Texas (Mr. ARCHER), I hope and pray that will occur, but chances are it will not. I have a better chance to win the lottery than that happening, but what they are proposing to do is give that away today.

We did that once and it did not work. In 1981, we did the same thing. We bet it would come and we bet wrong.

There is no way that we are going to have a trillion dollars over the next 10 years available. Clearly, it is not here today. So what are we doing? Oh, there has been a lot of criticism on rewarding the rich. Two years ago, we provided capital gains tax relief, an 8 percent cut to those who make money buying and selling stocks, a noble, non-sweating profession. I respect them, and those who make their earnings and millions in capital gains should pay at least as much as the worker in my district working 40 hours a week at Alan Bradley, but that is gone. That was 2 years ago.

What are we doing today? We are knocking off another 5 percent, because it is unearned income and not earned income. That is not fair.

That one tax policy change will cost the Treasury over the next 10 years \$52 billion that we do not have tonight. Where do those dollars go? Eighty-eight percent of those \$52 billion go to the wealthiest eighth percent of our population.

I do not represent a wealthy district, and the chairman in all sincerity says

let us return it to those who sent it here, but one half of this tax bill goes to everyone else: Oil and gas leases, forestry, ATM for corporations, a reduction of 10 percent in the capital gains for corporations.

Wait a minute. I thought we were going to give it to the people who sent it here, the hard workers, the middle income families, the ones we wanted to have an extra buck to go buy a gallon of milk. This bill is so slanted, unfairly.

Mr. Speaker, the only way I can term this is Christmas in July. We know the bill is going to be vetoed this fall. Let us do a more credible project, a more credible tax bill.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would simply respond to the gentleman from Wisconsin (Mr. KLECZKA), all of the jobs that are created in the United States of America that increase productivity, better pay for workers, occur because of capital savings.

Today, America saves at the lowest rate in its history. We depend upon foreigners to give us their savings to create the jobs for his workers in Wisconsin so that they can have more productivity and higher pay.

The government does not employ those people, but every time capital gains are taxed, it takes away from the savings pool. Taxes have already been paid once. The result is invested to create jobs, and only through that investment can workers progress, and he wants to take it away and have the government spend it wastefully on many, many programs in Washington, because Washington is wasteful and the American people know it.

Every dollar that is taken reduces the opportunity for those workers to have better jobs. That money is not spent in Washington for productivity or better jobs. So let us take it away and spend it.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. HERGER), another respected Member of the Committee on Ways and Means.

Mr. HERGER. Mr. Speaker, I rise in strong support of this balanced tax relief proposal, the Financial Freedom Act of 1999, because I believe the time has come to allow hard-working Americans to keep more of what they earn.

Mr. Speaker, it is estimated that over the next 10 years, the Federal Government will overtax to the tune of almost \$3 trillion. This plan reserves two-thirds of this amount for retirement security, saving this money for Social Security and Medicare.

Moreover, this House recently passed, by an overwhelming vote, 416 to 12, my Social Security lockbox legislation which would protect every penny in the Social Security trust fund, and I am hopeful that the Senate will soon follow suit.

Now we must take the next step, by recognizing that American taxpayers, not Washington, have created our current economic prosperity, and it is taxpayers, not Washington, who should reap the benefits.

By almost any measure, Americans are currently overtaxed. In fact, Americans now pay more in taxes than they spend on food, on clothing, and on shelter combined. This is simply wrong. The legislation before us today reduces taxes by \$792 billion over the next decade. This is \$792 billion in the pockets of taxpayers rather than in Washington.

Specifically, this legislation provides all taxpayers with broad-based tax relief by reducing tax rates 10 percent across the board. Additionally, this legislation grants relief to married couples by reducing the marriage tax penalty through the Herger-Weller provision; makes it easier to save for education expenses by expanding education savings accounts; makes long-term health care more affordable and accessible; encourages investment by reducing capital gains taxes; and completely phases out the unfair and destructive death tax so that parents and grandparents will be able to pass on their hard-earned savings to their children and grandchildren.

Mr. Speaker, our choice today is clear. We can side with the American taxpayer or we can side with bigger government and more Washington bureaucracy.

I commend the gentleman from Texas (Mr. ARCHER) for his leadership on this proposal, and I urge all of my colleagues on both sides of the aisle to seize this opportunity to provide the American people with much needed and well deserved tax relief.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentlewoman from Florida (Mrs. THURMAN).

Mrs. THURMAN. Mr. Speaker, I would like to thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, I am not sure where these numbers are floating around from on this per capita issue, but we need to go back and refer to what the Joint Committee on Taxation had put. In my district, the average income is around \$15,000. According to this particular chart, it tells me that my folks are going to get \$14 is what they get in 2004.

Now, if I had folks that were making \$200,000 and over, which I do not, about 4,000 people out of 600,000, according to the almanac, they might get \$4,835; \$100,000 to \$200,000 about \$818.

□ 0050

So you can see that this really is a distribution that goes to the very top level, which brings me to my point. In 1993, we asked all Americans, every American to give up something so that

we could get this deficit under control. Do my colleagues know what? They said, "I am willing to do this for my grandchildren. I am willing to do this for my children. I want you to make sure you pay down this deficit."

So it is hard for me to believe that Republicans want to thank these men and women who gave up things, COLAs on their veterans groups. Our Federal employees, they gave up \$6 billion towards this. What thanks do we give them? We give them a distribution schedule where they might get \$14. They want that to go to the deficit.

I do not want to say thank you for this kind of a tax bill. I want to give back to the people like we did in 1997. We did a bipartisan bill. We did what we are talking about here today. We gave interest on student loans. We reduced the capital gains. We provided child care tax credit. We expanded IRAs. We created scholarships for college students.

Now we find ourselves in, again, a fortunate position of still being able to do more for the country. Let us not take that money away. Let us do the issues with Social Security. Let us do our issues with Medicare. Let us listen to the ones we want to give the power to tonight, to the Federal Reserve chairman's advice, and wipe away our debt. That will allow us to lower interest rates and strengthen Social Security and Medicare. Doing that will help everyone. Let us just say no.

Mr. ARCHER. Mr. Speaker, I yield 3½ minutes to the gentleman from Illinois (Mr. WELLER), another respected member of the Committee on Ways and Means.

Mr. WELLER. Mr. Speaker, let me begin by saluting the leadership of the gentleman from Texas (Mr. ARCHER), our distinguished chairman, putting together a common sense package of tax relief for working families and those who create jobs.

This is an opportunity to celebrate. I look back over the last 4½ years. I remember what it was like when I came here, massive deficits, high taxes. Of course, now we have a great opportunity thanks to Republican fiscal responsibility. We now not only have the third balanced budget that we are working on in 30 years, but we have a massive surplus of extra tax revenue of almost \$3 trillion over the next 10 years.

The Republican budget this year takes several steps and common sense steps with what to do with that extra money. Of course, step number one is we lock away the Social Security surplus, which means that two out of three dollars of that surplus goes for retirement security and strengthening Medicare and Social Security. Number two, by voting for the rule, and those who voted for the rule voted to pay down the national debt by \$2 trillion. Of course, step number three is provide

tax relief for working families and the middle class.

Let me just take a moment to introduce to my colleagues Shad and Michelle Hallihan of Joliet, Illinois. Shad and Michelle are schoolteachers in the Joliet public schools. They, like 21 million married working couples, suffer the marriage tax penalty. Of course, those 21 million married taxed couples, under our current tax code, these couples pay higher taxes just because they are married.

Thanks to legislation that was offered by myself and the gentleman from California (Mr. HERGER) and others, we have a key provision in this package of tax relief which helps people like Michelle and Shad, providing tax relief for 21 million American working couples who are going to see at least \$250 in tax relief. That is a car payment for many. Of course, we simplify the tax code by providing marriage tax relief.

I would also point out that Michelle and Shad are due to have a baby any day now. Of course they may choose to send their child to an Illinois school, and they may want to take advantage of Illinois' prepaid college tuition programs.

This package of tax relief will help Michelle and Shad Hallihan pay for college, if they choose the prepaid college tuition program, at a public or private school. The benefit for them is, the growth of that package that they buy will be tax exempt. That is good. If their child goes to a public school, the school construction provisions will help the Joliet public schools fix leaky roofs and also help the Joliet public schools add on classrooms. That will help Michelle and Shad because they are school teachers, but their children will probably attend the local public schools.

Last, I would like to mention that because Michelle may take a few years off from teaching to be home with her new baby, that we provide for the opportunity for catch-up to allow Michelle, when she goes back into the workforce in the later years and her income is higher, to make up missed contributions to retirement savings.

This package helps people like Michelle and Shad Hallihan, schoolteachers back in Joliet, Illinois. It deserves bipartisan support. I urge an aye vote.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, let me pose a question to my Republican colleagues. What is it that they are so ashamed of that they have to wait until the middle of the night to tell the American people about?

We have been in session for 7 months. They have to wait until the middle of the night in the third week of July to do this. What are they so ashamed of?

For 3 years, they have flatlined the Veterans Administration budget. Zero increase. The guys who saved this country in World War II, they get nothing. The defense budget is \$30 billion less than it was just 10 years ago, \$30 billion less.

They have controlled the budget process in both Houses of Congress for 5 years, and what have they done? This is a Marine lance corporal. His name is Harry Sheen. He works two part-time jobs to make ends meet. We have 12,000 soldiers, sailors, airmen, and Marines on food stamps. What do they get out of this? They get nothing.

This is the wife of a United States Marine picking up used furniture on the curb at the Marine base at Quantico because there is not enough money for her friends to buy furniture. What do they do for them? They do nothing.

But this \$400 billion in this bill is for the fat cats of America, the people who make \$800,000 a year or more. These people risk their lives. They risk their lives for \$10,000 to \$20,000 a year. They are away from their families from anywhere between 120 to 180 days a year away from their family. My colleagues tell them there is not enough to go around. They send them out in 30-year-old helicopters. The newest CH-46s and 47s in the inventory were built in 1972. What have they done for them? Nothing. They ought to be ashamed of themselves.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Texas, the Chairman of the Committee on Ways and Means, for yielding me this time.

In fact, the shame should belong to those who failed to accurately point out the full story. Of course there is a Commander in Chief, the nominal head of the opposition party, who has repeatedly been AWOL when it comes to providing for the needs of America's military.

I am sure the gentleman from Mississippi (Mr. TAYLOR) joined with us in voting a short time ago in this House to raise the pay of military officers and enlisted men. I am sure that the gentleman understands full well that the President's budget is so woefully inadequate for veterans. We added \$1 billion to the President's budget on the Committee on Veterans' Affairs on which I serve.

I know the gentleman knows full well that the paradox of this administration is that this President has put the men and women in uniform of this country in harm's way and deployed to more theaters of operation than all of his post-World War II predecessors combined, even as he cuts the budget. That is the fact.

□ 0100

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, unlike the gentleman from Arizona, and unlike every single Member of the Republican leadership, I served in the armed forces. I enlisted when I was 17. I know what it is like to try to live on an enlisted salary. When we give someone 4.8 percent of nothing, it is still nothing. There are 12,000 enlisted people right now on food stamps.

Now, we can fix that for less than \$100 million. We can provide for health care for our military retirees for less than \$1.2 billion, but the other side wants to give away \$400 billion to the fat cats while they do nothing for them.

Mr. ARCHER. Mr. Speaker, I yield myself 30 seconds.

The gentleman from Mississippi, I am sure, does not intend to preach to Republicans and claim that we have not served our country. I served our country. I served during the Korean War, and I am proud of it.

And I am proud that our Republican majority has added back, over the last 5 years, \$40 billion to the Defense Department. We did that over and above what the President has been recommending to downsize and to starve the Defense Department.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, the average family in my Congressional District in western Wisconsin will get roughly, well, less than 1 buck, \$1 a day, under this tax cut proposal. And that is why it is not difficult for me to rise at 1 a.m. here in the morning, Washington time, and strongly oppose the most fiscally irresponsible and reckless piece of legislation that I have encountered here in Congress.

This is the wrong tax cut, at the wrong time, for the wrong reason. It is the wrong tax cut, because it relies on projected future surpluses that may never materialize, and it would give us the double economic whammy of higher inflation in the short-term, because of over stimulation of the economy, and higher interest rates in the long term because of the Federal Reserve's response to that stimulation.

It is also the wrong time for a tax cut. There is a lot of focus and talk about this \$100 billion tax cut over the next 10 years, but what the supporters of the bill do not want the rest of us to know is that that tax cut explodes to \$3 trillion during the years 2010 and 2020, the peak retirement years for the baby boom generation.

The fiscally prudent decision is to do what families in western Wisconsin do when they run into some good times, and that is to take care of existing obligations first. That means shoring up

Social Security, Medicare, and paying down the \$5.7 trillion debt first. This tax cut plan makes it more difficult rather than easier to reduce the debt burden for our children.

Finally, it is the wrong reason for a tax cut. This is just Washington doing it again in the middle of the night, taking the easy path for short-term political gain instead of making tough decisions for future generations.

Not me. Not tonight. My vote is for the future of my two little boys.

One would think, with the current excitement about projected surpluses, that the end of our fiscal problems is at hand. But this is not the case—it is only the beginning of the hard work ahead given the impending baby boomer retirement.

For thirty years, our Nation has spent beyond its means, both in good times and bad. We were able to cover this spending by going into debt, constantly reaching for the 'national credit card'. But now the circumstances have changed.

We are now enjoying the longest peacetime expansion in our history, and our goal of balancing the budget is becoming a reality.

But our thirty years of deficit spending has left us with an enormous debt burden of 5.7 trillion dollars. During that time, we borrowed \$1.76 trillion from the Social Security Trust Fund. We have a tremendous opportunity to begin correcting this situation.

Knowing the financial hole you dug in the past, how would you handle an increase in your family income? Would you immediately promise large gifts to other family members? Would you commit yourself to a large, expensive project? That's the approach this bill takes.

Or would you take care of existing obligations and pay off old debts? How about saving for your retirement? Or investing in your children's education? Or setting aside money for the cost of health care? That's the approach this bill ignores.

These are the tough choices we face. Any budget plan that does not take these into account abrogates our responsibility to our national family and our children.

I urge my colleagues to vote against this tax cut.

Mr. Speaker, I would encourage my colleagues to vote against this reckless tax cut bill.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), another respected Member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in strong support of this legislation. This is not a bill about numbers. The numbers will change as the budget process moves forward, both the budget and the tax bill processes. This is a bill about policy.

For the first time in my many years here in Congress and my many years as a member of the Committee on Ways and Means, this is the very first tax

bill that lays out a policy that looks to the future: How can America create the high-paying jobs her kids will need in the 21st century.

This bill answers that question. It reforms the complicated rules governing foreign income of our global companies. It will stop Daimler-Chryslers and create Chrysler-Daimlers. We have many, many American companies merging with foreign companies, and when they become Daimler-Chryslers, then they create a power shift over those very high-paying jobs that we need.

We heard testimony directly to that effect, and we know if we do not make these changes, we will not have the strong companies we need to create the high-paying jobs our kids will depend on.

Secondly, we know every single one of those high-paying jobs now requires a greater investment in technology than ever in history, and that will be true in the 21st century. This Tax Code will enable us to create the capital to invest in those jobs.

So if we care about high-paying jobs, we have to plan now to create those. We cannot look at just next year. We have to do a tax bill that lays out the policy we need to create a strong economy and high-paying jobs in the 21st century.

But this bill also looks at personal security. For the first time, it creates pension opportunities for the 50 percent of American people who do not work for employers that offer pensions. Pension opportunities, personal savings opportunities, long-term care premium deductibility, so that people can be not only economically secure in their retirement but they can be personally secure against the catastrophic costs of long-term health care.

Job creation, personal security, and, yes, tax relief and fairness. I am proud to support a bill that creates an across-the-board cut in personal income taxes; relieves the marriage penalty; provides deductions for those who have to pay their own health insurance, thereby reducing the number of uninsured in our country; provides a small savers deduction; the deduction of student loans, making that permanent.

It is the poorest students who have the biggest loans and the biggest interest payments. This is important if we want an educated work force for the 21st century. I urge support of a sound, thoughtful plan for the future of America.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I too am an American, and as I listened to my good friend and colleague, the gentleman from Texas (Mr. ARCHER), whose district and mine are neighboring districts, I imagined that just like me he believes in the working

people of our Nation, and the working people in our respective districts, and the working people in our great State of Texas.

But when I look at the Republican tax plan, the only thing I can see, Mr. Speaker, is red. I see the \$3 trillion that pops up in the second 10 years. I see the \$1.4 trillion that results by the tendering of the debt. And I think, Mr. Speaker, if we begin to look at what working Americans understand, they understand red, deficit, and no money. They understand what I am facing in my district.

And, Mr. Speaker, I wonder about the capital gains investment. A major plant in my district, 400 employees, is being closed in the next 15 days, even in this economy, and they ask me what we are going to do about it? And we are now casting a vote for red, for deficit, for spending money and not helping working Americans.

Working Americans understand many words, Mr. Speaker, but they understand three words, in particular: inflation, interest rates going up, and deficit. Inflation means that working Americans cannot buy the durable goods that they need to keep them living the quality of life that we have told them they should expect.

Higher interest rates mean that the young married couple cannot go out and buy that first affordable home. They will have to wait a couple years, or maybe not have the opportunity at all. They understand interest rates.

And deficit they understand, because the tax bill that is on the table will result in a deficit of \$47 billion.

□ 0110

I thank my good friend from Florida (Ms. THURMAN) for indicating that the reason why we are in such a good economy is the 1993 tax or budget vote by Democrats only. That is why this economy is good. But I rise to oppose, on behalf of the working people of my district and this Nation, the Republican tax plan and support the substitute of the gentleman from New York (Mr. RANGEL).

Because he understands and we Democrats understand working people. We understand that the State of Texas does not have an income tax, but yet the substitute is going to provide for deductions for retail and sales taxes. The working people need that.

My school superintendent begged me, begged me, can we get school construction modernization bonds? And the substitute has that. I am standing up for the working people so that schools will be built for our children to be able to go to and the crumbling schools in my district can be repaired.

When I see the tax plans for the Republicans, I see red. I, too, am an American and I am going to stand up for the working people of America and fight against inflation.

Mr. Speaker, I rise in strong opposition to the passage of this bill, which calls for tax cuts that would injure the people of the United States for the next decade and beyond.

When there were initial reports of a budget surplus, there was much rejoicing in and around Capitol Hill. There was also a sigh of relief around the United States, as the American people were finally able to see that this Congress, with the help of the Administration, balanced the budget. But as many are quick to point out, part of that surplus is not a surplus at all—it is residue from the population spike caused by the Baby-Boom. As a result, we cannot treat this like a true surplus. We must treat it with the responsibility of a debtor, who must live up to their end of an agreed-upon bargain.

Now my friends on the other side of the aisle will tell you that the way we repay the debt to the American people, the way to live up to our end of the bargain, is through tax breaks. But that simply ignores our commitments to the American people, the commitments that they have been paying into for decades. As a result, we should not begin to make irresponsible tax cuts until we know that Social Security and Medicare will be there for this and future generations.

Medicare is threatened with insolvency within the next 20 years. It is simply irresponsible for us to enact tax cuts at a time when we are trying to improve this system. We should not let Medicare simply fall away in the night.

Like Social Security, Medicare dutifully serves the American people, and we should prolong its life. This bill, as written, does not put one penny towards Medicare. In fact, it leaves Medicare to die an untimely death. We would do a disservice to the American people by taking away one of our most precious safety nets.

At a time when the American people are clamoring for a more-robust Medicare, a more-responsive Medicare, this Republican-led Congress is ready to take this country in exactly the opposite direction. Just a few weeks ago, thousands of people in my district were relieved to see the President's initiative to add a prescription drug benefit to Medicare. It was exciting news—and many have approached me asking when we could get this done. How can I tell them that this Congress, that Republicans, have instead chosen to give tax cuts to the wealthy rather than to enact this measure that can, literally, mean the difference between life and death. Seniors and others dependent on Medicare should not have to choose between food and medicine!

Furthermore, the tax cuts in this bill are based on optimistic speculation of where this country will be in ten years. It is true, that many of our decisions on the budget must often be based on projections, but we must do so in disciplined fashion. Chairman Alan Greenspan, recently commented that we should allow "the surpluses to run for a while and unwind a good deal of public debt". Enacting large tax cuts at this junction, therefore, is premature, especially in light of the stability and solvency of Medicare and Social Security.

At a time where this government is just beginning to get its head above water with the stable tax base that we have, we should not be eviscerating our streams of revenue, thereby sending us back into deficit. We should not

be touching our capital gains taxes—at least not at this time. This bill is based on a 10-year plan, yet it makes decisions that would last far longer than 10 years. And remember, at the end of those 10 years, we will start to see the first baby-boomers reach the age of retirement and remove themselves from our tax base—making this set of large tax cuts even more dangerous in the future than it is now. We cannot afford to put this tax burden, without capital gains, without an estate tax, completely on the shoulders of our next generation—it is simply not fair. We will be creating a new inheritance tax, a tax from one generation to the other, created by our ineffective and irresponsible fiscal policy. I ask this House not to do this.

Let me remind you, there are reasonable tax cuts that have bipartisan support. For instance, just about everyone agrees that we ought to extend the research and development (R&D) tax credit. As a Member of the Committee on Science, I know that this credit provides valuable technology to our economy in a time when that sector drives our economy, and creates high paying jobs.

Members on both sides of the aisle agree that we ought to get rid of the marriage penalty. We ought not let our tax structure dissuade people from getting married, and we ought not to penalize those families who have two roughly co-equal earners because they want to do right by their children.

Similarly, I believe that we also have bipartisan support for tax relief for families who must rely on childcare so that both mother and father can work. If we are to support our families, we ought to enact these reasonable and responsible measures, and quit trying to sell them on tax cuts for the wealthy. In fact, under this tax proposal, most families would receive a tax cut of less than \$100 total over 10 years! At the same time, those earning more than \$300,000 would save over \$20,000. If we are going to be pro-family, we should make sure that our cuts go to the families that need tax relief!

Let us do right by the American people, let us do right by the American family, let us do right for posterity. Vote against the Archer plan, and vote for the Rangel substitute.

Mr. ARCHER. Mr. Speaker, may I inquire as to the remaining time on each side?

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from Texas (Mr. ARCHER) has 32½ minutes remaining. The gentleman from New York (Mr. RANGEL) has 38½ minutes remaining.

Mr. ARCHER. Mr. Speaker, am I correct that we will only use 30 minutes of our time on each side tonight?

The SPEAKER pro tempore. The gentleman is correct.

Mr. ARCHER. Mr. Speaker, then I will reserve the 2½ minutes to close the debate for tonight.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. DEFazio).

Mr. DEFazio. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, there is no surplus in this year's budget. We are still running

a deficit. On top of it, we have got a \$5.6-trillion debt, \$17,000 for every American from the tiniest baby to the oldest senior citizen in a nursing home. But here we are after midnight talking about a \$1-trillion dollar tax cut.

Now, this is based on this future and possibly elusive surplus. That is based on an improbably rosy economic scenario. We have done this mistake before. Are we going to do it again?

Now, it is also, and listen up, it is predicated upon further cuts in veterans' health care, further cuts in education and student loans, cuts in Medicare, and it puts Social Security at risk. Yet the Republicans say it is their money, they earned it, and we should give it back.

Well, who is "they"? That is the key question. Who is the "they" to whom we are giving the money back? Let us look at that.

Well, "they" happens to be the top one percent of income earners in this country. The people earning a minimum of \$300,000 a year and up, they are going to get a \$54,000 tax cut on average. That is where those wonderful high numbers come out. Those people, well, they are going to have to get a Brinks truck to handle theirs.

Now, they do not have to worry about veterans' health care. They are not very worried about student loans. Their kids are not eligible. They are not worried about cuts in Medicare, and they do not care about Social Security.

Now, the families who have to make up for the cuts in veterans' health care and in student loans and in Medicare and are worried about Social Security, that is 80 percent of the taxpaying Americans. Every family that earns \$63,000 a year or less, what will they get? They will get \$310 on average, 90 cents a day.

Now, can we replace those benefits with that? No.

Mr. RANGEL. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, after 15 years of practice as a tax lawyer and a CPA, I thought I knew what tax fraud was. But I have seen tax fraud here tonight.

When they talk about the marriage penalty, they do not tell us that the Republican proposal does not eliminate even half of the marriage penalty. The Rangel proposal does more to eliminate or reduce the marriage penalty than does the extremely expensive Republican proposal.

All the wedding pictures in the world will not hide it. And that is why the Christian right around this country, other pro-family groups, are calling the Republicans and saying, why have you done so little to reduce the marriage penalty? Why is it that the Democrats, with a much smaller bill, are able to do more?

We are told that the Republican bill will provide for school construction. But what does it really contain? An arbitrage provision, an invitation to school districts around this country to go bet on interest rates the way Orange County did before they went bankrupt. The only help they give school districts is an invitation to arbitrage betting.

The Rangel bill, instead, provides interest-free loans for real school construction, just as it provides for the R&D tax credit to be permanent and for employer provided education to be tax free.

Now, there has been a lot of talk about numbers. The Democrats have pointed out that two-thirds of the benefits of this bill go to the top 10 percent. But it is worse than that. We did not talk about the corporate tax benefit.

Eighty percent of the benefits of this bill go to the wealthiest 10 percent of Americans and to giant corporations. And what kind of incentives do we give those giant corporations? Well, take a look at the interest allocation rules. Tens of billions of dollars of our money being spent to reward corporations for closing down factories here in the United States and investing equity capital and moving jobs to foreign countries.

This is not a bill to create jobs in America. Perhaps it will create a few overseas.

But it is worse than that. Because we take that last little 20 percent of the benefits that go to middle-class Americans, and not just middle-class, everybody in the bottom 90 percent, and we say their benefit is contingent, the interest allocation provisions for the giant corporations, they are guaranteed, the huge loopholes for the wealthy, they are guaranteed.

But if the interest costs of the United States go up, even if it is just a Social Security trust fund earning more interest on its investment, then we take away the 10 percent tax cut, which is one of the few things that is available to middle-class taxpayers.

Finally, in talking about the money, often when a Democratic speaker speaks the response is to stand up and say, people in your State will save \$3,500 under this bill. Why are you against it? Well, let me tell my colleagues. Yes, it might be \$3,000 per person in my State, but that is over 10 years. So it is less than \$30 a month. But that is not \$30 a month for the average family in my State. That, instead, means \$20 for the richest and \$10 for the average family in my State.

Let us not ruin the economy.

Mr. RANGEL. Mr. Speaker, I yield myself the remaining time.

The SPEAKER pro tempore. The gentleman is recognized for 2½ minutes.

Mr. RANGEL. Mr. Speaker, we are here at 1:20 in the morning talking about a bill that no one has seen in its



final form. The last time I saw this bill it was a \$864 billion tax cut. But that was two days ago.

I can see why the Republicans really do not trust the politicians, because just overnight they lost \$72 billion. And from what they have in the rules change, they may lose the whole 10-percent tax cut depending on how Alan Greenspan feels.

But since this thing is not just smoke and mirrors but cartoons and photographs but no bill, then I guess all we are doing is just saying what is it that the Republican party really stands for?

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Now, I do not know how many people you can afford to lose, I do not know how many we want to take. But the truth of the matter is that if the chairman of the committee truly believes that what makes America great is how much trickle down to the people on the bottom that they may not have income tax and they cannot get a cut, but you know something? The people who work hard every day and take home less than their gross pay because they have payroll taxes, they feel that. I know you do not have time to really get down and talk about them, because the air is different when you are dealing with the top 1 percent of those that have high incomes, or those that cut coupons. But one thing is clear. Even though it is 1:20 in the morning, the reporters are gone and you really think you got away with something, take my word for it. The Joint Committee on Taxation will still have these reports tomorrow morning. We will still distribute the reports. And figures do not lie. We know how much you are giving away, we know who you are giving it away to, and you can try to change the formulas all you want to get some votes to pass the rule, but I would not go to sleep this morning thinking that you have enough to pass this bill. And there is one thing that I can guarantee, that you certainly will not have enough votes to override the President's veto.

What I would suggest is this: Why do we not come together as Republicans and Democrats and put together a bill that the President of the United States can really sign?

Mr. ARCHER. Mr. Speaker, I yield the balance of my time to the gentleman from Michigan (Mr. CAMP), another respected member of the Committee on Ways and Means.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from Michigan is recognized for 2½ minutes.

Mr. CAMP. I thank the gentleman for yielding me this time.

Mr. Speaker, I think it is important to point out that we are here talking about tax reduction only after we have balanced the budget, have a surplus and passed legislation to save the So-

cial Security surplus. We have locked the Social Security surplus away in a lockbox and we are now talking about what is left.

It is also important to point out that the average American family today pays double in taxes what it did back in 1985. Today's tax burden is the highest ever in peacetime history.

The key question is, should your hard-earned tax dollars stay here in Washington to be spent on new Federal programs? Or should they be returned to you, the taxpayer, who sent them here in the first place? The answer is clear. You deserve the money.

At a time when we have nearly \$1 trillion in non-Social Security surplus, we absolutely must return the taxpayers' money to the people who sent it here. Why should married couples pay more just because they are married? Our bill provides 42 million taxpayers with relief from the marriage penalty. Our bill means that Michigan's farmers and family-owned businesses will not be forced to sell the farm or business just to pay the death tax, and we allow our farmers and other small businesses to take a 100 percent deduction on health insurance costs which are one of the toughest expenses for the self-employed.

Our bill means that a Michigan factory worker and his family will save \$1,000 in income taxes. Our across-the-board tax reduction will save the seniors who live in my district over \$500 on income taxes, and, if that same senior has a mutual fund, will cut her investment tax rate so more of her savings can stay with her, not the government.

Mr. Speaker, tax relief is needed. There is no doubt about that. We have balanced the budget and set aside the money for Social Security which pays down the debt. Now is the time for the American people to keep the rewards of their hard work. I urge the adoption of this landmark tax relief legislation.

I want to honor the chairman of the Committee on Ways and Means who has worked so hard to bring it forward.

Mr. RYUN of Kansas. Mr. Speaker, I rise today in support of tax relief for all Americans. I also rise today to support American seniors and I applaud this Congress for the decision it made to protect the Social Security Trust Fund. The members of this House are committed to ensuring that not one penny of tax relief will come from our seniors' hard-earned Social Security benefits.

Fortunately, America is working well. Our economy is booming, and Washington is finally showing some fiscal restraint. The result is that over the next 10 years, the federal government will take in enough revenue to fund all federal programs including Social Security and Medicare while setting aside every penny of the Social Security Trust Fund. Still, there will be nearly one trillion dollars in surplus.

I believe we should give that money back to the taxpayers. The hard working men and women of this country have paid more than

their fair share and created the surplus; we in Washington should not spend it.

The tax relief found in the Financial Freedom Act goes a long way to promote prosperity and savings so that more Americans will be able to retire comfortably, rather than living from one Social Security check to another.

Among its many provisions, this legislation reduces income tax rates by 10 percent and provides 100 percent deductibility of health insurance premiums. It also phases out the estate tax so that families will be able to pass family homes, farms and businesses on to their children and grandchildren.

Mr. Speaker, I encourage my colleagues to support this reasonable approach to tax relief that protects our seniors' health and retirement.

Mr. PACKARD. Mr. Speaker, I rise in strong support of H.R. 2488, The Financial Freedom Act of 1999.

Americans are clearly over-taxed. Over the next ten years, the average family will pay \$5,307 more in taxes than the government needs to operate. This overpayment has created a projected \$3 trillion surplus. H.R. 2488 simply refunds this overpayment so hard-working taxpayers can spend their money as they see fit.

The Financial Freedom Act will provide a 10 percent across the board tax reduction for every American. H.R. 2488 will also reduce the Marriage Penalty and Capital Gains tax, and eliminate the Death Tax. I can't think of anything more absurd than penalizing people for investing in our economy, getting married, or even dying. In addition, H.R. 2488 leaves more than \$2 trillion for Social Security and Debt Reduction.

Mr. Speaker, it is time we offer meaningful tax relief to the hard working people of this nation. I urge my colleagues to support The Financial Freedom Act and reimburse Americans for their overpayment to the government.

Mr. DAVIS of Illinois. Mr. Speaker, I rise in opposition to this Robin Hood in Reverse, this Marie Antoinette inspired bill, this Voltarian tax package, H.R. 2488, The Financial Freedom Act.

My father always told us that there is nothing new under the sun and I think he was absolutely correct, because Billie Holiday pegged this bill perfectly when she sang:

Them that's got shall get, Them that's not shall lose,  
So the Bible says and that still is the rule,  
Mamma may have, Papa may have, But God Bless the child that's got his own.

The French philosopher Voltaire is supposed to have once said that the purpose of politics is to take as much money as you can from one group of people and give it to another. The Archer Tax Plan is out of touch with the American People and seems to be more in line with the thinking of Voltaire.

The Treasury Department has estimated that this tax bill will cost the American people almost \$300 billion per year.

Who are the people that it will cost? It will cost senior citizens who need Medicare help with their prescription drugs. It will cost children and teachers who need lower class sizes.

It will cost hospitals and medical schools who train doctors and treat poor people. It will

cost communities who need to reduce crime. It will cost homeless people who need a place to stay. It will cost victims of AIDS who need to be cured.

It will cost retirees who need social security; and it will cost hungry people who need to be fed.

I can just see Robin Hood turning over in his grave, I can feel Franklin Delano Roosevelt grimace in pain and I can hear Jesus the Christ saying, as you do unto the least of these my brethren, so have you done unto me.

Can you imagine a tax plan where close to half the benefits would go to the richest 1 percent of the taxpayers, to the average tune of \$54,000.

Yes, under this plan, them that's got are the ones who get. Corporate welfare, their Martini lunches, capital gains tax reduction are all protected, while we can look for cuts in Head Start, money for students with disabilities, after school programs and meals for the elderly would all face serious cuts.

Under this plan roads, bridges and streets could crumble, the 43 million people with no health insurance remain uninsured, the over 5 million in severe need of housing receive no relief and the 34 million people who are labeled as moderately or severely hungry and where parents skip meals so that children can eat will get no help. I can hear Marie Antoinette or someone who does not know the impact or consequences of these cuts saying, let them eat cake.

They cannot eat cake; because there will be none, and if there is, it certainly will not be sweet. But we can vote like the representatives a majority of the people want us to be.

We can vote these cuts down and stand up for the people. I thank you Mr. Speaker and yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to section 2 of House Resolution 256, further consideration of the bill will be postponed until the next legislative day.

#### COMMUNICATION FROM THE SPEAKER

The SPEAKER pro tempore laid before the House the following communication from the Speaker of the House of Representatives:

HOUSE OF REPRESENTATIVES,  
OFFICE OF THE SPEAKER,  
Washington, DC, July 21, 1999.

Hon. MICHAEL P. FORBES,  
House of Representatives,  
Washington, DC.

DEAR MR. FORBES: This is to inform you that pursuant to Sec. 3 Public Law 94-304, as amended by Sec. 1, Public Law 99-7, I am withdrawing your appointment to the Commission on Security and Cooperation in Europe effective immediately.

Sincerely,

J. DENNIS HASTERT,  
Speaker of the House.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. CHENOWETH of Idaho (at the request of Mr. ARMEY) for today on account of illness.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. RANGEL) to revise and extend their remarks and include extraneous material:)

Mr. HOYER, for 5 minutes, today.  
Mr. CUMMINGS, for 5 minutes, today.  
Mr. FILNER, for 5 minutes, today.  
Mr. MORAN of Virginia, for 5 minutes, today.

Mr. CARDIN, for 5 minutes, today.  
Mr. COYNE, for 5 minutes, today.  
Mr. BLUMENAUER, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.  
Mr. LIPINSKI, for 5 minutes, today.  
Mr. STUPAK, for 5 minutes, today.  
Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. SCOTT, for 5 minutes, today.  
Mr. PATTYNE, for 5 minutes, today.  
Mrs. CHRISTENSEN, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.  
Ms. MILENDER-MCDONALD, for 5 minutes, today.

Mr. DAVIS of Florida, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.  
Ms. KAPTUR, for 5 minutes, today.  
Mr. MCGOVERN, for 5 minutes, today.  
Mr. GEORGE MILLER of California, for 5 minutes, today.

Mr. NADLER, for 5 minutes, today.  
Mr. CONYERS, for 5 minutes, today.  
Ms. LEE, for 5 minutes, today.  
Ms. SCHAKOWSKY, for 5 minutes, today.

Ms. MCKINNEY, for 5 minutes, today.  
Mr. SHERMAN, for 5 minutes, today.  
Mrs. MEEK of Florida, for 5 minutes, today.

Mrs. TUBBS JONES of Ohio, for 5 minutes, today.

Mr. BISHOP, for 5 minutes, today.

#### SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 46. Concurrent resolution expressing the sense of Congress that the July 20, 1999, 30th anniversary of the first lunar landing should be a day of celebration and reflection on the Apollo-11 mission to the Moon and the accomplishments of the Apollo program throughout the 1960's and 1970's; to the Committee on Government Reform.

#### SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 361. An act to direct the Secretary of the Interior to transfer to John R. and Margaret J. Lowe of Big Horn County, Wyoming, certain land so as to correct an error in the patent issued to their predecessors in interest.

S. 449. An act to direct the Secretary of the Interior to transfer to the personal representative of the estate of Fred Steffens of Big Horn County, Wyoming, certain land comprising the Steffens family property.

#### ADJOURNMENT

Mr. NUSSLE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 26 minutes a.m.), under its previous order, the House adjourned until today, Thursday, July 22, 1999, at 11 a.m.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

3157. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Bentazon; Extension of Tolerance for Emergency Exemptions [OPP-300883; FRL 6087-5] (RIN: 2070-AB78) received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3158. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Fosetyl-Al; Pesticide Tolerance [OPP-300892; FRL-6090-3] (RIN: 2070-AB78) received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3159. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Imazamox; Pesticide Tolerances for Emergency Exemptions [OPP-300879; FRL-6086-5] (RIN: 2070-AB78) received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3160. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Imidacloprid; Pesticide Tolerances for Emergency Exemptions [OPP-300884; FRL-6088-3] (RIN: 2070-AB78) received July 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3161. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Myclobutanil; Pesticide Tolerances for Emergency Exemptions; Correction [OPP-300705A; FRL-6089-2] (RIN: 2070-AB78) received July 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3162. A letter from the Comptroller, Under Secretary of Defense, transmitting a letter reporting a violation of the Antideficiency Act by the Department of the Air Force, case number 95-10; to the Committee on Appropriations.

3163. A letter from the Comptroller, Under Secretary of Defense, transmitting a letter reporting a violation of the Antideficiency Act by the Department of the Air Force, case number 96-04; to the Committee on Appropriations.

3164. A letter from the Alternate OSD Federal Register Liaison Officer, Department of Defense, transmitting the Department's final rule—Civilian Health and Medical Program

of the Uniformed Services (CHAMPUS); Extension of the Active Duty Dependents Dental Plan to Overseas Areas (RIN: 0720-AA36) received July 19, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

3165. A letter from the Executive Director, National Commission on Libraries and Information Science, transmitting the twenty-seventh annual report of the activities of the Commission covering the period October 1, 1997 through September 30, 1998, pursuant to 20 U.S.C. 1504; to the Committee on Education and the Workforce.

3166. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Medical Devices; Performance Standard for Diagnostic X-Ray Systems; Amendment [Docket No. 98N-0877] received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3167. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits [FRL-6373-3] (RIN: 2020-AA13) received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3168. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Implementation Plan and Redesignation Request for Williamson County, Tennessee Lead Non-attainment Area [TN-217-1-9920a; FRL-6373-9] received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3169. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Project XL Rulemaking for New York State Public Utilities; Hazardous Waste Management System [FRL-6374-8] received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3170. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality State Implementation Plans; Louisiana; Approval of Clean Fuel Fleet Substitution Program Revision [LA52-1-7422a; FRL-6378-3] received July 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3171. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Plans For Designated Facilities; New York [Region 2 Docket No. NY31-192a, FRL-6379-2] received July 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3172. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Clean Air Act Direct Final Approval of Title V Prohibitory Rule as a State Implementation Plan Revision; Sacramento Metropolitan Air Quality Management District, California [CA 210-162a; FRL-6378-5] received July 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3173. A letter from the Management Analyst, AMD-Performance Evaluation and

Records Management, Federal Communications Commission, transmitting the Commission's final rule—Assessment and Collection of Regulatory Fees for Fiscal Year 1999 [MD Docket No. 98-200; FCC 99-146] received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3174. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's report on nuclear nonproliferation in South Asia for the period of October 1, 1998, through March 31, 1999, pursuant to 22 U.S.C. 2376(c); to the Committee on International Relations.

3175. A letter from the Acting Deputy Under Secretary (International Programs), Office of the Under Secretary of Defense, transmitting a copy of Transmittal No. 07-99 which constitutes a Request for Final Approval for the Memorandum of Agreement between the U.S. and the NATO Airborne Early Warning Command Program Management Organization concerning cooperative projects for the E-3 aircraft, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

3176. A letter from the Administrator, Agency for International Development, transmitting the Inspector General's Semi-annual Report for the period ending March 31, 1999, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

3177. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Procurement List Additions and Deletion—received July 19, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3178. A letter from the Chairman, Amtrak, National Railroad Passenger Corporation, transmitting Amtrak's Office of Inspector General's Semiannual Report to Congress for the period ending March 31, 1999, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

3179. A letter from the Director, Office of Personnel Management, transmitting the Semiannual Report of the Inspector General and the Management Response for the period of October 1, 1998 to March 31, 1999, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

3180. A letter from the Chief Operating Officer/President, Resolution Funding Corporation, transmitting a copy of the Resolution Funding Corporation's Statement on Internal Controls and the 1998 Audited Financial Statements, pursuant to Public Law 101-73, section 511(a) (103 Stat. 404); to the Committee on Government Reform.

3181. A letter from the Chairman, Federal Election Commission, transmitting reports regarding the receipt and use of federal funds by candidates who accepted public financing for the 1996 Presidential Primary and General Elections, pursuant to 26 U.S.C. 9009(a)(5)(A); to the Committee on House Administration.

3182. A letter from the Acting Assistant Secretary for Land and Minerals Management, Department of the Interior, transmitting the Department's final rule—Electronic Reporting (RIN: 1010-AC40) received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3183. A letter from the Chief, Forest Service, Department of Agriculture, transmitting the new RECORD of Decision 1999 for the Final Environmental Impact Statement on the Tongass Land Management Plan Revision; to the Committee on Resources.

3184. A letter from the Director, Policy Directives and Instructions Branch, Immigra-

tion and Naturalization Service, transmitting the Service's final rule—Canadian Border Boat Landing Program [INS No. 1796-96] (RIN: 1115-AE53) received July 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3185. A letter from the Assistant Secretary of the Army (Civil Works), Department of the Army, transmitting a recommendation for modification of the flood damage reduction project for the Potomac River, Washington, DC; to the Committee on Transportation and Infrastructure.

3186. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operating Regulation; Gulf Intracoastal Waterway, LA [CGD 08-99-039] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3187. A letter from the Administrator, General Services Administration, transmitting an informational copy of a lease prospectus for the U.S. Attorneys Office in Seattle, WA, pursuant to 40 U.S.C. 606(a); to the Committee on Transportation and Infrastructure.

3188. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Compromises [TD 8829] (RIN: 1545-AW87) received July 19, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3189. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—August 1999 Applicable Federal Rates [Revenue Ruling 99-32] received July 19, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. MYRICK: Committee on Rules. House Resolution 257. Resolution providing for the consideration of the bill (H.R. 2561) making appropriations for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes (Rept. 106-247). Referred to the House Calendar.

Mr. SESSIONS: Committee on Rules. House Resolution 258. Resolution providing for consideration of the bill (H.R. 1074) to provide Government-wide accounting of regulatory costs and benefits, and for other purposes (Rept. 106-248). Referred to the House Calendar.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BARTON of Texas (for himself, Mr. NETHERCUTT, Mr. RUSH, Mr. OXLEY, and Mr. TERRY):

H.R. 2576. A bill to establish the Drug Abuse Prevention and Treatment Administration, and for other purposes; to the Committee on Commerce, and in addition to the Committees on Education and the Workforce, and Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. CUBIN:

H.R. 2577. A bill to authorize the development and maintenance of a multi-agency campus project in the town of Jackson, Wyoming; to the Committee on Resources.

By Mr. EHLERS (for himself and Mr. HOEKSTRA):

H.R. 2578. A bill to amend the Consolidated Farm and Rural Development Act to allow business and industry guaranteed loans to be made for farmer-owned projects that add value to or process agricultural products; to the Committee on Agriculture.

By Mr. MARKEY (for himself, Ms. DEGETTE, Mr. CAPUANO, Mr. LUTHER, Mr. INSLEE, Ms. PELOSI, and Mr. MCGOVERN):

H.R. 2579. A bill to impose restrictions on the sale of cigars; to the Committee on Commerce.

By Mr. GREENWOOD (for himself, Mr. HALL of Texas, Mr. GANSKE, Mr. HASTINGS of Florida, Mr. MORAN of Virginia, Mr. ROEMER, Mr. MARTINEZ, Mr. TRAFICANT, Mr. CLAY, Mr. SHOWS, Mr. PETERSON of Minnesota, Mr. EHRLICH, Mr. GILLMOR, Mr. PICKERING, Mr. UPTON, Mr. SHIMKUS, and Mr. BURR of North Carolina):

H.R. 2580. A bill to encourage the creation, development, and enhancement of State response programs for contaminated sites, removing existing Federal barriers to the cleanup of brownfield sites, and cleaning up and returning contaminated sites to economically productive or other beneficial uses; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MEEK of Florida:

H.R. 2581. A bill to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to ensure the safety of imported meat and poultry products; to the Committee on Agriculture.

By Mr. NADLER:

H.R. 2582. A bill to eliminate a limitation with respect to the collection of tolls for use of the Verrazano Narrows Bridge, New York; to the Committee on Transportation and Infrastructure.

By Mr. PETERSON of Minnesota:

H.R. 2583. A bill to provide a temporary exception for certain Minnesota counties from the limitation on the percentage of cropland that may be enrolled in the conservation reserve and wetlands reserve programs; to the Committee on Agriculture.

By Mr. SEXTON:

H.R. 2584. A bill to amend the Jerusalem Embassy Act of 1995; to the Committee on International Relations.

By Mr. RYUN of Kansas:

H. Res. 259. A resolution supporting the goals and ideals of the Olympics; to the Committee on International Relations.

## MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

161. The SPEAKER presented a memorial of the House of Representatives of the State of Colorado, relative to House Joint Resolution 99-1035 memorializing Congress to Curtail implementation of new restrictions from its Reregistration Eligibility Decision on phosphine gas that would require a buffer zone of 500 feet and other restrictions that

effectively preclude the use of aluminum or magnesium phosphide in most Colorado grain storage facilities and grain transportation; to the Committee on Commerce.

162. Also, a memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to a Resolution memorializing the Massachusetts Congressional Delegation to make motions urging the Federal Communications Commission to permit the Department of Telecommunications and Energy to take all necessary and reasonable measures to address the impending area code crisis in Massachusetts; to the Committee on Commerce.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Mr. SHAYS introduced A bill (H.R. 2585) to authorize the Secretary of Transportation to convey a National Defense reserve Fleet vessel to the Glacier Society, Inc., of Bridgeport, Connecticut; which was referred to the Committee on Armed Services.

## ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 6: Mr. VITTER.  
H.R. 44: Mr. PETERSON of Minnesota, Mr. SUNUNU, and Mr. CALVERT.  
H.R. 65: Mr. CALVERT.  
H.R. 86: Mr. VITTER.  
H.R. 116: Mr. BECERRA.  
H.R. 123: Mr. KINGSTON.  
H.R. 303: Mr. CALVERT and Mrs. MORELLA.  
H.R. 318: Mr. STEARNS.  
H.R. 348: Ms. MCKINNEY.  
H.R. 354: Mr. BARRETT of Wisconsin and Ms. JACKSON-LEE of Texas.  
H.R. 357: Mr. STRICKLAND.  
H.R. 380: Mr. COBURN, Mr. GORDON, and Mr. EHLERS.  
H.R. 415: Ms. CARSON and Ms. MCKINNEY.  
H.R. 486: Ms. BROWN of Florida and Mr. JOHN.  
H.R. 488: Mr. HOFFFEL.  
H.R. 491: Ms. BERKLEY.  
H.R. 531: Mr. NORWOOD and Mr. DEFazio.  
H.R. 544: Mr. PAUL.  
H.R. 557: Mr. GREEN of Wisconsin.  
H.R. 583: Mr. LANTOS.  
H.R. 595: Ms. MCKINNEY.  
H.R. 625: Mr. DAVIS of Illinois.  
H.R. 655: Mr. MARKEY.  
H.R. 670: Mr. MANZULLO.  
H.R. 721: Mr. CALVERT, Mr. WALDEN and Mr. DEMINT.  
H.R. 783: Mr. PRICE of North Carolina, Mr. SESSIONS, Mr. DAVIS of Illinois, Mr. WELDON of Pennsylvania, and Ms. LEE.  
H.R. 784: Mr. MOORE.  
H.R. 793: Mr. HOLT.  
H.R. 809: Mr. YOUNG of Alaska, Mr. SKEEN, and Mr. LATOURETTE.  
H.R. 860: Mr. PAUL.  
H.R. 876: Mr. TANCREDO.  
H.R. 915: Ms. WOOLSEY.  
H.R. 952: Mr. HINCHEY.  
H.R. 997: Ms. CARSON.  
H.R. 1068: Mr. HOYER.  
H.R. 1098: Mr. BELVET.  
H.R. 1102: Mr. PASTOR.  
H.R. 1103: Mr. MOAKLEY, Mr. TIERNEY, Ms. SCHAKOWSKY, Mr. ANDREWS, Mr. BRADY of Pennsylvania, Mr. COYNE, and Mr. HOFFFEL.  
H.R. 1115: Mrs. MCCARTHY of New York and Mrs. CAPPS.

H.R. 1168: Mr. GEKAS, Mr. SPENCE, Mr. LAMPSON, and Mr. NUSSLE.

H.R. 1176: Mr. HINCHEY, Mr. GILLMOR, and Mr. BARRETT of Wisconsin.

H.R. 1233: Mr. WU and Mr. DAVIS of Illinois.

H.R. 1237: Mr. MALONEY of Connecticut and Mr. GEJDENSON.

H.R. 1260: Ms. MCKINNEY.

H.R. 1292: Mr. McNULTY.

H.R. 1293: Mrs. EMERSON and Mr. VENTO.

H.R. 1301: Mr. TANNER.

H.R. 1304: Mr. CLAY, Mr. TANCREDO, Mr. NEY, Mr. MCINTOSH, Mr. JONES of North Carolina, Mr. BRADY of Pennsylvania, Mr. CLYBURN, Mr. SEXTON, and Mr. MATSUI.

H.R. 1329: Mr. TAUZIN, Mr. HAYES, Mr. DELAY, Mr. BARR of Georgia, Mr. RAMSTAD, Ms. ROS-LEHTENEN, Mr. MCKEON, Mr. BURTON of Indiana, Mr. WAMP, Mr. GOSS, Mr. PICKERING, and Mrs. CHENOWETH.

H.R. 1354: Mr. RAMSTAD and Mr. BARR of Georgia.

H.R. 1355: Mr. MINGE.

H.R. 1358: Mr. BONIOR, Mr. FOSSELLA, and Mr. PITTS.

H.R. 1433: Mr. DUNCAN and Mr. JENKINS.

H.R. 1485: Mr. MATSUI and Mr. DAVIS of Illinois.

H.R. 1495: Ms. ROYBAL-ALLARD.

H.R. 1592: Mr. JENKINS and Mr. UPTON.

H.R. 1621: Mr. TANCREDO, Mr. GUTIERREZ, Ms. CARSON, and Mr. BARCIA.

H.R. 1645: Mr. RUSH.

H.R. 1650: Ms. STABENOW, Mr. MCGOVERN, Mr. MEHAN, Mr. LIPINSKI, Mr. NEY, and Ms. DUNN.

H.R. 1660: Mrs. NAPOLITANO, Mr. HILL of Indiana, Mr. FORBES, Mr. REYES, Mr. RODRIGUEZ, Mrs. CAPPS, Mr. BERMAN, Mr. GONZALEZ, Ms. JACKSON-LEE of Texas, and Ms. MCKINNEY.

H.R. 1714: Mr. CANNON.

H.R. 1775: Mr. GEJDENSON.

H.R. 1785: Mr. BOUCHER, Ms. MCKINNEY, Mr. ANDREWS, and Mr. HINCHEY.

H.R. 1788: Ms. BERKLEY, Ms. ROS-LEHTENEN, Mr. MCDERMOTT, Mr. MEEHAN, Mr. GREEN of Wisconsin, Mr. BARRETT of Wisconsin, Mr. TURNER, Mr. ROGAN, and Ms. JACKSON-LEE of Texas.

H.R. 1791: Mr. FOLEY.

H.R. 1798: Mr. McNULTY.

H.R. 1841: Mr. HINCHEY.

H.R. 1842: Mr. KINGSTON.

H.R. 1858: Mr. BARRETT of Wisconsin.

H.R. 1863: Ms. HOOLEY of Oregon.

H.R. 1868: Mr. HILLEARY.

H.R. 1907: Mr. BRYANT, Mr. ROTHMAN, Mr. EHRLICH, Mr. MALONEY of Connecticut, Mr. DICKS, and Mr. WATT of North Carolina.

H.R. 1926: Mrs. THURMAN, Mr. MOORE, Mr. SWENEY, Mr. GOODE, and Mr. McNULTY.

H.R. 1932: Mr. MURTHA and Mr. FALCOMA-VAEGA.

H.R. 1975: Mr. SKEEN.

H.R. 1977: Mrs. EMERSON.

H.R. 1989: Mr. CALVERT.

H.R. 1998: Mr. FOLEY.

H.R. 1999: Mr. CROWLEY, Mr. ACKERMAN, and Mr. NADLER.

H.R. 2028: Mr. FOSSELLA.

H.R. 2030: Mr. FRANKS of New Jersey.

H.R. 2111: Mr. PRICE of North Carolina.

H.R. 2113: Mr. MEEKS of New York, Mr. DAVIS of Florida, Ms. LEE, and Mr. HILLIARD.

H.R. 2120: Ms. RIVRS.

H.R. 2260: Mr. HEFLEY, Mr. GARY MILLER of California, Mr. VITTER, and Mr. KINGSTON.

H.R. 2265: Mr. BLAGOJEVICH and Mr. RYAN of Wisconsin.

H.R. 2282: Ms. MCKINNEY.

H.R. 2300: Mr. SPENCE, Mr. GILLMOR, Mr. BURTON of Indiana, Mr. SHIMKUS, Mr. LINDER, and Mr. VITTER.

H.R. 2331: Mr. CUNNINGHAM.  
 H.R. 2373: Mr. TANCREDO, Mr. PITTS, and Mr. ENGLISH.  
 H.R. 2382: Mr. HILLIARD.  
 H.R. 2384: Mr. CONYERS.  
 H.R. 2397: Mr. OWENS.  
 H.R. 2409: Mr. PASTOR.  
 H.R. 2418: Mr. WHITFIELD, Mr. GOODE, and Mr. TAUZIN.  
 H.R. 2420: Mr. NEY and Ms. ROS-LEHTINEN.  
 H.R. 2436: Mr. LARGENT, Mr. ISTOOK, Mr. HILL of Montana, and Mr. ADERHOLT.  
 H.R. 2443: Mrs. CAPPS and Mr. NADLER.  
 H.R. 2444: Ms. MCKINNEY, Mr. FROST, and Mr. DAVIS of Florida.  
 H.R. 2445: Mr. CAPUANO.  
 H.R. 2454: Mr. PICKETT, Mr. JOHN, Mr. DICKEY, Mr. TAUZIN, Mr. SHERWOOD, and Mr. LARGENT.  
 H.R. 2456: Mr. HILL of Montana and Mr. STUMP.  
 H.R. 2491: Mr. LARGENT, Mr. ROYCE, and Mr. LEWIS of California.  
 H.R. 2539: Mr. LANTOS.  
 H.R. 2571: Mr. ALLEN and Mr. GUTIERREZ.  
 H.J. Res. 41: Mr. REYES, Ms. LEE, Mr. CAPUANO, and Ms. BERKLEY.  
 H.J. Res. 55: Ms. MCKINNEY, Mr. FOLEY, and Mr. BILBRAY.  
 H. Con. Res. 34: Mr. MASCARA and Mr. ALLEN.  
 H. Con. Res. 80: Ms. LEE, Mr. VISCLOSKY, Mr. GEKAS, Mr. CRANE, Mr. LAHOOD, Mrs. CAPPS, and Mr. MATSUI.  
 H. Con. Res. 89: Mr. SABO, Mr. OBERSTAR, Mr. LUTHER, and Mr. PETERSON of Minnesota.  
 H. Con. Res. 101: Mr. HAYES, Mr. RYAN of Wisconsin, and Mr. DEMINT.  
 H. Con. Res. 109: Mr. HALL of Texas.  
 H. Con. Res. 124: Mr. LUTHER.  
 H. Con. Res. 132: Mr. OLIVER, Mr. LEWIS of Georgia, Mr. PALLONE, Mr. KILDEE, and Mr. METCALF.  
 H. Con. Res. 152: Mr. OSE, Mr. BARRETT of Wisconsin, Mr. FILNER, Mr. FROST, and Ms. KILPATRICK.  
 H. Con. Res. 160: Ms. PRYCE of Ohio.  
 H. Res. 238: Mr. DELAHUNT.

#### DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 987: Mr. BARCIA.

#### AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 1074

OFFERED BY: MR. HOEFFEL

AMENDMENT No. 1: At the end of the bill add the following:

#### SEC. . INFORMATION REGARDING OFFSETTING SUBSIDIES.

In addition to the information required under section 4, the President shall include in each accounting statement under that section an analysis of the extent to which the costs imposed on incorporated entities by Federal regulatory programs are offset by subsidies given to those entities by the Federal Government, including subsidies in the form of grants, preferential loans, preferential tax treatment, federally funded research, or use of Federal facilities, assets, or public lands at less than market value. The analysis shall—

- (1) identify such subsidies;
- (2) analyze the costs and benefits of such subsidies; and
- (3) be sufficiently specific to—
  - (A) account for the amounts of subsidies provided to the entities; and
  - (B) identify the entities that receive such subsidies.

#### SEC. . TAXPAYER PROTECTIONS.

- (a) LIMITATION ON EXPENDITURES.—
  - (1) IN GENERAL.—The aggregate amount expended by the Director and agencies each fiscal year to carry out this Act may not exceed \$1,000,000.
  - (2) LIMITATION ON APPLICATION.—Paragraph (1) shall not apply to any expenditure for any analysis or data generation that is required under any other law, regulation, or Executive Order and used to fulfill the requirements of this Act.
  - (b) SUNSET.—This Act shall have no force or effect after the expiration of the four-year-period beginning on the date of the enactment of this Act.

H.R. 1074

OFFERED BY: MR. MCINTOSH

AMENDMENT No. 2: Page 4, line 17, strike “President” and insert “Director”.

H.R. 1074

OFFERED BY: MR. MCINTOSH

AMENDMENT No. 3: Page 7, beginning at line 5, strike “and economic growth” and insert “economic growth, public health, public safety, the environment, consumer protection, equal opportunity, and other public policy goals”.

H.R. 1074

OFFERED BY: MR. MCINTOSH

AMENDMENT No. 4: At the end of the bill add the following:

#### SEC. . SPECIAL RULES RELATING TO CERTAIN FEDERAL BANKING AGENCIES AND MONETARY POLICY.

- (a) TRANSFER OF AUTHORITY AND DUTIES OF DIRECTOR.—The head of each Federal banking agency (as that term is defined in section 3(z) of the Federal Deposit Insurance Act (12 U.S.C. 1813(z)) and the National Credit Union Administration, and not the Director, shall exercise all authority and carry out all duties otherwise vested under this Act in the Director with respect to that agency, other than the authority and duty to submit accounting statements and reports under section 4(a). The head of each such agency shall submit to the Director all estimates and other information required by this Act to be included in such statements and reports with respect to that agency.
- (b) EXCLUSION OF MONETARY POLICY.—No provision of this Act shall apply to any matter relating to monetary policy that is proposed or promulgated by the Board of Governors of the Federal Reserve System or the Federal Open Market Committee.

H.R. 2561

OFFERED BY: MR. BARR OF GEORGIA

AMENDMENT No. 1. At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. —. None of the funds appropriated or otherwise made available by this Act may be used to provide assistance to the practice of witchcraft or Wicca, as defined by the encyclopedia of American Religious, on any military installation or vessel.

H.R. 2561

OFFERED BY: MR. BARR OF GEORGIA

AMENDMENT No. 2. At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. —. None of the funds appropriated or otherwise made available by this Act may be used to promulgate or implement final regulations under paragraph (7) of section 3(b) of Public Law 95-341 (popularly known as the American Indian Religious Freedom Act) (42 U.S.C. 1996a(b)) with respect to the use of peyote by members of the Armed Forces.

H.R. 2561

OFFERED BY: MR. BARR OF GEORGIA

AMENDMENT No. 3. At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. —. NONE OF THE FUNDS MADE AVAILABLE IN THIS ACT MAY BE USED TO PURCHASE—

- (1) goods manufactured by, or goods that include components manufactured by, Zvezda-Strela, a subsidiary of Zvezda-Strela (such as STRELA Production Association), a company that is controlled by Zvezda-Strela, or the Spetstekhnika Joint Stock Company;
- (2) goods marketed by SPETSTEKHNIKA;
- (3) goods manufactured by, or goods that include components manufactured by, a company other than Zvezda-Strela in partnership or otherwise in association with Zvezda-Strela; or
- (4) any product manufactured by the ZVEZDA Design Bureau located in Kaliningrad-BR or another location in Russia.

H.R. 2561

OFFERED BY: MR. BARR OF GEORGIA

AMENDMENT No. 4: In the paragraph in title IV under the heading “Research Development, Test, and Evaluation, Air Force”, insert after the dollar amount the following: “(increased by \$1) (reduced by \$1)”.

H.R. 2561

OFFERED BY: MR. BLAGOJEVICH

AMENDMENT No. 5: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds provided in this Act may be used to transfer to the Talon Manufacturing Company ammunition held by the Department of Defense that has a center-fire cartridge and a United States military nomenclature designation of “armor penetrator”, “armor piercing (AP)”, “armor piercing incendiary (API)”, or “armor-piercing incendiary-tracer (API-T)”.

H.R. 2561

OFFERED BY: MR. BLAGOJEVICH

AMENDMENT No. 6: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds provided in this Act may be used to transfer to any non-governmental entity ammunition held by the Department of Defense that has a center-fire cartridge and a United States military nomenclature designation of “armor penetrator”, “armor piercing (AP)”, “armor piercing incendiary (API)”, or “armor-piercing incendiary-tracer (API-T)”.

H.R. 2561

OFFERED BY: MR. KUCINICH

AMENDMENT No. 7: At the end of the bill insert after the last section (preceding the short title) the following new section:

SEC. —. None of the funds made available in this Act may be used to procure a munition of a type referred to as a “cluster bomb” (also known as “combined effects munitions”, “CBU munitions”, “sensor-fused weapons”, “area-impact munitions”, “anti-personnel bomblets”, “anti-material bomblets”, and “anti-armor bomblets”).

H.R. 2561

OFFERED BY: MR. KUCINICH

AMENDMENT NO. 8: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. \_\_\_\_\_. (a) The Comptroller General, the Director of the Congressional Budget Office, and the Director of the Congressional Research Service of the Library of Congress shall conduct such studies as appropriate and within their respective capabilities to assist Congress in evaluating the air campaign conducted by the North Atlantic Treaty Organization (NATO) against the Federal Republic of Yugoslavia during Operation Allied Force in 1999. Those studies shall, at a minimum, identify the following matters:

(1) The damage that the NATO plan for the air campaign identified as necessary.

(2) The reasons why that damage was identified as being necessary.

(3) The military forces that the plan required and the extent to which those forces were committed.

(4) The extent to which the air campaign achieved the desired level of damage.

(5) The extent to which the damage caused by the air campaign had the predicted effects in terms of reducing capabilities of the Federal Republic of Yugoslavia in Kosovo.

(6) The extent to which the damage caused by the air campaign had the predicted effects in terms of undermining command and control capabilities of the ruling regime of the Federal Republic of Yugoslavia.

(7) The role of the bombing in obtaining the agreement of the regime of the Federal Republic of Yugoslavia to the Military Technical Agreement of June 10, 1999.

(8) Any other factors that led to the decision by the regime of the Federal Republic to the Military Technical Agreement of June 10, 1999.

(b) The studies under subsection (a) shall be submitted to Congress not later than one year after the date of the enactment of this Act.

(c) All data that would be declassified in the course of the studies under subsection (a) shall be electronically published on the Internet, and statistical data shall be electronically published in spreadsheet form, for use by the public, academicians, and non-governmental organizations.

H.R. 2561

OFFERED BY: MR. STEARNS

AMENDMENT NO. 9: Page 30, after line 12, insert the following:

In addition, for procurement of F-22 aircraft, \$1,852,075,000, to be derived by transfer from unobligated amounts appropriated to the Overseas Contingency Operations Transfer Fund in chapter 3 of title II of Public Law 106-31, and to remain available for obligation until September 20, 2002.



## EXTENSIONS OF REMARKS

## RECOGNIZING THE HMONG YOUTH FOUNDATION

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize the Hmong Youth Foundation's Third Annual Summer Festival. This Festival provides Hmong youth, many of whom are challenged with language barriers, with opportunities to engage in fun and educational activities.

The Foundation was organized to give Hmong students a place to congregate as colleagues, who share common fears, hopes and goals. The primary objective is to give students opportunities to excel in academic pursuits and to award scholarships. Many of the students come from economically disadvantaged families due, in part, to the fact that a majority of Hmong adults are unable to speak English. The result is that many Hmong adults are unable to hold higher paying jobs.

Hmong youth are constantly challenged with difficulties of social assimilation, lost opportunities, and juvenile crime temptations. The Hmong Youth Foundation seeks to give every Hmong child the opportunity to succeed and overcome obstacles. The Foundation pursue these goals through every avenue available including collaborations with other Hmong and Southeast Asian refugee self-help organizations, as well as non-Asian agencies. Response to the Foundation has been very positive, as it is providing a service to the Hmong community that no other agency offers.

Hmong students in Fresno County have excelled in academic excellence and have received many accolades. Among them are annual Hmong valedictorians in the Fresno and Clovis Unified School Districts. The Hmong Youth Foundation's intent is to help as many students as possible so that even greater success will follow.

Mr. Speaker, I rise to recognize the Hmong Youth Foundation for its service to the community. I urge my colleagues to join me in wishing the Foundation many more years of continued success.

## IMF GOLD SALE PROPOSAL

HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

Mr. THOMPSON of Mississippi. Mr. Speaker, on Saturday, there will be an historic march in Pretoria, South Africa. For the first time ever, gold miners will march shoulder to shoulder with the management of the gold mining companies which employ more than

250,000 union miners. They will march from the National Union of Mineworkers Building to the British Embassy and to the Swiss Embassy to protest gold sales from those countries' central banks. Just the threat of central bank gold sales has caused the price of gold on the world market to plunge to 20-year lows over the past two months, endangering more than 80,000 jobs and the means of support of almost a million sub-Saharan Africans.

James Motlatsi, president of the NUM, and Bobby Godsell, head of the Chamber of Mines, will return from London—where they are petitioning the Bank of England to stop further sales—to lead the march.

Mr. Speaker, Mr. Motlatsi and Godsell came to Washington two weeks ago to warn of the dreadful consequences for their miners and their continent of central bank gold sales. They came here to tell us that the well-meaning efforts of many of the world's greatest powers, including the US, would cause some of the world's poorest countries to suffer needlessly.

The proposal, endorsed by the G-7 last month, to sell some of the gold reserves of the International Monetary Fund to provide a token contribution to debt relief for the poorest countries, is totally misguided and must be stopped. Because of the weighted voting structure of the IMF, it cannot sell any of its gold without the support of the US representative to the IMF. And, under US law, our IMF representative cannot support any gold sale without first obtaining approval of Congress.

Mr. Speaker, we here in Congress do not have the ability to stop the sale of gold from other central banks, although we can make our disapproval manifest. However, we can stop the sale of IMF gold, and we need to do it now. Our disapproval of the gold sale is not an obstacle to debt relief—there are many ways to deal with debt relief without IMF gold sales.

Mr. Speaker, Members of the House on both sides of the aisle have written to the Treasury Department and to President Clinton stating our unequivocal opposition to gold sales by the IMF, and without objection, I would like to enter into the record copies of those letters.

Before the South Africans begin their march on Saturday, I urge the President to respond to this crisis by withdrawing his support for IMF gold sales, and withdrawing Treasury's request for authorization to support it. The countries we are pledging to help should not be cursed by our misguided generosity.

Stop the gold sales now.

CONGRESS OF THE UNITED STATES

Washington, DC, June 30, 1999.

Hon. WILLIAM JEFFERSON CLINTON,  
President, U.S. Of America, Washington, D.C.

DEAR PRESIDENT CLINTON: South Africa has just inaugurated its second democratically elected President, Thabo Mbeki. Among the many challenges he faces is an immediate crisis—the terrible shock to his country's

economy caused by the dramatic drop in the price of gold over the past three months. The many other gold-producing countries in sub-Saharan Africa are struggling with the same blow to their emerging economies.

Ironically, tragically, the \$30 decline in the price of gold can be traced in part to announcements of support for the sale of some of the IMF's gold reserves to fund debt relief for some of these very countries. The IMF announcement, coupled with the proposal by the British government to sell some 14 million ounces of their gold reserves, saw the price of gold plummet in just a few days from nearly \$290 an ounce to below \$260. This drop has already reduced the export earnings of the gold-producing Heavily Indebted Poor Countries (HIPC's) by more than \$150 million per year.

While we cannot change the decision of the British government to sell its gold reserves, we can prevent the IMF from further damaging the economies of the very countries it seeks to help. The IMF cannot sell any portion of its gold reserves without approval of the US representative to the IMF. And the Treasury Department must obtain Congressional authorization before the US representative can approve such a sale. When this proposal comes before Congress for consideration, we will oppose it vigorously. Make no mistake, we believe strongly in debt relief, and we intend to pursue every avenue to provide as much real relief as quickly as possible. However, selling gold reserves is the worst possible method of financing debt relief.

Gold mineral reserves are a large part of the natural wealth of many poor countries, and is therefore one of the few avenues for economic development. More than three-fourths of the HIPC nations targeted for the IMF debt relief plan are gold producers, and gold plays a crucial role in the economies of 10 of those countries. Since the mining industry draws much of its workforce from the poorest and most rural communities in the subcontinent, often 10 people or more are dependent on the earnings of each miner. If the price of gold remains at the current 20-year low price of about \$258, 40% of South Africa's gold production will become unprofitable, more than 80,000 miners will lose their jobs, and upwards of 800,000 Africans will be plunged into absolute poverty.

Debt relief does not require IMF gold sales in order to be effective. In fact, the proceeds from the gold sales which are actually targeted to debt relief are virtually nil. According to one calculation, there would be less than \$60 million per year available to retire the estimated \$220 Billion HIPC debt. There are alternatives to gold sales which would provide more debt relief in a shorter period of time.

We will not support central bank gold sales; we will oppose them in whatever form they are presented to the Congress. We intend to examine more realistic, more productive, and less harmful alternatives. We hope you will join us.

Sincerely,

James Clyburn, Sanford Bishop, Eva M. Clayton, Robert Scott, Bennie G. Thompson, Albert R. Wynn, Eddie Bernice Johnson, Melvin Watt, Edolphus

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Towns, Bobby Rush, Carolyn Kilpatrick, Danny K. Davis, Elijah E. Cummings, John Conyers, Juanita Millender-McDonald, Harold Ford, Jr., Earl Hilliard, Gregory Meeks, Carrie Meek, Charles B. Rangel, Major R. Owens, Stephanie Tubbs Jones, Alcee L. Hastings, Julian Dixon, Sheila Jackson-Lee, John Lewis.

UNITED STATES SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
Washington, DC, June 21, 1999.

Hon. LAWRENCE SUMMERS,  
Deputy Secretary, U.S. Department of the Treasury, Washington, DC.

DEAR MR. SECRETARY: We join a bipartisan group of Senators who are opposed to the International Monetary Fund's proposal to sell a portion of its gold reserves to fund debt relief for countries under the Heavily-Indebted Poor Countries (HIPC) Initiative.

We are unalterably persuaded that selling IMF gold reserves would adversely affect the very countries the Administration intends to assist and further damage the U.S. domestic gold industry.

As is well known, gold prices are depressed—prices dropped more than \$25 per ounce since Great Britain announced it would sell a portion of its holdings. During the past month, the price of gold has plunged to a twenty-year low.

Since the U.S. is the world's second largest producer of gold, we are concerned that American companies and the jobs of thousands of working Americans will be at risk if prices continue to fall.

Thirty-six of the 41 nations slated to benefit from the HIPC program are gold producers. If sales further depress gold prices, it is questionable that benefits from debt relief would outweigh the harm done by falling gold prices. We cannot support a proposal that could very well damage viable private businesses and free markets in developing countries in exchange for relieving a portion of a country's sovereign debt.

We are fully confident that creative minds at the Treasury Department and the IMF can come up with alternatives to gold sales, and the Foreign Relations Committee stands ready to work with you.

Kindest regards.

Sincerely,

JESSE HELMS.  
CHUCK HAGEL.

HOUSE OF REPRESENTATIVES  
OFFICE OF THE MAJORITY WHIP,  
May 12, 1999.

Hon. DAVID DREIER,  
Chairman, Committee on Rules,  
Washington, DC.

DEAR CHAIRMAN DREIER: I am writing to bring to your attention my strong opposition to an Administration request to sell a portion of the gold reserves held by the International Monetary Fund (IMF) to provide debt relief to certain nations within their Heavily-Indebted Poor Countries (HIPC) initiative. I am concerned that the Administration has not taken into account the economic and financial issues involved that are likely to pose serious policy concerns.

As you know, I have been an outspoken critic of the IMF with respect to how it conducts its mission, including the management of its resources. Given the current credit risks at the IMF, the maturity mismatch between its liabilities and assets, and its concentration of loans to five nations, I am concerned that if this ill-conceived proposal

were implemented, the direct result would be a further weakening of the IMF balance sheet.

In addition, the sale of IMF gold reserves would significantly harm the U.S. gold mining industry by leading to the further decline in the price of gold. The mere discussion alone of a possible IMF gold sale has contributed to a more than 3.5 percent drop in the price of this commodity over the last few weeks.

The gold industry provides thousands of high paying jobs in this country and a valuable U.S. export commodity that substantially benefits our balance of trade. Yet, the current depressed price of gold on world markets has resulted in major job losses and hardship in the mining sectors of the 13 states that produce nearly 15 percent of the world's output of gold annually. Continued declines in the price of gold would be devastating to the rural communities in this country that rely on the stable price and production of this precious commodity.

With regard to the HIPC initiative, IMF gold sales actually could result in greater harm than assistance to these 41 nations. Indeed, gold mining is a viable and productive sector in the economies of well over half of the HIPC nations. In 10 of those countries, gold mining accounts for between 5 and 40 percent of exports and, as a result, is crucial to national economic well being and employment. In certain other HIPC countries, which do not presently mine gold to any significant extent, there are advanced plans for major gold mining development. Thus, while it is my view that U.S. support for the HIPC initiative not be provided at the expense of an important sector of our economy, the justification for IMF gold sales becomes even less compelling with the possibility that HIPC nations could be harmed—not helped—by such sales.

It is my understanding that congressional authorization is required prior to U.S. representatives to the IMF voting in favor of transactions involving the sale of its gold reserves. As matters involving the IMF come before you, particularly as they relate to the sale of IMF gold reserves, I hope you will consider the risk of harm posed by such sales to a vital sector of our economy.

Finally, Majority Leader Armev has correctly requested that Joint Economic Committee Vice Chairman Jim Saxton direct the JEC to examine the full context of this IMF gold sales proposal along the lines to these same concerns. As such, nothing should proceed on this proposal until the JEC has completed its examination.

Thank you for your attention to this matter.

Sincerely,

TOM DELAY,  
Member of Congress.

Similar Letters Sent To: Jim Leach, Chairman, Committee on Banking and Financial Services; Ben Gillman, Chairman, Committee on International Relations; C.W. Young, Chairman, House Appropriations Committee; Sonny Callahan, Chairman, Subcommittee on Foreign Operations; Spencer Bachus, Chairman, Subcommittee on Domestic & International Monetary Policy; Ed Royce, Chairman, Subcommittee on Africa; and Jim Saxton, Vice Chairman, Joint Economic Committee.

## KASHMIR VIGILANCE

HON. BENJAMIN A. GILMAN

OF NEW YORK  
IN THE HOUSE OF REPRESENTATIVES  
Wednesday, July 21, 1999

Mr. GILMAN. Mr. Speaker, I rise to express support for the recent developments regarding the conflict in Jammu and Kashmir in India. Last November a large body of Pakistani troops from its Northern Light Infantry Regiment and Pakistani-backed terrorists crossed the Line of Control into Jammu and Kashmir, forcefully occupying key Indian military posts abandoned for the winter season. When the Indian Armed forces earlier this year attempted to return to their military posts, they were met with fierce Pakistani resistance and opposition.

Faced with this opposition, India then took restrained military action to regain its territory occupied by the terrorists and Pakistani military forces. By adopting a proper, proportionate response to the incursion, India took steps to ensure that the situation did not spin out of control and escalate further.

Most of the international community agree that Pakistan crossed into Jammu and Kashmir in an attempt to alter the Line of Control to Pakistan's advantage and to internationalize the issue.

Pakistan soon discovered that the international community did not support those ambitions. The United States and its allies, including the G-8 nations, condemned the incursion across the Line of Control into India, and called for an immediate end to the hostilities, restoration of the Line of Control, and future respect for the Line of Control.

A resolution sponsored by a bipartisan majority of the House International Relations Committee and myself, two weeks ago, in part expressed the sense of the Congress that it should be the policy of the United States to (1) support the immediate withdrawal of intruding forces supported by Pakistan from the Indian side of the Line of Control, (2) urge the reestablishment and future respect for the line of Control, and (3) to encourage all sides to end the fighting and exercise restraint. The Resolution further expressed the sense of the Congress that it should be the policy of the United States to encourage both India and Pakistan to adhere to the principles of the Lahore Declaration.

Mr. Speaker, I am pleased that the President personally communicated this to Pakistan Prime Minister Sharif and that Pakistan is now in the process of withdrawing its forces from the Indian side of the Line of Control. This should be a message to Pakistan that the international community will not tolerate its military or financial support to any aggression.

This is an issue that India and Pakistan must resolve bilaterally. I am pleased to see that the United States, consistent with its past policy, has said it would not mediate this issue. I urge the U.S. to maintain this position.

Mr. Speaker, I urge both Nations to work toward rebuilding the trust that has been lost as a result of the fighting at the LOC, and to work toward full implementation of the Lahore Declaration. Without this trust, there can be no "true" agreement to go forward with the Lahore process.

While we welcome the decision of the Sharif Government to end the hostilities across the Line of Control into India by ordering the withdrawal of the invading forces, we will keep a keen eye on the situation in the weeks ahead to make caution that all of the conditions will be met. Pakistan must dismantle the structures for training militants for disrupting peace in Jammu and Kashmir, and to maintain the sanctity of the Line of Control, not only in Kargil, but throughout Jammu and Kashmir, India. In addition, Pakistan must stop its support for cross-border terrorism against India.

The Resolution that I introduced, while appropriate at the time, should serve as an expression of Congressional concern. Should we see a recurrence by Pakistan of the events of the past weeks, or other subtle or indirect acts that once again threaten peace in the region, I will not hesitate to begin this Resolution to the House floor.

## TEACHER EMPOWERMENT ACT

SPEECH OF

**HON. JOHN B. LARSON**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1995) to amend the elementary and Secondary Education Act of 1965 to empower teachers, improve student achievement through high-quality professional development for teachers, reauthorize the Reading Excellence Act, and for other purposes:

Mr. LARSON. Mr. Chairman, I rise today in support of the Castle-Fletcher amendment to the Teacher Empowerment Act to increase teachers knowledge of classroom technology. It is vitally important, as we approach the 21st century, that in order to remain competitive in the global economy, we adapt and, indeed, stay ahead of the revolutionary technological advances that are changing our lives on a daily basis.

Once a mere concept, the knowledge based economy is now a reality. I have often heard mentioned that the leap technology has taken is analogous to going from the dark ages to the renaissance, from cloistered monks scrolling information for the scholarly few to Gutenberg inventing movable type, and exposing the masses to the knowledge contained in books. It is indeed a momentous change. But to maintain our position in the global stage, we must make sure that we integrate technology into our society at the most important stage of our children's development. We must integrate technology into our children's classrooms.

To help our children maintain their competitive advantage in the Information Age, we must give our teachers the tools they need to integrate technology in the classroom. With this amendment we take a positive step in this direction. This amendment would allow professional development programs funded under the Act to provide training for teachers in the uses of technology and its uses in the classroom to improve teaching and learning. It would also provide state funds to Local Edu-

cation Agencies and Higher Education Partnerships for development of programs that train teachers how to use technology in the classroom.

The amendment is important because integrating technology into the classrooms is not just about wiring schools to the Internet. It is also about making sure that we integrate all aspects of technology, including voice, video, data and distance learning, into the curriculum and that we do so effectively. Our teachers should be trained to develop innovative ways to include technology in teaching our children. Not just to teach our children to surf the Web—although I suspect that is not the children who need help in this area—but also to develop ways to use technology in actual subject matter.

As a former teacher and father of three children, it is quite evident to me that a comprehensive approach should be developed to place our children in a position to excel in this new economy. To that effect, I recently introduced a bill that will develop a strategic plan to create a national technological infrastructure to connect public schools to the information superhighway. It is only the first step in a three-pronged strategy that will include infrastructure support, teacher enhancement, and child development. In the meantime, I will continue to be a strong supporter of efforts that move our classrooms into the 21st century.

In closing, Mr. Chairman, I want to thank the gentlemen from Delaware, Mr. CASTLE and the gentleman from Kentucky, Mr. FLETCHER for their vision in offering this amendment to improve the efficiency of our teachers and to prepare our children for the challenges they will face in the coming century. I urge all my colleagues to support this amendment.

## INTERNET CENSORSHIP; JUVENILE VIOLENCE; LOWERING THE DRINKING AGE TO 18

**HON. BERNARD SANDERS**

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. SANDERS. Mr. Speaker, I insert for printing in the RECORD statements by high school students from my home State of Vermont, who were speaking at my recent town meeting on issues facing young people today. I am asking that you please insert these statements in the CONGRESSIONAL RECORD as I believe that the views of these young persons will benefit my colleagues.

### INTERNET CENSORSHIP

(On behalf of Amanda Cawthra, Angela Bellizzi, Renay Thompson, and Nick Stahle)

Amanda Cawthra: The First Amendment clearly states that people have the freedom of speech. However, we have to speak to you about government infringement on this basic right, guaranteed in the Constitution. The issue we are talking about is Internet censorship, and whether the government has the right to mandate what can be accessed through the Net.

Nick Stahle: Censorship on the Internet has become a major issue, especially now in the late 1990s. Several bills have been proposed to protect children from explicit mate-

rial, such as the Communications Decency Act and the Child Online Protection Act. However, we feel it is not the government's place to mandate what can and cannot be posted on the Internet. If parents do not want their children to be exposed to this material, there are several software programs available to block out these sites.

Renay Thompson: Also, once the government steps in, who decides what is objectionable and what is not? If we are going to take the step of censoring sexually explicit material, then why not censor other potentially offensive material, such as those sites by racist groups, or even antiabortionists. Obviously, this would be a violation of these groups' First Amendment rights. Therefore the government should not censor what appears on the Internet, any more than it should censor the private, yet still potentially offensive publications of these groups, or pornographic magazines.

Angela Bellizzi: Parents, librarians, teachers and others that provide Internet access to children need to take the responsibility of monitoring their access. Legitimate web sites should not be deprived of their First Amendment right. That is why, Congressman Sanders, that we conclude in asking you to vote against future legislation that restricts online freedom of speech.

### JUVENILE VIOLENCE

(On behalf of David Gilbert, Melissa Jarvis, Amber Atherton, Corey Lasell and Douglas Kunkle)

Douglas Kunkle: We originally planned to discuss our feelings on NATO's action in Kosovo, but with the tragedy in Littleton, we had to choose between two violent and incomprehensible acts. We, with the rest of the country, have been shocked and dismayed with the most recent shooting and bombing incident at Columbine High School, and with the rest of the country, we have discussed and debated the economic, cultural, and technical factors which may have contributed to the escalating trend of violent crimes committed by juveniles in this country.

We understand that there is no quick solution to this problem. We only know that action must be taken.

Corey Lasell: Murder rates are down; but not among adolescents. According to Attorney General Janet Reno, the problem with children killing is likely to worsen. On a typical day in this country, nine teenagers are murdered, and since 1965 there has been a 464 percent increase in the murder arrest rate for 18-year-olds.

Here in Vermont, we feel protected from those kinds of statistics. We are lulled into thinking: "That couldn't happen in Vermont." But according to the study conducted by the Vermont Center for Justice Research, there has been a dramatic increase in crimes committed by Vermont's youth, and increasingly more violent ones.

Bill Clints, Director for the Center for Justice Research, said that the result of this study "indicates the need for further examination of the state's troubled youth in the confidential system that protects and prosecutes them."

Amber Atherton: We suggest that juveniles who commit violent crimes should be tried as an adult. Juveniles must be taught to accept responsibility for their actions. Right now, every juvenile knows the law protects them, and just about anything they do will be handled with kid gloves and a slap on the wrist. Punishment is usually in the form of

probation and/or community service. Most juvenile delinquents do not get punished at all for the misdemeanor crimes, so some start committing felonies. We think, because they were not punished for the misdemeanor crimes, they feel they will not be punished for the felonies.

Melissa Jarvis: People are afraid to punish juveniles because they want to give them a second chance. Increasingly, this second chance is used to commit another crime. We think it is about time that the adults in charge look at the juvenile crime situation without colored glasses. This isn't the '50s. Children are killing and getting killed. Those killed do not get a second chance.

We think the fear of harsher punishments would serve as a deterrent for those juveniles who would be successful in programs such as diversion, and curtail the activities of habitual criminals. This will at least protect the general population from them.

David Gilbert: We are afraid lawmakers are scrambling around to pass new laws. The killers in Littleton broke 18 gun laws and more. There are plenty of laws. What we need to do is enforce, prosecute, and punish those who break them.

#### LOWERING THE DRINKING AGE TO 18

(On behalf of Nicholas Dandrow, Eric Williams, Beth Nadeau, Becca Bergeron and Michael French)

Becca Bergeron: I will be speaking on behalf of the group.

We feel that the drinking age should be lowered from 21 years of age to 18. The reasons for our proposal are:

1. If you are 18, you are considered an adult, just the same as if you were 21.

2. If, at the age of 18, you are allowed to join or be drafted into the army to fight for your country, why can't you buy a six-pack of beer?

3. Most European countries have either no drinking age or it is 18 years old.

4. Giving 18-year-olds this privilege will help them feel like an adult, rather than just an 18-year-old.

5. The drinking age was 18 at one point in this country. It was during the '70s. We know the outcome was not the greatest, but you have to understand that that was the '70s, there was Vietnam, lots of drug use, many rebellious people and organizations.

6. Once a rule is made, the number one response is to test it. That is why many people under the age of 21 consume alcohol, just because they aren't supposed to.

7. Most of this group here is 18, and once we are 18, are seniors in high school. That means next year some of us will be attending college. The college scene is very much more older and diverse. The ages range from 18 and up. So, if you are all in the same boat, what makes the 18-, 19- and 20-year-olds different? They can vote, drive automobiles, serve the country, get into clubs, buy tobacco products, lottery tickets, give blood, purchase a firearm. The one thing they cannot do is purchase or consume alcohol products. What difference does three years make?

If the age were lowered, it is understood that some problems may occur, such as more high school students would start drinking, causing more drinking and driving. But we believe awareness to be very effective. Also, stricter laws to minors under the age of 18, and stricter penalties to the persons supplying minors.

As our representative, Congressman Bernie Sanders, we urge you to voice our opinion to lower the drinking age to 18.

#### PERSONAL EXPLANATION

##### HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1999

Mr. COBLE. Mr. Speaker, on July 15 there were several rollcall votes on amendments to the FY2000 Treasury-Postal Appropriations bill, H.R. 2490. Had I been there I would have voted "no" on rollcall No. 301; "aye" on rollcall No. 302; "no" on rollcall No. 303; "aye" on rollcall No. 304. On final passage of H.R. 2490, I would have voted "no" on rollcall No. 305.

On July 16, the House considered the African Growth and Opportunity Act, H.R. 434. Had I been present I would have voted "no" on rollcall Nos. 306 and 307.

On July 19 and 20, the House considered several bills under suspension of the rules. Had I been there I would have voted "aye" on rollcall Nos. 308, 309, 310, and 311.

On July 20, the House considered several amendments to the American Embassy Security Act, H.R. 2415. Had I been present I would have voted "no" on rollcall No. 312; "aye" on rollcall No. 313; and "aye" on rollcall No. 314.

On July 20, the House also took up the rule on the Teacher Empowerment Act. Had I been there I would have voted "aye" on rollcall No. 315.

On these dates, I was participating in the Fourth Annual International Symposium on Reduction of Patent Costs at the Hague, Netherlands, where I was the keynote speaker. This event was sponsored by the International Federation of Industrial Property Attorneys (FICPI) and the American Intellectual Property Law Association (AIPPLA). I had committed to participating in this event prior to the scheduling of votes.

#### AMERICA SHOULD SUPPORT KASHMIRI, SIKH, NAGA FREEDOM STRUGGLES

##### HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1999

Mr. DOOLITTLE. Mr. Speaker, the world watches carefully the situation in Kashmir, where the Indian military attacked the Kashmiri freedom fighters to shut down the seventeen freedom movements within its borders. The effort did not go well for India, despite its claims of victory. An Indian military spokesman admitted that Indian troops were "dying like dogs."

The Sikhs in Punjab, Khalistan have been very concerned that this war will spread to their homeland, where they are also seeking self-determination. One of India's strategies for keeping the freedom movements from succeeding is to set the minority nations against each other. In pursuit of this divide-and-rule strategy, they have sent Sikh soldiers to fight the Kashmiris, as they have done in Nagaland. The Christians in Nagaland have been fighting for their freedom for the last 52 years.

The Council of Khalistan wrote an open letter to the Sikh soldiers and officers. They called on the soldiers and officers to stop "dying like dogs" for the Indian government. The letter asked Sikh soldiers if they would rather die as Sikh martyrs or mercenaries for Indian oppression. It urged them to stop shooting at their fellow freedom fighters in Kashmir and join the movement to free Khalistan.

The reasons why Khalistan and the other nations of South Asia should enjoy their freedom have been outlined by many of us in the past, and they have not changed. Amnesty International reports that thousands of political prisoners are being held without charge or trial. Some of them have been in illegal custody for 15 years.

If India is democratic and if there is no support for the freedom movements, as India claims, then why not let the peoples of the subcontinent vote on their political status? America should support self-determination for all the nations and peoples. We should declare our support for the freedom movements and the right of self-determination and stop aid to the repressive Indian regime.

#### CELEBRATING THE ARTISTRY OF WILLIAM KRAWCZEWICZ

##### HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1999

Mr. HOYER. Mr. Speaker, I rise today to recognize an outstanding artist, William Krawczewicz, whose design was recently selected to appear on the back of the Maryland quarter, to be issued in March of 2000.

The U.S. Mint will issue fifty different designs of the official quarter for the fifty different states, each quarter depicting features of its state. Mr. Krawczewicz's winning design features the state Capitol building in Annapolis, Maryland, the only statehouse that also once served as the Nation's Capitol. The design was chosen from among the approximately 280 designs depicting different aspects of Maryland.

This is not the first time Mr. Krawczewicz's artwork has been recognized. Over the years, he has won a number of awards and one of his designs was selected for a 1994 Olympic coin commemorative set. When he is not producing coin designs, Mr. Krawczewicz works as a graphic designer for the White House.

I would like to congratulate Mr. Krawczewicz for his artistry and for his contribution to the commemoration of the state of Maryland.

#### MARION COWELL, JR.

##### HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1999

Mr. McCOLLUM. Mr. Speaker, I would like to take this opportunity to publicly congratulate Marion Cowell, Jr. on his retirement from First Union.

Mr. Cowell served as General Counsel for First Union for an impressive 27 years, during which he earned the respect and confidence of his associates at all levels of the corporation, both as a talented lawyer and as a friend. Besides working diligently for First Union, Mr. Cowell dedicated significant time providing pro bono services to individuals and community organizations that could not otherwise afford them. Such willingness to contribute to the community was recognized by his peers, and in 1998 he received the National Public Service Award from the Business Law section of the American Bar Association. His wise and judicious council will be greatly missed at First Union and I personally commend him for his outstanding achievements.

#### CHARACTER COUNTS

#### HON. MARK E. SOUDER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1999

Mr. SOUDER. Mr. Speaker, yesterday Congressman ERNIE FLETCHER introduced an amendment, which allows teacher training funds to be used for character education training, to the Teacher Empowerment Act. It was adopted with my strong support.

In the mid-1980s I served as the Republican Staff Director of the House Select Committee on Children, Youth and Families. I visited numerous creative character education programs across this nation including in St. Louis, Miami and Baltimore.

Each school system had involved the local community in the development of their program. Each was having a positive impact on the students in their schools. And, importantly, each program was done differently. It is important that we continue to encourage such creative flexibility.

Currently, there are a number of character education efforts in my district in northeastern Indiana. One of the best is a program called "Character Counts" which I have discussed with Garrett-Keyser-Butler Community School system superintendent Alan Middleton, as well as others in the Garrett system.

We need to encourage efforts to implement such programs. By allowing—leaving it up to the school districts themselves but allowing—teacher training to include character education training is an important advance for character education. Congressman FLETCHER's amendment made it clear that funds can be used for such training.

What follows is some basic information from the Garrett community school system's "Character Counts" program, which gives some idea of the approach of one character education initiative. It is important to note the emphasis on community participation as well as the specific themes that are stressed.

What? The Character Counts! Coalition is a national partnership of organizations and individuals involved in the education, training and care of youth. They have joined in a collaborative effort to improve the character of America's young people based on six basic standards of character.

Six pillars of character: Trustworthiness, responsibility, respect, fairness, caring, citizenship.

The Garrett-Keyser-Butler School Corporation this last year became a member of the national CHARACTER COUNTS! Coalition. The program's development was based on a 1992 summit meeting of educators, youth leaders, religious leaders and ethicists who worked together to identify those basic characteristics that they could all agree on as being essential to the development of good character. These became known as the Six Pillars of Character.

The CHARACTER COUNTS! Coalition hopes to combat violence, irresponsibility and dishonesty while strengthening the character of the next generation. The program is not associated with any particular religion or ideological agenda other than that of promoting good character through ethical decision making.

The membership list includes many well respected national organizations such as American Red Cross, the United Way of America, USA Police Activities League, Big Brothers/Big Sisters of America, 4-H, Little League Baseball, YMCA of the USA, the National Association of State Boards of Education and National Association of Secondary School Principals to mention a few.

We at the GKB School Corporation have made a commitment to work through the CHARACTER COUNTS! program in an effort to improve the character of our young people.

We believe that CHARACTER COUNTS! in personal relationships, in school, at the workplace, and in life. Who you are makes a difference!

Mission Statement: The Garrett-Keyser-Butler School Corp., is committed to the development of a program which unites the whole community in promoting trustworthiness, respect, responsibility, fairness, caring, and citizenship. We believe these ethical traits are essential for the success of young people in all areas of their life—in school, work, and personal relationships.

The Coalition is comprised of about 100 national and regional organizations that together reach more than 40 million young people.

Coalition includes: YMCA, BOYS & GIRLS CLUBS, 4-H, BIG BROTHERS/SISTERS, ATSO, LITTLE LEAGUE, RED CROSS, BOYS TOWN, NAT'L ASS'N OF POLICE, ATHLETIC LEAGUES, U.S. SOCCER ASS'N., AFT, NEA, NAT'L ASS'N OF SECONDARY SCHOOL PRINCIPALS, NAT'L ASS'N OF STATE BOARDS OF EDUCATION, NAT'L ASS'N OF STUDENT COUNCILS, NAT'L CATHOLIC EDUCATIONAL ASS'N, AARP, LA RAZA, INTERNATIONAL ASS'N OF POLICE CHIEFS, NAT'L URBAN LEAGUE AND UNITED WAY.

#### TRIBUTE TO REV. LEROY BELLAMY

#### HON. KAREN L. THURMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1999

Mrs. THURMAN. Mr. Speaker, I rise today to honor Reverend Leroy Bellamy, a dear friend and senior pastor at Grace Temple Church of God in Floral City, FL.

For 40 years, the Reverend Bellamy has touched the lives of many Citrus County residents through gospel and prayer. He has worked hard over the years to build trust in the community and to inspire his congrega-

tions. Achieving that was not always easy, but he followed his heart and answered his calling.

Reverend Bellamy was the first minister of color in Citrus County to participate in inter-denominational and inter-racial community religious and social activities. At a time when many residents believed separate was better, Reverend Bellamy challenged that notion and encouraged the community to worship and pray together.

The annual sunrise Easter service in Citrus County is proof of Reverend Bellamy's commitment to racial tolerance.

Each year, parishioners of different racial and ethnic backgrounds sit side by side in a packed stadium to listen to his inspiring sermons. The 86-year-old pastor prides himself on never having missed a sunrise service. The service is one of many ways this unassuming and humble man shows those around him that building bridges is God's answer to burning them. That working to bring people together—regardless of race, color, sex, religion or social class—is the right thing to do.

The people of Citrus County have listened carefully over the years to Reverend Bellamy's wise words. As a special way to thank him, the community is hosting a "Reverend Leroy Bellamy Day" in his honor on July 31st.

This is one of many times the pastor has been recognized for his service to the community. Reverend Bellamy and his late wife Priscilla were selected Citrus County's Family of the Year in 1992. He was also given a "Key to the City" in Inverness and lives on a road in Inverness bearing his name.

As you can tell, we're very proud to have Reverend Bellamy in our community. He's the epitome of goodness and righteousness. He grew up in Florida during a time when economic depression and racial isolation made life hard for many people. But, as a young man, Reverend Bellamy followed God's path and shunned bitterness and anger.

He often juggled several manual-labor jobs to provide for his 10 children: Leroy Jr., Randolph, Lonnie, James, Clarence, Curtis, Bruce, Gilbert, Nina, and Lucille. In later years, he went to work for himself in the hog-farming business and prospered. He saved his earnings and sent several of his children to college—an opportunity that was not available to him.

Like so many other upstanding Americans, Reverend Bellamy started within his own family to make life better for future generations. His grandson Patrick Thomas is a dedicated caseworker in one of my Florida district offices. Patrick says his grandfather always stressed upon his children and grandchildren, the importance of self-discipline, education and respect for oneself and others. Most of all, the Reverend Bellamy taught his children and parishioners to have faith and trust in God. This, the Reverend says, is the most important lesson. The lesson that shapes a lifetime. The lesson that opens Heaven's gates.

Through his ministry, the Reverend Bellamy lifts the spirits of people in prisons, hospitals and nursing homes. He grieves with families at funerals, brings couples together in holy matrimony and celebrates life's simple pleasures at parades and other county festivities.

We are forever grateful to the Reverend Bellamy for leading a life dedicated to God's

work and for choosing to make Citrus County his home. His smile brings hope and joy to the troubled. His prayers strengthen wearied hearts. His words of comfort console those in need.

Mr. Speaker, please join me in paying tribute to the Reverend Leroy Bellamy, a man who credits his good life to his commitment to God. May Citrus County be blessed with the Rev. Bellamy's divine presence and spiritual leadership for many more years to come.

CARRIE P. MEEK'S TRIBUTE TO  
REV. DR. G. DAVID HORTON,  
PASTOR, GREATER NEW BETHEL  
BAPTIST CHURCH

### HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mrs. MEEK of Florida. Mr. Speaker, it is truly a distinct honor and privilege to pay tribute to one of Miami-Dade County's great ecclesiastical leaders, the Rev. Dr. G. David Horton, on his 20th Year Anniversary as Pastor of Greater New Bethel Baptist Church. I want to echo the same sentiments of joy and gratitude that his congregation is lifting up to Almighty God to celebrate his milestone during this month of July, culminating on Sunday, August 1, 1999.

Rev. Dr. Horton truly represents the best and the noblest of God's Chosen Ones. As pastor, preacher and minister of the Gospel, he is remarkably leading his congregation in the ways of God and has tirelessly worked to enlighten our community on the agenda of spiritual wisdom and good government based on our God-given conscience and responsibility toward others.

It is indeed fitting for those of us who subscribe to the Judeo-Christian Faith to pause and reflect on the important role that Rev. Dr. Horton plays in the day-to-day affairs of his congregation. I want to acknowledge the tremendous work he is doing in constantly guiding not only the members of the Greater New Bethel Baptist Church, but also our community at large. He has truly exemplified the example of Christ as the Good Shepherd, and is wisely leading his flock of believers to the demands of Faith and to the works of Charity, sharing with them the words of God's wisdom and salvation emanating from the Gospel.

His consecration and vigilance over the spiritual growth and socio-moral well-being of his congregation have impacted the lives of countless people, propelling him into one of our state's charismatic preachers. Accordingly, my constituents in the 17th Congressional District's northern sector are the fortunate beneficiaries of Rev. Horton's teachings and ministry, especially in his advocacy to reach out both by way of word and example our unconditional love and commitment to the children, the elderly, the poor, the disenfranchised and the less fortunate among us. We have learned from him the centrality of God in our daily lives, conscious of the fact that the mandate of our Faith and the obligation of our citizenship must characterize our service to those who could least fend for themselves.

His countless awards aptly described him as a forceful, courageous and visionary leader not only of the religious community, but also our society at large, firmly compelled by the fact that the Greater New Bethel Baptist Church in Miami is indeed part of a larger network of institutions that serve as the voice and conscience of our community. Rev. Dr. Horton is fully living up to his vocation as a pastor par excellence. His standards for learning, caring and achieving, especially among the youth, have won for him the accolades of our community. Public and private agencies, along with countless organizations, have oftentimes cited him for his resolute consecration to the Truth of the Gospel, along with his uncompromising stance on justice and equal opportunity for all.

Moreover, his crusades in teaching our youth have become legendary. He has gained the utmost confidence of parents, teachers and countless others from diverse professions who see in him as a no-nonsense motivator. They are wont to entrust him with the future of their children and families, genuinely confident that they will learn from him the tenets of personal excellence, buoyed up by an uncompromising commitment to hard work and discipline.

Our community is deeply touched and comforted by his undaunted leadership, compassion and personal warmth. As head of one of the largest Baptist Churches in Florida, Rev. Dr. Horton preaches and lives by the adage that the grace of God's Providence and the quest for His Justice must buttress our common quest for personal integrity and professional achievement in the service of others. As a man of God and as an indomitable leader in our community, he has rightfully earned our deepest respect and genuine admiration.

This is the great legacy the Rev. Dr. G. David Horton is unselfishly sharing with us on the occasion of his 20th Pastoral Anniversary. I am privileged indeed to be blessed with his friendship and confidence. And I am deeply grateful that he continues to teach us to live by his noble ethic of always loving God and serving our fellow men.

### IN PROTEST OF RECEPTION FOR CASTRO GOVERNMENT OFFICIALS

### HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. DEUTSCH. Mr. Speaker, I stand today to protest tonight's reception honoring two officials of the Castro regime, which makes a statement to Cuban dictator Fidel Castro and the world that the United States considers a Communist dictator to be a good trading partner.

I am troubled by the fact that tonight two of Castro's officials will be hosted at a Capitol Hill event for the first time in 40 years. Maria de la Luz B'Hammel and Igor Montero Brito should not have been granted visas to visit the United States, and they should not be welcomed as spokespeople for the opening up of trade between the United States and Cuba.

It is important that we remain vigilant in bringing to light the continuing deplorable be-

havior of Castro and his regime. Castro uses food as a weapon, cutting off the rations of those who speak out against his destructive and oppressive policies. He has destroyed his own country, and trade with him will not only be an affront to American ideals of human rights and freedom, but will also be disastrous for our economy.

There are those who look upon trade with the Castro regime as a panacea for the problems of our agriculture industry. In reality, trade with Castro will actually open up our markets to cheap products made with cheap labor in Cuba. Castro's agricultural products will be inexpensive because they will be made by overworked and underpaid workers in a country with no labor rights. His products may harm the environment, as they will be produced by a government without a system of checks and balances over environmental policies. And they will be dumped on the U.S. market, because Castro has never possessed nor does he now possess the ability to cooperate meaningfully with other nations.

Trade with Cuba will eventually be possible, but never under this tyrannical regime. To suggest otherwise, as tonight's reception does, is to forget our commitment to the ideals of freedom and democracy—ideals that Castro does not and will never share.

### FOLIC ACID PROMOTION AND BIRTH DEFECTS PREVENTION ACT OF 1999

### HON. LUCILLE ROYBAL-ALLARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Ms. ROYBAL-ALLARD. Mr. Speaker, today, I, along with my colleague Congresswoman JO ANN EMERSON, am introducing the Folic Acid Promotion and Birth Defects Prevention Act of 1999. This bipartisan bill, with 102 Democratic and Republican original cosponsors, is being introduced in the Senate by Senators ABRAHAM, KOHL and BOND.

The Folic Acid Promotion and Birth Defects Prevention Act of 1999 will provide for a national folic acid education program to prevent birth defects.

Each year an estimated 2,500 babies are born in the United States with serious birth defects of the brain and spine, called neural tube defects. These neural tube defects cause crippling lifelong physical disabilities and at times, even death.

However, up to 70% of neural tube birth defects could be prevented if women of child-bearing age consumed 400 micrograms of folic acid daily. That means women need to eat a healthy diet and take a daily multivitamin. It's that simple.

Women need to be taking folic acid before and during their first trimester of pregnancy because these neural tube defects occur very early in pregnancy, before most women know that they are pregnant and because roughly 50% of all pregnancies in the U.S. are unplanned.

The problem is that the majority of women are not aware of the benefits of folic acid. A 1997 March of Dimes national survey found



that only 30% of women take a multivitamin with folic acid before pregnancy. There is an urgent need to teach women about the importance of increasing their consumption of folic acid by taking a daily vitamin pill, eating more fortified cereal grain products and eating food naturally rich in folic acid.

Nationwide, Hispanic women have the highest rates of neural tube defects. In fact, in my home state of California, Hispanic mothers have the highest number of cases of neural tube defects than any other racial group and Mexican-born mothers have twice the risk of having babies with neural tube defects compared to U.S.-born mothers.

The Folic Acid Promotion and Birth Defects Prevention Act of 1999 will amend the Public Health Service Act to provide for a national folic acid education program to prevent birth defects. This bill authorizes the Centers for Disease Control and Prevention, in partnership with states and local public and private entities, to launch an education and public awareness campaign, conduct research to identify effective strategies for increasing folic acid consumption by women of reproductive capacity, and evaluate the effectiveness of these strategies.

The Folic Acid Promotion and Birth Defects Prevention Act of 1999 is supported by leading health organizations, including the March of Dimes, Association of Women's Health, Obstetric and Neonatal Nurses, National Association of Pediatric Nurse Associates and Practitioners, Council for Responsible Nutrition, American Association of University Affiliated Programs for Persons with Developmental Disabilities, American College of Obstetricians and Gynecologists, American College of Nurse-Midwives, American Public Health Association, Council of Women's and Infants' Specialty Hospitals, Easter Seals, National Association of County and City Health Officials, National Women's Health Network, and the Spina Bifida Association of America.

I would like to recognize the March of Dimes, the National Council on Folic Acid and the Centers for Disease Control and Prevention for their leadership and steadfast commitment to this issue. I would especially like to thank Jody Adams and her daughter, the March of Dimes Ambassador Kelsey Adams, for their hard work in publicizing this simple, yet highly effective, prevention strategy.

Finally, I would like to thank my colleagues, Congresswoman JO ANN EMERSON, as well as Senators ABRAHAM, KOHL and BOND for their hard work in raising awareness about this vitally important issue. By getting the message out, we can help families across the country have healthy babies and save the lives of thousands of babies each year.

#### PERSONAL EXPLANATION

**HON. LUIS V. GUTIERREZ**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. GUTIERREZ. Mr. Speaker, on the afternoon of Monday, July 19, 1999, I was unavoidably absent from this chamber and therefore missed rollcall vote number 310 (H.R.

#### EXTENSIONS OF REMARKS

1477), rollcall vote number 309 (H. Con. Res. 121) and rollcall vote number 308 (H.R. 1033). I want the RECORD to show that if I had been able to be present in this chamber when these votes were cast, I would have voted "yea" on each of them.

#### TEACHER EMPOWERMENT ACT

SPEECH OF

**HON. JOSEPH CROWLEY**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1995) to amend the Elementary and Secondary Education Act of 1965 to empower teachers, improve student achievement through high-quality professional development for teachers, reauthorize the Reading Excellence Act, and for other purposes:

Mr. CROWLEY. Mr. Chairman, I rise today to oppose H.R. 1995, the Teacher Empowerment Act, and support the Martinez substitute.

As I looked over the materials I had received regarding H.R. 1995, I found myself wondering how the Republican leadership could offer an education bill, a bill for teachers, that is not supported by educators themselves. Nor do parents, Boards of Education, or many others concerned about our education system support it. In fact, the American Federation of Teachers, the National Education Association, the Council of Chief State School Officers, the National Parent Teachers Association, the National Association of State Boards of Education, Council of Great City Schools, the New York State Education Department, and the New York City Board of Education each oppose this bill. Does this seem right? How can the American public have faith that we are going to improve their schools when nearly all education groups oppose the proposed education bill?

As a newly elected Member, I can tell you that parents in my congressional district are concerned. They want smaller classes. They want assurances that money isn't going to be taken from their low-income school districts and transferred to districts with more resources. They don't want rhetoric. They want results.

H.R. 1995 takes away the guarantee of smaller classes by rolling class size reduction funds into a block grant for professional development purposes and class size reduction. While class size reduction is a "mandatory use" under H.R. 1995, there is no commitment that serious funds will be used for that purpose.

We should not reverse the process that was put into place last year when a bipartisan commitment was made to fund the first installment of a program aimed specifically at reducing class sizes. Instead, we should show our local school districts that we will be there with the followup funds so they can retain the teachers they are hiring this year and continue their class reduction efforts.

Furthermore, H.R. 1995 severely undermines the original goal of the Elementary and

Secondary Education Act—to provide assistance to the neediest students. This bill fails to direct sufficient resources to schools that need the most help: the highest poverty districts in each state and district.

Overall, H.R. 1995 would divert resources away from districts, like many of those in New York City, that need the money the most. Altering the funding formula from 80 percent of the funds being allocated to high-poverty districts to having only 50 percent being allocated to districts, combined with the loss of class size reduction funds, would result in a \$22 million loss for New York City's public schools. I am sure that this result will be mimicked in cities and towns across the country.

I know my Republican colleagues will argue that a hold harmless provision has been added to the bill. However, that hold harmless is for the first year only. After that, there is no guarantee that funding for class size reduction will not be dramatically decreased.

We must not abandon our commitment to class size reduction and to helping our neediest students. The Martinez substitute ensures that we honor our commitment to class size reduction. Additionally, the Martinez substitute does not alter the intent of the ESEA, to assist the neediest school districts. We should pass the Martinez substitute, and, if not, we should defeat H.R. 1995.

#### DICK STRAHM RETIRES AFTER A QUARTER CENTURY AS HEAD COACH OF THE UNIVERSITY OF FINDLAY OILERS

**HON. MICHAEL G. OXLEY**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. OXLEY. Mr. Speaker, I am honored today to salute my good friend Dick Strahm at the close of his 25-year career as head football coach of the University of Findlay Oilers.

The Dick Strahm Era at U of F began in 1975, when he arrived from Kansas State to breathe new life into the program. He immediately set out to recruit the best players available, going all out to lure top prospects to Findlay despite significant shortfalls in available scholarship money. His dedication and commitment to the program were apparent from the beginning, as his team went undefeated in 1978 and won the Division II national title in 1979.

Coach Strahm's successes carried into the 80s, as the 1985 team compiled U of F's first 10-game winning streak in history. The 90s, though, proved to be his best decade at the helm, as he coached his players to an 83–20–3 overall record, a 27-game winning streak, and three more national championships.

During his 24-season tenure with the Oilers, Dick Strahm presided over just two losing seasons, and compiled an overall head coaching record of 183 wins, 64 losses, and five ties. He was named National Association of Intercollegiate Athletics Coach of the Year four times, and NAIA District 22 Coach of the Year 12 times. The Oilers will certainly miss his leadership on the field in the seasons ahead.

I join Coach Strahm's current and former players, the University of Findlay family, and

the entire city of Findlay in thanking him for his years of service and devotion. Congratulations, Dick, on building a successful program that will bear your legacy for years to come.

#### TRIBUTE TO JOHN CARROLL

### HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. PACKARD. Mr. Speaker, I would like to pay tribute to John Carroll who is a student of Chapparral High School in Temecula Valley, California. During the first session of the Summer 1999 House Republican Page Program, John represented the 48th Congressional District of California.

During his time in our Nation's Capital, John excelled in assisting the House as a Page. However, his exceptional dedication and keen interest in government is nothing new. John is the founder of the Young Republicans' Club at his High School and he has served as a volunteer for the American Red Cross. John's strong leadership skills and devotion to each task he undertakes have helped him become both an exceptional student and citizen.

Mr. Speaker, I was proud to have such an enthusiastic young man represent my district in the House Page Program. I would like to thank him for his hard work and dedication, and wish him the best of luck in all his future endeavors.

#### AMERICAN EMBASSY SECURITY ACT OF 1999

SPEECH OF

### HON. VERNON J. EHLERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 19, 1999*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes.

Mr. EHLERS. Mr. Chairman, I would like to thank the gentleman from New York and the gentleman from New Jersey for their hard work on this bill, and in particular, I would like to thank them for their support of the need for increased scientific and technological expertise at the U.S. State Department. Within the Manager's amendment before us today, Mr. GILMAN has included a provision to address this need by establishing within the office of the Under Secretary for Global Affairs a Science and Technology Adviser to the Secretary of State.

This new position is critical to avoiding communication gaps and missed opportunities for international scientific cooperation and protection of U.S. technology interests as it will allow the Secretary direct access to qualified technical analysis and advice. Science and technology are no longer isolated issues that require insight only as specific questions arise

within the global community. Rather, the global community, and its economy, are increasingly tied to the commerce, trade, and health of its member countries through advances in information technology, biotechnology, the pharmaceutical industry, and questions regarding the environment. Furthermore, an increasing number of scientific projects are of such substantial size and expense, that they must be undertaken as collaborative projects among nations if they are to be pushed.

Last year, during hearings conducted by the House Science Committee in conjunction with its work on the Science Policy Study, our most unanimous and emphatic testimony came from witnesses discussing the state of science and technology in our foreign relations. Several witnesses referenced a 1992 Carnegie Commission report entitled *Science and Technology in U.S. International Affairs* that stated that "Overall, U.S. international relations have suffered from the absence of a long-term, balanced strategy for issues at the intersection of science and technology with foreign affairs. Sometimes this absence of analysis and policy leads to unpreparedness for major issues, bitter interagency disputes, and inadequate last-minute preparations for an international meeting." However, as Bruce Alberts, the President of the National Academy of Sciences, states in his testimony, the State department is taking steps to address this void by requesting the National Research Council "undertake a study on the contributions that science, technology and health can make to foreign policy and to make recommendations on how the department might better carry out its responsibilities to that end." This study is due to be completed in September, and one of the prescribed duties of the new Science and Technology Adviser will be to assist the Secretary of State in developing a report to submit to Congress describing plans for implementation of the Research Council's recommendations, as appropriate.

By including this provision to establish a Science and Technology Adviser within the American Embassy Security Act, Congress will lend its support to those in the State Department who are already taking steps to improve the integration of science and technology within our foreign policy. I appreciate Mr. GILMAN's support on this issue, and believe that the entire nation will benefit from this measure to better represent American knowledge, science and technological assets to our international partners.

#### IN MEMORY OF JACK DEMPSEY

### HON. SCOTT MCINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. MCINNIS. Mr. Speaker, it is with great pleasure that I now wish to recognize Mr. Jack Dempsey of Manassa, CO. For his great success in boxing, his loyalty, and love of Colorado, I would like to honor him and his memory which continues to survive.

Born in June 1895, in Manassa, CO, Jack Dempsey entered the world as William Harrison Dempsey. His parents were poor and

humble farmers and pioneers. Jack was one of 11 children, and from the beginning he was a mama's boy. Believing that his mother deserved a better life, and determining to provide her with the best, Jack Dempsey struck out on his own at an early age.

After traveling to various mining towns throughout Colorado and California, Jack began fighting at age 17. He began his professional career as a boxer in 1914 and won the nickname, "Manassa Mauler" changing his name to reflect the Irish legend, Jack Dempsey. Though small in stature, 6'1" and 180 pounds, Jack took those he fought by surprise. In 1919, Jack Dempsey won the Heavyweight Boxing Title which he held until 1926 when he lost the title to Gene Tunney.

In May 1983, Jack Dempsey passed away, a legend to always be remembered. Though Jack will be greatly remembered for his incredible boxing career, he will also be remembered for his love and dedication to his mother and his courage and strength. For his hard work, determination, success, and remarkable life, I wish to pay tribute to Mr. Jack Dempsey as the bronze statue of Mr. Dempsey is dedicated to Cecilia Dempsey, Jack's mother. I am grateful for the example Jack Dempsey set and for the inspiration which he continues to provide.

#### IN RECOGNITION OF MEMBERS OF RIVERS/JANOWICZ AMERICAN LEGION POST 138 OF BOZRAH, CT

### HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. GEJDENSON. Mr. Speaker, I rise today to congratulate the members of Rivers/Janowicz American Legion Post 138 of Bozrah, CT, upon receiving the Sidney P. Simon Award from the American Legion Department of Connecticut. This award is presented annually to the post in Connecticut which is determined to have sponsored within its community the most outstanding program of environmental beautification, improvement and betterment. The award was presented to the Post during the American Legion Convention on July 9, 1999.

Under the leadership of Harold O'Connell, Adjutant, the Post adopted a resolution earlier this year to beautify and improve memorials honoring the veterans of World Wars I and II and the Korean and Vietnam Wars. A special committee consisting of William Benson, past Commander; William Fishbone, Commander; Harold O'Connell, Adjunct; and John Orr, Historian guided the project to completion. Every member of the Post contributed to the success of this special effort. Their hard work and dedication has been recognized by veterans across the State of Connecticut with the Simon Award.

Mr. Speaker, like so many of their counterparts across this great nation the veterans of Post 138 continue to give of themselves. They unselfishly answered this nation's call to service in North Africa, Europe and throughout the Pacific, in the Korean peninsula, in southeast Asia and in the Persian Gulf. They gave of

themselves, and many of them made the supreme sacrifice to guarantee our liberty and to ensure that hundreds of million of people around the world could enjoy a life free from tyranny. These veterans continue to offer service to their country long after returning to civilian life. The members of Post 138 in Bozrah work on behalf of their community in many ways. And, as witnessed by their support for this project, they honor the memory of fellow veterans every day.

Mr. Speaker, I am proud to congratulate the members of Rivers/Janowicz American Legion Post 138 on receiving the Sidney P. Simon Award.

#### SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, July 22, 1999 may be found in the Daily Digest of today's RECORD.

#### MEETINGS SCHEDULED

##### JULY 23

10 a.m.

##### Foreign Relations

To hold hearings on the nomination of Michael A. Sheehan, of New Jersey, to be Coordinator for Counterterrorism, with the rank and status of Ambassador at Large.

SD-419

##### JULY 27

9:30 a.m.

##### Agriculture, Nutrition, and Forestry

To hold hearings on agricultural concentration and anti-trust issues.

SR-328A

##### Health, Education, Labor, and Pensions

To hold hearings to examine innovations in child care programs.

SD-430

2 p.m.

##### Judiciary

##### Criminal Justice Oversight Subcommittee

To hold oversight hearings on activities of the Criminal Division of the Department of Justice.

SD-628

2:30 p.m.

##### Energy and Natural Resources

##### Forests and Public Land Management Subcommittee

To hold hearings on S. 930, to provide for the sale of certain public land in the

#### EXTENSIONS OF REMARKS

Ivanpah Valley, Nevada, to the Clark County, Nevada, Department of Aviation; S. 719, to provide for the orderly disposal of certain Federal land in the State of Nevada and for the acquisition of environmentally sensitive land in the State; S. 1030, to provide that the conveyance by the Bureau of Land Management of the surface estate to certain land in the State of Wyoming in exchange for certain private land will not result in the removal of the land from operation of the mining laws; S. 1288, to provide incentives for collaborative forest restoration projects on National Forest System and other public lands in New Mexico; S. 1374, to authorize the development and maintenance of a multiagency campus project in the town of Jackson, Wyoming; and S. 439, to amend the National Forest and Public Lands of Nevada Enhancement Act of 1988 to adjust the boundary of the Toiyabe National Forest, Nevada.

SD-366

##### JULY 28

9:30 a.m.

##### Indian Affairs

To hold hearings on S. 979, to amend the Indian Self-Determination and Education Assistance Act to provide for further self-governance by Indian tribes.

SR-485

##### Energy and Natural Resources

Business meeting to consider pending calendar business.

SD-366

10 a.m.

##### Judiciary

To hold hearings on combatting methamphetamine proliferation in America.

SD-628

##### Banking, Housing, and Urban Affairs

To hold oversight hearings on the Monetary Policy Report to Congress pursuant to the Full Employment and Balanced Growth Act of 1978.

SH-216

2:30 p.m.

##### Energy and Natural Resources

##### Water and Power Subcommittee

To hold hearings on S. 624, to authorize construction of the Fort Peck Reservation Rural Water System in the State of Montana; S. 1211, to amend the Colorado River Basin Salinity Control Act to authorize additional measures to carry out the control of salinity upstream of Imperial Dam in a cost-effective manner; S. 1275, to authorize the Secretary of the Interior to produce and sell products and to sell publications relating to the Hoover Dam, and to deposit revenues generated from the sales into the Colorado River Dam fund; S. 1236, to extend the deadline under the Federal Power Act for commencement of the construction of the Arrowrock Dam Hydroelectric Project in the State of Idaho; S. 1377, to amend the Central Utah Project Completion Act regarding the use of funds for water development for the Bonneville Unit; and S. 986, to direct the Secretary of the Interior to convey the Griffith Project to the Southern Nevada Water Authority.

SD-366

##### JULY 29

9:30 a.m.

##### Governmental Affairs

Oversight of Government Management, Restructuring and the District of Columbia

##### Subcommittee

To hold hearings on total quality management, focusing on state success stories as a model for the Federal Government.

SD-342

##### Year 2000 Technology Problem

To hold hearings on year 2000 Information Coordination Center.

SD-192

2:15 p.m.

##### Energy and Natural Resources

##### National Parks, Historic Preservation, and Recreation Subcommittee

To hold hearings on S. 710, to authorize the feasibility study on the preservation of certain Civil War battlefields along the Vicksburg Campaign Trail; S. 905, to establish the Lackawanna Valley American Heritage Area; S. 1093, to establish the Galisteo Basin Archaeological Protection Sites, to provide for the protection of archaeological sites in the Galisteo Basin of New Mexico; S. 1117, to establish the Corinth Unit of Shiloh National Military Park, in the vicinity of the city of Corinth, Mississippi, and in the State of Tennessee; S. 1324, to expand the boundaries of the Gettysburg National Military Park to include Wills House; and S. 1349, to direct the Secretary of the Interior to conduct special resource studies to determine the national significance of specific sites as well as the suitability and feasibility of their inclusion as units of the National Park System.

SD-366

##### AUGUST 3

9:30 a.m.

##### Energy and Natural Resources

To hold hearings on S. 1052, to implement further the Act (Public Law 94-241) approving the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America.

SD-366

10:30 a.m.

##### Governmental Affairs

Oversight of Government Management, Restructuring and the District of Columbia

##### Subcommittee

To hold hearings on overlap and duplication in the Federal Food Safety System.

SD-342

##### AUGUST 4

9:30 a.m.

##### Indian Affairs

To hold hearings on S. 299, to elevate the position of Director of the Indian Health Service within the Department of Health and Human Services to Assistant Secretary for Indian Health; and S. 406, to amend the Indian Health Care Improvement Act to make permanent the demonstration program that allows for direct billing of medicare, medicaid, and other third party payors, and to expand the eligibility under such program to other tribes and tribal organizations; followed by a business

**17212**

**EXTENSIONS OF REMARKS**

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meeting to consider pending calendar  
business.

SEPTEMBER 28

view the legislative recommendations  
of the American Legion.

SR-485

9:30 a.m.

Veterans Affairs

To hold joint hearings with the House  
Committee on Veterans Affairs to re-

345 Cannon Building

# HOUSE OF REPRESENTATIVES—Thursday, July 22, 1999

The House met at 11 a.m.

The Reverend Dr. Ronald F. Christian, Chaplain, Lutheran Social Services, Washington, D.C., offered the following prayer:

God of all grace and mercy, we pause at the beginning of this workday to remember and give thanks.

With reverence and affection, we remember before You again this day 2 persons who in the course of performing daily duties, sacrificed their very lives as a part of their call to serve us all.

With gratitude and appreciation we remember all people who must summon the courage this day to face new challenges that are ahead in life's uncharted waters.

With a deep sense of our place in this moment of history, we remember all those who have formed and shaped us in such a way that we are able to recognize the importance of this hour and this day for our work and in our relationships.

Almighty God, we give You our thanks and our gratitude for the opportunity to serve You and in so doing help our neighbor. Dispose, we pray, this day and our deeds in Your peace. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from California (Mr. MATSUI) come forward and lead the House in the Pledge of Allegiance.

Mr. MATSUI led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 158. Concurrent resolution designating the Document Door of the United States Capitol as the "Memorial Door".

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1555. An act to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1555) "An Act to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints from the Select Committee on Intelligence: Mr. SHELBY, Mr. CHAFEE, Mr. LUGAR, Mr. DEWINE, Mr. KYL, Mr. INHOFE, Mr. HATCH, Mr. ROBERTS, Mr. ALLARD, Mr. KERREY, Mr. BRYAN, Mr. GRAHAM, Mr. KERRY, Mr. BAUCUS, Mr. ROBB, Mr. LAUTENBERG, and Mr. LEVIN; and from the Committee on Armed Services: Mr. WARNER, to be the conferees on the part of the Senate.

## ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The 1-minute requests will be at the end of legislative business today.

## FINANCIAL FREEDOM ACT OF 1999

The SPEAKER. The unfinished business is the further consideration of the bill (H.R. 2488) to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, to provide marriage penalty relief, to reduce taxes on savings and investments, to provide estate and gift tax relief, to provide incentives for education savings and health care, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. When proceedings were postponed on legislative day of Wednesday, July 21, 1999, pursuant to section 2 of the House Resolution 256, 1 hour of general debate remained on the bill.

The gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) each have 30 minutes remaining.

The Chair recognizes the gentleman from Texas, (Mr. ARCHER).

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentlewoman from Washington (Ms. DUNN), a very highly regarded and respected member of the Committee on Ways and Means.

Ms. DUNN. Mr. Speaker, I rise today to express my enthusiastic support for the Financial Freedom Act of 1999. This bill provides essential tax relief for every American who wants to secure a better future for himself or herself and for their children. No other provision, Mr. Speaker, is as historic in this bill as the elimination of the death tax.

The freedom to obtain prosperity and to accumulate wealth is uniquely American; and when unfettered, it is a wonderful thing to behold. Yet, the current tax treatment of a person's life savings is so onerous and so burdensome that children are often forced to turn over half of their inheritance to the Federal Government. It is as wrong as it is tragic, and it dishonors the hard work of those who have passed on.

Today, Mr. Speaker, less than half of all family-owned businesses survive the death of the founder, and only about 5 percent survive to the third generation. Under current law, it is cheaper for an individual to sell his or her business prior to death and pay the capital gains than pass it on to their children. This is indeed terrible public policy.

As a result, Congress has tried over the years to provide targeted death tax relief to certain people. First, we adopted a unified credit to protect small estates from taxation. With the rising tide of small business growth and the proliferation of retirement annuities, however, many middle class families are being pushed above this exemption.

Secondly, Congress, in 1997, adopted a family-owned business exemption in addition to provide additional relief to families and to small family farms. It was a good idea at the time, but this exemption has proven to be a real boondoggle. It is a boondoggle for attorneys who must be hired by families trying to navigate their way through the 14-point eligibility test.

I recently asked an estate planner who advises 200 family-owned businesses how many of his clients qualify for this new relief. His answer was 10 out of 200. On average, only about 3 percent of family-owned farms can qualify under this provision. As much as we try, it is just impossible to duplicate in law the complex relationships that exist in families in the real world.

It is time to be bold.

The Financial Freedom Act offers the only true relief that will work to complete the elimination of the death tax. The death tax is not a tax on wealth, it is a tax on the accumulation of wealth. That is why it is supported by the Black Chamber of Commerce, who feel that they have 3 generations to put together a legacy to create their power base in this society, and the death tax is their enemy. It is supported by the Hispanic Chamber of Commerce and the National Indian Business Council. These groups understand the truly devastating impact that the death tax has on the pursuit of wealth and power in our society.

Mr. Speaker, I urge my colleagues to support the Financial Freedom Act. It encourages savings, investment risk, and the creation of wealth. It is also time, Mr. Speaker, I believe, to honor our most fundamental values, not tax them.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MATSUI), a senior member of the Committee on Ways and Means.

Mr. MATSUI. Mr. Speaker, I thank the gentleman from New York, the ranking member of the Committee on Ways and Means, for yielding me this time.

Mr. Speaker, in January of 1995, after 1 year of taking over the House of Representatives, the Republicans took probably the most irresponsible act I have seen in my 21 years in Congress when they shut down the Federal Government for a period of about 2 weeks. We had the threat of perhaps Social Security checks being withheld, veterans' benefits being withheld.

I have to say that as I stand here on the floor of the House today, the tax bill that they have before us and the vote that they will take in a few hours is the second most irresponsible act that they have had in the last 5½ years since they have taken control of this institution.

If this bill ever became law, and God forbid if it did, we would be cutting veterans' benefits by some 25 percent over the next 10 years, we would be cutting education benefits by 25 percent over the next 10 years, we would be cutting Social Security and Medicare, and the Republicans whom we will be hearing from during the course of this debate, they have a lockbox that preserves the Medicare surplus and the Social Security surplus.

That will only maintain the status quo. You will still have a cash flow problem in the year 2013, 14 years from now. And by the year 2035, just a generation from now, the whole Social Security system, in fact, will go bankrupt. That will be the consequence of this legislation.

The legislation also does one other thing, and we have not been able to get really a distribution table to find out

exactly where the benefits will go, but we do know some things. Over the next 10 years, people making \$300,000 and above, families making \$300,000 and above will get about 50 percent of this tax cut. So we are going to take away from veterans, we are going to take away from education, and we are going to take away from Social Security recipients to give to the most wealthy Americans in this country.

So the fact of the matter is that this bill again is second in the most irresponsible act that I have seen in my 21 years here, next to the closure of the Federal Government in 1995.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. NUSSLE), another respected member of the Committee on Ways and Means.

Mr. NUSSLE. Mr. Speaker, come on. I would say to my colleague from California, I mean people out there listening to this, it cannot be as bad or as good as anybody is saying.

Cutting education benefits. Last night we heard from colleagues saying, this is really small. It has no impact on my district at all. In fact, somebody came to the floor and said, my constituents only get \$1 a month. And now we have colleagues coming to the floor saying this is the most irresponsible, devastating legislation to ever meet the Congress of the United States. Education benefits will be cut; veterans thrown out on the street. My goodness, how can it be that good and that bad all in one bill?

Well, let me suggest to my colleague that it is not that good or that bad, but it does come down to a fundamental principle that all of us have to come to grips with.

Number one, whose money is this? Whose money are we talking about? It is not yours, and it is not mine. It is not the Democrats'. It is not the Republicans'. It is not the Committee on Ways and Means. It is not the House of Representatives. This is not the government's money. These people who work so hard in your district, in my district, to send that money to Washington, it is their money, number one.

Number two, we are not giving the money back. We are saying, keep it. We are saying, we believe you are good people in a great Nation who make better decisions about your daily lives than the government can for you. And yes, we need some of those resources to operate the Federal Government, but when we take enough, when we take too much, we are going to allow you to keep it in the future, because we believe you spend that money more wisely.

Number three, I would ask the people who are listening to this debate, and I ask the Speaker and my colleagues to just speak common sense, what would you do if you had a little bit of extra money. This is what we are proposing.

This is what the bill does. Throwing veterans out in the street, cutting education. Come on. We heard Medicare; we heard all of that for so many years. Nobody out there believes that. Nobody out there believes that. This is a great country. We do not do that to people.

What we do is we say some of the money ought to go back to people and just stay there, let them spend it, and the rest of it ought to go to debt relief. We have an opportunity to pay down the national debt, the first time since 1969 that any serious attempt at all will be made to pay down the national debt. Is it enough? No, I would like to pay down more.

Is this enough tax relief? No. I would love for people to be able to keep a little bit more. But this is a responsible balance. One-third tax relief; two-thirds debt relief. I would ask the people that are listening, does that not make sense, to keep a little bit and pay down the debt.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the distinguished gentleman from New York for yielding me this time.

I came here in 1981. We had a \$749 billion tax cut on the floor, and the rhetoric I heard was the same. The people need to keep their money.

□ 1115

We do not need all the money. We need to downsize government. And so we passed a \$749 billion tax cut and we quadrupled the debt on our children and on our grandchildren, because we did not pay our bills.

Ronald Reagan and George Bush asked for more spending in those 12 years than the Congress appropriated.

My friend says that we want to have people keep the money. That would be very nice. But guess what? The trigger which does not affect the middle class, the trigger that does not affect the middle class is that trigger which says the capital gains tax, the estate tax, and the other taxes that go to our most wealthy citizens will not be affected if the debt goes up, because they are locked in. It is only the little guys who will be adversely affected if the debt goes up.

Situation normal.

The same old same old or, as Ronald Reagan said in that famous debate, here we go again; on the road to more and more debt, not saving Social Security, not making sure that Medicare is there for those in the future.

I would say to my colleagues that debt that they talk about paying down is all Social Security. Why? Because the trillion dollars that they use for the debt relief is the on-budget operating surplus. No money for defense, no money to stabilize and keep secure our economy.

Here we go again. We did it in 1981 and quadrupled our deficit. Let us not



do it again to our children and grandchildren.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. ENGLISH), another respected member of the Committee on Ways and Means.

Mr. ENGLISH. Mr. Speaker, I thank the chairman, the gentleman from Texas (Mr. ARCHER), for the opportunity to speak and I congratulate him on his extraordinary tax bill that we bring to the floor today.

The Financial Freedom Act of 1999 legislation is a huge step toward restoring the American dream for millions of American families, the rhetoric on the other side notwithstanding. What they do not get is that in a market economy, robust economic growth is the most important catalyst for social justice. A growing economy means greater opportunity for all and greater access for the American dream.

The Financial Freedom Act will stimulate economic growth by rewarding savings and investment and reducing the tax burden on the American economy. It does this by reducing all, all, individual income tax rates, cutting the capital gains tax, allowing small business a larger write-off on investments to create jobs and repealing the AMT, the most anti-growth feature in the current Tax Code.

Mr. Speaker, it would also benefit communities and industries that have been passed by in the current prosperity. It contains tax relief for family farms and tax relief for our beleaguered domestic steel industry. It also calls for the creation of new American renewal communities in some of our most distressed localities where investment in old neighborhoods and new firms would be greenlined under this bill and low-income residents would be given new incentives to save through family development accounts for the thrifty.

Finally, the Financial Freedom Act of 1999, instead of cutting education funding, makes college more affordable by extending tax breaks on student loans, permitting private universities to offer tax-deferred prepaid tuition plans and exempting the earnings of all college tuition plans from taxation. In doing so, it makes the dream of higher education more accessible for millions of students in the struggling middle class.

Mr. Speaker, now that the House Republicans have set aside an unprecedented \$1.9 trillion for Social Security and Medicare, programs that they looted like Visigoths when they were in the majority. We embark today on an effort to return some \$790 billion to the American taxpayer, growing the economy, and creating individual opportunity in the process.

This legislation is much needed and well-deserved tax relief for the American people. I urge all of my colleagues

to set aside the empty partisan rhetoric and to vote in favor of this important legislation. Strike a blow for a growing economy. Strike a blow for the middle class. Vote for this legislation.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. NEAL), a distinguished member of the Committee on Ways and Means.

Mr. NEAL of Massachusetts. Mr. Speaker, Members on both sides of the aisle have said that the tax bill reported by the Committee on Ways and Means is a bill that makes budget priorities clear. These Members are right. This is a debate about Social Security and Medicare and paying down the Federal budget debt.

Our priority on the Democratic side is clear. It is saving Social Security first, fixing Medicare, and making sure the Federal deficits from the last era do not return under an unreasonable tax bill offered by the Republican Party.

As we all know, the 1981 tax bill was the leading cause of deficits we incurred during the past 15 years, but the Republican slogan today is clear. Extremism in the pursuit of a tax cut is no vice.

This priority is a reckless tax bill based upon uncertain economic projections and based on unlikely assumptions about Draconian cuts in the future of government spending: programs like law enforcement, farm aid, education, veterans programs, to name just a few. They almost could not even get this tax bill to the floor because the moderates in their own party are suspicious of where this legislation will take us.

On the Democratic side, we are not saying we are against tax cuts. We are simply saying, fix Social Security and Medicare first. Leave enough of a reserve to pay down the Federal debt and then talk about a modest tax cut initiative aimed at working class Americans, not the wealthiest among us who are not even clamoring for a tax cut at this time.

Social Security is the Nation's premier program. It is the greatest achievement legislatively of this century. It has been crucial to the way elderly Americans have lived during the last 60-plus years and we have a chance now to protect it. Reject this bill. It is irresponsible and reckless.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. LEWIS), another respected member of the Committee on Ways and Means.

Mr. LEWIS of Kentucky. Mr. Speaker, today I think the question in this debate boils down to one thing: Who do we trust?

I arrived here in 1994, at the end of the 40-year period of Democrat rule of this House of Representatives. They were running 200-plus billion dollar

deficits and created a \$5 trillion debt. Government was growing at an exponential rate. They were ready and willing to place upon this country a government program that would have taken us over the line, a government program called socialized medicine. There was not enough money for them to spend. They just kept taking it out of Social Security and Medicare, wherever they could get the money to create larger government all the time.

To hear them talk about debt reduction is amusing. Talk about revisionist history. We listened to it last night.

When I came here, I signed a contract, the Contract with America, that would balance the budget, that would cut taxes, that would reform welfare, that would reduce the size of government and allow people to keep more of their money. They fought it every inch of the way.

Yes, there was a government shutdown. Know why? Because the President would not sign the Balanced Budget Act that he is so wonderfully willing to take credit for today.

The question is, who do we trust?

They did not get the title "tax-and-spend" liberals for nothing. I think it is a very appropriate title and it still sticks with them today.

The question is who do we trust? It is like if we believe them, it would be like asking Jessie James to guard the bank vault for a little while. I do not think we want to do that. I do not think we want to go back to 40 years of tax-and-spend liberals.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Baltimore, Maryland (Mr. CARDIN), a member of the committee.

Mr. CARDIN. Mr. Speaker, I was listening to my friend. I believe in the Contract with America there was the provision that it is wrong for us to enact laws that apply to the private sector and do not apply to us. One of those laws is truth in advertising. If we are going to comply with that law, this bill should not be called the Financial Freedom Act of 1999. It should be called the Financial Irresponsibility Act of 1999.

Let us talk about debt reduction. My Republican friends say they are using two out of every three dollars for debt reduction, assuming there is \$3 trillion in surplus in the next 10 years. There is only \$1 trillion in surplus. The other \$1.9 trillion is in Social Security and we all agree that needs to be lockboxed. However, the Republican bill spends it. We do not have it.

Then they spend the \$1 trillion before we even receive it. There is not a dime for deficit reduction in their proposals.

Truth in advertising. They jeopardize our economy. Then they talk about the thousands of dollars on a per capita basis that my constituent is going to receive. Why do they not tell everybody that that is a 10-year cumulative

number? Their tax year of 10 percent does not become real this year; only 1 percent during the next 3 years. We have to wait for 9 years for half of that to come into effect. Truth in advertising. Tell the people what they are doing.

The height of irresponsibility is what happens in the out-years. They advertise this to be \$1 trillion with interest during the first 10 years, but it balloons to another \$3 trillion in the next 10 years, just as the baby boomers are reaching age for Medicare and Social Security. They cannot do this bill and Social Security and Medicare. It cannot be done. They spend the Social Security money. They spend the surplus money twice. That is irresponsible.

Then the Speaker tells us there is a provision in this bill to deal with the earnings limit, giving our seniors hope they can earn more. That is not in this bill. Truth in advertising. I know we have a speech and debate clause that protects us for our truthfulness on the floor, but let us be honest with our constituents. We have a chance to do it in the motion to recommit. It speaks to the priorities that we should be talking about. Fifty percent for deficit reduction; 25 percent for tax relief; and 25 percent for the other priorities, Social Security, Medicare, and veterans benefits.

Support the motion to recommit.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, I am a farmer from Michigan. There is a lot of hogwash and rhetoric being shoveled on this tax debate. So I challenge, Mr. Speaker, the American people to try to separate the hay from the chaff.

I came into Congress in 1993. It was a Democratic majority at that time and what they and the President did first off was increase taxes by \$280 billion over the 5 years of the budget. They used the, \$280 billion tax increase to grow government.

Let me report what this tax bill we're discussing today does over 5 years. It reduces taxes \$156 billion and reduces the public debt \$800 billion.

What happened in 1993 was a slowdown of the economy. Four and a half years ago, the Republicans took the majority. The first thing we did in this Congress was have a rescission bill that reduced expenditures. We have held the line on expenditures. The Democrats have been complaining that Republicans are too frugal, they are not spending enough money. I look at the bill of the gentleman from New York (Mr. RANGEL) that he is going to offer as a substitute, and as it turns out it is a tax increase.

It is consistent with what the President has suggested. The President has schemed in his budget that we have a tax increase of \$100 billion and that we

expand the spending of government by that \$100 billion. If the papers are correct, the Democrat leader over in the Senate is suggesting that we use one-third of the surplus to have a tax cut; we use two-thirds to expand this government. That is the danger. Who believes if we do not get this money out of town and back in the pockets of the workers that earned it, Washington politicians are not going to spend it. Unlike the growing of crops on the farm, the growing of government is not good. I am very interested and concerned with paying down the debt. Republicans have been in the majority for 4½ years. In that time we have cut spending, stopped spending the Social Security Trust Fund money and balanced the budget. For most every year that the Democrats were in the majority prior to 1995, they spent the Social Security Trust Fund surplus on other government programs and increased the debt of this country to \$5 trillion.

In the first 5 years of this tax proposal we pay down the public debt by \$900 billion; \$900 billion. Also we are doing more. With the tax cut we now require that Washington reduce the debt. Now we have a trigger.

I would say to the gentleman from Texas (Mr. ARCHER), I hope the conferees will proceed with dedication to make sure that this tax bill assures that we continue our effort to pay down the debt.

□ 1130

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentleman from Georgia (Mr. LEWIS), a member of the Committee on Ways and Means.

Mr. LEWIS of Georgia. Mr. Speaker, the Republican tax bill is a "do-nothing" bill. It does nothing to protect Social Security, nothing to strengthen Medicare, nothing to reduce our national debt, and next to nothing to help working Americans.

Mr. Darrell Stinchcomb is a fifth grade teacher in the Atlanta public school system. Darrell loves to teach and works hard to educate the next generation. In return, he earns \$32,000 a year. Unfortunately, this Republican tax bill does almost nothing to help working Americans like Darrell. Under the Republican plan, Darrell would get a tax cut of just \$20 a month, \$240 a year. Yet a person earning \$200,000 a year or more would get a tax break of over \$9,000. \$240 for working people like Darrell, \$9,000 for the richest people in America. That is not right. That is not fair. That is not just. It is a shame and a disgrace.

Most working Americans will receive little or nothing under the Republican tax bill. It does nothing, not one thing, to protect Social Security and Medicare. Nothing, but nothing, to reduce the national debt. A thousand for the rich, pocket change for working Americans. That is the Republican tax bill.

Mr. Speaker, when I was growing up in rural Alabama, I was responsible for raising the chickens. The first lesson I learned was never, ever to count your chickens before they hatch. This Republican tax bill spends billions of dollars before we have it in the bank. It is a mistake. It is irresponsible. It is not the right thing to do.

We finally have an opportunity to protect the future of Social Security and Medicare, not just for ourselves and our parents but for future generations. The Republican tax bill is a step in the wrong direction. It is a step backward. I urge my colleagues to defeat this irresponsible bill.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentleman from Louisiana (Mr. MCCRERY), another respected member of the Committee on Ways and Means.

Mr. MCCRERY. Mr. Speaker, I rise today primarily to thank the Chairman of the Committee on Ways and Means, the gentleman from Texas (Mr. ARCHER), to thank him for having the wisdom and the courage to put together a tax bill that addresses not just the high-profile popular calls for tax relief that grab the headlines and provide us politicians with applause lines, but a tax bill that provides tax relief to the business community in the United States in a way that will result in greater availability of capital in this country for investment, more jobs being created here, and more jobs being saved here.

This is not only a responsible tax cut, it is a needed tax cut if we want American companies to be competitive in the world marketplace in the next century.

Look, remember 2 years ago, when we Republicans cut taxes? We were called irresponsible then by the same people in the opposition party that are today calling us irresponsible for offering this tax cut. Remember their words? "You cannot cut taxes and balance the budget." How many times did I hear that? Well, obviously they were wrong then. We did cut taxes and balance the budget. And they are wrong today.

Mr. Speaker, I thank the gentleman from Texas for putting together an excellent tax cut and for helping American companies and American workers.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. McNULTY), a member of the committee.

Mr. McNULTY. Mr. Speaker, I thank my leader for yielding me this time.

My father and my grandfather, two great public servants, taught me that Harry Truman was one of the finest presidents in the history of our country, I think that that was because he was possessed of such wonderful common sense. As a matter of fact, he became known for saying "Let's look at the record." And, Mr. Speaker, I think that is what we ought to do today.

In 1981, Ronald Reagan came to office and promised the Nation a balanced budget in 3 years. He never delivered on that promise. Not in 3 years, not in 4 years, not in 8 years, not in 12 years of the Reagan and Bush administrations. As a matter of fact, the opposite occurred.

Because of the huge tax cut which was implemented at the beginning of his term, we had larger and larger deficits throughout those years—\$200 billion, \$300 billion, \$400 billion. And, yes, we quadrupled the national debt. All of the debt, Mr. Speaker, of the United States of America from George Washington to Jimmy Carter amounted to less than \$1 trillion. And in the 12 years of the Reagan and Bush administrations that went to over \$4 trillion. That is the record.

In 1993, Bill Clinton came to office and he promised to reduce the budget deficits. He did a lot more than that, Mr. Speaker. He eliminated them. And now we are having this wonderful debate about what to do with the extra money. That is the record.

We have a decision to make, Mr. Speaker. We can go with the policy of the 1980s, which gave us ever-increasing deficits and quadrupled the national debt, or we can do what I am going to do. I am going to stick with the winners—with Clinton and Gore and Gephardt and that man sitting right there, the gentleman from New York (Mr. RANGEL). I am going to support their program of saving Social Security, saving Medicare, and reducing the national debt.

Mr. Speaker, I urge my colleagues to reject this bill and to support the Rangel substitute.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Speaker, I thank the distinguished Chairman of the Committee on Ways and Means for yielding me this time.

I have spent 12 years of my life in this place working with others to try to get our country's financial house in order and balance the Federal budget. And as hard as we worked, we really did not see much improvement until Republicans gained the majority in this House. When we gained the majority, we saw deficits projected of \$100 billion, \$200 billion dollars, going out for years and years and years.

Because of our efforts, we have reversed that. And now we have a budget surplus, projected over the next 10 years, of \$3 trillion. Two trillion of those dollars we are setting aside for Social Security and Medicare, and we are going to pay down debt. One trillion is the true surplus outside the trust funds. And that is what we are debating.

I am absolutely convinced my colleagues on the other side want to spend it. And I believe if we leave it on the

table, it will be spent. Absolutely convinced of it. And then 10 years from now we will have a higher level of government spending and we will need to deal with incredible expenditures that will come in the future, and our baseline will be very, very high.

Instead, we want to cut taxes. Not all of the \$1 trillion. It may be, by the time we are done, \$500 to \$800 billion. They are tax cuts that help generate economic activity, and they are tax cuts that help families, and they are tax cuts that help education and allow us to deduct for health care. If we leave it on the table, it will be spent; and our spending base will be that much higher. If we return it in tax cuts and phase them in over time, I am absolutely convinced our economy will grow. But if, in the future, we find it does not, we do not have to implement the entire phase-in.

This is very responsible, and I say this particularly to Republicans: this is the most important thing we can do to finish what we started.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. Speaker, I rise in strong opposition to the Republican leadership's tax bill. This is the wrong policy at the wrong time that will only add to the national debt at the expense of Social Security and Medicare. We are debating a trillion dollar tax cut that is going to grow to \$3 trillion in 20 years on assumptions that may well not pan out.

Nearly 20 years ago, then Senate Majority Leader Howard Baker of Tennessee called the Reagan tax cut a river boat gamble. I predict that like that gamble in 1981, this bill, too, if enacted, will result in increasing the national debt many times over.

It is a shame that after spending years of crawling out of the supply-side hole the Republicans put us in back in 1981, they now want to dig a new ditch, and even deeper.

What will this gamble cost in real terms? \$3 trillion over 20 years. What will happen if the non-Social Security surpluses do not materialize? We will drive the Nation deeper into debt and jeopardize the future of Social Security, Medicare, and the American economy through rising inflation, higher interest rates, and a weak dollar.

This is the wrong idea, it is a bad idea, and we ought to defeat this plan.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. First, Mr. Speaker, the trigger. It is not a trigger; it is a shot in the dark at the last minute. Let me tell my colleagues why. It is not tied to the debt but to interest on the debt, gross interest, that can go up as trust funds increase.

There also can be a perverse result. If there is a recession, there would be no

tax cut. And then when we come out of a recession, a tax cut.

It applies only to the income tax, not to the other tax reductions. So what it applies to is the least regressive. One-third goes to 1 percent, another one-third goes to the 9 percent highest income earners in this country, and only one-third goes to 90 percent of taxpayers. It is already terrible enough in terms of its regressivity.

One last thing. According to the CBO, the debt subject to the limit does not decline until 2006, and that assumes no tax cut. So if we look at this trigger, it may result in no income tax reduction across the board through the first 10 years. It just does not make any sense.

Secondly, I want to show my colleagues this chart, the explosion in the second 10 years of a \$3 trillion revenue loss. That is the same period when Social Security surpluses begin to fall, when Medicare runs out of money in 2015, when non-Social Security budget surpluses begin to fall.

This is reckless, reckless, reckless. It sells out our ability to act on Social Security and Medicare for the long run. Vote a resounding "no" on this bill and support the motion to recommit as well as the Rangel substitute bill.

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. MCINTOSH) for the purpose of a colloquy.

Mr. MCINTOSH. Mr. Speaker, let me add before we begin the colloquy, that I, too, want to thank the gentleman from Texas (Mr. ARCHER) and the Committee on Ways and Means for bringing this bill to the floor. It has been said, and I agree, this is the most important piece of legislation that this Congress will pass. The gentleman has reached the soft underbelly of the tax-and-spend crowd by taking the revenues off the table and returning it to the American people, and I thank the gentleman for doing that.

As the chairman knows, along with many others in our conference, the gentleman from Mississippi (Mr. PICKERING) and I have been very interested in making sure that the tax bill before us includes as much relief as possible for those American taxpayers who are paying entirely too much in taxes solely because they are married.

Mr. PICKERING. Mr. Speaker, will the gentleman yield?

Mr. MCINTOSH. I yield to the gentleman from Mississippi.

Mr. PICKERING. Mr. Speaker, I, too, would hope that when the gentleman from Texas goes to conference on this bill, that he will make an effort to see the amount of money used to provide relief to these married taxpayers is significantly greater than the amount set forth in the House bill.

I also want to join my colleague, Mr. Speaker, in thanking the gentleman

for his leadership on a great package of tax relief and thank him for his assurances on this issue as well.

Mr. ARCHER. Mr. Speaker, will the gentleman yield?

Mr. MCINTOSH. I yield to the gentleman from Texas.

Mr. ARCHER. Well, I would say to both of the gentlemen, Mr. Speaker, that they have exemplified great leadership on giving couples marriage penalty relief, and they can be assured that in the conference, with the concurrence of the Senate, the amount of money designated for marriage penalty relief will be above the level in the House bill.

I think I also must add that a lot of credit goes to many, many other Members who have joined with these two gentlemen on this issue, particularly two members of the Committee on Ways and Means, the gentleman from Illinois (Mr. WELLER) and the gentleman from California (Mr. HERGER).

□ 1145

I think all of the country can be thankful for all of my colleagues.

Separately, Mr. Speaker, I am including in the RECORD at this point an exchange of letters with the Committee on Education and the Workforce, and an explanation of my amendment to H.R. 2488 making the reductions in the across-the-board tax rate reductions contingent on the annual change in the government's interest expenses on the total U.S. debt.

COMMITTEE ON WAYS AND MEANS,  
Washington, DC, July 21, 1999.

Hon. WILLIAM F. GOODLING,  
Chairman, Committee on Education and the Workforce, Washington, DC.

DEAR CHAIRMAN GOODLING: I write to confirm our mutual understanding with respect to further consideration of H.R. 2488, the "Financial Freedom Act of 1999." H.R. 2488 was ordered favorably reported by the Committee on Ways and Means on July 14, 1999. Title XII of H.R. 2488, as reported, contains nearly 40 pension provisions in the tax code designed to improve retirement security.

As you know, on July 14, 1999, the Committee on Education and the Workforce ordered favorably reported H.R. 1102, the "Comprehensive Retirement Security and Pension Reform Act." The bill, as introduced, was referred to the Committee on Ways and Means, and in addition, to the Committee on Education and the Workforce, and the Committee on Government Reform. Titles I-V of the bill, as reported, contain many of the tax provisions included in H.R. 2488, and Title VI contains comparison amendments to the Employee Retirement Income Security Act (ERISA) approved by your Committee.

In order to expedite consideration of H.R. 2488, you agreed to refrain from asking the Rules Committee to make in order an amendment to H.R. 2488 to include the provisions of Title VI of H.R. 1102, as reported. This was based on the understanding that I would continue to work with you to include agreed upon pension provisions within the jurisdiction of the Education Committee in the final conference report on H.R. 2488, and that I would not object to your request for conferees with respect to matters within the jurisdiction of your Committee when a

House-Senate conference is convened on this legislation.

Finally, I will include in the RECORD a copy of our exchange of letters on this matter during floor consideration. Thank you for your assistance and cooperation in this matter. With best personal regards,

Sincerely,

BILL ARCHER,  
Chairman.

COMMITTEE ON EDUCATION AND  
THE WORKFORCE,  
Washington, DC, July 22, 1999.

Hon. BILL ARCHER,  
Chairman, Committee on Ways and Means,  
Washington, DC.

DEAR CHAIRMAN ARCHER: Thank you for your letter and for working with me regarding H.R. 2488, the Financial Freedom Act. As you have correctly noted, Title XII of H.R. 2488, as reported, contains numerous pension provisions designed to improve retirement security. As you also know, on July 14, 1999, the Committee on Education and the Workforce ordered favorably reported H.R. 1102, the "Comprehensive Retirement Security and Pension Reform Act." The bill, as introduced, was referred to the Committee on Ways and Means, and in addition, to the Committee on Education and the Workforce, and the Committee on Government Reform. Titles I-V of the bill, as reported by the Committee on Education and the Workforce, contain many of the tax provisions included in H.R. 2488, and Title VI contains amendments to the Employee Retirement Income Security Act (ERISA).

As you know, I intended to have Rules Committee make in order the provisions in H.R. 1102, regarding ERISA; however, in order to expedite consideration of H.R. 2488 and with the understanding as outlined in your letter, I did not make such a request. I appreciate your work with me to include those pension provisions within the jurisdiction of the Committee on Education and the Workforce in the final conference agreement on H.R. 2488. I appreciate your support in my request to the Speaker for the appointment of conferees from my Committee with respect to matters within the jurisdiction of my Committee when a conference with the Senate is convened on this legislation.

Thank you for agreeing to include this exchange of letters in the Congressional Record during the House debate on H.R. 2488. Again, I thank you for working with me in developing this legislation and I look forward to working with you on these issues in the future.

Sincerely,

BILL GOODLING,  
Chairman.

#### EXPLANATION OF ARCHER AMENDMENT TO H.R. 2488

Reductions in Across-the-Board tax Rate Reductions Contingent on Annual Change in Government's Interest Expenses on the Total U.S. Debt:

—The 1 percentage point tax reduction scheduled to take effect in 2001 remains in place permanently.

—Each year thereafter, the additional tax reduction scheduled for a specific year is contingent on a reduction in the government's total interest expenses for the preceding year. Total interest expenses include interest payments on all debt subject to the statutory limit. This means both debt held by the public and trust fund debt.

—Specifically, in order for a tax reduction to take effect on January 1 of a specific year,

the government's interest expenses must not increase in the preceding year. The annual change in the interest expense is measured on July 31 of the preceding year.

—If the interest expense increases, then the next scheduled phase of tax reduction which would otherwise go into effect does not take effect until the interest expense requirement is met in a succeeding year. Preceding rate reductions remain in place.

—The provision terminates when the rate reduction reaches 10%.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. FROST).

Mr. FROST. Mr. Speaker, Republican leaders spent yesterday twisting the arms of their moderate and fiscally responsible Members to get them to vote for a tax bill that they have derided all week for its fiscal irresponsibility.

The papers today report that the House leadership may well have forced them to risk Social Security, Medicare, and our economy on fiscally irresponsible, budget-busting tax breaks for the wealthiest that will cost us more than \$3 trillion over the next 20 years.

To do so, Republican leaders seemed to have taken the principle of budgetary smoke and mirrors to a height unseen since David Stockman invented the "magic asterisk" nearly 20 years ago. And in so doing, Republican leaders are not just risking Social Security, Medicare, and our economy, they are mounting an assault on the common sense of the American people.

Mr. Speaker, in the dead of night yesterday and this morning, Republicans may have succeeded in fooling themselves, but the American people are smarter than that.

Americans know perfectly well that if this risky Republican package of more than \$3 trillion in tax breaks for the wealthiest becomes law, Republicans will be making it fiscally impossible to save Social Security and Medicare. Republicans will be making it fiscally impossible to pay down the debt and keep interest rates low and our economy growing and creating jobs. Republicans will be making it fiscally impossible to help America's senior citizens afford the high cost of prescription drugs.

As one of our moderate Republican colleagues said of this tax bill a few days ago, "The numbers just don't add up, and the projections don't have credibility."

Well, we all know and the American people know that they are no more credible today.

Why would Republican leaders force through a package that takes such risks with our future? What does it say about the priorities of the Republican party?

Quite clearly, Mr. Speaker, it says the Republican leaders are willing to risk Social Security, Medicare, and our

Nation's economy in order to provide red meat for their right wing extremists.

Vote down this bill.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from Texas (Mr. ARCHER) has 11½ minutes remaining. The gentleman from New York (Mr. RANGEL) has 12 minutes remaining.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, I want to praise the gentleman from Texas (Mr. ARCHER) for what he has done in this bill.

Americans deserve to keep more of their hard-earned money for which they work. I recall the woman who heard the President claim "more jobs" and she said, "I can believe that, I have three of them."

Well, we are trying to straighten that out. We have dealt with the marriage tax, and 42 million Americans are affected by that—including 6 million senior citizens.

I am concerned not only about the families and the marriage penalty tax. I am concerned about our grandchildren and, in my case, little Yoni. I want him to grow up where there is not very much national debt, and that is exactly what the gentleman from Texas (Chairman ARCHER) has provided.

There is a \$3.6 trillion national debt held by the public. Under this bill, the Financial Freedom Act of 1999, we are getting that down to \$1.6 trillion. If my colleagues do not think that is progress, then they have a strange idea of progress. We are doing something for every single American that is affected and needs a job and works hard and does not find much to pay the bills.

Vote for this legislation.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, the ink is barely dry on the projections of the surplus, and already we have a bill on the floor committing it all to tax cuts.

I think a big share of the surplus should go to tax cuts. But if this bill becomes law, it will shut out everything else. It will leave nothing to make Social Security and Medicare solvent, use none of the surplus to pay down our mountainous debt, reserve nothing for plus-ups in education or boost in medical research. Even defense gets shorted.

Most of those backing this tax bill say that they are for an increase in defense spending, but they should read the resolution. The budget resolution underlying this bill makes room for our tax cuts of \$778 billion. It freezes defense from 2004 through 2009.

So before we rush to judgment, bet the farm on these projections, we ought to ask just how solid are these surpluses.

In less than a year, OMB and CBO have upped their 15-year estimates of the surplus by \$2 trillion. Just yesterday, CBO issued a report warning, and these are their words, "decision-makers to view these projections with considerable caution."

What they have done is what they have always done. They have assumed that current law will be carried out, that we will stick to the caps for the next 3 years, tight caps that were set several years ago in the PBA of 1997, even though my colleagues know and I know that we really circumvented them last year and we are not going to stay under them this year.

If we make the simple assumption that we will simply track inflation with discretionary spending for the next 5 years, we take \$590 billion out of this \$996 billion surplus.

If we then assume that emergency spending has to be factored into the estimates, and CBO and OMB do not do that because it is unpredictable, we knock another \$90 billion off the surplus. And if we then adjust that for debt service, debt service they will have to pay because their debt deal is not paid down, the surplus is somewhere between \$150 billion and \$300 billion, not \$996 billion.

We have another choice, a substitute that would cut taxes by \$250 billion. It is the right choice, a fiscally responsible choice. I urge its adoption in lieu of this bill.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. EHLERS).

Mr. EHLERS. Mr. Speaker, I thank the chairman for yielding me the time.

In the latter half of this century, the profligate spending habits of the Congress and the Federal Government drove the total Federal debt from less than \$250 billion to an astounding \$5.5 trillion.

But now, because recent Congresses have been able to impose some fiscal discipline on the Federal budget during this period of strong economic growth, we enjoy the good fortune of operating under a surplus.

Simply stated, having a surplus means that we are extracting from the taxpayers more money than is required to fund the operation of the Federal Government. That means we must refund part of this surplus back to the taxpayers through a tax cut.

But prudence also dictates that we use part of this surplus to pay down the debt that was irresponsibly run up by previous Congresses.

I am grateful that the chairman has agreed to insert my debt reduction amendment into this bill. With my amendment in place, we will accomplish both of our goals, tax refunds and debt reduction.

The language of my amendment sets this Congress on a course to reduce the amount of publicly held debt from \$3.6 trillion in fiscal year 1999 to \$1.6 trillion in fiscal year 2009, a reduction of over 55 percent in 10 years.

As a result, the annual interest costs of this publicly held debt will drop from \$230 billion this year to about \$100 billion in 2009. That is a huge savings.

Putting it in simpler terms, reducing the debt and interest this much will put \$700 dollars more per year back in the pockets of each American taxpayer.

While it took over half a century to run up this debt, we are committed to cutting it by more than half in the next decade.

Surely, my colleagues on the other side of the aisle, some of them whom were here when their party presided over the accumulation of this debt, cannot protest with too much credibility that this rate of payoff is insufficient.

I urge the Congress to vote for debt reduction and smaller interest payments. Vote for this bill.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. BECERRA) a member of the Committee on Ways and Means.

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, first things first. First things first. Social Security, Medicare, the first chance in a long time to consider prescription drug coverage in Medicare, reducing the debt so our children in the future will not be paying \$250 billion yearly just on interest on the size of the debt. Talk to any family in America. They will explain that. They know it. They have a mortgage. They know how much they pay in interest every year to own that home.

Why are we telling our children we are going to let them continue to pay for more than \$250 billion per year not to retire the debt, the principal, but just to pay the interest on what we owe as a Federal Government?

First things first. And then we can focus on providing middle-class America, working-class Americans, with a tax cut. And they deserve it, and they will get it. But first things first.

What we are talking about today is nothing but numbers, guesses. I could flip a coin right now and ask my colleagues if it is heads or tails and they would have just as much luck knowing what it would be as what we would know about the future about the Federal budget. It is all projections.

Six years ago, when I came into Congress, the outgoing President George Bush and his administration left us with projections saying that we would have \$300 billion deficits for as far as the eye could see into the future.

Now we are projecting a trillion-dollar surplus over the next 10 years. Let me bring it down even closer. A year ago, we were told we would have an \$80 billion deficit. Five months ago we were told it would be a \$7 billion deficit. Today we are being told it is going to be a \$14 billion surplus.

How can numbers change so rapidly? It is because they are all projections. It is flipping a coin. In fact, it is more like going to Vegas. I could go to a crap table and probably do better with the odds there than with knowing what will happen in 10 years with the Federal Government.

We are playing with people's money, and we should be prepared to give it back. But people will also want to be able to retire knowing that Social Security will be there for them, not just us but our kids. People want to know that for the first time we have a chance to tell the elderly it will not be a choice between food and medicine because we can get them predescription drug coverage that will do so. And we want to be able to tell our kids, I have three small children, I am going to be able to retire some of this Federal debt so they do not have to pay that interest and they can use it to go to college.

Let us be serious. Do not pass this bill. We can do a tax cut but not like this.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentleman from Florida (Mr. FOLEY) another member of the Committee on Ways and Means.

Mr. FOLEY. Mr. Speaker, I rise in strong support of this bill.

I heard a lot of people taking credit today for the miracles of a balanced budget. We will go ahead and give them credit for raising taxes in 1993. They said that is what led to a balanced budget. We will take credit for cutting spending, which we believe led to a balanced budget.

But, my colleagues, we are here to talk about the future of the United States of America. For 40 years, this place was run on a bankrupt notion of spend and spend and spend. If I have to hear one more time on the House floor about the Ronald Reagan bill, I have just got to tell my colleagues, the Congress was controlled by the Democratic party in those years. No bill sponsored by the President can pass without a majority party lifting the bill to the floor.

So, if memory serves me right, that bill was passed by a democratically controlled Congress. So let us, at least, talk about fairness, about the rules of engagement, and about what this means to the average family.

I urge my colleagues to go home over the weekend and talk about the marriage penalty elimination in this bill. I urge them to talk about the estate tax relief for family farmers in many districts around America. I urge them to talk about the tax credit for health

care and deductibility, prescription coverage that was offered by the gentleman from California (Mr. THOMAS). I urge them to look at some of the notions of this bill and deny that they have practical application for every working family in America.

Now, there are disagreements on debt. There are disagreements on the long-term application. There are disagreements on income. But, my colleagues, Congress meets every day, every year. We can solve those in the future, but let us not kill a good bill on the American public's table today.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Missouri (Ms. MCCARTHY).

Ms. MCCARTHY of Missouri. Mr. Speaker, I thank the gentleman from New York for yielding me the time and for his leadership.

Mr. Speaker, I rise in opposition to H.R. 2488, the Financial Freedom Act of 1999.

In my 12 years of working on tax policy as chairman of the House Ways and Means Committee in Missouri, I thought I had seen just about every kind of shenanigan tried. This fiscally irresponsible measure tops them all.

□ 1200

How do you keep a straight face and look the American people in the eye when you say you are going to use an anticipated \$1 trillion surplus to reform Social Security and Medicare, then, without blinking, tell the taxpayers of this great Nation that you are going to give them nearly a trillion dollars in tax cuts, plus reduce the deficit, and you will accomplish all of these wondrous feats without cutting programs or jeopardizing our economy. I do not think the public will be fooled by a measure which defies logic.

I urge my colleagues to vote for the Democratic substitute, to support the motion to recommit, and to cast a vote to reduce the debt, save Social Security and Medicare and our economy.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume, simply to respond.

Many, many times the speakers on the Democrat side of the aisle have used the term "a \$1 trillion tax cut." They know that is not true. They think if they say it long enough and hard enough, people will believe it. They know it is not true. The tax cut is \$792 billion. It is not \$1 trillion, but let them keep saying it, because it exposes the misinformation that is being presented to this Congress.

Mr. Speaker, I yield 1½ minutes to the gentleman from Colorado (Mr. MCINNIS) another respected member of the Committee on Ways and Means.

Mr. MCINNIS. Mr. Speaker, why do you not call this game what you really mean it, finders keepers? That is what you think it is all about. Look at the credibility of the Democrats back here

in Washington, D.C., not the working man and the working women that happen to be Democrats out in the country. You got your own special enclave right here in Washington, D.C. That is, you think you found that money.

Well, Democrats, let me tell you something: You did not find it. It is those working men and those working women, outside the Beltway, who have provided this surplus. By gosh, they are entitled to have some of it back.

Now, you would like the American people to believe you are credible when it comes to Federal waste and Federal spending. How many of you Democrats voted for a balanced budget? How many of you Democrats ever stood up here and cut some spending out of the wasteful programs? Yeah, not many raised their hand. Two out of the whole group raised their hands over there. That is the true story. They think it is finders keepers.

We have a budget here that will save Social Security, save Medicare, reduce the Federal debt, increase military spending and increase education and guess what? That is five. One dollar out of six, one dollar out of six goes back to that working man and that working woman.

It is time you Democrats in Washington, D.C. cared about the Democrats outside the Beltway and gave up your enclave of finders keepers.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, the Republicans have really shown their hand in their late-night amendment to their blockbuster tax bill. They put a provision in that says that part of the tax cut will not take effect unless the debt goes down. The truth of the matter is the Republicans are not interested in reducing the national debt. Their amendment simply says if the national debt starts going up, we will not have that big blockbuster tax bill. We have a \$5.6 trillion national debt. It is time to start paying it down.

The Democratic substitute, the Blue Dog motion to recommit, will allow for paying down that national debt. The Republicans want to continue along the path of big budget deficits. We need to pay off that national debt. The party of fiscal responsibility in this debate is the Democratic Party. We want to pay off that national debt, and it is time that we realized that only by being fiscally conservative will we ever have a chance to do it.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana (Mr. VITTER).

Mr. VITTER. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong support of this historic tax cut bill. These words are my first on the floor since being sworn in on June 8, and that is appropriate because this legislation in



so many ways is what I came to Congress to do.

I do not just mean cutting taxes. I mean celebrating marriage and family by attacking the marriage penalty; honoring small family business by phasing out the death tax which is the death of so many small family businesses; encouraging economic growth through cuts in the capital gains tax. I mean being fiscally responsible by locking up Social Security tax revenues 100 percent and by demanding a reduction in the national debt before we trigger some of the tax cuts. But most of all, I mean increasing freedom by sending money and power back to the individual and the family.

The President wants targeted tax cuts. That means even in the case of a tax cut, Washington decides how and where and when and why money is spent. What is most significant about this bill is that individuals and family decide and freedom is increased.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

There have been some concerns with people getting emotional because our side said that it is nearly a \$1 trillion tax cut. I do not want my colleagues to get upset. It is not a \$1 trillion tax cut. It is a Christmas tree. It is decorated with every cut that you can think of for Republican supporters. Ninety percent of the tax cut goes to the wealthiest Americans.

But it is not as irresponsible as some people are saying. Why? Because you know the bill is not going anywhere. What you want is a veto from President Clinton. He becomes the scrooge, he becomes the person that has snatched away this beautiful Christmas present that you have outlined.

The only thing the President and the Democrats want are to protect Social Security, to protect Medicare, to make certain that prescription drugs are protected and to bring down the Federal debt. And when you do those things, which we try to do in the substitute, which we try to do in the motion to recommit, that is the biggest tax cut of all. Bringing down interest on car purchases, on electric appliances, on the mortgage. That is what America wants.

But when you tell me and get excited about it, that if you do not give the nearly \$1 trillion to the taxpayers, then the politicians in Washington, I assume you mean the Congress, are going to spend it. Well, who is in charge of the spending committees? Who is in charge of the Congress? I know you have a question answering that yourself, but most people believe it is the Republican Party. So if you are saying, "For God's sake, let's get rid of the Clinton surplus before the Republican Congress just spends it," then say it, but I know you are not saying that. The reason you are not saying it is because your bill is, what

we call in Harlem, a trip to nowhere. And what you intend to do is to have little pamphlets with all of the tax cuts on it to pass out at the polls and say what a mean person the President was because he vetoed it.

If you want a tax cut, the only way to have one is to realize that there are Democrats in this House. I know it is rough keeping up with how many of us because we keep a-coming. But still what you should do is to recognize that and get together with the Democrats on the committee and get together with the President of the United States. Do not do what the President told you to do, but for God's sake do not try to do what the right wing of your party wants you to do. Learn how to do something which is very difficult for some of the Members on the other side even to say: Learn how to compromise. Learn how to be bipartisan. Learn how to work together. That is what the American people want. They do not want a fight. They do not want a food fight. And they do not want you to get this bill decorated and send it over to the White House so that we have got to have another fight when there is a veto.

Let us start now to see what we can do to work together. And, yes, it is nearly \$1 trillion. And if you are going to challenge that, I challenge you, bring a bill to the floor. God knows what else you have in the Committee on Rules. Bring something out so people can see really what you are doing. It changes from day to day. The last rumor was it was close to \$1 trillion. I know you lost \$72 billion on the way to the House floor, but we do not know where you are today.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield 30 seconds to the gentleman from New York (Mr. FOSSELLA).

Mr. FOSSELLA. Mr. Speaker, I thank the gentleman for yielding me this time. I compliment the gentleman from Texas, because I believe this will be a lasting legacy of his, to argue for more freedom and more liberty for the American people.

You are going to hear a lot of debate about how Washington wants to spend your money. But the reality is we are talking about a tax refund to the American people who work hard every single day.

The debate is simple. Do we want more freedom and more liberty and more economic growth? Do we want to give a tax cut to every American who pays taxes? Or do you want to keep the money here in Washington to squander more and more of your money?

The debate is simple. I urge a strong "yes" vote on this bill.

Mr. ARCHER. Mr. Speaker, I yield 30 seconds to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Speaker, I am a newer Member of Congress here

and I have been just coming into Washington for about 7 months, but I have heard it all now. We see here before us so many different Members of Congress coming up with so many different excuses, reasons and ways to keep the American people further separated from their own money. This is what it is coming down to, two philosophies.

This is a beautiful celebration of democracy that we see here today. On one side we have Americans overpaying their taxes, so much so that we believe you should get some of your money back. Take a look at your paycheck and look how much is coming out every year. We think you should have your money back. The other Members of Congress on the other side of the aisle want to keep all of your money in Washington.

Mr. RANGEL. Mr. Speaker, I yield the balance of my time to the majority leader of the Democratic Party, the gentleman from Missouri (Mr. GEPHARDT), who is trying desperately to bring about a bipartisan solution to this problem.

Mr. GEPHARDT. Mr. Speaker and Members of the House, I urge Members to vote for the Democratic substitute, or for the Democratic motion to recommit which is very similar, and against this tax bill that is on the floor.

I make basically three arguments for doing that.

First, I think the Republican bill is risky. I think it is risky with regard to the most important accomplishment that we have had over these last 7 or 8 years, and that is the wonderful economy that we have painstakingly built from where we were in the early part of the 1990s.

Let me just read you some facts. Let us remember where we were in 1992. The deficit was \$290 billion. We now have the largest surplus in our lifetime. Since 1992, 17.7 million new jobs were created under the economic program of this administration that we have been operating under. In 1992, the unemployment of the country was 7½ percent. Now it is 4½ percent, with the lowest inflation that we have had since 1981.

Now, we are risking if we pass this huge tax cut, and we are for tax cuts, we think the American people deserve tax cuts out of this surplus. The question is, how much? And what we are saying is, this tax cut the Republicans have brought to us today is way too large and risky and irresponsible.

But do not take my word for it. Look at what over 50 economists, six Nobel laureates said yesterday, part of their statement:

"In contrast, a massive tax cut that encourages consumption would not be good economic policy." They said, "Given the uncertainty of longtime budget projections, committing to a large tax cut would create significant risk to our economy and our budget."

Why would we want to do that? Why in God's name would we risk this tremendous achievement and risk keeping it going?

Secondly, this large of a tax cut keeps us from saving two of our most important programs and achievements, Medicare and Social Security. The Democratic tax cut is conditioned—is conditioned—on a solvency statement by the trustees of Social Security and Medicare. The Republican tax cut is not.

□ 1215

The Republican tax cut does not allow us to even take care of Medicare and does not allow the money for solvency in Social Security.

Why would we want to risk that?

Thirdly, what do the tax cuts do?

Our tax cut is targeted. We are worried about long-term care; we are worried about many of the problems in the economy with research and development. It is targeted to the things we really need.

Their tax cut is all over the lot, and most of it goes to the top 10 percent of earners in the country. It is not focused on the middle class. And worst of all, last night at midnight they made a change in their tax cut; and they now condition it, at least the part that goes to the middle class, on what happens with the deficit.

What about capital gains? What about the estate tax? What about the corporate alternative minimum tax? That is not conditioned. Oh, we would not want to hurt the people at the top. The only conditioning, the only trigger, is on the people in the middle and the people at the bottom that might get some benefit from the tax cut.

This is a disaster in terms of the middle class of this country. This is risky. It does not take care of Medicare and Social Security, and the only people our colleagues have really ensured will get a huge tax cut are the wealthiest of the wealthy. This is not the right thing for our country.

Mr. Speaker, I urge Members to vote for the Democratic substitute, vote for the motion to recommit, vote against this risky, irresponsible, unfair tax cut. Let us not repeat the mistakes of the past.

Mr. ARCHER. Mr. Speaker, to close on this segment of the debate I yield the balance of our time to the gentleman from Ohio (Mr. KASICH), the chairman of the Committee on the Budget.

Mr. KASICH. Mr. Speaker, I want to thank my great friend, the gentleman from Texas (Mr. ARCHER), for his outstanding work, and I think that today we should not miss our purpose. We should not miss the purpose of the Republican Party and the conservative philosophy that calls for a limited government, that calls for a free market, free enterprise system that can only

survive and prosper in a period of limited government, and I think we ought to recognize that it is our mission in this city to ship power, money and influence from this city back to the people today, Mr. Speaker, who sit in the gallery and who watch on television and who are pulling the wagon all across America.

As my colleagues know, this is part of an overall plan. As all my colleagues know, we are trying to bring about more choice in education with scholarship programs for the disadvantaged, but our ultimate goal is to provide power to States to provide for school choice so that mothers and fathers are in charge and that power rests in families in America.

In Medicare we want to provide a more personalized health care system for our seniors that offers more choice and more power and more free market that breaks down a government bureaucracy that runs health care from the top down and is disrupting the ability of people to get quality care at an affordable price.

We want to create individual retirement accounts, the gentleman from Texas (Mr. ARCHER), myself, so many of us, where we want people to have the power to be able to plan for their retirement, not to pass that power on to a bureaucrat in a faraway city who does not understand our needs as we get older. We want to have the power back; we want the confidence or we have the confidence ourselves to know to plan for the future.

And the tax cut. Do not miss the tax cut and what the message is. Oh, yes, it is about economics, about keeping this recovery going. We know how vital it is in addressing so many of our long-term entitlement needs. It provides more jobs. It gives us the incentives to grow, to keep our economy strong, the strongest in the world. But it is also about personal power because what we all know intuitively is the more money we have in our pockets the more power we have, the more we can do for our families, the more we can do for our communities, the more we can do to help those around us; and if we have more of this and government has less, then we can begin to run America from the bottom up.

As my colleagues know, if Americans can have more choice in education and security in health care where they have more choice and more confidence, individual retirement accounts, and Social Security and more money in their pocket, then people have more power; and what we battle with America today is cynicism, a sense that we are up against the big institutions, that we are isolated from one another and that no matter what we do or what we say or who we vote for makes some difference in the outcome, and we worry about our children.

So it is the purpose of our party and the conservative movement to restore

power to people and with that power and freedom comes responsibility, and with that responsibility we can hook our hearts together again, we can unite America, we can renew America, we can restore the vigor that America represents. This tax cut is about individual power.

If my colleagues want to run America from the top down, vote no. I respect people who feel that way. I think they are dead wrong. If my colleagues want to run America from our families and communities to the top and restore the spirit and the beauty and the vigor of this country, support this bill and march with the Republicans to build a stronger America in the next century.

Mr. DAVIS of Florida. Mr. Speaker, I rise in strong opposition to H.R. 2488, the Financial Freedom Act of 1999 and in support of the Democratic alternative which will provide targeted tax relief but will ensure at the same time that we pay down our national debt and address the solvency of Social Security and Medicare first.

The Republican tax package ignores the fiscal discipline which has brought the federal budget from record deficits into balance and projected surpluses in the coming years. By abandoning PAYGO rules and relying completely on projected surpluses as offsets, this package threatens to undo all of the gains we have made over the past six years. If in fact these surplus projections are not accurate, we will be faced with either massive cuts to keep the budget balanced or deficits reminiscent of the 1980's.

Rather than passing this tax package, I believe we should be focusing first on the solvency of Social Security and Medicare. During this time of economic growth and positive budget forecasts, Congress should take strong steps to shore up these two vital programs. We have a narrow window of opportunity to prepare these programs for the demographic changes coming with the retirement of the baby boomers. If we squander this opportunity, future generations with look back on this Congress as one more concerned with short-term political pandering than long-term responsibilities.

Furthermore, H.R. 2488 would consume virtually all of the projected on-budget surpluses and devote virtually none to debt retirement. Currently, the publicly held debt is roughly \$3.7 trillion and our interest payments alone on that debt consume 11% of the overall federal budget. This debt and corresponding debt service crowd out private investment and put pressure on all of our national budget priorities. Since coming to Congress, I have strongly advocated devoting the lion's share of these surpluses to debt retirement. As Former Secretary of the Treasury Robert Rubin has pointed out, debt reduction creates a cyclical benefit of lower interest rates, greater economic growth, higher budget surpluses, and further debt reduction.

In my view, retiring a significant portion of the federal debt is the most fiscally responsible course of action and will lead to tangible benefits for all Americans. Consider, for example, what would happen if, as Federal Reserve

Chairman Alan Greenspan has testified is likely, long-term interest rates were to drop another two points as a result of debt reduction. For citizens in my district of Hillsborough County, Florida with a \$115,000 home, monthly mortgage payments would be reduced by \$155. That is real savings and real money in the pockets of Americans.

The Democratic alternative offered today will dedicate the vast majority of the surplus to debt retirement and still leave room for targeted tax cuts. This modest package of tax cuts includes marriage penalty relief, long-term care tax credits, accelerated deductibility of health insurance for the self-employed, and the restoration of an itemized deduction for state and local retail sales taxes, important for states such as Florida which have no state income tax. This alternative represents a balanced approach, making certain that we fix Social Security and Medicare first, dedicating most of the surplus to debt reduction thereby ensuring continued fiscal discipline and economic growth, and providing targeted tax relief for millions of Americans.

Mr. Speaker, the decisions we make tonight will affect the next decade of public policy discussions. The choices are clear and stand in stark contrast to one another. We can, as the Republican leadership would like to do, enact massive tax cuts which explode in cost just as the baby boomers retire, dissipate all of the projected on-budget surplus, and run the risk that if the projections are wrong, as has been the case repeatedly in the past, Congress will be forced to slash federal spending or run budget deficits. Or, we can adopt a prudent approach which emphasizes our responsibility to future generations by addressing the solvency of Social Security and Medicare, paying down the publicly held debt and controlling the size of the tax cut until these projected surpluses become a reality. I urge all of my colleagues to vote against H.R. 2488 and adopt the Democratic alternative.

Mr. CASTLE. Mr. Speaker, I strongly support tax relief for all Americans. I support and believe we will enact broad-based tax relief legislation this year. I have been actively involved in negotiations on the current tax relief legislation before the House, H.R. 2488, the Financial Freedom Act. During these negotiations, I have stressed three concerns. First, is the size of the proposed tax cut. Is it too large in relation to the total projected surplus? Second, is the need to reduce the federal debt. Does this legislation allow us to pay down the federal debt? Third, is fairness. Does the bill provide tax relief fairly to all taxpayers?

First, the size of the tax bill is a serious issue. The bill would commit \$792 billion of the projected \$996 ten-year surplus to tax reduction. I am concerned that it is unwise to commit 80% of the projected ten-year budget surplus to one purpose. It leaves very little margin for error. The surplus will be \$996 billion if the economy remains strong and if there are no other changes in tax or spending policy. If there are changes, interest payments on the debt will be larger and the surplus will be smaller. If we commit \$972 billion to tax reductions, virtually all of the rest of the \$996 surplus will be needed to pay higher interest costs on the debt. That leaves no room for unplanned, but very likely expenses like natural

disasters and other emergencies. Over the past ten years, emergencies have averaged at least \$8 billion per year. That pattern indicates likely future emergencies will reduce the projected surplus by at least \$80 billion. This year, we have already spent \$15 billion in emergency funds for Kosovo and domestic emergencies require additional emergency aid later this year. We need to factor these likely needs into our calculations. While Medicare is currently fundamentally sound, there are growing problems in the area of home health care, HMO's and rural and teaching hospitals. Correcting those problems may require additional funds. Finally, important programs like education, veterans and the environment must be adequately funded. We cannot assume that these programs will be unrealistically reduced when estimating the surplus.

The cost of the current House tax bill also grows rapidly in the second ten years. Some estimates are that it could be almost \$3 trillion after 2009. That will occur just as the baby boom generation begins to retire and the Social Security surplus begins to decline. It is clearly unwise to risk the on-budget surplus at the same time Social Security and Medicare will be experiencing increased pressure to meet the needs of millions of new retirees.

My second concern is the need for debt reduction. The federal debt is \$5.6 trillion and requires 15 percent of the annual federal budget to service. If we do not take the opportunity to pay down this debt during strong economic times, then when will we? Tax relief is important, but it should be balanced with the need to begin to pay down at least some of the \$5.6 trillion federal debt. Committing 80 percent of the projected surplus to tax reductions, simply does not allow enough of the surplus for debt reduction. I was pleased to be involved in the negotiations that produced the amendment to condition the phase in of the 10 percent across the board tax reduction on reducing interest payments on the debt. If we are not reducing the debt, up to \$375 billion of the tax reduction would be postponed. This is a positive addition to the bill, but it does not affect billions in tax relief to businesses which would go forward regardless of whether we are meeting our debt payment goals. I believe that more of the projected surplus should be reserved to pay down the debt. My constituents tell me that should be our top priority because they know everyone benefits from lower interest rates on their own debt, including credit card and mortgage rates. In fact, a one percent drop in interest rates saves Americans \$200–\$250 billion in mortgage costs. That is real middle class financial relief.

My final concern is whether this is the most fair tax bill we could produce. The bill does contain broad-based tax relief and that is to be applauded, but I believe the bill drafted in the Senate is superior because it provides more tax relief for lower and middle income families, encourages saving and provides more relief from the marriage penalty. I believe the reduction in the 15 percent bracket benefits taxpayers of all incomes, particularly those of more moderate incomes, more fairly than the 10 percent across the board cut in the House bill.

We can and should provide tax relief to all taxpayers, but in trying to balance tax relief

with debt reduction, potential emergencies, other government programs, and the need to protect against a sudden drop in the economy, it is not necessary to include all the provisions in the House bill at this time. For example, Congress with my support, recently enacted significant capital gains and estate tax relief in 1997. I think those provisions in the current bill could be scaled back as we try to provide more of the surplus for debt reduction and other needs.

I proposed a broad-based tax relief alternative that would provide \$514 billion in tax relief over ten years and reserve \$482 billion of the projected surplus for debt reduction or other needs. My alternative included broad-based relief more targeted to middle and low income earners by reducing the 15 percent tax bracket to 14 percent. In addition, my plan reduced the marriage penalty, provided tax credits for child and dependent care. It provided more responsible estate tax relief, health care, pension, and small business tax relief. While the House was not permitted to vote on my alternative, I think this plan is more reflective of what can actually be enacted into law this year.

I believe the tax alternatives proposed by House Democrats and the Administration are not adequate. We can provide more than \$250 billion in tax relief to working Americans without jeopardizing other priorities. Clearly the President and Congressional Democrats will have to improve their proposals to achieve a true compromise.

While I could not support the legislation before the House today, I look forward to working with all Members of Congress and the Administration to ultimately produce legislation to give every American significant tax relief.

Mr. CROWLEY. Mr. Speaker, I rise to oppose the Trillion Dollar Tax Break and Deficit Act and to strongly support the Rangel substitute.

A massive tax cut—nearly \$900 billion—is totally irresponsible. It stands in the way of strengthening Medicare and Social Security, and threatens the progress we have made in eliminating the deficit and reducing the national debt. The Democratic substitute will leave plenty of room to shore-up social security and Medicare without bursting the budget. Additionally, tax cuts will be targeted more towards middle class families—the people who work hard to support themselves and their children—not the upper one percent of this country.

How does this bill help our crumbling schools? How does this help replace the 10 schools in Community School District 24 which are heated by coal burning boilers? It is worth mentioning that Community School District 24 is the most overcrowded school district in the City of New York, operating at 119% capacity. This is projected to increase to 168% over the next ten years. How are education savings accounts going to help these public schools? As for arbitrage, it will only provide relief for those construction projects schools have already begun. It does nothing to address the needs to build new schools and modernize existing schools.

The schools in my district need substantive school construction assistance NOW. The Rangel plan will provide \$25 billion in interest

free school construction bonds to state and local government for public school construction and modernization projects. This will help alleviate the high tax burdens faced by middle class communities trying to finance construction on their schools. Additionally, it will provide a tax incentive to those who invest in the bonds, by giving them tax credits on the interest. And, most importantly, these bonds will be available to our school immediately!

In closing, I ask you to envision one classroom in my district: One classroom, with fifty kindergarten students and two teachers and no plans to change in the future. I urge you to oppose the bill and vote for the Rangel substitute.

Mr. STARK. Mr. Speaker, I rise in opposition to H.R. 2488, the Financial Freedom Act which has been brought to us for consideration by the Republican leadership. After the hard choices made in the 1993 tax bill to restore our nation's economic health after the debacle of "Reagonomics", we are in better shape than in the last 15 years. Now Republicans want to pass a \$3 trillion tax cut premised on budget cuts that will never materialize.

This whole exercise is a hoax. The Republicans have created the illusion of paying back their wealthy supporters and corporate special interests in a bill that will never become law.

Contrary to its title, this bill with its reckless spending of close to a trillion in the next decade and more than \$2.8 trillion by the following decade, will rob our nation and future generations of any chance of financial freedom. By spending more than we have in real surpluses, we will restrict our ability to bolster our Social Security trust funds to accommodate changes in demographics and also to protect and improve Medicare.

There is no financial freedom for the majority of seniors without Social Security. There is no financial freedom for seniors and their children saddled by prescription drug and long-term care expenses. Yet passing massive, unfunded tax cuts threatens the ability to bolster both Medicare and Social Security.

There is no financial freedom for most families under this bill that allocates close to half of the total tax benefits to the richest one percent whose incomes exceed \$301,000. The richest one percent would get an average tax cut of \$54,000 a year. The bottom 60% of taxpayers—those with incomes less than \$38,200—would get an average cut of \$174 a year. The bill buys the rich quite a bit more financial freedom than the rest of us.

This bill targets the benefits to the rich in the way they structure the 10% tax cut, and by the size of the capital gains cut and the virtual elimination of the estate taxes. Only the wealthiest 2% of estates even pay estate tax now because current law exemptions; there is no such thing as a "death tax" for most American taxpayers. This bill lets everybody out the door—Warren Buffet, Bill Gates, Malcolm Forbes—not just the small businessman and farmers in search of a relief to pass on a small business to their children.

The average benefit of the capital gains cut for the top 1% of taxpayers is \$8,319 while 80% of the taxpayers—those with incomes under \$62,800—would get a cut of \$17 or less from the capital gains reduction. Seventeen

dollars a year doesn't buy much financial freedom for working family by any objective measure.

There are also over \$100 billion in corporate tax breaks including some for arms merchants, oil, gas and timber investors, and folks who can enjoy three martini lunches.

Even the guise of providing relief for long-term care expense is just a tool to expand the market for insurance industry. The tax credit in the Republican package can only be used to buy insurance, not to pay long-term care expenses themselves.

This bill just reinforces skepticism by voters that they won't get any tax relief because it will go to rich individuals and corporate free-loaders.

I urge a no vote on H.R. 2488:

The tax breaks are tilted toward the rich.

This tax cut is too big for this country to bear before the surplus even materializes.

A yes vote tonight is a reckless vote that gambles away funds needed to preserve Medicare and Social Security.

A yes vote guarantees an increase in public debt.

Mr. HOYER. Mr. Speaker, I rise now not only to oppose this fiscally irresponsible Republican tax plan, but to inject a little historical perspective into this debate.

One of the first votes I cast as a member of this House was on President Reagan's "Economic Recovery Tax Act of 1981." The heart of President Reagan's supply-side tax plan was a \$749 billion tax cut over five years. Among other things, President Reagan's plan slashed individual income taxes across-the-board and allowed faster write-offs for capital investments.

Those of us who were around here back in 1981 remember how President Reagan strode into office with this bold pledge: He said that a massive tax cut would fuel economic growth, thereby generating greater Federal revenues and resulting in a balanced Federal budget by 1984.

Well, that's not exactly what happened, is it?

The Laffer curve—named after supply-side economist Arthur Laffer, who had President Reagan's ear on tax policy—purported to show how tax cuts could lead to a balanced budget. But that turned out to be a cruel hoax on the American people.

In 1980, President Carter's last year in office, the Federal budget deficit was \$73.8 billion. Large, yes. But not insurmountable. Only five years later—after the massive tax cut of 1981—the Federal budget deficit had exploded to \$212.3 billion.

By 1990, the Federal deficit had ballooned to \$220 billion. And in 1992, President Bush's last year in office, the deficit had skyrocketed to \$290 billion.

Consider another important measure of national economic health—the national debt. In 1980, the public debt of the United States was \$909 billion. In the following 12 years of Republican administrations, the debt exploded to over 4 trillion dollars! And this happened even though Congress appropriated less money in these 12 years than Presidents Reagan and Bush voodoo economics, Mr. Speaker, voodoo economics. That's what former President Bush—not STENY HOYER—called President

Reagan's supply-side tax cut plan on the campaign trail in 1980. And President Bush was not alone when he offered that piercing two-word analysis.

Former Senator Howard Baker called the supply-side tax cut scheme a "riverboat gamble." And President Reagan's own budget director, David Stockman, later confessed that he knew the administration could not cut taxes, provide a "safety net" for domestic programs and balance the budget because "it defied arithmetic, wasn't true."

Only our fiscal discipline, our fiscal responsibility since 1993 has allowed us to erase these record budget deficits. And last year, we realized our first surplus—\$70 billion—in 30 years.

The record deficits of the 1980s caused our economy to plunge into crisis. And we responded. We passed a budget agreement in 1993—which I might add did not get one Republican vote—that cut the deficit by \$496 billion over five years.

The 1993 budget agreement was designed to bring down an unemployment rate then running at 7.5 percent; bring down the 30-year interest rate then hovering at 8.2 percent; and bring down that \$290 billion deficit. And it worked.

In 1997, in more bipartisan fashion, we passed a balanced budget agreement that called for continued fiscal prudence in both discretionary and mandatory programs.

And what do we have to show for our hard work—our fiscal discipline—over these last six years?

Well, we now project a budget surplus of \$100 billion in 1999.

The national debt is \$1.7 trillion lower than was projected in 1993.

Interest rates are around 6 percent.

The unemployment rate remains near 4.3 percent.

We have the fastest real-wage growth in 25 years.

Inflation—2.5 percent—is at its lowest rate in 32 years.

Business investment has grown at 12.8 percent per year, the fastest growth since the Kennedy administration.

And we have the highest rate of private home ownership—66 percent—in history.

What an incredible achievement. What an incredible record.

And, now, we're going to throw it all away? With this irresponsible tax plan that threatens to explode the deficit, explode the national debt, drive up interest rates, and drive our healthy economy right off an economic cliff?

That's not just "egregious recklessness," as the Washington Post called it yesterday. That's voodoo economics. That's a riverboat gamble that we should not ask the American people to take.

This Republican tax bill is so irresponsible that it even has many Republicans running for cover. It's no secret why.

First, this tax plan threatens long-term growth, by producing record deficits again, and driving up interest rates. This, in turn, would lead to lower economic growth.

While this tax plan purports to cut taxes by almost \$800 billion, economists predict that it actually could cost us \$3 trillion.

Second, this tax plan threatens our ability to reduce the national debt—which is critical to

our continued economic vibrancy. Simply put, reducing the debt leads to lower interest rates and greater investment and economic growth.

And let's not lose sight of this fact—paying down the debt is tantamount to a tax cut because each percentage point decline in interest rates means \$200 to \$250 billion less in mortgage costs paid by Americans over the next 10 years.

Third, this irresponsible plan—which would eat the entire projected Federal budget surplus and then some—would eliminate our ability to strengthen Medicare and Social Security.

Currently, Medicare is projected to be insolvent by 2015. I submit that if we fail to take this rare opportunity to ensure the long-term solvency of Medicare and Social Security, we deserve the harsh judgment of history.

Finally, it should come as no surprise that in this Republican tax plan, the wealthiest 1 percent of taxpayers would receive one-third of the benefits.

Now, you tell me, how does that look to a young couple making, say, \$40,000 a year? You might as well just tell them: "Sorry, you are not one of the chosen few. Wealthy Americans are getting a tax cut. But you, you're just getting higher interest rates making it more expensive to buy a car, buy a house, or send your kids to college."

Fairness, of course, is not the watchword when it comes to this tax plan. While the wealthy get a break, this plan would force cuts of \$583 billion in domestic spending programs on crime and education over the next 10 years. In addition, it would slash defense spending by \$198 billion over the same period.

This from the party that claims President Clinton has "hollowed out" the military. That's not just disingenuous, it's not acceptable.

Mr. Speaker, we have created the best economic times in a lifetime in the last six years.

There are two paths we can take. One path calls on us to continue with the fiscal discipline that we imposed on the budgetary process in 1993 and that has produced the economic boom we are enjoying today.

The other is a risky and speculative path—voodoo economics, if you will—that we know all too well. It is littered with gigantic deficits, and an exploding debt that threatens to disrupt our strong economy.

I urge my colleagues to choose the right path and vote for fiscal discipline and a strong economy, and against this irresponsible tax plan. Our economic security—indeed the security of future generations of Americans—depends on our choice.

Let it not be said that we took the politically seductive course and shrank from our duty and responsibility to our country, future generations, and to our economy.

Ms. SANCHEZ. Mr. Speaker, here we go again.

Social Security is the primary retirement system for the majority of retired Americans. It provides benefits to 33 million Americans of all ages and keeps 12 million recipients out of poverty.

The G.O.P. Social Security approach is really an unreliable response that supports the Wealthy Special Interests. Why does the G.O.P. want to undercut a sound economy with a tax scheme designed to benefit the few?

We must protect Social Security. This means less debt, lower interest costs, rising living standards, more money made available for seniors' priorities, and more security for Social Security.

Republican tax cuts mean higher deficits, higher interest rates, and lower economic growth.

The Republican tax scheme would make it impossible to continue to pay down and eventually eliminate the national debt by 2015, as proposed by the President.

My colleagues across the aisle would have us believe that they have efforts to shore up social security and pay down on the national debt. This is not so!

Republicans want to engage tax cuts that bust the budget and threaten our long term economic growth. Their tax cut does not cut it!

I urge my Republican colleagues to devote half of the budget surplus to debt reduction and to support a common sense budget plan that reflects the values most Americans consider important.

Mr. KOLBE. Mr. Speaker, I strongly support the tax relief bill we have before us today. It is another down payment on our promise to bring tax relief to the American people. After we make sure we have repaid Social Security and Medicare, we must give the surplus back to those who are giving it to us. It's wrong, just plain wrong, to make the average family pay \$5,307 more than the government needs over the next ten years.

In my view, denying tax cuts for our people who work hard to earn a living for themselves and their families is unthinkable when government has a surplus. One letter I received from a group of organizations opposed to tax cuts said that they want past spending cuts restored and even increased for inflation. Further, they want to insure that future surpluses are used to fund more federal spending programs. I couldn't disagree more. The surplus belongs to the people who pay the taxes, and we should give it back to them.

The tax relief provided in this bill is considerable.

It has an across-the-board tax cut of 10 percent that will help all taxpayers.

It reduces, even if it doesn't totally eliminate, the marriage penalty.

It helps parents save to educate their children.

It offers incentives to save for retirement and increases pension portability.

It finally ends the death tax.

It offers tax relief for medical expenses.

Mr. Speaker, I have worked for years with my colleagues to end the death tax. I am especially pleased to see this phase out included in this bill. Southern Arizona has many family ranches and small businesses that are forced into liquidation by estate taxes. That's not fair. Increasing the exemption from these taxes is right.

The Marriage Penalty is an onerous tax on families. More than 21 million Americans pay more in taxes simply because they are married. We should encourage marriage—not tax it. While this bill doesn't take care of the bracket problem, it does eliminate the penalty in the standard deduction. The standard deduction for a married couple becomes exactly double the deductible for an individual. This means savings of \$243 per couple each year.

We all know how the cost of educating our children continues to skyrocket. This bill raises the ceiling on Education Savings Accounts from \$500 to \$2000/year. It permits these accounts to be used to pay for elementary and secondary education in addition to higher education.

The bill ends the 60 month limitation on the student loan interest deduction. And there are changes to revenue bond rules to help school construction.

I have spent much of my time in Congress working on a reliable retirement income for senior citizens. This bill increases contribution limits to 401(k) and other retirement plans; it increases portability of pensions for our new workplace reality in which a person no longer works for the same company during his/her entire work life. In short, it makes it easier to save for retirement.

Medical expenses have become a huge item in our personal budgets. This bill offers relief in this area, too. It provides a 100% deduction for health insurance premiums for individuals who purchase health insurance. Long-term care insurance is extremely expensive. This bill helps by providing a 100% deduction for these premiums also. It expands the exemption for those who care for an elderly family member at home. And it expands Medical Savings Accounts.

For those who are concerned that we need protection against the loss of revenue should we face a future economic downturn, I believe our trigger is an excellent protection. In any year when the total interest paid out on the public and private debt does not decrease from the previous year, then the incremental across-the-board tax cut doesn't kick in. This would protect us in a situation of rising interest rates or declining revenues and make sure we keep a balanced budget.

The revenue for these tax cuts is not coming from the surplus in the Social Security Account. We have locked that away. Instead, this surplus is "on budget" and will not affect our efforts to reform Social Security.

We need fundamental reform of the tax system. I think most in this body would agree with other taxpayers about this. The tax relief offered in this bill does simplify the tax code, but I recognize that it does not achieve the more complete reforms we all would like to see. The fact is we have not reached a national consensus as to how this reform should be accomplished, and I don't want to tempt fate by waiting for tax relief until we have this consensus. The temptation to spend more would be irresistible in this town.

Mr. Speaker, I urge my colleagues to support the Financial Freedom Act of 1999. Let's return the surplus to the American Taxpayers.

Mr. DINGELL. Mr. Speaker, as we debate this tax cut legislation there are a number of aspects of it requiring the attention of the public. The first causes the ghosts of Ponzi, Sam Insull and Phineas Barnum to hover over this chamber in smiling admiration.

Is this a tax cut or is it not? The answer is no one knows for sure. The bill is tied to receipts and deficits, so in some years there may be a tax cut, in some years there may not. Indeed, if the national debt does not go down, there will be no tax cut.

Now it is hard to speculate how this works, or whether there will be a tax cut, when, how,

or how much, because all the negotiations were done by the Republicans alone in closed meetings, and the printed version has not been available to analyze or discuss in proper legislative fashion. According to the sketchy reports I have been able to receive, it will possibly work something like this: After an initial 1 percent across the board tax cut, all further cuts will be conditioned on whether the total national debt (including that related to Social Security and most trust funds) goes down. Now I cannot tell anyone exactly what that means, but I believe I can be excused, because the Republicans have not said, and apparently they cannot either.

So here we have a remarkable Republican tax cut, a here you see it, now you don't tax cut—maybe you get it, maybe you don't.

Now, if this massive punitive tax cut really goes into effect, let's look at some of its most deficient aspects:

The Republican tax bill would blow a three trillion dollar hole in the budget and threaten the vitality of Medicare and Social Security.

The Republican tax scheme does nothing to extend the life of the Social Security and Medicare Trust Funds. It eats the entire surplus, leaving absolutely nothing to ensure the long-term solvency of Medicare or Social Security. It soaks up all of the money. It leaves nothing to protect or reform Medicare or Social Security. It also ensures that there will be no money left over to fund a Medicare prescription drug benefit.

The Republican plan also spends all of the non-Social Security surpluses and leaves nothing for debt reduction. Rather than paying down a large portion of the national debt, the Republicans would be adding to it. When one includes the \$141 billion of additional interest payments that are required to finance the tax cut, on-budget deficits are likely to appear.

The bill will force education, veterans programs, federal health research, environmental programs, farm programs, our national defense and other vital programs to be slashed. The Republican tax bill will require an average 27 percent cut in all domestic spending programs by 2009. To cite just one example, if the Majority sticks to their budget caps, \$1.4 billion would be cut from veterans' health programs—which are already universally recognized as woefully underfunded. In point of fact, our veterans programs are an outright disgrace and the Republican bill exacerbates the problem.

The Republican scheme will also explode the deficit and threaten our growth over the long-term. Last year, for the first time in thirty years, the federal budget was in surplus. The Republican bill will reverse that course because it will cost as much as \$3 trillion in the out-years. Although it is cleverly and carefully masked, the Republican bill explodes the deficit in the out years and will produce higher deficits, higher interest rates and cripple economic expansion. Rather than paying down the debt as proposed by the President, the Republican tax scheme adds to the debt.

Finally, the plan put forth by the Republican leadership would only benefit the wealthiest Americans. According to Citizens for Tax Justice, the wealthiest one percent of taxpayers would receive 45 percent of the benefits. Sixty-five percent of the total tax cut will ben-

efit the top ten percent of taxpayers, those with incomes over \$115,000. In aggregate, 90 percent of taxpayers will receive less than a third of the benefits included in this package. That is simply unfair, and Americans know it.

Congress must use the surplus for Medicare and Social Security first. Then we can consider responsible tax proposals that sustain our growth and do not threaten our economic prosperity. The Democratic alternative is the responsible approach and I urge its adoption.

In short, my Republican colleagues have crafted either one of the slyest now you see it, now you don't scams in the history of government or they have crafted one of the most irresponsible tax cuts ever designed to cripple government and to endanger essential programs like Medicare and Social Security.

Moreover, they did it in a sneaky partisan way, totally disregarding traditional open legislative practices. No wonder the tax program here is so bad.

It must be defeated and I urge a no vote.

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise in the strongest possible opposition to the Republican tax cut plan.

This is a bad bill for a number of reasons:

First, the \$792 billion plus tax cut is fiscally irresponsible.

To pay for this tax bill, Republicans would force drastic cuts in vital programs affecting health care, education, law enforcement, science and technology, the environment, agriculture and countless other programs.

Moreover, when you deduct the promised increases for defense spending and set aside money to preserve Medicare and Social Security, no room is left for a tax cut of even half this size.

Second, because many of the tax cuts included in this bill are phased in over time, the total future cost of this bill will be astronomical.

While the projected cost of these cuts is \$792 billion over the first ten years, the cost skyrockets to possibly more than \$3 trillion in the second ten years, according to the Treasury Department.

Finally, this huge tax cut does little to benefit middle and low income working families—those who need it the most.

In fact, according to Citizens for Tax Justice, a taxpayer watchdog group, close to half of the tax benefits in this bill would go to the richest one percent of American taxpayers—people making over \$300,000.

While I support cutting taxes, we must make sure that these tax cuts benefit hard-working low- and middle-income families.

The Democratic alternative recognizes that all American families need to share in our booming economy—not just the ultra-rich.

Towards this goal, the Democrats' bill includes marriage penalty tax relief for all married couples who need it—the Republican bill does not.

For example, low-income families experience a marriage tax penalty in relation to the Earned Income Tax Credit.

The EITC is a highly effective program which benefits millions of working families by providing them with a small credit to help make ends meet.

However, when individuals receiving the EITC marry, their benefit is often significantly reduced or taken away.

The Democratic alternative revises the Earned Income Tax Credit to relieve this marriage tax penalty.

This simple act of fairness is missing from the Republican bill.

In short, the Republican proposal is fiscally irresponsible, will result in devastating cuts to critically needed programs, and ignores low-income and middle-income families as it dispenses its benefits to the wealthy.

I urge my colleagues to support the modest, even-handed Democratic tax relief package, which recognizes our long-term commitment to Medicare, Social Security and the many priorities we need to address this year and next.

I urge my colleagues to oppose this irresponsible Republican bill.

Ms. SANCHEZ. Mr. Speaker, I rise because today the House will vote on a tax bill that has the opportunity to address one of the most pressing difficulties facing our schools: overcrowded and run-down facilities.

Our schools are simply worn out and out of room. Conditions are so poor that we would have to spend \$112 billion to make the basic repairs needed. One out of every four schools is holding more students than it was designed for. Enrollment is skyrocketing—48 million K–12 students will be attending our public schools by 2008.

The House can do something about it. The Democratic version of H.R. 2488 includes language expanding the opportunities for communities to raise school bonds to renovate existing school facilities and build new ones.

School construction bonds are good for our communities. Local areas want to improve school facilities, but they need help. And new school and classroom construction means local jobs—lower unemployment, and working men and women taking home new paychecks.

School construction bonds are good for taxpayers. Whether to invest in these bonds will be a decision that neighborhoods, towns and school districts make—not the federal government or the IRS.

School construction bonds are good for schoolchildren. Right now our children attend schools with leaking roofs, inadequate wiring and chipping paint, crammed into storage closets, libraries and gyms for lack of classroom space. By neglecting to provide an environment appropriate for learning and teaching, we are sending our youth a message that their academic success is unimportant to us. This tragically shortchanges our students.

The 106th Congress has the opportunity to pass meaningful school construction legislation. I urge my colleagues to vote for the Democratic alternative and help our communities earn the opportunity to expand and rebuild America's schools.

Mr. HOLT. Mr. Speaker, I rise today in reluctant opposition to H.R. 2488, the Financial Freedom Act of 1999. I had hoped to be able to vote today for responsible tax cut legislation that could return some money to the people who elected us. Unfortunately, legislation of that type is not on the floor.

I support targeted tax cuts.

I have joined together with Republicans on some of the very proposals contained in this package. I agree that we need to substantially modify the estate tax that penalizes small business people and family farms. I agree that



the tax code should not penalize marriage. I support tax credits for long-term health care and to help ease property taxes on citizens by helping communities with the costs of modernizing their schools. I support the research and development tax credit. And I support modernizing and simplifying the entire tax code.

But the bill that the Ways and Means Committee has brought forward is a massive bill based on a breathtakingly irresponsible roll of the dice. It is a political document that promises massive tax cuts—nearly \$792 billion in tax cuts—with money that we do not now have, and may never have if projected budget surpluses do not materialize.

A large proportion of the predicted budget surpluses is based on the assumption that Congress, the President and our constituents will agree to deep cuts—cuts of almost 20 percent—in investments in education, health care, environmental cleanup, research, law enforcement and every other item of discretionary federal spending.

Some cuts need to be made in government spending. But it is not realistic to assume that Congress will pass these deep reductions when it has already shown reluctance to pass cuts of even a fraction of this size during this year's appropriations process. And the bill assumes that our nation will never face emergencies like natural disasters, unexpected military operations or downturns in the economy.

According to the Congressional Budget Office, this bill assumes \$180 billion in cuts below the baseline in discretionary spending over the next ten years. Those projected cuts and that spending of the projected budget surplus for large tax cuts jeopardizes our ability to protect Social Security and Medicare for future generations.

Mr. Speaker, politicians make promises. But this bill sprinkles promises like fairy dust, with no thought to how those promises will be kept, or the consequences for our economy if they are not.

No parent in my central New Jersey district bets their children's financial future on rosy scenarios and sunny, castle in the sky projections. They sit around the kitchen table and budget their bills, and their income and their anticipated expenses. And they make tough choices. The very least they can expect from us is the same type of honesty and responsibility when we make decisions that effect their families.

Some here will try to make this a partisan issue. But the fact is that some Democrats would love to pass targeted tax cuts. And some Republicans, from the moderates who opposed this bill last night, to watchdog groups like the Concorde Coalition, have clearly stated how irresponsible they believe this bill is. Fifty economists, including six Nobel Prize Winners, have called this approach irresponsible. Even the Wall Street Journal—hardly a group of wild-eyed liberals—has been vocal in their criticism.

It does not help that a large portion of this \$792 billion bill is dedicated to special interest tax provisions. These expensive provisions don't go to families. They don't go to workers. And they don't go to seniors. They benefit mining interests—oil and gas producers—and large multinational corporations. These tax changes may or may not be good ones. We

haven't had the chance to review them because they were inserted at the last minute. What we do know is that they are extremely expensive. And I don't think that any of my constituents think that giving away \$300 billion in tax breaks to corporations without review is the way we ought to be making public policy.

Mr. Speaker, people in New Jersey pay a lot in taxes. I want very badly to provide a responsible tax cut to these hardworking citizens. And I had hoped to be able to do that today. Frankly, the easy vote for me today would be to cast a yes vote on this package, and hope that someone—somewhere—at sometime further along in the legislative package says "Wait a minute. This doesn't add up."

But I cannot.

My constituents elected me to make judgments based on evidence, not ideology. And the evidence of this bill is that it has very real potential to throw our economy back in the financial ditch that Republicans and Democrats have labored for so long, and so hard, to climb out of.

We can come together to pass a responsible bill. There are men and women on both sides of the aisle that want to see responsible tax relief. This legislation is not that. I urge my colleagues to vote no on H.R. 2488.

Mrs. CAPPS. Mr. Speaker, I rise today in support of common-sense tax relief for American families and small businesses. I also rise in support of saving Medicare and Social Security, two programs critical to today's seniors and future generations.

Unfortunately, the bill before the House today, H.R. 2488, is fiscally irresponsible. It would threaten our ability to ensure the long term solvency of Medicare and Social Security. It would also restrict our ability to pay down national debt and to make needed investments in national defense, education and environmental protection.

By using the entire projected surplus for permanent tax cuts, this bill would leave no money for modernizing Medicare or reforming Social Security. This is simply unconscionable. Medicare is desperately in need of modernization—specifically, the lack of prescription drug coverage is a gaping hole in this critical safety net for seniors that must be fixed, and while Social Security is fiscally sound for the near future, the coming retirement of the baby boom generation will strain the system beyond its limit. We owe it to future generations to act now to reform these programs while there is still plenty of time to do so.

H.R. 2488 would also keep us from paying down the \$3.7 trillion national debt. Indeed, the Treasury Department estimates this bill would add over \$150 billion in interest payments on that debt over the next 10 years. And the cost of the bill explodes over the second 10 years—to \$3 trillion—precisely at the time that our Social Security and Medicare rolls will be increasing with newly retired baby-boomers.

The tax cut bill that I will be supporting today contains several important reforms that I have long supported, while allowing us to preserve Medicare and Social Security. This bill would fix the marriage penalty and ensure middle class families can take full advantage of the various per-child, education and child

care tax credits. It would also increase the per-child tax credit by \$250 for families with children under age five.

The bill I support would help families by providing \$25 billion in school construction bonds to modernize our overcrowded public schools and make employer-provided assistance tax free for undergraduate and graduate education. This measure would institute a \$1,000 long term care credit and make health insurance fully deductible for the self-employed beginning next year. And it would make permanent the R&D tax credit, so critical to ensuring future economic growth on the Central Coast, as well as credits to help move people from welfare to work.

The bill would also provide some relief from estate taxes for all taxpayers. But I believe it should go further. The clear need for relief in this area is for small businesses and family farms like those on the Central Coast of California who are imperiled by the death of the head of the family. We must increase the exemption for businesses like these above the current \$1.3 million. The high value of Central Coast land, for example, can make even a modest sized farm or ranch impossible to pass down without being subject to high estate taxes that can force the sale of the property. By increasing this exemption, we would keep family farms and businesses in the family and off the auction block.

Finally, Mr. Speaker, I would like to express my profound disappointment in the partisan handling of this tax bill. I believe there is general agreement among the vast majority of Members that we can and should provide tax relief this year. But the House leadership has pursued a partisan course designed to make political points and not to pass meaningful legislation.

The leadership knows H.R. 2488 will not become law. By seriously sitting down and negotiating a common sense tax bill we could easily pass legislation this summer and give families and businesses the tax relief they deserve. I hope that we can put the partisanship aside and work together on formulating real tax reform this year. Our constituents deserve nothing less.

Ms. STABENOW. Mr. Speaker, I rise today to oppose the irresponsible Republican tax break proposal geared towards the wealthiest Americans, and support the Rangel Substitute. We have a truly historic opportunity in front of us. Today we can vote to build on the fiscal responsibility that has helped balance the federal budget by passing the Rangel Substitute, which will strengthen Social Security and Medicare while paying down the national debt and also provide a pro-family, pro-growth tax cut. Instead, the Republican majority will sacrifice this unique moment in order to give a tax windfall to the wealthiest Americans.

Quite simply, the Republican proposal is unfair to the vast majority of taxpayers in my home state of Michigan as well as across the nation. According to the Joint Committee on Taxation, one out of every three families will receive NO tax relief at all under this bill. In addition, Citizens for Tax Justice estimate that families making between \$38,000 and \$63,000 will receive an average tax cut of \$17, while families with annual incomes of \$300,000 or more will get an average cut of \$8,300.

Of course, the decision to push this inequitable plan has opportunity costs. While giving tax breaks to the rich, the Republican legislation does nothing to extend the solvency of the Social Security and Medicare Trust Funds by even one day, and will not allow for Medicare reforms, such as a comprehensive prescription drug benefit and restoring cuts to critical services such as home health care, hospital reimbursements, and nursing homes.

Mr. Speaker, if we do not strengthen Social Security and Medicare and pay down the national debt during good economic times, we never will. We must not squander this chance to put our fiscal house in order, but a vote for the Republican plan will do just that. The Rangel Substitute will accomplish the above goals while also extending tax relief to those that need it most—middle class families, small businesses, and family farmers. I urge my colleagues to vote for the Rangel Substitute and oppose the Republican measure.

Mr. EVANS. Mr. Speaker, again, Congress is faced with a tax proposal that fails to address the needs of working Americans.

Instead, my Republican colleagues have crafted legislation that reflects only the concerns of corporate "Fat Cats" and wealthy special interests.

Mr. Speaker, tax breaks for the richest 10% of Americans does little to reaffirm working men and women's faith in their Government.

After years of belt-tightening and fiscal discipline, we have been given a rare opportunity to lessen the burden on families struggling to make ends meet while preserving Social Security and Medicare. Yet today, we are debating an irresponsible, politically motivated, tax cut that does little for average citizens.

Under the guise of returning government dollars to the pockets of Taxpayers, this proposal is a death knell for programs that reflect the values and priorities of working Americans—Education, the environment, proper care for our seniors and veterans.

Today, I will vote for the Democratic substitute that pays down the national debt, shores up our Social Security and Medicare programs and provides tax breaks for working families. Our bill will sustain the growing economy and protect programs that help the majority of Americans, not just a wealthy few.

Mr. HAYES. Mr. Speaker, last November the voters of our Nation returned to Congress a conservative majority to accomplish four things: Preserve Social Security and Medicare, provide every American child with the opportunity to receive a world-class education, strengthen our national defenses, and finally, return any tax overcharges where they belong—to the United States taxpayer.

Today we have the opportunity to complete the fourth component of an agenda that reflects the priorities of America. Chairman ARCHER, the members of his committee and his staff are to be commended, as in the leadership of the majority party. Thanks to them, we have a chance to provide broad based tax relief for working Americans. The first real break they have had in almost 20 years. After all it's their money not the government's.

In the last fiscal year, the federal government collected \$1.8 trillion, almost \$80 billion more than it needs to operate. Recent budget projections indicate that the federal govern-

ment will take in more than \$3 trillion in surplus revenues over the next ten years—\$3 trillion, Mr. Speaker. I've got news for every member that opposes significant tax relief—the American people are paying too much money to the government. That money does not belong to politicians, it belongs to the people. And they know how best to spend it.

There are those who say we must keep this money to preserve Social Security. Mr. Speaker, their remarks are not correct. The majority-crafted Social Security Lock Box legislation, which this body passed a month ago, protects all of the Social Security Trust Fund from bureaucratic political spending. The truth of the matter is that those who want to keep the money here in Washington want to spend it on more government. They should be ashamed. Government is too big already. We have a significant portion of the population in this country struggling to make ends meet, and many Washington politicians don't trust them to spend their own money.

Mr. Speaker, there are millions of Americans working 12 to 14 hours a day, every day, to secure a brighter future for their families. They are saving for that first home, for their children's college education and for their retirement. Let's take this historic opportunity to help them realize their dreams. Support this legislation and give the American people more of their money and the tax relief they deserve.

Mrs. MINK of Hawaii. Mr. Speaker, I rise in opposition to H.R. 2488, a misguided, imprudent tax bill. The Financial Freedom Act is an irresponsible piece of legislation which reduces taxes for the rich, and jeopardizes vital programs which sustain the most vulnerable Americans. This tax cut will not help the American people. Instead, it will threaten Social Security, Medicare, and the quality of our children's education, while benefiting the most wealthy portion of society.

Republicans want to spend \$792 billion on an enormous tax break for the rich. Their plan is based on an uncertain assessment of America's financial future. They want to bet our future, our children's future, and our senior's security on the soundness of shaky predictions of potential surpluses. I cannot support such an extensive reduction in federal revenue when it endangers the strength of essential public programs for the benefit of the few.

The Financial Freedom Act bill is designed to benefit only the rich. Republicans even modified the provisions late in the evening before this debate so that any tax break for the average middle-class family is conditional. The sponsors of this bill take a projected surplus, and instead of prudently paying down our national debt, reinstating drastically-cut funding for Veterans, education, or Social Security, they give it to the most affluent individuals in our society. They choose to provide benefits to America's wealthiest ten percent, instead of acting in the best interest of all citizens. This is unfair, dangerous fiscal policy.

Mr. Speaker, my vote will be cast in favor of the solid, well-balanced Democratic substitute plan offered by Mr. RANGEL. This bill provides sound tax cuts to the average American citizen. Mr. RANGEL's bill eliminates the marriage tax penalty by increasing the standard deduction for married couples. It accelerates the estate tax exclusion so that the estates of small

business owners can safely pass to the next generation. It provides an increase in the child tax credit for children under five. It designates interest free funds to states and localities for school construction. It gives long-term care provider tax credits and accelerates the deductibility of health insurance purchased by those who are self-employed. All of these tax deductions help average, working American families. We can accomplish all of this benefit to American families, without jeopardizing the future of Social Security, without threatening Medicare's solvency, without selling out our children's education, and without deserting our nation's Veterans.

Mr. LIPINSKI. Mr. Speaker, I rise today in opposition to the fiscally irresponsible tax cut bill we have before us today. More importantly, I strongly support this motion to recommit that instructs the Ways and Means Committee to reduce the size of the tax cut to one-quarter of the on-budget surplus and creates an account to lock up half of the on-budget surplus for debt reduction.

As a fiscal conservative who wants to lower interest rates and reduce the debt for future generations, I welcomed the renewed emphasis given to deficit and debt reduction when the Republicans took over Congress. Unfortunately, the majority party has lost track of the fiscal conservative roots and now wishes to spend almost of the projected surplus on tax cuts. I emphasize the word "projected" because the surplus has yet to materialize, and I think it is fiscally imprudent to spend money we do not yet have. As some of my like-minded Democratic colleagues have pointed out, budget projections for the next ten years have improved by nearly \$2 trillion in the last twelve months, and the rosy projections could turn gloomy just as quickly.

While my voting record shows that I generally support tax cuts, I believe this is not the proper time, place, or source of money for a tax cut of such magnitude. The Congressional Budget Office's projected \$996 billion surplus in the next 10 years assumes that all of the surplus will be saved for debt reduction, thereby reducing the interest payments we have to make on our \$5.6 trillion debt. However, if we spend any part of that surplus, additional payments for debt service would automatically be triggered. Therefore, the \$792 billion tax cut we have before us today will actually have a price tag in the area of \$940 billion. This leaves almost no money to lower the debt or to pay for vital programs that Americans hold dear.

By only spending 25 percent of the surplus on tax cuts, we can still save a majority of the surplus for debt reduction, with some money going to domestic and defense programs, and some money in emergency reserve for Social Security and Medicare. However, I believe that any use of the surplus—whether it be for tax cuts, domestic programs, or Social Security—should be put off until we actually have a surplus. We would take great risks and send a bad message to future generations if we spend even one cent of an un-yet-realized surplus.

So, Mr. Speaker, let's not be fiscally imprudent and rashly give to much of the surplus away in tax cuts. We should do what is right for the future of this country and vote for the motion to recommit.

Mr. SANDLIN. Mr. Speaker, I rise in support of the Motion to Recommit.

The republican tax bill is the definition of fiscal recklessness. It seeks to enact a tax cut that is based only on projected surpluses under ten and fifteen year estimates. Budget projections for the next ten years have improved by nearly \$2 trillion in the last twelve months—they could go the other way just as quickly. If budget projections turn out to be wrong, the budget will return to deficits financed by borrowing from the Social Security surplus. Even the Congressional Budget Office—the source of budget projections upon which the Republicans' tax cuts are based—says these projections could vary as much as \$100 billion a year. That's an extremely wide margin of error, wide enough to cause deep concerns among fiscal conservatives like me.

Furthermore, even though Republicans are spending money they can't guarantee will exist, their tax plan still leaves no resources to meet important needs in education, agriculture, or defense, as well as funding for our veterans and other priorities. It is based on the assumption that discretionary spending will be cut by \$595 billion below 1999 levels adjusted for inflation over the next ten years. This will require a cut in all discretionary programs of ten percent below current levels. Any increased spending in any area will require even deeper cuts in all other spending. The exploding costs of the tax bill will place an even greater squeeze on discretionary spending in later years.

If these massive tax cuts are passed, education will suffer greatly. The Republican tax bill includes a change to the tax-exempt bond arbitrage rules that largely fails to meet the stated objective of modernizing schools, especially in rural areas. Under H.R. 2488, school districts would have four years to spend school construction bond proceeds rather than the two years currently permitted. According to Republicans, this would enable school districts to invest bond proceeds for a longer period and recognize greater arbitrage profits. The Republicans contend that their plan is universal, covering cities, suburbs, and farms.

The truth is, many suburban and city school districts will receive no benefits from the Republican proposal. Schools with urgent needs, forced to teach children in trailers and dilapidated buildings, would not benefit from H.R. 2488. Their backlog of unmet needs means that they do not have the luxury of waiting four years before completing school construction. The Republican proposal also largely excludes some of our most needy school—those in rural areas. The provisions in the Republican tax bill may benefit a few large, wealthy school districts with the financial capacity to issue large bonds four years in advance of need, but it will not help rural districts.

The bottom line is simple: this bill will only serve to hurt the American people by jeopardizing the stability of our economy and the prosperity of future generations for the instant gratification of tax cuts that are not only irresponsible, but dangerous. In reality the best tax cut we can give to all Americans is keeping interest rates low by paying down our debt. Reducing our national debt will provide a tax cut for millions of Americans because it will restrain interest rates, thereby saving them

money on variable mortgages, new mortgages, auto loans, credit card payments, etc. Each percentage point increase in interest rates would mean an extra \$200–\$250 billion in mortgage costs to Americans. Paying down the national debt will protect future generations from an increasing tax burden to pay interest on the debt run up by current generations. More than 25% of individual income taxes go to paying interest on our national debt. Every dollar of lower debt saves MORE than one dollar in taxes for future generations.

I urge you to act responsibly and conservatively—support the motion to recommit and secure a prosperous future by paying down the debt and saying no to fiscally reckless tax cuts.

Mrs. MCCARTHY of New York. Mr. Speaker, the Tax Bill presented on the House Floor today is extreme. It ignores the overwhelming need for Congress to address debt reduction and protect the long term health of Social Security and Medicare. Furthermore, this irresponsible tax proposal jeopardizes important priorities of mine, such as health care for our nation's veterans.

I believe the overwhelming majority of this Congress wants to support a balanced and responsible tax cut. I know that my constituents on Long Island need tax relief. But the bill before us simply goes too far. The bill before us has been drafted to score political points. In order to demonstrate their support for a huge tax cut, the House leadership has sacrificed responsible economic policy.

Several Members of the majority party have expressed their opposition to this irresponsible tax break because the huge cuts have been based on unproven estimates about the so-called budget surplus 15 years from now. The average American citizen certainly understands that using such projections is dangerous and irresponsible.

Rather than trying to score political points, I believe we should be debating a tax cut that will meet the priorities of the majority of this Congress. Let's enact a more reasonable tax cut that will allow us to protect Social Security and Medicare, as well as improve healthcare for our veterans.

Mr. Speaker, I will support tax cuts to help Long Island's families, businesses, seniors and veterans. However, the tax cuts contained in H.R. 2488 are dangerous and irresponsible and could jeopardize the economic security of my constituents. Therefore, I urge members to oppose H.R. 2488 and support more responsible and reasonable tax policy.

Mr. VENTO. Mr. Speaker, I rise in opposition to this latest attempt to mortgage our children's future to enrich the richest one percent of our nation. Rather than financial freedom, this bill represents fiscal risk, irresponsibility, and unfairness. According to the independent research group, Citizens for Tax Justice, this tax scheme will give taxpayers earning more than \$301,000 per year an annual bonus from Uncle Sam of \$54,000. Taxpayers earning up to \$38,000 will also benefit they receive an average annual tax cut of \$101. That is truly generous of my Republican colleagues. With the passage of this bill, a small elite will get more in tax benefits than many working families in my family earn in an entire year. This plan gives a new meaning to Robin Hood—steal from the poor to give to the rich.

In their rush to reward those they consider truly needy, the Republican Majority refuses to set aside even one dollar of the on-budget surplus to extend the solvency of the Medicare Trust fund or the Social Security Trust Fund. \$4,500 a month in new tax breaks for taxpayers earning more than \$301,000 but not a penny for resolving the Medicare and Social Security programs. Mr. Chairman, it is time for a reality check.

Frankly, this fiscal tax expenditure scheme, which is based on speculative projections, risks undercutting the solid economic growth of the U.S. and the global economy. This scheme threatens to blow a hole in the budget, stacking up dollar after dollar in deficit red ink with no chance to pay down the U.S. \$5.6 trillion debt, while starving the defense and domestic programs to commitments significantly less than in 1999. Ironically, we cannot even meet the needs today and this tax scheme assumes \$100 billion less over the next ten years. This action and projection assumes no emergency spending, no military needs, no natural disasters, no new investment in families and places the U.S. economy in a straight jacket. At its best, this measure is irresponsible, unneeded, unfair, unworkable and represents bad judgment and politics at its worst.

I believe that it is possible for Congress to approve a targeted tax cut that will benefit working families. Such a tax cut could include fairness in the marriage penalty and incentives to help families to help themselves. Such a tax cut should be based on real economic projections and not be viewed through the rose colored glasses that the Republicans have used. Above all else, these tax cuts will not be achieved at the expense of Social Security and Medicare.

In considering tax reform, Congress should not ignore the hidden tax imposed on American taxpayers—the tax on their time. Today, the tax code is too complex and takes far too much time for the average taxpayer to file a tax return. According to the Internal Revenue Service (IRS), it took the average taxpayer nearly 16 hours to prepare and file a typical tax return (Form 1040 and Schedules A and B). That is two days work spent on federal taxes.

In 1996, to focus Congressional and public attention on tax reform and simplification and to cut the time that it takes to file taxes, I introduced H. Con. Res. 241, the "10 for 60" Resolution. My proposal directed Congress and the Administration to cut the time it takes to prepare taxes in half. As a first step, my proposal called for 10 changes that would cut by 60 minutes the time it would take to do taxes in the next year. This proposal was intended to focus Congressional attention on the real problems with our tax system.

This year, our colleague from Massachusetts, RICHARD NEAL, has reintroduced the Individual Tax Simplification Act of 1999, H.R. 1420. This legislation, which I have cosponsored focuses on simplification for individual tax forms in a revenue neutral manner. H.R. 1420 would eliminate about 200 lines from tax forms, schedules and worksheets. This legislation should be viewed as the first down payment on real tax simplification and should be included in any tax legislation adopted this year.

Mr. Speaker, I recognize that the current tax system is not perfect. Continued improvements can and must take place. Any tax reform package must be judged on specific criteria including the impact on budget, tax form simplification, equity for all taxpayers and sound public policy. As Congress considers tax reform, I will continue to advocate for those principles and support responsible legislation like the Democratic substitute amendment.

The fundamental problem with the GOP tax measure is the risk to the economy, it doesn't add up and the recent changes just underline that mathematical error, subtract nearly a trillion dollars the entire on budget projected surplus the next ten years, than add back in the spending bills that the Republican majority vigorously advocate, such as the Pentagon appropriation, and you end up with a new added deficit—new debt as far as the eye can see and if its debt the next ten years the results explode on the next 20 years beyond reason. The prudent course of fiscal policy would be to meet our commitments to Social Security and Medicare, reasonably fund programs that we agree upon like investments in people, and pass a tax cut the Democrat tax measure that adds up not reliving the thrilling high deficit days and actions of the Reagan Era when the total debt quadrupled—vote for Rangel and vote against this political math foisted upon us by H.R. 2488.

Ms. BALDWIN. Mr. Speaker, I rise today in strong opposition to the \$792 billion tax cut being considered in the House today. This legislation spends the entire projected budget surplus, leaving nothing to reduce the national debt or extend the solvency of Social Security and Medicare.

For the first time in forty years, the federal government will achieve a budget surplus without relying on the surplus from the earmarked Social Security taxes. This achievement results from difficult budget decisions that have been made over the past decade. Today we are experiencing greater productivity, low inflation, low unemployment and broad based growth in real wages because we have focused on reducing deficits, paying down our debt, lowering interest rates and investing in our people. This legislation seeks to undermine the fiscal discipline that has created our current economy.

Today's tax-cut legislation uses projected budget surpluses which may not materialize and could force further cuts in domestic discretionary spending. It is appalling that in this era of economic prosperity, instead of a congressional debate about needed long term investments to strengthen our domestic security, we are focusing on financing a tax give-away through budget cuts in programs that educate children, feed the hungry, provide health care and child care, and keep our drinking water safe.

As a nation, we cannot continue to tolerate the fact that in America, 43 million people have no health insurance. Sharing our nation's strength and good fortune through investments that work is far wiser and will pay for greater dividends than spiraling tax breaks for the most affluent Americans.

Mr. CALVERT. Mr. Speaker, I rise today in support of the Financial Freedom Act of 1999.

This is a common-sense piece of legislation which would provide broad based tax relief to individuals and families.

For forty years, the Democrats had control of Congress and practiced their policy of, tax, tax, spend, spend. Now that Republicans have been in the majority for more than 4 years, we have balanced the budget, agreed to set aside all Social Security surplus funds for social Security and Medicare, and still have an excess of funds.

Not surprisingly, the Democrats would prefer to keep these funds in Washington and create new and unneeded programs.

The Democrats are acting as if they found a wallet full of money with no ID. They want to take the money and run with it. But this wallet does have an ID. It belongs to the American taxpayer. It is our moral obligation to return their money.

Mr. Speaker we have these excess of funds because our economy is booming. And, the economy is booming because of the hard-work of the American people. Mr. Speaker, what has Congress contributed to the GDP? Nothing!

We have no right to keep this money in Washington. We should return this money to the people who have worked long and hard for it.

The Financial Freedom Act is a solid piece of legislation and I urge my colleagues to support it.

Mr. COYNE. Mr. Speaker, I rise in opposition to H.R. 2488. I believe that this legislation will lead us back to another era of budget deficits.

This bill is irresponsible because it relies upon uncertain projections. It is irresponsible because it relies upon unrealistic assumptions. It is irresponsible because it would cut taxes dramatically before Congress has taken the necessary steps to address the long-term solvency of Social Security and Medicare—not to mention the other challenges facing this country, challenges like providing education for our children, prescription drug benefits for our seniors, and affordable health insurance for all Americans. And it is irresponsible because it targets its tax relief to the wealthiest households in the country—the ones who have benefited most from the economic growth of the last 20 years—rather than to the hard-working families who have borne the burden of modernizing and streamlining our economy over the last two decades.

This bill would be paid for with a trillion-dollar surplus that doesn't yet exist. At this point, it is just a budget projection. Anyone who has watched the federal government struggle to get its deficits under control over the last 18 years knows that budget projections are notoriously inaccurate, and that slight changes in some of the assumptions can change the results significantly. The trillion dollar surplus we are expecting might never materialize if the economy suffers some kind of setback.

Furthermore, an 800 billion dollar tax cut might even be the cause of such a setback. A tax cut now, when unemployment and inflation are both at record lows, could overheat the economy, bring back inflation, and trigger economic stagnation or even recession. Alternatively, it is conceivable that a huge tax cut could conceivably end the current period of

economic growth simply by destroying public confidence in the federal government's willingness to exercise fiscal restraint.

In addition, the trillion dollar surplus is based on the assumption that discretionary spending will stay below the existing budget caps until 2002 and then rise only with inflation. There is no trillion dollar surplus if discretionary spending is raised above the levels set by the current caps. But many of our colleagues, both Republicans and Democrats, have indicated that they believe that the current discretionary spending caps are unacceptably low and should be raised enough to allow adequate levels of spending on federal activities like law enforcement, medical research, and education. I share their concerns, and I firmly believe that discretionary spending should be increased to address such pressing domestic needs.

Moreover, in considering the tax bill before us today, it is important to remember that even if the economic assumptions are correct and Congress chooses to limit discretionary spending sharply in order to pay for these tax cuts, the projected on-budget surpluses are only expected to last for 15 years. After 2015, Social Security, Medicare, and Medicaid costs are expected to produce massive budget deficits as the Baby Boom generation retires—deficits in the hundreds of billions of dollars each year. We cannot responsibly make large tax cuts today without first preparing for the massive financial challenge that awaits us in a few years.

Such fiscal irresponsibility reflects a dramatic about-face from the progress we have made on the budget in recent years. I strongly believe that we must pursue fiscal policies that are conservative and cautious. That means that tax cuts should wait until after we've fixed Social Security and Medicare—and until the federal government has actually produced the surpluses necessary to pay for them.

In addition, I believe that tax cuts should be balanced against other pressing national needs—like lifting children out of poverty, making prescription drugs affordable for our seniors, providing high-quality education to our children, and guaranteeing affordable health insurance to all Americans.

And if we are going to cut taxes, I believe that we should cut the taxes of the working- and middle-class households who need and deserve tax relief the most, instead of cutting taxes disproportionately for the wealthy, as H.R. 2488 does.

That is why I support the Democratic alternative tax cut proposal—which provides significant but not profligate tax relief, conditions that tax relief upon action to make Social Security and Medicare solvent, and targets its tax relief to hard-working, middle-class American families who are struggling to make ends meet rather than those fortunate few who already have it pretty good.

Like the bill introduced by Chairman Archer, the Democratic alternative raises the standard deduction for married couples filing jointly to eliminate the marriage penalty for many middle-class families—but it also reduces the marriage penalty on many working-class couples by fixing the Earned Income Tax Credit.

The Democratic alternative also increases the size of the existing Family Credit by \$250

for each child less than 5 years old, and it uses tax credits to leverage private investment in poor communities, in improving the environment, and in school construction and modernization. The Democratic bill provides tax relief to small and family-owned businesses by increasing the existing section 179 expensing provision, and by accelerating the expansion of the estate tax exclusion. And the Democratic tax cut simplifies multi-employer pension programs that cover millions of working Americans.

The Republican tax plan, by contrast, disproportionately benefits the wealthiest Americans. It would phase out the estate tax, which currently only affects the richest 2 percent. It would lower taxes on capital gains income, most of which goes to the most affluent Americans. And even the centerpiece of the Republican tax cut, the 10 percent across the board rate reduction, would disproportionately benefit the rich.

The most important difference between the Democratic Republication bills, however, is the fact that the tax cuts in the Democratic alternative are contingent upon action on Social Security and Medicare. The majority of the tax cuts in the bill would not take effect until after the solvency of the Social Security and Medicare Programs is ensured. The tax cuts that would be enacted immediately—the sections of the bill making certain existing tax provisions permanent—would be offset with the revenue-raising provisions identified in Chairman ARCHER's bill.

I believe that the more modest size and the contingency provisions of the Democratic alternative tax cut bill make it a much more responsible tax relief bill than H.R. 2488.

Finally, Mr. Speaker, the Democratic tax cut alternative targets tax relief to the working- and middle-class families who are struggling to make ends meet. Those are the people who deserve tax relief the most. The Democratic bill, unlike the Republican bill, would eliminate the marriage penalty for low-income families. The Democratic alternative, unlike the Republican bill, would provide targeted assistance to working families for education, health care, long-term care, and child care. And the Democratic bill would provide estate tax relief to family farms and small businesses without, like the Republican bill, exempting the super-rich from all estate taxes. In short, while the Democratic tax cut alternative would not cut taxes as much as the Republican bill, it would cut taxes for many working families more than would the Republican bill.

Consequently, on the grounds of fiscal restraint, responsibility, and fairness, I urge my colleagues to join me in rejecting this unwise legislation and supporting the Democratic alternative.

Mr. BALLENGER. Mr. Speaker, today, I want to go on record in favor of "The Financial Freedom Act of 1999," a tax relief package which is a consequence of our strong economy and the successful 1997 Balanced Budget Agreement. You will recall that this historic budget deal put us on the glide path to a balanced federal budget which we now expect to attain in the current fiscal year—much sooner than we promised the American people. This fact presents us with an opportunity—and an obligation to our constituents—to do the right thing with our nation's fiscal affairs.

I applaud the House leadership and the Ways and Means Committee, ably chaired by our colleague from Texas, Representative BILL ARCHER, for their commitment to bringing to the floor for a vote "The Financial Freedom Act." Equally important, I embrace the commitment we have made to spend two out of every three dollars of the expected federal budget surplus for retirement security—let me stress this important fact, Congressional Republicans have promised to protect Social Security and Medicare for our nation's seniors before we give tax cuts. We're keeping that promise by locking away surplus funds from retirement security programs. We have pledged to return surplus dollars generated from excessive federal income taxes—this is the message of "The Financial Freedom Act of 1999."

In addition to the relief for American taxpayers and their families in general, I want to take a minute to endorse the important changes in the tax code contained in "The Financial Freedom Act" to enhance retirement savings. For two years, I have advocated a sensible change to our tax laws related to employee stock ownership plans, or ESOPs. Specifically, the Ways and Means Committee included in the base bill a provision that would permit an employee participating in an ESOP to reinvest cash dividends paid on his or her stock for more company stock and permit the corporate payor of the dividends to take a tax deduction equal in value to the dividends.

Current law permits the corporate payor of dividends on ESOP stock to take a deduction if the employee receives the dividends in cash, or if the employer uses the dividends to pay debt incurred to acquire the stock for the ESOP. So, oddly, current law does not permit the employee to voluntarily reinvest the dividends in more company stock. While there is a convoluted way to almost accomplish the same result (i.e., a tax deduction for reinvested ESOP dividends), it involves getting an IRS letter ruling, is limited in its applicability and causes administrative headaches in trying to coordinate the reinvested dividends with 401(k) elective deferrals.

The confusion and needless regulatory burden of current law motivated me to introduce the very provision included in the Committee's bill in May 1997, in H.R. 1592, and to reintroduce this provision again this year as Section 2 of my bill, The ESOP Promotion Act of 1999 (H.R. 2124).

This provision is estimated to provide a new \$200 million plus incentive for the expansion of stock ownership by employees.

Let the record show that Chairman ARCHER's mark recommended the change in law, and that this action by the Chairman was the very first time, may I repeat, the very first time in the near 25 year history of ESOPs that the House Ways and Means Committee Chairman's mark contained a positive expansion of ESOP law. May I compliment the Chair and my majority colleagues because for most of the 25 years of ESOP legislative history, the Committee was controlled by the other party and it seemed that every time we turned around someone was trying to take away from ESOPs and employee ownership. It seems that up until 1995 all we ESOP and employee ownership advocates ever did was fight anti-ESOP ideas that were originating in the Com-

mittee. I am proud to see under the leadership of Chairman ARCHER that view of ESOPs and employee ownership change, as evidenced by the expansion of the deduction of dividends paid on ESOP stock that is included in this bill.

And that motivates me to note that when the Clinton Administration put forth its tax recommendations for fiscal year 2000, once again we had a proposal to limit ESOPs, to take away a tax incentive for employee ownership. The Administration basically proposed to repeal the 1997 incentive for Subchapter S corporations to have ESOPs, and proposed a retroactive, unfathomable system of taxation for S corporations with ESOPs. As a Member who since 1990 has introduced legislation to allow S corporations to sponsor ESOPs, I am pleased that the Committee rejected this anti-ESOP Administration proposal. The S corporation ESOP reform finally became law in 1996 and was perfected in 1997.

So, you can understand my concern when I saw earlier this year the Administration basically trying to unravel a piece of legislation in which I have had such a long-standing interest.

I do take note that the pending tax legislation in the other body, which perfected the S corporation ESOP law in 1997, has a provision to ensure that the 1997 law is not used by film-flam operators to create tax-favored S corporation ESOPs that are not really spreading equity ownership among employees of a bona fide business operation. Having a great interest in this area, I would hope that the Committee, and those who go to conference with the other body on the "Financial Freedom Act," would take a serious look that the anti-abuse provision in the other body's bill. Based on my knowledge of that anti-abuse proposal, it would resolve any unintended consequences of our 1996 and 1997 laws to ensure employees of S corporations can participate in ownership through an ESOP.

Again, I am pleased to see in the bill before us today the positive leadership taken by Chairman ARCHER and the majority of the Committee for ESOPs and employee ownership.

Mr. PHELPS. Mr. Speaker, I rise today in opposition to the massive and risky tax cut measure before us today. I urge my colleagues to support Representative TANNER's motion to recommit the bill to Committee, where it can be improved. Should that motion fail, we must reject this irresponsible bill.

The Leadership's bill eagerly spends a surplus that may never materialize. It commits almost the entire non-Social Security surplus to tax cuts, ignoring other critical needs like reducing our \$5.6 trillion national debt. It jeopardizes funding for education, veterans' benefits, agriculture and other basic programs which will have to endure huge cuts over the next ten years if these tax provisions are enacted. It spends hundreds of billions of dollars that I had hoped we would use instead to reform and strengthen Medicare and provide a prescription drug benefit, making it extremely unlikely that Medicare solvency can be ensured without slashing benefits or increasing costs for our senior citizens.

The bill also directs two-thirds of its tax cut benefits to the wealthiest 10% of Americans,

and close to half of the cuts would benefit the richest 1% of taxpayers with incomes exceeding \$300,000. And although the price tag attached to this bill is staggering enough, it pales in comparison to the costs that will result once all of its provisions are in full effect a decade from now. From 2010 to 2019, this tax package would cost the Treasury \$2.8 trillion—several times the initial cost of the bill, and a burden that cannot possibly be borne while maintaining adequate funding for domestic programs and continuing to pay down our debt.

Like many of my colleagues, I support certain provisions in the Leaderships bill, including in particular the phase-out of the estate tax and the elimination of the marriage penalty. In fact, I am a co-sponsor of stand-alone bills that would accomplish both of these goals. But I simply cannot ignore this reckless and dangerous use of a budget surplus that should be divided among several, equally important needs, rather than snatched up before it even exists and lavished on the wealthiest Americans at the expense of programs that benefit our working families and elderly.

Due to some of these same concerns, I will also vote against the Democratic substitute. Although this alternative is a more responsible and targeted approach, it still makes the dangerous assumption that a large surplus is guaranteed for the next ten years and beyond. If this does not prove to be the case, we will all suffer when our debt continues to spiral out of control, funding is no longer available for some of the most basic federal programs, and the solvency of Social Security and Medicare becomes a goal that is no longer in reach.

The “yea” vote I cast today will be for Representative TANNER’S motion to recommit this bill to the Ways and Means Committee. The motion mirrors the fundamental principles of the Blue Dog budget that I, along with a majority of Democrats and 26 Republicans, supported earlier in the year. This motion changes none of the specific provisions in the majority’s bill. Instead, it simply requires the Committee to reduce the overall tax cut to one-quarter of the on-budget surplus and to create a Debt Reduction Account to ensure that half of the on-budget surplus is preserved for reducing our debt. Altering the bill in this way would ensure that when there is a surplus, there will also be a generous tax cut. But it will also allow us to be secure in the knowledge that our debt will continue to be reduced and that our children and grandchildren will not have to shoulder the burden of our recklessness.

I consider myself extremely fortunate to have entered Congress at a time when the tough choices made by my colleagues and predecessors who balanced the budget in 1997 are beginning to yield tangible results. I now consider it my duty to maintain the fiscal responsibility that led us to this point and ensure that we do not recreate massive deficits like the ones we’ve just escaped from. We all want to reward hard-working American families by returning some of their tax dollars, but I cannot in good conscience do this at the expense of our future fiscal health. Therefore, Mr. Speaker, I will support the motion to recommit because I believe Americans deserve a responsible tax cut when we are sure we have the money to pay for it. But I will vote

against H.R. 2488 because I also believe Americans deserve a balanced federal budget, a solvent Medicare and Social Security system, and the knowledge that the programs and services they depend on today will still be there tomorrow.

Mr. STARK. Mr. Speaker, I opposed the Republican tax bill in Committee and I oppose it today because it will force, in the near future, massive, destructive cuts in Medicare, and it prevents us from improving Medicare with a modest prescription drug benefit.

By reducing the tax cut by about 40%, we can extend the life of the Medicare Trust Fund well into the retirement of the Baby Boom generation, from 2015 to 2027. We can also make Medicare a modern health care program by covering pharmaceuticals which reduce the need for hospitalizations and which provide quality, preventive care.

If we don’t use these resources to extend the life of Medicare, but instead pass this tax cut, we are voting for future massive cuts in benefits to seniors and the disabled, or for massive, crippling cuts to hospitals, nursing homes, and home health agencies—or for a massive future tax increase at a time when the economy may not be able to handle such an increase.

The choice seems obvious: save resources for Medicare today, or face impossible choices in the future.

When we know with absolute certainty that Medicare will need major new resources in the near future, do we want to give away revenues in a tax cut, largely to the rich, that could prevent this future crisis?

Workers per Medicare Beneficiary will fall from 1998’s 3.9 to 2.3 workers per beneficiary in 2030. We must make it easier now for those fewer workers of the year 2030 to pay taxes to support retirees and the disabled. That means dedicating revenues now (by retiring debt).

Other options for extending the life of the Hospital Trust Fund are unacceptable. The Medicare Hospital Trust Fund runs out of money in 2015. “To bring the HI program into actuarial balance, over just the next 25 years under the Trustees’ intermediate assumptions, would require either that outlays be further reduced by 11% or that income [payroll taxes] be increased by 12 percent.”

By voting not to save 15% of the surplus to HI, thus extending the Trust Fund to 2027, Members are in effect voting for additional major hospital cuts or future tax increases.

Republican Members of Ways and Means have sponsored or cosponsored many Medicare spending bills that will cost tens of billions over the next 10 years. If they don’t support saving some money for Medicare, supporting these Medicare bills isn’t real—it is hypocrisy. Mr. FOLEY is on 9 bills including a major hospital outpatient payment relief bill. Mr. HAYWORTH has 4, Mr. WATKINS has gone to bat for the chiropractors and would spend billions more. Mr. MCINNIS would spend billions more. Mr. RAMSTAD is supporting 6 bills that would spend billions, Mr. ENGLISH 11, Mr. CAMP 6, and Mr. NUSSLE, leader of the rural caucus, has 7 spending bills that would cost billions. You all are basically saying you don’t really want to do any of those spending bills or those bills to undo the BBA, you just want tax cuts.

Can’t shift more costs to seniors and disabled. Medicare is already one of the lowest retiree benefit plans in the industrialized world and worth less than the value of the average private insurance/employer plan. (That’s why we need to add a prescription drug benefit.) Costs are already being shifted to seniors because of that Balanced Budget Act. We can’t shift more.

Mr. CRANE. Mr. Speaker, I rise in strong support of H.R. 2488, the Financial Freedom Act of 1999. I would like to commend our Ways and Means Committee Chairman BILL ARCHER for this fine product of his hard labors.

Thanks to the fiscal discipline of the Republican majority in Congress, we have a budget surplus for the first time in a generation. That surplus money belongs to the American taxpayers, and we are returning it to them in the form of tax relief.

While some of my Democrat colleagues are suggesting this is not the time for tax cuts, I would tell them that I disagree. More money is going to the government, as a share of the total economy, than at any point since World War II. Americans are spending more on their federal, state and local taxes than they spend even on food, shelter and clothing combined. Taxpayers need a break and that’s what this Republican tax cut bill will give them.

According to the Congressional Budget Office, we expect to see \$996 billion—nearly one trillion dollars—in budget surpluses after we set aside Social Security and Medicare surpluses. While some are suggesting that we put more aside for debt reduction or “other needs”, I know from my long experience in Washington that if you leave money lying around this town, someone will find a way to spend it. I believe we should return it to the American taxpayers.

The Financial Freedom Act provides tax relief for all Americans. It starts off with a 10 percent across-the-board individual tax rate cut. In addition, the bill provides marriage penalty relief, pension reform as well as incentives for savings and to make health care and long-term care more affordable. The bill also includes ideas that I have worked for years to advance—reductions in the capital gains tax and the abolition of the estate, or what I call the “death”, tax. H.R. 2488 will also make tax time less complicated as it eventually abolishes the alternative minimum tax on individuals and businesses.

I am particularly grateful that some items that I had been working on were included in this bill. For example, the bill will lower the capital gains tax on qualified settlement funds used to pay the beneficiaries of class action law suits, such as the one established for those suffering from asbestos-related illnesses. H.R. 2488 also allows life insurance companies to file a consolidated tax return with an affiliated group of non-life insurance companies. This will go a long way to the financial modernization goals this body has supported. I have also been able to include a provision to encourage more foreign investment in U.S. mutual funds by removing the U.S. tax code as a penalty to investors from overseas.

While there are some provisions I hoped to have included in this bill, I look forward to the continuation of the process so that I may have an opportunity to address those other issues.



I urge my colleagues to support this bill so that we can get about the work of providing much-needed tax relief to the American people.

The SPEAKER pro tempore (Mr. THORNBERRY). All time for general debate has expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Part B amendment in the nature of a substitute offered by Mr. RANGEL:

Strike all after the enacting clause and insert the following:

#### SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the “Tax Reduction Act of 1999”.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

- Sec. 1. Short title; etc.
- Sec. 2. Tax reductions contingent on social security and medicare solvency certifications.

#### TITLE I—TAX RELIEF FOR FAMILIES

- Sec. 101. Marriage penalty relief.
- Sec. 102. Nonrefundable personal credits fully allowed against regular tax liability and minimum tax liability.
- Sec. 103. Increase in child tax credit.
- Sec. 104. Deduction of State and local general sales taxes in lieu of State and local income taxes.

#### TITLE II—INCENTIVES FOR EDUCATION

- Sec. 201. Expansion of incentives for public schools.
- Sec. 202. Extension of exclusion for employer-provided educational assistance; exclusion to apply to assistance for graduate education.

#### TITLE III—INCENTIVES FOR HEALTH CARE AND LONG-TERM CARE

- Sec. 301. Long-term care tax credit.
- Sec. 302. Deduction for 100 percent of health insurance costs of self-employed individuals.

#### TITLE IV—PERMANENT EXTENSION OF CERTAIN EXPIRING PROVISIONS

- Sec. 401. Research credit.
- Sec. 402. Work opportunity and welfare-to-work credits.
- Sec. 403. Subpart F exemption for active financing income.
- Sec. 404. Expensing of environmental remediation costs.

#### TITLE V—COMMUNITY DEVELOPMENT INITIATIVES

- Sec. 501. Increase in State ceiling on low-income housing credit.
- Sec. 502. New markets tax credit.
- Sec. 503. Credit to holders of Better America Bonds.

#### TITLE VI—SMALL BUSINESS INCENTIVES

- Sec. 601. Acceleration of \$1,000,000 estate tax exclusion.

- Sec. 602. Increase in expense treatment for small businesses.

#### TITLE VII—PENSION PROVISIONS

- Sec. 701. Treatment of multiemployer plans under section 415.
- Sec. 702. Actuarial reduction only for benefits beginning before age 62 in case of benefits under multiemployer plans.

#### TITLE VIII—REVENUE OFFSETS

- Sec. 801. Returns relating to cancellations of indebtedness by organizations lending money.
- Sec. 802. Extension of Internal Revenue Service user fees.
- Sec. 803. Limitations on welfare benefit funds of 10 or more employer plans.
- Sec. 804. Increase in elective withholding rate for nonperiodic distributions from deferred compensation plans.
- Sec. 805. Controlled entities ineligible for REIT status.
- Sec. 806. Treatment of gain from constructive ownership transactions.
- Sec. 807. Transfer of excess defined benefit plan assets for retiree health benefits.
- Sec. 808. Modification of installment method and repeal of installment method for accrual method taxpayers.
- Sec. 809. Limitation on use of nonaccrual experience method of accounting.
- Sec. 810. Exclusion of like-kind exchange property from nonrecognition treatment on the sale of a principal residence.
- Sec. 811. Disallowance of noneconomic tax attributes.

#### TITLE IX—NATIONAL COMMISSION ON TAX REFORM AND SIMPLIFICATION

- Sec. 901. Establishment.
- Sec. 902. Functions.
- Sec. 903. Administration.
- Sec. 904. General.

#### SEC. 2. TAX REDUCTIONS CONTINGENT ON SOCIAL SECURITY AND MEDICARE SOLVENCY CERTIFICATIONS.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, no provision of this Act (or amendment made thereby) shall take effect until there is—

- (1) a social security certification,
  - (2) a Medicare certification, and
  - (3) a balanced budget certification.
- (b) EXTENSION OF EXPIRING PROVISIONS AND REVENUE OFFSETS NOT AFFECTED.—

(1) IN GENERAL.—Except as provided in paragraph (2), sections 102, 202, title IV, and title VIII shall take effect without regard to the provisions of subsection (a).

(2) ONLY 2-YEAR EXTENSION OF CERTAIN PROVISIONS IF NO SOLVENCY AND BUDGET DETERMINATIONS.—

(A) IN GENERAL.—If, as of January 1, 2002, all of the certifications under subsection (a) have not been made—

(i) section 26 of the Internal Revenue Code of 1986 shall be applied to taxable years beginning during the suspension period without regard to the amendment made by section 102,

(ii) section 127 of such Code shall not apply with respect to courses beginning during the suspension period,

(iii) sections 41 and 198 of such Code shall not apply to amounts paid or incurred during the suspension period,

(iv) sections 51 and 51A of such Code shall not apply to individuals who begin work for the employer during the suspension period, and

(v) sections 953(e) and 954(h) of such Code shall not apply to taxable years beginning during the suspension period.

(B) SUSPENSION PERIOD.—For purposes of subparagraph (A), the suspension period is the period beginning on January 1, 2002, and ending on the earliest date that all of the certifications under subsection (a) have been made.

(c) DEFINITIONS.—For purposes of this subsection—

(1) SOCIAL SECURITY SOLVENCY CERTIFICATION.—The term “social security solvency certification” means a certification by the Board of Trustees of the Social Security Trust Funds that the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are in actuarial balance for the 75-year period utilized in the most recent annual report of such Board of Trustees pursuant to section 201(c)(2) of the Social Security Act (42 U.S.C. 401(c)(2)).

(2) MEDICARE SOLVENCY CERTIFICATION.—For purposes of this subsection, the term “Medicare solvency certification” means a certification by the Board of Trustees of the Federal Hospital Insurance Trust Fund that such Trust Fund is in actuarial balance until the year 2027.

(3) BALANCED BUDGET CERTIFICATION.—There is a balanced budget certification if the Director of the Office of Management and Budget certifies that the tax reductions made by this Act will not create an on-budget deficit for any fiscal year in the period 2000 through 2009 after taking into account non-Social-Security deficit amounts necessary for the certifications under paragraphs (1) and (2).

#### TITLE I—TAX RELIEF FOR FAMILIES

##### SEC. 101. MARRIAGE PENALTY RELIEF.

(a) STANDARD DEDUCTION.—

(1) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(A) by striking “\$5,000” in subparagraph (A) and inserting “twice the dollar amount in effect under subparagraph (C) for the taxable year”,

(B) by adding “or” at the end of subparagraph (B),

(C) by striking “in the case of” and all that follows in subparagraph (C) and inserting “in any other case.”, and

(D) by striking subparagraph (D).

(2) TECHNICAL AMENDMENTS.—

(A) Subparagraph (B) of section 1(f)(6) is amended by striking “(other than with” and all that follows through “shall be applied” and inserting “(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied”.

(B) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

“The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).”.

(b) EARNED INCOME CREDIT.—Subsection (a) of section 32 (relating to credit for earned income) is amended by adding at the end the following new paragraph:

“(3) REDUCTION OF MARRIAGE PENALTY.—

“(A) IN GENERAL.—In the case of a joint return, the phaseout amount under this section shall be such amount (determined without regard to this paragraph) increased by \$2,500 (\$2,000 in the case of taxable years beginning during 2000).

“(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2001, the \$2,500 amount contained in subparagraph (A) shall be increased by an amount equal to the product of—

“(i) such dollar amount, and  
 “(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2000’ for ‘calendar year 1992’ in subparagraph (B) thereof.

If any increase determined under the preceding sentence is not a multiple of \$50, such increase shall be rounded to the next lowest multiple of \$50.”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

(d) **PHASE-IN OF INCREASE IN BASIC STANDARD DEDUCTION.**—In the case of taxable years beginning during 2000—

(1) there shall be taken into account under subparagraph (A) section 63(c)(2) of the Internal Revenue Code of 1986 only one-half of the increase which would (but for this subsection) apply, and

(2) the basic standard deduction for a married individual filing a separate return shall be one-half of the amount applicable under such subparagraph.

**SEC. 102. NONREFUNDABLE PERSONAL CREDITS FULLY ALLOWED AGAINST REGULAR TAX LIABILITY AND MINIMUM TAX LIABILITY.**

(a) **IN GENERAL.**—Subsection (a) of section 26 (relating to limitation based on amount of tax) is amended to read as follows:

“(a) **LIMITATION BASED ON AMOUNT OF TAX.**—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

“(1) the taxpayer’s regular tax liability for the taxable year, and

“(2) the tax imposed for the taxable year by section 55(a).”

(b) **CHILD CREDIT.**—Subsection (d) of section 24 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

**SEC. 103. INCREASE IN CHILD TAX CREDIT.**

(a) **IN GENERAL.**—Subsection (a) of section 24 (relating to child tax credit), as amended by section 301, is amended by adding at the end the following new sentence:

“In the case of a qualifying child who has not attained age 5 as of the close of the calendar year in which the taxable year of the taxpayer begins, paragraph (1) shall be applied by substituting ‘\$750’ for ‘\$500’.”

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

**SEC. 104. DEDUCTION OF STATE AND LOCAL GENERAL SALES TAXES IN LIEU OF STATE AND LOCAL INCOME TAXES.**

(a) **IN GENERAL.**—Subsection (b) of section 164 is amended by adding at the end thereof the following new paragraph:

“(5) **GENERAL SALES TAXES.**—For purposes of subsection (a)—

“(A) **ELECTION TO DEDUCT STATE AND LOCAL SALES TAXES IN LIEU OF STATE AND LOCAL INCOME TAXES.**—

“(i) **IN GENERAL.**—At the election of the taxpayer for the taxable year, subsection (a) shall be applied—

“(I) without regard to the reference to State and local income taxes,

“(II) as if State and local general sales taxes were referred to in a paragraph thereof, and

“(III) without regard to the last sentence.

“(B) **DEFINITION OF GENERAL SALES TAX.**—The term ‘general sales tax’ means a tax imposed at one rate in respect of the sale at retail of a broad range of classes of items.

“(C) **SPECIAL RULES FOR FOOD, ETC.**—In the case of items of food, clothing, medical supplies, and motor vehicles—

“(i) the fact that the tax does not apply in respect of some or all of such items shall not be taken into account in determining whether the tax applies in respect of a broad range of classes of items, and

“(ii) the fact that the rate of tax applicable in respect of some or all of such items is lower than the general rate of tax shall not be taken into account in determining whether the tax is imposed at one rate.

“(D) **ITEMS TAXED AT DIFFERENT RATES.**—Except in the case of a lower rate of tax applicable in respect of an item described in subparagraph (C), no deduction shall be allowed under this paragraph for any general sales tax imposed in respect of an item at a rate other than the general rate of tax.

“(E) **COMPENSATING USE TAXES.**—A compensating use tax in respect of an item shall be treated as a general sales tax. For purposes of the preceding sentence, the term ‘compensating use tax’ means, in respect of any item, a tax which—

“(i) is imposed on the use, storage, or consumption of such item, and

“(ii) is complementary to a general sales tax, but only if a deduction is allowable under this paragraph in respect of items sold at retail in the taxing jurisdiction which are similar to such item.

“(F) **SPECIAL RULE FOR MOTOR VEHICLES.**—In the case of motor vehicles, if the rate of tax exceeds the general rate, such excess shall be disregarded and the general rate shall be treated as the rate of tax.

“(G) **SEPARATELY STATED GENERAL SALES TAXES.**—If the amount of any general sales tax is separately stated, then, to the extent that the amount so stated is paid by the consumer (otherwise than in connection with the consumer’s trade or business) to his seller, such amount shall be treated as a tax imposed on, and paid by, such consumer.

“(H) **AMOUNT OF DEDUCTION TO BE DETERMINED UNDER TABLES.**—

“(i) **IN GENERAL.**—The amount of the deduction allowed by this paragraph shall be determined under tables prescribed by the Secretary.

“(ii) **REQUIREMENTS FOR TABLES.**—The tables prescribed under clause (i) shall reflect the provisions of this paragraph and shall be based on the average consumption by taxpayers on a State-by-State basis, as determined by the Secretary, taking into account filing status, number of dependents, adjusted gross income, and rates of State and local general sales taxation.”

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**TITLE II—INCENTIVES FOR EDUCATION**

**SEC. 201. EXPANSION OF INCENTIVES FOR PUBLIC SCHOOLS.**

(a) **IN GENERAL.**—Chapter 1 is amended by adding at the end the following new subchapter:

**“Subchapter X—Public School Modernization Provisions**

“Part I. Credit to holders of qualified public school modernization bonds.

“Part II. Qualified school construction bonds.

“Part III. Incentives for education zones.

**“PART I—CREDIT TO HOLDERS OF QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS**

“Sec. 1400F. Credit to holders of qualified public school modernization bonds.

**“SEC. 1400F. CREDIT TO HOLDERS OF QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.**

“(a) **ALLOWANCE OF CREDIT.**—In the case of a taxpayer who holds a qualified public school modernization bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

“(b) **AMOUNT OF CREDIT.**—

“(1) **IN GENERAL.**—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified public school modernization bond is 25 percent of the annual credit determined with respect to such bond.

“(2) **ANNUAL CREDIT.**—The annual credit determined with respect to any qualified public school modernization bond is the product of—

“(A) the applicable credit rate, multiplied by

“(B) the outstanding face amount of the bond.

“(3) **APPLICABLE CREDIT RATE.**—For purposes of paragraph (1), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the day before the date of issuance of the issue) on outstanding long-term corporate debt obligations (determined under regulations prescribed by the Secretary).

“(4) **SPECIAL RULE FOR ISSUANCE AND REDEMPTION.**—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

“(c) **LIMITATION BASED ON AMOUNT OF TAX.**—

“(1) **IN GENERAL.**—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

“(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

“(B) the sum of the credits allowable under part IV of subchapter A (other than subpart C thereof, relating to refundable credits).

“(2) **CARRYOVER OF UNUSED CREDIT.**—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

“(d) **QUALIFIED PUBLIC SCHOOL MODERNIZATION BOND; CREDIT ALLOWANCE DATE.**—For purposes of this section—

“(1) **QUALIFIED PUBLIC SCHOOL MODERNIZATION BOND.**—The term ‘qualified public school modernization bond’ means—

“(A) a qualified zone academy bond, and

“(B) a qualified school construction bond.

“(2) **CREDIT ALLOWANCE DATE.**—The term ‘credit allowance date’ means—

“(A) March 15,

“(B) June 15,

“(C) September 15, and

“(D) December 15.

Such term includes the last day on which the bond is outstanding.

“(e) **OTHER DEFINITIONS.**—For purposes of this subchapter—

“(1) **LOCAL EDUCATIONAL AGENCY.**—The term ‘local educational agency’ has the meaning given to such term by section 14101 of the Elementary and Secondary Education Act of 1965. Such term includes the local educational agency that serves the District of Columbia but does not include any other State agency.

“(2) **BOND.**—The term ‘bond’ includes any obligation.

“(3) **STATE.**—The term ‘State’ includes the District of Columbia and any possession of the United States.

“(4) **PUBLIC SCHOOL FACILITY.**—The term ‘public school facility’ shall not include—

“(A) any stadium or other facility primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public, or

“(B) any facility which is not owned by a State or local government or any agency or instrumentality of a State or local government.

“(f) **CREDIT INCLUDED IN GROSS INCOME.**—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

“(g) **BONDS HELD BY REGULATED INVESTMENT COMPANIES.**—If any qualified public school modernization bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

“(h) **CREDITS MAY BE STRIPPED.**—Under regulations prescribed by the Secretary—

“(1) **IN GENERAL.**—There may be a separation (including at issuance) of the ownership of a qualified public school modernization bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

“(2) **CERTAIN RULES TO APPLY.**—In the case of a separation described in paragraph (1), the rules of section 1286 shall apply to the qualified public school modernization bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

“(i) **TREATMENT FOR ESTIMATED TAX PURPOSES.**—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a qualified public school modernization bonds on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

“(j) **CREDIT MAY BE TRANSFERRED.**—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

“(k) **REPORTING.**—Issuers of qualified public school modernization bonds shall submit reports similar to the reports required under section 149(e).

“(l) **TERMINATION.**—This section shall not apply to any bond issued after September 30, 2004.

## **“PART II—QUALIFIED SCHOOL CONSTRUCTION BONDS**

“Sec. 1400G. Qualified school construction bonds.

### **“SEC. 1400G. QUALIFIED SCHOOL CONSTRUCTION BONDS.**

“(a) **QUALIFIED SCHOOL CONSTRUCTION BOND.**—For purposes of this subchapter, the term ‘qualified school construction bond’

means any bond issued as part of an issue if—

“(1) 95 percent or more of the proceeds of such issue are to be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the proceeds of such issue,

“(2) the bond is issued by a State or local government within the jurisdiction of which such school is located,

“(3) the issuer designates such bond for purposes of this section, and

“(4) the term of each bond which is part of such issue does not exceed 15 years.

“(b) **LIMITATION ON AMOUNT OF BONDS DESIGNATED.**—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) by any issuer shall not exceed the sum of—

“(1) the limitation amount allocated under subsection (d) for such calendar year to such issuer, and

“(2) if such issuer is a large local educational agency (as defined in subsection (e)(4)) or is issuing on behalf of such an agency, the limitation amount allocated under subsection (e) for such calendar year to such agency.

“(c) **NATIONAL LIMITATION ON AMOUNT OF BONDS DESIGNATED.**—There is a national qualified school construction bond limitation for each calendar year. Such limitation is—

“(1) \$11,000,000,000 for 2000,

“(2) \$11,000,000,000 for 2001, and

“(3) except as provided in subsection (f), zero after 2001.

“(d) **HALF OF LIMITATION ALLOCATED AMONG STATES.**—

“(1) **IN GENERAL.**—One-half of the limitation applicable under subsection (c) for any calendar year shall be allocated among the States under paragraph (2) by the Secretary. The limitation amount allocated to a State under the preceding sentence shall be allocated by the State to issuers within such State and such allocations may be made only if there is an approved State application.

“(2) **ALLOCATION FORMULA.**—The amount to be allocated under paragraph (1) for any calendar year shall be allocated among the States in proportion to the respective amounts each such State received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year. For purposes of the preceding sentence, Basic Grants attributable to large local educational agencies (as defined in subsection (e)) shall be disregarded.

“(3) **MINIMUM ALLOCATIONS TO STATES.**—

“(A) **IN GENERAL.**—The Secretary shall adjust the allocations under this subsection for any calendar year for each State to the extent necessary to ensure that the sum of—

“(i) the amount allocated to such State under this subsection for such year, and

“(ii) the aggregate amounts allocated under subsection (e) to large local educational agencies in such State for such year,

is not less than an amount equal to such State's minimum percentage of the amount to be allocated under paragraph (1) for the calendar year.

“(B) **MINIMUM PERCENTAGE.**—A State's minimum percentage for any calendar year is the minimum percentage described in section 1124(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6334(d)) for such State for the most recent fiscal year ending before such calendar year.

“(4) **ALLOCATIONS TO CERTAIN POSSESSIONS.**—The amount to be allocated under paragraph (1) to any possession of the United States other than Puerto Rico shall be the amount which would have been allocated if all allocations under paragraph (1) were made on the basis of respective populations of individuals below the poverty line (as defined by the Office of Management and Budget). In making other allocations, the amount to be allocated under paragraph (1) shall be reduced by the aggregate amount allocated under this paragraph to possessions of the United States.

“(5) **ALLOCATIONS FOR INDIAN SCHOOLS.**—In addition to the amounts otherwise allocated under this subsection, \$200,000,000 for calendar year 2000, and \$200,000,000 for calendar year 2001, shall be allocated by the Secretary of the Interior for purposes of the construction, rehabilitation, and repair of schools funded by the Bureau of Indian Affairs. In the case of amounts allocated under the preceding sentence, Indian tribal governments (as defined in section 7871) shall be treated as qualified issuers for purposes of this subchapter.

“(6) **APPROVED STATE APPLICATION.**—For purposes of paragraph (1), the term ‘approved State application’ means an application which is approved by the Secretary of Education and which includes—

“(A) the results of a recent publicly-available survey (undertaken by the State with the involvement of local education officials, members of the public, and experts in school construction and management) of such State's needs for public school facilities, including descriptions of—

“(i) health and safety problems at such facilities,

“(ii) the capacity of public schools in the State to house projected enrollments, and

“(iii) the extent to which the public schools in the State offer the physical infrastructure needed to provide a high-quality education to all students, and

“(B) a description of how the State will allocate to local educational agencies, or otherwise use, its allocation under this subsection to address the needs identified under subparagraph (A), including a description of how it will—

“(i) give highest priority to localities with the greatest needs, as demonstrated by inadequate school facilities coupled with a low level of resources to meet those needs,

“(ii) use its allocation under this subsection to assist localities that lack the fiscal capacity to issue bonds on their own, and

“(iii) ensure that its allocation under this subsection is used only to supplement, and not supplant, the amount of school construction, rehabilitation, and repair in the State that would have occurred in the absence of such allocation.

Any allocation under paragraph (1) by a State shall be binding if such State reasonably determined that the allocation was in accordance with the plan approved under this paragraph.

“(e) **HALF OF LIMITATION ALLOCATED AMONG LARGEST SCHOOL DISTRICTS.**—

“(1) **IN GENERAL.**—One-half of the limitation applicable under subsection (c) for any calendar year shall be allocated under paragraph (2) by the Secretary among local educational agencies which are large local educational agencies for such year. No qualified school construction bond may be issued by reason of an allocation to a large local educational agency under the preceding sentence unless such agency has an approved local application.

“(2) **ALLOCATION FORMULA.**—The amount to be allocated under paragraph (1) for any calendar year shall be allocated among large local educational agencies in proportion to the respective amounts each such agency received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year.

“(3) **ALLOCATION OF UNUSED LIMITATION TO STATE.**—The amount allocated under this subsection to a large local educational agency for any calendar year may be reallocated by such agency to the State in which such agency is located for such calendar year. Any amount reallocated to a State under the preceding sentence may be allocated as provided in subsection (d)(1).

“(4) **LARGE LOCAL EDUCATIONAL AGENCY.**—For purposes of this section, the term ‘large local educational agency’ means, with respect to a calendar year, any local educational agency if such agency is—

“(A) among the 100 local educational agencies with the largest numbers of children aged 5 through 17 from families living below the poverty level, as determined by the Secretary using the most recent data available from the Department of Commerce that are satisfactory to the Secretary, or

“(B) 1 of not more than 25 local educational agencies (other than those described in subparagraph (A)) that the Secretary of Education determines (based on the most recent data available satisfactory to the Secretary) are in particular need of assistance, based on a low level of resources for school construction, a high level of enrollment growth, or such other factors as the Secretary deems appropriate.

“(5) **APPROVED LOCAL APPLICATION.**—For purposes of paragraph (1), the term ‘approved local application’ means an application which is approved by the Secretary of Education and which includes—

“(A) the results of a recent publicly-available survey (undertaken by the local educational agency or the State with the involvement of school officials, members of the public, and experts in school construction and management) of such agency’s needs for public school facilities, including descriptions of—

“(i) the overall condition of the local educational agency’s school facilities, including health and safety problems,

“(ii) the capacity of the agency’s schools to house projected enrollments, and

“(iii) the extent to which the agency’s schools offer the physical infrastructure needed to provide a high-quality education to all students,

“(B) a description of how the local educational agency will use its allocation under this subsection to address the needs identified under subparagraph (A), and

“(C) a description of how the local educational agency will ensure that its allocation under this subsection is used only to supplement, and not supplant, the amount of school construction, rehabilitation, or repair in the locality that would have occurred in the absence of such allocation.

A rule similar to the rule of the last sentence of subsection (d)(6) shall apply for purposes of this paragraph.

“(f) **CARRYOVER OF UNUSED LIMITATION.**—If for any calendar year—

“(1) the amount allocated under subsection (d) to any State, exceeds

“(2) the amount of bonds issued during such year which are designated under subsection (a) pursuant to such allocation,

the limitation amount under such subsection for such State for the following calendar year shall be increased by the amount of such excess. A similar rule shall apply to the amounts allocated under subsection (d)(5) or (e).

“(g) **SPECIAL RULES RELATING TO ARBITRAGE.**—

“(1) **IN GENERAL.**—A bond shall not be treated as failing to meet the requirement of subsection (a)(1) solely by reason of the fact that the proceeds of the issue of which such bond is a part are invested for a temporary period (but not more than 36 months) until such proceeds are needed for the purpose for which such issue was issued.

“(2) **BINDING COMMITMENT REQUIREMENT.**—Paragraph (1) shall apply to an issue only if, as of the date of issuance, there is a reasonable expectation that—

“(A) at least 10 percent of the proceeds of the issue will be spent within the 6-month period beginning on such date for the purpose for which such issue was issued, and

“(B) the remaining proceeds of the issue will be spent with due diligence for such purpose.

“(3) **EARNINGS ON PROCEEDS.**—Any earnings on proceeds during the temporary period shall be treated as proceeds of the issue for purposes of applying subsection (a)(1) and paragraph (1) of this subsection.

### “PART III—INCENTIVES FOR EDUCATION ZONES

“Sec. 1400H. Qualified zone academy bonds.

“Sec. 1400I. Corporate contributions to specialized training centers.

### “SEC. 1400H. QUALIFIED ZONE ACADEMY BONDS.

“(a) **QUALIFIED ZONE ACADEMY BOND.**—For purposes of this subchapter—

“(1) **IN GENERAL.**—The term ‘qualified zone academy bond’ means any bond issued as part of an issue if—

“(A) 95 percent or more of the proceeds of such issue are to be used for a qualified purpose with respect to a qualified zone academy established by a local educational agency,

“(B) the bond is issued by a State or local government within the jurisdiction of which such academy is located,

“(C) the issuer—

“(i) designates such bond for purposes of this section,

“(ii) certifies that it has written assurances that the private business contribution requirement of paragraph (2) will be met with respect to such academy, and

“(iii) certifies that it has the written approval of the local educational agency for such bond issuance, and

“(D) the term of each bond which is part of such issue does not exceed 15 years.

Rules similar to the rules of section 1400G(g) shall apply for purposes of paragraph (1).

“(2) **PRIVATE BUSINESS CONTRIBUTION REQUIREMENT.**—

“(A) **IN GENERAL.**—For purposes of paragraph (1), the private business contribution requirement of this paragraph is met with respect to any issue if the local educational agency that established the qualified zone academy has written commitments from private entities to make qualified contributions having a present value (as of the date of issuance of the issue) of not less than 10 percent of the proceeds of the issue.

“(B) **QUALIFIED CONTRIBUTIONS.**—For purposes of subparagraph (A), the term ‘qualified contribution’ means any contribution (of a type and quality acceptable to the local educational agency) of—

“(i) equipment for use in the qualified zone academy (including state-of-the-art technology and vocational equipment),

“(ii) technical assistance in developing curriculum or in training teachers in order to promote appropriate market driven technology in the classroom,

“(iii) services of employees as volunteer mentors,

“(iv) internships, field trips, or other educational opportunities outside the academy for students, or

“(v) any other property or service specified by the local educational agency.

“(3) **QUALIFIED ZONE ACADEMY.**—The term ‘qualified zone academy’ means any public school (or academic program within a public school) which is established by and operated under the supervision of a local educational agency to provide education or training below the postsecondary level if—

“(A) such public school or program (as the case may be) is designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex workforce,

“(B) students in such public school or program (as the case may be) will be subject to the same academic standards and assessments as other students educated by the local educational agency,

“(C) the comprehensive education plan of such public school or program is approved by the local educational agency, and

“(D)(i) such public school is located in an empowerment zone or enterprise community (including any such zone or community designated after the date of the enactment of this section), or

“(ii) there is a reasonable expectation (as of the date of issuance of the bonds) that at least 35 percent of the students attending such school or participating in such program (as the case may be) will be eligible for free or reduced-cost lunches under the school lunch program established under the National School Lunch Act.

“(4) **QUALIFIED PURPOSE.**—The term ‘qualified purpose’ means, with respect to any qualified zone academy—

“(A) constructing, rehabilitating, or repairing the public school facility in which the academy is established,

“(B) acquiring the land on which such facility is to be constructed with part of the proceeds of such issue,

“(C) providing equipment for use at such academy,

“(D) developing course materials for education to be provided at such academy, and

“(E) training teachers and other school personnel in such academy.

“(b) **LIMITATIONS ON AMOUNT OF BONDS DESIGNATED.**—

“(1) **IN GENERAL.**—There is a national zone academy bond limitation for each calendar year. Such limitation is—

“(A) \$400,000,000 for 1998,

“(B) \$400,000,000 for 1999,

“(C) \$1,000,000,000 for 2000,

“(D) \$1,400,000,000 for 2001, and

“(E) except as provided in paragraph (3), zero after 2001.

“(2) **ALLOCATION OF LIMITATION.**—

“(A) **ALLOCATION AMONG STATES.**—

“(i) 1998 and 1999 **LIMITATIONS.**—The national zone academy bond limitations for calendar years 1998 and 1999 shall be allocated by the Secretary among the States on the basis of their respective populations of individuals below the poverty line (as defined by the Office of Management and Budget).

“(ii) LIMITATION AFTER 1999.—The national zone academy bond limitation for any calendar year after 1999 shall be allocated by the Secretary among the States in the manner prescribed by section 1400G(d); except that in making the allocation under this clause, the Secretary shall take into account—

“(I) Basic Grants attributable to large local educational agencies (as defined in section 1400G(e)).

“(II) the national zone academy bond limitation.

“(B) ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.—The limitation amount allocated to a State under subparagraph (A) shall be allocated by the State education agency to qualified zone academies within such State.

“(C) DESIGNATION SUBJECT TO LIMITATION AMOUNT.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) with respect to any qualified zone academy shall not exceed the limitation amount allocated to such academy under subparagraph (B) for such calendar year.

“(3) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

“(A) the limitation amount under this subsection for any State, exceeds

“(B) the amount of bonds issued during such year which are designated under subsection (a) (or the corresponding provisions of prior law) with respect to qualified zone academies within such State,

the limitation amount under this subsection for such State for the following calendar year shall be increased by the amount of such excess.

#### “SEC. 1400L. CORPORATE CONTRIBUTIONS TO SPECIALIZED TRAINING CENTERS.

“(a) GENERAL RULE.—For purposes of section 38, in the case of a corporation, the specialized training center credit determined under this section is an amount equal to 50 percent of the amount of the designated qualified contributions made by the taxpayer during the taxable year to a specialized training center.

“(b) DEFINITIONS.—For purposes of this section—

“(1) SPECIALIZED TRAINING CENTER.—The term ‘specialized training center’ means any qualified zone academy (as defined in section 1400H(a)(3))—

“(A) which is located in an empowerment zone or enterprise community, or

“(B) which is located in proximity to such a zone or community and a significant number of the students attending such academy have their principal place of abode in such zone or community.

“(2) DESIGNATED QUALIFIED CONTRIBUTIONS.—The term ‘designated qualified contribution’ means any contribution—

“(A) which is made pursuant to an agreement under which the taxpayer participates in the design of the academic program of the specialized training center, and

“(B) which is designated under subsection (c).

“(c) DESIGNATION OF CONTRIBUTIONS.—

“(1) LIMITATION ON AMOUNT DESIGNATED.—The maximum amount of contributions made which may be designated under this subsection with respect to all specialized training centers located in an empowerment zone or enterprise community shall not exceed—

“(A) \$8,000,000 in the case of an empowerment zone, and

“(B) \$2,000,000 in the case of an enterprise community.

“(2) DESIGNATIONS.—Designations under this subsection shall be made (in consulta-

tion with the local educational agency) by the local government agency responsible for implementing the strategic plan described in section 1391(f)(2) for the empowerment zone or enterprise community.

“(d) VALUE OF CONTRIBUTIONS.—The amount of any designated qualified contribution which may be taken into account under this section shall be—

“(1) the amount of such contribution which would be allowed as a deduction under section 170 without regard to section 280C(d), or

“(2) in the case of a contribution of services performed on the premises of a specialized training center by an employee of the taxpayer, the amount of wages (as defined in section 3306(b) but without regard to any dollar limitation contained in such section) paid by the taxpayer for such services.”

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

“(8) REPORTING OF CREDIT ON QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.—

“(A) IN GENERAL.—For purposes of subsection (a), the term ‘interest’ includes amounts includible in gross income under section 1400F(f) and such amounts shall be treated as paid on the credit allowance date (as defined in section 1400F(d)(2)).

“(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

“(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.”

(c) CONFORMING AMENDMENTS RELATED TO CREDIT FOR CORPORATE CONTRIBUTIONS TO SPECIALIZED TRAINING CENTERS.—

(1) DENIAL OF DOUBLE BENEFIT.—Section 280C is amended by adding at the end the following new subsection:

“(d) CREDIT FOR CORPORATE CONTRIBUTIONS TO SPECIALIZED TRAINING CENTERS.—No deduction shall be allowed for that portion of the designated qualified contributions (as defined in section 1400I(b)) made during the taxable year which is equal to the credit determined for the taxable year under section 1400I(a). Paragraph (3) of subsection (b) shall apply for purposes of this subsection.”

(2) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—

(A) Section 38(b) is amended—

(i) by striking “plus” at the end of paragraph (11),

(ii) by striking the period at the end of paragraph (12) and inserting “, plus”, and

(iii) by adding at the end the following new paragraph:

“(13) in the case of a corporation, the specialized training center credit determined under section 1400I(a).”

(B) Subsection (d) of section 39 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following new paragraph:

“(9) NO CARRYBACK OF SECTION 1400I CREDIT BEFORE JANUARY 1, 2000.—No portion of the unused business credit for any taxable year which is attributable to the credit determined under section 1400I may be carried back to a taxable year beginning before January 1, 2000.”

(d) OTHER CONFORMING AMENDMENTS.—

(1) Subchapter U of chapter 1 is amended by striking part IV, by redesignating part V

as part IV, and by redesignating section 1397F as section 1397E.

(2) The table of subchapters for chapter 1 is amended by adding at the end the following new item:

“Subchapter X. Public school modernization provisions.”

(3) The table of parts of subchapter U of chapter 1 is amended by striking the last 2 items and inserting the following item:

“Part IV. Regulations.”

(e) APPLICATION OF CERTAIN LABOR STANDARDS ON CONSTRUCTION PROJECTS FINANCED UNDER PUBLIC SCHOOL MODERNIZATION PROGRAM.—Section 439 of the General Education Provisions Act (relating to labor standards) is amended—

(1) by inserting “(a)” before “All laborers and mechanics”, and

(2) by adding at the end the following:

“(b)(1) For purposes of this section, the term ‘applicable program’ also includes the qualified zone academy bond provisions enacted by section 226 of the Taxpayer Relief Act of 1997 and the program established by section 2 of the Public School Modernization Act of 1999.

“(2) A State or local government participating in a program described in paragraph (1) shall—

“(A) in the awarding of contracts, give priority to contractors with substantial numbers of employees residing in the local education area to be served by the school being constructed; and

“(B) include in the construction contract for such school a requirement that the contractor give priority in hiring new workers to individuals residing in such local education area.

“(3) In the case of a program described in paragraph (1), nothing in this subsection or subsection (a) shall be construed to deny any tax credit allowed under such program. If amounts are required to be withheld from contractors to pay wages to which workers are entitled, such amounts shall be treated as expended for construction purposes in determining whether the requirements of such program are met.”

(f) EMPLOYMENT AND TRAINING ACTIVITIES RELATING TO CONSTRUCTION OR RECONSTRUCTION OF PUBLIC SCHOOL FACILITIES.—

(1) IN GENERAL.—Section 134 of the Workforce Investment Act of 1998 (29 U.S.C. 2864) is amended by adding at the end the following:

“(f) LOCAL EMPLOYMENT AND TRAINING ACTIVITIES RELATING TO CONSTRUCTION OR RECONSTRUCTION OF PUBLIC SCHOOL FACILITIES.—

“(1) IN GENERAL.—In order to provide training services related to construction or reconstruction of public school facilities receiving funding assistance under an applicable program, each State shall establish a specialized program of training meeting the following requirements:

“(A) The specialized program provides training for jobs in the construction industry.

“(B) The program is designed to provide trained workers for projects for the construction or reconstruction of public school facilities receiving funding assistance under an applicable program.

“(C) The program is designed to ensure that skilled workers (residing in the area to be served by the school facilities) will be available for the construction or reconstruction work.

“(2) COORDINATION.—The specialized program established under paragraph (1) shall

be integrated with other activities under this Act, with the activities carried out under the National Apprenticeship Act of 1937 by the State Apprenticeship Council or through the Bureau of Apprenticeship and Training in the Department of Labor, as appropriate, and with activities carried out under the Carl D. Perkins Vocational and Technical Education Act of 1998. Nothing in this subsection shall be construed to require services duplicative of those referred to in the preceding sentence.

“(3) APPLICABLE PROGRAM.—In this subsection, the term ‘applicable program’ has the meaning given the term in section 439(b) of the General Education Provisions Act (relating to labor standards).”

(2) STATE PLAN.—Section 112(b)(17)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2822(b)(17)(A)) is amended—

(A) in clause (iii), by striking “and” at the end;

(B) by redesignating clause (iv) as clause (v); and

(C) by inserting after clause (iii) the following:

“(iv) how the State will establish and carry out a specialized program of training under section 134(f); and”

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to obligations issued after December 31, 1999.

(2) CREDIT FOR CORPORATE CONTRIBUTIONS TO SPECIALIZED TRAINING CENTERS.—Section 1400I of the Internal Revenue Code of 1986 (as added by this section) shall apply to taxable years beginning after December 31, 1999.

(3) REPEAL OF RESTRICTION ON ZONE ACADEMY BOND HOLDERS.—In the case of bonds to which section 1397E of the Internal Revenue Code of 1986 (as in effect before the date of the enactment of this Act) applies, the limitation of such section to eligible taxpayers (as defined in subsection (d)(6) of such section) shall not apply after the date of the enactment of this Act.

(4) APPLICATION OF LABOR STANDARDS; TRAINING PROGRAM.—The amendments made by subsections (e) and (f) shall take effect on the date of the enactment of this Act.

#### SEC. 202. EXTENSION OF EXCLUSION FOR EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE; EXCLUSION TO APPLY TO ASSISTANCE FOR GRADUATE EDUCATION.

(a) PERMANENT EXTENSION.—Subsection (d) of section 127 is hereby repealed.

(b) EXCLUSION TO APPLY TO GRADUATE STUDENTS.—The last sentence of section 127(c)(1) is amended by striking “hobbies” and all that follows and inserting “hobbies.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to courses beginning after May 31, 2000.

### TITLE III—INCENTIVES FOR HEALTH CARE AND LONG-TERM CARE

#### SEC. 301. LONG-TERM CARE TAX CREDIT.

(a) ALLOWANCE OF CREDIT.—

(1) IN GENERAL.—Section 24(a) (relating to allowance of child tax credit) is amended to read as follows:

“(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

“(1) \$500 multiplied by the number of qualifying children of the taxpayer, plus

“(2) \$1,000 multiplied by the number of applicable individuals with respect to whom the taxpayer is an eligible caregiver for the taxable year.”

(2) ADDITIONAL CREDIT FOR TAXPAYER WITH 3 OR MORE SEPARATE CREDIT AMOUNTS.—So

much of section 24(d) as precedes paragraph (1)(A) thereof is amended to read as follows: “(d) ADDITIONAL CREDIT FOR TAXPAYERS WITH 3 OR MORE SEPARATE CREDIT AMOUNTS.—

“(1) IN GENERAL.—If the sum of the number of qualifying children of the taxpayer and the number of applicable individuals with respect to which the taxpayer is an eligible caregiver is 3 or more for any taxable year, the aggregate credits allowed under subpart C shall be increased by the lesser of—”

(3) CONFORMING AMENDMENTS.—

(A) The heading for section 32(n) is amended by striking “CHILD” and inserting “FAMILY CARE”.

(B) The heading for section 24 is amended to read as follows:

“SEC. 24. FAMILY CARE CREDIT.”

(C) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 24 and inserting the following new item:

“Sec. 24. Family care credit.”

(b) DEFINITIONS.—Section 24(c) (defining qualifying child) is amended to read as follows:

“(c) DEFINITIONS.—For purposes of this section—

“(1) QUALIFYING CHILD.—

“(A) IN GENERAL.—The term ‘qualifying child’ means any individual if—

“(i) the taxpayer is allowed a deduction under section 151 with respect to such individual for the taxable year,

“(ii) such individual has not attained the age of 17 as of the close of the calendar year in which the taxable year of the taxpayer begins, and

“(iii) such individual bears a relationship to the taxpayer described in section 32(c)(3)(B).

“(B) EXCEPTION FOR CERTAIN NONCITIZENS.—The term ‘qualifying child’ shall not include any individual who would not be a dependent if the first sentence of section 152(b)(3) were applied without regard to all that follows ‘resident of the United States’.

“(2) APPLICABLE INDIVIDUAL.—

“(A) IN GENERAL.—The term ‘applicable individual’ means, with respect to any taxable year, any individual who has been certified, before the due date for filing the return of tax for the taxable year (without extensions), by a physician (as defined in section 1861(r)(1) of the Social Security Act) as being an individual with long-term care needs described in subparagraph (B) for a period—

“(i) which is at least 180 consecutive days, and

“(ii) a portion of which occurs within the taxable year.

Such term shall not include any individual otherwise meeting the requirements of the preceding sentence unless within the 39½ month period ending on such due date (or such other period as the Secretary prescribes) a physician (as so defined) has certified that such individual meets such requirements.

“(B) INDIVIDUALS WITH LONG-TERM CARE NEEDS.—An individual is described in this subparagraph if the individual meets any of the following requirements:

“(i) The individual is at least 6 years of age and—

“(I) is unable to perform (without substantial assistance from another individual) at least 3 activities of daily living (as defined in section 7702B(c)(2)(B)) due to a loss of functional capacity, or

“(II) requires substantial supervision to protect such individual from threats to

health and safety due to severe cognitive impairment and is unable to perform at least 1 activity of daily living (as so defined) or to the extent provided in regulations prescribed by the Secretary (in consultation with the Secretary of Health and Human Services), is unable to engage in age appropriate activities.

“(ii) The individual is at least 2 but not 6 years of age and is unable due to a loss of functional capacity to perform (without substantial assistance from another individual) at least 2 of the following activities: eating, transferring, or mobility.

“(iii) The individual is under 2 years of age and requires specific durable medical equipment by reason of a severe health condition or requires a skilled practitioner trained to address the individual’s condition to be available if the individual’s parents or guardians are absent.

“(3) ELIGIBLE CAREGIVER.—

“(A) IN GENERAL.—A taxpayer shall be treated as an eligible caregiver for any taxable year with respect to the following individuals:

“(i) The taxpayer.

“(ii) The taxpayer’s spouse.

“(iii) An individual with respect to whom the taxpayer is allowed a deduction under section 151 for the taxable year.

“(iv) An individual who would be described in clause (iii) for the taxable year if section 151(c)(1)(A) were applied by substituting for the exemption amount an amount equal to the sum of the exemption amount the standard deduction under section 63(c)(2)(C), and any additional standard deduction under section 63(c)(3) which would be applicable to the individual if clause (iii) applied.

“(v) An individual who would be described in clause (iii) for the taxable year if—

“(I) the requirements of clause (iv) are met with respect to the individual, and

“(II) the requirements of subparagraph (B) are met with respect to the individual in lieu of the support test of section 152(a).

“(B) RESIDENCY TEST.—The requirements of this subparagraph are met if an individual has as his principal place of abode the home of the taxpayer and—

“(i) in the case of an individual who is an ancestor or descendant of the taxpayer or the taxpayer’s spouse, is a member of the taxpayer’s household for over half the taxable year, or

“(ii) in the case of any other individual, is a member of the taxpayer’s household for the entire taxable year.

“(C) SPECIAL RULES WHERE MORE THAN 1 ELIGIBLE CAREGIVER.—

“(i) IN GENERAL.—If more than 1 individual is an eligible caregiver with respect to the same applicable individual for taxable years ending with or within the same calendar year, a taxpayer shall be treated as the eligible caregiver if each such individual (other than the taxpayer) files a written declaration (in such form and manner as the Secretary may prescribe) that such individual will not claim such applicable individual for the credit under this section.

“(ii) NO AGREEMENT.—If each individual required under clause (i) to file a written declaration under clause (i) does not do so, the individual with the highest modified adjusted gross income (as defined in section 32(c)(5)) shall be treated as the eligible caregiver.

“(iii) MARRIED INDIVIDUALS FILING SEPARATELY.—In the case of married individuals filing separately, the determination under this subparagraph as to whether the husband or wife is the eligible caregiver shall be made



under the rules of clause (ii) (whether or not one of them has filed a written declaration under clause (i)).”

(c) IDENTIFICATION REQUIREMENTS.—

(1) IN GENERAL.—Section 24(e) is amended by adding at the end the following new sentence: “No credit shall be allowed under this section to a taxpayer with respect to any applicable individual unless the taxpayer includes the name and taxpayer identification number of such individual, and the identification number of the physician certifying such individual, on the return of tax for the taxable year.”

(2) ASSESSMENT.—Section 6213(g)(2)(I) is amended—

(A) by inserting “or physician identification” after “correct TIN”, and

(B) by striking “child” and inserting “family care”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 302. DEDUCTION FOR 100 PERCENT OF HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.**

(a) IN GENERAL.—Paragraph (1) of section 162(l) is amended to read as follows:

“(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to 100 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

**TITLE IV—PERMANENT EXTENSION OF CERTAIN EXPIRING PROVISIONS**

**SEC. 401. RESEARCH CREDIT.**

(a) PERMANENT EXTENSION.—

(1) IN GENERAL.—Section 41 is amended by striking subsection (h).

(2) CONFORMING AMENDMENT.—Paragraph (1) of section 45C(b) is amended by striking subparagraph (D).

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1999.

(b) INCREASE IN PERCENTAGES UNDER ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) is amended—

(A) by striking “1.65 percent” and inserting “2.65 percent”;

(B) by striking “2.2 percent” and inserting “3.2 percent”;

(C) by striking “2.75 percent” and inserting “3.75 percent”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1999.

**SEC. 402. WORK OPPORTUNITY AND WELFARE-TO-WORK CREDITS.**

(a) WORK OPPORTUNITY CREDIT.—Subsection (c) of section 51 is amended by striking paragraph (4).

(b) WELFARE-TO-WORK CREDIT.—Section 51A is amended by striking subsection (f).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after June 30, 1999.

**SEC. 403. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.**

(a) EXEMPT INSURANCE INCOME.—Section 953(e) is amended by striking paragraph (10) and by redesignating paragraph (11) as paragraph (10).

(b) FOREIGN PERSONAL HOLDING COMPANY INCOME.—Section 954(h) is amended by striking paragraph (9).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 404. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.**

Section 198 is amended by striking subsection (h).

**TITLE V—COMMUNITY DEVELOPMENT INITIATIVES**

**SEC. 501. INCREASE IN STATE CEILING ON LOW-INCOME HOUSING CREDIT.**

(a) IN GENERAL.—Clause (i) of section 42(h)(3)(C) is amended by striking “\$1.25” and inserting “\$1.75”.

(b) ADJUSTMENT OF STATE CEILING FOR INCREASES IN COST-OF-LIVING.—Paragraph (3) of section 42(h) (relating to housing credit dollar amount for agencies) is amended by adding at the end the following new subparagraph:

“(H) COST-OF-LIVING ADJUSTMENT.—

“(i) IN GENERAL.—In the case of a calendar year after 2000, the dollar amount contained in subparagraph (C)(i) shall be increased by an amount equal to—

“(I) such dollar amount, multiplied by

“(II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting ‘calendar year 1999’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(ii) ROUNDING.—If any increase under clause (i) is not a multiple of 5 cents, such increase shall be rounded to the next lowest multiple of 5 cents.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 1999.

**SEC. 502. NEW MARKETS TAX CREDIT.**

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits) is amended by adding at the end the following new section:

**“SEC. 45D. NEW MARKETS TAX CREDIT.**

“(a) ALLOWANCE OF CREDIT.—

“(1) IN GENERAL.—For purposes of section 38, in the case of a taxpayer who holds a qualified equity investment on a credit allowance date of such investment which occurs during the taxable year, the new markets tax credit determined under this section for such taxable year is an amount equal to 6 percent of the amount paid to the qualified community development entity for such investment at its original issue.

“(2) CREDIT ALLOWANCE DATE.—The term ‘credit allowance date’ means, with respect to any qualified equity investment—

“(A) the date on which such investment is initially made, and

“(B) each of the 4 anniversary dates of such date thereafter.

“(b) QUALIFIED EQUITY INVESTMENT.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified equity investment’ means any equity investment in a qualified community development entity if—

“(A) such investment is acquired by the taxpayer at its original issue (directly or through an underwriter) solely in exchange for cash,

“(B) substantially all of such cash is used by the qualified community development entity to make qualified low-income community investments, and

“(C) such investment is designated for purposes of this section by the qualified community development entity.

Such term shall not include any equity investment issued by a qualified community development entity more than 5 years after the date that such entity receives an alloca-

tion under subsection (f). Any allocation not used within such 5-year period may be reallocated by the Secretary under subsection (f).

“(2) LIMITATION.—The maximum amount of equity investments issued by a qualified community development entity which may be designated under paragraph (1)(C) by such entity shall not exceed the portion of the limitation amount allocated under subsection (f) to such entity.

“(3) SAFE HARBOR FOR DETERMINING USE OF CASH.—The requirement of paragraph (1)(B) shall be treated as met if at least 85 percent of the aggregate gross assets of the qualified community development entity are invested in qualified low-income community investments.

“(4) TREATMENT OF SUBSEQUENT PURCHASERS.—The term ‘qualified equity investment’ includes any equity investment which would (but for paragraph (1)(A)) be a qualified equity investment in the hands of the taxpayer if such investment was a qualified equity investment in the hands of a prior holder.

“(5) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this subsection.

“(6) EQUITY INVESTMENT.—The term ‘equity investment’ means—

“(A) any stock in a qualified community development entity which is a corporation, and

“(B) any capital interest in a qualified community development entity which is a partnership.

“(c) QUALIFIED COMMUNITY DEVELOPMENT ENTITY.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified community development entity’ means any domestic corporation or partnership if—

“(A) the primary mission of the entity is serving, or providing investment capital for, low-income communities or low-income persons,

“(B) the entity maintains accountability to residents of low-income communities through representation on governing or advisory boards or otherwise, and

“(C) the entity is certified by the Secretary for purposes of this section as being a qualified community development entity.

“(2) SPECIAL RULES FOR CERTAIN ORGANIZATIONS.—The requirements of paragraph (1) shall be treated as met by—

“(A) any specialized small business investment company (as defined in section 1044(c)(3)), and

“(B) any community development financial institution (as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702)).

“(d) QUALIFIED LOW-INCOME COMMUNITY INVESTMENTS.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified low-income community investment’ means—

“(A) any equity investment in, or loan to, any qualified active low-income community business,

“(B) the purchase from another community development entity of any loan made by such entity which is a qualified low-income community investment if the amount received by such other entity from such purchase is used by such other entity to make qualified low-income community investments,

“(C) financial counseling and other services specified in regulations prescribed by the Secretary to businesses located in, and residents of, low-income communities, and

“(D) any equity investment in, or loan to, any qualified community development entity if substantially all of the investment or

loan is used by such entity to make qualified low-income community investments described in subparagraphs (A), (B), and (C).

“(2) QUALIFIED ACTIVE LOW-INCOME COMMUNITY BUSINESS.—

“(A) IN GENERAL.—For purposes of paragraph (1), the term ‘qualified active low-income community business’ means, with respect to any taxable year, any corporation or partnership if for such year—

“(i) at least 50 percent of the total gross income of such entity is derived from the active conduct of a qualified business within any low-income community,

“(ii) a substantial portion of the use of the tangible property of such entity (whether owned or leased) is within any low-income community,

“(iii) a substantial portion of the services performed for such entity by its employees are performed in any low-income community,

“(iv) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

“(v) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to non-qualified financial property (as defined in section 1397B(e)).

“(B) PROPRIETORSHIP.—Such term shall include any business carried on by an individual as a proprietor if such business would meet the requirements of subparagraph (A) were it incorporated.

“(C) PORTIONS OF BUSINESS MAY BE QUALIFIED ACTIVE LOW-INCOME COMMUNITY BUSINESS.—The term ‘qualified active low-income community business’ includes any trades or businesses which would qualify as a qualified active low-income community business if such trades or businesses were separately incorporated.

“(3) QUALIFIED BUSINESS.—For purposes of this subsection, the term ‘qualified business’ has the meaning given to such term by section 1397B(d); except that—

“(A) in lieu of applying paragraph (2)(B) thereof, the rental to others of real property located in any low-income community shall be treated as a qualified business if there are substantial improvements located on such property,

“(B) paragraph (3) thereof shall not apply, and

“(C) such term shall not include any business if a significant portion of the equity interests in such business are held by any person who holds a significant portion of the equity investments in the community development entity.

“(e) LOW-INCOME COMMUNITY.—For purposes of this section—

“(1) IN GENERAL.—The term ‘low-income community’ means any population census tract if—

“(A) the poverty rate for such tract is at least 20 percent, or

“(B)(i) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or

“(ii) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income.

“(2) AREAS NOT WITHIN CENSUS TRACTS.—In the case of an area which is not tracted for

population census tracts, the equivalent county divisions (as defined by the Bureau of the Census for purposes of defining poverty areas) shall be used for purposes of determining poverty rates and median family income.

“(f) NATIONAL LIMITATION ON AMOUNT OF INVESTMENTS DESIGNATED.—

“(1) IN GENERAL.—There is a new markets tax credit limitation of \$1,200,000,000 for each of calendar years 2000 through 2004.

“(2) ALLOCATION OF LIMITATION.—The limitation under paragraph (1) shall be allocated by the Secretary among qualified community development entities selected by the Secretary. In making allocations under the preceding sentence, the Secretary shall give priority to entities with records of having successfully provided capital or technical assistance to disadvantaged businesses or communities.

“(3) CARRYOVER OF UNUSED LIMITATION.—If the new markets tax credit limitation for any calendar year exceeds the aggregate amount allocated under paragraph (2) for such year, such limitation for the succeeding calendar year shall be increased by the amount of such excess.

“(g) RECAPTURE OF CREDIT IN CERTAIN CASES.—

“(1) IN GENERAL.—If, at any time during the 5-year period beginning on the date of the original issue of a qualified equity investment in a qualified community development entity, there is a recapture event with respect to such investment, then the tax imposed by this chapter for the taxable year in which such event occurs shall be increased by the credit recapture amount.

“(2) CREDIT RECAPTURE AMOUNT.—For purposes of paragraph (1), the credit recapture amount is an amount equal to the sum of—

“(A) the aggregate decrease in the credits allowed to the taxpayer under section 38 for all prior taxable years which would have resulted if no credit had been determined under this section with respect to such investment, plus

“(B) interest at the overpayment rate established under section 6611 on the amount determined under subparagraph (A) for each prior taxable year for the period beginning on the due date for filing the return for the prior taxable year involved.

No deduction shall be allowed under this chapter for interest described in subparagraph (B).

“(3) RECAPTURE EVENT.—For purposes of paragraph (1), there is a recapture event with respect to an equity investment in a qualified community development entity if—

“(A) such entity ceases to be a qualified community development entity,

“(B) the proceeds of the investment cease to be used as required of subsection (b)(1)(B), or

“(C) such investment is redeemed by such entity.

“(4) SPECIAL RULES.—

“(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

“(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.

“(h) BASIS REDUCTION.—The basis of any qualified equity investment shall be reduced

by the amount of any credit determined under this section with respect to such investment.

“(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations—

“(1) which limit the credit for investments which are directly or indirectly subsidized by other Federal benefits (including the credit under section 42 and the exclusion from gross income under section 103),

“(2) which prevent the abuse of the provisions of this section through the use of related parties,

“(3) which impose appropriate reporting requirements,

“(4) which apply the provisions of this section to newly formed entities.”

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 38 is amended by striking “plus” at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting “, plus”, and by adding at the end the following new paragraph:

“(14) the new markets tax credit determined under section 45D(a).”

(2) LIMITATION ON CARRYBACK.—Subsection (d) of section 39 is amended by adding at the end the following new paragraph:

“(10) NO CARRYBACK OF NEW MARKETS TAX CREDIT BEFORE JANUARY 1, 2000.—No portion of the unused business credit for any taxable year which is attributable to the credit under section 45D may be carried back to a taxable year ending before January 1, 2000.”

(c) DEDUCTION FOR UNUSED CREDIT.—Subsection (c) of section 196 is amended by striking “and” at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting “, and”, and by adding at the end the following new paragraph:

“(9) the new markets tax credit determined under section 45D(a).”

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

“Sec. 45D. New markets tax credit.”

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to investments made after December 31, 1999.

#### SEC. 503. CREDIT TO HOLDERS OF BETTER AMERICA BONDS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

#### “SEC. 30B. CREDIT TO HOLDERS OF BETTER AMERICA BONDS.

“(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a Better America Bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

“(b) AMOUNT OF CREDIT.—

“(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a Better America Bond is 25 percent of the annual credit determined with respect to such bond.

“(2) ANNUAL CREDIT.—The annual credit determined with respect to any Better America Bond is the product of—

“(A) the applicable credit rate, multiplied by

“(B) the outstanding face amount of the bond.

“(3) APPLICABLE CREDIT RATE.—For purposes of paragraph (1), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the day before the date of issuance of the issue) on outstanding long-term corporate debt obligations (determined under regulations prescribed by the Secretary).

“(4) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

“(c) BETTER AMERICA BOND.—For purposes of this section—

“(1) IN GENERAL.—The term ‘Better America Bond’ means any bond issued as part of an issue if—

“(A) 95 percent or more of the proceeds of such issue are to be used for any qualified purpose,

“(B) the bond is issued by a State or local government within the jurisdiction of which the qualified purpose of the issue is to be carried out,

“(C) the issuer designates such bond for purposes of this section,

“(D) the term of each bond which is part of such issue does not exceed 15 years,

“(E) the requirements of section 147(f) are met with respect to such issue, and

“(F) except in the case of the proceeds of such issue which are to be used for the qualified purpose described in paragraph (2)(A)(iv), the payment of the principal of such issue is secured by taxes of general applicability imposed by a general purpose governmental unit.

“(2) QUALIFIED PURPOSE.—

“(A) IN GENERAL.—The term ‘qualified purpose’ means any of the following:

“(i) The acquisition of land for use as open space, wetlands, public parks, or greenways, and the provision of visitor facilities (such as campgrounds and hiking or biking trails) for land so used, but only if—

“(I) such land and facilities are to be owned by the issuer or a qualified owner, and

“(II) the initial owner of such land and facilities records pursuant to State law a qualified restrictive covenant with respect to such land and facilities.

“(ii) The remediation of land acquired under clause (i) (or other publicly owned land) to enhance water quality by—

“(I) restoring hydrology or planting trees or other vegetation,

“(II) undertaking reasonable measures to control erosion,

“(III) restoring wetlands, or

“(IV) remediating conditions caused by the prior disposal of toxic or other waste.

“(iii) The acquisition by the issuer or any qualified owner of any restriction on privately owned open land which prevents commercial development and any substantial change in the use or character of the land if such restriction would, if contributed by the owner of the open land to a qualified organization (as defined in section 170(h)(3)), be a qualified conservation contribution (as defined in section 170(h)).

“(iv) The environmental assessment and remediation of real property owned by any State or local government if—

“(I) such property was acquired by such government as a result of being abandoned by the prior owner, and

“(II) such property is located in an area at or on which there has been a release (or threat of release) or disposal of any hazardous substance (as defined in section 198).

“(B) REMEDIATION OF NATIONAL PRIORITIES LISTED SITES NOT QUALIFIED PURPOSE.—Subparagraph (A)(ii) shall not apply to remediation of any site which is on, or proposed for, the national priorities list under section 105(a)(8)(B) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

“(C) QUALIFIED OWNER.—For purposes of this paragraph, the term ‘qualified owner’ means any organization described in section 501(c)(3) whose exempt purpose includes environmental protection.

“(D) QUALIFIED RESTRICTIVE COVENANT.—For purposes of subparagraph (A)(i)(II), the term ‘qualified restrictive covenant’ means, with respect to land or facilities, any covenant which prohibits the person who owns such land or facilities at the end of the term of the bond from selling or otherwise permitting a use of such land or facilities which is not described in subparagraph (A) unless—

“(i) a reasonable period is allowed for a qualified owner to purchase such land or facilities,

“(ii) the purchase price is not greater than the price originally paid in conjunction with the expenditure of bond proceeds, and

“(iii) the purchaser records pursuant to State law a covenant with respect to the purchased land and facilities which protects in perpetuity the use of such land and facilities for a use described in subparagraph (A).

“(3) PUBLIC AVAILABILITY REQUIREMENT, ETC.—

“(A) IN GENERAL.—The term ‘Better America Bond’ shall not include any bond which is part of an issue if—

“(i) any portion of the proceeds of the issue are to be used for any private business use (as defined in section 141(b)(6)), or

“(ii) the payment of the principal of, or the interest on, any portion of such proceeds is (under the terms of such issue or any underlying arrangement) directly or indirectly secured or to be derived as described in subparagraph (A) or (B) of section 141(b)(2).

“(B) EXCEPTION.—Subparagraph (A) shall not apply to proceeds used for a qualified purpose described in paragraph (2)(A)(iv).

“(d) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

“(1) IN GENERAL.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (c)(1) by any issuer shall not exceed the limitation amount allocated under paragraph (3) for such calendar year to such issuer.

“(2) NATIONAL LIMITATION ON AMOUNT OF BONDS DESIGNATED.—There is a national Better America Bond limitation for each calendar year. Such limitation is—

“(A) \$1,900,000,000 for each of calendar years 2000, 2001, 2002, 2003, and 2004, and

“(B) except as provided in paragraph (4), zero after 2004.

“(3) ALLOCATION OF LIMITATION AMONG STATES AND LOCAL GOVERNMENTS.—

“(A) IN GENERAL.—The national Better America Bond limitation for any calendar year shall be allocated by the EPA Administrator to States and local governments having approved applications. As part of the competitive application process, the Environmental Protection Agency should, when possible, allocate such limitation on a per capita basis.

“(B) APPROVED APPLICATION.—For purposes of subparagraph (A), the term ‘approved ap-

plication’ means an application which is approved by the EPA Administrator and includes such information as the EPA Administrator shall specify.

“(4) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

“(A) the amount allocated under paragraph (4) to any State or local government, exceeds

“(B) the amount of bonds issued during such year which are designated under subsection (c)(1) pursuant to such allocation, the limitation amount under paragraph (3) for such State or local government for the following calendar year shall be increased by the amount of such excess.

“(e) LIMITATION BASED ON AMOUNT OF TAX.—

“(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

“(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

“(B) the sum of the credits allowable under part IV of subchapter A (other than subpart C thereof, relating to refundable credits).

“(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

“(f) OTHER DEFINITIONS.—For purposes of this section—

“(1) CREDIT ALLOWANCE DATE.—The term ‘credit allowance date’ means—

“(A) March 15,

“(B) June 15,

“(C) September 15, and

“(D) December 15.”

Such term includes the last day on which the bond is outstanding.

“(2) BOND.—The term ‘bond’ includes any obligation.

“(3) STATE.—The term ‘State’ includes the District of Columbia, any possession of the United States, and any Indian tribal government (within the meaning of section 7871).

“(4) LOCAL GOVERNMENT.—The term ‘local government’ means—

“(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State, and

“(B) any combination of political subdivisions described in subparagraph (A) recognized by the EPA Administrator.

“(5) EPA ADMINISTRATOR.—The term ‘EPA Administrator’ means the Administrator of the Environmental Protection Agency.

“(g) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (e)) and the amount so included shall be treated as interest income.

“(h) SPECIAL RULES RELATING TO ARBITRAGE.—

“(1) IN GENERAL.—A bond shall not be treated as failing to meet the requirements of subsection (c)(1) solely by reason of the fact that the proceeds of the issue of which such bond is a part are invested for a temporary period (but not more than 36 months) until such proceeds are needed for the purpose for which such issue was issued.

“(2) REASONABLE EXPECTATION AND BINDING COMMITMENT REQUIREMENTS.—Paragraph (1) shall apply to an issue only if, as of the date of issuance—

“(A) the issuer reasonably expects that—

“(i) at least 95 percent of the proceeds of the issue will be spent for a qualified purpose within the 3-year period beginning on such date, and

“(ii) property financed with such proceeds will be used for qualified purposes for at least 15 years after being so financed.

“(B) there is a binding commitment with a third party to spend at least 10 percent of the proceeds of the issue for qualified purposes within the 6-month period beginning on such date, and

“(C) the issuer reasonably expects that the remaining proceeds of the issue will be spent with due diligence for qualified purposes.

“(3) EARNINGS ON PROCEEDS.—Any earnings on proceeds during the temporary period shall be treated as proceeds of the issue for purposes of applying subsection (c)(1) and paragraph (1) of this subsection.

“(i) DENIAL OF DEDUCTION FOR ENVIRONMENTAL REMEDIATION EXPENDITURES.—Expenditures financed by any Better America Bond shall not be allowed as a deduction under section 198.

“(j) OTHER SPECIAL RULES.—

“(1) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any Better America Bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

“(2) CREDITS MAY BE STRIPPED.—Under regulations prescribed by the Secretary—

“(A) IN GENERAL.—There may be a separation (including at issuance) of the ownership of a Better America Bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

“(B) CERTAIN RULES TO APPLY.—In the case of a separation described in subparagraph (A), the rules of section 1286 shall apply to the Better America Bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

“(3) TREATMENT FOR ESTIMATED TAX PURPOSES.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a Better America Bond on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

“(4) CREDIT MAY BE TRANSFERRED.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

“(5) REPORTING.—Issuers of Better America Bonds shall submit reports similar to the reports required under section 149(e).

“(k) RECAPTURE OF PORTION OF CREDIT WHERE CESSATION OF QUALIFIED USE.—

“(1) IN GENERAL.—If any bond which when issued purported to be a Better America Bond ceases to meet the requirements of subsection (c), the issuer shall pay to the United States (at the time required by the Secretary) an amount equal to the aggregate of the credits allowable under this section (determined without regard to subsection (e)) for taxable years ending during the calendar year in which such cessation occurs and the 2 preceding calendar years.

“(2) FAILURE TO PAY.—If the issuer fails to timely pay the amount required by paragraph (1) with respect to any issue, the tax imposed by this chapter on each holder of any bond which is part of such issue shall be increased (for the taxable year of the holder in which such cessation occurs) by the aggregate decrease in the credits allowed under

this section to such holder for taxable years beginning in such 3 calendar years which would have resulted solely from denying any credit under this section with respect to such issue for such taxable years.

“(3) SPECIAL RULES.—

“(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (2) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

“(B) NO CREDITS AGAINST TAX.—Any increase in tax under paragraph (2) shall not be treated as a tax imposed by this chapter for purposes of determining—

“(i) the amount of any credit allowable under this part, or

“(ii) the amount of the tax imposed by section 55.

“(l) TERMINATION.—This section shall not apply to any bond issued after December 31, 2004.”

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

“(8) REPORTING OF CREDIT ON BETTER AMERICA BONDS.—

“(A) IN GENERAL.—For purposes of subsection (a), the term ‘interest’ includes amounts includible in gross income under section 30B(g) and such amounts shall be treated as paid on the credit allowance date (as defined in section 30B(f)(1)).

“(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

“(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.”

(c) CONFORMING AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

“Sec. 30B. Credit to holders of Better America Bonds.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 1999.

(e) GUIDELINES FOR APPLICATIONS.—Not later than January 1, 2000, guidelines specifying the criteria to be used in approving applications under section 30B(d)(3) of the Internal Revenue Code of 1986 (as added by this Act) shall be developed and published by the Administrator of the Environmental Protection Agency in the Federal Register.

#### TITLE VI—SMALL BUSINESS INCENTIVES

##### SEC. 601. ACCELERATION OF \$1,000,000 ESTATE TAX EXCLUSION.

(a) ESTATE TAX CREDIT.—

(1) Subsection (a) of section 2010 (relating to unified credit against estate tax) is amended by striking “the applicable credit amount” and inserting “\$345,800”.

(2) Paragraph (2) of section 2001(c) is amended by striking “\$10,000,000” and all that follows and inserting “\$10,000,000. The amount of the increase under the preceding sentence shall not exceed \$705,000.”

(3)(A) Subparagraph (A) of section 2057(a)(3) is amended by striking “the applicable exclusion amount under section 2010

shall be \$625,000” and inserting “the credit under section 2010 shall be \$202,050”.

(B) Subparagraph (B) of section 2057(a)(3) is amended to read as follows:

“(B) INCREASE IN UNIFIED CREDIT IF DEDUCTION IS LESS THAN \$675,000.—If the deduction allowed by this section is less than \$675,000, the amount of the credit under section 2010 shall be equal to the lesser of \$345,800 or the tentative tax which would be determined under the rate schedule set forth in section 2001(c) if the amount with respect to which such tentative tax is computed were equal to the sum of—

“(i) the excess of \$675,000 over the amount of the deduction allowed, and

“(ii) \$625,000.”

(4) Subparagraph (A) of section 2102(c)(3) is amended by striking “the applicable credit amount in effect under section 2010(c) for the calendar year which includes the date of death” and inserting “\$345,800”.

(5) Paragraph (1) of section 6018(a) is amended by striking “the applicable exclusion amount in effect under section 2010(c) for the calendar year which includes the date of death” and inserting “\$1,000,000”.

(6)(A) Subparagraph (A) of section 6601(j)(2) is amended to read as follows:

“(A) \$345,800, or”.

(B) Paragraph (3) of section 6601(j) is amended—

(i) by striking “\$1,000,000” each place it occurs and inserting “\$345,800”, and

(ii) by striking “\$10,000” each place it appears and inserting “\$1,000”.

(b) UNIFIED GIFT TAX CREDIT.—Paragraph (1) of section 2505(a) is amended to read as follows:

“(1) \$345,800, reduced by”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to the estates of decedents dying, and gifts made, after December 31, 1999.

#### SEC. 602. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) IN GENERAL.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

“(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed \$30,000.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

#### TITLE VII—PENSION PROVISIONS

##### SEC. 701. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

“(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.”.

(b) EXEMPTION FOR SURVIVOR AND DISABILITY BENEFITS.—Subparagraph (I) of section 415(b)(2) (relating to limitation for defined benefit plans) is amended—

(1) by inserting “or a multiemployer plan (as defined in section 414(f))” after “section 414(d))” in clause (i),

(2) by inserting “or multiemployer plan” after “governmental plan” in clause (ii), and

(3) by inserting “AND MULTIEMPLOYER” after “GOVERNMENTAL” in the heading.

(c) COMBINING AND AGGREGATION OF PLANS.—

(1) COMBINING OF PLANS.—Subsection (f) of section 415 (relating to combining of plans) is amended by adding at the end the following:

“(3) EXCEPTION FOR MULTIEMPLOYER PLANS.—Notwithstanding paragraph (1) and subsection (g), a multiemployer plan (as defined in section 414(f)) shall not be combined or aggregated with any other plan maintained by an employer for purposes of applying the limitations established in this section, except that such plan shall be combined or aggregated with another plan which is not such a multiemployer plan solely for purposes of determining whether such other plan meets the requirements of subsection (b)(1)(A).”.

(2) CONFORMING AMENDMENT FOR AGGREGATION OF PLANS.—Subsection (g) of section 415 (relating to aggregation of plans) is amended by striking “The Secretary” and inserting “Except as provided in subsection (f)(3), the Secretary”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

**SEC. 702. ACTUARIAL REDUCTION ONLY FOR BENEFITS BEGINNING BEFORE AGE 62 IN CASE OF BENEFITS UNDER MULTIEMPLOYER PLANS.**

(A) IN GENERAL.—Subparagraph (F) of section 415(b)(2) is amended to read as follows:

“(F) MULTIEMPLOYER PLANS AND PLANS MAINTAINED BY GOVERNMENTS AND TAX EXEMPT ORGANIZATIONS.—

“(i) IN GENERAL.—In the case of a governmental plan (within the meaning of section 414(d)), a plan maintained by an organization (other than a governmental unit) exempt from tax under this subtitle, a multiemployer plan (as defined in section 414(f)), or a qualified merchant marine plan—

“(I) subparagraph (C) shall be applied by substituting ‘age 62’ for ‘social security retirement age’ each place it appears, and as if the last sentence thereof read as follows: ‘The reduction under this subparagraph shall not reduce the limitation of paragraph (1)(A) below (i) \$75,000 if the benefit begins at or after age 55, or (ii) if the benefit begins before age 55, the equivalent of the \$75,000 limitation for age 55.’, and

“(II) subparagraph (D) shall be applied by substituting ‘age 65’ for ‘social security retirement age’ each place it appears.

“(ii) SPECIAL RULE FOR MULTIEMPLOYER PLANS.—In the case of a multiemployer plan (as so defined), the \$75,000 amount referred to in clause (i)(I) shall in no event be less than the amount equal to 80 percent of the dollar limit under paragraph (1)(A).

“(iii) DEFINITIONS.—For purposes of this subparagraph—

“(I) QUALIFIED MERCHANT MARINE PLAN.—The term ‘qualified merchant marine plan’ means a plan in existence on January 1, 1986, the participants in which are merchant marine officers holding licenses issued by the Secretary of Transportation under title 46, United States Code.

“(II) EXEMPT ORGANIZATION PLAN COVERING 50 PERCENT OF ITS EMPLOYEES.—A plan shall be treated as a plan maintained by an organization (other than a governmental unit) exempt from tax under this subtitle if at least 50 percent of the employees benefiting under the plan are employees of an organization (other than a governmental unit) exempt from tax under this subtitle. If less than 50 percent of the employees benefiting under a plan are employees of an organization (other than a governmental unit) exempt from tax under this subtitle, the plan shall be treated as a plan maintained by an organization (other than a governmental unit) exempt from tax under this subtitle only with respect to employees of such an organization.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 1999.

**TITLE VIII—REVENUE OFFSETS**

**SEC. 801. RETURNS RELATING TO CANCELLATIONS OF INDEBTEDNESS BY ORGANIZATIONS LENDING MONEY.**

(a) IN GENERAL.—Paragraph (2) of section 6050P(c) (relating to definitions and special rules) is amended by striking “and” at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting “, and”, and by inserting after subparagraph (C) the following new subparagraph:

“(D) any organization a significant trade or business of which is the lending of money.”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to discharges of indebtedness after December 31, 1999.

**SEC. 802. EXTENSION OF INTERNAL REVENUE SERVICE USER FEES.**

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

**“SEC. 7527. INTERNAL REVENUE SERVICE USER FEES.**

“(a) GENERAL RULE.—The Secretary shall establish a program requiring the payment of user fees for—

“(1) requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters, and

“(2) other similar requests.

“(b) PROGRAM CRITERIA.—

“(1) IN GENERAL.—The fees charged under the program required by subsection (a)—

“(A) shall vary according to categories (or subcategories) established by the Secretary,

“(B) shall be determined after taking into account the average time for (and difficulty of) complying with requests in each category (and subcategory), and

“(C) shall be payable in advance.

“(2) EXEMPTIONS, ETC.—The Secretary shall provide for such exemptions (and reduced fees) under such program as the Secretary determines to be appropriate.

“(3) AVERAGE FEE REQUIREMENT.—The average fee charged under the program required by subsection (a) shall not be less than the amount determined under the following table:

Category	Average Fee
Employee plan ruling and opinion ..	\$250
Exempt organization ruling .....	\$350
Employee plan determination .....	\$300
Exempt organization determination .....	\$275
Chief counsel ruling .....	\$200.

“(c) TERMINATION.—No fee shall be imposed under this section with respect to requests made after September 30, 2009.”

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for chapter 77 is amended by adding at the end the following new item:

“Sec. 7527. Internal Revenue Service user fees.”

(2) Section 10511 of the Revenue Act of 1987 is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to requests made after the date of the enactment of this Act.

**SEC. 803. LIMITATIONS ON WELFARE BENEFIT FUNDS OF 10 OR MORE EMPLOYER PLANS.**

(a) BENEFITS TO WHICH EXCEPTION APPLIES.—Section 419A(f)(6)(A) (relating to ex-

ception for 10 or more employer plans) is amended to read as follows:

“(A) IN GENERAL.—This subpart shall not apply to a welfare benefit fund which is part of a 10 or more employer plan if the only benefits provided through the fund are 1 or more of the following:

“(i) Medical benefits.

“(ii) Disability benefits.

“(iii) Group term life insurance benefits which do not provide for any cash surrender value or other money that can be paid, assigned, borrowed, or pledged for collateral for a loan.

The preceding sentence shall not apply to any plan which maintains experience-rating arrangements with respect to individual employers.”

(b) LIMITATION ON USE OF AMOUNTS FOR OTHER PURPOSES.—Section 4976(b) (defining disqualified benefit) is amended by adding at the end the following new paragraph:

“(5) SPECIAL RULE FOR 10 OR MORE EMPLOYER PLANS EXEMPTED FROM PREFUNDING LIMITS.—For purposes of paragraph (1)(C), if—

“(A) subpart D of part I of subchapter D of chapter 1 does not apply by reason of section 419A(f)(6) to contributions to provide 1 or more welfare benefits through a welfare benefit fund under a 10 or more employer plan, and

“(B) any portion of the welfare benefit fund attributable to such contributions is used for a purpose other than that for which the contributions were made,

then such portion shall be treated as reverting to the benefit of the employers maintaining the fund.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or accrued after June 9, 1999, in taxable years ending after such date.

**SEC. 804. INCREASE IN ELECTIVE WITHHOLDING RATE FOR NONPERIODIC DISTRIBUTIONS FROM DEFERRED COMPENSATION PLANS.**

(a) IN GENERAL.—Section 3405(b)(1) (relating to withholding) is amended by striking “10 percent” and inserting “15 percent”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to distributions after December 31, 1999.

**SEC. 805. CONTROLLED ENTITIES INELIGIBLE FOR REIT STATUS.**

(a) IN GENERAL.—Subsection (a) of section 856 (relating to definition of real estate investment trust) is amended by striking “and” at the end of paragraph (6), by redesignating paragraph (7) as paragraph (8), and by inserting after paragraph (6) the following new paragraph:

“(7) which is not a controlled entity (as defined in subsection (1)); and”.

(b) CONTROLLED ENTITY.—Section 856 is amended by adding at the end the following new subsection:

“(1) CONTROLLED ENTITY.—

“(1) IN GENERAL.—For purposes of subsection (a)(7), an entity is a controlled entity if, at any time during the taxable year, one person (other than a qualified entity)—

“(A) in the case of a corporation, owns stock—

“(i) possessing at least 50 percent of the total voting power of the stock of such corporation, or

“(ii) having a value equal to at least 50 percent of the total value of the stock of such corporation, or

“(B) in the case of a trust, owns beneficial interests in the trust which would meet the requirements of subparagraph (A) if such interests were stock.

“(2) QUALIFIED ENTITY.—For purposes of paragraph (1), the term ‘qualified entity’ means—

“(A) any real estate investment trust, and

“(B) any partnership in which one real estate investment trust owns at least 50 percent of the capital and profits interests in the partnership.

“(3) ATTRIBUTION RULES.—For purposes of this paragraphs (1) and (2)—

“(A) IN GENERAL.—Rules similar to the rules of subsections (d)(5) and (h)(3) shall apply.

“(B) STAPLED ENTITIES.—A group of entities which are stapled entities (as defined in section 269B(c)(2)) shall be treated as 1 person.

“(4) EXCEPTION FOR CERTAIN NEW REITS.—

“(A) IN GENERAL.—The term ‘controlled entity’ shall not include an incubator REIT.

“(B) INCUBATOR REIT.—A corporation shall be treated as an incubator REIT for any taxable year during the eligibility period if it meets all the following requirements for such year:

“(i) The corporation elects to be treated as an incubator REIT.

“(ii) The corporation has only voting common stock outstanding.

“(iii) Not more than 50 percent of the corporation’s real estate assets consist of mortgages.

“(iv) From not later than the beginning of the last half of the second taxable year, at least 10 percent of the corporation’s capital is provided by lenders or equity investors who are unrelated to the corporation’s largest shareholder.

“(v) The directors of the corporation adopt a resolution setting forth an intent to engage in a going public transaction.

No election may be made with respect to any REIT if an election under this subsection was in effect for any predecessor of such REIT.

“(C) ELIGIBILITY PERIOD.—The eligibility period (for which an incubator REIT election can be made) begins with the REIT’s second taxable year and ends at the close of the REIT’s third taxable year, but, subject to the following rules, it may be extended for an additional 2 taxable years if the REIT so elects:

“(i) A REIT cannot elect to extend the eligibility period unless it agrees that, if it does not engage in a going public transaction by the end of the extended eligibility period, it shall pay Federal income taxes for the 2 years of the extended eligibility period as if it had not made an incubator REIT election and had ceased to qualify as a REIT for those 2 taxable years.

“(ii) In the event the corporation ceases to be treated as a REIT by operation of clause (i), the corporation shall file any appropriate amended returns reflecting the change in status within 3 months of the close of the extended eligibility period. Interest would be payable but, unless there was a finding under subparagraph (D), no substantial underpayment penalties shall be imposed. The corporation shall, at the same time, also notify its shareholders and any other persons whose tax position is, or may reasonably be expected to be, affected by the change in status so they also may file any appropriate amended returns to conform their tax treatment consistent with the corporation’s loss of REIT status. The Secretary shall provide appropriate regulations setting forth transferee liability and other provisions to ensure collection of tax and the proper administration of this provision.

“(iii) Clause (i) and (ii) shall not apply if the corporation allows its incubator REIT status to lapse at the end of the initial 2-year eligibility period without engaging in a going public transaction, provided the corporation satisfies the requirements of the closely-held test commencing with its fourth taxable year. In such a case, the corporation’s directors may still be liable for the penalties described in subparagraph (D) during the eligibility period.

“(D) SPECIAL PENALTIES.—If the Secretary determines that an incubator REIT election was filed for a principal purpose other than as part of a reasonable plan to undertake a going public transaction, an excise tax of \$20,000 would be imposed on each of the corporation’s directors for each taxable year for which an election was in effect.

“(E) GOING PUBLIC TRANSACTION.—For purposes of this paragraph, a going public transaction means—

“(i) a public offering of shares of the stock of the incubator REIT;

“(ii) a transaction, or series of transactions, that results in the stock of the incubator REIT being regularly traded on an established securities market and that results in at least 50 percent of such stock being held by shareholders who are unrelated to persons who held such stock before it began to be so regularly traded; or

“(iii) any transaction resulting in ownership of the REIT by 200 or more persons (excluding the largest single shareholder) who in the aggregate own at least 50 percent of the stock of the REIT.

For the purposes of this subparagraph, the rules of paragraph (3) shall apply in determining the ownership of stock.

“(F) DEFINITIONS.—The term ‘established securities market’ shall have the meaning set forth in the regulations under section 897.”

“(c) CONFORMING AMENDMENT.—Paragraph (2) of section 856(h) is amended by striking “and (6)” each place it appears and inserting “(6), and (7)”.

“(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after July 12, 1999.

(2) EXCEPTION FOR EXISTING CONTROLLED ENTITIES.—The amendments made by this section shall not apply to any entity which is a controlled entity (as defined in section 856(l) of the Internal Revenue Code of 1986, as added by this section) as of July 12, 1999, which is a real estate investment trust for the taxable year which includes such date, and which has significant business assets or activities as of such date.

#### SEC. 806. TREATMENT OF GAIN FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

(a) IN GENERAL.—Part IV of subchapter P of chapter 1 (relating to special rules for determining capital gains and losses) is amended by inserting after section 1259 the following new section:

##### “SEC. 1260. GAINS FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

“(a) IN GENERAL.—If the taxpayer has gain from a constructive ownership transaction with respect to any financial asset and such gain would (without regard to this section) be treated as a long-term capital gain—

“(1) such gain shall be treated as ordinary income to the extent that such gain exceeds the net underlying long-term capital gain, and

“(2) to the extent such gain is treated as a long-term capital gain after the application of paragraph (1), the determination of the capital gain rate (or rates) applicable to such

gain under section 1(h) shall be determined on the basis of the respective rate (or rates) that would have been applicable to the net underlying long-term capital gain.

“(b) INTEREST CHARGE ON DEFERRAL OF GAIN RECOGNITION.—

“(1) IN GENERAL.—If any gain is treated as ordinary income for any taxable year by reason of subsection (a)(1), the tax imposed by this chapter for such taxable year shall be increased by the amount of interest determined under paragraph (2) with respect to each prior taxable year during any portion of which the constructive ownership transaction was open. Any amount payable under this paragraph shall be taken into account in computing the amount of any deduction allowable to the taxpayer for interest paid or accrued during such taxable year.

“(2) AMOUNT OF INTEREST.—The amount of interest determined under this paragraph with respect to a prior taxable year is the amount of interest which would have been imposed under section 6601 on the underpayment of tax for such year which would have resulted if the gain (which is treated as ordinary income by reason of subsection (a)(1)) had been included in gross income in the taxable years in which it accrued (determined by treating the income as accruing at a constant rate equal to the applicable Federal rate as in effect on the day the transaction closed). The period during which such interest shall accrue shall end on the due date (without extensions) for the return of tax imposed by this chapter for the taxable year in which such transaction closed.

“(3) APPLICABLE FEDERAL RATE.—For purposes of paragraph (2), the applicable Federal rate is the applicable Federal rate determined under 1274(d) (compounded semiannually) which would apply to a debt instrument with a term equal to the period the transaction was open.

“(4) NO CREDITS AGAINST INCREASE IN TAX.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining—

“(A) the amount of any credit allowable under this chapter, or

“(B) the amount of the tax imposed by section 55.

“(c) FINANCIAL ASSET.—For purposes of this section—

“(1) IN GENERAL.—The term ‘financial asset’ means—

“(A) any equity interest in any pass-thru entity, and

“(B) to the extent provided in regulations—

“(i) any debt instrument, and

“(ii) any stock in a corporation which is not a pass-thru entity.

“(2) PASS-THRU ENTITY.—For purposes of paragraph (1), the term ‘pass-thru entity’ means—

“(A) a regulated investment company,

“(B) a real estate investment trust,

“(C) an S corporation,

“(D) a partnership,

“(E) a trust,

“(F) a common trust fund,

“(G) a passive foreign investment company (as defined in section 1297),

“(H) a foreign personal holding company, and

“(I) a foreign investment company (as defined in section 1246(b)).

“(d) CONSTRUCTIVE OWNERSHIP TRANSACTION.—For purposes of this section—

“(1) IN GENERAL.—The taxpayer shall be treated as having entered into a constructive ownership transaction with respect to any financial asset if the taxpayer—



“(A) holds a long position under a notional principal contract with respect to the financial asset,

“(B) enters into a forward or futures contract to acquire the financial asset,

“(C) is the holder of a call option, and is the grantor of a put option, with respect to the financial asset and such options have substantially equal strike prices and substantially contemporaneous maturity dates, or

“(D) to the extent provided in regulations prescribed by the Secretary, enters into 1 or more other transactions (or acquires 1 or more positions) that have substantially the same effect as a transaction described in any of the preceding subparagraphs.

“(2) EXCEPTION FOR POSITIONS WHICH ARE MARKED TO MARKET.—This section shall not apply to any constructive ownership transaction if all of the positions which are part of such transaction are marked to market under any provision of this title or the regulations thereunder.

“(3) LONG POSITION UNDER NOTIONAL PRINCIPAL CONTRACT.—A person shall be treated as holding a long position under a notional principal contract with respect to any financial asset if such person—

“(A) has the right to be paid (or receive credit for) all or substantially all of the investment yield (including appreciation) on such financial asset for a specified period, and

“(B) is obligated to reimburse (or provide credit for) all or substantially all of any decline in the value of such financial asset.

“(4) FORWARD CONTRACT.—The term ‘forward contract’ means any contract to acquire in the future (or provide or receive credit for the future value of) any financial asset.

“(e) NET UNDERLYING LONG-TERM CAPITAL GAIN.—For purposes of this section, in the case of any constructive ownership transaction with respect to any financial asset, the term ‘net underlying long-term capital gain’ means the aggregate net capital gain that the taxpayer would have had if—

“(1) the financial asset had been acquired for fair market value on the date such transaction was opened and sold for fair market value on the date such transaction was closed, and

“(2) only gains and losses that would have resulted from the deemed ownership under paragraph (1) were taken into account.

The amount of the net underlying long-term capital gain with respect to any financial asset shall be treated as zero unless the amount thereof is established by clear and convincing evidence.

“(f) SPECIAL RULE WHERE TAXPAYER TAKES DELIVERY.—Except as provided in regulations prescribed by the Secretary, if a constructive ownership transaction is closed by reason of taking delivery, this section shall be applied as if the taxpayer had sold all the contracts, options, or other positions which are part of such transaction for fair market value on the closing date. The amount of gain recognized under the preceding sentence shall not exceed the amount of gain treated as ordinary income under subsection (a). Proper adjustments shall be made in the amount of any gain or loss subsequently realized for gain recognized and treated as ordinary income under this subsection.

“(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

“(1) to permit taxpayers to mark to market constructive ownership transactions in lieu of applying this section, and

“(2) to exclude certain forward contracts which do not convey substantially all of the economic return with respect to a financial asset.”

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 is amended by adding at the end the following new item:

“Sec. 1260. Gains from constructive ownership transactions.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after July 11, 1999.

#### SEC. 807. TRANSFER OF EXCESS DEFINED BENEFIT PLAN ASSETS FOR RETIREE HEALTH BENEFITS.

(a) EXTENSION.—Paragraph (5) of section 420(b) (relating to expiration) is amended by striking “in any taxable year beginning after December 31, 2000” and inserting “made after September 30, 2009”.

(b) APPLICATION OF MINIMUM COST REQUIREMENTS.—

(1) IN GENERAL.—Paragraph (3) of section 420(c) is amended to read as follows:

“(3) MINIMUM COST REQUIREMENTS.—

“(A) IN GENERAL.—The requirements of this paragraph are met if each group health plan or arrangement under which applicable health benefits are provided provides that the applicable employer cost for each taxable year during the cost maintenance period shall not be less than the higher of the applicable employer costs for each of the 2 taxable years immediately preceding the taxable year of the qualified transfer.

“(B) APPLICABLE EMPLOYER COST.—For purposes of this paragraph, the term ‘applicable employer cost’ means, with respect to any taxable year, the amount determined by dividing—

“(i) the qualified current retiree health liabilities of the employer for such taxable year determined—

“(I) without regard to any reduction under subsection (e)(1)(B), and

“(II) in the case of a taxable year in which there was no qualified transfer, in the same manner as if there had been such a transfer at the end of the taxable year, by

“(ii) the number of individuals to whom coverage for applicable health benefits was provided during such taxable year.

“(C) ELECTION TO COMPUTE COST SEPARATELY.—An employer may elect to have this paragraph applied separately with respect to individuals eligible for benefits under title XVIII of the Social Security Act at any time during the taxable year and with respect to individuals not so eligible.

“(D) COST MAINTENANCE PERIOD.—For purposes of this paragraph, the term ‘cost maintenance period’ means the period of 5 taxable years beginning with the taxable year in which the qualified transfer occurs. If a taxable year is in 2 or more overlapping cost maintenance periods, this paragraph shall be applied by taking into account the highest applicable employer cost required to be provided under subparagraph (A) for such taxable year.”

(2) CONFORMING AMENDMENTS.—

(A) Clause (iii) of section 420(b)(1)(C) is amended by striking “benefits” and inserting “cost”.

(B) Subparagraph (D) of section 420(e)(1) is amended by striking “and shall not be subject to the minimum benefit requirements of subsection (c)(3)” and inserting “or in calculating applicable employer cost under subsection (c)(3)(B)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to qualified

transfers occurring after the date of the enactment of this Act.

#### SEC. 808. MODIFICATION OF INSTALLMENT METHOD AND REPEAL OF INSTALLMENT METHOD FOR ACCRUAL METHOD TAXPAYERS.

(a) REPEAL OF INSTALLMENT METHOD FOR ACCRUAL BASIS TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 453 (relating to installment method) is amended to read as follows:

“(a) USE OF INSTALLMENT METHOD.—

“(1) IN GENERAL.—Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this title under the installment method.

“(2) ACCRUAL METHOD TAXPAYER.—The installment method shall not apply to income from an installment sale if such income would be reported under an accrual method of accounting without regard to this section. The preceding sentence shall not apply to a disposition described in subparagraph (A) or (B) of subsection (1)(2).”

(2) CONFORMING AMENDMENTS.—Sections 453(d)(1), 453(i)(1), and 453(k) are each amended by striking “(a)” each place it appears and inserting “(a)(1)”.

(b) MODIFICATION OF PLEDGE RULES.—Paragraph (4) of section 453A(d) (relating to pledges, etc., of installment obligations) is amended by adding at the end the following: “A payment shall be treated as directly secured by an interest in an installment obligation to the extent an arrangement allows the taxpayer to satisfy all or a portion of the indebtedness with the installment obligation.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or other dispositions occurring on or after the date of the enactment of this Act.

#### SEC. 809. LIMITATION ON USE OF NONACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) IN GENERAL.—Section 448(d)(5) (relating to special rule for services) is amended—

(1) by inserting “in fields described in paragraph (2)(A)” after “services by such person”, and

(2) by inserting “CERTAIN PERSONAL” before “SERVICES” in the heading.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period (not greater than 4 taxable years) beginning with such first taxable year.

#### SEC. 810. EXCLUSION OF LIKE-KIND EXCHANGE PROPERTY FROM NONRECOGNITION TREATMENT ON THE SALE OF A PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Subsection (d) of section 121 (relating to the exclusion of gain from the sale of a principal residence) is amended by adding at the end the following new paragraph:

“(9) LIKE-KIND EXCHANGES.—Subsection (a) shall not apply to any sale or exchange of a residence if such residence was acquired by the taxpayer during the 5-year period ending on the date of such sale or exchange in an exchange in which any amount of gain was not recognized under section 1031.”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to any sale or exchange of a principal residence after the date of the enactment of this Act.

**SEC. 811. DISALLOWANCE OF NONECONOMIC TAX ATTRIBUTES.**

(a) IN GENERAL.—Section 7701 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

“(m) DISALLOWANCE OF NONECONOMIC TAX ATTRIBUTES.—

“(1) IN GENERAL.—In determining liability for any tax under subtitle A, noneconomic tax attributes shall not be allowed.

“(2) NONECONOMIC TAX ATTRIBUTE.—For purposes of this subsection, a noneconomic tax attribute is any deduction, loss, or credit claimed to result from any transaction unless—

“(A) the transaction changes in a meaningful way (apart from Federal income tax consequences) the taxpayer's economic position, and

“(B)(i) the present value of the reasonably expected potential income from the transaction (and the taxpayer's risk of loss from the transaction) are substantial in relationship to the present value of the tax benefits claimed, or

“(ii) in the case of a transaction which is in substance the borrowing of money or the acquisition of financial capital, the deductions claimed with respect to the transaction for any period are not significantly in excess of the economic return for such period realized by the person lending the money or providing the financial capital.

“(3) PRESUMPTION OF NONECONOMIC TAX ATTRIBUTES.—For purposes of paragraph (2), the following factors shall give rise to a presumption that a transaction fails to meet the requirements of paragraph (2):

“(A) The fact that the payments, liabilities, or assets that purport to create a loss (or other benefit) for tax purposes are not reflected to any meaningful extent on the taxpayer's books and records for financial reporting purposes.

“(B) The fact that the transaction results in an allocation of income or gain to a tax-indifferent party which is substantially in excess of such party's economic income or gain from the transaction.

“(4) TREATMENT OF BUILT-IN LOSS.—The determination of whether a transaction results in the realization of a built-in loss shall be made under subtitle A as if this subsection had not been enacted. For purposes of the preceding sentence, the term ‘built-in loss’ means any loss or deduction to the extent that such loss or deduction had economically been incurred before such transaction is entered into and to the extent that the loss or deduction was economically borne by the taxpayer.

“(5) DEFINITION AND SPECIAL RULES.—For purposes of this subsection—

“(A) TAX-INDIFFERENT PARTY.—The term ‘tax-indifferent party’ means any person or entity exempt from tax under subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if, by reason of such person's method of accounting, the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

“(B) SERIES OF RELATED TRANSACTION.—A transaction which is part of a series of related transactions shall be treated as meeting the requirements of paragraph (2) only if—

“(i) such transaction meets such requirements without regard to the other transactions, and

“(ii) such transactions, if treated as 1 transaction, would meet such requirements. A similar rule shall apply to a multiple step transaction with each step being treated as a separate related transaction.

“(C) NORMAL BUSINESS TRANSACTIONS.—In the case of a transaction which is an integral part of a taxpayer's trade or business and which is entered into in the normal course of such trade or business, the determination of the potential income from such transaction shall be made by taking into account its relationship to the overall trade or business of the taxpayer.

“(D) TREATMENT OF FEES.—In determining whether there is risk of loss from a transaction (and the amount thereof), potential loss of fees and other transaction expenses shall be disregarded.

“(E) TREATMENT OF ECONOMIC RETURN ENHANCEMENTS.—The following shall be treated as economic returns and not tax benefits:

“(i) The credit under section 29 (relating to credit for producing fuel from a nonconventional source).

“(ii) The credit under section 42 (relating to low-income housing credit).

“(iii) The credit under section 45 (relating to electricity produced from certain renewable resources).

“(iv) The credit under section 1397E (relating to credit to holders of qualified zone academy bonds) or any similar program hereafter enacted.

“(v) Any other tax benefit specified in regulations.

“(F) EXCEPTIONS FOR NONBUSINESS TRANSACTIONS.—

“(i) INDIVIDUALS.—In the case of an individual, this subsection shall only apply to transactions entered into in connection with a trade or business or activity engaged in for profit.

“(ii) CHARITABLE TRANSFERS.—This subsection shall not apply in determining the amount allowable as a deduction under section 170, 545(b)(2), 556(b)(2), or 642(c).

“(6) ECONOMIC SUBSTANCE DOCTRINE, ETC., NOT AFFECTED.—The provisions of this subsection shall not be construed as altering or supplanting any rule of law referred to in section 6662(i)(2)(B) and the requirements of this subsection shall be construed as being in addition to any such rule of law.”

(b) INCREASE IN SUBSTANTIAL UNDERPAYMENT PENALTY WITH RESPECT TO DISALLOWED NONECONOMIC TAX ATTRIBUTES.—Section 6662 (relating to imposition of accuracy-related penalty) is amended by adding at the end the following new subsection:

“(i) INCREASE IN PENALTY IN CASE OF DISALLOWED NONECONOMIC TAX ATTRIBUTES.—

“(1) IN GENERAL.—In the case of the portion of the underpayment to which this subsection applies—

“(A) subsection (a) shall be applied with respect to such portion by substituting ‘40 percent’ for ‘20 percent’, and

“(B) subsection (d)(2)(B) and section 6664(c) shall not apply.

“(2) UNDERPAYMENTS TO WHICH SUBSECTION APPLIES.—This subsection shall apply to an underpayment to which this section applies by reason of paragraph (1) or (2) of subsection (b) to the extent that such underpayment is attributable to—

“(A) the disallowance of any noneconomic tax attribute (determined under section 7701(m)), or

“(B) the disallowance of any other benefit—

“(i) because of a lack of economic substance or business purpose for the transaction giving rise to the claimed benefit,

“(ii) because the form of the transaction did not reflect its substance, or

“(iii) because of any other similar rule of law.

“(3) INCREASE IN PENALTY NOT TO APPLY IF COMPLIANCE WITH DISCLOSURE REQUIREMENTS.—Paragraph (1)(A) shall not apply if the taxpayer—

“(A) discloses to the Secretary within 30 days after the closing of the transaction appropriate documents describing the transaction, and

“(B) files with the taxpayer's return of tax imposed by subtitle A—

“(i) a statement verifying that such disclosure has been made,

“(ii) a detailed description of the facts, assumptions of facts, and factual conclusions with respect to the business or economic purposes or objectives of the transaction that are relied upon to support the manner in which it is reported on the return,

“(iii) a description of the due diligence performed to ascertain the accuracy of such facts, assumptions, and factual conclusions,

“(iv)(I) a statement (signed by the senior financial officer of the corporation under penalty of perjury) that the facts, assumptions, or factual conclusions relied upon in reporting the transaction are true and correct as of the date the return is filed, to the best of such officer's knowledge and belief, and

“(II) if the actual facts varied materially from the facts, assumptions, or factual conclusions relied upon, a statement describing such variances,

“(v) copies of any written material provided in connection with the offer of the transaction to the taxpayer by a third party,

“(vi) a full description of any express or implied agreement or arrangement with any advisor, or with any offeror, that the fee payable to such person would be contingent or subject to possible reimbursement, and

“(vii) a full description of any express or implied warranty from any person with respect to the anticipated tax results from the transaction.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions after the date of the enactment of this Act.

## TITLE IX—NATIONAL COMMISSION ON TAX REFORM AND SIMPLIFICATION

### SEC. 901. ESTABLISHMENT.

(a) IN GENERAL.—There is established the National Commission on Tax Reform and Simplification. The Commission shall be composed of 15 members appointed or designated by the President and selected as follows:

(1) 5 members selected by the President from among officers or employees of the Executive Branch, private citizens of the United States, or both. Not more than 3 of the members selected by the President shall be members of the same political party;

(2) 5 members selected by the Majority Leader of the Senate from among members of the Senate, private citizens of the United States, or both. Not more than 3 of the members selected by the Majority Leader shall be members of the same political party;

(3) 5 members selected by the Speaker of the House of Representatives from among

members of the House, private citizens of the United States, or both. Not more than 3 of the members selected by the Speaker shall be members of the same political party.

(b) CHAIRMAN.—The President shall designate a Chairman from among the members of the Commission.

#### SEC. 902. FUNCTIONS.

(a) IN GENERAL.—The Commission shall review the Internal Revenue Code of 1986, identify provisions of such Code which are unnecessarily complex and may be simplified, and make appropriate recommendations to the Secretary of the Treasury, the President, and to Congress.

(b) REPORT.—The Commission shall make its report to the President not later than 1 year after the date of the enactment of this Act.

#### SEC. 903. ADMINISTRATION.

(a) INFORMATION FROM EXECUTIVE AGENCIES.—The heads of Executive agencies shall, to the extent permitted by law, provide the Commission such information as it may require for the purpose of carrying out its functions.

(b) PAY.—Members of the Commission shall serve without any additional compensation for their work on the Commission. However, members appointed from among private citizens of the United States may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the government service (5 U.S.C. 5701-5707), to the extent funds are available therefor.

(c) STAFF.—The Commission shall have a staff headed by an Executive Director. Any expenses of the Commission shall be paid from such funds as may be available to the Secretary of the Treasury.

#### SEC. 904. GENERAL.

(a) AUTHORITY OF SECRETARY OF TREASURY.—Notwithstanding any Executive Order, the responsibilities of the President under the Federal Advisory Committee Act, as amended, except that of reporting annually to the Congress, which are applicable to the Commission, shall be performed by the Secretary of the Treasury in accordance with the guidelines and procedures established by the Administrator of General Services.

(b) TERMINATION.—The Commission shall terminate 30 days after submitting its report.

The Speaker pro tempore. Pursuant to House Resolution 256, the gentleman from New York (Mr. RANGEL) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, as I have said, the major thing that should be before us at a time like this when we have unexpected revenues is to fix the roof while the sun is shining, and the repairs that have to be made is in our Social Security system and our Medicare system and to provide some relief for our aged who are dependent on prescription drugs. We really believe that we should do more in reducing the Federal debt, and at the same time the President has suggested that we do have a \$250 billion tax cut. We have tried to include many things that would help and have it tar-

geted to be of assistance to the American people rather than just to target it for close to a trillion dollars to the wealthiest Americans.

Mr. Speaker, we also support having even more details to a tax cut in the motion to recommit which could be done later once we make that commitment. But no matter what we do, no effect comes into being until it is certified that we did what we were supposed to do, and that is to make certain that the Social Security system and Medicare is solvent and we reduce the Federal debt. I reserve the balance of my time.

The SPEAKER pro tempore. Does the gentleman from Texas (Mr. ARCHER) wish to control the time in opposition?

Mr. ARCHER. I do, Mr. Speaker.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas (Mr. ARCHER).

Mr. ARCHER. Mr. Speaker, I yield such time as we may consume to the gentleman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Speaker, I had hoped to be here a little earlier for the general debate, and I do appreciate this time for colloquy, but in a sense it is a good time in view of what ranking member RANGEL has just, and one of the reasons I was delayed, the reason I was delayed was that I was at a Committee on Banking and Financial Services hearing with the Federal Reserve Board Chairman Greenspan giving his Humphry Hawkins report, and in the course my questioning I asked him specifically about the provision on the trigger that is related to the debt reduction, and I just want the chairman to know and this body to know that the Federal Reserve Board chairman agrees. The trigger is a very good idea.

So I want people to understand that, but I am concerned about the inferences here, whether it is with respect to what we Republicans agreed to yesterday on that trigger and forestalling the across-the-board tax cut or whether it is the general discussion here. But it seems to be a compelling need to play politics with this as though we are spending the Social Security Trust Fund, and that is the nature of the colloquy that I want to have.

Mr. Speaker, it is certainly my understanding that the Social Security Trust Fund and the lockbox that we have put in place under H.R. 2488, this bill, does not either with the trigger mechanism or any other provision of this bill in any way violate the fact that those moneys are being set aside for both Social Security and Medicare, and that it no way inhibits or prohibits in any way the fact that we are going to pursue in other legislation ways to protect Social Security and secure the Medicare provisions.

Is that correct? That is certainly my understanding.

Mr. ARCHER. Mr. Speaker, will the gentleman yield?

Mrs. ROUKEMA. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Speaker, the gentlewoman is correct. Nothing in this tax bill before us today would in any way have an adverse effect on our efforts to strengthen Medicare or save Social Security. The debt reduction provision will be helpful in our efforts to pursue the course that we have set through the Safe Deposit Act and through other efforts which have resulted in a huge surplus projected for the government for the years ahead. We submitted for the RECORD an explanation of the debt reduction provision, and I refer the gentlewoman to that for a detailed explanation.

Mrs. ROUKEMA. And that includes, Mr. Speaker, the provision that we have with the, as the gentleman said, the debt reduction and the triggering mechanism.

Mr. ARCHER. The gentlewoman is absolutely correct.

Mrs. ROUKEMA. I do thank the gentleman. That is certainly what our understanding was when we negotiated this agreement, and I think it is a fiscally sound one and a realistic one, and I am certainly glad that we now have the Federal Reserve Board Chairman's approval of the triggering mechanism.

Mr. ARCHER. Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut (Ms. DELAULO).

Ms. DELAULO. Mr. Speaker, I thank the gentleman and rise in support of the Democratic substitute and in opposition to the Republican proposal which is an irresponsible tax giveaway. It jeopardizes Medicare and Social Security and in fact the health of our economy at the expense of the middle class. It reflects the upside-down values of this Republican-led Congress and does not reflect the values of American families.

When it comes to the budget, our money is where our values are. I support targeted tax cuts for middle class families, tax cuts for education, a per-child tax cut, small business tax cuts, those that make sense and that we can afford, but not a Republican tax giveaway where 65 percent of the benefit goes to the wealthiest 10 percent of Americans.

This trillion dollar Republican tax giveaway is paid for by cutting programs that assist veterans, children and seniors. It is shameful, and America is better than this.

Let us not betray our values, values that say in America every child will have the opportunity to succeed in school and in life, values that say we will meet the needs of our veterans who put their lives on the line to protect our freedoms, values that say we will take care of our parents and grandparents in their old age.

Vote for the Democratic substitute and for the values of this country.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky (Mr. FLETCHER).

□ 1230

Mr. FLETCHER. Mr. Speaker, I thank the gentleman for yielding me this time.

I certainly appreciate his long-standing efforts to secure the financial security of families, and I believe this bill does just that.

Mr. Speaker, the President wanted to save only 62 percent for Social Security. We put 100 percent in it, locked it up for Social Security and Medicare so that we can make sure we provide for that. We also increased our spending on military, education, and still able to return money to the American people in overpayment because of the on-budget surplus.

I saw this cartoon in my local newspaper the other day and I think it really expresses the difference in attitude. It shows here a thief in the night holding up an innocent young couple saying, "I know how to spend your money better than you do," and that is exactly the way the minority side feels. They know how to spend money better than American families do.

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Mr. FLETCHER. You take the money; you are not going to take my time.

Mr. RANGEL. Mr. Speaker, I would ask that the gentleman put the cartoon over here so we can see it too. We cannot see it.

Mr. FLETCHER. Mr. Speaker, I reclaim my time. We will be glad to show the gentleman.

I am surprised. I also have a list of the folks who voted to increase how much money they take home, over \$4,000 a year. Last night those same people stood up here and said no, we do not want the American, average American, to take just a little over \$5,000 home over 10 years. We want to keep it. We will take ours, but we do not want you to have yours. So I think it shows the hypocrisy there.

I stand to support this bill and what the chairman has done. I encourage my colleagues to vote for the bill and not for the substitute.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. TANNER), a member of the Committee on Ways and Means.

Mr. TANNER. Mr. Speaker, I came here this morning hoping that I could have voted for a tax bill that was reasonable. All of the rhetoric we have heard this morning, basically dealing with the surplus, is about a projection. It is not about a fact. In fact, 6 months ago, part of the money we are talking about spending today was not even here. It was created by rewriting the projection of what is going to happen.

This is fact. This has happened. These are the deficits that we ran dur-

ing the 1980s and 1990s, resulting in this national debt that we, the American people and our kids and grandkids owe. That is not a projection, this is not a guess, it is not a hope, it is not a wing and a prayer, it is a fact.

In a few minutes we are going to have a motion to recommit. All of us, the President, the Republicans, the Democrats have agreed to take the Social Security money surplus off the table. The motion to commit in a few minutes is going to focus only on this trillion dollar surplus, on-budget surplus, having nothing to do with Social Security surpluses, that we have in front of us that we have been spending over and over again this morning.

I want my colleagues to listen to it, because what it says is, let us not only put 100 percent of the Social Security money aside for future generations, but let us take half of this money we are talking about spending today and put it to our children, to their future financial obligations. Everybody in here knows, if they are honest with themselves, that simply by taking the Social Security surplus and paying that on the publicly-held debt, we do not lessen the financial obligation of the next generation by one red cent. It is \$5.6 trillion then; it is \$5.6 trillion now, and it is \$5.6 trillion tomorrow.

By simply doing that, we do not do anything. The motion to recommit is the only way to pay down the debt.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. SHAW), a respected Member of the Committee on Ways and Means and the Chairman of the Subcommittee on Social Security.

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, during the debate on the tax cut bill, a common refrain was echoed last night, and we are seeing it again today, and that is saying that we will be cutting taxes somehow and it will hurt Social Security and Medicare.

Mr. Speaker, I say to my colleagues, it is simply not true. Do not believe this scare tactic. The House, including 95 percent of the Democrats, have already overwhelmingly approved H.R. 1259, which is the Social Security lockbox. This bill locks away \$1.9 trillion in Social Security surpluses over the next decade. Those surpluses are to be used and can only be used solely to pay down the debt or to save Social Security and Medicare.

Fortunately, as established by the Social Security guarantee plan, the gentleman from Texas (Mr. ARCHER) and I have crafted the Social Security surpluses, and we have proved that the Social Security surpluses are more than enough to save Social Security, leaving hundreds of billions of dollars to save Medicare and to pay down the debt.

I cannot help but be struck by the irony that those claiming Social Secu-

rity surpluses are not enough to save Social Security do not even have their own plan to save Social Security. Where is the plan? Where is the plan to save Social Security for all time? There is the Archer-Shaw plan. Where is the Democrat plan? How much does it cost? Tax cut opponents have no answers to this, and I find the silence in this hall today deafening. Where is the plan? Is it any surprise that we are now trying to scare our seniors?

Well, I am going to say, this time, it is not going to work. In fact, this bill that we have before us today augments efforts to save Social Security and Medicare through needed pension reforms, savings and investment incentives, and health care tax relief, enhanced savings and stronger employer pensions, which will ensure the retirement security so that it will remain stable to support the baby boomers as they approach retirement.

Plus, we have now added a provision which says, if we do not pay down the debt, then we do not cut the taxes for that year. I think Mr. Greenspan, just this morning, made reference to that in his testimony in a very positive manner. How much stronger of a commitment to paying down debt can we get.

The tax cut is financed 100 percent with non-Social Security surpluses. Let me repeat that, 100 percent of non-Social Security surpluses, which represents the overpayment of taxes by the American family. We should refund them and get on with the hard work of saving Social Security and Medicare.

Fortunately, for that purpose, we can use the Social Security surpluses already saved in the lockbox which are more than enough to save Social Security and Medicare. We can pay down the debt, cut taxes and save Social Security and Medicare, and this tax bill proves it.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. CLEMENT).

Mr. CLEMENT. Mr. Speaker, I rise today in strong support of the Democratic substitute. I want to congratulate the gentleman from New York (Mr. RANGEL) for being such a strong leader in bringing about tax fairness in this Democratic package.

This particular issue I am talking about is one that the Republicans could have made part of their package. They refused. Democrats said they wanted this to be a part of their package, and this has to do with the fundamental fairness not only for Tennessee, but for 7 other of our States.

In 1986, the State and local sales tax deduction was eliminated from the Tax Code and created a fundamental inequity between States that have an income tax and those that do not. Taxpayers living in States that have an income tax can deduct their State taxes, but those living in 7 States without an income tax do not have a deduction. So

they end up paying more in taxes to the Federal Government.

In 1997, the average Tennessean paid \$927 in State taxes. We can deduct that in the future if we will vote for the Democratic substitute, and we need to do that to bring about tax fairness.

Mr. Speaker, I rise in strong support of the Democratic substitute and, in particular, of restoring the sales tax deduction to the federal income tax code.

The problems with the Republican tax proposal are almost too numerous to mention. They want to spend \$792 billion over the next ten years, almost the entire projected on-budget surplus, on a tax cut whose main beneficiaries will be those at the top of the income scale. According to the Treasury Department, 65 percent of the tax relief would go to the wealthiest 10 percent of taxpayers. In addition to not providing tax relief to those who most need it, the Republican plan puts the future of Social Security and Medicare in jeopardy. They leave none of the projected surpluses available for Medicare reform, meaning that Social Security and Medicare will have to compete for the Social Security Trust Fund. In fact, these tax cuts would explode just about the time the baby boomers are going to need these essential programs. And perhaps the most serious consequences of this ill-conceived and irresponsible tax scheme is that rather than paying off the national debt, the Republicans would return us to an era of deficits by spending all of an estimated surplus that may very well never materialize because it is based on drastic and unrealistic cuts in discretionary programs.

The Democratic substitute is a moderate approach that provides tax relief to those who most need it while also allowing us to adequately fund important discretionary programs such as Head Start, the National Institutes of Health, and veteran's health care, ensure the long-term solvency of both Social Security and Medicare, and pay off the national debt. This amendment contains many important provisions that will provide relief to middle-class families, such as elimination of the marriage penalty, relief from the estate tax, an increase in the family child tax credit, funds for public school construction and modernization, and a tax credit for long-term care providers. It also permanently extends the research credit, the welfare-to-work credit, and the brownfields tax incentive.

Perhaps the most important provision of this amendment for the citizens of Tennessee is the restoration of the sales tax deduction from the federal income tax. In 1986, the state and local sales tax deduction was eliminated from the federal tax code in an effort to expand the tax base. While well-intentioned, the elimination of the sales tax deduction created a fundamental inequity between states that have adopted an income tax and those that have not. That's because, under the current tax code, taxpayers living in states that have an income tax can deduct their state taxes from their federal tax bill. However, those living in states without an income tax, such as Texas, Florida, Washington, Tennessee, South Dakota, Nevada, and Wyoming, don't have an equivalent deduction. As a result, they end up paying significantly more in taxes to the fed-

eral government than a taxpayer with an identical profile in a different state.

In 1997, the citizens of Tennessee paid an average of \$927 in state and local sales taxes, but could not deduct one dollar of it from their federal income tax returns. So, basically, Tennesseans are being forced to pay taxes on their taxes. My colleagues, this is just not right. In fact, Tennessee Lieutenant Governor John Wilder is exploring options for filing a class action lawsuit against the federal government asserting that the citizens of Tennessee are being discriminated against simply because they live in a state that has chosen not to enact a state income tax.

Mr. Speaker, I submit to you that the federal government should treat all taxpayers equally, regardless of the system of taxation their state employs.

This provision of the Democratic substitute would allow taxpayers to deduct either their state income tax or state and local sales taxes from their federal income tax returns. Those living in states that have an income tax would still be able to take an income tax deduction as they are today. However, residents of states that do not have an income tax would be provided with the opportunity to take a similar deduction.

I also believe we should remove the incentive toward a state income tax from the federal tax code. Regardless of your views on income taxes, sales taxes or some alternate tax structures, I'm sure my colleagues on both sides of the aisle would agree that states should have the right to decide for themselves how they want to collect their revenues without interference from the federal government.

In closing, I would like to thank the distinguished ranking member of the Ways and Means Committee, Mr. RANGEL, for his support of this important provisions, which my friend, Congressman BRIAN BAIRD, and I have been working so hard to enact. We have an opportunity to restore fairness and equity to the tax code in this Congress without making the tax code more complex and without abandoning our fiscal discipline.

We say we want a fair tax structure. We say we want tax reform. We say we want to give our citizens power over their own lives. We say we want to allow states to make their own decisions. Let's take this chance to do something and not just say something about tax equity.

I urge my colleagues to support the substitute amendment and reinstate the sales tax deduction.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. COLLINS), another Member of the Committee on Ways and Means.

Mr. COLLINS. Mr. Speaker, I thank the Chairman for yielding me this time.

Mr. Speaker, several months ago, Congress passed the most important legislation we will pass in the 106th Congress: the budget resolution. It is a blueprint of our agenda. The policies we will implement to strengthen national defense, return local control and excellence to education, and protect Social Security. The Financial Freedom Act contains the revenue provisions of that blueprint.

The chairman of the Federal Reserve, Alan Greenspan, has been mentioned several times during this debate. Earlier this year, he did appear before the Committee on Ways and Means. He suggested that the best thing that we can do is let the surpluses grow. That is exactly what we are doing. The budget resolution sets aside 100 percent of the payroll taxes and all of the surplus accruing in the Social Security Trust Fund to ensure long-term solvency, and the lockbox legislation ensures that growth.

The second thing Chairman Greenspan recommended in order to maintain strong economic growth in this country was to further reduce the capital gains tax rate. He also said we should reduce marginal income tax rates. Doing so reverses actions taken by the President and the previous majority in Congress in 1993 when they increased the number of income tax brackets from 3 to 5. The Financial Freedom Act accepts Chairman Greenspan's advice by reducing marginal rates so that we will increase savings and investment and create more jobs.

The Chairman offered a third piece of advice, which is also in the budget resolution: no new Federal spending. That is not to say that we should not reprioritize or even create a new program, if needed. But no overall increases in spending. The budget resolution follows that advice.

Chairman Greenspan's advice is good common sense that will continue economic growth and preserve the low interest rates that we enjoy today which have benefited every family and every working person across this country.

Mr. Speaker, as a part of the overall blueprint, this tax bill is good common sense tax policy, and I strongly urge its passage.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, the Republican Party's risky tax plan is a threat to our economy, and it is a failure from the start. These are the same folks who told the country in 1993 that the Democratic budget would destroy the economy, so they did not vote for it. Not one of them. They did not vote for a budget that has resulted in the best economy in decades.

Now, they have a tax plan to undo the good works that we did in 1993; a plan that lavishes cuts on the most wealthy 1 percent of the Nation, but does not pay down our national debt and does not secure our Social Security nor Medicare.

This bad bill gives the top 10 percent of taxpayers two-thirds of the tax benefit. This is outrageous. So again, we must ask, who is taking care of our children? Who is taking care of our retirees? Who is taking care of our veterans? Because we know who is taking care of millionaires and billionaires.

Mr. Speaker, vote for the Democratic tax bill substitute; vote for American values.

Mr. ARCHER. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. THOMAS), another respected member of the Committee on Ways and Means.

Mr. THOMAS. Mr. Speaker, this truly is a sad day for America. The once great Democratic Party is reduced to: "We can't." However, there is hope, because the new Republican majority is showing how "we can."

The Democratic leader had a quote which said, "A massive tax cut that encourages consumption would not be good economic policy." Well, we happen to agree with that quote. As a matter of fact, the Republican tax program is the most massive incentive for saving and investment in the history of the country.

Our tax plan targets savings and investments for individuals, for small business, for international corporations, for farmers, for families. It is the sum and substance of the Republican philosophy: You do for yourself what you can do. Only then should government step in.

The Democratic leader said that "the Democrats' tax plan was conditioned on saving Social Security and Medicare." You heard the chairman of the Subcommittee, Mr. SHAW, on Social Security and the chairman of the full committee, Mr. ARCHER, have a plan certified by the trustees of the Social Security system that our Social Security plan saves Social Security for all time. All we have to do is pass it.

The President has talked about a Medicare program. The Congressional Budget Office has now analyzed the meager information that has been given by the administration to the Congressional Budget Office. We know at least this, surprise: The President understated his prescription drug program by \$50 billion.

□ 1245

The President overstated his savings to the Medicare system by about \$16 billion. Remember, it was the Republican majority, after every opportunity was available to the Democrats since 1965, but it was only after the Republicans became the majority that we added the preventive and wellness care package that was absolutely essential to Medicare, increased mammography tests, prostate cancer detection and treatment, diabetes detection and treatment, osteoporosis exams, critical in senior women. Those were only added after Republicans became the majority.

Republicans have a provision for deductibility of prescription drugs in this tax package, tied to the requirement that we improve and preserve Medicare, conditioned on real behavior, exactly the same thing for the across-

the-board tax cut tied to the performance of the economy in improving our debt. We reward performance.

The Democrat leader concluded his speech by saying, "Do not repeat the mistakes of the past." Well, the Democrats were the majority in this House for 40 years. I can assure the Democrat leader we are not going to repeat the mistakes of the past. We are not going to do what they used to do with various tax bills. There is no smoke and those are no mirrors in our bill. Today, sadly the party of that minority leader says we can't. Today, the Republicans say, we can. We can save Social Security. We can improve and preserve Medicare. We can give some of the taxpayers' hard-earned money back, but most importantly, we can build the economy. Today's Republicans say we can for today's Americans and most importantly for tomorrow's as well.

This is an exciting day for America, an exciting day for the House of Representatives. We can.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, when the Republicans talk about sensitivity and caring, they are certainly far more effective when they bring those cartoons to the floor.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT), a member of the Committee on Ways and Means.

Mr. DOGGETT. Mr. Speaker, indeed it is amazing today that Republicans who tell us we "cannot" when it comes to affording prescriptions for seniors, we "cannot" when it comes to holding managed health care insurers accountable; but they now tell us we "can" have what is really the "Financial Freedom from Reality Act," a near trillion dollar tax cut where they choose party loyalty over fiscal sanity. Instead of tax fairness for the middle class, they propose to jeopardize our long-term prosperity, Medicare and Social Security.

This is a House that has done so very well at doing so very little this year. Of course the Republican leadership had to engage in desperation tactics on this bill. They are desperate for anything that would mask their many failures and continued refusal to schedule meaningful action on the major issues that truly concern American families.

There is no \$3 trillion surplus. \$2 trillion is committed to assure the solvency of Social Security for the coming decades. The other \$1 trillion is based on false assumptions that are as unreliable as a 10-year weather forecast.

Further, they forget the advice of Federal Reserve Chairman Alan Greenspan, who when asked about their 10 percent across-the-board tax rate cut said he rejected it; he flatly rejected it in favor of building up the surplus to pay down the debt.

There is one other matter, and that is the matter of tax fairness, because I

think most Americans are willing to pay their fair share, but they resent the high rollers cheating and gaming the system while honest taxpayers have to make up the difference. We must help law enforcement close loopholes, eliminate sham transactions, and stop tax shelter hustlers.

These tax shelter hustlers even commanded the attention of *Forbes Magazine*, known as "the capitalist tool," because they do a disservice to this country and the practice of accounting. Republicans say closing tax loopholes for their corporate shelter buddies is a tax increase. We say it is an opportunity to provide more tax relief to middle-class Americans. We say these tax-and-borrow Republicans are trying to borrow more money to give more tax breaks to those special interests, who are cheating and gaming the system.

We have the courage to take on the special interests. They have demonstrated once again they are here to serve the special interests.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. PORTMAN), another respected member of the Committee on Ways and Means. The committee is a lot bigger than it used to be, Mr. Speaker.

Mr. PORTMAN. Mr. Speaker, since the previous speaker brought up Alan Greenspan, let me just say what Alan Greenspan said before our committee in testimony in January of this year. He said, and I quote, "If we have to get rid of the surpluses, I would far prefer reducing taxes than increasing spending, and indeed, I do not think it is a close call," end quote.

Mr. Speaker, I want to commend the gentleman from Texas (Chairman ARCHER) for putting together what I think is a balanced, thoughtful approach to give at least some of the money back to the hard-working taxpayers that created the \$3 trillion surplus in the Federal Government's treasuries that is projected to happen over the next 10 years.

We have heard a lot today about across-the-board tax relief that is going to help every single family in America. We have heard about eliminating the marriage penalty; but let me mention a couple of other great provisions in the Archer bill, such as reforming unfair tax rules like the interest allocation rules that are driving U.S. companies and jobs out of this country.

Let me mention something else that is very important, which is the most comprehensive pension reforms in over a generation. That is in the Archer bill. It is going to give millions of Americans the ability to prepare for their own retirement, save more for their own retirement.

At a time when 60 million Americans, Mr. Speaker, do not have a pension in



this country, we expand 401(k) opportunities; we expand the traditional defined benefit plans; we make pensions more portable so workers can take their pensions from job to job. We allow a catch-up provision to let people save even more, people who are over 50, primarily focused on working moms so they can save more again for their own retirement.

We have heard a lot today from the other side. It is getting kind of tiresome, about tax cuts for the rich. Seventy-seven percent of pension participants make less than 50,000 bucks a year. When we strengthen our pension system, we are helping the Americans who need it the most.

Though it has been a bipartisan effort from day one, unbelievably these pension reform provisions are not in the Democrat substitute that we are talking about right now. I do not know what to say about that, except I can say that Republicans are committed to strengthening pensions, and I hope we can pass this legislation to do it. It is just another example of why the Archer bill is not an irresponsible but it is a responsible, balanced approach to tax relief.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Michigan (Ms. RIVERS).

Ms. RIVERS. Mr. Speaker, I will not be voting for any of the proposals that we are going to be considering today. Why? Because they all spend money we do not yet have. If one follows the headlines of the last few weeks, they will find the surplus repeatedly being referred to as ephemeral, shaky, a castle in the sky, a mirage, an illusion. Why?

Well, according to the Washington Post in their article, *The Surplus Illusion*, the reason is to make the numbers come out even when they passed the Balanced Budget Act in 1997, Congress agreed to cut in the future, without ever specifying how, a large category of Federal spending that would have to be cut by 22 percent in real terms, 20 percent in real terms.

As I read this and thought about it, it seemed familiar to me somehow. So I went back through my books, and I found what I was looking for. I found a quote that said, "there was not a hint, not one scintilla, about what this fabulous giving actually meant, that tens of millions of Social Security recipients, students, farmers, government pensioners and other beneficiaries of Federal largesse watching that night received no warning that their benefits would have to be deeply and suddenly slashed in order to keep the budget equation whole."

1981 all over again. Do not repeat the past mistakes.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Mrs. FOWLER), a member of the Republican leadership.

Mrs. FOWLER. Mr. Speaker, this debate today comes down to a very simple question: Whose money is it? Some here are arguing details, but in reality it all comes down to whether one thinks this is the government's money or the American people's money. To me, that is an easy answer, and my constituents tell me every time that I talk to them it is the American people's money.

When Republicans took the reigns of Congress in 1995, we made a solemn promise to the American people to return our government to a government of the people, by the people, and for the people. The only way to accomplish this is to return to the American people control over their lives and over their money.

That is why we committed to not only locking away 100 percent of what Americans pay into Social Security and Medicare for only Social Security and Medicare, but also returning money to hard-working Americans and at the same time we will pay off \$2 trillion in public debt, more than twice what we offer in tax relief.

This bill returns dollars and decisions home. I urge support of the bill.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. BAIRD).

Mr. BAIRD. Mr. Speaker, I was watching TV last night as the debate occurred, and I did that because I wanted to ask myself how would the American people decide if they were watching this debate? And I can say, if someone lives in certain States, the decision should be absolutely clear. If someone lives in Washington, lives in Tennessee, Florida, Texas, Nevada, South Dakota, or Wyoming, the choice is clear: they will vote for the Democratic substitute.

The reason is this: the Republican tax bill sells taxpayers in those States out. It sells them out so they can give tax breaks to other people but it forces those in Washington, in Tennessee, in Florida, in South Dakota, and Wyoming, it forces them to pay higher taxes because the Republicans refuse to let them deduct their sales tax, which should be their right, which the Republicans took away in 1986.

If people care about tax fairness, which the Democrats do, and we talked to the Republicans, we went before the Committee on Ways and Means and we asked them, restore tax fairness for these States; let people deduct either their sales tax or their income tax. And the Republican Party refused. The Democrats put it in their substitute. The Democratic bill respects the rights of those people, and it is the right bill to support.

Mr. ARCHER. Mr. Speaker, may I inquire as to how much time is remaining on each side?

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from

Texas (Mr. ARCHER) has 14 minutes remaining. The gentleman from New York (Mr. RANGEL) has 19 minutes remaining.

Mr. ARCHER. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. DELAY), the respected whip of the House of Representatives, and my neighbor in Texas.

Mr. DELAY. Mr. Speaker, this is a proud day for me, particularly to watch one of my heroes, the gentleman from Texas (Mr. ARCHER), who is Chairman of the Committee on Ways and Means, to bring such a great bill to this floor, that shines on his ability and his strong, strong advocacy that the American family should keep more of the hard-earned money that they make.

It is just really a pleasure to be on the floor with the chairman and we greatly appreciate him bringing this bill.

Mr. Speaker, I rise today in strong opposition to this substitute tax amendment. The average American family needs tax relief, not a tax increase. Overall, this substitute raises taxes. They are so unaccustomed to cutting taxes that the do-nothing Democrats cannot even write a tax bill that cuts only taxes, they have to raise taxes.

The Joint Committee on Taxation has determined that this do-nothing Democrat amendment would actually increase taxes by \$4 million. Amazing. This tax burden means that working Americans are forced to spend more time at work and less time with their families just to pay the government tab.

Typically, the average American family today pays more in taxes per year than it spends on food, clothing and shelter combined, combined. That is flatly outrageous; and we want to change it, because the Republicans think that the government should do more with less. Republicans think that American families need relief from overtaxation, but typically our opponents kick and scream and charge that it is irresponsible to return money to those who earned it in the first place. They want to spend the American families' money.

I think we should look back at the past a little bit to recall how responsible the Democrats were when they were in the majority.

Today, Republicans are proposing tax cuts, but when the Democrats were in the majority, we had nothing but tax increases. Today, Republicans have forced a balanced budget; but when the Democrats were in the majority, we had nothing but deficits as far as the eye could see.

□ 1300

Today, Republicans are locking up every dime of Social Security taxes in a lockbox. But when the Democrats

were in the majority, every cent of those Social Security taxes were spent every year on new big-government programs.

Simply put: The claim that the Democrats can be fiscally responsible just does not correspond to the reality of history, and the American people know it.

Today, the do-nothing Democrats are offering a plan that has some very narrow and some very targeted tax cuts, but even these are contingent on special reforms on Social Security and Medicare, reforms which they have not even presented a plan for. Their alleged tax cuts will never happen because they tie them to legislation that they know does not and will not exist.

The Democrats are big-government addicts. They just cannot break the old habit of tax and spend. Overall, their tax plan raises taxes, raises taxes, while the Republican plan gives money back to every, every, American family. The time has come to say enough is enough, America. Americans deserve tax relief, and we are going to start giving it to them today.

Mr. Speaker, even when they try to come up with a tax cut bill, the Democrats end up raising taxes. I urge all of my colleagues to vote against this substitute.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

I was just waiting for somebody to point out that there are revenue raisers in our bill. I did not think it would be the distinguished majority whip. He says that we raise \$4 million. Oh no, \$4 billion is the figure that he is looking for.

And how did we do it? We did it by closing the Republican loophole for those corporate tax shelters that we are talking about. And we will do it again and again and again. We are not in business to protect those people who abuse the system.

Oh, I know, one day, someday, the Republicans want to pull the Code up by the roots. Well, the Republicans have been in the majority for 5 years, and instead of pulling up the Code by the roots, they fertilize it by these tax shelters.

Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, I thank my colleague for yielding me this time.

After 6.5 years of putting our fiscal house in order, the Republican leadership has put forth a tax package that returns us to the days of irresponsible tax schemes and ballooning deficits. This leadership tax bill fails our seniors, fails our students, our military, our veterans, and our hard-working middle-income families.

Sixty-five percent of the tax relief, so-called, goes to the top 10 percent of the taxpayers, and over half goes to the

top 5 percent. The Congressional Budget Office, whose numbers are always touted by the other side, says their plan even spends more than non-Social Security surpluses, \$24 billion more.

The Republican lockbox for Social Security has Jesse James as the security guard. In contrast, the Rangel substitute strengthens Social Security and Medicare, contains \$250 billion in tax cuts aimed at those who need the help, including child tax credits, marriage tax relief, long-term care for the elderly and school construction funding.

It is an interesting fact of life that when this tax cut they talk about really balloons is when the baby boomers are going to be eligible for Social Security. Who is going to pay for this tax cut?

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, this Republican tax cut plan is a bonanza for the rich and privileged. The GOP rationalizes this giveaway by saying that government spending is inherently evil. What they are really saying is the middle class in this country are on their own. They have a lot of explaining to do to the American people if these tax cuts ever take effect.

The majority whip here said Democrats support big-government programs. Well, one of those big-government programs is Head Start, and their plan will cut 400,000 kids out of the Head Start program in the next 10 years. One of those programs is the Veterans Administration health care for our veterans, and they will cut 1.5 million veterans out of health care that they are getting now. One of those plans is Medicare. One of them is Social Security. And this plan does absolutely nothing to preserve and protect Social Security and Medicare.

They will have to explain to the American people why, with the best chance in a generation, they do nothing to pay down the national debt. Mr. Speaker, this reckless tax break must be defeated and the Democratic substitute passed.

Mr. ARCHER. Mr. Speaker, may I again inquire how much time is remaining?

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from Texas (Mr. ARCHER) has 10 minutes remaining, and the gentleman from New York (Mr. RANGEL) has 16 minutes remaining.

Mr. ARCHER. Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, we know where the money for this tax cut is coming from. More than two-thirds of

this tax cut has been transferred from programs that were put on a starvation diet by the 1997 Balanced Budget Act, which included hospital cuts, cuts to home health care and visiting nurses, and cuts in Medicare benefits.

The Republican moderates who are going to vote for this bill know it is a bad bill. They know it is bad for the country. But they are going to vote for it anyway, with their eyes wide shut. Today, we are learning what the real definition of a Republican moderate is. It is an extremist who feels guilty about it.

This bill is a backloaded, budget-busting, billionaire bonanza. Yes, we have a surplus, but if we vote for this tax cut, we will be plunging the United States Congress into a deep moral deficit.

We owe this money to people on Medicare, we owe it to people on Social Security, we owe it to people on home health care, we do not owe this money to the wealthiest 1 percent in our country.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Rhode Island (Mr. WEYGAND).

Mr. WEYGAND. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in support of the Democratic substitute we have crafted together.

Mr. Speaker, here on the Democratic side and on the other side we will hear a lot of rhetoric about the complexity, the smoke and mirrors, and it will go back and forth. But true to what the bill is all about, the underlying bill, 1 percent of the people in my district are going to receive a \$30,000 tax cut, and those people in my district who make less than \$37,000 a year are going to get less than \$500 a year.

Let us talk about real people. Paul and Jane Smith are 70 and 66 years old. They both retired 4 years ago but are back working, working part-time to pay for prescription drugs after open-heart surgery. These are real people who will not benefit from the Republican tax cut. These are real people that pay \$8,300 a year in prescription drug coverage that they do not have in Medicare or in their health care. The Democratic substitute would go to reforming Medicare to give them some benefit.

The choice is clear: Do we on this floor today vote for the rich and famous or for the real Americans throughout this country who need a tax break? Vote for the Democratic alternative.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Speaker, "Katy bar the door. Spend every cent before you put a penny in your pocket."

This Republican tax bill is the height of fiscal irresponsibility and economic

folly. I am proud to support the carefully crafted Democratic substitute, balanced among the goals of debt reduction, Social Security and Medicare solvency, and meeting our pressing defense and domestic obligations. It contains a prudent, affordable tax relief package targeted to the hard-pressed families and communities that need it most, and it gives us the flexibility to ride out the storm if these sunny projections do not pan out. It will let us sustain our economic health and keep our fiscal House in order.

Now, why would anyone want to oppose an \$800 billion tax cut? Well, let me give my colleagues a few reasons, and I will go until my time runs out and put the rest in the RECORD.

Reason number one. It bets the store on the accuracy of 10-year surplus projections. It seems the party of "rosy scenarios" has learned nothing.

Two. It contains not one dime for extending the solvency of Medicare.

Three. It foregoes hundreds of billions of dollars in debt reduction and interest savings.

Four. It almost certainly will lead to higher inflation and higher interest rates, thus canceling out the supposed benefits of lower taxes.

Five. It leaves no room in the budget for the investment we must make in military pay and readiness, in health care for our veterans, in building highways and transit, in health and other critical research, and in improving public education. We are already struggling to meet these obligations and the Republican bill would leave us unable to even adjust present expenditures for inflation.

Six. According to the Treasury Department, it concentrates two-thirds of its benefits on the wealthiest ten percent of our population. Citizens for Tax Justice estimates that the tax windfall to the wealthiest one percent would equal the benefits to the lower 90 percent.

Seven. It locks in a tax cut that gives us limited flexibility if these projections are wrong. It could force us to divert the Social Security surplus. It would almost surely spell fiscal ruin in the second ten years when its cost would balloon to almost \$3 trillion.

Eight is actually multiple choice. Choice A is for those who believe the trigger, which cancels the across the board cut if the projections are wrong, is on the level. This will create year-to-year uncertainty in the tax code. Taxpayers won't know even what the tax rate is until the final budget figures are published by the Treasury. Choice B is for those who think the trigger is a fig leaf for Republican moderates to hide behind in order to fold their principles once again to the conservative wing of their party. Passing such an artifice, such a sham as a part of a tax bill is beneath this House.

Mr. Speaker, I urge my colleagues to vote for the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Mr. Speaker, I rise in support of the Democratic substitute as well as the Demo-

cratic motion to recommit, and I support these alternatives to the risky Republican proposal because they embrace the philosophy and values that are important to American families.

First and foremost, they are fiscally responsible. For the last 30 years we have a history of running annual deficits. I am very proud that this year we have turned the corner and we are actually running a surplus. And I am also very proud that over the next 10 years, we can project to run a \$1 trillion surplus. But the American families, as well as those of us in Congress, should know well that it is not responsible, after 30 years of running a deficit, with 1 year of a surplus under our belt, and without having any money put in the bank, that we would embark upon a risky path of a \$1 trillion tax cut.

It is a risky proposition that we would take this path before we have even begun to pay down any of the national debt that we have developed over the last 30 years. It is a risky proposal to go down this path before we have protected Medicare and Social Security.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. MEEKS).

Mr. MEEKS of New York. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise today in support of the Democratic substitute sponsored by the gentleman from New York (Mr. RANGEL), and I commend him for the fine work he has done in crafting this substitute, for once again it highlights the difference between Democrats and Republicans. Democrats "big tent"; Republicans "small tent."

The Republicans' small tent fails to extend Social Security solvency and strengthen Medicare. The Republican tax cut, the small tent Republican tax cut, will require \$23 billion in borrowing from the Social Security Trust Fund over the next 10 years. The Republican small tent would give 65 percent of the total tax cuts to the rich.

The Democratic big tent thinks about those middle income Americans. The Democratic big tent thinks about the marriage penalty. The Democratic big tent thinks about the earned-income tax credit. The Democratic big tent thinks about how we can make our poor have a chance in this society so that they too can succeed.

One thing we do know for sure; that in the Republican small tent this bill is so bad that if the moderates in the Republicans' small tent were left on their own, they too would vote for this bill.

Vote in support of the gentleman from New York (Mr. RANGEL) and the Democratic substitute.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Mr. Speaker, as an active and ardent proponent of meaningful and fair tax relief, I rise in

support of the framework provided by the substitute amendment. This substitute bill best reflects the amount of tax relief that Congress can responsibly provide at this time without negatively impacting the economy. It is the only proposal allowing consideration that provides the majority of people the most tax relief.

I am personally disappointed that my calls for greater death tax relief for family farmers and small business owners have not been adequately addressed, and I will continue to advocate for those. But I want a measure that gives real relief to all people; that will not bankrupt Social Security and Medicare; that pays down the debt and still fits within the confines of a solid budget projection.

Fiscal discipline and common sense both tell us that we must provide targeted tax relief that helps families and fuels the economy engine, our economic engine of our Nation. I call again on the leadership to work with all Members to move forward to a tax cut bill that the majority of Congress can support. Please support the Rangel amendment.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Ms. BROWN).

□ 1315

Ms. BROWN of Florida. Mr. Speaker, the Republicans practice what I call reverse Robin Hood, robbing from the poor and working people to give a tax break to the rich. I think this is illustrated in this Forbes Magazine headline.

But today I want to talk about an issue that is very important to the people of my great State of Florida. Since the elimination of the sales tax deduction in 1986, the hard-working taxpayers in my State have been treated unfairly by the Tax Code. Because our State does not have an income tax, our residents are unable to deduct the same amount as taxpayers with identical income and financial profiles of other States and, therefore, pay a disproportionate share of Federal taxes.

The language in this bill would simply allow taxpayers to deduct either their State income tax or sales tax using standard tables to determine their average sales tax deduction.

The Rangel substitute is the only opportunity the residents of the State of Florida have to achieve tax fairness. I urge my colleagues to support the Rangel amendment.

Mr. ARCHER. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, throughout this entire debate, one thing is very, very clear. The Democrats again are fighting ferociously to keep the money of the workers of this country in Washington.

It is nothing new. They will use every, every argument that has no connection to this tax reduction. If they

say it long enough, maybe they can make it stick. But there is a genuine difference between us that is very clear. The Democrats believe they know best how to spend money by spending it with Government. We believe the people know best how to spend their own money.

What this debate is really all about is downsizing the power of Washington and upsizing the power of people. This could not have been made more clear when the President spoke in Buffalo the day after his State of the Union address, and he said to the people, assembled there I believe in a hockey arena. We could give you back part of this surplus. That would be an option. But if we did, how would we know that you spend it right?

There is the difference, Mr. Speaker.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM) someone who made a great contribution to our substitute and to the motion to recommit.

Mr. STENHOLM. Mr. Speaker, I agree that this is a defining debate and a debate about priorities.

The question is are we going to stop the generational mugging of our children and grandchildren? Are we going to give them a stronger or a weaker America?

Our priorities today we believe, in support of the recommitment that the gentleman from Tennessee (Mr. TANNER) will give in a moment, should be pay down the national debt really, using non-Social Security surpluses to do it, deal with Social Security and Medicare.

Contrary to what the gentleman from Florida (Mr. SHAW) said a moment ago, there are Democrats who have proposed a Social Security fix. And contrary to what the gentleman from Florida (Mr. SHAW) and the gentleman from Texas (Mr. ARCHER) do in theirs, we do not use the same \$1 trillion in proposed or projected surpluses to do it.

And let me correct, \$792 billion in the tax cut. But the gentleman from Texas (Mr. ARCHER) conveniently forgets the \$140 billion we are going to have to pay in interest on that debt.

The Republican bill does not reduce the burden on future generations, and that is what I am most concerned about. Simply using the Social Security surplus to reduce debt held by the public does not reduce the total national debt, it just shifts the debt from one part of the ledger to another.

In fact, under the bill as proposed today, the debt in this country will go from \$5.6 trillion to over \$5.8 trillion over the next 5 years under the plan in which we are debating. And no one can contradict me on that because that is in their bill. The bill leaves no room to address other needs.

I completely accept the gentleman from Texas (Mr. ARCHER) the chairman

of the committee. He is very sincere. And I mean no disrespect. He is perfectly willing to cut 27 percent from agriculture over the next 5 years. He is perfectly willing to spend less on defense than the President has proposed. He is perfectly willing to spend less on rural hospitals and allow rural hospitals all over to close. He is perfectly willing to do that, and I understand that. And there are a few others, but I do not think a majority are.

I voted for the tax cuts in 1921. We based that decision on projections on the promise we would cut spending. The result was \$3 trillion more in debt. We cannot afford to take another risky river boat gamble on projections. We cannot afford to take 10- and 15-year projections and spend that money like it is real money I do not believe.

The motion to recommit will provide an opportunity to go back and have a bipartisan budget approach. Let me remind our colleagues today, the motion to recommit is based on the Blue Dog budget that was supported by a majority of Democrats and 29 Republicans. Members on both sides of the aisle that said that they agree with the approach of paying down our national debt, dealing with Social Security and Medicare, and then dealing with tax cuts.

Voting for the recommitment would allow us to go back and work to put together a fiscally responsible bipartisan budget that is based on these principles. I hope my colleagues who once voted for this will again seriously consider, because that is the way we can responsibly deal with our children and grandchildren.

This tax bill, if we vote for the majority approach, will explode the national debt in the second 10 years. At precisely the time we have to come up with a Social Security fix, this bill will increase the national debt by \$4½ trillion. It is irresponsible. It needs to be defeated. Vote for the motion to recommit.

Mr. ARCHER. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois (Mr. HASTERT) the Speaker of the House of Representatives.

Mr. HASTERT. Mr. Speaker, I thank the chairman for yielding me the time.

Mr. Speaker, I rise in support of the Financial Freedom Act and in opposition to the Rangel substitute.

This substitute clears up any confusion on where our friends, the Democrats, stand on tax relief.

According to the Congressional Budget Office, the Democrat substitute actually increases taxes by \$4 billion. We have the largest surplus in history. The Democrat substitute raises taxes by \$4 billion.

Now, we have to give our friends on the other side of the aisle credit. They remain committed to larger Government and bigger spending. What we have here is a basic difference in philosophy, a philosophical difference.

We can do what the Democrats want. They want to spend more of the surplus, including a portion of the Social Security surplus, on more Washington bureaucratic programs. They believe that more Washington spending is responsible.

The President has said that giving this money back to American people is risky because he does not know how the American people will spend their own money. I think the President is wrong. It is not risky to give the American people back the very money that they have earned.

We have a better plan. First we lock away the Social Security surplus so it could be spent only on retirement security. Over 10 years, we put \$2 away for retirement security for every \$1 of tax relief. But over 5 years, the first 5 years, we put away \$800 billion in debt relief and \$156 billion in tax relief, almost a six-to-one ratio in debt relief.

Second, we allow Government to grow slowly. In fact, the Government will increase its spending by more than \$300 billion in the next 10 years under this plan.

This means we can keep funding programs that are important to the American people while we work to cut wasteful Washington spending.

Finally, we give some surplus back to the American people by targeting unfair tax parts of our Tax Code.

We think it is unfair to tax marriage, so we reduce the marriage penalty. And where did the marriage penalty come from? It came from tax writers on this side of the aisle over the last 30 years. It is time to change that.

We believe it is unfair to tax people when they die, so we phase out the death tax so that family farms and small family businesses can move from generation to generation.

We believe it is unfair to tax people who want to save for their children's education, so we include education savings accounts in this bill.

My colleagues, we believe it is unfair to tax people at the highest rate since the great world war of World War II. We include a 10-percent across-the-board tax cut that phases in over 10 years.

Our tax relief proposal is responsible and it is balanced, and it will keep the budget balanced. It will keep the economy growing, and it will return power back to the American people.

Today the House has a simple choice. We can give some of the surplus back to the people, as we advocate, or we can return to the tax-and-spend policies of our friends on the Democratic side of the aisle.

I urge my colleagues to make the right choice. Vote against the Democrat substitute. Vote for responsible tax relief. And vote to give some of the money back to the American people that go to work every day and punch a time clock and commute to work and earn that money.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the reason the Republicans think that they know what is in the Rangel substitute is because we gave it to the Committee on Rules and we did not change it in the middle of the night. So they have had an opportunity to read it and they read parts of it as they will.

Oh, no, we are talking about a \$250-billion tax cut. But we are talking about it being contingent on the certification that we repair Medicare and Social Security.

Now, if what the majority is saying that they do not intend to do anything with Medicare and do not intend to do anything for Social Security, the one thing that we did, not that we trust them that much, is to assure that the provisions for research and development and job opportunities be continued and we knew we had to pay for those. And where did we find the money to pay for them?

We went to Forbes Magazine. We went to the General Office of Accounting and found out who was violating the corporate laws and we got the corporate shelters people that have been hustling off of this IRS code that they are trying to pull up by the roots and we raised the \$4 billion by closing those loopholes.

I tell my colleagues this: Even if they did nothing, we would still go back to trying honest, equitable tax code and not give away money to people who do not deserve it.

Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, there are four problems with the bill before us.

First of all, it does nothing really to strengthen Social Security. It does nothing to strengthen Medicare. Two-thirds of the benefits go to the richest 10 percent of people in this society, and they are paid for by surpluses that are predicted but will not materialize because they assume that, in the end, this Congress will cut education and health care and veterans and environment by over 20 percent in real terms and that this Congress will not restore badly needed funds to Medicare and to home health care.

If that is not a public lie, it is at least a huge public fib.

I was here in 1981. I saw this Congress whoop through the budget then, making the same kind of promises it is making today about surpluses as far as the eye can see.

Instead of that, what that package did was dig us into the biggest deficit hole in history. It has taken us 18 years to dig out those deficits. And now what does this bill do? It gives us a chance to do it all over again.

You have institutional amnesia. Vote against the bill and for the Rangel substitute.

□ 1330

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana (Mr. JOHN).

Mr. JOHN. Mr. Speaker, since last night and all during the day today, we have heard a lot of rhetoric and a lot of numbers being tossed around; who could one-up the other.

But what the real question here is, what the real question that we are embarking on today is about our debt and our obligations. Those are two words that you and I in our business, in our household we deal with every day. The interest that we pay on our debt is 17 percent of our budget. \$5.9 trillion.

The best gift that I could give financially to my two twin sons Hayes and Harrison is to pay down that debt. We pay \$280 billion in interest on that debt. That is our debt. Our obligation is Social Security and Medicare. Those programs have been good, they are going to be here. This is our opportunity to do it.

The Blue Dog budget that we have talked about so often does those two things and provides 25 percent of the surplus for targeted tax cuts. That is the common sense way to go about handling the surplus. That is the way we should proceed tonight.

Vote for the motion to recommit.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I rise in support of the Rangel substitute and in opposition to the Republican Robin Hood in reverse, take from the poor give to the rich, Marie Antoinette-inspired bill.

Mr. Speaker, the Republican plan is an instrument of destruction. Not only does it cut taxes for the wealthy but it cuts the heart out of poor people who need LIHEAP, senior citizens who need Medicare to help pay for their prescription drugs, babies who need milk, mothers and children who need food, communities that need policemen to cut crime.

These cuts are not good for America and will cause our people and our communities to bleed. I have been told, Mr. Speaker, in the community where I live, when you cut, cut, cut, somebody is going to bleed, and the blood of the American people will be on the hands of those who held the knife.

I will not cut the heart out of the people. Vote for the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield myself the balance of my time.

The Republicans have been very creative and political in putting together their document. But before they even put it together, Chairman Greenspan said, the best thing that you can do for this great democracy, this great republic, this great economy, is to reduce the debt.

Now, you have come up with this cockamamie do not cut back the taxes

unless the interest rates are dropping. Mr. Greenspan says do not help him.

For God's sake get rid of this. You know it is going to be vetoed. Let us try to create a climate today where Republicans and Democrats can work together, where we can go to the President and negotiate something within a quarter of a trillion dollar tax cut, where we can reduce the Federal debt.

But the most important thing is that you and I can go home and let the American people know that we fulfilled our commitment to the generation that is coming with Social Security and with Medicare.

Now, we know you do not like these programs, but we know that the American people want you to support it. So forget your pride, forget the fact that these are Democratic proposals, and let us try to work together as a United States Congress and not like Republicans and not like Democrats.

Mr. ARCHER. Mr. Speaker, to close the debate on our side, I yield the balance of my time to the gentleman from Texas (Mr. ARMEY).

Mr. ARMEY. Mr. Speaker, the great privilege that we have as a generation of Americans is that we have the opportunity to be the bridge between two great generations of Americans. We begin by honoring our mothers and our fathers, that generation of Americans that saved the world for freedom and democracy, and we provide a bridge from there heroism to our own children, those bright, young, creative engines of prosperity that are turning prosperity into our lives as a result of that freedom they have.

I want to take a moment and thank my colleagues from my party in this body. I want to thank the Speaker for his leadership. I want to thank the gentleman from Texas (Mr. ARCHER) for his stewardship.

Despite the fact that we have understood all through this year and it has been made clear on the front page of the Washington Post that the Democrats have had a strategy, "We will do nothing for either of these two generations, we forgo any input into policy, we want these issues for politics," we have soldiered on.

We have worked hard, we have had great debates between ourselves on these issues, and I am proud of the debates we have had. In none of these debates did we have people say, "What's in it for me?" The question is, how can we best serve our children's future as we honor our mother and our father?

In doing that we have listened to our children. It has been our children, that great generation of workers and entrepreneurs, that have said, "Take care of retirement security and Medicare security."

We have had our hands reached out across the aisle. We have reached down the avenue to the White House. We have said, "Let's pull together a plan,

a long-term plan for Social Security and Medicare stability." We have been met with silence. When the President has tried to reach back, he has been met with chagrin from the Democrats in the House who said, "No, no, this is our political issue. We cannot be trifling with policy." So again we go alone.

Our first step has been to honor these children by locking away, over the next 10 years, \$2 trillion of their payroll taxes for retirement security and Medicare. That will pay down debt, and we will continue to work and hope that the do-nothing Democrats will reform their ways, get over their politics, get over themselves and come to work for this great generation of young people who are saying, "Honor our grandma and grandpa, fix these systems, make it sound, do your duty."

Can we not get beyond our politics? No, they would rather argue and quarrel.

Now, the gentleman from New York (Mr. RANGEL) says, "Oh, you Republicans, you're sneakier than me." Well, that is a generous thing to say. But I have to tell you, Mr. Speaker, I will not read the record of this debate as it comes from the Democrats in this debate because I have a longstanding personal tradition of not reading fiction.

It is enough to quarrel. We should have differences of opinion. But this is the people's body and here we ought to put politics aside and deal with policy.

They say we are irresponsible. They say we are reckless. That is not what the distinguished Senator from Nebraska, Senator KERREY, war hero, has said. He said just yesterday, "Cutting \$800 billion when you have got \$3 trillion coming in is hardly an outrageous, irresponsible move." Cutting \$800 billion over the next 10 years when, over the next 10 years, there will be \$23 trillion, Mr. and Mrs. America, of your hard-earned earnings to come to this great Nation is hardly an irresponsible or outrageous move. No, indeed, it is a respectful move. It is your money. You earned it. You should not pay more than we need. And we should not need more than we do. And we should give it back and let you keep it.

That is what they are fighting here. They are saying, "Don't take that money and leave it in the hands that earns it. Give it to us." The President said, this President that raised taxes just a few years ago, "We could cut your taxes and hope that you spend it wisely, but we don't want to take that chance."

Well, if you think you know better how to spend for me and my family, let me ask you, when was the last time you got your wife the right Christmas present? No, we will do better for ourselves, thank you. Leave our money in our pockets.

"We need big government programs," they say, more big government pro-

grams. Where is the service? They cannot even tell you what they are doing, they themselves.

The President raised taxes and just a few weeks ago, the gentleman from Missouri (Mr. GEPHARDT), the minority leader, said, "I'd be proud to raise taxes." Just a few days ago, he said, "I think we ought to have a \$200 billion tax reduction," and we thought they were going to offer one, but last night, not me, not the Speaker, not the chairman of the Committee on Ways and Means but the Congressional Budget Office evaluated their tax package, that they ask us to vote on right now.

The gentleman from New York may say, "I disagree that your package represents exactly what you say it represents," but he has always conceded it represents a tax cut, albeit he argues for only the rich, but he has never quarreled with the fact that we are offering here a reduction in the taxes of the hardworking men and women of America.

Do not ask us to set that aside. Do not ask us to vote instead for that real tax reduction with which you disagree, the fiction of your substitute, which is judged by the Congressional Budget Office to be, no, not a tax reduction but a tax increase of \$4 billion.

When the gentleman from Missouri (Mr. GEPHARDT) said, on one hand, "I'd be proud to raise taxes" and, on the other hand, "I'm ready to lower taxes," I wondered whom was in fact the minority leader. Now, I know. The real minority leader is the one that brings to this floor to be voted on before the American people, on this day, as a substitute to our tax reduction, a \$4 billion tax increase to add to the \$23 trillion the government is already going to take from your children and my children.

Let us vote that tax increase down and vote for our tax decrease. Let our children have a better job, more take-home pay, a happier, more well-educated family. And when our children die, let them give to our grandchildren all the fruits of their labor, none of which should be stolen from our grandchildren in the form of a death tax.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to strongly support this amendment.

The Trillion Dollar Tax Break and Deficit Act of 1999 is irresponsible legislation that reeks of political posturing. The bill relies on projections of future surpluses that America may never see. This bill would exacerbate the ills of our economy and would only extend the rich-poor gap that already plagues our country. This substitute would remedy many of the problems found in the original bill. This amendment recognizes that we should target those who need the most help, not those who are the most wealthy.

Among the many reasons that I enthusiastically support this amendment is the fact that it incorporates many important community development initiatives such as an increase in the low-income housing tax credit program

and the new markets tax credit proposed by the President to revitalize depressed areas. The City of Houston and I have worked too hard to provide quality low-income housing to the 18th District. To undermine that with a haphazard tax bill is unacceptable. For the sake of our citizens, we must vote in favor of this amendment.

This amendment also accelerates the \$1 million estate tax exclusion and 100 percent deductibility for the health insurance costs of the self-employed, as well as an increase in the costs which small businesses can expense rather than capitalize.

It is important that we recognize the needs of small businesses. Almost four million Texans work in businesses with less than 500 employees, generating a total payroll of about \$100 billion a year. This sector of business is growing. From 1992 to 1996, small businesses have added 162,201 new jobs. In 1998, Texas businesses with less than 100 employees employed 42.4 percent of the Texas, non-farm workforce (up from 40.6 percent in 1996). Small and medium businesses account for more than 67 percent of the Texas workforce. These viable businesses need our support, and this substitute can provide it.

Also important is the fact that this amendment strongly supports the family. The substitute includes modifications to the minimum tax to ensure that middle income families receive the full benefit of the per-child family credit, the education credit, dependent care credit, and other nonrefundable credits. The amendment also provides tax relief for families with children under age 5 for purposes of assisting these families in meeting costs of child care, health care, and other expenses. The relief would arrive in the form of a \$250 increase in the per-child family credit. In addition, the substitute would provide tax relief to families residing in States that use retail sales taxes rather than income taxes to fund their State government.

The family unit is sacred, and we want to do everything within our power to ensure the stability and financial viability of the family. This amendment is an improvement over the original bill because the original bill relies upon an across the board ten percent cut to help American families. Such thinking is naive. Low-income families would only see a tax cut of about \$100. In comparison, the highest one percent of taxpayers would see a tax cut of \$20,000. This situation is unacceptable, and we must vote for this amendment to remedy the problems existing in the original bill.

Finally, it pleases me to see that the amendment recognizes the need for school modernization. This substitute includes a school construction and modernization initiative that would provide \$25 billion in free-or-interest-cost funds for public school construction and modernization costs. Many of our public schools are in desperate need of repair and renovation. Our children are our future, and they deserve only the best facilities.

Finally, I appreciate this amendment because it treats the taxpayers in my home State of Texas fairly. Since the elimination of the tax deduction in 1986, taxpayers in Texas, a State that does not have an income tax, were forced to deduct less than taxpayers with identical profiles in States that do have an income tax.



The amendment contains a provision that will remedy this inequity—the original bill fails to include such a provision. The substitute is based on H.R. 1433, a bill that I co-sponsored, that represented a bipartisan effort that would provide taxpayers with the option of deduction of either state and local income taxes or state and local sales taxes.

Because of the many important and necessary improvements that this amendment provides, I urge my colleagues to vote for this substitute.

Mr. BARCIA. Mr. Speaker, I share many of my colleagues concerns about the heavy tax burden imposed on the hardworking men and women in this country. So, it is with great regret that I rise in opposition to the bill before us today. While it contains the essence of many tax reductions that I personally support and which are long over due, I am deeply concerned about ensuring the solvency of the Social Security and Medicare programs. I am very pleased, however, to support the alternative measure, which will also provide necessary tax relief, but will protect the future of Social Security and Medicare.

Each weekend when I am home in my district, I hear from my constituents that we must shore up the Social Security and Medicare programs. Since 1965 the Medicare program has provided universal health insurance coverage to our nation's seniors. The program's future is in jeopardy and while I also support tax relief, I strongly believe that we must address the solvency of this program, as well as Social Security, for future generations.

It is estimated that by 2034, the Social Security Trust Fund will be depleted. It is essential that we utilize the budget surplus to help secure the future of the program. By exercising appropriate fiscal discipline, Social Security revenues will not be needed to fund discretionary programs and we will be able to preserve and protect Social Security without reducing benefits or shortening retirement.

The marriage penalty tax is one of the single biggest items of interest to the hard-working men and women of our nation. Under the current federal income tax system, married couples pay more income tax than they would if they were single. Instead of eliminating that penalty for all, the bill before us today only reduces by a marginal amount the penalty for less than half of the taxpayers who are affecting by it. I cannot go home in good conscience and tell my constituents that we "voted to eliminate the marriage penalty tax" when this bill does not, in fact, achieve that goal.

I firmly believe that we should reduce and eliminate capital gains taxes. I believe that it is immoral to force the break up of family farms and small businesses through the imposition of the estate tax. I also believe that we should not leave's debt to be paid for by tomorrow's generations. They will have enough problems of their own without being saddled with ours.

The Democratic alternative which I am supporting today provides a more generous relief in the marriage penalty tax. It provides an increase in the family tax credit for young children. It provides tax credits for individuals with long term care needs. It accelerates the 100% deductibility of health insurance premiums

paid by self-employed individuals, including farmers and small businessmen. It accelerates the increase in estate tax exclusions, and increases the expensing options for small businesses. It does all of this while providing for the solvency of Social Security and Medicare.

Mr. Speaker, while the tax reduction package may not go as far as many of us would like to go, it is responsible. It is paid for. And, it is based upon reasonable economic projections.

I urge the adoption of the substitute and the rejection of the Committee's bill.

Mr. UDALL of New Mexico. Mr. Speaker, as I travel around my Congressional District, the people of Northern New Mexico make it very clear what they expect from Congress.

Whether I am in Santa Fe or Farmington, Espanola or Clovis, my constituents tell me that they want Congress to protect Social Security and Medicare, to strengthen education, to expand access to health care, and to fight for our veterans.

That is why, Mr. Speaker, I rise today against the irresponsible tax proposal offered by the majority, and in support of the Democratic substitute. The trillion dollar risky Republican tax plan benefits the wealthy while jeopardizing everything my constituents have asked us to fight for.

Mr. Speaker, the majority's proposal is based on risky economic assumptions, that we just don't know to be true. If the current budget projections are wrong, this proposal will send us back to the days of exploding deficits, high inflation rates, and uncertainty over the future of Social Security and Medicare.

My party has offered a proposal to save Social Security and Medicare, and offer targeted tax cuts to those families that need it the most. Mr. Speaker, Northern New Mexico families want this Congress to pass a budget that protects Social Security, Medicare, education and health care.

Northern New Mexico families want and deserve tax relief—but it should be done in an honest and responsible manner. The Democratic substitute does that, Mr. Speaker, through targeted tax credits and giving support to local communities in the areas of education, health care, and economic development.

I urge my colleagues to vote with me to protect the interests of hard working American families and support the Democratic substitute.

Ms. ESHOO. Mr. Speaker, I rise in favor of the Democratic substitute and in opposition to H.R. 2488, the fiscally irresponsible Republican tax bill of 1999. I support the Democratic substitute because it does three things.

First, I believe that the ultimate tax cut are low interest rates for the American people. We will achieve this by paying down our national debt. Second, it secures Social Security and Medicare and third it provides targeted tax cuts that invest in our people and our economy.

One of the tax cuts is making the Research & Development tax credit permanent. This tax credit has been critical to our nation's stunning economic growth, but it is not permanent and recently expired once again. Because of its start-stop nature, companies are unable to rely on the full benefits that the R&D tax credit provides.

Imagine if the home mortgage deduction was temporary. Homeowners would live in uncertainty, and the housing industry would be in chaos.

It's time to make the R&D tax credit permanent. The Democratic substitute makes it permanent; the Republican plan does not.

The Republican plan is irresponsible. It will promote huge budget deficits, more national debt and weaken the American economy. It will set up a generational mugging.

I urge members to vote for the Democratic substitute. We can't go back—we must go forward.

The SPEAKER pro tempore (Mr. THORNBERRY). All time for general debate has expired.

Pursuant to House Resolution 256, the previous question is ordered on the bill, as amended, and on the further amendment by the gentleman from New York (Mr. RANGEL).

The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

#### RECORDED VOTE

Mr. RANGEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 173, noes 258, not voting 3, as follows:

[Roll No. 331]

#### AYES—173

Abercrombie	Eshoo	Lofgren
Ackerman	Etheridge	Lowey
Allen	Evans	Luther
Andrews	Farr	Maloney (CT)
Baird	Fattah	Maloney (NY)
Baldacci	Filner	Markley
Baldwin	Forbes	Martinez
Barcia	Ford	Matsui
Becerra	Frank (MA)	McCarthy (MO)
Bentsen	Frost	McCarthy (NY)
Berkley	Ganske	McGovern
Berman	Gejdenson	McKinney
Bishop	Gephardt	McNulty
Blagojevich	Gonzalez	Meehan
Blumenauer	Gordon	Meek (FL)
Bonior	Green (TX)	Meeks (NY)
Boswell	Gutierrez	Menendez
Boucher	Hall (OH)	Millender
Brady (PA)	Hall (TX)	McDonald
Brown (FL)	Hastings (FL)	Minge
Brown (OH)	Hill (IN)	Mink
Capps	Hilliard	Moakley
Capuano	Hinchey	Mollohan
Cardin	Hinojosa	Moore
Carson	Hoeffel	Moran (VA)
Clay	Holt	Nadler
Clayton	Hoolley	Napolitano
Clement	Hoyer	Neal
Clyburn	Inslee	Oberstar
Condit	Jackson (IL)	Obey
Conyers	Jackson-Lee	Ortiz
Coyne	(TX)	Owens
Crowley	Jefferson	Pallone
Cummings	Johnson, E.B.	Pascarell
Danner	Jones (OH)	Pastor
Davis (FL)	Kaptur	Payne
Davis (IL)	Kildee	Pelosi
DeGette	Kilpatrick	Pomeroy
DeLauro	Kleczka	Price (NC)
Deutsch	Kucinich	Rangel
Dicks	LaFalce	Reyes
Dingell	Lampson	Rodriguez
Dixon	Lantos	Roemer
Doggett	Larson	Rothman
Dooley	Levin	Roybal-Allard
Engel	Lewis (GA)	Rush

Sabo  
Sanchez  
Sanders  
Sandlin  
Sawyer  
Schakowsky  
Serrano  
Sherman  
Slaughter  
Smith (WA)  
Spratt  
Stabenow  
Stark

Strickland  
Stupak  
Tanner  
Tauscher  
Thompson (CA)  
Thompson (MS)  
Thurman  
Tierney  
Towns  
Turner  
Udall (CO)  
Udall (NM)  
Velazquez

Vento  
Waters  
Watt (NC)  
Waxman  
Weiner  
Wexler  
Weygand  
Wise  
Woolsey  
Wu  
Wynn

Trafficant  
Upton  
Visclosky  
Vitter  
Walden  
Walsh

Wamp  
Watkins  
Watts (OK)  
Weldon (FL)  
Weldon (PA)  
Weller

Whitfield  
Wicker  
Wilson  
Wolf  
Young (AK)  
Young (FL)

## NOT VOTING—3

Kennedy McDermott Peterson (PA)

□ 1405

Messrs. SHADEGG, SHOWS, MASCARA, RAHALL, CHABOT, CRAMER, PHELPS and OLVER changed their vote from “aye” to “no.”

Ms. DEGETTE, Mrs. MEEK of Florida and Mr. BALDACCIO changed their vote from “no” to “aye.”

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. TANNER

Mr. TANNER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. TANNER. In its present form, I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. TANNER moves that the bill, H.R. 2488, be recommitted to the Committee on Ways and Means with instructions to promptly report the same back to the House with an amendment—

(1) which provides a net 10-year tax reduction of not more than 25 percent of the currently projected non-Social Security surpluses, and

(2) which provides that the effectiveness of each tax reduction contained therein is contingent on a certification by the Director of the Office of Management and Budget that—

(a) 100 percent of the Social Security Trust Fund surpluses and 50 percent of the non-Social Security surpluses are dedicated to reducing the amount of the publicly-held national debt,

(b) there are protections (comparable to those applicable to the Social Security Trust Fund surpluses) that assure that 100 percent of the Social Security Trust Fund surpluses and 50 percent of non-Social Security surpluses are used to reduce the amount of publicly-held national debt, and

(c) 100 percent of the Social Security Trust Fund surpluses and 50 percent of the non-Social Security surpluses shall not be available for any purposes other than reducing publicly-held national debt.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Tennessee (Mr. TANNER) is recognized for 5 minutes in support of his motion.

Mr. TANNER. Mr. Speaker, earlier today in the debate there was some conversation about what Chairman Greenspan would or would not do. Just a few minutes ago, I am told, he testified in response to a question about this tax cut bill that quote, “I remain where I was the time I appeared before

you and the time before that. The reduction that occurs in the Federal debt as a consequence of reducing the debt is an extraordinarily effective tool for a good economy; it moved interest rates lower, the cost of capital is lower, it led to expansion of economic growth. Therefore, as I said before, we must let the surplus run. If I was asked what our first priority should be, it would be to let the surplus run and reduce the Federal debt.”

Mr. Speaker, during the debate today, we have really come a long way. The President, the Republicans, the Democrats, the Congress, the Senate, even, we have come a long way; but this debate today is about what to do with the \$792 billion that is involved in this tax cut. It is us versus our children and grandchildren.

And why do I say us? It is because we, particularly those of us over 40, have benefited from the consumption on borrowed money over the last 25 or 30 years, but it is our children and grandchildren that have the most to lose today.

I did not sleep particularly well last night, and in my fitfulness I envisioned that I was part of the majority and voted for this Republican bill. I was proud of this vote, and I went home to back-slapping at the civic clubs and standing ovations at the political rallies. People told me how proud they were of me, and I really felt great about myself.

But then this theme changed and I found myself at a grade school back home, a young fellow with a cowlick came up and said, Mr. Congressman, you are an important guy, you take good care of us and our country. My classmates and I appreciate Congress and the President agreeing not to spend the Social Security Trust Fund anymore. We hope you can live up to that. Mr. Congressman, I know we don't have a lobbyist, we don't have a PAC, we can't even vote.

All we have, Mr. Congressman, is you and your fellow Members to look out for us. We know you grown-ups work hard and need a tax cut and we want you to have one. But sir, could I ask you, would you just split the surplus with us? Would you just give us half? We know our future is tied to the amount of debt America owes and the interest we know we will have to pay during our adult years on that debt. Would you just split this \$792 billion surplus with us?

I said, No, kid. I need 80 to 90 percent of it. You are right, I am important. I have the power to take it for myself. I can take the money and run. Look, kid, life is not fair, and the sooner you learn that, the better.

And then, Mr. Speaker, I woke up. I was not quite so proud of my vote. I was not even proud about anything I had done. He did not have a lobbyist, he did not have a PAC, he could not

## NOES—258

Aderholt  
Archer  
Armey  
Bachus  
Baker  
Ballenger  
Barr  
Barrett (NE)  
Barrett (WI)  
Bartlett  
Barton  
Bass  
Bateman  
Bereuter  
Berry  
Biggert  
Bilbray  
Bilirakis  
Bliley  
Blunt  
Boehlert  
Boehner  
Bonilla  
Bono  
Borski  
Boyd  
Brady (TX)  
Bryant  
Burr  
Burton  
Buyer  
Callahan  
Calvert  
Camp  
Campbell  
Canady  
Cannon  
Castle  
Chabot  
Chambliss  
Chenoweth  
Coble  
Coburn  
Collins  
Combest  
Cook  
Cooksey  
Costello  
Cox  
Cramer  
Crane  
Cubin  
Cunningham  
Davis (VA)  
Deal  
DeFazio  
Delahunt  
DeLay  
DeMint  
Diaz-Balart  
Dickey  
Doolittle  
Doyle  
Dreier  
Duncan  
Dunn  
Edwards  
Ehlers  
Ehrlich  
Emerson  
English  
Everett  
Ewing  
Fletcher  
Foley  
Fossella  
Fowler  
Franks (NJ)  
Frelinghuysen  
Gallegly

Gekas  
Gibbons  
Gilchrest  
Gillmor  
Gilman  
Goode  
Goodlatte  
Goodling  
Goss  
Graham  
Granger  
Green (WI)  
Greenwood  
Gutknecht  
Hansen  
Hastert  
Hastings (WA)  
Hayes  
Hayworth  
Hefley  
Herger  
Hill (MT)  
Hilleary  
Hobson  
Hoekstra  
Holden  
Horn  
Hostettler  
Houghton  
Hulshof  
Hunter  
Hutchinson  
Hyde  
Isakson  
Istook  
Jenkins  
John  
Johnson (CT)  
Johnson, Sam  
Jones (NC)  
Kanjorski  
Kasich  
Kelly  
Kind (WI)  
King (NY)  
Kingston  
Klink  
Knollenberg  
Kolbe  
Kuykendall  
LaHood  
Largent  
Latham  
LaTourette  
Lazio  
Leach  
Lee  
Lewis (CA)  
Lewis (KY)  
Linder  
Lipinski  
LoBiondo  
Lucas (KY)  
Lucas (OK)  
Manzullo  
Mascara  
McCollum  
McCrery  
McHugh  
McInnis  
McIntosh  
McIntyre  
McKeon  
Metcalf  
Mica  
Miller (FL)  
Miller, Gary  
Miller, George  
Moran (KS)  
Morella

Murtha  
Myrick  
Nethercutt  
Ney  
Northup  
Norwood  
Nussle  
Olver  
Ose  
Oxley  
Packard  
Paul  
Pease  
Peterson (MN)  
Petri  
Phelps  
Pickering  
Pickett  
Pitts  
Pombo  
Porter  
Portman  
Pryce (OH)  
Quinn  
Radanovich  
Rahall  
Ramstad  
Regula  
Reynolds  
Riley  
Rivers  
Rogan  
Rogers  
Rohrabacher  
Ros-Lehtinen  
Roukema  
Royce  
Ryan (WI)  
Ryun (KS)  
Salmon  
Sanford  
Saxton  
Scarborough  
Schaffer  
Scott  
Sensenbrenner  
Sessions  
Shadeegg  
Shaw  
Shays  
Sherwood  
Shimkus  
Shows  
Shuster  
Simpson  
Sisisky  
Skeen  
Skelton  
Smith (MI)  
Smith (NJ)  
Smith (TX)  
Snyder  
Souder  
Spence  
Stearns  
Stenholm  
Stump  
Sununu  
Sweeney  
Talent  
Tancredo  
Tauzin  
Taylor (MS)  
Taylor (NC)  
Terry  
Thomas  
Thornberry  
Thune  
Tiahrt  
Toomey

vote. All he and his friends have is us, Congress people.

Well, little buddy, you might not have a lobbyist or PAC, or you cannot vote, but you are just as important part of the American family as any adult in this country. So when we say, let us give it back to the people, little buddy, you are one of the people and one of the most important, because you are our big future. Split with you, you ask? I am proud to split it with you. It is the least I can do. That is why we offer this motion to recommit.

Give them half of this \$792 billion. Pay it on the debt. That little boy and our kids' future may well depend on it.

□ 1415

The SPEAKER pro tempore (Mr. THORNBERRY). Does the gentleman from Oklahoma (Mr. WATTS) seek to claim the time in opposition to the motion?

Mr. WATTS of Oklahoma. Yes, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Oklahoma (Mr. WATTS) is recognized for 5 minutes.

Mr. WATTS of Oklahoma. Mr. Speaker, I would say to my friend, the gentleman from Tennessee (Mr. TANNER), rather than giving half of that \$790 billion, Republicans, we propose to put \$800 billion in debt relief over the next 5 years.

Mr. Speaker, when the gentleman from Illinois (Mr. HASTERT) became Speaker of the House, he said that we would give the American people tax relief; we would send education dollars back home; said we would take every dollar of Social Security and set it aside for Social Security retirement, and he said we would strengthen our national defense.

I have been baffled over the last 12 hours, as I have listened to the debate that I have heard here on the floor, because one would not think that the Republicans, that we do any of that stuff. One would think that it was just horrible all the things that I have heard over the last 12 hours in this debate.

Mr. Speaker, once and for all, let me share with the American people what our tax relief and our tax fairness package does. We are going to give the American people over the next 10 years, we are going to give them about \$792 billion in tax relief and in tax fairness, and in this tax relief package and in this tax fairness package, we are going to eliminate the marriage tax penalty. We do not think it is fair that people have to pay more money if they are a married couple than they do if they are two individuals. We don't think that is fair.

We are going to eliminate death taxes. We believe it is unfair that people have to face the undertaker and the IRS in the same week. That is unfair.

Mr. Speaker, we have heard over the last 12 hours that eliminating the death tax, it is helping the rich.

Well, Mr. Speaker, let us say that I am a millionaire and I am worth a million dollars. If I die and I choose to leave my family farm or my small business to my kids and my grandkids, it is not benefiting me. I am dead. I get nothing out of that. It is for my kids and for my grandkids.

We do that. We take care of that.

Mr. Speaker, we say we want to cut taxes 10 percent across the board over the next 10 years. Mr. Speaker, we said for every two dollars that we set aside for Social Security retirement, we are going to put one dollar in for tax relief. I think that is fair.

This is about people. We have been talking about numbers and we have heard all kind of numbers over the last 12 hours. Mr. Speaker, this is not about numbers. It is about people, the folks back home, my half a million or so constituents. They get up every morning wondering how are we going to find money to buy school clothes for the kids? How are we going to find money to buy new tires for the car? The washer and dryer went out last week. How are we going to find money to pay for the new washer and dryer that we need.

This is about people. It is about families. It is about working moms working from paycheck to paycheck to make ends meet. It is about working families working from paycheck to paycheck to make ends meet; giving them more of their money to free up their time, not having to work but so they can spend it with their kids and with their grandkids. That is what this is about, securing the future for our families, for our children, for our farmers.

That is what it is about, helping them to pursue the hopes, the dreams and the ambitions, the goodness. That is what it is about.

We have heard a lot of babble over the last 12 hours. I have listened to some of the debate, and from time to time I would hear things that I would feel like saying, give me a physical break. \$800 billion we are paying down on the national debt. We are securing the Social Security trust fund.

The President said here about a year ago, 8 months ago, he said let us take 62 percent of the surplus and set it aside for Social Security.

We created the lockbox. We said when that FICA fellow, and everyone will see it on their paycheck, when that FICA fellow takes money out of the paycheck, we are going to force him to do with it what he says he is going to do with it. Save it in the lockbox for retirement.

Mr. Speaker, we have a great opportunity, a great opportunity, in the next few minutes, to do a lot for our families, for working moms, working dads, for small businesspeople, for farmers. I beg my colleagues not to blow it.

I oppose this motion to recommit. I urge a no vote, and vote yes on final passage.

Mr. NEAL of Massachusetts. Mr. Speaker, I strongly support the motion to recommit offered by the Blue Dog Democrats. It makes common sense to save half the budget surplus for deficit reduction, and it is hard for me to believe that this would be controversial.

I understand a sense of Congress resolution in favor of debt reduction has now been added to Chairman ARCHER's bill. That clarifies the issue. You can either vote for the motion to recommit to actually accomplish debt reduction, or you can vote to say you are for debt reduction without taking any action to do it.

Mark my words, the Republican tax bill will plunge us back into deficit spending before it is fully implemented. According to the Congressional Budget Office, if you assume that appropriations bills will increase by the rate of inflation, and there is no emergency spending for 10 years, then its \$996 billion surplus shrinks to \$247 billion. The difference, if the Republican tax bill passes, will be deficit spending.

And its \$3 trillion cost of the Republican tax bill when fully implemented during the second ten years will plunge us off a deficit cliff just as surely as lemmings heading to the sea.

This motion to recommit is the last opportunity to turn away from the cliff. I hop my colleagues will use their common sense, and vote for this motion to recommit.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

#### RECORDED VOTE

Mr. TANNER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 211, noes 220, not voting 3, as follows:

[Roll No. 332]

AYES—211

Abercrombie	Clyburn	Frank (MA)
Ackerman	Condit	Frost
Allen	Conyers	Ganske
Andrews	Costello	Gejdenson
Baird	Coyne	Gephardt
Baldacci	Cramer	Gonzalez
Baldwin	Crowley	Goode
Barcia	Cummings	Gordon
Barrett (WI)	Danner	Green (TX)
Becerra	Davis (FL)	Gutierrez
Bentsen	Davis (IL)	Hall (OH)
Berkley	DeFazio	Hall (TX)
Berman	DeGette	Hastings (FL)
Berry	Delahunt	Hill (IN)
Bishop	DeLauro	Hilliard
Blagojevich	Deutsch	Hinchey
Blumenauer	Dicks	Hinojosa
Bonior	Dingell	Hoeffel
Borski	Dixon	Holden
Boswell	Doggett	Holt
Boucher	Dooley	Hooley
Boyd	Doyle	Hoyer
Brady (PA)	Edwards	Inslee
Brown (FL)	Engel	Jackson (IL)
Brown (OH)	Eshoo	Jackson-Lee
Capps	Etheridge	(TX)
Capuano	Evans	Jefferson
Cardin	Farr	John
Carson	Fattah	Johnson, E.B.
Clay	Filmer	Jones (OH)
Clayton	Forbes	Kanjorski
Clement	Ford	Kaptur

Kildee  
Kilpatrick  
Kind (WI)  
Klecza  
Klink  
Kucinich  
LaFalce  
Lampson  
Lantos  
Larson  
Lee  
Levin  
Lewis (GA)  
Lipinski  
Lofgren  
Lowey  
Lucas (KY)  
Luther  
Maloney (CT)  
Maloney (NY)  
Markey  
Martinez  
Mascara  
Matsui  
McCarthy (MO)  
McCarthy (NY)  
McGovern  
McIntyre  
McKinney  
McNulty  
Meehan  
Meek (FL)  
Meeks (NY)  
Menendez  
Millender-  
McDonald  
Miller, George  
Minge  
Mink

Moakley  
Mollohan  
Moore  
Moran (VA)  
Murtha  
Nadler  
Napolitano  
Neal  
Oberstar  
Obey  
Olver  
Ortiz  
Owens  
Pallone  
Pascrell  
Pastor  
Payne  
Pelosi  
Peterson (MN)  
Peterson (NY)  
Pickett  
Pomeroy  
Price (NC)  
Rahall  
Rangel  
Reyes  
Rivers  
Rodriguez  
Roemer  
Rothman  
Roybal-Allard  
Rush  
Sabo  
Sanchez  
Sanders  
Sandlin  
Sawyer  
Schakowsky  
Scott

Serrano  
Sherman  
Shows  
Sisisky  
Skelton  
Slaughter  
Smith (WA)  
Snyder  
Spratt  
Stabenow  
Stark  
Stenholm  
Strickland  
Stupak  
Tanner  
Tauscher  
Taylor (MS)  
Thompson (CA)  
Thompson (MS)  
Thurman  
Tierney  
Towns  
Traficant  
Turner  
Udall (CO)  
Udall (NM)  
Velazquez  
Vento  
Visclosky  
Waters  
Watt (NC)  
Waxman  
Weiner  
Wexler  
Weygand  
Wise  
Woolsey  
Wu  
Wynn

## NOES—220

Aderholt  
Archer  
Armey  
Bachus  
Baker  
Ballenger  
Barr  
Barrett (NE)  
Bartlett  
Barton  
Bass  
Bateman  
Bereuter  
Biggert  
Bilbray  
Bilirakis  
Bilely  
Blunt  
Boehlert  
Boehner  
Bonilla  
Bono  
Brady (TX)  
Bryant  
Burr  
Burton  
Buyer  
Callahan  
Calvert  
Camp  
Campbell  
Canady  
Cannon  
Castle  
Chabot  
Chambliss  
Chenoweth  
Coble  
Coburn  
Collins  
Combest  
Cook  
Cooksey  
Cox  
Crane  
Cubin  
Cunningham  
Davis (VA)  
Deal  
DeLay  
DeMint  
Diaz-Balart  
Dickey  
Doolittle

Dreier  
Duncan  
Dunn  
Ehlers  
Ehrlich  
Emerson  
English  
Everett  
Ewing  
Fletcher  
Foley  
Fossella  
Fowler  
Franks (NJ)  
Frelinghuysen  
Gallegly  
Gekas  
Gibbons  
Gilchrist  
Gillmor  
Gilman  
Goodlatte  
Goodling  
Goss  
Graham  
Granger  
Green (WI)  
Greenwood  
Gutknecht  
Hansen  
Hastert  
Hastings (WA)  
Hayes  
Hayworth  
Hefley  
Herger  
Hill (MT)  
Hilleary  
Hobson  
Hoekstra  
Horn  
Hostettler  
Houghton  
Hulshof  
Hunter  
Hutchinson  
Hyde  
Isakson  
Istook  
Jenkins  
Johnson (CT)  
Johnson, Sam  
Jones (NC)  
Kasich

Kelly  
King (NY)  
Kingston  
Knollenberg  
Kolbe  
Kuykendall  
LaHood  
Largent  
Latham  
LaTourette  
Lazio  
Leach  
Lewis (CA)  
Lewis (KY)  
Linder  
LoBiondo  
Lucas (OK)  
Manzullo  
McCollum  
McCrery  
McHugh  
McInnis  
McIntosh  
McKeon  
Metcalf  
Mica  
Miller (FL)  
Miller, Gary  
Moran (KS)  
Morella  
Myrick  
Nethercutt  
Ney  
Northup  
Norwood  
Nussle  
Ose  
Oxley  
Packard  
Paul  
Pease  
Petri  
Pickering  
Pitts  
Pombo  
Porter  
Portman  
Pryce (OH)  
Quinn  
Radanovich  
Ramstad  
Regula  
Reynolds  
Riley

Rogan  
Rogers  
Rohrabacher  
Ros-Lehtinen  
Roukema  
Royce  
Ryan (WI)  
Ryun (KS)  
Salmon  
Sanford  
Saxton  
Scarborough  
Schaffer  
Sensenbrenner  
Sessions  
Shadegg  
Shaw  
Shays  
Sherwood  
Shimkus

Shuster  
Simpson  
Skeen  
Smith (MI)  
Smith (NJ)  
Smith (TX)  
Souder  
Spence  
Stearns  
Stump  
Sununu  
Sweeney  
Talent  
Tancredo  
Tauzin  
Taylor (NC)  
Terry  
Thomas  
Thornberry  
Thune

## NOT VOTING—3

Kennedy McDermott Peterson (PA)

## □ 1438

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. THORNBERRY). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

## RECORDED VOTE

Mr. CARDIN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 223, noes 208, not voting 3, as follows:

[Roll No. 333]

## AYES—223

Aderholt  
Archer  
Armey  
Bachus  
Baker  
Ballenger  
Barr  
Barrett (NE)  
Bartlett  
Barton  
Bass  
Bateman  
Bereuter  
Biggert  
Bilbray  
Bilirakis  
Bilely  
Blunt  
Boehlert  
Boehner  
Bonilla  
Bono  
Brady (TX)  
Bryant  
Burr  
Burton  
Buyer  
Callahan  
Calvert  
Camp  
Campbell  
Canady  
Cannon  
Chabot  
Chambliss  
Chenoweth  
Coble  
Coburn  
Collins  
Combest  
Cook  
Cooksey  
Cox  
Crane  
Cubin  
Cunningham  
Davis (VA)  
Deal  
DeLay  
DeMint  
Diaz-Balart  
Dickey  
Doolittle

Crane  
Cubin  
Cunningham  
Danner  
Davis (VA)  
Deal  
DeLay  
DeMint  
Diaz-Balart  
Dickey  
Doolittle  
Dreier  
Duncan  
Dunn  
Ehlers  
Ehrlich  
Emerson  
English  
Everett  
Ewing  
Fletcher  
Foley  
Fossella  
Fowler  
Franks (NJ)  
Frelinghuysen  
Gallegly  
Gekas  
Gibbons  
Gilchrist  
Gillmor  
Gilman  
Goode  
Goodlatte  
Goodling  
Goss  
Graham  
Granger  
Green (WI)  
Greenwood  
Gutknecht  
Hall (TX)  
Hansen  
Hastert  
Hastings (WA)

Hayes  
Hayworth  
Hefley  
Herger  
Hill (MT)  
Hilleary  
Hobson  
Hoekstra  
Horn  
Hostettler  
Houghton  
Hulshof  
Hunter  
Hutchinson  
Hyde  
Isakson  
Istook  
Jenkins  
Johnson (CT)  
Johnson, Sam  
Jones (NC)  
Kasich

McIntosh  
McKeon  
Metcalf  
Mica  
Miller (FL)  
Miller, Gary  
Moran (KS)  
Myrick  
Nethercutt  
Ney  
Northup  
Norwood  
Nussle  
Ose  
Oxley  
Packard  
Paul  
Pease  
Petri  
Pickering  
Pitts  
Pombo  
Porter  
Portman  
Pryce (OH)  
Radanovich  
Ramstad  
Regula  
Reynolds  
Riley

Rogan  
Rogers  
Rohrabacher  
Ros-Lehtinen  
Roukema  
Royce  
Ryan (WI)  
Ryun (KS)  
Salmon  
Sanford  
Saxton  
Scarborough  
Schaffer  
Sensenbrenner  
Sessions  
Shadegg  
Shaw  
Shays  
Sherwood  
Shimkus  
Shuster  
Simpson  
Skeen  
Smith (MI)  
Smith (NJ)  
Smith (TX)  
Souder  
Spence  
Stearns  
Stump

## NOES—208

Abercrombie  
Ackerman  
Allen  
Andrews  
Baird  
Baldacci  
Baldwin  
Barcia  
Barrett (WI)  
Becerra  
Bentsen  
Berkley  
Berman  
Berry  
Blagojevich  
Blumenauer  
Bonior  
Borski  
Boswell  
Boucher  
Boyd  
Brady (PA)  
Jackson-Lee  
Brown (FL)  
Brown (OH)  
Capps  
Capuano  
Cardin  
Carson  
Castle  
Clay  
Clayton  
Clement  
Clyburn  
Conyers  
Costello  
Coyle  
Cramer  
Crowley  
Cummings  
Davis (FL)  
Davis (IL)  
DeFazio  
DeGette  
Delahunt  
DeLauro  
Deutsch  
Dicks  
Dingell  
Dixon  
Doggett  
Dooley  
Doyle  
Edwards  
Engel  
Eshoo  
Etheridge  
Evans  
Farr  
Fattah  
Filner  
Forbes  
Ford  
Frank (MA)

Frost  
Ganske  
Gejdenson  
Gephardt  
Gonzalez  
Gordon  
Green (TX)  
Gutierrez  
Hall (OH)  
Hastings (FL)  
Hill (IN)  
Hilliard  
Hinchey  
Hinojosa  
Hoeffel  
Holden  
Holt  
Hooley  
Hoyer  
Inslie  
Jackson (IL)  
Jackson-Lee  
(TX)  
Jefferson  
John  
Johnson, E.B.  
Jones (OH)  
Kanjorski  
Kaptur  
Kildee  
Kilpatrick  
Kind (WI)  
Klecza  
Klink  
Kucinich  
Coyle  
Lampson  
Lantos  
Larson  
Lee  
Levin  
Lewis (GA)  
Lipinski  
Lofgren  
Lowey  
Luther  
Maloney (CT)  
Maloney (NY)  
Markey  
Martinez  
Mascara  
Matsui  
McCarthy (MO)  
McCarthy (NY)  
McGovern  
McIntyre  
McKinney  
McNulty  
Meehan  
Meek (FL)  
Meeks (NY)  
Menendez

Millender-  
McDonald  
Miller, George  
Minge  
Mink  
Moakley  
Mollohan  
Moore  
Moran (VA)  
Morella  
Murtha  
Nadler  
Napolitano  
Neal  
Oberstar  
Obey  
Olver  
Ortiz  
Owens  
Pallone  
Pascrell  
Pastor  
Payne  
Pelosi  
Peterson (MN)  
Phelps  
Pickett  
Pomeroy  
Price (NC)  
Quinn  
Rahall  
Rangel  
Reyes  
Rivers  
Rodriguez  
Roemer  
Rothman  
Roybal-Allard  
Rush  
Sabo  
Sanchez  
Sanders  
Sandlin  
Sawyer  
Schakowsky  
Scott  
Serrano  
Sherman  
Shows  
Sisisky  
Skelton  
Slaughter  
Smith (WA)  
Snyder  
Spratt  
Stabenow  
Stark  
Stenholm  
Strickland  
Stupak  
Tanner  
Tauscher  
Taylor (MS)

Thompson (CA)	Udall (NM)	Wexler
Thompson (MS)	Velazquez	Weygand
Thurman	Vento	Wise
Tierney	Visclosky	Woolsey
Towns	Waters	Wu
Trafficant	Watt (NC)	Wynn
Turner	Waxman	
Udall (CO)	Weiner	

NOT VOTING—3

Kennedy	McDermott	Peterson (PA)
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□ 1455

So the bill was passed.

The result of the vote was announced as above recorded

The title of the bill was amended so as to read:

“A bill to provide for reconciliation pursuant to sections 105 and 211 of the concurrent resolution on the budget for fiscal year 2000.”

A motion to reconsider was laid on the table.

#### PROVIDING FOR CONSIDERATION OF H.R. 2561, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2000

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 257 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 257

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2561) making appropriations for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. Points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII. Amendments so printed shall be considered as read. The chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion

except one motion to recommit with or without instructions.

The SPEAKER. Without objection, the gentlewoman from North Carolina (Mrs. MYRICK) is recognized for one hour.

There was no objection.

□ 1500

Mrs. MYRICK. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST) pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Yesterday the Committee on Rules met and granted an open rule for H.R. 2561, the Fiscal Year 2000 Department of Defense Appropriations Act.

The rule provides for 1 hour of general debate equally divided between the chairman and ranking minority member of the Committee on Appropriations. The rule waives all points of order against consideration of the bill. It waives points of order against provisions in the bill for failure to comply with clause 2 of rule XXI, prohibiting unauthorized or legislative provisions in a general appropriations bill. The rule allows the Chairman of the Committee of the Whole to accord priority in recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD. The rule allows the Chairman of the Committee of the Whole to postpone votes during consideration of the bill, and to reduce voting time to 5 minutes on a postponed question if the vote follows a 15-minute vote. Finally, the rule provides for one motion to recommit, with or without instructions.

Mr. Speaker, H.Res. 257 is an open rule for a strong, bipartisan bill. It is a bill that will allow us to rest a little easier at night, knowing that our national defense is stronger and that we are taking good care of our troops. I have always admired the patriotism and dedication of our military personnel, especially given the poor quality of military life for our enlisted men and women. But today we are doing something to improve military pay, housing and benefits. We are helping to take some of our enlisted men off food stamps by giving them a 4.8 percent pay raise. And we have added \$258 million for a variety of health care efforts. We are boosting the basic allowance for housing, increasing retention pay for pilots and prompting the GAO to study how we can do better.

But along with personnel, we have got to take care of our military readiness. We live in a dangerous world, and Congress is working to protect our friends and family back home from our enemies abroad. We are providing for a national missile defense system so that we can stop a warhead from places like China or North Korea if that day ever

comes. We are boosting the military's budget for weapons and ammunition, something they sorely need, and we are providing \$37 billion for research and development so our forces will have top-of-the-line equipment to do their jobs.

I urge my colleagues to support this rule and to support the underlying bill. Now more than ever we must improve our national security.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the Department of Defense Appropriations bill for fiscal year 2000 and in support of the men and women in uniform who serve this country. This is a good bill, Mr. Speaker. In the challenging world in which we live, this bill begins to bring military spending to levels that can ensure that our Armed Forces can meet and exceed the missions they are assigned.

But, that being said, I am concerned that the Committee on Appropriations has chosen to delete funding for the procurement of the first six F-22 fighter aircraft. I fear, Mr. Speaker, that this pause in the program effectively kills the development of a fighter aircraft that is the key to the long-term defense of our Nation and our allies.

The Air Force and the President are also extremely concerned about the action taken by the Committee on Appropriations. In a statement of administration policy delivered to the Committee on Rules yesterday afternoon, the administration made clear its opposition to the reduction in funding for the F-22. I would like to quote from the statement of administration policy: “The F-22 is optimized to perform a crucial role, achieving air superiority early in any future conflict, even against adversaries equipped with the advanced weapons that will be developed in the first part of the next century. No other aircraft, including the F-15 or the proposed Joint Strike Fighter, will be able to fulfill that role.”

Mr. Speaker, this weapons program is a critical component in our military arsenal. It will serve as an effective deterrent and will ensure our dominance in the skies. I encourage the Committee on Appropriations to reconsider its position and hope that when the bill comes back from conference that the F-22 will be part of the total package of national defense funding for the first fiscal year in the new century.

Mr. Speaker, I would like to commend the committee for its dedication to ensuring that the issues relating to quality of life, benefits, and training for the soldiers, sailors, airmen and marines we depend upon for our national security are squarely addressed. Certainly this bill does not go far enough, especially when we are facing

critical shortfalls in filling the ranks and retaining our skilled personnel. But under the budgetary constraints that currently exist, the committee has taken at least the beginning steps to address these enormous problems.

This bill provides a 4.8 percent pay raise for all military personnel and contains increases in funds for the Aviation Continuation Pay bonus and supports the request for the Career Enlisted Flyer Incentive Pay program, all in an effort to address the major retention problems our Armed Forces are facing, especially in the Air Force.

Given the monumental demands that have been placed on our military in the past decade, addressing quality of life issues should be of paramount importance. Our military is being stretched too thin, operations are spread around the globe, and the expectations of future threats will certainly not diminish. The Congress must meet our part of the bargain. We must increase incentives for military men and women to continue to serve their country by ensuring that they are paid at levels that are greater than subsistence living and that their benefits are competitive to the civilian sector.

In addition, Mr. Speaker, we must provide the best equipment to get the job done. While we can be assured that today our equipment and technology and the training to go with it are superior to any other fighting force in the world, we must look forward to be sure that we continue to enjoy that advantage. This bill, in many respects, sets us on that path. Again, I am deeply concerned about the zero funding for the acquisition of the first six of the F-22 Raptor fighter aircraft, but I do support the inclusion of \$351 million for the acquisition of 15 F-16C fighter aircraft as well as \$296 million for modifications and upgrades for F-16s currently in service. The bill also provides \$344 million for upgrades for the bomber fleet which includes the B-52, the B-1 and the B-2 which all proved their mettle during the recent air campaign over Kosovo and Serbia.

The committee has provided \$856 million for the acquisition of 11 V-22 Osprey tilt-rotor aircraft, the vehicle which will carry the assault troops of the Marine Corps into battle if and when we are forced to send them there. The bill provides \$2.2 billion for ammunition for all four services and, most importantly, provides \$93.7 billion to operate and maintain the four branches of the armed services. This money will help replenish aircraft spare parts stores depleted from the prolonged operations in Iraq and Yugoslavia. It will address shortfalls in rotational training centers and depot maintenance. Operations and maintenance is the lifeblood of the machinery of the military and is an account that we cannot afford to ignore.

But, Mr. Speaker, as the needs of our military continue to grow, as our obli-

gations around the world continue to expand, we must find a way to fund the programs and weapons systems that will be required to meet these responsibilities. If this year's budget dilemma is any guide to what we will be facing in the next few years, I cannot understand how my Republican colleagues can in good conscience endorse a tax cut plan that will, in essence, eviscerate the military. That plan guarantees that there will be no money in the new century to adequately fund our military. I cannot support a fiscal policy that will expand military spending through deficit financing, and quite frankly there is no need to do so. The Republican majority is endangering our national security just when we have begun to restore the infrastructure, both human and machine, of our military.

Mr. Speaker, I support this legislation and I support this rule which will allow the House to consider this important bill. But I cannot support the policy of the Republican majority that endangers the national security of this great Nation.

Mr. Speaker, I reserve the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina (Mr. HAYES).

Mr. HAYES. Mr. Speaker, I am proud to rise in support of the Defense appropriations bill. I commend the gentleman from Florida (Mr. YOUNG), the gentleman from California (Mr. LEWIS), members of the Committee on Appropriations and the staffs for their effort in crafting this bill. I support the rule. I encourage all of the Members to support this fine rule. The committee has put forth legislation that reflects the great support this Congress has for 1.5 million men and women in uniform who selflessly defend our freedom.

Mr. Speaker, I am proud of our military personnel and their families, and I am honored to serve them here in Washington. Fort Bragg and Pope Air Force Base are in my district, and I am humbled every time I meet with any of the 45,000 dedicated Americans whose mission it is to maintain a strategic crisis response force, manned and trained to deploy rapidly anywhere in the world, prepared to fight upon arrival and win. This kind of dedication is unique, and I am pleased to support the rule and the legislation that will extend these American patriots an across-the-board 4.8 percent pay increase in basic pay.

I must note, however, that I do take exception with the committee's decision to cancel production funding for the F-22 Raptor. As member of the Committee on Armed Services, I find it alarming that we would hastily turn our backs on a program which represents 15 years of research, development, rigorous testing and a \$16 billion investment. For a bill that in all other

areas represents the appropriate commitment to our military needs, this elimination in funding is a little shortsighted and I hope we will change that.

Mr. Speaker, I look forward to returning to my district to tell the young men and women of Fort Bragg and Pope Air Force Base that their Congress has done the right thing and has served them well, as they have done for us time and time again.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Speaker, I want to rise today to remind my colleagues in the House of some of the past decisions that we have made and how effectively they were used in Kosovo. The House on four separate occasions over the last 4 years voted to continue funding for the B-2 bomber, amongst a lot of criticism by the GAO and the press that the B-2 would not work, could not fly in the rain, all kinds of criticism. But when the President called on it to be used in Kosovo, I was proud to see these young men fly these planes 31 hours over and back with several aerial refuelings, using JDAMs, a weapon that cost less than \$20,000 per weapon, and do more destruction and really carry the air war at a time when many of our other aircraft could not be used because they require laser guidance. I think this is a testament of the commitment of this Congress, where year after year after year we added money to give the B-2 a conventional capability to improve its capabilities and then to see it work. I think it is a testament to the fact that there are people serving in the Congress who have many years of experience on the Defense Appropriations Subcommittee, on the Armed Services Committee, and they review these programs very carefully. In this case I was very proud when I went out with the President, with the gentleman from Missouri (Mr. SKELTON) and two of the pilots came up to me and said, "Congressman, if your committee hadn't added the money, \$40 million for GATSCAM which gave the B-2 a conventional capability one year earlier than was expected, we would have not been able to use it in this war." JDAMs would have taken more time for training and getting it on the planes and we would not have been able to use it in this war.

Mr. MURTHA. Mr. Speaker, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Speaker, the gentleman can take full credit for that. If it had not been for his effort, that would not have happened.

Mr. DICKS. I appreciate the comment by the gentleman from Pennsylvania, our former chairman and ranking member. It was my amendment, but I had bipartisan support. This has never been something that has just



been my deal. It has been our commitment. The gentleman from Florida (Mr. YOUNG), now the gentleman from California (Mr. LEWIS), all of us worked on this. But what we showed is that there are some important things that we in the Congress can do to improve the security of this country. I was pleased, because I think in the early days had we not had the B-2 when we only had TALCMs and Tomahawks, if none of our planes could have worked, then we would have looked very foolish. There were some people who were critical of this war. It might have undermined even further the support in this country.

I just wanted to make that report here today. The B-2 did very, very well. I appreciate all the people in the House who supported it, and those who were critical. I am glad we were able to show and prove in reality that it could stand the test. It did. It was because of the pilots, because of the people who do the low observability work, the mechanics. The turnaround time was like 16 hours per plane. Some people said it would take hundreds of hours. All of that proved wrong because we had great people at Whiteman doing a fantastic job, and it is a testament to the good work of the men and women in the military service.

□ 1515

Mrs. MYRICK. Mr. Speaker, I yield 6 minutes to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, for many of us defense has been our life, supporting both in combat and in the United States Congress. It is something that we believe in, we are entrenched, and I believe, as Ronald Reagan, that peace does come through strength.

We met with the Prime Minister of Israel just days ago, and he stressed that a strong United States means a strong Israel, that a weakened United States military means that Israel is at great risk. But I would extend that beyond, to all of our allies.

One of the lessons learned is that in Kosovo we can little afford in the future with NATO to fly 86 percent of the sorties and drop 90 percent of the ordinance. We cannot do that and maintain our services.

We have made a very difficult decision supported by the members on the conference itself, and I would say, first of all, I have got a very good friend in the gentleman from Texas (Mr. SAM JOHNSON). He is an Air Force hero. He still bears the scars from his torture, and he wants the same things that we do for national security in this, and the gentleman from Texas and I may disagree on how we get there, but I want to tell my colleagues there is nobody that I have more respect for. But let me give my colleagues my side of the story on the F-22.

First of all, if I was an Air Force pilot, I would say to my friends, I would look forward to flying the F-22. Why? It is because there is a threat out there that the Russians have today that are developing in the SU-35 and SU-37. This is a fighter like we have never seen before. It is deadly, and the F-22 is scheduled for the year 2010 or 2005 for IOIC, which brings it into the fleet.

But let me tell my colleagues that there is a threat today, a threat today that our men and women are going to have to face. This is not a fiction; this is not a vapor. I have flown these assets. I have flown aircraft against these assets myself. This is not secondhand. If our F-15 drivers and our F-16 drivers and F-14 and F-18 face this threat, and I cannot tell my colleagues what this asset is because it is top secret, but if I was Speaker, I would demand that every single Member of Congress go through this briefing up on the fourth floor, and I will tell my colleagues why: because in the intercept against this asset; that is, beak to beak when one is coming head on with the enemy, our pilots die 95 percent of the time. That is today, not tomorrow. In the actual engagement itself, these assets kill me three times before I can bring a weapon to bear. That is today, not down the line. Thank God that this asset was not exported to Kosovo because, do my colleagues know the standoff weapons that we had? Our aircraft were going to die; our pilots would have died.

But where is that asset today? Russia is transporting this asset to China, to Iran, Iraq and North Korea, and take a look at where we are likely to get involved in the near future into a conflict today. I want our kids to be able to go up and fight.

I am alive today because I had better training than the enemy, and I had better equipment. I think the F-22 in the future will be a great airplane. But it is only 5 percent tested. The cost of the F-22 is not all the fault of the Air Force. When we cut 750 aircraft to 339, our cost per airplane goes up because we pile all of that research and development. But that cost is nearing \$200 million for each fighter.

How many can we buy? I do not care how great the airplane is, and we have needs right now that the gentleman from Pennsylvania (Mr. MURTHA) and the gentleman from California (Mr. LEWIS) and the gentleman from Florida (Mr. YOUNG) have identified that our kids to fight in a war tomorrow need the A9X.

When the British were in the Falklands War, they did not aim nine in Lima in the procurement to get it a year later. They needed it now. We need the A9X now to be able to fight this asset. We need a helmet-mounted site, not partially funded. We need it now. The radar that we will see

through the enemy jammer so we can have some idea where he is before he kills us, we need it now, and we are taking the \$1.8 million and spreading that down to those systems that are going to keep our kids alive today.

I want General Ryan, who is a good friend of mine, Chief of the Air Force, to stand up and say: Mr. President, this is an emergency, and my colleague says Republicans want a cut. Well, we are there today because the President has gutted defense time and time again, time and time with Kosovo, with Bosnia, with all of the other places we have gone, have taken out of that already low budget.

But the total money available for those systems is not there.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Speaker, I just want to ask the gentleman this question: in the 10-year budget that we have been just discussing as we talked about this tax bill, the Clinton administration has \$198 billion more in it for defense than does the Republican budget which starts capping in about 2004 and goes right through the last 10 years.

Now I just want the gentleman to know we are always honest with each other. As my colleagues know, the President has increased this budget by 112 billion. The gentleman and I would like to see it be increased more. But we got to be honest here. The budget that my colleagues have got cut is \$198 billion below the President.

So those guys got a little work to do on their side.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from California.

Mr. CUNNINGHAM. First of all, does my colleague believe that this President on any budget that he has had in the outyears, always later, always later, when he is not even going to be here, he will beef it up? We need the \$60 billion now, and the President continually cuts it.

Mr. DICKS. Reclaiming my time just to say this.

In the last 3 years the President's number for defense has been higher than the Republican number.

Mr. CUNNINGHAM. We added \$36 billion; that is negative. We have added \$36 billion, and the gentleman knows that.

Mrs. MYRICK. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. I thank the gentlewoman for yielding this time to me. I rise in support of the defense appropriations bill for Fiscal Year 2000 and the rule.

Mr. Speaker, the defense appropriation bill provides a total of \$266 billion for the Department of Defense while at the same time meeting the goals contained in the 1997 balanced budget

agreement. With this bill we will help reverse 15 straight years of decreased defense budgets in real terms.

As a new member of this subcommittee, I am particularly pleased with the growing investment that we make in our national security with this bill. Specifically, this bill provides \$15.5 billion more than was appropriated in 1999. This money is desperately needed to keep our troops combat ready and our research and development efforts on track to ensure that our soldiers are equipped with the best technology available.

I would especially like to commend my colleagues, the gentleman from California (Mr. LEWIS) and the gentleman from Pennsylvania (Mr. MURTHA) for their hard work and guidance throughout this entire year. This committee's leadership made the tough choices so that crucial funding is provided to protect our Nation and keep our troops safe and successful in the field.

Mr. Speaker, Congress has no greater duty than to ensure that our brave young men and women who put their lives on the line for our country have the resources they need to do their job safely and successfully. In addition, Mr. Speaker, I thank the capable and knowledgeable staff of the committee who assisted all of us in putting this legislation together.

I support this rule of this bill, Mr. Speaker.

Mr. Speaker, I rise to support the Defense Appropriations bill for FY 2000 and ask unanimous consent to revise and extend my remarks.

Mr. Speaker, the Defense Appropriations bill, H.R. 2561, provides a total of \$266 billion for the Department of Defense while at the same time meeting the goals continued in the 1997 balanced Budget Agreement. As a member of this Subcommittee, I am particularly pleased with the growing investment that we make in our Nation's security. Specifically, this bill provides \$15.5 billion dollars more than was appropriated in 1999. This money is desperately needed to keep our troops combat ready and our research and development efforts on track to ensure that our soldiers are equipped with the best technology available.

I would especially like to commend my colleagues, Chairman LEWIS and Ranking member MURTHA, for their hard work and assistance throughout this year. This Committee's leadership made the tough choices so that crucial funding is provided to protect our nation and keep our troops safe and successful in the field. Mr. Chairman, Congress has no greater duty than to ensure that our brave, young men and women, who put their lives on the line for our country, have the resources they need to do their job safely and successfully.

In addition, let me thank the capable and knowledgeable staff of the Defense Committee who assisted all of us in putting this legislation together.

While the decisions made in this bill were not easy, I believe that they were the right de-

cisions. With this legislation, we will help reverse 15 straight years of decreasing defense budgets in real terms. Despite the end of the Cold War, we still find American troops deployed all across the globe, from Eastern Europe to Asia to Africa. Mr. Chairman, I am proud of the job our troops have done and I am especially proud that this bill provides funding for the needed 4.8 percent pay raise for our troops.

H.R. 2561 also puts a great emphasis on the readiness and modernization of our military. With rogue nations like Iraq and North Korea developing advanced military technology, now is not the time to shortchange our nation's military readiness. Unfortunately, that is exactly what has been happening over the last several years. For evidence of this worrisome situation, we need only consider the effect that the Kosovo mission has had on our current obligations in the Persian Gulf and elsewhere. The Committee addressed this situation by adding over \$2.3 billion for readiness shortfalls identified by the armed services. This funding will help secure the spare parts needed to keep our military fully operational as they move into the next century.

Finally, let me say a word about the importance of research and development. As we enter the next century, technology, especially the digitalization of weapons systems, will play a critical role in the success of our troops in the field. This bill provides \$37 billion for these activities in order to keep our technological advantage on the battlefield. Much of this important research is done by our civilian workforce, which by any account, is quickly aging. This investment will help to ensure that our technology continues to be on the cutting edge and it will ensure that new qualified researchers can be added to workforce in this important arena.

Mr. Speaker, H.R. 2561 is a well balanced bill which funds the future readiness and modernization requirements of the DOD, while taking steps to ensure that the quality of life of our service members is maintained and enhanced. I urge all of my colleagues to support this bill.

Mr. FROST. Mr. Speaker, I urge adoption of the rule, and I yield back the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I also urge adoption of this rule and support for the bill.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. LEWIS of California. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 2561) making appropriations for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes, and that I be permitted to include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

#### LIMITING DEBATE ON BARR OF GEORGIA AMENDMENT NO. 4 TO H.R. 2561, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2000

Mr. LEWIS of California. Mr. Speaker, I ask unanimous consent that during consideration of the bill (H.R. 2561) in the Committee of the Whole that, one, all debate time on amendment No. 4 offered by the gentleman from Georgia (Mr. BARR) and the amendments thereto be limited to 60 minutes, equally divided between the gentleman from Georgia (Mr. BARR) and myself; and two, the gentleman from Georgia (Mr. BARR) be allowed to withdraw the amendment prior to action thereupon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

#### DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2000

The SPEAKER pro tempore. Pursuant to House Resolution 257 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2561.

□ 1527

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2561) making appropriations for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes, with Mr. CAMP in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from California (Mr. LEWIS) and the gentleman from Pennsylvania (Mr. MURTHA) each will control 30 minutes.

The Chair recognizes the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise first to ask the membership for their support for this very important bill. It involves the national defense of our country. In doing so, Mr. Chairman, I would like to express my personal appreciation to my colleagues on both sides of the aisle who have been not just cooperative, but who have been truly professional in the best possible sense in presenting their viewpoints regarding a number of items that are very important and will consider as we go forward with the debate.

Most particularly I would like to express my appreciation to my colleague, the gentleman from Florida (Mr. YOUNG) who is the chairman of the full committee. He essentially was my trainer as I assumed this job, for he chaired the committee before I did. He has always reflected the best of professionalism in the work of the Committee on Appropriations, and I want him to know that I intend in the future to emulate him every step of the way if I have the chance to be here as long as he will be here.

I want to express our appreciation for his fine leadership.

To my colleague on the other side of the aisle, the gentleman from Pennsylvania (Mr. MURTHA) who has been my partner in this process every step of the way, he can move a bill in the most expeditious fashion of any Member I know of in the House. Because of that I welcome him to this discussion today.

Mr. Chairman, I have the pleasure today of bringing to the floor the fiscal year 2000 Defense appropriations bill. This important legislation will, for the first time in 15 years, provide a real increase in spending for our Nation's Armed Forces.

Congress has made it clear that as we enter the new millennium, we must do everything possible to ensure that we remain the strongest country on Earth. With this bill, we are setting a course that will make America so strong that other countries of the world will realize there are better pathways to economic opportunity than war.

I must say at the outset that the new chairman of this subcommittee is deeply indebted to the former chairman, BILL YOUNG—who now leads the full committee. I am deeply grateful for his leadership and his strong support of this bill.

I would also like to express my deep respect and gratitude to my ranking member and trusted friend, JACK MURTHA. JACK has been more than a colleague—he has been a partner in putting together a bill addressing some of the most urgent needs of our military. JACK, I salute you and I thank you.

Mr. Chairman, this legislation provides \$267.9 billion in new discretionary spending authority for FY 2000. It meets all budget authority and outlay limits set in the subcommittee's 302(b) allocation.

This bill provides \$17.4 billion more than appropriated in FY 1999 and is \$4.6 billion above the administration's FY 2000 budget request.

Let me take a few minutes to outline some of the highlights of this bill:

This legislation provides \$72 billion to meet the most critical personnel needs of our military. One of our top priorities has been to improve the training, benefits, and quality of life to ensure that the armed services retain their most valuable asset—the men and women who serve their country in uniform.

There are presently 2.25 million men and women serving in our Armed Forces, Reserves, and National Guard. These personnel, as well as our colleagues, will be pleased to know that this bill funds a 4.8-percent pay raise for our troops.

This pay increase will help alleviate the struggle some of our military families face to make ends meet. We are convinced we must do more to attract highly qualified individuals and reward them for making a career out of service to their fellow Americans. With all of the services falling short on recruiting goals, and commanders warning they need even more troops, it is imperative that the Congress and the Pentagon make this one of our top budget priorities for years to come.

We added \$592 million in this bill over the administration's budget request to enhance recruiting, retention, and quality of life initiatives for all services, and bonuses for Air Force pilots who sustained America's status as a superpower during the recent Kosovo engagement.

With this bill, Congress is making a commitment to our men and women in uniform saying in essence, "We intend to support you as you go forward with a great career and promising future serving our country in the armed services."

The bill provides \$93.7 billion for operations and maintenance needs, including \$1.8 billion for contingency operations in Asia and Bosnia. My colleagues should also know that this bill contains on funding for peacekeeping efforts in Kosovo.

The bill also includes \$37.2 billion for R&D including \$3.9 billion for our Nation's ballistic missile defense.

Defense health is funded at \$11 billion. Some \$484 million is provided for Defense medical research including \$175 million for breast cancer research and \$75 million for prostate research.

Finally, this package includes \$53 billion for procurement. While this bill reaffirms our commitment to a strong national defense, it also reestablishes the important oversight role of the Congress in ensuring that tax dollars are spent both efficiently and effectively.

To that end, the bill recommends cuts of more than \$3.7 billion in over 280 line items.

The most notable item—and one that has received a great deal of attention as of late—is the bipartisan decision to reduce spending on the F-22 program by \$1.8 billion in the next fiscal year.

This funding, requested by the Air Force, would procure the first six F-22 aircraft. With the broad, bipartisan support of the Speaker, Minority Leader GEPHARDT, Chairman YOUNG, and Ranking Member OBEY, the full committee endorsed the proposal to declare a "pause" in the procurement of these aircraft.

While many in the Air Force may question the decision, some of the most prodefense Members of the House are sending an important message. The Air Force has such tremendous needs in so many other areas—air tankers, airlift transports, aerial reconnaissance—that we believe it is imperative for the Air Force to reassess its priorities.

It is important to note that the funding that would have gone for procurement of six F-22's—some \$1.8 billion—is being redirected to a wide range of other priorities, including the purchase of eight F-15 fighters, five F-16 fighters, and eight KC-130J Air tanker planes. Additional funds will be used for technological improvements to help our current fighter fleet maintain its air superiority.

Mr. Chairman, in closing, let me say this: It is my view that we have had too many years of reductions in national defense spending. It's time we realize that if America is going to lead for peace and freedom in the world into the next century, we've got to do some with budgets that are strong and reflect our national priorities. This legislation is a positive step in that direction and I strongly encourage its passage today.

To say the least, a great deal of time and energy went into producing this legislation. It literally would not have been possible without the work of some of the finest professional staff on the Hill. I particularly want to thank the following people: Doug Gregory, Tina Jonas, Alicia Jones, Paul Juola, David Kilian, Jenny Mummert, Steven Nixon, David Norquist, Betsy Phillips, Trish Ryan, Greg Walters, and Sherry Young of the subcommittee staff, Also Gregory Dahlberg of the minority staff, and Arlene Willis, Jim Specht, Julie Hooks, Grady Bourn, and David LesStrang on my office staff.

I want to especially note the dedication and tireless effort of both Kevin Roper and Letitia White, who have literally committed the last several months of their lives to this effort.

**DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 2000 (H.R. 2561)**  
**(Amounts in thousands)**

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>TITLE I</b>					
<b>MILITARY PERSONNEL</b>					
Military Personnel, Army.....	20,841,687	22,006,632	21,475,732	+634,045	-530,900
Pay increase provided in P.L. 106-31.....			559,533	+559,533	+559,533
Military Personnel, Navy.....	16,570,754	17,207,481	16,737,072	+166,318	-470,409
Pay increase provided in P.L. 106-31.....			436,773	+436,773	+436,773
Military Personnel, Marine Corps 2/.....	6,263,387	6,544,682	6,353,622	+90,235	-191,060
Pay increase provided in P.L. 106-31.....			177,980	+177,980	+177,980
Military Personnel, Air Force.....	17,211,987	17,899,685	17,565,811	+353,824	-333,874
Pay increase provided in P.L. 106-31.....			471,892	+471,892	+471,892
Reserve Personnel, Army.....	2,167,052	2,270,964	2,235,055	+68,003	-35,909
Pay increase provided in P.L. 106-31.....			40,574	+40,574	+40,574
Reserve Personnel, Navy.....	1,426,663	1,446,339	1,425,210	-1,453	-21,129
Pay increase provided in P.L. 106-31.....			29,833	+29,833	+29,833
Reserve Personnel, Marine Corps.....	406,616	409,189	403,822	-2,794	-5,367
Pay increase provided in P.L. 106-31.....			7,820	+7,820	+7,820
Reserve Personnel, Air Force.....	852,324	881,170	872,978	+20,654	-8,192
Pay increase provided in P.L. 106-31.....			13,143	+13,143	+13,143
National Guard Personnel, Army.....	3,489,987	3,570,639	3,486,427	-3,560	-84,212
Pay increase provided in P.L. 106-31.....			70,416	+70,416	+70,416
National Guard Personnel, Air Force.....	1,377,109	1,486,512	1,456,248	+78,139	-30,264
Pay increase provided in P.L. 106-31.....			30,462	+30,462	+30,462
Total, title I, Military Personnel 4/.....	70,607,566	73,723,293	72,011,977	+1,404,411	-1,711,316
Pay increase provided in P.L. 106-31.....			1,838,426	+1,838,426	+1,838,426
Total funding available.....	70,607,566	73,723,293	73,850,403	+3,242,837	+127,110
<b>TITLE II</b>					
<b>OPERATION AND MAINTENANCE</b>					
Operation and Maintenance, Army.....	17,185,623	18,610,964	18,629,019	+2,443,396	+1,018,025
(By transfer - National Defense Stockpile).....	(50,000)	(50,000)	(50,000)		
(By transfer - Pentagon Renovation Transfer Fund).....	(-96,000)			(+96,000)	
Operation and Maintenance, Navy.....	21,872,399	22,188,715	23,029,584	+1,157,185	+840,869
(By transfer - National Defense Stockpile).....	(50,000)	(50,000)	(50,000)		
(By transfer - Pentagon Renovation Transfer Fund).....	(-32,087)			(+32,087)	
Operation and Maintenance, Marine Corps.....	2,578,718	2,558,929	2,822,004	+243,286	+263,075
(By transfer - Pentagon Renovation Transfer Fund).....	(-9,513)			(+9,513)	
Operation and Maintenance, Air Force.....	19,021,045	20,313,203	21,641,099	+2,620,054	+1,327,896
(By transfer - National Defense Stockpile).....	(50,000)	(50,000)	(50,000)		
(By transfer - Pentagon Renovation Transfer Fund).....	(-52,200)			(+52,200)	
Operation and Maintenance, Defense-Wide.....	10,914,076	11,419,233	11,401,733	+487,657	-17,500
(By transfer - Pentagon Renovation Transfer Fund).....	(-90,020)			(+90,020)	
Operation and Maintenance, Army Reserve.....	1,202,622	1,369,213	1,513,078	+310,454	+143,863
Operation and Maintenance, Navy Reserve.....	957,239	917,647	969,478	+12,239	+51,831
Operation and Maintenance, Marine Corps Reserve.....	117,893	123,266	143,911	+26,018	+20,645
Operation and Maintenance, Air Force Reserve.....	1,747,696	1,728,437	1,788,091	+40,395	+59,654
Operation and Maintenance, Army National Guard.....	2,678,015	2,903,549	3,103,642	+425,627	+200,093
Operation and Maintenance, Air National Guard.....	3,106,933	3,099,618	3,239,438	+132,505	+139,820
Overseas Contingency Operations Transfer Fund.....	439,400	2,387,600	1,812,600	+1,373,200	-575,000
United States Court of Appeals for the Armed Forces.....	7,324	7,621	7,621	+297	
Environmental Restoration, Army.....	370,640	378,170	378,170	+7,530	
Environmental Restoration, Navy.....	274,600	284,000	284,000	+9,400	
Environmental Restoration, Air Force.....	372,100	376,800	376,800	+4,700	
Environmental Restoration, Defense-Wide.....	26,091	25,370	25,370	-721	
Environmental Restoration, Formerly Used Defense Sites.....	225,000	199,214	209,214	-15,786	+10,000
Overseas Humanitarian, Disaster, and Civic Aid.....	50,000	55,800	55,800	+5,800	
Former Soviet Union Threat Reduction.....	440,400	475,500	456,100	+15,700	-19,400
Pentagon Renovation Transfer Fund (by transfer).....	(279,820)			(-279,820)	
Quality of Life Enhancements, Defense 3/.....	455,000	1,845,370	800,000	+345,000	-1,045,370
Total, title II, Operation and maintenance.....	84,042,814	91,268,249	93,688,750	+9,643,936	+2,418,501
(By transfer).....	(150,000)	(150,000)	(150,000)		
<b>TITLE III</b>					
<b>PROCUREMENT</b>					
Aircraft Procurement, Army.....	1,388,268	1,229,888	1,590,488	+202,220	+360,600
Missile Procurement, Army.....	1,226,335	1,358,104	1,272,798	+46,463	-85,306
Procurement of Weapons and Tracked Combat Vehicles, Army.....	1,548,340	1,416,785	1,558,665	+8,325	+139,900
Procurement of Ammunition, Army.....	1,065,955	1,140,816	1,228,770	+162,815	+87,954
Other Procurement, Army.....	3,339,486	3,423,870	3,604,751	+265,265	+180,881
Aircraft Procurement, Navy.....	7,541,709	8,228,655	9,168,405	+1,626,696	+938,750
Weapons Procurement, Navy.....	1,211,419	1,357,400	1,334,800	+123,381	-22,600
Procurement of Ammunition, Navy and Marine Corps.....	484,203	484,900	537,800	+53,397	+52,700
Shipbuilding and Conversion, Navy.....	6,035,752	6,678,454	6,658,554	+620,802	-21,900
Other Procurement, Navy.....	4,072,662	4,100,091	4,252,191	+179,529	+152,100
Procurement, Marine Corps.....	874,216	1,137,220	1,333,120	+458,904	+195,900
Aircraft Procurement, Air Force.....	8,095,507	9,302,086	8,298,313	+202,806	-1,003,773
Missile Procurement, Air Force.....	2,069,827	2,359,608	2,329,510	+259,683	-30,098
Procurement of Ammunition, Air Force.....	379,425	419,537	481,837	+102,412	+62,300
Other Procurement, Air Force.....	6,960,483	7,085,177	6,964,227	+3,744	-120,950
Procurement, Defense-Wide.....	1,944,833	2,128,967	2,286,368	+341,535	+157,401

**DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 2000 (H.R. 2561)—Continued**  
**(Amounts in thousands)**

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
National Guard and Reserve Equipment .....	352,000	.....	130,000	-222,000	+ 130,000
Defense Production Act Purchases.....	.....	.....	5,000	+ 5,000	+ 5,000
Total, title III, Procurement.....	48,590,420	51,851,538	53,031,397	+ 4,440,977	+ 1,179,859
<b>TITLE IV</b>					
<b>RESEARCH, DEVELOPMENT, TEST AND EVALUATION</b>					
Research, Development, Test and Evaluation, Army.....	5,031,788	4,426,194	5,148,093	+ 116,305	+ 721,899
Research, Development, Test and Evaluation, Navy.....	8,636,649	7,984,018	9,080,580	+ 443,931	+ 1,096,264
Research, Development, Test and Evaluation, Air Force.....	13,758,811	13,077,829	13,708,233	-49,578	+ 631,404
Research, Development, Test and Evaluation, Defense-Wide .....	9,036,551	8,809,289	8,930,149	-106,402	+ 320,880
Developmental Test and Evaluation, Defense .....	258,806	253,457	271,957	+ 13,351	+ 18,500
Operational Test and Evaluation, Defense.....	34,245	24,434	29,434	-4,811	+ 5,000
Total, title IV, Research, Development, Test and Evaluation .....	36,756,850	34,375,219	37,168,446	+ 412,796	+ 2,794,227
<b>TITLE V</b>					
<b>REVOLVING AND MANAGEMENT FUNDS</b>					
Defense Working Capital Funds .....	94,500	90,344	90,344	-4,156	.....
Transfer stockpile balances to working capital fund.....	.....	67,000	.....	.....	-67,000
National Defense Sealift Fund:					
Ready Reserve Force .....	311,266	257,000	257,000	-54,266	.....
Acquisition .....	397,100	97,700	472,700	+ 75,600	+ 375,000
(Transfer out) .....	(-28,800)	.....	.....	(+ 28,800)	.....
Total.....	708,366	354,700	729,700	+ 21,334	+ 375,000
Total, title V, Revolving and Management Funds .....	802,886	512,044	820,044	+ 17,178	+ 308,000
<b>TITLE VI</b>					
<b>OTHER DEPARTMENT OF DEFENSE PROGRAMS</b>					
Defense Health Program:					
Operation and maintenance .....	9,727,985	10,477,687	10,471,447	+ 743,462	-6,240
Procurement .....	402,387	356,970	356,970	-45,417	.....
Research and development .....	19,500	.....	250,000	+ 230,500	+ 250,000
Total, Defense Health Program.....	10,149,872	10,834,657	11,078,417	+ 928,545	+ 243,760
Chemical Agents & Munitions Destruction, Army: 1/					
Operation and maintenance .....	491,700	593,500	492,000	+ 300	-101,500
Procurement .....	115,670	241,500	116,000	+ 330	-125,500
Research, development, test, and evaluation .....	172,780	334,000	173,000	+ 220	-181,000
Total, Chemical Agents .....	780,150	1,169,000	781,000	+ 850	-388,000
Drug Interdiction and Counter-Drug Activities, Defense.....	735,582	788,100	883,700	+ 148,118	+ 95,600
Office of the Inspector General .....	132,064	140,844	140,844	+ 8,780	.....
Total, title VI, Other Department of Defense Programs.....	11,797,668	12,932,601	12,883,961	+ 1,086,293	-48,640
<b>TITLE VII</b>					
<b>RELATED AGENCIES</b>					
Central Intelligence Agency Retirement and Disability System Fund .....	201,500	209,100	209,100	+ 7,600	.....
Intelligence Community Management Account .....	129,123	149,415	144,415	+ 15,292	-5,000
Transfer to Dept of Justice .....	(27,000)	(27,000)	(27,000)	.....	.....
Payment to Kaho'olawe Island Conveyance, Remediation, and					
Environmental Restoration Fund .....	25,000	15,000	15,000	-10,000	.....
National Security Education Trust Fund .....	3,000	8,000	8,000	+ 5,000	.....
Total, title VII, Related agencies .....	358,623	381,515	376,515	+ 17,892	-5,000
<b>TITLE VIII</b>					
<b>GENERAL PROVISIONS</b>					
Additional transfer authority (sec. 8005) .....	(1,650,000)	(2,000,000)	(2,000,000)	(+ 350,000)	.....
Indian Financing Act incentives (sec. 8024) .....	8,000	.....	8,000	.....	+ 8,000
FFRDC's/consultants (sec. 8034) .....	-62,000	.....	.....	+ 62,000	.....
Disposal & lease of DOD real property (sec. 8040).....	25,000	32,200	32,200	+ 7,200	.....
Overseas Military Fac Investment Recovery (sec. 8044) .....	38,000	4,300	4,300	-33,700	.....
Rescissions (sec. 8058) .....	-415,909	.....	-612,967	-197,078	-612,967
Lapsed rescission .....	67,000	.....	.....	-67,000	.....
Fisher Houses.....	1,000	.....	.....	-1,000	.....
Division B - omnibus general provision (sec. 104).....	2,000	.....	.....	-2,000	.....
Travel Cards (H. 8123).....	5,000	5,000	5,000	.....	.....
Defense reform initiative (DRI) Title II savings .....	-70,000	.....	.....	+ 70,000	.....
FY 1999 Procurement Inflation Savings .....	-400,600	.....	.....	+ 400,600	.....
FY 1999 Economic Adjustment (rescission) (H. 8091) .....	.....	.....	-452,100	-452,100	-452,100
National Defense stockpile transaction fund asset sale credit .....	-100,000	.....	.....	+ 100,000	.....
Ship Transfers (FY99 with FY2000 carryover) .....	-636,850	-170,000	-170,000	+ 466,850	.....

**DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 2000 (H.R. 2561)—Continued**  
**(Amounts in thousands)**

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
Procurement Reductions.....	-142,100			+142,100	
Foreign Currency Fluctuations (H. 8101).....	-193,800		-171,000	+22,800	-171,000
Fuel Repricing.....	-502,000			+502,000	
Division B - omnibus general provision (sec. 105).....	-67,000			+67,000	
Ellsworth AFB claims sup general provision.....	8,000			-8,000	
A-76 Studies (H. 8109).....			-100,000	-100,000	-100,000
WMD consequence management (H. 8113).....			50,000	+50,000	+50,000
Information Assurance (H. 8114).....			150,000	+150,000	+150,000
Women in Service for America Memorial (H. 8099).....			5,000	+5,000	+5,000
Guard Disaster Response (H. 8112).....			20,000	+20,000	+20,000
Recovery of DoD admin expenses from FMS (H. 8127).....			-87,000	-87,000	-87,000
Spectrum auction (H. 8128).....					
<b>Total, title VIII.....</b>	<b>-2,436,059</b>	<b>-128,500</b>	<b>-1,318,587</b>	<b>+1,117,472</b>	<b>-1,190,087</b>
<b>Grand total (before emergency funding).....</b>	<b>250,520,548</b>	<b>264,915,959</b>	<b>268,861,503</b>	<b>+18,140,955</b>	<b>+3,745,544</b>
<b>Pay increase provided in Supplemental.....</b>			<b>1,838,426</b>	<b>+1,838,426</b>	<b>+1,838,426</b>
<b>Total funding available.....</b>	<b>250,520,548</b>	<b>264,915,959</b>	<b>270,499,929</b>	<b>+19,979,381</b>	<b>+5,583,970</b>
<b>DOD-WIDE SAVINGS.....</b>		<b>-1,650,000</b>			<b>+1,650,000</b>
<b>EMERGENCY FUNDING</b>					
Emergency funding (P.L. 105-277):					
Title I - Readiness.....	5,893,053			-5,893,053	
Title II - Antiterrorism.....	528,927			-528,927	
Title III - Y2K conversion.....	1,100,000			-1,100,000	
Supplemental (H.R. 1141).....	8,573,969			-8,573,969	
<b>Total, Emergency funding.....</b>	<b>16,095,949</b>			<b>-16,095,949</b>	
<b>Adjusted total (including emergency funding).....</b>	<b>266,616,497</b>	<b>263,265,959</b>	<b>270,499,929</b>	<b>+3,883,432</b>	<b>+7,233,970</b>
1/ Included in Budget under Procurement title.					
2/ FY 2000 budget request was increased by \$3,000,000 for a mistake in the budget appendix.					
3/ FY 2000 budget amendment added \$1,845,370,000.					
4/ The total recommended for Title I was reduced by \$1,838,426,000, the amount provided in the FY 1999 Supplemental for advance funding of pay and retirement reform initiatives.					
<b>CONGRESSIONAL BUDGET RECAP</b>					
Scorekeeping adjustments:					
Adjustment for unappropri'd balance transfer (Stockpile).....	150,000	150,000	150,000		
Stockpile collections (unappropriated).....	-150,000	-150,000	-150,000		
Emergency funding.....	-7,521,980			+7,521,980	
Emergency funding.....	-8,573,969			+8,573,969	
Spectrum auction.....			-2,600,000	-2,600,000	-2,600,000
<b>Total adjustments.....</b>	<b>-16,095,949</b>		<b>-2,600,000</b>	<b>+13,495,949</b>	<b>-2,600,000</b>
<b>Adjusted total (incl scorekeeping adjustments).....</b>	<b>250,520,548</b>	<b>263,265,959</b>	<b>267,899,929</b>	<b>+17,379,381</b>	<b>+4,633,970</b>
<b>RECAP BY FUNCTION</b>					
Mandatory.....	201,500	208,100	208,100	+7,600	
General purpose discretionary.....	250,319,048	263,056,859	267,690,829	+17,371,781	+4,633,970
<b>RECAPITULATION</b>					
Title I - Military Personnel.....	70,607,566	73,723,293	72,011,977	+1,404,411	-1,711,316
Title II - Operation and Maintenance.....	84,042,814	91,268,249	93,686,750	+9,643,936	+2,418,501
(By transfer).....	(150,000)	(150,000)	(150,000)		
Title III - Procurement.....	48,580,420	51,851,538	53,031,397	+4,440,977	+1,179,859
Title IV - Research, Development, Test and Evaluation.....	36,756,850	34,375,219	37,169,446	+412,796	+2,794,227
Title V - Revolving and Management Funds.....	802,886	512,044	820,044	+17,178	+308,000
Title VI - Other Department of Defense Programs.....	11,797,668	12,832,801	12,883,961	+1,086,293	-48,640
Title VII - Related agencies.....	358,623	381,515	376,515	+17,892	-5,000
Title VIII - General provisions.....	-2,436,059	-128,500	-1,318,587	+1,117,472	-1,190,087
DoD-wide savings.....		-1,650,000			+1,650,000
<b>Total, Department of Defense.....</b>	<b>250,520,548</b>	<b>263,265,959</b>	<b>268,861,503</b>	<b>+18,140,955</b>	<b>+5,395,544</b>
Scorekeeping adjustments.....			-2,600,000	-2,600,000	-2,600,000
<b>Total funds provided in this Act.....</b>	<b>250,520,548</b>	<b>263,265,959</b>	<b>268,061,503</b>	<b>+15,540,955</b>	<b>+2,795,544</b>
Funds provided in Supplemental Acts.....	16,095,949		1,838,426	-14,257,523	+1,838,426
<b>Total funds available for DoD.....</b>	<b>266,616,497</b>	<b>263,265,959</b>	<b>267,899,929</b>	<b>+1,283,432</b>	<b>+4,633,970</b>

These figures include \$16,095,949,000 in FY 1999 emergency defense funding included in P.L. 105-277, Omnibus Consolidated and Emergency Appropriations for FY 1999, and P.L. 106-31, Emergency Supplemental Appropriations for FY 1999; and \$1,838,426,000 in FY 2000 emergency defense funding also included in P.L. 106-31.



Mr. Chairman, I reserve the balance of my time.

Mr. MURTHA. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I thank the gentleman for the time.

Mr. Chairman, the administration has two principal objections to this bill. The first is that they oppose the committee decision to cut out funds for the production of the F-22, and I flatly disagree with them on that. I think the committee has made the right choice.

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Secondly, the administration opposes a number of decisions that inflate the cost of this bill. This bill, in fact, comes in about \$16 billion over last year, and on that I largely agree with the administration.

I will be voting against this bill because Congress, primarily the authorizing committee, has refused to act on another round of base closings, which could save us about \$20 billion by the year 2005. We have seen use of budget gimmickry to artificially inflate the size of this bill, and for those reasons, I do not feel comfortable at this time in supporting this bill.

But I do want to say that I think the committee deserves the support of the House and its congratulations for making the correct decision on the F-22. The F-22, no doubt about it, is a beauty of an airplane. It is like a Jaguar or a Cadillac. It would be a great plane to have if we had all of the money in the world, but the problem is that its costs are taking off faster than the airplane is expected to if it is ever constructed.

Secondly, the General Accounting Office says that we certainly do not need it yet for a good number of years.

And thirdly, it is a \$40 billion cancer which is eating a hole in the ability of the Air Force to meet a number of other high priority items. It gets in the way of high priority items such as additional jammers to protect our planes; it gets in the way of our ability to buy more tankers; it gets in the way of our ability to increase or transport capacity. So for those and a lot of other reasons.

I simply want to congratulate the gentleman from California and the gentleman from Pennsylvania. I think they have made the right choices for the right reasons, and I think this is a pro-defense action taken by the committee, and I would hope that the Congress would stick with that decision through the process.

Mr. MURTHA. Mr. Chairman, I yield myself 1 minute.

In the tradition of the gentleman from Florida (Mr. YOUNG), our chairman, and when I was in charge here, I want to compliment the gentleman from California (Mr. LEWIS) for how fast he learned this job.

Mr. Chairman, I yield back the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. YOUNG), the chairman of the full committee.

Mr. YOUNG of Florida. Mr. Chairman, I rise in support of this bill, I thank the gentleman for yielding the time, and I will be brief. This is a good bill.

This committee has worked extremely hard to do the right thing for America and for those who serve in our Armed Forces who keep America strong. This bill is a commitment on the part of the gentleman from California (Mr. LEWIS), the chairman of this subcommittee, who has done an outstanding job in bringing together all of the thousands and thousands of issues that he is faced with as he proceeds with the development of this appropriations bill. He has done a remarkable job, and I applaud him and compliment him for having done so.

Also, to the gentleman from Pennsylvania (Mr. MURTHA), there is no Republican and there is no Democrat on this Appropriations Committee who relates more to national defense. The gentleman is the epitome of that. His commitment is to the security of our Nation and to the well-being of those who serve in uniform.

Just one more point without getting into the details of the bill. All of us on this committee have a commitment to do the very best we can to avoid getting into any wars or battles or combat by having a strong force. We are also committed to the proposition that if our Americans in uniform must go to war, must go to battle, that they will go, having had the very best training that can possibly be available to them, to have the very best weapons possible available to them to accomplish their mission and to give themselves protection at the same time. And that if we do, indeed, have to go to battle again, that we go with such a strong force, that we accomplish our mission while keeping our casualties at an extremely, extremely low rate.

Mr. Chairman, the gentleman from California (Mr. LEWIS) and the gentleman from Pennsylvania (Mr. MURTHA) deserve just tremendous commendations, as do their staff. Having chaired this committee for the last 4 years, I can tell my colleagues that the staff have been so diligent, have put in so many hours and worked so hard, and they deserve a tremendous compliment as well.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise today to address H.R. 2561, the Defense Appropriations for FY 2000. This bill provides \$266.1 billion for Defense Appropriations, which represents a significant increase in defense spending. In general this bill addresses many of the concerns which face the Department of Defense, including military pay and benefits, readiness, and modernization shortfalls.

It is clear from my interaction with the men and women in service to the nation's defense that they continually serve our nation with unwavering dedication. Whether it is in service to the refugees displaced from Kosovo, on guard at the border between North and South Korea, or in the skies over Iraq; our servicemen and servicewomen represent our nation and our values. Mr. Chairman, they are truly this nation's best ambassadors.

Our nation owes our service members praise and thanks for the outstanding mission that they recently performed in the Balkans. I hope that this body will recognize General Wesley Clark for the extraordinary effort performed by him and the men and women he commanded during the operation.

Mr. Chairman, I am pleased that this bill addresses some of the concerns of our service members. The bill appropriates funds for a 4.8% pay increase for military personnel. The increase is 0.5% more than the Employment Cost Index—an index used by the private sector to calculate wage increases—and will reduce the current pay gap between the military and the private sector to 13%. The bill also contains a series of increases of special pay and bonuses, including increases of: \$300 million in aviation continuation pay; \$225 million for the basic allowance for housing; \$39 million for enlistment bonuses; and \$28 million for selective reenlistment bonuses, including increasing monthly pay for diving duty, raising maximum bonuses for officers involved with nuclear programs, and increasing foreign language proficiency pay. All these measures are designed to attract the best candidates for our armed services and to bolster efforts to entice already qualified service members to remain in their respective services.

This appropriation also includes funding for the Defense Health Program. The bill appropriates \$11.1 billion to these initiatives, including \$357 million for procurement and \$250 million for research. The total also includes \$175 million in funding for breast cancer-related research and treatment, and \$75 million for basic and clinical prostate cancer research. It also allocates \$19 million for research into gulf war illnesses, equal to the president's request.

In addition, Mr. Chairman, this appropriation bill also addresses readiness and modernization issues. This bill provides \$3.9 billion for ballistic missile defense, but does not mandate the establishment of a national missile defense system. It also includes funding for upgrades to existing B-2 Stealth bombers, almost \$1.0 billion for upgrades and new purchases of existing Air Force fighter aircraft; funding for a new submarine; and additional appropriations for ammunition and other munitions depleted during our recent conflict with Yugoslavia.

Mr. Chairman, though I am pleased to see the upgrades and new purchases of fighter aircraft, I was disappointed by the decision of the committee not to fund procurement of the F-22 fighter plane. The F-22 is the Air Force's planned next generation, premier fighter, intended to replace the F-15, and designed to have both air-to-air and air-to-ground fighter capabilities. The aircraft has been the centerpiece of the Air Force's modernization program for the past decade.

Richard Cohen, Secretary of Defense, has indicated that the cancellation of the F-22 will

mean that the United States cannot guarantee air superiority in future conflicts. The F-15 and other fighters in the American arsenal will not provide the same dominance now enjoyed by the United States and any proposed upgrade will cost the same as the F-22 program. The F-22 is critical to the Air Force's mission to maintain air superiority in the 21st century, as there are at least five foreign fighters already starting to eclipse the F-15. If nothing else can be learned from NATO's recent victory in the Balkans, it is that air superiority works.

I will support H.R. 2561 and I ask my colleagues to consider full funding for the F-22 program.

Mr. GEPHARDT. Mr. Chairman, I rise today in support of the FY 2000 Defense Appropriations bill. This legislation goes a long way in ensuring our country's military air superiority well into the future.

An important element of this bill is the \$440 million directed for the purchase of eight F-15E strike fighters. As many of us know, the F-15 was the dominant aircraft in the Persian Gulf and Kosovo conflicts, and remains the most lethal and effective fighter in the world. It has maintained a perfect air combat record of 100 victories and zero losses since its introduction into the fleet. And with the upgrades funded by this legislation, this record can be extended well into the future. I am proud to note that the F-15's record of victory is due in large part to the men and women who build this aircraft for the Boeing Company in my hometown of St. Louis.

The F-22, the Air Force's next-generation fighter aircraft that has been in development since the 1980s, has encountered problems in its cost and development schedule. Given these circumstances, it is essential that the Air Force preserve a high quality and robust strike fighter for the foreseeable future. Continued production of the F-15E aircraft is the only way to accomplish this goal.

I commend the members of the Appropriations Committee for their responsible actions to ensure that we retain and enhance the capabilities required to protect America's security into the next century. I urge my colleagues to support this decision, and vote for this bill.

Mr. HOYER. Mr. Chairman, I rise in support of this bill and applaud the work of both the chairman, Mr. LEWIS and the ranking member, Mr. MURTHA. I believe the priorities which they have established in this bill are good for both our nation and for our nation's defense.

Mr. Chairman, we are preparing to enter the 15th consecutive year of real decline in defense spending. I am one of those who believes that we cannot continue to put the military at risk.

The funding constraints imposed by the balanced budget agreement make our choices more difficult. However, we still must ensure that other priorities do not drive us away from one of the primary responsibilities this Congress has, and that is ensuring our nation's defense.

The difficult choices Chairman LEWIS and ranking member MURTHA had to make in developing the bill before us demonstrate the bipartisan spirit and dedication to the commitment all of us must follow when it comes to providing for the security of our nation.

We all realize that the United States holds a unique position in the world. People all over

the globe look to us for security and stability. It may not be fair, but it is reality.

While our military forces are shrinking, operations around the world are increasing. The increased pace of peacekeeping, humanitarian relief, and other operations is forcing our Armed Forces to do more with less. However, doing more with less is not always conducive with ensuring the long term readiness of our armed services.

Our forces which have served admirably in support of our operations in Kosovo and in Bosnia, as well as our continued enforcement of the no-fly zone over Iraq, are just some of the recent examples of our global leadership and responsibility. I continue to support our deployment of troops in these regions and believe the work they are accomplishing makes America a better place and the world a safer one.

I say to both the chairman and the ranking member that their priorities are right for our nation, we need to stand up for those priorities and pursue them.

I support this bill to appropriate \$266 billion for critical defense needs in fiscal year 2000 and want to commend the committee for what is in the bill before us:

A 4.8% military pay raise. Mr. Chairman, I support this well deserved raise and look forward to my colleagues supporting pay parity for our federal employees. As you know, the House included a provision, which I sponsored, in the recently passed emergency supplemental, that calls for pay parity between military and civilian employees.

The reform of military retirement and special pay and bonuses that will give our military personnel greater incentives to stay until retirement.

\$576 million for continued development of the joint strike fighter.

\$2.7 billion for 36 F-18E/F aircraft for the Navy.

\$856 million for 11 V-22 Osprey aircraft for the Marines.

\$272 million for upgrades to the EA-6 prowler.

\$207 million for 19 black hawk helicopters for the Army, National Guard and \$130 million for desperately needed unfunded equipment for the National Guard.

In addition, I am especially proud of the committee's funding of important medical research including: \$175 million for breast cancer research; and \$75 million for prostate cancer research.

I applaud the committee for funding these DOD priorities and for addressing the needs of our men and women in the armed services.

Mr. LARSON. Mr. Chairman, I rise today to speak about this year's Defense Appropriations bill. I would like to commend Chairman LEWIS and Ranking Member Murtha on the hard work they have done to craft this legislation.

For the most part, this is a good piece of legislation. It addresses the serious need to deal with pay parity for our servicemen and women with a 4.8 percent pay increase for military personnel. The bill fully funds critical submarine programs and also includes funding to study the conversion of our ballistic missile submarines to conventional weapons platforms. It funds the army's crucial requirements

for advanced helicopter procurements and research and development. Finally, it contains funding to test and certify new ejection seat technology for the Air Force. Technology has advanced significantly in this area and we can now field a new pilot ejection system which can protect the lives of our pilots at greater speeds and heights, as well as smaller pilots than current models. The Committee has recognized these important issues and as unfailingly addressed them.

However, there is one particular part of the bill about which I have grave concerns for the continued nation. It provides no funding at all for the Air Force's F-22 advanced tactical fighter program. The F-22 modernization program is critical to the Air Force's mission to maintain air superiority in the 21st century.

Since this cut was announced, I have met personally with Air Force Secretary Whitten Peters and Spoken with Air Force Chief of Staff General Michael Ryan. As a member of the Armed Services Committee I have sat through numerous classified threat briefings which demonstrate the critical need for this airplane, including several over the last two weeks specifically about the F-22.

Yesterday morning I flew to Langley Air Force Base in Virginia to meet specifically with members of the First Fighter Wing's 94th Squadron under the command of General Ralph Eberhart. I spent the morning talking with several F-15 fighter pilots and crew chiefs. I think what they said needs to be part of this debate. So, I'd like to break for a minute from the political rhetoric that has clouded this issue and talk to you about what our airmen and women in the trenches have to say.

Simply put, after an extended and victorious air campaign in the former Yugoslavia, members of this body are about to send a clear message to our pilots that we are unwilling to spend money to save lives. I guarantee that if, god forbid, we had lost an F-15 in that conflict, we would not be standing here having this debate today.

The Air Force has ruled the skies and provided air superiority for all branches of the service for over 50 years. We cannot take this for granted and be lulled to sleep by our past success. The F-15 is clearly a great airplane. But the fact is that at least 5 foreign fighters are already starting to eclipse its technological envelope. Even more dangerous is the capability of advanced surface-to-air missiles like the Russian SA10, for sale openly on the international market.

I have continually heard the argument that the answer is to upgrade the F-15 fleet with more technology. I asked the pilots if this was true. They told me that you can't bolt enough technology onto the craft for it to out-class emerging fighters and SAMs. The crew chiefs were clear that most aircraft would not be able to structurally take a major upgrade. Did you know that spare parts to maintain the F-15 are so hard to get now that most squadrons ground one fully functional aircraft just to strip for spare parts? It will cost about 440 million per plane to upgrade the F-15 fleet, and there is no way to retrofit stealth technology. Spending money to upgrade the F-15 will get you an airplane with 1/3 the capabilities of the F-22 for 90 percent of the price.

Survivability is the key to a successful aircraft. The ability of the F-22 to cruise faster than the speed of sound without wasting fuel and using afterburners and its stealth capabilities are the key to survivability in the next century. The best we can hope for in upgrading the F-15 is near parity in the air. No one wants to enter a situation without an advantage where another person can kill you, and I cannot have it on my conscious to know that this Congress is asking exactly that of America's pilots.

Some have argued that we will maintain air superiority because we will still be flying at a five to one numerical advantage against potential enemy threats. This is a reversal to the Russian policy during the Cold War to build low-tech weapons in mass quantities on the premises that numbers would prevail. America took the initiative to provide our soldiers with the best technological equipment available, and it is under the legacy and success of that policy that we have the luxury to hold this debate today. I would not want my son or daughter to be the acceptable loss in this new post-cold war strategy.

Finally, I would like to point out that, as a member of the Armed Services Committee, we dealt specifically with the cost issues associated with this program and fully funded the Air Forces F-22 request in H.R. 1401, the Defense Authorization bill for fiscal year 2000, which passed the House overwhelmingly on June 10, 1999. This policy was echoed in both defense authorization and appropriation bills recently acted upon in the other body. We recognized the Air Force's and Department of Defense's efforts to bring the cost of this program under control, and required the Secretary of the Air Force to report directly to Congress on their continuing efforts to meet the mandated spending caps designated for this program. I do not see significant reason barely a month later, to warrant the drastic shift in national defense policy this legislation would promote.

Again, I thank my colleagues for their commitment and dedication shown in drafting this important legislation, and hope that they will remain open to continue the important debate on this issue and work with us as the bill moves forward in Conference Committee.

Mr. WELDON of Pennsylvania. Mr. Chairman, as my colleagues no doubt recognize, one of the major challenges that the Department of Defense faces in the next century is providing adequate sealift capability in time of national emergency. This will become even more important as we complete the shift from a Cold war strategy which had large numbers of heavy forces forward deployed to a security posture that relies on mobile forces based in the United States.

Concerned about this looming shortage of sealift for overseas requirements, the Department has been proceeding with the construction of a fleet of advanced cargo vessels. However, even with this new construction, there will continue to be a deficiency of sealift capacity. To meet this deficiency, the Congress—under the leadership of then Senator Bill Cohen—created the National Defense Features program. The committees of jurisdiction have already authorized funds to commence the program. Once the commercial via-

bility of a project has been demonstrated, I am sure the Appropriations Committee will be prepared to begin appropriating the necessary funds to cover the cost of adding defense features to eligible vessels.

Under the program, new vessels would be constructed in U.S. shipyards and would operate under the American flag in regular commercial service, subject to call up in an emergency. Under one proposal that has the strong backing of Congress, ten refrigerated commercial car carriers would be built with special military features, such as strengthened, hoistable decks. During normal commercial service, the vessels would carry vehicles to the United States and refrigerated products on the return trip to Japan. In times of national emergency, the ships could carry military supplies throughout the Pacific in support of any necessary operations there. Other commercial ventures also have been conceived that would similarly promote our national security interests.

I am concerned, however, that the Government of Japan has apparently been unwilling to formally endorse the proposed refrigerated car carrier proposal. Naturally, for any such initiative to succeed, there must be a sound commercial underpinning. This seems already to have been established. At this point in time, from the perspective of our two governments, the question thus would appear to be fundamentally this: would the project advance our mutual security interests? The short answer is yes. Moreover, it would appear that the proposal can be implemented without any apparent economic cost to the Government of Japan.

I hope that the Prime Minister of Japan will personally endorse increased U.S.-flag participation in the car carrying trade under the national defense features program. I also hope the Administration will take whatever steps may be necessary to work with the Government of Japan to get agreement on the project. We need to get on to the task of building new ships, hoisting the American flag, and putting them out to sea with experienced American merchant mariners on board to promote our mutual security interests.

Mr. ROEMER. Mr. Chairman, I wish to thank the distinguished chairmen (Mr. YOUNG of Florida and Mr. LEWIS of California), and the ranking member of the Defense appropriations subcommittee (Mr. MURTHA) for their support of the Hummer and Sea Snake programs, both critical to meet the needs of the soldier and for the hard-working constituents of Indiana's Third Congressional District. I also wish to thank the distinguished members of the Defense subcommittee, including PETE VIS-CLOSKY, JIM MORAN, and DAVE HOBSON for their support and hard work in support of U.S. troop readiness and national security concerns.

First, I would like to acknowledge their support for the High Mobility Multipurpose Wheeled Vehicle, also known as Hummer. Although the U.S. Army and Marine Corps budget requests for Hummer have been severely underfunded in recent years, I am pleased that both branches have adequately funded their requirements in the Fiscal 2000 budget. This bill fully funds the Pentagon's request for the Army, Marine Corps, and Air Force Hummer procurement requests.

In recent years, the Hummer has enjoyed strong congressional interest and support. The extensive efforts of this committee on behalf of the Hummer have been of tremendous benefit to my constituents and have resulted in considerable savings for the Armed Services. More important, the Hummer has met, and in many cases exceeded, the needs of our brave troops in the field.

As its track record clearly indicates, Hummers perform multiple missions and readiness requirements for the services including weapons platforms and tow carriers. The Hummer also serves as a platform for newly developed systems crucial to our readiness preparations. Just two years ago in Bosnia, an Up-Armored version of the Hummer that struck a 14-pound anti-tank landmine provided enough protection to miraculously allow its three occupants to walk away without injury.

Second, I wish to express my gratitude for the committee's support for the Sea Snake missile target program. At the present time, a missile target manufacturer in my district is competing for the Navy's next Supersonic Sea-Skimming Target (SSST) missile procurement contract. All I have ever sought for my constituents is that the Navy consider the Sea Snake proposal fairly and in an open competition. I would not ask the Navy nor the Congress to do anything more than that.

While this bill includes strong report language directing the Navy to expedite the ongoing target missile competition, we should continue to closely assess the reliability of a Russian source for the Navy's SSST program, as proposed by one of the competitors. Additionally, I remained concerned that future procurement of the Russian-made MA-31 will almost surely terminate the Navy's most reliable existing supplier of targets made in the United States.

Earlier this year, the Navy notified the manufacturer that they have eliminated procurement funding for the remaining U.S.-made target systems. This action alone has already resulted in the layoff of more than 50 of my constituents. Therefore, I urge the Congress to recognize the impact of this funding shortfall and work to address the future and integrity of the Navy's missile target procurement strategy.

Mr. BASS. Mr. Chairman, I rise to speak on the FY00 Defense Appropriations Act and to express my support for the Air Force's F-22.

I wish to commend the distinguished gentleman from California, Mr. LEWIS, for producing a bill that addresses the serious and evolving challenges facing our military. Under his guidance, the subcommittee has worked very hard to promote our national security within a constrained budget, and I believe the bill before us goes a long way toward addressing many of our most urgent military requirements.

I am, however, troubled by the subcommittee's recommendation to cut \$1.8 billion from the F-22 program. I certainly appreciate the subcommittee's concerns about the program and am fully aware of the substantial challenges it faced as it sought to reconcile military requirements with available resources. Nevertheless, I believe that the F-22 remains critical to maintaining the air superiority that has proven invaluable to the United States to

date and will continue to be a fundamental requirement in the future if our interests are to be protected. Indeed, the F-22 program is the Air Force's number one priority.

Mr. Chairman, although I support the bill before us on the whole, I look forward to working with the subcommittee chairman and other members of the committee to ensure that the F-22 is fully funded in the final bill.

Mr. PACKARD. Mr. Chairman, during this time of tight budget constraints, I want to acknowledge the efforts of my Republican colleagues who have insisted that we devote more resources toward our nation's defense. The FY 2000 Defense Appropriations bill offers relief for our men and women in uniform who protect and serve our nation in the armed services.

Current events prove that the United States continues to serve security interests around the globe. With this in mind, we must address the deterioration of our military readiness. The funds provided by the FY 2000 Defense Appropriations bill are an important first step.

This legislation will allow Congress to correct many shortcomings, including increased health programs, an increase in military pay and additional defense weapons for our country. We need to continue to provide our soldiers with the resources they need to protect freedom and themselves.

We must stop neglecting the needs of our military. It has always been one of the central purposes of the Appropriations Committee to provide the necessary resources to ensure that our military is second to none and I commend Chairman LEWIS and the Appropriations Subcommittee on Defense for their hard work and dedication to our nation's soldiers.

Mr. VENTO. Mr. Chairman, as this Congress faces tight funding levels on all federal programs, once again, the Republican leadership has decided to substantially increase spending for the Pentagon. The DOD bill provides \$288 billion, \$8 billion more than the President requested, almost \$10 billion more than the spending caps set by the 1997 balanced budget law and \$17.4 billion more than appropriated for 1999. This bill blatantly steam rolls over the much touted budget rules and discipline the GOP has advertised. Thus, making a mockery of the vows to keep within budget limits simply by employing changing dates and previous "emergency appropriations actions".

While this measure provides for a much needed military pay raise for our soldiers and sailors, a smart reduction in production of the unnecessary F-22 fighter, a much needed \$19 million for further research into gulf war illness and \$56 million in international humanitarian assistance, in total H.R. 2561 will seriously drain resources away from important people programs. Furthermore, with \$1.2 billion in research going forward, the F-22 is hardly down and out and will surely be back at its \$200–300M a copy price. I need not remind my colleagues that just a few months ago, this House voted to appropriate nearly \$11 billion in emergency spending for the Kosovo campaign. The final product of the House/Senate conference totaled \$14.5 billion, roughly \$8 billion more than the President's request. While I supported the U.S./NATO campaign, I did not support this emergency supplemental be-

cause the GOP insisted upon loading it down with wasteful and unnecessary military pork projects that were totally unrelated to the air campaign against the Serb aggression in Kosovo. Moreover, the Republican leadership chose to avoid the budget by funding FY 2000 projects in that emergency measure, to avoid the budget rules.

H.R. 2561 provides no funds for the current Kosovo peace keeping. This clearly assumes that more funds are needed in a supplemental or emergency spending request at a later date in year 2000. This is a fraudulent policy by spending on the hardware and then turning needed programs and funding into a crisis, apparently trying to justify emergency spending.

The battle over the F-22 is in focus today. There is no threat which necessitates a next generation fighter. The F-22 program was initiated in 1981 to meet the evolving threat posed by the next generation of Soviet aircraft. The war in Kosovo demonstrated the superiority—both qualitative and quantitative—of the current fleet of F-15's and F-16's to maintain U.S. dominance in the skies. Not only were current fighters undefeated in their encounters with the limited ability Serbian fighters, but the Yugoslav Air Force was reluctant even to deploy their aircraft to challenge U.S. fighters. This scenario is a repeat of Iraq reluctance to challenge U.S. air dominance in the gulf war and later confrontations in the no-fly zones. Furthermore, the price tag of nearly \$200–\$300 million per plane has ballooned out of control. However, while trying to eliminate the F-22, this measure diverts the funds to purchase more F-15's and F-16's, additional C-17 Air Force bombers and unrequested funding for eight KC-130J's. As a result, no new maintenance and savings are achieved. All this bill does is add more new hardware and weapon systems as substitute for fiscal discipline, and the prospect of buying F-22 at even a higher price tomorrow.

Even though veterans suffer from inadequate health care, low income families lack public housing, our nations schools are crumbling, classrooms are overcrowded and seniors do not have necessary prescription drug coverage, the Republican-led majority continues to display an inability to address these important issues by again channeling limited resources under the budget caps to Pentagon spending. Our military superiority was demonstrated successfully in the Kosovo conflict. Our national defense technology and capabilities far outmatch any direct threat to our military forces. Our priorities ought to be investment in readiness, maintenance, and smart military service, not weapons systems alone. Limited and careful policy would not expend another \$4 billion on a unproven and highly questionable missile defense system. This system passed one experiment, but has failed repeatedly to live up to its promise after three decades and at least \$100 billion in tax payer spending. Reason would suggest that this is not prudent policy, but fears and the pressure of special interests has kept this policy moving forward no matter the cost and practicality.

Congress must reassess our national priorities and focus upon our pressing needs. I urge my colleagues to vote "no" on this measure.

Ms. DUNN. Mr. Chairman, I support the passage of the Fiscal Year 2000 Defense Ap-

propriations Bill. This legislation effectively addresses the growing quality of life, readiness, and modernization shortfalls facing today's military. It attempts to manage the competing pressures and risks associated with an expansive U.S. national security strategy and diminishing defense resources.

I am particularly pleased that the House Appropriations Committee found merit in two worthwhile programs managed by innovative companies located in Washington State's 8th Congressional District. This bill allots \$8 million to Asymetrix Learning Systems, Inc. for the development of an online education program for the Washington State Army National Guard. Additionally, it allocates \$4 million to Adroit Systems, Inc. to develop Pulse Detonation Engine technology, which will allow the Navy to improve missile capabilities while reducing future procurement costs.

Despite the positive steps this bill takes to improve our national security, I would like to take the opportunity to express my concern regarding the \$1.8 billion reduction for the procurement of the F-22 fighter. The F-22 Raptor is the Air Force's next-generation air-superiority fighter, the aircraft that will take the lead in seizing control of contested airspace in wartime so that other aircraft can do their jobs. It is the only air-superiority fighter that the Air Force has in advanced development, and the first such aircraft developed since the 1970s.

Recent trends in warfare suggest that whoever owns the sky and space above it will own the future. According to the Lexington Institute, the F-22 gives the only opportunity the Air Force has to ensure America's military continues to control the sky during the early decades of the 21st century. No other tactical combat aircraft in service today has a similar capacity to successfully operate amid the emerging foreign-made air-to-air missile threat. And because it is survivable, no other American aircraft will be able to effectively engage in battle as close to the enemy as the F-22 Raptor.

An April 27 statement by seven former defense secretaries emphasizes that continued development and production of the F-22 is essential to preserving U.S. command of the air. Additionally, even in a period of diminished threats, other nations will gradually overtake and surpass the fighting effectiveness of current U.S. fighters. Therefore, the agility, firepower, and situational awareness embodied in the F-22 must be funded.

The decision to fund this project will have a long term strategic effect on America's defense capabilities. We must retain our ability to establish air dominance by supporting the continued procurement of the F-22 Raptor. The funding of this next-generation fighter is essential to the air superiority of the United States of America and the entire free world.

Mr. HOBSON. Mr. Chairman, I rise in support of H.R. 2561, the Department Defense Appropriations Act for Fiscal Year 2000. This bill carefully balances scarce resources by maintaining readiness, providing a much deserved pay raise for our troops and ensuring that our military continues its technological dominance over potential enemies. I urge support for this bill.

Mr. Chairman, this Administration has been dramatically and consistently underfunding our

military, while at the same time, asking it to do more with less. Our troops have been committed to more operations in the last ten years than at any time since World War II. This has created a situation whereby we have excessive wear and tear on equipment and facilities. In addition, our soldiers, sailors and airmen are having to spend extraordinary time away from their homes and their families. While our troops have performed admirably, the time has come where they can no longer do more with less.

The defense budget presented by the President fell far short of the needs that our military had requested. For instance, in my bill, Military Construction, there was not one request for a new unit of family housing in the Continental United States (CONUS) made by either the Army or the Navy. With a housing backlog that stretches for over ten years, and a real property maintenance backlog of almost a billion dollars, the needs of the services are real.

In fact, in hearings before the Defense Appropriations Subcommittee, the services provided us with an unfunded priority list of over \$11 billion for this year alone, and over \$150 billion during the next five years. While remaining within the budget caps, this Defense Appropriations bill begins to address this shortfall by providing an extra \$2.8 billion above what the Administration felt would have been adequate. Highlights of the bill include: \$300 million above the budget request for pilot bonuses; \$854 million above the budget request for Quality of Life enhancements; \$103 million above the budget request for recruiting; \$2.8 billion above the budget request for Research, Development, Test and Evaluation; and 4.8 percent pay raise (above the budget request).

Mr. Chairman, this bill is a step in the right direction. While it does not fix all of the problems that our military is facing today, it does take necessary steps to ensure that funds will be directed first to those items that are broken, and give our troops the tools they need to protect our country and our future.

I urge my colleagues to support this bill.

Mr. BARR of Georgia. Mr. Chairman, a French proverb says "[w]ar is much too serious to leave to the generals." Mr. Speaker, I rise today to say exactly the opposite. War is far too important to be left to politicians.

Today, the House stands on the verge of sending the Senate a bill that may very well terminate the F-22 program. On one side, we have a carefully planned, smoothly executed plan by politicians to scrap the fighter. On the other side, we have every general in the Pentagon telling us our national security will suffer a fatal blow if we choose to give up air dominance in the next century.

In a letter to Congress last week, Secretary of Defense William Cohen told us that "Canceling the F-22 program means we cannot guarantee air superiority in future conflicts." Six former Secretaries of Defense have echoed Secretary Cohen's words, calling the F-22 a "essential" program that must be fully funded.

Make no mistake about it, Mr. Speaker. If we cancel the F-22, we are making a decision to stake the lives of American soldiers on inferior equipment because some in Congress think they know more about air warfare than the United States Air Force.

Ironically, canceling the F-22 won't even accomplish its stated goal of saving money. Secretary Cohen has told us the alternative to the F-22—an upgraded F-15 (already over 25 years old)—will cost the same as the F-22, but will not provide air dominance. The Secretary has also told us—correctly—that not only will the Joint Strike Fighter or JSF be unable to fill the air superiority role, it will also be unable to handle its strike role without F-22 support. This is the legislative equivalent of rejecting a Cadillac in order to buy a Yugo for twice the price. The JSF is not, was never contemplated to be, and cannot be made into, the F-22. It is not an air-superiority fighter. It is a subsonic tactical fighter that goes into a conflict after the F-22 establishes air dominance. The JSF cannot itself establish air dominance.

In September of 1939, Neville Chamberlain told the British people to go home and rest easy because he had purchased "peace for our time." the following September, an unprepared Great Britain began a fight for its life with Nazi Germany. We must not make a long-term mistake for a short-term gain, by canceling the F-22. We must not allow our easy victory in Kosovo to lead us to mistakenly assume we will always have air superiority.

Again, the facts are clear. First—this decision may very well end the F-22 program, by raising future costs so high we will not be able to restart it later. Second—without the F-22, American forces will to a certainty, be outgunned by the next generation of missiles and aircraft already nearing production by three nations (Russia, France, and Sweden), each of which is ready to use them or sell them to the highest bidders. Third—by giving up air superiority, we are encouraging our enemies to attack us and ensuring that young Americans will pay on the battlefields of the future; only a few short years away.

In short, we will have rejected the wisdom of George Washington, who told Congress "[t]o be prepared for war is one of the most effectual means of preserving peace." The ancient Chinese military strategist Sun Tzu said the same thing two thousand years ago when he wrote that "[v]ictorious warriors win first, and then go to war, while defeated warriors go to war first and then seek to win." Mr. Speaker, if Congress kills the F-22 program we will pay dearly later for ignoring this sage advice now.

Mr. NETHERCUTT. Mr. Chairman, as a member of the Defense Subcommittee, I am proud to support the outstanding package that we put together under the leadership of Chairman LEWIS and Mr. MURTHA. H.R. 2561 improves on the President's request by adding \$2.8 billion for critical defense initiatives. Equally important, when supplemental funds are included, this bill provides the first consecutive year increase in defense spending since 1985. Despite these slight increases, we were forced to make many tough choices in this bill. Persistent underfunding of defense needs and an extraordinarily high operations tempo generated an unfunded request list from the services chiefs totalling some \$7 billion.

In this legislation we have the advantage of hindsight on Operation Allied Force, which exposed a number of urgent needs that are not

addressed in the President's request. I am particularly pleased at what we were able to do for two platforms which I regard as enablers for the conduct of all military operations: tankers and jammers.

H.R. 2561 provides \$208 million for KC-135 reengining, allowing the Air National Guard to convert 8 aircraft with modern engines. The Kosovo operation showed clearly that we rely on KC-135 aerial refueling tankers for all air missions and both active and guard crews were hard pressed to support the campaign. These forty year old aircraft are the backbone of our global capabilities and new engines dramatically increase their capability, allowing a 25 percent increase in fuel offload capability, a 35 percent reduction in time to climb, a 23 percent reduction in take off distance, while also meeting current noise and pollution standards. Yet, the Air Force has refused to commit seriously to reengining these aircraft which are the legs of the entire service. In previous years, the Defense Subcommittee has wisely added funds for one or two kits a year, but more than 130 aircraft remain to be reengined. Unfathomably, in a period of dramatically increased global deployments, the Air Force has delayed conversions until 2002. This legislation meets the need and puts the Air Force on an economical path to actually integrate modern engines onto an aging airframe for which there is no proposed alternative.

The bill also addresses the tactical aircraft jammer crisis. To pay the growing bills on the F-22, the Air Force sacrificed its entire fleet of EF-111A tactical jamming aircraft, leaving the entire DOD with a single platform, the EA-6B Prowler, to perform this essential mission. These aircraft were heavily utilized over Kosovo, performing 717 wartime sorties. But to meet the need, the Prowlers were stretched thin. Coverage of Korea was eliminated, safety standards were waived, spare parts were stripped from everywhere else in the world and squadrons on the East and West coasts were put on alert interfering with training. Two squadrons returning from 6 month carrier deployments were turned around and again deployed to Aviano, instead of seeing their families. In all, 12 of 19 squadrons were at-sea or deployed.

The Kosovo operation showed that we simply do not have enough Prowlers to support our national strategy. The operation also revealed other deficiencies that must be corrected. EA-6Bs are not night-vision capable, which requires air crews to fly with external lights, illuminating them to adversaries. They have no data link capability and thus have difficulty discerning the location of friendly and enemy aircraft. And while DOD acknowledges that within 10 years we will face a severe inventory problem, there is no plan to address this issue. Our bill provides \$227 million to fund a package of improvements to the fleet. We have included night vision equipment, simulators, a data link capability and funding for a follow-on replacement aircraft. As with the KC-135, this is a national capability that is readily recognized but unsupported by DOD because of limited modernization funds. The lessons of Kosovo demonstrate the importance of both platforms and I strongly support the Committee's actions on these two aircraft.

The Committee has managed to address many such modernization shortfalls in this bill while also providing for quality of life initiatives. The bill fully funds the 4.8 percent pay raise and supports pay table and retirement reform. We have increased the Basic Allowance for Housing by \$225 million. Our continued concern about pilot retention was reflected in a \$300 million increase for aviation continuation pay. Retention is about more than pay however, and the report directs DOD to undertake a comprehensive quality of life study to provide a foundation for addressing other issues that have negative effects on unit morale and readiness.

I believe this is an outstanding bill which addresses a wide range of critical, yet unfunded near-term priorities within the Department of Defense. It is essential that we act on the immediate lessons of Kosovo and by directing funding to such areas as tankers and jammers we have improved the overall capabilities of our forces. I urge Members to support this bill.

Mr. STARK. Mr. Chairman, I rise today in opposition to the proposed \$266 billion for the Defense Appropriations for FY 2000. This bill appropriates \$2.8 billion more than the administration's request. This includes hundreds of millions of dollars needed to build new F-15s and F-16s—both Cold War fossils—and \$3.9 billion for a national missile defense system.

What is the threat that we need such elaborate and expensive items to add to the U.S. defense? What is the threat that we are willing to forsake health care for our children, smaller classrooms for our children and prescription drug coverage for our seniors?

Times are changing. The \$3.9 billion that is to be spent on missile defense is an example of money invested in a non-existent threat. The proposed National Missile Defense (NMD) program would have been much more useful fifteen years ago, during the Cold War. Biological and chemical warfare is the foreseen threat these days, and an NMD program will soon be obsolete. Defense spending should be decreasing, yet it is costing more and more each year to defend ourselves from an invisible enemy.

The Pentagon is the largest source of bureaucratic waste, fraud and abuse in the federal government. Military contractors and their champions in Congress fuel wasteful military spending by promoting weapons as jobs programs and stuffing pork projects into districts and states. When in reality, the jobs gained in the U.S. pales in comparison to those sent overseas to complete the majority of weapons development. Congress should hold military projects to the same "pork accountability standard" as other government projects.

The worst part of it all is that in order to fund these ridiculous increases, programs designed for community and regional development programs will suffer the most. Massive cuts in domestic programs will equal a massive loss in jobs for teachers, construction workers, civil service workers, and others. This money could also be directed to improve the quality of childcare for working families, improving Medicare, and increased funding for medical research.

Remember to keep in mind the \$13 billion wasted in Kosovo—a situation that could have been settled through peace talks and negotia-

tions. Now, NATO wants our support to rebuild the bridges, roads, and towns that were destroyed.

I strongly urge my colleagues to join me in opposing this wasteful and misdirected use of \$266 billion. Please oppose H.R. 2561, the Defense Appropriations for Fiscal Year 2000.

Mr. LEWIS of California. Mr. Chairman, I very much appreciate my colleague's comments, and with that, for general debate purposes, I yield back the balance of my time.

The CHAIRMAN. All time for general debate having expired, pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule. During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

The Clerk will read.

The Clerk read as follows:

H.R. 2561

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2000, for military functions administered by the Department of Defense, and for other purposes, namely:

#### TITLE I

##### MILITARY PERSONNEL

###### MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; \$21,475,732,000.

###### MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; \$16,737,072,000.

###### MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; \$6,353,622,000.

###### MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; \$17,565,811,000.

###### RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 10211, 10302, and 3038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; \$2,235,055,000.

###### RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; \$1,425,210,000.

###### RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; \$403,822,000.



## RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 10211, 10305, and 8038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; \$872,978,000.

## NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 10211, 10302, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; \$3,486,427,000.

## NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under section 10211, 10305, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; \$1,456,248,000.

## TITLE II

## OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY  
(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed \$10,624,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes; \$19,629,019,000 and, in addition, \$50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund; *Provided*, That of the funds made available under this heading, \$6,000,000, to remain available until expended, shall be transferred to "National Park Service—Construction" within 30 days of enactment of this Act, only for necessary infrastructure repair improvements at Fort Baker, under the management of the Golden Gate Recreation Area: *Provided further*, That of the funds appropriated in this paragraph, not less than \$355,000,000 shall be made available only for conventional ammunition care and maintenance:

*Provided further*, That of the funds appropriated under this heading, \$4,000,000 shall

not be available until thirty days after the Secretary of the Army provides to the congressional defense committees the results of an assessment, solicited by means of a competitive bid, on the prospects of recovering costs associated with the environmental restoration of the Department of the Army's government-owned, contractor-operated facilities.

OPERATION AND MAINTENANCE, NAVY  
(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed \$5,155,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes; \$23,029,584,000 and, in addition, \$50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund.

## OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law; \$2,822,004,000.

OPERATION AND MAINTENANCE, AIR FORCE  
(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; and not to exceed \$7,882,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes; \$21,641,099,000 and, in addition, \$50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund.

OPERATION AND MAINTENANCE, DEFENSE-WIDE  
(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law; \$11,401,733,000, of which not to exceed \$2,000,000 is for providing the Computer/Electronic Accommodations program to federal agencies which otherwise do not receive funding for such purposes; of which not to exceed \$25,000,000 may be available for the CINC initiative fund account; and of which not to exceed \$32,300,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes: *Provided*, That of the amount appropriated under the heading "Operation and Maintenance, Defense-Wide" in division B, title I, of Public Law 105-277, the amount of \$177,000,000 not covered as of July 12, 1999, by an official budget request under the fifth proviso of that section is available, subject to such an official budget request for that entire amount, only for the following accounts in the specified amounts:

"Other Procurement, Air Force", \$47,000,000;

"Procurement, Defense-Wide", \$100,000,000; and

"Research, Development, Test and Evaluation, Air Force", \$30,000,000;

*Provided further*, That none of the amount of \$177,000,000 described in the preceding proviso may be made available for obligation unless the entire amount is released to the Depart-

ment of Defense and made available for obligation for the programs, and in the amounts, specified in the preceding proviso: *Provided further*, That of the amounts provided under this heading, \$40,000,000 to remain available until expended, is available only for expenses relating to certain classified activities, and may be transferred as necessary by the Secretary of Defense to operation and maintenance, procurement, and research, development, test and evaluation appropriations accounts, to be merged with and to be available for the same time period as the appropriations to which transferred: *Provided further*, That the transfer authority provided under this heading is in addition to any other transfer authority provided in this Act: *Provided further*, That of the funds made available under this heading, \$10,000,000 shall be available only for retrofitting security containers that are under the control of, or that are accessible by, defense contractors.

OPERATION AND MAINTENANCE, ARMY  
RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; \$1,513,076,000.

## OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; \$969,478,000.

OPERATION AND MAINTENANCE, MARINE CORPS  
RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; \$143,911,000.

OPERATION AND MAINTENANCE, AIR FORCE  
RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; \$1,788,091,000.

OPERATION AND MAINTENANCE, ARMY  
NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying



and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); \$3,103,642,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things, hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; \$3,239,438,000.

OVERSEAS CONTINGENCY OPERATIONS  
TRANSFER FUND

(INCLUDING TRANSFER OF FUNDS)

For expenses directly relating to Overseas Contingency Operations by United States military forces; \$1,812,600,000, to remain available until expended: *Provided*, That the Secretary of Defense may transfer these funds only to operation and maintenance accounts within this title, the Defense Health Program appropriation, and to working capital funds: *Provided further*, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the transfer authority provided in this paragraph is in addition to any other transfer authority contained elsewhere in this Act.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

For salaries and expenses necessary for the United States Court of Appeals for the Armed Forces; \$7,621,000, of which not to exceed \$2,500 can be used for official representation purposes.

ENVIRONMENTAL RESTORATION, ARMY  
(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, \$378,170,000, to remain available until transferred: *Provided*, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Army, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appro-

priation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the transfer authority provided in this paragraph is in addition to any other transfer authority provided elsewhere in this Act.

ENVIRONMENTAL RESTORATION, NAVY  
(INCLUDING TRANSFER OF FUNDS)

For the Department of the Navy, \$284,000,000, to remain available until transferred: *Provided*, That the Secretary of the Navy shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Navy, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Navy, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the transfer authority provided in this paragraph is in addition to any other transfer authority provided elsewhere in this Act.

ENVIRONMENTAL RESTORATION, AIR FORCE  
(INCLUDING TRANSFER OF FUNDS)

For the Department of the Air Force, \$376,800,000, to remain available until transferred: *Provided*, That the Secretary of the Air Force shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Air Force, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Air Force, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the transfer authority provided in this paragraph is in addition to any other transfer authority provided elsewhere in this Act.

ENVIRONMENTAL RESTORATION, DEFENSE-WIDE  
(INCLUDING TRANSFER OF FUNDS)

For the Department of Defense, \$25,370,000, to remain available until transferred: *Provided*, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of Defense, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the transfer authority provided in this paragraph is in addition to any other transfer authority provided elsewhere in this Act.

ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, \$209,214,000, to remain available until transferred: *Provided*, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris at sites formerly used by the Department of Defense, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the transfer authority provided in this paragraph is in addition to any other transfer authority provided elsewhere in this Act.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For expenses relating to the Overseas Humanitarian, Disaster, and Civic Aid programs of the Department of Defense (consisting of the programs provided under sections 401, 402, 404, 2547, and 2551 of title 10, United States Code); \$55,800,000, to remain available until September 30, 2001.

FORMER SOVIET UNION THREAT REDUCTION

For assistance to the republics of the former Soviet Union, including assistance provided by contract or by grants, for facilitating the elimination and the safe and secure transportation and storage of nuclear, chemical, and other weapons; for establishing programs to prevent the proliferation of weapons, weapons components, and weapon-related technology and expertise; for programs relating to the training and support of defense and military personnel for demilitarization and protection of weapons, weapons components, and weapons technology and expertise; \$456,100,000, to remain available until September 30, 2002.

QUALITY OF LIFE ENHANCEMENTS, DEFENSE

For expenses, not otherwise provided for, resulting from unfunded shortfalls in the repair and maintenance of real property of the Department of Defense (including military housing and barracks); \$800,000,000, for the maintenance of real property of the Department of Defense (including minor construction and major maintenance and repair), which shall remain available for obligation until September 30, 2001, as follows:

Army, \$182,600,000;  
Navy, \$285,200,000;  
Marine Corps, \$62,100,000;  
Air Force, \$259,600,000; and  
Defense-Wide, \$10,500,000: (

*Provided*, That notwithstanding any other provision of law, of the funds appropriated under this heading for Defense-Wide activities, the entire amount shall only be available for grants by the Secretary of Defense to local educational authorities which maintain primary and secondary educational facilities located within Department of Defense installations, and which are used primarily by Department of Defense military and civilian dependents, for facility repairs and improvements to such educational facilities: *Provided further*, That such grants to local educational authorities may be made for repairs and improvements to such educational facilities as required to meet classroom size requirements: *Provided further*,

That the cumulative amount of any grant or grants to any single local educational authority provided pursuant to the provisions under this heading shall not exceed \$1,500,000.

#### TITLE III PROCUREMENT

##### AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; \$1,590,488,000, to remain available for obligation until September 30, 2002.

##### MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; \$1,272,798,000, to remain available for obligation until September 30, 2002.

##### PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; \$1,556,665,000, to remain available for obligation until September 30, 2002.

##### PROCUREMENT OF AMMUNITION, ARMY

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing

purposes; \$1,228,770,000, to remain available for obligation until September 30, 2002.

##### OTHER PROCUREMENT, ARMY

For construction, procurement, production, and modification of vehicles, including tactical, support, and non-tracked combat vehicles; the purchase of not to exceed 36 passenger motor vehicles for replacement only; and the purchase of 3 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed \$200,000 per vehicle; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; \$3,604,751,000, to remain available for obligation until September 30, 2002.

##### AIRCRAFT PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; \$9,168,405,000, to remain available for obligation until September 30, 2002.

##### WEAPONS PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; \$1,334,800,000, to remain available for obligation until September 30, 2002.

##### PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; \$537,600,000, to remain available for obligation until September 30, 2002.

##### SHIPBUILDING AND CONVERSION, NAVY

For expenses necessary for the construction, acquisition, or conversion of vessels as

authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, as follows:

NSSN (AP), \$748,497,000;

CVN-77 (AP), \$751,540,000;

CVN Refuelings (AP), \$323,665,000;

DDG-51 destroyer program, \$2,681,653,000;

LPD-17 amphibious transport dock ship, \$1,508,338,000;

ADC(X), \$439,966,000;

LCAC landing craft air cushion program, \$31,776,000; and

For craft, outfitting, post delivery, conversions, and first destination transportation, \$171,119,000;

In all: \$6,656,554,000, to remain available for obligation until September 30, 2004: *Provided*, That additional obligations may be incurred after September 30, 2004, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: *Provided further*, That none of the funds provided under this heading for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign facilities for the construction of major components of such vessel: *Provided further*, That none of the funds provided under this heading shall be used for the construction of any naval vessel in foreign shipyards.

##### OTHER PROCUREMENT, NAVY

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of not to exceed 25 passenger motor vehicles for replacement only; lease of passenger motor vehicles; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; \$4,252,191,000, to remain available for obligation until September 30, 2002.

##### PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including the purchase of not to exceed 43 passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; \$1,333,120,000, to remain available for obligation until September 30, 2002.

##### AIRCRAFT PROCUREMENT, AIR FORCE

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground

handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; \$8,298,313,000, to remain available for obligation until September 30, 2002.

#### MISSILE PROCUREMENT, AIR FORCE

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; \$2,329,510,000, to remain available for obligation until September 30, 2002.

#### PROCUREMENT OF AMMUNITION, AIR FORCE

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; \$481,837,000, to remain available for obligation until September 30, 2002.

#### OTHER PROCUREMENT, AIR FORCE

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 53 passenger motor vehicles for replacement only; lease of passenger motor vehicles; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; \$6,964,227,000, to remain available for obligation until September 30, 2002.

#### PROCUREMENT, DEFENSE-WIDE

##### (INCLUDING TRANSFER OF FUNDS)

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the pur-

chase of not to exceed 103 passenger motor vehicles for replacement only; the purchase of 7 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed \$250,000 per vehicle; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; \$2,286,368,000, to remain available for obligation until September 30, 2002: *Provided*, That of the funds available under this heading, not less than \$39,491,000, including \$6,000,000 derived by transfer from "Research, Development, Test and Evaluation, Defense-Wide", shall be available only to support Electronic Commerce Resource Centers: *Provided further*, That none of the funds in this or any other Act shall be used to compensate administrative support contractors for the Joint Electronic Commerce Program Office.

#### NATIONAL GUARD AND RESERVE EQUIPMENT

For procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces; \$130,000,000, to remain available for obligation until September 30, 2002: *Provided*, That the Chiefs of the Reserve and National Guard components shall, not later than 30 days after the enactment of this Act, individually submit to the congressional defense committees the modernization priority assessment for their respective Reserve or National Guard component.

#### DEFENSE PRODUCTION ACT PURCHASES

For activities by the Department of Defense pursuant to sections 108, 301, 302, and 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2078, 2091, 2092, 2093); \$5,000,000 only for microwave power tubes and to remain available until expended.

#### TITLE IV

#### RESEARCH, DEVELOPMENT, TEST AND EVALUATION

##### RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment; \$5,148,093,000, to remain available for obligation until September 30, 2001.

##### RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment; \$9,080,580,000, to remain available for obligation until September 30, 2001: *Provided*, That funds appropriated in this paragraph which are available for the V-22 may be used to meet unique requirements of the Special Operation Forces: *Provided further*, That of the funds available under this heading, no more than \$5,000,000 shall be available only to initiate a cost improvement program for the Intercooled Recuperated Gas Turbine Engine program: *Provided further*, That the funds identified in the immediately preceding proviso shall be made available only if the Secretary of the Navy certifies to the congressional defense committees that binding commitments to finance the remaining cost of the ICR cost im-

provement program have been secured from non-federal sources: *Provided further*, That should the Secretary of the Navy fail to make the certification required in the immediately preceding proviso by July 31, 2000, the Secretary shall make the funds subject to such certification available for DD-21 ship propulsion risk reduction: *Provided further*, That the Department of Defense shall not pay more than one-third of the cost of the Intercooled Recuperated Gas Turbine Engine cost improvement program.

##### RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment; \$13,709,233,000, to remain available for obligation until September 30, 2001.

##### RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment; \$8,930,149,000, to remain available for obligation until September 30, 2001: *Provided*, That not less than \$419,768,000 of the funds made available under this heading shall be made available only for the Navy Theater Wide Missile Defense program: *Provided further*, That of the amount appropriated in section 102 of division B, title I, of Public Law 105-277 (112 Stat. 2681-558), the amount of \$230,000,000 not covered as of July 12, 1999, by an official budget request under the third proviso of that section is available, subject to such an official budget request for that entire amount, only for the following programs in the specified amounts:

"International Cooperative Programs" (ARROW anti-tactical ballistic missile), \$45,000,000;

"Navy Theater Wide Missile Defense System", \$35,000,000;

"PATRIOT PAC-3 Theater Missile Defense Acquisition—EMD", \$75,000,000; and

"National Missile Defense Dem/Val", \$75,000,000:

*Provided further*, That none of the amount of \$230,000,000 described in the preceding proviso may be made available for obligation unless the entire amount is released to the Department of Defense and made available for obligation for the programs, and in the amounts, specified in the preceding proviso.

##### DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, of independent activities of the Director, Test and Evaluation in the direction and supervision of developmental test and evaluation, including performance and joint developmental testing and evaluation; and administrative expenses in connection therewith; \$271,957,000, to remain available for obligation until September 30, 2001.

##### OPERATIONAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evaluation in the direction and supervision of operational test and evaluation which is conducted prior to, and in support of, production

decisions; joint operational testing and evaluation; and administrative expenses in connection therewith; \$29,434,000, to remain available for obligation until September 30, 2001.

Mr. LEWIS of California (during the reading). Mr. Chairman, I ask unanimous consent that the bill, through page 38, line 5, be considered as having been read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there amendments to that portion of the bill?

AMENDMENT NO. 4 OFFERED BY MR. BARR OF GEORGIA

Mr. BARR of Georgia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. BARR of Georgia:

H.R. 2561

In the paragraph in title IV under the heading "Research Development, Test, and Evaluation, Air Force", insert after the dollar amount the following: "(increased by \$1) (reduced by \$1)".

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Georgia (Mr. BARR) and the gentleman from California (Mr. LEWIS) each will be recognized for 30 minutes.

Mr. BARR of Georgia. Mr. Chairman, I ask unanimous consent that I be allowed to yield 15 minutes to the gentleman from Connecticut (Mr. LARSON) and further, that the said gentleman from Connecticut be allowed to control 15 minutes of time.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BARR of Georgia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at this time I would like to engage in a colloquy with the gentleman from California (Mr. LEWIS), the chairman of the subcommittee.

Mr. Chairman, I want to discuss with the chairman of the subcommittee the importance of the F-22 program and the actions of his subcommittee in this year's defense appropriations bill.

Mr. Chairman, it is my understanding the committee has acknowledged that the F-22 was developed to guarantee air superiority over any potential adversary for the foreseeable future. In addition, the committee has also stated that, as currently configured, there is little doubt that the F-22, if it meets its performance specifications, would far outclass any single fighter known to be under development.

Mr. LEWIS of California. Mr. Chairman, if the gentleman will yield, the gentleman is correct.

Mr. BARR of Georgia. However, the committee has decided in this legislation that a production pause should take place on the production of the first 6 planes because of certain concerns outlined in the committee report.

Mr. LEWIS of California. Mr. Chairman, the gentleman is again correct.

Mr. BARR of Georgia. Mr. Chairman, the gentleman from California and I and others have had numerous conversations concerning the importance of this program of air superiority of the United States. It is my understanding the chairman of the subcommittee, as well as members of the upcoming conference committee, will closely look at the F-22 program in light of the fact the other body, that is the Senate, included full funding for this project in its appropriations bill.

Mr. LEWIS of California. Mr. Chairman, I would like to say to the gentleman that because of his hard work and the work of his colleagues, it is not our intention to go any further at this time than a pause relative to the F-22 program, and we do intend to look very closely at the program as we go forward to conference with the Senate.

I would emphasize to the gentleman from Georgia that the \$1.2 billion in research and development for the F-22 remains in the bill, and it is our intention to see that that R&D will go forward.

Mr. BARR of Georgia. Mr. Chairman, I would like to take a moment to discuss with the chairman of the Subcommittee on Defense of the Committee on Appropriations the C-130J program. The United States Transportation Command states a need for 150 C-130J tactical airlift aircraft to modernize our forces and replace aging C-130Js currently being deployed by our active and reserve force and our Guard units.

However, the administration budget failed to request any C-130Js until fiscal year 2002, and active duty units are not scheduled to receive any until fiscal year 2006. However, over the last several months, I have worked with my colleagues of the Georgia Delegation and other Members of the House to point out the need to begin to authorize and appropriate these planes in this year's budget.

Mr. LEWIS of California. Mr. Chairman, for the benefit of the Members of the House, I would like my colleagues to know that the gentleman from Georgia (Mr. BARR) and I have worked very, very closely on this question. The gentleman took the time to bring professional people along with him to my office.

We spent considerable time discussing the program that involves the C-130J, particularly the facility that operates in Marietta, Georgia. That exchange caused our subcommittee to look very closely at that recommendation, a recommendation that had not

come originally from the Air Force itself. It is with his leadership that the C-130J is a part of this package, and I very much appreciate the Member's contribution in that regard.

Mr. BARR of Georgia. Mr. Chairman, I thank the distinguished chairman of the subcommittee.

Mr. Chairman, I reserve the balance of my time.

Mr. LARSON. Mr. Chairman, I yield myself such time as I may consume.

I rise in support of the amendment. I am here to address what is a very serious issue of national security raised by cutting the F-22 and the virtual elimination of the number one priority of the United States Air Force.

Let me first acknowledge and thank the leadership of the Committee on Armed Services and the fine job that the gentleman from South Carolina (Mr. SPENCE) and the gentleman from Missouri (Mr. SKELTON) have done. I commend them for their mark on the F-22. I am proud to be a member of this committee.

The issue of cost associated with this program is one the committee addressed and requires the Secretary of the Air Force to report their continuing efforts to meet mandated spending caps. I am heartened as well by the actions of the Senate Committee on National Security, the Senate Appropriations Committee, the Defense Department, and the Clinton administration, all who support the F-22 for the strategic importance, air superiority, and dominance it supplies our troops who most recently demonstrated their brave actions and won the war for us in Kosovo.

Let me also acknowledge the great respect that I have for the gentleman from Pennsylvania (Mr. MURTHA) and the gentleman from California (Mr. LEWIS), the gentleman from Washington (Mr. DICKS), the gentleman from California (Mr. CUNNINGHAM, the gentleman from Florida (Mr. YOUNG), our chairman of the full committee, and the gentleman from Wisconsin (Mr. OBEY), and other members of the Subcommittee on Defense who have felt this program was too costly to continue because of budgetary constraints and cost overruns.

I rise this afternoon without malice and ask these fine appropriators who are headed to conference to hear the concerns not only of legislators, but from the guys in the front lines, the men and women who put their lives on the line, the ones who we ask to fly in harm's way. Their first concern is the Nation they protect and the comrades they fly with. They know little of politics, of budget caps, and conference committees. They only know they have a job to perform.

They are given orders, and they execute, and in Kosovo, that was over 30,000 sorties without a single life lost. They are the heroes. They are this Nation's Jedi warriors. And in gratitude

to their service, we are preparing today to cut the only program that guarantees their air dominance. While trying to persuade them that retrofitting the F-15 is the answer for the future.

I visited several of these pilots at Langley Air Force base. I told them how proud I and all of the Members of Congress were of their effort. They asked them why we are cutting the F-22 and stressed their dismay at how counterproductive it is to try to bolt on technology to the F-15. To quote Major Jay Tim, we would get only one-third the capability of the F-22 at 90 percent of the cost it will take to retrofit the F-15.

Another young warrior said, rather painfully, how many of us coming home in coffins will it take for Congress to understand how important tactical superiority and advanced avionics are to the pilots who carry out these missions.

□ 1545

Their classified presentations were even more vivid, and it seems incomprehensible to them and frankly, to me, that knowing our enemy's capability we will place our troops in harm's way of enemy-constructed death zones of the 21st Century with 20th Century technology.

We talked all year long about morale and retention. Our pilots are the best trained fighters in the world, and they would fly anything into battle for their country, now to come home only to find cuts in their top priority in Congress, turning congressional commitment into a hollow promise for them.

For them, this is not some frill. This is not some back bench item. This is their very future.

Our great leader, the gentleman from Missouri (Mr. GEPHARDT), has eloquently referred to issues that impact everyday people as kitchen table issues. Across kitchen tables of our Air Force pilots, spouses wonder why, with our surplus, why given their outstanding valor, we place their husbands and wives at risk.

Across the kitchen tables in my own hometown, for the people who work at Pratt & Whitney Aircraft, who wonder why, with the largest defense budget in recent memory, why they will be laid off after competing for and winning an engine contract that the Air Force assured them would be built, why is the House cutting what the Air Force assured would be their top priority.

In so many ways, Mr. Chairman, this is a great defense budget, and it has done much for our troops and it has done much more the defense of this Nation.

Members are going to bring home much to their districts, but for me over the break I will be sitting down across kitchen tables, on shop floors, in living rooms, trying to explain to people I grew up with, my neighbors, that their

fate lies in the hands of a conference committee. It is my sincere hope that this end story will be one we can be proud of, but I cannot, in good conscience, vote for this bill.

Mr. Chairman, I rise to address a very serious issue of national security raised by the cutting of the F-22 and virtual elimination of the number one priority of the U.S. Air Force.

Let me first acknowledge and thank the leadership of the Armed Services Committee and the fine job that Mr. SPENCE and Mr. SKELTON have done and I commend them for the mark on the F-22. The issue of cost associated with the program is one the committee addressed and requires the Secretary of the Air Force to report on their continuing efforts to meet the mandated spending caps.

I'm heartened as well by the actions of the Senate Armed Services Committee, the Senate Appropriation Committee, the Defense Department, and the Clinton Administration, all who support the F-22 for the strategic importance, air superiority, and dominance it provides our troops. Most recently demonstrated by those brave Air Force warriors who won the war in Kosovo.

Let me also acknowledge the great respect I have for JACK MURTHA, JERRY LEWIS, NORM DICKS, DUKE CUNNINGHAM and others on Appropriations, Subcommittee on Defense who have felt the program is too costly to continue given our budgetary constraints and cost overruns in the project. I rise without malice, and ask these fine appropriators who are headed to conference hear the concerns not only of legislators, but from the guys in the front lines, the men and women who put their lives on the line, the ones we ask to fly in harm's way.

Their first concern is the nation they protect, and the comrades they fly with. They know little of politics, budget caps, and conference committees. They only know they have a job to perform, they are given orders, and they execute. In Kosovo that was over 30,000 sorties, without a single life lost. They are the heroes, they are the nation's Jedi warriors. In gratitude for their service, we are preparing today to cut the only program that guarantees them air dominance, while trying to persuade them that retrofitting F-15 is the answer for the future.

I visited several of these pilots at Langley Air Force Base, I told them how proud I was of their effort. They asked me why we are cutting the F-22 and stressed their dismay at how counterproductive it is to try to bolt on technology to the F-15. To quote Major Jake Timm, "We would get only 1/3 the capability of the F-22 at 90% of the cost—it will cost \$41 billion to retrofit the F-15 and \$40 billion to go forward with the F-22." Or as another young warrior said, "How many of us coming home in coffins will it take for Congress to understand how important tactical superiority and advanced avionics are to the pilots who carry out these missions." Their classified presentations were even more vivid, and it seems incomprehensible to them and frankly to me, that knowing our enemies capability, we would place troops in harms way of enemy constructed death zones of the 21st Century with 20th Century technology. We have talked all year long about morale and retention, our pilots are the best trained fighters in the world

and would fly anything into battle for their country, now to come home only to find cuts in their top priority fighter, turning Congressional commitment into a hollow promise. For them, this is not some frill or back bench item. This is their future. Our great leader Dick Gephardt has eloquently referred to issues that impact every day people as kitchen table issues, across the kitchen tables of our Air Force pilots' spouses wonder why with our surplus, why given their outstanding valor, would we place their husbands and wives at risk. And across the kitchen tables in my home town, people who work at Pratt & Whitney wonder why with the largest defense budget in recent memory. Why they will be laid off, why the engine they competed for and won, will not be built. Why the House is cutting what the Air Force assured them was their top priority.

In so many ways the defense bill has done much for our troops and for the defense of the nation and Members will bring home much to their Districts. But for me over the break, I'll be sitting down across kitchen tables, on shop floors, and living rooms trying to explain to the people I grew up with, that their fate lies in the hands of a conference committee. It is my sincere hope that the end story is one we can be proud of. But I cannot in good conscience vote for this bill.

Mr. Chairman, I reserve the balance of my time.

Mr. BARR of Georgia. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas (Mr. SAM JOHNSON).

Mr. SAM JOHNSON of Texas. Mr. Chairman, I am appalled at this discussion.

I think so much of the gentleman from Pennsylvania (Mr. MURTHA) and the gentleman from California (Mr. LEWIS). I know they are patriots of the first degree. We are all interested in the best for this Nation. For 50 years, every American soldier has gone to war confident that the United States had air superiority. Cancelling the F-22, and that is what this is, means we cannot guarantee air supremacy in future conflict, supremacy over the battlefield, and any new aircraft needs it. Without the F-22, I do not think the joint strike fighter will be able to carry out its primary mission, and the Air Force backs that, and they say that it will cost just as much to retrofit that airplane as to buy an aircraft that is already there.

Our Nation's joint forces must be free from attack, free to maneuver, and free to attack on the battlefield whenever. That is what this airplane does. It has already been delayed 9 years. We need it now, as the gentleman from California (Mr. CUNNINGHAM) pointed out earlier, and we should have had it now. There is no alternative to the F-22. The joint strike fighter was not designed for air superiority and redesigning it will dramatically increase the cost.

We have already done away with some of our electronic warfare defense in the Air Force. We will have to regenerate that.

They are planning to do away with the F-117 because the F-22 is a stealth fighter. They are going to have to keep that around. That is going to cost more. An upgraded F-15 does not provide the same dominance that the F-22 program would provide. The Secretary of Defense vehemently disagrees with the decision to defund the F-22, and he stated he cannot accept a defense bill that kills this cornerstone program.

The cancellation of the F-22 will adversely affect over 151,000 jobs in the coming years. Billions of dollars in contracts will be canceled. It affects 42 States.

I flew the F-15 when I was active in the Air Force. That has been over 25 years ago. Can my colleagues believe that we are trying to retrofit an F-15 that will be in service for over 33 years by the time the F-22 achieves initial operational capability? And if a 33-year-old aircraft had been used in Korea, we would have been fighting migs with Sopwith Camel bi-planes. If the 33-year-old aircraft had been used just in the Gulf War, we would have been fighting third-generation Soviet fighters with Vietnam era F-4s.

Do we think our active fighters would have fled from that threat? I do not think so.

The American people will not tolerate parity or an aerial war of attrition. Parity is not acceptable. Our Air Force must have the capability to dominate the sky. Let us build this airplane. It is a stroke for freedom.

Mr. LARSON. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. SANCHEZ).

Ms. SANCHEZ. Mr. Chairman, I want to thank the gentleman from Connecticut (Mr. LARSON) for yielding me this time.

Mr. Chairman, I rise in support of continued funding for the U.S. Air Force's F-22 advanced tactical program. The House passed H.R. 1401, the fiscal year 2000 defense authorization bill, on June 10 and fully supported the F-22 program. In fact, the program was fully funded by both the defense authorization and appropriation bills acted on by the Senate.

I believe the F-22 program is critical to our country's defense. If the decision to cut funding is enacted, we lose the cornerstone of our Nation's global air strategy for the next century. Budget cuts are tough today. We must choose how we spend our resources and act prudently. It is an opportunity cost. We cannot have everything. We must choose wisely to spend our resources, but we should not do that unilaterally.

What happened to the people who deal in committee and try to understand these programs? That decision-making process has been taken away from us.

What do we lose when we give up the F-22 program? Well, let me say the proposed cuts jeopardize our next cen-

tury's warfighting capability. It places our forces at higher risk. The F-22 is the first stealthy fighter attack aircraft that permits our pilots to destroy enemy aircraft and ground-based air defenses at greater stand-off ranges than the current F-15 fighter. An upgraded F-15 does not have that technology. We must have the F-22 for the next century.

There are at least five foreign fighters already starting to eclipse the F-15 and many of these planes are on the international market. Let us work together. Let us look back at this.

The F-22's attributes of stealth, supercruise and integrated avionics are essential for enabling air dominance to counter advanced SAMs, emerging threat aircraft, and advanced air-to-air missiles.

Mr. LEWIS of California. Mr. Chairman, I yield what time he may consume to the gentleman from New Jersey (Mr. SAXTON).

Mr. SAXTON. Mr. Chairman, I rise in strong support of the F-22 program.

Mr. Chairman, I rise to express my concern about the potential decision to eliminate funding for production of the F-22 Raptor.

Our Department of Defense has consistently expressed a need for the development of the F-22 for many years. Indeed, Secretary Cohen has called the F-22 program "the cornerstone of our nation's global air power in the 21st century."

I agree that the F-22 program has faced unusual development challenges due to its many advances in aviation technology. I also recognize the need for the Armed Services Committee and this Congress to engage in continuing and intensive oversight of the program.

Yet it is premature to close the production line and effectively end the F-22 program at this time. Congress should allow the Air Force sufficient time and aircraft for the intensive flight-testing and evaluation needed to assess the F-22's value. Only then can the Congress make an informed decision on the future of such an important component of our national security plans.

Mr. LEWIS of California. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Chairman, first of all, the authors of this amendment I want to congratulate in the most professional way, and I think it is a good debate. Saying the F-15 does not have the same capability as the F-22, no one disputes that. That is like saying that when I was flying the F-4 phantom it was as good as the F-14 that we were building, but I would not want to put so much money in the F-14 that it kept me from surviving in the combat that I was flying in today.

The question is, I would not want to fly the F-22. I think it is going to combat the SU-35 and the SU-37 out, but I have talked to the F-15 drivers. I have also flown the F-15 and the F-16 and the Phantom and some of these assets.

Our F-15 drivers are saying, "Go Duke."

My colleagues say that these bolt-on equipment that they are spending, the Air Force is already investing in the A9X and the helmet site and the radar that will keep up with the jammer, but they are doing it at this level because the funding is not there.

What I would recommend is that General Ryan goes to the President and says, Mr. President, is this really an emergency? I talked to the gentleman from Missouri (Mr. SKELTON) about it. We have all of these unfunded requirements. Now, these unfunded requirements mean life and death.

I have a program here that is costing \$200 million an airplane; and what I need is the emergency supplemental, maybe for Kosovo, to add money; but at the same time, if there is an airplane that costs \$200 million here and only 5 percent of it has been tested and the cost traditionally has gone to here, can any of my colleagues justify paying \$250 million or \$300 million for one airplane? I cannot.

I need Lockheed to come down on the price, and I need the extra funding to fund these things so that the kids that are flying today, I agree, I hated politicians when I was flying. I thought they only got us killed, and I am dead serious. They do not care about politicians. They want to survive, and that is what I am trying to do, is make sure that these F-14, F-15, F-18 drivers that are going to have to fly in this 10-year span until the F-22 comes on the line in full procurement, that they live; that they have a chance against those assets.

I have told the people, I have a plant that may close down in my own district if the F-22 does not close. If it comes between jobs in my district and the security of this country, I will choose security 100 percent of the time, and the lives of these kids.

This is not political for us. It is something that we believe desperately in. Yes, this is high stakes poker, and I think that costs in expensive aircraft and equipment, we need to hold industry's toe to the line so that our kids will be safe and we need the additional funds that we do not have in the defense budget.

Mr. LARSON. Mr. Chairman, I yield 1½ minutes to the gentleman from Mississippi (Mr. SHOWS).

Mr. SHOWS. Mr. Chairman, our Nation's top guns are being put into jeopardy. Like great balls of fire, the F-22, men and women who fly them, have responded courageously, faithfully, and successfully in an instant's notice around our globe. They have protected U.S. interests and U.S. citizens, and they have done so with precision and accuracy that no other plane or pilot has ever been capable of doing.

Without the F-22 air power, our air power is greatly diminished. Any arguments against funding the F-22 just do



not hold water. An F-15 upgraded would still lack F-22 capabilities and cost essentially the same, and the joint strike fighter was not designed for the missions carried out by the F-22 and costs dramatically more to redesign.

All of these combat-ready aircraft complement each other and are needed. Some want to question the costs and they want to question the cost of the F-22 program that senior Air Force officials say is the best managed program in the Department of Defense today. Some want to close the books on a program for 15 years of effort and \$16 billion in investment has already been spent on the F-22. What a waste it would be to shut down the F-22 program.

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Some want to stop the F-22 program even though a firm fixed price on the first eight aircraft has been established. Contractors cannot change the price tag, so this means no risk to the taxpayers.

This program means, and this is close to my heart, \$60 million over the life of the program in my district. We have lost 3,000 jobs in my district because of NAFTA. Now we stand a chance of losing more jobs. I think any way one breaks it down, it is a good important program. The F-22 should be funded.

Mr. BARR of Georgia. Mr. Chairman, I am proud to yield 2 minutes to the distinguished gentleman from Georgia (Mr. ISAKSON).

Mr. ISAKSON. Mr. Chairman, I thank the gentleman from Georgia (Mr. BARR) for the opportunity to share in this 2 minutes.

Mr. Chairman, I want to acknowledge at the outset of my remarks how much I have appreciated the gentleman from Florida (Mr. YOUNG), the gentleman from Pennsylvania (Mr. MURTHA), and the gentleman from California (Mr. LEWIS) in the past 10 days. They have allowed me the opportunity to express my opinion, and they have done so sincerely and not just as a token and a pat on the head.

I want to take the remarks of the gentleman from California (Mr. CUNNINGHAM), and I want to share it precisely with him for a second. He said he may lose a plant in his district. But if he, rather, had the choice between jobs in his district and the United States security, he would always choose security.

Although this plant is not in my district, it is in the district of the gentleman from Georgia (Mr. BARR), many of its employees are. The gentleman from Georgia and I share this thing close. So it is natural for me as a Congressman of the Sixth District to argue for jobs in my district. But I am here to argue for the security of America.

I just give my colleagues a couple of points. In the 21st Century, tactical theater attacks like we have had in

Iraq, like we have had in the Balkans, will be the prototype. Our ability to knock out radar early, surface-to-air missiles early, anti-aircraft early is what allows the rest of the United States military to act precisely without the loss of American lives or ground troops.

The 15, the 14, the 15X will not have stealthy capability equal to the 22. They will not have capacity equal to the F-22. America will be sacrificing if it turns its back and pauses, if I give my colleagues the word "pause," or kills, which could be in fact the correct word, the F-22, then we are placing the security of our country at a higher risk than it would be if we fully funded the F-22.

So while I thank the chairman, the subcommittee chairman, and the ranking member for the courtesy they have shown me, and I mean that, I hope that, during the weeks ahead as we go to conference, they, too, will think of the security of the United States of America because we must always put it above even a job in our own district. I rise for precisely that reason today.

Mr. LARSON. Mr. Chairman, I yield 2 minutes to the gentleman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Chairman, I rise in support of the Defense Appropriations bill overall, which includes a number of very vital items, including a 4.8 percent pay raise for military personnel, additional funds to enhance troop recruitment and retention, 36 Black Hawks which are the premier helicopter in the sky today.

The bill also includes over \$180 million for breast cancer, ovarian cancer, research, and prostate cancer. Items that are so critically important to the future of this Nation.

But let me express my concern today, as my colleagues have, about the \$1.8 billion cut for six F-22s, which are vital to long-term U.S. national security. The Secretary of Defense, Bill Cohen, seven former Secretaries of Defense have stated that, if we cancel the F-22, we cannot guarantee air superiority in future conflicts.

The F-22 was the world's first stealth air superiority fighter. Replacing the F-15 is critical to maintaining our defense superiority in the next century. Its stealth technology, speed, and ability to counter advanced surface-to-air and air-to-air missiles is unsurpassed.

The F-22 engine is easier to fix than any other fighter's engine. The engine allows the aircraft to fly farther and faster on less fuel.

Our first priority must always be the long-term safety and the security of American families. With the F-22, our Air Force will be able to protect America from the threats to our national security in the next century.

I urge my colleagues to address this critical issue in the conference in the weeks ahead.

Mr. LEWIS of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Arkansas (Mr. DICKEY).

Mr. DICKEY. Mr. Chairman, I support the bill.

Mr. Chairman, I am pleased today to stand in support of the Fiscal Year 2000 Defense Appropriations bill. The subcommittee and the full committee worked long and hard to build the best mix between current readiness needs and future capability requirements, no small task in the face of recent force reductions and increased operational tempo. For that effort I would like to congratulate Chairman LEWIS, for his leadership; Mr. MURTHA, for his bipartisan efforts; and Mr. YOUNG, who as chairman of the full committee and former chairman of this subcommittee, provided helpful guidance.

I do not need to add to the long list of anecdotes, Mr. Chairman, about our serious readiness shortfall. We have no need to remind Members of the aircraft that sit idle awaiting replacement parts, of the combat ships that head out understaffed, or even of the serious recruiting shortfalls that foretell of future readiness problems. These examples are all a matter of public record, even if they are not currently a matter of public awareness.

So the subcommittee comes to the floor today with what we think is the best solution available to solve these problems. The bill reported by the full committee provides a total of \$266.1 billion for the next fiscal year, which meets both the budget caps and the funding levels set in the 302(b) allocation. This represents a \$15.5 billion increase over the previous fiscal year, and a \$2.8 billion increase over the President's budget request.

Highlights include a pay increase of nearly five percent for our soldiers, sailors, airmen, and marines, \$225 million for basic housing allowances so that military families can share part of the American Dream, \$163.6 million to make up for training shortfalls, and \$50 million for domestic defense against weapons of mass destruction. The subcommittee has also recommended the procurement of important readiness items to combat immediate threats to global security, and the continuation of vital R&D, an area that the President continues to under fund.

Now much has been made of our decision to reallocate the procurement dollars requested for the F-22 raptor to other, more pressing, readiness needs. For years we have told the Pentagon that they could not support all of their needs with the money they requested. For years we told them that procurement, research and development, and readiness will suffer. Despite the minimalist requests, we continued to add billions to the budget, all the while under constant fire for "porking up the defense budget."

This year, we have continued to increase the defense bill by \$2.8 billion over the President's request. These increases include pay raises to get military families off of welfare, new EA-6B radar jamming aircraft so that missiles cannot track our pilots, and \$500 million to clear the backlog of base maintenance requests. At the same time, we asked Department of Defense to get serious about their fiscal management and force modernization plans. I am particularly interested in learning



why the Department will request six planes that are only five percent flight tested, and no new KC-130's to replace units that could fall out of the sky tomorrow.

With an eye on recent conflicts, we must consider the course for American Military Might in the twenty-first century, and whether that course will steer us toward the vigilante peace that we so desperately desire. I believe that a healthy debate will lead us to determine whether the F-22 is a viable part of our military future, or whether we should focus our efforts elsewhere. Paramount to any decision will be our ability to respond to current and future conflicts and decisive and overwhelming force.

At the turn of the century, on the edge of a new millennium, we face a complex world and a muddled global security picture. The cold war is over, but we find ourselves increasingly engaged in regional conflicts with global implications. I urge Members to support his bill as a responsible preparation to continue our efforts to expand democracy, and as an opportunity to address current readiness and force modernization problems.

Mr. LEWIS of California. Mr. Chairman, it is my pleasure to yield 2 minutes to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Chairman, I thank the gentleman from California for yielding and giving me this moment to speak.

Let me first compliment and congratulate this committee and this subcommittee on this defense bill.

I started out this year in a comparable committee, the Committee on Armed Services, saying that this should be the year of the troops. To everyone's credit on the Committee on Armed Services and on the Subcommittee on Defense and the full Committee on Appropriations, they have helped make that come true.

The young men and young women of our military will not only receive pension reform, but they will receive pay increases long overdue. On the subject of this particular issue which is before us, there is the old saying: The more emotion, the less reason. Let us look in the past and take a chapter from the past and particularly B-2, which by the way, as the gentleman from Washington (Mr. DICKS) pointed out so clearly, what a wonderful job it did in the recent Kosovo conflict. I am so proud of what they did, the young men and women assigned in the Whiteman Air Force base and the B-2 509th Wing.

The B-2 debate was over several years. It was arduous, hair pulling, and difficult. But at the end of the day, there was a decision made by the committees and backed up by this Congress on what we needed. This is not a matter of F-15Es versus the F-22, because we are comparing apples to oranges. The F-22 is the air-to-air fighting. The F-15E is an air-to-ground system. So let us not look at it that way. Of course, would I like to have F-15Es? We would like to have more, of course.

But what I think we should do is, with as much reason as we can, look at the dollars that are available, look at the need that is necessary for our national interests, and make that decision along the lines that we did for the B-2. America will come out well.

Mr. LARSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Connecticut (Mr. GEJDENSON), the dean of our delegation.

Mr. GEJDENSON. Mr. Chairman, I join with my colleagues. We are at an interesting part of this process. As the review of this system has gone, there is obviously both national security issues here and parochial issues, and all of us are suspect to some of that.

But when we look at the legislative process here, the Executive Branch thought it made sense to continue with this plane. Three of the other committees with jurisdiction, both the authorizing committee at the House and the two committees in the Senate thought it made sense to go forward with this plane. Miraculously, the money disappeared from the House Committee on Appropriations to other worthy causes.

That is what we always have to juggle here. There are lots of worthy causes we face. The kinds of arguments against the system are the kinds of arguments we always hear on new systems: Well, it is not quite as good as it is going to be, it really does not give us that additional benefit. The experts have said it does give us that additional benefit.

Frankly, as we read today in the paper, the same arguments were made as new generations of planes were brought forward in the past. The F-14, the F-15, the F-16, the F-18, in each case, there was a chorus that said these planes did not give us the additional capabilities that we needed.

The one lesson it seems to me that is clear that we should have learned in the last several conflicts is air power is one of the critical ingredients, that strikes of missiles from planes and other systems, that those systems that can deliver our force, without putting our own servicemen and women in harm's way, are of a critical nature.

It seems to me that this process has kind of jumped the rails that, through the executive, the two Senate committees, and the authorizing committee in the House, this system was deemed to be worthy. When we got to the appropriation process, it suddenly lost all that merit.

I think we have to go back and take a harder look at it. I think there is nothing wrong with trying to get a better price out of defense contractors. All of us have them in our districts. They do an important part for our country. Their prime goal is to make sure we have good systems. But we have to make sure those systems come to the taxpayers at reasonable cost.

I hope this process will force us to re-examine all the costs across the board, but to make sure that we do not abandon this system that, in the general recognition, has been a system that would advance our capabilities and give our servicemen and women a far better system than they have today.

Mr. Chairman, I rise to express grave concerns about the cut of \$1.8 billion in F-22 production funding in this bill—a move that many believe signals the end of the program.

Mr. Chairman, one of the things that makes the American armed forces so powerful is our unquestioned supremacy in the skies. Our military chiefs base their doctrine on our ability to achieve this.

The F-22 is the Air Force's number one priority, because it will ensure air dominance far out into the future.

Let me quote Richard Hallion, the Air Force Historian, who has an op-ed in the Washington Post today:

... After Korea we took air supremacy for granted, and Vietnam showed the sorry results. Over North Vietnam, American airmen barely had air superiority ...

He also notes:

Many of the same arguments made against the F-22 were made in the 1970s against the F-14, F-15, F-16 and F-18: They were too advanced, too complex, too costly, etc. The wisdom of producing them has since been proven repeatedly over the Middle East and the Balkans.

But what of the future, Mr. Chairman? Surface-to-air missile systems, radars, and tactical fighters are still being developed in other nations around the world. In twenty years, who knows where they might have proliferated? The answer—we can't know.

Sure, today our dominance is unquestioned. But if we decide not to prepare for the future, we jeopardize our future.

It's the Air Force's job to seize the skies, Mr. Chairman. It's also the Air Force's job to make sure we can keep seizing them—tomorrow, in a year, in ten or twenty years.

We have to recall the wisdom we had in the 1970s when we went with the F-15. We need to ensure that the air dominance we rely on will still be there for us in the unforeseeable crises that loom two decades away.

Mr. BARR of Georgia. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Nevada (Mr. GIBBONS).

Mr. GIBBONS. Mr. Chairman, I rise to tell my colleagues that this bill does a lot for our troops around America. But I just cannot support the elimination of the F-22.

Readiness, my colleagues, is the key issue, and it is based upon modernization of our forces. The issue is whether or not we are going to give our young men and women who are fighting on the front line the technology to win that fight.

I remember one time when I was a young boy, someone came to me when I was first learning about defense; and he said, "Son, you never want to bring a knife to a gun fight. You lose every time." This saying came to mind when I looked at this issue about the F-22 because it is an issue about technology.

In that debate over this technology, we have heard about U.S. successes in the Persian Gulf and even in Kosovo that provided a rationale to "pause" production of the F-22. Upon further and closer examination, that argument just does not fly, and let me tell my colleagues why. Because the Serbian as well as the Iraqi Air Forces never truly engaged our pilots in a fight or sustained aerial combat. In any future combat, it would be foolish of us to presuppose the bad guys would be afraid to challenge our forces.

Mr. Chairman, we have heard arguments that the U.S. successes in the Persian Gulf War and the Kosovo Conflict provide the rationale to "pause" the production of the F-22. However, upon closer inspection, this argument does not fly, most notably because neither the Iraqis nor the Serbian Air Forces actually engaged our fighters in sustained aerial combat.

There is no doubt in anyone's mind that our forces performed brilliantly, however it would be tactically inept to pre-suppose that future "bad guys" will be afraid to send fighters up to challenge our air forces, as the Iraqis and Serbians were.

Further, we should not penalize the U.S. Air Force for being "without peer" in the world by not funding the technology to keep them there in the future. It is incumbent upon Congress to ensure that when the next adversary we face decides to fight, and not run away, our pilots are equipped with the aircraft and the technology that will allow continued dominance in the air.

I would like to read an excerpt from a statement written by seven former Secretaries of Defense, men who were chosen to lead our nation's armed forces, and whose commitment to national security is without question.

These men, William Perry, Caspar Weinberger, Frank Carlucci, Donald Rumsfeld, Richard Cheney, Harold Brown and James Schlesinger, all comprehend the importance of preserving American command of the air and state:

It is not enough to say that something better may be available in the future. Something better is always available in the future. Serious threats to American air superiority may arise sooner, and the nation's security cannot tolerate a loss of command of the air. Congress and the Administration must focus on this fundamental reality, and fully fund the nation's only truly stealthy air superiority fighter.

That fighter is the F-22 Raptor.

Secretary of Defense Cohen stated last week that, "The proposed cut jeopardizes our future warfighting capability and will place our forces at higher risk." He went on to say that he could not accept a defense bill that kills this cornerstone program. A pretty powerful statement from the man who has been chosen to lead our armed forces today and into the millennium.

Let me also point out Mr. Chairman, that this is not simply an Air Force program. This fighter provides the basis for all joint warfighting in the future. Why? No U.S. soldier has been killed by hostile air power in over forty years. In order to assure that we provide our Army, Navy, Marine and Air Force ground

personnel this same level of protection, we must provide for the future of air dominance today.

We must be far-sighted in our modernization efforts and cutting of \$1.8 billion from the F-22 account is myopic, at best.

I'll close by saying that it's interesting to note that the \$1.8 billion spent on the F-22 Raptor this year is equivalent to roughly 10 hours' worth of Federal spending. In my mind, a bargain to bring air dominance to our nation's armed forces in the future.

Mr. Chairman, I urge all my colleagues to support the funding level for the F-22 Raptor that was passed in the House Defense Authorization Bill and the other Chamber's Defense Authorization and Appropriations Bills. The time is now.

Mr. LEWIS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. PORTER) from the Committee on Appropriations for purposes of a colloquy.

Mr. PORTER. Mr. Chairman, I thank the gentleman from California (Mr. LEWIS), the distinguished chairman of the subcommittee for this opportunity to raise my concerns with section 8128 of the bill.

This provision would accelerate the auction for certain frequency spectrum, and I want to be sure that, in doing so, Congress sends the signal that it is not releasing the FCC from its existing obligations to perform a proper allocation and licensing process. If not, important public safety uses like police and fire services operating in adjacent bands would be exposed to serious harm. Further, by ensuring that the FCC completes a responsible evaluation of the public interest in allocating spectrum for this auction, the FCC can help to secure a more successful auction for the American taxpayer.

Mr. Chairman, I yield to the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Mr. Chairman, I thank the gentleman from Illinois for yielding to me. It is correct to say the FCC does have an obligation under law to make a public interest determination, prior to auctioning this spectrum, concerning which telecommunications services should be eligible to operate on it. The FCC must structure its service and auction rules so as to implement the public interest determination.

It is important to ensure that the FCC may not, for example, permit any use of this spectrum that might result in harmful interference to public safety systems, especially those used by States and localities in their important crime and fire prevention pursuits which operate on adjacent bands to what would be auctioned here.

Mr. PORTER. Mr. Chairman, I commend the distinguished gentleman from California, the chairman of the Subcommittee on Defense, for bringing this bill to the floor, and I seek his commitment to ensure that the resolution of our shared concerns are clarified in conference.

Mr. LEWIS of California. Mr. Chairman, I am very pleased to work with the gentleman as we go towards conference. I am delighted to have his cooperation in this matter.

Mr. BARR of Georgia. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Chairman, I have the greatest respect for the gentleman from California (Mr. LEWIS), subcommittee chairman, and the gentleman from Pennsylvania (Mr. MURTHA), ranking member.

However, I must rise to express my grave reservations and concerns about the decision to cut \$1.8 billion in procurement funding the F-22.

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The Air Force and the Department of Defense developed the F-22 as a modern air superiority fighter to seize and hold air dominance in future conflicts. The F-22 is the cornerstone of our Nation's global air power in the 21st century and will ensure our technological lead for the next 30 years, just like the F-15 did 25 years ago.

Pausing or delaying production puts our forces at higher risk and hurts thousands of workers whose skills are critical in fighter sophistication and safety and reliability. In addition, delaying the program just 2 years will add approximately \$8 billion in completely unnecessary costs to the F-22 program.

No matter how much money this bill throws at the F-15, the cost of sustaining the current F-15 fleet will increasingly compromise Air Force modernization.

Mr. Chairman, I urge support of the amendment.

Mr. LEWIS of California. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. BUYER).

Mr. BUYER. Mr. Chairman, I thank the gentleman for yielding me this time, and first of all I would like to discuss the appropriations bill from the standpoint of the authorizers looking at this bill out of the personnel accounts.

With regard to recruiting and retention and retirement, I extend great compliments to the gentleman from Pennsylvania (Mr. MURTHA) and also to the gentleman from California (Mr. LEWIS) as the chairman. Without the military personnel recruiting initiatives in the bill, the request for military services, I think, would fall way short.

I would like to extend great compliments on the pay initiatives, not only the reforming of the pay tables but the 4.8 percent pay raise will go a long way. We also have many different retention bonuses, pro-pays and flight pays which will be very meaningful not only in the NCO mid-grade officer level but throughout the force.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. BUYER. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, I just want to compliment the gentleman for his effort in making sure that the troops did get their pay raise and the way it was apportioned. All of us are indebted, including the military services, for the gentleman's work in that particular area.

Mr. BUYER. Reclaiming my time, Mr. Chairman, I thank the gentleman for those comments.

What will also be very important on the retention issue is the retirement initiatives. Repeal of the REDUX will go a long way. When I think about this bill, I just want to say to every soldier, sailor, airman and marine, "This bill is about you."

But, Mr. Chairman, I have a question for the gentleman from California (Mr. LEWIS). As I reviewed the appropriations, the mark, I noticed that there were some, well, I do not want to be as strong as to say inequities, but I cannot find a better word for it. Out of the guard and reserve equipment accounts I compliment both the chairman and ranking member for almost an \$800 million plus-up for their accounts, but 83 percent of that is dedicated right now for the air guard and the army guard, with only 17 percent for all other reserve components.

For instance, Mr. Chairman, the Air Force National Guard. Forty-three percent of that pot goes to them, while only 3 percent goes to the Air Force Reserve. What I would like to do with the chairman is have an assurance that he can work with myself and the gentleman from California (Mr. HUNTER) to bring equity to the report language as we move to conference.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. BUYER. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, let me say to my colleague that I not only appreciate his work on the authorizing committee, but also on the subcommittee he chairs and has these serious responsibilities of which we speak.

I want to assure the gentleman that I intend to work closely with him, as well as the gentleman from California (Mr. HUNTER), following our debate today as we go to conference, as well as in the years ahead.

Mr. BUYER. I thank the gentleman for his time, Mr. Chairman.

Mr. LEWIS of California. Mr. Chairman, I ask unanimous consent to yield 5 minutes to the gentleman from Connecticut (Mr. LARSON) so that he might distribute that time.

The CHAIRMAN. Without objection, the gentleman from Connecticut (Mr. LARSON) has 5 additional minutes.

There was no objection.

Mr. LARSON. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina (Mr. SPRATT), and I want to thank him personally for the help and mentorship that he has provided me throughout the year, and especially on this issue.

I also want to thank the gentleman from California (Mr. LEWIS) for his generosity with the time, Mr. Chairman.

Mr. SPRATT. Mr. Chairman, I thank the gentleman for yielding me this time, and let me say first of all that I do not have a dog in this fight. I represent Shaw Air Force Base and I represent flyers who fought in the Gulf and flyers who fought from Aviano, General Dan Leaf, and they believe in stealth and they have convinced me it is the way to go. They also believe in the mission of air superiority, and I am here to speak for them.

I am also here to speak as an old cost analyst. That is where I cut my teeth in the Pentagon. And what we were taught as cost analysts is, the first rule of analysis is forget sunk cost. If we get to the sunk cost of this program, and I am told it is about \$20 billion, I do not know as much as I should to be talking, the numbers change dramatically. Because the relevant comparison is not the program unit cost, in procurement parlance, the relevant cost comparison for F-15X purposes is procurement costs.

Program unit cost includes everything, divided by the number of units we are going to buy. Procurement unit cost includes just those costs we are going to procure, spare parts and air-space ground equipment, prospectively. The difference in this case is \$183 billion to \$187 billion for program unit cost, but \$117 billion then-year dollars for procurement unit cost. At \$117 billion, this airplane becomes very, very competitive, just in cost dollars, with anything the F-15X would look like.

Secondly, we were taught to look at life cycle cost. That is critically important. What are we worried about right now? O&M. That is where life cycle cost gets captured. The life cycle cost of this system, if it comes in as planned, is supposed to be significantly less. About 37 percent less.

The gentleman from California (Mr. CUNNINGHAM) is smiling. I do not know whether it will be retained, but at least that is the program objective, 37 percent less. We are supposed to be able to get 8½ sorties per airplane before major maintenance with this airplane, as opposed to about five with the F-15. Over time that makes a big difference, if indeed that objective is realized.

Finally, Mr. Chairman, we need to look at commonality. One of the things that is being developed in this program in conjunction with other programs is the engine. The gentleman from California (Mr. CUNNINGHAM) was just pointing out to us that the engine in this airplane is the same engine as in

the JSF. If we buy fewer units of this engine, because we are not buying 400 or 500 of these airplanes, the JSF is going up significantly, let me tell my colleagues.

So this is a way of spreading cost, buying the new engine for the same airplane, and we should really commend the Air Force and all the services for trying to get together in one common airframe and using one common engine as well.

Finally, there are related costs, associated costs. Don Wright, as the Secretary of the Air Force, when he was trying to sell the B-2, had a favorite chart. He had all the things that did not have to fly when the B-2 flew a mission, all the escorts and the chasers and the associated aircraft that did not have to fly when the B-2 flew, because it made the single-unit cost of the B-2 look like a much better deal. Just keep that in mind. Air superiority matters when it keeps the AWACS flying, the JSTARS flying, because it makes all the rest of this conventional stuff work.

Mr. BARR of Georgia. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, I rise in support of the bill we are considering today but in opposition to the portion that cuts all funding for procurement of the F-22 aircraft. If the F-22 is eliminated, it could be decades before we are able to replace our standard air superiority aircraft, the F-15, with a suitable replacement.

In future conflicts this could mean American pilots in combat flying planes as old as their fathers. I fear the path we are headed down will lead to many more American pilots at risk, because they will be going up against potentially superior enemy aircraft.

I received a letter last week, Mr. Chairman, from a constituent who wrote he was attending a World War II veteran survivors meeting, and he wrote, "We will conduct a memorial service for those who died in the past year with a roll call, candle lighting and prayers, and also remember those who gave their lives and never came home from the war." He continues, "We need the F-22 program to keep our air power the best in the world, both for our pilots and for our country."

Mr. Chairman, let us give our military personnel the best equipment possible. I sincerely hope that this program will be fully restored in conference.

Mr. LEWIS of California. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Ms. GRANGER).

Ms. GRANGER. Mr. Chairman, I rise today in support of H.R. 2561, because I believe it is very important that we continue to move the appropriations process forward and because I salute the hard work of the gentleman from California (Mr. LEWIS) on this issue.

However, I have some strong reservations about the legislation before us.

Let me say that I recognize the very difficult budgetary challenges that the gentleman from California and the Subcommittee on Defense faced in assembling this bill. Every Member of Congress who follows defense closely is concerned with our defense needs and knows that they are underfunded, and I join my colleagues in wanting to see our Armed Services remain the best in the world. So knowing that we share the same goals, I look forward to continuing to work with the chairman to improve this legislation as we proceed to conference.

One element of the bill I hope the committee will improve in conference is the decision to pause procurement of the F-22. But make no mistake, there is no pause. A pause in this program will result in the death of this program. A pause tells our enemies the United States has stopped reaching ahead to the future.

Some have argued that we do not need the F-22 because there are no other enemy aircraft that can challenge the fighter planes we have today. Others have said the Joint Strike Fighter is all we need for the future. I am here to say that both of those arguments are wrong. Many of the Members here today have attended the Air Force's classified briefings where we have had outlined the current and future threats to our air superiority. I believe the top officers in the Air Force, men who have given their entire careers to the safety of this country, know what they are talking about. I believe the threats that they have outlined are real, and I believe the Air Force is right to make the F-22 its priority, and the Congress should too.

Members should also know the Joint Strike Fighter is not a substitute for the F-22. The F-22 is designed for absolute air superiority; to engage and destroy enemy aircraft at greater stand-off distances, to operate at supersonic speeds without using afterburners, to be stealth, and to save the lives of our pilots. Do not be misled, the F-15 is not stealth. It does not have the same performance range. It is 30 years old. It does a good job, but it cannot be modified endlessly into the future. It cannot be the advanced technology for the 21st century.

Likewise, do not be misled into believing that the Joint Strike Fighter is a substitute for the F-22. They are designed to enhance each other's capabilities. The Joint Strike Fighter is a multi-role tactical aircraft, not an air superiority aircraft. It is meant to follow the F-22 into combat, not lead the charge. In fact, we need both planes.

And that leads me to my final point, Mr. Chairman. We cannot just skip the F-22 and go on to the Joint Strike Fighter. Killing the F-22 means the Joint Strike Fighter will also be

killed, or at least seriously injured and delayed. Too much of the technology for both planes is being developed simultaneously. If the F-22 is dropped, the Joint Strike Fighter goes too. It is not possible to separate those contracts.

My colleagues, the defense budget is simply inadequate. We should not have to choose between today and tomorrow for our armed forces. While it is difficult to balance these needs, it is still possible. We should not be penny-wise and pound-foolish when it comes to our national security. I ask my colleagues to please help us work with the gentleman from California (Mr. LEWIS) and the gentleman from Florida (Mr. YOUNG) to restore the F-22 in conference.

In conclusion, I commend the gentleman from California (Mr. LEWIS) for including some very good measures for our military personnel, and I thank him for his commitment to our Armed Services.

Mr. LARSON. Mr. Chairman, may I inquire of the time remaining?

The CHAIRMAN. The gentleman from Connecticut (Mr. LARSON) has 2 minutes remaining.

Mr. LARSON. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Chairman, I rise acknowledging the difficult task the chairman of the full committee and subcommittee have, as well as our ranking members, but I must rise in support of continued funding for procurement of the F-22.

Basic knowledge of warfare states that one must have undisputed air superiority before introduction of ground troops. Achieving air superiority is the first order of business for any joint force commander. Opponents of the F-22 say that the current stable of fighter aircraft will be able to handle any foreign opponent aircraft. This argument does not address the growing sophistication of the surface-to-air-missiles that are currently available on the market today and their cheap availability.

The F-22 will stand a much better chance against such threats than the F-15 in the future. I support continued funding of the F-22 and the full procurement. The Secretary of Defense has come out in support of this position and the Air Force has made it their number one modernization priority.

□ 1630

Mr. BARR of Georgia. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida (Mr. STEARNS), the cochair of the Air Force Caucus.

Mr. STEARNS. Mr. Chairman, I think, like others, I am coming down here to urge the Committee on Appropriations to restore the needed funding for the F-22 in their upcoming conference.

I think the F-22 advanced fighter aircraft represents, of course, the next generation of superior American military aircraft; 1974 was the last time we started with an advanced fighter aircraft.

There is no alternative to the F-22 in the Air Force inventory for future combat operations that can provide or evolve to provide the capabilities that are inherent in the F-22, nor is there an alternative in development.

Richard Hallion writes in today's Washington Post, "Failure to procure the F-22 would mark the first time since World War II that the United States has consciously chosen to send its soldiers, sailors, and airmen into harm's way while knowingly conceding the lead in modern fighter development to a variety of foreign nations that may sell their products on the world's arms market."

America needs the F-22 and it needs it now.

Mr. Chairman, I rise to speak in support of the most fundamental component of America's future defense needs in maintaining our air dominance during military combat—the F-22 Raptor fighter aircraft.

I cannot speak on behalf of the F-22 any better than Richard Hallion has done in an op-ed that appears in today's Washington Post.

Mr. Hallion writes that, "It takes more than a decade to develop a fighter, and it is imperative that we make the right choice. The hallmarks of a dominant fighter are the ability to evade and minimize detection, transit threat area quickly and exploit information warfare to react more quickly than one's foes. Only one aircraft contemplated for service today can do that: the F-22."

The F-22 advanced fighter aircraft represents the next generation of superior American military aircraft. The F-22 combines "radar-evading stealth with the ability to cruise at supersonic speeds and to exploit and display data from various sources to better inform the pilot about threats and opportunities."

The U.S. Air Force has become victim to their own military success. The action by the Defense Appropriations Subcommittee and the full Appropriations Committee to cut funding for the procurement of the F-22 comes on the heels of the Air Force's dominant performance against the Yugoslavian military and their air defense systems.

The Yugoslavian success has been the third consecutive military campaign since 1990 that the U.S. military has been able to dominate the air. Mr. Hallion writes that, "exploiting dominant aerospace power is the irreplaceable keystone of our post-Cold War strategy for successful quick-response crisis intervention."

"Seeking air superiority should never be what we choose to live with. Rather, air supremacy should be the minimum we seek, and air dominance our desired goal. Control of the air is fragile and can be lost from a variety of causes, including poor doctrine and tactics, deficient training, poor strategy and rules of engagement. But worst of all, it can be lost through poor aircraft."

As a rest of the world continues to develop advance military aircraft and continues to develop high-quality surface-to-air and other missiles, America's ability to continue to dominate

the air in military engagements with the existing arsenal of aircraft will be greatly diminished.

There is no alternative to the F-22 in the Air Force inventory for future combat operations that can provide or evolve to provide the capabilities inherent in the F-22. Nor is there an alternative in development. The F-22 will clear the skies of enemy aircraft and destroy enemy air defenses.

The F-22 will breach enemy defenses, bomb highly defended strategic targets and interdict enemy forces. No other aircraft in the U.S. inventory or in development can meet that need.

The actions to withhold sufficient funding for the F-22 by the Appropriations Committee will in fact increase the cost to the American taxpayer. The reduction of the FY 2000 funding for the F-22 has a net impact of terminating the current production program and increases total Air Force costs by \$8.4 billion or roughly the current cost of 85 additional F-22 aircraft.

Finally, I would like to close with more words from Richard Hallion. "Failure to procure the F-22 would mark the first time since the Second World War that the United States has consciously chosen to send its soldiers, sailors and airmen into harm's way while knowingly conceding the lead in modern fighter development to a variety of foreign nations that may sell their products on the world's arms market. America needs the F-22, and needs it now."

I urge Chairman YOUNG, Chairman LEWIS and all future conferees to the Defense Appropriations bills to accede to the Senate position on fully funding for FY 2000 for America's most significant next generation fighter aircraft that will preserve America's national security and protect our national security interests around the world. Work to protect the F-22.

Mr. LEWIS of California. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from Washington (Mr. METCALF).

Mr. METCALF. Mr. Chairman, I thank the chairman for yielding me the time.

Mr. Chairman, I rise today to support the continuation of the procurement of the F-22 because it is vital to the continued air dominance for the United States.

Mr. Chairman, air superiority has become the essential piece of military action, and the F-22 will guarantee our success into the next century.

This program must remain on schedule to ensure that the U.S. forces responsible to keep this country's vital interests safe have the absolute best technology available.

The proliferation of advanced surface-to-air weapons, systems as seen in Kosovo, serve to underscore the need for the F-22 now. At a time when we are uniquely aware of the challenges and demands placed on our military, we must go forward with this program.

I ask my colleagues to support the F-22.

Mr. LEWIS of California. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Georgia (Mr. CHAMBLISS) my colleague.

Mr. CHAMBLISS. Mr. Chairman, I first of all want to thank my friends, the gentleman from Florida (Chairman YOUNG), the gentleman from California (Chairman LEWIS), and the gentleman from Pennsylvania (Mr. MURTHA), the ranking member, for the great job that they have done in a very tough environment. We have all had very difficult budget issues to resolve, and this is yet another one.

But I also rise to talk about securing America's future. Part of the cornerstone of securing America's future is to provide for a strong national defense. In order for our continued strong national defense in this country, we have got to maintain air superiority.

Now, what we are doing by reducing the funding of \$1.8 billion for the F-22 program is to move the F-15 into an upgrade status. The F-15, make no mistake about it, has been a great airplane for the United States Air Force. But the threat out there today, as my friend from California has already alluded to, is the SU-27, which is on parity with the F-15.

If you upgrade the F-15, we are looking at the SU-35 that is a Russian-made airplane coming down the line that will be superior to the upgraded F-15. Yet they have another airplane on the drawing board already. We simply will not be in parity if we do not have the F-22.

Sure, cost is a problem. But can cost measure saving lives of our young men and women? The F-22 is an absolute necessity to maintain air superiority. There are three things that the F-22 has as an asset that no other airplane has. It has integrated avionics. It has supercruise capability. And it has stealth.

The F-15 has none of these. The upgrade will have none of these. The F-22 has the capability of first-day, first-shot, first-kill. Against the other airplanes that are out there today, the F-15, even with its upgrades and modifications, will not have that capability.

If we are going to maintain air superiority that has been so valuable and such an absolute necessity in the Persian Gulf and in Kosovo and other areas of the Balkans, we have got to have the F-22.

I urge the chairman to really negotiate hard in conference on this issue.

Mr. LARSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me start by saying how much I appreciate the efforts especially of the gentleman from California (Mr. CHAMBLISS) who helped put together a working group of concerned Members of Congress who I think have demonstrated this afternoon on both sides of this issue concern about national security and safety.

It is my sincere hope that, as we move forward with the conference, that the conferees from the House take into consideration the concerns that have

been brought forward during this debate.

Mr. Chairman, I would like to thank especially the gentleman from Pennsylvania (Mr. MURTHA) for his kindness and mentoring through this process.

Mr. BARR of Georgia. Mr. Chairman, I yield 1 minute to my distinguished colleague, the gentleman from the great State of Georgia (Mr. KINGSTON), a member of the Committee on Appropriations.

Mr. LEWIS of California. Mr. Chairman, I also yield 1 minute to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Chairman, I thank both gentlemen for yielding me the time.

Let me say that I am going to support this bill. The ranking member and the chairman of the committee have worked hard on a bill that balances quality of life, readiness, and modernization in the face of a budget shortfall in a long list of very many needs.

There are three reasons that I am standing in support of including the F-22 in the final bill. And that is, number one, the threat. That has been outlined fairly well by previous speakers, but let me just put it this way:

When George Washington was President, the Congress had a bill that said that our standing military would never be more than 5,000 troops; and the President at that time said that would be great, but let us also pass a bill that we cannot be invaded by any country that has more than 3,000 troops.

We do want a fair fight in America. And our enemies are not cooperating. While we may pause on the F-22, they may not pause on their development of stealth fighters. We know from our classified briefings, that the threat is real.

The second reason I support the F-22 is because of the slippage. If we hold back because of a very complicated purchasing system that involves over 200 contracts by the producer, it will cost us an additional \$6 billion to get up and running again. It also will cost us some soft costs.

For example, with the F-22, the Air Force does not need the EF-111s. But without it, they will need them. And so, we are going to have to start spending money on that again. The slippage cost is real, and again it is about \$6 billion.

The third reason I support the F-22 is because the Joint Strike Fighter, as the gentlewoman from Texas (Ms. GRANGER) said very articulately, is a complement to the F-22. It is not a replacement.

I believe there is some other money out there. We did not spend all our money that we had appropriated in the bombing of Kosovo. Maybe we should look at going back into that supplemental bill and bringing some of this money back to make this happen. I am not sure.

But I appreciate the gentleman listening to us, and I appreciate the leadership on the issue and hope we can get this done in the final version of the bill.

The House Department of Defense Appropriations Bill for FY00 provides an extremely important allocation of resources in a serious effort to improve critical shortcomings affecting the readiness of our armed forces. This bill meets the budget authority and outlay limits set in the Committee's 302(b) allocation, provides a critical \$15.5 billion increase over appropriations in FY99, and provides \$2.8 billion above the President's request. This legislation goes a long way to address critical readiness, recruitment, retention, operational maintenance, and quality of life needs that are so important for our military. However, I am concerned about one aspect of the legislation's strategy, cutting programmed funding for the initial production of the Air Force's number one development priority, the F-22, Raptor.

We expect our military to remain the world's best, head and shoulders above any potential aggressor. We demand that our armed forces reign supreme in personnel, training, professionalism, and equipment. We do not want parity with our enemies, we demand superiority. We do not want to win conflicts by attrition but by overwhelming our foes. A most critical aspect of our superiority is our ability to achieve and maintain all superiority in any conflict. Furthermore, today Americans have grown to expect to win conflicts with minimal or even no casualties. The best trained pilots in the most advanced aircraft are the great enabler in any conflict whether to protect our Navy, or to allow the introduction and free maneuver of our ground forces. Air superiority is vital. Experience in modern warfare has continued to reflect the importance of this from success in World War II to operations during Desert Storm and Operation Allied Force.

The F-22 aircraft is being produced to replace the F-15 fighter and to accomplish its air superiority mission beginning in 2005. The F-15 currently represents 1960's technology and the aging fleet will average 26 years old when the F-22 is scheduled to be operational. Today's F-15's have served our country well, but in the future our pilots will be at risk. Its capabilities today are at parity with the Russian SU-27, MIG-29 and by 2005 will be at a disadvantaged facing the Russian SU-35 or the French Rafal, and the European Fighter 2000 aircraft that will be available on the world market. Additionally, the surface to air missile threat continues to advance world wide. today, the SA-10 and SA-12 missile availability pose a threat to the F-15. Proliferation of SA-10 and SA-12 capability has increased from four countries in 1985 to fourteen in 1995 and an estimated 22 by 2005. The F-22 will have the capability to counter the surface to air missile threat through stealth technology, supercruise capability that will significantly reduce missile engagement opportunity, maneuverability and unequalled pilot awareness.

The F-22 aircraft does bear costs, \$19 billion have been invested to date, but the cost and advanced technology provide significant efficiencies and long term savings. The F-22 will reduce by half the number of maintenance personnel for each aircraft. It is expected to

have 30 percent reduction in direct operations and sustainment costs per squadron per year when compared to the F-15. A quicker combat turnaround time will allow higher sorties rates during a conflict. The F-22 program costs are under control and are within the Congressional mandated cost caps for both development and production. This plane utilizes cutting edge technology to ensure our Air Force continues to maintain our nation's superiority in air combat.

Based upon the status of the current F-22 program, a pause in funding the F-22 procurement requested for FY00 would put the entire program at serious risk. Contract obligations would be breached if aircraft procurement is not funded. This would result in at least a three year delay in the program, would increase costs by \$6-8 billion, and exceed the caps set by Congress. The production delay could seriously affect numerous suppliers that could not afford to stop and restart production causing significant erosion of the program's industrial base. Such a pause would seriously disrupt an intricate supply system established in all but a few states.

A pause or end of the F-22 program would have a very negative impact on the future of an important complementary aircraft, the Joint Strike Fighter (JSF). The JSF also under development is being designed as a multi-role aircraft for three services to replace the capabilities of the F-16 and A-10 fleet, with fielding goals in FY10. It is being developed to perform as an air-to-ground combat aircraft to complement the air-to-air combat role of the F-22. The characteristics of these plans will differ greatly. If the F-22 program is killed, the U.S. will have a void in the capabilities required by the F-22, the action could cause great changes to JSF, or require development of a whole new kind of aircraft, all of which would delay the fielding of the JSF. Additionally, the JSF leverages certain technologies from the F-22, including avionics and engines that use the F-22 as a stepping stone for advancements. Setback of the F-22 program will degrade progress on the JSF. Ultimately, this action could place our air supremacy capability in extreme danger.

Finally, as the F-22 harnesses and employs superb, advanced technology, the development and testing of the aircraft does the same. Flight testing of two test aircraft has proceeded well. Avionics testing has been ongoing through three bench labs and one flying test bed, a 757 aircraft with all avionics including a full cockpit from an F-22. Advanced computer models have also enhanced the ability to hone the technical aspects of the plane. Nine aircraft are funded in the Engineering and Manufacturing Development (EMD) phase of this program. All nine aircraft will be delivered by FY01. Production aircraft that have been requested by the Air Force to be funded in FY00 will not complete production until FY03. This low rate initial production is necessary to efficiently utilize the open delivery line. Testing will be 90% complete and initial operational testing and evaluation will complete in mid-year 2003. The program minimizes risks and employs efficiency and responsible costing to meet delivery milestones. When compared with previous aircraft production such as the F-15 and F-16, the F-22

minimizes, by a large degree, the number of production aircraft during the EMD phase.

In closing, the House Department of Defense Appropriations Bill for FY00 is a good bill that will provide relief for many aspects of our services needs. It goes far to take care of the men and women who serve in America's Army, Navy, Air Force, and Marine Corps. I will vote in favor of this legislation, but with apprehension that this bill does an injustice to the number one Air Force development priority and a critical Department of Defense program that has vital implications on how we remain the undisputed air superiority and air supremacy power in the world.

This amendment was offered in the Appropriations Committee by Mr. KINGSTON, but was withdrawn and not offered on the floor.

#### NEW GENERAL PROVISIONS RESTORING F-22 FUNDS AND PROVIDING ADVANCE APPROPRIATIONS FOR SEVERAL PROGRAM INCREASES

In the appropriate place in the Committee Print Bill, insert the following new general provision:

SEC. XXXX. Notwithstanding any other provision in this Act, the total amounts appropriated in this Act for Titles III and IV is hereby reduced by \$1,852,075,000 to reflect the deletion of the following amounts for the following programs: \$208,000,000 for eight KC-135 re-enginings; \$440,000,000 for eight F-15E aircraft; \$564,000,000 for KC-130J aircraft; \$250,000,000 for one JSTARS aircraft; \$98,000,000 for five F-16 C/D aircraft; \$63,000,000 for one Operational Support Aircraft; \$100,000,000 for additional AMRAAM procurement; \$50,000,000 for additional JDAM procurement; \$79,075,000 for B-2 upgrades; *Provided*, in addition to the amounts provided elsewhere in this or any other act, \$1,852,075,000 is hereby appropriated to be available October 1, 2000, until expended, in the following amounts for the following programs: \$208,000,000 for eight KC-135 re-enginings; \$440,000,000 for eight F-15E aircraft; \$564,000,000 for KC-130J aircraft; \$250,000,000 for one JSTARS aircraft; \$98,000,000 for five F-16 C/D aircraft; \$63,000,000 for one Operational Support Aircraft; \$100,000,000 for additional AMRAAM procurement; \$50,000,000 for additional JDAM procurement; \$79,075,000 for B-2 upgrades; *Provided further*, in addition to the amounts appropriated elsewhere in title II of this Act, \$1,574,981,000 is provided for F-22 procurement and \$277,094,000 for F-22 Advance Procurement.

#### WHY WE NEED THE F-22

##### THREAT

Need F-22 to counter future and current surface-to-air missile (SA 10/12) threats. The F-15 cannot operate in this environment by itself  
21 countries expected to possess SA 10/12's (advanced SAMS) by 2005  
237 of world's 267 nations have surface to air missiles  
There will be a five fold increase in the number of countries with radar guided air to air missiles  
As many as 700 MIG-21's may be upgraded between 1995 and 2000  
F-15 began service in early 1970's (almost 25 years ago)  
When F-22 becomes operational in FY06, the F-15 will average 26 years old  
When JSF becomes operational in FY10, the F-16 will be 24 years old  
30-40 year old F-15's put our pilots at risk  
Today the F-15 is just at parity with the SU-27 and MIG-29



By 2005 the F-15 will be disadvantage to the SU-35 and the export versions of the Rafale and European Fighter 2000  
Air to air missiles are proliferating and becoming more capable

#### IMPACT OF SLIPPING PROGRAM

3 year delay in program, voids contracts, and kills program  
This is not a pause, it kills the production program  
Increase in costs breaks the contract price and the Congressional costs caps  
Increases Air Force costs by \$6.5 billion  
Set back for Army's number one priority the Comanche helicopter since they have some common systems)  
\$16 billion already invested to date  
Loss of industrial base to support F-22 program  
Upgrading the F-15 would cost about \$26 million per plane

#### F-22

F-22 replaces the F-15 for all weather air superiority and deep attack  
Increased capabilities: stealth, supercruise, maneuverability, avionics, weapons payload  
First look, first shot, first kill against multiple targets  
Flight tests have gone well  
Costs are controlled, costs are within funding caps set by Congress  
The F-22 will reduce by half the number of maintenance personnel for each aircraft  
F-22 will cost \$500 million less to operate and support over 20 years than an F-15 squadron  
F-15 afterburner operations are limited to 5-7 minutes, F-22 can operate at supercruise for a significant period of time without afterburners  
20% lower combat turnaround time for the F-22/higher sortie rate  
Lower deployment requirements (14 C-17s to deploy F-15 vs. 4 C-17s for F-22)

#### JSF

JSF leverages technologies from the F-22 (avionics, engines)  
JSF is a multi-role air to ground fighter to complement (not replace) the air-to-air role of F-22  
JSF replaces the F-16 and A-10 and meets requirements for other military services  
Without the F-22, the requirements for JSF change and will delay JSF by several years

For more information contact Congressman KINGSTON or Congressman CHAMBLISS.

#### POINT PAPER ON HAC-D MARK TO F-22 PROCUREMENT

##### BACKGROUND—WHY THE USAF NEEDS THE F-22

The 21st Century Force Structure—The Air Force's modernization strategy is built on the proper mix of "High" capability F-22s and "Low" cost Joint Strike Fighters (JSF) to achieve the dominant capability and operations tempo to support Joint Vision 2010's goal of full spectrum dominance.

F-22 is the high-capability force enabler designed to accomplish the most demanding missions of air superiority and attack of high-value, highly defended targets.

A combination of stealth, supercruise, integrated avionics, and larger internal air-to-air weapons payload are its primary attributes.

The JSF is the low-cost majority of the force—balance of affordability and capability allows procurement of greater numbers to perform a variety of missions and sustain the required high tempo of modern warfare.

JSF will rely on the F-22 for air superiority.

JSF will modernize the largest part of our fleet providing an affordable replacement for the F-16 and A-10.

JSF is dependent upon F-22 technologies and will complement the F-22 in the future as the F-16 complements the F-15 today.

The Need for the F-22—Joint Vision 2010 requires the Air Force to achieve Air Dominance—the ability to completely control adversary's vertical battlespace.

The current air superiority fighter, the F-15, is at parity today with the SU-27 and MIG-29; by IOC for F-22 in 2005, the F-15 will be at a disadvantage with the fielding of the SU-35 and export versions of the Rafale and Typhoon, and the proliferation of advanced air-to-air missiles such as the AA-11, AA-X-12, and MICA.

The development and proliferation of advanced surface-to-air missiles (SAMs) such as the SA-10 and SA-12 result in a sanctuary for the enemy because the F-15 will be unable to operate in this environment without a protracted, asset intensive, defense suppression campaign.

F-22's attributes of stealth, supercruise, and integrated avionics will allow it to operate in the presence of the total threat—emerging threat aircraft, advanced SAMs, and advanced air-to-air missiles.

Provides American forces the freedom from attack, freedom to maneuver and freedom to attack.

The Time is Now—The current Air Force fighter modernization program is an affordable and effective solution demanded by the increasing age of our current fighter force structure.

By F-22 ICO in 2005, the average age of the F-15 will be 26 years old.

By JSF IOC in 2010, the average age of the F-16 will be 24 years old.

F-22 is an essential investment to achieve air dominance—the key enabler for 21st Century Combat Operations.

#### DISCUSSION—IMPACT OF THE HAC-D REDUCTION ON THE CURRENT F-22 PROGRAM

The proposed reduction of the F-22 FY00 funding has a net impact of terminating the current production program and increases total Air Force costs by \$6.5 Billion (does not include costs for Service Life Extension of F-15 to accommodate 2 year slip to F-22 Initial Operational Capability).

Termination of the current production program—The current F-22 production strategy to procure all 339 aircraft within the Congressional Cost cap of \$39.8B Key elements of this strategy are: fixed price options for the PRTV and Lot 1; target price curve (TPC) for Lots 2-5; and multi-year contracts for lots 5-12.

Impact: Termination of the Lot 1 buy voids the fixed price agreement for the PRTV/Lot 1 buy and contractually requires termination of the PRTV aircraft buy. This in turn breaks the TPC and results in a production cost increase over the Congressional cost caps. A new production strategy initiated in FY02 with an 8 aircraft buy (requires Advance Buy in FY01) and a new production profile (8, 10, 16, 24, 36) results in a production cost increase of \$5.3B, which breaks the Congressionally mandated production cost cap of \$39.8B.

Extension of the EMD program by 15 months—The cancellation of the PRTV aircraft drives the requirement to retrofit the EMD aircraft to a production configuration for dedicated initial operational test and evaluation, which would have been accomplished by the PRTVs.

An additional \$500M is required for EMD to fund for Out-of-Production parts associated

with these aircraft due to the lack of an active production program.

Impact: With the EMD stretchout and above considerations the total cost impact to the EMD program is \$1.2B, which breaks Congressionally mandated EMD cost cap of \$18.8B.

Delay to Initial Operating Capability (IOC)—F-22 IOC is currently scheduled for December 2005, the change to the production profile would delay IOC (stand up of the first F-22 squadron) to Dec 2007.

Delay in IOC would force the Air Force to execute an F-15 Service Life Extension Program (SLEP) on one Fighter Wing (72 aircraft).

Mr. LEWIS of California. Mr. Chairman, I am pleased to yield 1 minute to my colleague, the gentleman from Utah (Mr. HANSEN).

Mr. HANSEN. Mr. Chairman, I think the question today is, what kind of Air Force do we want? If it is not the Air Force today, it is an Air Force 10, 20, 30, 40 years from now. That is what we are looking at.

Our choice in this thing is tomorrow's Air Force needs to be stealthy, needs to be survivable, supportable, deployable, and lethal; and the future of that rests with the F-22.

It is kind of hard, and I think there is nothing we can do but to hurt retention and morale by giving these kids a plane that is old. When they are flying 90-year-old bombers and 80-year-old tankers and 30-year-old fighters, that is the worst thing we can do for retention and morale of people.

We kind of have to laugh in a way, Mr. Chairman, because it was just a little while ago we were fighting this argument with the B-2 bomber. Do my colleagues remember that one? It cannot fly. The technology is wrong. It cannot fly in the rain. It will not do it.

And then this last thing in Kosovo, what happened? It did it all. And then the same people who vetoed the bill, the same people who opposed it are now standing there with air crews with the B-2 behind them. Politicians are rushing to have their pictures taken with the B-2 that could not fly and could not work and made the same arguments.

I think it is reasonable to go with the F-22. That is the future of the Air Force. Let us support that.

Mr. LEWIS of California. Mr. Chairman, I yield 1 minute to the gentleman from Mississippi (Mr. TAYLOR) my colleague, for purposes of a colloquy.

Mr. TAYLOR of Mississippi. Mr. Chairman, I wish to engage in a colloquy with the gentleman from Pennsylvania (Mr. MURTHA).

Mr. Chairman, as the gentleman well knows, the armed services have recently conducted a survey for the purpose of identifying which ships should be used as a centerpiece of the 12 Marine amphibious assault groups.

A study was done comparing building an additional LHD as opposed to taking an LHD-8 and schlepping it. The study came back very much in favor of



taking an LHD and putting turbines in the next version of it as opposed to schlepping it.

I notice there were no funds in this bill for that, although the Senate has funded this program.

My question to my colleague and I seek his assurance that, at the end of the day, when this bill comes back from conference committee, will there be funds for LHD-8 in the bill.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Mississippi. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, I can assure the gentleman that all of us in the subcommittee discussed this at great length. We know the importance to our national security. We know the importance to the Marine Corps. We will make every effort to bring back an LHD-8.

I know the gentleman has been pushing this for a long time. And the same here as the F-22, it is a matter of money. We hope we can work it out, and we expect to have more money down the road.

Mr. BARR of Georgia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, that is one beautiful aircraft. But do not be deceived. That is one mean SOB when it comes to air superiority.

That, my colleagues, is the only way the United States of America can maintain what has always been an essential pillar of our national security for so long as American men and women have been flying, and that is the F-22.

But do not take my word for it. Take the Washington Post's word for it. We heard earlier, as referenced by the gentleman from Florida, do not take my word for it. Take the word of seven, count them, seven former Secretaries of Defense: Bill Perry, Cap Weinberger, Frank Carlucci, Don Rumsfeld, Dick Cheney, Harold Brown, and James Schlesinger.

All of these men, who have served their country under administrations on both sides of the aisle, have told us and told us very clearly, America must have the F-22 if it is to maintain air superiority.

Over 200 years ago, a gentleman universally recognized as one of the great military generals of all time, George Washington, said, "To be prepared for war is one of the most effectual means of preserving peace."

Do not just take his word for it. Go back 2,000 years before that to Mr. Sun Tzu who said, "Victorious warriors win first and then go to war. It is defeated warriors who go to war first and then seek to win."

The way we prepare for war is to win war first and then go to war. The way we do that is what we did in the Gulf War, what we did in Kosovo; and that is to use air superiority.

Before our men and women went to war in the air in Desert Storm or in Kosovo, they had already won. They had already won because the F-15 and the F-18 were superior to anything that the enemy had.

That will prevail today. It will prevail tomorrow. But 5 years from now, it will not prevail. There are fighters being developed by a consortium of three countries that can defeat the F-15. The only way we can demand and contain air superiority in the future is to fund the F-22. We need to do that.

I appreciate the gentleman from California hearing these arguments out. I appreciate the support of Members on both sides of the aisle to fund the F-22.

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Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume, not by way of responding to the comments of the gentleman from Georgia or to others who have taken a position today in support of the F-22, but rather to make certain that all of our colleagues understand exactly how we got to this point preceding this debate.

Earlier on in the year when I suddenly found myself with this chairmanship, my friend, the gentleman from Pennsylvania (Mr. MURTHA) said to me, "Jerry, you're going to shortly realize there's only so much money to go around, and it's our job to make the tough choices." In that connection as we looked over the whole array of requirements and needs of our national defense, it became very clear, in competition with other programs that are a Federal responsibility, that indeed this is a very challenging responsibility.

Among those items that came before me in the early days of homework regarding this bill was the fact that we were on a line that would take us to three production lines of tactical fighter needs for the future. That involved the development further of the F-18E/F, the F-22, and the Joint Strike Fighter in the near future. It is the F-22 which we have discussed rather extensively today. If we follow through on the development of all three of those lines, we will eventually commit somewhere near \$340 billion of expenditure. If we can, after reexamination, reduce that by just one aircraft line, we will save as much as \$60 billion and at the end we will still have the finest tactical fighter force in the entire world. That is our entire objective.

I can assure my colleagues that we are going to do everything necessary to ensure that no nation will be able to threaten us in terms of tactical air in the future.

Having said that, Mr. Chairman, this has been a very difficult process. I want my colleagues to know how much I appreciate their serious cooperation

regarding this amendment. Between now and the time that we go to conference with the Senate, we will be carefully evaluating that request for \$3 billion for the tactical fighters in the future. Presently the bill provides for \$1.2 billion for research and development. This funding will give us all the flexibility we need to have adequate discussions with the Senate. Between now and then, we are expecting serious responses from the Air Force and others as to how we can develop these programs and make sense out of our conflicting budgetary problems.

And so with that, Mr. Chairman, I yield back the balance of my time, with the exception of yielding a minute to the gentleman from Georgia for purposes of a motion to withdraw.

Mr. SMITH of Washington. Mr. Chairman, air power is critical for how we fight wars and respond to international incidents. Americans place an immeasurable value on life, and in war. Mr. Speaker, air dominance saves lives. Sweeping the skies clean of enemy air craft is essential for protecting our most vulnerable troops on the ground, and the pilots who fly follow-on strike missions. Air dominance cannot be guaranteed with aircraft on par with the enemy—it can only be achieved with superior capabilities. Mr. Speaker, the F-22 is the American guarantor of air supremacy.

In scenarios where the United States need to respond to a rogue nation or terrorist group with a punitive strike, advanced fighters can deliver the message with precision. This is an important factor in lowering collateral damage and limiting the number of allied lives put at risk. As in Kosovo and the Gulf War, I believe air power will continue to be the primary player in how the United States responds to conflict.

Mr. Chairman, we cannot cut funding for F-22 procurement. Tactical fighters take 15 years to research, develop, and mature. If we want to maintain our air dominance in the future, say in the year 2010, we need to develop and test these air dominance fighters today. Currently, no other tactical air program combines the breakthrough technologies of integrated avionics, supercruise, thrust vectoring engines, and stealth into one aircraft. With the world-wide proliferation of SAMs, our pilots must take advantage of the F-22's supercruise, speed and stealth to complete their mission and return home safely. By investing in leap-ahead technologies, we can save the lives of our future war fighters; we cannot invest in yesteryear technology.

The F-22 is our top fighter program, no near term or long term substitute exists. Mr. Chairman, I urge my colleagues to support full funding of the F-22 program.

Mr. STENHOLM. Mr. Chairman, I rise today to express my support for the F-22—the key to maintaining air dominance in the 21st Century.

The F-22 is the first new U.S. air superiority fighter to be built in more than thirty years, and it is scheduled to join the Air Force inventory at a crucial time. Despite the ongoing upgrade of existing U.S. fighter aircraft, our tactical aircraft are facing increasingly sophisticated foreign fighters and more lethal air defense missiles.

The F-22 is crucial to maintaining air superiority. History has shown us that air dominance is crucial to controlling the battlefield; it allows our forces and other aircraft to operate against our enemies with impunity. Proven success in attaining air superiority is the reason that no American soldier has died from enemy air attack in over forty years.

We must continue development and acquisition of the F-22. Pausing this process is equal to cancellation of the program. Development of the aircraft system is on-track, and modern technology means that we can have a high-level of confidence in flight-tests, computer simulation, and other testing.

I urge my colleagues to join me in supporting funding for the F-22. It is important to our defense industry but most importantly it is crucial to the men and women who defend our Nation.

Mr. BARR of Georgia. Mr. Chairman, if allowed to stand, the decision to cut \$1.8 billion in funding for the production of six F-22s would be a grave mistake. This cut in the F-22 program will adversely impact the security of this nation.

Defense experts agree the F-22 performs a vital role in maintaining air superiority in future conflicts. As witnessed in the recent strikes in Kosovo and the Persian Gulf, air superiority provides an essential element in the protection of our nation and our interests abroad. Without the complete development of stealth technology and advanced avionics features, we put our soldiers at risk.

The F-22 is America's next generation air superiority fighter, and has been developed to counter any future threats posed by foreign advanced surface-to-air missiles (SAMs). As we witnessed over the skies of Iraq, SAMs and other advanced fire-controlled radars pose a real threat to U.S. combat air fighters. The only real defense against those systems is the F-22 program, which has the ability to operate against multiple targets and use advanced avionics. As foreign countries continue to develop and purchase increasingly advanced air defense systems, our nation must continue advancement of our own fighters to preserve future air superiority.

The goal of the F-22 program is to maintain the dominance of aerodynamic stealth performance and will enable the Department of Defense to continue its air superiority. Creating a "pause" in the program may in all likelihood, kill future production of this magnificent plan. Once the production is stopped, contracts will be broken as will the congressional cost caps. Since the early 1980s, Congress has continued to appropriate the necessary funding for the research and development of this plane, which has resulted in the investment of \$19 billion in taxpayer funds and 13 years of development. As the F-22 program continues to exceed every technical and programmatic challenge, the U.S. Air Force continued to give its strong, explicit support for the projects continuation.

From the start, the F-22 has been designed for minimal maintenance and will provide a reliable aircraft which is far superior than any other aircraft today. Compared to the F-15, which requires an average of 23 maintenance personnel, the F-22 will require a mere 15 personnel, which represents a substantial cost

savings when calculated over the 20-to-30 year life of an aircraft. Through the use of advanced technology, several benefits will be gained by developing a cost efficient design strategy, creating substantial savings and improving operational flexibility throughout the life of this program.

Limiting this nation's defense in the 21st century to only one new fighter—the smaller, sub-sonic tactical Joint Strike Fighter, or JSF—would put us in serious risk and force us to waste vital defense monies updating current aircraft (F-15 and F-18) that will be outdated and outperformed by foreign produced aircraft as soon as they are upgraded. While some suggest we rely on the future development of the Joint Strike Fighter (JSF) program, the JSF production is expected to begin around 2005 and operational service to begin around 2010. In March 1999, the Congressional Budget Office estimated the total acquisition cost of these JSF aircraft over a 27-year period at some \$223 billion. The estimates of the JSF's ultimate price may cost more than the F-22 when the program finally reaches its programmatic maturity. The alternative JSF has been developed as a joint-service fighter/attack plane to complement—not replace the F-22. The JSF was never envisaged to take the place of the F-22 and it cannot be modified to do so.

As other foreign countries begin to develop and acquire combat aircraft equal to our current fighters, the F-22 program is the best hope—the only hope—to beat the encroachment of advanced foreign arsenals. Countries such as Russia are developing advanced fighters for their foreign customers such as Syria, China and India. The F-15 began service over 25 years ago, and when the F-22 becomes operational in FY06, the F-15 will average 26 years of service. The F-15's flight characteristics are well known, making it even more susceptible to the next generation of foreign missiles and fighters.

The history of warfare is clear—whoever owns the sky and space above it will own the future. The F-22 is the only opportunity our nation has to ensure America's military continues to control the sky for this century and the 21st century. There is no other tactical combat aircraft in service today that has similar capacity to successfully operate amid our growing future foreign threats.

I urge the House to re-consider supporting such a defense initiative which will adversely affect future conflict capability and would put our nation's air superiority in jeopardy. We must continue to guarantee air superiority through the continued support and funding of the F-22 program. There is no other American aircraft that can offer the insurance and protection our soldiers and their families desperately need.

Mr. BARR of Georgia. Mr. Chairman, I ask unanimous consent to withdraw amendment No. 4.

The CHAIRMAN. Pursuant to the order of the House, the amendment is withdrawn.

AMENDMENT OFFERED BY MR. LEWIS OF CALIFORNIA

Mr. LEWIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEWIS of California:

On page 8, line 20, after the word "facilities", add the following proviso:

"*Provided*, That of the funds made available under this heading, \$7,000,000 shall only be available to the Secretary of the Army, acting through the Chief of Engineers, only for demolition and removal of facilities, buildings, and structures used at MOTBY (a Military Traffic Management Command facility)".

On page 9, line 7, after the word "Fund" add the following proviso:

"*Provided*, That of the funds available under this heading, \$300,000 shall be available only for site design and planning, and materials and equipment acquisition for the Maritime Fire Training Center at MERTS".

On page 10, line 6, delete "\$11,401,733,000" and insert in lieu thereof "\$11,402,733,000".

On page 11, line 25, after "tractors" at the end of line 25, add the following proviso:

"*Provided further*, That of the amounts provided under this heading, \$6,300,000 is available only for the Department of Defense STARBASE program".

On page 32, line 7, delete "\$6,964,227,000" and insert in lieu thereof "\$6,958,227,000".

On page 32, line 8, after "2002" insert the following new proviso:

"*Provided*, That of the amounts provided under this heading, \$82,363,000 shall be available only for procurement of the 60K A/C Loader program: *Provided further*, That of the amounts provided under this heading, \$179,339,000 is available only for the Base Information Infrastructure program".

On page 36, line 10, delete "\$8,930,149,000" and insert in lieu thereof "\$8,935,149,000".

On page 37, line 12, after the word "proviso", insert the following proviso:

"*Provided further*, That of the amounts provided under this heading, \$5,000,000 is only for a technology insertion program, to be carried out by a federally funded research and development center and other units it affiliates with, to demonstrate the cost savings and efficiency benefits of applying commercially available software and information technology to the manufacturing lines of small defense firms".

On page 83, line 23, section 8071, insert after "a State" the following:

"(as defined in section 381(d) of title 10, United States Code)."

At the end of the bill, insert after the last section (preceding the short title) the following new section.

"SEC. . None of the funds provided in this Act may be used to transfer to any non-governmental entity ammunition held by the Department of Defense that has a center-fire cartridge and a United States military nomenclature designation of "armor penetrator", "armor piercing (AP)", "armor piercing incendiary (API)", or "armor-piercing incendiary-tracer (API-T)"."

Mr. LEWIS of California (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEWIS of California. Mr. Chairman, I offer a manager's amendment on behalf of myself and the gentleman from Pennsylvania (Mr. MURTHA). As I mentioned, this has been cleared on

both sides, and I thank the gentleman from Pennsylvania for his cooperation.

Mr. MURTHA. We have no objection to the amendment.

Mr. LEWIS of California. Mr. Chairman, I move the amendment be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. LEWIS).

The amendment was agreed to.

Mr. LEWIS of California. Mr. Chairman, I ask unanimous consent that the remainder of the bill, through page 138, line 23, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The text of the remainder of the bill is as follows:

#### TITLE V

##### REVOLVING AND MANAGEMENT FUNDS

###### DEFENSE WORKING CAPITAL FUNDS

For the Defense Working Capital Funds; \$90,344,000: *Provided*, That during fiscal year 2000, funds in the Defense Working Capital Funds may be used for the purchase of not to exceed 295 passenger motor vehicles for replacement only for the Defense Security Service.

###### NATIONAL DEFENSE SEALIFT FUND

For National Defense Sealift Fund programs, projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744); \$729,700,000, to remain available until expended: *Provided*, That none of the funds provided in this paragraph shall be used to award a new contract that provides for the acquisition of any of the following major components unless such components are manufactured in the United States: auxiliary equipment, including pumps, for all shipboard services; propulsion system components (that is; engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes: *Provided further*, That the exercise of an option in a contract awarded through the obligation of previously appropriated funds shall not be considered to be the award of a new contract: *Provided further*, That the Secretary of the military department responsible for such procurement may waive the restrictions in the first proviso on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

#### TITLE VI

##### OTHER DEPARTMENT OF DEFENSE PROGRAMS

###### DEFENSE HEALTH PROGRAM

For expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law; \$11,078,417,000, of which \$10,471,447,000 shall be for Operation and maintenance, of which not to exceed 2 per centum shall remain available until September 30, 2001; of which \$356,970,000, to remain available for obli-

tion until September 30, 2002, shall be for Procurement; and of which \$250,000,000, to remain available for obligation until September 30, 2000, shall be for Research, development, test and evaluation: *Provided*, That of the amounts made available under this heading for Research, development, test and evaluation, \$175,000,000 shall be made available only for the Army peer-reviewed breast cancer research program and \$75,000,000 shall be made available only for the Army peer-reviewed prostate cancer research program.

###### CHEMICAL AGENTS AND MUNITIONS

###### DESTRUCTION, ARMY

###### (INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile; \$781,000,000, of which \$492,000,000 shall be for Operation and maintenance, \$116,000,000 shall be for Procurement to remain available until September 30, 2002, and \$173,000,000 shall be for Research, development, test and evaluation to remain available until September 30, 2001: *Provided*, That notwithstanding 10 U.S.C. 2215, of the funds appropriated under this heading, \$75,303,000 shall be transferred to the Federal Emergency Management Agency "Defense Chemical Stockpile Emergency Preparedness Program" account by October 31, 1999, to provide off-post emergency response and preparedness assistance to the communities surrounding the eight continental United States chemical agent storage and disposal sites; of which \$32,209,000 shall be derived from Operation and maintenance, and \$43,094,000 shall be derived from Procurement.

###### DRUG INTERDICTION AND COUNTER-DRUG

###### ACTIVITIES, DEFENSE

###### (INCLUDING TRANSFER OF FUNDS)

For drug interdiction and counter-drug activities of the Department of Defense, for transfer to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for Operation and maintenance; for Procurement; and for Research, development, test and evaluation; \$883,700,000: *Provided*, That of the funds appropriated under this heading, \$42,800,000 is hereby transferred to appropriations available for "Military Construction, Air Force" for fiscal year 2000, and the transferred funds shall be available for construction at forward operating locations in the area of responsibility of the United States Southern Command: *Provided further*, That the funds appropriated under this heading shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: *Provided further*, That the transfer authority provided under this heading is in addition to any transfer authority contained elsewhere in this Act.

###### OFFICE OF THE INSPECTOR GENERAL

For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended; \$140,844,000, of which \$138,744,000 shall be for Operation and maintenance, of which not to exceed \$700,000 is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and pay-

ments may be made on the Inspector General's certificate of necessity for confidential military purposes; and of which \$2,100,000 to remain available until September 30, 2002, shall be for Procurement.

#### TITLE VII

##### RELATED AGENCIES

###### CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System; \$209,100,000.

###### INTELLIGENCE COMMUNITY MANAGEMENT

###### ACCOUNT

###### (INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Intelligence Community Management Account; \$144,415,000, of which \$34,923,000 for the Advanced Research and Development Committee shall remain available until September 30, 2001: *Provided*, That of the funds appropriated under this heading, \$27,000,000 shall be transferred to the Department of Justice for the National Drug Intelligence Center to support the Department of Defense's counter-drug intelligence responsibilities, and of the said amount, \$1,500,000 for Procurement shall remain available until September 30, 2002, and \$1,000,000 for Research, development, test and evaluation shall remain available until September 30, 2001.

###### PAYMENT TO KAHOLAWE ISLAND CONVEYANCE, REMEDIATION, AND ENVIRONMENTAL RESTORATION FUND

For payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund, as authorized by law; \$15,000,000, to remain available until expended.

###### NATIONAL SECURITY EDUCATION TRUST FUND

For the purposes of title VIII of Public Law 102-183, \$8,000,000, to be derived from the National Security Education Trust Fund, to remain available until expended.

#### TITLE VIII

##### GENERAL PROVISIONS

SEC. 8001. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 8002. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: *Provided*, That salary increases granted to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: *Provided further*, That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980: *Provided further*, That the limitations of this provision shall not apply to foreign national employees of the Department of Defense in the Republic of Turkey.

SEC. 8003. No part of any appropriation contained in this Act shall remain available

for obligation beyond the current fiscal year, unless expressly so provided herein.

SEC. 8004. No more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last 2 months of the fiscal year: *Provided*, That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers' Training Corps.

(TRANSFER OF FUNDS)

SEC. 8005. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed \$2,000,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided*, That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: *Provided further*, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority or any other authority in this Act: *Provided further*, That no part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress: *Provided further*, That the Department of the Army, Department of the Air Force, Defense-Wide Agencies, and the Office of the Secretary of Defense may not reprogram funds within any appropriation in title III or IV of this or prior annual Department of Defense Acts under the authority of the Department of Defense Financial Management Regulation without prior written approval from the Appropriations Committees of Congress.

(TRANSFER OF FUNDS)

SEC. 8006. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: *Provided*, That transfers may be made between such funds: *Provided further*, That transfers may be made between working capital funds and the "Foreign Currency Fluctuations, Defense" appropriation and the "Operation and Maintenance" appropriation accounts in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that such transfers may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 8007. Funds appropriated by this Act may not be used to initiate a special access program without prior notification 30 calendar days in session in advance to the congressional defense committees.

SEC. 8008. None of the funds provided in this or any other Act hereafter shall be available to initiate: (1) a multiyear contract that employs economic order quantity procurement in excess of \$20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of \$20,000,000; or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of \$20,000,000 in any one year; or (3) a contract for any systems or component thereof if the value of the multiyear contract would exceed \$100,000,000: *Provided*, That the limitations in the preceding provisos of this section do not apply to multiyear contracts awarded prior to the date of enactment of this Act or to multiyear contracts for which authority is specifically provided in subsequent defense authorization acts and appropriation acts: *Provided further*, That no funds in this or any other Act may be used to initiate, expand, or extend a multiyear contract unless the Secretary of Defense has specifically notified the congressional defense committees in writing thirty days in advance of contract award that such a contract is in the national interest: *Provided further*, That no multiyear contract may be terminated without ten day prior notification to the congressional defense committees: *Provided further*, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

SEC. 8009. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported to Congress on September 30 of each year: *Provided*, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99-239: *Provided further*, That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted at Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, and Guam.

SEC. 8010. (a) During fiscal year 2000, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(b) The fiscal year 2001 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2001 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal year 2001.

(c) Nothing in this section shall be construed to apply to military (civilian) technicians.

SEC. 8011. Notwithstanding any other provision of law, none of the funds made available by this Act shall be used by the Department of Defense to exceed, outside the 50 United States, its territories, and the District of Columbia, 125,000 civilian workyears: *Provided*, That workyears shall be applied as defined in the Federal Personnel Manual: *Provided further*, That workyears expended in dependent student hiring programs for disadvantaged youths shall not be included in this workyear limitation.

SEC. 8012. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

SEC. 8013. (a) None of the funds appropriated by this Act shall be used to make contributions to the Department of Defense Education Benefits Fund pursuant to section 2006(g) of title 10, United States Code, representing the normal cost for future benefits under section 3015(c) of title 38, United States Code, for any member of the armed services who, on or after the date of the enactment of this Act, enlists in the armed services for a period of active duty of less than three years, nor shall any amounts representing the normal cost of such future benefits be transferred from the Fund by the Secretary of the Treasury to the Secretary of Veterans Affairs pursuant to section 2006(d) of title 10, United States Code; nor shall the Secretary of Veterans Affairs pay such benefits to any such member: *Provided*, That these limitations shall not apply to members in combat arms skills or to members who enlist in the armed services on or after July 1, 1989, under a program continued or established by the Secretary of Defense in fiscal year 1991 to test the cost-effective use of special recruiting incentives involving not more than nineteen noncombat arms skills approved in advance by the Secretary of Defense: *Provided further*, That this subsection applies only to active components of the Army.

(b) None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: *Provided*, That this subsection shall not apply to those members who have reenlisted with this option prior to October 1, 1987: *Provided further*, That this subsection applies only to active components of the Army.

SEC. 8014. None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of the enactment of this Act, is performed by more than ten Department of Defense civilian employees until a most efficient and cost-effective organization analysis is completed on such activity or function and certification of the analysis is made to the Committees on Appropriations of the House of Representatives and

the Senate: *Provided*, That this section and subsections (a), (b), and (c) of 10 U.S.C. 2461 shall not apply to a commercial or industrial type function of the Department of Defense that: (1) is included on the procurement list established pursuant to section 2 of the Act of June 25, 1938 (41 U.S.C. 47), popularly referred to as the Javits-Wagner-O'Day Act; (2) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or (3) is planned to be converted to performance by a qualified firm under 51 per centum Native American ownership.

(TRANSFER OF FUNDS)

SEC. 8015. Funds appropriated in title III of this Act for the Department of Defense Pilot Mentor-Protege Program may be transferred to any other appropriation contained in this Act solely for the purpose of implementing a Mentor-Protege Program developmental assistance agreement pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 10 U.S.C. 2301 note), as amended, under the authority of this provision or any other transfer authority contained in this Act.

SEC. 8016. None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are manufactured in the United States from components which are substantially manufactured in the United States: *Provided*, That for the purpose of this section manufactured will include cutting, heat treating, quality control, testing of chain and welding (including the forging and shot blasting process): *Provided further*, That for the purpose of this section substantially all of the components of anchor and mooring chain shall be considered to be produced or manufactured in the United States if the aggregate cost of the components produced or manufactured in the United States exceeds the aggregate cost of the components produced or manufactured outside the United States: *Provided further*, That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 8017. None of the funds appropriated by this Act available for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be available for the reimbursement of any health care provider for inpatient mental health service for care received when a patient is referred to a provider of inpatient mental health care or residential treatment care by a medical or health care professional having an economic interest in the facility to which the patient is referred: *Provided*, That this limitation does not apply in the case of inpatient mental health services provided under the program for the handicapped under subsection (d) of section 1079 of title 10, United States Code, provided as partial hospital care, or provided pursuant to a waiver authorized by the Secretary of Defense because of medical or psychological circumstances of the patient that are confirmed by a health professional who is not a Federal employee after a review, pursuant to rules prescribed by the

Secretary, which takes into account the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care.

SEC. 8018. Funds available in this Act may be used to provide transportation for the next-of-kin of individuals who have been prisoners of war or missing in action from the Vietnam era to an annual meeting in the United States, under such regulations as the Secretary of Defense may prescribe.

SEC. 8019. Notwithstanding any other provision of law, during the current fiscal year, the Secretary of Defense may, by executive agreement, establish with host nation governments in NATO member states a separate account into which such residual value amounts negotiated in the return of United States military installations in NATO member states may be deposited, in the currency of the host nation, in lieu of direct monetary transfers to the United States Treasury: *Provided*, That such credits may be utilized only for the construction of facilities to support United States military forces in that host nation, or such real property maintenance and base operating costs that are currently executed through monetary transfers to such host nations: *Provided further*, That the Department of Defense's budget submission for fiscal year 2001 shall identify such sums anticipated in residual value settlements, and identify such construction, real property maintenance or base operating costs that shall be funded by the host nation through such credits: *Provided further*, That all military construction projects to be executed from such accounts must be previously approved in a prior Act of Congress: *Provided further*, That each such executive agreement with a NATO member host nation shall be reported to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate 30 days prior to the conclusion and endorsement of any such agreement established under this provision.

SEC. 8020. None of the funds available to the Department of Defense may be used to demilitarize or dispose of M-1 Carbines, M-1 Garand rifles, M-14 rifles, .22 caliber rifles, .30 caliber rifles, or M-1911 pistols.

SEC. 8021. Notwithstanding any other provision of law, none of the funds appropriated by this Act shall be available to pay more than 50 per centum of an amount paid to any person under section 308 of title 37, United States Code, in a lump sum.

SEC. 8022. No more than \$500,000 of the funds appropriated or made available in this Act shall be used during a single fiscal year for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: *Provided*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the congressional defense committees that such a relocation is required in the best interest of the Government.

SEC. 8023. A member of a reserve component whose unit or whose residence is located in a State which is not contiguous with another State is authorized to travel in a space required status on aircraft of the Armed Forces between home and place of inactive duty training, or place of duty in lieu of unit training assembly, when there is no road or railroad transportation (or combination of road and railroad transportation between those locations): *Provided*, That a member traveling in that status on a military aircraft pursuant to the authority pro-

vided in this section is not authorized to receive travel, transportation, or per diem allowances in connection with that travel.

SEC. 8024. (a) In addition to the funds provided elsewhere in this Act, \$8,000,000 is appropriated only for incentive payments authorized by section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544): *Provided*, That contractors participating in the test program established by section 854 of Public Law 101-189 (15 U.S.C. 637 note) shall be eligible for the program established by section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544).

SEC. 8025. During the current fiscal year, funds appropriated or otherwise available for any Federal agency, the Congress, the judicial branch, or the District of Columbia may be used for the pay, allowances, and benefits of an employee as defined by section 2105 of title 5, United States Code, or an individual employed by the government of the District of Columbia, permanent or temporary indefinite, who—

(1) is a member of a Reserve component of the Armed Forces, as described in section 10101 of title 10, United States Code, or the National Guard, as described in section 101 of title 32, United States Code;

(2) performs, for the purpose of providing military aid to enforce the law or providing assistance to civil authorities in the protection or saving of life or property or prevention of injury—

(A) Federal service under sections 331, 332, 333, or 12406 of title 10, or other provision of law, as applicable; or

(B) full-time military service for his or her State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory of the United States; and

(3) requests and is granted—

(A) leave under the authority of this section; or

(B) annual leave, which may be granted without regard to the provisions of sections 5519 and 6323(b) of title 5, if such employee is otherwise entitled to such annual leave:

*Provided*, That any employee who requests leave under subsection (3)(A) for service described in subsection (2) of this section is entitled to such leave, subject to the provisions of this section and of the last sentence of section 6323(b) of title 5, and such leave shall be considered leave under section 6323(b) of title 5, United States Code.

SEC. 8026. None of the funds appropriated by this Act shall be available to perform any cost study pursuant to the provisions of OMB Circular A-76 if the study being performed exceeds a period of 24 months after initiation of such study with respect to a single function activity or 48 months after initiation of such study for a multi-function activity.

SEC. 8027. Funds appropriated by this Act for the American Forces Information Service shall not be used for any national or international political or psychological activities.

SEC. 8028. Notwithstanding any other provision of law or regulation, the Secretary of Defense may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Secretary of Veterans Affairs by section 7455 of title 38, United States Code.

SEC. 8029. None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron of the Air Force Reserve, if such action would reduce the WC-130 Weather Reconnaissance mission below the levels funded in this Act.

SEC. 8030. (a) Of the funds for the procurement of supplies or services appropriated by

this Act, qualified nonprofit agencies for the blind or other severely handicapped shall be afforded the maximum practicable opportunity to participate as subcontractors and suppliers in the performance of contracts let by the Department of Defense.

(b) During the current fiscal year, a business concern which has negotiated with a military service or defense agency a subcontracting plan for the participation by small business concerns pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) shall be given credit toward meeting that subcontracting goal for any purchases made from qualified nonprofit agencies for the blind or other severely handicapped.

(c) For the purpose of this section, the phrase "qualified nonprofit agency for the blind or other severely handicapped" means a nonprofit agency for the blind or other severely handicapped that has been approved by the Committee for the Purchase from the Blind and Other Severely Handicapped under the Javits-Wagner-O'Day Act (41 U.S.C. 46-48).

SEC. 8031. During the current fiscal year, net receipts pursuant to collections from third party payers pursuant to section 1095 of title 10, United States Code, shall be made available to the local facility of the uniformed services responsible for the collections and shall be over and above the facility's direct budget amount.

SEC. 8032. During the current fiscal year, the Department of Defense is authorized to incur obligations of not to exceed \$350,000,000 for purposes specified in section 2350j(c) of title 10, United States Code, in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: *Provided*, That upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriations or fund which incurred such obligations.

SEC. 8033. Of the funds made available in this Act, not less than \$26,588,000 shall be available for the Civil Air Patrol Corporation, of which \$22,888,000 shall be available for Civil Air Patrol Corporation operation and maintenance to support readiness activities which includes \$1,418,000 for the Civil Air Patrol counterdrug program: *Provided*, That funds identified for "Civil Air Patrol" under this section are intended for and shall be for the exclusive use of the Civil Air Patrol Corporation and not for the Air Force or any unit thereof.

SEC. 8034. (a) None of the funds appropriated in this Act are available to establish a new Department of Defense (department) federally funded research and development center (FFRDC), either as a new entity, or as a separate entity administrated by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other non-profit entities.

(b) LIMITATION ON COMPENSATION—FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTER (FFRDC).—No member of a Board of Directors, Trustees, Overseers, Advisory Group, Special Issues Panel, Visiting Committee, or any similar entity of a defense FFRDC, and no paid consultant to any defense FFRDC, except when acting in a technical advisory capacity, may be compensated for his or her services as a member of such entity, or as a paid consultant by more than one FFRDC in a fiscal year: *Provided*, That a member of any such entity referred to previously in this subsection shall be allowed travel expenses and per diem as authorized under the Federal Joint Travel Regulations, when engaged in the performance of membership duties.

(c) Notwithstanding any other provision of law, none of the funds available to the department from any source during fiscal year 2000 may be used by a defense FFRDC, through a fee or other payment mechanism, for construction of new buildings, for payment of cost sharing for projects funded by government grants, for absorption of contract overruns, or for certain charitable contributions, not to include employee participation in community service and/or development.

(d) Notwithstanding any other provision of law, of the funds available to the department during fiscal year 2000, not more than 6,206 staff years of technical effort (staff years) may be funded for defense FFRDCs: *Provided*, That of the specific amount referred to previously in this subsection, not more than 1,105 staff years may be funded for the defense studies and analysis FFRDCs.

(e) Within 60 days after the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report presenting the specific amounts of staff years of technical effort to be allocated by the department for each defense FFRDC during fiscal year 2000: *Provided*, That, after the submission of the report required by this subsection, the department may not reallocate more than 5 per centum of an FFRDC's staff years among other defense FFRDCs until 30 days after a detailed justification for any such reallocation is submitted to the congressional defense committees.

(f) The Secretary of Defense shall, with the submission of the department's fiscal year 2001 budget request, submit a report presenting the specific amounts of staff years of technical effort to be allocated for each defense FFRDC during that fiscal year.

(g) Notwithstanding any other provision of law, none of the reductions for advisory and assistance services contained in this Act shall be applied to defense FFRDCs.

SEC. 8035. None of the funds appropriated or made available in this Act shall be used to procure carbon, alloy or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: *Provided*, That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AISI) specifications of carbon, alloy or armor steel plate: *Provided further*, That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further*, That these restrictions shall not apply to contracts which are in being as of the date of the enactment of this Act.

SEC. 8036. For the purposes of this Act, the term "congressional defense committees" means the Armed Services Committee of the House of Representatives, the Armed Services Committee of the Senate, the Subcommittee on Defense of the Committee on Appropriations of the Senate, and the Subcommittee on Defense of the Committee on Appropriations of the House of Representatives.

SEC. 8037. During the current fiscal year, the Department of Defense may acquire the

modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: *Provided*, That the Senior Acquisition Executive of the military department or defense agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: *Provided further*, That Office of Management and Budget Circular A-76 shall not apply to competitions conducted under this section.

SEC. 8038. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary's blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) The Secretary of Defense shall submit to Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal year 2000. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), or any international agreement to which the United States is a party.

(c) For purposes of this section, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

SEC. 8039. Appropriations contained in this Act that remain available at the end of the current fiscal year as a result of energy cost savings realized by the Department of Defense shall remain available for obligation for the next fiscal year to the extent, and for the purposes, provided in section 2865 of title 10, United States Code.

#### (INCLUDING TRANSFER OF FUNDS)

SEC. 8040. Amounts deposited during the current fiscal year to the special account established under 40 U.S.C. 485(h)(2) and to the special account established under 10 U.S.C. 2667(d)(1) are appropriated and shall be available until transferred by the Secretary of Defense to current applicable appropriations or funds of the Department of Defense under the terms and conditions specified by 40 U.S.C. 485(h)(2)(A) and (B) and 10 U.S.C. 2667(d)(1)(B), to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred.

SEC. 8041. During the current fiscal year, appropriations available to the Department of Defense may be used to reimburse a member of a reserve component of the Armed Forces who is not otherwise entitled to travel and transportation allowances and who occupies transient government housing while



performing active duty for training or inactive duty training: *Provided*, That such members may be provided lodging in kind if transient government quarters are unavailable as if the member was entitled to such allowances under subsection (a) of section 404 of title 37, United States Code: *Provided further*, That if lodging in kind is provided, any authorized service charge or cost of such lodging may be paid directly from funds appropriated for operation and maintenance of the reserve component of the member concerned.

SEC. 8042. The President shall include with each budget for a fiscal year submitted to the Congress under section 1105 of title 31, United States Code, materials that shall identify clearly and separately the amounts requested in the budget for appropriation for that fiscal year for salaries and expenses related to administrative activities of the Department of Defense, the military departments, and the Defense agencies.

SEC. 8043. Notwithstanding any other provision of law, funds available for "Drug Interdiction and Counter-Drug Activities, Defense" may be obligated for the Young Marines program.

SEC. 8044. During the current fiscal year, amounts contained in the Department of Defense Overseas Military Facility Investment Recovery Account established by section 2921(c)(1) of the National Defense Authorization Act of 1991 (Public Law 101-510; 10 U.S.C. 2687 note) shall be available until expended for the payments specified by section 2921(c)(2) of that Act.

SEC. 8045. Of the funds appropriated or otherwise made available by this Act, not more than \$119,200,000 shall be available for payment of the operating costs of NATO Headquarters: *Provided*, That the Secretary of Defense may waive this section for Department of Defense support provided to NATO forces in and around the former Yugoslavia.

SEC. 8046. During the current fiscal year, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of not more than \$100,000.

SEC. 8047. (a) During the current fiscal year, none of the appropriations or funds available to the Department of Defense Working Capital Funds shall be used for the purchase of an investment item for the purpose of acquiring a new inventory item for sale or anticipated sale during the current fiscal year or a subsequent fiscal year to customers of the Department of Defense Working Capital Funds if such an item would not have been chargeable to the Department of Defense Business Operations Fund during fiscal year 1994 and if the purchase of such an investment item would be chargeable during the current fiscal year to appropriations made to the Department of Defense for procurement.

(b) The fiscal year 2001 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2001 Department of Defense budget shall be prepared and submitted to the Congress on the basis that any equipment which was classified as an end item and funded in a procurement appropriation contained in this Act shall be budgeted for in a proposed fiscal year 2001 procurement appropriation and not in the supply management business area or any other area or category of the Department of Defense Working Capital Funds.

SEC. 8048. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for

obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 2001: *Provided*, That funds appropriated, transferred, or otherwise credited to the Central Intelligence Agency Central Services Working Capital Fund during this or any prior or subsequent fiscal year shall remain available until expended.

SEC. 8049. Notwithstanding any other provision of law, funds made available in this Act for the Defense Intelligence Agency may be used for the design, development, and deployment of General Defense Intelligence Program intelligence communications and intelligence information systems for the Services, the Unified and Specified Commands, and the component commands.

SEC. 8050. Of the funds appropriated by the Department of Defense under the heading "Operation and Maintenance, Defense-Wide", not less than \$8,000,000 shall be made available only for the mitigation of environmental impacts, including training and technical assistance to tribes, related administrative support, the gathering of information, documenting of environmental damage, and developing a system for prioritization of mitigation and cost to complete estimates for mitigation, on Indian lands resulting from Department of Defense activities.

SEC. 8051. Amounts collected for the use of the facilities of the National Science Center for Communications and Electronics during the current fiscal year pursuant to section 1459(g) of the Department of Defense Authorization Act, 1986, and deposited to the special account established under subsection 1459(g)(2) of that Act are appropriated and shall be available until expended for the operation and maintenance of the Center as provided for in subsection 1459(g)(2).

SEC. 8052. None of the funds appropriated in this Act may be used to fill the commander's position at any military medical facility with a health care professional unless the prospective candidate can demonstrate professional administrative skills.

SEC. 8053. (a) None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

(b) If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a "Made in America" inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense.

(c) In the case of any equipment or products purchased with appropriations provided under this Act, it is the sense of the Congress that any entity of the Department of Defense, in expending the appropriation, purchase only American-made equipment and products, provided that American-made equipment and products are cost-competitive, quality-competitive, and available in a timely fashion.

SEC. 8054. None of the funds appropriated by this Act shall be available for a contract for studies, analysis, or consulting services entered into without competition on the

basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines—

(1) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work;

(2) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source; or

(3) the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

*Provided*, That this limitation shall not apply to contracts in an amount of less than \$25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

SEC. 8055. (a) Except as provided in subsections (b) and (c), none of the funds made available by this Act may be used—

(1) to establish a field operating agency; or  
(2) to pay the basic pay of a member of the Armed Forces or civilian employee of the department who is transferred or reassigned from a headquarters activity if the member or employee's place of duty remains at the location of that headquarters.

(b) The Secretary of Defense or Secretary of a military department may waive the limitations in subsection (a), on a case-by-case basis, if the Secretary determines, and certifies to the Committees on Appropriations of the House of Representatives and Senate that the granting of the waiver will reduce the personnel requirements or the financial requirements of the department.

(c) This section does not apply to field operating agencies funded within the National Foreign Intelligence Program.

SEC. 8056. Funds appropriated by this Act and in Public Law 105-277, or made available by the transfer of funds in this Act and in Public Law 105-277 for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 2000 until the enactment of the Intelligence Authorization Act for Fiscal Year 2000.

SEC. 8057. Notwithstanding section 303 of Public Law 96-487 or any other provision of law, the Secretary of the Navy is authorized to lease real and personal property at Naval Air Facility, Adak, Alaska, pursuant to 10 U.S.C. 2667(f), for commercial, industrial or other purposes: *Provided*, That notwithstanding any other provision of law, the Secretary of the Navy may remove hazardous materials from facilities, buildings, and structures at Adak, Alaska, and may demolish or otherwise dispose of such facilities, buildings, and structures: *Provided further*, That notwithstanding any other provision of law, not more than \$4,650,000 of the funds provided under the heading "Operation and Maintenance, Army" in title II of this Act shall be available to the Secretary of the Army, acting through the Chief of Engineers, only for demolition and removal of facilities, buildings, and structures formerly used as a District Headquarters Office by the Corps of Engineers (Northwest Division, CENWW, Washington State), as described in the study conducted regarding the headquarters pursuant to the Energy and Water Development



Appropriations Act, 1992 (Public Law 102-104; 105 Stat. 511).

(RESCISSIONS)

SEC. 8058. Of the funds provided in Department of Defense Appropriations Acts, the following funds are hereby rescinded as of the date of the enactment of this Act, or October 1, 1999, whichever is later, from the following accounts and programs in the specified amounts:

"Other Procurement, Navy, 1998/2000", \$6,384,000;

"Aircraft Procurement, Air Force, 1998/2000", \$26,100,000;

"Missile Procurement, Air Force, 1998/2000", \$100,000,000;

"Other Procurement, Army, 1999/2001", \$20,700,000;

"Aircraft Procurement, Navy, 1999/2001", \$62,500,000;

"Weapons Procurement, Navy, 1999/2001", \$8,000,000;

Under the heading, "Shipbuilding and Conversion, Navy, 1999/2003":

New Attack Submarine, \$35,000,000;

CVN-69, \$11,400,000;

"Other Procurement, Navy, 1999/2001", \$16,353,000;

"Aircraft Procurement, Air Force, 1999/2001", \$81,229,000;

"Missile Procurement, Air Force, 1999/2001", \$155,500,000;

"Research, Development, Test and Evaluation, Army, 1999/2000", \$16,400,000;

"Research, Development, Test and Evaluation, Air Force, 1999/2000", \$49,921,000; and

"Research, Development, Test and Evaluation, Defense-Wide, 1999/2000", \$23,500,000.

SEC. 8059. None of the funds available in this Act may be used to reduce the authorized positions for military (civilian) technicians of the National Guard, the Air National Guard, Army Reserve and Air Force Reserve for the purpose of applying any administratively imposed civilian personnel ceiling, freeze, or reduction on military (civilian) technicians, unless such reductions are a direct result of a reduction in military force structure.

SEC. 8060. None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to the Democratic People's Republic of North Korea unless specifically appropriated for that purpose.

SEC. 8061. During the current fiscal year, funds appropriated in this Act are available to compensate members of the National Guard for duty performed pursuant to a plan submitted by a Governor of a State and approved by the Secretary of Defense under section 112 of title 32, United States Code: *Provided*, That during the performance of such duty, the members of the National Guard shall be under State command and control: *Provided further*, That such duty shall be treated as full-time National Guard duty for purposes of sections 12602(a)(2) and (b)(2) of title 10, United States Code.

SEC. 8062. Funds appropriated in this Act for operation and maintenance of the Military Departments, Unified and Specified Commands and Defense Agencies shall be available for reimbursement of pay, allowances and other expenses which would otherwise be incurred against appropriations for the National Guard and Reserve when members of the National Guard and Reserve provide intelligence or counterintelligence support to Unified Commands, Defense Agencies and Joint Intelligence Activities, including the activities and programs included within the National Foreign Intelligence Program (NFIP), the Joint Military Intelligence Pro-

gram (JMIP), and the Tactical Intelligence and Related Activities (TIARA) aggregate: *Provided*, That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures.

SEC. 8063. During the current fiscal year, none of the funds appropriated in this Act may be used to reduce the civilian medical and medical support personnel assigned to military treatment facilities below the September 30, 1999 level: *Provided*, That the Service Surgeons General may waive this section by certifying to the congressional defense committees that the beneficiary population is declining in some catchment areas and civilian strength reductions may be consistent with responsible resource stewardship and capitation-based budgeting.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8064. (a) None of the funds appropriated in this Act may be transferred to or obligated from the Pentagon Reservation Maintenance Revolving Fund, unless the Secretary of Defense certifies that the total cost for the planning, design, construction and installation of equipment for the renovation of the Pentagon Reservation will not exceed \$1,222,000,000.

(b) The Secretary shall, in conjunction with the Pentagon Renovation, design and construct secure secretarial offices and support facilities and security-related changes to the subway entrance at the Pentagon Reservation.

SEC. 8065. (a) None of the funds available to the Department of Defense for any fiscal year for drug interdiction or counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(b) None of the funds available to the Central Intelligence Agency for any fiscal year for drug interdiction and counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(TRANSFER OF FUNDS)

SEC. 8066. Appropriations available in this Act under the heading "Operation and Maintenance, Defense-Wide" for increasing energy and water efficiency in Federal buildings may, during their period of availability, be transferred to other appropriations or funds of the Department of Defense for projects related to increasing energy and water efficiency, to be merged with and to be available for the same general purposes, and for the same time period, as the appropriation or fund to which transferred.

SEC. 8067. None of the funds appropriated by this Act may be used for the procurement of ball and roller bearings other than those produced by a domestic source and of domestic origin: *Provided*, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 8068. Notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis,

to American Samoa: *Provided*, That notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to the Indian Health Service when it is in conjunction with a civil-military project.

SEC. 8069. None of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the congressional defense committees that such an acquisition must be made in order to acquire capability for national security purposes that is not available from United States manufacturers.

SEC. 8070. Notwithstanding any other provision of law, the Naval shipyards of the United States shall be eligible to participate in any manufacturing extension program financed by funds appropriated in this or any other Act.

SEC. 8071. Notwithstanding any other provision of law, each contract awarded by the Department of Defense during the current fiscal year for construction or service performed in whole or in part in a State which is not contiguous with another State and has an unemployment rate in excess of the national average rate of unemployment as determined by the Secretary of Labor, shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in such State that is not contiguous with another State, individuals who are residents of such State and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills: *Provided*, That the Secretary of Defense may waive the requirements of this section, on a case-by-case basis, in the interest of national security.

SEC. 8072. During the current fiscal year, the Army shall use the former George Air Force Base as the airhead for the National Training Center at Fort Irwin: *Provided*, That none of the funds in this Act shall be obligated or expended to transport Army personnel into Edwards Air Force Base for training rotations at the National Training Center.

SEC. 8073. (a) The Secretary of Defense shall submit, on a quarterly basis, a report to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate setting forth all costs (including incremental costs) incurred by the Department of Defense during the preceding quarter in implementing or supporting resolutions of the United Nations Security Council, including any such resolution calling for international sanctions, international peacekeeping operations, and humanitarian missions undertaken by the Department of Defense. The quarterly report shall include an aggregate of all such Department of Defense costs by operation or mission.

(b) The Secretary of Defense shall detail in the quarterly reports all efforts made to seek credit against past United Nations expenditures and all efforts made to seek compensation from the United Nations for costs incurred by the Department of Defense in implementing and supporting United Nations activities.

SEC. 8074. (a) LIMITATION ON TRANSFER OF DEFENSE ARTICLES AND SERVICES.—Notwithstanding any other provision of law, none of

the funds available to the Department of Defense for the current fiscal year may be obligated or expended to transfer to another nation or an international organization any defense articles or services (other than intelligence services) for use in the activities described in subsection (b) unless the congressional defense committees, the Committee on International Relations of the House of Representatives, and the Committee on Foreign Relations of the Senate are notified 15 days in advance of such transfer.

(b) COVERED ACTIVITIES.—This section applies to—

(1) any international peacekeeping or peace-enforcement operation under the authority of chapter VI or chapter VII of the United Nations Charter under the authority of a United Nations Security Council resolution; and

(2) any other international peacekeeping, peace-enforcement, or humanitarian assistance operation.

(c) REQUIRED NOTICE.—A notice under subsection (a) shall include the following:

(1) A description of the equipment, supplies, or services to be transferred.

(2) A statement of the value of the equipment, supplies, or services to be transferred.

(3) In the case of a proposed transfer of equipment or supplies—

(A) a statement of whether the inventory requirements of all elements of the Armed Forces (including the reserve components) for the type of equipment or supplies to be transferred have been met; and

(B) a statement of whether the items proposed to be transferred will have to be replaced and, if so, how the President proposes to provide funds for such replacement.

SEC. 8075. To the extent authorized by subchapter VI of chapter 148 of title 10, United States Code, the Secretary of Defense may issue loan guarantees in support of United States defense exports not otherwise provided for: *Provided*, That the total contingent liability of the United States for guarantees issued under the authority of this section may not exceed \$15,000,000,000: *Provided further*, That the exposure fees charged and collected by the Secretary for each guarantee, shall be paid by the country involved and shall not be financed as part of a loan guaranteed by the United States: *Provided further*, That the Secretary shall provide quarterly reports to the Committees on Appropriations, Armed Services and Foreign Relations of the Senate and the Committees on Appropriations, Armed Services and International Relations in the House of Representatives on the implementation of this program: *Provided further*, That amounts charged for administrative fees and deposited to the special account provided for under section 2540(c)(d) of title 10, shall be available for paying the costs of administrative expenses of the Department of Defense that are attributable to the loan guarantee program under subchapter VI of chapter 148 of title 10, United States Code.

SEC. 8076. None of the funds available to the Department of Defense shall be obligated or expended to make a financial contribution to the United Nations for the cost of an United Nations peacekeeping activity (whether pursuant to assessment or a voluntary contribution) or for payment of any United States arrearage to the United Nations.

SEC. 8077. None of the funds available to the Department of Defense under this Act shall be obligated or expended to pay a contractor under a contract with the Department of Defense for costs of any amount paid by the contractor to an employee when—

(1) such costs are for a bonus or otherwise in excess of the normal salary paid by the contractor to the employee; and

(2) such bonus is part of restructuring costs associated with a business combination.

SEC. 8078. (a) None of the funds appropriated or otherwise made available in this Act may be used to transport or provide for the transportation of chemical munitions or agents to the Johnston Atoll for the purpose of storing or demilitarizing such munitions or agents.

(b) The prohibition in subsection (a) shall not apply to any obsolete World War II chemical munition or agent of the United States found in the World War II Pacific Theater of Operations.

(c) The President may suspend the application of subsection (a) during a period of war in which the United States is a party.

SEC. 8079. None of the funds provided in title II of this Act for "Former Soviet Union Threat Reduction" may be obligated or expended to finance housing for any individual who was a member of the military forces of the Soviet Union or for any individual who is or was a member of the military forces of the Russian Federation.

#### (INCLUDING TRANSFER OF FUNDS)

SEC. 8080. During the current fiscal year, no more than \$5,000,000 of appropriations made in this Act under the heading "Operation and Maintenance, Defense-Wide" may be transferred to appropriations available for the pay of military personnel, to be merged with, and to be available for the same time period as the appropriations to which transferred, to be used in support of such personnel in connection with support and services for eligible organizations and activities outside the Department of Defense pursuant to section 2012 of title 10, United States Code.

SEC. 8081. For purposes of section 1553(b) of title 31, United States Code, any subdivision of appropriations made in this Act under the heading "Shipbuilding and Conversion, Navy" shall be considered to be for the same purpose as any subdivision under the heading "Shipbuilding and Conversion, Navy" appropriations in any prior year, and the 1 percent limitation shall apply to the total amount of the appropriation.

SEC. 8082. During the current fiscal year, in the case of an appropriation account of the Department of Defense for which the period of availability for obligation has expired or which has closed under the provisions of section 1552 of title 31, United States Code, and which has a negative unliquidated or unexpended balance, an obligation or an adjustment of an obligation may be charged to any current appropriation account for the same purpose as the expired or closed account if—

(1) the obligation would have been properly chargeable (except as to amount) to the expired or closed account before the end of the period of availability or closing of that account;

(2) the obligation is not otherwise properly chargeable to any current appropriation account of the Department of Defense; and

(3) in the case of an expired account, the obligation is not chargeable to a current appropriation of the Department of Defense under the provisions of section 1405(b)(8) of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101-510, as amended (31 U.S.C. 1551 note): *Provided*, That in the case of an expired account, if subsequent review or investigation discloses that there was not in fact a negative unliquidated or unexpended balance in the account, any charge to a current account under the au-

thority of this section shall be reversed and recorded against the expired account: *Provided further*, That the total amount charged to a current appropriation under this section may not exceed an amount equal to 1 percent of the total appropriation for that account.

#### (TRANSFER OF FUNDS)

SEC. 8083. Upon enactment of this Act, the Secretary of Defense shall make the following transfers of funds: *Provided*, That the amounts transferred shall be available for the same purposes as the appropriations to which transferred, and for the same time period as the appropriation from which transferred: *Provided further*, That the amounts shall be transferred between the following appropriations in the amount specified:

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1988/2001":

SSN-688 attack submarine program, \$6,585,000;

CG-47 cruiser program, \$12,100,000;

Aircraft carrier service life extension program, \$202,000;

LHD-1 amphibious assault ship program, \$2,311,000;

LSD-41 cargo variant ship program, \$566,000;

T-AO fleet oiler program, \$3,494,000;

AO conversion program, \$133,000;

Craft, outfitting, and post delivery, \$1,688,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1995/2001":

DDG-51 destroyer program, \$27,079,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1989/2000":

DDG-51 destroyer program, \$13,200,000;

Aircraft carrier service life extension program, \$186,000;

LHD-1 amphibious assault ship program, \$3,621,000;

LCAC landing craft, air cushioned program, \$1,313,000;

T-AO fleet oiler program, \$258,000;

AOE combat support ship program, \$1,078,000;

AO conversion program, \$881,000;

T-AGOS drug interdiction conversion, \$407,000;

Outfitting and post delivery, \$219,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1996/2000":

LPD-17 amphibious transport dock ship, \$21,163,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1990/2002":

SSN-688 attack submarine program, \$5,606,000;

DDG-51 destroyer program, \$6,000,000;

ENTERPRISE refueling/modernization program, \$2,306,000;

LHD-1 amphibious assault ship program, \$183,000;

LSD-41 dock landing ship cargo variant program, \$501,000;

LCAC landing craft, air cushioned program, \$345,000;

MCM mine countermeasures program, \$1,369,000;

Moored training ship demonstration program, \$1,906,000;

Oceanographic ship program, \$1,296,000;

AOE combat support ship program, \$4,086,000;

AO conversion program, \$143,000;

Craft, outfitting, post delivery, and ship special support equipment, \$1,209,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1990/2002":

T-AGOS surveillance ship program, \$5,000,000;

Coast Guard icebreaker program, \$8,153,000;

Under the heading, "Shipbuilding and Conversion, Navy, 1996/2002":

LPD-17 amphibious transport dock ship, \$7,192,000;

Under the heading, "Shipbuilding and Conversion, Navy, 1998/2002":

CVN refuelings, \$4,605,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1991/2001":

SSN-21(AP) attack submarine program, \$1,614,000;

LHD-1 amphibious assault ship program, \$5,647,000;

LSD-41 dock landing ship cargo variant program, \$1,389,000;

LCAC landing craft, air cushioned program, \$330,000;

AOE combat support ship program, \$1,435,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1998/2001":

CVN refuelings, \$10,415,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1992/2001":

SSN-21 attack submarine program, \$11,983,000;

Craft, outfitting, post delivery, and DBOF transfer, \$836,000;

Escalation, \$5,378,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1998/2001":

CVN refuelings, \$18,197,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1993/2002":

Carrier replacement program (AP), \$30,332,000;

LSD-41 cargo variant ship program, \$676,000;

AOE combat support ship program, \$2,066,000;

Craft, outfitting, post delivery, and first destination transportation, and inflation adjustments, \$2,127,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1998/2002":

CVN refuelings, \$29,844,000;

Under the heading, "Shipbuilding and Conversion, Navy, 1999/2002":

Craft, outfitting, post delivery, conversions, and first destination transportation, \$5,357,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1994/2003":

LHD-1 amphibious assault ship program, \$23,900,000;

Oceanographic ship program, \$9,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1994/2003":

DDG-51 destroyer program, \$18,349,000;

Under the heading, "Shipbuilding and Conversion, Navy, 1995/1999":

DDG-51 destroyer program, \$5,383,000;

Under the heading, "Shipbuilding and Conversion, Navy, 1996/2000":

LPD-17 amphibious transport dock ship, \$168,000;

Under the heading, "Shipbuilding and Conversion, Navy, 1999/2003":

Craft, outfitting, post delivery, conversions, and first destination transportation, \$9,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1996/2000":

SSN-21 attack submarine program, \$10,100,000;

LHD-1 amphibious assault ship program, \$7,100,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1996/2000":

DDG-51 destroyer program, \$3,723,000;

LPD-17 amphibious transport dock ship, \$13,477,000;

From:

Under the heading, "National Defense Sealift Fund, 1996":

Defense features, \$30,000,000;

Under the heading, "National Defense Sealift Fund, 1999":

Research, development, test and evaluation, \$8,000,000;

To:

Under the heading, "National Defense Sealift Fund, 1997":

Maritime pre-positioning force enhancement, \$38,000,000.

SEC. 8084. The Under Secretary of Defense (Comptroller) shall submit to the congressional defense committees by February 1, 2000, a detailed report identifying, by amount and by separate budget activity, activity group, subactivity group, line item, program element, program, project, subproject, and activity, any activity for which the fiscal year 2001 budget request was reduced because Congress appropriated funds above the President's budget request for that specific activity for fiscal year 2000.

SEC. 8085. Funds appropriated in title II of this Act and for the Defense Health Program in title VI of this Act for supervision and administration costs for facilities maintenance and repair, minor construction, or design projects may be obligated at the time the reimbursable order is accepted by the performing activity: *Provided*, That for the purpose of this section, supervision and administration costs includes all in-house Government cost.

SEC. 8086. The Secretary of Defense may waive reimbursement of the cost of conferences, seminars, courses of instruction, or similar educational activities of the Asia-Pacific Center for Security Studies for military officers and civilian officials of foreign nations if the Secretary determines that attendance by such personnel, without reimbursement, is in the national security interest of the United States: *Provided*, That costs for which reimbursement is waived pursuant to this subsection shall be paid from appropriations available for the Asia-Pacific Center.

SEC. 8087. (a) Notwithstanding any other provision of law, the Chief of the National Guard Bureau may permit the use of equipment of the National Guard Distance Learning Project by any person or entity on a space-available, reimbursable basis. The Chief of the National Guard Bureau shall establish the amount of reimbursement for such use on a case-by-case basis.

(b) Amounts collected under subsection (a) shall be credited to funds available for the National Guard Distance Learning Project and be available to defray the costs associated with the use of equipment of the project under that subsection. Such funds shall be available for such purposes without fiscal year limitation.

SEC. 8088. Using funds available by this Act or any other Act, the Secretary of the Air Force, pursuant to a determination under section 2690 of title 10, United States Code,

may implement cost-effective agreements for required heating facility modernization in the Kaiserslautern Military Community in the Federal Republic of Germany: *Provided*, That in the City of Kaiserslautern such agreements will include the use of United States anthracite as the base load energy for municipal district heat to the United States Defense installations: *Provided further*, That at Landstuhl Army Regional Medical Center and Ramstein Air Base, furnished heat may be obtained from private, regional or municipal services, if provisions are included for the consideration of United States coal as an energy source.

SEC. 8089. Notwithstanding 31 U.S.C. 3902, during the current fiscal year, interest penalties may be paid by the Department of Defense from funds financing the operation of the military department or defense agency with which the invoice or contract payment is associated.

SEC. 8090. None of the funds appropriated in title IV of this Act may be used to procure end-items for delivery to military forces for operational training, operational use or inventory requirements: *Provided*, That this restriction does not apply to end-items used in development, prototyping, and test activities preceding and leading to acceptance for operational use: *Provided further*, That this restriction does not apply to programs funded within the National Foreign Intelligence Program: *Provided further*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that it is in the national security interest to do so.

#### (RESCISSIONS)

SEC. 8091. Of the funds provided in the Department of Defense Appropriations Act, 1999 (Public Law 105-262), \$452,100,000, to reflect savings from revised economic assumptions, is hereby rescinded as of the date of enactment of this Act, or October 1, 1999, whichever is later, from the following accounts in the specified amounts:

"Aircraft Procurement, Army", \$8,000,000;  
 "Missile Procurement, Army", \$7,000,000;  
 "Procurement of Weapons and Tracked Combat Vehicles, Army", \$9,000,000;  
 "Procurement of Ammunition, Army", \$6,000,000;  
 "Other Procurement, Army", \$19,000,000;  
 "Aircraft Procurement, Navy", \$44,000,000;  
 "Weapons Procurement, Navy", \$8,000,000;  
 "Procurement of Ammunition, Navy and Marine Corps", \$3,000,000;  
 "Shipbuilding and Conversion, Navy", \$37,000,000;  
 "Other Procurement, Navy", \$23,000,000;  
 "Procurement, Marine Corps", \$5,000,000;  
 "Aircraft Procurement, Air Force", \$46,000,000;  
 "Missile Procurement, Air Force", \$14,000,000;  
 "Procurement of Ammunition, Air Force", \$2,000,000;  
 "Other Procurement, Air Force", \$44,400,000;  
 "Procurement, Defense-Wide", \$5,200,000;  
 "Chemical Agents and Munitions Destruction, Army", \$5,000,000;  
 "Research, Development, Test and Evaluation, Army", \$20,000,000;  
 "Research, Development, Test and Evaluation, Navy", \$40,900,000;  
 "Research, Development, Test and Evaluation, Air Force", \$76,900,000; and  
 "Research, Development, Test and Evaluation, Defense-Wide", \$28,700,000:  
*Provided*, That these reductions shall be applied proportionally to each budget activity,

activity group and subactivity group and each program, project, and activity within each appropriation account.

SEC. 8092. The budget of the President for fiscal year 2001 submitted to Congress pursuant to section 1105 of title 31, United States Code, and each annual budget request thereafter, shall include budget activity groups (known as "subactivities") in all appropriations accounts provided in this Act, as may be necessary, to separately identify all costs incurred by the Department of Defense to support the North Atlantic Treaty Organization and all Partnership For Peace programs and initiatives. The budget justification materials submitted to Congress in support of the budget of the Department of Defense for fiscal year 2001, and subsequent fiscal years, shall provide complete, detailed estimates for all such costs.

SEC. 8093. None of the funds made available in this Act may be used to approve or license the sale of the F-22 advanced tactical fighter to any foreign government.

SEC. 8094. (a) The Secretary of Defense may, on a case-by-case basis, waive with respect to a foreign country each limitation on the procurement of defense items from foreign sources provided in law if the Secretary determines that the application of the limitation with respect to that country would invalidate cooperative programs entered into between the Department of Defense and the foreign country, or would invalidate reciprocal trade agreements for the procurement of defense items entered into under section 2531 of title 10, United States Code, and the country does not discriminate against the same or similar defense items produced in the United States for that country.

(b) Subsection (a) applies with respect to—

(1) contracts and subcontracts entered into on or after the date of the enactment of this Act; and

(2) options for the procurement of items that are exercised after such date under contracts that are entered into before such date if the option prices are adjusted for any reason other than the application of a waiver granted under subsection (a).

(c) Subsection (a) does not apply to a limitation regarding construction of public vessels, ball and roller bearings, food, and clothing or textile materials as defined by section 11 (chapters 50–65) of the Harmonized Tariff Schedule and products classified under headings 4010, 4202, 4203, 6401 through 6406, 6505, 7019, 7218 through 7229, 7304.41 through 7304.49, 7306.40, 7502 through 7508, 8105, 8108, 8109, 8211, 8215, and 9404.

SEC. 8095. Funds made available to the Civil Air Patrol in this Act under the heading "Drug Interdiction and Counter-Drug Activities, Defense" may be used for the Civil Air Patrol Corporation's counterdrug program, including its demand reduction program involving youth programs, as well as operational and training drug reconnaissance missions for Federal, State and local government agencies; for administrative costs, including the hiring of Civil Air Patrol Corporation employees; for travel and per diem expenses of Civil Air Patrol Corporation personnel in support of those missions; and for equipment needed for mission support or performance: *Provided*, That of these funds, \$300,000 shall be made available to establish and operate a distance learning program: *Provided further*, That the Department of the Air Force should waive reimbursement from the Federal, State and local government agencies for the use of these funds.

SEC. 8096. Notwithstanding any other provision of law, the TRICARE managed care

support contracts in effect, or in final stages of acquisition as of September 30, 1999, may be extended for two years: *Provided*, That any such extension may only take place if the Secretary of Defense determines that it is in the best interest of the Government: *Provided further*, That any contract extension shall be based on the price in the final best and final offer for the last year of the existing contract as adjusted for inflation and other factors mutually agreed to by the contractor and the Government: *Provided further*, That notwithstanding any other provision of law, all future TRICARE managed care support contracts replacing contracts in effect, or in the final stages of acquisition as of September 30, 1999, may include a base contract period for transition and up to seven one-year option periods.

SEC. 8097. None of the funds in this Act may be used to compensate an employee of the Department of Defense who initiates a new start program without notification to the Office of the Secretary of Defense, the Office of Management and Budget, and the congressional defense committees, as required by Department of Defense financial management regulations.

SEC. 8098. Section 8118 of the Department of Defense Appropriations Act, 1999 (Public Law 105-262; 112 Stat. 2331; 10 U.S.C. 2241 note) is amended by striking "convicted" and inserting "debarred by the Department of Defense based upon a conviction".

SEC. 8099. In addition to the amounts provided elsewhere in this Act, notwithstanding any other provision of law, \$5,000,000 is hereby appropriated to the Office of the Secretary of Defense, and is available only for a grant to the Women in Military Service for America Memorial Foundation, Inc., only for costs associated with completion of the "Women in Military Service For America" memorial at Arlington National Cemetery.

#### TRAINING AND OTHER PROGRAMS

SEC. 8100. (a) PROHIBITION.—None of the funds made available by this Act may be used to support any training program involving a unit of the security forces of a foreign country if the Secretary of Defense has received credible information from the Department of State that the unit has committed a gross violation of human rights, unless all necessary corrective steps have been taken.

(b) MONITORING.—The Secretary of Defense, in consultation with the Secretary of State, shall ensure that prior to a decision to conduct any training program referred to in subsection (a), full consideration is given to all credible information available to the Department of State relating to human rights violations by foreign security forces.

(c) WAIVER.—The Secretary of Defense, after consultation with the Secretary of State, may waive the prohibition in subsection (a) if he determines that such waiver is required by extraordinary circumstances.

SEC. 8101. Notwithstanding any other provision in this Act, the total amount appropriated in this Act is hereby reduced by \$171,000,000 to reflect savings from favorable foreign currency fluctuations, to be distributed as follows:

"Military Personnel, Army", \$19,100,000;  
 "Military Personnel, Navy", \$2,200,000;  
 "Military Personnel, Air Force", \$9,900,000;  
 "Operation and Maintenance, Army", \$80,700,000;  
 "Operation and Maintenance, Navy", \$13,700,000;  
 "Operation and Maintenance, Air Force", \$26,900,000;  
 "Operation and Maintenance, Defense-Wide", \$8,700,000; and

"Defense Health Program", \$9,800,000.

SEC. 8102. Notwithstanding any other provision of law, the Secretary of Defense may retain all or a portion of the family housing at Fort Buchanan, Puerto Rico, as the Secretary deems necessary to meet military family housing needs arising out of the relocation of elements of the United States Army South to Fort Buchanan.

#### U.S. ARMY NATIONAL TRAINING CENTER ACCESS AND TRAINING ENHANCEMENTS

SEC. 8103. From within amounts made available in title II of this Act, under the heading "Operation and Maintenance, Army", and notwithstanding any other provision of law, \$12,500,000 shall be available only for repairs and safety improvements to the segment of Fort Irwin Road which extends from Interstate 15 northeast toward the boundary of Fort Irwin, California and the originating intersection of Irwin Road: *Provided*, That these funds shall remain available until expended: *Provided further*, That the authorized scope of work includes, but is not limited to, environmental documentation and mitigation, engineering and design, improving safety, resurfacing, widening lanes, and replacing signs and pavement markings: *Provided further*, That these funds may be used for advances to the Federal Highway Administration, Department of Transportation, for the authorized scope of work.

SEC. 8104. Funds appropriated to the Department of the Navy in title II of this Act may be available to replace lost and canceled Treasury checks issued to Trans World Airlines in the total amount of \$255,333.24 for which timely claims were filed and for which detailed supporting records no longer exist.

SEC. 8105. Notwithstanding any other provision of law, section 112 of Public Law 105-261 shall apply only to phase III of the Army's second source acquisition strategy for medium tactical vehicles.

SEC. 8106. None of the funds appropriated or made available in this Act to the Department of the Navy shall be used to develop, lease or procure the ADC(X) class of ships unless the main propulsion diesel engines are manufactured in the United States by a domestically operated entity: *Provided*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes or there exists a significant cost or quality difference.

SEC. 8107. From within amounts made available in title II of this Act under the heading "Operation and Maintenance, Defense-Wide", and notwithstanding any other provision of law, \$2,500,000 shall be available only for a grant for "America's Promise—The Alliance for Youth, Inc.", only to support, on a dollar-for-dollar matching basis with non-departmental funds, efforts to mobilize individuals, groups and organizations to build and strengthen the character and competence of the Nation's youth.

SEC. 8108. Of the funds made available in this Act, not less than \$47,100,000 shall be available to maintain an attrition reserve force of 23 B-52 aircraft, of which \$3,000,000 shall be available from "Military Personnel, Air Force", \$34,500,000 shall be available from "Operation and Maintenance, Air Force", and \$9,600,000 shall be available from "Aircraft Procurement, Air Force": *Provided*,

That the Secretary of the Air Force shall maintain a total force of 94 B-52 aircraft, including 23 attrition reserve aircraft, during fiscal year 2000: *Provided further*, That the Secretary of Defense shall include in the Air Force budget request for fiscal year 2001 amounts sufficient to maintain a B-52 force totaling 94 aircraft.

SEC. 8109. Notwithstanding any other provision in this Act, the total amount appropriated in title II is hereby reduced by \$100,000,000 to reflect savings resulting from reviews of Department of Defense missions and functions conducted pursuant to Office of Management and Budget Circular A-76, to be distributed as follows:

"Operation and Maintenance, Army", \$34,300,000;

"Operation and Maintenance, Navy", \$22,800,000;

"Operation and Maintenance, Marine Corps", \$1,400,000; and

"Operation and Maintenance, Air Force", \$41,500,000:

*Provided*, That none of the funds appropriated or otherwise made available by this Act may be obligated or expended for the purpose of contracting out functions directly related to the award of Department of Defense contracts, oversight of contractors with the Department of Defense, or the payment of such contractors including, but not limited to: contracting technical officers, contact administration officers, accounting and finance officers, and budget officers.

SEC. 8110. (a) REPORT ON OMB CIRCULAR A-76 REVIEWS OF WORK PERFORMED BY DOD EMPLOYEES.—The Secretary of Defense shall submit a report not later than 90 days after the enactment of this Act which lists all instances since 1995 in which missions or functions of the Department of Defense have been reviewed by the Department of Defense pursuant to OMB Circular A-76. The report shall list the disposition of each such review and indicate whether the review resulted in the performance of such missions or functions by Department of Defense civilian and military personnel, or whether such reviews resulted in performance by contractors. The report shall include a description of the types of missions or functions, the locations where the missions or functions are performed, the name of the contractor performing the work (if applicable), the cost to perform the missions or functions at the time the review was conducted, and the current cost to perform the missions or functions.

(b) REPORT ON OMB CIRCULAR A-76 REVIEWS OF WORK PERFORMED BY DOD CONTRACTORS.—The report shall also identify those instances in which work performed by a contractor has been converted to performance by civilian or military employees of the Department of Defense. For each instance of contracting in, the report shall include a description of the types of work, the locations where the work was performed, the name of the contractor that was performing the work, the cost of contractor performance at the time the work was contracted in, and the current cost of performance by civilian or military employees of the Department of Defense. In addition, the report shall include recommendations for maximizing the possibility of effective public-private competition for work that has been contracted out.

(c) COMPTROLLER GENERAL REVIEW.—Not later than 90 days after the date on which the Secretary submits the annual report, the Comptroller General shall submit to the House and Senate Committees on Appropriations the Comptroller General's views on

whether the Department has complied with the requirements for the report.

SEC. 8111. The budget of the President for fiscal year 2001 submitted to Congress pursuant to section 1105 of title 31, United States Code, and each annual budget request thereafter, shall include separate budget justification documents for costs of United States armed forces' participation in contingency operations for the Military Personnel accounts, the Procurement accounts, and the Overseas Contingency Operations Transfer Fund: *Provided*, That these budget justification documents shall include a description of the funding requested for each anticipated contingency operation, for each military service, to include active duty and Guard and Reserve components, and for each appropriation account: *Provided further*, That these documents shall include estimated costs for each element of expense or object class, a reconciliation of increases and decreases for ongoing contingency operations, and programmatic data including, but not limited to troop strength for each active duty and Guard and Reserve component, and estimates of the major weapons systems deployed in support of each contingency.

SEC. 8112. In addition to amounts otherwise appropriated or made available by this Act, \$20,000,000 is appropriated to the Army National Guard and shall be available only for the purpose of the procurement or lease of fire-fighting aircraft or systems.

#### (INCLUDING TRANSFER OF FUNDS)

SEC. 8113. In addition to amounts appropriated or otherwise made available in this Act, \$50,000,000 is hereby appropriated, only to initiate and expand activities of the Department of Defense to prevent, prepare for, and respond to a terrorist attack in the United States involving weapons of mass destruction: *Provided*, That funds made available under this section shall be transferred to the following accounts:

"Reserve Personnel, Army", \$2,000,000;

"National Guard Personnel, Army", \$4,310,000;

"National Guard Personnel, Air Force", \$1,080,000;

"Operation and Maintenance, Army", \$12,110,000;

"Operation and Maintenance, Army National Guard", \$12,320,000;

"Other Procurement, Army", \$12,180,000; and

"Research, Development, Test and Evaluation, Army", \$6,000,000:

*Provided further*, That funds transferred pursuant to this section shall be merged with and be available for the same purposes and for the same time period as the appropriation to which transferred: *Provided further*, That the transfer authority provided in this section is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That of the funds transferred to "Operation and Maintenance, Army National Guard", not less than \$3,000,000 shall be made available only to establish cost effective counter-terrorism training of first responders and concurrent testing of response apparatus and equipment at the Memorial Tunnel Facility as part of the WMD Study under the WMD Task Force: *Provided further*, That of the funds transferred to "Operation and Maintenance, Army National Guard", not less than \$2,000,000 shall be made available only to support development of a structured undergraduate research program designed to produce graduates with specialized laboratory training and scientific skills required by military and industrial laboratories engaged in combating

the threat of biological and chemical terrorism: *Provided further*, That of the funds transferred to "Operation and Maintenance, Army National Guard", not less than \$3,500,000 shall be made available only to enhance distance learning technologies and develop related courseware to provide training for counter-terrorism and related concerns: *Provided further*, That of the funds transferred to "Research, Development, Test and Evaluation, Army", not less than \$3,000,000 shall be made available only to continue development and presentation of advanced distributed learning consequence management response courses and conventional courses.

#### (INCLUDING TRANSFER OF FUNDS)

SEC. 8114. In addition to the amounts made available elsewhere in this Act, \$150,000,000, to remain available until expended, is hereby appropriated to "Operation and Maintenance, Defense-Wide", only for information assurance programs, to include protection from non-authorized access to information technology systems and computer systems, and for related infrastructure expenses: *Provided*, That funds under this heading may only be obligated after the approval of the Deputy Secretary of Defense: *Provided further*, That none of the funds provided by this provision may be obligated or transferred to other appropriations accounts until fifteen days after the Deputy Secretary of Defense has submitted to the House and Senate Committees on Appropriations a proposed funding allocation and a plan for the Department of Defense to achieve information superiority and information assurance: *Provided further*, That the Deputy Secretary of Defense shall provide written notification to the House and Senate Committees on Appropriations prior to the transfer of any amount in excess of \$10,000,000 to a specific program or project: *Provided further*, That funds made available under this heading may be transferred only to operation and maintenance accounts, procurement accounts, the Defense Health Program appropriation, and research, development, test and evaluation accounts: *Provided further*, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriation to which transferred: *Provided further*, That the transfer authority provided in this section shall be in addition to the transfer authority provided to the Department of Defense in this Act or any other Act.

SEC. 8115. (a) The Secretary of Defense shall, along with submission of the fiscal year 2001 budget request for the Department of Defense, submit to the congressional defense committees a report, in both unclassified and classified versions, which contains an assessment of the advantages or disadvantages of deploying a ground-based National Missile Defense system at more than one site.

(b) This report shall include, but not be limited to, an assessment of the following issues:

(1) The ability of a single site, versus multiple sites, to counter the expected ballistic missile threat;

(2) The optimum basing locations for a single and multiple site National Missile Defense system;

(3) The survivability and redundancy of potential National Missile Defense systems under a single or multiple site architecture;

(4) The estimated costs (including development, construction and infrastructure, and procurement of equipment) associated with different site deployment options; and

(5) Other issues bearing on deploying a National Missile Defense system at one or more sites.

SEC. 8116. The Secretary of the Navy and the Secretary of the Air Force each shall submit a report to the congressional defense committees within 90 days of enactment of this Act in both classified and unclassified form which shall provide a detailed description of the dedicated aggressor squadrons used to conduct combat flight training for the Navy, Marine Corps and Air Force covering the period from fiscal year 1990 through the present. For each year of the specified time period, each report shall provide a detailed description of the following: the assets which comprise dedicated aggressor squadrons including both aircrews, and the types and models of aircraft assigned to these squadrons; the number of training sorties for all forms of combat flight training which require aggressor aircraft, and the number of sorties that the dedicated aggressor squadrons can generate to meet these requirements; the ratio of the total inventory of attack and fighter aircraft to the number of aircraft available for dedicated aggressor squadrons; a comparison of the performance characteristics of the aircraft assigned to dedicated aggressor squadrons compared to the performance characteristics of the aircraft they are intended to represent in training scenarios; an assessment of pilot proficiency by year from 1986 to the present; Service recommendations to enhance aggressor squadron proficiency to include number of dedicated aircraft, equipment, facilities, and personnel; and a plan that proposes improvements in dissimilar aircraft air combat training.

SEC. 8117. None of the funds appropriated or otherwise made available by this or other Department of Defense Appropriations Acts may be obligated or expended for the purpose of performing repairs or maintenance to military family housing units of the Department of Defense, including areas in such military family housing units that may be used for the purpose of conducting official Department of Defense business: *Provided*, That the Department of Defense Office of the Inspector General shall provide a report to the House and Senate Committees on Appropriations not later than 60 days after the enactment of this Act which assesses the compliance of each of the military services with applicable appropriations law, Office of Management and Budget circulars, and Undersecretary of Defense (Comptroller) directives which govern funding for maintenance and repairs to flag officer quarters: *Provided further*, That this report shall include an assessment as to whether there have been violations of the Anti-Deficiency Act resulting from instances of improper funding of such maintenance and repair projects.

SEC. 8118. Notwithstanding any other provision of law, funds appropriated in this Act under the heading "Research, Development, Test and Evaluation, Defense-Wide" for any advanced concept technology demonstration project may only be obligated thirty days after a report, including a description of the project and its estimated annual and total cost, has been provided in writing to the congressional defense committees: *Provided*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying to the congressional defense committees that it is in the national interest to do so: *Provided further*, That none of the funds appropriated under the heading "Research, Development, Test and Evaluation, Defense-Wide" in the Department of Defense

Appropriations Act, 1999 (Public Law 105-262) are available for the Line of Sight Anti-Tank Program: *Provided further*, That of the funds appropriated under the heading "Research, Development, Test and Evaluation, Defense-Wide" in Public Law 105-262, \$10,027,000 shall be available only for the Air Directed Surface to Air Missile.

SEC. 8119. Notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be used for concept development, pre-engineering management and development, engineering management and development, risk reduction, program office operations, travel of Department of Defense personnel, or contributions to international cooperative efforts for the Medium Extended Air Defense System, or successor systems: *Provided*, That none of the funds appropriated under the heading "Research, Development, Test and Evaluation, Defense-Wide" in the Department of Defense Appropriations Act, 1999 (Public Law 105-262) are available for the Medium Extended Air Defense System or successor systems.

SEC. 8120. None of the funds in this Act may be used to conduct a Defense Acquisition Board oversight review of a major weapon system acquisition unless the Commander-in-Chief of the United States Atlantic Command is a fully participating member of the Board which is conducting the review: *Provided*, That none of the funds in this Act may be used for the Defense Acquisition Board to approve a major weapon system acquisition to proceed into a subsequent phase of development or production unless the Commander-in-Chief of the United States Atlantic Command certifies to the congressional defense committees that the acquisition fully meets joint service interoperability requirements as determined by the theater Commanders-in-Chief: *Provided further*, That no additional funds or personnel beyond those contained in the fiscal year 2000 President's budget for ongoing United States Atlantic Command activities are available to support participation by the Commander-in-Chief of the United States Atlantic Command in Defense Acquisition Board weapon system reviews.

SEC. 8121. Of the funds appropriated in title II of this Act under the heading "Operation and Maintenance, Army", \$250,000 shall be available only for a grant to the Nebraska Game and Parks Commission for the purpose of locating, identifying the boundaries of, acquiring, preserving, and memorializing the cemetery site that is located in close proximity to Fort Atkinson, Nebraska. The Secretary of the Army shall require as a condition of such grant that the Nebraska Game and Parks Commission, in carrying out the purposes of which the grant is made, work in conjunction with the Nebraska State Historical Society. The grant under this section shall be made without regard to section 1301 of title 31, United States Code, or any other provision of law.

SEC. 8122. Notwithstanding any other provision of law, for the purpose of establishing all Department of Defense policies governing the provision of care provided by and financed under the military health care system, the term "custodial care" shall be defined as care designed essentially to assist an individual in meeting the activities of daily living and which does not require the supervision of trained medical, nursing, paramedical or other specially trained individuals.

SEC. 8123. During the current fiscal year—

(1) refunds attributable to the use of the Government travel card and refunds attrib-

utable to official Government travel arranged by Government Contracted Travel Management Centers may be credited to operation and maintenance accounts of the Department of Defense which are current when the refunds are received; and

(2) refunds attributable to the use of the Government Purchase Card by military personnel and civilian employees of the Department of Defense may be credited to accounts of the Department of Defense that are current when the refunds are received and that are available for the same purposes as the accounts originally charged.

SEC. 8124. During the current fiscal year and hereafter, any Federal grant of funds to an institution of higher education to be available solely for student financial assistance or related administrative costs may be used for the purpose for which the grant is made without regard to any provision to the contrary in section 514 of the Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Act, 1997 (10 U.S.C. 503 note), or section 983 of title 10, United States Code.

#### INFORMATION TECHNOLOGY SYSTEMS

SEC. 8125. (a) REGISTERING WITH DOD CHIEF INFORMATION OFFICER.—After March 31, 2000, none of the funds appropriated in this Act may be used for an information technology system that is not registered with the Chief Information Officer of the Department of Defense. A system shall be considered to be registered with that officer upon the furnishing to that officer of notice of the system, together with such information concerning the system as the Secretary of Defense may prescribe.

(b) MILESTONE CERTIFICATIONS TO CONGRESSIONAL COMMITTEES.—An information technology system may not receive Milestone I approval, Milestone II approval, or Milestone III approval until the Chief Information Officer of the Department of Defense provides to the congressional defense committees written certification, with respect to that milestone, that the system is being developed in accordance with the sections 5122 and 5123 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1422, 1423). The Chief Information Officer shall include with any such certification a report providing, at a minimum, the funding baseline and milestone schedule for the system and confirmation that the following steps have been taken with respect to the system:

- (1) Business process reengineering.
  - (2) An analysis of alternatives.
  - (3) An economic analysis that includes a calculation of the return on investment.
  - (4) Performance measures.
  - (5) Effective information security measure.
- (c) DEFINITIONS.—For purposes of this section:

(1) The term "Chief Information Officer" means the senior official of the Department of Defense designated by the Secretary of Defense pursuant to section 3506 of title 44, United States Code.

(2) The term "information technology" has the meaning given that term in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401), but does not include a national security system.

(3) The term "national security system" has the meaning given that term in section 5142 of such Act (40 U.S.C. 1452).

SEC. 8126. During the current fiscal year, none of the funds available to the Department of Defense may be used to provide support to another department or agency of the United States if such department or agency is more than 90 days in arrears in making payment to the Department of Defense for



goods or services previously provided to such department or agency on a reimbursable basis: *Provided*, That this restriction shall not apply if the Department is authorized by law to provide support to such department or agency on a nonreimbursable basis, and is providing the requested support pursuant to such authority: *Provided further*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that it is in the national security interest to do so.

SEC. 8127. (a) RECOVERY OF CERTAIN DOD ADMINISTRATIVE EXPENSES IN CONNECTION WITH FOREIGN MILITARY SALES PROGRAM.—Charges for administrative services calculated under section 21(e) of the Arms Export Control Act (22 U.S.C. 2761(e)) in connection with the sale of defense articles or defense services shall (notwithstanding paragraph (3) of section 43(b) of such Act (22 U.S.C. 2792(b))) include recovery of administrative expenses incurred by the Department of Defense during fiscal year 2000 that are attributable to (1) salaries of members of the Armed Forces, and (2) unfunded estimated costs of civilian retirement and other benefits.

(b) REIMBURSEMENT OF APPLICABLE MILITARY PERSONNEL ACCOUNTS.—During the current fiscal year, amounts in the Foreign Military Sales Trust Fund shall be available in an amount not to exceed \$63,000,000 to reimburse the applicable military personnel accounts in title I of this Act for the value of administrative expenses referred in subsection (a)(1).

(c) REDUCTIONS TO REFLECT AMOUNTS EXPECTED TO BE RECOVERED.—(1) The amounts in title I of this Act are hereby reduced by an aggregate of \$63,000,000 (such amount being the amount expected to be recovered by reason of subsection (a)(1)).

(2) The amounts in title II of this Act are hereby reduced by an aggregate of \$31,000,000 (such amount being that amount expected to be recovered by reason of subsection (a)(2)).

SEC. 8128. (a) The Communications Act of 1934 is amended in section 337(b) (47 U.S.C. 337(b)), by deleting paragraph (2). Upon enactment of this provision, the FCC shall initiate the competitive bidding process in fiscal year 1999 and shall conduct the competitive bidding in a manner that ensures that all proceeds of such bidding are deposited in accordance with section 309(j)(8) of the Act not later than September 30, 2000. To expedite the assignment by competitive bidding of the frequencies identified in section 337(a)(2) of the Act, the rules governing such frequencies shall be effective immediately upon publication in the Federal Register, notwithstanding 5 U.S.C. 553(d), 801(a)(3), 804(2), and 806(a). Chapter 6 of such title, 15 U.S.C. 632, and 44 U.S.C. 3507 and 3512, shall not apply to the rules and competitive bidding procedures governing such frequencies. Notwithstanding section 309(b) of the Act, no application for an instrument of authorization for such frequencies shall be granted by the Commission earlier than 7 days following issuance of public notice by the Commission of the acceptance for filing of such application or of any substantial amendment thereto. Notwithstanding section 309(d)(1) of such Act, the Commission may specify a period (no less than 5 days following issuance of such public notice) for the filing of petitions to deny any application for an instrument of authorization for such frequencies.

(b)(1) Not later than 15 days after the date of the enactment of this Act, the Director of

the Office of Management and Budget and the Federal Communications Commission shall each submit to the appropriate congressional committees a report which shall—

(A) set forth the anticipated schedule (including specific dates) for—

(i) preparing and conducting the competitive bidding process required by subsection (a); and

(ii) depositing the receipts of the competitive bidding process;

(B) set forth each significant milestone in the rulemaking process with respect to the competitive bidding process;

(C) include an explanation of the effect of each requirement in subsection (a) on the schedule for the competitive bidding process and any post-bidding activities (including the deposit of receipts) when compared with the schedule for the competitive bidding and any post-bidding activities (including the deposit of receipts) that would otherwise have occurred under section 337(b)(2) of the Communications Act of 1934 (47 U.S.C. 337(b)(2)) if not for the enactment of subsection (a);

(D) set forth for each spectrum auction held by the Federal Communications Commission since 1993 information on—

(i) the time required for each stage of preparation for the auction;

(ii) the date of the commencement and of the completion of the auction;

(iii) the time which elapsed between the date of the completion of the auction and the date of the first deposit of receipts from the auction in the Treasury; and

(iv) the dates of all subsequent deposits of receipts from the auction in the Treasury; and

(E) include an assessment of how the stages of the competitive bidding process required by subsection (a), including preparation, commencement and completion, and deposit of receipts, will differ from similar stages in the auctions referred to in subparagraph (D).

(2) Not later than October 5, 2000, the Director of the Office of Management and Budget and the Federal Communications Commission shall each submit to the appropriate congressional committees the report which shall—

(A) describe the course of the competitive bidding process required by subsection (a) through September 30, 2000, including the amount of any receipts from the competitive bidding process deposited in the Treasury as of September 30, 2000; and

(B) if the course of the competitive bidding process has included any deviations from the schedule set forth under paragraph (1)(A), an explanation for such deviations from the schedule.

(3) The Federal Communications Commission may not consult with the Director in the preparation and submittal of the reports required of the Commission by this subsection.

(4) In this subsection, the term “appropriate congressional committees” means the following:

(A) The Committees on Appropriations, the Budget, and Commerce of the Senate.

(B) The Committees on Appropriations, the Budget, and Commerce of the House of Representatives.

DEPARTMENT OF DEFENSE REPORT ON THE CONDUCT OF OPERATION DESERT FOX AND OPERATION ALLIED FORCE

SEC. 8129. (a) REPORT REQUIRED.—Not later than January 31, 2000, the Secretary of Defense shall submit to the congressional defense committees in both classified and unclassified form a report on the conduct of Op-

eration Desert Fox and Operation Allied Force (also referred to as Operation Noble Anvil). The Secretary of Defense shall submit to such committees a preliminary report on the conduct of these operations not later than October 15, 1999. The report (including the preliminary report) should be prepared in consultation with the Chairman of the Joint Chiefs of Staff, the Commander in Chief of the United States Central Command, and the Commander in Chief of the United States European Command.

(b) REVIEW OF SUCCESSES AND DEFICIENCIES.—The report should contain a thorough review of the successes and deficiencies of these operations, with respect to the following matters:

(1) United States military objectives in these operations.

(2) With respect to Operation Allied Force, the military strategy of the North Atlantic Treaty Organization (NATO) to obtain said military objectives.

(3) The command structure for the execution of Operation Allied Force.

(4) The process for identifying, nominating, selecting, and verifying targets to be attacked during Operation Desert Fox and Operation Allied Force.

(5) A comprehensive battle damage assessment of targets prosecuted during the conduct of the air campaigns in these operations, to include—

(A) fixed targets, both military and civilian, to include bridges, roads, rail lines, airfields, power generating plants, broadcast facilities, oil refining infrastructure, fuel and munitions storage installations, industrial plants producing military equipment, command and control nodes, civilian leadership bunkers and military barracks;

(B) mobile military targets such as tanks, armored personnel carriers, artillery pieces, trucks, and air defense assets;

(C) with respect to Operation Desert Fox, research and production facilities associated with Iraq's weapons of mass destruction and ballistic missile programs, and any military units or organizations associated with such activities within Iraq; and

(D) a discussion of decoy, deception and counter-intelligence techniques employed by the Iraqi and Serbian military.

(6) The use and performance of United States military equipment, weapon systems, munitions, and national and tactical reconnaissance and surveillance assets (including items classified under special access procedures) and an analysis of—

(A) any equipment or capabilities that were in research and development and if available could have been used in these operations' respective theater of operations;

(B) any equipment or capabilities that were available and could have been used but were not introduced into these operations' respective theater of operations; and

(C) any equipment or capabilities that were introduced to these operations' respective theater of operations that could have been used but were not.

(7) Command, control, communications and operational security of NATO forces as a whole and United States forces separately during Operation Allied Force, including the ability of United States aircraft to operate with aircraft of other nations without degradation of capabilities or protection of United States forces.

(8) The deployment of United States forces and supplies to the theater of operations, including an assessment of airlift and sealift

(to include a specific assessment of the deployment of Task Force Hawk during Operation Allied Force, to include detailed explanations for the delay in initial deployment, the suitability of equipment deployed compared to other equipment in the U.S. inventory that was not deployed, and a critique of the training provided to operational personnel prior to and during the deployment).

(9) The use of electronic warfare assets, in particular an assessment of the adequacy of EA-6B aircraft in terms of inventory, capabilities, deficiencies, and ability to provide logistics support.

(10) The effectiveness of reserve component forces including their use and performance in the theater of operations.

(11) The contributions of United States (and with respect to Operation Allied Force, NATO) intelligence and counterintelligence systems and personnel, including an assessment of the targeting selection and bomb damage assessment process.

(c) The report should also contain:

(1) An analysis of the transfer of operational assets from other United States Unified Commands to these operations' theater of operations and the impact on the readiness, warfighting capability and deterrence value of those commands.

(2) An analysis of the implications of these operations as regards the ability of United States armed forces and intelligence capabilities to carry out the current national security strategy, including—

(A) whether the Department of Defense and its components, and the intelligence community and its components, have sufficient force structure and manning as well as equipment (to include items such as munitions stocks) to deploy, prosecute and sustain operations in a second major theater of war as called for under the current national security strategy;

(B) which, if any aspects, of currently programmed manpower, operations, training and other readiness programs, and weapons and other systems are found to be inadequate in terms of supporting the national military strategy; and

(C) what adjustments need to be made to current defense planning and budgets, and specific programs to redress any deficiencies identified by this analysis.

This Act may be cited as the "Department of Defense Appropriations Act, 2000".

AMENDMENT NO. 7 OFFERED BY MR. KUCINICH

Mr. KUCINICH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. KUCINICH: At the end of the bill insert after the last section (preceding the short title) the following new section:

SEC. —. None of the funds made available in this Act may be used to procure a munition of a type referred to as a "cluster bomb" (also known as "combined effects munitions", "CBU munitions", "sensor-fused weapons", "area-impact munitions", "anti-personnel bomblets", "anti-material bomblets", and "anti-armor bomblets").

Mr. KUCINICH. Mr. Chairman, I rise today to offer an amendment that would prohibit any funds for the procurement of cluster bombs. Cluster bombs come in all types, sizes, colors and labels. But they all do two things. They often fail to explode when

dropped in wartime, and they kill innocent civilians long after the war is over.

These weapons are dropped either by aircraft or rocket launchers. They break open in midair and disperse hundreds of bomblets that saturate an area with flying shards of steel. Cluster bombs turn into land mines when some of the bomblets fail to explode right away. The failure rate in cluster weapons is extremely high, between 5 percent to 30 percent. A GAO report on Desert Storm states that during the Gulf War, the Army's MLRS, the military launch rocket system, failed to explode when dropped more than 5 percent of the time, with some reaching a failure rate as high as 23 percent.

These unexploded bombs essentially become land mines and wreak havoc and kill civilians long after the war is over. About 1,100 cluster bombs containing more than 200,000 bomblets rained down on Yugoslavia and the Kosovo province. More than 1,100 unexploded bomblets are lying in fields in Kosovo. Usually these weapons come in various colors and toy-sized shapes to designate their type. They are very attractive to young children. Many of these children that play or are curious about these bombs are either killed or maimed. A recent example of this took place Saturday, April 24, when five ethnic Albanian children ages 3 to 15 were killed by unexploded cluster bombs trying to pry one open with a knife. According to the World Health Organization, in the past month over 170 people, that is over 170 people, have been killed or maimed by unexploded cluster bombs. Only last month, two British soldiers were killed trying to defuse an unexploded cluster bomb.

During the Gulf War, more than one-quarter of the total number of weapons dropped by aircraft in Iraq and Kuwait were cluster bombs. This means that 24 million to 30 million bomblets were dropped during the Gulf War. More than 1.2 million of these bombs failed to explode during the Gulf War and are now killing people, even though the war is over. More than 1,600 civilians were killed and over 2,500 injured in the first 2 years after the end of the Gulf War from cluster bombs. A Kuwaiti doctor said that 60 percent of those killed were children.

During the Vietnam War, more than 2.3 million tons of bombs fell on Laos. Many of them were cluster bombs. With a failure rate of 30 percent, an estimated 4 million cluster bomblets are still lying in rice fields, villages and on roadsides in Vietnam, Laos and Cambodia.

I want to bring my colleagues' attention to a young boy who fell victim to a cluster bomb explosion just 2 years ago, in 1996, 20 years after the end of the Vietnam War. While tilling the family rice paddy behind a water buffalo Ton Kemla's plow hit a long-hid-

den cluster bomblet that exploded and ripped him apart. My colleagues, because of cluster bombs, a young man in Laos became a victim of the war 20 years after the conclusion of the war. He had not even been born when the war officially ended. No difference, cluster bombs destroyed him even after the troops stopped fighting. He is not alone. There are many like him.

I ask why do we buy weapons and use weapons that have such a high incidence of failure and a high likelihood of killing after the war is over? We have much more sophisticated weaponry that is smarter and more effective in fighting a war. We will have spent more than \$4.8 billion between 1995 and 1999 buying cluster bombs. We should not spend another penny on weapons that fail and that kill children after a war is over.

In addition to that, we have incidents where cluster bombs were dropped on populated areas during the war. What is NATO doing letting cluster bombs fall on populated areas?

Mr. MURTHA. Mr. Chairman, I rise in opposition to the amendment.

I appreciate what the gentleman from Ohio is saying. I appreciate the tragedy in every war. Having been on the ground in combat myself, I have seen the mutilation of people affected by the wars themselves. It is not a pretty sight. We have had some record that we have had some problems with cluster bombs. It seems to me, though, that to ban them completely would endanger our own troops. I would have to oppose this strongly until we had an opportunity to maybe work out something, where in case we are fighting the type of war we did lately, that we would not use them in that type of war. I do not even know that I could agree to that. But I certainly could not agree to not using them at a time when it protects our own forces.

Mr. KUCINICH. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from Ohio.

Mr. KUCINICH. Mr. Chairman, I thank the gentleman for yielding. One of the things that called this to my attention is there was a dropping of cluster bombs at a downtown area of Nice, killing and injuring scores of shoppers and destroying about 20 homes.

Mr. MURTHA. I understand what the gentleman is saying, and I appreciate what he is saying. I think it is something we should look into. I would like to get this to a vote so we can move on with the bill.

Mr. KUCINICH. I respect the gentleman.

I would ask the gentleman, finally, if the gentleman would be interested in at least reviewing this policy related to cluster bombs being dropped near populated areas.

Mr. MURTHA. I think that is a legitimate request, and, working with

the committee, I am sure we can work something out here.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. KUCINICH).

The amendment was rejected.

AMENDMENT NO. 8 OFFERED BY MR. KUCINICH

Mr. KUCINICH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. KUCINICH:

At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . (a) The Comptroller General, the Director of the Congressional Budget Office, and the Director of the Congressional Research Service of the Library of Congress shall conduct such studies as appropriate and within their respective capabilities to assist Congress in evaluating the air campaign conducted by the North Atlantic Treaty Organization (NATO) against the Federal Republic of Yugoslavia during Operation Allied Force in 1999. Those studies shall, at a minimum, identify the following matters:

(1) The damage that the NATO plan for the air campaign identified as necessary.

(2) The reasons why that damage was identified as being necessary.

(3) The military forces that the plan required and the extent to which those forces were committed.

(4) The extent to which the air campaign achieved the desired level of damage.

(5) The extent to which the damage caused by the air campaign had the predicted effects in terms of reducing capabilities of the Federal Republic of Yugoslavia in Kosovo.

(6) The extent to which the damage caused by the air campaign had the predicted effects in terms of undermining command and control capabilities of the ruling regime of the Federal Republic of Yugoslavia.

(7) The role of the bombing in obtaining the agreement of the regime of the Federal Republic of Yugoslavia to the Military Technical Agreement of June 10, 1999.

(8) Any other factors that led to the decision by the regime of the Federal Republic to the Military Technical Agreement of June 10, 1999.

(b) The studies under subsection (a) shall be submitted to Congress not later than one year after the date of the enactment of this Act.

(c) All data that would be declassified in the course of the studies under subsection (a) shall be electronically published on the Internet, and statistical data shall be electronically published in spreadsheet form, for use by the public, academicians, and non-governmental organizations.

Mr. LEWIS of California. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from California reserves a point of order.

Mr. KUCINICH. Mr. Chairman, the amendment I am offering today should not be controversial. The purpose of the amendment is to direct the Congressional Research Service, the Congressional Budget Office, and the General Accounting Office to coordinate a study that would evaluate the effec-

tiveness of the air campaign in the Federal Republic of Yugoslavia and in Kosovo.

Astonishingly, no one is now conducting a study of such depth. Indeed, the Department of Defense is undertaking its own study of its performance in Yugoslavia. I commend them for doing that. But in my opinion their review will not go far enough. It will not completely answer an important question that many of us are asking: Was the bombing campaign effective in achieving our strategic and tactical goals in the Balkans?

Many lessons will be learned from the Kosovo war. But will they be the right lessons? Will they be correct or will they be clouded in bias by various interests? The study I propose would allow for a truly independent study conducted by various independent organizations. After 1 year, the report would be given to Congress and the data would be published on the Internet so that the public could have free and open access to it.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. KUCINICH. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. If the gentleman would consider withdrawing this amendment, I would coordinate with him a letter from he and I to the GAO to get the kind of independent study he wants. I think it is a legitimate request, I think it is something we should do, and I think we should find out exactly what somebody outside the services believes about the bombing campaign and how effective it was and the other things that he has talked about.

Mr. KUCINICH. I am interested in doing that. Could we also ask the GAO to perform this study quickly so that important evidence would not be lost?

Mr. MURTHA. Absolutely.

Mr. KUCINICH. Then I would gratefully express my appreciation to the gentleman from Pennsylvania. I look forward to writing that letter with him.

Mr. Chairman, I withdraw my amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

Mr. TERRY. Mr. Chairman, I move to strike the last word.

I rise to engage the gentleman from California in a colloquy on a matter of concern that was brought to my attention by members of the Guard and Reserve. They believe that some savings may be realized by conversion of positions.

I had planned to offer an amendment to clarify the scope of the Defense Department's study of contracting out military and civilian positions pursuant to OMB Circular A-76. As the gentleman from California knows, the Department of Defense announced in 1995

that it could save approximately \$10 billion over the next 10 years by contracting out 230,000 jobs to the private sector. While I support the savings, I want to make sure that privatization does not harm war-fighting capability of the United States Armed Forces.

According to this week's "Defense News," Department of Defense officials are beginning to rethink their policy of planned competitions because some of the services have asked if they could achieve the required manpower and cost savings through their own re-engineering.

This is what I believe we need to address. The Department of Defense has moved rapidly towards outsourcing, without allowing the individual service chiefs or base commanders the opportunity to meet manpower reductions and cost savings through other means. The Congress should encourage defense officials to consider savings that might be realized by giving greater consideration to retaining members of the military service and civilian personnel to perform required Department of Defense workload. I believe that cost savings can still be realized without affecting our war-fighting capability.

I want to commend the gentleman from California for his efforts in assessing the privatization issue. I ask him if he agrees that section 8109 and 8110 of the bill before us would cause the Department of Defense to give greater consideration to retaining government civilian employees and military members when considering whether to contract out support functions.

□ 1700

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. TERRY. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I want to thank my colleague from Nebraska for bringing his concern to my attention, and I share his concern about the potential consequences that the current outsourcing initiative may have on the Department of Defense. I would also like to assure the gentleman that the intent of sections 8109 and 8110 is to give greater consideration to government employees and military service members as the Department of Defense continues its outsourcing initiative.

Mr. TERRY. Mr. Chairman, I thank the gentleman.

AMENDMENT OFFERED BY MR. STARK

Mr. STARK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STARK:

At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC.—. None of the funds made available in this Act may be used by the Armed Forces to participate in, or to provide support for, any airshow or trade exhibition held outside the United States.

Mr. STARK (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. STARK. Mr. Chairman, this is a simple amendment, and it does not save much money, but we learned from years ago from H. R. Gross that we save a little bit at a time and it adds up to a big amount.

But we have been subsidizing defense contractors at air shows designed to sell our weapons to foreign governments. I have no quarrel, and I am not here to debate the value or the validity of air shows, but I am suggesting that we have had a long history with this, and it culminated in 1992 when a U.S. Marine aircraft crashed on its way back from the Singapore airport, and in response to that misuse of taxpayers' money, because we had subsidized that air show by sending our planes, our men to basically be demonstrators or sales people—

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. STARK. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, there is no question we banned this at one time, we have had an erosion on the plan, we agree with what the gentleman is trying to do, and on behalf of the minority Democrat side I certainly would be glad to accept the amendment.

Mr. STARK. I appreciate the gentleman.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. STARK. I yield to the distinguished gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I very much appreciate my colleague bringing this matter to our attention. I have a very similar interests that he has here, and we are happy to accept the gentleman's amendment.

Mr. STARK. The gentleman's record is well known in that regard, and I deeply appreciate his support of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. STARK).

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments?

Mr. DICKS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of H.R. 2561, the Defense Appropriations Act. I would like to thank Chairman LEWIS and Ranking Member MURTHA for their excellent work on this bill. And while thanking the Chairman and Ranking Member is customary, I believe that the Committee this year was able, through congressional oversight and additional funding, to begin the process of helping the Department of Defense fix those parts of the De-

fense budget which are broken. Wherever you stand on the larger issue of defense spending and on particular programs and weapons systems, fixing the Defense budget is good news, and it will improve the national security of this country.

This bill begins the process of fixing both long term budget problems, and near term problems identified during the recent conflict in Yugoslavia. The conflict in Kosovo was, in my view, an important triumph for U.S. ideals over the worst kind of repression seen in Europe in decades. But more centrally for the purposes of this bill, it also demonstrated and revealed much about the tremendous capabilities of several U.S. weapons systems including the B-2 bomber, and our deficiencies in other areas like electronic jamming. This bill seeks to emphasize and enhance those capabilities that performed well, and address those areas that revealed weaknesses.

H.R. 2561 includes funding for a 15th JSTARS aircraft, which performed magnificently in Kosovo. The Air Force has a requirement for 19 JSTARS, but only budgeted for 13. It increases funding for the EA-6B force, which was extremely effective but was strained to its limits flying continual sorties every day. And it continues the process of weaponizing the most advanced and effective bomber force in the world.

The work done by the House of Representatives over the last several years to support the heavy bomber force was dramatically vindicated in this recent conflict. As many of you know, the B-2 was the star of the air campaign over Kosovo, but it was not the only star. JDAM, the Joint Direct Attack Munition, was also a tremendous success. This simple weapon costs only about \$15,000 a copy to buy. But combined with the radar and accuracy of the B-2, it performed flawlessly, and demolished almost every target it was assigned to destroy. Compared to the over \$1 million cost of the CALCM cruise missiles also used in Kosovo, the JDAM was nothing short of a miracle for capability compared to cost. But as many of you know, JDAMs have only recently entered the U.S. arsenal. Boeing delivered the first production model of JDAM to the Air Force on June 24, 1998. The B-2 was still able to use JDAMs flawlessly, however, because Congress had appropriated funding for an early version, GATS/GAM. Congress accelerated the GATS/GAM program in FY93 by over a year, and it was successfully tested in October of 1996. Without the experience of testing and training with GATS/GAM, we might not have been as successful in the early days of the air campaign in Kosovo, when the B-2 was the only plane that could access the skies over Belgrade, and the only plane that could attack anywhere in bad weather.

We must continue to weaponize both the bomber and tac-air forces for conventional all-weather combat. We saw in Kosovo the importance of being able to forward deploy bombers closer to the theater of combat to get sortie rates up. We also saw the importance of in-theater communications. This highlights the need for Link 16 and inflight reprogramming capabilities on all of the bombers.

H.R. 2561 fully funds those needs. For this reason, it enjoys my strong support, and I urge all members to vote "aye."

The CHAIRMAN. Are their further amendments?

If there are no further amendments, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. HANSEN) having assumed the chair, Mr. CAMP, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2561) making appropriations for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes, pursuant to House Resolution 256, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The CHAIRMAN. The question is on passage of the bill.

Pursuant to clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 379, nays 45, not voting 10, as follows:

[Roll No. 334]  
YEAS—379

Abercrombie	Brady (TX)	DeGette
Ackerman	Brown (FL)	Delahunt
Aderholt	Bryant	DeLauro
Allen	Burr	DeLay
Andrews	Burton	DeMint
Archer	Buyer	Deutsch
Armey	Callahan	Diaz-Balart
Bachus	Calvert	Dickey
Baird	Camp	Dicks
Baker	Campbell	Dingell
Baldacci	Canady	Dixon
Ballenger	Cannon	Dooley
Barcia	Capps	Doolittle
Barr	Cardin	Doyle
Barrett (NE)	Carson	Dreier
Bartlett	Castle	Edwards
Barton	Chabot	Ehlers
Bass	Chambliss	Ehrlich
Bateman	Chenoweth	Emerson
Bentsen	Clay	Engel
Bereuter	Clayton	English
Berkley	Clement	Etheridge
Berman	Clyburn	Evans
Berry	Coble	Everett
Biggert	Collins	Ewing
Bilbray	Combest	Farr
Bilirakis	Condit	Fattah
Bishop	Cook	Fletcher
Blagojevich	Cooksey	Foley
Bile	Costello	Forbes
Blumenauer	Cox	Ford
Blunt	Coyne	Fossella
Boehlert	Cramer	Fowler
Boehner	Crane	Frank (MA)
Bonilla	Crowley	Franks (NJ)
Bonior	Cubin	Frelinghuysen
Bono	Cummings	Frost
Borski	Cunningham	Gallegly
Boswell	Danner	Gekas
Boucher	Davis (FL)	Gephardt
Boyd	Davis (VA)	Gibbons
Brady (PA)	Deal	Gilchrest

Gillmor	Lucas (OK)	Salmon
Gilman	Maloney (CT)	Sanchez
Gonzalez	Maloney (NY)	Sandlin
Goode	Manzullo	Sanford
Goodlatte	Markey	Sawyer
Goodling	Martinez	Saxton
Gordon	Mascara	Scarborough
Goss	Matsui	Schaffer
Graham	McCarthy (MO)	Scott
Granger	McCarthy (NY)	Serrano
Green (TX)	McCollum	Sessions
Green (WI)	McCrery	Shadegg
Greenwood	McHugh	Shaw
Gutknecht	McIntosh	Shays
Hall (OH)	McIntyre	Sherman
Hall (TX)	McKeon	Sherwood
Hansen	McNulty	Shimkus
Hastert	Meehan	Shows
Hastings (FL)	Meek (FL)	Shuster
Hastings (WA)	Menendez	Simpson
Hayes	Metcalf	Siskis
Hayworth	Mica	Skeen
Hefley	Millender-	Skelton
Herger	McDonald	Slaughter
Hill (IN)	Miller (FL)	Smith (MI)
Hill (MT)	Miller, Gary	Smith (NJ)
Hilleary	Minge	Smith (TX)
Hilliard	Mink	Smith (WA)
Hinche	Moakley	Snyder
Hinojosa	Mollohan	Souder
Hobson	Moore	Spence
Hoeffel	Moran (KS)	Spratt
Hoekstra	Moran (VA)	Stabenow
Holden	Morella	Stearns
Holt	Murtha	Stenholm
Horn	Myrick	Strickland
Hostettler	Napolitano	Stump
Houghton	Neal	Stupak
Hoyer	Nethercutt	Sununu
Hulshof	Ney	Sweeney
Hunter	Northup	Talent
Hutchinson	Norwood	Tancredo
Hyde	Nussle	Tanner
Inslee	Olver	Tauscher
Isakson	Ortiz	Tauzin
Istook	Ose	Taylor (MS)
Jackson-Lee	Oxley	Taylor (NC)
(TX)	Packard	Terry
Jefferson	Pallone	Thomas
Jenkins	Pascarell	Thompson (CA)
John	Pastor	Thompson (MS)
Johnson (CT)	Pease	Thornberry
Johnson, E.B.	Pelosi	Thune
Johnson, Sam	Peterson (MN)	Thurman
Jones (NC)	Petri	Tiahrt
Kanjorski	Phelps	Tierney
Kaptur	Pickering	Toomey
Kelly	Pickett	Traficant
Kildee	Pitts	Turner
Kilpatrick	Pombo	Udall (CO)
Kind (WI)	Pomeroy	Udall (NM)
King (NY)	Porter	Upton
Kingston	Price (NC)	Visclosky
Klecza	Pryce (OH)	Vitter
Klink	Quinn	Walden
Knollenberg	Radanovich	Walsh
Kolbe	Rahall	Wamp
Kuykendall	Ramstad	Watkins
LaFalce	Regula	Watt (NC)
LaHood	Reyes	Watts (OK)
Lampson	Reynolds	Weiner
Lantos	Riley	Weldon (FL)
Largent	Rodriguez	Weldon (PA)
Latham	Roemer	Weller
LaTourette	Rogan	Wexler
Leach	Rogers	Weygand
Levin	Rohrabacher	Wicker
Lewis (CA)	Ros-Lehtinen	Wilson
Lewis (GA)	Rothman	Wise
Lewis (KY)	Roukema	Wolf
Linder	Roybal-Allard	Woolsey
Lipinski	Royce	Wu
LoBiondo	Ryan (WI)	Wynn
Lowe	Ryun (KS)	Young (AK)
Lucas (KY)	Sabo	Young (FL)

## NAYS—45

Baldwin	Doggett	Jackson (IL)
Barrett (WI)	Duncan	Jones (OH)
Brown (OH)	Eshoo	Kucinich
Capuano	Filner	Larson
Coburn	Ganske	Lazio
Conyers	Gejdenson	Lee
Davis (IL)	Gutierrez	Lofgren
DeFazio	Hooley	Luther

McGovern	Owens	Schakowsky
McKinney	Paul	Sensenbrenner
Meeks (NY)	Payne	Stark
Miller, George	Rangel	Velázquez
Nadler	Rivers	Vento
Oberstar	Rush	Waters
Obey	Sanders	Waxman

## NOT VOTING—10

Becerra	McDermott	Towns
Dunn	McInnis	Whitfield
Kasich	Peterson (PA)	
Kennedy	Portman	

□ 1726

Mr. COBURN, Mr. CONYERS, and Mrs. JONES of Ohio changed their vote from "yea" to "nay."

Mr. DEUTSCH, Mrs. MINK of Hawaii, Mr. WEYGAND and Ms. WOOLSEY changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. PORTMAN. Mr. Speaker, because I was in my District, I was absent for Rollcall vote 334. Had I been in attendance, I would have voted "yea" on rollcall vote 334.

Stated against:

Mr. BECERRA. Mr. Speaker, on July 22, 1999, I was unavoidably detained during a rollcall vote; number 334, on passage of H.R. 2561, the Department of Defense Appropriations for F.Y. 2000. Had I been present for the vote, I would have voted "no."

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT, FRIDAY, JULY 23, 1999 TO FILE PRIVILEGED REPORT FOR ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 2000

Mr. LEWIS of California. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight, Friday, July 23, 1999 to file a privileged report on a bill making appropriations for energy and water development for the fiscal year ending September 30, 2000, and for other purposes.

The SPEAKER pro tempore (Mr. PETRI). Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Pursuant to clause 1 of rule XX, all points of order are reserved on the bill.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT, JULY 23, 1999 TO FILE PRIVILEGED REPORT ON DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

Mr. LEWIS of California. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight, Friday, July 23, 1999 to file a privileged report on a bill

making appropriations for the government of the District of Columbia and other activities chargeable, in whole or in part, against the revenues of said District for the fiscal year ending September 30, 2000, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Pursuant to clause 1 of rule XX, all points of order are reserved on the bill.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT, JULY 23, 1999 TO FILE PRIVILEGED REPORT ON FOREIGN OPERATIONS APPROPRIATIONS ACT, 2000

Mr. LEWIS of California. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight, Friday, July 23, 1999 to file a privileged report on a bill making appropriations for foreign operations, export financing and related programs for the fiscal year ending September 30, 2000, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Pursuant to clause 1 of rule XX, all points of order are reserved on the bill.

## LEGISLATIVE PROGRAM

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, I rise for the purposes of inquiring as to what the schedule may be for the remainder of this week and next week.

Mr. Speaker, I yield to the gentleman from New York for the purpose of answering the inquiry.

Mr. LAZIO of New York. Mr. Speaker, I thank the distinguished Democratic whip for yielding.

Mr. Speaker, I am pleased to announce that the legislative business for this week has been completed.

The House will meet on Monday, July 26 at 12:30 p.m. for morning hour, and 2 o'clock p.m. for legislative business. We will consider a number of bills under suspension of the rules, a list of which will be distributed to all Members' offices tomorrow. After suspensions, we will begin consideration of H.R. 1074, the Regulatory Right to Know Act. Members should be aware that there will be recorded votes after 6 o'clock p.m. on Monday, July 26.

On Tuesday and the balance of next week, the House will take up the following measures: H.J. Resolution 57, a joint resolution disapproving China NTR; the Energy and Water Appropriations Act, the District of Columbia Appropriations Act, and the Foreign Operations Appropriations Act.

□ 1730

Mr. Speaker, I would also like to remind the House of the memorial arrangements that have been made to honor the life of our great colleague, the gentleman from California (Mr. Brown).

On Wednesday July 28 at 12:30 p.m. there will be a memorial service in California. We, therefore, will not schedule any votes on Wednesday in order to allow Members to attend that ceremony.

On Friday, July 30, at 11:00 a.m., there will be a service in Statutory Hall open to all Members as well.

I wish all Members safe travels back to their district, and thank the gentleman for yielding.

Mr. BONIOR. Mr. Speaker, I have a couple of inquiries of the gentleman from New York (Mr. LAZIO). First, I would like to ask the gentleman what time on Tuesday will the China MFN be considered?

Mr. LAZIO. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from New York.

Mr. LAZIO. Mr. Speaker, I thank the gentleman for yielding.

My expectation is that it will be earlier in the day rather than later, although, of course, there is no certainty. I would expect that it would be earlier on Tuesday.

Mr. BONIOR. I thank my colleague on that.

Then let me also ask the gentleman from New York (Mr. LAZIO), we assume that no votes will occur or any debate would occur on Wednesday, in honor of our late colleague, the gentleman from California (Mr. Brown), because of the services. Am I correct on that?

Mr. LAZIO. Yes. If the gentleman would yield again, I expect that all recorded or requested votes will be rolled or postponed. We do not expect any votes, but we do expect legislative business on that day, including debate and possible other committee consideration, but there will be no votes, recorded votes, that will be held on that day.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Wisconsin.

Mr. OBEY. Let me simply strenuously object to that proposition. The fact is that the gentleman from California (Mr. Brown) was a distinguished Member of this House. He had a good many friends, and a lot of those friends were on the Committee on Appropriations. I do not believe it is right, when one of the most senior Members of the House and one of the most distinguished members of the House has a memorial service and a number of us would be denied the opportunity to attend that memorial service because they want our committees to stay here debating appropriation bills that day.

It just seems to me that there ought to be another way that a civilized institution could honor one of its own without preventing some of his oldest friends from attending that memorial service.

I would say that if we cannot find that kind of accommodation that there are a lot of things that could be slowed down next week.

Mr. LAZIO. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from New York.

Mr. LAZIO. Mr. Speaker, I would be happy to try and respond to that, if the gentleman would like a response.

Mr. BONIOR. I would be very happy to yield and would tend to agree with my friend, the gentleman from Wisconsin (Mr. OBEY), on his point.

Mr. LAZIO. I thank the gentleman. I thank both gentlemen. It is certainly true that our colleague, the gentleman from California (Mr. Brown), deserves all the honor that he will be given on Wednesday. I can say that this House is trying to accommodate Members by ensuring that there will be no recorded votes on Wednesday, and we will be in discussions with the Committee on Appropriations to see the best we can do to ensure that Members are not put in a position where they need to choose; but as both gentlemen know, we are trying to get our appropriations work done.

We are trying to work around Wednesday. We have scheduled no votes on that day. We are trying to ensure that Members can get out and make that flight in the morning so they can attend the service. That will be accommodated. There will be no votes, and we will take up the other remaining appropriations bills, working around that Wednesday; and we will do the very best we possibly can in terms of committee considerations. I do not know that I can say more than that.

Mr. BONIOR. I would just remind my friend that the tradition of the House is to accommodate the Members when a Member of this body has passed away and services are held. That has been the long tradition in this House.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Wisconsin.

Mr. OBEY. Let me simply point out there are a number of Members in the California delegation who would need to be involved in the debate that would go on if they were here. It is unfair to them to expect that they ought to be here while they would like to be in California at the last opportunity to bid adieu to one of their colleagues.

So it just seems to me that this House has adjourned fully for hundreds of Members in its history, and it ought to do the same for the gentleman from California (Mr. Brown).

Mr. BONIOR. We would ask, again, that the majority revisit this issue and talk about it.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from California.

Mr. DREIER. I would simply like to say that I have the privilege of representing the district that adjoins the gentleman from California (Mr. Brown) in California, and he was a very dear friend to me. I am looking forward to the memorial service that we are going to have here in Statutory Hall and we are going to be participating in special orders for the gentleman from California (Mr. Brown) at some point, I think that is sometime next week, but I think that as my friend, the gentleman from New York (Mr. LAZIO) has said, that it is very important for us to proceed with our work here.

We appreciate the input that has come from a number of Members.

Mr. STENHOLM. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Speaker, I thank the gentleman from Michigan (Mr. BONIOR) for yielding.

Mr. Speaker, I would like to pose an additional question. I did not hear any mention of H.R. 402, a bill sponsored by the gentleman from Missouri (Mr. BLUNT) and 228 other cosponsors, a dairy bill, that has overwhelmingly passed the House Committee on Agriculture. I did not hear whether or not it might be scheduled next week.

Mr. LAZIO. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from New York.

Mr. LAZIO. I am just informed that the bill which the gentleman references is under consideration by the House leadership. It is not expected to be scheduled for next week; but it is under consideration, and I will try to ensure that the gentleman receives some update during the course of next week.

Mr. STENHOLM. Might it possibly be scheduled the following week then? I am hearing that it might be postponed until September, and there is a little anxiety among the dairy community if that would be the fact. We would hope that it would and could be scheduled prior to our August break.

Mr. LAZIO. Well, I would say to the gentleman that I am happy to try and give the gentleman an update sometime next week and we will do the very best we can. I know that the bill is under consideration by leadership now.

Mr. STENHOLM. I thank the gentleman for that.

Mr. LAZIO. The gentleman is welcome.

Mr. BONIOR. Mr. Speaker, just to conclude, I thank my friend, the gentleman from New York (Mr. LAZIO) and my friend, the gentleman from California (Mr. DREIER), for their input and would ask once again that they go



back and revisit this with the rest of their leadership, the question of Wednesday. I understand their need to move forward; and we appreciate that, having been in a similar situation ourselves, but with all due respect, especially for someone who has served with such great distinction in this body and who had so many friends, it will present a terrible conflict for Members to choose. That should not be the case. It has not been the tradition to have to face that choice, and I hope that we can revisit that decision.

I thank the gentleman for the comments this evening.

Mr. LAZIO. I thank the gentleman.

**MAKING IN ORDER ON JULY 27, 1999, OR ANY DAY THEREAFTER, CONSIDERATION OF H.J. RES. 57 DISAPPROVING EXTENSION OF NONDISCRIMINATORY TREATMENT TO PRODUCTS OF PEOPLE'S REPUBLIC OF CHINA**

Mr. DREIER. Mr. Speaker, I ask unanimous consent that it be in order at any time on July 27, 1999, or any day thereafter, to consider in the House the joint resolution (H.J. Res. 57) disapproving the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of the People's Republic of China; that the joint resolution be considered as read for amendment; that all points of order against the joint resolution and against its consideration be waived; that the joint resolution be debatable for 3 hours equally divided and controlled by the chairman of the Committee on Ways and Means in opposition to the joint resolution, and a Member in support of the joint resolution; that pursuant to sections 152 and 153 of the Trade Act of 1974, the previous question be considered as ordered on the joint resolution to final passage without intervening motion; and that the provisions of sections 152 and 153 of the Trade Act of 1974 shall not otherwise apply to any joint resolution disapproving the extension of most-favored-nation treatment to the People's Republic of China for the remainder of the first session of the 106th Congress.

The SPEAKER pro tempore (Mr. PETRI). Is there objection to the request of the gentleman from California?

Ms. PELOSI. Mr. Speaker, reserving the right to object, could the gentleman from California (Mr. DREIER) clarify the intent of this unanimous consent regarding the distribution of debatable time?

Mr. DREIER. Mr. Speaker, will the gentlewoman yield?

Ms. PELOSI. Further reserving the right to object, I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, it is the intention for us to proceed, recognizing that there are Members of the Com-

mittee on Ways and Means who both support and oppose this resolution, with an equal division of debate so that Members on both sides of this issue will have an equal opportunity to participate in this, and we are looking forward to a very interesting, fascinating, full, vigorous 3 hours of debate on this issue.

Ms. PELOSI. Further seeking clarification, when the gentleman says recognizing that Members of the Committee on Ways and Means in both parties agree or disagree on this, does that mean that only a Member of the Committee on Ways and Means of the majority or minority party can control the time?

Mr. DREIER. It is not our intention to make that decision as far as recognition. It will be up to the Chair. Again, there are Members of both the majority and the minority on the Committee on Ways and Means who are on both sides of this question, but it is clear that another Member could be recognized. In fact, the author of the resolution of disapproval is not, in fact, a Member of the Committee on Ways and Means, and it is quite possible that he could be recognized.

Ms. PELOSI. I thank the gentleman for his clarification.

Mr. DREIER. I thank the gentleman for yielding and would encourage acceptance of my unanimous consent request and again look forward to a vigorous debate.

Ms. PELOSI. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

**ADJOURNMENT TO MONDAY, JULY 26, 1999**

Mr. DREIER. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. OBEY. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

**DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT**

Mr. DREIER. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. OBEY. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

**WATER RESOURCES DEVELOPMENT ACT OF 1999**

Mr. BOEHLERT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 507) to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. OBEY. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

**REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 798**

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 798.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. OBEY. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

**PROVIDING FOR CONSIDERATION OF H.R. 1074, REGULATORY RIGHT-TO-KNOW ACT OF 1999**

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 258 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

**H. RES. 258**

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1074) to provide Government-wide accounting of regulatory costs and benefits, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Government Reform. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Government Reform now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII and except pro forma amendments for the purpose of debate. Each amendment so printed may be offered only

by the Member who caused it to be printed or his designee and shall be considered as read. The chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1745

The SPEAKER pro tempore. The gentleman from Texas (Mr. SESSIONS) is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentlewoman from New York (Ms. SLAUGHTER), pending which I yield myself such time as I may consume. During the consideration of this amendment, all time is yielded for the purpose of debate only.

Mr. Speaker, the legislation before us is a modified open rule providing for the consideration of H.R. 1074, the Regulatory Right-To-Know Act of 1999.

This open rule provides for 1 hour of general debate, equally divided between the chairman and ranking minority member of the Committee on Government Reform.

The rule provides that it shall be in order to consider as an original bill for the purposes of amendment under the 5-minute rule the amendment in the nature of a substitute recommended by the Committee on Government Reform now printed in the bill.

The bill provides that the amendment in the nature of a substitute shall be open for amendment at any point.

The rule provides for the consideration of only those amendments preprinted in the CONGRESSIONAL RECORD, which may be offered only by the Member who caused it to be printed or that designee, and pro forma amendments offered for the purpose of debate only.

The rule allows the Chairman of the Committee of the Whole to postpone votes during consideration of the bill and to reduce voting time to 5 minutes on a postponed question if the vote follows a 15-minute vote.

Finally, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, the underlying legislation, the Regulatory Right-to-Know Act is important legislation. The pur-

pose of this legislation is to increase public awareness about the costs and benefits of Federal regulations to increase accountability of the government and to improve the Federal program and rules.

The bill achieves these goals by requiring the Office of Management and Budget to prepare an annual accounting statement containing cost and benefit estimates of Federal regulatory programs.

Furthermore, this report would require an analysis of the cumulative impact of regulations on various sectors and functional areas, including the private sector.

The Regulatory Right-To-Know Act is yet another significant step towards making this government more efficient and more accountable. A more efficient and accountable government provides us with a Nation with more freedom, liberty, and integrity.

Mr. Speaker, since 1995, Congress has changed the direction of the Federal Government from the endless burden of more taxes and spending to the new fiscal discipline of balance and responsibility and accountability.

Congress has passed legislation to prevent unfunded mandates from being passed from the Federal Government to State and local governments. This legislation is now law.

Congress has passed the Small Business Paperwork Reduction Act as another incremental step toward relieving governmental burdens on small businesses and their employees.

The Regulatory Right-To-Know Act builds on these successes and provides a straight cost benefit analysis of Federal regulations.

Finally, a full and accurate accounting of regulations and their impact on the economy will now be readily available. The United States has become the global leader in technological development which, in turn, has created efficiencies in our economy and made life better for all of us.

But the Federal Government remains the largest impediment to continued growth and development. Federal regulatory programs impose tremendous cost and restrictions on innovation in the private sector and on State and local governments. That is why this legislation is so important.

Mr. Speaker, I urge my colleagues to continue the bipartisan manner in which this legislation was crafted and support this rule.

Mr. Speaker, I reserve the balance of my time.

#### MOTION TO ADJOURN

Mr. OBEY. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore (Mr. PETRI). The question is on the motion to adjourn.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. OBEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was refused.

Mr. OBEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count for a quorum.

Mr. OBEY. Mr. Speaker, I withdraw my objection.

So the motion to adjourn was rejected.

#### PROVIDING FOR CONSIDERATION OF H.R. 1074, REGULATORY RIGHT-TO-KNOW ACT OF 1999

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from New York (Ms. SLAUGHTER).

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman from Texas (Mr. SESSIONS) for yielding me the time, and I yield myself such time as I may consume.

Mr. Speaker, this is an almost open rule, for the majority has again relied on a preprinting requirement for amendments which may affect some Members of the House.

Mr. Speaker, H.R. 1074 is a bill which sorely needs improvement. Amendments to protect taxpayers from runaway spending and to analyze the cost/benefit ratio of corporate welfare were not included in the bill during its consideration in the Committee on Government Reform.

My friends on the other side are more than willing to belabor the value of and insist on a bottom line for rules which protect the life, the health, and the safety of the American people.

But when the question is restated to ask how much corporate America benefits from Federal programs, the majority is far less interested in the answer. I expect we will see that issue revisited when we take up the Hoeffel-Kucinich amendment.

H.R. 1074, the Regulatory Right-To-Know Act, has a "feel good" title to disguise the potential harm buried in its details.

As envisioned by my friends on the other side, every time the Federal Government proposes to take even the most routine action, it would be viewed through 1,000 different green eye shades.

There is little if any leeway given for action which is clearly necessary, decisions which are "no-brainers."

It is like the pedestrian whose reflex is to leap from the crosswalk to avoid a car running a red light, but first he asks how many calories will be burned and how much shoe leather will be used and how the impact of the car would impact their productivity at the office.

Now, if our pedestrian is faced with a different set of circumstances, such as deciding whether to buy a car so that they do not have to walk to work, then

that requires a different approach, and rightly so. Because, by Executive Order, we already analyze the cost and benefits of the 60 or more major rules which are proposed each year. That is sensible and reasonable.

My concern is that my friends on the other side who so often talk about government which is small and smart are now proposing to make government big and dull.

A cost benefit analysis is useful when applied in the appropriate circumstances. But with the approach advanced by this legislation, they are killing the dog to stop the fleas.

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield 10 minutes to the gentleman from Indiana (Mr. MCINTOSH).

Mr. MCINTOSH. Mr. Speaker, I am speaking today in support of the rule for a bipartisan bill to promote the public's right to know the cost benefits and impacts of Federal regulatory programs, H.R. 1074, Regulatory Right-To-Know Act of 1999.

This bill is the product of the leadership of the gentleman from Virginia (Chairman BLILEY) from the Committee on Commerce over the last several years. He really deserves a great deal of credit for bringing forward the basic idea of this bill. It also builds on the provisions offered by Senator STEVENS and Senator THOMPSON in the 1997, 1998, 1999 Treasury, General Government and Postal Appropriations Act. They put in a temporary 1-year provision very similar to what this bill does.

This bill, along with the companion bill, S. 59, also designed to establish a permanent and stronger regulatory accounting requirement, would make that year-by-year appropriations bill unnecessary.

H.R. 1074 is a good government bill, which requires the Office of Management and Budget to prepare an annual accounting statement and an associated report. This accounting statement, which is the core provision of this bill, would provide estimates ever the costs and benefits of Federal regulatory programs in the aggregate, by agency, by agency program, by program component, and by major rule.

The bill requires that accurate information be provided for the same 7-year time series as the budget of the United States, the current year, 2 years preceding this year, and the 4 years following.

The associated report would analyze the impacts of Federal rules and all the paperwork that goes along with these rules on various sectors in our economy, for example, on small businesses and on functional areas, for example, in the health care and our public health in this country.

In the associated report, OMB would identify and analyze overlaps, duplica-

tions, and potential inconsistencies among the Federal regulatory programs and offer recommendations to reform inefficient or ineffective regulatory programs.

The gentleman from Wisconsin (Mr. RYAN), who is Vice Chairman of our Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs, will go into more detail about some of the examples of those overlapping and duplicative regulations.

Now, currently, there is no report that analyzes the cumulative impact of Federal regulations. Americans, we believe, have a right to know what are the cumulative costs, what are the benefits, and what is the impact of Federal regulations on their sector of the economy and on various areas throughout the United States.

Current estimates of the "off budget," if you will, compliance costs on Americans by Federal regulatory programs are close to \$700 billion each year. By the way, that is a 25 percent increase from 10 years ago.

□ 1800

Broken down for each family in the United States, they pay, on average, \$6,900 in additional costs simply because of the compliance with Federal regulations. By the way, to put that in perspective, that is more than the typical family pays in Federal taxes, which we cut earlier today here on the House floor.

The bill requires OMB to issue guidelines to standardize agency estimates of the costs and the benefits and to use an accounting format that can be analyzed across different sectors. The bill also requires OMB to quantify the net benefits or the net costs for each alternative considered in a regulatory impact analysis accompanying a major rule. By the way, this is already required under President Clinton's executive order on regulatory review.

This information will help the public understand how and why major decisions affecting them are made by the executive branch. It will disclose that the Federal agencies chose the most effective, least costly regulatory approach.

To ensure a fair and balanced estimate of the costs and benefits, the bill also requires that this report by OMB be peer-reviewed by two or more experts and that the public have an opportunity to comment on a draft report relating to the impact of sectors. This way the bill ensures that the public can know whether OMB is doing its job to keep a lid on the stupid, silly, sometimes costly regulations that are often promulgated.

Mr. Speaker, our oversight hearings in my subcommittee, and the GAO reports, show that OMB, quite frankly, in recent years, has not done a very good job of supervising these type of regu-

latory impact analyses. So this bill will make that a legal mandate for OMB.

H.R. 1074 requires that they compile some new and improved information about these regulatory programs. However, we believe that fundamentally the bill will not pose an undue burden on OMB if they are doing their job under the current executive order, since much of the needed information is already available.

Since Ronald Reagan issued his historic executive order in 1981, Federal agencies have been required to perform cost-benefit analyses on major rules. These are the rules that constitute the bulk of that \$700 billion of cost for the regulatory programs. Also, OMB can use many other sources of information, including private regulatory accounting studies and government studies done by the agencies.

The bill, as it was reported by the gentleman from Indiana (Mr. BURTON), the Chairman of the Committee on Government Reform, made many changes on the initial draft that we have proposed to lessen the burden on the Office of Management and Budget and to address some of the Clinton administration's concerns, including a phase-in of several of the key requirements. The Congressional Budget Office estimated that the cost of this bill will be in its lowest category, less than \$500,000 each year.

Frankly, I think that is a pretty good deal. For less than \$500,000, we have the potential to save the American citizens billions of dollars in unnecessary, duplicative, and costly regulatory burdens.

There is wide support for this bill, Mr. Speaker. It is bipartisan, and it has been endorsed by many organizations, including the seven major bipartisan State and local organizations: the National Governors' Association, the National Conference of State Legislatures, the Council of State Governments, the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties, and the International City/County Management Association.

Some other organizations, Mr. Speaker, that are endorsing this bill include Alliance USA; the American Farm Bureau Federation; Americans For Tax Reform; Associated Builders and Contractors; the Business Roundtable; the Center for Study for American Business; the Chamber of Commerce of the United States, which has key voted this bill on its legislative calendar; the Chemical Manufacturers Association; Citizens for a Sound Economy, which has also key voted this bill; National Association of Manufacturers; National Federation of Independent Businesses; the Seniors Coalition; the 60 Plus Association; and the Small Business Survival Committee, which, once again, has key voted this bill on their legislative calendar.

Now, unfortunately, there have been some views that have been stated about this bill that ended up being reflected in the minority report, and so we had to issue a correction and clarification on some of those. But I want to stress, for example, that some of the opposition to this bill incorrectly states that it would "require a cost-benefit analysis of every major and minor rule."

This bill, quite frankly, does not require any new regulatory impact analyses, RIAs, no new rule-by-rule cost-benefit analyses, and no new rule-by-rule impact analyses. So that the exceptions that are currently in place under President Clinton's executive order for minor routine regulations would also apply for this bill.

Instead, the bill provides for combining a set of related rules into broad categories. Except for the regulatory impact analysis already required for major rules, the various analytical requirements relate to information after the rules are issued. So it should not require any greater regulatory burden in actually issuing those rules.

The difference may be that the administration currently, under OMB's guidance, does not always follow their own executive order. And so some of these regulatory impact analyses that are required under the President's Executive Order, in fact, are not being done. But the bill provides OMB with substantial discretion in ways to address the various analytical requirements. It makes no changes in the standard of law. It cannot slow down a rulemaking, since the analysis will be done in the aggregate, after those rules are issued; but what it will do is give the American people a very precise comprehensive view of what the benefits and what the costs are of our Federal regulations.

I strongly support the rule that has come forth from the Committee on Rules, and I believe fundamentally the public has a right to know what are the impact of our Federal regulations. We need to have open and accountable government. OMB's accounting statement and associated report will give Americans the tools to fully analyze how legislation on regulatory matters will affect them and how rules today are, in fact, impacting their lives.

Mr. Speaker, I urge my colleagues to vote for the rule and vote for the bill when it comes up on Monday.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I thank the gentleman for yielding me this time, and I use the time to ask the gentleman from Texas (Mr. SESSIONS) whether it is not correct that there is now an understanding that the House will not be in session on Wednesday so that we can attend the memorial service for the distinguished former Member from California, Mr. Brown.

Mr. SESSIONS. Mr. Speaker, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Texas.

Mr. SESSIONS. Mr. Speaker, to respond to the gentleman, and I am going to read what I have been given, it is my understanding the House will be in pro forma session and that no votes will be held, in accommodation of Republican and Democrat Members who wish to attend services for our colleague, George Brown.

Mr. OBEY. Reclaiming my time, Mr. Speaker, my understanding is correct, then, that there will be no committees asked to be running bills on the floor while that is going on?

Mr. SESSIONS. If the gentleman will continue to yield, it is my understanding that there will not be any legislative business on the floor of the House of Representatives.

Mr. OBEY. Mr. Speaker, I thank the gentleman and I thank the leadership for reconsidering that position. I am sorry to take the time of the House, but given the fact that George Brown was the ranking member of a committee, that he served here 35 years, and that he was one of the two people who were driving forces behind the first teach-ins in Vietnam, a very historic occasion in our Nation's history, and I think that is very important.

Mr. SESSIONS. I thank the gentleman for his concern and feel like we have responded appropriately.

Ms. SLAUGHTER. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

Mr. Speaker, I want to thank the gentleman from California (Mr. DREIER), the Chairman of the Committee on Rules, and the gentleman from Massachusetts (Mr. MOAKLEY), the ranking minority member, as well as the gentleman from New York (Ms. SLAUGHTER), for their work on this rule for H.R. 1074, the so-called Regulatory Right-to-Know Act of 1999.

I also want to express my appreciation to the chairman of the subcommittee, the gentleman from Indiana (Mr. MCINTOSH), the committee on which I serve as the ranking member. The gentleman from Indiana and I have developed a good working relationship. We do not always agree on the substance of some of the bills, but I think we have been able to at least have an exchange of ideas, which I hope has resulted in a better bill. We are pleased on this side of the aisle that we will have the opportunity to offer our amendment, which we believe significantly improves the bill.

While I support the underlying goal of the bill to give taxpayers information on the costs and benefits of government regulations, with the hope of improving government accountability,

efficiency, and effectiveness, I am concerned that the bill, as offered, fails to adequately protect the taxpayers. That is why, the gentleman from Pennsylvania (Mr. HOEFFEL), the gentleman from Indiana (Mr. VISCLOSKEY), and myself will be offering the Taxpayer Protection and Corporate Welfare Disclosure Amendment.

This amendment will improve the bill in three ways. First, it will require the Office of Management and Budget to identify and analyze the costs and benefits of corporate subsidies given out by the Federal Government. H.R. 1074 is supposed to provide the American people with better information about how much money Federal laws and regulations cost American businesses and what benefits are derived from those programs.

But this misses the fact that each year the Federal Government provides billions of dollars in corporate welfare to regulated businesses. This amendment would require corporate welfare to be disclosed to the American public so that they can have a complete accounting of the cost and benefits imposed on businesses by the Federal Government, not just the cost and benefits of regulations.

Second, this amendment would cap reporting expenditures by the Office of Management and Budget and Federal agencies required by H.R. 1074 to \$1 million a year. According to the Congressional Budget Office, H.R. 1074 should only cost \$500,000 a year to implement. So limiting these expenditures to double that amount, or \$1 million, should provide plenty of funds for both the regulatory and the corporate welfare components of the bill, while making sure the taxpayers do not pay the price if programs end up costing much more than anticipated by Congress.

Third, the Hoeffel amendment, the amendment that I am pleased to sponsor with that gentleman and the gentleman from Indiana (Mr. VISCLOSKEY), would sunset the bill after 4 years. Let us make sure that the information we are asking for is actually useful before we make this an open-ended requirement. If we find that the accounting required under H.R. 1074 is worthwhile, Congress can reauthorize the report at that time and make changes to it to make it better.

Mr. Speaker, I want to again thank those on the other side of the aisle who have worked on this, the gentleman from Wisconsin (Mr. RYAN) and all the others who have worked on it, and we look forward to the debate on Monday.

Mr. SESSIONS. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin (Mr. RYAN), who is the vice chairman on the Committee on Government Reform.

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the gentleman from Texas for yielding me this time, and I also want

to thank the gentleman from Ohio (Mr. KUCINICH), who is the ranking member of this subcommittee. I must admit that as a new Member of Congress it is nice to see people who really like to cooperate on a bipartisan basis, and I think the gentleman from Ohio is a person who is of strong conscience and serves this body very well, and I just wanted to commend him for his attitude in working with us on passage of this legislation. We may disagree on some of these amendments, but I would like to thank the gentleman from Ohio for his attitude on this.

I rise in support of the rule, Mr. Speaker, for H.R. 1074. I would also like to voice my support for passage of H.R. 1074, the Regulatory Right-to-Know Act. This is a bipartisan initiative. This point is made obvious by the groups that have voiced their support of this bill. It has the support of numerous groups, from the National Governors' Association to the Seniors Coalition. The U.S. Conference of Mayors, the American Farm Bureau and the U.S. Chamber of Commerce have all publicly endorsed this legislation. These diverse groups have endorsed this bill because they recognize the benefits this legislation could provide to Congress and to the citizens of this country.

This legislation will increase understanding and, therefore, public confidence in all Federal regulations and agencies. The public has the right to know the factors that affect agency decision-making. The Congress has the right to know that the intent of the legislation we pass here in Congress is being carefully considered by the agencies who promulgate these regulations, taking into account and implementing the laws we pass here in this body.

□ 1815

Through this legislation, the public will have access to information regarding the cost and benefits including the social health, safety, environment, and economic effects of major agency action.

Mr. Speaker, the key to accountability in Government is providing information. Information is vital to effective governing. The more accessible information is to the public and to the Congress, the more efficient and productive our system of Government will be.

This bill does not change the existing process for adopting agency regulations. Moreover, it helps us change the environment in which these agencies adopt regulations by fostering an atmosphere of openness and accountability.

Some groups have likened this to the annual accounting most companies do for their shareholders. Well, Mr. Speaker, the American people are the shareholders of our Government of our country and they deserve to be pro-

vided an accounting of the impact of Federal regulations.

But I would like to make one more point that is very important in the Regulatory Right-to-Know Act, which will require OMB to do an annual study looking at duplicative regulations. And believe me, Mr. Speaker, we have a lot of duplicative regulations in our Federal Government today.

Just to point out a few examples: Agriculture's Natural Resource and Conservation Service and the Army Corps of Engineers had conflict requirements over wetlands regulations. I am going to go into that in just a second.

The grantees for so many different programs are required by Federal rules to provide nearly identical information to many Federal grant-making agencies for similar grant programs, including the same type of information to various agencies.

The USDA and FDA have issued overlapping food safety regulations regarding tainted food products. Many agency programs, and thus their regulatory requirements, sometimes overlap. Just in the area of job training and employment there are 14 departments that delve into this area.

Among the 14 departments and agencies that have programs, rules, and regulations with respect to job training and employment are the Agriculture Department, the Commerce Department, the Education Department, HHS, HUD, Interior, Justice, Labor, Transportation, Treasury, Veterans' Affairs, EPA, the NRC, and the SSA.

All of these agencies promulgate regulations on job training and employment. Many of them duplicate and overlap each other. An accounting of these regulations is going to do nothing but help us get good Government, get good information to the citizens we represent.

Going back to the area of wetlands regulations, there is a great example of how overlapping and duplicative regulations can actually do a lot of harm to our constituents when we are simply trying to make sure that they comply with the Federal law.

I would like to take an example of a turf fight between two agencies over wetlands regulations. The turf fight is between the Army Corps of Engineers and the Natural Resources Conservation Service. There is a farmer named Dave Pechan who farms near Linden, California. He wanted to convert 40 acres of his land into a vineyard.

In accordance with the law, Mr. Pechan asked the Natural Resources Conservation Service to evaluate his property for possible wetlands. The Conservation Service is one of those Federal agencies that is charged with enforcing wetlands regulations.

After inspecting Mr. Pechan's land on two occasions, the Conservation Service determined that only a .3 acre swale could be considered a wetland.

He was instructed to go ahead with his vineyard plans as long as he plowed around that tiny little wetland.

Well, that seemed to settle the matter. Until one week later, when Mr. Pechan saw representatives from the Army Corps of Engineers and the U.S. Fish and Wildlife Service on his property taking pictures. They told Mr. Pechan that he may be violating the law when he farmed in wetlands.

When Pechan produced the documentation from the Conservation Service showing that he was in compliance with these regulations, the agencies rudely rejected his claim.

It seems that the Army Corps of Engineers and the Conservation Service are locked into a bureaucratic turf fight over which agency would have the lead role in enforcing wetlands laws.

Well, in 1994, the Corps of Engineers signed a memorandum of agreement that ostensibly recognized the Conservation Service as the lead Federal agency. However, the Corps of Engineers reneged on that agreement because they refused to give up on enforcement of wetlands policy.

The end result is this: The farmer in California, Dave Pechan, is snared in the middle of a bureaucratic turf fight. The Corps has told him that regardless of what the Conservation Service had determined allowing him to go through with his vineyard plans, he will be subjected to civil and criminal penalties if he continues to work his land.

He is now in limbo while the Corps conducts its own wetlands evaluations of his property.

Mr. Speaker, the Regulatory Right-to-Know Act is very common sense. It is bipartisan. This is a good Government bill. This simply says, let us get a handle on all of these regulations we are passing on to our constituents. Let us make sure they do not duplicate each other or overlap or send conflicting messages to our constituents.

Lastly, it does not do one thing to change the regulations. It simply says, let us measure the cost and benefits of these regulations, what are they costing our economy, what are they doing to our constituents.

This is clearly a good Government measure. I urge all of my colleagues to support the rule on this measure. And next week when we vote on this bill, I urge all of my colleagues to vote in favor of H.R. 1074, the Regulatory Right-to-Know Act.

Ms. SLAUGHTER. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania (Mr. HOEFFEL).

Mr. HOEFFEL. Mr. Speaker, I thank the gentlewoman for yielding me the time and I thank her for her cooperation and her leadership.

I compliment the gentleman from California (Mr. DREIER) the chairman of the Committee on Rules and the gentleman from Massachusetts (Mr. MOAKLEY) the ranking member for

bringing forward this bill with the rule that permits through the preprinting mechanism the opportunity for the gentleman from Ohio (Mr. KUCINICH) and I to offer an amendment that we believe is necessary to improve this bill so that it really provides a good service for the American taxpayer.

H.R. 1074, the Regulatory Right-to-Know Act, is the subject of this rule. As the previous speaker, the gentleman from Wisconsin (Mr. RYAN) and the gentleman from Indiana (Mr. MCINTOSH) before him have described, this bill is designed to tell Congress and the American people how much it costs to produce regulations pursuant to the laws we pass every year.

A cost benefit analysis of Federal regulation is a concept that has been debated for some time. I am pleased that this bill is before us. I think the bill needs improvement, but I think it is the right thing for Congress to address this and to make sure we have an opportunity to get the information we need to do our jobs properly and to get to the American people a clear statement of the cost of Federal regulation and the benefit of Federal regulation.

I, for one, believe there are many benefits to the rules and regulations that are promulgated based upon our statutes. But we need to know the cost on business and the benefit to business in order to do our job properly.

Unfortunately, I think that there are some areas of this bill that need to be improved. I will be offering, along with the gentleman from Ohio (Mr. KUCINICH), the Hoeffel-Kucinich amendment, entitled the taxpayer protection and corporate welfare disclosure amendment, when we have an opportunity on Monday to debate and amend this bill.

Our amendment is designed to get even more information available to Congress and to the American people regarding the impact of the Federal Government on American business.

If we want to find out the costs and benefits of Federal regulations, then let us also find out the costs and benefits of the so-called corporate welfare, the Federal subsidies, the tax preferences, the below market values of Federal lands that are granted to many of our corporations in this country.

Historically, we have given these kind of corporate benefits to many industries, some of them mature, successful, highly profitable industries. If we are to determine how much the regulations cost these industries to get a fair and complete picture, we surely need to know the benefits, if any, of the corporate welfare they receive.

Secondly, the amendment that the gentleman from Ohio (Mr. KUCINICH) and I will offer will make sure that the cost of this bill will not be unlimited.

The Congressional Budget Office has estimated that to conduct the regulatory review of the underlying bill

will cost something less than \$500,000 per year. So we are putting in the Hoeffel-Kucinich amendment an overall cap of \$1 million a year to conduct both the regulatory review and the corporate welfare review that the amended bill will call for.

I think this is a wise and sensible limitation to make sure that, in the process of determining costs and benefits, we do not waste the taxpayers' dollars with unnecessary expenditures.

Finally, the Hoeffel-Kucinich amendment will put a 4-year sunset provision on both the regulatory review and the corporate welfare review called for in the amended bill.

I will ask for support of the amendment on Monday.

Mr. SESSIONS. Mr. Speaker, may I inquire as to the time remaining on both sides?

The SPEAKER pro tempore (Mr. TERRY). The gentleman from Texas (Mr. SESSIONS) has 8½ minutes remaining. The gentlewoman from New York (Ms. SLAUGHTER) has 19 minutes remaining.

Mr. SESSIONS. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Speaker, I think it is very important as we debate the rule and the Regulatory Right-to-Know Act that we put this in its proper perspective.

We would debate what I would like to call the "killer Kucinich amendment" a little bit later when it is up next week.

But let us put this in proper perspective. Regulations are good. They are necessary. But regulations do pose what we often call a hidden tax on the American economy. It is widely estimated that Federal regulations cost the American taxpayers about \$700 billion annually.

This is a tax that we do not see right on our paychecks. We do not see it in front of our faces in our businesses. This is a tax that comes to us through the various overlapping and duplicative rules and regulations, costing our American families and businesses about \$700 billion annually.

So when we talk about the Regulatory Right-to-Know Act, it is really let us see what these taxes are costing us, let us get openness in Government, let us make sure that we know when we are imposing \$700 billion of hidden tax on our Government, let us make these open taxes so we actually see really what these taxes are, what the cost and benefits of these hidden taxes on our families and businesses impose.

Placing a cap on that to me seems to be very, very much disingenuous in the spirit of the public's right to know. We will debate the merits of that amendment next week.

But I think it is very important to put this whole thing in perspective, that the Regulatory Right-to-Know

Act is a bipartisan solution at getting openness in Government at taking a look at what really is this hidden tax being placed on our families and our businesses.

Mr. Speaker, I yield back the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. HOEFFEL).

Mr. HOEFFEL. Mr. Speaker, I thank the gentlewoman for yielding me the time.

If I could just respond quickly to my friend the gentleman from Wisconsin (Mr. RYAN) who spoke about the "killer Kucinich amendment".

Many people have said that I am a pretty tough guy, but no one has ever called me "killer" before. It is actually the "Hoeffel-Kucinich amendment."

Mr. RYAN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HOEFFEL. I yield to the gentleman from Wisconsin.

Mr. RYAN of Wisconsin. Mr. Speaker, I said "killer Kucinich," not "killer Hoeffel."

Mr. HOEFFEL. Mr. Speaker, we will debate this amendment Monday, known as the "Hoeffel-Kucinich amendment." I look forward to the debate with the gentleman.

If I would simply add, he appropriately identified the estimated cost of regulations on American business. Let me add to this debate today that Time Magazine has estimated that the cost of corporate welfare to the Federal Government is \$125 billion a year, which they describe as being the equivalent of the income taxes paid each year by 60 million Americans. Or another way of looking at it, the equivalent of two weeks' pay for every working American is distributed and paid by the Federal Government in corporate welfare.

So I simply stand with the Hoeffel-Kucinich amendment for the proposition that we ought to know where that \$125 billion goes when we find out where the \$700 billion that the gentleman is concerned about and that I am concerned about goes.

We ought to see the whole package at the same time to get a clear picture.

Ms. SLAUGHTER. Mr. Speaker, I yield myself such time as I may consume to close.

Mr. Speaker, I want to add to what the gentleman from Pennsylvania (Mr. HOEFFEL) said about the corporate welfare costing us \$125 billion a year. That is handed out despite the fact that the economy has been strong and that corporate profits have totaled more than \$4.5 trillion this decade.

Proponents of corporate welfare say that it encourages economic development and job growth. A good example is a tax break for a company that relocates to the inner city. But the biggest recipients are Fortune 500 companies that have cut, Mr. Speaker, more jobs than they created this decade.



As stated by Time, "The rationale to curtail traditional welfare programs was compelling because the old system did not work. It was unfair and destroyed incentive and perpetuated dependence and distorted the economy."

□ 1830

"The same indictment, almost to the word, applies to corporate welfare. In some ways, it represents pork-barrel legislation of the worst order. The difference, of course, is that instead of rewarding the poor, it rewards the powerful."

I agree with the gentleman from Pennsylvania that corporate welfare deserves all the attention we can give it to bring it into the light.

Mr. Speaker, I yield back the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume. I would like to echo the comments that were made by the gentleman from Wisconsin and give a quote so that we know where the figure came from. Professor Thomas D. Hopkins, Interim Dean, College of Business at the Rochester Institute of Technology is the gentleman that estimated the total regulatory cost in the United States will be over \$700 billion a year.

Mr. Speaker, I urge my colleagues to support this fair rule so that the House may continue this important legislation.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 798

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent to be removed from cosponsorship of H.R. 798.

The SPEAKER pro tempore (Mr. TERRY). Is there objection to the request of the gentleman from Texas?

There was no objection.

#### ADJOURNMENT TO MONDAY, JULY 26, 1999

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that the business

in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### WATER RESOURCES DEVELOPMENT ACT OF 1999

Mr. BOEHLERT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 507) to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 507

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Water Resources Development Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definition of Secretary.

#### TITLE I—WATER RESOURCES PROJECTS

Sec. 101. Project authorizations.

Sec. 102. Project modifications.

Sec. 103. Project deauthorizations.

Sec. 104. Studies.

#### TITLE II—GENERAL PROVISIONS

Sec. 201. Flood hazard mitigation and riverine ecosystem restoration program.

Sec. 202. Shore protection.

Sec. 203. Small flood control authority.

Sec. 204. Use of non-Federal funds for compiling and disseminating information on floods and flood damages.

Sec. 205. Aquatic ecosystem restoration.

Sec. 206. Beneficial uses of dredged material.

Sec. 207. Voluntary contributions by States and political subdivisions.

Sec. 208. Recreation user fees.

Sec. 209. Water resources development studies for the Pacific region.

Sec. 210. Missouri and Middle Mississippi Rivers enhancement project.

Sec. 211. Outer Continental Shelf.

Sec. 212. Environmental dredging.

Sec. 213. Benefit of primary flood damages avoided included in benefit-cost analysis.

Sec. 214. Control of aquatic plant growth.

Sec. 215. Environmental infrastructure.

Sec. 216. Watershed management, restoration, and development.

Sec. 217. Lakes program.

Sec. 218. Sediments decontamination policy.

Sec. 219. Disposal of dredged material on beaches.

Sec. 220. Fish and wildlife mitigation.

Sec. 221. Reimbursement of non-Federal interest.

Sec. 222. National Contaminated Sediment Task Force.

Sec. 223. John Glenn Great Lakes Basin program.

Sec. 224. Projects for improvement of the environment.

Sec. 225. Water quality, environmental quality, recreation, fish and wildlife, flood control, and navigation.

Sec. 226. Irrigation diversion protection and fisheries enhancement assistance.

Sec. 227. Small storm damage reduction projects.

Sec. 228. Shore damage prevention or mitigation.

Sec. 229. Atlantic coast of New York.

Sec. 230. Accelerated adoption of innovative technologies for contaminated sediments.

Sec. 231. Mississippi River Commission.

Sec. 232. Use of private enterprises.

#### TITLE III—PROJECT-RELATED PROVISIONS

Sec. 301. Dredging of salt ponds in the State of Rhode Island.

Sec. 302. Upper Susquehanna River basin, Pennsylvania and New York.

Sec. 303. Small flood control projects.

Sec. 304. Small navigation projects.

Sec. 305. Streambank protection projects.

Sec. 306. Aquatic ecosystem restoration, Springfield, Oregon.

Sec. 307. Guilford and New Haven, Connecticut.

Sec. 308. Francis Bland Floodway Ditch.

Sec. 309. Caloosahatchee River basin, Florida.

Sec. 310. Cumberland, Maryland, flood project mitigation.

Sec. 311. City of Miami Beach, Florida.

Sec. 312. Sardis Reservoir, Oklahoma.

Sec. 313. Upper Mississippi River and Illinois waterway system navigation modernization.

Sec. 314. Upper Mississippi River management.

Sec. 315. Research and development program for Columbia and Snake Rivers salmon survival.

Sec. 316. Nine Mile Run habitat restoration, Pennsylvania.

Sec. 317. Larkspur Ferry Channel, California.

Sec. 318. Comprehensive Flood Impact-Response Modeling System.

Sec. 319. Study regarding innovative financing for small and medium-sized ports.

Sec. 320. Candy Lake project, Osage County, Oklahoma.

Sec. 321. Salcha River and Piledriver Slough, Fairbanks, Alaska.

Sec. 322. Eyak River, Cordova, Alaska.

Sec. 323. North Padre Island storm damage reduction and environmental restoration project.

Sec. 324. Kanopolis Lake, Kansas.

Sec. 325. New York City watershed.

Sec. 326. City of Charlevoix reimbursement, Michigan.

Sec. 327. Hamilton Dam flood control project, Michigan.

Sec. 328. Holes Creek flood control project, Ohio.

Sec. 329. Overflow management facility, Rhode Island.

Sec. 330. Anacostia River aquatic ecosystem restoration, District of Columbia and Maryland.

Sec. 331. Everglades and south Florida ecosystem restoration.

Sec. 332. Pine Flat Dam, Kings River, California.

Sec. 333. Levees in Elba and Geneva, Alabama.

Sec. 334. Toronto Lake and El Dorado Lake, Kansas.

Sec. 335. San Jacinto disposal area, Galveston, Texas.

Sec. 336. Environmental infrastructure.

Sec. 337. Water monitoring station.

Sec. 338. Upper Mississippi River comprehensive plan.

Sec. 339. McNary Lock and Dam, Washington.

Sec. 340. McNary National Wildlife Refuge.

#### TITLE IV—CHEYENNE RIVER SIOUX TRIBE, LOWER BRULE SIOUX TRIBE, AND STATE OF SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION

Sec. 401. Cheyenne River Sioux Tribe, Lower Brule Sioux Tribe, and State of South Dakota Terrestrial Wildlife Habitat Restoration.

#### SEC. 2. DEFINITION OF SECRETARY.

In this Act, the term "Secretary" means the Secretary of the Army.

#### TITLE I—WATER RESOURCES PROJECTS

##### SEC. 101. PROJECT AUTHORIZATIONS.

(a) PROJECTS WITH CHIEF'S REPORTS.—The following projects for water resources development and conservation and other purposes are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, described in the respective reports designated in this section:

(1) SAND POINT HARBOR, ALASKA.—The project for navigation, Sand Point Harbor, Alaska: Report of the Chief of Engineers dated October 13, 1998, at a total cost of \$11,760,000, with an estimated Federal cost of \$6,964,000 and an estimated non-Federal cost of \$4,796,000.

(2) RIO SALADO (SALT RIVER), ARIZONA.—The project for environmental restoration, Rio Salado (Salt River), Arizona: Report of the Chief of Engineers dated August 20, 1998, at a total cost of \$88,048,000, with an estimated Federal cost of \$56,355,000 and an estimated non-Federal cost of \$31,693,000.

(3) TUCSON DRAINAGE AREA, ARIZONA.—The project for flood damage reduction, environmental restoration, and recreation, Tucson drainage area, Arizona: Report of the Chief of Engineers dated May 20, 1998, at a total cost of \$29,900,000, with an estimated Federal cost of \$16,768,000 and an estimated non-Federal cost of \$13,132,000.

(4) AMERICAN RIVER WATERSHED, CALIFORNIA.—

(A) IN GENERAL.—The project for flood damage reduction described as the Folsom Stepped Release Plan in the Corps of Engineers Supplemental Information Report for the American River Watershed Project, California, dated March 1996, at a total cost of \$505,400,000, with an estimated Federal cost of \$329,300,000 and an estimated non-Federal cost of \$176,100,000.

(B) IMPLEMENTATION.—

(1) IN GENERAL.—Implementation of the measures by the Secretary pursuant to subparagraph (A) shall be undertaken after completion of the levee stabilization and strengthening and flood warning features authorized by section 101(a)(1) of the Water Resources Development Act of 1996 (110 Stat. 3662).

(ii) FOLSOM DAM AND RESERVOIR.—The Secretary may undertake measures at the Folsom

Dam and Reservoir authorized under subparagraph (A) only after reviewing the design of such measures to determine if modifications are necessary to account for changed hydrologic conditions and any other changed conditions in the project area, including operational and construction impacts that have occurred since completion of the report referred to in subparagraph (A). The Secretary shall conduct the review and develop the modifications to the Folsom Dam and Reservoir with the full participation of the Secretary of the Interior.

(iii) REMAINING DOWNSTREAM ELEMENTS.—

(I) IN GENERAL.—Implementation of the remaining downstream elements authorized pursuant to subparagraph (A) may be undertaken only after the Secretary, in consultation with affected Federal, State, regional, and local entities, has reviewed the elements to determine if modifications are necessary to address changes in the hydrologic conditions, any other changed conditions in the project area that have occurred since completion of the report referred to in subparagraph (A) and any design modifications for the Folsom Dam and Reservoir made by the Secretary in implementing the measures referred to in clause (ii), and has issued a report on the review.

(II) PRINCIPLES AND GUIDELINES.—The review shall be prepared in accordance with the economic and environmental principles and guidelines for water and related land resources implementation studies, and no construction may be initiated unless the Secretary determines that the remaining downstream elements are technically sound, environmentally acceptable, and economically justified.

(5) LLASAS CREEK, CALIFORNIA.—The project for completion of the remaining reaches of the Natural Resources Conservation Service flood control project at Llagas Creek, California, undertaken pursuant to section 5 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005), substantially in accordance with the requirements of local cooperation as specified in section 4 of that Act (16 U.S.C. 1004) at a total cost of \$45,000,000, with an estimated Federal cost of \$21,800,000 and an estimated non-Federal cost of \$23,200,000.

(6) SOUTH SACRAMENTO COUNTY STREAMS, CALIFORNIA.—The project for flood control, environmental restoration, and recreation, South Sacramento County streams, California: Report of the Chief of Engineers dated October 6, 1998, at a total cost of \$65,500,000, with an estimated Federal cost of \$41,200,000 and an estimated non-Federal cost of \$24,300,000.

(7) UPPER GUADALUPE RIVER, CALIFORNIA.—Construction of the locally preferred plan for flood damage reduction and recreation, Upper Guadalupe River, California, described as the Bypass Channel Plan of the Chief of Engineers dated August 19, 1998, at a total cost of \$137,600,000, with an estimated Federal cost of \$44,000,000 and an estimated non-Federal cost of \$93,600,000.

(8) YUBA RIVER BASIN, CALIFORNIA.—The project for flood damage reduction, Yuba River Basin, California: Report of the Chief of Engineers dated November 25, 1998, at a total cost of \$26,600,000, with an estimated Federal cost of \$17,350,000 and an estimated non-Federal cost of \$9,250,000.

(9) DELAWARE BAY COASTLINE: DELAWARE AND NEW JERSEY-BROADKILL BEACH, DELAWARE.—

(A) IN GENERAL.—The project for hurricane and storm damage reduction and shore protection, Delaware Bay coastline: Delaware

and New Jersey-Broadkill Beach, Delaware, Report of the Chief of Engineers dated August 17, 1998, at a total cost of \$9,049,000, with an estimated Federal cost of \$5,674,000 and an estimated non-Federal cost of \$3,375,000.

(B) PERIODIC NOURISHMENT.—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$538,200, with an estimated annual Federal cost of \$349,800 and an estimated annual non-Federal cost of \$188,400.

(10) DELAWARE BAY COASTLINE: DELAWARE AND NEW JERSEY-PORT MAHON, DELAWARE.—

(A) IN GENERAL.—The project for ecosystem restoration and shore protection, Delaware Bay coastline: Delaware and New Jersey-Port Mahon, Delaware: Report of the Chief of Engineers dated September 28, 1998, at a total cost of \$7,644,000, with an estimated Federal cost of \$4,969,000 and an estimated non-Federal cost of \$2,675,000.

(B) PERIODIC NOURISHMENT.—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$234,000, with an estimated annual Federal cost of \$152,000 and an estimated annual non-Federal cost of \$82,000.

(11) HILLSBORO AND OKEECHOBEE AQUIFER STORAGE AND RECOVERY PROJECT, FLORIDA.—The project for aquifer storage and recovery described in the Corps of Engineers Central and Southern Florida Water Supply Study, Florida, dated April 1989, and in House Document 369, dated July 30, 1968, at a total cost of \$27,000,000, with an estimated Federal cost of \$13,500,000 and an estimated non-Federal cost of \$13,500,000.

(12) INDIAN RIVER COUNTY, FLORIDA.—Notwithstanding section 1001(a) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(a)), the project for shoreline protection, Indian River County, Florida, authorized by section 501(a) of that Act (100 Stat. 4134), shall remain authorized for construction through December 31, 2002.

(13) LIDO KEY BEACH, SARASOTA, FLORIDA.—

(A) IN GENERAL.—The project for shore protection at Lido Key Beach, Sarasota, Florida, authorized by section 101 of the River and Harbor Act of 1970 (84 Stat. 1819) and deauthorized by operation of section 1001(b) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)), is authorized to be carried out by the Secretary at a total cost of \$5,200,000, with an estimated Federal cost of \$3,380,000 and an estimated non-Federal cost of \$1,820,000.

(B) PERIODIC NOURISHMENT.—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$602,000, with an estimated annual Federal cost of \$391,000 and an estimated annual non-Federal cost of \$211,000.

(14) TAMPA HARBOR-BIG BEND CHANNEL, FLORIDA.—The project for navigation, Tampa Harbor-Big Bend Channel, Florida: Report of the Chief of Engineers dated October 13, 1998, at a total cost of \$12,356,000, with an estimated Federal cost of \$6,235,000 and an estimated non-Federal cost of \$6,121,000.

(15) BRUNSWICK HARBOR, GEORGIA.—The project for navigation, Brunswick Harbor, Georgia: Report of the Chief of Engineers dated October 6, 1998, at a total cost of \$50,717,000, with an estimated Federal cost of \$32,966,000 and an estimated non-Federal cost of \$17,751,000.

(16) BEARGRASS CREEK, KENTUCKY.—The project for flood damage reduction, Beargrass Creek, Kentucky: Report of the Chief of Engineers dated May 12, 1998, at a total cost of \$11,172,000, with an estimated Federal cost of \$7,262,000 and an estimated non-Federal cost of \$3,910,000.

(17) AMITE RIVER AND TRIBUTARIES, LOUISIANA, EAST BATON ROUGE PARISH WATERSHED.—The project for flood damage reduction and recreation, Amite River and Tributaries, Louisiana, East Baton Rouge Parish Watershed: Report of the Chief of Engineers, dated December 23, 1996, at a total cost of \$112,900,000, with an estimated Federal cost of \$73,400,000 and an estimated non-Federal cost of \$39,500,000.

(18) BALTIMORE HARBOR ANCHORAGES AND CHANNELS, MARYLAND AND VIRGINIA.—

(A) IN GENERAL.—The project for navigation, Baltimore Harbor Anchorages and Channels, Maryland and Virginia, Report of the Chief of Engineers dated June 8, 1998, at a total cost of \$28,426,000, with an estimated Federal cost of \$18,994,000 and an estimated non-Federal cost of \$9,432,000.

(B) CREDIT OR REIMBURSEMENT.—If a project cooperation agreement is entered into, the non-Federal interest shall receive credit or reimbursement of the Federal share of project costs for construction work performed by the non-Federal interest before execution of the project cooperation agreement if the Secretary finds the work to be integral to the project.

(C) STUDY OF MODIFICATIONS.—During the preconstruction engineering and design phase of the project, the Secretary shall conduct a study to determine the feasibility of undertaking further modifications to the Dundalk Marine Terminal access channels, consisting of—

(i) deepening and widening the Dundalk access channels to a depth of 50 feet and a width of 500 feet;

(ii) widening the flares of the access channels; and

(iii) providing a new flare on the west side of the entrance to the east access channel.

(D) REPORT.—

(i) IN GENERAL.—Not later than March 1, 2000, the Secretary shall submit to Congress a report on the study under subparagraph (C).

(ii) CONTENTS.—The report shall include a determination of—

(I) the feasibility of performing the project modifications described in subparagraph (C); and

(II) the appropriateness of crediting or reimbursing the Federal share of the cost of the work performed by the non-Federal interest on the project modifications.

(19) RED LAKE RIVER AT CROOKSTON, MINNESOTA.—The project for flood damage reduction, Red Lake River at Crookston, Minnesota: Report of the Chief of Engineers, dated April 20, 1998, at a total cost of \$8,950,000, with an estimated Federal cost of \$5,720,000 and an estimated non-Federal cost of \$3,230,000.

(20) NEW JERSEY SHORE PROTECTION, TOWNSENDS INLET TO CAPE MAY INLET, NEW JERSEY.—

(A) IN GENERAL.—The project for hurricane and storm damage reduction, ecosystem restoration, and shore protection, New Jersey coastline, Townsends Inlet to Cape May Inlet, New Jersey: Report of the Chief of Engineers dated September 28, 1998, at a total cost of \$56,503,000, with an estimated Federal cost of \$36,727,000 and an estimated non-Federal cost of \$19,776,000.

(B) PERIODIC NOURISHMENT.—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$2,000,000, with an estimated annual Federal cost of \$1,300,000 and an estimated annual non-Federal cost of \$700,000.

(21) PARK RIVER, NORTH DAKOTA.—

(A) IN GENERAL.—Subject to the condition stated in subparagraph (B), the project for

flood control, Park River, Grafton, North Dakota, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4121) and deauthorized under section 1001(a) of the Water Resources Development Act of 1986 (33 U.S.C. 579a), at a total cost of \$28,100,000, with an estimated Federal cost of \$18,265,000 and an estimated non-Federal cost of \$9,835,000.

(B) CONDITION.—No construction may be initiated unless the Secretary determines through a general reevaluation report using current data, that the project is technically sound, environmentally acceptable, and economically justified.

(22) SALT CREEK, GRAHAM, TEXAS.—The project for flood control, environmental restoration, and recreation, Salt Creek, Graham, Texas: Report of the Chief of Engineers dated October 6, 1998, at a total cost of \$10,080,000, with an estimated Federal cost of \$6,560,000 and an estimated non-Federal cost of \$3,520,000.

(b) PROJECTS SUBJECT TO A FINAL REPORT.—The following projects for water resources development and conservation and other purposes are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions recommended in a final report of the Chief of Engineers as approved by the Secretary, if a favorable report of the Chief is completed not later than December 31, 1999:

(1) NOME HARBOR IMPROVEMENTS, ALASKA.—The project for navigation, Nome Harbor Improvements, Alaska, at a total cost of \$24,608,000, with an estimated first Federal cost of \$19,660,000 and an estimated first non-Federal cost of \$4,948,000.

(2) SEWARD HARBOR, ALASKA.—The project for navigation, Seward Harbor, Alaska, at a total cost of \$12,240,000, with an estimated first Federal cost of \$4,364,000 and an estimated first non-Federal cost of \$7,876,000.

(3) ARROYO PASAJERO, CALIFORNIA.—The project for flood damage reduction, Arroyo Pasajero, California, at a total cost of \$260,700,000, with an estimated first Federal cost of \$170,100,000 and an estimated first non-Federal cost of \$90,600,000.

(4) HAMILTON AIRFIELD WETLAND RESTORATION, CALIFORNIA.—The project for environmental restoration at Hamilton Airfield, California, at a total cost of \$55,200,000, with an estimated Federal cost of \$41,400,000 and an estimated non-Federal cost of \$13,800,000.

(5) OAKLAND, CALIFORNIA.—

(A) IN GENERAL.—The project for navigation and environmental restoration, Oakland, California, at a total cost of \$214,340,000, with an estimated Federal cost of \$143,450,000 and an estimated non-Federal cost of \$70,890,000.

(B) BERTHING AREAS AND OTHER LOCAL SERVICE FACILITIES.—The non-Federal interests shall provide berthing areas and other local service facilities necessary for the project at an estimated cost of \$42,310,000.

(6) SUCCESS DAM, TULE RIVER BASIN, CALIFORNIA.—The project for flood damage reduction and water supply, Success Dam, Tule River basin, California, at a total cost of \$17,900,000, with an estimated first Federal cost of \$11,635,000 and an estimated first non-Federal cost of \$6,265,000.

(7) DELAWARE BAY COASTLINE: DELAWARE AND NEW JERSEY-ROOSEVELT INLET-LEWES BEACH, DELAWARE.—

(A) IN GENERAL.—The project for navigation mitigation, shore protection, and hurricane and storm damage reduction, Delaware Bay coastline: Delaware and New Jersey-Roosevelt Inlet-Lewes Beach, Delaware, at a total cost of \$3,393,000, with an estimated

Federal cost of \$2,620,000 and an estimated non-Federal cost of \$773,000.

(B) PERIODIC NOURISHMENT.—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$196,000, with an estimated annual Federal cost of \$152,000 and an estimated annual non-Federal cost of \$44,000.

(8) DELAWARE COAST FROM CAPE HENELOPEN TO FENWICK ISLAND, BETHANY BEACH/SOUTH BETHANY BEACH, DELAWARE.—

(A) IN GENERAL.—The project for hurricane and storm damage reduction and shore protection, Delaware Coast from Cape Henelopen to Fenwick Island, Bethany Beach/South Bethany Beach, Delaware, at a total cost of \$22,205,000, with an estimated Federal cost of \$14,433,000 and an estimated non-Federal cost of \$7,772,000.

(B) PERIODIC NOURISHMENT.—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$1,584,000, with an estimated annual Federal cost of \$1,030,000 and an estimated annual non-Federal cost of \$554,000.

(9) JACKSONVILLE HARBOR, FLORIDA.—The project for navigation, Jacksonville Harbor, Florida, at a total cost of \$26,116,000, with an estimated Federal cost of \$9,129,000 and an estimated non-Federal cost of \$16,987,000.

(10) LITTLE TALBOT ISLAND, DUVAL COUNTY, FLORIDA.—The project for hurricane and storm damage prevention and shore protection, Little Talbot Island, Duval County, Florida, at a total cost of \$5,915,000, with an estimated Federal cost of \$3,839,000 and an estimated non-Federal cost of \$2,076,000.

(11) PONCE DE LEON INLET, VOLUSIA COUNTY, FLORIDA.—The project for navigation and recreation, Ponce de Leon Inlet, Volusia County, Florida, at a total cost of \$5,454,000, with an estimated Federal cost of \$2,988,000 and an estimated non-Federal cost of \$2,466,000.

(12) SAVANNAH HARBOR EXPANSION, GEORGIA.—

(A) IN GENERAL.—Subject to subparagraph (B), the Secretary may carry out the project for navigation, Savannah Harbor expansion, Georgia, substantially in accordance with the plans, and subject to the conditions, recommended in a final report of the Chief of Engineers, with such modifications as the Secretary deems appropriate, at a total cost of \$230,174,000 (of which amount a portion is authorized for implementation of the mitigation plan), with an estimated Federal cost of \$145,160,000 and an estimated non-Federal cost of \$85,014,000.

(B) CONDITIONS.—The project authorized by subparagraph (A) may be carried out only after—

(i) the Secretary, in consultation with affected Federal, State, regional, and local entities, has reviewed and approved an Environmental Impact Statement that includes—

(I) an analysis of the impacts of project depth alternatives ranging from 42 feet through 48 feet; and

(II) a selected plan for navigation and associated mitigation plan as required by section 906(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2283); and

(ii) the Secretary of the Interior, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency, with the Secretary, have approved the selected plan and have determined that the mitigation plan adequately addresses the potential environmental impacts of the project.

(C) MITIGATION REQUIREMENTS.—The mitigation plan shall be implemented in advance of or concurrently with construction of the project.

(13) **TURKEY CREEK BASIN, KANSAS CITY, MISSOURI AND KANSAS CITY, KANSAS.**—The project for flood damage reduction, Turkey Creek Basin, Kansas City, Missouri, and Kansas City, Kansas, at a total cost of \$42,875,000 with an estimated Federal cost of \$25,596,000 and an estimated non-Federal cost of \$17,279,000.

(14) **DELAWARE BAY COASTLINE, OAKWOOD BEACH, NEW JERSEY.**—

(A) **IN GENERAL.**—The project for hurricane and storm damage reduction, Delaware Bay coastline, Oakwood Beach, New Jersey, at a total cost of \$3,380,000, with an estimated Federal cost of \$2,197,000 and an estimated non-Federal cost of \$1,183,000.

(B) **PERIODIC NOURISHMENT.**—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$90,000, with an estimated annual Federal cost of \$58,000 and an estimated annual non-Federal cost of \$32,000.

(15) **DELAWARE BAY COASTLINE, REEDS BEACH AND PIERCES POINT, NEW JERSEY.**—The project for environmental restoration, Delaware Bay coastline, Reeds Beach and Pierces Point, New Jersey, at a total cost of \$4,057,000, with an estimated Federal cost of \$2,637,000 and an estimated non-Federal cost of \$1,420,000.

(16) **DELAWARE BAY COASTLINE, VILLAS AND VICINITY, NEW JERSEY.**—The project for environmental restoration, Delaware Bay coastline, Villas and vicinity, New Jersey, at a total cost of \$7,520,000, with an estimated Federal cost of \$4,888,000 and an estimated non-Federal cost of \$2,632,000.

(17) **LOWER CAPE MAY MEADOWS, CAPE MAY POINT, NEW JERSEY.**—

(A) **IN GENERAL.**—The project for navigation mitigation, ecosystem restoration, shore protection, and hurricane and storm damage reduction, Lower Cape May Meadows, Cape May Point, New Jersey, at a total cost of \$15,952,000, with an estimated Federal cost of \$12,118,000 and an estimated non-Federal cost of \$3,834,000.

(B) **PERIODIC NOURISHMENT.**—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$1,114,000, with an estimated annual Federal cost of \$897,000 and an estimated annual non-Federal cost of \$217,000.

(18) **NEW JERSEY SHORE PROTECTION, BRIGANTINE INLET TO GREAT EGG HARBOR, BRIGANTINE ISLAND, NEW JERSEY.**—

(A) **IN GENERAL.**—The project for hurricane and storm damage reduction and shore protection, New Jersey Shore protection, Brigantine Inlet to Great Egg Harbor, Brigantine Island, New Jersey, at a total cost of \$4,970,000, with an estimated Federal cost of \$3,230,000 and an estimated non-Federal cost of \$1,740,000.

(B) **PERIODIC NOURISHMENT.**—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$465,000, with an estimated annual Federal cost of \$302,000 and an estimated annual non-Federal cost of \$163,000.

(19) **COLUMBIA RIVER CHANNEL DEEPENING, OREGON AND WASHINGTON.**—

(A) **IN GENERAL.**—The project for navigation, Columbia River channel deepening, Oregon and Washington, at a total cost of \$176,700,000, with an estimated Federal cost of \$116,900,000 and an estimated non-Federal cost of \$59,800,000.

(B) **BERTHING AREAS AND OTHER LOCAL SERVICE FACILITIES.**—The non-Federal interests shall provide berthing areas and other local service facilities necessary for the project at an estimated cost of \$1,200,000.

(20) **MEMPHIS HARBOR, MEMPHIS, TENNESSEE.**—

(A) **IN GENERAL.**—Subject to subparagraph (B), the project for navigation, Memphis Harbor, Memphis, Tennessee, authorized by section 601(a) of the Water Resources Development Act of 1986 (100 Stat. 4145) and deauthorized under section 1001(a) of that Act (33 U.S.C. 579a(a)) is authorized to be carried out by the Secretary.

(B) **CONDITION.**—No construction may be initiated unless the Secretary determines through a general reevaluation report using current data, that the project is technically sound, environmentally acceptable, and economically justified.

(21) **JOHNSON CREEK, ARLINGTON, TEXAS.**—The project for flood damage reduction, environmental restoration, and recreation, Johnson Creek, Arlington, Texas, at a total cost of \$20,300,000, with an estimated Federal cost of \$12,000,000 and an estimated non-Federal cost of \$8,300,000.

(22) **HOWARD HANSON DAM, WASHINGTON.**—The project for water supply and ecosystem restoration, Howard Hanson Dam, Washington, at a total cost of \$75,600,000, with an estimated Federal cost of \$36,900,000 and an estimated non-Federal cost of \$38,700,000.

#### SEC. 102. PROJECT MODIFICATIONS.

(a) **PROJECTS WITH REPORTS.**—

(1) **SAN LORENZO RIVER, CALIFORNIA.**—The project for flood control, San Lorenzo River, California, authorized by section 101(a)(5) of the Water Resources Development Act of 1996 (110 Stat. 3663), is modified to authorize the Secretary to include as a part of the project streambank erosion control measures to be undertaken substantially in accordance with the report entitled "Bank Stabilization Concept, Laurel Street Extension", dated April 23, 1998, at a total cost of \$4,000,000, with an estimated Federal cost of \$2,600,000 and an estimated non-Federal cost of \$1,400,000.

(2) **ST. JOHNS COUNTY SHORE PROTECTION, FLORIDA.**—

(A) **IN GENERAL.**—The project for hurricane and storm damage reduction and shore protection, St. Johns County, Florida, authorized by section 501(a) of the Water Resources Development Act of 1986 (100 Stat. 4133) is modified to authorize the Secretary to include navigation mitigation as a purpose of the project in accordance with the report of the Corps of Engineers dated November 18, 1998, at a total cost of \$16,086,000, with an estimated Federal cost of \$12,949,000 and an estimated non-Federal cost of \$3,137,000.

(B) **PERIODIC NOURISHMENT.**—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$1,251,000, with an estimated annual Federal cost of \$1,007,000 and an estimated annual non-Federal cost of \$244,000.

(3) **WOOD RIVER, GRAND ISLAND, NEBRASKA.**—The project for flood control, Wood River, Grand Island, Nebraska, authorized by section 101(a)(19) of the Water Resources Development Act of 1996 (110 Stat. 3665) is modified to authorize the Secretary to construct the project in accordance with the Corps of Engineers report dated June 29, 1998, at a total cost of \$17,039,000, with an estimated Federal cost of \$9,730,000 and an estimated non-Federal cost of \$7,309,000.

(4) **ABSECON ISLAND, NEW JERSEY.**—The project for Absecon Island, New Jersey, authorized by section 101(b)(13) of the Water Resources Development Act of 1996 (110 Stat. 3668) is amended to authorize the Secretary to reimburse the non-Federal interests for all work performed, consistent with the authorized project.

(5) **ARTHUR KILL, NEW YORK AND NEW JERSEY.**—

(A) **IN GENERAL.**—The project for navigation, Arthur Kill, New York and New Jersey, authorized by section 202(b) of the Water Resources Development Act of 1986 (100 Stat. 4098) and modified by section 301(b)(11) of the Water Resources Development Act of 1996 (110 Stat. 3711), is further modified to authorize the Secretary to construct the project at a total cost of \$276,800,000, with an estimated Federal cost of \$183,200,000 and an estimated non-Federal cost of \$93,600,000.

(B) **BERTHING AREAS AND OTHER LOCAL SERVICE FACILITIES.**—The non-Federal interests shall provide berthing areas and other local service facilities necessary for the project at an estimated cost of \$38,900,000.

(6) **WAURIKA LAKE, OKLAHOMA, WATER CONVEYANCE FACILITIES.**—The requirement for the Waurika Project Master Conservancy District to repay the \$2,900,000 in costs (including interest) resulting from the October 1991 settlement of the claim of the Travelers Insurance Company before the United States Claims Court related to construction of the water conveyance facilities authorized by the first section of Public Law 88-253 (77 Stat. 841) is waived.

(b) **PROJECTS SUBJECT TO REPORTS.**—The following projects are modified as follows, except that no funds may be obligated to carry out work under such modifications until completion of a final report by the Chief of Engineers, as approved by the Secretary, finding that such work is technically sound, environmentally acceptable, and economically justified, as applicable:

(1) **FORT PIERCE SHORE PROTECTION, FLORIDA.**—

(A) **IN GENERAL.**—The Fort Pierce, Florida, shore protection and harbor mitigation project authorized by section 301 of the River and Harbor Act of 1965 (79 Stat. 1092) and section 506(a)(2) of the Water Resources Development Act of 1996 (110 Stat. 3757) is modified to include an additional 1-mile extension of the project and increased Federal participation in accordance with section 101(c) of the Water Resources Development Act of 1986 (33 U.S.C. 2211(c)), as described in the general reevaluation report approved by the Chief of Engineers, at an estimated total cost of \$9,128,000, with an estimated Federal cost of \$7,074,000 and an estimated non-Federal cost of \$2,054,000.

(B) **PERIODIC NOURISHMENT.**—Periodic nourishment is authorized for a 50-year period for the modified project, at an estimated annual cost of \$559,000, with an estimated annual Federal cost of \$433,000 and an estimated annual non-Federal cost of \$126,000.

(2) **THORNTON RESERVOIR, COOK COUNTY, ILLINOIS.**—

(A) **IN GENERAL.**—The Thornton Reservoir project, an element of the project for flood control, Chicagoland Underflow Plan, Illinois, authorized by section 3(a)(5) of the Water Resources Development Act of 1988 (102 Stat. 4013), is modified to authorize the Secretary to include additional permanent flood control storage attributable to the Natural Resources Conservation Service Thornton Reservoir (Structure 84), Little Calumet River Watershed, Illinois, approved under the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.).

(B) **COST SHARING.**—Costs for the Thornton Reservoir project shall be shared in accordance with section 103 of the Water Resources Development Act of 1986 (33 U.S.C. 2213).

(C) **TRANSITIONAL STORAGE.**—The Secretary of Agriculture may cooperate with non-Federal interests to provide, on a transitional basis, flood control storage for the Natural Resources Conservation Service Thornton

Reservoir (Structure 84) project in the west lobe of the Thornton quarry.

(D) CREDITING.—The Secretary may credit against the non-Federal share of the Thornton Reservoir project all design and construction costs incurred by the non-Federal interests before the date of enactment of this Act.

(E) REEVALUATION REPORT.—The Secretary shall determine the credits authorized by subparagraph (D) that are integral to the Thornton Reservoir project and the current total project costs based on a limited reevaluation report.

(3) WELLS HARBOR, WELLS, MAINE.—

(A) IN GENERAL.—The project for navigation, Wells Harbor, Maine, authorized by section 101 of the River and Harbor Act of 1960 (74 Stat. 480), is modified to authorize the Secretary to realign the channel and anchorage areas based on a harbor design capacity of 150 craft.

(B) DEAUTHORIZATION OF CERTAIN PORTIONS.—The following portions of the project are not authorized after the date of enactment of this Act:

(i) The portion of the 6-foot channel the boundaries of which begin at a point with coordinates N177,992.00, E394,831.00, thence running south 83 degrees 58 minutes 14.8 seconds west 10.38 feet to a point N177,990.91, E394,820.68, thence running south 11 degrees 46 minutes 47.7 seconds west 991.76 feet to a point N177,020.04, E394,618.21, thence running south 78 degrees 13 minutes 45.7 seconds east 10.00 feet to a point N177,018.00, E394,628.00, thence running north 11 degrees 46 minutes 22.8 seconds east 994.93 feet to the point of origin.

(ii) The portion of the 6-foot anchorage the boundaries of which begin at a point with coordinates N177,778.07, E394,336.96, thence running south 51 degrees 58 minutes 32.7 seconds west 15.49 feet to a point N177,768.53, E394,324.76, thence running south 11 degrees 46 minutes 26.5 seconds west 672.87 feet to a point N177,109.82, E394,187.46, thence running south 78 degrees 13 minutes 45.7 seconds east 10.00 feet to a point N177,107.78, E394,197.25, thence running north 11 degrees 46 minutes 25.4 seconds east 684.70 feet to the point of origin.

(iii) The portion of the 10-foot settling basin the boundaries of which begin at a point with coordinates N177,107.78, E394,197.25, thence running north 78 degrees 13 minutes 45.7 seconds west 10.00 feet to a point N177,109.82, E394,187.46, thence running south 11 degrees 46 minutes 15.7 seconds west 300.00 feet to a point N176,816.13, E394,126.26, thence running south 78 degrees 12 minutes 21.4 seconds east 9.98 feet to a point N176,814.09, E394,136.03, thence running north 11 degrees 46 minutes 29.1 seconds east 300.00 feet to the point of origin.

(iv) The portion of the 10-foot settling basin the boundaries of which begin at a point with coordinates N177,018.00, E394,628.00, thence running north 78 degrees 13 minutes 45.7 seconds west 10.00 feet to a point N177,020.04, E394,618.21, thence running south 11 degrees 46 minutes 44.0 seconds west 300.00 feet to a point N176,726.36, E394,556.97, thence running south 78 degrees 12 minutes 30.3 seconds east 10.03 feet to a point N176,724.31, E394,566.79, thence running north 11 degrees 46 minutes 22.4 seconds east 300.00 feet to the point of origin.

(C) REDESIGNATIONS AS PART OF THE 6-FOOT ANCHORAGE.—The following portions of the project shall be redesignated as part of the 6-foot anchorage:

(i) The portion of the 6-foot channel the boundaries of which begin at a point with co-

ordinates N177,990.91, E394,820.68, thence running south 83 degrees 58 minutes 40.8 seconds west 94.65 feet to a point N177,980.98, E394,726.55, thence running south 11 degrees 46 minutes 22.4 seconds west 962.83 feet to a point N177,038.40, E394,530.10, thence running south 78 degrees 13 minutes 45.7 seconds east 90.00 feet to a point N177,020.04, E394,618.21, thence running north 11 degrees 46 minutes 47.7 seconds east 991.76 feet to the point of origin.

(ii) The portion of the 10-foot inner harbor settling basin the boundaries of which begin at a point with coordinates N177,020.04, E394,618.21, thence running north 78 degrees 13 minutes 30.5 seconds west 160.00 feet to a point N177,052.69, E394,461.58, thence running south 11 degrees 46 minutes 45.4 seconds west 299.99 feet to a point N176,759.02, E394,400.34, thence running south 78 degrees 13 minutes 17.9 seconds east 160 feet to a point N176,726.36, E394,556.97, thence running north 11 degrees 46 minutes 44.0 seconds east 300.00 feet to the point of origin.

(D) REDESIGNATION AS PART OF THE 6-FOOT CHANNEL.—The following portion of the project shall be redesignated as part of the 6-foot channel: the portion the boundaries of which begin at a point with coordinates N178,102.26, E394,751.83, thence running south 51 degrees 59 minutes 42.1 seconds west 526.51 feet to a point N177,778.07, E394,336.96, thence running south 11 degrees 46 minutes 26.6 seconds west 511.83 feet to a point N177,277.01, E394,232.52, thence running south 78 degrees 13 minutes 17.9 seconds east 80.00 feet to a point N177,260.68, E394,310.84, thence running north 11 degrees 46 minutes 24.8 seconds east 482.54 feet to a point N177,733.07, E394,409.30, thence running north 51 degrees 59 minutes 41.0 seconds east 402.63 feet to a point N177,980.98, E394,726.55, thence running north 11 degrees 46 minutes 27.6 seconds east 123.89 feet to the point of origin.

(E) REALIGNMENT.—The portion of the project described in subparagraph (D) shall be realigned to include the area located south of the inner harbor settling basin in existence on the date of enactment of this Act beginning at a point with coordinates N176,726.36, E394,556.97, thence running north 78 degrees 13 minutes 17.9 seconds west 160.00 feet to a point N176,759.02, E394,400.34, thence running south 11 degrees 47 minutes 03.8 seconds west 45 feet to a point N176,714.97, E394,391.15, thence running south 78 degrees 13 minutes 17.9 seconds 160.00 feet to a point N176,682.31, E394,547.78, thence running north 11 degrees 47 minutes 03.8 seconds east 45 feet to the point of origin.

(F) RELOCATION.—The Secretary may relocate the settling basin feature of the project to the outer harbor between the jetties.

(G) CONSERVATION EASEMENT.—The Secretary of the Interior, acting through the Director of the United States Fish and Wildlife Service, may accept a conveyance of the right, but not the obligation, to enforce a conservation easement to be held by the State of Maine over certain land owned by the town of Wells, Maine, that is adjacent to the Rachel Carson National Wildlife Refuge.

(4) NEW YORK HARBOR AND ADJACENT CHANNELS, PORT JERSEY, NEW JERSEY.—

(A) IN GENERAL.—The project for navigation, New York Harbor and adjacent channels, Port Jersey, New Jersey, authorized by section 201(b) of the Water Resources Development Act of 1986 (100 Stat. 4091), is modified to authorize the Secretary to construct the project at a total cost of \$102,545,000, with an estimated Federal cost of \$76,909,000 and an estimated non-Federal cost of \$25,636,000.

(B) BERTHING AREAS AND OTHER LOCAL FACILITIES.—The non-Federal interests shall provide berthing areas and other local service facilities necessary for the project at an estimated cost of \$722,000.

(5) WILLAMETTE RIVER TEMPERATURE CONTROL, MCKENZIE SUBBASIN, OREGON.—The project for environmental restoration, Willamette River Temperature Control, McKenzie Subbasin, Oregon, authorized by section 101(a)(25) of the Water Resources Development Act of 1996 (110 Stat. 3665), is modified to authorize the Secretary to construct the project at a total Federal cost of \$64,741,000.

(6) WHITE RIVER BASIN, ARKANSAS AND MISSOURI.—

(A) IN GENERAL.—The project for flood control, power generation and other purposes at the White River Basin, Arkansas and Missouri, authorized by section 4 of the Act of June 28, 1938 (52 Stat. 1218, chapter 795), and modified by House Document 917, Seventy-sixth Congress, Third Session, and House Document 290, Seventy-seventh Congress, First Session, approved August 18, 1941, and House Document 499, Eighty-third Congress, Second Session, approved September 3, 1954, and by section 304 of the Water Resources Development Act of 1996 (110 Stat. 3711) is modified to authorize the Secretary to provide minimum flows necessary to sustain tail water trout fisheries by reallocating the following amounts of project storage: Beaver Lake, 3.5 feet; Table Rock, 2 feet; Bull Shoals Lake, 5 feet; Norfolk Lake, 3.5 feet; and Greers Ferry Lake, 3 feet. The Secretary shall complete such report and submit it to the Congress by July 30, 2000.

(B) REPORT.—The report of the Chief of Engineers, required by this subsection, shall also include a determination that the modification of the project in subparagraph (A) does not adversely affect other authorized project purposes, and that no Federal costs are incurred.

(C) BEAVER LAKE, ARKANSAS, WATER SUPPLY STORAGE REALLOCATION.—The Secretary shall reallocate approximately 31,000 additional acre-feet at Beaver Lake, Arkansas, to water supply storage at no cost to the Beaver Water District or the Carroll-Boone Water District, except that at no time shall the bottom of the conservation pool be at an elevation that is less than 1,076 feet, NGVD.

(d) TOLCHESTER CHANNEL S-TURN, BALTIMORE, MARYLAND.—The project for navigation, Baltimore Harbor and Channels, Maryland, authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 297), is modified to direct the Secretary to straighten the Tolchester Channel S-turn as part of project maintenance.

(e) TROPICANA WASH AND FLAMINGO WASH, NEVADA.—Any Federal costs associated with the Tropicana and Flamingo Washes, Nevada, authorized by section 101(13) of the Water Resources Development Act of 1992 (106 Stat. 4803), incurred by the non-Federal interest to accelerate or modify construction of the project, in cooperation with the Corps of Engineers, shall be considered to be eligible for reimbursement by the Secretary.

(f) REDIVERSION PROJECT, COOPER RIVER, CHARLESTON HARBOR, SOUTH CAROLINA.—

(1) IN GENERAL.—The redirection project, Cooper River, Charleston Harbor, South Carolina, authorized by section 101 of the River and Harbor Act of 1968 (82 Stat. 731) and modified by title I of the Energy and Water Development Appropriations Act, 1992 (105 Stat. 517), is modified to authorize the Secretary to pay the State of South Carolina not more than \$3,750,000, if the State enters

into an agreement with the Secretary providing that the State shall perform all future operation of the St. Stephen, South Carolina, fish lift (including associated studies to assess the efficacy of the fish lift).

(2) CONTENTS.—The agreement shall specify the terms and conditions under which payment will be made and the rights of, and remedies available to, the Secretary to recover all or a portion of the payment if the State suspends or terminates operation of the fish lift or fails to perform the operation in a manner satisfactory to the Secretary.

(3) MAINTENANCE.—Maintenance of the fish lift shall remain a Federal responsibility.

(g) TRINITY RIVER AND TRIBUTARIES, TEXAS.—The project for flood control and navigation, Trinity River and tributaries, Texas, authorized by section 301 of the River and Harbor Act of 1965 (79 Stat. 1091), is modified to add environmental restoration as a project purpose.

(h) BEACH EROSION CONTROL AND HURRICANE PROTECTION, VIRGINIA BEACH, VIRGINIA.—

(1) ACCEPTANCE OF FUNDS.—In any fiscal year that the Corps of Engineers does not receive appropriations sufficient to meet expected project expenditures for that year, the Secretary shall accept from the city of Virginia Beach, Virginia, for purposes of the project for beach erosion control and hurricane protection, Virginia Beach, Virginia, authorized by section 501(a) of the Water Resources Development Act of 1986 (100 Stat. 4136), such funds as the city may advance for the project.

(2) REPAYMENT.—Subject to the availability of appropriations, the Secretary shall repay, without interest, the amount of any advance made under paragraph (1), from appropriations that may be provided by Congress for river and harbor, flood control, shore protection, and related projects.

(i) ELIZABETH RIVER, CHESAPEAKE, VIRGINIA.—Notwithstanding any other provision of law, after the date of enactment of this Act, the city of Chesapeake, Virginia, shall not be obligated to make the annual cash contribution required under paragraph 1(9) of the Local Cooperation Agreement dated December 12, 1978, between the Government and the city for the project for navigation, southern branch of Elizabeth River, Chesapeake, Virginia.

(j) PAYMENT OPTION, MOOREFIELD, WEST VIRGINIA.—The Secretary may permit the non-Federal interests for the project for flood control, Moorefield, West Virginia, to pay without interest the remaining non-Federal cost over a period not to exceed 30 years, to be determined by the Secretary.

(k) MIAMI DADE AGRICULTURAL AND RURAL LAND RETENTION PLAN AND SOUTH BISCAYNE, FLORIDA.—Section 528(b)(3) of the Water Resources Development Act of 1996 (110 Stat. 3768) is amended by adding at the end the following:

“(D) CREDIT AND REIMBURSEMENT OF PAST AND FUTURE ACTIVITIES.—The Secretary may afford credit to or reimburse the non-Federal sponsors (using funds authorized by subparagraph (C)) for the reasonable costs of any work that has been performed or will be performed in connection with a study or activity meeting the requirements of subparagraph (A) if—

“(i) the Secretary determines that—

“(I) the work performed by the non-Federal sponsors will substantially expedite completion of a critical restoration project; and

“(II) the work is necessary for a critical restoration project; and

“(ii) the credit or reimbursement is granted pursuant to a project-specific agreement that prescribes the terms and conditions of the credit or reimbursement.”.

(1) LAKE MICHIGAN, ILLINOIS.—

(1) IN GENERAL.—The project for storm damage reduction and shoreline protection, Lake Michigan, Illinois, from Wilmette, Illinois, to the Illinois-Indiana State line, authorized by section 101(a)(12) of the Water Resources Development Act of 1996 (110 Stat. 3664), is modified to provide for reimbursement for additional project work undertaken by the non-Federal interest.

(2) CREDIT OR REIMBURSEMENT.—The Secretary shall credit or reimburse the non-Federal interest for the Federal share of project costs incurred by the non-Federal interest in designing, constructing, or reconstructing reach 2F (700 feet south of Fullerton Avenue and 500 feet north of Fullerton Avenue), reach 3M (Meigs Field), and segments 7 and 8 of reach 4 (43rd Street to 57th Street), if the non-Federal interest carries out the work in accordance with plans approved by the Secretary, at an estimated total cost of \$83,300,000.

(3) REIMBURSEMENT.—The Secretary shall reimburse the non-Federal interest for the Federal share of project costs incurred by the non-Federal interest in reconstructing the revetment structures protecting Solidarity Drive in Chicago, Illinois, before the signing of the project cooperation agreement, at an estimated total cost of \$7,600,000.

(m) MEASUREMENTS OF LAKE MICHIGAN DIVERSIONS, ILLINOIS.—Section 1142(b) of the Water Resources Development Act of 1986 (100 Stat. 4253) is amended by striking “\$250,000 per fiscal year for each fiscal year beginning after September 30, 1986” and inserting “a total of \$1,250,000 for each of fiscal years 1999 through 2003”.

(n) PROJECT FOR NAVIGATION, DUBUQUE, IOWA.—The project for navigation at Dubuque, Iowa, authorized by section 101 of the River and Harbor Act of 1960 (74 Stat. 482), is modified to authorize the development of a wetland demonstration area of approximately 1.5 acres to be developed and operated by the Dubuque County Historical Society or a successor nonprofit organization.

(o) LOUISIANA STATE PENITENTIARY LEVEE.—The Secretary may credit against the non-Federal share work performed in the project area of the Louisiana State Penitentiary Levee, Mississippi River, Louisiana, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4117).

(p) JACKSON COUNTY, MISSISSIPPI.—The project for environmental infrastructure, Jackson County, Mississippi, authorized by section 219(c)(5) of the Water Resources Development Act of 1992 (106 Stat. 4835) and modified by section 504 of the Water Resources Development Act of 1996 (110 Stat. 3757), is modified to direct the Secretary to provide a credit, not to exceed \$5,000,000, against the non-Federal share of the cost of the project for the costs incurred by the Jackson County Board of Supervisors since February 8, 1994, in constructing the project, if the Secretary determines that such costs are for work that the Secretary determines was compatible with and integral to the project.

(q) RICHARD B. RUSSELL DAM AND LAKE, SOUTH CAROLINA.—

(1) IN GENERAL.—Except as otherwise provided in this paragraph, the Secretary shall convey to the State of South Carolina all right, title, and interest of the United States in the parcels of land described in paragraph

(2)(A) that are currently being managed by the South Carolina Department of Natural Resources for fish and wildlife mitigation purposes for the Richard B. Russell Dam and Lake, South Carolina, project authorized by the Flood Control Act of 1966 and modified by the Water Resources Development Act of 1986.

(2) LAND DESCRIPTION.—

(A) IN GENERAL.—The parcels of land to be conveyed are described in Exhibits A, F, and H of Army Lease No. DACW21-1-93-0910 and associated supplemental agreements or are designated in red in Exhibit A of Army License No. DACW21-3-85-1904, excluding all designated parcels in the license that are below elevation 346 feet mean sea level or that are less than 300 feet measured horizontally from the top of the power pool.

(B) MANAGEMENT OF EXCLUDED PARCELS.—Management of the excluded parcels shall continue in accordance with the terms of Army License No. DACW21-3-85-1904 until the Secretary and the State enter into an agreement under paragraph (6).

(C) SURVEY.—The exact acreage and legal description of the land shall be determined by a survey satisfactory to the Secretary, with the cost of the survey borne by the State.

(3) COSTS OF CONVEYANCE.—The State shall be responsible for all costs, including real estate transaction and environmental compliance costs, associated with the conveyance.

(4) PERPETUAL STATUS.—

(A) IN GENERAL.—All land conveyed under this paragraph shall be retained in public ownership and shall be managed in perpetuity for fish and wildlife mitigation purposes in accordance with a plan approved by the Secretary.

(B) REVERSION.—If any parcel of land is not managed for fish and wildlife mitigation purposes in accordance with the plan, title to the parcel shall revert to the United States.

(5) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance as the Secretary considers appropriate to protect the interests of the United States.

(6) FISH AND WILDLIFE MITIGATION AGREEMENT.—

(A) IN GENERAL.—The Secretary may pay the State of South Carolina not more than \$4,850,000 subject to the Secretary and the State entering into a binding agreement for the State to manage for fish and wildlife mitigation purposes in perpetuity the lands conveyed under this paragraph and excluded parcels designated in Exhibit A of Army License No. DACW21-3-85-1904.

(B) FAILURE OF PERFORMANCE.—The agreement shall specify the terms and conditions under which payment will be made and the rights of, and remedies available to, the Federal Government to recover all or a portion of the payment if the State fails to manage any parcel in a manner satisfactory to the Secretary.

(r) LAND CONVEYANCE, CLARKSTON, WASHINGTON.—

(1) IN GENERAL.—The Secretary shall convey to the Port of Clarkston, Washington, all right, title, and interest of the United States in and to a portion of the land described in the Department of the Army lease No. DACW68-1-97-22, consisting of approximately 31 acres, the exact boundaries of which shall be determined by the Secretary and the Port of Clarkston.

(2) ADDITIONAL LAND.—The Secretary may convey to the Port of Clarkston, Washington, such additional land located in the



vicinity of Clarkston, Washington, as the Secretary determines to be excess to the needs of the Columbia River Project and appropriate for conveyance.

(3) **TERMS AND CONDITIONS.**—The conveyances made under paragraphs (1) and (2) shall be subject to such terms and conditions as the Secretary determines to be necessary to protect the interests of the United States, including a requirement that the Port of Clarkston pay all administrative costs associated with the conveyances, including the cost of land surveys and appraisals and costs associated with compliance with applicable environmental laws (including regulations).

(4) **USE OF LAND.**—The Port of Clarkston shall be required to pay the fair market value, as determined by the Secretary, of any land conveyed pursuant to paragraphs (1) and (2) that is not retained in public ownership and used for public park or recreation purposes, except that the Secretary shall have a right of reverter to reclaim possession and title to any such land.

(s) **WHITE RIVER, INDIANA.**—The project for flood control, Indianapolis on West Fork of the White River, Indiana, authorized by section 5 of the Act entitled “An Act authorizing the construction of certain public works on rivers and harbors for flood control, and other purposes”, approved June 22, 1936 (49 Stat. 1586, chapter 688), as modified by section 323 of the Water Resources Development Act of 1996 (110 Stat. 3716), is modified to authorize the Secretary to undertake the riverfront alterations described in the Central Indianapolis Waterfront Concept Plan, dated February 1994, for the Canal Development (Upper Canal feature) and the Beveridge Paper feature, at a total cost not to exceed \$25,000,000, of which \$12,500,000 is the estimated Federal cost and \$12,500,000 is the estimated non-Federal cost, except that no such alterations may be undertaken unless the Secretary determines that the alterations authorized by this subsection, in combination with the alterations undertaken under section 323 of the Water Resources Development Act of 1996 (110 Stat. 3716), are economically justified.

(t) **FOX POINT HURRICANE BARRIER, PROVIDENCE, RHODE ISLAND.**—The project for hurricane-flood protection, Fox Point, Providence, Rhode Island, authorized by section 203 of the Flood Control Act of 1958 (72 Stat. 306) is modified to direct the Secretary to undertake the necessary repairs to the barrier, as identified in the Condition Survey and Technical Assessment dated April 1998 with Supplement dated August 1998, at a total cost of \$3,000,000, with an estimated Federal cost of \$1,950,000 and an estimated non-Federal cost of \$1,050,000.

(u) **LEE COUNTY, CAPTIVA ISLAND SEGMENT, FLORIDA.**—

(1) **IN GENERAL.**—The project for shoreline protection, Lee County, Captiva Island segment, Florida, authorized by section 506(b)(3)(A) of the Water Resources Development Act of 1996 (110 Stat. 3758), is modified to direct the Secretary to enter into an agreement with the non-Federal interest to carry out the project in accordance with section 206 of the Water Resources Development Act of 1992 (33 U.S.C. 426i-1).

(2) **DECISION DOCUMENT.**—The design memorandum approved in 1996 shall be the decision document supporting continued Federal participation in cost sharing of the project.

(v) **COLUMBIA RIVER CHANNEL, WASHINGTON AND OREGON.**—

(1) **IN GENERAL.**—The project for navigation, Columbia River between Vancouver, Washington, and The Dalles, Oregon, author-

ized by the first section of the Act of July 24, 1946 (60 Stat. 637, chapter 595), is modified to authorize the Secretary to construct an alternate barge channel to traverse the high span of the Interstate Route 5 bridge between Portland, Oregon, and Vancouver, Washington, to a depth of 17 feet, with a width of approximately 200 feet through the high span of the bridge and a width of approximately 300 feet upstream of the bridge.

(2) **DISTANCE UPSTREAM.**—The channel shall continue upstream of the bridge approximately 2,500 feet to about river mile 107, then to a point of convergence with the main barge channel at about river mile 108.

(3) **DISTANCE DOWNSTREAM.**—

(A) **SOUTHERN EDGE.**—The southern edge of the channel shall continue downstream of the bridge approximately 1,500 feet to river mile 106+10, then turn northwest to tie into the edge of the Upper Vancouver Turning Basin.

(B) **NORTHERN EDGE.**—The northern edge of the channel shall continue downstream of the bridge to the Upper Vancouver Turning Basin.

### SEC. 103. PROJECT DEAUTHORIZATIONS.

(a) **BRIDGEPORT HARBOR, CONNECTICUT.**—The portion of the project for navigation, Bridgeport Harbor, Connecticut, authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 297), consisting of a 2.4-acre anchorage area 9 feet deep and an adjacent 0.60-acre anchorage area 6 feet deep, located on the west side of Johnsons River, Connecticut, is not authorized after the date of enactment of this Act.

(b) **BASS HARBOR, MAINE.**—

(1) **DEAUTHORIZATION.**—The portions of the project for navigation, Bass Harbor, Maine, authorized on May 7, 1962, under section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577) described in paragraph (2) are not authorized after the date of enactment of this Act.

(2) **DESCRIPTION.**—The portions of the project referred to in paragraph (1) are described as follows:

(A) Beginning at a bend in the project, N149040.00, E538505.00, thence running easterly about 50.00 feet along the northern limit of the project to a point, N149061.55, E538550.11, thence running southerly about 642.08 feet to a point, N148477.64, E538817.18, thence running southwesterly about 156.27 feet to a point on the westerly limit of the project, N148348.50, E538737.02, thence running northerly about 149.00 feet along the westerly limit of the project to a bend in the project, N148489.22, E538768.09, thence running northwesterly about 610.39 feet along the westerly limit of the project to the point of origin.

(B) Beginning at a point on the westerly limit of the project, N148118.55, E538689.05, thence running southeasterly about 91.92 feet to a point, N148041.43, E538739.07, thence running southerly about 65.00 feet to a point, N147977.86, E538725.51, thence running southwesterly about 91.92 feet to a point on the westerly limit of the project, N147927.84, E538648.39, thence running northerly about 195.00 feet along the westerly limit of the project to the point of origin.

(c) **BOOTHBAY HARBOR, MAINE.**—The project for navigation, Boothbay Harbor, Maine, authorized by the Act of July 25, 1912 (37 Stat. 201, chapter 253), is not authorized after the date of enactment of this Act.

(d) **CARVERS HARBOR, VINALHAVEN, MAINE.**—

(1) **DEAUTHORIZATION.**—The portion of the project for navigation, Carvers Harbor, Vinalhaven, Maine, authorized by the Act of

June 3, 1896 (commonly known as the “River and Harbor Appropriations Act of 1896”) (29 Stat. 202, chapter 314), described in paragraph (2) is not authorized after the date of enactment of this Act.

(2) **DESCRIPTION.**—The portion of the project referred to in paragraph (1) is the portion of the 16-foot anchorage beginning at a point with coordinates N137,502.04, E895,156.83, thence running south 6 degrees 34 minutes 57.6 seconds west 277.660 feet to a point N137,226.21, E895,125.00, thence running north 53 degrees, 5 minutes 42.4 seconds west 127.746 feet to a point N137,302.92, E895,022.85, thence running north 33 degrees 56 minutes 9.8 seconds east 239.999 feet to the point of origin.

(e) **EAST BOOTHBAY HARBOR, MAINE.**—Section 364 of the Water Resources Development Act of 1996 (110 Stat. 3731) is amended by striking paragraph (9) and inserting the following:

“(9) **EAST BOOTHBAY HARBOR, MAINE.**—The project for navigation, East Boothbay Harbor, Maine, authorized by the first section of the Act entitled ‘An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes’, approved June 25, 1910 (36 Stat. 657).”

(f) **SEARSPORT HARBOR, SEARSPORT, MAINE.**—

(1) **DEAUTHORIZATION.**—The portion of the project for navigation, Searsport Harbor, Searsport, Maine, authorized by section 101 of the River and Harbor Act of 1962 (76 Stat. 1173), described in paragraph (2) is not authorized after the date of enactment of this Act.

(2) **DESCRIPTION.**—The portion of the project referred to in paragraph (1) is the portion of the 35-foot turning basin beginning at a point with coordinates N225,008.38, E395,464.26, thence running north 43 degrees 49 minutes 53.4 seconds east 362.001 feet to a point N225,269.52, E395,714.96, thence running south 71 degrees 27 minutes 33.0 seconds east 1,309.201 feet to a point N224,853.22, E396,956.21, thence running north 84 degrees 3 minutes 45.7 seconds west 1,499.997 feet to the point of origin.

### SEC. 104. STUDIES.

(a) **CADDO LEVEE, RED RIVER BELOW DENISON DAM, ARIZONA, LOUISIANA, OKLAHOMA, AND TEXAS.**—The Secretary shall conduct a study to determine the feasibility of undertaking a project for flood control, Caddo Levee, Red River Below Denison Dam, Arizona, Louisiana, Oklahoma, and Texas, including incorporating the existing levee, along Twelve Mile Bayou from its juncture with the existing Red River Below Denison Dam Levee approximately 26 miles upstream to its terminus at high ground in the vicinity of Black Bayou, Louisiana.

(b) **BOYDSVILLE, ARKANSAS.**—The Secretary shall conduct a study to determine the feasibility of reservoir and associated improvements to provide for flood control, recreation, water quality, water supply, and fish and wildlife purposes in the vicinity of Boydsville, Arkansas.

(c) **UNION COUNTY, ARKANSAS.**—The Secretary shall conduct a study to determine the feasibility of municipal and industrial water supply for Union County, Arkansas.

(d) **WHITE RIVER BASIN, ARKANSAS AND MISSOURI.**—

(1) **IN GENERAL.**—The Secretary shall conduct a study of the project for flood control, power generation, and other purposes at the White River Basin, Arkansas and Missouri, authorized by section 4 of the Act of June 28, 1938 (52 Stat. 1218, chapter 795), and modified

by H. Doc. 917, 76th Cong., 3d Sess., and H. Doc. 290, 77th Cong., 1st Sess., approved August 18, 1941, and H. Doc. 499, 83d Cong., 2d Sess., approved September 3, 1954, and by section 304 of the Water Resources Development Act of 1996 (110 Stat. 3711) to determine the feasibility of modifying the project to provide minimum flows necessary to sustain the tail water trout fisheries.

(2) REPORT.—Not later than July 30, 2000, the Secretary shall submit to Congress a report on the study and any recommendations on reallocation of storage at Beaver Lake, Table Rock, Bull Shoals Lake, Norfolk Lake, and Greers Ferry Lake.

(e) FIELDS LANDING CHANNEL, HUMBOLDT HARBOR, CALIFORNIA.—The Secretary—

(1) shall conduct a study for the project for navigation, Fields Landing Channel, Humboldt Harbor and Bay, California, to a depth of minus 35 feet (MLLW), and for that purpose may use any feasibility report prepared by the non-Federal sponsor under section 203 of the Water Resources Development Act of 1986 (33 U.S.C. 2231) for which reimbursement of the Federal share of the study is authorized subject to the availability of appropriations; and

(2) may carry out the project under section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577), if the Secretary determines that the project is feasible.

(f) FRAZIER CREEK, TULARE COUNTY, CALIFORNIA.—The Secretary shall conduct a study to determine—

(1) the feasibility of restoring Frazier Creek, Tulare County, California; and

(2) the Federal interest in flood control, environmental restoration, conservation of fish and wildlife resources, recreation, and water quality of the creek.

(g) STRAWBERRY CREEK, BERKELEY, CALIFORNIA.—The Secretary shall conduct a study to determine the feasibility of restoring Strawberry Creek, Berkeley, California, and the Federal interest in environmental restoration, conservation of fish and wildlife resources, recreation, and water quality.

(h) WEST SIDE STORM WATER RETENTION FACILITY, CITY OF LANCASTER, CALIFORNIA.—The Secretary shall conduct a study to determine the feasibility of undertaking measures to construct the West Side Storm Water Retention Facility in the city of Lancaster, California.

(i) APALACHICOLA RIVER, FLORIDA.—The Secretary shall conduct a study for the purpose of identifying—

(1) alternatives for the management of material dredged in connection with operation and maintenance of the Apalachicola River Navigation Project; and

(2) alternatives that reduce the requirements for such dredging.

(j) BROWARD COUNTY, SAND BYPASSING AT PORT EVERGLADES, FLORIDA.—The Secretary shall conduct a study to determine the feasibility of constructing a sand bypassing project at the Port Everglades Inlet, Florida.

(k) CITY OF DESTIN-NORIEGA POINT BREAKWATER, FLORIDA.—The Secretary shall conduct a study to determine the feasibility of—

(1) restoring Noriega Point, Florida, to serve as a breakwater for Destin Harbor; and

(2) including Noriega Point as part of the East Pass, Florida, navigation project.

(l) GATEWAY TRIANGLE REDEVELOPMENT AREA, FLORIDA.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of undertaking measures to reduce the flooding problems in the vicinity of Gateway Triangle Redevelopment Area, Florida.

(2) STUDIES AND REPORTS.—The study shall include a review and consideration of studies

and reports completed by the non-Federal interests.

(m) CITY OF PLANT CITY, FLORIDA.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of a flood control project in the city of Plant City, Florida.

(2) STUDIES AND REPORTS.—In conducting the study, the Secretary shall review and consider studies and reports completed by the non-Federal interests.

(n) BOISE, IDAHO.—The Secretary shall conduct a study to determine the feasibility of undertaking flood control on the Boise River in Boise, Idaho.

(o) GOOSE CREEK WATERSHED, OAKLEY, IDAHO.—The Secretary shall conduct a study to determine the feasibility of undertaking flood damage reduction, water conservation, ground water recharge, ecosystem restoration, and related purposes along the Goose Creek watershed near Oakley, Idaho.

(p) LITTLE WOOD RIVER, GOODING, IDAHO.—The Secretary shall conduct a study to determine the feasibility of restoring and repairing the Lava Rock Little Wood River Containment System to prevent flooding in the city of Gooding, Idaho.

(q) BANK STABILIZATION, SNAKE RIVER, LEWISTON, IDAHO.—The Secretary shall conduct a study to determine the feasibility of undertaking bank stabilization and flood control on the Snake River at Lewiston, Idaho.

(r) SNAKE RIVER AND PAYETTE RIVER, IDAHO.—The Secretary shall conduct a study to determine the feasibility of a flood control project along the Snake River and Payette River, in the vicinity of Payette, Idaho.

(s) ACADIANA NAVIGATION CHANNEL, LOUISIANA.—The Secretary shall conduct a study to determine the feasibility of assuming operations and maintenance for the Acadiana Navigation Channel located in Iberia and Vermillion Parishes, Louisiana.

(t) CAMERON PARISH WEST OF CALCASIEU RIVER, LOUISIANA.—The Secretary shall conduct a study to determine the feasibility of a storm damage reduction and ecosystem restoration project for Cameron Parish west of Calcasieu River, Louisiana.

(u) BENEFICIAL USE OF DREDGED MATERIAL, COASTAL LOUISIANA.—The Secretary shall conduct a study to determine the feasibility of using dredged material from maintenance activities at Federal navigation projects in coastal Louisiana to benefit coastal areas in the State.

(v) CONTRABAND BAYOU NAVIGATION CHANNEL, LOUISIANA.—The Secretary shall conduct a study to determine the feasibility of assuming the maintenance at Contraband Bayou, Calcasieu River Ship Canal, Louisiana.

(w) GOLDEN MEADOW LOCK, LOUISIANA.—The Secretary shall conduct a study to determine the feasibility of converting the Golden Meadow floodgate into a navigation lock to be included in the Larose to Golden Meadow Hurricane Protection Project, Louisiana.

(x) GULF INTRACOASTAL WATERWAY ECOSYSTEM PROTECTION, CHEF MENTEUR TO SABINE RIVER, LOUISIANA.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of undertaking ecosystem restoration and protection measures along the Gulf Intracoastal Waterway from Chef Menteur to Sabine River, Louisiana.

(2) MATTERS TO BE ADDRESSED.—The study shall address saltwater intrusion, tidal scour, erosion, compaction, subsidence, wind

and wave action, bank failure, and other problems relating to water resources in the area.

(y) LAKE PONTCHARTRAIN, LOUISIANA, AND VICINITY, ST. CHARLES PARISH PUMPS.—The Secretary shall conduct a study to determine the feasibility of modifying the Lake Pontchartrain Hurricane Protection Project to include the St. Charles Parish Pumps and the modification of the seawall fronting protection along Lake Pontchartrain in Orleans Parish, from New Basin Canal on the west to the Inner Harbor Navigation Canal on the east.

(z) LAKE PONTCHARTRAIN AND VICINITY SEAWALL RESTORATION, LOUISIANA.—The Secretary shall conduct a study to determine the feasibility of undertaking structural modifications of that portion of the seawall fronting protection along the south shore of Lake Pontchartrain in Orleans Parish, Louisiana, extending approximately 5 miles from the new basin Canal on the west to the Inner Harbor Navigation Canal on the east as a part of the Lake Pontchartrain and Vicinity Hurricane Protection Project, authorized by section 204 of the Flood Control Act of 1965 (79 Stat. 1077).

(aa) MUDDY RIVER, BROOKLINE AND BOSTON, MASSACHUSETTS.—

(1) IN GENERAL.—The Secretary shall evaluate the January 1999 study commissioned by the Boston Parks and Recreation Department, Boston, Massachusetts, and entitled "The Emerald Necklace Environmental Improvement Master Plan, Phase I Muddy River Flood Control, Water Quality and Habitat Enhancement", to determine whether the plans outlined in the study for flood control, water quality, habitat enhancements, and other improvements to the Muddy River in Brookline and Boston, Massachusetts, are cost-effective, technically sound, environmentally acceptable, and in the Federal interest.

(2) REPORT.—Not later than December 31, 1999, the Secretary shall report to Congress the results of the evaluation.

(bb) DETROIT RIVER, MICHIGAN, GREENWAY CORRIDOR STUDY.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of a project for shoreline protection, frontal erosion, and associated purposes in the Detroit River shoreline area from the Belle Isle Bridge to the Ambassador Bridge in Detroit, Michigan.

(2) POTENTIAL MODIFICATIONS.—As a part of the study, the Secretary shall review potential project modifications to any existing Corps projects within the same area.

(cc) ST. CLAIR SHORES FLOOD CONTROL, MICHIGAN.—The Secretary shall conduct a study to determine the feasibility of constructing a flood control project at St. Clair Shores, Michigan.

(dd) WOODTICK PENINSULA, MICHIGAN, AND TOLEDO HARBOR, OHIO.—The Secretary shall conduct a study to determine the feasibility of utilizing dredged material from Toledo Harbor, Ohio, to provide erosion reduction, navigation, and ecosystem restoration at Woodtick Peninsula, Michigan.

(ee) DREDGED MATERIAL MANAGEMENT, PASCAGOULA HARBOR, MISSISSIPPI.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine an alternative plan for dredged material management for the Pascagoula River portion of the project for navigation, Pascagoula Harbor, Mississippi, authorized by section 202(a) of the Water Resources Development Act of 1986 (100 Stat. 4094).

(2) CONTENTS.—The study under paragraph (1) shall—

(A) include an analysis of the feasibility of expanding the Singing River Island Disposal Area or constructing a new dredged material disposal facility; and

(2) identify methods of managing and reducing sediment transport into the Federal navigation channel.

(ff) TUNICA LAKE WEIR, MISSISSIPPI.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of constructing an outlet weir at Tunica Lake, Tunica County, Mississippi, and Lee County, Arkansas, for the purpose of stabilizing water levels in the Lake.

(2) ECONOMIC ANALYSIS.—In carrying out the study, the Secretary shall include as a part of the economic analysis the benefits derived from recreation uses at the Lake and economic benefits associated with restoration of fish and wildlife habitat.

(gg) PROTECTIVE FACILITIES FOR THE ST. LOUIS, MISSOURI, RIVERFRONT AREA.—

(1) STUDY.—The Secretary shall conduct a study to determine the optimal plan to protect facilities that are located on the Mississippi River riverfront within the boundaries of St. Louis, Missouri.

(2) REQUIREMENTS.—In conducting the study, the Secretary shall—

(A) evaluate alternatives to offer safety and security to facilities; and

(B) use state-of-the-art techniques to best evaluate the current situation, probable solutions, and estimated costs.

(3) REPORT.—Not later than April 15, 2000, the Secretary shall submit to Congress a report on the results of the study.

(hh) YELLOWSTONE RIVER, MONTANA.—

(1) STUDY.—The Secretary shall conduct a comprehensive study of the Yellowstone River from Gardiner, Montana to the confluence of the Missouri River to determine the hydrologic, biological, and socioeconomic cumulative impacts on the river.

(2) CONSULTATION AND COORDINATION.—The Secretary shall conduct the study in consultation with the United States Fish and Wildlife Service, the United States Geological Survey, and the Natural Resources Conservation Service and with the full participation of the State of Montana and tribal and local entities, and provide for public participation.

(3) REPORT.—Not later than 5 years after the date of enactment of this Act, the Secretary shall submit a report to Congress on the results of the study.

(ii) LAS VEGAS VALLEY, NEVADA.—

(1) IN GENERAL.—The Secretary shall conduct a comprehensive study of water resources located in the Las Vegas Valley, Nevada.

(2) OBJECTIVES.—The study shall identify problems and opportunities related to ecosystem restoration, water quality, particularly the quality of surface runoff, water supply, and flood control.

(jj) OSWEGO RIVER BASIN, NEW YORK.—The Secretary shall conduct a study to determine the feasibility of establishing a flood forecasting system within the Oswego River basin, New York.

(kk) PORT OF NEW YORK-NEW JERSEY NAVIGATION STUDY AND ENVIRONMENTAL RESTORATION STUDY.—

(1) NAVIGATION STUDY.—The Secretary shall conduct a comprehensive study of navigation needs at the Port of New York-New Jersey (including the South Brooklyn Marine and Red Hook Container Terminals, Staten Island, and adjacent areas) to address improvements, including deepening of existing channels to depths of 50 feet or greater, that are required to provide economically ef-

ficient and environmentally sound navigation to meet current and future requirements.

(2) ENVIRONMENTAL RESTORATION STUDY.—The Secretary, acting through the Chief of Engineers, shall review the report of the Chief of Engineers on the New York Harbor, printed in the House Management Plan of the Harbor Estuary Program, and other pertinent reports concerning the New York Harbor Region and the Port of New York-New Jersey, to determine the Federal interest in advancing harbor environmental restoration.

(3) REPORT.—The Secretary may use funds from the ongoing navigation study for New York and New Jersey Harbor to complete a reconnaissance report for environmental restoration by December 31, 1999. The navigation study to deepen New York and New Jersey Harbor shall consider beneficial use of dredged material.

(ll) CLEVELAND HARBOR, CLEVELAND, OHIO.—The Secretary shall conduct a study to determine the feasibility of undertaking repairs and related navigation improvements at Dike 14, Cleveland, Ohio.

(mm) CHAGRIN, OHIO.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of undertaking flood damage reduction at Chagrin, Ohio.

(2) ICE RETENTION STRUCTURE.—In conducting the study, the Secretary may consider construction of an ice retention structure as a potential means of providing flood damage reduction.

(nn) TOUSSAINT RIVER, CARROLL TOWNSHIP, OHIO.—The Secretary shall conduct a study to determine the feasibility of undertaking navigation improvements at Toussaint River, Carroll Township, Ohio.

(oo) SANTEE DELTA WETLAND HABITAT, SOUTH CAROLINA.—Not later than 18 months after the date of enactment of this Act, the Secretary shall complete a comprehensive study of the ecosystem in the Santee Delta focus area of South Carolina to determine the feasibility of undertaking measures to enhance the wetland habitat in the area.

(pp) WACCAMAW RIVER, SOUTH CAROLINA.—The Secretary shall conduct a study to determine the feasibility of a flood control project for the Waccamaw River in Horry County, South Carolina.

(qq) UPPER SUSQUEHANNA-LACKAWANNA, PENNSYLVANIA, WATERSHED MANAGEMENT AND RESTORATION STUDY.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of a comprehensive flood plain management and watershed restoration project for the Upper Susquehanna-Lackawanna Watershed, Pennsylvania.

(2) GEOGRAPHIC INFORMATION SYSTEM.—In conducting the study, the Secretary shall use a geographic information system.

(3) PLANS.—The study shall formulate plans for comprehensive flood plain management and environmental restoration.

(4) CREDITING.—Non-Federal interests may receive credit for in-kind services and materials that contribute to the study. The Secretary may credit non-Corps Federal assistance provided to the non-Federal interest toward the non-Federal share of study costs to the maximum extent authorized by law.

(rr) CONTAMINATED DREDGED MATERIAL AND SEDIMENT MANAGEMENT, SOUTH CAROLINA COASTAL AREAS.—

(1) IN GENERAL.—The Secretary shall review pertinent reports and conduct other studies and field investigations to determine the best available science and methods for management of contaminated dredged mate-

rial and sediments in the coastal areas of South Carolina.

(2) FOCUS.—In carrying out subsection (a), the Secretary shall place particular focus on areas where the Corps of Engineers maintains deep draft navigation projects, such as Charleston Harbor, Georgetown Harbor, and Port Royal, South Carolina.

(3) COOPERATION.—The studies shall be conducted in cooperation with the appropriate Federal and State environmental agencies.

(ss) NIOBRARA RIVER AND MISSOURI RIVER SEDIMENTATION STUDY, SOUTH DAKOTA.—The Secretary shall conduct a study of the Niobrara River watershed and the operations of Fort Randall Dam and Gavins Point Dam on the Missouri River to determine the feasibility of alleviating the bank erosion, sedimentation, and related problems in the lower Niobrara River and the Missouri River below Fort Randall Dam.

(tt) SANTA CLARA RIVER, UTAH.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of undertaking measures to alleviate damage caused by flooding, bank erosion, and sedimentation along the watershed of the Santa Clara River, Utah, above the Gunlock Reservoir.

(2) CONTENTS.—The study shall include an analysis of watershed conditions and water quality, as related to flooding and bank erosion, along the Santa Clara River in the vicinity of the town of Gunlock, Utah.

(uu) MOUNT ST. HELENS ENVIRONMENTAL RESTORATION, WASHINGTON.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of ecosystem restoration improvements throughout the Cowlitz and Toutle River basins, Washington, including the 6,000 acres of wetland, riverine, riparian, and upland habitats lost or altered due to the eruption of Mount St. Helens in 1980 and subsequent emergency actions.

(2) REQUIREMENTS.—In carrying out the study, the Secretary shall—

(A) work in close coordination with local governments, watershed entities, the State of Washington, and other Federal agencies; and

(B) place special emphasis on—

(i) conservation and restoration strategies to benefit species that are listed or proposed for listing as threatened or endangered species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.); and

(ii) other watershed restoration objectives.

(vv) AGAT SMALL BOAT HARBOR, GUAM.—The Secretary shall conduct a study to determine the feasibility of undertaking the repair and reconstruction of Agat Small Boat Harbor, Guam, including the repair of existing shore protection measures and construction or a revetment of the breakwater seawall.

(ww) APRA HARBOR SEAWALL, GUAM.—The Secretary shall conduct a study to determine the feasibility of undertaking measures to repair, upgrade, and extend the seawall protecting Apra Harbor, Guam, and to ensure continued access to the harbor via Route 11B.

(xx) APRA HARBOR FUEL PIERS, GUAM.—The Secretary shall conduct a study to determine the feasibility of undertaking measures to upgrade the piers and fuel transmission lines at the fuel piers in the Apra Harbor, Guam, and measures to provide for erosion control and protection against storm damage.

(yy) MAINTENANCE DREDGING OF HARBOR PIERS, GUAM.—The Secretary shall conduct a study to determine the feasibility of Federal maintenance of areas adjacent to piers at

harbors in Guam, including Apra Harbor, Agat Harbor, and Agana Marina.

(zz) **ALTERNATIVE WATER SOURCES STUDY.**—(1) **IN GENERAL.**—The Administrator of the Environmental Protection Agency shall conduct a study of the water supply needs of States that are not currently eligible for assistance under title XVI of the Reclamation Projects Authorization and Adjustment Act of 1992 (43 U.S.C. 390h et seq.).

(2) **REQUIREMENTS.**—The study shall—

(A) identify the water supply needs (including potable, commercial, industrial, recreational and agricultural needs) of each State described in paragraph (1) through 2020, making use of such State, regional, and local plans, studies, and reports as are available;

(B) evaluate the feasibility of various alternative water source technologies such as reuse and reclamation of wastewater and stormwater (including indirect potable reuse), aquifer storage and recovery, and desalination to meet the anticipated water supply needs of the States; and

(C) assess how alternative water sources technologies can be utilized to meet the identified needs.

(3) **REPORT.**—The Administrator shall report to Congress on the results of the study not more than 180 days after the date of enactment of this Act.

(aaa) **GREAT LAKES NAVIGATIONAL SYSTEM.**—In consultation with the St. Lawrence Seaway Development Corporation, the Secretary shall review the Great Lakes Connecting Channel and Harbors Report dated March 1985 to determine the feasibility of any modification of the recommendations made in the report to improve commercial navigation on the Great Lakes navigation system, including locks, dams, harbors, ports, channels, and other related features.

## TITLE II—GENERAL PROVISIONS

### SEC. 201. FLOOD HAZARD MITIGATION AND RIVERINE ECOSYSTEM RESTORATION PROGRAM.

(a) **IN GENERAL.**—

(1) **AUTHORIZATION.**—The Secretary may carry out a program to reduce flood hazards and restore the natural functions and values of riverine ecosystems throughout the United States.

(2) **STUDIES.**—In carrying out the program, the Secretary shall conduct studies to identify appropriate flood damage reduction, conservation, and restoration measures and may design and implement watershed management and restoration projects.

(3) **PARTICIPATION.**—The studies and projects carried out under the program shall be conducted, to the extent practicable, with the full participation of the appropriate Federal agencies, including the Department of Agriculture, the Federal Emergency Management Agency, the Department of the Interior, the Environmental Protection Agency, and the Department of Commerce.

(4) **NONSTRUCTURAL APPROACHES.**—The studies and projects shall, to the extent practicable, emphasize nonstructural approaches to preventing or reducing flood damages.

(b) **COST-SHARING REQUIREMENTS.**—

(1) **STUDIES.**—The cost of studies conducted under subsection (a) shall be shared in accordance with section 105 of the Water Resources Development Act of 1986 (33 Stat. 2215).

(2) **PROJECTS.**—The non-Federal interests shall pay 35 percent of the cost of any project carried out under this section.

(3) **IN-KIND CONTRIBUTIONS.**—The non-Federal interests shall provide all land, ease-

ments, rights-of-way, dredged material disposal areas, and relocations necessary for the projects. The value of the land, easements, rights-of-way, dredged material disposal areas, and relocations shall be credited toward the payment required under this subsection.

(4) **RESPONSIBILITIES OF THE NON-FEDERAL INTERESTS.**—The non-Federal interests shall be responsible for all costs associated with operating, maintaining, replacing, repairing, and rehabilitating all projects carried out under this section.

(c) **PROJECT JUSTIFICATION.**—

(1) **IN GENERAL.**—The Secretary may implement a project under this section if the Secretary determines that the project—

(A) will significantly reduce potential flood damages;

(B) will improve the quality of the environment; and

(C) is justified considering all costs and beneficial outputs of the project.

(2) **SELECTION CRITERIA; POLICIES AND PROCEDURES.**—Not later than 180 days after the date of enactment of this Act, the Secretary shall—

(A) develop criteria for selecting and rating the projects to be carried out as part of the program authorized by this section; and

(B) establish policies and procedures for carrying out the studies and projects undertaken under this section.

(d) **REPORTING REQUIREMENT.**—The Secretary may not implement a project under this section until—

(1) the Secretary provides to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a written notification describing the project and the determinations made under subsection (c); and

(2) a period of 21 calendar days has expired following the date on which the notification was received by the Committees.

(e) **PRIORITY AREAS.**—In carrying out this section, the Secretary shall examine the potential for flood damage reductions at appropriate locations, including—

(1) Los Angeles County drainage area, California;

(2) Napa River Valley watershed, California;

(3) Le May, Missouri;

(4) the upper Delaware River basin, New York;

(5) Mill Creek, Cincinnati, Ohio;

(6) Tillamook County, Oregon;

(7) Willamette River basin, Oregon;

(8) Delaware River, Pennsylvania;

(9) Schuylkill River, Pennsylvania; and

(10) Providence County, Rhode Island.

(f) **PER-PROJECT LIMITATION.**—Not more than \$25,000,000 in Army Civil Works appropriations may be expended on any single project undertaken under this section.

(g) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—There is authorized to be appropriated to carry out this section \$75,000,000 for the period of fiscal years 2000 and 2001.

(2) **PROGRAM FUNDING LEVELS.**—All studies and projects undertaken under this authority from Army Civil Works appropriations shall be fully funded within the program funding levels provided in this subsection.

### SEC. 202. SHORE PROTECTION.

Section 103(d) of the Water Resources Development Act of 1986 (33 U.S.C. 2213(d)) is amended—

(1) by striking “Costs of constructing” and inserting the following:

“(1) **CONSTRUCTION.**—Costs of constructing”; and

(2) by adding at the end the following:

“(2) **PERIODIC NOURISHMENT.**—In the case of a project authorized for construction after December 31, 1999, or for which a feasibility study is completed after that date, the non-Federal cost of the periodic nourishment of projects or measures for shore protection or beach erosion control shall be 50 percent, except that—

“(A) all costs assigned to benefits to privately owned shores (where use of such shores is limited to private interests) or to prevention of losses of private land shall be borne by non-Federal interests; and

“(B) all costs assigned to the protection of federally owned shores shall be borne by the United States.”.

### SEC. 203. SMALL FLOOD CONTROL AUTHORITY.

Section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s) is amended—

(1) in the first sentence, by striking “construction of small projects” and inserting “implementation of small structural and nonstructural projects”; and

(2) in the third sentence, by striking “\$5,000,000” and inserting “\$7,000,000”.

### SEC. 204. USE OF NON-FEDERAL FUNDS FOR COMPILING AND DISSEMINATING INFORMATION ON FLOODS AND FLOOD DAMAGES.

Section 206(b) of the Flood Control Act of 1960 (33 U.S.C. 709a(b)) is amended in the third sentence by inserting before the period at the end the following: “, but the Secretary of the Army may accept funds voluntarily contributed by such entities for the purpose of expanding the scope of the services requested by the entities”.

### SEC. 205. AQUATIC ECOSYSTEM RESTORATION.

Section 206(c) of the Water Resources Development Act of 1996 (33 U.S.C. 2330(c)) is amended—

(1) by striking “Construction” and inserting the following:

“(1) **IN GENERAL.**—Construction”; and

(2) by adding at the end the following:

“(2) **NONPROFIT ENTITIES.**—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d-5b), for any project carried out under this section, a non-Federal interest may include a nonprofit entity, with the consent of the affected local government.”.

### SEC. 206. BENEFICIAL USES OF DREDGED MATERIAL.

Section 204 of the Water Resources Development Act of 1992 (33 U.S.C. 2326) is amended by adding at the end the following:

“(g) **NONPROFIT ENTITIES.**—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d-5b), for any project carried out under this section, a non-Federal interest may include a nonprofit entity, with the consent of the affected local government.”.

### SEC. 207. VOLUNTARY CONTRIBUTIONS BY STATES AND POLITICAL SUBDIVISIONS.

Section 5 of the Act of June 22, 1936 (33 U.S.C. 701h), is amended by inserting “or environmental restoration” after “flood control”.

### SEC. 208. RECREATION USER FEES.

(a) **WITHHOLDING OF AMOUNTS.**—

(1) **IN GENERAL.**—During fiscal years 1999 through 2002, the Secretary may withhold from the special account established under section 4(i)(1)(A) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-6a(i)(1)(A)) 100 percent of the amount of receipts above a baseline of \$34,000,000 per each fiscal year received from fees imposed at recreation sites under the administrative jurisdiction of the Department of the Army under section 4(b) of that Act (16 U.S.C. 4601-6a(b)).

(2) **USE.**—The amounts withheld shall be retained by the Secretary and shall be available, without further Act of appropriation, for expenditure by the Secretary in accordance with subsection (b).

(3) **AVAILABILITY.**—The amounts withheld shall remain available until September 30, 2005.

(b) **USE OF AMOUNTS WITHHELD.**—In order to increase the quality of the visitor experience at public recreational areas and to enhance the protection of resources, the amounts withheld under subsection (a) may be used only for—

(1) repair and maintenance projects (including projects relating to health and safety);

(2) interpretation;

(3) signage;

(4) habitat or facility enhancement;

(5) resource preservation;

(6) annual operation (including fee collection);

(7) maintenance; and

(8) law enforcement related to public use.

(c) **AVAILABILITY.**—Each amount withheld by the Secretary shall be available for expenditure, without further Act of appropriation, at the specific project from which the amount, above baseline, is collected.

#### **SEC. 209. WATER RESOURCES DEVELOPMENT STUDIES FOR THE PACIFIC REGION.**

Section 444 of the Water Resources Development Act of 1996 (110 Stat. 3747) is amended by striking “interest of navigation” and inserting “interests of water resources development (including navigation, flood damage reduction, and environmental restoration)”.

#### **SEC. 210. MISSOURI AND MIDDLE MISSISSIPPI RIVERS ENHANCEMENT PROJECT.**

(a) **DEFINITIONS.**—In this section:

(1) **MIDDLE MISSISSIPPI RIVER.**—The term “middle Mississippi River” means the reach of the Mississippi River from the mouth of the Ohio River (river mile 0, upper Mississippi River) to the mouth of the Missouri River (river mile 195).

(2) **MISSOURI RIVER.**—The term “Missouri River” means the main stem and floodplain of the Missouri River (including reservoirs) from its confluence with the Mississippi River at St. Louis, Missouri, to its headwaters near Three Forks, Montana.

(3) **PROJECT.**—The term “project” means the project authorized by this section.

(b) **PROTECTION AND ENHANCEMENT ACTIVITIES.**—

(1) **PLAN.**—

(A) **DEVELOPMENT.**—Not later than 180 days after the date of enactment of this Act, the Secretary shall develop a plan for a project to protect and enhance fish and wildlife habitat of the Missouri River and the middle Mississippi River.

(B) **ACTIVITIES.**—

(i) **IN GENERAL.**—The plan shall provide for such activities as are necessary to protect and enhance fish and wildlife habitat without adversely affecting—

(I) the water-related needs of the region surrounding the Missouri River and the middle Mississippi River, including flood control, navigation, recreation, and enhancement of water supply; and

(II) private property rights.

(ii) **REQUIRED ACTIVITIES.**—The plan shall include—

(I) modification and improvement of navigation training structures to protect and enhance fish and wildlife habitat;

(II) modification and creation of side channels to protect and enhance fish and wildlife habitat;

(III) restoration and creation of island fish and wildlife habitat;

(IV) creation of riverine fish and wildlife habitat;

(V) establishment of criteria for prioritizing the type and sequencing of activities based on cost-effectiveness and likelihood of success; and

(VI) physical and biological monitoring for evaluating the success of the project, to be performed by the River Studies Center of the United States Geological Survey in Columbia, Missouri.

(2) **IMPLEMENTATION OF ACTIVITIES.**—

(A) **IN GENERAL.**—Using funds made available to carry out this section, the Secretary shall carry out the activities described in the plan.

(B) **USE OF EXISTING AUTHORITY FOR UNCONSTRUCTED FEATURES OF THE PROJECT.**—Using funds made available to the Secretary under other law, the Secretary shall design and construct any feature of the project that may be carried out using the authority of the Secretary to modify an authorized project, if the Secretary determines that the design and construction will—

(i) accelerate the completion of activities to protect and enhance fish and wildlife habitat of the Missouri River or the middle Mississippi River; and

(ii) be compatible with the project purposes described in this section.

(c) **INTEGRATION OF OTHER ACTIVITIES.**—

(1) **IN GENERAL.**—In carrying out the activities described in subsection (b), the Secretary shall integrate the activities with other Federal, State, and tribal activities.

(2) **NEW AUTHORITY.**—Nothing in this section confers any new regulatory authority on any Federal or non-Federal entity that carries out any activity authorized by this section.

(d) **PUBLIC PARTICIPATION.**—In developing and carrying out the plan and the activities described in subsection (b), the Secretary shall provide for public review and comment in accordance with applicable Federal law, including—

(1) providing advance notice of meetings;

(2) providing adequate opportunity for public input and comment;

(3) maintaining appropriate records; and

(4) compiling a record of the proceedings of meetings.

(e) **COMPLIANCE WITH APPLICABLE LAW.**—In carrying out the activities described in subsections (b) and (c), the Secretary shall comply with any applicable Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(f) **COST SHARING.**—

(1) **NON-FEDERAL SHARE.**—The non-Federal share of the cost of the project shall be 35 percent.

(2) **FEDERAL SHARE.**—The Federal share of the cost of any 1 activity described in subsection (b) shall not exceed \$5,000,000.

(3) **OPERATION AND MAINTENANCE.**—The operation and maintenance of the project shall be a non-Federal responsibility.

(g) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to pay the Federal share of the cost of carrying out activities under this section \$30,000,000 for the period of fiscal years 2000 and 2001.

#### **SEC. 211. OUTER CONTINENTAL SHELF.**

(a) **SAND, GRAVEL, AND SHELL.**—Section 8(k)(2)(B) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(k)(2)(B)) is amended in the second sentence by inserting before the period at the end the following: “or any other non-Federal interest subject to an agreement entered into under section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d-5b)”.

(b) **REIMBURSEMENT FOR LOCAL INTERESTS.**—Any amounts paid by non-Federal interests for beach erosion control, hurricane protection, shore protection, or storm damage reduction projects as a result of an assessment under section 8(k) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(k)) shall be fully reimbursed.

#### **SEC. 212. ENVIRONMENTAL DREDGING.**

Section 312(f) of the Water Resources Development Act of 1990 (33 U.S.C. 1272(f)) is amended by adding at the end the following:

“(6) Snake Creek, Bixby, Oklahoma.

“(7) Willamette River, Oregon.”

#### **SEC. 213. BENEFIT OF PRIMARY FLOOD DAMAGES AVOIDED INCLUDED IN BENEFIT-COST ANALYSIS.**

Section 308 of the Water Resources Development Act of 1990 (33 U.S.C. 2318) is amended—

(1) in the heading of subsection (a), by striking “BENEFIT-COST ANALYSIS” and inserting “ELEMENTS EXCLUDED FROM COST-BENEFIT ANALYSIS”;

(2) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively;

(3) by inserting after subsection (a) the following:

“(b) **ELEMENTS INCLUDED IN COST-BENEFIT ANALYSIS.**—The Secretary shall include primary flood damages avoided in the benefit base for justifying Federal nonstructural flood damage reduction projects.”; and

(4) in the first sentence of subsection (e) (as redesignated by paragraph (2)), by striking “(b)” and inserting “(d)”.

#### **SEC. 214. CONTROL OF AQUATIC PLANT GROWTH.**

Section 104(a) of the River and Harbor Act of 1958 (33 U.S.C. 610(a)) is amended in the first sentence by striking “water-hyacinth, alligatorweed, Eurasian water milfoil, melaleuca,” and inserting “Alligatorweed, Aquaticum, Arundo Dona, Brazilian Elodea, Cabomba, Melaleuca, Myriophyllum, Spicatum, Tamarix, Water Hyacinth.”.

#### **SEC. 215. ENVIRONMENTAL INFRASTRUCTURE.**

Section 219(c) of the Water Resources Development Act of 1992 (106 Stat. 4835) is amended by adding at the end the following:

“(19) LAKE TAHOE, CALIFORNIA AND NEVADA.—Regional water system for Lake Tahoe, California and Nevada.

“(20) LANCASTER, CALIFORNIA.—Fox Field Industrial Corridor water facilities, Lancaster, California.

“(21) SAN RAMON, CALIFORNIA.—San Ramon Valley recycled water project, San Ramon, California.”.

#### **SEC. 216. WATERSHED MANAGEMENT, RESTORATION, AND DEVELOPMENT.**

Section 503 of the Water Resources Development Act of 1996 (110 Stat. 3756) is amended—

(1) in subsection (d)—

(A) by striking paragraph (10) and inserting the following:

“(10) Regional Atlanta Watershed, Atlanta, Georgia, and Lake Lanier of Forsyth and Hall Counties, Georgia.”; and

(B) by adding at the end the following:

“(14) Clear Lake watershed, California.

“(15) Fresno Slough watershed, California.

“(16) Hayward Marsh, Southern San Francisco Bay watershed, California.

“(17) Kaweah River watershed, California.

“(18) Lake Tahoe watershed, California and Nevada.

“(19) Malibu Creek watershed, California.

“(20) Truckee River basin, Nevada.

“(21) Walker River basin, Nevada.

“(22) Bronx River watershed, New York.

“(23) Catawba River watershed, North Carolina.

“(24) Columbia Slough watershed, Oregon.”;

(2) by redesignating subsection (e) as subsection (f); and

(3) by inserting after subsection (d) the following:

“(e) **NONPROFIT ENTITIES.**—Notwithstanding section 221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d-5b(b)), for any project undertaken under this section, with the consent of the affected local government, a non-Federal interest may include a non-profit entity.”.

#### SEC. 217. LAKES PROGRAM.

Section 602(a) of the Water Resources Development Act of 1986 (100 Stat. 4148) is amended—

(1) in paragraph (15), by striking “and” at the end;

(2) in paragraph (16), by striking the period at the end; and

(3) by adding at the end the following:

“(17) Clear Lake, Lake County, California, removal of silt and aquatic growth and development of a sustainable weed and algae management program;

“(18) Flints Pond, Hollis, New Hampshire, removal of excessive aquatic vegetation; and

“(19) Osgood Pond, Milford, New Hampshire, removal of excessive aquatic vegetation.”.

#### SEC. 218. SEDIMENTS DECONTAMINATION POLICY.

Section 405 of the Water Resources Development Act of 1992 (33 U.S.C. 2239 note; Public Law 102-580) is amended—

(1) in subsection (a), by adding at the end the following:

“(4) **PRACTICAL END-USE PRODUCTS.**—Technologies selected for demonstration at the pilot scale shall result in practical end-use products.

“(5) **ASSISTANCE BY THE SECRETARY.**—The Secretary shall assist the project to ensure expeditious completion by providing sufficient quantities of contaminated dredged material to conduct the full-scale demonstrations to stated capacity.”; and

(2) in subsection (c), by striking the first sentence and inserting the following: “There is authorized to be appropriated to carry out this section a total of \$22,000,000 to complete technology testing, technology commercialization, and the development of full scale processing facilities within the New York/New Jersey Harbor.”.

#### SEC. 219. DISPOSAL OF DREDGED MATERIAL ON BEACHES.

(a) **IN GENERAL.**—Section 145 of the Water Resources Development Act of 1976 (33 U.S.C. 426j) is amended in the first sentence by striking “50” and inserting “35”.

(b) **GREAT LAKES BASIN.**—The Secretary shall work with the State of Ohio, other Great Lakes States, and political subdivisions of the States to fully implement and maximize beneficial reuse of dredged material as provided under section 145 of the Water Resources Development Act of 1976 (33 U.S.C. 426j).

#### SEC. 220. FISH AND WILDLIFE MITIGATION.

Section 906(e) of the Water Resources Development Act of 1986 (33 U.S.C. 2283(e)) is amended by inserting after the second sentence the following: “Not more than 80 percent of the non-Federal share of such first costs may be in kind, including a facility, supply, or service that is necessary to carry out the enhancement project.”.

#### SEC. 221. REIMBURSEMENT OF NON-FEDERAL INTEREST.

Section 211(e)(2)(A) of the Water Resources Development Act of 1996 (33 U.S.C. 701b-13(e)(2)(A)) is amended by striking “subject

to amounts being made available in advance in appropriations Acts” and inserting “subject to the availability of appropriations”.

#### SEC. 222. NATIONAL CONTAMINATED SEDIMENT TASK FORCE.

(a) **DEFINITION OF TASK FORCE.**—In this section, the term “Task Force” means the National Contaminated Sediment Task Force established by section 502 of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102-580).

(b) **CONVENING.**—The Secretary and the Administrator shall convene the Task Force not later than 90 days after the date of enactment of this Act.

(c) **REPORTING ON REMEDIAL ACTION.**—

(1) **IN GENERAL.**—Not later than 1 year after the date of enactment of this Act, the Task Force shall submit to Congress a report on the status of remedial actions at aquatic sites in the areas described in paragraph (2).

(2) **AREAS.**—The report under paragraph (1) shall address remedial actions in—

(A) areas of probable concern identified in the survey of data regarding aquatic sediment quality required by section 503(a) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271);

(B) areas of concern within the Great Lakes, as identified under section 118(f) of the Federal Water Pollution Control Act (33 U.S.C. 1268(f));

(C) estuaries of national significance identified under section 320 of the Federal Water Pollution Control Act (33 U.S.C. 1330);

(D) areas for which remedial action has been authorized under any of the Water Resources Development Acts; and

(E) as appropriate, any other areas where sediment contamination is identified by the Task Force.

(3) **ACTIVITIES.**—Remedial actions subject to reporting under this subsection include remedial actions under—

(A) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) or other Federal or State law containing environmental remediation authority;

(B) any of the Water Resources Development Acts;

(C) section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344); or

(D) section 10 of the Act of March 3, 1899 (30 Stat. 1151, chapter 425).

(4) **CONTENTS.**—The report under paragraph (1) shall provide, with respect to each remedial action described in the report, a description of—

(A) the authorities and sources of funding for conducting the remedial action;

(B) the nature and sources of the sediment contamination, including volume and concentration, where appropriate;

(C) the testing conducted to determine the nature and extent of sediment contamination and to determine whether the remedial action is necessary;

(D) the action levels or other factors used to determine that the remedial action is necessary;

(E) the nature of the remedial action planned or undertaken, including the levels of protection of public health and the environment to be achieved by the remedial action;

(F) the ultimate disposition of any material dredged as part of the remedial action;

(G) the status of projects and the obstacles or barriers to prompt conduct of the remedial action; and

(H) contacts and sources of further information concerning the remedial action.

#### SEC. 223. JOHN GLENN GREAT LAKES BASIN PROGRAM.

(a) **STRATEGIC PLANS.**—

(1) **IN GENERAL.**—Not later than 18 months after the date of enactment of this Act, and every 2 years thereafter, the Secretary shall report to Congress on a plan for programs of the Corps of Engineers in the Great Lakes basin.

(2) **CONTENTS.**—The plan shall include details of the projected environmental and navigational projects in the Great Lakes basin, including—

(A) navigational maintenance and operations for commercial and recreational vessels;

(B) environmental restoration activities;

(C) water level maintenance activities;

(D) technical and planning assistance to States and remedial action planning committees;

(E) sediment transport analysis, sediment management planning, and activities to support prevention of excess sediment loadings;

(F) flood damage reduction and shoreline erosion prevention;

(G) all other activities of the Corps of Engineers; and

(H) an analysis of factors limiting use of programs and authorities of the Corps of Engineers in existence on the date of enactment of this Act in the Great Lakes basin, including the need for new or modified authorities.

(b) **GREAT LAKES BIOHYDROLOGICAL INFORMATION.**—

(1) **INVENTORY.**—

(A) **IN GENERAL.**—Not later than 90 days after the date of enactment of this Act, the Secretary shall request each Federal agency that may possess information relevant to the Great Lakes biohydrological system to provide an inventory of all such information in the possession of the agency.

(B) **RELEVANT INFORMATION.**—For the purpose of subparagraph (A), relevant information includes information on—

(i) ground and surface water hydrology;

(ii) natural and altered tributary dynamics;

(iii) biological aspects of the system influenced by and influencing water quantity and water movement;

(iv) meteorological projections and weather impacts on Great Lakes water levels; and

(v) other Great Lakes biohydrological system data relevant to sustainable water use management.

(2) **REPORT.**—

(A) **IN GENERAL.**—Not later than 18 months after the date of enactment of this Act, the Secretary, in consultation with the States, Indian tribes, and Federal agencies, and after requesting information from the provinces and the federal government of Canada, shall—

(i) compile the inventories of information;

(ii) analyze the information for consistency and gaps; and

(iii) submit to Congress, the International Joint Commission, and the Great Lakes States a report that includes recommendations on ways to improve the information base on the biohydrological dynamics of the Great Lakes ecosystem as a whole, so as to support environmentally sound decisions regarding diversions and consumptive uses of Great Lakes water.

(B) **RECOMMENDATIONS.**—The recommendations in the report under subparagraph (A) shall include recommendations relating to the resources and funds necessary for implementing improvement of the information base.



(C) CONSIDERATIONS.—In developing the report under subparagraph (A), the Secretary, in cooperation with the Secretary of State, the Secretary of Transportation, and other relevant agencies as appropriate, shall consider and report on the status of the issues described and recommendations made in—

(i) the Report of the International Joint Commission to the Governments of the United States and Canada under the 1977 reference issued in 1985; and

(ii) the 1993 Report of the International Joint Commission to the Governments of Canada and the United States on Methods of Alleviating Adverse Consequences of Fluctuating Water Levels in the Great Lakes St. Lawrence Basin.

(c) GREAT LAKES RECREATIONAL BOATING.—Not later than 18 months after the date of enactment of this Act, the Secretary shall, using information and studies in existence on the date of enactment of this Act to the maximum extent practicable, and in cooperation with the Great Lakes States, submit to Congress a report detailing the economic benefits of recreational boating in the Great Lakes basin, particularly at harbors benefiting from operation and maintenance projects of the Corps of Engineers.

(d) COOPERATION.—In undertaking activities under this section, the Secretary shall—

(1) encourage public participation; and  
(2) cooperate, and, as appropriate, collaborate, with Great Lakes States, tribal governments, and Canadian federal, provincial, tribal governments.

(e) WATER USE ACTIVITIES AND POLICIES.—The Secretary may provide technical assistance to the Great Lakes States to develop interstate guidelines to improve the consistency and efficiency of State-level water use activities and policies in the Great Lakes basin.

(f) COST SHARING.—The Secretary may seek and accept funds from non-Federal entities to be used to pay up to 25 percent of the cost of carrying out subsections (b), (c), (d), and (e).

#### SEC. 224. PROJECTS FOR IMPROVEMENT OF THE ENVIRONMENT.

Section 1135(c) of the Water Resources Development Act of 1986 (33 U.S.C. 2309a(c)) is amended—

(1) by striking “The Secretary” and inserting the following:

“(1) IN GENERAL.—The Secretary”; and  
(2) by adding at the end the following:  
“(2) CONTROL OF SEA LAMPREY.—Congress finds that—

“(A) the Great Lakes navigation system has been instrumental in the spread of sea lamprey and the associated impacts to its fishery; and

“(B) the use of the authority under this subsection for control of sea lamprey at any Great Lakes basin location is appropriate.”.

#### SEC. 225. WATER QUALITY, ENVIRONMENTAL QUALITY, RECREATION, FISH AND WILDLIFE, FLOOD CONTROL, AND NAVIGATION.

(a) IN GENERAL.—The Secretary may investigate, study, evaluate, and report on—

(1) water quality, environmental quality, recreation, fish and wildlife, flood control, and navigation in the western Lake Erie watershed, including the watersheds of the Maumee River, Ottawa River, and Portage River in the States of Indiana, Ohio, and Michigan; and

(2) measures to improve water quality, environmental quality, recreation, fish and wildlife, flood control, and navigation in the western Lake Erie basin.

(b) COOPERATION.—In carrying out studies and investigations under subsection (a), the

Secretary shall cooperate with Federal, State, and local agencies and nongovernmental organizations to ensure full consideration of all views and requirements of all interrelated programs that those agencies may develop independently or in coordination with the Corps of Engineers.

#### SEC. 226. IRRIGATION DIVERSION PROTECTION AND FISHERIES ENHANCEMENT ASSISTANCE.

The Secretary may provide technical planning and design assistance to non-Federal interests and may conduct other site-specific studies to formulate and evaluate fish screens, fish passages devices, and other measures to decrease the incidence of juvenile and adult fish inadvertently entering into irrigation systems. Measures shall be developed in cooperation with Federal and State resource agencies and not impair the continued withdrawal of water for irrigation purposes. In providing such assistance priority shall be given based on the objectives of the Endangered Species Act, cost-effectiveness, and the potential for reducing fish mortality. Non-Federal interests shall agree by contract to contribute 50 percent of the cost of such assistance. Not more than one-half of such non-Federal contribution may be made by the provision of services, materials, supplies, or other in-kind services. No construction activities are authorized by this section. Not later than 2 years after the date of enactment of this section, the Secretary shall report to Congress on fish mortality caused by irrigation water intake devices, appropriate measures to reduce mortality, the extent to which such measures are currently being employed in the arid States, the construction costs associated with such measures, and the appropriate Federal role, if any, to encourage the use of such measures.

#### SEC. 227. SMALL STORM DAMAGE REDUCTION PROJECTS.

Section 3 of the Act of August 13, 1946 (33 U.S.C. 426g), is amended by striking “\$2,000,000” and inserting “\$3,000,000”.

#### SEC. 228. SHORE DAMAGE PREVENTION OR MITIGATION.

Section 111 of the River and Harbor Act of 1968 (33 U.S.C. 426(i)) is amended—

(1) in the first sentence, by striking “The Secretary” and inserting “(a) IN GENERAL.—The Secretary”;

(2) in the second sentence, by striking “The costs” and inserting the following:  
“(b) COST SHARING.—The costs”;

(3) in the third sentence—  
(A) by striking “No such” and inserting the following:  
“(c) REQUIREMENT FOR SPECIFIC AUTHORIZATION.—No such”; and

(B) by striking “\$2,000,000” and inserting “\$5,000,000”; and

(4) by adding at the end the following:  
“(d) COORDINATION.—The Secretary shall—

“(1) coordinate the implementation of the measures under this section with other Federal and non-Federal shore protection projects in the same geographic area; and  
“(2) to the extent practicable, combine mitigation projects with other shore protection projects in the same area into a comprehensive regional project.”.

#### SEC. 229. ATLANTIC COAST OF NEW YORK.

Section 404(c) of the Water Resources Development Act of 1992 (106 Stat. 4863) is amended by inserting after “1997” the following: “and an additional total of \$2,500,000 for fiscal years thereafter”.

#### SEC. 230. ACCELERATED ADOPTION OF INNOVATIVE TECHNOLOGIES FOR CONTAMINATED SEDIMENTS.

Section 8 of the Water Resources Development Act of 1988 (33 U.S.C. 2314) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and  
(2) by inserting after subsection (a) the following:

“(b) ACCELERATED ADOPTION OF INNOVATIVE TECHNOLOGIES FOR MANAGEMENT OF CONTAMINATED SEDIMENTS.—

“(1) TEST PROJECTS.—The Secretary shall approve an appropriate number of projects to test, under actual field conditions, innovative technologies for environmentally sound management of contaminated sediments.

“(2) DEMONSTRATION PROJECTS.—The Secretary may approve an appropriate number of projects to demonstrate innovative technologies that have been pilot tested under paragraph (1).

“(3) CONDUCT OF PROJECTS.—Each pilot project under paragraph (1) and demonstration project under paragraph (2) shall be conducted by a university with proven expertise in the research and development of contaminated sediment treatment technologies and innovative applications using waste materials.”.

#### SEC. 231. MISSISSIPPI RIVER COMMISSION.

Notwithstanding any other provision of law, a member of the Mississippi River Commission (other than the president of the Commission) shall receive annual pay of \$21,500.

#### SEC. 232. USE OF PRIVATE ENTERPRISES.

(a) INVENTORY AND REVIEW.—The Secretary shall inventory and review all activities of the Corps of Engineers that are not inherently governmental in nature in accordance with the Federal Activities Inventory Reform Act of 1998 (31 U.S.C. 501 note; Public Law 105-270).

(b) CONSIDERATIONS.—In determining whether to commit to private enterprise the performance of architectural or engineering services (including surveying and mapping services), the Secretary shall take into consideration professional qualifications as well as cost.

### TITLE III—PROJECT-RELATED PROVISIONS

#### SEC. 301. DREDGING OF SALT PONDS IN THE STATE OF RHODE ISLAND.

The Secretary may acquire for the State of Rhode Island a dredge and associated equipment with the capacity to dredge approximately 100 cubic yards per hour for use by the State in dredging salt ponds in the State.

#### SEC. 302. UPPER SUSQUEHANNA RIVER BASIN, PENNSYLVANIA AND NEW YORK.

Section 567(a) of the Water Resources Development Act of 1996 (110 Stat. 3787) is amended by adding at the end the following:  
“(3) The Chemung River watershed, New York, at an estimated Federal cost of \$5,000,000.”.

#### SEC. 303. SMALL FLOOD CONTROL PROJECTS.

Section 102 of the Water Resources Development Act of 1996 (110 Stat. 3668) is amended—

(1) by redesignating paragraphs (15) through (22) as paragraphs (16) through (23), respectively;

(2) by inserting after paragraph (14) the following:

“(15) REPAUPO CREEK AND DELAWARE RIVER, GLOUCESTER COUNTY, NEW JERSEY.—Project for tidegate and levee improvements for Repaupo Creek and the Delaware River, Gloucester County, New Jersey.”; and

(3) by adding at the end the following:

“(24) IRONDEQUOIT CREEK, NEW YORK.—Project for flood control, Irondequoit Creek watershed, New York.

“(25) TIOGA COUNTY, PENNSYLVANIA.—Project for flood control, Tioga River and

Cowaneseque River and their tributaries, Tioga County, Pennsylvania.”.

**SEC. 304. SMALL NAVIGATION PROJECTS.**

Section 104 of the Water Resources Development Act of 1996 (110 Stat. 3669) is amended—

(1) by redesignating paragraphs (9) through (12) as paragraphs (11) through (14), respectively; and

(2) by inserting after paragraph (8) the following:

“(9) FORTESCUE INLET, DELAWARE BAY, NEW JERSEY.—Project for navigation for Fortescue Inlet, Delaware Bay, New Jersey.

“(10) BRADDOCK BAY, GREECE, NEW YORK.—Project for navigation, Braddock Bay, Greece, New York.”.

**SEC. 305. STREAMBANK PROTECTION PROJECTS.**

(a) ARCTIC OCEAN, BARROW, ALASKA.—The Secretary shall evaluate and, if justified under section 14 of the Flood Control Act of 1946 (33 U.S.C. 701r), carry out storm damage reduction and coastal erosion measures at the town of Barrow, Alaska.

(b) SAGINAW RIVER, BAY CITY, MICHIGAN.—The Secretary may construct appropriate control structures in areas along the Saginaw River in the city of Bay City, Michigan, under authority of section 14 of the Flood Control Act of 1946 (33 Stat. 701r).

(c) YELLOWSTONE RIVER, BILLINGS, MONTANA.—The streambank protection project at Coulson Park, along the Yellowstone River, Billings, Montana, shall be eligible for assistance under section 14 of the Flood Control Act of 1946 (33 U.S.C. 701r).

(d) MONONGAHELA RIVER, POINT MARION, PENNSYLVANIA.—The Secretary shall evaluate and, if justified under section 14 of the Flood Control Act of 1946 (33 U.S.C. 701r), carry out streambank erosion control measures along the Monongahela River at the borough of Point Marion, Pennsylvania.

**SEC. 306. AQUATIC ECOSYSTEM RESTORATION, SPRINGFIELD, OREGON.**

Under section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330), the Secretary shall conduct measures to address water quality, water flows, and fish habitat restoration in the historic Springfield, Oregon, millrace through the reconfiguration of the existing millpond, if the Secretary determines that harmful impacts have occurred as the result of a previously constructed flood control project by the Corps of Engineers.

**SEC. 307. GUILFORD AND NEW HAVEN, CONNECTICUT.**

The Secretary shall expeditiously complete the activities authorized under section 346 of the Water Resources Development Act of 1992 (106 Stat. 4858), including activities associated with Sluice Creek in Guilford, Connecticut, and Lighthouse Point Park in New Haven, Connecticut.

**SEC. 308. FRANCIS BLAND FLOODWAY DITCH.**

(a) REDESIGNATION.—The project for flood control, Eight Mile Creek, Paragould, Arkansas, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4112) and known as “Eight Mile Creek, Paragould, Arkansas”, shall be known and designated as the “Francis Bland Floodway Ditch”.

(b) LEGAL REFERENCES.—Any reference in any law, map, regulation, document, paper, or other record of the United States to the project and creek referred to in subsection (a) shall be deemed to be a reference to the Francis Bland Floodway Ditch.

**SEC. 309. CALOOSAHATCHEE RIVER BASIN, FLORIDA.**

Section 528(e)(4) of the Water Resources Development Act of 1996 (110 Stat. 3770) is

amended in the first sentence by inserting before the period at the end the following: “, including potential land acquisition in the Caloosahatchee River basin or other areas”.

**SEC. 310. CUMBERLAND, MARYLAND, FLOOD PROJECT MITIGATION.**

(a) IN GENERAL.—The project for flood control and other purposes, Cumberland, Maryland, authorized by section 5 of the Act of June 22, 1936 (commonly known as the “Flood Control Act of 1936”) (49 Stat. 1574, chapter 688), is modified to authorize the Secretary to undertake, as a separate part of the project, restoration of the historic Chesapeake and Ohio Canal substantially in accordance with the Chesapeake and Ohio Canal National Historic Park, Cumberland, Maryland, Rewatering Design Analysis, dated February 1998, at a total cost of \$15,000,000, with an estimated Federal cost of \$9,750,000 and an estimated non-Federal cost of \$5,250,000.

(b) IN-KIND SERVICES.—The non-Federal interest for the restoration project under subsection (a)—

(1) may provide all or a portion of the non-Federal share of project costs in the form of in-kind services; and

(2) shall receive credit toward the non-Federal share of project costs for design and construction work performed by the non-Federal interest before execution of a project co-operation agreement and for land, easements, and rights-of-way required for the restoration and acquired by the non-Federal interest before execution of such an agreement.

(c) OPERATION AND MAINTENANCE.—The operation and maintenance of the restoration project under subsection (a) shall be the full responsibility of the National Park Service.

**SEC. 311. CITY OF MIAMI BEACH, FLORIDA.**

Section 5(b)(3)(C)(i) of the Act of August 13, 1946 (33 U.S.C. 426h), is amended by inserting before the semicolon the following: “, including the city of Miami Beach, Florida”.

**SEC. 312. SARDIS RESERVOIR, OKLAHOMA.**

(a) IN GENERAL.—The Secretary shall accept from the State of Oklahoma or an agent of the State an amount, as determined under subsection (b), as prepayment of 100 percent of the water supply cost obligation of the State under Contract No. DACW56-74-JC-0314 for water supply storage at Sardis Reservoir, Oklahoma.

(b) DETERMINATION OF AMOUNT.—The amount to be paid by the State of Oklahoma under subsection (a) shall be subject to adjustment in accordance with accepted discount purchase methods for Government properties as determined by an independent accounting firm designated by the Director of the Office of Management and Budget.

(c) EFFECT.—Nothing in this section shall otherwise affect any of the rights or obligations of the parties to the contract referred to in subsection (a).

**SEC. 313. UPPER MISSISSIPPI RIVER AND ILLINOIS WATERWAY SYSTEM NAVIGATION MODERNIZATION.**

(a) FINDINGS.—Congress finds that—

(1) exports are necessary to ensure job creation and an improved standard of living for the people of the United States;

(2) the ability of producers of goods in the United States to compete in the international marketplace depends on a modern and efficient transportation network;

(3) a modern and efficient waterway system is a transportation option necessary to provide United States shippers a safe, reliable, and competitive means to win foreign markets in an increasingly competitive international marketplace;

(4) the need to modernize is heightened because the United States is at risk of losing its competitive edge as a result of the priority that foreign competitors are placing on modernizing their own waterway systems;

(5) growing export demand projected over the coming decades will force greater demands on the waterway system of the United States and increase the cost to the economy if the system proves inadequate to satisfy growing export opportunities;

(6) the locks and dams on the upper Mississippi River and Illinois River waterway system were built in the 1930s and have some of the highest average delays to commercial tows in the country;

(7) inland barges carry freight at the lowest unit cost while offering an alternative to truck and rail transportation that is environmentally sound, is energy efficient, is safe, causes little congestion, produces little air or noise pollution, and has minimal social impact; and

(8) it should be the policy of the Corps of Engineers to pursue aggressively modernization of the waterway system authorized by Congress to promote the relative competitive position of the United States in the international marketplace.

(b) PRECONSTRUCTION ENGINEERING AND DESIGN.—In accordance with the Upper Mississippi River-Illinois Waterway System Navigation Study, the Secretary shall proceed immediately to prepare engineering design, plans, and specifications for extension of locks 20, 21, 22, 24, 25 on the Mississippi River and the LaGrange and Peoria Locks on the Illinois River, to provide lock chambers 110 feet in width and 1,200 feet in length, so that construction can proceed immediately upon completion of studies and authorization of projects by Congress.

**SEC. 314. UPPER MISSISSIPPI RIVER MANAGEMENT.**

Section 1103 of the Water Resources Development Act of 1986 (33 U.S.C. 652) is amended—

(1) in subsection (e)—

(A) by striking “(e)” and all that follows through the end of paragraph (2) and inserting the following:

“(e) UNDERTAKINGS.—

“(1) IN GENERAL.—

“(A) AUTHORITY.—The Secretary, in consultation with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, is authorized to undertake—

“(i) a program for the planning, construction, and evaluation of measures for fish and wildlife habitat rehabilitation and enhancement; and

“(ii) implementation of a program of long-term resource monitoring, computerized data inventory and analysis, and applied research.

“(B) REQUIREMENTS FOR PROJECTS.—Each project carried out under subparagraph (A)(i) shall—

“(i) to the maximum extent practicable, simulate natural river processes;

“(ii) include an outreach and education component; and

“(iii) on completion of the assessment under subparagraph (D), address identified habitat and natural resource needs.

“(C) ADVISORY COMMITTEE.—In carrying out subparagraph (A), the Secretary shall create an independent technical advisory committee to review projects, monitoring plans, and habitat and natural resource needs assessments.

“(D) HABITAT AND NATURAL RESOURCE NEEDS ASSESSMENT.—

“(i) **AUTHORITY.**—The Secretary is authorized to undertake a systemic, river reach, and pool scale assessment of habitat and natural resource needs to serve as a blueprint to guide habitat rehabilitation and long-term resource monitoring.

“(ii) **DATA.**—The habitat and natural resource needs assessment shall, to the maximum extent practicable, use data in existence at the time of the assessment.

“(iii) **TIMING.**—The Secretary shall complete a habitat and natural resource needs assessment not later than 3 years after the date of enactment of this subparagraph.

“(2) **REPORTS.**—On December 31, 2005, in consultation with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, the Secretary shall prepare and submit to Congress a report that—

“(A) contains an evaluation of the programs described in paragraph (1);

“(B) describes the accomplishments of each program;

“(C) includes results of a habitat and natural resource needs assessment; and

“(D) identifies any needed adjustments in the authorization under paragraph (1) or the authorized appropriations under paragraphs (3), (4), and (5).”;

(B) in paragraph (3)—

(i) by striking “paragraph (1)(A)” and inserting “paragraph (1)(A)(i)”; and

(ii) by striking “Secretary not to exceed” and all that follows and inserting “Secretary not to exceed \$22,750,000 for each of fiscal years 1999 through 2009.”;

(C) in paragraph (4)—

(i) by striking “paragraph (1)(B)” and inserting “paragraph (1)(A)(ii)”; and

(ii) by striking “\$7,680,000” and all that follows and inserting “\$10,420,000 for each of fiscal years 1999 through 2009.”;

(D) by striking paragraphs (5) and (6) and inserting the following:

“(5) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out paragraph (1)(C) not to exceed \$350,000 for each of fiscal years 1999 through 2009.

“(6) **TRANSFER OF AMOUNTS.**—

“(A) **IN GENERAL.**—For each fiscal year beginning after September 30, 1992, the Secretary, in consultation with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, may transfer appropriated amounts between the programs under clauses (i) and (ii) of paragraph (1)(A) and paragraph (1)(C).

“(B) **APPORTIONMENT OF COSTS.**—In carrying out paragraph (1)(D), the Secretary may apportion the costs between the programs authorized by paragraph (1)(A) in amounts that are proportionate to the amounts authorized to be appropriated to carry out those programs, respectively.”; and

(E) in paragraph (7)—

(i) in subparagraph (A)—

(I) by inserting “(i)” after “paragraph (1)(A)”; and

(II) by inserting before the period at the end the following: “and, in the case of any project requiring non-Federal cost sharing, the non-Federal share of the cost of the project shall be 35 percent”; and

(ii) in subparagraph (B), by striking “paragraphs (1)(B) and (1)(C) of this subsection” and inserting “paragraph (1)(A)(ii)”; and

(2) in subsection (f)(2)—

(A) in subparagraph (A), by striking “(A)”; and

(B) by striking subparagraph (B); and

(3) by adding at the end the following:

“(k) **ST. LOUIS AREA URBAN WILDLIFE HABITAT.**—The Secretary shall investigate and, if appropriate, carry out restoration of urban wildlife habitat, with a special emphasis on the establishment of greenways in the St. Louis, Missouri, area and surrounding communities.”.

#### **SEC. 315. RESEARCH AND DEVELOPMENT PROGRAM FOR COLUMBIA AND SNAKE RIVERS SALMON SURVIVAL.**

Section 511 of the Water Resources Development Act of 1996 (16 U.S.C. 3301 note; Public Law 104-303) is amended by striking subsection (a) and all that follows and inserting the following:

“(a) **SALMON SURVIVAL ACTIVITIES.**—

“(1) **IN GENERAL.**—In conjunction with the Secretary of Commerce and Secretary of the Interior, the Secretary shall accelerate ongoing research and development activities, and may carry out or participate in additional research and development activities, for the purpose of developing innovative methods and technologies for improving the survival of salmon, especially salmon in the Columbia/Snake River Basin.

“(2) **ACCELERATED ACTIVITIES.**—Accelerated research and development activities referred to in paragraph (1) may include research and development related to—

“(A) impacts from water resources projects and other impacts on salmon life cycles;

“(B) juvenile and adult salmon passage;

“(C) light and sound guidance systems;

“(D) surface-oriented collector systems;

“(E) transportation mechanisms; and

“(F) dissolved gas monitoring and abatement.

“(3) **ADDITIONAL ACTIVITIES.**—Additional research and development activities referred to in paragraph (1) may include research and development related to—

“(A) studies of juvenile salmon survival in spawning and rearing areas;

“(B) estuary and near-ocean juvenile and adult salmon survival;

“(C) impacts on salmon life cycles from sources other than water resources projects;

“(D) cryopreservation of fish gametes and formation of a germ plasm repository for threatened and endangered populations of native fish; and

“(E) other innovative technologies and actions intended to improve fish survival, including the survival of resident fish.

“(4) **COORDINATION.**—The Secretary shall coordinate any activities carried out under this subsection with appropriate Federal, State, and local agencies, affected Indian tribes, and the Northwest Power Planning Council.

“(5) **REPORT.**—Not later than 3 years after the date of enactment of this section, the Secretary shall submit to Congress a report on the research and development activities carried out under this subsection, including any recommendations of the Secretary concerning the research and development activities.

“(6) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated \$10,000,000 to carry out research and development activities under paragraph (3).

“(b) **ADVANCED TURBINE DEVELOPMENT.**—

“(1) **IN GENERAL.**—In conjunction with the Secretary of Energy, the Secretary shall accelerate efforts toward developing and installing in Corps of Engineers-operated dams innovative, efficient, and environmentally safe hydropower turbines, including design of fish-friendly turbines, for use on the Columbia/Snake River hydrosystem.

“(2) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated \$35,000,000 to carry out this subsection.

“(c) **MANAGEMENT OF PREDATION ON COLUMBIA/SNAKE RIVER SYSTEM NATIVE FISHES.**—

“(1) **NESTING AVIAN PREDATORS.**—In conjunction with the Secretary of Commerce and the Secretary of the Interior, and consistent with a management plan to be developed by the United States Fish and Wildlife Service, the Secretary shall carry out methods to reduce nesting populations of avian predators on dredge spoil islands in the Columbia River under the jurisdiction of the Secretary.

“(2) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated \$1,000,000 to carry out research and development activities under this subsection.

“(d) **IMPLEMENTATION.**—Nothing in this section affects the authority of the Secretary to implement the results of the research and development carried out under this section or any other law.”.

#### **SEC. 316. NINE MILE RUN HABITAT RESTORATION, PENNSYLVANIA.**

If the Secretary determines that the documentation is integral to the project, the Secretary shall credit against the non-Federal share such costs, not to exceed \$1,000,000, as are incurred by the non-Federal interests in preparing the environmental restoration report, planning and design-phase scientific and engineering technical services documentation, and other preconstruction documentation for the habitat restoration project, Nine Mile Run, Pennsylvania.

#### **SEC. 317. LARKSPUR FERRY CHANNEL, CALIFORNIA.**

The Secretary shall work with the Secretary of Transportation on a proposed solution to carry out the project to maintain the Larkspur Ferry Channel, Larkspur, California, authorized by section 601(d) of the Water Resources Development Act of 1986 (100 Stat. 4148).

#### **SEC. 318. COMPREHENSIVE FLOOD IMPACT-RESPONSE MODELING SYSTEM.**

(a) **IN GENERAL.**—The Secretary may study and implement a Comprehensive Flood Impact-Response Modeling System for the Coralville Reservoir and the Iowa River watershed, Iowa.

(b) **STUDY.**—The study shall include—

(1) an evaluation of the combined hydrologic, geomorphic, environmental, economic, social, and recreational impacts of operating strategies within the watershed;

(2) creation of an integrated, dynamic flood impact model; and

(3) the development of a rapid response system to be used during flood and emergency situations.

(c) **REPORT TO CONGRESS.**—Not later than 5 years after the date of enactment of this Act, the Secretary shall transmit a report to Congress on the results of the study and modeling system and such recommendations as the Secretary determines to be appropriate.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated a total of \$2,250,000 to carry out this section.

#### **SEC. 319. STUDY REGARDING INNOVATIVE FINANCING FOR SMALL AND MEDIUM-SIZED PORTS.**

(a) **STUDY.**—The Comptroller General of the United States shall conduct a study and analysis of various alternatives for innovative financing of future construction, operation, and maintenance of projects in small and medium-sized ports.

(b) **REPORT.**—Not later than 270 days after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Environment and Public Works of the Senate and Committee on Transportation and Infrastructure of the House of

Representatives and the results of the study and any related legislative recommendations for consideration by Congress.

**SEC. 320. CANDY LAKE PROJECT, OSAGE COUNTY, OKLAHOMA.**

(a) **DEFINITIONS.**—In this section:

(1) **FAIR MARKET VALUE.**—The term “fair market value” means the amount for which a willing buyer would purchase and a willing seller would sell a parcel of land, as determined by a qualified, independent land appraiser.

(2) **PREVIOUS OWNER OF LAND.**—The term “previous owner of land” means a person (including a corporation) that conveyed, or a descendant of a deceased individual who conveyed, land to the Corps of Engineers for use in the Candy Lake project in Osage County, Oklahoma.

(3) **SECRETARY.**—The term “Secretary” means the Secretary of the Army.

(b) **LAND CONVEYANCES.**—

(1) **IN GENERAL.**—The Secretary shall convey, in accordance with this section, all right, title, and interest of the United States in and to the land acquired by the United States for the Candy Lake project in Osage County, Oklahoma.

(2) **PREVIOUS OWNERS OF LAND.**—

(A) **IN GENERAL.**—The Secretary shall give a previous owner of land first option to purchase the land described in paragraph (1).

(B) **APPLICATION.**—

(i) **IN GENERAL.**—A previous owner of land that desires to purchase the land described in paragraph (1) that was owned by the previous owner of land, or by the individual from whom the previous owner of land is descended, shall file an application to purchase the land with the Secretary not later than 180 days after the official date of notice to the previous owner of land under subsection (c).

(ii) **FIRST TO FILE HAS FIRST OPTION.**—If more than 1 application is filed for a parcel of land described in paragraph (1), first options to purchase the parcel of land shall be allotted in the order in which applications for the parcel of land were filed.

(C) **IDENTIFICATION OF PREVIOUS OWNERS OF LAND.**—As soon as practicable after the date of enactment of this Act, the Secretary shall, to the extent practicable, identify each previous owner of land.

(D) **CONSIDERATION.**—Consideration for land conveyed under this subsection shall be the fair market value of the land.

(3) **DISPOSAL.**—Any land described in paragraph (1) for which an application has not been filed under paragraph (2)(B) within the applicable time period shall be disposed of in accordance with law.

(4) **EXTINGUISHMENT OF EASEMENTS.**—All flowage easements acquired by the United States for use in the Candy Lake project in Osage County, Oklahoma, are extinguished.

(c) **NOTICE.**—

(1) **IN GENERAL.**—The Secretary shall notify—

(A) each person identified as a previous owner of land under subsection (b)(2)(C), not later than 90 days after identification, by United States mail; and

(B) the general public, not later than 90 days after the date of enactment of this Act, by publication in the Federal Register.

(2) **CONTENTS OF NOTICE.**—Notice under this subsection shall include—

(A) a copy of this section;

(B) information sufficient to separately identify each parcel of land subject to this section; and

(C) specification of the fair market value of each parcel of land subject to this section.

(3) **OFFICIAL DATE OF NOTICE.**—The official date of notice under this subsection shall be the later of—

(A) the date on which actual notice is mailed; or

(B) the date of publication of the notice in the Federal Register.

**SEC. 321. SALCHA RIVER AND PILEDRIVER SLOUGH, FAIRBANKS, ALASKA.**

The Secretary shall evaluate and, if justified under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s), carry out flood damage reduction measures along the lower Salcha River and on Piledriver Slough, from its headwaters at the mouth of the Salcha River to the Chena Lakes Flood Control Project, in the vicinity of Fairbanks, Alaska, to protect against surface water flooding.

**SEC. 322. EYAK RIVER, CORDOVA, ALASKA.**

The Secretary shall evaluate and, if justified under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s), carry out flood damage reduction measures along the Eyak River at the town of Cordova, Alaska.

**SEC. 323. NORTH PADRE ISLAND STORM DAMAGE REDUCTION AND ENVIRONMENTAL RESTORATION PROJECT.**

The Secretary shall carry out a project for ecosystem restoration and storm damage reduction at North Padre Island, Corpus Christi Bay, Texas, at a total estimated cost of \$30,000,000, with an estimated Federal cost of \$19,500,000 and an estimated non-Federal cost of \$10,500,000, if the Secretary finds that the work is technically sound, environmentally acceptable, and economically justified. The Secretary shall make such a finding not later than 270 days after the date of enactment of this Act.

**SEC. 324. KANOPOLIS LAKE, KANSAS.**

(a) **WATER SUPPLY.**—

(1) **IN GENERAL.**—Not later than 1 year after the date of enactment of this Act, the Secretary, in cooperation with the State of Kansas or another non-Federal interest, shall complete a water supply reallocation study at the project for flood control, Kanopolis Lake, Kansas, as a basis on which the Secretary shall enter into negotiations with the State of Kansas or another non-Federal interest for the terms and conditions of a reallocation of the water supply.

(2) **OPTIONS.**—The negotiations for storage reallocation shall include the following options for evaluation by all parties:

(A) Financial terms of storage reallocation.

(B) Protection of future Federal water releases from Kanopolis Dam, consistent with State water law, to ensure that the benefits expected from releases are provided.

(C) Potential establishment of a water assurance district consistent with other such districts established by the State of Kansas.

(D) Protection of existing project purposes at Kanopolis Dam to include flood control, recreation, and fish and wildlife.

(b) **IN-KIND CREDIT.**—

(1) **IN GENERAL.**—The Secretary may negotiate a credit for a portion of the financial repayment to the Federal Government for work performed by the State of Kansas, or another non-Federal interest, on land adjacent or in close proximity to the project, if the work provides a benefit to the project.

(2) **WORK INCLUDED.**—The work for which credit may be granted may include watershed protection and enhancement, including wetland construction and ecosystem restoration.

**SEC. 325. NEW YORK CITY WATERSHED.**

Section 552(d) of the Water Resources Development Act of 1996 (110 Stat. 3780) is amended by striking “for the project to be

carried out with such assistance” and inserting “, or a public entity designated by the State director, to carry out the project with such assistance, subject to the project’s meeting the certification requirement of subsection (c)(1)”.

**SEC. 326. CITY OF CHARLEVOIX REIMBURSEMENT, MICHIGAN.**

The Secretary shall review and, if consistent with authorized project purposes, reimburse the city of Charlevoix, Michigan, for the Federal share of costs associated with construction of the new revetment connection to the Federal navigation project at Charlevoix Harbor, Michigan.

**SEC. 327. HAMILTON DAM FLOOD CONTROL PROJECT, MICHIGAN.**

The Secretary may construct the Hamilton Dam flood control project, Michigan, under authority of section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s).

**SEC. 328. HOLES CREEK FLOOD CONTROL PROJECT, OHIO.**

(a) **IN GENERAL.**—Notwithstanding any other provision of law, the non-Federal share of project costs for the project for flood control, Holes Creek, Ohio, shall not exceed the sum of—

(1) the total amount projected as the non-Federal share as of September 30, 1996, in the Project Cooperation Agreement executed on that date; and

(2) 100 percent of the amount of any increases in the cost of the locally preferred plan over the cost estimated in the Project Cooperation Agreement.

(b) **REIMBURSEMENT.**—The Secretary shall reimburse the non-Federal interest any amount paid by the non-Federal interest in excess of the non-Federal share.

**SEC. 329. OVERFLOW MANAGEMENT FACILITY, RHODE ISLAND.**

Section 585(a) of the Water Resources Development Act of 1996 (110 Stat. 3791) is amended by striking “river” and inserting “sewer”.

**SEC. 330. ANACOSTIA RIVER AQUATIC ECOSYSTEM RESTORATION, DISTRICT OF COLUMBIA AND MARYLAND.**

The Secretary may use the balance of funds appropriated for the improvement of the environment as part of the Anacostia River Flood Control and Navigation Project under section 1135 of the Water Resources Development Act of 1986 (33 U.S.C. 2309a) to construct aquatic ecosystem restoration projects in the Anacostia River watershed under section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330).

**SEC. 331. EVERGLADES AND SOUTH FLORIDA ECOSYSTEM RESTORATION.**

Subparagraphs (B) and (C)(i) of section 528(b)(3) of the Water Resources Development Act of 1996 (110 Stat. 3769) are amended by striking “1999” and inserting “2003”.

**SEC. 332. PINE FLAT DAM, KINGS RIVER, CALIFORNIA.**

Under the authority of section 1135(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2309a), the Secretary shall carry out a project to construct a turbine bypass at Pine Flat Dam, Kings River, California, in accordance with the Project Modification Report and Environmental Assessment dated September 1996.

**SEC. 333. LEVEES IN ELBA AND GENEVA, ALABAMA.**

(a) **ELBA, ALABAMA.**—

(1) **IN GENERAL.**—The Secretary may repair and rehabilitate a levee in the city of Elba, Alabama, at a total cost of \$12,900,000.

(2) **COST SHARING.**—The non-Federal share of the cost of repair and rehabilitation under paragraph (1) shall be 35 percent.

(b) GENEVA, ALABAMA.—

(1) IN GENERAL.—The Secretary may repair and rehabilitate a levee in the city of Geneva, Alabama, at a total cost of \$16,600,000.

(2) COST SHARING.—The non-Federal share of the cost of repair and rehabilitation under paragraph (1) shall be 35 percent.

**SEC. 334. TORONTO LAKE AND EL DORADO LAKE, KANSAS.**

(a) IN GENERAL.—The Secretary shall convey to the State of Kansas, by quitclaim deed and without consideration, all right, title, and interest of the United States in and to the 2 parcels of land described in subsection (b) on which correctional facilities operated by the Kansas Department of Corrections are situated.

(b) LAND DESCRIPTION.—The parcels of land referred to in subsection (a) are—

(1) the parcel located in Butler County, Kansas, adjacent to the El Dorado Lake Project, consisting of approximately 32.98 acres; and

(2) the parcel located in Woodson County, Kansas, adjacent to the Toronto Lake Project, consisting of approximately 51.98 acres.

(c) CONDITIONS.—

(1) USE OF LAND.—A conveyance of a parcel under subsection (a) shall be subject to the condition that all right, title, and interest in and to the parcel conveyed under subsection (a) shall revert to the United States if the parcel is used for a purpose other than that of a correctional facility.

(2) COSTS.—The Secretary may require such additional terms, conditions, reservations, and restrictions in connection with the conveyance as the Secretary determines are necessary to protect the interests of the United States, including a requirement that the State pay all reasonable administrative costs associated with the conveyance.

**SEC. 335. SAN JACINTO DISPOSAL AREA, GALVESTON, TEXAS.**

Section 108 of the Energy and Water Development Appropriations Act, 1994 (107 Stat. 1320), is amended in the first sentence of subsection (a) and in subsection (b)(1) by striking “fee simple absolute title” each place it appears and inserting “fee simple title to the surface estate (without the right to use the surface of the property for the production of minerals)”.

**SEC. 336. ENVIRONMENTAL INFRASTRUCTURE.**

Section 219(e)(1) of the Water Resources Development Act of 1992 (106 Stat. 4835; 110 Stat. 3757) is amended by striking “\$10,000,000” and inserting “\$15,000,000”.

**SEC. 337. WATER MONITORING STATION.**

Section 584(b) of the Water Resources Development Act of 1996 (110 Stat. 3791) is amended by striking “\$50,000” and inserting “\$100,000”.

**SEC. 338. UPPER MISSISSIPPI RIVER COMPREHENSIVE PLAN.**

(a) DEVELOPMENT.—The Secretary shall develop a plan to address water and related land resources problems in the upper Mississippi River basin and the Illinois River basin, extending from Cairo, Illinois, to the headwaters of the Mississippi River, to determine the feasibility of systemic flood damage reduction by means of—

(1) structural and nonstructural flood control and floodplain management strategies;

(2) continued maintenance of the navigation project;

(3) management of bank caving, erosion, watershed nutrients and sediment, habitat, and recreation; and

(4) other related means.

(b) CONTENTS.—The plan shall contain recommendations for—

(1) management plans and actions to be carried out by Federal and non-Federal entities;

(2) construction of a systemic flood control project in accordance with a plan for the upper Mississippi River;

(3) Federal action, where appropriate; and

(4) follow-on studies for problem areas for which data or current technology does not allow immediate solutions.

(c) CONSULTATION AND USE OF EXISTING DATA.—In developing the plan, the Secretary shall—

(1) consult with appropriate State and Federal agencies; and

(2) make maximum use of—

(A) data and programs in existence on the date of enactment of this Act; and

(B) efforts of States and Federal agencies.

(d) REPORT.—Not later than 3 years after the date of enactment of this Act, the Secretary shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report that includes the plan.

**SEC. 339. McNARY LOCK AND DAM, WASHINGTON.**

(a) IN GENERAL.—The Secretary may convey to a port district or a port authority—

(1) without the payment of additional consideration, any remaining right, title, and interest of the United States in property acquired for the McNary Lock and Dam, Washington, project and subsequently conveyed to the port district or a port authority under section 108 of the River and Harbor Act of 1960 (33 U.S.C. 578); and

(2) at fair market value, as determined by the Secretary, all right, title, and interest of the United States in such property under the jurisdiction of the Secretary relating to the project as the Secretary considers appropriate.

(b) CONDITIONS, RESERVATIONS, AND RESTRICTIONS.—A conveyance under subsection (a) shall be subject to—

(1) such conditions, reservations, and restrictions as the Secretary determines to be necessary for the development, maintenance, or operation of the project or otherwise in the public interest; and

(2) the payment by the port district or port authority of all administrative costs associated with the conveyance.

**SEC. 340. McNARY NATIONAL WILDLIFE REFUGE.**

(a) TRANSFER OF ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the McNary National Wildlife Refuge is transferred from the Secretary to the Secretary of the Interior.

(b) LAND EXCHANGE WITH THE PORT OF WALLA WALLA, WASHINGTON.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of the Interior may exchange approximately 188 acres of land located south of Highway 12 and comprising a portion of the McNary National Wildlife Refuge for approximately 122 acres of land owned by the Port of Walla Walla, Washington, and located at the confluence of the Snake River and the Columbia River.

(2) TERMS AND CONDITIONS.—The land exchange under paragraph (1) shall be carried out in accordance with such terms and conditions as the Secretary of the Interior determines to be necessary to protect the interests of the United States, including a requirement that the Port pay—

(A) reasonable administrative costs (not to exceed \$50,000) associated with the exchange; and

(B) any excess (as determined by the Secretary of the Interior) of the fair market

value of the parcel conveyed by the Secretary of the Interior over the fair market value of the parcel conveyed by the Port.

(3) USE OF FUNDS.—The Secretary of the Interior may retain any funds received under paragraph (2)(B) and, without further Act of appropriation, may use the funds to acquire replacement habitat for the Mid-Columbia River National Wildlife Refuge Complex.

(c) MANAGEMENT.—The McNary National Wildlife Refuge and land conveyed by the Port of Walla Walla, Washington, under subsection (b) shall be managed in accordance with applicable laws, including section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)) and the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

**TITLE IV—CHEYENNE RIVER SIOUX TRIBE, LOWER BRULE SIOUX TRIBE, AND STATE OF SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION**

**SEC. 401. CHEYENNE RIVER SIOUX TRIBE, LOWER BRULE SIOUX TRIBE, AND STATE OF SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION.**

(a) DEFINITIONS.—Section 601 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681–660), is amended—

(1) by redesignating paragraphs (1), (2), and (3) as paragraphs (2), (4), and (5), respectively;

(2) by inserting before paragraph (2) (as redesignated by paragraph (1)) the following:

“(1) COMMISSION.—The term ‘Commission’ means the South Dakota Cultural Resources Advisory Commission established by section 605(j).”; and

(3) by inserting after paragraph (2) (as redesignated by paragraph (1)) the following:

“(3) SECRETARY.—The term ‘Secretary’ means the Secretary of the Army.”.

(b) TERRESTRIAL WILDLIFE HABITAT RESTORATION.—Section 602 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681–660), is amended—

(1) in subsection (a)(4)—

(A) in subparagraph (A)(ii), by striking “803” and inserting “603”; and

(B) in subparagraph (B)(ii), by striking “804” and inserting “604”; and

(C) in subparagraph (C)—

(i) in clause (i)(II), by striking “803(d)(3) and 804(d)(3)” and inserting “603(d)(3) and 604(d)(3)”; and

(ii) in clause (ii)(II)—

(I) by striking “803(d)(3)(A)(i)” and inserting “603(d)(3)(A)(i)”; and

(II) by striking “804(d)(3)(A)(i)” and inserting “604(d)(3)(A)(i)”; and

(2) in subsection (b)—

(A) in paragraph (1), by striking “803(d)(3)(A)(iii)” and inserting “603(d)(3)(A)(i)(III)”; and

(B) in paragraph (4)—

(i) in subparagraph (A), by striking “803(d)(3)(A)(iii)” and inserting “603(d)(3)(A)(i)(III)”; and

(ii) in subparagraph (B), by striking “804(d)(3)(A)(iii)” and inserting “604(d)(3)(A)(i)(III)”; and

(3) in subsection (c), by striking “803 and 804” and inserting “603 and 604”.

(c) SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION TRUST FUND.—Section 603 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681–663), is amended—

(1) in subsection (c)—

(A) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—The Secretary"; and

(B) by adding at the end the following:

"(2) INTEREST RATE.—The Secretary of the Treasury shall invest amounts in the fund in obligations that carry the highest rate of interest among available obligations of the required maturity."; and

(2) in subsection (d)—

(A) in paragraph (2), by striking "802(a)(4)(A)" and inserting "602(a)(4)(A)"; and

(B) in paragraph (3)(A)—

(i) in clause (i)—

(I) by striking "802(a)" and inserting "602(a)"; and

(II) by striking "and" at the end; and

(ii) in clause (ii)—

(I) in subclause (III), by striking "802(b)" and inserting "602(b)"; and

(II) in subclause (IV)—

(aa) by striking "802" and inserting "602"; and

(bb) by striking "and" at the end.

(d) CHEYENNE RIVER SIOUX TRIBE AND LOWER BRULE SIOUX TRIBE TERRESTRIAL WILDLIFE HABITAT RESTORATION TRUST FUNDS.—Section 604 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681-664), is amended—

(1) in subsection (c)—

(A) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—The Secretary"; and

(B) by adding at the end the following:

"(2) INTEREST RATE.—The Secretary of the Treasury shall invest amounts in the fund in obligations that carry the highest rate of interest among available obligations of the required maturity."; and

(2) in subsection (d)—

(A) in paragraph (2), by striking "802(a)(4)(B)" and inserting "602(a)(4)(B)"; and

(B) in paragraph (3)(A)—

(i) in clause (i), by striking "802(a)" and inserting "602(a)"; and

(ii) in clause (ii)—

(I) in subclause (III), by striking "802(b)" and inserting "602(b)"; and

(II) in subclause (IV), by striking "802" and inserting "602".

(e) TRANSFER OF FEDERAL LAND TO STATE OF SOUTH DAKOTA.—Section 605 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681-665), is amended—

(1) in subsection (a)(2)(B), by striking "802" and inserting "602";

(2) in subsection (c), in the matter preceding paragraph (1), by striking "waters" and inserting "facilities";

(3) in subsection (e)(2), by striking "803" and inserting "603";

(4) by striking subsection (g) and inserting the following:

"(g) HUNTING AND FISHING.—

"(1) IN GENERAL.—Except as provided in this section, nothing in this title affects jurisdiction over the waters of the Missouri River below the water's edge and outside the exterior boundaries of an Indian reservation in South Dakota.

"(2) JURISDICTION.—

"(A) TRANSFERRED LAND.—On transfer of the land under this section to the State of South Dakota, jurisdiction over the land shall be the same as that over other land owned by the State of South Dakota.

"(B) LAND BETWEEN THE MISSOURI RIVER WATER'S EDGE AND THE LEVEL OF THE EXCLUSIVE FLOOD POOL.—Jurisdiction over land be-

tween the Missouri River water's edge and the level of the exclusive flood pool outside Indian reservations in the State of South Dakota shall be the same as that exercised by the State on other land owned by the State, and that jurisdiction shall follow the fluctuations of the water's edge.

"(D) FEDERAL LAND.—Jurisdiction over land and water owned by the Federal government within the boundaries of the State of South Dakota that are not affected by this Act shall remain unchanged.

"(3) EASEMENTS AND ACCESS.—The Secretary shall provide the State of South Dakota with easements and access on land and water below the level of the exclusive flood pool outside Indian reservations in the State of South Dakota for recreational and other purposes (including for boat docks, boat ramps, and related structures), so long as the easements would not prevent the Corps of Engineers from carrying out its mission under the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved December 22, 1944 (commonly known as the "Flood Control Act of 1944") (58 Stat. 887))."; and

(5) by adding at the end the following:

"(i) IMPACT AID.—The land transferred under subsection (a) shall be deemed to continue to be owned by the United States for purposes of section 8002 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7702)."

(f) TRANSFER OF CORPS OF ENGINEERS LAND FOR INDIAN TRIBES.—Section 606 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681-667), is amended—

(1) in subsection (a)(1), by inserting before the period at the end the following: "for their use in perpetuity";

(2) in subsection (c), in the matter preceding paragraph (1), by striking "waters" and inserting "facilities";

(3) in subsection (f), by striking paragraph (2) and inserting the following:

"(2) HUNTING AND FISHING.—

"(A) IN GENERAL.—Except as provided in this section, nothing in this title affects jurisdiction over the waters of the Missouri River below the water's edge and within the exterior boundaries of the Cheyenne River Sioux and Lower Brule Sioux Tribe reservations.

"(B) JURISDICTION.—On transfer of the land to the respective tribes under this section, jurisdiction over the land and on land between the water's edge and the level of the exclusive flood pool within the respective Tribe's reservation boundaries shall be the same as that over land held in trust by the Secretary of the Interior on the Cheyenne River Sioux Reservation and the Lower Brule Sioux Reservation, and that jurisdiction shall follow the fluctuations of the water's edge.

"(C) EASEMENTS AND ACCESS.—The Secretary shall provide the Tribes with such easements and access on land and water below the level of the exclusive flood pool inside the respective Indian reservations for recreational and other purposes (including for boat docks, boat ramps, and related structures), so long as the easements would not prevent the Corps of Engineers from carrying out its mission under the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved December 22, 1944 (commonly known as the "Flood Control Act of 1944") (58 Stat. 887)).";

(4) in subsection (e)(2), by striking "804" and inserting "604"; and

(5) by adding at the end the following:

"(g) EXTERIOR INDIAN RESERVATION BOUNDARIES.—Nothing in this section diminishes, changes, or otherwise affects the exterior boundaries of a reservation of an Indian tribe."

(g) ADMINISTRATION.—Section 607(b) of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681-669), is amended by striking "land" and inserting "property".

(h) STUDY.—Section 608 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681-670), is amended—

(1) in subsection (a)—

(A) by striking "Not later than 1 year after the date of enactment of this Act, the Secretary" and inserting "The Secretary";

(B) by striking "to conduct" and inserting "to complete, not later than October 31, 1999."; and

(C) by striking "805(b) and 806(b)" and inserting "605(b) and 606(b)";

(2) in subsection (b), by striking "805(b) or 806(b)" and inserting "606(b) or 606(b)"; and

(3) by adding at the end the following:

"(c) STATE WATER RIGHTS.—The results of the study shall not affect, and shall not be taken into consideration in, any proceeding to quantify the water rights of any State.

"(d) INDIAN WATER RIGHTS.—The results of the study shall not affect, and shall not be taken into consideration in, any proceeding to quantify the water rights of any Indian tribe or tribal nation."

(i) AUTHORIZATION OF APPROPRIATIONS.—Section 609(a) of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681-670), is amended—

(1) in paragraph (1), by striking "and" at the end;

(2) in paragraph (2)—

(A) by striking "802(a)" and inserting "605(a)"; and

(B) by striking "803(d)(3) and 804(d)(3)." and inserting "603(d)(3) and 604(d)(3); and"; and

(3) by adding at the end the following:

"(3) to fund the annual expenses (not to exceed the Federal cost as of the date of enactment of this Act) of operating recreation areas to be transferred under sections 605(c) and 606(c) or leased by the State of South Dakota or Indian tribes, until such time as the trust funds under sections 603 and 604 are fully capitalized."

MOTION OFFERED BY MR. BOEHLERT

Mr. BOEHLERT. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOEHLERT moves to strike out all after the enacting clause of the Senate bill, S. 507, and insert in lieu thereof the provisions contained in H.R. 1480 as passed by the House, as follows:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the "Water Resources Development Act of 1999".

(b) **TABLE OF CONTENTS.**—

Sec. 1. Short title; table of contents.

Sec. 2. Secretary defined.

**TITLE I—WATER RESOURCES PROJECTS**

Sec. 101. Project authorizations.

Sec. 102. Small flood control projects.

Sec. 103. Small bank stabilization projects.

Sec. 104. Small navigation projects.

Sec. 105. Small projects for improvement of the environment.



Sec. 106. Small aquatic ecosystem restoration projects.

#### TITLE II—GENERAL PROVISIONS

- Sec. 201. Small flood control authority.  
 Sec. 202. Use of non-Federal funds for compiling and disseminating information on floods and flood damages.  
 Sec. 203. Contributions by States and political subdivisions.  
 Sec. 204. Sediment decontamination technology.  
 Sec. 205. Control of aquatic plants.  
 Sec. 206. Use of continuing contracts required for construction of certain projects.  
 Sec. 207. Support of Army civil works program.  
 Sec. 208. Water resources development studies for the Pacific region.  
 Sec. 209. Everglades and south Florida ecosystem restoration.  
 Sec. 210. Beneficial uses of dredged material.  
 Sec. 211. Harbor cost sharing.  
 Sec. 212. Aquatic ecosystem restoration.  
 Sec. 213. Watershed management, restoration, and development.  
 Sec. 214. Flood mitigation and riverine restoration pilot program.  
 Sec. 215. Shoreline management program.  
 Sec. 216. Assistance for remediation, restoration, and reuse.  
 Sec. 217. Shore damage mitigation.  
 Sec. 218. Shore protection.  
 Sec. 219. Flood prevention coordination.  
 Sec. 220. Annual passes for recreation.  
 Sec. 221. Cooperative agreements for environmental and recreational measures.  
 Sec. 222. Nonstructural flood control projects.  
 Sec. 223. Lakes program.  
 Sec. 224. Construction of flood control projects by non-Federal interests.  
 Sec. 225. Enhancement of fish and wildlife resources.  
 Sec. 226. Sense of Congress; requirement regarding notice.  
 Sec. 227. Periodic beach nourishment.  
 Sec. 228. Environmental dredging.  
 Sec. 229. Wetlands mitigation.

#### TITLE III—PROJECT-RELATED PROVISIONS

- Sec. 301. Missouri River Levee System.  
 Sec. 302. Ouzinkie Harbor, Alaska.  
 Sec. 303. Greers Ferry Lake, Arkansas.  
 Sec. 304. Ten- and Fifteen-Mile Bayous, Arkansas.  
 Sec. 305. Loggy Bayou, Red River below Denison Dam, Arkansas, Louisiana, Oklahoma, and Texas.  
 Sec. 306. Sacramento River, Glenn-Colusa, California.  
 Sec. 307. San Lorenzo River, California.  
 Sec. 308. Terminus Dam, Kaweah River, California.  
 Sec. 309. Delaware River mainstem and channel deepening, Delaware, New Jersey, and Pennsylvania.  
 Sec. 310. Potomac River, Washington, District of Columbia.  
 Sec. 311. Brevard County, Florida.  
 Sec. 312. Broward County and Hillsboro Inlet, Florida.  
 Sec. 313. Fort Pierce, Florida.  
 Sec. 314. Nassau County, Florida.  
 Sec. 315. Miami Harbor Channel, Florida.  
 Sec. 316. Lake Michigan, Illinois.  
 Sec. 317. Springfield, Illinois.  
 Sec. 318. Little Calumet River, Indiana.  
 Sec. 319. Ogden Dunes, Indiana.  
 Sec. 320. Saint Joseph River, South Bend, Indiana.

- Sec. 321. White River, Indiana.  
 Sec. 322. Lake Pontchartrain, Louisiana.  
 Sec. 323. Larose to Golden Meadow, Louisiana.  
 Sec. 324. Louisiana State Penitentiary Levee, Louisiana.  
 Sec. 325. Twelve-mile Bayou, Caddo Parish, Louisiana.  
 Sec. 326. West Bank of the Mississippi River (East of Harvey Canal), Louisiana.  
 Sec. 327. Tolchester Channel, Baltimore Harbor and channels, Chesapeake Bay, Kent County, Maryland.  
 Sec. 328. Sault Sainte Marie, Chippewa County, Michigan.  
 Sec. 329. Jackson County, Mississippi.  
 Sec. 330. Tunica Lake, Mississippi.  
 Sec. 331. Bois Brule Drainage and Levee District, Missouri.  
 Sec. 332. Meramec River Basin, Valley Park Levee, Missouri.  
 Sec. 333. Missouri River mitigation project, Missouri, Kansas, Iowa, and Nebraska.  
 Sec. 334. Wood River, Grand Island, Nebraska.  
 Sec. 335. Absecon Island, New Jersey.  
 Sec. 336. New York Harbor and Adjacent Channels, Port Jersey, New Jersey.  
 Sec. 337. Passaic River, New Jersey.  
 Sec. 338. Sandy Hook to Barnegat Inlet, New Jersey.  
 Sec. 339. Arthur Kill, New York and New Jersey.  
 Sec. 340. New York City watershed.  
 Sec. 341. New York State Canal System.  
 Sec. 342. Fire Island Inlet to Montauk Point, New York.  
 Sec. 343. Broken Bow Lake, Red River Basin, Oklahoma.  
 Sec. 344. Willamette River temperature control, McKenzie Subbasin, Oregon.  
 Sec. 345. Aylesworth Creek Reservoir, Pennsylvania.  
 Sec. 346. Curwensville Lake, Pennsylvania.  
 Sec. 347. Delaware River, Pennsylvania and Delaware.  
 Sec. 348. Mussers Dam, Pennsylvania.  
 Sec. 349. Nine-Mile Run, Allegheny County, Pennsylvania.  
 Sec. 350. Raystown Lake, Pennsylvania.  
 Sec. 351. South Central Pennsylvania.  
 Sec. 352. Cooper River, Charleston Harbor, South Carolina.  
 Sec. 353. Bowie County Levee, Texas.  
 Sec. 354. Clear Creek, Texas.  
 Sec. 355. Cypress Creek, Texas.  
 Sec. 356. Dallas Floodway Extension, Dallas, Texas.  
 Sec. 357. Upper Jordan River, Utah.  
 Sec. 358. Elizabeth River, Chesapeake, Virginia.  
 Sec. 359. Bluestone Lake, Ohio River Basin, West Virginia.  
 Sec. 360. Greenbrier Basin, West Virginia.  
 Sec. 361. Moorefield, West Virginia.  
 Sec. 362. West Virginia and Pennsylvania Flood Control.  
 Sec. 363. Project reauthorizations.  
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 Sec. 365. American and Sacramento Rivers, California.  
 Sec. 366. Martin, Kentucky.  
 Sec. 367. Southern West Virginia pilot program.  
 Sec. 368. Black Warrior and Tombigbee Rivers, Jackson, Alabama.  
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- Sec. 371. St. Mary's River, Michigan.  
 Sec. 372. City of Charlvoyx: reimbursement, Michigan.

#### TITLE IV—STUDIES

- Sec. 401. Upper Mississippi and Illinois Rivers levees and streambanks protection.  
 Sec. 402. Upper Mississippi River comprehensive plan.  
 Sec. 403. El Dorado, Union County, Arkansas.  
 Sec. 404. Sweetwater Reservoir, San Diego County, California.  
 Sec. 405. Whitewater River Basin, California.  
 Sec. 406. Little Econlakhatchee River Basin, Florida.  
 Sec. 407. Port Everglades Inlet, Florida.  
 Sec. 408. Upper Des Plaines River and tributaries, Illinois and Wisconsin.  
 Sec. 409. Cameron Parish west of Calcasieu River, Louisiana.  
 Sec. 410. Grand Isle and vicinity, Louisiana.  
 Sec. 411. Lake Pontchartrain seawall, Louisiana.  
 Sec. 412. Westport, Massachusetts.  
 Sec. 413. Southwest Valley, Albuquerque, New Mexico.  
 Sec. 414. Cayuga Creek, New York.  
 Sec. 415. Arcola Creek Watershed, Madison, Ohio.  
 Sec. 416. Western Lake Erie Basin, Ohio, Indiana, and Michigan.  
 Sec. 417. Schuylkill River, Norristown, Pennsylvania.  
 Sec. 418. Lakes Marion and Moultrie, South Carolina.  
 Sec. 419. Day County, South Dakota.  
 Sec. 420. Corpus Christi, Texas.  
 Sec. 421. Mitchell's Cut Channel (Caney Fork Cut), Texas.  
 Sec. 422. Mouth of Colorado River, Texas.  
 Sec. 423. Kanawha River, Fayette County, West Virginia.  
 Sec. 424. West Virginia ports.  
 Sec. 425. Great Lakes region comprehensive study.  
 Sec. 426. Nutrient loading resulting from dredged material disposal.  
 Sec. 427. Santee Delta focus area, South Carolina.  
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#### TITLE V—MISCELLANEOUS PROVISIONS

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Sec. 518. Expedited consideration of certain projects.

Sec. 519. Dog River, Alabama.

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Sec. 522. Navajo Reservation, Arizona, New Mexico, and Utah.

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Sec. 525. Beaver Lake trout production facility, Arkansas.

Sec. 526. Chino Dairy Preserve, California.

Sec. 527. Novato, California.

Sec. 528. Orange and San Diego Counties, California.

Sec. 529. Salton Sea, California.

Sec. 530. Santa Cruz Harbor, California.

Sec. 531. Point Beach, Milford, Connecticut.

Sec. 532. Lower St. Johns River Basin, Florida.

Sec. 533. Shoreline protection and environmental restoration, Lake Allatoona, Georgia.

Sec. 534. Mayo's Bar Lock and Dam, Coosa River, Rome, Georgia.

Sec. 535. Comprehensive flood impact response modeling system, Coralville Reservoir and Iowa River Watershed, Iowa.

Sec. 536. Additional construction assistance in Illinois.

Sec. 537. Kanopolis Lake, Kansas.

Sec. 538. Southern and Eastern Kentucky.

Sec. 539. Southeast Louisiana.

Sec. 540. Snug Harbor, Maryland.

Sec. 541. Welch Point, Elk River, Cecil County, and Chesapeake City, Maryland.

Sec. 542. West View Shores, Cecil County, Maryland.

Sec. 543. Restoration projects for Maryland, Pennsylvania, and West Virginia.

Sec. 544. Cape Cod Canal Railroad Bridge, Buzzards Bay, Massachusetts.

Sec. 545. St. Louis, Missouri.

Sec. 546. Beaver Branch of Big Timber Creek, New Jersey.

Sec. 547. Lake Ontario and St. Lawrence River water levels, New York.

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Sec. 549. Sea Gate Reach, Coney Island, New York, New York.

Sec. 550. Woodlawn, New York.

Sec. 551. Floodplain mapping, New York.

Sec. 552. White Oak River, North Carolina.

Sec. 553. Toussaint River, Carroll Township, Ottawa County, Ohio.

Sec. 554. Sardis Reservoir, Oklahoma.

Sec. 555. Waurika Lake, Oklahoma, water conveyance facilities.

Sec. 556. Skinner Butte Park, Eugene, Oregon.

Sec. 557. Willamette River basin, Oregon.

Sec. 558. Bradford and Sullivan Counties, Pennsylvania.

Sec. 559. Erie Harbor, Pennsylvania.

Sec. 560. Point Marion Lock And Dam, Pennsylvania.

Sec. 561. Seven Points' Harbor, Pennsylvania.

Sec. 562. Southeastern Pennsylvania.

Sec. 563. Upper Susquehanna-Lackawanna watershed restoration initiative.

Sec. 564. Aguadilla Harbor, Puerto Rico.

Sec. 565. Oahe Dam to Lake Sharpe, South Dakota, study.

Sec. 566. Integrated water management planning, Texas.

Sec. 567. Bolivar Peninsula, Jefferson, Chambers, and Galveston Counties, Texas.

Sec. 568. Galveston Beach, Galveston County, Texas.

Sec. 569. Packery Channel, Corpus Christi, Texas.

Sec. 570. Northern West Virginia.

Sec. 571. Urbanized peak flood management research.

Sec. 572. Mississippi River Commission.

Sec. 573. Coastal aquatic habitat management.

Sec. 574. West Baton Rouge Parish, Louisiana.

Sec. 575. Abandoned and inactive noncoal mine restoration.

Sec. 576. Beneficial use of waste tire rubber.

Sec. 577. Site designation.

Sec. 578. Land conveyances.

Sec. 579. Namings.

Sec. 580. Folsom Dam and Reservoir additional storage and additional flood control studies.

Sec. 581. Wallops Island, Virginia.

Sec. 582. Detroit River, Detroit, Michigan.

Sec. 583. Northeastern Minnesota.

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Sec. 585. Central West Virginia.

Sec. 586. Sacramento Metropolitan area watershed restoration, California.

Sec. 587. Onondaga Lake.

Sec. 588. East Lynn Lake, West Virginia.

Sec. 589. Eel River, California.

Sec. 590. North Little Rock, Arkansas.

Sec. 591. Upper Mississippi River, Mississippi Place, St. Paul, Minnesota.

#### SEC. 2. SECRETARY DEFINED.

In this Act, the term "Secretary" means the Secretary of the Army.

#### TITLE I—WATER RESOURCES PROJECTS

##### SEC. 101. PROJECT AUTHORIZATIONS.

(a) PROJECTS WITH CHIEF'S REPORTS.—The following projects for water resources development and conservation and other purposes are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, described in the respective reports designated in this subsection:

(1) SAND POINT HARBOR, ALASKA.—The project for navigation, Sand Point Harbor, Alaska: Report of the Chief of Engineers dated October 13, 1998, at a total cost of \$11,760,000, with an estimated Federal cost of \$6,964,000 and an estimated non-Federal cost of \$4,796,000.

(2) RIO SALADO, SALT RIVER, PHOENIX AND TEMPE, ARIZONA.—The project for flood control and environmental restoration, Rio Salado, Salt River, Phoenix and Tempe, Arizona: Report of the Chief of Engineers dated August 20, 1998, at a total cost of \$88,048,000, with an estimated Federal cost of \$56,355,000 and an estimated non-Federal cost of \$31,693,000.

(3) TUCSON DRAINAGE AREA, ARIZONA.—The project for flood control, Tucson drainage area, Arizona: Report of the Chief of Engineers, dated May 20, 1998, at a total cost of \$29,900,000, with an estimated Federal cost of \$16,768,000 and an estimated non-Federal cost of \$13,132,000.

(4) AMERICAN RIVER WATERSHED, CALIFORNIA.—

(A) IN GENERAL.—The Folsom Dam Modification portion of the Folsom Modification Plan described in the United States Army Corps of Engineers Supplemental Information Report for the American River Watershed Project, California, dated March 1996, as modified by the report entitled "Folsom Dam Modification Report, New Outlets Plan," dated March 1998, prepared by the Sacramento Area Flood Control Agency, at an estimated cost of \$150,000,000, with an es-

timated Federal cost of \$97,500,000 and an estimated non-Federal cost of \$52,500,000. The Secretary shall coordinate with the Secretary of the Interior with respect to the design and construction of modifications at Folsom Dam authorized by this paragraph.

(B) REOPERATION MEASURES.—Upon completion of the improvements to Folsom Dam authorized by subparagraph (A), the variable space allocated to flood control within the Reservoir shall be reduced from the current operating range of 400,000-670,000 acre-feet to 400,000-600,000 acre-feet.

(C) MAKEUP OF WATER SHORTAGES CAUSED BY FLOOD CONTROL OPERATION.—The Secretary of the Interior shall enter into, or modify, such agreements with the Sacramento Area Flood Control Agency regarding the operation of Folsom Dam and reservoir as may be necessary in order that, notwithstanding any prior agreement or provision of law, 100 percent of the water needed to make up for any water shortage caused by variable flood control operation during any year at Folsom Dam and resulting in a significant impact on recreation at Folsom Reservoir shall be replaced, to the extent the water is available for purchase, by the Secretary of the Interior.

(D) SIGNIFICANT IMPACT ON RECREATION.—For the purposes of this paragraph, a significant impact on recreation is defined as any impact that results in a lake elevation at Folsom Reservoir below 435 feet above sea level starting on May 15 and ending on September 15 of any given year.

(5) OAKLAND HARBOR, CALIFORNIA.—The project for navigation, Oakland Harbor, California: Report of the Chief of Engineers dated April 21, 1999, at a total cost of \$252,290,000, with an estimated Federal cost of \$128,081,000 and an estimated non-Federal cost of \$124,209,000.

(6) SOUTH SACRAMENTO COUNTY STREAMS, CALIFORNIA.—The project for flood control, environmental restoration and recreation, South Sacramento County streams, California: Report of the Chief of Engineers dated October 6, 1998, at a total cost of \$65,500,000, with an estimated Federal cost of \$41,200,000 and an estimated non-Federal cost of \$24,300,000.

(7) UPPER GUADALUPE RIVER, CALIFORNIA.—The project for flood control and recreation, Upper Guadalupe River, California: Locally Preferred Plan (known as the "Bypass Channel Plan"), Report of the Chief of Engineers dated August 19, 1998, at a total cost of \$140,328,000, with an estimated Federal cost of \$70,164,000 and an estimated non-Federal cost of \$70,164,000.

(8) YUBA RIVER BASIN, CALIFORNIA.—The project for flood control, Yuba River Basin, California: Report of the Chief of Engineers dated November 25, 1998, at a total cost of \$26,600,000, with an estimated Federal cost of \$17,350,000 and an estimated non-Federal cost of \$9,250,000.

(9) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY—BROADKILL BEACH, DELAWARE.—The project for hurricane and storm damage reduction, Delaware Bay coastline, Delaware and New Jersey—Broadkill Beach, Delaware: Report of the Chief of Engineers dated August 17, 1998, at a total cost of \$9,049,000, with an estimated Federal cost of \$5,674,000 and an estimated non-Federal cost of \$3,375,000, and at an estimated average annual cost of \$538,200 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of \$349,800 and an estimated annual non-Federal cost of \$188,400.

(10) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY—PORT MAHON, DELAWARE.—

The project for ecosystem restoration, Delaware Bay coastline, Delaware and New Jersey—Port Mahon, Delaware: Report of the Chief of Engineers dated September 28, 1998, at a total cost of \$7,644,000, with an estimated Federal cost of \$4,969,000 and an estimated non-Federal cost of \$2,675,000, and at an estimated average annual cost of \$234,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of \$152,000 and an estimated annual non-Federal cost of \$82,000.

(11) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY—ROOSEVELT INLET—LEWES BEACH, DELAWARE.—The project for navigation mitigation and hurricane and storm damage reduction, Delaware Bay coastline, Delaware and New Jersey—Roosevelt Inlet—Lewes Beach, Delaware: Report of the Chief of Engineers dated February 3, 1999, at a total cost of \$3,393,000, with an estimated Federal cost of \$2,620,000 and an estimated non-Federal cost of \$773,000, and at an estimated average annual cost of \$196,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of \$152,000 and an estimated annual non-Federal cost of \$44,000.

(12) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY—VILLAS AND VICINITY, NEW JERSEY.—The project for shore protection and ecosystem restoration, Delaware Bay coastline, Delaware and New Jersey—Villas and vicinity, New Jersey: Report of the Chief of Engineers dated April 21, 1999, at a total cost of \$7,520,000, with an estimated Federal cost of \$4,888,000 and an estimated non-Federal cost of \$2,632,000.

(13) DELAWARE COAST FROM CAPE HENELOPEN TO FENWICK ISLAND, BETHANY BEACH/SOUTH BETHANY BEACH, DELAWARE.—The project for hurricane and storm damage reduction, Delaware Coast from Cape Henelopen to Fenwick Island, Bethany Beach/South Bethany Beach, Delaware: Report of the Chief of Engineers dated April 21, 1999, at a total cost of \$22,205,000, with an estimated Federal cost of \$14,433,000 and an estimated non-Federal cost of \$7,772,000, and at an estimated average annual cost of \$1,584,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of \$1,030,000 and an estimated annual non-Federal cost of \$554,000.

(14) JACKSONVILLE HARBOR, FLORIDA.—

(A) IN GENERAL.—The project for navigation, Jacksonville Harbor, Florida: Report of the Chief of Engineers April 21, 1999, at a total cost of \$26,116,000, with an estimated Federal cost of \$9,129,000 and an estimated non-Federal cost of \$16,987,000.

(B) SPECIAL RULE.—Notwithstanding subparagraph (A), the Secretary may construct the project to a depth of 40 feet if the non-Federal interest agrees to pay any additional costs above those for the recommended plan.

(15) TAMPA HARBOR—BIG BEND CHANNEL, FLORIDA.—The project for navigation, Tampa Harbor—Big Bend Channel, Florida: Report of the Chief of Engineers dated October 13, 1998, at a total cost of \$9,356,000, with an estimated Federal cost of \$6,235,000 and an estimated non-Federal cost of \$3,121,000.

(16) BRUNSWICK HARBOR, GEORGIA.—The project for navigation, Brunswick Harbor, Georgia: Report of the Chief of Engineers dated October 6, 1998, at a total cost of \$50,717,000, with an estimate Federal cost of \$32,966,000 and an estimated non-Federal cost of \$17,751,000.

(17) BEARGRASS CREEK, KENTUCKY.—The project for flood control, Beargrass Creek, Kentucky: Report of the Chief of Engineers, dated May 12, 1998, at a total cost of

\$11,171,300, with an estimated Federal cost of \$7,261,500 and an estimated non-Federal cost of \$3,909,800.

(18) AMITE RIVER AND TRIBUTARIES, LOUISIANA.—The project for flood control, Amite River and tributaries, Louisiana: Report of the Chief of Engineers dated December 23, 1996, at a total cost of \$112,900,000, with an estimated Federal cost of \$84,675,000 and an estimated non-Federal cost of \$28,225,000. Cost sharing for the project shall be determined in accordance with section 103(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2213), as in effect on October 11, 1996.

(19) BALTIMORE HARBOR ANCHORAGES AND CHANNELS, MARYLAND AND VIRGINIA.—The project for navigation, Baltimore harbor anchorages and channels, Maryland and Virginia: Report of the Chief of Engineers, dated June 8, 1998, at a total cost of \$28,430,000, with an estimated Federal cost of \$19,000,000 and an estimated non-Federal cost of \$9,430,000.

(20) RED RIVER LAKE AT CROOKSTON, MINNESOTA.—The project for flood control, Red River Lake at Crookston, Minnesota: Report of the Chief of Engineers, dated April 20, 1998, at a total cost of \$8,950,000, with an estimated Federal cost of \$5,720,000 and an estimated non-Federal cost of \$3,230,000.

(21) TURKEY CREEK BASIN, KANSAS CITY, MISSOURI, AND KANSAS CITY, KANSAS.—The project for flood damage reduction, Turkey Creek Basin, Kansas City, Missouri, and Kansas City, Kansas: Report of the Chief of Engineers dated April 21, 1999, at a total cost of \$42,875,000, with an estimated Federal cost of \$25,596,000 and an estimated non-Federal cost of \$17,279,000.

(22) LOWER CAPE MAY MEADOWS, CAPE MAY POINT, NEW JERSEY.—The project for navigation mitigation, ecosystem restoration, and hurricane and storm damage reduction, Lower Cape May Meadows, Cape May Point, New Jersey: Report of the Chief of Engineers dated April 5, 1999, at a total cost of \$15,952,000, with an estimated Federal cost of \$12,118,000 and an estimated non-Federal cost of \$3,834,000, and at an estimated average annual cost of \$1,114,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of \$897,000 and an estimated annual non-Federal cost of \$217,000.

(23) NEW JERSEY SHORE PROTECTION: TOWNSENDS INLET TO CAPE MAY INLET, NEW JERSEY.—The project for hurricane and storm damage reduction and ecosystem restoration, New Jersey Shore Protection: Townsends Inlet to Cape May Inlet, New Jersey: Report of the Chief of Engineers dated September 28, 1998, at a total cost of \$56,503,000, with an estimated Federal cost of \$36,727,000 and an estimated non-Federal cost of \$19,776,000, and at an estimated average annual cost of \$2,000,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of \$1,300,000 and an estimated annual non-Federal cost of \$700,000.

(24) GUANAJIBO RIVER, PUERTO RICO.—The project for flood control, Guanajibo River, Puerto Rico: Report of the Chief of Engineers, dated February 27, 1996, at a total cost of \$27,031,000, with an estimated Federal cost of \$20,273,250 and an estimated non-Federal cost of \$6,757,750. Cost sharing for the project shall be determined in accordance with section 103(a) of the Water Resources Development Act 1986 (33 U.S.C. 2213) as in effect on October 11, 1986.

(25) RIO GRANDE DE MANATI, BARCELONETA, PUERTO RICO.—The project for flood control, Rio Grande De Manati, Barceloneta, Puerto

Rico: Report of the Chief of Engineers, dated January 22, 1999, at a total cost of \$13,491,000, with an estimated Federal cost of \$8,785,000 and an estimated non-Federal cost of \$4,706,000.

(26) RIO NIGUA AT SALINAS, PUERTO RICO.—The project for flood control, Rio Nigua at Salinas, Puerto Rico: Report of the Chief of Engineers, dated April 15, 1997, at a total cost of \$13,702,000, with an estimated Federal cost of \$7,645,000 and an estimated non-Federal cost of \$6,057,000.

(27) SALT CREEK, GRAHAM, TEXAS.—The project for flood control, environmental restoration and recreation, Salt Creek, Graham, Texas: Report of the Chief of Engineers dated October 6, 1998, at a total cost of \$10,080,000, with an estimated Federal cost of \$6,560,000 and an estimated non-Federal cost of \$3,520,000.

(b) PROJECTS SUBJECT TO REPORT.—The following projects for water resources development and conservation and other purposes are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, recommended in a final report of the Corps of Engineers, if the report is completed not later than September 30, 1999.

(1) NOME, ALASKA.—The project for navigation, Nome, Alaska, at a total cost of \$24,608,000, with an estimated Federal cost of \$19,660,000 and an estimated non-Federal cost of \$4,948,000.

(2) SEWARD HARBOR, ALASKA.—The project for navigation, Seward Harbor, Alaska, at a total cost of \$12,240,000, with an estimated Federal cost of \$4,364,000 and an estimated non-Federal cost of \$7,876,000.

(3) HAMILTON AIRFIELD, CALIFORNIA.—The project for wetlands restoration, Hamilton Airfield, California, at a total cost of \$55,200,000, with an estimated Federal cost of \$41,400,000 and an estimated non-Federal cost of \$13,800,000.

(4) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY: OAKWOOD BEACH, NEW JERSEY.—The project for shore protection, Delaware Bay Coastline, Delaware and New Jersey: Oakwood Beach, New Jersey, at a total cost of \$3,360,000, with an estimated Federal cost of \$2,184,000 and an estimated non-Federal cost of \$1,176,000.

(5) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY: REEDS BEACH AND PIERCES POINT, NEW JERSEY.—The project for shore protection and ecosystem restoration, Delaware Bay Coastline, Delaware and New Jersey: Reeds Beach and Pierces Point, New Jersey, at a total cost of \$4,057,000, with an estimated Federal cost of \$2,637,000 and an estimated non-Federal cost of \$1,420,000.

(6) LITTLE TALBOT ISLAND, DUVAL COUNTY, FLORIDA.—The project for hurricane and storm damage prevention, Little Talbot Island, Duval County, Florida, at a total cost of \$5,915,000, with an estimated Federal cost of \$3,839,000 and an estimated non-Federal cost of \$2,076,000.

(7) PONCE DE LEON INLET, FLORIDA.—The project for navigation and related purposes, Ponce de Leon Inlet, Volusia County, Florida, at a total cost of \$5,454,000, with an estimated Federal cost of \$2,988,000 and an estimated non-Federal cost of \$2,466,000.

(8) SAVANNAH HARBOR EXPANSION, GEORGIA.—

(A) IN GENERAL.—Subject to subparagraph (B), the project for navigation, Savannah Harbor expansion, Georgia, including implementation of the mitigation plan, with such modifications as the Secretary deems appropriate, at a total cost of \$230,174,000 (of which amount a portion is authorized for implementation of the mitigation plan), with an

estimated Federal cost of \$145,160,000 and an estimated non-Federal cost of \$85,014,000.

(B) CONDITIONS.—The project authorized by subparagraph (A) may be carried out only after—

(i) the Secretary, in consultation with affected Federal, State of Georgia, State of South Carolina, regional, and local entities, has reviewed and approved an environmental impact statement for the project that includes—

(I) an analysis of the impacts of project depth alternatives ranging from 42 feet through 48 feet; and

(II) a selected plan for navigation and an associated mitigation plan as required by section 906(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2283); and

(ii) the Secretary of the Interior, the Secretary of Commerce, the Administrator of the Environmental Protection Agency, and the Secretary have approved the selected plan and have determined that the mitigation plan adequately addresses the potential environmental impacts of the project.

(C) MITIGATION REQUIREMENTS.—The mitigation plan shall be implemented in advance of or concurrently with construction of the project.

(9) DES PLAINES RIVER, ILLINOIS.—The project for flood control, Des Plaines River, Illinois, at a total cost of \$44,300,000 with an estimated Federal cost of \$28,800,000 and an estimated non-Federal cost of \$15,500,000.

(10) NEW JERSEY SHORE PROTECTION, BRIGANTINE INLET TO GREAT EGG HARBOR, BRIGANTINE ISLAND, NEW JERSEY.—The project for hurricane and storm damage reduction, New Jersey shore protection, Brigantine Inlet to Great Egg Harbor, Brigantine Island, New Jersey, at a total cost of \$4,970,000, with an estimated Federal cost of \$3,230,000 and an estimated non-Federal cost of \$1,740,000, and at an estimated average annual cost of \$465,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of \$302,000 and an estimated annual non-Federal cost of \$163,000.

(11) COLUMBIA RIVER CHANNEL, OREGON AND WASHINGTON.—The project for navigation, Columbia River Channel, Oregon and Washington, at a total cost of \$183,623,000 with an estimated Federal cost of \$106,132,000 and an estimated non-Federal cost of \$77,491,000.

(12) JOHNSON CREEK, ARLINGTON, TEXAS.—The locally preferred project for flood control, Johnson Creek, Arlington, Texas, at a total cost of \$20,300,000, with an estimated Federal cost of \$12,000,000 and an estimated non-Federal cost of \$8,300,000.

(13) HOWARD HANSON DAM, WASHINGTON.—The project for water supply and ecosystem restoration, Howard Hanson Dam, Washington, at a total cost of \$75,600,000, with an estimated Federal cost of \$36,900,000 and an estimated non-Federal cost of \$38,700,000.

#### SEC. 102. SMALL FLOOD CONTROL PROJECTS.

(a) IN GENERAL.—The Secretary shall conduct a study for each of the following projects and, after completion of such study, shall carry out the project under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s):

(1) LANCASTER, CALIFORNIA.—Project for flood control, Lancaster, California, westside stormwater retention facility.

(2) GATEWAY TRIANGLE AREA, FLORIDA.—Project for flood control, Gateway Triangle area, Collier County, Florida.

(3) PLANT CITY, FLORIDA.—Project for flood control, Plant City, Florida.

(4) STONE ISLAND, LAKE MONROE, FLORIDA.—Project for flood control, Stone Island, Lake Monroe, Florida.

(5) OHIO RIVER, ILLINOIS.—Project for flood control, Ohio River, Illinois.

(6) REPAUPO CREEK, NEW JERSEY.—Project for flood control, Repaupo Creek, New Jersey.

(7) OWASCO LAKE SEAWALL, NEW YORK.—Project for flood control, Owasco Lake seawall, New York.

(8) PORT CLINTON, OHIO.—Project for flood control, Port Clinton, Ohio.

(9) NORTH CANADIAN RIVER, OKLAHOMA.—Project for flood control, North Canadian River, Oklahoma.

(10) ABINGTON TOWNSHIP, PENNSYLVANIA.—Project for flood control, Baeder and Wanamaker Roads, Abington Township, Pennsylvania.

(11) PORT INDIAN, WEST NORRITON TOWNSHIP, MONTGOMERY COUNTY, PENNSYLVANIA.—Project for flood control, Port Indian, West Norriton Township, Montgomery County, Pennsylvania.

(12) PORT PROVIDENCE, UPPER PROVIDENCE TOWNSHIP, PENNSYLVANIA.—Project for flood control, Port Providence, Upper Providence Township, Pennsylvania.

(13) SPRINGFIELD TOWNSHIP, MONTGOMERY COUNTY, PENNSYLVANIA.—Project for flood control, Springfield Township, Montgomery County, Pennsylvania.

(14) FIRST CREEK, KNOXVILLE, TENNESSEE.—Project for flood control, First Creek, Knoxville, Tennessee.

(15) METRO CENTER LEVEE, CUMBERLAND RIVER, NASHVILLE, TENNESSEE.—Project for flood control, Metro Center Levee, Cumberland River, Nashville, Tennessee.

(b) FESTUS AND CRYSTAL CITY, MISSOURI.—(1) MAXIMUM FEDERAL EXPENDITURE.—The maximum amount of Federal funds that may be expended for the project for flood control, Festus and Crystal City, Missouri, shall be \$10,000,000.

(2) REVISION OF PROJECT COOPERATION AGREEMENT.—The Secretary shall revise the project cooperation agreement for the project referred to in paragraph (1) to take into account the change in the Federal participation in such project pursuant to paragraph (1).

(3) COST SHARING.—Nothing in this section shall be construed to affect any cost-sharing requirement applicable to the project referred to in paragraph (1) under the Water Resources Development Act of 1986.

#### SEC. 103. SMALL BANK STABILIZATION PROJECTS.

The Secretary shall conduct a study for each of the following projects and, after completion of such study, shall carry out the project under section 14 of the Flood Control Act of 1946 (33 U.S.C. 701r):

(1) SAINT JOSEPH RIVER, INDIANA.—Project for streambank erosion control, Saint Joseph River, Indiana.

(2) SAGINAW RIVER, BAY CITY, MICHIGAN.—Project for streambank erosion control, Saginaw River, Bay City, Michigan.

(3) BIG TIMBER CREEK, NEW JERSEY.—Project for streambank erosion control, Big Timber Creek, New Jersey.

(4) LAKE SHORE ROAD, ATHOL SPRINGS, NEW YORK.—Project for streambank erosion control, Lake Shore Road, Athol Springs, New York.

(5) MARIST COLLEGE, POUGHKEEPSIE, NEW YORK.—Project for streambank erosion control, Marist College, Poughkeepsie, New York.

(6) MONROE COUNTY, OHIO.—Project for streambank erosion control, Monroe County, Ohio.

(7) GREEN VALLEY, WEST VIRGINIA.—Project for streambank erosion control, Green Valley, West Virginia.

#### SEC. 104. SMALL NAVIGATION PROJECTS.

The Secretary shall conduct a study for each of the following projects and, after completion of such study, shall carry out the project under section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577):

(1) GRAND MARAIS, ARKANSAS.—Project for navigation, Grand Marais, Arkansas.

(2) FIELDS LANDING CHANNEL, HUMBOLDT HARBOR, CALIFORNIA.—Project for navigation, Fields Landing Channel, Humboldt Harbor, California.

(3) SAN MATEO (PILLAR POINT HARBOR), CALIFORNIA.—Project for navigation San Mateo (Pillar Point Harbor), California.

(4) AGANA MARINA, GUAM.—Project for navigation, Agana Marina, Guam.

(5) AGAT MARINA, GUAM.—Project for navigation, Agat Marina, Guam.

(6) APR A HARBOR FUEL PIERS, GUAM.—Project for navigation, Apra Harbor Fuel Piers, Guam.

(7) APR A HARBOR PIER F-6, GUAM.—Project for navigation, Apra Harbor Pier F-6, Guam.

(8) APR A HARBOR SEAWALL, GUAM.—Project for navigation including a seawall, Apra Harbor, Guam.

(9) GUAM HARBOR, GUAM.—Project for navigation, Guam Harbor, Guam.

(10) ILLINOIS RIVER NEAR CHAUTAUQUA PARK, ILLINOIS.—Project for navigation, Illinois River near Chautauqua Park, Illinois.

(11) WHITING SHORELINE WATERFRONT, WHITING, INDIANA.—Project for navigation, Whiting Shoreline Waterfront, Whiting, Indiana.

(12) NARAGUAGUS RIVER, MACHIAS, MAINE.—Project for navigation, Naraguagus River, Machias, Maine.

(13) UNION RIVER, ELLSWORTH, MAINE.—Project for navigation, Union River, Ellsworth, Maine.

(14) DETROIT WATERFRONT, MICHIGAN.—Project for navigation, Detroit River, Michigan, including dredging and removal of a reef.

(15) FORTESCUE INLET, DELAWARE BAY, NEW JERSEY.—Project for navigation for Fortescue Inlet, Delaware Bay, New Jersey.

(16) BUFFALO AND LASALLE PARK, NEW YORK.—Project for navigation, Buffalo and LaSalle Park, New York.

(17) STURGEON POINT, NEW YORK.—Project for navigation, Sturgeon Point, New York.

(18) FAIRPORT HARBOR, OHIO.—Project for navigation, Fairport Harbor, Ohio, including a recreation channel.

#### SEC. 105. SMALL PROJECTS FOR IMPROVEMENT OF THE ENVIRONMENT.

(a) IN GENERAL.—The Secretary shall conduct a study for each of the following projects and, after completion of such study, shall carry out the project under section 1135 of the Water Resources Development Act of 1986 (33 U.S.C. 2309a):

(1) ILLINOIS RIVER IN THE VICINITY OF HAVANA, ILLINOIS.—Project for the improvement of the environment, Illinois River in the vicinity of Havana, Illinois.

(2) KNITTING MILL CREEK, VIRGINIA.—Project for the improvement of the environment, Knitting Mill Creek, Virginia.

(b) PINE FLAT DAM, KINGS RIVER, CALIFORNIA.—The Secretary shall carry out under section 1135(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2309a(a)) a project to construct a turbine bypass at Pine Flat Dam, Kings River, California, in accordance with the Project Modification Report and Environmental Assessment dated September 1996.

#### SEC. 106. SMALL AQUATIC ECOSYSTEM RESTORATION PROJECTS.

The Secretary shall conduct a study for each of the following projects and, after

completion of such study, shall carry out the project under section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330):

(1) CONTRA COSTA COUNTY, BAY DELTA, CALIFORNIA.—Project for aquatic ecosystem restoration, Contra Costa County, Bay Delta, California.

(2) INDIAN RIVER, FLORIDA.—Project for aquatic ecosystem restoration and lagoon restoration, Indian River, Florida.

(3) LITTLE WEKIVA RIVER, FLORIDA.—Project for aquatic ecosystem restoration and erosion control, Little Wekiva River, Florida.

(4) COOK COUNTY, ILLINOIS.—Project for aquatic ecosystem restoration and lagoon restoration and protection, Cook County, Illinois.

(5) GRAND BATTURE ISLAND, MISSISSIPPI.—Project for aquatic ecosystem restoration, Grand Batture Island, Mississippi.

(6) HANCOCK, HARRISON, AND JACKSON COUNTIES, MISSISSIPPI.—Project for aquatic ecosystem restoration and reef restoration along the Gulf Coast, Hancock, Harrison, and Jackson Counties, Mississippi.

(7) MISSISSIPPI RIVER AND RIVER DES PERES, ST. LOUIS, MISSOURI.—Project for aquatic ecosystem restoration and recreation, Mississippi River and River Des Peres, St. Louis, Missouri.

(8) HUDSON RIVER, NEW YORK.—Project for aquatic ecosystem restoration, Hudson River, New York.

(9) ONEIDA LAKE, NEW YORK.—Project for aquatic ecosystem restoration, Oneida Lake, Oneida County, New York.

(10) OTSEGO LAKE, NEW YORK.—Project for aquatic ecosystem restoration, Otsego Lake, Otsego County, New York.

(11) NORTH FORK OF YELLOW CREEK, OHIO.—Project for aquatic ecosystem restoration, North Fork of Yellow Creek, Ohio.

(12) WHEELING CREEK WATERSHED, OHIO.—Project for aquatic ecosystem restoration, Wheeling Creek watershed, Ohio.

(13) SPRINGFIELD MILLRACE, OREGON.—Project for aquatic ecosystem restoration, Springfield Millrace, Oregon.

(14) UPPER AMAZON CREEK, OREGON.—Project for aquatic ecosystem restoration, Upper Amazon Creek, Oregon.

(15) LAKE ONTELAUNEE RESERVOIR, BERKS COUNTY, PENNSYLVANIA.—Project for aquatic ecosystem restoration and distilling pond facilities, Lake Ontelaunee Reservoir, Berks County, Pennsylvania.

(16) BLACKSTONE RIVER BASIN, RHODE ISLAND AND MASSACHUSETTS.—Project for aquatic ecosystem restoration and fish passage facilities, Blackstone River Basin, Rhode Island and Massachusetts.

## TITLE II—GENERAL PROVISIONS

### SEC. 201. SMALL FLOOD CONTROL AUTHORITY.

Section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s) is amended—

(1) by striking “construction of small projects” and inserting “implementation of small structural and nonstructural projects”; and

(2) by striking “\$5,000,000” and inserting “\$7,000,000”.

### SEC. 202. USE OF NON-FEDERAL FUNDS FOR COMPILING AND DISSEMINATING INFORMATION ON FLOODS AND FLOOD DAMAGES.

The last sentence of section 206(b) of the Flood Control Act of 1960 (33 U.S.C. 709a(b)) is amended by inserting before the period the following: “; except that this limitation on fees shall not apply to funds voluntarily contributed by such entities for the purpose of expanding the scope of the services requested by such entities”.

### SEC. 203. CONTRIBUTIONS BY STATES AND POLITICAL SUBDIVISIONS.

Section 5 of the Flood Control Act of June 22, 1936 (33 U.S.C. 701h), is amended by inserting “or environmental restoration” after “flood control”.

### SEC. 204. SEDIMENT DECONTAMINATION TECHNOLOGY.

Section 405 of the Water Resources Development Act of 1992 (33 U.S.C. 2239 note; 106 Stat. 4863) is amended—

(1) by adding at the end of subsection (a) the following:

“(4) PRACTICAL END-USE PRODUCTS.—Technologies selected for demonstration at the pilot scale shall be intended to result in practical end-use products.

“(5) ASSISTANCE BY THE SECRETARY.—The Secretary shall assist the project to ensure expeditious completion by providing sufficient quantities of contaminated dredged material to conduct the full-scale demonstrations to stated capacity.”;

(2) in subsection (c) by striking the first sentence and inserting the following: “There is authorized to be appropriated to carry out this section \$22,000,000 to complete technology testing, technology commercialization, and the development of full scale processing facilities within the New York/New Jersey Harbor.”; and

(3) by adding at the end the following:

“(e) SUPPORT.—In carrying out the program under this section, the Secretary is encouraged to utilize contracts, cooperative agreements, and grants with colleges and universities and other non-Federal entities.”.

### SEC. 205. CONTROL OF AQUATIC PLANTS.

Section 104 of the River and Harbor Act of 1958 (33 U.S.C. 610) is amended—

(1) in subsection (a) by inserting “arundo,” after “milfoil,”;

(2) in subsection (b) by striking “\$12,000,000” and inserting “\$15,000,000.”; and

(3) by adding at the end the following:

“(c) SUPPORT.—In carrying out this program, the Secretary is encouraged to utilize contracts, cooperative agreements, and grants with colleges and universities and other non-Federal entities.”.

### SEC. 206. USE OF CONTINUING CONTRACTS REQUIRED FOR CONSTRUCTION OF CERTAIN PROJECTS.

(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall not implement a fully allocated funding policy with respect to a water resources project if initiation of construction has occurred but sufficient funds are not available to complete the project. The Secretary shall enter into continuing contracts for such project.

(b) INITIATION OF CONSTRUCTION CLARIFIED.—For the purposes of this section, initiation of construction for a project occurs on the date of the enactment of an Act that appropriates funds for the project from one of the following appropriation accounts:

(1) Construction, General.

(2) Operation and Maintenance, General.

(3) Flood Control, Mississippi River and Tributaries.

### SEC. 207. SUPPORT OF ARMY CIVIL WORKS PROGRAM.

The requirements of section 2361 of title 10, United States Code, shall not apply to any contract, cooperative research and development agreement, cooperative agreement, or grant entered into under section 229 of the Water Resources Development Act of 1996 (110 Stat. 3703) between the Secretary and Marshall University or entered into under section 350 of this Act between the Secretary and Juniata College.

### SEC. 208. WATER RESOURCES DEVELOPMENT STUDIES FOR THE PACIFIC REGION.

Section 444 of the Water Resources Development Act of 1996 (110 Stat. 3747) is amended by striking “interest of navigation” and inserting “interests of water resources development, including navigation, flood damage reduction, and environmental restoration”.

### SEC. 209. EVERGLADES AND SOUTH FLORIDA ECOSYSTEM RESTORATION.

(a) PROGRAM EXTENSION.—Section 528(b)(3) of the Water Resources Development Act of 1996 (110 Stat. 3769) is amended—

(1) in subparagraph (B) by striking “1999” and inserting “2000”; and

(2) in subparagraph (C)(i) by striking “1999” and inserting “2003”.

(b) CREDIT.—Section 528(b)(3) of such Act is amended by adding at the end the following:

“(D) CREDIT OF PAST AND FUTURE ACTIVITIES.—The Secretary may provide a credit to the non-Federal interests toward the non-Federal share of a project implemented under subparagraph (A). The credit shall be for reasonable costs of work performed by the non-Federal interests if the Secretary determines that the work substantially expedited completion of the project and is compatible with and an integral part of the project, and the credit is provided pursuant to a specific project cooperation agreement.”.

(c) CALOOSAHATCHEE RIVER BASIN, FLORIDA.—Section 528(e)(4) of such Act is amended by inserting before the period at the end of the first sentence the following: “if the Secretary determines that such land acquisition is compatible with and an integral component of the Everglades and South Florida ecosystem restoration, including potential land acquisition in the Caloosahatchee River basin or other areas”.

### SEC. 210. BENEFICIAL USES OF DREDGED MATERIAL.

Section 204 of the Water Resources Development Act of 1992 (106 Stat. 4826–4827) is amended—

(1) in subsection (c) by striking “cooperative agreement in accordance with the requirements of section 221 of the Flood Control Act of 1970” and inserting “binding agreement with the Secretary”; and

(2) by adding at the end the following:

“(g) NON-FEDERAL INTERESTS.—Notwithstanding section 221(b) of the Flood Control Act of 1968 (42 U.S.C. 1962d–5b(b)), the Secretary, after coordination with the appropriate State and local government officials having jurisdiction over an area in which a project under this section will be carried out, may allow a nonprofit entity to serve as the non-Federal interest for the project.”.

### SEC. 211. HARBOR COST SHARING.

(a) IN GENERAL.—Sections 101 and 214 of the Water Resources Development Act of 1986 (33 U.S.C. 2211 and 2241; Public Law 99–662) are amended by striking “45 feet” each place it appears and inserting “53 feet”.

(b) APPLICABILITY.—The amendments made by subsection (a) shall only apply to a project, or separable element thereof, on which a contract for physical construction has not been awarded before the date of the enactment of this Act.

### SEC. 212. AQUATIC ECOSYSTEM RESTORATION.

Section 206 of the Water Resources Development Act of 1996 (110 Stat. 3679–3680) is amended—

(1) by adding at the end of subsection (b) the following: “Before October 1, 2003, the Federal share may be provided in the form of grants or reimbursements of project costs.”; and

(2) by adding at the end of subsection (c) the following: “Notwithstanding section

221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d-5b(b)), the Secretary, after coordination with the appropriate State and local government officials having jurisdiction over an area in which a project under this section will be carried out, may allow a nonprofit entity to serve as the non-Federal interest for the project."

**SEC. 213. WATERSHED MANAGEMENT, RESTORATION, AND DEVELOPMENT.**

(a) **NONPROFIT ENTITY AS NON-FEDERAL INTEREST.**—Section 503(a) of the Water Resources Development Act of 1996 (110 Stat. 3756) is amended by adding at the end the following: "Notwithstanding section 221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d-5b(b)), the Secretary, after coordination with the appropriate State and local government officials having jurisdiction over an area in which a project under this section will be carried out, may allow a nonprofit entity to serve as the non-Federal interest for the project."

(b) **PROJECT LOCATIONS.**—Section 503(d) of such Act is amended—

(1) in paragraph (7) by inserting before the period at the end " , including Clear Lake"; and

(2) by adding at the end the following:

"(14) Fresno Slough watershed, California.

"(15) Hayward Marsh, Southern San Francisco Bay watershed, California.

"(16) Kaweah River watershed, California.

"(17) Malibu Creek watershed, California.

"(18) Illinois River watershed, Illinois.

"(19) Catawba River watershed, North Carolina.

"(20) Cabin Creek basin, West Virginia.

"(21) Lower St. Johns River basin, Florida."

**SEC. 214. FLOOD MITIGATION AND RIVERINE RESTORATION PILOT PROGRAM.**

(a) **IN GENERAL.**—The Secretary may undertake a program for the purpose of conducting projects that reduce flood hazards and restore the natural functions and values of rivers throughout the United States.

(b) **STUDIES AND PROJECTS.**—

(1) **AUTHORITY.**—In carrying out the program, the Secretary may conduct studies to identify appropriate flood damage reduction, conservation, and restoration measures and may design and implement projects described in subsection (a).

(2) **CONSULTATION AND COORDINATION.**—The studies and projects carried out under this section shall be conducted, to the maximum extent practicable, in consultation and coordination with the Federal Emergency Management Agency and other appropriate Federal agencies, and in consultation and coordination with appropriate State, tribal, and local agencies.

(3) **NONSTRUCTURAL APPROACHES.**—The studies and projects shall emphasize, to the maximum extent practicable and appropriate, nonstructural approaches to preventing or reducing flood damages.

(4) **USE OF STATE, TRIBAL, AND LOCAL STUDIES AND PROJECTS.**—The studies and projects shall include consideration of and coordination with any State, tribal, and local flood damage reduction or riverine and wetland restoration studies and projects that conserve, restore, and manage hydrologic and hydraulic regimes and restore the natural functions and values of floodplains.

(c) **COST-SHARING REQUIREMENTS.**—

(1) **STUDIES.**—Studies conducted under this section shall be subject to cost sharing in accordance with section 105 of the Water Resources Development Act of 1986 (33 U.S.C. 2215).

(2) **ENVIRONMENTAL RESTORATION AND NONSTRUCTURAL FLOOD CONTROL PROJECTS.**—The

non-Federal interests shall pay 35 percent of the cost of any environmental restoration or nonstructural flood control project carried out under this section. The non-Federal interests shall provide all land, easements, rights-of-way, dredged material disposal areas, and relocations necessary for such projects. The value of such land, easements, rights-of-way, dredged material disposal areas, and relocations shall be credited toward the payment required under this paragraph.

(3) **STRUCTURAL FLOOD CONTROL PROJECTS.**—Any structural flood control measures carried out under this section shall be subject to cost sharing in accordance with section 103(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2213(a)).

(4) **OPERATION AND MAINTENANCE.**—The non-Federal interests shall be responsible for all costs associated with operating, maintaining, replacing, repairing, and rehabilitating all projects carried out under this section.

(d) **PROJECT JUSTIFICATION.**—

(1) **IN GENERAL.**—Notwithstanding any other provision of law or requirement for economic justification established pursuant to section 209 of the Flood Control Act of 1970 (42 U.S.C. 1962-2), the Secretary may implement a project under this section if the Secretary determines that the project—

(A) will significantly reduce potential flood damages;

(B) will improve the quality of the environment; and

(C) is justified considering all costs and beneficial outputs of the project.

(2) **ESTABLISHMENT OF SELECTION AND RATING CRITERIA AND POLICIES.**—Not later than 180 days after the date of the enactment of this section, the Secretary, in cooperation with State, tribal, and local agencies, shall develop, and transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate, criteria for selecting and rating projects to be carried out under this section and shall establish policies and procedures for carrying out the studies and projects undertaken under this section. Such criteria shall include, as a priority, the extent to which the appropriate State government supports the project.

(e) **PRIORITY AREAS.**—In carrying out this section, the Secretary shall examine the potential for flood damage reductions at appropriate locations, including the following:

(1) Upper Delaware River, New York.

(2) Willamette River floodplain, Oregon.

(3) Pima County, Arizona, at Paseo De Las Iglesias and Rillito River.

(4) Los Angeles and San Gabriel Rivers, California.

(5) Murrieta Creek, California.

(6) Napa County, California, at Yountville, St. Helena, Calistoga, and American Canyon.

(7) Santa Clara basin, California, at Upper Guadalupe River and tributaries, San Francisco Creek, and Upper Penitencia Creek.

(8) Pine Mount Creek, New Jersey.

(9) Chagrin River, Ohio.

(10) Blair County, Pennsylvania, at Altoona and Frankstown Township.

(11) Lincoln Creek, Wisconsin.

(f) **PROGRAM REVIEW.**—

(1) **IN GENERAL.**—The program established under this section shall be subject to an independent review to evaluate the efficacy of the program in achieving the dual goals of flood hazard mitigation and riverine restoration.

(2) **REPORT.**—Not later than April 15, 2003, the Secretary shall transmit to the Com-

mittee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the findings of the review conducted under this subsection with any recommendations concerning continuation of the program.

(g) **COST LIMITATIONS.**—

(1) **MAXIMUM FEDERAL COST PER PROJECT.**—No more than \$30,000,000 may be expended by the United States on any single project under this section.

(2) **COMMITTEE RESOLUTION PROCEDURE.**—

(A) **LIMITATION ON APPROPRIATIONS.**—No appropriation shall be made to construct any project under this section the total Federal cost of construction of which exceeds \$15,000,000 if the project has not been approved by resolutions adopted by the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(B) **REPORT.**—For the purpose of securing consideration of approval under this paragraph, the Secretary shall transmit a report on the proposed project, including all relevant data and information on all costs.

(h) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section—

(1) \$25,000,000 for fiscal year 2000;

(2) \$25,000,000 for fiscal year 2001 if \$12,500,000 or more is appropriated to carry out subsection (e) for fiscal year 2000;

(3) \$25,000,000 for fiscal year 2002 if \$12,500,000 or more is appropriated to carry out subsection (e) for fiscal year 2001; and

(4) \$25,000,000 for fiscal year 2003 if \$12,500,000 or more is appropriated to carry out subsection (e) for fiscal year 2002.

**SEC. 215. SHORELINE MANAGEMENT PROGRAM.**

(a) **REVIEW.**—The Secretary shall review the implementation of the Corps of Engineers' shoreline management program, with particular attention to inconsistencies in implementation among the divisions and districts of the Corps of Engineers and complaints by or potential inequities regarding property owners in the Savannah District including an accounting of the number and disposition of complaints over the last 5 years in the District.

(b) **REPORT.**—As expeditiously as practicable after the date of the enactment of this Act, the Secretary shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report describing the results of the review conducted under subsection (a).

**SEC. 216. ASSISTANCE FOR REMEDIATION, RESTORATION, AND REUSE.**

(a) **IN GENERAL.**—The Secretary may provide to State and local governments assessment, planning, and design assistance for remediation, environmental restoration, or reuse of areas located within the boundaries of such State or local governments where such remediation, environmental restoration, or reuse will contribute to the conservation of water and related resources of drainage basins and watersheds within the United States.

(b) **BENEFICIAL USE OF DREDGED MATERIAL.**—In providing assistance under subsection (a), the Secretary shall encourage the beneficial use of dredged material, consistent with the findings of the Secretary under section 204 of the Water Resources Development Act of 1992 (33 U.S.C. 2326).

(c) **NON-FEDERAL SHARE.**—The non-Federal share of the cost of assistance provided under subsection (a) shall be 50 percent.



(d) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$3,000,000 for each of fiscal years 2000 through 2004.

#### SEC. 217. SHORE DAMAGE MITIGATION.

(a) **IN GENERAL.**—Section 111 of the River and Harbor Act of 1968 (33 U.S.C. 426i; 100 Stat. 4199) is amended by inserting after “navigation works” the following: “and shore damages attributable to the Atlantic Intracoastal Waterway and the Gulf Intracoastal Waterway”.

(b) **PALM BEACH COUNTY, FLORIDA.**—The project for navigation, Palm Beach County, Florida, authorized by section 2 of the River and Harbor Act of March 2, 1945 (59 Stat. 11), is modified to authorize the Secretary to undertake beach nourishment as a dredged material disposal option under the project.

(c) **GALVESTON COUNTY, TEXAS.**—The Secretary may place dredged material from the Gulf Intracoastal Waterway on the beaches along Rollover Pass, Galveston County, Texas, to stabilize beach erosion.

#### SEC. 218. SHORE PROTECTION.

(a) **NON-FEDERAL SHARE OF PERIODIC NOURISHMENT.**—Section 103(d) of the Water Resources Development Act of 1986 (100 Stat. 4085–5086) is amended—

(1) by inserting “(1) CONSTRUCTION.” before “Costs of constructing”;

(2) by inserting at the end the following:

“(2) PERIODIC NOURISHMENT.—

“(A) **IN GENERAL.**—Subject to subparagraph (B), the non-Federal share of costs of periodic nourishment measures for shore protection or beach erosion control that are carried out—

“(i) after January 1, 2001, shall be 40 percent;

“(ii) after January 1, 2002, shall be 45 percent; and

“(iii) after January 1, 2003, shall be 50 percent;

“(B) **BENEFITS TO PRIVATELY OWNED SHORES.**—All costs assigned to benefits of periodic nourishment measures to privately owned shores (where use of such shores is limited to private interests) or to prevention of losses of private lands shall be borne by the non-Federal interest and all costs assigned to the protection of federally owned shores for such measures shall be borne by the United States.”; and

(C) by indenting paragraph (1) (as designated by subparagraph (A) of this paragraph) and aligning such paragraph with paragraph (2) (as added by subparagraph (B) of this paragraph).

(b) **UTILIZATION OF SAND FROM OUTER CONTINENTAL SHELF.**—Section 8(k)(2)(B) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(k)(2)(B)) is amended by striking “an agency of the Federal Government” and inserting “a Federal, State, or local government agency”.

(c) **REPORT ON NATION’S SHORELINES.**—

(1) **IN GENERAL.**—Not later than 3 years after the date of the enactment of this Act, the Secretary shall report to Congress on the state of the Nation’s shorelines.

(2) **CONTENTS.**—The report shall include—

(A) a description of the extent of, and economic and environmental effects caused by, erosion and accretion along the Nation’s shores and the causes thereof;

(B) a description of resources committed by local, State, and Federal governments to restore and renourish shorelines;

(C) a description of the systematic movement of sand along the Nation’s shores; and

(D) recommendations regarding (i) appropriate levels of Federal and non-Federal participation in shoreline protection, and (ii)

utilization of a systems approach to sand management.

(3) **UTILIZATION OF SPECIFIC LOCATION DATA.**—In developing the report, the Secretary shall utilize data from specific locations on the Atlantic, Pacific, Great Lakes, and Gulf of Mexico coasts.

(d) **NATIONAL COASTAL DATA BANK.**—

(1) **ESTABLISHMENT OF DATA BANK.**—Not later than 2 years after the date of the enactment of this Act, the Secretary shall establish a national coastal data bank containing data on the geophysical and climatological characteristics of the Nation’s shorelines.

(2) **CONTENT.**—To the extent practical, the national coastal data bank shall include data regarding current and predicted shoreline positions, information on federally-authorized shore protection projects, and data on the movement of sand along the Nation’s shores, including impediments to such movement caused by natural and manmade features.

(3) **ACCESS.**—The national coastal data bank shall be made readily accessible to the public.

#### SEC. 219. FLOOD PREVENTION COORDINATION.

Section 206 of the Flood Control Act of 1960 (33 U.S.C. 709a) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting after subsection (a) the following:

“(b) **FLOOD PREVENTION COORDINATION.**—The Secretary shall coordinate with the Director of the Federal Emergency Management Agency and the heads of other Federal agencies to ensure that flood control projects and plans are complementary and integrated to the extent practicable and appropriate.”.

#### SEC. 220. ANNUAL PASSES FOR RECREATION.

Section 208(c)(4) of the Water Resources Development Act of 1996 (16 U.S.C. 460d note; 110 Stat. 3680) is amended by striking “1999, or the date of transmittal of the report under paragraph (3)” and inserting “2003”.

#### SEC. 221. COOPERATIVE AGREEMENTS FOR ENVIRONMENTAL AND RECREATIONAL MEASURES.

(a) **IN GENERAL.**—The Secretary is authorized to enter into cooperative agreements with non-Federal public bodies and non-profit entities for the purpose of facilitating collaborative efforts involving environmental protection and restoration, natural resources conservation, and recreation in connection with the development, operation, and management of water resources projects under the jurisdiction of the Department of the Army.

(b) **REPORT.**—Not later than 18 months after the date of the enactment of this Act, the Secretary shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report that includes—

(1) a listing and general description of the cooperative agreements entered into by the Secretary with non-Federal public bodies and entities under subsection (a);

(2) a determination of whether such agreements are facilitating collaborative efforts; and

(3) a recommendation on whether such agreements should be further encouraged.

#### SEC. 222. NONSTRUCTURAL FLOOD CONTROL PROJECTS.

(a) **ANALYSIS OF BENEFITS.**—Section 308 of the Water Resources Development Act of 1990 (33 U.S.C. 2318; 104 Stat. 4638) is amended—

(1) in the heading to subsection (a) by inserting “ELEMENTS EXCLUDED FROM” before “BENEFIT-COST”;

(2) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively; and

(3) by inserting after subsection (a) the following:

“(b) **FLOOD DAMAGE REDUCTION BENEFITS.**—In calculating the benefits of a proposed project for nonstructural flood damage reduction, the Secretary shall calculate benefits of nonstructural projects using methods similar to structural projects, including similar treatment in calculating the benefits from losses avoided from both structural and nonstructural alternatives. In carrying out this subsection, the Secretary should avoid double counting of benefits.”.

(b) **REEVALUATION OF FLOOD CONTROL PROJECTS.**—At the request of a non-Federal interest for a flood control project, the Secretary shall conduct a reevaluation of a previously authorized project to consider nonstructural alternatives in light of the amendments made by subsection (a).

(c) **COST SHARING.**—Section 103(b) of the Water Resources Development Act of 1986 (33 U.S.C. 2213(b)) is amended by adding at the end the following: “At any time during construction of the project, where the Secretary determines that the costs of lands, easements, rights-of-way, dredged material disposal areas, and relocations in combination with other costs contributed by the non-Federal interests will exceed 35 percent, any additional costs for the project, but not to exceed 65 percent of the total costs of the project, shall be a Federal responsibility and shall be contributed during construction as part of the Federal share.”.

#### SEC. 223. LAKES PROGRAM.

Section 602(a) of the Water Resources Development Act of 1986 (110 Stat. 3758) is amended—

(1) by striking “and” at the end of paragraph (15);

(2) by striking the period at the end of paragraph (16) and inserting a semicolon; and

(3) by adding at the end the following:

“(17) Clear Lake, Lake County, California, removal of silt and aquatic growth and measures to address excessive sedimentation and high nutrient concentration;

“(18) Osgood Pond, Milford, Hillsborough County, New Hampshire, removal of silt and aquatic growth and measures to address excessive sedimentation; and

“(19) Flints Pond, Hollis, Hillsborough County, New Hampshire, removal of silt and aquatic growth and measures to address excessive sedimentation.”.

#### SEC. 224. CONSTRUCTION OF FLOOD CONTROL PROJECTS BY NON-FEDERAL INTERESTS.

(a) **CONSTRUCTION BY NON-FEDERAL INTERESTS.**—Section 211(d)(1) of the Water Resources Development Act of 1996 (33 U.S.C. 701b–13(d)(1)) is amended—

(1) by striking “(b) or”;

(2) by striking “Any non-Federal” and inserting the following:

“(A) **STUDIES AND DESIGN ACTIVITIES UNDER SUBSECTION (b).**—A non-Federal interest may only carry out construction for which studies and design documents are prepared under subsection (b) if the Secretary approves such construction. The Secretary shall approve such construction unless the Secretary determines, in writing, that the design documents do not meet standard practices for design methodologies or that the project is not economically justified or environmentally acceptable or does not meet the requirements for obtaining the appropriate permits

required under the Secretary's authority. The Secretary shall not unreasonably withhold approval. Nothing in this subparagraph may be construed to affect any regulatory authority of the Secretary.

“(B) STUDIES AND DESIGN ACTIVITIES UNDER SUBSECTION (C).—Any non-Federal”; and

(3) by aligning the remainder of subparagraph (B) (as designated by paragraph (2) of this subsection) with subparagraph (A) (as inserted by paragraph (2) of this subsection).

(b) CONFORMING AMENDMENT.—Section 211(d)(2) of such Act is amended by inserting “(other than paragraph (1)(A))” after “this subsection”.

(c) REIMBURSEMENT.—

(1) IN GENERAL.—Section 211(e)(1) of such Act is amended—

(A) in the matter preceding subparagraph (1) by inserting after “constructed pursuant to this section” the following: “and provide credit for the non-Federal share of the project”; and

(B) by striking “and” at the end of subparagraph (A);

(C) by striking the period at the end of subparagraph (B) and inserting “; and”; and

(D) by adding at the end the following:

“(C) if the construction work is reasonably equivalent to Federal construction work.”.

(2) SPECIAL RULES.—Section 211(e)(2)(A) of such Act is amended—

(A) by striking “subject to amounts being made available in advance in appropriations Acts” and inserting “subject to appropriations”; and

(B) by inserting after “the cost of such work” the following: “, or provide credit (depending on the request of the non-Federal interest) for the non-Federal share of such work.”.

(3) SCHEDULE AND MANNER OF REIMBURSEMENTS.—Section 211(e) of such Act (33 U.S.C. 701b-13(e)) is amended by adding at the end the following:

“(6) SCHEDULE AND MANNER OF REIMBURSEMENT.—

“(A) BUDGETING.—The Secretary shall budget and request appropriations for reimbursements under this section on a schedule that is consistent with a Federal construction schedule.

“(B) COMMENCEMENT OF REIMBURSEMENTS.—Reimbursements under this section may commence upon approval of a project by the Secretary.

“(C) CREDIT.—At the request of a non-Federal interest, the Secretary may reimburse the non-Federal interest by providing credit toward future non-Federal costs of the project.

“(D) SCHEDULING.—Nothing in this paragraph shall affect the President's discretion to schedule new construction starts.”.

#### SEC. 225. ENHANCEMENT OF FISH AND WILDLIFE RESOURCES.

Section 906(e) of the Water Resources Development Act of 1986 (33 U.S.C. 2283(e)) is amended by inserting after the second sentence the following: “Not more than 80 percent of the non-Federal share of such first costs may be satisfied through in-kind contributions, including facilities, supplies, and services that are necessary to carry out the enhancement project.”.

#### SEC. 226. SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this Act should be American made.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this

Act, the Secretary, to the greatest extent practicable, shall provide to each recipient of the assistance a notice describing the statement made in subsection (a).

#### SEC. 227. PERIODIC BEACH NOURISHMENT.

(a) IN GENERAL.—Section 506(a) of the Water Resources Development Act of 1996 (110 Stat. 3757) is amended by adding at the end the following:

“(5) LEE COUNTY, FLORIDA.—Project for shoreline protection, Lee County, Captiva Island segment, Florida.”.

(b) PROJECTS.—Section 506(b)(3) of such Act (110 Stat. 3758) is amended by striking subparagraph (A) and redesignating subparagraphs (B) through (D) as subparagraphs (A) through (C), respectively.

#### SEC. 228. ENVIRONMENTAL DREDGING.

Section 312 of the Water Resources Development Act of 1990 (104 Stat. 4639-4640) is amended—

(1) in subsection (b)(1) by striking “50” and inserting “35”; and

(2) in subsection (d) by striking “non-Federal responsibility” and inserting “shared as a cost of construction”.

#### SEC. 229. WETLANDS MITIGATION.

In carrying out a water resources project that involves wetlands mitigation and that has an impact that occurs within the service area of a mitigation bank, the Secretary, to the maximum extent practicable and where appropriate, shall give preference to the use of the mitigation bank if the bank contains sufficient available credits to offset the impact and the bank is approved in accordance with the Federal Guidance for the Establishment, Use and Operation of Mitigation Banks (60 Fed. Reg. 58605 (November 28, 1995)) or other applicable Federal law (including regulations).

### TITLE III—PROJECT-RELATED PROVISIONS

#### SEC. 301. MISSOURI RIVER LEVEE SYSTEM.

The project for flood control, Missouri River Levee System, authorized by section 10 of the Act entitled “An Act authorizing the construction of certain public works on rivers and harbors for flood control, and other purposes”, approved December 22, 1944 (58 Stat. 897), is modified to provide that project costs totaling \$2,616,000 expended on Units L-15, L-246, and L-385 out of the Construction, General account of the Corps of Engineers before the date of the enactment of the Water Resources Development Act of 1986 (33 U.S.C. 2201 note) shall not be treated as part of total project costs.

#### SEC. 302. OUZINKIE HARBOR, ALASKA.

(a) MAXIMUM FEDERAL EXPENDITURE.—The maximum amount of Federal funds that may be expended for the project for navigation, Ouzinkie Harbor, Alaska, shall be \$8,500,000.

(b) REVISION OF PROJECT COOPERATION AGREEMENT.—The Secretary shall revise the project cooperation agreement for the project referred to in subsection (a) to take into account the change in the Federal participation in such project pursuant to subsection (a).

(c) COST SHARING.—Nothing in this section shall be construed to affect any cost-sharing requirement applicable to the project referred to in subsection (a) under the Water Resources Development Act of 1986.

#### SEC. 303. GREERS FERRY LAKE, ARKANSAS.

The project for flood control, Greers Ferry Lake, Arkansas, authorized by the Act entitled “An Act authorizing the construction of certain public works on rivers and harbors for flood control, and other purposes”, approved June 28, 1938 (52 Stat. 1218), is modified to authorize the Secretary to construct

water intake facilities for the benefit of Lonoke and White Counties, Arkansas.

#### SEC. 304. TEN- AND FIFTEEN-MILE BAYOUS, ARKANSAS.

The project for flood control, St. Francis River Basin, Missouri and Arkansas, authorized by section 204 of the Flood Control Act of 1950 (64 Stat. 172), is modified to expand the project boundaries to include Ten- and Fifteen-Mile Bayous near West Memphis, Arkansas. Notwithstanding section 103(f) of the Water Resources Development Act of 1986 (100 Stat. 4086), the flood control work at Ten- and Fifteen-Mile Bayous shall not be considered separable elements of the St. Francis River Basin project.

#### SEC. 305. LOGGY BAYOU, RED RIVER BELOW DENISON DAM, ARKANSAS, LOUISIANA, OKLAHOMA, AND TEXAS.

The project for flood control on the Red River Below Denison Dam, Arkansas, Louisiana, Oklahoma, and Texas, authorized by section 10 of the Flood Control Act of 1946 (60 Stat. 647), is modified to direct the Secretary to conduct a study to determine the feasibility of expanding the project to include mile 0.0 to mile 7.8 of Loggy Bayou between the Red River and Flat River. If the Secretary determines as a result of the study that the project should be expanded, the Secretary may assume responsibility for operation and maintenance of the expanded project.

#### SEC. 306. SACRAMENTO RIVER, GLENN-COLUSA, CALIFORNIA.

(a) IN GENERAL.—The project for flood control, Sacramento River, California, authorized by section 2 of the Act entitled “An Act to provide for the control of the floods of the Mississippi River and of the Sacramento River, California, and for other purposes”, approved March 1, 1917 (39 Stat. 949), and modified by section 102 of the Energy and Water Development Appropriations Act, 1990 (103 Stat. 649), section 301(b)(3) of the Water Resources Development Act of 1996 (110 Stat. 3110), and title I of the Energy and Water Development Appropriations Act, 1999 (112 Stat. 1841), is further modified to authorize the Secretary—

(1) to carry out the portion of the project at Glenn-Colusa, California, at a total cost of \$26,000,000, with an estimated Federal cost of \$20,000,000 and an estimated non-Federal cost of \$6,000,000; and

(2) to carry out bank stabilization work in the vicinity of the riverbed gradient facility, particularly in the vicinity of River Mile 208.

(b) CREDIT.—The Secretary shall provide the non-Federal interests for the project referred to in subsection (a) a credit of up to \$4,000,000 toward the non-Federal share of the project costs for the direct and indirect costs incurred by the non-Federal sponsor in carrying out activities associated with environmental compliance for the project. Such credit may be in the form of reimbursements for costs which were incurred by the non-Federal interests prior to an agreement with the Corps of Engineers, to include the value of lands, easements, rights-of-way, relocations, or dredged material disposal areas.

#### SEC. 307. SAN LORENZO RIVER, CALIFORNIA.

The project for flood control and habitat restoration, San Lorenzo River, California, authorized by section 101(a)(5) of the Water Resources Development Act of 1996 (110 Stat. 3663), is modified to authorize the Secretary to expand the boundaries of the project to include bank stabilization for a 1,000-foot portion of the San Lorenzo River.

#### SEC. 308. TERMINUS DAM, KAWAHEH RIVER, CALIFORNIA.

(a) TRANSFER OF TITLE TO ADDITIONAL LAND.—If the non-Federal interests for the

project for flood control and water supply, Terminus Dam, Kaweah River, California, authorized by section 101(b)(5) of the Water Resources Development Act of 1996 (110 Stat. 3667), transfers to the Secretary without consideration title to perimeter lands acquired for the project by the non-Federal interests, the Secretary may accept the transfer of such title.

(b) **LANDS, EASEMENT, AND RIGHTS-OF-WAY.**—Nothing in this section shall be construed to change, modify, or otherwise affect the responsibility of the non-Federal interests to provide lands, easements, rights-of-way, relocations, and dredged material disposal areas necessary for the Terminus Dam project and to perform operation and maintenance for the project.

(c) **OPERATION AND MAINTENANCE.**—Upon request by the non-Federal interests, the Secretary shall carry out operation, maintenance, repair, replacement, and rehabilitation of the project if the non-Federal interests enter into a binding agreement with the Secretary to reimburse the Secretary for 100 percent of the costs of such operation, maintenance, repair, replacement, and rehabilitation.

(d) **HOLD HARMLESS.**—The non-Federal interests shall hold the United States harmless for ownership, operation, and maintenance of lands and facilities of the Terminus Dam project title to which is transferred to the Secretary under this section.

**SEC. 309. DELAWARE RIVER MAINSTEM AND CHANNEL DEEPENING, DELAWARE, NEW JERSEY, AND PENNSYLVANIA.**

The project for navigation, Delaware River Mainstem and Channel Deepening, Delaware, New Jersey and Pennsylvania, authorized by section 101(6) of the Water Resources Development Act of 1992 (106 Stat. 4802), is modified as follows:

(1) The Secretary is authorized to provide non-Federal interests credit toward cash contributions required for construction and subsequent to construction for engineering and design and construction management work that is performed by non-Federal interests and that the Secretary determines is necessary to implement the project. Any such credits extended shall reduce the Philadelphia District's private sector performance goals for engineering work by a like amount.

(2) The Secretary is authorized to provide to non-Federal interests credit toward cash contributions required during construction and subsequent to construction for the costs of construction carried out by the non-Federal interest on behalf of the Secretary and that the Secretary determines is necessary to implement the project.

(3) The Secretary is authorized to enter into an agreement with a non-Federal interest for the payment of disposal or tipping fees for dredged material from a Federal project other than for the construction or operation and maintenance of the new deepening project as described in the Limited Reevaluation Report of May 1997, where the non-Federal interest has supplied the corresponding disposal capacity.

(4) The Secretary is authorized to enter into an agreement with a non-Federal interest that will provide that the non-Federal interest may carry out or cause to have carried out, on behalf of the Secretary, a disposal area management program for dredged material disposal areas necessary to construct, operate, and maintain the project and to authorize the Secretary to reimburse the non-Federal interest for the costs of the disposal area management program activities carried out by the non-Federal interest.

**SEC. 310. POTOMAC RIVER, WASHINGTON, DISTRICT OF COLUMBIA.**

The project for flood control, Potomac River, Washington, District of Columbia, authorized by section 5 of the Flood Control Act of June 22, 1936 (49 Stat. 1574), and modified by section 301(a)(4) of the Water Resources Development Act of 1996 (110 Stat. 3707), is further modified to authorize the Secretary to construct the project at a Federal cost of \$6,129,000.

**SEC. 311. BREVARD COUNTY, FLORIDA.**

(a) **STUDY.**—The Secretary, in cooperation with the non-Federal interest, shall conduct a study of any damage to the project for shoreline protection, Brevard County, Florida, authorized by section 101(b)(7) of the Water Resources Development Act of 1996 (110 Stat. 3667), to determine whether the damage is the result of a Federal navigation project.

(b) **CONDITIONS.**—In conducting the study, the Secretary shall utilize the services of an independent coastal expert who shall consider all relevant studies completed by the Corps of Engineers and the project's local sponsor. The study shall be completed within 120 days of the date of the enactment of this Act.

(c) **MITIGATION OF DAMAGES.**—After completion of the study, the Secretary shall mitigate any damage to the shoreline protection project that is the result of a Federal navigation project. The costs of the mitigation shall be allocated to the Federal navigation project as operation and maintenance.

**SEC. 312. BROWARD COUNTY AND HILLSBORO INLET, FLORIDA.**

The project for shoreline protection, Broward County and Hillsboro Inlet, Florida, authorized by section 301 of the River and Harbor Act of 1965 (79 Stat. 1090), is modified to authorize the Secretary to reimburse the non-Federal interest for the Federal share of the cost of preconstruction planning and design for the project upon execution of a contract to construct the project if the Secretary determines such work is compatible with and integral to the project.

**SEC. 313. FORT PIERCE, FLORIDA.**

(a) **IN GENERAL.**—The project for shore protection and harbor mitigation, Fort Pierce, Florida, authorized by section 301 of the River and Harbor Act of 1965 (79 Stat. 1092) and section 506(a)(2) of the Water Resources Development Act of 1996 (110 Stat. 3757), is modified to incorporate an additional 1 mile into the project in accordance with a final approved General Reevaluation Report, at a total cost for initial nourishment for the entire project of \$9,128,000, with an estimated Federal cost of \$7,073,500 and an estimated non-Federal cost of \$2,054,500.

(b) **PERIOD NOURISHMENT.**—Periodic nourishment is authorized for the project in accordance with section 506(a)(2) of Water Resources Development Act of 1996 (110 Stat. 3757).

(c) **REVISION OF THE PROJECT COOPERATION AGREEMENT.**—The Secretary shall revise the project cooperation agreement for the project referred to in subsection (a) to take into account the change in Federal participation in the project pursuant to subsection (a).

**SEC. 314. NASSAU COUNTY, FLORIDA.**

The project for beach erosion control, Nassau County (Amelia Island), Florida, authorized by section 3(a)(3) of the Water Resources Development Act of 1988 (102 Stat. 4013), is modified to authorize the Secretary to construct the project at a total cost of \$17,000,000, with an estimated Federal cost of \$13,300,000 and an estimated non-Federal cost of \$3,700,000.

**SEC. 315. MIAMI HARBOR CHANNEL, FLORIDA.**

The project for navigation, Miami Harbor Channel, Florida, authorized by section 101(a)(9) of the Water Resources Development Act of 1990 (104 Stat. 4606), is modified to include construction of artificial reefs and related environmental mitigation required by Federal, State, and local environmental permitting agencies for the project.

**SEC. 316. LAKE MICHIGAN, ILLINOIS.**

The project for storm damage reduction and shoreline erosion protection, Lake Michigan, Illinois, from Wilmette, Illinois, to the Illinois-Indiana State line, authorized by section 101(a)(12) of the Water Resources Development Act of 1996 (110 Stat. 3664), is modified to authorize the Secretary to provide a credit against the non-Federal share of the cost of the project for costs incurred by the non-Federal interest—

(1) in constructing Reach 2D and Segment 8 of Reach 4 of the project; and

(2) in reconstructing Solidarity Drive in Chicago, Illinois, prior to entry into a project cooperation agreement with the Secretary.

**SEC. 317. SPRINGFIELD, ILLINOIS.**

Section 417 of the Water Resources Development Act of 1996 (110 Stat. 3743) is amended—

(1) by inserting “(a) IN GENERAL.—” before “The Secretary”; and

(2) by adding at the end the following:

“(b) **COST SHARING.**—The non-Federal share of assistance provided under this section before, on, or after the date of the enactment of this subsection shall be 50 percent.”.

**SEC. 318. LITTLE CALUMET RIVER, INDIANA.**

The project for flood control, Little Calumet River, Indiana, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4115), is modified to authorize the Secretary to construct the project substantially in accordance with the report of the Corps of Engineers, at a total cost of \$167,000,000, with an estimated Federal cost of \$122,000,000 and an estimated non-Federal cost of \$45,000,000.

**SEC. 319. OGDEN DUNES, INDIANA.**

(a) **STUDY.**—The Secretary shall conduct a study of beach erosion in and around the town of Ogden Dunes, Indiana, to determine whether the damage is the result of a Federal navigation project.

(b) **MITIGATION OF DAMAGES.**—After completion of the study, the Secretary shall mitigate any damage to the beach and shoreline that is the result of a Federal navigation project. The cost of the mitigation shall be allocated to the Federal navigation project as operation and maintenance.

**SEC. 320. SAINT JOSEPH RIVER, SOUTH BEND, INDIANA.**

(a) **MAXIMUM TOTAL EXPENDITURE.**—The maximum total expenditure for the project for streambank erosion, recreation, and pedestrian access features, Saint Joseph River, South Bend, Indiana, shall be \$7,800,000.

(b) **REVISION OF PROJECT COOPERATION AGREEMENT.**—The Secretary shall revise the project cooperation agreement for the project referred to in subsection (a) to take into account the change in the Federal participation in such project pursuant to subsection (a).

(c) **COST SHARING.**—Nothing in this section shall be construed to affect any cost-sharing requirement applicable to the project referred to in subsection (a) under title I of the Water Resources Development Act of 1986 (33 U.S.C. 2211 et seq.).

**SEC. 321. WHITE RIVER, INDIANA.**

The project for flood control, Indianapolis on West Fork of the White River, Indiana,

authorized by section 5 of the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and other purposes", approved June 22, 1936 (49 Stat. 1586), and modified by section 323 of the Water Resources Development Act of 1996 (110 Stat. 3716), is further modified to authorize the Secretary to undertake riverfront alterations as described in the Central Indianapolis Waterfront Concept Master Plan, dated February 1994, at a total cost of \$110,975,000, with an estimated Federal cost of \$52,475,000 and an estimated non-Federal cost of \$58,500,000.

**SEC. 322. LAKE PONTCHARTRAIN, LOUISIANA.**

The project for hurricane-flood protection, Lake Pontchartrain, Louisiana, authorized by section 204 of the Flood Control Act of 1965 (79 Stat. 1077), is modified—

(1) to direct the Secretary to conduct a study to determine the feasibility of constructing a pump adjacent to each of the 4 proposed drainage structures for the Saint Charles Parish feature of the project; and

(2) to authorize the Secretary to construct such pumps upon completion of the study.

**SEC. 323. LAROSE TO GOLDEN MEADOW, LOUISIANA.**

The project for hurricane protection Larose to Golden Meadow, Louisiana, authorized by section 204 of the Flood Control Act of 1965 (79 Stat. 1077), is modified to direct the Secretary to convert the Golden Meadow floodgate into a navigation lock if the Secretary determines that the conversion is feasible.

**SEC. 324. LOUISIANA STATE PENITENTIARY LEVEE, LOUISIANA.**

The Louisiana State Penitentiary Levee project, Louisiana, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4117), is modified to direct the Secretary to provide credit to the non-Federal interest toward the non-Federal share of the cost of the project. The credit shall be for cost of work performed by the non-Federal interest prior to the execution of a project cooperation agreement as determined by the Secretary to be compatible with and an integral part of the project.

**SEC. 325. TWELVE-MILE BAYOU, CADDO PARISH, LOUISIANA.**

The Secretary shall be responsible for maintenance of the levee along Twelve-Mile Bayou from its junction with the existing Red River Below Denison Dam Levee approximately 26 miles upstream to its terminus at high ground in the vicinity of Black Bayou, Caddo Parish, Louisiana, if the Secretary determines that such maintenance is economically justified and environmentally acceptable and that the levee was constructed in accordance with appropriate design and engineering standards.

**SEC. 326. WEST BANK OF THE MISSISSIPPI RIVER (EAST OF HARVEY CANAL), LOUISIANA.**

(a) IN GENERAL.—The project for flood control and storm damage reduction, West Bank of the Mississippi River (East of Harvey Canal), Louisiana, authorized by section 401(b) of the Water Resources Development Act of 1986 (100 Stat. 4128) and section 101(a)(17) of the Water Resources Development Act of 1996 (110 Stat. 3665), is modified—

(1) to provide that any liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) from the construction of the project is a Federal responsibility; and

(2) to authorize the Secretary to carry out operation and maintenance of that portion of the project included in the report of the

Chief of Engineers, dated May 1, 1995, referred to as "Algiers Channel", if the non-Federal sponsor reimburses the Secretary for the amount of such operation and maintenance included in the report of the Chief of Engineers.

(b) COMBINATION OF PROJECTS.—The Secretary shall carry out work authorized as part of the Westwego to Harvey Canal project, the East of Harvey Canal project, and the Lake Cataouatche modifications as a single project, to be known as the West Bank and vicinity, New Orleans, Louisiana, hurricane protection project, with a combined total cost of \$280,300,000.

**SEC. 327. TOLCHESTER CHANNEL, BALTIMORE HARBOR AND CHANNELS, CHESAPEAKE BAY, KENT COUNTY, MARYLAND.**

The project for navigation, Tolchester Channel, Baltimore Harbor and Channels, Chesapeake Bay, Kent County, Maryland, authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 297), is modified to authorize the Secretary to straighten the navigation channel in accordance with the District Engineer's Navigation Assessment Report and Environmental Assessment, dated April 30, 1997. This modification shall be carried out in order to improve navigation safety.

**SEC. 328. SAULT SAINTE MARIE, CHIPPEWA COUNTY, MICHIGAN.**

The project for navigation Sault Sainte Marie, Chippewa County, Michigan, authorized by section 1149 of the Water Resources Development Act of 1986 (100 Stat. 4254-4255) and modified by section 330 of the Water Resources Development Act of 1996 (110 Stat. 3717-3718), is further modified to provide that the amount to be paid by non-Federal interests pursuant to section 101(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2211(a)) and subsection (a) of such section 330 shall not include any interest payments.

**SEC. 329. JACKSON COUNTY, MISSISSIPPI.**

The project for environmental infrastructure, Jackson County, Mississippi, authorized by section 219(c)(5) of the Water Resources Development Act of 1992 (106 Stat. 4835) and modified by section 504 of the Water Resources Development Act of 1996 (110 Stat. 3757), is further modified to direct the Secretary to provide a credit, not to exceed \$5,000,000, against the non-Federal share of the cost of the project for the costs incurred by the Jackson County Board of Supervisors since February 8, 1994, in constructing the project if the Secretary determines that such costs are for work that the Secretary determines is compatible with and integral to the project.

**SEC. 330. TUNICA LAKE, MISSISSIPPI.**

The project for flood control, Mississippi River Channel Improvement Project, Tunica Lake, Mississippi, authorized by the Act entitled: "An Act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928 (45 Stat. 534-538), is modified to include construction of a weir at the Tunica Cutoff, Mississippi.

**SEC. 331. BOIS BRULE DRAINAGE AND LEVEE DISTRICT, MISSOURI.**

(a) MAXIMUM FEDERAL EXPENDITURE.—The maximum amount of Federal funds that may be allocated for the project for flood control, Bois Brule Drainage and Levee District, Missouri, authorized pursuant to section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s), shall be \$15,000,000.

(b) REVISION OF THE PROJECT COOPERATION AGREEMENT.—The Secretary shall revise the project cooperation agreement for the

project referred to in subsection (a) to take into account the change in Federal participation in the project pursuant to subsection (a).

(c) COST SHARING.—Nothing in this section shall be construed to affect any cost-sharing requirement applicable to the project referred to in subsection (a) under title I of the Water Resources Development Act of 1986 (33 U.S.C. 2211 et seq.).

**SEC. 332. MERAMEC RIVER BASIN, VALLEY PARK LEVEE, MISSOURI.**

The project for flood control, Meramec River Basin, Valley Park Levee, Missouri, authorized by section 2(h) of an Act entitled "An Act to deauthorize several projects within the jurisdiction of the Army Corps of Engineers" (95 Stat. 1682-1683) and modified by section 1128 of the Water Resources Development Act of 1986, (100 Stat. 4246), is further modified to authorize the Secretary to construct the project at a maximum Federal expenditure of \$35,000,000.

**SEC. 333. MISSOURI RIVER MITIGATION PROJECT, MISSOURI, KANSAS, IOWA, AND NEBRASKA.**

(a) IN GENERAL.—The project for mitigation of fish and wildlife losses, Missouri River Bank Stabilization and Navigation Project, Missouri, Kansas, Iowa, and Nebraska, authorized by section 601 of the Water Resources Development Act of 1986 (100 Stat. 4143), is modified to increase by 118,650 acres the lands and interests in lands to be acquired for the project.

(b) STUDY.—

(1) IN GENERAL.—The Secretary, in conjunction with the States of Nebraska, Iowa, Kansas, and Missouri, shall conduct a study to determine the cost of restoring, under the authority of the Missouri River fish and wildlife mitigation project, a total of 118,650 acres of lost Missouri River habitat.

(2) REPORT.—The Secretary shall report to Congress on the results of the study not later than 6 months after the date of the enactment of this Act.

**SEC. 334. WOOD RIVER, GRAND ISLAND, NEBRASKA.**

The project for flood control, Wood River, Grand Island, Nebraska, authorized by section 101(a)(19) of the Water Resources Development Act of 1996 (110 Stat. 3665), is modified to authorize the Secretary to construct the project substantially in accordance with the report of the Corps of Engineers dated June 29, 1998, at a total cost of \$17,039,000, with an estimated Federal cost of \$9,730,000 and an estimated non-Federal cost of \$7,309,000.

**SEC. 335. ABSECON ISLAND, NEW JERSEY.**

The project for storm damage reduction and shoreline protection, Brigantine Inlet to Great Egg Harbor Inlet, Absecon Island, New Jersey, authorized by section 101(b)(13) of the Water Resources Development Act of 1996 (110 Stat. 3668), is modified to provide that, if, after October 12, 1996, the non-Federal interests carry out any work associated with the project that is later recommended by the Chief of Engineers and approved by the Secretary, the Secretary may credit the non-Federal interests toward the non-Federal share of the cost of the project an amount equal to the Federal share of the cost of such work, without interest.

**SEC. 336. NEW YORK HARBOR AND ADJACENT CHANNELS, PORT JERSEY, NEW JERSEY.**

The project for navigation, New York Harbor and Adjacent Channels, New York and New Jersey, authorized by section 202(b) of the Water Resources Development Act of 1986 (100 Stat. 4098), is modified to authorize

the Secretary to construct that portion of the project that is located between Military Ocean Terminal Bayonne and Global Terminal in Bayonne, New Jersey, substantially in accordance with the report of the Corps of Engineers, at a total cost of \$103,267,000, with an estimated Federal cost of \$76,909,000 and an estimated non-Federal cost of \$26,358,000.

**SEC. 337. PASSAIC RIVER, NEW JERSEY.**

Section 101(a)(18)(B) of the Water Resources Development Act of 1990 (104 Stat. 4608-4609) is amended by inserting “, including an esplanade for safe pedestrian access with an overall width of 600 feet” after “public access to Route 21”.

**SEC. 338. SANDY HOOK TO BARNEGAT INLET, NEW JERSEY.**

The project for shoreline protection, Sandy Hook to Barnegat Inlet, New Jersey, authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 299), is modified—

(1) to include the demolition of Long Branch pier and extension of Ocean Grove pier; and

(2) to authorize the Secretary to reimburse the non-Federal sponsor for the Federal share of costs associated with the demolition of Long Branch pier and the construction of the Ocean Grove pier.

**SEC. 339. ARTHUR KILL, NEW YORK AND NEW JERSEY.**

The project for navigation, Arthur Kill, New York and New Jersey, authorized by section 202(b) of the Water Resources Development Act of 1986 (100 Stat. 4098) and modified by section 301(b)(11) of the Water Resources Development Act of 1996 (110 Stat. 3711), is further modified to authorize the Secretary to construct the portion of the project at Howland Hook Marine Terminal substantially in accordance with the report of the Corps of Engineers, dated September 30, 1998, at a total cost of \$315,700,000, with an estimated Federal cost of \$183,200,000 and an estimated non-Federal cost of \$132,500,000.

**SEC. 340. NEW YORK CITY WATERSHED.**

Section 552(i) of the Water Resources Development Act of 1996 (110 Stat. 3781) is amended by striking “\$22,500,000” and inserting “\$42,500,000”.

**SEC. 341. NEW YORK STATE CANAL SYSTEM.**

Section 553(e) of the Water Resources Development Act of 1996 (110 Stat. 3781) is amended by striking “\$8,000,000” and inserting “\$18,000,000”.

**SEC. 342. FIRE ISLAND INLET TO MONTAUK POINT, NEW YORK.**

The project for combined beach erosion control and hurricane protection, Fire Island Inlet to Montauk Point, Long Island, New York, authorized by the River and Harbor Act of 1960 (74 Stat. 483) and modified by the River and Harbor Act of 1962, the Water Resources Development Act of 1974, and the Water Resources Development Act of 1986, is further modified to direct the Secretary, in coordination with the heads of other Federal departments and agencies, to complete all procedures and reviews expeditiously and to adopt and transmit to Congress not later than June 30, 1999, a mutually acceptable shore erosion plan for the Fire Island Inlet to Moriches Inlet reach of the project.

**SEC. 343. BROKEN BOW LAKE, RED RIVER BASIN, OKLAHOMA.**

The project for flood control and water supply, Broken Bow Lake, Red River Basin, Oklahoma, authorized by section 203 of the Flood Control Act of 1958 (72 Stat. 309) and modified by section 203 of the Flood Control Act of 1962 (76 Stat. 1187), section 102(v) of the Water Resources Development Act of 1992 (106 Stat. 4808), and section 338 of the

Water Resources Development Act of 1996 (110 Stat. 3720), is further modified to require the Secretary to make seasonal adjustments to the top of the conservation pool at the project as follows (if the Secretary determines that the adjustments will be undertaken at no cost to the United States and will adequately protect impacted water and related resources):

(1) Maintain an elevation of 599.5 from November 1 through March 31.

(2) Increase elevation gradually from 599.5 to 602.5 during April and May.

(3) Maintain an elevation of 602.5 from June 1 to September 30.

(4) Decrease elevation gradually from 602.5 to 599.5 during October.

**SEC. 344. WILLAMETTE RIVER TEMPERATURE CONTROL, MCKENZIE SUBBASIN, OREGON.**

(a) IN GENERAL.—The project for environmental restoration, Willamette River Temperature Control, McKenzie Subbasin, Oregon, authorized by section 101(a)(25) of the Water Resources Development Act of 1996 (110 Stat. 3665), is modified to authorize the Secretary to construct the project substantially in accordance with the Feature Memorandum dated July 31, 1998, at a total cost of \$64,741,000.

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall report to Congress on the reasons for the cost growth of the Willamette River project and outline the steps the Corps of Engineers is taking to control project costs, including the application of value engineering and other appropriate measures. In the report, the Secretary shall also include a cost estimate for, and recommendations on the advisability of, adding fish screens to the project.

**SEC. 345. AYLESWORTH CREEK RESERVOIR, PENNSYLVANIA.**

The project for flood control, Aylesworth Creek Reservoir, Pennsylvania, authorized by section 203 of the Flood Control Act of 1962 (76 Stat. 1182), is modified to authorize the Secretary to transfer, in each of fiscal years 1999 and 2000, \$50,000 to the Aylesworth Creek Reservoir Park Authority for recreational facilities.

**SEC. 346. CURWENSVILLE LAKE, PENNSYLVANIA.**

Section 562 of the Water Resources Development Act of 1996 (110 Stat. 3784) is amended by adding at the end the following: “The Secretary shall provide design and construction assistance for recreational facilities at Curwensville Lake and, when appropriate, may require the non-Federal interest to provide not more than 25 percent of the cost of designing and constructing such facilities. The Secretary may transfer, in each of fiscal years 1999 through 2003, \$100,000 to the Clearfield County Municipal Services and Recreation Authority for recreational facilities.”

**SEC. 347. DELAWARE RIVER, PENNSYLVANIA AND DELAWARE.**

The project for navigation, Delaware River, Philadelphia to Wilmington, Pennsylvania and Delaware, authorized by section 3(a)(12) of the Water Resources Development Act of 1988 (102 Stat. 4014), is modified to authorize the Secretary to extend the channel of the Delaware River at Camden, New Jersey, to within 150 feet of the existing bulkhead and to relocate the 40-foot deep Federal navigation channel, eastward within Philadelphia Harbor, from the Ben Franklin Bridge to the Walt Whitman Bridge, into deep water.

**SEC. 348. MUSSERS DAM, PENNSYLVANIA.**

Section 209 of the Water Resources Development Act of 1992 (106 Stat. 4830) is amended

by striking subsection (e) and redesignating subsection (f) as subsection (e).

**SEC. 349. NINE-MILE RUN, ALLEGHENY COUNTY, PENNSYLVANIA.**

The Nine-Mile Run project, Allegheny County, Pennsylvania, carried out pursuant to section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330; 110 Stat. 3679-3680), is modified to authorize the Secretary to provide a credit toward the non-Federal share of the project for costs incurred by the non-Federal interest in preparing environmental and feasibility documentation for the project before entering into an agreement with the Corps of Engineers with respect to the project if the Secretary determines such costs are for work that is compatible with and integral to the project.

**SEC. 350. RAYSTOWN LAKE, PENNSYLVANIA.**

(a) RECREATION PARTNERSHIP INITIATIVE.—Section 519(b) of the Water Resources Development Act of 1996 (110 Stat. 3765) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following:

“(3) ENGINEERING AND DESIGN SERVICES.—The Secretary may perform, at full Federal expense, engineering and design services for project infrastructure expected to be associated with the development of the site at Raystown Lake, Hesston, Pennsylvania.”

(b) CONSTRUCTION ASSISTANCE.—

(1) IN GENERAL.—Consistent with the master plan described in section 318 of the Water Resources Development Act of 1992 (106 Stat. 4848), the Secretary may provide a grant to Juniata College for the construction of facilities and structures at Raystown Lake, Pennsylvania, to interpret and understand environmental conditions and trends. As a condition of the receipt of such financial assistance, officials at Juniata College shall coordinate with the Baltimore District of the Army Corps of Engineers.

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated \$5,000,000 for fiscal years beginning after September 30, 1998, to carry out this subsection.

**SEC. 351. SOUTH CENTRAL PENNSYLVANIA.**

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 313(g)(1) of the Water Resources Development Act of 1992 (106 Stat. 4846) is amended by striking “\$80,000,000” and inserting “\$180,000,000”.

(b) CORPS OF ENGINEERS EXPENSES.—Section 313(g) of such Act (106 Stat. 4846) is amended by adding at the end the following:

“(4) CORPS OF ENGINEERS EXPENSES.—10 percent of the amounts appropriated to carry out this section for each of fiscal years 2000 through 2002 may be used by the Corps of Engineers district offices to administer and implement projects under this section at 100 percent Federal expense.”

**SEC. 352. COOPER RIVER, CHARLESTON HARBOR, SOUTH CAROLINA.**

The project for redirection, Cooper River, Charleston Harbor, South Carolina, authorized by section 101 of the River and Harbor Act of 1968 (82 Stat. 731) and modified by title I of the Energy and Water Development Appropriations Act, 1992 (105 Stat. 516), is further modified to authorize the Secretary to pay to the State of South Carolina not more than \$3,750,000 if the Secretary and the State enter into a binding agreement for the State to perform all future operation of, including associated studies to assess the efficacy of, the St. Stephen, South Carolina, fish lift. The agreement must specify the terms and conditions under which payment will be

made and the rights of, and remedies available to, the Federal Government to recover all or a portion of such payment in the event the State suspends or terminates operation of the fish lift or fails to operate the fish lift in a manner satisfactory to the Secretary. Maintenance of the fish lift shall remain a Federal responsibility.

**SEC. 353. BOWIE COUNTY LEVEE, TEXAS.**

The project for flood control, Red River Below Denison Dam, Texas and Oklahoma, authorized by section 10 of the Flood Control Act of 1946 (60 Stat. 647), is modified to direct the Secretary to implement the Bowie County Levee feature of the project in accordance with the plan defined as Alternative B in the draft document entitled "Bowie County Local Flood Protection, Red River, Texas Project Design Memorandum No. 1, Bowie County Levee", dated April 1997. In evaluating and implementing this modification, the Secretary shall allow the non-Federal interest to participate in the financing of the project in accordance with section 903(c) of the Water Resources Development Act of 1986 (100 Stat. 4184) to the extent that the Secretary's evaluation indicates that applying such section is necessary to implement the project.

**SEC. 354. CLEAR CREEK, TEXAS.**

Section 575 of the Water Resources Development Act of 1996 (110 Stat. 3789) is amended—

(1) in subsection (a)—  
(A) by inserting "or nonstructural (buyout) actions" after "flood control works constructed"; and

(B) by inserting "or nonstructural (buyout) actions" after "construction of the project"; and

(2) in subsection (b)—  
(A) by striking "and" at the end of paragraph (3);

(B) by striking the period at the end of paragraph (3) and inserting "; and"; and  
(C) by adding at the end the following:

"(4) the project for flood control, Clear Creek, Texas, authorized by section 203 of the Flood Control Act of 1968 (82 Stat. 742).".

**SEC. 355. CYPRESS CREEK, TEXAS.**

(a) **IN GENERAL.**—The project for flood control, Cypress Creek, Texas, authorized by section 3(a)(13) of the Water Resources Development Act of 1988 (102 Stat. 4014), is modified to authorize the Secretary to carry out a nonstructural flood control project at a total cost of \$5,000,000.

(b) **REIMBURSEMENT FOR WORK.**—The Secretary may reimburse the non-Federal interest for the Cypress Creek project for work done by the non-Federal interest on the nonstructural flood control project in an amount equal to the estimate of the Federal share, without interest, of the cost of such work—

(1) if, after authorization and before initiation of construction of such nonstructural project, the Secretary approves the plans for construction of such nonstructural project by the non-Federal interest; and

(2) if the Secretary finds, after a review of studies and design documents prepared to carry out such nonstructural project, that construction of such nonstructural project is economically justified and environmentally acceptable.

**SEC. 356. DALLAS FLOODWAY EXTENSION, DALLAS, TEXAS.**

The project for flood control, Dallas Floodway Extension, Dallas, Texas, authorized by section 301 of the River and Harbor Act of 1965 (79 Stat. 1091) and modified by section 351 of the Water Resources Development Act of 1996 (110 Stat. 3724), is further

modified to add environmental restoration and recreation as project purposes.

**SEC. 357. UPPER JORDAN RIVER, UTAH.**

The project for flood control, Upper Jordan River, Utah, authorized by section 101(a)(23) of the Water Resources Development Act of 1990 (104 Stat. 4610) and modified by section 301(a)(14) of the Water Resources Development Act of 1996 (110 Stat. 3709), is further modified to direct the Secretary to carry out the locally preferred project, entitled "Upper Jordan River Flood Control Project, Salt Lake County, Utah—Supplemental Information" and identified in the document of Salt Lake County, Utah, dated July 30, 1998, at a total cost of \$12,870,000, with an estimated Federal cost of \$8,580,000 and an estimated non-Federal cost of \$4,290,000.

**SEC. 358. ELIZABETH RIVER, CHESAPEAKE, VIRGINIA.**

Notwithstanding any other provision of law, after September 30, 1999, the City of Chesapeake, Virginia, shall not be obligated to make the annual cash contribution required under paragraph 1(9) of the Local Cooperation Agreement dated December 12, 1978, between the Government and the city for the project for navigation, southern branch of Elizabeth River, Chesapeake, Virginia.

**SEC. 359. BLUESTONE LAKE, OHIO RIVER BASIN, WEST VIRGINIA.**

Section 102(ff) of the Water Resources Development Act of 1992 (106 Stat. 4810) is amended by striking "take such measures as are technologically feasible" and inserting "implement Plan C/G, as defined in the Evaluation Report of the District Engineer, dated December 1996,".

**SEC. 360. GREENBRIER BASIN, WEST VIRGINIA.**

Section 579(c) of the Water Resources Development Act of 1996 (110 Stat. 3790) is amended by striking "\$12,000,000" and inserting "\$73,000,000".

**SEC. 361. MOOREFIELD, WEST VIRGINIA.**

Effective October 1, 1999, the project for flood control, Moorefield, West Virginia, authorized by section 101(a)(25) of the Water Resources Development Act of 1990 (104 Stat. 4610-4611), is modified to provide that the non-Federal interest shall not be required to pay the unpaid balance, including interest, of the non-Federal share of the cost of the project.

**SEC. 362. WEST VIRGINIA AND PENNSYLVANIA FLOOD CONTROL.**

Section 581(a) of the Water Resources Development Act of 1996 (110 Stat. 3790) is amended to read as follows:

"(a) **IN GENERAL.**—The Secretary may design and construct—

"(1) flood control measures in the Cheat and Tygart River basins, West Virginia, at a level of protection that is sufficient to prevent any future losses to these communities from flooding such as occurred in January 1996 but no less than a 100-year level of protection; and

"(2) structural and nonstructural flood control, streambank protection, stormwater management, and channel clearing and modification measures in the Lower Allegheny, Lower Monongahela, West Branch Susquehanna, and Juniata River basins, Pennsylvania, at a level of protection that is sufficient to prevent any future losses to communities in these basins from flooding such as occurred in January 1996, but no less than a 100-year level of flood protection with respect to those measures that incorporate levees or floodwalls.".

**SEC. 363. PROJECT REAUTHORIZATIONS.**

(a) **LEE CREEK, ARKANSAS AND OKLAHOMA.**—The project for flood protection on Lee

Creek, Arkansas and Oklahoma, authorized by section 204 of the Flood Control Act of 1965 (79 Stat. 1078) and deauthorized pursuant to section 1001(b)(1) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(1)), is authorized to be carried out by the Secretary.

(b) **INDIAN RIVER COUNTY, FLORIDA.**—The project for shore protection, Indian River County, Florida, authorized by section 501 of the Water Resources and Development Act of 1986 (100 Stat. 4134) and deauthorized pursuant to section 1001(b)(1) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(1)), is authorized to be carried out by the Secretary.

(c) **LIDO KEY, FLORIDA.**—The project for shore protection, Lido Key, Florida, authorized by section 101 of the River and Harbor Act of 1970 (84 Stat. 1819) and deauthorized pursuant to section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(2)), is authorized to be carried out by the Secretary.

(d) **ST. AUGUSTINE, ST. JOHNS COUNTY, FLORIDA.**—

(1) **IN GENERAL.**—The project for shore protection and storm damage reduction, St. Augustine, St. Johns County, Florida, authorized by section 501 of the Water Resources Development Act of 1986 and deauthorized pursuant to section 1001(a) of such Act (33 U.S.C. 579a(a)), is authorized to include navigation mitigation as a project purpose and to be carried out by the Secretary substantially in accordance with the General Reevaluation Report dated November 18, 1998, at a total cost of \$16,086,000, with an estimated Federal cost of \$12,949,000 and an estimated non-Federal cost of \$3,137,000.

(2) **PERIODIC NOURISHMENT.**—The Secretary is authorized to carry out periodic nourishment for the project for a 50-year period at an estimated average annual cost of \$1,251,000, with an estimated annual Federal cost of \$1,007,000 and an estimated annual non-Federal cost of \$244,000.

(e) **CASS RIVER, MICHIGAN (VASSAR).**—The project for flood protection, Cass River, Michigan (Vassar), authorized by section 203 of the Flood Control Act of 1958 (72 Stat. 311) and deauthorized pursuant to section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(2)), is authorized to be carried out by the Secretary.

(f) **SAGINAW RIVER, MICHIGAN (SHIAWASSEE FLATS).**—The project for flood control, Saginaw River, Michigan (Shiawassee Flats), authorized by section 203 of the Flood Control Act of 1958 (72 Stat. 311) and deauthorized pursuant to section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(2)), is authorized to be carried out by the Secretary.

(g) **PARK RIVER, GRAFTON, NORTH DAKOTA.**—The project for flood control, Park River, Grafton, North Dakota, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4121) and deauthorized pursuant to section 1001(a) of such Act (33 U.S.C. 579a(a)), is authorized to be carried out by the Secretary.

(h) **MEMPHIS HARBOR, MEMPHIS, TENNESSEE.**—The project for navigation, Memphis Harbor, Memphis, Tennessee, authorized by section 601(a) of the Water Resources Development Act of 1986 (100 Stat. 4145) and deauthorized pursuant to 1001(a) of such Act (33 U.S.C. 579a(a)), is authorized to be carried out by the Secretary.

**SEC. 364. PROJECT DEAUTHORIZATIONS.**

(a) **IN GENERAL.**—The following projects or portions of projects are not authorized after the date of the enactment of this Act:



(1) BRIDGEPORT HARBOR, CONNECTICUT.—That portion of the project for navigation, Bridgeport Harbor, Connecticut, authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 297), consisting of a 2.4-acre anchorage area, 9 feet deep, and an adjacent 0.6-acre anchorage, 6 feet deep, located on the west side of Johnsons River.

(2) CLINTON HARBOR, CONNECTICUT.—That portion of the project for navigation, Clinton Harbor, Connecticut, authorized by the Rivers and Harbors Act of 1945, House Document 240, 76th Congress, 1st Session, lying upstream of a line designated by the 2 points N158,592.12, E660,193.92 and N158,444.58, E660,220.95.

(3) BASS HARBOR, MAINE.—The following portions of the project for navigation, Bass Harbor, Maine, authorized on May 7, 1962, under section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577):

(A) Beginning at a bend in the project, N149040.00, E538505.00, thence running easterly about 50.00 feet along the northern limit of the project to a point N149061.55, E538550.11, thence running southerly about 642.08 feet to a point, N14877.64, E538817.18, thence running southwesterly about 156.27 feet to a point on the westerly limit of the project, N148348.50, E538737.02, thence running northerly about 149.00 feet along the westerly limit of the project to a bend in the project, N148489.22, E538768.09, thence running northwesterly about 610.39 feet along the westerly limit of the project to the point of origin.

(B) Beginning at a point on the westerly limit of the project, N148118.55, E538689.05, thence running southeasterly about 91.92 feet to a point, N148041.43, E538739.07, thence running southerly about 65.00 feet to a point, N147977.86, E538725.51, thence running southwesterly about 91.92 feet to a point on the westerly limit of the project, N147927.84, E538648.39, thence running northerly about 195.00 feet along the westerly limit of the project to the point of origin.

(4) BOOTHBAY HARBOR, MAINE.—The project for navigation, Boothbay Harbor, Maine, authorized by the River and Harbor Act of 1912 (37 Stat. 201).

(5) BUCKSPORT HARBOR, MAINE.—That portion of the project for navigation, Bucksport Harbor, Maine, authorized by the River and Harbor Act of 1902, consisting of a 16-foot deep channel beginning at a point N268,748.16, E423,390.76, thence running north 47 degrees 02 minutes 23 seconds east 51.76 feet to a point N268,783.44, E423,428.64, thence running north 67 degrees 54 minutes 32 seconds west 1513.94 feet to a point N269,352.81, E422,025.84, thence running south 47 degrees 02 minutes 23 seconds west 126.15 feet to a point N269,266.84, E421,933.52, thence running south 70 degrees 24 minutes 28 seconds east 1546.79 feet to the point of origin.

(6) CARVERS HARBOR, VINALHAVEN, MAINE.—That portion of the project for navigation, Carvers Harbor, Vinalhaven, Maine, authorized by the Act of June 3, 1896 (commonly known as the "River and Harbor Appropriations Act of 1896") (29 Stat. 202, chapter 314), consisting of the 16-foot anchorage beginning at a point with coordinates N137,502.04, E895,156.83, thence running south 6 degrees 34 minutes 57.6 seconds west 277.660 feet to a point N137,226.21, E895,125.00, thence running north 53 degrees, 5 minutes 42.4 seconds west 127.746 feet to a point N137,302.92, E895022.85, thence running north 33 degrees 56 minutes 9.8 seconds east 239.999 feet to the point of origin.

(7) EAST BOOTHBAY HARBOR, MAINE.—The project for navigation, East Boothbay Har-

bor, Maine, authorized by the first section of the Act entitled, "An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved June 25, 1910 (36 Stat. 631).

(8) SEARSPORT HARBOR, SEARSPORT, MAINE.—That portion of the project for navigation, Searsport Harbor, Searsport, Maine, authorized by section 101 of the River and Harbor Act of 1962 (76 Stat. 1173), consisting of the 35-foot turning basin beginning at a point with coordinates N225,008.38, E395,464.26, thence running north 43 degrees 49 minutes 53.4 seconds east 362.001 feet to a point N225,269.52, E395,714.96, thence running south 71 degrees 27 minutes 33.0 seconds east 1,309.201 feet to a point N224,853.22, E396,956.21, thence running north 84 degrees 3 minutes 45.7 seconds west 1,499.997 feet to the point of origin.

(9) WELLS HARBOR, MAINE.—The following portions of the project for navigation, Wells Harbor, Maine, authorized by section 101 of the River and Harbor Act of 1960 (74 Stat. 480):

(A) The portion of the 6-foot channel the boundaries of which begin at a point with coordinates N177,992.00, E394,831.00, thence running south 83 degrees 58 minutes 14.8 seconds west 10.38 feet to a point N177,990.91, E394,820.68, thence running south 11 degrees 46 minutes 47.7 seconds west 991.76 feet to a point N177,020.04, E394,618.21, thence running south 78 degrees 13 minutes 45.7 seconds east 10.00 feet to a point N177,018.00, E394,628.00, thence running north 11 degrees 46 minutes 22.8 seconds east 994.93 feet to the point of origin.

(B) The portion of the 6-foot anchorage the boundaries of which begin at a point with coordinates N177,778.07, E394,336.96, thence running south 51 degrees 58 minutes 32.7 seconds west 15.49 feet to a point N177,768.53, E394,324.76, thence running south 11 degrees 46 minutes 26.5 seconds west 672.87 feet to a point N177,109.82, E394,187.46, thence running south 78 degrees 13 minutes 45.7 seconds east 10.00 feet to a point N177,107.78, E394,197.25, thence running north 11 degrees 46 minutes 25.4 seconds east 684.70 feet to the point of origin.

(C) The portion of the 10-foot settling basin the boundaries of which begin at a point with coordinates N177,107.78, E394,197.25, thence running north 78 degrees 13 minutes 45.7 seconds west 10.00 feet to a point N177,109.82, E394,187.46, thence running south 11 degrees 46 minutes 15.7 seconds west 300.00 feet to a point N176,816.13, E394,126.26, thence running south 78 degrees 12 minutes 21.4 seconds east 9.98 feet to a point N176,814.09, E394,136.03, thence running north 11 degrees 46 minutes 29.1 seconds east 300.00 feet to the point of origin.

(D) The portion of the 10-foot settling basin the boundaries of which begin at a point with coordinates N177,018.00, E394,628.00, thence running north 78 degrees 13 minutes 45.7 seconds west 10.00 feet to a point N177,020.04, E394,618.21, thence running south 11 degrees 46 minutes 44.0 seconds west 300.00 feet to a point N176,726.36, E394,556.97, thence running south 78 degrees 12 minutes 30.3 seconds east 10.03 feet to a point N176,724.31, E394,566.79, thence running north 11 degrees 46 minutes 22.4 seconds east 300.00 feet to the point of origin.

(10) FALMOUTH HARBOR, MASSACHUSETTS.—That portion of the project for navigation, Falmouth Harbor, Massachusetts, authorized by section 101 of the River and Harbor Act of 1948 lying southeasterly of a line commencing at a point N199,286.41, E844,394.91,

thence running north 66 degrees 52 minutes 3.31 seconds east 472.95 feet to a point N199,472.21, E844,829.83, thence running north 43 degrees 9 minutes 28.3 seconds east 262.64 feet to a point N199,633.80, E845,009.48, thence running north 21 degrees 40 minutes 11.26 seconds east 808.38 feet to a point N200,415.05, E845,307.98, thence running north 32 degrees 25 minutes 29.01 seconds east 160.76 feet to a point N200,550.75, E845,394.18, thence running north 24 degrees 56 minutes 42.29 seconds east 1,410.29 feet to a point N201,829.48, E845,988.97.

(11) GREEN HARBOR, MASSACHUSETTS.—That portion of the project for navigation, Green Harbor, Massachusetts, undertaken pursuant to section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577), consisting of the 6-foot deep channel beginning at a point along the west limit of the existing project, North 395990.43, East 831079.16, thence running northwesterly about 752.85 feet to a point, North 396722.80, East 830904.76, thence running northwesterly about 222.79 feet to a point along the west limit of the existing project, North 396844.34, East 830718.04, thence running southwesterly about 33.72 feet along the west limit of the existing project to a point, North 396810.80, East 830714.57, thence running southeasterly about 195.42 feet along the west limit of the existing project to a point, North 396704.19, East 830878.35, thence running about 544.66 feet along the west limit of the existing project to a point, North 396174.35, East 831004.52, thence running southeasterly about 198.49 feet along the west limit of the existing project to the point of beginning.

(12) NEW BEDFORD AND FAIRHAVEN HARBOR, MASSACHUSETTS.—The following portions of the project for navigation, New Bedford and Fairhaven Harbor, Massachusetts:

(A) A portion of the 25-foot spur channel leading to the west of Fish Island, authorized by the River and Harbor Act of 3 March 1909, beginning at a point with coordinates N232,173.77, E758,791.32, thence running south 27 degrees 36 minutes 52.8 seconds west 38.2 feet to a point N232,139.91, E758,773.61, thence running south 87 degrees 35 minutes 31.6 seconds west 196.84 feet to a point N232,131.64, E758,576.94, thence running north 47 degrees 47 minutes 48.4 seconds west 502.72 feet to a point N232,469.35, E758,204.54, thence running north 10 degrees 10 minutes 20.3 seconds west 438.88 feet to a point N232,901.33, E758,127.03, thence running north 79 degrees 49 minutes 43.1 seconds east 121.69 feet to a point N232,922.82, E758,246.81, thence running south 04 degrees 29 minutes 17.6 seconds east 52.52 feet to a point N232,870.46, E758,250.92, thence running south 23 degrees 56 minutes 11.2 seconds east 49.15 feet to a point N232,825.54, E758,270.86, thence running south 79 degrees 49 minutes 27.0 seconds west 88.19 feet to a point N232,809.96, E758,184.06, thence running south 10 degrees 10 minutes 25.7 seconds east 314.83 feet to a point N232,500.08, E758,239.67, thence running south 56 degrees 33 minutes 56.1 seconds east 583.07 feet to a point N232,178.82, E758,726.25, thence running south 85 degrees 33 minutes 16.0 seconds east to the point of origin.

(B) A portion of the 30-foot west maneuvering basin, authorized by the River and Harbor Act of 3 July 1930, beginning at a point with coordinates N232,139.91, E758,773.61, thence running north 81 degrees 49 minutes 30.1 seconds east 160.76 feet to a point N232,162.77, E758,932.74, thence running north 85 degrees 33 minutes 16.0 seconds west 141.85 feet to a point N232,173.77, E758,791.32, thence running south 27 degrees 36 minutes 52.8 seconds west to the point of origin.

(b) ANCHORAGE AREA, CLINTON HARBOR, CONNECTICUT.—That portion of the Clinton

Harbor, Connecticut, navigation project referred to in subsection (a)(2) beginning at a point beginning: N158,444.58, E660,220.95, thence running north 79 degrees 37 minutes 14 seconds east 833.31 feet to a point N158,594.72, E661,040.67, thence running south 80 degrees 51 minutes 53 seconds east 181.21 feet to a point N158,565.95, E661,219.58, thence running north 57 degrees 38 minutes 04 seconds west 126.02 feet to a point N158,633.41, E660,113.14, thence running south 79 degrees 37 minutes 14 seconds west 911.61 feet to a point N158,469.17, E660,216.44, thence running south 10 degrees 22 minutes 46 seconds east 25 feet returning to a point N158,444.58, E660,220.95 is redesignated as an anchorage area.

(c) WELLS HARBOR, MAINE.—

(1) PROJECT MODIFICATION.—The Wells Harbor, Maine, navigation project referred to in subsection (a)(9) is modified to authorize the Secretary to realign the channel and anchorage areas based on a harbor design capacity of 150 craft.

(2) REDESIGNATIONS.—

(A) 6-FOOT ANCHORAGE.—The following portions of the Wells Harbor, Maine, navigation project referred to in subsection (a)(9) shall be redesignated as part of the 6-foot anchorage:

(i) The portion of the 6-foot channel the boundaries of which begin at a point with coordinates N177,990.91, E394,820.68, thence running south 83 degrees 58 minutes 40.8 seconds west 94.65 feet to a point N177,980.98, E394,726.55, thence running south 11 degrees 46 minutes 22.4 seconds west 962.83 feet to a point N177,038.40, E394,530.10, thence running south 78 degrees 13 minutes 15.7 seconds east 90.00 feet to a point N177,020.04, E394,618.21, thence running north 11 degrees 46 minutes 47.7 seconds east 991.76 feet to the point of origin.

(ii) The portion of the 10-foot inner harbor settling basin the boundaries of which begin at a point with coordinates N177,020.04, E394,618.21, thence running north 78 degrees 13 minutes 30.5 seconds west 160.00 feet to a point N177,052.69, E394,461.58, thence running south 11 degrees 46 minutes 45.4 seconds west 299.99 feet to a point N176,759.02, E394,400.34, thence running south 78 degrees 13 minutes 17.9 seconds east 160 feet to a point N176,726.36, E394,556.97, thence running north 11 degrees 46 minutes 44.0 seconds east 300.00 feet to the point of origin.

(B) 6-FOOT CHANNEL.—The following portion of the Wells Harbor, Maine, navigation project referred to in subsection (a)(9) shall be redesignated as part of the 6-foot channel: the portion of the 6-foot anchorage the boundaries of which begin at a point with coordinates N178,102.26, E394,751.83, thence running south 51 degrees 59 minutes 42.1 seconds west 526.51 feet to a point N177,778.07, E394,336.96, thence running south 11 degrees 46 minutes 26.6 seconds west 511.83 feet to a point N177,277.01, E394,232.52, thence running south 78 degrees 13 minutes 17.9 seconds east 80.00 feet to a point N177,260.68, E394,310.84, thence running north 11 degrees 46 minutes 24.8 seconds east 482.54 feet to a point N177,733.07, E394,409.30, thence running north 51 degrees 59 minutes 41.0 seconds east 402.63 feet to a point N177,980.98, E394,726.55, thence running north 11 degrees 46 minutes 27.6 seconds east 123.89 feet to the point of origin.

(3) REALIGNMENT.—The 6-foot anchorage area described in paragraph (2)(B) shall be realigned to include the area located south of the inner harbor settling basin in existence on the date of the enactment of this Act beginning at a point with coordinates N176,726.36, E394,556.97, thence running north

78 degrees 13 minutes 17.9 seconds west 160.00 feet to a point N176,759.02, E394,400.34, thence running south 11 degrees 47 minutes 03.8 seconds west 45 feet to a point N176,714.97, E394,391.15, thence running south 78 degrees 13 minutes 17.9 seconds 160.00 feet to a point N176,682.31, E394,547.78, thence running north 11 degrees 47 minutes 03.8 seconds east 45 feet to the point of origin.

(4) RELOCATION.—The Secretary may relocate the settling basin feature of the Wells Harbor, Maine, navigation project referred to in subsection (a)(9) to the outer harbor between the jetties.

(5) ADDITIONAL ACTIONS.—In carrying out the operation and the maintenance of the Wells Harbor, Maine, navigation project referred to in subsection (a)(9), the Secretary shall undertake each of the actions of the Corps of Engineers specified in section IV(B) of the memorandum of agreement relating to the project dated January 20, 1998, including those actions specified in such section IV(B) that the parties agreed to ask the Corps of Engineers to undertake.

(D) ANCHORAGE AREA, GREEN HARBOR, MASSACHUSETTS.—The portion of the Green Harbor, Massachusetts, navigation project referred to in subsection (a)(11) consisting of a 6-foot deep channel that lies northerly of a line whose coordinates are North 394825.00, East 831660.00 and North 394779.28, East 831570.64 is redesignated as an anchorage area.

**SEC. 365. AMERICAN AND SACRAMENTO RIVERS, CALIFORNIA.**

(a) IN GENERAL.—The project for flood damage reduction, American and Sacramento Rivers, California, authorized by section 101(a)(1) of the Water Resources Development Act of 1996 (110 Stat. 3662–3663), is modified to direct the Secretary to include the following improvements as part of the overall project:

(1) Raising the left bank of the non-Federal levee upstream of the Mayhew Drain for a distance of 4,500 feet by an average of 2.5 feet.

(2) Raising the right bank of the American River levee from 1,500 feet upstream to 4,000 feet downstream of the Howe Avenue bridge by an average of 1 feet.

(3) Modifying the south levee of the Natomas Cross Canal for a distance of 5 miles to ensure that the south levee is consistent with the level of protection provided by the authorized levee along the east bank of the Sacramento River.

(4) Modifying the north levee of the Natomas Cross Canal for a distance of 5 miles to ensure that the height of the levee is equivalent to the height of the south levee as authorized by paragraph (3).

(5) Installing gates to the existing Mayhew Drain culvert and pumps to prevent backup of floodwater on the Folsom Boulevard side of the gates.

(6) Installation of a slurry wall in the north levee of the American River from the east levee of the Natomas east Main Drain upstream for a distance of approximately 1.2 miles.

(7) Installation of a slurry wall in the north levee of the American River from 300 feet west of Jacob Lane north for a distance of approximately 1 mile to the end of the existing levee.

(b) COST LIMITATIONS.—Section 101(a)(1)(A) of the Water Resources Development Act of 1996 (110 Stat. 3662) is amended by striking “at a total cost of” and all that follows through “\$14,225,000,” and inserting the following: “at a total cost of \$91,900,000, with an estimated Federal cost of \$68,925,000 and an estimated non-Federal cost of \$22,975,000.”

(c) COST SHARING.—For purposes of section 103 of the Water Resources Development Act of 1986 (33 U.S.C. 2213), the modifications authorized by this section shall be subject to the same cost sharing in effect for the project for flood damage reduction, American and Sacramento Rivers, California, authorized by section 101(a)(1) of the Water Resources Development Act of 1996 (110 Stat. 3662).

**SEC. 366. MARTIN, KENTUCKY.**

The project for flood control, Martin, Kentucky, authorized by section 202(a) of the Energy and Water Development Appropriations Act, 1981 (94 Stat. 1339) is modified to authorize the Secretary to take all necessary measures to prevent future losses that would occur from a flood equal in magnitude to a 100-year frequency event.

**SEC. 367. SOUTHERN WEST VIRGINIA PILOT PROGRAM.**

Section 340(g) of the Water Resources Development Act of 1992 (106 Stat. 4856) is amended to read as follows:

“(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the pilot program under this section \$40,000,000 for fiscal years beginning after September 30, 1992. Such sums shall remain available until expended.”

**SEC. 368. BLACK WARRIOR AND TOMBIGBEE RIVERS, JACKSON, ALABAMA.**

The project for navigation, Black Warrior and Tombigbee Rivers, vicinity of Jackson, Alabama, as authorized by section 106 of the Energy and Water Development Appropriations Act, 1987 (100 Stat. 3341–199), is modified to authorize the Secretary to acquire lands for mitigation of the habitat losses attributable to the project, including the navigation channel, dredged material disposal areas, and other areas directly impacted by construction of the project. Notwithstanding section 906 of the Water Resources Development Act of 1986 (33 U.S.C. 2283), the Secretary may construct the project prior to acquisition of the mitigation lands if the Secretary takes such actions as may be necessary to ensure that any required mitigation lands will be acquired not later than 2 years after initiation of construction of the new channel and such acquisition will fully mitigate any adverse environmental impacts resulting from the project.

**SEC. 369. TROPICANA WASH AND FLAMINGO WASH, NEVADA.**

Any Federal costs associated with the Tropicana and Flamingo Washes, Nevada, authorized by section 101(13) of the Water Resources Development Act of 1992 (106 Stat. 4803), incurred by the non-Federal interest to accelerate or modify construction of the project, in cooperation with the Corps of Engineers, shall be considered to be eligible for reimbursement by the Secretary.

**SEC. 370. COMITE RIVER, LOUISIANA.**

The Comite River Diversion Project for flood control, authorized as part of the project for flood control, Amite River and Tributaries, Louisiana, by section 101(11) of the Water Resources Development Act of 1992 (106 Stat. 4802–4803) and modified by section 301(b)(5) of the Water Resources Development Act of 1996 (110 Stat. 3709–3710), is further modified to authorize the Secretary to include the costs of highway relocations to be cost shared as a project construction feature if the Secretary determines that such treatment of costs is necessary to facilitate construction of the project.

**SEC. 371. ST. MARY'S RIVER, MICHIGAN.**

The project for navigation, St. Mary's River, Michigan, is modified to direct the

Secretary to provide an additional foot of overdraft between Point Louise Turn and the Locks and Sault Saint Marie, Michigan, consistent with the channels upstream of Point Louise Turn. The modification shall be carried out as operation and maintenance to improve navigation safety.

**SEC. 372. CITY OF CHARLEVOIX: REIMBURSEMENT, MICHIGAN.**

The Secretary, shall review and, if consistent with authorized project Purposes, reimburse the City of Charlevoix, Michigan, for the Federal share of costs associated with construction of the new revetment to the Federal navigation project at Charlevoix Harbor, Michigan.

**TITLE IV—STUDIES**

**SEC. 401. UPPER MISSISSIPPI AND ILLINOIS RIVERS LEVEES AND STREAMBANKS PROTECTION.**

The Secretary shall conduct a study of erosion damage to levees and infrastructure on the upper Mississippi and Illinois Rivers and the impact of increased barge and pleasure craft traffic on deterioration of levees and other flood control structures on such rivers.

**SEC. 402. UPPER MISSISSIPPI RIVER COMPREHENSIVE PLAN.**

(a) **DEVELOPMENT.**—The Secretary shall develop a plan to address water and related land resources problems and opportunities in the Upper Mississippi and Illinois River Basins, extending from Cairo, Illinois, to the headwaters of the Mississippi River, in the interest of systemic flood damage reduction by means of a mixture of structural and non-structural flood control and floodplain management strategies, continued maintenance of the navigation project, management of bank caving and erosion, watershed nutrient and sediment management, habitat management, recreation needs, and other related purposes.

(b) **CONTENTS.**—The plan shall contain recommendations on future management plans and actions to be carried out by the responsible Federal and non-Federal entities and shall specifically address recommendations to authorize construction of a systemic flood control project in accordance with a plan for the Upper Mississippi River. The plan shall include recommendations for Federal action where appropriate and recommendations for follow-on studies for problem areas for which data or current technology does not allow immediate solutions.

(c) **CONSULTATION AND USE OF EXISTING DATA.**—The Secretary shall consult with appropriate State and Federal agencies and shall make maximum use of existing data and ongoing programs and efforts of States and Federal agencies in developing the plan.

(d) **COST SHARING.**—Development of the plan under this section shall be at Federal expense. Feasibility studies resulting from development of such plan shall be subject to cost sharing under section 105 of the Water Resources Development Act of 1986 (33 U.S.C. 2215).

(e) **REPORT.**—The Secretary shall submit a report that includes the comprehensive plan to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate not later than 3 years after the date of the enactment of this Act.

**SEC. 403. EL DORADO, UNION COUNTY, ARKANSAS.**

The Secretary shall conduct a study to determine the feasibility of improvements to regional water supplies for El Dorado, Union County, Arkansas.

**SEC. 404. SWEETWATER RESERVOIR, SAN DIEGO COUNTY, CALIFORNIA.**

The Secretary shall conduct a study of the potential water quality problems and pollution abatement measures in the watershed in and around Sweetwater Reservoir, San Diego County, California.

**SEC. 405. WHITEWATER RIVER BASIN, CALIFORNIA.**

The Secretary shall undertake and complete a feasibility study for flood damage reduction in the Whitewater River basin, California, and, based upon the results of such study, give priority consideration to including the recommended project, including the Salton Sea wetlands restoration project, in the flood mitigation and riverine restoration pilot program authorized in section 214 of this Act.

**SEC. 406. LITTLE ECONLACKHATCHEE RIVER BASIN, FLORIDA.**

The Secretary shall conduct a study of pollution abatement measures in the Little Econlackhatchee River basin, Florida.

**SEC. 407. PORT EVERGLADES INLET, FLORIDA.**

The Secretary shall conduct a study to determine the feasibility of carrying out a sand bypass project at Port Everglades Inlet, Florida.

**SEC. 408. UPPER DES PLAINES RIVER AND TRIBUTARIES, ILLINOIS AND WISCONSIN.**

(a) **IN GENERAL.**—The Secretary is directed to conduct a study of the upper Des Plaines River and tributaries, Illinois and Wisconsin, upstream of the confluence with Salt Creek at Riverside, Illinois, to determine the feasibility of improvements in the interests of flood damage reduction, environmental restoration and protection, water quality, recreation, and related purposes.

(b) **SPECIAL RULE.**—In conducting the study, the Secretary may not exclude from consideration and evaluation flood damage reduction measures based on restrictive policies regarding the frequency of flooding, drainage area, and amount of runoff.

(c) **CONSULTATION AND USE OF EXISTING DATA.**—The Secretary shall consult with appropriate State and Federal agencies and shall make maximum use of existing data and ongoing programs and efforts of States and Federal agencies in conducting the study.

**SEC. 409. CAMERON PARISH WEST OF CALCASIEU RIVER, LOUISIANA.**

The Secretary shall conduct a study to determine the feasibility of carrying out a project for storm damage reduction and environmental restoration, Cameron Parish west of Calcasieu River, Louisiana.

**SEC. 410. GRAND ISLE AND VICINITY, LOUISIANA.**

In carrying out a study of the storm damage reduction benefits to Grand Isle and vicinity, Louisiana, the Secretary shall include benefits that a storm damage reduction project for Grand Isle and vicinity, Louisiana, may have on the mainland coast of Louisiana as project benefits attributable to the Grand Isle project.

**SEC. 411. LAKE PONTCHARTRAIN SEAWALL, LOUISIANA.**

(a) **IN GENERAL.**—The Secretary shall complete a post-authorization change report on the project for hurricane-flood protection, Lake Pontchartrain, Louisiana, and vicinity, authorized by section 204 of the Flood Control Act of 1965 (79 Stat. 1077), to incorporate and accomplish structural modifications to the seawall fronting protection along the south shore of Lake Pontchartrain from the New Basin Canal on the west to the Inner harbor Navigation Canal on the east.

(b) **REPORT.**—The Secretary shall ensure expeditious completion of the post-author-

ization change report required by subsection (a) not later than 180 days after the date of the enactment of this section.

**SEC. 412. WESTPORT, MASSACHUSETTS.**

The Secretary shall conduct a study to determine the feasibility of carrying out a navigation project for the town of Westport, Massachusetts, and the possible beneficial uses of dredged material for shoreline protection and storm damage reduction in the area. In determining the benefits of the project, the Secretary shall include the benefits derived from using dredged material for shoreline protection and storm damage reduction.

**SEC. 413. SOUTHWEST VALLEY, ALBUQUERQUE, NEW MEXICO.**

The Secretary shall undertake and complete a feasibility study for flood damage reduction in the Southwest Valley, Albuquerque, New Mexico, and, based upon the results of such study, give priority consideration to including the recommended project in the flood mitigation and riverine restoration pilot program authorized in section 214 of this Act.

**SEC. 414. CAYUGA CREEK, NEW YORK.**

The Secretary shall conduct a study to determine the feasibility of carrying out a project for flood control for Cayuga Creek, New York.

**SEC. 415. ARCOLA CREEK WATERSHED, MADISON, OHIO.**

The Secretary shall conduct a study to determine the feasibility of a project to provide environmental restoration and protection for the Arcola Creek watershed, Madison, Ohio.

**SEC. 416. WESTERN LAKE ERIE BASIN, OHIO, INDIANA, AND MICHIGAN.**

(a) **IN GENERAL.**—The Secretary shall conduct a study to develop measures to improve flood control, navigation, water quality, recreation, and fish and wildlife habitat in a comprehensive manner in the western Lake Erie basin, Ohio, Indiana, and Michigan, including watersheds of the Maumee, Ottawa, and Portage Rivers.

(b) **COOPERATION.**—In carrying out the study, the Secretary shall cooperate with interested Federal, State, and local agencies and nongovernmental organizations and consider all relevant programs of such agencies.

(c) **REPORT.**—Not later than 1 year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the results of the study, including findings and recommendations.

**SEC. 417. SCHUYLKILL RIVER, NORRISTOWN, PENNSYLVANIA.**

The Secretary shall conduct a study to determine the feasibility of carrying out a project for flood control for Schuylkill River, Norristown, Pennsylvania, including improvement to existing stormwater drainage systems.

**SEC. 418. LAKES MARION AND MOULTRIE, SOUTH CAROLINA.**

The Secretary shall conduct a study to determine the feasibility of carrying out a project for Lakes Marion and Moultrie to provide water supply, treatment, and distribution to Calhoun, Clarendon, Colleton, Dorchester, Orangeburg, and Sumter Counties, South Carolina.

**SEC. 419. DAY COUNTY, SOUTH DAKOTA.**

The Secretary shall conduct an investigation of flooding and other water resources problems between the James River and Big Sioux watersheds in South Dakota and an assessment of flood damage reduction needs of the area.

**SEC. 420. CORPUS CHRISTI, TEXAS.**

The Secretary shall include, as part of the study authorized in a resolution of the Committee on Public Works and Transportation of the House of Representatives, dated August 1, 1990, a review of two 175-foot-wide barge shelves on either side of the navigation channel at the Port of Corpus Christi, Texas.

**SEC. 421. MITCHELL'S CUT CHANNEL (CANEY FORK CUT), TEXAS.**

The Secretary shall conduct a study to determine the feasibility of carrying out a project for navigation, Mitchell's Cut Channel (Caney Fork Cut), Texas.

**SEC. 422. MOUTH OF COLORADO RIVER, TEXAS.**

The Secretary shall conduct a study to determine the feasibility of carrying out a project for navigation at the mouth of the Colorado River, Texas, to provide a minimum draft navigation channel extending from the Colorado River through Parkers Cut (also known as "Tiger Island Cut"), or an acceptable alternative, to Matagorda Bay.

**SEC. 423. KANAWHA RIVER, FAYETTE COUNTY, WEST VIRGINIA.**

The Secretary shall conduct a study to determine the feasibility of developing a public port along the Kanawha River in Fayette County, West Virginia, at a site known as "Longacre".

**SEC. 424. WEST VIRGINIA PORTS.**

The Secretary shall conduct a study to determine the feasibility of expanding public port development in West Virginia along the Ohio River and navigable portion of the Kanawha River from its mouth to river mile 91.0

**SEC. 425. GREAT LAKES REGION COMPREHENSIVE STUDY.**

(a) **STUDY.**—The Secretary shall conduct a comprehensive study of the Great Lakes region to ensure the future use, management, and protection of water and related resources of the Great Lakes basin.

(b) **REPORT.**—Not later than 4 years after the date of the enactment of this Act, the Secretary shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report that includes the strategic plan for Corps of Engineers programs in the Great Lakes basin and details of proposed Corps of Engineers environmental, navigation, and flood damage reduction projects in the region.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$1,000,000 for fiscal years 2000 through 2003.

**SEC. 426. NUTRIENT LOADING RESULTING FROM DREDGED MATERIAL DISPOSAL.**

(a) **STUDY.**—The Secretary shall conduct a study of nutrient loading that occurs as a result of discharges of dredged material into open-water sites in the Chesapeake Bay.

(b) **REPORT.**—Not later than 18 months after the date of the enactment of this Act, the Secretary shall transmit to Congress a report on the results of the study.

**SEC. 427. SANTEE DELTA FOCUS AREA, SOUTH CAROLINA.**

The Secretary shall conduct a study of the Santee Delta focus area, South Carolina, to determine the feasibility of carrying out a project for enhancing wetlands values and public recreational opportunities in the area.

**SEC. 428. DEL NORTE COUNTY, CALIFORNIA.**

The Secretary shall undertake and complete a feasibility study for designating a permanent disposal site for dredged materials from Federal navigation projects in Del Norte County, California.

**SEC. 429. ST. CLAIR RIVER AND LAKE ST. CLAIR, MICHIGAN.**

(a) **PLAN.**—The Secretary, in coordination with State and local governments and appropriate Federal and provincial authorities of Canada, shall develop a comprehensive management plan for St. Clair River and Lake St. Clair. Such plan shall include the following elements:

(1) The causes and sources of environmental degradation.

(2) Continuous monitoring of organic, biological, metallic, and chemical contamination levels.

(3) Timely dissemination of information of such contamination levels to public authorities, other interested parties, and the public.

(b) **REPORT.**—Not later than 1 year after the date of the enactment of this Act, the Secretary shall transmit to Congress a report that includes the plan developed under subsection (a), together with recommendations of potential restoration measures.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$400,000.

**SEC. 430. CUMBERLAND COUNTY, TENNESSEE.**

The Secretary shall conduct a study to determine the feasibility of improvements to regional water supplies for Cumberland County, Tennessee.

**TITLE V—MISCELLANEOUS PROVISIONS****SEC. 501. CORPS ASSUMPTION OF NRCS PROJECTS.**

(a) **LLAGAS CREEK, CALIFORNIA.**—The Secretary is authorized to complete the remaining reaches of the Natural Resources Conservation Service's flood control project at Llagas Creek, California, undertaken pursuant to section 5 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005), substantially in accordance with the Natural Resources Conservation Service watershed plan for Llagas Creek, Department of Agriculture, and in accordance with the requirements of local cooperation as specified in section 4 of such Act, at a total cost of \$45,000,000, with an estimated Federal cost of \$21,800,000 and an estimated non-Federal cost of \$23,200,000.

(b) **THORNTON RESERVOIR, COOK COUNTY, ILLINOIS.**—

(1) **IN GENERAL.**—The Thornton Reservoir project, an element of the project for flood control, Chicagoland Underflow Plan, Illinois, authorized by section 3(a)(5) of the Water Resources Development Act of 1988 (102 Stat. 4013), is modified to authorize the Secretary to include additional permanent flood control storage attributable to the Natural Resources Conservation Service Thornton Reservoir (Structure 84), Little Calumet River Watershed, Illinois, approved under the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.).

(2) **COST SHARING.**—Costs for the Thornton Reservoir project shall be shared in accordance with section 103 of the Water Resources Development Act of 1986 (33 U.S.C. 2213).

(3) **TRANSITIONAL STORAGE.**—The Secretary of Agriculture may cooperate with non-Federal interests to provide, on a transitional basis, flood control storage for the Natural Resources Conservation Service Thornton Reservoir (Structure 84) in the west lobe of the Thornton quarry in advance of Corps' construction.

(4) **CREDITING.**—The Secretary may credit against the non-Federal share of the Thornton Reservoir project all design, lands, easements, rights-of-way (as of the date of authorization), and construction costs incurred by the non-Federal interests before the signing of the project cooperation agreement.

(5) **REEVALUATION REPORT.**—The Secretary shall determine the credits authorized by paragraph (4) that are integral to the Thornton Reservoir project and the current total project costs based on a limited reevaluation report.

**SEC. 502. CONSTRUCTION ASSISTANCE.**

Section 219(e) of the Water Resources Development Act of 1992 (106 Stat. 4836–4837) is amended by striking paragraphs (5) and (6) and inserting the following:

"(5) \$25,000,000 for the project described in subsection (c)(2);

"(6) \$20,000,000 for the project described in subsection (c)(9);

"(7) \$30,000,000 for the project described in subsection (c)(16);

"(8) \$30,000,000 for the project described in subsection (c)(17);

"(9) \$20,000,000 for the project described in subsection (c)(19);

"(10) \$15,000,000 for the project described in subsection (c)(20);

"(11) \$11,000,000 for the project described in subsection (c)(21);

"(12) \$2,000,000 for the project described in subsection (c)(22);

"(13) \$3,000,000 for the project described in subsection (c)(23);

"(14) \$1,500,000 for the project described in subsection (c)(24);

"(15) \$2,000,000 for the project described in subsection (c)(25);

"(16) \$8,000,000 for the project described in subsection (c)(26);

"(17) \$8,000,000 for the project described in subsection (c)(27), of which \$3,000,000 shall be available only for providing assistance for the Montoursville Regional Sewer Authority, Lycoming County;

"(18) \$10,000,000 for the project described in subsection (c)(28); and

"(19) \$1,000,000 for the project described in subsection (c)(29)."

**SEC. 503. CONTAMINATED SEDIMENT DREDGING TECHNOLOGY.**

(a) **CONTAMINATED SEDIMENT DREDGING PROJECT.**—

(1) **REVIEW.**—The Secretary shall conduct a review of innovative dredging technologies designed to minimize or eliminate contamination of a water column upon removal of contaminated sediments. The Secretary shall complete such review by June 1, 2001.

(2) **TESTING.**—After completion of the review under paragraph (1), the Secretary shall select the technology of those reviewed that the Secretary determines will increase the effectiveness of removing contaminated sediments and significantly reduce contamination of the water column. Not later than December 31, 2001, the Secretary shall enter into an agreement with a public or private entity to test such technology in the vicinity of Peoria Lakes, Illinois.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$2,000,000.

**SEC. 504. DAM SAFETY.**

(a) **ASSISTANCE.**—The Secretary is authorized to provide assistance to enhance dam safety at the following locations:

(1) Healdsburg Veteran's Memorial Dam, California.

(2) Felix Dam, Pennsylvania.

(3) Kehly Run Dam, Pennsylvania.

(4) Owl Creek Reservoir, Pennsylvania.

(5) Sweet Arrow Lake Dam, Pennsylvania.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated \$6,000,000 to carry out this section.

**SEC. 505. GREAT LAKES REMEDIAL ACTION PLANS.**

Section 401(a)(2) of the Water Resources Development Act of 1990 (110 Stat. 3763) is

amended by adding at the end the following: "Nonprofit public or private entities may contribute all or a portion of the non-Federal share."

**SEC. 506. SEA LAMPREY CONTROL MEASURES IN THE GREAT LAKES.**

(a) **IN GENERAL.**—In conjunction with the Great Lakes Fishery Commission, the Secretary is authorized to undertake a program for the control of sea lampreys in and around waters of the Great Lakes. The program undertaken pursuant to this section may include projects which consist of either structural or nonstructural measures or a combination thereof.

(b) **COST SHARING.**—Projects carried out under this section on lands owned by the United States shall be carried out at full Federal expense. The non-Federal share of the cost of any such project undertaken on lands not in Federal ownership shall be 35 percent.

(c) **NON-FEDERAL INTERESTS.**—Notwithstanding section 221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d-5b(b)), the Secretary, after coordination with the appropriate State and local government officials having jurisdiction over an area in which a project under this section will be carried out, may allow a nonprofit entity to serve as the non-Federal interest for the project.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$2,000,000 for each of fiscal years 2000 through 2005.

**SEC. 507. MAINTENANCE OF NAVIGATION CHANNELS.**

Section 509(a) of the Water Resources Development Act of 1996 (110 Stat. 3759) is amended by adding at the end the following:

"(12) Acadiana Navigation Channel, Louisiana.

"(13) Contraband Bayou, Louisiana, as part of the Calcasieu River and Pass Ship Channel.

"(14) Lake Wallula Navigation Channel, Washington.

"(15) Wadley Pass (also known as McGriff Pass), Suwanee River, Florida."

**SEC. 508. MEASUREMENT OF LAKE MICHIGAN DIVERSIONS.**

Section 1142(b) of the Water Resources Development Act of 1986 (42 U.S.C. 1962d-20 note; 100 Stat. 4253) is amended by striking "\$250,000" and inserting "\$1,250,000".

**SEC. 509. UPPER MISSISSIPPI RIVER ENVIRONMENTAL MANAGEMENT PROGRAM.**

(a) **AUTHORIZED ACTIVITIES.**—Section 1103(e)(1) of the Water Resources Development Act of 1986 (33 U.S.C. 652(e)(1)) is amended—

(1) by inserting "and" at the end of subparagraph (A);

(2) in subparagraph (B) by striking "long-term resource monitoring program; and" and inserting "long-term resource monitoring, computerized data inventory and analysis, and applied research program."; and

(3) by striking subparagraph (C) and inserting the following:

"In carrying out subparagraph (A), the Secretary shall establish an independent technical advisory committee to review projects, monitoring plans, and habitat and natural resource needs assessments."

(b) **REPORTS.**—Section 1103(e)(2) of such Act (33 U.S.C. 652(e)(2)) is amended to read as follows:

"(2) **REPORTS.**—Not later than December 31, 2004, and not later than December 31st of every sixth year thereafter, the Secretary, in consultation with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, shall transmit to Congress a report that—

"(A) contains an evaluation of the programs described in paragraph (1);

"(B) describes the accomplishments of each of such programs;

"(C) provides updates of a systemic habitat needs assessment; and

"(D) identifies any needed adjustments in the authorization."

(c) **AUTHORIZATION OF APPROPRIATIONS.**—Section 1103(e) of such Act (33 U.S.C. 652(e)) is amended—

(1) in paragraph (3) by striking "not to exceed" and all that follows before the period at the end and inserting "\$22,750,000 for fiscal year 1999 and each fiscal year thereafter";

(2) in paragraph (4) by striking "not to exceed" and all that follows before the period at the end and inserting "\$10,420,000 for fiscal year 1999 and each fiscal year thereafter"; and

(3) by striking paragraph (5) and inserting the following:

"(5) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out paragraph (1)(A) \$350,000 for each of fiscal years 1999 through 2009."

(d) **TRANSFER OF AMOUNTS.**—Section 1103(e)(6) of such Act is amended to read as follows:

"(6) **TRANSFER OF AMOUNTS.**—For fiscal year 1999, and each fiscal year thereafter, the Secretary, in consultation with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, may transfer not to exceed 20 percent of the amounts appropriated to carry out subparagraph (A) or (B) of paragraph (1) to the amounts appropriated to carry out the other of such subparagraphs."

(e) **HABITAT NEEDS ASSESSMENT.**—Section 1103(h)(2) of such Act (33 U.S.C. 652(h)(2)) is amended by adding at the end the following: "The Secretary shall complete the on-going habitat needs assessment conducted under this paragraph not later than September 30, 2000, and shall include in each report required by subsection (e)(2) the most recent habitat needs assessment conducted under this paragraph."

(f) **CONFORMING AMENDMENTS.**—Section 1103 of such Act (33 U.S.C. 652) is amended—

(1) in subsection (e)(7) by striking "paragraphs (1)(B) and (1)(C)" and inserting "paragraph (1)(B)"; and

(2) in subsection (f)(2)—

(A) by striking "(2)(A)" and inserting "(2)"; and

(B) by striking subparagraph (B).

**SEC. 510. ATLANTIC COAST OF NEW YORK MONITORING.**

Section 404(c) of the Water Resources Development Act of 1992 (106 Stat. 4863) is amended by striking "1993, 1994, 1995, 1996, and 1997" and inserting "1993 through 2003".

**SEC. 511. WATER CONTROL MANAGEMENT.**

(a) **IN GENERAL.**—In evaluating potential improvements for water control management activities and consolidation of water control management centers, the Secretary may consider a regionalized water control management plan but may not implement such a plan until the date on which a report is transmitted under subsection (b).

(b) **REPORT.**—Not later than 180 days after the date of the enactment of this Act, the Secretary shall transmit to the Committee on Transportation and Infrastructure and the Committee on Appropriations of the House of Representatives and the Committee on Environment and Public Works and the Committee on Appropriations of the Senate a report containing the following:

(1) A description of the primary objectives of streamlining water control management activities.

(2) A description of the benefits provided by streamlining water control management activities through consolidation of centers for such activities.

(3) A determination of whether or not benefits to users of regional water control management centers will be retained in each district office of the Corps of Engineers that does not have a regional center.

(4) A determination of whether or not users of such regional centers will receive a higher level of benefits from streamlining water control management activities.

(5) A list of the Members of Congress who represent a district that currently includes a water control management center that is to be eliminated under a proposed regionalized plan.

**SEC. 512. BENEFICIAL USE OF DREDGED MATERIAL.**

The Secretary is authorized to carry out the following projects under section 204 of the Water Resources Development Act of 1992 (33 U.S.C. 2326):

(1) **BODEGA BAY, CALIFORNIA.**—A project to make beneficial use of dredged materials from a Federal navigation project in Bodega Bay, California.

(2) **SABINE REFUGE, LOUISIANA.**—A project to make beneficial use of dredged materials from Federal navigation projects in the vicinity of Sabine Refuge, Louisiana.

(3) **HANCOCK, HARRISON, AND JACKSON COUNTIES, MISSISSIPPI.**—A project to make beneficial use of dredged material from a Federal navigation project in Hancock, Harrison, and Jackson Counties, Mississippi.

(4) **ROSE CITY MARSH, ORANGE COUNTY, TEXAS.**—A project to make beneficial use of dredged material from a Federal navigation project in Rose City Marsh, Orange County, Texas.

(5) **BESSIE HEIGHTS MARSH, ORANGE COUNTY, TEXAS.**—A project to make beneficial use of dredged material from a Federal navigation project in Bessie Heights Marsh, Orange County, Texas.

**SEC. 513. DESIGN AND CONSTRUCTION ASSISTANCE.**

Section 507(2) of the Water Resources Development Act of 1996 (110 Stat. 3758) is amended to read as follows:

"(2) Expansion and improvement of Long Pine Run Dam and associated water infrastructure in accordance with the requirements of subsections (b) through (e) of section 313 of the Water Resources Development Act of 1992 (106 Stat. 4845) at a total cost of \$20,000,000."

**SEC. 514. LOWER MISSOURI RIVER AQUATIC RESTORATION PROJECTS.**

(a) **IN GENERAL.**—Not later than 1 year after funds are made available for such purposes, the Secretary shall complete a comprehensive report—

(1) identifying a general implementation strategy and overall plan for environmental restoration and protection along the Lower Missouri River between Gavins Point Dam and the confluence of the Missouri and Mississippi Rivers; and

(2) recommending individual environmental restoration projects that can be considered by the Secretary for implementation under section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330; 110 Stat. 3679-3680).

(b) **SCOPE OF PROJECTS.**—Any environmental restoration projects recommended under subsection (a) shall provide for such activities and measures as the Secretary determines to be necessary to protect and restore fish and wildlife habitat without adversely affecting private property rights or

water related needs of the region surrounding the Missouri River, including flood control, navigation, and enhancement of water supply, and shall include some or all of the following components:

(1) Modification and improvement of navigation training structures to protect and restore fish and wildlife habitat.

(2) Modification and creation of side channels to protect and restore fish and wildlife habitat.

(3) Restoration and creation of fish and wildlife habitat.

(4) Physical and biological monitoring for evaluating the success of the projects.

(c) COORDINATION.—To the maximum extent practicable, the Secretary shall integrate projects carried out in accordance with this section with other Federal, tribal, and State restoration activities.

(d) COST SHARING.—The report under subsection (a) shall be undertaken at full Federal expense.

#### SEC. 515. AQUATIC RESOURCES RESTORATION IN THE NORTHWEST.

(a) IN GENERAL.—In cooperation with other Federal agencies, the Secretary is authorized to develop and implement projects for fish screens, fish passage devices, and other similar measures agreed to by non-Federal interests and relevant Federal agencies to mitigate adverse impacts associated with irrigation system water diversions by local governmental entities in the States of Oregon, Washington, Montana, and Idaho.

(b) PROCEDURE AND PARTICIPATION.—

(1) CONSULTATION REQUIREMENT; USE OF EXISTING DATA.—In providing assistance under subsection (a), the Secretary shall consult with other Federal, State, and local agencies and make maximum use of data and studies in existence on the date of the enactment of this Act.

(2) PARTICIPATION BY NON-FEDERAL INTERESTS.—Participation by non-Federal interests in projects under this section shall be voluntary. The Secretary shall not take any action under this section that will result in a non-Federal interest being held financially responsible for an action under a project unless the non-Federal interest has voluntarily agreed to participate in the project.

(c) COST SHARING.—Projects carried out under this section on lands owned by the United States shall be carried out at full Federal expense. The non-Federal share of the cost of any such project undertaken on lands not in Federal ownership shall be 35 percent.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$10,000,000 for fiscal years beginning after September 30, 1999.

#### SEC. 516. INNOVATIVE TECHNOLOGIES FOR WATERSHED RESTORATION.

The Secretary shall use, and encourage the use of, innovative treatment technologies, including membrane technologies, for watershed and environmental restoration and protection projects involving water quality.

#### SEC. 517. ENVIRONMENTAL RESTORATION.

(a) ATLANTA, GEORGIA.—Section 219(c)(2) of the Water Resources Development Act of 1992 (106 Stat. 4835) is amended by inserting before the period “and watershed restoration and development in the regional Atlanta watershed, including Big Creek and Rock Creek”.

(b) PATERSON AND PASSAIC VALLEY, NEW JERSEY.—Section 219(c)(9) of such Act (106 Stat. 4836) is amended to read as follows:

“(9) PATERSON, PASSAIC COUNTY, AND PASSAIC VALLEY, NEW JERSEY.—Drainage facilities to alleviate flooding problems on Getty

Avenue in the vicinity of St. Joseph's Hospital for the City of Paterson, New Jersey, and Passaic County, New Jersey, and innovative facilities to manage and treat additional flows in the Passaic Valley, Passaic River basin, New Jersey.”.

(c) NASHUA, NEW HAMPSHIRE.—Section 219(c) of such Act is amended by adding at the end the following:

“(19) NASHUA, NEW HAMPSHIRE.—A sewer and drainage system separation and rehabilitation program for Nashua, New Hampshire.”.

(d) FALL RIVER AND NEW BEDFORD, MASSACHUSETTS.—Section 219(c) of such Act is further amended by adding at the end the following:

“(20) FALL RIVER AND NEW BEDFORD, MASSACHUSETTS.—Elimination or control of combined sewer overflows in the cities of Fall River and New Bedford, Massachusetts.”.

(e) ADDITIONAL PROJECT DESCRIPTIONS.—Section 219(c) of such Act is further amended by adding at the end the following:

“(21) FINDLAY TOWNSHIP, PENNSYLVANIA.—Water and sewer lines in Findlay Township, Allegheny County, Pennsylvania.

“(22) DILLSBURG BOROUGH AUTHORITY, PENNSYLVANIA.—Water and sewer systems in Franklin Township, York County, Pennsylvania.

“(23) HAMPTON TOWNSHIP, PENNSYLVANIA.—Water, sewer, and stormsewer improvements in Hampton Township, Cumberland County, Pennsylvania.

“(24) TOWAMENCIN TOWNSHIP, PENNSYLVANIA.—Sanitary sewer and water lines in Towamencin Township, Montgomery County, Pennsylvania.

“(25) DAUPHIN COUNTY, PENNSYLVANIA.—Combined sewer and water system rehabilitation for the City of Harrisburg, Dauphin County, Pennsylvania.

“(26) LEE, NORTON, WISE, AND SCOTT COUNTIES, VIRGINIA.—Water supply and wastewater treatment in Lee, Norton, Wise, and Scott Counties, Virginia.

“(27) NORTHEAST PENNSYLVANIA.—Water-related infrastructure in Lackawanna, Lycoming, Susquehanna, Wyoming, Pike, and Monroe Counties, Pennsylvania, including assistance for the Montoursville Regional Sewer Authority, Lycoming County.

“(28) CALUMET REGION, INDIANA.—Water-related infrastructure in Lake and Porter Counties, Indiana.

“(29) CLINTON COUNTY, PENNSYLVANIA.—Water-related infrastructure in Clinton County, Pennsylvania.”.

#### SEC. 518. EXPEDITED CONSIDERATION OF CERTAIN PROJECTS.

The Secretary shall expedite completion of the reports for the following projects and proceed directly to project planning, engineering, and design:

(1) Arroyo Pasajero, San Joaquin River basin, California, project for flood control.

(2) Success Dam, Tule River, California, project for flood control and water supply.

(3) Alafia Channel, Tampa Harbor, Florida, project for navigation.

(4) Columbia Slough, Portland, Oregon, project for ecosystem restoration.

(5) Ohio River Greenway, Indiana, project for environmental restoration and recreation.

#### SEC. 519. DOG RIVER, ALABAMA.

(a) IN GENERAL.—The Secretary is authorized to establish, in cooperation with non-Federal interests, a pilot project to restore natural water depths in the Dog River, Alabama, between its mouth and the Interstate Route 10 crossing, and in the downstream portion of its principal tributaries.

(b) FORM OF ASSISTANCE.—Assistance provided under subsection (a) shall be in the form of design and construction of water-related resource protection and development projects affecting the Dog River, including environmental restoration and recreational navigation.

(c) NON-FEDERAL SHARE.—The non-Federal share of the cost of the project carried out with assistance under this section shall be 90 percent.

(d) LANDS, EASEMENTS, AND RIGHTS-OF-WAY.—The non-Federal sponsor provide all lands, easements, rights of way, relocations, and dredged material disposal areas including retaining dikes required for the project.

(e) OPERATION MAINTENANCE.—The non-Federal share of the cost of operation, maintenance, repair, replacement, or rehabilitation of the project carried out with assistance under this section shall be 100 percent.

(f) CREDIT TOWARD NON-FEDERAL SHARE.—The value of the lands, easements, rights of way, relocations, and dredged material disposal areas, including retaining dikes, provided by the non-Federal sponsor shall be credited toward the non-Federal share.

#### SEC. 520. ELBA, ALABAMA.

The Secretary is authorized to repair and rehabilitate a levee in the City of Elba, Alabama at a total cost of \$12,900,000.

#### SEC. 521. GENEVA, ALABAMA.

The Secretary is authorized to repair and rehabilitate a levee in the City of Geneva, Alabama at a total cost of \$16,600,000.

#### SEC. 522. NAVAJO RESERVATION, ARIZONA, NEW MEXICO, AND UTAH.

(a) IN GENERAL.—In cooperation with other appropriate Federal and local agencies, the Secretary shall undertake a survey of, and provide technical, planning, and design assistance for, watershed management, restoration, and development on the Navajo Indian Reservation, Arizona, New Mexico, and Utah.

(b) COST SHARING.—The Federal share of the cost of activities carried out under this section shall be 75 percent. Funds made available under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) may be used by the Navajo Nation in meeting the non-Federal share of the cost of such activities.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$12,000,000 for fiscal years beginning after September 30, 1999.

#### SEC. 523. AUGUSTA AND DEVALLS BLUFF, ARKANSAS.

(a) IN GENERAL.—The Secretary is authorized to perform operations, maintenance, and rehabilitation on 37 miles of levees in and around Augusta and Devalls Bluff, Arkansas.

(b) REIMBURSEMENT.—After performing the operations, maintenance, and rehabilitation under subsection (a), the Secretary may seek reimbursement from the Secretary of the Interior of an amount equal to the costs allocated to benefits to a Federal wildlife refuge of such operations, maintenance, and rehabilitation.

#### SEC. 524. BEAVER LAKE, ARKANSAS.

(a) WATER SUPPLY STORAGE REALLOCATION.—The Secretary shall reallocate approximately 31,000 additional acre-feet at Beaver Lake, Arkansas, to water supply storage at no additional cost to the Beaver Water District or the Carroll-Boone Water District above the amount that has already been contracted for. At no time may the bottom of the conservation pool be at an elevation that is less than 1,076 feet NGVD.

(b) CONTRACT PRICING.—The contract price for additional storage for the Carroll-Boone



Water District beyond that which is provided for in subsection (a) shall be based on the original construction cost of Beaver Lake and adjusted to the 1998 price level net of inflation between the date of initiation of construction and the date of the enactment of this Act.

**SEC. 525. BEAVER LAKE TROUT PRODUCTION FACILITY, ARKANSAS.**

(a) **EXPEDITED CONSTRUCTION.**—The Secretary shall construct, under the authority of section 105 of the Water Resources Development Act of 1976 (90 Stat. 2921) and section 1135 of the Water Resources Development Act of 1986 (100 Stat. 4251–4252), the Beaver Lake trout hatchery as expeditiously as possible, but in no event later than September 30, 2002.

(b) **MITIGATION PLAN.**—Not later than 2 years after the date of the enactment of this Act, the Secretary, in conjunction with the State of Arkansas, shall prepare a plan for the mitigation of effects of the Beaver Dam project on Beaver Lake. Such plan shall provide for construction of the Beaver Lake trout production facility and related facilities.

**SEC. 526. CHINO DAIRY PRESERVE, CALIFORNIA.**

(a) **TECHNICAL ASSISTANCE.**—The Secretary, in coordination with the heads of other Federal agencies, shall provide technical assistance to State and local agencies in the study, design, and implementation of measures for flood damage reduction and environmental restoration and protection in the Santa Ana River watershed, California, with particular emphasis on structural and nonstructural measures in the vicinity of the Chino Dairy Preserve.

(b) **COMPREHENSIVE STUDY.**—The Secretary shall conduct a feasibility study to determine the most cost-effective plan for flood damage reduction and environmental restoration and protection in the vicinity of the Chino Dairy Preserve, Santa Ana River watershed, Orange County and San Bernardino County, California.

**SEC. 527. NOVATO, CALIFORNIA.**

The Secretary shall carry out a project for flood control under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s) at Rush Creek, Novato, California.

**SEC. 528. ORANGE AND SAN DIEGO COUNTIES, CALIFORNIA.**

The Secretary, in cooperation with local governments, may prepare special area management plans in Orange and San Diego Counties, California, to demonstrate the effectiveness of using such plans to provide information regarding aquatic resources. The Secretary may use such plans in making regulatory decisions and issue permits consistent with such plans.

**SEC. 529. SALTON SEA, CALIFORNIA.**

(a) **TECHNICAL ASSISTANCE.**—The Secretary, in coordination with other Federal agencies, shall provide technical assistance to Federal, State, and local agencies in the study, design, and implementation of measures for the environmental restoration and protection of the Salton Sea, California.

(b) **STUDY.**—The Secretary, in coordination with other Federal, State, and local agencies, shall conduct a study to determine the most effective plan for the Corps of Engineers to assist in the environmental restoration and protection of the Salton Sea, California.

**SEC. 530. SANTA CRUZ HARBOR, CALIFORNIA.**

The Secretary is authorized to modify the cooperative agreement with the Santa Cruz Port District, California, to reflect unanticipated additional dredging effort and to extend such agreement for 10 years.

**SEC. 531. POINT BEACH, MILFORD, CONNECTICUT.**

(a) **MAXIMUM FEDERAL EXPENDITURE.**—The maximum amount of Federal funds that may be expended for the project for hurricane and storm damage reduction, Point Beach, Milford, Connecticut, shall be \$3,000,000.

(b) **REVISION OF PROJECT COOPERATION AGREEMENT.**—The Secretary shall revise the project cooperation agreement for the project referred to in subsection (a) to take into account the change in the Federal participation in such project.

(c) **COST SHARING.**—Nothing in this section shall be construed to affect any cost-sharing requirement applicable to the project referred to in subsection (a) under section 101 of the Water Resources Development Act of 1986 (31 U.S.C. 2211).

**SEC. 532. LOWER ST. JOHNS RIVER BASIN, FLORIDA.**

(a) **COMPUTER MODEL.**—

(1) **IN GENERAL.**—The Secretary may apply the computer model developed under the St. Johns River basin feasibility study to assist non-Federal interests in developing strategies for improving water quality in the Lower St. Johns River basin, Florida.

(2) **COST SHARING.**—The non-Federal share of the cost of assistance provided under this subsection shall be 50 percent.

(b) **TOPOGRAPHIC SURVEY.**—The Secretary is authorized to provide 1-foot contour topographic survey maps of the Lower St. Johns River basin, Florida, to non-Federal interests for analyzing environmental data and establishing benchmarks for subbasins.

**SEC. 533. SHORELINE PROTECTION AND ENVIRONMENTAL RESTORATION, LAKE ALLATOONA, GEORGIA.**

(a) **IN GENERAL.**—The Secretary, in cooperation with the Administrator of the Environmental Protection Agency, is authorized to carry out the following water-related environmental restoration and resource protection activities to restore Lake Allatoona and the Etowah River in Georgia:

(1) **LAKE ALLATOONA/ETOWAH RIVER SHORELINE RESTORATION DESIGN.**—Develop pre-construction design measures to alleviate shoreline erosion and sedimentation problems.

(2) **LITTLE RIVER ENVIRONMENTAL RESTORATION.**—Conduct a feasibility study to evaluate environmental problems and recommend environmental infrastructure restoration measures for the Little River within Lake Allatoona, Georgia.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated for fiscal years beginning after September 30, 1999—

(1) \$850,000 to carry out subsection (a)(1); and

(2) \$250,000 to carry out subsection (a)(2).

**SEC. 534. MAYO'S BAR LOCK AND DAM, COOSA RIVER, ROME, GEORGIA.**

The Secretary is authorized to provide technical assistance, including planning, engineering, and design assistance, for the reconstruction of the Mayo's Bar Lock and Dam, Coosa River, Rome, Georgia. The non-Federal share of assistance under this section shall be 50 percent.

**SEC. 535. COMPREHENSIVE FLOOD IMPACT RESPONSE MODELING SYSTEM, CORALVILLE RESERVOIR AND IOWA RIVER WATERSHED, IOWA.**

(a) **IN GENERAL.**—The Secretary, in cooperation with the University of Iowa, shall conduct a study and develop a Comprehensive Flood Impact Response Modeling System for Coralville Reservoir and the Iowa River watershed, Iowa.

(b) **CONTENTS OF STUDY.**—The study shall include—

(1) an evaluation of the combined hydrologic, geomorphic, environmental, economic, social, and recreational impacts of operating strategies within the Iowa River watershed;

(2) development of an integrated, dynamic flood impact model; and

(3) development of a rapid response system to be used during flood and other emergency situations.

(c) **REPORT TO CONGRESS.**—Not later than 5 years after the date of the enactment of this Act, the Secretary shall transmit to Congress a report containing the results of the study and modeling system together with such recommendations as the Secretary determines to be appropriate.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$900,000 for each of fiscal years 2000 through 2004.

**SEC. 536. ADDITIONAL CONSTRUCTION ASSISTANCE IN ILLINOIS.**

The Secretary may carry out the project for Georgetown, Illinois, and the project for Olney, Illinois, referred to in House Report Number 104-741, accompanying Public Law 104-182.

**SEC. 537. KANOPOLIS LAKE, KANSAS.**

(a) **WATER STORAGE.**—The Secretary shall offer to the State of Kansas the right to purchase water storage in Kanopolis Lake, Kansas, at a price calculated in accordance with and in a manner consistent with the terms of the memorandum of understanding entitled "Memorandum of Understanding Between the State of Kansas and the U.S. Department of the Army Concerning the Purchase of Municipal and Industrial Water Supply Storage", dated December 11, 1985.

(b) **EFFECTIVE DATE.**—For the purposes of this section, the effective date of that memorandum of understanding shall be deemed to be the date of the enactment of this Act.

**SEC. 538. SOUTHERN AND EASTERN KENTUCKY.**

Section 531(h) of the Water Resources Development Act of 1996 (110 Stat. 3774) is amended by striking "\$10,000,000" and inserting "\$25,000,000".

**SEC. 539. SOUTHEAST LOUISIANA.**

Section 533(c) of the Water Resources Development Act of 1996 (110 Stat. 3775) is amended by striking "\$100,000,000" and inserting "\$200,000,000".

**SEC. 540. SNUG HARBOR, MARYLAND.**

(a) **IN GENERAL.**—The Secretary, in coordination with the Director of the Federal Emergency Management Agency, is authorized—

(1) to provide technical assistance to the residents of Snug Harbor, in the vicinity of Berlin, Maryland, for purposes of flood damage reduction;

(2) to conduct a study of a project for nonstructural measures for flood damage reduction in the vicinity of Snug Harbor, Maryland, taking into account the relationship of both the Ocean City Inlet and Assateague Island to the flooding; and

(3) after completion of the study, to carry out the project under the authority of section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s).

(b) **FEMA ASSISTANCE.**—The Director, in coordination with the Secretary and under the authorities of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 note), may provide technical assistance and nonstructural measures for flood damage mitigation in the vicinity of Snug Harbor, Maryland.

(c) **FEDERAL SHARE.**—The Federal share of the cost of assistance under this section shall not exceed \$3,000,000. The non-Federal

share of such cost shall be determined in accordance with the Water Resources Development Act of 1986 or the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as appropriate.

**SEC. 541. WELCH POINT, ELK RIVER, CECIL COUNTY, AND CHESAPEAKE CITY, MARYLAND.**

(a) **SPILLAGE OF DREDGED MATERIALS.**—The Secretary shall carry out a study to determine if the spillage of dredged materials that were removed as part of the project for navigation, Inland Waterway from Delaware River to Chesapeake Bay, Delaware and Maryland, authorized by the first section of the Act of August 30, 1935 (49 Stat. 1030), is a significant impediment to vessels transiting the Elk River near Welch Point, Maryland. If the Secretary determines that the spillage is an impediment to navigation, the Secretary may conduct such dredging as may be required to permit navigation on the river.

(b) **DAMAGE TO WATER SUPPLY.**—The Secretary shall carry out a study to determine if additional compensation is required to fully compensate the City of Chesapeake, Maryland, for damage to the city's water supply resulting from dredging of the Chesapeake and Delaware Canal project. If the Secretary determines that such additional compensation is required, the Secretary may provide the compensation to the City of Chesapeake.

**SEC. 542. WEST VIEW SHORES, CECIL COUNTY, MARYLAND.**

Not later than 1 year after the date of the enactment of this Act, the Secretary shall carry out an investigation of the contamination of the well system in West View Shores, Cecil County, Maryland. If the Secretary determines that the disposal site from any Federal navigation project has contributed to the contamination of the wells, the Secretary may provide alternative water supplies, including replacement of wells, at full Federal expense.

**SEC. 543. RESTORATION PROJECTS FOR MARYLAND, PENNSYLVANIA, AND WEST VIRGINIA.**

Section 539 of the Water Resources Development Act of 1996 (110 Stat. 3776-3777) is amended—

(1) in subsection (a)(1) by striking "technical";

(2) in subsection (a)(1) by inserting "(or in the case of projects located on lands owned by the United States, to Federal interests)" after "interests";

(3) in subsection (a)(3) by inserting "or in conjunction" after "consultation"; and

(4) by inserting at the end of subsection (d) the following: "Funds authorized to be appropriated to carry out section 340 of the Water Resources Development Act of 1992 (106 Stat. 4856) are authorized for projects undertaken under subsection (a)(1)(B)."

**SEC. 544. CAPE COD CANAL RAILROAD BRIDGE, BUZZARDS BAY, MASSACHUSETTS.**

(a) **ALTERNATIVE TRANSPORTATION.**—The Secretary is authorized to provide up to \$300,000 for alternative transportation that may arise as a result of the operation, maintenance, repair, and rehabilitation of the Cape Cod Canal Railroad Bridge.

(b) **OPERATION AND MAINTENANCE CONTRACT RENEGOTIATION.**—Not later than 60 days after the date of the enactment of this Act, the Secretary shall enter into negotiation with the owner of the railroad right-of-way for the Cape Cod Canal Railroad Bridge for the purpose of establishing the rights and responsibilities for the operation and maintenance of the Bridge. The Secretary is authorized to include in any new contract the ter-

mination of the prior contract numbered ER-W175-ENG-1.

**SEC. 545. ST. LOUIS, MISSOURI.**

(a) **DEMONSTRATION PROJECT.**—The Secretary, in consultation with local officials, shall conduct a demonstration project to improve water quality in the vicinity of St. Louis, Missouri.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated \$1,700,000 to carry out this section.

**SEC. 546. BEAVER BRANCH OF BIG TIMBER CREEK, NEW JERSEY.**

Upon request of the State of New Jersey or a political subdivision thereof, the Secretary may compile and disseminate information on floods and flood damages, including identification of areas subject to inundation by floods, and provide technical assistance regarding floodplain management for Beaver Branch of Big Timber Creek, New Jersey.

**SEC. 547. LAKE ONTARIO AND ST. LAWRENCE RIVER WATER LEVELS, NEW YORK.**

Upon request, the Secretary shall provide technical assistance to the International Joint Commission and the St. Lawrence River Board of Control in undertaking studies on the effects of fluctuating water levels on the natural environment, recreational boating, property flooding, and erosion along the shorelines of Lake Ontario and the St. Lawrence River in New York. The Commission and Board are encouraged to conduct such studies in a comprehensive and thorough manner before implementing any change to water regulation Plan 1958-D.

**SEC. 548. NEW YORK-NEW JERSEY HARBOR, NEW YORK AND NEW JERSEY.**

The Secretary may enter into cooperative agreements with non-Federal interests to investigate, develop, and support measures for sediment management and reduction of contaminant sources which affect navigation in the Port of New York-New Jersey and the environmental conditions of the New York-New Jersey Harbor estuary. Such investigation shall include an analysis of the economic and environmental benefits and costs of potential sediment management and contaminant reduction measures.

**SEC. 549. SEA GATE REACH, CONEY ISLAND, NEW YORK, NEW YORK.**

The Secretary is authorized to construct a project for shoreline protection which includes a beachfill with revetment and T-groin for the Sea Gate Reach on Coney Island, New York, as identified in the March 1998 report prepared for the Corps of Engineers, New York District, entitled "Field Data Gathering, Project Performance Analysis and Design Alternative Solutions to Improve Sandfill Retention", at a total cost of \$9,000,000, with an estimated Federal cost of \$5,850,000 and an estimated non-Federal cost of \$3,150,000.

**SEC. 550. WOODLAWN, NEW YORK.**

(a) **IN GENERAL.**—The Secretary shall provide planning, design, and other technical assistance to non-Federal interests for identifying and mitigating sources of contamination at Woodlawn Beach in Woodlawn, New York.

(b) **COST SHARING.**—The non-Federal share of the cost of assistance provided under this section shall be 50 percent.

**SEC. 551. FLOODPLAIN MAPPING, NEW YORK.**

(a) **IN GENERAL.**—The Secretary shall provide assistance for a project to develop maps identifying 100- and 500-year flood inundation areas in the State of New York.

(b) **REQUIREMENTS.**—Maps developed under the project shall include hydrologic and hydraulic information and shall accurately

show the flood inundation of each property by flood risk in the floodplain. The maps shall be produced in a high resolution format and shall be made available to all flood prone areas in the State of New York in an electronic format.

(c) **PARTICIPATION OF FEMA.**—The Secretary and the non-Federal sponsor of the project shall work with the Director of the Federal Emergency Management Agency to ensure the validity of the maps developed under the project for flood insurance purposes.

(d) **FORMS OF ASSISTANCE.**—In carrying out the project, the Secretary may enter into contracts or cooperative agreements with the non-Federal sponsor or provide reimbursements of project costs.

(e) **FEDERAL SHARE.**—The Federal share of the cost of the project shall be 75 percent.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$12,000,000 for fiscal years beginning after September 30, 1998.

**SEC. 552. WHITE OAK RIVER, NORTH CAROLINA.**

The Secretary shall conduct a study to determine if water quality deterioration and sedimentation of the White Oak River, North Carolina, are the result of the Atlantic Intracoastal Waterway navigation project. If the Secretary determines that the water quality deterioration and sedimentation are the result of the project, the Secretary shall take appropriate measures to mitigate the deterioration and sedimentation.

**SEC. 553. TOUSSAINT RIVER, CARROLL TOWNSHIP, OTTAWA COUNTY, OHIO.**

The Secretary is authorized to provide technical assistance for the removal of military ordnance from the Toussaint River, Carroll Township, Ottawa County, Ohio.

**SEC. 554. SARDIS RESERVOIR, OKLAHOMA.**

(a) **IN GENERAL.**—The Secretary shall accept from the State of Oklahoma or an agent of the State an amount, as determined under subsection (b), as prepayment of 100 percent of the water supply cost obligation of the State under Contract No. DACW56-74-JC-0314 for water supply storage at Sardis Reservoir, Oklahoma.

(b) **DETERMINATION OF AMOUNT.**—The amount to be paid by the State of Oklahoma under subsection (a) shall be subject to adjustment in accordance with accepted discount purchase methods for Federal Government properties as determined by an independent accounting firm designated by the Director of the Office of Management and Budget. The cost of such determination shall be paid for by the State of Oklahoma or an agent of the State.

(c) **EFFECT.**—Nothing in this section affects any of the rights or obligations of the parties to the contract referred to in subsection (a).

**SEC. 555. WAURIKA LAKE, OKLAHOMA, WATER CONVEYANCE FACILITIES.**

For the project for construction of the water conveyances authorized by the first section of Public Law 88-253 (77 Stat. 841), the requirement for the Waurika Project Master Conservancy District to repay the \$2,900,000 in costs (including interest) resulting from the October 1991 settlement of the claim before the United States Claims Court, and the payment of \$1,190,451 of the final cost representing the difference between the 1978 estimate of cost and the actual cost determined after completion of such project in 1991, are waived.

**SEC. 556. SKINNER BUTTE PARK, EUGENE, OREGON.**

(a) **STUDY.**—The Secretary shall conduct a study of the south bank of the Willamette River, in the area of Skinner Butte Park

from Ferry Street Bridge to the Valley River footbridge, to determine the feasibility of carrying out a project to stabilize the river bank, and to restore and enhance riverine habitat, using a combination of structural and bioengineering techniques.

(b) **CONSTRUCTION.**—If, upon completion of the study, the Secretary determines that the project is feasible, the Secretary shall participate with non-Federal interests in the construction of the project.

(c) **COST SHARE.**—The non-Federal share of the cost of the project shall be 35 percent.

(d) **LANDS, EASEMENTS, AND RIGHTS-OF-WAY.**—The non-Federal interest shall provide lands, easements, rights-of-way, relocations, and dredged material disposal areas necessary for construction of the project. The value of such items shall be credited toward the non-Federal share of the cost of the project.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$1,000,000 for fiscal years beginning after September 30, 1999.

**SEC. 557. WILLAMETTE RIVER BASIN, OREGON.**

The Secretary, Director of the Federal Emergency Management Agency, Administrator of the Environmental Protection Agency, and heads of other appropriate Federal agencies shall, using existing authorities, assist the State of Oregon in developing and implementing a comprehensive basin-wide strategy in the Willamette River basin of Oregon for coordinated and integrated management of land and water resources to improve water quality, reduce flood hazards, ensure sustainable economic activity, and restore habitat for native fish and wildlife. The heads of such Federal agencies may provide technical assistance, staff and financial support for development of the basin-wide management strategy. The heads of Federal agencies shall seek to exercise flexibility in administrative actions and allocation of funding to reduce barriers to efficient and effective implementing of the strategy.

**SEC. 558. BRADFORD AND SULLIVAN COUNTIES, PENNSYLVANIA.**

The Secretary is authorized to provide assistance for water-related environmental infrastructure and resource protection and development projects in Bradford and Sullivan Counties, Pennsylvania, using the funds and authorities provided in title I of the Energy and Water Development Appropriations Act, 1999 (Public Law 105-245) under the heading "CONSTRUCTION, GENERAL" (112 Stat. 1840) for similar projects in Lackawanna, Lycoming, Susquehanna, Wyoming, Pike, and Monroe Counties, Pennsylvania.

**SEC. 559. ERIE HARBOR, PENNSYLVANIA.**

The Secretary may reimburse the appropriate non-Federal interest not more than \$78,366 for architect and engineering costs incurred in connection with the Erie Harbor basin navigation project, Pennsylvania.

**SEC. 560. POINT MARION LOCK AND DAM, PENNSYLVANIA.**

The project for navigation, Point Marion Lock and Dam, Borough of Point Marion, Pennsylvania, as authorized by section 301(a) of the Water Resources Development Act of 1986 (100 Stat. 4110), is modified to direct the Secretary, in the operation and maintenance of the project, to mitigate damages to the shoreline, at a total cost of \$2,000,000. The cost of the mitigation shall be allocated as an operation and maintenance cost of a Federal navigation project.

**SEC. 561. SEVEN POINTS' HARBOR, PENNSYLVANIA.**

(a) **IN GENERAL.**—The Secretary is authorized, at full Federal expense, to construct a

breakwater-dock combination at the entrance to Seven Points' Harbor, Pennsylvania.

(b) **OPERATION AND MAINTENANCE COSTS.**—All operation and maintenance costs associated with the facility constructed under this section shall be the responsibility of the lessee of the marina complex at Seven Points' Harbor.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated \$850,000 to carry out this section.

**SEC. 562. SOUTHEASTERN PENNSYLVANIA.**

Section 566(b) of the Water Resources Development Act of 1996 (110 Stat. 3786) is amended by inserting "environmental restoration," after "water supply and related facilities,".

**SEC. 563. UPPER SUSQUEHANNA-LACKAWANNA WATERSHED RESTORATION INITIATIVE.**

(a) **IN GENERAL.**—The Secretary, in cooperation with appropriate Federal, State, and local agencies and nongovernmental institutions, is authorized to prepare a watershed plan for the Upper Susquehanna-Lackawanna Watershed (USGS Cataloging Unit 02050107). The plan shall utilize geographic information system and shall include a comprehensive environmental assessment of the watershed's ecosystem, a comprehensive flood plain management plan, a flood plain protection plan, water resource and environmental restoration projects, water quality improvement, and other appropriate infrastructure and measures.

(b) **NON-FEDERAL SHARE.**—The non-Federal share of the cost of preparation of the plan under this section shall be 50 percent. Services and materials instead of cash may be credited toward the non-Federal share of the cost of the plan.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$5,000,000 for fiscal years beginning after September 30, 1999.

**SEC. 564. AGUADILLA HARBOR, PUERTO RICO.**

The Secretary shall conduct a study to determine if erosion and additional storm damage risks that exist in the vicinity of Aguadilla Harbor, Puerto Rico, are the result of a Federal navigation project. If the Secretary determines that such erosion and additional storm damage risks are the result of the project, the Secretary shall take appropriate measures to mitigate the erosion and storm damage.

**SEC. 565. OAHE DAM TO LAKE SHARPE, SOUTH DAKOTA, STUDY.**

Section 441 of the Water Resources Development Act of 1996 (110 Stat. 3747) is amended—

(1) by inserting "(a) INVESTIGATION." before "The Secretary"; and

(2) by adding at the end the following:

"(b) **REPORT.**—Not later than September 30, 1999, the Secretary shall transmit to Congress a report on the results of the investigation under this section. The report shall include the examination of financing options for regular maintenance and preservation of the lake. The report shall be prepared in coordination and cooperation with the Natural Resources Conservation Service, other Federal agencies, and State and local officials."

**SEC. 566. INTEGRATED WATER MANAGEMENT PLANNING, TEXAS.**

(a) **IN GENERAL.**—The Secretary, in cooperation with other Federal agencies and the State of Texas, shall provide technical, planning, and design assistance to non-Federal interests in developing integrated water management plans and projects that will serve the cities, counties, water agencies,

and participating planning regions under the jurisdiction of the State of Texas.

(b) **PURPOSES OF ASSISTANCE.**—Assistance provided under subsection (a) shall be in support of non-Federal planning and projects for the following purposes:

(1) Plan and develop integrated, near- and long-term water management plans that address the planning region's water supply, water conservation, and water quality needs.

(2) Study and develop strategies and plans that restore, preserve, and protect the State's and planning region's natural ecosystems.

(3) Facilitate public communication and participation.

(4) Integrate such activities with other ongoing Federal and State projects and activities associated with the State of Texas water plan and the State of Texas legislation.

(c) **COST SHARING.**—The non-Federal share of the cost of assistance provided under subsection (a) shall be 50 percent, of which up to 1/2 of the non-Federal share may be provided as in kind services.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section, \$10,000,000 for the fiscal years beginning after September 30, 1999.

**SEC. 567. BOLIVAR PENINSULA, JEFFERSON, CHAMBERS, AND GALVESTON COUNTIES, TEXAS.**

(a) **SHORE PROTECTION PROJECT.**—The Secretary is authorized to design and construct a shore protection project between the south jetty of the Sabine Pass Channel and the north jetty of the Galveston Harbor Entrance Channel in Jefferson, Chambers, and Galveston Counties, Texas, including beneficial use of dredged material from Federal navigation projects.

(b) **APPLICABILITY OF BENEFIT-COST RATIO WAIVER AUTHORITY.**—In evaluating and implementing the project, the Secretary shall allow the non-Federal interest to participate in the financing of the project in accordance with section 903(c) of the Water Resources Development Act of 1986 (100 Stat. 4184), notwithstanding any limitation on the purpose of projects to which such section applies, to the extent that the Secretary's evaluation indicates that applying such section is necessary to implement the project.

**SEC. 568. GALVESTON BEACH, GALVESTON COUNTY, TEXAS.**

The Secretary is authorized to design and construct a shore protection project between the Galveston South Jetty and San Luis Pass, Galveston County, Texas, using innovative nourishment techniques, including beneficial use of dredged material from Federal navigation projects.

**SEC. 569. PACKERY CHANNEL, CORPUS CHRISTI, TEXAS.**

(a) **IN GENERAL.**—The Secretary shall construct a navigation and storm protection project at Packery Channel, Mustang Island, Texas, consisting of construction of a channel and a channel jetty and placement of sand along the length of the seawall.

(b) **ECOLOGICAL AND RECREATIONAL BENEFITS.**—In evaluating the project, the Secretary shall include the ecological and recreational benefits of reopening the Packery Channel.

(c) **APPLICABILITY OF BENEFIT-COST RATIO WAIVER AUTHORITY.**—In evaluating and implementing the project, the Secretary shall allow the non-Federal interest to participate in the financing of the project in accordance with section 903(c) of the Water Resources Development Act of 1986 (100 Stat. 4184), notwithstanding any limitation on the purpose of projects to which such section applies, to

the extent that the Secretary's evaluation indicates that applying such section is necessary to implement the project.

#### SEC. 570. NORTHERN WEST VIRGINIA.

The projects described in the following reports are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, recommended in such reports:

(1) PARKERSBURG, WEST VIRGINIA.—Report of the Corps of Engineers entitled "Parkersburg/Vienna Riverfront Park Feasibility Study", dated June 1998, at a total cost of \$8,400,000, with an estimated Federal cost of \$4,200,000, and an estimated non-Federal cost of \$4,200,000.

(2) WEIRTON, WEST VIRGINIA.—Report of the Corps of Engineers entitled "Feasibility Master Plan for Weirton Port and Industrial Center, West Virginia Public Port Authority", dated December 1997, at a total cost of \$18,000,000, with an estimated Federal cost of \$9,000,000, and an estimated non-Federal cost of \$9,000,000.

(3) ERICKSON/WOOD COUNTY, WEST VIRGINIA.—Report of the Corps of Engineers entitled "Feasibility Master Plan for Erickson/Wood County Port District, West Virginia Public Port Authority", dated July 7, 1997, at a total cost of \$28,000,000, with an estimated Federal cost of \$14,000,000, and an estimated non-Federal cost of \$14,000,000.

(4) MONONGAHELA RIVER, WEST VIRGINIA.—Monongahela River, West Virginia, Comprehensive Study Reconnaissance Report, dated September 1995, consisting of the following elements:

(A) Morgantown Riverfront Park, Morgantown, West Virginia, at a total cost of \$1,600,000, with an estimated Federal cost of \$800,000 and an estimated non-Federal cost of \$800,000.

(B) Caperton Rail to Trail, Monongahela County, West Virginia, at a total cost of \$4,425,000, with an estimated Federal cost of \$2,212,500 and an estimated non-Federal cost of \$2,212,500.

(C) Palatine Park, Fairmont, West Virginia, at a total cost of \$1,750,000, with an estimated Federal cost of \$875,000 and an estimated non-Federal cost of \$875,000.

#### SEC. 571. URBANIZED PEAK FLOOD MANAGEMENT RESEARCH.

(a) IN GENERAL.—The Secretary shall develop and implement a research program to evaluate opportunities to manage peak flood flows in urbanized watersheds located in the State of New Jersey.

(b) SCOPE OF RESEARCH.—The research program authorized by subsection (a) shall be accomplished through the New York District. The research shall specifically include the following:

(1) Identification of key factors in urbanized watersheds that are under development and impact peak flows in the watersheds and downstream of the watersheds.

(2) Development of peak flow management models for 4 to 6 watersheds in urbanized areas located with widely differing geology, areas, shapes, and soil types that can be used to determine optimal flow reduction factors for individual watersheds.

(3) Utilization of such management models to determine relationships between flow and reduction factors and change in imperviousness, soil types, shape of the drainage basin, and other pertinent parameters from existing to ultimate conditions in watersheds under consideration for development.

(4) Development and validation of an inexpensive accurate model to establish flood reduction factors based on runoff curve numbers, change in imperviousness, the shape of the basin, and other pertinent factors.

(c) REPORT TO CONGRESS.—The Secretary shall evaluate policy changes in the planning process for flood control projects based on the results of the research authorized by this section and transmit to Congress a report not later than 3 years after the date of the enactment of this Act.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carryout this section \$3,000,000 for fiscal years beginning after September 30, 1999.

(e) FLOW REDUCTION FACTORS DEFINED.—In this section, the term "flow reduction factors" means the ratio of estimated allowable peak flows of stormwater after projected development when compared to pre-existing conditions.

#### SEC. 572. MISSISSIPPI RIVER COMMISSION.

Section 8 of the Flood Control Act of May 15, 1928 (Public Law 391, 70th Congress), is amended by striking "\$7,500" and inserting "\$21,500".

#### SEC. 573. COASTAL AQUATIC HABITAT MANAGEMENT.

(a) IN GENERAL.—The Secretary may cooperate with the Secretaries of Agriculture and the Interior, the Administrators of the Environmental Protection Agency and the National Oceanic and Atmospheric Administration, other appropriate Federal, State, and local agencies, and affected private entities, in the development of a management strategy to address problems associated with toxic microorganisms and the resulting degradation of ecosystems in the tidal and nontidal wetlands and waters of the United States for the States along the Atlantic Ocean. As part of such management strategy, the Secretary may provide planning, design, and other technical assistance to each participating State in the development and implementation of nonregulatory measures to mitigate environmental problems and restore aquatic resources.

(b) COST SHARING.—The Federal share of the cost of measures undertaken under this section shall not exceed 65 percent.

(c) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(d) AUTHORIZATION OF APPROPRIATION.—There is authorized to be appropriated to carry out this section \$7,000,000 for fiscal years beginning after September 30, 1999.

#### SEC. 574. WEST BATON ROUGE PARISH, LOUISIANA.

The Secretary shall expedite completion of the report for the West Baton Rouge Parish, Louisiana, project for waterfront and riverine preservation, restoration, and enhancement modifications along the Mississippi River.

#### SEC. 575. ABANDONED AND INACTIVE NONCOAL MINE RESTORATION.

(a) IN GENERAL.—The Secretary is authorized to provide technical, planning, and design assistance to Federal and non-Federal interests for carrying out projects to address water quality problems caused by drainage and related activities from abandoned and inactive noncoal mines.

(b) SPECIFIC MEASURES.—Assistance provided under subsection (a) may be in support of projects for the following purposes:

(1) Management of drainage from abandoned and inactive noncoal mines.

(2) Restoration and protection of streams, rivers, wetlands, other waterbodies, and riparian areas degraded by drainage from abandoned and inactive noncoal mines.

(3) Demonstration of management practices and innovative and alternative treat-

ment technologies to minimize or eliminate adverse environmental effects associated with drainage from abandoned and inactive noncoal mines.

(c) NON-FEDERAL SHARE.—The non-Federal share of the cost of assistance under subsection (a) shall be 50 percent; except that the Federal share with respect to projects located on lands owned by the United States shall be 100 percent.

(d) EFFECT ON AUTHORITY OF THE SECRETARY OF THE INTERIOR.—Nothing in this section shall be construed as affecting the authority of the Secretary of the Interior under title IV of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231 et seq.).

(e) TECHNOLOGY DATABASE FOR RECLAMATION OF ABANDONED MINES.—The Secretary is authorized to provide assistance to non-Federal and non-profit entities to develop, manage, and maintain a database of conventional and innovative, cost-effective technologies for reclamation of abandoned and inactive noncoal mine sites. Such assistance shall be provided through the rehabilitation of abandoned mine sites program, managed by the Sacramento District Office of the Corps of Engineers.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000.

#### SEC. 576. BENEFICIAL USE OF WASTE TIRE RUBBER.

(a) IN GENERAL.—The Secretary is authorized to conduct pilot projects to encourage the beneficial use of waste tire rubber, including crumb rubber, recycled from tires. Such beneficial use may include marine pilings, underwater framing, floating docks with built-in flotation, utility poles, and other uses associated with transportation and infrastructure projects receiving Federal funds. The Secretary shall, when appropriate, encourage the use of waste tire rubber, including crumb rubber, in such federally funded projects.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000 for fiscal years beginning after September 30, 1998.

#### SEC. 577. SITE DESIGNATION.

Section 102(c)(4) of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1412(c)(4)) is amended by striking "January 1, 2000" and inserting "January 1, 2005".

#### SEC. 578. LAND CONVEYANCES.

(a) EXCHANGE OF LAND IN PIKE COUNTY, MISSOURI.—

(1) EXCHANGE OF LAND.—Subject to paragraphs (3) and (4), at such time as Holnam Inc. conveys all right, title, and interest in and to the land described in paragraph (2)(A) to the United States, the Secretary shall convey all right, title, and interest in the land described in paragraph (2)(B) to Holnam Inc.

(2) DESCRIPTION OF LANDS.—The lands referred to in paragraph (1) are the following:

(A) NON-FEDERAL LAND.—152.45 acres with existing flowage easements situated in Pike County, Missouri, described a portion of Government Tract Number FM-9 and all of Government Tract Numbers FM-11, FM-10, FM-12, FM-13, and FM-16, owned and administered by the Holnam Inc.

(B) FEDERAL LAND.—152.61 acres situated in Pike County, Missouri, known as Government Tract Numbers FM-17 and a portion of FM-18, administered by the Corps of Engineers.

(3) CONDITIONS OF EXCHANGE.—The exchange of land authorized by paragraph (1) shall be subject to the following conditions:

## (A) DEEDS.—

(i) FEDERAL LAND.—The instrument of conveyance used to convey the land described in paragraph (2)(B) to Holnam Inc. shall contain such reservations, terms, and conditions as the Secretary considers necessary to allow the United States to operate and maintain the Mississippi River 9-Foot Navigation Project.

(ii) NON-FEDERAL LAND.—The conveyance of the land described in paragraph (2)(A) to the Secretary shall be by a warranty deed acceptable to the Secretary.

(B) REMOVAL OF IMPROVEMENTS.—Holnam Inc. may remove any improvements on the land described in paragraph (2)(A). The Secretary may require Holnam Inc. to remove any improvements on the land described in paragraph (2)(A). In either case, Holnam Inc. shall hold the United States harmless from liability, and the United States shall not incur cost associated with the removal or relocation of any such improvements.

(C) TIME LIMIT FOR EXCHANGE.—The land exchange authorized by paragraph (1) shall be completed not later than 2 years after the date of the enactment of this Act.

(D) LEGAL DESCRIPTION.—The Secretary shall provide the legal description of the land described in paragraph (2). The legal description shall be used in the instruments of conveyance of the land.

(E) ADMINISTRATIVE COSTS.—The Secretary shall require Holnam Inc. to pay reasonable administrative costs associated with the exchange.

(4) VALUE OF PROPERTIES.—If the appraised fair market value, as determined by the Secretary, of the land conveyed to Holnam Inc. by the Secretary under paragraph (1) exceeds the appraised fair market value, as determined by the Secretary, of the land conveyed to the United States by Holnam Inc. under paragraph (1), Holnam Inc. shall make a payment equal to the excess in cash or a cash equivalent to the United States.

(b) CANDY LAKE PROJECT, OSAGE COUNTY, OKLAHOMA.—

(1) DEFINITIONS.—In this subsection, the following definitions apply:

(A) FAIR MARKET VALUE.—The term "fair market value" means the amount for which a willing buyer would purchase and a willing seller would sell a parcel of land, as determined by a qualified, independent land appraiser.

(B) PREVIOUS OWNER OF LAND.—The term "previous owner of land" means a person (including a corporation) that conveyed, or a descendant of a deceased individual who conveyed, land to the Corps of Engineers for use in the Candy Lake project in Osage County, Oklahoma.

## (2) LAND CONVEYANCES.—

(A) IN GENERAL.—The Secretary shall convey, in accordance with this subsection, all right, title, and interest of the United States in and to the land acquired by the United States for the Candy Lake project in Osage County, Oklahoma.

## (B) PREVIOUS OWNERS OF LAND.—

(i) IN GENERAL.—The Secretary shall give a previous owner of land the first option to purchase the land described in subparagraph (A).

## (ii) APPLICATION.—

(I) IN GENERAL.—A previous owner of land that desires to purchase the land described in subparagraph (A) that was owned by the previous owner of land, or by the individual from whom the previous owner of land is descended, shall file an application to purchase the land with the Secretary not later than 180 days after the official date of notice to

the previous owner of land under paragraph (3).

(II) FIRST TO FILE HAS FIRST OPTION.—If more than 1 application is filed to purchase a parcel of land described in subparagraph (A), the first option to purchase the parcel of land shall be determined in the order in which applications for the parcel of land were filed.

(iii) IDENTIFICATION OF PREVIOUS OWNERS OF LAND.—As soon as practicable after the date of the enactment of this Act, the Secretary shall, to the extent practicable, identify each previous owner of land.

(iv) CONSIDERATION.—Consideration for land conveyed under this paragraph shall be the fair market value of the land.

(C) DISPOSAL.—Any land described in subparagraph (A) for which an application to purchase the land has not been filed under subparagraph (B)(ii) within the applicable time period shall be disposed of in accordance with law.

(D) EXTINGUISHMENT OF EASEMENTS.—All flowage easements acquired by the United States for use in the Candy Lake project in Osage County, Oklahoma, are extinguished.

## (3) NOTICE.—

(A) IN GENERAL.—The Secretary shall notify—

(i) each person identified as a previous owner of land under paragraph (2)(B)(iii), not later than 90 days after identification, by United States mail; and

(ii) the general public, not later than 90 days after the date of the enactment of this Act, by publication in the Federal Register.

(B) CONTENTS OF NOTICE.—Notice under this paragraph shall include—

(i) a copy of this subsection;

(ii) information sufficient to separately identify each parcel of land subject to this subsection; and

(iii) specification of the fair market value of each parcel of land subject to this subsection.

(C) OFFICIAL DATE OF NOTICE.—The official date of notice under this paragraph shall be the later of—

(i) the date on which actual notice is mailed; or

(ii) the date of publication of the notice in the Federal Register.

(c) LAKE HUGO, OKLAHOMA, AREA LAND CONVEYANCE.—

(1) IN GENERAL.—As soon as practicable after the date of the enactment of this Act, the Secretary shall convey at fair market value to Choctaw County Industrial Authority, Oklahoma, the property described in paragraph (2).

(2) DESCRIPTION.—The property to be conveyed under paragraph (1) is—

(A) that portion of land at Lake Hugo, Oklahoma, above elevation 445.2 located in the N½ of the NW¼ of Section 24, R 18 E, T 6 S, and the S½ of the SW¼ of Section 13, R 18 E, T 6 S bounded to the south by a line 50 north on the centerline of Road B of Sawyer Bluff Public Use Area and to the north by the ½ quarter section line forming the south boundary of Wilson Point Public Use Area; and

(B) a parcel of property at Lake Hugo, Oklahoma, commencing at the NE corner of the SE¼ SW¼ of Section 13, R 18 E, T 6 S, 100 feet north, then east approximately ½ mile to the county line road between Section 13, R 18 E, T 6 S, and Section 18, R 19 E, T 6 S.

(3) TERMS AND CONDITIONS.—The conveyances under this subsection shall be subject to such terms and conditions, including payment of reasonable administrative costs and compliance with applicable Federal flood-

plain management and flood insurance programs, as the Secretary considers necessary and appropriate to protect the interests of the United States.

(d) CONVEYANCE OF PROPERTY IN MARSHALL COUNTY, OKLAHOMA.—

(1) IN GENERAL.—The Secretary shall convey to the State of Oklahoma all right, title, and interest of the United States to real property located in Marshall County, Oklahoma, and included in the Lake Texoma (Denison Dam), Oklahoma and Texas, project consisting of approximately 1,580 acres and leased to the State of Oklahoma for public park and recreation purposes.

(2) CONSIDERATION.—Consideration for the conveyance under paragraph (1) shall be the fair market value of the real property, as determined by the Secretary. All costs associated with the conveyance under paragraph (1) shall be paid by the State of Oklahoma.

(3) DESCRIPTION.—The exact acreage and legal description of the real property to be conveyed under paragraph (1) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be paid by the State of Oklahoma.

(4) ENVIRONMENTAL COMPLIANCE.—Before making the conveyance under paragraph (1), the Secretary shall—

(A) conduct an environmental baseline survey to determine if there are levels of contamination for which the United States would be responsible under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.); and

(B) ensure that the conveyance complies with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(5) OTHER TERMS AND CONDITIONS.—The conveyance under paragraph (1) shall be subject to such other terms and conditions as the Secretary considers necessary and appropriate to protect the interests of the United States, including reservation by the United States of a flowage easement over all portions of the real property to be conveyed that are at or below elevation 645.0 NGVD.

(e) SUMMERFIELD CEMETERY ASSOCIATION, OKLAHOMA, LAND CONVEYANCE.—

(1) IN GENERAL.—As soon as practicable after the date of the enactment of this Act, the Secretary shall transfer to the Summerfield Cemetery Association, Oklahoma, all right, title, and interest of the United States in and to the land described in paragraph (3) for use as a cemetery.

(2) REVERSION.—If the land to be transferred under this subsection ever cease to be used as a not-for-profit cemetery or for other public purposes the land shall revert to the United States.

(3) DESCRIPTION.—The land to be conveyed under this subsection is the approximately 10 acres of land located in Leflore County, Oklahoma, and described as follows:

## INDIAN BASIN MERIDIAN

Section 23, Township 5 North, Range 23 East  
SW SE SW NW  
NW NE NW SW  
N½ SW SW NW.

(4) CONSIDERATION.—The conveyance under this subsection shall be without consideration. All costs associated with the conveyance shall be paid by the Summerfield Cemetery Association, Oklahoma.

(5) OTHER TERMS AND CONDITIONS.—The conveyance under this subsection shall be subject to such other terms and conditions as the Secretary considers necessary and appropriate to protect the interests of the United States.

(f) DEXTER, OREGON.—

(1) IN GENERAL.—The Secretary shall convey to the Dexter Sanitary District all right, title, and interest of the United States in and to a parcel of land consisting of approximately 5 acres located at Dexter Lake, Oregon, under lease to the Dexter Sanitary District.

(2) CONSIDERATION.—Land to be conveyed under this section shall be conveyed without consideration. If the land is no longer held in public ownership or no longer used for wastewater treatment purposes, title to the land shall revert to the Secretary.

(3) TERMS AND CONDITIONS.—The conveyance by the United States shall be subject to such terms and conditions as the Secretary considers appropriate to protect the interests of the United States.

(4) DESCRIPTION.—The exact acreage and description of the land to be conveyed under paragraph (1) shall be determined by such surveys as the Secretary considers necessary. The cost of the surveys shall be borne by the Dexter Sanitary District.

(g) RICHARD B. RUSSELL DAM AND LAKE, SOUTH CAROLINA.—

(1) IN GENERAL.—Upon execution of an agreement under paragraph (4) and subject to the requirements of this subsection, the Secretary shall convey, without consideration, to the State of South Carolina all right, title, and interest of the United States to the lands described in paragraph (2) that are managed, as of the date of the enactment of this Act, by the South Carolina Department of Natural Resources for fish and wildlife mitigation purposes in connection with the Richard B. Russell Dam and Lake, South Carolina, project.

(2) DESCRIPTION.—

(A) IN GENERAL.—Subject to subparagraph (B), the lands to be conveyed under paragraph (1) are described in Exhibits A, F, and H of Army Lease Number DACW21-1-93-0910 and associated Supplemental Agreements or are designated in red in Exhibit A of Army License Number DACW21-3-85-1904; except that all designated lands in the license that are below elevation 346 feet mean sea level or that are less than 300 feet measured horizontally from the top of the power pool are excluded from the conveyance. Management of the excluded lands shall continue in accordance with the terms of Army License Number DACW21-3-85-1904 until the Secretary and the State enter into an agreement under paragraph (4).

(B) SURVEY.—The exact acreage and legal description of the lands to be conveyed under paragraph (1) shall be determined by a survey satisfactory to the Secretary, with the cost of the survey to be paid by the State. The State shall be responsible for all other costs, including real estate transaction and environmental compliance costs, associated with the conveyance.

(3) TERMS AND CONDITIONS.—

(A) MANAGEMENT OF LANDS.—All lands that are conveyed under paragraph (1) shall be retained in public ownership and shall be managed in perpetuity for fish and wildlife mitigation purposes in accordance with a plan approved by the Secretary. If the lands are not managed for such purposes in accordance with the plan, title to the lands shall revert to the United States. If the lands revert to the United States under this subparagraph, the Secretary shall manage the lands for such purposes.

(B) TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance as the Secretary considers appropriate to protect the interests of the United States.

(4) PAYMENTS.—

(A) AGREEMENTS.—The Secretary is authorized to pay to the State of South Carolina not more than \$4,850,000 if the Secretary and the State enter into a binding agreement for the State to manage for fish and wildlife mitigation purposes, in perpetuity, the lands conveyed under this subsection and the lands not covered by the conveyance that are designated in red in Exhibit A of Army License Number DACW21-3-85-1904.

(B) TERMS AND CONDITIONS.—The agreement shall specify the terms and conditions under which the payment will be made and the rights of, and remedies available to, the Federal Government to recover all or a portion of the payment in the event the State fails to manage the lands in a manner satisfactory to the Secretary.

(h) CHARLESTON, SOUTH CAROLINA.—The Secretary is authorized to convey the property of the Corps of Engineers known as the "Equipment and Storage Yard", located on Meeting Street in Charleston, South Carolina, in as-is condition for fair-market value with all proceeds from the conveyance to be applied by the Corps of Engineers, Charleston District, to offset a portion of the costs of moving or leasing (or both) an office facility in the City of Charleston.

(i) CLARKSTON, WASHINGTON.—

(1) IN GENERAL.—The Secretary shall convey to the Port of Clarkston, Washington, all right, title, and interest of the United States in and to a portion of the land described in Army Lease Number DACW68-1-97-22, consisting of approximately 31 acres, the exact boundaries of which shall be determined by the Secretary and the Port of Clarkston.

(2) ADDITIONAL LAND.—The Secretary may convey to the Port of Clarkston, Washington, at fair market value as determined by the Secretary, such additional land located in the vicinity of Clarkston, Washington, as the Secretary determines to be excess to the needs of the Columbia River Project and appropriate for conveyance.

(3) TERMS AND CONDITIONS.—The conveyances made under paragraphs (1) and (2) shall be subject to such terms and conditions as the Secretary determines to be necessary to protect the interests of the United States, including a requirement that the Port of Clarkston pay all administrative costs associated with the conveyances (including the cost of land surveys and appraisals and costs associated with compliance with applicable environmental laws, including regulations).

(4) USE OF LAND.—The Port of Clarkston shall be required to pay the fair market value, as determined by the Secretary, of any land conveyed pursuant to paragraph (1) that is not retained in public ownership or is used for other than public park or recreation purposes, except that the Secretary shall have a right of reverter to reclaim possession and title to any such land.

(j) LAND CONVEYANCE TO MATEWAN, WEST VIRGINIA.—

(1) IN GENERAL.—The United States shall convey by quit claim deed to the Town of Matewan, West Virginia, all right, title, and interest of the United States in and to four parcels of land deemed excess by the Secretary of the Army, acting through the Chief of the U.S. Army Corps of Engineers, to the structural project for flood control constructed by the Corps of Engineers along the Tug Fork River pursuant to section 202 of Public Law 96-367.

(2) PROPERTY DESCRIPTION.—The parcels of land referred to in paragraph (1) are as follows:

(A) A certain parcel of land in the State of West Virginia, Mingo County, Town of

Matewan, and being more particularly bounded and described as follows:

Beginning at a point on the southerly right-of-way line of a 40-foot-wide street right-of-way (known as McCoy Alley), having an approximate coordinate value of N228,695, E1,662,397, in the line common to the land designated as U.S.A. Tract No. 834, and the land designated as U.S.A. Tract No. 837, said point being South 51°52' East 81.8 feet from an iron pin and cap marked M-12 on the boundary of the Matewan Area Structural Project, on the north right-of-way line of said street, at a corner common to designated U.S.A. Tracts Nos. 834 and 836; thence, leaving the right-of-way of said street, with the line common to the land of said Tract No. 834, and the land of said Tract No. 837.

South 14°37' West 46 feet to the corner common to the land of said Tract No. 834, and the land of said Tract No. 837; thence, leaving the land of said Tract No. 837, severing the lands of said Project.

South 14°37' West 46 feet.

South 68°07' East 239 feet.

North 26°05' East 95 feet to a point on the southerly right-of-way line of said street; thence, with the right-of-way of said street, continuing to sever the lands of said Project.

South 63°55' East 206 feet; thence, leaving the right-of-way of said street, continuing to sever the lands of said Project.

South 26°16' West 63 feet; thence, with a curve to the left having a radius of 70 feet, a delta of 33°58', an arc length of 41 feet, the chord bearing.

South 09°17' West 41 feet; thence, leaving said curve, continuing to sever the lands of said Project.

South 07°42' East 31 feet to a point on the right-of-way line of the floodwall; thence, with the right-of-way of said floodwall, continuing to sever the lands of said Project.

South 77°04' West 71 feet.

North 77°10' West 46 feet.

North 67°07' West 254 feet.

North 67°54' West 507 feet.

North 57°49' West 66 feet to the intersection of the right-of-way line of said floodwall with the southerly right-of-way line of said street; thence, leaving the right-of-way of said floodwall and with the southerly right-of-way of said street, continuing to sever the lands of said Project.

North 83°01' East 171 feet.

North 89°42' East 74 feet.

South 83°39' East 168 feet.

South 83°38' East 41 feet.

South 77°26' East 28 feet to the point of beginning, containing 2.59 acres, more or less. The bearings and coordinate used herein are referenced to the West Virginia State Plane Coordinate System, South Zone.

(B) A certain parcel of land in the State of West Virginia, Mingo County, Town of Matewan, and being more particularly bounded and described as follows:

Beginning at an iron pin and cap designated Corner No. M2-2 on the southerly right-of-way line of the Norfolk and Western Railroad, having an approximate coordinate value of N228,755 E1,661,242, and being at the intersection of the right-of-way line of the floodwall with the boundary of the Matewan Area Structural Project; thence, leaving the right-of-way of said floodwall and with said Project boundary, and the southerly right-of-way of said Railroad.

North 59°45' East 34 feet.

North 69°50' East 44 feet.

North 58°11' East 79 feet.

North 66°13' East 102 feet.

North 69°43' East 98 feet.



North 77°39' East 18 feet.

North 72°39' East 13 feet to a point at the intersection of said Project boundary, and the southerly right-of-way of said Railroad, with the westerly right-of-way line of State Route 49/10; thence, leaving said Project boundary, and the southerly right-of-way of said Railroad, and with the westerly right-of-way of said road.

South 03°21' East 100 feet to a point at the intersection of the westerly right-of-way of said road with the right-of-way of said floodwall; thence, leaving the right-of-way of said road, and with the right-of-way line of said floodwall.

South 79°30' West 69 feet.

South 78°28' West 222 feet.

South 80°11' West 65 feet.

North 38°40' West 14 feet to the point of beginning, containing 0.53 acre, more or less. The bearings and coordinate used herein are referenced to the West Virginia State Plane Coordinate System, South Zone.

(C) A certain parcel of land in the State of West Virginia, Mingo County, Town of Matewan, and being more particularly bounded and described as follows:

Beginning at a point on the southerly right-of-way line of the Norfolk and Western Railroad, having an approximate coordinate value of N228,936 E1,661,672, and being at the intersection of the easterly right-of-way line of State Route 49/10 with the boundary of the Matewan Area Structural Project; thence, leaving the right-of-way of said road, and with said Project boundary, and the southerly right-of-way of said Railroad.

North 77°49' East 89 feet to an iron pin and cap designated as U.S.A. Corner No. M-4.

North 79°30' East 74 feet to an iron pin and cap designated as U.S.A. Corner No. M-5-1; thence, leaving the southerly right-of-way of said Railroad, and continuing with the boundary of said Project.

South 06°33' East 102 to an iron pipe and cap designated U.S.A. Corner No. M-6-1 on the northerly right-of-way line of State Route 49/28; thence, leaving the boundary of said Project, and with the right-of-way of said road, severing the lands of said Project.

North 80°59' West 171 feet to a point at the intersection of the Northerly right-of-way line of said State Route 49/28 with the easterly right-of-way line of said State Route 49/10; thence, leaving the right-of-way of said State Route 49/28 and with the right-of-way of said State Route 49/10.

North 03°21' West 42 feet to the point of beginning, containing 0.27 acre, more or less. The bearings and coordinate used herein are referenced to the West Virginia State Plane Coordinate System, South Zone.

(D) A certain parcel of land in the State of West Virginia, Mingo County, Town of Matewan, and being more particularly bounded and described as follows:

Beginning at a point at the intersection of the easterly right-of-way line of State Route 49/10 with the right-of-way line of the floodwall, having an approximate coordinate value of N228,826 E1,661,679; thence, leaving the right-of-way of said floodwall, and with the right-of-way of said State Route 49/10.

North 03°21' West 23 feet to a point at the intersection of the easterly right-of-way line of said State Route 49/10 with the southerly right-of-way line of State Route 49/28; thence, leaving the right-of-way of said State Route 49/10 and with the right-of-way of said State Route 49/28.

South 80°59' East 168 feet.

North 82°28' East 45 feet to an iron pin and cap designated as U.S.A. Corner No. M-8-1 on the boundary of the Western Area Structural

Project; thence, leaving the right-of-way of said State Route 49/28, and with said Project boundary.

South 08°28' East 88 feet to an iron pin and cap designated as U.S.A. Corner No. M-9-1 point on the northerly right-of-way line of a street (known as McCoy Alley); thence, leaving said Project boundary and with the northerly right-of-way of said street.

South 83°01' West 38 feet to a point on the right-of-way line of said floodwall; thence, leaving the right-of-way of said street, and with the right-of-way of said floodwall.

North 57°49' West 180 feet.

South 79°30' West 34 feet to a point of beginning, containing 0.24 acre, more or less. The bearings and coordinate used herein are referenced to the West Virginia State Plane Coordinate System, South Zone.

(K) MERRISACH LAKE, ARKANSAS COUNTY, ARKANSAS.—

(1) LAND CONVEYANCE.—Notwithstanding any other provision of law, the Secretary shall convey to eligible private property owners at fair market value, as determined by the Secretary, all right, title, and interest of the United States in and to certain lands acquired for Navigation Pool No. 2, McClellan-Kerr Arkansas River Navigation System, Merrisach Lake Project, Arkansas County, Arkansas.

(2) PROPERTY DESCRIPTION.—The lands to be conveyed under paragraph (1) include those lands lying between elevation 163, National Geodetic Vertical Datum of 1929, and the Federal Government boundary line for Tract Numbers 102, 129, 132-1, 132-2, 132-3, 134, 135, 136-1, 136-2, 138, 139, 140, 141, 142, 143, 144, and 145, located in sections 18, 19, 29, 30, 31, and 32, Township 7 South, Range 2 West, and the SE¼ of Section 36, Township 7 South, Range 3 West, Fifth Principal Meridian, with the exception of any land designated for public park purposes.

(3) TERMS AND CONDITIONS.—Any lands conveyed under paragraph (1) shall be subject to—

(A) a perpetual flowage easement prohibiting human habitation and restricting construction activities;

(B) the reservation of timber rights by the United States; and

(C) such additional terms and conditions as the Secretary considers appropriate to protect the interests of the United States.

(4) ELIGIBLE PROPERTY OWNER DEFINED.—In this subsection, the term “eligible private property owner” means the owner of record of land contiguous to lands owned by the United States in connection with the project referred to in paragraph (1).

**SEC. 579. NAMINGS.**

(a) FRANCIS BLAND FLOODWAY DITCH, ARKANSAS.—

(1) DESIGNATION.—8-Mile Creek in Paragould, Arkansas, shall be known and designated as the “Francis Bland Floodway Ditch”.

(2) LEGAL REFERENCE.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the creek referred to in paragraph (1) shall be deemed to be a reference to the “Francis Bland Floodway Ditch”.

(b) LAWRENCE BLACKWELL MEMORIAL BRIDGE, ARKANSAS.—

(1) DESIGNATION.—The bridge over lock and dam numbered 4 on the Arkansas River, Arkansas, constructed as part of the project for navigation on the Arkansas River and tributaries, shall be known and designated as the “Lawrence Blackwell Memorial Bridge”.

(2) LEGAL REFERENCE.—Any reference in a law, map, regulation, document, paper, or

other record of the United States to the bridge referred to in paragraph (1) shall be deemed to be a reference to the “Lawrence Blackwell Memorial Bridge”.

**SEC. 580. FOLSOM DAM AND RESERVOIR ADDITIONAL STORAGE AND ADDITIONAL FLOOD CONTROL STUDIES.**

(a) FOLSOM FLOOD CONTROL STUDIES.—

(1) IN GENERAL.—The Secretary, in consultation with the State of California and local water resources agencies, shall undertake a study of increasing surcharge flood control storage at the Folsom Dam and Reservoir.

(2) LIMITATIONS.—The study of the Folsom Dam and Reservoir undertaken under paragraph (1) shall assume that there is to be no increase in conservation storage at the Folsom Reservoir.

(3) REPORT.—Not later than March 1, 2000, the Secretary shall transmit to Congress a report on the results of the study under this subsection.

(b) AMERICAN AND SACRAMENTO RIVERS FLOOD CONTROL STUDY.—

(1) IN GENERAL.—The Secretary shall undertake a study of all levees on the American River and on the Sacramento River downstream and immediately upstream of the confluence of such Rivers to access opportunities to increase potential flood protection through levee modifications.

(2) DEADLINE FOR COMPLETION.—Not later than March 1, 2000, the Secretary shall transmit to Congress a report on the results of the study undertaken under this subsection.

**SEC. 581. WALLOPS ISLAND, VIRGINIA.**

(a) EMERGENCY ACTION.—The Secretary shall take emergency action to protect Wallops Island, Virginia, from damaging coastal storms, by improving and extending the existing seawall, replenishing and renourishing the beach, and constructing protective dunes.

(b) REIMBURSEMENT.—The Secretary may seek reimbursement from other Federal agencies whose resources are protected by the emergency action taken under subsection (a).

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$8,000,000.

**SEC. 582. DETROIT RIVER, DETROIT, MICHIGAN.**

(a) IN GENERAL.—The Secretary is authorized to repair and rehabilitate the seawalls on the Detroit River in Detroit, Michigan.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years beginning after September 30, 1999, \$1,000,000 to carry out this section.

**SEC. 583. NORTHEASTERN MINNESOTA.**

(a) ESTABLISHMENT OF PROGRAM.—The Secretary may establish a pilot program for providing environmental assistance to non-Federal interests in northeastern Minnesota.

(b) FORM OF ASSISTANCE.—Assistance under this section may be in the form of design and construction assistance for water-related environmental infrastructure and resource protection and development projects in northeastern Minnesota, including projects for wastewater treatment and related facilities, water supply and related facilities, environmental restoration, and surface water resource protection and development.

(c) PUBLIC OWNERSHIP REQUIREMENT.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(d) LOCAL COOPERATION AGREEMENT.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a local cooperation agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each local cooperation agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of project costs under each local cooperation agreement entered into under this subsection shall be 75 percent. The Federal share may be in the form of grants or reimbursements of project costs.

(B) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit for the reasonable costs of design work completed by the non-Federal interest prior to entering into a local cooperation agreement with the Secretary for a project. The credit for the design work shall not exceed 6 percent of the total construction costs of the project.

(C) CREDIT FOR INTEREST.—In the event of a delay in the funding of the non-Federal share of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of a project's cost.

(D) LAND, EASEMENTS, AND RIGHTS-OF-WAY CREDIT.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward its share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly owned or controlled land), but not to exceed 25 percent of total project costs.

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(f) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section shall be construed as waiving, limiting, or otherwise affecting the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(f) REPORT.—Not later than December 31, 2001, the Secretary shall transmit to Congress a report on the results of the pilot program carried out under this section, together with recommendations concerning whether or not such program should be implemented on a national basis.

(g) NORTHEASTERN MINNESOTA DEFINED.—In this section, the term "northeastern Minnesota" means the counties of Cook, Lake, St. Louis, Koochiching, Itasca, Cass, Crow Wing, Aitkin, Carlton, Pine, Kanabec, Mille Lacs, Morrison, Benton, Sherburne, Isanti, and Chisago, Minnesota.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$40,000,000 for fiscal years beginning after September 30, 1999. Such sums shall remain available until expended.

#### SEC. 584. ALASKA.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary may establish a pilot program for providing environmental assistance to non-Federal interests in Alaska.

(b) FORM OF ASSISTANCE.—Assistance under this section may be in the form of design and

construction assistance for water-related environmental infrastructure and resource protection and development projects in Alaska, including projects for wastewater treatment and related facilities, water supply and related facilities, and surface water resource protection and development.

(c) OWNERSHIP REQUIREMENTS.—The Secretary may provide assistance for a project under this section only if the project is publicly owned or is owned by a native corporation as defined by section 1602 of title 43, United States Code.

(d) LOCAL COOPERATION AGREEMENTS.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a local cooperation agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each local cooperation agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of the project costs under each local cooperation agreement entered into under this subsection shall be 75 percent. The Federal share may be in the form of grants or reimbursements of project costs.

(B) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit for the reasonable costs of design work completed by the non-Federal interest prior to entering into a local cooperation agreement with the Secretary for a project. The credit for the design work shall not exceed 6 percent of the total construction costs of the project.

(C) CREDIT FOR INTEREST.—In the event of a delay in the funding of the non-Federal share of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of a project's cost.

(D) LAND, EASEMENTS, AND RIGHTS-OF-WAY CREDIT.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward its share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly owned or controlled land), but not to exceed 25 percent of total project costs.

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(f) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section shall be construed as waiving, limiting, or otherwise affecting the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(f) REPORT.—Not later than December 31, 2001, the Secretary shall transmit to Congress a report on the results of the pilot program carried out under this section, together with recommendations concerning whether or not such program should be implemented on a national basis.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$25,000,000 for fiscal years beginning after September 30, 1999. Such sums shall remain available until expended.

#### SEC. 585. CENTRAL WEST VIRGINIA.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary may establish a pilot program for providing environmental assistance to non-Federal interests in central West Virginia.

(b) FORM OF ASSISTANCE.—Assistance under this section may be in the form of design and construction assistance for water-related environmental infrastructure and resource protection and development projects in central West Virginia, including projects for wastewater treatment and related facilities, water supply and related facilities, and surface water resource protection and development.

(c) PUBLIC OWNERSHIP REQUIREMENT.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(d) LOCAL COOPERATION AGREEMENTS.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a local cooperation agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each local cooperation agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of the project costs under each local cooperation agreement entered into under this subsection shall be 75 percent. The Federal share may be in the form of grants or reimbursements of project costs.

(B) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit for the reasonable costs of design work completed by the non-Federal interest prior to entering into a local cooperation agreement with the Secretary for a project. The credit for the design work shall not exceed 6 percent of the total construction costs of the project.

(C) CREDIT FOR INTEREST.—In the event of a delay in the funding of the non-Federal share of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of a project's cost.

(D) LAND, EASEMENTS, AND RIGHTS-OF-WAY CREDIT.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward its share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly owned or controlled land), but not to exceed 25 percent of total project costs.

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(f) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section shall

be construed as waiving, limiting, or otherwise affecting the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(f) **REPORT.**—Not later than December 31, 2001, the Secretary shall transmit to Congress a report on the results of the pilot program carried out under this section, together with recommendations concerning whether or not such program should be implemented on a national basis.

(g) **CENTRAL WEST VIRGINIA DEFINED.**—In this section, the term “central West Virginia” means the counties of Mason, Jackson, Putnam, Kanawha, Roane, Wirt, Calhoun, Clay, Nicholas, Braxton, Gilmer, Lewis, Upshur, Randolph, Pendleton, Hardy, Hampshire, Morgan, Berkeley, and Jefferson, West Virginia.

(h) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$10,000,000 for fiscal years beginning after September 30, 1999. Such sums shall remain available until expended.

**SEC. 586. SACRAMENTO METROPOLITAN AREA WATERSHED RESTORATION, CALIFORNIA.**

(a) **IN GENERAL.**—The Secretary is authorized to undertake environmental restoration activities included in the Sacramento Metropolitan Water Authority’s “Watershed Management Plan”. These activities shall be limited to cleanup of contaminated groundwater resulting directly from the acts of any Federal agency or Department of the Federal Government at or in the vicinity of McClellan Air Force Base, California; Mather Air Force Base, California; Sacramento Army Depot, California; or any location within the watershed where the Federal Government would be a responsible party under any Federal environmental law.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$5,000,000 for fiscal years beginning after September 30, 1999.

**SEC. 587. ONONDAGA LAKE.**

(a) **IN GENERAL.**—The Secretary is authorized to plan, design, and construct projects for the environmental restoration, conservation, and management of Onondaga Lake, New York, and to provide, in coordination with the Administrator of the Environmental Protection Agency, financial assistance to the State of New York and political subdivisions thereof for the development and implementation of projects to restore, conserve, and manage Onondaga Lake.

(b) **PARTNERSHIP.**—In carrying out this section, the Secretary shall establish a partnership with appropriate Federal agencies (including the Environmental Protection Agency) and the State of New York and political subdivisions thereof for the purpose of project development and implementation. Such partnership shall be dissolved not later than 15 years after the date of the enactment of this Act.

(c) **COST SHARING.**—The non-Federal share of the cost of a project constructed under subsection (a) shall be not less than 30 percent of the total cost of the project and may be provided through in-kind services.

(d) **EFFECT ON LIABILITY.**—Financial assistance provided under this section shall not relieve from liability any person who would otherwise be liable under Federal or State law for damages, response costs, natural resource damages, restitution, equitable relief, or any other relief.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated

\$10,000,000 to carry out the purposes of this section.

(f) **REPEAL.**—Section 401 of the Great Lakes Critical Programs Act of 1990 (104 Stat. 3010) and section 411 of the Water Resources Development Act of 1990 (104 Stat. 4648) are repealed as of the date of the enactment of this Act.

**SEC. 588. EAST LYNN LAKE, WEST VIRGINIA.**

The Secretary shall defer any decision relating to the leasing of mineral resources underlying East Lynn Lake, West Virginia, project lands to the Federal entity vested with such leasing authority.

**SEC. 589. EEL RIVER, CALIFORNIA.**

The Secretary shall conduct a study to determine if flooding in the City of Ferndale, California, is the result of a Federal flood control project on the Eel River. If the Secretary determines that the flooding is the result of the project, the Secretary shall take appropriate measures (including dredging of the Salt River and construction of sediment ponds at the confluence of Francis, Reas, and Williams Creeks) to mitigate the flooding.

**SEC. 590. NORTH LITTLE ROCK, ARKANSAS.**

(a) **IN GENERAL.**—The Secretary shall review a report prepared by the non-Federal interest concerning flood protection for the Dark Hollow area of North Little Rock, Arkansas. If the Secretary determines that the report meets the evaluation and design standards of the Corps of Engineers and that the project is economically justified, technically sound, and environmentally acceptable, the Secretary shall carry out the project.

(b) **TREATMENT OF DESIGN AND PLAN PREPARATION COSTS.**—The costs of design and preparation of plans and specifications shall be included as project costs and paid during construction.

**SEC. 591. UPPER MISSISSIPPI RIVER, MISSISSIPPI PLACE, ST. PAUL, MINNESOTA.**

(a) **IN GENERAL.**—The Secretary may enter into a cooperative agreement to participate in a project for the planning, design, and construction of infrastructure and other improvements at Mississippi Place, St. Paul, Minnesota.

(b) **COST SHARING.**—

(1) **IN GENERAL.**—The Federal share of the cost of the project shall be 50 percent. The Federal share may be provided in the form of grants or reimbursements of project costs.

(2) **CREDIT FOR NON-FEDERAL WORK.**—The non-Federal interest shall receive credit toward the non-Federal share of the cost of the project for reasonable costs incurred by the non-Federal interests as a result of participation in the planning, design, and construction of the project.

(3) **LAND, EASEMENTS, AND RIGHTS-OF-WAY CREDIT.**—The non-Federal interest shall receive credit toward the non-Federal share of the cost of the project for land, easements, rights-of-way, and relocations provided by the non-Federal interest with respect to the project.

(4) **OPERATION AND MAINTENANCE.**—The non-Federal share of operation and maintenance costs for the project shall be 100 percent.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated \$3,000,000 to carry out this section.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: “To provide for the conservation and development of

water and related resources, to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes”.

A motion to reconsider was laid on the table.

**APPOINTMENT OF CONFEREES**

Mr. BOEHLERT. Mr. Speaker, I ask unanimous consent to insist on the House amendment, and request a conference with the Senate thereon.

The SPEAKER pro tempore (Mr. EHRLICH). Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. SHUSTER, YOUNG of Alaska, BOEHLERT, BAKER, DOOLITTLE, SHERWOOD, OBERSTAR, BORSKI, Mrs. TAUSCHER, and Mr. BAIRD.

There was no objection.

**SPECIAL ORDERS**

The SPEAKER pro tempore (Mr. TERRY). Under the Speaker’s announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

**REVIEW OF FINANCIAL FREEDOM ACT**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. EHRLICH) is recognized for 5 minutes.

Mr. EHRLICH. Mr. Speaker, over the last 24 hours we have sure heard it all from the floor of this House. The usual class warfare, us versus them; the usual class envy rhetoric concerning the rich. And how many folks watching the national TV right this second making \$40,000 a year with a couple of kids know that they are rich, or making \$50,000 a year with four children and believe they are rich? Very few, I suspect.

We have seen revisionist history, Mr. Speaker, in how we got to a, what seemed to be just a few years ago, permanent deficit situation in this country as the minority party controlled this House for 40 years.

What we saw most of all, Mr. Speaker, however, was a great sense of frustration because the Speaker and this majority have moved a bill to return money to the people, to the pockets of the people, a comprehensive package that rewards married couples, senior citizens, working families, the self-employed schools, and distressed neighborhoods.

The Republican tax relief plan improves the lives, Mr. Speaker, of all Americans. One of the most unfair provisions in our present tax code, Mr.

Speaker, is its treatment of married couples. They pay more in taxes simply because they choose to get married. The Republican plan ends this unfair so-called marriage penalty. It allows married couples to claim a standard deduction for a single taxpayer to the benefit of 42 million taxpayers.

Families with single people also benefit. The Republican tax plan provides for a phased in 10 percent deduction in individual rates over the next 10 years. Taxpayers know best how to spend their own money. Washington needs to get out of the way and let taxpayers control their own money. That thought is why many of us were sent to Washington in the first place.

The cost of education continues to rise. The Republican plan provides meaningful tax relief. First, our legislation increases from \$500 to \$2,000 the contribution limit for education savings accounts.

Second, the bill permits private universities to offer prepaid tuition plans and exempts the earnings from all prepaid plans from Federal taxation, a real good idea.

Third, the plan eliminates the 60-month limitation on the student loan interest deduction. The Republican plan also addresses the basic brick and mortar issues associated with quality education. Unlike the President's bad idea to take general fund revenue and build public schools, our public school construction initiative makes permanent statutory changes so that State and local governments issuing public school construction bonds can more easily comply with the appropriate rules.

Similar to education, the cost of health care keeps rising. The Republican plan makes health care and long-term care more affordable and accessible to all Americans. Of particular significance, our plan allows a 100 percent deduction for health care premiums and long-term care insurance premiums. It is about time.

Our proposal also recognizes the financial hardships associated with caring for elderly members at home. We provide for an additional personal exemption for these taxpayers. Likewise, the Republican plan allows employers to offer long-term care insurance and cafeteria plans.

Finally, our plans expand the availability of medical savings accounts.

Mr. Speaker, the Republican plan properly buries the death tax that forces many Americans to pay the IRS 37 to 55 percent of their savings when they die, immoral, inefficient, wrong. It is time we got rid of it. This bill is the first step.

Finally, Mr. Speaker, the Republican plan also provides significant tax incentives for families and businesses in distressed neighborhoods. The family development accounts encourage low-income families to save a portion of

their income by allowing tax-free withdrawal for education expenses, a first home, a business start-up, or certain medical expenses.

Mr. Speaker, hardworking Americans deserve the benefits that the Republican tax relief plan offers. It is imperative that this Congress ensure these benefits become a reality. The people deserve it. The workers deserve it. The taxpayers deserve it.

#### GUAM'S EXPERIENCE IN WORLD WAR II

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Guam (Mr. UNDERWOOD) is recognized for 60 minutes as the designee of the minority leader.

Mr. UNDERWOOD. Mr. Speaker, this evening I would like to do a World War II commemorative speech about the experiences of the people of Guam that I had intended to do last night.

Yesterday, July 21st, is a very special day in Guam's history. It is the day that the Third Marine Division, United States Marine Corps, and First Provisional Brigade of the U.S. Marine Corps and elements of the 77th Infantry Division of the U.S. Army landed on Guam to begin the liberation of Guam from the Japanese occupation.

Annually on Guam, and certainly for the past few weeks, we celebrate this event with parades and solemn speeches, a carnival and commemorative festivities which honor both the veterans who came to Guam's shores to liberate the people of Guam and for the people of Guam themselves, my people, the people who endured a brutal enemy occupation for over 2½ years.

Now, World War II, of course, is a very seminal event of this century, and Guam plays a very unique part in that. I want to talk a little bit about that this evening.

On December 8, 1941, the Japanese began bombing Guam and they landed about 5,000 army troops on December 10 of 1941. This attack was carried out simultaneously with attacks on Pearl Harbor and the Philippines. Of course, Guam being on the other side of the date line, the attack which was carried out at the same time as Pearl Harbor actually was on December 8 and not December 7.

The Japanese occupation featured a serious time of deprivation, suffering and brutality which the people of Guam, who are ethnically referred to as the Chamorro people, who were at that time not U.S. citizens but occupied a political category called U.S. nationals, endured and survived.

My purpose this evening is to give a historical perspective to those events which occurred some 55 years ago, in July of 1944, on a distant U.S. territory, to enhance the understanding of the Members of this body and the

American people in general about the wartime experience of Guam and the postwar period which helped shape the relationship between Guam and the Federal Government.

Guam's experience is not unique if measured against the general experience of occupied peoples during a time of war, whether it was in Europe or China or the Philippines. Guam, after all, did not have a monopoly on human suffering. But it is a unique and special story about dignity in the midst of political and wartime machinations of large powers over small peoples and of a demonstrated loyalty to America, the kind of loyalty which was tested, the kind of loyalty that has not been asked of any civilian American community under the flag at any time during the 20th century.

□ 1845

In earlier years it may not have been necessary to give this kind of speech in Congress. Two or 3 decades ago the Members of this body were themselves, the majority of Members of this body were themselves World War II veterans who understood what the Battle of Guam was and who probably remembered it personally, if not directly from war time experience, but certainly just being part of World War II.

Today unfortunately, most people know very little about Guam. Most Members know very little about the Battle of Guam, and perhaps think of Guam only occasionally, probably more for exaggerated stories about snakes than for the historical experience of a great and loyal people.

When the Japanese landed in December of 1941, the 5,000 Japanese soldiers faced 153 Marines, 271 naval personnel, 134 Pan American workers and some 20,000 natives that I referred to earlier who were commonly called Chamorros. All of the Americans, meaning U.S. citizen civilians, had been evacuated on October 17, 1941, in full expectation a few months before Pearl Harbor, that something was going to happen in the Pacific.

In the Aleutian Islands in Alaska all of the islanders were evacuated with the full understanding that the Japanese may occupy those islands; and so, therefore, all of the civilians were removed.

But the people of Guam remained the only American civilian community open to and eventually experiencing enemy occupation during World War II.

At the time the only units that attempted to engage the Japanese in a very brief, but symbolic, and several people died, was a unit known as the Guam Insular Guard and Insular Force which were really people who had joined the U.S. Navy. It was kind of a Navy auxiliary force composed primarily of, well entirely of, men from Guam, and they were the only ones who willingly engaged the Japanese, and several of them died.

During the time of the occupation, the people of Guam stood steadfastly loyal to America and its ideals despite the best efforts of the Japanese occupiers to propagandize the people that it was better for them to be under and be part of the Far East Greater Co-prosperity Sphere, and the people of Guam were loyal to America at the risk of their lives and certainly their livelihoods.

Symbolic of the loyalty of the people of Guam were several songs written during the course of the Japanese occupation, some mocking the Japanese emperor and occupiers and others praising things American over those things that were Japanese, and the most well-known song was "Uncle Sam, Sam, My Dear Old Uncle Sam, Won't You Please Come Back to Guam?"

It is a song that was certainly in my upbringing, and I was born after World War II. Those people of my generation and even the later generation were all taught this song in one form or another.

The most visible symbol were the seven American sailors, and there were seven who refused to surrender to the Japanese forces and decided to take their chances, hiding in the jungle until the return of U.S. forces which sadly many of them expected to be a couple of months at the most. One by one each of those sailors were hunted down and executed by the Japanese except for one lonely sailor who survived the entire occupation assisted, greatly assisted, by the Artero family. This man's name was George Tweed, and his heroic saga was eventually made into a movie in the 1960s called *No Man Is An Island*, and for all those 32 months the people of Guam suffered.

Now in July of 1944 Admiral Ainsworth, actually in June of 1944, Admiral Ainsworth began his pre-invasion bombardment of Guam for the anticipated landings in Guam which were expected to take place in June. After about 2 hours he was called back, and he was called back and they re-routed all of his vessels to help with the battle in Saipan. The general plan was that of the three islands in the Marianas Islands, which were heavily fortified Saipan, Guam and Tinian, Saipan was to be invaded first by U.S. forces because it was acknowledged that that would be the most heavily fortified since those Marianas Islands had been under a Japanese mandate since the end of World War I and were heavily populated not only by Japanese military forces, but indeed by Japanese civilians.

The battle for Saipan proved much more difficult than anticipated, so the invasion of Guam was postponed, and instead Admiral Ainsworth and his naval forces were turned northward to deal with a couple of battles, one the Battle of Saipan and the other a naval

air battle called, commonly called, the Marianas Turkey Shoot.

The invasion of Guam was therefore called off for 5 weeks, and during that intervening time the most brutal time of the Japanese occupation was endured by the people of Guam as they suffered forced labor and forced marches, and the whole population was marched all over the island, countless beheadings and civilian massacres largely for unknown reasons. The increased brutality was over and above the forced labor for the construction of defense fortifications for the construction of air strips in places called Orote and Tiyan. Japanese army units, several divisions had landed, had arrived from Manchuria in April of 1944 to defend Guam from the anticipated American invasion.

In July of 1944 Operation Forager began, and this was the whole operation meant for the invasion of Guam and 13 days of sustained bombardment on Guam, an island of some 212 square miles, was given by the Navy partially as a result of their experience in the Battle of Saipan and even the Normandy experience, so that the bombing on Guam, which of course is a much smaller area than the invasion of the coast of Normandy, actually endured more pre-invasion bombardment.

This extensive pre-invasion bombardment even acted more as a stimulus for even more acts by the Japanese military against the civilian population. Army Air Force planes, B-24s from recently taken islands in the Marshall Islands and Navy carrier base planes had been bombing Guam periodically for several weeks. Underwater demolition teams spent 4 days sweeping the shoreline. In a way the Navy took great pride in these underwater demolition teams, and on Guam they planted a sign, welcome U.S. Marines from the U.S. Navy, before the Marines actually landed on Guam.

And the Marines did, and they landed on July 21, 1944, and they landed on narrow beaches on Asan and Agat, and Asan, the people who assaulted the beach of Asan had to face cliffs once they landed, and those who landed in Agat faced the only Japanese counter-attack of the day.

One of the heroes of that day was Senator, former Senator Howell Heflin who was wounded and has repeatedly over the years that I have known Senator Howell Heflin has repeatedly told me that the Guam experience was the most important 6 hours of his life.

And the battle for Guam raged for nearly 3 weeks, and the island was declared secured on August 10, 1944. Nearly 18,500 Japanese soldiers were killed and some 1,900 American servicemen were killed, and although no specific statistics were kept about the civilian population, hundreds of Chamorros died during the battle or were executed, and hundreds more died for rea-

sons related directly to the war but not combat.

And even after the island was secured, Japanese stragglers continued to be a serious threat to security and a Guam combat patrol, organized by the U.S. Marine Corps and soldiered by men from Guam, was established to find Japanese stragglers who refused to surrender. Incredibly, the last straggler was discovered in 1972 after spending some 28 years in the jungle by himself.

Battles sometimes bring out the worst in human beings, but they also bring out the inner strength in people of courage. Extraordinary heroism was common in the battles which occurred in the Marianas and in Guam, and two medals of honor were awarded.

One was to a Captain Lewis Wilson who was commanding officer of Company F Second Battalion, 9th Marine Regiment, fought off repeated Japanese counteroffensives on the Fonte Plateau. Had the lines been breached, it would have spelled disaster for the Marines in the rear. Captain Wilson later on became commandant of the Marine Corps.

Another was granted to Private First Class Frank Witek, who distinguished himself in hand-to-hand combat, provided cover for the withdrawal of wounded comrades and single-handedly put out an enemy machine gun position.

Over the Internet and because of the fact that many of the veterans who fought on Guam have a very special relationship to Guam, over the Internet I received the story of a Private First Class Jack Walker and Staff Sergeant Harry Kolata who landed in Agat as members of the 306th Infantry 77th Army Division. They volunteered to go behind enemy lines to make contact with the villagers of Merizo; and they did so, and they brought, successfully brought back 1,500 people into the American lines.

And these are just a few of the stories of the heroism exhibited by the Marines and the soldiers who liberated Guam, and on behalf of the people of Guam I say: Si yu'os ma'ase.

And the veterans of the battle for Guam continued to have an excellent relationship with the people of Guam and return to Guam every year, although obviously in decreasing numbers every year; and during this year's celebration some 60 veterans have returned to Guam to visit Guam and to see the progress that they have helped make possible.

Earlier this month, on July 9, I laid a wreath at the Tomb of the Unknowns at Arlington National Cemetery, as I have done so every year that I have been in office, in order to commemorate the Battle of Guam and to express the gratitude of the people of Guam to the veterans, the servicemen. This year I did so along with Commonwealth of

the Northern Marianas, which includes the island of Saipan and Tinian. Representative Juan Babauta, together we laid a wreath in order to express the gratitude felt by the people of our respective islands for the sacrifices of every Marine, sailor, airman, and soldier who helped in the liberation of Guam.

And as I said repeatedly, there was something very special about the Battle for Guam which was not present in any other Pacific battle, indeed any battle during World War II. Guam was a U.S. territory inhabited by civilians who were U.S. nationals at the outbreak of the war. It was in fact the first time that a foreign power had invaded U.S. soil since the War of 1812.

This special relationship is demonstrated in this painting based on a picture of two young Chamorro boys who waved hand-made American flags. The stars are all wrong, the stripes are all wrong, but these two young boys that we think were aged maybe 8 and 6 at the time made flags which were imperfect in their design yet perfectly clear in their representation, and their faces reflect the difficult times that they had had experiencing battle, not as grown men in uniform with weapons, but as young boys confused by all that was going on around them. But despite the fact that their faces reflected the difficult times, they also had their hope for their future and their gratitude for their deliverance from enemy hands.

It was reported that service men who bore witness to the display and to the spectacle of Chamorros who made their way down from the hills and the camps which the Japanese placed them in broke down and wept at the sight of the people, broke down and wept at the sight of these two young boys, and seeing the people and their condition and their displays of red, white, and blue.

I know that we cannot ever recapture that moment in time, but we must make every effort to do so because it has established a bond which has lasted for generations between those in uniform and the people of Guam.

The people of Guam came down from the mountains to tell the stories of brutality and the tales of suffering which they endured during the last few months of the occupation. The Japanese authorities had herded them into camps in Maimai and Talofoto, Malojloj and especially Manenggon, a name which today continues to stand for suffering. Thousands of people were placed into a valley without food and only a stream from which to drink; and they found a way to survive, and they found the will to survive, and they expressed their gratitude of their deliverance with laughter and tears, with hugs and screams, all reportedly at the same time.

□ 1900

Some experienced horrific events, massacres at Malesso', Tinta, and

Faha' where Japanese soldiers herded families into caves and threw hand grenades and delivered small arms fire until dozens were killed. A similar event occurred at Fena cave and for the first time in many years, Speaker Tony Unpingco of the Guam legislature led a commemoration of this event. This event took place in what is now referred to as "naval magazine," a highly secured area where lots of weaponry is stored. And this is very special for the people of Guam, and I certainly congratulate Speaker Unpingco for making this possible.

This tragedy was most manifested by an enormously brave woman I would like to tell you about who passed away a few years ago. She was Beatrice Flores Emsley. Beatrice was a woman who, as a 13-year-old, was told to kneel by Japanese soldiers and then struck by a sword across the back of her neck. This attempt to behead the young lady was unsuccessful for reasons we do not know, but we can only guess at. The soldiers buried her in a shallow grave and miraculously, she emerged from that grave and wandered for several days before she was treated, lived to a ripe old age, had children and grandchildren.

For years, I remember this, Mrs. Emsley was a curiosity for many people. Understandably, she did not like to talk about the war because the experience was so very painful. So very few people asked her, but eventually she started to speak out about her experience in order to bring honor and dignity to the experiences of the people of Guam, and she came to testify in Congress on several occasions. She was a remarkably gifted woman, devoid of bitterness, who never spoke harshly about her captors or the people who tried to behead her, but only spoke compellingly about how her experience and how she hoped that the people of the United States would understand what Guam went through.

As always, Mrs. Emsley was dignified as we asked her to recount her painful experiences, recounting that we knew caused her so much pain, and she came to symbolize what the people of Guam went through.

Several years ago, at the commemoration of the 50th anniversary of the liberation of Guam, the half century mark, Secretary of the Interior Bruce Babbitt referred to the veterans who landed on Guam as the liberators from without, and the people of Guam as the liberators from within. It is their interaction that we bring honor to today, and it is their struggle in the beaches and in the concentration camps; it is their common fear and their common bravery; it is their common love for freedom, and it is their common bond that we bring honor to today.

In light of this, I will enter into the Record two newspaper articles, one on the Fena cave massacre which was

commemorated recently in Guam, and the other is about Darryl Dass, one of the Marine liberators from Iowa who was a parade grand marshal in our recent Liberation Day festivities in Guam.

[From the Pacific Daily News]  
GUAM REMEMBERS LESSONS OF 1944  
(By Hirashi Hiyama)

As the 55th anniversary of the island's liberation draws near, American soldiers and local residents who went through the war will meet once again on the island this week.

Washed away by time, Guam's memories of World War II are starting to be overwhelmed by development and comfort of the modern lifestyle, say those who experienced the war.

But they remember the original Liberation Day and remind others of the harsh island life little more than two generations ago.

Darryl Dass, 75, of Iowa will join local residents on Wednesday as one of four grand marshals for the Liberation Day parade. The former Marine landed on Agat on July 21, 1944, helping to free Guam from the Japanese occupational forces.

He is among some 42 World War II veterans, who helped liberate Guam from Japanese occupational forces, who plan to return to Guam this week to join local residents in celebrating the island's holiday.

"I thought so much about (local) people when we first arrived (on Guam in 1944)," Dass said, during a phone interview from Iowa. "They were so pitiful. Their clothes were ragged. They were hungry. They didn't know it they were supposed to give us a hug or to bow."

"All the people, they were so thankful. It was the way they were pleased with their freedom—these things leave a mark on you," he said. "When you have so much respect for the people—it's just like a magnet—it draws me back."

The arrival of American soldiers is remembered clearly by local residents who lived through the war.

Amalia G. Arceo, 88, of Sinajana was in a concentration camp in Manenggon, where she lived in a cave, drank river water and treated her sickly son.

Her family members risked their lives and hid in the surrounding jungles, and from the eyes of Japanese soldiers, to supply food for captured family members, Arceo said.

The joyous news of the arrival of American soldiers on the island seeped through the camp.

"We heard that American people were coming in," she said. "So we said 'the Americans are coming. The Americans are coming.' We were so happy. They brought eggs, ham, cookies, candies, coffee—it was all in boxes."

Freed local residents were so hungry that they "stuffed themselves in a hurry," Arceo said. But their bodies were so weak that many people initially were sickened by food rations eaten after they were freed, she said.

At about the same time in Guam's history, similar things were happening at a concentration camp in Tai, Mangilao, where Carmen A. Perez, now 66, also of Sinajana, was staying with her family. The camp was located near the Fatimer Duerms Memorial School, she said.

She also recalled a rumor about the arrival of American soldiers spreading quickly among those who were captured at the camp.

"We were still careful not to be noticed by the Japanese," she said, of the elation detainees felt when hearing the rumor.

Her brother was captured by Japanese soldiers in a jungle, but American soldiers



found the Japanese soldiers just in time to rescue Perez's brother, she said.

Memories of the war have been difficult to share for those who experienced it.

Dass said he remained quiet about his wartime experiences for decades. But he now talks about the harsh memories of the war "because they don't teach too much of the history to (school) kids."

"Memories: friends are killed and blown into pieces and you don't recognize them. You are killed. You are crippled. These are things you don't forget. You don't want to talk about it," he said. "If we don't tell (young people) what we have done, they won't know. It's over 50 years ago. That's like ancient history to those kids."

Liberation Day has become a joyous occasion, celebrating the island's freedom from the Japanese military. But it also brings sorrow to those who lost loved ones during the war, Perez said.

"I want," Perez said, "the people of Guam to be educated (in Guam's history)."

Dass said he hopes Guam residents will continue to pass on the island's history for generations to come.

"Old men create the war and young men die, fighting it," Dass said. "War is hell. It brings out the worst in people."

[From the Pacific Daily News]

FENA SURVIVORS TELL TALES

(By Joseph E. Duenes)

Nearly 400 people attended a memorial service at Fena Cave yesterday to pay homage to the 35 victims, and their families of one of Guam's worst recorded World War II massacres.

Yesterday's ceremony was only the second to take place at the cave since the massacre occurred. The site has been U.S. Navy property since the war, and access to the area was forbidden until last year's memorial ceremony.

In July 1944, shortly before U.S. troops liberated Guam, about 85 Chamorros—men, women, and children—were marched to the Fena area by Japanese soldiers. The Chamorros were lured into caves with promises of food and rest after a long hard day of building military fortifications.

Without warning, soldiers began flinging grenades into the cave after the Chamorros entered. The soldiers apparently wanted no survivors of the incident, and systematically plunged bayonets into those who were not killed by the explosions. At the same time, a dozen women were raped and killed in a nearby cave. Nearly 35 men and women were killed in the massacre.

Maria "Chong" Alerta, one of a handful of survivors still living, was very young when the massacre took place. According to Alerta, the soldiers insisted children enter the cave first, in what she thinks was an attempt to help them survive. As the Japanese walked through the carnage of the grenade blasts, bayonetting moving bodies, Alerta and her family remained still and were passed over by soldiers. Her father was the only one in her family hurt during the onslaught, suffering a non-fatal bayonet wound.

Alerta, the only surviving member of her family, said the event was a blur to her and she does not remember most of it.

"Right now if I think about it, I can still feel it, even though I don't remember the most exciting moments of the event," Alerta said, as tears welled up in her eyes. "I feel kind of lonely."

Maria Nauta was 17 years old when the massacre took place. She, her father, and her

sister were already at the caves the day of the massacre.

"I was here that morning, because we were lined up to be killed. The American planes came early that morning, and everybody scattered," Nauta said. "I ran and I ran, but my father and my sister were, caught and put over here (at the caves). I was able to get away."

Nauta tearfully said her father was later killed during the massacre. She said her sister was able to escape, but not before being stabbed in the back with a bayonet.

"That was a very sad day, and it is very hard for me to remember," Nauta said.

Leroy Delos Santos said he had relatives killed in the massacre. He and his family came to the ceremony to honor them, and the others who died.

"From my perspective, (I came) to memorialize, to pay tribute to our ancestors that were killed," he said.

Survivors and their families were not the only ones honoring the victims of the attack. Many came to learn, firsthand, some of Guam's tragic World War II history. For this reason, Delos Santos brought his niece, and all four of his children, to the memorial service.

"I want them to experience this and to know. I feel that it's very important that the kids, even at a very young age, get exposed to stuff like this," Delos Santos said.

Paul Mafnas, a University of Guam student from Barrigada, came to the ceremony with his Chamorro class. Mafnas said the greatest lesson we can learn from the massacre is forgiveness.

"Of course it's going to touch a nerve, because it was our people that they did this to. But on the same token, we should also practice forgiveness, because everybody needs forgiveness these days," Mafnas said. "We should remember what they went through, but at the same time, use that to prevent those mistakes from happening again in the future."

Pat San Nicolas, of Talofofo, spent a lot of time explaining to her son Chris and her daughter Amanda the events that led up to the massacre, and some of the reasons why it may have happened. She was saddened that the same type of events still take place in other parts of the world.

"You think about Kosovo and the tragedy there, and you think, 'It's still going on after all these years.' People just haven't learned," she said.

Though the Navy has already agreed to allow next year's ceremony to be held at the site, Speaker Antonio Unpingco, R-Santa Rita, said the construction of a monument honoring the Fena massacre victims and their families is already in the works. The monument will be located on a hillside near the navy's access gate, and will cost an estimated \$500,000 to construct, Unpingco said.

"Since last year, we had several suggestions from the (memorial) committee to put up a memorial for the victims, and we decided to put it near the actual site," Unpingco said. "It will not only be open to locals, but to visitors from all over."

Unpingco said plans for the memorial have already been donated by the Filipino American Society of Architects and Engineers. The committee is relying on private donations for funding, however, which means it may be two to three years before construction begins, he said.

Unpingco added that as soon as the monument is completed, it will be used for the annual memorial services.

The meaning of the battles of Guam and Saipan.

The taking of the Marianas was another in a series of critical turning points in the Pacific war. The defeat of Japanese forces in the Marianas enabled America to bring the war to the Japanese homelands which was not previously possible. The Tojo government resigned as a result of the Japanese debacle in the Marianas Islands and Admiral Asami Nagano, supreme naval advisor to the Japanese emperor stated, hell is upon us, and the words were very true as Army Air Force bombers took off from airfields recently built on Guam and Saipan and Tinian, the airfields of Harmon Anderson, North, Northwest, Isley, Kobler, became familiar to the Army Air Force station on these islands.

And the gentleman from New York (Mr. GILMAN), the Chairman of the Committee on International Relations, was stationed in Guam during this time period and participated in 35 missions to Japan, taking off from Guam.

And in addition to the air war, Guam became the jumping off point for later landings in the Philippines in Iwo Jima and Okinawa as Guam became, in the Victory at Sea documentary, Guam became the military supermarket in the western Pacific. Guam became the forward naval base. Basically, Pearl Harbor was effectively moved 3,500 miles west and Admiral Nimitz set up his headquarters in Guam.

But we have other issues to bring up as well, and it certainly is something that we do not like to draw too much attention to, but we must, and that is that as we bring honor and recognition to the experiences of the people of Guam, I have to bring up an issue which basically cries out for justice. And this is the issue of how best to recognize this loyalty and their sacrifices.

At the conclusion of World War II, the U.S. Congress passed a bill called the Guam Meritorious Claims Act. This act basically said that people of Guam could submit claims for property damage up to \$5,000. In submitting those claims, if one had a claim for more than \$5,000, one had to physically come to Washington, D.C., to present one's claim. And this Guam Meritorious Claims Act was in existence for one full year, at a time when the people of Guam were still recovering from World War II, and even the notion of travel to Washington, D.C., was almost as remote as the notion of travel is to Antarctica for most of us today.

Yet, that was legitimate legislation, because it was an attempt to deal with the battle damage. In 1948, the U.S. Congress passed what is known as the War Claims Act. The War Claims Act provided a basis upon which American citizens and American nationals who were working for the Federal Government, who were subject to enemy occupation or forced labor or internment or death or injury could make a claim. Incredibly, Guam was not included in that legislation.

When that legislation was amended in 1962, Guam again was not included in that legislation. And so let me express the anomaly in terms of my family.

My name is ROBERT UNDERWOOD. My grandfather is from North Carolina. He came to Guam in the year 1902 as a Marine. He mustered out in Guam, and he married a Chamorro woman and he thereby established a line of Underwoods in Guam who fully considered themselves, as I do, indigenous inhabitants of Guam.

My grandfather was taken by the Japanese and put in a prison camp for civilians in, Kobe, Japan. As a result of the War Claims Act of 1948, my grandfather was compensated for his time of internment in Japan. His family, his wife, my grandmother, his children, my father and my aunts and my uncles, could not submit any claim, even though it could be argued and certainly, my grandfather felt this way before he died, they suffered more than he did. But because the War Claims Act only recognized the activities of U.S. citizens who were subsequently taken to Japan, the people of Guam were not included.

There were some people of Guam who worked for Pan American Airlines who worked in Wake Island. These people were drafted, in a sense, by the U.S. Marine Corps to help defend the island against Japanese invaders. These people from Guam were taken, captured by the Japanese, some were killed, eventually recognized as World War II veterans, went to prison camp in China. As a result of the War Claims Act of 1948, they were given a certain level of compensation for their forced labor and for their internment. Their families, which were back in Guam, who suffered a similar fate, were not allowed to submit the same claim. So, in a sense, we have a situation that cries out for justice. And outlining that history only helps make the case.

But there is more to it than that. In 1950, the people of Guam were made United States citizens by a congressional act called the Organic Act of Guam. In 1951, the United States signed a peace treaty with Japan, officially ending the Pacific War. In that treaty, the United States forgave or foreclosed or made impossible any claim for any war action by the Japanese by any American citizen or American national. So the peace treaty, in effect, foreclosed the opportunity for the people of Guam to be allowed the opportunity to make a war claim to Japan.

So what we have today is that the people of Guam cannot make a war claim against Japan, nor are they included in the war claims legislation that has been passed by Congress. So what we have today is a situation that is intolerable, that is unconscionable, and cries out for some justice.

Fortunately, with the collaboration of Senator DANNY INOUE over in the

Senate, he and I have introduced legislation to grant the people of Guam the opportunity to submit war claims for death and injury and for forced march and forced labor. In order to validate these claims, we are proposing that in the future, we will establish a commission to validate the existence of these claims and certainly to review the tortured history of the claims situation in regards to the people of Guam.

The one other irony is that, as I mentioned earlier in this speech, is that in anticipation of a Japanese invasion of the Aleutian Islands, the civilians who lived in the Aleutian Islands were evacuated. In anticipation of Japanese war action in Guam, the only civilians that were evacuated were U.S. citizens. The people of Guam who were not citizens obviously were not evacuated. Legislation was granted to compensate those for property damages and for damages claimed as a result of the Japanese occupation to illusion islanders, but no such similar legislation has been passed for the people of Guam.

It is painful sometimes to talk about such issues because sometimes people think that we are talking about money issues. In one sense, we are. But we are not asking for what we do not deserve, and we are only asking for the same treatment as other American citizens and nationals who experienced exactly the same kind of condition.

In trying to bring honor and closure to the World War II experience, we have done many things in this country. We are establishing a World War II memorial on the mall. The original design of that World War II memorial called for 50 columns to commemorate each of the 50 States and one more for the District of Columbia. Incredibly, a place like Guam was left out of the memorial.

Fortunately, through a lot of conversation and personal appearances and letters and everything else, we have been able to rectify that so that Guam will be given the same kind of prominence in that memorial as any other State or territory, because, based on what I have told my colleagues this evening, its contribution to the war effort was not only great in terms of winning the war against Japan, but enormous in terms of the suffering of individuals and their families.

So it is in their name, it is in the name of the people of Guam that we ask that consideration be given to this legislation, that it be widely supported. It is in their name that I ask that we bring some closure to this war experience for those who have survived to this age. Certainly, most people have passed on. Most of the people who experienced World War II as mature adults have passed on from Guam, and it is a way, it is a tragic circumstance because so many of them that suffered during the Japanese occupation will never see any kind of compensation or recognition for their efforts.

Every single family in Guam has some connection to the war experience. I always do not like to talk about it in those terms, but sometimes those are the terms that most people understand.

□ 1915

My parents have 11 children. I am the only one that was born after World War II, and all the rest were born either during the war or prior to the war. Three of them died during the war.

For my parents, for my father while he was still alive, and for my mother who still lives today as a very energetic 85-year-old woman, there is no concern and there was never any concern about war restitution or the legislation or seeking any legislative initiative.

In fact, I will have to say that for most of the people who experience it, they barely mention it. It is really part of our attempt, for those of us who come from the generation who profited from their experience, it is our attempt to help make whole what must have been a horrific experience and to try to bring some closure and honor to their experience.

So today, even though we are one day late and actually in Guam time we are two days late, I want to again congratulate all the Marines and sailors and airmen and soldiers who participated in the battle for Guam.

There are so many out there. I am in strong communication with several of them. If they have not gone back to Guam, they should go back to Guam and see what they helped make possible. For those people who came down from the hills, the Chamorro people of Guam, who endured the Japanese occupation, let us never forget that they made their contribution to liberty and they made their contribution to American ideals as well.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. UNDERWOOD) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Mr. STUPAK, for 5 minutes, today.

(The following Members (at the request of Mr. RYAN of Wisconsin) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 5 minutes, July 28.

Mr. BILIRAKIS, for 5 minutes, today.

Mr. EHRLICH, for 5 minutes, today.

Mr. DAVIS of Virginia, for 5 minutes, July 29.

Mr. RAMSTAD, for 5 minutes, today.

Mr. TIAHRT, for 5 minutes, today.

Mr. KOLBE, for 5 minutes, July 29.

Mr. MORAN of Kansas, for 5 minutes, July 26.

## ADJOURNMENT

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 17 minutes p.m.), under its previous order, the House adjourned until Monday, July 26, 1999, at 12:30 p.m., for morning hour debates.

EXECUTIVE COMMUNICATIONS,  
ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

3190. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Karnal Bunt; Compensation for the 1997–1998 Crop Season [Docket No. 96-016-35] (RIN: 0579-AA83) received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3191. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations [Docket No. FEMA-7289] received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3192. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Credit Union Service Organizations—received July 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3193. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Investment and Deposit Activities; Credit Union Service Organizations—received July 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3194. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans Tennessee: Approval of Revisions to the Tennessee SIP Regarding National Emission Standards for Hazardous Air Pollutants and Volatile Organic Compounds [TN-207-1-9924a; TN-214-1-9925a; FRL-6379-4] received July 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3195. A letter from the Secretary of Commerce, transmitting the first of six annual reports under the International Anti-Bribery and Fair Competition Act of 1998; to the Committee on Commerce.

3196. A letter from the Chairman, Securities and Exchange Commission, transmitting the annual report of the Securities Investor Protection Corporation for the year 1998, pursuant to 15 U.S.C. 78ggg(c)(2); to the Committee on Commerce.

3197. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Japan [Transmittal No. DTC 48-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3198. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed li-

cense for the export of defense articles or defense services sold commercially under a contract to The Netherlands [Transmittal No. DTC 65-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3199. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Japan [Transmittal No. DTC 67-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3200. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to the United Kingdom [Transmittal No. DTC 49-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3201. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Oman [Transmittal No. DTC 71-99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

3202. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Technical Assistance Agreement with the United Kingdom [Transmittal No. DTC 14-99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

3203. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Finland [Transmittal No. DTC 9-99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

3204. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Norway [Transmittal No. DTC 53-99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

3205. A letter from the Director, Retirement and Insurance Services, Office of Personnel Management, transmitting the Office's final rule—Federal Employees Health Benefits (FEHB) Program and Department of Defense (DoD) Demonstration Project (RIN: 3206-AI63) received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3206. A letter from the Director, Retirement and Insurance Service, Office of Personnel Management, transmitting the Office's final rule—Federal Employees Health Benefits (FEHB) Program and Department of Defense (DoD) Demonstration Project; and Other Miscellaneous Changes (RIN: 3206-AI67) received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3207. A letter from the Director, Fish and Wildlife Service, Department of the Interior, transmitting the Department's final rule—Endangered and Threatened Wildlife and Plants; Final Designation of Critical Habitat for the Rio Grande Silvery Minnow (RIN: 1018-AF72) received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3208. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of

the Economic Exclusive Zone Off Alaska; Shallow-water Species Fishery by Vessels using Trawl Gear in the Gulf of Alaska [Docket No. 990304062-9062-01; I.D. 062399A] received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3209. A letter from the Secretary of Health and Human Services, transmitting the thirty-first in a series of reports on refugee resettlement in the United States covering the period October 1, 1996, through September 30, 1997, pursuant to 8 U.S.C. 1523(a); to the Committee on the Judiciary.

3210. A letter from the Assistant Attorney General for Administration, Justice Management Division, Department of Justice, transmitting the Department's final rule—Amendment to the Justice Acquisition Regulations (JAR) Regarding: Electronic Funds Transfer (RIN: 1105-AA68) received July 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3211. A letter from the Secretary, Federal Trade Commission, transmitting the Commission's final rule—Premerger Notification: Reporting and Waiting Period Requirements—received July 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3212. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC-9-10, -20, -30, -40, and -50 [Docket No. 97-NM-49-AD; Amendment 39-11224; AD 99-15-05] (RIN: 2120-AA64) received July 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3213. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 777-200 Series Airplanes [Docket No. 98-NM-243-AD; Amendment 39-11214; AD 99-14-05] (RIN: 2120-AA64) received July 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3214. A letter from the Senior Regulations Analyst, Office of the Secretary, Department of Transportation, transmitting the Department's final rule—Participation by Disadvantaged Business Enterprises in Department of Transportation Programs [Docket No. OST-97-2550] (RIN: 2105-AB92) received July 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3215. A letter from the Attorney, Research and Special Programs Administration, Department of Transportation, transmitting the Department's final rule—Hazardous Materials: Revision to Regulations Governing Transportation and Unloading of Liquefied Compressed Gases (Chlorine) [Docket No. RSPA-97-2718 (HM-225A)] (RIN: 2137-AD07) received July 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3216. A letter from the the Clerk of the House of Representatives, transmitting the annual compilation of personal financial disclosure statements and amendments thereto filed with the Clerk of the House of Representatives for the period of January 1, 1998, through December 31, 1998, pursuant to Rule XXVII, clause 1, of the House Rules; (H. Doc. No. 106-103); to the Committee on Standards of Official Conduct and ordered to be printed.

REPORTS OF COMMITTEES ON  
PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. ISTOOK: Committee on Appropriations. H.R. 2587. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes (Rept. 106-249). Referred to the Committee of the Whole House on the State of the Union.

Mr. COBLE: Committee on the Judiciary. H.R. 1565. A bill to amend the Trademark Act of 1946 relating to dilution of famous marks, and for other purposes; with an amendment (Rept. 106-250). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2181. A bill to authorize the Secretary of Commerce to acquire and equip fishery survey vessels (Rept. 106-251). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1487. A bill to provide for public participation in the declaration of national monuments under the Act popularly known as the Antiquities Act of 1906; with an amendment (Rept. 106-252). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Ms. BROWN of Florida (for herself, Mr. EVANS, Mr. FILNER, Mr. SHOWS, and Mr. UDALL of New Mexico):

H.R. 2586. A bill to amend title 38, United States Code, to increase the amount of veterans' burial benefit paid for plot allowances, and to provide for the payment to States of plot allowances for veterans eligible for burial in a national cemetery who are buried in cemeteries of such States; to the Committee on Veterans' Affairs.

By Mr. ISTOOK:

H.R. 2587. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes.

By Mr. CRAMER (for himself and Mr. WICKER):

H.R. 2588. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide that certain employees of Federal, State, and local emergency management and civil defense agencies may be eligible for certain public safety officers death benefits, and for other purposes; to the Committee on the Judiciary.

By Mr. CRANE (for himself, Mr. ROHR-ABACHER, and Mr. COX):

H.R. 2589. A bill to provide for the privatization of the United States Postal Service; to the Committee on Government Reform.

By Mrs. MALONEY of New York (for herself, Mrs. MORELLA, Ms. MILLENDER-MCDONALD, Ms. KAPTUR, Mrs. CHRISTENSEN, Mr. SANDLIN, Mr. FROST, Mr. WAXMAN, Mr. BORSKI, Mr. FILNER, Mr. ROMERO-BARCELO, Mr. UNDERWOOD, Mr. SANDERS, and Mr. LANTOS):

H.R. 2590. A bill to amend the Violence Against Women Act of 1994, the Family Violence Prevention and Services Act, the Older Americans Act of 1965, the Public Health

Service Act, and the Right to Financial Privacy Act of 1978 to ensure that older or disabled persons are protected from institutional, community, and domestic violence and sexual assault and to improve outreach efforts and other services available to older or disabled persons victimized by such violence, and for other purposes; to the Committee on Education and the Workforce, and in addition to the Committees on the Judiciary, Commerce, and Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MORAN of Kansas (for himself, Mr. RYUN of Kansas, Mr. TIAHRT, and Mr. MOORE):

H.R. 2591. A bill to designate the United States Post Office located at 713 Elm Street in Wakefield, Kansas, as the "William H. Avery Post Office"; to the Committee on Government Reform.

By Mr. ROGAN (for himself, Mr. BERMAN, Mr. EHRLICH, Mrs. CAPPS, Mr. DEAL of Georgia, Mr. PICKERING, Mr. BILBRAY, Mr. BRYANT, Ms. WOOLSEY, Mr. GALLEGLY, and Mr. DINGELL):

H.R. 2592. A bill to amend the Consumer Product Safety Act to provide that low-speed electric bicycles are consumer products subject to such Act; to the Committee on Commerce.

By Mr. STARK (for himself, Mr. HINCHEY, Mr. GREEN of Texas, Mr. FROST, Mr. McDERMOTT, Mr. FRANK of Massachusetts, Mr. LANTOS, Mr. WYNN, Ms. PELOSI, Ms. KILPATRICK, Mr. CLYBURN, Mr. SANDERS, Mrs. MORELLA, Ms. DEGETTE, Mr. RODRIGUEZ, Ms. LOFGREN, and Ms. SCHAKOWSKY):

H.R. 2593. A bill to provide for parity in the treatment of mental illness; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STRICKLAND:

H.R. 2594. A bill to provide grants to establish 25 demonstration mental health diversion courts; to the Committee on the Judiciary.

By Mr. STUPAK (for himself, Mr. BARRETT of Wisconsin, Mr. BROWN of Ohio, Mr. BONIOR, Mr. LATOURETTE, Mr. QUINN, Mr. STRICKLAND, Mr. UPTON, Mr. McHUGH, Mr. BARCIA, Mr. KLING, Ms. SLAUGHTER, Mr. LAFALCE, Mr. KUCINICH, and Mr. GILLMOR):

H.R. 2595. A bill to place a moratorium on the export of bulk fresh water until certain conditions are met; to the Committee on International Relations.

By Mr. VITTER (for himself, Mr. HUNTER, and Mr. WELDON of Pennsylvania):

H.R. 2596. A bill to provide for a testing program for the Navy Theater-Wide system and the Theater High-Altitude Area Defense system; to the Committee on Armed Services.

By Mr. WICKER:

H.R. 2597. A bill to provide that the Federal Government and States shall be subject to the same procedures and substantive laws that would apply to persons on whose behalf certain civil actions may be brought, and for other purposes; to the Committee on the Judiciary.

By Mr. WU:

H.R. 2598. A bill to terminate the price support and marketing quota programs for peanuts; to the Committee on Agriculture.

H.R. 2599. A bill to terminate the Federal price support programs for sugar beets and sugarcane; to the Committee on Agriculture.

H.R. 2600. A bill to require that the level of long-range nuclear forces of the Department of Defense be reduced to 3,500 warheads consistent with the provisions of the START II treaty; to the Committee on Armed Services.

H.R. 2601. A bill to preserve Federal land by requiring a moratorium on new mining activities on such land; to the Committee on Resources.

By Mr. WYNN:

H.R. 2602. A bill to amend the Federal Power Act with respect to electric reliability and oversight, and for other purposes; to the Committee on Commerce.

By Mr. WU:

H.R. 2603. A bill to eliminate the use of the Savannah River nuclear waste separation facilities in South Carolina; to the Committee on Commerce, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

H.R. 2604. A bill to terminate funding for the Fast Flux Test Facility at the Hanford Nuclear Reservation in Washington; to the Committee on Science, and in addition to the Committees on Commerce, and Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LINDER (for himself, Mr. KINGSTON, and Mr. SPENCE):

H.J. Res. 62. A joint resolution to grant the consent of Congress to the boundary change between Georgia and South Carolina; to the Committee on the Judiciary.

By Mrs. CHENOWETH:

H.J. Res. 63. A joint resolution proposing an amendment to the Constitution of the United States relating to the legal effect of certain treaties and other international agreements; to the Committee on the Judiciary.

By Ms. BERKLEY (for herself, Mr. GILMAN, Mr. ACKERMAN, Ms. BALDWIN, Mr. BERMAN, Ms. BROWN of Florida, Mrs. CAPPS, Mr. CAPUANO, Mr. CARDIN, Mr. CROWLEY, Ms. DELAURO, Mr. DELAHUNT, Mr. DEUTSCH, Mr. ENGEL, Mr. FILNER, Mr. FOLEY, Mr. FRANK of Massachusetts, Mr. FROST, Mr. GONZALEZ, Mr. GUTIERREZ, Mr. HASTINGS of Florida, Mr. HINCHEY, Mr. HOFFEL, Mr. HOLDEN, Mr. HOLT, Mr. INSLEE, Mrs. JONES of Ohio, Mr. LANTOS, Mr. LEVIN, Mrs. LOWEY, Mr. LUCAS of Kentucky, Mr. LUTHER, Mrs. MALONEY of New York, Mr. MATSUI, Mrs. MCCARTHY of New York, Ms. MCCARTHY of Missouri, Mr. McDERMOTT, Mr. MCGOVERN, Ms. MCKINNEY, Mr. McNULTY, Mr. MOORE, Mr. NADLER, Mr. NEAL of Massachusetts, Mr. PALLONE, Ms. PELOSI, Mr. POMEROY, Ms. RIVERS, Ms. ROSS-LEHTINEN, Mr. ROTHMAN, Mr. RUSH, Mr. SANDLIN, Ms. SCHAKOWSKY, Mr. SHOWS, Mr. SISISKY, Ms. SLAUGHTER, Ms. STABENOW, Mrs. TAUSCHER, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Mr. WAXMAN, Mr. WEINER, Mr. WEYGAND, Mr. WEXLER, Ms. WOOLSEY, and Mr. WU):

H. Con. Res. 162. Concurrent resolution expressing the sense of the Congress that the Auschwitz-Birkenau state museum in Poland should release seven paintings by Auschwitz

survivor Dina Babbitt made while she was imprisoned there, and that the governments of the United States and Poland should facilitate the return of Dina Babbitt's artwork to her; to the Committee on International Relations.

By Mr. WEINER:

H. Con. Res. 163. Concurrent resolution calling for the full investigation of the Jewish Cultural Center bombing in Buenos Aires, Argentina, on July 18, 1994; to the Committee on International Relations.

### MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

163. The SPEAKER presented a memorial of the House of Representatives of the State of Michigan, relative to House Resolution No. 98 memorializing Congress to oppose the Kyoto Protocol on greenhouse gas emissions and to memorialize the United States Senate not to ratify the Kyoto Climate Treaty; to the Committee on International Relations.

### ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 8: Mr. PASTOR.  
H.R. 25: Mrs. JOHNSON of Connecticut, Mr. GILCHREST, and Mr. SHAYS.  
H.R. 72: Mr. SKEEN.  
H.R. 82: Mr. HINCHEY and Mrs. WILSON.  
H.R. 123: Mr. RAMSTAD and Mr. PICKETT.  
H.R. 133: Mr. RAHALL.  
H.R. 175: Mr. MORAN of Kansas.  
H.R. 229: Mr. WATT of North Carolina.  
H.R. 239: Mr. KILDEE, Mr. BARCIA, Mr. THOMPSON of California, Mr. SALMON, Mr. PASTOR, and Ms. MCKINNEY.  
H.R. 254: Mrs. FOWLER.  
H.R. 274: Ms. CARSON.  
H.R. 275: Mr. KING.  
H.R. 303: Mr. BARTON of Texas.  
H.R. 306: Mr. BROWN of Ohio and Mr. OBEY.  
H.R. 353: Ms. SCHAKOWSKY.  
H.R. 372: Ms. CARSON.  
H.R. 418: Mr. NADLER, Mr. HINCHEY, and Ms. MCKINNEY.  
H.R. 470: Mr. BILBRAY.  
H.R. 486: Mr. POMEROY.  
H.R. 488: Mr. DELAHUNT.  
H.R. 505: Mr. RODRIQUEZ.  
H.R. 531: Mr. STEARNS.  
H.R. 580: Mr. FATTAH and Mr. BECERRA.  
H.R. 583: Mr. WELDON of Pennsylvania and Mr. ABERCROMBIE.  
H.R. 632: Mr. BOYD.  
H.R. 679: Mr. WU.  
H.R. 732: Mr. BERMAN, Mr. CARDIN, Mr. PALLONE, Mr. RANGEL, Ms. SANCHEZ, Mr. FATTAH, and Mr. ROEMER.  
H.R. 742: Ms. CARSON, Mr. OBERSTAR, and Mr. MALONEY of Connecticut.  
H.R. 750: Mr. GOODE.  
H.R. 772: Mr. FARR of California.  
H.R. 783: Mr. KIND and Mr. HAYWORTH.  
H.R. 784: Mr. McNULTY.  
H.R. 815: Mr. WOLF, Mr. OXLEY, Mr. LINDER, Mr. SMITH of Texas, and Mr. COX.  
H.R. 826: Mr. QUINN.  
H.R. 835: Mr. FRANKS of New Jersey and Ms. MCKINNEY.  
H.R. 837: Mrs. LOWEY.  
H.R. 850: Mr. HINCHEY.  
H.R. 864: Ms. KAPTUR and Mr. MORAN of Kansas.  
H.R. 1083: Mrs. FOWLER.  
H.R. 1085: Ms. MCCARTHY of Missouri, Mrs. MINK of Hawaii, and Mrs. MALONEY of New York.

H.R. 1093: Mr. MARKEY and Ms. EDDIE BERNICE JOHNSON of Texas.  
H.R. 1102: Mr. FRANKS of New Jersey.  
H.R. 1106: Mr. DAVIS of Illinois.  
H.R. 1116: Mr. SOUDER.  
H.R. 1122: Mr. EHRlich, Mr. REYNOLDS, Mr. HOLT, Ms. LEE, Mr. FRANKS of New Jersey, Mrs. THURMAN, Mr. PASTOR, Mr. HOEFFEL, and Mr. FOLEY.  
H.R. 1130: Mr. WELDON of Pennsylvania.  
H.R. 1168: Mr. JOHN.  
H.R. 1187: Mr. SKEEN and Mr. NORWOOD.  
H.R. 1193: Mr. INSLEE and Mr. WYNN.  
H.R. 1196: Mr. BARRETT of Wisconsin.  
H.R. 1244: Mr. DICKEY.  
H.R. 1261: Mr. OSE.  
H.R. 1310: Mr. HULSHOF, Mr. BECERRA, Mr. BARCIA, Mr. KLECZKA, Mr. LARGENT, Mr. LAHOOD, Mr. MANZULLO, and Mr. MCHUGH.  
H.R. 1311: Mr. ENGLISH, Mr. SHAW, Mr. SUNUNU, Mr. HULSHOF, Mr. BLILEY, Mr. CLYBURN, Mr. FORD, Mr. SMITH of Michigan, Mr. PORTER, Mr. SHUSTER, Mr. HOLT, Mr. WELDON of Florida, Mr. GORDON, Mr. LARGENT, Mr. HERGER, Mr. BAIRD, Mrs. MEEK of Florida, Mr. UPTON, Mr. LUCAS of Kentucky, Mr. BEREUTER, Mr. TANCREDO, Ms. CARSON, Mr. FOLEY, Mr. SHOWS, and Mr. DIAZ-BALART.  
H.R. 1325: Ms. MCKINNEY.  
H.R. 1360: Mr. BLAGOJEVICH.  
H.R. 1366: Mr. NEY.  
H.R. 1381: Mr. SKEEN.  
H.R. 1385: Mr. DEUTSCH and Mr. SOUDER.  
H.R. 1388: Mr. HOLDEN, Mr. GORDON, and Mr. WATT of North Carolina.  
H.R. 1443: Mr. HINOJOSA.  
H.R. 1456: Mr. VISCLOSKEY, Mr. DEFazio, Mr. UNDERWOOD, and Mr. RAHALL.  
H.R. 1482: Mr. ALLEN.  
H.R. 1483: Mrs. JOHNSON of Connecticut, Mr. BEREUTER, Mr. HOLDEN, and Mr. PETERSON of Pennsylvania.  
H.R. 1505: Mr. FILNER.  
H.R. 1507: Mr. CALVERT.  
H.R. 1511: Mr. HILL of Montana.  
H.R. 1531: Ms. SCHAKOWSKY.  
H.R. 1572: Mr. COOK, Mr. GOODLATTE, and Mr. CALVERT.  
H.R. 1579: Mr. DOOLEY of California, Ms. ROS-LEHTINEN, Mr. GEORGE MILLER of California, Mr. HALL of Ohio, and Mr. DEUTSCH.  
H.R. 1592: Mr. TIAHRT and Mr. DEMINT.  
H.R. 1616: Mr. LAZIO.  
H.R. 1634: Mr. BLILEY.  
H.R. 1644: Mr. CAPUANO.  
H.R. 1760: Mr. GILMAN, Mr. METCALF, Mr. GEORGE MILLER of California, Mr. SHERWOOD, and Mr. WALSH.  
H.R. 1771: Mr. HAYWORTH and Mr. LAHOOD.  
H.R. 1786: Ms. BERKLEY.  
H.R. 1841: Mr. REYES, Mr. SERRANO, Mr. NEAL of Massachusetts, and Mr. STARK.  
H.R. 1887: Mr. BEREUTER and Mr. ROGAN.  
H.R. 1907: Mr. DREIER, Mr. MCCOLLUM, Mr. VENTO, Mr. CALVERT, Mr. PRICE of North Carolina, Mr. LEWIS of Georgia, Mr. CLEMENT, Mr. FORD, Mr. MORAN of Virginia, and Mr. ETHERIDGE.  
H.R. 1917: Mr. CLAY, Ms. PELOSI, Mr. KENNEDY of Rhode Island, Mr. MARKEY, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LUCAS of Oklahoma, Mr. DOYLE, and Ms. ROYBAL-ALLARD.  
H.R. 1929: Mr. KUCINICH.  
H.R. 1933: Mr. DREIER and Mr. DEAL of Georgia.  
H.R. 1950: Mr. HOLT, Mr. PRICE of North Carolina, Mr. SAXTON, Mr. HALL of Ohio, Mr. HINCHEY, Ms. KAPTUR, and Mr. FATTAH.  
H.R. 1987: Mr. BALLENGER, Mr. BOEHNER, Mr. HOEKSTRA, Mr. GREENWOOD, Mr. GRAHAM, Mr. NORWOOD, Mr. SCHAFER, Mr. DEAL of Georgia, Mr. HILLEARY, Mr. SALMON, Mr. TANCREDO, Mr. DEMINT, Mr. GOODE, Mr.

WICKER, Mr. COOKSEY, Mr. BARTLETT of Maryland, and Mr. GANSKE.  
H.R. 1990: Mr. GILLMOR.  
H.R. 2000: Mr. DEMINT, Mr. BILBRAY, Mr. OBERSTAR, Mr. BILIRAKIS, Mr. HOYER, Mr. DAVIS of Florida, Mr. SISISKY, and Mr. TRAFICANT.  
H.R. 2004: Mr. STUPAK, Mr. MALONEY of Connecticut, and Ms. WOOLSEY.  
H.R. 2005: Mr. GOODLATTE.  
H.R. 2031: Mr. NUSSLE and Mr. CAPUANO.  
H.R. 2081: Mr. ROTHMAN.  
H.R. 2101: Mr. WAXMAN.  
H.R. 2102: Mr. GONZALEZ, Mr. McNULTY, and Ms. BERKLEY.  
H.R. 2166: Mr. DAVIS of Florida, Mr. WOLF, Mr. BORSKI, Mr. COOK, and Mr. SPRATT.  
H.R. 2171: Mrs. BIGGERT.  
H.R. 2241: Mr. MEEHAN and Mr. CAPUANO.  
H.R. 2247: Mr. TALENT and Mr. METCALF.  
H.R. 2277: Ms. ROYBAL-ALLARD and Mr. SHERMAN.  
H.R. 2282: Mr. FOSSELLA.  
H.R. 2287: Mr. OWENS and Mr. UNDERWOOD.  
H.R. 2316: Mr. HINCHEY, Mrs. MORELLA, and Mr. SHOWS.  
H.R. 2319: Mr. HOUGHTON, Mr. BOEHLERT, Mr. MALONEY of Connecticut, Mr. VISCLOSKEY, Mr. STUMP, Mr. MILLER of Florida, and Mrs. KELLY.  
H.R. 2333: Mr. TOWNS, Mr. FILNER, Mr. GUTIERREZ, Mr. BRADY of Pennsylvania, Ms. MCKINNEY, Mr. GREEN of Texas, Mr. ENGEL, and Mr. RODRIGUEZ.  
H.R. 2344: Mr. FROST and Ms. CARSON.  
H.R. 2362: Mr. SMITH of New Jersey and Mr. KOLBE.  
H.R. 2365: Mr. HILLIARD, Mr. RUSH, Mrs. MINK of Hawaii, Mr. CUMMINGS, and Ms. KILPATRICK.  
H.R. 2380: Mr. BLUMENAUER.  
H.R. 2396: Mr. STEARNS.  
H.R. 2400: Mr. BARCIA.  
H.R. 2420: Mr. BILIRAKIS, Mr. FOLEY, Ms. BROWN of Florida, Mr. KILDEE, and Mr. KING.  
H.R. 2429: Mr. CALLAHAN, Mr. WICKER, Mr. SHAW, and Mr. TAUZIN.  
H.R. 2436: Mr. SOUDER, Mr. STEARNS, Mr. RAHALL, Mr. BURTON of Indiana, and Mr. WELDON of Florida.  
H.R. 2439: Mr. BASS.  
H.R. 2446: Mr. MASCARA, Mr. GREEN of Texas, Ms. ESHOO, Mr. CLYBURN, Mr. PASTOR, Mr. STARK, Ms. STABENOW, Ms. SLAUGHTER, Mr. PICKETT, Mr. McNULTY, and Mr. ROTHMAN.  
H.R. 2457: Mr. BROWN of Ohio and Ms. MCKINNEY.  
H.R. 2511: Mr. ISTOOK.  
H.R. 2515: Mr. FROST, Mr. McNULTY, and Ms. ROS-LEHTINEN.  
H.R. 2520: Mr. ENGLISH and Mr. BLUMENAUER.  
H.R. 2529: Mrs. NORTHUP, Ms. DUNN, and Mr. SOUDER.  
H.R. 2530: Mr. THORNBERRY, Mr. GUTKNECHT, Mr. FROST, and Mr. COSTELLO.  
H.R. 2534: Mr. ANDREWS, Mr. SHOWS, Ms. BERKLEY, Ms. DELAUNO, and Mr. FROST.  
H.R. 2539: Mr. COX.  
H.R. 2548: Mr. MICA, Mr. OSE, Mr. BORSKI, and Ms. BALDWIN.  
H.R. 2571: Mr. GOODLING and Mr. SOUDER.  
H.R. 2572: Mr. DELAY, Mr. OXLEY, Mr. GILLMOR, Mr. ADERHOLT, Mr. CRAMER, Mr. LAMPSON, Mr. FOLEY, Mr. MCCOLLUM, Mr. ROHRBACHER, Mr. SHAYS, Mrs. WILSON, Mr. SHADEGG, Mr. NEY, and Mr. BENTSEN.  
H.R. 2584: Mr. FRANKS of New Jersey, Mr. LOBIONDO, Mr. LUCAS of Oklahoma, and Mr. CHAMBLISS.  
H.J. Res. 41: Ms. BALDWIN, Mr. CLEMENT, Mr. FATTAH, Mrs. JOHNSON of Connecticut, Mr. MENENDEZ, Mrs. NAPOLITANO, Mr. POMEROY, Mr. UNDERWOOD, Ms. VELAZQUEZ, and Mr. WU.

H. Con. Res. 30: Mr. PETRI.

H. Con. Res. 62: Mr. FOLEY.

H. Con. Res. 80: Mr. ANDREWS, Mr. OLVER, Mr. TRAFICANT, and Mr. MALONEY of Connecticut.

H. Con. Res. 110: Mr. LAHOOD, Ms. NORTON, Mr. BAIRD, Mr. GEJDENSON, Mr. SPRATT, Mr. TANNER, Mr. REYNOLDS, Mr. REYES, Mr. BATEMAN, Mr. PRICE of North Carolina, Mr. WATT of North Carolina, Mr. PORTER, Mr. SMITH of Texas, Mrs. JOHNSON of Connecticut, Mr. FROST, Mr. SOUDER, Mr. CALVERT, Mr. MCINTYRE, Mr. MALONEY of Connecticut, and Mr. SIMPSON.

H. Con. Res. 120: Mr. CALLAHAN, Mrs. CAPPS, and Ms. SLAUGHTER.

H. Con. Res. 124: Mr. DEUTSCH and Mr. McNULTY.

H. Res. 16: Mr. GUTKNECHT.

H. Res. 107: Mr. HINCHEY and Mr. DAVIS of Illinois.

H. Res. 163: Mrs. KELLY, Mr. LEWIS of Georgia, Mrs. MORELLA, Mr. HINCHEY, Mr. BAIRD, Mr. LANTOS, Mr. BARRETT of Wisconsin, Mr. TRAFICANT, Mr. GARY MILLER of California, Mr. GUTIERREZ, Mr. STUPAK, Mr. SMITH of New Jersey, Mr. WYNN, Mr. STRICKLAND, Ms.

McKINNEY, Mr. FRANK of Massachusetts, and Ms. MILLENDER-McDONALD.

H. Res. 238: Mr. STEARNS.

H. Res. 251: Mr. GUTIERREZ, Mr. MCGOVERN, Ms. NORTON, Mr. HEFLEY, Mr. DIXON, Mr. ENGLISH, Mr. FRANK of Massachusetts, Mr. McDERMOTT, Mr. VENTO, Mr. OBERSTAR, Ms. KILPATRICK, Mr. MALONEY of Connecticut, Mr. POMBO, Mr. HAYWORTH, and Mr. UNDERWOOD.

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#### DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 798: Mr. SESSIONS.

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#### DISCHARGE PETITIONS

Under clause 2 of rule XV, the following discharge petition was filed:

Petition 4, Thursday, July 15, 1999, by Ms. DEGETTE on H. Res. 192, was signed by the

following Members: Ed Pastor, Jim Davis, Tammy Baldwin, Carolyn C. Kilpatrick, George Miller, Carrie P. Meek, Jesse L. Jackson, Jr., Bill Pascrell, Jr., Robert A. Brady, Tony P. Hall, Thomas C. Sawyer, Nydia M. Velázquez, Ellen O. Tauscher, Shelley Berkley, Eddie Bernice Johnson, James P. McGovern, Danny K. Davis, Alcee L. Hastings, Karen McCarthy, Bill Luther, Thomas M. Barrett, Sherrod Brown, Fortney Pete Stark, Albert Russell Wynn, Patsy T. Mink, William (Bill) Clay, Carolyn B. Maloney, Barney Frank, Martin Frost, Charles A. Gonzalez, Lloyd Doggett, Eva M. Clayton, Sheila Jackson-Lee, Robert Wexler, Bobby L. Rush, Richard A. Gephardt, Michael E. Capuano, Earl Blumenauer, Donald M. Payne, John F. Tierney, Martin T. Meahan, James E. Clyburn, Henry A. Waxman, Rush D. Holt, Lane Evans, Steven R. Rothman, William O. Lipinski, Julia Carson, William J. Coyne, Thomas H. Allen, Corrine Brown, Cynthia A. McKinney, Steny H. Hoyer, Robert A. Weygand, Joseph Crowley, Neil Abercrombie, John J. LaFalce, Luis V. Gutierrez, Robert Menendez, and Edward J. Markey.



**SENATE—Thursday, July 22, 1999**

The Senate met at 9:30 a.m. and was called to order by the Honorable MICHAEL D. CRAPO, a Senator from the State of Idaho.

**PRAYER**

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, thank You for this moment of quiet in which we can reaffirm who we are, whose we are, and why we are here. Once again, we commit ourselves to You as the sovereign Lord of our lives and of our Nation. Our ultimate goal is to please and serve You. You have called us to be servant leaders who glorify You in seeking to know and do Your will in the unfolding vision for America.

We spread out before You the specific decisions that must be made today. We claim Your presence all through the day. Guide the Senators' thinking and their speaking. May their convictions be based on undeniable truth which has been refined by You. Bless them as they work together to find the best solutions for the problems before our Nation. Help them to draw on the supernatural resources of Your Spirit. Give them divine wisdom, penetrating discernment, and indomitable courage.

When the day draws to a close, may our deepest joy be that we received Your best for us and worked together for what is best for our Nation. In the name of our Lord and Savior. Amen.

**PLEDGE OF ALLEGIANCE**

The PRESIDING OFFICER (Mr. CRAPO) led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

**APPOINTMENT OF THE ACTING PRESIDENT PRO TEMPORE**

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, DC, July 22, 1999.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MICHAEL D. CRAPO, a Senator from the State of Idaho, to perform the duties of the Chair.

STROM THURMOND,  
President pro tempore.

Mr. CRAPO thereupon assumed the chair as Acting President pro tempore.

**RECOGNITION OF THE ACTING MAJORITY LEADER**

The ACTING PRESIDENT pro tempore. The Senator from Georgia, Mr. COVERDELL, is recognized.

**SCHEDULE**

Mr. COVERDELL. Mr. President, today the Senate will be in a period of morning business until 10:30 a.m. Following morning business, the Senate will resume debate on the Commerce-State-Justice appropriations bill with 1 hour of debate on the Gregg amendment regarding the crime reduction trust fund. Further amendments to the bill will be offered, debated, and voted on throughout the day today. Therefore, Senators should be prepared to vote during the day and into the evening. The majority leader would like to reiterate that there will be no break in action on the bill.

I thank my colleagues for their attention.

**RESERVATION OF LEADER TIME**

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

**MORNING BUSINESS**

The ACTING PRESIDENT pro tempore. There will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m. with Senators permitted to speak therein for up to 5 minutes each. Under the previous order, the Senator from Georgia, Mr. COVERDELL, is recognized for up to 10 minutes.

The Senator from Georgia.

Mr. COVERDELL. Mr. President, you have already enumerated we have now entered into a period of morning business for up to an hour. I believe I have been recognized for up to 10 minutes.

The ACTING PRESIDENT pro tempore. That is correct.

**F-22 FUNDING**

Mr. COVERDELL. Mr. President, the F-22 has become a matter of great interest and controversy over the last several days because the House Appropriations Defense Subcommittee voted to bring a pause to the program; it took \$1.8 billion out of it and redistributed it to other priorities. The problem is, if I might just take a moment to characterize it, nobody had any knowledge of the potential of this act—not the Defense Department, not the Air

Force, not the contractors, not any parties who have been involved in development of the aircraft.

To step back for a moment, the decision as to this highly advanced weapons system and the decision to commit the Nation to its development is well over a decade old. The actual development of the aircraft began in 1991. We have now as a nation invested \$20 billion in the development of this system; two of these unbelievable instruments of warfare are being tested in the air, and there is movement now to production of the first fighters.

My point is that after responsible commitments are made through three administrations and we have invested everything in its preparation and now we are ready to harvest that decision, the only words that come to mind are, it is bizarre that out of the blue, with no hearings, no reflection, this decision just drops like a lead brick into the middle of all these circumstances.

I am going to read the letter written by Secretary Cohen on July 15 to Congressman BILL YOUNG, chairman of the Appropriations Committee. I think it begins to encapsulate the shock of what has happened. He says:

I was dismayed to learn about House Appropriations Defense Subcommittee's mark last Monday that cut \$1.8 billion in procurement funding for the F-22 aircraft. The Department of Defense cannot accept this decision. This decision, if enacted, would for all practical purposes kill the F-22 program, the cornerstone of our nation's global air power in the 21st century.

For fifty years, every American soldier has gone to war confident that the United States had air superiority. Canceling the F-22 means we cannot guarantee air superiority in future conflicts. It would also have a significant impact on the viability of the Joint Strike Fighter Program. The F-22 will enable the Joint Strike Fighter to carry out its primary strike mission. The Joint Strike Fighter was not designed for the air superiority mission, and redesigning it to do so will dramatically increase the cost. An upgraded F-15 will not provide this dominance and will cost essentially the same as the F-22 program.

It goes on to say:

I know the difficult budget environment the Congress has to deal with these days. I support your efforts to give our nation the best possible defense at an affordable cost. However, I believe the nation's defense requires the F-22. The proposed cut jeopardizes our future warfighting capability and will place our forces at higher risk.

Mr. President, I ask unanimous consent that the letter from Secretary Cohen be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,  
Washington, DC, July 15, 1999.

Hon. C.W. BILL YOUNG,  
Chairman, Committee on Appropriations,  
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I was dismayed to learn about the House Appropriations Defense Subcommittee's mark last Monday that cut \$1.8 billion in procurement funding for the F-22 aircraft. The Department of Defense cannot accept this decision. This decision, if enacted would for all practical purposes kill the F-22 program, the cornerstone of our nation's global air power in the 21st century.

For fifty years every American soldier has gone to war confident that the United States had air superiority. Canceling the F-22 means we cannot guarantee air superiority in future conflicts. It would also have a significant impact on the viability of the Joint Strike Fighter program. The F-22 will enable the Joint Strike Fighter to carry out its primary strike mission. The JSF was not designed for the air superiority mission, and redesigning it to do so will dramatically increase the cost. An upgraded F-15 will not provide this dominance and will cost essentially the same as the F-22 program.

I know the difficult budget environment the Congress has to deal with these days. I support your efforts to give our nation the best possible defense at an affordable cost. However, I believe the nation's defense requires the F-22. The proposed cut jeopardizes our future warfighting capability and will place our forces at higher risk.

I pledge my strongest effort to ensure the program will be delivered within the cost caps that we've agreed to with the Congress. I am confident the Department has the proper management controls to ensure the success of the F-22 program. As always, I would be pleased to discuss these matters with you at any time. But I must tell you that I cannot accept a defense bill that kills this cornerstone program.

Sincerely,

BILL COHEN.

Mr. COVERDELL. Mr. President, an article appeared on July 21 in the Marietta Daily Journal which further illuminates the nature of the Secretary's letter. It says:

Defense Secretary William Cohen criticized a House panel Tuesday—

This is the point I want to make—for not consulting with the Pentagon before voting to suspend development of the Air Force's F-22 stealth fighter jet.

"Neither I nor anyone in this building—or anyone in the Air Force—was aware of the effort underway on the part of the committee," Cohen told reporters during a photo-taking session [at the Department of Defense].

This underscores the point I was making that something of this magnitude, something of the sophistication of this system, something that we have invested \$20 billion in, something that we have spent almost two decades getting ready to launch, is not managed in this manner. It is bizarre that you would find yourself at this point, and suddenly a subcommittee decides to overturn almost two decades of thought and preparation and planning.

As I said a moment ago, we have invested about \$20 billion in this system up to this point. If you were to carry

out and carry through to the end what the subcommittee has done—and it reappropriated \$1.8 billion—we would lose another \$6.5 billion. This House Appropriations Committee action would deteriorate and jeopardize the program and violate current contractual agreements between the Air Force and the contractor.

One Pentagon source told Defense Daily yesterday:

The \$1.8 billion cut would result in \$6.5 billion in total growth, \$5.3 billion in production costs and \$1.2 billion in engineering and manufacturing development costs.

In other words, you would not be saving \$1.8 billion; you would have to bleed out another \$6.5 billion. So by this time we would have \$26, \$27 billion in this weapons system—almost two decades—but no fighters.

Anytime you develop a system of that magnitude, there have been issues that surround it. But they have all been managed. Extensive congressional oversight has been very significant over the development of the aircraft. Its problems have been dealt with and managed. As I said, we are at the point of actually inheriting this unique fighter.

There was an article in the Washington Post this morning by Richard Hallion. I will read a couple paragraphs.

There was some irony in the House Appropriations Committee's canceling production funding last week for the Air Force's next generation fighter—the Lockheed-Martin F-22 Raptor. The action came only weeks after America's military forces proved—for the third time since 1990—that exploiting dominant aerospace power is the irreplaceable keystone of our post-Cold War strategy for successful quick-response crisis intervention.

I believe everybody at this point, after the Persian Gulf, after Iraq and Kosovo, is looking anew at traditional war strategy. Who would have ever thought you could have flown the thousands of sorties that were involved in Kosovo with no combat casualties?

No issue has been more misunderstood than the F-22. The plane links radar-evading stealth with the ability to cruise at supersonic speeds and to exploit and display data from various sources to better inform the pilot about threats and opportunities.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. COVERDELL. Mr. President, I think the other Senators are here for their prearranged time, so I will not go on. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

Mr. DORGAN. I yield myself such time as I consume under the 30 minutes allocated to this side.

#### TAX CUTS

Mr. DORGAN. Mr. President, we now turn to another agenda in the Senate.

By direction of the majority party, we turn to the subject of tax cuts. It is a corner that we have navigated before in this Congress. I was thinking that it might be useful to have had Daniel Webster in this Chamber to say to Members, as he said many years ago: "Necessity compels me to speak the truth rather than pleasing things. I should indeed like to please you, but I prefer to save you, whatever be your attitude toward me."

It certainly must be pleasing to say to constituents that we would like to give tax breaks as far as the eye can see, upwards of a half a trillion, three-quarters of a trillion, and some say \$1 trillion. What a wonderful thing.

This country is doing quite well. Its economy is moving ahead with significant health. Unemployment is way down. Inflation is way down. There are a lot of things in this country to be thankful for.

Part of the reason to be thankful for that is, in 1993, some of us in Congress had the vision to steer this country to a different course. If we remember, in 1993, we were facing a \$290 billion Federal deficit—\$290 billion. The economists told us that for the rest of the decade we would have anemic economic growth and deficits.

We passed a piece of legislation in this Congress. I voted for it. I was proud to do so. When people said: We're going to blame you for voting for that, I said: Don't blame me. Please give me credit for it. I won't run away from that vote.

It was a tough, hard vote. It increased some taxes, mostly on those in top 1 or 2 percent, and it cut some spending. It was tough economic medicine, but it signaled to the country we were going to put this country back on track with a responsible fiscal policy that would lead someday to a balanced budget.

We passed that by one vote in the House and one vote in the Senate—one vote. We did not get one vote from the majority side—not one. We provided all of the votes to pass that legislation at that point. We were widely criticized for it. In fact, we had Members on the other side predict that it would lead to a depression; it would lead to massive unemployment; it would collapse our economy; it would be awful for our country.

This country has had unprecedented economic growth, declining unemployment and low inflation. There are more people working and there is more home ownership. And now we find, instead of a \$290 billion budget deficit, budget surpluses ahead.

What happens at the first sign of surplus from this bridge on the ship of state? At the first sign of surplus, the majority party decides it is time to abandon the bridge and go down and get the champagne, pop the corks and pass out money to everybody—well,

not to everybody—pass out money to all the friends from the ship's crew.

Let's talk about what all this means.

They rely on some vision for the next 10 and 20 years that we will have surpluses forever. Of course, this comes from economists that cannot remember their home phone number—telling us what is going to happen 3, 5, and 10 years from now. Those in the majority party say: Because we have all of this good economic news, although we didn't participate in helping make that happen—we voted against that economic plan in 1993—we are now deciding we are going to offer tax breaks of unprecedented size.

This is what is proposed. The tax breaks that will come to the floor of the Senate and will be on the floor of the other body today have as their priorities that we will not provide any money to make Medicare solvent. We won't provide any money for our domestic priorities: education, health care, defense, and other key investments. We will provide no money for debt reduction. One would expect when times are good, we ought to be able to begin reducing the indebtedness we incur when times are bad, but there is no money for debt reduction and no money for Social Security solvency. We are going to have a tax cut of \$792 billion.

That is the GOP priority. That is not new. That has always been their priority. It is full speed ahead on our priority, and everything else can wait.

If you have a pie and you show who get the tax breaks, here is how the pie gets cut. If you are in the top 1 percent of the income earners of this country, you get this large piece. If you are in the next 4 percent, between 95 and 99, you also get a large piece of the pie. But the lowest 20 percent of the income earners of this country get this little sliver, just a crumb off the corner. It is always the same, and it never changes. The big tax breaks go to the upper-income folks, and the rest are left with tiny crumbs, if any at all.

This chart shows the same thing. The top 1 percent get a \$23,000-a-year average tax cut. The bottom 60 percent of the wage earners in this country get a \$139 a year tax cut. This chart shows what is going to happen over the next 20 years. The period of time 2000–2004, 2005–2009, the cost of the GOP tax grows substantially. In the second decade, it literally explodes. It will head us right back to the same circumstance we had before of huge Federal deficits.

This chart shows the same thing in a different style. These are back loaded, exploding tax breaks that benefit the upper-income folks and will, in my judgment, lead to very significant risks for this country.

I will ask this question over and over again: If this is your priority, just tax cuts above everything else, and tax cuts that go largely to the upper-in-

come folks in this country, do you decide, then, that Head Start, for example, is not important because the domestic discretionary portion of this budget is fixing to be shrunk like a prune? You look at the kind of cuts that are necessary in all of the programs that make this a good country, the investment in our children, the investment in nutrition, the investment in health care, you will find massive cuts in all of those programs in order to pay for tax breaks that say to the folks in this country: We believe if you are in the top 1 percent, you ought to get \$22,900 back in tax refunds each year because we think you contribute the most to this country. And if you happen to be in the lowest 20 percent of the income earners of this country, we have designed a plan that says you are going to get about a \$1.59 a month.

Is that surprising? No. It is the GOP plan from the beginning of political time. It is what they have always proposed. It is what they always fight for. It is always at the expense of every other priority.

We are going to have a big debate about this and should have a big debate. I believe some tax cuts are appropriate, if they are fashioned the right way and they don't put this country's economy at risk. But I believe they ought not come at the expense of Head Start, education, health care and so many other key priorities, and especially paying down the debt during good economic times and making sure we extend the life and solvency of Medicare and Social Security. That ought to be part of the priority that comes out of this Chamber as well. That is what we will try to force in this debate on tax breaks in the coming days.

Mr. President, I yield the floor.

Mr. JOHNSON addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from South Dakota.

Mr. JOHNSON. Mr. President, does the Senator from North Dakota control the time?

The ACTING PRESIDENT pro tempore. The Senator from Illinois controls the time.

Mr. DURBIN. I inquire of the Senator from South Dakota how much time he would like to have.

Mr. JOHNSON. I ask the Senator from Illinois for 10 minutes.

Mr. DURBIN. I yield 10 minutes to the Senator from South Dakota.

The ACTING PRESIDENT pro tempore. The Senator is recognized for 10 minutes.

Mr. JOHNSON. Mr. President, on the floor of the other body today and coming to the floor of the Senate this coming week is going to be legislation having to do with taxation, having to do with tax cuts. Just when we think we have seen just about everything in terms of irresponsibility and foolishness, we see something literally taking

the cake. We are seeing some pandering irresponsibility of record proportions that would be so serious and so injurious to this Nation's economic future and to the priorities of this country that we simply have to begin to speak about this issue today.

What does this issue revolve around? It revolves around the Congressional Budget Office's projections that we will have about a \$964 billion budget surplus over the coming 10 years, over and above what is needed for Social Security. Those are projections 10 years out, incredibly tenuous given the fact that in the past we haven't been able to make projections for a year out that have been accurate, much less for 10 years. But nonetheless, that is the baseline for this debate.

Given the economic prosperity this administration has brought us, particularly the 1993 Budget Act, passed without a single Republican vote in either body, we do have a unique opportunity now to do some extraordinary things for ourselves and for the coming generation of Americans in terms of eliminating the accumulated Federal debt, make some key investments and, yes, assisting with some targeted tax relief to those families who need it most.

But what do we see coming to us from the other body? What do we see coming on this floor this coming week? We see a tax plan from our Republican majority friends suggesting that with this \$964 billion, if you even believe it is going to happen, first of all, nothing be set aside for the preservation and the strengthening of Medicare, nothing.

Second, in order to give essentially this entire amount of money back as tax relief—primarily to the most wealthy people who are making the political contributions in this body; the typical American family gets about a buck a week tax relief—we will have to then reduce over the coming 10 years defense spending buying power by about 17 percent, at a time when we are having a hard time trying to figure out how to maintain our security responsibilities around the world as it is. This tax package would assume, then, that we will have a 23-percent reduction in domestic spending buying power over the coming 10 years.

If you buy into this tax package, that means you close veterans hospitals. That means you have significant reductions in Head Start programs, education programs. That means you give up on the idea we will have some sort of partnership for rebuilding our schools and bringing new technology into our schools. It means gutting education and agricultural programs. It means severe cuts in parks, law enforcement, in medical research, all the things most Americans think are crucial to our Federal, State and local, public and private partnerships that make this the great country it is.

On top of that, if you think that is not bad enough, there is zero set aside for the reduction of the accumulated Federal national debt we have accumulated over the 200-year history of this country but which primarily came about during the 1980s, during the Reagan and Bush years and now stands at \$5.6 trillion. It does nothing to buy down that existing debt.

And if the decision is made down the road we are not going to knock defense spending down by 17 percent, then the consequence of that, under this plan, would be that we would have to reduce domestic spending—Head Start, education, parks, law enforcement, medical research, VA hospitals, agriculture, all that range of initiatives, by 38 percent.

This is a radical, extremist agenda for the Nation. The American people deserve better than this.

Just when you think that is as bad as things can get, you look at the way this tax package is constructed, with the tax reductions, especially back loaded for the very wealthy, and then what do you find on the next page? Not only have you given up your entire domestic agenda, not only have you done nothing to reduce the accumulated Federal deficit, not only have you done nothing for Medicare, but the cost of this recipe explodes to double the cost in the next 10 years. What a radical agenda. It would be foolish, were it not so serious and so injurious to our Nation.

Then one last thought: The Federal Reserve has recently raised interest rates by about a quarter percent. Some are attempting in this tax package to put one foot on the gas while the other foot is on the brake. If we were to do this, the obvious next consequence would be a significant increase in interest rates by the Federal Reserve. There is already a rise in interest rates now, without any tax cut whatever. That is a silent tax on every American.

On every parent who wants to send a child to college or a vocational school, and on everyone who wants to buy a house, or buy a car, or a farmer who wants to finance his operation, or a businessperson who wants to expand his business and create new jobs, that is a killing tax. It is a higher interest rate as a consequence of this incredible irresponsibility that we see going on in the House today and coming to the Senate this coming week.

Thank goodness for the future of America President Clinton has indicated he will veto this nonsense. But wouldn't it be better if we could work together in a bipartisan fashion on a constructive, positive agenda that, yes, would provide some tax relief to working class people, working families, the families who struggle to make a car payment, a house payment, and to keep jeans and tennis shoes on the kids, the people who make the econ-

omy go. Let's provide tax relief there, but let's pay down some of the national debt, which is probably the single-best thing we can do in any kind of budget plan. We should make sure we make key investments in education, in Head Start, in medical research, and keep the VA hospitals open. We can do all of these things with thoughtful balance and moderation. But moderation seems to be the last thing in the world our Republican friends want to bring to either the other body or this floor in terms of tax and budget agendas.

I think where you put your money says a great deal about the character of any government because rhetoric is cheap. Everybody is for everything around here, until it is time to put some money where your mouth is and do the balancing that needs to be done. That is what we see not happening on the other side. What we are seeing is pandering and irresponsibility and radical agendas that may make a statement for the coming elections. Who knows? It seems to me it makes a very negative statement.

But we deserve better than that. This Nation deserves better, and this Nation needs better than that. We need to come up with a budget and tax reduction package that is moderate, thoughtful, and deals with some of the tax relief that is needed but makes investments that are needed and pays down the accumulated Federal debt. That will keep the cost of money down and make it easier to send a kid to college or vocational school, buy a house, buy a car, or keep a farming or ranching operation going, all of those things, if we make the right decisions.

But this is a once-in-a-lifetime opportunity. Many of us thought, in the years we have had the opportunity to serve in Congress, several things would never happen in our lifetime: The fall of the Berlin Wall, the collapse of the Soviet Union, and the possibility that we would ever be on the floor arguing about what to do about budget surpluses. We have that opportunity. Let's not waste that opportunity.

Let's take a thoughtful, constructive, positive approach to how to use those dollars as we embark on this next millennium and revisit this tax package so we emerge from this debate with a package that, in fact, does address the priorities that I think the American people want us to address, and that does it, hopefully, in a bipartisan fashion and in a way that will leave our economy stronger and leave our families stronger going into the coming century than we are now and, certainly, far stronger than what would happen if we tragically actually passed and enacted the tax agenda that we see occurring on the House floor today and is coming to this body next week.

I yield back my time.

The PRESIDING OFFICER (Mr. ROBERTS). The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, how much time remains on the Democratic side?

The PRESIDING OFFICER. The Senator has 11 minutes 30 seconds.

Mr. DURBIN. Mr. President, I thank the Chair and I thank the Senator from South Dakota.

Yogi Berra, one of the greatest "political philosophers" of all time, may have said, "This is deja vu all over again." If he didn't say it, he should have because this debate that you are hearing on the floor of the Senate is almost a carbon copy of the debate of 1981. Think about that for a moment. We were in the first year of the Reagan Presidency. We had accumulated, in the entire history of the United States of America, \$1 trillion in debt, and the Republican Party came to the floor and said now is the time for a massive tax cut. Their supporters cheered, they enacted their massive tax cut, and what happened? Two significant things:

First, we saw a dramatic increase in the national debt. A \$1 trillion accumulated debt in the entire history of the United States grew into more than \$4 trillion over the span of the Reagan and Bush Presidencies because of that 1981 decision.

Second, it was such a bad decision that the American economy struggled from recession to recession. That is what happened the last time the Republican Party brought their vision of America to the floor of the Congress.

In 1992, the American voters said: Enough; this isn't working. We want a change. And they elected the Clinton-Gore administration, which, in 1993, came to Congress and said: Let us try to get back on the right track; let us try to reduce the deficits on an annual basis, and let us try to get the economy moving again.

You should have heard the Republican Senators who came to the floor—the same ones who begged for a tax cut when the Clinton plan was debated.

Remember, not a single Republican Senator or House Member voted for that plan. Some of the things they said are absolutely classic. The Senator from Texas, PHIL GRAMM, who is very outspoken in favor of this tax cut, said of the Clinton plan:

I want to predict tonight that if we adopt this bill, the American economy is going to get weaker and not stronger, the deficit 4 years from today will be higher than it is today.

That was PHIL GRAMM of Texas, August 5, 1993. Completely wrong. Completely wrong.

The Clinton plan passed, and two things happened. Annual deficits started to come down, and, in addition to that, the economy started moving forward. Just look at the news. You don't have to believe a politician. Unemployment is down. Housing starts are up.

Business starts are up. Inflation is under control. America is moving forward, and we can feel it. Consumer confidence and business confidence is at an all-time high.

Two years ago, if you would have come to this Senate Chamber, the Republican Members were so despondent over the deficits that they wanted to amend the Constitution. That isn't done very often in America, but they said: We need to pass a balanced budget amendment. Why? So the Federal courts can force Congress not to overspend. A constitutional amendment to give a Federal judge the power to stop Congress from spending because deficits were out of control. That was only 2 years ago.

Now what debate do we hear on the floor? It isn't about deficits and constitutional amendments; it is about the surplus and tax cuts. And I have to tell you, quite honestly, the Republican agenda is out of control. What they are suggesting now is a \$1 trillion tax cut that, frankly, will not only imperil the state of our economy but also could drive us right back into deficits again. How will we pay for that?

I would like to yield to the Senator from California because she made an observation that I think should be part of the record of this debate. I yield to her for a question.

Mrs. BOXER. Mr. President, I thank my colleague very much for his very fine summation of where we are.

It is amazing to me to see how far we have come in this economy, from the worst of all days when people were despondent. I remember when President George Bush went to Japan and he became ill, and it became kind of a symbol of what was wrong with this country. We went to Japan to find out how they were doing it and what was wrong with our country. Why could we not get our economy under control? Now we finally have it under control. It is in the best place it has been for generations, as my friend has shown us, in terms of employment, in terms of job creation, in terms of no more deficit, in terms of being able to finally pay down the debt, in terms of housing starts and business starts—you name it—inflation. It is all going right.

What do our friends say? Whoops. Let's change course. We finally have it right, but let's turn around and go back to the bad old days.

It is amazing to me. I want to ask my friend a question about the so-called surplus. I was rather stunned to see my chairman, Senator DOMENICI, of the Budget Committee, for whom I have great respect, hold a press conference yesterday and tell the press that there is a \$3 trillion surplus. I sort of thought maybe I misheard it. He repeated it four times, at least. He said there is a \$3 trillion surplus. Therefore, all we are giving is a \$1 trillion tax cut. It is a very small part of the overall surplus.

Don't the American people deserve a refund?

I want to ask my friend a couple of questions. Is it not true that \$2 trillion of that \$3 trillion so-called surplus is Social Security? It isn't anyone else's; it belongs to Social Security. Is my friend in agreement with me on that point?

Mr. DURBIN. The Senator from California is right because we are not dealing with a real surplus. We are dealing with a surplus in the Social Security trust fund which the Republican Party now wants to give away as a tax cut. Does that make sense? Does it make sense to any of us paying into Social Security, or those who hope to derive some benefit from it, at this point in time to decide to spend Social Security funds to give a tax cut?

I might say to the Senator from California: Look at the tax cut. There they go again. The Republicans cannot leave well enough alone. The economy is moving forward. Annual deficits are coming down. They want to put a tax cut package in place.

And look carefully at the winners under the Republican tax cut plan. For Mr. Bill Gates, good news. If you are in the top 1 percent, for the Republican tax, a cut of \$22,000 a year—not bad. Will he notice?

But, look, if you are in the lowest 20 percent of average wage earners in America, under the Republican tax cut plan, listen to this, \$22 a year—not bad—\$22 a year for the average working family in America, and \$22,000 for Mr. Trump and Mr. Gates.

There they go again.

Mrs. BOXER. Will my friend yield? I want him to know something. That \$22,000 a year, back to the top 1 percent, is an average, I say to my friend. I can assure you that Mr. Trump and Mr. Gates will get far more than that in a refund.

As we discussed yesterday on this floor, when you think of people who work at the minimum wage and get dirt under their nails, and work hard and sometimes have two jobs, that average refund to the top 1 percent is twice as much as they earn in 1 year. There they go again. It is right on target.

I want to ask another question of my friend. We don't have a \$3 trillion surplus because we already agreed that \$2 trillion belongs to Social Security. That leaves \$1 trillion. We know Medicare is in trouble. We know Social Security and Medicare are the twin pillars of the safety net. What good does it do someone on Social Security if they know they get that but their Medicare premium is going to go up so high that they can't afford to buy their food or pay their rent? So we need to take care of Medicare. How much is in the Republican plan to save Medicare?

Mr. DURBIN. The answer is clear. Zero. Medicare is a word about which

the Republicans don't want to talk. They don't want to use it. Yet we all know that, unless we do something significant for the Medicare program, by the year 2015 this program will be bankrupt and 40 million Americans, elderly and disabled, who rely on Medicare for their health insurance have a time of reckoning that is just over the horizon.

We on the Democratic side believe that if there is going to be any surplus, as the President has suggested, we should dedicate it, first, to any surplus we realize to Social Security; second, to Medicare; and, third, to reducing the national debt.

I ask you: Which is the party of fiscal conservatism?

Listen to this debate: \$1 trillion taken out of funds such as the Social Security trust fund to give away to the wealthiest of Americans, which is the Republican plan, or the Democratic plan, which says to take care of priorities—reducing our debt, reducing our need to appropriate money each year for interest on the debt, and making sure that Medicare and Social Security are strong enough to survive.

I think our position is not only fiscally conservative but I think it is fiscally sane. Others will characterize an alternative.

Mr. DORGAN. Mr. President, will the Senator yield?

Mr. DURBIN. Yes.

Mr. DORGAN. I wanted to ask the Senator from Illinois if it is not the case that the proposal by the Republicans for very significant tax cuts, much of which will go to the upper income folks, would mean that they have nothing for debt reduction? Isn't it the case that in tough economic times—for example, when we passed the Deficit Reduction Act in 1993, with no help from the other side and not one vote even—in tough economic times your debt increases? During good economic times, you ought to reduce the debt. Isn't it the case that this fiscal policy plan of theirs provides nothing for debt reduction during good economic times? Is that fiscal conservatism?

Mr. DURBIN. It is fiscal insanity. I would say to the Senator from North Dakota that we hope this economy will continue to progress.

The PRESIDING OFFICER. The time of the distinguished Senator has expired.

Mr. DURBIN. I ask unanimous consent for 30 additional seconds.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DURBIN. I say to the Senator from North Dakota that if we are going to prepare ourselves for the future, we have to prepare for the possibility of a reduction. I don't think that is wild-eyed thinking.

The Republican plan makes no contingency plan that suggests we might

have a downturn in the economy. We should be reducing the debt and pledging our surplus, whatever it may be, to reducing that debt and making certain Social Security and Medicare are there for years to come.

I yield the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Maine is recognized to speak for up to 10 minutes.

The distinguished Senator is recognized.

Ms. COLLINS. Thank you, Mr. President.

I further ask unanimous consent that the time reserved for the Senator from Ohio, Mr. VOINOVICH, be given to the Senator from Ohio, Mr. DEWINE.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Ms. COLLINS and Mr. DEWINE pertaining to the introduction of S. 1412 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Ms. COLLINS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceed to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

#### DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 1217, which the clerk will report.

The legislative assistant read as follows:

A bill (S. 1217) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2000, and for other purposes.

Pending:

Gregg amendment No. 1272, to extend the Violent Crime Reduction Trust Fund through fiscal year 2005.

The PRESIDING OFFICER. The pending business is amendment No. 1272, on which there will be 1 hour of debate equally divided.

The distinguished Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, under the unanimous consent agreement from last night, we were going to reserve 30 minutes of the time for two Democratic Members of the Senate, Senator

LEAHY and Senator BIDEN. Senator BIDEN and Senator LEAHY had 30 minutes of this time. I now ask unanimous consent that the final 10 minutes of the time be reserved for myself, and prior to that, the 10 minutes prior to that, be reserved for the Senator from South Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, I suggest the absence of a quorum and ask the time be allocated to the underlying amendment and charged equally against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### PRIVILEGE OF THE FLOOR

Mr. HOLLINGS. Mr. President, on behalf of the Senator from Delaware, Mr. BIDEN, I ask that Andrew Kline be granted the privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I suggest the absence of a quorum under the same arrangement, the time charged to both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DEWINE). Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business for 7 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The Senator is recognized.

Mr. HARKIN. First of all, I take this time because I want to talk a little bit about the plight of American agriculture and our Nation's farmers and to talk about a bill that I will be introducing shortly.

#### U.S. CAPITOL POLICE

Mr. HARKIN. Mr. President, like so many of my fellow Senators, I just came from the memorial service that took place in Statuary Hall for the two police officers, Detective Gibson and Officer Chestnut, who gave their lives 1 year ago defending the Capitol and those of us who work in these hallowed Halls.

I just got to thinking, when I was there watching all of the uniformed po-

lice officers standing so gallantly up on the platform, what a tough job these policemen have, what a terribly tough job they have.

On the one hand, because of the very nature of our jobs, we have to be accessible; we have to expose ourselves to the public on a daily basis, whether it is out in the front of the Capitol or over in the grass or walking between offices. We have to be available and accessible to the public. The police officers have to let us be accessible. We cannot put a shield around us.

On the other hand, it is the police officers' sworn duty to protect us and to keep us safe from harm.

All police officers have a tough job in this country. I think, above all, the police officers who work in and around the Capitol have the toughest job of all because they have these two conflicting responsibilities—to make us accessible, to not put shields around us, to keep this an open, public place, to be the shrine of freedom, and, on the other hand, to protect us and defend us from harm.

I just must say, I am as guilty as anyone; I never take the time to thank the police officers who protect us. We pass by them every day. We go in and out of the doors. We see them on the subway. We exchange pleasantries.

I am going to make an extra special effort from now on just to say thank you to these police officers, the men and women who protect us daily in the Capitol and who, as Officers Chestnut and Gibson showed a year ago, are willing to lay down their lives for us. We should thank them every day. I do so now and will make a special effort to do so in the future.

(The remarks of Mr. HARKIN pertaining to the introduction of legislation is located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

#### TRIBUTE TO JOHN F. KENNEDY, JR., CAROLYN BESSETTE KENNEDY, AND LAUREN BESSETTE

Ms. MIKULSKI. Mr. President, I rise with great sadness today to pay tribute to the lives of John F. Kennedy, Jr., his wife Carolyn, and her sister, Lauren Bessette. My thoughts and prayers are with these families, for at this very moment, as we know, they are at sea to bring these wonderful, outstanding young Americans to a final rest.

We in the Senate, of course, feel very close to this tragedy because of our affection for our own colleague, Senator TED KENNEDY. We in Maryland feel very close to this family because we are the home to Eunice and Sarge Shriver, to Mark Shriver, who has taken his place in the House of Delegates, and our own Lt. Gov. Kathleen Kennedy Townsend, who lost a brother just a few months ago. As the eldest of the Kennedy cousins, she has endured



much. She is living a life of service that certainly would make her father as proud as those of us in Maryland.

The entire Kennedy family has suffered so much. They have also given so much. It is a family of war heroes, Senators, Congressmen, and a President of the United States. They are also defenders of the poor, environmentalists, educators, and artists. They fight to give every American an opportunity to build better lives for themselves and to build stronger communities.

Many of us in this Senate were inspired to lives of public service because of John F. Kennedy. As a young social worker, I thought he was talking to me when he called our generation to service. When he said, "Ask not what your country can do for you—but what you can do for your country," I believed it. I wanted to do something. That is why I committed myself even more forcefully to my own career in social work.

He practiced passionate, active idealism that was different from anything we had seen before in politics. That is why we hoped his son would continue that legacy. In many ways he had already begun to do that.

John Kennedy, Jr., could have lived the life of the idle rich, but he did not. He worked several years as a D.A. in New York, and recently he created a magazine to bring young people into politics who were indifferent to it. He endured intense press interest with grace and good humor. It seemed as if he understood his family was a part of the lives of all Americans.

While we all know the Kennedys, we cannot forget the Bessette family. They are suffering unimaginable pain with the death of two of their daughters. Carolyn Bessette Kennedy also lived in the spotlight. She, too, handled the attention with grace and charm. She had the same passion for life as her husband. Her sister Lauren was also making her own career in investment banking.

Wherever we turn, the Kennedys have touched America. We have been there for their hopes, their dreams, and their good days. We want our dear friend, Senator KENNEDY, the entire Kennedy family, and the Bessettes to know they are not alone today. We mourn with them, and we thank them for their contributions to America and for their own call to duty and to public service.

God bless them and God bless America that we have in our midst a great legacy.

I thank the Chair.

Mr. THURMOND. Mr. President, I rise today to join my colleagues in expressing grief over the passing of John F. Kennedy, Jr., his wife Carolyn Bessette Kennedy, and Lauren Bessette; as well as extending condolences to the Kennedy and Bessette families over their losses.

It is difficult to express the sense of tragedy and loss that all of us feel over

the passing of these three young, dynamic, and charismatic individuals. Clearly, John F. Kennedy, Jr. captured the hearts and imagination of millions of Americans, and his untimely and violent end has saddened all those who felt some sort of connection to this promising and handsome young man. Certainly the tremendous outpouring of sympathetic gestures we are witnessing in Massachusetts, New York, and here in Washington stand as testament to the high regard in which he was held.

To be frank, I did not know John F. Kennedy, Jr. all that well, though I have certainly been well acquainted with his family through the years. Here in the United States Senate, I have had the distinct pleasure and honor of serving with his father and both his uncles; and in years past, I worked closely with Representative JOE KENNEDY on an issue of great mutual concern. Clearly this is a family that values public service and has sought to make a contribution to the nation through policy, politics, and activism. The passion and intensity which the Kennedys—particularly John, Bobby, and TED—brought to Washington and directed toward their policy goals are commendable and enviable. Few people have approached their careers in government with the same vigor and enthusiasm than have the members of the Kennedy family.

Though John F. Kennedy, Jr. had not entered politics, he was someone who shared his family's desire to make a difference. He was involved in any number of philanthropic and charitable undertakings, and typical of a family that seeks to help others, he was personally involved in these endeavors. His reputation was of a sincere, kind, and high minded man. There is little doubt that had John F. Kennedy, Jr. decided to follow the path that his father, uncle, and cousins had taken and sought elected office, he would have had a bright political future and would have made an even greater mark on society and history.

There is great sadness in the fact that this tragedy not only snuffed out the promising light of John F. Kennedy, Jr., but took the lives of his wife and sister-in-law as well. It is impossible to comprehend how fate could be so cruel to these families, for these young individuals deserved to enjoy long and rich lives. Certainly, this tragedy is only intensified for the Bessettes who lost two daughters suddenly and unexpectedly, and it is impossible for any of us to truly know the grief they are feeling. Hopefully with time, they will come to some sort of peace and understanding with this inexplicable event.

Earlier today, the ashes of John F. Kennedy, Jr., his wife, and sister-in-law were committed to the sea and a sad chapter of American history is

drawn to a close. To our friend and colleague, Senator TED KENNEDY, we extend our deepest condolences on the loss of your nephew and we commend you on your stoicism in exercising your responsibilities as the patriarch of your family. This was an unenviable task, yet one you carried out with dignity, strength, and reserve.

Coming to terms with death is never an easy or pleasant task, but I have always found that it is best to remember a person for the things he or she did during their life, keep that person in your heart and mind, and to try and honor their memory in your actions. If people follow this course with John F. Kennedy, Jr., I think that they will remember a man who tried to make a difference with his life, and hopefully they will be inspired to emulate his commitment to public service.

Mr. REID. Mr. President, for several days, we have waited anxiously for evidence of news I did not want to believe. I did not want to believe that tragedy could come again to the Kennedy family. I did not want to believe that the Bessette family could lose two beautiful daughters in one tragic accident. But as of yesterday afternoon, I was confronted with reality. I am profoundly saddened by the tragic death of John F. Kennedy, Jr. and his wife, Carolyn Bessette Kennedy, and her sister, Lauren.

My relationship with President Kennedy goes back almost 40 years. In 1960, I formed the first Young Democrats organization at Utah State University and worked hard as a young college student for the election of President John F. Kennedy. On the wall in my Senate office, I have a letter from Senator Kennedy written a few weeks written a few weeks before his inauguration as President in 1961. That letter is a thoughtful and considerate note thanking me for my efforts as a campus organizer.

As a young law student in Washington, I worked at night as a Capitol Police Officer. On more than one occasion, I remember President Kennedy's visit to the Capitol. In fact, in my capacity as a police officer, I walked past President Kennedy's casket while it laid in state in the Capitol Rotunda.

For three generations, the Kennedy family has contributed much to the political and cultural life of our Nation. Three members of the Kennedy family have served the Nation as U.S. Senators, and other members have served in the U.S. House of Representatives, the Ambassadorial Corp and other important positions of state. They also serve as leaders, in business and in the world of cultural affairs.

Historians will one day write that the Kennedy family is the most remarkable family in our Nation's history. They have endured tragedy after tragedy. But despite adversity, this family has persevered and found the

will and strength to make our nation a better place. Since the presidency of John F. Kennedy, the Kennedy family has become part of the American family. For us in government, the Kennedy family is synonymous with the finest in American politics. They inspire us to dream; they teach us to enjoy life; they make us feel noble.

John F. Kennedy, Jr. had large shoes to fill as the son of a great President and a beautiful, elegant and strong mother. While John F. Kennedy, Jr. was born into the privilege and the fame of his family, he handled it better than anyone I know. His dignity, his sense of style, his connection to ordinary people was unsurpassed.

Finally, I admire the strength and courage of my friend and colleague, Senator TED KENNEDY. Senator KENNEDY is the patriarch of this great family. He has served the Nation and the people of Massachusetts with distinction in the U.S. Senate for almost four decades and the people of Massachusetts have repeatedly shown their gratitude for his service. Senator KENNEDY has given much to this country and yet he has never forgotten the legacy of his distinguished family. To Senator KENNEDY, to the entire Kennedy family, and to the Bessette family, I extend my condolences.

Mr. SCHUMER. Mr. President, our State of New York has lost three of its finest citizens. I want to add my voice to the condolences to John Kennedy's sister Caroline, to his entire family, and to his wife's family, as well, for their double loss. Anyone who knew these three people knew they were the finest of New Yorkers and the finest of Americans. They were decent people; they were concerned people; they were people who cared about average folks.

As was noted, John, in particular, would never go by somebody and make them feel they were less significant than he was, despite his enormous wealth, attractiveness, good looks, his grace, and everything else about him. He and his wife were a man and woman of grace. I am told that her sister was as well, although I did not know her.

So we in New York particularly mourn our loss. John had become a real New Yorker, and the Bessette girls always were. There is nothing we can do but pray that they have met their final reward, and that the wounds that are so deep in their families, with God's help, heal quickly.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY AND RELATED AGENCIES APPROPRIATIONS ACT, 2000—Continued

AMENDMENT NO. 1217

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. What is the business of the Senate now?

The PRESIDING OFFICER. The regular order is the Gregg amendment No. 1217.

Mr. BIDEN. Mr. President, I understand I have a few minutes to speak, and I will take only a few minutes right now and reserve the remainder of the time when I have completed.

I want to be very brief at this point. Mr. President, I want to separate out two aspects of the Gregg amendment: One I wish to compliment him on, and one I am going to remain silent on. The one part I want to compliment him on is that I think the reauthorization of the violent crime trust fund for another 5 years is the single-most significant thing we could do to continue the war on crime.

In 1994, when we introduced the Biden crime bill, which eventually became the crime bill of 1994 which had the 100,000 cops in it, the Violence Against Women Act, and many other things, toward the end of that debate, with the significant help of the senior Senator from Texas, Mr. GRAMM, who didn't like many aspects of my bill, and the senior Senator from West Virginia, Mr. BYRD, who did like the bill, we all agreed on what was viewed as sort of a revolutionary idea—that crime control was the single-most undisputable responsibility of the Federal Government domestically. We can argue about whether there should be welfare. We can argue about whether we should be involved in education. But no one can argue about the requirement of the Government of the United States to make the streets safe. That is the starting point for all ordered society.

So we had an idea, and the three of us joined together to set up a violent crime trust fund. The way we did that was not to raise taxes for America because everybody kept saying: BIDEN, your bill, over the next 5 years, is going to cost over \$30 billion. They were right. Putting 100,000 cops on the street costs a lot. Building thousands of new prison cells costs a lot. Spending money on prevention costs a lot. The total of the Biden crime bill was about \$30 billion over 5 years in 1994 when I introduced it.

They said: How are we going to pay for it? None of us likes telling the citizens the truth. We all like lying to you, telling you we are going to find a magic way to do this that is not going to cost you any money. The American public wants safer streets, and they have gotten them, I might add. Crime has gone down significantly every year since the crime bill was introduced. I am not claiming it is only because of that, but it is in large part because of that.

So the way we reached this accord was Senator GRAMM, who wanted to see the size of the Federal Government cut even more urgently than—I will speak for myself—even more urgently than I

did—we codified, as part of this deal, the agreement that we would let 250,000 Federal employees go. We would shrink the size of the Federal Government. And we did.

The second part of the agreement I wanted was that the paycheck we used to pay the person working in the Justice Department or in the Defense Department or at IRS, who was not going to be rehired, we take John Jones' paycheck and put it into a trust fund to do nothing but deal with violent crime in America. Not an innovative notion—that concept of a trust fund—but it is fairly radical in terms of applying a Social Security-type trust fund—only this does have a lockbox—a trust fund of dedicated revenues to deal with nothing but crime.

The good news about that and the reason I felt so strongly about that at the time I wrote the bill was it is the one place no one can compete. If it is in general funds—and to people who don't share my view about the single-most important responsibility of Government is to maintain order—it is in competition. If it is general revenues, the COPS Program or the prevention programs or building prisons is in competition with money for education, money for the space program, money for the Defense Department, and money for every other function of the Government. By having this trust fund, though, it is not in competition with anything. It is there. It is set aside. It is similar to a savings account to fight crime.

I respectfully suggest that it worked. Now, under the Biden crime bill, which is due to expire this year, the trust fund will end. This special, dedicated pot of money that nobody can compete for, which is not paid for by raising taxes, is paid for by not lowering taxes because it is legitimate to say: BIDEN, if you eliminate the trust funds, you can take John Jones' paycheck, the guy who left the Treasury Department in 1997, and you can give it back to the taxpayers as a tax cut.

That is true. But I choose safe streets over tax cuts. The tax cut would be minuscule, I might add.

So when I heard that my friend from New Hampshire was taking language essentially the same as the Hatch-Biden bill that passed out of here in juvenile justice, the same as the language I have been reintroducing everywhere I can and in every bill I can in the last 4 years, I thought not only is he an enlightened fellow but there has been a bit of an epiphany, that, my Lord, the powerful chairman of the subcommittee of the Appropriations Committee has seen the Lord, has seen the light, and I was overjoyed.

So I said to my staff: I am going to go up there and compliment him. Literally, I said this this morning. They said: Don't be so quick. I said: Why? They said: There is a little kicker here.

The kicker is once this amendment that you, BIDEN, have fought so hard for over the last 12 years, even before the crime bill was passed—once it is adopted, there will be a little amendment attached to it that has to do with the way this place functions procedurally, affecting how we can move substantively.

I will not speak to that. I will only say and plead with my friend from New Hampshire, if and when the second issue is resolved, however it is resolved, that he not walk away from the substantive beauty of his amendment as it relates to the trust fund. I don't want to get into a fight with him about legislating on appropriations and second amendments and the rest. I want to say to him publicly that I truly appreciate the practical impact of reestablishing the violent crime trust fund, if we can do it.

I hope in this procedural fight that is above my pay grade right now, which is about to take place, that a casualty of this fight will not end up being us committing for another 5 years to do what we did in the last 5 years—bringing crime in America down. The way to do that is to guarantee that the law enforcement agencies of the United States for 5 years do not have to compete with anybody, and we don't have to raise anybody's taxes. We are taking those old paychecks, and we are going to continue to make a deposit, similar to a trust fund in a family, for cops, for prisons, and for prevention.

Mr. GREGG. If the Senator will yield, I appreciate the kind words of the Senator, and I am duly thankful for those words. As a result, I can tell the Senator I am committed to trying to get this authorization, in some manner, in this bill when it returns to Congress—should this bill ever make it to conference, which is very much an issue at this time.

Mr. BIDEN. I truly appreciate that because I, quite frankly, think—and this is presumptuous of me to say because you know as much about these issues as I do, clearly—this is the single-most significant thing we can do to continue the successful fight against crime. I authored it, so you might say there is pride of authorship here. But I didn't do this alone. The distinguished Senator from Texas and the distinguished Senator from West Virginia were really the ones who made it happen. I hope, in a bipartisan way, we can continue the funding mechanism. I thank him for his comments. If I have any time, I reserve it.

I yield the floor.

Mr. GREGG. Mr. President, I ask unanimous consent that the time continue to run on this amendment equally divided, and I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, how much time is left on the amendment?

The PRESIDING OFFICER. Approximately 5 minutes.

Mr. GREGG. Mr. President, at the end of that 5 minutes, I understand there will be 20 minutes, 10 minutes for the Senator from South Carolina and 10 minutes for myself.

The PRESIDING OFFICER. The Senator is correct.

Mr. GREGG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ASHCROFT). Without objection, it is so ordered.

#### PRIVILEGE OF THE FLOOR

Mr. BINGAMAN. Mr. President, I ask unanimous consent that Dan Alpert, who is a fellow in my office, be granted privileges of the floor during the consideration of S. 1217.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that I be allowed to speak for up to 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I have come to the floor to speak about what I see as a funding shortfall for the 2000 census.

First, I compliment Chairman GREGG and Senator HOLLINGS for their work on this bill. I fully appreciate the very tight budget constraints under which they have been working. However, I want to make sure all Senators also know that, even though we will soon pass this appropriations bill, our work is not yet finished.

Census day, which is April 1 of the year 2000, is less than 9 months away. Still today, at this late date, this bill lacks sufficient funding to adequately conduct the 2000 census.

The Founding Fathers recognized the importance of a fair and accurate count of the population. Article I, section 2 of the Constitution provides that Congress is to conduct a decennial census "in such Manner as they shall by Law direct." In fact, the census is one of the few actions that is mandated by the Constitution.

Let me take a few minutes to discuss the importance of a full and accurate census for all Americans.

Data from the 2000 census will be used to apportion House seats among

the States for the 108th through the 112th Congresses. The States also use census data to draw legislative districts for congressional seats as well as for State and local representatives. In addition, Federal, State, and local governments use census information to guide annual distribution of the \$180 billion of Federal funds for critical services such as child care, Social Security, Medicare, education, and job training.

By now, we have all heard details of the serious shortcomings of the 1990 census. In fact, at the time of the 1990 census, many of us spent many days and hours trying to ensure that a fair census was taken. Mr. President, 8.4 million people were missed in that census, and 4.4 million were counted twice.

In my State of New Mexico, we suffered the highest undercount of any single State. There were nearly 50,000 New Mexicans left out of the census in 1990 and 20,000 of them were children. The worst undercounts were among our Native American and Hispanic communities. A recent General Accounting Office estimate found that the 1990 census shortchanged my State of New Mexico at least \$86 million in much-needed Federal grants.

The Census Bureau has made substantial efforts to avoid a repetition of the undercounts that have hurt my State in the past decade. I applaud the Bureau's efforts to reach out to every resident in New Mexico, particularly the extra efforts they have made to count everyone in the Hispanic and the Native American communities. In Spanish, the motto is: "Hagarse Contar!"—"make yourself count." For Native American communities, I cannot give you the Navajo or Taos version of that, but clearly the slogan is "generations are counting on this; don't leave it blank."

So I think everyone agrees that a full and fair census must be our goal. Congress must appropriate all of the funds necessary to produce that full and fair census. The census is not a place where we should be cutting corners. It is time to put partisan politics aside to give the professionals in the Census Bureau the resources they need to get the job done.

Indeed, the appropriations bill on the floor today does provide nearly \$2.8 billion for the 2000 census. This is the full amount in the President's original budget. I thank the chairman for providing the Census Bureau's full initial request.

However, as all Senators know, the Supreme Court ruled that under current statutes only a traditional head count may be used for apportionment of House seats among the States. In response to the ruling, the Census Bureau requested an additional \$1.7 billion to provide the best census possible using only the traditional method.

The additional funds were requested to cover the Bureau's additional workload, advertising, staffing, and data processing required to perform this actual head count which the Supreme Court has interpreted the Constitution to require.

Mr. President, I ask unanimous consent that a detailed list of the additional costs for a head count be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit No. 1.)

Mr. BINGAMAN. Mr. President, at this point this appropriations bill does not provide any of the additional funding that the Census Bureau has requested in response to the Supreme Court's January ruling. In fairness to the chairman and the ranking member, and the members of the committee, the Census Bureau's revised request did not arrive until very late in the process. Consequently, the subcommittee may not have had sufficient time to review the supplemental request and conduct the normal oversight hearings. I understand the subcommittee intends to consider the Census Bureau's supplemental funding request in the near future. I thank the chairman for moving forward promptly and for working on this issue in a spirit of bipartisanship.

What worries me is that even with the additional funds required for a head count, in all likelihood we will still fall well short of counting everyone and, as in the 1990 census, the undercount will hurt certain population groups the most. However, I have not come to the floor today to debate which enumeration method the Census Bureau should use. Except for apportionment, the Bureau will alleviate the undercount problem by using modern scientific methods. This is the only way to assure that States such as New Mexico will not be shortchanged again.

The Supreme Court ruled the 2000 census must include a full head count. I believe Congress has an obligation to provide all the funds required.

I appreciate the very tight budget situation in which we find ourselves. Time is getting short. Again, I thank the chairman and the ranking member for their continued bipartisan work on this appropriations bill, and I hope that they can move quickly to provide the supplemental funds required for the 2000 census.

#### EXHIBIT NO. 1

##### ADDITIONAL COSTS FOR A NON-SAMPLING CENSUS

On January 25, 1999, the Supreme Court ruled that the Census Act bars the use of statistical sampling for purposes of apportionment. Additional funds are therefore needed to cover the increased workload of a non-sampling census, principally follow-up visits to an additional 16 million households (50 percent more than under the sampling design).

The President's Budget requests \$2.8 billion in FY 2000 to conduct a sampling-based

decennial census. The budget amendment will request \$1,723 million. Major elements of the \$1,723 million are discussed below:

\$954M for non-response follow-up.—To get responses from all households that do not answer the mail survey, Census will hire more enumerators and will expand non-response follow-up to ten weeks, four weeks more than expected in the previous census design. Training will be increased by half a day to sustain quality with a larger workforce, and each of the 520 Local Census Offices will be provided additional staff. For purposes of quality control, Census will randomly re-interview addresses to verify the data gathered during non-response follow-up.

\$268M for data collection infrastructure.—The larger workforce also requires that Local Census Office have additional space, phone lines, information technology support, supplies, recruiting materials and advertisements, and related items.

\$229M for coverage improvement efforts.—The Census Bureau will conduct coverage interviews where forms appear to have deficiencies (e.g., forms lacking complete information on all household members reported) as well as a program to recheck approximately 7.6 million vacant housing units initially classified as vacant or nonexistent and new construction.

\$219M for a variety of data collection operations, including:

\$96M in rural areas without street addresses (where surveys are delivered to households by Census rather than the Postal Service) for quality checks before the census date and related activities. Census has learned through its address listing program that this workload will be five million household units larger than originally estimated.

\$56M for activities including special enumeration methods in remote areas and field verification for the "Be Counted" program (which distributes census forms in post offices and other public places) to reduce duplicate and erroneous responses.

\$42M for enumerating soup kitchens, shelters, and similar facilities. This work will require advance visits as well as two enumerators per facility at census time.

\$25M to redeliver questionnaires where the Postal Service designated forms as undeliverable (e.g., areas where zip code boundaries have changed recently). The Census Bureau anticipates a workload of five million addresses.

\$14M to keep all the data processing centers open longer.—The four data processing centers will remain open through September 30, 2000, and process a higher volume of data.

\$89M for advertising and promotion efforts.—Additional advertising and promotion, including more materials for schools, non-profits, and State and local governments, are intended to increase the speed and rate of response and public cooperation.

Offsets from reduced sample size.—Because the sampling portion of the census will now be based on larger geographic units, the sample size for the Accuracy and Coverage Evaluation (A.C.E.) program (i.e., sampling) can be reduced without compromising accuracy. Reducing the sampling size for A.C.E. will save \$214M relative to the request in the President's Budget.

Mrs. FEINSTEIN. Mr. President, I rise today to discuss my concerns about appropriations for the census—an issue that is critical for the State of California and for the Nation.

The Commerce, Justice, and State Appropriations bill for FY 2000 allo-

cates \$2.8 billion for census operations. It does not include the additional \$1.7 billion that the Administration requested to pay for its revised census plan. This funding shortfall will certainly result in an undercount in the 2000 Census.

In the 1990 Census, California lost \$2.2 billion because not everyone was counted, and that's not fair. Although the Administration's request was submitted late in the appropriations process, it is crucial that we equip the Census Bureau with the funds necessary to make the Census 2000 as accurate as possible. How can the Census Bureau do its best to carry out an accurate census in 2000, if they do not have the appropriate resources? We can be sure that the Census 2000 will fail if the Census Bureau does not have the extra \$1.7 billion it needs for this operation.

The census has real impact on the lives of people across the Nation. Information gathered from the census count determines how nearly \$200 billion of federal funds are allocated. In addition, census information is used by states and local governments to plan schools and highways, and by businesses in making their economic plans.

The 1990 Census undercounted the U.S. population by more than eight million Americans (mostly children, the poor, and communities of color), and more than four million Americans were counted twice. In California alone, the 1990 Census missed more than 834,000 people. A disproportionate number of those undercounted in California were minorities: Nearly half the net undercount—47 percent—were Hispanic-American. Twenty-two percent were African-American and eight percent were Asian Pacific-American. Such differences in census coverage introduce inequities in political representation and in the distribution of funds. Communities from these undercounted ethnic minority populations have been disadvantaged by not receiving the resources they need for various government programs.

A recent study by the General Accounting Office estimates that the economic consequences of the undercount in California caused my state to lose over \$2.2 billion in federal funds, more than any other state and more than the additional appropriations requested by the Administration. As a result, the state did not get its fair share of funds for Medicaid, Child Care and Development, Rehabilitation Services, Adoption Assistance, and Foster Care, to mention only a few of the federal grant programs affected. Each person missed in the census cost California \$2,660 in Federal funds over the decade.

Some of the top 10 undercounted cities in the 1990 census, two of which are from my state, include:

Los Angeles (138,808); San Diego (32,483); Chicago (68,315); Houston (66,748); Dallas (37,070); Detroit (28,206); and Philadelphia (23,365).

Unless the Census Bureau is allowed to carry out its plan to produce a more accurate count than that which was produced in 1990, California and other states will again lose billions of dollars in federal assistance and will again have to subsidize federal programs with state and local tax dollars.

Since the flawed 1990 population count, the Census Bureau has worked with experts from across the country to design a more accurate census for 2000. The National Academy of Sciences, in three separate reports, concluded that the key to improving accuracy in the census is the use of sound statistical methods. Earlier this year, the Supreme Court ruled that the Census Bureau could not use statistical sampling for apportionment purposes.

Because the Census Bureau cannot use sampling, it has revised its census plan and requested additional appropriations to carry out a full enumeration census, using mail-back census forms and employing an army of bureau workers to personally and repeatedly visit those who do not respond. The Census Bureau's operational plan for carrying out the 2000 Census will be the largest peacetime effort in our nation's history, and will employ more than 860,000 temporary workers.

Mr. President, Congress must make every effort to support the Census Bureau's plan to count all Americans in 2000. The census should not be about politics. This is an issue of fairness, that impacts Americans nationwide. I urge my colleagues to support the additional \$1.7 billion appropriation that the Census Bureau needs to carry out an accurate census in 2000. We must do everything we can to ensure that everyone is included in the count, and that our communities are provided with the resources we need.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### RULE XVI

Mr. LOTT. Mr. President, in order to explain what is not happening now, I will use some leader time to advise Senators what our hopes are and why we are having a quorum at this time.

First of all, we are respecting the request of the Democratic leader to not go forward to the conclusion of the statements and any action or votes on the pending resolution so they can have a conference to discuss how to proceed.

What is involved here is my continuing effort to have the Senate correct a mistake that was made a few

years ago with regard to rule XVI. Rule XVI prohibited legislation on an appropriations bill. A precedent was set, and I confess I helped set that precedent. I mistakenly voted to overrule the ruling of the Chair, and so did others, because we were so committed to the issue. It has certainly been a problem for the Senate ever since.

Both sides of the aisle use appropriations bills for every legislative amendment or bill that they might be sponsoring or something they may be harboring to get a vote on. It has really gotten to be a problem in moving appropriations bills forward. The right thing to do for the institution, the right thing to do in terms of legislative sanity, and the right thing to do for the people of this country is to have that precedent established again which would say that Senators cannot offer legislation on appropriations bills without a point of order being in order. Keep in mind, if you get 51 votes, that could be overturned, but I think it will add additional pressure on Senators not to abuse that process.

The matter pending is the Commerce, State and Justice appropriations bill, a very important bill. It provides the funds, obviously, for the Departments of Commerce, State, and Justice. A major portion of law enforcement money is in this appropriations bill. We need to move it forward.

The Senate does not always move with dispatch, but sometimes we do. On an appropriations bill, obviously, involving billions of dollars, Senators want to have a chance to review it carefully and amendments will be in order. Amendments would be in order after the vote that we are about to have or could have reestablishing rule XVI. Senators could offer amendments that relate to the bill, that take money out or put money in, or strike out sections. All of that would still be in order.

Senator DASCHLE and I have basically agreed—in fact, we have exchanged pleasantries on this rule XVI issue several times over the past few years—that this is a precedent we need to go back and correct. We had a colloquy a month or so ago in which we said, yes, this needs to be done, and we need to work together to get it done.

There is concern that the way this was done, the minority had not been given notice. But earlier this summer, the minority was aware we were going to try to reverse this precedent, and 2 or 3 days were spent trying to block us from getting an opportunity.

I don't necessarily feel we have to do it this way or do it on this bill or do it right now, but my question is, if not now, when? If not in this way, in what way?

Mr. HOLLINGS. Will the Senator yield?

Mr. LOTT. I will be glad to yield, when I complete the point. I am willing

to work with both sides to try to find a way we can get this done. If there are suggestions by the Senator from South Carolina or the leader, I certainly am very interested in that.

I am not interested in any kind of a surprise action, but I am interested in trying to get some results on this which would help Senators on both sides of the aisle get the appropriations bills done. That is my only intent.

I yield to the Senator from South Carolina.

Mr. HOLLINGS. If the distinguished leader will yield, the truth is, on the contrary, we were given notice. We were told this particular violent crime trust authorization was just a place setter, a gatekeeper, so to speak, in the first degree, and we were going to voice vote it.

We were given notice that it was going to be voice voted and not use this particular maneuver to have a time agreement and, thereby, not be able to debate the rule change. So we were given notice in the other direction. We were totally misled. We were totally misled. I resent it.

Let me go back—there is no use in getting all excited. I am going back to Mississippi with the Governor, Ross Barnett. He was the first fellow to take the door off the capitol on Wednesday afternoon, and he lined them all up. Any and every citizen could come in and express his grief. And one day the trustee who cleaned up the capitol stood in line, and he said: I have to go to a funeral; my aunt just died.

And Governor Barnett said: When is that?

He said: Saturday.

I am hastening it along.

He said: All right. You can go Saturday; be back here on Monday.

And the trustee, Phillips, said: Yes, that is the truth. I will be back.

And so 2 months had passed. Phillips hadn't come back, and the press all agreed, let's just jump on Ross and get him this time. And so they said: Governor, wait a minute; where is the trustee and everything else? And old Ross just laid back and said: If you can't trust the trustee, who can you trust?

If I can't trust the chairman and the chairman can't trust the ranking member, then who can I trust? We were given notice wrongly.

Mr. LOTT. If I could reclaim my time, I don't know exactly what was said between the two Members, but I know there is no desire on either side to mislead. I want to make it clear that I have suggested to the chairmen of our subcommittees that we need to find a time and have a way to address this rule XVI issue. It is in the interest of the Senate. It is in the interest of both parties. But I am told that you have to get a time agreement to set up this process.

If we don't do it here, then, unless we get cooperation on both sides, we may

never get an opportunity to reinstate rule XVI. I will bet the Senator from South Carolina would like to see us do that. I will bet he would like to have the appropriations bills be appropriations bills. If we are going to do all of our legislating on appropriations bills, let's just get rid of the legislative committees. Let's just all get on appropriations. I would like to be on the Senator's committee. He is on Commerce, and I would enjoy serving there. I would like to be on the Commerce, State, Justice appropriations bill. That would work nicely.

I don't think we need to do that, though. We don't want to do it.

I want to make it clear, my instructions to our chairmen have been: Find a way, find a time for us to get this rule XVI reconsidered and corrected. A mistake was made.

I say to the Senator from South Dakota, who is here now, the distinguished Democratic leader, I am using leader time. I was trying to explain why we haven't been having votes, what is going on. I was reviewing the bidding of why we need to make this change, and I had not attributed any quotes or impugned anybody's integrity in their absence. I was trying to get this process going forward.

That is what is involved. I have been trying to find a way to get this done. I believe the Democratic leader wants to join me in getting this done. We have talked about it privately and publicly. If this is not the time, this is not the way to do it, then I am open to other times or other ways to do it. But this needs to be done so we can get our work done and not have everything in the world offered to every appropriations bill, whether it is Commerce, Transportation, Interior, or Defense. It is not something that is abused just on the Democratic side. As long as this mistake is not corrected, Senators will come in, as they are entitled to, from both sides and offer amendments involving who knows what on transportation—it could be an energy issue on transportation or on energy it could be a defense issue. We need to correct that.

So that is my intent, my goal. And where we have other issues, I know my colleagues on both sides are interested in other issues. I want to say publicly what I said to Senator DASCHLE last night. I am going through the process to appoint conferees to juvenile justice. I am going to ask consent. If it is objected to, I will file cloture today, and we will come back and vote Monday on that issue.

With regard to an amendment—or amendments, I think—with regard to agriculture and the pending problems across the Nation for our farmers, we need to address that. I will work with all Senators to find a way to do that. I think we ought to do it on the agriculture bill. I don't think we ought to

do it on Commerce-State-Justice. It will mess up the Commerce-State-Justice appropriations bill. It will delay it. Let's do it on agriculture.

I am willing to work with Senators on both sides of the aisle to call up the agriculture appropriations bill and have this issue addressed. If there is a problem with it procedurally, we will work to overcome that. I don't think we ought to duck that issue; it is too important. It is important to South Dakota, it is important to Mississippi, and to people all over America.

I am not interested at all in trying to duck issues. I think we ought to do them in the proper way. I have made those commitments to Senator DASCHLE, and I plan to keep them. It will take cooperation on both sides because we never know, as leaders, when one of our worthy Members will come swooping in with an objection. We had a unanimous consent agreement locked up and ready to sign off; in fact, it was done actually on the campaign finance issue. A Senator had not had a chance to look at it and he objected. That is his right. Basically, we had it all done.

So we have to work with Senators on both sides who have particular problems. If we have one Senator who objects that we had not anticipated, that presents a problem. If we work together, we can get it done. That is what I am trying to do. I would like to get the Commerce-State-Justice appropriations bill done. The chairman and ranking member overcame a lot of things and got agreements on a lot of problems in that bill. But their problem is all the extraneous, nongermane legislative stuff we are going to see drift in here to be thrown up on their bill. Every appropriations bill has somewhere between 40 and 100 amendments, and half of them are legislating on an appropriations bill. Let's correct this problem.

Senator DASCHLE has been kind enough to wait while I went through those things. I think it answers some of the questions he and his Members have. I thought it would be better to go ahead and address them.

Mr. President, parliamentarily, how can we proceed at this time? I have a limit on my leader time.

Mr. DASCHLE. Mr. President, I would be prepared to use my leader time if the Senator is finished.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. DASCHLE. Mr. President, I thank the majority leader for his explanation and the discussion we have had this morning. I think it is fair to say there is no question we were misled about the situation we are in today. That is undeniable. I had the opportunity to discuss matters yesterday with regard to the legislative schedule with our majority leader, and this did not come up. We were misled with regard to what the intent of the proce-

dures would be. So, clearly, there is a bitter taste in the mouths of the minority as we find ourselves in this situation this morning.

The problem is not legislating on appropriations; the problem is legislating. We are not able to legislate in large measure because on virtually every bill cloture is filed prior to the time amendments are offered. Every bill. And so what has happened is the minority is relegated to a set of circumstances that requires us to use whatever vehicle becomes available. That isn't the way it used to be, but that is the way it has been for the last few years.

So I am sympathetic, as I have noted to the majority leader, with this institutional concept of going back to the time when we respected appropriations as appropriations bills and also respected the authorization process. But the Senate virtually has eliminated the authorization process, in part, because we don't have the opportunity to offer amendments once authorization bills come to the floor. So we have been forced to use the appropriations bills as authorizing, appropriating, legislating, the whole gamut, the whole array, the universe of legislative actions that come with our responsibility. So I have indicated to the majority leader that I would like to find a way to overturn the mistake made by Republicans 4 years ago. I am glad they have acknowledged it was a mistake, but I must say, since that mistake was made, we have been driven into a new set of legislative circumstances that make it very difficult to do the people's business.

Senator BYRD noted in our caucus that it isn't just this particular issue that is troubling. Frankly, there are a number of other issues. One I will mention is the scope of conferences. The majority overruled the Chair on the scope of conference issue. The majority now has the ability in a conference committee to put anything in a bill, whether or not it was added on the floor of the House or Senate. Anything. It is wide open. That, too, is something we ought to be looking at. There is a huge array of problems, procedurally, I think we ought to address. This is one of them. It seems to me in that context we ought to be looking at whether or not overturning the Chair now is what we need to do.

I will say the majority leader has indicated a willingness to work with us in addressing these problems. I am personally concerned about the agriculture appropriations emergency supplemental we have to pass. Once a point of order is reestablished, we are completely locked out. There is no other way to do it. So from both a practical, as well as a procedural, and, frankly, a personal point of view, I am troubled by how we got here this afternoon.



I will also note that one of our colleagues who uses the rules as successfully as anybody ever has in all 220 years of our history, the senior Senator from Massachusetts, is not here. How ironic it would be that while he is tending to family matters, we took away his rights. So I suggest to the majority leader that we schedule another time for a good debate about all the things we should do.

I will work with my caucus to find the time, and we will need to have the votes. We know how the votes—I am quite sure I know—will turn out.

I am prepared to work with the majority leader to schedule a day, but not this afternoon. This is not the moment, for all the reasons I have outlined. I think we deserve an opportunity to debate this and all of its ramifications, and why it is that we find ourselves here in the first place, and how we might work—as the majority leader has noted, cooperatively. Cooperation is a two-way street. I want to cooperate with him. And I will in every way that I can. But I hope the majority will cooperate with the minority in giving us an opportunity to offer amendments and not fill the tree and not play the parliamentary game out to the extreme so that we are forced to do things we would rather not do.

I guess that would be my suggestion—that we find the time, perhaps early next week, to vote. We would agree to a timeframe within which this could be debated and a vote set.

I would be happy to discuss either on or off the floor a refinement of that recommendation with the majority leader.

I yield the floor.

Mr. LOTT. Mr. President, will the Senator yield? Or, Mr. President, I will reclaim any leader time I might have so that I can respond and pick up on what the Senator said.

We are somewhat on the horns of a dilemma. If we take extended time to debate those issues, then it further delays our ability to get appropriations bills done. Conversely, if we don't do it soon, all of the appropriations bills will hopefully be done, and we still will not have addressed this issue.

So I would like to pick up on what Senator DASCHLE said.

The suggestion was made that we not do this here but that we do it early next week.

I would like to discuss the possibility of having this debate on Monday or Tuesday morning and having a vote on this issue.

Is that something that would be acceptable to the Senator from South Dakota?

Mr. DASCHLE. Mr. President, I would want to consult first with the senior Senator from Massachusetts to be sure he could be back that early. I assume he might be back by then. I would want to consult, as well, with

my caucus. But that is in keeping with the recommendation that I made.

I am not averse necessarily to doing it on Monday or Tuesday, and to setting, as I noted earlier, a timeframe within which we could debate it and vote.

But, again, this is a matter which I think may require a little more consultation than the time we have this afternoon.

Mr. LOTT. If I could respond to that and make an observation, if we don't do it Monday or Tuesday, we will be under the rule that we passed for the budget reconciliation provisions. Wednesday, Thursday, and Friday will be on the reconciliation-tax cut bill. If we don't do it Monday or Tuesday, then it is not done next week.

We agreed that we wanted to get this done, but we have not had the time to get together and decide how we were going to get it done.

So I am in the position that if I give the Democratic leader notice that we want to get this done, he blocks it, or if we set it up to get it done without advance notice, the Democratic leader says, well, that is not fair.

We need to get it done. Everybody knows we need to get it done.

I would propose publicly that we do this Monday and vote Tuesday, and I will work with the Democratic leader on the specifics of getting that done early next week so that we will not go through this on the agriculture bill, on the transportation bill, on the Interior bill, on the HUD, and the Veterans Administration bill, and bill after bill.

I think that would be timely. I would be willing to go forward with the CJS without forcing the vote on overruling the Chair at this point but with the understanding that we are going to find the time so we can get this done.

Can I get that commitment from the Democratic leader?

Mr. DASCHLE. Mr. President, the leader can get that commitment in spirit.

Let me give the leader three qualifications, and I am sure the leader will accommodate me on all three qualifications.

First, if Senator KENNEDY has to be away for family business or personal family matters—the tragedy that he is facing—certainly the majority leader would understand that, and I hope he would accommodate Senator KENNEDY's needs as we schedule.

Second, he noted on more than one occasion, privately and publicly, that he is willing to work with us to ensure that, even if the Chair is overturned, we will find a way—and there are no misgivings about finding a way on either side, I hope—to pass an emergency agriculture appropriations measure. Clearly we will be denied that once this vote occurs. So I know—he told me privately and again alluded to it this morning—that he will work with us to do that.

Third, it would seem to me we would have to have a period of time—no less, at least, than 5 or 6 hours, 3 hours equally divided—to discuss this matter and then have the vote.

If he is willing to accommodate this Senator on those three matters, I would certainly, for the record right now, indicate my willingness to work with him to set a time certain for the vote.

Mr. LOTT. Mr. President, I don't think we need 6 hours, 3 hours equally divided on each side, to discuss this.

What that guarantees is that we wipe out another day next week and we further delay doing the people's business on the appropriations bills.

But if that is what is insisted on, if this is an effort—again, that appears to me to be eating up time so we don't get our work done, but if that is what it takes, I am prepared to consider that.

Let me go back to a couple of things.

No. 1, every Senator in this body knows I am very meticulous about trying to be sympathetic to Senators' needs when they have family problems or deaths or religious holidays. Nobody can take that away from me. I would never do anything to take away any Senator's rights while he is attending to a very sad, personal family problem.

Having said that, I don't view this as having taken something away from Senator KENNEDY or anybody else. I think this is giving something back to the Senate, and that is the ability to get our work done.

But if that is what is taking place here, if you believe you don't want to do this while he is involved obviously in a very necessary family responsibility, I will honor that.

Also, I must say everybody in this Chamber knows I work very hard to keep my word. It is used against me sometimes on both sides. I try to get Senators to vote on Mondays and Fridays. You wouldn't believe the effort that is put underway by Senators on both sides for that not to happen.

If we don't get our work done, you are going to say, well, why didn't we get our work done? While I am trying to get the work done, sometimes with the Democratic leader's help, Senators try to find a way not to vote on Mondays and Fridays.

I don't know how in the world you get your work done if you do not do anything on Mondays and Fridays, and you have people show up and say: Gosh, I want to vote in the middle of the day Wednesday. How do you get this thing done?

In terms of keeping my word and how it has been used against me, for instance, being able to offer amendments, I said, yes, we will go to juvenile justice. And I said we are doing it on a particular date with the clear impression that we would get it done within that week in 4 days. It took 2 weeks. After a lot of going back and

forth, we worked out an agreement on Patients' Bill of Rights, but we kept our word. We got it done. We had the debate, and it worked out fine, I thought.

But those 2 weeks took away 2 weeks that should have been spent on appropriations bills. But I kept my word. I really believe my word was used against me.

I have to try to force action on these things because we agreed we were going to deal with rule XVI. We have to find time to do that.

We agreed we would work out something where we would have a Social Security lockbox. We haven't done it. We have to find a way to do that. The American people want a Social Security lockbox. Everybody agreed that we need it. Let's get it done. I don't think we need to do it with 75 amendments in 45 hours. It is a little procedural fix that we can agree on with regard to Social Security being protected.

I filed cloture on those bills because every bill which we ought to bring up, somebody is threatening to filibuster it. Sometimes it is on our side. Sometimes it is on the other side.

Intelligence authorization: We wanted to try to get that up, and get the Department of Energy issue considered. We had a heck of a time getting it up to get it completed. Yet when we got through it, it passed 96-1.

Transportation appropriations bill: I want to get the transportation bill up. I am told in advance now that we are going to filibuster that.

What option do you have but to file cloture?

They don't want to bring it up because there is a provision in there that a couple or half dozen Senators do not like, or four Senators.

Let's get it up. Let's debate it. Let's have a vote on it and then move forward.

In fact, then, at that point, if Senators do not like the result, they have the option to filibuster. But when I am told if you try to bring up the transportation appropriations bill we are going to filibuster the motion to proceed, what option do you have?

There are explanations for these things.

I am interested in legislating. But I also have responsibilities as majority leader to legislate on issues the majority is interested in. I also have a responsibility—I think both leaders have a responsibility, all leaders—to get our work done.

Included right up front on that list of getting our work done is passing the appropriations bills.

I am doing my job. Most of these appropriations bills I don't particularly like, to tell you the truth. It doesn't necessarily make me feel real good to be worrying about all the appropriations bills, but it is part of the job, part of the process.

There is not a single bill that comes through here where a single Senator likes everything in it, but we move the process along. I can think of a whole bunch of things in State, Justice, and Commerce I would like to knock out, and a lot of things I would like to add, but I will not do that because the Senator from New Hampshire and the Senator from South Carolina put their work in there, it was passed by the committee, probably unanimously, and we ought to move it forward.

I will be glad to work with the Senator to try to lock in a time next week to get this issue debated. I am glad to debate it. I don't know how many times we will hear: You Republicans caused this problem. I am saying: All right, OK, we acknowledge it. Let's fix it.

I bet when the vote comes, it will be overwhelming. Both sides know this needs to be corrected. Let's get on with it. I don't know what the final vote will be, but I will be surprised if it is not 80-20. It will probably be more than that, 90-10. Why not do it? It is the right thing to do. It is good for the institution.

I thank Members for their patience while I responded. If we are ready, we can go forward and set up a time to have this issue debated and voted on. Hopefully, it will be within a reasonable timeframe.

Mr. DASCHLE. Mr. President, I have to respond to a couple of points made by my friend, the distinguished majority leader.

First, with regard to the Social Security lockbox, if ever our point was made on a particular bill, it is this one. This is exactly why we are here. I am amused and completely appreciate what it is Senator LOTT has just said once more: Why do we need so many amendments? This is a simple little idea—Social Security lockbox. Why do we need so many amendments? This is just a simple idea.

Mr. President, a simple idea can have profound consequences. There may be one or there may be more than one way to enact a simple idea.

Senator LAUTENBERG offered on the Senate floor an agreement that said we will limit ourselves—and here we are again, the minority—we will limit ourselves to 12 amendments. Our Republican colleagues objected. That wasn't good enough. Twelve amendments was too many.

We find ourselves, time and time and time again, not filibustering a bill. I do not remember the last time the minority filibustered a bill because we didn't want it to pass. The only time I can recall we have filibustered—and fortunately we have never lost—is on our procedural right to offer amendments. That is the only time, that I am aware of, we have fought, because our rights need to be protected. I am compelled to set the record straight, and I am com-

pelled again to respond. This is why we are in this box.

Ideally, what will happen is, a bill could get laid down, Democrats and Republicans could offer amendments; if it got out of line, Senator LOTT and I could say: People, we have to get this bill done. We have to get this bill done. Will you limit yourself? Let's develop a finite list of amendments.

Often that works. I have some of the best lieutenants I could hope to have, and when I sic them on the caucus, it is amazing how responsive the caucus is. It works. I come back and report to the majority leader, we can do this in 15 amendments, and we can do this tonight, and it works. That is one model.

The other model is, we are presented with a confrontation. A bill is filed, the tree is filled, a cloture vote is taken. That is the other model. That model doesn't work, and it will never work. I don't care whether it is an appropriations bill or an authorization bill, we will not allow that to work.

We can continue to play that out until we die of old age. It is not going to work, not as long as we are here. If we are going to get cooperation, then I am willing to look at that Social Security lockbox again. Twelve amendments doesn't seem too many to me. Yes, there may be some irrelevant amendments—not irrelevant, but non-germane amendments. They are certainly relevant to us.

I think the Republicans demonstrated last week, with the Patients' Bill of Rights, they can deal with it if we offer amendments. They can deal with it. They are in the majority. They have the votes to defeat our proposals. I am not sure I know what they are afraid of.

In any case, I have spoken long enough. As the majority leader has noted, the time has come to move on. I am willing to work with him to make the most of the time remaining this week and certainly next week.

I yield the floor.

Mr. LOTT. Mr. President, briefly, I note that in the presence of the President I was led to believe that, on the Social Security issue, two or three amendments would be enough on the lockbox. Then I am told later, well, we need 12 or 15. That is what I have to deal with all the time.

We can go back and forth as to what happened. We need a Social Security lockbox. We need to find a way to do it. The Senate is the only impediment to having that done.

What I propose to do with regard to rule XVI is ask consent—I am not doing it now—that when the Senate convenes on Monday, the 26th, we proceed to the original resolution to be placed on the calendar by the majority leader, immediately following the asserting of this agreement, and the resolution be considered under the following time constraints—this is the

resolution; obviously, it is very short and very simple—that the resolution be limited to 3 hours for each leader or his designee, no amendments or resolutions be in order, and final adoption be in order prior to recess or adjournment of the Senate on Monday. We could have that vote at the same time we have the vote on the juvenile justice conferees cloture, if necessary.

I ask the Democratic leader to consider that. If the Senator can check to see when Senator KENNEDY will be back—I talked to him myself early this week, and I had the impression he would be back early next week, but I didn't press him in terms of Monday, Tuesday, Wednesday, whenever.

That is, I think, a fair way to do this. That is how it was outlined to me. I think we ought to do it. Hopefully, we can make some progress now on the underlying commerce bill.

#### DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY AND RELATED AGENCIES APPROPRIATIONS ACT, 2000—Continued

Mr. LOTT. I ask unanimous consent to lay aside the pending amendment until 4 p.m. today, with no call for the regular order served to bring back the amendment before that time. That way, we will have time to talk, and meanwhile our managers can go forward.

Mr. REID. Mr. President, reserving the right to object, while the two leaders are on the floor, the original point of order was made by me, so I believe I have a right to talk about this.

I am not going to talk about the substance of the amendment but talk about our two leaders. Speaking for Democrats and Republicans, we are very proud of our leadership. The majority leader and the minority leader, I think, do an outstanding job of representing their respective interests. The legislative branch of government depends on these two men leading their respective caucuses.

We should be doing less procedural battling and more substantive battling. I hope the majority leader hears what the Democrats are saying. We want to legislate. We are not trying to stop anything from going through. We want our rights to be protected. We want the ability to offer amendments. That is all we are saying.

This was proven in the very good debate we had. We were allowed to have the debate as a result of the work done by our minority leader. I think it is important we have more issues debated here. I hope during this weekend the two leaders realize, as I know they do, the importance of having the Senate act as the Senate and that we start debating substantive issues.

I think this colloquy between the two leaders was very substantive and in-

formative. I hope it will lead to a much better and more productive Senate.

The PRESIDING OFFICER (Mr. GORTON). Is there objection?

Without objection, it is so ordered.

Mr. LOTT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BUNNING). Without objection, it is so ordered.

Mr. GREGG. Mr. President, I ask unanimous consent that there be 2 hours of debate, equally divided, on the amendment that is about to be offered by the Senator from Delaware.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. No second degrees.

Mr. HOLLINGS. No points of order, no second degrees.

Mr. GREGG. No second degrees. And at the end of that time, we are prepared to accept it.

Mr. HOLLINGS. We are prepared to accept it. And as I said, no points of order.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NO. 1285

(Purpose: To provide additional funding for community oriented policing services)

Mr. BIDEN. Mr. President, parliamentary inquiry. Is the amendment at the desk?

The PRESIDING OFFICER. No, it is not.

Mr. BIDEN. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Delaware [Mr. BIDEN] for himself, Mr. SCHUMER, Mr. ROBB, Mr. DASCHLE, Mr. REID, Mr. HARKIN, Mr. LEAHY, Mr. AKAKA, Mr. BINGAMAN, Mr. DURBIN, Mr. GRAHAM, Mr. LIEBERMAN, Mr. HOLLINGS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERREY, Mr. KOHL, Mr. LAUTENBERG, Mr. LEVIN, Mrs. LINCOLN, Mrs. MURRAY, Mr. REED, Mr. WELLSTONE, Mr. BREAUX, Mr. MOYNIHAN, Mr. BAYH, Mr. DORGAN, Mr. BRYAN, Mr. KERRY, Mr. CLELAND, Mr. SARBANES, Mr. ROCKEFELLER, Mr. DODD, Mrs. BOXER, Ms. LANDRIEU, Ms. MIKULSKI, Mr. FEINGOLD, Mr. BYRD, Mr. SPECTER, Ms. COLLINS, Ms. SNOWE, Mr. TORRICELLI and Mr. JEFFORDS proposes an amendment numbered 1285.

The amendment is as follows:

On page 32, after line 7, insert the following:

#### COMMUNITY ORIENTED POLICING SERVICES

#### VIOLENT CRIME REDUCTION PROGRAMS

For activities authorized by the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 104-322) (referred to under this heading as the "1994 Act"), including administrative costs, \$325,000,000 to remain available until expended for Public Safety and Community Policing Grants pursuant to

title I of the 1994 Act, of which \$140,000,000 shall be derived from the Violent Crime Reduction Trust Fund: *Provided*, That \$180,000,000 shall be available for school resource officers: *Provided further*, That not to exceed \$17,325,000 shall be expended for program management and administration: *Provided further*, That of the unobligated balances available in this program, \$170,000,000 shall be used for innovative community policing programs, of which \$90,000,000 shall be used for the Crime Identification Technology Initiative, \$25,000,000 shall be used for the Bulletproof Vest Program, and \$25,000,000 shall be used for the Methamphetamine Program. *Provided further*, That the funds made available under this heading for the Methamphetamine Program shall be expended as directed in Senate Report 106-76: *Provided further*, That of the funds made available under this heading for school resource officers, \$900,000 shall be for a grant to King County, Washington.

On page 21, line 16, strike "\$3,156,895,000" and insert "\$3,151,895,000".

On page 26, line 13, strike "\$1,547,450,000" and insert "\$1,407,450,000".

On page 27, line 13, strike "\$350,000,000" and insert "\$260,000,000".

On page 30, line 21, strike all after "Initiative" through "Program" on line 23.

On page 35, line 1, strike "\$218,000,000" and insert "\$38,000,000".

Mr. BIDEN. Mr. President, let me begin by thanking the chairman of the subcommittee and the ranking member. This is a bit unusual. I am violating what the Senator from South Carolina would recognize as the Russell Long rule.

When I first came to the Senate, Russell Long, the distinguished Senator from Louisiana, was chairman of the Finance Committee. One day I walked up to him because I had an amendment to a finance bill. He said: I will accept it. I said: Thank you very much, Mr. Chairman. Then I got back to my seat in the back row, and a staff person who had worked here longer than I had—I had only been here about 3 months—said: Senator, you really want a rollcall vote on that.

So I went ahead and I did my little spiel. Then I asked for the yeas and nays. The roll was called, and Russell Long voted against the amendment and encouraged others to vote against it. It was defeated. I walked up to him and said: Mr. Chairman, my Lord, you told me just 15 minutes ago you would accept my amendment. He said: Yes, I would accept your amendment. But I did not say anything about a rollcall vote.

We are not going to have, I hope, a rollcall vote on this amendment. I want to thank the chairman of the subcommittee for accepting the amendment. I apologize to him for speaking on something that is going to be accepted. But I think this is of such consequence that it is important to remind our colleagues of what we are about to redo.

A few weeks ago, the Appropriations Committee zeroed out all funding for the COPS Program, nearly closing the doors of what I believe to be the most

successful Federal-State cooperative law enforcement program of our time.

This amendment corrects the committee's elimination of the funding for the COPS office in the fiscal year 2000. It restores funding for the COPS office to perform many of the significant functions in support of law enforcement—particularly in getting more cops out on the street.

In doing so, it supersedes—or, basically, makes void—the language in the committee report on pages 62 and 63 that would have directed the Justice Department to take steps to dismantle the COPS office. Under this amendment, the COPS office will remain alive and well for fiscal year 2000.

I am pleased today we have put aside partisan politics in support of this effective law enforcement program. Let me make it clear, although some of my colleagues on the Republican side worry a little bit about this being a Democratic program, it is not a Democratic program. It is a bipartisan program. It is a program where even this amendment has garnered the cosponsorship of four Republicans and the commitment of another several to vote for it. I predict there will be more Republicans to vote for it as well.

I am glad that we have listened to the police officers on the street, the police chiefs, the prosecutors, the mayors, the citizens of our communities, and our constituents about why they think the COPS Program has worked so well.

As I said, today, joined by 42 of my colleagues, including four Republicans, I offer this amendment to restore the COPS Program for fiscal year 2000. This amendment restores \$495 million in funding for the COPS Program for the year 2000.

This is just one-third of the \$1.43 billion that was appropriated in 1999. But it preserves this vitally important program that has thus far funded over 100,000 cops in communities across the country.

Here is how it will work: \$170 million will come from unobligated balances for this fiscal year for the COPS office; \$5 million in unobligated funds from the Bureau of Prisons; \$140 million are shifted back to the COPS office for programs that it already has successfully administered in the past.

These include the Cops Connect Program, which provides equipment and upgrades so that officers from different jurisdictions can talk to each other and share vital information; it also includes targeted funding for equipment that protects police officers, such as bulletproof vests; and for training to identify and take down methamphetamine and other drug laboratories.

And \$180 million are put back into the COPS Program to fund the hiring of up to an additional 2,400 officers in our public school system.

Most importantly, this amendment restores to the COPS office its primary

function: putting more cops on the street. Under this amendment, there will be funding sufficient to put 1,500 additional local law enforcement officers out on the streets in our communities.

I think we can all agree that this is a small price to pay for lower crime rates, safer communities, safer schools, more advanced law enforcement equipment, and more responsive police departments.

I am thrilled to be joined by so many of my colleagues. As I said, there are 42 cosponsors. I ask unanimous consent that a list of the cosponsors be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

#### SPONSORING

Joe Biden (DE) (sponsor).

#### COSPONSORS

- (1) Daniel Akaka (HI).
- (2) Jeff Bingaman (NM).
- (3) Tom Daschle (SD).
- (4) Dick Durbin (IL).
- (5) Bob Graham (FL).
- (6) Tom Harkin (IA).
- (7) Ernest Hollings (SC).
- (8) Tim Johnson (SD).
- (9) Edward Kennedy (MA).
- (10) Robert Kerrey (NE).
- (11) Herb Kohl (WI).
- (12) Frank Lautenberg (NJ).
- (13) Patrick Leahy (VT).
- (14) Carl Levin (MI).
- (15) Blanche Lincoln (AR).
- (16) Patty Murray (WA).
- (17) Jack Reed (RI).
- (18) Harry Reid (NV).
- (19) Charles Robb (VA).
- (20) Charles Schumer (NY).
- (21) Paul Wellstone (MN).
- (22) John Breaux (LA).
- (23) Patrick Moynihan (NY).
- (24) Evan Bayh (IN).
- (25) Byron Dorgan (ND).
- (26) Richard Bryan (NV).
- (27) John Kerry (MA).
- (28) Max Cleland (GA).
- (29) Paul Sarbanes (MD).
- (30) John Rockefeller (WV).
- (31) Christopher Dodd (CT).
- (32) Barbara Boxer (CA).
- (33) Mary Landrieu (LA).
- (34) Barbara Mikulski (MD).
- (35) Joseph Lieberman (CT).
- (36) Russell Feingold (WI).
- (37) Robert Byrd (WV).
- (38) Arlen Specter (PA).
- (39) Susan Collins (ME).
- (40) Olympia Snowe (ME).
- (41) Robert Torricelli (NJ).
- (42) James Jeffords (VT).

Mr. BIDEN. It is a challenge for us to apply the lessons we have learned over the past years. More cops on the street means crime goes down. Law enforcement knows this. The American public knows this. We know this. And we must act now.

We all recognize the importance to communities across our country of ensuring the continued success of lowering crime rates.

Look at this chart. Since the COPS Program began as part of the 1994 crime bill, arrests have gone way up.

This is total arrests. Look at all the support we have on this. All the law enforcement organizations endorse this program. The mayors endorse this program. I thank, by the way, these organizations for their continued support of the COPS Program and for their extraordinary help with this amendment in particular.

To the law enforcement community, I say thank you. We should all say thank you. We could not have done this without your hard work and support, your phone calls, your letters. Your personal appearances have resonated with all of us. You are always on the frontline on this, and you have always taken a stand against crime. You should be proud.

I am proud of them. In a recent survey done for the National Association of Police Organizations, 85 percent of those surveyed think we should extend the COPS Program. The American people don't want the program to end. Although we do not extend the COPS Program beyond its authorized period through this fiscal year, my friend from New Hampshire and my friend from South Carolina know that I have continually attempted to extend the program. I will be back in another fora trying to extend the COPS Program so that we continue this beyond the year 2000.

For years, when I first wrote this crime bill, back in the early 1980s, we would debate this, and we would debate it and debate it. The editorial writers in this country, primarily from the most established newspapers, were very critical of my notion that we should vastly increase the number of cops. They would write editorials. One—I think it was one of the major papers, the New York Times, Washington Post, LA Times, but I don't recall which—said: Been there, done that.

Well, the truth is, we were never there. The truth is, for the previous 20 years, before the Biden crime bill, we did not add appreciably to the number of cops in America. If my memory serves me, in the 20 largest cities in America over the previous 20 years, although crime had grown significantly, we only added about 1 percent more cops than existed 20 years earlier. We had never done this before.

After all the hearings I held as chairman of the Judiciary Committee, being exposed over all those years to the leading criminologists in the country, the psychologists, psychiatrists, law enforcement officers, social workers, all the experts, I came away convinced of only a few things.

One is, if there is a cop on one corner of the street and no cop on the other corner and a crime is going to be committed on a corner, it is going to be committed where the cop is not. Sounds pretty basic. It is basic. This single most important reason why, beyond the sheer numbers, this COPS

Program has worked, in my view, is because in order to get Federal money to hire local cops under this program, local law enforcement departments had to decide, as my friend from Virginia knows, to set up community policing. When he was Governor, he talked about this. When he was Governor, a lot of the Governors and mayors knew about this.

It was hard to do. Cops didn't want to get out of their cars and walk on the beat, figuratively and literally. There was resistance. So we said: Look, if you want another cop paid for in part by the Federal Government, your whole department has to be a community policing department. You have to go back and interface with the community. You have to know who owns the corner store. You have to know who lives in the house in the middle of the block. You have to know where the drug trafficking takes place. You have to know where the gymnasium is where the kids hang out. You have to know where the swimming pool is. You have to know the people.

And so one of the reasons, I argue, for the extraordinary success of the program is not merely the added numbers of cops but because of the way in which they are required to utilize their existing police forces in order to get any new cops.

Now, granted, in one sense this is a small victory in that it only continues the program through the time it was intended to continue it.

I hope we can reach some bipartisan consensus before we get to fiscal year 2001 to extend, as my friend from New Hampshire has proposed in an amendment we will vote on later today, the violent crime trust fund that pays for these cops, the Federal share. I hope we can get some bipartisan support on extending the program that continues to put more local law enforcement on the ground with the help of Federal dollars.

I will reserve the remainder of my time in a moment, but I want to make it clear that I truly appreciate the willingness of the Senator from New Hampshire to reinstate, at least in part, the funding for this program which would allow the office to continue through the year 2000. I see my friend has risen, and I am happy to yield to him at this time.

Mr. GREGG. I thank the Senator from Delaware. I appreciate his fine comments. We are going to accept his amendment at the point when all the folks who want to speak on it have had an opportunity.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. BIDEN. I yield 10 minutes to my friend from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

#### PRIVILEGE OF THE FLOOR

Mr. SCHUMER. Mr. President, I ask unanimous consent that Ben Lawskey, a detailee from the Judiciary Committee, be granted full floor privileges during the remainder of consideration of S. 1217.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHUMER. Mr. President, I am proud to join my colleagues, the Senator from Delaware and the Senator from Virginia, in offering this amendment to preserve the COPS Program for fiscal year 2000.

Three days ago, we received the latest news on crime in America, and the news is good. According to the latest National Crime Victimization Survey, nonfatal, violent crime fell 7 percent from 1997. Other figures recently released by the FBI indicate that murders dropped about 8 percent between 1997 and 1998. Overall, the Nation's crime rate has fallen more than 21 percent since 1993 and now is at its lowest level since 1973.

My home State of New York has been a shining example of crime reduction. Crime is down from one end of New York State to the other. In Buffalo, it has fallen by more than 30 percent; in Albany, it is down 24 percent; in Nassau County, it is down 24 percent; in New York City, overall crime declined 44 percent and murder dropped more than 60 percent.

Why the continued good news on crime? Well, I would be happy to concede to those on the left that a strong economy has something to do with it. I would be happy to concede to those on the right that tougher punishment for violent offenders and aggressive crime fighting by both Republican and Democratic mayors have played a significant role. But just as clearly, enhanced community policing and the COPS Program deserve their share of the credit.

I say to anyone in America, ask your local police about the drop in crime in the neighborhoods they patrol. Ask the local neighborhood and civic associations. They will tell you, inevitably, about new partnerships between police and neighborhood residents. They will tell you about successful efforts to deter vandalism, loitering, and disorderly conduct—the seeds of more serious neighborhood deterioration.

As pleased as we all should be about the crime fighting successes of the past years, now is no time to stand pat. Old and new law enforcement challenges require us to maintain our vigilance and our efforts. Indeed, the war on crime is sadly a war that never ends. The surest way to prevent a return to the bad old days of untamed streets and unsafe schools is to do what works: Yes, lock up violent offenders; yes, invest in prevention programs; and yes, hire and retain community policing officers.

When I authored the COPS Program in the House of Representatives and

worked with the Senator from Delaware—we worked in tandem then because I was a House Member and he a Senator—I knew that not only the increased number of police, but the change in the type of policing, to community policing, was going to work. And work it did.

There is almost unanimous agreement from law enforcement, from people on both sides of the criminal justice argument, on the left and on the right, that the COPS Program has been a shining success. So when I read the words in the committee report, "The Committee directs that from within available funds the COPS office close by the end of the fiscal year 2000," I was distressed, perturbed, and I was shocked because this is a Government program that works. This is not an ideological program, and it has such broad support.

The police agencies, the mayors, and town councils that have put COPS funds to such good use over the past 6 years felt the same way. I have received many letters from New York police chiefs and mayors over the past few weeks about this appropriations bill, and every one contains a similar refrain: Please keep the COPS Program in business.

As the Senator from Delaware knows, we made special efforts when we wrote the law to make sure small towns, villages, and counties were included. There was a special set-aside so that not all the money would go to the big cities. I was then a city representative—and, of course, I represent the whole State—representing the people who were most fervently for the program, the small town mayors and local county people, who could not have afforded these police but for the COPS Program.

It also has let us accomplish so much. In addition to hiring officers, it purchased new technology and implemented innovative programs to stop domestic violence, all because we created in this program the flexibility that if you could take cops off the desks and put them on the streets, patrolling the streets, it would work.

Well, 10,505 newly funded officers later, even the most skeptical New Yorkers—and we have many skeptics in our State—are converts to the cause of the COPS Program.

I am proud of this amendment which would keep the COPS Program in business for this fiscal year, negating the report language to the contrary. That is certainly an improvement over the committee's bill, which didn't provide any funding of the program. At the same time, I believe the COPS Program deserves even greater funding for fiscal year 2000 than provided in this amendment because fighting crime is a key to building strong communities. In my State, many of the communities have rebounded, including New York City, because it is much safer.

So I believe it should be a top priority for this Congress to reauthorize the COPS Program. Senator BIDEN and I already tried to do it as an amendment to the juvenile justice bill. We will soon introduce, along with the Senator from Virginia, Mr. ROBB, a freestanding bill to reauthorize the program, and we will not rest until we get the job done.

But this is an important step forward. I congratulate my friends from Delaware and Virginia for their hard work on the issue. I also thank my friend, the Senator from South Carolina, Mr. HOLLINGS, for his invaluable assistance with this amendment. Again, we will not rest until we get the job done.

Mr. BIDEN. Mr. President, I yield 10 minutes to my friend from Virginia.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, first let me thank my friend and colleague from Delaware, as well as my friend and colleague from New York, for their support.

As a cosponsor of the Biden amendment, I would like to express my strong support for the effort to preserve and restore funding for the COPS Program.

I believe many of our colleagues share my view that protecting our Nation's citizens from all enemies, foreign and domestic, is a critical obligation of the Federal Government. We are committed to try to make all of our communities safer from the threat of crime. Today, by supporting this amendment and the COPS Program, all of us can make good on this commitment.

The Biden amendment will prevent the COPS Program from expiring as the underlying bill provides. Over the next year, the \$495 million in funding provided by the amendment will put 1,500 new officers on the beat, hire 2,400 school resource officers to reduce violence in schools, keep hundreds more officers out in their communities rather than behind their desks, purchase bulletproof vests, and provide better communications equipment and technology. In short, this amendment will make a difference to the safety of our communities.

I am particularly gratified to see the resources devoted to school safety. Even before the tragic killings in schools across the Nation, I worked to amend the Commerce-State-Justice appropriations bill in 1997 to permit the use of COPS funding for school safety grants. The following year, with the help of Senators GREGG and HOLLINGS, we expanded that program. As a result, this year more than \$167 million in school safety grants, including funding to hire school resource officers, is going to communities across the Nation.

More generally, the Community-Oriented Policing Services program, or

COPS, is one of our best strategies for fighting the war on crime. The rationale is straightforward, and the results are impressive. In the simplest terms, COPS funding means more police on the beat, which means less crime.

The dynamics of COPS in community policing are, of course, more complex. The goal is not simply more bodies but better neighborhoods. By giving law enforcement the resources to actively engage their communities, we develop trust and better communications; we allow officers to be proactive and prevent crime before it occurs.

The bottom line is that the COPS program works. This Nation has the lowest crime rate in 25 years. The murder rate is at the lowest point in 30 years.

In my home State of Virginia, we provided funding to put nearly 2,000 additional officers on the streets. As we have added those officers, we have seen a drop in crime. Between 1992 and 1997, murders declined by 17 percent in Virginia Beach, by 30 percent in Norfolk, and by 48 percent in Newport News.

With these statistics, it is not surprising how many are urging the Senate to step up to the plate again. My colleagues have already mentioned the many organizations asking us to continue COPS funding, including the Fraternal Order of Police and the United Conference of Mayors.

In a letter to Majority Leader LOTT, Sheriff Dan Smith, president of the National Sheriffs Association, stated:

It is imperative to effective crime control that the COPS program survive. It is a program that is vital to effective law enforcement, and to sheriffs in both rural and urban jurisdictions.

I urge my colleagues to support the Biden amendment. We should not be satisfied with the lowest crime rate in 25 years. We should work for the lowest crime rate ever. This important amendment will help us to achieve that goal.

I again thank my distinguished colleague from Delaware for his continued leadership in this important area. I am delighted to work with him and with others, and I look forward to the continuation of this vital program.

I yield any time I may have remaining to the principal sponsor of the amendment, the Senator from Delaware.

Mr. BIDEN. I thank the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I now yield 5 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I thank my distinguished colleague, the Senator from Delaware, for yielding me this time.

I am pleased to be a cosponsor of this important amendment to restore fund-

ing for the successful COPS Program. We know it works and it should be continued. Later on, I will also be offering an amendment to restore funding for the Edward Byrne Memorial Grant Program—another vital resource for local law enforcement.

I voted against this bill in committee for one main reason: it drains the critical funding needed by our local and state law enforcement to help them do their jobs—to fight the drug problems in our communities and to keep our streets safe. The bill before us cuts the Byrne grants by more than 18 percent. The local law enforcement block grant is cut by 24 percent. Neither of these cuts makes sense.

Our communities need them to beef up their drug and violent crime task forces. These grants go straight to the state and local agencies. Why would they be cut? Violent crime has gone down, but does that mean we should give up the fight? Drugs and crime are a continuous battle and now is not the time to let up.

I've received dozens of letters from Iowa police chiefs and sheriffs describing the kind of setbacks that they would suffer if these cuts go through.

This amendment which restores just about a third of the fiscal year 1999 level funding for Community Oriented Policing Services Program, would be a good first step to giving our local communities the support they need to do their jobs. Police chiefs and sheriffs from across the country have told us loud and clear—the COPS Program is one of the 1994 Crime Act's most effective programs.

Consider this: Serious crime is retreating all across the United States. Since the COPS Program began, violent crime across the nation has dropped 21 percent—in part because local law enforcement used these federal grants to hire more officers to keep our streets safe, and to upgrade their operations with new technology. In Iowa, the murder rate has plummeted 34 percent from last year. Now is not the time to cut back on our efforts to fight illegal drugs and violent crime.

Rural America will pay the heaviest price if this amendment is not adopted. The COPS Program made a special commitment to include small towns and rural areas. Half of all COPS funding goes to agencies serving jurisdictions of under 150,000 in population. And its making a difference. I hear it all the time from sheriffs and police chiefs throughout Iowa.

I got a letter just the other day from Police Chief Douglas Book of Forest City, Iowa—a town of 4,500 people. He said zero-funding COPS would be detrimental to his operation. He wrote:

\*\*\* COPS, by the addition of one officer, has allowed us to provide a school resource officer for 20 hours per week. Something that was non-existent before COPS. Through the addition of the COPS funded officer we were



able to be proactive in various areas of our community. One very successful operation resulted in a 75 percent drop in juvenile assaults \* \* \* This funding literally deals with the quality of life in America. Results, not politics, must be the guiding factor \* \* \* COPS works. Fund it. [Douglas Book, Forest Hill Police Chief, 6/23/99]

Here's another letter I received from Coralville, Iowa Police Chief Barry Bedford:

Without the COPS Program, we would not have been able to keep up with the tremendous increase in the calls for service and crime-related activities, nor would we be able to obtain the vitally needed mobile data computers. This is a program that needs to continue if we are going to keep our communities safe.

The chiefs are right. Community policing works. It's a flexible program that is responsive to law enforcement needs. More cops on the beat have an undeniable effect on crime and a community's sense of security.

Funds to hire more than 100,000 officers have been awarded since 1994 by the COPS to more than 11,300 state and local law enforcement agencies across the nation. That's more than half the policing agencies in the country. As a result, these officers are joining agencies that serve more than 87 percent of the American public.

Iowa alone has received over \$37 million to hire 544 officers. COPS funds have also been used to put computers in police cars in Dubuque, help officers in Grundy Center deal with vandalism and help Waterloo police fight drugs. COPS grants have helped community and county police departments hire civilians to do paperwork so more officers can be out on the streets. In short, COPS has made our streets and communities safer.

It makes no sense to block such a successful program that directly benefits our communities and makes them safer for our families. While crime is down—this is not the time to claim victory and retreat. So I urge my colleagues to support our amendment that restores this crucial law enforcement funding and I also urge that any language in this bill that mentions closing down the COPS office this year be deleted.

I compliment my colleague from Delaware for being a great leader on this program. This amendment should be supported and adopted if we truly want to support our police officers and our sheriffs' departments throughout this country.

I yield the floor.

Mr. BIDEN. Mr. President, I thank my friend from Iowa, and I compliment him for his continued support and early support for this program.

I now yield 5 minutes to my friend from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I thank the Senator from Delaware. I am de-

lighted to join with him as an original cosponsor of the amendment. I am pleased to work with him with respect to this question of the funding of the COPS Program nationally.

As the Senator from Delaware knows well, back in 1994 I brought the original amendment to the floor for the 100,000 police officers at a time when people said we weren't going to be able to find the money.

We managed to reach an agreement through the ingenuity of the distinguished Senator from West Virginia, Mr. BYRD, and an agreement with Senator GRAMM back then to split some money with respect to prisons, which ultimately became the foundation of a rather remarkable increase in funding for police officers on a national basis.

The Senator from Delaware, then chairman of the Judiciary Committee, had spent many long years working and fighting to recognize the need to have police officers in the streets of America. My own experience as a former prosecutor brought me to the Senate with a long-term understanding of and commitment to the notion that crimes usually aren't committed right in front of a police officer. On too many streets in America, and too many corners of our communities, we were literally, only a few years ago, abandoning those streets to criminals. The ratio of police officer to a felony was diminishing. Felonies were going up; the police officers were going down. And there was a direct correlation to the disorder, even the chaos in some places, that we were inheriting as a result of the lack of capacity for enforcement.

Having run one of the largest district attorney offices in America, one of the 10 largest counties in the country, Middlesex County in Massachusetts, I learned firsthand it is not just a police officer on a street at a particular moment of time who is going to intercept a crime or break up a fight or provide order; those police officers who make arrests have to go to court. They have to be able to testify in cases. They have to have time to investigate cases. It takes an enormous amount of street work, of nonvisible work, to be able to adequately staff and supply the police force of the country, the investigative capacity of the country, in order to bring cases.

We too often were losing cases because we couldn't bring the officer to court. The officer needed to be out on the streets because of the shifts. Judges would dismiss cases because prosecutors were failing to put them together in time to meet the swift and speedy prosecution standards.

Finally, we got people to understand that it makes a difference to have a police officer walking a beat. That is another problem that occurred in America for a long period of time. We put police officers in a car; they drove

around; criminals could pretty well predict when the car was going to come through. The car created a barrier between the officer and the street, so to speak. People didn't build relationships. They didn't build relationships with good citizens in the community, and they also didn't build relationships with bad citizens from whom they often learned who may have done one thing or another against the law.

Through awareness of that in 1994, we began an effort to put police officers back on the streets of America, to build those relationships, and to provide our departments with the indispensable foundation on which the life and economic development of a community exists. That is called the opposite of chaos. It is peace. That is why they are called peace officers.

The fact is, we have been on a wonderful trend line, an extraordinary trend line, where crime has been going down. Most violent crime has been going down, although not all; there are a couple areas that have gone up in the last year. The fact is, the kind of threat the average citizen felt in their community has diminished. In community after community after community, all across this country, police chiefs, police officers, mayors, everybody involved in the effort to provide order, will share stories of the remarkable ways in which the community policing program has made a difference in the lives of our fellow citizens.

It is extraordinary to me that plans were laid in the original Republican budget to eliminate funding for this, one of the most successful programs that we have had.

If you look at the city of Boston in the 1990s, we had a gang epidemic. There was a surge in youth violence. The Boston Police Department responded by developing a very innovative youth violence task force, an aggressive intervention strategy, and a program to control trafficking of firearms. However, much depended on the \$750,000 COPS anti-gang initiative grant. That has become a model program in the country. Countless police chiefs and others have used that program as a way of instituting a similar effort in their own cities.

Every year since 1993, the number of juveniles killed by guns has decreased, a 60-percent decrease from 1990 to 1998. From July 1995 to December 1997 not one youth was killed with a firearm.

The rate of violent crime involving a firearm has decreased 43 percent since 1995. Property crime has dropped to its lowest levels since the 1960s and has been cut in half since 1990. House break-ins and car thefts have also hit a 35-year low.

The federal assistance through the COPS program has given local communities like Boston the tools to fight crime effectively. This makes our streets and schools safer, our homes

more secure and improves the quality of life for everyone. In 1997, a Boston Public Safety Survey found that more than three-quarters of the residents feel somewhat to very safe alone in their neighborhoods at night, an increase of close to 20 percent just since 1995. Feeling safe to walk the streets is a right, not a privilege for those who can afford it. Every community deserves the type of security that Boston residents currently enjoy. The COPS program has played an important role in fostering that security.

Listen to what Paul Evans, Commissioner of the Boston Police Department, has had to say. In a letter to me, which I will now read, Paul reminds us that

Over the past five years, the COPS office has been a strong and effective partner in our efforts in Boston, and in cities across the country. COPS funds have supported the hiring of 109 new officers like Jamie Kenneally, who has quickly become a community fixture, walking his beat and serving as a one-man-anti-crime unit on Centre Street in Jamaica Plain.

Mr. President, other COPS initiatives have supported Boston's internationally recognized youth violence strategy, which yielded a 75-percent decrease in youth homicides. Also, COPS supported the citywide Strategic Planning and Community Mobilization Project that brought together more than 400 police and community stakeholders to create partnerships for public safety that have been replicated in communities across the country.

The effects of the COPS programs in Boston have been replicated across Massachusetts and across the nation. Here is a letter from Edward Davis, Superintendent of Police in Lowell, Massachusetts. In the letter, Superintendent Davis says the Lowell Police Department has seen a dramatic decrease in crime and the fear of crime over the past six years. Violent crimes have decreased more than 60 percent as a result of the hard work of police officers, citizens, and the support of the Federal Government.

Paula Meara, Chief of Police of Springfield, Massachusetts believes that COPS funding has unquestionably improved the quality of life for Springfield residents. In 1997 and 1998, Homicides in Springfield have declined by 40 percent and serious crime has dropped by 12 percent. Chief Meara believes that any reduction in funding for the COPS program will have catastrophic results and will be detrimental to the quality of life for every resident in Springfield.

The COPS program has been a demonstrated success in Massachusetts and across the nation. It deserves continued federal support. Adopting the Biden amendment is a good first step toward continuing federal assistance for local communities. However, there is much more that we need to do. First, we must find additional funds for the

COPS program in conference to insure that communities that are currently plagued with crime and violence can fight back with a cop on the beat. Second, we must continue to work with local police departments to develop innovative community-based approaches to fighting crime. This approach will help allow every community free itself of the crime and violence that lowers the quality of life and limits economic development. Mr. President, it is time we end the debate of whether to fund the COPS program, and move onto the far more important question of how to enlarge and expand this successful program for the challenges before us today.

I ask unanimous consent a series of letters from police chiefs with respect to that program be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

BOSTON POLICE DEPARTMENT,  
Boston, MA, July 14, 1999.

Hon. JOHN F. KERRY,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR KERRY: I am writing to express my urgent opposition to efforts in the Senate to eliminate funding for the COPS Office. Like you, I strongly support Senator Biden's amendment to restore that funding.

Over the past five years, the COPS Office has been a strong and effective partner in our efforts in Boston, and in cities across the country. COPS funds have supported the hiring of 109 new officers whom we could not otherwise have put to work in Boston's neighborhoods, officers like Jamie Kenneally, who has quickly become a community fixture, walking his beat and serving as a one-man anti-crime unit on Centre Street in Jamaica Plain.

Other COPS initiatives have supported Boston's internationally-recognized youth violence strategy, which yielded a 75 percent decrease in youth homicides. Also, COPS supported the New England Regional Community Policing Institute, which is a training consortium led by the Boston Police Department and that delivers state-of-the-art community policing training across the region. As one of its first initiatives in Boston, COPS supported our citywide Strategic Planning and Community Mobilization Project, that brought together over 400 police and community stakeholders to create the partnerships for public safety that have been replicated in communities across the country. COPS supports our initiatives in reducing domestic violence and other key areas of our mission.

The COPS Office is a major success story from the 1994 Crime Act, which you were so pivotal in enacting. I add my voice to what I know is a chorus of police executives who want this important work to continue.

Please let me know if there are other ways I can support Senator Biden and you in your fight to save COPS.

Sincerely,

PAUL F. EVANS,  
Police Commissioner.

LOWELL POLICE DEPARTMENT,  
Lowell, MD, July 15, 1999.

Hon. JOHN F. KERRY,  
U.S. Senate,  
Boston, MA.

DEAR SENATOR KERRY: The Lowell Police Department (LPD) has seen a dramatic decrease in crime and the fear of crime over the past six years. Part I Crimes have decreased by over 60% as a result of the hard work of police officers, citizens, and the support of government officials. This support is most evident by the resources provided by the U.S. Department of Justice Community Oriented Policing Services (COPS) Office.

Since 1993, the COPS Office has provided well over 4 million dollars to the LPD for the hiring of sworn and civilian personnel, as well as the implementation of innovative problem-solving initiatives. Through the Universal Hiring Program, Lowell has been able to hire 37 additional police officers, and COPS More allowed for the redeployment of over 30 officers into the community. The Advancing Community Policing Initiative allowed for the development and implementation of innovative training and management initiatives. The Problem-Solving Partnerships grants support youth and neighborhood challenges. Furthermore, the Community Policing to Combat Domestic Violence grant supported efforts targeted and addressing domestic violence citywide.

Equally important is the impact that COPS Office resources have had on law enforcement across the country. The COPS Office has been instrumental in enhancing the profession of policing, and challenging law enforcement to think and act in a more strategic manner. Embedded in all of the COPS grant programs, is an underlying theme of building and strengthening community partnerships with public and private organizations.

It is without reservation that I support the continuing efforts of the U.S. Department of Justice COPS Office and their state and local law enforcement partners. I would be happy to provide further information from my agency as well as from the citizens of Lowell, Massachusetts if necessary.

Very truly yours,

EDWARD F. DAVIS, III,  
Superintendent of Police.

THE CITY OF SPRINGFIELD, MA,  
July 15, 1999.

Senator JOHN KERRY,  
Russell Senate Office Building,  
Washington, DC.

DEAR SENATOR KERRY: The Springfield Police Department is a community oriented, full service, municipal Police Department. Community Policing was initiated in a pilot area of Springfield in 1993 and was expanded citywide thanks to the assistance provided through funding by the Department of Justice COPS Universal Hiring Grant Initiative. One hundred twenty-eight (128) officers have been hired thanks to the assistance of the Department of Justice and Federal Funding. Nationwide studies proved that traditional law enforcement strategies were insufficient and outdated when applied to today's complex law enforcement issues. After initiating community policing in 1993, the police department recognized immediate positive results. It became clear that when community police officers spent more time and focused more attention on the issues, calls for return service diminished substantially.

Community Policing was implemented "city-wide" in 1995 after a successful trial period, which included several pilot areas.

The city was receiving high praise from residents for Community Policing efforts but expansion was hampered due to manpower constraints. The city was still recovering from economic depression and officer lay-offs in 1988. Community Policing in Springfield is both a philosophy and an organizational strategy that promoted new partnerships between people and their police. It is based on the premise that both the police and the community must work together to identify, prioritize and solve contemporary problems such as drugs, fear of crime, social/physical disorder and overall decay with the goal of improving the quality of life in our city. Without sufficient officer staffing Springfield was struggling to answer the constant need for immediate officer response to critical incidents while at the same time allowing officers the time necessary to commit to working with the community. Federal COPS funding provided the funds vital to hiring the essential additional officers to move forward and expand Community Policing in Springfield.

The City is organized into nine Community Policing Sectors. Management and services have been decentralized by transferring Captains out of headquarters into the sectors, assisted by Lieutenants, Sergeants and Officers—all assigned on a long term basis. Investigations have been organized to maximize sector responsibility with investigators from all of the Department's Bureaus assigned by Community Policing Sector. Neighborhood based beat management teams and regular community meetings comprise an essential component of this department's policing initiatives. The Springfield Police Department has worked continually toward enhancing its services to the residents of our city through collaborations with other services providers with the goal of meeting and exceeding citizen expectations. The Department of Social Services, Department of Youth Services, School Department, Springfield Health and Human Services, Department of Code Enforcement, District Attorney's Office, Hampden County Sheriff's Department (Corrections), Juvenile and Adult Probation Divisions, and Parole Department all work with our Community Policing Officers and have representatives assigned to Community Policing Sectors. Springfield is particularly proud of its Youth Assessment Center—named after Captain Joseph A. Budd, who commanded the Youth Aid Bureau and championed youth causes for many years. The Center became operational in 1997 and is among the first of its type in the nation. Funding supplied through the COPS Universal Award made this center possible. Any reduction in funding this center, which has become a national model, would jeopardize the health and welfare of our city's youth. It represents a collaboration of police and other major agencies, working together to better serve our city's children. Its primary focuses are: Early Intervention, Youth Diversion, and Prevention. Among the agencies that work with Youth Aid personnel at the Center on a daily basis are: Springfield School Department, District Attorney's Office, Department of Youth Services, Department of Social Services, Department of Youth Services, and the Center for Human Development (Project Rebound). Children in need of services, or youths that surface with law Enforcement Programs are brought to the center and not to the police station. At the center, trained investigators gather data relative to health, school and home issues—relating to drugs, sexual abuse, and domestic violence. If necessary, immediate and direct

referral to the appropriate agency for assistance is provided.

COPS funding has provided officer staffing levels vital to proactively target the issue of school violence. Springfield has nineteen (19) officers and one Sergeant assigned full-time to patrol our Springfield's fifty-five (55) schools. These officers work with school officials, and numerous other service agencies to prevent incidents of violence. Student Support Officers are specially trained in mediation techniques and are a resource to school officials and students.

COPS funding has allowed us to develop many diverse programs to improve the quality of life in our Community.

Citizens Police Academy—Since 1996 we have held seven academies with approximately 175 residents attending twelve week interactive training sessions.

COP SHOP—Based on the Citizen Police Academy but directed at high school age youths who have shown an interest in Law Enforcement.

COPS AND KIDS—An after school program meeting three times a week at our Mounted Patrol facility targeting youths at risk, 12 to 14 years of age.

COPS IN SHOPS—Undercover officers posing as liquor store employees to target underage alcohol violations.

Community Chaplains on Call Program—A multi denominational volunteer group of clergy that respond to critical incidents within the City of Springfield and surrounding communities.

S.A.R.A Problem Solving Initiatives—Collaborative efforts by police and other stakeholders to prioritize and combat quality of life issues such as Open Drug Dealing, Auto Theft, Vandalism, Graffiti, and Youth Violence.

COPS Funding has unquestionably improved the quality of life for Springfield residents. Statistics show hard evidence that the Community Policing Initiatives financed by COPS Funding continues to be our most successful efforts to date.

From the period including 1995 to 1996 Springfield experienced 33 homicides. From the period including 1997 to 1998 as Community Policing expanded Springfield experienced a drastic reduction of homicides, with a total of 20. This is a 40% reduction over these two-year periods.

For the first six months of 1999 Springfield experienced one (1) homicide.

From the period 1997 to 1998 Springfield experienced an 11.98% reduction in UCR Part 1 Index Crimes. This category includes Rape, Robbery, Burglary, Aggravated Assault and Auto Theft.

For the same period Springfield experienced an 8% reduction in all other crimes not categorized in UCR Part 1 Index Crimes.

COPS funding is essential to the continued success of the Springfield Police Department's efforts to improve the quality of life for our citizens. Community Policing has become a way of life in the City of Springfield. Any reduction in funding will have catastrophic results and will directly effect public confidence in their Police Department and will be detrimental to the quality of life for the citizens of Springfield.

Very truly yours,

PAULA C. MEARA,  
Chief of Police.

Mr. KERRY. I thank the Senator from Delaware for his leadership as well as for his courtesy.

Mr. BIDEN. I yield 5 minutes to my friend from Minnesota.

Mr. WELLSTONE. Mr. President, I thank Senator BIDEN for his great lead-

ership on this issue. I hope I am an original cosponsor, and, if not, I certainly ask unanimous consent to be named a cosponsor.

I want to talk about a program that is extraordinarily important to the safety of communities. That's the COPS Program. In 1994, Congress enacted the Violent Crime Control and Law Enforcement Act. This act established a program known today as the COPS Program. This program has had unparalleled success.

The authority to hire officers under the COPS Program expires in fiscal year 2000. Although the President's Budget provided for an initiative that would allow a continuation of support for hiring police, the Senate Appropriations Committee markup does not include such funding.

This is not the time to cut back on funding police programs for our communities. The COPS Program authorized the hiring of 100,000 police officers and allowed states and localities to concentrate those officers on community policing. Funds were used for purposes such as: Training law enforcement officers in crime prevention and community policing techniques; development of technologies that emphasize crime prevention; linking community organizations and residents with police; and developing innovative programs.

In 1998, the COPS Program initiated the Safe Schools and Indian Country law enforcement improvements initiatives. The Safe Schools Initiative included \$167.5 million for partnerships between law enforcement agencies and schools to improve safety in elementary and secondary schools and to hire school resource officers.

Under the Indian country law enforcement improvement initiative funding was available for hiring uniformed officers and assisting with other law enforcement improvements on tribal lands.

Under the COPS Program, the Youth Firearms Violence Initiative was developed to assist police departments in combating the rise of youth firearms violence.

As a result of the additional police officers in the community and the innovative programs funded by the COPS programs, we have seen historic crime reductions over the last few years. Crime is at its lowest rate in 25 years and has declined for 6½ consecutive years.

The COPS Program is strongly supported by every major law enforcement group. Why? Because it responds directly to their needs.

I want to share with you a number of examples of how different communities in my home State of Minnesota have successfully used COPS funding and how their communities have benefited. The Anoka Police Department has refined its juvenile conferencing program—a

program which essentially brings together youthful offenders with the victims of their offenses. The basic idea is that this confrontation will cause the young person to see the consequences of his/her actions and make it less likely to occur again. It also has eased the pressure on the court system.

In short, Police Accountability Conferencing is a non-traditional way of dealing with juvenile offenders. Modeled after a program in Australia, it brings the victim, the offender and their relatives together with an officer, who serves as a mediator, to discuss the ramifications of the offender's actions and decide on a mutually agreeable form of punishment.

This commitment to young people is a classic example of how COPS grants can be utilized effectively.

In addition, Anoka has a COPS officer who is also used as a school liaison officer. During the summer, this officer works with the landlords association in dealing with landlord-tenant issues.

Anoka Police Chief Ed Wilberg views the COPS Program as a very successful one—one which really does help to meet the needs of his community.

In both the St. Paul and Minneapolis, the Police Departments have been able to free up more officers so that they can do proactive work. Because of the COPS Program their work is not limited to responding solely to 911 calls.

For instance, Chief Robert Olson of the Minneapolis Police Department talks about being able to commit "significant additional resources in both police officers and equipment" to address the core cause of crime in Minneapolis. He reports that "The catalyst for helping the city commit to those resources was the Federal COPS program."

Chief Olson further states that

There is still a significant need for federal support of community-oriented policing services . . . Law enforcement needs that federal support . . . and I hope that when these issues are presented that you will consider a continuation of the mission of the COPS Office in whatever form seems appropriate.

In St. Paul, this is what the Chief's office had to say:

The COPS grants have allowed us to hire police officers, increase efficiency through the use of technology, put greater emphasis on our problem solving efforts and enhance the linkage we have with our community. The COPS program is one of the best things President Clinton and Congress has done for law enforcement. We would like to see more funds for technology and support to further enhance our efforts.

In White Bear Lake, a rural community, COPS funding has enabled restructuring so that more officers are in the community. White Bear Lake has divided its community in 19 sub-communities with at least one officer assigned to each community. Quite simply, White Bear Lake jumped light years ahead because of the technology

that the COPS grants allowed them to purchase—which has the direct result of police officers being in the community.

In the Shakopee Police Department, the COPS Program has been a godsend to an agency its size. It has allowed the department to hire additional officers in a diverse community that is growing every rapidly.

Within the last few months they were able to hire community service officers to provide services that ordinarily would have to have been performed by sworn officers. This means that additional sworn officers are freed up to do work in the community. Currently the Police Department is working to hire school resource officers. The school district has agreed to help with the cost. This would not be possible without COPS.

Here, I say to Senator BIDEN, is the quote I have been saving for you.

Police Chief Ken Froschheiser of Thief River Falls said that COPS "has been so successful that if the citizens heard that it was going to be pulled, we would be hung." He also said that he jokes with the school district that he really doesn't have two officers, that the school district has two employees.

His school liaison officers are in the school 12 months of the year. They do things like bike patrols and help create block programs which allows his officers to be closer to the community, neighborhood by neighborhood. The COPS Program provided the resources to do the school work that he wanted to do. He also has noticed an increased collaboration with other city and county agencies, for example, the school district, social services and the court system.

The point is simple: under a community policing philosophy, law enforcement agencies recognize the need for cooperation with the communities they serve. Each community has numerous resources that can be used with law enforcement to solve problems.

The Upper Midwest Community Policing Institute, which is funded in part by COPS, is working in partnership with the Minneapolis Police Department to provide outreach and training to the large Somali community in the Cedar-Riverside neighborhood and the officers who serve them.

In the near future, this Institute will be exploring community policing applications to the problem of domestic violence. Importantly, the Institute is working closely with a large number of Tribal Law Enforcement agencies to provide training and technical assistance. This work has included helping to facilitate the White Earth Tribe and Mahanomen County agreement to resolve jurisdictional issues. COPS allowed this to happen. This Institute is an important piece of the COPS picture. It exemplifies the success of a law enforcement approach that is tailored to community needs.

The success of the COPS story goes on and on. COPS provided resources which allowed departments throughout Minnesota to upgrade technology and to redevelop the whole notion of community policing.

At the national level: The United States Conference of Mayors states that the COPS Program has been critical in the significant reduction in crime and that the nation's mayors always cite the COPS Program "as a working example of what can be accomplished when red-tape is reduced to a minimum in favor of results-oriented programming". The nation's mayors urge reauthorization of the program.

The COPS Program also is supported by the National Sheriffs' Association, The International Brotherhood of Police Officers, the National Association of Police Organizations, The Police Executive Research Forum, The National Troopers Coalition, The Major Cities Chiefs, and the International Association of Chiefs of Police.

Mr. President, why would we eliminate such a successful program? This is a time to build on our successes. This country needs additional resources to enhance crime fighting efforts. We need better communications systems in more communities to deter criminals, and to improve the ability of different jurisdictions to interact. We need to provide more communities with state of the art investigative tools like DNA analysis. We need to be able to target crime hot spots by making resources such as crime mapping available to more jurisdictions. We need new community based programs to ensure the safety of our school children.

The COPS amendment being offered today by Senators BIDEN and SCHUMER will enable us to continue the COPS Program which will expire next year. The amendment will support the hiring and training of up to 50,000 more cops over 5 years. It will support new technology to fight crime. It will provide funding for community prosecutors. The amendment puts cops in schools and supports partnerships between schools, law enforcement and the community. Communities and their students feel particularly vulnerable in the aftermath of the Littleton tragedy. It is important to continue our support of the dialogue between schools, law enforcement and the community so that communities can continue to fashion solutions to the problem of school violence.

This program has been a success over the last 5 years. It has benefited communities throughout this nation. It should be continued.

Mr. BIDEN. Mr. President, I yield 5 minutes to the Senator from Nevada.

Mr. REID. Mr. President, as we prepare to agree to this amendment reauthorizing the COPS Program for an additional year, I wish to take a moment to recognize the work of the Senator

from Delaware on this issue. The senior Senator from Delaware has offered an amendment that is very important to the country. He also, earlier this year, offered an amendment to the juvenile justice bill to reauthorize this program. That effort, supported by everyone in the minority, was defeated.

Fortunately, though, for the people of the State of Nevada and this country, we had the support of the police officers from all over the country, the district attorneys from all over the country, the sheriffs from all over the country. Law enforcement officers, officials, literally called upon us, their Senators, to express their overwhelming support for the reauthorization of this program. So I extend every bit of appreciation possible to the Senator from Delaware for his persistence and also for his ability to energize law enforcement officials in this country. It is because of their interest and their trust in the Senator from Delaware that we have reached this point.

I have in my hand four pieces of paper filled with the names of cities and towns, Indian tribes, universities from all over the State of Nevada, that have received help from this program, from Bolder City in the far southern tip of Nevada to the Yomba Shoshone Tribe in the northern part of the State. They received grants of money and police officers to allow the State of Nevada to be a more peaceful place.

Hundreds of police officers are now patrolling the streets all over the State of Nevada as a result of the legislation that was previously passed. It is very important we move forward.

I speak as someone who has been a police officer, someone who has been a prosecutor, someone who has defended people charged with crime. I am convinced there are many important ways to cut back on crime, but there is nothing more important than having a police officer seen on the street. A police officer who is known to be in the area certainly will deter crime.

This program is good. We are fortunate we are now having another opportunity to make sure this program goes forward.

Mr. FRIST. Mr. President, I am happy today to support continued funding for the Community Oriented Policing Services, or COPS program. During consideration of the Juvenile Justice Bill in May, I opposed Senator BIDEN's amendment which would have authorized the COPS Program for 5 more years. I took that position because I felt that Senator BIDEN's proposal, which would have cost taxpayers \$7 billion, needed to be carefully scrutinized in the normal legislative process. His proposal would have more than doubled the current funding authorization, and did not address the serious problems that exist with the current program.

Today, however, I am happy to support continued funding of the COPS

Program for FY 2000. Local law enforcement officers from across Tennessee have contacted me to let me know of their support for this program. Tennessee has benefitted from almost \$120 million in Federal funds since the COPS Program began. Police Chief Jamie Dotson of Chattanooga told me that the COPS Program has assisted him in hiring an additional 76 police officers. The police chiefs of Memphis, Nashville and Knoxville all support the program.

I look forward to working with my colleagues on reauthorization of the COPS Program. I want to ensure that we build flexibility into the system, so that communities may use the Federal funds to best suit their needs, be they more policemen in schools, purchase of new technology, bullet proof vests, or overtime payments to keep policemen on our streets fighting crime. Additionally, I want to ensure that we carefully scrutinize the program to eliminate waste of scarce taxpayer resources. I am grateful that my colleagues have been able to work out a compromise so we can continue to fund this program, and I am proud to continue my support.

Mr. FEINGOLD. Mr. President, I rise today as a proud co-sponsor of the amendment offered by my distinguished colleague from Delaware, Senator BIDEN. Despite the proven track record of the Community Oriented Policing Services (COPS) Program and widespread support from the law enforcement community, the current version of the Commerce-Justice-State appropriations bill almost completely eliminates this important program. Senator BIDEN's amendment, however, corrects this terrible flaw in the bill. It would preserve the Office of Community Oriented Policing Services and fund the hiring of roughly 1,500 police officers through FY 2000.

Since its inception in 1994, the COPS Program has provided an unprecedented level of resources to communities across the nation in the fight against crime. The COPS Program has awarded \$6 billion to 11,300 communities to fund the hiring of more than 100,000 police officers. The addition of 100,000 police officers represents a nearly 20% increase in the number of officers on the streets. And more cops on the streets means lower crime. Crime is at its lowest rate in 25 years and has declined for seven consecutive years. The COPS Program has a lot to do with that happy statistic.

What is community policing and how has it reduced crime? Community policing is a law enforcement strategy that emphasizes establishing community partnerships, putting more officers on the street, decentralizing command functions, and promoting innovative, community-oriented strategies to prevent crime. With the recent wave of schoolhouse shootings like those that

occurred in Littleton, Colorado and Jonesboro, Arkansas, there is a growing sense among Americans that we are no longer safe in our homes, in our schools, in our communities. One sure way to reduce crime and restore peace of mind is through community oriented policing. The COPS Program does just that.

COPS has had a positive, and very tangible, impact on communities throughout the country, including in my home state of Wisconsin, by putting more police officers on our streets and making our citizens safer. In the state of Wisconsin alone, the COPS Program has funded the equivalent of over 1,100 new officers and contributed roughly \$70 million to communities to make it happen. The COPS Program has succeeded because it helps individual officers to be a friendly and familiar presence in their communities. They are building relationships with people from house to house, block to block, school to school. This community policing helps the police to do their job better, makes the neighborhoods and schools safer and, very importantly, gives residents peace of mind.

The current Commerce-Justice-State appropriations bill, however, threatens the progress in community policing and the reduction of crime our nation has seen in recent years. First, it eliminates the federal funding for local law enforcement to hire additional, needed officers. Second, it eliminates the COPS office and transfers the administration of technology and school resource officer grants to the Office of Justice Programs. This is absurd and ignores the success of the COPS Program.

As I travel through Wisconsin and talk to sheriffs, police chiefs and other law enforcement officers, I hear the same refrain, time after time: the COPS Program is vital to their work and has enabled them to get more officers out from behind their desks and onto the streets. I agree. The COPS Program has been a shining example of an effective partnership between local and Federal Governments. It provides federal assistance to meet local objectives. It does not interfere with local prerogatives. It does not impose mandates. The program provides funding to counties, towns and cities to enable communities to put more police on the street. Individual police and sheriff's departments have discretion over how those funds are used, because they know what problems their communities face and the places they need help most.

Mr. President, zero funding for hiring officers means fewer cops on the streets. Shutting down the COPS office means local law enforcement will lose the ability to participate closely in determining what funds they receive and how they are used. Senator BIDEN's

amendment, however, would provide for continuing the much-lauded COPS Program to ensure that we have an additional roughly 1,500 police officers in our communities in Wisconsin and throughout the nation. I urge my colleagues to join me in supporting this amendment and continuing our drive to put more police officers on the streets and to reduce crime in our communities.

I yield the floor.

Ms. SNOWE. Mr. President, I rise today to thank the Chairman, Senator GREGG, and the Ranking Member, Senator HOLLINGS, for accepting the one year extension of the Community Oriented Policing Services Program. This extension, being offered by Senator BIDEN, with my support, will allow communities in Maine and across the country, to continue receiving assistance from this very successful program.

The COPS program was created in 1994, when President Clinton signed into law the Violent Crime Control and Law Enforcement Act. Not only does it provide grants that help communities hire additional police officers to help with the war on crime, the COPS Program also provides funds to acquire new technologies and equipment and provides police with opportunities to work with schools to address persistent school-related crime problems. This program is so worthwhile that one of Maine's police chiefs said it is one of the most innovative programs he has seen in his thirty-five years in police work.

Since its creation, COPS grants have been awarded to more than half the policing agencies in the country. In Maine there are an additional 258 police officers in 90 city and county police forces as a result of the COPS Program. All across my state, from the Androscoggin County Sheriff's Department to the Town of Ft. Kent and from the Kennebunk Police Department to the Washington County Sheriff's Department, I am proud that the State of Maine has been able to utilize almost \$18 million in COPS program funding to hire these new police officers. These new police officers have helped reduce the amount of violent crime in Maine and across the country. In fact, since 1994, violent crime in America has fallen by 13%.

By restoring \$495 million for Fiscal Year 2000, the Community Oriented Policing Services program will be able to fund the deployment of almost 4,000 more police officers. These new additions to the front lines of the war on crime will allow our communities to continue to reduce violent crime in America.

Again, Mr. President, I appreciate Senator GREGG's willingness to accept this amendment.

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Delaware.

Mr. BIDEN. Mr. President, I will make a few brief comments, and I am prepared to yield the remainder of my time. I thank my friend from New Hampshire for accepting the amendment.

This was part of an original bill called the Biden crime bill at the time. At the time, when we introduced the notion of all these new cops partially being paid for by the Federal Government, I was told a couple of things. One, local authorities would not like it because they would have to come up with part of the funding. Two, it would be cumbersome to administer. Three, we would find ourselves in the position where it really wouldn't make much of an impact on the community.

I suggest the reason I wrote the bill the way I did originally was to take into consideration all three of those concerns. First of all, everyone will know, from their home States, that there is no redtape in this program. The day after we passed the crime bill in 1994 in my office, I sat with the Attorney General of the United States and her staff, and, to her chagrin, I said we must get this application down to one single page. They looked at me as if to say: What do you mean, one single page? That is not possible for a Federal program which is going to cost \$30 billion. But that is what it is. It is a page. That is the reason why there is an infinitesimally small portion of this COPS Program and the crime bill program money being spent for administration.

The second thing was, I remember my friend from South Carolina telling me at the time: If you don't do this the right way, this is going to get hung up in every State. That is why we didn't send this money to Governors. The Presiding Officer is a former Governor. We love former Governors. But this doesn't go through State legislatures. The local police chief in Columbus, OH, does not have to convince anybody in your State capital they need more cops. They can go directly to the source.

From a little town in Massillon, OH, they can go straight to the source. They do not have to go to the legislature; they can go straight downtown after their city council in Dover, DE, Smyrna, DE, Wilmington DE. It enabled local law enforcement agencies to determine their own needs and thereby eliminate the waste. By the way, I got in trouble with Governors for writing it that way, for not sending it through State legislative bodies.

The third thing it does, and there was criticism of this when it was done, it says you do not get any money unless you have a certain kind of police department. What do you have to do? If you have 10 cops in your police department, you cannot fire two and apply for Federal money to hire them back. That is what was done under the

LEAA, the Law Enforcement Assistance Act, when I first got here. This program said there was a maintenance of effort. We would help you get the 11th cop, but you couldn't cut it to 9 to go back to 10.

We said: By the way, you have to have a community policing operation. Why is that important? Mayors and Governors do not want community policing. It is harder to do. It costs more money. The cops organizations—I love them all—didn't want it. It costs more money. If I am a cop in a tough district, I would rather be riding in a patrol car with another guy than I would be walking through by myself. So they did not want it. We said: No money unless this gets leveraged. If you have 10 cops and you want one of ours to raise your force to 11, all 11 have to be community cops. That is the key.

Why do I say this? If the Federal Government gets out of the business of helping here, it will not only be the loss of the money; I predict it will be the loss of the willingness to maintain community policing even though it works, even though every mayor knows it works and every county official knows it works. It is expensive and it is hard. Mark my words: The day the COPS Program ends, initially 5 percent, 10 percent of the communities in America will go away from community policing, and 10 years from now we will be back to where we were.

That leads to my second concluding point. People said back when the original bill was written: BIDEN, why are you only doing it for 5 years? I said, one of two things are going to happen. Maybe at the end of the 5 years those of us who support this concept are going to be right; it is going to be proven, as in the old expression, the proof of the pudding is in the eating. At the end of the 5 years, the pudding either tastes good or it tastes bad. If it tastes bad, all the king's horses and all the king's men will not keep the COPS Program going because it will be branded for what it is, a waste of time and money. But if the pudding tastes good, all the king's horses and all the king's men cannot stop it from being reauthorized for another 5 years.

So far, the king's horses and king's men have stopped it from being authorized for another 5 years. It is a different issue. It is different than continuing it for this next year. But I want to say, I think the proof is in the eating. Our streets are safer. Go out and ask any of your mayors, any of your county executives, any of your town councils, any of your police departments. You come back and tell me anyone who said: Eliminate this program. They may have suggestions to make it better, and we should listen to them but not eliminate it.

This leads me to my exact last point. I am a Democrat. I take great pride in the fact that I wrote this bill. Originally, it was the Biden bill. When it



passed and became law, I remember saying to President Clinton: Let's call it the Clinton bill.

We lost the Congress that year, and he thought we lost the Congress in part because of the gun amendments. He said: Keep it the Biden bill.

It started working really well, and now it is the Clinton bill. It is good it is the Clinton bill, but I want to make this the Republican bill, and I mean this sincerely. I want COPS to become like Social Security has become. Initially, Republicans hated Social Security and they were against it. Roosevelt came along, and Democrats supported it. Over the years, they have not only become politically committed, they are as committed as we are. They really understand how important it is, but for a long time it was not invented here.

This COPS bill was bipartisan in its inception. When the first so-called Biden crime bill that had this in it originally passed out of the Senate, it was called the Biden-Hatch crime bill until it got to the other side. Gingrich did not like the look of it politically, and even though it passed in the Senate with 97 votes originally—what passed the Senate originally was the same thing that ended up becoming law. It had 97 votes originally. It went over to the House of Representatives, and when it came back, I had to get seven Republicans to pass it. Only seven Republicans voted for it.

From that point on, the bad news about the crime bill has been: We Democrats beat our chests about how we did it, and the Republicans did not, which is literally true. And the Republicans have said: My Lord, we can't continue to support a program from which the Democrats are getting such benefit. Let's end this.

Let's go back and pretend this was part of the crime bill that passed out of here, which it did, with 97 votes. This is a bipartisan idea, and my plea is let continuing the program through its authorization period of the fiscal year 2000 be the first step, and the second step, that Republicans and Democrats join together and reauthorize for another 5 years this program and reauthorize for another 5 years, as my friend from New Hampshire has suggested, the trust fund.

It is time—and I know this sounds ridiculous in this atmosphere—to take the politics out of this. This is working. There is enough room for all of us to claim credit. There is enough room for everybody to say, look, listen to what Ronald Reagan used to say when he first became President: If it ain't broke, don't fix it. This ain't broke.

Now let's put a Republican stamp on it and a Democratic stamp on it—an American stamp—just as we do on Social Security. We will be doing the Nation a great favor, and maybe, just maybe, we will get back in the habit a

little bit of cooperating as Democrats and Republicans.

I thank my friend from New Hampshire for being willing to accept the amendment. I appreciate his accommodation in allowing us to speak to it in spite of that, and I truly look forward to the possibility that in the coming months we will be able to move beyond this and have a bipartisan—a Republican amendment. I will sign on to a Republican amendment reauthorizing this and call it the Republican crime bill. I do not care what we call it. I sincerely mean that. But let's keep a good thing going.

I thank my friend, again, very much. I thank my friend from South Carolina who, when this bill was being written 5 years ago, was the major engine behind it. He was the one who allowed it to get through the committee in the first place.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I yield myself such time as I may take on this. I appreciate the comments of the Senator from Delaware and his commitment to this program.

The committee's decision to end this program was based on a number of factors. The first factor was our allocation, which was so low. We had to simply apply resources where we thought they were most needed.

The second factor was basically, in our opinion, the administration had taken the money to fund the COPS Program from some other very important law enforcement initiatives. For example, the administration did not fund the additional 1,000 Border Patrol which we think is critical. They did not fund the expansion of strike team efforts by the DEA. They did not fund the Boys and Girls Clubs initiatives. They did not fund the juvenile block grants. They did not fund the local law enforcement block grants. They did not fund the interagency drug enforcement grants. The money which came out of those accounts was essentially used to expand the COPS Program.

The funding which this committee has made to the COPS Program has been extraordinary, and it has been strong over the years. In fact, the original program called for 100,000 cops. This committee has funded 105,000 cops over the years and with our final funding we had in place.

We also as a committee, with the support of the Senator from South Carolina, initiated aggressive programs of mentoring in schools using police officers. We think this is an important effort, and in our bill we expanded that amount. That is how we arrived at the number we did.

I am willing to look at the extension of the COPS Program, but I think we have to look at it in the context of the

resources available to us. When the administration sent up a budget as they sent up and essentially played games with the other law enforcement accounts, things which have to be done, which we knew had to be done and they knew had to be done, and then they underfunded those accounts, that is what created the basic problem in the initial bill.

Working with the Senator from Delaware, we have been able to work out this resolution, which I think is a reasonable one and one with which I know the Senator from South Carolina agrees.

If there is no further debate, I urge adoption of the amendment.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the Senator from Delaware has made an outstanding presentation. I join in the comments of my distinguished chairman. We are ready to accept the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 1285) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote.

Mr. GREGG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GREGG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, before we take up the next amendment, let me just comment briefly on the amendment already agreed to, offered by the Senator from Delaware, Mr. BIDEN.

I am pleased to be a cosponsor of this amendment. I am very pleased with the action taken this afternoon by the Senate. The amendment certainly signals our continuing strong commitment to this innovative approach to crimefighting; that is, the COPS Program.

The crime rate in the United States has gone down for 6 consecutive years—the longest period of decline in 25 years. And we received even more good news recently. This year's National Crime Victimization Survey reports that the number of Americans who were victims of violent crimes dropped 7 percent between 1997 and 1998.

That is great news. Of course, no one claims we have won the war against crime, but we are certainly winning some important battles. The 100,000 officers placed on the beat since the

COPS Program began in 1994 have been on the front lines of this vital effort.

Why would we jeopardize that success? The additional officers put on the beat since 1994 have revolutionized community policing, and the COPS Program has helped foster an unprecedented crime-fighting partnership between communities and Federal, State and local law enforcement. Why should we let something that has proven to be so effective wither on the vine?

We should instead build on the success of this program, which has been endorsed time and again by every major law enforcement organization.

I have seen firsthand how valuable the COPS Program has been in communities in my home State. South Dakota's law enforcement officials are among the most well-trained and capable public servants in the country.

South Dakota's crime rate is low, and its streets are safe, but, just as in more populated States, South Dakota families still worry about the safety of their streets and neighborhoods.

In my State, and in rural America in general, the COPS Program can double the size of some police or sheriff's departments by providing funding to hire just one or two additional officers. Many of the small towns and counties in my State are faced with tight budgets, limiting the amount of resources they can devote to law enforcement personnel. By providing those resources, the COPS Program has had a profound impact on these communities.

Law enforcement officers in South Dakota have described that impact to me.

They have testified about how the COPS Program has helped them.

Let me share just one of those stories, because I think that it provides a vivid example of how this program can truly make a difference.

In the days immediately following the Littleton, CO, tragedy, parents throughout the Nation were terrified by a rash of bomb threats and a fear of "copycat" crimes. In South Dakota, we had to deal with over 30 bomb scares.

One of those threats was called into Tri-Valley, a school in a rural community outside of Sioux Falls, SD. Fortunately, Tri-Valley has a police officer, called a "school resource" officer. His name is Deputy Preston Evans, and his position is funded by a COPS grant.

On the day of the bomb threat, as students were being evacuated from the school, a number of students came up to Deputy Evans and told him they knew who had made the threat. By the end of the day, two suspects had been arrested.

Those students were able to confide in Deputy Evans for one reason they trusted him. And they were able to trust him because they knew him—they had a relationship with him. How many acts of violence or mischief are deterred in schools like Tri-Valley be-

cause the students can confide in such a person, who might not be there without the COPS Program?

In a video conference yesterday, I spoke with some of the law enforcement leaders in South Dakota—Minnehaha County Sheriff Mike Milstead and Sioux Falls Police Chief Clark Quiring, and many others. They told me how the COPS Program has provided them the flexibility to increase their presence in schools.

They mentioned how important it is for students to feel secure. As Sheriff Milstead so eloquently noted, "there is not a bigger barrier to learning—than fear."

For his generation, the greatest fear was going home that afternoon with a bloody nose, he told us.

Littleton reminds us that kids today have a lot more to worry about than just a fist-fight with a school-yard bully.

But thanks to the COPS Program, children today have someone they can turn to.

Dr. Bill Smith, the Instructional Support Services Director for the Sioux Falls School District, joined the law enforcement leaders in yesterday's video conference and told me that we now have evidence that officers in schools are welcome and helpful.

When students throughout the Sioux Falls district were asked in a year-end survey whom they would go to if they had a problem, 44 percent said they would confide in their school resource officer before anyone else.

That is a remarkable statistic:

44 percent of the students said they would go to their school resource officer before they would turn to their teacher or principal. I can think of no more compelling evidence of how this program can make a real difference than that.

Today, the Senate will help ensure that the COPS Program, and officers like Deputy Evans, will continue to make a difference—in our schools, on our streets, and in our neighborhoods.

The action taken by the Senate just now is a tribute to the men and women across the country who risk their lives every day to make our communities safer.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, one of the important items contained in the Commerce-Justice-State appropriations bill is the appropriation for the Census Bureau.

I think we all agree, a fair and accurate census is a fundamental part of

our representative democracy and good government. As required by the Constitution, census results will determine how many members of the House of Representatives will come from each of the states. Those results will also determine how many federal dollars, funding a wide array of important programs, will return back to the state. We're talking about over \$180 billion that will go to state and local governments and the distribution of additional billions in state funds. This same data is a vital component in determining where to build roads, hospitals, schools; even your local Wal-Mart or McDonald's location is based on this same information.

The Census Bureau projects that the U.S. population will near 266 million in 2000. Cost estimates for administering Census 2000 were projected to be anywhere between \$4 and \$4.8 billion. Those projections were based on the assumption that "sampling" would be used to provide the fairest and most accurate count to date.

The U.S. Supreme Court, however, this last year ruled by a narrow 5-4 majority that the use of sampling was prohibited by law for the purpose of apportioning seats in the House of Representatives. Since the Court decided the case on statutory grounds, it found no need to decide whether the Constitution also barred the use of modern statistical methods for purposes of congressional apportionment. The Court went on to affirm that the law requires the Secretary of Commerce to use modern statistical methods, where feasible, for all other purposes.

As a result of the Court's decision, the Administration is required, if feasible, to release two sets of population figures in 2001: one set of adjusted, unsampled numbers to be used for apportioning seats to the States, and a second set of adjusted or sampled, numbers to be used for all other purposes. The Court's decision has added the potential of \$1.7 billion to the cost of the census. These funds will be used to hire census takers to handle the 50% increase in the number of households that must be visited.

This includes \$954 million for non-response follow-up. To get responses from all households that don't answer the mail survey, the Census Bureau will hire more enumerators and will expand follow-up to any unprecedented 10 weeks. Training will be increased to sustain quality with a larger workforce that will total over 800,000 employees.

The Census Bureau will need an additional \$268 million for data collection infrastructure, \$229 million for coverage improvement efforts, and \$219 million for a variety of data collection operations, things like rural area data collection, the "Be Counted Program," enumeration of soup kitchens, shelters, and redeliveries.

Every single dollar the Administration is asking for is necessary. Without

it, we will have a highly inaccurate census count. I believe we're on the path to another census nightmare similar to the 1990 experience. Nationwide, we missed 8.4 million people, mostly inner city and shanty town minorities; they double counted 4.4 million Americans, most of whom were white college students. My home State of Illinois suffered the eighth highest undercount in 1990; in the city of Chicago alone, they somehow didn't count 2.4 percent of the population. If you said they counted 97.6 percent of the population, it sounds good. But missing 2.4 percent is crucial. That's an astonishing figure considering the national average for undercount hovers around 1.6 percent. That may not sound like a lot but that 0.8 percent differentiation equals almost 70,000 people. The city of Chicago estimates that the undercount was significantly higher: maybe as much as 250,000 people. The Census Bureau missed 114,000 folks for the whole state.

What does that mean for my constituents back home in Illinois? The city of Chicago did a study last year and, if you follow the premise that the Bureau missed 68,000 people, estimated revenue loss for the city of Chicago would have totaled just under \$100 million. If you follow the 250,000 undercount figure, the city of Chicago would have lost over \$327 million. Let me give some figures that show why we're trying to raise awareness about this topic.

Head Start in the city of Chicago, a program to provide early education for kids, lost over \$28 million because of the census undercount. The Older Americans Act for senior citizens lost over \$5 million. WIC funds, nutrition funds for children, lost over \$2.5 million. Child care funding, we lost over \$3 million. This is no small affair. We have to remedy the situation.

I have a letter, dated May 7, 1997, from my colleagues Senator LOTT, Senator NICKLES, then-Speaker Gingrich, and House Majority Leader ARMEY. In this letter, the Republican leadership in both Houses state:

We are firmly committed to working with the House and Senate Budget Committees and Appropriations Committees to provide a level of funding sufficient to perform the entire range of constitutional census activities, with a particular emphasis on accurately enumerating all groups that had historically been undercounted.

Mr. President, I ask unanimous consent to have the letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,  
Washington, DC, May 7, 1997.  
Dr. MARTHA FARNSWORTH RICHE,  
Director, Bureau of the Census, Department of  
Commerce, Washington, DC.

DEAR DR. RICHE: We are writing about one of the most critical constitutional functions our government performs: the decennial cen-

sus. Based on recent media reports, we are concerned that a misunderstanding of congressional priorities is driving the Census Bureau's plans for the 2000 census. Consequently, we fear that the Bureau is on the verge of formalizing plans that do not reflect the House and Senate's goal to perform the most accurate census possible that is consistent with the Constitution. We would like to take this opportunity to clarify the three main principles that comprise the congressional mandate for Census 2000 and which should guide the actions of both Congress and the Bureau as you finalize census preparations in coming months.

#### INCREASED ACCURACY

Accuracy and completeness are absolutely essential if the census is to provide the reliable data necessary to support the business of government. Despite criticism, the 1990 census was the most accurate in history. Still, we expect to improve on its success in 2000. To reach the level of accuracy we expect, to ensure that communities that have been undercounted in the past are fully and accurately counted in the future, we must physically count each and every American.

We cannot rely on statistical schemes that compromise accuracy for the sake of economy. Despite the Bureau's insistence that statistical estimation is more accurate than actually counting Americans, the fact remains that if statistical adjustment had been allowed in 1990, Pennsylvania would have erroneously lost a congressional seat to California. Voters should not be disenfranchised through the use of statistical guessing.

Census data must also be as valid at the census tract and block level as they are at the state and national levels. Under sampling, as the area gets smaller, the margin of error grows wider. Individuals who rely on accurate census data for reapportionment will receive census counts with a range of possible numbers to choose from in drawing lines for congressional, state and local elections. The result will be chaos in government, uncertainty for voters, lawsuits lasting for the better part of a decade, and worst of all, the further erosion of our citizens' confidence in their government's ability to do its job and do it right.

#### CONSTITUTIONALITY

Equally important is the constitutionality of Census methodology. Taxpayers are investing a minimum of \$4.2 billion to conduct Census 2000. We must protect their investment by using only methods that are clearly and undisputedly allowed by the Constitution. If the Census is conducted with methods that are later ruled unconstitutional, taxpayers will not only have lost their original investment in Census 2000, but will likely be asked to spend an additional \$6 billion or \$7 billion to do the entire census over again.

Legal experts who testified recently before the Senate Governmental Affairs Committee agreed that it would be calamitous if the Supreme Court were to declare Census 2000 unconstitutional. The Court has not addressed the constitutionality of statistical sampling in the Census, however the Constitution clearly states that the Census should be an "actual Enumeration" of the population, and Title 13 U.S.C., Section 195 states that sampling cannot be used for purposes of the apportionment of the U.S. House of Representatives. We strongly believe that the Bureau's proposed use of statistical sampling exposes taxpayers to the unacceptable risk of an invalid and unconstitutional census.

#### ALLOCATION OF SUFFICIENT RESOURCES TO CONDUCT AN ACCURATE AND CONSTITUTIONAL CENSUS

Recent news reports have quoted you and other Census Bureau officials as citing a congressional mandate to spend less money in the 2000 Census. While we certainly seek to promote economy and efficiency in all aspects of government, the constitutional requirements governing the census leave us no choice when it comes to cutting corners in order to save money; we cannot do it. On the contrary, the census must be funded at levels necessary to comply explicitly with the Constitution.

We are firmly committed to working with the House and Senate Budget Committees and Appropriations Committees to provide a level of funding that is sufficient to perform the entire range of constitutional census activities, with a particular emphasis on accurately enumerating all groups that have historically been undercounted. Towards this end we are eager to see aggressive and innovative promotion and outreach campaigns in hard-to-count communities, the hiring of enumerators within those localities, and maximizing Census employment opportunities for individuals seeking to make the transition from welfare to work.

We look forward to working with you on these and other issues to ensure that the 2000 decennial Census is the most accurate and Constitutionally sound census ever conducted.

Sincerely,

NEWTT GINGRICH,  
*Speaker of the House.*

RICHARD K. ARMEY,  
*House Majority Leader.*

TRENT LOTT,  
*Senate Majority Leader.*

DON NICKLES,  
*Senate Assistant Majority Leader.*

Mr. DURBIN. I thank the Chair.

Let me wrap up by saying that our goal is the most accurate census possible. The census has a real impact on the lives of real people. We have to do everything for a fair, accurate, and complete count.

It is my understanding that my colleagues, Senators GREGG and HOLLINGS, the chairman and ranking member of the Subcommittee on Commerce, Justice, State, and the Judiciary, will hold a hearing in the very near future on this issue of underfunding. I look forward to the resolution of this important issue.

I have spoken with the White House as well. They assure me that this issue will be resolved, and we won't repeat the disastrous census undercount of 1990 in the year 2000.

I thank the Chair, and I yield back the remainder of my time.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I was going to send an amendment to the desk. Might I ask my colleague from Indiana—I would like to hold my position on the floor, but I saw him—did he come to the floor with the intention of

speaking or introducing an amendment?

Mr. LUGAR. If I may respond to my distinguished colleague, I came to the floor to offer an amendment to the bill.

Mr. WELLSTONE. Mr. President, if Senator LUGAR came with the intention of offering the amendment, I was just trying to help Senator GREGG and Senator HOLLINGS move this along.

So might I ask unanimous consent that I be allowed to follow Senator LUGAR with the next amendment?

Mr. GREGG. Mr. President, I think that makes a great deal of sense since we may be able to work something out on the Senator's amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. I thank my colleague.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

#### AMENDMENT NO. 1289

(Purpose: To appropriate funds for the National Endowment for Democracy and to offset such appropriations with a reduction in the Capital Investment Fund)

Mr. LUGAR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Indiana [Mr. LUGAR], for himself, Mr. GRAHAM, Mr. MACK, Mr. HATCH, Mr. KERREY, and Mr. LIEBERMAN, proposes an amendment numbered 1289.

On page 78, between lines 8 and 0, inset the following:

#### NATIONAL ENDOWMENT FOR DEMOCRACY

For grants by the Department of State to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, \$30,000,000, to remain available until expended: *Provided*, That, in lieu of the dollar amount specified under the heading "CAPITAL INVESTMENT FUND" in this Act, the dollar amount under that heading shall be considered to be \$50,000,000.

Mr. LUGAR. Mr. President, I wish to state the purpose of my amendment. The purpose of the amendment is to restore funding for the National Endowment for Democracy. I am pleased to be joined by Senator GRAHAM and Senator MACK, who serve with me as members of the Board of Advisors for the National Endowment for Democracy. We are proposing funding the NED at \$30 million, which is \$2 million below the President's request and \$1 million less than this year's funding level. It is also \$1 million below the authorization level that has already been approved by the Senate.

Our amendment proposes to shift \$30 million from the Capital Investment Fund in the State Department title of the bill. I regret very much having to propose this shift because I, like the chairman of the subcommittee, believe the Capital Investment Fund is important to the effective operation of the Department of State and that the ac-

count is underfunded. But if we are successful in making the offset, I will work with the chairman and others to try to help find the moneys to help restore that funding to the Capital Investment Fund.

The problem the subcommittee faced was a serious problem. There is simply inadequate funding in the 150 function of the International Affairs Account. That scarcity of funds forced difficult choices about priorities and required much give and take. In my judgment, the National Endowment for Democracy must be a high priority. There is no funding for the National Endowment in the bill before us. That is why we are compelled to propose the amendment I have just introduced.

The reason for proposing the amendment is that the appropriations bill provided no funds—none at all—for the National Endowment. The Endowment did not even merit a mention in the bill; it is completely ignored. This zero-funding decision was made even though the Senate approved a straight-line funding level of \$31 million in the State Department authorization bill, which we considered earlier this year, and even though successive administrations and successive Congresses have supported full, or near full, funding for the NED year after year.

It is a unique phenomenon perhaps that the NED has enjoyed strong bipartisan support since 1983 when it was created by the Reagan administration. The NED has consistently gained the support of both Republican and Democratic administrations since then and of every Republican and Democratic Congress over the past 15 years. But not in this bill.

The committee report accompanying the bill does recommend that funds for the NED be found among other divergent State Department accounts. This simply is not a good idea. Funding directly from the State Department would make the NED a grantee of the State Department and make it an arm of the Department. This would eliminate NED's line item, destroy its independence, and undermine its ability to gain access to grassroots organizations fighting for freedom and democracy in other countries all over this world—the very heart of NED's effectiveness.

For this reason, former Secretaries of State have written of the importance of retaining the independence of the NED in a 1995 letter. They wrote:

We consider the nongovernmental character of the NED even more relevant today than it was at NED's founding twelve years ago.

NED's effectiveness comes in good part because it has an independent status, functions as a nongovernmental organization, and has a board that operates as an independent board of advisers. We have faced and confronted challenges to the NED numerous times in the past. The Senate has debated

funding for the NED six times since 1993. Two years ago, we faced a comparable effort to slice and dice the NED. I proposed an amendment at that time to restore funding, and it was approved by the Senate by a vote of 73-27. A few weeks ago, in another challenge to NED, this time proposing a different manner by which NED allocates its internal grant-making funds among the four core institutes; the amendment was defeated by an almost identical vote of 73-26. That has been the pattern, fortunately, over the years.

Let me just say I am sympathetic to the extraordinary difficulty facing the managers of the bill. There are so many critical issues in the various titles of the appropriations measure, and the NED is a very small item by comparison. But this is just the point. The NED has been a very cost-effective vehicle for promoting democracy, human rights, and civic society around the world. Given its presence in some 90 countries, many on the threshold of democratic breakthroughs and others struggling with the transition to a more open society, NED's relatively small funding level is a genuine bargain. It is an exceptional investment in security for the United States of America.

We often speak in broad generalities about promoting democracy, expanding democratic values, and promoting human rights around the world. The point that must be made is that doing so is very much in our national interest. These are not whimsical ideas. Securing strong democracies should be one of the most effective means of combating and deterring the spread of terrorism, coping with the proliferation of weapons of mass destruction, promoting market economic practices and principles and creating opportunities to expand our markets, supporting fair labor practices, and forestalling the destabilizing effects stemming from refugee flows.

None of these goals comes easily, and, as a Nation, we have decided it is in our national interest to encourage and to assist those in other countries who share the same ideals as we do in the United States. The NED is a key instrument in achieving these democratic goals and values.

Over the past 15 years, the NED and its four core institutes have worked openly with willing counterparts in other countries to spread the ethos of democracy around the world. The four core institutes working with the NED itself are each affiliated with domestic American institutions. They are: A, the International Republican Institute, the IRI, and B, the National Democratic Institute, the NDI, which help build political parties, help to ensure free and fair elections, and strengthen governing institutions and civic society. They are loosely affiliated with

the Republican and Democratic Parties. Then, C, the Center for International Private Enterprise, CIPE, which promotes the growth of private enterprise in a democratic process, is affiliated with the Chamber of Commerce, and (d) the American Center for International Labor Solidarity, which has links to AFL-CIO and supports the development of independent trade unions. The Solidarity Movement in Poland was an early grantee, for example. The NED itself funds grassroots organizations that promote independent media, human rights, civic education and the rule of law in other countries.

Testimonials on behalf of the NED have poured in from former Presidents, former Secretaries of State and former national security advisors, from grantees and non-grantees alike. These testimonials represent a veritable Who's Who in the world movements for democracy and human rights. These names include His Holiness the Dalai Lama; Harry Wu, the Human Rights Activist; Elena Bonner, Russia civil rights advocate; Clement Nwankwo, Chairman of the Transition Monitoring Group in Nigeria; Vaclav Havel, President of the Czech Republic; Lech Walesa, leader of the Solidarity movement in Poland; and countless others from some 80 to 90 countries in every region of the world.

Mr. President, I had hoped to avoid a debate on this issue this year. I had hoped that some agreement or arrangement could be made so that we could move ahead without delaying this appropriation bill. That certainly has been my intent. I regret that this has not been possible.

The amendment is now before the Senate.

I simply say that in the early 1980's when clearly it was the intent of the United States to push for democracy and human rights that the means of doing that were not at all clear to President Reagan and our Secretary of State. As a matter of fact, many felt it was inappropriate that the President and the Secretary of State sought to intervene in the affairs of other countries around the world suggesting changes of government, although this is clearly what we wanted to see.

The changes in Eastern Europe could not have occurred without Lech Walesa, and Lech Walesa's movement which were heartily adopted by the AFL-CIO of this country. Through informal but very effective means of finance and organization, that fledgling labor movement in Poland was given not only strength but legitimacy throughout the world as a democratic movement of change, an alternative to a government which at the time seemed very solid.

At the same time, from my own recollection and experience, I recall the efforts of the Roman Catholic Church in Central America and in the

Philippines, and of American businesses who were farsighted and who understood the interests of our country laying freedom for people and democracy in contract law and the rule of law—the same principles we debate now with regard to Russia, as we have worked with Russians.

How do you establish these situations, and do so without violation of diplomatic principles? Because our Nation, our President, our Secretary of State, must deal with leaders as they are constituted now and with their foreign ministers and defense ministers.

But a very unique organization came from these considerations. It was called the National Endowment for Democracy.

It included Republicans, Democrats, labor officials, Chamber of Commerce people, and a check and balance so that our own American view had four dimensions. This was not ideological, not official, but arose from the best grassroots leadership of this country. And it was effective.

The changes in the world we now take for granted—the celebration we had at the 50th anniversary of NATO, the accession of Poland, Hungary and the Czech Republic into NATO—we take for granted that democracy there came forward.

The point I am making is that it did not come forward because our State Department advocated that and brought it about, although clearly they support the shift to democratic systems. There was no official governmental way of bringing about those responses, which require money, fledgling newspapers, grassroots organizations, a how you print ballots, and how you register voters. All the nitty-gritty of politics we take for granted, but which could not be taken for granted in those countries which had not enjoyed those options.

The issue before the Senate, very frankly, is that some Members I suspect may have become weary of the democracy business. They may think that was important then and this is now.

I would just suggest that at the NED board meetings which I attend regularly there are routinely 80 to 100 proposals in which the National Endowment for Democracy and its core groups debate on these principles. We take seriously the idea of democracy and human rights. We think that is still a very important subject in this world. This is not routine. It is not freely dismissed as something that was lost in the budget. It was not mentioned, but the State Department might find if it came to their attention.

We believe that the statement by the Senate ought to be clear—that we stand for democracy and the National Endowment for Democracy is a very good way to achieve democracy, and to

do so year by year in a systematic and effective way.

I point out that it is important, I suppose, to have this debate each year as a wake-up call. There may come a time when we become so blasé and so routine about our functions that we forget human rights. But I hope that will never be the case.

I suspect that those who are still struggling in parts of southeastern Europe—certainly in many Asian countries—those who are considering democracy in China, those in Latin America and Africa and those who are still trying to make it work out in various provinces of Russia welcome our help. They welcome labor leaders and business leaders from this country. They welcome Senators like JOHN MCCAIN, who heads up the Republican Institute; or ORRIN HATCH, who was there at the beginning of the National Endowment.

Senator CONNIE MACK of Florida, one of our board members now, and Senator BOB GRAHAM of Florida, one of our board members now, have both been so effective in Latin America and Central America, and not just in the 1980's when we were all going down for inspection of elections, trying to help people find out how to campaign, and how to count votes successfully.

A lot of that heavy lifting still needs to be done.

Although this is a debate that I wish did not occur annually, but so be it. It is a time really for Senators to stand up and be counted on whether they feel passionately, as I do, and I think many of us do, about democracy and human rights and what we can do about it effectively.

I am simply making the point that the State Department cannot do that by force. We as American citizens working through grassroots organizations and through informal means can get the money and the organization to make a difference, which ultimately our President can recognize and our Secretary of State can bless.

I point out, parenthetically, that the incumbent Secretary of State, Madeleine Albright, has served on the Board of the National Endowment for a number of years as has Zbigniew Brzezinski, as distinguished members of the Democratic Party. We now have Paul Wolfowitz, a distinguished American diplomat and scholar, as one of the Republicans, serving on the board.

This has been a case of people giving of their time and their substance in private life even as they go back and forth into the public sector and serve our country in that way.

I finally make the point that we are indebted to excellent editorials that appear in major newspapers in the last few days.

I simply quote a sentence from the New York Times editorial of yesterday in which they call for a vote for democracy abroad, a leading editorial. They say:

It is hard to think of a dictatorship whose opponents have not benefited from the endowment.

That I think is an important point.

As you name the dictatorships of this world, they knew what hit them. In most cases it was the Endowment for Democracy and its advocates, and its supporters that made the difference.

There may be all sorts of theories why these governments rose and fell. But I suggest that those of us who suggest it through the ballot box initiative really had to have a horse to ride on, and the means at least of making those alternatives effective.

I cite, for example, the current discussion in Serbia where many persons believe—starting with our President—that President Milosevic would not be a suitable candidate for reelection or for a continuation. But the press keeps pointing out, What are the alternatives? How do habits change, if it is to occur in a democratic way?

Where are the fair procedures? In fact, where has the United States been in terms of actively boosting those who wanted freedom, who wanted a different kind of Serbia, who espouse those values in this country but had no effective vehicle?

Those are the missions that lie ahead. I hope we will be worthy of the task. I advocate the adoption of the amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, I rise today to support restoring funding for the National Endowment for Democracy and commend Senator LUGAR for offering this amendment. As reported from the Appropriations Committee, the National Endowment would receive zero funding for fiscal year 2000 with the assumption that the Department of State would provide money from its democracy and human rights accounts.

Since its inception in 1983, NED has sought to maintain an ideological balance, with a bipartisan, multisectoral core structure, as well as a bipartisan board. Its status of being simultaneously public and private has provided insulation from shifts and tides in changing administrations, allowing NED to focus on long-term democracy development. This independent role would be compromised if NED were subjected to State Department control.

For almost 16 years, NED has been instrumental in building the foundations of democracy in over 80 countries, including peaceful transitions in Poland, Chile, and South Africa. Today NED continues to support a diverse portfolio of democracy building initiatives. In the Sudan, NED funds support human rights monitoring and reporting. In the Newly Independent States (NIS) and in Russia, NED has been supporting anti-corruption efforts, mar-

ket-based reforms, independent media, and civic education. These programs lie in the long term interest of the U.S. because they will help to promote stability in a region plagued by instability. They will help these countries to emerge from the mire of communism.

NED programs are also important in the People's Republic of China. Mr. President, I think we are all aware of the egregious human rights abuses perpetrated by the authoritarian government in China. The insecure government controls pastors and church members through state apparatus, imprisons prodemocracy advocates for their activities, and suppresses the truth through propaganda instead of allowing open media. Thousands of political prisoners languish in prison, many sentenced after unfair trials, others without any trial whatsoever.

Under the totalitarian regime in China, the political system is a sealed door with no clear signs of opening. Many in the United States have placed their faith in economic progress to produce some sort of eventual political change in China. I do not believe that we can afford to make such a dangerous assumption. Even as the Chinese people suffer, so too will the advocates of "trade at all costs" under the current political system, because of the absence of the rule of law. When trying to conduct business in China, American companies must deal with bureaucrats rather than regulations, evasions rather than enforcement, and convolution rather than competition—because there is no judicious rule of law.

We all want to see democracy in China. But we cannot assume that it will happen by itself. Instead, we must take steps to foster democracy. That is exactly what NED is about. NED funds over twenty programs to promote human rights and democracy in China.

With money from NED, the International Republican Institute supports electoral and legal reform.

The National Democratic Institute monitors civil and political liberties in Hong Kong following its transfer to China.

The Laogai Research Foundation, run by former dissident and prisoner Harry Wu, conducts in-depth research into China's forced labor prison camps.

Another NED grantee is run by chairman Lie Qing, who spent eleven years in prison for his involvement in the Democracy Wall movement. This organization has been invaluable in monitoring human rights conditions in China and has been helping victims' families bring criminal charges against Chinese leaders responsible for the 1989 Tiananmen killings.

NED also supports VIP Reference, an organization that has taken advantage of the Internet to promote the free flow of information in China—news that has not been filtered or altered by the Chi-

nese government. Besides opening this conduit to freedom, NED also supports research and publications on democracy and constitutionalism, symposia on private enterprise and market economics, and publications relevant to Tibet.

Mr. President, these organizations are not rich by any means. In many cases, their staff works on a volunteer basis, out of their conviction to see freedom in China. They rely on funding from NED to stay in operation because other sources of funding from Hong Kong and Taiwan are scarce. Those potential sources fear offending China. Private businesses often will not fund these groups because they consider it too great a risk in light of their business interests in China. Only Congress has remained committed to funding these advocates of democracy. Without NED funding, we will cripple these programs and remove a key fulcrum in the push for democracy in China.

Democracy building is not a quick fix for totalitarianism, nor will it produce instant change. But in the long run, these programs will produce a result worth far more than they cost today.

I commend Senator LUGAR for taking this leadership role, for offering this amendment. I believe it is critically important we support and pass this amendment, not just for China but for advocates of democracy all over this world.

I urge my colleagues to support a restoration in the National Endowment for Democracy's funding for fiscal year 2000.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, we have all heard the expression stand and be counted for democracy.

Come on, give me a break. No one really thinks a Senator obviously elected to office is against democracy. No one in his right mind could think that the Department of State is against democracy and is incapable.

What we have is a deficit. The Congressional Budget Office estimates at this particular moment we are spending over \$100 billion more than we are taking in this year. I didn't know this was coming up, but since I get questioned about there being no surplus for the year 1999, the Congressional Budget Office, as of June 30, estimated that we will spend this fiscal year, which ends at the end of September, \$103 billion more than we take in.

The President's own document, the OMB projection, not only states we will have a deficit for the next 5 years, but the deficit and the debt will continue for a 15-year period, the debt going up from \$5.6 trillion to \$7.7 trillion. It is going up to 2.1 trillion bucks and everyone is running around talking about surplus, and we are getting 602(b) allocations at the Subcommittee on



State, Justice, Commerce, of \$1.3 billion less than we have this year. We are spending more than we are taking in, and otherwise trying to find \$1.7 billion in the census.

Faced with those constrictions, I wonder where in the world do you find money for the Chamber of Commerce, the AFL-CIO, the Democratic Party and Republican Party—how do you justify it?

Back in the eighties we had Lech Walesa and they did have a wonderful labor movement and they did bring democracy there in Poland. But I don't know of the labor movement that is going on in the People's Republic of China. I have been there three times now and I have yet to meet a labor leader, much less the likes or ilk of Lech Walesa.

So, yes, we stand up to be counted for democracy. We are hoping to sustain the economic credibility of this particular republic by saying we have to make choices. I tried to pay for these programs. I have even introduced a value-added tax allocated to reducing the deficit and the debt and taking care of Social Security. But these friends who come to the floor and talk in fanciful terms about they are for democracy and independent movements for democracy—the inference being, of course, the State Department is not—on the contrary.

I hear about taking it from the Capital Investment Fund. I remember working some 4 years ago with Under Secretary Moose, Dick Moose, who used to be the director of our Foreign Relations Committee who the distinguished Senator from Indiana would remember well. Everybody is talking about security of the Embassies and facilities in the Department of State. The communications computerization of the Department of State and the Embassies overseas and around the world is in terrible shape. It is similar to the Pony Express. So 4 years ago we instituted the Capital Investment Fund to get Y2K compliance. The Chamber of Commerce, that crowd that was running all over the floor fixing the votes for Y2K—a problem that could not possibly happen for 6 months and everybody is beginning to comply and they wanted to upset 200 years of tort law back at the State level where they know how to administer it best—they came in to do that. And now they want to make darn sure the Department of State is not Y2K compliant.

Tell the Chamber of Commerce to look for democracy somewhere else and money somewhere else. The same for all these other entities that want to get NED, the National Endowment for Democracy. It is a political sop. It has been that for several years and everybody knows it.

We would like to give it all to desirable things. There have been some good things that happened under the Na-

tional Endowment for Democracy years back, but they continue to embellish and run around with responsibilities they try to find, makeshift and otherwise, so they know it is going to be in trouble when they come to the floor. They get distinguished leadership to bring these amendments. I take it I will be in a minority, but I have gotten used to being a minority of the minority.

With that said, I hope we can save this amount of money somehow, the \$30 million. It is not easy to get the moneys we need all over for the Department of State. I can tell you now, we are on course. To take \$30 million from the telecommunications upgrades and computerization upgrades we are now about doing, and start cutting that back for the Chamber of Commerce of the United States, is out of the whole cloth for this Senator who stands here in the well for democracy.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I join with the Senator from South Carolina in his views on this issue. I recognize we will lose this vote, but we have had our brief day in the Sun at least. The fact is NED's time has gone by. For all the arguments that have been made by the Senators who have spoken on this, the bottom line is this is a relic of the cold war. In a time when we have very limited resources, it is very hard to justify funding the Democratic National Committee, the Republican National Committee, AFL-CIO, and the Chamber of Commerce, all of whom have significantly more resources to put into this than we have available for us out of these very limited accounts.

Many of the things NED has done during the time of the cold war were wonderful. But now we have moved on 10 years from the fall of the Berlin Wall and it is time for us to say enough is enough. Unfortunately, in my opinion, some of the things NED is doing now are not. They end up being a substitute for initiatives which are both inappropriate and sometimes just simply junkets.

That being said, I am concerned, as is the Senator from South Carolina, this will take funds out of the capital budget of the State Department. We have worked hard on this budget. We have taken the State Department from getting a "D" in the area of Y2K compliance to now, just 2 years later, it is one of the agencies getting an "A." Two years ago when we started capital budget expansion, which we initiated in this committee—it did not come from the State Department; although they were very supportive of it, they could not find resources for it—a majority of the Embassies around the world were using rotary telephones. They were using Wang computers. They had no decent facsimile ma-

chines. We have radically upgraded the electronic capabilities of the State Department. But we have a long, long, long way to go. It all ties into the need to protect our citizens who are working for us out there and their families.

So when you hit this fund for \$30 million, which represents about 30 percent of the money—and this fund was not increased this year; although I wanted to increase it, we simply could not find the money—you are going to do significant damage, I think, to the State Department's accounts. The State Department, for that reason, is very concerned about this amendment.

That being said, the Senator from South Carolina, being one of the best vote counters in the Senate, and I, being a marginal vote counter as chief whip, we recognize we are not going to win this one. I think we should vote on it and move on. If the Senator from Indiana is agreeable to that, I suggest we urge adoption.

Mr. LUGAR. Will the Senator yield?

Mr. GREGG. Yes.

Mr. LUGAR. I appreciate very much the words of the Senator and I appreciate the desire to move on with the bill. I want to recognize the distinguished Senator from Florida has arrived. He, likewise, shares our enthusiasm for passing the amendment.

Mr. GREGG. I am sure.

Mr. MACK. Mr. President, on this occasion of the almost annual debate on NED, the National Endowment for Democracy, we can and we must declare our commitment to promoting freedom in the world.

Freedom often exacts a price—it indeed is not free. Ronald Reagan understood this when he created NED, as have successive Presidents and Congresses who have consistently funded NED.

Freedom is sacred. It is to be honored, protected, and shared with the world. It is the core of all human progress, and therefore, the spread of freedom enriches us all.

But let us not forget, the price of freedom can be great. Just as we focus in this body these days on our abundance we must not forget those who have come before us; we must not forget in whose shoes we are walking. How many Americans have died; have put their lives on the line in the glorious pursuit of that sweetest of goals—emancipation from oppression and tyranny. We are the direct benefactors of the dedication, selflessness, and even the spilled blood, of countless people.

Should we be proud of those achievements? Of course, but we must also accept the weight—the responsibility—of this gift. The awesome responsibility which we have inherited. Because, when I said that freedom is not free, I was not only speaking of the cost to those currently suffering in the world to throw off the yoke of tyranny, but

also the price to us, the benefactors of past actions.

We are once again on the floor of the Senate to defend the National Endowment for Democracy. The last time we fought this battle, 2 years ago, 72 Senators voted to restore the funding to NED after the subcommittee zeroed the account. We are here today facing the same circumstances. The good news with the regularity of this debate, if we look for the bright side, is that we know very well of the strong support in the Senate for NED. And let me explain why.

The history is important. In 1983, Ronald Reagan outlined an initiative for the United States to publicly lead the struggle for freedom around the world. A policy which I remember well as a young House Member and in many ways continues to influence my thinking about American foreign policy. A fundamental pillar of that policy was the National Endowment for Democracy.

Let me read to you from a letter by President Reagan, from July 4, 1993.

On this 217th anniversary of our nation's independence, I am reminded that America's greatness lies not only in our success at home, but in the example of leadership that we provide the entire world.

Our work, however, is not complete. As I look abroad, I see that the struggle between freedom and tyranny continues to be wages. Disappointingly, in some places, it is autocracy, not freedom, that is winning the day. That is why I strongly support continued Congressional funding for the National Endowment for Democracy (NED). Ten years ago, at Westminster, you will recall that I outlined a new, bold initiative for our country to publicly lead the struggle for freedom abroad. As past of this effort, at my request, the National Endowment for Democracy was created.

Mr. President, let me point out a few fundamental things. First, NED is not a "cold war relic," as some critics argue. You will note that President Reagan did not say that the purpose was to defeat communism, to defeat the Soviet Union, or to contain any particular ideology. He said that the mission of NED was to support America's efforts to "lead the struggle for freedom." You should also note that the letter from which I read is dated July 4, 1993—2 years after the fall of the Soviet Union. So let me be clear: NED is not about the cold war and has never been exclusively about fighting communism or the Soviet Union. The National Endowment for Democracy is about freedom.

My second point is that the need for NED is as great today as it has ever been.

We opposed communism because the flawed ideology oppresses people and empowers tyrants. Communism has almost disappeared as a threat today; but tyranny has not—oppression has not. Indeed, tyranny and oppression continue to rule in far too many places around the globe. If you accept that we

were right in the past to oppose freedom's foes, then we have the same task today, perhaps even more complicated than in the past.

This vote, therefore, comes down to a simple issue: does the struggle for freedom continue in the world and does the United States continue to have a role in the struggle for freedom abroad? Does tyranny still reign in far too many places on earth? The answer is quite obviously, "yes."

Let me address some critical questions others have raised.

Does NED work? NED works extremely well by providing resources to the freedom-activists throughout the world. NED identifies people struggling for economic, political, labor, press, and other reforms and gets them the resources necessary to fight against local oppression.

His Holiness the Dalai Lama of Tibet says the following about NED:

The National Endowment for Democracy furthers the goals of your great nation and has provided moral and substantive support for oppressed peoples everywhere. Its unique independent mission has brought information and hope to people committed to peace and freedom, including the Tibetans. I sincerely hope that this institution will continue to receive support, because America's real strength comes not from its status as a 'superpower' but from the ideals and principles on which it was founded.

So the final question which someone may rightly put to this debate: why not the State Department? Isn't NED redundant?

To answer this question, I defer to some experts who understand the executive branch and State Department well. I turn to a bipartisan group of former Secretaries of State and National Security Advisors.

In a 1995 letter, former National Security Advisors Allen, Carlucci, Brzezinski, and Scowcroft state that NED:

... operates in situations where direct government involvement is not appropriate. It is an exceptionally effective instrument in today's climate for reaching dedicated groups seeking to counter extreme nationalist and autocratic forces that are responsible for so much conflict and instability.

Let me emphasize that these National Security Advisors state that NED is operating where the U.S. government cannot.

I also have a letter from former Secretaries of State, including Secretaries Baker, Muskie, Eagleburger, Shultz, Haig, Vance, and Kissinger. This distinguished group states the following:

During this period of international change and uncertainty, the work of NED continues to be an important bipartisan but non-governmental contributor to democratic reform and freedom. We consider the non-governmental character of the NED even more relevant today than it was at NED's founding.

Let me review the main arguments. First, NED's necessity did not end with the cold war, but remains an integral part of America's opposition to the en-

emies of freedom. Second, the world continues to need America's invaluable work in promoting freedom—perhaps even now more than ever. And finally, NED makes a unique contribution to America's initiative to "lead the struggle for freedom abroad."

Mr. KERREY. Mr. President, I rise today in support of the Lugar Amendment to restore funding to the National Endowment for Democracy.

One of the noblest characteristics of the American people is their desire to spread the promise of freedom and democracy throughout the world. In fact, the history of our nation is replete with examples of men and women who have put their own lives on the line in defense of other people's freedom.

The 9,386 U.S. soldiers buried at the Normandy American Cemetery in France are more than heroes. They are a testimony to the American willingness to defend democracy. Yet, they are just a few of the literally hundreds of thousands of Americans who have sacrificed their lives to secure democracy both at home and abroad.

However, the fight for freedom need not always be waged on the battlefield. Indeed, some of the greatest democratic victories have come, not as a result of our military might, but rather from the power of our ideas.

If you doubt this, ask Vaclav Havel how the irresistible pull of democratic values helped liberate the Czech people. Ask Nelson Mandela about how the persuasive power of American democracy helped encourage the struggle for freedom in South Africa's townships. Ask Kim Dae Jung about the decades of American sacrifice and the difference between life in a free South Korea and a totalitarian North Korea. Mr. President, each of these men have come before Congress to say that their freedom is due in no small part to the willingness of the American people to oppose despotism and to support nascent democratic movements in their country.

The transformation from totalitarianism to democracy that has swept much of the world in the last decade is nothing short of remarkable. Much of the success of this movement can be attributed to U.S. support for democratic movements, including the on-the-ground programs of the National Endowment for Democracy. This is a legacy of which we should be proud. It's a success story we should do a better job of explaining to the American people.

NED was established by Congress in 1983 as a non-profit, bi-partisan organization. It promotes democratic values by encouraging the development of democracy in a manner consistent with U.S. interests, assisting pro-democracy groups abroad, and strengthening electoral processes and democratic institutions. NED accomplishes these goals by providing funding to a wide variety of

grantees that operate programs in more than 80 countries throughout the world.

Mr. President, for over 15 years the National Endowment for Democracy has been at the center of our global democracy efforts. Critics have argued it is a relic of the Cold War. They insist NED's usefulness as an organization disappeared with the Soviet Union. This simply is not the case. As long as there are people still struggling to be free, there will be a need to support democratic reforms. The truth is, almost two-fifths of the world's population still live in un-democratic countries. In these countries, people are not given the ability to speak their minds, to practice their religious beliefs, or to unleash the power of their own enterprise.

NED grantees are in these countries and are working with pro-democracy groups. In Cuba, NED grantees are helping local dissidents use the world wide web to interconnect and to spread independent news. NED sponsors radio broadcasts into Burma in support of the democracy movement led by Aung San Suu Kyi. And in Iraq, NED provides support for the Free Iraq Foundation to disseminate human rights information from within Saddam Hussein's brutal regime.

Beyond extending the power of democracy to those people still toiling under despotic governments, NED is also actively engaged in the effort to solidify democratic progress. Democracy does not exist simply after the first free and fair election—democracy cannot be established solely by the ballot box. Instead, a true democratic society is based on the foundations of the rule of law, respect for the rights of all people, a free press, and civilian control of the military.

In countries around the world, NED grantees are involved in helping develop this broader concept of democracy. For example, in Russia NED grantees are supporting efforts to promote the rule of law and to establish legal guarantees for the ownership of land. In Nigeria, they have supported local pro-democracy groups who were instrumental in facilitating this year's historic elections. These are examples of the hundreds of programs NED and its grantees have been involved with in support of democratic reform.

Mr. President, I come to the floor today to argue that the fight for democracy is as important to U.S. national security today as it was at the height of the Cold War. It is for this reason that I will vote in favor of the Lugar amendment to restore funding for the National Endowment for Democracy. I recognize the tight discretionary spending limits the Chairman and Ranking Member of the Subcommittee were forced to work under. I understand very difficult decisions had to be made in preparing the piece

of legislation. However, there are few priorities as great, and few programs as cost-effective, as our global democracy efforts.

I urge my colleagues to support freedom around the world by supporting the National Endowment for Democracy and the Lugar amendment.

Mr. President, I yield the floor.

Mr. GRAHAM. Mr. President, this amendment will restore \$30 million in funding for the National Endowment for Democracy.

I understand that the State Department accounts are severely underfunded and there is no easy way to fund these programs, and I will work to ensure that all the State Department accounts are funded by the time this bill emerges from conference.

In spite of the unfortunate position we now find ourselves, it is nevertheless critical that we restore the funding for the National Endowment for Democracy.

Today we will debate the merits of the NED and the importance of its mission. This will be the seventh time in the last seven years that the Senate debates NED funding.

The last time this debate took place, in 1997, an effort to eliminate NED funding was reversed by a vote of 72-27.

I am hopeful that this current debate will reach a similar conclusion.

But this debate is really about much more than the National Endowment for Democracy.

What we are debating here today goes to the very fundamental nature of our democracy.

Are we to continue to be the beacon of freedom to which oppressed peoples around the world look to for guidance and support in their struggles to attain the same liberties and freedoms that we hold so dear?

Or are we going to shrink from that responsibility and abandon those who seek to change the fundamental character of their nations so that their people may enjoy the benefits of freedom?

Around the world, the NED is a vibrant and effective advocate for the ideals for which our fore fathers risked their lives and sacred honors.

It is our ambassador to the oppressed people of the world who are fighting and risking their lives for freedom.

But you don't need to take my word for this. Let me tell you about some others who believe that the NED is as important as I do.

In 1995, seven former Secretaries of State sent a letter to the congressional leadership that stated:

During this period of international change and uncertainty, the work of the NED continues to be an important bi-partisan but non-governmental contributor to democratic reform and freedom.

Four Former National Security Advisors, Allen, Brzezinski, Carlucci, and Scowcroft, wrote that "the endowment remains a critical and cost-effective in-

vestment in a more secure America, and we support its work."

Just this week, the New York Times editorialized on the importance of the NED, and the Wall Street Journal printed a piece by former President Carter and Paul Wolfowitz, an official in the Reagan and Bush administrations, that did the same.

So many as champions of democracy have recognized the important contribution of NED to their own work.

These include Harry Wu, the Chinese human rights activist, His Holiness the Dalai Lama, Elena Bonner, the chairman of the Andrei Sakharov Foundation, and Vaclav Havel.

To some here in Congress, the NED is a target to undermine and defund.

But to those struggling to overcome oppression in some 80 or 90 countries around the world, NED is a helping hand in their fight for democracy.

I ask my colleagues to stand with freedom and democracy, to stand with those who have led democratic transitions, and to stand with those who continue to pursue the dream of democracy around the world.

I ask my colleagues to stand with the NED.

Mr. KYL. Mr. President, I rise today in strong support of the Lugar amendment, which will restore funding for the National Endowment for Democracy (NED). Since its inception in 1983, NED has been a cost-effective means of ensuring that American democratic principles have the opportunity to flourish around the world. NED works on a bipartisan basis in over 80 countries in every region of the world to help build stable, peaceful democracies. This, in turn, furthers America's national security interests, since working to support secure, strong democracies is one of the most effective means of combating the spread of weapons of mass destruction, terrorism, and destabilizing refugee problems.

NED enjoys strong, bipartisan support, receiving the support of each administration and the bipartisan congressional leadership since its inception. In a recent editorial in the Wall Street Journal, former President Jimmy Carter and Ambassador Paul Wolfowitz, President Bush's Under Secretary of Defense, wrote: "The creation of the NED in the 1980s reflected a bipartisan belief that the promotion of freedom is an enduring American interest and that nongovernmental representatives would best be able to help their counterparts build democracy in other countries."

NED has a strong track record, developed through involvement in virtually every critical struggle for democracy of the past decade-and-a-half. NED provided vital support to the movements that brought about peaceful transitions to democracy in Poland, Chile, and South Africa. Indeed, as a recent New York Times editorial noted: "It is

hard to think of a dictatorship whose opponents have not benefited from the endowment."

NED uses its funds efficiently and effectively. A recent audit conducted by the U.S. Information Agency's Inspector General looked at fiscal years 1994-1999 and did not question a single cost related to the management of NED's grants.

NED's independence is the key to its success. Without the restoration of NED's funding as a separate, congressionally mandated line item, NED will have to be funded through the State Department's foreign aid process. This would undermine NED's independence, and therefore its effectiveness.

If NED were to be too closely associated with the Department of State, then NED might be seen as merely a mouthpiece for whatever administration currently occupies the White House. This would dilute its effectiveness.

NED must be allowed to continue to make decisions about where to provide its vital assistance without having first to clear those decisions through the State Department bureaucracy, which may not always share NED's agenda. The United States carries out high-level diplomatic relations with a number of nondemocratic regimes, such as China. The State Department might be tempted to scale back NED's democracy-building activities in such countries if the Department viewed those activities as interfering with the Department's diplomatic agenda. This must not be allowed to happen, and keeping NED independent is the only way to ensure that it does not.

The Lugar amendment restores funding for this vital organization while ensuring its independence. I urge my colleagues to support this amendment.

Mr. SARBANES. Mr. President, I rise to express my support for the amendment of the Senator from Indiana and am confident that it will be approved by a majority of my colleagues.

This is the second time in 3 years that funding for the National Endowment for Democracy has been eliminated in the Senate Commerce-Justice-State appropriations bill. And this is the second time this year that we are debating the NED issue on the floor of the Senate despite consistently overwhelming votes in favor of the NED.

I find it difficult to understand why we keep returning to this matter when the record is clear—there is a consensus of support for the endowment in the Senate. As my colleagues are aware, last month there was an effort on a different measure (State Department authorization bill) to seriously undermine and weaken the National Endowment for Democracy and the work of its core institutes. That amendment was soundly defeated on a vote of 76-23. In 1997, NED funding was restored by the Senate on a vote of 72-27.

Over the years, the NED and its core institutes have done some extremely effective work around the world in strengthening and assisting in the development of democratic institutions, and protecting individual rights and freedoms.

The relationship between NED and its core institutes has worked rather well. These four core entities, including the National Democratic Institute (NDI) and the International Republican Institute (IRI), represent key sectors of our democratic society: business and labor, and the two political parties which have formed a major part of the American democratic system.

Each sector offers a special expertise in helping develop fledgling democratic systems and has assisted grassroots and indigenous organizations, civic groups, and individuals across the globe in more than 90 countries.

Indeed, many individuals and groups, recognized in the Congress for having fought for human rights, freedom, and democracy, have received vital support from the NED family. They, in turn, have praised the NED because of the critical assistance which made it possible for them to pursue valuable efforts in their own countries.

I should note that the NED has provided support to Chinese dissidents since its establishment in 1983. In fact, the endowment's first grant in 1984 was for a Chinese-language journal edited in the United States and circulated in China.

The NED serves an important role because of the fact that it can operate as an entity independent from any government. And it can support nongovernmental groups which provide opportunities that would not otherwise be available if these activities were undertaken by a government, or governmental agency.

In fact, NED grants have been helpful in leveraging resources from the private sector and encouraging other international institutions to participate as well. And in-kind contributions, for example, come in the form of experts who offer their free time and efforts on a pro bono basis to conduct training seminars and to monitor elections worldwide.

The National Endowment for Democracy has enjoyed broad bipartisan support since it was established in 1983 under President Ronald Reagan. Former Secretaries of State, including Henry Kissinger, Cy Vance, Ed Muskie, George Shultz, and Jim Baker all have been very supportive of NED's work and its "strong track record in assisting . . . significant democratic movements over the past decade."

In a letter this week to my colleague from Florida, national security adviser Sandy Berger reaffirmed the President's and his administration's strong support for the NED. As he indicates, "from supporting election monitoring

in Indonesia, to promoting independent media in the Balkans, the NED represents and promotes the most fundamental of American values throughout the world. . . . The President remains one of the strongest champions of the endowment."

The sweeping and profound changes resulting from the end of the cold war provide ample reason as to why we continue to need institutions like the NED which can operate in a cost-effective manner and, at the same time, promote our interests and values. Many of the new democracies which have emerged from the implosion of the Soviet Union, and the collapse of the Iron Curtain, have benefited from the assistance NED and its grantees have provided.

It is my hope that my colleagues will see the wisdom of continuing support for the NED.

Mr. HATCH. Mr. President, I rise today as a cosponsor of the LUGAR-Graham-Mack amendment to restore funding to the National Endowment for Democracy. I rise as an unwavering supporter of the Endowment since that day in 1982, when President Ronald Reagan announced his intent to create an institution to promote abroad the most fundamental of American political values—democracy.

Since the Endowment was instituted the following year, it has received overwhelming bipartisan support. On six occasions the Senate has debated funding for the NED; on all six occasions the Senate has reaffirmed its commitment. We most recently debated funding the Endowment in 1997 and reaffirmed our support for it in a vote of 72-27. I expect that today the Senate will once again go on record demonstrating support for this venerable institution.

Support for the NED goes beyond bipartisan politics. Rarely is there such near-unanimity in the so-called "foreign policy establishment." But, in recent years, we have seen seven former Secretaries of State from both Republican and Democratic presidents—Secretaries Eagleburger, Baker, Haig, Kissinger, Muskie, Shultz and Vance—co-sign a letter in support of the National Endowment for Democracy.

But the NED's support extends well beyond the Beltway into American society at large. For example, the U.S. Chamber of Commerce strongly supports the Endowment, recognizing that the promotion of democracy requires the rule of law, on which all fundamental, productive commercial activity rests. The AFL-CIO is also a principal supporter of the NED, recognizing the inseparable bond between the advancement of democracy and the protection of independent labor's right to organize.

Both of these organizations, along with the Republican and Democrat parties, form the core groups through

which the NED coordinates programs currently active in over 80 countries of the world.

Further, support for the NED is widespread among our nation's media, editorialists and academics. How often, Mr. President, do we see editorials in support of an institution on the pages of liberal and conservative media? There has recently been editorial support for NED expressed by *The Washington Post*, *New York Times*, *Wall Street Journal* and *The Washington Times*. I ask unanimous consent that the editorials be added at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HATCH. Mr. President, I often detect confusion in foreign policy debate between the concepts of "interest" and "values." For example, the President, at the end of Operation Allied Force over Yugoslavia, declared it an operation in support of our values. I disagree: The NATO actions in Kosovo, which I supported, protected American interests, specifically our interests in a stable southeastern Europe.

The fact is that defining America's national interest is more fundamental than the promotion of democracy. But the reality is, Mr. President, that where we find democracy we are more likely to find it easier to protect our interests.

For this reason, the advancement of democracy as a foreign policy goal has by no means been diminished by the end of the Cold War. I supported the actions of the NED during the Cold War, along with members of both parties. I worked with the NED and International Labor Organization supporting the nascent Solidarity movement in the early 1980s and am deeply proud of the work done by NED's early grantees.

But the world is more complicated, with more challenges to U.S. interests, in the post-Cold War era. We need the NED more than ever. And if we look around this complicated globe, we see that NED's activities are complementing our foreign policy.

China is perhaps the most vexing challenge this country faces. We cannot determine the direction political evolution in China will take. We hope for the day when democracy spreads to the mainland.

Our dear friends in Taiwan, after all, have demonstrated that Chinese political culture is by no means alien to democracy. But on the mainland, the goals of political reform are murky. We don't know what the outcome will be in the next century—it may be democracy, it may be fascism, it may be something else.

There is evidence to be optimistic, as we see the increasing manifestations of grassroots democracy and openness. Unfortunately, there is also evidence

to be skeptical, given official actions that imprison democratic activists, outlaw non-political organizations, and threaten aggression against us and our friends. My attitude has always been to plan for the worst, but work for the best possible outcome.

One of those ways to work for the best possible outcome is to support the NED, which has promoted democracy in China since its inception. A brief and incomplete list of NED's activities in China would include:

Supporting, as one of its first grants, a Chinese-language journal that circulated in China in the mid-1980s;

Supporting a New York-based human rights group, Human Rights in China, which assembled basic data on conditions in China;

Assisting Harry Wu's Laogai Research Foundation, which exposed the abhorrent abuses in China's prison labor system; and,

Contributing to the Tibetan Human Rights Foundation.

In addition, my colleagues who have read the fascinating reports by the International Republican Institute on their work advising on and monitoring village level elections in China will recognize a practical and profoundly significant activity funded by the Endowment. These are among many, many other programs supported by the NED in China.

The skeptics can say that NED's activities are small in comparison to Beijing's power to suppress. That is true. But my view is that it is always better to light a candle than curse the darkness, and the NED has been providing light and support to democrats in China, throughout Asia, and all around the world.

Indonesia just had its first free and open elections in over 40 years. Indonesia is the fourth most populous nation in the world after China, India and the United States.

As a result of this election, a country that has historically had good relations with us, a country that remains of great geostrategic importance, is now set to become the world's third largest democracy. Indonesia is a country with which we've had shared interests; those interests are now advanced because we now have shared political values. The ruling and opposition parties consulted with the NED throughout the period leading to these historic elections.

I could go on and on about NED's activities promoting democracy around the world. I will simply add one more example: Three weeks ago a remarkable conference on emerging democracies was held in Yemen. Yemen, my colleagues will recall, was divided until 1990—South Yemen was one of the most radical countries in the Arab world.

Since reunification in 1990, the NED has worked through its core institutes, the International Republican Institute

and the National Democratic Institute, to support that country's transition to democracy. Yemen has had two parliamentary elections and is today one of the few Arab nations that has universal suffrage.

The government of Yemen deserves the credit for this remarkable political evolution and deserves the support of the United States. But we should be proud, very proud, of the efforts that the NED has expounded in assisting this political reform. And, three weeks ago, when representatives from around the world convened in Yemen to see that this nation of 18 million can enhance its culture and empower its people through democracy, it was appropriate that they saw the NED as a supporter of democracy there, and everywhere.

In recognition of these and other activities, brave democracy proponents around the world—individuals that Congress regularly lauds, that we regularly bring to the Hill for their perspectives on their parts of the world—these individuals have spoken of the need to preserve the NED.

Hong Kong's Martin Lee, Chinese human rights activist Harry Wu, Vietnamese human rights activist Vo Van Ai, his Eminence the Dalai Lama have all declared the fundamental and irreplaceable importance of the NED in trying to advance democratic values in China, in Asia, around the world.

I urge my colleagues to think of these individuals as they determine whether the Senate should continue to support funding for the National Endowment for Democracy.

In every region of the world where the U.S. has interests or is challenged—in Bosnia, Kosovo, Iraq—there are people striving and risking their lives for democratic expression. They see the United States as a role model.

The NED is actively working with all of these people, and in doing so, demonstrates America's—and Congress's—commitment to their causes. I urge my colleagues to continue their support for this important institution.

#### EXHIBIT 1

[From the *New York Times*, July 21, 1999]

#### A VOTE FOR DEMOCRACY ABROAD

In most repressive countries today, civic activists such as election monitors, labor organizers, independent journalists and human rights groups look to Washington for support. But the Senate may vote any day to end one of their most important lifelines. Judd Gregg, Republican of New Hampshire, has persuaded the Appropriations Committee to recommend that the National Endowment for Democracy's funding drop from \$31 million to zero. The Senate should defy him and vote to preserve an organization whose mission is more vital than ever.

The endowment finances four international affairs institutes, run by the Republican and Democratic parties, the Chamber of Commerce and the A.F.L.-C.I.O. The endowment also gives money directly to organizations abroad that promote the rule of law and democracy. One of its strengths is that its

budget is independent of the State Department.

It is hard to think of a dictatorship whose opponents have not benefited from the endowment. Among hundreds of other projects, it has provided money and advice for village elections and exposure of prison labor camps in China, human rights groups in Sudan, independent broadcasting in Serbia, families of political prisoners in Cuba and the underground labor movement in Myanmar. Augusto Pinochet might still be ruling Chile if the National Democratic Institute had not helped the opposition set up a parallel vote count during the 1988 plebiscite on his rule, which caught Mr. Pinochet's attempt to rig the outcome. The endowment has earned the right to remain healthy and independent.

[From the Wall Street Journal, July 21, 1999]

#### DON'T TAKE DEMOCRACY FOR GRANTED

(By Jimmy Carter and Paul Wolfowitz)

Last month Indonesia held its first free elections in more than 40 years. The balloting was overseen by a wide array of international observers, including an American delegation organized by the National Democratic Institute and the International Republican Institute. Their efforts have laid the groundwork for Indonesia to become the world's third-largest democracy (after India and the U.S.) and a beacon of freedom for Asians and Muslims everywhere.

This is only the latest good work done by the two groups, loosely affiliated with the major U.S. political parties, which monitored an election in Nigeria earlier this year. Both groups are funded by a modest grant (\$4 million each) provided by the National Endowment for Democracy.

Fifteen years ago President Reagan and Congress established the NED to spearhead America's nongovernmental efforts at assisting democratic movements around the world. The NED, which today has a budget of just \$31 million, has been one of the most cost-effective investments our country has made to foster peace and democracy.

But last month a Senate subcommittee voted to discontinue funding for this vital program. The senators said they expect the State Department to fund the NED out of foreign-aid spending. This is an unlikely prospect, because the State Department hasn't made any provisions for the endowment.

Even if it did, that would undermine the NED's independence. The creation of the NED in the 1980s reflected a bipartisan belief that the promotion of freedom is an enduring American interest and that nongovernmental representatives would best be able to help their counterparts build democracy in other countries.

Today the full Senate is expected to consider an amendment sponsored by Sen. Richard Lugar (R., Ind.) to restore funding for the NED. It would be a tragic mistake if we took for granted the current democratic trend in world affairs and decided to reduce our support for these efforts.

Like Indonesia, many important countries that have conducted elections—among them Russia, Mexico and Nigeria—need the support of free nations in order to consolidate democratic gains. We must also help movements in Asia and the Middle East striving peacefully to democratize authoritarian countries. And we need to encourage free and fair elections as part of the reconstruction effort in the Balkans. Defunding the NED would undermine this important mission.

[From the Washington Post, June 25, 1999]

#### EXPORTING DEMOCRACY

The National Endowment for Democracy is one of the less known but, in the foreign policy universe, one of the more appreciated aspects of the Ronald Reagan legacy. Congressionally funded but largely independent in its operations, it mainly gives grants to the two political parties and leading business and labor groups to spread the word of civil societies, party development and election procedures, and democratic and human rights advocacy. Recognized abroad, it is scrutinized closely at home, which is fine but a bit unnerving to its supporters all the same.

This week, for instance, Sen. Russell Feingold (D-Wis.), in an authorization bill, sought to strip the endowment of its favor for and reliance on the four "core" groups and to put the whole of the institution's \$30 million budget up for competitive political bidding. It sounded like a reasonable, even democratic proposal, but three-quarters of the Senate wisely accepted the response that the endowment, with its support for the two parties and the AFL-CIO and Chamber of Commerce, already builds in a wholesome set of checks and balances true to the spirit of American democracy.

A lingering difficulty arises from Sen. Judd Gregg (R-NH). Making use of the deference enjoyed by Appropriations subcommittee chairmen, he has held up all funds sought for the endowment. He would prefer that the administration take the money out of the State Department, which, he points out, funds democracy promotion under its own budget.

Mr. Gregg is right that the Cold War is over. But considerations of strategy as well as sentiment require that the effort to sustain fledgling democratic societies and initiatives ought to be a permanent part of American policy. To tuck the endowment into the State Department, moreover, would deprive it of precisely the independence wherein its chief value lies. Can you imagine, for instance, the "engagement"-minded State Department sponsoring Chinese nongovernmental organizations?

In sum, the endowment is an experiment to exporting democracy that has been working openly, for 15 years. It has been tested in heavy political weather, some of it churned up by its own early misuses. There is reason to believe the Senate would support the appropriation if Sen. Gregg were to let it register its judgment. That would be the democratic thing for him to do.

[From the Washington Post, June 24, 1999]

#### LET THE NED LIVE

At a time when the United States and its allies are engaged in what could be a prolonged war of words with Serbian leader Slobodan Milosevic, it is nothing less than astounding that the U.S. Senate should see fit to zero out funding for one of the most important tools in the nation's ideological arsenal, the National Endowment for Democracy. Mr. Milosevic may have acknowledged military defeat, but he still clings to power with the tenacity of a badger. A major problem in removing Mr. Milosevic is the regrettable fact that he was in fact democratically elected by the Serbs, who therefore also carry responsibility for what happened to them. It will take some effort to persuade them to remove their leader again by democratic means.

This is where the National Endowment for Democracy comes in, and also the other U.S.

services and international broadcasters devoted to spreading free and unfettered information and building democratic institutions. To dwell on Serbia for a moment, the state television channel is run by none other than Mr. Milosevic's daughter, a filial relationship replayed throughout the states of the former Soviet Union, where assorted family members routinely are placed in charge of the post-communist "free" media.

If we are concerned about spreading democracy, and we should be, institutions like the National Endowment for Democracy remains vital. What is also vital is that the NED be kept at arm's length from State Department interference, that it not be seen as simply a tool of American foreign policy, but an institution whose basic mission remains fixed.

This year, the Clinton administration has requested \$32 million in funding for the NED for fiscal year 2000, hardly an exorbitant sum given that the NED has programs in 80 countries around the world. Though there is broad bipartisan support in the Senate for the NED, its funding has been zeroed out by the Appropriations subcommittee on Commerce, Justice, State, chaired by Sen. Judd Gregg. It has been suggested that funding ought to come out of the State Department's democracy fund, a bad idea both in principle and in practice—seeing that no such funding has been allocated. Last time the NED survived a frontal assault, it was two years ago when funding was restored on the Senate floor with overwhelming support. Another line of assault was blocked by the Senate yesterday by a 76-23 vote, as Sen. Russ Feingold tried to introduce an amendment to micromanage NED grants through State.

One might get the idea that the U.S. Senate does not consider the promotion of democracy a worthy cause in and of itself. No, it does not produce instant results, but the world's greatest democracy should be in this for the long haul.

Mr. LUGAR. Mr. President, I urge the question.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 1289) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. GREGG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE PRESIDING OFFICER (Mr. FITZGERALD). The Senator from New Hampshire.

#### PRIVILEGE OF THE FLOOR

Mr. GREGG. Mr. President, I ask unanimous consent that Mai-Huong Nguyen, a fellow with Senator FRIST's office, be granted the privilege of the floor during the discussion on the Commerce-State-Justice appropriations bill.

THE PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. I suggest the absence of a quorum.

THE PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.



The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1291

(Purpose: To amend title III of the Family Violence Prevention and Services Act and title IV of the Elementary and Secondary Education Act of 1965 to limit the effects of domestic violence on the lives of children, and for other purposes)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE], for himself and Mrs. MURRAY, proposes an amendment numbered 1291.

Mr. WELLSTONE. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. WELLSTONE. Mr. President, this amendment that I offer, with the support of Senator MURRAY, is an amendment which is really based upon a piece of legislation we have introduced titled "Children Who Witness Domestic Violence Protection Act."

We have come to the floor, Democrats and Republicans alike, and we have talked about the destructive effect of some of the violence that children see on television or children see at the movies. Unfortunately, an awful lot of children see the most graphic violence in their homes, and they are affected by it.

It depends upon, really, whose study you put the most emphasis on, but somewhere between 3 million and 5 million children in our country all too often are essentially victims of violence in their homes. In about 50 percent of the cases, when a man batters a woman, the children are also battered. Just imagine, colleagues, what it would be like over and over and over again to see your mother beaten up, battered. Just think of the effect it would have on you.

Actually, this is an area in which I have tried to do a lot of work. I would say my wife Sheila has really been my teacher. She knows more than I do, and her education comes from what lots of people around the country who have worked in this area for a very long time have taught her.

But one of the missing pieces, which in no way, shape, or form takes away the emphasis on the effect of this violence on women—sometimes men; most all the time women—one of the missing pieces has been the effect of this violence in homes on the children. Let me give you some examples.

Julie is a 4-year-old girl. She was the only witness to her divorced mother's fatal stabbing. Several months earlier, at the time of the divorce, Julie's father had publicly threatened to kill his

ex-wife. Although the father lacked an alibi for the night of the crime, there was no physical evidence linking him to the homicide.

In describing the event, Julie consistently placed her father at the scene and recounted her father's efforts to clean up prior to leaving. Only after the district attorney saw Julie stabbing a pillow, crying, "Daddy pushed mommy down," did he become convinced that the father, indeed, was the murderer.

This is from the work of Jeff Edelson, who actually is a Minnesotan and does some of the most important work in the country. There is no more graphic example of: What do you think the effect on the child is from seeing this?

Dr. Okin and Alicia Lieberman at San Francisco General Hospital are currently treating a 6-year-old boy who observed his father fatally sever his mother's neck. At the beginning of the treatment, he was unable to speak.

Jason, who did not visually witness his parents fighting, described hearing fights this way: "I really thought somebody got hurt. It sounded like it. And I almost started to cry. It felt really, I was thinking of calling, calling the cops or something because it was really getting, really big banging and stuff like that."

These are voices of children in the country.

A lot of the work for this amendment comes from some people who have done very distinguished work in this country.

Betsy McAlister Groves at Boston Hospital is treating a 3-year-old girl, Sarah, who was brought in by her maternal grandmother. Sarah was having nightmares and was clinging and anxious during the day. Her mother had been fatally shot while Sarah was in the same room in their home.

A home is supposed to be a safe place for our children.

Betsy is also treating two boys, ages 5 and 7, whose mother brought them in after they witnessed their father's assault on her. The father was arrested over the weekend and was in jail. The mother was unable to tell the sons the truth, instead claiming that their father had taken a trip to Virginia.

What I am saying to you is that these children do not need to turn on the evening news. They do not need to see the violence in the movies or on television. It occurs right in their own homes.

What I am also saying is that this has a very destructive effect on many children, a profound effect, placing them at high risk for anxiety, depression, and, potentially, suicide. Furthermore, these children themselves may become more violent as they become older. Exposure to family violence, a good number of the experts in the country suggest, is the strongest predictor of violent, delinquent behavior

among adolescents. It is estimated somewhere between 20 and 40 percent of chronically violent adolescents have witnessed extreme parental conflict.

It is an important point. When you talk to your judges, and they talk about some of the kids they are dealing with, they will tell you that in a very high percentage of the cases these children have come from homes where either they themselves have been beaten up or battered or they have seen it, they have witnessed it. Usually it is their mother they have seen beaten up.

Let me tell you about Tony and Sara from Minnesota. Tony is 10 years old and his sister Sara is 8. Tony and Sara were severely traumatized after seeing their father brutally attack their mother. They were forced to watch their father drag their mother out to the driveway, douse her with gasoline, and hold a flaming match inches from her.

Tony and Sara are not the only children in our country who are terrified by violence that they see on almost a daily basis.

This amendment, which is based upon work with Senator MURRAY, is a comprehensive first step toward confronting the impact of domestic violence on children. I just want to summarize it because it is my hope that there will be strong support for this on both sides of the aisle.

First of all, what we want to do, based upon, again, work we have seen in Minnesota, we have seen in Boston, we have seen in San Francisco, seen around the country, is we want to make sure we develop partnerships between the courts and the schools, the health care providers, the child protective services, and the battered women's programs.

When communities apply for funding, the first thing we are going to say is, yes, make this happen at the community level, but do not have different agencies with different mandates. You guys have to show us that you are focusing on these children and you are getting the support services to these children.

I say to my colleague from South Carolina, I have talked to many educators. They say one of the problems they have is that quite often they may have a child in school who is not doing well and they do not know what is going on with that child. And what they find out—and this is the second part of this amendment, training for school officials about domestic violence and its impact on children, making sure they have the training and the support services for the teachers and the counselors—many times these kids haven't slept at night. Many times these kids come to school terrified. Many times these kids act out themselves. Many times these kids are in trouble, and many times we don't know what is going on in their lives.

We have finally started to focus on this violence in homes, too much of it directed toward women. But if you talk to people around the country who are down in the trenches doing the best work, from the academics to the community activists, they will tell you the missing piece is we have not focused enough on the effects on the children. That is what this amendment does.

The third piece of this amendment addresses domestic violence and the people who work to protect our children from abuse and neglect. There is a significant overlap, obviously, between domestic violence and child abuse. In families where one form of family violence exists, there is a likelihood that the other does. In about 50 percent of the cases, if the mother is being battered, the child is being battered. So the problem is these child protective services and domestic violence organizations set up their own separate programs, yet few of them work together to see what is happening within families.

This amendment creates incentives for local governments to collaborate with domestic violence agencies in administering their child welfare programs. The funds will be awarded to States and local governments to work collaboratively with community-based domestic violence programs to provide training, to do screening, to assist child welfare service agencies in recognizing the overlap between domestic violence and child abuse, to develop protocols for screening, intake, assessment and investigation, and to increase the safety and well-being of the child witnesses of domestic violence.

I could go on for hours about this because, honest to God, it is a huge issue in our country. I wish it wasn't.

The second piece of this—and I will be through in 5 minutes—is supervised visitation centers. I have to explain this. Part of the problem is, even if you have a woman who has said: I am getting out of this home, or I am getting my husband out of this home; he is a batterer, and she finally is able to do it—it is not easy—and you have small children, the other parent, the non-custodial parent, usually the man, wants to see the children and should be able to under most circumstances. The problem is, at the time in which he comes to the home to pick up the children or drop the children off, the violence can occur again. There is no safety there. Or the problem is in some cases you are worried about what the father will do to the children. But a judge doesn't want to say: You can never see your children. And sometimes, as a result of that, the children are in real jeopardy. So the second part of this authorizes funding for supervised visitation centers.

These are visitation centers where there can be a safe exchange.

At the risk of being melodramatic, let me dedicate this amendment to 5-

year-old Brandon and 4-year-old Alex, who were murdered by their father during an unsupervised visit in Minnesota. They were beautiful children. Their mother Angela was separated from Kurt Frank, the children's father. During her marriage, Angela was physically and emotionally abused by Frank, and Frank had hit Brandon and split open his lip when once he had stepped between the father and the mother to protect the mother. She had an order of protection—Shiela and I both know Angela; she is very courageous—against Kurt Frank, but during the custody hearings, her request for the husband to only receive supervised visits was rejected. Kurt Frank murdered his two sons, these two children, during an unsupervised visit, and then he killed himself.

Honest to God, when there is some question about the safety of these children, we can do better. These safe visitation centers work. It makes all the sense in the world. These children's lives could have been saved. The father could have seen them, but it would have been under some supervision. That is the second part.

Third, the amendment recognizes the importance of police officers. This amendment comes from input from the law enforcement community around the country. What they are saying is: Quite often we are the ones who find the traumatized children behind the doors, beneath the furniture, in the closets, when we go to the homes. We want to know what we can do for these children. We would like to have the training. That is what this amendment provides for.

Then, finally, for crisis nurseries, it is important. A family is in crisis. The mother has two children dealing with an abusive relationship, trying to end the relationship. There is lots of tension in the home. There is the potential for violence. She wants to be able to take her child somewhere or her two children somewhere where they can be safe for one night or 2 days or 3 days. That is what these crisis nurseries do. They work well.

We have talked about the violence in the media. We have talked about the violence in the video games. But we rarely have dealt with the millions of children each year who are witnessing real-life violence in their homes. I believe we have to figure out ways to get the funding to the communities that will provide the support.

Mr. DURBIN. Will the Senator from Minnesota yield for a question?

Mr. WELLSTONE. I am pleased to yield.

Mr. DURBIN. Mr. President, the Senate and the Nation are fortunate, indeed, to have the Senator from Minnesota. He continues to redirect our attention to the life and death struggles that families go through every single day. Oftentimes he is a lonely voice on

the Senate floor, but he is a person of principle and value. If it meets with his permission, I ask unanimous consent to be added as a cosponsor to this important amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. I ask the Senator from Minnesota a question. I listened carefully to his presentation and asked for a copy of the amendment to read it more closely.

One of the things I have found in working with law enforcement officials—I think the Senator from Minnesota has highlighted it—is they come upon a scene where a violent crime, maybe a very serious violent crime has been committed, and among all of their concerns, preserving evidence, making certain, if possible, to save any victim who might be battered or injured, there is that tiny little person who has just witnessed this scene.

When I spoke to the International Association of Chiefs of Police, one of the things which we discussed was to put on each investigative report from a violent crime a section that would indicate that the police know that minor children witnessed the violent crime and perhaps a method, then, of providing confidential information to counselors or social workers who would know. Then there is a heads-up, there is a red flag, that there has been a child involved. That child may be so young as to be overlooked as part of the investigation report, and they have suggested—and I think it is valuable, and perhaps at some point we can make it part of this effort—that law enforcement officials would be looking for this because, as the Senator from Minnesota has so eloquently given to the Senate today in his presentation, these kids witnessing violence can have their lives changed dramatically. An intervention at that point could not only make things better for them but could ultimately save their lives.

I ask the Senator from Minnesota if he would be kind enough to consider that either as a suggestion as part of this legislation or in separate correspondence with those who would administer the programs he has suggested.

Mr. WELLSTONE. Mr. President, I wonder if we could do a modification right now—I will work it up in the next couple of minutes—where, as Senator DURBIN is saying, the police would automatically check off the observation that a child or the children are at home as a part of the form. Then, again, if you had it at the community level, that is where this has to happen—the real interface and cooperation with school officials, with child protective services, with health care, with law enforcement, with counselors in the school—the focus would be on the child. These children are falling between the cracks.

Mr. President, that would be an excellent idea. I will try to maybe work on a modification. I am sure my colleagues will allow me to do a technical correction later.

Altogether, this is an authorization for an appropriation, but it is authorization for \$153 million a year for 3 years, which I think is not much to spend for what we can do. Later on, I know this gets resolved in the appropriations battle. I ask my colleagues whether they have a response. I can talk about this in more detail. I can go through the budget. I can talk about each specific program. But if you want to move along and you think this is something you can support, I would be very proud. I think it would be important.

Mr. GREGG. If the Senator from Minnesota will yield, this is a fairly extensive piece of legislation. It may take us a little while to take a look at it. I suggest we lay it aside for a moment and move on to whatever comes next and then come back to it, if the Senator doesn't mind.

Mr. WELLSTONE. Mr. President, I say to my colleague I am pleased to do that. That will give us a chance to add the suggestion of Senator DURBIN, and if we need to debate later on, I can give lots of examples and debate the need for this. If my colleagues support it, that will be great. Let's wait and see what you think. We will temporarily lay this amendment aside.

I yield the floor.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NO. 1292

(Purpose: To clarify that nothing in the Act shall be construed to prevent the use of funds to recover Federal tobacco-related health costs from responsible third parties)

Mr. GRAHAM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself, Mr. DURBIN, Mr. HARKIN, Mr. LAUTENBERG, Mr. CONRAD, Mr. REED, Mr. WELLSTONE, Mrs. MURRAY, and Mr. FEINGOLD, proposes an amendment numbered 1292.

At the appropriate place in title I, insert the following:

#### SEC. XX. AUTHORITY TO RECOVER TOBACCO-RELATED COSTS.

Nothing in this Act shall be construed to prohibit the Department of Justice from expending amounts made available under this title for tobacco-related litigation or for the payment of expert witnesses called to provide testimony in such litigation.

Mr. GRAHAM. Mr. President, I offer this amendment on behalf of myself, Senator DURBIN, and others, as a means of raising our strong objection to a provision that appeared in the report ac-

companied the Senate Commerce-State-Justice appropriations bill. That provision was on two pages.

On page 15 of the report, the last sentence in the first paragraph reads:

No funds are provided for tobacco litigation or the Joint Center for Strategic Environmental Enforcement.

Then on page 25, in the lower half of the page, this sentence appears:

No funds are provided for expert witnesses called to provide testimony in tobacco litigation.

My objection is that those two sentences have with them a clear inference that it is the policy of the Senate that the Department of Justice, in a rare instance, should be denied the investigative and prosecutorial discretion to determine whether it is in the interest of the United States and its people for the Federal Government to bring litigation against the tobacco industry and pursue that litigation in an effective manner.

Even more troubling is the sweeping nature of this language, which I believe could be reasonably interpreted to amount to a grant of immunity to the tobacco industry from Federal prosecution.

Further, if the Senate fails to strike this offending report language which grants immunity to the tobacco industry, we will be reversing the intent of a sense-of-the-Senate amendment we adopted less than 4 months ago by a unanimous vote, on March 25. The Senate clearly articulated not only that it was supportive of the Federal litigation but determined that the use of settlement dollars should be primarily to add to the strength of the Medicare trust fund on the basis that it is the Medicare trust fund that has been primarily affected by these excessive health care costs. I will discuss that in a moment.

While preparing a litigation strategy and while allowing the Department of Justice to exercise its traditional range of discretion, it is by no means a guarantee of success. Denying funds to the Department of Justice, tying their hands at the outset, precluding them from the ability to hire expert witnesses will only assure the failure of this important legal initiative.

We all know the tobacco industry is responsible for tens of billions of dollars of tobacco-related illnesses that the Federal Government spends to care for and treat individuals with lung cancer, emphysema, heart disease, and every other illness associated with tobacco use.

The most recent estimate for the costs incurred by the Federal Government for the treatment of tobacco-related illnesses totals \$22.2 billion each year. This includes Medicare, \$14.1 billion; Veterans' Administration, \$4 billion; Federal Employees Health Benefit Program, \$2.2 billion; Department of Defense, \$1.6 billion; Indian Health Services, \$300 million.

Put simply, a vote that retains this restrictive report language would, in essence, grant the tobacco industry immunity against Federal litigation.

I ask unanimous consent that a copy of an editorial from the Washington Post be printed in the RECORD immediately after my remarks.

(See Exhibit 1.)

Mr. GRAHAM. The Post editorial describes the stark implications of rejecting the amendment. The Post states:

It would be an amnesty for decades of misconduct and a retroactive taxpayer subsidy for that misconduct as well.

My second main objection to this language is that on May 20 of this year, the Congress, through a conference committee on the emergency supplemental bill, enacted a provision that denied the Federal Government access to some \$250 billion which the States have secured through their tobacco settlement.

The original amendment, which was introduced by Senator HUTCHISON of Texas and myself, as well as Senator BAYH, Senator VOINOVICH, and other Members of the Senate, passed this Senate by a vote of 71-29. This body could not have spoken with more clarity: Uncle Sam, keep your hands off the States' money.

But in taking that vote, while we said to the Federal Government, "Hands off," I and many of my colleagues, including Senator HOLLINGS and others, had argued that if the Federal Government wants its own money, then it should sue the tobacco industry for the recovery of funds spent for the treatment of tobacco-related illnesses in Federal programs, such as Medicare. If that sentiment was true just a few weeks ago, it is certainly true today.

My third objection is that this report language would be an abdication of our Federal responsibility to deny the Justice Department its most fundamental responsibility. What is that responsibility? It is the responsibility to locate and to investigate areas where individuals, organizations, entire industries, may in fact be liable and responsible for harming the people of the United States of America.

Evidence uncovered by the States in their successful legal efforts against the tobacco industry clearly implicates the tobacco industry in their complicity to cover up evidence of addiction and illness related to the product they produce and market. To allow the tobacco industry to escape responsibility for these practices and to not investigate it fully to determine whether the Federal Government can recoup funds—funds that come from the taxpayers of America, funds that have been paid out to treat tobacco-related illnesses—would be totally irresponsible and a surrender of our fiduciary responsibility to the taxpayers.

Finally, there are some parties to this litigation who have no alternative

but to have the Federal Government litigate on their behalf.

In this instance, I am speaking about Native Americans.

I ask unanimous consent that the full text of this letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 2.)

Mr. GRAHAM. Mr. President, I ask unanimous consent that I be given 4 additional minutes to conclude my remarks.

The PRESIDING OFFICER. Under the previous order, the Senate must now return to the Gregg amendment.

Mr. GRAHAM. I ask unanimous consent for 4 minutes to complete my remarks.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Florida.

Mr. GRAHAM. Mr. President, the letter from the National Congress of American Indians signed by its president, Mr. W. Ron Allen, states:

There are many Indian Nations, however, who do not possess the resources to bring individual suits and will, therefore, rely upon the DOJ to bring suit on their behalf.

I do not believe we should tolerate a situation in which a large number of our Native Americans are precluded from having their legal rights represented.

I urge my colleagues to vote to strike the offending report language. I urge my colleagues to allow the Justice Department to do its job, and to use its best professional judgment on how to proceed with its legal strategy against the tobacco industry.

Rather than giving the Marlboro Man and rather than giving Joe Camel another victim, let us vote to hold the tobacco companies accountable by the simple action of allowing the Department of Justice to do its responsible job as the Nation's investigator and litigator.

I ask unanimous consent that a letter from the Leadership Council of Aging Organizations, which represents organizations such as the AARP, the Historically Black Colleges and Universities, Families USA, National Senior Citizens Law Center, National Council on the Aging, the National Council of Senior Citizens, and many other organizations representing older Americans which also support this language—support it particularly because they recognize the possibility of strengthening the Medicare program through funds derived from a successful prosecution of this litigation—be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LEADERSHIP COUNCIL OF AGING  
ORGANIZATIONS

DEAR SENATOR: The undersigned members of the Leadership Council of Aging Organiza-

tions (LCAO) are writing because we are concerned about the Department of Justice (DOJ) appropriations bill (S. 1217) that will soon be taken up on the Senate floor. As you know, DOJ intends to sue the nation's tobacco companies to recover the billions of dollars Medicare, VA and other federal health care programs have spent on health care costs caused by tobacco use.

We have learned that the DOJ appropriations bill not only denies requested funding for this important, effort, but also includes language that may actually block the lawsuit. The states took action to hold the industry accountable for the related costs imposed on their state health programs. Given the success of the state suits, the federal government has an obligation to undertake similar action to protect Medicare and other federal health programs. We cannot understand why a successful course of action that was appropriate for 50 states and resulted in tobacco payments of over \$240 billion could be considered inappropriate for the federal government to pursue. In addition, blocking the lawsuit would violate an agreement reached in the Budget Resolution.

The costs to Medicare and other federal health programs due to tobacco are even greater than costs imposed on state programs. Tobacco-caused health care costs in the United States exceed \$70 billion each year and the federal government pays a large portion of those costs, including over \$14 billion per year on tobacco-caused Medicare expenditures. Given this drain on Medicare and other federal health programs, the Senate should support the DOJ's efforts to recover these funds.

We expect Senator BOB GRAHAM and others to offer an amendment when S. 1217 is considered on the floor to clarify that DOJ should be permitted to move forward with litigation against the tobacco industry. We urge you to support the Graham amendment.

At a time when Congress is wrestling with how to strengthen and preserve the future of Medicare and prepare it for the retirement of the baby boom generation, Congress should take every opportunity to protect this essential program. Defending Medicare is more important than defending tobacco companies.

EXHIBIT I,

A NEW KIND OF TOBACCO TAX

As it now stands, the Senate version of the Justice Department's appropriation would restrict the department's authority to file suit against the tobacco companies. Unless the matter is resolved in last-minute negotiations, an amendment to fix this problem will be put forward on the Senate floor by Sen. Bob Graham (D-Fla.) when the bill is taken up. Whether by amendment or negotiation, the current restriction has to go.

The department contends that the tobacco industry has engaged in intentional wrongdoing over the past 50 years in order to cover up the addictive qualities of its product. Industry misconduct, the argument goes, has resulted in huge federal health care bills. Normally, when a company fraudulently exacts such a toll on the taxpayer, the Justice Department seeks to recover some of that money. And that is what the department plans. It has asked Congress for \$20 million for a planned suit. But the Senate appropriations subcommittee chairman, Judd Gregg (R-N.H.), seems to have other ideas. He inserted language into a committee report specifying that no money may be used for such a suit. The language would at least complicate the Justice Department's efforts, and it could be read to forbid a federal suit altogether.

The decision on whom to sue is a quintessentially executive branch power in which Congress has no legitimate role. If senators want to protect the tobacco industry's ill-gotten gains, they are free to change the laws under which Janet Reno is contemplating action. But it is the attorney general's job to decide whose violations of the law merit federal action. Moreover, when the attorney general plans a civil action against companies she claims have bilked the taxpayers of billions of dollars, it is not the place of any senator to seek to prevent the recovery of money that, in the judgment of the executive branch, lawfully belongs to the American people.

The amendment would not give the department the \$20 million it has requested, but it would clarify that other money can be used for the suit. There can be no misunderstanding a vote to reject such a change. It would be an amnesty for decades of misconduct and a retroactive taxpayer subsidy for that misconduct as well.

EXHIBIT 2

NATIONAL CONGRESS  
OF AMERICAN INDIANS,  
Washington, DC, July 22, 1999.

Hon. BOB GRAHAM,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR GRAHAM: The National Congress of American Indians (NCAI), the oldest and largest Indian advocacy organization is pleased to support your amendment to strike language in the Commerce, State, Justice appropriations bill (S. 1217) that would deny federal funds to be expended by the Department of Justice (DOJ) for Tobacco litigation, including expenses related to expert witnesses.

Indian Nations have been affected profoundly by the tobacco industry. To that end, NCAI acknowledges and respects the rights of Indian Nations to file individual suits against the tobacco industry to recover for tobacco related illnesses and believes that Indian Nations should be the beneficiaries of any funds recovered. There are many Indian Nations however, who do not possess the resources to bring individual suits and will therefore, rely upon the DOJ to bring suit on their behalf. NCAI would not want to foreclose that option to Indian Nations. Moreover, there are many unanswered questions regarding any suits that may be filed by the DOJ on behalf of Indian Nations. Until more questions have been answered, NCAI cannot support any language that would foreclose any options to Indian Nations.

Senator Graham, NCAI believes your floor amendment to strike said appropriation language will benefit a number of Indian Nations throughout Indian Country and we thank you for your efforts.

Sincerely,

W. RON ALLEN, President.

Please support the Graham amendment and deny the tobacco companies special legal protections.

AARP  
AFSCME Retiree Program  
Alliance for Aging Research  
Alzheimer's Association  
American Association of Homes and Services for the Aging  
American Association for International Aging  
American Geriatrics Society  
American Society on Aging  
Association for Gerontology and Human Development in Historically Black Colleges and Universities

Catholic Health Association  
Eldercare America  
Families USA  
Meals on Wheels Association of America  
National Academy of Elder Law Attorneys  
National Asian Pacific Center on Aging  
National Association of Area Agencies on Aging  
National Caucus and Center on Black Aged  
National Council on the Aging  
National Council of Senior Citizens  
National Osteoporosis Foundation  
National Senior Citizens Law Center

## AMENDMENT NO. 1272

The PRESIDING OFFICER. Who yields time?

Mr. GREGG. Mr. President, I understand we are back on the pending underlying GREGG amendment, and that the Senator from South Carolina has time.

The PRESIDING OFFICER (Mr. GORTON). The Senator is correct. The regular order now is the GREGG amendment with 10 minutes on each side.

Mr. GREGG. I ask unanimous consent that the time be reserved for the parties presently assigned to it, and I make a point of order that a quorum is not present.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## AMENDMENT NO. 1292, WITHDRAWN

Mr. GRAHAM. Mr. President, I ask that the amendment I had offered relative to prohibition on tobacco litigation be withdrawn.

The PRESIDING OFFICER. The Senator has that right. The amendment is withdrawn.

Mr. HARKIN. I would like to address a question to the chairman of the Subcommittee, the Senator from New Hampshire, regarding funding for the Civil Division of the Justice Department.

In his State of the Union Address, President Clinton announced that the Federal Government intended to sue the nation's tobacco companies to recover billions of dollars in smoking-related health care costs reimbursed by federal health care programs. The administration's FY 2000 budget requested \$15 million in new resources for the Civil Division of the Justice Department and \$5 million for the Fees and Expenses of Witnesses account support this litigation effort.

Unfortunately, we were unable to provide the additional resources requested by the administration for the Civil Division to carry out this task. While I regret that the committee was unable to provide the new funds, it is my understanding that if the Justice Department deems this activity to be a high priority, base funding, including

funds from the Fees and Expenses of Witnesses account, can be used for this purpose.

I ask the chairman and ranking member of the subcommittee if my understanding of the bill and the report language is correct?

Mr. GREGG. I agree with the Senator from Iowa. While the committee was unable to provide new funding as the administration requested, nothing in the bill or the report language prohibits the Department from using generally appropriated funds, including funds from the Fees and Expenses of Witnesses Account, to pursue this litigation if the Department concludes such litigation has merit under existing law.

Mr. HOLLINGS. I also agree with Senator HARKIN.

Mr. GRAHAM. I would like to address the chairman of the subcommittee. Does the chairman also agree to strike the language on page 15 and or page 25 of Senate Report 106-76 relating to funding for tobacco litigation.

Mr. GREGG. That is correct.

Mr. President, I yield to my colleague and cosponsor of the amendment, the Senator from Illinois.

Mr. DURBIN. Mr. President, I thank the Senator from Florida, and also Senator GREGG, Senator HOLLINGS, Senator HARKIN, and others who have been party to the establishment of this colloquy. I think the RECORD is eminently clear that the Department of Justice has the authority to move forward on tobacco litigation without any limitation whatsoever from this legislation.

I am glad we achieved that and did it in a bipartisan fashion. I thank Senator GRAHAM for his leadership. I was happy to join him on the amendment and to be part of this colloquy.

I yield the floor.

Mr. GREGG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERRY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KERRY. Mr. President, I ask unanimous consent that I be permitted to proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Will the Senator yield? Is there a time limit?

Mr. KERRY. Ten minutes.

Mr. GREGG. I thank the Senator.

Mr. KERRY. I thank the Chair.

(The remarks of Mr. KERRY pertaining to the introduction of S. 1420 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. KERRY. Mr. President, I suggest the absence of a quorum. I withhold that request.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS CONSENT REQUEST—  
H.R. 1501

Mr. LOTT. Mr. President, I have a unanimous consent request with regard to the appointment of conferees on the juvenile justice bill.

I ask unanimous consent that the Senate proceed to the consideration of H.R. 1501, the House juvenile justice bill, and all after the enacting clause be stricken, the text of S. 254, as passed by the Senate, except for the Feinstein amendment No. 343, as modified, be inserted in lieu thereof, the bill be advanced to third reading and passage occur, without any intervening action or debate.

I further ask unanimous consent that the Senate insist on its amendment, request a conference with the House, the conferees be instructed to include the above described amendment No. 343 in the conference report, and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. SMITH of New Hampshire. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LOTT. Mr. President, I regret the objection. I understand, though, the Senator's feeling on this. As a result of the objection, I have no other alternative than to move to proceed to H.R. 1501 and file a cloture motion on that motion to proceed. Having said that, this will be the first of many steps necessary to send this important juvenile justice bill to conference.

JUVENILE JUSTICE REFORM ACT  
OF 1999—MOTION TO PROCEED

Mr. LOTT. With that, I move to proceed to H.R. 1501 and send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

## CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 165, H.R. 1501, the juvenile justice bill.

Trent Lott, Frank Murkowski, Chuck Hagel, Bill Frist, Jeff Sessions, Thad Cochran, Rick Santorum, Ben Nighthorse Campbell, Orrin Hatch, John Ashcroft, Robert F. Bennett, Pat Roberts, Jim Jeffords, Arlen Specter, Judd Gregg, and Christopher Bond.

## CALL OF THE ROLL

Mr. LOTT. Mr. President, I remind Members that the vote will occur then

on Monday, and I now ask unanimous consent that the mandatory quorum under rule XXII be waived and the vote occur at 5 p.m. on Monday.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LOTT. I now withdraw the motion to proceed.

The PRESIDING OFFICER. The motion is withdrawn.

Mr. LOTT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. LOTT. Mr. President, I withhold on that. I see there are Senators ready to speak.

Ms. COLLINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

# DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY AND RELATED AGENCIES APPROPRIATIONS ACT, 2000—Continued

## AMENDMENT NO. 1296

(Purpose: Relating to telephone area codes)

Ms. COLLINS. Mr. President, I ask unanimous consent that the pending amendment be set aside, and I send to the desk a sense-of-the-Senate amendment on behalf of myself and Senators GREGG, HOLLINGS, TORRICELLI, FEINGOLD, SMITH of New Hampshire, and LIEBERMAN.

The PRESIDING OFFICER. Is there objection?

Without objection, the pending amendment is set aside, and the clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Maine [Ms. COLLINS], for herself, Mr. GREGG, Mr. HOLLINGS, Mr. TORRICELLI, Mr. FEINGOLD, Mr. SMITH of New Hampshire, and Mr. LIEBERMAN proposes an amendment numbered 1296.

Ms. COLLINS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 111, between lines 7 and 8, insert the following:

SEC. 620 (a) FINDINGS.—The Senate makes the following findings:

(1) When telephone area codes were first introduced in 1947, 86 area codes covered all of North America. There are now more than 215 area codes, and an additional 70 area codes may be required in the next 2 years.

(2) The current system for allocating numbers to telecommunications carriers is woefully inefficient, leading to the exhaustion of a telephone area code long before all the telephone numbers covered by the area code are actually in use.

(3) The proliferation of new telephone area codes causes economic dislocation for businesses and unnecessary cost, confusion, and inconvenience for households.

(4) Principles and approaches exist that would increase the efficiency with which telecommunications carriers use telephone numbering resources.

(5) The May 27, 1999, rulemaking proceeding of the Federal Communications Commission relating to numbering resource optimization seeks to address the growing problem of the exhaustion of telephone area codes.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Federal Communications Commission shall release its report and order on numbering resource optimization not later than December 31, 1999;

(2) such report and order should minimize any disruptions and costs to consumers and businesses associated with the implementation of such report and order; and

(3) such report and order should apply not only to large metropolitan areas but to all areas of the United States that are facing the problem of exhaustion of telephone numbers.

Ms. COLLINS. Mr. President, I am pleased to offer a sense-of-the-Senate amendment to address a growing problem in this country, and that is the needless proliferation of area codes.

As many of my colleagues have witnessed in their own States, new area codes are being imposed upon consumers and businesses at a dizzying pace. While the modern technology of faxes, cell phones, pagers, and computer modems has played a role in creating this problem, area code exhaustion stems largely from the woefully inefficient system for allocating numbers to local telephone companies. This leads to the exhaustion of an area code long before all of the telephone numbers covered by that code actually have been used.

My own home State of Maine dramatically illustrates this problem. We have a population in Maine of approximately 1.2 million people. Within our "207" area code, there are roughly 8 million usable numbers and some 5.7 million of these numbers are still unused. Incredibly enough, however, Maine has been notified that it will be forced to add a new area code by the year 2001.

This paradigm of inefficiency in the midst of America's telecommunications revolution might almost be amusing were it not for the fact that it causes real hardships for many small businesses, particularly small businesses in the tourism industry. Businesspeople throughout my State, particularly in the coastal communities, have contacted me to express their concern. I have heard from a gallery owner in Rockport, an innkeeper in Bar Harbor, and a schooner captain in Rockland, who have expressed to me their concern about the costs involved in updating brochures, business cards, and other promotional literature, all of which will be necessitated by the creation of a new area code—the needless creation of a new area code. As one innkeeper told me, it takes as long as 2 years to revise certain guidebooks, which are the principal means by which he communicates with potential customers.

Changing the area code could lead to a significant loss in business for many

small tourism businesses as well as unneeded expense for these small companies. Moreover, along with the economic costs, a new area code creates tremendous disruption and confusion for consumers.

The Federal Communications Commission has initiated a rulemaking procedure to address this growing problem. But since time is of the essence in ensuring that Maine and many other States not be forced to add another unnecessary area code, my amendment requires that the FCC release its final report and order no later than March 31 of next year.

It also specifies that the order shall minimize costs and disruptions to consumers and businesses located in all areas of the country, not just in major cities. The FCC right now appears to be focusing mainly on the larger markets and ignoring the implications for rural areas.

It is my understanding that this amendment is acceptable to the distinguished chairman of the subcommittee as well as the distinguished ranking minority member. I thank them very much for their cooperation and assistance in drafting this amendment, as well as for their cosponsorship of it.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Maine. It is very important. We agree with it. We appreciate her leadership on this.

Mr. GREGG. I also commend the Senator from Maine. This is a serious problem, not only in Maine but across the border in New Hampshire where we have the same concern about area codes. So I congratulate her on this sense-of-the-Senate amendment and strongly support it. I believe we can accept it.

I ask unanimous consent that the amendment be agreed to.

The PRESIDING OFFICER. If there is no further debate, without objection, the amendment is agreed to.

The amendment (No. 1296) was agreed to.

Ms. COLLINS. I thank both Senators for their cooperation and assistance in this matter.

Mr. TORRICELLI. Mr. President, I rise today with my colleague from Maine, Senator COLLINS, to introduce an amendment regarding the issue of area code conservation. The rapid proliferation of area codes is a problem facing the citizens of New Jersey, as well as the rest of the nation.

The extraordinary growth of the telecommunications industry in recent years has created a unique new problem. In just the last four years, the number of area codes in the United States has increased almost 60 percent. Continued growth will require that even the newest area codes be split and replaced again in the near future.

This problem has been particularly acute in New Jersey. Prior to 1991, the



state went almost thirty years without a new area code. But in the last eight years, four new area codes have been added in the state and more are on the way.

While this is not the most pressing problem this country faces; it is a serious one. The costs and inconvenience of introducing new area codes are real. Small businesses must pay to reprint stationery, advertising, and signs, and to inform customers of new numbers. Communities throughout New Jersey, such as Willingboro, Medford, and Monroe, have faced the possibility of being split between two area codes, requiring many residents to dial an area code just to call a neighbor across the street. These costs get even higher when new area codes are introduced repeatedly in the same area after only a few years, forcing residents and businesses to make the same adjustments all over again.

Many people blame the demand for new phone numbers as the sole cause of so many new area codes. But there is another cause. Each area code has 7.9 million potential phone numbers. Today, less than half of the potential phone numbers in existing area codes are being used, leaving a total of 1.3 billion unused phone numbers in the United States. The real problem is that new area codes are being created before old ones are exhausted.

The inefficient use of available phone numbers is a product of the outdated system by which numbers are distributed within each area code. Phone numbers are allotted to telecommunications companies in blocks of 10,000, regardless of whether those companies have the capacity to use every number. Undoubtedly, this system made sense when there was only one telephone company because it would, eventually, use every number available.

But, as we all know, the new era of telecommunications competition has introduced dozens of smaller companies. Today, there are over 100 such companies in New Jersey alone. Under the current allocation system, these companies still receive phone numbers in blocks of 10,000. Even if a company does not use its full allocation, unused numbers remain dormant while new area codes are being created.

This unnecessary nuisance can be alleviated relatively easily. All it requires is a little planning and foresight. Given the enormous demand for new phone numbers and the growth of smaller phone companies, we should overhaul the system for allocating phone numbers. The Federal Communication Commission is currently reviewing ways to do just that. But, while their efforts are encouraging, the process may not work fast enough to prevent the next round of needless new area codes in New Jersey.

The Amendment I have introduced with Senator COLLINS expresses the

sense of the Senate that the Federal Communications Commission should complete its ongoing rulemaking regarding number resource optimization by March 31, 2000. This action will help ensure that the FCC rapidly implements practical number conservation measures.

New area codes are inevitable as the population and electronic communications continue to grow. But there are reasonable, practical ways to soften the impact of these changes. Ensuring that new area codes are implemented only when current ones have been exhausted will save time, energy, and money for countless residents and businesses, in New Jersey and around the country.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent to set aside the pending amendment to offer two amendments that will be accepted.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NO. 1297

Mrs. HUTCHISON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for herself, Mr. KYL, and Mr. ABRAHAM, proposes an amendment numbered 1297.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, line 23, after the colon, insert the following: "Provided further, That any Border Patrol agent classified in a GS-1896 position who completes a 1-year period of service at a GS-9 grade and whose current rating of record is fully successful or higher shall be classified at a GS-11 grade and receive pay at the minimum rate of basic pay for a GS-11 position."

Mrs. HUTCHISON. Mr. President, this is an amendment which would mandate to the Immigration and Naturalization Service that Border Patrol agents who are in the field, who have experience, not be capped at a GS-9 pay level, as they currently are but go to a GS-11 level after they pass the test that the INS, of course, would have in their rating system.

I appreciate very much Senator GREGG's and Senator HOLLINGS' support for the efforts to increase the number of Border Patrol agents. But the problem is that recruitment has not been successful. One of the reasons the recruitment has not been successful is that we have capped the pay of Border Patrol agents at a lower level than Customs agents who are working side by side with our Border Patrol agents on the border. So it is no wonder people are going to Customs and DEA and other very good Government agencies and not coming to the Border Patrol.

This amendment will require that we go to the GS-11 level so that we can recruit and retain our best people for the Border Patrol and we can get on about the business of making sure the borders of our country are secure.

So, Mr. President, I urge that this amendment be accepted. Both sides of the aisle have looked at it. I ask unanimous consent that the amendment be agreed to.

Mr. HOLLINGS. Mr. President, it is acceptable on both sides, and we urge its adoption.

The PRESIDING OFFICER. If there is no further debate, without objection, the amendment is agreed to.

The amendment (No. 1297) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote.

Mrs. HUTCHISON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mrs. HUTCHISON. I thank the Chair, and I thank the distinguished Senator from South Carolina. This will do more than anything we can possibly do to increase the retention and the recruitment of Border Patrol agents.

#### AMENDMENT NO. 1300

Mrs. HUTCHISON. Mr. President, I send an amendment to the desk on behalf of myself, Senator KYL, Senator ABRAHAM, Senator HATCH, and Senator LEAHY and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. BENNETT). The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for herself, Mr. KYL, Mr. ABRAHAM, Mr. HATCH, and Mr. LEAHY, proposes an amendment numbered 1300.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, line 23, after the colon, insert the following: "Provided further, That the Commissioner shall within 90 days develop a plan for coordinating and linking all relevant Immigration and Naturalization on Service databases with those of the Justice Department and other federal law enforcement agencies, to determine criminal history, fingerprint identification and record of prior deportation and, upon the approval of the Committees on the Judiciary and the Commerce-Justice-State Appropriations Subcommittees, shall implement the plan within FY 2000."

Mrs. HUTCHISON. Mr. President, this is an amendment that is meant to close a gaping loophole we found in INS's sharing of information that allowed the serial killer, Rafael Resendez-Ramirez, whose real name is Angel Maturino Resendiz, to get through our borders, even though he already had a criminal record, because there was not enough communication

in the identification system between the INS and the other Justice Department agencies. So we didn't catch this serial killer.

This is an amendment I have worked on with Senators KYL, ABRAHAM, HATCH, and LEAHY that would require the Commissioner of the INS, within 90 days, to develop a plan for coordinating and linking all relevant INS databases with those of the Justice Department and other Federal law enforcement agencies to determine the criminal history and the record of prior deportation and, upon the approval of the Judiciary Committee and Commerce, State, Justice Appropriations Subcommittee, will implement a plan by fiscal year 2000.

I am counting on the committees to come through on this because if we can get the plan in 90 days, we need to implement a plan that will identify criminal aliens in our country so when they try to enter again, they will be stopped.

I ask that the amendment be accepted and that we move forward to try to close this loophole that allowed this serial killer to fall through the cracks or slip through our fingers, however one wants to say it, and cause havoc in our country for about a month.

Mr. GREGG. Mr. President, was that a unanimous consent request?

Mrs. HUTCHISON. It was.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment is agreed to.

The amendment (No. 1300) was agreed to.

Mrs. HUTCHISON. I thank the Chair.

Mr. President, if it is in order, I will speak on the bill.

Mr. GREGG. If the Senator from Texas wouldn't mind suspending, I believe the majority leader has some points he wishes to raise.

The PRESIDING OFFICER. The majority leader.

Mr. GREGG. Mr. President, I am sorry. It would be fine if the Senator from Texas wanted to speak on the bill.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. I thank the Chair. If there comes a time when the Senator from New Hampshire needs to break in, I will be happy to yield.

I rise in support of the bill that is before us. It has been a tough bill. It is more than \$888 million less than the appropriations bill that we enacted in last year, but it does provide sufficient resources. I believe Senator GREGG and Senator HOLLINGS and their staffs have worked very hard to make sure we address the priorities for the Commerce, State, and Justice Departments and the very important issues with which they are dealing.

I have passed two amendments to the bill tonight. There will be another amendment that has already been accepted that will allow the INS Commis-

sioner to provide a language proficiency bonus for people who are proficient in Spanish to be hired in the Border Patrol. Of course, if people are already proficient in Spanish, it will save the money it will take to train them in the second language. That amendment has been cleared on both sides. I appreciate it because I am looking for every way I can to increase the capability to recruit new Border Patrol agents who will be able to hit the ground running and help stop the influx of drugs and illegal immigration into our country.

I cannot imagine that we have continued to tell the INS that we want these Border Patrol agents to come on board, and we have not had the cooperation of the administration in either recruitment or retention. Certainly, I hope with this bill, which is much more narrow in its requirements, the Border Patrol will do what the Congress has mandated they do, and that is recruit and retain more Border Patrol agents so we can stop the influx of drugs into this country. As a matter of fact, \$10 billion in marijuana, heroin, cocaine, and methamphetamines crossed our border last year. How in the world can we say that we have a handle on the sovereignty of our borders when we have \$10 billion of illegal drugs flowing in in 1 year?

I am very pleased that the chairman of the Appropriations Committee, Senator STEVENS, went to the Arizona border with Mexico during the Memorial Day recess. He was stunned at what he saw. I hope more Senators will go to the border so they will see the problem we are facing.

During the markup of the bill that is before us today, Senator STEVENS said: God forbid that the day comes when we have to have fences and walls between the United States and Mexico.

I share his view. Mexico is our neighbor. They are strong cultural and historic ties between our two nations. I seek a border that is as open as possible, allowing people, goods, and services to move across the 2,000-mile-shared border quickly and efficiently. I am committed to putting in place the infrastructure, the bridges, the facilities, and the inspection personnel necessary for this to happen. I wish the President and this administration would work with us.

The realities are otherwise, however. In Texas and along the border, we are witnessing a lawlessness that we have never seen since the days of the frontier. It is important to put the drug threat in its proper context and to understand its full dimensions.

On March 24, 1999, Administrator Thomas Constantine of the Drug Enforcement Administration testified before our subcommittee. He said:

Most Americans are unaware of the vast damage that has been caused to their communities by international drug trafficking

syndicates, most recently by organized crime groups headquartered in Mexico. At the current time, these traffickers pose the greatest threat to communities around the United States. Their impact is no longer limited to cities and towns on the border. Traffickers from Mexico are now routinely operating in the Midwest, the Southeast, the Northwest, and increasingly in the Northeastern portion of the United States.

Make no mistake: Drugs coming across the border are ending up on the streets of Manchester, NH; Columbia, SC; Baltimore, MD; and Denver, CO, and they are coming across in record numbers. In fiscal year 1998, there were 6,359 drug seizures along the Southwest border. The total value of these drug seizures was \$1.28 billion, nearly \$150 million more than last year. Nearly \$1 billion of the drugs seized last year were on the Texas border, in the Border Patrol sectors there.

Drug-related violence along the Texas border continues to increase. Ranchers in Maverick County, 150 miles southwest of San Antonio, reported that armed traffickers in black, wearing camouflage clothing, passed through their properties after walking across the Rio Grande River. The situation is no better on the immigration side. More than 1.5 million illegal immigrants were apprehended along the Southwest border just last year.

Conservative estimates suggest that only one in four illegal aliens is apprehended. But the numbers hide the dark, evil side of this issue of alien smuggling, violent assault against migrating women, and other suffering.

I commend to my colleagues an article that appeared recently in the New York Times. Rick Lyman reported on a disturbing development where infants and young children, some possibly kidnapped and others who are rented, are used to trick border agents. INS has no facilities to house families, especially babies. So illegal aliens are simply released and asked to report for a later court date. The borrowed children are then shuffled back and forth across the border to be placed in the hands of others to make yet another treacherous, illegal crossing.

These examples highlight conditions along the border. They underscore that we have a moral obligation to provide the necessary resources to secure our border. That is why I find it incomprehensible that this administration has requested no new Border Patrol agents, Drug Enforcement Administration agents, or Customs agents in its budget recommendation to Congress this year. The 8,000 men and women serving in our Border Patrol are our Nation's first line of defense in the war on drugs and illegal immigration. Understanding this, Congress required, under the Illegal Immigration Act of 1996, that the Attorney General in each of the fiscal years 1997, 1998, 1999, 2000, and 2001, shall increase the Border Patrol by not less than 1,000 full-time active duty

Border Patrol agents within the INS. Unfortunately, our Nation's top law enforcement officer, Janet Reno, and the President opted not to abide by the law and put these agents in their budget.

This is not the first time the administration has not complied with this law. In 1997, the administration only requested 500 new agents instead of a thousand. Thank heavens, Senator GREGG and Senator HOLLINGS have kept their commitment to secure our Nation's borders and provide \$83 million in this year's budget to hire 1,000 agents.

Mr. President, this is so very important to fund these agencies. Again, Senator GREGG and Senator HOLLINGS have gone a long way to pushing INS toward getting the 1,000 new Border Patrol agents. I have heard from every Border Patrol chief along the Southwest border, and all have told me that, yes, they can use better equipment. Better equipment helps them and it gives them a range much longer than one of them can cover. But what they need most, first and foremost, is manpower. They cannot operate the equipment, they cannot get to the places they need to be if they don't have enough Border Patrol agents, and they are woefully short.

So after talking to our drug czar, General McCaffrey, it is clear that we need more Border Patrol agents. He has said we need 20,000 Border Patrol agents in order to stop the flow of drugs across our Southwest border.

A University of Texas study done last year indicates that 16,000 agents are needed to do this job, and we only have 8,000.

With only 200 to 400 likely to be hired this year, we are not even making progress in the right correction.

I call on this administration to stop the excuses on why they can't recruit more Border Patrol agents, to stop refusing to even put them in their budget, and to come forward and say our border is a priority.

That is what I am asking this administration to do—to say that our border has to stop letting in illegal drugs that are preying on our children in Seattle, WA, in Chicago, IL, and in Augusta, ME. We have to stop this. The only way we are going to do it is to make it a priority.

I appreciate the leadership of Senator GREGG and Senator HOLLINGS. They are making this a priority. The administration must come through and help us stop the sieve on our borders that is allowing drugs to come in.

I want to say in closing that Senator KYL has worked very closely with me on these issues. Senator KYL and I cosponsored the bill that would raise the pay of the Border Patrol agents so we could be in the recruitment game. He cosponsored my amendment on the floor today that would make this hap-

pen. He has been an important voice for effective law enforcement along the Southwest Border.

Mr. President, we cannot wait any longer. We must have action from this administration to beef up the Border Patrol, to beef up the Customs agents, to beef up the Drug Enforcement Agency, so that we can stop the influx of drugs into our country. We must get serious about it. That is what this bill does. But we must have the cooperation of this administration to do it.

Thank you, Mr. President.

I yield the floor.

#### UNANIMOUS CONSENT AGREEMENT

Mr. LOTT. Mr. President, I ask unanimous consent that the following amendments be the only first-degree amendments in order to the pending appropriations bill, and that they be subject to relevant second-degree amendments, and no motion to commit or recommit be in order. I submit the list of amendments to the desk. It includes the Democratic list of amendments and the Republican list of amendments as of 6:10.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, reserving the right to object, I ask the majority leader has this been circulated in the last 10 minutes or so?

Mr. LOTT. Over the past hour or so.

Mr. REID. We just got six more is the reason.

Mr. LOTT. Are they on the list?

Mr. WELLSTONE. Is there a copy we can look at?

Mr. LOTT. I have the list here. I believe the Senator from Minnesota is on here for four amendments—not one, not two, not three but four. We have the list.

Mr. WELLSTONE. I am an active legislator. I ask the majority leader or Senator GREGG, I assume these are in addition to the amendment that has been laid aside.

Mr. GREGG. The Senator's amendment is already in the queue.

Mr. WELLSTONE. I thank the Senator.

Mr. REID. If the majority leader would wait for just a brief minute, we are seeing what we can do here.

Mr. LOTT. Mr. President, the managers of this legislation have been working diligently throughout the day and have made a lot of progress in dealing with a number of amendments, accommodating those amendments. Senator DASCHLE and I have been working with Senators to find ways for Senators to perhaps have their legislation considered on other bills. We are trying to get a list of amendments outstanding so they will know exactly what they are dealing with.

Mr. REID. If the leader will yield, I have just spoken to the manager of the bill, Senator HOLLINGS. I want to make sure the list that has been submitted includes Senator TORRICELLI's FTC on

marketing scams; a relevant Feinstein; a relevant one for Bob KERREY; a relevant one for BOB GRAHAM dealing with NOAA; an additional one for Senator DURBIN, another relevant one; one for Senator LEAHY on the Sentencing Commission; another for Senator TORRICELLI; Senator LANDRIEU has three relevant.

Mr. LOTT. I repeat my unanimous consent request and ask that the amendments identified by Senator REID be included on the list.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The list of amendments is as follows:

#### DEMOCRAT AMENDMENTS

Harkin: Burn grants.  
Harkin: Relevant.  
Harkin: Relevant.  
Kerry (MA): Relevant.  
Kennedy/Wyden: Hate crimes.  
Dorgan: Relevant.  
Durbin: INS.  
Durbin: Elder abuse.  
Graham: Public aviation.  
Graham: Elderly crimes study.  
Graham: Relevant.  
Reed (RI): Relevant.  
Johnson: Bureau of Export Administration.  
Bryan: Travel and tourism.  
Bingaman: E-Commerce extension.  
Bingaman: Relevant.  
Murray: Tribal funding.  
Wellstone: Prison litigation.  
Wellstone: Sex trafficking.  
Wellstone: Judicial training.  
Wellstone: Relevant.  
Dodd: Relevant.  
Boxer: Tuna Commission.  
Boxer: No gun sales to intoxicated persons.  
Boxer: Criminal alien deportation.  
Lautenberg: Anti-youth drinking.  
Lautenberg: Women's health clinic protection.  
Durbin: Elder abuse.  
Durbin: INS.  
Daschle: Relevant.  
Hollings: Relevant.  
Kerrey (NE): Relevant.  
Schumer: State prison grants.  
Torricelli: FTC marketing scams.  
Torricelli: Trucks.  
Torricelli: Police.  
Torricelli: Relevant.  
Landrieu: War crimes tribunal funding.  
Landrieu: Abused women immigration status.  
Landrieu: Relevant.  
Landrieu: Relevant.  
Landrieu: Relevant.  
Feinstein: Relevant.  
Leahy: Sentencing Commission.  
Sarbanes: Diplomatic and consular funds.  
Byrd: Consolidation of office in W.VA.  
Levin/DeWine: Great Lakes Y2K compliance.

#### REPUBLICAN AMENDMENTS

Gorton: Salmon recovery.  
Ashcroft: 2nd degree (object to any limit on 2nd degrees).  
Nickles: Death penalty.  
Nickles: Travel.  
Nickles: Independent Counsel.  
Snowe: Fisheries.  
Snowe: Ground fish.  
McCain: Patent/trade mark.  
Brownback: FCC.  
Brownback: Police funding.

Enzi: GAAT & FCC.  
 Enzi: BXA initiative/Cox report.  
 Warner: Relevant.  
 Domenici: Albuquerque Federal Building.  
 Coverdell: DEA.  
 Coverdell: Drug-free workplace.  
 Stevens: Pacific salmon treaty.  
 Stevens: Maritime Adm./Amer. Fisheries Act.

Lott: Funding for Advisory Commission.  
 Gregg Hollings: Managers amendment.

#### POSSIBLE AMENDMENTS FOR THE FLOOR

Abraham—\$1 million for helicopter.  
 Abraham—Drug dealers powdered cocaine.  
 Abraham—Faith based drug treatment, Federal funding.  
 Biden—Jerusalem (MP2).  
 Bingaman—E-Commerce at NIST.  
 Bingaman—Guadalupe-Hidalgo land grant.  
 Boxer, Kennedy—Abortion clinic violence security, \$4.5 million.  
 Burns—Bull trout (MP2).  
 Breaux—Lafayette Lab, authority to become a NOAA lab (MP2).  
 Brownback—Elimination of caps on spectrum.

Boxer—INS.  
 Boxer—NOAA.  
 Chafee—Narragansett Bay (MP2).  
 Cochran—Sense of the Senate.  
 Cochran—\$2 million for NIJ.  
 Coverdell, John Kerry—Drug free workplace, \$4 million.

Daschle—911 system (MP2).  
 Daschle—Change soft earmark for hard for Indian courts (no construction) (MP2).  
 DeWine—CITA name.  
 Durbin/Fitzgerald—INS constituent services.

Rod Grams—UN arrears \$107 million, want legal authority to waive debt (MP2).

Graham—Report on abuse against the elderly.

Graham—BIO medical earmark to NOAA for sea turtles.

Gregg—Extension of internet moratorium.  
 Gregg—UN taxing the internet.  
 Gregg, Hollings—DOJ land border inspection fees.

Gregg, Hollings—Supreme Court.  
 Gregg, Hollings—SBA—Tech.  
 Gregg, Hollings—SBA—Tech.  
 Gregg, Hollings—SBA—Tech.  
 Harkin—Increase Byrne grant.  
 Hollings—State Department cannot sell property.

Hollings—OJP \$500 K.  
 Hutchison—Border Patrol training.  
 Hutchison—Border Patrol pay raise.  
 Hutchison—Border Patrol serial killers identification.

Inouye—Coral reefs.  
 Kennedy—GTE waiver of Telecom Act.  
 Kennedy—Hate crimes—S. 622.  
 Kerrey—Teammates of Nebraska, \$1 million via OJP.

Kerrey—Lincoln.  
 Kyl/Ashcroft—\$100 million fenced for Jerusalem Embassy.

Ashcroft—Sense of Senate on Iran.  
 Lautenberg—Abortion clinics, law enforcement.

Levin—\$390,000 upgrade water gauge stations.

Lott, Daschle, Conrad—J-1 visas for doctors.

McCain—50 percent funding cut for PTO building.

McCain—Internet filtering.  
 Mikulski, Sarbanes—NOAA research vessel, \$1.5 million.

Hatch—Hate crimes.  
 Sessions—Civil rights and cops.

Murray—Salmon funding for tribes, \$18 million for each state, \$6 million for tribes.

Reed—Making Liberian language permanent.

Schumer—SEC report.  
 Schumer—State prison grant to go to local counties.

Schumer, Kohl—Project exile.  
 Sessions—Cops quota system.

Smith—Add vessel to AFA.  
 Snowe—Increase council membership.

Snowe—SEC.  
 Specter—Private right of action.

Specter—Reauthorize drug court program.  
 Stevens—Strike salmon authorization.

Stevens—Continue no year funds.  
 Thurmond, Thompson, Hatch—IG to use .02% of VCTF for audits.

Torricelli—Heavy trucks, cops technology \$660,000.

Torricelli—FTC, marketing scams.  
 Coverdell—DEA.

Sessions—Audit review.  
 Lott—2M for Internet Commission.

Torricelli—\$190K for block grant.  
 Bryan—Sense of Senate.

Hatch/Leahy—Holding court in New York, West Virginia and Utah.

Lautenberg—Alcohol add campaign.  
 Leahy—Sentencing Commission.

Wellstone—International trafficking.  
 Wellstone—Prison litigation reform.

Hatch/Leahy/Hollings—Court in New York.

Mr. LOTT. With this agreement in place, it is my hope that the bill can be completed yet this evening. I believe we have amendments that are in order, and Senator LAUTENBERG has one he may be able to go forward with.

Work is still being done on the rule XVI issue. Additional votes will occur during this evening's session of the Senate. We usually can expect to go late into the evenings on Thursday. It looks as if that will be the case.

If we can work with the managers and get this work done, this would be a very important achievement. And that, coupled with the fact that we know there is a memorial service tomorrow, we would not have to be in session tomorrow.

I urge the managers to keep working and my colleagues to please work with them.

The PRESIDING OFFICER. The Senator from New Hampshire.

#### UNANIMOUS CONSENT AGREEMENT

Mr. GREGG. Mr. President, I am going to propound two unanimous consent requests. One deals with Senator LAUTENBERG's amendment and one with Senator ENZI's amendment. The plan is as follows:

I ask unanimous consent that it be in order for Senator LAUTENBERG to offer an amendment regarding alcohol and there be 30 minutes of debate equally divided prior to the vote on or in relation to the amendment.

I further ask unanimous consent that no amendments be in order to the amendment prior to the vote.

I further ask unanimous consent that the previous consent relating to the pending GREGG amendment remain status quo to recur immediately following the LAUTENBERG vote.

I further ask unanimous consent that it be in order for Senator ENZI to offer

an amendment regarding the FCC accounting principles and there be 30 minutes of debate equally divided prior to the vote on or in relation to the amendment.

I further ask unanimous consent that no amendments be in order prior to the vote.

I further ask unanimous consent that the previous consent relating to the pending GREGG amendment remain status quo to reoccur immediately following the vote on the ENZI amendment.

I further ask unanimous consent that the ENZI amendment and the LAUTENBERG amendment be voted on en bloc at the end of the ENZI debate time.

Mr. REID. Reserving the right to object, I apologize to the Republican manager of the bill. I was not listening when the consent request was first issued. Would the Senator tell us what it is.

Mr. GREGG. It actually means that Senator LAUTENBERG has 30 minutes on his amendment equally divided, Senator ENZI has 30 minutes on his amendment equally divided, and we go to a vote on those two amendments.

Mr. HARKIN. Reserving the right to object, what happens, I ask the chairman, after that?

Mr. GREGG. At that point we are back to the regular order, which is that Senator HOLLINGS is recognized for 10 minutes and I am recognized for 10 minutes. Then we have a vote on the majority leader's point of order. However, I expect that there will be further action on the bill at that point and we will get into an amendment process.

Mr. HARKIN. I have an amendment that is on the list. If I may, I would like to get a time line on that.

Mr. GREGG. I would like to talk to the Senator about his amendment. I am hopeful that we can work it out and that we won't have to have a vote on it. Maybe we can talk about it while this debate is going on and work something out.

Mr. HARKIN. All right. I will be back.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Under the order, the Senator from New Jersey is recognized.

Mr. LAUTENBERG. Thank you, Mr. President.

#### AMENDMENT NO. 1302

(Purpose: To fund a media campaign, from increases in the Department of Justice budget, to prevent underage drinking.)

Mr. LAUTENBERG. Mr. President, I assume that the pending GREGG amendment has been laid aside.

I send my amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Jersey (Mr. LAUTENBERG), for himself, Mr. HARKIN, and Mr.

DORGAN, proposes an amendment numbered 1302.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, between lines 3 and 4, insert the following:

For carrying out a media campaign to prevent alcohol consumption by individuals in the United States who have not attained the age of 21, \$25,000,000 which shall become available on October 1, 2000 and remain available through September 30, 2001

Mr. LAUTENBERG. Mr. President, I rise to offer an amendment to provide the Justice Department \$25 million in fiscal year 2001 to develop and begin to implement a media campaign to discourage children from engaging in underage alcohol consumption.

We already have an ad campaign on national television that espouses the evils of drug use. But that campaign does not include alcohol. And when I tried to amend that ad campaign in the Treasury-Postal bill last month to include alcohol, some Senators said that they did not want to dilute the anti-drug message. But they did say that they would support a separate anti-underage drinking campaign.

I offer this amendment on behalf of myself and Senators HARKIN and DORGAN, who the last time I offered a similar amendment voted against it, but now has agreed that it is the right thing to do.

Right now, by running anti-drugs ads without also running anti-underage drinking ads, we are sending the wrong message to America's children. It is the equivalent of telling kids: "say 'no' to drugs. But this Bud's for you!"

Mr. President, consuming alcohol is illegal in all 50 States if you are under the age of 21, and among America's youth, underage alcohol consumption is just as big a problem as drug use.

The facts are daunting. If we look at this chart, we see that alcohol kills six times more children ages 12 to 20 than all the other illegal drugs combined. It was a surprise to me, as I suspect it is a surprise to millions of other Americans as well.

Let me point out some more facts. According to the Department of Health and Human Services, the average age at which children start drinking is 13.

What's even worse, Mr. President, is that research shows that children who drink at age 13 have a 47-percent chance of becoming alcohol-dependent.

But if they waited until they were 21 to drink, they would have only a 10-percent chance of becoming dependent.

In all, Mr. President, there are nearly 4 million young people in this country who suffer from alcohol dependence, and they account for one-fifth of all alcohol-dependent Americans.

Not only is alcohol consumption widespread among children under the

age of 21, but it is a "gateway drug." And too often, it leads to the use of marijuana, cocaine, and heroin.

The drug czar, General McCaffrey, had some things to say about this. He said, "The most dangerous drug in America today is still alcohol."

But for one reason or another, we don't get that message through.

He goes on to say that alcohol is "the biggest drug abuse problem for adolescents, and it's linked to the use of other, illegal drugs."

Mr. President, statistics support what General McCaffrey has been saying. According to the Center on Addiction and Substance Abuse at Columbia University, youth who drink alcohol are 7.5 times more likely to use any illegal drug and 50 times more likely to use cocaine, than young people who never drink alcohol.

General McCaffrey is not alone in his belief that attacking underage drinking is a key component of the war on drugs. Surgeon General Davis Satcher recently wrote a letter to General McCaffrey expressing his support for "a powerful media campaign that will effectively deglamorize underage drinking."

Surgeon General Satcher went on to say that he has established a Staff Working Group "to create an effective campaign to curtail the incidence of underage and binge drinking."

Finally, the Surgeon General

It is time to more effectively address the drug that children and teens tell us is their great concern and the drug we know is most likely to result in their injury or death.

If experts like General McCaffrey and Surgeon General Satcher agree that alcohol is a "gateway drug," then it is clear that a well-planned ad campaign that targets underage drinking would increase the effectiveness of our war against drugs.

My amendment provides the Justice Department with \$25 million in fiscal year 2001 to develop and begin to implement a media campaign to discourage children under the age of 21 from drinking. The amendment allows plenty of time to conduct the necessary research and develop and test sample radio and television ads in order to launch an effective media campaign. Ad messages would be consistent with the antidrug messages in the drug czar's media campaign. There would also be funds to begin buying media time.

The Justice Department will coordinate the campaign with representatives of the Centers for Disease Control, the Surgeon General's office, and the National Institute on Alcohol Abuse and Alcoholism. With the help of these health institutions, the Justice Department also would put together a detailed 5-year funding plan for the campaign and its media "buys" to help Congress in the appropriations process.

Editorials have been written across this country supporting the need for an

anti-underage drinking media campaign. Editorials have appeared in the Washington Post, New York Times, Christian Science Monitor, and Los Angeles Times. The concept of an anti-underage drinking media campaign is further supported by more than 80 organizations, including Mothers Against Drunk Driving, the American Medical Association, the American Academy of Pediatrics, the American Public Health Association, and the Center for Science in the Public Interest.

I am proud to have been the author some years ago, in 1984, that made 21 the drinking age in all 50 States. With the help of the National Transportation Safety Board, we have saved the lives of approximately 15,000 young people in the 15 years since the law has been in place. It was a real boon to those families who worried about their children drinking and the problems that result.

In 1995, Senator BYRD led the charge on zero tolerance for underage alcohol consumption by writing a law that says if you are under age 21, .02 blood alcohol level is legally drunk. So, as in the past, we need to continue to send a strong message to America's youth that neither underage alcohol consumption nor drug use is acceptable. And the only successful path to winning the war on drugs is the one paved by preventing underage drinking.

We must not accept underage drinking as a so-called rite of passage. It often is. It is a passage directly to illegal drugs such as marijuana, cocaine, and heroin. It is a passage to a life of alcohol dependency.

The bottom line is this: This is a simple up-or-down vote on whether you want to do something to prevent teen alcohol addiction. I urge my colleagues to support this amendment so that we can get a handle on that drug which is acknowledged to be the most dangerous among all drugs. And the fact that alcohol kills six times more children ages 12 to 20 than all other illegal drugs combined proves that.

I hope we get a positive vote on this. I understand this vote will be stacked with a vote of the Senator from Wyoming, is that correct?

Mr. GREGG. That is correct. We will have a vote on the amendment of the Senator from New Jersey and then the Senator from Wyoming.

I rise in opposition to this amendment for a number of reasons. With forward funding of an initiative, the \$25 million for advanced appropriations next year, it makes it extremely difficult for the committee to function.

When the President presented his budget, he had included a large amount of funding which this committee did not accept because we did not want to put ourselves in that sort of a bind.

Independent of the equities of the argument relative to the initiative which was voted on once before in a form not

exactly like this but similar to this on the Treasury-Postal bill, I believe very strongly this would set a very poor precedent if we began appropriating in the future on bills for this year.

It would avoid the entire budgetary process, which requires offsets. That is our fiscal discipline. Without offsets, we will have no fiscal discipline. Arguably, we could appropriate all of next year's budget on almost any subject that Members wish and create significant problems.

I don't support the amendment. I believe the amendment is inappropriate.

Mr. LAUTENBERG. Mr. President, I thank the chairman and the ranking member for permitting me to offer this amendment.

But this is not a precedent-setting amendment. We have done substantial forward funding in those programs that need it. And it will take a year to organize this program.

This is the time to get this program started by making certain that the message is clear, that it is out there. It says: Listen, kids, don't start drinking. It could lead you down a terrible path. It could create more dependence on alcohol, more introduction to other drugs. That is a poor way to give a child a sendoff.

The Senator from New Hampshire talks about appropriating next year's money at this time as being somewhat unusual. Fortunately, or unfortunately, it is not unusual. I have a list of accounts that have been forward funded. I ask unanimous consent to have these accounts printed in the RECORD.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

#### DISCRETIONARY ADVANCE APPROPRIATIONS

(Budget authority by fiscal year, in millions of dollars)

	1998	1999	2000
Military pay and retirement .....	0	0	1,838
Denali Commission .....	0	0	8
Patent and Trademark Office .....	0	71	167
Legal activities & U.S. Marshals .....	0	31	0
SBA business loan program account .....	4	4	0
Federal Trade Commission .....	0	14	0
Securities & Exchange Commission .....	27	0	0
Employment and Training Administration .....	0	290	0
NIH, buildings and facilities .....	0	0	40
Low income home energy assistance program .....	1,000	1,100	1,100
Child care development block grant .....	937	1,000	1,183
Elementary & Secondary Ed (reading excellence) .....	0	210	0
Education for the disadvantaged .....	1,298	1,448	6,204
Corporation for Public Broadcasting .....	250	250	317
Payment to Postal Service .....	0	0	71
Defense vessel transfer program .....	0	0	31
NASA .....	365	0	0
Veterans, construction, major .....	32	0	0
Hazardous substance superfund .....	0	650	650
Total .....	3,913	5,068	11,609

Source: CBO, Scorekeeping Unit.

Mr. GREGG. If the Senator is willing to yield back, I am willing to yield back.

Mr. LAUTENBERG. I yield back my time.

Mr. GREGG. I yield back my time.

Mr. LAUTENBERG. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Wyoming.

#### AMENDMENT NO. 1301

(Purpose: To prohibit the Federal Communications Commission from requiring persons to use any accounting method that does not conform to Generally Accepted Accounting Principles)

Mr. ENZI. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. ENZI], for himself, Mr. BURNS, and Mr. FITZGERALD, proposes an amendment numbered 1301.

Mr. ENZI. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert:

#### SEC. XX. PROHIBITION ON REQUIREMENT FOR USE OF ACCOUNTING METHOD NOT CONFORMING TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

(a) PROHIBITION.—No part of any appropriations contained in this Act shall be used by the Federal Communications Commission to require any person subject to its jurisdiction under the Communications Act of 1934, as amended (47 U.S.C. 151 et seq) to utilize for any purpose any form or method of accounting that does not conform to Generally Accepted Accounting Principles established by the Financial Accounting Standards Board.

Mr. ENZI. Mr. President, I rise to offer an amendment to remove an unnecessary burdensome recordkeeping requirement on local telephone companies.

In 1935, the Federal Communications Commission developed an accounting system known as a uniform system of accounts to ensure the Commission had access to financial data used by AT&T to set local phone rates. This system of accounting requires that companies maintain detailed records and appreciate every asset they purchase, from paper clips to trucks. According to depreciation schedules that each company negotiates with the FCC, no other entity in the Nation has to do that.

I have seen some of these schedules. They require companies to depreciate assets over longer periods of time than either the Internal Revenue Service or the Securities and Exchange Commission. They require them to depreciate things that no other business has to depreciate. Many of these assets are high-technology items such as digital switches or fiber-optic cable that are often obsolete in a very short period of time. However, the FCC requires them to be depreciated over a much longer period of time.

This is not limited to depreciation. As an accountant, I happen to know a bit about generally accepted accounting principles. Yet even small busi-

nesses under the IRS have a dollar threshold over which they amortize assets—usually \$25,000. For purchases under \$25,000, the company would simply expense the item, meaning that they could charge the cost of the asset against the current year's revenues.

Under the FCC system, local telephone companies are required to amortize every asset they buy, from office supplies to digital switching equipment. There is no dollar value threshold for local companies. They have to keep detailed records and record assets in accounts specified by the FCC; negotiated individually with the FCC. These companies already maintain their records according to generally accepted accounting principles. Their standard is required by the IRS and FCC. Why should a third agency require companies to keep their books in a manner inconsistent with generally accepted accounting principles?

Now that AT&T has been broken up and competition is being allowed to take place, it is time to remove regulatory burdens that do nothing more than impose a requirement on one set of companies that their competitors do not have to comply with, information that is available to the competitors, information in detail available to the competitors, derived at great expense to the local telephone company?

The amendment I am proposing would prohibit the FCC from requiring any accounting system other than generally accepted accounting principles for 1 year. This would give companies time to transition to the generally accepted accounting principles—one set of books—and make provisions to take obsolete equipment out of service and change their internal accounting policies to conform with generally accepted accounting principles. This would also save the Government money, since the FCC would not have to maintain as big an Accounting Policy Division to negotiate and enforce these antiquated, detailed depreciation and expense rules.

According to the accounting firm of Arthur Anderson, this would save the small local telephone exchange companies—we are talking about the small companies in every State in this Nation—between \$200,000 and \$1 million a year. This is money that could be spent on bringing advanced services and technology to rural areas or reducing rates. I understand how expensive it is to maintain one set of business records, and anybody in business out there understands that. That is one set of business records according to the generally accepted accounting principles. Just imagine what it costs for two sets of books, and the second set of books has to be negotiated in detail, has to have far more accounts than the other. My amendment would eliminate this expensive requirement on local telephone companies and level the playing field



between competitors, particularly with the huge long distance competitors.

My amendment is being supported by the United States Telephone Association and its members. The United States Telephone Association represents small rural telephone companies. They believe, as I do, that competition in the local phone market starts when all participants are bound by the same rules.

I ask unanimous consent to have printed in the RECORD a letter from the United States Telephone Association that goes into a bit more detail than I have time, in my allotted 15 minutes, to go into. Commissioner Harold Furchtgott-Roth, who serves on the Federal Communications Commission, made a statement on docket 99-253 that mentions:

In today's increasingly competitive telecommunications marketplace, the Commission should be focusing its efforts on transitioning to a more competitive environment. The amount of detailed information and regulatory scrutiny required under our accounting and ARMIS rules is inordinate and should be reduced.

I ask that entire letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UNITED STATES  
TELEPHONE ASSOCIATION,  
July 19, 1999.

Hon. MICHAEL ENZI,  
U.S. Senate, Russell State Office Building,  
Washington, DC.

DEAR SENATOR ENZI: I am writing to commend you and thank you for your efforts to streamline the FCC's accounting requirements for local telephone companies. These requirements are vestiges of past regulatory schemes. They are burdensome, costly, and discriminatory, and they serve no useful purpose in today's telecommunications market. The 1,200 local telephone companies that comprise the United States Telephone Association appreciate your leadership on this issue.

As you know, these accounting rules, also known as the Uniform System of Accounts, were adopted more than a decade ago, when the local telephone market was for the most part closed, and local carriers were subject to cost-based, rate of return regulations. Since that time, the large incumbent local exchange companies have changed to price cap regulations, and the local telephone market has opened to competition. In short, the marketplace has changed, but these accounting rules have not.

Arthur Anderson estimates that these regulations cost the local phone industry up to \$270 million every year. Ultimately, consumers suffer from these wasted resources. The capital the local phone companies spend meeting these requirements could be redeployed in ways that benefit consumers with lower prices, better services, more advanced technologies and more robust competition. Further, in today's telecommunications market, rapid advances in technology drive the introduction of new products and services at a breakneck pace. Costly and unnecessary regulations slow that pace and skew the competitive balance toward companies that are not subject to them.

Taxpayers suffer, as well. More than 70 people at the Federal Communications Commission are needed to maintain and audit these reports. These slots or their funding could be saved, or put to better use either elsewhere at the Commission, or elsewhere in government.

Senator Enzi, thank you again for your leadership on this issue. If we may be of assistance in any way, please let us know.

Sincerely,

ROY NOEL,  
President and CEO,

STATEMENT OF COMMISSIONER HAROLD  
FURCHTGOTT-ROTH

Re: Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers (CC Docket No. 99-253)

I support today's Order initiating "Phase 1" of a comprehensive review of the Commission's accounting and reporting requirements. While I believe that today's Order is a step in the right direction, it is, to my regret, a very small step down a very long road. I write separately because I continue to be concerned about the Commission's micro-management of all telecommunications carriers, including LECs.

In today's increasingly competitive telecommunications marketplace, the Commission should be focusing its efforts on transitioning to this more competitive environment. The amount of detailed information and regulatory scrutiny required under our current accounting and ARMIS rules is inordinate and should be reduced. I am becoming increasingly convinced that the current regulatory mechanisms—and certainly the level of detail—are no longer necessary in today's increasingly competitive marketplace. I believe the Commission must consider even further deregulation as these cumbersome regulations become unnecessary.

I wait anxiously for the commencement of Phase 2 of this review, which I hope follows today's small step with huge strides toward true regulatory reform.

Mr. ENZI. Mr. President, what we have is an issue where we have a lot of local, small, rural telephone companies who are coming under inordinate additional accounting requirements, additional accounting besides what is required by the other Federal agencies. This information has to be released to the competitors as well. Competitors, the big phone companies, do not have to give the same information to the little companies. So it is time we made this kind of change.

I ask for support on the amendment. I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I have the greatest respect for the distinguished Senator and realize he is far more steeped in this particular discipline of accounting, of certified public accounting, than I am.

Yet having worked in the field and heard for the first time here in the last half hour of this particular amendment, it goes right to the heart of what has been going on. Specifically, we want to change an accounting system that has been on the books, agreed to,

conformed with, never objected to, during the entire 4-year deliberation of the rewrite of the Telecommunications Act. I never heard anything about this need for a different system of accounting. Now, having adopted it, I am asking immediately: Wait a minute, what is going on here? We never heard of this or anything else like it. Then the giveaway is when my distinguished colleague says the United States Telephone Association, and so forth, little, little, little—little my eye. This is the Bell crowd.

I find out by telephone call they have had a recent audit and the auditors found billions of dollars of unaccounted-for equipment. They just had it on the books. They put it into the rate structure. And then they redeem those amounts into the rate-paying system. This, of course, affects the rates, it affects the amounts that go back to universal service, and everything else of that kind. So all of a sudden we really, rather than helping the little ones, are going to harm the little folks on a so-called accounting system change.

If anybody is intimately familiar with the rural telephone companies and the co-ops and everything else, this particular Senator is. The finest rural system there is in the State of South Carolina. In fact, they have put in the Internet connections and everything else at all the public schools and what have you. Really, it is one of the finest rural groups. They never saw me about this or anything of this kind. This amendment definitely ought to be tabled.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Montana.

Mr. ENZI. Mr. President, I yield 3 minutes to the Senator from Montana.

Mr. BURNS. Mr. President, I thank my friend from Wyoming. I doubt I need 3 minutes.

When this accounting system was adopted in the telecommunications industry way back in 1935, and it evolved through the years, we did not foresee the advances of technology and the need to change equipment would happen in that area as fast as it is happening now. New technology is coming on line. If there is a holdup in the buildout of this technology, of maybe some of our locally owned companies—and some of our cooperatives as cooperatives, I doubt, will be affected by this—it is so we can get rid of some of this old equipment we carry on the books because it is not all depreciated out. It has not kept pace with the technology.

There was, a couple of years ago—it was more than that, 5 or 6 years ago, with then-Senator Brown from Colorado—offered an amendment to standardize accounting clear through the Government. We did not get that done. But nonetheless here is an old accounting system that is very important to

the high-tech area when it comes to buildout in the rural area, so broadband technologies can be deployed and get rid of some of the old equipment still on the books.

This amendment needs passing. I yield the floor and thank my friend from Wyoming.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. The distinguished Senator from Montana, the chairman of our Subcommittee on Communications, ought to be asking for a hearing on this one. Another phrase caught my attention, when they say "historic cost." They could go all the way back to 1934, which they have already been rewarded for over the many years, 60 or 70 years. Otherwise that is exactly what they have earned as a monopoly. Yes, we are moving. Don't say they did not foresee it.

I have just been through a vigorous campaign and visited rural folks. I admire the new equipment they have. They are changing over. They know what it is. They know what competition is. The small ones, more or less, have been bringing about the competition.

It is the Bell companies that told this Senator and the committee time and again at hearings: We want to compete; we want to compete; we want to compete.

Please, my gracious, all they have done is combine. Southwest Bell has taken over Pacific Telesis. Now they want to take over Ameritech. Bell Atlantic has taken over NYNEX. Another one, we heard just the other day, is taking over U.S. West. They are all moving to combine and form more monopolies, and before long we will have Ma Bell all over again.

Then they have the audacity and unmitigated gall to come to the floor of the Senate and say let's just change the little accounting system so we can take care of all of these costs, when they have been caught short of unaccounted equipment that has been carried on the books over many years and they have long since been compensated for in their rates.

I can say the universal service to the small business in Wyoming and Montana when the Bell company puts this one over on the United Telephone Association—if they put this over, they are going to have to pay through the nose. I can tell you that right now. It is all going in. It is the big gobbling up the little ones.

There ought not to be any misunderstanding to all of a sudden changing their accounting systems because they have found unaccounted equipment on the books that have been kept over many years, for which they have long since been compensated, and for which they continue to charge over and over. That is what is at issue here; without a hearing and putting it on the com-

merce bill which has jurisdiction over the FCC and saying it is just a small thing, they just want to look out for people and want the same kind of report.

They want to get rid of the report that says you can carry all these expenses ad infinitum, back to 1934, and continue to charge the ratepayers for it. If that occurs, then universal service, the rates, and everything else with respect to the agreed-upon long distance and local rates is going totally out of kilter. The little boys are really going to suffer.

I am prepared, when all time has expired, to make a motion to table this amendment. It definitely ought to be tabled in behalf of all communications and, more particularly, on account of procedures in the Senate. We have a committee. The distinguished Senator is chairman of the subcommittee. The subject has never been mentioned, and, Heaven knows, I hear every day I am in the Senate: Please, call the Commission. We don't. Please write a letter to the Commission. All the downtown lawyers again and again want to try their cases politically when they cannot prevail administratively.

I know if it were a real problem, I would have long since heard about it. My rural people would have told me about it long ago. But bam, at 7 o'clock at night, they want to change the entire accounting system. It is the wrong procedure, if nothing else.

I reserve the remainder of my time.

Mr. ENZI. Mr. President, what we are trying to do is harmonize and unify the accounting system, not eliminate and drastically change it. We are talking about generally accepted accounting principles. This is what the accountants across the United States use day in and day out. We are trying to unify it within the telecommunications industry.

One reason you have not heard about this a lot is that we are talking about the small local exchange carriers. We are not talking about the big corporations that have all the lawyers in Washington. We are talking about the little guy out there who is trying to run a business and does not have as much time or expertise to run to Washington or know specifically to whom to take his case. We are talking about small businesses. And we are not talking about small money here. We are talking about them imposing extra regulations which cost them \$200,000 to \$1 million a year. That is money that could be put into new phone systems or reducing rates. These are the small rural carriers.

As far as whether enough data is available, of course, it is available. Corporations, big and small, across this Nation run and report under generally accepted accounting principles. This is not a new system. It is newer than the system we are talking about operating under which was instituted in 1935.

In 1935, when it was controlled by a monopoly, there needed to be more detailed accounting. Anything that needs to be accounted can still be accounted. It just has to follow generally accepted accounting principles instead of a multiple process of going to the FCC, negotiating into some new accounts which already number in the neighborhood of 500, and coming in with the output that is needed to make the decision, rather than a myriad of information.

How would you like to depreciate paper clips? It has gotten ridiculous. Those things have to be taken into consideration. There is no threshold of expenses.

There have been a lot of changes in the communications industry. One of them is divestiture of AT&T. There is a whole list of things that have happened. A big one is the passage in 1996 of the Telecommunications Act, of which the Senator was speaking, and the issuance of the resulting FCC orders implementing various sections of the act, including proceedings to implement local competition and interconnection, as well as universal service, access charge, and price cap reform.

There is not anything under generally accepted accounting principles that will not get the data that is needed to handle any of those issues. All of the service providers, with the exception of incumbent local exchange companies, have flexibility. The others already have the flexibility. AT&T has the flexibility to provide services priced on a competitive basis at rates dictated by the marketplace.

These service providers are not subject to the accounting and record-keeping rules contained in part 32—the big companies are not subject to that—and associated monitoring and enforcement activities but are simply required to follow GAAP in producing their external reports. Prices no longer bear a direct relationship to cost.

Mr. ASHCROFT. Will the Senator yield for a question?

Mr. ENZI. Yes.

Mr. ASHCROFT. I find this to be rather confounding. I just want to make sure I understand this clearly. These companies are required to maintain two sets of books?

Mr. ENZI. Yes.

Mr. ASHCROFT. Accounted different ways; is that correct?

Mr. ENZI. The Senator from Missouri is absolutely correct. They are required to carry multiple books.

Mr. ASHCROFT. And this adds as much as \$20 million to \$30 million to the cost of doing business?

Mr. ENZI. For the local companies, it would be \$25 million to \$30 million. We are talking about at least \$300 million across the United States per year.

Mr. ASHCROFT. Some of these companies try to be competitive, not only nationally but internationally.

Mr. ENZI. They are, and we want them to be competitive without having to do all the mergers that were spoken of earlier.

Mr. ASHCROFT. Is it true these additional charges are eventually paid by consumers?

Mr. ENZI. Absolutely, they have to be paid by consumers.

Mr. ASHCROFT. What we are imposing is almost like a tax that the people of America are paying, \$25 million or \$30 million extra, that is really unnecessary in these companies now.

Mr. ENZI. The Senator from Missouri is absolutely correct. It is like a tax, and it is money that the rural telephone folks are having to pay.

Mr. ASHCROFT. And that is a substantial impairment on their capacity to do business?

Mr. ENZI. It is a substantial impairment on their ability to be competitive with the big national phone companies.

Mr. ASHCROFT. This one unique, idiosyncratic accounting method is a 1930s accounting system.

Mr. ENZI. That is correct.

Mr. ASHCROFT. That is still mandated in spite of the fact that for other purposes, to be competitive and to be successful in offering their stock and other things, they maintain a set of books that is generally accepted for accounting purposes.

Mr. ENZI. That is correct. We want the small companies able to do the same kind of accounting as the big companies.

Mr. ASHCROFT. The Senator's amendment is to basically say we want to relieve them of this duplicitous, inefficient demand which results in their consumers having to pay a lot more and reducing the competitiveness of these companies.

Mr. ENZI. The Senator is absolutely correct. We want to increase their competitiveness. We want the people in the rural areas to have the same accounting system, so they have lower costs, so they can pass that on to the consumer.

Mr. ASHCROFT. I thank the Senator for his amendment. I think it is good policy. It is the direction in which we should be going to be competitive. We need to move into the next century, not try to reinvent the last century.

I thank the Senator for his excellent work and for allowing me to interrupt his remarks to clarify this to make sure I understand clearly what the Senator from Wyoming said. He has made an outstanding contribution to the understanding of other Senators and to the people of the United States about an archaic system imposed by Government which costs us all resources and which makes competition difficult for our own companies.

Mr. ENZI. I thank the Senator from Missouri for his comments.

We have an opportunity to fix the system so it works the same for big

companies and small companies so they all operate under generally accepted accounting principles, so the small rural guy is not doing all of the extra accounting that the big guys are not required to do.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator's time has expired.

Mr. HOLLINGS addressed the Chair.

Mr. ENZI. I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from South Carolina has 7 minutes 55 seconds.

Mr. HOLLINGS. I will use just a minute or two, Mr. President.

The word "competitive" intrigued this particular Senator. As they congratulate each other over there with respect to this particular attempted fix, let me remind the Senate that we are talking about monopolies. Monopolies do not have general accounting principles because they are not in the field of competition. They are monopolies. They are guaranteed a return. And extra accounting principles have been long since established for these companies and for small ones in that the independent, local exchange carriers—there are many small ones—they are monopolies, too. So these accounting methods and principles have been in force for a long time.

And here without a hearing, and just, bam, and to start talking about small—and there is a \$30 million tax, and so forth, that is just spurious reasoning and fanciful notions, if I have ever heard them.

The opposite is true. We are trying, with respect to a monopoly, to make sure that it does not go to the ratepayer because the monopoly is guaranteed a return. So if any true costs are there, they are going to have to be reflected in their guaranteed rate of return.

So this amendment is totally out of order in the sense of procedures here in the Senate where we have a committee and we can have hearings on it and we can find out if there is any infringement with respect to the concern of the Senator from Wyoming. Because he knows all about accounting.

But I can tell you now, general accounting principles do not apply to monopolies—and should not apply to monopolies—because there is no competition. They are guaranteed that return, and that is why they have the special accounting system.

I thank the Chair. At the end of this, if my distinguished chairman would permit, I think we ought to move to table this one.

Mr. ENZI. Will the Senator yield for a question?

Mr. HOLLINGS. Yes, sir.

Mr. ENZI. Would you be willing to go with an amendment that would require AT&T and other companies to meet the same requirements as little companies?

Mr. HOLLINGS. Oh, yes. I think whatever accounting system they have, I do not find a difference in it. I would go with having a hearing and give you a definite return. We are not trying to delay or anything like that, but I would have a hearing before the subcommittee of the Senator from Montana, and the full committee, and we would be glad to report something out. But we never have had hearings, and you just say "little and small."

The United States Telephone Association, that is big. I know from hard experience that is big. That is a "Big Bell" company. In relation to the chairman of this so-called company that has the accounting system, and so forth, do you know what they reported in USA Today the other day? The chairman of Bell South made last year \$55.9 million—either \$56 or \$57 million. Can you imagine the head of a monopoly guaranteed a return, with no competition, making \$55 million? Come on. And you are talking about little things? Don't give me that. They are not little. In just agreeing to little and big, we have a different idea basically of what is big and what is little in this particular debate.

Mr. ENZI. You would agree they all ought to be on the same accounting system?

Mr. HOLLINGS. I don't know of a reason for a separate accounting system. If there is less of an accounting system for the smaller one, I tend in that direction.

I agree with the sentiment that you have to look out for the small so they are not gobbled up by the big. So I would almost agree to less of an accounting system for the small rather than the same required for the big. I am trying to go in your direction.

Mr. ENZI. I would love to work with you on that, but right now the big ones have the easier accounting system.

Mr. HOLLINGS. We can have hearings and find that out.

Mr. ENZI. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second on the amendment.

They yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second on the motion to table?

No, there is not a sufficient second on the motion to table.

There is a sufficient second on the motion to table.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to table. The clerk will call the roll.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I ask unanimous consent that the first vote be on the Lautenberg amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The yeas and nays have been ordered on the Lautenberg amendment. The clerk will call the roll.

Mr. HOLLINGS. I suggest the absence of a quorum for a second.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the absence or the presence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded and that we have the regular order.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### VOTE ON AMENDMENT NO. 1302

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1302 by the Senator from New Jersey. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) and the Senator from Alabama (Mr. SHELBY) are necessarily absent.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 43, nays 54, as follows:

#### [Rollcall Vote No. 217 Leg.]

##### YEAS—43

Baucus	Graham	Lincoln
Biden	Grassley	Mikulski
Bingaman	Harkin	Moynihan
Boxer	Hollings	Murray
Breaux	Hutchison	Reed
Bryan	Inouye	Reid
Byrd	Jeffords	Rockefeller
Cleland	Johnson	Roth
Conrad	Kerrey	Sarbanes
Daschle	Kerry	Schumer
Dodd	Landrieu	Specter
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden
Edwards	Levin	
Feinstein	Lieberman	

##### NAYS—54

Abraham	Domenici	Mack
Akaka	Enzi	McConnell
Allard	Feingold	Murkowski
Ashcroft	Fitzgerald	Nickles
Bayh	Frist	Robb
Bennett	Gorton	Roberts
Bond	Gramm	Santorum
Brownback	Grams	Sessions
Bunning	Gregg	Smith (NH)
Burns	Hagel	Smith (OR)
Campbell	Hatch	Snowe
Chafee	Helms	Stevens
Cochran	Hutchinson	Thomas
Collins	Inhofe	Thompson
Coverdell	Kohl	Thurmond
Craig	Kyl	Torricelli
Crapo	Lott	Voynovich
DeWine	Lugar	Warner

##### NOT VOTING—3

Kennedy	McCain	Shelby
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The amendment (No. 1302) was rejected.

#### VOTE ON AMENDMENT NO. 1301

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Wyoming. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) and the Senator from Alabama (Mr. SHELBY) are necessarily absent.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY) is necessarily absent.

The result was announced—yeas 45, nays 52, as follows:

#### [Rollcall Vote No. 218 Leg.]

##### YEAS—45

Akaka	Edwards	Levin
Baucus	Feingold	Lincoln
Bayh	Feinstein	Mack
Biden	Graham	Mikulski
Bingaman	Hagel	Murray
Boxer	Harkin	Reid
Breaux	Hollings	Robb
Bryan	Inouye	Rockefeller
Byrd	Johnson	Sarbanes
Campbell	Kerrey	Schumer
Cleland	Kerry	Snowe
Conrad	Kohl	Stevens
Daschle	Landrieu	Torricelli
DeWine	Lautenberg	Wellstone
Dorgan	Leahy	Wyden

##### NAYS—52

Abraham	Fitzgerald	Moynihan
Allard	Frist	Murkowski
Ashcroft	Gorton	Nickles
Bennett	Gramm	Reed
Bond	Grams	Roberts
Brownback	Grassley	Roth
Bunning	Gregg	Santorum
Burns	Hatch	Sessions
Chafee	Helms	Smith (NH)
Cochran	Hutchinson	Smith (OR)
Collins	Hutchison	Specter
Coverdell	Inhofe	Thomas
Craig	Jeffords	Thompson
Crapo	Kyl	Thurmond
Dodd	Lieberman	Voynovich
Domenici	Lott	Warner
Durbin	Lugar	
Enzi	McConnell	

##### NOT VOTING—3

Kennedy	McCain	Shelby
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The motion was rejected.

Several Senators addressed the Chair.

Mr. NICKLES. Mr. President, I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

Mr. ENZI. Mr. President, in light of the last vote, I ask unanimous consent the yeas and nays be vitiated on the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. REID. I could not hear the request.

The PRESIDING OFFICER. The Senator will repeat his request.

Mr. ENZI. In light of the last vote, I ask unanimous consent the yeas and nays be vitiated on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1301) was agreed to.

Mr. GREGG. Mr. President, I move to reconsider the vote.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I have an amendment.

Mr. GREGG. Mr. President, regular order.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. GREGG. Regular order.

Mr. HARKIN. I have an amendment on behalf of myself, Senator HATCH, Senator GRASSLEY, Senator BROWNBACK, Senator BINGAMAN, Senator BIDEN, Senator JOHNSON, Senator ROCKEFELLER, Senator MURRAY, Senator AKAKA, Senator FEINGOLD, Senator LAUTENBERG, and Senator BRYAN.

I ask for its immediate consideration.

Mr. REID. Will the Senator yield for a question?

The PRESIDING OFFICER. It will take unanimous consent to set aside the amendment.

Mr. GREGG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, I ask unanimous consent at this time Senator WELLSTONE be recognized to offer an amendment, and the time on that amendment be 30 minutes with the Senator from Minnesota controlling 20 minutes of that time and the Senator in opposition controlling 10.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Minnesota is recognized.

#### AMENDMENT NO. 1303

(Purpose: To clarify the treatment of juveniles and the mentally ill by the Prison Litigation Reform Act of 1995)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 1303.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 45, after line 9, insert the following:

**SEC. XX. INAPPLICABILITY OF AMENDMENTS.**

Section 3626 of title 18, United States Code, is amended by adding at the end the following:

“(h) INAPPLICABILITY OF AMENDMENTS.—A civil action that seeks to remedy conditions that pose a threat to the health of individuals who are juveniles or mentally ill shall be governed by the terms of this section, as in effect on the day before the date of enactment of the Prison Litigation Reform Act of 1995 and the amendments made by that Act (18 U.S.C. 3601 note).”.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I have had the opportunity to visit some detention facilities across our country and meet with correctional officers and also the incarcerated children and their parents. I am struck again and again by one fact: The mentally ill and the juveniles—the children, the kids—are particularly vulnerable to abuse and neglect in jails and prisons in our country. That is why I am offering this amendment that will give back to the Federal courts full authority to remedy abusive conditions but only under which the mentally ill and juveniles are being held.

Just 2 weeks ago, the Department of Justice released a report on the prevalence of mental illness among adult inmates in our jails and prisons. The Justice Department report merely confirms what many of us already know. The criminalization of mental illness is a national crisis.

Of particular concern to me have been the extraordinary problems children with mental illness and emotional disorders encounter in juvenile jails. That is why I introduced the Mental Health Juvenile Justice Act earlier this year. Of the 100,000 children who are arrested and incarcerated each year, as many as 50 percent suffer from a mental or emotional disturbance.

Jails and detention centers often find they are unprepared to deal with these kids. For instance, medication which should be given is not given; medication that should be properly monitored is not properly monitored; and guards may not even know how to respond to some of these kids.

Why do so many youth with mental illness end up in the juvenile justice system? The truth of the matter is, we ought to, on the front end, do a much better job of assessing the problems of these kids and, for those who should not be incarcerated—some should—but for those who should not be incarcerated, look to alternatives.

We have not invested as a country—you can talk to anybody down in the trenches doing this work—adequately in the service programs and community prevention programs that will re-

duce the need for incarceration. Therefore, many of these kids wind up in these facilities. They are incredibly vulnerable. They do not get the care they absolutely have to get, and the consequences are tragic.

Last year, as an example, I went with the National Mental Health Association to the Tallulah Correctional Center for Youth, a privately owned facility for over 600 youth in northeast Louisiana. I saw shocking civil rights violations which were cited by the U.S. Department of Justice. Basically what I am saying is, there were kids who were diagnosed with mental problems getting absolutely no treatment whatsoever.

The Justice Department has also exposed gross abuses in Georgia, Kentucky, and the juvenile facilities in Louisiana. Other States also experience similar problems. Investigators found cases of physical abuse and neglect of mental health needs, including unwarranted and prolonged isolation of suicidal children, hog-tie and chemical restraints used on youth with serious emotional disturbances, forced medication, and even denial of medication.

Children with extensive psychiatric histories who are prone to self-mutilation—cutting themselves with glass—never even saw a psychiatrist.

In some cases, abusive treatment of these children results directly from their being emotionally disturbed. Staff in the juvenile facilities fail to recognize the problem and, in fact, punish these children for the symptoms of their disorders. Children have been punished for requesting treatment or put in isolation when they refuse to accept treatment. One child in a boot camp was punished for making involuntary noises that were symptoms of Tourette's syndrome. Mental disorders are being handled almost solely through discipline, isolation, and restraints, according to investigations by the U.S. Department of Justice and human rights groups.

Nobody likes litigation, but sometimes lawsuits are necessary to protect the constitutional rights of our people, especially vulnerable, voiceless persons such as incarcerated children who suffer from mental illness. That is what this amendment is about.

Because juveniles and mentally ill persons are particularly vulnerable to abuse and neglect in State institutions, I am offering tonight an amendment which will give back to Federal courts the authority to remedy abusive conditions under which juveniles with mental illness are being held. Regrettably, the Congress has taken steps in recent years to limit the circumstances under which lawsuits challenging the constitutionality of prison conditions can be brought.

Three years ago, this Congress passed the Prison Litigation Reform Act. Its sponsors claimed that the bill would

merely end frivolous lawsuits by prisoners, and we all agree with that goal. I certainly do. But the terms of the PLRA were much more sweeping. It deprived Federal courts of important legal tools to remedy brutal, unconstitutional conditions in juvenile detention facilities throughout our country.

For example, the PLRA limited the power of Federal courts to impose and retain injunctive relief to improve conditions in juvenile facilities. This means that parties can no longer settle these lawsuits by means of a consent decree—a court-enforceable injunction entered into with agreement by the parties without admission of liability by a defendant. That is very important. Also, any relief order must be terminated by the courts 2 years after it is issued unless the court holds another trial.

One of the most important judicial powers that the PLRA curtailed was the appointment of special masters. Quite often judges will appoint special masters who will come in, do the mediation, do the negotiation, but we have so limited the compensation that we are not able to do that. The act limited the powers of special masters so they can no longer perform this task of mediating disputes and assisting the parties in reaching some compliance with court orders.

While the PLRA has made it much more difficult for courts to improve inhumane conditions in prisons generally, it has had a devastating impact on the conditions in which mentally ill and juvenile defenders are held. They are particularly vulnerable to abuse and neglect at State institutions, and precisely because of that fact, we must not be indifferent to their plight or ignore their need for protection.

Let me give some examples. Just consider some of these horrific conditions involving mentally ill juveniles that PLRA has made more difficult to remedy:

In Philadelphia, children with mental illness in a juvenile detention facility operating at 160 percent of capacity were regularly beaten by staff with chains and other objects. *Santiago v. Philadelphia*.

In Delaware, juveniles with mental illness were housed in living units the court found posed a serious fire hazard. Their food and clothing were inadequate. Children were routinely beaten, maced, and shackled. The medical and education programs they received were below minimally accepted standards. These are facts. This is what is going on. *John A v. Castle*.

In a Pennsylvania-run juvenile facility, children were routinely beaten by faculty staff, staff trafficking in illegal drugs was rampant, and sexual relations between staff and confined youth were commonplace. *DB v. Commonwealth*.

A severely depressed 17-year-old in an adult prison in Texas was raped and

sodomized. His request to be placed in protective custody was denied. For the next several months, he was repeatedly beaten by older prisoners, forced to perform oral sex, robbed, and beaten again. Each time, his requests for protection were denied by the warden. He attempted suicide by hanging himself in his cell after a guard had ignored the warning letter he wrote. He was in a coma for 4 months, after which he died.

The purpose of the Prison Litigation Reform Act was to reduce or eliminate frivolous lawsuits by inmates. I am all for that, but as these examples make clear—and I have many other examples—the inmates I seek to protect with this amendment are not filing frivolous lawsuits. Or I should say, what is happening to them is not the stuff of a frivolous lawsuit. They are young; they are uneducated; they are suffering from mental illness that prevent them from functioning at the necessary level to file a lawsuit on their own. This is a population of uniquely vulnerable inmates who need representation in the legal system and are not receiving that representation, who need the protection that the Federal courts have historically provided.

Unfortunately, this Congress seems to be moving, at least on the House side—and I pray we do not do the same thing—in the opposite direction. Just last month, the House adopted an amendment offered by Congressman DELAY to the juvenile justice bill that would actually terminate all consent decrees entered into prior to the passage of the Prison Litigation Reform Act.

The DeLay amendment would say that even when prison conditions were horrible enough to warrant the continuation of the consent decree, that decree is going to be terminated by an act of Congress. No matter how many children will suffer, the Federal judge's hands will be tied.

I think it is unconstitutional. Let me give a couple of examples and conclude, because if this amendment is agreed to tonight, this will negate the DeLay amendment in the House of Representatives.

In Ironton, OH, a 15-year-old girl ran away from home over night, then returned to her parents but was put in the county jail by the juvenile court judge to "teach her a lesson." On the fourth night of her confinement, she was sexually assaulted by a deputy jailer. More than 500 children had been incarcerated in the jail over the past 3 years, many for truancy and other status offenses. Under the consent decree, no children may be held in the jail. But with what is happening in the House of Representatives, that consent decree would not even apply.

In Portland, ME, a lawsuit was filed after a young boy held in the county jail was sexually assaulted by an older adolescent. In 1987, county officials

agreed to stop holding children in the jail because of another decree.

In Clovis, NM, children were held in the county jail in unsanitary conditions, without adequate fire safety procedures, recreation or programming, or adequate separation from adult inmates. In 1983, local officials agreed to stop using the jail as a detention facility for children.

The DeLay amendment would automatically terminate these decrees even if judges disagreed. This amendment would deal with this problem.

In Tucson, AZ, children in the juvenile detention center were held in leather restraints, mail was censored, there were inadequate treatment programs, and the facility was overcrowded. Another consent decree provided for the protection of these children.

In Oklahoma, there was pervasive brutality in the operation of the State juvenile correctional institutions. Children were often handcuffed and hog-tied, and institutional staff relied on physical force and intimidation to keep order. The "punishment unit" was dark and dungeonlike. Another consent decree took care of that.

Again, this amendment I offer tonight is an effort to make sure what was done in the House will essentially be negated.

Mr. President, I will conclude. My amendment would not repeal, I say to my colleagues, the Prison Litigation Reform Act or adversely affect the crackdown on frivolous lawsuits. It would say that in the case of the mentally ill and juveniles, we should try to protect them. My amendment would merely carve a narrow exception to the PLRA restrictions in limited circumstances involving children and those who struggle with mental illness.

Elie Wiesel once said: "More than anything—more than hatred and torture—more than pain—do I fear indifference." We must be vigilant and we must not allow ourselves to be indifferent to children's misery, particularly those children who may be sick, difficult, and test our patience and our understanding. In that spirit, I ask my colleagues to support this modest and humane exception.

This amendment has the support of the Bazelon Center for Mental Health Law, the Children's Defense Fund, the Justice Policy Institute, the National Education Association, the National Network for Youth, The National Prison Project of the ACLU Foundation, The Shiloh Baptist Church, the Youth Law Center, and other organizations as well.

I yield the floor.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I have 10 minutes on this amendment available and note that what we hope to do is

stack the vote on this amendment with a couple other votes later in the evening. I reserve the 10 minutes because Senator HATCH has asked to speak to this amendment, and I will allocate him that time.

I make a point of order that a quorum is not present.

Mr. LEAHY. Would the Senator withhold for a moment?

Mr. GREGG. I withhold for the Senator from Vermont.

Mr. LEAHY. For some of us who have been here—I know, through no fault of the distinguished chairman, we have had 5 hours of quorum calls today, approximately. This evening I know some of us would like to be with our families. I know it is a family-friendly Senate. But for those of us who have families and wish to be with our families—I know the Senator from New Hampshire feels the same way—can we get some idea when we might vote, so we can do that? If we had not had so many quorum calls, we would be done by now.

Mr. GREGG. You are absolutely right. We are working on an extensive list of amendments. We have it down to very few. My hope is that within the next hour we can get an agreement on which amendments still have to go forward. Hopefully, there will be virtually none, and then we can go to final passage. That is the game plan.

Mr. LEAHY. I was wondering if the distinguished manager would consider going ahead with the vote on this amendment only because I know a lot of times you get everybody on the floor for a vote.

Mr. GREGG. I would like to do that, but I believe Senator HATCH wishes to speak on it. It is represented he is headed in this direction. This is his jurisdiction and your jurisdiction.

Mr. LEAHY. I understand. I do not object to that.

Mr. GREGG. As soon as Senator HATCH comes and speaks, maybe we can move to vote.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, first of all, I reserve the final 4 minutes of my time. I ask my colleague, I assume there are no second-degree amendments in order to this amendment; is that correct?

Mr. GREGG. That is correct.

Mr. WELLSTONE. I reserve the final 4 minutes of my time.

Mr. GREGG. I reserve our 10 minutes and ask unanimous consent that no time be credited against this amendment.

Mr. LEAHY. Reserving the right to object, I want to accommodate the distinguished chairman, but I have been sitting here having rearranged other things waiting for this vote. If I object, as a practical matter, the time on the



amendment will run out under the unanimous consent, and we will have to have a vote.

Mr. GREGG. That is correct.

Mr. LEAHY. The distinguished Senator from New Hampshire says the distinguished Senator from Utah is on his way here.

Mr. GREGG. It has been represented by staff that they are in the process of asking him to appear, and it was represented he would be coming.

Mr. LEAHY. I also realize the distinguished Senator from New Hampshire could put in a quorum call, even though the time will run if the quorum call is not called off. We could take a long time doing that, but we would be right back to what happened earlier because that will protect him in that sense. I will object to the time not running. I say to the distinguished Senator from New Hampshire, the distinguished Senator from Utah is on the floor.

Mr. GREGG. This is good news for all of us.

Mr. LEAHY. Why don't we let him do that and go that way so we could have a vote in the next few minutes, I say to my distinguished friend from Utah.

Mr. GREGG. I think if we could go to a quorum call briefly, the Senator from Utah will be back and will be speaking in a brief period of time.

Mr. REID addressed the Chair.

The PRESIDING OFFICER (Mr. BURNS). The Senator from Nevada.

Mr. REID. I say to the managers of the bill, I have been working with my friend from South Carolina. We are doing—

Mr. GREGG. Mr. President, I ask unanimous consent that these colloquies not be debited to the amendment of the Senator from Minnesota.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, the Senator from Utah is on the floor. We have been working with our Members and have cleared most everything with the Senator from South Carolina. We only have a few more amendments—

Mr. GREGG. As do we.

Mr. REID. Requiring a very short period of time. I think if we can get past this, we would be in a position to give the Senator a finite number of amendments that still need to be debated and voted on.

Mr. GREGG. That is excellent news, obviously. We are also making good progress on our side. Hopefully, we can go to a vote and maybe make some more progress.

I yield to the Senator from Utah whatever remains of my 10 minutes.

Mr. HATCH. Mr. President, I won't take long. The amendment exempts juveniles and the mentally ill from the reforms accomplished by the Prison Litigation Reform Act, which was passed in 1996. This was my bill. This amendment would subject State prison

systems to micromanagement by the Federal courts. Keep in mind, I am also the author of Civil Rights for Institutionalized Persons, which is to take care of a lot of these difficulties. I cast the deciding vote back in the late 1970s passing that bill.

Currently everyone whose Federal or constitutional rights have been violated retains the ability to bring suit and to have any violation of their rights remedied by a Federal court. All this Congress did in 1996 was to say courts could not go beyond remedying people's Federal rights to micromanage prison systems.

I am opposed to this amendment because of that. I know the distinguished Senator from Minnesota is trying to do something right, but basically it flies in the face of what the reform basically says. If true constitutional rights are being violated, they have a right to go to court under current legislation, both in the Civil Rights Act for Institutionalized Persons and the Prison Litigation Reform Act, which we passed in 1996.

I reluctantly have to oppose this amendment because I believe that basically the current law takes care of it. His amendment would allow micromanagement of the Federal courts.

I am happy to yield the floor. I hope my colleagues will vote with me on this, and I believe there will be a motion to table. I hope they will vote to table.

The PRESIDING OFFICER. Who yields time?

Mr. WELLSTONE. Mr. President, so Senator LEAHY can vote—I am very proud to have his support—I will add as an organization that supports this the National Alliance for the Mentally Ill, and I yield back the remainder of my time.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GREGG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, I move to table the Wellstone amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 1303. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN), the Senator from Alabama (Mr. SHELBY), and the Senator from Texas (Mr. GRAMM) are necessarily absent.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 56, nays 40, as follows:

[Rollcall Vote No. 219 Leg.]

#### YEAS—56

Abraham	Fitzgerald	McConnell
Allard	Frist	Murkowski
Ashcroft	Gorton	Nickles
Bennett	Grams	Reid
Bond	Grassley	Roberts
Brownback	Gregg	Roth
Bryan	Hagel	Santorum
Bunning	Hatch	Schumer
Burns	Helms	Sessions
Campbell	Hutchinson	Smith (NH)
Chafee	Hutchison	Smith (OR)
Cochran	Inhofe	Snowe
Collins	Jeffords	Stevens
Coverdell	Johnson	Thomas
Craig	Kyl	Thompson
Crapo	Lieberman	Thurmond
DeWine	Lott	Voinovich
Domenici	Lugar	Warner
Enzi	Mack	

#### NAYS—40

Akaka	Edwards	Lincoln
Baucus	Feingold	Mikulski
Bayh	Feinstein	Moynihan
Biden	Graham	Murray
Bingaman	Harkin	Reed
Boxer	Hollings	Robb
Breaux	Inouye	Rockefeller
Byrd	Kerrey	Sarbanes
Cleland	Kerry	Specter
Conrad	Kohl	Torricelli
Daschle	Landrieu	Wellstone
Dodd	Lautenberg	Wyden
Dorgan	Leahy	
Durbin	Levin	

#### NOT VOTING—4

Gramm	McCain
Kennedy	Shelby

The motion was agreed to.

Mr. LOTT. I move to reconsider the vote.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### UNANIMOUS-CONSENT AGREEMENT—RULE XVI

Mr. LOTT. Mr. President, I have consulted with the Democratic leader on the unanimous-consent request I am fixing to propound. I think it is a reasonable solution to deal with a couple of very important issues.

I ask unanimous consent when the Senate convenes on Monday, July 26, it proceed to an original resolution, to be placed on the calendar by the majority leader immediately following the acceptance of this agreement, and the resolution be considered under the following restraints:

That the resolution be limited to 3 hours for each leader or his designee;

that there be one amendment in order for the Democratic leader regarding restoring the point of order on exceeding the scope of conference, which debate time shall come out of the resolution time; and that final adoption of the resolution must occur prior to close of business of the Senate on Monday, July 26; Provided further that when the Senate considers the agricultural disaster relief amendment to be offered by Senator DASCHLE, or his designee, to the agriculture appropriations bill, no rule XVI point of order lie against the amendment.

Mr. HARKIN. Reserving the right to object, I tried to listen to all of the verbiage. I understand that Senator DASCHLE or his designee would be allowed to offer the emergency agriculture package without any rule XVI, but to what bill? To what measure would the Democratic leader be permitted to offer that?

Mr. LOTT. To the agricultural appropriations bill.

Mr. HARKIN. Agricultural appropriations. And that will come up before we leave in August?

Mr. LOTT. Right.

Mr. FEINGOLD. Reserving the right to object, I ask the leader a question. I assume a second-degree amendment to the first-degree concerning agriculture would be out of order under rule XVI?

Mr. LOTT. Amendments thereto would have to be protected in the same way in order for that to go forward. We can't have one amendment in order and not have amendments thereto be in order also.

Mr. FEINGOLD. Mr. President, I will have to object.

Mr. LOTT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, now I understand the reservation that the Senator from Wisconsin has, and we can clarify that.

Let me read the last paragraph again. I think it will make it clear:

Provided that when the Senate considers the agricultural disaster relief amendment to be offered by Senator DASCHLE, or his designee, to the agricultural appropriations bill, no rule XVI point of order lie against the amendment or amendments thereto relating to the same subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, if I could, this just provides for a fair opportunity for debate on the restoration of the rule XVI issue that we talked about earlier today which would allow Mem-

bers to have a debate on that and a vote. If rule XVI is put back into place, of course, legislation on appropriations bills will be limited, unless there is a rule by the Chair and it gets 51 votes.

We also have to debate and vote on the question of scope issues coming back out of conference.

When we do bring up agriculture appropriations before the August recess, there will be one amendment relating to disaster relief by Senator DASCHLE or his designee, and we will have an opportunity to have our amendment on the same subject. It will not relate to dairy, I make that clear.

#### DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY AND RELATED AGENCIES APPROPRIATIONS ACT, 2000—Continued

Mr. LOTT. Mr. President, with regard to tonight, we need to just keep going forward. Senator REID, as usual, is doing good work. The managers, Senator JUDD GREGG and Senator HOLLINGS, have been working. I think if we will be serious—and I don't think a lot of Senators are on either side—in trying to get this completed, we still have a raft of amendments that either need to be accepted or withdrawn.

I tried to see if we could do the work in the daylight, and I tried to see if we could do it on Mondays or Fridays. None of that seems to suit the Senate. I think we ought to keep going as late as it takes to finish this legislation. That way, we can get it completed. So it is at your pleasure. I live on Capitol Hill, so I will be at home watching you all on TV and wishing you the best. When the votes are ready, I will come back and vote. It is up to the Senators. Do we get rid of this long list of amendments that Senator REID and Senator GREGG have been working on and keep going on into the night, or we can come in tomorrow. I am flexible either way. We have to get this bill done. I think we ought to keep going.

I hope Senators will get serious about getting rid of some of these amendments. There is no reason we shouldn't have another vote or two and final passage. I hope we can get that done. This is not aimed at one side or the other. It is on both sides. Let's get serious and complete this bill.

I yield the floor.

Mr. DASCHLE. Mr. President, I take a moment to thank the majority leader for his willingness to work with us and cooperate to the point that he has tonight to reach the agreement we have for Monday. I believe this is a fair compromise. We will have an opportunity to debate it, offer an amendment, and have the vote. We will also have the opportunity to have a good discussion about how we might proceed with agriculture disasters. I think this accommodates many of the concerns we have raised.

I also must share his hope that we can finish this bill at a reasonable hour. It is 9 o'clock. There is no reason within the next hour we couldn't finish this bill. I appreciate especially the deputy minority leader for all of the work he has done to get us to this point. We are down to a couple of amendments on our side. I am hopeful we can finish. There is no reason we can't do it reasonably soon.

I yield the floor.

Mr. HARKIN. Mr. President, first of all, what is the parliamentary situation right now on the floor?

The PRESIDING OFFICER. The pending amendment is the Gregg amendment, No. 1272.

Mr. HARKIN. I ask unanimous consent to set that amendment aside and call up an amendment.

Mr. REID. Reserving the right to object, the Senator from Iowa wants to discuss an amendment that has been agreed to for 6 minutes, is that so?

Mr. HARKIN. About 6 minutes. I want to call it up first.

Mr. GREGG. Is it necessary to call it up?

Mr. HARKIN. I would like to call up my amendment.

Mr. REID. We are going to put it in the managers' amendment.

The PRESIDING OFFICER. The Chair cannot hear. We have quite a lot of racket here in left field. If we could take those conversations to the Cloakroom, it would sure help us proceed with the business at hand.

The Senator from Iowa.

Mr. HARKIN. I was under the understanding I was going to bring up my amendment, I would talk for 5 minutes, they would accept it, and that would be the end of it.

Mr. GREGG. No objection.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

AMENDMENT NO. 1304

(Purpose: To provide \$100,000,000 in Byrne grant funding offset by reducing funds for travel, supplies, and printing expenses in the bill by 5.8 percent and cutting funds for preliminary work on possible Supreme Court improvements)

Mr. HARKIN. I ask consent to set aside the pending amendment. I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself and Mr. HATCH, Mr. GRASSLEY, Mr. BROWNBACK, Mr. BINGAMAN, Mr. BIDEN, Mr. JOHNSON, Mr. ROCKEFELLER, Mrs. MURRAY, Mr. AKAKA, Mr. FEINGOLD, Mr. LAUTENBERG, and Mr. BRYAN, proposes an amendment numbered 1304.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, line 20, strike "\$452,100,000" and insert "\$552,100,000".

On page 66, line 20, strike "\$18,123,000" and insert "\$9,652,000".

On page 66, line 20, strike "\$15,222,000" and insert "\$6,751,000".

On page 111, after line 7, insert the following:

SEC. \_\_\_\_\_. (a) The total discretionary amount made available by this Act is reduced by \$92,000,000: *Provided*, That the reduction pursuant to this subsection shall be taken pro rata from travel, supplies, and printing expenses made available to the agencies funded by this Act, except for activities related to the 2000 census.

(b) Not later than 30 days after the date of enactment of this Act, the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House of Representatives and the Senate a listing of the amounts by account of the reductions made pursuant to the provisions of subsection (a).

Mr. HARKIN. Mr. President, I send this amendment to the desk on behalf of myself, Mr. HATCH, Mr. GRASSLEY, Mr. BROWNBACK, Mr. BINGAMAN, Mr. BIDEN, Mr. JOHNSON, Mr. ROCKEFELLER, Mrs. MURRAY, Mr. AKAKA, Mr. FEINGOLD, Mr. LAUTENBERG, and Mr. BRYAN. I thank the managers of the bill for their willingness to accept this.

What this amendment would do is restore the funding for the Edward Byrne Memorial Grant Program to the fiscal year 1999 level. In the bill before us, the Byrne grant was cut by \$100 million from the fiscal year 1999 level; I might point out, on a bipartisan basis. This was cut first by the President. It was kept in as the bill came to the floor.

I am grateful they accepted this amendment because these grants go directly to local and State law enforcement. For fiscal year 1999, \$552 million was distributed to State and local law enforcement agencies through Byrne grants. But for fiscal year 2000, the Byrne grant was cut by the White House and by the initial actions before we got to the floor by more than 18 percent. This amendment would restore the fiscal year 1999 funding level for the Byrne program.

The Byrne program is one of the most successful Federal anticrime programs ever. It pays for drug enforcement task forces, more cops on the streets, improved technology, and countless other valuable antidrug and anticrime efforts in local communities.

Restoring the Byrne funds is a top priority of law enforcement groups who know the impact the program has had on crime and drugs. The National Association of Police Organizations, the National Sheriffs' Association, and the International Association of Police Chiefs have all contacted me, urging full funding of this program.

I have received dozens of letters from Iowa police chiefs and sheriffs describing the kinds of setbacks they would suffer if these cuts go through. The Byrne grant provides critical staff and resources for Iowa's 24 drug enforcement task forces working to stem the

methamphetamine epidemic in the region.

Iowa and the Midwest have made great strides in reducing methamphetamine production and supply over the last few years. The proposed cuts to the Byrne program would only set them back in their uphill battle.

Sgt. Tom Andrew, head of the Southeast Iowa Inter-Agency Drug Task Force that covers six rural counties, wrote me saying that his task force was made possible through the Byrne grant. Without it, most of the small agencies in that region would lack the manpower, funds, training, and technology necessary to combat the methamphetamine problem. Sergeant Andrew said:

A funding cut of this magnitude would have a detrimental effect on our program and would, in all probability, result in the elimination of the task force.

I have heard this story over and over again from my contacts in Iowa. These drug task forces are funded primarily by the Byrne grants, and they are desperately needed to fight our State's battles against methamphetamine use. I know this is the case in most States across the country.

We just cannot afford to have an 18-percent cut in the Byrne grants in our States next year. It makes no sense to cut such a successful program that directly benefits our local communities.

I thank the managers for accepting this amendment, and I trust we will keep the Byrne memorial grants at least at the same level next year as they were this year.

Again, I thank my colleague from Kansas also for his strong support of this program. I yield the floor.

The PRESIDING OFFICER (Mr. HAGEL). The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I want to add my comments in support of this amendment that Senator HARKIN has put forward. I think it is a good way of doing it. Here is a program that puts money directly back to the States for law enforcement; lets them decide. We take this out of travel and office supplies over the rest of the bill. I think it is much better we spend the money back in Iowa, in Kansas, in our various States, rather than on travel and printing here in Washington. That is a good trade. That is a good way to go. That is why I supported this amendment, and I am glad to hear the managers are willing to accept it.

The PRESIDING OFFICER. Without objection, the amendment is agreed to. The amendment (No. 1304) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from California.

#### AMENDMENT NO. 1305

(Purpose: To prohibit the transfer of a firearm or ammunition to an intoxicated person)

Mrs. BOXER. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California [Mrs. BOXER] proposes an amendment numbered 1305.

Mrs. BOXER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 111, between lines 7 and 8, insert the following:

#### SEC. 6 . PROHIBITION OF TRANSFER OF A FIRE-ARM TO AN INTOXICATED PERSON.

(a) PROHIBITION OF TRANSFER.—Section 922(d) of title 18, United States Code, is amended—

(1) by redesignating paragraphs (8) and (9) as paragraphs (9) and (10), respectively; and

(2) by inserting after paragraph (7) the following:

“(8) is intoxicated.”.

(b) DEFINITION OF INTOXICATED.—Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

“(35) The term ‘intoxicated’, in reference to a person, means being in a mental or physical condition of impairment as a result of the presence of alcohol in the body of the person.”.

Mrs. BOXER. Mr. President, I am happy to make my remarks very brief because I understand this amendment will be accepted. I ask, if it is OK with the managers, if I can have 3 minutes to explain the amendment before it is accepted?

Mr. GREGG. I ask consent the Senator from California have 3 minutes and the Senator from Idaho have 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. Mr. President, I am very relieved that we are seeing an acceptance of this amendment. It is so straightforward.

Under current Federal law, you cannot sell a gun to any person if the seller knows or has reason to believe any of the following, that the buyer is: a felon, a fugitive, an addict of a controlled substance, is mentally ill, is an illegal immigrant, has been dishonorably discharged from the military, has renounced his or her American citizenship, is subject to a court order on domestic violence or has been convicted of a domestic violence misdemeanor.

Already under current law anyone selling such a person a weapon, who knows, or has reason to believe this, cannot do that. All we are adding to this is: a person who is intoxicated. This is very simple. I am so pleased we are going to see this accepted. Senator CRAIG is going to make some comments.

But I want to talk about one case, a story about a woman named Deborah Kitchen, who is a quadriplegic, and she got that way because her ex-boyfriend shot her.

Tom Knapp consumed, by his own estimate, a fifth of whiskey and a case of beer. He went to K-mart in Florida to buy a .22-caliber rifle and a box of bullets. He was so intoxicated that the clerk had to help him fill out the Federal form required to purchase the gun, but he still bought the rifle, he shot his girlfriend, and left her a quadriplegic.

Let me tell you another story. This one is from Michigan. It involves an 18-year-old named Walter McKay, who had engaged in a day-long drinking spree and then went and bought ammunition for his shotgun. He was so intoxicated that he could not remember whether it was a man or woman who sold him the ammunition and could not identify what he purchased.

He took those shotgun shells, loaded his gun, and intended to shoot out of the back window of an acquaintance's truck. He was intoxicated. The shot missed, ricocheted off the wheel of the truck, and hit Anthony Buczkowski. Mr. Buczkowski had to have a finger amputated and his left wrist surgically fused.

To me, it flies in the face of common sense that someone who is intoxicated is able to buy a gun or ammunition. And it flies in the face of the evidence.

A 1997 study in the Journal of American Medical Association found that "alcohol and illicit drug use appear to be associated with an increased risk of violent death."

Yet, Mr. Knapp and Mr. McKay could buy a gun and ammunition because it is not—I repeat, not—against the law to sell a gun to someone who is intoxicated. Gun sales are largely regulated at the federal level. Gun sales involve Federal licenses and federal forms. This is a Federal responsibility, and there should be a Federal law that stops this outrage.

So, my amendment makes it against federal law to sell a firearm or ammunition if the seller knows or has reasonable cause to believe that the buyer is intoxicated.

I want to talk about for a minute about one of the items on the list. Notice that the current federal law includes a prohibition on the sale of a gun to a drug user.

In fact, the way the law is worded, you do not even need to be high on drugs at the time you buy the gun. If the seller knows or has reasonable cause to believe that you are a user or addict of an illegal drug—regardless of whether you are high at the moment the gun is purchased—he is not supposed to sell you a gun.

So, I say to my colleagues, if you cannot buy a gun when you are high on drugs, you should not be able to buy a gun when you are intoxicated on alcohol.

That is all my amendment does.

I want to make one more point. And that is about what an individual cannot do when he or she is intoxicated.

States and localities have all sorts of laws that prohibit intoxicated people from engaging in certain activities and buying certain things that are otherwise legal.

There are State laws that prohibit people from serving alcohol to someone who is intoxicated, selling fireworks to someone who is intoxicated, and renting an intoxicated person a car.

But in reviewing State laws, we could not find a single State that prohibited the sale of guns to intoxicated persons. So this amendment—which prohibits it under federal law—is really critical.

Guns and alcohol do not mix. And all I am saying with this amendment is that if you are intoxicated, you cannot buy a gun or ammunition. It is very reasonable, and it will save lives.

In many States in this Union, if you are drunk you cannot drive a car, operate a boat, operate a snowmobile, fly a plane, even get on a plane, operate an all-terrain vehicle, ride a bike, and in West Virginia you cannot even obtain a tattoo if you are drunk. But you can go in and buy a gun.

So I think this is a really important step forward as we try to pass sensible gun control legislation. It is common sense. I am very pleased it has been accepted, and I am happy to yield the floor.

Mr. CRAIG. Mr. President, at this time we are taking a close look at the Boxer amendment. I have visited with the Senator from California. She is being very straightforward with this amendment. No one out there wants to suggest that anybody in the legitimate business of selling guns in a legal fashion should sell one to an intoxicated person.

I am concerned about the section of the code she is amending as it relates to penalties. I certainly do not believe any of us would suggest that anybody in a retail business who sells guns within the context of the Federal law becomes an alcohol expert or has breathalyzer equipment or any of that kind of thing at the point of sale. We want to make sure that is clear, because that is asking a nonprofessional to make a professional determination that could ultimately put them in tremendous liability, up to 10 years in prison. We want to make sure that is perfectly clear.

I said to the Senator from California we will work with her to assure that going into conference, that section of the code is clarified so her amendment is as clear as, obviously, she intends it to be.

I yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I thank my friends and say that clearly we are

not suggesting in any way, shape, or form that people who are in the retail business and sell guns should have a breathalyzer. We are merely adding to this list a person who is intoxicated.

Clearly, under current law, you do not have to be a psychiatrist or you do not have to have a psychiatrist on your staff at K Mart, if you sell guns, to determine if someone is mentally ill. The way 18 U.S.C. 922(d) reads is you have to know or have reasonable cause to believe. It is a pretty broad definition.

I hope Senator CRAIG, in working with us, will recognize we are not doing anything different than we do for all of these other problem areas. It is just going to make the law stronger and better. We will stop people, such as Thomas Knapp, from walking in and buying a gun dead drunk, flat-out drunk, going home, and injuring a perfectly innocent person, in this case a loving person. I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment?

The amendment (No. 1305) was agreed to.

Mrs. BOXER. Mr. President, I move to reconsider the vote.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### AMENDMENT NO. 1306

(Purpose: To ensure that parties to the tuna convention pay their fair share of the expenses of the Inter-American Tropical Tuna Commission before they are allowed to export tuna to the United States)

Mrs. BOXER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from California [Mrs. BOXER] proposes an amendment numbered 1306.

Mrs. BOXER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 83, at the end of line 19, before the period insert the following: "Provided further, That of the amounts made available for the Inter-American Tropical Tuna Commission in Fiscal Year 2000, not more than \$2,350,000 may be obligated and expended: Provided further, That no tuna may be imported in any year from any High Contracting Party to the Convention establishing the Commission (TIAS 2044; 1 UST 231) unless the Party has paid a share of the joint expenses of the Commission proportionate to the share of the total catch from the previous year from the fisheries covered by the Convention which is utilized by that Party".

Mr. REID. Mr. President, if the Senator will yield, we need to have a time agreement established on this amendment. The Senator from California has indicated she needs 30 minutes.

Mr. GREGG. I suggest, then, we have 45 minutes on this amendment: 30 minutes to the Senator from California, 15 minutes in opposition.

Mrs. BOXER. I say to my friend, I may not take the entire 30 minutes.

Mr. GREGG. It will be very helpful to a lot of people, I suspect, if we can move this amendment along.

Mrs. BOXER. I am hopeful we can get through this.

Mr. REID. Mr. President, I say to the Senator from California, I am in touch with the Senator from Delaware, and he is going to make a decision soon.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from California.

Mrs. BOXER. Mr. President, the reason I need a little time is that this is a complicated situation we are facing and it involves the whole issue of dolphin protection versus trade versus countries that owe money to the Tuna Commission and are not at this point paying their fair share. I will explain all of this.

All my amendment says is that until the Latin American countries pay their fair share to the Tuna Commission, they should not be allowed to export their tuna into this country.

The Inter-American Tropical Tuna Commission has set these laws. It says that each member country to the Commission must pay its required share to the Commission and makes it clear that if they do not pay as required by current law, they may not export tuna into the United States.

Right now in this appropriations bill—and I think this is very important—our contribution is way too large. We are picking up the contribution of the Latin American countries. The contribution of each country is supposed to be based on the percentage of the catch in the eastern tropical Pacific. Our catch at maximum has been 40 percent, and yet in this bill, we are paying 75 percent of the total cost of the Commission.

I do not mind being Uncle Sam, but I object to being Uncle Sucker, and that is what we are doing. We should not be picking up the tab for countries that want the privilege of exporting their tuna into our markets.

There are three principal benefits from this amendment which, by the way, is cosponsored by Senator BIDEN, Senator JOHN KERRY, Senator DURBIN, Senator FEINGOLD, and Senator REID.

One, the amendment forces countries to pay their fair share of expenses which they committed to do when they signed on to the Commission.

Two, the amendment will delay the importation of tuna that is caught by chasing and circling dolphins. It will stop that importation because we know that purse seining on dolphin hurts and harm the dolphin. There was a huge boycott in this country by the schoolchildren a long time ago because purse

seining was seen by them and by many Americans as being wrong: harass the dolphin, chase the dolphin because they happen to swim over the tuna, then they encircle them, catch them in the net and a lot of them are harmed, some of them are killed. If we delay the importation of tuna that is caught in this fashion, we will be saving the dolphin.

Third, because we put a freeze on the amount of money that can be paid by the United States, or I should say be limited to \$2.35 million, we are saving about \$1 million, and that \$1 million can go to a host of other places and commissions that deal with fisheries conservation.

It is important to note that the Tuna Commission is involved in many activities that affect all the member nations. Why should we be picking up the tab for them? There are costs associated with this commission, and the convention clearly indicated that each Nation should pay its fair share. It says the countries that fish more in this particular part of the ocean should pay more.

The convention states:

The proportion of joint expenses to be paid by each High Contracting Party shall be related to the proportion of the total catch from the fisheries covered by this Convention \* \* \*

This was decided in 1949, but it still makes sense. Countries are required to pay a share of expenses relative to their utilization of the fisheries.

The United States has always paid its fair share, but this year, for some unknown reason, we are paying the share of these other nations. We are not the largest beneficiary of tuna from the eastern tropical Pacific, and we should not be paying 75 percent of the cost. It must stop. Other countries should be carrying their own weight on this and, frankly, when we had our big debate over purse seining on dolphins and changing the label that goes on the tuna can—and many of us who really did not like this law went along with it—we went along with it in part because finally at least it recognized that these other countries have to pay their fair share, and now they are not doing it.

And these countries are purse seining the dolphin. They are harming the dolphin. We have seen a decline, since that tuna labeling bill went into effect, of 80,000 dolphin a year killed down to 5,000. Now, unfortunately, we lost that battle. This tuna that is caught in Latin American countries is going to come in, and these countries are not paying their fair share of the costs of the Commission.

So I think it is very important that we agree to this amendment. It isn't right that other countries are not paying their fair share. Frankly, it isn't right that other countries are encircling the dolphin, killing the dolphin,

maiming the dolphin, and they want to come in to our market, and they want to come in without doing anything to pay their share.

Scientists, consumers, and tuna companies agree that chasing and netting is not safe for dolphins. The dolphin population in the eastern tropical Pacific are not recovering. And the harassment by these fishermen is a tremendous problem that is affecting dolphin reproduction. So what do we do? Instead of trying to encourage safe fishing methods, we say to the other countries: Just do not worry. Send this tuna in. We will even pay your share of the cost of the International Tuna Commission.

I understand that Senator BIDEN is on his way over, so I reserve the remainder of my time for him. I am happy to yield to the other side who is opposing us on this amendment.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. BIDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, my friend from California, the distinguished Senator, Mrs. BOXER, feels a sense of compassion about a number of things, one of which is this amendment, and the way in which she, for the past 15 years, has been fighting and successfully, for the most part.

I have been at her side to make sure we, quite frankly, keep dolphins from being killed unnecessarily. It sounds like a simplistic message, but it is as basic as that.

What happened is we got rolled last year by the administration and by the Senate because there are more votes here. We had the Dolphin Protection Act in place. I will not take the time to discuss it now. Actually, it was basically eviscerated by what took place.

I was not particularly pleased with Vice President GORE's position on this, the administration's position, nor the position of my distinguished friend whom I respect very much, Senator BREAUX, and the distinguished Senator from Alaska. That was a formidable array we faced, and we essentially lost.

What did we do last year? Last year, we did basically what the treaty said, and said: Look, we have this mechanism set up where everybody pays their fair share to make it work. The treaty says that. And I will again, in the interest of time, not recite the elements of the treaty which say that and point out how the following sentence can be distinguished that lays out the proportional requirement to participate in this.

But the bottom line is very simple. We made an agreement last year involving countries in question. They said they agreed, the administration promised, and the Senate said everybody will pay their fair share. Simple. Wrong.

We are paying 70 percent or more of the administration of this arrangement, and we should only be paying 40 percent. The distinguished Senator from California comes along and says: Hey, look, let's make it 50 percent. We will pay more than we should, but not this disproportionate amount. And if they do not pay as they promised, they should not get the benefits that flow from the agreement that encompasses their participation.

So it is real simple, I say to my distinguished friend from South Carolina, who asked me to be brief. I will be brief. This is not fair. The Senator from California is right. She is willing to have us pay more than our fair share but not essentially twice what our fair share is.

So I support the amendment, and I hope the managers of the bill may see fit, based on their sense of justice and their notion of fairness, to accept the amendment.

I yield the floor.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. I thank my friend, Senator BIDEN. So many years ago we teamed up to make sure that the dolphin were protected. He has stuck with me through this battle, along with his daughter Ashley.

Senator HARRY REID would like to be added as a cosponsor. I ask unanimous consent that he be added as a cosponsor to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. I yield to my friend, Senator DURBIN.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. I thank the Senator from California for her leadership on this issue. It is late at night. People do not want to talk about this. They want to go home. Some of us will go home and eat tuna salad. And if you eat tuna in your household, you bear some responsibility. You hope that your children will have that opportunity, and you hope that the fisheries around the world are going to be handled responsibly.

We passed a law here in 1997 and said: We are going to do what we can to conserve the dolphin which have become victims of those who are fishing for tuna—international convention, international agreement, dolphin conservation. And we said: If you happen to be one of the countries fishing for tuna that may endanger the dolphin, we are going to make you participate, spend some money to make sure this program

works based on the percentage of your catch. That is a very reasonable program, conserving the dolphin, saying to each country: Pay your fair share based on what you catch.

I live in the Midwest. I do not live near an ocean. But I get it. I understand this. I just cannot understand why in this bill—before the amendment by the Senator from California—that we are suggesting the United States should pay more than its share.

There are countries here, for example, that are paying nothing.

Mrs. BOXER. Exactly.

Mr. DURBIN. Costa Rica, 7.6 percent of the catch, proportion of payments, zero; Venezuela, 16.2 percent of the catch, proportion of payments, zero; Ecuador, 26.3 percent of the catch, proportion of payments, zero.

Why aren't these countries paying their fair share, their fishery industry fishing for tuna, signatories to this agreement? They should be paying their share instead of being subsidized by the United States.

I think we should take the money saved by the Senator from California and dedicate it to a lot of other international fishery efforts that are listed within this legislation. I am happy to support her amendment. I think it is eminently fair. I hope those listening to the debate will join us in making certain that every country lives up to its obligation.

Mrs. BOXER. Mr. President, I thank all my friends tonight for helping this through. I know when it gets this late, people get upset with you for trying to pass amendments and continuing to work because everyone is exhausted. I am, too.

I want to be clear for the RECORD, I was willing to debate this on Friday and put off the vote until Monday night, but we were unable to reach that kind of agreement.

I ask unanimous consent to have printed in the RECORD the list of the countries and what they have been paying.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

TUNA/DOLPHIN AMENDMENT TO CJS  
APPROPRIATIONS BILL

*Question 1.* How much were we intending to pay according to the State Department budget request?

Answer. \$3.4 million.

*Question 2.* What is the total proposed budget for the IATTC?

Answer. \$4.7 million.

*Question 3.* What proportion of the IATTC budget is the State Department request? What is the U.S. proportion of tuna utilization?

Answer. U.S. proposed proportion of the budget is 72%; U.S. tuna utilization is approximately 40%.

*Question 4.* How many nations are members of the IATTC and who are they?

Answer. 11 members: Costa Rica, Panama, Japan, France, Nicaragua, Vanuatu, Venezuela, El Salvador, Ecuador, Mexico and the United States.

*Question 5.* What is the estimated utilization of each nation and how much to they pay?

Answer. The most recent data that has been compiled on utilization is from 1996. According to those figures, the breakdown is as follows:

Country	Proportion of utilization (percent)	Proportion of payments (percent)
United States .....	39.6	91.4
France .....	1	9
Japan .....	9	7.7
Nicaragua .....	0	0
Panama .....	0	.01
Costa Rica .....	7.6	0
Vanuatu .....	0	.01
Venezuela .....	16.2	0
Ecuador .....	26.3	0
El Salvador .....	0	0

Mrs. BOXER. The United States portion of its catch and utilization is less than 40 percent, yet it has been paying 91 percent of the cost of the Commission. As my friend pointed out, there are nations here—Ecuador is catching 26 percent, and they are paying nothing. So what are we doing here?

I know these countries are our friends, but the taxpayers are our friends, too, besides which, these countries are purse seining on dolphin, and they are hurting those beautiful creatures. So why are we in such a rush to cover their payments and let them bring in this tuna?

My last point is another point my friend from Illinois made. He usually hits the nail on the head; he has done it again. Here are some of the other commissions that could benefit from the \$1 million we are saving in this amendment: the Great Lakes Fishery Commission, Pacific Salmon Commission, International Pacific Halibut Commission, International Whaling Commission—it goes on and on—North Atlantic Salmon Conservation Organization, North Pacific Marine Science Organization, Inter-American Sea Turtle Convention Commission, Commission for the Conservation of Highly Migratory Species in the Western and Central Pacific Ocean.

Here we see that what we are doing is taking money from our taxpayers to pay for the Latin American countries that are going to get away with not paying their bill, and still they are allowed, unless we pass this Boxer-Biden-Kerry amendment, to export their tuna into this country—I want to underscore—unlike the American companies, that are really good to the dolphin and use safe fishing practices. They will bring their tuna in after purse seining dolphin, harassing the dolphin, killing them, maiming them, harming them, hurting their reproductive capacity.

With this amendment, I think we do a lot of good things. We save money, we help other commissions, and we stand up to our friends in Latin America and say: Pay the bills.

I yield to my friend from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.



Mr. HOLLINGS. Mr. President, I ask the distinguished Senator from California—I think she makes an outstanding case—as I remember it, isn't this the compromise agreement made with the opposition, that these amounts would be paid by these countries, some 2 years ago?

Mrs. BOXER. Yes.

Mr. HOLLINGS. This is the compromise we agreed to back 2 years ago. What you are trying to do by your amendment is merely to enforce the compromise with those opposed to us in the first instance.

Mrs. BOXER. My friend is exactly on target. When we reached this compromise, which wasn't a happy compromise for us, one of the clear understandings was that as these countries sought to export their tuna, which has been banned from this country, as my friend knows, for a long time, because of their fishing methods which are so cruel to the dolphin, we said: If you have to bring this tuna in, then pay your fair share of the commission.

Essentially, if you look at the public law that we did pass, you will find it exactly here. In order for them to export, such nation, the section says, "is meeting the obligation of the International Dolphin Conservation Program and the obligations of membership, including all financial obligations."

This is the law Senator STEVENS agreed to, Senator BREAUX agreed to, Senator GREGG agreed to, and all of us—sad that we were that we didn't win what we wanted—agreed to. Now they are not paying their fair share, and they still say, well, let them export their tuna. This is wrong.

Mr. HOLLINGS. That is the reason I wanted to make the point. I understand a motion to table may be made. I hope we won't table it. The Senator from California is only making real the compromise agreement entered into some 2 years ago with the opposition.

I thank the Senator for her leadership.

Mrs. BOXER. Mr. President, I am happy to yield back the remainder of my time. I think we have made our point.

What we are doing is essentially, with this amendment, enforcing the agreement that everyone agreed to. If they don't come on board on this, I think it makes this agreement and this public law completely worthless. I hope people will support this amendment. It is good for taxpayers, and it is good for the dolphin.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, at this time I move to table the Boxer amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GREGG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Ms. LANDRIEU. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1307, WITHDRAWN  
(Purpose: To reduce amounts appropriated by the bill and make available funds for the international criminal tribunals for the former Yugoslavia and Rwanda)

Ms. LANDRIEU. Mr. President, I send an amendment to the desk. I have discussed this with the manager.

The PRESIDING OFFICER. That will take unanimous consent.

Mr. REID. Mr. President, the Senator from Louisiana wants to discuss the amendment.

Ms. LANDRIEU. Mr. President, I ask unanimous consent for 30 seconds.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Louisiana.

Ms. LANDRIEU. I thank the Chair.

I will not ask for a vote tonight on this. I have discussed this with the manager, but I want to call it to the attention of the Senate. It is something Senator SPECTER and I have worked on, along with many others on both sides, dealing with monies to properly fund the War Crimes Tribunal.

It has come to our attention that even though we were successful in putting some additional funding into the War Crimes Tribunal for all the situations occurring in Kosovo, some of the money, sort of the standard amount of money that we spend on war crimes, is not present in the current bill we are discussing.

I wanted to offer an amendment to restore it. Given the late hour, given the tight constraints, I have talked with the Senator, and he said they will try to work this out at conference. I bring it to the attention of the Senate to thank him for his consideration.

At this time I will withdraw the amendment.

The PRESIDING OFFICER. The clerk will report the amendment by number.

The legislative clerk read as follows:

The Senator from Louisiana [Ms. LANDRIEU] proposes an amendment numbered 1307.

The amendment is as follows:

On page 89, between lines 8 and 9, insert the following:

SEC. 408. (a) Each of the amounts appropriated by this Act (other than the accounts specified in subsection (b)) shall be reduced by the percentage that results in a total reduction in appropriations under this Act of \$20,000,000.

(b) In addition to the amounts appropriated by this Act under the following accounts, there are hereby appropriated under

such accounts, out of any money in the Treasury not otherwise appropriated, the following amounts for the following purposes:

(1) For "Contributions to International Organizations", \$7,000,000, which amount shall be available only for contributions to the International Criminal Tribunal for the former Yugoslavia and the International Criminal Tribunal for Rwanda.

(2) For "Contributions for International Peacekeeping Activities", \$13,000,000, which amount shall be available only for contributions to the International Criminal Tribunal for the former Yugoslavia and the International Criminal Tribunal for Rwanda.

Mr. GREGG. Mr. President, I ask unanimous consent that that amendment be withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn.

The Senator from New Hampshire.

Mr. GREGG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 1308 THROUGH 1341, EN BLOC

Mr. GREGG. Mr. President, there are at the desk 34 amendments that are in order under a previous unanimous consent agreement. These 34 amendments have been cleared. I ask unanimous consent that they be recorded separately and agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 1308 through 1341), en bloc, were agreed to.

The amendments are as follows:

AMENDMENT NO. 1308

On page 8, line 13, strike "\$25,000,000" and insert "\$27,000,000".

On page 8, line 23, insert before the period: "and of which \$1,000,000 shall be for the task force coordinated by the Office of the United States Attorney for the Eastern District of Wisconsin, and \$1,000,000 shall be for the task forces coordinated by the Office of the United States Attorney for the Western District of New York and task forces coordinated by the Office of the United States Attorney for the Northern District of New York".

On page 19, line 23, after the colon, insert the following: "Provided further, That any Border Patrol agent classified in a GS-1896 position who completes a one-year period of service at a GS-9 grade and whose current rating of record is fully successful or higher shall be classified at a GS-11 grade and receive pay at the minimum rate of basic pay for a GS-11 position: *Provided further*, That the Commissioner shall have the authority to provide a language proficiency bonus, as a recruitment incentive, to graduates of the Border Patrol Academy from funds otherwise provided for language training: [*Provided further*, the Commissioner shall fully coordinate and link all Immigration and Naturalization Service databases, including IDENT, with databases of the Department of Justice and other federal law enforcement agencies containing information on criminal histories and records of prior deportations:] *Provided*

further, That the Immigration and Naturalization Service shall only accept cash or a cashier's check when receiving or processing applications for benefits under the Immigration and Nationality Act."

On page 27, line 15, after "Initiative," insert the following: "of which \$500,000 is available for a new truck safety initiative in the State of New Jersey."

On page 27, line 15, after "Initiative," insert the following: "of which \$100,000 shall be used to award a grant to Charles Mix County, South Dakota, to upgrade the 911 emergency telephone system."

On page 29, line 16, before the semicolon, insert the following: ", of which \$300,000 shall be used to award a grant to the Wakpa Sica Historical Society."

On page 32, line 23, strike "..." and insert the following: ", of which \$500,000 shall be made available for the Youth Advocacy Program:"

At the end of title I, insert the following: "Sec. \_\_. No funds provided in this Act may be used by the Office of Justice Programs to support a grant to pay for State and local law enforcement overtime in extraordinary, emergency situations unless the Appropriations Committees of both Houses of Congress are notified in accordance with the procedures contained in Section 605 of this Act."

At the end of title I, insert the following: "Sec. \_\_. Hereafter, notwithstanding any other provision of law, the Attorney General shall grant a national interest waiver under section 203(b)(2)(B) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(2)(B)) on behalf of any alien physician with respect to whom a petition for preference classification has been filed under section 203(b)(2)(A) of such Act (8 U.S.C. 1153(b)(2)(A)) if—

(1) the alien physician seeks to work in an area designated by the Secretary of Health and Human Services as having a shortage of health care professionals or at a health care facility under the jurisdiction of the Department of Veterans Affairs; and

(2) a Federal agency or a State department of public health has previously determined that the alien physician's work in such an area or at such facility was in the public interest."

On page 57, line 16, delete "\$1,776,728,000" and insert in lieu thereof: "\$1,782,728,000"; and

On page 57, line 17, before the colon, insert ", of which \$6,000,000 shall be used by the National Ocean Service as response and restoration funding for coral reef assessment, monitoring, and restoration, and from available funds, \$1,000,000 shall be made available for essential fish habitat activities, and \$250,000 shall be made available for a bull trout habitat conservation plan"

On page 58, line 20, before the period, insert the following: "Provided further, That the Secretary may proceed as he deems necessary to have the National Oceanic and Atmospheric Administration occupy and operate its research facilities which are located at Lafayette, Louisiana"

On page 66, line 15, delete "\$34,759,000" and insert in lieu thereof: "\$35,903,000"

On page 66, line 20, delete "\$18,123,000" and insert in lieu thereof: "\$8,002,000"

On page 66, line 20, delete "\$15,222,000" and insert in lieu thereof: "\$5,101,000"

On page 73, line 6, insert before the period: "Provided, That \$9,611,000 is appropriated for salary adjustments pursuant to this section and such funds shall be transferred to and merged with appropriations in Title III of this Act."

On page 88, line 17, strike "may" and insert "should"

On page 98, line 24 delete "\$251,300,000" and insert in lieu thereof: "\$246,300,000"

On page 100, line 2, strike "(d)" and insert in lieu thereof: "(e)"

On page 100, line 9, strike ".", insert the following:

"Provided further, That during fiscal year 2000, debentures guaranteed under Title III of the Small Business Investment Act of 1958, as amended, shall not exceed the amount authorized under section 20(e)(1)(C)(ii)."

#### AMENDMENT NO. 1309

(Purpose: To provide for security for certain federal personnel)

At an appropriate place in the bill, add the following new section:

SEC. \_\_. For fiscal year 2000, the Director of the United States Marshals Service shall, within available funds, provide a magnetometer and not less than one qualified guard at each unsecured entrance to the real property (including offices, buildings, and related grounds and facilities) that is leased to the United States as a place of employment for Federal employees at 625 Silver, S.W., in Albuquerque, New Mexico.

#### AMENDMENT NO. 1310

(Purpose: To provide funds to carry out the drug-free workplace demonstration program)

On page 99, line 9, insert before the period the following: "Provided further, That \$1,800,000 shall be made available to carry out the drug-free workplace demonstration program under section 27 of the Small Business Act (15 U.S.C. 654)"

Mr. COVERDELL. Mr. President, my amendment ensures the Small Business Administration's Drug-Free Workplace demonstration moves forward. I want to thank Senators KYL, SESSIONS, ABRAHAM, DEWINE and SNOWE for joining me in this effort. I also want to express my sincere appreciation to Senators BOND, GREGG, and HOLLINGS, as well as their staffs for their cooperation.

Last year, the Drug Free Workplace Act received broad bipartisan support when it was enacted. The House passed it 402-9, and the Senate Committee on Small Business endorsed it without opposition. We see this program as a critical opportunity to assist small businesses who are grappling with the hardships of drug abuse in the workplace.

The funding included in the FY2000 Commerce, Justice, State Appropriations bill, will enable these demonstrations to go forward. The Small Business Administration's initial grant applications indicate there is tremendous need for drug-free workplace programs. It has been reported that no less than 146 qualified grant applications were submitted to SBA for FY1999 funding, but no more than 30 will be funded. At least 116 of these qualified potential drug-free workplace demonstration programs will go unfunded leaving \$12 million in unmet need.

Again, I look forward to working with my colleagues to ensure the Drug-Free Workplace demonstration continues to receive the support of Congress.

I ask unanimous consent that letters demonstrating my point be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DRUG FREE AMERICA  
FOUNDATION, INC.,  
July 8, 1999.

Hon. JON L. KYL,  
U.S. Senate, Washington, DC.

DEAR SENATOR KYL: It is my understanding that you and Senator COVERDELL intend to offer an amendment to the Commerce, Justice, State Appropriations Bill that would earmark the \$6 million necessary to complete the Drug-Free Workplace Demonstration. I would like to commend both of you for your efforts on this issue.

Having worked with you ongoing on the drug issue, I know how important it is to you to fight this problem on every front possible. The workplace is truly a significant front where the battle can be waged. If you consider what makes up a community, you will note that most segments are a workplace of some type. We have schools, churches, social services, law enforcement, private industry, and the public sector—all of which are workplaces. These workplaces provide the perfect opportunity, through drug-free workplace programs, to access our adult population and educate them on the problems associated with drug and alcohol abuse, to intervene on those with problems, and to provide needed treatment to those already addicted.

Over the last ten years, employers have made tremendous progress in addressing drug and alcohol abuse in the workplace. Back in 1986, when I owned a drug testing company, I found the positive drug rate in the workplaces of some communities to be as high as 38 percent. That rate has fallen significantly to below 10 percent. I know from personal testimonies of employees that many casual users ceased to use illicit drugs when their employers began drug testing because they valued their jobs. These individuals, of course, will not become addicted to drugs because they have ceased to use. Their employers' drug-free workplace programs did indeed serve as an effective deterrent to drug use. I also know many employees who have received treatment for drug and alcohol addictions as a result of drug-free workplace programs.

There is a concern, however, for small employers. While the larger companies have implemented very effective, proactive drug-free workplace programs, many small employers have not done so due to financial limitations. I fear that this has resulted in many drug users, who cannot work in the larger companies due to being subject to testing, going to work in smaller companies that do not address the problem of drugs. Having been a small business owner, I know what a struggle it can be to manage a small business and keep it financially afloat. Since drug abusers typically are involved in more accidents, file more workers' compensation claims, are absent more often, and use more leave, they surely take an unnecessary financial toll on our small employers.

The Drug-Free Workplace Demonstration grant monies are greatly needed in order to assist small employers in implementing and maintaining proper drug-free workplace programs to minimize the probability of having drug-using employees. An additional benefit would, of course, be the family members of these employees. When an employee has a drug or alcohol problem, it negatively affects the entire family. If an employer can

deter or detect and correct the problem with an employee, everyone benefits.

Please consider me a resource and let me know what I can do to support your proposed amendment.

Regards,

CALVINA L. FAY.

ARIZONANS FOR A  
DRUG-FREE WORKPLACE,  
Tucson, AZ, June 25, 1999.

As a drug-free workplace initiative, representing a coalition of over 3,000 businesses, the majority of which are small businesses, we are requesting your help for the drug-free workplace demonstration project.

We are asking that you support funding the remaining \$6 million of appropriated funds for the Small Business Administration in support of this very important drug-free workplace demonstration program.

The need and demand for drug-free workplace resources is growing, while the available resources are shrinking. It is business, and small business in particular, that contributes greatly and supports the economy of this country. It is time for these small businesses to get the help needed to stop the high costs brought about by substance abuse in the workplace. You have an opportunity to make drug-free workplace a reality for many small businesses in this country.

Thank you for your attention to this matter.

Regards,

ELIZABETH EDWARDS,  
Executive Director.

THE COUNCIL ON ALCOHOL AND DRUGS,  
Houston, TX, June 28, 1999.

Re. Support for Continued Drug-Free Workplace Funding.

I am writing to request your support for continued funding for the 1998 Drug-Free Workplace demonstration project. The remaining \$6 million of appropriated funds for this project is critical if we are to continue to provide assistance to our small business community to help them eliminate substance abuse in the workplace. As you know, small businesses employ over 50% of the nation's workforce. These businesses are at increased risk for on the job accidents, absenteeism, turnover, and many other factors related to substance abuse in the workplace.

The Drug-Free Business Alliance represents a coalition of over 1,000 businesses, the majority of which are small businesses. For the past fifteen years we have been providing education and assistance to small businesses in the Houston community to help them reduce the risks and costs associated with on the job substance abuse. There are still thousands of small businesses in need of our services. The \$6 million in remaining funding is critical if drug-free workplace coalitions are to continue to provide services to the thousands of small businesses in need of drug-free workplace services.

Sincerely,

BECKY VANCE,  
Director, Drug-Free Business Alliance.

I am writing to seek your support for the continuation of funding for the 1998 Drug Free Workplace Act which provides for funds for demonstration grants.

Drug Free Pennsylvania has operated a drug-free workplace initiative since 1993 called the Drugs Don't Work Here program. We have helped hundreds of employees adopt a drug-free workplace program and provide them with the technical assistance and training. Our program is one of the most suc-

cessful and strongest in the nation. Our success is due to the strength of our board members and the services which we offer to small employers including policy development, a drug testing consortium, an employee assistance consortium, training and technical assistance for supervisors, and education materials for employees.

Unfortunately, in the past, the problem of substance abusing employees was overlooked to fund other youth-targeted programs. The Drug-Free Workplace Act of 1998 raises the drug-free workplace component on the federal government radar screen and should not be compromised by a funding cut in this budget cycle. I would urge you to continue to funding of the Drug Free Workplace Act of 1998 at or above the funding level originally intended for this program. The resources to assist small business needs to come from non-profit organizations such as ours and should not be set aside after only one year of funding.

As I am sure you know, over 70 percent of drug abuses are employed and over 73 percent of heavy alcohol users are working. Clearly, the biggest burden it borne by employers who hire these individuals in term of lost productivity, increased accidents and workers' compensation costs, and higher absenteeism and tardiness. The problem of substance abuse is compounded by the low unemployment rate where small employers are faced with hiring employees who test positive or not filling a position. Accordingly, the demand for drug-free workplace programs is increasing in a time where programs such as ours are facing severe funding cuts. It is thus imperative that the funding not cease for this invaluable program.

If I can be of assistance to you, please contact me. Thank you for your attention to this matter.

Sincerely,

Beth Winters.

GOLDEN EAGLE DISTRIBUTORS, INC.,  
EXECUTIVE OFFICES,  
Tucson, AZ, June 28, 1999.

Your help would be appreciated in support of the \$6 million appropriation for the S.B.A. drug-free workplace program.

These funds are certainly needed for small business to keep drugs out of the workplace.

Sincerely,

JACK BRADDOCK,  
Vice President.

AAA LANDSCAPE,  
June 29, 1999.

Re: DFW Funding

As an office manager of a mid-sized landscape company in Tucson, Arizona, I have a request to make of you.

Please support funding the remaining \$6 million of appropriated funds for the Small Business Administration in support of the very important drug-free workplace demonstration program.

The need and demand for drug-free workplace resources is growing, while the available resource are shrinking. With unemployment at an almost unheard of low, the need for able-bodied, able-minded workers is desperate. Drug usage, both within the current work force and among the unemployed, is an enormous problem. This demonstration program, even in its infancy, is beginning to make a real difference. We must give it a fair chance.

Please advise Senator Kerry that to kill the second-year funding of \$6 million for the Drug-Free Workplace demonstration program would be a huge injustice to small business owners all over America.

Thank you for your time and attention.

Sincerely,

JEANE FEARSON,  
Office Manager.

PIMA COUNTY, SHERIFF'S DEPARTMENT,  
Tucson, AZ, June 28, 1999.

With the extra trillion-dollar budget surplus announced today in Washington, it seems to me that \$6 million to conclude a vital drug-free workplace demonstration project is a mere drop in the federal bucket.

I serve as chairman of Arizonans For A Drug-Free Workplace, and active member of a national drug-free workplace initiative that represents a coalition of more than 3,000 businesses, the majority of which are small businesses. We seek your help in obtaining funding for the remaining \$6 million of appropriated monies for the Small Business Administration in support of the demonstration project.

As you are aware, the need, and demand for drug-free workplace resources have been increasing, while available resources have been skimming—an obvious contradiction in view of today's fiscal revelation. Doesn't Congress understand that it is business—and small business, in particular—that contributes mightily to the strength of this country's economy.

We in the drug-free workplace initiative believe it is time for these small businesses to receive the help needed to stop the high costs brought about my substance abuse in the workplace. You have the opportunity to make a drug-free workplace a reality for many small businesses across our land.

Sincerely,

ASA BUSHNELL,  
Community Relations Manager.

CONCRETE DESIGNS INC.,  
Tucson, AZ, June 29, 1999.

As a small business manager, I want to express my concern regarding Senator Kerry's move to kill the Drug-Free Workplace funding. The drug issue in the work force is a growing problem in the United States and businesses have little support to help deal with this. Last week alone, I sent five applicants to take a pre-employment drug screen and only one went and tested negative for drugs. This ratio has been typical over the past year. In addition, we continue to lose employees through our random testing program.

You are in the position to help change this trend. Please support the funding of the appropriated funds.

Sincerely,

DEBY WIEST,  
President, General Manager.

NATIONAL DRUG-FREE  
WORKPLACE ALLIANCE,  
MILWAUKEE, WI, JUNE 29, 1999.

It has recently come to my attention that there may be a move afoot to abolish to second year funding for the Drug-Free Workplace Act of 1999. This is of paramount concern as these dollars are aimed at developing drug-free workplace demonstration programs for small business nationwide.

Drug-free workplace programs began, historically, with the country's largest corporations and over the years, have inadvertently, squeezed substance abusers toward smaller business. The tragedy is that most small businesses do not have the resources to develop programs to protect their employees as well as the quality of their products and services, to say nothing of the end users.

It is well documented that drug-free workplace programs are extremely effective at reducing absenteeism, workplace injuries and

theft, to name just a few. Furthermore, it is also well documented that these programs are terrific case finding entities in that they provide incentive as well as vehicles for employees to access Employee Assistance Programs or treatment options to assist in their recovery process. Of course the recovery, or lack of it, has a tremendous impact on families and coworkers as well as the above cited issues as well.

Our Alliance represents drug-free workplace initiatives in nearly thirty states and we see the benefits of these programs, with thousands of employers, on a daily basis. We believe that the wisdom of these programs was recognized when this legislation was initially passed and would ask for your assistance in protecting this valuable pilot that can have a far reaching impact not only at a business level but at a social level as well.

If I or the other Alliance members may be a resource to you, please do not hesitate to call.

Sincerely,

JEROME L. HOUFEK,  
*President.*

—  
MOUNTAIN POWER  
*Tucson, AZ, June 30, 1999.*

Mountain Power Electrical Contractor, Inc. is a small business dedicated to providing a safe working environment for our employees, clientele, and the public. Part of our safety culture includes striving to maintain a drug free workplace.

The U.S. war against drugs is losing ground. According to the reports issued by the Community Epidemiology Work Group (CEWG), the percentage of drug users is on the rise in various categories, including heroin, marijuana, cocaine, and methamphetamines.

It is imperative that our political leaders, businesses, and the public at large support education and prevention in order to win the war against drugs. Dealing with the aftermath of our nation's drug problem in America is proving senseless and useless.

Therefore, our firm is requesting your assistance for the drug-free workplace demonstration project. We are asking that you support funding the remaining \$6 million of appropriated funds for the SBA in support of this very important drug-free workplace demonstration program. This program directly provides and assists small businesses with education, literature, and resources to maintain a drug free workplace and keep abreast of local ordinances, as well as legislative issues.

Thank you for your support and assistance in making the drug-free workplace a reality for small businesses in this country.

Sincerely,

DEBRA GRAHAM-GARCIA,  
*Business Development Specialist.*

—  
TUCSON AIRPORT AUTHORITY,  
*Tucson, AZ, June 29, 1999.*

As a Board member of Arizonans For A Drug-Free Workplace, and the Director of Personnel for the Tucson Airport Authority I am requesting that you support the second year funding of \$6 million for the Drug-Free Workplace demonstration program authorized under last year's Drug-Free Workplace Act of 1998.

The current funding level for year-one at \$3 million for the demonstration will only fund thirty or less programs, hardly enough time or money to conduct a proper demonstration period. The \$6 million second-year funding will provide a much better opportunity for all of the drug-programs to prove

that a drug free workplace can truly make a difference.

Without the appropriated funding drug-free workplace programs will have to close their doors or modify their existence to survive. This is an alarming trend that is already occurring in our country. The need for drug-free workplace funds is increasing while the available resources are decreasing. Substance abuse in the workplace as well as in the home comes at a very high cost to our society.

Thank you in advance for your sensitive consideration to this issue.

Sincerely,

RACHEL INGEGNERI,  
*Director of Personnel.*

—  
TUCSON AIRPORT AUTHORITY,  
*Tucson, AZ, June 29, 1999.*

As a Board member of Arizonans For a Drug-Free Workplace, and the Director of personnel for the Tucson Airport Authority I am requesting that you support the second year funding of \$6 million for the Drug-Free Workplace demonstration program authorized under last year's Drug-Free Workplace Act of 1998.

The current funding level for year-one at \$3 million for the demonstration will only fund thirty or less programs, hardly enough time or money to conduct a proper demonstration period. The \$6 million second-year funding will provide a much better opportunity for all of the drug-free programs to prove that a drug-free workplace can truly make a difference.

Without the appropriated funding drug-free workplace programs will have to close their doors or modify their existence to survive. This is an alarming trend that is already occurring in our country. The need for drug-free workplace funds is increasing while the available resources are decreasing. Substance Abuse in the workplace as well as in the home comes at a very high cost to our society.

Thank you in advance for your sensitive consideration to this issue.

Sincerely,

RACHEL INGEGNERI,  
*Director of Personnel.*

Mr. KYL. Mr. President, I am proud that S. 1217, the Commerce, Justice, and State Appropriations Bill contains an amendment by Senator COVERDELL and me, securing \$1.8 million for drug-free workplace programs. It has been a pleasure to have worked with Senator COVERDELL in obtaining funding for this critical program.

Our amendment is a victory for business and the fight against drugs.

Last year Senator COVERDELL and I authored the Drug-Free Workplace Act, which became law. It provided grants to organizations in order to assist small businesses in starting drug-free workplace programs. The Act was designed to encourage partnerships between small businesses and organizations that have experience in tackling the problem of drugs in the workplace. Many small business are reluctant to implement drug testing or employee-assistance programs, because they lack expertise in crafting such programs.

As we all know, sustaining a competent, able work force hinges on our ability to keep drugs out of the workplace. Funding was needed to continue

this instrumental program. Securing \$1.8 million for FY 2000 is a victory, considering the Administration chose to not fund this effort at all.

Statistics confirm that drug-free workplaces are more productive and efficient than those where some employees abuse drugs. For instance, 47 percent of workplace accidents are drug-related. Moreover, U.S. businesses lose \$176 billion annually to substance abuse for costs due to accidents, absenteeism, and increased health care costs. Drug and alcohol abusers utilize 300 percent more medical benefits than non-abusers.

This amendment will enable small businesses to combat an evil that plagues their work forces, drug abuse.

#### AMENDMENT NO. 1311

(Purpose: To amend provisions relating to the implementation of the June 3, 1999 Agreement of the United States and Canada on the Treaty Between the Government of the United States of America and the Government of Canada Concerning Pacific Salmon and for other purposes)

S. 1217 is amended as follows:

At page 59, line 12 strike "\$20,000,000" and insert in lieu thereof "\$18,000,000".

At page 59, line 14 strike "Alaska" and insert in lieu thereof "\$20,000,000 is made available as a direct payment to the State of Alaska".

At page 59, lines 22 and 23 strike the comma and the phrase "subject to express authorization".

At page 60, lines 2 and 3 strike the comma and the phrase "subject to express authorization".

At page 76, line 11 strike the comma and the phrase "subject to express authorization".

At the appropriate place in "TITLE VI—GENERAL PROVISIONS" insert the following new section:

"SEC. \_\_\_\_ (a) To implement the June 3, 1999 Agreement of the United States and Canada on the Treaty Between the Government of the United States of America and the Government of Canada Concerning Pacific Salmon (the "1999 Agreement") \$140,000,000 is authorized only for use and expenditure as described in subsection (b).

(b)(1) \$75,000,000 for grants to provide the initial capital for a Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund to be held by the Pacific Salmon Commission and administered jointly by the Pacific Salmon Commission Commissioner for the State of Alaska with Canada according to a trust agreement to be entered into by the United States and Canada for the purposes of research, habitat restoration, and fish enhancement to promote abundance-based, conservation-oriented fishing regimes.

(2) \$65,000,000 for grants to provide the initial capital for a Southern Boundary and Transboundary Rivers Restoration and Enhancement Fund to be held by the Pacific Salmon Commission and administered jointly with Canada by the Pacific Salmon Commission Commissioners for the States of Washington, Oregon, and California according to a trust agreement to be entered into by the United States and Canada for the purposes of research, habitat restoration, and fish enhancement to promote abundance-based, conservation-oriented fishing regimes.

(3)(i) Amounts provided by grants under paragraphs (1) and (2) may be held in interest-bearing accounts prior to the disbursement of such funds for program purposes,

and any interest earned may be retained for program purposes without further appropriation by Congress.

(ii) the Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund and Southern Boundary and Transboundary Rivers Restoration and Enhancement Fund are subject to the laws governing federal appropriations and funds and to unrescinded circulars of the Office of Management and Budget, including the audit requirements of Office of Management and Budget Circular Nos. A-110, A-122 and A-133; and

(iii) Recipients of funds from the Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund and Southern Boundary and Transboundary Rivers Restoration and Enhancement Fund, which for the purposes of this subparagraph shall include interest earned pursuant to subparagraph (i), shall keep separate accounts and such records as may be reasonably necessary to disclose the use of the funds as well as facilitate effective audits.

(c) The President shall submit a request for funds to implement this section as part of his official budget request for the Fiscal Year 2001."

#### AMENDMENT NO. 1312

(Purpose: To amend certain provisions for appropriations for costs associated with the implementation of the American Fisheries Act vessel documentation activities)

S. 1217 is amended as follows:

At the appropriate place in "Title VI—GENERAL PROVISIONS" insert the following new section:

"SEC. \_\_\_\_\_. Funds made available under Public Law 105-277 for costs associated with implementation of the American Fisheries Act of 1998 (Division C, title II, of Public Law 105-277) for vessel documentation activities shall remain available until expended."

#### AMENDMENT NO. 1313

(Purpose: To provide funding for the Narragansett Bay cooperative study conducted by the Rhode Island Department of Environmental Management in cooperation with the Federal Government)

On page 57, line 17, before the colon, insert the following: ", of which \$112,520,000 shall be used for resource information activities of the National Marine Fisheries Service and \$806,000 shall be used for the Narragansett Bay cooperative study conducted by the Rhode Island Department of Environmental Management in cooperation with the Federal Government".

#### AMENDMENT NO. 1314

(Purpose: To provide funding for research in addictive disorders and their connection to youth violence)

On page 25, line 5, before "and" insert "of which \$2,000,000 shall be made available to the Department of Psychiatry and Human Behavior at the University of Mississippi School of Medicine for research in addictive disorders and their connection to youth violence".

#### AMENDMENT NO. 1315

(Purpose: To make an amendment with respect to the Crime Identification Technology Act of 1998)

"On page 27, lines 14 and 15, strike 'for the Crime Identification Technology Initiative' and insert 'to carry out section 102 of the Crime Identification Technology Act of 1998

(42 U.S.C. 14601), including for grants for law enforcement equipment for discretionary grants to States, Local units of Government, and Indian Tribes"

#### AMENDMENT NO. 1316

(Purpose: To credit reimbursements owed by the United Nations to the United States to reduce United States arrearage to the United Nations)

On page 81, line 25, insert the following after "reforms" "": *Provided further*, That any additional amount provided, not to exceed \$107 million, which is owed by the United Nations to the United States as a reimbursement, including any reimbursement under the Foreign Assistance Act of 1961 or the United Nations Participation act of 1945, that was owned to the United States before the date of enactment of this Act shall be applied or used, without fiscal year limitation, to reduce any amount owned by the United States to the United Nations, except that any such reduction pursuant to the authority in this paragraph shall not be made unless expressly authorized by the enactment of a separate Act that makes payment of arrearages contingent upon United Nations reform".

#### AMENDMENT NO. 1317

At the end of title IV, insert the following:

SEC. \_\_\_\_\_. None of the funds appropriated or otherwise made available in this Act for the United Nations may be used by the United Nations for the promulgation or enforcement of any treaty, resolution, or regulation authorizing the United Nations, or any of its specialized agencies or affiliated organizations, to tax any aspect of the Internet.

#### AMENDMENT NO. 1318

At the end of title I, insert the following: "SEC. \_\_\_\_\_. Section 286(q)(1)(A) of the Immigration and Nationality Act of 1953 (8 U.S.C. 1356(q)(1)(A)), as amended, is further amended—

- (a) by deleting clause (ii);
- (2) by renumbering clause (iii) as (ii); and
- (3) by striking ", until September 30, 2000," in clause (iv) and renumbering that clause as (iii)".

#### AMENDMENT NO. 1319

(Purpose: Expressing the sense of the Senate regarding Iran)

On page 111, between lines 7 and 8, insert the following:

SEC. 620. (a) FINDINGS.—The Senate makes the following findings:

(1) Iran has been designated as a state sponsor of terrorism by the Secretary of State and continues to be among the most active supporters of terrorism in the world.

(2) According to the State Department's annual report entitled "Patterns of Global Terrorism", Iran supports Hizballah, Hamas, and the Palestinian Islamic Jihad, terrorist organizations which oppose the Middle East peace process, continue to work for the destruction of Israel, and have killed United States citizens.

(3) A United States district court ruled in March 1998 that Iran should pay \$247,000,000 to the family of Alisa Flatow, a United States citizen killed in a bomb attack orchestrated by the Palestinian Islamic Jihad in Gaza in April 1995.

(4) The Government of Iran continues to maintain a repressive political regime in which the civil liberties of the people of Iran are denied.

(5) The State Department Country Report on Human Rights states that the human

rights record of the Government of Iran remains poor, including "extra judicial killings and summary executions; disappearances; widespread use of torture and other degrading treatment; harsh prison conditions; arbitrary arrest and detention; lack of due process; unfair trials; infringement on citizen's privacy; and restrictions on freedom of speech, press, assembly, association, religion, and movement".

(6) Religious minorities in Iran have been persecuted solely because of their faith, and the Government of Iran has detained 13 members of Iran's Jewish community without charge.

(7) Recent student-led protests in Iran were repressed by force, with possibly five students losing their lives and hundreds more being imprisoned.

(8) The Government of Iran is pursuing an aggressive ballistic missile program with foreign assistance and is seeking to develop weapons of mass destruction which threaten United States allies and interests.

(9) Despite the continuation by the Government of Iran of repressive activities in Iran and efforts to threaten United States allies and interests in the Near East and South Asia, the President waived provisions of the Iran and Libya Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) intended to impede development of the energy sector in Iran.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the President should condemn in the strongest possible terms the failure of the Government of Iran to implement genuine political reforms and protect the civil liberties of the people of Iran, which failure was most recently demonstrated in the violent repression of student-led protests in Teheran and other cities by the Government of Iran;

(2) the President should support democratic opposition groups in Iran more aggressively;

(3) the detention of 13 members of the Iranian Jewish community by the Government of Iran is a deplorable violation of due process and a clear example of the policies of the Government of Iran to persecute religious minorities; and

(4) the decision of the President to waive provisions of the Iran and Libya Sanctions Act of 1996 intended to impede development of the energy sector in Iran was regrettable and should be reversed as long as Iran continues to threaten United States interests and allies in the Near East and South Asia through state sponsorship of terrorism and efforts to acquire weapons of mass destruction and the missiles to deliver such weapons.

#### AMENDMENT NO. 1320

(Purpose: To provide additional funding for law enforcement programs regarding hate crimes)

#### SECTION 1. HATE CRIMES.

(a) DECLARATIONS.—Congress declares that—

(1) further efforts must be taken at all levels of government to respond to the staggering brutality of hate crimes that have riveted public attention and shocked the Nation;

(2) hate crimes are prompted by bias and are committed to send a message of hate to targeted communities, usually defined on the basis of immutable traits;

(3) the prominent characteristic of a hate crime is that it devastates not just the actual victim and the victim's family and

friends, but frequently savages the community sharing the traits that caused the victim to be selected;

(4) any efforts undertaken by the Federal Government to combat hate crimes must respect the primacy that States and local officials have traditionally been accorded in the criminal prosecution of acts constituting hate crimes; and

(5) an overly broad reaction by the Federal Government to this serious problem might ultimately diminish the accountability of State and local officials in responding to hate crimes and transgress the constitutional limitations on the powers vested in Congress under the Constitution.

(b) STUDIES.—

(1) COLLECTION OF DATA.—

(A) DEFINITION OF HATE CRIME.—In this paragraph, the term “hate crime” means—

(i) a crime described in subsection (b)(1) of the first section of the Hate Crime Statistics Act (28 U.S.C. 534 note); and

(ii) a crime that manifests evidence of prejudice based on gender or age.

(B) COLLECTION FROM CROSS-SECTION OF STATES.—Not later than 120 days after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the National Governors’ Association, shall select 10 jurisdictions with laws classifying certain types of crimes as hate crimes and 10 jurisdictions without such laws from which to collect data described in subparagraph (C) over a 12-month period.

(C) DATA TO BE COLLECTED.—The data to be collected are—

(i) the number of hate crimes that are reported and investigated;

(ii) the percentage of hate crimes that are prosecuted and the percentage that result in conviction;

(iii) the length of the sentences imposed for crimes classified as hate crimes within a jurisdiction, compared with the length of sentences imposed for similar crimes committed in jurisdictions with no hate crime laws; and

(iv) references to and descriptions of the laws under which the offenders were punished.

(D) COSTS.—Participating jurisdictions shall be reimbursed for the reasonable and necessary costs of compiling data under this paragraph.

(2) STUDY OF TRENDS.—

(A) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States and the General Accounting Office shall complete a study that analyzes the data collected under paragraph (1) and under the Hate Crime Statistics Act of 1990 to determine the extent of hate crime activity throughout the country and the success of State and local officials in combating that activity.

(B) IDENTIFICATION OF TRENDS.—In the study conducted under subparagraph (A), the Comptroller General of the United States and the General Accounting Office shall identify any trends in the commission of hate crimes specifically by—

(i) geographic region;

(ii) type of crime committed; and

(iii) the number of hate crimes that are prosecuted and the number for which convictions are obtained.

(c) MODEL STATUTE.—

(1) IN GENERAL.—To encourage the identification and prosecution of hate crimes throughout the country, the Attorney General shall, through the National Conference

of Commissioners on Uniform State Laws of the American Law Institute or another appropriate forum, and in consultation with the States, develop a model statute to carry out the goals described in subsection (a) and criminalize acts classified as hate crimes.

(2) REQUIREMENTS.—In developing the model statute, the Attorney General shall—

(A) include in the model statute crimes that manifest evidence of prejudice; and

(B) prepare an analysis of all reasons why any crime motivated by prejudice based on any traits of a victim should or should not be included.

(d) SUPPORT FOR CRIMINAL INVESTIGATIONS AND PROSECUTIONS BY STATE AND LOCAL LAW ENFORCEMENT OFFICIALS.—

(1) ASSISTANCE OTHER THAN FINANCIAL ASSISTANCE.—

(A) IN GENERAL.—At the request of a law enforcement official of a State or a political subdivision of a State, the Attorney General, acting through the Director of the Federal Bureau of Investigation, shall provide technical, forensic, prosecutorial, or any other form of assistance in the criminal investigation or prosecution of any crime that—

(i) constitutes a crime of violence (as defined in section 16 of title 18, United States Code);

(ii) constitutes a felony under the laws of the State; and

(iii) is motivated by prejudice based on the victim’s race, ethnicity, or religion or is a violation of the State’s hate crime law.

(B) PRIORITY.—In providing assistance under subparagraph (A), the Attorney General shall give priority to crimes committed by offenders who have committed crimes in more than 1 State.

(2) GRANTS.—

(A) IN GENERAL.—There is established a grant program within the Department of Justice to assist State and local officials in the investigation and prosecution of hate crimes.

(B) ELIGIBILITY.—A State or political subdivision of a State applying for assistance under this paragraph shall—

(i) describe the purposes for which the grant is needed; and

(ii) certify that the State or political subdivision lacks the resources necessary to investigate or prosecute the hate crime.

(C) DEADLINE.—An application for a grant under this paragraph shall be approved or disapproved by the Attorney General not later than 24 hours after the application is submitted.

(D) GRANT AMOUNT.—A grant under this paragraph shall not exceed \$100,000 for any single case.

(E) REPORT.—Not later than December 31, 2001, the Attorney General, in consultation with the National Governors’ Association, shall submit to Congress a report describing the applications made for grants under this paragraph, the award of such grants, and the effectiveness of the grant funds awarded.

(F) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$5,000,000 for each of fiscal years 2000 and 2001.

(e) INTERSTATE TRAVEL TO COMMIT HATE CRIME.—

(1) IN GENERAL.—Chapter 13 of title 18, United States Code, is amended by adding at the end the following:

“§ 249. Interstate travel to commit hate crime

“(a) IN GENERAL.—A person, whether or not acting under color of law, who—

“(1) travels across a State line or enters or leaves Indian country in order, by force or threat of force, to willfully injure, intimi-

date, or interfere with, or by force or threat of force to attempt to injure, intimidate, or interfere with, any person because of the person’s race, color, religion, or national origin; and

“(2) by force or threat of force, willfully injures, intimidates, or interferes with, or by force or threat of force attempts to willfully injure, intimidate, or interfere with any person because of the person’s race, color, religion, or national origin, shall be subject to a penalty under subsection (b).

“(b) PENALTIES.—A person described in subsection (a) who is subject to a penalty under this subsection—

“(1) shall be fined under this title, imprisoned not more than 1 year, or both;

“(2) if bodily injury results or if the violation includes the use, attempted use, or threatened use of a dangerous weapon, explosives, or fire, shall be fined under this title, imprisoned not more than 10 years, or both; or

“(3) if death results or if the violation includes kidnapping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill—

“(A) shall be fined under this title, imprisoned for any term of years or for life, or both; or

“(B) may be sentenced to death.”.

(2) TECHNICAL AMENDMENT.—The analysis for chapter 13 of title 18, United States Code, is amended by adding at the end the following:

“249. Interstate travel to commit hate crime.”.

AMENDMENT NO. 1321

(Purpose: To improve fishery management)  
At the appropriate place, insert the following:

**SEC. XX. NEW ENGLAND FISHERY MANAGEMENT COUNCIL.**

Section 302(a)(1)(A) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1852(a)(1)(A)) is amended—

(1) by striking “17” and inserting “18”; and

(2) by striking “11” and inserting “12”.

AMENDMENT NO. 1322

(Purpose: To authorize a place for holding court in New York, to authorize the consolidation of clerks offices in West Virginia, and to direct the provision of space for a senior judge’s chambers in Utah)  
At the appropriate place in the bill, insert:

**SEC. XX. PLACE OF HOLDING COURT AT CENTRAL ISLIP, NEW YORK.**

The second paragraph of Section 112(c) of title 28, United States Code is amended to read—

“Court for the Eastern District shall be held at Brooklyn, Hauppauge, Hempstead (including the village of Uniondale), and Central Islip.”

**SEC. XX. WEST VIRGINIA CLERK CONSOLIDATION APPROVAL.**

Pursuant to the requirements of Section 156(d) of title 28, United States Code, Congress hereby approves the consolidation of the office of the bankruptcy clerk with the office of the district clerk of court in the Southern District of West Virginia.

**SEC. XX. SENIOR JUDGE’S CHAMBERS IN PROVO, UTAH.**

The Internal Revenue Service is directed to vacate sufficient space in the Federal Building in Provo, Utah as soon as practicable to provide space for a senior judge’s chambers in that building. The General Services Administration is directed to provide interim space for a senior judge’s chambers in



Provo, Utah and to complete a permanent senior judge's chambers in the Federal Building located in that city as soon as practicable.

AMENDMENT NO. 1323

(Purpose: To increase funding for SBA Microloan Technical Assistance)

In the Salaries and Expense Account of the Small Business Administration, insert at the end of the paragraph:

"Provided further, That \$23,200,000 shall be available to fund grants for Microloan Technical Assistance as authorized by section 7(m) of the Small Business Act."

AMENDMENT NO. 1324

(Purpose: To enhance Federal enforcement of hate crimes, and for other purposes.)

At the appropriate place, insert the following:

**TITLE —HATE CRIMES PREVENTION**

**SEC. 01. SHORT TITLE.**

This title may be cited as the "Hate Crimes Prevention Act of 1999".

**SEC. 02. FINDINGS.**

Congress finds that—

(1) the incidence of violence motivated by the actual or perceived race, color, national origin, religion, sexual orientation, gender, or disability of the victim poses a serious national problem;

(2) such violence disrupts the tranquility and safety of communities and is deeply divisive;

(3) existing Federal law is inadequate to address this problem;

(4) such violence affects interstate commerce in many ways, including—

(A) by impeding the movement of members of targeted groups and forcing such members to move across State lines to escape the incidence or risk of such violence; and

(B) by preventing members of targeted groups from purchasing goods and services, obtaining or sustaining employment or participating in other commercial activity;

(5) perpetrators cross State lines to commit such violence;

(6) instrumentalities of interstate commerce are used to facilitate the commission of such violence;

(7) such violence is committed using articles that have traveled in interstate commerce;

(8) violence motivated by bias that is a relic of slavery can constitute badges and incidents of slavery;

(9) although many State and local authorities are now and will continue to be responsible for prosecuting the overwhelming majority of violent crimes in the United States, including violent crimes motivated by bias, Federal jurisdiction over certain violent crimes motivated by bias is necessary to supplement State and local jurisdiction and ensure that justice is achieved in each case;

(10) Federal jurisdiction over certain violent crimes motivated by bias enables Federal, State, and local authorities to work together as partners in the investigation and prosecution of such crimes;

(11) the problem of hate crime is sufficiently serious, widespread, and interstate in nature as to warrant Federal assistance to States and local jurisdictions; and

(12) freedom of speech and association are fundamental values protected by the first amendment to the Constitution of the United States, and it is the purpose of this title to criminalize acts of violence, and threats of violence, carried out because of the actual or perceived race, color, religion,

national origin, gender, sexual orientation, or disability of the victim, not to criminalize beliefs in the abstract.

**SEC. 03. DEFINITION OF HATE CRIME.**

In this title, the term "hate crime" has the same meaning as in section 280003(a) of the Violent Crime Control and Law Enforcement Act of 1994 (28 U.S.C. 994 note).

**SEC. 04. PROHIBITION OF CERTAIN ACTS OF VIOLENCE.**

Section 245 of title 18, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following:

"(c)(1) Whoever, whether or not acting under color of law, willfully causes bodily injury to any person or, through the use of fire, a firearm, or an explosive device, attempts to cause bodily injury to any person, because of the actual or perceived race, color, religion, or national origin of any person—

"(A) shall be imprisoned not more than 10 years, or fined in accordance with this title, or both; and

"(B) shall be imprisoned for any term of years or for life, or fined in accordance with this title, or both if—

"(i) death results from the acts committed in violation of this paragraph; or

"(ii) the acts committed in violation of this paragraph include kidnapping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill.

"(2)(A) Whoever, whether or not acting under color of law, in any circumstance described in subparagraph (B), willfully causes bodily injury to any person or, through the use of fire, a firearm, or an explosive device, attempts to cause bodily injury to any person, because of the actual or perceived religion, gender, sexual orientation, or disability of any person—

"(i) shall be imprisoned not more than 10 years, or fined in accordance with this title, or both; and

"(ii) shall be imprisoned for any term of years or for life, or fined in accordance with this title, or both, if—

"(I) death results from the acts committed in violation of this paragraph; or

"(II) the acts committed in violation of this paragraph include kidnapping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill.

"(B) For purposes of subparagraph (A), the circumstances described in this subparagraph are that—

"(i) in connection with the offense, the defendant or the victim travels in interstate or foreign commerce, uses a facility or instrumentality of interstate or foreign commerce, or engages in any activity affecting interstate or foreign commerce; or

"(ii) the offense is in or affects interstate or foreign commerce.

"(3) No prosecution of any offense described in this subsection may be undertaken by the United States, except upon the certification in writing of the Attorney General, the Deputy Attorney General, the Associate Attorney General, or any Assistant Attorney General specially designated by the Attorney General that—

"(A) he or she has reasonable cause to believe that the actual or perceived race, color, national origin, religion, sexual orientation, gender, or disability of any person was a motivating factor underlying the alleged conduct of the defendant; and

"(B) that he or his designee or she or her designee has consulted with State or local law enforcement officials regarding the prosecution and determined that—

"(i) the State does not have jurisdiction or refuses to assume jurisdiction;

"(ii) the State has requested that the Federal Government assume jurisdiction; or

"(iii) actions by State and local law enforcement officials have or are likely to leave demonstratively unvindicated the Federal interest in eradicating bias-motivated violence."

**SEC. 05. DUTIES OF FEDERAL SENTENCING COMMISSION.**

(a) AMENDMENT OF FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994 of title 28, United States Code, the United States Sentencing Commission shall study the issue of adult recruitment of juveniles to commit hate crimes and shall, if appropriate, amend the Federal sentencing guidelines to provide sentencing enhancements (in addition to the sentencing enhancement provided for the use of a minor during the commission of an offense) for adult defendants who recruit juveniles to assist in the commission of hate crimes.

(b) CONSISTENCY WITH OTHER GUIDELINES.—In carrying out this section, the United States Sentencing Commission shall—

(1) ensure that there is reasonable consistency with other Federal sentencing guidelines; and

(2) avoid duplicative punishments for substantially the same offense.

**SEC. 06. GRANT PROGRAM.**

(a) AUTHORITY TO MAKE GRANTS.—The Office of Justice Programs of the Department of Justice shall make grants, in accordance with such regulations as the Attorney General may prescribe, to State and local programs designed to combat hate crimes committed by juveniles, including programs to train local law enforcement officers in investigating, prosecuting, and preventing hate crimes.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

**SEC. 07. AUTHORIZATION FOR ADDITIONAL PERSONNEL TO ASSIST STATE AND LOCAL LAW ENFORCEMENT.**

There are authorized to be appropriated to the Department of the Treasury and the Department of Justice, including the Community Relations Service, for fiscal years 2000, 2001, and 2002 such sums as are necessary to increase the number of personnel to prevent and respond to alleged violations of section 245 of title 18, United States Code (as amended by this title).

**SEC. 08. SEVERABILITY.**

If any provision of this title, an amendment made by this title, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this title, the amendments made by this title, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

Mr. HATCH. Mr. President, I am committed in my view that the Senate must lead and speak against hate crimes.

Many of America's greatest strides in civil rights progress took place during recent generations—from Congress' protection of Americans from employment discrimination on the basis of race, sex, color, religion and national

origin with the passage of the Civil Rights Act of 1964, to the protection of the disabled with the passage of the Americans with Disabilities Act in 1990, and many other important pieces of legislation.

However, while America's elected officials have striven mightily through the passage of such measures to stop discrimination in the workplace, or to the hands of government actors, what remains tragically unaddressed in large part is discrimination against peoples' own security—that most fundamental right to be free from physical harm.

Despite our best efforts, discrimination continues to persist in many forms in this country, but most sadly in the rudimentary and malicious form of violence against individuals because of their identities.

As much as we condemn all crime, hate crime can be more sinister than non-hate crime. A crime committed not just to harm an individual, but out of the motive of sending a message of hatred to an entire community—often-times a community defined on the basis of immutable traits—is appropriately punished more harshly, or in a different manner, than other crimes. Moreover, hate crimes are more likely to provoke retaliatory crimes; they inflict deep, lasting and distinct injuries—some of which never heal—on victims and their family members; they incite community unrest; and, ultimately, they are downright un-American.

I am resolute in my view that the federal government can play a valuable role in responding to hate crime. One example here is my sponsorship of the Hate Crime Statistics Act of 1990, another is the passage in 1996 of the Church Arson Protection Act.

Given the seriousness of our objective to eradicate hate crime, it is imperative that any measure abide by the constitutional limitations imposed on Congress, and be cognizant of the limitations on Congress' enumerated powers that are routinely enforced by the courts. This is more true today than it would have been even a mere decade ago, given the significant revival by the U.S. Supreme Court of the federalism doctrine in a string of decisions beginning in 1992.

I have therefore proposed a response to hate crimes that is not only as effective as possible, but that carefully navigates the rocky shoals of these court decisions. To that end, I have prepared a measure that I believe will be not only an effective one, but one that would avoid altogether the constitutional risks that attach to other possible federal responses that have been raised.

There are four principal components to my approach:

First, it creates a meaningful partnership between the federal govern-

ment and the states in combating hate crime, by establishing within the Justice Department a fund to assist state and local authorities in investigating and prosecuting hate crime. Much of the cited justification given by those who advocate broad federal jurisdiction over hate crimes is a lack of adequate resources at the state and local level.

Accordingly, before we take the step of making every criminal offense motivated by a hatred of someone's immutable traits a federal offense, it is imperative that we equip states and localities with the resources necessary so that they can undertake these criminal investigations and prosecutions on their own.

Second, my approach undertakes a comprehensive analysis of the raw data that has been collected pursuant to the 1990 Hate Crime Statistics Act, including a comparison of the records of different jurisdictions—some with hate crime laws, others without—to determine whether there is, in fact, a problem in certain states' prosecution of those criminal acts constituting hate crimes.

Third, my approach directs an appropriate, neutral forum to develop a model hate crimes statute that would enable states to evaluate their own laws, and adopt—in whole or in part from the model statute—hate crime legislation at the state level.

One of the arguments cited for a federalization of enforcement is the varying scope and punitive force of state laws. Yet there are many areas of grave national concern—such as drunk driving, by way of example—that are appropriately left to the states for criminal enforcement and punishment.

Before we make all hate crimes federal offenses, I believe we should pursue avenues that advance consistency among the states through the voluntary efforts of their legislatures. Perhaps, upon completion of this model hate crime law, Congress will review its recommendation and consider additional ways to promote uniformity among the states.

Fourth, my proposal makes a long-overdue modification of our existing federal hate crime law (passed in 1969) to allow for the prosecution by federal authorities of those hate crimes that are classically within federal jurisdiction—that is, hate crimes in which state lines have been crossed.

I believe that passage of this comprehensive measure will prove a strong antidote to the scourge of hate crimes.

It is no answer for the Senate to sit by silently while these crimes are being committed. The ugly, bigoted, and violent underside of some in our country that is reflected by the commission of hate crimes must be combated at all levels of government.

For some, federal leadership necessitates federal control. I do not subscribe to this view, especially when it

comes to this problem. It has been proposed by some that to combat hate crime Congress should enact a new tier of far-reaching federal criminal legislation. That approach strays from the foundations of our constitutional structure—namely, the first principles of federalism that for more than two centuries have vested states with primary responsibility for prosecuting crimes committed within their boundaries.

As important as this issue is, there is little evidence such a step is warranted, or that it will do any more than what I have proposed. In fact, one could argue that national enforcement of hate crime could decrease if states are told the federal government has assumed primary responsibility over hate crime enforcement.

Accordingly, we must lead—but lead responsibly—recognizing that we live in a country of governments of shared and divided responsibilities.

I encourage this body to question the dogma that federal leadership must include federal control, and I encourage this body to act anew by supporting a proposal that is far-reaching in its efforts to stem hate crime, and that is at the same time respectful of the primacy states have traditionally enjoyed in prosecuting crimes committed within their boundaries.

My proposal should unite all of us on the one point about which we should most fervently agree—that the Senate must speak firmly and meaningfully in denouncing as wrong in all respects those actions we have increasingly come to know as hate crimes. Our continued progress in fighting to protect Americans' civil rights demands no less.

I take note that there are now two different hate crime measures that have been accepted by the Senate. It is my hope that the conference will consider the Hatch amendment's approach to be the wiser and the more responsible, and accordingly adopt it. Alternatively, however, it is my hope that some accord might be reached between the two versions that respects the constitutional and federalism boundaries I have discussed, and to the extent it is not, I may choose to pursue adoption of my measure through the Judiciary Committee.

Mr. SMITH of Oregon. Mr. President, as a member of the Foreign Relations Committee I have spoken out against hate crimes of many kinds and in many lands. For that reason I cannot be silent at home. I believe that government's first duty is to defend its citizens. To defend them against the harms that come out of hate. To defend them regardless of their status, be they female, disabled or gay. The Hate Crimes Prevention Act is now a symbol that can become substance. By changing this law we can change hearts and minds as well.

The law is a teacher and we should teach our fellow citizens that all crime is hateful. But we can also teach that some crime is so odious that an extra measure of prosecution is demanded by us, so that it will never again be repeated among us.

Never again should we in the federal government withhold our help or stand idly by when a Matthew Shepard is tied to a fence, beaten and left to die because he is gay. Never again should we defer to others when one James Byrd, Jr. is dragged to his death because he is black. No, in these cases and in too many more, the Federal Government must have the power to persuade, to pursue and to prosecute when hate is the motive of violence against American victims, no matter their state, no matter their minority or vulnerability.

Mrs. MURRAY. Mr. President, I rise today in support of the amendment to protect Americans from hate crimes. It is unfortunate that the amendment's chief sponsor, Senator TED KENNEDY, couldn't be here to take part in this debate. Senator KENNEDY has worked tirelessly to enact this crucial piece of legislation. He has my heartfelt appreciation for his work on this and my sympathy for the loss of his nephew. I can't possibly match his passion and eloquence on this issue, but I am here today to discuss and support his amendment on hate crimes prevention.

Hate crime is real. Despite great gains in equality and civil rights over the later part of this century, hate crimes are still being committed. Those who commit these heinous crimes must be punished.

We all remember Matthew Shepard. He was a young man who just last fall was viciously struck down in the prime of his life. Tragically, he is now a reminder of what happens when he do not stand up to hate and bigotry. We must treat hate crimes as the deadly threat they are and do more to prevent them. These are not simply assaults. They are violent crimes motivated by hate and bigotry.

Passing this amendment gives us more tools to fight hate. I am pleased to join with many of my colleagues as a co-sponsor of this important legislation. The amendment would expand the definition of a hate crime and improve prosecution of those who act out their hate with violence. If someone harms another because of the victim's race, gender, color, religion, disability or sexual orientation, they will be punished. No longer will the activity of the victim matter, but the actions and motivations of the perpetrator will be the focus. It is important to note that the prosecutor would still have to convince a jury beyond a reasonable doubt that the criminal act was motivated by prejudice.

No one can beat a person to death and leave them to die without being motivated by a deep sense of hate. In

the case of Matthew Shepard, it was no simply robbery. The motive was hate.

I know some of my colleagues argue that the states are doing an adequate job of handling hate crimes on their own. I commend them for their efforts, but I believe the federal government has a further role in this as well. We already prosecute at the federal level many crimes that are motivated by prejudice. We need to strengthen these federal hate crimes laws and increase the role of the federal government in ending this violence. It wasn't that many years ago that we stood up for equality and justice by forcing the states and private citizens to end segregation and discrimination. Now we must do the same for hate crimes against any of our citizens.

I ask that my statement appear in the RECORD immediately following the text of the hate crimes amendment.

Mrs. FEINSTEIN. Mr. President, I join with my colleagues in expressing my strong support for the Hate Crimes Prevention Amendment, legislation of which I am a cosponsor.

The Hate Crimes Prevention Amendment is urgently needed to compensate for two limitations in the current law. First, the current federal hate crimes law covers only crimes motivated by bias on the basis of race, color, religion or national origin. As a result, federal authorities cannot prosecute individuals who commit violent crimes against others because of their sexual orientation, gender, or disability.

In addition, current law limits federal hate crime prosecutions to instances in which the victims was targeted because he or she was exercising one of six narrowly defined federally-protected activities (such as serving on a jury, attending a public school, eating at a restaurant or lodging at a hotel). As a result, the law does not reach many cases where individuals kill or injure others because of racial or religious hatred.

The Hate Crimes Amendment would remedy the glaring gaps and inadequacy of the current law by broadening the federal jurisdiction to cover all violent crimes motivated by racial or religious hatred, regardless of whether the victim was exercising a federally protected right. It would also include sexual orientation, gender and disability to the list of protected categories within current federal hate crime law, provided there is a sufficient connection with interstate commerce.

At the same time, federal involvement would only come into play if the Attorney General certifies that a federal prosecution is necessary to secure substantial justice. In recent years, the existing federal hate crimes law has been used only in carefully selected cases where the state criminal justice system did not achieve a just result.

What does this mean? It means that crimes based on race, color, religion or

national origin would be covered under the federal hate crimes law whenever the defendant causes bodily injury, or through the use of fire, a firearm, or an explosive, attempts to cause injury.

Crimes based on sexual orientation, gender or disability would be limited to the same types of violent crimes, but only if the crime has a sufficient connection with interstate commerce.

In all cases, the prosecution would have to show that the crime was motivated in part by the actual or perceived sexual orientation, gender, or disability of the victim—and this would be a matter for the jury to determine.

As would be the case for every element of a criminal offense, federal prosecutors would have to prove motivation beyond a reasonable doubt. In all cases, these prosecutions would present evidence that a motivating factor in the crime was bias against a particular group.

Hate crimes in these cases would carry a heavy penalty. Persons who cause bodily injury to another, or, through the use of fire, firearms, or explosives, attempts to cause bodily injury in the furtherance of a hate crime would face imprisonment up to 10 years. If the hate crime results in death or the offense included kidnapping, aggravated sexual abuse or an attempt to kill, the convicted offender could face life imprisonment.

Mr. President, for many years I have been deeply concerned about hate crimes and the immeasurable impact they have on victims, their families and our communities. In 1993, I sponsored the Hate Crimes Sentencing Enhancement Act, which was signed into law in 1994 as a part of the Violent Crime Control and Law Enforcement Act of 1994. The Act increased the penalties for hate crimes directed at individuals because of their perceived race, color, religion, national origin, gender, disability or sexual orientation.

Today, I believe the Hate Crimes Prevention Amendment, builds on this effort by modifying the current law to allow the federal government to provide the vital assistance to states in investigating of crimes of this magnitude.

This legislation is long overdue, Mr. President. The brutal murders last year of an African American, James Byrd, in Texas; a gay man, Matthew Shepard, in Wyoming; and the murderous rampage in Littleton, Colorado earlier this year vividly portray why this legislation is so urgently needed.

Just recently, our nation awakened to the news of drive-by shooting attacks on Jews, and African-American, and Asian-Americans in Chicago, Illinois. These shootings were the despicable acts of virulent hatred. Undoubtedly these crimes have affected so many lives beyond its immediate victims.

Two weeks before the shootings, three synagogues were torched in Sacramento, California, sending shock waves throughout the Jewish community in America.

Sadly, hate crimes are becoming too commonplace in America. According to the U.S. Department of Justice, in 1997, the last year for which we have statistics, 8,049 hate crime incidents were reported in the United States. That is almost one such crime per hour. Within these incidents, there were 10,255 victims of these crimes.

Of that total, 4,710 or 58.5% of the crime were committed on account of the victim's race. Of these reported crimes, there were almost 1,300 victims of anti-black crimes; 649 victims of anti-Hispanic crimes; and 466 victims of anti-Asian crimes.

In that same year, 1,385 or roughly 17% of the victims were targeted because of their religious affiliation. The number of anti-Jewish incidents is second only to those against blacks and far exceeds offenses against all other religious groups combined. Moreover, while by most accounts anti-Semitism in America has declined dramatically over the years, the level of violence is escalating.

The FBI reports that crimes against gays, lesbians and bisexuals ranked third in reported hate crimes in 1997, registering 1,102 or 13.7% of reported incidents. And, gender-motivated violence occurs in our country at alarming rates. According to the Leadership Conference on Civil Rights, "society is beginning to realize that many assaults against women are not 'random' acts of violence but are actually bias-related crimes."

In addition, according to the California Attorney General, more than 1,800 of the 8,000 hate crimes reported by the FBI were committed in California. That's a shocking number when one considers the motivation behind a hate crime. These are truly among the ugliest of crimes, in which the perpetrator thinks the victim is less of a human being because of his or her gender, skin color, religion, sexual orientation or disability.

By enacting this legislation, federal prosecutors will be able to work in full partnership with their state counterparts. In Wyoming, despite clear evidence that the killing of Matthew Shepard was motivated by bigotry against homosexuals, federal authorities lacked jurisdiction to assist state and local authorities in investigating the case.

It is imperative, therefore, that Congress move swiftly to address this situation and enact this legislation. Although the Byrd and Shepard, as well as the Littleton and Chicago atrocities, all have shocked the conscience of our nation, many hate crimes happen daily in our communities and do not receive national exposure and universal condemnation.

For example, an 18-year-old San Francisco youth was savagely attacked and beaten after a recent athletic event between St. Ignatius College Preparatory School and Sacred Heart Cathedral Preparatory School. During the beating, his attackers yelled racial slurs at him. Just a few days later, a 17-year-old senior at San Marin High School was beaten outside his school in Novato, a derogatory word regarding his presumed sexual orientation was etched into his arm with a pen.

And, in an especially disturbing case in Ventura, California, four skinheads attacked a Latino couple and an African-American couple returning from a high school homecoming date. Singing, and then shouting racial epithets, the skinheads followed the two couples and threw a brick at the head of the African-American teenager. When the students tried to drive away, the skinheads kicked the car and beat it with a baseball bat, causing \$2,000 in damage.

These recent cases show far more vividly than I can express here today why we need this legislation now more than ever.

This amendment does not create any "special interests." Hate crimes are not just the concern of any one race, one gender, or one segment of society. The victims of these types of attacks are black and white, young and old, gay and straight, mother and son, father and daughter. Most importantly, they are all human beings whom other human beings loved and depended on. No one, no matter where he lives or to what group she belongs can be certain who will suffer from senseless acts of violence sparked by bigotry, hatred and prejudice.

History is replete with instances in which mindless fear, ignorance and prejudice propel unspeakable acts of inhumanity. There is a great monument to this in this very city: the Holocaust Museum. The Holocaust Museum serves as a stark and cogent reminder of how unchecked hatred can spiral into the genocide of countless millions of Jews and others who were singled out by Nazi Germany for no other reason than that they were different.

Unfortunately, Mr. President, as recent events suggest, we do not have to look back sixty years to find example of inhumanity fostered by hate. We can look across the oceans to Kosovo, where the consequences of "ethnic cleansing," mass rapes, and rampant crime, all point to the utter disregard for life and human dignity.

Mr. President, American values do not include attacking those who are "different" or those with whom we disagree. No one here can reasonably argue that violently attacking a person because of his or her race, gender, disability, or sexual orientation is an acceptable form of behavior.

No one here can reasonably argue that protecting American values should not include protecting women, disabled persons, or gays and lesbians from hate crimes.

And no one here today need fear a breakdown of society simply because we extend Federal protection from acts of violent prejudice to those members of our society who currently face such an extraordinary threat of hate violence.

Instead, as Americans, we value the freedom to be individuals. We value the freedom to express ourselves peacefully. And, above all, Mr. President, we value freedom from fear and tyranny.

And, what we must take from the experience of World War II and Kosovo is that our nation must never sit still and permit acts of hatred to go unpunished and undeterred.

That is why, if we truly want to defend American values, we should work to give our citizens protection from those who would do them harm simply based upon their race, gender, disability or sexual orientation.

And, the Hate Crimes Prevention Amendment aims to send a message to our nation and the world that the singling out of an individual because of race, religion, sexual orientation, gender or disability will not go unnoticed or unpunished.

The Hate Crimes Prevention Amendment will make certain that those who commit violent acts because someone is of the "wrong gender, religion, race, sexual orientation, or disability" will be prosecuted because everyone, I repeat, everyone has a right to be free from violence and fear when they are going to school, work, travel, or doing something as simple as going to a movie.

Mr. President, I urge adoption of the Hate Crimes Prevention Amendment, which includes this important measure. I also urge the conferees on the Commerce, Justice, States appropriations bill to maintain this position during the conference. All Americans, and our future generations, deserve no less.

Mr. SCHUMER. When we passed the first Hate Crimes Law there were those who said that it was unnecessary and that hate crimes were overblown.

Then came the news of James Byrd in Texas, Matthew Shepard in Wyoming, William Gaither in Alabama, Gary Matson and Scott Mowder in California—young men who were victims of crimes that desecrate America.

Today's debate goes back to our original fight. Does this Congress believe that there are those in America who are motivated by hate? Does this Congress believe that there is more that can be done to condemn, prosecute and prevent violent hate? Or do we believe—even after James Byrd, even after Matthew Shepard, even after William Gaither, even after Gary Matson and Scott Mowder—that Hate Crimes are overblown?

Since we started keeping statistics in 1991 the FBI has documented over 50,000 hate crimes. But they could prosecute only 37 because the current law is too narrow.

The Kennedy bill completes the law. It gives it teeth. The Kennedy bill adds sexual orientation to hate crimes, an omission that has sent a message to those who feed off hate, that bigotry against gays and lesbians is somehow less wrong than bigotry against blacks, latinos and Jews.

It removes the civil rights test which gives prosecutors the chance to put violent bigots behind bars.

As a nation, we have divergent political views but we are bound by our commitment to punish acts of bigotry against African Americans, Latinos, Jews, and yes—lesbians and gays.

This is a bill that will bring this nation together. This is a bill that will make people proud.

The only people who need fear the Kennedy bill are those whose private hatreds manifests itself in violent rage against the innocent.

Mr. LEVIN. Mr. President, over the Fourth of July weekend, the nation was stunned by the actions of a single young man on a racially motivated killing spree. The man's name was Benjamin Smith, and it seems clear, he spent his short life consumed by hatred. Because of this hatred, the nation mourns the death of a former University of Detroit and Western Michigan University basketball coach Ricky Byrdsong and doctoral student Won-Joon Yoon, both the victims of hate crime.

Benjamin Smith was just one of many who unleashed his hate onto others through violence. According to FBI statistics, at least one hate crime occurs every hour in the United States. That means at least one violent crime each hour is motivated by bias. Hate crimes have no place in a society founded on tolerance and equality. There must be a clear message to hate-mongers like Benjamin Smith, that the federal government will do everything in its power so that the perpetrators of bias crimes will be investigated, prosecuted and punished as quickly as possible. But the federal government is limited to a certain extent in its ability to assist state and local prosecutors in their investigations of hate crime.

That's why I am pleased to be an original cosponsor of the Hate Crimes Protection Act, a bill which would amend the existing federal hate crimes law and expand the federal government's role in the investigation and prosecution of bias-inspired conduct. The federal government has always had a special role in stifling violence and discriminatory treatment. This Act continues in that tradition by strengthening federal authority to ensure that racially-motivated criminals are prosecuted to the full extent of the law.

This amendment would also expand the definition of hate crime, which now only pertains to the victim's race, color, religion and natural origin, to include discrimination based on sexual orientation, gender, and disability. By expanding the definition of hate crime, the nation sends a clear message that it will not tolerate any violent crime, especially targeted at those who have traditionally been more vulnerable to violence.

The Hate Crimes Prevention Act has the support of over 100 civil rights and law enforcement organizations, as well as a broad range of state and local government associations, and state Attorneys General. These groups, who work with the victims of hate crimes on a daily basis, understand that violent hate crimes, not only affect the victim's family, but are injurious to the entire community. Because hate crimes have a such a deep impact on society, these civil rights and law enforcement organizations support the Hate Crimes Prevention Act, and the role it gives the federal government in ensuring that perpetrators of bias crime are subject to enhanced prosecutions and penalties.

I am pleased to join a distinguished list of cosponsors on this amendment and I urge my colleagues to support the passage of this Act and take a stand against hate crime.

Mr. JEFFORDS. Mr. President, I rise today in support of the Hate Crimes Prevention Act as an amendment to the Commerce, Justice, State and Judiciary Fiscal Year 2000 bill.

This legislation will provide the Federal Government a needed tool to combat the destructive impact of hate crimes on our society. The amendment also recognizes that hate crimes are not just limited to crimes committed because of race, color, religion, or national origin, but are also directed at individuals because of their gender, sexual orientation or disability.

Mr. President, any crime hurts our society, but crimes motivated by hate are especially harmful. This amendment would take two important steps to strengthen existing Federal hate crimes law.

First, the amendment would expand the situations when the Department of Justice can prosecute defendants for violent crimes based on race, color, religion or national origin. Second, the amendment would authorize the Department of Justice to prosecute individuals who commit violent crimes against others because of a victim's disability, gender, or sexual orientation provided there is a sufficient connection with interstate commerce.

Many states, including my state of Vermont, have already passed strong hate crimes laws, and I applaud them in this endeavor. An important principle of this amendment is that it allows for Federal prosecution of hate

crimes without impeding the rights of states to prosecute these crimes.

Federal prosecutions under this amendment would still be subject to the current provision of law that requires the Attorney General or another senior official of the Justice Department to certify that a federal prosecution is necessary to secure substantial justice. Mr. President, such a requirement under current law has ensured that states are the primary adjudicators of the perpetrators of hate crimes, not the Federal government.

This has meant that in recent years the existing Federal hate crimes law has been used only in carefully selected cases. For example, there have been an average of only 5.2 prosecutions per year under current law from Fiscal Year 1990 through Fiscal Year 1996.

Additionally, Federal authorities will consult with State and Local law enforcement officials before initiating an investigation or prosecution. Both of these are important provisions to ensure that we are not infringing on the rights of States to prosecute crimes.

Mr. President, the Senate has an opportunity today to take a strong stand against hate crimes, and I urge them to do so by supporting this important legislation.

Mr. WYDEN. Mr. President, the amendment seeks to deter violent crime borne out of prejudice and hatred. Since 1991, almost 50,000 hate crimes have been voluntarily reported to the FBI. More than 8,000 were reported in 1997 alone, and many more probably occurred.

I am of the view that violent hate crimes stain our national greatness. This amendment cannot erase the stain entirely, but it is a step toward removing the immunity from prosecution that perpetrators have enjoyed for too long.

The amendment will close the loopholes in current federal hate crimes law and remove the straightjacket from local law enforcement so they can get federal help when they need it.

The amendment does three things:

First, it would remove restrictions on the types of situations in which the Justice Department can prosecute defendants for violent crimes based on race, color, religion or national origin.

Second, it would assure that crimes targeted against victims because of disability, gender or sexual orientation that cause death or bodily injury can be prosecuted if there is a sufficient connection to interstate commerce.

Third, it would require the Attorney General to certify in writing that she had consulted with State and local law enforcement and that they had asked for federal help, or did not have jurisdiction or, as in current law, that federal prosecution is necessary to secure substantial justice in eradicating hate-based crimes.

Under current law, the Justice Department can prosecute crimes motivated by race, religion and ethnicity only if two tests are satisfied. First, DoJ must prove bias was the motive. Second, DoJ must prove the perpetrator intended to prevent the individual from doing certain federally protected things, such as serving on a jury, enrolling or attending a public school, or applying for or enjoying employment.

Motive for the crime is a matter for the jury to determine. And, as is the case for every element of a criminal offense, DoJ would have to prove motive beyond a reasonable doubt. Motive plays the same rule under federal and state anti-discrimination laws as it does under the current federal hate crimes law. My amendment does not affect this.

It is the second test which has prevented the law from reaching many cases where individuals kill or injure others because of racial or religious hatred. In 1994, a jury acquitted 3 white supremacists who had assaulted 3 African-Americans. Jurors revealed after the trial that they felt racial animus had been established but not that the defendants intended to prevent the victims from participating in a federally protected activity. My amendment addresses this limitation.

Under my amendment, DoJ would still have to satisfy the first test and prove beyond a reasonable doubt that bias was involved. But in cases of crimes motivated by race, religion and ethnicity, DoJ would no longer be limited to those situations where the victim was engaged in or enjoying a federally protected activity.

In 1996, 88 current members of the Senate voted to support a similar provision in the Church Arson Prevention Act.

Under my amendment, federal involvement in prosecuting crimes based on sexual orientation, disability or gender AND where bodily injury or death result would be limited to those instances where the violent crime has a sufficient connection with interstate commerce.

This provision is critical for the 28 states that have no authority to prosecute bias-motivated crimes based on disability or sexual orientation, and for the 29 states that have no authority to prosecute bias-motivated crimes based on gender, like the Son of Sam serial killings in New York.

The amendment would provide two levels of penalties in all cases of hate crimes:

1. Imprisonment up to 10 years for persons who cause bodily injury, or through the use of fire, firearms or explosives, attempts to cause bodily injury; and

2. Imprisonment up to life if death results or if the offense includes kidnapping, aggravated sexual abuse or an

attempt to commit aggravated sexual abuse, or an attempt to kill.

Some believe that every crime is a hate crime. Every crime is tragic, but not all crime is based on hate. A hate crime occurs when the perpetrator intentionally chooses the victim because of who the victim is. A hate crime affects not only the victim but an entire community or group of people.

Some believe this amendment would provide special protection to certain groups. But it is perpetrators who intentionally single out victims because of who they are in an attempt to send a chilling message to society or others in that group of people.

Some argue that hate crimes laws threaten free speech. Hate crimes laws punish violent acts, not beliefs or thoughts, no matter how violent those thoughts or beliefs might be. Nothing in this amendment would prohibit or deny the lawful expression of one's deeply held religious beliefs. However, causing or attempting to cause bodily injury is clearly not protected speech.

Some have expressed concern that this amendment would federalize crimes that are better left to the states to address. Today, there is overlapping jurisdiction in the case of many homicides, bank robberies, kidnapping and fraud. Like these areas, when both federal and state hate crimes statutes apply, there will be no need for federal prosecution in the vast majority of cases.

The amendment will not invite a tsunami of new cases. In no one year since the first hate crime law was enacted in 1968 has there been more than 10 indictments. In fact, from 1992 to 1997, federal officials prosecuted only 33 cases, or an average of fewer than 6 hate crimes cases a year. Mr. Eric Holder testified that this amendment will only lead to "a modest increase in the number of cases." The significance of this amendment is to backstop state and local law enforcement by giving them extra tools to fight hate crime, not to open the floodgates to frivolous cases.

Even in states with broad hate crimes laws, the higher penalties available under federal statute, the complexity of the investigation, the procedural advantages of a federal prosecution, or the failure of a state prosecution may make federal prosecution desirable.

All but 8 states have hate crimes statutes, but only 21 cover sexual orientation, 22 cover gender and 21 cover disability. Despite the clear evidence that last year's brutal murder of Matthew Shepard was motivated by hatred of gays, federal authorities were unable to assist state and local authorities in investigating the case because Wyoming had no hate crime law and federal agencies lacked the authority.

Evidence indicates that hate crimes are under reported, but FBI statistics show that since 1991 hate crimes have

nearly doubled, with more than 8,000 reported in 1997. Race-related hate crimes were by far the most common, accounting for 60%. Hate crime based on religion accounted for 17%, and hate crimes against gays and lesbians, which jumped by 8% last year, accounted for 14% of all hate crimes reported.

The federal government has a long history in combating hate crimes:

In addition to the landmark civil rights laws of the 1960s,

In 1990, Congress passed the Hate Crime Statistics Act to keep track of hate crimes;

In 1994, Congress enacted the Hate Crimes Sentencing Enhancement Act to allow for increased sentences for offenses found beyond a reasonable doubt to be hate crimes; in 1994 Congress passed the Violence Against Women Act; and in 1996 Congress enacted the Church Arson Prevention Act.

Under the able leadership of Senator HATCH, the Judiciary Committee has held several hearings on the problem of hate crimes. In my view the record overwhelmingly established the need for this legislation.

As if we need any further evidence, we need only look to the Fourth of July weekend headlines describing brutal acts of violence aimed at Orthodox Jews, Asian-Americans, African-Americans and a gay couple in California.

We must correct the deficiencies in current law. Today, a crime motivated by race, religion or ethnic origin can be prosecuted by federal authorities because it occurred on a public sidewalk but not if it took place in the private parking lot across the street. This is wrong. I believe Congress must focus the full force of the federal government on investigating and prosecuting hate crimes.

The vote on this amendment will be a referendum on whether members will continue to tolerate violent acts borne of prejudice.

In closing, I would say to my colleagues that this is not a problem that needs further study. The evidence is in, and it is clear. We need to send a strong and unequivocal message that hate crimes will no longer be tolerated; that the full force of federal law enforcement will be brought to bear in prosecuting these violent acts.

I hope my colleagues will ask themselves the following question. If they have a child or know of a child who has a disability, a child who is gay, or who is a girl, and that child suffers bodily injury or worse, death, simply because of who he or she is, do you want that child to be just another statistic that is studied, or do you want the perpetrator to be prosecuted to the fullest extent allowed by the Hate Crimes Prevention Act?

AMENDMENT NO. 1325

(Purpose: To provide for a study on older individuals and crime)

At the end of title I, add the following:



SEC. . (a) In this section:

(1) The term "hate crime" has the meaning given the term in section 280003(a) of the Violent Crime Control and Law Enforcement Act of 1994 (28 U.S.C. 994 note).

(2) The term "older individual" means an individual who is age 65 or older.

(b) The Attorney General shall conduct a study concerning—

(1) whether an order individual is more likely than the average individual to be the target of a crime;

(2) the extent of crimes committed against older individuals; and

(3) the extent to which crimes committed against older individuals are hate crimes.

(c) Not later than 180 days after the date of enactment of this Act, the Attorney General shall submit to Congress a report containing the results of the study.

Mr. GRAHAM. My amendment would require the Attorney General to conduct a study on crimes against older individuals no later than 180 days after the date of enactment of this legislation.

The population aged 65 years or older numbered 34.1 million in 1997 and will continue to grow as the baby boomer generation ages. These individuals are particularly vulnerable to crime.

Because they have made the determination that our large elderly population is susceptible to monetary scams and physical acts of intimidation, criminals defraud the elderly in areas ranging from telemarketing to health care fraud to securities and insurance.

Federal prosecutors and law enforcement officials throughout Florida are spending more and more of their time in efforts against the cheats, fly-by-night operators, and other criminals who are targeting the elderly for financial profit.

The losses suffered as a result of these crimes not only affect the elderly and their families but also squander resources for programs that provide services to millions of needy elderly Americans.

Mr. President, we can and must do better.

My amendment will require the Justice Department study to examine two vital issues: (1) whether an individual over 65 is more likely than the average individual to be the target of a crime; and (2) the extent of crimes committed against individuals over 65.

This amendment gives the Senate the opportunity to express its determination to protect this important segment of American society from criminals.

In his national bestseller, "The Greatest Generation," NBC news anchor Tom Brokaw discusses the heroics of the World War II generation and how they saved the world from tyranny. It would be a shame if the generation that protected us in its youth was allowed to become victims of scam artists and violent criminals in its later years.

Mr. President, this study will be a first step toward freeing older Ameri-

cans from the threat of crime. I urge all of my colleagues to support this important measure.

#### AMENDMENT NO. 1326

(Purpose: To extend temporary protected status for certain nationals of Liberia)

At the appropriate place in the bill, insert the following:

#### SEC. . EXTENSION OF TEMPORARY PROTECTED STATUS FOR CERTAIN NATIONALS OF LIBERIA.

(a) CONTINUATION OF STATUS.—Notwithstanding any other provision of law, any alien described in subsection (b) who, as of the date of enactment of this Act, is registered for temporary protected status in the United States under section 244(c)(1)(A)(iv) of the Immigration and Nationality Act (8 U.S.C. 1254a(c)(1)(A)(iv)), or any predecessor law, order, or regulation, shall be entitled to maintain that status through September 30, 2000.

(b) COVERED ALIENS.—An alien referred to in subsection (a) is a national of Liberia or an alien who has no nationality and who last habitually resided in Liberia.

#### AMENDMENT NO. 1327

(Purpose: To express the sense of the Senate with respect to promoting travel and tourism)

At the appropriate place in title II, insert the following:

#### SEC. 2 . SENSE OF SENATE WITH RESPECT TO PROMOTING TRAVEL AND TOURISM.

(a) FINDINGS.—Congress finds that—

(1) an effective public-private partnership of Federal, State, and local governments and the travel and tourism industry can successfully market the United States as the premiere international tourist destination in the world;

(2) the private sector, States, and cities currently spend more than \$1,000,000,000 annually to promote particular destinations within the United States to international visitors;

(3) other nations are spending hundreds of millions of dollars annually to promote the visits of international tourists to their countries, and the United States will miss a major marketing opportunity if it fails to aggressively compete for an increased share of international tourism expenditures as they continue to increase over the next decade;

(4) a well-funded, well-coordinated international marketing effort, combined with additional public and private sector efforts, would help small and large businesses, as well as State and local governments, share in the anticipated growth of the international travel and tourism market in the 21st century; and

(5) a long-term marketing effort should be supported to promote increased travel to the United States for the benefit of every sector of the economy.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress should enact this year, with adequate funding from available resources, legislation that would support international promotional activities by the United States National Tourism Organization to help brand, position, and promote the United States as the premiere travel and tourism destination in the world.

#### AMENDMENT NO. 1328

(Purpose: To study the benefits of establishing an electronic commerce extension program at the Department of Commerce.)

On page 65, after line 25, add the following:

#### SEC. 209. STUDY A GENERAL ELECTRONIC EXTENSION PROGRAM.

Not later than six months after the enactment of this Act, the Secretary of Commerce shall report to Congress on possible benefits from a general electronic commerce extension program to help small businesses, not limited to manufacturers, in all parts of the nation identify and adopt electronic commerce technology and techniques, so that such businesses can fully participate in electronic commerce. Such a general extension service would be analogous to the Manufacturing Extension Program managed by the National Institute of Standards and Technology, and the Cooperative Extension Service managed by the Department of Agriculture. The report shall address, at a minimum, the following—

(a) the need for or opportunity presented by such a program;

(b) some of the specific services that such a program should provide and to whom;

(c) how such a program would serve firms in rural or isolated areas;

(d) how such a program should be established, organized, and managed;

(e) the estimated costs of such a program; and

(f) the potential benefits of such a program to both small businesses and the economy as a whole.

#### AMENDMENT NO. 1329

At page 59, line 14 after the colon insert the following ?

"Provided further, That of the amounts provided, \$6,000,000 shall be made available to Pacific Coastal tribes (as defined by the Secretary of Commerce) through the Department of Commerce, which shall allocate the funds to tribes in California and Oregon, and to tribes in Washington after consultation with the Washington State Salmon Recovery Funding Board; provided further that the Secretary ensure the aforementioned \$6 million be used for restoration of Pacific Salmon populations listed under the Endangered Species Act; provided further that funds to tribes in Washington shall be used only for grants for planning (not to exceed 10% of grant), physical design, and completion of restoration projects; and provided further, that each tribe receiving a grant in Washington State derived from the aforementioned \$6 million provide a report on the specific use and effectiveness of such recovery project grant in restoring listed Pacific Salmon populations, which report shall be made public and shall be provided to the Committees on appropriations in the U.S. House of Representatives and the U.S. Senate through the Salmon Recovery Funding Board by December 1, 2000.

Mrs. MURRAY. Mr. President, my amendment will provide the Pacific coastal tribes of Washington, Oregon, and California with salmon recovery funding.

I would like to start by expressing my deep appreciation to Subcommittee Chairman GREGG and subcommittee ranking member, Senator HOLLINGS, for including in the Commerce, Justice, State appropriations bill, \$80 million for the Pacific coastal salmon recovery account. Given the fiscal constraints I am pleased the money was made available.

The Pacific coastal salmon initiative was proposed by the Administration to help address the rash of endangered

species listings of salmon along the coast. The Administration's initiative called for the funding of \$100 million with up to 10% of that money going to the Pacific coastal tribes. Another portion of the initiative called for increased personnel for the National Marine Fisheries Service in order to handle a higher workload brought about by new ESA listings around the nation. The NMFS received some funding in the bill to undertake this initial work.

The only party to this initiative that did not receive funding was the tribes. I do not know why this decision was made, but I believe it sends the wrong message and we must remedy the situation. My amendment directs funds to Pacific coastal tribes to participate in the salmon recovery process. We need them to make this process work.

I would like to recognize that my amendment to ensure tribal participation is cosponsored by Senators INOUE, BOXER, FEINSTEIN, and WYDEN. I would also like to recognize the support of Governor Gary Locke of Washington and Governor John Kitzhaber of Oregon. Lastly, I appreciate the support of King County Executive Ron Sims, Pierce County Executive Doug Sutherland, and Snohomish County Executive Bob Drewel.

The reason all these people are supporting this amendment is that they know the tribes are a vital partner in the coordinated effort to recover salmon. Successful recovery is going to require all parties working as a team. Leaving the tribes out of the equation is not a way to build the team.

Some may suggest that my amendment is unnecessary because the tribes can apply to the states for a portion of the money being provided to the states. However, tribes should not have to receive these funds through a state grant process or via any other mechanism that might diminish their roles as sovereign governments. It is Congress that can do the right thing at this stage to respect the rights of the Tribes to be self-governing and join their counterpart governments in this vital partnership.

I appreciate the cooperation of the Chairman and my colleagues in agreeing to the adoption of my amendment to make the Pacific coastal tribes true partners in our effort to recover threatened and endangered salmon runs.

#### AMENDMENT NO. 1330

(Purpose: To improve the process for deporting criminal aliens)

On page 45, between lines 9 and 10, insert the following:

SEC. . (a) In implementing the Institutional Hearing Program and the Institutional Removal Program of the Immigration and Naturalization Service, the Attorney General shall give priority to—

(1) those aliens serving a prison sentence for a serious violent felony, as defined in section 3559(c)(2)(F) of title 18, United States Code; and

(2) those aliens arrested by the Border Patrol and subsequently incarcerated for drug violations.

(b) Not later than March 31, 2000, the Attorney General shall submit a report to Congress describing the steps taken to carry out subsection (a).

#### AMENDMENT NO. 1331

(Purpose: To require Congressional notification prior to the sale of properties that have been used as U.S. embassies, U.S. Consulates or the residences of the U.S. Ambassador, Chief of Mission or Consuls General)

At the appropriate place in the bill add the following:

#### SEC. . NOTIFICATION OF INTENT TO SELL CERTAIN U.S. PROPERTIES.

Consistent with the regular notification procedures established pursuant to Section 34 of the State Department Basic Authorities Act of 1956, the Secretary of State shall notify in writing the Committees on Foreign Relations and Appropriations in the Senate and the committees on International Relations and Appropriations in the House of Representatives sixty days in advance of any action taken by the Department of enter into any contract for the final sale of properties owned by the United States that have served as United States Embassies, Consulates General, or residences for United States Ambassadors, Chief of Missions, or Consuls General.

#### AMENDMENT NO. 1332

(Purpose: To earmark funds for a new truck safety initiative)

On page 27, line 15, after "Initiative," insert "of which \$500,000 is available for a new truck safety initiative, in the state of New Jersey."

#### AMENDMENT NO. 1333

(Purpose: To allow the City of Camden to retain funding from a fiscal year 1996 law enforcement grant)

On page 45, after line 9, insert the following:

SEC. . Notwithstanding any other provision of law, \$190,000 of funds granted to the City of Camden, New Jersey, in 1996 as a part of a Federal local law enforcement block grant may be retained by Camden and spent for the purposes permitted by the grant through the end of fiscal year 2000.

#### AMENDMENT NO. 1334

(Purpose: To amend the Federal Property and Administrative Services Act of 1949 to continue and extend authority for transfers to State and local governments of certain property for law enforcement, public safety, and emergency response purposes)

On page 111, insert between lines 7 and 8 the following:

SEC. 620. Section 203(p)(1)(B) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(p)(1)(B)) is amended—

- (1) by striking clause (ii);
- (2) by inserting "or public safety" after "law enforcement";
- (3) by striking "(i)";
- (4) by striking "(I)" and inserting "(i)"; and
- (5) by striking "(II)" and inserting "(ii)".

#### AMENDMENT NO. 1335

On page 15, after line 2, insert:

#### "HIGH INTENSITY INTERSTATE GANG ACTIVITY AREAS PROGRAM

"For expenses necessary to establish and implement the High Intensity Interstate

Gang Activity Areas Program (including grants, contracts, cooperative agreements and other assistance) pursuant to Section 205 of S. 254 as passed by the Senate on May 20, 1999, and consistent with the funding proportions established therein, \$20,000,000."

On page 21, line 16, strike "3,156,895,000" and insert "3,136,895,000."

#### AMENDMENT NO. 1336

(Purpose: To provide funding to the National Oceanic and Atmospheric Administration to upgrade Great Lakes water gauging stations in order to ensure compliance with Year 2000 (Y2K) computer date processing requirements)

On page 57, line 16, strike "\$1,776,728,000" and insert "\$1,777,118,000".

On page 57, line 17, before the colon, insert the following: "of which \$390,000 shall be used by the National Ocean Service to upgrade an additional 13 Great Lakes water gauging stations in order to ensure compliance with Year 2000 (Y2K) computer date processing requirements".

Mr. LEVIN. Mr. President, I thank Senators GREGG and HOLLINGS and REID for their efforts in helping an amendment be added to the managers' package which Senator DEWINE and I offered relative to Great Lakes stations and measuring stations for water levels. It is an important amendment for the Great Lakes.

I ask unanimous consent that a letter that I and Senator DEWINE wrote to Senators GREGG and HOLLINGS dated June 24 be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,

Washington, DC, June 24, 1999.

Hon. JUDD GREGG,  
Chair, Subcommittee on Commerce, Justice,  
State, Committee on Appropriations, U.S.  
Senate, Washington, DC.

DEAR COLLEAGUES: We are writing to request that our amendment providing \$390,000 for upgrades to 13 Great Lakes gauging stations be included in the managers' amendment to the Commerce, Justice, State Appropriations bill. It has only recently come to our attention that NOAA/NOS was proposing to close rather than upgrade these 13 stations due primarily to budget consideration. Upgrades to the stations supported by the one-time appropriation in amendment will cut the long-term operating expenses for the stations by half or more while ensuring timely transfer of the essential data to the end users in the private sector and other Federal agencies. Because the old technology employed in these stations is not Y2K compliant, it is essential that the upgrades be provided this year.

Many of the 13 stations slated for closure are of particular importance to the monitoring network. Three of the stations have been in operation since the turn of the last century (1899-1901), forming a central part of the long term record for Great Lakes water levels. Their closure represents a grave loss to the continuity of the data. Six of the gauging stations are located in connecting channels, geographic locations for which water levels are nearly impossible to accurately interpolate from other sites and which are essential to determining flow rates between the lakes. Closure of these connecting channel stations will critically injure our

ability to determine flow of water, contaminants, and other substances among the Great Lakes.

Furthermore, the proposed reduction in gauging capability comes at a time when such capability is needed most. Great Lakes jurisdictions at the federal, state, provincial and binational levels are confronting a series of complex issues associated with water withdrawal, consumptive use and removal, including export. The Great Lakes system is currently experiencing dramatic declines in water levels compared with just last year, ranging from an 8" drop in Lake Superior to 30" in Lake Ontario. Overall, water levels have changed from extreme highs to levels nearly a foot below the long-term averages. This water level reduction has already had profound impacts on commercial navigation and recreational boating. Lake level regulation, dredging needs, and other priorities also are set based on the expectations of water level fluctuations. All of these issues have one thing in common: they are fundamentally dependent upon the accurate and comprehensive data provided by the 49 long-term Great Lakes stations in the National Water Level Observation Network. Federal, state and local decision makers in the Great Lakes region rely upon this network to make informed decisions regarding resource management and policy.

We believe that the funding level requested is both modest and justifiable given the importance of the water level gauging network to the Great Lakes region and the long-term cost savings that will be realized.

Sincerely,

MIKE DEWINE.  
CARL LEVIN.

#### AMENDMENT NO. 1337

On page 34, line 25, after "title", insert the following: "Provided further, That of the total amount appropriated not to exceed \$550,000 shall be available to the Lincoln Action Program's Youth Violence Alternative Project."

#### AMENDMENT NO. 1338

On page 26 of S. 1217, line 2 after the word "Programs", strike the period and insert the following:

Provided further, That of the total amount appropriated, not to exceed \$1,000,000 shall be available to the TeamMates of Nebraska project.

#### AMENDMENT NO. 1339

(Purpose: To provide for an analysis by the Securities Exchange Commission of the effects of electronic communications networks and night trading on securities markets)

On page 98, line 16, before the period, insert the following: "Provided further, That the Commission shall conduct a study on the effects of electronic communications networks and extended trading hours on securities markets, including effects on market volatility, market liquidity, and best execution practices".

#### AMENDMENT NO. 1340

(Purpose: To provide funding for task forces coordinated by the United States Attorney's Office for the Eastern District of Wisconsin and the Western and Northern Districts of New York)

On page 8, line 13, strike "\$25,000,000" and insert "\$27,000,000".

On page 8, line 23, insert before the period "and of which \$1,000,000 shall be for the

task force coordinated by the Office of the United States Attorney for the Eastern District of Wisconsin, and \$1,000,000 shall be for task forces coordinated by the Office of the United States Attorney for the Western District of New York and task forces coordinated by the Office of the United States Attorney for the Northern District of New York."

#### AMENDMENT NO. 1341

(Purpose: To allocate funds for Tibetan Exchange Program)

On page 78, line 8, before the period insert the following: "Provided further, That of the amount appropriated under this heading for the Fulbright program, such sums as may be available may be used for the Tibetan Exchange Program".

#### UNANIMOUS-CONSENT AGREEMENT

Mr. GREGG. Mr. President, I ask unanimous consent that when the Senate completes all action on S. 1217, it not be engrossed and be held at the desk. I further ask that when the House of Representatives companion measure is received in the Senate, the Senate immediately proceed to its consideration; that all after the enacting clause of the House bill be stricken and the text of S. 1217, as passed, be inserted in lieu thereof; that the House bill, as amended, be read for a third time and passed; that the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses thereon, and the Chair be authorized to appoint conferees on the part of the Senate; and that the foregoing occur without any intervening action or debate.

I further ask unanimous consent that upon passage by the Senate of the House companion measure, as amended, the passage of S. 1217 be vitiated and the bill be indefinitely postponed.

The PRESIDING OFFICER. Is there objection?

Mr. HOLLINGS. Mr. President, this is a wind-up unanimous consent request. I wonder if the distinguished manager would agree that we would have a voice vote on final passage, which would then cause this Boxer amendment vote to be the last vote tonight.

Mr. GREGG. That is the intention, and we hope that is the desire of the Senate. Therefore, the Boxer amendment will be the last vote tonight.

Mr. HOLLINGS. I ask unanimous consent that there be a voice vote on final passage.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, reserving the right to object—and I will not—do we all agree that when the conference report returns, we will have the vote on that?

Mr. GREGG. That is correct.

Mr. HOLLINGS. Definitely.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. GREGG. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the Boxer amendment.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Alabama (Mr. SHELBY) and the Senator from Arizona (Mr. MCCAIN) are necessarily absent.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Vermont (Mr. LEAHY) are necessarily absent.

The PRESIDING OFFICER (Mr. VOINOVICH). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 35, nays 61, as follows:

[Rollcall Vote No. 220 Leg.]

#### YEAS—35

Ashcroft	Enzi	Lott
Bennett	Gorton	Lugar
Bond	Gramm	McConnell
Breaux	Grams	Murkowski
Brownback	Gregg	Nickles
Bunning	Hagel	Roberts
Campbell	Hatch	Sessions
Cochran	Helms	Stevens
Coverdell	Hutchinson	Thompson
Craig	Hutchison	Voinovich
Crapo	Kyl	Warner
Domenici	Landrieu	

#### NAYS—61

Abraham	Feingold	Moynihan
Akaka	Feinstein	Murray
Allard	Fitzgerald	Reed
Baucus	Frist	Reid
Bayh	Graham	Robb
Biden	Grassley	Rockefeller
Bingaman	Harkin	Roth
Boxer	Hollings	Santorum
Bryan	Inhofe	Sarbanes
Burns	Inouye	Schumer
Byrd	Jeffords	Smith (NH)
Chafee	Johnson	Smith (OR)
Cleland	Kerrey	Snowe
Collins	Kerry	Specter
Conrad	Kohl	Thomas
Daschle	Lautenberg	Thurmond
DeWine	Levin	Torricelli
Dodd	Lieberman	Weinstone
Dorgan	Lincoln	Wyden
Durbin	Mack	
Edwards	Mikulski	

#### NOT VOTING—4

Kennedy	McCain
Leahy	Shelby

The motion was rejected.

Mrs. BOXER. I move to reconsider the vote.

Mr. GREGG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### AMENDMENT NO. 1306

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1306) was agreed to.

Mr. HOLLINGS. I move to reconsider the vote.

Mr. GREGG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1271, AS MODIFIED

(Purpose: To improve the bill)

Mr. GREGG. I ask unanimous consent to modify amendment No. 1271, a previously adopted amendment. I send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG], for himself and Mr. HOLLINGS, proposes an amendment numbered 1271, as modified.

The amendment, as modified, is as follows:

On page 6, line 14, strike “any other provision of law” and insert “31 U.S.C. 3302(b)”.

On page 6, line 18, strike “(15 U.S.C. 18(a))” and insert “(15 U.S.C. 18a)”.

On page 25, line 23, insert after “(106 Stat. 3524)”, “of which \$5,000,000 shall be available to the National Institute of Justice for a national evaluation of the Byrne program.”.

On page 30, line 17, strike after “1999”, “of which \$12,000,000 shall be available for the Office of Justice Programs’ Global Information Integration Initiative.”.

On page 50, line 6, insert before the period: “to be made available until expended”.

On page 73, between lines 12 and 13, insert the following:

“SEC. 306. Section 604(a)(5) of title 28, United States Code, is amended by adding before the semicolon at the end thereof the following: ‘, and, notwithstanding any other provision of law, pay on behalf of justices and judges of the United States appointed to hold office during good behavior, aged 65 or over, any increases in the cost of Federal Employees’ Group Life Insurance imposed after April 24, 1999, including any expenses generated by such payments, as authorized by the Judicial Conference of the United States.’”.

On page 75, line 15, insert the following after “period”: “, unless the Secretary of State determines that a detail for a period more than a total of 2 years during any 5 year period would further the interests of the Department of State”.

On page 75, line 21, insert the following after “detail”: “, unless the Secretary of State determines that the extension of the detail would further the interests of the Department of State”.

On page 76, line 11, insert before the period: “, Provided further. That of the amount made available under this heading, not less than \$11,000,000 shall be available for the Office of Defense Trade Controls”.

On page 110, strike lines 15 through 23 and insert in lieu thereof:

“(ii) Notwithstanding otherwise applicable law, for each license or construction permit issued by the Commission under this subsection for which a debt or other monetary obligation is owed to the Federal Communications Commission or to the United States, the Commission shall be deemed to have a perfected, first priority security interest in such license or permit, and in the proceeds of sale of such license or permit, to the extent of the outstanding balance of such a debt or other obligation.”.

On page 111, insert after the end of Sec. 619: “Sec. 620. (a) DEFINITIONS—For the purposes of this section—

(1) the term “agency” means the Federal Communications Commission.

(2) the term “employee” means an employee (as defined by section 2105 of title 5,

United States Code) who is serving under an appointment without time limitation, and has been currently employed by such agency for a continuous period of at least 3 years; but does not include—

(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government.

(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government.

(C) an employee who has been duly notified that he or she is to be involuntarily separated for misconduct or unacceptable performance;

(D) an employee who has previously received any voluntary separation incentive payment from the Federal Government under this section or any other authority;

(E) an employee covered by statutory reemployment rights who is on transfer to another organization; or

(F) any employee who, during the twenty-four month period preceding the date of separation, has received a recruitment or relocation bonus under section 5753 of title 5, United States Code, or who, within the twelve month period preceding the date of separation, received a retention allowance under section 5754 of that title.

(3) The term “Chairman” means the Chairman of the Federal Communications Commission.

(b) AGENCY PLAN—

(1) IN GENERAL—The Chairman, prior to obligating any resources for voluntary separation incentive payments, shall simultaneously submit to the authorizing and appropriating Committees of the House and the Senate and to the Office of Management and Budget a strategic plan outlining the intended use of such incentive payments and a proposed organizational chart for the agency once such incentive payments have been completed.

(2) CONTENTS—The agency’s plan shall include—

(A) the positions and functions to be reduced, eliminated, and increased, as appropriate, identified by organizational unit, geographic location, occupational category and grade level;

(B) the time period during which incentives may be paid;

(C) the number and amounts of voluntary separation incentive payments to be offered; and

(D) a description of how the agency will operate without the eliminated positions and functions and with any increased or changed occupational skill mix.

(3) CONSULTATION—The Director of the Office of Management and Budget shall review the agency’s plan and may make appropriate recommendations for the plan with respect to the coverage of incentives as described under paragraph (2)(A), and with respect to the matters described in paragraph (2)(B)-(C). Any such recommendations shall be submitted simultaneously to the authorizing and appropriating committees of the House and the Senate.

(c) AUTHORITY TO PROVIDE VOLUNTARY SEPARATION INCENTIVE PAYMENTS—The Chairman shall implement the next agency plan without prior written notification to the chairman of each authorizing and appropriating committee of the House and the Senate at least fifteen days in advance of such implementation.

(1) IN GENERAL—A voluntary separation incentive payment under this section may be paid by the Chairman to any employee only to the extent necessary to eliminate the positions and functions identified by the strategic plan.

(2) AMOUNT AND TREATMENT OF PAYMENTS—A voluntary incentive payment

(A) shall be paid in a lump sum, after the employee’s separation

(B) shall be equal to the lesser of—

(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code (without adjustment for any previous payments made) or

(ii) an amount determined by the Chairman not to exceed \$25,000.

(C) may not be made except in the case of any qualifying employee who voluntarily separates (whether by retirement or resignation) under the provisions of this section by not later than September 30, 2001;

(D) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(E) shall not be taken into account in determining the amount of any severance pay to which the employee may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(d) ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND—

(1) IN GENERAL—In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, the agency shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final base pay of each employee of the agency who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this Act.

(2) DEFINITION—For the purpose of paragraph (1), the term “final basic pay,” with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee’s final rate of basic pay, and, if last serving or other than a full-time basis, with appropriate adjustment therefor.

(e) EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT—

(1) An individual who has received a voluntary separation incentive payment from the agency under this section and accepts any employment for compensation with the Government of the United States, or who works for any agency of the United States Government through a personal service contract, within 5 years after the date of the separation on which the payment is based shall be required to pay, prior to the individual’s first day of employment, the entire amount of the lump sum incentive payment to the agency.

(2) If the employment under paragraph (1) is with an Executive agency (as defined by section 105 of title 5, United States Code), the United States Postal Service or the Postal Rate Commission, the Director of the Office of Personnel Management may, at the request of the head of the agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(3) If the employment under paragraph (1) is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities

and is the only qualified applicant available for the position.

(4) If the employment under paragraph (1) is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant for the position.

(f) INTENDED EFFECT ON AGENCY EMPLOYMENT LEVELS—

(1) IN GENERAL—Voluntary separations under this section are not intended necessarily to reduce the total number of full-time equivalent positions in the Federal Communications Commission. The agency may redeploy or use the full-time equivalent positions vacated by voluntary separations under this section to make other positions available to more critical locations or more critical occupations.

(2) ENFORCEMENT—The president, through the office of Management and Budget, shall monitor the agency and take any action necessary to ensure that the requirements of this subsection are met.

(g) REGULATIONS—The Office of Personnel Management may prescribe such regulations as may be necessary to implement this section.

(h) EFFECTIVE DATE—This section shall take effect on the date of enactment. (Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Act, 1999, as included in Public Law 105-277, section 101(b)."

At the end of title VI, insert the following:  
 "SEC. 621. The Secretary of Commerce (hereinafter the "Secretary") is hereby authorized and directed to create an "Inter-agency Task Force on Indian Arts and Crafts Enforcement" to be composed of representatives of the U.S. Trade Representative, the Department of Commerce, the Department of Interior, the Department of Justice, the Department of Treasury, the International Trade Administration, and representatives of other agencies and departments in the discretion of the Secretary to devise and implement a coordinated enforcement response to prevent the sale or distribution of any product or goods sold in or shipped to the United States that is not in compliance with the Indian Arts and Crafts Act of 1935, as amended."

Mr. GREGG. This technical amendment has been cleared on both sides. I ask for its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment (No. 1271), as modified, was agreed to.

AMENDMENT NO. 1272 WITHDRAWN

Mr. GREGG. I ask unanimous consent to withdraw the amendment numbered 1272.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1291

(Purpose: To amend title III of the Family Violence Prevention and Services Act and title IV of the Secondary Education Act of 1965 to limit the effects of domestic violence on the lives of children, and for other purposes)

Mr. GREGG. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG], for Mr. WELLSTONE and Mrs. MURRAY, proposes an amendment numbered 1291.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. GREGG. I ask unanimous consent we accept amendment No. 1291.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1291) was agreed to.

AMENDMENT NO. 1342

(Purpose: To express the sense of the Senate with respect to hush kits)

Mr. GREGG. Mr. President, I send a sense of the Senate to the desk and ask unanimous consent it be accepted.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG], for Mr. GORTON, for himself, Mr. DODD, Mr. MCCAIN, Mr. HOLLINGS, and Mr. ROCKEFELLER, proposes an amendment numbered 1342.

The amendment is as follows:

At the appropriate place, insert the following:

**SEC. XX. SENSE OF THE SENATE REGARDING THE EUROPEAN COUNCIL NOISE RULE AFFECTING HUSHKITTED AND REENGINEED AIRCRAFT.**

(a) FINDINGS.—The Senate finds that—

(1) For more than 50 years, the International Civil Aviation Organization (ICAO) has been the single entity vested with the authority to establish international noise and emissions standard; through OCAOs efforts, aircraft noise has decreased by an average of 40 percent since 1970;

(2) ICAO is currently working on an expedited basis on even more stringent international noise standards, taking into account economic reasonableness, technical feasibility and environmental benefits;

(3) International noise and emissions standards are critical to maintaining U.S. aeronautical industries' economic viability and to obtaining their on going commitment to progressively more stringent noise reduction efforts;

(4) European Council (EO) Regulation No. 925/1999 banning certain aircraft meeting the highest internationally recognized noise standards from flying in Europe, undermines the integrity of the ICAO process and undercuts the likelihood that new Stage 4 standards can be developed;

(5) While no regional standard is acceptable, this regulation is particularly offensive, there is no scientific basis for the regulation and it has been carefully crafted to protect European aviation interests while imposing arbitrary, substantial and unfounded cost burdens on United States' aeronautical industries;

(6) The vast majority of aircraft that will be affected by EC Regulation No. 925/1999 are operated by U.S. flag carriers; and

(7) The implementation of EC Regulation No. 925/1999 will result in a loss of jobs in the United States and may cost the U.S. aviation industry in excess of \$2,000,000,000.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) EC Regulation No. 925/1999 should be rescinded by the EC at the earliest possible time;

(2) that if it is not done, the Department of State should file a petition regarding EC on Regulation No. 925/1999 with ICAO pursuant to Article 84 of the Chicago Convention; and

(3) the Departments of Commerce and Transportation and the United States Trade Representative should use all reasonable means available to them to ensure that the goal of having the rule repealed is achieved.

Mr. GORTON. Mr. President, I rise today to introduce a sense of the Senate amendment regarding the recent unilateral action of the EU effectively banning hushkitted and re-engineered aircraft from operating in European Union states. If this rule is implemented on May 1, 2000 it will have a discriminatory impact on U.S. carriers and equipment manufacturers, not to mention setting a bad precedent for action by countries or groups of countries outside of the established International Civil Aviation Organization (ICAO) standards-setting process.

This legislation was adopted by the EU on April 29, 1999, but implementation was delayed until May 2000 to allow U.S. and EU representatives to work out the framework of a new, more stringent global aircraft noise standard within ICAO. The Federal Aviation Administration and the State Department have been in negotiations with the EU on the eventual withdraw of this unfair and discriminatory statute.

Many of my colleagues have seen recent efforts by the European Union to gain the upper hand over the United States in matters of trade. Aviation has proven to be no different. And this is deeply troubling, because aviation is not only a primary source of a favorable balance of trade for the United States, but, because of its global reach, represents an area where international standards are crucial to facilitating that commerce among nations. Yet, as I stated earlier, the EU has acted to preempt U.S. air carriers and carriers from other parts of the world from serving points in Europe with certain hushkitted or re-engineered aircraft. This restriction applies even though those aircraft fully comply with Stage 3 international noise standards adopted by the International Civil Aviation Organization (ICAO).

This European regulation, although its implementation has been deferred until May 2000, has already created financial hardships for U.S. aerospace manufacturers and airlines. It must be withdrawn or we will see a continued impact on U.S. jobs and profits. Modifying the rule or deferring its implementation for an added period of time will not offer the relief needed by U.S. aviation interests—the financial markets simply do not respond favorably to uncertainty. The U.S. government has engaged in extensive discussions with the European Council for the past year, without achieving a commitment to a repeal of this rule, which I might add expressly protects European aviation interests. The time has come to

achieve a timely resolution of this problem through action.

The Sense of the Senate resolution I offer today cites the need for complying with international standards in the aviation arena and highlights the problems the rule is causing for U.S. manufacturers and operators. Failing an early commitment by the Europeans to withdraw this arbitrary and discriminatory rule, the resolution calls upon the Department of State to initiate an Article 84 proceeding before ICAO. It is my understanding that this type of proceeding is not a sanctions mechanism, but instead affords a process that provides an opportunity for the international aviation body to rule on whether this regulation complies with international aviation standards.

This Sense of the Senate further calls upon other agencies of the executive branch to use the tools at their disposal as well to achieve the early repeal of this rule. There is a broader point to be made as well, which is that, without restoring credibility to the international aviation standards process, we can have little or no confidence about any future international standards adopted by the international aviation community through ICAO. That is a very dangerous precedent for the global aviation environment in the future.

Mr. McCAIN. Mr. President, I support the amendment offered by Senator GORTON regarding the European Union's (EU) rule affecting hushkitted and re-engined aircraft. This Sense of the Senate amendment will make clear to the Europeans that the United States will not tolerate unfair, discriminatory restrictions on trade that go against international principles and standards.

For those who are not familiar with the issue, I will provide a brief background. To comply with international aircraft noise standards, the U.S. aviation industry adopted so-called hushkit technology to bring its older aircraft into compliance. Some airlines also purchased new engines for their older aircraft. Even though these hushkitted and re-engined aircraft comply with the new international noise standard, the EU took legislative action to freeze the number of these aircraft within the EU Community at the 1999 level. Although the EU delayed final implementation of this rule for one year, this move has the effect of setting a more stringent noise standard in Europe.

Unfortunately, implementation of this rule is likely to have a discriminatory and costly impact on the United States aviation industry without any noise reduction benefits. The fact that this rule does not have a similar effect on industries in the EU is troubling. It is my understanding that certain aspects of the rule were tailored to protect European aviation interests. But one of the worst aspects of this rule is

the terrible precedent that it sets for unilateral action by countries or groups of countries outside of the established international standards-setting process.

Earlier this year I wrote to European officials to express my deep frustration with their having chosen this particular, unilateral course of action to address the issue of aircraft emissions. Regulations such as the one at issue should be taken through the appropriate international channels, such as the International Civil Aviation Organization. Adoption of this rule by the EU has effectively breached a 50-year regime of global environmental rules in aviation.

A regional rule such as this one will undermine the ability of lesser-developed nations, the aerospace industry, airlines, and the United States to work toward international standards for more stringent aircraft engine emissions, which is the purported rationale for the EU rule. I sincerely hope that the EU will come to realize the benefits of a single, rational aviation regime for all nations.

The delay in implementation of the rule was granted as a result of a U.S. commitment to work in partnership with the EU within the established international process to develop a new, more stringent global aircraft noise standard. Since its adoption, the Federal Aviation Administration has been working bilaterally with representatives of the European Commission to develop an agreement to work in partnership on resolving this matter to everyone's satisfaction.

Despite the ongoing consultations, and regardless of the delay in implementation of the rule, U.S. industry is being negatively impacted right now. Because the hushkit rule is on the books, the market assumes that the rule will eventually come into effect. This has had a profound impact upon many businesses. So it is important that this matter be resolved soon.

The Europeans must understand how important it is that the considerations of the United States are taken into account with respect to this matter. If progress is not made in the near future, calls for taking strong action against the EU will grow. As a committed proponent of free trade, I am adamantly opposed to the EU rule. For the same reason, I do not support inappropriate retaliation on the part of the United States in this matter. Despite my opposition, however, the U.S. may in fact retaliate, which could do harm to businesses and consumers on both sides of the Atlantic.

Whether retaliatory in nature or not, the U.S. has many tools at its disposal to address the matter if the EU proves to be intractable in its position. For example, the United States Trade Representative is considering preparation of a World Trade Organization case fo-

cusing on the discriminatory aspects of the rule. Northwest Airlines has filed a complaint with Department of Transportation asking for retaliatory measures. Most recently, the U.S. aviation industry has asked the government to take official action under the so-called Chicago Convention, which governs many aspects of international aviation, claiming that the EU rule is not in compliance with international standards.

I do not want this issue to become the subject of a trade war. But if the EU fails to grasp the determined opposition of the U.S. aviation industry to this rule, there may be serious repercussions. I hope that this Sense of the Senate will begin to get the message to the EU that this issue cannot remain unresolved for too much longer.

Mr. DODD. Mr. President, this amendment expresses the Sense of the Senate with respect to the discriminatory European trade practices being perpetrated against certain American products in the guise of promulgating regulations on noise emissions.

Last year the European Union began to restrict the use of so called hushkitted or reengined U.S. aircraft in the European community. These aircraft had been specifically modified to meet U.S. Stage 3 quiet noise standards. Ironically, the United States is several years ahead of Europe in urging U.S. aircraft to be reengined to comply with such standards.

EC Regulation No. 925/1999 has been crafted in such a way as a noise standard to effectively prohibit U.S. aircraft that have been hushkitted from flying in European airspace even though these aircraft are actually quieter than many European aircraft and engines. The standard is written in such a clever way that it touches only U.S. products. That in and of itself should make anyone suspicious as to whether the motive is noise abatement or a clearly disguised technical barrier to trade.

At the moment the EU has delayed implementation of the regulation but it has not been formally rescinded. That means that anyone thinking about buying U.S. aircraft that have been hushkitted, which most older aircraft have been to meet U.S. standards, would have to make some judgement as to whether this regulation is likely to resurface again. If the judgement is yes then a potential buyer would refuse to buy U.S. aircraft if they would be contemplated for use on European routes.

For more than fifty years, the International Civil Aviation Organization (ICAO) has been the single entity vested with the authority to establish international noise and emission standards, and thanks to its efforts aircraft noise has been decreased by forty percent. Moreover, ICAO is working as we speak to tighten international noise



standards even further. For the European Council to arbitrarily seek to preempt the efforts of the ICAO is extremely unhelpful and patently discriminatory against U.S. aircrafts and engines.

The amendment I have offered today calls upon the U.S. Department of State to seek international relief from this discriminatory regulation by partitioning the ICAO under existing relevant international conventions. It also calls upon other relevant U.S. agencies with jurisdiction over trade and transportation matters to work to resolve this matter.

Mr. President, there are clearly binding amendments that could be offered to deal with this problem. I do not support such an effort at this time. This is a matter for the Departments of State and Transportation together with the Office of the United States Trade Representative to work out with their European counterparts. I strongly urge them to do so on an expeditious basis.

Mr. HOLLINGS. Mr. President, I rise today in support of a sense of the Senate regarding the European Council noise rule affecting hushkitted and reengined aircraft. Under the guise of an environmental regulation, the European Union is engaged in a blatant effort to lock out the U.S. industry. Once again the EU is dragging its feet rather than finding a balanced resolution to this issue. It is time that we turned up the heat on the EU and roll back this patently protectionist measure.

Mr. GREGG. I ask unanimous consent the amendment be accepted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1342) was agreed to.

#### FCC FUNDS

Mr. GREGG. I would like to clarify the intent of the Committee regarding the funds appropriated in this bill for the Federal Communications Commission (FCC). The Committee's intent is that none of the funds provided for the agency in this bill are to be used by the FCC to reimburse the General Services Administration for the cost of the agency's relocation to the Portals site. I would ask the Ranking Democrat of the Subcommittee if that is his understanding as well.

Mr. HOLLINGS. The Subcommittee Chairman has accurately stated the intent of the Committee with regard to this issue.

#### SCHOOL SAFETY INITIATIVE

Mr. GREGG. Mr. President, I would like to engage in a colloquy with my colleague from South Carolina, Senator HOLLINGS, the ranking member of the Appropriations Subcommittee on Commerce, Justice, State and Judiciary (CJS), about an innovative program recently started by the State of Virginia, which I believe falls within the allowable use of funds within the

Safe Schools Initiative, a line item that appears in the FY 2000 CJS Appropriations Bill.

Senator HOLLINGS, it has recently come to my attention that the State of Virginia has begun implementing a new program to reduce crime in its schools called "4 Safe VA." This program is a public/private partnership, which includes online reporting of school crime, a toll-free statewide hotline, and an extensive training program.

Before school begins again in the fall, Virginia will train nearly 3,000 teachers, law enforcement, school resource officers, and other school personnel in school safety procedures. There will be four separate training programs, which are as follows: (1) a training program for school resource officers to prepare them to act as "first responders" in crisis situations, such as that which occurred in Littleton, Colorado; (2) a training program for school staff and local law enforcement in communities where there are no school resource officers to prepare them for responding to crisis situations; (3) a training program for 60 Virginia State Troopers to prepare them to support localities should a crisis situation occur; and (4) a training program for custodians, cafeteria workers, and other support staff, who know the students and who are often the "eyes and ears" of the school, to prepare them to assist in emergencies.

I have looked at Virginia's program plan and have found it to be innovative and thoughtful. I consider it to be the type of program for which we set aside \$38 million for community planning and prevention activities under the Safe Schools Initiative line item. It is my hope that the Office of Juvenile Justice and Delinquency Prevention, which will be administering these grants, will give careful thought to providing the State of Virginia with funds to continue to enhance the 4 Safe VA project.

Mr. HOLLINGS. I agree with you, Senator GREGG, that the 4 Safe VA project is a creative and solid approach to preventing and reacting to possible school crises in the State of Virginia. I agree that this is the type of program that should be funded under the Safe Schools Initiative. I also hope that the Office of Juvenile Justice and Delinquency Prevention give full consideration to funding this program.

Mr. GREGG. Mr. President, I very much thank the Senator from South Carolina for supporting me and engaging in this colloquy. I look forward to working with him in the future on ensuring that our nation's schools are safe.

#### CENSUS 2000

Mr. STEVENS. I understand my colleague from New Hampshire, the Manager of this bill, Senator GREGG is interested in making comments on the conduct of the 2000 Census as it regards Alaska Natives.

Mr. GREGG. Yes, I would like to join you in remarking on the 2000 Census and Alaska.

Mr. STEVENS. I would like to start by referencing a letter received from the Alaska Governor, Tony Knowles, which relates certain Government Accounting Office findings on the 1990 census. Governor Knowles reports that the total Alaskan Native population was undercounted by 11,000, resulting in an annual loss of federal funding of \$162 million over ten years.

Mr. GREGG. It is important to bring this statistic to the Senate's attention to underscore the significance of reform proposals the Senator from Alaska will raise here today.

Mr. STEVENS. Mr. President, I've often noted on this floor that the awesome size of Alaska makes for unique problems in rendering federal services. The 2000 Census count is no exception. The sheer physical separation of neighboring communities makes communication and coordination of planning difficult. The population is dispersed and also remote from the hub cities where resources are often concentrated. Competing forces and policies demand both centralization and decentralization of services.

Mr. GREGG. My staff and myself have traveled to Alaska at your invitation and agree that the distances between communities are a challenge in implementing federal programs and directives.

Mr. STEVENS. The situation is complicated by the diverse and varied social and political institutions set up in localities and at the regional level. Alaska Natives by traditional or necessity have chosen to organize in various ways to address different circumstances. Often federal agencies chose among these groups and are satisfied that they have covered their bases with Alaska Natives. I urge the Census to take a hard look at the expertise and advice of all Native entities, including Alaska Native Claims Settlement Act corporations which by virtue of their day-to-day business responsibilities and duties to shareholders also have a vigorous pool of human resources to assist in public education and input.

Mr. GREGG. I agree that expediency should not compromise the thorough study and development of local and regional solutions to Census 2000 issues.

Mr. STEVENS. A necessary first step to addressing these issues, is for senior-staff oversight of the Alaska Native Census in Washington, DC. I also urge the staffing and funding of an Alaska office of the Census.

Mr. GREGG. I would support this measure.

Mr. STEVENS. The State of Alaska can do its part. For example, the State could set up an Alaska advisory committee on the Census. This committee could include representatives of rural

area, urban areas, Alaska Natives, the military, and municipal and state government.

But I hope Census officials understand that certain agency decisions already being pursued need to be reviewed right now before an advisory committee can be organized. For example, sub-regional hubs like Dillingham are subject only to an update, not a full enumeration under the 2000 Census. Also, reportedly, there are no focus groups for the many and varied Alaska Native voices to be heard; and it is my understanding that groups classified by the federal government as minorities have been provided this opportunity in other states. I urge the Census to develop a public education campaign that will communicate to rural and urban residents the importance of being counted.

Mr. GREGG. I agree these are important issues.

Mr. STEVENS. A specific issue that should be addressed in some manner is the highly mobile urban-rural population of Alaska Natives. We see many families coming to Anchorage on a periodic or seasonal basis, sharing common quarters in the city but considering themselves rural residents. Likewise, commercial fishermen will split the year between two or more residences within the state, and do some subsistence fishing at a traditional fish camp for some part of the year near the village of their birth. The proper enumeration of Alaska Natives would benefit from an effort to reconcile these migration patterns with the fixed residency standards used in a number of federal programs and formulas.

Mr. GREGG. I appreciate the comments of the Senator from Alaska and will work with him to address his concerns.

Mr. STEVENS. I thank my colleague and ask unanimous consent that the letter I referenced earlier be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF ALASKA,  
OFFICE OF THE GOVERNOR,  
Juneau, AK, April 14, 1999.

Hon. TED STEVENS,  
U.S. Senator, Washington, DC.

DEAR SENATOR STEVENS: I am concerned about an issue critical to our state—the upcoming year 2000 census. When you consider this issue in Congress, I urge you to defend the plan submitted by the experts at the Census Bureau to obtain the fairest and most accurate population counts for use over the next decade.

As you know, any possible undercount of our population means the loss of vital federal funding for Alaska. In a recent U.S. General Accounting Office report, Alaska in 1990 was undercounted by more than 11,000 people with a 10-year fiscal impact of \$160 million.

We have common goals of obtaining our state's fair share of federal resources to help fund our investments in Alaska. We should

not let partisan differences over census methodology impact the accuracy of census data and its use in revenue sharing and funding formulas.

The 1990 Census was the first to be less accurate than its predecessor. I am hopeful Congress will fund the Bureau of Census at a level appropriate to meet U.S. Supreme Court decisions and other mandates necessary to ensure timely completion of the next census. I urge you to do all possible to ensure Alaska receives its fair share of federal funds and to support the efforts to make the 2000 Census as accurate as possible.

Sincerely,

TONY KNOWLES,  
Governor.

NATIONAL CORAL REEF INSTITUTE/NOAA  
NATIONAL OCEAN SERVICE

Mr. MACK. Mr. President, I would like to take a moment to engage the distinguished chairman and ranking member of the subcommittee in a colloquy. First let me begin by thanking my friends for ensuring the committee report included \$2 million under the National Ocean Service account to support scientific research and coral reef studies. It is my understanding this money is to be divided equally between the National Coral Reef Institute in Ft. Lauderdale, FL, and the University of Hawaii. This research is critical to our understanding of the factors at work in the degradation of reef ecosystems around the world and I appreciate all my colleagues did in Committee to support this effort.

I say to my colleagues, it is my understanding the Chairman's amendment contains additional funding for this account. Is it correct to say these funds are in addition to the \$2 million currently provided by the Committee to the National Coral Reef Institute and the University of Hawaii?

Mr. GREGG. The Senator from Florida is correct. The funds included in the Chairman's amendment are in addition to the \$2 million provided to the two institutions you mentioned. Senator HOLLINGS, is this also your understanding?

Mr. HOLLINGS. Yes, the Chairman is correct.

Mr. MACK. I thank my colleagues for this clarification and for their support of coral reef research.

NOAA ACTIVITIES IN FLORIDA

Mr. MACK. Mr. President, I ask the distinguished chairman of the subcommittee if he would consent to discuss with me for a moment two issues of concern to me with respect to NOAA activities in Florida.

Mr. GREGG. I am pleased to join my colleague from Florida in a colloquy.

Mr. MACK. First, let me say I appreciate my friend from New Hampshire's hard work for the strong support he's given to the State of Florida in the bill before us today. But I would like to bring to the Chairman's attention an initiative undertaken by Florida's top three research universities: the University of Florida, Florida State University and the University of Miami.

These three institutions came together to ensure their extensive capabilities in the areas of marine, atmosphere and climate prediction research were focused on the needs of the entire Southeast region. They have especially come together to study the El Nino phenomenon. Their effort has been recognized by NOAA and they have become one of the agency's first regional assessment centers.

My concern, Mr. President, is about the possibility that NOAA may reduce resources available to Florida and this valuable research initiative. Clearly, Florida and the Southeast region are significantly impacted by climatic developments. A strong and continued investment in Florida and the region—along with a balanced investment in the regional assessment centers—is essential. I would ask the support of the Committee to continue the base level funding of this important collaborative effort. The institutions had been receiving approximately \$500,000 per year through the Office of Global Programs, and I would like the Chairman's assurances that this level of funding should and will be continued during the next fiscal year.

Mr. GREGG. I know how important this initiative has been to the Senator from Florida. I can assure the Senator that it is the Committee's intent that the base-level funding you indicated be preserved in the next fiscal year. Did the Senator from Florida have an additional concern?

Mr. MACK. Yes. I know the chairman is aware of the Florida Congressional delegation's strong commitment to the restoration of the Everglades and Florida Bay. I have heard some concern, however, that internal reallocations within NOAA could result in at least a \$1 million reduction in South Florida based Florida Bay activities. The administration asked for significant funding of the Everglades-Florida Bay initiative in both FY 99 and FY 2000 through the Coastal Ocean Science Program. But the concern I'm hearing from Florida indicates that NOAA may reallocate funds away from this initiative and toward other programs and purposes. I would like the Chairman to join me in stressing to the agency that funds in this bill currently allocated for critical Florida Bay initiatives not be depleted. I would like the Chairman to join me in working to ensure the NOAA contribution to the interagency program for Florida and adjacent coastal marine waters is continued at the current levels.

Mr. GREGG. I appreciate the Senator from Florida's comments. The Committee supports and shares your commitment to Everglades and Florida Bay restoration; specifically with respect to the funds allocated to the initiative funded by the Coastal Ocean Science Program.

Mr. MACK. I appreciate my friend's comments with respect to these two

issues. I thank him again for his continued support of Florida priorities.

THE LAS VEGAS SPECIAL POLICE ENFORCEMENT  
AND ERADICATION PROGRAM

Mr. REID. Mr. President. I take this opportunity to thank Chairman GREGG and Senator HOLLINGS for their consideration of my request to provide \$1 million in funds to the Las Vegas Special Police Enforcement and Eradication Program. Methamphetamine manufacturing, use and trafficking is a serious problem that deserves the highest priority, and I appreciate the leadership of the Chairman and the Ranking Member in this effort.

At this time, I would like to make a technical clarification of my request. I ask the Chairman and the Ranking Member, if, in making this appropriation, it is their understanding that of the \$1 million provided, \$500,000 is to be directed to the Las Vegas Police Department to be used for their Methamphetamine Eradication Initiative, while \$500,000 is to be directed to the North Las Vegas Police Department for their Methamphetamine Eradication Initiative?

Mr. GREGG. The senior Senator from Nevada is correct. Of the \$1 million provided, \$500,000 is to be directed to the Las Vegas Police Department to be used for their Methamphetamine Eradication Initiative, and \$500,000 is to be directed to the North Las Vegas Police Department for their Methamphetamine Eradication Initiative.

Mr. HOLLINGS. I concur with the Chairman.

Mr. REID. I thank the chairman and ranking member.

WOMEN'S BUSINESS CENTER PROGRAM AT THE  
SMALL BUSINESS ADMINISTRATION

Mr. DOMENICI. Mr. President, I would like to engage the distinguished Senator from New Hampshire, the Chairman of the Subcommittee, in a colloquy.

I want to begin by commending you, Senator GREGG, and your Ranking Member, Senator HOLLINGS, for the hard work you have done in crafting this Commerce, Justice, State and the Judiciary appropriations bill. You have done a great job in funding the priorities identified by the Committee in this bill. You have been particularly helpful to me in my efforts to curb the trafficking of Mexican black tar heroin in my home state of New Mexico.

A separate issue of particular importance in my home state is the Women's Business Center program at the Small Business Administration. In this bill, you have funded the Administration's request of \$9 million for this program, and I applaud you for meeting the President's request.

Unfortunately, the President's request fails to address an important issue for the future of the Women's Business Center program. Particularly, the President's request does not take into account the need to allow existing

WBCs to re-compete for federal funds once their initial five-year funding stream expires. So, many existing centers with outstanding track records of facilitating the growth of women-owned businesses and providing technical assistance to fledgling companies will go unfunded, while the SBA allows new, untested centers to open in other areas. Sacrificing the successful, existing centers to replace them with new, untested ones seems like bad policy. I think we need to open more new Women's Business Centers, but we also need to help the existing ones continue their work.

Senator BOND, the distinguished Chairman of the Small Business Committee, Senator KERRY and I, along with a group of 25 bi-partisan co-sponsors, have introduced S. 791, the Women's Business Center Sustainability Act. This bill would increase the authorization for the Women's Business Center program to \$12 million and allow existing centers to re-compete for up to 40 percent of the federal funds available under the program. Is the Chairman of the Subcommittee aware of this bill?

Mr. GREGG. I am aware of this effort and am told that the Small Business Committee will work to report the bill to the full Senate, with the hope that the bill will pass later this year.

Mr. DOMENICI. As the Chairman may know, an additional \$2 million in funding this year would be critical to the effort to allow existing centers to re-compete for federal assistance. Without this additional funding, many existing centers will be forced to close their doors. Assuming that S. 791 passes both houses of Congress and is signed by the President later this year, I hope that the Chairman will be willing to find a way to provide this additional \$2 million for the program once this bill gets to conference.

Mr. GREGG. I share your concerns about allowing existing Women's Business Centers to re-compete for federal funds. If the Small Business Committee and the Senate approve S. 791 before the conference on this bill, I will make every effort to provide the additional funding you have requested.

Mr. DOMENICI. I thank the distinguished Chairman, and I yield the floor.

SHORELINE MAPPING

Ms. MIKULSKI. Mr. President, I would like to engage in a colloquy with my friend, the chairman of the subcommittee, on shoreline mapping.

Mr. GREGG. I am more than happy to.

Ms. MIKULSKI. Mr. President, the issue, which I wish to discuss, is the mapping of our country's shoreline. As the chairman knows, the National Ocean Service runs a Coastal Mapping Project which is responsible for mapping the nearly 95,000 miles of the US shoreline in an accurate, consistent,

tide-coordinated, and up-to-date manner.

I'm concerned that nearly 30 percent of the US shoreline has not been mapped. In addition, one-quarter of what has been mapped as mapped prior to 1970 with severely outdated technology. Since this data is used as the official shoreline on NOAA's nautical charts and is used by the government and the private sectors, it is important to keep up with the changes that result from coastal development and natural processes, which can be drastic.

This year, there was an increase over both FY99 funding levels and the administration's FY00 request within the Committee's recommendation for the "Mapping and Charting" account. Would you agree, Mr. Chairman, that it is the recommendation of the Committee that \$2 million of those funds can be used for shoreline mapping within the Coastal Mapping Project.

Mr. GREGG. I do agree with my esteemed colleague from Maryland that \$2 million of the funds within the "Mapping and Charting" account can be used for shoreline mapping.

ANTI-METHAMPHETAMINE FUNDING

Mr. HOLLINGS. Mr. President, I rise for the purpose of entering into a colloquy with the senior Senator from Wisconsin, Senator KOHL, regarding the \$1 million appropriation for the Western Wisconsin Methamphetamine Law Enforcement Initiative in S. 1217.

As the Senator from Wisconsin knows, the domestic manufacture and importation of Methamphetamine, also known as Meth, has become a continuing public health threat to the United States and most recently to the Midwest. Senator KOHL, what is the extent of the Meth problem within the State of Wisconsin? Also, would you please describe how the proposed \$1 million will be used to address the problem?

Mr. KOHL. Mr. President, I thank the Senator from South Carolina for his questions, his acknowledgment of the severity of the Meth problem faced by rural communities and cities in the Midwest and throughout our country, and his active support for increased funding to combat Meth. In my own State of Wisconsin, criminal justice officials recognized early on that we had to develop a strategy and consolidate our enforcement and prevention efforts to limit the spread of the Meth epidemic that has been invading our Western Wisconsin borders from Minnesota and Iowa since the mid 1990's. Today, the number of Meth-related incidents is increasing. The Wisconsin State Laboratory reported increases of Meth analysis from 42 examinations in 1996 to 112 examinations in 1998. In 1998 alone, the Wisconsin Department of Narcotics Enforcement opened 90 investigations regarding Meth and prosecuted 40 individuals. In Wisconsin, Meth users generally range from 18 to

25, and recently there was even a disturbing report of Meth trafficking in a rural high school.

With the escalation of Meth trafficking, in February 1997 Wisconsin law enforcement officials organized a coordinated enforcement and prevention initiative among local, state, and federal law enforcement partners to target Meth traffickers. This major effort also addressed the need for training to prevent the potential health threat from toxic and flammable chemicals in clandestine Meth labs. Funding for this continuing initiative has been raised from a variety of sources, including the Wisconsin Office of Justice Assistance and the State Attorney General.

Recently, representatives from Wisconsin agricultural associations have reached out to their members and communities to educate the public about the dangers of Anhydrous ammonia, a precursor used in the crude production of Meth. These associations are now working with law enforcement as well.

And this May, the State Attorney General and the U.S. Attorney for the Western District of Wisconsin sponsored three Meth symposiums to educate and train members of the criminal justice system.

The \$1 million appropriated for the Western Wisconsin Methamphetamine Initiative will help build on these efforts and promote more coordination of anti-Meth activities. It will be used jointly by the Office of Attorney General (through the Division of Narcotics Enforcement) and the Office of Justice Assistance (under the direction of the Governor) to support a plan developed in coordination with each other to continue combatting Meth production, distribution and use and for policing initiatives in "hot spots" of Meth trafficking activity. Part of this funding will also be used for community and school-based Meth education and prevention awareness programs.

Again, I thank the distinguished Senator from South Carolina—and our Chairman, the distinguished Senator from New Hampshire, Senator GREGG—for their commitment to addressing the Meth problem.

Mr. HOLLINGS. I thank the distinguished Senator from Wisconsin for this fame and effort in this very significant issue.

#### FUNDING FOR DEA

Mr. GRASSLEY. Mr. President, I would like to enter into a colloquy with Senator GREGG on funding for the Drug Enforcement Agency and on national issues concerning local law enforcement training skills to combat methamphetamine abuse in rural communities, small cities, mid-size communities and on activities to alleviate the growing financial burden resulting from the cleanup of clandestine laboratories and other drug-related hazardous waste.

I say to Senators STEVENS and GREGG that Senators KYLE, DEWINE, KOHL,

HAGEL, and I have offered a bill, the Rural Methamphetamine Use Response Act of 1999, that would provide additional funding to combat methamphetamine production and abuse, and for other purposes.

Mr. GREGG. I am aware of the bill.

Mr. GRASSLEY. As the Senator knows, we have been working on this bill and on others to ensure adequate funding for our nation's counter narcotics efforts. I appreciate the committee's funding efforts to specifically address the national methamphetamine issue and to combat methamphetamine production, distribution, and use. I am also aware that we face tough budget decisions and we need to balance many program needs within a balanced budget.

Mr. GREGG. We have had to make a lot of tough decisions in this bill while trying to ensure that we meet the needs of many critical programs. The subcommittee has worked earnestly to be fair, and we have had to make tough choices.

Mr. GRASSLEY. I appreciate their efforts. I know that the subcommittee has allotted the Drug Enforcement Agency the tools it needs to properly wage the war on illegal drugs. I also know that the subcommittee has added personnel and resources to the western and central regions of the United States to focus primarily on the methamphetamine problems in those geographic regions of the country. However, as you may know, methamphetamine abuse and production across the United States has forced law enforcement agencies to address challenges that exceed the many years of experience of the State and local law enforcement personnel within such agencies. Methamphetamine affects smaller communities and rural areas disproportionately. In many cases, these communities lack the investigative and technical skills, and resources to confront major criminal gangs or the environmental hazards caused by meth product.

Mr. GREGG. I am aware of the training challenges state and local law enforcement personnel have had regarding methamphetamine production and handling of these explosive chemicals involved in the methamphetamine production process and Senator HOLLINGS and I have worked to address those needs.

Mr. GRASSLEY. Since the Senator from New Hampshire is aware of the training challenges of state and local law enforcement agencies, the financial burden of meth cleanup, and the volatile properties of meth, from the funding provided to DEA for methamphetamine initiatives, I hope, where possible, that funding be set aside within the final bill directing DEA to establish a select cadre of Special Agents with Spanish language capabilities to work with local law enforce-

ment agencies across the United States on matters relating to combating methamphetamine-related drug trafficking. I also ask within the funding allotment for methamphetamine training initiatives, funding for DEA staffing at appropriate training facilities for purposes of providing coherent, essential, and sustained clandestine laboratory training to State and local law enforcement personnel, and if possible, funding for DEA to provide these personnel with the skills necessary for clandestine laboratory recertification.

Mr. GREGG. I share in the Senators' concerns for the need for sustained and adequate funding nationally to combat methamphetamine abuse. I will work to ensure, where possible within the funding allotments for methamphetamine initiatives, that the final bill will support the concerns you have raised.

Mr. GRASSLEY. I thank Senators GREGG and HOLLINGS for their willingness to work with me and my colleagues on funding this needed request.

Mr. BOND. I thank my colleague from New Hampshire for recognizing the needs of Missouri law enforcement in this bill. As he knows well, the State of Missouri is experiencing a law enforcement crisis of epidemic proportions as the methamphetamine trade has exploded in recent years. My colleague, Senator GREGG, as seen to it that the DEA has increased resources to assist state and local law enforcement as they take on these drug dealers.

Mr. ASHCROFT. I too thank the Senator from New Hampshire for his attention to this problem. I would like to bring a matter to the attention of the Chairman. Under the Violent Crime Control Trust Fund section of this bill, the Chairman has included \$6 million for the Midwest Methamphetamine Initiative. The language states that the funding is to be used by the Drug Enforcement Administration to train state and local officers on the proper recognition, collection, removal and destruction of methamphetamine and materials seized in clandestine labs. Is my colleague familiar with the title?

Mr. GREGG. Yes, I am.

Mr. ASHCROFT. I have heard repeatedly from local law enforcement officers, as has Senator BOND, that DEA provides excellent training and prepares well officers to raid, bust and clean up these labs. I know that the Chairman is also aware of the funding required for the DEA to assist state and local law enforcement with the clean up of these labs after they have been busted.

Mr. GREGG. I am aware that resources are necessary so that these sites can be cleaned up adequately.

Mr. ASHCROFT. It is my understanding from local law enforcement officers that DEA funds are needed not only in the training of state and local

law enforcement officers, but also in the removal and destruction of the materials seized in the labs. Is it the Chairman's understanding that the resources made available to the Midwest Methamphetamine Initiative will also be available for the DEA to assist state and local law enforcement in the clean up methamphetamine labs?

Mr. GREGG. Yes, I am aware that the needs to combat the growing meth problem are pressing and that funds made available to the DEA may be used not only to train state and local officers on the proper recognition and collection of meth labs, but also in the removal destruction of the materials seized in the labs.

Mr. ASHCROFT. I thank the Chairman for his assistance.

Mr. BOND. I too thank the Chairman for his assistance in this matter. DEA's participation in fighting the methamphetamine epidemic is essential to state and local law enforcement. As my colleague stated, the DEA provides training for local officers that well prepares them to handle and dispose of the toxic material that they encounter while busting clandestine methamphetamine labs. The DEA also has an important role in the clean up process. There were over 800 clandestine methamphetamine labs seized in the State of Missouri last year. Most of the labs were busted in rural areas and smaller towns. These towns have police forces and sheriffs offices of a very limited sizes. DEA's presence and help in rural areas is essential to ensure that these communities are not overwhelmed by the drug and the havoc in this wake. If this menace is to be brought under control, local law enforcement must have the assistance of the DEA. The Senator from New Hampshire has been a good friend to Missouri law enforcement as he has worked closely with us in recent years to ensure that the DEA has the resources to focus on this problem and I appreciate him clarifying the use of those designated funds.

Mr. COVERDELL. Mr. President, as Chairman of the Senate Foreign Relations Subcommittee on Western Hemisphere, I have spent years addressing the drug problem that confronts our nation. I personally have visited drug source and transit countries throughout the region with the objective of searching for ways to resolve and overcome this escalating problem. As a result of many hearings and meetings on this important matter, last year Senator DEWINE and I introduced the Western Hemisphere Drug Elimination Act, a \$2.7 billion—3 year authorization for enhanced drug eradication and interdiction efforts. We were successful in getting this legislation passed into law and providing a \$800 million down payment for this bill. We must continue to fund this important law.

Recognizing that US government resources are limited, it is important to

fund agencies that can get a huge return on a small investment. the Drug Enforcement Administration indeed is an agency that demonstrates this objective on a daily basis. With limited funding, the DEA is a vital source not only for our law enforcement activities, but for other nations as well. Relying primarily on manpower, the DEA has demonstrated how effective an agency with limited funding can produce significant results. Last year, the DEA seized more drugs and arrested more traffickers than ever before. They play an integral part in training foreign law enforcement officials overseas to help them help us keep drugs out of our country. they do a great service to our nation.

This past March, Senators DEWINE and I sent a letter to the Chairman and Ranking Member of the Commerce, State, Justice Subcommittee, calling for building on this year's investment in the DEA and requesting additional funding for 300 new DEA agent, analysts and support personnel, and for other DEA initiatives. This request is consistent with DEA initiatives outlined in the Western Hemisphere Drug Elimination Act. Specifically, 16 senators—both Republicans and Democrats—co-signed the letter to the Chairman and Ranking Member.

I thank the Subcommittee for addressing our needs in our request. The Subcommittee earmarked \$17.5 million for new hires for DEA agents, analysts, and support staff. I recognize this was a difficult task given the tight budget caps confronting this Subcommittee and the other Appropriations subcommittees. While I appreciate the tremendous efforts made by the Subcommittee and their staff to earmark money for new DEA hires within their account, I am concerned that there isn't any additional funding for the DEA. The DEA will have to sacrifice other important and necessary programs for these new hires.

I realize that the Chairman and Ranking Member of the Commerce, Justice, State Subcommittee are trying to complete the bill this evening. I had intended to offer an amendment to request \$24 million in additional DEA funding for new agents, analysts and support staff hires. After talking to the Subcommittee leadership, however, I have instead agreed not to offer my amendment and would commit to working with the Commerce, Justice, State Subcommittee to help find a way to provide additional funding to the DEA during conference of this bill.

Mr. President, I see Senator DEWINE on the floor and understand that he too would like to say a few words on this matter. I yield the floor to my distinguished colleague from Ohio.

Mr. DEWINE. Mr. President, I thank my distinguished colleague from Georgia for yielding the floor. I commend him for all his tireless efforts in find-

ing ways to combat the drug war. Mr. President, I previously gave a floor statement on the importance of the role of the Drug Enforcement Administration in keeping drugs off our streets. I have traveled with the DEA to various countries throughout the hemisphere and have seen them first hand in action. the DEA does a tremendous service to our country both inside and outside our border and should be commended. I agree with Senator COVERDELL on the need for additional funding for the DEA. I too believe that the DEA is underfunded and should receive increased funding, particularly if there are additional resources available at a later date.

Mr. President, I see the Chairman of the Commerce, State, Justice Subcommittee on the floor. I speak for Senator COVERDELL when I say that it is my hope that we can work together with the Subcommittee leadership to help provide additional funding for the DEA during conference, or in the future even that there may be additional available funding.

Mr. GREGG. I thank Senator COVERDELL and Senator DEWINE for their statements. I have listened very carefully to their remarks, and I commend them for his tireless efforts in supporting anti-drug efforts, here in the United States and throughout the world. I would like to assure both Senator COVERDELL and Senator DEWINE that I will give every possible consideration to their request when we go to conference and in the event that additional funding may become available for FY 2000 in the future.

Mr. DEWINE. I thank my distinguished friend from New Hampshire and I yield the floor.

Mr. COVERDELL. I too thank my distinguished friend from New Hampshire, and I yield the floor.

#### DEFINITION OF PUBLIC AIRCRAFT

Mr. GRAHAM. Mr. President, I am prepared to offer an amendment with my distinguished colleague Senator DEWINE to the Commerce, State, Justice appropriations bill that will help law enforcement officers in their efforts to protect our citizens. We believe that after the Congress passed Public Law 103-411, it had unintended consequences that have imposed unnecessary costs on state and local governments. Under this law, aircraft belonging to law enforcement agencies are considered "commercial" if costs incurred from flying missions to support neighboring jurisdictions are reimbursed. Multiple governmental agencies have recognized this problem, with the support of the Federal Aviation Administration, they have jointly drafted corrective language for this problem. Before proceeding, however, I would like to inquire as to the plans for consideration of this issue by the Commerce Committee this year. I wonder if my distinguished colleagues from the

state of Arizona and South Carolina—the Chairman and ranking member of the Senate Committee on Commerce, which has oversight on these matters—could engage Senator DEWINE and me in a discussion regarding this matter.

Mr. MCCAIN. Mr. President, I would be pleased to engage in a discussion with the distinguished Senators from Florida and Ohio on the substance of this matter.

Mr. DEWINE. Mr. President, I thank the Senator for his time. In the state of Ohio the Bureau of Criminal Justice Services uses aircraft for drug eradication efforts. Under current law Ohio is forced to use private planes for this mission at a considerable cost, rather than their own surplus aircraft. Mr. Chairman is it your assessment that current law defining public aircraft places unnecessary restrictions and costly burdens on law enforcement agencies who operate public aircraft?

Mr. MCCAIN. I would agree that as the current law is written a number of our law enforcement agencies that operate public aircraft are faced with burdens in being reimbursed for the costs associated from flying missions in support of neighboring jurisdictions. The Senate Commerce Committee intends to act to review the matter and work to develop legislation that will help law enforcement.

Mr. GRAHAM. Will the Senators from Arizona and South Carolina agree to review this matter on the FAA reauthorization bill and by the end of year?

Mr. MCCAIN. As I have indicated to my colleague, I will as the Chairman of the Commerce Committee review this matter by the end of the year and work with my colleague from South Carolina, Senator HOLLINGS, in a good faith effort to resolve this issue by the end of the year.

Mr. HOLLINGS. I agree with my distinguished colleague from Arizona and look forward to working with him on this issue this year.

Mr. DEWINE. I want to thank Senators MCCAIN and HOLLINGS for their support on this issue. I look forward to working with them on this issue.

Mr. GRAHAM. I also want to thank Senators MCCAIN and HOLLINGS for their support on this issue. I should also thank the law enforcement organizations that have strongly supported this amendment. Specifically, the National Sheriff's Association, Airborne Law Enforcement Association, International Association of Chiefs Of Police, Florida Sheriff's Association, and the California State Sheriff's Association. Mr. President, in light of what the distinguished Chairman and ranking member have said, I withdraw my amendment.

Mr. FEINGOLD. Mr. President, I rise today to join my distinguished colleagues, Senators GRAHAM and DEWINE, to support an amendment to the Commerce-Justice-State appropriations bill

that will assist our local law enforcement agencies to respond in a timely fashion to life or death situations.

Sheriffs and police chiefs in my state and around this country have found that their hands are tied when it comes to sharing helicopters or other public aircraft with neighboring jurisdictions. The Milwaukee County Sheriff's Department recently became the first local law enforcement agency in Wisconsin to acquire a helicopter. Neighboring jurisdictions would like to borrow that helicopter and reimburse the Milwaukee County Sheriff for the cost of their use of that helicopter. The Milwaukee County Sheriff's Department is perfectly willing, indeed eager, to share its helicopter but it can't easily do so. Under current law, in order for the assisting agency to receive a cost reimbursement from the neighboring jurisdiction, the neighboring sheriff or police chief must first exhaust the possibility that a private commercial helicopter is available. Even when the neighboring law enforcement agency is faced with a serious imminent threat to life or property, the law requires the neighboring sheriff or police chief to first determine whether a privately operated helicopter is available. Mr. President, this law is absurd and puts everyone's safety at risk.

Law enforcement agencies use helicopters for a variety of reasons—to chase a suspect fleeing the scene of a crime, in search and rescue missions, to observe crowds in public gatherings, to transport prisoners, and to detect marijuana fields. Current law, however, stands in the way of cooperation between agencies to carry out these important law enforcement functions. Cooperation between law enforcement agencies is good. It saves time, money, resources and maybe even lives. We should do all we can to promote law enforcement cooperation.

Saving lives and maintaining law and order is delayed if we require sheriffs and police chiefs to determine first whether they can find a private helicopter. Public safety is also jeopardized because private commercial pilots are likely not trained law enforcement personnel with experience in sensitive and sometimes dangerous situations. In addition, a commercial helicopter is most likely not equipped with the instrumentation and tools needed by law enforcement officers to do their job. But if we allow sheriffs and police chiefs to share their aircraft with neighboring jurisdictions without first exhausting private avenues, law enforcement response is far more likely to be swift and sure.

Current law effectively prevents law enforcement from borrowing a helicopter or other aircraft from a neighboring agency. The law must be changed and this amendment does the job. This amendment modifies the definition of "public aircraft" so that law

enforcement agencies no longer need to make an attempt to find a private helicopter operator before using a neighboring jurisdiction's helicopter. This amendment is supported by the National Sheriffs' Association, as well as numerous police chiefs and sheriffs across the country.

I would like to thank my colleagues, Senators MCCAIN and HOLLINGS, for working with us on this issue. They raised some concerns, but, as described in the colloquy, they have given us assurances that they will work to resolve the urgent needs of law enforcement either on the Federal Aviation Administration appropriations bill or by the end of the year. I welcome their recognition of the magnitude of this problem to law enforcement and their willingness to work with us on this issue.

Mr. President, we demand that law enforcement act quickly and professionally to life or death situations, but we're not always giving them the tools they need to do their job. We must do our part. I urge my colleagues to join in this bipartisan effort to change the law and give the sheriffs and police chiefs in Wisconsin and across this country the tools they need to keep our communities safe and secure.

I yield the floor.

BARRY UNIVERSITY INTERCULTURAL CENTER

Mr. MACK. Mr. President, I would like to engage the Chairman of the subcommittee in a brief colloquy regarding Barry University in Miami Shores, Florida. Barry University has a strong history of addressing important Miami community issues like urbanization, ethnic diversity, community development and cultural understanding. Recently the University announced the planning of an Intercultural Community Center which is designed to promote necessary neighborhood and small business revitalization. The facility will provide conference space, meeting rooms, executive seminars and continuing education courses related to international business and commerce.

It is my understanding Barry University will be requesting an Economic Development Administration grant for this project from the Department of Commerce during the next fiscal year. I would appreciate the Chairman's support in recommending the Department of Commerce give strong consideration to the merits of University's grant application.

Mr. GREGG. I thank the Senator from Florida for bringing this issue to my attention. The Committee is aware of Barry University's efforts and I would strongly urge the Economic Development Administration to consider its application within applicable procedures and guidelines and provide a grant if warranted.

Mr. MACK. I appreciate my friend from New Hampshire's comments on this important initiative and for all he



and the Senator from South Carolina have done in this bill for the citizens of Florida.

#### EPSCOT PROGRAM

Mr. BREAUX. Mr. President, I would like to ask the distinguished Subcommittee Chairman, Senator GREGG, to engage in a colloquy on a matter of extreme importance to my State and a number of others, and that is the need for more funding for the Experimental Program to Stimulate Competitive Technology, a program of the Department of Commerce's Technology Administration.

Mr. GREGG. Mr. President, I would be happy to yield to the Senator from Louisiana and engage in a colloquy.

Mr. BREAUX. Mr. President, as you know, technology is fueling the tremendous economic growth the nation is currently experiencing. However, as is frequently the case, rural states are struggling to participate in this new economy. The EPSCoT program is a competitive matching grants program that reaches beyond the traditional recipients of federal research and development funding. This pioneering initiative brings together the interest of economic development, science and technology, university research, and private business. Although the program is only a couple of years old, it has met with very high enthusiasm in areas such as Louisiana and New Hampshire.

Mr. President, there is important work being done through the EPSCoT program. This is a flexible program designed to assist states. Applications may be submitted by state, local, or Indian tribal governments, community colleges, universities, non-profit organizations, private organizations, technology business centers, industry councils or any combination of these entities from the eligible states. The eligible states are those that have received less in federal research and development funding than the majority of the states. Therefore, the program is carefully designed to benefit those states that need more assistance in developing a high-tech economy.

Mr. President, the National Institute of Standards and Technology, also a part of the Department of Commerce's Technology Administration, runs the Advanced Technology Program. The ATP provides matching funds for high-risk research with broad economic benefits. As a part of the program, grants occasionally are reclaimed by the ATP due to business failures and other such circumstances. These reclaimed monies are used by the ATP to fund new awards. The Committee has provided in the bill that the ATP may use these "carry over" funds for new awards in Fiscal Year 2000.

Does the Senator from New Hampshire concur that it is the intent of the committee to direct \$2.0 million in funds provided to NIST for new ATP awards under the provisions dealing

with the use of carry-over funds be used for new grants under the Technology Administration's EPSCoT program?

Mr. GREGG. It is the intent of the Committee to direct \$2.0 million in carry-over funds for the ATP be used for new grants under the Technology Administration's EPSCoT program. I look forward to working with the Senator from Louisiana to ensure that the \$2.0 million in ATP carry-over funds are provided to the EPSCoT program for new grants in Fiscal Year 2000.

Mr. BREAUX. Mr. President, does the Senator from South Carolina concur?

Mr. HOLLINGS. Yes, it is the Committee's intent that \$2.0 million in ATP carry-over funds be provided to the EPSCoT program for FY 2000 grants.

#### DISTRIBUTION OF TECHNOLOGY FUNDS TO BURLINGTON, RUTLAND, AND SAINT JOHNSBURY

Mr. JEFFORDS. Mr. President, I would first like to thank Senator GREGG for all his work on crafting the Commerce, Justice, State, and Judiciary Fiscal Year 2000 appropriations bill. In this time of tight budgetary caps, and with the many requests by members, Senator GREGG has worked hard to get the bill through the Appropriations Committee and to the floor of the Senate.

I would especially like to thank Senator GREGG for recognizing the need of three Vermont towns to upgrade, modernize and acquire technology for their police departments. Allowing these police departments to improve their technology will permit them to increase the efficiency and effectiveness of the services they provide. Reflecting the needs of the police departments, the \$1.5 million should be divided on the following basis: one-half (\$750,000) to the Burlington Police Department, one-third (\$500,000) to the Rutland Police Department, and one-sixth (\$250,000) to the St. Johnsbury Police Department. Again, I appreciate Senator GREGG's help to address the technology problems these town's police departments are facing, and I look forward to working with him to get this important appropriations bill signed into law.

Mr. GREGG. Mr. President, I appreciate Senator JEFFORDS bringing the needs of these three police departments to my attention, and will work with him to ensure that the money for technology grants to these three Vermont towns are distributed in the way he has described.

#### INTERNATIONAL WAR CRIMES TRIBUNALS

Ms. MIKULSKI. Mr. President, I would like to engage the Chairman of the Commerce, Justice, State Subcommittee in a colloquy.

I am deeply concerned that the Subcommittee bill does not include the full Administration request for funding of the International War Crimes Tribu-

We are all horrified by the crimes against humanity that occurred in Kosovo. Recent reports state that as many as 10,000 people were murdered. An untold number of women were raped. Hundreds of thousands of people were driven from their homes. The War Crimes Tribunal needs adequate funding to gather evidence, to pursue and to try those who are responsible for these crimes against humanity.

Congress provided additional funding for the War Crimes Tribunals in the Supplemental Appropriations bill. These funds were necessary to provide emergency assistance to the War Crimes Tribunal for the former Yugoslavia. Before we provided this funding, Chief Justice Louise Arbour said that she had only seven investigators available for Kosovo. However, full funding for the War Crimes Tribunal is necessary for fiscal year 2000, if we are to continue ongoing investigations in Bosnia or Rwanda.

The Chairman of the Commerce, Justice, State Appropriations Committee is a strong supporter of law enforcement—both in the United States and abroad. I ask him to join me in supporting the full request for funding of the International War Crimes Tribunals during the Conference on the Commerce, Justice and State Department Appropriations bill.

Mr. GREGG. I share the Senator's strong support for the work of the International War Crimes Tribunals. The Subcommittee, with the Senators help, provided more than \$40 million for the War Crimes Tribunals in the fiscal year 1999 bill. The full committee, again with the Senator's assistance, made an additional \$28 million available to the tribunals as part of the fiscal year 1999 emergency supplemental that passed in May. Just two weeks ago, the Subcommittee approved yet another \$2 million for FBI forensic teams investigating massacre sites in Kosovo under the tribunal's direction. I look forward to working with the Senator during the Conference on this bill to ensure that full funding is provided.

#### CHILD ABUSE PREVENTION PROGRAM

Mr. JEFFORDS. Mr. President, I again thank Senator GREGG and his staff for working with me to provide funding for two important initiatives in my home State of Vermont. It is my understanding that within funds provided to Department of Justice of Juvenile Justice Programs, the FY 2000 Commerce, Justice, State, the Judiciary and Related Agencies Appropriation Bill provides \$100,000 for the establishment of a teen center in Colchester, Vermont and \$100,000 to Prevent Child Abuse-VT to evaluate the SAFE-T program, a comprehensive child abuse prevention program for middle school communities.

There is a great need for a community center with a focus on youth in the Town of Colchester. Currently after

school gathering places for Colchester youth are limited to local restaurants and supermarkets. This project has strong local support. Last October, a group of local citizens formed a non-profit organization called the "Colchester Community Youth Project" and purchased an available property in the town for use as a teen center. The Town of Colchester hopes to buy the building from the non-profit, and then plans to renovate the 4,500 square foot main building to house a youth center/multi use space, offices, and a branch of the local public library.

For over four years, Prevent Child Abuse-VT has funded, developed and piloted SAFE-T, a comprehensive health education and abuse prevention program for middle school communities. Students learn victim and victimizer prevention, build healthy relationship skills and experience personal and social change. Parents, guardians, school staff and service providers participate in training, dialog assignments, classroom presentations and school community change projects. SAFE-T research-based and classroom tested with over 500 students.

More work, however, needs to be done to evaluate the success of the SAFE-T program. Dr. David Finkelhor, Co-Director of the Family Violence Research Laboratory at the University of New Hampshire, plans to embark shortly on a three-year scientific evaluation of the SAFE-T program. I am very pleased that this appropriation will enable this evaluation to move forward.

The sexual abuse of and by children is now at epidemic proportions in America. The SAFE-T Program is an excellent resource in helping early adolescents develop the skills they need to grow safe, free of abuse. This program offers great promise as a national model for comprehensive abuse prevention programs. A thorough scientific evaluation will ensure that this research-based initiative can be proven effective and disseminated properly.

Mr. GREGG. Mr. President, I applaud Senator JEFFORDS' work on these important issues. He is correct that the FY 2000 Commerce, Justice, State, the Judiciary and Related Agencies Appropriation Bill provides \$100,000 for the establishment of a teen center in Colchester, Vermont and \$100,000 to Prevent Child Abuse-VT to evaluate the SAFE-T program, a comprehensive child abuse prevention program for middle school communities.

#### DEPARTMENT OF JUSTICE FUNDING

Mr. HARKIN. I would like to address a question to the Chairman of the Subcommittee, the Senator from New Hampshire, regarding funding for the Civil Division of the Justice Department.

In his State of the Union Address, President Clinton announced that the

Federal Government intended to sue the Nation's tobacco companies to recover billions of dollars in smoking-related health care costs reimbursed by federal health care programs. The Administration's FY 2000 budget requested \$15 million in new resources for the Civil Division of the Justice Department and \$5 million for the Fees and Expenses of Witnesses account to support this litigation effort.

Unfortunately, we were unable to provide the additional resources requested by the Administration for the Civil Division to carry out this task. While I regret that the Committee was unable to provide the new funds, it is my understanding that if the Justice Department deems this activity to be a high priority, base funding, including funds from the Fees and Expenses of Witnesses account, can be used for this purpose.

I ask the Chairman and Ranking Member of the Subcommittee if my understanding of the bill and the report language is correct?

Mr. GREGG. I agree with the Senator from Iowa. While the Committee was unable to provide new funding as the Administration requested, nothing in the bill or the report language prohibits the Department from using generally appropriated funds, including funds from the Fees and Expenses of Witnesses Account, to pursue this litigation if the Department concludes such litigation has merit under existing law.

Mr. HOLLINGS. I also agree with Senator HARKIN.

Mr. GRAHAM. I would like to address the Chairman of the Subcommittee. Does the Chairman also agree to strike the language on page 15 and on page 25 of Senate Report 106-76 relating to funding for tobacco litigation?

Mr. GREGG. That is correct.

#### COMMUNITY-BASED HABITAT RESTORATION PROGRAM

Mr. CHAFEE. Mr. President, with the indulgence of my distinguished colleagues from New Hampshire and South Carolina, I would like to bring to their attention one of the Federal government's most successful restoration programs for marine and estuarine habitats—the Community-Based Habitat Restoration Program started by the National Marine Fisheries Service in 1995. This program promotes restoration of fisheries habitats around the country through voluntary partnerships among state and local governments, the conservation community, industry and businesses, and the academic community. Since its inception, more than 60 projects have been funded. There is a minimum one-to-one match required, but non-Federal parties typically contribute three dollars, and often as much as ten dollars, for every one spent by NMFS. Indeed, over the life of the program, Federal fund-

ing totaled \$1.2 million, with \$6.1 million raised in non-Federal funds.

Mr. GREGG. I am aware of the program and agree with the Senator from Rhode Island. It is an excellent program that supports worthwhile projects with limited funding. Last year, \$450,000 was appropriated for the program.

Mr. CHAFEE. Unfortunately, S. 1217, as approved by the Committee, did not provide any funding for the program for FY 2000.

Mr. GREGG. That is correct. The Administration's budget proposal included the program as part of a larger and new initiative that did not receive any funds.

Mr. CHAFEE. I would like to request that the distinguished manager of the bill provide some funding for the program for FY 2000, so that it can continue to build on its past success. Numerous groups, in particular the National Fish and Wildlife Foundation and the FishAmerica Foundation, rely on grants from the program for their restoration efforts, and they would be hardpressed to continue these efforts if the program were not funded. As it is, about 145 projects in 1999 alone are going unfunded due to lack of funds, of which seven are in my own state of Rhode Island.

Mr. GREGG. I am pleased to consider the request of the Senator for Rhode Island. I have discussed this with my distinguished colleague from South Carolina, and we have agreed to a provision in the manager's amendment that directs NMFS to take \$1 million from available funds within its budget and apply it to the Community-Based Habitat Restoration Program.

Mr. HOLLINGS. I agree with my distinguished colleagues from Rhode Island and New Hampshire, and am pleased to support the program. The manager's amendment ensures that the program will not only be continued, but will receive some additional funding.

Mr. CHAFEE. I wholeheartedly thank my colleagues from New Hampshire and South Carolina. It is always a pleasure working with them, especially on a worthwhile endeavor such as this.

#### ARMS CONTROL TREATY VERIFICATION

Mr. CRAIG. Mr. President, I rise to engage in a colloquy with my colleague, the Subcommittee Chairman, regarding a specific funding provision in this bill within arms control treaty verification. I have been concerned for some time that our arms control efforts have been focused on treaty negotiation at the expense of treaty verification. The Committee report expressed the same concern. As a result, technological advances in arms control verification made at the national laboratories are not being fully applied or exploited. Accordingly, this bill provides \$10,000,000 for this purpose. I want

to be absolutely precise about what the Committee has directed in this area so I will quote from the Committee's report accompanying this bill. The report states the following: "the Committee recommendation provides a \$10,000,000 increase over fiscal year 1999 for verification technology."

Mr. President, I think the plain meaning of this language could not be any clearer and I think my colleague the Subcommittee Chairman would agree with me. That is why I was puzzled to hear from my staff that, in informal conversations, State Department personnel have expressed confusion over how to interpret this language. If my understanding is correct, some in the State Department have expressed their belief that the \$10,000,000 increase is intended to be applied first to the President's priorities for increased funding—costing approximately \$8,000,000—and that only the remaining \$2,000,000, left over after the President's priorities are funded, would be applied to the treaty verification work.

Mr. President, I certainly hope that the information I have about the interpretation of agency officials is incorrect. I certainly hope that the State Department would not disregard the abundantly clear direction provided by the Committee. I ask my colleague if my interpretation of the Committee's direction comports with his own, as Chairman of the Subcommittee.

Mr. GREGG. My colleague from Idaho is correct. In setting the funding priorities for the Bureau of Arms Control, within the State Department, the Committee has clearly directed that the \$10,000,000 provided be used for the purpose of verification technology. The Committee further specifies that verification technology will include systemization of promising non-intrusive nuclear topographic techniques including the Fission Assay tomography System and the Gamma Neutron Assay Technique, which together will provide the ability to detect and characterize special nuclear materials while at the same time ensuring that design information is not revealed. The President's budget request is just that—a request for the Committee's consideration—but Congress, within its prerogatives, sets agency funding levels, and sets priorities within those levels.

Mr. CRAIG. I thank the distinguished Subcommittee Chairman. I am assured that his understanding of the Committee's intent for these funds is the same as mine.

#### FUNDING FOR THE SBA OFFICE OF ADVOCACY

Mr. BOND. Mr. President, I commend my colleagues, Senator GREGG and Senator HOLLINGS, for their initiative to allocate \$2.5 million in the Fiscal Year 2000 Commerce-Justice-State Appropriations bill to fund the research function of the Office of Advocacy at the Small Business Administration.

This is an increase of \$1.1 million over the amount in the President's FY 2000 budget request for SBA.

The Office of Advocacy, which is headed by the Chief Counsel for Advocacy, performs an essential role acting as the eyes, ears, and voice from within the Federal bureaucracy on behalf of the small business community. One key responsibility carried out by the Office of Advocacy is the research it conducts on issues critical to small businesses. It is our understanding that \$500,000 of the additional funds for the Advocacy research function are targeted toward the review of interpretative regulations issued by the Internal Revenue Service of the Department of the Treasury and rules issued by the Mine Safety and Health Administration of the Department of Labor.

Mr. KERRY. Mr. President, I join my colleague and friend from Missouri, Senator BOND, in supporting the additional funding for the Office of Advocacy. This is a substantial increase over FY 1999 funding, which I believe is important for the ability of the Office of Advocacy to carry out its important mission on behalf of small business. Among others, those responsibilities include conducting research on a number of issues that are critical to small minority-owned and women-owned firms, and the cost of Federal regulations. I commend my colleagues, Senator GREGG and Senator HOLLINGS, for their initiative in providing this increase.

We are also very concerned about the current staffing needs of the Office of Advocacy, which has declined significantly in recent years. In FY 1990, there were 70 full-time employees assigned to the Office of Advocacy. During the current fiscal year, it is my understanding the SBA Administrator has allocated 49 full-time staff for the Office of Advocacy.

Mr. BOND. Mr. President, I agree with the Senator KERRY about the failure of SBA to allocate adequate staff to the Office of Advocacy. This shortfall has placed an enormous burden on the ability of the Office to fulfill its mission. While I would encourage the SBA Administrator to allocate staff for the Office of Advocacy at the 1990 level, I realize they may not be able to make such an large increase in one year. Therefore, I would like my colleagues on the Commerce-Justice-State Appropriations Subcommittee, Senator GREGG and Senator HOLLINGS, to clarify their intent for the increase in the FY 2000 budget for the Office of Advocacy.

Mr. GREGG. I appreciate the time and effort spent by Senator BOND and Senator KERRY working with the Subcommittee in developing the FY 2000 budget for SBA. The Subcommittee approved the increase in the budget for the Office of Advocacy to enable it to assess the economic contributions

made by small businesses, to determine the impact of federal regulations and tax policies on small businesses, to dedicate sufficient resources to help carry out its responsibilities under the Regulatory Flexibility Act, and to undertake reviews of interpretative regulations issued by the Internal Revenue Service of the Department of the Treasury and rules issued by the Mine Safety and Health Administration of the Department of Labor.

It was further our intention to direct SBA to add 5 full-time equivalent employees to the Office of Advocacy for a total of 54 full-time employees for FY 2000. It is our belief this number of full-time staff is reasonable to address the burgeoning responsibilities of this important office.

Mr. HOLLINGS. I concur with my good friend and colleague from the New Hampshire on the use of the increased funds for the Office of Advocacy. In addition, it was our intent to add 5 full-time equivalent employees in the Office of Advocacy bringing the total for FY 2000 to 54 full-time employees.

Mr. GREGG. I want to make one further clarification regarding the \$2.5 million earmarked for research by the Office of Advocacy. It was our intention that this amount be spent on research contracts and other initiatives by the Office of Advocacy. The Subcommittee did not intend that any of these funds would be transferred to the general operating account for the Agency nor would any of these funds be used to pay the costs of maintaining the full-time staff of the Office of Advocacy.

Mr. HOLLINGS. I concur with the statement by Senator GREGG.

#### THE BUNKER HILL SITE

Mr. CRAIG. Mr. President, I would like to engage in a discussion with the Senator from New Hampshire, the distinguished Chairman of the Commerce, Justice, State and Judiciary Appropriations Subcommittee concerning a situation that exists in my home state of Idaho.

Mr. GREGG. I would be pleased to engage in such a discussion with my friend the senior Senator from Idaho.

Mr. CRAIG. This past weekend Senator CRAPO, Congresswoman CHENOWETH and I conducted a public meeting in Coeur d'Alene, Idaho where federal, state, local, tribal officials and citizens give statements and responded to questions concerning the federal, tribal and state governments' involvement in a Superfund site in North Idaho known as the Bunker Hill site.

To date there has been approximately \$200 million spent on cleanup. Significant progress has been made, but there is a great deal of debate going on between the parties concerning what other areas in the Basin need to be included in the cleanup. I believe the State of Idaho, the Coeur d'Alene Tribe and the federal agencies

can work out these questions and resolve the conflicts that have gone on over this issue in the Coeur d'Alene Basin for over a decade.

I feel the Department of Justice, Idaho and the Nation as a whole would be well served if the DOJ and the other parties involved in litigation were to work among themselves parties to resolve the issues rather than to continue to litigate.

Mr. GREGG. The Senator raises excellent points. The resources of the National are better served in working to resolve these types of problems rather than to continue in a litigation strategy for years and years. All parties should work to resolve the problems in the Coeur d'Alene Basin and the Committee will work with the Senator from Idaho to see if further direction is appropriate in the Conference Report.

#### DEVELOPMENT OF A HABITAT CONSERVATION PLAN

Mr. BURNS. The Senate is accepting my amendment to allocate \$250,000 for the development of a Habitat Conservation Plan as part of the Idaho and Montana Coldwater Fishery Enhancement Program. This funding is imperative in the preparation of a voluntary Habitat Conservation Plan aimed at saving our native fish populations in the two states. As you know, we are at the upper end of the Columbia River drainage and the impacts seen on salmon in that drainage are interrelated to our native trout as well.

As the debate raged on about what exactly was impacting the native fish populations in the lower Columbia system, those of us in the upper reaches of the system were doing our best to ensure that enough water was sent downstream at the appropriate time to help the native fish as much as possible. What we have learned from this practice is that the health of our bull trout population is linked to that of the salmon. Fewer salmon returning from the ocean to spawn placed concern on the health of the entire river system, and the traditional actions taken to help one species sometimes had negative impacts on others. As is commonly the case with these types of issues, we didn't always realize the interrelation until some negative impacts had already taken place.

Making these funds available for the Idaho and Montana Coldwater Fishery Enhancement Program will help us address more of the survival needs of native fish species in the Columbia Basin. Stabilizing the bull trout population and developing this plan will allow us more flexibility in helping the salmon populations recover as well. Senator, I hope you will join me in clarifying where this money is to be directed and to reaffirm the value of developing a state-led voluntary Habitat Conservation Plan for bull trout in Idaho and Montana.

Mr. GREGG. The Idaho and Montana Coldwater Fishery Enhancement Pro-

gram is an important element in the concerted effort to help native fish throughout the Pacific Northwest. This year's appropriations bills place a priority on stabilizing the native fish populations throughout the region, and this program fills a niche previously left unmet by other recovery efforts.

#### SCAAP FUNDING

Mrs. FEINSTEIN. Mr. President, I would like to inquire of my friend, the Senator from New Hampshire, about funding in this measure for the State Criminal Alien Assistance Program, popularly known as the SCAAP.

As the Senator knows, states and localities, especially those such as California with high immigrant populations, face extraordinary costs in incarcerating illegal aliens who have committed serious crimes in the United States and sentenced for their felony offenses.

The burden on states and localities which incarcerate criminal aliens continues to grow. In California, for example, during February 1997, there were 17,904 criminal alien inmates with INS holds on them. This rose to 19,355 in 1998. At the end of February, 1999, there were 21,792 alien inmates in the California state correctional system who have INS holds.

Congress appropriated \$585 million for SCAAP in fiscal year 1999 to help reimburse state and local governments for the costs of incarcerating illegal aliens.

Given the increasing numbers of illegal aliens that California and other states must incarcerate, one would reasonably expect that funding for this important program would be increased in fiscal year 2000.

But it is my understanding, Mr. President, that the bill reported by the committee actually makes dramatic cuts in federal funding for SCAAP, reducing the level of funding by more than 80 percent to only \$100 million.

Given the urgency of the need and the fact that all 50 states, the District of Columbia, two territories and 244 localities received SCAAP funding in the most recent reimbursement period, I would like to inquire of my friend from New Hampshire if there is something that can be done to increase funding in this bill for SCAAP to a more appropriate level.

Mr. KYL. Mr. President, I wish to associate myself with the excellent comments of my good friend, the Senator from California, and also look forward to working with the chairman and ranking member of the subcommittee to resolve the funding disparity in the State Criminal Alien Assistance Program (SCAAP).

Before I begin my comments about this important program and the level of funding in the Senate Commerce-Justice-State Appropriations bill, I want to state my full support for what I have been told will be a \$585 million

funding level for SCAAP in the House FY 2000 bill. I would also like to insert for the record a copy of a letter from the U.S./Mexico Border Counties Coalition (which consists of 18 county governments located on the Southwestern border) that describes why an adequate funding level for SCAAP is so important to these border areas, many of which are facing very difficult fiscal situations.

Through the Crime Control Act of 1994, the Congress created SCAAP to reimburse states and localities for the costs they incur incarcerating criminal illegal aliens. Such costs, it has been made clear, are the responsibility of the federal government. SCAAP is authorized at \$650 million, although total expenditures of the states exceed \$2 billion per year. Though the financial burden of criminal illegal aliens overwhelms the criminal justice budget of many states and localities, SCAAP has never even been allocated its full authorization. In 1996 and 1997, SCAAP was allocated \$500 million and last year, states and localities received a total of \$585 million.

Frankly, the Congress would be fully justified in increasing the authorization level to \$2 billion annually. In 1998, the taxpayers of Arizona spent \$38 million incarcerating criminal illegal aliens, including \$26.8 million in state facilities, \$406,000 in Cochise County, \$9 million in Maricopa County, \$136,000 in Mohave County, \$534,000 in Pinal County, \$450,000 in Santa Cruz County, and \$401,000 in Yuma County. In turn, the state received a reimbursement of \$15.1 million in SCAAP funds—less than half of what Arizona should have gotten, and that was when SCAAP was funded at \$585 million overall.

To reduce the total 1999 SCAAP fund by more than 80 percent for fiscal year 2000, to \$100 million, is absolutely unacceptable. Should funding be reduced to \$100 million, all 50 states, D.C., and the 244 local jurisdictions, which currently receive 39 cents on the dollar, would be reimbursed a mere seven cents on the dollar, even though such costs are a clear federal responsibility. This situation is especially disturbing, considering incarceration is only one component of the overwhelming cost incurred by states and localities when processing criminal illegal aliens—and one for which the federal government promised to provide reimbursement in the Crime Control Act of 1994.

In Santa Cruz County, Arizona, the overall costs of both processing and incarcerating illegal criminal aliens takes up 39 percent of the county's criminal justice budget. And that is just one county in my state. The combined costs to jurisdictions all over the country are staggering, and the SCAAP program only reimburses states for the incarceration portion of these onerous costs. Unless Congress appropriates sufficient funds for SCAAP, at the very

least, Arizona and other state and local governments will continue to shoulder billions of dollars of the expense of incarcerating and processing criminal illegal aliens.

Mr. President, I very much hope that Senators GREGG, HOLLINGS, FEINSTEIN and I can work to resolve these issues before this bill is signed into law.

Mr. SCHUMER. Mr. President, I would like to associate myself with the comments expressed by my friends, the Senator from California and the Senator from Arizona, and commend them for their efforts on the extremely important issue.

The State Criminal Alien Assistance Program provides much needed financial assistance to New York State and many of our great state's cities and counties, as they try to grapple with the significant costs of incarcerating criminal aliens. In fiscal year 1998, New York and its localities received a total of \$96.4 million in SCAAP funding—with New York City securing the largest single grant for a locality in the nation.

I am very disappointed and disturbed that the bill reported by the committee would reduce SCAAP funding to \$100 million for fiscal year 2000. This could translate to a \$80 million cut in assistance for New York: a \$46 million cut for the state itself, \$27.7 million for New York City, 4 million for Nassau County, \$1 million for Suffolk County, \$800,000 for Westchester County, \$32,000 for Montgomery County, \$25,500 for Albany County, \$19,500 for Putnam County, and smaller amounts for Cortland County.

Cuts of this magnitude would leave New York to assume a difficult and heavy burden for what is very much a federal responsibility. I join my friends from California and Arizona in asking our friend from New Hampshire whether something could be done to restore SCAAP funding to a more acceptable level.

Mr. GREGG. Mr. President, I thank my friends from California, Arizona, and New York for their excellent observations. I know that they have been tireless in their efforts to secure both an end to illegal immigration and to ensure that the federal government assume a share of the financial responsibility for its inability to control illegal immigration.

I know, as well, that the senator from California and the senator from Arizona were two of the principal authors of the SCAAP program when it was created by the 1994 Crime bill, and that they both worked very hard to help secure the \$585 million which was appropriated last year and in fiscal year 1998 for this important program.

Knowing of the great need for adequate funding for SCAAP, it pains me that the Committee was unable to fund it at the level it deserves. I assure the senators that I will make it a high pri-

ority during the conference between the House and Senate to secure adequate funding for this program, that does so much for all of our states that are burdened by the costs of incarcerating illegal aliens.

Mr. HOLLINGS. I concur with my colleague from New Hampshire. I understand the importance of this funding for states impacted by high rates of criminal alien incarceration and I am hopeful we can provide an adequate funding level for SCAAP during conference.

Mrs. FEINSTEIN. I thank the Chairman and Ranking Member for their encouraging words. As I am sure they know, the SCAAP reimbursements provided in prior years did not nearly cover the costs states and localities incurred to incarcerate illegal aliens in their jurisdictions.

In fiscal year 1998, the last year for which such cost figures are available, the cost for states and localities amounted to \$1.7 billion. Thus, last year's funding level covered only 30 percent of actual costs.

A cut along the magnitude of that which is included in the Committee bill would be absolutely devastating. I understand the House CJS Subcommittee is recommending an FY00 SCAAP funding level of \$585 million. I will work closely with the Chairman and Ranking Member and others in both bodies during the weeks to come to assure that the conference on this bill adequately funds this program.

Mrs. HUTCHISON. I would like to associate myself with the remarks of my colleagues with regard to the issue of funding for the State Criminal Alien Assistance Program (SCAAP). SCAAP is a vital reimbursement program for states like mine that assists in the significant cost of incarcerating criminal aliens.

Although securing the border is the responsibility of the federal government, states and localities have had to bear the costs associated with incarcerating aliens should they enter the criminal justice system. In previous years, Congress has recognized their burden and worked to secure as much as \$585 million for this critical program. Even at that level, less than 40% of Texas' costs of criminal alien incarceration have been reimbursed. Cutting SCAAP by over 80% as proposed in this measure would result in a reimbursement of only about 7% of the total cost to the State of Texas. It is estimated that the State of Texas would receive less than \$7 million, and Texas counties would share in less than \$3 million. Dallas County would receive less than \$200,000 despite enduring costs of over \$2.5 million; the County of El Paso, with costs exceeding \$2.6 million, would be reimbursed only about \$200,000; and Harris County, with costs nearing \$14 million, would receive less than \$1 million. Mr. President, this is

the same Harris County that last week took custody in its county jail of the accused railway murderer, Angel Maturino-Resendez. In this case, Harris County is forced to assume the costs of detaining Maturino-Resendez, who is alleged to have repeatedly entered this country illegally and further alleged to have committed a string of stunningly violent murders across the United States. There could not be a more graphic illustration of why we need to support the State Criminal Alien Assistance Program, so that our cities, counties and States are not left alone to pay the costs of the Federal government's failure to protect the border.

I pledge to work with the chairman to see that adequate funding can be restored to this vital program and appreciate the Senator from California bringing this important matter to the floor.

#### THE HARBOR GARDENS ECONOMIC DEVELOPMENT PROJECT

Mr. SANTORUM. Mr. President, I have sought recognition to express my support for the Harbor Gardens economic development project. I have requested funding in the Economic Development Administration (EDA) account for this worthwhile initiative in the Manchester neighborhood of Pittsburgh.

The mission of Harbor Gardens is to continue to help in rebuilding the economic, physical, social, human, and cultural infrastructure of one of Pittsburgh's most distressed communities. The project consists of a state-of-the-art urban greenhouse for the benefit of students and city residents. Horticulture is the fastest growing segment of agri-business, and therefore, the skills which program participants gain can translate into well-paying jobs. The project will ensure the education of its graduates in the horticultural industry, including advance greenhouse production technology and landscaping techniques. The Business and Industrial Development Corporation is partnering with the Pennsylvania State University, the School District of Pittsburgh, Pittsburgh Civic Garden Center, Phipps Conservatory and Botanical Center, Zuma Canyon Orchids, and Pittsburgh Cut Flowers. Rare plants will be grown to be purchased for resale, and tours, seminars, plant auctions, and festivals will all contribute to maximizing revenues.

Federal funding crucial to the completion of this innovative approach to economic development, and an EDA grant will play an important role in meeting that federal commitment.

I look forward to working with the Chairman of the Subcommittee, Senator GREGG, to ensure that this project receives funding.

Mr. GREGG. I welcome the comments by the Senator from Pennsylvania and look forward to continuing to work with him on this request. I am

well aware of the importance he places on the Harbor Gardens project. I would strongly urge the EDA to consider a proposal by the Business and Industrial Development Corporation within applicable procedures and guidelines and provide a grant if warranted.

#### THE BYRNE GRANT

Mr. KYL. Mr. President, I rise to enter into a colloquy with the distinguished Chairman of the subcommittee, Senator GREGG, regarding the importance of the Byrne Grant.

Mr. GREGG. I understand the Senator's interest in this area.

Mr. KYL. I thank Senator GREGG for entering this colloquy with me about a program which is particularly vital to the law enforcement personnel in my own state of Arizona. As you know, the Byrne Grant is a key source of federal financial assistance for state and local drug law enforcement efforts. It funds a wide variety of activities ranging from task forces and drug education to apprehension and prosecution. In Arizona, numerous counties and agencies rely on Byrne Grant funds to pay the salaries of nearly 300 law enforcement and prosecution personnel; rural counties especially benefit from Byrne Grant funds for their law enforcement activities.

Mr. GREGG. I am aware of the Byrne grant program and its importance, as well as the fact that the Administration's budget cut Byrne by over \$90 million, not to mention the Administration's "zero-funding" of the Local Law Enforcement Block Grant—which this Subcommittee funded at \$400 million. As Chairman of the subcommittee that provides funds for law enforcement, I am intimately familiar with the need to fund effective and successful law enforcement programs. I join with the Senator from Arizona in recognizing the importance of the Byrne Grant. As this bill moves to conference, I look forward to working with you to address your concerns.

Mr. KYL. Once again, I thank the distinguished Chairman.

#### WARDEN OFFENDER MONITORING SYSTEM

Mr. SESSIONS. I thank Senator GREGG and his staff for their tireless efforts on this legislation. I believe this legislation contains some important steps in a number of areas, including law enforcement. At this time, I would like to engage the Chairman in a discussion with regard to a new technology developed by Capstone Technologies, a company located in my state of Alabama. I think it is essential that we explore new areas of technology that can increase the effectiveness of law enforcement.

Mr. GREGG. I thank the Senator from Alabama for his interest in this legislation and in improving our law enforcement efforts. I agree that we should explore new techniques that can improve the capabilities of the law enforcement community.

Mr. SESSIONS. Capstone Technologies developed the Warden Offender Monitoring System to aid in monitoring offenders that have been put under residential detention. The Warden is a biometric, three dimensional monitoring system using voice verification, personal history inquiry and voice recording. The Warden uses computer voice verification to identify offenders placed on residential detention. The Warden monitors the offender using a touch-tone phone, with no new equipment to install or maintain. Random calls are made by the computer to the home of the offender during the hours sanctioned by the court. The system uses the "voiceprint", which is recorded initially, to identify the offender on the phone. All calls are monitored and all violations identified by the computer are followed by a personal call from the staff to ensure that there are no false violations recorded. The Warden can also detect when an offender is under the influence of alcohol or other drugs. If the computer detects certain characteristics of intoxication it will report a violation immediately to the supervisor with a recommendation to conduct a sobriety test. I believe this technology could be an extremely useful tool for law enforcement. One specific area in which the Warden system might be very helpful would be in monitoring juveniles. By implementing a versatile residential detention system, we can avoid having to place our youth in jail, and possibly help parents and the individual gain control of his life before it's too late.

Mr. GREGG. I agree that this technology could have useful applications to our law enforcement system. I look forward to working with the Senator from Alabama in the future as we explore technological developments and other useful tools that can aid our law enforcement community.

Mr. SESSIONS. I thank the Chairman again for his leadership and for his interest in this important issue. I look forward to working with him on this new technology in the months to come.

#### THE ECONOMIC DEVELOPMENT ADMINISTRATION OF THE DEPARTMENT OF COMMERCE

Mr. ASHCROFT. Mr. President, I thank the distinguished Senator from New Hampshire, Chairman of the Commerce, Justice, State, and Judiciary Appropriations Subcommittee, for joining me to discuss the urgent need to provide funding for defense conversion in the greater St. Louis area. Over 7,000 Missourians are in danger of losing their jobs if the F-15 production line shuts down at the Boeing plant in St. Louis. These are high-paying, high-skilled jobs, and I am committed to doing everything I can to help these hard-working Missourians find other sources of employment in the greater St. Louis area.

These workers have helped keep America strong through their work on

the F-15 and other military systems that are so integral to our national security. Their skill and knowledge are a national asset—a national asset which I think should be preserved through keeping the F-15 line open. I have worked toward that end, and Senator BOND and I successfully secured funding for additional F-15 purchases in the Defense Appropriations bill last month. But hundreds of F-15 workers will lose their jobs even with additional purchases of the plane, and those workers should be assisted in the transition process.

The distinguished Senator from New Hampshire is well aware of the Economic Development Administration (EDA) and the good work EDA does to facilitate economic adjustment in so many parts of the country.

Mr. GREGG. I am well aware of the EDA and the economic adjustment programs it funds, including substantial work in areas of the country impacted by defense downsizing.

Mr. ASHCROFT. I appreciate the Senator's reference to the defense conversion work performed by the EDA. In fact, EDA has assisted St. Louis before, as the regional economy has adjusted from defense layoffs over the past decade. St. Louis has one of the most effective and highly respected economic adjustment offices in the country, as the Defense and Commerce Departments would attest. The city has a demonstrated track record of using federal dollars effectively and is well-prepared to use EDA funding to meet the current, pressing needs of these F-15 workers. I would like to ask the distinguished Senator from New Hampshire if he will work with me in the coming months to address the defense conversion needs in the St. Louis area.

Mr. GREGG. I am aware of the good work St. Louis has done in the past when defense downsizing has affected the city's economy. As Chairman of the Appropriations Subcommittee overseeing funding for the Commerce Department and the EDA, I will work with the distinguished Senator from Missouri to assist the city.

Mr. ASHCROFT. I thank the Senator for his kind remarks and his willingness to work with me to address this important matter in Missouri.

#### RAPID RESPONSE SYSTEM FOR YOUNG CHILDREN EXPOSED TO VIOLENCE

Ms. COLLINS. Mr. President, I want to bring to the attention of the Senate Maine's Community Alliance to End Violence Against Children. The Alliance, which includes the Maine State Police, Catholic Charities Maine, and the Passamaquoddy Tribe at Pleasant Point, will improve and expand the coordination of services for preventing and reducing the negative impact that exposure to violence has on young children. As my distinguished colleague



from New Hampshire is aware, rural regions have unique problems coordinating and delivering services to children exposed to violence.

Mr. GREGG. I am pleased the Appropriations Subcommittee on Commerce, Justice, State, and the Judiciary directed the Office of Juvenile Justice and Delinquency Prevention to examine the proposal for a Rapid Response Program for children living in Hancock and Washington Counties and to provide a grant for the program if warranted.

Ms. COLLINS. Downeast Maine is particularly in need of help. Washington County, for example, is a large rural area in which chronic poverty, unemployment, substance abuse and domestic violence result in far too many children being exposed to violence. Currently there is no program in these counties that offers adequate intervention and treatment to address the harmful aftereffects of exposure to violence. The Alliance will develop a system through which existing resources can be coordinated to provide appropriate and timely responses to the emotionally and physically damaging situations children often face. There is strong evidence that a rapid response team, intervening on behalf of children in crisis situations, can mitigate the long term consequences of trauma.

Mr. GREGG. I thank the Senator from Maine for her efforts to address this problem. Data from urban areas have shown that a rapid response to trauma in children does reduce the development of anti-social behavior in the long term. However, there are no data from rural communities. The demonstration project that the Alliance proposes can be a model for service delivery in other rural areas and appears to be an excellent candidate for Department of Justice funds.

Ms. COLLINS. I am sure that many rural communities will benefit from the work of the Maine Alliance. Its plan has been inspired by the work of Dr. Carl Bell, President of the Community Mental Health Council in Chicago, Illinois. Dr. Bell's analysis of the effects of trauma and the needs of African-American youth in Chicago can be applied to the predominantly white and Native-American youth in eastern, rural Maine and ultimately youth in any rural area.

Mr. GREGG. I want to assure the Senator from Maine that I understand the importance of the work of the Maine Community Alliance to End Violence Against Children and its potential significance as a model for rural areas across the nation.

Ms. COLLINS. I thank the Chairman and the Subcommittee for their support and look forward to working with you to implement this project.

#### CONSOLIDATION OF ALL FIRST RESPONDER TRAINING AT THE CDP

Mr. SESSIONS. Mr. President, I would like to engage the distinguished Senator from New Hampshire in a brief colloquy to discuss the merits of consolidating training for our Nation's First Responders.

Would the Senator agree consolidation of all Department of Justice first responder training under the Center for domestic Preparedness at Fort McClellan, Alabama would significantly improve the quality and level of first responder domestic preparedness training?

Mr. GREGG. Is Consolidation of training in one organization really necessary?

Mr. SESSIONS. Yes. Stakeholders have repeatedly stated the need for a single authoritative point of contact for training information. Also the June 2, 1999 Report to Congress specifically recognized the requirement: "A centrally coordinated and standardized national training program is needed to ensure an effective, integrated response and to minimize redundancy in training programs."

Mr. GREGG. What would be the advantage of this consolidation?

Mr. SESSIONS. OSLDPS approach to responder training is somewhat fragmented. The CDP currently oversees most DoJ training. However, in October, 2000, DoD will transfer responsibility for its Nunn-Lugar City Training program to DoJ. Current plans are to manage this new program out of OSLDPS in Washington, DC office. Consolidation of all DoJ training at the CDP would centralize all training in one organization providing a more effective, efficient use of resources.

Mr. GREGG. How much City Training will remain once the programs transfers to DoJ?

Mr. SESSIONS. Of the original 120 cities scheduled to receive training, only 25 will be completely finished by October 2000. Approximately 65 cities will be in some phase of training. This is a very large and complex training program requiring extensive coordination and attention to detail.

Mr. GREGG. Does the CDP have the expertise to execute such a large training program?

Mr. SESSIONS. Yes. The CDP Director and his key staff have extensive experience in planning, coordinating and executing large training programs with DoJ, DoD and other agencies. The staff also has expertise in the first responder disciplines, such as fire, law enforcement and emergency medical. The CDP is also closer and perhaps, more attuned to first responder issues.

Mr. GREGG. What is the relative experience of the OSLDPS key staff?

Mr. SESSIONS. While they have some experience in coordinating programs within the interagency arena, their primary experience has been in

the area of grant formulation and execution, no one on the OSLDPS staff currently has any experience in executing a training program this large.

Mr. GREGG. Are there other advantages to consolidating DoJ first responder training at CDP?

Mr. SESSIONS. Yes. Placing one organization in charge of all DoJ training has several advantages:

- It centralizes all training and course development, curriculum standardization, assessment and instructor certification in one organization;

- It provides more effective oversight of training and related programs;

- Eliminates course overlap and course redundancy;

- It facilitates coordination of training issues in the interagency community; and

- It provides a single point of contact "one stop shopping" for state and local responders for all training issues.

Mr. GREGG. Will this consolidation save money and manpower?

Mr. SESSIONS. Dual-hatting the Director of the CDP as the OSLDPS Director of Training will eliminate the need for a large training coordination and oversight function/staff in Washington, DC.

Mr. GREGG. Why is this so important?

Mr. SESSIONS. Consolidation of all training at the CDP is important because it will provide a single authoritative source for training and related technical assistance and information. To this end, I am convinced that the National Guard should establish its central distance learning facility at Fort McClellan to leverage these training requirements for the 11 million First Responders in America.

Mr. GREGG. I would like to say to my good friend from Alabama that I agree with his views on training consolidation at the Center for Domestic Preparedness, and I appreciate his time and attention to this important issue. I look forward to working with him to fully explore this issue with Justice Department officials in the coming months. I would hope they will move aggressively to implement a National Training Strategy.

Mr. SESSIONS. Mr. President, I thank my colleague for participating in this colloquy and for his support on this issue. I, too, look forward to working with my friend from New Hampshire and other colleagues on this important issue.

#### THE REPEAL OF SECTION 110 OF THE 1996 IMMIGRATION LAW

Ms. COLLINS. Mr. President, I rise today to discuss the important issue of a visa entry-exit control system with the Senator from Michigan, Mr. ABRAHAM, the Chairman of the Immigration Subcommittee, and Senator GREGG, the Chairman of the Commerce-Justice-State Appropriations Subcommittee.

Senator ABRAHAM, you and I and other Members who represent the

Northern regions of our country have been working for over 3 years now to repeal Section 110 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (P.L. 104-208). Section 110 of this 1996 Immigration law would require a recording and identification system to be implemented to document the arrival and departure of all non-U.S. citizens at all ports of entry in the U.S., including those entry points along the U.S. border with Canada.

Mr. ABRAHAM. The Senator is correct. Those of us who represent states bordering Canada know well the immense volume of tourism and trade that passes through our states from our neighbor to the North. The implementation of Section 110 would cause gross delays to all those crossing the Northern border from Canada, and ultimately have a disastrous impact on the Northern economy as critical trade and travel routes are slowed. It would also harm states along the Southern border as well.

Ms. COLLINS. In my State of Maine, this new border policy would have the most immediate impact on border communities such as Calais, Houlton, Madawaska, and Jackman. Businesses in these communities rely on Canadian consumers to stay in business. Moreover, the impact on trade, including lumber and tourism, would extend beyond these communities and reverberate across Maine and through the Northern economy as a whole.

Those of us who represent states along the Canadian border know intimately how deep the shared ties between the U.S. and Canada truly are. Our relationship has included disagreements over the years, but our Canadian neighbors are part of our family—a fact that is literally and figuratively true for many Mainers whose extended families live across the border in Canada.

Mr. ABRAHAM. Our border policy with Canada has served us well, and is a symbol of the close relationship between our two countries. The border with Canada is the longest continuous open border in the world, and our close friendship should not be clouded by a needless bureaucratic exercise. Moreover, numerous jobs, jobs held by Americans in Michigan and elsewhere, would be lost if Section 110 is implemented. The effect on tourism and on just-in-time deliveries would inhibit the flow of goods and people in a way that would hurt the economics of many states.

Ms. COLLINS. Largely because of your efforts, Senator ABRAHAM, Section 110 has yet to be substantively implemented at land borders and sea ports of entry. Last year, the FY99 Omnibus Emergency Supplemental Appropriations Act (105-277) delayed the implementation of Section 110 on land and sea ports of entry until March 31, 2001, and included language stating

that the entry/exit control system must “not significantly disrupt trade, tourism, or other legitimate cross-border traffic at land border points of entry”. And in today’s Commerce-Justice-State Appropriations bill, Section 110 is repealed outright. I salute your efforts on behalf of this very important measure which will benefit both of our states and the northern economy as a whole.

Mr. ABRAHAM. I thank the Senator from Maine for her remarks, and for the important work she has done to repeal this measure. As the overwhelming vote nearly one year ago illustrates, there is near unanimity in the Senate on this issue, and I salute the Senator from New Hampshire for his outstanding ongoing support, and his willingness to insert provisions addressing this problem into the underlying Commerce-Justice-State Appropriations Bill.

Mr. GREGG. I am pleased to support the measure to repeal Section 110 of the 1996 Immigration bill. I too believe strongly that the border policy we currently enjoy with the country of Canada should not be disturbed. I will continue to work in Conference to see that this matter is finally put to rest.

Mr. ABRAHAM. Thank you, Senator GREGG, your efforts are deeply appreciated by the American people.

Ms. COLLINS. Thank you to both Senators for their leadership on this issue, and for joining me in this colloquy.

#### DRUG ENFORCEMENT ADMINISTRATION

Mr. DEWINE. Mr. President, as the Senate reaches the conclusion of the Commerce-Justice-State Appropriations bill, I would like to speak a moment about an important US law enforcement agency funded in this bill—an agency dedicated to keeping drugs off our streets. I am specifically talking about the Drug Enforcement Administration.

Mr. President, in 1998, the DEA seized more drugs and arrested more traffickers than ever before. With limited funding, and unlimited hard work and dedication, DEA human resources are a vital source not just for our law enforcement activities, but for other nations as well. The DEA does its job without a heavy reliance on big ticket items like ships and aircraft. On the contrary, this agency relies primarily on manpower. Their manpower and skill are what makes them such an effective organization both inside and outside our borders.

Fortunately after 2 years of almost stagnant funding levels, the Republican Congress has been working to increase its investment in the DEA. Last year Congress provided the DEA with \$1.4 billion in Fiscal Year 1999, an increase of roughly \$60 million. This increase was possible largely through legislation Senator COVERDELL and I introduced and Congress passed last

year—the Western Hemisphere Drug Elimination Act. However, we need to do more.

Congress should continue its support of the DEA. Increasing our investment in DEA, which will in turn increase the strength and ability of our counter-narcotics strategy, is the only way to continue to increase the numbers of drug arrests and seizures.

Let me give you some examples of where more DEA resources have and can continue to make a difference. Mr. President, I have visited Haiti numerous times and have visited the Dominican Republic as well. It is truly unfortunate that roughly twenty per cent of the drugs entering the United States travel through these two countries. The Haiti-Dominican Republic transit route has become increasingly popular for drug traffickers because both governments do not present a real threat to drug traffickers. What makes matters worse is that our resources devoted to preventing drugs from reaching this island have been minimal at best.

When I visited Haiti back in March 1998, I was astonished to find out that there was only one DEA agent stationed in Haiti. When I visited the Dominican Republic on the same trip, I was disappointed to find out there were only two DEA agents stationed there. How can our government keep drugs from entering our country if we do not make a commitment to seize drugs along a major international route on the drug trafficking highway? When I returned from that trip, I worked with the DEA and the Attorney General to get additional agents assigned to both countries. I received a commitment to station seven DEA agents in Haiti and six agents in the Dominican Republic. The process has been slow in getting the agents to Haiti—because of language training in particular—but the increase in agents has already made a tremendous difference.

Since that trip back in March 1998, I have returned to Haiti and the Dominican Republic, and visited with the DEA agents stationed there. As a result of our increased DEA presence on the island, the DEA, in conjunction with the US Customs and with the Haiti and Dominican governments, has pursued several counter-drug operations. Their presence also has helped increase cooperation between the two nations.

I had the opportunity to visit the Haitian-Dominican border last November to observe a DEA-Customs counter-drug initiative called Operation Genesis. Until that time, there was virtually no cooperation between the two nations at the border. This lack of cooperation is a major reason why the island became a popular drug trafficking route. The objective of Operation Genesis was to help both countries better coordinate and cooperate with each other to prevent drugs from transiting the border.

The enhanced Haitian-Dominican cooperation through overall DEA efforts has proven successful. For example, last February, the Haitian National Police in coordination with the DEA, arrested relatives of the Coneo family—a well known Colombian drug trafficking family with connections in Haiti and the Dominican Republic. Heriberto Coneo's wife, son and his brother-in-law were arrested in Haiti for carrying false Dominican passports. Haiti later expelled them to the Dominican Republic, where they were arrested and placed in prison. This was a major victory.

Another example of this enhanced cooperation was the recent arrest of a Haitian National Police Division Chief who had fled to the Dominican Republic after his involvement in the deaths of more than 11 Haitians. The coordinated efforts by the DEA with these two countries resulted in the Dominicans arresting the police official and expelling him to Haiti.

The DEA also has helped train the Haitian National Police counter-drug unit. With DEA assistance, our Embassy in Port-au-Prince reports that the Haitian police has seized more than \$1 million in money being smuggled out of the country in large sums.

I also have seen the DEA in action in South America, specifically in Peru and in Colombia. I walked through poppy fields in Neiva, Colombia where I saw first hand the source of the serious heroin problem plaguing our country today. We were in a region only 20 miles from the Colombian demilitarized zone. The DEA has been instrumental in working and training the Colombian National Police to seize drugs and arrest drug lords.

While, I have described a few success stories, I need to remind my colleagues that the DEA is producing incredible returns on a very small investment.

Imagine what more the DEA could do if they had more personnel. The fact is the DEA simply does not have the resources to meet their demanding and necessary tasks. With more resources, border initiatives like the one in Haiti and the Dominican Republic could be expanded, allowing for a greater reduction in the heavy trafficking that occurs between the two countries. With more resources, additional DEA agents can be sent overseas to assist law enforcement officials in learning ways to stop drug trafficking. That kind of investment—to build anti-drug operations in other countries—will build even more barriers to drugs outside our borders.

Mr. President, last March, Senator COVERDELL and I, along with a number of our colleagues—Republican and Democrat—sent a letter to the Chairman and Ranking Member of the Commerce-Justice-State Appropriations Subcommittee, Senator GREGG and Senator HOLLINGS, calling for building

on this year's investment in the DEA and requesting additional funding for 300 additional DEA agents, analysts and support personnel, and for other DEA initiatives. This request would enable the DEA to carry out specific initiatives outlined in the Western Hemisphere Drug Elimination Act, a three year initiative for enhanced international drug eradication and interdiction efforts.

I recognize the serious budget challenges facing this Subcommittee and other Appropriations subcommittees as well. Chairman GREGG and Senator HOLLINGS were extremely gracious in accommodating our request. Specifically, the Subcommittee earmarked \$17.5 million for new DEA agents, analysts, and support staff for both international and domestic posts.

Mr. President, this is an important first step. It is my hope that as this bill moves to a conference with the House, the conferees will work to increase our overall investment in the DEA, so that specific priority requirements are not funded at the expense of other important DEA programs.

Again, Mr. President, since 1995 Congress has made great progress last year to increase our investment to revive our international counter narcotics strategy. Last year's passage of the Western Hemisphere Drug Elimination Act was the latest example of this progress. Not only did Congress pass legislation, but we also provided an \$800 million down payment for the bill.

Unfortunately, the Clinton Administration is not showing a similar commitment. The President's Budget for Fiscal Year 2000 provided zero funding for provisions outlined in the Western Hemisphere Drug Elimination Act. In fact, it calls for more than \$100 million less than our total anti-drug funding for 1999. The Coast Guard received zero funding for the acquisition of air/maritime assets; the Drug Enforcement Agency received zero funding for new agents; our Customs Service received zero funding for procurement of maritime/air assets and zero increases for U.S. Customs inspectors. This Administration has not demonstrated a commitment to fund a real, coherent international counter-drug strategy. What good is it to have tough drug laws here at home and a tough international counter narcotics policy at and beyond the border if you do not have the resources to enforce them?

Mr. President, I have repeatedly expressed my concerns that the Administration has not been doing enough in the fight against drugs. When the Clinton Administration took over, the DEA workforce dropped from 7,277 in 1992 to 7,066 in 1994. However, since the Republican takeover of Congress in 1994, we have fought to boost the workforce from 7,066 to more than 9,000. The Administration's latest action, or lack of action, only reinforces my belief that

more can be done. There has been an increasing number of reports of outrageous amounts of drugs being distributed throughout our country that originates internationally and domestically. Why is that? Only the federal government can devote the resources to seize drugs outside our country. It is unfortunate that the Clinton Administration continues to fail to fully support this exclusive federal responsibility.

With increased DEA funding, we have the opportunity to eliminate one of the most glaring omissions in the President's budget. It is my hope that we will continue to search for additional funding to the DEA so that they can hire these new agents, analysts, and support personnel without having to sacrifice other important programs. These agents would work hand-in-hand with international law enforcement authorities to provide the intelligence, expertise, and even the manpower required to arrest the drug traffickers.

Mr. President, I have seen the DEA at work throughout the region. The agency is a group of hard-working dedicated individuals who risk their lives to create a healthy environment for democracies to flourish, while at the same time get the drugs off the streets of America. They do so much good with the limited resources they have. It is now time for us to pass this amendment, give the DEA additional resources and once again watch the number of arrests and seizures increase causing the flow of narcotics into our country to sharply decrease.

Mr. President, it is time to renew drug interdiction efforts; time to provide the necessary personnel and equipment to our drug-enforcement agencies, and time to make the issue a national priority once again.

Thank you, Mr. President. I yield the floor.

Mr. McCAIN. Mr. President, I want to thank the managers of this bill for their hard work in putting forth annual legislation which provides federal funding for numerous vital programs. The Senate will soon vote to adopt the Commerce, Justice, State Appropriations Bill for the Fiscal Year 2000. I intend to support this measure because it provides funding for fighting crime, enhancing drug enforcement, and responding to threats of terrorism. This further addresses the shortcomings of the immigration process, funds the operation of the judicial system, facilitates commerce throughout the United States, and fulfills the needs of the State Department and various other agencies.

For many years, I have tried to cut wasteful and unnecessary spending from the annual appropriations bills—with only limited success, I must admit. Nonetheless, I will continue my fight to curb wasteful pork-barrel spending, and I regret that I must

again come forward this year to object to the millions of unrequested, low-priority, wasteful spending in this bill and its accompanying report. This year's bill has over \$1 billion in pork-barrel spending. This is a disgracefully huge increase over last year's FY 99 Commerce, Justice, State Appropriations Bill, which contained \$361 million in pork-barrel spending. \$1.2 billion is an unacceptable amount of money to spend on low-priority, unrequested, wasteful projects. In short, Congress must curb its appetite for such unbridled spending.

CBO projects that we will have close to a trillion dollar budget surplus over the next 10 years. However, if we continue with our current levels of wasteful spending, these budget surpluses may not occur. Pork-barrel spending today not only robs well-deserving programs of much needed funds, it also jeopardizes social security reform, potential tax cuts, and our fiscal well-being into the next century.

The multitude of unrequested earmarks buried in this proposal will undoubtedly further burden the American taxpayers. While the amounts associated with each individual earmark may not seem extravagant, taken together, they represent a serious diversion of taxpayers' hard-earned dollars to low priority programs at the expense of numerous programs that have undergone the appropriate merit-based selection process. Congress and the American public must be made aware of the magnitude of wasteful spending endorsed by this body.

I have compiled a lengthy list of the numerous add-ons, earmarks, and special exemptions provided to individual projects in this bill. It would take a substantial amount of time to recite this list to you. Instead, I will ask unanimous consent to include this list in the RECORD.

Mr. President, because of our nation's robust economy, we now have a balanced budget. But we cannot continue to bear the financial burden of servicing a \$5.6 trillion national debt. We need to continue to work to cut unnecessary and wasteful spending so we can begin to pay down our debt and save billions in interest payments.

As I mentioned earlier, CBO recently projected that we will have close to a trillion dollar budget surplus over the next 10 years. These are projections and not real dollars until they materialize. Further, these surplus projections are all contingent on Congress maintaining the spending caps. Unfortunately, I already hear the grumbling to break these caps even as we have only deliberated on a small number of appropriations bills.

Simply because we can fund programs of questionable merit within the spending caps does not mean that we should. There is no room for pork-barreling when we are so close to breaking

the caps. Last year alone, I uncovered over \$14 billion of wasteful spending in the appropriations bills. \$14 billion funds a lot of worthy programs.

As a matter of simple fairness, we have an obligation to ensure that Congress spends taxpayers' hard-earned dollars prudently to protect our balanced budget and to protect the projected budget surpluses. The American public cannot understand why we continue to earmark these huge amounts of money to locality specific special interests at a time when we are trying to cut the cost of government and return more dollars to the people. Pork barrel spending cannot be justified in an environment where our highest fiscal priorities should be to save Social Security, and provide much needed tax relief such as: increasing the number of tax payers in the 15% tax bracket, elimination of the marriage penalty; reduced taxation of savings and investment income; repeal of the estate and gift tax; repeal of the Social Security Earnings Test; increasing the contribution level for 410(k), and 457 retirement plans; and increasing the contribution level for the traditional IRA to \$5,000.

Let me say very frankly that I do not generally like the idea of griping year after year regarding Congress' appetite for wasteful pork-barrel spending. But it is a sad commentary on the state of politics today that the Congress cannot curb its appetite to earmark funds for programs that are obviously wasteful, unnecessary, or unfair. Unfortunately, however, Members of Congress have demonstrated time and again their willingness to fund programs that serve their narrowly tailored interest at the expense of the national interest.

I ask unanimous consent the list be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

**OBJECTIONABLE PROVISIONS CONTAINED IN S. 1217 THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL**

**Bill Language**

**DEPARTMENT OF JUSTICE**

\$2,500,000 for the operation of the National Advocacy Center at the University of south Carolina

\$5,000,000 for a task force in each of the paired locations of Philadelphia, Pennsylvania, and Camden, New Jersey; Las Cruces, New Mexico, and Albuquerque, New Mexico; Savannah, Georgia, and Charleston, South Carolina; Baltimore, Maryland, and Prince Georges County, Maryland; and Denver, Colorado, and Salt Lake City, Utah

An earmark for funding for the care and housing of Federal detainees held in the joint Immigration and Naturalization Service and United States Marshals Service's Buffalo Detention Facility

Funding for planning, acquisition of sites and construction of new facilities; and for leasing the Oklahoma City Airport Trust Facility

\$50,000,000 for the Boys and Girls Clubs in public housing facilities and other areas in

cooperation with State and local law enforcement

\$3,000,000 for the National Institute of Justice to develop school safety technologies

\$5,200,000 to the National Institute of Justice for research and evaluation of violence against women

**JUDICIARY**

\$2,700,000 to the "Courts of Appeals, District Courts, and Other Judicial Services" for the Institute at Saint Anselm College and the New Hampshire State Library

A \$500,000 earmark for the National Law Center for Inter-American Free Trade in Tucson, Arizona

\$13,500,000 for the East-West Center in Hawaii

\$125,000 for the Maui Pacific Center in Hawaii

\$12,500,000 earmarked for the Center of Cultural and Technical Interchange Between East and West in the State of Hawaii

Language providing that all equipment and products purchased with funds made available in this Act should be American-made

**Report Language**

**DEPARTMENT OF JUSTICE**

A \$30,000,000 earmark for the creation of two counterterrorism laboratories at the site of the Oklahoma City bombing and at Dartmouth College, for research of new technologies and threat reduction for chemical and biological weapons as well as cyber-warfare.

\$2,300,000 to expand the multi-agency task forces in Richmond and Boston, which are designed to keep firearms out of the hands of criminals by enforcing Federal gun laws, by implementing these programs in Philadelphia and Camden.

\$25,000,000 is earmarked for expansion of the existing "Exile program" in Philadelphia, PA and Camden, NJ and to create new task forces in the following four crime corridors: Las Cruces—Albuquerque, NM; Savannah, GA—Charleston, SC; Denver, CO—Salt Lake City, UT; and Baltimore—Prince George's County, MD.

\$2,612,000 for a courtroom technology pilot program involving 10 districts, including Colorado, the northern district of Mississippi, Montana, New Mexico, South Carolina, and Vermont.

\$500,000 to establish a Bankruptcy Training Center at the National Advocacy Center at the University of South Carolina

A \$13,750,000 earmark for courthouse security equipment to outfit newly opening courthouses in the following locations: Omaha, NE; Hammond, IN; Covington, KY; Charleston, WV; Montgomery, AL; Tucson, AZ; Phoenix, AZ; Charleston, SC; Albany, NY; Los Angeles, CA; Sioux City, IA; Pocatello, ID; Agana, Guam; Islip, NY; St. Louis, MO; Kansas City, MO; Las Vegas, NV; Albuquerque, NM; Riverside, CA; Corpus Christi, TX.

\$500,000 for the acquisition and installation of videoconferencing equipment in the following locations: Leavenworth, KS; Dawson County, NE; Las Vegas, NV; Charlotte, NC; and high-volume jail locations to be determined in New Mexico and elsewhere.

Earmarks for courtroom construction at the following locations: Fairbanks, AK; Prescott, AZ; Atlanta, GA; Moscow, ID; Chicago, IL; Rockford, IL; Louisville, KY; Detroit, MI; Las Cruces, NM; Greensboro, NC; Muskogee, OK; Pittsburgh, PA; Florence, SC; Spartanburg, SC; Columbia, TN; Beaumont, TX; Sherman, TX; Cheyenne, WY. Not only are these amounts earmarked for particular locations, but the total earmark is \$800 above low tax budget requests.

\$25,392,000 for the National Infrastructure Protection Center, of which \$1,250,000 is for a national program for infrastructure assurance developed in cooperation with the Thayer School of Engineering.

Language addressing the need for a focused response to illegal drug trafficking in northern New Mexico and an expectation that the FBI will devote sufficient resources to this problem in cooperation with other federal law enforcement agencies.

Language addressing the need for a focused response to illegal drug trafficking in northern New Mexico and an expectation that the DEA will devote sufficient resources to this problem in cooperation with other Federal law enforcement agencies.

A \$222,000 earmark for the Iowa Division of Narcotics Enforcement to support the overtime, travel, and related expenses of 11 additional narcotics enforcement personnel.

\$178,000 for an Iowa methamphetamine education mobile learning center.

Funding provided, within the amount made available for legal proceedings, to increase by not less than two the number of attorneys assigned to the district office in Alaska.

\$250,000 for office space for the special agent on Kodiak Island.

\$3,000,000 for the Law Enforcement Support Center. Report language assumes Louisiana, Mississippi, and South Carolina will be added to the system.

\$1,500,000 for equipment, modifications, and manning for a Secure Electronic Network for Traveler's Rapid Inspection lane at San Luis, AZ, port of entry.

Report language directing the Immigration and Naturalization Service to give full consideration to the Etowah County Detention Center in Alabama should it seek to expand available bed space in the region, as long as the county facility remains cost competitive.

An earmark of \$49,968,000 for new Border Patrol construction as follows: \$1,000,000 in Alcan, AK for POE Housing; \$1,000,000 in Skagway, AK for POE Housing; \$6,500,000 in Chula Vista, CA for a Border Patrol Station; \$5,000,000 in El Centro, CA for Sector HQ; \$7,850,000 in Santa Teresa, NM for a Border Patrol Station; \$4,000,000 in Alpine, TX for a Border Patrol Station; \$1,200,000 in Brownsville, TX for a Border Patrol Station; \$4,300,000 in Del Rio, TX for Border Patrol Sector HQ; \$5,118,000 in Presidio, TX for Border Patrol Housing; and \$14,000,000 in Charleston, SC for a Border Patrol Academy.

\$8,148,000 for Border Patrol planning, site acquisition, and design as follows: \$600,000 in Campo, CA for a Border Patrol Station; \$307,000 in El Cajon, CA for a Border Patrol Station; \$447,000 in Temecula, CA for a Border Patrol Station; \$300,000 in Douglas, AZ for a Border Patrol Station; \$1,330,000 in Tucson, AZ for a Border Patrol Station; \$687,000 in Yuma, AZ for a Border Patrol Station; \$173,000 in Del Rio, TX for Checkpoints; \$934,000 in Eagle Pass, TX for a Border Patrol Station; \$865,000 in El Paso, TX for a Border Patrol Station; \$128,000 in Laredo, TX for Checkpoints; \$954,000 in McAllen, TX for Sector HQ; \$685,000 in McAllen, TX for a Border Patrol Station; \$500,000 in Port Isabel, TX for a Border Patrol Station; and \$238,000 in Sanderson, TX for a Border Patrol Station.

\$11,000,000 is earmarked for new construction of a Border Patrol Service Processing Center in Port Isabel, TX.

\$9,500,000 for new construction of a Border Patrol Service Processing Center in Krome, FL.

\$2,000,000 for Border Patrol planning, site acquisition, and design of Service Processing

Centers in the following locations: \$1,000,000 in El Centro, CA; \$800,000 in Florence, AZ; and \$200,000 in El Paso, TX.

\$2,000,000 for housing at the remote Alcan and Skagway ports of entry in Alaska.

\$367,000 for a fence in Santa Teresa, NM.

Funding for five new prisons: one minimum security facility in Forrest City, AR; a medium and minimum security facility in Victorville, CA; and detention centers in Houston, TX, Brooklyn, NY, and Philadelphia, PA.

An earmark of \$101,633,000 to begin or complete activation of the following facilities: \$7,500,000 in Butner, NC; \$5,422,000 in Fort Devens, MA; \$1,902,000 in Loretto, PA; \$4,585,000 in Forrest City, AR; \$25,230,000 in Victorville, CA; \$19,384,000 in Houston, TX; \$22,258,000 in Brooklyn, NY; \$15,352,000 in Philadelphia, PA.

\$221,000,000 to complete construction of the Northern Mid-Atlantic penitentiary and the South Carolina facility.

\$94,000,000 earmarked for construction of a Federal Correctional Institution at Yazoo City, Mississippi.

Recommended bill language which allows for leasing a facility in Oklahoma City, OK.

\$50,948,000 for the National Institute of Justice for fiscal year 2000 to expand the Adam Program.

The National Institute of Justice is directed to provide \$2,100,000 to the School Crime Prevention and Security Technology Center.

The National Institute of Justice is further directed to provide \$1,025,000 to the Criminal Imaging Response Center, at the Institute of Forensic Imaging, Indianapolis, Indiana, to conduct research; \$300,000 to the United States Mexico Coalition to determine costs to border counties to process criminal illegal immigrants; \$1,500,000 to the University of Connecticut Health Center to establish a prison health research center; and \$2,500,000 for the National Center for Rural Law Enforcement in Arkansas to establish a school violence research center.

Funding for the Office of Justice Programs to expand training activities at the Fort McClellan Center for Domestic Preparedness and to enter into training agreements with the New Mexico Institute of Mining and Technology, Louisiana State University, Texas A&M University, and the Nevada Test site to develop and implement first responder preparedness training curricula.

\$30,000,000 for the creation of two counterterrorism laboratories for research on chemical and biological weapons as well as cyberwarfare, to be located at the site of the Oklahoma City bombing and at Dartmouth College.

\$3,500,000 for a Consolidated Advanced Technologies for the Law Enforcement Program at the University of New Hampshire and the New Hampshire Department of Safety.

\$2,000,000 for continued support for the expansion of Search Group, Inc. and the National Technical Assistance and Training Program to assist States, such as West Virginia, to accelerate the automation of fingerprint identification processes.

\$1,500,000 for project Return in New Orleans, LA.

\$1,500,000 to the New Hampshire Department of Safety to support Operation Streetsweeper.

A \$973,900 earmark to allow the Utah State Olympic Public Safety Command to continue to develop and support a public safety master plan for the 2002 Winter Olympics.

\$400,000 is earmarked for the Western Missouri Public Safety Training Institute for

classroom and training equipment to facilitate the training of public safety officers.

\$1,000,000 for the Nevada National Judicial College.

\$2,000,000 for the Alaska Native Justice Center.

\$800,000 is earmarked for the San Bernardino, CA, Night Light Program to provide five probation officers and five police officers 24 hours a day, 7 days a week.

\$250,000 to Gallatin County, Montana, for the planning and needs assessment for a new detention facility;

\$3,000,000 for the National Center for Innovation at the University of Mississippi School of Law to sponsor research and produce judicial education seminars and training.

An earmark of \$1,200,000 to the Haymarket Center's Alternatives to Incarceration Program, Chicago, Illinois.

\$330,000 to the city of Oakland, California, for Project Exile.

\$50,000,000 for the Boys and Girls Clubs of America, to include a pilot program for Internet education directed toward the states of Alaska, Missouri, Montana, New Hampshire, South Carolina, Wisconsin, and Arizona.

Report language indicating that the Office of Justice Programs should consider the needs of the Wapka Sica Historical Society of South Dakota and award a grant, if warranted.

\$350,000 to establish the Sarpy County Drug Treatment Court in Nebraska.

\$500,000 to the Family Protection Unit in Oceanside, California.

\$290,000 to the Alaska Family Violence Project.

\$1,750,000 is earmarked for the Las Vegas victims of domestic violence program.

\$250,000 for the Legal Aid Society of Hawaii Navigator Project.

An earmark of \$7,500,000 to the Utah Communications Agency Network for enhancements and upgrades of security and communications infrastructure to assist with the law enforcement needs arising from the 2002 Winter Olympics;

\$7,500,000 to the Utah Communications Agency Network (UCAN) for enhancements and upgrades of security and communications infrastructure to assist with the law enforcement needs arising from the 2002 Winter Olympics.

\$2,500,000 to the Missouri State Court Administrator for the Juvenile Justice Information System to enhance communication and collaboration between juvenile courts, law enforcement, schools, and other agencies.

\$550,000 to the City of Santa Monica's automated Mobile Field Reporting System to place new computers in patrol cars.

\$1,200,000 to Yellowstone County, Montana, to place Mobile Data Systems in patrol cars.

\$650,000 to Yellowstone County, Montana, for a driving simulator to assist them with law enforcement driver training needs.

\$1,333,200 to the city of Jackson, Mississippi, for public safety and automated systems.

\$60,000 for Delta State University, Cleveland, Mississippi, for public safety and automated system technologies to improve campus law enforcement security.

\$10,000,000 for the South Dakota Bureau of Information and Telecommunications to enhance their emergency communication system.

\$2,000,000 to the Alameda County, California, Sheriff's Department for a regionwide voice communications system.

\$2,500,000 for the North Carolina Criminal Justice Information Network to implement J-Net.

\$390,112 to Racine County, Wisconsin, for a countywide integrated Computer Aided Dispatch management system and mobile data computer system.

\$200,000 to the Vermont Department of Public Safety for a mobile command center.

\$350,000 to the Birmingham, Alabama, Police Department for a mobile emergency command unit.

\$1,000,000 to Fairbanks, Alaska, for police radios and telecommunications equipment.

\$90,000 to Fairbanks, Alaska, for thermal imaging helmet mounted rescue goggles.

\$200,000 for Mobile Data Computer System in Logan, Utah.

\$106,980 for public safety and automated system technologies, Ocean Springs, Mississippi.

\$3,000,000 to the Low Country Tri-County Police initiative.

\$350,000 to the Union County, SC, Sheriff's Office for technology upgrades.

\$430,000 to the Greenwood County, SC, Sheriff's Office for technology upgrades.

\$1,500,000 to the St. Johnsbury, Rutland, and Burlington, VT, technology programs.

\$6,000,000 to the Vermont Public Safety Communications Program.

\$400,000 to the Kauai County Police Department in Hawaii, to enhance their emergency communications systems.

\$400,000 to the Maui County Police Department in Hawaii, to enhance their emergency communications systems.

\$110,000 for the Scotts Bluff Emergency Response System.

\$2,000,000 for the Rock County Law Enforcement Consortium.

\$100,000 for Mineral County, Nevada, technology program.

\$28,000 for Nenana, Alaska's, mobile video and communications equipment.

\$500,000 to the New Jersey State police for new firearms.

\$2,000,000 to the Seattle Police Technology Program.

\$2,000,000 to the South Dakota Training Center [LET] for technology upgrades.

\$9,000,000 to the Southwest Border States Anti-Drug Information Systems [SWBSADIS] for technology upgrades.

\$3,000,000 to the New Hampshire State Police VHF trunked digital radio system; and

An earmark of \$1,700,000 for the Circle of Nations, North Dakota, Juvenile Detention Center to serve high risk American Indian youth.

Report language recommending that the Office of Justice Programs provide a \$2,000,000 grant to Marshall University Forensic Science Program; \$5,000,000 to the West Virginia University Forensic Identification Program; \$500,000 for the Southeast Missouri Crime Laboratory; \$660,760 to the Wisconsin Laboratory to upgrade DNA technology and training; \$1,250,000 for Alaska's crime identification program; \$1,200,000 to the South Carolina Law Enforcement Division to update their forensic laboratory.

\$6,000,000 is earmarked for the Midwest (Missouri) Methamphetamine Initiative to train local and state law enforcement officers on the proper recognition, collection, removal, and destruction of methamphetamine.

\$1,200,000 for the Iowa methamphetamine law enforcement initiative.

\$1,000,000 for the Rocky Mountain, Colorado, Methamphetamine Initiative.

\$1,000,000 for the Illinois State Police to combat methamphetamine and to train officers in those types of investigations.

\$1,000,000 for the Western Wisconsin Methamphetamine Law Enforcement Initiative.

\$1,000,000 for the Northern Utah Methamphetamine Initiative.

\$525,000 is earmarked for the Nebraska Clandestine Laboratory Team.

\$1,000,000 to the Las Vegas Special Police Enforcement and Eradication Program to be equally divided between the Las Vegas Police Department and the North Las Vegas Police Department.

\$50,000 for the Grass Valley Methamphetamine Initiative.

A \$1,000,000 earmark for the Arizona methamphetamine initiative.

Report language directing the Office of Justice Programs to review requests from Washington State and award grants if warranted.

Report language directing the Weed and Seed Office to provide \$600,000 to the Kids With a Promise Program, Bushkill, PA and \$300,000 to the Gospel Rescue Ministries.

A \$3,500,000 earmark for the Hamilton Fish National Institute on School and Community Violence.

\$2,000,000 to expand the Milwaukee Safe and Sound Program to other Wisconsin cities such as Green Bay and Eau Claire.

\$1,000,000 through the University of Montana to create a juvenile after-school program based on the study of Northwest Native Americans in relation to the Lewis and Clark expedition.

\$750,000 is earmarked for the Rio Arriba County, New Mexico, After School Program.

\$200,000 for an evaluation of the Vermont SAFE-T and Colchester Community Youth Project.

\$200,000 for the Vermont Association of Court Diversion Programs to help prevent and treat teen alcohol abuse.

Report language directing the Office of Juvenile Justice and Delinquency Prevention to provide \$1,000,000 to Utah State University for a pilot mentoring program that focuses on the entire family and \$1,000,000 to the Tom Osborne Mentoring Program.

\$1,000,000 to the Sam Houston State University and Mothers Against Drunk Driving to establish a National Institute for Victims Studies.

\$165,000 to the Inglewood California, Graffiti Removal Project to combat and clean up graffiti in the Inglewood schools.

\$500,000 to the San Bernardino County, California, Home Run Program for five probation officers to be placed in schools.

\$540,767 to the Milwaukee Public Schools Summer Stars Program.

\$425,000 is earmarked for the Montana Juvenile Justice System Teleconferencing Equipment.

\$500,000 for the University of Louisville School Safety Project.

\$250,000 for the Alaska Community in School Program.

#### DEPARTMENT OF COMMERCE AND RELATED AGENCIES

\$117,500,000 is earmarked for the National Technical Information Service's "Construction of research facilities" account, which includes \$10,000,000 for a cooperative agreement with the Medical University of South Carolina and \$10,000,000 for a cooperative agreement with Dartmouth College.

#### NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

##### National Ocean Service

Report earmarks the following projects:

\$500,000 to continue the South Carolina geodetic survey.

\$3,000,000 for the joint hydrographic center for the evaluation of innovative equipment

and techniques for the acquisition of survey data at the University of New Hampshire.

\$1,566,000 for a data survey of Narragansett Bay, RI to be conducted in conjunction with the Rhode Island Coastal Resources Management Council.

\$1,000,000 for the South Carolina Task Group on Toxic Algae for research and response activities.

\$1,400,000 for the South Florida Ecosystem.

\$100,000 above the request level for the Coastal Vulnerability Reduction Program for the Community Sustainability Center, in Charleston, SC.

\$5,800,000 for the cooperative Institute for Coastal and Estuarine Environmental Technology (located at the Univ. Of New Hampshire—UNH not specified in report). p. 89.

\$1,250,000 for a Pacific Coastal Services Center in Hawaii.

\$2,000,000 for the Joint Institute for Coastal Habitat at Louisiana State University.

\$2,000,000 for the National Coral Reef Institute and to continue Hawaiian coral reef monitoring and assessment by the University of Hawaii.

\$6,825,000 for the Great Lakes Environmental Research Laboratory (FY 99 appropriated level).

Report directs the Coastal Ocean Program (a NOAA office) to work with and continue its current levels of support for the Baruch Institute's (SC) research and monitoring of small, high-salinity estuaries.

#### National Marine Fisheries Service

The bill report earmarks the following projects:

\$500,000 for the Hawaiian Community Development Program and fishery demonstration projects for native fisheries development.

\$3,000,000 for PACFIN, the Pacific fishery information network, and directs that Hawaii receive an appropriate share of PACFIN resources. (same level as FY 99)

\$3,000,000 for AKFIN, the new Alaskan fishery information network. (A new line item)

\$3,900,000 for RecFIN, the recreational fishery information network program. Report further directs that the Pacific, Atlantic, and Gulf States each receive one-third of these funds with funding for inshore recreational species assessment and tagging efforts in South Carolina.

\$2,400,000 for continued operations of the NOAA vessel the Gordon Gunter, homeported in Mississippi.

\$250,000 for the harvest technology unit of the National Warmwater Aquaculture Research Center at Stoneville.

For information collection and analyses resource information programs:

\$3,500,000 for implementation of the Magnuson-Stevens Act off the coast of Alaska;

\$2,500,000 for the Gulf of Mexico Stock enhancement consortium;

\$500,000 for the Hawaii stock enhancement plan;

\$300,000 for Hawaiian sea turtles;

\$200,000 to conduct sampling of lobster population in State waters in New England;

\$400,000 to continue research on shrimp pathogens in the southeastern U.S.;

\$300,000 to continue a study of the status and trends of southeastern sea turtles;

\$300,000 for research on the Charleston bump, an offshore bottom feature which attracts large numbers of fish;

\$1,500,000 for the Chesapeake Bay multi-species management strategy;

\$1,050,000 for Hawaiian monk seals.

\$1,000,000 for the Xiphophorus Genetic Stock Center at Southwest Texas State University for fish genetics and evolution;



\$1,500,000 for Chesapeake oyster research.  
 \$6,325,000 for Alaska groundfish monitoring, including \$300,000 for the Berin Sea Fisherman's Association, \$225,000 for the Gulf of Alaska Coastal Communities Coalition.

\$1,250,000 for the State of Alaska to develop commercial fisheries near shore, including dive fisheries for urchins, and groundfish fisheries for cod, rockfish, skates, and dogfish.

\$4,000,000 for Stellar sea lion recovery off of Alaska, including \$1,100,000, for the State of Alaska, \$1,000,000 for the Alaska SeaLife Center, and \$800,000 for the North Pacific Marine Mammal Consortium.

an \$800,000 increase over the FY 99 appropriated level of \$700,000 for the Yukon River Drainage Fisheries Association for habitat restoration and monitoring projects.

\$200,000 for the Northeast Fisheries Science Center for the Virginia Institute for Marine Science to begin participation in the Cooperative Marine Education and Research Program.

\$850,000 to continue the Marine Resources Monitoring Assessment and Prediction Program carried out by the South Carolina Division of Marine Resources.

\$2,000,000 for maintenance of the Sandy Hook, NJ NMFS facility lease.

\$300,000 for maintenance of the Santa Cruz Lab.

\$1,500,000 for maintenance of the Kodiak facility.

Report earmarks funding for the following commissions in Alaska:

\$400,000 for the Alaska Eskimo Whaling Commission

\$250,000 for the Beluga Whale Committee

\$100,000 for Bristol Bay Native Association

\$200,000 for Aleut Marine Mammal Commission

Report earmarks the following:

\$500,000 for swordfish research at the NMFS Honolulu laboratory.

\$6,000,000 for the implementation of the American Fisheries Act, including \$750,000 for the State of Alaska (a \$20 million taxpayer funded fishing industry buy-out attached to the Omnibus bill last year)

\$8,000,000 for NMFS to spend on the Gulf of Maine groundfish fishery (includes MA-NH-ME), including \$2,820,000 for the Northeast Consortium to conduct cooperative research and development.

\$800,000 to the State of Alaska to conduct harbor seal research.

\$6,200,000 for California sea lions.

\$250,000 for the State of Alaska for technical support of proposed salmon recovery plans.

\$425,000 for the North Pacific Fishery Observer Training Center.

\$750,000 for the Hawaiian Fisheries Development Program.

\$300,000 for a New England Safe Seafood Program.

\$300,000 for the Alaska Fisheries Development Foundation.

#### *Oceanic and Atmospheric Research*

Report earmarks the following projects:

\$1,000,000 for Southeast Atlantic marine monitoring and prediction at the University of North Carolina;

\$1,500,000 for a tsunami warning and environmental observatory at Shumigan Islands;

\$1,200,000 for ballast water research and small boat portage zebra mussel dispersion problems in the Chesapeake Bay and Great Lakes, including Lake Champlain;

\$250,000 for South Carolina Division of Marine Resources Research on Coastal Urbanization Impacts;

\$240,000 for the Muskegon (MI) Lake Center;

\$200,000 for the New England airshed pollution study;

\$500,000 for the Gulf Coast Study on severe weather impacts;

\$300,000 for the Lake Champlain study; and

\$1,000,000 for the Gulf of Mexico oyster initiative.

#### *NOAA Facilities*

Report earmarks \$10,000,000 for conversion of two surplus Navy Yard Torpedo Test vessels. One to be a replacement in Charleston, SC for the research vessel Farrel, and one to be located with and used by CICEET and the Joint Hydrography Center at the Univ. Of New Hampshire.

#### *Procurement, Acquisition, and Construction*

Report earmarks \$14,500,000 for Alaska facilities (of which \$1 million is for Juneau, \$5 million is for Ship Creek, and \$8.5 million is for SeaLife Center.)

#### *THE JUDICIARY*

An earmark of \$2,000,000 for the Bureau of Consular Affairs Visa Office for planning, developing, and implementing and information technology solution, the Olympic Visa Issuance Database.

\$100,000 for the Montana Tech. Foreign Exchange Program.

\$1,000,000 for planning activities for the Paralympics and Winter Olympic Games to be held in 2002.

A \$5,000,000 earmark for costs associated with hosting the World Trade Organization conference in Seattle, WA.

\$9,353,000 for the Great Lakes Fishery Commission, which includes \$8,724,000 for the sea lamprey operations and research program, of which not less than \$200,000 shall be used to treat Lake Champlain.

\$921,000 to replace an aerostat at Cudjoe Key, Florida that was decommissioned in June, 1998.

\$10,000,000 for two rotatable transmitting antennas at the IBB transmitting site in Greenville, NC.

Mr. HATCH. Mr. President, I rise to address the funding for the Judicial Branch for fiscal year 2000. The Appropriations Committee that worked on this budget has done an outstanding job with limited resources and very demanding budget requests. Senators STEVENS, GREGG, BYRD, and HOLLINGS, and their staffs, are to be commended for doing a very difficult job in a professional manner that does credit to the Senate.

As chairman of the Judiciary Committee, I have a special interest in this budget. And I agree with most of the Senate bill. The Senate bill fully funds compensation for judges. This is required by the Constitution.

The Senate bill fully funds judges' staffs. This is appropriate because judges cannot operate without their law clerks and secretaries.

The Senate bill fully funds the rental costs of court facilities leased from the General Services Administration. This is appropriate because we must have courtrooms for judges and their staffs to work in.

Further, the Senate bill appropriately reduces funding for certain expenditure requests that were not critically needed.

However, the Senate bill underfunds court support staff and operating expenses for the circuit and district courts by a net 257 million dollars.

The Judiciary's budget request was for maintaining the current level of services by support staff. The support staff is needed to handle high levels of criminal cases, bankruptcy cases, pre-trial services, and supervised release services. These duties are not going away. The Judiciary is required by law to continue to address each of these areas. Moreover, I note that the Judiciary's budget request does not even take into account the increased workload that new legislation, like the Juvenile Crime Bill, will place on the federal courts.

The Judiciary cannot maintain the current level of services in the Courts of Appeal and District Courts without some portion of the 257 million dollar shortfall being replaced.

I request that over the next few months we work together to provide the Judiciary with additional funding for support staff on the Courts of Appeal and the District Courts.

I am also concerned about a deeper problem that exists with the budget process for the Judiciary.

Current law requires the Executive Branch to submit the Judiciary's annual budget request to Congress "without change." Nonetheless, the Administration's Office of Management and Budget indirectly decreases the Judiciary's budget request through the use of negative allowances.

The Judicial Branch should be required to be responsible in its budget requests, and I believe they are. But, the Judicial Branch's budget should not be subject to reductions by the Executive Branch to fund the political priorities of the President. Current law prohibits such reductions, but the Administration does not follow this law. This is a systemic problem that I hope we can address in the future along with the Judiciary's current-year budget needs.

As legislators, it is our duty under Article I of the Constitution to provide sufficient funds so that the federal courts established under Article III of the Constitution are effective and federal law is upheld. I look forward to working with my colleagues on both sides of the aisle to address these issues in the next few months.

Mr. DEWINE. Mr. President, I would like to take a few moments to thank Senator GREGG, the Chairman of the Commerce, State, Justice Appropriations Committee, as well as Senator HOLLINGS, for their full support of the Crime Identification Technology Act in this appropriations bill. Their support represents a strong commitment to anti-crime measures that really work to reduce crime.

This Act is a bipartisan law that Congress passed unanimously last year.

The Crime Identification Technology Act is based on the recognition that technology is the key to the future of police work. We can no longer continue to ask law enforcement to fight increasingly mobile and sophisticated criminals with outmoded twentieth-century Technology.

The Crime Identification Technology Act will help state and local justice systems update and integrate their anti-crime technology systems and support their overburdened forensic crime laboratories. CITA authorizes \$250 million to states and local governments each year, for five years, for crime technology. This effort is fully funded in this appropriation bill.

State and local governments are at a crucial juncture in the development and integration of their criminal justice technology. This bill provides for system integration, permitting all components of the criminal justice system to share information and communicate more effectively, on a real-time basis.

This is one of the wisest investments we could possibly make. I would like to emphasize three reasons for this. First, crime technology, in itself, is crucial to making significant reductions in the crime rates in our communities. Second, we can use this opportunity to leverage the Federal Government's investments in national anti-crime systems that require state participation, such as the Integrated Automated Fingerprint Identification System, the National Criminal Information Center 2000, and the National Integrated Ballistics Information Network. We have literally invested billions of dollars in national systems. That is a key reason why so many organizations have applauded the appropriators' support of anti-crime technology, including the International Association of Police Chiefs, National Governor's Association, National League of Cities, American Society of Crime Laboratory Directors, the American Academy of Forensic Sciences, and our states' information repository directors in the National Consortium of Justice & Information Statistics.

Third, but certainly not last, there is a tremendous need to consolidate the patchwork of Federal programs, which have funded specific areas of anti-crime technology to the exclusion of others. A recent GAO report identified more than \$1.2 billion in direct and indirect support to state and local governments; however, the absence of coordination and integration of both systems and funding means that if we continue the current system of disparate funding streams, there will never be enough money or integration. Too many existing Federal programs mandate specific technology spending, instead of allowing states the flexibility to meet their respective anti-crime technology needs within the type of

broad framework which the Crime Identification Technology Act. CITA offers a dedicated, coordinated stream of funding to help states develop and upgrade their anti-crime technology from the patchwork of existing programs, and utilize the technical assistance of agencies who have developed technological expertise. I believe that this will greatly increase accountability and efficiency.

The bottom line for me, based on my more than 25 years in law enforcement, is that fully employing our anti-crime technology today will help law enforcement solve more crime, more rapidly, and pursue increasingly sophisticated, mobile criminals.

Again, I want to thank Chairman GREGG, and Senator LEAHY and Senator HATCH for their strong support of the Crime Identification Technology Act and its appropriation. I would also like to extend my personal thanks to Senator GREGG's staff, particularly Jim Morhard and Eric Harnschteger for making the best of a very difficult funding situation.

I thank the Chair and I yield the floor.

#### ECONOMIC DEVELOPMENT ADMINISTRATION

Mr. HUTCHINSON. Mr. President, I rise today along with Senator SNOWE to voice my deep concerns regarding the substantial cut to the economic Development Administration's Fiscal Year 2000 budget. The FY 2000 Commerce, Justice, State appropriations bill being considered by the Senate cuts EDA's budget by \$164.1 million—from \$392.4 million in FY 1999 to \$228.3 million for FY 2000. This represents a 42 percent cut. Clearly, this reduction will have a dramatic affect on the EDA's ability to serve distressed rural and urban communities in states like Arkansas, New Hampshire, Maine, Alaska, New Mexico, Kentucky, and Colorado.

My colleagues will remember that last November we passed the Economic Development Administration Reform Act of 1998. In response, the EDA has become a more efficient and effective agency by reducing regulations by 60 percent; they have trimmed the period of processing applications to 60 days; and they are now requiring applicants to demonstrate both eligibility and need at the time of application. I firmly believe that these achievements will only strengthen the EDA's history of providing critical assistance to distressed areas.

In its 34 years of service to Americans, the EDA has created 2.9 million private sector jobs; investing \$16.8 billion in distressed communities. Currently, every \$1 invested by the EDA generates \$3 in outside investment. With an administrative overhead of less than 8%, more Americans in economically distressed areas benefit from their tax dollars.

This is good news for my home state. As a rural state with many economi-

cally distressed communities, Arkansas relies heavily on the EDA and their invaluable services. Sam Spearman, who heads EDA in Arkansas, is a true servant and a great asset to my constituents. From the tornadoes that tore through northeast and central Arkansas this January, to the Levi-Strauss and Arrow Automotive closing in Morrilton, Arkansas, the EDA is helping communities stay alive. To help grow the economies in some depressed areas, the EDA has been assisting in planning and developing intermodal facilities in Marion and West Memphis.

My state was not immune to BRAC in the early 1990s. A Strategic Air Command bomber base in Blytheville and an Army training facility in Fort Smith were closed. As a member of the Senate Armed Services Committee, I am happy to report to my colleagues that both communities are slowly recovering, but not without ongoing assistance from EDA.

Again, last November we passed legislation to restructure and reform the EDA. I believe that they have responded well to Congressional direction, however, reducing their funding by 42% greatly limits their ability to implement the changes we thought were necessary. I thank my colleagues and hope that they will support increasing funding to EDA in FY 2000.

#### CALLING OF THE BANKROLL

Mr. FEINGOLD. Mr. President, I promised that from time to time when I participate in debates on legislation I would point out the role of special interest money in our legislative process, an effort I have entitled the Calling of the Bankroll. When I Call the Bankroll I will describe how much money the various interests lobbying on a particular bill have spent on campaign contributions to influence our decisions here in this chamber.

Of course I embarked on this effort with the hope of exposing the corruption of our current campaign finance system, and in particular how wealthy donors exploit the soft money loophole.

When I began this effort, I never worried that I would lack for opportunities to Call the Bankroll, and as I've demonstrated over the past few months, there are countless opportunities to Call the Bankroll about efforts to influence legislation before this body.

For example, so far I have talked about the contributions of special interests working to influence the debate over the Patients' Bill of Rights, I have discussed the contributions of the high tech industry and trial lawyers lobby during debate on the Y2K legislation, and I have pointed out the contributions of gun makers and gun control advocates during the juvenile justice debate, just to name a few.

And now we have before this body the Commerce, State, Justice appropriations bill.

During his state of the union address last January, the President called for the Justice Department to prepare a "litigation plan" against the tobacco companies to reclaim hundreds of billions of taxpayer dollars spent through federal health-care programs such as Medicare to treat smoking-related illnesses.

But this bill does something quite different. The language in the committee report on the Commerce, State, Justice Bill attempts to grant immunity to the tobacco industry from any federal litigation. Instead of a litigation plan, this bill would create a protection plan for the tobacco companies.

I hope my colleagues in this body would agree that the Justice Department must be able to pursue litigation based on the law, and that we should do everything in our power to enable the department to enforce the law.

But the language currently in the committee report prevents the Justice Department from enforcing the law. So instead of a huge federal lawsuit, the tobacco industry will have immunity from federal litigation. It looks like the tobacco companies have really gotten what they wanted in this bill, Mr. President.

It's a fortunate turn of events for the tobacco companies, but based on the tobacco industry's track record of political donations and political clout, I can't say that it's surprising.

The nation's tobacco companies are some of the most generous political donors around today, Mr. President, including Philip Morris, which reigns as the largest single soft money donor of all time. During the 1997-1998 election cycle the tobacco companies, including Philip Morris, RJR Nabisco, Brown and Williamson, US Tobacco and the industry's lobbying arm, the Tobacco Institute, gave a combined \$5.5 million dollars in soft money to the parties, and another \$2.3 million in PAC money contributions to candidates.

I offer this information to my colleagues and to the public to paint a clearer picture of who is trying to influence the bill before us, and how they are using the campaign finance system—very successfully, I might add—to get what they want from this bill and this Congress.

Mr. DOMENICI. Mr. President, I rise in support of S. 1217, the Commerce, Justice, State, and the Judiciary Appropriations Bill for 2000.

This bill provides new budget authority of \$34 billion and new outlays of \$23.1 billion to finance the programs of the Departments of Commerce, Justice, and State, and the federal judiciary.

I congratulate the Chairman and Ranking Member for producing a bill that complies with the Subcommittee's 302(b) allocation. This is one of the

most difficult bills to manage with its varied programs and challenging allocation, but I think the bill meets most of the demands made of it while not exceeding its budget. So I commend my friend, the chairman, for his efforts and leadership.

When outlays from prior-year BA and other adjustments are taken into account, the bill totals \$34.1 billion in BA and \$34 billion in outlays. For general purpose activities as well as crime funding, the bill is at the Senate subcommittee's 302(b) allocation for both budget authority and outlays.

I ask members of the Senate to refrain from offering amendments which would cause the subcommittee to exceed its budget allocation and urge the speedy adoption of this bill.

Mr. President, I ask unanimous consent that a table displaying the Budget Committee scoring of the bill be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

S. 1217, COMMERCE-JUSTICE APPROPRIATIONS, 2000—  
SPENDING COMPARISONS—SENATE-REPORTED BILL  
(Fiscal year 2000, in millions of dollars)

	General purpose	Crime	Mandatory	Total
Senate-Reported Bill:				
Budget authority .....	29,460	4,150	523	34,133
Outlays .....	28,214	5,271	529	34,014
Senate 302(b) allocation:				
Budget authority .....	29,460	4,150	523	34,133
Outlays .....	28,214	5,271	529	34,014
1999 level:				
Budget authority .....	27,165	5,509	523	33,197
Outlays .....	26,364	4,369	529	31,262
President's request:				
Budget authority .....	32,347	4,216	523	37,086
Outlays .....	31,327	4,538	529	36,394
House-passed bill:				
Budget authority .....				
Outlays .....				
SENATE-REPORTED BILL COMPARED TO:				
Senate 302(b) allocation:				
Budget authority .....				
Outlays .....				
1999 level:				
Budget authority .....	2,295	(1,359)		936
Outlays .....	1,850	902		2,752
President's request:				
Budget authority .....	(2,887)	(66)		(2,953)
Outlays .....	(3,113)	733		(2,380)
House-passed bill:				
Budget authority .....	29,460	4,150	523	34,133
Outlays .....	28,214	5,271	529	34,014

Note: Details may not add to totals due to rounding. Totals adjusted for consistency with scorekeeping conventions.

The PRESIDING OFFICER. Under the previous order, the bill will be read the third time and passed.

The bill S. 1217, as amended, was read the third time, and passed.

(The bill will be printed in a future edition of the RECORD.)

Mr. HOLLINGS. I move to reconsider the vote.

Mr. GREGG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### MORNING BUSINESS

Mr. GREGG. I ask unanimous consent the Senate proceed to a period of morning business, with Senators per-

mitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### THE MILLENNIUM DIGITAL COMMERCE ACT

Mr. LOTT. Mr. President, I rise to address the need for prompt action on S. 761, the Millennium Digital Commerce Act. Senator ABRAHAM has crafted a solid legislative measure that will promote continued growth in electronic commerce.

The Millennium Digital Commerce Act has 11 cosponsors including Senators WYDEN, TORRICELLI, MCCAIN, BURNS, FRIST, GORTON, BROWNBACK, ALLARD, GRAMS, HAGEL, and myself.

Mr. President, on June 23, almost one month ago, the Senate Commerce Committee unanimously approved and ordered S. 761 reported with an amendment in the nature of a substitute. This substitute is widely supported by the States, industry, and the administration. In fact, on June 22, the day before the mark-up, the Commerce Department issued a formal letter of support for this bipartisan measure.

Mr. President, I ask unanimous consent to have printed in the RECORD the Administration's letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

#### GENERAL COUNSEL OF THE

U.S. DEPARTMENT OF COMMERCE,

Washington, DC, June 22, 1999.

Hon. JOHN MCCAIN,  
Chairman, Committee on Commerce, Science,  
and Transportation, U.S. Senate, Wash-  
ington, DC.

DEAR MR. CHAIRMAN: This letter conveys the views of the Department of Commerce on the substitute version of S. 761, the "Millennium Digital Signature Act," that we understand will be marked-up by the Senate Commerce Committee. A copy of the substitute that serves as the basis for these views is attached to this letter.

In July 1997 the Administration issued the Framework for Global Electronic Commerce, wherein President Clinton and Vice President Gore recognized the importance of developing a predictable, minimalist legal environment in order to promote electronic commerce. President Clinton directed Secretary Daley "to work with the private sector, State and local governments, and foreign governments to support the development, both domestically and internationally, of a uniform commercial legal framework that recognizes, facilitates, and enforces electronic transactions worldwide."

Since July 1997, we have been consulting with countries to encourage their adoption of an approach to electronic authentication that will assure parties that their transactions will be recognized and enforced globally. Under this approach, countries would: (1) eliminate paper-based legal barriers to electronic transactions by implementing the relevant provisions of the 1996 UNCITRAL Model Law on Electronic Commerce; (2) reaffirm the rights of parties to determine for themselves the appropriate technological means of authenticating their transactions;

(3) ensure any party the opportunity to prove in court that a particular authentication technique is sufficient to create a legally binding agreement; and (4) state that governments should treat technologies and providers of authentication services from other countries in a non-discriminatory manner.

The principles set out in section 5 of S. 761 mirror those advocated by the Administration in international fora, and we support their adoption in federal legislation. In October 1998, the OECD Ministers approved a Declaration on Authentication for Electronic Commerce affirming these principles. In addition, these principles have also been incorporated into joint statements between the United States and Japan, Australia, France, the United Kingdom and South Korea. Congressional endorsement of the principles would greatly assist in developing the full potential of electronic commerce as was envisioned by the President and Vice President Gore in The Framework for Global Electronic Commerce.

On the domestic front, the National Conference of Commissioners of Uniform State Law (NCCUSL) has been working since early 1997 to craft a uniform law for consideration by State legislatures that would adapt standards governing private commercial transactions to cyberspace. This model law is entitled the "Uniform Electronic Transactions Act" (UETA), and I understand that it will receive final consideration at the NCCUSL Annual Meeting at the end of July. In the view of the Administration, the current UETA draft adheres to the minimalist "enabling" framework advocated by the Administration, and we believe that UETA will provide an excellent domestic legal model for electronic transactions, as well as a strong model for the rest of the world.

Section 6 of the substitute ("Interstate Contract Certainty") addresses the concern that several years will elapse before the UETA is enacted by the states. It fills that gap temporarily with federal legal standards, but ultimately leaves the issue to be resolved by each state as it considers the UETA.

With regard to commercial transactions affecting interstate commerce, this section eliminates statutory rules requiring paper contracts, recognizes the validity of electronic signatures as a substitute for paper signatures, and provides that parties may decide for themselves, should they so choose, what method of electronic signature to use.

Another important aspect of the substitute is that it would provide for the termination of any federal preemption as to the law of any state that adopts the UETA (including any of the variations that the UETA may allow) and maintains it in effect. We note that this provision would impose no overarching requirement that the UETA or individual state laws be "consistent" with the specific terms of this Act; this provision, and its potential effect, will be closely monitored by the Administration as the legislation progresses. There is every reason to believe that the States will continue to move, as they consistently have moved, toward adopting and maintaining an "enabling" approach to electronic commerce consistent with the principles stated in this Act. We therefore believe that any preemption that may ultimately result from this legislation can safely be allowed to "sunset" for any state upon its adoption of the eventual uniform electronic transactions legislation developed by the states.

We also support limiting the scope of this Act to commercial transactions, which is

consistent with the current approach of the draft UETA, and utilizing definitions in the Act that mirror those of the current draft UETA, which we consider appropriate in light of the expert effort that has been directed to the development of the UETA provisions under the procedures of NCCUSL.

With regard to section 7(a), the Administration requests that the Committee delete the reference to the Office of Management and Budget ("OMB"); there is no need for agencies to file duplicate reports. The report that the Secretary of Commerce is directed to prepare pursuant to section 7(b) will, of course, be coordinated with OMB.

The substitute version of S. 761 would in our view provide an excellent framework for the speedy development of uniform electronic transactions legislation in an environment of partnership between the Federal Government and the states. We look forward to working with the Committee on the bill as it proceeds through the legislative process.

The Office of Management and Budget advises that there is no objection to the transmittal of this report from the standpoint of the Administration's program.

Sincerely,

ANDREW J. PINCUS.

Mr. LOTT. Mr. President, the Millennium Digital Commerce Act provides a baseline national framework for conducting online business to business transactions. It is vital to interstate electronic commerce because it would provide legal standing for electronic signatures on contracts and other business transactions.

This common sense and timely legislation will help promote continued growth in electronic commerce. It is good for business, consumers, and the overall American economy.

While more than forty States have laws on the books concerning the use of authentication technology such as electronic signatures, the States have not yet chosen to adopt the same approach. This hodgepodge of State laws will undoubtedly have a chilling effect on e-commerce.

This Congress cannot and should not sit by and wait until the States coordinate this milieu of laws on electronic signatures. This delay would unnecessarily restrain the growth of our Nation's economic well-being.

The Millennium Digital Commerce Act is an interim step that will help facilitate interstate and international commerce. It is a necessary precursor to state-by-state adoption of the Uniform Electronic Transactions Act (UETA).

Mr. President, my colleagues on both sides of the aisle strongly agree that it is now time to move S. 761 to the floor.

It has broad support and I hope we can work together to move this bipartisan pro-technology, pro-electronic commerce legislation forward as soon as possible.

MARY MCGRORY ON JOHN F. KENNEDY, JR.

Mr. MOYNIHAN. Mr. President, it happens I was in the White House, in

what was then Ralph Dungan's southwest office just down the hall from the Oval Office—where they were cleaning the carpet, the President's furniture having been moved to the outside corridor with his rocking chair atop the clutter—when word came from Dallas that the President was dead. A few moments later Hubert H. Humphrey burst in, embraced Dungan and let out: "My God, what have they done to us." By "they" of course he meant the political right wing in Texas. Later we learned that the Dallas police had arrested a man associated with Fair Play for Cuba. What indeed had been done to us, what were we doing to ourselves?

That evening a group of us who lived on Macomb Street, out Connecticut Avenue, drifted over to Mary McGrory's. We sat about, saying little. At length Mary, with the feeling only she can put into words, announced: "We'll never laugh again." "Heavens, Mary," I replied, "we'll laugh again. It's just that we will never be young again."

In this morning's Washington Post, her column "A Death in the Family" describes in poignant detail the history from then to now, now being of course the death of John F. KENNEDY, Jr., so much on our minds in those slow-paced days of mourning so many years ago, now himself gone, along with his wife Carolyn and his sister-in-law Lauren Bessette.

I ask unanimous consent that her reflections be reprinted in the RECORD in full following my statement.

There being no objection, the article ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 22, 1999]

A DEATH IN THE FAMILY

(By Mary McGrory)

To understand the round-the-clock coverage of John Kennedy's death, the unending talk about it, and the makeshift memorials, it helps to remember what the country felt about his parents. His father, John Fitzgerald Kennedy, handsome and dashing, came out of Boston insisting on being our first Catholic president—and was assassinated on Nov. 22, 1963.

His beautiful mother, Jacqueline Bouvier, once dismissed as a social butterfly, stepped forward and held the country together. She arranged a funeral that was majestic and moved through it like a queen. She saw to every detail from the kilted Irish pipers to the eternal flame.

When it was over, she summoned the most famous political scribe of his time, Theodore H. White, and put a name on her husband's time in office, Camelot. The country has been emotionally involved with the Kennedy's ever since. They are numerous, good looking and always up to something. They have provided a pageant of smiles, tears and scandals.

When John Kennedy's single-engine plane, with him at the controls, fell off the radar at the Martha's Vineyard airport, the nation once again went to its post by the television to keep vigil with the Kennedys.

In the five days that followed, the dread and dismay were laced with indignation.

This was not supposed to happen. This was entirely gratuitous. The crown prince had been exempt from "the curse of the Kennedys"—a phrase coined by Uncle Teddy during the Chappaquiddick crisis. Had not Jackie Kennedy sequestered her children from the turbulence at the Kennedy compound in Hyannis Port, as Bobby Kennedy's fatherless sons wrestled with various demons? She took John and Caroline over the water to Martha's Vineyard.

John had not followed in his father's footsteps. He was his mother's son. She brought him up not to be a Kennedy, but to be himself. He shared her detachment about politics. When asked a while back how, in the light of his father's posthumously revealed promiscuity, Jack Kennedy would have tolerated today's fierce press scrutiny, John Kennedy said coolly he thought his father might have chosen to go into another line of work.

John Kennedy died like his father violently and too soon. His blond wife, Carolyn Bessette, and his sister-in-law Lauren Bessette died with him. At 38, he left more unfulfilled promise than performance. He was strikingly handsome and unexpectedly nice for one of his looks and station. He was courteous to all, even the paparazzi who dogged him from the age of 3 when he broke the nation's heart by saluting his father's coffin.

The tabs called him "The Hunk" and *People* magazine said he was "the sexiest man alive." If the grief seems disproportionate to his life, it is easily explained. He was measured by who he was, not what he did.

His mother vetoed his first choice of a career, the theater. He went into the law, but not for long. He founded a magazine he called "George." It was to be a glossy, trendy monthly that treated politics as entertainment.

He courted publicity for "George" by sometimes doing odd things: He posed nude for an illustration to accompany a critique of his Kennedy cousins' behavior. More recently, he visited Mike Tyson, the convicted rapist, in prison; he invited pornographer Larry Flynt to the White House correspondents' dinner. Like his mother, he never explained his actions. He was a free spirit. His father, despite his private excesses, was decorous in his public life, having a politician's perpetual concern about what the neighbors will think. Jack Kennedy was witty, sometimes in the mordant Irish way; his son was whimsical. Politics does not allow for whimsy.

John's love life was of aching, international interest. He courted a string of gorgeous girls and then married one. He married willowy Carolyn Bessette at a secret wedding on an island off Georgia. He was terribly proud of his coup against the press. He released one picture. It was of him kissing his bride's hand. It was drop-dead romantic.

The country spent the last weekend soaking up every detail, watching hour after hour of Jack's funeral, Bobby's funeral, touch football, prayers at Arlington. The context was pure, incredible Kennedy. The clan had gathered at Hyannis Port to celebrate the wedding of Rory Kennedy. A huge tent had been set up on Ethel's lawn. It was the one mercy of the grim weekend. The Kennedys, who derive such solace from each other, were together. The wedding was postponed. The family mourned.

Washington talked of nothing else. Arguments broke out over "the curse of the Kennedys"—was it really the rashness of its members? "Where was God in all this?" one man demanded to know at a subdued Saturday party.

All agreed on one point: It was a shame.

#### CALIFORNIA'S GUN CONTROL LAWS

Mr. LEVIN. Mr. President, earlier this week, California Governor Gray Davis signed into law two of the strictest gun control measures in the country. One of these laws is the nation's most comprehensive ban on assault weapons, and the other prohibits the purchase of more than one handgun a month.

California residents support these common sense safety measures designed to take lethal, semiautomatic weapons off the streets, and reduce illegal gun trafficking. Californians feel strongly about ending the easy accessibility of guns because of their history with gun violence over this last decade. In 1989, Americans were shocked when a madman walked into a schoolyard in Stockton, CA, with a rapid-firing AK-47 and shot off 50 rounds a minute for 2 minutes, killing 5 children and wounding 30. Californians were again struck by tragedy in a 1993 massacre at a San Francisco law firm in which 8 people died and 6 were wounded, and again in 1997, when a high profile armed bank robbery spilled out on to the streets of North Hollywood.

As always, NRA lobbyists were working to undermine the effort of the California state legislature. But because gun violence has held such a prominent and tragic place in the minds and hearts of Californians, the legislature was able to defy the NRA and pass these responsible gun control measures. So many families in California have been torn apart by gun violence, and so many people have been affected by the weak gun control laws in this nation, that the NRA failed in the California state legislature.

I hope that other states will follow the lead of the California state legislature and pass responsible gun control measures. I pray that they learn from the tragedies in California, rather than wait for a decade of tragedies to occur in their own states, before passing responsible safety measures. I also make an appeal to my Congressional colleagues to pass sensible gun control legislation now. Although in this case, the debate on gun violence has moved to the state legislature, Congress has not been absolved of its responsibility. We must end the plague of gun violence that claims so many innocent lives.

#### THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, July 21, 1999, the Federal debt stood at \$5,630,350,182,425.20 (Five trillion, six hundred thirty billion, three hundred fifty million, one hundred eighty-two thousand, four hundred twenty-five dollars and twenty cents).

One year ago, July 21, 1998, the Federal debt stood at \$5,535,209,000,000 (Five trillion, five hundred thirty-five billion, two hundred nine million).

Five years ago, July 21, 1994, the Federal debt stood at \$4,628,452,000,000 (Four trillion, six hundred twenty-eight billion, four hundred fifty-two million).

Ten years ago, July 21, 1989, the Federal debt stood at \$2,802,628,000,000 (Two trillion, eight hundred two billion, six hundred twenty-eight million) which reflects a debt increase of almost \$3 trillion—\$2,827,722,182,425.20 (Two trillion, eight hundred twenty-seven billion, seven hundred twenty-two million, one hundred eighty-two thousand, four hundred twenty-five dollars and twenty cents) during the past 10 years.

#### OKLAHOMA CITY NATIONAL MEMORIAL INSTITUTE FOR THE PREVENTION OF TERRORISM

Mr. INHOFE. Mr. President, I am pleased to rise today to lend my support for the inclusion of \$15,000,000 million for the Oklahoma City National Memorial Institute for the Prevention of Terrorism. This important funding brings to completion the creation of the Oklahoma City National Memorial Trust as specified by PL. 104-58.

During the 104th Congress, we created the Oklahoma City National Memorial Trust to commemorate the bombing of the Alfred P. Murrah Federal Building in Oklahoma City. The Oklahoma City National Memorial will consist of three components: the actual Memorial, an interactive learning museum, and the Memorial Institute now funded in this legislation.

Fundraising for the symbolic Memorial and the Memorial Center is nearly complete and construction for the symbolic Memorial is complete. With the funding provided in this legislation, the Memorial Institute is one step closer to a reality. Already, an implementation plan for the Memorial Institute is complete and work has begun to prepare for the construction.

In preparation, the Oklahoma City National Memorial Foundation and the Oklahoma City Memorial Trust have entered into a partnership with the Oklahoma Alliance for Public Policy Research to establish an operational relationship for the Memorial Institute. The Alliance consists of all of Oklahoma's research universities (Oklahoma State, University of Oklahoma, and Tulsa University), while the University of Oklahoma Health Sciences Center will perform the administrative and functional duties as directed by the Institute's management team.

The Alliance meets the joint public-private partnership arrangement provided for in the Oklahoma City National Memorial Trust Act. This joint

partnership is both prudent and necessary as Oklahoma and the nation begins to consider the broader implications of domestic terrorism.

The Memorial Institute will be the only institute of its kind in the nation dedicated to understanding, deterring, and mitigating against terrorism. Naturally, it is only fitting that such a center is located in Oklahoma given our close, personal relationship with domestic terrorism. Yet this Memorial Institute will go beyond being just another reminder of the tragic event that struck Oklahoma and the nation early in the morning of April 19, 1995.

The Memorial Institute will also provide a collaboration and exchange of knowledge between public and private, Federal and state, and military and civilian efforts to counter terrorism. Another important issue that will be researched at the Memorial Institute is how to better coordinate and integrate health care and medical efforts associated with our response to terrorism. This collaborative research on emerging counter-terrorism projects will lend key insights to ensuring that the events of April 19 never occur again.

Mr. President, I thank the Chairman, Senator GREGG, and the Ranking Member, Senator HOLLINGS, for efforts to secure this important funding for the Memorial Institute. Their efforts will long be remembered by the researchers who spend time at the Memorial Institute and the American public who stand to gain countless benefits from their research. Oklahoma and the Nation thank them.

#### COMMENDING A NAVAL AVIATOR

Mr. ALLARD. Mr. President, I would like to take this opportunity to commend a constituent of mine from Fort Collins, Colorado—Lieutenant Commander Carl Oesterle, an F-18 pilot on the air craft carrier U.S.S. *Constellation*. Colorado is a state blessed with a large number of dedicated active duty personnel and retired military, and as a member of the Armed Services Committee I like to take the opportunity to commend our personnel when they conduct themselves in a top notch manner.

I am sure that LCDR Oesterle would insist that he was doing nothing more than his duty on June 23, while participating in a night training mission in the Pacific. But his actions in salvaging his seriously disabled fighter by conducting an emergency landing on the Constellation demonstrate the excellent training and dedication of our nation's fighter pilots. The episode is outlined very well in a July 9, article in the Washington Times and I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times, July 9, 1999]

#### INSIDE THE RING—NAVY HEROICS

(By Bill Gertz and Rowan Scarborough)

The Navy aviation community is buzzing over the heroics of an F-18C pilot on the carrier USS *Constellation*, or "Connie" to her friends.

On June 23, as the pilot catapulted off the deck in the Pacific for a night mission, he experienced twin engine problems blamed on the dreaded ingestion of foreign objects, such as a metal washer or shirt button, that sometimes miss detection on deck, according to a Navy source.

The \$35 million strike fighter was so crippled, aviators on the Connie thought the pilot would quickly bail out.

But instead of taking the easy way, the pilot stuck with the plane, coaxing its altitude up to 80 feet, then 150 as he jettisoned fuel.

Meanwhile, the ship's crew scurried to erect netting, called a barricade, to trap the aircraft if the pilot could achieve enough speed and altitude to manhandle it into landing position.

His first pass was high. On a second try, as tension grew and the landing signal officer barked commands via radio, the pilot hit the barricade dead center. The ship erupted in cheers.

"Everyone on the platform was hugging and almost in tears," said an officer who helped the pilot to safety. "Our prayer was definitely answered as Oyster (the pilot's nickname) popped open the canopy and hopped out of the jet."

What motivated the pilot to risk his life to save the plane?

A naval pilot in Washington offered this: "It's long been a question in flying circles on when to make the determination it's time to eject. With today's zero-defect-mentality and second-guessing. There's tremendous pressure for a guy to stay with the airplane. It's a tough call."

Cmdr. Dave Koontz, a Navy spokesman in San Diego, could not confirm that the pilot encountered double engine problems. He said one engine failed and the Navy has started an inquiry to find out why.

"You're trained to handle emergencies and there is a variety of emergencies that come up," said Cmdr. Koontz, a former helicopter pilot who served on the Constellation. "I personally think what he did was pretty heroic."

#### MESSAGES FROM THE HOUSE

At 3:52 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1995. An act to amend the Elementary and Secondary Education Act of 1965 to empower teachers, improve student achievement through high-quality professional development for teachers, reauthorize the Reading Excellence Act, and for other purposes.

The message also announced that the House has passed the following bills, with amendments, in which it requests the concurrence of the Senate.

S. 880. An act to amend the Clean Air Act to remove flammable fuels from the list of substances with respect to which reporting and other activities are required under risk management plan program.

S. 900. An act to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 2465) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. HOBSON, Mr. PORTER, Mr. WICKER, Mr. TIAHRT, Mr. WALSH, Mr. MILLER of Florida, Mr. ADERHOLT, Ms. GRANGER, Mr. YOUNG of Florida, Mr. OLVER, Mr. EDWARDS, Mr. FARR of California, Mr. BOYD, Mr. DICKS, and Mr. OBEY, as the managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 2490) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2000, and for other purposes and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. KILDEE, Mr. WOLF, Mrs. NORTHUP, Mrs. EMERSON, Mr. SUNUNU, Mr. PETERSON of Pennsylvania, Mr. BLUNT, Mr. YOUNG of Florida, Mr. HOYER, Mrs. MEEK of Florida, Mr. PRICE of North Carolina, Ms. ROYBAL-ALLARD, and Mr. OBEY, as managers of the conference on the part of the House.

#### ENROLLED BILLS SIGNED

The message further announced that the Speaker has signed the following enrolled bills:

S. 361. An act to direct the Secretary of the Interior to transfer John R. and Margaret J. Lowe of Big Horn County, Wyoming, certain land so as to correct an error in the patent issued to the their predecessors in interest.

S. 449. An act to direct the Secretary of the Interior to transfer to the personal representative of the estate of Fred Steffens of big Horn County, Wyoming, certain land comprising the Steffens family property.

The enrolled bills were signed subsequently by the president pro tempore (Mr. THURMOND).

#### MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 1995. An act to amend the Elementary and Secondary Education Act of 1965 to empower teachers, improve student achievement through high-quality professional development for teachers, reauthorize the Reading Excellence Act, and for other purposes, to the Committee on Health, Education, Labor and Resources.



## ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on July 22, 1999, he had presented to the President of the United States, the following enrolled bills:

S. 361. An act to direct the Secretary of the Interior to transfer to John R. and Margaret J. Lowe of Big Horn County, Wyoming, certain land so as to correct an error in the patent issued to their predecessors in interest.

S. 449. An act to direct the Secretary of the Interior to transfer to the personal representative of the estate of Fred Steffens of Big Horn County, Wyoming, certain land comprising the Steffens family property.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LUGAR, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. Res. 159: An original resolution authorizing expenditures by the Committee on Agriculture, Nutrition, and Forestry.

By Mr. STEVENS, from the Committee on Appropriations:

Special Report entitled "Further Revised Allocation to Subcommittees of Budget Totals for Fiscal Year 2000" (Rept. No. 106-118).

By Mr. ROTH, from the Committee on Finance:

Report to accompany the bill (S. 1386) to amend the Trade Act of 1974 to extend the authorization for trade adjustment assistance (Rept. No. 106-119).

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WARNER, for the Committee on Armed Services:

F. Whitten Peters, of the District of Columbia, to be Secretary of the Air Force.

Arthur L. Money, of Virginia, to be an Assistant Secretary of Defense.

By Mr. MURKOWSKI, for the Committee on Energy and Natural Resources:

Curt Hebert, Jr., of Mississippi, to be a Member of the Federal Energy Regulatory Commission for the term expiring June 30, 2004. (Reappointment)

Earl E. Devaney, of Massachusetts, to be Inspector General, Department of the Interior.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HATCH, for the Committee on the Judiciary:

Charles R. Wilson, of Florida, to be United States Circuit Judge for the Eleventh Circuit.

Ronnie L. White, of Missouri, to be United States District Judge for the Eastern District of Missouri.

Adalberto Jose Jordan, of Florida, to be United States District Judge for the Southern District of Florida.

William Haskell Alsup, of California, to be United States District Judge for the Northern District of California.

Marsha J. Pechman, of Washington, to be United States District Judge for the Western District of Washington.

(The above nominations were reported with the recommendation that they be confirmed.)

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Ms. COLLINS (for herself, Mr. DEWINE, and Mr. SMITH of Oregon):

S. 1412. A bill to amend the Internal Revenue Code of 1986 to limit the reporting requirements regarding higher education tuition and related expenses, and for other purposes; to the Committee on Finance.

By Mr. DURBIN (for himself and Mr. DORGAN):

S. 1413. A bill to amend the Internal Revenue Code of 1986 to increase the deduction from the estate tax for family-owned business interest; to the Committee on Finance.

By Mr. MACK:

S. 1414. A bill to amend title XVIII of the Social Security Act to restore access to home health services covered under the Medicare program, and to protect the Medicare program from financial loss while preserving the due process rights of home health agencies; to the Committee on Finance.

By Mr. HATCH:

S. 1415. A bill to amend the Internal Revenue Code of 1986 to provide for S corporation reform, and for other purposes; to the Committee on Finance.

By Mr. FEINGOLD (for himself and Mr. KOHL):

S. 1416. A bill to amend the Agricultural Marketing Agreement of 1937 to allow a modified bloc voting by cooperative associations of milk producers in connection with the scheduled August referendum on Federal Milk Marketing Order reform; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRASSLEY (for himself and Mr. BREAU):

S. 1417. A bill to amend title XIX of the Social Security Act to extend the authority of State Medicaid fraud control units to investigate and prosecute fraud in connection with Federal health care programs and abuse of residents of board and care facilities; to the Committee on Finance.

By Mr. COCHRAN:

S. 1418. A bill to provide for the holding of court at Natchez, Mississippi in the same manner as court is held at Vicksburg, Mississippi, and for other purposes; to the Committee on the Judiciary.

By Mr. MCCAIN:

S. 1419. A bill to amend title 36, United States Code, to designate May as "National Military Appreciation Month"; to the Committee on the Judiciary.

By Mr. KERRY (for himself, Mr. HOLINGS, Mr. BREAU, Mr. INOUE, Mrs. BOXER, Mrs. FEINSTEIN, and Mr. KENNEDY):

S. 1420. A bill to establish a fund for the restoration and protection of ocean and coastal resources, to amend and reauthorize the Coastal Zone Management Act of 1972, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DURBIN:

S. 1421. A bill to impose restrictions on the sale of cigars; to the Committee on Commerce, Science, and Transportation.

By Mr. SCHUMER:

S. 1422. A bill to amend the Elementary and Secondary Education Act of 1965 to improve the quality of education and raise student achievement by strengthening accountability, raising standards for teachers, rewarding success, and providing better information to parents; to the Committee on Health, Education, Labor, and Pensions.

S. 1423. A bill to amend the Internal Revenue Code of 1986 to exclude from income \$40,000 of the salary of certain teachers who teach high-poverty schools; to the Committee on Finance.

By Mr. EDWARDS (for himself and Mrs. HUTCHISON):

S. 1424. A bill to amend the Internal Revenue Code of 1986 to provide the same tax treatment for special pay as for combat pay; to the Committee on Finance.

By Mr. SPECTER:

S. 1425. A bill to amend the Internal Revenue Code of 1986 to allow a 10 percent biotechnology investment tax credit and to reauthorize the Research and Development tax credit for ten years; to the Committee on Finance.

By Mr. HARKIN (for himself, Mr. DASCHLE, Mr. LEAHY, Mr. KERREY, Mr. CONRAD, and Mr. JOHNSON):

S. 1426. A bill to amend the Food Security Act of 1985 to promote the conservation of soil and related resources, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. THOMPSON:

S. 1427. A bill to authorize the Attorney General to appoint a special counsel to investigate or prosecute a person for a possible violation of criminal law when the Attorney General determines that the appointment of a special counsel is in the public interest; read the first time.

By Mr. HATCH (for himself, Mrs. FEINSTEIN, Mr. DEWINE, Mr. BIDEN, Mr. THURMOND, Mr. BOND, Mr. SMITH of Oregon, Mr. HELMS, Mr. REID, and Mr. BRYAN):

S. 1428. A bill to amend the Controlled Substances Act and the Controlled Substances Import and Export Act relating to the manufacture, traffic, import, and export of amphetamine and methamphetamine, and for other purposes; to the Committee on the Judiciary.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LUGAR:

S. Res. 159. An original resolution authorizing expenditures by the Committee on Agriculture, Nutrition, and Forestry; from the Committee on Agriculture, Nutrition, and Forestry; to the Committee on Energy and Natural Resources.

By Mr. LOTT:

S. Res. 160. A resolution to restore enforcement of Rule 16.

By Mr. DASCHLE (for himself and Mr. LOTT):

S. Res. 161. A resolution to authorize the printing of "Memorial Tributes to John Fitzgerald Kennedy, Jr.;" considered and agreed to.

# STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. COLLINS (for herself, Mr. DEWINE, and Mr. SMITH of Oregon):

S. 1412. A bill to amend the Internal Revenue Code of 1986 to limit the reporting requirements regarding higher education tuition and related expenses, and for other purposes; to the Committee on Finance.

## HIGHER EDUCATION REPORTING RELIEF ACT

Ms. COLLINS. Mr. President, today I rise to introduce The Higher Education Reporting Relief Act of 1999, which will reduce the burdensome reporting requirements placed on educational institutions by the Hope Scholarship and Lifetime Learning Tax Credits. I am pleased to be joined by my principal cosponsor, Senator DEWINE, who has been a leader on this and many other education issues, and by one colleague Senator GORDON SMITH, who shares our concern for the reporting burden we are placing on our institutions of higher education.

When Congress created the Hope Scholarship and the Lifetime Learning Tax Credits, it unfortunately imposed a burdensome and costly reporting requirement on our universities, colleges and proprietary schools. If implemented, the regulations will require schools to provide the IRS with information on their students that is difficult to obtain, including the taxpayer identification number of the individual who will actually claim the tax credit generated by the student. In many cases, this individual will not be the student but rather his or her parent or parents.

In the words of the President of the University of Maine at Farmington:

At a time when we are working to increase access and to contain college costs, new government reporting requirements are working against us. We will need to add personnel, not in support of our educational functions but to comply with new IRS regulations. This is not sensible and it is definitely not in the interests of the people we are here to serve.

I think that her words say it very well.

Already, the University of Maine System has been forced to spend \$112,000 to meet the Hope Scholarship reporting requirement, and the most burdensome requirements have not yet become mandatory. In total, these reporting requirements are estimated to cost America's postsecondary educational institutions as much as \$125 million. This burden does not make sense.

Last year, by passing the Collins-DeWine amendment to the Internal Revenue Service Restructuring and Reform Act, the Senate eliminated one of the most difficult reporting requirements. Our amendment freed schools from the requirement to report financial aid received by a student from a

third party and held them responsible for only informing the IRS about financial aid that a school actually administered. In addition, the conference report on the act recognized the problem faced by schools and deferred the implementation of full reporting requirements until the IRS had issued final guidelines. Since the final reporting requirements have not been issued, this deferral remains in effect for tax year 1999.

The conference report further urged the IRS to modernize its computer systems to include the capacity to match a dependent student's taxpayer identification number with the return of the person claiming the student as a dependent. This is the true answer to this problem. Unfortunately, this has not yet been done. If this step is not taken, institutions of higher education will be required to provide this burdensome & costly information to the IRS—a very difficult process.

The legislation we introduce today will defer the implementation of the reporting requirements for three years—through tax year 2001. Further, it will require the IRS to upgrade its data processing systems along the lines recommended by the conference report. Today, as I mention, the IRS has not done this. The IRS will be required to make this change in time for processing tax returns for the year 2002. We have included this delay to give the IRS 2 years after it has been completed dealing with any data processing problems caused by the year 2000 problem.

The rationale for the Hope and the Lifetime Learning credits is to make postsecondary education more affordable and therefore more accessible. What Congress has given with one hand it has taken away in part with its regulatory hand. The cost of conforming to the regulatory requirements will inevitably result in increases in tuition, chipping away at the benefit of the tax credits. We need to correct this problem. The \$112,000 that the University of Maine has already been forced to spend to comply with the law clearly is going to be passed on to the students in increased tuitions.

Last year, Senator DEWINE and I introduced the Higher Education Reporting Relief Act that would have completely repealed the reporting requirements imposed on educational institutions. Because of the cost of that approach, we have reworked last year's bill in a way that will accomplish its most important objectives while substantially reducing its potential costs to the Treasury. Our legislation would still leave a reporting burden on the schools but a much more modest and reasonable one that takes into account who is best equipped to report the information that the IRS needs to administer the law.

I hope our colleagues will join us in supporting the Higher Education Reporting Relief Act of 1999.

I yield the remainder of my time to Senator DEWINE.

The PRESIDING OFFICER. The distinguished Senator from Ohio is recognized.

Mr. DEWINE. I am delighted to again join with my distinguished colleague from the State of Maine to try to give some relief to colleges and universities. As she has pointed out, this burden placed by Congress was unintended. I seriously doubt if anyone thought that aspect of the legislation through or fully understood what kind of costs this would impose on our colleges.

The Senator has indicated that Maine, for example, has already been hit with over \$100,000 in costs. We could multiply that around the country for every university and every college. This ultimately, of course, will go where all costs go, to the students and the parents.

This is something we should deal with and we should deal with very quickly. I join this morning with my colleague from Maine to introduce the Higher Education Reporting Relief Act. As she has indicated, this is the second time she and I have introduced legislation to provide some very much needed paperwork relief for the colleges and universities of our country.

A compromise version of the legislation we introduced last year was passed by Congress as part of the IRS reform bill. Senator COLLINS and I are here today to complete that very important work and to do what has remained undone from last year.

As my colleague from Maine has indicated, what prompted the need for this legislation was the Hope scholarship and the Lifetime Learning tax credit. This legislation required colleges and universities to comply with very burdensome and costly regulations. Schools were required to issue annual reports to students and the Internal Revenue Service detailing the students' tuition payments. The IRS planned to use the reports to monitor the eligibility of students who apply for the education tax credits. These reporting requirements require colleges and universities to spend millions of dollars to implement and maintain.

The legislation Senator COLLINS and I were able to pass last year eliminated many of the most burdensome reporting requirements, yet there are burdensome requirements that still remain law. It is time, we believe, to finish the job we started last year.

Our bill will further reduce the reporting requirements by making two very commonsense changes to our Tax Code. First, the IRS will be prohibited from imposing any new reporting requirements on colleges and universities prior to the year 2002. No school of higher education should have additional IRS requirements imposed while it is still developing its reporting system.

Second, the IRS will be required to update its computer system by the end of 2002. The IRS computer system would be updated to make it capable of matching the IRS taxpayer identification number of the student with the person claiming this child as a dependent. This update would greatly reduce the reporting burden of the Hope scholarship.

After this update, when a parent uses the Hope scholarship, the IRS will be able to electronically verify that a family was qualified to use this deduction. This process will eliminate a great deal of costly and time-consuming paperwork for the colleges and universities of our Nation. This legislation brings a simple, fair, common-sense solution to the unintentional barriers created by the reporting requirements of the Hope scholarship and the Lifetime Learning tax credit. It would represent significant savings to our colleges and to our universities.

I certainly hope the Senator from Maine and I will once again be successful this year, as we were last year, in bringing relief to institutions of higher education. I invite my colleagues in the Senate to join as cosponsors.

I, once again, thank my colleague from Maine for her leadership on this legislation. She is a true leader in the area of education and has done a great deal of work in this area. This bill is one more example of her true understanding of how the real world works—what happens in our home States when Congress takes actions that, frankly, result in unintended consequences. The unintended consequences in this case are added burdens on our colleges, costs that our colleges have to bear, costs that our colleges then have to turn around and impose on parents and students.

Again, I thank my colleague from Maine for once again being a true leader in this area.

By Mr. DURBIN (for himself and Mr. DORGAN):

S. 1413. A bill to amend the Internal Revenue Code of 1986 to increase the deduction from the estate tax for family-owned business interest; to the Committee on Finance.

**FAMILY-OWNED BUSINESS ESTATE TAX RELIEF ACT**

Mr. DURBIN. Mr. President, I am pleased to be joined by Senator DORGAN today introducing legislation which would make it easier for a family to hold onto a small business or farm when the head of the family passes away. I am especially pleased to be joined by Senator DORGAN on this bill as he has been a good friend and colleague for almost two decades and a real leader on small business issues since his election to Congress in 1980.

Mr. President, ownership is a powerful force. Anyone who has gone from renting to owning a home will tell you

how much more work you put in as an owner. Suddenly, problems with the plumbing or the roof that used to be the landlord's problems are now your problems. Developments in the neighborhood take on new meaning and you tend to spend more time working with neighbors to figure out ways to make your community stronger.

The trade-off for all this work is that whatever improvements we make to our homes and our communities, they're ours. And if our homes increase in value, we get to keep the difference.

The same is true for small businesses and family farms. Most people who have gone from being an employee to owning a small business or farm will tell you that they work harder as an owner, save more, and take more pride in their work. As with homeowners, small businesspeople and farmers are willing to put in the extra work it takes to run a business because they know it will come back to them in the form of more customers and higher profits. It is this industrious spirit that has defined our nation for more than two centuries and allowed us to enjoy a level of prosperity unknown in any other part of the world, in any other era of human history.

The bill we are introducing today makes a simple change in the tax code that will help families pass down the legacy of business ownership from one generation to the next.

Mr. President, the federal estate tax is one of the most controversial provisions of the tax code. Whatever the merits or shortcomings of the estate tax, I believe most of my colleagues would agree that a family should not have to sell a small business or family farm just because the head of the family passes away. Unfortunately, small business owners face a very real concern that the estate tax may force their families to do just that, particularly families whose business' principal assets consist of machinery, real estate, equipment, and inventory. Those families fortunate enough to avoid selling their business or farm are often frustrated by having to finance their estate tax burden at the expense of needed investments in the business.

Recognizing this problem, Congress worked on a bipartisan basis in 1997 to include provisions in the Taxpayer Relief Act which provide targeted assistance to estates with family-owned businesses and farms. Among its provisions, the Taxpayer Relief Act provided an immediate increase in the estate tax exemption from \$600,000 to \$1.3 million for estates with businesses that are kept in the family, and improved the terms for installment payments made by estates with businesses by reducing the interest rate from 4 percent to 2 percent for the first \$1 million in taxable value of the business in excess of the \$1.3 million exemption.

The bill that Senator DORGAN and I are introducing today builds on the

1997 Taxpayer Relief Act by simply doubling the \$1.3 million exemption for family-owned businesses and farms to \$2.6 million. This new level would mean that a typical business with up to 25 employees would face no estate tax liability if the business is kept in the family after the owner dies. Somewhat larger businesses would enjoy a significant reduction in their estate tax burden.

Mr. President, we should be doing what we can to promote small business and farm ownership in America. This bill does just that by simply making it easier for families to continue their tradition of small business ownership. I urge all my colleagues to join Senator DORGAN and me in supporting this legislation.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1413

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. INCREASE IN ESTATE TAX DEDUCTION FOR FAMILY-OWNED BUSINESS INTEREST.**

(a) IN GENERAL.—Section 2057(a)(2) of the Internal Revenue Code of 1986 (relating to maximum deduction) is amended by striking “\$675,000” and inserting “\$1,975,000”.

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) of the Internal Revenue Code of 1986 (relating to coordination with unified credit) is amended by striking “\$675,000” each place it appears in the text and heading and inserting “\$1,975,000”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after the date of the enactment of this Act.

Mr. DORGAN. Mr. President, today I'm pleased to join Senator DURBIN in introducing estate tax relief legislation to boost immediately to \$2.6 million the amount of family business assets that can be transferred to the next generation without loading up that family business with a large tax debt. I feel strongly that we must prevent our estate tax laws from hindering the transfer of family farms, ranches and other small businesses to the next generation of family members who would continue to operate them. We made some important changes to the estate tax laws in the last Congress to make it easier for children to take over a family business when a parent dies and keep the business going. But these changes did not go far enough.

Family-owned enterprises are a source of social stability and cohesion in this country. They generate jobs and wealth. Yet in far too many cases, the estate tax laws exert pressure on the children and grandchildren who inherit a modestly-sized family business to sell it, or a large part of it, to pay off those taxes. Our tax laws should encourage enterprises to stay in family ownership, with all the benefits that brings

to our communities and to the nation. Yet frequently today the estate tax laws do the opposite.

Congress took some steps in a major tax bill in 1997, which I supported, to enable family farms, ranches, and other small family businesses to be passed along to the next generation without being loaded up with massive estate tax debt. The 1997 bill changes estate taxes in two basic ways. First, the legislation increased the unified estate and gift tax exemption from \$600,000 to \$1 million over a period of years. Second, it provided a new exemption from estate taxes for qualifying family businesses, valued up to \$1.3 million, that are passed down to the children and grandchildren who will operate the farm or business. This new exclusion is the result of a bipartisan effort in Congress to encourage business enterprise that is based on the family unit.

However, Senator DURBIN and I believe that the \$1.3 million family business exclusion needs to be substantially increased, and we suspect that a number of our colleagues in the Senate share this view. We are proposing such an increase today.

Our legislation is simple and straightforward. It doubles the dollar value from \$1.3 million to \$2.6 million of a family business that may be transferred to inheriting family members without an estate tax obligation. This will be a great help to families that want to pass along a small business, which might have been the family's major asset for decades, to the kids to operate following the death of a parent.

Estate tax relief for family businesses is not a partisan issue. It is important for the survival of our nation's family businesses, and it should be a priority for any tax cuts that Congress enacts.

This is not however a proposal to reduce estate taxes for every rich person in America. We see no need to enact a big new benefit for the nation's trust fund babies. It should go to where the need is greatest, and where the economic and social benefits will be greatest as well. That means small family businesses.

In the end, we hope that some additional estate tax relief will be enacted to sustain family-owned businesses and farms, which make up the backbone of our economy. We believe that our approach takes a large step in that direction. We urge our colleagues to cosponsor this much-needed legislation.

By Mr. MACK:

S. 1414. A bill to amend title XVIII of the Social Security Act to restore access to home health services covered under the Medicare Program, and to protect the Medicare Program from financial loss while preserving the due process rights of home health agencies to the Committee on Finance.

#### MEDICARE HOME HEALTH BENEFICIARY EQUITY AND PAYMENT SIMPLIFICATION ACT OF 1999

Mr. MACK. Mr. President today I am pleased to join my colleague, Mr. BREAUX, in sponsoring The Medicare Home Health Beneficiary Equity and Payment Simplification Act of 1999.

This legislation sets forth a fully developed prospective payment system for Medicare home health benefits that can be implemented easily using currently available data and can be accurately monitored to prevent fraud and abuse. Most importantly, the bill restores access to covered services for the sickest, most frail Medicare beneficiaries while providing incentives for efficient treatment of all patients regardless of the acuity of their medical condition.

The bill provides for a simple four-category prospective payment system for home health services (similar to the four-category system which has been in place for hospice services since 1983) which is based on data from a 1997 study conducted by the Kaiser Family Foundation on characteristics of Medicare patients in need of covered home health services. The Kaiser Foundation study found that Medicare patients in need of home health services historically have fallen into one of the following categories:

1. Post-hospital, short stay beneficiaries
2. Medically stable, long-stay beneficiaries
3. Medically complex, long-stay beneficiaries
4. Medically unstable and complex, extremely high use beneficiaries

Beneficiaries who meet all eligibility and coverage requirements for Medicare will be assigned to the appropriate category by a physician who does not have a prohibited relationship with the home health agency as defined in the "Stark II" law. Beneficiaries who do not clearly fit in one of the four categories will be placed in the first, lowest rate category.

Payment rates for each of the categories is the average cost of treating patients in that category in 1994 as determined by the Kaiser Foundation study. Those rates are adjusted for wage variations in different parts of the country and updated by the home health market basket for each fiscal year. The Secretary of HHS is given the authority to provide additional payments to certain agencies that have higher costs due to reasons beyond their control.

The bill would eliminate the 15% cut in Medicare home health reimbursement which is scheduled to go into effect on October 1, 2000. The bill would also simplify the reimbursement system by making payments based on the location of the agency rather than the residence of the patient. The bill is intended to provide a "fail safe" prospective payment mechanism in the event

that HCFA falls behind in its schedule to implement a prospective payment system by October 1, 2000 that can be administered efficiently and monitored effectively.

I urge my colleagues to join us in cosponsoring this important piece of legislation.

Mr. President, I ask unanimous consent that a copy of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1414

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Home Health Beneficiary Equity and Payment Simplification Act of 1999".

#### SEC. 2. FINDINGS.

Congress finds the following:

(1) Research has shown that medicare beneficiaries who are in need of home health services that are covered under the medicare program generally fall into 1 of the 4 following categories:

- (A) Post-hospital, short-stay beneficiaries.
- (B) Medically stable, long-stay beneficiaries.
- (C) Medically complex, long-stay beneficiaries.
- (D) Medically unstable and complex, extremely high-use beneficiaries.

(2) The interim payment system for home health services under the medicare program, enacted as part of the Balanced Budget Act of 1997 and amended by title V of the Tax and Trade Relief Extension Act of 1998 (contained in Division J of Public Law 105-277), is having the following unintended consequences:

- (A) The sickest, most frail medicare beneficiaries are losing access to medically necessary home health services that are otherwise covered under the medicare program.
- (B) Many high quality, cost-effective home health agencies have had per beneficiary limits under the interim payment system set so low that such agencies are finding it impossible to continue to provide home health services under the medicare program.
- (C) Many home health agencies are being subjected to aggregate per beneficiary limits under the interim payment system that do not accurately reflect the current patient mix of such agencies, thereby making it impossible for such agencies to compete with similarly situated home health agencies.

(D) Medicare beneficiaries that reside in certain States and regions of the country have far less access to home health services under the medicare program than individuals who have identical medical conditions but reside in other States or regions of the country.

(E) The health status of home health beneficiaries varies significantly in different regions of the country, creating differing needs for home health services.

#### SEC. 3. PAYMENTS TO HOME HEALTH AGENCIES UNDER MEDICARE.

(a) REVISION OF PROSPECTIVE PAYMENT SYSTEM.—

(1) IN GENERAL.—Section 1895 of the Social Security Act (42 U.S.C. 1395fff) (as amended by section 5101 of the Tax and Trade Relief Extension Act of 1998 (contained in Division J of Public Law 105-277)) is amended—

(A) in subsection (a), by striking "for portions of cost reporting periods occurring on

or after October 1, 2000" and inserting "for cost reporting periods beginning on or after October 1, 1999"; and

(B) in subsection (b), by striking the last sentence of paragraph (1) and all that follows and inserting the following:

"(2) PAYMENT BASIS.—

"(A) IN GENERAL.—The prospective payment amount to be paid to a home health agency under this section for all of the home health services (including medical supplies) provided to a beneficiary under this title during the 12-month period beginning on the date that such services are first provided by such agency to such beneficiary pursuant to a plan for furnishing such services (and for each subsequent 12-month period that services are provided under such plan) shall be an amount equal to the applicable amount specified in subparagraph (B) for the fiscal year in which the 12-month period begins.

"(B) APPLICABLE AMOUNT.—Subject to subparagraphs (C), (D), and (E) and paragraph (5), for purposes of this subsection, the applicable amount is equal to—

"(i) \$2,603 for a beneficiary described in subparagraphs (A) and (E) of paragraph (3);

"(ii) \$3,335 for a beneficiary described in paragraph (3)(B);

"(iii) \$4,228 for a beneficiary described in paragraph (3)(C); and

"(iv) \$21,864 for a beneficiary described in paragraph (3)(D).

"(C) ANNUAL UPDATE.—

"(i) IN GENERAL.—The applicable amount specified in subparagraph (B) shall be adjusted for each fiscal year (beginning with fiscal year 2001) in a prospective manner specified by the Secretary by the home health market basket percentage increase applicable to the fiscal year involved.

"(ii) HOME HEALTH MARKET BASKET PERCENTAGE INCREASE.—For purposes of clause (i), the term 'home health market basket percentage increase' means, with respect to a fiscal year, a percentage (estimated by the Secretary before the beginning of the fiscal year) determined and applied with respect to the mix of goods and services included in home health services in the same manner as the market basket percentage increase under section 1886(b)(3)(B)(iii) is determined and applied to the mix of goods and services comprising inpatient hospital services for the fiscal year.

"(D) AREA WAGE ADJUSTMENT.—

"(i) IN GENERAL.—The portion of the applicable amount specified in subparagraph (B) (as updated under subparagraph (C)) that the Secretary estimates to be attributable to wages and wage-related costs shall be adjusted for geographic differences in such costs by an area wage adjustment factor for the area in which the home health agency is located.

"(ii) ESTABLISHMENT OF AREA WAGE ADJUSTMENT FACTORS.—The Secretary shall establish area wage adjustment factors that reflect the relative level of wages and wage-related costs applicable to the furnishing of home health services in a geographic area compared to the national average applicable level. Such factors may be the factors used by the Secretary for purposes of section 1886(d)(3)(E).

"(E) MEDICAL SUPPLIES.—The applicable amount specified in subparagraph (B) shall be adjusted for each fiscal year (beginning with fiscal year 2001) in a prospective manner specified by the Secretary by the percentage increase (as determined by the Secretary) in the average costs of medical supplies (as described in section 1861(m)(5)) for the fiscal year involved.

"(3) DESCRIPTION OF BENEFICIARIES.—

"(A) POST-HOSPITAL, SHORT-STAY BENEFICIARY.—A beneficiary described in this subparagraph is a beneficiary under this title who—

"(i) has experienced at least one 24-hour hospitalization within the 14-day period immediately preceding the date that the beneficiary is first provided services by the home health agency;

"(ii) suffers from 1 or more illnesses or injuries which are post-operative or post-trauma; and

"(iii) has a prognosis of a prompt and substantial recovery.

"(B) MEDICALLY STABLE, LONG-STAY BENEFICIARY.—A beneficiary described in this subparagraph is a beneficiary under this title who—

"(i) has not been admitted to a hospital within the 6-month period immediately preceding the date that the beneficiary is first provided services by the home health agency;

"(ii) suffers from 1 or more illnesses or injuries requiring acute medical treatment or management in the home; and

"(iii) is experiencing 1 or more impairments in activities of daily living.

"(C) MEDICALLY COMPLEX, LONG-STAY BENEFICIARY.—A beneficiary described in this subparagraph is a beneficiary under this title who—

"(i) has experienced 2 or more hospitalizations or admissions to skilled nursing facilities within the 12-month period immediately preceding the date that the beneficiary is first provided services by the home health agency;

"(ii) suffers from 1 or more illnesses or injuries requiring acute medical treatment or management in the home; and

"(iii) is experiencing 1 or more impairments in activities of daily living.

"(D) MEDICALLY UNSTABLE AND COMPLEX, EXTREMELY HIGH-USE BENEFICIARIES.—A beneficiary described in this subparagraph is a beneficiary under this title who—

"(i) has experienced 2 or more hospitalizations or admissions to skilled nursing facilities within the 6-month period immediately preceding the date that the beneficiary is first provided services by the home health agency;

"(ii) suffers from 1 or more illnesses or injuries requiring acute medical treatment or management in the home; and

"(iii) is experiencing 2 or more impairments in activities of daily living.

"(E) OTHER BENEFICIARIES.—A beneficiary described in this subparagraph is a beneficiary under this title who is not otherwise described in subparagraphs (A) through (D).

"(4) DETERMINATION.—

"(A) IN GENERAL.—The determination of which of the subparagraphs under paragraph (3) applies to a beneficiary under this title shall be based on the diagnosis and assessment of a physician who shall have no financial relationship with the home health agency that is receiving payments under this title for the provision of home health services to such beneficiary. For purposes of the preceding sentence, any financial relationship shall be determined under rules similar to the rules with respect to referrals under section 1877.

"(B) REGULATIONS.—The Secretary shall issue regulations to assist physicians in making the determination described in subparagraph (A).

"(5) ADDITIONAL PAYMENT AMOUNT.—The Secretary may increase the applicable amount specified in paragraph (2)(B) to be paid to a home health agency if the Secretary determines that such agency is—

"(A) experiencing higher than average costs for providing home health services as compared to other similarly situated home health agencies; or

"(B) providing home health services that are not reflected in the determination of the applicable amount.

"(6) NOTICE OF PROSPECTIVE PAYMENT RATE.—Not later than July 1 of each year (beginning in 2000), the Secretary shall publish in the Federal Register the applicable amount to be paid to home health agencies for home health services provided to a beneficiary under this title during the fiscal year beginning October 1 of the year.

"(7) PRORATION OF PROSPECTIVE PAYMENT AMOUNTS.—If a beneficiary elects to transfer to, or receive services from, another home health agency within the period covered by the prospective payment amount, the payment shall be prorated between the home health agencies involved."

(2) CONFORMING AMENDMENTS.—Section 1895 of the Social Security Act (42 U.S.C. 1395fff) (as amended by section 5101 of the Tax and Trade Relief Extension Act of 1998 (contained in Division J of Public Law 105-277)) is amended—

(A) by amending subsection (c) to read as follows:

"(c) REQUIREMENT FOR PAYMENT INFORMATION.—With respect to home health services furnished on or after October 1, 1998, no claim for such a service may be paid under this title unless the claim has the unique identifier (provided under section 1842(r) for the physician who prescribed the services or made the certification described in section 1814(a)(2) or 1835(a)(2)(A)."; and

(B) by striking subsection (d).

(3) CHANGE IN EFFECTIVE DATE.—Section 4603(d) of the Balanced Budget Act of 1997 (42 U.S.C. 1395fff note) (as amended by section 5101(c)(2) of the Tax and Trade Relief Extension Act of 1998 (contained in Division J of Public Law 105-277)) is amended by striking "October 1, 2000" and inserting "October 1, 1999".

(4) ELIMINATION OF CONTINGENCY 15 PERCENT REDUCTION.—Subsection (e) of section 4603 of the Balanced Budget Act of 1997 (42 U.S.C. 1395fff note) is repealed.

(5) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of enactment of this Act.

(b) PAYMENT RATES BASED ON LOCATION OF HOME HEALTH AGENCY RATHER THAN PATIENT.—

(1) CONDITIONS OF PARTICIPATION.—Section 1891 of the Social Security Act (42 U.S.C. 1395bbb) is amended by striking subsection (g).

(2) WAGE ADJUSTMENT.—Section 1861(v)(1)(L)(iii) (42 U.S.C. 1395x(v)(1)(L)(iii)) is amended by striking "service is furnished" and inserting "agency is located".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to services provided on or after October 1, 1999.

By Mr. HATCH:

S. 1415. A bill to amend the Internal Revenue Code of 1986 to provide for S corporation reform, and for other purposes; to the Committee on Finance.

Mr. HATCH. Mr. President, today I am introducing legislation that would provide critical and direct improvements to the competitiveness of the over 2.1 million S corporations nationwide. The vast majority of S corporations operate as small businesses. By 1995, they comprised 48 percent of all

corporations. In my home state of Utah, S corporations make up half of the 21,600 corporations in the state.

Despite the reforms that were enacted in 1996 and in previous years, the tax laws that currently govern S corporations remain too restrictive, complex, and burdensome, particularly in comparison with the laws that are imposed on other entities. As a result, Mr. President, many of these small businesses are unable to attract sufficient capital and to grow to their full potential.

For example, the inability to issue preferred stock denies S corporations access to badly needed senior equity. Capital is also eliminated by a requirement that prevents straight debt from being converted into stock. Substantial reforms need to be enacted to ensure better competition for small businesses in today's increasingly sophisticated and global economy.

Mr. President, the current law is threatening the multi-generational family business in our country. Law allows only for 75 shareholders under an S corporation, and each member of a family is currently treated as a single, distinct shareholder. In addition, non-resident aliens are not allowed as shareholders. This ban on nonresident alien shareholders is an outmoded restriction dating back to the creation of Subchapter S. Since that time, partnerships have been allowed to involve nonresidential aliens. And, as the economy becomes more global, S corporations will be at a disadvantage relative to the more flexible partnerships. Mr. President, this bill would eliminate these outdated provisions and allow for all family members to be counted as one shareholder for purposes of S corporation eligibility, as well as permitting nonresident aliens to be shareholders.

Mr. President, I urge my colleagues to review and support the Subchapter S Revision Act. This legislation will help American families pass their businesses from one generation to the next and to create a level playing field for small business. We should not allow the more than 10,000 S corporations in my home state, as well as the many others across the country, to be subject to rules and regulations that limit their competitiveness. I am looking forward to working with my fellow members of the Finance Committee in enacting this bill.

I ask that a description of the bill's provisions be included in the RECORD.

The description follows:

#### TITLE 1—SUBCHAPTER S EXPANSION

##### SUBTITLE A—ELIGIBLE SHAREHOLDERS OF AN S CORPORATION

Sec. 101. Members of a family treated as one shareholder—All family members within

seven generations who own stock could elect to be treated as one shareholder. The election would be made available to only one family per corporation, must be made with the consent of all shareholders of the corporation and would remain in effect until terminated. This provision is intended to keep S corporations within families that might span several generations.

Sec. 102. Nonresident Aliens—This section would provide the opportunity for aliens to invest in domestic S corporations and S corporations to operate abroad with a foreign shareholder by allowing nonresident aliens to own S corporation stock.

##### SUBTITLE B—QUALIFICATIONS AND ELIGIBILITY REQUIREMENTS OF S CORPORATIONS

Sec. 111. Issuance of preferred stock permitted—An S corporation would be allowed to issue either convertible or plain vanilla preferred stock. Holders of preferred stock would not be treated as shareholders; thus, ineligible shareholders like corporations or partnerships could own preferred stock interests in S corporations. Subchapter S corporations would receive the same recapitalization treatment as family-owned C corporations. This provision would afford S corporations and their shareholders badly needed access to senior equity.

Sec. 112. Safe harbor expanded to include convertible debt—An S corporation is not considered to have more than one class of stock if outstanding debt obligations to shareholders meet the "straight debt" safe harbor. Currently, the safe harbor provides that straight debt cannot be convertible into stock. The legislation would permit a convertibility provision so long as that provision is substantially the same as one that could have been obtained by a person not related to the S corporation or S corporation shareholders.

Sec. 113. Repeal of excessive passive investment income as a termination event: This provision would repeal the current rule that terminates S corporation status for certain corporations that have both Subchapter C earnings and profits and that derive more than 25 percent of their gross receipts from passive sources for three consecutive years.

Sec. 114. Repeal passive income capital gain category—The legislation would retain the rule that imposes a tax on those corporations possessing excess net passive investment income, but, to conform to the general treatment of capital gains, it would exclude capital gains from classification as passive income. Thus, such capital gains would be subject to a maximum 20 percent rate at the shareholder level in keeping with the 1997 tax law change. Excluding capital gains also parallels their treatment under the PHC rules.

Sec. 115. Allowance of charitable contributions of inventory and scientific property—This provision would allow the same deduction for charitable contributions of inventory and scientific property used to care for the ill, needy, or infants for Subchapter S as for Subchapter C corporations. In addition, S corporations would no longer be disqualified from making "qualified research contributions" (charitable contributions of inventory property to educational institutions or scientific research organizations) for use in research or experimentation.

Sec. 116. C corporation rules to apply for fringe benefit purposes—The current rule that limits the ability of "more-than-two-percent" S corporation shareholder-employees to exclude certain fringe benefits from wages would be repealed for benefits other than health insurance.

##### SUBTITLE C—TAXATION OF S CORPORATION SHAREHOLDERS

Sec. 120. Treatment of losses to shareholders—A loss recognized by a shareholder in complete liquidation of an S corporation would be treated as an ordinary loss to the extent the shareholder's adjusted basis in the S corporation stock is attributable to ordinary income that was recognized as a result of the liquidation. Suspended passive activity losses from C corporation years would be allowed as deductions when and to the extent they would be allowed to C corporations.

##### SUBTITLE D—EFFECTIVE DATE

Sec. 130. Effective Date—Except as otherwise provided, the amendments made by this legislation shall apply to taxable years beginning after December 31, 1999.●

By Mr. FEINGOLD (for himself and Mr. KOHL):

S. 1416. A bill to amend the Agricultural Marketing Agreement of 1937 to allow a modified bloc voting by cooperative associations of milk producers in connection with the scheduled August referendum on Federal Milk Marketing Order reform; to the Committee on Agriculture, Nutrition, and Forestry.

##### DEMOCRACY FOR DAIRY PRODUCERS ACT OF 1999

● Mr. FEINGOLD. Mr. President, I rise to introduce a measure that will begin to restore to many dairy farmers throughout the nation, part of the market power they have lost in recent years.

Mr. President, on March 31 of this year, Secretary Glickman put forth the Department of Agriculture's final rule on the Federal Milk Marketing Order system. As many of you know, that proposal consolidated federal orders and made changes to various pricing formulas in current law.

As mandated in last year's Omnibus Appropriations bill, this new federal policy is scheduled to take effect no later than October 1, 1999. However, prior to October, this nation's farmers will put USDA's proposal to a referendum. Farmers will have the opportunity to vote on their futures. Or at least that is what is supposed to happen.

Mr. President, most farmers in the country won't actually get to vote on this, the most significant change in dairy policy in sixty years. Their dairy marketing cooperatives will cast their votes for them.

This procedure is called bloc voting and it is used all the time. Basically, a Cooperative's Board of Directors decides that, in the interest of time, bloc voting will be implemented for that particular vote. In the interest of time, but not always in the interest of their producer owner-members.

Mr. President, I do think that bloc voting can be a useful tool in some circumstances, but I have serious concerns about its use in the August referendum on USDA's plan. Farmers in Wisconsin and in other states tell me that they do not agree with their Cooperative's view on the upcoming vote.



Yet, they have no way to preserve their right to make their single vote count.

After speaking to farmers and officials at USDA, I have learned that if a Cooperative bloc votes, individual members simply have no opportunity to voice opinions separately. That seems unfair when you consider what a monumental issue is at stake. Coops and their members do not always have identical interests. We shouldn't ask farmers to ignore that fact.

Mr. President, the Democracy for Dairy Producers Act of 1999 is simple and fair. It provides that a cooperative cannot deny any of its members a ballot if one or two or ten or all of the members chose to vote on their own.

This will in no way slow down the process at USDA; implementation of the final rule will proceed on schedule. Also, I do not expect that this would change the final outcome of the vote. Coops could still cast votes for their members who do not exercise their right to vote individually. And to the extent that coops represent farmers interest, farmers are likely to vote along with the coops, but whether they join the coops or not, farmers deserve the right to vote according to their own views.

I urge my colleagues to return just a little bit of power to America's farmers, and a little bit of pure democracy to the vote on the USDA plan which is sure to have such an impact on their future.

I urge my colleagues to support the Democracy for Dairy Producers Act, a dairy bill without regional bias.●

By Mr. GRASSLEY (for himself and Mr. BREAUX):

S. 1417. A bill to amend title XIX of the Social Security Act to extend the authority of State Medicaid fraud control units to investigate and prosecute fraud in connection with Federal health care programs and abuse of residents of board and care facilities; to the Committee on Finance.

#### HEALTH CARE FRAUD CONTROL ACT OF 1999

Mr. GRASSLEY. Mr. President, I am joined today by Senator BREAUX in introducing the Health Care Fraud Control Act of 1999. This bill is an effective, efficient and economical way to fight fraud, waste and abuse in publicly funded health care programs. It takes a system that is successful in combating Medicaid fraud and expands its authority to pursue investigations in other federal programs when investigators uncover or suspect fraudulent or abusive activities. This bill is common sense.

State Medicaid Fraud Control Units have long been at the forefront of health care fraud enforcement. The Health Care Fraud Control Act would give these units the authority needed to investigate other fraud and abuse cases, including Medicare cases, at the same time as Medicaid cases. This bill,

which will be introduced by Rep. RICK LAZIO (R-N.Y.) in the House, would streamline the enforcement process for anti-fraud agents, cutting down on bureaucracy and allowing investigators to pursue anti-fraud cases more efficiently. This bill is an important weapon in the war against health care fraud in the Medicaid and Medicare programs.

The streamlined effort would be especially effective in fighting nursing home fraud and neglect. Many times seniors are eligible for both Medicare and Medicaid payments. Combined, these two programs cover the bulk of the cost of nursing home care in our country. When a nursing home receives both Medicare and Medicaid payments, the potential for fraud is much too high. As the law stands, even if a fraud control unit establishes a strong case showing Medicaid fraud and uncovers Medicare fraud at the same time, it must wait while various federal agencies investigate the Medicare side before the case can be prosecuted.

Any effort to combat fraud is critical. Medicaid's annual budget is \$178 billion, and fraud cases can involve significant amounts of money. Meanwhile, improper payments through Medicare were \$12.6 billion in Fiscal Year 1998.

Expanding the Medicaid anti-fraud units' jurisdiction will help us erode health care fraud. With billions of tax dollars wasted each year, we need every weapon we can find in the anti-fraud arsenal. We can't afford to waste a single health care dollar.

By Mr. MCCAIN:

S. 1419. A bill to amend title 36, United States Code, to designate May as "National Military Appreciation Month"; to the Committee on the Judiciary.

#### NATIONAL MILITARY APPRECIATION MONTH

Mr. MCCAIN. Mr. President, I rise today to introduce a bill to designate the month of May National Military Appreciation Month. As my colleagues may recall, I had sponsored a resolution earlier in the year, cosponsored by 61 Senators, designating May 1999 as National Military Appreciation Month. That resolution, S. Res. 33, passed by a vote of 93-0 on April 30. The new bill will make that designation permanent.

The introduction of an All-Volunteer Army was an outgrowth of the disenchantment many Americans felt in the wake of the Vietnam War. The end of conscription and the transition to the All-Volunteer concept has been criticized by some for not adequately reflecting socioeconomic divisions within our country. In point of fact, however, with the requisite attention and care, it produced the finest armed forces in history. How far we had come since the tumultuous times of the 1970s when military readiness descended to abysmal levels was evident for all the world to see in the overwhelming vic-

tory over Iraqi forces during Operation Desert Storm. But that success has been taken for granted too long. Over 15 years of declining military budgets, combined with record high levels of deployments, have stretched the military to precarious levels.

The end of conscription had another, more far-reaching and subtle implication: it diminished the percentage of the public, including its elected officials, with military experience. This is not a criticism of those who did not serve; on the contrary, as a strong supporter of the All-Volunteer Army, I remain committed to its survival and success. This gradual diminishment in the shared experience of having served in uniform, however, makes it increasingly important that the public reflect every year on the enormous role their armed forces have on preserving freedom.

As thousands of American soldiers move into position in Kosovo, while others continue to serve in Bosnia as well as on the demilitarized zone in Korea and around the world, it is imperative that our men and women in uniform know of the strong continuing support of their country for their dedication and service to this country. Whether we individually agree with each and every deployment or not, we have learned to separate our support every deployment or not, we have learned to separate our support for the armed forces from our differences over the policies that sent them into harm's way. Dedicating one month every year to express our appreciation for the armed forces, the same month in which we recognize Victory in Europe Day, Military Spouse Day, Armed Forces Day, and, most importantly, Memorial Day, is an appropriate measure that I hope will have the support of all my colleagues in Congress.

Mr. President, I generally take a somewhat dim view of celebratory resolutions. But those who fought on the battlefields of Lexington, Gettysburg, Normandy, in the Ardennes and on Okinawa, in Hue and at Khe Sanh, in the deserts of the Persian Gulf and the dusty streets of Mogadish, in the skies over Kosovo and who stand a lonely vigil on the DMZ, must not be forgotten. Too much blood has been spilled in defense of liberty. We owe to those who perished and those who survived, to devote one month out of the year to reflect on the sacrifices of those who have worn their nation's uniform throughout its history.

Mr. President, I ask unanimous consent that the bill, the attached correspondence in support of S. Res. 33 from the Secretary of the Air Force and Air Force Chief of Staff, as well as a letter from retired General Gordon Sullivan, president of the Association of the United States Army, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1419

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. NATIONAL MILITARY APPRECIATION MONTH.**

(a) FINDINGS.—Congress makes the following findings:

(1) The freedom and security that citizens of the United States enjoy today are direct results of the vigilance of the United States Armed Forces.

(2) Recognizing contributions made by members of the United States Armed Forces will increase national awareness of the sacrifices that such members have made to preserve the freedoms and liberties that enrich this Nation.

(3) It is important to preserve and foster admiration and respect for the service provided by members of the United States Armed Forces.

(4) It is vital for youth in the United States to understand that the service provided by members of the United States Armed Forces has secured and protected the freedoms that United States citizens enjoy today.

(5) Recognizing the unfailing support that families of members of the United States Armed Forces have provided to such members during their service and how such support strengthens the vitality of our Nation is important.

(6) Recognizing the role that the United States Armed Forces plays in maintaining the superiority of the United States as a nation and in contributing to world peace will increase awareness of all contributions made by such Forces.

(7) It is appropriate to recognize the importance of maintaining a strong, equipped, well-educated, well-trained military for the United States to safeguard freedoms, humanitarianism, and peacekeeping efforts around the world.

(8) It is proper to foster and cultivate the honor and pride that citizens of the United States feel towards members of the United States Armed Forces for the protection and service that such members provide.

(9) Recognizing the many sacrifices made by members of the United States Armed Forces is important.

(10) It is proper to recognize and honor the dedication and commitment of members of the United States Armed Forces, and to show appreciation for all contributions made by such members since the inception of such Forces.

(b) NATIONAL MILITARY APPRECIATION MONTH.—Chapter 1 of part A of subtitle I of title 36, United States Code, is amended by adding at the end the following:

**“§ 144. National Military Appreciation Month.**

“The President shall issue each year a proclamation—

“(1) designating May as ‘National Military Appreciation Month’; and

“(2) calling on the people of the United States to honor the dedicated service provided by the members of the United States Armed Forces and to observe the month with appropriate ceremonies and activities.”.

(c) TABLE OF CONTENTS.—The table of contents in chapter 1 of part A of subtitle I of title 36, United States Code, is amended by inserting after the item relating to section 143 the following new item:

“144. National Military Appreciation Month.”.

ASSOCIATION OF THE U.S. ARMY,  
*Arlington, VA, April 2, 1999.*

Hon. JOHN MCCAIN,  
*U.S. Senate,*  
*Washington, DC.*

DEAR SENATOR MCCAIN: On behalf of the 100,000 members of the Association of the United States Army, I applaud your introduction of Senate Resolution 33, which would designate May, 1999, as National Military Appreciation Month.

AUSA agrees that Americans should reflect more often on the sacrifices of our military personnel throughout history. Designating a month in which we observe Victory in Europe Day, Armed Forces Week, Military Spouse Day, and Memorial Day, is particularly fitting.

AUSA supports your efforts and recommends that the resolution be amended to make the observance of National Military Appreciation Month an annual event.

Sincerely,

GORDON R. SULLIVAN,  
*General, USA Retired.*

DEPARTMENT OF DEFENSE,  
SECRETARY OF THE AIR FORCE,  
*Washington, DC, May 6, 1999.*

Hon. JOHN MCCAIN,  
*U.S. Senate,*  
*Washington, DC.*

DEAR SENATOR MCCAIN: On behalf of the men and women of the United States Air Force, we thank you and the Senate for designating May 1999 as National Military Appreciation Month. As you well know, our airmen are not only engaged in the Balkan operations, but all around the world, with over 100,000 people either forward stationed or deployed. We are proud of the personal sacrifice and tremendous service they give our great nation, and it is heartwarming to see the Senate recognize their efforts. Thank you for your gracious show of support.

MICHAEL E. RYAN,  
*General, USAF, Chief*  
*of Staff.*

F. WHITTEN PETERS,  
*Acting Secretary of the*  
*Air Force.*

By Mr. KERRY (for himself, Mr. HOLLINGS, Mr. BREAUX, Mr. INOUE, Mrs. BOXER, Mrs. FEINSTEIN, and Mr. KENNEDY):

S. 1420. A bill to establish a fund for the restoration and protection of ocean and coastal resources, to amend and reauthorize the Coastal Zone Management Act of 1972, and for other purposes; to the Committee on Commerce, Science, and Transportation.

COASTAL STEWARDSHIP ACT

Mr. KERRY. Mr. President, I will shortly be sending to the desk for appropriate referral the Coastal Stewardship Act which I am introducing today, along with Senators HOLLINGS, BREAUX, INOUE, BOXER, FEINSTEIN and KENNEDY. The goal of the Coastal Stewardship Act is to significantly strengthen our national commitment to and capacity to protect the coastal communities and all of our coastal and ocean environment.

Our coasts—I know the Chair knows this because he represents a State that has enormous fishing interests—our coasts and our oceans are increasingly fragile environments, and they are in-

creasingly threatened. Their health depends on a very complex chain of ecosystems that includes rainwater runoff from inland, estuaries, wetlands, flood plains, tidal basins, coral reefs, our fisheries and the whole deal more. Damage to any one of those ecosystems can wind up degrading and damaging the others, and they can cause severe cultural and economic impact for all of our coastal communities.

Moreover, as our coastal population grows and as coastal development increases, as it has been almost every year for the last 50 years, we are placing more and more stress on these fragile and increasingly unique and interconnecting ecosystems.

Since 1960, the coastal population in the United States has increased by over 50 percent, and that trend is expected to continue. Indeed, it is predicted that over the course of the next 10 years or so, well over 75 percent of the American population will live within 50 miles of coastline of one kind or another. In the next decade alone, an additional 14 million Americans are expected to settle in coastal areas.

The impact is very clear. On the Atlantic coast, we have had toxic outbreaks of *pfisteria*. In the Gulf of Mexico, we have a dead zone that has formed that harms shrimp stocks and kills off other species. Our Nation has lost more than 89 million acres of coastal wetlands, and our commercial fisheries are depleted from a combination of mismanagement and also ecosystem impacts. Parts of the Great Lakes have suffered from nutrient enrichment which is destructive to those ecosystems. Finally, even urban areas along our coasts face a unique challenge as they work to clean up polluted industrial sites and bring their waterfronts back to life.

The Coastal Stewardship Act creates the Ocean and Coast Conservation Fund to receive permanent funding from Federal oil and gas leasing on the Outer Continental Shelf. The fund would accrue 10 percent, or a minimum of \$250 million of OCS revenues each year.

The CSA uses funds from the Ocean and Coast Conservation Fund and general revenues to support the restoration and preservation of our coastal and marine resources. The specific investments include the following:

First, the CSA provides increased support to the Coastal Zone Management Act. The CZMA is a highly flexible program that allows States to prioritize, design, and implement management plans, meeting broad national objectives for coastal environmental protection and economic development.

Second, the CSA establishes a new highly flexible program within the Department of Commerce to fund coastal habitat, restoration, and preservation projects. With these block grants for conservation, States set priorities and

decide how and when projects proceed within broad national goals.

Third, it enhances the Federal commitment to the National Marine Sanctuary Program, a very successful program that designates unique ocean habitat for protection and research. Our 12 national marine sanctuaries restore and rebuild marine habitats to their natural condition and monitor and maintain already healthy areas.

Four, the CSA creates a coral reef restoration and conservation program at the Department of Commerce. The legislation recognizes the importance of maintaining the health and stability of coral reefs for their environmental and economic value, and it builds on the work of the U.S. Coral Reef Task Force.

Five, one of the most difficult challenges to overcome in developing sound policy for U.S. fisheries has been the lack of high-quality information. The CSA establishes a comprehensive program to improve the quality and quantity of fisheries information available to evaluate stock status, design control measures, and monitor effectiveness of those control measures.

Six, the CSA increases Federal support of State and local enforcement by expanding existing cooperative enforcement agreements. These joint ventures allow States and local governments to tailor enforcement procedures to fit the local needs and available resources, and also allow for collaboration between State and local enforcement agencies and Federal agencies.

I will close my comments, Mr. President, by saying to my colleagues that some have expressed concern that somehow this broader effort might have an impact on reauthorization of coastal zone management and national marine sanctuaries, et cetera.

I assure my colleagues this legislation is in addition to and supportive of and supplementary to each of those other efforts which I have personally had the privilege of leading in the past years when I was chairman of the committee. We have reauthorized those in past years, and always we have found that a comprehensive approach has been a far more effective and a, frankly, far more needed approach. But nothing will stand in the way, I am confident, of our efforts to cooperate on each and every one of those efforts.

We need to better meet the needs of our coastal communities, and it is absolutely essential that we look in this country at this issue, not as individual pieces that come at us one by one, but as the sum total of the parts they represent. We need a national policy to reflect that sum total.

I say to Senator BOXER and Senator LANDRIEU, who have legislation of their own regarding the Outer Continental Shelf, that I am proud to be an original cosponsor of Senator BOXER's Resources 2000 effort, and I look forward

to working with them to try to address all the concerns we share regarding these issues.

Finally, I am very pleased my colleagues on the Commerce Committee have joined in this. As the Senate knows, the Commerce Committee has primary jurisdiction over our Nation's major coastal programs, and Senators HOLLINGS, BREAUX, INOUE, and others bring very valuable experience to these issues. I am pleased to include their efforts in this legislation.

By Mr. SCHUMER:

S. 1422. A bill to amend the Elementary and Secondary Education Act of 1965 to improve the quality of education and raise student achievement by strengthening accountability, raising standards for teachers, rewarding success, and providing better information to parents; to the Committee on Health, Education, Labor, and Pensions.

#### SCHOOL QUALITY COUNTS ACT

By Mr. SCHUMER:

S. 1423. A bill to amend the Internal Revenue Code of 1986 to exclude from income \$40,000 of the salary of certain teachers who teach high-poverty schools; to the Committee on Finance.

#### TEACHER TAX RELIEF ACT OF 1999

Mr. SCHUMER. Mr. President, I rise today to introduce the School Quality Counts Act and the Teacher Tax Relief Act of 1999. Mr. President, the National Center for Education Statistics estimates that our nation will require two million teachers over the next decade. In New York State this problem is particularly acute: 40,000 new teachers will be needed over the next four years. In New York City, where there are 10,000 emergency-certified teachers overwhelmingly concentrated in the highest poverty schools, there is virtually no incentive for qualified professionals to teach at the highest poverty schools and as a result there exists an uneven distribution of well trained teachers.

Across the nation, many school districts are experiencing both geographic and subject area teacher shortages. In many instances, school districts with lower tax bases are forced to compete with districts that can afford to pay their teachers higher salaries thus creating a drain on the pool of experienced and qualified teachers in lower income school districts. Attracting and retaining well-qualified teachers, and compensating them appropriately, is critical to raising student achievement.

Mr. President, the School Quality Counts Act deals directly with the teacher quality issue in three ways: First, the bill strengthens state and local accountability for student results by requiring that school districts take specific steps to improve teacher quality within two years of the bill's enactment; second, the legislation would empower parents and taxpayers by providing information on student and

school performance through the issuance of school report cards; third, the bill would provide "achievement awards" to those schools that demonstrate continuous student improvement.

In addition to these steps, Mr. President, one of the most concrete and important steps we can take now is to create real financial incentives for qualified individuals to teach in high-poverty schools. The Teacher Tax Relief Act of 1999 would create these incentives by exempting the first \$40,000 of a teacher's salary from federal income tax for qualified individuals teaching academic subjects in schools where at least 50 percent of the students qualify for the free or reduced price lunch programs. In order to qualify for the exemption, the teacher must be qualified to provide instruction in each and every academic course they teach. No individual who is teaching under an "emergency" designation is eligible for the exemption and no teacher whose gross family income exceeds \$120,000 is eligible for the exemption. Mr. President, this legislation would increase take-home pay for a teacher earning \$40,000 by over \$5,000 and would steer high quality teachers to underperforming school districts in addition to providing middle class tax relief. I ask for unanimous consent that the text of both bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1422

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "School Quality Counts Act".

#### TITLE I—STATE PLANS FOR IMPROVING BASIC PROGRAMS OPERATED BY STATE AND LOCAL EDUCATIONAL AGENCIES.

##### SEC. 101. ACCOUNTABILITY.

(a) IN GENERAL.—Section 1111(b)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(2)) is amended—

(1) in subparagraph (A)—

(A) by striking "and" at the end of clause (i);

(B) by striking the period at the end of clause (ii) and inserting "and"; and

(C) by adding at the end the following:

"(iii) the State toward enabling all children in schools receiving assistance under this part to meet the State's student performance standards.";

(2) in subparagraph (B), by striking clauses (i) and (ii) and inserting the following:

"(i) that establishes a single high standard of performance for all students;

"(ii) that takes into account the progress of all students of each local educational agency and school served under section 1114 or 1115;

"(iii) that compares the proportions of students who are 'not proficient', 'partially proficient', 'proficient', and 'advanced' at the grade levels at which assessments are conducted with the proportions of students in each of the 4 categories at the same grade level in the previous school year;

“(iv) that considers separately, within each State, local educational agency, and school, the performance and progress of students by gender, by each major ethnic and racial group, by English proficiency status, by migrant status, by students with disabilities as compared to nondisabled students, and by economically disadvantaged students as compared to students who are not economically disadvantaged (except that such disaggregation shall not be required in a case where the number of students in a category is insufficient to yield statistically reliable information or the results would reveal individually identifiable information about an individual student); and]

“(v) that includes annual numerical goals for improving the performance of all groups specified in clause (iv) and narrowing gaps in performance between these groups.”; and

(3) by adding at the end the following:

“(C) The Secretary shall collect and review the information from States on the adequate yearly progress of schools and local educational agencies required under subparagraphs (A) and (B) for the purpose of determining State and local compliance with section 1116.”.

(b) **REGULATIONS.**—The Secretary shall promulgate regulations and amendments to regulations to carry out the amendments made by subsection (a) not later than 6 months after the date of the enactment of this Act and shall review State plans submitted under section 1111 of the Elementary and Secondary Education Act of 1965 before such date to determine their compliance with the regulations. The Secretary shall require States to revise their plans if necessary to satisfy the requirements of the regulations. Such revised plans shall be submitted to the Secretary for approval not later than 1 year after the date of enactment of this Act.

#### SEC. 102. SCHOOL REPORT CARDS.

Section 1111(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)) is amended—

(1) by amending the subsection heading to read as follows: “(b) STANDARDS, ASSESSMENTS, AND ACCOUNTABILITY.”;

(2) by redesignating paragraphs (4) through (8) as paragraphs (6) through (10), respectively; and

(3) by inserting after paragraph (3) the following:

“(4) **DISSEMINATION OF RESULTS TO PARENTS.**—Each State plan shall contain assurances that, beginning in the 2001–2002 school year, and annually thereafter, all schools served under this part shall—

“(A) report the results of all assessments described in paragraph (3) used to measure the performance of a student attending the school to each parent or legal guardian of the student;

“(B) report the results in a uniform and understandable format;

“(C) ensure that the reports are based on the same assessments described in paragraph (3);

“(D) include in the reports a description of whether the student has demonstrated ‘advanced’, ‘proficient’, ‘partially proficient’, or ‘not proficient’ levels of performance in each subject area;

“(E) include in the reports—

“(i) a comparison of the proportions of students enrolled in that school, in the local educational agency, and in the State who are ‘not proficient’, ‘partially proficient’, ‘proficient’, and ‘advanced’ in each subject area, for each grade level at which assessments are conducted, with proportions in each of the same 4 categories at the same grade levels in the previous school year;

“(ii) the percentage of students in the school on which the results in clause (i) are based; and

“(iii) information, in the aggregate, on the qualifications of classroom teachers in the student’s school, including—

“(I) the percentage of classroom teachers in the school who meet all State and local requirements to teach at all grade levels and in all subject areas in which they provide instruction;

“(II) in middle and secondary schools, the percentage of classes taught by teachers who do not have a college major, or who have not passed a rigorous subject area test, in the subject being taught; and

“(III) the percentage of classroom teachers in the school teaching under ‘emergency’ or other provisional credentials.

“(5) **DISSEMINATION OF RESULTS TO THE PUBLIC.**—Each State plan shall contain assurances that, beginning in the 2001–2002 school year, and annually thereafter, each State shall—

“(A) ensure that overall student performance data on all assessments described in paragraph (3) are compiled, published, and disseminated widely to the general public;

“(B) ensure that the data includes a comparison of the proportions of students who are ‘not proficient’, ‘partially proficient’, ‘proficient’, and ‘advanced’ at the grade levels at which assessments are conducted with proportions in each of the same 4 categories at the same grade levels in the previous school year;

“(C) ensure that the data is disaggregated within the State, local educational agency, and school by gender, by each major racial and ethnic group, by English proficiency status, by migrant status, by students with disabilities as compared to nondisabled students, and by economically disadvantaged students as compared to students who are not economically disadvantaged (except that such disaggregation shall not be required in a case where the number of students in any category is insufficient to yield statistically reliable information or the results would reveal individually identifiable information about an individual student);

“(D) ensure that the reports are—

“(i) distributed to local print and broadcast media; and

“(ii) posted on a web site on the Internet.”.

#### SEC. 103. TEACHER QUALITY.

Section 1111 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311) is amended—

(1) by redesignating subsections (c) through (g) as subsections (e) through (i), respectively; and

(2) by inserting after subsection (b) the following:

“(c) **TEACHER QUALITY.**—

“(1) **DISSEMINATION TO PARENTS.**—Each State plan shall contain assurances that all schools served under this part make available to each parent, in a uniform and understandable format, information on the qualifications of their child’s classroom teachers with regard to the subject areas and grade levels in which the teacher provides instruction. Such information shall include—

“(A) whether the teacher has met all State qualification and licensing criteria for the grade levels and subject areas in which the teacher provides instruction;

“(B) whether the teacher is teaching under ‘emergency’ or other provisional status;

“(C) the college major of the teacher and any other graduate certification or degree held by the teacher, and the field or discipline of each certification or degree.

“(2) **SPECIAL PARENTAL NOTIFICATION.**—Each State plan shall contain assurances that—

“(A) the State shall ensure that all schools served under this part notify in writing the parents or guardians of any student who is receiving academic instruction from a teacher who has not fully met all State requirements to provide instruction at the grade level at which, and in the subject areas in which, the teacher is providing instruction to the student;

“(B) the notification required under subparagraph (A) shall be made—

“(i) to parents or guardians of any student who is receiving instruction from a teacher who has been exempted from State qualification and licensing criteria or for whom State qualification or licensing criteria have been waived under ‘emergency’, ‘provisional’, or other similar procedures;

“(ii) not more than 15 days after the student has been assigned to a teacher described in the subparagraph; and

“(C) before being allowed to accept a teaching assignment in the State, a teacher who has not fully met all State requirements to provide instruction at a grade level or in a subject area in which the teacher is to provide instruction is informed of the notification requirement under this paragraph.

“(3) **PUBLIC REPORTING.**—Each State plan shall contain assurances that the State shall compile, aggregate, publish, distribute to major print and broadcast media outlets throughout the State and post on a web site on the Internet the information described in paragraph (1) for each school, local educational agency, and the State.

“(4) **QUALIFICATIONS OF CERTAIN INSTRUCTIONAL STAFF.**—

“(A) Each State plan shall contain assurances that, not later than 2 years after the date of the enactment of the School Quality Counts Act—

“(i) all instructional staff who provide services to students under section 1114 or 1115 have demonstrated the subject matter knowledge, teaching knowledge, and teaching skill necessary to teach effectively in the content area or areas in which they provide instruction, according to the criteria described in this paragraph;

“(ii) except as provided in subparagraph (F), funds under this part may not be used to support instructional staff who provide services to students under section 1114 or 1115 for whom State qualification or licensing requirements have been waived or who are teaching under an ‘emergency’ or other provisional credential.

“(B) For purposes of subparagraph (A), instructional staff who teach elementary school students are required, at a minimum, to hold a bachelor’s degree and demonstrate general knowledge, teaching skill, and subject matter knowledge required to teach effectively in reading, writing, mathematics, social studies, science, and other elements of a liberal arts education.

“(C) For purposes of subparagraph (A), instructional staff who teach in middle schools and secondary schools are required, at a minimum, to hold a bachelor’s degree or higher and demonstrate a high level of competence in all subject areas in which they teach through—

“(i) a high level of performance on rigorous academic subject area tests; or

“(ii) completion of an academic major in each of the subject areas in which they provide instruction and at least a B average.

“(D) For purposes of subparagraph (A) funds under this part may be used to employ

teacher aides or other paraprofessionals who do not meet the requirements under subparagraphs (B) and (C) only if such aides or paraprofessionals—

“(i) provide instruction only when under the direct and immediate supervision, and in the immediate presence, of instructional staff who meet the criteria of this paragraph; and

“(ii) possess particular skills necessary to assist instructional staff in providing services to students served under this Act.

“(E) Each State plan shall contain assurances that beginning on the date of the enactment of the School Quality Counts Act, no school served under this part may use funds received under this Act to hire instructional staff who do not fully meet all the criteria for instructional staff described in this paragraph.

“(F) Each State plan shall contain assurances that not later than 6 months after the date of the enactment of the School Quality Counts Act, and annually thereafter, the principal of each school served under this part shall, in writing, attest to the fact that all members of their instructional staff meet the requirements of this paragraph. In a case in which there are instructional staff who have yet to meet all requirements to provide instruction in each of the subject areas and at each of the grade levels to which they are assigned to teach, the principal shall submit, in writing, a plan for ensuring that not later than 2 years after the date of the enactment of the School Quality Counts Act all instructional staff will either meet all requirements under this paragraph or will no longer provide instruction to students served under this part.

“(G) For purposes of this paragraph, the term ‘instructional staff’ includes any individual who has responsibility for providing any student or group of students with instruction in any of the core academic subject areas, including reading, writing, language arts, mathematics, science, and social studies.

“(d) Each State plan shall describe how the State educational agency will help each local educational agency and school develop the capacity to comply with the requirements of this section.”.

#### **SEC. 104. QUALIFIED TEACHER IN EVERY CLASSROOM.**

(a) **IN GENERAL.**—Title I of the Elementary and Secondary Education Act of 1965 is amended by inserting after section 1119 the following new section:

##### **“SEC. 1119A. A QUALIFIED TEACHER IN EVERY CLASSROOM.**

“(a) **USES OF FUNDS.**—In order to meet the goal under section 1111(c)(4) of ensuring that all instructional staff have the subject matter knowledge, teaching knowledge, and teaching skill necessary to teach effectively in the content area or areas in which they provide instruction, local educational agencies may, notwithstanding any other provision of law, use funds received under title II, title VI, and section 307 of the Department of Education Appropriations Act, 1999, the Higher Education Act of 1965, or the Goals 2000: Educate America Act—

“(1) to recruit fully qualified teachers, including through the use of signing bonuses or other financial incentives;

“(2) to collaborate with programs that recruit, place, and train qualified teachers; or

“(3) to provide the necessary education and training, including paying the costs of college tuition and other student fees (for programs that meet the criteria under section 203(2)(A)(i) of the Higher Education Amend-

ments of 1998), to help current teachers or other school personnel who do not meet these criteria attain the necessary qualifications and licensing requirements, except that in order to qualify for college tuition payments under this clause, an individual must be within 2 years of completing an undergraduate degree and must agree to teach for at least 2 subsequent years after receiving such degree in a school that—

“(A) is located in a local educational agency that is eligible in that academic year for assistance under this title; and

“(B) for that academic year, has been determined by the Secretary to be a school in which the enrollment of children counted under section 1124(c) exceeds 50 percent of the total enrollment of that school.

“(b) **CORRECTIVE ACTION.**—The State educational agency shall take corrective action consistent with section 1116(c)(5)(B)(i), with the goal of meeting the requirements under this paragraph, against any local educational agency that does not make sufficient effort to comply with section 103 within the time specified. Such corrective action shall be taken regardless of the conditions set forth in section 1116(c)(5)(B)(ii). In a case in which the State fails to take corrective action, the Secretary shall withhold funds from such State up to an amount equal to that reserved under sections 1003(a) and 1603(c).”.

(b) **INSTRUCTIONAL AIDES.**—Section 1119 of Elementary and Secondary Education Act of 1965 is amended by striking subsection (i).

(c) **CLERICAL AMENDMENT.**—The table of sections for the Elementary and Secondary Education Act of 1965 is amended by inserting after the item relating to section 1119 the following new item:

“Sec. 1119A. A qualified teacher in every classroom.”.

#### **SEC. 105. LIMITATION.**

Part E of title XIV of the Elementary and Secondary Education Act of 1965 is amended by adding at the end the following:

##### **“SEC. 14515. PROHIBITION REGARDING PROFESSIONAL DEVELOPMENT SERVICES.**

“None of the funds provided under this Act may be used for any professional development services for a teacher that are not directly related to the curriculum and content areas in which the teacher provides instruction.”.

### **TITLE II—ACADEMIC ACHIEVEMENT AWARDS PROGRAM**

#### **SEC. 201. ACADEMIC ACHIEVEMENT AWARDS.**

Subpart 1 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311–6323) is amended—

(1) by redesignating sections 1120, 1120A, and 1120B as sections 1120A, 1120B, and 1120C, respectively; and

(2) by inserting after section 1119A, as added by section 104 of this Act, the following:

##### **“SEC. 1120. ACADEMIC ACHIEVEMENT AWARDS.**

“(a) **ESTABLISHMENT OF PROGRAMS.**—Each State receiving a grant under this title shall establish an Academic Achievement Awards Program to recognize and reward—

“(1) local educational agencies and schools that operate programs under section 1114 or 1115 and that demonstrate outstanding yearly progress, consistent with section 1111(b)(2)(A), for 2 or more consecutive years; and

“(2) teachers who provide instruction in such programs.

“(b) **RESERVATION.**—Each State receiving a grant under this title shall reserve, from the amount (if any) by which the funds received

by the State under this title for the fiscal year exceed the amount received by the State in the preceding fiscal year, 25 percent of such additional amount (plus any additional amount the State may find necessary to address a demonstrated need for an academic achievement award program), for awards to local educational agencies, schools, and teachers of classes that demonstrate outstanding yearly progress (consistent with section 1111(b)(2)(B)) for 2 or more consecutive years.

“(c) **TYPES OF AWARDS.**—Each State shall use funds reserved under this section to present financial awards to—

“(1) the schools and local educational agencies that the State determines have demonstrated the greatest progress in improving student achievement (consistent with section 1111(b)(2)(B)); and

“(2) teachers who demonstrate the ability to consistently help students make significant achievement gains, consistent with section 1111(b)(2)(B), in the subject areas in which the teacher provides instruction.

“(d) **CALCULATION OF AWARD AMOUNTS.**—Award amounts to local educational agencies and schools shall be proportionate to the amount of aid such local educational agency or school received under this part for the preceding fiscal year. The amount awarded to a teacher that qualifies for an award under this section shall be uniform throughout the State.

“(e) **SPECIAL RULE.**—Each State shall allocate not less than 85 percent of funds reserved under subsection (b) to schools that—

“(1) reside in a local educational agency that is eligible in that academic year for assistance under section 1124; and

“(2) for that academic year, have been determined by the Secretary to be a school in which the enrollment of children counted under section 1124(c) exceeds 50 percent of the total enrollment of that school,

or to teachers providing instruction within such schools.

“(f) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section such additional sums as may be necessary to supplement the academic achievement awards program. Such funds shall be allocated to a State in an amount proportionate to the amount of aid such State received under this part for the preceding fiscal year.”.

### **TITLE III—CONFORMING AMENDMENTS; EFFECTIVE DATE**

#### **SEC. 301. CONFORMING AMENDMENTS.**

(a) **SECTION 102 CONFORMING AMENDMENTS.**—

(1) **STANDARDS AND ASSESSMENTS.**—Section 1111(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)) is amended—

(A) in paragraph (1)(C), by striking “paragraph (6)” and inserting “paragraph (8)”;

(B) in paragraph (7)(A), by striking “paragraph (6)(B)” and inserting “paragraph (8)(B)”.

(2) **SCHOOL IMPROVEMENT.**—Section 1116(c)(1)(C) of such Act (20 U.S.C. 6317(c)(1)(C)) is amended by striking “section 1111(b)(7)(B)” and inserting “section 1111(b)(9)(B)”.

(3) **STATE REVIEW AND LOCAL EDUCATIONAL AGENCY IMPROVEMENT.**—Section 1116(d)(3)(A)(ii) of such Act (20 U.S.C. 6317(d)(3)(A)) is amended by striking “section 1111(b)(7)(B)” and inserting “section 1111(b)(9)(B)”.

(4) **BUILDING CAPACITY FOR INVOLVEMENT.**—Section 1118(e)(1) of such Act (20 U.S.C. 6319(e)(1)) is amended by striking “section

1111(b)(8)" and inserting "section 1111(b)(10)".

(b) SECTION 103 CONFORMING AMENDMENTS.—Section 1111(d)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(d)(1)) is amended—

(1) in subparagraphs (C) and (E)(ii), by striking "and (c)" and inserting "and (e)"; and

(2) in subparagraph (D), by striking "or (c)" and inserting "or (d)".

(c) SECTION 201 CONFORMING AMENDMENTS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 1002 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6302) is amended—

(A) in subsection (a), by striking "section 1120(e)" and inserting "section 1120A(e)"; and

(B) in subsection (e), by striking "section 1120(e)" and inserting "section 1120A(e)".

(2) ADDITIONAL STATE ALLOCATIONS FOR SCHOOL IMPROVEMENT.—Section 1003(b) of such Act (20 U.S.C. 6303(b)) is amended by striking "section 1120(e)" both places it appears and inserting "section 1120A(e)".

(3) ASSURANCES.—Section 1112(c)(1)(F) of such Act (20 U.S.C. 6312(c)(1)(F)) is amended by striking "section 1120" and inserting "section 1120A".

(4) LOCAL EDUCATIONAL AGENCY DISCRETION.—Section 1113(b)(1)(C)(i) of such Act (20 U.S.C. 6313(b)(1)(C)(i)) is amended by striking "section 1120A(c)" and inserting "section 1120B(c)".

(5) ASSURANCES.—Section 1304(c)(2) of such Act (20 U.S.C. 6394(c)(2)) is amended—

(A) by striking "section 1120" and inserting "section 1120A"; and

(B) by striking "section 1120A" and inserting "section 1120B".

(6) PROGRAMS AND PROJECTS.—Section 1415(a)(2)(C) of such Act (20 U.S.C. 6435(a)(2)(C)) is amended by striking "section 1120A" and inserting "section 1120B".

(7) SUPPLEMENT, NOT SUPPLANT.—Section 1415(b) of such Act (20 U.S.C. 6435(b)) is amended by striking "section 1120A" and inserting "section 1120B".

#### SEC. 302. EFFECTIVE DATE.

Except as otherwise provided, the amendments made by this Act shall take effect on the date of the enactment of this Act.

S. 1423

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Teacher Tax Relief Act of 1999".

#### SEC. 2. EXCLUSION FROM GROSS INCOME OF WAGES OF CERTAIN TEACHERS IN HIGH-POVERTY SCHOOLS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by redesignating section 138 as section 139 and by inserting after section 137 the following new section:

##### "SEC. 138. WAGES OF TEACHERS IN HIGH-POVERTY SCHOOLS.

"(a) IN GENERAL.—Gross income does not include amounts received as wages by a qualified teacher employed at a high-poverty school.

"(b) LIMITATIONS.—

"(1) AMOUNT OF EXCLUSION.—The amount excluded under subsection (a) for any taxable year shall not exceed \$40,000.

"(2) ADJUSTED GROSS INCOME.—The exclusion under subsection (a) shall not apply to any taxpayer whose adjusted gross income for the taxable year exceeds \$120,000.

"(c) QUALIFIED TEACHER DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified teacher' means an academic teacher, a special education teacher, or a bilingual teacher. The term does not include an individual teaching under an emergency or other provisional status in which any State teaching qualification or licensing criteria have been waived.

"(2) ACADEMIC TEACHER.—The term 'academic teacher' means an individual who meets all of the following criteria:

"(A) The teacher has performed at a high level on academic subject matter tests, or has a bachelor's degree or higher with an academic major in each of the subjects taught by the teacher.

"(B) The principal of the school where the teacher is assigned asserts that the teacher is qualified to provide instruction in each academic course and in each grade level taught at the school.

"(C) In the case of a teacher of students in elementary school, the teacher must have demonstrated the teaching skill and general subject matter knowledge required to teach effectively in reading, writing, mathematics, social studies, science, and other elements of a liberal arts education.

"(D) In the case of a teacher of students in middle school or secondary school, the teacher must have demonstrated a high level of teaching skill and subject matter knowledge in all of the subject areas that they teach.

"(d) OTHER DEFINITIONS.—For purposes of this section—

"(1) ACADEMIC SUBJECTS.—The term 'academic subjects' includes English, language arts, social studies, history, mathematics, science, and related subjects.

"(2) HIGH-POVERTY SCHOOL.—The term 'high-poverty school' means a school in which at least 50 percent of the students attending such school are eligible for free or reduced-cost lunches under the school lunch program established under the National School Lunch Act.

"(3) SCHOOL.—The term 'school' means any public school which provides elementary education or secondary education (through grade 12), as determined under State law.

"(4) WAGES.—The term 'wages' has the meaning provided by section 3401(a)."

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 139 and inserting the following:

"Sec. 138. Wages of teachers in high-poverty schools.

"Sec. 139. Cross references to other Acts."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received in taxable years beginning after December 31, 1999.

By Mr. EDWARDS (for himself and Mrs. HUTCHISON):

S. 1424. A bill to amend the Internal Revenue Code of 1986 to provide the same tax treatment for special pay as for combat pay; to the Committee on Finance.

TAX EXEMPT MILITARY PAY ORDERS (TEMPO) ACT

Mr. EDWARDS. Mr. President, I rise to introduce with my colleague KAY BAILEY HUTCHISON the Tax Exempt Military Pay Orders (TEMPO) Act. This measure will not only correct an

inequity in the way we treat our deployed armed forces, but it also will help let our soldiers know that we recognize and appreciate the sacrifices they and their families make.

Our proposal would provide that income received by a member of the Armed Forces of the United States, while receiving special pay, should be tax exempt. Currently, members of the U.S. Armed Forces who serve in a Presidentially designated "combat zone" receive special tax exemptions. I think we all recall that this exemption was in effect during Kosovo. During Kosovo, soldiers did not have to pay excise taxes on phone calls that they make from the combat zone. Nor did they have to pay income taxes on the money earned while in that zone.

The measure we introduce today provides that these same tax exemptions would be triggered when the Secretary of Defense designates his employees as eligible for "special pay" based on hostile conditions. Under current law, members of the Armed Forces receive special pay when: subject to hostile fire; on duty in which he, or others with him, are in imminent danger of such fire; were killed, injured or wounded by hostile fire or were on duty in a foreign area in which he was subject to the threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions. In the last few years soldiers in Somalia and Haiti have received special pay.

Let me explain why I believe we need to change the tax treatment of special pay. The original tax exemption for combat pay was put in place during the Korean war. From that time until the fall of the Berlin Wall, the employment of U.S. forces almost always was in combat zones. But since the end of the cold war, as we all know, our Armed Forces have been deployed more often, and in a wider variety of circumstances. Today, a soldier with the 82nd Airborne from North Carolina may be sent on a mission that is as dangerous as any combat mission, but because it is not precisely in a combat zone, he cannot receive any tax benefits.

Given the current uses of our Armed Forces, I believe the measure we propose today makes a great deal of sense. I also believe that making this change in the tax code would correct an inequity. Now, I think it is only right that soldiers in the Kosovo engagement are receiving tax exemptions. But during a recent visit to Fort Bragg, many soldiers and their families commented that the same benefits should have been extended to the soldiers who served in Somalia and Haiti. I have to say that I agreed with them.

And so, this bill addresses the new realities of the post-code-war world. As the Senate knows all too well, the end of the cold war brought with it a significant drawdown in the size of our



armed forces. Additionally, we shifted from an overseas-based force to one based primarily in the United States. Almost concurrently, our national security strategy has lead us into an era of seemingly continuous deployments. In the 40 years between 1950 and 1990, elements of the U.S. Army were deployed 10 times. In the less than 10 years since the fall of the Berlin Wall, elements of the Army have been deployed 34 times. The Navy's responses have doubled in the 90's. The Air Force has seen its deployed forces rise 400% while its active duty personnel dropped 33%. Some of these deployments are a few months in duration; some are part of a continuous presence—such as our forces in the Sinai. All work hardship on both the members deployed and their families, particularly when there are repeated or back-to-back deployments.

These demands contribute to both recruitment and retention problems. In recognition of these demands and of the likelihood that we will continue to see more of these deployments, this bill recognizes that we need to bring our tax code up to date so that it acknowledges these new realities.

Mr. President, let me tell you more about what this proposal would do. As I previously said, members of the military who receive combat pay get certain tax exemptions. For example:

The income of the soldier while in the combat zone is tax exempt. So is the income of a soldier while hospitalized for injuries received in the combat zone and that portion of a pension or retirement acquired while in a combat zone. In addition, pay received while a prisoner of war as a result of service in the combat zone is tax exempt.

Special tax rates apply for the surviving spouse of a soldier who is missing in action (or presumed dead) in a combat zone.

All taxes are eliminated for the years the soldier served in the combat zone if he is killed in the combat zone.

There are other exemptions, and I ask unanimous consent that this copy of the relevant exemptions be printed in the RECORD.

My bill would give those exact same exemptions to soldiers who receive special pay.

Mr. President, as we close out this century and address the realities of the new century, I ask the Senate approve this measure as a means of acknowledging the sacrifices being demanded of our service members and their families.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### SECTION 1: SHORT TITLE.

This Act may be cited as the "Tax Exempt Military Pay Orders (TEMPO) Act".

S. 1424

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SEC. 2. TAX TREATMENT OF SPECIAL PAY FOR MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—Subchapter C of chapter 80 of the Internal Revenue Code of 1986 (relating to provisions affecting more than one subtitle) is amended by adding at the end the following:

##### "SEC. 7874. TREATMENT OF SPECIAL PAY FOR MEMBERS OF THE ARMED FORCES.

"(a) GENERAL RULE.—For purposes of the following provisions, a special pay area shall be treated in the same manner as if it were a combat zone (as determined under section 112):

"(1) Section 2(a)(3) (relating to special rule where deceased spouse was in missing status.—

"(2) Section 112 relating to the exclusion of certain combat pay of members of the Armed Forces.

"(3) Section 692 (relating to income taxes of members of Armed Forces on death).

"(4) Section 2201 (relating to members of the Armed Forces dying in combat zone or by reason of combat-zone-incurred wounds, etc.).

"(5) Section 3401(a)(1) (defining wages relating to combat pay for members of the Armed Forces).

"(6) Section 4253(d) (relating to the taxation of phone service originating from a combat zone from members of the Armed Forces).

"(7) Section 6013(f)(1) (relating to joint return where individual is in missing status).

"(8) Some 7508 (relating to time for performing certain acts postponed by reason of service in combat zone).

"(b) SPECIAL PAY AREA.—For purposes of this section, the term 'special pay area' means any area in which an individual receives special pay under section 310 of title 37, United States Code, for services performed in such area."

"(b) CONFORMING AMENDMENT.—The table of sections of subchapter C of chapter 80 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"Sec. 7874. Treatment of special pay."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to remuneration paid to taxable years ending after the date of the enactment of this Act.

#### CURRENT TAX EXEMPTIONS IN EFFECT FOR COMBAT PAY

Under current law, these exemptions are in effect for members of the Armed Services who receive combat pay:

The income of the soldier while in the combat zone is tax exempt. So is the income of a soldier while hospitalized for injuries received in the combat zone and that portion of a pension or retirement acquired while in a combat zone. In addition, pay received while a prisoner of war as a result of service in the combat zone is tax exempt. (26 U.S.C. §112)

Special tax rates apply for the surviving spouse of a soldier who is missing in action (or presumed dead) in a combat zone. (26 U.S.C. §2(a)(3))

All taxes are eliminated for the years the soldier served in the combat zone if he is killed in the combat zone. (27 U.S.C. §692)

If the soldier is killed in the combat zone, his survivors are entitled to a lower estate tax. (26 U.S.C. §2201)

While in the combat zone, the soldier does not have to pay certain federal excise taxes on phone calls. (26 U.S.C. §4253(d))

The surviving spouse of a soldier who is missing in action gets the option of filing a joint tax return for up to two years after the termination of the combat zone. (26 U.S.C. §6013(f)(1))

Certain tax deadlines and liabilities while in the combat zone are defeated. (26 U.S.C. §7508)

Mrs. HUTCHISON. Mr. President, I am pleased to join Senator EDWARDS of North Carolina to offer legislation very important to those members of our Armed Forces who are deployed in defense of our nation's interests around the world. Our bill will provide for federal tax exemption to those serving in hostile areas not officially designated as combat zones. The current restrictions on this exemption to formally designated combat zones—which do not include many of our peacekeepers who face daily threats to their lives—are a half-century old relic of the Korean War that do not address the realities of the military missions in our post-cold-war world.

Today there are two combat zones as designated by the President in Executive Orders. One is in the Middle East, including the Persian Gulf, the Red Sea, the Gulf of Oman, the Gulf of Aden, as well as Iraq, Kuwait, Saudi Arabia, Oman, Bahrain, Qatar, and the United Arab Emirates. This area has been a combat zone since January 1991. The other combat zone is the Kosovo Area of Operations including the Federal Republic of Yugoslavia (Serbia/Montenegro), Albania, the Adriatic Sea, and the Ionian Sea. This combat zone has been in effect since March 1999. Members serving in those areas get a tax exemption.

Yet, today there are 17 areas considered so dangerous that our troops there get a special allowance known as Imminent Danger Pay that do not receive the same tax relief that those in a designated combat zone get. In fact, combat zone tax provisions did not apply to our troops in Somalia, where we lost 18 Rangers in one bloody gunfight.

Our bill argues, in effect, that if a location is dangerous enough to earn the allowance reserved for imminent danger, then it's dangerous enough to get favorable tax treatment, too. This would include troops that are in some of the most dangerous parts of the world, including Algeria, Burundi, Pakistan, Sudan, and Yemen.

When our troops are deployed in harm's way anywhere, there should not be a discrepancy in tax benefits from one location to another. This is an administrative distinction that matters little to the brave young Americans who are out there defending us. These determinations are made after careful study by the Secretary of Defense, based on the inherent dangers in a foreign area.

The Senate expressed its support for addressing this inequity in a resolution we passed as part of the FY2000 Defense Authorization Bill. Not only is this the

right and fair thing to do, but during these times of increased deployments and personnel shortages, it is in our national interest to continue to show our dedicated service members that we appreciate their sacrifice and commitment.

I commend the Senator from North Carolina for his leadership on this issue and urge other Senators to join us in this effort.

By Mr. SPECTER:

S. 1425. A bill to amend the Internal Revenue Code of 1986 to allow a 10 percent biotechnology investment tax credit and to reauthorize the Research and Development tax credit for ten years; to the Committee on Finance.

BIOTECHNOLOGY TAX CREDIT ACT OF 1999

Mr. SPECTER. Mr. President, we are faced today with the unique challenges brought by the extraordinary biological, technological, and medical advances of this decade. We have seen miraculous breakthroughs in the fight against communicable diseases: the complete eradication of small pox, the near global eradication of polio, vaccines for ailments such as measles, rubella, and even the flu. Revolutionary new drugs and improved surgical techniques allow us all to lead longer, more productive lives. But past success is not a guarantee of future progress and science does not bear fruit overnight. Breaking the code for complex problems takes a steady and sustained commitment of people and money. As we enter the next century, we have a responsibility to perpetuate and improve upon our enormous capacity to prevent, detect, treat, and cure diseases of all types.

The Congress continues to be gravely concerned with rising health care costs, as demonstrated by contentious debate as recently as last week during consideration of the Patients' Bill of Rights. According to the Health Care Financing Administration (HCFA), health care spending in this country had risen to \$1.1 trillion in 1997, or an average of just under \$4,000 per person. Private sources paid for a little over half of that, about \$585 billion, with the remainder coming from public programs like Medicare and Medicaid. HCFA further predicts that public spending on health will nearly double over the next decade, reaching \$2.1 trillion in 2007.

I disagree with the premise that this is simply a dollars and cents problem. I believe science holds our best chance for both combating disease and controlling the ever-spiraling costs it imposes on society. For victims of cancer and heart disease, scientific research represents their only hope for new drugs and medical treatments that can add years to life. Research can produce miracle vaccines that save the lives of children stricken with deadly diseases like leukemia. And for growing num-

bers of elderly, research holds the key to stopping the ruinous effects of Alzheimer's disease, stroke and arthritis—all very expensive ailments to treat. To me, the equation is a simple one: less disease and illness mean less human suffering and lower health care costs.

Over the next three decades, the number of Americans over age 65 will double. My state of Pennsylvania houses the second highest elderly population, currently totaling nearly 2 million citizens. Mr. President, unless science finds cures and effective treatments for disease and illness, our society will face even higher costs and our hospitals and nursing facilities will be strained to the breaking point.

As Chairman of the Appropriations Subcommittee on Labor, Health and Human Services, and Education, I have said many times that I firmly believe that the National Institutes of Health (NIH) is the crown jewel of the Federal government, and substantial investment is crucial to allow the continuation of the breakthrough research into the next decade. In 1981, NIH funding was less than \$3.6 billion. For the past three years, NIH funding has increased by 6.8 percent in fiscal year 1997, 7.1 percent in fiscal year 1998, and 15 percent in fiscal year 1999, for a total of \$15.7 billion. I am continuing to fight to double the NIH budget, a sentiment which was unanimously supported in the United States Senate during the 105th Congress. Further, on January 19th of this year, I joined my colleagues, Senators MACK, FRIST and HARKIN in introducing S. Res. 19, a Sense of the Senate resolution to increase biomedical research funding by \$2 billion for fiscal year 2000.

Mr. President, I cite continued efforts to increase the Federal investment in biomedical research in order to highlight the public policy importance of scientific investment. I believe that the Federal government also has the responsibility to provide an economic environment that promotes Research and Development in biomedical research in the private sector as well. To make good business decisions, particularly relating to investment in R&D, biomedical and "biotech" firms need to have reliable and well defined tax laws. Today I am introducing legislation that would establish a 10 percent tax credit for investment in biomedical research, and would extend the R & D tax credit to 10 years.

The purpose of the investment tax credit is to encourage biomedical research and to stimulate the economy, as well as to enhance our long-term competitiveness in the global biomedical arena. The investment tax credit would provide a 10 percent tax credit for purchases of capital equipment, instruments and supplies used in a laboratory setting by a biotechnology company. Without this tax credit, American companies will be

competing with one hand tied behind their backs.

The R & D tax credit has proven to be critical to the U.S. biomedical research industry. The credit has allowed for many successes in U.S. scientific research and innovation, such as rapid progress in finding cures for life threatening diseases such as AIDS, cancer, and multiple sclerosis. My Subcommittee has held hearings on the state of affairs in biomedical research, and I understand from many scientists that we are on the cusp of breakthroughs many of today's most complex diseases—Alzheimer's, AIDS, heart disease, diabetes, and arthritis, to name a few. But, the scientists caution, it will only be through sustained investment, both public and private, that we will reap the rewards of biomedical research. If we cut investment in medical progress today, the consequence may be irrevocable and society may rue that decision for years to come.

As we prepare for the 21st century, we must remain committed to providing an environment that fosters technological investment, scientific exploration, and global competitiveness. Future economic growth and the prosperity of all Americans depends on continued R&D in all sectors of our nation.

Mr. President, we must act now to extend the R&D credit and send the right signal to our nation's researchers. Failure to act will not only jeopardize our research efforts, but it will also threaten the United States's world leadership in R&D and perpetuate the rising health care costs we so desperately have tried to contain. It should be noted that everything that is good and desirable is not necessarily worthy of a tax credit, but targeted tax credits are particularly appropriate where an activity engaged in by one company or individual provides such considerable benefits to society at large.

We must constantly remind ourselves that medical innovation is the most viable, long-term solution for cost-effective quality care. Our task in Congress should be to assure that the path of innovation remains open, unobstructed and attractive to both public and private investors.

For me, creating a better atmosphere for investment in medical research is more than a symbolic goal. It is a recognition that expanding our base of scientific knowledge inevitably leads to better health, lower health care costs, and an improved quality of life for all Americans. Mr. President, I urge my colleagues to support this important legislation, and urge its swift adoption.

In my capacity as chairman of the Appropriations Subcommittee for Labor, Health, Human Services and Education, our subcommittee has the

responsibility for funding the National Institutes of Health. The Senate passed a resolution targeting a doubling of National Institutes of Health funding over a 5-year period. That requires an enormous increase.

Last year, with the cooperation of my distinguished ranking member, Senator HARKIN, we increased NIH funding by \$2 billion. The year before the Senate voted an increase of some \$950 million, which was conferred out at \$907 million.

This year the subcommittee faces a 302(b) allocation—if anyone is listening on C-Span II, that's how much money the subcommittee is allotted under the budget—that is some \$12 billion under the President's request, about \$12 billion under any logical sum of money to fund those three departments: The Department of Labor, the Department of Health and Human Services, and the Department of Education. We are struggling to try to find the funds to match last year's \$2 billion increase. If we were to reach the goal set by the sense-of-the-Senate resolution we would have to come up with \$2.3 billion.

In talking to the people in the biotech industry, they are very much interested in having an investment tax credit. An investment tax credit of 10 percent would provide a real tax incentive to induce biotech companies to do research. We are on the brink of some phenomenal advances as a result of what happened with stem cell research late last year. Stem cell research has the potential to be a veritable fountain of youth, to tackle ailments like Alzheimer's or Parkinson's, or perhaps heart disease or cancer.

There is a controversy on that question, as to whether embryos may appropriately be used for research. So far the Department of Health and Human Services and their legal counsel concluded that the current limitation on research would not apply to research on stem cells after they are extracted from embryos. Realistically, there ought to be no limitation at all, because in dealing with embryos we are not dealing with an entity which could produce life. These are discarded embryos from in vitro fertilization.

This controversy is very similar to the controversy which existed with respect to fetal tissue, where arguments were made that using fetal tissue would lead to induced abortions where the fact of the matter was the fetal tissue was discarded fetal tissue, did not induce abortions.

But the opportunities for phenomenal advances in medical research are virtually unlimited. In the absence of the ability of the Congress, given budget limitations, to meet the doubling goal within 5 years, an investment tax credit would be an enormous help in stimulating investments by the biotech companies.

The research and development tax credit has been extended year by year, and a firm statement by Congress extending it for 10 years again would be an inducement for biotech.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

S. 1425

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Biotechnology Tax Credit Act of 1999".

#### SEC. 2. TEN YEAR EXTENSION OF THE RESEARCH AND DEVELOPMENT TAX CREDIT.

(a) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking subsection (h) and in its place, insert the following new section:

"(h) IN GENERAL.—This section shall not apply to any amount paid or incurred after June 30, 2009."

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 45C(b) of such Code is amended by striking subparagraph (D).

#### SEC. 3. BIOTECHNOLOGY INVESTMENT TAX CREDIT.

(a) ALLOWANCE OF CREDIT.—Section 46(a) of the Internal Revenue Code of 1986 (relating to amount of investment credit) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding at the end thereof the following new paragraph:

"(4) the biotechnology investment credit."

(b) AMOUNT OF CREDIT.—Section 48 of such Code is amended by adding at the end thereof the following new subsection:

"(c) BIOTECHNOLOGY INVESTMENT CREDIT.—

"(1) IN GENERAL.—For purposes of section 46, the biotechnology investment credit for any taxable year is an amount equal to 10 percent of the qualified investment for such taxable year.

"(2) QUALIFIED INVESTMENT.—

"(A) IN GENERAL.—For purposes of paragraph (1), the qualified investment for any taxable year is the aggregate of—

"(i) the applicable percentage of the basis of each new biotechnology property placed in service by the taxpayer during such taxable year, plus

"(ii) the applicable percentage of the cost of each used biotechnology property placed in service by the taxpayer during such taxable year.

"(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage for any property shall be determined under paragraphs (2) and (7) of section 46(c) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

"(C) CERTAIN RULES MADE APPLICABLE.—The provisions of subsections (b) and (c) of section 48 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990) shall apply for purposes of this paragraph.

"(3) DEFINITIONS.—For purposes of this section:

"(A) 'Biotechnology Property' means capital equipment, instruments and supplies used in a laboratory setting by a biotechnology company. These items would include but would not be limited to microscopes, various laboratory machines, glassware, chemical reagents, and technical

books and manuals purchased by a manufacturer for research purposes. Also included are computers and software used primarily to develop data for research and development.

"(B) 'Biotechnology Company' is an organization that deals with the application of technologies, such as recombinant DNA techniques, biochemistry, molecular and cellular biology, genetics and genetic engineering, biological cell fusion techniques, and new bioprocesses, using living organisms, or parts of organisms, to produce or modify products, to develop microorganisms for specific uses, to identify targets for small molecular pharmaceutical development, to transform biological systems into useful processes and products or to develop microorganisms for specific uses. Potential endpoints for these products, developments and uses shall be for societal benefit through improving human healthcare."

"(4) COORDINATION WITH OTHER CREDITS.—This subsection shall not apply to any property to which the energy credit or rehabilitation credit would apply unless the taxpayer elects to waive the application of such credits to such property.

"(5) CERTAIN PROGRESS EXPENDITURE RULES MADE APPLICABLE.—Rules similar to rules of subsection (c)(4) and (d) of section 46 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990) shall apply for purposes of this subsection."

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (C) of section 49(a)(1) of such code is amended by striking 'and' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting 'and', and by adding at the end thereof the following new clause:

"(iv) the basis of any new biotechnology property and the cost of any used biotechnology property."

(2) Subparagraph (E) of section 50(a)(2) of such Code is amended by striking 'section 48(a)(5)(A)' and inserting 'section 48(a)(5) or 48(c)(5)'.

(3) Paragraph (5) of section 50(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(D) SPECIAL RULES FOR CERTAIN PROPERTY.—In the case of any biotechnology property which is 3-year property (within the meaning of section 168(e))—

"(i) the percentage set forth in clause (ii) of the table contained in paragraph (1)(B) shall be 66 percent,

"(ii) the percentage set forth in clause (iii) of such table shall be 33 percent, and

"(iii) clauses (iv) and (v) of such table shall not apply."

(4)(A) The section heading for section 48 of such Code is amended to read as follows:

"Section 48: OTHER CREDITS."

(B) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to section 48 and inserting the following:

"SEC. 48. Other Credits."

#### SEC. 4. EFFECTIVE DATE.

The amendments made by this bill shall apply to amounts paid or incurred after June 30, 1999.

By Mr. HARKIN (for himself, Mr. DASCHLE, Mr. LEAHY, Mr. KERREY, Mr. CONRAD, and Mr. JOHNSON):

S. 1426. A bill to amend the Food Security Act of 1985 to promote the conservation of soil and related resources,

and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE CONSERVATION SECURITY ACT OF 1999

Mr. HARKIN. Mr. President, I will take a few minutes to talk about America's farmers and ranchers and the promise they hold for us and the future for our environment, for production of bountiful, safe, and nourishing food for us and for the population around the globe.

Specifically on the issue of conservation, it became a national priority in the days of the Dust Bowl, leading to the creation in the 1930s of the Soil Conservation Service at the Department of Agriculture, which is now the Natural Resources Conservation Service. With the very foundation of our food supply at risk, the Government stepped forward with billions of dollars in assistance to help farmers preserve their precious soils.

Since that time, Federal spending on conservation has steadily declined. Yet today agriculture faces a wide range of environmental challenges, from overgrazing and manure management to fertilizer runoff and water pollution. Urban and rural citizens alike are increasingly concerned about the environmental impact of agriculture.

Farmers and ranchers pride themselves on being good stewards of the land, and there are farm-based solutions to these problems being implemented all over the country. But every dollar spent on constructing a filter strip or developing a nutrient management plan is a dollar that farmers don't have in hard times like these. And even in better times, there is a lot of competition for that dollar.

So who benefits from conservation on farm lands? As much or more than the farmer, it is the rest of us, who depend on the careful stewardship of the water that travels across fields and pastures before reaching rivers, streams, and our groundwater. Farmers and ranchers tend not only to their crops and animals, but also to our public resources.

Since we all share in these benefits, it is only right that we share in their costs. It is time to enter into a true conservation partnership with our farmers and ranchers to help ensure that conservation is not a luxury that comes and goes but an essential and permanent part of sustainable agricultural production nationwide.

In the 1985 farm bill, we required that farmers who wanted to participate in USDA farm programs develop soil conservation plans for their highly erodible land. This provision helped put new conservation plans in place for our most fragile farmlands. In the most recent farm bill, we streamlined conservation programs and established new cost-share and incentive payments for certain practices.

Today I am introducing the Conservation Security Act of 1999, pro-

posed legislation that builds on our past successes and takes a bold step forward in farm and conservation policy.

My bill would establish a universal and voluntary incentive payment program to support and encourage conservation activities by all farmers and ranchers. Under this program, farmers and ranchers could receive up to \$50,000 per year in conservation payments. Under this conservation security program, farmers would enter into 3- to 5-year contracts with USDA and choose from one of three classes of conservation practices for which they would receive a payment based on the number of acres covered and the county rental rate for those acres.

This program is directed toward conservation on working lands. It is not a set-aside. It is not an easement program. It is not a conservation reserve program. It is a conservation program so that we farm in the best way possible to conserve our resources and to prevent pollution.

For implementing a basic set of practices, farmers would receive an annual payment of 10 percent of the rental rate of the land covered. I call this basic category class I, and it would include such practices as nutrient management, conservation tillage, and runoff and drainage control.

There would be a class II under which farmers could receive up to 20 percent of the rental rate, where farmers would add to their class I practices by choosing from a menu of class II practices that would be established by the USDA—such things as nutrient management, composting, intensive grazing, partial field practices such as buffer strips and windbreaks, wetland restoration, and wildlife habitat enhancement.

Then the third class, farmers who wanted to do class III conservation practices would enroll their whole farm under a total resource management plan that addresses all aspects of air, land, water, and wildlife. For that, the farmers would receive a 40-percent payment, 40 percent of the rental rate of land in that county.

This bill also provides an incentive for livestock producers. In payment for preparing and adopting comprehensive manure management plans, producers raising under 1,000 animal units at any given time—that would be 2,500 hogs, 1,000 beef cattle, 700 dairy cattle, 55,000 turkeys, or 100,000 chickens—they would be given a per animal incentive payment equal to 10 percent of the 5-year average market price.

This program would not replace or otherwise affect any other conservation program, not at all, this is to add on, except that a farmer could not receive incentive payments under this program in addition to incentive payments under another program in addition to incentive payments for land al-

ready enrolled in a program such as the Conservation Reserve Program. In other words, you couldn't have your land in the Conservation Reserve Program and then enter this program with that same land.

Again, I emphasize, the Conservation Security Program would be totally voluntary. It would be up to the farmer to decide if they want to do it. If they do, then they would get additional payments. A lot of these practices farmers are already doing now, for which they receive little or no support.

Again, these practices don't just benefit the farmer; in fact, a lot of times it may burden the farmer. That farmer may have to do extra work, require a little extra time. Maybe some equipment for these kinds of conservation practices. The beneficiaries of this are all of us. We all will benefit from cleaner air, cleaner streams and rivers, protecting our groundwater, wildlife habitats for those of us who like to hunt and fish.

Our private lands are a national resource, and conservation on farm and ranchlands provides environmental benefits that are just as important as the production of abundant and safe food. I am introducing the Conservation Security Act because I believe it will help secure both the economic future of our farmers, help them a little bit with the safety net, and it will be a cornerstone, I think, of our national farm policy and the environmental future of agriculture.

I am introducing this bill for myself, Senator DASCHLE, Senator LEAHY, Senator KERREY of Nebraska, Senator CONRAD, and Senator JOHNSON.

I ask other Senators who are interested to contact my staff. We are now actively seeking cosponsors for this new voluntary conservation program.

I thank the Chair.

By Mr. HATCH (for himself, Mrs. FEINSTEIN, Mr. DEWINE, Mr. BIDEN, Mr. THURMOND, Mr. BOND, Mr. SMITH of Oregon, Mr. HELMS, Mr. REID, and Mr. BRYAN):

S. 1428. A bill to amend the Controlled Substances Act and the Controlled Substances Import and Export Act relating to the manufacture, traffick, import and export of amphetamine and methamphetamine, and for other purposes; to the Committee on the Judiciary.

METHAMPHETAMINE ANTI-PROLIFERATION ACT  
OF 1999

Mr. HATCH. Mr. President, I rise to day to introduce the Methamphetamine Anti-Proliferation Act of 1999, a very important piece of legislation in America's on-going war on drugs. Three years ago I introduced the Comprehensive Methamphetamine Act of 1999, which this body passed, to address the frightening and very real problem of methamphetamine abuse in this

country. That legislation has provided law enforcement with necessary tools to combat methamphetamine and has helped us track and slow the proliferation of methamphetamine manufacturing and abuse. However, there remain too many people in this country who are determined to undermine our drug laws and turn America into one colossal metamphetamine laboratory. For this reason, I, along with Senators FEINSTEIN, DEWINE, BOND, THURMOND, BIDEN, BRYAN, and REID, are introducing this bipartisan bill that seeks to shield America against the proliferation of methamphetamine manufacturing.

The methamphetamine threat differs in kind from the threat of other illegal drugs because methamphetamine can be made from readily available and legal chemicals and substances, and because it poses serious dangers to both human life and to the environment. America's history of fighting illegal drugs has been long and tiring but with so many young Americans still being exposed to so many destructive drugs, now is not the time to give up—it is a time to fight smarter and harder. The provisions of this bill will provide law enforcement with several effective tools that will help us turn the tide of proliferation of methamphetamine manufacturing in America.

Traditionally, the overwhelming majority of illegal drugs consumed in America has been manufactured outside of our borders and then illegally smuggled into America. The rapid spread and growing use of methamphetamine threatens to change the future of where drugs are manufactured. Drug pushers are threatening to turn America into a producing country of a drug that affects the lives of every American because it not only destroys the lives of those who use the drug, but also can have devastating effects on people situated around lab sites, on law enforcement officials that have to clean the labs, and on the environment.

According to a report prepared by the Community Epidemiology Work Group, which is part of the National Institute on Drug Abuse, methamphetamine "abuse levels remain high . . . and there is strong evidence to suggest this drug will continue to be a problem in West Coast areas and to spread to other areas of the United States." the reasons given for the ominous prediction are that methamphetamine can be produced easily in small, clandestine labs and the chemicals used to make methamphetamine are readily available.

This threat is real and immediate, and the numbers are telling. According to the Drug Enforcement Administration, the DEA, the number of labs cleaned up by the Administration has almost doubled each year since 1995. Last year 5,786 amphetamine and methamphetamine labs were seized by DEA

and State and local law enforcement officials, and millions of dollars were spent on cleaning up the pollutants and toxins created and left behind by operators of these labs. In Utah alone, there were 266 lab seizures last year, a number which elevated Utah to the unenviable position of being ranked third among all states for higher per capita clan lab seizures. The problem with the high number of manufacturing labs is compounded by the fact that the chemicals and substances utilized in the manufacturing process are unstable, volatile, and highly combustible. The smallest amounts of these chemicals, when mixed improperly, can cause explosions and fires. And of course, those operating these labs are not scientists, but rather unskilled, ignorant, criminals and fly-by-nights who are completely apathetic to the destructive powers that are inherent in the manufacturing process. This fact is even more frightening when you consider that most of these labs are situated in residences, motels, trailers, and vans.

Let me take a moment to highlight some of the provisions of this bill that will assist Federal, State, and local law enforcement in preventing the proliferation of methamphetamine manufacturing in America.

First, the bill will bolster the DEA's ability to combat the manufacturing and trafficking of methamphetamine and other drugs by authorizing the hiring of new agents to carry out a variety of anti-drug initiatives. Agents will be hired to assist State and local law enforcement officials in small and mid-sized communities in all phases of methamphetamine manufacturing investigations. Due to the large number of manufacturers and traffickers that are setting up shop in small and rural cities, law enforcement agencies located in these areas are in dire need of the DEA's expert guidance and knowledge of methamphetamine investigations, including assistance in interrogating suspects, conducting surveillance operations, and collecting evidence to build a case. This bill also authorizes the expansion of the number of DEA resident offices and posts-of-duty, which are smaller DEA offices often set up in small and rural cities that are overwhelmed by methamphetamine manufacturing and trafficking.

Another way this legislation will help the DEA assist State and local officials is to provide for the training of State and local law enforcement personnel in techniques used in methamphetamine investigations and to provide them with certification training in handling the dangerously-volatile and toxic wastes produced by methamphetamine labs. It also provides for the creation of another DEA program that will enable certain State and local law enforcement officials to recertify other law enforcement in

their regions. These programs are authorized for a three year period and designed to pass on the DEA's knowledge and expertise to State and local officials so that they can become more independent of the DEA and thereafter rely rather on each other in combating the scourge of methamphetamine manufacturing.

This bill contains many references to the drug amphetamine, a lesser known, but equally dangerous drug. Because the process of manufacturing amphetamine is as dangerous as manufacturing methamphetamine, this bill seeks to equalize the punishment for manufacturing the two drugs. Other than being slightly less potent, amphetamine is manufactured, sold, and used in the same manner as methamphetamine. In fact, many times a person can set out to manufacture a batch of methamphetamine and end up with amphetamine if just one precursor chemical is used in place of another. When this happens, drug dealers sell amphetamine as methamphetamine and users buy and use it thinking it is methamphetamine. The dangers posed to the environment are also the same. Amphetamine labs have the same destructing and polluting ability as methamphetamine labs. Every law enforcement officer with whom I have spoken, including federal and State prosecutors and federal and State law enforcement officials, agreed that the penalties for amphetamine should be the same as those for methamphetamine.

Another important section of this bill will assist in preventing the manufacture of methamphetamine and other illegal drugs by banning the dissemination of drug "recipes" and other demonstrative information relating to the manufacturing and use of controlled substances. The dissemination of this type of information is prohibited if the intent of the person disseminating the information is for it to be used for, or in furtherance of, a federal crime or if the person disseminating the information has knowledge that the person receiving the information intends to use the information for, or in furtherance, of a federal crime. Currently, there are hundreds of sites on the Internet that instruct how to manufacture methamphetamine and other illegal drugs, including what ingredients are required, what instruments or equipment is needed, and how to combine precisely the ingredients. These step-by-step instructions will be illegal under this bill if the person posting the information or the person receiving the information intends to engage in activity that violates our drug laws.

I was shocked to discover that those who embrace the drug counter-culture these days are using the Internet to promote, advertise, and sell illegal drugs and drug paraphernalia. In 1992, Congress passed a law that made it illegal for anyone to sell or offer for sale

drug paraphernalia. This law resulted in the closings of numerous "head shops," yet, now the out-of-business store owners are selling their illegal drug paraphernalia on the Internet. This bill will amend the anti-drug paraphernalia statute to clarify that advertisements for sale include the use of any communication facility, including the Internet, to post or publicize in any way any matter, including a telephone number or electronic or mail address, knowing that such matter is designed to be used to buy, distribute, or otherwise facilitate a transaction in drug paraphernalia. This will not only prevent web sites from advertising drug paraphernalia for sale, but it will also prohibit web sites that do not sell drug paraphernalia from allowing other sites that do from advertising on its web site. Currently, anyone can log on to the Internet, go to one of the numerous pro-drug sites, and purchase illegal drug paraphernalia, such bongs, water pipes, "Toke" bottles and "High Again" bottles, along with descriptions of how these devices can assist in getting a better "high" from smoking marijuana. There are even web sites that advertise for sale marijuana and poppy seeds, along with growing and nurturing instructions. This type of behavior is not only reprehensible, but it is also illegal, and this clarifying provision can help stop this behavior from continuing over the Internet.

Finally, this legislation seeks to impose harsher penalties on manufacturers of illegal drugs when their actions create a substantial risk of harm to human life or to the environment. The inherent dangers of killing innocent bystanders and, at the same time, contaminating the environment during the methamphetamine manufacturing process warrant a punitive penalty that will deter some from engaging in the activity.

Mr. President, many people have grown increasingly more skeptical as to whether America can ever rid our nation of the dreadful plague of illegal drug use. I say to all those skeptics that now is not the time to take a defeatist attitude. Too many bright young people are depending on us to do what is right. Sure, some measures taken in the past have not been as helpful as some may have hoped, but that just means we need to keep persevering to find the right answers. I believe that this bill contains many of the right answers and will help in one of our nation's most difficult struggles. We can defeat the drug dealers and traffickers. We must fight back for the sake of our children and grandchildren. I hope that Senators will join me in this fight and support this very important piece of legislation. Mr. President, I ask unanimous consent that a copy of this legislation and a summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1428

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Methamphetamine Anti-Proliferation Act of 1999".

#### SEC. 2. MANUFACTURING AND DISTRIBUTION OF AMPHETAMINE.

(a) MANUFACTURE OR DISTRIBUTION OF SUBSTANTIAL QUANTITIES OF AMPHETAMINE.—Subparagraph (A) of section 401(b)(1) of the Controlled Substances Act (21 U.S.C. 841(b)(1)) is amended—

- (1) by striking "or" at the end of clause (vii);
- (2) by adding "or" at the end of clause (viii); and
- (3) by inserting after clause (viii) the following new clause:

"(ix) 50 grams or more of amphetamine, its salts, optical isomers, and salts of its optical isomers or 500 grams or more of a mixture or substance containing a detectable amount of amphetamine, its salts, optical isomers, or salts of its optical isomers;"

(b) MANUFACTURE OR DISTRIBUTION OF LESSER QUANTITIES OF AMPHETAMINE.—Subparagraph (B) of such section 401(b)(1) is amended—

- (1) by striking "or" at the end of clause (vii);
- (2) by adding "or" at the end of clause (viii); and
- (3) by inserting after clause (viii) the following new clause:

"(ix) 5 grams or more of amphetamine, its salts, optical isomers, and salts of its optical isomers or 50 grams or more of a mixture or substance containing a detectable amount of amphetamine, its salts, optical isomers, or salts of its optical isomers;"

#### SEC. 3. IMPORT AND EXPORT OF AMPHETAMINE.

(a) IMPORT OR EXPORT OF SUBSTANTIAL QUANTITIES OF AMPHETAMINE.—Paragraph (1) of section 1010(b) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)) is amended—

- (1) by striking "or" at the end of subparagraph (G);
- (2) by striking the period at the end of subparagraph (H) and inserting "; or"; and
- (3) by inserting after subparagraph (H) the following new subparagraph:

"(I) 50 grams or more of amphetamine, its salts, optical isomers, and salts of its optical isomers or 500 grams or more of a mixture or substance containing a detectable amount of amphetamine, its salts, optical isomers, or salts of its optical isomers;"

(b) IMPORT OR EXPORT OF LESSER QUANTITIES OF AMPHETAMINE.—Paragraph (2) of such section 1010(b) is amended—

- (1) by striking "or" at the end of subparagraph (G);
- (2) by striking the period at the end of subparagraph (H) and inserting "; or"; and
- (3) by inserting after subparagraph (H) the following new subparagraph:

"(I) 5 grams or more of amphetamine, its salts, optical isomers, and salts of its optical isomers or 50 grams or more of a mixture or substance containing a detectable amount of amphetamine, its salts, optical isomers, or salts of its optical isomers;"

#### SEC. 4. ENHANCED PUNISHMENT OF METHAMPHETAMINE AND AMPHETAMINE LABORATORY OPERATORS.

(a) FEDERAL SENTENCING GUIDELINES.—

(1) IN GENERAL.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines in accordance with paragraph (2) with respect to any offense relating to the manufacture, import, export, or traffick in amphetamine or methamphetamine (including an attempt or conspiracy to do any of the foregoing) in violation of—

(A) the Controlled Substances Act (21 U.S.C. 801 et seq.);

(B) the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.); or

(C) the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.).

(2) REQUIREMENTS.—In carrying out this subsection, the United States Sentencing Commission shall, with respect to each offense described in paragraph (1)—

(A) increase the base offense level for the offense so that the base offense level is the same as the base offense level applicable to an identical amount of methamphetamine; or

(B) if the offense created a substantial risk of danger to the health and safety of a minor or incompetent, increase the base offense level for the offense by not less than 6 offense levels above the level established under subparagraph (A).

(3) EMERGENCY AUTHORITY TO SENTENCING COMMISSION.—The United States Sentencing Commission shall promulgate amendments pursuant to this subsection as soon as practicable after the date of the enactment of this Act in accordance with the procedure set forth in section 21(a) of the Sentencing Act of 1987 (Public Law 100-182), as though the authority under that Act had not expired.

(b) EFFECTIVE DATE.—The amendments made pursuant to this section shall apply with respect to any offense occurring on or after the date that is 60 days after the date of the enactment of this Act.

#### SEC. 5. ADVERTISEMENTS FOR DRUG PARAPHERNALIA AND SCHEDULE I CONTROLLED SUBSTANCES.

(a) DRUG PARAPHERNALIA.—Section 422 of the Controlled Substances Act (21 U.S.C. 863) is amended—

(1) in subsection (a)(1), by inserting ", directly or indirectly advertise for sale," after "sell"; and

(2) by adding at the end the following:

"(g) In this section, the term 'directly or indirectly advertise for sale' includes the use of any communication facility (as that term is defined in section 403(b)) to post, publicize, transmit, publish, link to, broadcast, or otherwise advertise any matter (including a telephone number or electronic or mail address) knowing that such matter has the purpose of seeking or offering, or is designed to be used, to receive, buy, distribute, or otherwise facilitate a transaction in."

(b) SCHEDULE I CONTROLLED SUBSTANCES.—Section 403(c) of such Act (21 U.S.C. 843(c)) is amended—

(1) in the first sentence, by inserting before the period the following: "; or to directly or indirectly advertise for sale (as that term is defined in section 422(g)) any Schedule I controlled substance"; and

(2) in the second sentence, by striking "term 'advertisement'" and inserting "term 'written advertisement'".

#### SEC. 6. CONTINUING CRIMINAL ENTERPRISES.

Section 408 of the Controlled Substances Act of (21 U.S.C. 848) is amended—

(1) in subsection (c)(2)—

(A) in the matter preceding subparagraph (A), by striking "violations of" and inserting "3 or more acts made punishable by"; and



(B) in subparagraph (A), by striking "are" and inserting "series is"; and

(2) by inserting after subsection (e) the following new subsection:

"(f) This section may not be construed to require, in any trial before a jury, unanimity as to the identities of—

"(1) the predicate acts specified in subsection (c)(2); or

"(2) the other persons specified in subsection (c)(2)(A)."

**SEC. 7. MANDATORY RESTITUTION FOR VIOLATIONS OF CONTROLLED SUBSTANCES ACT AND CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT RELATING TO AMPHETAMINE AND METHAMPHETAMINE.**

(a) MANDATORY RESTITUTION.—Section 413(q) of the Controlled Substances Act (21 U.S.C. 853(q)) is amended—

(1) in the matter preceding paragraph (1), by striking "may" and inserting "shall";

(2) by inserting "amphetamine or" before "methamphetamine" each place it appears; and

(3) in paragraph (2)—

(A) by inserting ", the State or local government concerned, or both the United States and the State or local government concerned" after "United States" the first place it appears; and

(B) by inserting "or the State or local government concerned, as the case may be," after "United States" the second place it appears.

(b) DEPOSIT OF AMOUNTS IN DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND.—Section 524(c)(4) of title 28, United States Code, is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following:

"(D) all amounts collected—

"(i) by the United States pursuant to a reimbursement order under paragraph (2) of section 413(q) of the Controlled Substances Act (21 U.S.C. 853(q)); and

"(ii) pursuant to a restitution order under paragraph (1) or (3) of section 413(q) of the Controlled Substances Act for injuries to the United States."

**SEC. 8. ENDANGERING HUMAN LIFE OR THE ENVIRONMENT WHILE ILLEGALLY MANUFACTURING CONTROLLED SUBSTANCES.**

(a) HARM TO THE ENVIRONMENT.—(1) Section 417 of the Controlled Substances Act (21 U.S.C. 858) is amended by inserting "or the environment" after "to human life".

(2) The table of contents for that Act is amended in the item relating to section 417 by inserting "or the environment" after "to human life".

(b) ENHANCED PENALTY FOR ESTABLISHMENT OF MANUFACTURING OPERATION.—That section is further amended—

(1) by inserting "(a)" before "Whoever";

(2) in subsection (a), as so designated—

(A) by inserting "or violating section 416," after "to do so," the first place it appears; and

(B) by striking "shall be fined" and all that follows and inserting "shall be imprisoned not less than 10 years nor more than 40 years, and, in addition, may be fined in accordance with title 18, United States Code."; and

(3) by adding at the end the following:

"(b) Any penalty under subsection (a) for a violation that is also a violation of section 416 shall be in addition to any penalty under section 416 for such violation."

(c) NATURE OF PARTICULAR CONDUCT.—That section is further amended by adding at the end the following:

"(c) In any case where the conduct at issue is, relates to, or involves the manufacture of amphetamine or methamphetamine, such conduct shall, by itself, be rebuttably presumed to constitute the creation of a substantial risk of harm to human life or the environment within the meaning of subsection (a)."

**SEC. 9. CRIMINAL PROHIBITION ON DISTRIBUTION OF CERTAIN INFORMATION RELATING TO THE MANUFACTURE OF CONTROLLED SUBSTANCES.**

(a) IN GENERAL.—Part I of title 18, United States Code, is amended by inserting after chapter 21 the following new chapter:

**"CHAPTER 22—CONTROLLED SUBSTANCES**

**"Sec.**

"421. Distribution of information relating to manufacture of controlled substances.

**"§ 421. Distribution of information relating to manufacture of controlled substances**

"(a) PROHIBITION ON DISTRIBUTION OF INFORMATION RELATING TO MANUFACTURE OF CONTROLLED SUBSTANCES.—

"(1) CONTROLLED SUBSTANCE DEFINED.—In this subsection, the term 'controlled substance' has the meaning given that term in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

"(2) PROHIBITION.—It shall be unlawful for any person—

"(A) to teach or demonstrate the manufacture of a controlled substance, or to distribute by any means information pertaining to, in whole or in part, the manufacture or use of a controlled substance, with the intent that the teaching, demonstration, or information be used for, or in furtherance of, an activity that constitutes a Federal crime; or

"(B) to teach or demonstrate to any person the manufacture of a controlled substance, or to distribute to any person, by any means, information pertaining to, in whole or in part, the manufacture or use of a controlled substance, knowing that such person intends to use the teaching, demonstration, or information for, or in furtherance of, an activity that constitutes a Federal crime.

"(b) PENALTY.—Any person who violates subsection (a) shall be fined under this title, imprisoned not more than 10 years, or both."

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning of part I of title 18, United States Code, is amended by inserting after the item relating to chapter 21 the following new item:

**"22. Controlled Substances ..... 421".**

**SEC. 10. NOTICE; CLARIFICATION.**

(a) NOTICE OF ISSUANCE.—Section 3103a of title 18, United States Code, is amended by adding at the end the following new sentence: "With respect to any issuance under this section or any other provision of law (including section 3117 and any rule), any notice required, or that may be required, to be given may be delayed pursuant to the standards, terms, and conditions set forth in section 2705, unless otherwise expressly provided by statute."

(b) CLARIFICATION.—(1) Section 2(e) of Public Law 95-78 (91 Stat. 320) is amended by adding at the end the following:

"Subdivision (d) of such rule, as in effect on this date, is amended by inserting 'tangible' before 'property' each place it occurs."

(2) The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

**SEC. 11. TRAINING FOR DRUG ENFORCEMENT ADMINISTRATION AND STATE AND LOCAL LAW ENFORCEMENT PERSONNEL RELATING TO CLANDESTINE LABORATORIES.**

(a) IN GENERAL.—

(1) REQUIREMENT.—The Administrator of the Drug Enforcement Administration shall carry out the programs described in subsection (b).

(2) DURATION.—The duration of any program under that subsection may not exceed 3 years.

(b) COVERED PROGRAMS.—The programs described in this subsection are as follows:

(1) ADVANCED MOBILE CLANDESTINE LABORATORY TRAINING TEAMS.—A program of advanced mobile clandestine laboratory training teams, which shall provide information and training to State and local law enforcement personnel in techniques utilized in conducting undercover investigations and conspiracy cases, and other information designed to assist in the investigation of the illegal manufacturing and trafficking of amphetamine and methamphetamine.

(2) BASIC CLANDESTINE LABORATORY CERTIFICATION TRAINING.—A program of basic clandestine laboratory certification training, which shall provide information and training—

(A) to Drug Enforcement Administration personnel and State and local law enforcement personnel for purposes of enabling such personnel to meet any certification requirements under law with respect to the handling of wastes created by illegal amphetamine and methamphetamine laboratories; and

(B) to State and local law enforcement personnel for purposes of enabling such personnel to provide the information and training covered by subparagraph (A) to other State and local law enforcement personnel.

(3) CLANDESTINE LABORATORY RECERTIFICATION AND AWARENESS TRAINING.—A program of clandestine laboratory recertification and awareness training, which shall provide information and training to State and local law enforcement personnel for purposes of enabling such personnel to provide recertification and awareness training relating to clandestine laboratories to additional State and local law enforcement personnel.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of fiscal years 2000, 2001, and 2002 amounts as follows:

(1) \$1,500,000 to carry out the program described in subsection (b)(1).

(2) \$3,000,000 to carry out the program described in subsection (b)(2).

(3) \$1,000,000 to carry out the program described in subsection (b)(3).

**SEC. 12. COMBATTING METHAMPHETAMINE AND AMPHETAMINE IN HIGH INTENSITY DRUG TRAFFICKING AREAS.**

(a) IN GENERAL.—

(1) IN GENERAL.—The Director of National Drug Control Policy shall use amounts available under this section to combat the trafficking of methamphetamine and amphetamine in areas designated by the Director as high intensity drug trafficking areas.

(2) ACTIVITIES.—In meeting the requirement in paragraph (1), the Director shall—

(A) employ additional Federal law enforcement personnel, or facilitate the employment of additional State and local law enforcement personnel, including agents, investigators, prosecutors, laboratory technicians, and chemists; and

(B) carry out such other activities as the Director considers appropriate.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section—

(1) \$5,000,000 for fiscal year 2000; and  
(2) such sums as may be necessary for each of fiscal years 2001 through 2004.

(c) **APPORTIONMENT OF FUNDS.**—

(1) **FACTORS IN APPOINTMENT.**—The Director shall apportion amounts appropriated for a fiscal year pursuant to the authorization of appropriations in subsection (b) for activities under subsection (a) among and within areas designated by the Director as high intensity drug trafficking areas based on the following factors:

(A) The number of methamphetamine manufacturing facilities and amphetamine manufacturing facilities discovered by Federal, State, or local law enforcement officials in the previous fiscal year.

(B) The number of methamphetamine prosecutions and amphetamine prosecutions in Federal, State, or local courts in the previous fiscal year.

(C) The number of methamphetamine arrests and amphetamine arrests by Federal, State, or local law enforcement officials in the previous fiscal year.

(D) The amounts of methamphetamine, amphetamine, or listed chemicals (as that term is defined in section 102(33) of the Controlled Substances Act (21 U.S.C. 802(33)) seized by Federal, State, or local law enforcement officials in the previous fiscal year.

(E) Intelligence data from the Drug Enforcement Administration showing trafficking and transportation patterns in methamphetamine, amphetamine, and listed chemicals (as that term is so defined).

(2) **CERTIFICATION.**—Before the Director apportions any funds under this subsection to a high intensity drug trafficking area, the Director shall certify that the law enforcement entities responsible for clandestine methamphetamine and amphetamine laboratory seizures in that area are providing laboratory seizure data to the national clandestine laboratory database at the El Paso Intelligence Center.

(d) **LIMITATION ON ADMINISTRATIVE COSTS.**—Not more than 5 percent of the amount appropriated in a fiscal year pursuant to the authorization of appropriations for that fiscal year in subsection (b) may be available in that fiscal year for administrative costs associated with activities under subsection (a).

### **SEC. 13. COMBATING AMPHETAMINE AND METHAMPHETAMINE MANUFACTURING AND TRAFFICKING.**

(a) **ACTIVITIES.**—In order to combat the illegal manufacturing and trafficking in amphetamine and methamphetamine, the Administrator of the Drug Enforcement Administration may—

(1) assist State and local law enforcement in small and mid-sized communities in all phases of investigations related to such manufacturing and trafficking;

(2) staff additional regional enforcement and mobile enforcement teams related to such manufacturing and trafficking;

(3) establish additional resident offices and posts of duty to assist State and local law enforcement in rural areas in combating such manufacturing and trafficking;

(4) provide the Special Operations Division of the Administration with additional agents and staff to collect, evaluate, interpret, and disseminate critical intelligence targeting the command and control operations of major amphetamine and methamphetamine manufacturing and trafficking organizations; and

(5) carry out such other activities as the Administrator considers appropriate.

(b) **ADDITIONAL POSITIONS AND PERSONNEL.**—In carrying out activities under subsection (a), the Administrator may establish in the Administration not more than 50 full-time positions, including not more than 31 special-agent positions, and may appoint personnel to such positions.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated for the Drug Enforcement Administration for each fiscal year after fiscal year 1999, \$6,500,000 for purposes of carrying out the activities authorized by subsection (a) and employing personnel in positions established under subsection (b).

### **SEC. 14. ENVIRONMENTAL HAZARDS ASSOCIATED WITH ILLEGAL MANUFACTURE OF AMPHETAMINE AND METHAMPHETAMINE.**

(a) **USE OF AMOUNTS OR DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND.**—Section 524(c)(1)(E) of title 28, United States Code, is amended—

(1) by inserting “(i) for” before “disbursements”;

(2) by inserting “and” after the semicolon; and

(3) by adding at the end the following:

“(i) for payment for—

“(I) costs incurred by or on behalf of the Drug Enforcement Administration in connection with the removal of any hazardous substance or pollutant or contaminant associated with the illegal manufacture of amphetamine or methamphetamine; and

“(II) costs incurred by or on behalf of a State or local government in connection with such removal in any case in which such State or local government has assisted in a Federal prosecution relating to amphetamine or methamphetamine.”;

(b) **GRANTS UNDER DRUG CONTROL AND SYSTEM IMPROVEMENT GRANT PROGRAM.**—Section 501(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting before the semicolon the following: “and to remove any hazardous substance or pollutant or contaminant associated with the illegal manufacture of amphetamine or methamphetamine”.

(c) **AMOUNTS SUPPLEMENT AND NOT SUPPLANT.**—

(1) **ASSETS FORFEITURE FUND.**—Any amounts made available from the Department of Justice Assets Forfeiture Fund in a fiscal year by reason of the amendment made by subsection (a) shall supplement, and not supplant, any other amounts made available to the Drug Enforcement Administration in such fiscal year for payment of costs described in section 524(c)(1)(E)(ii) of title 28, United States Code, as so amended.

(2) **GRANT PROGRAM.**—Any amounts made available in a fiscal year under the grant program under section 501(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 for the removal of hazardous substances or pollutants or contaminants associated with the illegal manufacture of amphetamine or methamphetamine by reason of the amendment made by subsection (b) shall supplement, and not supplant, any other amounts made available in such fiscal year for such removal.

### **SEC. 15. ANTIDRUG MESSAGES ON FEDERAL GOVERNMENT INTERNET WEBSITES.**

Not later than 90 days after the date of the enactment of this Act, the head of each department, agency, and establishment of the Federal Government shall, in consultation with the Director of the Office of National Drug Control Policy, place antidrug mes-

sages on appropriate Internet websites controlled by such department, agency, or establishment which messages shall, where appropriate, contain an electronic hyperlink to the Internet website, if any, of the Office.

### **SEC. 16. MAIL ORDER REQUIREMENTS.**

Section 310(b)(3) of the Controlled Substances Act (21 U.S.C. 830(b)(3)) is amended—

(1) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively;

(2) by inserting before subparagraph (B), as so redesignated, the following new subparagraph (A):

“(A) As used in this paragraph:

“(i) The term ‘drug product’ means an active ingredient in dosage form that has been approved or otherwise may be lawfully marketed under the Food, Drug, and Cosmetic Act for distribution in the United States.

“(ii) The term ‘valid prescription’ means a prescription which is issued for a legitimate medical purpose by an individual practitioner licensed by law to administer and prescribe the drugs concerned and acting in the usual course of the practitioner’s professional practice.”;

(3) in subparagraph (B), as so redesignated, by inserting “or who engages in an export transaction” after “nonregulated person”; and

(4) adding at the end the following:

“(D) Except as provided in subparagraph (E), the following distributions to a nonregulated person, and the following export transactions, shall not be subject to the reporting requirement in subparagraph (B):

“(i) Distributions of sample packages of drug products when such packages contain not more than 2 solid dosage units or the equivalent of 2 dosage units in liquid form, not to exceed 10 milliliters of liquid per package, and not more than one package is distributed to an individual or residential address in any 30-day period.

“(ii) Distributions of drug products by retail distributors to the extent that such distributions are consistent with the activities authorized for a retail distributor as specified in section 102(46).

“(iii) Distributions of drug products to a resident of a long term care facility (as that term is defined in regulations prescribed by the Attorney General) or distributions of drug products to a long term care facility for dispensing to or for use by a resident of that facility.

“(iv) Distributions of drug products pursuant to a valid prescription.

“(v) Exports which have been reported to the Attorney General pursuant to section 1004 or 1018 or which are subject to a waiver granted under section 1018(e)(2).

“(vi) Any quantity, method, or type of distribution or any quantity, method, or type of distribution of a specific listed chemical (including specific formulations or drug products) or of a group of listed chemicals (including specific formulations or drug products) which the Attorney General has excluded by regulation from such reporting requirement on the basis that such reporting is not necessary for the enforcement of this title or title III.

“(E) The Attorney General may revoke any or all of the exemptions listed in subparagraph (D) for an individual regulated person if he finds that drug products distributed by the regulated person are being used in violation of this title or title III. The regulated person shall be notified of the revocation, which will be effective upon receipt by the person of such notice, as provided in section 1018(c)(1), and shall have the right to an

expedited hearing as provided in section 1018(c)(2)."

**SUMMARY OF THE METHAMPHETAMINE ANTI-PROLIFERATION ACT OF 1999**

**Sec. 1. Short Title.**

Methamphetamine Anti-Proliferation Act of 1999

**Sec. 2. Manufacture and Distribution of Amphetamine and Methamphetamine.**

Section 1 amends title 21 U.S.C. 841(b)(1) to make the statutory punishment for the manufacture and distribution of amphetamine the same as that of methamphetamine.

**Sec. 3. Import and Export of Amphetamine and Methamphetamine.**

Section 2 amends the Import and Export Act (21 U.S.C. 960(b)) to make the statutory punishment for amphetamine the same as that of methamphetamine.

**Sec. 4. Sentencing Guidelines.**

Section 3 amends the Sentencing Guidelines to adjust the penalty for amphetamine to meet the penalty for methamphetamine. It also provides for a 6 level enhancement if the manufacturing either meth or amphetamine created a substantial risk of danger to the health and safety of a minor or incompetent.

**Sec. 5. Advertisements For Drug Paraphernalia and Schedule I Controlled Substances.**

Section 8 amends 21 U.S.C. 863 (drug paraphernalia statute) to prohibit direct or indirect advertisements for the sale of paraphernalia. It defines advertisements for sale to include the use of any communication facility to post or publicize in any way any matter, including a telephone number or electronic or mail address, knowing that such matter has the purpose of seeking or offering, or is designed to be used, to receive, buy, distribute, or otherwise facilitate a transaction.

It also amends 21 U.S.C. 843(c) to prohibit direct or indirect advertising for the sale of a Schedule I Controlled Substance. The current statute arguably only prohibited the direct advertising of a schedule I drug in the print media.

**Sec. 6. Continuing Criminal Enterprise.**

Section 11 amends the Continuing Criminal Enterprise statute (21 U.S.C. 848) by replacing the phrase "continuing series of violations of" with the phrase "continuing series of 3 or more acts made punishable by." This change is in response to the recent Supreme Court case *Richardson v. United States* (decided June 1, 1999) where the Court held that a jury in a CCE case must unanimously agree not only that the defendant committed some "continuing series of violations," but also about which specific "violations" make up that "continuing series." There was previously a split among the circuits (the 4th Circuit and the D.C. Circuit both had ruled unanimity with respect to particular "violations" was not required).

**Sec. 7. Mandatory Restitution for Meth Lab Clean-Up.**

Section 7 makes reimbursement for the costs incurred by the U.S. or State and local governments for the cleanup associated with the manufacture of amphetamine or methamphetamine mandatory. It also provides that the restitution money will go to the Asset Forfeiture Fund instead of the treasury.

**Sec. 8. Endangering Human Life or the Environment While Illegally Manufacturing Amphetamine or Methamphetamine.**

Section 8 increases the penalty under 21 U.S.C. 858 to not less than 10 years for manufacturing or trafficking a controlled substance that creates a substantial risk of harm to human life or the environment. It creates a rebuttable presumption that the manufacturing of amphetamine or methamphetamine constitutes the creation of a substantial risk of harm to human life and the environment.

stance that creates a substantial risk of harm to human life or the environment. It creates a rebuttable presumption that the manufacturing of amphetamine or methamphetamine constitutes the creation of a substantial risk of harm to human life and the environment.

**Sec. 9. Criminal Prohibition on Distribution of Certain Information Relating to the Manufacture of Controlled Substances.**

Section 9 prohibits teaching or demonstrating the manufacture or use of a Controlled Substance or distributing by any means information pertaining to the manufacture or use of a Controlled Substance (1) with the intent that this information be used for, or in furtherance of, an activity that constitutes a federal crime; or (2) knowing that such person intends to use this information for, or in furtherance of, an activity that constitutes a federal crime. The penalty for violation is not more than 10 years in prison.

**Sec. 10. Notice; Clarification.**

This section amends 18 U.S.C. 3103a to allow for the delay of any notice that is, or may be, required pursuant to the issuance of a warrant under this section or any other law.

**Sec. 11. Training for Drug Enforcement Administration and State and Local Law Enforcement Personnel Relating to Clandestine Laboratories.**

Section 11 authorizes \$5.5 million in funding for DEA training programs designed to (1) train State and local law enforcement in techniques used in meth investigations; (2) provide a certification program for State and local law enforcement enabling them to meet requirements with respect to the handling of wastes created by meth labs; (3) create a certification program that enables certain State and local law enforcement to recertify other law enforcement in their regions; and (4) staff mobile training teams which provide State and local law enforcement with advanced training in conducting clan lab investigations and with training that enables them to recertify other law enforcement personnel. The training programs are authorized for 3 years after which the States, either alone or in consultation/com-bination with other States, will be responsible for training their own personnel. The States will be required to submit a report detailing what measures they are taking to ensure that they have programs in place to take over the responsibility after the three year federal program expires.

**Sec. 12. Combating Methamphetamine in High Intensity Drug Trafficking Areas.**

This section authorizes \$5 million a year for fiscal years 2000-2004 to be appropriated to ONDCP to combat trafficking of methamphetamine in designated HIDTA's by hiring new federal, State, and local law enforcement personnel, including agents, investigators, prosecutors, lab technicians and chemists. It provides that the funds shall be apportioned among the HIDTA's based on the following factors: (1) number of Meth labs discovered in the previous year; (2) number of Meth prosecutions in the previous year; (3) number of Meth arrests in the previous year; (4) the amounts of Meth seized in the previous year; and (5) intelligence data from the DEA showing trafficking and transportation patterns in methamphetamine, amphetamine and listed chemicals. Before apportioning any funds, the Director must certify that the law enforcement entities responsible for clan lab seizures are providing lab seizure data to the national clandestine laboratory database at the El Paso Intelligence

Center. It also provides that not more than five percent of the appropriated amount may be used for administrative costs.

**Sec. 13. Combating Amphetamine and Methamphetamine Manufacturing and Trafficking.**

This section authorizes \$6.5 million to be appropriated for the hiring of new agents to (1) assist State and local law enforcement in small and mid-sized communities in all phases of drug investigations; (2) staff additional regional enforcement and mobile enforcement teams; (3) establish additional resident offices and posts of duty to assist State and local law enforcement in rural areas; and (4) provide the Special Operations Division with additional agents for intelligence and investigative operations.

**Sec. 14. Environmental Hazards Associated With Illegal Manufacture of Amphetamine and Methamphetamine.**

Authorizes the DEA to receive money from the Asset Forfeiture Fund to pay for cleanup costs associated with the illegal manufacture of amphetamine or methamphetamine. It also allows for reimbursements to State and local entities for cleanup costs when they assist in a federal prosecution on amphetamine or methamphetamine related charges.

**Sec. 15. Antidrug Messages on Federal Government Internet Websites.**

Requires all federal departments and agencies, in consultation with ONDCP, to place antidrug messages on their Internet websites and an electronic hyperlink to ONDCP's website. Numerous government agencies have children's websites, including the Social Security Administration.

**Sec. 16. Mail Order Requirements.**

This section represents changes to the reporting requirements of 21 U.S.C. 830(b)(3) worked out between the DEA and industry. Reporting will no longer be required for valid prescriptions, limited distributions of sample packages, distributions by retail distributors if consistent with authorized activities, distributions to long term care facilities, and any product which has been exempted by the AG. It also allows the AG to revoke an exemption if he finds the drug product being distributed is being used in violation of the Controlled Substances Act.

Mr. BIDEN. Mr. President, 3 years ago this week I joined with my distinguished friend and colleague, Senator HATCH, to introduce the "Hatch-Biden Methamphetamine Control Act" to address the growing threat of methamphetamine use in our country before it was too late.

Our failure to foresee and prevent the crack cocaine epidemic is one of the most significant public policy mistakes in recent history. Despite the warning signs of an outbreak, few took action until it was too late. But we did learn an important lesson from that mistake. When we began to see similar warning signs with methamphetamine, we acted swiftly to make sure that history would not repeat itself.

That Act provided crucial tools that we needed to stay ahead of the methamphetamine epidemic and avoid the mistakes made during the early stages of the crack epidemic. We increased penalties for possessing and trafficking in methamphetamine and the precursor chemicals and equipment used to manufacture the drug. We tightened the reporting requirements and restrictions

on the legitimate sales of products containing precursor chemicals to prevent their diversion, and imposed even greater requirements on firms that sell those products by mail. We ensured that meth manufacturers who endanger the life of any individual or endanger the environment while making this drug receive enhanced prison sentences. And finally, we created a national working group of law enforcement and public health officials to monitor any growth in the methamphetamine epidemic.

I have no doubt that our 1996 legislation slowed this epidemic significantly. But we are up against a powerful and highly addictive drug. Meth stimulates the central nervous system, making the user feel energetic, clever and powerful. Unlike crack, whose effects sometimes last only a matter of minutes, a meth high lasts for hours.

Last year in my home State of Delaware law enforcement officers busted what was described as "the largest and most sophisticated drug lab in the Northeast," seizing 50 pounds of meth and meth base. This was only one of the 5,786 reported clandestine laboratory seizures in the United States last year.

We have countless heart wrenching stories of violence and families being tragically ripped apart by methamphetamine use, sadly reminiscent of what we saw with crack cocaine. A recent news story reported that a woman in California has been charged with the murder of her infant son. High on meth, she left him in a sealed car in the summer heat while she and her boyfriend slept in an air-conditioned motel room nearby. The innocent infant died a tragic and senseless death.

Unfortunately, this unspeakable tragedy is not an isolated incident. It is not unusual for a meth user to remain awake for days. And as the high begins to wane, the user is likely to be violent, delusional and paranoid. Not surprisingly, this behavior often leads to crime. In areas like San Diego where the meth epidemic rages, more than 33 percent of people arrested in 1998 tested positive for the drug.

On top of the violence associated with methamphetamine users, there is also the enormous problem of violence among methamphetamine traffickers and the environmental and life-threatening conditions endemic in the clandestine labs where the drug is produced.

But perhaps the most frightening fact of all is that despite all of the evidence that methamphetamine is a horribly destructive substance, the percentage of kids who perceive it as a harmful drug is on the decline.

And that I why I am joining my friend from Utah once again—along with Senators DEWINE, FEINSTEIN and BOND—to build on the 1996 methamphetamine legislation and continue to fight this pernicious drug.

Our Methamphetamine Anti-Proliferation Act, first and foremost, addresses the growing problem of amphetamines as a meth substitute by making the penalties for manufacturing, importing, exporting or trafficking amphetamine equivalent to those established for methamphetamine in our 1996 law. The two drugs are nearly identical—they differ by only one chemical. Whereas methamphetamine is made with ephedrine, a substance found in some over-the-counter cold remedies, amphetamine is produced with phenylpropanolamine, a chemical found in over-the-counter diet pills. The two drugs are produced in the same dangerous clandestine labs and are often sold interchangeably on the streets; the penalties for dealing in both substances should be the same.

This legislation also provides the Drug Enforcement Administration with much needed funding to clean up clandestine labs after they are seized as well as to train state and local law enforcement officers to handle the hazardous wastes produced in the meth labs. Methamphetamine is made from an array of hazardous substances—battery acid, lye, ammonia gas, hydrochloric acid, just to name a few—that produce toxic fumes and often lead to fires or explosions when mixed. I am revealing nothing by naming some of these chemical ingredients. Anyone with access to the Internet can download a detailed meth recipe with a few simple keystrokes. Our legislation would make such postings illegal.

This bill also tightens the restrictions on direct and indirect advertising of illegal drug paraphernalia and Schedule I drugs. Under this legislation, it would be illegal for on-line magazines and other websites to post advertisements for such illegal material or provide "links" to websites that do. We crafted this language carefully so that we restrict the sale of drug paraphernalia without restricting the First Amendment.

Finally, the bill provides more money for law enforcement. This includes hiring more Drug Enforcement Administration agents to assist state and local law enforcement in small and mid-size cities and rural areas and providing more money to combat meth in places designated as High Intensity Drug Trafficking Areas.

While I clearly support the goals of this legislation, I want to make it clear that I think we may need to tweak it as it goes through the process to ensure that we do not stymie a good idea with the fine print. Specifically, I have concerns about how we fund meth lab clean up. As written, some of the money would come from the asset forfeiture fund, a most important resource for law enforcement. We are now struggling with reforming the overall structure of asset forfeiture in this country and I would hope we could

find an alternative pot of money to tap to do the important work of cleaning up meth lab sites.

That being said, I am confident that any concerns I may have at this time will be resolved during the committee process.

I want to commend Senator HATCH for his continued leadership on this issue. I urge all my colleagues to join us in protecting our children and our society from the devastations of methamphetamine by supporting this vital legislation.

#### ADDITIONAL COSPONSORS

S. 71

At the request of Ms. SNOWE, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 71, a bill to amend title 38, United States Code, to establish a presumption of service-connection for certain veterans with Hepatitis C, and for other purposes.

S. 296

At the request of Ms. COLLINS, her name was added as a cosponsor of S. 296, a bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes.

S. 313

At the request of Mr. GRAMM, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. 313, a bill to repeal the Public Utility Holding Company Act of 1935, to enact the Public Utility Holding Company Act of 1999, and for other purposes.

S. 376

At the request of Mr. BURNS, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 376, a bill to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes.

S. 542

At the request of Mr. ABRAHAM, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 542, a bill to amend the Internal Revenue Code of 1986 to expand the deduction for computer donations to schools and allow a tax credit for donated computers.

S. 632

At the request of Mr. DEWINE, the name of the Senator from Tennessee (Mr. FRIST) was added as a cosponsor of S. 632, a bill to provide assistance for poison prevention and to stabilize the funding of regional poison control centers.

S. 680

At the request of Mr. HATCH, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 680, a bill to amend the Internal Revenue Code of 1986 to permanently

extend the research credit, and for other purposes.

S. 745

At the request of Mr. ABRAHAM, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 745, a bill to amend the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 to modify the requirements for implementation of an entry-exit control system.

S. 792

At the request of Mr. MOYNIHAN, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 792, a bill to amend title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide States with the option to allow legal immigrant pregnant women, children, and blind or disabled medically needy individuals to be eligible for medical assistance under the medicaid program, and for other purposes.

S. 894

At the request of Mr. CLELAND, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 894, a bill to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees and annuitants, and for other purposes.

S. 922

At the request of Mr. ABRAHAM, the names of the Senator from Alabama (Mr. SESSIONS), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Massachusetts (Mr. KERRY), and the Senator from Wisconsin (Mr. KOHL) were added as cosponsors of S. 922, a bill to prohibit the use of the "Made in the USA" label on products of the Commonwealth of the Northern Mariana Islands and to deny such products duty-free and quota-free treatment.

S. 1044

At the request of Mr. KENNEDY, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1044, a bill to require coverage for colorectal cancer screenings.

S. 1053

At the request of Mr. BOND, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 1053, a bill to amend the Clean Air Act to incorporate certain provisions of the transportation conformity regulations, as in effect on March 1, 1999.

S. 1109

At the request of Mr. MCCONNELL, the name of the Senator from North Carolina (Mr. EDWARDS) was added as a cosponsor of S. 1109, a bill to conserve global bear populations by prohibiting the importation, exportation, and interstate trade of bear viscera and items, products, or substances containing, or labeled or advertised as containing, bear viscera, and for other purposes.

S. 1244

At the request of Mr. THOMPSON, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 1244, a bill to establish a 3-year pilot project for the General Accounting Office to report to Congress on economically significant rules of Federal agencies, and for other purposes.

S. 1277

At the request of Mr. GRASSLEY, the names of the Senator from Hawaii (Mr. AKAKA) and the Senator from Vermont (Mr. JEFFORDS) were added as cosponsors of S. 1277, a bill to amend title XIX of the Social Security Act to establish a new prospective payment system for Federally-qualified health centers and rural health clinics.

S. 1334

At the request of Mr. AKAKA, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 1334, a bill to amend chapter 63 of title 5, United States Code, to increase the amount of leave time available to a Federal employee in any year in connection with serving as an organ donor, and for other purposes.

S. 1381

At the request of Mr. COCHRAN, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 1381, a bill to amend the Internal Revenue Code of 1986 to establish a 5-year recovery period for petroleum storage facilities.

S. 1396

At the request of Mr. JEFFORDS, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 1396, a bill to amend section 4532 of title 10, United States Code, to provide for the coverage and treatment of overhead costs of United States factories and arsenals when not making supplies for the Army, and for other purposes.

#### SENATE CONCURRENT RESOLUTION 9

At the request of Ms. SNOWE, the names of the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of Senate Concurrent Resolution 9, a concurrent resolution calling for a United States effort to end restrictions on the freedoms and human rights of the enclaved people in the occupied area of Cyprus.

#### SENATE RESOLUTION 92

At the request of Mrs. BOXER, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of Senate Resolution 92, a resolution expressing the sense of the Senate that funding for prostate cancer research should be increased substantially.

#### SENATE RESOLUTION 95

At the request of Mr. THURMOND, the names of the Senator from Kentucky (Mr. BUNNING), the Senator from Maryland (Mr. SARBANES), and the Senator from Oklahoma (Mr. NICKLES) were added as cosponsors of Senate Resolution 95, a resolution designating Au-

gust 16, 1999, as "National Airborne Day."

#### SENATE RESOLUTION 128

At the request of Mr. COCHRAN, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of Senate Resolution 128, a resolution designating March 2000, as "Arts Education Month."

#### SENATE RESOLUTION 159—AUTHORIZING EXPENDITURES BY THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR, from the Committee on Agriculture, Nutrition, and Forestry, reported the following original resolution; which was referred to the Committee on Rules and Administration:

#### S. RES. 159

*Resolved*, that, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Agriculture, Nutrition and Forestry is authorized from October 1, 1999, through September 30, 2000, and October 1, 2000, through February 28, 2001, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable or non-reimbursable basis the services of personnel of any such department or agency.

SEC. 2. (a) In order to comply with the Grams Resolution, which requires that subcommittee staff positions be funded, the expenses of the committee for the period October 1, 1999, through September 30, 2000, under this resolution shall not exceed \$2,118,150 of which amount (1) not to exceed \$4000 may be expended for the procurement of the services of individual consultations, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended) and (2) not to exceed \$4000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

(b) In order to comply with the Grams Resolution, which requires that subcommittee staff positions be funded, the expenses of the committee under this resolution, for the period of October 1, 2000, through February 28, 2001, shall not exceed \$903,523, of which amount (1) not to exceed \$4000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed \$4000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

(c) Should the Committee on Rules and Administration determine that the Committee on Agriculture, Nutrition and Forestry not comply with the Grams Resolution, the expenses of the Committee on Agriculture, Nutrition and Forestry under this resolution for the period October 1, 1999, through September 30, 2000, shall not exceed \$1,933,796 of

which amount (1) not to exceed \$4000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed \$4000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

(d) Should the Committee on Rules and Administration determine that the Committee on Agriculture, Nutrition and Forestry not comply with the Grams Resolution, the expenses of the Committee on Agriculture, Nutrition and Forestry under this resolution for the period of October 1, 2000, through February 28, 2001, shall not exceed \$824,772, of which amount (1) not to exceed \$4000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed \$4000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 2000, and February 28, 2001, respectively.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required (1) for the disbursement of salaries of employees paid at an annual rate, or (2) for the payment of telecommunications provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (3) for the payment of stationery supplies purchased through the Keeper of the Stationery, United States Senate, or (4) for payments to the Postmaster, United States Senate, or (5) for the payment of metered charges on copying equipment provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (6) for the payment of Senate Recording and Photographic Services, or (7) for payment of franked and mass mail costs by the Sergeant at Arms and Doorkeeper, United States Senate.

SEC. 5. There are authorized such sums as may be necessary for agency contributions related to the compensation of employees of the committee from October 1, 1999, through September 30, 2000, and October 1, 2000, through February 28, 2001, to be paid from the Appropriation account for "Expenses of Inquiries and Investigations."

#### SENATE RESOLUTION 160—TO RESTORE ENFORCEMENT OF RULE 16

Mr. LOTT submitted the following resolution; which was ordered placed on the calendar:

S. RES. 160

*Resolved*, That the presiding officer of the Senate should apply all precedents of the Senate under Rule 16, in effect at the conclusion of the 103d Congress.

#### SENATE RESOLUTION 161—TO AUTHORIZE THE PRINTING OF "MEMORIAL TRIBUTES TO JOHN FITZGERALD KENNEDY, JR."

Mr. DASCHLE (for himself and Mr. LOTT) submitted the following resolution; which was considered and agreed to:

S. RES. 161

Whereas John Fitzgerald Kennedy, Jr. was a notable and influential public figure who was born into and lived his life in the public sphere;

Whereas John Fitzgerald Kennedy, Jr. comported himself with modesty and dignity, consistently displaying an admirable grace under pressure and a genuine concern for the well-being of other persons, in the grand tradition of his family;

Whereas John Fitzgerald Kennedy, Jr. was a significant figure who ably represented a family dedicated to public service, and who personally won a place in the heart of the American people;

Whereas the nation mourns the tragic loss of John Fitzgerald Kennedy, Jr., his wife, Carolyn Bessette Kennedy, and her sister, Lauren Bessette; and

Whereas on July 19, 1999, the Senate expressed its condolences to the Kennedy and Bessette families: Now, therefore, be it

*Resolved*,

#### SECTION 1. PRINTING OF THE "MEMORIAL TRIBUTES TO JOHN FITZGERALD KENNEDY, JR."

(a) IN GENERAL.—There shall be printed as a Senate Document, the book entitled "Memorial Tributes to John Fitzgerald Kennedy, Jr.", prepared under the supervision of the Secretary of the Senate.

(b) SPECIFICATIONS.—The document described in subsection (a) shall include illustrations and shall be in such style, form, manner, and binding as is directed by the Joint Committee on Printing after consultation with the Secretary of the Senate.

#### AMENDMENTS SUBMITTED

#### DEPARTMENTS OF COMMERCE, JUSTICE AND STATE, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

#### THOMAS (AND ENZI) AMENDMENTS NO. 1273

(Ordered to lie on the table.)

Mr. THOMAS (for himself and Mr. ENZI) submitted an amendment intended to be proposed by them to the bill (S. 1217) making appropriations for the Department of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2000, and for other purposes; as follows:

At the appropriate place in the bill, insert the following new section and renumber the remaining sections accordingly:

#### SEC. . PROHIBITION ON THE RETURN OF VETERANS MEMORIAL OBJECTS TO FOREIGN NATIONS WITHOUT SPECIFIC AUTHORIZATION IN LAW.

(a) PROHIBITION.—Notwithstanding section 2572 of title 10, United States Code, or any other provision of law, the President may not transfer a veterans memorial object to a

foreign country or entity controlled by a foreign government, or otherwise transfer or convey such object to any person or entity for purposes of the ultimate transfer or conveyance of such object to a foreign country or entity controlled by a foreign government, unless specifically authorized by law.

(b) DEFINITIONS.—In this section:

(1) ENTITY CONTROLLED BY A FOREIGN GOVERNMENT.—The term "entity controlled by a foreign government" has the meaning given that term in section 2536(c)(1) of title 10, United States Code.

(2) VETERANS MEMORIAL OBJECT.—The term "veterans memorial object" means any object, including a physical structure or portion thereof, that—

(A) is located at a cemetery of the National Cemetery System, war memorial, or military installation in the United States;

(B) is dedicated to, or otherwise memorializes, the death in combat or combat-related duties of members of the United States Armed Forces; and

(C) was brought to the United States from abroad as a memorial of combat abroad.

#### DEWINE (AND LEVIN) AMENDMENT NO. 1274

(Ordered to lie on the table.)

Mr. DEWINE (for himself and Mr. LEVIN) submitted an amendment intended to be proposed by them to the bill, S. 1217, supra; as follows:

On page 57, line 16, strike "\$1,776,728,000" and insert "\$1,777,118,000".

On page 57, line 17, before the colon, insert the following: "of which \$390,000 shall be used by the National Ocean Service to upgrade an additional 13 Great Lakes water gauging stations in order to ensure compliance with year 2000 (Y2K) computer date processing requirements".

#### BYRD AMENDMENT NO. 1275

(Ordered to lie on the table.)

Mr. BYRD submitted an amendment intended to be proposed by him to the bill, S. 1217, supra; as follows:

On page 73, insert between lines 12 and 13 the following:

SEC. 306. Pursuant to the requirements of section 156(d) of title 28, United States Code, Congress approves the consolidation of the office of the bankruptcy clerk of court with the office of the district clerk of court in the southern district of West Virginia.

#### GRAMS AMENDMENT NO. 1276

(Ordered to lie on the table.)

Mr. GRAMS submitted an amendment intended to be proposed by him to the bill, S. 1217, supra; as follows:

On page 81, line 25, insert the following after "reforms": "Provided further, That any additional amount provided, not to exceed \$107 million, which is owed by the United Nations to the United States as a reimbursement, including any reimbursement under the Foreign Assistance Act of 1961 or the United Nations Participation Act of 1945, that was owed to the United States before the date of enactment of this Act shall be applied or used, without fiscal year limitation, to reduce any amount owed by the United States to the United Nations, except that any such reduction pursuant to the authority in this paragraph shall not be made unless expressly authorized by the enactment



of a separate Act that makes payment of arrears contingent upon United Nations reform".

#### LUGAR AMENDMENT NO. 1277

(Ordered to lie on the table.)

Mr. LUGAR submitted an amendment intended to be proposed by him to this bill, S. 1217, supra; as follows:

On page 78, between lines 8 and 9, insert the following:

#### NATIONAL ENDOWMENT FOR DEMOCRACY

For grants by the Department of State to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, \$30,000,000, to remain available until expended: *Provided*, That, in lieu of the dollar amount specified under the heading "CAPITAL INVESTMENT FUND" in this Act, the dollar amount under that heading shall be considered to be \$50,000,000.

#### GRAHAM AMENDMENT NOS. 1278–1280

(Ordered to lie on the table.)

Mr. GRAHAM submitted three amendments intended to be proposed by him to the bill, S. 1217, supra; as follows:

#### AMENDMENT NO. 1278

At the appropriate place in title I, insert the following:

#### SEC. \_\_\_\_ . AUTHORITY TO RECOVER TOBACCO-RELATED COSTS.

Nothing in this Act shall be construed to prohibit the Department of Justice from expending amounts made available under this title for tobacco-related litigation or for the payment of expert witnesses called to provide testimony in such litigation.

#### AMENDMENT NO. 1279

At the appropriate place in title VI, insert the following:

#### SEC. 6 \_\_\_\_ . PUBLIC AIRCRAFT.

The flush sentence following subparagraph (B)(ii) of section 40102(37) of title 49, United States Code, is amended by striking "if the unit of government on whose behalf the operation is conducted certifies to the Administrator of the Federal Aviation Administration that the operation was necessary to respond to a significant and imminent threat to life or property (including natural resources) and that no service by a private operator was reasonably available to meet the threat" and inserting "if the operation is conducted for law enforcement, search and rescue, or responding to an imminent threat to life, property, or natural resources".

#### AMENDMENT NO. 1280

At the end of title I, add the following:

SEC. \_\_\_\_ . (a) In this section:

(1) The term "hate crime" has the meaning given the term in section 280003(a) of the Violent Crime Control and Law Enforcement Act of 1994 (28 U.S.C. 994 note).

(2) The term "older individual" means an individual who is age 65 or older.

(b) The Attorney General shall conduct a study concerning—

(1) whether an older individual is more likely than the average individual to be the target of a crime;

(2) the extent of crimes committed against older individuals; and

(3) the extent to which crimes committed against older individuals are hate crimes.

(c) Not later than 180 days after the date of enactment of this Act, the Attorney General shall submit to Congress a report containing the results of the study.

#### SARBANES (AND SMITH) AMENDMENT NO. 1281

(Ordered to lie on the table.)

Mr. SARBANES (for himself and Mr. SMITH of Oregon) submitted an amendment intended to be proposed by them to the bill, S. 1217, supra; as follows:

On page 74, line 15, strike "\$2,671,429,000" and insert "\$2,837,772,000".

On page 77, line 8, strike "\$80,000,000" and insert "\$90,000,000".

On page 79, line 5, strike "\$583,496,000" and insert "\$747,683,000".

On page 79, line 19, strike "\$7,000,000" and insert "\$17,000,000".

On page 80, beginning on line 24, strike "\$943,308,000" and all that follows through "\$107,000,000" on line 25 and insert "\$1,177,308,000, of which not to exceed \$214,000,000".

On page 81, beginning on line 16, strike "\$280,925,000" and all that follows through "\$137,000,000" on line 18 and insert "\$265,000,000, of which not to exceed \$26,500,000 shall remain available until September 30, 2001, and of which not to exceed \$30,000,000".

On page 80, between lines 17 and 18, insert the following:

#### NATIONAL ENDOWMENT FOR DEMOCRACY.

For a grant to the National Endowment for Democracy, as authorized by the National Endowment for Democracy Act, \$32,000,000, to remain available until expended, as authorized by section 24(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(c)).

#### PAYMENT TO THE ASIA FOUNDATION.

For a grant to The Asia Foundation, as authorized by section 501 of Public Law 101-246, \$15,000,000, to remain available until expended, as authorized by section 24(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(c)).

#### FEINSTEIN AMENDMENT NO. 1282

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill, S. 1217, supra; as follows:

On page 15, after line 2, insert:

#### HIGH INTENSITY INTERSTATE GANG ACTIVITY AREAS PROGRAM

For expenses necessary to establish and implement the High Intensity Interstate Gang Activity Areas Program (including grants, contracts, cooperative agreements and other assistance) pursuant to Section 205 of S. 254 as passed by the Senate on May 20, 1999, and consistent with the funding proportions established therein, \$20,000,000.

On page 21, line 16, strike "\$3,156,895,000" and insert "\$3,136,895,000".

#### MACK (AND GRAHAM) AMENDMENT NO. 1283

(Ordered to lie on the table.)

Mr. MACK (for himself and Mr. GRAHAM) submitted an amendment intended to be proposed by them to the bill, S. 1217, supra; as follows:

On page 57, line 16, strike the numeral "\$1,776,728,000" and insert in lieu therein the number "\$1,777,228,000".

On page 58, line 20, after the word 'authorization' but before the period (.) add the following new proviso: "": *Provided further*, That of the amount made available under this heading for the National Marine Fisheries Service, Conservation and Management Operations, \$500,000 is appropriated to initiate the establishment of a Center for Sustainable Use Resources in Ft. Pierce, FL."

On page 61, line 16, strike the numeral "\$34,046,000" and insert in lieu thereof the numeral "\$33,546,000".

#### FITZGERALD (AND OTHERS) AMENDMENT NO. 1284

(Ordered to lie on the table.)

Mr. FITZGERALD (for himself, Mr. ASHCROFT, Mr. ENZI, Mr. BROWNBAC, Mr. BURNS and Mr. ROBERTS) submitted an amendment intended to be proposed by them to the bill, S. 1217, supra; as follows:

On page 65, after line 25, insert the following:

SEC. 2 \_\_\_\_ . SENSE OF SENATE ON AGRICULTURAL TRADE NEGOTIATIONS.—(a) FINDINGS.—The Senate finds that—

(1) the United States is the world's largest exporter of agricultural commodities and products;

(2) 96 percent of the world's consumers live outside the United States;

(3) the profitability of the United States agricultural sector is dependent on a healthy export market; and

(4) the next round of multilateral trade negotiations is scheduled to begin on November 30, 1999.

(b) SENSE OF SENATE.—The Senate supports and strongly encourages the President to adopt the following trade negotiating objectives:

(1) The initiation of a comprehensive round of multilateral trade negotiations that—

(A) covers all goods and services;

(B) continues to reform agricultural and food trade policy;

(C) promotes global food security through open trade; and

(D) increases trade liberalization in agriculture and food.

(2) The simultaneous conclusion of the negotiations for all sectors.

(3) The adoption of the framework established under the Uruguay Round Agreements for the agricultural negotiations conducted in 1999 to ensure that there are no product or policy exceptions.

(4) The establishment of a 3-year goal for the conclusion of the negotiations by December 2002.

(5) The elimination of all export subsidies and tightening of rules for circumvention of export subsidies.

(6) The elimination of all nontariff barriers to trade.

(7) The transition of domestic agricultural support programs to a form decoupled from agricultural production, as the United States has already done under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.).

(8) The commercially meaningful reduction or elimination of bound and applied tariffs, and the mutual elimination of restrictive tariff barriers, on an accelerated basis.

(9) The improved administration of tariff rate quotas.

(10)(A) The elimination of state trading enterprises; or

(B) the adoption of policies that ensure operational transparency, the end of discriminatory pricing practices, and competition for state trading enterprises.

(11) The maintenance of sound science and risk assessment for sanitary and phytosanitary measures.

(12) The assurance of market access for biotechnology products, with the regulation of the products based solely on sound science.

(13) The accelerated resolution of trade disputes and prompt enforcement of dispute panels of the World Trade Organization.

(14) The provision of food security for importing nations by ensuring access to supplies through a commitment by World Trade Organization member countries not to restrict or prohibit the export of agricultural products.

(15) The resolution of labor and environmental issues in a manner that facilitates, rather than restricts, agricultural trade.

(16) The establishment of World Trade Organization rules that will allow developing countries to graduate, using objective economic criteria, to full participation in, and obligations under, the World Trade Organization.

• Mr. FITZGERALD. Mr. President, I rise today along with my colleagues, Senators ASHCROFT, ENZI, BROWNBACK, and BURNS, to offer an amendment expressing the sense of the Senate regarding the next round of agricultural trade negotiations. As a member of the Senate Agriculture Committee, I am very concerned about U.S. agriculture's position in the next round of negotiations. This resolution establishes clear direction to the Administration as it enters the Seattle negotiations this November.

These process and procedural guidelines have been developed through a consensus process of the Seattle Round Agricultural Committee (SRAC). SRAC represents over 70 agricultural organizations—from the Farm Bureau to the National Oilseed Processors Association to Kraft Foods. This diverse group of agriculturalists have spent many hours developing these principles to ensure that our international agriculture markets remain strong, open and fair for our nation's farmers.

The U.S. agricultural sector is one of the only segments of our economy that consistently produces a trade surplus. In fact, our agricultural surplus totaled \$27.2 billion in 1996. However, we must not rest on our laurels; the United States Department of Agriculture projects that our agricultural trade surplus in 1999 will dwindle to approximately \$12 billion. We must not let this trend continue.

Free and open international markets are vital to my home state. Illinois' 76,000 farms cover more than 28 million acres—nearly 80 percent of Illinois. Our farm product sales generate nine billion dollars annually and Illinois ranks third in agricultural exports. In fiscal year 1997 alone, Illinois agricultural exports totaled \$3.7 billion and created 57,000 jobs for our state. Needless to say, agriculture makes up a significant portion of my state's economy, and a healthy export market for these products is important to my constituents.

As you know, farm commodity prices have recently been in a severe slump.

This situation makes open debate on agricultural trade and the Seattle round even more timely and necessary. While the average tariff assessed by the United States on agricultural products is less than five percent, the average agricultural tariff assessed by other World Trade Organization members exceeds 40 percent. This situation is clearly unfair and certainly depresses U.S. agricultural commodity prices. Accordingly, this issue must be addressed in the next round.

I look forward to working with my colleagues on policies to tear down international trade barriers and ensure that our agricultural trade surplus expands and remains strong. This resolution is the first step toward ensuring that agriculture is a top priority of the Administration during the next round of multilateral trade negotiations.

With the Seattle round expected to initiate on November 30th of this year, the American farmer cannot wait for action on this resolution. While I would like to pass this sense of the Senate as a free standing resolution, action on this resolution simply cannot wait. The Commerce, State, Justice Appropriations bill, which contains funding for the United States Trade Representatives Office, provides the perfect vehicle for this trade resolution. I hope my colleagues will give it the consideration it deserves.

I want to recognize and commend my colleagues, Senators ASHCROFT, ENZI, BROWNBACK, and BURNS, for joining me as original co-sponsors of this resolution. This resolution should enjoy bipartisan support, and I urge my colleagues to join me in supporting this legislation important to our nation's farmers. Mr. President, I ask that a list of supporters of this resolution and a letter from Dean Kleeker, president of the American Farm Bureau Federation be printed in the RECORD.

The material follows:

SUPPORTERS OF SEATTLE ROUND AGRICULTURAL COMMITTEE (SRAC) 1999 WTO POLICY STATEMENT

Ag Processing Inc.  
Agricultural Retailers Association.  
American Crop Protection Association.  
American Farm Bureau Federation.  
American Feed Industry Association.  
American Soybean Association.  
American Sugar Alliance.  
Animal Health Institute.  
Archer Daniels Midland Company.  
Biotechnology Industry Organization.  
Bryant Christie Inc.  
Bunge Corporation.  
CF Industries, Inc.  
Cargill, Incorporated.  
Chocolate Manufacturers Association.  
Coalition for a Competitive Food and Agricultural System.  
ConAgra, Inc.  
Continental Grain Company.  
Corn Refiners Association.  
Distilled Spirits Council of the ISA.  
Farmland Industries, Inc.  
Florida Phosphate Council.  
Food Distributors International Association.

Gold Kist, Inc.  
Grocery Manufacturers of America.  
Independent Community Bankers of America.  
International Dairy Foods Association.  
Kraft Foods.  
Louis Dreyfus Corporation.  
Monsanto Company.  
National Association of Animal Breeders.  
National Association of State Departments of Agriculture.  
National Association of Wheat Growers.  
National Barley Growers Association.  
National Cattleman's Beef Association.  
National Chicken Council.  
National Confectioner's Association of the U.S.  
National Corn Grower's Association.  
National Council of Farmer Cooperatives.  
National Cotton Council of America.  
National Food Processors Association.  
National Grain and Feed Association.  
National Grain and Sorghum Producers Association.  
National Grain Trade Council.  
National Grange.  
National Milk Producers Federation.  
National Oilseed Processors Association.  
National Pork Producers Council.  
National Renderers Association.  
National Sunflower Association.  
North American Export Grain Association.  
North American Millers' Association.  
Northwest Horticulture Council.  
Pacific Northwest Grain and Feed.  
Pet Food Institute.  
Pioneer Hi-Bred International, Inc.  
Ralston Purina Company.  
Sunkist Growers.  
Sweetener Users Association.  
The Fertilizer Institute.  
The IAMS Company.  
Transportation, Elevator, & Grain Merchants Association.  
USA Poultry and Egg Export Council.  
USA Rice Federation.  
U.S. Apple Association.  
U.S. Dairy Export Council.  
U.S. Meat Export Federation.  
U.S. Poultry and Egg Association.  
U.S. Rice Producers Association.  
U.S. Wheat Associates, Inc.  
United Egg Association.  
United Egg Producers.  
World Perspectives Inc.

—  
AMERICAN FARM  
BUREAU FEDERATION,  
Park Ridge, IL, June 18, 1999.

Hon. SPENCER ABRAHAM,  
U.S. Senate, Washington, DC.

DEAR SENATOR ABRAHAM: The American Farm Bureau Federation strongly supports S. Res. 101, expressing the sense of the Senate establishing agriculture as a top priority of this Administration during the next round of multilateral trade negotiations. We ask you to support and cosponsor this resolution. Exports are agriculture's source of future growth in sales and income.

As the host of the 1999 World Trade Organization (WTO) Ministerial, the United States has a tremendous opportunity to influence the agenda for the next round of WTO negotiations. The U.S. also has the most to gain from the next round. The United States is the largest, most dynamic economy in the world. Further trade liberalization is needed to open new market opportunities for the ever-increasing output of U.S. agriculture. America's farmers and ranchers must have the freedom to compete in the international marketplace, and with the help of strong leadership by U.S. trade negotiators in Seattle later this year, that goal can begin to be realized.

S. Res. 101 embodies the procedure and policy developed through a consensus process by the Seattle Round Agricultural Committee (SRAC). The SRAC represents over 70 agricultural organizations, agribusinesses, and food processors, supporting the new round of multilateral trade negotiations under the auspices of the WTO. The fact is that 96 percent of the world's consumers live outside the U.S. and in many developing countries the demand for food and agricultural products is growing as income and population increase.

We are counting on this administration and Congress to ensure that U.S. farmers and ranchers have a significant place at the negotiating table, and are armed with the tools they need to be successful. The 1999 WTO Negotiations is the best opportunity for the U.S. agriculture to achieve more open and freer global markets.

Sincerely,

DEAN KLECKNER,  
President.

#### BIDEN (AND OTHERS) AMENDMENT NO. 1285

Mr. BIDEN (for himself, Mr. SCHUMER, Mr. ROBB, Mr. DASCHLE, Mr. REID, Mr. HARKIN, Mr. LEAHY, Mr. AKAKA, Mr. BINGAMAN, Mr. DURBIN, Mr. GRAHAM, Mr. LIEBERMAN, Mr. HOLLINGS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Mr. KOHL, Mr. LAUTENBERG, Mr. LEVIN, Mrs. LINCOLN, Mrs. MURRAY, Mr. REED, Mr. WELLSTONE, Mr. BREAUX, Mr. MOYNIHAN, Mr. BAYH, Mr. DORGAN, Mr. BRYAN, Mr. KERRY, Mr. CLELAND, Mr. SARBANES, Mr. ROCKEFELLER, Mr. DODD, Mrs. BOXER, Ms. LANDRIEU, Ms. MIKULSKI, Mr. FEINGOLD, Mr. BYRD, Mr. SPECTER, Ms. COLLINS, Ms. SNOWE, Mr. TORRICELLI, Mr. JEFFORDS, and Mr. EDWARDS) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 32, after line 7, insert the following:

#### COMMUNITY ORIENTED POLICING SERVICES VIOLENT CRIME REDUCTION PROGRAMS

For activities authorized by the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 104-322) (referred to under this heading as the "1994 Act"), including administrative costs, \$325,000,000 to remain available until expended for Public Safety and Community Policing Grants pursuant to title I of the 1994 Act, of which \$140,000,000 shall be derived from the Violent Crime Reduction Trust Fund: *Provided*, That \$180,000,000 shall be available for school resource officers: *Provided further*, That not to exceed \$17,325,000 shall be expended for program management and administration: *Provided further*, That of the unobligated balances available in this program, \$170,000,000 shall be used for innovative community policing programs, of which \$90,000,000 shall be used for the Crime Identification Technology Initiative, \$25,000,000 shall be used for the Bulletproof Vest Program, and \$25,000,000 shall be used for the Methamphetamine Program.

*Provided further*, That the funds made available under this heading for the Methamphetamine Program shall be expended as directed in Senate Report 106-76: *Provided further*, That of the funds made available under this heading for school resource officers, \$900,000 shall be for a grant to King County, Washington.

On page 21, line 16, strike "\$3,156,895,000" and insert "\$3,151,895,000".

On page 26, line 13, strike "\$1,547,450,000" and insert "\$1,407,450,000".

On page 27, line 13, strike "\$350,000,000" and insert "\$260,000,000".

On page 30, line 21, strike all after "Initiative" through "Program" on line 23.

On page 35, line 1, strike "\$218,000,000" and insert "\$38,000,000".

#### COCHRAN AMENDMENTS NOS. 1286– 1288

(Ordered to lie on the table.)

Mr. COCHRAN submitted three amendments intended to be proposed by him to the bill, S. 1217, supra; as follows:

#### AMENDMENT NO. 1286

On page 111, between lines 7 and 8, insert the following:

#### SEC. \_\_\_\_ SENSE OF THE SENATE REGARDING MEDICARE.

(a) FINDINGS.—The Senate finds the following:

(1) The Balanced Budget Act of 1997 (BBA) ushered in the single largest change to the medicare program under title XVIII of the Social Security Act since the program's inception in 1965.

(2) As a result of the Balanced Budget Act of 1997, hospitals in all parts of the country, both in urban and rural areas, are beginning to reduce health care services as hospitals implement the provisions of such Act.

(3) Beginning 5 years after the date of enactment of the Balanced Budget Act of 1997, total medicare margins for all hospitals will be negative 4.4 percent, and such margins for rural hospitals will be negative 7.1 percent.

(4) The Congressional Budget Office estimated immediately prior to the enactment of the Balanced Budget Act of 1997 that the provisions of such Act would result in \$53,000,000,000 of savings to the medicare program because of payment cuts to hospitals; but

(5) Actual savings to the medicare program as a result of such cuts will be more in the range of \$71,000,000,000, an \$18,000,000,000 increase in the estimate described in paragraph (4).

(6) The Congressional Budget Office now projects that the provisions of the Balanced Budget Act of 1997 will result in a total \$206,000,000,000 of savings to the medicare program, double the level of estimated savings when such Act was enacted 18 months ago.

(7) The passage and implementation of the Balanced Budget Act of 1997 has proved especially devastating to rural hospitals, as their patient base is typically older, poorer, and sicker, than non-rural hospitals and their most important payment source is the medicare program.

(8) The provisions of the Balanced Budget Act of 1997 have strained the resources of even the most fiscally healthy of these facilities, as rural hospitals are no longer able to recruit and retain qualified health care professionals, including physicians, and such hospitals no longer have access to capital for equipment replacement, maintenance, or repair.

(9) Rural hospitals are now being forced to severely limit, or even eliminate, the type and scope of health care services they provide, limiting access to health care and forcing patients to travel long distances.

(10) Rural hospitals are often the largest employers for many miles, and the only em-

ployer of highly skilled workers in the community.

(11) The systematic reduction of health care delivery prompted by the passage of the Balanced Budget Act of 1997 has the potential to deal a severe blow to the economic well being of many of our Nation's small towns.

(12) The concurrent resolution on the budget for fiscal year 2000 recognized the problems associated with the provisions of the Balanced Budget Act of 1997 and set aside funding to address the unintended consequences associated with the implementation of such provisions.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress and the President work expeditiously to develop proposals that would—

(1) reject—

(A) further reductions in the medicare program under title XVIII of the Social Security Act; and

(B) extensions of the provisions of the Balanced Budget Act of 1997; and

(2) target new resources from the onbudget surplus, as set forth in the concurrent resolution on the budget for fiscal year 2000, for the medicare program in order to address the unintended consequences that the Balanced Budget Act of 1997 has had on hospitals, and especially on hospitals located in rural areas.

#### AMENDMENT NO. 1287

On page 27, line 9, after the colon insert "*Provided further*, That \$1,000,000 shall be available to the National Institute of Justice for research and development of next generation backscatter X-ray personnel scanning devices to assist in the detection of illegal drugs and narcotics."

#### AMENDMENT NO. 1288

On page 25, line 5, before "and" insert "of which \$2,000,000 shall be made available to the Department of Psychiatry and Human Behavior at the University of Mississippi School of Medicine for research in addictive disorders and their connection to youth violence".

#### LUGAR (AND OTHERS) AMENDMENT NO. 1289

Mr. LUGAR (for himself, Mr. GRAHAM, Mr. MACK, Mr. HATCH, Mr. KERREY, and Mr. LIEBERMAN) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 78, between lines 8 and 9, insert the following:

#### NATIONAL ENDOWMENT FOR DEMOCRACY

For grants by the Department of State to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, \$30,000,000, to remain available until expended: *Provided*, That, in lieu of the dollar amount specified under the heading "CAPITAL INVESTMENT FUND" in this Act, the dollar amount under that heading shall be considered to be \$50,000,000.

#### DURBIN (AND OTHERS) AMENDMENT NO. 1290

(Ordered to lie on the table.)

Mr. DURBIN (for himself, Ms. COLLINS, Mrs. MURRAY, Mr. KOHL, Ms. MIKULSKI, Mr. REID, and Mr. JEFFORDS) submitted an amendment intended to be proposed by them to the bill, S. 1217, supra; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_ PROTECTION OF SENIORS AND THE DISABLED IN FEDERAL FAMILY VIOLENCE PREVENTION PROGRAMS.**

(a) FINDINGS.—Congress finds that—

(1) of the estimated more than 1,000,000 persons age 65 and over who are victims of family violence each year, at least ⅔ are women;

(2) national statistics are not available on the incidence of domestic or family violence and sexual assault against disabled women, although several studies indicate that abuse of disabled women is of a longer duration compared to abuse suffered by women who are not disabled;

(3) in almost 9 out of 10 incidents of domestic elder abuse and neglect, the perpetrator is a family member, and adult children of the victims are the largest category of perpetrators and spouses are the second largest category of perpetrators;

(4) the number of reports of elder abuse in the United States increased by 150 percent between 1986 and 1996 and is expected to continue increasing;

(5) it is estimated that at least 5 percent of the Nation's elderly are victims of moderate to severe abuse and that the rate for all forms of abuse may be as high as 10 percent;

(6) elder abuse is severely underreported, with 1 in 5 cases being reported in 1980 and only 1 in 8 cases being reported today;

(7) many older and disabled women fail to report abuse because of shame or as a result of prior unsatisfactory experiences with individual agencies or others who lack sensitivity to the concerns or needs of older or disabled individuals;

(8) many older or disabled individuals also fail to report abuse because they are dependent on their abusers and fear being abandoned or institutionalized;

(9) disabled women may fear reporting abuse because they are fearful of losing their children in a custody case;

(10) public and professional awareness and identification of violence against older or disabled Americans may be difficult because these persons are not integrated into many social networks (such as schools or jobs), and may become isolated in their homes, which can increase the risk of domestic abuse; and

(11) older and disabled Americans would greatly benefit from policies that develop, strengthen, and implement programs for the prevention of abuse, including neglect and exploitation, and provide related assistance for victims.

(b) IN GENERAL.—Part T of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended—

(1) in section 2001 (42 U.S.C. 3796gg)—

(A) in subsection (a)—

(i) by inserting “, including older women and women with a disability” after “combat violent crimes against women”; and

(ii) by inserting “, including older women and women with a disability” before the period; and

(B) in subsection (b)—

(i) in the matter preceding paragraph (1), by inserting “, including older women and women with a disability” after “against women”; and

(ii) in paragraph (6), by striking “and” after the semicolon;

(iii) in paragraph (7), by striking the period and inserting “; and”; and

(iv) by adding at the end the following:

“(8) developing a curriculum to train and assist law enforcement officers, prosecutors, and relevant officers of the Federal, State, tribal, and local courts in identifying and re-

sponding to crimes of domestic violence and sexual assault against older individuals and individuals with a disability and implementing that training and assistance.”;

(2) in section 2002(c)(2) (42 U.S.C. 3796gg-1) by inserting “and service programs tailored to the needs of older and disabled victims of domestic violence and sexual assault” before the semicolon; and

(3) in section 2003 (42 U.S.C. 3796gg-2)—

(A) in paragraph (7), by striking “and” after the semicolon;

(B) in paragraph (8), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(9) both the term ‘elder’ and the term ‘older individual’ have the meaning given the term ‘older individual’ in section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002); and

“(10) the term ‘disability’ has the meaning given the term in section 3(3) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102(3)).”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any grant made beginning with fiscal year 2000.

**WELLSTONE (AND OTHERS)  
AMENDMENT NO. 1291**

Mr. WELLSTONE (for himself, Mrs. MURRAY, and Mr. DURBIN) proposed an amendment to the bill, S. 1217, *supra*; as follows:

At the end of the bill, add the following title:

**TITLE \_\_\_\_—CHILDREN WHO WITNESS  
DOMESTIC VIOLENCE PROTECTION ACT**

**SEC. \_\_\_\_01. SHORT TITLE.**

This title may be cited as the “Children Who Witness Domestic Violence Protection Act”.

**SEC. \_\_\_\_02. FINDINGS.**

Congress finds the following:

(1) Witnessing domestic violence has a devastating impact on children, placing the children at high risk for anxiety, depression, and, potentially, suicide. Many children who witness domestic violence exhibit more aggressive, antisocial, fearful, and inhibited behaviors.

(2) Children exposed to domestic violence have a high risk of experiencing learning difficulties and school failure. Research finds that children residing in domestic violence shelters exhibit significantly lower verbal and quantitative skills when compared to a national sample of children.

(3) Domestic violence is strongly correlated with child abuse. Studies have found that between 50 and 70 percent of men who abuse their female partners also abuse their children. In homes in which domestic violence occurs, children are physically abused and neglected at a rate 15 times higher than the national average.

(4) Men who witnessed parental abuse during their childhood have a higher risk of becoming physically aggressive in dating and marital relationships.

(5) Exposure to domestic violence is a strong predictor of violent delinquent behavior among adolescents. It is estimated that between 20 percent and 40 percent of chronically violent adolescents have witnessed extreme parental conflict.

(6) Women have an increased risk of experiencing battering after separation from an abusive partner. Children also have an increased risk of suffering harm during separation.

(7) Child visitation disputes are more frequent when families have histories of domes-

tic violence, and the need for supervised visitation centers far exceeds the number of available programs providing those centers, because courts therefore—

(A) order unsupervised visitation and endanger parents and children; or

(B) prohibit visitation altogether.

(8) Recent studies have demonstrated that up to 50 percent of children who appear before juvenile courts in matters involving allegations of abuse and neglect have been exposed to domestic violence in their homes.

**SEC. \_\_\_\_03. DEFINITIONS.**

In this title:

(1) DOMESTIC VIOLENCE.—The term “domestic violence” includes an act or threat of violence, not including an act of self defense, committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabiting with or has cohabited with the victim, by a person who is or has been in a social relationship of a romantic or intimate nature with the victim, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction of the victim, or by any other person against a victim who is protected from that person's act under the domestic or family violence laws of the jurisdiction.

(2) INDIAN TRIBAL GOVERNMENT.—The term “Indian tribal government” has the meaning given the term “tribal organization” in section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002).

(3) STATE.—The term “State” means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(4) WITNESS DOMESTIC VIOLENCE.—

(A) IN GENERAL.—The term “witness domestic violence” means to witness—

(i) an act of domestic violence that constitutes actual or attempted physical assault; or

(ii) a threat or other action that places the victim in fear of domestic violence.

(B) WITNESS.—In subparagraph (A), the term “witness” means to—

(i) directly observe an act, threat, or action described in subparagraph (A), or the aftermath of that act, threat, or action; or

(ii) be within earshot of an act, threat, or action described in subparagraph (A), or the aftermath of that act, threat, or action.

**SEC. \_\_\_\_04. GRANTS TO ADDRESS THE NEEDS OF  
CHILDREN WHO WITNESS DOMESTIC  
VIOLENCE.**

(a) IN GENERAL.—The Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.) is amended by adding at the end the following:

**“SEC. 319. MULTISYSTEM INTERVENTIONS FOR  
CHILDREN WHO WITNESS DOMESTIC  
VIOLENCE.**

“(a) GRANTS AUTHORIZED.—

“(1) AUTHORITY.—The Secretary, acting through the Director of Community Services, in the Administration for Children and Families, is authorized to award grants to eligible entities to conduct programs to encourage the use of domestic violence intervention models using multisystem partnerships to address the needs of children who witness domestic violence.

“(2) TERM AND AMOUNT.—Each grant awarded under this section shall be awarded for a term of 3 years and in an amount of not more than \$500,000 for each such year.

“(3) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this section, an entity shall—

“(A) be a nonprofit private organization;  
 “(B)(i) demonstrate recognized expertise in the area of domestic violence and the impact of domestic violence on children; or

“(ii) enter into a memorandum of understanding regarding the intervention program that—

“(I) is entered into with the State or tribal domestic violence coalition and entities carrying out domestic violence programs that provide shelter or related assistance in the locality in which the intervention program will be operated; and

“(II) demonstrates collaboration on the intervention program with the coalition and entities and the support of the coalition and entities for the intervention program; and

“(C) demonstrate a history of providing advocacy, health care, mental health, or other crisis-related services to children.

“(b) USE OF FUNDS.—An entity that receives a grant under this section shall use amounts provided through the grant to conduct a program to design or replicate, and implement, domestic violence intervention models that use multisystem partners to respond to the needs of children who witness domestic violence. Such a program shall—

“(1)(A) involve collaborative partnerships with—

“(i) local entities carrying out domestic violence programs that provide shelter or related assistance; and

“(ii) partners that are courts, schools, social service providers, health care providers, police, early childhood agencies, entities carrying out Head Start programs under the Head Start Act (42 U.S.C. 9831 et seq.), or entities carrying out child protection, welfare, job training, housing, battered women's service, or children's mental health programs; and

“(B) be carried out to design and implement protocols and systems to identify, refer, and appropriately respond to the needs of, children who witness domestic violence and who participate in programs administered by the partners;

“(2) include guidelines to evaluate the needs of a child and make appropriate intervention recommendations;

“(3) include institutionalized procedures to enhance or ensure the safety and security of a battered parent, and as a result, the child of the parent;

“(4) provide direct counseling and advocacy for adult victims of domestic violence and their children who witness domestic violence;

“(5) include the development or replication of a mental health treatment model to meet the needs of children for whom such treatment has been identified as appropriate;

“(6) include policies and protocols for maintaining the confidentiality of the battered parent and child;

“(7) provide community outreach and training to enhance the capacity of professionals who work with children to appropriately identify and respond to the needs of children who witness domestic violence;

“(8) include procedures for documenting interventions used for each child and family; and

“(9) include plans to perform a systematic outcome evaluation to evaluate the effectiveness of the interventions.

“(c) APPLICATION.—To be eligible to receive a grant under this section, an entity shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

“(d) TECHNICAL ASSISTANCE.—Not later than 90 days after the date of enactment of

this section, the Secretary shall identify successful programs providing multisystem and mental health interventions to address the needs of children who witness domestic violence. Not later than 60 days before the Secretary solicits applications for grants under this section, the Secretary shall enter into an agreement with 1 or more entities carrying out the identified programs to provide technical assistance to the applicants and recipients of the grants. The Secretary may use not more than 5 percent of the amount appropriated for a fiscal year under subsection (e) to provide the technical assistance.

“(e) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2000 through 2002.

“(2) AVAILABILITY.—Amounts appropriated under paragraph (1) shall remain available until expended.

“(f) DEFINITIONS.—In this section, the terms ‘domestic violence’ and ‘witness domestic violence’ have the meanings given the terms in section \_\_\_\_03 of the Children Who Witness Domestic Violence Prevention Act.”.

(b) ADMINISTRATION.—Section 305(a) of the Family Violence Prevention and Services Act (42 U.S.C. 10404(a)) is amended—

(1) by striking “an employee” and inserting “1 or more employees”; and

(2) by striking “The individual” and inserting “Each individual”.

**SEC. \_\_\_\_05. COMBATTING THE IMPACT OF EXPERIENCING OR WITNESSING DOMESTIC VIOLENCE ON ELEMENTARY AND SECONDARY SCHOOL CHILDREN.**

(a) AMENDMENT.—Subpart 2 of part A of title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7131 et seq.) is amended by adding at the end the following:

**“SEC. 4124. GRANTS TO COMBAT THE IMPACT OF EXPERIENCING OR WITNESSING DOMESTIC VIOLENCE ON ELEMENTARY AND SECONDARY SCHOOL CHILDREN.**

“(a) GRANTS AUTHORIZED.—

“(1) AUTHORITY.—The Secretary is authorized to award grants to and enter into contracts with elementary schools and secondary schools that work with experts described in paragraph (2), to enable the schools—

“(A) to provide training to school administrators, faculty, and staff, with respect to issues concerning children experiencing domestic violence in dating relationships and witnessing domestic violence, and the impact of the violence described in this subparagraph on children;

“(B) to provide educational programming to students regarding domestic violence and the impact of experiencing or witnessing domestic violence on children;

“(C) to provide support services for students and school personnel for the purpose of developing and strengthening effective prevention and intervention strategies with respect to issues concerning children experiencing domestic violence in dating relationships and witnessing domestic violence, and the impact of the violence described in this subparagraph on children; and

“(D) to develop and implement school system policies regarding identification and referral procedures for students who are experiencing or witnessing domestic violence.

“(2) EXPERTS.—The experts referred to in paragraph (1) are experts on domestic violence from the educational, legal, youth,

mental health, substance abuse, and victim advocacy fields, and State and local domestic violence coalitions and community-based youth organizations.

“(3) AWARD BASIS.—The Secretary shall award grants and contracts under this section on a competitive basis.

“(4) POLICY DISSEMINATION.—The Secretary shall disseminate to elementary schools and secondary schools any Department of Education policy guidance regarding preventing domestic violence and the impact of experiencing or witnessing domestic violence on children.

“(b) USES OF FUNDS.—Funds provided under this section may be used for the following purposes:

“(1) To provide training for school administrators, faculty, and staff that addresses issues concerning children experiencing domestic violence in dating relationships and witnessing domestic violence, and the impact of the violence described in this paragraph on children.

“(2) To provide education programs for students that are developmentally appropriate for the students' grade levels and are designed to meet any unique cultural and language needs of the particular student populations.

“(3) To develop and implement school system policies regarding identification and referral procedures for students who are experiencing or witnessing domestic violence.

“(4) To provide the necessary human resources to respond to the needs of students and school personnel when faced with the issue of domestic violence, such as a resource person who is either on-site or on-call, and who is an expert in domestic violence as described in subsection (a)(2).

“(5) To provide media center materials and educational materials to schools that address issues concerning children experiencing domestic violence in dating relationships and witnessing domestic violence, and the impact of the violence described in this paragraph on children.

“(6) To conduct evaluations to assess the impact of programs assisted under this section in order to enhance the development of the programs.

“(c) CONFIDENTIALITY.—Policies, programs, training materials, and evaluations developed and implemented under subsection (b) shall address issues of victim safety and confidentiality that are consistent with applicable Federal and State laws.

“(d) APPLICATION.—

“(1) IN GENERAL.—To be eligible to be awarded a grant or contract under this section for any fiscal year, an elementary school or secondary school, in consultation with an expert described in subsection (a)(2), shall submit an application to the Secretary at such time and in such manner as the Secretary shall prescribe.

“(2) CONTENTS.—Each application submitted under paragraph (1) shall—

“(A) describe the need for funds provided under the grant or contract and the plan for implementation of any of the uses described in subsection (b);

“(B) describe how the domestic violence experts described in subsection (a)(2) shall work in consultation and collaboration with the elementary school or secondary school; and

“(C) provide measurable goals and expected results from the use of the funds provided under the grant or contract.

“(e) DEFINITIONS.—In this section, the terms ‘domestic violence’ and ‘witness domestic violence’ have the meanings given

the terms in section \_\_\_\_ 03 of the Children Who Witness Domestic Violence Protection Act.

“(f) APPLICABILITY.—The provisions of this part (other than this section) shall not apply to this section.”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 4004 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7104) is amended—

(1) in paragraph (1), by striking “and” after the semicolon;

(2) in paragraph (2) by striking the period and inserting “; and”; and

(3) by adding at the end the following:

“(3) \$5,000,000 for each of the fiscal years 2000 through 2002 to carry out section 4124.”.

**SEC. \_\_\_\_ 06. CHILD WELFARE WORKER TRAINING ON DOMESTIC VIOLENCE.**

(a) DEFINITIONS.—In this section:

(1) GRANTEE.—The term “grantee” means a recipient of a grant under this section.

(2) SECRETARY.—The term “Secretary” means the Secretary of Health and Human Services.

(b) GRANTS AUTHORIZED.—

(1) AUTHORITY.—The Attorney General and the Secretary are authorized to jointly award grants to eligible States, Indian tribal governments, and units of local government, in order to encourage agencies and entities within the jurisdiction of the States, organizations, and units to recognize and treat, as part of their ongoing child welfare responsibilities, domestic violence as a serious problem threatening the safety and well-being of both children and adults.

(2) TERM AND AMOUNT.—Each grant awarded under this section shall be awarded for a term of 3 years and in an amount of not less than \$250,000.

(c) USE OF FUNDS.—Funds provided under this section may be used to support child welfare service agencies in carrying out, with the assistance of entities carrying out community-based domestic violence programs, activities to achieve the following purposes:

(1) To provide training to the staff of child welfare service agencies and domestic violence programs with respect to the issue of domestic violence and the impact of the violence on children and their nonabusive parents, which training shall—

(A) include training for staff, supervisors, and administrators, including staff responsible for screening, intake, assessment, and investigation of reports of child abuse and neglect; and

(B) be conducted in collaboration with child welfare experts, domestic violence experts, entities carrying out community-based domestic violence programs, relevant law enforcement agencies, probation officers, prosecutors, and judges.

(2) To provide assistance in the modification of policies, procedures, programs, and practices of child welfare service agencies and domestic violence programs in order to ensure that the agencies—

(A) recognize the overlap between child abuse and domestic violence in families, the dangers posed to both child and adult victims of domestic violence, and the physical, emotional, and developmental impact of domestic violence on children;

(B) develop relevant protocols for screening, intake, assessment, and investigation of and followup to reports of child abuse and neglect, that—

(i) address the dynamics of domestic violence and the relationship between child abuse and domestic violence; and

(ii) enable the agencies to assess the danger to child and adult victims of domestic violence;

(C) identify and assess the presence of domestic violence in child protection cases, in a manner that ensures the safety of all individuals involved and the protection of confidential information;

(D) increase the safety and well-being of children who witness domestic violence, including increasing the safety of nonabusive parents of the children;

(E) develop appropriate responses in cases of domestic violence, including safety plans and appropriate services for both the child and adult victims of domestic violence;

(F) establish and enforce procedures to ensure the confidentiality of information relating to families that is shared between child welfare service agencies and community-based domestic violence programs, consistent with law (including regulations) and guidelines;

(G) provide appropriate supervision to agency staffs who work with families in which there has been domestic violence, including supervision concerning issues regarding—

(i) promoting staff safety; and

(ii) protecting the confidentiality of child and adult victims of domestic violence; and

(H) develop protocols with law enforcement, probation, and other justice agencies in order to ensure that justice system interventions and protections are readily available for victims of domestic violence served by the social service agency.

(d) APPLICATION.—

(1) IN GENERAL.—To be eligible to receive a grant under this section, a State, Indian tribal government, or unit of local government shall submit an application to the Attorney General and the Secretary at such time and in such manner as the Attorney General and the Secretary shall prescribe.

(2) CONTENTS.—Each application submitted under paragraph (1) shall contain information that—

(A) describes the specific activities that will be undertaken to achieve 1 or more of the purposes described in subsection (c);

(B) lists the child welfare service agencies and domestic violence service agencies in the jurisdiction of the applicant that will be responsible for carrying out the activities; and

(C) provides documentation from 1 or more community-based domestic violence programs that the entities carrying out such programs—

(i) have been involved in the development of the application; and

(ii) will assist in carrying out the specific activities described in subparagraph (A), which may include assisting as subcontractors.

(e) PRIORITY.—In awarding grants under this section, the Attorney General and the Secretary shall give priority to applicants who demonstrate that entities that carry out domestic violence programs will be substantially involved in carrying out the specific activities described in subsection (d)(2)(A), and to applicants who demonstrate a commitment to educate the staff of child welfare service agencies about—

(1) the impact of domestic violence on children;

(2) the special risks of child abuse and neglect; and

(3) appropriate services and interventions for protecting both the child and adult victims of domestic violence.

(f) EVALUATION, REPORTING, AND DISSEMINATION.—

(1) EVALUATION AND REPORTING.—Each grantee shall annually submit to the Attorney General and the Secretary a report, which shall include—

(A) an evaluation of the effectiveness of activities funded with a grant awarded under this section; and

(B) such additional information as the Attorney General and the Secretary may require.

(2) DISSEMINATION.—Not later than 6 months after the expiration of the 3-year period beginning on the initial date on which grants are awarded under this section, the Attorney General and the Secretary shall distribute to each State child welfare service agency and each State domestic violence coalition, and to Congress, a summary of information on—

(A) the activities funded with grants under this section; and

(B) any related initiatives undertaken by the Attorney General or the Secretary to promote attention by the staff of child welfare service agencies and community-based domestic violence programs to domestic violence and the impact of domestic violence on child and adult victims of domestic violence.

(g) TECHNICAL ASSISTANCE.—

(1) IDENTIFICATION OF SUCCESSFUL PROGRAMS.—Not later than 90 days after the date of enactment of this section, the Secretary shall identify successful programs providing training to child welfare and domestic violence programs to address the needs of children who witness domestic violence.

(2) AGREEMENT.—Not later than 60 days before the Secretary solicits applications for grants under this section, the Secretary shall enter into an agreement with 1 or more entities carrying out the training programs identified under paragraph (1) to provide technical assistance to the applicants and recipients of the grants.

(3) FUNDING.—The Secretary may use not more than 5 percent of the amount appropriated for a fiscal year under subsection (h) to provide technical assistance pursuant to the agreement under paragraph (2).

(h) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2000 through 2002.

(2) AVAILABILITY.—Amounts appropriated under paragraph (1) shall remain available until expended.

**SEC. \_\_\_\_ 07. SAFE HAVENS FOR CHILDREN.**

(a) GRANTS AUTHORIZED.—The Attorney General may award grants to States (including State courts) and Indian tribal governments in order to enable them to enter into contracts and cooperative agreements with public or private nonprofit entities (including tribal organizations and nonprofit organizations operating within the boundaries of an Indian reservation) to assist those entities in establishing and operating supervised visitation centers for purposes of facilitating supervised visitation and visitation exchange of children by and between parents. Not less than 50 percent of the total amount awarded to a State or Indian tribal government under this subsection for any fiscal year shall be used to enter into contracts and cooperative agreements with private nonprofit entities.

(b) CONSIDERATIONS.—In awarding grants under subsection (a), the Attorney General shall consider—

(1) the number of families to be served by the proposed visitation center;

(2) the extent to which the proposed supervised visitation center will serve underserved populations (as defined in section 2003



of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg-2));

(3) with respect to an applicant for a contract or cooperative agreement, the extent to which the applicant demonstrates cooperation and collaboration with nonprofit, nongovernmental entities in the local community served, including the State or tribal domestic violence coalition, State or tribal sexual assault coalition, local shelters, and programs for domestic violence and sexual assault victims;

(4) the extent to which the applicant demonstrates coordination and collaboration with State, tribal, and local court systems, including mechanisms for communication and referral; and

(5) the extent to which the applicant demonstrates implementation of domestic violence and sexual assault training for all staff members.

(c) **USE OF FUNDS.**—Amounts provided under a grant, contract, or cooperative agreement awarded under this section may be used only to establish and operate supervised visitation centers.

(d) **APPLICATION.**—

(1) **IN GENERAL.**—The Attorney General shall award grants for contracts and cooperative agreements under this section in accordance with such regulations as the Attorney General may establish by regulation, which regulations shall establish a multiyear grant process.

(2) **CONTENTS.**—Each application submitted under paragraph (1) shall—

(A) demonstrate recognized expertise in the area of domestic violence and a record of high quality service to victims of domestic violence or sexual assault;

(B) demonstrate collaboration with and support of the State or tribal domestic violence coalition, State or tribal sexual assault coalition, or local domestic violence shelter, program, or rape crisis center in the locality in which the supervised visitation center will be operated;

(C) provide supervised visitation and visitation exchange services over the duration of a court order to promote continuity and stability;

(D) ensure that any fees charged to individuals for use of services are based on an individual's income;

(E) demonstrate that adequate security measures, including adequate facilities, procedures, and personnel capable of preventing violence, are in place for the operation of supervised visitation; and

(F) describe standards by which the supervised visitation center will operate.

(3) **PRIORITY.**—In awarding grants for contracts and cooperative agreements under this section, the Attorney General shall give priority to States that, in making a custody determination—

(A) consider domestic violence; and

(B) require findings on the record.

(e) **ANNUAL REPORT.**—Not later than 120 days after the last day of each fiscal year, the Attorney General shall submit to Congress a report that includes information concerning—

(1) the total number of individuals served and the total number of individuals turned away from services (categorized by State), the number of individuals from underserved populations served and the number turned away from services, and the factors that necessitate the supervised visitation or visitation exchange, such as domestic violence, child abuse, sexual assault, and emotional or other physical abuse, or any combination of such factors;

(2) the number of supervised visitations or visitation exchanges ordered during custody determinations under a separation or divorce decree or protection order, through child protection services or other social services agencies, or by any other order of a civil, criminal, juvenile, or family court;

(3) the process by which children or abused partners are protected during visitations, temporary custody transfers, and other activities for which the supervised visitation centers are established under this section;

(4) safety and security problems occurring during the reporting period during supervised visitations or at visitation centers including the number of parental abduction cases;

(5) the number of parental abduction cases in a judicial district using supervised visitation services, both as identified in criminal prosecutions and in custody violations; and

(6) program standards for operating supervised visitation centers established throughout the United States.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section \$20,000,000 for each of fiscal years 2000 through 2002.

(2) **AVAILABILITY.**—Amounts made available under paragraph (1) shall remain available until expended.

(3) **DISTRIBUTION.**—Not less than 95 percent of the total amount made available to carry out this section for each fiscal year shall be used to award grants, contracts, or cooperative agreements.

(4) **ALLOTMENT FOR INDIAN TRIBES.**—

(A) **IN GENERAL.**—Subject to subparagraph (B), not less than 5 percent of the total amount made available to carry out this section for each fiscal year shall be available for grants to, or contracts or cooperative agreements with, tribal organizations and nonprofit organizations operating within the boundaries of an Indian reservation.

(B) **REALLOTMENT OF FUNDS.**—If, beginning 9 months after the first day of any fiscal year for which amounts are made available under this paragraph, any amount made available under this paragraph remains unobligated, the unobligated amount may be allocated without regard to subparagraph (A).

**SEC. 408. LAW ENFORCEMENT OFFICER TRAINING.**

(a) **GRANTS AUTHORIZED.**—The Attorney General shall award grants to nonprofit domestic violence programs, shelters, or organizations in collaboration with local police departments, for purposes of training local police officers regarding appropriate treatment of children who have witnessed domestic violence.

(b) **USE OF FUNDS.**—A domestic violence agency working in collaboration with a local police department may use amounts provided under a grant under this section—

(1) to train police officers in child development and issues related to witnessing domestic violence so they may appropriately—

(A) apply child development principles to their work in domestic violence cases;

(B) recognize the needs of children who witness domestic violence;

(C) meet children's immediate needs at the scene of domestic violence;

(D) call for immediate therapeutic attention to be provided to the child by an advocate from the collaborating domestic violence program, shelter, or organization; and

(E) refer children for followup services; and

(2) to establish a collaborative working relationship between police officers and local domestic violence programs, shelters, and organizations.

(c) **APPLICATION.**—

(1) **IN GENERAL.**—To be eligible to be awarded a grant under this section for any fiscal year, a local domestic violence program, shelter, or organization, in collaboration with a local police department, shall submit an application to the Attorney General at such time and in such manner as the Attorney General shall prescribe.

(2) **CONTENTS.**—Each application submitted under paragraph (1) shall—

(A) describe the need for amounts provided under the grant and the plan for implementation of the uses described in subsection (c);

(B) describe the manner in which the local domestic violence program, shelter, or organization shall work in collaboration with the local police department; and

(C) provide measurable goals and expected results from the use of amounts provided under the grant.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control & Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section \$3,000,000 for each of fiscal years 2000 through 2002.

(2) **AVAILABILITY.**—Amounts made available under paragraph (1) shall remain available until expended.

**SEC. 409. REAUTHORIZATION OF CRISIS NURSERIES.**

(a) **AUTHORITY TO ESTABLISH DEMONSTRATION GRANT PROGRAMS.**—The Secretary of Health and Human Services may establish demonstration programs under which grants are awarded to States to assist private and public agencies and organizations in providing crisis nurseries for children who are abused and neglected, are at risk of abuse or neglect, are witnessing domestic violence, or are in families receiving child protective services.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$15,000,000 for each of fiscal years 2000 through 2002.

**GRAHAM (AND OTHERS)  
AMENDMENT NO. 1292**

Mr. GRAHAM (for himself, Mr. DURBIN, Mr. HARKIN, Mr. LAUTENBERG, Mr. CONRAD, Mr. REED, Mr. WELLSTONE, Mrs. MURRAY, Mr. FEINGOLD, and Mr. JOHNSON) proposed an amendment to the bill, S. 1217, supra; as follows:

At the appropriate place in title I, insert the following:

**SEC. 4. AUTHORITY TO RECOVER TOBACCO-RELATED COSTS.**

Nothing in this Act shall be construed to prohibit the Department of Justice from expending amounts made available under this title for tobacco-related litigation or for the payment of expert witnesses called to provide testimony in such litigation.

**DURBIN (AND FITZGERALD)  
AMENDMENT NO. 1293**

(Ordered to lie on the table.)

Mr. DURBIN (for himself and Mr. FITZGERALD) submitted an amendment intended to be proposed by them to the bill, S. 1217, supra; as follows:

At the appropriate place in the bill, insert the following:

**SEC. \_\_\_\_ INS GOVERNMENTAL LIAISON FUNCTIONS.**

(a) **ALLOCATION OF FUNDS.**—Of the funds appropriated by this Act under the heading "Immigration and Naturalization Service, Salaries and Expenses" and available to the Office of the Commissioner of Immigration and Naturalization, \$10,000,000 shall be made available for additional staff and necessary support in the various regional offices and service centers of the INS, who shall carry out their functions under procedures that—

(1) require INS governmental liaisons to work exclusively and directly with offices of Congress or Federal agencies other than INS, with no other responsibilities, and respond to telephone governmental inquiries within three days and written governmental inquiries within 30 days;

(2) set a national standard for customer service and treat customers with respect, including a plan to avoid long delays at INS information booths or offices and busy signals on information lines;

(3) require mandatory employee sensitivity training;

(4) provide clear, concise guidelines for how, when, and where governmental offices are to submit casework inquiries and any special procedures for each form or application; and

(5) provide for the scheduling of quarterly meetings between the INS district director (or designee) and the State or district director of the Member of Congress to discuss outstanding cases and other relevant issues.

(b) **BIANNUAL REPORTS.**—Not later than 6 months after the date of enactment of this Act, and every 6 months thereafter, the Commissioner of Immigration and Naturalization shall submit a report to Congress setting forth the status of responding to written governmental inquiries that are pending as of the date of the report. The contents of such report shall be itemized by congressional district.

**(c) DISCIPLINARY ACTIONS.**—

(1) **IN GENERAL.**—The Attorney General, acting through the Commissioner of Immigration and Naturalization, shall by regulation establish a system of disciplinary actions that may be taken against any INS district director or local service manager who does not demonstrate progress in responding to written governmental inquiries within the 30-day period specified in that subsection.

(2) **HEARING.**—In any case in which administrative review is conducted to determine whether to take a disciplinary action against an individual under paragraph (1), the review shall include an opportunity for the individual to be heard.

**(d) DEFINITIONS.**—In this section:

(1) **GOVERNMENTAL INQUIRY.**—The term "governmental inquiry" means an inquiry from the office of a Member of Congress or Federal agency other than INS with respect to the status of any case INS is adjudicating regarding an alien.

(2) **GOVERNMENTAL LIAISON.**—The term "governmental liaison" means an individual whose responsibility is to respond to any office of a Member of Congress or Federal agency other than INS on any casework or other inquiry of INS and who has the authority and access to obtain the information necessary for such response from other INS employees or offices.

(3) **INS.**—The term "INS" means the Immigration and Naturalization Service.

**BROWNBACK AMENDMENT NO. 1294**

(Ordered to lie on the table.)

Mr. BROWNBACK submitted an amendment intended to be proposed by him to the bill, S. 1217, supra; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_ REPEAL OF FCC GENERAL REGULATORY AUTHORITY.**

The Communications Act of 1934 (47 U.S.C. 151 et seq.) is amended—

(1) by striking subsection (i) of section 4 (47 U.S.C. 154) and redesignating subsections (j) through (o) as subsections (i) through (n);

(2) by striking the last sentence of section 201(b) (47 U.S.C. 201(b)); and

(3) by striking subsection (r) of section 303 (47 U.S.C. 303) and redesignating subsections (s) through (y) as (r) through (x).

**SMITH (AND WYDEN) AMENDMENT NO. 1295**

(Ordered to lie on the table.)

Mr. SMITH of Oregon (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by them to the bill, S. 1217, supra; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_ TREATMENT OF VESSEL AS AN ELIGIBLE VESSEL.**

Notwithstanding paragraphs (1) through (3) of section 208(a) of the American Fisheries Act (title II of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999 (Public Law 105-277)), the catcher vessel HAZEL LORRAINE (United States Official Number 592211) shall be considered to be a vessel that is eligible to harvest the directed fishing allowance under section 206(b)(1) of that Act pursuant to a federal fishing permit in the same manner as, and subject to the same requirements and limitations on that harvesting as apply to, catcher vessels that are eligible to harvest that directed fishing allowance under section 208(a) of that Act.

**COLLINS (AND OTHERS) AMENDMENT NO. 1296**

Ms. COLLINS (for herself, Mr. GREGG, Mr. HOLLINGS, Mr. TORRICELLI, Mr. FEINGOLD, Mr. SMITH of New Hampshire, and Mr. LIEBERMAN) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 111, between lines 7 and 8, insert the following:

SEC. 620 (a) **FINDINGS.**—The Senate makes the following findings:

(1) When telephone area codes were first introduced in 1947, 86 area codes covered all of North America. There are now more than 215 area codes, and an additional 70 area codes may be required in the next 2 years.

(2) The current system for allocating numbers to telecommunications carriers is woefully inefficient, leading to the exhaustion of a telephone area code long before all the telephone numbers covered by the area code are actually in use.

(3) The proliferation of new telephone area codes causes economic dislocation for businesses and unnecessary cost, confusion, and inconvenience for households.

(4) Principles and approaches exist that would increase the efficiency with which telecommunications carriers use telephone numbering resources.

(5) The May 27, 1999, rulemaking proceeding of the Federal Communications Commission relating to numbering resource optimization seeks to address the growing problem of the exhaustion of telephone area codes.

(b) **SENSE OF SENATE.**—It is the sense of the Senate that—

(1) the Federal Communications Commission shall release its report and order on numbering resource optimization not later than December 31, 1999;

(2) such report and order should minimize any disruptions and costs to consumers and businesses associated with the implementation of such report and order; and

(3) such report and order should apply not only to large metropolitan areas but to all areas of the United States that are facing the problem of exhaustion of telephone numbers.

**HUTCHISON (AND OTHERS) AMENDMENT NO. 1297**

Mrs. HUTCHISON (for herself, Mr. KYL, and Mr. ABRAHAM) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 19, line 23, after the colon, insert the following: "Provided further, That any Border Patrol agent classified in a GS-1896 position who completes a 1-year period of service at a GS-9 grade and whose current rating of record is fully successful or higher shall be classified at a GS-11 grade and receive pay at the minimum rate of basic pay for a GS-11 position."

**COVERDELL (AND DEWINE) AMENDMENT NO. 1298**

(Ordered to lie on the table.)

Mr. COVERDELL (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by them to the bill, S. 1217, supra; as follows:

On page 17, line 16, strike "\$798,187,000" and insert the following: "\$822,187,000, of which not to exceed \$24,000,000 shall be used to carry out section 851(a)(5) of the Western Hemisphere Drug Elimination Act".

On page 98, line 24, strike "\$251,300,000" and insert "\$227,300,000".

**MURRAY (AND OTHERS) AMENDMENT NO. 1299**

(Ordered to lie on the table.)

Mrs. MURRAY (for herself, Mr. INOUE, Mrs. FEINSTEIN, Mrs. BOXER, and Mr. WYDEN) submitted an amendment intended to be proposed by them to the bill, S. 1217, supra; as follows:

On page 59, line 12, strike "\$20,000,000" and insert "\$18,000,000".

On page 59, line 14, after "Alaska:" insert the following: "Provided further, That of the amounts provided, \$8,000,000 shall be made available to Pacific coastal tribes (as defined by the Secretary of Commerce) through the Department of Commerce."

**HUTCHISON (AND OTHERS) AMENDMENT NO. 1300**

Mrs. HUTCHISON (for herself, Mr. KYL, Mr. ABRAHAM, Mr. HATCH, and Mr. LEAHY) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 19, line 23, after the colon, insert the following: "Provided further, that the

Commissioner shall within 90 days develop a plan for coordinating and linking all relevant Immigration and Naturalization Service data bases with those of the Justice Department and other federal law enforcement agencies, to determine criminal history, fingerprint identification, and record of prior deportation and, upon the approval of the Committees on the Judiciary and the Commerce-Justice-State Appropriations Subcommittees, shall implement the plan within FY 2000."

#### ENZI (AND OTHERS) AMENDMENT NO. 1301

Mr. ENZI (for himself, Mr. BURNS, and Mr. FITZGERALD) proposed an amendment to the bill, S. 1217, supra; as follows:

At the appropriate place, insert:

#### SEC. . PROHIBITION ON REQUIREMENT FOR USE OF ACCOUNTING METHOD NOT CONFORMING TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

(a) PROHIBITION.—No part of any appropriations contained in this Act shall be used by the Federal Communications Commission to require any person subject to its jurisdiction under the Communications Act of 1934, as amended (47 U.S.C. 151 et seq.) to utilize for any purpose any form or method of accounting that does not conform to Generally Accepted Accounting Principles established by the Financial Accounting Standards Board.

#### LAUTENBERG (AND OTHERS) AMENDMENT NO. 1302

Mr. LAUTENBERG (for himself, Mr. HARKIN, Mr. BIDEN, and Mr. DORGAN) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 2, between lines 3 and 4, insert the following:

For carrying out a media campaign to prevent alcohol consumption by individuals in the United States who have not attained the age of 21, \$25,000,000 which shall become available on October 1, 2000 and remain available through September 30, 2001.

#### WELLSTONE AMENDMENT NO. 1303

Mr. WELLSTONE proposed an amendment to the bill, S. 1217, supra; as follows:

On page 45, after line 9, insert the following:

#### SEC. . INAPPLICABILITY OF AMENDMENTS.

Section 3626 of title 18, United States Code, is amended by adding at the end the following:

"(h) INAPPLICABILITY OF AMENDMENTS.—A civil action that seeks to remedy conditions that pose a threat to the health of individuals who are juveniles or mentally ill shall be governed by the terms of this section, as in effect on the day before the date of enactment of the Prison Litigation Reform Act of 1995 and the amendments made by that Act (18 U.S.C. 3601 note)."

#### HARKIN (AND OTHERS) AMENDMENT NO. 1304

Mr. HARKIN (for himself, Mr. HATCH, Mr. GRASSLEY, Mr. BROWNBACK, Mr. BINGAMAN, Mr. BIDEN, Mr. JOHNSON, Mr. ROCKEFELLER, Mrs. MURRAY, Mr. AKAKA, Mr. FEINGOLD, Mr. LAUTENBERG, and Mr. BRYAN) proposed an

amendment to the bill, S. 1217, supra; as follows:

On page 25, line 20, strike "\$452,100,000" and insert "\$552,100,000".

On page 66, line 20, strike "\$18,123,000" and insert "\$9,652,000".

On page 66, line 20, strike "\$15,222,000" and insert "\$6,751,000".

On page 111, after line 7, insert the following:

SEC. . (a) The total discretionary amount made available by this Act is reduced by \$92,000,000: *Provided*, That the reduction pursuant to this subsection shall be taken pro rata from travel, supplies, and printing expenses made available to the agencies funded by this Act, except for activities related to the 2000 census.

(b) Not later than 30 days after the date of enactment of this Act, the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House of Representatives and the Senate a listing of the amounts by account of the reductions made pursuant to the provisions of subsection (a).

#### BOXER AMENDMENT NO. 1305

Mrs. BOXER proposed an amendment to the bill, S. 1217, supra; as follows:

On page 111, between lines 7 and 8, insert the following:

#### SEC. 6 . PROHIBITION OF TRANSFER OF A FIREARM TO AN INTOXICATED PERSON.

(a) PROHIBITION OF TRANSFER.—Section 922(d) of title 18, United States Code, is amended—

(1) by redesignating paragraphs (8) and (9) as paragraphs (9) and (10), respectively; and

(2) by inserting after paragraph (7) the following:

"(8) is intoxicated;";

(b) DEFINITION OF INTOXICATED.—Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

"(35) The term 'intoxicated', in reference to a person, means being in a mental or physical condition of impairment as a result of the presence of alcohol in the body of the person."

#### BOXER (AND OTHERS) AMENDMENT NO. 1306

Mrs. BOXER (for herself, Mr. BIDEN, Mr. KERRY, Mr. DURBIN, Mr. FEINGOLD, and Mr. REID) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 83, at the end of line 19, before the period insert the following: "": *Provided further*, that of the amounts made available for the Inter-American Tropical Tuna Commission in Fiscal Year 2000, not more than \$2,350,000 may be obligated and expended: *Provided further*, that no tuna may be imported in any year from any High Contracting Party to the Convention establishing the Commission (TIAS 2044; 1 UST 231) unless the Party has paid a share of the joint expenses of the Commission proportionate to the share of the total catch from the previous year from the fisheries covered by the Convention which is utilized by that Party".

#### LANDRIEU AMENDMENT NO. 1307

Ms. LANDRIEU proposed an amendment to the bill, S. 1217, supra; as follows:

On page 89, between lines 8 and 9, insert the following:

SEC. 408. (a) Each of the amounts appropriated by this Act (other than the accounts specified in subsection (b)) shall be reduced by the percentage that results in a total reduction in appropriations under this Act of \$20,000,000.

(b) In addition to the amounts appropriated by this Act under the following accounts, there are hereby appropriated under such accounts, out of any money in the Treasury not otherwise appropriated, the following amounts for the following purposes:

(1) For "Contributions to International Organizations", \$7,000,000, which amount shall be available only for contributions to the International Criminal Tribunal for the former Yugoslavia and the International Criminal Tribunal for Rwanda.

(2) For "Contributions for International Peacekeeping Activities", \$13,000,000, which amount shall be available only or contributions to the International Criminal Tribunal for the former Yugoslavia and the International Criminal Tribunal for Rwanda.

#### GREGG (AND HOLLINGS) AMENDMENT NO. 1308

Mr. GREGG (for himself and Mr. HOLLINGS) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 8, line 13, strike "\$25,000,000" and insert "\$27,000,000".

On page 8, line 23, insert before the period: "": and of which \$1,000,000 shall be for the task force coordinated by the Office of the United States Attorney for the Eastern District of Wisconsin, and \$1,000,000 shall be for the task forces coordinated by the Office of the United States Attorney for the Western District of New York and task forces coordinated by the Office of the United States Attorney for the Northern District of New York".

On page 19, line 23, after the colon, insert the following: "*Provided further*, That any Border Patrol agent classified in a GS-1896 position who completes a one-year period of service at a GS-9 grade and whose current rating of record is fully successful or higher shall be classified at a GS-11 grade and receive pay at the minimum rate of basic pay for a GS-11 position: *Provided further*, That the Commissioner shall have the authority to provide a language proficiency bonus, as a recruitment incentive, to graduates of the Border Patrol Academy from funds otherwise provided for language training: [*Provided further*, the Commissioner shall fully coordinate and link all Immigration and Naturalization Service databases, including IDENT, with databases of the Department of Justice and other federal law enforcement agencies containing information on criminal histories and records of prior deportations:] *Provided further*, That the Immigration and Naturalization Service shall only accept cash or a cashier's check when receiving or processing applications for benefits under the Immigration and Nationality Act."

On page 27, line 15, after "Initiative," insert the following: "of which \$500,000 is available for a new truck safety initiative in the State of New Jersey."

On page 27, line 15, after "Initiative," insert the following: "of which \$100,000 shall be used to award a grant to Charles Mix County, South Dakota, to upgrade the 911 emergency telephone system."

On page 29, line 16, before the semicolon, insert the following: "of which \$300,000 shall be used to award a grant to the Wakpa Sica Historical Society".

On page 32, line 23, strike "": and insert the following: "": of which \$500,000 shall be

made available for the Youth Advocacy Program.”

At the end of title I, insert the following:

“SEC. . No funds provided in this Act may be used by the Office of Justice Programs to support a grant to pay for State and local law enforcement overtime in extraordinary, emergency situations unless the Appropriations Committees of both Houses of Congress are notified in accordance with the procedures contained in Section 605 of this Act.”

At the end of title I, insert the following:

“SEC. . Hereafter, notwithstanding any other provision of law, the Attorney General shall grant a national interest waiver under section 203(b)(2)(B) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(2)(B)) on behalf of any alien physician with respect to whom a petition for preference classification has been filed under section 203(b)(2)(A) of such Act (8 U.S.C. 1153(b)(2)(A)) if—

(1) the alien physician seeks to work in an area designated by the Secretary of Health and Human Services as having a shortage of health care professionals or at a health care facility under the jurisdiction of the Department of Veterans Affairs; and

(2) a Federal agency or a State department of public health has previously determined that the alien physician's work in such an area or at such facility was in the public interest.”

On page 57, line 16, delete “\$1,776,728,000” and insert in lieu thereof: “\$1,782,728,000”; and

On page 57, line 17, before the colon, insert “, of which \$6,000,000 shall be used by the National Ocean Service as response and restoration funding for coral reef assessment, monitoring, and restoration, and from available funds, \$1,000,000 shall be made available for essential fish habitat activities, and \$250,000 shall be made available for a bull trout habitat conservation plan”.

On page 58, line 20, before the period, insert the following: “: *Provided further*, That the Secretary may proceed as he deems necessary to have the National Oceanic and Atmospheric Administration occupy and operate its research facilities which are located at Lafayette, Louisiana”.

On page 66, line 15, delete “\$34,759,000” and insert in lieu thereof “\$35,903,000”.

On page 66, line 20, delete “\$18,123,000” and insert in lieu thereof: “\$8,002,000”.

On page 66, line 20, delete “\$15,222,000” and insert in lieu thereof: “\$5,101,000”.

On page 73, line 6, insert before the period: “: *Provided*, That \$9,611,000 is appropriated for salary adjustments pursuant to this section and such funds shall be transferred to and merged with appropriations in Title III of this Act”.

On page 88, line 17, strike “may” and insert “should”.

On page 98, line 24 delete “\$251,300,000” and insert in lieu thereof: “\$246,300,000”.

On page 100, line 2, strike “(d)” and insert in lieu thereof: “(e)”.

On page 100, line 9, strike “.”, insert the following: “: *Provided further*, That during fiscal year 2000, debentures guaranteed under Title III of the Small Business Investment Act of 1958, as amended, shall not exceed the amount authorized under section 20(e)(1)(C)(ii).”.

#### DOMENICI AMENDMENT NO. 1309

Mr. GREGG (for Mr. DOMENICI) proposed an amendment to the bill, S. 1217, supra; as follows:

At an appropriate place in the bill, add the following new section:

SEC. . For fiscal year 2000, the Director of the United States Marshals Service shall, within available funds, provide a magnetometer and not less than one qualified guard at each unsecured entrance to the real property (including offices, buildings, and related grounds and facilities) that is leased to the United States as a place of employment for Federal employees at 625 Silver, S.W., in Albuquerque, New Mexico.

#### COVERDELL (AND OTHERS) AMENDMENT NO. 1310

Mr. GREGG (for Mr. COVERDELL (for himself, Mr. KYL, Mr. SESSIONS, Mr. ABRAHAM, Mr. DEWINE, and Mrs. SNOWE)) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 99, line 9, insert before the period the following: “*Provided further*, That \$1,800,000 shall be made available to carry out the drug-free workplace demonstration program under section 27 of the Small Business Act (15 U.S.C. 654)”.

#### STEVENS AMENDMENT NO. 1311

Mr. GREGG (for Mr. STEVENS) proposed an amendment to the bill, S. 1217, supra; as follows:

S. 1217 is amended as follows:

At page 59, line 12 strike “\$20,000,000” and insert in lieu thereof “\$18,000,000”.

At page 59, line 14 strike “Alaska” and insert in lieu thereof “\$20,000,000 is made available as a direct payment to the State of Alaska”.

At page 59, lines 22 and 23 strike the comma and the phrase “subject to express authorization”.

At page 60, lines 2 and 3 strike the comma and the phrase “subject to express authorization”.

At page 76, line 11 strike the comma and the phrase “subject to express authorization”.

At the appropriate place in “TITLE VI—GENERAL PROVISIONS” insert the following new section:

“SEC. . (a) To implement the June 3, 1999 Agreement of the United States and Canada on the Treaty Between the Government of the United States of America and the Government of Canada Concerning Pacific Salmon (the “1999 Agreement”) \$140,000,000 is authorized only for use and expenditure as described in subsection (b).

(b)(1) \$75,000,000 for grants to provide the initial capital for a Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund to be held by the Pacific Salmon Commission and administered jointly by the Pacific Salmon Commission Commissioner for the State of Alaska with Canada according to a trust agreement to be entered into by the United States and Canada for the purposes of research, habitat restoration, and fish enhancement to promote abundance-based, conservation-oriented fishing regimes.

(2) \$65,000,000 for grants to provide the initial capital for a Southern Boundary and Transboundary Rivers Restoration and Enhancement Fund to be held by the Pacific Salmon Commission and administered jointly with Canada by the Pacific Salmon Commission Commissioners for the States of Washington, Oregon, and California according to a trust agreement to be entered into by the United States and Canada for the purposes of research, habitat restoration, and fish enhancement to promote abundance-based, conservation-oriented fishing regimes.

(3)(i) Amounts provided by grants under paragraphs (1) and (2) may be held in interest-bearing accounts prior to the disbursement of such funds for programs purposes, and any interest earned by be retained for program purposes without further appropriation by Congress;

(ii) the Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund and Southern Boundary and Transboundary Rivers Restoration and Enhancement Fund are subject to the laws governing federal appropriations and funds and to unrescinded circulars of the Office of Management and Budget, including the audit requirements of Office of Management and Budget Circular Nos. A-110, A-122 and A-133; and

(iii) Recipients of funds from the Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund and Southern Boundary and Transboundary Rivers Restoration and Enhancement Fund, which for the purposes of this subparagraph shall include interest earned pursuant to subparagraph (i), shall keep separate accounts and such records as may be reasonably necessary to disclose the use of the funds as well as facilitate effective audits.

(c) The President shall submit a request for funds to implement this section as part of this official budget request for the Fiscal Year 2001.”

#### STEVENS AMENDMENT NO. 1312

Mr. GREGG (for Mr. STEVENS) proposed an amendment to the bill, S. 1217, supra; as follows:

S. 1217 is amended as follows:

At the appropriate place in “TITLE VI—GENERAL PROVISIONS” insert the following new section:

“SEC. . Funds made available under Public Law 105-277 for costs associated with implementation of the American Fisheries Act of 1998 (Division C, title II, of Public Law 105-277) for vessel documentation activities shall remain available until expended.”

#### CHAFEE AMENDMENT NO. 1313

Mr. GREGG (for Mr. CHAFEE) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 57, line 17, before the colon, insert the following: “, of which \$112,520,000 shall be used for resource information activities of the National Marine Fisheries Service and \$306,000 shall be used for the Narragansett Bay cooperative study conducted by the Rhode Island Department of Environmental Management in cooperation with the Federal Government.”

#### COCHRAN AMENDMENT NO. 1314

Mr. GREGG (for Mr. COCHRAN) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 25, line 5, before “and” insert “of which \$2,000,000 shall be made available to the Department of Psychiatry and Human Behavior at the University of Mississippi School of Medicine for research in addictive disorders and their connection to youth violence”.

#### DEWINE (AND LEAHY) AMENDMENT NO. 1315

Mr. GREGG (for Mr. DEWINE (for himself and Mr. LEAHY)) proposed an

amendment to the bill, S. 1217, supra; as follows:

"On page 27, lines 14 and 15, strike "for the Crime Identification Technology Initiative" and insert "to carry out section 102 of the Crime Identification Technology Act of 1998 (42 U.S.C. 14601), including for grants for law enforcement equipment for discretionary grants to States, Local units of Government, and Indian Tribes".

#### GRAMS (AND OTHERS) AMENDMENT NO. 1316

Mr. GREGG (for Mr. GRAMS (for himself, Mrs. BOXER, and Mr. DURBIN)) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 81, line 25, insert the following after "reforms": "Provided further, That any additional amount provided, not to exceed \$107 million, which is owed by the United Nations to the United States as a reimbursement, including any reimbursement under the Foreign Assistance Act of 1961 or the United Nations Participation Act of 1945, that was owed to the United States before the date of enactment of this Act shall be applied or used, without fiscal year limitation, to reduce any amount owed by the United States to the United Nations, except that any such reduction pursuant to the authority in this paragraph shall not be made unless expressly authorized by the enactment of a separate Act that makes payment of arrearages contingent upon United Nations reform".

#### GREGG AMENDMENT NO. 1317

Mr. GREGG proposed an amendment to the bill, S. 1217, supra; as follows:

At the end of title IV, insert the following:

SEC. . None of the funds appropriated or otherwise made available in this Act for the United Nations may be used by the United Nations for the promulgation or enforcement of any treaty, resolution, or regulation authorizing the United Nations, or any of its specialized agencies or affiliated organizations, to tax any aspect of the Internet.

#### GREGG (AND HOLLINGS) AMENDMENT NO. 1318

Mr. GREGG (for himself and Mr. HOLLINGS) proposed an amendment to the bill, S. 1217, supra; as follows:

At the end of title I, insert the following: "SEC. . Section 286(q)(1)(A) of the Immigration and Nationality Act of 1953 (8 U.S.C. 1356(q)(1)(A)), as amended, is further amended—

- (1) by deleting clause (ii);
- (2) by renumbering clause (iii) as (ii); and
- (3) by striking " , until September 30, 2000," in clause (iv) and renumbering that clause as (iii)".

#### ASHCROFT AMENDMENT NO. 1319

Mr. GREGG (for Mr. ASHCROFT) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 111, between lines 7 and 8, insert the following:

SEC. 620. (a) FINDINGS.—The Senate makes the following findings:

(1) Iran has been designated as a state sponsor of terrorism by the Secretary of State and continues to be among the most active supporters of terrorism in the world.

(2) According to the State Department's annual report entitled "Patterns of Global Terrorism", Iran supports Hizballah, Hamas, and the Palestinian Islamic Jihad, terrorist organizations which oppose the Middle East peace process, continue to work for the destruction of Israel, and have killed United States citizens.

(3) A United States district court ruled in March 1998 that Iran should pay \$247,000,000 to the family of Alisa Flatow, a United States citizen killed in a bomb attack orchestrated by the Palestinian Islamic Jihad in Gaza in April 1995.

(4) The Government of Iran continues to maintain a repressive political regime in which the civil liberties of the people of Iran are denied.

(5) The State Department Country Report on Human Rights states that the human rights record of the Government of Iran remains poor, including "extra judicial killings and summary executions; disappearances; widespread use of torture and other degrading treatment; harsh prison conditions; arbitrary arrest and detention; lack of due process; unfair trials; infringement on citizen's privacy; and restrictions on freedom of speech, press, assembly, association, religion, and movement".

(6) Religious minorities in Iran have been persecuted solely because of their faith, and the Government of Iran has detained 13 members of Iran's Jewish community without charge.

(7) Recent student-led protests in Iran were repressed by force, with possibly five students losing their lives and hundreds more being imprisoned.

(8) The Government of Iran is pursuing an aggressive ballistic missile program with foreign assistance and is seeking to develop weapons of mass destruction which threaten United States allies and interests.

(9) Despite the continuation by the Government of Iran of repressive activities in Iran and efforts to threaten United States allies and interests in the Near East and South Asia, the President waived provisions of the Iran and Libya Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) intended to impede development of the energy sector in Iran.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the President should condemn in the strongest possible terms the failure of the Government of Iran to implement genuine political reforms and protect the civil liberties of the people of Iran, which failure was most recently demonstrated in the violent repression of student-led protests in Teheran and other cities by the Government of Iran;

(2) the President should support democratic opposition groups in Iran more aggressively;

(3) the detention of 13 members of the Iranian Jewish community by the Government of Iran is a deplorable violation of due process and a clear example of the policies of the Government of Iran to persecute religious minorities; and

(4) the decision of the President to waive provisions of the Iran and Libya Sanctions Act of 1996 intended to impede development of the energy sector in Iran was regrettable and should be reversed as long as Iran continues to threaten United States interests and allies in the Near East and South Asia through state sponsorship of terrorism and efforts to acquire weapons of mass destruction and the missiles to deliver such weapons.

#### HATCH AMENDMENT NO. 1320

Mr. GREGG (for Mr. HATCH) proposed an amendment to the bill S. 1217, supra; as follows:

At the appropriate place, insert:

#### SECTION 1. HATE CRIMES.

(a) DECLARATIONS.—Congress declares that—

(1) further efforts must be taken at all levels of government to respond to the staggering brutality of hate crimes that have riveted public attention and shocked the Nation;

(2) hate crimes are prompted by bias and are committed to send a message of hate to targeted communities, usually defined on the basis of immutable traits;

(3) the prominent characteristic of a hate crime is that it devastates not just the actual victim and the victim's family and friends, but frequently savages the community sharing the traits that caused the victim to be selected;

(4) any efforts undertaken by the Federal Government to combat hate crimes must respect the primacy that States and local officials have traditionally been accorded in the criminal prosecution of acts constituting hate crimes; and

(5) an overly broad reaction by the Federal Government to this serious problem might ultimately diminish the accountability of State and local officials in responding to hate crimes and transgress the constitutional limitations on the powers vested in Congress under the Constitution.

(b) STUDIES.—

(1) COLLECTION OF DATA.—

(A) DEFINITION OF HATE CRIME.—In this paragraph, the term "hate crime" means—

(i) a crime described in subsection (b)(1) of the first section of the Hate Crime Statistics Act (28 U.S.C. 534 note); and

(ii) a crime that manifests evidence of prejudice based on gender or age.

(B) COLLECTION FROM CROSS-SECTION OF STATES.—Not later than 120 days after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the National Governors' Association, shall select 10 jurisdictions with laws classifying certain types of crimes as hate crimes and 10 jurisdictions without such laws from which to collect data described in subparagraph (C) over a 12-month period.

(C) DATA TO BE COLLECTED.—The data to be collected are—

(i) the number of hate crimes that are reported and investigated;

(ii) the percentage of hate crimes that are prosecuted and the percentage that result in conviction;

(iii) the length of the sentences imposed for crimes classified as hate crimes within a jurisdiction, compared with the length of sentences imposed for similar crimes committed in jurisdictions with no hate crime laws; and

(iv) references to and descriptions of the laws under which the offenders were punished.

(D) COSTS.—Participating jurisdictions shall be reimbursed for the reasonable and necessary costs of compiling data under this paragraph.

(2) STUDY OF TRENDS.—

(A) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States and the General Accounting Office shall complete a study that analyzes the data collected under paragraph (1) and under the

Hate Crime Statistics Act of 1990 to determine the extent of hate crime activity throughout the country and the success of State and local officials in combating that activity.

(B) IDENTIFICATION OF TRENDS.—In the study conducted under subparagraph (A), the Comptroller General of the United States and the General Accounting Office shall identify any trends in the commission of hate crimes specifically by—

- (i) geographic region;
- (ii) type of crime committed; and
- (iii) the number of hate crimes that are prosecuted and the number for which convictions are obtained.

(C) MODEL STATUTE.—

(1) IN GENERAL.—To encourage the identification and prosecution of hate crimes throughout the country, the Attorney General shall, through the National Conference of Commissioners on Uniform State Laws of the American Law Institute or another appropriate forum, and in consultation with the States, develop a model statute to carry out the goals described in subsection (a) and criminalize acts classified as hate crimes.

(2) REQUIREMENTS.—In developing the model statute, the Attorney General shall—

(A) include in the model statute crimes that manifest evidence of prejudice; and

(B) prepare an analysis of all reasons why any crime motivated by prejudice based on any traits of a victim should or should not be included.

(d) SUPPORT FOR CRIMINAL INVESTIGATIONS AND PROSECUTIONS BY STATE AND LOCAL LAW ENFORCEMENT OFFICIALS.—

(1) ASSISTANCE OTHER THAN FINANCIAL ASSISTANCE.—

(A) IN GENERAL.—At the request of a law enforcement official of a State or a political subdivision of a State, the Attorney General, acting through the Director of the Federal Bureau of Investigation, shall provide technical, forensic, prosecutorial, or any other form of assistance in the criminal investigation or prosecution of any crime that—

(i) constitutes a crime of violence (as defined in section 16 of title 18, United States Code);

(ii) constitutes a felony under the laws of the State; and

(iii) is motivated by prejudice based on the victim's race, ethnicity, or religion or is a violation of the State's hate crime law.

(B) PRIORITY.—In providing assistance under subparagraph (A), the Attorney General shall give priority to crimes committed by offenders who have committed crimes in more than 1 State.

(2) GRANTS.—

(A) IN GENERAL.—There is established a grant program within the Department of Justice to assist State and local officials in the investigation and prosecution of hate crimes.

(B) ELIGIBILITY.—A State or political subdivision of a State applying for assistance under this paragraph shall—

(i) describe the purposes for which the grant is needed; and

(ii) certify that the State or political subdivision lacks the resources necessary to investigate or prosecute the hate crime.

(C) DEADLINE.—An application for a grant under this paragraph shall be approved or disapproved by the Attorney General not later than 24 hours after the application is submitted.

(D) GRANT AMOUNT.—A grant under this paragraph shall not exceed \$100,000 for any single case.

(E) REPORT.—Not later than December 31, 2001, the Attorney General, in consultation

with the National Governors' Association, shall submit to Congress a report describing the applications made for grants under this paragraph, the award of such grants, and the effectiveness of the grant funds awarded.

(F) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$5,000,000 for each of fiscal years 2000 and 2001.

(e) INTERSTATE TRAVEL TO COMMIT HATE CRIME.—

(1) IN GENERAL.—Chapter 13 of title 18, United States Code, is amended by adding at the end the following:

**"§ 249. Interstate travel to commit hate crime**

**"(a) IN GENERAL.—A person, whether or not acting under color of law, who—**

**"(1) travels across a State line or enters or leaves Indian country in order, by force or threat of force, to willfully injure, intimidate, or interfere with, or by force or threat of force to attempt to injure, intimidate, or interfere with, any person because of the person's race, color, religion, or national origin; and**

**"(2) by force or threat of force, willfully injures, intimidates, or interferes with, or by force or threat of force attempts to willfully injure, intimidate, or interfere with any person because of the person's race, color, religion, or national origin,**

**shall be subject to a penalty under subsection (b).**

**"(b) PENALTIES.—A person described in subsection (a) who is subject to a penalty under this subsection—**

**"(1) shall be fined under this title, imprisoned not more than 1 year, or both;**

**"(2) if bodily injury results or if the violation includes the use, attempted use, or threatened use of a dangerous weapon, explosives, or fire, shall be fined under this title, imprisoned not more than 10 years, or both; or**

**"(3) if death results or if the violation includes kidnapping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill—**

**"(A) shall be fined under this title, imprisoned for any term of years or for life, or both; or**

**"(B) may be sentenced to death."**

(2) TECHNICAL AMENDMENT.—The analysis for chapter 13 of title 18, United States Code, is amended by adding at the end the following:

**"249. Interstate travel to commit hate crime."**

#### SNOWE AMENDMENT NO. 1321

Mr. GREGG (for Ms. SNOWE) proposed an amendment to the bill, S. 1217 supra; as follows:

At the appropriate place, insert the following:

#### SEC. . NEW ENGLAND FISHERY MANAGEMENT COUNCIL.

Section 302(a)(1)(A) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1852(a)(1)(A)) is amended—

- (1) by striking "17" and inserting "18"; and
- (2) by striking "11" and inserting "12".

#### HATCH (AND LEAHY) AMENDMENT NO. 1322

Mr. GREGG (for Mr. HATCH (for himself and Mr. LEAHY)) proposed an amendment to the bill, S. 1217 supra; as follows:

At the appropriate place in the bill, insert:

#### SEC. . PLACE OF HOLDING COURT AT CENTRAL ISLIP, NEW YORK.

The second paragraph of Section 112(c) of title 28, United States Code is amended to read—

"Court for the Eastern District shall be held at Brooklyn, Hauppauge, Hempstead (including the village of Uniondale), and Central Islip."

#### SEC. . WEST VIRGINIA CLERK CONSOLIDATION APPROVAL.

Pursuant to the requirements of Section 156(d) of title 28, United States Code, Congress hereby approves the consolidation of the office of the bankruptcy clerk with the office of the district clerk of court in the Southern District of West Virginia.

#### SEC. . SENIOR JUDGE'S CHAMBERS IN PROVO, UTAH.

The Internal Revenue Service is directed to vacate sufficient space in the Federal Building in Provo, Utah as soon as practicable to provide space for a senior judge's chambers in that building. The General Services Administration is directed to provide interim space for a senior judge's chambers in Provo, Utah and to complete a permanent senior judge's chambers in the Federal Building located in that city as soon as practicable.

#### KERRY AMENDMENT NO. 1323

Mr. HOLLINGS (for Mr. KERRY) proposed an amendment to the bill, S. 1217, supra; as follows:

In the Salaries and Expense Account of the Small Business Administration, insert at the end of the paragraph: "Provided further, That \$23,200,000 shall be available to fund grants for Microloan Technical Assistance as authorized by section 7(m) of the Small Business Act."

#### HOLLINGS (AND OTHERS) AMENDMENT NO. 1324

Mr. HOLLINGS (for himself, Mr. DASCHLE, Mr. DURBIN, Mrs. FEINSTEIN, Mr. JEFFORDS, Mr. LEAHY, Mr. SCHUMER, Mr. SMITH of Oregon, Mr. WYDEN, Mr. DODD, Mr. LAUTENBERG, Mrs. BOXER, Mr. HARKIN, Mr. TORRICELLI, and Mr. LEVIN) proposed an amendment to the bill, S. 1217, supra; as follows:

At the appropriate place, insert the following:

#### TITLE —HATE CRIMES PREVENTION

##### SEC. . 01. SHORT TITLE.

This title may be cited as the "Hate Crimes Prevention Act of 1999".

##### SEC. . 02. FINDINGS.

Congress finds that—

(1) the incidence of violence motivated by the actual or perceived race, color, national origin, religion, sexual orientation, gender, or disability of the victim poses a serious national problem;

(2) such violence disrupts the tranquility and safety of communities and is deeply divisive;

(3) existing Federal law is inadequate to address this problem;

(4) such violence affects interstate commerce in many ways, including—

(A) by impeding the movement of members of targeted groups and forcing such members to move across State lines to escape the incidence or risk of such violence; and

(B) by preventing members of targeted groups from purchasing goods and services,



obtaining or sustaining employment or participating in other commercial activity;

(5) perpetrators cross State lines to commit such violence;

(6) instrumentalities of interstate commerce are used to facilitate the commission of such violence;

(7) such violence is committed using articles that have traveled in interstate commerce;

(8) violence motivated by bias that is a relic of slavery can constitute badges and incidents of slavery;

(9) although many State and local authorities are now and will continue to be responsible for prosecuting the overwhelming majority of violent crimes in the United States, including violent crimes motivated by bias, Federal jurisdiction over certain violent crimes motivated by bias is necessary to supplement State and local jurisdiction and ensure that justice is achieved in each case;

(10) Federal jurisdiction over certain violent crimes motivated by bias enables Federal, State, and local authorities to work together as partners in the investigation and prosecution of such crimes;

(11) the problem of hate crime is sufficiently serious, widespread, and interstate in nature as to warrant Federal assistance to States and local jurisdictions; and

(12) freedom of speech and association are fundamental values protected by the first amendment to the Constitution of the United States, and it is the purpose of this title to criminalize acts of violence, and threats of violence, carried out because of the actual or perceived race, color, religion, national origin, gender, sexual orientation, or disability of the victim, not to criminalize beliefs in the abstract.

#### SEC. 03. DEFINITION OF HATE CRIME.

In this title, the term "hate crime" has the same meaning as in section 280003(a) of the Violent Crime Control and Law Enforcement Act of 1994 (28 U.S.C. 994 note).

#### SEC. 04. PROHIBITION OF CERTAIN ACTS OF VIOLENCE.

Section 245 of title 18, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following:

"(c)(1) Whoever, whether or not acting under color of law, willfully causes bodily injury to any person or, through the use of fire, a firearm, or an explosive device, attempts to cause bodily injury to any person, because of the actual or perceived race, color, religion, or national origin of any person—

"(A) shall be imprisoned not more than 10 years, or fined in accordance with this title, or both; and

"(B) shall be imprisoned for any term of years or for life, or fined in accordance with this title, or both if—

"(i) death results from the acts committed in violation of this paragraph; or

"(ii) the acts committed in violation of this paragraph include kidnapping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill.

"(2)(A) Whoever, whether or not acting under color of law, in any circumstance described in subparagraph (B), willfully causes bodily injury to any person or, through the use of fire, a firearm, or an explosive device, attempts to cause bodily injury to any person, because of the actual or perceived religion, gender, sexual orientation, or disability of any person—

"(i) shall be imprisoned not more than 10 years, or fined in accordance with this title, or both; and

"(ii) shall be imprisoned for any term of years or for life, or fined in accordance with this title, or both, if—

"(I) death results from the acts committed in violation of this paragraph; or

"(II) the acts committed in violation of this paragraph include kidnapping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill.

"(B) For purposes of subparagraph (A), the circumstances described in this subparagraph are that—

"(i) in connection with the offense, the defendant or the victim travels in interstate or foreign commerce, uses a facility or instrumentality of interstate or foreign commerce, or engages in any activity affecting interstate or foreign commerce; or

"(ii) the offense is in or affects interstate or foreign commerce.

"(3) No prosecution of any offense described in this subsection may be undertaken by the United States, except upon the certification in writing of the Attorney General, the Deputy Attorney General, the Associate Attorney General, or any Assistant Attorney General specially designated by the Attorney General that—

"(A) he or she has reasonable cause to believe that the actual or perceived race, color, national origin, religion, sexual orientation, gender, or disability of any person was a motivating factor underlying the alleged conduct of the defendant; and

"(B) that he or his designee or she or her designee has consulted with State or local law enforcement officials regarding the prosecution and determined that—

"(i) the State does not have jurisdiction or refuses to assume jurisdiction;

"(ii) the State has requested that the Federal Government assume jurisdiction; or

"(iii) actions by State and local law enforcement officials have or are likely to leave demonstratively unvindicated the Federal interest in eradicating bias-motivated violence."

#### SEC. 05. DUTIES OF FEDERAL SENTENCING COMMISSION.

(a) AMENDMENT OF FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994 of title 28, United States Code, the United States Sentencing Commission shall study the issue of adult recruitment of juveniles to commit hate crimes and shall, if appropriate, amend the Federal sentencing guidelines to provide sentencing enhancements (in addition to the sentencing enhancement provided for the use of a minor during the commission of an offense) for adult defendants who recruit juveniles to assist in the commission of hate crimes.

(b) CONSISTENCY WITH OTHER GUIDELINES.—In carrying out this section, the United States Sentencing Commission shall—

(1) ensure that there is reasonable consistency with other Federal sentencing guidelines; and

(2) avoid duplicative punishments for substantially the same offense.

#### SEC. 06. GRANT PROGRAM.

(a) AUTHORITY TO MAKE GRANTS.—The Office of Justice Programs of the Department of Justice shall make grants, in accordance with such regulations as the Attorney General may prescribe, to State and local programs designed to combat hate crimes committed by juveniles, including programs to train local law enforcement officers in investigating, prosecuting, and preventing hate crimes.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

#### SEC. 07. AUTHORIZATION FOR ADDITIONAL PERSONNEL TO ASSIST STATE AND LOCAL LAW ENFORCEMENT.

There are authorized to be appropriated to the Department of the Treasury and the Department of Justice, including the Community Relations Service, for fiscal years 2000, 2001, and 2002 such sums as are necessary to increase the number of personnel to prevent and respond to alleged violations of section 245 of title 18, United States Code (as amended by this title).

#### SEC. 08. SEVERABILITY.

If any provision of this title, an amendment made by this title, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this title, the amendments made by this title, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

#### GRAHAM AMENDMENT NO. 1325

Mr. HOLLINGS (for Mr. GRAHAM) proposed an amendment to the bill, S. 1217, supra; as follows:

At the end of title I, add the following:

SEC. \_\_\_\_ (a) In this section:

(1) The term "hate crime" has the meaning given the term in section 280003(a) of the Violent Crime Control and Law Enforcement Act of 1994 (28 U.S.C. 994 note).

(2) The term "older individual" means an individual who is age 65 or older.

(b) The Attorney General shall conduct a study concerning—

(1) whether an older individual is more likely than the average individual to be the target of a crime;

(2) the extent of crimes committed against older individuals; and

(3) the extent to which crimes committed against older individuals are hate crimes.

(c) Not later than 180 days after the date of enactment of this Act, the Attorney General shall submit to Congress a report containing the results of the study.

#### REED AMENDMENT NO. 1326

Mr. HOLLINGS (for Mr. REED) proposed an amendment to the bill, S. 1217, supra; as follows:

At the appropriate place in the bill, insert the following:

#### SEC. \_\_\_\_ . EXTENSION OF TEMPORARY PROTECTED STATUS FOR CERTAIN NATIONALS OF LIBERIA.

(a) CONTINUATION OF STATUS.—Notwithstanding any other provision of law, any alien described in subsection (b) who, as of the date of enactment of this Act, is registered for temporary protected status in the United States under section 244(c)(1)(A)(iv) of the Immigration and Nationality Act (8 U.S.C. 1254a(c)(1)(A)(iv)), or any predecessor law, order, or regulation, shall be entitled to maintain that status through September 30, 2000.

(b) COVERED ALIENS.—An alien referred to in subsection (a) is a national of Liberia or an alien who has no nationality and who last habitually resided in Liberia.

#### BRYAN AMENDMENT NO. 1327

Mr. HOLLINGS (for Mr. BRYAN) proposed an amendment to the bill, S. 1217, supra; as follows:

At the appropriate place in title II, insert the following:

**SEC. 2 . SENSE OF SENATE WITH RESPECT TO PROMOTING TRAVEL AND TOURISM.**

(a) FINDINGS.—Congress finds that—

(1) an effective public-private partnership of Federal, State, and local governments and the travel and tourism industry can successfully market the United States as the premiere international tourist destination in the world;

(2) the private sector, States, and cities currently spend more than \$1,000,000,000 annually to promote particular destinations within the United States to international visitors;

(3) other nations are spending hundreds of millions of dollars annually to promote the visits of international tourists to their countries, and the United States will miss a major marketing opportunity if it fails to aggressively compete for an increased share of international tourism expenditures as they continue to increase over the next decade;

(4) a well-funded, well-coordinated international marketing effort, combined with additional public and private sector efforts, would help small and large businesses, as well as State and local governments, share in the anticipated growth of the international travel and tourism market in the 21st century; and

(5) a long-term marketing effort should be supported to promote increased travel to the United States for the benefit of every sector of the economy.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress should enact this year, with adequate funding from available resources, legislation that would support international promotional activities by the United States National Tourism Organization to help brand, position, and promote the United States as the premiere travel and tourism destination in the world.

**BINGAMAN AMENDMENT NO. 1328**

Mr. HOLLINGS (for Mr. BINGAMAN) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 65, after line 25, add the following:

**SEC. 209. STUDY OF A GENERAL ELECTRONIC EXTENSION PROGRAM**

Not later than six months after the enactment of the Act, the Secretary of Commerce shall report to Congress on possible benefits from a general electronic commerce extension program to help small businesses, not limited to manufacturers, in all parts of the nation identify and adopt electronic commerce technology and techniques, so that such businesses can fully participate in electronic commerce. Such a general extension service would be analogous to the Manufacturing Extension Program managed by the National Institute of Standards and Technology, and the Cooperative Extension Service managed by the Department of Agriculture. The report shall address, at a minimum, the following—

(a) the need for or opportunity presented by such a program;

(b) some of the specific services that such a program should provide and to whom;

(c) how such a program would serve firms in rural or isolated areas;

(d) how such a program should be established, organized, and managed;

(e) the estimated costs of such a program; and

(f) the potential benefits of such a program to both small businesses and the economy as a whole.

**MURRAY AMENDMENT NO. 1329**

Mr. HOLLINGS (for Mrs. MURRAY) proposed an amendment to the bill, S. 1217, supra; as follows:

At page 59, line 14 after the colon insert the following proviso: “*Provided further*, That, of the amounts provided, \$6,000,000 shall be made available to Pacific coastal tribes (as defined by the Secretary of Commerce) through the Department of Commerce, which shall allocate the funds to tribes in California and Oregon, and to tribes in Washington after consultation with the Washington State Salmon Recovery Funding Board; *Provided further*, That the Secretary ensure the aforementioned \$6 million be used for restoration of Pacific salmonid populations listed under the Endangered Species Act; *Provided further*, That funds to tribes in Washington shall be used only for grants for planning (not to exceed 10% of grant), physical design, and completion of restoration projects; and *Provided further*, That each tribe receiving a grant in Washington State derived from the aforementioned \$6 million provide a report on the specific use and effectiveness of such recovery project grant in restoring listed Pacific salmonid populations, which report shall be made public and shall be provided to the Committees on Appropriations in the U.S. House of Representatives and the U.S. Senate through the Salmon Recovery Funding Board by December 1, 2000.”

**BOXER AMENDMENT NO. 1330**

Mr. HOLLINGS (for Mrs. BOXER) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 45, between lines 9 and 10, insert the following:

SEC. . (a) In implementing the Institutional Hearing Program and the Institutional Removal Program of the Immigration and Naturalization Service, the Attorney General shall give priority to—

(1) those aliens serving a prison sentence for a serious violent felony, as defined in section 3559(c)(2)(F) of title 18, United States Code; and

(2) those aliens arrested by the Border Patrol and subsequently incarcerated for drug violations.

(b) Not later than March 31, 2000, the Attorney General shall submit a report to Congress describing the steps taken to carry out subsection (a).

**DODD AMENDMENT NO. 1331**

Mr. HOLLINGS (for Mr. DODD) proposed an amendment to the bill, S. 1217, supra; as follows:

At the appropriate place in the bill add the following:

**SEC. . NOTIFICATION OF INTENT TO SELL CERTAIN U.S. PROPERTIES.**

Consistent with the regular notification procedures established pursuant to Section 34 of the State Department Basic Authorities Act of 1956, the Secretary of State shall notify in writing the Committees on Foreign Relations and Appropriations in the Senate and the Committees on International Relations and Appropriations in the House of Representatives sixty days in advance of any action taken by the Department to enter into any contract for the final sale of properties owned by the United States that have served as United States Embassies, Consulates General, or residences for United States Ambassadors, Chief of Missions, or Consuls General.

**TORRICELLI AMENDMENT NO. 1332**

Mr. HOLLINGS (for Mr. TORRICELLI) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 27, line 15, after “Initiative,” insert “of which \$500,000 is available for a new truck safety initiative in the State of New Jersey.”

**TORRICELLI AMENDMENT NO. 1333**

Mr. HOLLINGS (for Mr. TORRICELLI) proposed an amendment to the bill, S. 1217 supra; as follows:

On page 45, after line 9, insert the following:

SEC. . Notwithstanding any other provision of law, \$190,000 of funds granted to the City of Camden, new jersey, in 1996 as a part of a Federal local law enforcement block grant may be retained by Camden and spent for the purposes permitted by the grant through the end of fiscal year 2000.

**FEINSTEIN AMENDMENT NO. 1334**

Mr. HOLLINGS (for Mrs. FEINSTEIN) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 111, insert between lines 7 and 8 following:

SEC. 620. Section 203(p)(1)(B) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(p)(1)(B)) is amended—

(1) by striking clause (ii);

(2) by inserting “or public safety” after “law enforcement”;

(3) by striking “(i)”;

(4) by striking “(I)” and inserting “(i)”;

and

(5) by striking “(II)” and inserting “(ii)”.

**FEINSTEIN AMENDMENT NO. 1335**

Mr. HOLLINGS (for Mrs. FEINSTEIN) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 15, after line 2, insert:

**HIGH INTENSITY INTERSTATE GANG ACTIVITY AREAS PROGRAM**

For expenses necessary to establish and implement the High Intensity Interstate Gang Activity Areas Program (including grants, contracts, cooperative agreements and other assistance) pursuant to Section 205 or S. 254 as passed by the Senate on May 20, 1999, and consistent with the funding proportions established therein, \$20,000,000.

On page 21, line 16, strike “3,156,895,000” and insert “3,136,895,000.”

**DEWINE (AND LEVIN) AMENDMENT NO. 1336**

Mr. GREGG (for Mr. DEWINE (for himself and Mr. LEVIN)) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 57, line 16, strike “\$1,776,728.00” and insert “\$1,777,118,000”.

On page 57, line 17, before the colon, insert the following: “; of which \$390,000 shall be used by National Ocean Service to upgrade an additional 13 Great Lakes water gauging stations in order to ensure compliance with Year 2000 (Y2K) computer date processing requirements”.

**KERRY AMENDMENT NO. 1337**

Mr. HOLLINGS (for Mr. KERREY) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 34, line 25, after "title", insert the following: *Provided further*, That of the total amount appropriated not to exceed \$550,000 shall be available to the Lincoln Action Program's Youth Violence Alternative Project."

#### KERREY AMENDMENT NO. 1338

Mr. HOLLINGS (for Mr. KERREY) proposed an amendment to the bill, S. 1217, *supra*; as follows:

On page 26 of S. 1217, line 2 after the word "Programs", strike the period and insert the following: *Provided further*, That of the total amount appropriated, not to exceed \$1,000,000 shall be available to the Team-Mates of Nebraska project."

#### SCHUMER AMENDMENT NO. 1339

Mr. HOLLINGS (for Mr. SCHUMER) proposed an amendment to the bill, S. 1217, *supra*; as follows:

On page 98, line 16, before the period, insert the following: *Provided further*, That the Commission shall conduct a study on the effects of electronic communications networks and extended trading hours on securities markets, including effects on market volatility, market liquidity, and best execution practices".

#### SCHUMER (AND KOHL) AMENDMENT NO. 1340

Mr. HOLLINGS (for Mr. SCHUMER (for himself and Mr. KOHL)) proposed an amendment to the bill, S. 1217, *supra*; as follows:

On page 8, line 13, strike "\$25,000,000" and insert "\$27,000,000".

On page 8, line 23, insert before the period "; and of which \$1,000,000 shall be for the task force coordinated by the Office of the United States Attorney for the Eastern District of Wisconsin, and \$1,000,000 shall be for task forces coordinated by the Office of the United States Attorney for the Western District of New York and task forces coordinated by the Office of the United States Attorney for the Northern District of New York."

#### JEFFORDS (AND LEAHY) AMENDMENT NO. 1341

Mr. GREGG (for Mr. JEFFORDS (for himself and Mr. LEAHY)) proposed an amendment to the bill, S. 1217, *supra*; as follows:

On page 78, line 8, before the period insert the following: *Provided further*, That, of the amount appropriated under this heading for the Fulbright program, such sums as may be available may be used for the Tibetan Exchange Program".

#### GORTON (AND OTHERS) AMENDMENT NO. 1342

Mr. GREGG (for Mr. GORTON (for himself, Mr. DODD, Mr. MCCAIN, Mr. HOLLINGS, and Mr. ROCKEFELLER)) proposed an amendment to the bill, S. 1217, *supra*; as follows:

At the appropriate place, insert the following:

**SEC. . SENSE OF THE SENATE REGARDING THE EUROPEAN COUNCIL NOISE RULE AFFECTING HUSHKITTED AND REENGINEED AIRCRAFT.**

(a) FINDINGS.—The Senate finds that—

(1) For more than 50 years, the International Civil Aviation Organization (ICAO) has been the single entity vested with the authority to establish international noise and emissions standards; through ICAO's efforts, aircraft noise has decreased by an average of 40 percent since 1970;

(2) ICAO is currently working on an expedited basis on even more stringent international noise standards, taking into account economic reasonableness, technical feasibility and environmental benefits.

(3) International noise and emissions standards are critical to maintaining U.S. aeronautical industries' economic viability and to obtaining their ongoing commitment to progressively more stringent noise reduction efforts;

(4) European Council (EC) Regulation No. 925/1999, banning certain aircraft meeting the highest internationally recognized noise standards from flying in Europe, undermines the integrity of the ICAO process and undercuts the likelihood that new Stage 4 standards can be developed;

(5) While no regional standard is acceptable, this regulation is particularly offensive; there is no scientific basis for the regulation and it has been carefully crafted to protect European aviation interests while imposing arbitrary, substantial and unfounded cost burdens on United States' aeronautical industries;

(6) The vast majority of aircraft that will be affected by EC Regulation No. 925/1999 are operated by U.S. flag carriers; and

(7) The implementation of EC Regulation No. 925/1999 will result in a loss of jobs in the United States and may cost the U.S. aviation industry in excess of \$2,000,000.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) EC Regulation No. 925/1999 should be rescinded by the EC at the earliest possible time;

(2) that if this is not done, the Department of State should file a petition regarding EC Regulation No. 925/1999 with ICAO pursuant to Article 84 of the Chicago Convention; and

(3) the Departments of Commerce and Transportation and the United States Trade Representative should use all reasonable means available to them to ensure that the goal of having the rule repealed is achieved.

#### NOTICE OF HEARING

##### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. THOMAS. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the Subcommittee on National Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources. The purpose of this hearing is to review the performance management process under the requirements of the Government Performance and Results Act, by the National Park Service.

The hearing will take place on Wednesday, August 4, 1999 at 2:15 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two

copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, SD-364 Dirksen Senate Office Building, Washington, DC 20510-6150.

For further information, please contact Jim O'Toole or Shawn Taylor of the committee staff at (202) 224-6969.

#### AUTHORITY FOR COMMITTEES TO MEET

##### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. GREGG. Mr. President, I ask unanimous consent that the committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, July 22, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to consider the nominations of Curt Herbert to be a Member of the Federal Energy Regulatory Commission and Earl E. Devaney to be Inspector General of the Department of the Interior.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. GREGG. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to conduct a hearing Thursday, July 22, 9:30 a.m., Hearing Room (SD-406), on legislation relating to habitat restoration/coastal protection issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON FINANCE

Mr. GREGG. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Thursday, July 22, 1999 beginning at 2:00 p.m. in room 106 Dirksen.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON FOREIGN RELATIONS

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 22, 1999 at 2:30 p.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON THE JUDICIARY

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet for an executive business meeting, during the session of the Senate on Thursday, July 22, 1999, at 10:00 a.m., in SD-628.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON THE JUDICIARY

Mr. GREGG. Mr. president, I ask unanimous consent that the Committee on the Judiciary be authorized to meet for an executive business

meeting, during the session of the Senate on Thursday, July 22, 1999, following the first vote this, in S-216 of the U.S. Capitol Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### COMMITTEE ON THE JUDICIARY

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet for a hearing re Cybersquatting and Consumer Protection: Ensuring Domain Name Integrity, during the session of the Senate on Thursday, July 22, 1999, at 2:00 p.m., in SD-628.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### SELECT COMMITTEE ON INTELLIGENCE

Mr. GREGG. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, July 22, 1999 at 2:00 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### SPECIAL COMMITTEE ON THE YEAR 2000 TECHNOLOGY PROBLEM

Mr. GREGG. Mr. president, I ask unanimous consent that the Special Committee on the Year 2000 Technology Problem be permitted to meet on July 22, 1999 at 9:30 a.m. for the purpose of conducting a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### SUBCOMMITTEE ON FORESTS & PUBLIC LAND MANAGEMENT

Mr. GREGG. Mr. President, I ask unanimous consent that the Subcommittee on Forests & Public Land Management of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, July 22, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2:00 p.m. The purpose of this hearing is to receive testimony from the U.S. General Accounting Office on a recent GAO report, 99-166, regarding Forest Service land management priorities. Within this context, GAO will also provide an evaluation of Title I and Title II of S. 1320, a bill to provide the Federal land management agencies the authority and capability to manage effectively the Federal lands, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### SUBCOMMITTEE ON NEAR EASTERN AND SOUTH ASIAN AFFAIRS

Mr. GREGG. Mr. President, I ask unanimous consent that the Subcommittee on Near Eastern and South Asian Affairs be authorized to meet during the session of the Senate on Thursday, July 22, 1999 at 10:00 a.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

### ADDITIONAL STATEMENTS

#### FULBRIGHT SCHOLARSHIP PROGRAM AND THE TIBETAN EXCHANGE PROGRAM

• Mr. JEFFORDS. Mr. President, I am a strong supporter of international exchange programs. Americans benefit from an opportunity to work and study abroad. Foreigners benefit from time in the United States both in their professional development and by exposure to the American system and values. Exchanges are a proven way to disperse American principals of freedom and democracy around the world. Therefore, I am disappointed that the committee report recommends reducing funding for several exchange programs, including the funding for students, scholars and teachers portion of the Fulbright Program. The Fulbright Program has served America and Americans very well for many years. It is not in our best interest to reduce funding for it at this time. I would hope that all of the programs on the committees reprioritization list will be carefully evaluated before any decision is made to reduce or eliminate them.

The Tibetan Fulbright Program touches Vermonters very close to home. Ngawang Choephel, a Tibetan exile living in India, was the recipient of a Fulbright Scholarship and studied ethnomusicology at Middlebury College in Middlebury, Vermont. He was unjustly arrested by the Chinese in 1995 in his native Tibet when he returned to document traditional Tibetan music. Although this young man's time in Vermont was brief, the passion he threw into his work to preserve endangered Tibetan culture gained him a large following in my state. His case is of the highest priority for me and the other members of Vermont's congressional delegation. Senator LEAHY has joined me in offering an amendment to this legislation to ensure that the Tibetan Exchange Program continues in fiscal year 2000.

I hope that in conference the necessary changes will be made to ensure adequate funding for our most important exchange programs. •

#### ON THE PASSING OF COACH RALPH TASKER

• Mr. BINGAMAN. Mr. President, I rise today to speak on the life of a legendary figure in New Mexico sports history.

Ralph Tasker, the dean of New Mexico high school boys basketball, died earlier this week at the age of 80.

In New Mexico, you didn't have to refer to Ralph Tasker by name; you only had to say "Coach" and everyone knew who that was.

He coached in Hobbs for decades, and was known throughout our state as a superb teacher of the game of Basketball.

Ralph Tasker leaves behind an enduring legacy forged with the Hobbs Eagles, coaching 52 seasons in Lea County.

During that time, he amassed 1,122 wins with only 291 losses. That's almost an 80% winning record; a record difficult to achieve in any sport, at any level.

His teams won 12 state championships.

He was also recognized as the National Coach of the year.

He retired in 1998 as the third winningest head coach in the history of boys high school basketball in the United States and was elected to the National High School Coach Association Hall of Fame.

With all those accolades, if you asked Ralph Tasker what he was most proud of, he would tell you he was most proud of the hard work, dedication, and educational achievements of the young men on his teams.

When opposing teams prepared to play a Ralph Tasker-coached team, they knew they would face a disciplined and well-motivated team.

Coach Tasker knew the value of team work and inspired young men to respect one another as they worked together toward a common goal.

Coach Tasker coached and stood for the kind of ideals that we as state and country aspire as we work to motivate and teach young people.

I extend my condolences to his three children, Nancy, Diane, and Tim and to his four grandchildren and three great-grandchildren.

New Mexicans appreciate Coach Tasker's life, and we will always remember his great achievements on and off the court. •

#### RETIREMENT OF ROBERT TOBIAS

• Mr. WARNER. Mr. President, I rise today to acknowledge the retirement of Robert Tobias, President of the National Treasury Employees Union. I would like to take a moment to recognize the hard work and accomplishments of Mr. Tobias who, during a career with the NTEU of 31 years, has served as a prominent advocate for the over 155,000 federal employee members of the Union.

Under Bob's leadership, the NTEU has grown to become the nation's largest independent federal employees union, representing workers from 18 government agencies. Bob is one of the foremost authorities on federal employee issues and has been a vital resource to those of us who work on Capitol Hill, to the agencies he represents and throughout the federal government. Bob is highly respected among labor relations specialists as well. He has been instrumental in developing and enacting major legislation affecting federal employees including, creation and implementation of the Federal Employees Retirement System,

pay parity issues, and he served as a member of the bipartisan National Commission Restructuring the IRS whose work was the basis for the comprehensive IRS reform legislation passed in the 105th Congress.

Furthermore, Bob has been successful in numerous landmark legal battles impacting employee rights in court and before various federal oversight bodies, such as the Merit Systems Protection Board, the Federal Labor Relations Authority and the Office of Personnel Management.

Again, I commend Mr. Tobias for his invaluable work on behalf of federal employees, and I wish continued success for Mr. Tobias in his future endeavors.●

#### LYBA COHEN

● Mr. LEAHY. Mr. President, I rise today to congratulate a recent college graduate who resides in Rutland, Vermont. Lyba Cohen has joined the multitude of students who received their bachelor's degrees from colleges and universities across the country in the past months. She graduated from Lehman College in the Bronx, New York with a bachelor's degree in English literature with a minor in Italian. She also walked away with a nearly perfect GPA. Although Lyba Cohen speaks seven languages fluently, she considers the English language her greatest love. She has an insatiable love of learning, and plans to continue her education next fall.

There is one detail that I have failed to mention regarding this recent college graduate. Mr. President, Lyba Cohen is 82 years old. She was born and raised in Estonia, became part of the Zionist movement after high school, and was among the first people to settle the state of Israel. A woman who has worn many hats throughout her life, Mrs. Cohen is a tribute to students and senior citizens alike. She relocated to Rutland two years ago, and I am proud to honor this fascinating Vermonter. Mrs. Cohen has led a rich and fulfilling life, and at 82 she has embarked on yet another journey. This unique student deserves recognition, and I ask that the article from the Rutland daily Herald be printed in the RECORD so that all Senators may read about this remarkable woman.

The article follows.

A LIFELONG LEARNER—RUTLAND WOMAN  
EARNS COLLEGE DEGREE AT AGE 82  
(By Cauley Greene)

Lyba Cohen is a great student. She's graduating with a sky-high GPA and a bachelor's degree in English literature with a minor in Italian.

Like other graduates, she looks forward to a summer of rest before deciding whether to delve back into academia.

But unlike most college graduates, Cohen is 82 years old.

She'll be accepting her diploma from Lehman College in the Bronx, N.Y., on Friday with the rest of the class of 1999.

The more than 60 years between her high school diploma and her bachelor's degree have been packed full with feats that make her latest accomplishment seem more like a brief stop along the way than a final destination.

She has been a pioneer, a working mother and, most recently, a student.

Although her life as a traditional student began 10 years ago at a non-traditional age, Cohen has been something of a student all her life, learning as she went along.

Born and raised in Estonia, Cohen ventured off the beaten path early.

"When I graduated from high school I joined a group of friends that I had in a Zionist youth organization," she said. For two years the group trained for a life in agriculture, to be among the first to settle what is now Israel.

When war broke out in 1948, Abraham traveled back and forth to Israel while Lyba stayed in New York, helping her father-in-law with the family bakery. After the war ended her husband returned and took over the bakery. Cohen helped run the business until their two sons were out of school.

In 1970, she took the civil service test and took a position with the New York City Human Resources Administration, where she worked for 17 years, living in the Bronx. Widowed in 1973, Cohen lived and worked in the Bronx by herself. She retired in 1987.

Restless and driven by what she described as a love of the English language, she enrolled at Lehman College a year after she retired. An interest in English, sparked when Cohen was in high school, guided her toward a concentration in literature and modern language.

"I just fell in love with the English language," she said of her high school years.

She has been taking college classes since 1988, averaging two courses a semester.

"It took me a very long time because of health problems and hospital stays," she said. Her health and other factors prompted her move from the Bronx to Rutland in December 1997, but she stayed in school.

"I didn't give up," she said.

She now lives across the street from her son, Barry Cohen. Her other son, Boaz, who lives in Warren N.J., will join the family as they watch her accept her diploma.

The move made finishing her degree more difficult, but Lyba Cohen said she's glad she came north.

"I love it here, it's a wonderful place . . . I wish I had come here earlier," she said.

Her love of language is greater. She speaks seven different tongues, and when she speaks it seems every word she uses has been carefully chosen. She cites the same discrimination in her favorite author, Vladimir Nabokov, who also learned English as a second language.

"I like him, I like his linguistic proficiency," she said.

Cohen's love of language has also translated into academic success. She has received grades higher than an "A" in her last two semesters, and was told by her professor that three papers on author Toni Morrison she had recently done were written on a graduate level. Cohen's GPA is also very high, but she said that it doesn't really matter to her.

"It's close to 4.0, I think . . . It's really of no importance to me at all. The fact is I've acquired a lot of knowledge, she said.

Which begs the question: what will she do with her degree? Her answer probably echoes that of graduates 60 years her junior.

"After the summer I'm going to think about taking some courses . . . but I have the summer to think about it," she said.●

#### IN HONOR OF JOE REDINGTON, SR.

● Mr. MURKOWSKI. Mr. President, in the winter of 1973, when I was a commercial banker in Fairbanks, AK, pioneer Joe Redington, Sr., came into our offices with an interesting proposition. He was seeking a bank loan to start a sled dog race to commemorate the infamous diphtheria serum run that left Nenana in 1925 to deliver 20 pounds of serum to Nome to stop a deadly outbreak of the disease.

Joe worked as a commercial fisherman and miner and had no collateral to speak of—and no real chance of getting the \$50,000 loan. He couldn't accurately predict the costs of the race or forecast the sponsor interest, and he couldn't even guarantee that any mushers would reach the finish line in Nome.

But Joe Redington had a dream. More importantly, Redington was a man you knew would accomplish anything he set his mind to. His infectious enthusiasm and "can-do" attitude prompted me to take a chance and make a loan to help fund the world's longest sled dog race—the Iditarod Trail Sled Dog Race.

Joe Redington got the loan and paid it back. I do regret, however, having to come to the Senate floor today to note the passing of Joe Redington, Sr., a true giant of Alaska, who died June 24 at age 82 at his home in Knik, Alaska.

Redington's life is really a microcosm of Alaska's modern history. Born February 1, 1917, in rural Oklahoma, his family wandered the country looking for farm work until they settled in Bucks County, Pennsylvania in the late 1920s. In 1948 after a stint in World War II, Redington and wife, Vi, drove two Jeeps to Alaska and never looked back.

During territorial days and the early years of statehood, Joe Redington helped turn dog mushing—then a transportation necessity in central and rural Alaska—into the state's official sport. Redington and his wife, Vi, were dedicated breeders for nearly four decades. Offspring of their dogs have filled many kennels in Alaska and the Lower 48 with racing pups.

In 1967 he and the late Dorothy Page teamed to promote a Centennial Iditarod Sled Dog Race in honor of the 100th Anniversary of Alaska's purchase from Russia. The 56-mile race around the Big Lake-Wasilla area was a great success. The Centennial's success spurred the idea for the Iditarod.

But Redington's Iditarod dream was realized when 34 mushers left Anchorage on March 3, 1973 for the inaugural Iditarod Trail Sled Dog Race. The 1,100-mile race took the adventurous mushers across some of the roughest terrain in Alaska. Twenty-two mushers

crossed the finish line in Nome on April 3 with the top finishers sharing the \$50,000 purse. In 1976, Redington's determination and dedication to the Iditarod race led Congress to designate the Iditarod Trail as a National Historic Trail. The race has been run every March since 1973.

Joe Redington, Sr., at age 57, ran his first Iditarod in 1974 and ran in every race until 1992. At age 80, Redington ran in his 19th and final Iditarod in 1997 where he finish a very respectable 36th. His finish time was 13 days, 4 hours and 18 minutes—nearly 17 days faster than the winners time of the first Iditarod in 1973. While Redington never won the Iditarod, he did finished in fifth place, four times—in 1975, 1977, 1978 and 1988. And he was among the top 10 finishers, seven times.

Joe was remarkable off the race course, as well. At age 62 he scaled Alaska's Mount McKinley, keeping up with then 20-year-old musher, and four-time Iditarod champion, Susan Butcher. Redington made it to the peak of the 20,230 foot peak, a monumental task for a person of any age.

After hearing of Redington passing, fellow musher DeeDee Jonrowe was quoted in the Fairbanks News Miner as saying, "Joe never thought (anything) wasn't possible. If you had a dream, he was about making it happen for you. He wasn't about telling you the pitfalls."

Joe Redington, Sr. was a good, kind and gentle soul. He was soft of voice, but had a big heart—he was a fitting recipient of the Alaskan of the Year Award in 1995. Joe came down with esophagus cancer in 1997, but until a month ago he was still planning to complete in the year 2000 Iditarod Trail Sled Dog Race.

While Joe Redington, Sr. won't be racing in the 2000 Iditarod, his spirit surely will light the way to Nome for mushers each March. More importantly, his legacy of hard work and never giving up will be with all Alaskans as we continue our efforts to improve the land that we love . . . the land of The Last Frontier.●

#### THE 50TH ANNIVERSARY OF COLORADO D.A.V. CHAPTER 26

● Mr. ALLARD. Mr. President, I rise today to recognize and honor the 50th anniversary of Colorado Chapter 26 of the Disabled American Veterans.

July 26, 1999 is the anniversary of this distinguished group. Chapter 26 consists of over 2,000 veterans, making it the largest chapter in Colorado. Not only did these men and women serve their country in a time of war, but they came home and continued to demonstrate their respect for America. Colorado Springs, El Paso County, and the State of Colorado have seen and felt their numerous contributions first hand in these times of peace—a peace which they helped to provide.

The Veterans of Chapter 26 have never forgotten their duty to serve and defend, whether it be overseas or at home. Their un-relinquishing duty to America should be recognized.

Reaching fifty years of service and dedication is a milestone in the lives of these men and women who served in the Armed Forces of the United States of America and became members of Chapter 26. These members offered their lives to protect our country. They survived the perils of war, not unscathed, to come home and continue to serve as outstanding citizens. They have shown a love that has been unwavering for fifty years towards this country that they sacrificed so much to preserve. They are models of patriotism, citizenship, and dedication to the freedoms cherished in these United States. And they continue to serve America with all of the pride and honor that they showed fifty years ago when they sacrificed their time and bodies for the freedom of others.

So on July 26th 1999 the Colorado Chapter 26 of the United States Disabled American Veterans should be recognized and honored for the fifty years of unwavering pride and service—the ideals which America was built upon.●

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. I thank the Chair.

(The remarks of Mr. SPECTER pertaining to the introduction of S. 1425 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. SPECTER. Mr. President, on behalf of the distinguished majority leader, I have been asked to recite the closing words.

#### MEASURE READ FOR FIRST TIME—S. 1427

Mr. SPECTER. I understand S. 1427, which was introduced earlier today by Senator THOMPSON, is at the desk. I, therefore, ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

A bill (S. 1427) to authorize the Attorney General to appoint a special counsel to investigate or prosecute a person for a possible violation of criminal law when the Attorney General determines that the appointment of a special counsel is in the public interest.

Mr. SPECTER. I now ask for a second reading, and I object to my own request.

#### AUTHORIZING PRINTING OF MEMORIAL TRIBUTES

Mr. SPECTER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 161, submitted earlier today by the majority leader and the Democratic leader.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

A resolution (S. Res. 161) to authorize the printing of "Memorial Tributes to John Fitzgerald Kennedy, Jr."

There being no objection, the Senate proceeded to consider the resolution.

Mr. SPECTER. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to, en bloc, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 161) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

#### S. RES. 161

Whereas John Fitzgerald Kennedy, Jr. was a notable and influential public figure who was born into and lived his life in the public sphere;

Whereas John Fitzgerald Kennedy, Jr. comported himself with modesty and dignity, consistently displaying an admirable grace under pressure and a genuine concern for the well-being of other persons, in the grand tradition of his family;

Whereas John Fitzgerald Kennedy, Jr. was a significant figure who ably represented a family dedicated to public service, and who personally won a place in the heart of the American people;

Whereas the nation mourns the tragic loss of John Fitzgerald Kennedy, Jr., his wife, Carolyn Bessette Kennedy, and her sister, Lauren Bessette; and

Whereas on July 19, 1999, the Senate expressed its condolences to the Kennedy and Bessette families: Now, therefore, be it

*Resolved,*

#### SECTION 1. PRINTING OF THE "MEMORIAL TRIBUTES TO JOHN FITZGERALD KENNEDY, JR."

(a) IN GENERAL.—There shall be printed as a Senate Document, the book entitled "Memorial Tributes to John Fitzgerald Kennedy, Jr.", prepared under the supervision of the Secretary of the Senate.

(b) SPECIFICATIONS.—The document described in subsection (a) shall include illustrations and shall be in such style, form, manner, and binding as is directed by the Joint Committee on Printing after consultation with the Secretary of the Senate.

#### EXECUTIVE SESSION

#### NOMINATION OF JEFFREY RUSH, JR., OF VIRGINIA

Mr. SPECTER. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nomination: Executive Calendar No. 165. I further ask unanimous consent that the nomination be confirmed, the motion to reconsider be laid upon the table, any statements relating to the nomination be printed in the RECORD, the President be immediately notified of the Senate's



action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination was considered and confirmed as follows:

#### DEPARTMENT OF THE TREASURY

Jeffrey Rush, Jr., of Virginia, to be Inspector General, Department of the Treasury.

#### LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

#### WATER RESOURCES DEVELOPMENT ACT OF 1999

Mr. SPECTER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 103, H.R. 1480, the water resources bill. I further ask unanimous consent that all after the enacting clause be stricken and the text of the Senate-passed bill, S. 507, be inserted in lieu thereof. I ask unanimous consent that the bill then be read a third time and passed and, further, that the Senate insist on its amendment, request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1480), as amended, was read the third time and passed, as follows:

#### H. R. 1480

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE*.—This Act may be cited as the “Water Resources Development Act of 1999”.

(b) *TABLE OF CONTENTS*.—The table of contents of this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definition of Secretary.

#### TITLE I—WATER RESOURCES PROJECTS

- Sec. 101. Project authorizations.
- Sec. 102. Project modifications.
- Sec. 103. Project deauthorizations.
- Sec. 104. Studies.

#### TITLE II—GENERAL PROVISIONS

- Sec. 201. Flood hazard mitigation and riverine ecosystem restoration program.
- Sec. 202. Shore protection.
- Sec. 203. Small flood control authority.
- Sec. 204. Use of non-Federal funds for compiling and disseminating information on floods and flood damages.
- Sec. 205. Aquatic ecosystem restoration.
- Sec. 206. Beneficial uses of dredged material.
- Sec. 207. Voluntary contributions by States and political subdivisions.
- Sec. 208. Recreation user fees.
- Sec. 209. Water resources development studies for the Pacific region.
- Sec. 210. Missouri and Middle Mississippi Rivers enhancement project.
- Sec. 211. Outer Continental Shelf.
- Sec. 212. Environmental dredging.
- Sec. 213. Benefit of primary flood damages avoided included in benefit-cost analysis.
- Sec. 214. Control of aquatic plant growth.
- Sec. 215. Environmental infrastructure.

- Sec. 216. Watershed management, restoration, and development.
- Sec. 217. Lakes program.
- Sec. 218. Sediments decontamination policy.
- Sec. 219. Disposal of dredged material on beaches.
- Sec. 220. Fish and wildlife mitigation.
- Sec. 221. Reimbursement of non-Federal interest.
- Sec. 222. National Contaminated Sediment Task Force.
- Sec. 223. John Glenn Great Lakes Basin program.
- Sec. 224. Projects for improvement of the environment.
- Sec. 225. Water quality, environmental quality, recreation, fish and wildlife, flood control, and navigation.
- Sec. 226. Irrigation diversion protection and fisheries enhancement assistance.
- Sec. 227. Small storm damage reduction projects.
- Sec. 228. Shore damage prevention or mitigation.
- Sec. 229. Atlantic coast of New York.
- Sec. 230. Accelerated adoption of innovative technologies for contaminated sediments.
- Sec. 231. Mississippi River Commission.
- Sec. 232. Use of private enterprises.

#### TITLE III—PROJECT-RELATED PROVISIONS

- Sec. 301. Dredging of salt ponds in the State of Rhode Island.
- Sec. 302. Upper Susquehanna River basin, Pennsylvania and New York.
- Sec. 303. Small flood control projects.
- Sec. 304. Small navigation projects.
- Sec. 305. Streambank protection projects.
- Sec. 306. Aquatic ecosystem restoration, Springfield, Oregon.
- Sec. 307. Guilford and New Haven, Connecticut.
- Sec. 308. Francis Bland Floodway Ditch.
- Sec. 309. Caloosahatchee River basin, Florida.
- Sec. 310. Cumberland, Maryland, flood project mitigation.
- Sec. 311. City of Miami Beach, Florida.
- Sec. 312. Sardis Reservoir, Oklahoma.
- Sec. 313. Upper Mississippi River and Illinois waterway system navigation modernization.
- Sec. 314. Upper Mississippi River management.
- Sec. 315. Research and development program for Columbia and Snake Rivers salmon survival.
- Sec. 316. Nine Mile Run habitat restoration, Pennsylvania.
- Sec. 317. Larkspur Ferry Channel, California.
- Sec. 318. Comprehensive Flood Impact-Response Modeling System.
- Sec. 319. Study regarding innovative financing for small and medium-sized ports.
- Sec. 320. Candy Lake project, Osage County, Oklahoma.
- Sec. 321. Salcha River and Piledriver Slough, Fairbanks, Alaska.
- Sec. 322. Eyak River, Cordova, Alaska.
- Sec. 323. North Padre Island storm damage reduction and environmental restoration project.
- Sec. 324. Kanopolis Lake, Kansas.
- Sec. 325. New York City watershed.
- Sec. 326. City of Charlevoix reimbursement, Michigan.
- Sec. 327. Hamilton Dam flood control project, Michigan.
- Sec. 328. Holes Creek flood control project, Ohio.
- Sec. 329. Overflow management facility, Rhode Island.
- Sec. 330. Anacostia River aquatic ecosystem restoration, District of Columbia and Maryland.
- Sec. 331. Everglades and south Florida ecosystem restoration.

- Sec. 332. Pine Flat Dam, Kings River, California.
- Sec. 333. Levees in Elba and Geneva, Alabama.
- Sec. 334. Toronto Lake and El Dorado Lake, Kansas.
- Sec. 335. San Jacinto disposal area, Galveston, Texas.
- Sec. 336. Environmental infrastructure.
- Sec. 337. Water monitoring station.
- Sec. 338. Upper Mississippi River comprehensive plan.
- Sec. 339. McNary Lock and Dam, Washington.
- Sec. 340. McNary National Wildlife Refuge.

#### TITLE IV—CHEYENNE RIVER SIOUX TRIBE, LOWER BRULE SIOUX TRIBE, AND STATE OF SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION

- Sec. 401. Cheyenne River Sioux Tribe, Lower Brule Sioux Tribe, and State of South Dakota Terrestrial Wildlife Habitat Restoration.

#### SEC. 2. DEFINITION OF SECRETARY.

In this Act, the term “Secretary” means the Secretary of the Army.

#### TITLE I—WATER RESOURCES PROJECTS

##### SEC. 101. PROJECT AUTHORIZATIONS.

(a) *PROJECTS WITH CHIEF’S REPORTS*.—The following projects for water resources development and conservation and other purposes are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, described in the respective reports designated in this section:

(1) *SAND POINT HARBOR, ALASKA*.—The project for navigation, Sand Point Harbor, Alaska: Report of the Chief of Engineers dated October 13, 1998, at a total cost of \$11,760,000, with an estimated Federal cost of \$6,964,000 and an estimated non-Federal cost of \$4,796,000.

(2) *RIO SALADO (SALT RIVER), ARIZONA*.—The project for environmental restoration, Rio Salado (Salt River), Arizona: Report of the Chief of Engineers dated August 20, 1998, at a total cost of \$88,048,000, with an estimated Federal cost of \$56,355,000 and an estimated non-Federal cost of \$31,693,000.

(3) *TUCSON DRAINAGE AREA, ARIZONA*.—The project for flood damage reduction, environmental restoration, and recreation, Tucson drainage area, Arizona: Report of the Chief of Engineers dated May 20, 1998, at a total cost of \$29,900,000, with an estimated Federal cost of \$16,768,000 and an estimated non-Federal cost of \$13,132,000.

(4) *AMERICAN RIVER WATERSHED, CALIFORNIA*.—

(A) *IN GENERAL*.—The project for flood damage reduction described as the Folsom Stepped Release Plan in the Corps of Engineers Supplemental Information Report for the American River Watershed Project, California, dated March 1996, at a total cost of \$505,400,000, with an estimated Federal cost of \$329,300,000 and an estimated non-Federal cost of \$176,100,000.

(B) *IMPLEMENTATION*.—

(i) *IN GENERAL*.—Implementation of the measures by the Secretary pursuant to subparagraph (A) shall be undertaken after completion of the levee stabilization and strengthening and flood warning features authorized by section 101(a)(1) of the Water Resources Development Act of 1996 (110 Stat. 3662).

(ii) *FOLSOM DAM AND RESERVOIR*.—The Secretary may undertake measures at the Folsom Dam and Reservoir authorized under subparagraph (A) only after reviewing the design of such measures to determine if modifications are necessary to account for changed hydrologic conditions and any other changed conditions in the project area, including operational and construction impacts that have occurred since completion of the report referred to in subparagraph (A). The Secretary shall conduct the review and

develop the modifications to the Folsom Dam and Reservoir with the full participation of the Secretary of the Interior.

(iii) REMAINING DOWNSTREAM ELEMENTS.—

(I) IN GENERAL.—Implementation of the remaining downstream elements authorized pursuant to subparagraph (A) may be undertaken only after the Secretary, in consultation with affected Federal, State, regional, and local entities, has reviewed the elements to determine if modifications are necessary to address changes in the hydrologic conditions, any other changed conditions in the project area that have occurred since completion of the report referred to in subparagraph (A) and any design modifications for the Folsom Dam and Reservoir made by the Secretary in implementing the measures referred to in clause (ii), and has issued a report on the review.

(II) PRINCIPLES AND GUIDELINES.—The review shall be prepared in accordance with the economic and environmental principles and guidelines for water and related land resources implementation studies, and no construction may be initiated unless the Secretary determines that the remaining downstream elements are technically sound, environmentally acceptable, and economically justified.

(5) LLAS CREEK, CALIFORNIA.—The project for completion of the remaining reaches of the Natural Resources Conservation Service flood control project at Llagas Creek, California, undertaken pursuant to section 5 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005), substantially in accordance with the requirements of local cooperation as specified in section 4 of that Act (16 U.S.C. 1004) at a total cost of \$45,000,000, with an estimated Federal cost of \$21,800,000 and an estimated non-Federal cost of \$23,200,000.

(6) SOUTH SACRAMENTO COUNTY STREAMS, CALIFORNIA.—The project for flood control, environmental restoration, and recreation, South Sacramento County streams, California: Report of the Chief of Engineers dated October 6, 1998, at a total cost of \$65,500,000, with an estimated Federal cost of \$41,200,000 and an estimated non-Federal cost of \$24,300,000.

(7) UPPER GUADALUPE RIVER, CALIFORNIA.—Construction of the locally preferred plan for flood damage reduction and recreation, Upper Guadalupe River, California, described as the Bypass Channel Plan of the Chief of Engineers dated August 19, 1998, at a total cost of \$137,600,000, with an estimated Federal cost of \$44,000,000 and an estimated non-Federal cost of \$93,600,000.

(8) YUBA RIVER BASIN, CALIFORNIA.—The project for flood damage reduction, Yuba River Basin, California: Report of the Chief of Engineers dated November 25, 1998, at a total cost of \$26,600,000, with an estimated Federal cost of \$17,350,000 and an estimated non-Federal cost of \$9,250,000.

(9) DELAWARE BAY COASTLINE: DELAWARE AND NEW JERSEY—BROADKILL BEACH, DELAWARE.—

(A) IN GENERAL.—The project for hurricane and storm damage reduction and shore protection, Delaware Bay coastline: Delaware and New Jersey—Broadkill Beach, Delaware, Report of the Chief of Engineers dated August 17, 1998, at a total cost of \$9,049,000, with an estimated Federal cost of \$5,674,000 and an estimated non-Federal cost of \$3,375,000.

(B) PERIODIC NOURISHMENT.—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$538,200, with an estimated annual Federal cost of \$349,800 and an estimated annual non-Federal cost of \$188,400.

(10) DELAWARE BAY COASTLINE: DELAWARE AND NEW JERSEY—PORT MAHON, DELAWARE.—

(A) IN GENERAL.—The project for ecosystem restoration and shore protection, Delaware Bay

coastline: Delaware and New Jersey—Port Mahon, Delaware: Report of the Chief of Engineers dated September 28, 1998, at a total cost of \$7,644,000, with an estimated Federal cost of \$4,969,000 and an estimated non-Federal cost of \$2,675,000.

(B) PERIODIC NOURISHMENT.—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$234,000, with an estimated annual Federal cost of \$152,000 and an estimated annual non-Federal cost of \$82,000.

(11) HILLSBORO AND OKEECHOBEE AQUIFER STORAGE AND RECOVERY PROJECT, FLORIDA.—The project for aquifer storage and recovery described in the Corps of Engineers Central and Southern Florida Water Supply Study, Florida, dated April 1989, and in House Document 369, dated July 30, 1968, at a total cost of \$27,000,000, with an estimated Federal cost of \$13,500,000 and an estimated non-Federal cost of \$13,500,000.

(12) INDIAN RIVER COUNTY, FLORIDA.—Notwithstanding section 1001(a) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(a)), the project for shoreline protection, Indian River County, Florida, authorized by section 501(a) of that Act (100 Stat. 4134), shall remain authorized for construction through December 31, 2002.

(13) LIDO KEY BEACH, SARASOTA, FLORIDA.—(A) IN GENERAL.—The project for shore protection at Lido Key Beach, Sarasota, Florida, authorized by section 101 of the River and Harbor Act of 1970 (84 Stat. 1819) and deauthorized by operation of section 1001(b) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)), is authorized to be carried out by the Secretary at a total cost of \$5,200,000, with an estimated Federal cost of \$3,380,000 and an estimated non-Federal cost of \$1,820,000.

(B) PERIODIC NOURISHMENT.—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$602,000, with an estimated annual Federal cost of \$391,000 and an estimated annual non-Federal cost of \$211,000.

(14) TAMPA HARBOR—BIG BEND CHANNEL, FLORIDA.—The project for navigation, Tampa Harbor—Big Bend Channel, Florida: Report of the Chief of Engineers dated October 13, 1998, at a total cost of \$12,356,000, with an estimated Federal cost of \$6,235,000 and an estimated non-Federal cost of \$6,121,000.

(15) BRUNSWICK HARBOR, GEORGIA.—The project for navigation, Brunswick Harbor, Georgia: Report of the Chief of Engineers dated October 6, 1998, at a total cost of \$50,717,000, with an estimated Federal cost of \$32,966,000 and an estimated non-Federal cost of \$17,751,000.

(16) BEARGRASS CREEK, KENTUCKY.—The project for flood damage reduction, Beargrass Creek, Kentucky: Report of the Chief of Engineers dated May 12, 1998, at a total cost of \$11,172,000, with an estimated Federal cost of \$7,262,000 and an estimated non-Federal cost of \$3,910,000.

(17) AMITE RIVER AND TRIBUTARIES, LOUISIANA, EAST BATON ROUGE PARISH WATERSHED.—The project for flood damage reduction and recreation, Amite River and Tributaries, Louisiana, East Baton Rouge Parish Watershed: Report of the Chief of Engineers, dated December 23, 1996, at a total cost of \$112,900,000, with an estimated Federal cost of \$73,400,000 and an estimated non-Federal cost of \$39,500,000.

(18) BALTIMORE HARBOR ANCHORAGES AND CHANNELS, MARYLAND AND VIRGINIA.—

(A) IN GENERAL.—The project for navigation, Baltimore Harbor Anchorages and Channels, Maryland and Virginia, Report of the Chief of Engineers dated June 8, 1998, at a total cost of \$28,426,000, with an estimated Federal cost of \$18,994,000 and an estimated non-Federal cost of \$9,432,000.

(B) CREDIT OR REIMBURSEMENT.—If a project cooperation agreement is entered into, the non-Federal interest shall receive credit or reimbursement of the Federal share of project costs for construction work performed by the non-Federal interest before execution of the project cooperation agreement if the Secretary finds the work to be integral to the project.

(C) STUDY OF MODIFICATIONS.—During the preconstruction engineering and design phase of the project, the Secretary shall conduct a study to determine the feasibility of undertaking further modifications to the Dundalk Marine Terminal access channels, consisting of—

(i) deepening and widening the Dundalk access channels to a depth of 50 feet and a width of 500 feet;

(ii) widening the flares of the access channels; and

(iii) providing a new flare on the west side of the entrance to the east access channel.

(D) REPORT.—

(i) IN GENERAL.—Not later than March 1, 2000, the Secretary shall submit to Congress a report on the study under subparagraph (C).

(ii) CONTENTS.—The report shall include a determination of—

(I) the feasibility of performing the project modifications described in subparagraph (C); and

(II) the appropriateness of crediting or reimbursing the Federal share of the cost of the work performed by the non-Federal interest on the project modifications.

(19) RED LAKE RIVER AT CROOKSTON, MINNESOTA.—The project for flood damage reduction, Red Lake River at Crookston, Minnesota: Report of the Chief of Engineers, dated April 20, 1998, at a total cost of \$8,950,000, with an estimated Federal cost of \$5,720,000 and an estimated non-Federal cost of \$3,230,000.

(20) NEW JERSEY SHORE PROTECTION, TOWNSENDS INLET TO CAPE MAY INLET, NEW JERSEY.—

(A) IN GENERAL.—The project for hurricane and storm damage reduction, ecosystem restoration, and shore protection, New Jersey coastline, Townsends Inlet to Cape May Inlet, New Jersey: Report of the Chief of Engineers dated September 28, 1998, at a total cost of \$56,503,000, with an estimated Federal cost of \$36,727,000 and an estimated non-Federal cost of \$19,776,000.

(B) PERIODIC NOURISHMENT.—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$2,000,000, with an estimated annual Federal cost of \$1,300,000 and an estimated annual non-Federal cost of \$700,000.

(21) PARK RIVER, NORTH DAKOTA.—

(A) IN GENERAL.—Subject to the condition stated in subparagraph (B), the project for flood control, Park River, Grafton, North Dakota, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4121) and deauthorized under section 1001(a) of the Water Resources Development Act of 1986 (33 U.S.C. 579a), at a total cost of \$28,100,000, with an estimated Federal cost of \$18,265,000 and an estimated non-Federal cost of \$9,835,000.

(B) CONDITION.—No construction may be initiated unless the Secretary determines through a general reevaluation report using current data, that the project is technically sound, environmentally acceptable, and economically justified.

(22) SALT CREEK, GRAHAM, TEXAS.—The project for flood control, environmental restoration, and recreation, Salt Creek, Graham, Texas: Report of the Chief of Engineers dated October 6, 1998, at a total cost of \$10,080,000, with an estimated Federal cost of \$6,560,000 and an estimated non-Federal cost of \$3,520,000.

(b) PROJECTS SUBJECT TO A FINAL REPORT.—The following projects for water resources development and conservation and other purposes

are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions recommended in a final report of the Chief of Engineers as approved by the Secretary, if a favorable report of the Chief is completed not later than December 31, 1999:

(1) NOME HARBOR IMPROVEMENTS, ALASKA.—The project for navigation, Nome Harbor Improvements, Alaska, at a total cost of \$24,608,000, with an estimated first Federal cost of \$19,660,000 and an estimated first non-Federal cost of \$4,948,000.

(2) SEWARD HARBOR, ALASKA.—The project for navigation, Seward Harbor, Alaska, at a total cost of \$12,240,000, with an estimated first Federal cost of \$4,364,000 and an estimated first non-Federal cost of \$7,876,000.

(3) ARROYO PASAJERO, CALIFORNIA.—The project for flood damage reduction, Arroyo Pasajero, California, at a total cost of \$260,700,000, with an estimated first Federal cost of \$170,100,000 and an estimated first non-Federal cost of \$90,600,000.

(4) HAMILTON AIRFIELD WETLAND RESTORATION, CALIFORNIA.—The project for environmental restoration at Hamilton Airfield, California, at a total cost of \$55,200,000, with an estimated Federal cost of \$41,400,000 and an estimated non-Federal cost of \$13,800,000.

(5) OAKLAND, CALIFORNIA.—

(A) IN GENERAL.—The project for navigation and environmental restoration, Oakland, California, at a total cost of \$214,340,000, with an estimated Federal cost of \$143,450,000 and an estimated non-Federal cost of \$70,890,000.

(B) BERTHING AREAS AND OTHER LOCAL SERVICE FACILITIES.—The non-Federal interests shall provide berthing areas and other local service facilities necessary for the project at an estimated cost of \$42,310,000.

(6) SUCCESS DAM, TULE RIVER BASIN, CALIFORNIA.—The project for flood damage reduction and water supply, Success Dam, Tule River basin, California, at a total cost of \$17,900,000, with an estimated first Federal cost of \$11,635,000 and an estimated first non-Federal cost of \$6,265,000.

(7) DELAWARE BAY COASTLINE: DELAWARE AND NEW JERSEY-ROOSEVELT INLET-LEWES BEACH, DELAWARE.—

(A) IN GENERAL.—The project for navigation mitigation, shore protection, and hurricane and storm damage reduction, Delaware Bay coastline: Delaware and New Jersey-Roosevelt Inlet-Lewes Beach, Delaware, at a total cost of \$3,393,000, with an estimated Federal cost of \$2,620,000 and an estimated non-Federal cost of \$773,000.

(B) PERIODIC NOURISHMENT.—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$196,000, with an estimated annual Federal cost of \$152,000 and an estimated annual non-Federal cost of \$44,000.

(8) DELAWARE COAST FROM CAPE HENELOPEN TO FENWICK ISLAND, BETHANY BEACH/SOUTH BETHANY BEACH, DELAWARE.—

(A) IN GENERAL.—The project for hurricane and storm damage reduction and shore protection, Delaware Coast from Cape Henelopen to Fenwick Island, Bethany Beach/South Bethany Beach, Delaware, at a total cost of \$22,205,000, with an estimated Federal cost of \$14,433,000 and an estimated non-Federal cost of \$7,772,000.

(B) PERIODIC NOURISHMENT.—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$1,584,000, with an estimated annual Federal cost of \$1,030,000 and an estimated annual non-Federal cost of \$554,000.

(9) JACKSONVILLE HARBOR, FLORIDA.—The project for navigation, Jacksonville Harbor, Florida, at a total cost of \$26,116,000, with an estimated Federal cost of \$9,129,000 and an estimated non-Federal cost of \$16,987,000.

(10) LITTLE TALBOT ISLAND, DUVAL COUNTY, FLORIDA.—The project for hurricane and storm damage prevention and shore protection, Little Talbot Island, Duval County, Florida, at a total cost of \$5,915,000, with an estimated Federal cost of \$3,839,000 and an estimated non-Federal cost of \$2,076,000.

(11) PONCE DE LEON INLET, VOLUSIA COUNTY, FLORIDA.—The project for navigation and recreation, Ponce de Leon Inlet, Volusia County, Florida, at a total cost of \$5,454,000, with an estimated Federal cost of \$2,988,000 and an estimated non-Federal cost of \$2,466,000.

(12) SAVANNAH HARBOR EXPANSION, GEORGIA.—(A) IN GENERAL.—Subject to subparagraph (B), the Secretary may carry out the project for navigation, Savannah Harbor expansion, Georgia, substantially in accordance with the plans, and subject to the conditions, recommended in a final report of the Chief of Engineers, with such modifications as the Secretary deems appropriate, at a total cost of \$230,174,000 (of which amount a portion is authorized for implementation of the mitigation plan), with an estimated Federal cost of \$145,160,000 and an estimated non-Federal cost of \$85,014,000.

(B) CONDITIONS.—The project authorized by subparagraph (A) may be carried out only after—

(i) the Secretary, in consultation with affected Federal, State, regional, and local entities, has reviewed and approved an Environmental Impact Statement that includes—

(I) an analysis of the impacts of project depth alternatives ranging from 42 feet through 48 feet; and

(II) a selected plan for navigation and associated mitigation plan as required by section 906(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2283); and

(ii) the Secretary of the Interior, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency, with the Secretary, have approved the selected plan and have determined that the mitigation plan adequately addresses the potential environmental impacts of the project.

(C) MITIGATION REQUIREMENTS.—The mitigation plan shall be implemented in advance of or concurrently with construction of the project.

(13) TURKEY CREEK BASIN, KANSAS CITY, MISSOURI AND KANSAS CITY, KANSAS.—The project for flood damage reduction, Turkey Creek Basin, Kansas City, Missouri, and Kansas City, Kansas, at a total cost of \$42,875,000 with an estimated Federal cost of \$25,596,000 and an estimated non-Federal cost of \$17,279,000.

(14) DELAWARE BAY COASTLINE, OAKWOOD BEACH, NEW JERSEY.—

(A) IN GENERAL.—The project for hurricane and storm damage reduction, Delaware Bay coastline, Oakwood Beach, New Jersey, at a total cost of \$3,380,000, with an estimated Federal cost of \$2,197,000 and an estimated non-Federal cost of \$1,183,000.

(B) PERIODIC NOURISHMENT.—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$90,000, with an estimated annual Federal cost of \$58,000 and an estimated annual non-Federal cost of \$32,000.

(15) DELAWARE BAY COASTLINE, REEDS BEACH AND PIERCES POINT, NEW JERSEY.—The project for environmental restoration, Delaware Bay coastline, Reeds Beach and Pierces Point, New Jersey, at a total cost of \$4,057,000, with an estimated Federal cost of \$2,637,000 and an estimated non-Federal cost of \$1,420,000.

(16) DELAWARE BAY COASTLINE, VILLAS AND VICINITY, NEW JERSEY.—The project for environmental restoration, Delaware Bay coastline, Villas and vicinity, New Jersey, at a total cost of \$7,520,000, with an estimated Federal cost of \$4,888,000 and an estimated non-Federal cost of \$2,632,000.

(17) LOWER CAPE MAY MEADOWS, CAPE MAY POINT, NEW JERSEY.—

(A) IN GENERAL.—The project for navigation mitigation, ecosystem restoration, shore protection, and hurricane and storm damage reduction, Lower Cape May Meadows, Cape May Point, New Jersey, at a total cost of \$15,952,000, with an estimated Federal cost of \$12,118,000 and an estimated non-Federal cost of \$3,834,000.

(B) PERIODIC NOURISHMENT.—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$1,114,000, with an estimated annual Federal cost of \$897,000 and an estimated annual non-Federal cost of \$217,000.

(18) NEW JERSEY SHORE PROTECTION, BRIGANTINE INLET TO GREAT EGG HARBOR, BRIGANTINE ISLAND, NEW JERSEY.—

(A) IN GENERAL.—The project for hurricane and storm damage reduction and shore protection, New Jersey Shore protection, Brigantine Inlet to Great Egg Harbor, Brigantine Island, New Jersey, at a total cost of \$4,970,000, with an estimated Federal cost of \$3,230,000 and an estimated non-Federal cost of \$1,740,000.

(B) PERIODIC NOURISHMENT.—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$465,000, with an estimated annual Federal cost of \$302,000 and an estimated annual non-Federal cost of \$163,000.

(19) COLUMBIA RIVER CHANNEL DEEPENING, OREGON AND WASHINGTON.—

(A) IN GENERAL.—The project for navigation, Columbia River channel deepening, Oregon and Washington, at a total cost of \$176,700,000, with an estimated Federal cost of \$116,900,000 and an estimated non-Federal cost of \$59,800,000.

(B) BERTHING AREAS AND OTHER LOCAL SERVICE FACILITIES.—The non-Federal interests shall provide berthing areas and other local service facilities necessary for the project at an estimated cost of \$1,200,000.

(20) MEMPHIS HARBOR, MEMPHIS, TENNESSEE.—

(A) IN GENERAL.—Subject to subparagraph (B), the project for navigation, Memphis Harbor, Memphis, Tennessee, authorized by section 601(a) of the Water Resources Development Act of 1986 (100 Stat. 4145) and deauthorized under section 1001(a) of that Act (33 U.S.C. 579a(a)) is authorized to be carried out by the Secretary.

(B) CONDITION.—No construction may be initiated unless the Secretary determines through a general reevaluation report using current data, that the project is technically sound, environmentally acceptable, and economically justified.

(21) JOHNSON CREEK, ARLINGTON, TEXAS.—The project for flood damage reduction, environmental restoration, and recreation, Johnson Creek, Arlington, Texas, at a total cost of \$20,300,000, with an estimated Federal cost of \$12,000,000 and an estimated non-Federal cost of \$8,300,000.

(22) HOWARD HANSON DAM, WASHINGTON.—The project for water supply and ecosystem restoration, Howard Hanson Dam, Washington, at a total cost of \$75,600,000, with an estimated Federal cost of \$36,900,000 and an estimated non-Federal cost of \$38,700,000.

## SEC. 102. PROJECT MODIFICATIONS.

### (a) PROJECTS WITH REPORTS.—

(1) SAN LORENZO RIVER, CALIFORNIA.—The project for flood control, San Lorenzo River, California, authorized by section 101(a)(5) of the Water Resources Development Act of 1986 (110 Stat. 3663), is modified to authorize the Secretary to include as a part of the project streambank erosion control measures to be undertaken substantially in accordance with the report entitled "Bank Stabilization Concept, Laurel Street Extension", dated April 23, 1998, at a total cost of \$4,000,000, with an estimated Federal cost of \$2,600,000 and an estimated non-Federal cost of \$1,400,000.

(2) *ST. JOHNS COUNTY SHORE PROTECTION, FLORIDA.*—

(A) *IN GENERAL.*—The project for hurricane and storm damage reduction and shore protection, St. Johns County, Florida, authorized by section 501(a) of the Water Resources Development Act of 1986 (100 Stat. 4133) is modified to authorize the Secretary to include navigation mitigation as a purpose of the project in accordance with the report of the Corps of Engineers dated November 18, 1998, at a total cost of \$16,086,000, with an estimated Federal cost of \$12,949,000 and an estimated non-Federal cost of \$3,137,000.

(B) *PERIODIC NOURISHMENT.*—Periodic nourishment is authorized for a 50-year period at an estimated average annual cost of \$1,251,000, with an estimated annual Federal cost of \$1,007,000 and an estimated annual non-Federal cost of \$244,000.

(3) *WOOD RIVER, GRAND ISLAND, NEBRASKA.*—The project for flood control, Wood River, Grand Island, Nebraska, authorized by section 101(a)(19) of the Water Resources Development Act of 1996 (110 Stat. 3665) is modified to authorize the Secretary to construct the project in accordance with the Corps of Engineers report dated June 29, 1998, at a total cost of \$17,039,000, with an estimated Federal cost of \$9,730,000 and an estimated non-Federal cost of \$7,309,000.

(4) *ABSECON ISLAND, NEW JERSEY.*—The project for Absecon Island, New Jersey, authorized by section 101(b)(13) of the Water Resources Development Act of 1996 (110 Stat. 3668) is amended to authorize the Secretary to reimburse the non-Federal interests for all work performed, consistent with the authorized project.

(5) *ARTHUR KILL, NEW YORK AND NEW JERSEY.*—

(A) *IN GENERAL.*—The project for navigation, Arthur Kill, New York and New Jersey, authorized by section 202(b) of the Water Resources Development Act of 1986 (100 Stat. 4098) and modified by section 301(b)(11) of the Water Resources Development Act of 1996 (110 Stat. 3711), is further modified to authorize the Secretary to construct the project at a total cost of \$276,800,000, with an estimated Federal cost of \$183,200,000 and an estimated non-Federal cost of \$93,600,000.

(B) *BERTHING AREAS AND OTHER LOCAL SERVICE FACILITIES.*—The non-Federal interests shall provide berthing areas and other local service facilities necessary for the project at an estimated cost of \$38,900,000.

(6) *WAURIKA LAKE, OKLAHOMA, WATER CONVEYANCE FACILITIES.*—The requirement for the Waurika Project Master Conservancy District to repay the \$2,900,000 in costs (including interest) resulting from the October 1991 settlement of the claim of the Travelers Insurance Company before the United States Claims Court related to construction of the water conveyance facilities authorized by the first section of Public Law 88-253 (77 Stat. 841) is waived.

(b) *PROJECTS SUBJECT TO REPORTS.*—The following projects are modified as follows, except that no funds may be obligated to carry out work under such modifications until completion of a final report by the Chief of Engineers, as approved by the Secretary, finding that such work is technically sound, environmentally acceptable, and economically justified, as applicable:

(1) *FORT PIERCE SHORE PROTECTION, FLORIDA.*—

(A) *IN GENERAL.*—The Fort Pierce, Florida, shore protection and harbor mitigation project authorized by section 301 of the River and Harbor Act of 1965 (79 Stat. 1092) and section 506(a)(2) of the Water Resources Development Act of 1996 (110 Stat. 3757) is modified to include an additional 1-mile extension of the project and increased Federal participation in accordance

with section 101(c) of the Water Resources Development Act of 1986 (33 U.S.C. 2211(c)), as described in the general reevaluation report approved by the Chief of Engineers, at an estimated total cost of \$9,128,000, with an estimated Federal cost of \$7,074,000 and an estimated non-Federal cost of \$2,054,000.

(B) *PERIODIC NOURISHMENT.*—Periodic nourishment is authorized for a 50-year period for the modified project, at an estimated annual cost of \$559,000, with an estimated annual Federal cost of \$433,000 and an estimated annual non-Federal cost of \$126,000.

(2) *THORNTON RESERVOIR, COOK COUNTY, ILLINOIS.*—

(A) *IN GENERAL.*—The Thornton Reservoir project, an element of the project for flood control, Chicagoland Underflow Plan, Illinois, authorized by section 3(a)(5) of the Water Resources Development Act of 1988 (102 Stat. 4013), is modified to authorize the Secretary to include additional permanent flood control storage attributable to the Natural Resources Conservation Service Thornton Reservoir (Structure 84), Little Calumet River Watershed, Illinois, approved under the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.).

(B) *COST SHARING.*—Costs for the Thornton Reservoir project shall be shared in accordance with section 103 of the Water Resources Development Act of 1986 (33 U.S.C. 2213).

(C) *TRANSITIONAL STORAGE.*—The Secretary of Agriculture may cooperate with non-Federal interests to provide, on a transitional basis, flood control storage for the Natural Resources Conservation Service Thornton Reservoir (Structure 84) project in the west lobe of the Thornton quarry.

(D) *CREDITING.*—The Secretary may credit against the non-Federal share of the Thornton Reservoir project all design and construction costs incurred by the non-Federal interests before the date of enactment of this Act.

(E) *REEVALUATION REPORT.*—The Secretary shall determine the credits authorized by subparagraph (D) that are integral to the Thornton Reservoir project and the current total project costs based on a limited reevaluation report.

(3) *WELLS HARBOR, WELLS, MAINE.*—

(A) *IN GENERAL.*—The project for navigation, Wells Harbor, Maine, authorized by section 101 of the River and Harbor Act of 1960 (74 Stat. 480), is modified to authorize the Secretary to realign the channel and anchorage areas based on a harbor design capacity of 150 craft.

(B) *DEAUTHORIZATION OF CERTAIN PORTIONS.*—The following portions of the project are not authorized after the date of enactment of this Act:

(i) The portion of the 6-foot channel the boundaries of which begin at a point with coordinates N177,992.00, E394,831.00, thence running south 83 degrees 58 minutes 14.8 seconds west 10.38 feet to a point N177,990.91, E394,820.68, thence running south 11 degrees 46 minutes 47.7 seconds west 991.76 feet to a point N177,020.04, E394,618.21, thence running south 78 degrees 13 minutes 45.7 seconds east 10.00 feet to a point N177,018.00, E394,628.00, thence running north 11 degrees 46 minutes 22.8 seconds east 994.93 feet to the point of origin.

(ii) The portion of the 6-foot anchorage the boundaries of which begin at a point with coordinates N177,778.07, E394,336.96, thence running south 51 degrees 58 minutes 32.7 seconds west 15.49 feet to a point N177,768.53, E394,324.76, thence running south 11 degrees 46 minutes 26.5 seconds west 672.87 feet to a point N177,109.82, E394,187.46, thence running south 78 degrees 13 minutes 45.7 seconds east 10.00 feet to a point N177,107.78, E394,197.25, thence running north 11 degrees 46 minutes 25.4 seconds east 684.70 feet to the point of origin.

(iii) The portion of the 10-foot settling basin the boundaries of which begin at a point with

coordinates N177,107.78, E394,197.25, thence running north 78 degrees 13 minutes 45.7 seconds west 10.00 feet to a point N177,109.82, E394,187.46, thence running south 11 degrees 46 minutes 15.7 seconds west 300.00 feet to a point N176,816.13, E394,126.26, thence running south 78 degrees 12 minutes 21.4 seconds east 9.98 feet to a point N176,814.09, E394,136.03, thence running north 11 degrees 46 minutes 29.1 seconds east 300.00 feet to the point of origin.

(iv) The portion of the 10-foot settling basin the boundaries of which begin at a point with coordinates N177,018.00, E394,628.00, thence running north 78 degrees 13 minutes 45.7 seconds west 10.00 feet to a point N177,020.04, E394,618.21, thence running south 11 degrees 46 minutes 44.0 seconds west 300.00 feet to a point N176,726.36, E394,556.97, thence running south 78 degrees 12 minutes 30.3 seconds east 10.03 feet to a point N176,724.31, E394,566.79, thence running north 11 degrees 46 minutes 22.4 seconds east 300.00 feet to the point of origin.

(C) *REDESIGNATIONS AS PART OF THE 6-FOOT ANCHORAGE.*—The following portions of the project shall be redesignated as part of the 6-foot anchorage:

(i) The portion of the 6-foot channel the boundaries of which begin at a point with coordinates N177,990.91, E394,820.68, thence running south 83 degrees 58 minutes 40.8 seconds west 94.65 feet to a point N177,980.98, E394,726.55, thence running south 11 degrees 46 minutes 22.4 seconds west 962.83 feet to a point N177,038.40, E394,530.10, thence running south 78 degrees 13 minutes 45.7 seconds east 90.00 feet to a point N177,020.04, E394,618.21, thence running north 11 degrees 46 minutes 47.7 seconds east 991.76 feet to the point of origin.

(ii) The portion of the 10-foot inner harbor settling basin the boundaries of which begin at a point with coordinates N177,020.04, E394,618.21, thence running north 78 degrees 13 minutes 30.5 seconds west 160.00 feet to a point N177,052.69, E394,461.58, thence running south 11 degrees 46 minutes 45.4 seconds west 299.99 feet to a point N176,759.02, E394,400.34, thence running south 78 degrees 13 minutes 17.9 seconds east 160 feet to a point N176,726.36, E394,556.97, thence running north 11 degrees 46 minutes 44.0 seconds east 300.00 feet to the point of origin.

(D) *REDESIGNATION AS PART OF THE 6-FOOT CHANNEL.*—The following portion of the project shall be redesignated as part of the 6-foot channel: the portion the boundaries of which begin at a point with coordinates N178,102.26, E394,751.83, thence running south 51 degrees 59 minutes 42.1 seconds west 526.51 feet to a point N177,778.07, E394,336.96, thence running south 11 degrees 46 minutes 26.6 seconds west 511.83 feet to a point N177,277.01, E394,232.52, thence running south 78 degrees 13 minutes 17.9 seconds east 80.00 feet to a point N177,260.68, E394,310.84, thence running north 11 degrees 46 minutes 24.8 seconds east 482.54 feet to a point N177,733.07, E394,409.30, thence running north 51 degrees 59 minutes 41.0 seconds east 402.63 feet to a point N177,980.98, E394,726.55, thence running north 11 degrees 46 minutes 27.6 seconds east 123.89 feet to the point of origin.

(E) *REALIGNMENT.*—The portion of the project described in subparagraph (D) shall be realigned to include the area located south of the inner harbor settling basin in existence on the date of enactment of this Act beginning at a point with coordinates N176,726.36, E394,556.97, thence running north 78 degrees 13 minutes 17.9 seconds west 160.00 feet to a point N176,759.02, E394,400.34, thence running south 11 degrees 47 minutes 03.8 seconds west 45 feet to a point N176,714.97, E394,391.15, thence running south 78 degrees 13 minutes 17.9 seconds 160.00 feet to a point N176,682.31, E394,547.78, thence running north 11 degrees 47 minutes 03.8 seconds east 45 feet to the point of origin.

(F) **RELOCATION.**—The Secretary may relocate the settling basin feature of the project to the outer harbor between the jetties.

(G) **CONSERVATION EASEMENT.**—The Secretary of the Interior, acting through the Director of the United States Fish and Wildlife Service, may accept a conveyance of the right, but not the obligation, to enforce a conservation easement to be held by the State of Maine over certain land owned by the town of Wells, Maine, that is adjacent to the Rachel Carson National Wildlife Refuge.

(4) **NEW YORK HARBOR AND ADJACENT CHANNELS, PORT JERSEY, NEW JERSEY.**—

(A) **IN GENERAL.**—The project for navigation, New York Harbor and adjacent channels, Port Jersey, New Jersey, authorized by section 201(b) of the Water Resources Development Act of 1986 (100 Stat. 4091), is modified to authorize the Secretary to construct the project at a total cost of \$102,545,000, with an estimated Federal cost of \$76,909,000 and an estimated non-Federal cost of \$25,636,000.

(B) **BERTHING AREAS AND OTHER LOCAL FACILITIES.**—The non-Federal interests shall provide berthing areas and other local service facilities necessary for the project at an estimated cost of \$722,000.

(5) **WILLAMETTE RIVER TEMPERATURE CONTROL, MCKENZIE SUBBASIN, OREGON.**—The project for environmental restoration, Willamette River Temperature Control, McKenzie Subbasin, Oregon, authorized by section 101(a)(25) of the Water Resources Development Act of 1996 (110 Stat. 3665), is modified to authorize the Secretary to construct the project at a total Federal cost of \$64,741,000.

(6) **WHITE RIVER BASIN, ARKANSAS AND MISSOURI.**—

(A) **IN GENERAL.**—The project for flood control, power generation and other purposes at the White River Basin, Arkansas and Missouri, authorized by section 4 of the Act of June 28, 1938 (52 Stat. 1218, chapter 795), and modified by House Document 917, Seventy-sixth Congress, Third Session, and House Document 290, Seventy-seventh Congress, First Session, approved August 18, 1941, and House Document 499, Eighty-third Congress, Second Session, approved September 3, 1954, and by section 304 of the Water Resources Development Act of 1996 (110 Stat. 3711) is modified to authorize the Secretary to provide minimum flows necessary to sustain tail water trout fisheries by reallocating the following amounts of project storage: Beaver Lake, 3.5 feet; Table Rock, 2 feet; Bull Shoals Lake, 5 feet; Norfolk Lake, 3.5 feet; and Greers Ferry Lake, 3 feet. The Secretary shall complete such report and submit it to the Congress by July 30, 2000.

(B) **REPORT.**—The report of the Chief of Engineers, required by this subsection, shall also include a determination that the modification of the project in subparagraph (A) does not adversely affect other authorized project purposes, and that no Federal costs are incurred.

(C) **BEAVER LAKE, ARKANSAS, WATER SUPPLY STORAGE REALLOCATION.**—The Secretary shall reallocate approximately 31,000 additional acre-feet at Beaver Lake, Arkansas, to water supply storage at no cost to the Beaver Water District or the Carroll-Boone Water District, except that at no time shall the bottom of the conservation pool be at an elevation that is less than 1,076 feet, NGVD.

(D) **TOLCHESTER CHANNEL S-TURN, BALTIMORE, MARYLAND.**—The project for navigation, Baltimore Harbor and Channels, Maryland, authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 297), is modified to direct the Secretary to straighten the Tolchester Channel S-turn as part of project maintenance.

(E) **TROPICANA WASH AND FLAMINGO WASH, NEVADA.**—Any Federal costs associated with the

Tropicana and Flamingo Washes, Nevada, authorized by section 101(13) of the Water Resources Development Act of 1992 (106 Stat. 4803), incurred by the non-Federal interest to accelerate or modify construction of the project, in cooperation with the Corps of Engineers, shall be considered to be eligible for reimbursement by the Secretary.

(F) **REDIVERSION PROJECT, COOPER RIVER, CHARLESTON HARBOR, SOUTH CAROLINA.**—

(1) **IN GENERAL.**—The redirection project, Cooper River, Charleston Harbor, South Carolina, authorized by section 101 of the River and Harbor Act of 1968 (82 Stat. 731) and modified by title I of the Energy and Water Development Appropriations Act, 1992 (105 Stat. 517), is modified to authorize the Secretary to pay the State of South Carolina not more than \$3,750,000, if the State enters into an agreement with the Secretary providing that the State shall perform all future operation of the St. Stephen, South Carolina, fish lift (including associated studies to assess the efficacy of the fish lift).

(2) **CONTENTS.**—The agreement shall specify the terms and conditions under which payment will be made and the rights of, and remedies available to, the Secretary to recover all or a portion of the payment if the State suspends or terminates operation of the fish lift or fails to perform the operation in a manner satisfactory to the Secretary.

(3) **MAINTENANCE.**—Maintenance of the fish lift shall remain a Federal responsibility.

(G) **TRINITY RIVER AND TRIBUTARIES, TEXAS.**—The project for flood control and navigation, Trinity River and tributaries, Texas, authorized by section 301 of the River and Harbor Act of 1965 (79 Stat. 1091), is modified to add environmental restoration as a project purpose.

(H) **BEACH EROSION CONTROL AND HURRICANE PROTECTION, VIRGINIA BEACH, VIRGINIA.**—

(1) **ACCEPTANCE OF FUNDS.**—In any fiscal year that the Corps of Engineers does not receive appropriations sufficient to meet expected project expenditures for that year, the Secretary shall accept from the city of Virginia Beach, Virginia, for purposes of the project for beach erosion control and hurricane protection, Virginia Beach, Virginia, authorized by section 501(a) of the Water Resources Development Act of 1986 (100 Stat. 4136), such funds as the city may advance for the project.

(2) **REPAYMENT.**—Subject to the availability of appropriations, the Secretary shall repay, without interest, the amount of any advance made under paragraph (1), from appropriations that may be provided by Congress for river and harbor, flood control, shore protection, and related projects.

(I) **ELIZABETH RIVER, CHESAPEAKE, VIRGINIA.**—Notwithstanding any other provision of law, after the date of enactment of this Act, the city of Chesapeake, Virginia, shall not be obligated to make the annual cash contribution required under paragraph 1(9) of the Local Cooperation Agreement dated December 12, 1978, between the Government and the city for the project for navigation, southern branch of Elizabeth River, Chesapeake, Virginia.

(J) **PAYMENT OPTION, MOOREFIELD, WEST VIRGINIA.**—The Secretary may permit the non-Federal interests for the project for flood control, Moorefield, West Virginia, to pay without interest the remaining non-Federal cost over a period not to exceed 30 years, to be determined by the Secretary.

(K) **MIAMI DADE AGRICULTURAL AND RURAL LAND RETENTION PLAN AND SOUTH BISCAYNE, FLORIDA.**—Section 528(b)(3) of the Water Resources Development Act of 1996 (110 Stat. 3768) is amended by adding at the end the following:

“(D) **CREDIT AND REIMBURSEMENT OF PAST AND FUTURE ACTIVITIES.**—The Secretary may afford credit to or reimburse the non-Federal

sponsors (using funds authorized by subparagraph (C)) for the reasonable costs of any work that has been performed or will be performed in connection with a study or activity meeting the requirements of subparagraph (A) if—

“(i) the Secretary determines that—

“(I) the work performed by the non-Federal sponsors will substantially expedite completion of a critical restoration project; and

“(II) the work is necessary for a critical restoration project; and

“(ii) the credit or reimbursement is granted pursuant to a project-specific agreement that prescribes the terms and conditions of the credit or reimbursement.”.

(L) **LAKE MICHIGAN, ILLINOIS.**—

(1) **IN GENERAL.**—The project for storm damage reduction and shoreline protection, Lake Michigan, Illinois, from Wilmette, Illinois, to the Illinois-Indiana State line, authorized by section 101(a)(12) of the Water Resources Development Act of 1996 (110 Stat. 3664), is modified to provide for reimbursement for additional project work undertaken by the non-Federal interest.

(2) **CREDIT OR REIMBURSEMENT.**—The Secretary shall credit or reimburse the non-Federal interest for the Federal share of project costs incurred by the non-Federal interest in designing, constructing, or reconstructing reach 2F (700 feet south of Fullerton Avenue and 500 feet north of Fullerton Avenue), reach 3M (Meigs Field), and segments 7 and 8 of reach 4 (43rd Street to 57th Street), if the non-Federal interest carries out the work in accordance with plans approved by the Secretary, at an estimated total cost of \$83,300,000.

(3) **REIMBURSEMENT.**—The Secretary shall reimburse the non-Federal interest for the Federal share of project costs incurred by the non-Federal interest in reconstructing the revetment structures protecting Solidarity Drive in Chicago, Illinois, before the signing of the project cooperation agreement, at an estimated total cost of \$7,600,000.

(M) **MEASUREMENTS OF LAKE MICHIGAN DIVERSIONS, ILLINOIS.**—Section 1142(b) of the Water Resources Development Act of 1986 (100 Stat. 4253) is amended by striking “\$250,000 per fiscal year for each fiscal year beginning after September 30, 1986” and inserting “a total of \$1,250,000 for each of fiscal years 1999 through 2003”.

(N) **PROJECT FOR NAVIGATION, DUBUQUE, IOWA.**—The project for navigation at Dubuque, Iowa, authorized by section 101 of the River and Harbor Act of 1960 (74 Stat. 482), is modified to authorize the development of a wetland demonstration area of approximately 1.5 acres to be developed and operated by the Dubuque County Historical Society or a successor nonprofit organization.

(O) **LOUISIANA STATE PENITENTIARY LEVEE.**—The Secretary may credit against the non-Federal share work performed in the project area of the Louisiana State Penitentiary Levee, Mississippi River, Louisiana, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4117).

(P) **JACKSON COUNTY, MISSISSIPPI.**—The project for environmental infrastructure, Jackson County, Mississippi, authorized by section 219(c)(5) of the Water Resources Development Act of 1992 (106 Stat. 4835) and modified by section 504 of the Water Resources Development Act of 1996 (110 Stat. 3757), is modified to direct the Secretary to provide a credit, not to exceed \$5,000,000, against the non-Federal share of the cost of the project for the costs incurred by the Jackson County Board of Supervisors since February 8, 1994, in constructing the project, if the Secretary determines that such costs are for work that the Secretary determines was compatible with and integral to the project.

(Q) **RICHARD B. RUSSELL DAM AND LAKE, SOUTH CAROLINA.**—

(1) *IN GENERAL.*—Except as otherwise provided in this paragraph, the Secretary shall convey to the State of South Carolina all right, title, and interest of the United States in the parcels of land described in paragraph (2)(A) that are currently being managed by the South Carolina Department of Natural Resources for fish and wildlife mitigation purposes for the Richard B. Russell Dam and Lake, South Carolina, project authorized by the Flood Control Act of 1966 and modified by the Water Resources Development Act of 1986.

(2) *LAND DESCRIPTION.*—

(A) *IN GENERAL.*—The parcels of land to be conveyed are described in Exhibits A, F, and H of Army Lease No. DACW21-1-93-0910 and associated supplemental agreements or are designated in red in Exhibit A of Army License No. DACW21-3-85-1904, excluding all designated parcels in the license that are below elevation 346 feet mean sea level or that are less than 300 feet measured horizontally from the top of the power pool.

(B) *MANAGEMENT OF EXCLUDED PARCELS.*—Management of the excluded parcels shall continue in accordance with the terms of Army License No. DACW21-3-85-1904 until the Secretary and the State enter into an agreement under paragraph (6).

(C) *SURVEY.*—The exact acreage and legal description of the land shall be determined by a survey satisfactory to the Secretary, with the cost of the survey borne by the State.

(3) *COSTS OF CONVEYANCE.*—The State shall be responsible for all costs, including real estate transaction and environmental compliance costs, associated with the conveyance.

(4) *PERPETUAL STATUS.*—

(A) *IN GENERAL.*—All land conveyed under this paragraph shall be retained in public ownership and shall be managed in perpetuity for fish and wildlife mitigation purposes in accordance with a plan approved by the Secretary.

(B) *REVERSION.*—If any parcel of land is not managed for fish and wildlife mitigation purposes in accordance with the plan, title to the parcel shall revert to the United States.

(5) *ADDITIONAL TERMS AND CONDITIONS.*—The Secretary may require such additional terms and conditions in connection with the conveyance as the Secretary considers appropriate to protect the interests of the United States.

(6) *FISH AND WILDLIFE MITIGATION AGREEMENT.*—

(A) *IN GENERAL.*—The Secretary may pay the State of South Carolina not more than \$4,850,000 subject to the Secretary and the State entering into a binding agreement for the State to manage for fish and wildlife mitigation purposes in perpetuity the lands conveyed under this paragraph and excluded parcels designated in Exhibit A of Army License No. DACW21-3-85-1904.

(B) *FAILURE OF PERFORMANCE.*—The agreement shall specify the terms and conditions under which payment will be made and the rights of, and remedies available to, the Federal Government to recover all or a portion of the payment if the State fails to manage any parcel in a manner satisfactory to the Secretary.

(7) *LAND CONVEYANCE, CLARKSTON, WASHINGTON.*—

(1) *IN GENERAL.*—The Secretary shall convey to the Port of Clarkston, Washington, all right, title, and interest of the United States in and to a portion of the land described in the Department of the Army lease No. DACW68-1-97-22, consisting of approximately 31 acres, the exact boundaries of which shall be determined by the Secretary and the Port of Clarkston.

(2) *ADDITIONAL LAND.*—The Secretary may convey to the Port of Clarkston, Washington, such additional land located in the vicinity of Clarkston, Washington, as the Secretary determines to be excess to the needs of the Columbia River Project and appropriate for conveyance.

(3) *TERMS AND CONDITIONS.*—The conveyances made under paragraphs (1) and (2) shall be subject to such terms and conditions as the Secretary determines to be necessary to protect the interests of the United States, including a requirement that the Port of Clarkston pay all administrative costs associated with the conveyances, including the cost of land surveys and appraisals and costs associated with compliance with applicable environmental laws (including regulations).

(4) *USE OF LAND.*—The Port of Clarkston shall be required to pay the fair market value, as determined by the Secretary, of any land conveyed pursuant to paragraphs (1) and (2) that is not retained in public ownership and used for public park or recreation purposes, except that the Secretary shall have a right of reverter to reclaim possession and title to any such land.

(5) *WHITE RIVER, INDIANA.*—The project for flood control, Indianapolis on West Fork of the White River, Indiana, authorized by section 5 of the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and other purposes", approved June 22, 1936 (49 Stat. 1586, chapter 688), as modified by section 323 of the Water Resources Development Act of 1996 (110 Stat. 3716), is modified to authorize the Secretary to undertake the riverfront alterations described in the Central Indianapolis Waterfront Concept Plan, dated February 1994, for the Canal Development (Upper Canal feature) and the Beveridge Paper feature, at a total cost not to exceed \$25,000,000, of which \$12,500,000 is the estimated Federal cost and \$12,500,000 is the estimated non-Federal cost, except that no such alterations may be undertaken unless the Secretary determines that the alterations authorized by this subsection, in combination with the alterations undertaken under section 323 of the Water Resources Development Act of 1996 (110 Stat. 3716), are economically justified.

(6) *FOX POINT HURRICANE BARRIER, PROVIDENCE, RHODE ISLAND.*—The project for hurricane-flood protection, Fox Point, Providence, Rhode Island, authorized by section 203 of the Flood Control Act of 1958 (72 Stat. 306) is modified to direct the Secretary to undertake the necessary repairs to the barrier, as identified in the Condition Survey and Technical Assessment dated April 1998 with Supplement dated August 1998, at a total cost of \$3,000,000, with an estimated Federal cost of \$1,950,000 and an estimated non-Federal cost of \$1,050,000.

(7) *LEE COUNTY, CAPTIVA ISLAND SEGMENT, FLORIDA.*—

(1) *IN GENERAL.*—The project for shoreline protection, Lee County, Captiva Island segment, Florida, authorized by section 506(b)(3)(A) of the Water Resources Development Act of 1996 (110 Stat. 3758), is modified to direct the Secretary to enter into an agreement with the non-Federal interest to carry out the project in accordance with section 206 of the Water Resources Development Act of 1992 (33 U.S.C. 426i-1).

(2) *DECISION DOCUMENT.*—The design memorandum approved in 1996 shall be the decision document supporting continued Federal participation in cost sharing of the project.

(8) *COLUMBIA RIVER CHANNEL, WASHINGTON AND OREGON.*—

(1) *IN GENERAL.*—The project for navigation, Columbia River between Vancouver, Washington, and The Dalles, Oregon, authorized by the first section of the Act of July 24, 1946 (60 Stat. 637, chapter 595), is modified to authorize the Secretary to construct an alternate barge channel to traverse the high span of the Interstate Route 5 bridge between Portland, Oregon, and Vancouver, Washington, to a depth of 17 feet, with a width of approximately 200 feet through the high span of the bridge and a width of approximately 300 feet upstream of the bridge.

(2) *DISTANCE UPSTREAM.*—The channel shall continue upstream of the bridge approximately 2,500 feet to about river mile 107, then to a point of convergence with the main barge channel at about river mile 108.

(3) *DISTANCE DOWNSTREAM.*—

(A) *SOUTHERN EDGE.*—The southern edge of the channel shall continue downstream of the bridge approximately 1,500 feet to river mile 106+10, then turn northwest to tie into the edge of the Upper Vancouver Turning Basin.

(B) *NORTHERN EDGE.*—The northern edge of the channel shall continue downstream of the bridge to the Upper Vancouver Turning Basin.

**SEC. 103. PROJECT DEAUTHORIZATIONS.**

(a) *BRIDGEPORT HARBOR, CONNECTICUT.*—The portion of the project for navigation, Bridgeport Harbor, Connecticut, authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 297), consisting of a 2.4-acre anchorage area 9 feet deep and an adjacent 0.60-acre anchorage area 6 feet deep, located on the west side of Johnsons River, Connecticut, is not authorized after the date of enactment of this Act.

(b) *BASS HARBOR, MAINE.*—

(1) *DEAUTHORIZATION.*—The portions of the project for navigation, Bass Harbor, Maine, authorized on May 7, 1962, under section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577) described in paragraph (2) are not authorized after the date of enactment of this Act.

(2) *DESCRIPTION.*—The portions of the project referred to in paragraph (1) are described as follows:

(A) Beginning at a bend in the project, N14904.00, E538505.00, thence running easterly about 50.00 feet along the northern limit of the project to a point, N149061.55, E538550.11, thence running southerly about 642.08 feet to a point, N148477.64, E538817.18, thence running southwesterly about 156.27 feet to a point on the westerly limit of the project, N148348.50, E538737.02, thence running northerly about 149.00 feet along the westerly limit of the project to a bend in the project, N148489.22, E538768.09, thence running northwesterly about 610.39 feet along the westerly limit of the project to the point of origin.

(B) Beginning at a point on the westerly limit of the project, N148118.55, E538689.05, thence running southeasterly about 91.92 feet to a point, N148041.43, E538739.07, thence running southerly about 65.00 feet to a point, N147977.86, E538725.51, thence running southwesterly about 91.92 feet to a point on the westerly limit of the project, N147927.84, E538648.39, thence running northerly about 195.00 feet along the westerly limit of the project to the point of origin.

(c) *BOOTHBAY HARBOR, MAINE.*—The project for navigation, Boothbay Harbor, Maine, authorized by the Act of July 25, 1912 (37 Stat. 201, chapter 253), is not authorized after the date of enactment of this Act.

(d) *CARVERS HARBOR, VINALHAVEN, MAINE.*—

(1) *DEAUTHORIZATION.*—The portion of the project for navigation, Carvers Harbor, Vinalhaven, Maine, authorized by the Act of June 3, 1896 (commonly known as the "River and Harbor Appropriations Act of 1896") (29 Stat. 202, chapter 314), described in paragraph (2) is not authorized after the date of enactment of this Act.

(2) *DESCRIPTION.*—The portion of the project referred to in paragraph (1) is the portion of the 16-foot anchorage beginning at a point with coordinates N137,502.04, E895,156.83, thence running south 6 degrees 34 minutes 57.6 seconds west 277.660 feet to a point N137,226.21, E895,125.00, thence running north 53 degrees, 5 minutes 42.4 seconds west 127.746 feet to a point N137,302.92, E895,022.85, thence running north 33 degrees 56 minutes 9.8 seconds east 239.999 feet to the point of origin.

(e) *EAST BOOTHBAY HARBOR, MAINE.*—Section 364 of the Water Resources Development Act of



1996 (110 Stat. 3731) is amended by striking paragraph (9) and inserting the following:

"(9) EAST BOOTHBAY HARBOR, MAINE.—The project for navigation, East Boothbay Harbor, Maine, authorized by the first section of the Act entitled 'An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes', approved June 25, 1910 (36 Stat. 657)."

(f) SEARSPORT HARBOR, SEARSPORT, MAINE.—(1) DEAUTHORIZATION.—The portion of the project for navigation, Searsport Harbor, Searsport, Maine, authorized by section 101 of the River and Harbor Act of 1962 (76 Stat. 1173), described in paragraph (2) is not authorized after the date of enactment of this Act.

(2) DESCRIPTION.—The portion of the project referred to in paragraph (1) is the portion of the 35-foot turning basin beginning at a point with coordinates N225,008.38, E395,464.26, thence running north 43 degrees 49 minutes 53.4 seconds east 362.001 feet to a point N225,269.52, E395,714.96, thence running south 71 degrees 27 minutes 33.0 seconds east 1,309.201 feet to a point N224,853.22, E396,956.21, thence running north 84 degrees 3 minutes 45.7 seconds west 1,499.997 feet to the point of origin.

#### SEC. 104. STUDIES.

(a) CADDO LEVEE, RED RIVER BELOW DENISON DAM, ARIZONA, LOUISIANA, OKLAHOMA, AND TEXAS.—The Secretary shall conduct a study to determine the feasibility of undertaking a project for flood control, Caddo Levee, Red River Below Denison Dam, Arizona, Louisiana, Oklahoma, and Texas, including incorporating the existing levee, along Twelve Mile Bayou from its juncture with the existing Red River Below Denison Dam Levee approximately 26 miles upstream to its terminus at high ground in the vicinity of Black Bayou, Louisiana.

(b) BOYDSVILLE, ARKANSAS.—The Secretary shall conduct a study to determine the feasibility of reservoir and associated improvements to provide for flood control, recreation, water quality, water supply, and fish and wildlife purposes in the vicinity of Boydsville, Arkansas.

(c) UNION COUNTY, ARKANSAS.—The Secretary shall conduct a study to determine the feasibility of municipal and industrial water supply for Union County, Arkansas.

(d) WHITE RIVER BASIN, ARKANSAS AND MISSOURI.—

(1) IN GENERAL.—The Secretary shall conduct a study of the project for flood control, power generation, and other purposes at the White River Basin, Arkansas and Missouri, authorized by section 4 of the Act of June 28, 1938 (52 Stat. 1218, chapter 795), and modified by H. Doc. 917, 76th Cong., 3d Sess., and H. Doc. 290, 77th Cong., 1st Sess., approved August 18, 1941, and H. Doc. 499, 83d Cong., 2d Sess., approved September 3, 1954, and by section 304 of the Water Resources Development Act of 1996 (110 Stat. 3711) to determine the feasibility of modifying the project to provide minimum flows necessary to sustain the tail water trout fisheries.

(2) REPORT.—Not later than July 30, 2000, the Secretary shall submit to Congress a report on the study and any recommendations on reallocation of storage at Beaver Lake, Table Rock, Bull Shoals Lake, Norfolk Lake, and Greers Ferry Lake.

(e) FIELDS LANDING CHANNEL, HUMBOLDT HARBOR, CALIFORNIA.—The Secretary—

(1) shall conduct a study for the project for navigation, Fields Landing Channel, Humboldt Harbor and Bay, California, to a depth of minus 35 feet (MLLW), and for that purpose may use any feasibility report prepared by the non-Federal sponsor under section 203 of the Water Resources Development Act of 1986 (33 U.S.C. 2231) for which reimbursement of the Federal share of the study is authorized subject to the availability of appropriations; and

(2) may carry out the project under section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577), if the Secretary determines that the project is feasible.

(f) FRAZIER CREEK, TULARE COUNTY, CALIFORNIA.—The Secretary shall conduct a study to determine—

(1) the feasibility of restoring Frazier Creek, Tulare County, California; and

(2) the Federal interest in flood control, environmental restoration, conservation of fish and wildlife resources, recreation, and water quality of the creek.

(g) STRAWBERRY CREEK, BERKELEY, CALIFORNIA.—The Secretary shall conduct a study to determine the feasibility of restoring Strawberry Creek, Berkeley, California, and the Federal interest in environmental restoration, conservation of fish and wildlife resources, recreation, and water quality.

(h) WEST SIDE STORM WATER RETENTION FACILITY, CITY OF LANCASTER, CALIFORNIA.—The Secretary shall conduct a study to determine the feasibility of undertaking measures to construct the West Side Storm Water Retention Facility in the city of Lancaster, California.

(i) APALACHICOLA RIVER, FLORIDA.—The Secretary shall conduct a study for the purpose of identifying—

(1) alternatives for the management of material dredged in connection with operation and maintenance of the Apalachicola River Navigation Project; and

(2) alternatives that reduce the requirements for such dredging.

(j) BROWARD COUNTY, SAND BYPASSING AT PORT EVERGLADES, FLORIDA.—The Secretary shall conduct a study to determine the feasibility of constructing a sand bypassing project at the Port Everglades Inlet, Florida.

(k) CITY OF DESTIN-NORIEGA POINT BREAKWATER, FLORIDA.—The Secretary shall conduct a study to determine the feasibility of—

(1) restoring Noriega Point, Florida, to serve as a breakwater for Destin Harbor; and

(2) including Noriega Point as part of the East Pass, Florida, navigation project.

(l) GATEWAY TRIANGLE REDEVELOPMENT AREA, FLORIDA.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of undertaking measures to reduce the flooding problems in the vicinity of Gateway Triangle Redevelopment Area, Florida.

(2) STUDIES AND REPORTS.—The study shall include a review and consideration of studies and reports completed by the non-Federal interests.

(m) CITY OF PLANT CITY, FLORIDA.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of a flood control project in the city of Plant City, Florida.

(2) STUDIES AND REPORTS.—In conducting the study, the Secretary shall review and consider studies and reports completed by the non-Federal interests.

(n) BOISE, IDAHO.—The Secretary shall conduct a study to determine the feasibility of undertaking flood control on the Boise River in Boise, Idaho.

(o) GOOSE CREEK WATERSHED, OAKLEY, IDAHO.—The Secretary shall conduct a study to determine the feasibility of undertaking flood damage reduction, water conservation, ground water recharge, ecosystem restoration, and related purposes along the Goose Creek watershed near Oakley, Idaho.

(p) LITTLE WOOD RIVER, GOODING, IDAHO.—The Secretary shall conduct a study to determine the feasibility of restoring and repairing the Lava Rock Little Wood River Containment System to prevent flooding in the city of Gooding, Idaho.

(q) BANK STABILIZATION, SNAKE RIVER, LEWISTON, IDAHO.—The Secretary shall conduct a

study to determine the feasibility of undertaking bank stabilization and flood control on the Snake River at Lewiston, Idaho.

(r) SNAKE RIVER AND PAYETTE RIVER, IDAHO.—The Secretary shall conduct a study to determine the feasibility of a flood control project along the Snake River and Payette River, in the vicinity of Payette, Idaho.

(s) ACADIANA NAVIGATION CHANNEL, LOUISIANA.—The Secretary shall conduct a study to determine the feasibility of assuming operations and maintenance for the Acadiana Navigation Channel located in Iberia and Vermillion Parishes, Louisiana.

(t) CAMERON PARISH WEST OF CALCASIEU RIVER, LOUISIANA.—The Secretary shall conduct a study to determine the feasibility of a storm damage reduction and ecosystem restoration project for Cameron Parish west of Calcasieu River, Louisiana.

(u) BENEFICIAL USE OF DREDGED MATERIAL, COASTAL LOUISIANA.—The Secretary shall conduct a study to determine the feasibility of using dredged material from maintenance activities at Federal navigation projects in coastal Louisiana to benefit coastal areas in the State.

(v) CONTRABAND BAYOU NAVIGATION CHANNEL, LOUISIANA.—The Secretary shall conduct a study to determine the feasibility of assuming the maintenance at Contraband Bayou, Calcasieu River Ship Canal, Louisiana.

(w) GOLDEN MEADOW LOCK, LOUISIANA.—The Secretary shall conduct a study to determine the feasibility of converting the Golden Meadow floodgate into a navigation lock to be included in the Larose to Golden Meadow Hurricane Protection Project, Louisiana.

(x) GULF INTRACOASTAL WATERWAY ECOSYSTEM PROTECTION, CHEF MENTEUR TO SABINE RIVER, LOUISIANA.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of undertaking ecosystem restoration and protection measures along the Gulf Intracoastal Waterway from Chef Menteur to Sabine River, Louisiana.

(2) MATTERS TO BE ADDRESSED.—The study shall address saltwater intrusion, tidal scour, erosion, compaction, subsidence, wind and wave action, bank failure, and other problems relating to water resources in the area.

(y) LAKE PONTCHARTRAIN, LOUISIANA, AND VICINITY, ST. CHARLES PARISH PUMPS.—The Secretary shall conduct a study to determine the feasibility of modifying the Lake Pontchartrain Hurricane Protection Project to include the St. Charles Parish Pumps and the modification of the seawall fronting protection along Lake Pontchartrain in Orleans Parish, from New Basin Canal on the west to the Inner Harbor Navigation Canal on the east.

(z) LAKE PONTCHARTRAIN AND VICINITY SEAWALL RESTORATION, LOUISIANA.—The Secretary shall conduct a study to determine the feasibility of undertaking structural modifications of that portion of the seawall fronting protection along the south shore of Lake Pontchartrain in Orleans Parish, Louisiana, extending approximately 5 miles from the new basin Canal on the west to the Inner Harbor Navigation Canal on the east as a part of the Lake Pontchartrain and Vicinity Hurricane Protection Project, authorized by section 204 of the Flood Control Act of 1965 (79 Stat. 1077).

(aa) MUDDY RIVER, BROOKLINE AND BOSTON, MASSACHUSETTS.—

(1) IN GENERAL.—The Secretary shall evaluate the January 1999 study commissioned by the Boston Parks and Recreation Department, Boston, Massachusetts, and entitled "The Emerald Necklace Environmental Improvement Master Plan, Phase I Muddy River Flood Control, Water Quality and Habitat Enhancement", to determine whether the plans outlined in the study for flood control, water quality, habitat

enhancements, and other improvements to the Muddy River in Brookline and Boston, Massachusetts, are cost-effective, technically sound, environmentally acceptable, and in the Federal interest.

(2) REPORT.—Not later than December 31, 1999, the Secretary shall report to Congress the results of the evaluation.

(bb) DETROIT RIVER, MICHIGAN, GREENWAY CORRIDOR STUDY.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of a project for shoreline protection, frontal erosion, and associated purposes in the Detroit River shoreline area from the Belle Isle Bridge to the Ambassador Bridge in Detroit, Michigan.

(2) POTENTIAL MODIFICATIONS.—As a part of the study, the Secretary shall review potential project modifications to any existing Corps projects within the same area.

(cc) ST. CLAIR SHORES FLOOD CONTROL, MICHIGAN.—The Secretary shall conduct a study to determine the feasibility of constructing a flood control project at St. Clair Shores, Michigan.

(dd) WOODTICK PENINSULA, MICHIGAN, AND TOLEDO HARBOR, OHIO.—The Secretary shall conduct a study to determine the feasibility of utilizing dredged material from Toledo Harbor, Ohio, to provide erosion reduction, navigation, and ecosystem restoration at Woodtick Peninsula, Michigan.

(ee) DREDGED MATERIAL MANAGEMENT, PASCAGOULA HARBOR, MISSISSIPPI.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine an alternative plan for dredged material management for the Pascagoula River portion of the project for navigation, Pascagoula Harbor, Mississippi, authorized by section 202(a) of the Water Resources Development Act of 1986 (100 Stat. 4094).

(2) CONTENTS.—The study under paragraph (1) shall—

(A) include an analysis of the feasibility of expanding the Singing River Island Disposal Area or constructing a new dredged material disposal facility; and

(2) identify methods of managing and reducing sediment transport into the Federal navigation channel.

(ff) TUNICA LAKE WEIR, MISSISSIPPI.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of constructing an outlet weir at Tunica Lake, Tunica County, Mississippi, and Lee County, Arkansas, for the purpose of stabilizing water levels in the Lake.

(2) ECONOMIC ANALYSIS.—In carrying out the study, the Secretary shall include as a part of the economic analysis the benefits derived from recreation uses at the Lake and economic benefits associated with restoration of fish and wildlife habitat.

(gg) PROTECTIVE FACILITIES FOR THE ST. LOUIS, MISSOURI, RIVERFRONT AREA.—

(1) STUDY.—The Secretary shall conduct a study to determine the optimal plan to protect facilities that are located on the Mississippi River riverfront within the boundaries of St. Louis, Missouri.

(2) REQUIREMENTS.—In conducting the study, the Secretary shall—

(A) evaluate alternatives to offer safety and security to facilities; and

(B) use state-of-the-art techniques to best evaluate the current situation, probable solutions, and estimated costs.

(3) REPORT.—Not later than April 15, 2000, the Secretary shall submit to Congress a report on the results of the study.

(hh) YELLOWSTONE RIVER, MONTANA.—

(1) STUDY.—The Secretary shall conduct a comprehensive study of the Yellowstone River from Gardiner, Montana to the confluence of

the Missouri River to determine the hydrologic, biological, and socioeconomic cumulative impacts on the river.

(2) CONSULTATION AND COORDINATION.—The Secretary shall conduct the study in consultation with the United States Fish and Wildlife Service, the United States Geological Survey, and the Natural Resources Conservation Service and with the full participation of the State of Montana and tribal and local entities, and provide for public participation.

(3) REPORT.—Not later than 5 years after the date of enactment of this Act, the Secretary shall submit a report to Congress on the results of the study.

(ii) LAS VEGAS VALLEY, NEVADA.—

(1) IN GENERAL.—The Secretary shall conduct a comprehensive study of water resources located in the Las Vegas Valley, Nevada.

(2) OBJECTIVES.—The study shall identify problems and opportunities related to ecosystem restoration, water quality, particularly the quality of surface runoff, water supply, and flood control.

(jj) OSWEGO RIVER BASIN, NEW YORK.—The Secretary shall conduct a study to determine the feasibility of establishing a flood forecasting system within the Oswego River basin, New York.

(kk) PORT OF NEW YORK-NEW JERSEY NAVIGATION STUDY AND ENVIRONMENTAL RESTORATION STUDY.—

(1) NAVIGATION STUDY.—The Secretary shall conduct a comprehensive study of navigation needs at the Port of New York-New Jersey (including the South Brooklyn Marine and Red Hook Container Terminals, Staten Island, and adjacent areas) to address improvements, including deepening of existing channels to depths of 50 feet or greater, that are required to provide economically efficient and environmentally sound navigation to meet current and future requirements.

(2) ENVIRONMENTAL RESTORATION STUDY.—The Secretary, acting through the Chief of Engineers, shall review the report of the Chief of Engineers on the New York Harbor, printed in the House Management Plan of the Harbor Estuary Program, and other pertinent reports concerning the New York Harbor Region and the Port of New York-New Jersey, to determine the Federal interest in advancing harbor environmental restoration.

(3) REPORT.—The Secretary may use funds from the ongoing navigation study for New York and New Jersey Harbor to complete a reconnaissance report for environmental restoration by December 31, 1999. The navigation study to deepen New York and New Jersey Harbor shall consider beneficial use of dredged material.

(ll) CLEVELAND HARBOR, CLEVELAND, OHIO.—The Secretary shall conduct a study to determine the feasibility of undertaking repairs and related navigation improvements at Dike 14, Cleveland, Ohio.

(mm) CHAGRIN, OHIO.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of undertaking flood damage reduction at Chagrin, Ohio.

(2) ICE RETENTION STRUCTURE.—In conducting the study, the Secretary may consider construction of an ice retention structure as a potential means of providing flood damage reduction.

(nn) TOUSSAINT RIVER, CARROLL TOWNSHIP, OHIO.—The Secretary shall conduct a study to determine the feasibility of undertaking navigation improvements at Toussaint River, Carroll Township, Ohio.

(oo) SANTEE DELTA WETLAND HABITAT, SOUTH CAROLINA.—Not later than 18 months after the date of enactment of this Act, the Secretary shall complete a comprehensive study of the ecosystem in the Santee Delta focus area of South

Carolina to determine the feasibility of undertaking measures to enhance the wetland habitat in the area.

(pp) WACCAMAW RIVER, SOUTH CAROLINA.—The Secretary shall conduct a study to determine the feasibility of a flood control project for the Waccamaw River in Horry County, South Carolina.

(qq) UPPER SUSQUEHANNA-LACKAWANNA, PENNSYLVANIA, WATERSHED MANAGEMENT AND RESTORATION STUDY.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of a comprehensive flood plain management and watershed restoration project for the Upper Susquehanna-Lackawanna Watershed, Pennsylvania.

(2) GEOGRAPHIC INFORMATION SYSTEM.—In conducting the study, the Secretary shall use a geographic information system.

(3) PLANS.—The study shall formulate plans for comprehensive flood plain management and environmental restoration.

(4) CREDITING.—Non-Federal interests may receive credit for in-kind services and materials that contribute to the study. The Secretary may credit non-Corps Federal assistance provided to the non-Federal interest toward the non-Federal share of study costs to the maximum extent authorized by law.

(rr) CONTAMINATED DREDGED MATERIAL AND SEDIMENT MANAGEMENT, SOUTH CAROLINA COASTAL AREAS.—

(1) IN GENERAL.—The Secretary shall review pertinent reports and conduct other studies and field investigations to determine the best available science and methods for management of contaminated dredged material and sediments in the coastal areas of South Carolina.

(2) FOCUS.—In carrying out subsection (a), the Secretary shall place particular focus on areas where the Corps of Engineers maintains deep draft navigation projects, such as Charleston Harbor, Georgetown Harbor, and Port Royal, South Carolina.

(3) COOPERATION.—The studies shall be conducted in cooperation with the appropriate Federal and State environmental agencies.

(ss) NIOBRARA RIVER AND MISSOURI RIVER SEDIMENTATION STUDY, SOUTH DAKOTA.—The Secretary shall conduct a study of the Niobrara River watershed and the operations of Fort Randall Dam and Gavins Point Dam on the Missouri River to determine the feasibility of alleviating the bank erosion, sedimentation, and related problems in the lower Niobrara River and the Missouri River below Fort Randall Dam.

(tt) SANTA CLARA RIVER, UTAH.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of undertaking measures to alleviate damage caused by flooding, bank erosion, and sedimentation along the watershed of the Santa Clara River, Utah, above the Gunlock Reservoir.

(2) CONTENTS.—The study shall include an analysis of watershed conditions and water quality, as related to flooding and bank erosion, along the Santa Clara River in the vicinity of the town of Gunlock, Utah.

(uu) MOUNT ST. HELENS ENVIRONMENTAL RESTORATION, WASHINGTON.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of ecosystem restoration improvements throughout the Cowlitz and Toutle River basins, Washington, including the 6,000 acres of wetland, riverine, riparian, and upland habitats lost or altered due to the eruption of Mount St. Helens in 1980 and subsequent emergency actions.

(2) REQUIREMENTS.—In carrying out the study, the Secretary shall—

(A) work in close coordination with local governments, watershed entities, the State of Washington, and other Federal agencies; and

(B) place special emphasis on—

(i) conservation and restoration strategies to benefit species that are listed or proposed for listing as threatened or endangered species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.); and

(ii) other watershed restoration objectives.

(vv) AGAT SMALL BOAT HARBOR, GUAM.—The Secretary shall conduct a study to determine the feasibility of undertaking the repair and reconstruction of Agat Small Boat Harbor, Guam, including the repair of existing shore protection measures and construction or a revetment of the breakwater seawall.

(ww) APRA HARBOR SEAWALL, GUAM.—The Secretary shall conduct a study to determine the feasibility of undertaking measures to repair, upgrade, and extend the seawall protecting Apra Harbor, Guam, and to ensure continued access to the harbor via Route 11B.

(xx) APRA HARBOR FUEL PIERS, GUAM.—The Secretary shall conduct a study to determine the feasibility of undertaking measures to upgrade the piers and fuel transmission lines at the fuel piers in the Apra Harbor, Guam, and measures to provide for erosion control and protection against storm damage.

(yy) MAINTENANCE DREDGING OF HARBOR PIERS, GUAM.—The Secretary shall conduct a study to determine the feasibility of Federal maintenance of areas adjacent to piers at harbors in Guam, including Apra Harbor, Agat Harbor, and Agana Marina.

(zz) ALTERNATIVE WATER SOURCES STUDY.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency shall conduct a study of the water supply needs of States that are not currently eligible for assistance under title XVI of the Reclamation Projects Authorization and Adjustment Act of 1992 (43 U.S.C. 390h et seq.).

(2) REQUIREMENTS.—The study shall—

(A) identify the water supply needs (including potable, commercial, industrial, recreational and agricultural needs) of each State described in paragraph (1) through 2020, making use of such State, regional, and local plans, studies, and reports as are available;

(B) evaluate the feasibility of various alternative water source technologies such as reuse and reclamation of wastewater and stormwater (including indirect potable reuse), aquifer storage and recovery, and desalination to meet the anticipated water supply needs of the States; and

(C) assess how alternative water sources technologies can be utilized to meet the identified needs.

(3) REPORT.—The Administrator shall report to Congress on the results of the study not more than 180 days after the date of enactment of this Act.

(aaa) GREAT LAKES NAVIGATIONAL SYSTEM.—In consultation with the St. Lawrence Seaway Development Corporation, the Secretary shall review the Great Lakes Connecting Channel and Harbors Report dated March 1985 to determine the feasibility of any modification of the recommendations made in the report to improve commercial navigation on the Great Lakes navigation system, including locks, dams, harbors, ports, channels, and other related features.

## TITLE II—GENERAL PROVISIONS

### SEC. 201. FLOOD HAZARD MITIGATION AND RIVERINE ECOSYSTEM RESTORATION PROGRAM.

(a) IN GENERAL.—

(1) AUTHORIZATION.—The Secretary may carry out a program to reduce flood hazards and restore the natural functions and values of riverine ecosystems throughout the United States.

(2) STUDIES.—In carrying out the program, the Secretary shall conduct studies to identify

appropriate flood damage reduction, conservation, and restoration measures and may design and implement watershed management and restoration projects.

(3) PARTICIPATION.—The studies and projects carried out under the program shall be conducted, to the extent practicable, with the full participation of the appropriate Federal agencies, including the Department of Agriculture, the Federal Emergency Management Agency, the Department of the Interior, the Environmental Protection Agency, and the Department of Commerce.

(4) NONSTRUCTURAL APPROACHES.—The studies and projects shall, to the extent practicable, emphasize nonstructural approaches to preventing or reducing flood damages.

(b) COST-SHARING REQUIREMENTS.—

(1) STUDIES.—The cost of studies conducted under subsection (a) shall be shared in accordance with section 105 of the Water Resources Development Act of 1986 (33 Stat. 2215).

(2) PROJECTS.—The non-Federal interests shall pay 35 percent of the cost of any project carried out under this section.

(3) IN-KIND CONTRIBUTIONS.—The non-Federal interests shall provide all land, easements, rights-of-way, dredged material disposal areas, and relocations necessary for the projects. The value of the land, easements, rights-of-way, dredged material disposal areas, and relocations shall be credited toward the payment required under this subsection.

(4) RESPONSIBILITIES OF THE NON-FEDERAL INTERESTS.—The non-Federal interests shall be responsible for all costs associated with operating, maintaining, replacing, repairing, and rehabilitating all projects carried out under this section.

(c) PROJECT JUSTIFICATION.—

(1) IN GENERAL.—The Secretary may implement a project under this section if the Secretary determines that the project—

(A) will significantly reduce potential flood damages;

(B) will improve the quality of the environment; and

(C) is justified considering all costs and beneficial outputs of the project.

(2) SELECTION CRITERIA; POLICIES AND PROCEDURES.—Not later than 180 days after the date of enactment of this Act, the Secretary shall—

(A) develop criteria for selecting and rating the projects to be carried out as part of the program authorized by this section; and

(B) establish policies and procedures for carrying out the studies and projects undertaken under this section.

(d) REPORTING REQUIREMENT.—The Secretary may not implement a project under this section until—

(1) the Secretary provides to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a written notification describing the project and the determinations made under subsection (c); and

(2) a period of 21 calendar days has expired following the date on which the notification was received by the Committees.

(e) PRIORITY AREAS.—In carrying out this section, the Secretary shall examine the potential for flood damage reductions at appropriate locations, including—

(1) Los Angeles County drainage area, California;

(2) Napa River Valley watershed, California;

(3) Le May, Missouri;

(4) the upper Delaware River basin, New York;

(5) Mill Creek, Cincinnati, Ohio;

(6) Tillamook County, Oregon;

(7) Willamette River basin, Oregon;

(8) Delaware River, Pennsylvania;

(9) Schuylkill River, Pennsylvania; and

(10) Providence County, Rhode Island.

(f) PER-PROJECT LIMITATION.—Not more than \$25,000,000 in Army Civil Works appropriations may be expended on any single project undertaken under this section.

(g) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section \$75,000,000 for the period of fiscal years 2000 and 2001.

(2) PROGRAM FUNDING LEVELS.—All studies and projects undertaken under this authority from Army Civil Works appropriations shall be fully funded within the program funding levels provided in this subsection.

### SEC. 202. SHORE PROTECTION.

Section 103(d) of the Water Resources Development Act of 1986 (33 U.S.C. 2213(d)) is amended—

(1) by striking “Costs of constructing” and inserting the following:

“(1) CONSTRUCTION.—Costs of constructing”;

and

(2) by adding at the end the following:

“(2) PERIODIC NOURISHMENT.—In the case of a project authorized for construction after December 31, 1999, or for which a feasibility study is completed after that date, the non-Federal cost of the periodic nourishment of projects or measures for shore protection or beach erosion control shall be 50 percent, except that—

“(A) all costs assigned to benefits to privately owned shores (where use of such shores is limited to private interests) or to prevention of losses of private land shall be borne by non-Federal interests; and

“(B) all costs assigned to the protection of federally owned shores shall be borne by the United States.”.

### SEC. 203. SMALL FLOOD CONTROL AUTHORITY.

Section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s) is amended—

(1) in the first sentence, by striking “construction of small projects” and inserting “implementation of small structural and nonstructural projects”; and

(2) in the third sentence, by striking “\$5,000,000” and inserting “\$7,000,000”.

### SEC. 204. USE OF NON-FEDERAL FUNDS FOR COM- PILING AND DISSEMINATING IN- FORMATION ON FLOODS AND FLOOD DAMAGES.

Section 206(b) of the Flood Control Act of 1960 (33 U.S.C. 709a(b)) is amended in the third sentence by inserting before the period at the end the following: “, but the Secretary of the Army may accept funds voluntarily contributed by such entities for the purpose of expanding the scope of the services requested by the entities”.

### SEC. 205. AQUATIC ECOSYSTEM RESTORATION.

Section 206(c) of the Water Resources Development Act of 1996 (33 U.S.C. 2330(c)) is amended—

(1) by striking “Construction” and inserting the following:

“(1) IN GENERAL.—Construction”; and

(2) by adding at the end the following:

“(2) NONPROFIT ENTITIES.—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d-5b), for any project carried out under this section, a non-Federal interest may include a nonprofit entity, with the consent of the affected local government.”.

### SEC. 206. BENEFICIAL USES OF DREDGED MATERIAL.

Section 204 of the Water Resources Development Act of 1992 (33 U.S.C. 2326) is amended by adding at the end the following:

“(g) NONPROFIT ENTITIES.—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d-5b), for any project carried out under this section, a non-Federal interest may include a nonprofit entity, with the consent of the affected local government.”.

**SEC. 207. VOLUNTARY CONTRIBUTIONS BY STATES AND POLITICAL SUBDIVISIONS.**

Section 5 of the Act of June 22, 1936 (33 U.S.C. 701h), is amended by inserting "or environmental restoration" after "flood control".

**SEC. 208. RECREATION USER FEES.****(a) WITHHOLDING OF AMOUNTS.—**

(1) **IN GENERAL.**—During fiscal years 1999 through 2002, the Secretary may withhold from the special account established under section 4(i)(1)(A) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-6a(i)(1)(A)) 100 percent of the amount of receipts above a baseline of \$34,000,000 per each fiscal year received from fees imposed at recreation sites under the administrative jurisdiction of the Department of the Army under section 4(b) of that Act (16 U.S.C. 4601-6a(b)).

(2) **USE.**—The amounts withheld shall be retained by the Secretary and shall be available, without further Act of appropriation, for expenditure by the Secretary in accordance with subsection (b).

(3) **AVAILABILITY.**—The amounts withheld shall remain available until September 30, 2005.

(b) **USE OF AMOUNTS WITHHELD.**—In order to increase the quality of the visitor experience at public recreational areas and to enhance the protection of resources, the amounts withheld under subsection (a) may be used only for—

- (1) repair and maintenance projects (including projects relating to health and safety);
- (2) interpretation;
- (3) signage;
- (4) habitat or facility enhancement;
- (5) resource preservation;
- (6) annual operation (including fee collection);
- (7) maintenance; and
- (8) law enforcement related to public use.

(c) **AVAILABILITY.**—Each amount withheld by the Secretary shall be available for expenditure, without further Act of appropriation, at the specific project from which the amount, above baseline, is collected.

**SEC. 209. WATER RESOURCES DEVELOPMENT STUDIES FOR THE PACIFIC REGION.**

Section 444 of the Water Resources Development Act of 1996 (110 Stat. 3747) is amended by striking "interest of navigation" and inserting "interests of water resources development (including navigation, flood damage reduction, and environmental restoration)".

**SEC. 210. MISSOURI AND MIDDLE MISSISSIPPI RIVERS ENHANCEMENT PROJECT.****(a) DEFINITIONS.**—In this section:

(1) **MIDDLE MISSISSIPPI RIVER.**—The term "middle Mississippi River" means the reach of the Mississippi River from the mouth of the Ohio River (river mile 0, upper Mississippi River) to the mouth of the Missouri River (river mile 195).

(2) **MISSOURI RIVER.**—The term "Missouri River" means the main stem and floodplain of the Missouri River (including reservoirs) from its confluence with the Mississippi River at St. Louis, Missouri, to its headwaters near Three Forks, Montana.

(3) **PROJECT.**—The term "project" means the project authorized by this section.

**(b) PROTECTION AND ENHANCEMENT ACTIVITIES.—****(1) PLAN.—**

(A) **DEVELOPMENT.**—Not later than 180 days after the date of enactment of this Act, the Secretary shall develop a plan for a project to protect and enhance fish and wildlife habitat of the Missouri River and the middle Mississippi River.

**(B) ACTIVITIES.—**

(i) **IN GENERAL.**—The plan shall provide for such activities as are necessary to protect and enhance fish and wildlife habitat without adversely affecting—

(I) the water-related needs of the region surrounding the Missouri River and the middle Mississippi River, including flood control, navigation, recreation, and enhancement of water supply; and

(II) private property rights.

(ii) **REQUIRED ACTIVITIES.**—The plan shall include—

(I) modification and improvement of navigation training structures to protect and enhance fish and wildlife habitat;

(II) modification and creation of side channels to protect and enhance fish and wildlife habitat;

(III) restoration and creation of island fish and wildlife habitat;

(IV) creation of riverine fish and wildlife habitat;

(V) establishment of criteria for prioritizing the type and sequencing of activities based on cost-effectiveness and likelihood of success; and

(VI) physical and biological monitoring for evaluating the success of the project, to be performed by the River Studies Center of the United States Geological Survey in Columbia, Missouri.

**(2) IMPLEMENTATION OF ACTIVITIES.—**

(A) **IN GENERAL.**—Using funds made available to carry out this section, the Secretary shall carry out the activities described in the plan.

(B) **USE OF EXISTING AUTHORITY FOR UNCONSTRUCTED FEATURES OF THE PROJECT.**—Using funds made available to the Secretary under other law, the Secretary shall design and construct any feature of the project that may be carried out using the authority of the Secretary to modify an authorized project, if the Secretary determines that the design and construction will—

(i) accelerate the completion of activities to protect and enhance fish and wildlife habitat of the Missouri River or the middle Mississippi River; and

(ii) be compatible with the project purposes described in this section.

**(c) INTEGRATION OF OTHER ACTIVITIES.—**

(1) **IN GENERAL.**—In carrying out the activities described in subsection (b), the Secretary shall integrate the activities with other Federal, State, and tribal activities.

(2) **NEW AUTHORITY.**—Nothing in this section confers any new regulatory authority on any Federal or non-Federal entity that carries out any activity authorized by this section.

(d) **PUBLIC PARTICIPATION.**—In developing and carrying out the plan and the activities described in subsection (b), the Secretary shall provide for public review and comment in accordance with applicable Federal law, including—

(1) providing advance notice of meetings;

(2) providing adequate opportunity for public input and comment;

(3) maintaining appropriate records; and

(4) compiling a record of the proceedings of meetings.

(e) **COMPLIANCE WITH APPLICABLE LAW.**—In carrying out the activities described in subsections (b) and (c), the Secretary shall comply with any applicable Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

**(f) COST SHARING.—**

(1) **NON-FEDERAL SHARE.**—The non-Federal share of the cost of the project shall be 35 percent.

(2) **FEDERAL SHARE.**—The Federal share of the cost of any 1 activity described in subsection (b) shall not exceed \$5,000,000.

(3) **OPERATION AND MAINTENANCE.**—The operation and maintenance of the project shall be a non-Federal responsibility.

(g) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to pay

the Federal share of the cost of carrying out activities under this section \$30,000,000 for the period of fiscal years 2000 and 2001.

**SEC. 211. OUTER CONTINENTAL SHELF.**

(a) **SAND, GRAVEL, AND SHELL.**—Section 8(k)(2)(B) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(k)(2)(B)) is amended in the second sentence by inserting before the period at the end the following: "or any other non-Federal interest subject to an agreement entered into under section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d-5b)".

(b) **REIMBURSEMENT FOR LOCAL INTERESTS.**—Any amounts paid by non-Federal interests for beach erosion control, hurricane protection, shore protection, or storm damage reduction projects as a result of an assessment under section 8(k) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(k)) shall be fully reimbursed.

**SEC. 212. ENVIRONMENTAL DREDGING.**

Section 312(f) of the Water Resources Development Act of 1990 (33 U.S.C. 1272(f)) is amended by adding at the end the following:

"(6) Snake Creek, Bixby, Oklahoma.

"(7) Willamette River, Oregon."

**SEC. 213. BENEFIT OF PRIMARY FLOOD DAMAGES AVOIDED INCLUDED IN BENEFIT-COST ANALYSIS.**

Section 308 of the Water Resources Development Act of 1990 (33 U.S.C. 2318) is amended—

(1) in the heading of subsection (a), by striking "BENEFIT-COST ANALYSIS" and inserting "ELEMENTS EXCLUDED FROM COST-BENEFIT ANALYSIS";

(2) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively;

(3) by inserting after subsection (a) the following:

"(b) **ELEMENTS INCLUDED IN COST-BENEFIT ANALYSIS.**—The Secretary shall include primary flood damages avoided in the benefit base for justifying Federal nonstructural flood damage reduction projects."; and

(4) in the first sentence of subsection (e) (as redesignated by paragraph (2)), by striking "(b)" and inserting "(d)".

**SEC. 214. CONTROL OF AQUATIC PLANT GROWTH.**

Section 104(a) of the River and Harbor Act of 1958 (33 U.S.C. 610(a)) is amended in the first sentence by striking "water-hyacinth, alligatorweed, Eurasian water milfoil, melaleuca," and inserting "Alligatorweed, Aquaticum, Arundo Dona, Brazilian Elodea, Cabomba, Melaleuca, Myriophyllum, Spicatum, Tamarix, Water Hyacinth,".

**SEC. 215. ENVIRONMENTAL INFRASTRUCTURE.**

Section 219(c) of the Water Resources Development Act of 1992 (106 Stat. 4835) is amended by adding at the end the following:

"(19) **LAKE TAHOE, CALIFORNIA AND NEVADA.**—Regional water system for Lake Tahoe, California and Nevada.

"(20) **LANCASTER, CALIFORNIA.**—Fox Field Industrial Corridor water facilities, Lancaster, California.

"(21) **SAN RAMON, CALIFORNIA.**—San Ramon Valley recycled water project, San Ramon, California."

**SEC. 216. WATERSHED MANAGEMENT, RESTORATION, AND DEVELOPMENT.**

Section 503 of the Water Resources Development Act of 1996 (110 Stat. 3756) is amended—

(1) in subsection (d)—

(A) by striking paragraph (10) and inserting the following:

"(10) **Regional Atlanta Watershed, Atlanta, Georgia, and Lake Lanier of Forsyth and Hall Counties, Georgia.**"; and

(B) by adding at the end the following:

"(14) **Clear Lake watershed, California.**

"(15) **Fresno Slough watershed, California.**

"(16) **Hayward Marsh, Southern San Francisco Bay watershed, California.**

"(17) Kaweah River watershed, California.  
 "(18) Lake Tahoe watershed, California and Nevada.

"(19) Malibu Creek watershed, California.

"(20) Truckee River basin, Nevada.

"(21) Walker River basin, Nevada.

"(22) Bronx River watershed, New York.

"(23) Catawba River watershed, North Carolina.

"(24) Columbia Slough watershed, Oregon.";

(2) by redesignating subsection (e) as subsection (f); and

(3) by inserting after subsection (d) the following:

"(e) **NONPROFIT ENTITIES.**—Notwithstanding section 221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b(b)), for any project undertaken under this section, with the consent of the affected local government, a non-Federal interest may include a nonprofit entity."

#### **SEC. 217. LAKES PROGRAM.**

Section 602(a) of the Water Resources Development Act of 1986 (100 Stat. 4148) is amended—

(1) in paragraph (15), by striking "and" at the end;

(2) in paragraph (16), by striking the period at the end; and

(3) by adding at the end the following:

"(17) Clear Lake, Lake County, California, removal of silt and aquatic growth and development of a sustainable weed and algae management program;

"(18) Flints Pond, Hollis, New Hampshire, removal of excessive aquatic vegetation; and

"(19) Osgood Pond, Milford, New Hampshire, removal of excessive aquatic vegetation."

#### **SEC. 218. SEDIMENTS DECONTAMINATION POLICY.**

Section 405 of the Water Resources Development Act of 1992 (33 U.S.C. 2239 note; Public Law 102–580) is amended—

(1) in subsection (a), by adding at the end the following:

"(4) **PRACTICAL END-USE PRODUCTS.**—Technologies selected for demonstration at the pilot scale shall result in practical end-use products.

"(5) **ASSISTANCE BY THE SECRETARY.**—The Secretary shall assist the project to ensure expeditious completion by providing sufficient quantities of contaminated dredged material to conduct the full-scale demonstrations to stated capacity.";

(2) in subsection (c), by striking the first sentence and inserting the following: "There is authorized to be appropriated to carry out this section a total of \$22,000,000 to complete technology testing, technology commercialization, and the development of full scale processing facilities within the New York/New Jersey Harbor."

#### **SEC. 219. DISPOSAL OF DREDGED MATERIAL ON BEACHES.**

(a) **IN GENERAL.**—Section 145 of the Water Resources Development Act of 1976 (33 U.S.C. 426j) is amended in the first sentence by striking "50" and inserting "35".

(b) **GREAT LAKES BASIN.**—The Secretary shall work with the State of Ohio, other Great Lakes States, and political subdivisions of the States to fully implement and maximize beneficial reuse of dredged material as provided under section 145 of the Water Resources Development Act of 1976 (33 U.S.C. 426j).

#### **SEC. 220. FISH AND WILDLIFE MITIGATION.**

Section 906(e) of the Water Resources Development Act of 1986 (33 U.S.C. 2283(e)) is amended by inserting after the second sentence the following: "Not more than 80 percent of the non-Federal share of such first costs may be in kind, including a facility, supply, or service that is necessary to carry out the enhancement project."

#### **SEC. 221. REIMBURSEMENT OF NON-FEDERAL INTEREST.**

Section 211(e)(2)(A) of the Water Resources Development Act of 1996 (33 U.S.C. 701b–

13(e)(2)(A)) is amended by striking "subject to amounts being made available in advance in appropriations Acts" and inserting "subject to the availability of appropriations".

#### **SEC. 222. NATIONAL CONTAMINATED SEDIMENT TASK FORCE.**

(a) **DEFINITION OF TASK FORCE.**—In this section, the term "Task Force" means the National Contaminated Sediment Task Force established by section 502 of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102–580).

(b) **CONVENING.**—The Secretary and the Administrator shall convene the Task Force not later than 90 days after the date of enactment of this Act.

(c) **REPORTING ON REMEDIAL ACTION.**—

(1) **IN GENERAL.**—Not later than 1 year after the date of enactment of this Act, the Task Force shall submit to Congress a report on the status of remedial actions at aquatic sites in the areas described in paragraph (2).

(2) **AREAS.**—The report under paragraph (1) shall address remedial actions in—

(A) areas of probable concern identified in the survey of data regarding aquatic sediment quality required by section 503(a) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271);

(B) areas of concern within the Great Lakes, as identified under section 118(f) of the Federal Water Pollution Control Act (33 U.S.C. 1268(f));

(C) estuaries of national significance identified under section 320 of the Federal Water Pollution Control Act (33 U.S.C. 1330);

(D) areas for which remedial action has been authorized under any of the Water Resources Development Acts; and

(E) as appropriate, any other areas where sediment contamination is identified by the Task Force.

(3) **ACTIVITIES.**—Remedial actions subject to reporting under this subsection include remedial actions under—

(A) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) or other Federal or State law containing environmental remediation authority;

(B) any of the Water Resources Development Acts;

(C) section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344); or

(D) section 10 of the Act of March 3, 1899 (30 Stat. 1151, chapter 425).

(4) **CONTENTS.**—The report under paragraph (1) shall provide, with respect to each remedial action described in the report, a description of—

(A) the authorities and sources of funding for conducting the remedial action;

(B) the nature and sources of the sediment contamination, including volume and concentration, where appropriate;

(C) the testing conducted to determine the nature and extent of sediment contamination and to determine whether the remedial action is necessary;

(D) the action levels or other factors used to determine that the remedial action is necessary;

(E) the nature of the remedial action planned or undertaken, including the levels of protection of public health and the environment to be achieved by the remedial action;

(F) the ultimate disposition of any material dredged as part of the remedial action;

(G) the status of projects and the obstacles or barriers to prompt conduct of the remedial action; and

(H) contacts and sources of further information concerning the remedial action.

#### **SEC. 223. JOHN GLENN GREAT LAKES BASIN PROGRAM.**

(a) **STRATEGIC PLANS.**—

(1) **IN GENERAL.**—Not later than 18 months after the date of enactment of this Act, and

every 2 years thereafter, the Secretary shall report to Congress on a plan for programs of the Corps of Engineers in the Great Lakes basin.

(2) **CONTENTS.**—The plan shall include details of the projected environmental and navigational projects in the Great Lakes basin, including—

(A) navigational maintenance and operations for commercial and recreational vessels;

(B) environmental restoration activities;

(C) water level maintenance activities;

(D) technical and planning assistance to States and remedial action planning committees;

(E) sediment transport analysis, sediment management planning, and activities to support prevention of excess sediment loadings;

(F) flood damage reduction and shoreline erosion prevention;

(G) all other activities of the Corps of Engineers; and

(H) an analysis of factors limiting use of programs and authorities of the Corps of Engineers in existence on the date of enactment of this Act in the Great Lakes basin, including the need for new or modified authorities.

(b) **GREAT LAKES BIOHYDROLOGICAL INFORMATION.**—

(1) **INVENTORY.**—

(A) **IN GENERAL.**—Not later than 90 days after the date of enactment of this Act, the Secretary shall request each Federal agency that may possess information relevant to the Great Lakes biohydrological system to provide an inventory of all such information in the possession of the agency.

(B) **RELEVANT INFORMATION.**—For the purpose of subparagraph (A), relevant information includes information on—

(i) ground and surface water hydrology;

(ii) natural and altered tributary dynamics;

(iii) biological aspects of the system influenced by and influencing water quantity and water movement;

(iv) meteorological projections and weather impacts on Great Lakes water levels; and

(v) other Great Lakes biohydrological system data relevant to sustainable water use management.

(2) **REPORT.**—

(A) **IN GENERAL.**—Not later than 18 months after the date of enactment of this Act, the Secretary, in consultation with the States, Indian tribes, and Federal agencies, and after requesting information from the provinces and the federal government of Canada, shall—

(i) compile the inventories of information;

(ii) analyze the information for consistency and gaps; and

(iii) submit to Congress, the International Joint Commission, and the Great Lakes States a report that includes recommendations on ways to improve the information base on the biohydrological dynamics of the Great Lakes ecosystem as a whole, so as to support environmentally sound decisions regarding diversions and consumptive uses of Great Lakes water.

(B) **RECOMMENDATIONS.**—The recommendations in the report under subparagraph (A) shall include recommendations relating to the resources and funds necessary for implementing improvement of the information base.

(C) **CONSIDERATIONS.**—In developing the report under subparagraph (A), the Secretary, in cooperation with the Secretary of State, the Secretary of Transportation, and other relevant agencies as appropriate, shall consider and report on the status of the issues described and recommendations made in—

(i) the Report of the International Joint Commission to the Governments of the United States and Canada under the 1977 reference issued in 1985; and

(ii) the 1993 Report of the International Joint Commission to the Governments of Canada and the United States on Methods of Alleviating Adverse Consequences of Fluctuating Water Levels in the Great Lakes St. Lawrence Basin.

(c) **GREAT LAKES RECREATIONAL BOATING.**—Not later than 18 months after the date of enactment of this Act, the Secretary shall, using information and studies in existence on the date of enactment of this Act to the maximum extent practicable, and in cooperation with the Great Lakes States, submit to Congress a report detailing the economic benefits of recreational boating in the Great Lakes basin, particularly at harbors benefiting from operation and maintenance projects of the Corps of Engineers.

(d) **COOPERATION.**—In undertaking activities under this section, the Secretary shall—

(1) encourage public participation; and  
(2) cooperate, and, as appropriate, collaborate, with Great Lakes States, tribal governments, and Canadian federal, provincial, tribal governments.

(e) **WATER USE ACTIVITIES AND POLICIES.**—The Secretary may provide technical assistance to the Great Lakes States to develop interstate guidelines to improve the consistency and efficiency of State-level water use activities and policies in the Great Lakes basin.

(f) **COST SHARING.**—The Secretary may seek and accept funds from non-Federal entities to be used to pay up to 25 percent of the cost of carrying out subsections (b), (c), (d), and (e).

**SEC. 224. PROJECTS FOR IMPROVEMENT OF THE ENVIRONMENT.**

Section 1135(c) of the Water Resources Development Act of 1986 (33 U.S.C. 2309a(c)) is amended—

(1) by striking “The Secretary” and inserting the following:

“(1) **IN GENERAL.**—The Secretary”; and  
(2) by adding at the end the following:  
“(2) **CONTROL OF SEA LAMPREY.**—Congress finds that—

“(A) the Great Lakes navigation system has been instrumental in the spread of sea lamprey and the associated impacts to its fishery; and  
“(B) the use of the authority under this subsection for control of sea lamprey at any Great Lakes basin location is appropriate.”.

**SEC. 225. WATER QUALITY, ENVIRONMENTAL QUALITY, RECREATION, FISH AND WILDLIFE, FLOOD CONTROL, AND NAVIGATION.**

(a) **IN GENERAL.**—The Secretary may investigate, study, evaluate, and report on—

(1) water quality, environmental quality, recreation, fish and wildlife, flood control, and navigation in the western Lake Erie watershed, including the watersheds of the Maumee River, Ottawa River, and Portage River in the States of Indiana, Ohio, and Michigan; and  
(2) measures to improve water quality, environmental quality, recreation, fish and wildlife, flood control, and navigation in the western Lake Erie basin.

(b) **COOPERATION.**—In carrying out studies and investigations under subsection (a), the Secretary shall cooperate with Federal, State, and local agencies and nongovernmental organizations to ensure full consideration of all views and requirements of all interrelated programs that those agencies may develop independently or in coordination with the Corps of Engineers.

**SEC. 226. IRRIGATION DIVERSION PROTECTION AND FISHERIES ENHANCEMENT ASSISTANCE.**

The Secretary may provide technical planning and design assistance to non-Federal interests and may conduct other site-specific studies to formulate and evaluate fish screens, fish passages devices, and other measures to decrease the incidence of juvenile and adult fish inadvertently entering into irrigation systems. Measures shall be developed in cooperation with Federal and State resource agencies and not impair the continued withdrawal of water for irrigation purposes. In providing such assistance priority shall be given based on the objectives of the En-

dangered Species Act, cost-effectiveness, and the potential for reducing fish mortality. Non-Federal interests shall agree by contract to contribute 50 percent of the cost of such assistance. Not more than one-half of such non-Federal contribution may be made by the provision of services, materials, supplies, or other in-kind services. No construction activities are authorized by this section. Not later than 2 years after the date of enactment of this section, the Secretary shall report to Congress on fish mortality caused by irrigation water intake devices, appropriate measures to reduce mortality, the extent to which such measures are currently being employed in the arid States, the construction costs associated with such measures, and the appropriate Federal role, if any, to encourage the use of such measures.

**SEC. 227. SMALL STORM DAMAGE REDUCTION PROJECTS.**

Section 3 of the Act of August 13, 1946 (33 U.S.C. 426g), is amended by striking “\$2,000,000” and inserting “\$3,000,000”.

**SEC. 228. SHORE DAMAGE PREVENTION OR MITIGATION.**

Section 111 of the River and Harbor Act of 1968 (33 U.S.C. 426(i)) is amended—

(1) in the first sentence, by striking “The Secretary” and inserting “(a) **IN GENERAL.**—The Secretary”;

(2) in the second sentence, by striking “The costs” and inserting the following:

“(b) **COST SHARING.**—The costs”;  
(3) in the third sentence—  
(A) by striking “No such” and inserting the following:

“(c) **REQUIREMENT FOR SPECIFIC AUTHORIZATION.**—No such”; and

(B) by striking “\$2,000,000” and inserting “\$5,000,000”; and

(4) by adding at the end the following:  
“(d) **COORDINATION.**—The Secretary shall—

“(1) coordinate the implementation of the measures under this section with other Federal and non-Federal shore protection projects in the same geographic area; and  
“(2) to the extent practicable, combine mitigation projects with other shore protection projects in the same area into a comprehensive regional project.”.

**SEC. 229. ATLANTIC COAST OF NEW YORK.**

Section 404(c) of the Water Resources Development Act of 1992 (106 Stat. 4863) is amended by inserting after “1997” the following: “and an additional total of \$2,500,000 for fiscal years thereafter”.

**SEC. 230. ACCELERATED ADOPTION OF INNOVATIVE TECHNOLOGIES FOR CONTAMINATED SEDIMENTS.**

Section 8 of the Water Resources Development Act of 1988 (33 U.S.C. 2314) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and  
(2) by inserting after subsection (a) the following:

“(b) **ACCELERATED ADOPTION OF INNOVATIVE TECHNOLOGIES FOR MANAGEMENT OF CONTAMINATED SEDIMENTS.**—

“(1) **TEST PROJECTS.**—The Secretary shall approve an appropriate number of projects to test, under actual field conditions, innovative technologies for environmentally sound management of contaminated sediments.

“(2) **DEMONSTRATION PROJECTS.**—The Secretary may approve an appropriate number of projects to demonstrate innovative technologies that have been pilot tested under paragraph (1).

“(3) **CONDUCT OF PROJECTS.**—Each pilot project under paragraph (1) and demonstration project under paragraph (2) shall be conducted by a university with proven expertise in the research and development of contaminated sediment treatment technologies and innovative applications using waste materials.”.

**SEC. 231. MISSISSIPPI RIVER COMMISSION.**

Notwithstanding any other provision of law, a member of the Mississippi River Commission (other than the president of the Commission) shall receive annual pay of \$21,500.

**SEC. 232. USE OF PRIVATE ENTERPRISES.**

(a) **INVENTORY AND REVIEW.**—The Secretary shall inventory and review all activities of the Corps of Engineers that are not inherently governmental in nature in accordance with the Federal Activities Inventory Reform Act of 1998 (31 U.S.C. 501 note; Public Law 105-270).

(b) **CONSIDERATIONS.**—In determining whether to commit to private enterprise the performance of architectural or engineering services (including surveying and mapping services), the Secretary shall take into consideration professional qualifications as well as cost.

**TITLE III—PROJECT-RELATED PROVISIONS**

**SEC. 301. DREDGING OF SALT PONDS IN THE STATE OF RHODE ISLAND.**

The Secretary may acquire for the State of Rhode Island a dredge and associated equipment with the capacity to dredge approximately 100 cubic yards per hour for use by the State in dredging salt ponds in the State.

**SEC. 302. UPPER SUSQUEHANNA RIVER BASIN, PENNSYLVANIA AND NEW YORK.**

Section 567(a) of the Water Resources Development Act of 1996 (110 Stat. 3787) is amended by adding at the end the following:

“(3) The Chemung River watershed, New York, at an estimated Federal cost of \$5,000,000.”.

**SEC. 303. SMALL FLOOD CONTROL PROJECTS.**

Section 102 of the Water Resources Development Act of 1996 (110 Stat. 3668) is amended—

(1) by redesignating paragraphs (15) through (22) as paragraphs (16) through (23), respectively;

(2) by inserting after paragraph (14) the following:

“(15) **REPAUPO CREEK AND DELAWARE RIVER, GLOUCESTER COUNTY, NEW JERSEY.**—Project for tidegate and levee improvements for Repaupo Creek and the Delaware River, Gloucester County, New Jersey.”; and

(3) by adding at the end the following:

“(24) **IRONDEQUOIT CREEK, NEW YORK.**—Project for flood control, Irondequoit Creek watershed, New York.

“(25) **TIOGA COUNTY, PENNSYLVANIA.**—Project for flood control, Tioga River and Cowanesque River and their tributaries, Tioga County, Pennsylvania.”.

**SEC. 304. SMALL NAVIGATION PROJECTS.**

Section 104 of the Water Resources Development Act of 1996 (110 Stat. 3669) is amended—

(1) by redesignating paragraphs (9) through (12) as paragraphs (11) through (14), respectively; and

(2) by inserting after paragraph (8) the following:

“(9) **FORTESCUE INLET, DELAWARE BAY, NEW JERSEY.**—Project for navigation for Fortescue Inlet, Delaware Bay, New Jersey.

“(10) **BRADDOCK BAY, GREECE, NEW YORK.**—Project for navigation, Braddock Bay, Greece, New York.”.

**SEC. 305. STREAMBANK PROTECTION PROJECTS.**

(a) **ARCTIC OCEAN, BARROW, ALASKA.**—The Secretary shall evaluate and, if justified under section 14 of the Flood Control Act of 1946 (33 U.S.C. 701r), carry out storm damage reduction and coastal erosion measures at the town of Barrow, Alaska.

(b) **SAGINAW RIVER, BAY CITY, MICHIGAN.**—The Secretary may construct appropriate control structures in areas along the Saginaw River in the city of Bay City, Michigan, under authority of section 14 of the Flood Control Act of 1946 (33 Stat. 701r).



(c) **YELLOWSTONE RIVER, BILLINGS, MONTANA.**—The streambank protection project at Coulson Park, along the Yellowstone River, Billings, Montana, shall be eligible for assistance under section 14 of the Flood Control Act of 1946 (33 U.S.C. 701r).

(d) **MONONGAHELA RIVER, POINT MARION, PENNSYLVANIA.**—The Secretary shall evaluate and, if justified under section 14 of the Flood Control Act of 1946 (33 U.S.C. 701r), carry out streambank erosion control measures along the Monongahela River at the borough of Point Marion, Pennsylvania.

**SEC. 306. AQUATIC ECOSYSTEM RESTORATION, SPRINGFIELD, OREGON.**

Under section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330), the Secretary shall conduct measures to address water quality, water flows, and fish habitat restoration in the historic Springfield, Oregon, millrace through the reconfiguration of the existing millpond, if the Secretary determines that harmful impacts have occurred as the result of a previously constructed flood control project by the Corps of Engineers.

**SEC. 307. GUILFORD AND NEW HAVEN, CONNECTICUT.**

The Secretary shall expeditiously complete the activities authorized under section 346 of the Water Resources Development Act of 1992 (106 Stat. 4858), including activities associated with Sluice Creek in Guilford, Connecticut, and Lighthouse Point Park in New Haven, Connecticut.

**SEC. 308. FRANCIS BLAND FLOODWAY DITCH.**

(a) **REDESIGNATION.**—The project for flood control, Eight Mile Creek, Paragould, Arkansas, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4112) and known as "Eight Mile Creek, Paragould, Arkansas", shall be known and designated as the "Francis Bland Floodway Ditch".

(b) **LEGAL REFERENCES.**—Any reference in any law, map, regulation, document, paper, or other record of the United States to the project and creek referred to in subsection (a) shall be deemed to be a reference to the Francis Bland Floodway Ditch.

**SEC. 309. CALOOSAHAATCHEE RIVER BASIN, FLORIDA.**

Section 528(e)(4) of the Water Resources Development Act of 1996 (110 Stat. 3770) is amended in the first sentence by inserting before the period at the end the following: "including potential land acquisition in the Caloosahatchee River basin or other areas".

**SEC. 310. CUMBERLAND, MARYLAND, FLOOD PROJECT MITIGATION.**

(a) **IN GENERAL.**—The project for flood control and other purposes, Cumberland, Maryland, authorized by section 5 of the Act of June 22, 1936 (commonly known as the "Flood Control Act of 1936") (49 Stat. 1574, chapter 688), is modified to authorize the Secretary to undertake, as a separate part of the project, restoration of the historic Chesapeake and Ohio Canal substantially in accordance with the Chesapeake and Ohio Canal National Historic Park, Cumberland, Maryland, Rewatering Design Analysis, dated February 1998, at a total cost of \$15,000,000, with an estimated Federal cost of \$9,750,000 and an estimated non-Federal cost of \$5,250,000.

(b) **IN-KIND SERVICES.**—The non-Federal interest for the restoration project under subsection (a)—

(1) may provide all or a portion of the non-Federal share of project costs in the form of in-kind services; and

(2) shall receive credit toward the non-Federal share of project costs for design and construction work performed by the non-Federal interest before execution of a project cooperation agreement and for land, easements, and rights-of-way required for the restoration and acquired

by the non-Federal interest before execution of such an agreement.

(c) **OPERATION AND MAINTENANCE.**—The operation and maintenance of the restoration project under subsection (a) shall be the full responsibility of the National Park Service.

**SEC. 311. CITY OF MIAMI BEACH, FLORIDA.**

Section 5(b)(3)(C)(i) of the Act of August 13, 1946 (33 U.S.C. 426h), is amended by inserting before the semicolon the following: "including the city of Miami Beach, Florida".

**SEC. 312. SARDIS RESERVOIR, OKLAHOMA.**

(a) **IN GENERAL.**—The Secretary shall accept from the State of Oklahoma or an agent of the State an amount, as determined under subsection (b), as prepayment of 100 percent of the water supply cost obligation of the State under Contract No. DACW56-74-JC-0314 for water supply storage at Sardis Reservoir, Oklahoma.

(b) **DETERMINATION OF AMOUNT.**—The amount to be paid by the State of Oklahoma under subsection (a) shall be subject to adjustment in accordance with accepted discount purchase methods for Government properties as determined by an independent accounting firm designated by the Director of the Office of Management and Budget.

(c) **EFFECT.**—Nothing in this section shall otherwise affect any of the rights or obligations of the parties to the contract referred to in subsection (a).

**SEC. 313. UPPER MISSISSIPPI RIVER AND ILLINOIS WATERWAY SYSTEM NAVIGATION MODERNIZATION.**

(a) **FINDINGS.**—Congress finds that—

(1) exports are necessary to ensure job creation and an improved standard of living for the people of the United States;

(2) the ability of producers of goods in the United States to compete in the international marketplace depends on a modern and efficient transportation network;

(3) a modern and efficient waterway system is a transportation option necessary to provide United States shippers a safe, reliable, and competitive means to win foreign markets in an increasingly competitive international marketplace;

(4) the need to modernize is heightened because the United States is at risk of losing its competitive edge as a result of the priority that foreign competitors are placing on modernizing their own waterway systems;

(5) growing export demand projected over the coming decades will force greater demands on the waterway system of the United States and increase the cost to the economy if the system proves inadequate to satisfy growing export opportunities;

(6) the locks and dams on the upper Mississippi River and Illinois River waterway system were built in the 1930s and have some of the highest average delays to commercial tows in the country;

(7) inland barges carry freight at the lowest unit cost while offering an alternative to truck and rail transportation that is environmentally sound, is energy efficient, is safe, causes little congestion, produces little air or noise pollution, and has minimal social impact; and

(8) it should be the policy of the Corps of Engineers to pursue aggressively modernization of the waterway system authorized by Congress to promote the relative competitive position of the United States in the international marketplace.

(b) **PRECONSTRUCTION ENGINEERING AND DESIGN.**—In accordance with the Upper Mississippi River-Illinois Waterway System Navigation Study, the Secretary shall proceed immediately to prepare engineering design, plans, and specifications for extension of locks 20, 21, 22, 24, 25 on the Mississippi River and the LaGrange and Peoria Locks on the Illinois River, to provide lock chambers 110 feet in width and 1,200 feet in

length, so that construction can proceed immediately upon completion of studies and authorization of projects by Congress.

**SEC. 314. UPPER MISSISSIPPI RIVER MANAGEMENT.**

Section 1103 of the Water Resources Development Act of 1986 (33 U.S.C. 652) is amended—

(1) in subsection (e)—

(A) by striking "(e)" and all that follows through the end of paragraph (2) and inserting the following:

"(e) **UNDERTAKINGS.**—

"(1) **IN GENERAL.**—

"(A) **AUTHORITY.**—The Secretary, in consultation with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, is authorized to undertake—

"(i) a program for the planning, construction, and evaluation of measures for fish and wildlife habitat rehabilitation and enhancement; and

"(ii) implementation of a program of long-term resource monitoring, computerized data inventory and analysis, and applied research.

"(B) **REQUIREMENTS FOR PROJECTS.**—Each project carried out under subparagraph (A)(i) shall—

"(i) to the maximum extent practicable, simulate natural river processes;

"(ii) include an outreach and education component; and

"(iii) on completion of the assessment under subparagraph (D), address identified habitat and natural resource needs.

"(C) **ADVISORY COMMITTEE.**—In carrying out subparagraph (A), the Secretary shall create an independent technical advisory committee to review projects, monitoring plans, and habitat and natural resource needs assessments.

"(D) **HABITAT AND NATURAL RESOURCE NEEDS ASSESSMENT.**—

"(i) **AUTHORITY.**—The Secretary is authorized to undertake a systemic, river reach, and pool scale assessment of habitat and natural resource needs to serve as a blueprint to guide habitat rehabilitation and long-term resource monitoring.

"(ii) **DATA.**—The habitat and natural resource needs assessment shall, to the maximum extent practicable, use data in existence at the time of the assessment.

"(iii) **TIMING.**—The Secretary shall complete a habitat and natural resource needs assessment not later than 3 years after the date of enactment of this subparagraph.

"(2) **REPORTS.**—On December 31, 2005, in consultation with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, the Secretary shall prepare and submit to Congress a report that—

"(A) contains an evaluation of the programs described in paragraph (1);

"(B) describes the accomplishments of each program;

"(C) includes results of a habitat and natural resource needs assessment; and

"(D) identifies any needed adjustments in the authorization under paragraph (1) or the authorized appropriations under paragraphs (3), (4), and (5).";

(B) in paragraph (3)—

(i) by striking "paragraph (1)(A)" and inserting "paragraph (1)(A)(i)"; and

(ii) by striking "Secretary not to exceed" and all that follows and inserting "Secretary not to exceed \$22,750,000 for each of fiscal years 1999 through 2009.";

(C) in paragraph (4)—

(i) by striking "paragraph (1)(B)" and inserting "paragraph (1)(A)(ii)"; and

(ii) by striking "\$7,680,000" and all that follows and inserting "\$10,420,000 for each of fiscal years 1999 through 2009.";

(D) by striking paragraphs (5) and (6) and inserting the following:

"(5) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry

out paragraph (1)(C) not to exceed \$350,000 for each of fiscal years 1999 through 2009.

**“(6) TRANSFER OF AMOUNTS.—**

**“(A) IN GENERAL.—**For each fiscal year beginning after September 30, 1992, the Secretary, in consultation with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, may transfer appropriated amounts between the programs under clauses (i) and (ii) of paragraph (1)(A) and paragraph (1)(C).

**“(B) APPORTIONMENT OF COSTS.—**In carrying out paragraph (1)(D), the Secretary may apportion the costs between the programs authorized by paragraph (1)(A) in amounts that are proportionate to the amounts authorized to be appropriated to carry out those programs, respectively.”; and

**(E) in paragraph (7)—**

**(i) in subparagraph (A)—**

**(1) by inserting “(i)” after “paragraph (1)(A)”;** and

**(II) by inserting before the period at the end the following: “and, in the case of any project requiring non-Federal cost sharing, the non-Federal share of the cost of the project shall be 35 percent”;** and

**(ii) in subparagraph (B), by striking “paragraphs (1)(B) and (1)(C) of this subsection” and inserting “paragraph (1)(A)(ii)”;**

**(2) in subsection (f)(2)—**

**(A) in subparagraph (A), by striking “(A)”;** and

**(B) by striking subparagraph (B); and**

**(3) by adding at the end the following:**

**“(k) ST. LOUIS AREA URBAN WILDLIFE HABITAT.—**The Secretary shall investigate and, if appropriate, carry out restoration of urban wildlife habitat, with a special emphasis on the establishment of greenways in the St. Louis, Missouri, area and surrounding communities.”.

**SEC. 315. RESEARCH AND DEVELOPMENT PROGRAM FOR COLUMBIA AND SNAKE RIVERS SALMON SURVIVAL.**

Section 511 of the Water Resources Development Act of 1996 (16 U.S.C. 3301 note; Public Law 104-303) is amended by striking subsection (a) and all that follows and inserting the following:

**“(a) SALMON SURVIVAL ACTIVITIES.—**

**“(1) IN GENERAL.—**In conjunction with the Secretary of Commerce and Secretary of the Interior, the Secretary shall accelerate ongoing research and development activities, and may carry out or participate in additional research and development activities, for the purpose of developing innovative methods and technologies for improving the survival of salmon, especially salmon in the Columbia/Snake River Basin.

**“(2) ACCELERATED ACTIVITIES.—**Accelerated research and development activities referred to in paragraph (1) may include research and development related to—

**“(A) impacts from water resources projects and other impacts on salmon life cycles;**

**“(B) juvenile and adult salmon passage;**

**“(C) light and sound guidance systems;**

**“(D) surface-oriented collector systems;**

**“(E) transportation mechanisms; and**

**“(F) dissolved gas monitoring and abatement.**

**“(3) ADDITIONAL ACTIVITIES.—**Additional research and development activities referred to in paragraph (1) may include research and development related to—

**“(A) studies of juvenile salmon survival in spawning and rearing areas;**

**“(B) estuary and near-ocean juvenile and adult salmon survival;**

**“(C) impacts on salmon life cycles from sources other than water resources projects;**

**“(D) cryopreservation of fish gametes and formation of a germ plasm repository for threatened and endangered populations of native fish; and**

**“(E) other innovative technologies and actions intended to improve fish survival, including the survival of resident fish.**

**“(4) COORDINATION.—**The Secretary shall coordinate any activities carried out under this subsection with appropriate Federal, State, and local agencies, affected Indian tribes, and the Northwest Power Planning Council.

**“(5) REPORT.—**Not later than 3 years after the date of enactment of this section, the Secretary shall submit to Congress a report on the research and development activities carried out under this subsection, including any recommendations of the Secretary concerning the research and development activities.

**“(6) AUTHORIZATION OF APPROPRIATIONS.—**There is authorized to be appropriated \$10,000,000 to carry out research and development activities under paragraph (3).

**“(b) ADVANCED TURBINE DEVELOPMENT.—**

**“(1) IN GENERAL.—**In conjunction with the Secretary of Energy, the Secretary shall accelerate efforts toward developing and installing in Corps of Engineers-operated dams innovative, efficient, and environmentally safe hydropower turbines, including design of fish-friendly turbines, for use on the Columbia/Snake River hydrosystem.

**“(2) AUTHORIZATION OF APPROPRIATIONS.—**There is authorized to be appropriated \$35,000,000 to carry out this subsection.

**“(c) MANAGEMENT OF PREDATION ON COLUMBIA/SNAKE RIVER SYSTEM NATIVE FISHES.—**

**“(1) NESTING AVIAN PREDATORS.—**In conjunction with the Secretary of Commerce and the Secretary of the Interior, and consistent with a management plan to be developed by the United States Fish and Wildlife Service, the Secretary shall carry out methods to reduce nesting populations of avian predators on dredge spoil islands in the Columbia River under the jurisdiction of the Secretary.

**“(2) AUTHORIZATION OF APPROPRIATIONS.—**There is authorized to be appropriated \$1,000,000 to carry out research and development activities under this subsection.

**“(d) IMPLEMENTATION.—**Nothing in this section affects the authority of the Secretary to implement the results of the research and development carried out under this section or any other law.”.

**SEC. 316. NINE MILE RUN HABITAT RESTORATION, PENNSYLVANIA.**

If the Secretary determines that the documentation is integral to the project, the Secretary shall credit against the non-Federal share such costs, not to exceed \$1,000,000, as are incurred by the non-Federal interests in preparing the environmental restoration report, planning and design-phase scientific and engineering technical services documentation, and other preconstruction documentation for the habitat restoration project, Nine Mile Run, Pennsylvania.

**SEC. 317. LARKSPUR FERRY CHANNEL, CALIFORNIA.**

The Secretary shall work with the Secretary of Transportation on a proposed solution to carry out the project to maintain the Larkspur Ferry Channel, Larkspur, California, authorized by section 601(d) of the Water Resources Development Act of 1986 (100 Stat. 4148).

**SEC. 318. COMPREHENSIVE FLOOD IMPACT-RESPONSE MODELING SYSTEM.**

**(a) IN GENERAL.—**The Secretary may study and implement a Comprehensive Flood Impact-Response Modeling System for the Coralville Reservoir and the Iowa River watershed, Iowa.

**(b) STUDY.—**The study shall include—

**(1) an evaluation of the combined hydrologic, geomorphic, environmental, economic, social, and recreational impacts of operating strategies within the watershed;**

**(2) creation of an integrated, dynamic flood impact model; and**

**(3) the development of a rapid response system to be used during flood and emergency situations.**

**(c) REPORT TO CONGRESS.—**Not later than 5 years after the date of enactment of this Act, the Secretary shall transmit a report to Congress on the results of the study and modeling system and such recommendations as the Secretary determines to be appropriate.

**(d) AUTHORIZATION OF APPROPRIATIONS.—**There is authorized to be appropriated a total of \$2,250,000 to carry out this section.

**SEC. 319. STUDY REGARDING INNOVATIVE FINANCING FOR SMALL AND MEDIUM-SIZED PORTS.**

**(a) STUDY.—**The Comptroller General of the United States shall conduct a study and analysis of various alternatives for innovative financing of future construction, operation, and maintenance of projects in small and medium-sized ports.

**(b) REPORT.—**Not later than 270 days after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Environment and Public Works of the Senate and Committee on Transportation and Infrastructure of the House of Representatives and the results of the study and any related legislative recommendations for consideration by Congress.

**SEC. 320. CANDY LAKE PROJECT, OSAGE COUNTY, OKLAHOMA.**

**(a) DEFINITIONS.—**In this section:

**(1) FAIR MARKET VALUE.—**The term “fair market value” means the amount for which a willing buyer would purchase and a willing seller would sell a parcel of land, as determined by a qualified, independent land appraiser.

**(2) PREVIOUS OWNER OF LAND.—**The term “previous owner of land” means a person (including a corporation) that conveyed, or a descendant of a deceased individual who conveyed, land to the Corps of Engineers for use in the Candy Lake project in Osage County, Oklahoma.

**(3) SECRETARY.—**The term “Secretary” means the Secretary of the Army.

**(b) LAND CONVEYANCES.—**

**(1) IN GENERAL.—**The Secretary shall convey, in accordance with this section, all right, title, and interest of the United States in and to the land acquired by the United States for the Candy Lake project in Osage County, Oklahoma.

**(2) PREVIOUS OWNERS OF LAND.—**

**(A) IN GENERAL.—**The Secretary shall give a previous owner of land first option to purchase the land described in paragraph (1).

**(B) APPLICATION.—**

**(i) IN GENERAL.—**A previous owner of land that desires to purchase the land described in paragraph (1) that was owned by the previous owner of land, or by the individual from whom the previous owner of land is descended, shall file an application to purchase the land with the Secretary not later than 180 days after the official date of notice to the previous owner of land under subsection (c).

**(ii) FIRST TO FILE HAS FIRST OPTION.—**If more than 1 application is filed for a parcel of land described in paragraph (1), first options to purchase the parcel of land shall be allotted in the order in which applications for the parcel of land were filed.

**(C) IDENTIFICATION OF PREVIOUS OWNERS OF LAND.—**As soon as practicable after the date of enactment of this Act, the Secretary shall, to the extent practicable, identify each previous owner of land.

**(D) CONSIDERATION.—**Consideration for land conveyed under this subsection shall be the fair market value of the land.

**(3) DISPOSAL.—**Any land described in paragraph (1) for which an application has not been filed under paragraph (2)(B) within the applicable time period shall be disposed of in accordance with law.

(4) **EXTINGUISHMENT OF EASEMENTS.**—All flow-age easements acquired by the United States for use in the Candy Lake project in Osage County, Oklahoma, are extinguished.

(c) **NOTICE.**—

(1) **IN GENERAL.**—The Secretary shall notify—  
(A) each person identified as a previous owner of land under subsection (b)(2)(C), not later than 90 days after identification, by United States mail; and

(B) the general public, not later than 90 days after the date of enactment of this Act, by publication in the Federal Register.

(2) **CONTENTS OF NOTICE.**—Notice under this subsection shall include—

(A) a copy of this section;

(B) information sufficient to separately identify each parcel of land subject to this section; and

(C) specification of the fair market value of each parcel of land subject to this section.

(3) **OFFICIAL DATE OF NOTICE.**—The official date of notice under this subsection shall be the later of—

(A) the date on which actual notice is mailed; or

(B) the date of publication of the notice in the Federal Register.

**SEC. 321. SALCHA RIVER AND PILEDRIVER SLOUGH, FAIRBANKS, ALASKA.**

The Secretary shall evaluate and, if justified under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s), carry out flood damage reduction measures along the lower Salcha River and on Piledriver Slough, from its headwaters at the mouth of the Salcha River to the Chena Lakes Flood Control Project, in the vicinity of Fairbanks, Alaska, to protect against surface water flooding.

**SEC. 322. EYAK RIVER, CORDOVA, ALASKA.**

The Secretary shall evaluate and, if justified under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s), carry out flood damage reduction measures along the Eyak River at the town of Cordova, Alaska.

**SEC. 323. NORTH PADRE ISLAND STORM DAMAGE REDUCTION AND ENVIRONMENTAL RESTORATION PROJECT.**

The Secretary shall carry out a project for ecosystem restoration and storm damage reduction at North Padre Island, Corpus Christi Bay, Texas, at a total estimated cost of \$30,000,000, with an estimated Federal cost of \$19,500,000 and an estimated non-Federal cost of \$10,500,000, if the Secretary finds that the work is technically sound, environmentally acceptable, and economically justified. The Secretary shall make such a finding not later than 270 days after the date of enactment of this Act.

**SEC. 324. KANOPOLIS LAKE, KANSAS.**

(a) **WATER SUPPLY.**—

(1) **IN GENERAL.**—Not later than 1 year after the date of enactment of this Act, the Secretary, in cooperation with the State of Kansas or another non-Federal interest, shall complete a water supply reallocation study at the project for flood control, Kanopolis Lake, Kansas, as a basis on which the Secretary shall enter into negotiations with the State of Kansas or another non-Federal interest for the terms and conditions of a reallocation of the water supply.

(2) **OPTIONS.**—The negotiations for storage reallocation shall include the following options for evaluation by all parties:

(A) Financial terms of storage reallocation.

(B) Protection of future Federal water releases from Kanopolis Dam, consistent with State water law, to ensure that the benefits expected from releases are provided.

(C) Potential establishment of a water assurance district consistent with other such districts established by the State of Kansas.

(D) Protection of existing project purposes at Kanopolis Dam to include flood control, recreation, and fish and wildlife.

(b) **IN-KIND CREDIT.**—

(1) **IN GENERAL.**—The Secretary may negotiate a credit for a portion of the financial repayment to the Federal Government for work performed by the State of Kansas, or another non-Federal interest, on land adjacent or in close proximity to the project, if the work provides a benefit to the project.

(2) **WORK INCLUDED.**—The work for which credit may be granted may include watershed protection and enhancement, including wetland construction and ecosystem restoration.

**SEC. 325. NEW YORK CITY WATERSHED.**

Section 552(d) of the Water Resources Development Act of 1996 (110 Stat. 3780) is amended by striking “for the project to be carried out with such assistance” and inserting “, or a public entity designated by the State director, to carry out the project with such assistance, subject to the project’s meeting the certification requirement of subsection (c)(1)”.

**SEC. 326. CITY OF CHARLEVOIX REIMBURSEMENT, MICHIGAN.**

The Secretary shall review and, if consistent with authorized project purposes, reimburse the city of Charlevoix, Michigan, for the Federal share of costs associated with construction of the new revetment connection to the Federal navigation project at Charlevoix Harbor, Michigan.

**SEC. 327. HAMILTON DAM FLOOD CONTROL PROJECT, MICHIGAN.**

The Secretary may construct the Hamilton Dam flood control project, Michigan, under authority of section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s).

**SEC. 328. HOLES CREEK FLOOD CONTROL PROJECT, OHIO.**

(a) **IN GENERAL.**—Notwithstanding any other provision of law, the non-Federal share of project costs for the project for flood control, Holes Creek, Ohio, shall not exceed the sum of—

(1) the total amount projected as the non-Federal share as of September 30, 1996, in the Project Cooperation Agreement executed on that date; and

(2) 100 percent of the amount of any increases in the cost of the locally preferred plan over the cost estimated in the Project Cooperation Agreement.

(b) **REIMBURSEMENT.**—The Secretary shall reimburse the non-Federal interest any amount paid by the non-Federal interest in excess of the non-Federal share.

**SEC. 329. OVERFLOW MANAGEMENT FACILITY, RHODE ISLAND.**

Section 585(a) of the Water Resources Development Act of 1996 (110 Stat. 3791) is amended by striking “river” and inserting “sewer”.

**SEC. 330. ANACOSTIA RIVER AQUATIC ECOSYSTEM RESTORATION, DISTRICT OF COLUMBIA AND MARYLAND.**

The Secretary may use the balance of funds appropriated for the improvement of the environment as part of the Anacostia River Flood Control and Navigation Project under section 1135 of the Water Resources Development Act of 1986 (33 U.S.C. 2309a) to construct aquatic ecosystem restoration projects in the Anacostia River watershed under section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330).

**SEC. 331. EVERGLADES AND SOUTH FLORIDA ECOSYSTEM RESTORATION.**

Subparagraphs (B) and (C)(i) of section 528(b)(3) of the Water Resources Development Act of 1996 (110 Stat. 3769) are amended by striking “1999” and inserting “2003”.

**SEC. 332. PINE FLAT DAM, KINGS RIVER, CALIFORNIA.**

Under the authority of section 1135(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2309a), the Secretary shall carry out a

project to construct a turbine bypass at Pine Flat Dam, Kings River, California, in accordance with the Project Modification Report and Environmental Assessment dated September 1996.

**SEC. 333. LEVEES IN ELBA AND GENEVA, ALABAMA.**

(a) **ELBA, ALABAMA.**—

(1) **IN GENERAL.**—The Secretary may repair and rehabilitate a levee in the city of Elba, Alabama, at a total cost of \$12,900,000.

(2) **COST SHARING.**—The non-Federal share of the cost of repair and rehabilitation under paragraph (1) shall be 35 percent.

(b) **GENEVA, ALABAMA.**—

(1) **IN GENERAL.**—The Secretary may repair and rehabilitate a levee in the city of Geneva, Alabama, at a total cost of \$16,600,000.

(2) **COST SHARING.**—The non-Federal share of the cost of repair and rehabilitation under paragraph (1) shall be 35 percent.

**SEC. 334. TORONTO LAKE AND EL DORADO LAKE, KANSAS.**

(a) **IN GENERAL.**—The Secretary shall convey to the State of Kansas, by quitclaim deed and without consideration, all right, title, and interest of the United States in and to the 2 parcels of land described in subsection (b) on which correctional facilities operated by the Kansas Department of Corrections are situated.

(b) **LAND DESCRIPTION.**—The parcels of land referred to in subsection (a) are—

(1) the parcel located in Butler County, Kansas, adjacent to the El Dorado Lake Project, consisting of approximately 32.98 acres; and

(2) the parcel located in Woodson County, Kansas, adjacent to the Toronto Lake Project, consisting of approximately 51.98 acres.

(c) **CONDITIONS.**—

(1) **USE OF LAND.**—A conveyance of a parcel under subsection (a) shall be subject to the condition that all right, title, and interest in and to the parcel conveyed under subsection (a) shall revert to the United States if the parcel is used for a purpose other than that of a correctional facility.

(2) **COSTS.**—The Secretary may require such additional terms, conditions, reservations, and restrictions in connection with the conveyance as the Secretary determines are necessary to protect the interests of the United States, including a requirement that the State pay all reasonable administrative costs associated with the conveyance.

**SEC. 335. SAN JACINTO DISPOSAL AREA, GALVESTON, TEXAS.**

Section 108 of the Energy and Water Development Appropriations Act, 1994 (107 Stat. 1320), is amended in the first sentence of subsection (a) and in subsection (b)(1) by striking “fee simple absolute title” each place it appears and inserting “fee simple title to the surface estate (without the right to use the surface of the property for the production of minerals)”.

**SEC. 336. ENVIRONMENTAL INFRASTRUCTURE.**

Section 219(e)(1) of the Water Resources Development Act of 1992 (106 Stat. 4835; 110 Stat. 3757) is amended by striking “\$10,000,000” and inserting “\$15,000,000”.

**SEC. 337. WATER MONITORING STATION.**

Section 584(b) of the Water Resources Development Act of 1996 (110 Stat. 3791) is amended by striking “\$50,000” and inserting “\$100,000”.

**SEC. 338. UPPER MISSISSIPPI RIVER COMPREHENSIVE PLAN.**

(a) **DEVELOPMENT.**—The Secretary shall develop a plan to address water and related land resources problems in the upper Mississippi River basin and the Illinois River basin, extending from Cairo, Illinois, to the headwaters of the Mississippi River, to determine the feasibility of systemic flood damage reduction by means of—

(1) structural and nonstructural flood control and floodplain management strategies;

(2) continued maintenance of the navigation project;

(3) management of bank caving, erosion, watershed nutrients and sediment, habitat, and recreation; and

(4) other related means.

(b) CONTENTS.—The plan shall contain recommendations for—

(1) management plans and actions to be carried out by Federal and non-Federal entities;

(2) construction of a systemic flood control project in accordance with a plan for the upper Mississippi River;

(3) Federal action, where appropriate; and

(4) follow-on studies for problem areas for which data or current technology does not allow immediate solutions.

(c) CONSULTATION AND USE OF EXISTING DATA.—In developing the plan, the Secretary shall—

(1) consult with appropriate State and Federal agencies; and

(2) make maximum use of—

(A) data and programs in existence on the date of enactment of this Act; and

(B) efforts of States and Federal agencies.

(d) REPORT.—Not later than 3 years after the date of enactment of this Act, the Secretary shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report that includes the plan.

#### SEC. 339. MCNARY LOCK AND DAM, WASHINGTON.

(a) IN GENERAL.—The Secretary may convey to a port district or a port authority—

(1) without the payment of additional consideration, any remaining right, title, and interest of the United States in property acquired for the McNary Lock and Dam, Washington, project and subsequently conveyed to the port district or a port authority under section 108 of the River and Harbor Act of 1960 (33 U.S.C. 578); and

(2) at fair market value, as determined by the Secretary, all right, title, and interest of the United States in such property under the jurisdiction of the Secretary relating to the project as the Secretary considers appropriate.

(b) CONDITIONS, RESERVATIONS, AND RESTRICTIONS.—A conveyance under subsection (a) shall be subject to—

(1) such conditions, reservations, and restrictions as the Secretary determines to be necessary for the development, maintenance, or operation of the project or otherwise in the public interest; and

(2) the payment by the port district or port authority of all administrative costs associated with the conveyance.

#### SEC. 340. MCNARY NATIONAL WILDLIFE REFUGE.

(a) TRANSFER OF ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the McNary National Wildlife Refuge is transferred from the Secretary to the Secretary of the Interior.

(b) LAND EXCHANGE WITH THE PORT OF WALLA WALLA, WASHINGTON.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of the Interior may exchange approximately 188 acres of land located south of Highway 12 and comprising a portion of the McNary National Wildlife Refuge for approximately 122 acres of land owned by the Port of Walla Walla, Washington, and located at the confluence of the Snake River and the Columbia River.

(2) TERMS AND CONDITIONS.—The land exchange under paragraph (1) shall be carried out in accordance with such terms and conditions as the Secretary of the Interior determines to be necessary to protect the interests of the United States, including a requirement that the Port pay—

(A) reasonable administrative costs (not to exceed \$50,000) associated with the exchange; and

(B) any excess (as determined by the Secretary of the Interior) of the fair market value of the parcel conveyed by the Secretary of the Interior over the fair market value of the parcel conveyed by the Port.

(3) USE OF FUNDS.—The Secretary of the Interior may retain any funds received under paragraph (2)(B) and, without further Act of appropriation, may use the funds to acquire replacement habitat for the Mid-Columbia River National Wildlife Refuge Complex.

(c) MANAGEMENT.—The McNary National Wildlife Refuge and land conveyed by the Port of Walla Walla, Washington, under subsection (b) shall be managed in accordance with applicable laws, including section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)) and the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

#### TITLE IV—CHEYENNE RIVER SIOUX TRIBE, LOWER BRULE SIOUX TRIBE, AND STATE OF SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION

##### SEC. 401. CHEYENNE RIVER SIOUX TRIBE, LOWER BRULE SIOUX TRIBE, AND STATE OF SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION.

(a) DEFINITIONS.—Section 601 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681–660), is amended—

(1) by redesignating paragraphs (1), (2), and (3) as paragraphs (2), (4), and (5), respectively;

(2) by inserting before paragraph (2) (as redesignated by paragraph (1)) the following:

“(1) COMMISSION.—The term ‘Commission’ means the South Dakota Cultural Resources Advisory Commission established by section 605(j).”; and

(3) by inserting after paragraph (2) (as redesignated by paragraph (1)) the following:

“(3) SECRETARY.—The term ‘Secretary’ means the Secretary of the Army.”.

(b) TERRESTRIAL WILDLIFE HABITAT RESTORATION.—Section 602 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681–660), is amended—

(1) in subsection (a)(4)—

(A) in subparagraph (A)(ii), by striking “803” and inserting “603”; and

(B) in subparagraph (B)(ii), by striking “804” and inserting “604”; and

(C) in subparagraph (C)—

(i) in clause (i)(II), by striking “803(d)(3) and 804(d)(3)” and inserting “603(d)(3) and 604(d)(3)”; and

(ii) in clause (ii)(II)—

(I) by striking “803(d)(3)(A)(i)” and inserting “603(d)(3)(A)(i)”; and

(II) by striking “804(d)(3)(A)(i)” and inserting “604(d)(3)(A)(i)”; and

(2) in subsection (b)—

(A) in paragraph (1), by striking “803(d)(3)(A)(ii)” and inserting “603(d)(3)(A)(ii)(III)”; and

(B) in paragraph (4)—

(i) in subparagraph (A), by striking “803(d)(3)(A)(iii)” and inserting “603(d)(3)(A)(ii)(III)”; and

(ii) in subparagraph (B), by striking “804(d)(3)(A)(iii)” and inserting “604(d)(3)(A)(ii)(III)”; and

(3) in subsection (c), by striking “803 and 804” and inserting “603 and 604”.

(c) SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION TRUST FUND.—Section 603 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681–663), is amended—

(1) in subsection (c)—

(A) by striking “The Secretary” and inserting the following:

“(1) IN GENERAL.—The Secretary”; and

(B) by adding at the end the following:

“(2) INTEREST RATE.—The Secretary of the Treasury shall invest amounts in the fund in obligations that carry the highest rate of interest among available obligations of the required maturity.”; and

(2) in subsection (d)—

(A) in paragraph (2), by striking “802(a)(4)(A)” and inserting “602(a)(4)(A)”; and

(B) in paragraph (3)(A)—

(i) in clause (i)—

(I) by striking “802(a)” and inserting “602(a)”; and

(II) by striking “and” at the end; and

(ii) in clause (ii)—

(I) in subclause (III), by striking “802(b)” and inserting “602(b)”; and

(II) in subclause (IV)—

(aa) by striking “802” and inserting “602”; and

(bb) by striking “and” at the end.

(d) CHEYENNE RIVER SIOUX TRIBE AND LOWER BRULE SIOUX TRIBE TERRESTRIAL WILDLIFE HABITAT RESTORATION TRUST FUNDS.—Section 604 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681–664), is amended—

(1) in subsection (c)—

(A) by striking “The Secretary” and inserting the following:

“(1) IN GENERAL.—The Secretary”; and

(B) by adding at the end the following:

“(2) INTEREST RATE.—The Secretary of the Treasury shall invest amounts in the fund in obligations that carry the highest rate of interest among available obligations of the required maturity.”; and

(2) in subsection (d)—

(A) in paragraph (2), by striking “802(a)(4)(B)” and inserting “602(a)(4)(B)”; and

(B) in paragraph (3)(A)—

(i) in clause (i), by striking “802(a)” and inserting “602(a)”; and

(ii) in clause (ii)—

(I) in subclause (III), by striking “802(b)” and inserting “602(b)”; and

(II) in subclause (IV), by striking “802” and inserting “602”.

(e) TRANSFER OF FEDERAL LAND TO STATE OF SOUTH DAKOTA.—Section 605 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681–665), is amended—

(1) in subsection (a)(2)(B), by striking “802” and inserting “602”; and

(2) in subsection (c), in the matter preceding paragraph (1), by striking “waters” and inserting “facilities”; and

(3) in subsection (e)(2), by striking “803” and inserting “603”; and

(4) by striking subsection (g) and inserting the following:

“(g) HUNTING AND FISHING.—

“(1) IN GENERAL.—Except as provided in this section, nothing in this title affects jurisdiction over the waters of the Missouri River below the water's edge and outside the exterior boundaries of an Indian reservation in South Dakota.

“(2) JURISDICTION.—

“(A) TRANSFERRED LAND.—On transfer of the land under this section to the State of South Dakota, jurisdiction over the land shall be the same as that over other land owned by the State of South Dakota.

“(B) LAND BETWEEN THE MISSOURI RIVER WATER'S EDGE AND THE LEVEL OF THE EXCLUSIVE FLOOD POOL.—Jurisdiction over land between the Missouri River water's edge and the level of the exclusive flood pool outside Indian reservations in the State of South Dakota shall be the same as that exercised by the State on other

land owned by the State, and that jurisdiction shall follow the fluctuations of the water's edge.

"(D) **FEDERAL LAND.**—Jurisdiction over land and water owned by the Federal government within the boundaries of the State of South Dakota that are not affected by this Act shall remain unchanged.

"(3) **EASEMENTS AND ACCESS.**—The Secretary shall provide the State of South Dakota with easements and access on land and water below the level of the exclusive flood pool outside Indian reservations in the State of South Dakota for recreational and other purposes (including for boat docks, boat ramps, and related structures), so long as the easements would not prevent the Corps of Engineers from carrying out its mission under the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved December 22, 1944 (commonly known as the 'Flood Control Act of 1944') (58 Stat. 887))."; and

(5) by adding at the end the following:

"(i) **IMPACT AID.**—The land transferred under subsection (a) shall be deemed to continue to be owned by the United States for purposes of section 8002 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7702)."

(f) **TRANSFER OF CORPS OF ENGINEERS LAND FOR INDIAN TRIBES.**—Section 606 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681–667), is amended—

(1) in subsection (a)(1), by inserting before the period at the end the following: "for their use in perpetuity";

(2) in subsection (c), in the matter preceding paragraph (1), by striking "waters" and inserting "facilities";

(3) in subsection (f), by striking paragraph (2) and inserting the following:

"(2) **HUNTING AND FISHING.**—

"(A) **IN GENERAL.**—Except as provided in this section, nothing in this title affects jurisdiction over the waters of the Missouri River below the water's edge and within the exterior boundaries of the Cheyenne River Sioux and Lower Brule Sioux Tribe reservations.

"(B) **JURISDICTION.**—On transfer of the land to the respective tribes under this section, jurisdiction over the land and on land between the water's edge and the level of the exclusive flood pool within the respective Tribe's reservation boundaries shall be the same as that over land held in trust by the Secretary of the Interior on the Cheyenne River Sioux Reservation and the Lower Brule Sioux Reservation, and that jurisdiction shall follow the fluctuations of the water's edge.

"(C) **EASEMENTS AND ACCESS.**—The Secretary shall provide the Tribes with such easements and access on land and water below the level of the exclusive flood pool inside the respective Indian reservations for recreational and other purposes (including for boat docks, boat ramps, and related structures), so long as the easements would not prevent the Corps of Engineers from carrying out its mission under the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved December 22, 1944 (commonly known as the 'Flood Control Act of 1944') (58 Stat. 887)).";

(4) in subsection (e)(2), by striking "804" and inserting "604"; and

(5) by adding at the end the following:

"(g) **EXTERIOR INDIAN RESERVATION BOUNDARIES.**—Nothing in this section diminishes, changes, or otherwise affects the exterior boundaries of a reservation of an Indian tribe."

(g) **ADMINISTRATION.**—Section 607(b) of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681–669), is amended by striking "land" and inserting "property".

(h) **STUDY.**—Section 608 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681–670), is amended—

(1) in subsection (a)—

(A) by striking "Not later than 1 year after the date of enactment of this Act, the Secretary" and inserting "The Secretary";

(B) by striking "to conduct" and inserting "to complete, not later than October 31, 1999,"; and

(C) by striking "805(b) and 806(b)" and inserting "605(b) and 606(b)";

(2) in subsection (b), by striking "805(b) or 806(b)" and inserting "606(b) or 606(b)"; and

(3) by adding at the end the following:

"(c) **STATE WATER RIGHTS.**—The results of the study shall not affect, and shall not be taken into consideration in, any proceeding to quantify the water rights of any State.

"(d) **INDIAN WATER RIGHTS.**—The results of the study shall not affect, and shall not be taken into consideration in, any proceeding to quantify the water rights of any Indian tribe or tribal nation."

(i) **AUTHORIZATION OF APPROPRIATIONS.**—Section 609(a) of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (112 Stat. 2681–670), is amended—

(1) in paragraph (1), by striking "and" at the end;

(2) in paragraph (2)—

(A) by striking "802(a)" and inserting "605(a)"; and

(B) by striking "803(d)(3) and 804(d)(3)." and inserting "603(d)(3) and 604(d)(3); and"; and

(3) by adding at the end the following:

"(3) to fund the annual expenses (not to exceed the Federal cost as of the date of enactment of this Act) of operating recreation areas to be transferred under sections 605(c) and 606(c) or leased by the State of South Dakota or Indian tribes, until such time as the trust funds under sections 603 and 604 are fully capitalized."

The PRESIDING OFFICER (Mr. VOINOVICH) appointed Mr. CHAFEE, Mr. WARNER, Mr. SMITH of New Hampshire, Mr. VOINOVICH, Mr. BAUCUS, Mr. MOYNIHAN, and Mrs. BOXER conferees on the part of the Senate.

#### FINANCIAL SERVICES ACT OF 1999

Mr. SPECTER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on (S. 900).

The PRESIDING OFFICER (Mr. VOINOVICH) laid before the Senate the amendments of the House of Representatives to the bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes, as follows:

#### SECTION 1. SHORT TITLE; PURPOSES; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the "Financial Services Act of 1999".

(b) **PURPOSES.**—The purposes of this Act are as follows:

(1) To enhance competition in the financial services industry, in order to foster innovation and efficiency.

(2) To ensure the continued safety and soundness of depository institutions.

(3) To provide necessary and appropriate protections for investors and ensure fair and honest markets in the delivery of financial services.

(4) To avoid duplicative, potentially conflicting, and overly burdensome regulatory requirements through the creation of a regulatory framework for financial holding companies that respects the divergent requirements of each of the component businesses of the holding company, and that is based upon principles of strong functional regulation and enhanced regulatory coordination.

(5) To reduce and, to the maximum extent practicable, to eliminate the legal barriers preventing affiliation among depository institutions, securities firms, insurance companies, and other financial service providers and to provide a prudential framework for achieving that result.

(6) To enhance the availability of financial services to citizens of all economic circumstances and in all geographic areas.

(7) To enhance the competitiveness of United States financial service providers internationally.

(8) To ensure compliance by depository institutions with the provisions of the Community Reinvestment Act of 1977 and enhance the ability of depository institutions to meet the capital and credit needs of all citizens and communities, including underserved communities and populations.

(c) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; purposes; table of contents.

#### TITLE I—FACILITATING AFFILIATION AMONG SECURITIES FIRMS, INSURANCE COMPANIES, AND DEPOSITORY INSTITUTIONS

##### Subtitle A—Affiliations

Sec. 101. Glass-Steagall Act reformed.

Sec. 102. Activity restrictions applicable to bank holding companies which are not financial holding companies.

Sec. 103. Financial holding companies.

Sec. 104. Operation of State law.

Sec. 105. Mutual bank holding companies authorized.

Sec. 105A. Public meetings for large bank acquisitions and mergers.

Sec. 106. Prohibition on deposit production offices.

Sec. 107. Clarification of branch closure requirements.

Sec. 108. Amendments relating to limited purpose banks.

Sec. 109. GAO study of economic impact on community banks, other small financial institutions, insurance agents, and consumers.

Sec. 110. Responsiveness to community needs for financial services.

Sec. 110A. Study of financial modernization's affect on the accessibility of small business and farm loans.

##### Subtitle B—Streamlining Supervision of Financial Holding Companies

Sec. 111. Streamlining financial holding company supervision.

Sec. 112. Elimination of application requirement for financial holding companies.

Sec. 113. Authority of State insurance regulator and Securities and Exchange Commission.

Sec. 114. Prudential safeguards.

Sec. 115. Examination of investment companies.

Sec. 116. Limitation on rulemaking, prudential, supervisory, and enforcement authority of the Board.

Sec. 117. Equivalent regulation and supervision.

Sec. 118. Prohibition on FDIC assistance to affiliates and subsidiaries.

Sec. 119. Repeal of savings bank provisions in the Bank Holding Company Act of 1956.

Sec. 120. Technical amendment.

*Subtitle C—Subsidiaries of National Banks*

- Sec. 121. Permissible activities for subsidiaries of national banks.
- Sec. 122. Safety and soundness firewalls between banks and their financial subsidiaries.
- Sec. 123. Misrepresentations regarding depository institution liability for obligations of affiliates.
- Sec. 124. Repeal of stock loan limit in Federal Reserve Act.

*Subtitle D—Wholesale Financial Holding Companies; Wholesale Financial Institutions*  
**CHAPTER 1—WHOLESALE FINANCIAL HOLDING COMPANIES**

- Sec. 131. Wholesale financial holding companies established.
- Sec. 132. Authorization to release reports.
- Sec. 133. Conforming amendments.

**CHAPTER 2—WHOLESALE FINANCIAL INSTITUTIONS**

- Sec. 136. Wholesale financial institutions.

*Subtitle E—Preservation of FTC Authority*

- Sec. 141. Amendment to the Bank Holding Company Act of 1956 to modify notification and post-approval waiting period for section 3 transactions.
- Sec. 142. Interagency data sharing.
- Sec. 143. Clarification of status of subsidiaries and affiliates.
- Sec. 144. Annual GAO report.

*Subtitle F—National Treatment*

- Sec. 151. Foreign banks that are financial holding companies.
- Sec. 152. Foreign banks and foreign financial institutions that are wholesale financial institutions.
- Sec. 153. Representative offices.
- Sec. 154. Reciprocity.

*Subtitle G—Federal Home Loan Bank System Modernization*

- Sec. 161. Short title.
- Sec. 162. Definitions.
- Sec. 163. Savings association membership.
- Sec. 164. Advances to members; collateral.
- Sec. 165. Eligibility criteria.
- Sec. 166. Management of banks.
- Sec. 167. Resolution Funding Corporation.
- Sec. 168. Capital structure of Federal home loan banks.

*Subtitle H—ATM Fee Reform*

- Sec. 171. Short title.
- Sec. 172. Electronic fund transfer fee disclosures at any host ATM.
- Sec. 173. Disclosure of possible fees to consumers when ATM card is issued.
- Sec. 174. Feasibility study.
- Sec. 175. No liability if posted notices are damaged.

*Subtitle I—Direct Activities of Banks*

- Sec. 181. Authority of national banks to underwrite certain municipal bonds.

*Subtitle J—Deposit Insurance Funds*

- Sec. 186. Study of safety and soundness of funds.
- Sec. 187. Elimination of SAIF and DIF special reserves.

*Subtitle K—Miscellaneous Provisions*

- Sec. 191. Termination of “know your customer” regulations.
- Sec. 192. Study and report on Federal electronic fund transfers.
- Sec. 193. General Accounting Office study of conflicts of interest.
- Sec. 194. Study of cost of all Federal banking regulations.
- Sec. 195. Study and report on adapting existing legislative requirements to online banking and lending.

- Sec. 196. Regulation of uninsured State member banks.

- Sec. 197. Clarification of source of strength doctrine.

- Sec. 198. Interest rates and other charges at interstate branches.

- Sec. 198A. Interstate branches and agencies of foreign banks.

- Sec. 198B. Fair treatment of women by financial advisers.

*Subtitle L—Effective Date of Title*

- Sec. 199. Effective date.

**TITLE II—FUNCTIONAL REGULATION***Subtitle A—Brokers and Dealers*

- Sec. 201. Definition of broker.
- Sec. 202. Definition of dealer.
- Sec. 203. Registration for sales of private securities offerings.
- Sec. 204. Information sharing.
- Sec. 205. Treatment of new hybrid products.
- Sec. 206. Definition of excepted banking product.

- Sec. 207. Additional definitions.

- Sec. 208. Government securities defined.

- Sec. 209. Effective date.

- Sec. 210. Rule of construction.

*Subtitle B—Bank Investment Company Activities*

- Sec. 211. Custody of investment company assets by affiliated bank.

- Sec. 212. Lending to an affiliated investment company.

- Sec. 213. Independent directors.

- Sec. 214. Additional SEC disclosure authority.

- Sec. 215. Definition of broker under the Investment Company Act of 1940.

- Sec. 216. Definition of dealer under the Investment Company Act of 1940.

- Sec. 217. Removal of the exclusion from the definition of investment adviser for banks that advise investment companies.

- Sec. 218. Definition of broker under the Investment Advisers Act of 1940.

- Sec. 219. Definition of dealer under the Investment Advisers Act of 1940.

- Sec. 220. Interagency consultation.

- Sec. 221. Treatment of bank common trust funds.

- Sec. 222. Investment advisers prohibited from having controlling interest in registered investment company.

- Sec. 223. Statutory disqualification for bank wrongdoing.

- Sec. 224. Conforming change in definition.

- Sec. 225. Conforming amendment.

- Sec. 226. Church plan exclusion.

- Sec. 227. Effective date.

*Subtitle C—Securities and Exchange Commission Supervision of Investment Bank Holding Companies*

- Sec. 231. Supervision of investment bank holding companies by the Securities and Exchange Commission.

*Subtitle D—Disclosure of Customer Costs of Acquiring Financial Products*

- Sec. 241. Improved and consistent disclosure.

*Subtitle E—Banks and Bank Holding Companies*

- Sec. 251. Consultation.

**TITLE III—INSURANCE***Subtitle A—State Regulation of Insurance*

- Sec. 301. State regulation of the business of insurance.

- Sec. 302. Mandatory insurance licensing requirements.

- Sec. 303. Functional regulation of insurance.

- Sec. 304. Insurance underwriting in national banks.

- Sec. 305. Title insurance activities of national banks and their affiliates.

- Sec. 306. Expedited and equalized dispute resolution for Federal regulators.

- Sec. 307. Consumer protection regulations.

- Sec. 308. Certain State affiliation laws preempted for insurance companies and affiliates.

- Sec. 309. Interagency consultation.

- Sec. 310. Definition of State.

*Subtitle B—Redomestication of Mutual Insurers*

- Sec. 311. General application.

- Sec. 312. Redomestication of mutual insurers.

- Sec. 313. Effect on State laws restricting redomestication.

- Sec. 314. Other provisions.

- Sec. 315. Definitions.

- Sec. 316. Effective date.

*Subtitle C—National Association of Registered Agents and Brokers*

- Sec. 321. State flexibility in multistate licensing reforms.

- Sec. 322. National Association of Registered Agents and Brokers.

- Sec. 323. Purpose.

- Sec. 324. Relationship to the Federal Government.

- Sec. 325. Membership.

- Sec. 326. Board of directors.

- Sec. 327. Officers.

- Sec. 328. Bylaws, rules, and disciplinary action.

- Sec. 329. Assessments.

- Sec. 330. Functions of the NAIC.

- Sec. 331. Liability of the Association and the directors, officers, and employees of the Association.

- Sec. 332. Elimination of NAIC oversight.

- Sec. 333. Relationship to State law.

- Sec. 334. Coordination with other regulators.

- Sec. 335. Judicial review.

- Sec. 336. Definitions.

*Subtitle D—Rental Car Agency Insurance Activities*

- Sec. 341. Standard of regulation for motor vehicle rentals.

*Subtitle E—Confidentiality*

- Sec. 351. Confidentiality of health and medical information.

**TITLE IV—UNITARY SAVINGS AND LOAN HOLDING COMPANIES**

- Sec. 401. Prohibition on new unitary savings and loan holding companies.

- Sec. 402. Retention of “Federal” in name of converted Federal savings association.

**TITLE V—PRIVACY**

*Subtitle A—Disclosure of Nonpublic Personal Information*

- Sec. 501. Protection of nonpublic personal information.

- Sec. 502. Obligations with respect to disclosures of personal information.

- Sec. 503. Disclosure of institution privacy policy.

- Sec. 504. Rulemaking.

- Sec. 505. Enforcement.

- Sec. 506. Fair Credit Reporting Act amendment.

- Sec. 507. Relation to other provisions.

- Sec. 508. Study of information sharing among financial affiliates.

- Sec. 509. Definitions.

- Sec. 510. Effective date.

*Subtitle B—Fraudulent Access to Financial Information*

- Sec. 521. Privacy protection for customer information of financial institutions.

- Sec. 522. Administrative enforcement.

- Sec. 523. Criminal penalty.

- Sec. 524. Relation to State laws.

- Sec. 525. Agency guidance.

- Sec. 526. Reports.

- Sec. 527. Definitions.



**TITLE I—FACILITATING AFFILIATION  
AMONG SECURITIES FIRMS, INSURANCE  
COMPANIES, AND DEPOSITORY INSTITU-  
TIONS**

**Subtitle A—Affiliations**

**SEC. 101. GLASS-STEAGALL ACT REFORMED.**

(a) SECTION 20 REPEALED.—Section 20 of the Banking Act of 1933 (12 U.S.C. 377) (commonly referred to as the “Glass-Steagall Act”) is repealed.

(b) SECTION 32 REPEALED.—Section 32 of the Banking Act of 1933 (12 U.S.C. 78) is repealed.

**SEC. 102. ACTIVITY RESTRICTIONS APPLICABLE  
TO BANK HOLDING COMPANIES  
WHICH ARE NOT FINANCIAL HOLD-  
ING COMPANIES.**

(a) IN GENERAL.—Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended to read as follows:

“(8) shares of any company the activities of which had been determined by the Board by regulation or order under this paragraph as of the day before the date of the enactment of the Financial Services Act of 1999, to be so closely related to banking as to be a proper incident thereto (subject to such terms and conditions contained in such regulation or order, unless modified by the Board);”.

(b) CONFORMING CHANGES TO OTHER STATUTES.—

(1) AMENDMENT TO THE BANK HOLDING COMPANY ACT AMENDMENTS OF 1970.—Section 105 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1850) is amended by striking “, to engage directly or indirectly in a nonbanking activity pursuant to section 4 of such Act,”.

(2) AMENDMENT TO THE BANK SERVICE COMPANY ACT.—Section 4(f) of the Bank Service Company Act (12 U.S.C. 1864(f)) is amended by striking the period and adding at the end the following: “as of the day before the date of the enactment of the Financial Services Act of 1999.”.

**SEC. 103. FINANCIAL HOLDING COMPANIES.**

(a) IN GENERAL.—The Bank Holding Company Act of 1956 is amended by inserting after section 5 (12 U.S.C. 1844) the following new section:

**“SEC. 6. FINANCIAL HOLDING COMPANIES.**

“(a) FINANCIAL HOLDING COMPANY DEFINED.—For purposes of this section, the term ‘financial holding company’ means a bank holding company which meets the requirements of subsection (b).

“(b) ELIGIBILITY REQUIREMENTS FOR FINANCIAL HOLDING COMPANIES.—

“(1) IN GENERAL.—No bank holding company may engage in any activity or directly or indirectly acquire or retain shares of any company under this section unless the bank holding company meets the following requirements:

“(A) All of the subsidiary depository institutions of the bank holding company are well capitalized.

“(B) All of the subsidiary depository institutions of the bank holding company are well managed.

“(C) All of the subsidiary depository institutions of the bank holding company have achieved a rating of ‘satisfactory record of meeting community credit needs’, or better, at the most recent examination of each such institution.

“(D) The company has filed with the Board a declaration that the company elects to be a financial holding company and certifying that the company meets the requirements of subparagraphs (A), (B), and (C).

“(2) FOREIGN BANKS AND COMPANIES.—For purposes of paragraph (1), the Board shall establish and apply comparable capital and other operating standards to a foreign bank that operates a branch or agency or owns or controls a bank or commercial lending company in the

United States, and any company that owns or controls such foreign bank, giving due regard to the principle of national treatment and equality of competitive opportunity.

“(3) LIMITED EXCLUSIONS FROM COMMUNITY NEEDS REQUIREMENTS FOR NEWLY ACQUIRED DEPOSITORY INSTITUTIONS.—Any depository institution acquired by a bank holding company during the 12-month period preceding the submission of a notice under paragraph (1)(D) and any depository institution acquired after the submission of such notice may be excluded for purposes of paragraph (1)(C) during the 12-month period beginning on the date of such acquisition if—

“(A) the bank holding company has submitted an affirmative plan to the appropriate Federal banking agency to take such action as may be necessary in order for such institution to achieve a rating of ‘satisfactory record of meeting community credit needs’, or better, at the next examination of the institution; and

“(B) the plan has been accepted by such agency.

“(c) ENGAGING IN ACTIVITIES THAT ARE FINANCIAL IN NATURE.—

“(1) FINANCIAL ACTIVITIES.—

“(A) IN GENERAL.—Notwithstanding section 4(a), a financial holding company may engage in any activity, and acquire and retain the shares of any company engaged in any activity, that the Board has determined (by regulation or order and in accordance with subparagraph (B)) to be—

“(i) financial in nature or incidental to such financial activities; or

“(ii) complementary to activities authorized under this subsection to the extent that the amount of such complementary activities remains small.

“(B) COORDINATION BETWEEN THE BOARD AND THE SECRETARY OF THE TREASURY.—

“(i) PROPOSALS RAISED BEFORE THE BOARD.—

“(1) CONSULTATION.—The Board shall notify the Secretary of the Treasury of, and consult with the Secretary of the Treasury concerning, any request, proposal, or application under this subsection, including a regulation or order proposed under paragraph (4), for a determination of whether an activity is financial in nature or incidental to such a financial activity.

“(II) TREASURY VIEW.—The Board shall not determine that any activity is financial in nature or incidental to a financial activity under this subsection if the Secretary of the Treasury notifies the Board in writing, not later than 30 days after the date of receipt of the notice described in subclause (I) (or such longer period as the Board determines to be appropriate in light of the circumstances) that the Secretary of the Treasury believes that the activity is not financial in nature or incidental to a financial activity.

“(ii) PROPOSALS RAISED BY THE TREASURY.—

“(1) TREASURY RECOMMENDATION.—The Secretary of the Treasury may, at any time, recommend in writing that the Board find an activity to be financial in nature or incidental to a financial activity.

“(II) TIME PERIOD FOR BOARD ACTION.—Not later than 30 days after the date of receipt of a written recommendation from the Secretary of the Treasury under subclause (I) (or such longer period as the Secretary of the Treasury and the Board determine to be appropriate in light of the circumstances), the Board shall determine whether to initiate a public rulemaking proposing that the subject recommended activity be found to be financial in nature or incidental to a financial activity under this subsection, and shall notify the Secretary of the Treasury in writing of the determination of the Board and, in the event that the Board determines not to seek public comment on the proposal, the reasons for that determination.

“(2) FACTORS TO BE CONSIDERED.—In determining whether an activity is financial in nature or incidental to financial activities, the Board shall take into account—

“(A) the purposes of this Act and the Financial Services Act of 1999;

“(B) changes or reasonably expected changes in the marketplace in which bank holding companies compete;

“(C) changes or reasonably expected changes in the technology for delivering financial services; and

“(D) whether such activity is necessary or appropriate to allow a bank holding company and the affiliates of a bank holding company to—

“(i) compete effectively with any company seeking to provide financial services in the United States;

“(ii) use any available or emerging technological means, including any application necessary to protect the security or efficacy of systems for the transmission of data or financial transactions, in providing financial services; and

“(iii) offer customers any available or emerging technological means for using financial services.

“(3) ACTIVITIES THAT ARE FINANCIAL IN NATURE.—The following activities shall be considered to be financial in nature:

“(A) Lending, exchanging, transferring, investing for others, or safeguarding money or securities.

“(B) Insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death, or providing and issuing annuities, and acting as principal, agent, or broker for purposes of the foregoing.

“(C) Providing financial, investment, or economic advisory services, including advising an investment company (as defined in section 3 of the Investment Company Act of 1940).

“(D) Issuing or selling instruments representing interests in pools of assets permissible for a bank to hold directly.

“(E) Underwriting, dealing in, or making a market in securities.

“(F) Engaging in any activity that the Board has determined, by order or regulation that is in effect on the date of the enactment of the Financial Services Act of 1999, to be so closely related to banking or managing or controlling banks as to be a proper incident thereto (subject to the same terms and conditions contained in such order or regulation, unless modified by the Board).

“(G) Engaging, in the United States, in any activity that—

“(i) a bank holding company may engage in outside the United States; and

“(ii) the Board has determined, under regulations issued pursuant to section 4(c)(13) of this Act (as in effect on the day before the date of the enactment of the Financial Services Act of 1999) to be usual in connection with the transaction of banking or other financial operations abroad.

“(H) Directly or indirectly acquiring or controlling, whether as principal, on behalf of one or more entities (including entities, other than a depository institution, that the bank holding company controls) or otherwise, shares, assets, or ownership interests (including without limitation debt or equity securities, partnership interests, trust certificates or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

“(i) the shares, assets, or ownership interests are not acquired or held by a depository institution;

“(ii) such shares, assets, or ownership interests are acquired and held by an affiliate of the

bank holding company that is a registered broker or dealer that is engaged in securities underwriting activities, or an affiliate of such broker or dealer, as part of a bona fide underwriting or investment banking activity, including investment activities engaged in for the purpose of appreciation and ultimate resale or disposition of the investment;

“(iii) such shares, assets, or ownership interests are held only for such a period of time as will permit the sale or disposition thereof on a reasonable basis consistent with the nature of the activities described in clause (ii); and

“(iv) during the period such shares, assets, or ownership interests are held, the bank holding company does not actively participate in the day to day management or operation of such company or entity, except insofar as necessary to achieve the objectives of clause (ii).

“(I) Directly or indirectly acquiring or controlling, whether as principal, on behalf of one or more entities (including entities, other than a depository institution or subsidiary of a depository institution, that the bank holding company controls) or otherwise, shares, assets, or ownership interests (including without limitation debt or equity securities, partnership interests, trust certificates or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

“(i) the shares, assets, or ownership interests are not acquired or held by a depository institution or a subsidiary of a depository institution;

“(ii) such shares, assets, or ownership interests are acquired and held by an insurance company that is predominantly engaged in underwriting life, accident and health, or property and casualty insurance (other than credit-related insurance) or providing and issuing annuities;

“(iii) such shares, assets, or ownership interests represent an investment made in the ordinary course of business of such insurance company in accordance with relevant State law governing such investments; and

“(iv) during the period such shares, assets, or ownership interests are held, the bank holding company does not directly or indirectly participate in the day-to-day management or operation of the company or entity except insofar as necessary to achieve the objectives of clauses (ii) and (iii).

“(4) **AUTHORIZATION OF NEW FINANCIAL ACTIVITIES.**—The Board shall, by regulation or order and in accordance with paragraph (1)(B), define, consistent with the purposes of this Act, the following activities as, and the extent to which such activities are, financial in nature or incidental to activities which are financial in nature:

“(A) Lending, exchanging, transferring, investing for others, or safeguarding financial assets other than money or securities.

“(B) Providing any device or other instrumentality for transferring money or other financial assets.

“(C) Arranging, effecting, or facilitating financial transactions for the account of third parties.

“(5) **POST-CONSUMMATION NOTIFICATION.**—

“(A) **IN GENERAL.**—A financial holding company that acquires any company, or commences any activity, pursuant to this subsection shall provide written notice to the Board describing the activity commenced or conducted by the company acquired no later than 30 calendar days after commencing the activity or consummating the acquisition.

“(B) **APPROVAL NOT REQUIRED FOR CERTAIN FINANCIAL ACTIVITIES.**—Except as provided in section 4(j) with regard to the acquisition of a savings association or in paragraph (6) of this

subsection, a financial holding company may commence any activity, or acquire any company, pursuant to paragraph (3) or any regulation prescribed or order issued under paragraph (4), without prior approval of the Board.

“(6) **NOTICE REQUIRED FOR LARGE COMBINATIONS.**—

“(A) **IN GENERAL.**—No financial holding company shall directly or indirectly acquire, and no company that becomes a financial holding company shall directly or indirectly acquire control of, any company in the United States, including through merger, consolidation, or other type of business combination, that—

“(i) is engaged in activities permitted under this subsection or subsection (g); and

“(ii) has consolidated total assets in excess of \$40,000,000,000,

unless such holding company has provided notice to the Board, not later than 60 days prior to such proposed acquisition or prior to becoming a financial holding company, and during that time period, or such longer time period not exceeding an additional 60 days, as established by the Board, the Board has not issued a notice disapproving the proposed acquisition or retention.

“(B) **FACTORS FOR CONSIDERATION.**—In reviewing any prior notice filed under this paragraph, the Board shall take into consideration—

“(i) whether the company is in compliance with all applicable criteria set forth in subsection (b) and the provisions of subsection (d);

“(ii) whether the proposed combination represents an undue aggregation of resources;

“(iii) whether the proposed combination poses a risk to the deposit insurance system;

“(iv) whether the proposed combination poses a risk to State insurance guaranty funds;

“(v) whether the proposed combination can reasonably be expected to be in the best interests of depositors or policyholders of the respective entities;

“(vi) whether the proposed transaction can reasonably be expected to further the purposes of this Act and produce benefits to the public; and

“(vii) whether, and the extent to which, the proposed combination poses an undue risk to the stability of the financial system in the United States.

“(C) **REQUIRED INFORMATION.**—The Board may disapprove any prior notice filed under this paragraph if the company submitting such notice neglects, fails, or refuses to furnish to the Board all relevant information required by the Board.

“(D) **SOLICITATION OF VIEWS OF OTHER SUPERVISORY AGENCIES.**—

“(i) **IN GENERAL.**—Upon receiving a prior notice under this paragraph, in order to provide for the submission of their views and recommendations, the Board shall give notice of the proposal to—

“(I) the appropriate Federal banking agency of any bank involved;

“(II) the appropriate functional regulator of any functionally regulated nondepository institution (as defined in section 5(c)(1)(C)) involved; and

“(III) the Secretary of the Treasury, the Attorney General, and the Federal Trade Commission.

“(ii) **TIMING.**—The views and recommendations of any agency provided notice under this paragraph shall be submitted to the Board not later than 30 calendar days after the date on which notice to the agency was given, unless the Board determines that another shorter time period is appropriate.

“(d) **PROVISIONS APPLICABLE TO FINANCIAL HOLDING COMPANIES THAT FAIL TO MEET REQUIREMENTS.**—

“(I) **IN GENERAL.**—If the Board finds, after notice from or consultation with the appropriate

Federal banking agency, that a financial holding company is not in compliance with the requirements of subparagraph (A), (B), or (C) of subsection (b)(1), the Board shall give notice of such finding to the company.

“(2) **AGREEMENT TO CORRECT CONDITIONS REQUIRED.**—Within 45 days of receipt by a financial holding company of a notice given under paragraph (1) (or such additional period as the Board may permit), the company shall execute an agreement acceptable to the Board to comply with the requirements applicable to a financial holding company.

“(3) **AUTHORITY TO IMPOSE LIMITATIONS.**—Until the conditions described in a notice to a financial holding company under paragraph (1) are corrected—

“(A) the Board may impose such limitations on the conduct or activities of the company or any affiliate of the company as the Board determines to be appropriate under the circumstances; and

“(B) the appropriate Federal banking agency may impose such limitations on the conduct or activities of an affiliated depository institution or subsidiary of a depository institution as the appropriate Federal banking agency determines to be appropriate under the circumstances.

“(4) **FAILURE TO CORRECT.**—If, after receiving a notice under paragraph (1), a financial holding company does not—

“(A) execute and implement an agreement in accordance with paragraph (2);

“(B) comply with any limitations imposed under paragraph (3);

“(C) in the case of a notice of failure to comply with subsection (b)(1)(A), restore each depository institution subsidiary to well capitalized status before the end of the 180-day period beginning on the date such notice is received by the company (or such other period permitted by the Board); or

“(D) in the case of a notice of failure to comply with subparagraph (B) or (C) of subsection (b)(1), restore compliance with any such subparagraph by the date the next examination of the depository institution subsidiary is completed or by the end of such other period as the Board determines to be appropriate,

the Board may require such company, under such terms and conditions as may be imposed by the Board and subject to such extension of time as may be granted in the Board's discretion, to divest control of any depository institution subsidiary or, at the election of the financial holding company, instead to cease to engage in any activity conducted by such company or its subsidiaries pursuant to this section.

“(5) **CONSULTATION.**—In taking any action under this subsection, the Board shall consult with all relevant Federal and State regulatory agencies.

“(e) **SAFEGUARDS FOR BANK SUBSIDIARIES.**—A financial holding company shall assure that—

“(1) the procedures of the holding company for identifying and managing financial and operational risks within the company, and the subsidiaries of such company, adequately protect the subsidiaries of such company which are insured depository institutions or wholesale financial institution from such risks;

“(2) the holding company has reasonable policies and procedures to preserve the separate corporate identity and limited liability of such company and the subsidiaries of such company, for the protection of the company's subsidiary insured depository institutions and wholesale financial institutions; and

“(3) the holding company complies with this section.

“(f) **AUTHORITY TO RETAIN LIMITED NON-FINANCIAL ACTIVITIES AND AFFILIATIONS.**—

“(1) **IN GENERAL.**—Notwithstanding section 4(a), a company that is not a bank holding company or a foreign bank (as defined in section

1(b)(7) of the International Banking Act of 1978) and becomes a financial holding company after the date of the enactment of the Financial Services Act of 1999 may continue to engage in any activity and retain direct or indirect ownership or control of shares of a company engaged in any activity if—

“(A) the holding company lawfully was engaged in the activity or held the shares of such company on September 30, 1997;

“(B) the holding company is predominantly engaged in financial activities as defined in paragraph (2); and

“(C) the company engaged in such activity continues to engage only in the same activities that such company conducted on September 30, 1997, and other activities permissible under this Act.

“(2) **PREDOMINANTLY FINANCIAL.**—For purposes of this subsection, a company is predominantly engaged in financial activities if the annual gross revenues derived by the holding company and all subsidiaries of the holding company (excluding revenues derived from subsidiary depository institutions), on a consolidated basis, from engaging in activities that are financial in nature or are incidental to activities that are financial in nature under subsection (c) represent at least 85 percent of the consolidated annual gross revenues of the company.

“(3) **NO EXPANSION OF GRANDFATHERED COMMERCIAL ACTIVITIES THROUGH MERGER OR CONSOLIDATION.**—A financial holding company that engages in activities or holds shares pursuant to this subsection, or a subsidiary of such financial holding company, may not acquire, in any merger, consolidation, or other type of business combination, assets of any other company which is engaged in any activity which the Board has not determined to be financial in nature or incidental to activities that are financial in nature under subsection (c), except this paragraph shall not apply with respect to a company that owns a broadcasting station licensed under title III of the Communications Act of 1934 and the shares of which have been controlled by an insurance company since January 1, 1998.

“(4) **CONTINUING REVENUE LIMITATION ON GRANDFATHERED COMMERCIAL ACTIVITIES.**—Notwithstanding any other provision of this subsection, a financial holding company may continue to engage in activities or hold shares in companies pursuant to this subsection only to the extent that the aggregate annual gross revenues derived from all such activities and all such companies does not exceed 15 percent of the consolidated annual gross revenues of the financial holding company (excluding revenues derived from subsidiary depository institutions).

“(5) **CROSS MARKETING RESTRICTIONS APPLICABLE TO COMMERCIAL ACTIVITIES.**—A depository institution controlled by a financial holding company shall not—

“(A) offer or market, directly or through any arrangement, any product or service of a company whose activities are conducted or whose shares are owned or controlled by the financial holding company pursuant to this subsection or subparagraph (H) or (I) of subsection (c)(3); or

“(B) permit any of its products or services to be offered or marketed, directly or through any arrangement, by or through any company described in subparagraph (A).

“(6) **TRANSACTIONS WITH NONFINANCIAL AFFILIATES.**—A depository institution controlled by a financial holding company may not engage in a covered transaction (as defined by section 23A(b)(7) of the Federal Reserve Act) with any affiliate controlled by the company pursuant to section 10(c), this subsection, or subparagraph (H) or (I) of subsection (c)(3).

“(7) **SUNSET OF GRANDFATHER.**—A financial holding company engaged in any activity, or retaining direct or indirect ownership or control of

shares of a company, pursuant to this subsection, shall terminate such activity and divest ownership or control of the shares of such company before the end of the 10-year period beginning on the date of the enactment of the Financial Services Act of 1999. The Board may, upon application by a financial holding company, extend such 10-year period by a period not to exceed an additional 5 years if such extension would not be detrimental to the public interest.

“(g) **DEVELOPING ACTIVITIES.**—A financial holding company may engage directly or indirectly, or acquire shares of any company engaged, in any activity that the Board has not determined to be financial in nature or incidental to financial activities under subsection (c) if—

“(1) the holding company reasonably concludes that the activity is financial in nature or incidental to financial activities;

“(2) the gross revenues from all activities conducted under this subsection represent less than 5 percent of the consolidated gross revenues of the holding company;

“(3) the aggregate total assets of all companies the shares of which are held under this subsection do not exceed 5 percent of the holding company's consolidated total assets;

“(4) the total capital invested in activities conducted under this subsection represents less than 5 percent of the consolidated total capital of the holding company;

“(5) neither the Board nor the Secretary of the Treasury has determined that the activity is not financial in nature or incidental to financial activities under subsection (c);

“(6) the holding company is not required to provide prior written notice of the transaction to the Board under subsection (c)(6); and

“(7) the holding company provides written notification to the Board describing the activity commenced or conducted by the company acquired no later than 10 business days after commencing the activity or consummating the acquisition.”

(b) **FACTORS FOR CONSIDERATION IN REVIEWING APPLICATION BY FINANCIAL HOLDING COMPANY TO ACQUIRE BANK.**—Section 3(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(c)) is amended by adding at the end the following new paragraph:

“(6) **‘TOO BIG TO FAIL’ FACTOR.**—In considering an acquisition, merger, or consolidation under this section involving a financial holding company or a company that would be any such holding company upon the consummation of the transaction, the Board shall consider whether, and the extent to which, the proposed acquisition, merger, or consolidation poses an undue risk to the stability of the financial system of the United States.”

(c) **TECHNICAL AND CONFORMING AMENDMENTS.**—

(1) Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended by adding at the end the following new subsection:

“(p) **INSURANCE COMPANY.**—For purposes of sections 5, 6, and 10, the term ‘insurance company’ includes any person engaged in the business of insurance to the extent of such activities.”

(2) Section 4(j) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(j)) is amended—

(A) in paragraph (1)(A), by inserting “or in any complementary activity under section 6(c)(1)(B)” after “subsection (c)(8) or (a)(2)”; and

(B) in paragraph (3)—

(i) by inserting “, other than any complementary activity under section 6(c)(1)(B),” after “to engage in any activity”; and

(ii) by inserting “or a company engaged in any complementary activity under section 6(c)(1)(B)” after “insured depository institution”.

(d) **REPORT.**—

(1) **IN GENERAL.**—By the end of the 4-year period beginning on the date of the enactment of this Act and every 4 years thereafter, the Board of Governors of the Federal Reserve System and the Secretary of the Treasury shall submit a joint report to the Congress containing a summary of new activities which are financial in nature, including grandfathered commercial activities, in which any financial holding company is engaged pursuant to subsection (c)(1) or (f) of section 6 of the Bank Holding Company Act of 1956 (as added by subsection (a)).

(2) **OTHER CONTENTS.**—Each report submitted to the Congress pursuant to paragraph (1) shall also contain the following:

(A) A discussion of actions by the Board of Governors of the Federal Reserve System and the Secretary of the Treasury, whether by regulation, order, interpretation, or guideline or by approval or disapproval of an application, with regard to activities of financial holding companies which are incidental to activities financial in nature or complementary to such financial activities.

(B) An analysis and discussion of the risks posed by commercial activities of financial holding companies to the safety and soundness of affiliate depository institutions.

(C) An analysis and discussion of the effect of mergers and acquisitions under section 6 of the Bank Holding Company Act of 1956 on market concentration in the financial services industry.

(D) An analysis and discussion, by the Board and the Secretary in consultation with the other Federal banking agencies (as defined in section 3(z) of the Federal Deposit Insurance Act), of the impact of the implementation of this Act, and the amendments made by this Act, on the extent of meeting community credit needs and capital availability under the Community Reinvestment Act of 1977.

#### SEC. 104. OPERATION OF STATE LAW.

(a) **AFFILIATIONS.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), no State may, by statute, regulation, order, interpretation, or other action, prevent or restrict an insured depository institution or wholesale financial institution, or a subsidiary or affiliate thereof, from being affiliated directly or indirectly or associated with any person or entity, as authorized or permitted by this Act or any other provision of Federal law.

(2) **INSURANCE.**—With respect to affiliations between insured depository institutions or wholesale financial institutions, or any subsidiary or affiliate thereof, and persons or entities engaged in the business of insurance, paragraph (1) does not prohibit—

(A) any State from requiring any person or entity that proposes to acquire control of an entity that is engaged in the business of insurance and domiciled in that State (hereafter in this subparagraph referred to as the “insurer”) to furnish to the insurance regulatory authority of that State, not later than 60 days before the effective date of the proposed acquisition—

(i) the name and address of each person by whom, or on whose behalf, the affiliation referred to in this subparagraph is to be effected (hereafter in this subparagraph referred to as the “acquiring party”);

(ii) if the acquiring party is an individual, his or her principal occupation and all offices and positions held during the 5 years preceding the date of notification, and any conviction of crimes other than minor traffic violations during the 10 years preceding the date of notification;

(iii) if the acquiring party is not an individual—

(I) a report of the nature of its business operations during the 5 years preceding the date of notification, or for such shorter period as such person and any predecessors thereof shall have been in existence;

(II) an informative description of the business intended to be done by the acquiring party and any subsidiary thereof; and

(III) a list of all individuals who are, or who have been selected to become, directors or executive officers of the acquiring party or who perform, or will perform, functions appropriate to such positions, including, for each such individual, the information required by clause (ii);

(iv) the source, nature, and amount of the consideration used, or to be used, in effecting the merger or other acquisition of control, a description of any transaction wherein funds were, or are to be, obtained for any such purpose, and the identity of persons furnishing such consideration, except that, if a source of such consideration is a loan made in the lender's ordinary course of business, the identity of the lender shall remain confidential if the person filing such statement so requests;

(v) fully audited financial information as to the earnings and financial condition of each acquiring party for the 5 fiscal years preceding the date of notification of each such acquiring party, or for such lesser period as such acquiring party and any predecessors thereof shall have been in existence, and similar unaudited information as of a date not earlier than 90 days before the date of notification, except that, in the case of an acquiring party that is an insurer actively engaged in the business of insurance, the financial statements of such insurer need not be audited, but such audit may be required if the need therefor is determined by the insurance regulatory authority of the State;

(vi) any plans or proposals that each acquiring party may have to liquidate such insurer, to sell its assets, or to merge or consolidate it with any person or to make any other material change in its business or corporate structure or management;

(vii) the number of shares of any security of the insurer that each acquiring party proposes to acquire, the terms of any offer, request, invitation, agreement, or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at;

(viii) the amount of each class of any security of the insurer that is beneficially owned or concerning which there is a right to acquire beneficial ownership by each acquiring party;

(ix) a full description of any contracts, arrangements, or understandings with respect to any security of the insurer in which any acquiring party is involved, including transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies, and identification of the persons with whom such contracts, arrangements, or understandings have been entered into;

(x) a description of the purchase of any security of the insurer during the 12-month period preceding the date of notification by any acquiring party, including the dates of purchase, names of the purchasers, and consideration paid, or agreed to be paid, therefor;

(xi) a description of any recommendations to purchase any security of the insurer made during the 12-month period preceding the date of notification by any acquiring party or by any person based upon interviews or at the suggestion of such acquiring party;

(xii) copies of all tender offers for, requests or invitations for tenders of, exchange offers for and agreements to acquire or exchange any securities of the insurer and, if distributed, of additional soliciting material relating thereto; and

(xiii) the terms of any agreement, contract, or understanding made with any broker-dealer as to solicitation of securities of the insurer for tender and the amount of any fees, commissions, or

other compensation to be paid to broker-dealers with regard thereto;

(B) in the case of a person engaged in the business of insurance which is the subject of an acquisition or change or continuation in control, the State of domicile of such person from reviewing or taking action (including approval or disapproval) with regard to the acquisition or change or continuation in control, as long as the State reviews and actions—

(i) are completed by the end of the 60-day period beginning on the later of the date the State received notice of the proposed action or the date the State received the information required under State law regarding such acquisition or change or continuation in control;

(ii) do not have the effect of discriminating, intentionally or unintentionally, against an insured depository institution or affiliate thereof or against any other person based upon affiliation with an insured depository institution; and

(iii) are based on standards or requirements relating to solvency or managerial fitness;

(C) any State from requiring an entity that is acquiring control of an entity that is engaged in the business of insurance and domiciled in that State to maintain or restore the capital requirements of that insurance entity to the level required under the capital regulations of general applicability in that State to avoid the requirement of preparing and filing with the insurance regulatory authority of that State a plan to increase the capital of the entity, except that any determination by the State insurance regulatory authority with respect to such requirement shall be made not later than 60 days after the date of notification under subparagraph (A);

(D) any State from taking actions with respect to the receivership or conservatorship of any insurance company;

(E) any State from restricting a change in the ownership of stock in an insurance company, or a company formed for the purpose of controlling such insurance company, for a period of not more than 3 years beginning on the date of the conversion of such company from mutual to stock form; or

(F) any State from requiring an organization which has been eligible at any time since January 1, 1987, to claim the special deduction provided by section 833 of the Internal Revenue Code of 1986 to meet certain conditions in order to undergo, as determined by the State, a reorganization, recapitalization, conversion, merger, consolidation, sale or other disposition of substantial operating assets, demutualization, dissolution, or to undertake other similar actions and which is governed under a State statute enacted on May 22, 1998, relating to hospital, medical, and dental service corporation conversions.

(3) PRESERVATION OF STATE ANTITRUST AND GENERAL CORPORATE LAWS.—

(A) IN GENERAL.—Subject to subsection (c) and the nondiscrimination provisions contained in such subsection, no provision in paragraph (1) shall be construed as affecting State laws, regulations, orders, interpretations, or other actions of general applicability relating to the governance of corporations, partnerships, limited liability companies or other business associations incorporated or formed under the laws of that State or domiciled in that State, or the applicability of the antitrust laws of any State or any State law that is similar to the antitrust laws.

(B) DEFINITION.—The term "antitrust laws" has the same meaning as in subsection (a) of the first section of the Clayton Act, and includes section 5 of the Federal Trade Commission Act to the extent that such section 5 relates to unfair methods of competition.

(b) ACTIVITIES.—

(1) IN GENERAL.—Except as provided in paragraph (3), and except with respect to insurance

sales, solicitation, and cross marketing activities, which shall be governed by paragraph (2), no State may, by statute, regulation, order, interpretation, or other action, prevent or restrict an insured depository institution, wholesale financial institution, or subsidiary or affiliate thereof from engaging directly or indirectly, either by itself or in conjunction with a subsidiary, affiliate, or any other entity or person, in any activity authorized or permitted under this Act.

(2) INSURANCE SALES.—

(A) IN GENERAL.—In accordance with the legal standards for preemption set forth in the decision of the Supreme Court of the United States in *Barnett Bank of Marion County N.A. v. Nelson*, 517 U.S. 25 (1996), no State may, by statute, regulation, order, interpretation, or other action, prevent or significantly interfere with the ability of an insured depository institution or wholesale financial institution, or a subsidiary or affiliate thereof, to engage, directly or indirectly, either by itself or in conjunction with a subsidiary, affiliate, or any other party, in any insurance sales, solicitation, or cross-marketing activity.

(B) CERTAIN STATE LAWS PRESERVED.—Notwithstanding subparagraph (A), a State may impose any of the following restrictions, or restrictions which are substantially the same as but no more burdensome or restrictive than those in each of the following clauses:

(i) Restrictions prohibiting the rejection of an insurance policy by an insured depository institution, wholesale financial institution, or any subsidiary or affiliate thereof, solely because the policy has been issued or underwritten by any person who is not associated with such insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof, when such insurance is required in connection with a loan or extension of credit.

(ii) Restrictions prohibiting a requirement for any debtor, insurer, or insurance agent or broker to pay a separate charge in connection with the handling of insurance that is required in connection with a loan or other extension of credit or the provision of another traditional banking product by an insured depository institution, wholesale financial institution, or any subsidiary or affiliate thereof, unless such charge would be required when the insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof, is the licensed insurance agent or broker providing the insurance.

(iii) Restrictions prohibiting the use of any advertisement or other insurance promotional material by an insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof, that would cause a reasonable person to believe mistakenly that—

(I) a State or the Federal Government is responsible for the insurance sales activities of, or stands behind the credit of, the institution, affiliate, or subsidiary; or

(II) a State, or the Federal Government guarantees any returns on insurance products, or is a source of payment on any insurance obligation of or sold by the institution, affiliate, or subsidiary;

(iv) Restrictions prohibiting the payment or receipt of any commission or brokerage fee or other valuable consideration for services as an insurance agent or broker to or by any person, unless such person holds a valid State license regarding the applicable class of insurance at the time at which the services are performed, except that, in this clause, the term "services as an insurance agent or broker" does not include a referral by an unlicensed person of a customer or potential customer to a licensed insurance agent or broker that does not include a discussion of specific insurance policy terms and conditions.

(v) Restrictions prohibiting any compensation paid to or received by any individual who is not licensed to sell insurance, for the referral of a customer that seeks to purchase, or seeks an opinion or advice on, any insurance product to a person that sells or provides opinions or advice on such product, based on the purchase of insurance by the customer.

(vi) Restrictions prohibiting the release of the insurance information of a customer (defined as information concerning the premiums, terms, and conditions of insurance coverage, including expiration dates and rates, and insurance claims of a customer contained in the records of the insured depository institution or wholesale financial institution, or a subsidiary or affiliate thereof) to any person or entity other than an officer, director, employee, agent, subsidiary, or affiliate of an insured depository institution or a wholesale financial institution, for the purpose of soliciting or selling insurance, without the express consent of the customer, other than a provision that prohibits—

(I) a transfer of insurance information to an unaffiliated insurance company, agent, or broker in connection with transferring insurance in force on existing insureds of the insured depository institution or wholesale financial institution, or subsidiary or affiliate thereof, or in connection with a merger with or acquisition of an unaffiliated insurance company, agent, or broker; or

(II) the release of information as otherwise authorized by State or Federal law.

(vii) Restrictions prohibiting the use of health information obtained from the insurance records of a customer for any purpose, other than for its activities as a licensed agent or broker, without the express consent of the customer.

(viii) Restrictions prohibiting the extension of credit or any product or service that is equivalent to an extension of credit, lease or sale of property of any kind, or furnishing of any services or fixing or varying the consideration for any of the foregoing, on the condition or requirement that the customer obtain insurance from an insured depository institution, wholesale financial institution, a subsidiary or affiliate thereof, or a particular insurer, agent, or broker, other than a prohibition that would prevent any insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof—

(I) from engaging in any activity described in this clause that would not violate section 106 of the Bank Holding Company Act Amendments of 1970, as interpreted by the Board of Governors of the Federal Reserve System; or

(II) from informing a customer or prospective customer that insurance is required in order to obtain a loan or credit, that loan or credit approval is contingent upon the procurement by the customer of acceptable insurance, or that insurance is available from the insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof.

(ix) Restrictions requiring, when an application by a consumer for a loan or other extension of credit from an insured depository institution or wholesale financial institution is pending, and insurance is offered or sold to the consumer or is required in connection with the loan or extension of credit by the insured depository institution or wholesale financial institution or any affiliate or subsidiary thereof, that a written disclosure be provided to the consumer or prospective customer indicating that his or her choice of an insurance provider will not affect the credit decision or credit terms in any way, except that the insured depository institution or wholesale financial institution may impose reasonable requirements concerning the creditworthiness of the insurance provider and scope of coverage chosen.

(x) Restrictions requiring clear and conspicuous disclosure, in writing, where practicable, to the customer prior to the sale of any insurance policy that such policy—

(I) is not a deposit;

(II) is not insured by the Federal Deposit Insurance Corporation;

(III) is not guaranteed by the insured depository institution or wholesale financial institution or, if appropriate, its subsidiaries or affiliates or any person soliciting the purchase of or selling insurance on the premises thereof; and

(IV) where appropriate, involves investment risk, including potential loss of principal.

(xi) Restrictions requiring that, when a customer obtains insurance (other than credit insurance or flood insurance) and credit from an insured depository institution or wholesale financial institution, or its subsidiaries or affiliates, or any person soliciting the purchase of or selling insurance on the premises thereof, the credit and insurance transactions be completed through separate documents.

(xii) Restrictions prohibiting, when a customer obtains insurance (other than credit insurance or flood insurance) and credit from an insured depository institution or wholesale financial institution or its subsidiaries or affiliates, or any person soliciting the purchase of or selling insurance on the premises thereof, inclusion of the expense of insurance premiums in the primary credit transaction without the express written consent of the customer.

(xiii) Restrictions requiring maintenance of separate and distinct books and records relating to insurance transactions, including all files relating to and reflecting consumer complaints, and requiring that such insurance books and records be made available to the appropriate State insurance regulator for inspection upon reasonable notice.

(C) LIMITATIONS.—

(i) OCC DEFERENCE.—Section 306(e) does not apply with respect to any State statute, regulation, order, interpretation, or other action regarding insurance sales, solicitation, or cross marketing activities described in subparagraph (A) that was issued, adopted, or enacted before September 3, 1998, and that is not described in subparagraph (B).

(ii) NONDISCRIMINATION.—Subsection (c) does not apply with respect to any State statute, regulation, order, interpretation, or other action regarding insurance sales, solicitation, or cross marketing activities described in subparagraph (A) that was issued, adopted, or enacted before September 3, 1998, and that is not described in subparagraph (B).

(iii) CONSTRUCTION.—Nothing in this paragraph shall be construed to limit the applicability of the decision of the Supreme Court in *Barnett Bank of Marion County N.A. v. Nelson*, 116 S. Ct. 1103 (1996) with respect to a State statute, regulation, order, interpretation, or other action that is not described in subparagraph (B).

(iv) LIMITATION ON INFERENCES.—Nothing in this paragraph shall be construed to create any inference with respect to any State statute, regulation, order, interpretation, or other action that is not referred to or described in this paragraph.

(3) INSURANCE ACTIVITIES OTHER THAN SALES.—State statutes, regulations, interpretations, orders, and other actions shall not be preempted under subsection (b)(1) to the extent that they—

(A) relate to, or are issued, adopted, or enacted for the purpose of regulating the business of insurance in accordance with the Act of March 9, 1945 (commonly known as the “McCarran-Ferguson Act”);

(B) apply only to persons or entities that are not insured depository institutions or wholesale

financial institutions, but that are directly engaged in the business of insurance (except that they may apply to depository institutions engaged in providing savings bank life insurance as principal to the extent of regulating such insurance);

(C) do not relate to or directly or indirectly regulate insurance sales, solicitations, or cross-marketing activities; and

(D) are not prohibited under subsection (c).

(4) FINANCIAL ACTIVITIES OTHER THAN INSURANCE.—No State statute, regulation, interpretation, order, or other action shall be preempted under subsection (b)(1) to the extent that—

(A) it does not relate to, and is not issued and adopted, or enacted for the purpose of regulating, directly or indirectly, insurance sales, solicitations, or cross marketing activities covered under paragraph (2);

(B) it does not relate to, and is not issued and adopted, or enacted for the purpose of regulating, directly or indirectly, the business of insurance activities other than sales, solicitations, or cross marketing activities, covered under paragraph (3);

(C) it does not relate to securities investigations or enforcement actions referred to in subsection (d); and

(D) it—

(i) does not distinguish by its terms between insured depository institutions, wholesale financial institutions, and subsidiaries and affiliates thereof engaged in the activity at issue and other persons or entities engaged in the same activity in a manner that is in any way adverse with respect to the conduct of the activity by any such insured depository institution, wholesale financial institution, or subsidiary or affiliate thereof engaged in the activity at issue;

(ii) as interpreted or applied, does not have, and will not have, an impact on depository institutions, wholesale financial institutions, or subsidiaries or affiliates thereof engaged in the activity at issue, or any person or entity affiliated therewith, that is substantially more adverse than its impact on other persons or entities engaged in the same activity that are not insured depository institutions, wholesale financial institutions, or subsidiaries or affiliates thereof, or persons or entities affiliated therewith;

(iii) does not effectively prevent a depository institution, wholesale financial institution, or subsidiary or affiliate thereof from engaging in activities authorized or permitted by this Act or any other provision of Federal law; and

(iv) does not conflict with the intent of this Act generally to permit affiliations that are authorized or permitted by Federal law.

(c) NONDISCRIMINATION.—Except as provided in any restrictions described in subsection (b)(2)(B), no State may, by statute, regulation, order, interpretation, or other action, regulate the insurance activities authorized or permitted under this Act or any other provision of Federal law of an insured depository institution or wholesale financial institution, or subsidiary or affiliate thereof, to the extent that such statute, regulation, order, interpretation, or other action—

(1) distinguishes by its terms between insured depository institutions or wholesale financial institutions, or subsidiaries or affiliates thereof, and other persons or entities engaged in such activities, in a manner that is in any way adverse to any such insured depository institution or wholesale financial institution, or subsidiary or affiliate thereof;

(2) as interpreted or applied, has or will have an impact on depository institutions or wholesale financial institutions, or subsidiaries or affiliates thereof, that is substantially more adverse than its impact on other persons or entities providing the same products or services or engaged in the same activities that are not insured

depository institutions, wholesale financial institutions, or subsidiaries or affiliates thereof, or persons or entities affiliated therewith;

(3) effectively prevents a depository institution or wholesale financial institution, or subsidiary or affiliate thereof, from engaging in insurance activities authorized or permitted by this Act or any other provision of Federal law; or

(4) conflicts with the intent of this Act generally to permit affiliations that are authorized or permitted by Federal law between insured depository institutions or wholesale financial institutions, or subsidiaries or affiliates thereof, and persons and entities engaged in the business of insurance.

(d) **LIMITATION.**—Subsections (a) and (b) shall not be construed to affect the jurisdiction of the securities commission (or any agency or office performing like functions) of any State, under the laws of such State—

(1) to investigate and bring enforcement actions, consistent with section 18(c) of the Securities Act of 1933, with respect to fraud or deceit or unlawful conduct by any person, in connection with securities or securities transactions; or

(2) to require the registration of securities or the licensure or registration of brokers, dealers, or investment advisers (consistent with section 203A of the Investment Advisers Act of 1940), or the associated persons of a broker, dealer, or investment adviser (consistent with such section 203A).

(e) **DEFINITIONS.**—For purposes of this section, the following definitions shall apply:

(1) **INSURED DEPOSITORY INSTITUTION.**—The term “insured depository institution” includes any foreign bank that maintains a branch, agency, or commercial lending company in the United States.

(2) **STATE.**—The term “State” means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

#### **SEC. 105. MUTUAL BANK HOLDING COMPANIES AUTHORIZED.**

Section 3(g)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(g)(2)) is amended to read as follows:

“(2) **REGULATIONS.**—A bank holding company organized as a mutual holding company shall be regulated on terms, and shall be subject to limitations, comparable to those applicable to any other bank holding company.”

#### **SEC. 105A. PUBLIC MEETINGS FOR LARGE BANK ACQUISITIONS AND MERGERS.**

(a) **BANK HOLDING COMPANY ACT OF 1956.**—Section 3(c)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(c)(2)) is amended—

(1) by striking “FACTORS.—In every case” and inserting “FACTORS.—

“(A) **IN GENERAL.**—In every case”; and

(2) by adding at the end the following new subparagraph:

“(B) **PUBLIC MEETINGS.**—In each case involving one or more insured depository institutions each of which has total assets of \$1,000,000,000 or more, the Board shall, as necessary and on a timely basis, conduct public meetings in one or more areas where the Board believes, in the sole discretion of the Board, there will be a substantial public impact.”

(b) **FEDERAL DEPOSIT INSURANCE ACT.**—Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended by adding at the end the following new paragraph:

“(12) **PUBLIC MEETINGS.**—In each merger transaction involving one or more insured depository institutions each of which has total assets of \$1,000,000,000 or more, the responsible agency shall, as necessary and on a timely basis, conduct public meetings in one or more

areas where the agency believes, in the sole discretion of the agency, there will be a substantial public impact.”

(c) **NATIONAL BANK CONSOLIDATION AND MERGER ACT.**—The National Bank Consolidation and Merger Act (12 U.S.C. 215 et seq.) is amended by adding at the end the following new section:

#### **“SEC. 6. PUBLIC MEETINGS FOR LARGE BANK CONSOLIDATIONS AND MERGERS.**

“In each case of a consolidation or merger under this Act involving one or more banks each of which has total assets of \$1,000,000,000 or more, the Comptroller shall, as necessary and on a timely basis, conduct public meetings in one or more areas where the Comptroller believes, in the sole discretion of the Comptroller, there will be a substantial public impact.”

(d) **HOME OWNERS’ LOAN ACT.**—Section 10(e) of the Home Owners’ Loan Act (12 U.S.C. 1463) is amended by adding at the end the following new paragraph:

“(7) **PUBLIC MEETINGS FOR LARGE DEPOSITORY INSTITUTION ACQUISITIONS AND MERGERS.**—In each case involving one or more insured depository institutions each of which has total assets of \$1,000,000,000 or more, the Director shall, as necessary and on a timely basis, conduct public meetings in one or more areas where the Director believes, in the sole discretion of the Director, there will be a substantial public impact.”

#### **SEC. 106. PROHIBITION ON DEPOSIT PRODUCTION OFFICES.**

(a) **IN GENERAL.**—Section 109(d) of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (12 U.S.C. 1835a(d)) is amended—

(1) by inserting “, the Financial Services Act of 1999,” after “pursuant to this title”; and

(2) by inserting “or such Act” after “made by this title”.

(b) **TECHNICAL AND CONFORMING AMENDMENT.**—Section 109(e)(4) of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (12 U.S.C. 1835a(e)(4)) is amended by inserting “and any branch of a bank controlled by an out-of-State bank holding company (as defined in section 2(o)(7) of the Bank Holding Company Act of 1956)” before the period.

#### **SEC. 107. CLARIFICATION OF BRANCH CLOSURE REQUIREMENTS.**

Section 42(d)(4)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1831r-1(d)(4)(A)) is amended by inserting “and any bank controlled by an out-of-State bank holding company (as defined in section 2(o)(7) of the Bank Holding Company Act of 1956)” before the period.

#### **SEC. 108. AMENDMENTS RELATING TO LIMITED PURPOSE BANKS.**

(a) **IN GENERAL.**—Section 4(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)) is amended—

(1) in paragraph (2)(A)(ii)—

(A) by striking “and” at the end of subclause (IX);

(B) by inserting “and” after the semicolon at the end of subclause (X); and

(C) by inserting after subclause (X) the following new subclause:

“(XI) assets that are derived from, or are incidental to, consumer lending activities in which institutions described in subparagraph (F) or (H) of section 2(c)(2) are permitted to engage;”

(2) in paragraph (2), by striking subparagraph (B) and inserting the following new subparagraphs:

“(B) any bank subsidiary of such company engages in any activity in which the bank was not lawfully engaged as of March 5, 1987, unless the bank is well managed and well capitalized;

“(C) any bank subsidiary of such company both—

“(i) accepts demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties; and

“(ii) engages in the business of making commercial loans (and, for purposes of this clause, loans made in the ordinary course of a credit card operation shall not be treated as commercial loans); or

“(D) after the date of the enactment of the Competitive Equality Amendments of 1987, any bank subsidiary of such company permits any overdraft (including any intraday overdraft), or incurs any such overdraft in such bank’s account at a Federal Reserve bank, on behalf of an affiliate, other than an overdraft described in paragraph (3).”; and

(3) by striking paragraphs (3) and (4) and inserting the following new paragraphs:

“(3) **PERMISSIBLE OVERDRAFTS DESCRIBED.**—For purposes of paragraph (2)(D), an overdraft is described in this paragraph if—

“(A) such overdraft results from an inadvertent computer or accounting error that is beyond the control of both the bank and the affiliate;

“(B) such overdraft—

“(i) is permitted or incurred on behalf of an affiliate which is monitored by, reports to, and is recognized as a primary dealer by the Federal Reserve Bank of New York; and

“(ii) is fully secured, as required by the Board, by bonds, notes, or other obligations which are direct obligations of the United States or on which the principal and interest are fully guaranteed by the United States or by securities and obligations eligible for settlement on the Federal Reserve book entry system; or

“(C) such overdraft—

“(i) is incurred on behalf of an affiliate solely in connection with an activity that is so closely related to banking, or managing or controlling banks, as to be a proper incident thereto, to the extent the bank incurring the overdraft and the affiliate on whose behalf the overdraft is incurred each document that the overdraft is incurred for such purpose; and

“(ii) does not cause the bank to violate any provision of section 23A or 23B of the Federal Reserve Act, either directly, in the case of a member bank, or by virtue of section 18(j) of the Federal Deposit Insurance Act, in the case of a nonmember bank.

“(4) **DIVESTITURE IN CASE OF LOSS OF EXEMPTION.**—If any company described in paragraph (1) fails to qualify for the exemption provided under such paragraph by operation of paragraph (2), such exemption shall cease to apply to such company and such company shall divest control of each bank it controls before the end of the 180-day period beginning on the date that the company receives notice from the Board that the company has failed to continue to qualify for such exemption, unless before the end of such 180-day period, the company has—

“(A) corrected the condition or ceased the activity that caused the company to fail to continue to qualify for the exemption; and

“(B) implemented procedures that are reasonably adapted to avoid the reoccurrence of such condition or activity.

The issuance of any notice under this paragraph that relates to the activities of a bank shall not be construed as affecting the authority of the bank to continue to engage in such activities until the expiration of such 180-day period.”

(b) **INDUSTRIAL LOAN COMPANIES AFFILIATE OVERDRAFTS.**—Section 2(c)(2)(H) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)(2)(H)) is amended by inserting before the period at the end “, or that is otherwise permissible for a bank controlled by a company described in section 4(f)(1)”.

#### **SEC. 109. GAO STUDY OF ECONOMIC IMPACT ON COMMUNITY BANKS, OTHER SMALL FINANCIAL INSTITUTIONS, INSURANCE AGENTS, AND CONSUMERS.**

(a) **STUDY REQUIRED.**—The Comptroller General of the United States shall conduct a study



of the projected economic impact and the actual economic impact that the enactment of this Act will have on financial institutions, including community banks, registered brokers and dealers and insurance companies, which have total assets of \$100,000,000 or less, insurance agents, and consumers.

**(b) REPORTS TO THE CONGRESS.—**

(1) **IN GENERAL.**—The Comptroller General of the United States shall submit reports to the Congress, at the times required under paragraph (2), containing the findings and conclusions of the Comptroller General with regard to the study required under subsection (a) and such recommendations for legislative or administrative action as the Comptroller General may determine to be appropriate.

(2) **TIMING OF REPORTS.**—The Comptroller General shall submit—

(A) an interim report before the end of the 6-month period beginning after the date of the enactment of this Act;

(B) another interim report before the end of the next 6-month period; and

(C) a final report before the end of the 1-year period after such second 6-month period.”

**SEC. 110. RESPONSIVENESS TO COMMUNITY NEEDS FOR FINANCIAL SERVICES.**

(a) **STUDY.**—The Secretary of the Treasury, in consultation with the Federal banking agencies (as defined in section 3(z) of the Federal Deposit Insurance Act), shall conduct a study of the extent to which adequate services are being provided as intended by the Community Reinvestment Act of 1977, including services in low- and moderate-income neighborhoods and for persons of modest means, as a result of the enactment of this Act.

(b) **REPORT.**—Before the end of the 2-year period beginning on the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Federal banking agencies, shall submit a report to the Congress on the study conducted pursuant to subsection (a) and shall include such recommendations as the Secretary determines to be appropriate for administrative and legislative action with respect to institutions covered under the Community Reinvestment Act of 1977.

**SEC. 110A. STUDY OF FINANCIAL MODERNIZATION'S AFFECT ON THE ACCESSIBILITY OF SMALL BUSINESS AND FARM LOANS.**

(a) **STUDY.**—The Secretary of the Treasury, in consultation with the Federal banking agencies (as defined in Section 3(z) of the Federal Deposit Insurance Act), shall conduct a study of the extent to which credit is being provided to and for small business and farms, as a result of this Act.

(b) **REPORT.**—Before the end of the 5-year period beginning on the date of the enactment of this Act, the Secretary, in consultation with the Federal banking agencies, shall submit a report to the Congress on the study conducted pursuant to subsection (a) and shall include such recommendations as the Secretary determines to be appropriate for administrative and legislative action.

**Subtitle B—Streamlining Supervision of Financial Holding Companies**

**SEC. 111. STREAMLINING FINANCIAL HOLDING COMPANY SUPERVISION.**

Section 5(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(c)) is amended to read as follows:

**“(c) REPORTS AND EXAMINATIONS.—**

**“(1) REPORTS.—**

“(A) **IN GENERAL.**—The Board from time to time may require any bank holding company and any subsidiary of such company to submit reports under oath to keep the Board informed as to—

“(i) its financial condition, systems for monitoring and controlling financial and operating

risks, and transactions with depository institution subsidiaries of the holding company; and

“(ii) compliance by the company or subsidiary with applicable provisions of this Act.

**“(B) USE OF EXISTING REPORTS.—**

“(i) **IN GENERAL.**—The Board shall, to the fullest extent possible, accept reports in fulfillment of the Board's reporting requirements under this paragraph that a bank holding company or any subsidiary of such company has provided or been required to provide to other Federal and State supervisors or to appropriate self-regulatory organizations.

“(ii) **AVAILABILITY.**—A bank holding company or a subsidiary of such company shall provide to the Board, at the request of the Board, a report referred to in clause (i).

“(iii) **REQUIRED USE OF PUBLICLY REPORTED INFORMATION.**—The Board shall, to the fullest extent possible, accept in fulfillment of any reporting or recordkeeping requirements under this Act information that is otherwise required to be reported publicly and externally audited financial statements.

“(iv) **REPORTS FILED WITH OTHER AGENCIES.**—In the event the Board requires a report from a functionally regulated nondepository institution subsidiary of a bank holding company of a kind that is not required by another Federal or State regulator or appropriate self-regulatory organization, the Board shall request that the appropriate regulator or self-regulatory organization obtain such report. If the report is not made available to the Board, and the report is necessary to assess a material risk to the bank holding company or any of its subsidiary depository institutions or compliance with this Act, the Board may require such subsidiary to provide such a report to the Board.

“(C) **DEFINITION.**—For purposes of this subsection, the term ‘functionally regulated nondepository institution’ means—

“(i) a broker or dealer registered under the Securities Exchange Act of 1934;

“(ii) an investment adviser registered under the Investment Advisers Act of 1940, or with any State, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;

“(iii) an insurance company subject to supervision by a State insurance commission, agency, or similar authority; and

“(iv) an entity subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.

**“(2) EXAMINATIONS.—**

**“(A) EXAMINATION AUTHORITY.—**

“(i) **IN GENERAL.**—The Board may make examinations of each bank holding company and each subsidiary of a bank holding company.

“(ii) **FUNCTIONALLY REGULATED NONDEPOSITORY INSTITUTION SUBSIDIARIES.**—Notwithstanding clause (i), the Board may make examinations of a functionally regulated nondepository institution subsidiary of a bank holding company only if—

“(I) the Board has reasonable cause to believe that such subsidiary is engaged in activities that pose a material risk to an affiliated depository institution; or

“(II) based on reports and other available information, the Board has reasonable cause to believe that a subsidiary is not in compliance with this Act or with provisions relating to transactions with an affiliated depository institution and the Board cannot make such determination through examination of the affiliated depository institution or bank holding company.

“(B) **LIMITATIONS ON EXAMINATION AUTHORITY FOR BANK HOLDING COMPANIES AND SUBSIDIARIES.**—Subject to subparagraph (A)(ii), the

Board may make examinations under subparagraph (A)(i) of each bank holding company and each subsidiary of such holding company in order to—

“(i) inform the Board of the nature of the operations and financial condition of the holding company and such subsidiaries;

“(ii) inform the Board of—

“(I) the financial and operational risks within the holding company system that may pose a threat to the safety and soundness of any subsidiary depository institution of such holding company; and

“(II) the systems for monitoring and controlling such risks; and

“(iii) monitor compliance with the provisions of this Act and those governing transactions and relationships between any subsidiary depository institution and its affiliates.

“(C) **RESTRICTED FOCUS OF EXAMINATIONS.**—The Board shall, to the fullest extent possible, limit the focus and scope of any examination of a bank holding company to—

“(i) the bank holding company; and

“(ii) any subsidiary of the holding company that, because of—

“(I) the size, condition, or activities of the subsidiary; or

“(II) the nature or size of transactions between such subsidiary and any depository institution which is also a subsidiary of such holding company, could have a materially adverse effect on the safety and soundness of any depository institution affiliate of the holding company.

“(D) **DEFERENCE TO BANK EXAMINATIONS.**—The Board shall, to the fullest extent possible, use, for the purposes of this paragraph, the reports of examinations of depository institutions made by the appropriate Federal and State depository institution supervisory authority.

“(E) **DEFERENCE TO OTHER EXAMINATIONS.**—The Board shall, to the fullest extent possible, address the circumstances which might otherwise permit or require an examination by the Board by forgoing an examination and instead reviewing the reports of examination made of—

“(i) any registered broker or dealer by or on behalf of the Securities and Exchange Commission;

“(ii) any investment adviser registered by or on behalf of either the Securities and Exchange Commission or any State, whichever is required by law;

“(iii) any licensed insurance company by or on behalf of any State regulatory authority responsible for the supervision of insurance companies; and

“(iv) any other subsidiary that the Board finds to be comprehensively supervised by a Federal or State authority.

**“(3) CAPITAL.—**

“(A) **IN GENERAL.**—The Board shall not, by regulation, guideline, order or otherwise, prescribe or impose any capital or capital adequacy rules, guidelines, standards, or requirements on any subsidiary of a financial holding company that is not a depository institution and—

“(i) is in compliance with applicable capital requirements of another Federal regulatory authority (including the Securities and Exchange Commission) or State insurance authority;

“(ii) is registered as an investment adviser under the Investment Advisers Act of 1940, or with any State, whichever is required by law; or

“(iii) is licensed as an insurance agent with the appropriate State insurance authority.

“(B) **RULE OF CONSTRUCTION.**—Subparagraph (A) shall not be construed as preventing the Board from imposing capital or capital adequacy rules, guidelines, standards, or requirements with respect to—

“(i) activities of a registered investment adviser other than investment advisory activities

or activities incidental to investment advisory activities; or

“(ii) activities of a licensed insurance agent other than insurance agency activities or activities incidental to insurance agency activities.

“(C) LIMITATIONS ON INDIRECT ACTION.—In developing, establishing, or assessing holding company capital or capital adequacy rules, guidelines, standards, or requirements for purposes of this paragraph, the Board shall not take into account the activities, operations, or investments of an affiliated investment company registered under the Investment Company Act of 1940, unless the investment company is—

“(i) a bank holding company; or

“(ii) controlled by a bank holding company by reason of ownership by the bank holding company (including through all of its affiliates) of 25 percent or more of the shares of the investment company, and the shares owned by the bank holding company have a market value equal to more than \$1,000,000.

“(4) TRANSFER OF BOARD AUTHORITY TO APPROPRIATE FEDERAL BANKING AGENCY.—

“(A) IN GENERAL.—In the case of any bank holding company which is not significantly engaged in nonbanking activities, the Board, in consultation with the appropriate Federal banking agency, may designate the appropriate Federal banking agency of the lead insured depository institution subsidiary of such holding company as the appropriate Federal banking agency for the bank holding company.

“(B) AUTHORITY TRANSFERRED.—An agency designated by the Board under subparagraph (A) shall have the same authority as the Board under this Act to—

“(i) examine and require reports from the bank holding company and any affiliate of such company (other than a depository institution) under section 5;

“(ii) approve or disapprove applications or transactions under section 3;

“(iii) take actions and impose penalties under subsections (e) and (f) of section 5 and section 8; and

“(iv) take actions regarding the holding company, any affiliate of the holding company (other than a depository institution), or any institution-affiliated party of such company or affiliate under the Federal Deposit Insurance Act and any other statute which the Board may designate.

“(C) AGENCY ORDERS.—Section 9 of this Act and section 105 of the Bank Holding Company Act Amendments of 1970 shall apply to orders issued by an agency designated under subparagraph (A) in the same manner such sections apply to orders issued by the Board.

“(5) FUNCTIONAL REGULATION OF SECURITIES AND INSURANCE ACTIVITIES.—The Board shall defer to—

“(A) the Securities and Exchange Commission with regard to all interpretations of, and the enforcement of, applicable Federal securities laws (and rules, regulations, orders, and other directives issued thereunder) relating to the activities, conduct, and operations of registered brokers, dealers, investment advisers, and investment companies;

“(B) the relevant State securities authorities with regard to all interpretations of, and the enforcement of, applicable State securities laws (and rules, regulations, orders, and other directives issued thereunder) relating to the activities, conduct, and operations of brokers, dealers, and investment advisers required to be registered under State law; and

“(C) the relevant State insurance authorities with regard to all interpretations of, and the enforcement of, applicable State insurance laws (and rules, regulations, orders, and other directives issued thereunder) relating to the activities, conduct, and operations of insurance companies and insurance agents.”.

## SEC. 112. ELIMINATION OF APPLICATION REQUIREMENT FOR FINANCIAL HOLDING COMPANIES.

(a) PREVENTION OF DUPLICATIVE FILINGS.—Section 5(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(a)) is amended by adding the following new sentence at the end: “A declaration filed in accordance with section 6(b)(1)(D) shall satisfy the requirements of this subsection with regard to the registration of a bank holding company but not any requirement to file an application to acquire a bank pursuant to section 3.”.

(b) DIVESTITURE PROCEDURES.—Section 5(e)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(e)(1)) is amended—

(1) by striking “Financial Institutions Supervisory Act of 1966, order” and inserting “Financial Institutions Supervisory Act of 1966, at the election of the bank holding company—

“(A) order”; and

(2) by striking “shareholders of the bank holding company. Such distribution” and inserting “shareholders of the bank holding company; or

“(B) order the bank holding company, after due notice and opportunity for hearing, and after consultation with the primary supervisor for the bank, which shall be the Comptroller of the Currency in the case of a national bank, and the Federal Deposit Insurance Corporation and the appropriate State supervisor in the case of an insured nonmember bank, to terminate (within 120 days or such longer period as the Board may direct) the ownership or control of any such bank by such company. The distribution referred to in subparagraph (A)”.

## SEC. 113. AUTHORITY OF STATE INSURANCE REGULATOR AND SECURITIES AND EXCHANGE COMMISSION.

(a) BANK HOLDING COMPANIES.—Section 5 of the Bank Holding Company Act of 1956 (12 U.S.C. 1844) is amended by adding at the end the following new subsection:

“(g) AUTHORITY OF STATE INSURANCE REGULATOR AND THE SECURITIES AND EXCHANGE COMMISSION.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, any regulation, order, or other action of the Board which requires a bank holding company to provide funds or other assets to a subsidiary insured depository institution shall not be effective nor enforceable with respect to an entity described in subparagraph (A) if—

“(A) such funds or assets are to be provided by—

“(i) a bank holding company that is an insurance company, a broker or dealer registered under the Securities Exchange Act of 1934, an investment company registered under the Investment Company Act of 1940, or an investment adviser registered by or on behalf of either the Securities and Exchange Commission or any State; or

“(ii) an affiliate of the depository institution which is an insurance company or a broker or dealer registered under the Securities Exchange Act of 1934, an investment company registered under the Investment Company Act of 1940, or an investment adviser registered by or on behalf of either the Securities and Exchange Commission or any State; and

“(B) the State insurance authority for the insurance company or the Securities and Exchange Commission for the registered broker, dealer, investment adviser (solely with respect to investment advisory activities or activities incidental thereto), or investment company, as the case may be, determines in writing sent to the holding company and the Board that the holding company shall not provide such funds or assets because such action would have a material adverse effect on the financial condition of the insurance company or the broker, dealer, invest-

ment company, or investment adviser, as the case may be.

“(2) NOTICE TO STATE INSURANCE AUTHORITY OR SEC REQUIRED.—If the Board requires a bank holding company, or an affiliate of a bank holding company, which is an insurance company or a broker, dealer, investment company, or investment adviser described in paragraph (1)(A) to provide funds or assets to an insured depository institution subsidiary of the holding company pursuant to any regulation, order, or other action of the Board referred to in paragraph (1), the Board shall promptly notify the State insurance authority for the insurance company, the Securities and Exchange Commission, or State securities regulator, as the case may be, of such requirement.

“(3) DIVESTITURE IN LIEU OF OTHER ACTION.—If the Board receives a notice described in paragraph (1)(B) from a State insurance authority or the Securities and Exchange Commission with regard to a bank holding company or affiliate referred to in that paragraph, the Board may order the bank holding company to divest the insured depository institution not later than 180 days after receiving the notice, or such longer period as the Board determines consistent with the safe and sound operation of the insured depository institution.

“(4) CONDITIONS BEFORE DIVESTITURE.—During the period beginning on the date an order to divest is issued by the Board under paragraph (3) to a bank holding company and ending on the date the divestiture is completed, the Board may impose any conditions or restrictions on the holding company's ownership or operation of the insured depository institution, including restricting or prohibiting transactions between the insured depository institution and any affiliate of the institution, as are appropriate under the circumstances.”.

(b) SUBSIDIARIES OF DEPOSITORY INSTITUTIONS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

## “SEC. 45. AUTHORITY OF STATE INSURANCE REGULATOR AND SECURITIES AND EXCHANGE COMMISSION.

“(a) IN GENERAL.—Notwithstanding any other provision of law, any regulation, order, or other action of the appropriate Federal banking agency which requires a subsidiary to provide funds or other assets to an insured depository institution shall not be effective nor enforceable with respect to an entity described in paragraph (1) if—

“(1) such funds or assets are to be provided by a subsidiary which is an insurance company, a broker or dealer registered under the Securities Exchange Act of 1934, an investment company registered under the Investment Company Act of 1940, or an investment adviser registered by or on behalf of either the Securities and Exchange Commission or any State; and

“(2) the State insurance authority for the insurance company or the Securities and Exchange Commission for the registered broker or dealer, the investment company, or the investment adviser, as the case may be, determines in writing sent to the insured depository institution and the appropriate Federal banking agency that the subsidiary shall not provide such funds or assets because such action would have a material adverse effect on the financial condition of the insurance company or the broker, dealer, investment company, or investment adviser, as the case may be.

“(b) NOTICE TO STATE INSURANCE AUTHORITY OR SEC REQUIRED.—If the appropriate Federal banking agency requires a subsidiary, which is an insurance company, a broker or dealer, an investment company, or an investment adviser (solely with respect to investment advisory activities or activities incidental thereto) described

in subsection (a)(1) to provide funds or assets to an insured depository institution pursuant to any regulation, order, or other action of the appropriate Federal banking agency referred to in subsection (a), the appropriate Federal banking agency shall promptly notify the State insurance authority for the insurance company, the Securities and Exchange Commission, or State securities regulator, as the case may be, of such requirement.

“(c) **DIVESTITURE IN LIEU OF OTHER ACTION.**—If the appropriate Federal banking agency receives a notice described in subsection (a)(2) from a State insurance authority or the Securities and Exchange Commission with regard to a subsidiary referred to in that subsection, the appropriate Federal banking agency may order the insured depository institution to divest the subsidiary not later than 180 days after receiving the notice, or such longer period as the appropriate Federal banking agency determines consistent with the safe and sound operation of the insured depository institution.

“(d) **CONDITIONS BEFORE DIVESTITURE.**—During the period beginning on the date an order to divest is issued by the appropriate Federal banking agency under subsection (c) to an insured depository institution and ending on the date the divestiture is complete, the appropriate Federal banking agency may impose any conditions or restrictions on the insured depository institution's ownership of the subsidiary including restricting or prohibiting transactions between the insured depository institution and the subsidiary, as are appropriate under the circumstances.”.

#### **SEC. 114. PRUDENTIAL SAFEGUARDS.**

(a) **COMPTROLLER OF THE CURRENCY.**—

(1) **IN GENERAL.**—The Comptroller of the Currency may, by regulation or order, impose restrictions or requirements on relationships or transactions between a national bank and a subsidiary of the national bank which the Comptroller finds are consistent with the public interest, the purposes of this Act, title LXII of the Revised Statutes of the United States, and other Federal law applicable to national banks, and the standards in paragraph (2).

(2) **STANDARDS.**—The Comptroller of the Currency may exercise authority under paragraph (1) if the Comptroller finds that such action will have any of the following effects:

(A) Avoid any significant risk to the safety and soundness of depository institutions or any Federal deposit insurance fund.

(B) Enhance the financial stability of banks.

(C) Avoid conflicts of interest or other abuses.

(D) Enhance the privacy of customers of the national bank or any subsidiary of the bank.

(E) Promote the application of national treatment and equality of competitive opportunity between subsidiaries owned or controlled by domestic banks and subsidiaries owned or controlled by foreign banks operating in the United States.

(3) **REVIEW.**—The Comptroller of the Currency shall regularly—

(A) review all restrictions or requirements established pursuant to paragraph (1) to determine whether there is a continuing need for any such restriction or requirement to carry out the purposes of the Act, including any purpose described in paragraph (2); and

(B) modify or eliminate any restriction or requirement the Comptroller finds is no longer required for such purposes.

(b) **BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.**—

(1) **IN GENERAL.**—The Board of Governors of the Federal Reserve System may, by regulation or order, impose restrictions or requirements on relationships or transactions—

(A) between a depository institution subsidiary of a bank holding company and any af-

filiate of such depository institution (other than a subsidiary of such institution); or

(B) between a State member bank and a subsidiary of such bank, which the Board finds are consistent with the public interest, the purposes of this Act, the Bank Holding Company Act of 1956, the Federal Reserve Act, and other Federal law applicable to depository institution subsidiaries of bank holding companies or State banks (as the case may be), and the standards in paragraph (2).

(2) **STANDARDS.**—The Board of Governors of the Federal Reserve System may exercise authority under paragraph (1) if the Board finds that such action will have any of the following effects:

(A) Avoid any significant risk to the safety and soundness of depository institutions or any Federal deposit insurance fund.

(B) Enhance the financial stability of bank holding companies.

(C) Avoid conflicts of interest or other abuses.

(D) Enhance the privacy of customers of the State member bank or any subsidiary of the bank.

(E) Promote the application of national treatment and equality of competitive opportunity between nonbank affiliates owned or controlled by domestic bank holding companies and nonbank affiliates owned or controlled by foreign banks operating in the United States.

(3) **REVIEW.**—The Board of Governors of the Federal Reserve System shall regularly—

(A) review all restrictions or requirements established pursuant to paragraph (1) to determine whether there is a continuing need for any such restriction or requirement to carry out the purposes of the Act, including any purpose described in paragraph (2); and

(B) modify or eliminate any restriction or requirement the Board finds is no longer required for such purposes.

(4) **FOREIGN BANKS.**—

(A) **IN GENERAL.**—The Board may, by regulation or order, impose restrictions or requirements on relationships or transactions between a branch, agency, or commercial lending company of a foreign bank in the United States and any affiliate in the United States of such foreign bank that the Board finds are consistent with the public interest, the purposes of this Act, the Bank Holding Company Act of 1956, the Federal Reserve Act, and other Federal law applicable to foreign banks and their affiliates in the United States, and the standards in paragraphs (2) and (3).

(B) **EVASION.**—In the event that the Board determines that there may be circumstances that would result in an evasion of this paragraph, the Board may also impose restrictions or requirements on relationships or transactions between a foreign bank outside the United States and any affiliate in the United States of such foreign bank that are consistent with national treatment and equality of competitive opportunity.

(c) **FEDERAL DEPOSIT INSURANCE CORPORATION.**—

(1) **IN GENERAL.**—The Federal Deposit Insurance Corporation may, by regulation or order, impose restrictions or requirements on relationships or transactions between a State nonmember bank (as defined in section 3 of the Federal Deposit Insurance Act) and a subsidiary of the State nonmember bank which the Corporation finds are consistent with the public interest, the purposes of this Act, the Federal Deposit Insurance Act, or other Federal law applicable to State nonmember banks and the standards in paragraph (2).

(2) **STANDARDS.**—The Federal Deposit Insurance Corporation may exercise authority under paragraph (1) if the Corporation finds that such action will have any of the following effects:

(A) Avoid any significant risk to the safety and soundness of depository institutions or any Federal deposit insurance fund.

(B) Enhance the financial stability of banks.

(C) Avoid conflicts of interest or other abuses.

(D) Enhance the privacy of customers of the State nonmember bank or any subsidiary of the bank.

(E) Promote the application of national treatment and equality of competitive opportunity between subsidiaries owned or controlled by domestic banks and subsidiaries owned or controlled by foreign banks operating in the United States.

(3) **REVIEW.**—The Federal Deposit Insurance Corporation shall regularly—

(A) review all restrictions or requirements established pursuant to paragraph (1) to determine whether there is a continuing need for any such restriction or requirement to carry out the purposes of the Act, including any purpose described in paragraph (2); and

(B) modify or eliminate any restriction or requirement the Corporation finds is no longer required for such purposes.

#### **SEC. 115. EXAMINATION OF INVESTMENT COMPANIES.**

(a) **EXCLUSIVE COMMISSION AUTHORITY.**—

(1) **IN GENERAL.**—Except as provided in paragraph (3), the Commission shall be the sole Federal agency with authority to inspect and examine any registered investment company that is not a bank holding company or a savings and loan holding company.

(2) **PROHIBITION ON BANKING AGENCIES.**—Except as provided in paragraph (3), a Federal banking agency may not inspect or examine any registered investment company that is not a bank holding company or a savings and loan holding company.

(3) **CERTAIN EXAMINATIONS AUTHORIZED.**—Nothing in this subsection prevents the Federal Deposit Insurance Corporation, if the Corporation finds it necessary to determine the condition of an insured depository institution for insurance purposes, from examining an affiliate of any insured depository institution, pursuant to its authority under section 10(b)(4) of the Federal Deposit Insurance Act, as may be necessary to disclose fully the relationship between the depository institution and the affiliate, and the effect of such relationship on the depository institution.

(b) **EXAMINATION RESULTS AND OTHER INFORMATION.**—The Commission shall provide to any Federal banking agency, upon request, the results of any examination, reports, records, or other information with respect to any registered investment company to the extent necessary for the agency to carry out its statutory responsibilities.

(c) **DEFINITIONS.**—For purposes of this section, the following definitions shall apply:

(1) **BANK HOLDING COMPANY.**—The term “bank holding company” has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

(2) **COMMISSION.**—The term “Commission” means the Securities and Exchange Commission.

(3) **FEDERAL BANKING AGENCY.**—The term “Federal banking agency” has the same meaning as in section 3(2) of the Federal Deposit Insurance Act.

(4) **REGISTERED INVESTMENT COMPANY.**—The term “registered investment company” means an investment company which is registered with the Commission under the Investment Company Act of 1940.

(5) **SAVINGS AND LOAN HOLDING COMPANY.**—The term “savings and loan holding company” has the same meaning as in section 10(a)(1)(D) of the Home Owners' Loan Act.

**SEC. 116. LIMITATION ON RULEMAKING, PRUDENTIAL, SUPERVISORY, AND ENFORCEMENT AUTHORITY OF THE BOARD.**

The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended by inserting after section 10 the following new section:

**“SEC. 10A. LIMITATION ON RULEMAKING, PRUDENTIAL, SUPERVISORY, AND ENFORCEMENT AUTHORITY OF THE BOARD.**

**“(a) LIMITATION ON DIRECT ACTION.—**

**“(1) IN GENERAL.—**The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a regulated subsidiary of a bank holding company unless the action is necessary to prevent or redress an unsafe or unsound practice or breach of fiduciary duty by such subsidiary that poses a material risk to—

**“(A) the financial safety, soundness, or stability of an affiliated depository institution; or**

**“(B) the domestic or international payment system.**

**“(2) CRITERIA FOR BOARD ACTION.—**The Board shall not take action otherwise permitted under paragraph (1) unless the Board finds that it is not reasonably possible to effectively protect against the material risk at issue through action directed at or against the affiliated depository institution or against depository institutions generally.

**“(b) LIMITATION ON INDIRECT ACTION.—**The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a financial holding company or a wholesale financial holding company where the purpose or effect of doing so would be to take action indirectly against or with respect to a regulated subsidiary that may not be taken directly against or with respect to such subsidiary in accordance with subsection (a).

**“(c) ACTIONS SPECIFICALLY AUTHORIZED.—**Notwithstanding subsection (a), the Board may take action under this Act or section 8 of the Federal Deposit Insurance Act to enforce compliance by a regulated subsidiary with Federal law that the Board has specific jurisdiction to enforce against such subsidiary.

**“(d) REGULATED SUBSIDIARY DEFINED.—**For purposes of this section, the term ‘regulated subsidiary’ means any company that is not a bank holding company and is—

**“(1) a broker or dealer registered under the Securities Exchange Act of 1934;**

**“(2) an investment adviser registered by or on behalf of either the Securities and Exchange Commission or any State, whichever is required by law, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;**

**“(3) an investment company registered under the Investment Company Act of 1940;**

**“(4) an insurance company or an insurance agency, with respect to the insurance activities and activities incidental to such insurance activities, subject to supervision by a State insurance commission, agency, or similar authority; or**

**“(5) an entity subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.”.**

**SEC. 117. EQUIVALENT REGULATION AND SUPERVISION.**

**(a) IN GENERAL.—**Notwithstanding any other provision of law, the provisions of—

**(1) section 5(c) of the Bank Holding Company Act of 1956 (as amended by this Act) that limit the authority of the Board of Governors of the Federal Reserve System to require reports from, to make examinations of, or to impose capital requirements on bank holding companies and their nonbank subsidiaries or that require deference to other regulators; and**

**(2) section 10A of the Bank Holding Company Act of 1956 (as added by this Act) that limit whatever authority the Board might otherwise have to take direct or indirect action with respect to bank holding companies and their nonbank subsidiaries,**

shall also limit whatever authority that a Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) might otherwise have under any statute to require reports, make examinations, impose capital requirements or take any other direct or indirect action with respect to bank holding companies and their nonbank subsidiaries (including nonbank subsidiaries of depository institutions), subject to the same standards and requirements as are applicable to the Board under such provisions.

**(b) CERTAIN EXAMINATIONS AUTHORIZED.—**No provision of this section shall be construed as preventing the Federal Deposit Insurance Corporation, if the Corporation finds it necessary to determine the condition of an insured depository institution for insurance purposes, from examining an affiliate of any insured depository institution, pursuant to its authority under section 10(b)(4) of the Federal Deposit Insurance Act, as may be necessary to disclose fully the relationship between the depository institution and the affiliate, and the effect of such relationship on the depository institution.

**SEC. 118. PROHIBITION ON FDIC ASSISTANCE TO AFFILIATES AND SUBSIDIARIES.**

Section 11(a)(4)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(4)(B)) is amended by striking “to benefit any shareholder of” and inserting “to benefit any shareholder, affiliate (other than an insured depository institution that receives assistance in accordance with the provisions of this Act), or subsidiary of”.

**SEC. 119. REPEAL OF SAVINGS BANK PROVISIONS IN THE BANK HOLDING COMPANY ACT OF 1956.**

Section 3(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(f)) is amended to read as follows:

**“(f) [Repealed].”.**

**SEC. 120. TECHNICAL AMENDMENT.**

Section 2(o)(1)(A) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(o)(1)(A)) is amended by striking “section 38(b)” and inserting “section 38”.

**Subtitle C—Subsidiaries of National Banks**

**SEC. 121. PERMISSIBLE ACTIVITIES FOR SUBSIDIARIES OF NATIONAL BANKS.**

**(a) FINANCIAL SUBSIDIARIES OF NATIONAL BANKS.—**Chapter 1 of title LXII of the Revised Statutes of United States (12 U.S.C. 21 et seq.) is amended—

**(1) by redesignating section 5136A as section 5136C; and**

**(2) by inserting after section 5136 (12 U.S.C. 24) the following new section:**

**“SEC. 5136A. SUBSIDIARIES OF NATIONAL BANKS.**

**“(a) SUBSIDIARIES OF NATIONAL BANKS AUTHORIZED TO ENGAGE IN FINANCIAL ACTIVITIES.—**

**“(1) EXCLUSIVE AUTHORITY.—**No provision of section 5136 or any other provision of this title LXII of the Revised Statutes of the United States shall be construed as authorizing a sub-

sidary of a national bank to engage in, or own any share of or any other interest in any company engaged in, any activity that—

**“(A) is not permissible for a national bank to engage in directly; or**

**“(B) is conducted under terms or conditions other than those that would govern the conduct of such activity by a national bank, unless a national bank is specifically authorized by the express terms of a Federal statute and not by implication or interpretation to acquire shares of or an interest in, or to control, such subsidiary, such as by paragraph (2) of this subsection and section 25A of the Federal Reserve Act.**

**“(2) SPECIFIC AUTHORIZATION TO CONDUCT ACTIVITIES WHICH ARE FINANCIAL IN NATURE.—**Subject to paragraphs (3) and (4), a national bank may control a financial subsidiary, or hold an interest in a financial subsidiary, that is controlled by insured depository institutions or subsidiaries thereof.

**“(3) ELIGIBILITY REQUIREMENTS.—**A national bank may control or hold an interest in a company pursuant to paragraph (2) only if—

**“(A) the national bank and all depository institution affiliates of the national bank are well capitalized;**

**“(B) the national bank and all depository institution affiliates of the national bank are well managed;**

**“(C) the national bank and all depository institution affiliates of such national bank have achieved a rating of ‘satisfactory record of meeting community credit needs’, or better, at the most recent examination of each such bank or institution; and**

**“(D) the bank has received the approval of the Comptroller of the Currency.**

**“(4) ACTIVITY LIMITATIONS.—**In addition to any other limitation imposed on the activity of subsidiaries of national banks, a subsidiary of a national bank may not, pursuant to paragraph (2)—

**“(A) engage as principal in insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death (other than in connection with credit-related insurance) or in providing or issuing annuities;**

**“(B) engage in real estate investment or development activities; or**

**“(C) engage in any activity permissible for a financial holding company under paragraph (3)(I) of section 6(c) of the Bank Holding Company Act of 1956 (relating to insurance company investments).**

**“(5) SIZE FACTOR WITH REGARD TO FREE-STANDING NATIONAL BANKS.—**Notwithstanding paragraph (2), a national bank which has total assets of \$10,000,000,000 or more may not control a subsidiary engaged in financial activities pursuant to such paragraph unless such national bank is a subsidiary of a bank holding company.

**“(6) LIMITED EXCLUSIONS FROM COMMUNITY NEEDS REQUIREMENTS FOR NEWLY AFFILIATED DEPOSITORY INSTITUTIONS.—**Any depository institution which becomes an affiliate of a national bank during the 12-month period preceding the date of an approval by the Comptroller of the Currency under paragraph (3)(D) for such bank, and any depository institution which becomes an affiliate of the national bank after such date, may be excluded for purposes of paragraph (3)(C) during the 12-month period beginning on the date of such affiliation if—

**“(A) the national bank or such depository institution has submitted an affirmative plan to the appropriate Federal banking agency to take such action as may be necessary in order for such institution to achieve a rating of ‘satisfactory record of meeting community credit needs’, or better, at the next examination of the institution; and**

“(B) the plan has been accepted by such agency.

“(7) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

“(A) COMPANY; CONTROL; AFFILIATE; SUBSIDIARY.—The terms ‘company’, ‘control’, ‘affiliate’, and ‘subsidiary’ have the same meanings as in section 2 of the Bank Holding Company Act of 1956.

“(B) FINANCIAL SUBSIDIARY.—The term ‘financial subsidiary’ means a company which is a subsidiary of an insured bank and is engaged in financial activities that have been determined to be financial in nature or incidental to such financial activities in accordance with subsection (b) or permitted in accordance with subsection (b)(4), other than activities that are permissible for a national bank to engage in directly or that are authorized under the Bank Service Company Act, section 25 or 25A of the Federal Reserve Act, or any other Federal statute (other than this section) that specifically authorizes the conduct of such activities by its express terms and not by implication or interpretation.

“(C) WELL CAPITALIZED.—The term ‘well capitalized’ has the same meaning as in section 38 of the Federal Deposit Insurance Act and, for purposes of this section, the Comptroller shall have exclusive jurisdiction to determine whether a national bank is well capitalized.

“(D) WELL MANAGED.—The term ‘well managed’ means—

“(i) in the case of a depository institution that has been examined, unless otherwise determined in writing by the appropriate Federal banking agency—

“(I) the achievement of a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the depository institution; and

“(II) at least a rating of 2 for management, if that rating is given; or

“(ii) in the case of any depository institution that has not been examined, the existence and use of managerial resources that the appropriate Federal banking agency determines are satisfactory.

“(E) INCORPORATED DEFINITIONS.—The terms ‘appropriate Federal banking agency’ and ‘depository institution’ have the same meanings as in section 3 of the Federal Deposit Insurance Act.

“(b) ACTIVITIES THAT ARE FINANCIAL IN NATURE.—

“(1) FINANCIAL ACTIVITIES.—

“(A) IN GENERAL.—For purposes of subsection (a)(7)(B), an activity shall be considered to have been determined to be financial in nature or incidental to such financial activities only if—

“(i) such activity is permitted for a financial holding company pursuant to section 6(c)(3) of the Bank Holding Company Act of 1956 (to the extent such activity is not otherwise prohibited under this section or any other provision of law for a subsidiary of a national bank engaged in activities pursuant to subsection (a)(2)); or

“(ii) the Secretary of the Treasury determines the activity to be financial in nature or incidental to such financial activities in accordance with subparagraph (B) or paragraph (3).

“(B) COORDINATION BETWEEN THE BOARD AND THE SECRETARY OF THE TREASURY.—

“(i) PROPOSALS RAISED BEFORE THE SECRETARY OF THE TREASURY.—

“(I) CONSULTATION.—The Secretary of the Treasury shall notify the Board of, and consult with the Board concerning, any request, proposal, or application under this subsection, including any regulation or order proposed under paragraph (3), for a determination of whether an activity is financial in nature or incidental to such a financial activity.

“(II) BOARD VIEW.—The Secretary of the Treasury shall not determine that any activity is financial in nature or incidental to a financial activity under this subsection if the Board notifies the Secretary in writing, not later than 30 days after the date of receipt of the notice described in subclause (I) (or such longer period as the Secretary determines to be appropriate in light of the circumstances) that the Board believes that the activity is not financial in nature or incidental to a financial activity.

“(ii) PROPOSALS RAISED BY THE BOARD.—

“(I) BOARD RECOMMENDATION.—The Board may, at any time, recommend in writing that the Secretary of the Treasury find an activity to be financial in nature or incidental to a financial activity (other than an activity which the Board has sole authority to regulate under subparagraph (C)).

“(II) TIME PERIOD FOR SECRETARIAL ACTION.—Not later than 30 days after the date of receipt of a written recommendation from the Board under subclause (I) (or such longer period as the Secretary of the Treasury and the Board determine to be appropriate in light of the circumstances), the Secretary shall determine whether to initiate a public rulemaking proposing that the subject recommended activity be found to be financial in nature or incidental to a financial activity under this subsection, and shall notify the Board in writing of the determination of the Secretary and, in the event that the Secretary determines not to seek public comment on the proposal, the reasons for that determination.

“(C) AUTHORITY OVER MERCHANT BANKING.—The Board shall have sole authority to prescribe regulations and issue interpretations to implement this paragraph with respect to activities described in section 6(c)(3)(H) of the Bank Holding Company Act of 1956.

“(2) FACTORS TO BE CONSIDERED.—In determining whether an activity is financial in nature or incidental to financial activities, the Secretary shall take into account—

“(A) the purposes of this Act and the Financial Services Act of 1999;

“(B) changes or reasonably expected changes in the marketplace in which banks compete;

“(C) changes or reasonably expected changes in the technology for delivering financial services; and

“(D) whether such activity is necessary or appropriate to allow a bank and the subsidiaries of a bank to—

“(i) compete effectively with any company seeking to provide financial services in the United States;

“(ii) use any available or emerging technological means, including any application necessary to protect the security or efficacy of systems for the transmission of data or financial transactions, in providing financial services; and

“(iii) offer customers any available or emerging technological means for using financial services.

“(3) AUTHORIZATION OF NEW FINANCIAL ACTIVITIES.—The Secretary of the Treasury shall, by regulation or order and in accordance with paragraph (1)(B), define, consistent with the purposes of this Act, the following activities as, and the extent to which such activities are, financial in nature or incidental to activities which are financial in nature:

“(A) Lending, exchanging, transferring, investing for others, or safeguarding financial assets other than money or securities.

“(B) Providing any device or other instrumentality for transferring money or other financial assets.

“(C) Arranging, effecting, or facilitating financial transactions for the account of third parties.

“(4) DEVELOPING ACTIVITIES.—Subject to subsection (a)(2), a financial subsidiary of a national bank may engage directly or indirectly, or acquire shares of any company engaged, in any activity that the Secretary has not determined to be financial in nature or incidental to financial activities under this subsection if—

“(A) the subsidiary reasonably concludes that the activity is financial in nature or incidental to financial activities;

“(B) the gross revenues from all activities conducted under this paragraph represent less than 5 percent of the consolidated gross revenues of the national bank;

“(C) the aggregate total assets of all companies the shares of which are held under this paragraph do not exceed 5 percent of the national bank’s consolidated total assets;

“(D) the total capital invested in activities conducted under this paragraph represents less than 5 percent of the consolidated total capital of the national bank;

“(E) neither the Secretary of the Treasury nor the Board has determined that the activity is not financial in nature or incidental to financial activities under this subsection; and

“(F) the national bank provides written notice to the Secretary of the Treasury describing the activity commenced by the subsidiary or conducted by the company acquired no later than 10 business days after commencing the activity or consummating the acquisition.

“(c) PROVISIONS APPLICABLE TO NATIONAL BANKS THAT FAIL TO MEET REQUIREMENTS.—

“(1) IN GENERAL.—If a national bank or depository institution affiliate is not in compliance with the requirements of subparagraph (A), (B), or (C) of subsection (a)(3), the appropriate Federal banking agency shall notify the Comptroller of the Currency, who shall give notice of such finding to the national bank.

“(2) AGREEMENT TO CORRECT CONDITIONS REQUIRED.—Not later than 45 days after receipt by a national bank of a notice given under paragraph (1) (or such additional period as the Comptroller of the Currency may permit), the national bank and any relevant affiliated depository institution shall execute an agreement acceptable to the Comptroller of the Currency and the other appropriate Federal banking agencies, if any, to comply with the requirements applicable under subsection (a)(3).

“(3) COMPTROLLER OF THE CURRENCY MAY IMPOSE LIMITATIONS.—Until the conditions described in a notice to a national bank under paragraph (1) are corrected—

“(A) the Comptroller of the Currency may impose such limitations on the conduct or activities of the national bank or any subsidiary of the bank as the Comptroller of the Currency determines to be appropriate under the circumstances; and

“(B) the appropriate Federal banking agency may impose such limitations on the conduct or activities of an affiliated depository institution or any subsidiary of the depository institution as such agency determines to be appropriate under the circumstances.

“(4) FAILURE TO CORRECT.—If, after receiving a notice under paragraph (1), a national bank and other affiliated depository institutions do not—

“(A) execute and implement an agreement in accordance with paragraph (2);

“(B) comply with any limitations imposed under paragraph (3);

“(C) in the case of a notice of failure to comply with subsection (a)(3)(A), restore the national bank or any depository institution affiliate of the bank to well capitalized status before the end of the 180-day period beginning on the date such notice is received by the national bank (or such other period permitted by the Comptroller of the Currency); or

“(D) in the case of a notice of failure to comply with subparagraph (B) or (C) of subsection (a)(3), restore compliance with any such subparagraph on or before the date on which the next examination of the depository institution subsidiary is completed or by the end of such other period as the Comptroller of the Currency determines to be appropriate, the Comptroller of the Currency may require such national bank, under such terms and conditions as may be imposed by the Comptroller of the Currency and subject to such extension of time as may be granted in the Comptroller of the Currency’s discretion, to divest control of any subsidiary engaged in activities pursuant to subsection (a)(2) or, at the election of the national bank, instead to cease to engage in any activity conducted by a subsidiary of the national bank pursuant to subsection (a)(2).”

“(5) CONSULTATION.—In taking any action under this subsection, the Comptroller of the Currency shall consult with all relevant Federal and State regulatory agencies.”

(b) CLERICAL AMENDMENT.—The table of sections for chapter 1 of title LXII of the Revised Statutes of the United States is amended—

(1) by redesignating the item relating to section 5136A as section 5136C; and

(2) by inserting after the item relating to section 5136 the following new item:

“5136A. Subsidiaries of national banks.”

**SEC. 122. SAFETY AND SOUNDNESS FIREWALLS BETWEEN BANKS AND THEIR FINANCIAL SUBSIDIARIES.**

(a) PURPOSES.—The purposes of this section are—

(1) to protect the safety and soundness of any insured bank that has a financial subsidiary;

(2) to apply to any transaction between the bank and the financial subsidiary (including a loan, extension of credit, guarantee, or purchase of assets), other than an equity investment, the same restrictions and requirements as would apply if the financial subsidiary were a subsidiary of a bank holding company having control of the bank; and

(3) to apply to any equity investment of the bank in the financial subsidiary restrictions and requirements equivalent to those that would apply if—

(A) the bank paid a dividend in the same dollar amount to a bank holding company having control of the bank; and

(B) the bank holding company used the proceeds of the dividend to make an equity investment in a subsidiary that was engaged in the same activities as the financial subsidiary of the bank.

(b) SAFETY AND SOUNDNESS FIREWALLS APPLICABLE TO SUBSIDIARIES OF BANKS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 45 (as added by section 113(b) of this title) the following new section:

**“SEC. 46. SAFETY AND SOUNDNESS FIREWALLS APPLICABLE TO SUBSIDIARIES OF BANKS.**

“(a) LIMITING THE EQUITY INVESTMENT OF A BANK IN A SUBSIDIARY.—

“(1) CAPITAL DEDUCTION.—In determining whether an insured bank complies with applicable regulatory capital standards—

“(A) the appropriate Federal banking agency shall deduct from the assets and tangible equity of the bank the aggregate amount of the outstanding equity investments of the bank in financial subsidiaries of the bank; and

“(B) the assets and liabilities of such financial subsidiaries shall not be consolidated with those of the bank.

“(2) INVESTMENT LIMITATION.—An insured bank shall not, without the prior approval of the appropriate Federal banking agency, make any equity investment in a financial subsidiary

of the bank if that investment would, when made, exceed the amount that the bank could pay as a dividend without obtaining prior regulatory approval.

“(3) TREATMENT OF RETAINED EARNINGS.—The amount of any net earnings retained by a financial subsidiary of an insured depository institution shall be treated as an outstanding equity investment of the bank in the subsidiary for purposes of paragraph (1).

“(b) OPERATIONAL AND FINANCIAL SAFEGUARDS FOR THE BANK.—An insured bank that has a financial subsidiary shall maintain procedures for identifying and managing any financial and operational risks posed by the financial subsidiary.

“(c) MAINTENANCE OF SEPARATE CORPORATE IDENTITY AND SEPARATE LEGAL STATUS.—

“(1) IN GENERAL.—Each insured bank shall ensure that the bank maintains and complies with reasonable policies and procedures to preserve the separate corporate identity and legal status of the bank and any financial subsidiary or affiliate of the bank.

“(2) EXAMINATIONS.—The appropriate Federal banking agency, as part of each examination, shall review whether an insured bank is observing the separate corporate identity and separate legal status of any subsidiaries and affiliates of the bank.

“(d) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section, the term ‘financial subsidiary’ has the meaning given to such term in section 5136A(a)(7)(B) of the Revised Statutes of the United States.

“(e) REGULATIONS.—The appropriate Federal banking agencies shall jointly prescribe regulations implementing this section.”

(c) TRANSACTIONS BETWEEN FINANCIAL SUBSIDIARIES AND OTHER AFFILIATES.—Section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d), the following new subsection:

“(e) RULES RELATING TO BANKS WITH FINANCIAL SUBSIDIARIES.—

“(1) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section and section 23B, the term ‘financial subsidiary’ means a company which is a subsidiary of a bank and is engaged in activities that are financial in nature or incidental to such financial activities pursuant to subsection (a)(2) or (b)(4) of section 5136A of the Revised Statutes of the United States.

“(2) APPLICATION TO TRANSACTIONS BETWEEN A FINANCIAL SUBSIDIARY OF A BANK AND THE BANK.—For purposes of applying this section and section 23B to a transaction between a financial subsidiary of a bank and the bank (or between such financial subsidiary and any other subsidiary of the bank which is not a financial subsidiary) and notwithstanding subsection (b)(2) and section 23B(d)(1), the financial subsidiary of the bank—

“(A) shall be an affiliate of the bank and any other subsidiary of the bank which is not a financial subsidiary; and

“(B) shall not be treated as a subsidiary of the bank.

“(3) APPLICATION TO TRANSACTIONS BETWEEN FINANCIAL SUBSIDIARY AND NONBANK AFFILIATES.—

“(A) IN GENERAL.—A transaction between a financial subsidiary and an affiliate of the financial subsidiary shall not be deemed to be a transaction between a subsidiary of a national bank and an affiliate of the bank for purposes of section 23A or section 23B of the Federal Reserve Act.

“(B) CERTAIN AFFILIATES EXCLUDED.—For purposes of subparagraph (A) and notwithstanding paragraph (4), the term ‘affiliate’ shall

not include a bank, or a subsidiary of a bank, which is engaged exclusively in activities permissible for a national bank to engage in directly or which are authorized by any Federal law other than section 5136A of the Revised Statutes of the United States.

“(4) EQUITY INVESTMENTS EXCLUDED SUBJECT TO THE APPROVAL OF THE BANKING AGENCY.—Subsection (a)(1) shall not apply so as to limit the equity investment of a bank in a financial subsidiary of such bank, except that any investment that exceeds the amount of a dividend that the bank could pay at the time of the investment without obtaining prior approval of the appropriate Federal banking agency and is in excess of the limitation which would apply under subsection (a)(1), but for this paragraph, may be made only with the approval of the appropriate Federal banking agency (as defined in section 3(q) of the Federal Deposit Insurance Act) with respect to such bank.”

(d) ANTI-TYPING.—Section 106(a) of the Bank Holding Company Act Amendments of 1970 is amended by adding at the end the following new sentence: “For purposes of this section, a subsidiary of a national bank which engages in activities pursuant to subsection (a)(2) or (b)(4) of section 5136A of the Revised Statutes of the United States shall be deemed to be a subsidiary of a bank holding company, and not a subsidiary of a bank.”

**SEC. 123. MISREPRESENTATIONS REGARDING DEPOSITORY INSTITUTION LIABILITY FOR OBLIGATIONS OF AFFILIATES.**

(a) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by inserting after section 1007 the following new section:

**“§ 1008. Misrepresentations regarding financial institution liability for obligations of affiliates**

“(a) IN GENERAL.—No institution-affiliated party of an insured depository institution or institution-affiliated party of a subsidiary or affiliate of an insured depository institution shall fraudulently represent that the institution is or will be liable for any obligation of a subsidiary or other affiliate of the institution.

“(b) CRIMINAL PENALTY.—Whoever violates subsection (a) shall be fined under this title, imprisoned for not more than 5 years, or both.

“(c) INSTITUTION-AFFILIATED PARTY DEFINED.—For purposes of this section, the term ‘institution-affiliated party’ has the same meaning as in section 3 of the Federal Deposit Insurance Act and any reference in that section shall also be deemed to refer to a subsidiary or affiliate of an insured depository institution.

“(d) OTHER DEFINITIONS.—For purposes of this section, the terms ‘affiliate’, ‘insured depository institution’, and ‘subsidiary’ have same meanings as in section 3 of the Federal Deposit Insurance Act.”

(b) CLERICAL AMENDMENT.—The table of sections for chapter 47 of title 18, United States Code, is amended by inserting after the item relating to section 1007 the following new item:

“1008. Misrepresentations regarding financial institution liability for obligations of affiliates.”

**SEC. 124. REPEAL OF STOCK LOAN LIMIT IN FEDERAL RESERVE ACT.**

Section 11 of the Federal Reserve Act (12 U.S.C. 248) is amended by striking the paragraph designated as “(m)” and inserting “(m) [Repealed]”.

**Subtitle D—Wholesale Financial Holding Companies; Wholesale Financial Institutions  
CHAPTER 1—WHOLESALE FINANCIAL HOLDING COMPANIES**

**SEC. 131. WHOLESALE FINANCIAL HOLDING COMPANIES ESTABLISHED.**

Section 10 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended to read as follows:



**"SEC. 10. WHOLESALE FINANCIAL HOLDING COMPANIES.**

"(a) COMPANIES THAT CONTROL WHOLESALE FINANCIAL INSTITUTIONS.—

"(1) WHOLESALE FINANCIAL HOLDING COMPANY DEFINED.—The term 'wholesale financial holding company' means any company that—

"(A) is registered as a bank holding company;

"(B) is predominantly engaged in financial activities as defined in section 6(f)(2);

"(C) controls one or more wholesale financial institutions;

"(D) does not control—

"(i) a bank other than a wholesale financial institution;

"(ii) an insured bank other than an institution permitted under subparagraph (D), (F), or (G) of section 2(c)(2); or

"(iii) a savings association; and

"(E) is not a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978).

"(2) SAVINGS ASSOCIATION TRANSITION PERIOD.—Notwithstanding paragraph (1)(D)(iii), the Board may permit a company that controls a savings association and that otherwise meets the requirements of paragraph (1) to become supervised under paragraph (1), if the company divests control of any such savings association within such period not to exceed 5 years after becoming supervised under paragraph (1) as permitted by the Board.

"(b) SUPERVISION BY THE BOARD.—

"(1) IN GENERAL.—The provisions of this section shall govern the reporting, examination, and capital requirements of wholesale financial holding companies.

"(2) REPORTS.—

"(A) IN GENERAL.—The Board from time to time may require any wholesale financial holding company and any subsidiary of such company to submit reports under oath to keep the Board informed as to—

"(i) the company's or subsidiary's activities, financial condition, policies, systems for monitoring and controlling financial and operational risks, and transactions with depository institution subsidiaries of the holding company; and

"(ii) the extent to which the company or subsidiary has complied with the provisions of this Act and regulations prescribed and orders issued under this Act.

"(B) USE OF EXISTING REPORTS.—

"(i) IN GENERAL.—The Board shall, to the fullest extent possible, accept reports in fulfillment of the Board's reporting requirements under this paragraph that the wholesale financial holding company or any subsidiary of such company has provided or been required to provide to other Federal and State supervisors or to appropriate self-regulatory organizations.

"(ii) AVAILABILITY.—A wholesale financial holding company or a subsidiary of such company shall provide to the Board, at the request of the Board, a report referred to in clause (i).

"(C) EXEMPTIONS FROM REPORTING REQUIREMENTS.—

"(i) IN GENERAL.—The Board may, by regulation or order, exempt any company or class of companies, under such terms and conditions and for such periods as the Board shall provide in such regulation or order, from the provisions of this paragraph and any regulation prescribed under this paragraph.

"(ii) CRITERIA FOR CONSIDERATION.—In making any determination under clause (i) with regard to any exemption under such clause, the Board shall consider, among such other factors as the Board may determine to be appropriate, the following factors:

"(I) Whether information of the type required under this paragraph is available from a supervisory agency (as defined in section 1101(7) of the Right to Financial Privacy Act of 1978) or a foreign regulatory authority of a similar type.

"(II) The primary business of the company.

"(III) The nature and extent of the domestic and foreign regulation of the activities of the company.

"(3) EXAMINATIONS.—

"(A) LIMITED USE OF EXAMINATION AUTHORITY.—The Board may make examinations of each wholesale financial holding company and each subsidiary of such company in order to—

"(i) inform the Board regarding the nature of the operations and financial condition of the wholesale financial holding company and its subsidiaries;

"(ii) inform the Board regarding—

"(I) the financial and operational risks within the wholesale financial holding company system that may affect any depository institution owned by such holding company; and

"(II) the systems of the holding company and its subsidiaries for monitoring and controlling those risks; and

"(iii) monitor compliance with the provisions of this Act and those governing transactions and relationships between any depository institution controlled by the wholesale financial holding company and any of the company's other subsidiaries.

"(B) RESTRICTED FOCUS OF EXAMINATIONS.—The Board shall, to the fullest extent possible, limit the focus and scope of any examination of a wholesale financial holding company under this paragraph to—

"(i) the holding company; and

"(ii) any subsidiary (other than an insured depository institution subsidiary) of the holding company that, because of the size, condition, or activities of the subsidiary, the nature or size of transactions between such subsidiary and any affiliated depository institution, or the centralization of functions within the holding company system, could have a materially adverse effect on the safety and soundness of any depository institution affiliate of the holding company.

"(C) DEFERENCE TO BANK EXAMINATIONS.—The Board shall, to the fullest extent possible, use the reports of examination of depository institutions made by the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Director of the Office of Thrift Supervision or the appropriate State depository institution supervisory authority for the purposes of this section.

"(D) DEFERENCE TO OTHER EXAMINATIONS.—The Board shall, to the fullest extent possible, address the circumstances which might otherwise permit or require an examination by the Board by forgoing an examination and by instead reviewing the reports of examination made of—

"(i) any registered broker or dealer or any registered investment adviser by or on behalf of the Commission; and

"(ii) any licensed insurance company by or on behalf of any State government insurance agency responsible for the supervision of the insurance company.

"(E) CONFIDENTIALITY OF REPORTED INFORMATION.—

"(i) IN GENERAL.—Notwithstanding any other provision of law, the Board shall not be compelled to disclose any nonpublic information required to be reported under this paragraph, or any information supplied to the Board by any domestic or foreign regulatory agency, that relates to the financial or operational condition of any wholesale financial holding company or any subsidiary of such company.

"(ii) COMPLIANCE WITH REQUESTS FOR INFORMATION.—No provision of this subparagraph shall be construed as authorizing the Board to withhold information from the Congress, or preventing the Board from complying with a request for information from any other Federal

department or agency for purposes within the scope of such department's or agency's jurisdiction, or from complying with any order of a court of competent jurisdiction in an action brought by the United States or the Board.

"(iii) COORDINATION WITH OTHER LAW.—For purposes of section 552 of title 5, United States Code, this subparagraph shall be considered to be a statute described in subsection (b)(3)(B) of such section.

"(iv) DESIGNATION OF CONFIDENTIAL INFORMATION.—In prescribing regulations to carry out the requirements of this subsection, the Board shall designate information described in or obtained pursuant to this paragraph as confidential information.

"(F) COSTS.—The cost of any examination conducted by the Board under this section may be assessed against, and made payable by, the wholesale financial holding company.

"(4) CAPITAL ADEQUACY GUIDELINES.—

"(A) CAPITAL ADEQUACY PROVISIONS.—Subject to the requirements of, and solely in accordance with, the terms of this paragraph, the Board may adopt capital adequacy rules or guidelines for wholesale financial holding companies.

"(B) METHOD OF CALCULATION.—In developing rules or guidelines under this paragraph, the following provisions shall apply:

"(i) FOCUS ON DOUBLE LEVERAGE.—The Board shall focus on the use by wholesale financial holding companies of debt and other liabilities to fund capital investments in subsidiaries.

"(ii) NO UNWEIGHTED CAPITAL RATIO.—The Board shall not, by regulation, guideline, order, or otherwise, impose under this section a capital ratio that is not based on appropriate risk-weighting considerations.

"(iii) NO CAPITAL REQUIREMENT ON REGULATED ENTITIES.—The Board shall not, by regulation, guideline, order or otherwise, prescribe or impose any capital or capital adequacy rules, standards, guidelines, or requirements upon any subsidiary that—

"(I) is not a depository institution; and

"(II) is in compliance with applicable capital requirements of another Federal regulatory authority (including the Securities and Exchange Commission) or State insurance authority.

"(iv) LIMITATION.—The Board shall not, by regulation, guideline, order or otherwise, prescribe or impose any capital or capital adequacy rules, standards, guidelines, or requirements upon any subsidiary that is not a depository institution and that is registered as an investment adviser under the Investment Advisers Act of 1940, except that this clause shall not be construed as preventing the Board from imposing capital or capital adequacy rules, guidelines, standards, or requirements with respect to activities of a registered investment adviser other than investment advisory activities or activities incidental to investment advisory activities.

"(v) LIMITATIONS ON INDIRECT ACTION.—In developing, establishing, or assessing holding company capital or capital adequacy rules, guidelines, standards, or requirements for purposes of this paragraph, the Board shall not take into account the activities, operations, or investments of an affiliated investment company registered under the Investment Company Act of 1940, unless the investment company is—

"(I) a bank holding company; or

"(II) controlled by a bank holding company by reason of ownership by the bank holding company (including through all of its affiliates) of 25 percent or more of the shares of the investment company, and the shares owned by the bank holding company have a market value equal to more than \$1,000,000.

"(vi) APPROPRIATE EXCLUSIONS.—The Board shall take full account of—

"(I) the capital requirements made applicable to any subsidiary that is not a depository institution by another Federal regulatory authority or State insurance authority; and

“(II) industry norms for capitalization of a company’s unregulated subsidiaries and activities.

“(vii) INTERNAL RISK MANAGEMENT MODELS.—The Board may incorporate internal risk management models of wholesale financial holding companies into its capital adequacy guidelines or rules and may take account of the extent to which resources of a subsidiary depository institution may be used to service the debt or other liabilities of the wholesale financial holding company.

“(c) NONFINANCIAL ACTIVITIES AND INVESTMENTS.—

“(1) GRANDFATHERED ACTIVITIES.—

“(A) IN GENERAL.—Notwithstanding section 4(a), a company that becomes a wholesale financial holding company may continue to engage, directly or indirectly, in any activity and may retain ownership and control of shares of a company engaged in any activity if—

“(i) on the date of the enactment of the Financial Services Act of 1999, such wholesale financial holding company was lawfully engaged in that nonfinancial activity, held the shares of such company, or had entered into a contract to acquire shares of any company engaged in such activity; and

“(ii) the company engaged in such activity continues to engage only in the same activities that such company conducted on the date of the enactment of the Financial Services Act of 1999, and other activities permissible under this Act.

“(B) NO EXPANSION OF GRANDFATHERED COMMERCIAL ACTIVITIES THROUGH MERGER OR CONSOLIDATION.—A wholesale financial holding company that engages in activities or holds shares pursuant to this paragraph, or a subsidiary of such wholesale financial holding company, may not acquire, in any merger, consolidation, or other type of business combination, assets of any other company which is engaged in any activity which the Board has not determined to be financial in nature or incidental to activities that are financial in nature under section 6(c).

“(C) LIMITATION TO SINGLE EXEMPTION.—No company that engages in any activity or controls any shares under subsection (f) of section 6 may engage in any activity or own any shares pursuant to this paragraph.

“(2) COMMODITIES.—

“(A) IN GENERAL.—Notwithstanding section 4(a), a wholesale financial holding company which was predominately engaged as of January 1, 1997, in financial activities in the United States (or any successor to any such company) may engage in, or directly or indirectly own or control shares of a company engaged in, activities related to the trading, sale, or investment in commodities and underlying physical properties that were not permissible for bank holding companies to conduct in the United States as of January 1, 1997, if such wholesale financial holding company, or any subsidiary of such holding company, was engaged directly, indirectly, or through any such company in any of such activities as of January 1, 1997, in the United States.

“(B) LIMITATION.—The attributed aggregate consolidated assets of a wholesale financial holding company held under the authority granted under this paragraph and not otherwise permitted to be held by all wholesale financial holding companies under this section may not exceed 5 percent of the total consolidated assets of the wholesale financial holding company, except that the Board may increase such percentage of total consolidated assets by such amounts and under such circumstances as the Board considers appropriate, consistent with the purposes of this Act.

“(3) CROSS MARKETING RESTRICTIONS.—A wholesale financial holding company shall not permit—

“(A) any company whose shares it owns or controls pursuant to paragraph (1) or (2) to offer or market any product or service of an affiliated wholesale financial institution; or

“(B) any affiliated wholesale financial institution to offer or market any product or service of any company whose shares are owned or controlled by such wholesale financial holding company pursuant to such paragraphs.

“(d) QUALIFICATION OF FOREIGN BANK AS WHOLESALE FINANCIAL HOLDING COMPANY.—

“(1) IN GENERAL.—Any foreign bank, or any company that owns or controls a foreign bank, that operates a branch, agency, or commercial lending company in the United States, including a foreign bank or company that owns or controls a wholesale financial institution, may request a determination from the Board that such bank or company be treated as a wholesale financial holding company other than for purposes of subsection (c), subject to such conditions as the Board considers appropriate, giving due regard to the principle of national treatment and equality of competitive opportunity and the requirements imposed on domestic banks and companies.

“(2) CONDITIONS FOR TREATMENT AS A WHOLESALE FINANCIAL HOLDING COMPANY.—A foreign bank and a company that owns or controls a foreign bank may not be treated as a wholesale financial holding company unless the bank and company meet and continue to meet the following criteria:

“(A) NO INSURED DEPOSITS.—No deposits held directly by a foreign bank or through an affiliate (other than an institution described in subparagraph (D) or (F) of section 2(c)(2)) are insured under the Federal Deposit Insurance Act.

“(B) CAPITAL STANDARDS.—The foreign bank meets risk-based capital standards comparable to the capital standards required for a wholesale financial institution, giving due regard to the principle of national treatment and equality of competitive opportunity.

“(C) TRANSACTION WITH AFFILIATES.—Transactions between a branch, agency, or commercial lending company subsidiary of the foreign bank in the United States, and any securities affiliate or company in which the foreign bank (or any company that owns or controls such foreign bank) has invested, directly or indirectly, and which engages in any activity pursuant to subsection (c) or (g) of section 6, comply with the provisions of sections 23A and 23B of the Federal Reserve Act in the same manner and to the same extent as such transactions would be required to comply with such sections if the bank were a member bank.

“(3) TREATMENT AS A WHOLESALE FINANCIAL INSTITUTION.—Any foreign bank which is, or is affiliated with a company which is, treated as a wholesale financial holding company under this subsection shall be treated as a wholesale financial institution for purposes of subsections (c)(1)(C) and (c)(3) of section 9B of the Federal Reserve Act, and any such foreign bank or company shall be subject to paragraphs (3), (4), and (5) of section 9B(d) of the Federal Reserve Act, except that the Board may adopt such modifications, conditions, or exemptions as the Board deems appropriate, giving due regard to the principle of national treatment and equality of competitive opportunity.

“(4) SUPERVISION OF FOREIGN BANK WHICH MAINTAINS NO BANKING PRESENCE OTHER THAN CONTROL OF A WHOLESALE FINANCIAL INSTITUTION.—A foreign bank that owns or controls a wholesale financial institution but does not operate a branch, agency, or commercial lending company in the United States (and any company that owns or controls such foreign bank) may request a determination from the Board that such bank or company be treated as a wholesale financial holding company, except

that such bank or company shall be subject to the restrictions of paragraphs (2)(A) and (3) of this subsection.

“(5) NO EFFECT ON OTHER PROVISIONS.—This section shall not be construed as limiting the authority of the Board under the International Banking Act of 1978 with respect to the regulation, supervision, or examination of foreign banks and their offices and affiliates in the United States.

“(6) APPLICABILITY OF COMMUNITY REINVESTMENT ACT OF 1977.—The branches in the United States of a foreign bank that is, or is affiliated with a company that is, treated as a wholesale financial holding company shall be subject to section 9B(b)(11) of the Federal Reserve Act as if the foreign bank were a wholesale financial institution under such section. The Board and the Comptroller of the Currency shall apply the provisions of sections 803(2), 804, and 807(1) of the Community Reinvestment Act of 1977 to branches of foreign banks which receive only such deposits as are permissible for receipt by a corporation organized under section 25A of the Federal Reserve Act, in the same manner and to the same extent such sections apply to such a corporation.”

#### SEC. 132. AUTHORIZATION TO RELEASE REPORTS.

(a) FEDERAL RESERVE ACT.—The last sentence of the eighth undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 326) is amended to read as follows: “The Board of Governors of the Federal Reserve System, at its discretion, may furnish reports of examination or other confidential supervisory information concerning State member banks or any other entities examined under any other authority of the Board to any Federal or State authorities with supervisory or regulatory authority over the examined entity, to officers, directors, or receivers of the examined entity, and to any other person that the Board determines to be proper.”

(b) COMMODITY FUTURES TRADING COMMISSION.—The Right to Financial Privacy Act of 1978 (12 U.S.C. 3401 et seq.) is amended—

(1) in section 1101(7) of the (12 U.S.C. 3401(7))—

(A) by redesignating subparagraphs (G) and (H) as subparagraphs (H) and (I), respectively; and

(B) by inserting after subparagraph (F) the following new subparagraph:

“(G) the Commodity Futures Trading Commission; or”; and

(2) in section 1112(e), by striking “and the Securities and Exchange Commission” and inserting “, the Securities and Exchange Commission, and the Commodity Futures Trading Commission”.

#### SEC. 133. CONFORMING AMENDMENTS.

(a) BANK HOLDING COMPANY ACT OF 1956.—

(1) DEFINITIONS.—Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended by inserting after subsection (p) (as added by section 103(b)(1)) the following new subsections:

“(q) WHOLESALE FINANCIAL INSTITUTION.—The term ‘wholesale financial institution’ means a wholesale financial institution subject to section 9B of the Federal Reserve Act.

“(r) COMMISSION.—The term ‘Commission’ means the Securities and Exchange Commission.

“(s) DEPOSITORY INSTITUTION.—The term ‘depository institution’—

“(1) has the meaning given to such term in section 3 of the Federal Deposit Insurance Act; and

“(2) includes a wholesale financial institution.”

(2) DEFINITION OF BANK INCLUDES WHOLESALE FINANCIAL INSTITUTION.—Section 2(c)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)(1)) is amended by adding at the end the following new subparagraph:

“(C) A wholesale financial institution.”.

(3) INCORPORATED DEFINITIONS.—Section 2(n) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(n)) is amended by inserting “‘insured bank’,” after “‘in danger of default’,”.

(4) EXCEPTION TO DEPOSIT INSURANCE REQUIREMENT.—Section 3(e) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(e)) is amended by adding at the end the following: “This subsection shall not apply to a wholesale financial institution.”.

(b) FEDERAL DEPOSIT INSURANCE ACT.—Section 3(q)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)(2)(A)) is amended to read as follows:

“(A) any State member insured bank (except a District bank) and any wholesale financial institution subject to section 9B of the Federal Reserve Act;”.

## CHAPTER 2—WHOLESALE FINANCIAL INSTITUTIONS

### SEC. 136. WHOLESALE FINANCIAL INSTITUTIONS.

(a) NATIONAL WHOLESALE FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—Chapter 1 of title LXII of the Revised Statutes of the United States (12 U.S.C. 21 et seq.) is amended by inserting after section 5136A (as added by section 121(a) of this title) the following new section:

#### “SEC. 5136B. NATIONAL WHOLESALE FINANCIAL INSTITUTIONS.

“(a) AUTHORIZATION OF THE COMPTROLLER REQUIRED.—A national bank may apply to the Comptroller on such forms and in accordance with such regulations as the Comptroller may prescribe, for permission to operate as a national wholesale financial institution.

“(b) REGULATION.—A national wholesale financial institution may exercise, in accordance with such institution’s articles of incorporation and regulations issued by the Comptroller, all the powers and privileges of a national bank formed in accordance with section 5133 of the Revised Statutes of the United States, subject to section 9B of the Federal Reserve Act and the limitations and restrictions contained therein.

“(c) COMMUNITY REINVESTMENT ACT OF 1977.—A national wholesale financial institution shall be subject to the Community Reinvestment Act of 1977.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 1 of title LXII of the Revised Statutes of the United States is amended by inserting after the item relating to section 5136A (as added by section 121(d) of this title) the following new item:

“5136B. National wholesale financial institutions.”.

(b) WHOLESALE FINANCIAL INSTITUTIONS.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 9A the following new section:

#### “SEC. 9B. WHOLESALE FINANCIAL INSTITUTIONS.

“(a) APPLICATION FOR MEMBERSHIP AS WHOLESALE FINANCIAL INSTITUTION.—

“(1) APPLICATION REQUIRED.—

“(A) IN GENERAL.—Any bank may apply to the Board of Governors of the Federal Reserve System to become a State wholesale financial institution, or to the Comptroller of the Currency to become a national wholesale financial institution, and, as a wholesale financial institution, to subscribe to the stock of the Federal Reserve bank organized within the district where the applying bank is located.

“(B) TREATMENT AS MEMBER BANK.—Any application under subparagraph (A) shall be treated as an application under, and shall be subject to the provisions of, section 9.

“(2) INSURANCE TERMINATION.—No bank the deposits of which are insured under the Federal Deposit Insurance Act may become a wholesale financial institution unless it has met all re-

quirements under that Act for voluntary termination of deposit insurance.

“(b) GENERAL REQUIREMENTS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—

“(1) FEDERAL RESERVE ACT.—Except as otherwise provided in this section, wholesale financial institutions shall be member banks and shall be subject to the provisions of this Act that apply to member banks to the same extent and in the same manner as State member insured banks or national banks, except that a wholesale financial institution may terminate membership under this Act only with the prior written approval of the Board and on terms and conditions that the Board determines are appropriate to carry out the purposes of this Act.

“(2) PROMPT CORRECTIVE ACTION.—A wholesale financial institution shall be deemed to be an insured depository institution for purposes of section 38 of the Federal Deposit Insurance Act except that—

“(A) the relevant capital levels and capital measures for each capital category shall be the levels specified by the Board for wholesale financial institutions;

“(B) subject to subparagraph (A), all references to the appropriate Federal banking agency or to the Corporation in that section shall be deemed to be references to the Comptroller of the Currency, in the case of a national wholesale financial institution, and to the Board, in the case of all other wholesale financial institutions; and

“(C) in the case of wholesale financial institutions, the purpose of prompt corrective action shall be to protect taxpayers and the financial system from the risks associated with the operation and activities of wholesale financial institutions.

“(3) ENFORCEMENT AUTHORITY.—Section 3(u), subsections (j) and (k) of section 7, subsections (b) through (n), (s), (u), and (v) of section 8, and section 19 of the Federal Deposit Insurance Act shall apply to a wholesale financial institution in the same manner and to the same extent as such provisions apply to State member insured banks or national banks, as the case may be, and any reference in such sections to an insured depository institution shall be deemed to include a reference to a wholesale financial institution.

“(4) CERTAIN OTHER STATUTES APPLICABLE.—A wholesale financial institution shall be deemed to be a banking institution, and the Board shall be the appropriate Federal banking agency for such bank and all such bank’s affiliates, for purposes of the International Lending Supervision Act.

“(5) BANK MERGER ACT.—A wholesale financial institution shall be subject to sections 18(c) and 44 of the Federal Deposit Insurance Act in the same manner and to the same extent the wholesale financial institution would be subject to such sections if the institution were a State member insured bank or a national bank.

“(6) BRANCHING.—Notwithstanding any other provision of law, a wholesale financial institution may establish and operate a branch at any location on such terms and conditions as established by, and with the approval of—

“(A) the Board, in the case of a State-chartered wholesale financial institution; and

“(B) the Comptroller of the Currency, in the case of a national bank wholesale financial institution.

“(7) ACTIVITIES OF OUT-OF-STATE BRANCHES OF WHOLESALE FINANCIAL INSTITUTIONS.—A State-chartered wholesale financial institution shall be deemed to be a State bank and an insured State bank for purposes of paragraphs (1), (2), and (3) of section 24(j) of the Federal Deposit Insurance Act.

“(8) DISCRIMINATION REGARDING INTEREST RATES.—Section 27 of the Federal Deposit Insur-

ance Act shall apply to State-chartered wholesale financial institutions in the same manner and to the same extent as such provisions apply to State member insured banks and any reference in such section to a State-chartered insured depository institution shall be deemed to include a reference to a State-chartered wholesale financial institution.

“(9) PREEMPTION OF STATE LAWS REQUIRING DEPOSIT INSURANCE FOR WHOLESALE FINANCIAL INSTITUTIONS.—The appropriate State banking authority may grant a charter to a wholesale financial institution notwithstanding any State constitution or statute requiring that the institution obtain insurance of its deposits and any such State constitution or statute is hereby preempted solely for purposes of this paragraph.

“(10) PARITY FOR WHOLESALE FINANCIAL INSTITUTIONS.—A State bank that is a wholesale financial institution under this section shall have all of the rights, powers, privileges, and immunities (including those derived from status as a federally chartered institution) of and as if it were a national bank, subject to such terms and conditions as established by the Board.

“(11) COMMUNITY REINVESTMENT ACT OF 1977.—A State wholesale financial institution shall be subject to the Community Reinvestment Act of 1977.

“(c) SPECIFIC REQUIREMENTS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—

“(1) LIMITATIONS ON DEPOSITS.—

“(A) MINIMUM AMOUNT.—

“(i) IN GENERAL.—No wholesale financial institution may receive initial deposits of \$100,000 or less, other than on an incidental and occasional basis.

“(ii) LIMITATION ON DEPOSITS OF LESS THAN \$100,000.—No wholesale financial institution may receive initial deposits of \$100,000 or less if such deposits constitute more than 5 percent of the institution’s total deposits.

“(B) NO DEPOSIT INSURANCE.—Except as otherwise provided in section 8A(f) of the Federal Deposit Insurance Act, no deposits held by a wholesale financial institution shall be insured deposits under the Federal Deposit Insurance Act.

“(C) ADVERTISING AND DISCLOSURE.—The Board and the Comptroller of the Currency shall prescribe jointly regulations pertaining to advertising and disclosure by wholesale financial institutions to ensure that each depositor is notified that deposits at the wholesale financial institution are not federally insured or otherwise guaranteed by the United States Government.

“(2) MINIMUM CAPITAL LEVELS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—The Board shall, by regulation, adopt capital requirements for wholesale financial institutions—

“(A) to account for the status of wholesale financial institutions as institutions that accept deposits that are not insured under the Federal Deposit Insurance Act; and

“(B) to provide for the safe and sound operation of the wholesale financial institution without undue risk to creditors or other persons, including Federal Reserve banks, engaged in transactions with the bank.

“(3) ADDITIONAL REQUIREMENTS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—In addition to any requirement otherwise applicable to State member insured banks or applicable, under this section, to wholesale financial institutions, the Board may impose, by regulation or order, upon wholesale financial institutions—

“(A) limitations on transactions, direct or indirect, with affiliates to prevent—

“(i) the transfer of risk to the deposit insurance funds; or

“(ii) an affiliate from gaining access to, or the benefits of, credit from a Federal Reserve bank, including overdrafts at a Federal Reserve bank;

“(B) special clearing balance requirements; and

“(C) any additional requirements that the Board determines to be appropriate or necessary to—

“(i) promote the safety and soundness of the wholesale financial institution or any insured depository institution affiliate of the wholesale financial institution;

“(ii) prevent the transfer of risk to the deposit insurance funds; or

“(iii) protect creditors and other persons, including Federal Reserve banks, engaged in transactions with the wholesale financial institution.

“(4) EXEMPTIONS FOR WHOLESALE FINANCIAL INSTITUTIONS.—The Board may, by regulation or order, exempt any wholesale financial institution from any provision applicable to a member bank that is not a wholesale financial institution, if the Board finds that such exemption is consistent with—

“(A) the promotion of the safety and soundness of the wholesale financial institution or any insured depository institution affiliate of the wholesale financial institution;

“(B) the protection of the deposit insurance funds; and

“(C) the protection of creditors and other persons, including Federal Reserve banks, engaged in transactions with the wholesale financial institution.

“(5) LIMITATION ON TRANSACTIONS BETWEEN A WHOLESALE FINANCIAL INSTITUTION AND AN INSURED BANK.—For purposes of section 23A(d)(1) of the Federal Reserve Act, a wholesale financial institution that is affiliated with an insured bank shall not be a bank.

“(6) NO EFFECT ON OTHER PROVISIONS.—This section shall not be construed as limiting the Board's authority over member banks or the authority of the Comptroller of the Currency over national banks under any other provision of law, or to create any obligation for any Federal Reserve bank to make, increase, renew, or extend any advance or discount under this Act to any member bank or other depository institution.

“(d) CAPITAL AND MANAGERIAL REQUIREMENTS.—

“(1) IN GENERAL.—A wholesale financial institution shall be well capitalized and well managed.

“(2) NOTICE TO COMPANY.—The Board shall promptly provide notice to a company that controls a wholesale financial institution whenever such wholesale financial institution is not well capitalized or well managed.

“(3) AGREEMENT TO RESTORE INSTITUTION.—Not later than 45 days after the date of receipt of a notice under paragraph (2) (or such additional period not to exceed 90 days as the Board may permit), the company shall execute an agreement acceptable to the Board to restore the wholesale financial institution to compliance with all of the requirements of paragraph (1).

“(4) LIMITATIONS UNTIL INSTITUTION RESTORED.—Until the wholesale financial institution is restored to compliance with all of the requirements of paragraph (1), the Board may impose such limitations on the conduct or activities of the company or any affiliate of the company as the Board determines to be appropriate under the circumstances.

“(5) FAILURE TO RESTORE.—If the company does not execute and implement an agreement in accordance with paragraph (3), comply with any limitation imposed under paragraph (4), restore the wholesale financial institution to well capitalized status not later than 180 days after the date of receipt by the company of the notice described in paragraph (2), or restore the wholesale financial institution to well managed status within such period as the Board may permit, the

company shall, under such terms and conditions as may be imposed by the Board subject to such extension of time as may be granted in the discretion of the Board, divest control of its subsidiary depository institutions.

“(6) WELL MANAGED DEFINED.—For purposes of this subsection, the term ‘well managed’ has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

“(e) RESOLUTION OF WHOLESALE FINANCIAL INSTITUTIONS.—

“(1) CONSERVATORSHIP OR RECEIVERSHIP.—

“(A) APPOINTMENT.—The Board may appoint a conservator or receiver to take possession and control of a wholesale financial institution to the same extent and in the same manner as the Comptroller of the Currency may appoint a conservator or receiver for a national bank.

“(B) POWERS.—The conservator or receiver for a wholesale financial institution shall exercise the same powers, functions, and duties, subject to the same limitations, as a conservator or receiver for a national bank.

“(2) BOARD AUTHORITY.—The Board shall have the same authority with respect to any conservator or receiver appointed under paragraph (1), and the wholesale financial institution for which it has been appointed, as the Comptroller of the Currency has with respect to a conservator or receiver for a national bank and the national bank for which the conservator or receiver has been appointed.

“(3) BANKRUPTCY PROCEEDINGS.—The Comptroller of the Currency (in the case of a national wholesale financial institution) or the Board may direct the conservator or receiver of a wholesale financial institution to file a petition pursuant to title 11, United States Code, in which case, title 11, United States Code, shall apply to the wholesale financial institution in lieu of otherwise applicable Federal or State insolvency law.

“(f) BOARD BACKUP AUTHORITY.—

“(1) NOTICE TO THE COMPTROLLER.—Before taking any action under section 8 of the Federal Deposit Insurance Act involving a wholesale financial institution that is chartered as a national bank, the Board shall notify the Comptroller and recommend that the Comptroller take appropriate action. If the Comptroller fails to take the recommended action or to provide an acceptable plan for addressing the concerns of the Board before the close of the 30-day period beginning on the date of receipt of the formal recommendation from the Board, the Board may take such action.

“(2) EXIGENT CIRCUMSTANCES.—Notwithstanding paragraph (1), the Board may exercise its authority without regard to the time period set forth in paragraph (1) where the Board finds that exigent circumstances exist and the Board notifies the Comptroller of the Board's action and of the exigent circumstances.

“(g) EXCLUSIVE JURISDICTION.—Subsections (c) and (e) of section 43 of the Federal Deposit Insurance Act shall not apply to any wholesale financial institution.”.

(c) VOLUNTARY TERMINATION OF INSURED STATUS BY CERTAIN INSTITUTIONS.—

(1) SECTION 8 DESIGNATIONS.—Section 8(a) of the Federal Deposit Insurance Act (12 U.S.C. 1818(a)) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (10) as paragraphs (1) through (9), respectively.

(2) VOLUNTARY TERMINATION OF INSURED STATUS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 8 the following new section:

“SEC. 8A. VOLUNTARY TERMINATION OF STATUS AS INSURED DEPOSITORY INSTITUTION.

“(a) IN GENERAL.—Except as provided in subsection (b), an insured State bank or a national

bank may voluntarily terminate such bank's status as an insured depository institution in accordance with regulations of the Corporation if—

“(1) the bank provides written notice of the bank's intent to terminate such insured status—

“(A) to the Corporation and the Board of Governors of the Federal Reserve System, in the case of an insured State bank, or to the Corporation and the Comptroller of the Currency, in the case of an insured national bank authorized to operate as a wholesale financial institution, not less than 6 months before the effective date of such termination; and

“(B) to all depositors at such bank, not less than 6 months before the effective date of the termination of such status; and

“(2) either—

“(A) the deposit insurance fund of which such bank is a member equals or exceeds the fund's designated reserve ratio as of the date the bank provides a written notice under paragraph (1) and the Corporation determines that the fund will equal or exceed the applicable designated reserve ratio for the 2 semiannual assessment periods immediately following such date; or

“(B) the Corporation and the Board of Governors of the Federal Reserve System, in the case of an insured State bank, or the Corporation and the Comptroller of the Currency, in the case of an insured national bank authorized to operate as a wholesale financial institution, has approved the termination of the bank's insured status and the bank pays an exit fee in accordance with subsection (e).

“(b) EXCEPTION.—Subsection (a) shall not apply with respect to—

“(1) an insured savings association; or

“(2) an insured branch that is required to be insured under subsection (a) or (b) of section 6 of the International Banking Act of 1978.

“(c) ELIGIBILITY FOR INSURANCE TERMINATED.—Any bank that voluntarily elects to terminate the bank's insured status under subsection (a) shall not be eligible for insurance on any deposits or any assistance authorized under this Act after the period specified in subsection (f)(1).

“(d) INSTITUTION MUST BECOME WHOLESALE FINANCIAL INSTITUTION OR TERMINATE DEPOSIT-TAKING ACTIVITIES.—Any depository institution which voluntarily terminates such institution's status as an insured depository institution under this section may not, upon termination of insurance, accept any deposits unless the institution is a wholesale financial institution subject to section 9B of the Federal Reserve Act.

“(e) EXIT FEES.—

“(1) IN GENERAL.—Any bank that voluntarily terminates such bank's status as an insured depository institution under this section shall pay an exit fee in an amount that the Corporation determines is sufficient to account for the institution's pro rata share of the amount (if any) which would be required to restore the relevant deposit insurance fund to the fund's designated reserve ratio as of the date the bank provides a written notice under subsection (a)(1).

“(2) PROCEDURES.—The Corporation shall prescribe, by regulation, procedures for assessing any exit fee under this subsection.

“(f) TEMPORARY INSURANCE OF DEPOSITS INSURED AS OF TERMINATION.—

“(1) TRANSITION PERIOD.—The insured deposits of each depositor in a State bank or a national bank on the effective date of the voluntary termination of the bank's insured status, less all subsequent withdrawals from any deposits of such depositor, shall continue to be insured for a period of not less than 6 months and not more than 2 years, as determined by the Corporation. During such period, no additions to any such deposits, and no new deposits in the depository institution made after the effective

date of such termination shall be insured by the Corporation.

“(2) TEMPORARY ASSESSMENTS; OBLIGATIONS AND DUTIES.—During the period specified in paragraph (1) with respect to any bank, the bank shall continue to pay assessments under section 7 as if the bank were an insured depository institution. The bank shall, in all other respects, be subject to the authority of the Corporation and the duties and obligations of an insured depository institution under this Act during such period, and in the event that the bank is closed due to an inability to meet the demands of the bank's depositors during such period, the Corporation shall have the same powers and rights with respect to such bank as in the case of an insured depository institution.

“(g) ADVERTISEMENTS.—

“(1) IN GENERAL.—A bank that voluntarily terminates the bank's insured status under this section shall not advertise or hold itself out as having insured deposits, except that the bank may advertise the temporary insurance of deposits under subsection (f) if, in connection with any such advertisement, the advertisement also states with equal prominence that additions to deposits and new deposits made after the effective date of the termination are not insured.

“(2) CERTIFICATES OF DEPOSIT, OBLIGATIONS, AND SECURITIES.—Any certificate of deposit or other obligation or security issued by a State bank or a national bank after the effective date of the voluntary termination of the bank's insured status under this section shall be accompanied by a conspicuous, prominently displayed notice that such certificate of deposit or other obligation or security is not insured under this Act.

“(h) NOTICE REQUIREMENTS.—

“(1) NOTICE TO THE CORPORATION.—The notice required under subsection (a)(1)(A) shall be in such form as the Corporation may require.

“(2) NOTICE TO DEPOSITORS.—The notice required under subsection (a)(1)(B) shall be—

“(A) sent to each depositor's last address of record with the bank; and

“(B) in such manner and form as the Corporation finds to be necessary and appropriate for the protection of depositors.”.

(3) DEFINITION.—Section 19(b)(1)(A)(i) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)(i)) is amended by inserting “, or any wholesale financial institution subject to section 9B of this Act” after “such Act”.

(d) TECHNICAL AND CONFORMING AMENDMENTS TO THE BANKRUPTCY CODE.—

(1) BANKRUPTCY CODE DEBTORS.—Section 109(b)(2) of title 11, United States Code, is amended by striking “; or” and inserting the following: “, except that—

“(A) a wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act may be a debtor if a petition is filed at the direction of the Comptroller of the Currency (in the case of a wholesale financial institution established under section 5136B of the Revised Statutes of the United States) or the Board of Governors of the Federal Reserve System (in the case of any wholesale financial institution); and

“(B) a corporation organized under section 25A of the Federal Reserve Act may be a debtor if a petition is filed at the direction of the Board of Governors of the Federal Reserve System; or”.

(2) CHAPTER 7 DEBTORS.—Section 109(d) of title 11, United States Code, is amended to read as follows:

“(d) Only a railroad and a person that may be a debtor under chapter 7 of this title, except that a stockbroker, a wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act, a corporation or-

ganized under section 25A of the Federal Reserve Act, or a commodity broker, may be a debtor under chapter 11 of this title.”.

(3) DEFINITION OF FINANCIAL INSTITUTION.—Section 101(22) of title 11, United States Code, is amended to read as follows:

“(22) ‘financial institution’ means a person that is a commercial or savings bank, industrial savings bank, savings and loan association, trust company, wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act, or corporation organized under section 25A of the Federal Reserve Act and, when any such person is acting as agent or custodian for a customer in connection with a securities contract, as defined in section 741 of this title, such customer.”.

(4) SUBCHAPTER V OF CHAPTER 7.—

(A) IN GENERAL.—Section 103 of title 11, United States Code, is amended—

(i) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(ii) by inserting after subsection (d) the following:

“(e) Subchapter V of chapter 7 of this title applies only in a case under such chapter concerning the liquidation of a wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act, or a corporation organized under section 25A of the Federal Reserve Act.”.

(B) WHOLESALE BANK LIQUIDATION.—Chapter 7 of title 11, United States Code, is amended by adding at the end the following:

“SUBCHAPTER V—WHOLESALE BANK LIQUIDATION

“§ 781. Definitions for subchapter

“In this subchapter—

“(1) the term ‘Board’ means the Board of Governors of the Federal Reserve System;

“(2) the term ‘depository institution’ has the same meaning as in section 3 of the Federal Deposit Insurance Act, and includes any wholesale bank;

“(3) the term ‘national wholesale financial institution’ means a wholesale financial institution established under section 5136B of the Revised Statutes of the United States; and

“(4) the term ‘wholesale bank’ means a national wholesale financial institution, a wholesale financial institution established under section 9B of the Federal Reserve Act, or a corporation organized under section 25A of the Federal Reserve Act.

“§ 782. Selection of trustee

“(a) Notwithstanding any other provision of this title, the conservator or receiver who files the petition shall be the trustee under this chapter, unless the Comptroller of the Currency (in the case of a national wholesale financial institution for which it appointed the conservator or receiver) or the Board (in the case of any wholesale bank for which it appointed the conservator or receiver) designates an alternative trustee. The Comptroller of the Currency or the Board (as applicable) may designate a successor trustee, if required.

“(b) Whenever the Comptroller of the Currency or the Board appoints or designates a trustee, chapter 3 and sections 704 and 705 of this title shall apply to the Comptroller or the Board, as applicable, in the same way and to the same extent that they apply to a United States trustee.

“§ 783. Additional powers of trustee

“(a) The trustee under this subchapter has power to distribute property not of the estate, including distributions to customers that are mandated by subchapters III and IV of this chapter.

“(b) The trustee under this subchapter may, after notice and a hearing—

“(1) sell the wholesale bank to a depository institution or consortium of depository institutions (which consortium may agree on the allocation of the wholesale bank among the consortium);

“(2) merge the wholesale bank with a depository institution;

“(3) transfer contracts to the same extent as could a receiver for a depository institution under paragraphs (9) and (10) of section 11(e) of the Federal Deposit Insurance Act;

“(4) transfer assets or liabilities to a depository institution;

“(5) transfer assets and liabilities to a bridge bank as provided in paragraphs (1), (3)(A), (5), (6), and (9) through (13), and subparagraphs (A) through (H) and (K) of paragraph (4) of section 11(n) of the Federal Deposit Insurance Act, except that—

“(A) the bridge bank shall be treated as a wholesale bank for the purpose of this subsection; and

“(B) any references in any such provision of law to the Federal Deposit Insurance Corporation shall be construed to be references to the appointing agency and that references to deposit insurance shall be omitted.

“(c) Any reference in this section to transfers of liabilities includes a ratable transfer of liabilities within a priority class.

“§ 784. Right to be heard

“The Comptroller of the Currency (in the case of a national wholesale financial institution), the Board (in the case of any wholesale bank), or a Federal Reserve bank (in the case of a wholesale bank that is a member of that bank) may raise and may appear and be heard on any issue in a case under this subchapter.

(C) CONFORMING AMENDMENT.—The table of sections for chapter 7 of title 11, United States Code, is amended by adding at the end the following:

“SUBCHAPTER V—WHOLESALE BANK LIQUIDATION

“781. Definitions for subchapter.

“782. Selection of trustee.

“783. Additional powers of trustee.

“784. Right to be heard.”.

(e) RESOLUTION OF EDGE CORPORATIONS.—The sixteenth undesignated paragraph of section 25A of the Federal Reserve Act (12 U.S.C. 624) is amended to read as follows:

“(16) APPOINTMENT OF RECEIVER OR CONSERVATOR.—

“(A) IN GENERAL.—The Board may appoint a conservator or receiver for a corporation organized under the provisions of this section to the same extent and in the same manner as the Comptroller of the Currency may appoint a conservator or receiver for a national bank, and the conservator or receiver for such corporation shall exercise the same powers, functions, and duties, subject to the same limitations, as a conservator or receiver for a national bank.

“(B) EQUIVALENT AUTHORITY.—The Board shall have the same authority with respect to any conservator or receiver appointed for a corporation organized under the provisions of this section under this paragraph and any such corporation as the Comptroller of the Currency has with respect to a conservator or receiver of a national bank and the national bank for which a conservator or receiver has been appointed.

“(C) TITLE 11 PETITIONS.—The Board may direct the conservator or receiver of a corporation organized under the provisions of this section to file a petition pursuant to title 11, United States Code, in which case, title 11, United States Code, shall apply to the corporation in lieu of otherwise applicable Federal or State insolvency law.”.

**Subtitle E—Preservation of FTC Authority****SEC. 141. AMENDMENT TO THE BANK HOLDING COMPANY ACT OF 1956 TO MODIFY NOTIFICATION AND POST-APPROVAL WAITING PERIOD FOR SECTION 3 TRANSACTIONS.**

Section 11(b)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1849(b)(1)) is amended by inserting "and, if the transaction also involves an acquisition under section 4 or section 6, the Board shall also notify the Federal Trade Commission of such approval" before the period at the end of the first sentence.

**SEC. 142. INTERAGENCY DATA SHARING.**

To the extent not prohibited by other law, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System shall make available to the Attorney General and the Federal Trade Commission any data in the possession of any such banking agency that the antitrust agency deems necessary for antitrust review of any transaction requiring notice to any such antitrust agency or the approval of such agency under section 3, 4, or 6 of the Bank Holding Company Act of 1956, section 18(c) of the Federal Deposit Insurance Act, the National Bank Consolidation and Merger Act, section 10 of the Home Owners' Loan Act, or the antitrust laws.

**SEC. 143. CLARIFICATION OF STATUS OF SUBSIDIARIES AND AFFILIATES.**

(a) **CLARIFICATION OF FEDERAL TRADE COMMISSION JURISDICTION.**—Any person which directly or indirectly controls, is controlled directly or indirectly by, or is directly or indirectly under common control with, any bank or savings association (as such terms are defined in section 3 of the Federal Deposit Insurance Act) and is not itself a bank or savings association shall not be deemed to be a bank or savings association for purposes of the Federal Trade Commission Act or any other law enforced by the Federal Trade Commission.

(b) **SAVINGS PROVISION.**—No provision of this section shall be construed as restricting the authority of any Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) under any Federal banking law, including section 8 of the Federal Deposit Insurance Act.

**(c) HART-SCOTT-RODINO AMENDMENTS.—**

(1) **BANKS.**—Section 7A(c)(7) of the Clayton Act (15 U.S.C. 18a(c)(7)) is amended by inserting before the semicolon at the end the following: " , except that a portion of a transaction is not exempt under this paragraph if such portion of the transaction (A) is subject to section 6 of the Bank Holding Company Act of 1956; and (B) does not require agency approval under section 3 of the Bank Holding Company Act of 1956".

(2) **BANK HOLDING COMPANIES.**—Section 7A(c)(8) of the Clayton Act (15 U.S.C. 18a(c)(8)) is amended by inserting before the semicolon at the end the following: " , except that a portion of a transaction is not exempt under this paragraph if such portion of the transaction (A) is subject to section 6 of the Bank Holding Company Act of 1956; and (B) does not require agency approval under section 4 of the Bank Holding Company Act of 1956".

**SEC. 144. ANNUAL GAO REPORT.**

(a) **IN GENERAL.**—By the end of the 1-year period beginning on the date of the enactment of this Act and annually thereafter, the Comptroller General of the United States shall submit a report to the Congress on market concentration in the financial services industry and its impact on consumers.

(b) **ANALYSIS.**—Each report submitted under subsection (a) shall contain an analysis of—

(1) the positive and negative effects of affiliations between various types of financial com-

panies, and of acquisitions pursuant to this Act and the amendments made by this Act to other provisions of law, including any positive or negative effects on consumers, area markets, and submarkets thereof or on registered securities brokers and dealers which have been purchased by depository institutions or depository institution holding companies;

(2) the changes in business practices and the effects of any such changes on the availability of venture capital, consumer credit, and other financial services or products and the availability of capital and credit for small businesses; and

(3) the acquisition patterns among depository institutions, depository institution holding companies, securities firms, and insurance companies including acquisitions among the largest 20 percent of firms and acquisitions within regions or other limited geographical areas.

(c) **SUNSET.**—This section shall not apply after the end of the 5-year period beginning on the date of the enactment of this Act.

**Subtitle F—National Treatment****SEC. 151. FOREIGN BANKS THAT ARE FINANCIAL HOLDING COMPANIES.**

Section 8(c) of the International Banking Act of 1978 (12 U.S.C. 3106(c)) is amended by adding at the end the following new paragraph:

"(3) **TERMINATION OF GRANDFATHERED RIGHTS.**—

"(A) **IN GENERAL.**—If any foreign bank or foreign company files a declaration under section 6(b)(1)(D) or receives a determination under section 10(d)(1) of the Bank Holding Company Act of 1956, any authority conferred by this subsection on any foreign bank or company to engage in any activity which the Board has determined to be permissible for financial holding companies under section 6 of such Act shall terminate immediately.

"(B) **RESTRICTIONS AND REQUIREMENTS AUTHORIZED.**—If a foreign bank or company that engages, directly or through an affiliate pursuant to paragraph (1), in an activity which the Board has determined to be permissible for financial holding companies under section 6 of the Bank Holding Company Act of 1956 has not filed a declaration with the Board of its status as a financial holding company under such section or received a determination under section 10(d)(1) by the end of the 2-year period beginning on the date of the enactment of the Financial Services Act of 1999, the Board, giving due regard to the principle of national treatment and equality of competitive opportunity, may impose such restrictions and requirements on the conduct of such activities by such foreign bank or company as are comparable to those imposed on a financial holding company organized under the laws of the United States, including a requirement to conduct such activities in compliance with any prudential safeguards established under section 114 of the Financial Services Act."

**SEC. 152. FOREIGN BANKS AND FOREIGN FINANCIAL INSTITUTIONS THAT ARE WHOLESALE FINANCIAL INSTITUTIONS.**

Section 8A of the Federal Deposit Insurance Act (as added by section 136(c)(2) of this Act) is amended by adding at the end the following new subsection:

"(i) **VOLUNTARY TERMINATION OF DEPOSIT INSURANCE.**—The provisions on voluntary termination of insurance in this section shall apply to an insured branch of a foreign bank (including a Federal branch) in the same manner and to the same extent as they apply to an insured State bank or a national bank."

**SEC. 153. REPRESENTATIVE OFFICES.**

(a) **DEFINITION OF "REPRESENTATIVE OFFICE"**—Section 1(b)(15) of the International Banking Act of 1978 (12 U.S.C. 3101(15)) is

amended by striking "State agency, or subsidiary of a foreign bank" and inserting "or State agency".

(b) **EXAMINATIONS.**—Section 10(c) of the International Banking Act of 1978 (12 U.S.C. 3107(c)) is amended by adding at the end the following: "The Board may also make examinations of any affiliate of a foreign bank conducting business in any State if the Board deems it necessary to determine and enforce compliance with this Act, the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.), or other applicable Federal banking law."

**SEC. 154. RECIPROCITY.**

(a) **NATIONAL TREATMENT REPORTS.**—

(1) **REPORT REQUIRED IN THE EVENT OF CERTAIN ACQUISITIONS.**—

(A) **IN GENERAL.**—Whenever a person from a foreign country announces its intention to acquire or acquires a bank, a securities underwriter, broker, or dealer, an investment adviser, or insurance company that ranks within the top 50 firms in that line of business in the United States, the Secretary of Commerce, in the case of an insurance company, or the Secretary of the Treasury, in the case of a bank, a securities underwriter, broker, or dealer, or an investment adviser, shall, within the earlier of 6 months of such announcement or such acquisition and in consultation with other appropriate Federal and State agencies, prepare and submit to the Congress a report on whether a United States person would be able, de facto or de jure, to acquire an equivalent sized firm in the country in which such person from a foreign country is located.

(B) **ANALYSIS AND RECOMMENDATIONS.**—If a report submitted under subparagraph (A) states that the equivalent treatment referred to in such subparagraph, de facto and de jure, is not provided in the country which is the subject of the report, the Secretary of Commerce or the Secretary of the Treasury, as the case may be and in consultation with other appropriate Federal and State agencies, shall include in the report analysis and recommendations as to how that country's laws and regulations would need to be changed so that reciprocal treatment would exist.

(2) **REPORT REQUIRED BEFORE FINANCIAL SERVICES NEGOTIATIONS COMMENCE.**—The Secretary of Commerce, with respect to insurance companies, and the Secretary of the Treasury, with respect to banks, securities underwriters, brokers, dealers, and investment advisers, shall, not less than 6 months before the commencement of the financial services negotiations of the World Trade Organization and in consultation with other appropriate Federal and State agencies, prepare and submit to the Congress a report containing—

(A) an assessment of the 30 largest financial services markets with regard to whether reciprocal access is available in such markets to United States financial services providers; and

(B) with respect to any such financial services markets in which reciprocal access is not available to United States financial services providers, an analysis and recommendations as to what legislative, regulatory, or enforcement changes would be required to ensure full reciprocity for such providers.

(3) **PERSON OF A FOREIGN COUNTRY DEFINED.**—For purposes of this subsection, the term "person of a foreign country" means a person, or a person which directly or indirectly owns or controls that person, that is a resident of that country, is organized under the laws of that country, or has its principal place of business in that country.

(b) **PROVISIONS APPLICABLE TO SUBMISSIONS.**—

(1) **NOTICE.**—Before preparing any report required under subsection (a), the Secretary of Commerce or the Secretary of the Treasury, as



the case may be, shall publish notice that a report is in preparation and seek comment from United States persons.

(2) **PRIVILEGED SUBMISSIONS.**—Upon the request of the submitting person, any comments or related communications received by the Secretary of Commerce or the Secretary of the Treasury, as the case may be, with regard to the report shall, for the purposes of section 552 of title 5, of the United States Code, be treated as commercial information obtained from a person that is privileged or confidential, regardless of the medium in which the information is obtained. This confidential information shall be the property of the Secretary and shall be privileged from disclosure to any other person. However, this privilege shall not be construed as preventing access to that confidential information by the Congress.

(3) **PROHIBITION OF UNAUTHORIZED DISCLOSURES.**—No person in possession of confidential information, provided under this section may disclose that information, in whole or in part, except for disclosure made in published statistical material that does not disclose, either directly or when used in conjunction with publicly available information, the confidential information of any person.

#### **Subtitle G—Federal Home Loan Bank System Modernization**

##### **SEC. 161. SHORT TITLE.**

This subtitle may be cited as the “Federal Home Loan Bank System Modernization Act of 1999”.

##### **SEC. 162. DEFINITIONS.**

Section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422) is amended—

(1) in paragraph (1), by striking “term ‘Board’ means” and inserting “terms ‘Finance Board’ and ‘Board’ mean”;

(2) by striking paragraph (3) and inserting the following:

“(3) **STATE.**—The term ‘State’, in addition to the States of the United States, includes the District of Columbia, Guam, Puerto Rico, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.”; and

(3) by adding at the end the following new paragraph:

“(13) **COMMUNITY FINANCIAL INSTITUTION.**—

“(A) **IN GENERAL.**—The term ‘community financial institution’ means a member—

“(i) the deposits of which are insured under the Federal Deposit Insurance Act; and

“(ii) that has, as of the date of the transaction at issue, less than \$500,000,000 in average total assets, based on an average of total assets over the 3 years preceding that date.

“(B) **ADJUSTMENTS.**—The \$500,000,000 limit referred to in subparagraph (A)(ii) shall be adjusted annually by the Finance Board, based on the annual percentage increase, if any, in the Consumer Price Index for all urban consumers, as published by the Department of Labor.”.

##### **SEC. 163. SAVINGS ASSOCIATION MEMBERSHIP.**

Section 5(f) of the Home Owners’ Loan Act (12 U.S.C. 1464(f)) is amended to read as follows:

“(f) **FEDERAL HOME LOAN BANK MEMBERSHIP.**—On and after January 1, 1999, a Federal savings association may become a member of the Federal Home Loan Bank System, and shall qualify for such membership in the manner provided by the Federal Home Loan Bank Act.”.

##### **SEC. 164. ADVANCES TO MEMBERS; COLLATERAL.**

(a) **IN GENERAL.**—Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and indenting appropriately;

(2) by striking “(a) Each” and inserting the following:

“(a) **IN GENERAL.**—

“(1) **ALL ADVANCES.**—Each”;

(3) by striking the second sentence and inserting the following:

“(2) **PURPOSES OF ADVANCES.**—A long-term advance may only be made for the purposes of—

“(A) providing funds to any member for residential housing finance; and

“(B) providing funds to any community financial institution for small business, agricultural, rural development, or low-income community development lending.”;

(4) by striking “A Bank” and inserting the following:

“(3) **COLLATERAL.**—A Bank”;

(5) in paragraph (3) (as so designated by paragraph (4) of this subsection)—

(A) in subparagraph (C) (as so redesignated by paragraph (1) of this subsection) by striking “Deposits” and inserting “Cash or deposits”;

(B) in subparagraph (D) (as so redesignated by paragraph (1) of this subsection), by striking the second sentence; and

(C) by inserting after subparagraph (D) (as so redesignated by paragraph (1) of this subsection) the following new subparagraph:

“(E) Secured loans for small business, agriculture, rural development, or low-income community development, or securities representing a whole interest in such secured loans, in the case of any community financial institution.”;

(6) in paragraph (5)—

(A) in the second sentence, by striking “and the Board”;

(B) in the third sentence, by striking “Board” and inserting “Federal home loan bank”; and

(C) by striking “(5) Paragraphs (1) through (4)” and inserting the following:

“(4) **ADDITIONAL BANK AUTHORITY.**—Subparagraphs (A) through (E) of paragraph (3); and (7) by adding at the end the following:

“(5) **REVIEW OF CERTAIN COLLATERAL STANDARDS.**—The Board may review the collateral standards applicable to each Federal home loan bank for the classes of collateral described in subparagraphs (D) and (E) of paragraph (3), and may, if necessary for safety and soundness purposes, require an increase in the collateral standards for any or all of those classes of collateral.

“(6) **DEFINITIONS.**—For purposes of this subsection, the terms ‘small business’, ‘agriculture’, ‘rural development’, and ‘low-income community development’ shall have the meanings given those terms by rule or regulation of the Finance Board.”.

(b) **CLERICAL AMENDMENT.**—The section heading for section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended to read as follows:

“**SEC. 10. ADVANCES TO MEMBERS.**”.

(c) **CONFORMING AMENDMENTS RELATING TO MEMBERS WHICH ARE NOT QUALIFIED THRIFT LENDERS.**—The first of the 2 subsections designated as subsection (e) of section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430(e)(1)) is amended—

(1) in the last sentence of paragraph (1), by inserting “or, in the case of any community financial institution, for the purposes described in subsection (a)(2)” before the period; and

(2) in paragraph (5)(C), by inserting “except that, in determining the actual thrift investment percentage of any community financial institution for purposes of this subsection, the total investment of such member in loans for small business, agriculture, rural development, or low-income community development, or securities representing a whole interest in such loans, shall be treated as a qualified thrift investment (as defined in such section 10(m))” before the period.

##### **SEC. 165. ELIGIBILITY CRITERIA.**

Section 4(a) of the Federal Home Loan Bank Act (12 U.S.C. 1424(a)) is amended—

(1) in paragraph (2)(A), by inserting, “(other than a community financial institution)” after “institution”; and

(2) by adding at the end the following new paragraph:

“(3) **LIMITED EXEMPTION FOR COMMUNITY FINANCIAL INSTITUTIONS.**—A community financial institution that otherwise meets the requirements of paragraph (2) may become a member without regard to the percentage of its total assets that is represented by residential mortgage loans, as described in subparagraph (A) of paragraph (2).”.

##### **SEC. 166. MANAGEMENT OF BANKS.**

(a) **BOARD OF DIRECTORS.**—Section 7(d) of the Federal Home Loan Bank Act (12 U.S.C. 1427(d)) is amended—

(1) by striking “(d) The term” and inserting the following:

“(d) **TERMS OF OFFICE.**—The term”; and

(2) by striking “shall be two years”.

(b) **COMPENSATION.**—Section 7(i) of the Federal Home Loan Bank Act (12 U.S.C. 1427(i)) is amended by striking “, subject to the approval of the board”.

(c) **REPEAL OF SECTIONS 22A AND 27.**—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by striking sections 22A (12 U.S.C. 1442a) and 27 (12 U.S.C. 1447).

(d) **SECTION 12.**—Section 12 of the Federal Home Loan Bank Act (12 U.S.C. 1432) is amended—

(1) in subsection (a)—

(A) by striking “, but, except” and all that follows through “ten years”;

(B) by striking “subject to the approval of the Board” the first place that term appears;

(C) by striking “and, by its Board of directors,” and all that follows through “agent of such bank,” and inserting “and, by the board of directors of the bank, to prescribe, amend, and repeal by-laws governing the manner in which its affairs may be administered, consistent with applicable laws and regulations, as administered by the Finance Board. No officer, employee, attorney, or agent of a Federal home loan bank”;

(D) by striking “Board of directors” where such term appears in the penultimate sentence and inserting “board of directors”; and

(2) in subsection (b), by striking “loans banks” and inserting “loan banks”.

(e) **POWERS AND DUTIES OF FEDERAL HOUSING FINANCE BOARD.**—

(1) **ISSUANCE OF NOTICES OF VIOLATIONS.**—Section 2B(a) of the Federal Home Loan Bank Act (12 U.S.C. 1422b(a)) is amended by adding at the end the following new paragraphs:

“(5) To issue and serve a notice of charges upon a Federal home loan bank or upon any executive officer or director of a Federal home loan bank if, in the determination of the Finance Board, the bank, executive officer, or director is engaging or has engaged in, or the Finance Board has reasonable cause to believe that the bank, executive officer, or director is about to engage in, any conduct that violates any provision of this Act or any law, order, rule, or regulation or any condition imposed in writing by the Finance Board in connection with the granting of any application or other request by the bank, or any written agreement entered into by the bank with the agency, in accordance with the procedures provided in section 1371(c) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. Such authority includes the same authority to take affirmative action to correct conditions resulting from violations or practices or to limit activities of a bank or any executive officer or director of a bank as appropriate Federal banking agencies have to take with respect to insured depository institutions under paragraphs (6) and (7) of section 8(b) of the Federal Deposit

Insurance Act, and to have all other powers, rights, and duties to enforce this Act with respect to the Federal home loan banks and their executive officers and directors as the Office of Federal Housing Enterprise Oversight has to enforce the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, the Federal National Mortgage Association Charter Act, or the Federal Home Loan Mortgage Corporation Act with respect to the Federal housing enterprises under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

“(6) To address any insufficiencies in capital levels resulting from the application of section 5(f) of the Home Owners’ Loan Act.

“(7) To sue and be sued, by and through its own attorneys.”.

(2) **TECHNICAL AMENDMENT.**—Section 111 of Public Law 93-495 (12 U.S.C. 250) is amended by striking “Federal Home Loan Bank Board,” and inserting “Director of the Office of Thrift Supervision, “the Federal Housing Finance Board,”.

(f) **ELIGIBILITY TO SECURE ADVANCES.**—

(1) **SECTION 9.**—Section 9 of the Federal Home Loan Bank Act (12 U.S.C. 1429) is amended—

(A) in the second sentence, by striking “with the approval of the Board”; and

(B) in the third sentence, by striking “, subject to the approval of the Board.”.

(2) **SECTION 10.**—Section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended—

(A) in subsection (c)—

(i) in the first sentence, by striking “Board” and inserting “Federal home loan bank”; and

(ii) by striking the second sentence;

(B) in subsection (d)—

(i) in the first sentence, by striking “and the approval of the Board”; and

(ii) by striking “Subject to the approval of the Board, any” and inserting “Any”; and

(C) in subsection (f)(1)—

(i) by striking “to subsidize the interest rate on advances” and inserting “to provide subsidies, including subsidized interest rates on advances”;

(ii) by striking “Pursuant” and inserting the following:

“(A) **ESTABLISHMENT.**—Pursuant”; and

(iii) by adding at the end the following new subparagraph:

“(B) **NONDELEGATION OF APPROVAL AUTHORITY.**—Subject to such regulations as the Finance Board may prescribe, the board of directors of each Federal home loan bank may approve or disapprove requests from members for Affordable Housing Program subsidies, and may not delegate such authority.”.

(g) **SECTION 16.**—Section 16(a) of the Federal Home Loan Bank Act (12 U.S.C. 1436(a)) is amended—

(1) in the third sentence—

(A) by striking “net earnings” and inserting “previously retained earnings or current net earnings”; and

(B) by striking “, and then only with the approval of the Federal Housing Finance Board”; and

(2) by striking the fourth sentence.

(h) **SECTION 18.**—Section 18(b) of the Federal Home Loan Bank Act (12 U.S.C. 1438(b)) is amended by striking paragraph (4).

## **SEC. 167. RESOLUTION FUNDING CORPORATION.**

(a) **IN GENERAL.**—Section 21B(f)(2)(C) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(f)(2)(C)) is amended to read as follows:

“(C) **PAYMENTS BY FEDERAL HOME LOAN BANKS.**—

“(i) **IN GENERAL.**—To the extent that the amounts available pursuant to subparagraphs (A) and (B) are insufficient to cover the amount of interest payments, each Federal home loan bank shall pay to the Funding Corporation in

each calendar year, 20.75 percent of the net earnings of that bank (after deducting expenses relating to section 10(j) and operating expenses).

“(ii) **ANNUAL DETERMINATION.**—The Board annually shall determine the extent to which the value of the aggregate amounts paid by the Federal home loan banks exceeds or falls short of the value of an annuity of \$300,000,000 per year that commences on the issuance date and ends on the final scheduled maturity date of the obligations, and shall select appropriate present value factors for making such determinations.

“(iii) **PAYMENT TERM ALTERATIONS.**—The Board shall extend or shorten the term of the payment obligations of a Federal home loan bank under this subparagraph as necessary to ensure that the value of all payments made by the banks is equivalent to the value of an annuity referred to in clause (ii).

“(iv) **TERM BEYOND MATURITY.**—If the Board extends the term of payments beyond the final scheduled maturity date for the obligations, each Federal home loan bank shall continue to pay 20.75 percent of its net earnings (after deducting expenses relating to section 10(j) and operating expenses) to the Treasury of the United States until the value of all such payments by the Federal home loan banks is equivalent to the value of an annuity referred to in clause (ii). In the final year in which the Federal home loan banks are required to make any payment to the Treasury under this subparagraph, if the dollar amount represented by 20.75 percent of the net earnings of the Federal home loan banks exceeds the remaining obligation of the banks to the Treasury, the Finance Board shall reduce the percentage pro rata to a level sufficient to pay the remaining obligation.”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall become effective on January 1, 1999. Payments made by a Federal home loan bank before that effective date shall be counted toward the total obligation of that bank under section 21B(f)(2)(C) of the Federal Home Loan Bank Act, as amended by this section.

## **SEC. 168. CAPITAL STRUCTURE OF FEDERAL HOME LOAN BANKS.**

Section 6 of the Federal Home Loan Bank Act (12 U.S.C. 1426) is amended to read as follows:

### **“SEC. 6. CAPITAL STRUCTURE OF FEDERAL HOME LOAN BANKS.**

“(a) **REGULATIONS.**—

“(1) **CAPITAL STANDARDS.**—Not later than 1 year after the date of the enactment of the Financial Services Act of 1999, the Finance Board shall issue regulations prescribing uniform capital standards applicable to each Federal home loan bank, which shall require each such bank to meet—

“(A) the leverage requirement specified in paragraph (2); and

“(B) the risk-based capital requirements, in accordance with paragraph (3).

“(2) **LEVERAGE REQUIREMENT.**—

“(A) **IN GENERAL.**—The leverage requirement shall require each Federal home loan bank to maintain a minimum amount of total capital based on the aggregate on-balance sheet assets of the bank and shall be 5 percent.

“(B) **TREATMENT OF STOCK AND RETAINED EARNINGS.**—In determining compliance with the minimum leverage ratio established under subparagraph (A), the paid-in value of the outstanding Class B stock shall be multiplied by 1.5, the paid-in value of the outstanding Class C stock and the amount of retained earnings shall be multiplied by 2.0, and such higher amounts shall be deemed to be capital for purposes of meeting the 5 percent minimum leverage ratio.

“(3) **RISK-BASED CAPITAL STANDARDS.**—

“(A) **IN GENERAL.**—Each Federal home loan bank shall maintain permanent capital in an amount that is sufficient, as determined in accordance with the regulations of the Finance Board, to meet—

“(i) the credit risk to which the Federal home loan bank is subject; and

“(ii) the market risk, including interest rate risk, to which the Federal home loan bank is subject, based on a stress test established by the Finance Board that rigorously tests for changes in market variables, including changes in interest rates, rate volatility, and changes in the shape of the yield curve.

“(B) **CONSIDERATION OF OTHER RISK-BASED STANDARDS.**—In establishing the risk-based standard under subparagraph (A)(ii), the Finance Board shall take due consideration of any risk-based capital test established pursuant to section 1361 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4611) for the enterprises (as defined in that Act), with such modifications as the Finance Board determines to be appropriate to reflect differences in operations between the Federal home loan banks and those enterprises.

“(4) **OTHER REGULATORY REQUIREMENTS.**—The regulations issued by the Finance Board under paragraph (1) shall—

“(A) permit each Federal home loan bank to issue, with such rights, terms, and preferences, not inconsistent with this Act and the regulations issued hereunder, as the board of directors of that bank may approve, any one or more of—

“(i) Class A stock, which shall be redeemable in cash and at par 6 months following submission by a member of a written notice of its intent to redeem such shares;

“(ii) Class B stock, which shall be redeemable in cash and at par 5 years following submission by a member of a written notice of its intent to redeem such shares; and

“(iii) Class C stock, which shall be non-redeemable;

“(B) provide that the stock of a Federal home loan bank may be issued to and held by only members of the bank, and that a bank may not issue any stock other than as provided in this section;

“(C) prescribe the manner in which stock of a Federal home loan bank may be sold, transferred, redeemed, or repurchased; and

“(D) provide the manner of disposition of outstanding stock held by, and the liquidation of any claims of the Federal home loan bank against, an institution that ceases to be a member of the bank, through merger or otherwise, or that provides notice of intention to withdraw from membership in the bank.

“(5) **DEFINITIONS OF CAPITAL.**—For purposes of determining compliance with the capital standards established under this subsection—

“(A) permanent capital of a Federal home loan bank shall include (as determined in accordance with generally accepted accounting principles)—

“(i) the amounts paid for the Class C stock and any other nonredeemable stock approved by the Finance Board;

“(ii) the amounts paid for the Class B stock, in an amount not to exceed 1 percent of the total assets of the bank; and

“(iii) the retained earnings of the bank; and

“(B) total capital of a Federal home loan bank shall include—

“(i) permanent capital;

“(ii) the amounts paid for the Class A stock, Class B stock (excluding any amount treated as permanent capital under subparagraph (5)(A)(ii)), or any other class of redeemable stock approved by the Finance Board;

“(iii) consistent with generally accepted accounting principles, and subject to the regulation of the Finance Board, a general allowance for losses, which may not include any reserves or allowances made or held against specific assets; and

“(iv) any other amounts from sources available to absorb losses incurred by the bank that

the Finance Board determines by regulation to be appropriate to include in determining total capital.

“(6) **TRANSITION PERIOD.**—Notwithstanding any other provisions of this Act, the requirements relating to purchase and retention of capital stock of a Federal home loan bank by any member thereof in effect on the day before the date of the enactment of the Federal Home Loan Bank System Modernization Act of 1999, shall continue in effect with respect to each Federal home loan bank until the regulations required by this subsection have taken effect and the capital structure plan required by subsection (b) has been approved by the Finance Board and implemented by such bank.

“(b) **CAPITAL STRUCTURE PLAN.**—

“(1) **APPROVAL OF PLANS.**—Not later than 270 days after the date of publication by the Finance Board of final regulations in accordance with subsection (a), the board of directors of each Federal home loan bank shall submit for Finance Board approval a plan establishing and implementing a capital structure for such bank that—

“(A) the board of directors determines is best suited for the condition and operation of the bank and the interests of the members of the bank;

“(B) meets the requirements of subsection (c); and

“(C) meets the minimum capital standards and requirements established under subsection (a) and other regulations prescribed by the Finance Board.

“(2) **APPROVAL OF MODIFICATIONS.**—The board of directors of a Federal home loan bank shall submit to the Finance Board for approval any modifications that the bank proposes to make to an approved capital structure plan.

“(c) **CONTENTS OF PLAN.**—The capital structure plan of each Federal home loan bank shall contain provisions addressing each of the following:

“(1) **MINIMUM INVESTMENT.**—

“(A) **IN GENERAL.**—Each capital structure plan of a Federal home loan bank shall require each member of the bank to maintain a minimum investment in the stock of the bank, the amount of which shall be determined in a manner to be prescribed by the board of directors of each bank and to be included as part of the plan.

“(B) **INVESTMENT ALTERNATIVES.**—

“(i) **IN GENERAL.**—In establishing the minimum investment required for each member under subparagraph (A), a Federal home loan bank may, in its discretion, include any one or more of the requirements referred to in clause (ii), or any other provisions approved by the Finance Board.

“(ii) **AUTHORIZED REQUIREMENTS.**—A requirement is referred to in this clause if it is a requirement for—

“(I) a stock purchase based on a percentage of the total assets of a member; or

“(II) a stock purchase based on a percentage of the outstanding advances from the bank to the member.

“(C) **MINIMUM AMOUNT.**—Each capital structure plan of a Federal home loan bank shall require that the minimum stock investment established for members shall be set at a level that is sufficient for the bank to meet the minimum capital requirements established by the Finance Board under subsection (a).

“(D) **ADJUSTMENTS TO MINIMUM REQUIRED INVESTMENT.**—The capital structure plan of each Federal home loan bank shall impose a continuing obligation on the board of directors of the bank to review and adjust the minimum investment required of each member of that bank, as necessary to ensure that the bank remains in compliance with applicable minimum capital

levels established by the Finance Board, and shall require each member to comply promptly with any adjustments to the required minimum investment.

“(2) **TRANSITION RULE.**—

“(A) **IN GENERAL.**—The capital structure plan of each Federal home loan bank shall specify the date on which it shall take effect, and may provide for a transition period of not longer than 3 years to allow the bank to come into compliance with the capital requirements prescribed under subsection (a), and to allow any institution that was a member of the bank on the date of the enactment of the Financial Services Act of 1999, to come into compliance with the minimum investment required pursuant to the plan.

“(B) **INTERIM PURCHASE REQUIREMENTS.**—The capital structure plan of a Federal home loan bank may allow any member referred to in subparagraph (A) that would be required by the terms of the capital structure plan to increase its investment in the stock of the bank to do so in periodic installments during the transition period.

“(3) **DISPOSITION OF SHARES.**—The capital structure plan of a Federal home loan bank shall provide for the manner of disposition of any stock held by a member of that bank that terminates its membership or that provides notice of its intention to withdraw from membership in that bank.

“(4) **CLASSES OF STOCK.**—

“(A) **IN GENERAL.**—The capital structure plan of a Federal home loan bank shall afford each member of that bank the option of maintaining its required investment in the bank through the purchase of any combination of classes of stock authorized by the board of directors of the bank and approved by the Finance Board in accordance with its regulations.

“(B) **RIGHTS REQUIREMENT.**—A Federal home loan bank shall include in its capital structure plan provisions establishing terms, rights, and preferences, including minimum investment, dividends, voting, and liquidation preferences of each class of stock issued by the bank, consistent with Finance Board regulations and market requirements.

“(C) **REDUCED MINIMUM INVESTMENT.**—The capital structure plan of a Federal home loan bank may provide for a reduced minimum stock investment for any member of that bank that elects to purchase Class B, Class C, or any other class of nonredeemable stock, in a manner that is consistent with meeting the minimum capital requirements of the bank, as established by the Finance Board.

“(D) **LIQUIDATION OF CLAIMS.**—The capital structure plan of a Federal home loan bank shall provide for the liquidation in an orderly manner, as determined by the bank, of any claim of that bank against a member, including claims for any applicable prepayment fees or penalties resulting from prepayment of advances prior to stated maturity.

“(5) **LIMITED TRANSFERABILITY OF STOCK.**—The capital structure plan of a Federal home loan bank shall—

“(A) provide that—

“(i) any stock issued by that bank shall be available only to, held only by, and tradable only among members of that bank and between that bank and its members; and

“(ii) a bank has no obligation to repurchase its outstanding Class C stock but may do so, provided it is consistent with Finance Board regulations and is at a price that is mutually agreeable to the bank and the member; and

“(B) establish standards, criteria, and requirements for the issuance, purchase, transfer, retirement, and redemption of stock issued by that bank.

“(6) **BANK REVIEW OF PLAN.**—Before filing a capital structure plan with the Finance Board,

each Federal home loan bank shall conduct a review of the plan by—

“(A) an independent certified public accountant, to ensure, to the extent possible, that implementation of the plan would not result in any write-down of the redeemable bank stock investment of its members; and

“(B) at least one major credit rating agency, to determine, to the extent possible, whether implementation of the plan would have any material effect on the credit ratings of the bank.

“(d) **TERMINATION OF MEMBERSHIP.**—

“(1) **VOLUNTARY WITHDRAWAL.**—Any member may withdraw from a Federal home loan bank by providing written notice to the bank of its intent to do so. The applicable stock redemption notice periods shall commence upon receipt of the notice by the bank. Upon the expiration of the applicable notice period for each class of redeemable stock, the member may surrender such stock to the bank, and shall be entitled to receive in cash the par value of the stock. During the applicable notice periods, the member shall be entitled to dividends and other membership rights commensurate with continuing stock ownership.

“(2) **INVOLUNTARY WITHDRAWAL.**—

“(A) **IN GENERAL.**—The board of directors of a Federal home loan bank may terminate the membership of any institution if, subject to Finance Board regulations, it determines that—

“(i) the member has failed to comply with a provision of this Act or any regulation prescribed under this Act; or

“(ii) the member has been determined to be insolvent, or otherwise subject to the appointment of a conservator, receiver, or other legal custodian, by a State or Federal authority with regulatory and supervisory responsibility for the member.

“(B) **STOCK DISPOSITION.**—An institution, the membership of which is terminated in accordance with subparagraph (A)—

“(i) shall surrender redeemable stock to the Federal home loan bank, and shall receive in cash the par value of the stock, upon the expiration of the applicable notice period under subsection (a)(4)(A);

“(ii) shall receive any dividends declared on its redeemable stock, during the applicable notice period under subsection (a)(4)(A); and

“(iii) shall not be entitled to any other rights or privileges accorded to members after the date of the termination.

“(C) **COMMENCEMENT OF NOTICE PERIOD.**—With respect to an institution, the membership of which is terminated in accordance with subparagraph (A), the applicable notice period under subsection (a)(4) for each class of redeemable stock shall commence on the earlier of—

“(i) the date of such termination; or

“(ii) the date on which the member has provided notice of its intent to redeem such stock.

“(3) **LIQUIDATION OF INDEBTEDNESS.**—Upon the termination of the membership of an institution for any reason, the outstanding indebtedness of the member to the bank shall be liquidated in an orderly manner, as determined by the bank and, upon the extinguishment of all such indebtedness, the bank shall return to the member all collateral pledged to secure the indebtedness.

“(e) **REDEMPTION OF EXCESS STOCK.**—

“(1) **IN GENERAL.**—A Federal home loan bank, in its sole discretion, may redeem or repurchase, as appropriate, any shares of Class A or Class B stock issued by the bank and held by a member that are in excess of the minimum stock investment required of that member.

“(2) **EXCESS STOCK.**—Shares of stock held by a member shall not be deemed to be ‘excess stock’ for purposes of this subsection by virtue of a member’s submission of a notice of intent to withdraw from membership or termination of its membership in any other manner.

“(3) **PRIORITY.**—A Federal home loan bank may not redeem any excess Class B stock prior to the end of the 5-year notice period, unless the member has no Class A stock outstanding that could be redeemed as excess.

“(f) **IMPAIRMENT OF CAPITAL.**—If the Finance Board or the board of directors of a Federal home loan bank determines that the bank has incurred or is likely to incur losses that result in or are expected to result in charges against the capital of the bank, the bank shall not redeem or repurchase any stock of the bank without the prior approval of the Finance Board while such charges are continuing or are expected to continue. In no case may a bank redeem or repurchase any applicable capital stock if, following the redemption, the bank would fail to satisfy any minimum capital requirement.

“(g) **REJOINING AFTER DIVESTITURE OF ALL SHARES.**—

“(1) **IN GENERAL.**—Except as provided in paragraph (2), and notwithstanding any other provision of this Act, an institution that divests all shares of stock in a Federal home loan bank may not, after such divestiture, acquire shares of any Federal home loan bank before the end of the 5-year period beginning on the date of the completion of such divestiture, unless the divestiture is a consequence of a transfer of membership on an uninterrupted basis between banks.

“(2) **EXCEPTION FOR WITHDRAWALS FROM MEMBERSHIP BEFORE 1998.**—Any institution that withdrew from membership in any Federal home loan bank before December 31, 1997, may acquire shares of a Federal home loan bank at any time after that date, subject to the approval of the Finance Board and the requirements of this Act.

“(h) **TREATMENT OF RETAINED EARNINGS.**—

“(1) **IN GENERAL.**—The holders of the Class C stock of a Federal home loan bank, and any other classes of nonredeemable stock approved by the Finance Board (to the extent provided in the terms thereof), shall own the retained earnings, surplus, undivided profits, and equity reserves, if any, of the bank.

“(2) **NO NONREDEEMABLE CLASSES OF STOCK.**—If a Federal home loan bank has no outstanding Class C or other such nonredeemable stock, then the holders of any other classes of stock of the bank then outstanding shall have ownership in, and a private property right in, the retained earnings, surplus, undivided profits, and equity reserves, if any, of the bank.

“(3) **EXCEPTION.**—Except as specifically provided in this section or through the declaration of a dividend or a capital distribution by a Federal home loan bank, or in the event of liquidation of the bank, a member shall have no right to withdraw or otherwise receive distribution of any portion of the retained earnings of the bank.

“(4) **LIMITATION.**—A Federal home loan bank may not make any distribution of its retained earnings unless, following such distribution, the bank would continue to meet all applicable capital requirements.”.

#### Subtitle H—ATM Fee Reform

##### SEC. 171. SHORT TITLE.

This subtitle may be cited as the “ATM Fee Reform Act of 1999”.

##### SEC. 172. ELECTRONIC FUND TRANSFER FEE DISCLOSURES AT ANY HOST ATM.

Section 904(d) of the Electronic Fund Transfer Act (15 U.S.C. 1693b(d)) is amended by adding at the end the following new paragraph:

“(3) **FEE DISCLOSURES AT AUTOMATED TELLER MACHINES.**—

“(A) **IN GENERAL.**—The regulations prescribed under paragraph (1) shall require any automated teller machine operator who imposes a fee on any consumer for providing host transfer services to such consumer to provide notice in accordance with subparagraph (B) to the consumer (at the time the service is provided) of—

“(i) the fact that a fee is imposed by such operator for providing the service; and  
“(ii) the amount of any such fee.

“(B) **NOTICE REQUIREMENTS.**—

“(i) **ON THE MACHINE.**—The notice required under clause (i) of subparagraph (A) with respect to any fee described in such subparagraph shall be posted in a prominent and conspicuous location on or at the automated teller machine at which the electronic fund transfer is initiated by the consumer; and

“(ii) **ON THE SCREEN.**—The notice required under clauses (i) and (ii) of subparagraph (A) with respect to any fee described in such subparagraph shall appear on the screen of the automated teller machine, or on a paper notice issued from such machine, after the transaction is initiated and before the consumer is irrevocably committed to completing the transaction.

“(C) **PROHIBITION ON FEES NOT PROPERLY DISCLOSED AND EXPLICITLY ASSUMED BY CONSUMER.**—No fee may be imposed by any automated teller machine operator in connection with any electronic fund transfer initiated by a consumer for which a notice is required under subparagraph (A), unless—

“(i) the consumer receives such notice in accordance with subparagraph (B); and

“(ii) the consumer elects to continue in the manner necessary to effect the transaction after receiving such notice.

“(D) **DEFINITIONS.**—For purposes of this paragraph, the following definitions shall apply:

“(i) **ELECTRONIC FUND TRANSFER.**—The term ‘electronic fund transfer’ includes a transaction which involves a balance inquiry initiated by a consumer in the same manner as an electronic fund transfer, whether or not the consumer initiates a transfer of funds in the course of the transaction.

“(ii) **AUTOMATED TELLER MACHINE OPERATOR.**—The term ‘automated teller machine operator’ means any person who—

“(I) operates an automated teller machine at which consumers initiate electronic fund transfers; and

“(II) is not the financial institution which holds the account of such consumer from which the transfer is made.

“(iii) **HOST TRANSFER SERVICES.**—The term ‘host transfer services’ means any electronic fund transfer made by an automated teller machine operator in connection with a transaction initiated by a consumer at an automated teller machine operated by such operator.”.

##### SEC. 173. DISCLOSURE OF POSSIBLE FEES TO CONSUMERS WHEN ATM CARD IS ISSUED.

Section 905(a) of the Electronic Fund Transfer Act (15 U.S.C. 1693c(a)) is amended—

(1) by striking “and” at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting “; and”; and

(3) by inserting after paragraph (9) the following new paragraph:

“(10) a notice to the consumer that a fee may be imposed by—

“(A) an automated teller machine operator (as defined in section 904(d)(3)(D)(ii)) if the consumer initiates a transfer from an automated teller machine which is not operated by the person issuing the card or other means of access; and

“(B) any national, regional, or local network utilized to effect the transaction.”.

##### SEC. 174. FEASIBILITY STUDY.

(a) **IN GENERAL.**—The Comptroller General of the United States shall conduct a study of the feasibility of requiring, in connection with any electronic fund transfer initiated by a consumer through the use of an automated teller machine—

(1) a notice to be provided to the consumer before the consumer is irrevocably committed to

completing the transaction, which clearly states the amount of any fee which will be imposed upon the consummation of the transaction by—

(A) any automated teller machine operator (as defined in section 904(d)(3)(D)(ii) of the Electronic Fund Transfer Act) involved in the transaction;

(B) the financial institution holding the account of the consumer;

(C) any national, regional, or local network utilized to effect the transaction; and

(D) any other party involved in the transfer; and

(2) the consumer to elect to consummate the transaction after receiving the notice described in paragraph (1).

(b) **FACTORS TO BE CONSIDERED.**—In conducting the study required under subsection (a) with regard to the notice requirement described in such subsection, the Comptroller General shall consider the following factors:

(1) The availability of appropriate technology.

(2) Implementation and operating costs.

(3) The competitive impact any such notice requirement would have on various sizes and types of institutions, if implemented.

(4) The period of time which would be reasonable for implementing any such notice requirement.

(5) The extent to which consumers would benefit from any such notice requirement.

(6) Any other factor the Comptroller General determines to be appropriate in analyzing the feasibility of imposing any such notice requirement.

(c) **REPORT TO THE CONGRESS.**—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing—

(1) the findings and conclusions of the Comptroller General in connection with the study required under subsection (a); and

(2) the recommendation of the Comptroller General with regard to the question of whether a notice requirement described in subsection (a) should be implemented and, if so, how such requirement should be implemented.

##### SEC. 175. NO LIABILITY IF POSTED NOTICES ARE DAMAGED.

Section 910 of the Electronic Fund Transfer Act (15 U.S.C. 1693h) is amended by adding at the end the following new subsection:

“(d) **EXCEPTION FOR DAMAGED NOTICES.**—If the notice required to be posted pursuant to section 904(d)(3)(B)(i) by an automated teller machine operator has been posted by such operator in compliance with such section and the notice is subsequently removed, damaged, or altered by any person other than the operator of the automated teller machine, the operator shall have no liability under this section for failure to comply with section 904(d)(3)(B)(i).”.

#### Subtitle I—Direct Activities of Banks

##### SEC. 181. AUTHORITY OF NATIONAL BANKS TO UNDERWRITE CERTAIN MUNICIPAL BONDS.

The paragraph designated the Seventh of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24(7)) is amended by adding at the end the following new sentence: “In addition to the provisions in this paragraph for dealing in, underwriting or purchasing securities, the limitations and restrictions contained in this paragraph as to dealing in, underwriting, and purchasing investment securities for the national bank's own account shall not apply to obligations (including limited obligation bonds, revenue bonds, and obligations that satisfy the requirements of section 142(b)(1) of the Internal Revenue Code of 1986) issued by or on behalf of

any State or political subdivision of a State, including any municipal corporate instrumentality of one or more States, or any public agency or authority of any State or political subdivision of a State, if the national bank is well capitalized (as defined in section 38 of the Federal Deposit Insurance Act)."

#### **Subtitle J—Deposit Insurance Funds**

##### **SEC. 186. STUDY OF SAFETY AND SOUNDNESS OF FUNDS.**

(a) **STUDY REQUIRED.**—The Board of Directors of the Federal Deposit Insurance Corporation shall conduct a study of the following issues with regard to the Bank Insurance Fund and the Savings Association Insurance Fund:

(1) **SAFETY AND SOUNDNESS.**—The safety and soundness of the funds and the adequacy of the reserve requirements applicable to the funds in light of—

(A) the size of the insured depository institutions which are resulting from mergers and consolidations since the effective date of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994; and

(B) the affiliation of insured depository institutions with other financial institutions pursuant to this Act and the amendments made by this Act.

(2) **CONCENTRATION LEVELS.**—The concentration levels of the funds, taking into account the number of members of each fund and the geographic distribution of such members, and the extent to which either fund is exposed to higher risks due to a regional concentration of members or an insufficient membership base relative to the size of member institutions.

(3) **MERGER ISSUES.**—Issues relating to the planned merger of the funds, including the cost of merging the funds and the manner in which such costs will be distributed among the members of the respective funds.

(b) **REPORT REQUIRED.**—

(1) **IN GENERAL.**—Before the end of the 9-month period beginning on the date of the enactment of this Act, the Board of Directors of the Federal Deposit Insurance Corporation shall submit a report to the Congress on the study conducted pursuant to subsection (a).

(2) **CONTENTS OF REPORT.**—The report shall include—

(A) detailed findings of the Board of Directors with regard to the issues described in subsection (a);

(B) a description of the plans developed by the Board of Directors for merging the Bank Insurance Fund and the Savings Association Insurance Fund, including an estimate of the amount of the cost of such merger which would be borne by Savings Association Insurance Fund members; and

(C) such recommendations for legislative and administrative action as the Board of Directors determines to be necessary or appropriate to preserve the safety and soundness of the deposit insurance funds, reduce the risks to such funds, provide for an efficient merger of such funds, and for other purposes.

(c) **DEFINITIONS.**—For purposes of this section, the following definitions shall apply:

(1) **INSURED DEPOSITORY INSTITUTION.**—The term "insured depository institution" has the same meaning as in section 3(c) of the Federal Deposit Insurance Act.

(2) **BIF AND SAIF MEMBERS.**—The terms "Bank Insurance Fund member" and "Savings Association Insurance Fund member" have the same meanings as in section 7(l) of the Federal Deposit Insurance Act.

##### **SEC. 187. ELIMINATION OF SAIF AND DIF SPECIAL RESERVES.**

(a) **SAIF SPECIAL RESERVES.**—Section 11(a)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(6)) is amended by striking subparagraph (L).

(b) **DIF SPECIAL RESERVES.**—Section 2704 of the Deposit Insurance Funds Act of 1996 (12 U.S.C. 1821 note) is amended—

(1) by striking subsection (b); and

(2) in subsection (d)—

(A) by striking paragraph (4);

(B) in paragraph (6)(C)(i), by striking "(6) and (7)" and inserting "(5), (6), and (7)"; and

(C) in paragraph (6)(C), by striking clause (ii) and inserting the following:

"(ii) by redesignating paragraph (8) as paragraph (5)."

#### **Subtitle K—Miscellaneous Provisions**

##### **SEC. 191. TERMINATION OF "KNOW YOUR CUSTOMER" REGULATIONS.**

(a) **IN GENERAL.**—None of the proposed regulations described in subsection (b) may be published in final form and, to the extent any such regulation has become effective before the date of the enactment of this Act, such regulation shall cease to be effective as of such date.

(b) **PROPOSED REGULATIONS DESCRIBED.**—The proposed regulations referred to in subsection (a) are as follows:

(1) The regulation proposed by the Comptroller of the Currency to amend part 21 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

(2) The regulation proposed by the Director of the Office of Thrift Supervision to amend part 563 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

(3) The regulation proposed by the Board of Governors of the Federal Reserve System to amend parts 208, 211, and 225 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

(4) The regulation proposed by the Federal Deposit Insurance Corporation to amend part 326 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

##### **SEC. 192. STUDY AND REPORT ON FEDERAL ELECTRONIC FUND TRANSFERS.**

(a) **STUDY.**—The Secretary of the Treasury shall conduct a feasibility study to determine—

(1) whether all electronic payments issued by Federal agencies could be routed through the Regional Finance Centers of the Department of the Treasury for verification and reconciliation;

(2) whether all electronic payments made by the Federal Government could be subjected to the same level of reconciliation as United States Treasury checks, including matching each payment issued with each corresponding deposit at financial institutions;

(3) whether the appropriate computer security controls are in place in order to ensure the integrity of electronic payments;

(4) the estimated costs of implementing, if so recommended, the processes and controls described in paragraphs (1), (2), and (3); and

(5) a possible timetable for implementing those processes if so recommended.

(b) **REPORT TO CONGRESS.**—Not later than October 1, 2000, the Secretary of the Treasury shall submit a report to Congress containing the results of the study required by subsection (a).

(c) **DEFINITION.**—For purposes of this section, the term "electronic payment" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, or computer or magnetic tapes so as to order, instruct, or authorize a debit or credit to a financial account.

##### **SEC. 193. GENERAL ACCOUNTING OFFICE STUDY OF CONFLICTS OF INTEREST**

(a) **STUDY REQUIRED.**—The Comptroller General of the United States shall conduct a study analyzing the conflict of interest faced by the Board of Governors of the Federal Reserve Sys-

tem between its role as a primary regulator of the banking industry and its role as a vendor of services to the banking and financial services industry.

(b) **SPECIFIC CONFLICT REQUIRED TO BE ADDRESSED.**—In the course of the study required under subsection (a), the Comptroller General shall address the conflict of interest faced by the Board of Governors of the Federal Reserve System between the role of the Board as a regulator of the payment system, generally, and its participation in the payment system as a competitor with private entities who are providing payment services.

(c) **REPORT TO CONGRESS.**—Before the end of the 1-year period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing the findings and conclusions of the Comptroller General in connection with the study required under this section, together with such recommendations for such legislative or administrative actions as the Comptroller General may determine to be appropriate, including recommendations for resolving any such conflict of interest.

##### **SEC. 194. STUDY OF COST OF ALL FEDERAL BANKING REGULATIONS.**

(a) **IN GENERAL.**—In accordance with the finding in the Board of Governors of the Federal Reserve System Staff Study Numbered 171 (April, 1998) that "Further research covering more and different types of regulations and regulatory requirements is clearly needed to make informed decisions about regulations", the Board of Governors of the Federal Reserve System, in consultation with the other Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act) shall conduct a comprehensive study of the total annual costs and benefits of all Federal financial regulations and regulatory requirements applicable to banks.

(b) **REPORT REQUIRED.**—Before the end of the 2-year period beginning on the date of the enactment of this Act, the Board of Governors of the Federal Reserve System shall submit a comprehensive report to the Congress containing the findings and conclusions of the Board in connection with the study required under subsection (a) and such recommendations for legislative and administrative action as the Board may determine to be appropriate.

##### **SEC. 195. STUDY AND REPORT ON ADAPTING EXISTING LEGISLATIVE REQUIREMENTS TO ONLINE BANKING AND LENDING.**

(a) **STUDY REQUIRED.**—The Federal banking agencies shall conduct a study of banking regulations regarding the delivery of financial services, including those regulations that may assume that there will be person-to-person contact during the course of a financial services transaction, and report their recommendations on adapting those existing requirements to online banking and lending.

(b) **REPORT REQUIRED.**—Within 1 year of the date of the enactment of this Act, the Federal banking agencies shall submit a report to the Congress on the findings and conclusions of the agencies with respect to the study required under subsection (a), together with such recommendations for legislative or regulatory action as the agencies may determine to be appropriate.

(c) **DEFINITION.**—For purposes of this section, the term "Federal banking agencies" means each Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act).

##### **SEC. 196. REGULATION OF UNINSURED STATE MEMBER BANKS.**

Section 9 of the Federal Reserve Act (12 U.S.C. 321 et seq.) is amended by adding at the end the following new paragraph:

“(24) ENFORCEMENT AUTHORITY OVER UNINSURED STATE MEMBER BANKS.—Section 3(u) of the Federal Deposit Insurance Act, subsections (j) and (k) of section 7 of such Act, and subsections (b) through (n), (s), (u), and (v) of section 8 of such Act shall apply to an uninsured State member bank in the same manner and to the same extent such provisions apply to an insured State member bank and any reference in any such provision to ‘insured depository institution’ shall be deemed to be a reference to ‘uninsured State member bank’ for purposes of this paragraph.”.

#### SEC. 197. CLARIFICATION OF SOURCE OF STRENGTH DOCTRINE.

Section 18 of the Federal Deposit Insurance Act (21 U.S.C. 1828) is amended by adding at the end the following new subsection:

##### “(t) LIMITATION ON CLAIMS.—

“(1) IN GENERAL.—Notwithstanding any other provision of law other than paragraph (2), no person shall have any claim for monetary damages or return of assets or other property against any Federal banking agency (including in its capacity as conservator or receiver) relating to the transfer of money, assets, or other property to increase the capital of an insured depository institution by any depository institution holding company or controlling shareholder for such depository institution, or any affiliate or subsidiary of such depository institution, if at the time of the transfer—

“(A) the insured depository institution is subject to any direction issued in writing by a Federal banking agency to increase its capital;

“(B) the depository institution is undercapitalized, significantly undercapitalized, or critically undercapitalized (as defined in section 38 of this Act); and

“(C) for that portion of the transfer that is made by an entity covered by section 5(g) of the Bank Holding Company Act of 1956 or section 45 of this Act, the Federal banking agency has followed the procedure set forth in such section.

“(2) EXCEPTION.—No provision of this subsection shall be construed as limiting—

“(A) the right of an insured depository institution, a depository institution holding company, or any other agency or person to seek direct review of an order or directive issued by a Federal banking agency under this Act, the Bank Holding Company Act of 1956, the National Bank Receivership Act, the Bank Conservation Act, or the Home Owners’ Loan Act;

“(B) the rights of any party to a contract pursuant to section 11(e) of this Act; or

“(C) the rights of any party to a contract with a depository institution holding company or a subsidiary of a depository institution holding company (other than an insured depository institution).”.

#### SEC. 198. INTEREST RATES AND OTHER CHARGES AT INTERSTATE BRANCHES.

Section 44 of the Federal Deposit Insurance Act (12 U.S.C. 1831u) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following:

##### “(f) APPLICABLE RATE AND OTHER CHARGE LIMITATIONS.—

“(1) IN GENERAL.—Except as provided for in paragraph (3), upon the establishment of a branch of any insured depository institution in a host State under this section, the maximum interest rate or amount of interest, discount points, finance charges, or other similar charges that may be charged, taken, received, or reserved from time to time in any loan or discount made or upon any note, bill of exchange, financing transaction, or other evidence of debt by any insured depository institution in such State shall be equal to not more than the greater of—

“(A) the maximum interest rate or amount of interest, discount points, finance charges, or other similar charges that may be charged, taken, received, or reserved in a similar transaction under the constitution, statutory, or other laws of the home State of the insured depository institution establishing any such branch, without reference to this section, as such maximum interest rate or amount of interest may change from time to time; or

“(B) the maximum rate or amount of interest, discount points, finance charges, or other similar charges that may be charged, taken, received, or reserved in a similar transaction by an insured depository institution under the constitution, statutory, or other laws of the host State, without reference to this section.

“(2) PREEMPTION.—The limitations established under paragraph (1) shall apply only in any State that has a constitutional provision that sets a maximum lawful rate of interest on any contract at not more than 5 percent per annum above the Federal Reserve Discount Rate or 90-day commercial paper in effect in the Federal Reserve Bank in the Federal Reserve District in which the State is located.

“(3) RULE OF CONSTRUCTION.—No provision of this subsection shall be construed as superseding section 501 of the Depository Institutions Deregulation and Monetary Control Act of 1980.

#### SEC. 198A. INTERSTATE BRANCHES AND AGENCIES OF FOREIGN BANKS.

Section 5(a)(7) of the International Banking Act of 1978 (12 U.S.C. 3103(a)(7)), is amended to read as follows:

“(7) ADDITIONAL AUTHORITY FOR INTERSTATE BRANCHES AND AGENCIES OF FOREIGN BANKS, UPGRADES OF CERTAIN FOREIGN BANK AGENCIES AND BRANCHES.—Notwithstanding paragraphs (1) and (2), a foreign bank may—

“(A) with the approval of the Board and the Comptroller of the Currency, establish and operate a Federal branch or Federal agency or, with the approval of the Board and the appropriate State bank supervisor, a State branch or State agency in any State outside the foreign bank’s home State if—

“(i) the establishment and operation of such branch or agency is permitted by the State in which the branch or agency is to be established; and

“(ii) in the case of a Federal or State branch, the branch receives only such deposits as would be permitted for a corporation organized under section 25A of the Federal Reserve Act (12 U.S.C. 611 et seq.); or

“(B) with the approval of the Board and the relevant licensing authority (the Comptroller in the case of a Federal branch or the appropriate State supervisor in the case of a State branch), upgrade an agency, or a branch of the type referred to in subparagraph (A)(ii), located in a State outside the foreign bank’s home State, into a Federal or State branch if—

“(i) the establishment and operation of such branch is permitted by such State; and

“(ii) such agency or branch—

“(I) was in operation in such State on the day before September 29, 1994; or

“(II) has been in operation in such State for a period of time that meets the State’s minimum age requirement permitted under section 44(a)(5) of the Federal Deposit Insurance Act.”.

#### SEC. 198B. FAIR TREATMENT OF WOMEN BY FINANCIAL ADVISERS.

(a) FINDINGS.—The Congress finds as follows:

(1) Women’s stature in society has risen considerably, as they are now able to vote, own property, and pursue independent careers, and are granted equal protection under the law.

(2) Women are at least as fiscally responsible as men, and more than half of all women have sole responsibility for balancing the family checkbook and paying the bills.

(3) Estate planners, trust officers, investment advisers, and other financial planners and advisers still encourage the unjust and outdated practice of leaving assets in trust for the category of wives and daughters, along with senile parents, minors, and mentally incompetent children.

(4) Estate planners, trust officers, investment advisers, and other financial planners and advisers still use sales themes and tactics detrimental to women by stereotyping women as uncomfortable handling money and needing protection from their own possible errors of judgment and “fortune hunters”.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that estate planners, trust officers, investment advisers, and other financial planners and advisers should—

(1) eliminate examples in their training materials which portray women as incapable and foolish; and

(2) develop fairer and more balanced presentations that eliminate outmoded and stereotypical examples which lead clients to take actions that are financially detrimental to their wives and daughters.

#### Subtitle L—Effective Date of Title

#### SEC. 199. EFFECTIVE DATE.

Except with regard to any subtitle or other provision of this title for which a specific effective date is provided, this title and the amendments made by this title shall take effect at the end of the 180-day period beginning on the date of the enactment of this Act.

### TITLE II—FUNCTIONAL REGULATION

#### Subtitle A—Brokers and Dealers

#### SEC. 201. DEFINITION OF BROKER.

Section 3(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4)) is amended to read as follows:

##### “(4) BROKER.—

“(A) IN GENERAL.—The term ‘broker’ means any person engaged in the business of effecting transactions in securities for the account of others.

“(B) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a broker because the bank engages in any one or more of the following activities under the conditions described:

“(i) THIRD PARTY BROKERAGE ARRANGEMENTS.—The bank enters into a contractual or other written arrangement with a broker or dealer registered under this title under which the broker or dealer offers brokerage services on or off the premises of the bank if—

“(I) such broker or dealer is clearly identified as the person performing the brokerage services;

“(II) the broker or dealer performs brokerage services in an area that is clearly marked and, to the extent practicable, physically separate from the routine deposit-taking activities of the bank;

“(III) any materials used by the bank to advertise or promote generally the availability of brokerage services under the arrangement clearly indicate that the brokerage services are being provided by the broker or dealer and not by the bank;

“(IV) any materials used by the bank to advertise or promote generally the availability of brokerage services under the arrangement are in compliance with the Federal securities laws before distribution;

“(V) bank employees (other than associated persons of a broker or dealer who are qualified pursuant to the rules of a self-regulatory organization) perform only clerical or ministerial functions in connection with brokerage transactions including scheduling appointments with the associated persons of a broker or dealer, except that bank employees may forward customer funds or securities and may describe in general



terms the types of investment vehicles available from the bank and the broker or dealer under the arrangement;

“(VI) bank employees do not receive incentive compensation for any brokerage transaction unless such employees are associated persons of a broker or dealer and are qualified pursuant to the rules of a self-regulatory organization, except that the bank employees may receive compensation for the referral of any customer if the compensation is a nominal one-time cash fee of a fixed dollar amount and the payment of the fee is not contingent on whether the referral results in a transaction;

“(VII) such services are provided by the broker or dealer on a basis in which all customers which receive any services are fully disclosed to the broker or dealer;

“(VIII) the bank does not carry a securities account of the customer except as permitted under clause (ii) or (viii) of this subparagraph; and

“(IX) the bank, broker, or dealer informs each customer that the brokerage services are provided by the broker or dealer and not by the bank and that the securities are not deposits or other obligations of the bank, are not guaranteed by the bank, and are not insured by the Federal Deposit Insurance Corporation.

“(ii) TRUST ACTIVITIES.—The bank effects transactions in a trustee or fiduciary capacity in its trust department, or another department where the trust or fiduciary activity is regularly examined by bank examiners under the same standards and in the same way as such activities are examined in the trust department, and—

“(I) is chiefly compensated for such transactions, consistent with fiduciary principles and standards, on the basis of an administration or annual fee (payable on a monthly, quarterly, or other basis), a percentage of assets under management, or a flat or capped per order processing fee equal to not more than the cost incurred by the bank in connection with executing securities transactions for trustee and fiduciary customers, or any combination of such fees; and

“(II) does not solicit brokerage business, other than by advertising that it effects transactions in securities in conjunction with advertising its other trust activities.

“(iii) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank effects transactions in—

“(I) commercial paper, bankers acceptances, or commercial bills;

“(II) exempted securities;

“(III) qualified Canadian government obligations as defined in section 5136 of the Revised Statutes, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

“(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

“(iv) CERTAIN STOCK PURCHASE PLANS.—

“(I) EMPLOYEE BENEFIT PLANS.—The bank effects transactions, as a registered transfer agent (including as a registrar of stocks), in the securities of an issuer as part of any pension, retirement, profit-sharing, bonus, thrift, savings, incentive, or other similar benefit plan for the employees of that issuer or its affiliates (as defined in section 2 of the Bank Holding Company Act of 1956), if—

“(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan; and

“(bb) the bank's compensation for such plan or program consists chiefly of administration fees, or flat or capped per order processing fees, or both.

“(II) DIVIDEND REINVESTMENT PLANS.—The bank effects transactions, as a registered transfer agent (including as a registrar of stocks), in the securities of an issuer as part of that issuer's dividend reinvestment plan, if—

“(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan;

“(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission; and

“(cc) the bank's compensation for such plan or program consists chiefly of administration fees, or flat or capped per order processing fees, or both.

“(III) ISSUER PLANS.—The bank effects transactions, as a registered transfer agent (including as a registrar of stocks), in the securities of an issuer as part of that issuer's plan for the purchase or sale of that issuer's shares, if—

“(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan or program;

“(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission; and

“(cc) the bank's compensation for such plan or program consists chiefly of administration fees, or flat or capped per order processing fees, or both.

“(IV) PERMISSIBLE DELIVERY OF MATERIALS.—The exception to being considered a broker for a bank engaged in activities described in subclauses (I), (II), and (III) will not be affected by a bank's delivery of written or electronic plan materials to employees of the issuer, shareholders of the issuer, or members of affinity groups of the issuer, so long as such materials are—

“(aa) comparable in scope or nature to that permitted by the Commission as of the date of the enactment of the Financial Services Act of 1999; or

“(bb) otherwise permitted by the Commission.

“(v) SWEEP ACCOUNTS.—The bank effects transactions as part of a program for the investment or reinvestment of deposit funds into any no-load, open-end management investment company registered under the Investment Company Act of 1940 that holds itself out as a money market fund.

“(vi) AFFILIATE TRANSACTIONS.—The bank effects transactions for the account of any affiliate (as defined in section 2 of the Bank Holding Company Act of 1956) of the bank other than—

“(I) a registered broker or dealer; or

“(II) an affiliate that is engaged in merchant banking, as described in section 6(c)(3)(H) of the Bank Holding Company Act of 1956.

“(vii) PRIVATE SECURITIES OFFERINGS.—The bank—

“(I) effects sales as part of a primary offering of securities not involving a public offering, pursuant to section 3(b), 4(2), or 4(6) of the Securities Act of 1933 or the rules and regulations issued thereunder;

“(II) at any time after the date that is 1 year after the date of the enactment of the Financial Services Act of 1999, is not affiliated with a broker or dealer that has been registered for more than 1 year in accordance with this Act, and engages in dealing, market making, or underwriting activities, other than with respect to exempted securities; and

“(III) effects transactions exclusively with qualified investors.

“(viii) SAFEKEEPING AND CUSTODY ACTIVITIES.—

“(I) IN GENERAL.—The bank, as part of customary banking activities—

“(aa) provides safekeeping or custody services with respect to securities, including the exercise of warrants and other rights on behalf of customers;

“(bb) facilitates the transfer of funds or securities, as a custodian or a clearing agency, in connection with the clearance and settlement of its customers' transactions in securities;

“(cc) effects securities lending or borrowing transactions with or on behalf of customers as part of services provided to customers pursuant to division (aa) or (bb) or invests cash collateral pledged in connection with such transactions; or

“(dd) holds securities pledged by a customer to another person or securities subject to purchase or resale agreements involving a customer, or facilitates the pledging or transfer of such securities by book entry or as otherwise provided under applicable law, if the bank maintains records separately identifying the securities and the customer.

“(II) EXCEPTION FOR CARRYING BROKER ACTIVITIES.—The exception to being considered a broker for a bank engaged in activities described in subclause (I) shall not apply if the bank, in connection with such activities, acts in the United States as a carrying broker (as such term, and different formulations thereof, are used in section 15(c)(3) of this title and the rules and regulations thereunder) for any broker or dealer, unless such carrying broker activities are engaged in with respect to government securities (as defined in paragraph (42) of this subsection).

“(ix) EXCEPTED BANKING PRODUCTS.—The bank effects transactions in excepted banking products, as defined in section 206 of the Financial Services Act of 1999.

“(x) MUNICIPAL SECURITIES.—The bank effects transactions in municipal securities.

“(xi) DE MINIMIS EXCEPTION.—The bank effects, other than in transactions referred to in clauses (i) through (x), not more than 500 transactions in securities in any calendar year, and such transactions are not effected by an employee of the bank who is also an employee of a broker or dealer.

“(C) BROKER DEALER EXECUTION.—The exception to being considered a broker for a bank engaged in activities described in clauses (ii), (iv), and (viii) of subparagraph (B) shall not apply if the activities described in such provisions result in the trade in the United States of any security that is a publicly traded security in the United States, unless—

“(i) the bank directs such trade to a registered broker or dealer for execution;

“(ii) the trade is a cross trade or other substantially similar trade of a security that—

“(I) is made by the bank or between the bank and an affiliated fiduciary; and

“(II) is not in contravention of fiduciary principles established under applicable Federal or State law; or

“(iii) the trade is conducted in some other manner permitted under rules, regulations, or orders as the Commission may prescribe or issue.

“(D) FIDUCIARY CAPACITY.—For purposes of subparagraph (B)(ii), the term ‘fiduciary capacity’ means—

“(i) in the capacity as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, or custodian under a uniform gift to minor act, or as an investment adviser if the bank receives a fee for its investment advice;

“(ii) in any capacity in which the bank possesses investment discretion on behalf of another; or

“(iii) in any other similar capacity.

“(F) EXCEPTION FOR ENTITIES SUBJECT TO SECTION 15(e).—The term ‘broker’ does not include a bank that—

“(i) was, immediately prior to the enactment of the Financial Services Act of 1999, subject to section 15(e) of this title; and

“(ii) is subject to such restrictions and requirements as the Commission considers appropriate.”.

#### SEC. 202. DEFINITION OF DEALER.

Section 3(a)(5) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(5)) is amended to read as follows:

“(5) DEALER.—

“(A) IN GENERAL.—The term ‘dealer’ means any person engaged in the business of buying and selling securities for such person’s own account through a broker or otherwise.

“(B) EXCEPTION FOR PERSON NOT ENGAGED IN THE BUSINESS OF DEALING.—The term ‘dealer’ does not include a person that buys or sells securities for such person’s own account, either individually or in a fiduciary capacity, but not as a part of a regular business.

“(C) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a dealer because the bank engages in any of the following activities under the conditions described:

“(i) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank buys or sells—

“(I) commercial paper, bankers acceptances, or commercial bills;

“(II) exempted securities;

“(III) qualified Canadian government obligations as defined in section 5136 of the Revised Statutes of the United States, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

“(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

“(ii) INVESTMENT, TRUSTEE, AND FIDUCIARY TRANSACTIONS.—The bank buys or sells securities for investment purposes—

“(I) for the bank; or

“(II) for accounts for which the bank acts as a trustee or fiduciary.

“(iii) ASSET-BACKED TRANSACTIONS.—The bank engages in the issuance or sale to qualified investors, through a grantor trust or other separate entity, of securities backed by or representing an interest in notes, drafts, acceptances, loans, leases, receivables, other obligations (other than securities of which the bank is not the issuer), or pools of any such obligations predominantly originated by—

“(I) the bank;

“(II) an affiliate of any such bank other than a broker or dealer; or

“(III) a syndicate of banks of which the bank is a member, if the obligations or pool of obligations consists of mortgage obligations or consumer-related receivables.

“(iv) EXCEPTED BANKING PRODUCTS.—The bank buys or sells excepted banking products, as defined in section 206 of the Financial Services Act of 1999.

“(v) DERIVATIVE INSTRUMENTS.—The bank issues, buys, or sells any derivative instrument to which the bank is a party—

“(I) to or from a qualified investor, except that if the instrument provides for the delivery of one or more securities (other than a derivative instrument or government security), the transaction shall be effected with or through a registered broker or dealer; or

“(II) to or from other persons, except that if the derivative instrument provides for the delivery of one or more securities (other than a derivative instrument or government security), or is a security (other than a government security), the transaction shall be effected with or through a registered broker or dealer; or

“(III) to or from any person if the instrument is neither a security nor provides for the deliv-

ery of one or more securities (other than a derivative instrument).”.

#### SEC. 203. REGISTRATION FOR SALES OF PRIVATE SECURITIES OFFERINGS.

Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o-3) is amended by inserting after subsection (i) the following new subsection:

“(j) REGISTRATION FOR SALES OF PRIVATE SECURITIES OFFERINGS.—A registered securities association shall create a limited qualification category for any associated person of a member who effects sales as part of a primary offering of securities not involving a public offering, pursuant to section 3(b), 4(2), or 4(6) of the Securities Act of 1933 and the rules and regulations thereunder, and shall deem qualified in such limited qualification category, without testing, any bank employee who, in the six month period preceding the date of the enactment of this Act, engaged in effecting such sales.”.

#### SEC. 204. INFORMATION SHARING.

Section 18 of the Federal Deposit Insurance Act is amended by adding at the end the following new subsection:

“(t) RECORDKEEPING REQUIREMENTS.—

“(1) REQUIREMENTS.—Each appropriate Federal banking agency, after consultation with and consideration of the views of the Commission, shall establish recordkeeping requirements for banks relying on exceptions contained in paragraphs (4) and (5) of section 3(a) of the Securities Exchange Act of 1934. Such recordkeeping requirements shall be sufficient to demonstrate compliance with the terms of such exceptions and be designed to facilitate compliance with such exceptions. Each appropriate Federal banking agency shall make any such information available to the Commission upon request.

“(2) DEFINITIONS.—As used in this subsection the term ‘Commission’ means the Securities and Exchange Commission.”.

#### SEC. 205. TREATMENT OF NEW HYBRID PRODUCTS.

Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) is amended by adding at the end the following new subsection:

“(i) RULEMAKING TO EXTEND REQUIREMENTS TO NEW HYBRID PRODUCTS.—

“(1) LIMITATION.—The Commission shall not—

“(A) require a bank to register as a broker or dealer under this section because the bank engages in any transaction in, or buys or sells, a new hybrid product; or

“(B) bring an action against a bank for a failure to comply with a requirement described in subparagraph (A),

unless the Commission has imposed such requirement by rule or regulation issued in accordance with this section.

“(2) CRITERIA FOR RULEMAKING.—The Commission shall not impose a requirement under paragraph (1) of this subsection with respect to any new hybrid product unless the Commission determines that—

“(A) the new hybrid product is a security; and

“(B) imposing such requirement is necessary or appropriate in the public interest and for the protection of investors, consistent with the requirements of section 3(f).

“(3) CONSIDERATIONS.—In making a determination under paragraph (2), the Commission shall consider—

“(A) the nature of the new hybrid product; and

“(B) the history, purpose, extent, and appropriateness of the regulation of the new hybrid product under the Federal securities laws and under the Federal banking laws.

“(4) CONSULTATION.—In promulgating rules under this subsection, the Commission shall consult with and consider the views of the Board of Governors of the Federal Reserve System regard-

ing the nature of the new hybrid product, the history, purpose, extent, and appropriateness of the regulation of the new product under the Federal banking laws, and the impact of the proposed rule on the banking industry.

“(5) NEW HYBRID PRODUCT.—For purposes of this subsection, the term ‘new hybrid product’ means a product that—

“(A) was not subjected to regulation by the Commission as a security prior to the date of the enactment of this subsection; and

“(B) is not an excepted banking product, as such term is defined in section 206 of the Financial Services Act of 1999.”.

#### SEC. 206. DEFINITION OF EXCEPTED BANKING PRODUCT.

(a) DEFINITION OF EXCEPTED BANKING PRODUCT.—For purposes of paragraphs (4) and (5) of section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a) (4), (5)), the term “excepted banking product” means—

(1) a deposit account, savings account, certificate of deposit, or other deposit instrument issued by a bank;

(2) a banker’s acceptance;

(3) a letter of credit issued or loan made by a bank;

(4) a debit account at a bank arising from a credit card or similar arrangement;

(5) a participation in a loan which the bank or an affiliate of the bank (other than a broker or dealer) funds, participates in, or owns that is sold—

(A) to qualified investors; or

(B) to other persons that—

(i) have the opportunity to review and assess any material information, including information regarding the borrower’s creditworthiness; and

(ii) based on such factors as financial sophistication, net worth, and knowledge and experience in financial matters, have the capability to evaluate the information available, as determined under generally applicable banking standards or guidelines; or

(6) a derivative instrument that involves or relates to—

(A) currencies, except options on currencies that trade on a national securities exchange;

(B) interest rates, except interest rate derivative instruments that—

(i) are based on a security or a group or index of securities (other than government securities or a group or index of government securities);

(ii) provide for the delivery of one or more securities (other than government securities); or

(iii) trade on a national securities exchange; or

(C) commodities, other rates, indices, or other assets, except derivative instruments that—

(i) are securities or that are based on a group or index of securities (other than government securities or a group or index of government securities);

(ii) provide for the delivery of one or more securities (other than government securities); or

(iii) trade on a national securities exchange.

(b) CLASSIFICATION LIMITED.—Classification of a particular product as an excepted banking product pursuant to this section shall not be construed as finding or implying that such product is or is not a security for any purpose under the securities laws, or is or is not an account, agreement, contract, or transaction for any purpose under the Commodity Exchange Act.

(c) INCORPORATED DEFINITIONS.—For purposes of this section—

(1) the terms “bank”, “qualified investor”, and “securities laws” have the same meanings given in section 3(a) of the Securities Exchange Act of 1934, as amended by this Act; and

(2) the term “government securities” has the meaning given in section 3(a)(42) of such Act (as amended by this Act), and, for purposes of this

section, commercial paper, bankers acceptances, and commercial bills shall be treated in the same manner as government securities.

#### SEC. 207. ADDITIONAL DEFINITIONS.

Section 3(a) of the Securities Exchange Act of 1934 is amended by adding at the end the following new paragraphs:

“(54) **DERIVATIVE INSTRUMENT.**—

“(A) **DEFINITION.**—The term ‘derivative instrument’ means any individually negotiated contract, agreement, warrant, note, or option that is based, in whole or in part, on the value of, any interest in, or any quantitative measure or the occurrence of any event relating to, one or more commodities, securities, currencies, interest or other rates, indices, or other assets, but does not include an excepted banking product, as defined in paragraphs (1) through (5) of section 206(a) of the Financial Services Act of 1999.

“(B) **CLASSIFICATION LIMITED.**—Classification of a particular contract as a derivative instrument pursuant to this paragraph shall not be construed as finding or implying that such instrument is or is not a security for any purpose under the securities laws, or is or is not an account, agreement, contract, or transaction for any purpose under the Commodity Exchange Act.

“(55) **QUALIFIED INVESTOR.**—

“(A) **DEFINITION.**—For purposes of this title, the term ‘qualified investor’ means—

“(i) any investment company registered with the Commission under section 8 of the Investment Company Act of 1940;

“(ii) any issuer eligible for an exclusion from the definition of investment company pursuant to section 3(c)(7) of the Investment Company Act of 1940;

“(iii) any bank (as defined in paragraph (6) of this subsection), savings association (as defined in section 3(b) of the Federal Deposit Insurance Act), broker, dealer, insurance company (as defined in section 2(a)(13) of the Securities Act of 1933), or business development company (as defined in section 2(a)(48) of the Investment Company Act of 1940);

“(iv) any small business investment company licensed by the United States Small Business Administration under section 301 (c) or (d) of the Small Business Investment Act of 1958;

“(v) any State sponsored employee benefit plan, or any other employee benefit plan, within the meaning of the Employee Retirement Income Security Act of 1974, other than an individual retirement account, if the investment decisions are made by a plan fiduciary, as defined in section 3(21) of that Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser;

“(vi) any trust whose purchases of securities are directed by a person described in clauses (i) through (v) of this subparagraph;

“(vii) any market intermediary exempt under section 3(c)(2) of the Investment Company Act of 1940;

“(viii) any associated person of a broker or dealer other than a natural person;

“(ix) any foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

“(x) the government of any foreign country;

“(xi) any corporation, company, or partnership that owns and invests on a discretionary basis, not less than \$10,000,000 in investments;

“(xii) any natural person who owns and invests on a discretionary basis, not less than \$10,000,000 in investments;

“(xiii) any government or political subdivision, agency, or instrumentality of a government who owns and invests on a discretionary basis not less than \$50,000,000 in investments; or

“(xiv) any multinational or supranational entity or any agency or instrumentality thereof.

“(B) **ADDITIONAL AUTHORITY.**—The Commission may, by rule or order, define a ‘qualified

investor’ as any other person, taking into consideration such factors as the financial sophistication of the person, net worth, and knowledge and experience in financial matters.”

#### SEC. 208. GOVERNMENT SECURITIES DEFINED.

Section 3(a)(42) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(42)) is amended—

(1) by striking “or” at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting “; or”; and

(3) by adding at the end the following new subparagraph:

“(E) for purposes of sections 15, 15C, and 17A as applied to a bank, a qualified Canadian government obligation as defined in section 5136 of the Revised Statutes of the United States.”

#### SEC. 209. EFFECTIVE DATE.

This subtitle shall take effect at the end of the 270-day period beginning on the date of the enactment of this Act.

#### SEC. 210. RULE OF CONSTRUCTION.

Nothing in this Act shall supersede, affect, or otherwise limit the scope and applicability of the Commodity Exchange Act (7 U.S.C. 1 et seq.).

#### Subtitle B—Bank Investment Company Activities

#### SEC. 211. CUSTODY OF INVESTMENT COMPANY ASSETS BY AFFILIATED BANK.

(a) **MANAGEMENT COMPANIES.**—Section 17(f) of the Investment Company Act of 1940 (15 U.S.C. 80a-17(f)) is amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(2) by striking “(f) Every registered” and inserting the following:

“(f) **CUSTODY OF SECURITIES.**—

“(1) Every registered”;

(3) by redesignating the second, third, fourth, and fifth sentences of such subsection as paragraphs (2) through (5), respectively, and indenting the left margin of such paragraphs appropriately; and

(4) by adding at the end the following new paragraph:

“(6) The Commission may adopt rules and regulations, and issue orders, consistent with the protection of investors, prescribing the conditions under which a bank, or an affiliated person of a bank, either of which is an affiliated person, promoter, organizer, or sponsor of, or principal underwriter for, a registered management company may serve as custodian of that registered management company.”

(b) **UNIT INVESTMENT TRUSTS.**—Section 26 of the Investment Company Act of 1940 (15 U.S.C. 80a-26) is amended—

(1) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively; and

(2) by inserting after subsection (a) the following new subsection:

“(b) The Commission may adopt rules and regulations, and issue orders, consistent with the protection of investors, prescribing the conditions under which a bank, or an affiliated person of a bank, either of which is an affiliated person of a principal underwriter for, or depositor of, a registered unit investment trust, may serve as trustee or custodian under subsection (a)(1).”

(c) **FIDUCIARY DUTY OF CUSTODIAN.**—Section 36(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-35(a)) is amended—

(1) in paragraph (1), by striking “or” at the end;

(2) in paragraph (2), by striking the period at the end and inserting “; or”; and

(3) by inserting after paragraph (2) the following:

“(3) as custodian.”

#### SEC. 212. LENDING TO AN AFFILIATED INVESTMENT COMPANY.

Section 17(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-17(a)) is amended—

(1) by striking “or” at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting “; or”; and

(3) by adding at the end the following new paragraph:

“(4) to loan money or other property to such registered company, or to any company controlled by such registered company, in contravention of such rules, regulations, or orders as the Commission may prescribe or issue consistent with the protection of investors.”

#### SEC. 213. INDEPENDENT DIRECTORS.

(a) **IN GENERAL.**—Section 2(a)(19)(A) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(19)(A)) is amended—

(1) by striking clause (v) and inserting the following new clause:

“(v) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has executed any portfolio transactions for, engaged in any principal transactions with, or distributed shares for—

“(I) the investment company;

“(II) any other investment company having the same investment adviser as such investment company or holding itself out to investors as a related company for purposes of investment or investor services; or

“(III) any account over which the investment company’s investment adviser has brokerage placement discretion,”;

(2) by redesignating clause (vi) as clause (vii); and

(3) by inserting after clause (v) the following new clause:

“(vi) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has loaned money or other property to—

“(I) the investment company;

“(II) any other investment company having the same investment adviser as such investment company or holding itself out to investors as a related company for purposes of investment or investor services; or

“(III) any account for which the investment company’s investment adviser has borrowing authority.”

(b) **CONFORMING AMENDMENT.**—Section 2(a)(19)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(19)(B)) is amended—

(1) by striking clause (v) and inserting the following new clause:

“(v) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has executed any portfolio transactions for, engaged in any principal transactions with, or distributed shares for—

“(I) any investment company for which the investment adviser or principal underwriter serves as such;

“(II) any investment company holding itself out to investors, for purposes of investment or investor services, as a company related to any investment company for which the investment adviser or principal underwriter serves as such; or

“(III) any account over which the investment adviser has brokerage placement discretion,”;

(2) by redesignating clause (vi) as clause (vii); and

(3) by inserting after clause (v) the following new clause:

“(vi) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has loaned money or other property to—

“(I) any investment company for which the investment adviser or principal underwriter serves as such;

“(II) any investment company holding itself out to investors, for purposes of investment or investor services, as a company related to any investment company for which the investment adviser or principal underwriter serves as such; or

“(III) any account for which the investment adviser has borrowing authority.”.

(c) **AFFILIATION OF DIRECTORS.**—Section 10(c) of the Investment Company Act of 1940 (15 U.S.C. 80a-10(c)) is amended by striking “bank, except” and inserting “bank (together with its affiliates and subsidiaries) or any one bank holding company (together with its affiliates and subsidiaries) (as such terms are defined in section 2 of the Bank Holding Company Act of 1956), except”.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall take effect at the end of the 1-year period beginning on the date of the enactment of this subtitle.

#### **SEC. 214. ADDITIONAL SEC DISCLOSURE AUTHORITY.**

Section 35(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-34(a)) is amended to read as follows:

“(a) **MISREPRESENTATION OF GUARANTEES.**—

“(1) **IN GENERAL.**—It shall be unlawful for any person, issuing or selling any security of which a registered investment company is the issuer, to represent or imply in any manner whatsoever that such security or company—

“(A) has been guaranteed, sponsored, recommended, or approved by the United States, or any agency, instrumentality or officer of the United States;

“(B) has been insured by the Federal Deposit Insurance Corporation; or

“(C) is guaranteed by or is otherwise an obligation of any bank or insured depository institution.

“(2) **DISCLOSURES.**—Any person issuing or selling the securities of a registered investment company that is advised by, or sold through, a bank shall prominently disclose that an investment in the company is not insured by the Federal Deposit Insurance Corporation or any other government agency. The Commission may adopt rules and regulations, and issue orders, consistent with the protection of investors, prescribing the manner in which the disclosure under this paragraph shall be provided.

“(3) **DEFINITIONS.**—The terms ‘insured depository institution’ and ‘appropriate Federal banking agency’ have the same meanings given in section 3 of the Federal Deposit Insurance Act.”.

#### **SEC. 215. DEFINITION OF BROKER UNDER THE INVESTMENT COMPANY ACT OF 1940.**

Section 2(a)(6) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(6)) is amended to read as follows:

“(6) The term ‘broker’ has the same meaning given in section 3 of the Securities Exchange Act of 1934, except that such term does not include any person solely by reason of the fact that such person is an underwriter for one or more investment companies.”.

#### **SEC. 216. DEFINITION OF DEALER UNDER THE INVESTMENT COMPANY ACT OF 1940.**

Section 2(a)(11) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(11)) is amended to read as follows:

“(11) The term ‘dealer’ has the same meaning given in the Securities Exchange Act of 1934, but does not include an insurance company or investment company.”.

#### **SEC. 217. REMOVAL OF THE EXCLUSION FROM THE DEFINITION OF INVESTMENT ADVISER FOR BANKS THAT ADVISE INVESTMENT COMPANIES.**

(a) **INVESTMENT ADVISER.**—Section 202(a)(11)(A) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(11)(A)) is amended by striking “investment company” and inserting “investment company, except that the term ‘investment adviser’ includes any bank or bank holding company to the extent that such bank or bank holding company serves or acts as an investment adviser to a registered investment company, but if, in the case of a bank, such services or actions are performed through a separately identifiable department or division, the department or division, and not the bank itself, shall be deemed to be the investment adviser”.

(b) **SEPARATELY IDENTIFIABLE DEPARTMENT OR DIVISION.**—Section 202(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)) is amended by adding at the end the following:

“(26) The term ‘separately identifiable department or division’ of a bank means a unit—

“(A) that is under the direct supervision of an officer or officers designated by the board of directors of the bank as responsible for the day-to-day conduct of the bank’s investment adviser activities for one or more investment companies, including the supervision of all bank employees engaged in the performance of such activities; and

“(B) for which all of the records relating to its investment adviser activities are separately maintained in or extractable from such unit’s own facilities or the facilities of the bank, and such records are so maintained or otherwise accessible as to permit independent examination and enforcement by the Commission of this Act or the Investment Company Act of 1940 and rules and regulations promulgated under this Act or the Investment Company Act of 1940.”.

#### **SEC. 218. DEFINITION OF BROKER UNDER THE INVESTMENT ADVISERS ACT OF 1940.**

Section 202(a)(3) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(3)) is amended to read as follows:

“(3) The term ‘broker’ has the same meaning given in section 3 of the Securities Exchange Act of 1934.”.

#### **SEC. 219. DEFINITION OF DEALER UNDER THE INVESTMENT ADVISERS ACT OF 1940.**

Section 202(a)(7) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(7)) is amended to read as follows:

“(7) The term ‘dealer’ has the same meaning given in section 3 of the Securities Exchange Act of 1934, but does not include an insurance company or investment company.”.

#### **SEC. 220. INTERAGENCY CONSULTATION.**

The Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.) is amended by inserting after section 210 the following new section:

##### **“SEC. 210A. CONSULTATION.**

“(a) **EXAMINATION RESULTS AND OTHER INFORMATION.**—

“(1) The appropriate Federal banking agency shall provide the Commission upon request the results of any examination, reports, records, or other information to which such agency may have access with respect to the investment advisory activities—

“(A) of any—

“(i) bank holding company;

“(ii) bank; or

“(iii) separately identifiable department or division of a bank, that is registered under section 203 of this title; and

“(B) in the case of a bank holding company or bank that has a subsidiary or a separately

identifiable department or division registered under that section, of such bank or bank holding company.

“(2) The Commission shall provide to the appropriate Federal banking agency upon request the results of any examination, reports, records, or other information with respect to the investment advisory activities of any bank holding company, bank, or separately identifiable department or division of a bank, which is registered under section 203 of this title.

“(b) **EFFECT ON OTHER AUTHORITY.**—Nothing in this section shall limit in any respect the authority of the appropriate Federal banking agency with respect to such bank holding company, bank, or department or division under any other provision of law.

“(c) **DEFINITION.**—For purposes of this section, the term ‘appropriate Federal banking agency’ shall have the same meaning given in section 3 of the Federal Deposit Insurance Act.”.

#### **SEC. 221. TREATMENT OF BANK COMMON TRUST FUNDS.**

(a) **SECURITIES ACT OF 1933.**—Section 3(a)(2) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)) is amended by striking “or any interest or participation in any common trust fund or similar fund maintained by a bank exclusively for the collective investment and reinvestment of assets contributed thereto by such bank in its capacity as trustee, executor, administrator, or guardian” and inserting “or any interest or participation in any common trust fund or similar fund that is excluded from the definition of the term ‘investment company’ under section 3(c)(3) of the Investment Company Act of 1940”.

(b) **SECURITIES EXCHANGE ACT OF 1934.**—Section 3(a)(12)(A)(iii) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)(A)(iii)) is amended to read as follows:

“(iii) any interest or participation in any common trust fund or similar fund that is excluded from the definition of the term ‘investment company’ under section 3(c)(3) of the Investment Company Act of 1940;”.

(c) **INVESTMENT COMPANY ACT OF 1940.**—Section 3(c)(3) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(3)) is amended by inserting before the period the following: “, if—

“(A) such fund is employed by the bank solely as an aid to the administration of trusts, estates, or other accounts created and maintained for a fiduciary purpose;

“(B) except in connection with the ordinary advertising of the bank’s fiduciary services, interests in such fund are not—

“(i) advertised; or

“(ii) offered for sale to the general public; and

“(C) fees and expenses charged by such fund are not in contravention of fiduciary principles established under applicable Federal or State law”.

#### **SEC. 222. INVESTMENT ADVISERS PROHIBITED FROM HAVING CONTROLLING INTEREST IN REGISTERED INVESTMENT COMPANY.**

Section 15 of the Investment Company Act of 1940 (15 U.S.C. 80a-15) is amended by adding at the end the following new subsection:

“(g) **CONTROLLING INTEREST IN INVESTMENT COMPANY PROHIBITED.**—

“(1) **IN GENERAL.**—If an investment adviser to a registered investment company, or an affiliated person of that investment adviser, holds a controlling interest in that registered investment company in a trustee or fiduciary capacity, such person shall—

“(A) if it holds the shares in a trustee or fiduciary capacity with respect to any employee benefit plan subject to the Employee Retirement Income Security Act of 1974, transfer the power to vote the shares of the investment company through to another person acting in a fiduciary

capacity with respect to the plan who is not an affiliated person of that investment adviser or any affiliated person thereof; or

“(B) if it holds the shares in a trustee or fiduciary capacity with respect to any person or entity other than an employee benefit plan subject to the Employee Retirement Income Security Act of 1974—

“(i) transfer the power to vote the shares of the investment company through to—

“(I) the beneficial owners of the shares;

“(II) another person acting in a fiduciary capacity who is not an affiliated person of that investment adviser or any affiliated person thereof; or

“(III) any person authorized to receive statements and information with respect to the trust who is not an affiliated person of that investment adviser or any affiliated person thereof;

“(ii) vote the shares of the investment company held by it in the same proportion as shares held by all other shareholders of the investment company; or

“(iii) vote the shares of the investment company as otherwise permitted under such rules, regulations, or orders as the Commission may prescribe or issue consistent with the protection of investors.

“(2) EXEMPTION.—Paragraph (1) shall not apply to any investment adviser to a registered investment company, or any affiliated person of that investment adviser, that holds shares of the investment company in a trustee or fiduciary capacity if that registered investment company consists solely of assets held in such capacities.

“(3) SAFE HARBOR.—No investment adviser to a registered investment company or any affiliated person of such investment adviser shall be deemed to have acted unlawfully or to have breached a fiduciary duty under State or Federal law solely by reason of acting in accordance with clause (i), (ii), or (iii) of paragraph (1)(B).”.

#### SEC. 223. STATUTORY DISQUALIFICATION FOR BANK WRONGDOING.

Section 9(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-9(a)) is amended in paragraphs (1) and (2) by striking “securities dealer, transfer agent,” and inserting “securities dealer, bank, transfer agent,”.

#### SEC. 224. CONFORMING CHANGE IN DEFINITION.

Section 2(a)(5) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(5)) is amended by striking “(A) a banking institution organized under the laws of the United States” and inserting “(A) a depository institution (as defined in section 3 of the Federal Deposit Insurance Act) or a branch or agency of a foreign bank (as such terms are defined in section 1(b) of the International Banking Act of 1978)”.

#### SEC. 225. CONFORMING AMENDMENT.

Section 202 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2) is amended by adding at the end the following new subsection:

“(c) CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.—Whenever pursuant to this title the Commission is engaged in rulemaking and is required to consider or determine whether an action is necessary or appropriate in the public interest, the Commission shall also consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.”.

#### SEC. 226. CHURCH PLAN EXCLUSION.

Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(14)) is amended—

(1) by redesignating clauses (i) and (ii) of subparagraph (B) as subclauses (I) and (II), respectively;

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(3) by inserting “(A)” after “(14)”;

(4) by adding at the end the following new subparagraph:

“(B) If a registered investment company would be excluded from the definition of investment company under this subsection but for the fact that some of the company's assets do not satisfy the condition of subparagraph (A)(ii) of this paragraph, then any investment adviser to the company or affiliated person of such investment adviser shall not be subject to the requirements of section 15(g)(1)(B) with respect to shares of the investment company.”.

#### SEC. 227. EFFECTIVE DATE.

This subtitle shall take effect 90 days after the date of the enactment of this Act.

### Subtitle C—Securities and Exchange Commission Supervision of Investment Bank Holding Companies

#### SEC. 231. SUPERVISION OF INVESTMENT BANK HOLDING COMPANIES BY THE SECURITIES AND EXCHANGE COMMISSION.

(a) AMENDMENT.—Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended—

(1) by redesignating subsection (i) as subsection (k); and

(2) by inserting after subsection (h) the following new subsection:

“(i) INVESTMENT BANK HOLDING COMPANIES.—

“(1) ELECTIVE SUPERVISION OF AN INVESTMENT BANK HOLDING COMPANY NOT HAVING A BANK OR SAVINGS ASSOCIATION AFFILIATE.—

“(A) IN GENERAL.—An investment bank holding company that is not—

“(i) an affiliate of a wholesale financial institution, an insured bank (other than an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956), or a savings association;

“(ii) a foreign bank, foreign company, or company that is described in section 8(a) of the International Banking Act of 1978; or

“(iii) a foreign bank that controls, directly or indirectly, a corporation chartered under section 25A of the Federal Reserve Act,

may elect to become supervised by filing with the Commission a notice of intention to become supervised, pursuant to subparagraph (B) of this paragraph. Any investment bank holding company filing such a notice shall be supervised in accordance with this section and comply with the rules promulgated by the Commission applicable to supervised investment bank holding companies.

“(B) NOTIFICATION OF STATUS AS A SUPERVISED INVESTMENT BANK HOLDING COMPANY.—An investment bank holding company that elects under subparagraph (A) to become supervised by the Commission shall file with the Commission a written notice of intention to become supervised by the Commission in such form and containing such information and documents concerning such investment bank holding company as the Commission, by rule, may prescribe as necessary or appropriate in furtherance of the purposes of this section. Unless the Commission finds that such supervision is not necessary or appropriate in furtherance of the purposes of this section, such supervision shall become effective 45 days after the date of receipt of such written notice by the Commission or within such shorter time period as the Commission, by rule or order, may determine.

“(2) ELECTION NOT TO BE SUPERVISED BY THE COMMISSION AS AN INVESTMENT BANK HOLDING COMPANY.—

“(A) VOLUNTARY WITHDRAWAL.—A supervised investment bank holding company that is supervised pursuant to paragraph (1) may, upon such terms and conditions as the Commission deems necessary or appropriate, elect not to be supervised by the Commission by filing a written notice of withdrawal from Commission supervision. Such notice shall not become effective until 1

year after receipt by the Commission, or such shorter or longer period as the Commission deems necessary or appropriate to ensure effective supervision of the material risks to the supervised investment bank holding company and to the affiliated broker or dealer, or to prevent evasion of the purposes of this section.

“(B) DISCONTINUATION OF COMMISSION SUPERVISION.—If the Commission finds that any supervised investment bank holding company that is supervised pursuant to paragraph (1) is no longer in existence or has ceased to be an investment bank holding company, or if the Commission finds that continued supervision of such a supervised investment bank holding company is not consistent with the purposes of this section, the Commission may discontinue the supervision pursuant to a rule or order, if any, promulgated by the Commission under this section.

“(3) SUPERVISION OF INVESTMENT BANK HOLDING COMPANIES.—

“(A) RECORDKEEPING AND REPORTING.—

“(i) IN GENERAL.—Every supervised investment bank holding company and each affiliate thereof shall make and keep for prescribed periods such records, furnish copies thereof, and make such reports, as the Commission may require by rule, in order to keep the Commission informed as to—

“(I) the company's or affiliate's activities, financial condition, policies, systems for monitoring and controlling financial and operational risks, and transactions and relationships between any broker or dealer affiliate of the supervised investment bank holding company; and

“(II) the extent to which the company or affiliate has complied with the provisions of this Act and regulations prescribed and orders issued under this Act.

“(ii) FORM AND CONTENTS.—Such records and reports shall be prepared in such form and according to such specifications (including certification by an independent public accountant), as the Commission may require and shall be provided promptly at any time upon request by the Commission. Such records and reports may include—

“(I) a balance sheet and income statement;

“(II) an assessment of the consolidated capital of the supervised investment bank holding company;

“(III) an independent auditor's report attesting to the supervised investment bank holding company's compliance with its internal risk management and internal control objectives; and

“(IV) reports concerning the extent to which the company or affiliate has complied with the provisions of this title and any regulations prescribed and orders issued under this title.

“(B) USE OF EXISTING REPORTS.—

“(i) IN GENERAL.—The Commission shall, to the fullest extent possible, accept reports in fulfillment of the requirements under this paragraph that the supervised investment bank holding company or its affiliates have been required to provide to another appropriate regulatory agency or self-regulatory organization.

“(ii) AVAILABILITY.—A supervised investment bank holding company or an affiliate of such company shall provide to the Commission, at the request of the Commission, any report referred to in clause (i).

“(C) EXAMINATION AUTHORITY.—

“(i) FOCUS OF EXAMINATION AUTHORITY.—The Commission may make examinations of any supervised investment bank holding company and any affiliate of such company in order to—

“(I) inform the Commission regarding—

“(aa) the nature of the operations and financial condition of the supervised investment bank holding company and its affiliates;

“(bb) the financial and operational risks within the supervised investment bank holding

company that may affect any broker or dealer controlled by such supervised investment bank holding company; and

“(cc) the systems of the supervised investment bank holding company and its affiliates for monitoring and controlling those risks; and

“(II) monitor compliance with the provisions of this subsection, provisions governing transactions and relationships between any broker or dealer affiliated with the supervised investment bank holding company and any of the company's other affiliates, and applicable provisions of subchapter II of chapter 53, title 31, United States Code (commonly referred to as the ‘Bank Secrecy Act’) and regulations thereunder.

“(ii) **RESTRICTED FOCUS OF EXAMINATIONS.**—The Commission shall limit the focus and scope of any examination of a supervised investment bank holding company to—

“(I) the company; and

“(II) any affiliate of the company that, because of its size, condition, or activities, the nature or size of the transactions between such affiliate and any affiliated broker or dealer, or the centralization of functions within the holding company system, could, in the discretion of the Commission, have a materially adverse effect on the operational or financial condition of the broker or dealer.

“(iii) **REFERENCE TO OTHER EXAMINATIONS.**—For purposes of this subparagraph, the Commission shall, to the fullest extent possible, use the reports of examination of an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956 made by the appropriate regulatory agency, or of a licensed insurance company made by the appropriate State insurance regulator.

“(4) **HOLDING COMPANY CAPITAL.**—

“(A) **AUTHORITY.**—If the Commission finds that it is necessary to adequately supervise investment bank holding companies and their broker or dealer affiliates consistent with the purposes of this subsection, the Commission may adopt capital adequacy rules for supervised investment bank holding companies.

“(B) **METHOD OF CALCULATION.**—In developing rules under this paragraph:

“(i) **DOUBLE LEVERAGE.**—The Commission shall consider the use by the supervised investment bank holding company of debt and other liabilities to fund capital investments in affiliates.

“(ii) **NO UNWEIGHTED CAPITAL RATIO.**—The Commission shall not impose under this section a capital ratio that is not based on appropriate risk-weighting considerations.

“(iii) **NO CAPITAL REQUIREMENT ON REGULATED ENTITIES.**—The Commission shall not, by rule, regulation, guideline, order or otherwise, impose any capital adequacy provision on a nonbanking affiliate (other than a broker or dealer) that is in compliance with applicable capital requirements of another Federal regulatory authority or State insurance authority.

“(iv) **APPROPRIATE EXCLUSIONS.**—The Commission shall take full account of the applicable capital requirements of another Federal regulatory authority or State insurance regulator.

“(C) **INTERNAL RISK MANAGEMENT MODELS.**—The Commission may incorporate internal risk management models into its capital adequacy rules for supervised investment bank holding companies.

“(5) **FUNCTIONAL REGULATION OF BANKING AND INSURANCE ACTIVITIES OF SUPERVISED INVESTMENT BANK HOLDING COMPANIES.**—The Commission shall defer to—

“(A) the appropriate regulatory agency with regard to all interpretations of, and the enforcement of, applicable banking laws relating to the activities, conduct, ownership, and operations of banks, and institutions described in subpara-

graph (D), (F), and (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956; and

“(B) the appropriate State insurance regulators with regard to all interpretations of, and the enforcement of, applicable State insurance laws relating to the activities, conduct, and operations of insurance companies and insurance agents.

“(6) **DEFINITIONS.**—For purposes of this subsection:

“(A) The term ‘investment bank holding company’ means—

“(i) any person other than a natural person that owns or controls one or more brokers or dealers; and

“(ii) the associated persons of the investment bank holding company.

“(B) The term ‘supervised investment bank holding company’ means any investment bank holding company that is supervised by the Commission pursuant to this subsection.

“(C) The terms ‘affiliate’, ‘bank’, ‘bank holding company’, ‘company’, ‘control’, ‘savings association’, and ‘wholesale financial institution’ have the same meanings given in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841).

“(D) The term ‘insured bank’ has the same meaning given in section 3 of the Federal Deposit Insurance Act.

“(E) The term ‘foreign bank’ has the same meaning given in section 1(b)(7) of the International Banking Act of 1978.

“(F) The terms ‘person associated with an investment bank holding company’ and ‘associated person of an investment bank holding company’ mean any person directly or indirectly controlling, controlled by, or under common control with, an investment bank holding company.”

“(j) **AUTHORITY TO LIMIT DISCLOSURE OF INFORMATION.**—Notwithstanding any other provision of law, the Commission shall not be compelled to disclose any information required to be reported under subsection (h) or (i) or any information supplied to the Commission by any domestic or foreign regulatory agency that relates to the financial or operational condition of any associated person of a broker or dealer, investment bank holding company, or any affiliate of an investment bank holding company. Nothing in this subsection shall authorize the Commission to withhold information from Congress, or prevent the Commission from complying with a request for information from any other Federal department or agency or any self-regulatory organization requesting the information for purposes within the scope of its jurisdiction, or complying with an order of a court of the United States in an action brought by the United States or the Commission. For purposes of section 552 of title 5, United States Code, this subsection shall be considered a statute described in subsection (b)(3)(B) of such section 552. In prescribing regulations to carry out the requirements of this subsection, the Commission shall designate information described in or obtained pursuant to subparagraphs (A), (B), and (C) of subsection (i)(5) as confidential information for purposes of section 24(b)(2) of this title.”

(b) **CONFORMING AMENDMENTS.**—

(1) Section 3(a)(34) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(34)) is amended by adding at the end the following new subparagraph:

“(H) When used with respect to an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956—

“(i) the Comptroller of the Currency, in the case of a national bank or a bank in the District of Columbia examined by the Comptroller of the Currency;

“(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System or any corporation chartered under section 25A of the Federal Reserve Act;

“(iii) the Federal Deposit Insurance Corporation, in the case of any other bank the deposits of which are insured in accordance with the Federal Deposit Insurance Act; or

“(iv) the Commission in the case of all other such institutions.”

(2) Section 1112(e) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3412(e)) is amended—

(A) by striking “this title” and inserting “law”; and

(B) by inserting “, examination reports” after “financial records”.

#### **Subtitle D—Disclosure of Customer Costs of Acquiring Financial Products**

#### **SEC. 241. IMPROVED AND CONSISTENT DISCLOSURE.**

(a) **REVISED REGULATIONS REQUIRED.**—Within 1 year after the date of the enactment of this Act, each Federal financial regulatory authority shall prescribe rules, or revisions to its rules, to improve the accuracy, simplicity, and completeness, and to make more consistent, the disclosure of information by persons subject to the jurisdiction of such regulatory authority concerning any commissions, fees, or other costs incurred by customers in the acquisition of financial products.

(b) **CONSULTATION.**—In prescribing rules and revisions under subsection (a), the Federal financial regulatory authorities shall consult with each other and with appropriate State financial regulatory authorities.

(c) **CONSIDERATION OF EXISTING DISCLOSURES.**—In prescribing rules and revisions under subsection (a), the Federal financial regulatory authorities shall consider the sufficiency and appropriateness of then existing laws and rules applicable to persons subject to their jurisdiction, and may prescribe exemptions from the rules and revisions required by subsection (a) to the extent appropriate in light of the objective of this section to increase the consistency of disclosure practices.

(d) **ENFORCEMENT.**—Any rule prescribed by a Federal financial regulatory authority pursuant to this section shall, for purposes of enforcement, be treated as a rule prescribed by such regulatory authority pursuant to the statute establishing such regulatory authority's jurisdiction over the persons to whom such rule applies.

(e) **DEFINITION.**—As used in this section, the term “Federal financial regulatory authority” means the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Commodity Futures Trading Commission, and any self-regulatory organization under the supervision of any of the foregoing.

#### **Subtitle E—Banks and Bank Holding Companies**

#### **SEC. 251. CONSULTATION.**

(a) **IN GENERAL.**—The Securities and Exchange Commission shall consult and coordinate comments with the appropriate Federal banking agency before taking any action or rendering any opinion with respect to the manner in which any insured depository institution or depository institution holding company reports loan loss reserves in its financial statement, including the amount of any such loan loss reserve.

(b) **DEFINITIONS.**—For purposes of subsection (a), the terms “insured depository institution”, “depository institution holding company”, and “appropriate Federal banking agency” have the same meaning as in section 3 of the Federal Deposit Insurance Act.



**TITLE III—INSURANCE****Subtitle A—State Regulation of Insurance****SEC. 301. STATE REGULATION OF THE BUSINESS OF INSURANCE.**

The Act entitled "An Act to express the intent of the Congress with reference to the regulation of the business of insurance" and approved March 9, 1945 (15 U.S.C. 1011 et seq.), commonly referred to as the "McCarran-Ferguson Act" remains the law of the United States.

**SEC. 302. MANDATORY INSURANCE LICENSING REQUIREMENTS.**

No person shall engage in the business of insurance in a State as principal or agent unless such person is licensed as required by the appropriate insurance regulator of such State in accordance with the relevant State insurance law, subject to section 104.

**SEC. 303. FUNCTIONAL REGULATION OF INSURANCE.**

The insurance activities of any person (including a national bank exercising its power to act as agent under the eleventh undesignated paragraph of section 13 of the Federal Reserve Act) shall be functionally regulated by the States, subject to section 104.

**SEC. 304. INSURANCE UNDERWRITING IN NATIONAL BANKS.**

(a) **IN GENERAL.**—Except as provided in section 305, a national bank and the subsidiaries of a national bank may not provide insurance in a State as principal except that this prohibition shall not apply to authorized products.

(b) **AUTHORIZED PRODUCTS.**—For the purposes of this section, a product is authorized if—

(1) as of January 1, 1999, the Comptroller of the Currency had determined in writing that national banks may provide such product as principal, or national banks were in fact lawfully providing such product as principal;

(2) no court of relevant jurisdiction had, by final judgment, overturned a determination of the Comptroller of the Currency that national banks may provide such product as principal; and

(3) the product is not title insurance, or an annuity contract the income of which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.

(c) **DEFINITION.**—For purposes of this section, the term "insurance" means—

(1) any product regulated as insurance as of January 1, 1999, in accordance with the relevant State insurance law, in the State in which the product is provided;

(2) any product first offered after January 1, 1999, which—

(A) a State insurance regulator determines shall be regulated as insurance in the State in which the product is provided because the product insures, guarantees, or indemnifies against liability, loss of life, loss of health, or loss through damage to or destruction of property, including, but not limited to, surety bonds, life insurance, health insurance, title insurance, and property and casualty insurance (such as private passenger or commercial automobile, homeowners, mortgage, commercial multiperil, general liability, professional liability, workers' compensation, fire and allied lines, farm owners multiperil, aircraft, fidelity, surety, medical malpractice, ocean marine, inland marine, and boiler and machinery insurance); and

(B) is not a product or service of a bank that is—

(i) a deposit product;

(ii) a loan, discount, letter of credit, or other extension of credit;

(iii) a trust or other fiduciary service;

(iv) a qualified financial contract (as defined in or determined pursuant to section 11(e)(8)(D)(i) of the Federal Deposit Insurance Act); or

(v) a financial guaranty, except that this subparagraph (B) shall not apply to a product that

includes an insurance component such that if the product is offered or proposed to be offered by the bank as principal—

(I) it would be treated as a life insurance contract under section 7702 of the Internal Revenue Code of 1986; or

(II) in the event that the product is not a letter of credit or other similar extension of credit, a qualified financial contract, or a financial guaranty, it would qualify for treatment for losses incurred with respect to such product under section 832(b)(5) of the Internal Revenue Code of 1986, if the bank were subject to tax as an insurance company under section 831 of that Code; or

(3) any annuity contract, the income on which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.

**SEC. 305. TITLE INSURANCE ACTIVITIES OF NATIONAL BANKS AND THEIR AFFILIATES.**

(a) **GENERAL PROHIBITION.**—No national bank, and no subsidiary of a national bank, may engage in any activity involving the underwriting or sale of title insurance.

(b) **NONDISCRIMINATION PARITY EXCEPTION.**—

(1) **IN GENERAL.**—Notwithstanding any other provision of law (including section 104 of this Act), in the case of any State in which banks organized under the laws of such State are authorized to sell title insurance as agency, a national bank and a subsidiary of a national bank may sell title insurance as agent in such State, but only in the same manner, to the same extent, and under the same restrictions as such State banks are authorized to sell title insurance as agent in such State.

(2) **COORDINATION WITH "WILDCARD" PROVISION.**—A State law which authorizes State banks to engage in any activities in such State in which a national bank may engage shall not be treated as a statute which authorizes State banks to sell title insurance as agent, for purposes of paragraph (1).

(c) **GRANDFATHERING WITH CONSISTENT REGULATION.**—

(1) **IN GENERAL.**—Except as provided in paragraphs (2) and (3) and notwithstanding subsections (a) and (b), a national bank, and a subsidiary of a national bank, may conduct title insurance activities which such national bank or subsidiary was actively and lawfully conducting before the date of the enactment of this Act.

(2) **INSURANCE AFFILIATE.**—In the case of a national bank which has an affiliate which provides insurance as principal and is not a subsidiary of the bank, the national bank and any subsidiary of the national bank may not engage in the underwriting of title insurance pursuant to paragraph (1).

(3) **INSURANCE SUBSIDIARY.**—In the case of a national bank which has a subsidiary which provides insurance as principal and has no affiliate other than a subsidiary which provides insurance as principal, the national bank may not directly engage in any activity involving the underwriting of title insurance.

(d) **"AFFILIATE" AND "SUBSIDIARY" DEFINED.**—For purposes of this section, the terms "affiliate" and "subsidiary" have the same meanings as in section 2 of the Bank Holding Company Act of 1956.

(e) **RULE OF CONSTRUCTION.**—No provision of this Act or any other Federal law shall be construed as superseding or affecting a State law which was in effect before the date of the enactment of this Act and which prohibits title insurance from being offered, provided, or sold in such State, or from being underwritten with respect to real property in such State, by any person whatsoever.

**SEC. 306. EXPEDITED AND EQUALIZED DISPUTE RESOLUTION FOR FEDERAL REGULATORS.**

(a) **FILING IN COURT OF APPEALS.**—In the case of a regulatory conflict between a State insur-

ance regulator and a Federal regulator as to whether any product is or is not insurance, as defined in section 304(c) of this Act, or whether a State statute, regulation, order, or interpretation regarding any insurance sales or solicitation activity is properly treated as preempted under Federal law, either regulator may seek expedited judicial review of such determination by the United States Court of Appeals for the circuit in which the State is located or in the United States Court of Appeals for the District of Columbia Circuit by filing a petition for review in such court.

(b) **EXPEDITED REVIEW.**—The United States Court of Appeals in which a petition for review is filed in accordance with subsection (a) shall complete all action on such petition, including rendering a judgment, before the end of the 60-day period beginning on the date on which such petition is filed, unless all parties to such proceeding agree to any extension of such period.

(c) **SUPREME COURT REVIEW.**—Any request for certiorari to the Supreme Court of the United States of any judgment of a United States Court of Appeals with respect to a petition for review under this section shall be filed with the Supreme Court of the United States as soon as practicable after such judgment is issued.

(d) **STATUTE OF LIMITATION.**—No petition may be filed under this section challenging an order, ruling, determination, or other action of a Federal regulator or State insurance regulator after the later of—

(1) the end of the 12-month period beginning on the date on which the first public notice is made of such order, ruling, determination or other action in its final form; or

(2) the end of the 6-month period beginning on the date on which such order, ruling, determination, or other action takes effect.

(e) **STANDARD OF REVIEW.**—The court shall decide a petition filed under this section based on its review on the merits of all questions presented under State and Federal law, including the nature of the product or activity and the history and purpose of its regulation under State and Federal law, without unequal deference.

**SEC. 307. CONSUMER PROTECTION REGULATIONS.**

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 46 (as added by section 122(b) of this Act) the following new section:

**"SEC. 47. CONSUMER PROTECTION REGULATIONS.**

"(a) **REGULATIONS REQUIRED.**—

"(1) **IN GENERAL.**—The Federal banking agencies shall prescribe and publish in final form, before the end of the 1-year period beginning on the date of the enactment of the Financial Services Act of 1999, consumer protection regulations (which the agencies jointly determine to be appropriate) that—

"(A) apply to retail sales practices, solicitations, advertising, or offers of any insurance product by any insured depository institution or wholesale financial institution or any person who is engaged in such activities at an office of the institution or on behalf of the institution; and

"(B) are consistent with the requirements of this Act and provide such additional protections for consumers to whom such sales, solicitations, advertising, or offers are directed as the agency determines to be appropriate.

"(2) **APPLICABILITY TO SUBSIDIARIES.**—The regulations prescribed pursuant to paragraph (1) shall extend such protections to any subsidiaries of an insured depository institution, as deemed appropriate by the regulators referred to in paragraph (3), where such extension is determined to be necessary to ensure the consumer protections provided by this section.

“(3) CONSULTATION AND JOINT REGULATIONS.—The Federal banking agencies shall consult with each other and prescribe joint regulations pursuant to paragraph (1), after consultation with the State insurance regulators, as appropriate.

“(b) SALES PRACTICES.—The regulations prescribed pursuant to subsection (a) shall include anticoercion rules applicable to the sale of insurance products which prohibit an insured depository institution from engaging in any practice that would lead a consumer to believe an extension of credit, in violation of section 106(b) of the Bank Holding Company Act Amendments of 1970, is conditional upon—

“(1) the purchase of an insurance product from the institution or any of its affiliates; or

“(2) an agreement by the consumer not to obtain, or a prohibition on the consumer from obtaining, an insurance product from an unaffiliated entity.

“(c) DISCLOSURES AND ADVERTISING.—The regulations prescribed pursuant to subsection (a) shall include the following provisions relating to disclosures and advertising in connection with the initial purchase of an insurance product:

“(1) DISCLOSURES.—

“(A) IN GENERAL.—Requirements that the following disclosures be made orally and in writing before the completion of the initial sale and, in the case of clause (iii), at the time of application for an extension of credit:

“(i) UNINSURED STATUS.—As appropriate, the product is not insured by the Federal Deposit Insurance Corporation, the United States Government, or the insured depository institution.

“(ii) INVESTMENT RISK.—In the case of a variable annuity or other insurance product which involves an investment risk, that there is an investment risk associated with the product, including possible loss of value.

“(iii) COERCION.—The approval of an extension of credit may not be conditioned on—

“(I) the purchase of an insurance product from the institution in which the application for credit is pending or any of its affiliates or subsidiaries; or

“(II) an agreement by the consumer not to obtain, or a prohibition on the consumer from obtaining, an insurance product from an unaffiliated entity.

“(B) MAKING DISCLOSURE READILY UNDERSTANDABLE.—Regulations prescribed under subparagraph (A) shall encourage the use of disclosure that is conspicuous, simple, direct, and readily understandable, such as the following:

“(i) ‘NOT FDIC—INSURED’.

“(ii) ‘NOT GUARANTEED BY THE BANK’.

“(iii) ‘MAY GO DOWN IN VALUE’.

“(iv) ‘NOT INSURED BY ANY GOVERNMENT AGENCY’.

“(C) ADJUSTMENTS FOR ALTERNATIVE METHODS OF PURCHASE.—In prescribing the requirements under subparagraphs (A) and (D), necessary adjustments shall be made for purchase in person, by telephone, or by electronic media to provide for the most appropriate and complete form of disclosure and acknowledgments.

“(D) CONSUMER ACKNOWLEDGMENT.—A requirement that an insured depository institution shall require any person selling an insurance product at any office of, or on behalf of, the institution to obtain, at the time a consumer receives the disclosures required under this paragraph or at the time of the initial purchase by the consumer of such product, an acknowledgment by such consumer of the receipt of the disclosure required under this subsection with respect to such product.

“(2) PROHIBITION ON MISREPRESENTATIONS.—A prohibition on any practice, or any advertising, at any office of, or on behalf of, the insured depository institution, or any subsidiary as appropriate, which could mislead any person or oth-

erwise cause a reasonable person to reach an erroneous belief with respect to—

“(A) the uninsured nature of any insurance product sold, or offered for sale, by the institution or any subsidiary of the institution;

“(B) in the case of a variable annuity or other insurance product that involves an investment risk, the investment risk associated with any such product; or

“(C) in the case of an institution or subsidiary at which insurance products are sold or offered for sale, the fact that—

“(i) the approval of an extension of credit to a customer by the institution or subsidiary may not be conditioned on the purchase of an insurance product by such customer from the institution or subsidiary; and

“(ii) the customer is free to purchase the insurance product from another source.”.

“(d) SEPARATION OF BANKING AND NON-BANKING ACTIVITIES.—

“(1) REGULATIONS REQUIRED.—The regulations prescribed pursuant to subsection (a) shall include such provisions as the Federal banking agencies consider appropriate to ensure that the routine acceptance of deposits is kept, to the extent practicable, physically segregated from insurance product activity.

“(2) REQUIREMENTS.—Regulations prescribed pursuant to paragraph (1) shall include the following:

“(A) SEPARATE SETTING.—A clear delineation of the setting in which, and the circumstances under which, transactions involving insurance products should be conducted in a location physically segregated from an area where retail deposits are routinely accepted.

“(B) REFERRALS.—Standards which permit any person accepting deposits from the public in an area where such transactions are routinely conducted in an insured depository institution to refer a customer who seeks to purchase any insurance product to a qualified person who sells such product, only if the person making the referral receives no more than a one-time nominal fee of a fixed dollar amount for each referral that does not depend on whether the referral results in a transaction.

“(C) QUALIFICATION AND LICENSING REQUIREMENTS.—Standards prohibiting any insured depository institution from permitting any person to sell or offer for sale any insurance product in any part of any office of the institution, or on behalf of the institution, unless such person is appropriately qualified and licensed.

“(e) DOMESTIC VIOLENCE DISCRIMINATION PROHIBITION.—

“(1) IN GENERAL.—In the case of an applicant for, or an insured under, any insurance product described in paragraph (2), the status of the applicant or insured as a victim of domestic violence, or as a provider of services to victims of domestic violence, shall not be considered as a criterion in any decision with regard to insurance underwriting, pricing, renewal, or scope of coverage of insurance policies, or payment of insurance claims, except as required or expressly permitted under State law.

“(2) SCOPE OF APPLICATION.—The prohibition contained in paragraph (1) shall apply to any insurance product which is sold or offered for sale, as principal, agent, or broker, by any insured depository institution or wholesale financial institution or any person who is engaged in such activities at an office of the institution or on behalf of the institution.

“(3) SENSE OF THE CONGRESS.—It is the sense of the Congress that, by the end of the 30-month period beginning on the date of the enactment of this Act, the States should enact prohibitions against discrimination with respect to insurance products that are at least as strict as the prohibitions contained in paragraph (1).

“(4) DOMESTIC VIOLENCE DEFINED.—For purposes of this subsection, the term ‘domestic vio-

lence’ means the occurrence of one or more of the following acts by a current or former family member, household member, intimate partner, or caretaker:

“(A) Attempting to cause or causing or threatening another person physical harm, severe emotional distress, psychological trauma, rape, or sexual assault.

“(B) Engaging in a course of conduct or repeatedly committing acts toward another person, including following the person without proper authority, under circumstances that place the person in reasonable fear of bodily injury or physical harm.

“(C) Subjecting another person to false imprisonment.

“(D) Attempting to cause or cause damage to property so as to intimidate or attempt to control the behavior of another person.

“(f) CONSUMER GRIEVANCE PROCESS.—The Federal banking agencies shall jointly establish a consumer complaint mechanism, for receiving and expeditiously addressing consumer complaints alleging a violation of regulations issued under the section, which shall—

“(1) establish a group within each regulatory agency to receive such complaints;

“(2) develop procedures for investigating such complaints;

“(3) develop procedures for informing consumers of rights they may have in connection with such complaints; and

“(4) develop procedures for addressing concerns raised by such complaints, as appropriate, including procedures for the recovery of losses to the extent appropriate.

“(g) EFFECT ON OTHER AUTHORITY.—

“(1) IN GENERAL.—No provision of this section shall be construed as granting, limiting, or otherwise affecting—

“(A) any authority of the Securities and Exchange Commission, any self-regulatory organization, the Municipal Securities Rulemaking Board, or the Secretary of the Treasury under any Federal securities law; or

“(B) except as provided in paragraph (2), any authority of any State insurance commissioner or other State authority under any State law.

“(2) COORDINATION WITH STATE LAW.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), regulations prescribed by a Federal banking agency under this section shall not apply to retail sales, solicitations, advertising, or offers of any insurance product by any insured depository institution or wholesale financial institution or to any person who is engaged in such activities at an office of such institution or on behalf of the institution, in a State where the State has in effect statutes, regulations, orders, or interpretations, that are inconsistent with or contrary to the regulations prescribed by the Federal banking agencies.

“(B) PREEMPTION.—If, with respect to any provision of the regulations prescribed under this section, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Board of Directors of the Federal Deposit Insurance Corporation determine jointly that the protection afforded by such provision for consumers is greater than the protection provided by a comparable provision of the statutes, regulations, orders, or interpretations referred to in subparagraph (A) of any State, such provision of the regulations prescribed under this section shall supersede the comparable provision of such State statute, regulation, order, or interpretation.

“(h) INSURANCE PRODUCT DEFINED.—For purposes of this section, the term ‘insurance product’ includes an annuity contract the income of which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.”.

**SEC. 308. CERTAIN STATE AFFILIATION LAWS PREEMPTED FOR INSURANCE COMPANIES AND AFFILIATES.**

Except as provided in section 104(a)(2), no State may, by law, regulation, order, interpretation, or otherwise—

(1) prevent or significantly interfere with the ability of any insurer, or any affiliate of an insurer (whether such affiliate is organized as a stock company, mutual holding company, or otherwise), to become a financial holding company or to acquire control of an insured depository institution;

(2) limit the amount of an insurer's assets that may be invested in the voting securities of an insured depository institution (or any company which controls such institution), except that the laws of an insurer's State of domicile may limit the amount of such investment to an amount that is not less than 5 percent of the insurer's admitted assets; or

(3) prevent, significantly interfere with, or have the authority to review, approve, or disapprove a plan of reorganization by which an insurer proposes to reorganize from mutual form to become a stock insurer (whether as a direct or indirect subsidiary of a mutual holding company or otherwise) unless such State is the State of domicile of the insurer.

**SEC. 309. INTERAGENCY CONSULTATION.**

(a) **PURPOSE.**—It is the intention of the Congress that the Board of Governors of the Federal Reserve System, as the umbrella supervisor for financial holding companies, and the State insurance regulators, as the functional regulators of companies engaged in insurance activities, coordinate efforts to supervise companies that control both a depository institution and a company engaged in insurance activities regulated under State law. In particular, Congress believes that the Board and the State insurance regulators should share, on a confidential basis, information relevant to the supervision of companies that control both a depository institution and a company engaged in insurance activities, including information regarding the financial health of the consolidated organization and information regarding transactions and relationships between insurance companies and affiliated depository institutions. The appropriate Federal banking agencies for depository institutions should also share, on a confidential basis, information with the relevant State insurance regulators regarding transactions and relationships between depository institutions and affiliated companies engaged in insurance activities. The purpose of this section is to encourage this coordination and confidential sharing of information, and to thereby improve both the efficiency and the quality of the supervision of financial holding companies and their affiliated depository institutions and companies engaged in insurance activities.

(b) **EXAMINATION RESULTS AND OTHER INFORMATION.**—

(1) **INFORMATION OF THE BOARD.**—Upon the request of the appropriate insurance regulator of any State, the Board may provide any information of the Board regarding the financial condition, risk management policies, and operations of any financial holding company that controls a company that is engaged in insurance activities and is regulated by such State insurance regulator, and regarding any transaction or relationship between such an insurance company and any affiliated depository institution. The Board may provide any other information to the appropriate State insurance regulator that the Board believes is necessary or appropriate to permit the State insurance regulator to administer and enforce applicable State insurance laws.

(2) **BANKING AGENCY INFORMATION.**—Upon the request of the appropriate insurance regulator

of any State, the appropriate Federal banking agency may provide any information of the agency regarding any transaction or relationship between a depository institution supervised by such Federal banking agency and any affiliated company that is engaged in insurance activities regulated by such State insurance regulator. The appropriate Federal banking agency may provide any other information to the appropriate State insurance regulator that the agency believes is necessary or appropriate to permit the State insurance regulator to administer and enforce applicable State insurance laws.

(3) **STATE INSURANCE REGULATOR INFORMATION.**—Upon the request of the Board or the appropriate Federal banking agency, a State insurance regulator may provide any examination or other reports, records, or other information to which such insurance regulator may have access with respect to a company which—

(A) is engaged in insurance activities and regulated by such insurance regulator; and

(B) is an affiliate of an insured depository institution, wholesale financial institution, or financial holding company.

(c) **CONSULTATION.**—Before making any determination relating to the initial affiliation of, or the continuing affiliation of, an insured depository institution, wholesale financial institution, or financial holding company with a company engaged in insurance activities, the appropriate Federal banking agency shall consult with the appropriate State insurance regulator of such company and take the views of such insurance regulator into account in making such determination.

(d) **EFFECT ON OTHER AUTHORITY.**—Nothing in this section shall limit in any respect the authority of the appropriate Federal banking agency with respect to an insured depository institution, wholesale financial institution, or bank holding company or any affiliate thereof under any provision of law.

(e) **CONFIDENTIALITY AND PRIVILEGE.**—

(1) **CONFIDENTIALITY.**—The appropriate Federal banking agency shall not provide any information or material that is entitled to confidential treatment under applicable Federal banking agency regulations, or other applicable law, to a State insurance regulator unless such regulator agrees to maintain the information or material in confidence and to take all reasonable steps to oppose any effort to secure disclosure of the information or material by the regulator. The appropriate Federal banking agency shall treat as confidential any information or material obtained from a State insurance regulator that is entitled to confidential treatment under applicable State regulations, or other applicable law, and take all reasonable steps to oppose any effort to secure disclosure of the information or material by the Federal banking agency.

(2) **PRIVILEGE.**—The provision pursuant to this section of information or material by a Federal banking agency or State insurance regulator shall not constitute a waiver of, or otherwise affect, any privilege to which the information or material is otherwise subject.

(f) **DEFINITIONS.**—For purposes of this section, the following definitions shall apply:

(1) **APPROPRIATE FEDERAL BANKING AGENCY; INSURED DEPOSITORY INSTITUTION.**—The terms “appropriate Federal banking agency” and “insured depository institution” have the same meanings as in section 3 of the Federal Deposit Insurance Act.

(2) **BOARD; FINANCIAL HOLDING COMPANY; AND WHOLESALE FINANCIAL INSTITUTION.**—The terms “Board”, “financial holding company”, and “wholesale financial institution” have the same meanings as in section 2 of the Bank Holding Company Act of 1956.

**SEC. 310. DEFINITION OF STATE.**

For purposes of this subtitle, the term “State” means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

**Subtitle B—Redomestication of Mutual Insurers**

**SEC. 311. GENERAL APPLICATION.**

This subtitle shall only apply to a mutual insurance company in a State which has not enacted a law which expressly establishes reasonable terms and conditions for a mutual insurance company domiciled in such State to reorganize into a mutual holding company.

**SEC. 312. REDOMESTICATION OF MUTUAL INSURERS.**

(a) **REDOMESTICATION.**—A mutual insurer organized under the laws of any State may transfer its domicile to a transferee domicile as a step in a reorganization in which, pursuant to the laws of the transferee domicile and consistent with the standards in subsection (f), the mutual insurer becomes a stock insurer that is a direct or indirect subsidiary of a mutual holding company.

(b) **RESULTING DOMICILE.**—Upon complying with the applicable law of the transferee domicile governing transfers of domicile and completion of a transfer pursuant to this section, the mutual insurer shall cease to be a domestic insurer in the transferor domicile and, as a continuation of its corporate existence, shall be a domestic insurer of the transferee domicile.

(c) **LICENSES PRESERVED.**—The certificate of authority, agents' appointments and licenses, rates, approvals and other items that a licensed State allows and that are in existence immediately prior to the date that a redomesticating insurer transfers its domicile pursuant to this subtitle shall continue in full force and effect upon transfer, if the insurer remains duly qualified to transact the business of insurance in such licensed State.

(d) **EFFECTIVENESS OF OUTSTANDING POLICIES AND CONTRACTS.**—

(1) **IN GENERAL.**—All outstanding insurance policies and annuities contracts of a redomesticating insurer shall remain in full force and effect and need not be endorsed as to the new domicile of the insurer, unless so ordered by the State insurance regulator of a licensed State, and then only in the case of outstanding policies and contracts whose owners reside in such licensed State.

(2) **FORMS.**—

(A) Applicable State law may require a redomesticating insurer to file new policy forms with the State insurance regulator of a licensed State on or before the effective date of the transfer.

(B) Notwithstanding subparagraph (A), a redomesticating insurer may use existing policy forms with appropriate endorsements to reflect the new domicile of the redomesticating insurer until the new policy forms are approved for use by the State insurance regulator of such licensed State.

(e) **NOTICE.**—A redomesticating insurer shall give notice of the proposed transfer to the State insurance regulator of each licensed State and shall file promptly any resulting amendments to corporate documents required to be filed by a foreign licensed mutual insurer with the insurance regulator of each such licensed State.

(f) **PROCEDURAL REQUIREMENTS.**—No mutual insurer may redomesticate to another State and reorganize into a mutual holding company pursuant to this section unless the State insurance regulator of the transferee domicile determines that the plan of reorganization of the insurer includes the following requirements:

(1) **APPROVAL BY BOARD OF DIRECTORS AND POLICYHOLDERS.**—The reorganization is approved by at least a majority of the board of directors of the mutual insurer and at least a majority of the policyholders who vote after notice, disclosure of the reorganization and the effects of the transaction on policyholder contractual rights, and reasonable opportunity to vote, in accordance with such notice, disclosure, and voting procedures as are approved by the State insurance regulator of the transferee domicile.

(2) **CONTINUED VOTING CONTROL BY POLICYHOLDERS; REVIEW OF PUBLIC STOCK OFFERING.**—After the consummation of a reorganization, the policyholders of the reorganized insurer shall have the same voting rights with respect to the mutual holding company as they had before the reorganization with respect to the mutual insurer. With respect to an initial public offering of stock, the offering shall be conducted in compliance with applicable securities laws and in a manner approved by the State insurance regulator of the transferee domicile.

(3) **AWARD OF STOCK OR GRANT OF OPTIONS TO OFFICERS AND DIRECTORS.**—For a period of 6 months after completion of an initial public offering, neither a stock holding company nor the converted insurer shall award any stock options or stock grants to persons who are elected officers or directors of the mutual holding company, the stock holding company, or the converted insurer, except with respect to any such awards or options to which a person is entitled as a policyholder and as approved by the State insurance regulator of the transferee domicile.

(4) **CONTRACTUAL RIGHTS.**—Upon reorganization into a mutual holding company, the contractual rights of the policyholders are preserved.

(5) **FAIR AND EQUITABLE TREATMENT OF POLICYHOLDERS.**—The reorganization is approved as fair and equitable to the policyholders by the insurance regulator of the transferee domicile.

**SEC. 313. EFFECT ON STATE LAWS RESTRICTING REDOMESTICATION.**

(a) **IN GENERAL.**—Unless otherwise permitted by this subtitle, State laws of any transferor domicile that conflict with the purposes and intent of this subtitle are preempted, including but not limited to—

(1) any law that has the purpose or effect of impeding the activities of, taking any action against, or applying any provision of law or regulation to, any insurer or an affiliate of such insurer because that insurer or any affiliate plans to redomesticate, or has redomesticated, pursuant to this subtitle;

(2) any law that has the purpose or effect of impeding the activities of, taking action against, or applying any provision of law or regulation to, any insured or any insurance licensee or other intermediary because such person has procured insurance from or placed insurance with any insurer or affiliate of such insurer that plans to redomesticate, or has redomesticated, pursuant to this subtitle, but only to the extent that such law would treat such insured licensee or other intermediary differently than if the person procured insurance from, or placed insurance with, an insured licensee or other intermediary which had not redomesticated;

(3) any law that has the purpose or effect of terminating, because of the redomestication of a mutual insurer pursuant to this subtitle, any certificate of authority, agent appointment or license, rate approval, or other approval, of any State insurance regulator or other State authority in existence immediately prior to the redomestication in any State other than the transferee domicile.

(b) **DIFFERENTIAL TREATMENT PROHIBITED.**—No State law, regulation, interpretation, or functional equivalent thereof, of a State other than a transferee domicile may treat a redomes-

ticating or redomesticated insurer or any affiliate thereof any differently than an insurer operating in that State that is not a redomesticating or redomesticated insurer.

(c) **LAWS PROHIBITING OPERATIONS.**—If any licensed State fails to issue, delays the issuance of, or seeks to revoke an original or renewal certificate of authority of a redomesticated insurer immediately following redomestication, except on grounds and in a manner consistent with its past practices regarding the issuance of certificates of authority to foreign insurers that are not redomesticating, then the redomesticating insurer shall be exempt from any State law of the licensed State to the extent that such State law or the operation of such State law would make unlawful, or regulate, directly or indirectly, the operation of the redomesticated insurer, except that such licensed State may require the redomesticated insurer to—

(1) comply with the unfair claim settlement practices law of the licensed State;

(2) pay, on a nondiscriminatory basis, applicable premium and other taxes which are levied on licensed insurers or policyholders under the laws of the licensed State;

(3) register with and designate the State insurance regulator as its agent solely for the purpose of receiving service of legal documents or process;

(4) submit to an examination by the State insurance regulator in any licensed state in which the redomesticated insurer is doing business to determine the insurer's financial condition, if—

(A) the State insurance regulator of the transferee domicile has not begun an examination of the redomesticated insurer and has not scheduled such an examination to begin before the end of the 1-year period beginning on the date of the redomestication; and

(B) any such examination is coordinated to avoid unjustified duplication and repetition;

(5) comply with a lawful order issued in—

(A) a delinquency proceeding commenced by the State insurance regulator of any licensed State if there has been a judicial finding of financial impairment under paragraph (7); or

(B) a voluntary dissolution proceeding;

(6) comply with any State law regarding deceptive, false, or fraudulent acts or practices, except that if the licensed State seeks an injunction regarding the conduct described in this paragraph, such injunction must be obtained from a court of competent jurisdiction as provided in section 314(a);

(7) comply with an injunction issued by a court of competent jurisdiction, upon a petition by the State insurance regulator alleging that the redomesticating insurer is in hazardous financial condition or is financially impaired;

(8) participate in any insurance insolvency guaranty association on the same basis as any other insurer licensed in the licensed State; and

(9) require a person acting, or offering to act, as an insurance licensee for a redomesticated insurer in the licensed State to obtain a license from that State, except that such State may not impose any qualification or requirement that discriminates against a nonresident insurance licensee.

**SEC. 314. OTHER PROVISIONS.**

(a) **JUDICIAL REVIEW.**—The appropriate United States district court shall have exclusive jurisdiction over litigation arising under this section involving any redomesticating or redomesticated insurer.

(b) **SEVERABILITY.**—If any provision of this section, or the application thereof to any person or circumstances, is held invalid, the remainder of the section, and the application of such provision to other persons or circumstances, shall not be affected thereby.

**SEC. 315. DEFINITIONS.**

For purposes of this subtitle, the following definitions shall apply:

(1) **COURT OF COMPETENT JURISDICTION.**—The term “court of competent jurisdiction” means a court authorized pursuant to section 314(a) to adjudicate litigation arising under this subtitle.

(2) **DOMICILE.**—The term “domicile” means the State in which an insurer is incorporated, chartered, or organized.

(3) **INSURANCE LICENSEE.**—The term “insurance licensee” means any person holding a license under State law to act as insurance agent, subagent, broker, or consultant.

(4) **INSTITUTION.**—The term “institution” means a corporation, joint stock company, limited liability company, limited liability partnership, association, trust, partnership, or any similar entity.

(5) **LICENSED STATE.**—The term “licensed State” means any State, the District of Columbia, American Samoa, Guam, Puerto Rico, or the United States Virgin Islands in which the redomesticating insurer has a certificate of authority in effect immediately prior to the redomestication.

(6) **MUTUAL INSURER.**—The term “mutual insurer” means a mutual insurer organized under the laws of any State.

(7) **PERSON.**—The term “person” means an individual, institution, government or governmental agency, State or political subdivision of a State, public corporation, board, association, estate, trustee, or fiduciary, or other similar entity.

(8) **POLICYHOLDER.**—The term “policyholder” means the owner of a policy issued by a mutual insurer, except that, with respect to voting rights, the term means a member of a mutual insurer or mutual holding company granted the right to vote, as determined under applicable State law.

(9) **REDOMESTICATED INSURER.**—The term “redomesticated insurer” means a mutual insurer that has redomesticated pursuant to this subtitle.

(10) **REDOMESTICATING INSURER.**—The term “redomesticating insurer” means a mutual insurer that is redomesticating pursuant to this subtitle.

(11) **REDOMESTICATION OR TRANSFER.**—The terms “redomestication” and “transfer” mean the transfer of the domicile of a mutual insurer from one State to another State pursuant to this subtitle.

(12) **STATE INSURANCE REGULATOR.**—The term “State insurance regulator” means the principal insurance regulatory authority of a State, the District of Columbia, American Samoa, Guam, Puerto Rico, or the United States Virgin Islands.

(13) **STATE LAW.**—The term “State law” means the statutes of any State, the District of Columbia, American Samoa, Guam, Puerto Rico, or the United States Virgin Islands and any regulation, order, or requirement prescribed pursuant to any such statute.

(14) **TRANSFEREE DOMICILE.**—The term “transferee domicile” means the State to which a mutual insurer is redomesticating pursuant to this subtitle.

(15) **TRANSFEROR DOMICILE.**—The term “transferor domicile” means the State from which a mutual insurer is redomesticating pursuant to this subtitle.

**SEC. 316. EFFECTIVE DATE.**

This subtitle shall take effect on the date of the enactment of this Act.

**Subtitle C—National Association of Registered Agents and Brokers**

**SEC. 321. STATE FLEXIBILITY IN MULTISTATE LICENSING REFORMS.**

(a) **IN GENERAL.**—The provisions of this subtitle shall take effect unless, not later than 3 years after the date of the enactment of this Act, at least a majority of the States—

(1) have enacted uniform laws and regulations governing the licensure of individuals and entities authorized to sell and solicit the purchase of insurance within the State; or

(2) have enacted reciprocity laws and regulations governing the licensure of nonresident individuals and entities authorized to sell and solicit insurance within those States.

(b) **UNIFORMITY REQUIRED.**—States shall be deemed to have established the uniformity necessary to satisfy subsection (a)(1) if the States—

(1) establish uniform criteria regarding the integrity, personal qualifications, education, training, and experience of licensed insurance producers, including the qualification and training of sales personnel in ascertaining the appropriateness of a particular insurance product for a prospective customer;

(2) establish uniform continuing education requirements for licensed insurance producers;

(3) establish uniform ethics course requirements for licensed insurance producers in conjunction with the continuing education requirements under paragraph (2);

(4) establish uniform criteria to ensure that an insurance product, including any annuity contract, sold to a consumer is suitable and appropriate for the consumer based on financial information disclosed by the consumer; and

(5) do not impose any requirement upon any insurance producer to be licensed or otherwise qualified to do business as a nonresident that has the effect of limiting or conditioning that producer's activities because of its residence or place of operations, except that countersignature requirements imposed on nonresident producers shall not be deemed to have the effect of limiting or conditioning a producer's activities because of its residence or place of operations under this section.

(c) **RECIPROCITY REQUIRED.**—States shall be deemed to have established the reciprocity required to satisfy subsection (a)(2) if the following conditions are met:

(1) **ADMINISTRATIVE LICENSING PROCEDURES.**—At least a majority of the States permit a producer that has a resident license for selling or soliciting the purchase of insurance in its home State to receive a license to sell or solicit the purchase of insurance in such majority of States as a nonresident to the same extent that such producer is permitted to sell or solicit the purchase of insurance in its State, if the producer's home State also awards such licenses on such a reciprocal basis, without satisfying any additional requirements other than submitting—

(A) a request for licensure;

(B) the application for licensure that the producer submitted to its home State;

(C) proof that the producer is licensed and in good standing in its home State; and

(D) the payment of any requisite fee to the appropriate authority.

(2) **CONTINUING EDUCATION REQUIREMENTS.**—A majority of the States accept an insurance producer's satisfaction of its home State's continuing education requirements for licensed insurance producers to satisfy the States' own continuing education requirements if the producer's home State also recognizes the satisfaction of continuing education requirements on such a reciprocal basis.

(3) **NO LIMITING NONRESIDENT REQUIREMENTS.**—A majority of the States do not impose any requirement upon any insurance producer to be licensed or otherwise qualified to do business as a nonresident that has the effect of limiting or conditioning that producer's activities because of its residence or place of operations, except that countersignature requirements imposed on nonresident producers shall not be deemed to have the effect of limiting or conditioning a producer's activities because of its residence or place of operations under this section.

(4) **RECIPROCAL RECIPROCITY.**—Each of the States that satisfies paragraphs (1), (2), and (3) grants reciprocity to residents of all of the other States that satisfy such paragraphs.

(d) **DETERMINATION.**—

(1) **NAIC DETERMINATION.**—At the end of the 3-year period beginning on the date of the enactment of this Act, the National Association of Insurance Commissioners shall determine, in consultation with the insurance commissioners or chief insurance regulatory officials of the States, whether the uniformity or reciprocity required by subsections (b) and (c) has been achieved.

(2) **JUDICIAL REVIEW.**—The appropriate United States district court shall have exclusive jurisdiction over any challenge to the National Association of Insurance Commissioners' determination under this section and such court shall apply the standards set forth in section 706 of title 5, United States Code, when reviewing any such challenge.

(e) **CONTINUED APPLICATION.**—If, at any time, the uniformity or reciprocity required by subsections (b) and (c) no longer exists, the provisions of this subtitle shall take effect 2 years after the date on which such uniformity or reciprocity ceases to exist, unless the uniformity or reciprocity required by those provisions is satisfied before the expiration of that 2-year period.

(f) **SAVINGS PROVISION.**—No provision of this section shall be construed as requiring that any law, regulation, provision, or action of any State which purports to regulate insurance producers, including any such law, regulation, provision, or action which purports to regulate unfair trade practices or establish consumer protections, including countersignature laws, be altered or amended in order to satisfy the uniformity or reciprocity required by subsections (b) and (c), unless any such law, regulation, provision, or action is inconsistent with a specific requirement of any such subsection and then only to the extent of such inconsistency.

(g) **UNIFORM LICENSING.**—Nothing in this section shall be construed to require any State to adopt new or additional licensing requirements to achieve the uniformity necessary to satisfy subsection (a)(1).

#### **SEC. 322. NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS.**

(a) **ESTABLISHMENT.**—There is established the National Association of Registered Agents and Brokers (hereafter in this subtitle referred to as the "Association").

(b) **STATUS.**—The Association shall—

(1) be a nonprofit corporation;

(2) have succession until dissolved by an Act of Congress;

(3) not be an agent or instrumentality of the United States Government; and

(4) except as otherwise provided in this Act, be subject to, and have all the powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29y-1001 et seq.).

#### **SEC. 323. PURPOSE.**

The purpose of the Association shall be to provide a mechanism through which uniform licensing, appointment, continuing education, and other insurance producer sales qualification requirements and conditions can be adopted and applied on a multistate basis, while preserving the right of States to license, supervise, and discipline insurance producers and to prescribe and enforce laws and regulations with regard to insurance-related consumer protection and unfair trade practices.

#### **SEC. 324. RELATIONSHIP TO THE FEDERAL GOVERNMENT.**

The Association shall be subject to the supervision and oversight of the National Association of Insurance Commissioners (hereafter in this subtitle referred to as the "NAIC").

#### **SEC. 325. MEMBERSHIP.**

(a) **ELIGIBILITY.**—

(1) **IN GENERAL.**—Any State-licensed insurance producer shall be eligible to become a member in the Association.

(2) **INELIGIBILITY FOR SUSPENSION OR REVOCATION OF LICENSE.**—Notwithstanding paragraph (1), a State-licensed insurance producer shall not be eligible to become a member if a State insurance regulator has suspended or revoked such producer's license in that State during the 3-year period preceding the date on which such producer applies for membership.

(3) **RESUMPTION OF ELIGIBILITY.**—Paragraph (2) shall cease to apply to any insurance producer if—

(A) the State insurance regulator renews the license of such producer in the State in which the license was suspended or revoked; or

(B) the suspension or revocation is subsequently overturned.

(b) **AUTHORITY TO ESTABLISH MEMBERSHIP CRITERIA.**—The Association shall have the authority to establish membership criteria that—

(1) bear a reasonable relationship to the purposes for which the Association was established; and

(2) do not unfairly limit the access of smaller agencies to the Association membership.

(c) **ESTABLISHMENT OF CLASSES AND CATEGORIES.**—

(1) **CLASSES OF MEMBERSHIP.**—The Association may establish separate classes of membership, with separate criteria, if the Association reasonably determines that performance of different duties requires different levels of education, training, or experience.

(2) **CATEGORIES.**—The Association may establish separate categories of membership for individuals and for other persons. The establishment of any such categories of membership shall be based either on the types of licensing categories that exist under State laws or on the aggregate amount of business handled by an insurance producer. No special categories of membership, and no distinct membership criteria, shall be established for members which are insured depository institutions or wholesale financial institutions or for their employees, agents, or affiliates.

(d) **MEMBERSHIP CRITERIA.**—

(1) **IN GENERAL.**—The Association may establish criteria for membership which shall include standards for integrity, personal qualifications, education, training, and experience.

(2) **MINIMUM STANDARD.**—In establishing criteria under paragraph (1), the Association shall consider the highest levels of insurance producer qualifications established under the licensing laws of the States.

(e) **EFFECT OF MEMBERSHIP.**—Membership in the Association shall entitle the member to licensure in each State for which the member pays the requisite fees, including licensing fees and, where applicable, bonding requirements, set by such State.

(f) **ANNUAL RENEWAL.**—Membership in the Association shall be renewed on an annual basis.

(g) **CONTINUING EDUCATION.**—The Association shall establish, as a condition of membership, continuing education requirements which shall be comparable to or greater than the continuing education requirements under the licensing laws of a majority of the States.

(h) **SUSPENSION AND REVOCATION.**—The Association may—

(1) inspect and examine the records and offices of the members of the Association to determine compliance with the criteria for membership established by the Association; and

(2) suspend or revoke the membership of an insurance producer if—

(A) the producer fails to meet the applicable membership criteria of the Association; or

(B) the producer has been subject to disciplinary action pursuant to a final adjudicatory proceeding under the jurisdiction of a State insurance regulator, and the Association concludes that retention of membership in the Association would not be in the public interest.

(i) OFFICE OF CONSUMER COMPLAINTS.—

(1) IN GENERAL.—The Association shall establish an office of consumer complaints that shall—

(A) receive and investigate complaints from both consumers and State insurance regulators related to members of the Association; and

(B) recommend to the Association any disciplinary actions that the office considers appropriate, to the extent that any such recommendation is not inconsistent with State law.

(2) RECORDS AND REFERRALS.—The office of consumer complaints of the Association shall—

(A) maintain records of all complaints received in accordance with paragraph (1) and make such records available to the NAIC and to each State insurance regulator for the State of residence of the consumer who filed the complaint; and

(B) refer, when appropriate, any such complaint to any appropriate State insurance regulator.

(3) TELEPHONE AND OTHER ACCESS.—The office of consumer complaints shall maintain a toll-free telephone number for the purpose of this subsection and, as practicable, other alternative means of communication with consumers, such as an Internet home page.

**SEC. 326. BOARD OF DIRECTORS.**

(a) ESTABLISHMENT.—There is established the board of directors of the Association (hereafter in this subtitle referred to as the "Board") for the purpose of governing and supervising the activities of the Association and the members of the Association.

(b) POWERS.—The Board shall have such powers and authority as may be specified in the bylaws of the Association.

(c) COMPOSITION.—

(1) MEMBERS.—The Board shall be composed of seven members appointed by the NAIC.

(2) REQUIREMENT.—At least four of the members of the Board shall have significant experience with the regulation of commercial lines of insurance in at least 1 of the 20 States in which the greatest total dollar amount of commercial-lines insurance is placed in the United States.

(3) INITIAL BOARD MEMBERSHIP.—

(A) IN GENERAL.—If, by the end of the 2-year period beginning on the date of the enactment of this Act, the NAIC has not appointed the initial seven members of the Board of the Association, the initial Board shall consist of the seven State insurance regulators of the seven States with the greatest total dollar amount of commercial-lines insurance in place as of the end of such period.

(B) ALTERNATE COMPOSITION.—If any of the State insurance regulators described in subparagraph (A) declines to serve on the Board, the State insurance regulator with the next greatest total dollar amount of commercial-lines insurance in place, as determined by the NAIC as of the end of such period, shall serve as a member of the Board.

(C) INOPERABILITY.—If fewer than seven State insurance regulators accept appointment to the Board, the Association shall be established without NAIC oversight pursuant to section 332.

(d) TERMS.—The term of each director shall, after the initial appointment of the members of the Board, be for 3 years, with one-third of the directors to be appointed each year.

(e) BOARD VACANCIES.—A vacancy on the Board shall be filled in the same manner as the original appointment of the initial Board for the remainder of the term of the vacating member.

(f) MEETINGS.—The Board shall meet at the call of the chairperson, or as otherwise provided by the bylaws of the Association.

**SEC. 327. OFFICERS.**

(a) IN GENERAL.—

(1) POSITIONS.—The officers of the Association shall consist of a chairperson and a vice chairperson of the Board, a president, secretary, and treasurer of the Association, and such other officers and assistant officers as may be deemed necessary.

(2) MANNER OF SELECTION.—Each officer of the Board and the Association shall be elected or appointed at such time and in such manner and for such terms not exceeding 3 years as may be prescribed in the bylaws of the Association.

(b) CRITERIA FOR CHAIRPERSON.—Only individuals who are members of the NAIC shall be eligible to serve as the chairperson of the board of directors.

**SEC. 328. BYLAWS, RULES, AND DISCIPLINARY ACTION.**

(a) ADOPTION AND AMENDMENT OF BYLAWS.—

(1) COPY REQUIRED TO BE FILED WITH THE NAIC.—The board of directors of the Association shall file with the NAIC a copy of the proposed bylaws or any proposed amendment to the bylaws, accompanied by a concise general statement of the basis and purpose of such proposal.

(2) EFFECTIVE DATE.—Except as provided in paragraph (3), any proposed bylaw or proposed amendment shall take effect—

(A) thirty days after the date of the filing of a copy with the NAIC;

(B) upon such later date as the Association may designate; or

(C) upon such earlier date as the NAIC may determine.

(3) DISAPPROVAL BY THE NAIC.—Notwithstanding paragraph (2), a proposed bylaw or amendment shall not take effect if, after public notice and opportunity to participate in a public hearing—

(A) the NAIC disapproves such proposal as being contrary to the public interest or contrary to the purposes of this subtitle and provides notice to the Association setting forth the reasons for such disapproval; or

(B) the NAIC finds that such proposal involves a matter of such significant public interest that public comment should be obtained, in which case it may, after notifying the Association in writing of such finding, require that the procedures set forth in subsection (b) be followed with respect to such proposal, in the same manner as if such proposed bylaw change were a proposed rule change within the meaning of such subsection.

(b) ADOPTION AND AMENDMENT OF RULES.—

(1) FILING PROPOSED REGULATIONS WITH THE NAIC.—

(A) IN GENERAL.—The board of directors of the Association shall file with the NAIC a copy of any proposed rule or any proposed amendment to a rule of the Association which shall be accompanied by a concise general statement of the basis and purpose of such proposal.

(B) OTHER RULES AND AMENDMENTS INEFFECTIVE.—No proposed rule or amendment shall take effect unless approved by the NAIC or otherwise permitted in accordance with this paragraph.

(2) INITIAL CONSIDERATION BY THE NAIC.—Not later than 35 days after the date of publication of notice of filing of a proposal, or before the end of such longer period not to exceed 90 days as the NAIC may designate after such date, if the NAIC finds such longer period to be appropriate and sets forth its reasons for so finding, or as to which the Association consents, the NAIC shall—

(A) by order approve such proposed rule or amendment; or

(B) institute proceedings to determine whether such proposed rule or amendment should be modified or disapproved.

(3) NAIC PROCEEDINGS.—

(A) IN GENERAL.—Proceedings instituted by the NAIC with respect to a proposed rule or amendment pursuant to paragraph (2) shall—

(i) include notice of the grounds for disapproval under consideration;

(ii) provide opportunity for hearing; and

(iii) be concluded not later than 180 days after the date of the Association's filing of such proposed rule or amendment.

(B) DISPOSITION OF PROPOSAL.—At the conclusion of any proceeding under subparagraph (A), the NAIC shall, by order, approve or disapprove the proposed rule or amendment.

(C) EXTENSION OF TIME FOR CONSIDERATION.—The NAIC may extend the time for concluding any proceeding under subparagraph (A) for—

(i) not more than 60 days if the NAIC finds good cause for such extension and sets forth its reasons for so finding; or

(ii) for such longer period as to which the Association consents.

(4) STANDARDS FOR REVIEW.—

(A) GROUNDS FOR APPROVAL.—The NAIC shall approve a proposed rule or amendment if the NAIC finds that the rule or amendment is in the public interest and is consistent with the purposes of this Act.

(B) APPROVAL BEFORE END OF NOTICE PERIOD.—The NAIC shall not approve any proposed rule before the end of the 30-day period beginning on the date on which the Association files proposed rules or amendments in accordance with paragraph (1), unless the NAIC finds good cause for so doing and sets forth the reasons for so finding.

(5) ALTERNATE PROCEDURE.—

(A) IN GENERAL.—Notwithstanding any provision of this subsection other than subparagraph (B), a proposed rule or amendment relating to the administration or organization of the Association shall take effect—

(i) upon the date of filing with the NAIC, if such proposed rule or amendment is designated by the Association as relating solely to matters which the NAIC, consistent with the public interest and the purposes of this subsection, determines by rule do not require the procedures set forth in this paragraph; or

(ii) upon such date as the NAIC shall for good cause determine.

(B) ABROGATION BY THE NAIC.—

(i) IN GENERAL.—At any time within 60 days after the date of filing of any proposed rule or amendment under subparagraph (A)(i) or clause (ii) of this subparagraph, the NAIC may repeal such rule or amendment and require that the rule or amendment be refiled and reviewed in accordance with this paragraph, if the NAIC finds that such action is necessary or appropriate in the public interest, for the protection of insurance producers or policyholders, or otherwise in furtherance of the purposes of this subtitle.

(ii) EFFECT OF RECONSIDERATION BY THE NAIC.—Any action of the NAIC pursuant to clause (i) shall—

(I) not affect the validity or force of a rule change during the period such rule or amendment was in effect; and

(II) not be considered to be a final action.

(c) ACTION REQUIRED BY THE NAIC.—The NAIC may, in accordance with such rules as the NAIC determines to be necessary or appropriate to the public interest or to carry out the purposes of this subtitle, require the Association to adopt, amend, or repeal any bylaw, rule or amendment of the Association, whenever adopted.

(d) DISCIPLINARY ACTION BY THE ASSOCIATION.—

(1) SPECIFICATION OF CHARGES.—In any proceeding to determine whether membership shall be denied, suspended, revoked, or not renewed (hereafter in this section referred to as a "disciplinary action"), the Association shall bring



specific charges, notify such member of such charges, give the member an opportunity to defend against the charges, and keep a record.

(2) **SUPPORTING STATEMENT.**—A determination to take disciplinary action shall be supported by a statement setting forth—

(A) any act or practice in which such member has been found to have been engaged;

(B) the specific provision of this subtitle, the rules or regulations under this subtitle, or the rules of the Association which any such act or practice is deemed to violate; and

(C) the sanction imposed and the reason for such sanction.

(e) **NAIC REVIEW OF DISCIPLINARY ACTION.**—

(1) **NOTICE TO THE NAIC.**—If the Association orders any disciplinary action, the Association shall promptly notify the NAIC of such action.

(2) **REVIEW BY THE NAIC.**—Any disciplinary action taken by the Association shall be subject to review by the NAIC—

(A) on the NAIC's own motion; or

(B) upon application by any person aggrieved by such action if such application is filed with the NAIC not more than 30 days after the later of—

(i) the date the notice was filed with the NAIC pursuant to paragraph (1); or

(ii) the date the notice of the disciplinary action was received by such aggrieved person.

(f) **EFFECT OF REVIEW.**—The filing of an application to the NAIC for review of a disciplinary action, or the institution of review by the NAIC on the NAIC's own motion, shall not operate as a stay of disciplinary action unless the NAIC otherwise orders.

(g) **SCOPE OF REVIEW.**—

(1) **IN GENERAL.**—In any proceeding to review such action, after notice and the opportunity for hearing, the NAIC shall—

(A) determine whether the action should be taken;

(B) affirm, modify, or rescind the disciplinary sanction; or

(C) remand to the Association for further proceedings.

(2) **DISMISSAL OF REVIEW.**—The NAIC may dismiss a proceeding to review disciplinary action if the NAIC finds that—

(A) the specific grounds on which the action is based exist in fact;

(B) the action is in accordance with applicable rules and regulations; and

(C) such rules and regulations are, and were, applied in a manner consistent with the purposes of this subtitle.

#### **SEC. 329. ASSESSMENTS.**

(a) **INSURANCE PRODUCERS SUBJECT TO ASSESSMENT.**—The Association may establish such application and membership fees as the Association finds necessary to cover the costs of its operations, including fees made reimbursable to the NAIC under subsection (b), except that, in setting such fees, the Association may not discriminate against smaller insurance producers.

(b) **NAIC ASSESSMENTS.**—The NAIC may assess the Association for any costs that the NAIC incurs under this subtitle.

#### **SEC. 330. FUNCTIONS OF THE NAIC.**

(a) **ADMINISTRATIVE PROCEDURE.**—Determinations of the NAIC, for purposes of making rules pursuant to section 328, shall be made after appropriate notice and opportunity for a hearing and for submission of views of interested persons.

(b) **EXAMINATIONS AND REPORTS.**—

(1) **EXAMINATIONS.**—The NAIC may make such examinations and inspections of the Association and require the Association to furnish to the NAIC such reports and records or copies thereof as the NAIC may consider necessary or appropriate in the public interest or to effectuate the purposes of this subtitle.

(2) **REPORT BY ASSOCIATION.**—As soon as practicable after the close of each fiscal year, the

Association shall submit to the NAIC a written report regarding the conduct of its business, and the exercise of the other rights and powers granted by this subtitle, during such fiscal year. Such report shall include financial statements setting forth the financial position of the Association at the end of such fiscal year and the results of its operations (including the source and application of its funds) for such fiscal year. The NAIC shall transmit such report to the President and the Congress with such comment thereon as the NAIC determines to be appropriate.

#### **SEC. 331. LIABILITY OF THE ASSOCIATION AND THE DIRECTORS, OFFICERS, AND EMPLOYEES OF THE ASSOCIATION.**

(a) **IN GENERAL.**—The Association shall not be deemed to be an insurer or insurance producer within the meaning of any State law, rule, regulation, or order regulating or taxing insurers, insurance producers, or other entities engaged in the business of insurance, including provisions imposing premium taxes, regulating insurer solvency or financial condition, establishing guaranty funds and levying assessments, or requiring claims settlement practices.

(b) **LIABILITY OF THE ASSOCIATION, ITS DIRECTORS, OFFICERS, AND EMPLOYEES.**—Neither the Association nor any of its directors, officers, or employees shall have any liability to any person for any action taken or omitted in good faith under or in connection with any matter subject to this subtitle.

#### **SEC. 332. ELIMINATION OF NAIC OVERSIGHT.**

(a) **IN GENERAL.**—The Association shall be established without NAIC oversight and the provisions set forth in section 324, subsections (a), (b), (c), and (e) of section 328, and sections 329(b) and 330 of this subtitle shall cease to be effective if, at the end of the 2-year period beginning on the date on which the provisions of this subtitle take effect pursuant to section 321—

(1) at least a majority of the States representing at least 50 percent of the total United States commercial-lines insurance premiums have not satisfied the uniformity or reciprocity requirements of subsections (a), (b), and (c) of section 321; and

(2) the NAIC has not approved the Association's bylaws as required by section 328 or is unable to operate or supervise the Association, or the Association is not conducting its activities as required under this Act.

(b) **BOARD APPOINTMENTS.**—If the repeals required by subsection (a) are implemented, the following shall apply:

(1) **GENERAL APPOINTMENT POWER.**—The President, with the advice and consent of the Senate, shall appoint the members of the Association's Board established under section 326 from lists of candidates recommended to the President by the National Association of Insurance Commissioners.

(2) **PROCEDURES FOR OBTAINING NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS APPOINTMENT RECOMMENDATIONS.**—

(A) **INITIAL DETERMINATION AND RECOMMENDATIONS.**—After the date on which the provisions of subsection (a) take effect, the NAIC shall, not later than 60 days thereafter, provide a list of recommended candidates to the President. If the NAIC fails to provide a list by that date, or if any list that is provided does not include at least 14 recommended candidates or comply with the requirements of section 326(c), the President shall, with the advice and consent of the Senate, make the requisite appointments without considering the views of the NAIC.

(B) **SUBSEQUENT APPOINTMENTS.**—After the initial appointments, the NAIC shall provide a list of at least six recommended candidates for the Board to the President by January 15 of each subsequent year. If the NAIC fails to provide a list by that date, or if any list that is pro-

vided does not include at least six recommended candidates or comply with the requirements of section 326(c), the President, with the advice and consent of the Senate, shall make the requisite appointments without considering the views of the NAIC.

(C) **PRESIDENTIAL OVERSIGHT.**—

(i) **REMOVAL.**—If the President determines that the Association is not acting in the interests of the public, the President may remove the entire existing Board for the remainder of the term to which the members of the Board were appointed and appoint, with the advice and consent of the Senate, new members to fill the vacancies on the Board for the remainder of such terms.

(ii) **SUSPENSION OF RULES OR ACTIONS.**—The President, or a person designated by the President for such purpose, may suspend the effectiveness of any rule, or prohibit any action, of the Association which the President or the designee determines is contrary to the public interest.

(c) **ANNUAL REPORT.**—As soon as practicable after the close of each fiscal year, the Association shall submit to the President and to the Congress a written report relative to the conduct of its business, and the exercise of the other rights and powers granted by this subtitle, during such fiscal year. Such report shall include financial statements setting forth the financial position of the Association at the end of such fiscal year and the results of its operations (including the source and application of its funds) for such fiscal year.

#### **SEC. 333. RELATIONSHIP TO STATE LAW.**

(a) **PREEMPTION OF STATE LAWS.**—State laws, regulations, provisions, or other actions purporting to regulate insurance producers shall be preempted as provided in subsection (b).

(b) **PROHIBITED ACTIONS.**—No State shall—

(1) impede the activities of, take any action against, or apply any provision of law or regulation to, any insurance producer because that insurance producer or any affiliate plans to become, has applied to become, or is a member of the Association;

(2) impose any requirement upon a member of the Association that it pay different fees to be licensed or otherwise qualified to do business in that State, including bonding requirements, based on its residency;

(3) impose any licensing, appointment, integrity, personal or corporate qualifications, education, training, experience, residency, or continuing education requirement upon a member of the Association that is different from the criteria for membership in the Association or renewal of such membership, except that countersignature requirements imposed on nonresident producers shall not be deemed to have the effect of limiting or conditioning a producer's activities because of its residence or place of operations under this section; or

(4) implement the procedures of such State's system of licensing or renewing the licenses of insurance producers in a manner different from the authority of the Association under section 325.

(c) **SAVINGS PROVISION.**—Except as provided in subsections (a) and (b), no provision of this section shall be construed as altering or affecting the continuing effectiveness of any law, regulation, provision, or other action of any State which purports to regulate insurance producers, including any such law, regulation, provision, or action which purports to regulate unfair trade practices or establish consumer protections, including countersignature laws.

#### **SEC. 334. COORDINATION WITH OTHER REGULATORS.**

(a) **COORDINATION WITH STATE INSURANCE REGULATORS.**—The Association shall have the authority to—

(1) issue uniform insurance producer applications and renewal applications that may be used to apply for the issuance or removal of State licenses, while preserving the ability of each State to impose such conditions on the issuance or renewal of a license as are consistent with section 333;

(2) establish a central clearinghouse through which members of the Association may apply for the issuance or renewal of licenses in multiple States; and

(3) establish or utilize a national database for the collection of regulatory information concerning the activities of insurance producers.

(b) **COORDINATION WITH THE NATIONAL ASSOCIATION OF SECURITIES DEALERS.**—The Association shall coordinate with the National Association of Securities Dealers in order to ease any administrative burdens that fall on persons that are members of both associations, consistent with the purposes of this subtitle and the Federal securities laws.

#### SEC. 335. JUDICIAL REVIEW.

(a) **JURISDICTION.**—The appropriate United States district court shall have exclusive jurisdiction over litigation involving the Association, including disputes between the Association and its members that arise under this subtitle. Suits brought in State court involving the Association shall be deemed to have arisen under Federal law and therefore be subject to jurisdiction in the appropriate United States district court.

(b) **EXHAUSTION OF REMEDIES.**—An aggrieved person shall be required to exhaust all available administrative remedies before the Association and the NAIC before it may seek judicial review of an Association decision.

(c) **STANDARDS OF REVIEW.**—The standards set forth in section 553 of title 5, United States Code, shall be applied whenever a rule or bylaw of the Association is under judicial review, and the standards set forth in section 554 of title 5, United States Code, shall be applied whenever a disciplinary action of the Association is judicially reviewed.

#### SEC. 336. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) **HOME STATE.**—The term “home State” means the State in which the insurance producer maintains its principal place of residence and is licensed to act as an insurance producer.

(2) **INSURANCE.**—The term “insurance” means any product, other than title insurance, defined or regulated as insurance by the appropriate State insurance regulatory authority.

(3) **INSURANCE PRODUCER.**—The term “insurance producer” means any insurance agent or broker, surplus lines broker, insurance consultant, limited insurance representative, and any other person that solicits, negotiates, effects, procures, delivers, renews, continues or binds policies of insurance or offers advice, counsel, opinions or services related to insurance.

(4) **STATE.**—The term “State” includes any State, the District of Columbia, American Samoa, Guam, Puerto Rico, and the United States Virgin Islands.

(5) **STATE LAW.**—The term “State law” includes all laws, decisions, rules, regulations, or other State action having the effect of law, of any State. A law of the United States applicable only to the District of Columbia shall be treated as a State law rather than a law of the United States.

#### Subtitle D—Rental Car Agency Insurance Activities

#### SEC. 341. STANDARD OF REGULATION FOR MOTOR VEHICLE RENTALS.

(a) **PROTECTION AGAINST RETROACTIVE APPLICATION OF REGULATORY AND LEGAL ACTION.**—Except as provided in subsection (b), during the 3-year period beginning on the date of the enactment of this Act, it shall be a presumption that no State law imposes any licensing, appointment, or education requirements on any person who solicits the purchase of or sells insurance connected with, and incidental to, the lease or rental of a motor vehicle.

(b) **PREEMINENCE OF STATE INSURANCE LAW.**—No provision of this section shall be construed as altering the validity, interpretation, construction, or effect of—

(1) any State statute;

(2) the prospective application of any court judgment interpreting or applying any State statute; or

(3) the prospective application of any final State regulation, order, bulletin, or other statutorily authorized interpretation or action, which, by its specific terms, expressly regulates or exempts from regulation any person who solicits the purchase of or sells insurance connected with, and incidental to, the short-term lease or rental of a motor vehicle.

(c) **SCOPE OF APPLICATION.**—This section shall apply with respect to—

(1) the lease or rental of a motor vehicle for a total period of 90 consecutive days or less; and

(2) insurance which is provided in connection with, and incidentally to, such lease or rental for a period of consecutive days not exceeding the lease or rental period.

(d) **MOTOR VEHICLE DEFINED.**—For purposes of this section, the term “motor vehicle” has the meaning given to such term in section 13102 of title 49, United States Code.

#### Subtitle E—Confidentiality

#### SEC. 351. CONFIDENTIALITY OF HEALTH AND MEDICAL INFORMATION.

(a) **IN GENERAL.**—A company which underwrites or sells annuities contracts or contracts insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death (other than credit-related insurance) and any subsidiary or affiliate thereof shall maintain a practice of protecting the confidentiality of individually identifiable customer health and medical and genetic information and may disclose such information only—

(1) with the consent, or at the direction, of the customer;

(2) for insurance underwriting and reinsuring policies, account administration, reporting, investigating, or preventing fraud or material misrepresentation, processing premium payments, processing insurance claims, administering insurance benefits (including utilization review activities), providing information to the customer's physician or other health care provider, participating in research projects, enabling the purchase, transfer, merger, or sale of any insurance-related business, or as otherwise required or specifically permitted by Federal or State law; or

(3) in connection with—

(A) the authorization, settlement, billing, processing, clearing, transferring, reconciling, or collection of amounts charged, debited, or otherwise paid using a debit, credit, or other payment card or account number, or by other payment means;

(B) the transfer of receivables, accounts, or interest therein;

(C) the audit of the debit, credit, or other payment information;

(D) compliance with Federal, State, or local law;

(E) compliance with a properly authorized civil, criminal, or regulatory investigation by Federal, State, or local authorities as governed by the requirements of this section; or

(F) fraud protection, risk control, resolving customer disputes or inquiries, communicating with the person to whom the information relates, or reporting to consumer reporting agencies.

(b) **STATE ACTIONS FOR VIOLATIONS.**—In addition to such other remedies as are provided under State law, if the chief law enforcement officer of a State, State insurance regulator, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this title, the State may bring an action to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction.

(c) **EFFECTIVE DATE; SUNSET.**—

(1) **EFFECTIVE DATE.**—Except as provided in paragraph (2), subsection (a) shall take effect on February 1, 2000.

(2) **SUNSET.**—Subsection (a) shall not take effect if, or shall cease to be effective on and after the date on which, legislation is enacted that satisfies the requirements in section 264(c)(1) of the Health Insurance Portability and Accountability Act of 1996 (Public Law 104–191; 110 Stat. 2033).

(d) **CONSULTATION.**—While subsection (a) is in effect, State insurance regulatory authorities, through the National Association of Insurance Commissioners, shall consult with the Secretary of Health and Human Services in connection with the administration of such subsection.

#### TITLE IV—UNITARY SAVINGS AND LOAN HOLDING COMPANIES

#### SEC. 401. PROHIBITION ON NEW UNITARY SAVINGS AND LOAN HOLDING COMPANIES.

(a) **IN GENERAL.**—Section 10(c) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)) is amended by adding at the end the following new paragraph:

“(9) **TERMINATION OF EXPANDED POWERS FOR NEW UNITARY HOLDING COMPANY.**—

“(A) **IN GENERAL.**—Subject to subparagraph (B) and notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after March 4, 1999, unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association), only in activities that are permitted—

“(i) under paragraph (1)(C) or (2); or

“(ii) for financial holding companies under section 6(c) of the Bank Holding Company Act of 1956.

“(B) **EXISTING UNITARY HOLDING COMPANIES AND THE SUCCESSORS TO SUCH COMPANIES.**—Subparagraph (A) shall not apply, and paragraph (3) shall continue to apply, to a company (or any subsidiary of such company) that—

“(i) either—

“(I) acquired one or more savings associations described in paragraph (3) pursuant to applications at least one of which was filed on or before March 4, 1999; or

“(II) subject to subparagraph (C), became a savings and loan holding company by acquiring control of the company described in subclause (I); and

“(ii) continues to control the savings association referred to in clause (i)(II) or the successor to any such savings association.

“(C) **NOTICE PROCESS FOR NONFINANCIAL ACTIVITIES BY A SUCCESSOR UNITARY HOLDING COMPANY.**—

“(i) **NOTICE REQUIRED.**—Subparagraph (B) shall not apply to any company described in subparagraph (B)(i)(II) which engages, directly or indirectly, in any activity other than activities described in clauses (i) and (ii) of subparagraph (A), unless—

“(I) in addition to an application to the Director under this section to become a savings and loan holding company, the company submits a notice to the Board of Governors of the Federal Reserve System of such nonfinancial activities in the same manner as a notice of non-banking activities is filed with the Board under

section 4(j) of the Bank Holding Company Act of 1956; and

"(II) before the end of the applicable period under such section 4(j), the Board either approves or does not disapprove of the continuation of such activities by such company, directly or indirectly, after becoming a savings and loan holding company.

"(ii) PROCEDURE.—Section 4(j) of the Bank Holding Company Act of 1956, including the standards for review, shall apply to any notice filed with the Board under this subparagraph in the same manner as it applies to notices filed under such section."

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 10(c)(3) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)(3)) is amended by striking "Notwithstanding" and inserting "Except as provided in paragraph (9) and notwithstanding".

(c) CONFORMING AMENDMENT.—Section 10(o)(5) of the Home Owners' Loan Act (12 U.S.C. 1467a(o)(5)) is amended—

(1) in subparagraph (E), by striking "except subparagraph (B)"; and

(2) by adding at the end the following new subparagraph:

"(F) In the case of a mutual holding company which is a savings and loan holding company described in subsection (c)(3), engaging in the activities permitted for financial holding companies under section 6(c) of the Bank Holding Company Act of 1956."

#### **SEC. 402. RETENTION OF "FEDERAL" IN NAME OF CONVERTED FEDERAL SAVINGS ASSOCIATION.**

Section 2 of the Act entitled "An Act to enable national banking associations to increase their capital stock and to change their names or locations", approved May 1, 1886 (12 U.S.C. 30), is amended by adding at the end the following new subsection:

"(d) RETENTION OF 'FEDERAL' IN NAME OF CONVERTED FEDERAL SAVINGS ASSOCIATION.—

"(1) IN GENERAL.—Notwithstanding subsection (a) or any other provision of law, any depository institution the charter of which is converted from that of a Federal savings association to a national bank or a State bank after the date of the enactment of the Financial Services Act of 1999 may retain the term 'Federal' in the name of such institution if such depository institution remains an insured depository institution.

"(2) DEFINITIONS.—For purposes of this subsection, the terms 'depository institution', 'insured depository institution', 'national bank', and 'State bank' have the same meanings as in section 3 of the Federal Deposit Insurance Act."

### **TITLE V—PRIVACY**

#### **Subtitle A—Disclosure of Nonpublic Personal Information**

#### **SEC. 501. PROTECTION OF NONPUBLIC PERSONAL INFORMATION.**

(a) PRIVACY OBLIGATION POLICY.—It is the policy of the Congress that each financial institution has an affirmative and continuing obligation to respect the privacy of its customers and to protect the security and confidentiality of those customers' nonpublic personal information.

(b) FINANCIAL INSTITUTIONS SAFEGUARDS.—In furtherance of the policy in subsection (a), each agency or authority described in section 505(a) shall establish appropriate standards for the financial institutions subject to their jurisdiction relating to administrative, technical, and physical safeguards—

(1) to insure the security and confidentiality of customer records and information;

(2) to protect against any anticipated threats or hazards to the security or integrity of such records; and

(3) to protect against unauthorized access to or use of such records or information which could result in substantial harm or inconvenience to any customer.

#### **SEC. 502. OBLIGATIONS WITH RESPECT TO DISCLOSURES OF PERSONAL INFORMATION.**

(a) NOTICE REQUIREMENTS.—Except as otherwise provided in this subtitle, a financial institution may not, directly or through any affiliate, disclose to a nonaffiliated third party any nonpublic personal information, unless such financial institution provides or has provided to the consumer a notice that complies with section 503(b).

(b) OPT OUT.—

(1) IN GENERAL.—A financial institution may not disclose nonpublic personal information to nonaffiliated third parties unless—

(A) such financial institution clearly and conspicuously discloses to the consumer, in writing or in electronic form (or other form permitted by the regulations prescribed under section 504), that such information may be disclosed to such third parties;

(B) the consumer is given the opportunity, before the time that such information is initially disclosed, to direct that such information not be disclosed to such third parties; and

(C) the consumer is given an explanation of how the consumer can exercise that nondisclosure option.

(2) EXCEPTION.—This subsection shall not prevent a financial institution from providing nonpublic personal information to a nonaffiliated third party to perform services or functions on behalf of the financial institution, including marketing of the financial institution's own products or services or financial products or services offered pursuant to joint agreements between two or more financial institutions that comply with the requirements imposed by the regulations prescribed under section 504, if the financial institution fully discloses the providing of such information and enters into a contractual agreement with the third party that requires the third party to maintain the confidentiality of such information.

(c) LIMITS ON REUSE OF INFORMATION.—Except as otherwise provided in this subtitle, a nonaffiliated third party that receives from a financial institution nonpublic personal information under this section shall not, directly or through an affiliate of such receiving third party, disclose such information to any other person that is a nonaffiliated third party of both the financial institution and such receiving third party, unless such disclosure would be lawful if made directly to such other person by the financial institution.

(d) LIMITATIONS ON THE SHARING OF ACCOUNT NUMBER INFORMATION FOR MARKETING PURPOSES.—A financial institution shall not disclose an account number or similar form of access number or access code for a credit card account, deposit account, or transaction account of a consumer to any nonaffiliated third party for use in telemarketing, direct mail marketing, or other marketing through electronic mail to the consumer.

(e) GENERAL EXCEPTIONS.—Subsections (a) and (b) shall not prohibit the disclosure of nonpublic personal information—

(1) as necessary to effect, administer, or enforce a transaction requested or authorized by the consumer, or in connection with—

(A) servicing or processing a financial product or service requested or authorized by the consumer;

(B) maintaining or servicing the consumer's account with the financial institution; or

(C) a proposed or actual securitization, secondary market sale (including sales of servicing rights), or similar transaction related to a transaction of the consumer;

(2) with the consent or at the direction of the consumer;

(3) to protect the confidentiality or security of its records pertaining to the consumer, the service or product, or the transaction therein, or to protect against or prevent actual or potential fraud, unauthorized transactions, claims, or other liability, for required institutional risk control, or for resolving customer disputes or inquiries, or to persons holding a beneficial interest relating to the consumer, or to persons acting in a fiduciary capacity on behalf of the consumer;

(4) to provide information to insurance rate advisory organizations, guaranty funds or agencies, applicable rating agencies of the financial institution, persons assessing the institution's compliance with industry standards, and the institution's attorneys, accountants, and auditors;

(5) to the extent specifically permitted or required under other provisions of law and in accordance with the Right to Financial Privacy Act of 1978, to law enforcement agencies (including a Federal functional regulator, a State insurance authority, or the Federal Trade Commission), self-regulatory organizations, or for an investigation on a matter related to public safety;

(6) to a consumer reporting agency in accordance with the Fair Credit Reporting Act, or in accordance with interpretations of such Act by the Board of Governors of the Federal Reserve System or the Federal Trade Commission, including interpretations published as commentary (16 CFR 601-622);

(7) in connection with a proposed or actual sale, merger, transfer, or exchange of all or a portion of a business or operating unit if the disclosure of nonpublic personal information concerns solely consumers of such business or unit; or

(8) to comply with Federal, State, or local laws, rules, and other applicable legal requirements; to comply with a properly authorized civil, criminal, or regulatory investigation or subpoena by Federal, State, or local authorities; or to respond to judicial process or government regulatory authorities having jurisdiction over the financial institution for examination, compliance, or other purposes as authorized by law.

#### **SEC. 503. DISCLOSURE OF INSTITUTION PRIVACY POLICY.**

(a) DISCLOSURE REQUIRED.—A financial institution shall clearly and conspicuously disclose to each consumer, at the time of establishing the customer relationship with the consumer and not less than annually, in writing or in electronic form (or other form permitted by the regulations prescribed under section 504), its policies and practices with respect to protecting the nonpublic personal information of consumers in accordance with the rules prescribed under section 504.

(b) INFORMATION TO BE INCLUDED.—The disclosure required by subsection (a) shall include—

(1) the policy and practices of the institution with respect to disclosing nonpublic personal information to nonaffiliated third parties, other than agents of the institution, consistent with section 502 of this subtitle, and including—

(A) the categories of persons to whom the information is or may be disclosed, other than the persons to whom the information may be provided pursuant to section 502(e); and

(B) the practices and policies of the institution with respect to disclosing of nonpublic personal information of persons who have ceased to be customers of the financial institution;

(2) the categories of nonpublic personal information that are collected by the financial institution;

(3) the policies that the institution maintains to protect the confidentiality and security of

nonpublic personal information in accordance with section 501; and

(4) the disclosures required, if any, under section 603(d)(2)(A)(iii) of the Fair Credit Reporting Act.

#### SEC. 504. RULEMAKING.

(a) **REGULATORY AUTHORITY.**—The Federal banking agencies, the National Credit Union Association, the Secretary of the Treasury, and the Securities and Exchange Commission, shall jointly prescribe, after consultation with the Federal Trade Commission, and representatives of State insurance authorities designated by the National Association of Insurance Commissioners, such regulations as may be necessary to carry out the purposes of this subtitle. Such regulations shall be prescribed in accordance with applicable requirements of the title 5, United States Code, and shall be issued in final form within 6 months after the date of enactment of this Act.

(b) **AUTHORITY TO GRANT EXCEPTIONS.**—The regulations prescribed under subsection (a) may include such additional exceptions to subsections (a) and (b) of section 502 as are deemed consistent with the purposes of this subtitle.

#### SEC. 505. ENFORCEMENT.

(a) **IN GENERAL.**—This subtitle and the rules prescribed thereunder shall be enforced by the Federal functional regulators, the State insurance authorities, and the Federal Trade Commission with respect to financial institutions subject to their jurisdiction under applicable law, as follows:

(1) Under section 8 of the Federal Deposit Insurance Act, in the case of—

(A) national banks, Federal branches and Federal agencies of foreign banks, and any subsidiaries of such entities, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, organizations operating under section 25 or 25A of the Federal Reserve Act, bank holding companies and their nonbank subsidiaries or affiliates (except broker-dealers, affiliates providing insurance, investment companies, and investment advisers), by the Board of Governors of the Federal Reserve System;

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), insured State branches of foreign banks, and any subsidiaries of such entities, by the Board of Directors of the Federal Deposit Insurance Corporation; and

(D) savings association the deposits of which are insured by the Federal Deposit Insurance Corporation, and any subsidiaries of such a savings association, by the Director of the Office of Thrift Supervision.

(2) Under the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal or state chartered credit union, and any subsidiaries of such an entity.

(3) Under the Farm Credit Act of 1971, by the Farm Credit Administration with respect to the Federal Agricultural Mortgage Corporation, any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(4) Under the Securities Exchange Act of 1934, by the Securities and Exchange Commission with respect to any broker-dealer.

(5) Under the Investment Company Act of 1940, by the Securities and Exchange Commission with respect to investment companies.

(6) Under the Investment Advisers Act of 1940, by the Securities and Exchange Commission with respect to investment advisers registered with the Commission under such Act.

(7) Under Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U. S. C. 4501 et seq.), by the Office of Federal Housing Enterprise Oversight with respect to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(8) Under the Federal Home Loan Bank Act, by the Federal Housing Finance Board with respect to Federal home loan banks.

(9) Under State insurance law, in the case of any person engaged in providing insurance, by the State insurance authority of the State in which the person is domiciled, subject to section 104 of this Act.

(10) Under the Federal Trade Commission Act, by the Federal Trade Commission for any other financial institution that is not subject to the jurisdiction of any agency or authority under paragraphs (1) through (9) of this subsection.

#### (b) ENFORCEMENT OF SECTION 501.—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the agencies and authorities described in subsection (a) shall implement the standards prescribed under section 501(b) in the same manner, to the extent practicable, as standards prescribed pursuant to subsection (a) of section 39 of the Federal Deposit Insurance Act are implemented pursuant to such section.

(2) **EXCEPTION.**—The agencies and authorities described in paragraphs (4), (5), (6), (9), and (10) of subsection (a) shall implement the standards prescribed under section 501(b) by rule with respect to the financial institutions subject to their respective jurisdictions under subsection (a).

(c) **DEFINITIONS.**—The terms used in subsection (a)(1) that are not defined in this subtitle or otherwise defined in section 3(s) of the Federal Deposit Insurance Act shall have the meaning given to them in section 1(b) of the International Banking Act of 1978.

#### SEC. 506. FAIR CREDIT REPORTING ACT AMENDMENT.

(a) **AMENDMENT.**—Section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s) is amended—

(1) in subsection (d), by striking everything following the end of the second sentence; and

(2) by striking subsection “(e)” and inserting in lieu thereof the following:

“(e) **REGULATORY AUTHORITY.**—

“(1) The Federal banking agencies referred to in paragraphs (1) and (2) of subsection (b) shall jointly prescribe such regulations as necessary to carry out the purposes of this Act with respect to any persons identified under paragraphs (1) and (2) of subsection (b), or to the holding companies and affiliates of such persons.

“(2) The Administrator of the National Credit Union Administration shall prescribe such regulations as necessary to carry out the purposes of this Act with respect to any persons identified under paragraph (3) of subsection (b).”.

(b) **CONFORMING AMENDMENT.**—Section 621(a) of the Fair Credit Reporting Act (15 U.S.C. 1681s(a)) is amended by striking paragraph (4).

#### SEC. 507. RELATION TO OTHER PROVISIONS.

This subtitle shall not apply to any information to which subtitle D of title III applies.

#### SEC. 508. STUDY OF INFORMATION SHARING AMONG FINANCIAL AFFILIATES.

(a) **IN GENERAL.**—The Secretary of the Treasury, in conjunction with the Federal functional regulators and the Federal Trade Commission, shall conduct a study of information sharing practices among financial institutions and their affiliates. Such study shall include—

(1) the purposes for the sharing of confidential customer information with affiliates or with nonaffiliated third parties;

(2) the extent and adequacy of security protections for such information;

(3) the potential risks for customer privacy of such sharing of information;

(4) the potential benefits for financial institutions and affiliates of such sharing of information;

(5) the potential benefits for customers of such sharing of information;

(6) the adequacy of existing laws to protect customer privacy;

(7) the adequacy of financial institution privacy policy and privacy rights disclosure under existing law;

(8) the feasibility of different approaches, including opt-out and opt-in, to permit customers to direct that confidential information not be shared with affiliates and nonaffiliated third parties; and

(9) the feasibility of restricting sharing of information for specific uses or of permitting customers to direct the uses for which information may be shared.

(b) **CONSULTATION.**—The Secretary shall consult with representatives of State insurance authorities designated by the National Association of Insurance Commissioners, and also with financial services industry, consumer organizations and privacy groups, and other representatives of the general public, in formulating and conducting the study required by subsection (a).

(c) **REPORT.**—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Secretary shall submit a report to the Congress containing the findings and conclusions of the study required under subsection (a), together with such recommendations for legislative or administrative action as may be appropriate.

#### SEC. 509. DEFINITIONS.

As used in this subtitle:

(1) **FEDERAL BANKING AGENCY.**—The term “Federal banking agency” has the meanings given to such terms in section 3 of the Federal Deposit Insurance Act.

(2) **FEDERAL FUNCTIONAL REGULATOR.**—The term “Federal functional regulator” means—

(A) the Board of Governors of the Federal Reserve System;

(B) the Office of the Comptroller of the Currency;

(C) the Board of Directors of the Federal Deposit Insurance Corporation;

(D) the Director of the Office of Thrift Supervision;

(E) the National Credit Union Administration Board;

(F) the Farm Credit Administration; and

(G) the Securities and Exchange Commission.

(3) **FINANCIAL INSTITUTION.**—The term “financial institution” means any institution the business of which is engaging in financial activities or activities that are incidental to financial activities, as described in section 6(c) of the Bank Holding Company Act of 1956.

(4) **NONPUBLIC PERSONAL INFORMATION.**—

(A) The term “nonpublic personal information” means personally identifiable financial information—

(i) provided by a consumer to a financial institution;

(ii) resulting from any transaction with the consumer or the service performed for the consumer; or

(iii) otherwise obtained by the financial institution.

(B) Such term does not include publicly available information, as such term is defined by the regulations prescribed under section 504.

(C) Notwithstanding subparagraph (B), such term shall include any list, description, or other grouping of consumers (and publicly available information pertaining to them) that is derived using any personally identifiable information other than publicly available information.

(5) **NONAFFILIATED THIRD PARTIES.**—The term “nonaffiliated third parties” means any entity that is not an affiliate of, or related by common

ownership or affiliated by corporate control with, the financial institution, but does not include a joint employee of such institution.

(6) **AFFILIATE.**—The term “affiliate” means any company that controls, is controlled by, or is under common control with another company.

(7) **NECESSARY TO EFFECT, ADMINISTER, OR ENFORCE.**—The term “as necessary to effect, administer or enforce the transaction” means—

(A) the disclosure is required, or is a usual, appropriate or acceptable method, to carry out the transaction or the product or service business of which the transaction is a part, and record or service or maintain the consumer's account in the ordinary course of providing the financial service or financial product, or to administer or service benefits or claims relating to the transaction or the product or service business of which it is a part, and includes—

(i) providing the consumer or the consumer's agent or broker with a confirmation, statement, or other record of the transaction, or information on the status or value of the financial service or financial product; and

(ii) the accrual or recognition of incentives or bonuses associated with the transaction that are provided by the financial institution or any other party;

(B) the disclosure is required, or is one of the lawful or appropriate methods, to enforce the rights of the financial institution or of other persons engaged in carrying out the financial transaction, or providing the product or service;

(C) the disclosure is required, or is a usual, appropriate, or acceptable method, for insurance underwriting at the consumer's request or for reinsurance purposes, or for any of the following purposes as they relate to a consumer's insurance: account administration, reporting, investigating, or preventing fraud or material misrepresentation, processing premium payments, processing insurance claims, administering insurance benefits (including utilization review activities), participating in research projects, or as otherwise required or specifically permitted by Federal or State law; or

(D) the disclosure is required, or is a usual, appropriate or acceptable method, in connection with—

(i) the authorization, settlement, billing, processing, clearing, transferring, reconciling, or collection of amounts charged, debited, or otherwise paid using a debit, credit or other payment card, check, or account number, or by other payment means;

(ii) the transfer of receivables, accounts or interests therein; or

(iii) the audit of debit, credit or other payment information.

(8) **STATE INSURANCE AUTHORITY.**—The term “State insurance authority” means, in the case of any person engaged in providing insurance, the State insurance authority of the State in which the person is domiciled.

(9) **CONSUMER.**—The term “consumer” means an individual who obtains, from a financial institution, financial products or services which are to be used primarily for personal, family, or household purposes, and also means the legal representative of such an individual.

(10) **JOINT AGREEMENT.**—The term “joint agreement” means a formal written contract pursuant to which two or more financial institutions jointly offer, endorse, or sponsor a financial product or service, and any payments between the parties are based on business or profit generated.

#### **SEC. 510. EFFECTIVE DATE.**

This subtitle shall take effect 6 months after the date on which the rules under section 503 are promulgated, except—

(1) to the extent that a later date is specified in such rules; and

(2) that section 506 shall be effective upon enactment.

### **Subtitle B—Fraudulent Access to Financial Information**

#### **SEC. 521. PRIVACY PROTECTION FOR CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.**

(a) **PROHIBITION ON OBTAINING CUSTOMER INFORMATION BY FALSE PRETENSES.**—It shall be a violation of this subtitle for any person to obtain or attempt to obtain, or cause to be disclosed or attempt to cause to be disclosed to any person, customer information of a financial institution relating to another person—

(1) by making a false, fictitious, or fraudulent statement or representation to an officer, employee, or agent of a financial institution;

(2) by making a false, fictitious, or fraudulent statement or representation to a customer of a financial institution; or

(3) by providing any document to an officer, employee, or agent of a financial institution, knowing that the document is forged, counterfeit, lost, or stolen, was fraudulently obtained, or contains a false, fictitious, or fraudulent statement or representation.

(b) **PROHIBITION ON SOLICITATION OF A PERSON TO OBTAIN CUSTOMER INFORMATION FROM FINANCIAL INSTITUTION UNDER FALSE PRETENSES.**—It shall be a violation of this subtitle to request a person to obtain customer information of a financial institution, knowing that the person will obtain, or attempt to obtain, the information from the institution in any manner described in subsection (a).

(c) **NONAPPLICABILITY TO LAW ENFORCEMENT AGENCIES.**—No provision of this section shall be construed so as to prevent any action by a law enforcement agency, or any officer, employee, or agent of such agency, to obtain customer information of a financial institution in connection with the performance of the official duties of the agency.

(d) **NONAPPLICABILITY TO FINANCIAL INSTITUTIONS IN CERTAIN CASES.**—No provision of this section shall be construed so as to prevent any financial institution, or any officer, employee, or agent of a financial institution, from obtaining customer information of such financial institution in the course of—

(1) testing the security procedures or systems of such institution for maintaining the confidentiality of customer information;

(2) investigating allegations of misconduct or negligence on the part of any officer, employee, or agent of the financial institution; or

(3) recovering customer information of the financial institution which was obtained or received by another person in any manner described in subsection (a) or (b).

(e) **NONAPPLICABILITY TO INSURANCE INSTITUTIONS FOR INVESTIGATION OF INSURANCE FRAUD.**—No provision of this section shall be construed so as to prevent any insurance institution, or any officer, employee, or agency of an insurance institution, from obtaining information as part of an insurance investigation into criminal activity, fraud, material misrepresentation, or material nondisclosure that is authorized for such institution under State law, regulation, interpretation, or order.

(f) **NONAPPLICABILITY TO CERTAIN TYPES OF CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.**—No provision of this section shall be construed so as to prevent any person from obtaining customer information of a financial institution that otherwise is available as a public record filed pursuant to the securities laws (as defined in section 3(a)(47) of the Securities Exchange Act of 1934).

(g) **NONAPPLICABILITY TO COLLECTION OF CHILD SUPPORT JUDGMENTS.**—No provision of this section shall be construed to prevent any State-licensed private investigator, or any officer, employee, or agent of such private investigator, from obtaining customer information of a

financial institution, to the extent reasonably necessary to collect child support from a person adjudged to have been delinquent in his or her obligations by a Federal or State court, and to the extent that such action by a State-licensed private investigator is not unlawful under any other Federal or State law or regulation, and has been authorized by an order or judgment of a court of competent jurisdiction.

#### **SEC. 522. ADMINISTRATIVE ENFORCEMENT.**

(a) **ENFORCEMENT BY FEDERAL TRADE COMMISSION.**—Compliance with this subtitle shall be enforced by the Federal Trade Commission in the same manner and with the same power and authority as the Commission has under the title VIII, the Fair Debt Collection Practices Act, to enforce compliance with such title.

(b) **NOTICE OF ACTIONS.**—The Federal Trade Commission shall—

(1) notify the Securities and Exchange Commission whenever the Federal Trade Commission initiates an investigation with respect to a financial institution subject to regulation by the Securities and Exchange Commission;

(2) notify the Federal banking agency (as defined in section 3(2) of the Federal Deposit Insurance Act) whenever the Commission initiates an investigation with respect to a financial institution subject to regulation by such Federal banking agency; and

(3) notify the appropriate State insurance regulator whenever the Commission initiates an investigation with respect to a financial institution subject to regulation by such regulator.

#### **SEC. 523. CRIMINAL PENALTY.**

(a) **IN GENERAL.**—Whoever knowingly and intentionally violates, or knowingly and intentionally attempts to violate, section 521 shall be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

(b) **ENHANCED PENALTY FOR AGGRAVATED CASES.**—Whoever violates, or attempts to violate, section 521 while violating another law of the United States or as part of a pattern of any illegal activity involving more than \$100,000 in a 12-month period shall be fined twice the amount provided in subsection (b)(3) or (c)(3) (as the case may be) of section 3571 of title 18, United States Code, imprisoned for not more than 10 years, or both.

#### **SEC. 524. RELATION TO STATE LAWS.**

(a) **IN GENERAL.**—This subtitle shall not be construed as superseding, altering, or affecting the statutes, regulations, orders, or interpretations in effect in any State, except to the extent that such statutes, regulations, orders, or interpretations are inconsistent with the provisions of this subtitle, and then only to the extent of the inconsistency.

(b) **GREATER PROTECTION UNDER STATE LAW.**—For purposes of this section, a State statute, regulation, order, or interpretation is not inconsistent with the provisions of this subtitle if the protection such statute, regulation, order, or interpretation affords any person is greater than the protection provided under this subtitle as determined by the Commission, on its own motion or upon the petition of any interested party.

#### **SEC. 525. AGENCY GUIDANCE.**

In furtherance of the objectives of this subtitle, each Federal banking agency (as defined in section 3(2) of the Federal Deposit Insurance Act) and the Securities and Exchange Commission or self-regulatory organizations, as appropriate, shall review regulations and guidelines applicable to financial institutions under their respective jurisdictions and shall prescribe such revisions to such regulations and guidelines as may be necessary to ensure that such financial institutions have policies, procedures, and controls in place to prevent the unauthorized disclosure of customer financial information and to

deter and detect activities proscribed under section 521.

**SEC. 526. REPORTS.**

(a) **REPORT TO THE CONGRESS.**—Before the end of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General, in consultation with the Federal Trade Commission, Federal banking agencies, the Securities and Exchange Commission, appropriate Federal law enforcement agencies, and appropriate State insurance regulators, shall submit to the Congress a report on the following:

(1) The efficacy and adequacy of the remedies provided in this subtitle in addressing attempts to obtain financial information by fraudulent means or by false pretenses.

(2) Any recommendations for additional legislative or regulatory action to address threats to the privacy of financial information created by attempts to obtain information by fraudulent means or false pretenses.

(b) **ANNUAL REPORT BY ADMINISTERING AGENCIES.**—The Federal Trade Commission and the Attorney General shall submit to Congress an annual report on number and disposition of all enforcement actions taken pursuant to this subtitle.

**SEC. 527. DEFINITIONS.**

For purposes of this subtitle, the following definitions shall apply:

(1) **CUSTOMER.**—The term “customer” means, with respect to a financial institution, any person (or authorized representative of a person) to whom the financial institution provides a product or service, including that of acting as a fiduciary.

(2) **CUSTOMER INFORMATION OF A FINANCIAL INSTITUTION.**—The term “customer information of a financial institution” means any information maintained by or for a financial institution which is derived from the relationship between the financial institution and a customer of the financial institution and is identified with the customer.

(3) **DOCUMENT.**—The term “document” means any information in any form.

(4) **FINANCIAL INSTITUTION.**—

(A) **IN GENERAL.**—The term “financial institution” means any institution engaged in the business of providing financial services to customers who maintain a credit, deposit, trust, or other financial account or relationship with the institution.

(B) **CERTAIN FINANCIAL INSTITUTIONS SPECIFICALLY INCLUDED.**—The term “financial institution” includes any depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act), any broker or dealer, any investment adviser or investment company, any insurance company, any loan or finance company, any credit card issuer or operator of a credit card system, and any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis (as defined in section 603(p)).

(C) **SECURITIES INSTITUTIONS.**—For purposes of subparagraph (B)—

(i) the terms “broker” and “dealer” have the meanings provided in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c);

(ii) the term “investment adviser” has the meaning provided in section 202(a)(11) of the In-

vestment Advisers Act of 1940 (15 U.S.C. 80b-2(a)); and

(iii) the term “investment company” has the meaning provided in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a-3).

(D) **FURTHER DEFINITION BY REGULATION.**—The Federal Trade Commission, after consultation with Federal banking agencies and the Securities and Exchange Commission, may prescribe regulations clarifying or describing the types of institutions which shall be treated as financial institutions for purposes of this subtitle.

Amend the title so as to read “An Act to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers, and for other purposes.”.

Mr. SPECTER. Mr. President, I ask unanimous consent that the Senate disagree to the amendments of the House, request a conference on the disagreeing votes, and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Presiding Officer (Mr. VOINOVICH) appointed Mr. GRAMM, Mr. SHELBY, Mr. MACK, Mr. BENNETT, Mr. GRAMS, Mr. ALLARD, Mr. ENZI, Mr. HAGEL, Mr. SANTORUM, Mr. BUNNING, Mr. CRAPO, Mr. SARBANES, Mr. DODD, Mr. KERRY, Mr. BRYAN, Mr. JOHNSON, Mr. REED, Mr. SCHUMER, Mr. BAYH, and Mr. EDWARDS, conferees on the part of the Senate.

**ORDERS FOR MONDAY, JULY 26, 1999**

Mr. SPECTER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11 a.m. on Monday, July 26. I further ask unanimous consent that on Monday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin debate on the Senate resolution to reinstate rule XVI.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, I further ask unanimous consent that the cloture vote on the motion to proceed to H.R. 1501 occur at 5:30 p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

**PROGRAM**

Mr. SPECTER. Mr. President, for the information of all Senators, the Senate will convene at 11 a.m. on Monday and immediately begin debate on the resolution to reinstate rule XVI. By previous order, there will be 6 hours of debate on the resolution with one amendment in order regarding scope in conference.

As a reminder, a cloture motion on the motion to proceed to the House-passed juvenile justice bill was filed today. That vote will take place in a stacked series at 5:30 p.m., along with the rule XVI resolution and the amendment regarding scope in conference.

Further, it is the intention of the majority leader to begin debate on the reconciliation legislation next week. Therefore, Senators should be prepared to vote throughout each day and into the evenings next week.

**ADJOURNMENT UNTIL 11 A.M.  
MONDAY, JULY 26, 1999**

Mr. SPECTER. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 10:26 p.m. adjourned until Monday, July 26, 1999, at 11 a.m.

**NOMINATIONS**

Executive nominations received by the Senate July 22, 1999:

**CORPORATION FOR NATIONAL AND COMMUNITY SERVICE**

AMY C. ACHOR, OF TEXAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM EXPIRING OCTOBER 6, 2003, VICE LESLIE LENKOWSKY, TERM EXPIRED.

**IN THE ARMY**

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

*To be brigadier general*

COL. CHARLES W. FLETCHER, JR.

**CONFIRMATION**

Executive nomination confirmed by the Senate July 22, 1999:

**DEPARTMENT OF THE TREASURY**

JEFFREY RUSH, JR., OF VIRGINIA, TO BE INSPECTOR GENERAL, DEPARTMENT OF THE TREASURY.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.



## EXTENSIONS OF REMARKS

## PERSONAL EXPLANATION

## HON. JOHN B. LARSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1999

Mr. LARSON. Mr. Speaker, on Monday, July 19, 1999, my plane from Hartford to Washington was delayed and I unavoidably missed rollcall votes numbered 308, 309, and 310. Had I been present in the House Chamber, I would have voted "aye" on all three of these votes.

## INTRODUCTION OF THE CIGARS ARE NO SAFE ALTERNATIVE ACT OF 1999

## HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1999

Mr. MARKEY. Mr. Speaker, I rise today to introduce the Cigars Are No Safe Alternative Act of 1999, legislation which is similar to a bill I introduced during the 105th Congress.

Mr. Speaker, I want to commend the Federal Trade Commission (FTC) for the report it is releasing today which reveals dramatic increases in sales, advertising, marketing and promotion of cigars in 1996 and 1997. The FTC Report confirms my worst suspicions that despite serious and deadly health risks, cigar use is up dramatically in the United States over the last five years. Cigar consumption has skyrocketed by 57% from 1993 to 1998. Advertising and marketing budgets grew by 32% over the two years studied—and every expenditure category saw a substantial increase—newspaper advertising grew by a whopping 254%. This comes on top of the February 1999 report by the Inspector General of the Department of Health and Human Services that, "cigars are an emerging public health risk."

It can not be put more plainly: Cigars are not a safe alternative to cigarettes and it's time to clear the smoky haze regarding this deadly product. The legislation I am introducing today, the Cigars Are No Safe Alternative Act of 1999, will prohibit the sale and distribution of cigars to any individual who is under the age of 18. It will impose restrictions on the sale and advertising of cigars directed at youth, and eliminate cigar advertising on electronic media. It will encourage cigar manufacturers to end the practice of paying for, or participating in cigar product placements in movies and on television where a substantial segment of the viewing audience is under the age of 18 by requiring them to report on each such payment as it occurs. And it will direct the FTC to require warning labels on cigars to warn cigar users about the health risks presented by cigars.

The CANSA Act will also require the Secretary of Health and Human Services (HHS) to conduct a study on the health effects of occasional cigar smoking, nicotine dependence among cigar smokers, biological uptake of carcinogenic constituents of cigars, and environmental cigar smoke exposure. It will further require the Federal Trade Commission (FTC) to report to Congress on the sales, marketing, and advertising practices associated with cigars—essentially updates to the report the FTC released today. And finally, the Secretary of HHS, acting in cooperation with the FDA, the FTC, and the Department of Treasury, will be required to monitor trends in youth access to, and use of, cigars and notify Congress of the results.

Cigar regulations are the orphan of our government's tobacco control policy. And the trends on sales and marketing are getting worse, not better. The dangers associated with cigars must be exposed just as intensely as those associated with cigarettes and smokeless tobacco. Cigars should not be glamorized, they should be recognized as deadly health threats.

Mr. Speaker, I am particularly concerned that among adolescents, cigars are being perceived as more glamorous and less dangerous than cigarettes. A 1997 CDC Youth Risk Behavior Survey revealed that over 30 percent of high school boys and over 10 percent of high school girls had smoked a cigar in the month before the survey was done. Those numbers are very troubling, and I am hopeful that the legislation I am filing today will drive home the point that cigars are not a safe alternative to cigarettes, period.

Cigars emit greater amounts of tar, nicotine, and carbon monoxide, and substantially higher amounts of ammonia and a number of other cancer causing agents than cigarettes emit.

Congress must apply the same standard to cigars as it does to cigarettes with respect to youth access and marketing and advertising restrictions, and ensure that teenagers are not seduced by the cigar industry's slick and sophisticated marketing strategy—through magazines like "Cigar Aficionado" and others.

I urge my colleagues to join me in supporting the Cigars Are No Safe Alternative Act of 1999.

## TRIBUTE TO DR. INGE GENEFEKE AND THE INTERNATIONAL REHABILITATION COUNCIL FOR TORTURE VICTIMS

## HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1999

Mr. LANTOS. Mr. Speaker, it is an honor and a pleasure for me to call to the attention of my colleagues the work of an extraordinary

woman, Dr. Inge Genefke, and the institution which she established, the International Rehabilitation Council for Torture Victims. Dr. Genefke, a Danish physician, is an outstanding humanitarian and a distinguished medical doctor who uses her training and compassion to bring healing to those who have endured the pain of torture and abuse inflicted by repressive governments with whose policies or ideologies these unfortunate victims have questioned.

Today, at the end of the 20th century, some experts say that one-third of the 185 member states of the United Nations still practice torture or tolerate its use, and torture has been a dark side of human history for centuries.

The clinic which Dr. Genefke established in Copenhagen, Denmark, in 1979 was the first of its kind anywhere in the world which was devoted specifically to treating such victims of torture. Dr. Genefke's unique mission—fighting for the forgotten victims and survivors of torture around the world—makes her one of the great heroines of humanity.

Mr. Speaker, Reader's Digest published an excellent article in March 1999 on Dr. Genefke and her humanitarian work. I urge my colleagues to read this article and to join me in paying tribute to this courageous and compassionate woman.

[From Reader's Digest, Mar. 1999]

## SHE HEALS TORTURED SOULS

THANKS TO THE DEDICATED WORK OF DR. INGE GENEFEKE, THE LIVES OF TENS OF THOUSANDS HAVE BEEN SALVAGED

(By Lawrence Elliott)

Miguel Lee, desperate to find release from his inner agonies, came one day to a clinic at the University Hospital in Copenhagen, Denmark. But when he saw the white coats of the hospital staff he began to tremble.

"What's the matter," Dr. Inge Genefke asked him. He couldn't tell her. It was too black a memory.

But Miguel was able to speak of the anxiety that raged in his stomach, the headaches that felt like spikes being driven into his skull, the nightmares that jolted him into shrieking wakefulness and terrified his family.

Dr. Genefke listened carefully. Miguel sensed her concern; he trusted her. And finally he told her of the echoing torture chamber, night after night, when they wired his head to an instrument and sent excruciating electric shocks surging through his ears.

Dr. Genefke asked him about the white coats. "The doctors wore white coats," he said. "And there was always a doctor in the torture room to make sure you didn't die. Dying was too good for us."

Once he had been a respected union leader and the head of a loving family. Now, after three years of imprisonment and torture by the junta that seized power in Chile in 1973 and three years of exile to Denmark, Lee is broken in mind and body.

Doctors assure him they understand how terrible the torture must have been. But

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

they remind him that it is over. It is time to get on with his life.

It is what everyone tells him. He couldn't make anyone understand that the torture doesn't end when they stop beating you—until now.

"But the pain wasn't the worst, was it?" Dr. Genefke asked him. "Wasn't it worse that they made you feel guilty and ashamed? And don't you still feel that way?"

Miguel's eyes welled with tears.

Dr. Genefke explained to Miguel that they had tortured him to break his spirit, to destroy his faith in himself, to make sure that he would never again have the courage to speak out against them. "We can help you here," she went on. "But you have to believe in one thing: nothing that happened to you in prison was your fault. Nothing! It was all their fault."

Miguel nodded mutely. He had finally found someone who understood.

"Torture has been a dark side of human history for centuries," Dr. Genefke says today. But the clinic she established in 1979 was the first of its kind anywhere devoted specifically to treat its victims.

When she began, it was still thought that torture could be restricted to a few bandit regimes, even eliminated. But it remains widespread. Fully one third of the 185 United Nations member states practice torture or tolerate its use.

The appalling realization that dungeon brutality had become the policy of many states changed Dr. Genefke's life. Determined to break through the curtain of apathy and ignorance in which torture flourished, she organized seminars, addressed rallies and raised money. Today there are more than 100 torture treatment centers around the world that were inspired by the efforts. The lives of tens of thousands have been changed by her and her team's work.

Essentially the same techniques are used around the world: slamming both ears simultaneously, often resulting in ruptured eardrums; rape and homosexual rape; electric torture; holding the victim's head under water polluted with human excrement to the verge of suffocation. A universal favorite if falanga, in which the victim is beaten on the soles of his feet often in an upside down position. Sometimes he is then made to walk barefoot on shards of glass.

When Ahmad, (some names have been changed to protect victim's families) a student leader from the Middle East, is brought to Copenhagen he cannot walk. The soft flesh on the bottom of his feet has been badly beaten and the soft tissue and nerve-endings severely damaged.

Ahmad remains at the clinic for a full year. In that time, psychotherapy helps him regain a true sense of himself. Then, having been treated with radiology, massage and other forms of physiotherapy, he walks out of the hospital with the help of a cane, but without pain.

Today, an intact human being, he is married and a father.

Nothing in Inge Genefke's early years foretold a life in which she would come face to face with the agony inflicted by one human being on another, or be nominated several times for the Nobel Peace Prize.

She grew up in middle class comfort, protected from life's harsher sides by warm and loving parents. A graduate of the University of Copenhagen, her career path as a specialist in neurology seemed fixed until she and three other physicians responded to a plea from Amnesty International to examine political prisoners of the infamous late sixties government of the Greek "Colonels."

They had been tortured, but some with such diabolical skill that there were no visible wounds, and only X rays and laboratory tests revealed their severe internal injuries. Deeply moved by their suffering, Dr. Genefke began a pioneering study into the uses and long-term consequences of torture, and of the medical treatment of its victims.

"In the beginning," Dr. Genefke says, "we thought, Okay, we patch them up, we set the broken bones and send them home. But we soon realized it was the pain in their hearts and souls that was devastating them."

Genefke had entered one of the least known branches of medicine. She had her little team, working with a few rooms and some beds made available at University Hospital, set out on a stop-and-go, trial-and-error quest for ways to heal the survivors of institutional torture.

In time, the clinical studies and principles for a rehabilitation programme would be shared with treatment centres around the world. All tangible medical symptoms are dealt with by specialists. Many of the patients believed what their captors had told them—that the torture had left them finished, living on borrowed time. So every symptom was checked, every presumed fatal illness probed, and nearly always disproved. Abused sinews and bones were ministered to by medicine, physiotherapy and surgery.

But, as Dr. Genefke says, broken bones are easier to mend than broken spirits. One study has revealed that of 100 Polish victims of Stalinist torture, 75 still suffered symptoms of severe stress or were chronically despondent 40 years later.

In Nepal, M, a factory worker in her twenties, is summarily arrested, beaten with rifle butts and raped by four policemen before losing consciousness. Charged with prostitution, she is moved from one town to another, verbally abused in public and repeatedly raped by police officers. A month after her arrest she is released and threatened with death if she takes any legal action.

Suffering constant bleeding, sleepless nights and blinding panic whenever she sees a man in uniform, she finally comes to the Nepalese Centre for the Victims of Torture. "It's normal to feel ashamed," the therapist tells her, "but it's not your shame. The shame belongs to those who did these things to you."

Her family has to be helped to understand this, too. It takes time. So does her long and painful treatment. Eventually she and her family are able to put guilt, shame and despair behind them.

Inge Genefke set up the Rehabilitation and Research Centre for Torture Victims in 1982. Three years later, she organized its international body, the International Rehabilitation Council for Torture Victims (IRCT), of which she became secretary-general and medical director.

She is married to Professor Bent Sorensen, a burns specialist and a member of the UN Committee against Torture. Their time together is precious. Dr. Genefke is constantly travelling to help launch new centres, to rally people to her cause. This September, she is organizing a conference in New Delhi with the National Human Rights Commission.

Despite the worldwide enormity of torture, many of the centres Dr. Genefke has inspired get little or no help from their governments. But she has an uncanny ability to win over gifted professionals willing to take up the cause. "One minute you have a certain kind of life and the next minute that whirlwind, Inge Genefke, comes along and you're on her team," said one.

Yet there are times when the task seems insuperable. She sees a ghostly army of torture survivors out there, from communist prisons, military dictatorships in Latin America, the victims of upheavals in Asia, Africa and the Middle East. The number of victims seems to be growing, and her efforts to help them sometimes seem insignificant. "It is like trying to climb a mountain that keeps getting higher," she says.

Months of hospitalization and years of holistic therapy and rehabilitation were necessary before Miguel Lee was entirely sound. But now he has a steady job and with nine grandchildren, a full and rewarding family life. And in the end the junta did not defeat him. Although he speaks Danish and is well-integrated into his new land, he spends much of his free time working for the preservation of the democratic freedoms Chile has wrested back from the military dictatorship.

Sometimes Inge Genefke has to seclude herself and spend an hour or so reading poetry to replenish her soul. But when she sees a man like Miguel Lee come back from the living dead, when she knows that her work has helped save some of this generation's best people from death and disability, she is again ready to tackle the highest mountain.

#### HONORING THE "OPERATION PROVIDE REFUGE" TEAM

#### HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1999

Mr. SAXTON. Mr. Speaker, I rise before you today to recognize a group of Americans whose dedicated efforts truly made the proverbial difference in the lives of thousands of people. Too often in life we overlook the tremendous efforts of individuals who transcend their job descriptions and positively affect the lives of others. There are 60 men and women in my district of whom job descriptions don't exist.

On May 1, 1999, these 60 men and women were civilian employees at Fort Dix Army Base in Burlington County, NJ. In less than twenty-four hours, however, these diverse professionals would be united as full-fledged participants in "Operation Provide Refuge," an attempt to provide shelter for refugees from the Balkans. In just three days, these extraordinary individuals converted sterile Army barracks into a comfortable living space suitable for families. The Fort Dix civilians of Provide Refuge offered more than a housing facility to these refugees; they offered a home.

As the first group of refugees arrived at Fort Dix on May 5, they were greeted with a tradition perhaps more American than any other: open arms. The first contingent of refugees—like the ones that would arrive later—spanned the entire age spectrum, but was comprised largely of the very old and the very young. These men, women and children were given the food, medical care, and shelter they so desperately lacked in their native land.

On July 16, 1999, the last of the refugees left their temporary home at Fort Dix. In the two months that it was operational, Provide Refuge took in more than 4,000 refugees, restored them to health, and placed them with host families in 40 states across the country.

While 4,043 people checked into the facility, by July 16, 4,050 had checked out: during the tenure of Provide Refuge, the medical staff ushered into this world seven new lives—seven new Americans.

The reason I stand before you today, Mr. Speaker, is to thank the workers who were truly the backbone of Operation Provide Refuge: Diana Bain, Denise Berry, Bernice Bonaparte, Audrey Bracey, James Butler, Arlee Cane, Jr., Arlene Clayton, Robert Cole, Donald Conklin, Maureen Coughlin, Normal Cowell, Patricia Cunningham, Karen Currin, David Dennison, Perry Domelevich, Frederick Dudley, Richard Esbensen, Sharon Fegley, Walter Gibson, Kenneth Gordon, Bonnie Graham, Richard Grzegorek, Richard Hatfield, William Hodgkiss, Eric Hollinger, Robert Hurrell, Paul Imhof, William Kisner, Roberta James, Thomas Jones, John Laraway, Sarah Lawson, John Litterio, Harry Malatesta, Mary Marchut, Pedro Martinez, Raymond Matthews, Denise McCarthy, Diana Messersmith, Bernard Pierce, Joseph Randazzo, Kenneth Razillard, Norman Rimbey, Jacquie Roach, Gail Rosado, Richard Sanders, Douglas Satterfield, Jay Schopp, Ronald Sexton, Evelyn Stefula, Walter Streeter, John Sweeney, Joanne Tindall, Jose Toress, Robert Tucker, Leonard Valerio, Annemarie Walsh, John Wenner, Mary Wig, and Barbara Worthy.

These names will be entered into the permanent record at the Library of Congress documenting their accomplishments. These individuals symbolize everything that is good about America. They serve as a daily reminder of what public service is all about. These men and women went above and beyond their basic responsibilities in order to make someone else's life a little easier, and—in doing so—make the world a little better place to live. Once again, I would like to thank all the participants of Operation Provide Refuge: your dedication and selfless service is an inspiration to our nation and the world.

#### RELIGIOUS LIBERTY PROTECTION ACT OF 1999

SPEECH OF

**HON. CHARLES T. CANADY**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 15, 1999*

Mr. CANADY of Florida. Mr. Speaker, I am very grateful for the support of so many religious and public policy organizations in the passage of the Religious Liberty Protection Act. I would like to give special recognition to Prison Fellowship Ministries and Justice Fellowship, Christian Legal Society, Focus on the Family, Baptist Joint Committee on Public Affairs, National Council of Churches of Christ in the USA, American Center for Law and Justice, American Jewish Congress, Association of Christian Schools International, Family Research Council, Southern Baptist Convention: Ethics and Religious Liberty Commission, Union of Orthodox Jewish Congregations of America, United States Catholic Conference, Religious Action Center for Reform Judaism, Church of Jesus Christ of Latter-Day Saints, and Council on Religious Freedom for their important contribution to this legislation.

I would like to express my gratitude to Prof. Douglas Laycock, Alice McKean Young Regents Chair and Associate Dean of the University of Texas School of Law, for his invaluable legal analysis during the drafting and passage of the Religious Liberty Protection Act. I would also like to recognize the important contribution of the scholarship of Presidential Professor Michael McConnell of the University of Utah College of Law in the area of religious liberty.

I note that Congressman CHARLES W. STENHOLM from the 17th District of Texas requested to be a cosponsor of H.R. 1691 but was inadvertently omitted from the list of cosponsors.

#### UZBEKISTAN'S LITANY OF VIOLATIONS

**HON. CHRISTOPHER H. SMITH**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. SMITH of New Jersey. Mr. Speaker, as Chairman of the Commission on Security and Cooperation in Europe, I rise today to highlight the persecution of religious believers in Uzbekistan. The problem is worsening by the day, as the crackdown continues under the guise of "anti-terrorism." While there is some justifiable threat of terrorism, the widespread violations of rule of law and human rights perpetrated by authorities are not defensible, especially in light of Uzbekistan's OSCE commitments.

Under President Islam Karimov, Uzbekistan has been the second most repressive former Soviet republic, next to Turkmenistan. Karimov has used new constitutions and referendums extending his tenure to remain in office, where he seems determined to stay indefinitely. In mid-1992, he cracked down on all opposition parties, driving them underground or into exile, and all opposition or independent media were eliminated.

In Uzbekistan today, human rights are systematically violated. Arbitrary arrests, abuse and torture of detainees are pervasive, and flagrantly politicized judicial proceedings are routine. According to Human Rights Watch/Helsinki, there are well over 200 individuals who are prisoners of conscience either for their religious or political activities. Defendants have been convicted of criminal offenses based on forced confessions and planted evidence. The regime has also refused to register independent human rights monitoring organizations (the Human Rights Society and the Independent Human Rights Society), while groups which cooperate closely with the government (Society for the Protection of the Rights of the Individual) have been registered without delay. On June 25, Uzbek police savagely beat Mikhail Ardzinov, one of the country's most prominent human rights activists.

A key component of Uzbekistan's assault on human rights has been a thoroughgoing campaign against religious believers. Since 1997, hundreds of independent Muslim activists and believers associated with them have been arrested. In February of this year, bombs exploded in the capital, Tashkent, which killed

sixteen bystanders and damaged government buildings, narrowly missing President Karimov and government officials. Karimov accused Muslim activists of having carried out a terrorist attack intended to assassinate him. The harassment and detention of Muslim activists has greatly intensified since then and an ongoing series of show trials had discredited them as dangerous religious extremists. Last month, six people were sentenced to death and another 16 received prison terms ranging from eight to 20 years in a trial that by no means met Western standards for due process. Since then, two arrested Muslims have died in prison, and there is no sign of a let up. President Karimov has argued that the threat of Islamic fundamentalism in Central Asia's most populous and traditional state necessitates a hard line, especially because Islamic radicals from neighboring Tajikistan, Afghanistan and Pakistan are determined to subvert Uzbekistan's secular, developing democracy. But the state's repressive policies are radicalizing Muslims and turning them against the regime.

Non-Muslims faiths, particularly Christians, have also been subjected to harassment, imprisonment and violations of their religious liberty, especially those who share their faith and are actively meeting. According to Compass Direct, Ibrahim Yusupov, the leader of a Pentecostal church in Tashkent, was tried and sentenced last month to one year in prison on charges of conducting missionary activity. Another court in June sentenced Christian pastor Na'il Asanov to five years in prison on charges of possession of drugs and spreading extremist ideas. As with other cases mentioned below, witnesses attest that police planted a packet of drugs on Pastor Asanov and also severely beat him while he was in detention.

Also in June, three members of the Full Gospel Church in Nukus were sentenced to long prison sentences. Pastor Rashid Turibayev received a 15-year sentence, while Parhad Yangibayev and Issed Tanishiev received 10-year sentences for "deceiving ordinary people" as well as possessing and using drugs. Their appeal was denied on July 13. Reports indicate that they have suffered severe beatings in prison, have been denied food and medical attention, and their personal possessions have been confiscated by the police, leaving their families destitute. Recently, the most senior Pentecostal leader in Uzbekistan, Bishop Leonty Lulkin, and two other church members were tried and sentenced on charges of illegally meeting. The sentence they received was a massive fine of 100 times the minimum monthly wage. The leaders of Baptist churches, Korean churches, the Jehovah's Witnesses, as well as many others, have also been subjected to harsh legal penalties. Although they have filed for registration, local authorities refused to sign their documents.

Mr. Speaker, the State Department's report on Human Rights Practices for 1998 reported that the Uzbekistan law on religion "limits freedom of religion" with strict registration requirements which make it virtually impossible for smaller church organizations to gain legal status. The law passed in June 1998, "prohibits proselytizing, bans religious subjects in school curriculums, prohibits teaching of religious principles, forbids the wearing of religious

clothing in public by anyone except clerics, and requires all religious groups and congregations to register or re-register." Also approved last May was a second law establishing the penalties if one were convicted of violating any of the statutes on religious activities. The penalties can range anywhere from lengthy prison sentences, massive fines, and confiscation of property, to denial of official registration rights. On May 12 of this year, Uzbekistan tightened its Criminal Code, making participation in an unregistered religious group a criminal offense, punishable by a fine equivalent to fifty times the minimum monthly wage or imprisonment of up to three years.

Mr. Speaker, these actions indicate that the policies of the Government of Uzbekistan toward religious groups are not moving in the right direction.

In fact, these initiatives are in direct violation to Uzbekistan's OSCE commitments, including Article 16.3 of the Vienna Concluding Document which states that "the State will grant upon their request to communities of believers, practicing or prepared to practice their faith within the constitutional framework of their States, recognition of the status provided for them in the respective countries." In the Copenhagen Concluding Document of 1990 Article 9.1, Uzbekistan has committed to "reaffirm that everyone will have the right to freedom of expression including the right to communication. This right will include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers." Uzbekistan's current course of strangling all forms of religious discourse is a flagrant, deliberate, and unrelenting violation of these principles.

Last year Congress overwhelmingly passed the Religious Freedom Act of 1998 which reaffirmed the United States' commitment to supporting religious freedom abroad through U.S. foreign policy. Considering the litany of violations affecting religious liberty and the ongoing persecution of believers, it is time for Congress to consider our aid programs to Uzbekistan, including our military cooperation programs which cost about 33 million dollars in this year alone. Congress should also reconsider our trade relationship with Uzbekistan and scrutinize other programs such as Cooperative Threat Reduction where we can leverage our influence to help protect religious liberty and human rights.

#### TRIBUTE TO MAYOR EDWARD QUAGLIA

#### HON. DAVID D. PHELPS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. PHELPS. Mr. Speaker, I rise today to pay tribute to Mayor Edward Quaglia of Herrin, Illinois. Mayor Quaglia served the people and city of Herrin faithfully for more than twenty years; seven of those years as an alderman on the City Council, and for 15 years as mayor. This year, on May 31, Mayor Quaglia retired as Mayor due to health concerns. In honor of his retirement, the City of Herrin, the

City Council of Herrin, and Mayor Victor Ritter have proclaimed July 18, 1999 as "Mayor Edward Quaglia Day."

Mr. Speaker, Mayor Quaglia will be long remembered by the good people of the City of Herrin, southern Illinois, and the entire State for his determined dedication to making Herrin a better place to live and to raise a family. Mayor Quaglia will not only be remembered for his numerous achievements including improving the city's infrastructure, and his hard work on development and construction of the Civic Center, the Annual Mayor's Community Wide Thanksgiving Dinner for the poor and homeless, the High School Sport's Complex, and planning the city's premier annual event Herrifesta Italiana, but most importantly for his compassionate and straight-forward leadership style. He always gave all he had for a good cause and put the welfare of the citizens and City of Herrin first. When speaking of Mayor Quaglia, it is impossible not to mention his family, which is so important to him. His wife JoAnne has always stood by his side and been the light of his life. He has five loving children and four beautiful grandchildren.

I know that Mayor Quaglia will be sorely missed by all of Herrin in his retirement. But it is a retirement well earned, and one that I am sure that Edward Quaglia, and his family and friends, will enjoy with him to the fullest. Mr. Speaker, I encourage all my fellow Members to share in my wish to extend Mayor Quaglia a long, healthy, and happy retirement along with Godspeed.

#### TRIBUTE TO BOB TOBIAS

#### HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. PORTMAN. Mr. Speaker, I am pleased today to rise in tribute to Bob Tobias, who is retiring after 31 years with the National Treasury Employees Union—including sixteen years as its president. He has been a tireless and effective advocate for the workers he represents, and he is a well-regarded spokesperson for the interests of all federal employees.

I got to know Bob in 1996 when we were both appointed to the National Commission on Restructuring the IRS, which I co-chaired with Senator BOB KERREY. He was an active and productive member of the Restructuring Commission, and helped to develop a number of the Commission's recommendations that were later signed into law as part of the IRS Restructuring and Reform Act.

I admire Bob for speaking up on IRS reform at a time when I suspect many of his members were uneasy about the long-term ramifications of the restructuring effort. He deserves a great deal of credit for helping to shape a bill that will not only benefit American taxpayers, but will also create a greatly improved work environment for IRS employees.

I understand that Bob plans to teach and write on public policy issues after leaving the NTEU. But he will also be continuing to work on IRS reform—I understand that he will be nominated by the President to serve on the IRS Oversight Board.

Bob played an important role in creating the framework for a new IRS for the 21st Century. I look forward to continuing to work with him in his role on the IRS Oversight Board, and I wish him the best of luck in all his future endeavors.

#### INTRODUCING THE LAND RECYCLING ACT OF 1999

#### HON. JAMES C. GREENWOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. GREENWOOD. Mr. Speaker, today I am introducing the Land Recycling Act of 1999 along with a strong bipartisan group of co-sponsors. The Act will remove Federal barriers to the cleanup of brownfields across the country. Removing these barriers will spur investors, benefit cleanup contractors and provide tools for state and local governments to tackle this longstanding problem. These efforts will provide for more livable, secure and vibrant neighborhoods. The blight that has dominated both urban and rural areas should not continue.

My bill will bring about aggressive state reclamation and cleanup of brownfields—abandoned or underutilized former industrial properties where actual or potential environmental contamination hinders redevelopment or prevents it altogether. The U.S. Environmental Protection Agency [EPA] estimates that there may be as many as 500,000 such sites nationwide. In my own congressional district, the southern portion of Bucks County is estimated to have 3 square miles of abandoned or underutilized industrial property.

These well-positioned, once-productive industrial real estate sites pose continuing risks to human health and the environment, erode state and local tax bases, hinder job growth, and allow existing infrastructure to go to waste. Moreover, the reluctance to utilize brownfields has led developers to bulldoze greenfields, which do not pose the risk of liability. Development in these areas contributes to suburban sprawl, and eliminates future recreational and agricultural uses. The Land Recycling Act will help stop urban erosion, and provide incentives to the redevelopment of our cities and towns across the country.

The brownfields problem has many causes. Foremost among them is the existing Federal law itself. Under the Superfund law, parties who currently own or operate a facility can be held 100 percent liable for any cleanup costs regardless of whether they contributed to the environmental contamination and regardless of whether they were in any way at fault. Because of the potential for this kind of liability, it is simply not worth dealing with the environmental exposure as long as developers have the alternative of building in rural areas where they are not exposed to liability. Owners can't sell and instead simply mothball them indefinitely. Clean-up contractors face uncertain liability.

Unrealistic standards and one-size-fits-all remedy selection also prevent voluntary actions and leave sites in years of red tape. The Resource Conservation and Recovery Act

[RCRA] poses nearly identical concerns. Under section 7003 of that law, for instance, EPA has broad authority to order a current owner-operator to address environmental contamination, again, regardless of fault.

Thirty-two states have launched so-called voluntary cleanup programs. We must help these programs thrive. Under these initiatives property owners comply with state cleanup plans and are then released from further environmental liability at the site. The subcommittee has received testimony in the past from a variety of states and the U.S. Environmental Protection Agency [EPA], demonstrating that these state voluntary cleanup programs have been responsible for the redevelopment of hundreds of brownfields. In the first year the Commonwealth of Pennsylvania enacted its brownfields program, it succeeded in cleaning 35 sites.

Although many of these state laws have proven successful, states, businesses, and other experts have testified that the possibility of continuing Federal liability despite an agreement to limit State liability—the so-called dual master problem—seriously diminishes the effectiveness of State voluntary cleanup programs. Because redevelopers face the potential for cleanup obligations above and beyond what a State has decided is appropriate to protect health and the environment, they may hesitate to enter into agreements with sellers to purchase idle properties. The testimony establishes, in my mind, that if brownfields redevelopers could be confident that the cleanup agreements entered into with States would not be second-guessed by EPA, then they would be far more likely to agree to conduct a cleanup.

The Land Recycling Act of 1999 is based on the input of all of the stakeholders in the brownfields debate—the federal government, states, local governments, clean-up contractors, sellers, buyers, developers, lenders, environmentalists, community interests, and others—and in particular based on my own experiences in my district. Among other things, the bill provides “finality” for brownfields cleanups done pursuant to, and in compliance with, State programs, releasing buyers and sellers from liability and litigation under federal law. This certainly is number one on the wish list for developers and Rust Belt businesses. It will also provide liability protection under federal law for a number of nonpolluters, including: innocent landowners, prospective purchasers, contiguous property owners, and response action contractors—thus removing disincentives to cleanup and reuse. This legislation will streamline the federal cleanup process and employ sound and objective science. Finally, the Land Recycling Act of 1999 will provide brownfield grants to states, local governments, and Indian tribes for the inventory and assessment of brownfield sites and the capitalization of revolving loan funds for cleanups.

I believe these straightforward solutions will provide an aggressive antidote to the wasteful burden of brownfields in America and are part of the overall set of solutions we must pursue to reform the nation's broken hazardous waste laws. I reemphasize this is a bipartisan effort. Reform efforts that are strictly Democrat or strictly Republican mean the group has a point

to make but is not serious about enacting legislation in the 106th Congress.

While I am confident that the Land Recycling Act will go a very long way, we in Congress also have a larger task at hand—overhaul of the Superfund Program to ensure that we do not perpetuate the brownfields problem across the country. The Congress needs to address fairness and liability issues for small business recyclers and others. The Land Recycling Act of 1999 is only a piece of the puzzle. I look to the chairman of the Commerce Committee, Mr. BLILEY, and the chairman of the Finance and Hazardous Materials Subcommittee, Mr. OXLEY, for continued leadership on Superfund reform to address the areas that we can and must address. These two chairmen have fought for Superfund reform and continue their interest in real solutions. The bill last Congress, H.R. 3000, The Superfund Reform Act, had 19 Democrat cosponsors and represented a strong bipartisan effort. I hope that 1999 offers more promise, and that they will again consider including the Land Recycling Act as part of their Superfund reform effort.

A TRIBUTE TO BRIG. GEN. PAUL R. COOPER

**HON. GERALD D. KLECZKA**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. KLECZKA. Mr. Speaker, I rise today in tribute to Brigadier General Paul R. Cooper, the commander of the Air Force Reserve Command's 440th Airlift Wing, since August 1995. General Cooper is leaving this post and on August 1 will assume his new duties as the Commander of the 445 Airlift Wing, Wright-Patterson Air Force Base, Ohio. Milwaukee's loss is surely Ohio's gain.

A native of Seattle, Washington, General Cooper graduated in 1967 from the University of Washington with a degree in chemistry and was commissioned a second lieutenant in the Reserve Officer Training Corps. He has been a wing commander, group commander and installation commander at two Air Force Reserve bases. General Cooper was recalled to active duty during Operation Desert Storm, where he served as commander of a composite C-130 unit deployed to the Middle East for six months. He was selected to return to extended active duty from June to October 1996 to command the 4100th Group and serve as the installation commander of the NATO Air Base, Bosnia-Herzegovina, as part of the implementation force under Operation Joint Endeavor. General Cooper is a command pilot with over 11,500 flight hours.

General Cooper and his wife Kathy will be honored at a farewell dinner and reception July 30 in Milwaukee at which time the Coopers' many friends and colleagues will have an opportunity to show their appreciation for a job well done at the 440th.

I'd like to take this opportunity to publicly thank General Cooper for all his assistance over the last four years when I have called on him to aide the members of the unit as well as the Milwaukee community. In fact, just last

month General Cooper showed his commitment to our community by presiding over a military medals presentation in which I was proud to distribute well-deserved medals to World War II soldiers and their families.

Again, on behalf of the men and women of the 440th and the entire southeastern Wisconsin community, thank you General Cooper for a job well done. God bless you and best wishes at your new post.

#### PERSONAL EXPLANATION

**HON. JAMES M. TALENT**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. TALENT. Mr. Speaker, I rise today to explain that I was unable to vote on Messrs. GILMAN and MARKEY, Mr. SANDERS, and Mr. GIBBONS amendments to H.R. 2415, the American Embassy Security Act. I was needed at home in Missouri for family reasons. At the time of the votes, I was flying back to Washington and was unable to return in time.

If I had voted, I would have voted yes on Messrs. GILMAN and MARKEY's amendment to restrict all nuclear agreements and cooperation between the U.S. and Korea. I would have voted yes on Mr. SANDERS' amendment to prohibit State Department employees from imposing restrictions or interfering on Asian and African nations from importing prescription medications from the lowest-priced source available. And I would have voted yes on Mr. GIBBONS' amendment to require the Secretary of State to issue regulations authorizing that certain requirements be adhered to before a person younger than 14 years of age may be issued his or her first passport.

#### RESULTS OF AN EDUCATION FIELD HEARING

**HON. LORETTA SANCHEZ**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Ms. SANCHEZ. Mr. Speaker, I rise today to report on the field hearing that the House Subcommittee on Early Childhood, Youth & Families held in my district—in Anaheim, California—on parent and community involvement in education this month.

Today's children bring so many needs to our classrooms. And we are all responsible for making sure those needs are met—parents, teachers and educators; federal, state and local government; the corporate and nonprofit sectors; our institutions of higher learning and law enforcement.

Teachers can't meet those needs alone. Parents can't do it alone. It's too late for our universities to do it once our kids get to college. And recent events all over our nation have proven that our young people certainly can't make it on their own.

Schools need adequate resources—especially those with the children and the families who need it the most—so our schools can focus on education instead of fundraising. That falls to all of us.

So at this hearing, we discussed how our communities can and should work with our schools. We heard from parents, teachers, students and members of the community on how to do that.

After the conclusion of the formal field hearing, I was able to conduct a question and answer period for members of the community who were in attendance.

This was an opportunity to examine issues that may not have been brought up by the panelists—for example the role of fathers in children's lives. As the traditional breadwinner in the family, fathers who work all day have rarely had time in the past to take an active role in the child's education. Fathers who do take part in the educational pursuits of their children have boosted self-esteem levels that have been lacking in these children. Simple tasks such as reading with and to children and helping with homework, are two ways that involve fathers in this process. Fathers do play a crucial role in the education of their children, a point community members wanted to highlight.

The need for gun safety was also stressed. Requirements, such as a minimum age of 21 and background checks for gun purchases play a significant role in keeping our schools and children safe.

The important question of funding for the Individuals with Disabilities Education Act (IDEA) was also raised. While educators look to the federal government to provide 40 percent of the funding for this program, many schools receive only 11 percent of the funding needed and are forced to compensate with local resources. The need to fill in this funding gap was stressed because without sufficient funding for this program more handicapped children are at risk of incarceration and substance abuse.

Suggestions were also made on how to improve education at both the federal and local levels. Citizens expressed their wishes on several items.

Congress should receive input from private schools.

All parents of school-age children should participate in parent education programs.

Parent education programs should include material on parental involvement in the classroom.

Early childhood/preschool programs such as Head Start should be funded at higher levels.

Furthermore, another topic discussed was the re-evaluation of funds at the federal level and the reallocation of funds already distributed by the Department of Education.

As for the local level, the public raised the need for community organizations to work directly with citizens on such projects as building a new community athletic facility, as such opportunities were deemed worthy extra-curricular programs for children.

I was impressed by the number of citizens who attended the hearing. The levels of community awareness and public support evident at the event were appreciated and inspiring. All in all, the day proved that it does take an entire community—parents, businesses, citizens and school personnel—to educate a child.

## PERSONAL EXPLANATION

### HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1999

Mr. MOORE. Mr. Speaker, on Monday, July 19, 1999, due to the failure of USAirways to provide scheduled airline service, I missed three rollcall votes. Had I been present, I would have voted as follows:

H.R. 1033, the Lewis and Clark Expedition Bicentennial Commemorative Coin Act: "aye."

H. Con. Res. 121, expressing the sense of Congress regarding the victory of the United States in the Cold War and the fall of the Berlin Wall: "aye."

H.R. 1477, to withhold voluntary proportional assistance for programs and projects of the International Atomic Energy Agency relating to the development and completion of the Bushehr nuclear plan in Iran: "aye."

## IN HONOR OF NTEU PRESIDENT ROBERT TOBIAS

### HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1999

Ms. DeLAURO. Mr. Speaker, I rise today to pay tribute to Robert Tobias, the dedicated president of the National Treasury Employees Union who, after 16 years of leadership, has decided to step down from his post to pursue writing and teaching the next generation about the importance of protecting the rights of workers everywhere. It gives me great pleasure to acknowledge his years of leadership and service to his fellow workers, and to his country.

Since he first joined the NTEU 31 years ago, Robert Tobias has stood up for the fundamental rights of his fellow federal employees—fair pay, health coverage, the right of employees to have a role in overseeing their agencies, and a secure transition to stable retirements. He has played a vital role in building the labor-management partnership in the federal government today. His extraordinary work and dedication in carrying out his duties has had a profound impact on the hard working men and women throughout the NTEU.

Robert Tobias' distinguished career has been a great source of pride. His dedication and determination to improve the lives of the hard working families of federal employees will be his lasting legacy. The members of the NTEU and the nation have all benefitted from his unwavering commitment. For this, I join my colleagues in offering him our gratitude.

## CELEBRATING THE CAREER OF GEORGE BROWN

### HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1999

Mr. CONYERS. Mr. Speaker, I rise today to honor my good friend and distinguished col-

league, Congressman George Brown of California's 42nd Congressional District. I worked alongside of Representative Brown for 33 years and will remember his service to Congress as one dedicated to improving the quality of life not only for his constituents but for all of us.

George Brown started off his illustrious career not as the public servant we remember him by, but as a young student in the 1930's. It was on the campus of the University of California at Los Angeles where he began his crusade for a better nation by organizing the first integrated campus housing. Being the great leader he was, George was the first to integrate UCLA's housing by taking on an African-American roommate. Later in his life Representative Brown was proud to continue his push for civil rights when he voted for the Civil Rights Act of 1964. A picture of George, President Lyndon Johnson, Robert Kennedy and Dr. Martin Luther King Jr. hung on his wall as a constant reminder to the signing of that act into law.

Upon graduating from UCLA with a degree in Industrial Physics, Brown put his degree to good use with the City of Los Angeles. It was there that he helped organize the city's workers and its veteran's housing projects. Then in 1954 George Brown won his first election as a member of the city council in Monterey Park, CA. One year later in 1955 he became mayor of the same city. The dedication he held for the issues dearest to him kept Brown moving as he was elected to the California State Assembly in 1958. As a member of the state assembly Brown introduced an environmentally friendly piece of legislation that called for a ban on lead in gasoline, the first ever of its kind. What we later learned is that this was only the beginning of George's fight for a cleaner, safer environment.

In 1962 George Brown ran for the 29th district in California. He won the House seat easily that year beating his opponent by an 11 percentage point margin. Serving on the House Committee on Science and Aeronautics, Brown was a staunch supporter of the advancement of the space program and the pursuit of technology that would improve all of our lives. George believed that technology should be included in the education of our children and worked hard to accomplish this goal throughout his career. In more recent years Congressman Brown was found supporting international scientific cooperation and attempting to establish joint research programs between the United States, Russia and Mexico.

During the 1960's and into the 1970's, Congressman Brown was a strong voice in protest to the Vietnam War. He argued that the no matter how long we fought and how many troops we sent over to Vietnam, we could not find world peace from a war that was slaughtering peasants. Throughout the war, he tried time and again to get the attention of the nation. One such time found Representative Brown outside on the steps of the Capitol Building demanding that if the police were going to arrest 13 peaceful war protesters for disturbing the peace, then they should arrest him too.

When I think back to this time I'm reminded of the group that Bob Kastenmeier from Wisconsin, Don Edwards from California, George,



myself and several others formed to stop the war effort. After the release of the Pentagon Papers our efforts in the group intensified to bring an end to the war, perhaps the hardest worker of all of us being George.

As hard as he fought the Vietnam War, perhaps the issue closest to the Honorable Congressman's heart was the environment. It was Representative Brown who first spoke out against the dangers of burning fossil fuel. It was George Brown teaching the nation about the harmful effects of freon in the ozone layer. It was Brown again telling us that we had better keep an eye on the global climate change for our sake and the sake of our children. And then it was Congress, following his lead, enacting provisions in the Clean Air Act that would help the nation monitor the levels of these pollutants in our air and keep a watchful eye on the ever-changing world climate. One of Representative Brown's most notable achievements was the work he put into the creation of the Environmental Protection Agency. Through this agency we can rest assured, knowing the policies of the fine Congressman from California will be followed through as he would want them.

In looking back at George Brown's life, we look back at a life dedicated to promoting the beliefs of a man that was committed to making the world a better, cleaner, more peaceful place for us to live. His hard work on the tough issues will be missed, but most of all we will simply miss the strong-willed, intelligent, caring man that George Brown was.

**CELEBRATING THE REMARKABLE  
ACHIEVEMENTS OF WOMEN IN  
SPORTS AND THE SUCCESS OF  
TITLE XI**

**HON. CARRIE P. MEEK**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mrs. MEEK of Florida. Mr. Speaker, I rise to celebrate the success of title IX—especially for its enormous contributions to the development of women sports. I commend the women's caucus and my colleagues, Congresswoman JUANITA MILLENDER-MCDONALD and Congresswoman CAROLYN MALONEY, for scheduling this special order on the remarkable achievements of women in sports and the impact of title IX. I also want to recognize our colleague Congresswoman PATSY MINK and former Congresswoman Edith Green who authored and initiated title IX.

Title IX states,

No person in the U.S. shall, on the basis of sex be excluded from participation in, or denied the benefits of, or be subjected to discrimination under any educational program or activity receiving Federal aid.

Before title IX, many schools saw no problem in refusing to admit women or in applying more stringent admissions criteria to women.

Title IX has made an enormous contribution to improving the status of women. When title IX was passed in 1972, women received 9 percent of medical degrees; now, women receive 38 percent of medical degrees. Today,

women earn 43 percent of all law degrees, compared to 7 percent in 1972; today, 44 percent of all doctoral degrees are awarded to women compared to 25 percent in 1977.

In 1900, women competed in the Olympics for the first time, but only in the "genteel" sports of tennis and golf. The passage of title IX set off a period of rapid growth in women's sports. Today, women compete in track and field, basketball, soccer, lacrosse, gymnastics, skating, golf, and softball, just to name a few sports.

Women have significantly increased their participation in collegiate sports and, today, we even have women in professional sports leagues such as the WNBA.

This year, the United States hosted the third Women's World Cup, one of the biggest women's sporting events to date. Over 90,000 people packed the Rose Bowl to watch the U.S. Women's Soccer Team win the gold. The U.S. Women's Soccer Team has taught us all that anything is possible if you dare to dream; that by raising the bar of expectations, there can be no limits; that if you are allowed to fully realize your potential, you can achieve. Thousands of young women throughout the country surely have formed new dreams and goals as they watched our women's soccer team compete for the gold. We can thank title IX for these new dreams and goals.

I am a former athlete. I ran track and played basketball in college. I earned a bachelor of arts degree in biology and physical education from Florida A&M University, and a master's degree in public health and physical education from the University of Michigan. I coached women's basketball at Bethune-Cookman College and taught biological sciences and physical education. I know about women in sports. I congratulate all the women who are participating in sports, especially the 1999 U.S. Women's Soccer Team.

I am proud to be a woman. I am also proud that Congress passed title IX and expanded opportunities for women to participate and achieve in sports, and attend our academic institutions.

We need to protect and enhance title IX's achievements. If we do so, the future for women will be boundless.

**MR. GRANT HOUSTON DESIGNATED AS CITIZEN OF THE YEAR FOR 1999**

**HON. SCOTT McINNIS**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. McINNIS. Mr. Speaker, it is with great pleasure that I take a moment to honor Mr. Grant Houston. Mr. Houston is a man of outstanding leadership ability and an active member of the Lake City, CO, community. For his efforts, hard work, and dedication to the citizens of Lake City, I commend Mr. Houston for receiving designation as "Citizen of the Year" for 1999, and thank him for the example he has set.

Born in Gunnison in 1955, Mr. Houston moved as an infant to Lake City where he continues to reside. He is an accomplished

writer and historian. Using his talents and passions for history and writing, he helped to found the historical society in 1973, and was the founder and editor of the Silver World Newspaper. Currently, he serves the historical society as president of the foundation.

Mr. Houston has collected and shared a great legacy of local history by combining his love of history with his love of writing. He was first published at the age of 21 with a brief history of Lake City, called Lake City Reflections. He went on to serve as editor of the Western State College newspaper, and to write Reflections. Mr. Houston's local publications include various maps, guide books and histories.

Not only has he served his community by recording history and keeping them informed through the establishment of a newspaper, he was also appointed to two significant boards by former Colorado Governor Roy Romer, one of them being the Colorado Scenic and Historic Byways Commission. Mr. Grant Houston has worked as a member of the Review Board for the National Register of Historic Places.

Mr. Grant Houston has dedicated much time and energy to preserving history and keeping the citizens of his community informed. For his efforts and leadership, I now wish to pay tribute to this remarkable man and to thank him for giving so much to the people of Lake City and citizens of Colorado.

**TRIBUTE TO ALAN GERRY**

**HON. SCOTT McINNIS**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. McINNIS. Mr. Speaker, it is with great pleasure that I take this opportunity to recognize Mr. Alan Gerry of Denver, CO, for his outstanding service and hard work. Because of his strong work ethic and innovative ideas in the cable industry, I wish to honor Mr. Gerry.

As founder, chairman and CEO of Cablevision Industries Corporation, Mr. Gerry led the corporation to become the eighth largest multiple system operator in the United States before merging with Time Warner in 1996. Alan Gerry is a member of the Board of C-SPAN, the industry public affairs programming network, and is a founding member of the Board of the Cable Alliance for Education and was the president of the New York State Cable Television Association.

Currently, Mr. Alan Gerry serves as chairman and CEO of Granite Associates LP. He also dedicates time to serving as the campaign chairperson and member of the Board of Directors for the National Cable Television Center and Museum. Mr. Gerry is a pioneer in the cable industry, and his entrepreneurial spirit and vision have helped him achieve great success.

Over the years, he has been recognized for his leadership and dedication in a number of different capacities. In 1987, he received the Americanism Award from the Anti-Defamation League and in 1989 he was honored by the Boy Scouts of America with the Distinguished Citizen Award. Presented with the Entrepreneur-of-the-Year Award in 1992 for the

New England Chapter of the Institute of American Entrepreneurs, Mr. Gerry went on to receive the Vanguard Award for Distinguished Leadership in 1995.

Mr. Alan Gerry is a unique individual and I appreciate the example he sets and the inspiration he provides. I am grateful for his commitment, work ethic, and innovation and I wish to commend his efforts.

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TRIBUTE TO ROGER BILL MITCHELL

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**HON. SCOTT McINNIS**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. McINNIS. Mr. Speaker, I would like to take a moment to recognize Mr. Roger Bill Mitchell of Monte Vista, CO. Because of his dedication and years of service for the people of Colorado and the Colorado Farm Bureau, I wish to honor Mr. Mitchell and thank him for his work.

Born and raised in Monte Vista, Mr. Mitchell went to Adams State College in Alamosa, CO, where he received a B.A. in business administration. Currently, Roger Bill Mitchell is the manager of Mitchell Farms, a family partnership that raises potatoes and malting barley. He has served on the boards of various civic and community groups, serving as vice president of the local weed district, secretary of the drainage district, past board member and secretary of the San Luis Valley Administrative Committee and of the Monte Vista Potato Cooperative.

First elected as the president of the Colorado Farm Bureau in 1992, he was re-elected in 1994 and in 1996. He served as president of the Rio Grande County Farm Bureau and was the district 7 director on the State Board of Directors. While a member of the State Board, he served as a State Young Farmer and Rancher chairman, secretary, and vice president.

In 1991, Mr. Roger Mitchell was appointed by former Gov. Roy Romer, to the Colorado Water Quality Control Commission and he served as the only farmer on the commission until 1997. Mr. Mitchell's involvement has been extensive, including work with advisory committees for wetlands, watershed management, and waste treatment plants. His efforts have been honored with the presentation of the Jaycee's State Outstanding Farmer and Coors Barley Outstanding Grower Awards.

As Mr. Mitchell retires from his position on the Colorado Farm Bureau, I would like to thank him for his unprecedented service and outstanding leadership. I am grateful for his involvement and work for the citizens and farmers of Colorado. Mr. Mitchell is a remarkable individual and I wish him the best of luck as he turns the page on a new chapter in life.

**EXTENSIONS OF REMARKS**

TRIBUTE TO NAOMI AND ZACK PRENDERGAST

**HON. SCOTT McINNIS**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. McINNIS. Mr. Speaker, I would like to take a moment to acknowledge Naomi and Zack Prendergast for their dedication to their family and for their recognition as the 1999 Parents of the Year for America. Because of their commitment to family and serving others, they are quite deserving of praise.

Meeting over 22 years ago in a shelter for abandoned children in Italy, Naomi and Zack found a common desire to serve others. They were married and began a life together which has taken them around the world in their personal ministry. The parents of 12 children, they are unique not only because of their large family, but for their dedication to raising their children to serve.

Five years ago, the Prendergast family moved to Longmont, CO. From the broad range of volunteer and service efforts which they have undertaken, an organization known as Family Service, Inc., has emerged. With such a large family, and such dedication to service, helping others has always been a family affair for the Prendergasts. Their family singing group performs at nursing homes, schools, shelters and various other places where inspiration and joy may be given.

The Prendergast family also began an effort to gather donated food for area homeless shelters. Family Services, Inc., with the help and generosity of community members, provides donated food each week to these shelters, donating an average of 8,000 pounds of food per month. Zack has found time to run a project, in addition to the various projects he works on, to promote responsible fatherhood. St. Vrain Fatherhood Connection offers parenting classes for young fathers and a support group located at a local church.

I am grateful for people like the Prendergast family, who not only strive to serve, but teach their children the importance of respect and service as well. For their dedication to helping others, their involvement in bettering the community in which they live, and for sharing their fundamental values and work ethic with their children and the citizens of Longmont, I wish to commend Zack and Naomi and recognize their achievements. They are unique and I greatly appreciate their noble efforts.

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A TRIBUTE TO MR. JASPER WELCH OF DURANGO, CO, FOR HIS DEDICATION AND LEADERSHIP

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**HON. SCOTT McINNIS**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to honor Mr. Jasper Welch of Durango, CO. Because of his community involvement and service, and dedication to leadership Mr. Welch is quite deserving

*July 22, 1999*

of recognition and praise. He is an outstanding citizen and I greatly appreciate his hard work and the example he sets.

Mr. Welch received a bachelor of science degree in 1975 from the University of Colorado where he graduated with distinction. He is a certified trainer and consultant for the Professional Dynametric Programs, a Certified Elected Official by the Colorado Municipal League, and a certified facilitator and trainer for the Zenger-Miller training systems.

Mr. Jasper Welch is a distinguished member of the Durango community, dedicating time and energy to various pursuits and causes. Serving as the cochair of Leadership La Plata from 1988 until 1998, Mr. Welch has encouraged the development of leadership skills of Durango's youth. He has found time to serve as chairman of the Transportation Board, as member of the board of directors for the Hundred Club of Durango, as mayor of Durango, and has held various other service and leadership role.

Jasper Welch has committed great time and energy to the betterment of Durango and those around him. I am grateful to him for his hard work and for the example he has set. For his strong work ethic, perseverance, and continued leadership, I commend him and pay tribute to this remarkable man. I hope that he will continue in his noble pursuits to educate, inspire, and serve others.

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HONORING JAMES D. McELHANNON

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**HON. GEORGE RADANOVICH**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 22, 1999*

Mr. RADANOVICH. Mr. Speaker, I rise today to honor James D. McElhannon as he has been awarded with the nation's Military Order of the Purple Heart Award.

James D. McElhannon is a resident of Lemoore, and a retired Master Sergeant of the Korean War. During his time served in Korea, he was wounded in the battle for the Nakdong River on September 10-20, 1950. Sergeant McElhannon was leading his platoon (2nd platoon, Charlie, 3rd combat Engineer Battalion) on a night reconnaissance when enemy forces began firing their weapons. McElhannon was wounded by a mortar attack, receiving shrapnel in his leg. He refused medical attention in order to continue his mission. Though losing blood through the night, Sergeant McElhannon used his own bayonet to remove the shrapnel in his leg. The 2nd Platoon Charlie Company held fast did not withdraw until the platoon was officially relieved.

Mr. Speaker, it is my pleasure to honor James D. McElhannon for his bravery and commitment in the Korean War. His courage has lead him to receive the nation's Military Order of the Purple Heart Award. I urge my colleagues to join me in wishing James McElhannon many more years of success.

July 22, 1999

HONORING WILLIAM A. GALLINA  
ON HIS 60TH BIRTHDAY

**HON. JOSEPH CROWLEY**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. CROWLEY. Mr. Speaker, I rise to honor a man who embodies what it means to be a true American, a dedicated family man, an accomplished professional, and a consummate citizen of New York City, William A. Gallina, on the occasion of his 60th birthday.

William, or "Bill" as he is known by those closest to him, has lifelong roots in the Bronx. Born on his parents' kitchen table in the West Farms section of the Bronx on July 26, 1939, Bill blazed an exceptional path from the very beginning.

Growing up in the South Bronx home of his immigrant parents, his mother from Germany, his father from Italy, Bill attended Public School 6, Herman Ridder Junior High School, and earned his diploma at James Monroe High School. Following high school graduation, Bill attended New York State Maritime College where he spent three years studying Maritime Engineering, then transferred to Fairleigh Dickinson University where he graduated with a degree in Mechanical Engineering.

After graduation, he began working at Grumman Aircraft Engineering Corporation where he and a small group of rocket propulsion engineers successfully helped in the design of the descent engine of the Lunar Excursion Modules (L.E.M.) fulfilling President John F. Kennedy's dream and America's promise of landing on the moon before the close of the 1960s.

While working for Grumman, Bill attended St. John's University Law School in the evenings, graduating in 1967 with a Juris Doctor degree. Upon graduation from law school he went to work for a major Wall Street law firm specializing in intellectual property, eventually leaving to open his own firm specializing in criminal and personal injury law. He returned to the Bronx in the early 1970s where he was instrumental in constructing a professional medical office complex where he maintained his office for the practice of law.

To this day, he continues to practice law in Bronx County where he has become one of the leading personal injury attorneys in the metropolitan New York area. His parents continued to live in Bronx County until their passing. Bill's mother used the very same kitchen table on which he was born until her death in 1997 at the age of 98.

Bill is married to the former Ronnie Bernon and has an 11-year-old son, three daughters from a prior marriage, and two grandchildren. He is active in local and national bar associations, in particular, the New York State Trial Lawyers where he serves as a member of the Board of Directors, fighting to protect the rights of accident victims.

Bill is an avid sailor, spending his limited free time sailing the waters of Long Island Sound.

Mr. Speaker, please join me in commending William A. Gallina of Bronx, New York for a remarkable life on the occasion of his 60th birthday.

## EXTENSIONS OF REMARKS

TRIBUTE TO JAMES BUCKLEY

**HON. JOSÉ E. SERRANO**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. SERRANO. Mr. Speaker, I rise to congratulate and to pay tribute to Mr. James Buckley, Executive Director of University Neighborhood Housing Program in my South Bronx district. He was selected to receive a James A. Johnson Community Fellowship from the Fannie Mae Foundation for his significant contributions to the fields of affordable housing and community development. Mr. Buckley is one of only six individuals selected through a national nomination process to receive this fellowship in the inaugural year of this program.

Mr. Speaker, James Buckley founded the University Neighborhood Housing program (UNHP) in 1989 and has served as its Executive Director since then. As a Fordham University student in 1975, Mr. Buckley interned with the Northwest Bronx Community and Clergy Coalition (NBCCC) as a community organizer, and he later served as its Executive Director. As a result of his organizing efforts at NBCCC, the Fordham Bedford Housing Corporation (FBHC) was formed, which has reclaimed thousands of units of housing and presently owns and/or manages 70 multi-family apartment buildings.

As the Director of the Reinvestment Project at the NBCCC, Mr. Buckley attracted over \$100 million in public and private funds to area neighborhoods, which led to the creation of 1,500 units of safe, sanitary, affordable housing units for community residents. As a result of these efforts, two additional non-profit community housing corporations were created that went on to develop residential properties with tenant or community ownership.

Mr. Speaker, the Johnson fellows Program was created to honor the leadership and distinguished service of former Fannie Mae Foundation Chairman James A. Johnson. The Fellows program is designed to reward and recognize outstanding leaders and promote innovation in the affordable housing and community development fields. Each fellow will receive a \$70,000 grant and plus a \$20,000 educational travel/study stipend to pursue a self-designed course of professional development to enhance the individual's skills and field experiences and to explore new solutions to current affordable housing or community development challenges.

Mr. Speaker, being selected for this program indicates that James Buckley has demonstrated that he has the ability and the desire to be an asset and a role model in our community. We are proud of his accomplishments and I know he will take full advantage of the opportunity presented to him. He is a terrific example for community leaders.

Mr. Speaker, I ask my colleagues to join me in congratulating Mr. James Buckley for his outstanding accomplishments, and in commending the Fannie Mae Foundation for honoring these six outstanding leaders and giving them the opportunity to do even more for their communities.

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HONORING MILLARD NELSON

**HON. RON KIND**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. KIND. Mr. Speaker, I rise today to pay special tribute to Millard Nelson. Millard Nelson has distinguished himself by his life-long commitment to his family, his community and the Democratic Party.

Millard Nelson has worked as a farmer, substitute mail carrier, and office manager for the Pierce County Agriculture, Stabilization and Conservation Office. Millard has been dedicated to public service throughout his life. He served as the President of the Salem Town Board, a member of the Pierce County Board and the assessor for the Gilmanton Township. Millard has also been active in many conservation programs in his native Pierce County, and it is estimated that throughout his life he has planted more than 500,000 trees in Pierce County. These trees are Millard's lasting gift to future generations of Pierce County citizens.

Millard Nelson is perhaps best known for his life-long commitment to the Democratic Party. Millard was involved in the founding of the current Democratic Party in Wisconsin in 1949 and has served the party in a variety of capacities since that time. Millard and his wife Ellen have been pillars of the Democratic Party for over 50 years.

Mr. Speaker, this country needs more citizens like Millard Nelson. He has lived his life committed to the principle that we must make this world better for future generations. I rise today in the United States House of Representatives to honor Millard Nelson and thank him for his lifetime of commitment to Pierce County and the Wisconsin Democratic Party.

RECOGNIZING VALERIE SANDEFUR

**HON. HEATHER WILSON**

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mrs. WILSON. Mr. Speaker, I wish to bring to your attention the outstanding accomplishment of Valerie Sandefur.

Valerie is a High School student at Albuquerque Academy, in Albuquerque, New Mexico and recently won the Veterans of Foreign Wars and its Ladies Auxiliary "Voice of Democracy" broadcast scriptwriting contest. The contest asked students to create a speech based on the theme "My Service to America." Her speech was judged the best from New Mexico.

Valerie spoke about how she and all of us could better serve our country by re-enforcing the meaning of the Pledge of Allegiance. In her speech she said:

"We are no longer a nation indivisible, we are increasingly a nation invisible. My service to America is to put the meaning back into the pledge of allegiance and to create again the idea of 'one nation.' However, there are two challenges to regaining our allegiance—apathy and ignorance."

She continued to describe how apathy leads to a loss of participation and interest in democracy. Valerie then told how ignorance has caused even greater problems than apathy. She said she feels American society is devaluing virtues such as ambition, leadership and heroism, and that Americans are losing their uniquely American character, their sense of nationality and their spirit of patriotism.

There are lessons in her speech the entire nation could learn from. Valerie demonstrated the ambition and intelligence needed for success now and in the future. Valerie finished her speech by imploring all of us to strive to put meaning back into the Pledge of Allegiance. I submit the text of her script for the CONGRESSIONAL RECORD.

Mr. Speaker, I thank the VFW for sponsoring the "Voice of Democracy" contest and I ask that we recognize Valerie Sandefur for her achievement by striving to do what she has—put meaning back into the Pledge of Allegiance.

"MY SERVICE TO AMERICA"—1998-99 VFW VOICE OF DEMOCRACY SCHOLARSHIP COMPETITION

(By New Mexico Winner, Valerie Sandefur)

I pledge allegiance to the flag of the United States of America, and to the republic for which it stands . . . and that's about where I forgot. I was in middle school. Actually it was more like the middle of a muddle. But I was not alone. When asked many students couldn't remember these sacred words, and more significantly they, like most of America didn't understand the true meaning of what they recited each morning. I've heard many of my friends ask—what's the point of learning this 'stuff'? For me the answer found is that who we are as a society is based on what they call 'stuff'. What I call history. And the history lesson for today is that we are no longer a nation indivisible, we are increasingly a nation invisible. Therefore, my service to America is to put the meaning back into the pledge of allegiance, and to create again the idea of 'one nation'. However, there are two challenges to regaining our allegiance—apathy and ignorance.

Let us first consider apathy. It is the constitutional right of every citizen over the age of 18 to vote. Yet, in the 1996 presidential elections apathy paralyzed roughly 50% of registered voters. Politicians struggled to recapture the public's fading attention. They failed. As Christopher Hitchens wrote for The Nation magazine it was really a case of the Blind leading the Dumb. Presidential candidates spend \$138 million dollars on a public that in many cases, didn't even care enough to show up. . . .

But it's not just lack of attendance at the pools that demonstrates our growing apathy. The education of our children has become a diluted and narrow stream that too often focuses on the 'real world' of MTV rather than the lessons of the world of the past. Many classrooms no longer have an American flag, and we have stopped teaching the words to the national anthem. In fact at a World Series game this year, Tony Bennett chose not to sing the national anthem. . . . And no one seemed to care. It seems that Mr. Bennett left not only his heart in San Francisco but also his patriotism.

But apathy is not the only challenge to our allegiance, my service to America includes confronting ignorance in myself and others. Consider a recent political cartoon in the Washington Post. The first part of this two-fold cartoon shows a young impressionable

child in 1958 wearing a cowboy hat and glasses. He fondly dreams about the famous singing cowboy Roy Rogers, who stood for respect, honesty and goodness, sitting of course upon his trustworthy horse, Trigger. The second part of this cartoon shows another young and impressionable child in 1998 with a nose-ring and his baseball cap on sideways. In his ignorance, the child of 1998 thinks of Roy Rogers as the fast food chain out east, not as the great American hero. Oh, and when it comes to 'Trigger' all he can think of is the next drive-by shooting.

Now it seems the creator of this cartoon has captured the essence of what makes my service to America so important. For young people like this poster-boy of 1998—nationalism has been replaced by an individualism that is self-indulgent. Too many of my peers remain blissfully ignorant of what their allegiance to America really means. An allegiance that requires an informed electorate. But more and more we are less and less informed. One survey revealed that a 1/3 of all college students firmly believed in ghosts, Atlantis, flying saucers, and yes even Big Foot.

Similarly on a quiz of general knowledge, answers came back saying that the Great Gatsby was a magician in the 1930's, and that Socrates was an American Indian Chieftain.

While this ignorance might seem some what amusing at first, Gertrude Himmelfarb, a writer for Commentary magazine, argues that this society, which is devaluing virtues like ambition, leadership and heroism, is in danger of losing the character of the people and their sense of nationality and spirit of patriotism. But there is still hope for the future . . . and it begins with my service to America. And with your service. And with the service of every American. We are all responsible for reducing the ignorance and apathy that challenge our "nation indivisible". If we are to make the pledge of allegiance meaningful, then we must give full meaning to every word. And that's my service, my pledge of allegiance, my pledge to America. A pledge worth remembering.

#### FOLIC ACID PROMOTION AND BIRTH DEFECTS PREVENTION ACT OF 1999

HON. LUCILLE ROYBAL-ALLARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Ms. ROYBAL-ALLARD. Mr. Speaker, today, I, along with my colleague Congresswoman JO ANN EMERSON, am introducing the Folic Acid Promotion and Birth Defects Prevention Act of 1999. This bipartisan bill, with 102 Democratic and Republican original cosponsors, is being introduced in the Senate by Senators ABRAHAM, KOHL, and BOND.

The Folic Acid Promotion and Birth Defects Prevention Act of 1999 will provide for a national folic acid education program to prevent birth defects.

Each year an estimated 2,500 babies are born in the United States with serious birth defects of the brain and spine, called neural tube defects. These neural tube defects cause crippling lifelong physical disabilities and at times, even death.

However, up to 70 percent of neural tube defects could be prevented if women of child-

bearing age consumed 400 micrograms of folic acid daily. That means women need to eat a healthy diet and take a daily multivitamin. It's that simple.

Women need to be taking folic acid before and during their first trimester of pregnancy because these neural tube defects occur very early in pregnancy, before most women know that they are pregnant and because roughly 50 percent of all pregnancies in the United States are unplanned.

The problem is that the majority of women are not aware of the benefits of folic acid. A 1997 March of Dimes national survey found that only 30 percent of women take a multivitamin with folic acid before pregnancy. There is an urgent need to teach women about the importance of increasing their consumption of folic acid by taking a daily vitamin pill, eating more fortified cereal grain products, and eating food naturally rich in folic acid.

Nationwide, Hispanic women have the highest rates of neural tube defects. In fact, in my home State of California, Hispanic mothers have the highest number of cases of neural tube defects than any other racial group and Mexican-born mothers have twice the risk of having babies with neural tube defects compared to United States-born mothers.

The Folic Acid Promotion and Birth Defects Prevention Act of 1999 will amend the Public Health Service Act to provide for a national folic acid education program to prevent birth defects. This bill authorizes the Centers for Disease Control and Prevention, in partnership with states and local public and private entities, to launch an education and public awareness campaign, conduct research to identify effective strategies for increasing folic acid consumption by women of reproductive capacity, and evaluate the effectiveness of these strategies.

The Folic Acid Promotion and Birth Defects Prevention Act of 1999 is supported by leading health organization, including the March of Dimes Association of Women's Health, Obstetric and Neonatal Nurses, National Association of Pediatric Nurse Associates and Practitioners, Council for Responsible Nutrition, American Association of University Affiliated Programs for Persons with Developmental Disabilities, American College of Obstetricians and Gynecologists, American College of Nurse-Midwives, American Public Health Association, Council of Women's and Infants' Specialty Hospitals, Easter Seals, National Association of County and City Health Officials, National Women's Health Network, and the Spina Bifida Association of America.

I would like to recognize the March of Dimes, the National Council on Folic Acid and the Centers for Disease Control and Prevention for their leadership and steadfast commitment to this issue. I would especially like to thank Jody Adams and here daughter, the March of Dimes Ambassador Kelsey Adams, for their hard work in publicizing this simple, yet highly effective, prevention strategy.

Finally, I would like to thank my colleagues, Congresswoman JO ANN EMERSON, as well as Senators ABRAHAM, KOHL, and BOND for their hard work in raising awareness about this vitally important issue. By getting the message out, we can help families across the country have healthy babies and save the lives of thousands of babies each year.

July 22, 1999

#### RECOGNIZING PELCO

### HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize Pelco, a world leader in the design, development and manufacture of advanced closed circuit television systems and supporting equipment.

Pelco has a long prestigious history of offering high quality products and exceptional customer service. Pelco has become the most sought after product supplier in the industry.

Pelco operates from the largest CCTV manufacturing complex in the world. They produce a steady stream of enclosures, domes, mounts, pan/tilt units, matrix systems, and other CCTV electronic products in a never-ending pursuit of achieving 100 percent off-the-shelf-availability for its customers. Pelco is respected as a major product innovator. They manufacture a large number of special equipment item including explosion-proof and water-cooled camera enclosures, high security housing, and a series of award-winning microwave control/video systems. Pelco also produces the industry-acclaimed Legacy and Intercept product lines, each designed around Pelco's revolutionary Coaxitron video/control platform of single coax operation.

Pelco constantly strives to maintain its position as the most reliable supplier of CCTV systems in the industry. The company has established an impressive array of customers service programs including: Guaranteed Ship Dates, 24-hour Technical Assistance and 24-hour Turnaround on Replacement Parts and Repairs.

Mr. Speaker, I want to congratulate Pelco for their achievements in becoming a world leader in the closed circuit video market. I urge my colleagues to join me in wishing Pelco many more years of continued success.

#### PERSONAL EXPLANATION

### HON. JOSEPH CROWLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. CROWLEY. Mr. Speaker, on July 19, 1999, I was unavoidably detained at LaGuardia Airport in New York due to poor weather conditions. The weather delays caused me to miss rollcall votes 308, 309, and 310. I would like the RECORD to reflect that had I been present, I would have voted in the affirmative on all three rollcall votes, numbers 308, 309, and 310.

#### TRIBUTE TO THE BRONX PUERTO RICAN DAY PARADE

### HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. SERRANO. Mr. Speaker, once again it is with pride that I rise to pay tribute to the

#### EXTENSIONS OF REMARKS

Bronx Puerto Rican Day Parade, on its eleventh year of celebrating the culture and contributions of the Puerto Rican community to our nation.

The Bronx Puerto Rican Day Parade will be held on Sunday, August 1 in my South Bronx Congressional District. The event is the culmination of a series of activities surrounding Puerto Rican Week in the Bronx. This year's parade is dedicated to our children.

Under the leadership of its founder, Mr. Angel L. Rosario, and its president, Mr. Francisco Gonzalez, the Parade has grown into one of the most colorful and important festivals of Puerto Rican culture in the five Boroughs of New York City and beyond.

The Parade brings together people from all ethnic backgrounds, including Puerto Ricans from the island and all across the nation.

It is an honor for me to join once again the hundreds of thousands of people who will march with pride from Mount Eden to 161st Street along the Grand Concourse in celebration of our Puerto Rican heritage. The Puerto Rican flag and other ornaments in the flag's red, white, and blue will decorate the festival.

As one who has participated in the parade in the past, I can attest that the excitement it generates brings the entire City together. It is a celebration and an affirmation of life. It feels wonderful that so many people can have this experience, which will change the lives of many of them. There's no better way to see our Bronx community.

The event will feature a wide variety of entertainment for all age groups. The Parade ends at 161st and the Grand Concourse, where live music, Puerto Rican food, crafts, and other entertainments await partakers. It is expected that this year's Parade will surpass last year's half-million visitors.

In addition to the parade, the many organizers will provide the community with nearly a week of activities to commemorate the contributions of the Puerto Rican community, its culture and history.

Mr. Speaker, it is with enthusiasm that I ask my colleagues to join me in paying tribute to this wonderful celebration of Puerto Rican culture, which has brought pride to the Bronx community.

#### HONORING DANIEL T. FLAHERTY OF LA CROSSE, WISCONSIN

### HON. RON KIND

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. KIND. Mr. Speaker, today I rise to pay tribute to a friend and constituent, Daniel T. Flaherty. This year Dan Flaherty celebrates his 50th Anniversary as a member of the State Bar of Wisconsin. Dan, a native of West Bend, Wisconsin, graduated from the University of Wisconsin Law School in 1949. He immediately joined the law firm of Johns, Roraff and Coleman in LaCrosse, Wisconsin. In Dan's early days at the law firm, he worked under contract as an Assistant District Attorney for La Crosse County. Over the years Dan developed a particular expertise doing medical malpractice work for La Crosse's growing medical

centers. Today, the law firm that Dan helped build bears his name; Johns, Flaherty and Rice.

Dan was also an active member of the La Crosse community and leader in the State of Wisconsin. Dan, a lifelong environmental activist, was appointed in 1975 to the Wisconsin Natural Resources Board. He served with distinction on that board until 1981, including a year as Chairman. Dan also served as President of the La Crosse Chamber of Commerce and Chairman of the Third Congressional District Democratic Party.

Dan has been happily married to his wife Lorraine for fifty-two years. They are the proud parents of four children and have ten grandchildren.

For fifty years, Dan Flaherty has been an outstanding lawyer, partner and community leader. At a time when there are a growing number of people who are uninterested in or feel disconnected from the democratic process, Dan maintains an active interest in public policy matters at the local, state and national levels. The City of La Crosse and the State of Wisconsin are better places to live because of Dan's wisdom, leadership and community service. It is with great pride and admiration that I rise today before the United States House of Representatives to pay tribute to and congratulate a friend, a great citizen, and a wonderful person, Daniel T. Flaherty.

#### IN MEMORY OF THE LATE WILLARD MUNGER

### HON. BILL LUTHER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. LUTHER. Mr. Speaker, although liver cancer took him from us at age 88, Willard Munger will not merely go down in history as the longest serving member of the Minnesota House of Representatives. Far more importantly, he will be remembered forever as "Mr. Environment."

In 1954, Willard Munger began his career in the Minnesota House where he remained the leading contributor to Minnesota's environmental legislation for four decades. Through his service and dedication to the people of Minnesota, Willard Munger truly exemplified what it means to be a public servant.

Willard Munger's contributions were made through his deep concern for the lives of future generations he will never know. His tireless advocacy for environmental protection, stewardship of our resources, and sustainability was often confrontational and controversial. But this is truly a badge of honor considering the causes he championed. Often his heroic efforts went without any reward whatsoever as he took on powerful vested interests on behalf of the public interest.

It was Willard Munger's vision of ensuring a pristine environment for future generations that fueled his passion. His legacy will endure for years to come, especially for those who have the opportunity to travel the almost 70 miles of biking trails stretching from Duluth to Hinckley, Minnesota, aptly named the "Willard Munger Trail."

As a friend and mentor to me and others, Willard Munger will be missed, but he will never be forgotten. His accomplishments are far too great. His life reminds all of us of the simple truth that anything is possible when one truly stands up for one's beliefs. Thank you, Mr. Environment, for making the world a better place for generations to come.

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PERSONAL EXPLANATION

**HON. MARK UDALL**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 22, 1999*

Mr. UDALL of Colorado. Mr. Speaker, during rollcall 323, I was engaged in a meeting with a colleague regarding legislation affecting Colorado, and did not hear the bells in time to be recorded. Had I been able to respond in time, I would have voted "aye."

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IRELAND'S INTERESTS WELL REPRESENTED IN THE UNITED STATES

**HON. JAMES T. WALSH**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 22, 1999*

Mr. WALSH. Mr. Speaker, peace may well come soon to Northern Ireland. As intense as the remaining obstacles may be, the closeness of an agreement which leads to an elected Assembly makes us hopeful. But as we fervently pray and work for peace with our counterparts in Belfast, London and Dublin, we must also attend to other American-Ireland business which makes our bonds so strong.

During this time, over the last four years to be exact, those of us in the United States who have been staunch supporters of the peace talks and closer ties between Ireland and the United States recognize well the name of Patrick Hennessy. Mr. Hennessy has served his country as Counsellor at the Irish Embassy in Washington and now has been reassigned, according to the practice of the Irish Foreign Service Department, to Dublin.

Pat Hennessy has done an exemplary job. He is an outstanding and reliable resource. As Chairman of the Friends of Ireland and as Co-chair with Representative BEN GILMAN of New York of the U.S.-Irish Interparliamentary Group, I have come to value Pat's many abilities.

Indeed, the Irish Government's official presence in our country is well represented by the high-caliber professionalism of Pat Hennessy.

His good humor, his intelligence and his love of Ireland—as well as his evident respect for our shared values and aspirations—make him the "diplomat's diplomat."

I will miss Pat's insight and assistance. I am conforated that, being a young man, he will remain in public service and I look forward to a time when we find ourselves working together again.

EXTENSIONS OF REMARKS

PERSONAL EXPLANATION

**HON. SHERWOOD L. BOEHLERT**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 22, 1999*

Mr. BOEHLERT. Mr. Speaker, due to the wedding of my daughter Leslie, I was not here on Friday, June 25 and subsequently missed rollcall vote No. 256. Had I been present, I would have voted "aye."

On Monday, July 12, a delayed flight from Syracuse to Washington forced me to miss rollcall vote 277, 278 and 279. Had I been present I would have voted "aye" to each of those votes.

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TRIBUTE TO IRENE GERSTLE

**HON. HEATHER WILSON**

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 22, 1999*

Mrs. WILSON. Mr. Speaker, I wish to bring to your attention the outstanding work of Ms. Irene Gerstle, a teacher at Albuquerque High School in my home of Albuquerque, New Mexico.

Recently, Ms. Gerstle received a 1999 Toyota Investment in Mathematics Excellence grant award. Many children in our community and throughout America are falling behind in mathematics skills. Ms. Gerstle sees this problem and looks for solutions. She helps her students to excel in math by teaching them in creative ways. I applaud her commitment to improve mathematics education through the development and implementation of innovative classroom projects. Her hard work and creativity supports students at Albuquerque High gain valuable skills they will need and use in the twenty-first century.

Irene Gerstle is among the many dedicated teachers we have throughout the First Congressional District of New Mexico and the United States. Please join me in thanking Ms. Gerstle for her contributions to our students and our future.

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INTRODUCTION OF H.R. 2586, THE VETERANS BURIAL PLOT ALLOWANCE IMPROVEMENT ACT OF 1999

**HON. CORRINE BROWN**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 22, 1999*

Ms. BROWN of Florida. Mr. Speaker, today I am introducing H.R. 2586, the Veterans Burial Plot Allowance Improvement Act of 1999. My bill would increase the amount of the veterans' plot allowance burial benefit from \$150 to \$300—the first increase of the plot allowance since that benefit was initially authorized over 25 years ago. The proposed increase to \$300 more accurately reflects the current cost of interment and better provides for the original intention of the benefit.

Additionally, my bill would correct an inequity now imposed on peacetime veterans

while providing a further incentive to states and their political subdivisions to expand needed burial space for veterans. Under my bill, all veterans who are eligible for burial in a national cemetery would be eligible for a plot allowance payable to a state or a political subdivision of a state when the veteran is buried (without charge for the cost of a plot or interment) in a cemetery or a section of a cemetery owned by the state or political subdivision and that area is used solely for the interment of persons eligible for burial in a national cemetery.

I am proud of America's long-held, solemn commitment to provide a final resting-place of honor for those who have defended her in uniform. I am disappointed, however, that today nearly one-third of United States veterans do not have the option of being buried in a national or state veterans cemetery located within 75 miles of their home—a distance the Department of Veterans Affairs says makes a veterans cemetery "reasonably available". And, I am chagrined that ninety percent of the veterans who are eligible to be buried in a national or state veterans cemetery decline to be buried there. A great many simply feel that those cemeteries are too far away to be a reasonable option for their families.

Unless Congress takes corrective action soon, the problem of scarce burial space for veterans will become more severe over the next decade. VA projects a 42 percent increase in veteran burials from 1995 to 2010, with the annual veteran death rate reaching 620,000 by the year 2008. I was extremely disappointed that—although VA needs five-to-seven years to plan and build a national cemetery—its proposed fiscal year 2000 budget failed to request any funding for even the planning of a single new national cemetery.

On June 29th, the House passed H.R. 2280 that would require the Secretary of Veterans Affairs to establish four new national cemeteries and contract for an independent assessment of the number of additional national cemeteries that will be required for the interment of qualified individuals who die after 2005.

Mr. Speaker, as helpful as H.R. 2280 promises to be in fulfilling America's commitment to her veterans, national cemeteries were never intended to be the complete solution. The number of veterans under-served by reasonably available veterans cemeteries is—and will continue to be—far too great and widely distributed to be satisfied entirely by national cemeteries administered by the Department of Veterans Affairs. The answer, Mr. Speaker, is to expand the national cemetery supplemental system comprised of veterans cemeteries operated by states and their political subdivisions.

In 1978, Congress established the State Cemetery Grants Program for VA to assist states in providing gravesites for veterans in areas where the national cemetery system could not satisfy their burial needs. Grants are used by states to establish, expand, or improve veterans cemeteries they own and operate. Legislation enacted last November authorized VA to provide up to 100 percent of the development cost for an approved project. For new cemeteries, VA now also can provide the operating equipment. States must furnish the



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land and agree to administer, operate, and maintain the cemetery.

To date, half of the states—to include my home state of Florida, as well as the large veterans population states of Texas and New York—still do not have a state veterans cemetery.

On May 20th, the Veterans' Affairs Subcommittee on Oversight and Investigations, of which I am the Ranking Democrat, conducted a hearing on veterans cemeteries. Veterans organization representatives and State Directors of Veterans Affairs testified that many states do not seek VA grants to establish a veterans cemetery because of their concern for the high perpetual costs of operating them. Witnesses noted that the amount of the plot allowance received by state cemeteries—\$150—has remained unchanged since the benefit was authorized in 1973 and does not come close to covering the state's cost of an interment. Furthermore, states are not able to receive plot allowance payments for veterans unless those veterans had wartime service. Witnesses estimated that 20 percent of the veterans buried in state veterans cemeteries were peacetime veterans who would have been eligible to be buried in a national cemetery.

To encourage states to apply for a VA state cemetery grant, my legislation would increase the plot allowance to \$300. This amount represents a conservative estimate of the current actual cost to states for the interment of veterans—the original intent of the plot allowance benefit.

My bill also would expand the eligibility criteria for states and their political subdivisions to receive plot allowance payments. A provision that would allow plot allowance payments for all veterans who are eligible for burial in a national cemetery would correct a long-standing inequity for peacetime veterans as well as support the state cemetery grants program. Veterans with peacetime service are not distinguished from veterans with wartime service regarding their burial benefits in a national cemetery. Veterans who elect to be buried in a state cemetery, likewise, should not be subject to differing categories of eligibility for the plot allowance benefit.

A third burial option for veterans—the one that offers a location closest to their residence—is a veterans cemetery owned by an agency or political subdivision of a state. Local cemeteries owned by a county or city are authorized to receive the veteran's plot allowance if the veteran is buried without charge for the cost of a plot or interment in a section that is used solely for the interment of persons eligible for burial in a national cemetery. Like state veterans cemeteries, these local, government-owned cemeteries are limited to plot allowances for veterans with wartime service.

Witnesses at my Subcommittee's recent hearing testified that they believed that if the amount of the plot allowance benefit were increased to a sum more closely approximating the actual cost of interment, and if the eligibility criteria for receipt of the plot allowance by cemeteries owned by a political subdivision of a state were expanded to include peacetime veterans who were eligible for burial in a national cemetery, that those community cemeteries would be encouraged to establish or expand special sections for veterans.

## EXTENSIONS OF REMARKS

Mr. Speaker, it is important that Congress reaffirm this Nation's commitment to provide an appropriate resting-place of honor for its veterans. My legislation would provide states and their political subdivisions with the incentive to expand the necessary supplement to our national cemetery system so that America might properly memorialize the sacrifices her veterans have made to keep this Nation free. I urge my colleagues to support their veterans through the support of my solution to this bipartisan issue.

### CONDEMNING INTERNATIONAL PARENTAL CHILD ABDUCTION

#### HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. GEKAS. Mr. Speaker, today I rise to condemn the continuing crisis of international parental child abduction. Six years ago, in the 103rd Congress, in response to an instance of international child abduction in my home State of Pennsylvania, I formulated legislation which created punitive measures to respond to these crimes. I had hoped that when we passed that measure, now Public Law 103-173, the International Parental Kidnapping Crime Act of 1993, that tragic instances of child abduction would be halted. Unfortunately, I was wrong.

Imagine that your former spouse—who does not have custodial rights of your children—comes to your home and picks up your kids for a weekly visit. Then imagine that you discover your spouse has taken your children to a foreign country, and you have little recourse in getting your children back. Sadly, this happens more than 1,000 times each year.

Prior to passage of this legislation, there was no Federal law that addressed this heinous crime. Now, this law provides both deterrence and prevention. For anyone convicted of unlawfully kidnapping their child and taking him or her overseas, a one- to three-year jail term and stiff fines can be expected. In addition, this legislation established educational programs for judges and others involved in custody proceedings that continue to serve as preventive measures. By passing that law, Congress for the first time put the weight of Federal law behind our desire that children never be taken away from a loving parent.

Yesterday the House of Representatives debated and passed the Gibbons amendment to H.R. 2415, the American Embassy Security Act. Representative GIBBONS, like myself six years ago, has diligently worked with the State Department in order to find a resolution to this same problem that plagues families across the country. His amendment helps prevent international child abduction by ensuring that in order for a child to be issued a passport, certain requirements must be met by her/his legal guardians.

I applaud the efforts of Representative GIBBONS and I wholly support his amendment. As Members of Congress, we should do all we can to end the nightmare of international parental child abductions.

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TRIBUTE TO MR. JOSEPH E. BEASLEY ON HIS RETIREMENT FROM THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL #66

#### HON. RON KLINK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. KLINK. Mr. Speaker, I rise today in order to honor my longtime friend, Mr. Joseph E. Beasley. On June 30th, Mr. Beasley retired from the International Union of Operating Engineers, bringing to a close a career that spanned five decades.

After serving his country in the military, Mr. Beasley joined the work force in Pittsburgh. Soon after, he joined the Union and began what would become a 49 year association with the Operating Engineers. Mr. Beasley served in a wide variety of capacities during this tenure, distinguishing himself through dedication and hard work.

Mr. Beasley's career began with his election to the position of Financial Secretary for the Local Union in 1972. He held this position until his 1981 election to Business Manager, a seat he held until his retirement. In addition, Mr. Beasley served as Vice-President of the Pittsburgh Building Trades Counsel and Chairman of the Local 66 Pension and Annuity and Welfare Funds.

In addition to his work on the local level, Mr. Beasley also served as an International Trustee and the eleventh General Vice President of the International Union of Operating Engineers. Most recently, he served as the Vice-President of the Pennsylvania AFL-CIO and as Secretary Treasurer of the Northeastern States Conference of Operating engineers.

Mr. Beasley's accomplishments throughout his career have gained him the respect and admiration of his colleagues. He has proven himself a great asset to not only the state of Pennsylvania but also hard working men and women across this country.

Mr. Speaker, I would like to thank Mr. Beasley for all his efforts throughout his nearly fifty year career. I wish him the best in his much deserved retirement.

### PERSONAL EXPLANATION

#### HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. BATEMAN. Mr. Speaker, I was regrettably absent and missed rollcall vote No. 327 on July 21, 1999. The vote was on the Bilbray amendment to H.R. 2415, the American Embassy Security Act. I include in the RECORD that I would have voted "aye" had I been present.

MILITARY RECRUITMENT  
THROUGH EFFECTIVE PRESEN-  
TATIONS TO AMERICA'S YOUNG  
PEOPLE

**HON. JIM SAXTON**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 22, 1999*

Mr. SAXTON. Mr. Speaker, we know that today our armed forces are facing serious shortfalls in recruitment. Already, these shortfalls are having a dangerous impact on our Nation's military readiness. We will have all the best tools, and no one to fight the war. In part, the problem may be caused by a blessing: America's flourishing economy, which leads our young people to enter a booming job market rather than the rigors of military service. Therefore, it is essential for our national security that our government do all it can to support our armed forces in effectively communicating to young people of recruitment age the advantages and benefits of service.

Honor, patriotism, and the desire for adventure still engage and motivate America's young men and women. America's armed forces offer the opportunity to be part of something meaningful, to learn self-discipline and sacrifice. For many idealistic young people, that offers them an experience unmatched elsewhere. So we have to get the message out about what service in the Army, Navy, Air Force, and Marines means to their country, and what opportunities such service entails. And we must recognize that in today's world, we are competing with some of the most effective marketing and recruitment techniques ever devised by U.S. companies, which quite reasonably want to catch as many of the best and the brightest as they can for themselves.

Therefore, it is essential that we convey our message by the most effective means possible, employing language and images engaging to young Americans of recruitment age. Programming messages by the U.S. Navy have scored significant recruiting success in recent months, partially reversing the downward trend of Navy recruitment. Programming directed toward high school students for post-graduation enlistment can be particularly well targeted and unusually effective means of increasing awareness of the military service option and positive attitudes towards it. As a result of this exposure, students in the Channel One schools are more likely to consider enlisting.

Mr. Speaker, the use of innovative methods to educate and encourage young people about the benefits of service to their country is essential in today's marketplace. Our national security demands such an effort. At the same time, service in the United States military truly provides young Americans with an opportunity to gain by giving to their country. I intend to work hard to ensure that our government expands its support for our armed forces' efforts in this direction.

**EXTENSIONS OF REMARKS**

CONGRATULATING THE SULPHUR  
ALL STAR BASEBALL TEAM

**HON. CHRISTOPHER JOHN**

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 22, 1999*

Mr. JOHN. Mr. Speaker, I would like for my colleagues to join me today in congratulating the 8-year-old Sulphur All Star Baseball Team which has earned a trip to play in the Little League World Series this July 22-25.

The Sulphur All Stars have won their last three tournaments to reach this point. In the process, the All Stars placed 2nd in the State of Louisiana and was also awarded a trophy for the "Best Defensive Team." Mr. Speaker, we are extremely proud of these young men and I wanted to briefly recognize the players and coaches at this time. The All Star players are Brady Landry, Tyler Kuykendall, Jon Thomas Chargois, Jeremy Abshire, Sha Hale, Charlie LaBoeuf, Phillip Ivey, Keith Lemelle, Jonathon LeBlanc, Mackenzie McGuane, Corbett Reed, Evan Harris, Kade Guillory, and Jacob Theriot. The All Star coaches are Terry Kuykendall, Eugene LeBlanc, Von Chargois, Mike Evans, Len Lemelle, Shannon Theriot, Buckie LeBoeuf, Jamie Guillory, Jim McGuane, and Don Hale.

I want to wish the Sulphur All Stars all the best in the World Series and I will be rooting for them from Washington!

PRIVATIZATION OF THE UNITED  
STATES POSTAL SERVICE

**HON. PHILIP M. CRANE**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 22, 1999*

Mr. CRANE. Mr. Speaker, remember that old excuse "the check is in the mail"? In the "old days," this excuse could be used more easily than today, when the myriad of electronic options makes sending a check a nearly instantaneous procedure. In fact, they are not even called "checks" anymore, but are called electronic financial transfers. With the telecommunications, computer and information technology revolution, there are a variety of options to get a document or payment from one place to another. As we use these advancements more and more in everyday life, the U.S. Postal Service (USPS) is losing steam, and its revenues are being greatly affected. Some even wonder if the Postal Service will become to the 21st Century what the horse-drawn carriage was to the 20th Century.

The federal government itself is taking advantage of these developments and using electronic means to do much of its business. For example, this year, millions of Americans paid their taxes and received refunds through electronic financial transfers. Many Social Security beneficiaries also receive their payments in the same manner—an electronic deposit into their bank accounts, thereby eliminating the role of the Postal Service. And, the federal government is saving taxpayer dollars by operating in this way. It costs approximately 43 cents to send a payment by check versus 2

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cents to send funds electronically. Thus, fundamental change is necessary to enable the USPS to adapt and compete in this rapidly changing world.

The USPS has conceded that they do not operate in a legislative framework that allows them to be responsive in adapting to these changes in technology and to competition with these new services. In a 1995 speech, former Postmaster General Marvin Runyon said that USPS is losing a lot of its financial and business mail due to such technological changes, which has created competition from e-mail, electronic financial transfers, fax machines, and the Internet.

Mr. Speaker, as you will agree, the vast majority of USPS employees are hard-working people who want to deliver their product in the fastest, most efficient way possible. For the most part, the problem is not with the employees of USPS—it is with the legislative mechanism that limits their ability to do their job effectively. First, the Postal Service has an absolute monopoly over first-class mail—there is no competition and thus no motivation to improve service. Also, the federal government subsidizes USPS. Thus, it has no real motivation to improve service. Also, the federal government subsidizes USPS. Thus, it has no real motivation to be in the black at the end of the year because it can borrow from the Federal Treasury when necessary. The Postal Service does not have to pay taxes, and therefore has no real incentive to improve its efficiency. In total, USPS has no motivation to become more productive and efficient because it will continue to operate due to its subsidy and a lack of competition.

For these reasons, I am reintroducing legislation to convert USPS into a totally private corporation, owned by its employees. This legislation calls for this transition to be implemented over a five-year period, after which the current monopoly over first-class mail would end. To make sure USPS has a fair chance at succeeding as a private corporation, my legislation allows for the cost-free transfer of assets currently held by USPS to the private corporation. Consequently, USPS would have an enormous infrastructure to start with that they are already familiar with, and the ability to create new products and services to make it competitive with other corporations providing services it can only dream of challenging today. To increase the motivation of employees to work hard and make USPS competitive, the employees would own the corporation, making their earnings contingent on the amount of work they put in.

In past Congresses when I have introduced this legislation, I have been opposed by those who believe that privatization would result in the Postal Service being chased out of all metropolitan markets, leaving it with troublesome rural areas to service. With changes in technology occurring everyday, the USPS is more likely to be left with rural and bulk mail if it remains in its current government-subsidized form, than if it privatizes and has plenty of options to respond to the technology revolution.

For these reasons, I hope the employees of USPS will carefully consider this proposal and recognize its merits, as they stand the most to gain with privatization. I continue to hope that

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my colleagues in the House of Representatives might join me in this effort to privatize the USPS so that it will be a responsive, efficient service for all Americans to use in the years to come.

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IN TRIBUTE TO THE LATE  
MARGARET ROACH

**HON. PETER DEUTSCH**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. DEUTSCH. Mr. Speaker, the South Florida community has lost a truly great leader. I am saddened that Margaret Blake Roach passed away at the age of 88 in Ft. Lauderdale, Florida, on July 16, 1999. We mourn the loss of a woman whose legacy will undoubtedly be remembered for years to come.

Margaret Roach was at the forefront of the social justice movement in Broward County for three decades. Well known as the founder and president emeritus of the Urban League of Broward County, Margaret was also the founding member of the Broward/South Palm Beach region of the National Conference for Community and Justice, formerly the National Conference of Christians and Jews. Her leadership was instrumental in the fight for social equality throughout South Florida and, indeed, the entire state of Florida as well.

During her 24 years as an administrator in Broward County Schools and a trustee and former chairperson of the board of trustees in Broward County Schools and a trustee and former chairperson of the board of trustees at Broward Community College, Margaret Roach was very active in various civic matters. Though she retired from the school district in 1975, Margaret continued to work on behalf of children nationwide. She played significant roles in the United Way, Habitat for Humanity, and the Cleveland Clinic. It truly seems that there was no organization that worked for the greater good in Broward County in which Margaret Roach did not play a role.

Mr. Speaker, while Margaret Roach's passing is a tremendous loss for the South Florida community, I can say without hesitation that her memory lives on through the work of the many organizations to which she dedicated her life. Margaret was an extraordinary human being who went above and beyond what she needed to be, because of her sincere desire to help others. For the thousands of lives she has touched, I thank and praise Margaret Blake Roach for her hard work, her leadership, and her compassion for others.

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PERSONAL EXPLANATION

**HON. JULIA CARSON**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Ms. CARSON. Mr. Speaker, earlier this week, on rollcall 310, I inadvertently voted "no." I intended to be recorded as "yes."

EXTENSIONS OF REMARKS

RELIGIOUS LIBERTY PROTECTION  
ACT OF 1999

**HON. SPENCER BACHUS**

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. BACHUS. Mr. Speaker, I rise in strong support of the Religious Liberty Protection Act.

First let me commend the gentleman from Florida, Mr. CANADY. As chairman of the subcommittee, Mr. CANADY has established himself as a stalwart in defending the Constitution and our precious right to the free exercise of the religious freedoms.

Mr. Speaker, let us not forget, let us always be mindful, that the very first freedom guaranteed by our forefathers in the Bill of Rights was the right to freely exercise our religious beliefs. When we study history, we quickly recognize that this is neither coincidence nor accident that our forefathers enumerated this as the first constitutional right, for they came to this country seeking the right to freely exercise their religious beliefs. Since our first forefathers arrived on our shores until very recently this freedom has been unquestioned. Today, Americans are united on few things but we almost uniformly agree that our religious liberties should be cherished and protected.

However, sadly, in 1990 the Supreme Court, created by the very Constitution which guarantees our right to religious freedom, began, hopefully unwittingly, what constitutes as no less than an assault on this freedom. Is it not inconceivable that, of all things, of all institutions, our Supreme Court has been at the forefront of denying Americans this cherished right? They did so, in a 5-4 decision, by repealing a long-established legal principle which required the government to prove a compelling state interest before restricting religious liberty. Within a year following this unfortunate decision, Catholic prisoners were denied access to priests or their confessionals were monitored, Jewish prisoners were denied the right to wear yarmulkes, and a Christian church right here in Washington, DC, was ordered to stop feeding the homeless. Congress quickly responded to this breach of protection created by the Supreme Court, and with only three dissenting votes, passed the Religious Freedom Restoration Act which restored the historic compelling state interest test. It was quickly signed into law by President Bill Clinton.

Unfortunately, the Supreme Court rules this act unconstitutional. I respect the Supreme Court, both the institution and its members. Sadly, their decision, in my opinion, neither respected the jurisdiction that the Constitution conveys to the Congress nor preserved the checks and balances of the Constitution. In a display of legalism which escapes this Member's understanding and to this Member defies common sense, they stated that Congress had the power to enforce the constitutional rights protected by the 14th Amendment, the amendment on which the 1993 act was based, but not the right to "expand them." It is hard to imagine that Congress' pronouncement stating that the first freedom in the Constitution, the free exercise of our religious beliefs which was the catalyst for the very founding of our coun-

try should not be swept away without a compelling state interest was somehow an "expansion" of our religious liberties. If a constitutional right can be taken away without compelling reason, on a whim, or with a minimum of justification, it is not in any way a well protected right.

Additionally, it is difficult to imagine that Congress' attempt to protect the first right delineated in the Constitution is somehow prohibited by the Constitution. Not only is it unimaginable, it is unacceptable. For that reason, this Congress, this day, representing the people of this country, must again act to protect the precious religious freedoms and liberties of those we represent. To do otherwise would allow the Supreme Court, in what this Member perceives to be an arbitrary decision, to set itself up as the sole arbitrator, determinant and protector of our constitutional rights. The basis of our constitutional rights is not the Supreme Court; it is the Constitution. I, for one, firmly believe that the Constitution also gave this body, as the elected representatives of the people, a right, and further an obligation, to protect our constitutional freedoms.

Certainly, is not the right and the obligation to protect our first freedom the right and obligation of all three branches of government? I will never accept the premise, nor should this Congress, that only the Supreme Court is vested with this right and this power. To do so would basically give the Supreme Court alone the power to restrict the very precious rights encompassed in our Constitution without any check or balance. To do so would also surrender our obligation to defend the Constitution, an obligation we swear to uphold upon our election. To defend the Constitution should be our first obligation, not someone else's obligation.

Our forefathers in their wisdom did not give to the Supreme Court alone the power to protect our Constitutional rights and freedoms. They, in fact, gave this obligation and responsibility to all three branches of government. It is not a duty that we should constitutionally avoid. Let us not dodge or shirk this solemn responsibility today. Let us instead, not with three dissenting votes, but unanimously pass the Religious Liberty Protection Act.

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PERSONAL EXPLANATION

**HON. LYNN N. RIVERS**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Ms. RIVERS. Mr. Speaker, the following is a list of votes that I missed because I had to return to Michigan due to a family emergency. Had I been present, I would have voted as follows:

Rollcall No. 281—McGovern amendment—"yes."

Rollcall No. 282—Sanders amendment—"yes."

Rollcall No. 283—Coburn amendment—"yes."

Rollcall No. 284—Sanders amendment—"yes."

Rollcall No. 285—Sanders amendment—"yes."

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Rollcall No. 286—Slaughter amendment—“yes.”

Rollcall No. 287—Stearns amendment—“no.”

Rollcall No. 288—Rahall—“yes.”

Rollcall No. 300—Previous question on H. Res. 246, rule on H.R. 2490, Treasury Postal—“no.”

#### PERSONAL EXPLANATION

### HON. BILL LUTHER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. LUTHER. Mr. Speaker, due to a family commitment I was unable to cast House votes 301–305 on July 15th, 1999 and House vote 306 on July 16th, 1999.

#### NATIONAL MENTAL HEALTH PARITY ACT OF 1999

### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. STARK. Mr. Speaker, I am proud to join with my colleagues to introduce the National Mental Health Parity Act of 1999. The goal of this legislation is to provide parity in insurance coverage of mental illness and improve mental health services available to Medicare beneficiaries. This legislation will end the systematic discrimination against those with mental illness and reflect the many improvements in mental health treatment.

My legislation would prohibit health plans from imposing treatment limitations or financial requirements on coverage of mental illness, if they do not have similar limitations or requirements for the coverage of other health conditions. The bill also expands Medicare mental health and substance abuse benefits to include a wider array of settings in which services may be delivered. Specifically, the legislation would eliminate the current bias in the law toward delivering services in general hospitals by allowing patients to receive treatment in a variety of residential and community-based settings. This transition saves money for the simple reason that community-based services are far less expensive than hospital services. In addition, community-based providers can better meet the patient's personal needs.

Providing access to mental health treatment offers many benefits because of the significant social costs resulting from mental health and substance abuse disorders. Treatable mental and addictive disorders exact enormous social and economic costs, individual suffering, breakup of families, suicide, crime, violence, homelessness, impaired performance at work and partial or total disability. Recent estimates indicate that mental and addictive disorders cost the economy well over \$300 billion annually. This includes productivity losses of \$150 billion, health care costs of \$70 billion and other costs (e.g. criminal justice) of \$80 billion.

Two to three percent of the population experience severe mental illness disorders. As

many as 25 percent suffer from milder forms of mental illness, and approximately one out of ten Americans suffers from alcohol abuse. One out of thirty Americans suffer from drug abuse.

Alcohol and drug dependence is not the result of a weak will or a poor character. In many cases, the dependence results from chemical abnormalities in the person's brain that makes them prone to dependence. In other cases, the dependence represents a reaction to unhealthy social and environmental conditions that perpetuate abuse of alcohol and drugs. Regardless of the cause of the abuse, alcohol and drug abuse can be treated and allow the person to live a normal and productive life.

Mental health disorders are like other health disorders. With appropriate treatment, some mental health problems can be resolved. Other mental health conditions, like physical health conditions can persist for decades. Indeed, there are those who battle mental illness their entire life just as there are those who suffer from diabetes, congenital birth defects, or long-term conditions like multiple sclerosis. Whereas insurance policies cover the chronic health problems, they do not offer the same support for mental health conditions.

During the last 104th Congressional session, parity in the treatment of mental illness was a widely and hotly debated issue. Although parity legislation was finally developed, insurance carriers found gaping loopholes and created mental health insurance policies that provide less access to mental health services. Furthermore, the current parity legislation includes many exemptions in coverage requirements for small employers. If an employer has at least 2 but not more than 50 employees, they can be exempt from the coverage requirement. Finally, if a group health plan experiences an increase in costs of at least 1 percent, they can be exempted in subsequent years. We can and must do more for our constituents.

My proposed legislation addresses two fundamental problems in both public and private health care coverage of mental illness. First, despite the prevalence and cost of untreated mental illness, we still lack full parity for treatment. The availability of treatment, as well as the limits imposed, are linked to coverage for all medical and surgical benefits. Whatever limitations exist for those benefits will also apply to mental health benefits.

Let us not forget the small employers either. If a company qualifies for the small employer exemption, the insurance companies will be able to set different, lower limits on the scope and duration of care for mental illness compared to other illnesses. This means that people suffering from depression may get less care and coverage than those suffering a heart attack. This disparity is indefensible.

Access to equitable mental health treatment is essential and can be offered at a reasonable price. Recent estimates indicate that true parity for mental health services will increase insurance rates by a mere one percent, a trivial price to pay for the well being of all Americans.

Second, the diagnoses and treatment of mental illness and substance abuse has changed dramatically since the start of Medi-

care. Treatment options are no longer limited to large public psychiatric hospitals. The great majority of people receive treatment on an outpatient basis, recover quickly, and return to productive lives. Even those who once would have been banished to the back wards of large institutions can now live successfully in the community. Unfortunately, the current Medicare benefit package does not reflect the many changes that have occurred in mental health care. This bill would permit Medicare to pay for a number of intensive community-based services. These services are far less expensive than inpatient hospitalization.

For those who cannot be treated while living in their own homes, this bill would make several residential treatment alternatives available. These alternatives include residential detoxification centers, crisis residential programs, therapeutic family or group treatment homes and residential centers for substance abuse. Clinicians will no longer be limited to sending their patients to inpatient hospitals. Treatment can be provided in the specialized setting best suited to addressing the person's specific problem.

Currently there is a 190-day lifetime limit for psychiatric hospital treatment. This limit was originally established primarily in order to contain costs. In fact, CBO estimates that under modern treatment methods, only about 1.6% of Medicare enrollees hospitalized for mental disorders or substance abuse used more than 190 days of service over a five year period.

Under the provisions of this bill, beneficiaries who need inpatient hospitalization would be admitted to the type of hospital that can best provide treatment for his or her needs.

Inpatient hospitalization would be covered for up to 60 days per year. The average length of hospital stay for mental illness in 1995 for all populations was 11.5 days. Adolescents averaged 12.2 days; 14.6 for children; 16.6 days for older adolescents; 8.6 days for the aged and disabled; 9.9 days for adults. A stay of 30 days or fewer is found in 93.5% of the cases. The 60-day limit, therefore, would adequately cover inpatient hospitalization for the vast majority of Medicare beneficiaries, while still providing some modest cost containment. Restructuring the benefit in this manner will level the playing field for psychiatric and general hospitals.

In summary, my legislation is an important step toward providing comprehensive coverage for mental health. Further leveling the health care coverage playing field to include mental illness and timely treatment in appropriate settings will lessen health care costs in the long run. These provisions will also lessen the social costs of crime, welfare, and lost productivity to society. This bill will assure that the mental health needs of all Americans are no longer ignored. I urge my colleagues to join me in support of this bill.

MISS MARTHA DAVIS

### HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. BARR of Georgia. Mr. Speaker, if you spend much time examining popular television

shows, magazines, and music nowadays, you'll very quickly reach the conclusion that our society is obsessed with youth. In many ways, it is good to see greater concern about hanging on the health, energy and optimism that go along with being young. However, we will be making a grave mistake as a society if we over-value youth at the expense of rejecting the wisdom, common sense, and experience our senior citizens acquire over a lifetime.

Nowhere is this principle more evident than in the life of Miss Martha Davis. Miss Martha, as she is known to her students, earned her college diploma at Brenau College in Gainesville, Georgia. After graduating, she returned to her hometown of Cave Spring, Georgia, where she held a job as a teacher for the next four and a half decades. In the process she helped shape the lives of her students, many of whom still visit and spend time with her on a regular basis.

Miss Martha's own words are perhaps the most appropriate way to describe the outlook that has served her so well. She says, "There's three things: God is first, then people, then yourself. I try to live by that. Making people happy and helping them—those things have made me happier than anything else."

This month, Miss Martha, who lives in Cave Spring, will turn 100. On July 31st, her former students have planned a celebration for her on the front lawn of her home. It is with great pride that I join all of those whose lives she has touched in wishing this great teacher and outstanding citizen a happy 100th birthday.

HONORING LT. COL. CHARLES A.  
HAMILTON

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. KILDEE. Mr. Speaker, I rise today to recognize the accomplishments of a gentleman who has given much in the name of national service, and protecting our citizens. On Friday, July 23, the men and women of the United States Air Force 16th Operations Group and the 16th Special Operations Squadron, located at Hurlburt Field, Florida, will gather to witness the relinquishment of command by Lt. Col. Mark P. Transue, and the assumption of command by Lt. Col. Charles A. Hamilton.

Born in my hometown of Flint, Michigan, Lt. Col. Charles Hamilton lived there until he was 18, and then entered the Air Force Academy. He graduated with a degree in Economics from the Academy and was commissioned on May 28, 1980. He was stationed at Reese Air Force Base in Texas from August 1980 to March 1985, where he was a student as well as instructor of new pilots. From there he went on to bases in New Mexico, Japan, Florida, and in January 1994, moved to the Pentagon, where he served as Operations Branch Chief, and Deputy Chief of the Special Operations Division, Directorate of Operations and Training, Deputate of Operations and Plans.

Lt. Col. Hamilton remained at the Pentagon until August of 1997, where he was then re-

turned to Hurlburt Field as an Instructor Pilot until August 1998, where he was then assigned to his current position of Operations Officer.

The 16th Special Operations Squadron has committed themselves to support unified and theater special operations commands, through the implementation of night, close air support, armed reconnaissance, and interdiction missions in support of National Command Authorities taskings. The 16 SOS is one of only two squadrons utilizing the AC-130 Gunship, an aircraft which was an important part in such exercises as Operations Just Cause, Desert Storm, and United Shield, among others. They have been honored with numerous commendations, including Two Presidential Unit Citations, four Air Force Outstanding Unit Awards, and the Republic of Vietnam Cross of Gallantry with Palm.

Mr. Speaker, I am exceptionally proud to represent a person like Lt. Col. Charles Hamilton in Congress. The task he prepared to undertake, to take command of one of the Air Force's premier squadrons, is one of great responsibility which I am certain he will handle with the utmost maturity and sense of duty. I ask my colleagues in the 106th Congress to join me in congratulating Lt. Col. Hamilton and sending him the best of wishes.

HONORING STATE SENATOR MARK  
HILLMAN, REPRESENTATIVE  
BRAD YOUNG, AND THE COLO-  
RADO GENERAL ASSEMBLY

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. SCHAFFER. Mr. Speaker, Colorado State Senator Mark Hillman and State Representative Brad Young have advanced a Resolution in the Colorado General assembly important to the debate we are about to engage about tax relief. Adopted this year by the Colorado General Assembly, Senate Joint Memorial 99-004 urges us to repeal the Federal Unified gift and estate tax.

Mr. Speaker, one of our colleagues has observed that only with our government are you given a certificate at birth, a license at marriage, and a bill at death. One of the most compelling aspects of the American dream is to make life better for our children and loved ones. Yet, the current tax treatment of a person's life savings is so onerous that when one dies, the children are often forced to turn over half of their inheritance to the Federal Government. The estate tax is imposed at an alarming 37 to 55 percent rate. This is higher than in any other industrialized nation in the world except Japan. Even worse, not only does this take place at an agonizing time for the family, but they also have to watch their loved one's legacy be snatched up by the federal government—an entity not known for great wisdom in spending money. This is as wrong as it is tragic. And it dishonors the hard work of those who have passed on.

The purpose of the estate tax, or "death tax" as many call it, has evolved over time. It has been enacted three other times in our Na-

tion's history as a way to help fund wars—the naval war with France in 1797, the Civil War in 1862, the Spanish American War in 1898, and World War I. Although it was repealed within 6 years in each of the first three instances, in 1916 the Federal Government put its hand in the pocket of Americans to fund WWI and never took it out. Over time, the tax began to reflect political philosophy as liberal politicians sought to break up what they perceived to be the concentration of wealth in society by heavily taxing estates. It has become less of a tax on wealth, however, and more of a tax on the accumulation of wealth of those who are trying to get ahead and save for the future.

It is the small businesses and family farms that are particularly vulnerable to the death tax. Asset rich and cash poor, these enterprises do not have the liquid resources to settle a tax bill of up to 55 percent with the Federal Government. Their only option is to sell some or all of the land or business, thereby diminishing the asset generating the wealth for that family.

Today, less than half of all family-owned businesses survive the death of a founder and only about 5 percent survive to the third generation according to the Life Insurance Marketing Research Association. Under current tax law, it is cheaper for an individual to sell the business prior to death and pay the individual capital gains rate than pass it on to heirs. This is terrible public policy.

The amount of money spent complying with, or trying to circumvent, the death tax is astronomical. Congress' Joint Economic Committee reported that the death tax brings in \$23 billion in annual revenue, but costs the private sector another \$23 billion in compliance costs. Therefore, the total impact on the economy is a staggering \$46 billion. When one calculates the amount of money spent on complying with the tax, the number of lost jobs resulting from businesses being sold, or the resources directed away from business expansion and into estate planning, it is no wonder that a grandswell has formed to eliminate this punitive tax that constitutes only 1.4 percent of all federal revenues.

Congress has attempted to help ease the burden of the death tax by increasing the personal exemption—which now stands at \$650,000—to adjust for the inflation of assets. Unfortunately, this will continue to be too little help as home values, the increasing popularity of defined contribution retirement plans, and the trend toward more small business entrepreneurship drives middle-income people above the exemption. If you calculated the personal exemption that existed under Franklin Roosevelt's administration in today's dollars, it comes out to \$9 million.

In particular, Congress has tried to help small businesses by creating an additional death tax exemption for family-owned businesses. Here too, however, is where good theory becomes impractical in the real world. The family-owned business exemption enacted as part of the Taxpayer Relief Act of 1997 creates 14 new definitions with which a business must comply before it is eligible for relief. Although a good idea at the time, this exemption has proven to be nothing more than a boondoggle for attorneys and estate

planners who are hired by families trying to navigate their way through these eligibility hoops.

The Death Tax Elimination Act (H.R. 8) is the right answer at the right time. The productivity of enterprising Americans and a Republican-led Congress intent on reducing wasteful spending has helped to produce the first budget surplus in a generation. What will be Congress's response to this surplus? Will it spend the money on dozens of government programs that could no doubt be created or expanded? Or, will it cobble together a complicated tax plan that aims to help everybody and, therefore, helps almost no one? We must provide the American people with fairness in our tax system so that individuals who save and invest for their children and grandchildren's future will no longer be punished.

Restoring fairness to our tax system must center around two main principles: the non-Social Security surplus belongs to the American people and it ought to be returned to them; and we must preserve the foundations on which strong communities are built. I can think of no better idea that fulfills both these principles than repeal of the death tax. The ingredients to a successful family or business—savings, investment, and hard work—must be once again rewarded, not taxed.

Mr. Speaker I commend the effort of Senator Hillman, Representative Young, and the Colorado General Assembly. They remind us that the impact of our decisions here will be surely felt in Colorado and everywhere in America. I hereby submit for the RECORD Colorado's Senate Joint Memorial 99-004.

#### SENATE JOINT MEMORIAL 99-004

Whereas, The Federal Unified Gift and Estate Tax, or "Death Tax" generates a minimal amount of federal revenue, especially considering the high cost of collection and compliance and in fact has been shown to decrease federal revenues from what they might otherwise have been; and

Whereas, This federal Death Tax has been identified as destructive to job opportunity and expansion, especially to minority entrepreneurs and family farmers; and

Whereas, This federal Death Tax causes severe hardship to growing family businesses and family farming operations, often to the point of partial or complete force liquidation; and

Whereas, Critical state and local leadership assets are unnecessarily destroyed and forever lost to the future detriment of their communities through relocation or liquidation; and

Whereas, Local and state schools, churches, and numerous charitable organizations would greatly benefit from the increased employment and continued family business leadership that would result from the repeal of the federal Death Tax: Now, therefore, be it

*Resolved by the Senate of the Sixty-second General Assembly of the State of Colorado, the House of Representatives concurring herein:*

That the Congress of the United States is hereby memorialized to immediately repeal the Federal Unified Gift and Estate Tax; and be it further

*Resolved,* That copies of this Joint Memorial be sent to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and each member of the Colorado congressional delegation.

## EXTENSIONS OF REMARKS

### DESIGNATING THE CHESTNUT-GIBSON MEMORIAL DOOR

SPEECH OF

**HON. STENY H. HOYER**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 20, 1999*

Mr. HOYER. Mr. Speaker, one year ago this Friday, the Capitol Building was shaken by a maniacal and senseless shooting spree. This day reminds us once again that the risk is always present for those we ask to defend this free society. The vagaries of life are such that there are those, either demented or angry or for whatever reasons, that take unto themselves the opportunity to commit violence.

We lost Officer Jacob J. Chestnut and Detective John Gibson so that many others might be safe and to indicate that the Capitol of the United States, freedom's house, will not only be accessible, but also protected.

This past May we rededicated the Capitol Police headquarters in honor of Officer Chestnut, Detective Gibson, and Officer Christopher Eney, the first Capitol Police officer killed in the line of duty during a training accident in 1984. This resolution complements the renaming of the headquarters building. Henceforth, every tourist, staffer, Member or head of state that uses the "memorial door" will remember the public service of these three men and the ultimate sacrifices that each of them made.

While this resolution renaming the document door specifically honors Officer Chestnut and Detective Gibson, the memorial door is a tribute to all of the men and women of law enforcement who leave their homes each day and take to their duties to defend America's principles, to defend Americans, and to defend an orderly society.

Just down the street from this building stands the Law Enforcement Officers Memorial. Since last year's tragedy, the names of Officer Chestnut and Detective Gibson have been added to a long list of fallen officers including their colleague, Officer Eney and others from departments around the Nation.

In the last year we have taken some very positive steps in insuring that this type of incident does not happen again. While we can never guarantee that there is not another shooting, the security enhancement plan is an important step in the right direction. With additional officers, acquisition of new equipment, and a restructuring of the department, we can work to decrease the chances of another shooting while retaining the accessibility that the American public and the World over have come to know.

Let us not forget the ultimate sacrifice that these two brave officers made. I thank my colleague Representative DELAY, for bringing forward this resolution and I urge my colleagues to join with me in paying tribute to Officer Chestnut and Detective Gibson on this solemn one-year anniversary by passing this resolution.

*July 22, 1999*

IN HONOR OF DOROTHY EPSTEIN

**HON. JERROLD NADLER**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 22, 1999*

Mr. NADLER. Mr. Speaker, I rise today to honor Dorothy Epstein, a dedicated community activist. We here in Congress have spent a lot of time talking about Social Security and ensuring that our seniors have the ability to lead safe, healthy, and productive lives. Mrs. Epstein has gone beyond the rhetoric by spending her time relentlessly promoting activism and leadership among older adults so that they, through their own efforts, can secure and protect their future. She played an essential role in creating the Institute for Senior Action, a leadership training program for seniors at the Join Public Affairs Committee (JPAC) for Older Adults in New York. She has served on the JPAC Advisory Committee since 1993 and has used her wisdom to guide that body. These efforts demonstrate Mrs. Epstein's tireless commitment to the cause of senior advocacy: after all, she accomplished all this after retiring at the age of 76.

But this is just another in the long list of Mrs. Epstein's accomplishments, a list which begins at her very first job: organizing unions with the New York City relief bureau. She also served as a chapter president at the Association of Workers in Public Relief Agencies, where she continued to work to prevent discrimination in the workplace and layoffs for civil service workers. Her efforts with these organizations laid the groundwork for what would become the American Federation of State, County, and Municipal Employees. After her great achievements in the public sector, Mrs. Epstein decided to try her hand in the private sector by founding Synergy, a vitamin company. Like all of her efforts, it was a great success.

It was after her retirement from Synergy that she began her extraordinary association with JPAC. Mrs. Epstein was eager to use her experience and vision to confront the issues facing older adults. It did not take long for her to make a big impact, and only a little more than a year after she joined the Advisory Committee, the Institute for Senior Action was born. Under her guidance, the Institute, which graduated its 10th class this year, has pursued vital issues such as the protection of health care, income maintenance, and other social services. The intense, all-day classes stress confidence, cooperation, and help everyone from recent retirees to older seniors get involved in social action. Through the Institute, Mrs. Epstein has been able to spread her energy and dedication to seniors of all backgrounds, who have then been able to make a difference in their own communities.

Mr. Speaker, whether she was organizing unions, fighting discrimination, or educating seniors, Mrs. Dorothy Epstein has dedicated her life to empowering people. So, even though she is pulling back from the day-to-day work at the Institute, the ripple of hope that she created with her life's work will continue to grow and expand, changing more and more lives along the way. It is for this ongoing contribution that I honor her today.



July 22, 1999

PERSONAL EXPLANATION

**HON. SOLOMON P. ORTIZ**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. ORTIZ. Mr. Speaker, due to a medical evaluation on Tuesday, July 20, 1999, I was absent for rollcall votes 311–315. If I had been present for these votes, I would have voted as indicated below.

Rollcall No. 311—"Yes";  
Rollcall No. 312—"No";  
Rollcall No. 313—"No";  
Rollcall No. 314—"No";  
Rollcall No. 315—"No".

THOMAS MAKAR OF CLEVELAND,  
OHIO ATTAINS EAGLE SCOUT

**HON. DENNIS J. KUCINICH**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. KUCINICH. Mr. Speaker, I rise today to honor Thomas Makar of Cleveland, Ohio, who will be honored August 21, 1999 for his attainment of Eagle Scout.

The rank of Eagle Scout is the highest honor in which a Scout can earn. Each Eagle Scout must earn 21 merit badges, twelve of which are required. The merit badges an Eagle Scout must earn range from First Aid to Camping to Citizenship of the Community, Nation, and the World. Additionally, each Eagle Scout must complete an Eagle Project that benefits the community in which he must plan, finance, and execute. Furthermore, an Eagle Scout must hold a variety of leadership positions in which he learns important life skills. Thomas has accomplished this and more.

Thomas has proved himself as an exceptional young man who lives by the Scout Law; Scout Oath; Scout Promise; and Scout Motto. Thomas is also the first second-generation Eagle Scout in his troop history, and this is a tribute to the entire Makar family.

I ask you to please join me in recognizing and congratulating Thomas for his achievement.

TRIBUTE TO LT. COL. RODOLFO  
DIAZ-PONS

**HON. DAVE CAMP**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. CAMP. Mr. Speaker, I rise today to pay tribute to Lt. Col. Rodolfo Diaz-Pons, who is retiring after 22 years of military service and 4 years at Central Michigan University as a professor and chair of the military science department.

I would like to commend Lt. Col. Diaz-Pons for his service to his country and congratulate him on his retirement on August 31. Since beginning his career in 1977 after graduating from the U.S. Military Academy at West Point in New York, he has served several leadership positions in the United States and in Germany.

EXTENSIONS OF REMARKS

While at Fort Carson, CO, Lt. Col. Diaz-Pons held positions as commander of an "A Team" and served as group plans officer in the 10th Special Forces Group Airborne. Following his completion of the Infantry Officer Advanced Course, he served as rifle and headquarters company commander in the 4th Battalion 8th Infantry. During his time in Germany, he served as the battalion operations officer to the 1st Battalion 39th Infantry.

Lt. Col. Diaz-Pons entered into service because he wanted to develop his leadership abilities. He has achieved this goal. As he begins his retirement, he continues to advance his leadership skills and volunteer in his community. He will serve as full-time pastor of Riverbend Baptist Church in St. Louis, MI, where he was previously serving as volunteer pastor.

On behalf of the residents of the 4th Congressional District of Michigan, I would like to recognize Lt. Col. Diaz-Pons today and wish him the best as he begins his new journey. His school, community and nation are grateful to him.

AMERICAN EMBASSY SECURITY  
ACT OF 1999

SPEECH OF

**HON. CAROLYN B. MALONEY**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes:

Mrs. MALONEY of New York. Mr. Chairman, I rise in opposition to the Goodling amendment.

India is one of our most valuable allies. The oldest democracy and the largest democracy share many things in common. India is moving forward with free-market reforms that offer tremendous opportunities for American trade and investment.

U.S. assistance to India, and elsewhere, serves our national interests and is provided because it promotes our policy priorities, not as a reward for voting with us.

We should not cut assistance to countries based solely on their voting practices in the United Nations General Assembly. We should consider more than just a voting record. For example, we agree on a host of other UN activities. India has sent significant troop contingents to various peace-keeping missions around the world, serving as a partner to further our mutual interests.

But even if you consider their voting record, in votes identified by the State Department as "important," India voted with the U.S. 75% of the time. This amendment will do nothing but damage our relations with a valuable ally by identifying India as an opponent of U.S. policies, when, in fact, we have a great deal in common.

Mr. Chairman, I urge my colleagues to join me in voting against this amendment.

17591

TEACHER EMPOWERMENT ACT

SPEECH OF

**HON. DONALD M. PAYNE**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1995) to amend the Elementary and Secondary Education Act of 1965 to empower teachers, improve student achievement through high-quality professional development for teachers, reauthorize the Reading Excellence Act, and for other purposes.

Mr. PAYNE. Mr. Chairman, the problems with H.R. 1995 are abundant in nature, however, one of its greatest flaws deals with the lack of language about the school counselors of this country. H.R. 1995 eliminates over one million personnel from eligibility for professional development under Title II of ESEA. Without the assistance of other school personnel, undue burdens and demands will be placed on teachers. TEA will actually increase, not decrease, the workload and responsibilities of teachers. H.R. 1995 decreases local flexibility to train and hire needed school personnel—America's schools need school counselors, the recent school shootings remind us that students have needs that must be served by qualified counseling professionals. H.R. 1995 eliminates pupil services from eligibility for professional development by completely rewriting title II of ESEA. H.R. 1995 limits students with disabilities access to education—by eliminating professional development for pupil services, school staff will be unprepared to meet the special needs of students with disabilities. These are just a few of the shortcomings with H.R. 1995, if we are in this for the children, how can we simply sit back passively and allow such grossly inadequate legislation which blatantly ignores those who fight so hard for the welfare of our children—school counselors.

IRAN NUCLEAR PROLIFERATION  
PREVENTION ACT OF 1999

SPEECH OF

**HON. PETER DEUTSCH**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1999

Mr. DEUTSCH. Mr. Speaker, I rise in support of H.R. 1477, the Iran Nuclear Proliferation Prevention Act of 1999, of which I am an original co-sponsor. This provision, which passed the House of Representatives in the 105th Congress by an overwhelming margin, would ensure that we hold the International Atomic Energy Agency accountable for its programs in Iran, and would reinforce our commitment to peace and stability in the Persian Gulf.

Despite its plentiful oil and gas resources, Iran has sought for years to complete the Bushehr Nuclear Power Plant on its Persian Gulf coast. Iran is a notorious sponsor of international terrorism, and as such its plans to utilize nuclear energy should not go unchecked

by the United States and our allies. I have little faith that a nation which thinks nothing of murdering innocent civilians and of rounding up innocent Jews and throwing them into jail on trumped-up charges possesses the commitment to safety that would prevent such a reactor from being a threat to the entire Gulf region, if not the world.

The November 1998 pact between Iran and Russia to expedite the construction at Bushehr is illustrative of the urgency of this threat. As a nation, we need to pay close attention to the progression of this project, and we should ensure that we do not contribute to Iran's acquisition of technology or expertise during the course of this project which could contribute to its procurement of nuclear weapons know-how.

As Iran continues to build its military arsenal—testing engines for ballistic missiles capable of carrying warheads to Israel and other nations in the region, we should make sure that our money—both directly and indirectly—does not help Iran's conquest of nuclear technology. This measure, which would withhold assistance to the IAEA pending certain State Department certifications, is a necessary step toward that goal. I urge my colleagues to support this bill.

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**BRENT BAUKNECHT ACHIEVES  
RANK OF EAGLE SCOUT**

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**HON. DENNIS J. KUCINICH**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 22, 1999*

Mr. KUCINICH. Mr. Speaker, I rise today to honor Brent Bauknecht for his attainment of the rank of Eagle Scout.

Eagle Scout is the highest honor that a Boy Scout can earn. This high honor requires years of dedication and hard work both to himself and most importantly, the community.

Each Eagle Scout must earn 21 merit badges including First Aid; Camping; Citizenship of the Community; Citizenship of the Nation; Citizenship of the World; Family Life; and Personal Management. In addition, each Eagle Scout must plan, finance, and execute a service project that benefits the community. Furthermore, each Eagle Scout must hold a variety of leadership positions in which he gains important life skills that will always remain with him.

Brent has accomplished this and more. He has proven himself to be an exceptional young man by living by the Scout Law; Scout Oath; Scout Motto; and Scout Promise. Only two percent of all boys entering scouting achieve the Eagle Badge, and this accomplishment is a true testament to Brent's abilities, dedication, and commitment.

I ask you to please join me in congratulating Brent for his achievement and outstanding work.

**EXTENSIONS OF REMARKS**

**TRIBUTE TO DEAN AND SHARON  
TRAVIS**

**HON. DAVE CAMP**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 22, 1999*

Mr. CAMP. Mr. Speaker, I rise today to pay tribute to Dean and Sharon Travis of Gratiot County, Michigan, who will be honored at a special ceremony in Midland on July 24 when they will be presented with a Centennial Farm marker by Consumers Energy.

At this celebration, the Travis family and other farm families will have the opportunity to share their stories. The Travis family will relay with appropriate pride how their farm, located in Pine River Township, was purchased by their great-great-grandfather in 1857 and has remained in their family ever since.

The festivities are being held in conjunction with a special Smithsonian Institution exhibit, "Barn Again: Celebrating an American Icon." This exhibit celebrates America's rich agricultural heritage, telling the story of farmers and their varying needs throughout our history.

The barn represents growth and prosperity of Americans, and it is important to recognize the agricultural community's contribution to our nation. This year the exhibit tours Michigan for the first time; residents of Alabama, Illinois, Oregon, Utah, Ohio, Missouri, West Virginia and Georgia have already been privileged to see it.

It is with great pleasure that I recognize the Travis family today. Their success has been a source of pride to Gratiot County, and their barn and Centennial Farm designation symbolize the hard work and determination that is characteristic of mid-Michigan's farm families.

I am pleased to have the opportunity to honor them today in the U.S. House of Representatives and I wish them many more generations of bounty.

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**ELECTRIC BICYCLE LEGISLATION**

**HON. JAMES E. ROGAN**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 22, 1999*

Mr. ROGAN. Mr. Speaker, today I am pleased to introduce a bipartisan, non-controversial, and much-needed piece of legislation. This bill will clarify for purposes of Federal law and regulations that electric bicycles are consumer products and not motor vehicles. This clarification is necessary, as the interpretation of existing law is that electric bicycles are motor vehicles and must conform to all motor vehicle safety standards.

Mr. Speaker, it is important to clarify what an electric bicycle is. An electric bicycle is defined as a bike with all the same features of a conventional bike save one. It carries a small electric motor system that, when engaged by the flip of a switch, augments the power of the rider. This motor empowers the rider to easily pedal speeds up to, but not over, 20 mph.

Because of this feature, electric bicycles are very popular with recreational riders, seniors,

*July 22, 1999*

commuters, fitness riders, and police and other law enforcement agencies, just to name a few. These bicycles have the potential to mitigate traffic congestion and parking problems, enhance law enforcement agencies' ability to perform certain designated duties; reduce air and noise pollution; promote cost-effective alternative-fuel vehicles; and enhance mobility for those who are physically unable either to drive or access essential services on pedal-only bicycles. In fact, in Southern California, electric bicycles have already begun to demonstrate their significant contribution to improving the quality of life for all.

It is clear that, as defined under my legislation, an electric bicycle is not a moped or a motorcycle, and it is certainly not a motor vehicle. To require it, therefore, to meet all the federal standards of a motor vehicle, which require the implementation of brake lights, turn signals, a speedometer, an odometer, wide tires, and other mandates, is contrary to the notion of what you and I hold as a bike.

The bill I'm introducing today would clarify this situation once and for all. It simply provides that electric bicycles are consumer products and are subject to consumer product rules and regulations. This will not eliminate all safety standards for electric bicycles. My legislation will still provide for these products to be subject to strict safety standards.

As I stated, this is a common sense, non-controversial bill. Electric bicycles should be held to the same federal safety standards as bicycles, not motor vehicles. I encourage you to join in co-sponsoring this bill and in supporting passage.

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**HOLDING MANAGED CARE  
ACCOUNTABLE**

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**HON. WILLIAM O. LIPINSKI**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 22, 1999*

Mr. LIPINSKI. Mr. Speaker, I rise today to bring an editorial from today's Chicago Tribune to the attention of my colleagues. The editorial is titled "Holding Managed Care Accountable." I hope that my colleagues take the time to read this informative and interesting commentary.

[From the Chicago Tribune, July 22, 1999]

**HOLDING MANAGED CARE ACCOUNTABLE**  
(By Philip H. Corboy)

CHICAGO—John McCarron suggests that the best Congress can do for America's health-care system is to do nothing ("Medical malpractice? When Congress plays doctor, pray for gridlock," Commentary, July 12). Perhaps some agree with him that "there's not much wrong with managed care." They may not have experienced a major medical crisis and the chance to see their HMO in action.

Supporters of the Patients' Bill of Rights point to scores of incidents around the country. Workers pay for medical coverage for themselves and their families, then find that needed care is delayed or denied—even over the objections of their own doctors. Often the result is that the patient suffers more serious harm, or even death.

Mr. McCarron's argument that this is the employer's fault for choosing the HMO is

misguided. All managed-care plans have strong financial incentives to minimize care and maximize profits, which amounted to some \$10.5 billion for the industry last year. There is no disincentive to keep administrators from interfering with patient care by denying needed services, understaffing or imposing cumbersome authorization requirements. Unlike every other private business or profession, employee managed-care plans cannot be sued and held accountable for the harm they cause.

This unusual immunity is not something Congress intended, or even considered. In 1974 the legislature passed the Employee Retirement Income Security Act (ERISA), a complicated statute designed to promote and to protect employee pension funds. To avoid conflicting regulations, Congress pre-empted state law. As a result if a plan denies or delays testing for a premature baby at high risk for retinopathy and the child becomes permanently blind, the maximum amount of compensation that the parents can recover is the cost of the test itself. To avoid this harsh result, Congress should fix the problem it created.

The industry's primary strategy in its fight to keep its special immunity has been to frighten Americans with dire predictions of a flood of lawsuits and skyrocketing premiums. Fortunately Americans can see for themselves what happens when managed care is made accountable.

For example, ERISA does not apply to government workers. A study by the Kaiser Family Foundation of approximately 1 million government workers in California from 1991 to 1997 found that only 20 had filed lawsuits. The study estimated that permitting liability actions added only between 3 and 13 cents to each policyholder's monthly premium.

In 1997 Texas enacted a statute that created an external review for managed-care decisions and allowed patients to sue their HMOs. The number of lawsuits that have flooded Texas courts: three. The Texas Department of Insurance, the designated external review board, predicted that there would be 4,400 complaints in the first year. Only 531 were registered, 46 percent of which were resolved in favor of the patients. Texans' liability premiums are almost exactly what they were in 1995.

Missouri also chose in 1997 to allow liability suits. So far there have been none. The experience in Texas and Missouri suggests that the deterrent effect of legal accountability has encouraged managed-care insurers to provide better patient care.

Doctors, unions and groups that represent patients, consumers, veterans and seniors all support the Patients' Bill of Rights. They want more accountability for managed-care plans. The industry claims that it needs immunity to save money, which keeps premiums low. Yet in many cases delay necessitates a much more expensive and risky course of treatment.

Congress should do something. Close the loopholes that encourages managed-care bureaucrats and administrators to interfere with doctors caring for patients.

## EXTENSIONS OF REMARKS

IN THE HOUSE OF REPRESENTATIVES  
IN HONOR OF  
STRONGSVILLE SAVINGS BANK

### HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. KUCINICH. Mr. Speaker, I rise today to honor Strongsville Savings Bank for their 38 years of service to Northeastern Ohio.

Strongsville Savings Bank was established by a group of local community businesses in May of 1960. In April 1961 it initiated its service to the Strongsville community, as an Ohio chartered, federally insured savings association. Since then, Strongsville Savings Bank has grown and expanded to 16 offices in Cuyahoga, Lorain, and Medina counties.

Nevertheless, the Bank has remained community-oriented, with an emphasis on customer service. Its services include consumer and commercial checking accounts savings accounts, certificates of deposit, residential and commercial real estate loans, home equity line of credit, use of proprietary ATMs, electronic fund transfer services, access to a network of ATM and many other services. The Strongsville Savings Bank is very active in its support of developers and builders of residential housing in their market area by providing a wide array of loans and retail financial services.

Recently, in 1996, Emerald Financial Corporation became the Bank's parent company and unitary thrift holding company. Mike Kalinich, one of the Bank's original shareholders, is chairman of both Emerald Financial Corp. and Strongsville Savings Bank. Of the original 128 shareholders, 38 years ago, 21 continue to be owners of Emerald Financial Corp. stock, and many others are the children and grandchildren of the original shareholders.

Historically, Strongsville has had such success, with strong community involvement and investment in local interests. I would like to congratulate Strongsville Savings Bank for their 38 years of success and service, as well as wish them continued success in the years to come.

## PERSONAL EXPLANATION

### HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. McDERMOTT. Mr. Speaker, I was absent and unable to vote due to my recovery from heart surgery, July 19, 1999—July 22, 1999.

On July 16, 1999:

I would have voted in favor of H.R. 1033 (Roll Call number 308).

I would have voted in favor of H. Con. Res. 121 (Roll Call number 309).

I would have voted in favor of H.R. 1477 (Roll Call number 310).

On July 20, 1999:

I would have voted in favor of H. Con. Res. 158 (Roll Call number 311).

I would have voted in favor of the Campbell amendment to the Smith amendment to H.R. 2415 (Roll Call number 312).

I would have voted against the Sanford Amendment to H.R. 2415 (Roll Call number 313).

I would have voted against the Paul Amendment to H.R. 2415 (Roll Call number 314).

I would have voted against H. Res. 253 (Roll Call vote 315).

I would have voted in favor of the Goodling amendment to H.R. 1995 (Roll Call number 316).

I would have voted in favor of the Mink amendment to H.R. 1995 (Roll Call number 317).

I would have voted in favor of the Crowley amendment to H.R. 1995 (Roll Call 318).

I would have voted in favor of the Martinez amendment to H.R. 1995 (Roll Call 319).

I would have voted against H.R. 1995 (Roll Call number 320).

On July 21, 1999.

I would have voted against the Gilman amendment to H.R. 2415 (Roll Call number 321).

I would have voted against the Sanders amendment to H.R. 2415 (Roll Call number 322).

I would have voted in favor of the Gibbons amendment to H.R. 2415 (Roll Call number 323).

I would have voted against the Goodling amendment to H.R. 2415 (Roll Call number 324).

I would have voted against the Stearns amendment to H.R. 2415 (Roll Call number 325).

I would have voted in favor of the Waters amendment to H.R. 2415 (Roll Call number 326).

I would have voted in favor of the Bilbray amendment to H.R. 2415 (Roll Call number 327).

I would have voted in favor of the Doggett amendment to H.R. 2415 (Roll Call number 328).

I would have voted in favor of the Engel amendment to H.R. 2415 (Roll Call number 329).

On July 22, 1999:

I would have voted against H. Res. 256 (Roll Call number 330).

I would have voted in favor of the Rangel amendment to H.R. 2488 (Roll Call vote 331).

I would have voted in favor of the motion to recommit H.R. 2488 (Roll Call vote 332).

I would have voted against H.R. 2488 (Roll Call number 333).

I would have voted against H.R. 2561 (Roll Call number 334).

CONGRATULATION TO DR. LAWRENCE A. JOHNSON UPON HIS RETIREMENT

### HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. OBEY. Mr. Speaker, I rise today to recognize the career of a longtime public servant, Dr. Lawrence A. Johnson, a leading researcher and international authority in the field of artificial insemination and semen physiology and preservation in swine.

Dr. Johnson, was born and raised on a livestock farm in Luck, Wisconsin, in the heart of western Wisconsin's dairy country in my district. He received his Bachelor's degree from the University of Wisconsin at River Falls in 1961, he received his Master's from the University of Minnesota in St. Paul in 1963, and was awarded his doctorate by the University of Maryland in 1968.

Thirty-five years ago, in 1964, Dr. Johnson began his career with the Agricultural Research Service (ARS) of the U.S. Department of Agriculture, first as a chemist with the Swine Research Branch, and later as Research Physiologist with the Reproduction Laboratory. He became Research Leader of the Germplasm and Gamete Physiology Laboratory when it was created in 1991. He also served for two years as Visiting Scientist at the Research Institute for Animal production in the Netherlands.

With Dr. V.G. Pursel, Dr. Johnson developed the Beltsville Freezing and Thawing Method for preserving swine sperm. This method has been commercially used for cryopreservation of boar semen since 1975 and it has been used for the exportation of the highest quality genetics to upgrade swine production in more than 40 countries throughout the world. Subsequently, Dr. Johnson initiated collaborative studies with Dutch which led to the Beltsville TS Semen Diluent becoming the primary swine semen diluent throughout the world, currently used in 12 to 15 million inseminations worldwide each year. More recently, his research led to the development of the only effective method to control the sex ratio of mammalian offspring, considered a major advance in reproductive biology, which has brought him world recognition as an authority on gender preselection. In 1993, Dr. Johnson and his colleagues successfully adapted the sexing technology to be used for disease prevention in humans.

Dr. Johnson has authored or co-authored more than 265 scientific papers, book chapters and abstracts, and he has presented 75 papers at various international symposia and meetings. His numerous awards have included the Alexander von Humboldt Award in 1994 for the "most significant accomplishment in American Agriculture in the previous five years", and, in the same year, he was recognized as the Distinguished ARS Scientist for the Year. Dr. Johnson's work has also been recognized in countries throughout the world from the Netherlands to Japan.

Upon his retirement from government service, Dr. Johnson will be returning to his home state of Wisconsin. I'd like to take this opportunity to thank him for his years of government service, and wish him well in his future endeavors.

#### TRIBUTE TO DR. THOMAS LLOYD

#### HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. CONYERS. Mr. Speaker, I rise to pay tribute to a man whose outstanding dedication to our children, the future of our nation, does

us all proud. Dr. Thomas Lloyd, General Superintendent of Schools in the Highland Park School District, passed away on June 28, 1999, at the age of 61. The community will miss him dearly.

Dr. Lloyd, who had served since 1996 as the District's 16th superintendent, was born in Miami and graduated from George Washington Carver High School there in 1956. After attending Morehouse College in Atlanta, Dr. Lloyd enrolled at Wayne State University, where he earned a B.A. in Psychology in 1963. In addition, he minored in Sociology and English. He continued on at Wayne State, where he earned a M.A. in Vocational Rehabilitation Counseling, with a minor in Education. Subsequently, Dr. Lloyd earned his Ph.D. in Administration and Supervision at the University of Michigan.

From 1962-63, Dr. Lloyd served as research technician at Henry Ford Hospital and Lafayette Clinic in Detroit. He also served as a clinical psychologist at W.J. Maxey Training School in Whitmore Lake (1963-65), an assistant at Wayne State's Traffic Research Center, and as School Psychological Diagnostician for the Southern Wayne County Economic Group, Inc. (1966-68). Additionally, Dr. Lloyd served as dropout counselor and guidance department supervisor in the Detroit Public Schools; and as team leader, special instructor and acting supervisor of trainee affairs at the DPS Skills Training Center from 1965-66.

In his 32 years of service to the Highland Park School District, Dr. Lloyd held a variety of posts. A state-certified Psychological Examiner, he also served as School Diagnostician (1967-68), counselor at Highland Park Community College (1968-1971), Assistant Dean at HPCC (1971), and School District Special Education Programs Supervisor (1987). Dr. Lloyd also had an earlier stint as Superintendent of Schools (1978-87) and two periods as President of Highland Park Community College (1971-78 and 1993-96).

Dr. Lloyd was renowned and respected for his leadership ability in the field of education, always placing a strong emphasis on planning, efficiency and fiscal responsibility. His most recent accomplishment was a richly detailed blueprint for improved educational quality and student achievement, the 1997-2000 District-wide School Improvement Plan. Dr. Lloyd realized early on the impact that new technology would have on learning, becoming a strong advocate for high-tech teaching, learning and information services. He led the District into a new age of technology, accomplishing a swift transition into an exciting era.

Dr. Lloyd was also an impassioned defender of Highland Park Community College. He vociferously fought to keep the only convenient metro-area community college open, to serve thousands of "education-seeking students" who could not easily attend other institutions of higher learning. He fought to ensure that education was available to all, not just a privileged few.

Other initiatives fostered under Dr. Lloyd's stewardship were the creation of a new public information program, and in concert with the Mother's Club of Highland Park, reactivation of the Harvey C. Jackson, Jr. Memorial Scholarship Fund. Combined with local fundraising

and outside providers, the Scholarship Fund has issued \$173,400 in college scholarships to 127 Highland Park students in 18 years. Dr. Lloyd successfully grasped the importance of advanced education in the modern world and ensured that his gifted students were in no way restrained from reaching their full potential.

In addition, Dr. Lloyd, at various points in his career, served as chairman of national and local planning committees. He planned the first annual National Association of Black School Educators Summer Leadership Academy (Ann Arbor, 1983). He also chaired the Southeastern Michigan League of Community Colleges (1977-78), and served on the Executive Board of the Michigan Community College Association. Also, Dr. Lloyd was also a member of the Alpha Phi Alpha fraternity, the Phi Delta Kappa educational honorary society, and various state and national professional organizations in the fields of psychology and education.

Dr. Lloyd has served as a member of executive boards of the Highland Park Boys' Club, Rotary Club, Caucus Club, Metropolitan Detroit Bureau of School Studies, and Detroit Black United Fund. In addition, he was a member of the Highland Park Lions' Club, Highland Park City Planning Commission, and the advisory board of the Reggie McKenzie Foundation, and has served as Trustee of Mayflower Congregational Church in Detroit.

In 1997, Dr. Lloyd received the honored Golden Apple Award, from the Trailblazer's Division (Scouting for the Handicapped) of the Detroit Area Council, Boy Scouts of America.

Dr. Lloyd is survived by his wife Karen, son Thomas (Melissa), daughters Lisa (Mark) and Charlene, stepdaughter Dawnielle, brothers Samuel and James, grandsons Kennie Hobbs, Jr., and Mark Jones, Jr., and granddaughters Danielle Mike; Jessica, Amber and Mallory Lloyd.

IN REMEMBRANCE OF THREE HEROES: JOHN PITTMAN, LYNN ETHERIDGE, AND CHARLES ATTEBERRY

#### HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. BENTSEN. Mr. Speaker, I rise to honor three Texans, Mr. John Pittman, Ms. Lynn Etheridge, and Mr. Charles Atteberry who were tragically killed in a helicopter crash while en route to pick up a patient as part of the world renowned Hermann Life Flight program. Their helicopter crashed in eastern Fort Bend County this past Saturday, July 17, 1999. It was the first fatal accident for Hermann Life Flight program since its inception in 1976.

Mr. John Pittman, 58, was an accomplished pilot who worked on Hermann Life Flight for much of his career. Ms. Lynn Etheridge, 35, was flight nurse who provided quality emergency care services to injured persons. Mr. Charles "Mac" Atteberry, 32, was a dedicated paramedic who provided cutting-edge medical services to trauma care victims. All three were

veteran Memorial Hermann Hospital System employees. Mr. Pittman had flown for more than 30 years, including 10 years as Life Flight pilot.

Hermann Life Flight is one of the most advanced emergency care helicopters in existence. Hermann Life Flight has logged more than one million air miles and flown more than 60,000 missions. This service is available 24 hours a day through the dedicated work of its 14 pilots, 13 flight nurses, 12 paramedics, 20 communications specialist and 6 mechanics. The Hermann Life Flight program includes three helicopters that provide emergency care services within 150 mile radius throughout Texas and western Louisiana. The cost of providing this service is more than \$3 million annually which is solely funded through community and fundraising efforts. The Hermann Life Flight program provides advanced emergency life support equipment, including cardiac monitors and defibrillators, temporary pacemakers, oxygen and materials for immobilization and isolettes for newborns.

Mr. Speaker, I ask that my colleagues join me in honoring their service to the community and in expressing my condolences to the families of Mr. Pittman, Ms. Etheridge, and Mr. Atteberry.

The Greek Poet Homer once wrote that "life and death are balanced on the edge of a razor." Their mission, indeed their job, to provide medical care to those with the greatest need was simple, but always with risk. They saved lives while balancing their own on the edge of a razor. Yet, they did this day in and day out. I know that John, Lynn and "Mac" were deeply committed to the services they provided to the greater Houston community. All Texans can be proud of the services they provided and the sacrifices they made. They will be missed.

A private memorial service for the emergency medical service community will be held at 3 p.m. Sunday at First United Methodist Church—Westchase Campus. A public memorial will be held at Rice Stadium at 7:30 p.m.

RECOGNIZING THE ST. ANTHONY OF PADUA PARISH'S FORTY YEARS OF SERVICE TO ITS PRIEST AND PARISHIONERS

**HON. DENNIS J. KUCINICH**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. KUCINICH. Mr. Speaker, today I rise to honor the fortieth anniversary of the first mass of the Saint Anthony of Padua Parish, first formed by the Archbishop Edward H. Hoban on March 6, 1959.

The parish has come a long way from the first mass held in the Parmadale Orphanage on July 12, 1959 by the parish's founding pastor, Fr. Jeremy Fischer. It quickly became an integral part of the community and within a few months it had more than a thousand families registered and a very successful campaign to begin construction on its own building. On January 29, 1961 the new building, including a gym and school, was dedicated and served as the parish's home for twenty years

until the continuously growing parish of over 3400 families required a new home.

Under the guidance of the first principal, Mr. Frank Kuhar, the parish has dedicated itself to the education of our youth and to providing them a solid foundation from which they can progress to become God-fearing leaders of the community and a source of guidance and inspiration to the next generation.

On Sunday, July 11, 1999, at noon, Most Reverend A. Edward Pevec, Archbishop of Cleveland, will preside over mass at the parish which his predecessor had founded almost exactly forty years earlier. It will be followed by a reception in the school hall and a banquet and dance later in the evening.

My fellow colleagues, please join me in recognizing the St. Anthony of Padua Parish's forty years of service and the dedication of its priests and parishioners to fostering the spiritual health and community life of its congregation.

ON THE RETIREMENT OF MR. ROBERT M. TOBIAS

**HON. JAMES P. MORAN**

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. MORAN of Virginia. Mr. Speaker, I am pleased to come to floor today to recognize the tremendous career of Bob Tobias, longtime friend and advocate to federal employees everywhere.

In August, Bob will not be seeking reelection for a fifth term as President of the National Treasury Employees Union (NTEU), an organization which represents more than 155,000 employees in 20 federal agencies and departments. During his 31 years with the NTEU, including 16 as President, he has turned it into one of the most effective voices federal employees have ever had.

Bob and I have worked together since I was first elected to Congress in 1990. Bob was extremely helpful in advising me on the complex legislation to promote fair and equitable compensation and benefits for our civil servants.

Bob earned his law degree from the George Washington University School of Law, based right here in DC. He then went on to use litigation as a tool to advance the interests of federal employees across America. Bob has led several landmark legal victories, including a successful half-billion dollar back pay suit against President Nixon, a federal court victory that gave federal workers the right to engage in informational picketing, and a Supreme Court win that overturned the ban on speaking and writing honoraria.

In fact, Bob has been involved in every major piece of legislation impacting federal employees during the last 20 years. These include the development of FERS, protecting the FEHBP, the restructuring of the IRS, and enacting the Federal Employee Pay Comparability Act. He has also been tireless in promoting the idea that partnership can make the workplace better for federal employees, providing a more efficient service to the American taxpayer. Bob also led the fight to restore political freedom to federal employees in pushing for reform of the Hatch Act.

Bob is now focusing on different priorities; a second career as a teacher and writer on public policy issues beckons, where he will be able to educate a new generation.

I have enjoyed working with you Bob, and look forward to continuing to work with you on issues that are so important to working families. I wish you the best of luck.

AMERICAN EMBASSY SECURITY ACT OF 1999

SPEECH OF

**HON. JOHN EDWARD PORTER**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes.

SUPPORT FOR H.R. 2415 AND FOR RADIO FREE ASIA

Mr. PORTER. Mr. Chairman, I rise today to support the authorizing committee in their commitment to fully authorize Radio Free Asia at \$30,000,000 and to lift the sunset provision of Radio Free Asia.

I have had a longstanding interest in U.S. international broadcasting and I am proud and delighted that Radio Free Asia is running so strongly and delivering accurate and timely news to those who would not otherwise receive it. In its fourth year of existence, RFA has been able to expand its service to provide information in nine languages to listeners in Asia who do not have access to full and free news media reaching countless people living in China, Tibet, Burma, Vietnam, North Korea, Laos and Cambodia.

I want to congratulate the Chairman and the committee on lifting the sunset on Radio Free Asia and call on the other body to do the same. RFA is the only U.S. international broadcaster to have a sunset provision. It is time to bring RFA in line with the rest of the international broadcasters.

As we continue to fight communism, dictatorships and human rights abusers in Asia, it is important democracy, freedom and the truth have a voice. RFA provides that voice.

This year the U.S. suffered first hand from the lack of free press in China in the wake of the Embassy bombing in Belgrade. RFA was one of the few news broadcasts to reach the Chinese people that provided the truth following the incident. And according to RFA call-in shows following the bombing, over half of the callers were critical of the way the Chinese government handled the situation. RFA also broadcasted a special series this summer commemorating the 10th Anniversary of the Tiananmen Square Crackdown and providing a voice for family members to remember their loved ones.

China is not the only country where Radio Free Asia is reaching out to people. In Burma, Radio Free Asia regularly interviews Aung San Suu Kyi, keeping the hope of her party alive. A series was also conducted this year on AIDS in the country which included medical information about the disease. In Korean, stories ran on North Koreans defecting to China

due to its famine and on the South Korean/North Korean engagement policy.

In several of these repressive countries with closed or weak media institutions, the Chinese government—through the Xinhua News Agency and other means—has an impact on the way events are reported within the country. RFA provides an important counterweight to this creeping influence.

As these countries struggle with democracy, human rights and freedom, the importance of independent media sources cannot be underestimated. Governments are less likely to commit abuses if Radio Free Asia is shining light on their injustices while promoting democracy and U.S. interests. I am proud Radio Free Asia is available to provide this service. I look forward to its continued and expanded service to create an even greater audience to bring democracy and freedom to Asia.

#### MINIMUM WAGE IN VERMONT; NATIONAL HEALTH CARE SYSTEM; PEER COUNSELING

##### HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. SANDERS. Mr. Speaker, I would like to have printed in the RECORD statements by high school students from my home State of Vermont, who were speaking at my recent town meeting on issues facing young people today. I am asking that you please insert these statements in the CONGRESSIONAL RECORD as I believe that the views of these young persons will benefit my colleagues.

##### MINIMUM WAGE IN VERMONT

(On behalf of Brandi Russin, Tonya Boutin and Nicole King)

Brandi Russin: We are here to talk about the minimum wage in Vermont. We feel that it is a little bit low for the price. The living expenses in Vermont are very high compared to the minimum wage.

Tonya Boutin: I feel that with the life that we are living now, that the expenses are very high, and the minimum wage is not enough. We have got car payments to pay, we have gas, we have other things that we need to spend our money on, and with the minimum wage, it is not enough. If you think about all the stuff—

Brandi Russin: I don't know if you are interested. We brought some forms along for you to look at. Right here, I have pay stubs from a job when I was earning regular minimum wage, and this is the net amount. We just want to note the small amounts on these checks. And we have all noticed, at the jobs when we've been getting paid minimum wage, you get like a \$60 to an \$80 check per week, and you are like, Oh, you know, I can just spend this here, spend this here, and you tend not to save as much money. And as we grow up a little, we know we have a lot to save for. And this is also another job where it is more than minimum wage, and, on the bottom, you can see the amounts are much larger. And with amounts like this, you think, Wow, you know, maybe I should be setting some of this aside for something.

We would like you just to see that. And we also made some forms up on some expenses that teenagers do have in their lifetime. And

\$5.25 is not adequate, we feel, along with most other teenagers.

We also made up a little tiny fact sheet saying that, if you want to see a movie on minimum wage, the movie price is \$7.50 to get into a movie. So if you want to go to see a movie, you have to work for an hour and a half at your job to see one movie. And a lot of teenagers like to wear Levi jeans, and those cost—we did an estimate of \$45. If you want to go buy a pair of jeans for yourself, you have to work nine hours for a pair of jeans.

Congressman Sanders: Anyone else that wanted to add anything?

Nicole King: When I started working, I started my first job last June, once I got out of school. I was making \$5.50 at that job, but I didn't feel I was making enough to make care payments, car insurance, and my other living expenses, so I started working a second job. And between the two of those, I was working between 50 and 65 hours a week. And I could only do that for about a month and a half, and I had to quit my first job because I was getting more hours at my second job.

Congressman Sanders: Tonya, did you have anything to add to that?

Tonya Boutin: I was working at a job that was paying minimum wage, and I found that, the more hours I got was better, but my paychecks weren't satisfying. You know, I just—I worked hard to get the money that I earned, and the paycheck that I was getting just didn't satisfy me. And to try to save up money is very hard, because you only get a certain amount, and, you know, you pay your bills and what you need to do, and you only like 20 bucks at the end, and it is not enough.

Brandi Russin: As both of these, I was working two jobs also. I was working over 70 hours a week, and finally I said to myself, I can't keep doing this. And when you become a senior in high school, you realize all the college expenses coming up, and you say, Wow, where am I going to get the money from? So you start doing what we did, and panic, and you start working 50 to 70 hours a week, and you say, Where am I going to get all the money from? And you have to say no to yourself, you have to say, I need to stop and realize what I am doing to myself, and I am not getting enough sleep, and I am just going to keep working, keep working for this money.

##### NATIONAL HEALTH CARE SYSTEM

(On behalf of Zarina Williams and Melanie Campo)

ZARINA WILLIAMS: The United States should have a national health care system. Nationally, Americans spent \$1.2 trillion on health care in 1998, and the amount is increasing each year. Thirty-seven million out of 270 million people in America do not receive adequate health care. Many Americans cannot afford private medical insurance, but do not qualify for Medicaid or Medicare. Some people who have private insurance have to do without treatment because they cannot afford the deductible.

There are other countries that have national health care. France has a national health care system, where the government reimburses 85 percent of medical costs, and you have your choice of doctors and dentists. Germany also has a national health care system, where the government pays for unemployed welfare recipients and employed people up to a certain income. People who earn high income take out private insurance, because the government does not pay for the

health care. Most hospitals in Germany are run by states and municipalities, not privately owned.

Melanie Campo: In the United States, government should provide national health care. Financial means should not determine the quality of the medical services a citizen receives. If we had a national health care system, people would want to become doctors to help people, not for the money. Almost every industrialized country provides partial health care coverage for its citizens. Why shouldn't America?

A plan proposed in Massachusetts would eliminate four-fifths of the out-of-pocket health costs. Funds for this plan could come from savings in administrative costs of the system, money from the federal government, and money employers and employees now contribute to health insurance premiums. Additional money would be generated through new taxes of 1.5 percent on income and 1 percent on payroll. With this plan, everyone would receive the same coverage. This plan would negotiate drug prices and regulate medical costs.

##### PEER COUNSELING

(On behalf of Lee Knight, Anna Tornello and Gigi Craig)

Anna Tornello: We have changed our topic to peer counseling at Colchester High School.

In the past several months, there have been bomb threats, weapon threats, and many unfortunate deaths. When we were on vacation, the Littleton, Colorado, incident happened, and when we came back to school, we were all really scared.

Lee Knight: And that is why we want to start a peer counseling group. It's because we don't want the same tragedy that happened at Columbine High School to happen here. One of the reasons why students turn to violence was because of the way that the society looked at them. Kids and students should not be judged by the way they dress. It doesn't matter what they look like; it is who they are on the inside. It is just like philosopher John Locke said: People are not born good or evil, but they are shaped by their surroundings. In which, in our case, our surroundings are the society that we live in. And we want to stop criticism that happens in schools all around the nation.

Anna Tornello: As we know, not one student can save a whole school from the same kind of tragedy that happened at Columbine High School. And students have guidance counselors at the school, but most students are afraid to talk to their guidance counselors, and one reason is because they are afraid that they might tell their parents or they might tell other people. That's why we feel that peers of your own age, you should be able to talk to them. And that's what we think.

Gigi Craig: What we need is full-time guidance counselors to respond quickly to students' needs, if they are feeling that they are going to hurt themselves or hurt somebody else. We can't wait a week, because we don't know what will happen by then.

Anna Tornello: We have talked to Phillip Brown, who is a licensed psychiatrist in Vermont, and he said that the peer counseling would be a really good idea, because it will help the kids be able to talk to other people better, and if there is a problem like where somebody is going to hurt themselves or somebody else, then you need to go seek professional help. But we can help people with just little problems, and that will help



*July 22, 1999*

EXTENSIONS OF REMARKS

**17597**

the students be able to talk and get out their feelings.

The group at Colchester High School, we hope, will someday help the peer counseling, and maybe someday it will be able to spread through Vermont, and maybe the nation.

And we feel that students should be able to feel safer at school, and that every student needs to have somebody that cares, and somebody to talk to when they need help. And we feel that all these goals can be accomplished with the help of the community,

the government, adults, and other students. We don't want to get this swept underneath the rug. We want to make a difference in the community, and, most of all, we want to help kids that are normal on the outside but are crying on the inside.

**SENATE—Monday, July 26, 1999**

The Senate met at 11 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

**PRAYER**

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear Father, focus our attention on You, on our calling to be leaders, and on the people around us. Meet our inner needs so that we can meet the needs of others. Replenish our own energies so that we can give ourselves unreservedly to the challenges of this new week. Give us gusto to confront the problems and to work on applying Your solutions. Replace our fears with vibrant faith. Most important of all, give us a clear assurance of Your guidance that we will have the courage of our convictions.

Bless the women and men of this Senate with a personal experience of Your grace, an infusion of Your spirit of wisdom, and a vision of Your will in all that must be decided this week. In the name of our Lord and Savior. Amen.

**PLEDGE OF ALLEGIANCE**

The Honorable JON KYL, a Senator from the State of Arizona, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

**RECOGNITION OF THE MAJORITY LEADER**

The PRESIDENT pro tempore. The able majority leader is recognized.

Mr. LOTT. I thank the Chair.

**SCHEDULE**

Mr. LOTT. Mr. President, the Senate will immediately begin debate on the resolution to reinstate rule XVI. By a previous order, there will be 6 hours of debate on the resolution with one amendment in order regarding scope in conference.

As a reminder, a cloture motion on the motion to proceed to the House-passed juvenile justice bill was filed also on Thursday. That vote, then, will take place in a series of stacked votes this afternoon at 5:30, along with the rule XVI resolution and the amendment regarding scope in conference.

Further, it is the intention of the majority leader to begin debate on the Interior appropriations bill, and the reconciliation legislation will also come up this week, probably on

Wednesday. Of course, under the rules, 20 hours of debate is permitted, and I am sure there will be a number of amendments, so we will have to begin on that promptly sometime early Wednesday morning.

Senators should be prepared to vote throughout each day and into the evenings, although we probably will not go late into the evening today other than the three stacked votes. But on Tuesday, Wednesday, and Thursday late evenings should be anticipated in order to get this important work done.

**RULE XVI**

This is a day I have been waiting for because we have needed for some time now to reinstate rule XVI which would make a point of order in order against legislation on an appropriations bill.

More and more, the Senate has been abusing that process, making it very difficult to move the appropriations bills through the Senate, even though there is a lot of work done on both sides of the aisle by the leadership. For an example, last Thursday we would not have completed the State-Justice-Commerce appropriations bill had it not been for the dedicated efforts of Senator REID in his position as whip on the Democratic side, working with the chairman of the committee and the ranking member of the committee to get that legislation through. This is a responsible thing to do; the Senate will run better and we will still have the opportunity to offer amendments on legislative issues. So I hope, when the day is over, we will have reinstated rule XVI, and we will all be better off because of it.

Mr. President, I yield the floor.

**RESERVATION OF LEADER TIME**

The PRESIDING OFFICER (Mr. KYL). Under the previous order, leadership time is reserved.

**RESTORATION OF THE ENFORCEMENT OF RULE XVI**

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. Res. 160, which the clerk will report.

The legislative clerk read as follows: A resolution (S. Res. 160) to restore enforcement of rule XVI.

The PRESIDING OFFICER. Time on the resolution shall be limited to 6 hours.

Mr. REID. Mr. President, I have been designated by the Democratic leader to control the time on this resolution that is now before the Senate.

I feel a certain affinity toward rule XVI because it was my point of order that was appealed and overruled. In short, what this meant is that we were here on an appropriations bill. It had been standard procedure in the Senate for decades and decades and decades that when an appropriations bill came before this body, we did not offer legislative matters on that appropriations bill; it should be for the 13 subcommittees to deal with the money of this country and not append extraneous materials, extraneous legislative matters to an appropriations bill.

However, that is what happened on such a matter, a supplemental appropriations bill. The junior Senator from Texas offered an amendment dealing with the Endangered Species Act. I raised a point of order. The Chair upheld my point of order and that was appealed, a vote taken in the Senate which overruled that decision, and it changed the precedence of this body.

It has caused legislating on appropriations bills as standard operating procedure in this body since then. For more than 4 years, that is what has taken place.

There is going to be a vote taken later on rule XVI. The minority is going to vote against it. We recognize that we will be overruled by virtue of the fact that we are in the minority. We are protesting basically because of what has gone on in the Senate these past several years. The fact is that we are not able to offer amendments to bills coming through this body. In short, the Senate has been treated similar to the House of Representatives. For those of us who served in the House, there is not much difference anymore between the House and the Senate. When a bill comes to this Chamber, there is, in effect, an order placed on that bill just as in the House saying how many amendments you can offer, how long you can debate each amendment, and in effect how the bill is going to be treated.

That is very much unlike the Senate. In decades past, when a bill came before this body, debate took place on amendments that were offered relative to that piece of legislation. That is not the way it is now.

The reason that is important is that we Democrats believe we need—the country needs—to debate campaign finance reform. In the State of Nevada, a small State populationwise, my opponent and I spent over \$20 million last year in the election. It is hard to believe. The State of Nevada had less than 2 million people in it. But my opponent, Congressman Ensign from the

State of Nevada, and I spent over \$20 million.

How could that be done? It was done because in the so-called hard money counts in our campaign we spent about \$4.5 million each, and in State party money we spent over \$6 million each. That does not take into consideration the independent expenditures that took place for me and against me. That is not the way campaigns should be, I don't believe. In the small State of Nevada, I repeat, over \$20 million, probably closer to \$25 million, \$26 million was spent when you add in the independent expenditures about which I have talked.

That is an issue we should debate in this body. Maybe I am wrong. Maybe the American public, the people from individual States, want all that money spent. I doubt it. I think we should have a debate as to whether soft money, that is, corporate money, should be used for State parties and spend all this money on negative ads. I don't think so.

There should be a time, I believe, that we are able to debate education. The State of Nevada leads the Nation in high school dropouts. We are not proud of that, but that is a fact. I think we should be able to debate issues relating to that issue.

Senator BINGAMAN and I have legislation that would create within the Department of Education a dropout czar so that we could debate whether or not we should have in the Department of Education a person whose sole job it would be to work on curbing dropouts. Three thousand children drop out of high school every day in the United States. Over 500,000 kids drop out of high school every year in America. That is not the way it should be. Education is an issue we have not debated nearly enough in this body.

There are other issues we need to talk about: child care, minimum wage, the environment. There are so many issues we have not had the ability to talk about. That is what this debate is about.

I see my friend from the State of New York is here. I am managing this bill. I do not want to take a lot of time because I am sure there will be time later today to speak about issues. But the point is, rule XVI is being debated today as a result of a ruling of the Chair that was appealed. It was my point of order to the Chair that brought about this situation in which we now find ourselves. The point we in the minority want to make is that we should have full debate on issues, all issues. There should not be any arms or legs tied. We should be able to speak as we want on issues. We have not been able to do that.

I ask my friend from New York, how much time does the Senator wish?

Mr. MOYNIHAN. Might I have, say, 15 minutes?

Mr. REID. The Senator from New York is happily yielded 15 minutes.

Mr. MOYNIHAN. I thank the Senator.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, it is a special pleasure to rise on this important subject on this fateful day in the aftermath of the Senator from Nevada, whose vigilance, if I may say, as minority whip, led him to see a clear violation of rule XVI, the rule against legislation on appropriations bills, and so he made the point of order. In a casual way, having to do with the seeming inconsequence of the measure that had been proposed, the Senate overruled that point of order, and a century and more of fixed senatorial practice crashed and burned and has been burning all around us ever since.

There is a larger context, I suggest, in which to consider this matter. I am now in my last term in the Senate. I have been here almost a quarter of a century. I am frequently asked what has changed in the Senate in my time here. Without hesitation, the one thing I say is the procedures by which we work.

When I arrived, there was a recognizable symmetry and balance to the distribution of responsibilities, duties, and powers in the body. We had evolved over the 19th century a two-layer pattern of committees—committees being very special and distinct to our Government.

We are one of the few governments in the world that has them. The House of Commons has none. Recently they have been appointing committees of inquiry but no legislative committees of any kind. All authority rests with the Prime Minister. On those used-to-be celebrated occasions when the Chancellor of Exchequer at No. 11 Downing Street would come out, and he would hold up a briefcase called the budget, that, sir, was, in fact, the budget. There was not going to be a chance of change in the government's proposal. It has been that way for more than two centuries.

It is not the government that the founders put in place. They put in place a government of checks and balances of the assumption of opposed interests, of the resolution by debate, and by the recognition that there were, in fact, opposed interests. We were not all happily subject to the Queen, under her rule—or his if it were a King—and a harmony in the realm. Our founders thought no such thing. They did not depend on virtue. They depended on self-interest and being equally opposed in a mode of negotiation to resolve matters.

We had a series of authorizing committees, and they had jurisdiction over principal areas of government service. There were four—well, the principal committees were Foreign Relations,

Finance, Armed Services, and then Interior, Commerce, Labor and Public Welfare, as it then was, Environment and Public Works, having previously been just Public Works.

Their jurisdictions changed. New issues came along. Public Works became Environment. Public Works, under the tutelage of Senator Muskie of Maine, brought the issue of the environment to our body. They would make laws which more often than not required expenditure. That expenditure would be provided by the Appropriations Committee in terms of the laws that had been passed by the authorizing committees. There was a parallel.

The Finance Committee, in the earliest years, from 1816 I believe, was principally concerned with raising the revenue of the Federal Government. In the early years, up until the beginning of this century, those were tariffs. That is why the tariff legislation, the "tariff of abominations," things similar to that are so prominent in American 19th century history.

We moved to the income tax as our principal source of revenue. Tariffs are still not insignificant. In the Finance Committee, of which I am a member—for a period I was the chairman; now ranking member—we looked after the revenues of the Federal Government. Then Social Security came along; it was a tax. Whether it ought to have been a tax, sir, is an issue you could debate.

But 54, 55 years ago, at a garden party here in Washington, Frances Perkins, the Secretary of Labor who was responsible for developing a Social Security plan—a Justice of the Supreme Court kindly asked her about her work, and she said she had this great plan, but she was very concerned because the great Justices always said it was unconstitutional, whatever the New Deal was then going through that period. The Justice asked her to tell him more. She did, and he leaned down and whispered: The taxing power, my dear; all you need is the taxing power.

So in that famous photograph of President Roosevelt signing the Social Security Act, the person to his right is the chairman of the Committee on Ways and Means of the House of Representatives, a gentleman from North Carolina named Robert Doughton—little noted in history but enormous in his impact.

So the Finance Committee has taken over these other areas as well. Still our basic task is to raise revenue that the Appropriations Committee will spend in accordance with the laws passed by the authorizing committees. A workable system—rational, understandable, comprehensible and functioning.

Then in 1974 came the Budget Act and the creation of the Congressional Budget Office, the creation of the budget resolution. In part, this was a reaction to events in the Nixon administration—political and contemporary. But

just as important, if I may be allowed a certain excursion into political science, if that is the term, it is a pattern that one observes in governments the world over, and you can see in ours. It was with the proposition, sir, that organizations in conflict become like one another.

A German sociologist at the end of the 19th century noted that even Persians finally determined it was better to have Greeks fight Greeks. And you can trace these patterns of imitation and competition through our own government.

Item. In 1904, or thereabouts, Theodore Roosevelt built the West Wing for the White House. He now had an office, the President had an office with a desk, and he could ask reporters in to tell them about things. Suddenly an office that had not been that eminent, certainly not compared to the Speaker of the House of Representatives, took on a quality previously unnoticed.

Right away the House built the Cannon Office Building named for their Speaker, Joe Cannon. We built what is now the Russell Building. Franklin Roosevelt built the East Wing of the White House. They built Longworth; we built Dirksen. In the meantime, the Supreme Court, which had worked happily down the hall for a century and a half—or, well, from the time we moved in to the new quarters in 1859, I believe—they came up from the basement and lived happily down there, and they said: Why don't we have a building? And they produced a building which eventually was across the park here. This pattern goes on and on.

Presidents travel abroad now. We travel abroad. There are more judges in the executive branch than there are in the judicial branch, and the like.

In 1921, Warren Harding created the Bureau of the Budget. Suddenly there was a consolidation of Presidential authority. Departments used to send their budgets to the Congress on their own. The President would know about them, of course, but there was no unified Presidential executive budget. That made for a real shift of authority toward the President.

It took almost half a century, but then we got our Bureau of the Budget in the Congressional Budget Office, and we started having our budget. This suddenly intrudes on the authority of the authorizing committees. Each year they would be given a notice of how much money they could spend, which was to be tolerable, of course, but it was somebody else telling them what previously they decided on their own. In this context, there was a centralization of authority in the Senate which did not serve it well.

Then came the decision to overturn rule XVI. Our government became incomprehensible. I cannot think of the number of hours I have stood on this floor, sometimes there at the desk for

the chairman of the Finance Committee or ranking member, sometimes back here, looking at the final product of some massive, mysterious, impenetrable conference that went on somewhere in this building, downtown, elsewhere, that would bring to our desks at the end of the Congress 1,500-page bills that did everything, combined the appropriations with the legislation, with this, with that, with nobody knowing its contents. Not one Member of this body could attest to having read the bill, probably no one person. Obviously, some persons had read some parts, but that is not a democratic procedure. That is not a wise procedure.

It came about through a combination of the Budget Committee and this breaking away of a long, established unrestraint on ourselves that there are 13 appropriation bills, each must pass, and, therefore, if somehow you could get a measure on an appropriations bill, it would become law, even if it might not make it through the authorizing committees.

Well, yes, but what law? Whose law? Who knew? Those committees haven't been up there, the Foreign Affairs Committee, Armed Services Committee, for two centuries without acquiring some experience in their matters; and here, sir, we are heading for the same thing because the rule was overturned. Appropriations bills don't get passed any longer. Now it is we have 2 weeks left in July and August, really, because of the recess.

Mr. President, if my time has expired, may I ask for 5 additional minutes.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. REID. I yield the Senator another 5 minutes.

Mr. MOYNIHAN. We are heading for this situation. There is even talk that the tax bills, which we will bring to the floor tomorrow or Wednesday, need not be resolved in this period of time. They can lay over until September. Well, that means they will lay over until the last day of the Congress, the last moment of the session. In the meantime, we can expect over half the appropriation bills to have passed.

I wonder if I might address a question to my friend from Nevada, if I might interrupt. How many appropriation bills have passed this year? Would he happen to know? No reason to know.

Mr. REID. I say to my friend from New York, surprisingly, in spite of the legislating on appropriation bills, we have passed, I think, seven appropriation bills at this stage, give or take a bill or two. But, for example, we were able, on Thursday, to pass Commerce-State-Justice, which had hundreds of amendments filed. It was only through the cooperation of the membership.

Mr. MOYNIHAN. We begin to come to our senses; that has brought us to this point. We passed seven. I don't think

we will pass 13. I think our tax legislation has every prospect of being an abomination. The Senate cannot pass legislation which it has never read and does not understand. That is what has been the consequence of this new situation.

In addition to which, the distinguished minority leader is proposing an amendment to the fine initiative of the majority leader that says: No more writing legislation in conference committees. That is against all of our rules, too, but has crept into our practices. Again, the authorizing committees are gradually being marginalized and have no role. Power is centralized.

Mr. REID. Will the Senator from New York yield for a question?

Mr. MOYNIHAN. I surely will.

Mr. REID. The Senator has graphically illustrated what happened under our present situation. Last fall, being more specific, that huge document we were asked to vote upon, we all came from our individual States, because we had been out of session, while a few people negotiated this bill for all of us.

Mr. MOYNIHAN. Right.

Mr. REID. It was well over 1,000 pages, and it was something that you or I didn't read or anyone else read, isn't that true?

Mr. MOYNIHAN. I stood here and said: I haven't read it. I know no one who has read it.

Mr. REID. I say to my friend from New York, the same thing is happening now. The mere fact that the Senate has passed an appropriations bill doesn't mean it is going to become law because we have to go to conference with the House. If we are fortunate enough to come up with a bill, it goes down to the President. He has said he is going to veto most of these appropriations bills. So that means we will be right back where we started last year, isn't that the case? We will have a bill written in conference that you or I, or even the members of the appropriations subcommittees, have never seen; is that fair?

Mr. MOYNIHAN. That is exactly so, sir. I can say to you, for example, that Senator ROTH, our distinguished chairman of the Finance Committee, and I have jointly been sending letters regularly to the Appropriations Committee saying: You have Social Security Act or tax matters in this appropriations measure you are dealing with; surely, you don't want to do that. We don't get answers somehow.

Mr. REID. But under our present rules, I say to my friend, that is not only the rule, it is being done.

The minority leader has offered an amendment to this change we are discussing today regarding rule XXVIII, so that when you go to conference, the conferees could only work on the bills they have, the one from the House and the one from the Senate, and have to work on matters that are before them.

They can't go outside that scope and start talking about wild horses in Nevada or they can't start talking about the wheat crop in North Dakota, if it is not in the conference report.

Mr. MOYNIHAN. If it is not in the conference report.

I will close, sir, by simply saying this is a subject that is said to be arcane, to be incomprehensible, to be something on the margin. The Constitution of the United States is a bit arcane. It was not something immediately obvious to everyone, what its principles were. But they were powerful, and they have persisted. So, indeed, have the rules of the Senate, developed in the early 19th century, and then later, starting in 1868, with regard to germaneness and the like. Language very similar to our Rule XVI dates to 1884. We have here the question of whether we are going to be able to govern ourselves in the future. If we should fail in that regard, what else, sir, will there be said of us when the history of the decline of the American Congress is written?

I thank the Chair for its courtesy in allowing me to extend my time. I thank my friend, the minority whip, and I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I think the statement made by the Senator from New York and the wisdom that he imparted to us is something we should all listen to.

Some have said: Well, we have to treat the Senate like the House of Representatives. We really can't debate measures.

I say to my friend from New York, and anyone else within the sound of my voice, we used to debate matters and let the cards fall where they did. A good example of that was the Budget Deficit Reduction Act of 1993. As Senators will recall, we had all kinds of statements of doom regarding that. The chairman of the House Budget Committee said: This plan will not work. If it does work, then I will have to become a Democrat.

Well, it has worked. We have now a budget surplus. But my friend from the House has not become a Democrat.

My friend, the chairman of the Finance Committee, said: It will flatten the economy. That has not been the case.

My friend, the senior Senator from Texas, said: I want to predict here tonight that if we adopt this bill, the American economy is going to get weaker, not stronger. The deficit 4 years from today will be higher than it is today, not lower. When all is said and done, people will pay more taxes. The economy will create fewer jobs. The government will spend more money, and the American people will be worse off.

Every statement made by my friend from Texas was absolutely wrong. The

fact is that we had that bill. We had a debate. Without a single vote from my friends on the other side of the aisle, we passed that bill, with the Vice President breaking the tie. The deficit did not rise. In fact, it went away.

The economy got stronger, not weaker. More jobs were created; in fact, almost 20 million new jobs have been created since that legislation was passed.

The point I am trying to make is that we can debate issues, debate them in their entirety. We should do more of that. That is what this is all about.

Mr. MOYNIHAN. Will my friend yield for a comment?

Mr. REID. I am happy to yield.

Mr. MOYNIHAN. I was chairman of the Finance Committee in 1993 when that deficit reduction act passed. It was a risk. We risked that what we understood of markets and of the economy was right. We could have been wrong. But it was not a casual affair. Day after day and evening after evening in the Finance Committee we debated it. We voted on it. It came to the floor, admittedly under a time limit from the Budget Act, but it was adequate to the purpose.

We legislated, and it was done in the open. The consequences are here to see. The \$500 billion deficit reduction package contained in the 1993 reconciliation bill has been re-estimated by the Office of Management and Budget as having saved a total of \$1.2 trillion. We had a \$290 billion deficit that year. The 10-year projection was \$3 trillion, and more, of cumulative deficits. Now we are dealing with a \$3 trillion surplus. But that is because the process worked—and in the open. The oldest principle of our Government is openness and responsibility. We have been abandoning both, and the consequences show.

Mr. REID. I say also to my friend, he will remember when we had the debate about uninsured people who had no health care—who needed health care but had no insurance. That was a debate that came early in the Clinton administration, and we had a full and complete debate on that issue. It was debated at great length.

At that time, we had 38 million people with no health insurance. Now we have 43 million people with no health insurance. But the fact is, when you are in the majority, you have to take chances, as did the former chairman of the Finance Committee, the senior Senator from New York. You have to take chances. Health care was a good debate for the country. Does the Senator agree?

Mr. MOYNIHAN. I much agree.

Mr. REID. So I hope this debate will allow the majority to give us more opportunities to debate issues. It doesn't hurt to talk at length about issues. It is good for the country to talk about issues. It is good for the body politic. But we should legislate the way the

Founding Fathers determined we should, and not have 1,500 bills that are prepared by 8 or 9 people when we have 535 Members of Congress. We have less than two handfuls of people that came up with that bill, and that is wrong. I think we need to change rule XVI, of course. We are going to protest and probably vote against that. But we also need to change rule XXVIII while we are doing it. If we do that, we will have a much more open and better legislative body. Does the Senator agree?

Mr. MOYNIHAN. Well said, sir.

Mr. REID. Mr. President, I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I ask unanimous consent that I may speak as in morning business and that the time I consume be counted against the time on the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### THE NATIONAL MISSILE DEFENSE ACT

Mr. COCHRAN. Mr. President, this morning I noticed in the Washington Times newspaper that President Clinton has signed the bill we authored here in the Senate, the National Missile Defense Act. This is very important legislation which the Senate passed after a lot of debate. The House and the Senate then reconciled differences between the House-passed measure and the Senate bill and sent the bill to the President.

The President made a statement in connection with his signing the bill which raises some questions that I thought should be addressed by a comment this morning. After talking about the fact that he is signing the bill to address the growing danger that rogue nations may develop and field long-range missiles capable of delivering weapons of mass destruction against the United States and our allies, he then has this to say in his message. He is referring to the fact that authorization and appropriations measures will be a part of the process in terms of when and how and to what extent the funding is available for national missile defense.

This interpretation, which is confirmed by the legislative record taken as a whole, is also required to avoid a possible impairment of my constitutional authorities.

The President is suggesting that the bill doesn't mean what it says. I think that has to be brought to the attention of the Senate. The bill is very clear. It provides that it is the policy of the United States, upon enactment of this law, to deploy a national missile defense system as soon as technologically possible. That is unequivocal. It does not say "but if." It is a change in policy of our Government. It has passed

both Houses by a large majority, and now the President has signed the statute.

It seems to me the President is trying to reinterpret the bill to justify changing his position on this issue. He signed the bill; he didn't veto it. This is not a veto message. He could have vetoed the bill, if he disagreed with the terms, and given Congress an opportunity to review that veto message and override the veto or sustain it, as the Congress' will dictates.

I point this out to suggest that it is clear we have changed our policy, irrespective of the President's qualms about the new policy, and we now are committed as a nation to deploy a national missile defense system. We will do so in the orderly course of authorization and appropriation bills that we pass, as required. We have an annual appropriations bill funding all of the activities of the Department of Defense. But it is clear that one of those activities will be the continued research, development, and deployment of a national missile defense system.

I think it is very timely to point this out because the Prime Minister of Russia is coming to the United States. There will be talks this week with the President.

I am hopeful, and I urge the President to be honest with the Russian leadership about the need to modify the Anti-Ballistic Missile Treaty because the first part of that treaty says that neither signatory will deploy a missile defense system to protect the territory of its nation. But we have just changed the law of the United States to say that is our intention. We are committed to deploying a missile defense system that will protect the territory of the United States.

So, insofar as that is inconsistent with the Anti-Ballistic Missile Treaty, the treaty needs to be changed, and our President should say that to the Prime Minister of Russia unequivocally—not we “may” change our mind when it comes time to authorize a deployment or to fund a deployment.

The decision has been made to deploy a system, and when technology permits us to deploy an effective missile defense system under the terms of this act, we are going to do it irrespective of the provisions of that treaty. So we must change the treaty. And we want to assure the Russians that we are not targeting them. We are not trying to create a new era of tension or competition or to make this a more dangerous relationship—just the opposite; we want to be aboveboard, candid, and honest with the Russians.

That is what I hope the President will do as a spokesman for our country.

At this point, I ask unanimous consent that a copy of the statement by the President at his signing of the National Missile Defense Act be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WHITE HOUSE BRIEFING ROOM,  
OFFICE OF THE PRESS SECRETARY,  
*The White House, July 23, 1999.*

#### STATEMENT BY THE PRESIDENT

I have signed into law H.R. 4, the “National Missile Defense Act of 1999.” My Administration is committed to addressing the growing danger that rogue nations may develop and field long-range missiles capable of delivering weapons of mass destruction against the United States and our allies.

Section 2 of this Act states that it is the policy of the United States to deploy as soon as technologically possible an effective National Missile Defense (NMD) system with funding subject to the annual authorization of appropriations and the annual appropriation of funds for NMD. By specifying that any NMD deployment must be subject to the authorization and appropriations process, the legislation makes clear that no decision on deployment has been made. This interpretation, which is confirmed by the legislative record taken as a whole, is also required to avoid any possible impairment of my constitutional authorities.

Section 3 of that Act states that it is the policy of the United States to seek continued negotiated reductions in Russian nuclear forces. Thus, section 3 puts the Congress on record as continuing to support negotiated reductions in strategic nuclear arms, reaffirming my Administration's position that our missile defense policy must take into account our arms control and nuclear non-proliferation objectives.

Next year, we will, for the first time, determine whether to deploy a limited National Missile Defense, when we review the results of flight tests and other developmental efforts, consider cost estimates, and evaluate the threat. Any NMD system we deploy must be operationally effective, cost-effective, and enhance our security. In making our determination, we will also review progress in achieving our arms control objectives, including negotiating any amendments to the ABM Treaty that may be required to accommodate a possible NMD deployment.

Mr. COCHRAN. Mr. President, further, I ask unanimous consent that a copy of this morning's report contained in the Washington Times written by Bill Gertz describing the issue and the President's actions also be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Times, July 26, 1999]

#### CLINTON SIGNS BILL FOR MISSILE DEFENSE—

SAYS HE'S NOT REQUIRED TO DEPLOY IT

By Bill Gertz

President Clinton has signed into law a bill that says U.S. policy is to deploy a nationwide defense against long-range missiles as soon as the technology is available.

The president signed the legislation Friday but issued a statement saying the law does not obligate him to deploy the national missile defense, remarks that will likely upset congressional Republicans in favor of deployment.

The National Missile Defense (NMD) Act states that it is U.S. policy to deploy “as soon as technologically possible” a system of interceptors, radar and communications gear

that can shoot down an incoming long-range missile.

Mr. Clinton said the law on deployment is subject to funding by annual authorization and appropriations for national missile defense.

“By specifying that any [national missile defense] deployment must be subject to the authorization and appropriations process, the legislation makes clear that no decision on deployment has been made,” Mr. Clinton said.

“This interpretation, which is confirmed by the legislative record taken as a whole, is also required to avoid any possible impairment of my constitutional authorities.”

Mr. Clinton said the legislation also calls for continuing to seek negotiations with Russia on reducing nuclear forces, “reaffirming my administration's position that our missile defense policy must take into account our arms control and nuclear non-proliferation objectives.”

The president remains opposed to deploying a missile defense because it will upset arms reductions and negotiations with Moscow. Mr. Clinton has said the 1972 Anti-Ballistic Missile (ABM) treaty is the “cornerstone” of strategic relations with Russia and must be preserved.

The administration announced earlier this year that it would begin talks—not negotiations—with Moscow on changing the ABM treaty to allow deployment.

The issue is expected to come up this week in talks between senior U.S. officials and visiting Russian Prime Minister Sergei Stepashin.

Mr. Stepashin will also discuss beginning a new round of arms reduction talks even though Russia's Duma has failed for several years to ratify the START II strategic arms pact.

The U.S. Senate, which ratified START II in 1996, conditioned its approval on Russian ratification of the treaty and prohibited the United States from cutting its nuclear forces to START II levels until Russia's parliament approves the treaty.

Many Republicans in Congress have said the ABM treaty is outdated and fails to take into account emerging long-range missile threats from China, North Korea and other nations.

A special congressional commission on missile threats stated in a report last year that long-range missile threats to the United States could emerge with little or no warning. The commission, headed by former Defense Secretary Donald Rumsfeld, boosted efforts by missile defense proponents and led to bipartisan support for the Missile Defense Act signed by Mr. Clinton.

Mr. Clinton said in his statement that a decision on whether to deploy a limited national missile defense will be made next year based on flight tests and other developmental efforts, cost estimates and an evaluation of the threat.

“Any NMD system we deploy must be operationally effective, cost-effective, and enhance our security,” Mr. Clinton said. “In making our determination, we will also review progress in achieving our arms control objectives including negotiating any amendments to the ABM treaty that may be required to accommodate a possible NMD deployment.”

Mr. Clinton and Russian President Boris Yeltsin agreed during a meeting in Germany last month to hold talks this fall on possible changes in the ABM treaty.

White House National Security Adviser Samuel R. Berger told reporters at the time



that the administration would make no decision on deploying missile defenses until June 2000. Mr. Berger also indicated that ABM treaty changes might be needed to accommodate a missile defense "if we were to deploy one."

Russia has opposed any changes at the ABM treaty, which states that neither side will build missile defenses that cover their entire national territory.

Russia has a limited, single missile defense site set up around Moscow. The United States has no defense against long-range missiles.

A senior White House official has said that the funding and authorization language of the Missile Defense Act is a loophole that allows that president to avoid having to deploy a national missile defense.

However, Sen. Thad Cochran, Mississippi Republican and chief sponsor of the legislation, has said the legislation is unambiguous.

Mr. Cochran said the administration should be honest about the need for ABM treaty changes.

Mr. COCHRAN. I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### RESTORATION OF THE ENFORCEMENT OF RULE XVI—Continued

Mr. REID. Mr. President, we are here today talking about the change in rule XVI. We are also talking about the minority leader's effort to change rule XXVIII.

The minority today wants to talk about how we are being treated like the House of Representatives. In fact, if the majority were consistent and they were going to vote without any question to change rule XVI, they would also vote to change rule XXVIII, which in effect says you can't go outside the scope of the conference as the conference committees have done, especially in the appropriations field.

I am happy to see my friend from North Dakota here, the chairman of the Democratic Policy Committee, who is in effect the educational arm for the minority.

Is the Senator ready to proceed?

Mr. DORGAN. Yes.

Mr. REID. Mr. President, I yield 10 minutes to the Senator from North Dakota.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, the vote that has been called on this issue, I assume, is a vote that will come to the Senate because some are inconvenienced or upset by amendments that have been offered by those on the Democratic side of the aisle. These amendments have dealt with a range of

issues we think are very important: Education, health care, agriculture—a whole series of issues we think need to be addressed. Because we have not been able to address them on authorization bills, we have offered amendments on appropriations bills.

As the Presiding Officer and my colleagues know, the precedent stemming back from a vote some while ago in the Senate allows us to do that. That might be inconvenient for the majority because it allows us, then, on an appropriations bill, to offer an amendment and have a debate on the Patients' Bill of Rights, for example. Or it may allow for us to have a debate on the agriculture disaster relief bill. They may not want to do that, but they cannot deny the members of the Democratic minority in the Senate the right to amend an appropriations bill. So the proposal is to change the rules back to where they used to be in order to prevent amendments of the type I have just described from being offered to the appropriations bills.

I thought it would be useful today to just go through a list of bills that describe the way the Senate has been operating in recent years and describe why many of us have felt it necessary to try to add legislation to appropriations bills. Let me just go through a list going back to 1997 and 1998.

The Family Friendly Workplace Act, S. 4. This bill, as it was described on the floor of the Senate, sought to give employees more flexibility with their work hours. Senator PATTY MURRAY sought to propose an amendment to give employees 24 hours a year of current family medical leave so they could take time off to go to school conferences and other things. But cloture was filed so that amendments could be offered. The purpose of the majority was to say: We want to debate S. 4. It is our bill. We want to debate it and we do not want the inconvenience of having amendments that we believe are not appropriate or germane to the bill. So what we want to do is put the bill on the floor and file cloture and prevent the Democrats from offering amendments.

On the Education Savings Act for public and private schools, they had the same approach: Bring the bill out here, file cloture and say: We want to debate this bill. It is our agenda. But we do not want you to be able to offer the amendments you want to offer.

The Federal Vacancies Reform Act, the same thing; Child Custody Protection Act, same thing. If we go through a list of these, we see what has happened is the majority leader has set himself up, it seems to me, as a kind of House Rules Committee in the Senate, saying I am going to bring a bill to the floor, and I am going to fill the legislative tree, as they call it, and create a mechanism by which no one else can move. It is a legislative straitjacket.

No one else will be able to offer amendments.

Then the majority leader has said to us, on occasion: All right, I have a bill. I have filled the tree, come to me with your amendments, and if I approve and think we ought to debate them, I will allow you to debate them; if I don't, I will not.

That is not the way the Senate works. The Senate is a very inconvenient place and not a very effective or efficient place in the way it disposes of legislation. But that happens to be the way George Washington and Thomas Jefferson and Ben Franklin and Mason and Madison anticipated this place should work.

Remember the description about the Senate being the saucer that cools the coffee? They did not intend the Senate to work the way the House works, to have a Rules Committee to mandate that only certain amendments will be allowed, and then there will only be a certain amount of debate allowed, and it will all go very efficiently. That is not the way they intended the Senate to work. Yet that is exactly the way the majority leader has anticipated the Senate should work now for some long while.

If we had this rule in place last year, for example, the Senator from Nevada knows we would not have been able to offer the agriculture relief package we offered and got attached to the agriculture appropriations bill. The first portion of the farm crisis relief package was done in the Senate as an amendment that I and Senator CONRAD offered to the agriculture appropriations bill. It would not be allowed under the rule change that is now being proposed by the majority leader.

So we have a circumstance where the majority has decided that it really wants to debate its agenda. I understand that. If I were on their side, I would want to debate their agenda. They have a right to do that; that is their right. I will vote every day to support their right to do that. But then they say: Not only do we want to debate our agenda, we want to prevent the other side from offering amendments that relate to their agenda.

That is not appropriate. It is not the way the Senate should work. The reason we have had to offer amendments to appropriations bills is because authorization bills have not been passed. When they do come to the floor, the majority leader decides he does not want amendments offered to authorization bills.

Let me give one example, if I might. Does anybody know anything about the Federal Aviation Administration Reauthorization bill? That is an important bill. It describes how we run the airways in this country—the control towers, the safety of air transportation. Do you know we just passed the other night, by unanimous consent, a 2-

month extension of the FAA bill? I will bet there are not 10 Senators who know we passed, by unanimous consent, a 2-month extension. Why did we pass a 2-month extension? Because we should have passed an FAA reauthorization bill in the last Congress and it did not get done because we have a huge fight going on.

Mr. REID. Mr. President, I would like to ask the Senator from North Dakota a question. The Senator from North Dakota served in the House of Representatives how many years?

Mr. DORGAN. I was in the House of Representatives 12 years.

Mr. REID. It is true that it is a very large body, 435 Members. Over the years they have developed certain rules to move legislation because it is a large body?

Mr. DORGAN. That is correct.

Mr. REID. Every bill that comes to the House floor has a rule placed on it—how long it can be debated, what amendments can be debated. My colleague recalls those days, as do I, being a former House Member?

Mr. DORGAN. The Senator from Nevada is absolutely correct about the procedures of the House.

Mr. REID. I say to my friend, isn't his memory of how the House operates simply how the majority is now trying to operate the Senate? The leadership in the majority is trying to make it the same, is that not true?

Mr. DORGAN. That is exactly what is happening in the Senate, and it causes some heartburn for many people who understand how the Senate has traditionally worked and ought to work. This is not the House. We do not have a Rules Committee which decides what amendments should be offered. I know some want to change this into a body that operates identically to the House of Representatives, but it is not the way the Framers of this Government decided how it should work.

I want to go back for a moment to this issue of the FAA reauthorization bill. It describes our problems. We are not passing authorization bills. They are all hung up with big disputes here and there, and when one does come to the floor, the folks who bring it to the floor fill up the legislative tree and decide they do not want the rest of us to be able to offer amendments. That is a big problem. If the Senate were operating the way it should, I do not think there would be any concern about whether or not you could legislate on an appropriations bill. But because the Senate is not operating the way it should, the Democrats are largely prevented from offering amendments in most cases.

And motions to shut off debate before debate starts, or even before the first amendment is offered, have now become routine. Think of that again. The filing of motions to shut off debate, even before the first amendment is

filed, has become routine in the Senate.

If you went back to that little room in Philadelphia where they wrote this Constitution, I will bet they would be aghast at that. When Mason and Madison and Franklin and George Washington, talked about what kind of a framework they wanted to describe for governance of this country, they created a Senate that was deliberately inefficient. It required things to slow down a bit and that there to be a lengthy public debate about what ought to happen and what is good and what is not good public policy. They did that deliberately.

Now we have all these folks who say we do not want the Senate to be able to consider, for any length of time, these issues. We do not want amendments to be offered; we want this place to be kind of a slam-dunk, highly efficient mirror image of the U.S. House of Representatives. That is not what it ought to be.

I know outside this Chamber this notion of rule changes and rule XVI sounds like a foreign language.

I ask unanimous consent for 2 additional minutes.

The PRESIDING OFFICER (Mr. ROBERTS). Without objection, it is so ordered.

Mr. DORGAN. Mr. President, this must sound like a foreign language to people—rule XVI, legislating on appropriations bills, germane. It is not a foreign language. It is about whether folks have the right to stand at these desks and engage in debate and offer amendments.

This desk I am standing at is the desk that was sat in by Robert La Follette, the great, popular Senator from Wisconsin. In fact, I am told on May 29, 1908, they tried to poison Robert La Follette at this very desk. The Senate historian sent me information about that. He had been filibustering and had been on his feet for some 8 hours or so, and he put a glass of eggnog to his lips and spat the eggnog and claimed he had been poisoned. There is a lot of mystery about that circumstance. It was at this desk in 1908 that a great, popular Senator in the middle of a filibuster suffered that indignity.

Having heard that story now and seen the evidence from the Senate historian, I am probably not likely to filibuster anytime soon. At least if I do, I will not from this desk.

The point is, back in the old days, the way the Senate used to work, and the not so old days even going back 10, 20, 30 years, the Senate was a deliberative body. Its ability to debate was not choked by someone filing cloture motions before anyone else had the opportunity even to offer an amendment. That is not the way the Senate should work.

The change in rule XVI allowed us to offer legislative amendments on appro-

priations bills. That is necessary only because the Senate is now being operated in a way that, in my judgment, was not intended at all by the framers of the Constitution and certainly was not the way it was run for the first 180 years or so of its existence.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DORGAN. I yield the floor.

Mr. REID. I yield 10 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The distinguished Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I thank the Senator from Nevada for giving me this time.

I listened with great interest and confusion—I guess a little bit—to what the Senator from North Dakota was saying. He is right on target. I served 10 years in the House of Representatives before I came to the Senate. We were always a little frustrated at that time, I remember, by the Rules Committee because they would set up the rules by which we could debate. We only had 5 minutes in the House. You could speak 5 minutes, and that was it. Once in a while, you were lucky to get consent to speak for 7 or 8 minutes.

We always knew that if the majority party or minority party or interested people could not get an amendment up because of the Rules Committee, it could always be done in the Senate. I cannot think of any time since I came to the Senate in 1975 when an issue we wanted to debate in the House but were prevented from doing so by the action of the Rules Committee was not then later followed up with full debate on the Senate floor.

That is as the framers of our Constitution envisioned. The Senator from North Dakota is right, and the Senator from Nevada is right. With 435 Members in the House, there is no way it could function if it functioned under the same rules as the Senate, so they have to have a Rules Committee. I understand that.

In the Senate, as envisioned by the framers of our Constitution, we are to have open and deliberative debate about the great issues of the day, and it is to be just that, deliberative.

Mr. REID. Will my friend yield for a question?

Mr. HARKIN. I am delighted to yield to the Senator.

Mr. REID. I reminded my friend from Iowa just the other day of one of the first legislative sessions I attended while in the Senate. The Senator from Iowa came to the Senate a couple years prior to this Senator. It was 2:30 in the morning. We were debating an issue, and the Senator from Iowa felt very strongly about aid to the contras in Central America. Even though it was inconvenient, even though it was 2:30 in the morning, and even though most of us wished the Senator had not offered an amendment, the Senator from

Iowa had the right at 2:30 in the morning to offer an amendment on a bill that was before the Senate. There were no rules on that bill, and the Senator offered an amendment on aid to the contras because the Senator from Iowa felt strongly about that and he had a right to offer it. Does the Senator remember that?

Mr. HARKIN. I do remember that, I tell the Senator. I remember it very well, as a matter of fact.

Mr. REID. Mr. President, I say to my friend, we are a better country, no matter how one felt about aid to the contras—I happened to agree with my friend from Iowa—for having been able to debate that issue in the light of day.

Mr. HARKIN. I say to the Senator, he is absolutely right. I remember that time. I remember some of the great debates we had. I say to my friend from Nevada, when I came to the Senate, the Republicans were in charge, and then the Democrats were in charge, and then it went back to the Republicans again. In all those years—first it was under Senator Dole, then Senator BYRD, Senator Mitchell, Senator Dole again—in all that time, we had free and open debate in the Senate. Once in a while, the majority would try to skirt it a little bit, but that was used very rarely. The general rule in the Senate was that we had authorizing bills, we offered our amendments, and we debated them fully. Sometimes they lasted until 2:30 or 3 in the morning—not often, but once in a while when it was an important issue of the day, when those who felt strongly about those issues thought it needed a full airing.

I do not remember at any time during that period that anything got held up, that this body came to a screeching, grinding halt. We had our say. We had good deliberations. That is gone now. We do not have that any longer. We do not have a free-flowing debate in the Senate any longer. A person gets up, gives a speech, and leaves the floor. Why? Because the way things are being structured now does not really allow for the free-flowing, deliberative debate we have had in the past.

When we changed rule XVI in 1995, when the then-new Republican majority voted to change rule XVI, I was opposed to that. I thought we should continue to operate as we had been operating. But since 1995, what has happened is, under the new leadership in the Senate, we have a structure that does not allow for that kind of debate and deliberation on authorizing bills. It has been common now for the majority to take the position that we do not have any regular debate on controversial subjects. We are not allowed the orderly amendment process to be considered in the Senate.

We are all products of our backgrounds, our upbringing, what we learned earlier in life. I know the dis-

tinguished majority leader—who is a fine man, and I have the greatest amount of respect for him—in his tenure in the House served on the Rules Committee. I am openly wondering whether or not the Senate majority leader's tenure on the House Rules Committee is somehow affecting his leadership in the Senate. Is the Senate majority leader trying to run the Senate the way the House Rules Committee runs the House? It seems to me that is what is happening, moving the Senate toward House procedures.

The pattern has become clear. The Republican leader decides on a particular measure; they move to consider it in a process where no amendments can be offered or only a limited number of predetermined amendments may be offered.

Again, the argument of limited time is often suggested as a reason—we do not have all this time—but that is clearly a veil that hides nothing.

Several days are spent working out the details of what may be allowed instead of proceeding to the bill and allowing us to debate.

How many days, I ask my friend from Nevada, have we spent on the floor with nobody here, quorum call after quorum call, simply because the majority leader does not want to have a measure on the floor to which we can add our amendments and openly debate them?

The reason given is that, well, it will take too much time if Senator HARKIN or Senator REID or Senator JOHNSON or Senator DORGAN get up and start offering their amendments and debate them. Yet we spend the entire week in quorum calls while they try to work out the details of some agreement on how to proceed.

The Patients' Bill of Rights is a great example. We passed that in our committee, the committee on which I serve, last spring. We wanted to bring it out on the floor for debate. The majority leader would not allow it: Oh, it would take too much time, don't you see.

What were we forced to do? We were forced to offer it on the agriculture appropriations bill. It should not have been there. We should have had open and free debate. That brought the agriculture appropriations bill to a standstill.

Then they tried to work out how we were going to do this. Finally, there was a unanimous consent agreement that established a very tight rule, similar to the House Rules Committee, in order for us to bring up the Patients' Bill of Rights. Why didn't we bring it up in the first place a month or two ago and debate it in the orderly process and be done with it?

Another example is the proposed lockbox, a procedure under which surpluses could be blocked from being spent year to year. There are a variety of ways this could have been accom-

plished. There are a lot of different views on this lockbox and how we are going to proceed on it. But look what has happened. Not once, not twice, but three times the majority leader moved to invoke cloture to block any amendments from being offered to lockbox—three times to shut off any amendments. So we still do not have the measure before us. Yet time is consumed, time is wasted around here. More time is wasted in the Senate than any place I have ever seen. We still have not brought up the lockbox. We could have brought it up a month ago and debated it.

Mr. REID. Would the Senator yield for a question?

Mr. HARKIN. Yes.

Mr. REID. It is my understanding that the cloture provision in our rules was set up to stop endless debate; is that right?

Mr. HARKIN. Yes. I say to the Senator, it was to stop endless debate.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. REID. I yield 5 additional minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator has an additional 5 minutes.

Mr. REID. I say to my friend from Iowa, the lockbox is used as an illustration. There has not been a single word of debate on that, has there been?

Mr. HARKIN. Not one word of debate.

Mr. REID. Why would you want to file cloture when there is no talk, no conversation on anything relating to it?

Mr. HARKIN. That is what I do not understand. The Senator makes my point. The majority leader is trying to run the Senate like the Rules Committee, saying: We are bringing it up, but we don't want your amendments, we don't want you to discuss this.

The Senate must be an open body. Placing authorizing measures on appropriations bills is an imperfect but, under the way the Senate is running now, a necessary method of bringing matters to the consideration of the Senate.

In light of the actions by the Republican leader to cut off our debate and our ability to have open deliberation, we have been forced to use the appropriations bills as a method of doing that.

These issues should be discussed seriously. I do not know that we need to change our rules so much around here as we need to show a greater willingness to be open, to allow for the smooth flow of ideas and amendments on the floor, rather than gagging Senators, preventing them from offering timely amendments.

I must say, if we do not move toward some accommodation on this, parliamentary procedures will be used to deteriorate the ability of the Senate to function. The restoration of rule XVI will restrict our options on the minority side. But I cannot believe—and I

say this to my friend from Nevada; I say this to the occupant of the Chair—I cannot believe that any serious student of parliamentary procedure believes that rule XVI will effectively block Senators from eventually getting votes on desired matters. It will happen, but it is going to take a terrible toll on this place.

We should be debating issues such as the minimum wage and fair pay. The other day I saw a figure that said, if you took the CEOs of the Fortune 500 companies, the CEO pay in 1960 and the minimum wage in 1960, and you brought them forward to 1999, if the minimum wage had gone up at the same rate as CEO pay, the minimum wage today would be \$40 an hour.

I would like to debate that on the floor. I would like to debate the necessity and the need to raise the minimum wage. Mr. President, \$10,700 a year, that is what it is right now for people trying to raise their families. We need a full deliberation on this. It is an important issue. Yet we are choked off and gagged from even doing so.

I can assure the majority that this can only escalate. The reimposition of rule XVI will invite the use of alternative, more disruptive parliamentary methods in order for the minority to raise these important issues for the benefit of the American people. Furthermore, I believe that this, then, will cause further erosion of the good will of this body in the smooth consideration of legislation.

We had 48 cloture votes in the last Congress. We have already had 17 this session. As the Senator from Nevada said, it is laid down immediately, not after we have debated it for some time; and the majority, exercising its right to bring debate to a close, files cloture. No. It is done right in the beginning before one amendment is offered, before one word is even uttered on the issue before us.

So I say to the majority, do not escalate, because one escalation leads to another. The reimposition of rule XVI will lead to some other action taken on this side for the minority to exercise its rights. Then there will be another escalation on the other side, and then in the end the Senate will be the loser, our Government will be the loser, and the American people will lose.

Let us not overturn the 1995 precedent on rule XVI. Let us, instead, have a substantive series of discussions to work out the necessary adjustments to the way we operate so that we can, once again, as we had until recent times, have open and fair deliberation of the major issues before this body.

I thank the Senator for yielding me time.

Mr. REID. Mr. President, I appreciate the Senator from Iowa for his statement.

I now yield 10 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The distinguished Senator from South Dakota is recognized.

Mr. JOHNSON. Mr. President, I thank my colleague from Nevada. I associate myself with the remarks of my friend and colleague from Iowa, Senator HARKIN, on this issue.

Today the Senate is considering the reinstatement of rule XVI, the Senate rule preventing authorizing legislation from being included on appropriations bills.

The reason the Senate is forced today to consider the reinstatement of rule XVI is because the Republican majority overturned the ruling of the Chair in 1995. Prior to 1995, it always was the rule that no authorizing language could be added to an appropriations bill.

Having had several years of experience under this new regime, the majority comes back with a proposal now to go back to that old rule, whereby authorizing language way not be added to an appropriations bill. If debate were being brought forward on the floor of the Senate in the way that it had over most of the history of this institution, I do not think there would be very much resistance to going back to rule XVI.

But what needs to be pointed out is the context we find ourselves in post-1995, the way in which, frankly, the current majority party seems to be bringing legislation to the floor, and the fact that this process has changed radically, and for the worse, not only for the minority party but for the American people.

If debate on amendments were brought forward in a fair fashion, with the majority party and the minority party being allowed to bring amendments and legislation to the floor, to have a reasonable discussion of those issues—whether it be about HMO managed care reform, whether it be about campaign finance reform, whether it be about minimum wage, whether it be about farm disaster legislation—regardless of what it might be, I do not think there would be any opposition to bringing those amendments up outside the context of an appropriations bill.

In recent years, it has become common practice, in fact the usual practice, for authorizing legislation, when it is brought to the floor of the Senate, to be brought with what amounts to a gag order on the minority party. By a gag order, I mean legislation is frequently now brought to the floor by our majority leader with the amendment tree filled, meaning that no minority amendments are permitted whatsoever to authorizing legislation, allowing for no additional amendments to be offered. Then cloture is filed before there is any debate on anything relative to the amendments the minority party ordinarily is allowed to bring.

What does the majority fear? Why is there this concern? Is it really a mat-

ter of saving time? As my colleague from Iowa has noted, we go days at a time around this place with no constructive legislative progress being made on the floor of the Senate, with a quorum call in progress, with no one here. Is it really to save time or is it, in fact, a concern on the part of the majority that the American people should not be allowed to share the discussion and debate on the floor about key issues that ought to be before the American public, about where this country ought to be going relative to its domestic and international agendas. Is there a gag rule for some reason other than saving time? One would have to conclude that, yes, that is the case; that apparently the majority finds it embarrassing to have Members of this body discussing an agenda that is not being addressed by the Senate.

All of this really amounts to the minority party being shut out of the process, being denied the right to amend legislation when that legislation comes to the floor.

An example, Mr. President, is when legislation to create a so-called lockbox for the Social Security trust fund was brought to the floor on several occasions earlier this year. Grossly inadequate lockbox legislation was being brought to the floor. It belied what most people would think of when they think of a lockbox. But there was no opportunity for amendments to be offered or even considered.

The minority party understands it is the minority party. It may lose a vote on a proposed amendment. But that party ought to be allowed the opportunity to point out the deficiencies of legislation and to have a fair up-or-down vote. There are times when Democrats will vote with Republicans, and Republicans will vote with Democrats. That is the way the process ought to work. Yet that opportunity is being denied this body.

The question for all of us to consider, again, is, What is the majority afraid of? Do they not believe Senators in the minority have the right to offer amendments, or that any Senator in the majority might from time to time vote with the minority? It is a sad commentary about the bipartisan politics of this body if that, indeed, is the case.

I had the honor of serving in the other Chamber for a number of years. Over there, where they have 435 Representatives, there is a Rules Committee that decides which amendments will be considered and when, and how that legislation is brought to the floor. In the other body, that process is sometimes abused but probably is necessary, given the sheer size of the body. The possibility of 435 Members offering multiple amendments obviously boggles the mind and could, indeed, slow down the process.

But one of the great strengths of the Senate has been, because of our smaller

size and the historic collegiality that has existed most of the time in this body, we don't have that kind of Rules Committee, that kind of power. Here we bring these issues to the floor for an open and fair and balanced debate; obviously, with the majority and the minority dividing the time and proceeding with debate in an orderly, constructive fashion but with an opportunity to address the key issues facing the Nation, whether brought by the majority or brought by the minority, to have that discussion. Unfortunately, the current majority—and this is out of precedent going back throughout the history of our country—wants to deny Senators in the minority a chance to offer the amendments they believe need to be offered.

I think there would be few Senators on the part of the minority who would object to reaching bipartisan agreements on the amount of time to be spent on particular legislation or the number of amendments to be offered. It is very common that these agreements about numbers of amendments and time agreements are reached in a bipartisan fashion so that we can continue to proceed in an orderly fashion so that there is no real risk of debate on these issues somehow clogging up the process and denying the ability of the Senate to move forward with its agenda. This is not a tradeoff between orderly development of legislative issues and the opportunity for the minority to bring up amendments and discuss them in a reasonable manner.

I think it is important for everyone who is following this debate, then, to keep these circumstances in mind, to fully understand what the restoration of rule XVI really is all about. It is not about orderly progress of legislation. It is not about saving time. It is about trying to gag the minority party with no opportunity to bring up legislation which the majority party is ignoring. It is a means of preventing the minority party from pointing out the deficiencies and inadequacies, as they see it, of legislation being offered by the majority. It is the majority party's effort to see to it that their own Members don't cross the aisle to vote with the minority party on selected pieces of legislation and to save themselves from that apparent embarrassment.

I point out another important issue that must be discussed again in this context. That is Senator DASCHLE's amendment to reinstate the scope of conference point of order.

The PRESIDING OFFICER. The time requested by the distinguished Senator has expired.

Mr. JOHNSON. May I have 1 additional minute?

The PRESIDING OFFICER. The Senator is recognized.

Mr. JOHNSON. Prior to 1996, a point of order could be brought in conference committee against an amendment that

had not been offered and debated in either the House or the Senate but was included in one of their versions of the bill. The majority is also overturning that rule, meaning they have the opportunity, then, to deny minority amendments on the floor of the Senate, but then, when they are in conference committee behind closed doors, with no media, no press, the majority party can amend legislation any way they wish, without regard to action of the House or the Senate on the floor.

I hope in the context of all of this the Senate will remain consistent with precedent in supporting Senator DASCHLE's effort to make sure there is some continuity of action in those conference committees. This is particularly important in light of the changes being proposed on rule XVI.

I yield back such time as I have to the Senator from Nevada.

Mr. REID. Mr. President, I say to my friend from South Dakota, I very much appreciate his statement. I also say that the people in South Dakota are very fortunate that South Dakota doesn't have a lot of people but, through Senators DASCHLE and JOHNSON, has great power in the Senate. I appreciate very much the Senator's remarks.

I now yield 10 minutes to the Senator from California, Mrs. BARBARA BOXER.

The PRESIDING OFFICER. The Senator from California is recognized for 10 minutes.

Mrs. BOXER. Thank you very much, Mr. President. I thank Senator REID, our distinguished minority whip, who has done such a fine job on so many issues.

Mr. President, I say to the public who may be watching this debate, it may sound a little arcane, but we are debating the rules of the Senate. They will hear about rule XVI, they will hear about rule XXVIII, and they will say: What does this have to do with us? What does this have to do with my daily life as an American citizen?

Let me tell you, it has everything to do with the daily lives of the American people because this debate is about the power to bring issues to the American people by way of the Senate. It is about who has the right to bring issues to this floor for debate—issues that really matter to people, issues that relate to their jobs, issues that relate to their health care, issues that relate to their kids' education, issues that relate to how much congestion there is on a freeway or at an airport. So the power to bring up issues on the floor of the Senate is, in essence, the ability for all of us as Senators to make a difference in the lives of the American people.

If you were to ask me who has the right to bring issues to the Senate floor, my answer would be every single Senator, be they Republican, Democrat, or Independent. I think it is a very sad day today because, very clearly,

the way this place has been running there is an attempt to shut down all but the Republican Senators. Because the Republican Senators control these appropriations bills in the committee, they will be able to load them up with all kinds of legislation. But once those bills get to the floor, there will be no way for Democratic Senators or Independent Senators to add their voices to that legislation.

There was a time in the Senate when things weren't like this. Perhaps they were the golden days of the Senate. When I first got here, we worked well—the Democrats did—with the Republicans. In those days, the Democrats were in charge. We worked well together. We weren't afraid to take the tough votes. We had full debate. Authorization bills were brought to the floor of the Senate. There was open debate.

Now we have a majority leader whom I like very much. Notwithstanding that, every chance he gets, his goal is to shut down the debate, to not allow a full debate. If he were in a position to open up the debate on authorizing bills, I say to the distinguished whip, we would not be here today fighting against reinstating rule XVI.

I want to take a look at how we actually got to this point. Rule XVI of the Senate rules prohibits amending appropriations bills. In other words, the rationale—which is a very good rationale—is that appropriations bills are merely bills that decide how much we spend on a particular item, and therefore they should be immune from the larger debate about underlying law and changes in underlying law. I always thought that was a good rule. We had it in place, as I say, when I got here.

Then, in 1995, the Republicans changed the rule. It came about because a Republican Senator wanted to stop the Endangered Species Act in its tracks and she wanted to attach an environmental rider to an appropriations bill. She needed very much to change rule XVI in order to win her point.

I remember being very upset at that time for two reasons. No. 1, I thought it was really bad to change rule XVI because I thought we had fair and open debate. Secondly, I thought, here is a major policy change, a major change in the law, without going through the authorizing committees, no hearings, no witnesses, no real debate in the committee.

The Endangered Species Act has been a great act. Is it perfect? No. But it saved the California condor and the bald eagle. Yet we have a Senator wanting to throw the whole thing out, essentially, and stop all the new listings because she didn't like it. In order to do that, her colleagues accommodated her and they went back to allowing legislation on appropriations; 54 Republicans voted with her at the time.

Now, after several years of seeing some of us move our legislation, such as the Patients' Bill of Rights, campaign finance reform, taking a page out of the book of the Senator from Texas, they suddenly say in the middle of the Congress that they have changed their minds. I know why they have changed their minds. They have figured out how to run this place similar to the House of Representatives, as my friend, Senator REID, pointed out.

I served in the House of Representatives for 10 years. That place runs very differently from the Senate. They shut you down. They shut down debate. How many times have you seen House Members try to deliver a whole speech in 30 seconds or a minute? I know because I learned to do it over there. The fact is that there are time constraints over there. There are so many people over there. The Senate is a different place.

Let me put it in a different way. This used to be a different place. I say to my friend—and then I will yield to him—when I was a little girl, my father used to tell me, years before I would even dream that I would even be in politics, because in those days women were not in politics: Honey, I want you to watch the U.S. Senate because that is where they really debate everything. The people who are there serve for 6 years. They are not afraid to take a tough stand, and they are not afraid of issues. They are willing to debate them; they are courageous; you hear all the different views. It is the greatest deliberative body in the world.

Mr. REID. Will the Senator yield for a question?

Mrs. BOXER. I am happy to yield.

Mr. REID. It is my understanding that the State of California has about the seventh largest economy in the world. Is that true?

Mrs. BOXER. That is correct.

Mr. REID. Is it true that the Senator from California represents over 30 million people?

Mrs. BOXER. About 33 million people.

Mr. REID. I come from the neighboring State of Nevada, which has about 2 million people. We have a lot of things we would like to be talking about. The Senator talked about environmental issues. Our States share beautiful Lake Tahoe. There are environmental issues we need to be talking about that would protect that beautiful gem we share. We need to talk about minimum wage, fair wages, and the fact that women who work comparable jobs should make the same amount of money as men. We need to talk about campaign finance reform. I am sure, representing 33 million people, the Senator believes—and we came to the House of Representatives together in 1982—that we in the Senate should act and be treated as Senators, not as Members of the House of Representatives. There is nothing wrong

with Members of the House of Representatives, but that is a large body and they need different rules than we do; is that not true?

Mrs. BOXER. My friend is exactly right. We did serve together in the House of Representatives, and it was a thrill to be there for 10 years. But there are differences between the two bodies. One of them certainly is the breadth and depth of the debate that goes on in the Senate as compared to the House. It is a different institution.

I think it is, in fact, a sad time. What happens when a piece of authorizing legislation comes before the Senate? We have the majority leader blocking our attempts to amend those pieces of legislation. My friend is right.

When I ran for reelection in the Senate in 1998, there were many differences between my opponent and me. It was a very hotly contested race. We talked about health care, campaign finance reform, protecting children from toxic waste; We talked about raising the minimum wage; We talked about more teachers in the classrooms. We talked about fixing school infrastructure because we have schools, I say to my friend, that are falling down because they are so old; We talked about the importance of afterschool programs, preschool, cops on the beat, sensible gun laws, and ending violence at women's clinics. These were issues of great importance.

I told my constituents: Look, I don't know if we are going to win on all these issues because it could be that when I get back to the Senate, the other party will be in control and they are not for raising the minimum wage; they are not for campaign finance reform; they are not for afterschool programs, and a lot of these things. But I promise you one thing: I am going to put up a fight. We are going to have those debates.

So the point is, I say to my colleagues who may be listening today, it seems very strange that when a party is in control and they have a good number more seats than we do, they should not be so insecure that they don't even allow us to offer amendments to authorizing legislation; now they have decided to shut us down on appropriations bills when they are the ones who fought for that right themselves.

This is not an arcane debate. This is a very important debate. I think you have to put all of this in the context of how the minority party has been treated. I love this institution. I agree that we shouldn't legislate on appropriations bills. But I say that with a caveat—if we are treated fairly on all the other legislative vehicles; if we are allowed to offer amendments without having the majority fill up the so-called amendment tree and block us out; if we can have bills brought to this floor.

The Senator from North Dakota brought up a very important point. Because the majority leader wasn't ready to bring up the FAA reauthorization act, we did a 2-month extension. I wonder why. Can it be that he doesn't want to bring a piece of authorizing legislation to the floor because then he couldn't stop us that easily from bringing up our issues?

I don't know the answer to that. But I do know that I am going to join with a vast majority of Democrats to fight for the kind of Senate my dad talked to me about when I was a little girl, the kind of Senate where, regardless of political party, every single Senator has a right to bring an issue important to his or her State to the floor of this Senate. I think that is the least we could do.

I say to my distinguished whip, who does such a fine job in leading us on this side, that I really appreciate the fact that he is leading this particular effort. I think the issue of rule XXVIII is important because if we are going to shut down our ability to amend bills on the floor, we ought to shut down the ability of the majority to add anything they want in the conference that may not have passed either House. I don't know how that can be considered democratic.

Arcane though this debate might be, I say to the American people who may be focusing in on this debate, it is very important to you. If you want your Senator, regardless of party, to be able to come to the floor of the Senate and bring up issues that are important to you, then you ought to work to make sure that this Senate is open and is fair.

Thank you very much. Mr. President, I thank the distinguished whip.

I yield the floor.

THE PRESIDING OFFICER. The distinguished Senator from Wyoming is recognized.

Mr. THOMAS. Mr. President, I assume we are having time to discuss the Senate resolution on rule XVI.

THE PRESIDING OFFICER. The Senator is correct. The majority has 168 minutes 18 seconds. The minority has 93 minutes 31 seconds.

Mr. THOMAS. Thank you very much, Mr. President.

I wanted to talk about this issue because I feel very strongly about it. I have not been able to hear everything this morning, but it seems we have turned this into a little fairness technique which I have a little trouble understanding.

What we are talking about is whether or not you put authorizing legislation on appropriations bills. It seems to have been turned into kind of a contest of who is being treated fairly. I don't quite understand that, frankly.

There has been a lot of talk about the House. I served in the House. This is a different place. We have different



rules—no question about that. We should have, and we will continue to have different rules.

Since I have been here, I think this leader has been very fair in operating to give everyone a chance to speak, as should be the case. On the other side of the coin, we haven't heard much about the fact that these appropriations bills are amended with things that have nothing to do with them, and we lose track of where we are going on these appropriations bills.

I think there is some responsibility on the part of the minority to feel that we need to accomplish something in this place other than simply introducing amendments that have nothing to do with the bill that is being considered. As you can see, I feel fairly strongly about that.

One of the things which I think is important is to separate the idea of authorizing committees from appropriations. That is why we have an Energy Committee; that is why we have an Armed Services Committee; that is why we have an Agriculture Committee—to talk about the policy in those particular areas, and to determine what the authorizations are going to be and what the role of Government is going to be. Then we follow with the appropriations bills, which also, by the way, have a great deal of power because, obviously, you can't do a great deal in terms of policy unless there are some funds with which to do it.

But when you do it the other way, as the minority apparently is urging, then you avoid hearings and you avoid having any real discussion in committees on the issue. They apparently want to just come to the floor with the issue having had no background at all. I am afraid I don't understand that. It seems to me to be a little naive to suggest that we have rules of that type.

I wanted to talk a little bit about it.

Mr. REID. Mr. President, will the Senator yield for a question?

Mr. THOMAS. No. I will continue a little bit, and then I will be happy to answer the question when I am finished.

I think we ought to emphasize this idea of authorizations. I was happy to be on the appropriations committee when I was in the Wyoming State legislature. So I have had some experience with that.

The idea that you just simply ignore the authorizing committees and begin to do everything on appropriations is wrong, absolutely wrong.

How we got here I am not sure. The minority whip has been here longer than I and I suspect remembers when Democrats were in charge. But I think maybe he has forgotten a little bit about the way it operated then. As I understand it, when the Senator from Maine was in charge, it operated very much the same way. I am not suggesting that should be the case, nor am

I suggesting it is. It seems to me that there have been real efforts to be as fair as we can be, and that should be. We need to do that.

In addition to having the opportunity to put everything on the floor, which I agree with, there is also a responsibility on the part of all of us to accomplish some things.

My recollection is that during the last number of months amendments that have come from the other side of the aisle have generally been to stop anything from happening. There are a good deal of examples of that. Frankly, that is very frustrating for me—to bring up something and then the bill has to be withdrawn from the floor because we have lost completely the direction of things.

What is this debate about? It is very simple. It simply says that in the precedence of the Senate, unless an amendment has to do with the same subject as does the appropriations bill, it is not allowed on the bill. You can make a point of order. And there has to be a majority vote to follow it up. That is pretty simple. I think it is fairly reasonable. If you are going to come in through the appropriations bill and put an appropriations amendment on it, you can have a point of order, have a vote on it, and, if it isn't appropriate, it isn't used. I don't find much of a problem with that.

I think we ought to get to the topic and talk about what it is we are doing rather than going through all of these gyrations of fairness, and so on, in terms of getting on the floor. If that is a problem, if that is a real problem, then we have to resolve that problem. This is not the way to resolve that problem.

We have some things that we have to do. We have to accomplish things right now. What do we have, 13 appropriations bills with which we have to deal? I think we have dealt with about seven. There are a number of examples of how nongermane issues have been raised and have been withdrawn. We have to withdraw the topic from the appropriations bill.

What we are doing is seeking to overturn the ruling of the Chair with respect to legislation on appropriations bills.

If the minority whip would like to make a comment, or ask a question, I would be more than happy to respond.

Mr. REID. Mr. President, I appreciate my friend yielding.

Rule XVI was changed by virtue of the majority voting to change it.

I ask my friend this question: The minority leader has filed an amendment to change rule XXVIII. Rule XVI would say that there would be no legislation on appropriations bills. Rule XXVIII goes one step further and says: Fine. If we are not going to legislate on appropriations bills, then a conference committee should only be able to take

up matters in the bill that they are conferencing and that has within it confined limits. Will the Senator comment on whether or not he believes, if we are going to change rule XVI, we should also change rule XXVIII which would mean that a conference committee cannot do things outside the scope of the two bills they are dealing with?

Mr. THOMAS. I can answer that very quickly. Yes, I agree with that. I think it is the same concept as coming to the floor with an amendment on an issue that has never been discussed, has never been authorized. To do that in the conference committee, I believe, is equally wrong.

Mr. REID. I appreciate that very much. We had here the senior Senator from New York who went on at some length, as only he can do, using an example of that huge bill last fall which the Senator and I came back to vote on—I came back from Nevada and he came back from Wyoming—that we had not even seen. I think we would be hard-pressed to say we could lift it, much less to have read it. Yet a few people in the conference committee, together with the White House, drew this bill. If we were working under the confines of rule XXVIII, that would not be possible. I appreciate very much the comments of the Senator from Wyoming, acknowledging that would also be a good idea.

Mr. THOMAS. I do think so. I do think it is the same concept there. What we want to avoid, in many ways, is putting more authority into this Appropriations Committee. It is a very important committee. I recognize that. But it ought not be the center of all of our activity, and it can be if we are not careful. So I think there is a balance in both these areas. I support both the propositions that are here, and I hope we have some action that will put them into place.

Mr. REID. If the Senator will yield just for another comment, I serve on the Appropriations Committee. I am very fortunate; I have been able to do that since I have been in the Senate. But, having said that, I think we need to get a process where we are doing more legislating on authorizing legislation than what we are doing. Almost all of our attention is now focused on the 13 appropriations bills, and we have kind of lost track of the fact that we should be legislators on things other than appropriations bills.

Mr. THOMAS. I have listened just a little bit to the Senator and his associates, and I have the feeling you are not for changing the rules?

Mr. REID. I say to my friend from Wyoming, I think he is going to find a protest vote, saying we want a more open debate. We are going to support the change in rule XXVIII, and we are confident rule XVI will be changed if rule XXVIII were changed in addition

to that. The minority leader is offering that as an amendment. I think it would be a pretty good day for the country.

But the conversations today on this side of the aisle, I say to my friend from Wyoming, have been to the effect we need to do more legislating. An example of the lockbox has been used. That is a very important concept, that we should lock away enough money from the surpluses to protect our Social Security system. But we would like to talk about that a little bit. Not talk forever; no one wants to filibuster that. That is something we believe in, too. But we may not believe in it exactly the way the majority has presented it to us. We have had three cloture motions filed on that particular bill and we have not been able to say a single word about it. That is what we are complaining about.

Mr. THOMAS. I understand that. I think it was five, but as a sponsor of the lockbox, I am very much for it. But in this instance it just seems to me that is what I am talking about, simply blocking it. There has been much opportunity to talk about lockbox. You can talk about it whenever you choose. I guess the reason the Senator voted against cloture is because he wanted an opportunity to amend.

Mr. REID. That is right.

Mr. THOMAS. I do not think anyone could argue against the need for a fair process. But I think to talk about all those things with respect to rule XVI is inappropriate. I think we very much need this. I urge the Senator's support. I thank my colleague.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. I ask unanimous consent a quorum call be initiated and the time be charged equally against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I see in the Chamber the distinguished Senator from West Virginia, JAY ROCKEFELLER. I yield 10 minutes to the Senator.

The PRESIDING OFFICER. The distinguished Senator from West Virginia is recognized for 10 minutes.

Mr. ROCKEFELLER. I thank the Presiding Officer, as well as I thank my esteemed friend from Nevada.

Mr. President, I came a bit earlier than was anticipated. I look forward to expressing what are some strongly held views on my part.

In a formal sense, I rise today to object to the reinstatement of Senate rule XVI. That is my purpose in being here. Up until 1995, it prohibited legislating on appropriations bills. That is the reason I formally rise.

The Republican majority, in fact, is responsible for overturning the rule which was designed to keep legislative matters unrelated to appropriations bills from bogging down the appropriations process. The Republicans themselves were responsible for overturning the longstanding Senate precedent by rejecting the ruling of the Chair, something that was given little notice and was little commented upon but is now of increasing monumental proportions.

I cannot support returning to the previous order because I respect the Senate. It seems to me anybody who has a sense of what the Senate was designed for and what the Senate is, what the Senate should be, what the American people expect the Senate to be, will vote as I will vote because to do otherwise is to diminish this body, which I think has been diminished substantially in the last 5 or 6 years in any event, in terms of its impact on American debate, its impact on discussion, its impact on the intellectual activity of the Senate, and, in fact, its impact on American society as a whole.

I happen to represent steelworkers, farmers, airport managers, veterans, rural people, patients, doctors, nurses, just as the Presiding Officer does. This Senator may have a few more steelworkers in his State than the Senator from Kansas does in his State; otherwise, we represent more or less the same people. I do not think these people ought to have their business pushed aside, their concerns, their worries, what they care about pushed aside in order to make the Senate's bill or the Senate's way of working more manageable, more efficient, more to the liking of the leadership, more House-like, more limiting, less substantial, less interesting, less of scope, less of dignity, less of the power of the tradition of the Senate.

(Mr. THOMAS assumed the chair.)

Mr. ROCKEFELLER. I believe the majority is interested in controlling debate. I have wanted to say this a long time, and I have not found the place to do it properly, but I find so today. I believe the majority—not the Presiding Officer who has changed since I began my remarks, who is an entirely different kind of person—the people who run the majority, who speak for the majority, who lead the Senate on behalf of the majority, are interested in controlling debate, minimizing debate in making the Senate more like the House from whence they came and in trivializing the Senate. Those are harsh words, but they come from a disturbed and unhappy Senator—not disturbed in a psychological sense, I point out to the Presiding Officer, but disturbed in the sense of not feeling good about the work I am able to do as opposed to the way it used to be a number of years ago when I first came to the Senate.

I wish I could tell my colleagues I believe the Senate is functioning in a

way that means legislative business can occur on authorizing legislation, but I cannot. I wish the Senate would return to a more efficient appropriations process that does not deal with extraneous legislative matters, but under the Senate's current leadership, Members of the majority party have effectively gagged—there is no other word for it—the minority from raising policy matters on the Senate floor.

Every Tuesday, members of both parties have caucuses. Those caucuses, in the case of the Democrats, used to deal broadly with issues and with functions and divisions of responsibility and debate within the caucus. Now, for the most part, they are taken up with, how can we make ourselves heard? How is it that we can, by some manipulation or clever method, try to work our way through a loophole which allows us to bring up an amendment, to speak on behalf of our constituencies?

In every single caucus there is a question of how the majority is diminishing the minority, not in a way which would just be satisfying in the sense of a Republican making a Democrat feel less important or making a Democrat's role less important in the Senate, but in the sense of diminishing honest and open and real debate.

That is what I came to the Senate for in 1985—honest and real debate. I did not expect to win everything. I did not expect to lose everything. But I did expect to be able to debate, to be able to make my views known, as one can in a committee. All committees are run relatively fairly. The Finance Committee, the Commerce Committee, which I sit on, are run fairly by their majority leadership. This place is not; the floor of the Senate is not. We are gagged, as in the Patients' Bill of Rights doctors were gagged. We are not allowed to express our views.

I resent that enormously, I say to the Presiding Officer. It takes a lot away from being a Senator. I know no longer the greatness of the difference between being a Member of the House and being a Member of the Senate. There is, of course, a difference. I stand here and speak, and I speak as I choose to speak, and nobody is stopping me, but that is because we have this arrangement for this day. For most of the rest of the time, morning business has been closed off—or had been—quorum calls were not honored, to be able to interrupt them, as this one was honored. It is a different body. It is a distressing situation. All of us, on both sides, all 100 of us, are diminished by the way this Senate is run.

Let me give an example of a piece of legislation, and it is not even the first one on the minds of most, but it is a big one in terms of this Senator: This legislative body's failure with respect to the FAA and the airport improvement reauthorization bill, which is, for the fourth time in less than a year, on the brink of expiring.

Last fall we threw a 6-month extension into the omnibus appropriations bill. When that expired on March 31, we did a 2-month extension—embarrassing—until May 31; then a 65-day extension—embarrassing—through August 6. And now we are close to August 6, and we may have to—and probably will—have to do yet another extension. All of these short-term extensions may make us feel better temporarily, but they are not solutions. They do not obviate the need to take up and debate and pass an authorization bill.

But we cannot debate it. We cannot debate anything on this floor except what it is the majority wants to debate. Then they fill up every tree, preclude every amendment, and we are all diminished, and the public process is diminished at the same time.

So in the current Senate environment, which I deplore, regret—I like the people who lead the Senate on the majority side, but I do not respect the way they lead this Senate. I think all of us suffer from the way they lead this Senate; that is, to make the Senate more like the House—puppets.

So in this current Senate environment, I am not willing to give up a single avenue for getting my work done. I will not support giving the majority one more way to cut off debate on important policy issues—such as aviation or the future of our Nation's steel industry, restoring money to Medicare providers who have been too deeply cut. We hear more about this than any other subject when we go home. Have we discussed it? No. Research and development, lots and lots of other things.

So the arcane rules of the Senate may not be at the forefront of the concerns of everyday Americans, but the rules of this Senate guide the way our democracy works or fails to work. They guide the way the people trust their Government, and they also guide the way people within the Government trust the Government within the framework of which they work as best as they can.

The legislative process is honorable. It is time honored. I fear that we are dangerously close to the Senate losing its reputation and role as a great deliberative body.

The PRESIDING OFFICER. The Senator has used 10 minutes.

Mr. ROCKEFELLER. I recognize my time is up. I hope my colleagues will support me in objecting to the reinstatement of Senate rule XVI.

I thank the Presiding Officer.

Mr. REID. I say to my friend from West Virginia, through the Chair, how much I appreciate him being here today. The people of West Virginia are very fortunate to have Senators BYRD and ROCKEFELLER representing their interests. I appreciate the Senator's statement today very much. Mr. President, I yield 10 minutes to the senior Senator from Connecticut, CHRIS DODD.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I thank my colleague from Nevada. And I thank my colleagues who have spoken on this issue this morning, an issue that may seem to the general public as sort of an arcane debate involving the internal machinations of this body. But in my brief remarks this afternoon, I would like to suggest that this debate may be one of the most significant ones we have in this Congress because it is the process and the procedures which determine the ability of a minority in this body to be heard.

If that ability is constrained, is gagged, is muffled, then the public is denied the opportunity which the Senate, as a forum, has historically provided to the citizenry of this Nation, and that is a full airing of the issues that they should hear, that they should be aware of, as we deliberate the matters which will affect their lives and the lives of their families for years and decades to come.

So while a procedural debate may sound boring to some and may not sound as if it is of terribly great import to others, this is, in truth, a significant debate and discussion. Therefore, I add my voice to those who have raised concerns about a vote that will occur later this afternoon dealing with rule XVI of the Senate.

I am in somewhat of a unique position. I am standing next to my dear friend and colleague from West Virginia, who is recognized by all in this Chamber, regardless of party, and those who have come before us, as one of the truly great historians of the Senate, arguably the most knowledgeable person who has served in this body in its 210-year history when it comes to the role of the Senate both in terms of our own history as well as the role of senates throughout recorded history.

I am also in a unique position in that I am the inheritor of the seat once held by a distinguished Senator from Connecticut by the name of Roger Sherman. Roger Sherman, among other things, was the only Founding Father, as they are referred to, to have signed the four cornerstone documents, as we call them, of our Nation. He signed the Declaration of Independence, the Articles of Confederation, the Constitution of the United States, and the Bill of Rights.

He was from New Haven, CT. I sit in his seat in the Senate, as you track a Senate seat from those who first represented the Thirteen Original Colonies in the Senate to the modern Senate of today. But maybe more importantly than his signature on those four cornerstone documents, he was the author of what was called the Connecticut Compromise. The Connecticut Compromise produced the Senate of the United States as a body.

There was a crisis, politically, at the time of the debate in the constitu-

tional convention between large States and small States about where power would reside. Roger Sherman, along with others, proposed the Connecticut compromise, which gave birth to the Senate as a place where small States would be equally represented by the participation of two Senators from each State regardless of the size of the State.

But more importantly than that debate, it was also designed to be a forum wherein the rights of a minority could be heard. The rules of the House of Representatives—I served in that body for 6 years—were and are specifically designed to guarantee the rights of the majority. Majority opinion prevails in the House, and that is how it should be. We had come off a system ruled by one individual, a king. We wanted to establish a system of government where the majority opinion of the American people could be heard and their voices could result in opinions being rendered and decisions being made which reflected those majority feelings.

But the Founding Fathers and those who supported them in their wisdom understood there could be a tyranny of the majority, that quick decisions made rapidly without a great deal of thought or consideration could in some instances do more harm than good. So the Senate was created as a balance, as a counterweight, in many ways.

The Senate was designed to be a place where those majority decisions, as important as they are, would then have to be brought for further consideration in this Chamber where additional consideration and thought would be offered, where the views of those who may not have been heard in the House of Representatives could be heard, where the rights of a minority, including a minority of one Senator, would absolutely be guaranteed the right to be heard, as long as that Senator could stand on his or her feet and express their opinions—the filibuster rule which protects the right of one of us out of 100. Ninety-nine people cannot stop one Senator from speaking, once that Senator has gained recognition from the Presiding Officer. It is a unique set of rules, completely contrary to the rules of the House, where one Member of the House cannot command the attention of the entire Chamber, or that person is limited to 5 minutes in talking and must get unanimous consent to speak for a 6th minute. In the Senate, that is not the case. As long as you can stand and be heard, no one can interrupt you or break the flow of debate.

There are many other distinctions which make the Senate unique and special, but that is certainly one of them.

This afternoon we are going to debate and vote on a rule which also goes to the very heart of whether or not the Senate is going to maintain its unique and distinct role as being sort of the

antithesis, if you will, the counterweight, as was described by Thomas Jefferson when he argued against the creation of the Senate, that this would be the saucer in which the coffee or the tea would cool, where temperatures could be lowered, the heat of debate would be softened, consideration and thought would be given to the decisions that the majority had made in the other Chamber.

I come to this issue with a sense of history about Roger Sherman, in whose seat I sit, who authored the creation of the Senate with the Connecticut compromise, with a deep sense of appreciation for the role of the House, having served there, and also a very strong sense of the role that the Senate should play and why this debate on rule XVI is more than just an internal discussion, a debate among Senators that has little or no impact on the daily lives of the people we seek to represent.

As the ranking member of the Senate Rules Committee, I yield to no one except, as I mentioned earlier, the senior Senator from West Virginia, in my respect for the standing rules of the Senate, as intended by the Founding Fathers. The Senate is respected as the most deliberative body in the world. The rules, as I have suggested, of the Senate assure that such deliberation can occur, must occur, and that the rights of a minority will always be protected.

We are all familiar with the story of the conversation I mentioned a moment ago between Thomas Jefferson and George Washington in which Thomas Jefferson questioned the need for the United States Senate. Washington reportedly responded to Thomas Jefferson, as Jefferson was pouring his tea into a saucer to cool it during the informal discussion they were having, so legislation would be poured into the senatorial saucer to cool it, Washington suggested to Jefferson, and thus the value of the Senate.

Similarly, as reported by our own historian, Dick Baker, James Madison, writing to Thomas Jefferson, explained the Founding Fathers' vision of the Senate. Madison reminded Thomas Jefferson that the Senate was intended to be the "anchor" of the government. According to Madison, the Senate was "a necessary fence against the fickleness and passion that tended to influence the attitudes of the general public and Members of the House of Representatives."

Within the first month of its convening, on March 4, 1789, this anchor, the Senate, recognized that to function efficiently rules were going to be required. Almost from the beginning there was a recognition of the need to separate the authorizing and appropriating functions of the Senate, the very matter with which rule XVI is concerned.

The first Senate rules were adopted on April 16, 1789, and the Senate adopted general revisions to those rules seven times over the 210-year history of our Nation, including revisions in 1806, 1820, 1828, 1868, 1877, 1884 and 1979. Although the current language of rule XVI did not appear until the 1979 revisions, the prohibition on adding general legislation to an appropriations bill had its roots in rule XXX of the 1868 revisions adopted in the 48th Congress. The 1868 general revisions were the ones last proposed by the special committee prior to the establishment of the Rules Committee as a standing committee in 1874.

I ask for an additional 5 minutes, if I may.

Mr. REID. Three minutes.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for an additional 3 minutes.

Mr. DODD. I thank my distinguished colleague from Nevada.

The 1877 general revisions expanded the 1868 rules to specifically prohibit amending general appropriations bills with general legislation, or with amendments not germane or relevant to the subject matter of the bill.

The next set of general revisions to the rules was adopted by the Senate during the 48th Congress, on January 11, 1884. These revisions renumbered the rules and consolidated the language regarding amendments to appropriations bills. The prohibition on including amendments to an appropriations bill dealing with general legislation as incorporated into Rule XVI.

Then in 1979, under the leadership of our colleague, Senator BYRD, a comprehensive revision of the standing rules of the Senate was adopted. These revisions contained the current language of rule XVI and rule XVIII, regarding the scope of conference reports.

I do not wish to belabor the history of the Senate rules with my colleagues, but I take this time to stress the historic importance of rule XVI in order to put the action of the majority leader in context.

The prohibition on legislating on appropriations bills has been part of the parliamentary fabric of this great deliberative body almost since its inception. And that should come as no surprise. The orderly consideration of legislation is paramount to the "cooling" effect of the Senate's deliberations.

For that reason, under normal circumstances, I would support the majority leader in his effort to restore the rule XVI point of order against legislating on appropriations bills. Under normal circumstances, I would agree that the rules offer Senators ample opportunity to engage in debate on legislation. Under normal circumstances, I would agree that appropriations bills are too important to be the subject of legislative amendments, especially

given the need to keep the Federal Government running.

But these are not normal circumstances, Mr. President.

What brings us to this debate, again, has nothing to do with the longstanding notion that legislation ought not to be included on appropriations bills. I don't know of anyone who disagrees with that longstanding proposal. If taken alone, everything else being equal, if all the other rules which guarantee the right of this body to function, as intended by the Founding Fathers, then I would stand first and foremost in a long line, I presume, of my colleagues in demanding that rule XVI be upheld and that legislation be kept off appropriations bills. Unfortunately, you cannot look at rule XVI alone today. We have watched slowly, some would argue rapidly, over the last several years how the rules of the Senate, such as rule XVIII, have been so fundamentally altered that today this body de facto functions as a 99-100 Member reflection, not the antithesis, not the corollary, not the counterweight, but as a reflection of the House of Representatives. That is not as it should be. This body ought to function very differently.

In the four and one-half years since the Republicans regained the majority in this Chamber, we have witnessed a profound and regrettable change in the way we do business. Instead of allowing legislation to come to the floor for amendment and debate, the majority has seemingly used every opportunity to limit the minority's right to offer amendments and be heard.

It is this attempt to silence opposing views that poses the greatest threat to the Founding Fathers' vision of the Senate as an anchor for our democratic form of Government.

For example, the majority has repeatedly employed the tactic of combining a motion to proceed to a bill with the immediate filing of a cloture petition—which, by definition, is designed to limit debate. The cloture petition is then used as leverage to obtain a limit on the number of amendments and the allotted time for debate on the bill. In some cases, the majority has even insisted on approving, in advance, the very few amendments that the minority has been allowed to offer.

My colleagues might be surprised to learn that from 1996 to the present, the majority has tried to silence the debate by forcing the Senate to vote on 102 cloture petitions. But what is even more remarkable is that 33 of these votes—or nearly one in three—involved cloture petitions on motions to proceed.

While the majority are certainly within their rights and consistent with the rules to offer so many cloture petitions, it is not the norm. In fact, during the 4 years immediately preceding

the 1994 elections, the Democratic leadership also availed itself of the procedural tactic of filing cloture on a motion to proceed—twice, on the motor voter bill. In general, Mr. President, cloture petitions on motions to proceed have been used by this majority to attempt to dictate the terms of debate. It is almost as if the majority does not want the American people to hear this deliberative body speak.

But cloture petitions are not the only silencing tactic employed by our friends in the majority. They also rely on the arcane parliamentary maneuver known as “filling the amendment tree.”

Mr. President, I am willing to bet that only a handful of people in the world—most of whom are present in this chamber today—could provide a clear explanation of how one “fills the tree.” But the effect of such a parliamentary maneuver is clear. It is to choke off debate by making it impossible for any member to offer amendments that have not been approved by the senator who has filled the tree.

A review of the use of this tactic reveals that since 1995, the majority has “filled the tree”, and thereby restricted debate, a total of 9 times. Most recently, this maneuver was used during the debate on the social security lockbox legislation and most notably on legislation to reform our system of campaign finance, where the tactic has been used repeatedly and with great effect to stymie the growing calls for reform.

Again, a comparison of the 4 years of Democratic leadership prior to the 1994 elections reveals that Senate Democrats used the parliamentary procedure sparingly—at most once. And the sponsor of the amendment at the time denied that the amendment tree had been filled.

Regrettably, Mr. President, since our friends in the Republican majority took office in 1994, there has been unprecedented use of parliamentary maneuvering to choke off debate and dictate the terms of the Senate's business. Under Republican leadership, the rules of the Senate no longer ensure the cooling off that was intended to take place here. Instead, the rules have become the majority's weapon to prevent the very deliberation, and even disagreement, that the Founding Fathers intended.

As we have seen time and again over the last 4 years, the most effective means for the minority to ensure that its voice is heard is by offering amendments for debate to must-pass legislation, such as the appropriations bills. Whether it be debate on raising the minimum wage for working Americans, or protecting taxpayers from arbitrary decisions by HMOs, the ability to amend appropriations bills has ensured that the people's concerns can be heard.

If the Senate could return to the normal open and deliberative process that the founding fathers envisioned for it, I would welcome the reinstatement of rule XVI. But until that time comes, I must oppose the majority's efforts.

But if we are going to reform the rules, we should not stop with rule XVI. We should also restore rule XVIII to its original intent. Rule XVIII establishes a point of order against conference reports which contain provisions outside the scope of the conference. Again, under this majority, rule XVIII has been overturned so that today, conferees may insert any matter into privileged conference reports, even neither the Senate nor the House has debated the issue.

To deny Members the opportunity to be heard, to allow for a conference report to include extraneous matter never considered by either body, particularly when both Chambers are controlled by one party, to rush to cloture petitions with the incredible acceleration that the majority has authored over the last 4 or so years, undermines the role of this institution. One hundred of us serve in the Senate, have an obligation to represent our constituents, have an obligation to do the Nation's business. We also bear a collective responsibility, as temporary custodians of this valued institution, to see to it that its historical role will not be undermined, will not be changed by the precedents we establish in the conduct of our business.

Over the last 4 or so years, regrettably, the majority in this Chamber has so warped the rules of the Senate that the minority is denied the opportunity to raise critical issues the American public wants us to debate and on which they want to have our voices heard.

Without rule XVI, as presently enforced under the 1995 precedent, which allows us to raise the issues that we are denied to bring up under normal circumstances, and without rule XXVIII which prohibits matters which have not been publicly aired from being included in conference reports, it is not just a matter that I am denied the opportunity to be heard, it is that my constituents and the American public are denied an opportunity to be heard. We are their voices here.

So, for these reasons I will support the Democratic leader in his efforts to restore rule XXVIII to prohibit the majority from adding provisions in conference that have not been considered by either the House or the Senate. It flies in the face of common fairness to shut out the minority's opportunity to be heard on appropriations bills, but then allow the majority to have unlimited scope to add any provision to a privileged conference report.

I would urge my colleagues in the majority to think carefully before opposing Senator DASCHLE's amendment. When both the House and the Senate

are in the hands of the same party, it is tempting to ignore rule XXVIII and use highly privileged conference reports to pass legislation that the minority in the Senate might otherwise attempt to stall by use of the Senate's rules.

But such a short-term view can come back to haunt a majority if the leadership changes in one of the houses of Congress. The tactic the majority uses today to shut out dissent and debate and force through legislation can just as easily be turned against it tomorrow by an opposing party.

In the end, rule XXVIII maintains the balance between the House and the Senate. The rule ensures that neither House, regardless of party, has so great a leverage over the other that it can force legislation through without debate.

In conclusion, Mr. President, I want to make it perfectly clear that Democrats are not asking for the right to control the Senate. The voters determine who is the majority. But as the majority, the Republican leadership knows that on any issue it can summon the votes to thwart a minority victory. Nonetheless, the constitution provides for a body that is intended to engage in full and open debate.

I urge my colleagues to restore the Senate to its place as the deliberative anchor of Government by supporting the Daschle amendment and opposing the restoration of rule XVI at this time. And I urge the majority, on behalf of history, to modify their behavior in the Senate and allow this institution to function as its creators and founders intended.

I thank my colleague from Nevada for the time.

Mr. REID. Mr. President, I express my appreciation to the ranking member of the Rules Committee, Senator DODD.

At this time, I yield 25 minutes to the former President pro tempore of the Senate, former chairman of the Appropriations Committee, and former majority leader, Senator BYRD.

The PRESIDING OFFICER (Mr. ROBERTS). The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

We have just witnessed what is wrong with this Senate. I have been yielded 25 minutes. We don't have time today to properly discuss one of the most fundamental questions that ever comes before this Senate: fundamental freedom of speech; freedom of debate; freedom to offer amendments.

I am limited to 25 minutes. Yes, I agreed to this 6-hour rule, but you can see how it is playing out. Most of the 3 hours allotted to the minority are being played out over here. Nobody is talking on the other side. Perhaps one, two, or three Senators will. I think the distinguished Senator who now presides over the Senate made some remarks earlier. But the point of it is,

the minority will have said about all it has time to say under this agreement, and then its time will have run out. As a consequence, the majority will be able to speak during the latter hours or moments, and there won't be much time for real debate.

Mr. President, I am in my 41st year in this body. I was in the other body for 6 years. I saw the actions of the other body. When I came to the Senate, I wanted to come to the Senate. I wanted to come to a forum in which one could speak as long as his feet would hold him, as long as he could stand, and the floor could not be taken away from him by the Chair, a majority leader, or anybody else. He could speak for as long as he wished.

For all these years, I have talked about this institution, about its importance in the constitutional system, about the fact that it is the only forum of the States, the only forum in this Government, where small States such as West Virginia have the same powers, the same prerogatives, the same rights, along with the same responsibilities as the States that are great in territory and in population, such as California, Texas, Florida, New York, and others. I wanted to be in this forum. William Ewart Gladstone referred to the Senate of the United States, as "that remarkable body, the most remarkable of all the inventions of modern politics."

But it is getting to where this Senate is not so remarkable. There are things unique about the Senate that were meant to be unique, that were made unique by virtue of the framers of the Constitution. Among those, of course, is the responsibility to approve the resolutions of ratification of treaties, to approve nominations, and to act as a court in the trial of impeachments. But aside from those several unique things, the two things in particular that make this body the most unique of any upper body in the world, the most unique Senate that has ever existed—and there have been many senates—is the fact that this Senate has the right to amend bills, and Senators have the right to speak and to debate at length.

The right to debate and the right to amend: The right to amend is mentioned in that provision of the Constitution that says revenue bills shall originate in the House of Representatives, but the Senate shall have the right to amend as in all other bills. So there it is. The Senate has the right to amend, and Senators have the right to debate at length.

Now, I have been majority leader. I have been elected to the majority leadership three times—twice during the Carter years and once during the 100th Congress. When I came to the Senate, Lyndon Johnson was majority leader; then there was Mike Mansfield; I was the next majority leader; Howard Baker then became majority leader followed by Bob Dole, and then, in the

100th Congress, I was majority leader again, George Mitchell followed me as majority leader and then Bob Dole became the Majority Leader a second time. Mr. LOTT is now the majority leader. So I have seen several majority leaders operate in this Senate.

Mr. President, I think the Senate is losing its uniqueness in that we are being deprived, in considerable measure, of the right to debate, the right to debate at length. If I come up here and want a few minutes to speak about the departing of some deceased friend, or some other matter—it may not be one of the great moments in history—I can't come up here and speak as I used to be able to. I can't get the floor. And when I get the floor, I am limited. I don't like that.

I can understand the importance of having time limitations, and we do enter into time limitations. We have always done that, when there is a unanimous consent agreement limiting time, or the Senate is operating under a cloture motion. Otherwise, there is no limitation on debate and there is no germaneness of amendments under the Senate rules, except under rule XVI, when appropriation matters are before the Senate and also when cloture is invoked. Otherwise, we have freedom of debate.

Woodrow Wilson said that the information function of the legislative branch is as important as the legislative function. It is through debate that we inform the American people. It is through debate that we better inform ourselves.

I was in a meeting with the British over the weekend, the British-American Group. We met in West Virginia at the Greenbrier. Senator REID was there. Senators on both sides of the aisle were there, including the Senator from New Mexico, Mr. DOMENICI. We didn't win or lose. We each came away being better informed by the other side. We didn't agree with the British point of view on certain issues and they didn't agree with ours, but we all came away better informed. We had a better understanding of what their viewpoint was and the reasons for it, and, hopefully, they have a better viewpoint of our reasoning.

But here in the Senate, it has become dog-eat-dog. It has become very partisan—very partisan. Politics is very important, and political party is important. But some things are more important than political party. One of those things is the right to debate and the right to amend. It isn't for the benefit of the Democratic Party that I want the right to amend. It is not for the benefit of the Democratic Party that I want the right to debate. It is for the benefit of the American people. That is why the Senate is here. There were no political parties when this Senate was first created. But it seems that, anymore, the idea is that the ma-

jority is always to have its way while the minority is to be shut out and, in some ways, gagged.

That approach does not benefit the people of America.

I say these things with misgivings because I have many friends on the other side of the aisle. I think that the Senators in the leadership on that side of the aisle are friends of mine. But we are talking about the Senate here today and not the party. I don't come to the Senate floor today emphasizing party. I am here today because I am seeing the right of the minority to engage in free debate and to offer amendments shut off in some instances.

There is a complaint here that too many amendments are offered on this side of the aisle to bills. This side of the aisle, as does that side of the aisle, has a right to offer whatever amendments they wish to offer.

When I was majority leader, I never said to the minority leader: Now, you are going to be limited. You have too many amendments. We are not going to take the bill up; or, we will let you have 5 amendments, or no more than 10. What are your amendments? I never said that.

I said to Members on both sides of the aisle: Let us know what your amendments are. Let the people at the front table here know what your amendments are on both sides. Call the Cloakrooms. Let's find out what amendments there are yet outstanding. There might have been 40. There might have been 55. There might have been 75. But I didn't go back and say: We are going to pull this bill down if you do not cut your amendments down to 10. Never did I say that. Never did I say you can only call up five, or so, amendments. How many do you have? Then we got the list. Then I said: Now, let's try to get a unanimous consent to limit the amendments to this number—whatever it was, be it 50 or 60 or whatever. Let's try to get an agreement to limit the amendments to this list.

So when we put that word out, other amendments came out of the wall—another half a dozen and another dozen. They just kept coming.

But finally we had a list of amendments. We agreed that those then would be all. Then we would go to the individual Members on the list and say: Are you willing to enter into a time agreement on your amendment?

Sometimes some of the amendments would peel off and we wouldn't end up with all that many amendments, or Members would be agreeable to a time limit. But never did I attempt to muzzle the minority.

I took the position, let the minority call up their amendments. We can move to table them. Or, in many instances, they insisted on an up-or-down vote, and we gave them an up-or-down vote. We could defeat the amendment, in many instances. But in some instances their amendments carried,



which was all right. That is what the legislative process is all about.

The majority is not always right as we have often seen throughout the course of history. Many times the minority throughout history has been right. We are not serving the good interests of the American people when we muzzle the ox.

The Bible says: "Thou shalt not muzzle the ox that treadeth out the corn." The Senate is the ox. It is the central pillar of this Republic. This isn't a democracy; it is a Republic. The Senate is the central pillar. The Senate is where we can debate at length and offer amendments.

As long as there is a Senate and men and women can debate to their hearts' content and offer amendments, the people's liberties will be secure. But once the Senate is muzzled, the people's liberties are in danger.

The majority is virtually all powerful here. They have the votes, which is all right, but they must recognize that the minority has rights. That is why the Senate is like it is. That is what it was meant to be—a bastion for protection of the minority.

Many times when I was leader I insisted on the rights of the minority on that side of the aisle. I said that there may come a time when we Democrats would be in the minority. I say that to the majority today. You have been in the minority. There may come a time when you will again be in the minority.

We must be respectful of the constitutional rights of Senators who represent the States and the people. We must be respectful of those rights. If it takes longer—if it takes longer than three days or a week to do the work—then let's do the work. That is why we are sent here.

But we should not forget the reason for the Senate's being. I came from the House of Representatives. I never wanted this body to become another House of Representatives. The Senate is unique in that respect, and we must not give away the uniqueness of this body. This is not a second House of Representatives. We ought to understand that. The Constitution made the Senate different from the other body, and we ought to do our utmost to keep this as an institution where debate is unlimited and where Senators have the right to offer non-germane amendments.

I don't enter into these bickerings and these discussions very often. I am no longer in the elected leadership. Senators do not hear me saying these things often. But I have always been interested in the Senate as an institution. If the Senate is not the institution that it was meant to be, whose fault is it? The people who make up the Senate—it is our fault.

I wanted to speak out on this. I am not interested in who wins on every political battle that is fought here. I am

not interested from a party standpoint always. Party isn't all that important to me. But I am interested in the Senate. I want it to remain the institution that it was meant to be.

I wish we would get away from the idea that we ought to make this a more efficient institution. The Senate was not meant to be efficient. The institution was meant to be a debating forum where ideas would be expressed, and through the medium of debate the right consensus would be hammered out on the anvil.

I hear it said: Well, if there are too many amendments, the bill will be taken down. I would suggest that if we want to stop so many legislative amendments from being offered to appropriations bills, then let's call up some of the legislative bills. Let's call up authorization bills.

When I was the majority leader, there were times we had to authorize legislation on appropriations bills because the authorizing committees sometimes did not do their work. For example, there were years when we had to reauthorize State Department legislation on appropriations bills, because the authorizing committee simply did not do its work. But if bills reported from legislative committees are not called up in the Senate, Senators who are interested in amendments to such legislation do not have the opportunity to offer their amendments. Consequently, when appropriations bills are called up, Senators will offer legislation on appropriations bills, because it is their only opportunity. They have no other opportunity, no other legislative vehicle on which to call their amendments up, so they are forced to offer their legislative amendments to appropriations bills. That is why we have the problem with appropriations bills that we are having.

Another problem we are having when we go to conference with the other body is that major legislation that has not been before either body is added in conference. We talk about the upper House and the lower House. There is a Third House. The conference committee has become a Third House, where hundreds of millions of dollars, even billions of dollars and major legislation are added in conference and come back to each body in a conference report. We have no opportunity to amend that conference report. Authorizing measures are added in conference that have not been before either body. They are stuck in, in conference—in the "Third House," as I want to name it.

Another flaw in that operation is that it gives the executive branch too much power, in some instances all power, because, as we saw last year when it got down to the conferences on the final appropriations bills, eight appropriations bills were wrapped into the conference report, one I believe a

supplemental, and tax legislation all in that conference report. These items had not been properly taken up before either body.

And, as a result, who sat in? Who made the decisions in conference? The decisions in conference for the more important legislation were made by the Speaker of the House, the majority leader of the Senate—both of whom were Republican—and the President's agents.

Who represented the Democrats in the conference? The executive branch. We Senate and House Democrats weren't represented in those higher echelons. We were left out. The Democratic minority in the House and Senate was not represented in the conference. It was the Republican leadership of both Houses and the President of the United States, through his OMB Director.

That is not the way it is supposed to be. That galls me, to think that in appropriations matters of that kind the executive branch calls the shots in many instances and we House and Senate Democrats are not even represented. The Democrats in the Senate, the Democrats in the House, are left out. That is not the way it ought to be. But that is the result of our delaying action on separate appropriations bills. Then they are all put into an omnibus bill. At the end, we vote on that bill without knowing what is in it. How many hundreds of millions, how many billions of dollars may have been added in conference? And we vote on the conference report when we really do not know what is in it. That galls me.

I think we ought to reinstitute rule XXVIII. I voted to uphold the Chair when rule XVI was changed here, and when the Senate overruled the Chair, I voted to uphold the Chair. I favor the reinstitution of rule XVI. But because of the muzzling of the minority, because the minority is not allowed to offer as many amendments as we need to offer, I am going to uphold the Chair's position today.

Mr. REID. I yield the Senator 5 more minutes.

Mr. BYRD. I thank the Senator.

I am not going to vote to go back to rule XVI. I want to go back. I do not like the vote I am going to cast. But how else am I going to protest?

I think the minority should have the opportunity to offer its amendments, and not jerk a bill down just because amendments are coming in from the minority side.

Another thing: There is no rule of, as I say, germaneness or relevancy in the Senate. When we call up bills, except for the two instances which I referred to there, cloture and on appropriations bills under rule XVI, there is no rule of relevancy to say: Cut down your amendments; we will give you 5 amendments or 10 amendments and they have to be relevant. Who said they have to

be relevant? The rules of the Senate don't say they have to be relevant. But if an appropriation bill is the only vehicle you are ever going to have on which to try to take a shot at something that is not relevant, you have to take it. And the minority is being robbed of that opportunity. The minority is being placed under the gag rule. It is being laid down here: You will do it our way or we will jerk the bill down. You have to do it our way. You have to limit your amendments to 5 or 6 or 8 or 10—no more. That is not in this Senate rule book. That is not in this Constitution. And it is not in the best interests of the American people that the Senate is being run that way.

Personally, I have a very high regard for the leadership on the other side, for the individuals themselves. I have a high regard for Senators on the other side of the aisle. Some of the finest Senators I know sit on that side of the aisle. Some of the most knowledgeable Senators I know are on that side of the aisle. Some of the smartest Senators are on that side of the aisle.

But, Mr. President, I am talking about the Senate as an institution, and I do not want and I do not intend to see us run over continually and denied the opportunity to offer amendments, and to debate, without a shot being fired.

I stacked the legislative tree very few times when I was leader. But very few times did I resort to that. My rule was one of the basic reasons for the Senate to let the minority have their rights, because as long as the minority have their rights in this forum, the people's liberties will not be taken from them. I want the minority to be given their rights.

Mr. President, I am going to close with the words of Aaron Burr, who spoke to the Senate in 1805, on March 5, after presiding over the Senate for 4 years. He said:

This House is a sanctuary; a citadel of law, of order, and of liberty; and it is here—it is here, in this exalted refuge; here, if anywhere, will resistance be made to the storms of political phrensy and the silent arts of corruption; and if the Constitution be destined ever to perish by the sacrilegious hands of the demagogue or the usurper, which God avert, its expiring agonies will be witnessed on this floor.

Mr. President, I think we are seeing something akin to its expiring agonies because the Senate is not being allowed to fulfill its purposes for being. It is not being allowed to work its will. The people are being denied. It is not just the Democrats at this moment who are being denied, it is the people who are being denied the right of the minority in this Senate to speak their wills, to offer their amendments, to fully debate the legislation that is in the interests of the people.

In the interest of the people, I urge the leadership, I implore the leadership to stop thinking so much, as apparently it does, in terms of who will win

today—"we have to win on this one." Let's think of the people. Protect the rights of the minority, allow full freedom to debate and amend, and the people's rights and the people's liberties will be secured.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Texas.

Mr. GRAMM. Mr. President, I yield myself 20 minutes.

The PRESIDING OFFICER. The Senator is recognized for 20 minutes.

Mr. GRAMM. Mr. President, Senator DOMENICI and I are here to talk about the tax cut, but I cannot listen to our dear colleague from West Virginia without giving a little bit of response.

First of all, I agree with virtually everything the Senator from West Virginia has said. I do believe we tread on our institution and we potentially reduce its ability to preserve our freedom and our Republic when we engage in partisan politics. I agree with virtually every word Senator BYRD said.

We all know we have used the appropriations process to offer amendments that were not part of any national agenda, that did not represent any real debate on behalf of causes, but in many cases both parties have engaged in the kind of politics where the minority—and that minority changes sides from time to time. I hope that will not occur in the future, but knowing institutions as I do, I am sure it will. What happens is, too often, the minority delays the work of the majority, and then at the time for electioneering accuses the majority of not getting its work done. If we ought to preserve this great institution and all we love about it and all it stands for for America, one of the things we have to do is to prevent partisan abuse of the system.

When we voted to overturn the Chair now several years ago, I was very reluctant to overturn the Chair. I found myself in a position of having a colleague who had offered an amendment with which I strongly agreed and who also was in a position where it was critically important to her to see the Chair overturned. I knew no good could come out of it. I thought it would be easier to fix than it has turned out to be. I intend to vote to fix it today.

I do not believe we ought to be legislating on appropriations bills. The distinguished Senator from West Virginia is correct in that it has become so easy for the authorization process to be disrupted that we have virtually trivialized authorizations. Authorization committees often go an entire term without having any kind of authorization bill passed. Legislation builds up, we end up putting it on appropriations bills, and in doing so, we also hurt the institution.

I have heard every word our colleague from West Virginia has said. I believe we do need to set a threshold for offering legislation on an appropriations bill. It can be overcome with

51 votes. But every Member has to know that when they do that, when they overrule the Chair, they open that avenue for anyone else to do it in the future. In doing so, we take down a small shield which I think is as big as it needs to be, because there are times when the minority deserves the right to speak, and if they feel strongly enough about it and they can convince a majority to do it, they have a right to do it.

I intend to vote today to put rule XVI back into place. I do not intend to be in any hurry to see it pulled down again because it is a very good and important barrier.

Mr. REID. Will my friend from Texas yield for a question?

Mr. GRAMM. I will be happy to yield very briefly.

Mr. REID. Mr. President, I appreciate the Senator's statement regarding Senator BYRD's brilliant statement, but I also say to my friend from Texas, there is also going to be an amendment offered by the minority leader to change rule XXVIII—Senator BYRD spoke at some length about that—to stop the procedure whereby we wind up with an appropriations bill that is 1,500 pages long, that has been negotiated by two or three people from the House, a couple of people from the Senate, the President's emissaries, and we get this big bill. A rule XXVIII change would say if you have a bill going to conference, you can only deal with the matters brought up in conference. Does my friend from Texas also agree with Senator BYRD that it would be a good idea to change that?

Mr. GRAMM. I do not believe I will. It is something that should be looked at. I remind our colleague from Nevada that our effort today is not to change the rules of the Senate but to put the rules back where they were before we overrode the Chair on the endangered species provision to an appropriations bill, now several years ago.

Senator BYRD has raised a critically important issue. Too much work is done in conference. Anyone who has ever chaired a conference—and I am relatively new at it as a new committee chairman—immediately discovers that the only rule of the conference is you have to get a majority of the members to sign the conference report. Other than that, for all practical purposes, there are no rules.

This should be looked at, but I am not ready today to change the rules of the Senate. I am ready to go back and undo a mistake that we made some 4 or 5 years ago. I will be willing to look at this. I will be willing to study it, to participate in a discussion about it. We ought to hold hearings on it and look at it, but I am not ready to overturn the rules of the Senate today.

Mr. DOMENICI. Will the Senator yield?

Mr. GRAMM. Yes.

Mr. DOMENICI. Mr. President, first, I did not understand what the Senator from Texas said when he talked about 20 minutes and he and I being on the floor. Did he intend to share that?

Mr. GRAMM. I had intended to use less than that. The Senator can get any amount of time he wants.

Mr. DOMENICI. I ask unanimous consent that when the Senator from Texas is finished, I be allowed to proceed for up to 20 minutes thereafter.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Parliamentary inquiry. Will the Chair state how much time the minority has remaining and how much time the majority has remaining. I think that will be helpful to the two Senators on the other side of the aisle.

The PRESIDING OFFICER. The minority has 33 minutes; the majority has 144 minutes.

Mr. REID. I will take 1 minute and say to my friend from Texas, the activities today on rule XVI are directly related to the rule and the same thing on rule XXVIII. All we are trying to do with rule XXVIII is to restore it to the way it used to be, just like rule XVI.

Mr. DOMENICI. I wonder if the Senator will permit me to make an observation on my time.

Mr. GRAMM. Mr. President, he can make it on my time.

Mr. DOMENICI. I was here, as was the Senator from Texas, when the distinguished Senator from West Virginia, Senator BYRD, spoke. What kept coming to my mind was: When are Senators from authorizing committees expected to bring their bills to the floor and have votes? I came up with a very simple conclusion, with which my friend, Senator BYRD, will not agree, but I want to state it anyway.

The problem we find ourselves in where Senators must offer authorizing legislation time and time again on appropriations bills comes about because this institution, this beloved Senate, insists on doing every single appropriations bill every single year. There is no time for anything else. That is the real problem. Then we do a budget resolution every single year. I believe there is a number around that we use up about 67 to 70 percent of the available time of the Senate on just those two functions.

I hope, as we consider trying for 2-year appropriations and 2-year budgets, my good friend from West Virginia will be participating. We would like to hear his views. But I hope we can make the case that for the betterment of this institution, which he expressed my views on today when he spoke of how important it is to America, I have learned, as he has learned—when I came to the Senate, I was not steeped like him, so I did not know about it—it is to be a revered institution, and I want to keep it that way.

My last observation is, I think I might have been able to get up—not

under your majority leadership, but sometime during my 28 years here, most of which was as a minority Member—and make the same speech you just made as to the leadership on that side of the aisle when your side was in the majority, because when you have what we are having take place here with fair regularity, as we try to pass 13 appropriations bills, and we hear the other side—not you, Senator—the other side say: You will not pass them until we get to take up our agenda—and their agenda is not appropriations; it is a list of eight or nine items that are their agenda; and in this body they are probably minority views, but they want to get them up—then I say that is a challenge to the majority leader.

That is hard stuff, because how do you then get the appropriations bills done and not have six of them wrapped up into one, which you just talked about, and put everything else in it but the kitchen sink?

So, frankly, I appreciate your discussion today. Clearly, it is intended to help your side of the aisle in a debate on whether or not the appropriations bills should have more authorizing amendments on them that Senators on your side want to offer. In joining them, I commend you. It is pretty obvious to this Senator you have joined them so that you can make their case that they ought to be permitted.

But I also say, if you were in Senator LOTT's shoes, or if I were, and you were being told on every one of these bills this is another one we are going to get something that is the minority agenda, and you will have to vote on it or else, I would be looking for ways to get the appropriations bills done.

Mr. BYRD. Would the Senator yield?

The PRESIDING OFFICER. The time is under the control of the Senator from Texas.

Mr. GRAMM. I am happy to yield.

Mr. BYRD. The Senator has asked me a question. He said: If you were here and Senators on the other side of the aisle said that—

Mr. DOMENICI. I did not make it a question. But if you think it is a question—

Mr. BYRD. I thought you said—

Mr. DOMENICI. I ended with a period; it wasn't a question mark.

Mr. GRAMM. I yield.

Mr. DOMENICI. But I will be glad to have your answer.

Mr. BYRD. The answer to that is, call up authorization bills. Let Members on this side offer their non-germane amendments to them. Then come to the appropriations bills, and the Senators on this side will have already had their chance. Call the legislative bills up. Why not have those bills called up? What are we afraid of?

The numbers are on that side of the aisle. As I said to the distinguished majority leader on one occasion: You have the numbers; you have the votes. Why

not let the Democrats call up their amendments? You can beat them. You can reject them. You can table them. But if you do not have the votes to defeat them, perhaps that amendment is in the best interest of the country. And the Senate will have worked its will.

May I close by saying this—and I thank you for giving me this privilege—reference has been made to the time when I was majority leader, very graciously by the distinguished Senator from New Mexico, because he stated it was not done during my tenure of leadership while he has been here. But over one-third of the Senate today—over one-third of today's Senators—were not here when I was majority leader of the Senate.

I walked away from that position at the end of 1988 and became chairman of the Appropriations Committee in January 1989. More than one-third of the Senators were not here when I was majority leader. Even the distinguished majority leader, Mr. LOTT, was not in this body when I was majority leader.

But when I was majority leader, I say again, I attempted to protect the rights of the minority because I saw that as one of the reasons for the Senate's being.

I thank both Senators. Both Senators have been very kind to me and very courteous. I think very highly of them both. I respect their viewpoints.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. We are always kind to the Senator from West Virginia for two reasons: One, we love him; and, two, we know that we had best not be unkind to him because we know he is smart and tough.

#### TAX CUTS

Mr. GRAMM. Mr. President, I want to say a few words about taxes. I want to deviate from my background in schoolteaching to be brief because I have to run over for a 2:30 meeting on the banking bill and I want to hear a little bit of what the Senator from New Mexico has to say before I leave.

We are beginning a debate that is a very proper and important debate. I am frustrated in this debate because, in trying to discuss this issue with the White House, we have a concerted effort on their part to try to confuse the issue and mislead the American people as to what the choices are.

I want to direct my comments to the choice we face. Basically, we have the great and good fortune of having two things that have occurred at the same time. No. 1, beginning in the mid-1980s we started the process of gaining control over spending. It was not a dramatic change in policy, but over the years we have seen a gradual slowdown in the rate of growth in Government spending, beginning in the mid-1980s.

In the early 1990s we started to see an explosion of productivity as modern

technology became incorporated in the workplace in America, and the result has been rapid economic growth and, with that economic growth, a growth in Federal revenues. We therefore have a situation which anyone would dream of having during their period of service in public life, and that is, we have a very large budget surplus.

Initially, the President proposed spending part of the surplus that comes from Social Security. I am proud to say that Senator DOMENICI, I, and others rejected that, and finally the President reached an agreement with us, in the best spirit of bipartisanship, that we were not going to spend the Social Security trust fund.

We are trying to lock that into law in the so-called Social Security lockbox. We have an agreement with the President on the principle. We have not reached an agreement with the President and with the minority party in the Senate on exactly how to lock it up, but we are working on that.

The debate we are beginning today is a debate about what to do with the surplus that comes from the general budget that does not come from Social Security, and, try as they may at the White House to confuse the issue and to mislead the public, there really are two stark choices being presented to the American people.

The first choice is presented by the President and his administration. In regard to what is called the President's mid-session review, the Congressional Budget Office, which is the nonpartisan budget arm of the Congress, reviewed both the Republican budget and the budget submitted by the President. They concluded that the President's budget proposes \$1.033 trillion worth of new Government spending on approximately 81 new programs, above and beyond increases for inflation.

That \$1.033 trillion of new spending that the President's budget has proposed is so big that it not only uses up, for all practical purposes, the non-Social Security surplus, but in 3 of the next 10 years it will require plundering the Social Security trust fund or running an outright non-Social Security deficit because the level of spending is too big.

As an alternative, Republicans have proposed that out of the \$1 trillion non-Social Security surplus, we give \$792 billion back to the working people of America who sent the money to Washington to begin with and that we keep \$200 billion plus to meet the basic needs of the country and to meet uncertainties we might face.

That is a pretty clear choice. The President's budget says spend \$1.033 trillion on new Government programs. That is how they would use the non-Social Security surplus. Our proposal says, take about 80 percent of it and give it back to working people in broad tax cuts and keep 20 percent of it to

meet critical needs and to deal with contingencies.

If that were the debate we were having, Republicans might be winning the debate, we might be losing the debate, but we would be having a meaningful debate. The problem is, the administration continues to mislead the American public and basically to claim they are not proposing to spend this money. While proposing \$1 trillion of new spending, they say that, by giving less than \$800 billion back to the public in tax cuts, in the words of the President, we "imperil the future stability of the country." This is quoting the President at a fundraiser, naturally, in Colorado, that by giving this \$800 billion back in tax cuts, we "imperil the future stability of the country." Yet to spend \$1.033 trillion on new programs, the President would do wonderful things for the country.

If the President were honest enough to stand up and say, Don't let Senator DOMENICI, don't let Senator LOTT, don't let Senator GRAMM give this money back to working people, let me spend it, I would have no objections to the debate. But I have to say that it begins to grate on a person when day after day after day this administration says things that are verifiably false with a level of dishonesty in public debate that is without precedent in the history of this country. No administration in debate on public policy has ever been as dishonest as this administration is. When you look at the actual numbers in their budget and then listen to what they are saying, it is as if we are talking about two totally separate budgets.

The PRESIDING OFFICER. The Senator's 20 minutes have expired.

Mr. GRAMM. I yield the floor so Senator DOMENICI may speak.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I ask unanimous consent that the 30 minutes prior to the vote at 5:30 be equally divided between the two leaders so they can have the last word on this issue.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am very pleased that the distinguished Senator from Texas has joined me on the floor and that I am permitted to join him in the beginning of a debate. I know the Senator has to leave, and I will try to make my most succinct points in the next 5 minutes.

First, I will share with the American people, and in particular with my friend, how I see giving back some money to the taxpayers versus what else we are going to do with the surplus. I choose today, even though I looked around for a different dollar, an American dollar. This one is not signed

by the new Secretary of the Treasury. I looked for one. I am not sure he signed any yet. This is one signed by his predecessor.

I want everybody to look at that. It represents, in my analogy today, the entire surplus that is going to be generated. According to the Congressional Budget Office and the Office of Management and Budget, using moderate economics, even assuming we are going to have a couple of downturns or recessions in the next 10 years, the total surplus we are going to accumulate is this number, if you will all just look at this chart. It is a little bigger than the Senator has been using, and the numbers are a little bigger in terms of how much we have left over to be spent, but it is \$3.37 trillion in the next decade.

Mr. GRAMM. You are using Social Security.

Mr. DOMENICI. I am using everything. This represents everything. Here is what the President says. The President says: Spend it all. Is that true? Does he say spend it all?

Well, look here. Here is a chart showing the entire \$3.71 trillion. He says, and we say, put \$1.9 trillion of it on the debt by putting it in a lockbox for Social Security. Then the Congressional Budget Office evaluates the rest of the President's proposal. Here it is in yellow. It is \$1.27 trillion, and every bit of that is literally spent, according to the Congressional Budget Office.

The President will argue about that because he even says he has a tax cut. We have looked at the tax cut he proposed. Not PETE DOMENICI, not PHIL GRAMM, but the Joint Tax Commission evaluated it. They said it is not even a tax cut. It is an expenditure. It is in this spending, because the President is saying, collect taxes, give some of it back to some people so they can save it, but you are giving them tax dollars; you are not cutting their taxes. That is an expenditure of tax money.

Believe it or not, when you do that, the President increases taxes in his budget by \$95 billion.

Let me use the same dollar and let me share it with the Senator. Here is the entire accumulated surplus. Republicans say very simply, here are two quarters. We are going to put those two quarters into the Social Security trust fund, 50 percent. The number that is available for spending is bigger than the Senator said. It is \$434 billion for Medicare and other highly critical Federal programs, if there are any. So I am going to say one quarter for spending. And, lo and behold, what is the other quarter for? Tax cuts.

I ask the American people, out of \$1, is 25 cents given back to the American people for overtaxation too big a tax cut? Is it something we should become worried about, that we are going to destroy our Government?

I believe the truth of the matter is that you can't have any tax cuts if you

propose what the President has proposed, because I will show you again what he proposes. On Social Security, he finally came our way, as the Senator said, and said put it all in a trust fund. All of the rest is spent.

Let me ask, if we spend it all, is there any left for tax cuts? I mean, by definition, he is spending it all so there is nothing left for tax cuts.

A lot has been said about the distinguished economic stalwart of America, Dr. Alan Greenspan, in the last few days. What has he said about it? I want to tell my colleagues that regardless of what was said in the last few days, Alan Greenspan has essentially made two statements about a surplus. I will give verbatim one of them from January 29 before our committee. Here is what he said: I would prefer that we keep the surplus in place; that is, reduce the debt. "If that proves politically infeasible," he said, "cutting taxes is far superior to spending, as far as the long-term stability of the fiscal system and the economy is concerned."

In the last speech he made, and I quote: "Only if Congress believes that the surplus will be spent rather than saved is a tax cut wise."

Now, we don't have to guess about that. Why do we not have to guess about that? Because the President has already told us he is going to spend it. So Dr. Greenspan said, if you are going to spend it, it is far better for America's economic future to cut taxes.

Essentially it seems to this Senator that we are being sold a bill of goods.

We are being told that to spend one quarter of the surplus, that giving back the American people some of their overtaxation is risky to the economy. Dr. Alan Greenspan said the riskiest thing to do with the surplus is to spend it. That is what he just said. We are saying that we agree with him. We think it is too risky to do what the President is recommending. He will, by the time he is finished, have spent every cent of it, and he will call some of it "saving Medicare."

I want everybody to know this. Let's look at this chart again. I don't know how much it is going to cost for the Finance Committee and the House Members to fix Medicare. They are working on it. They have all worked terribly hard on a bipartisan commission, and the President shot it down. Senator BREAUX was involved in that, and he believed that we had one going. What we are saying—and this is very, very important—when we have completed our tax cut, there is \$434 billion left for a Medicare fix, Medicare reform, and prescription drugs, if you want it, and for other highly important programs, such as education, defense, and others. In fact, we might, as the debate goes on, put together a budget and come to the floor and show how this \$434 billion might be used so that everyone will know there is money for education, if

that is what you want, and there is money for Medicare reform, if that is what you want, and there is money for defense, because we have been told that that is what is left over as a surplus item, and it doesn't belong to Social Security. So it is either used for tax cuts or it is spent. We are saying: Save a quarter of it, give it back in tax dollars, and put a quarter of it in a rainy day fund, so to speak—a quarter of the dollar I showed you.

I want to close with a few more comments.

Mr. GRAMM. Will the Senator yield before he gets into his closing remarks?

Mr. DOMENICI. Yes.

Mr. GRAMM. Mr. President, let me make a point that I think goes right to the heart of the statement by the President that something is extreme about our fairly modest tax cut. I have a chart here that I wish every American could see and understand. It shows the percentage of the economy that was coming to Government the day Bill Clinton became President.

The day Bill Clinton became President, the Government was collecting in taxes 17.8 cents out of every dollar earned by every American. As you will recall, in 1993, we had a very big tax increase, and with the growth in the economy, the Government is now taking in 20.6 percent of every dollar earned by every American. If we took the entire surplus—not the \$794 billion being proposed by Republicans, but the whole \$1.33 trillion, or whatever it is—if we took the whole surplus, which we are not proposing to do, and gave it back in a tax cut, 10 years from now, when it was fully implemented, the Federal Government would still be taking 18.8 percent of every dollar earned in taxes, which is substantially more than it was the day Bill Clinton became President.

So what Bill Clinton is calling a "dangerous, huge tax cut" is actually a relatively modest tax reduction as compared to the tax increase and revenue growth that has occurred in the 6½ years that Bill Clinton has been President, even if we cut taxes by the amount of the entire surplus, which we are not proposing to do. But even if we did, the tax burden would still be higher than it was the day Bill Clinton became President. That is a point I think people need to understand.

Mr. DOMENICI. Mr. President, I want to wrap this up, and I intend to do this everywhere I can, anyplace I am asked, on any TV show I can get on. In summary, plain and simple, it is the following: The man who is most responsible for a good American economy is probably Dr. Alan Greenspan of the Federal Reserve Board. He has said:

I would prefer that we keep the surplus in place and reduce the public debt. If that proves politically infeasible, cutting taxes is far superior to spending it.

Here is the Republican budget: Debt reduction in Social Security, in literal numbers. I used in the summary 50 percent; it is actually 56 percent. Literally, the tax cut is less than a quarter; it is 23 percent. The money left over for Medicare and other programs is 20.1 percent. Frankly, that is a good plan. That is balanced, and it is not risky.

Here it is encapsulated in another manner. Here is the President's plan: Of the \$3.3 trillion accumulated over the next decade, \$1.901 trillion goes into Social Security and debt service. He contends he has done more in debt service than we have. Frankly, who do you believe? We believe the Congressional Budget Office. They say we are putting more on the debt than the President is. So when his emissaries get on television and say "we want to reduce the debt," the implication is that Republicans don't. But we are doing the same amount, or more, than the President. It is right there.

The President then says that they don't want to do any tax cuts because, if you look at his budget, according to the Congressional Budget Office, including a tax cut—which is not a tax cut—he spends every nickel of it. If you want to talk about a risky policy, that is a risky policy. From what I can tell, that is what Dr. Alan Greenspan said would be the worst thing to do—to spend all the surplus.

Last, our plan: Debt reduction and Social Security trust fund encapsulated, so they can't be spent, in a lockbox. Tax cuts, \$794 billion, and for expenditure items that are very necessary, such as Medicare, education, defense, and others, there is \$434 billion left over.

Now, it is very difficult when the Secretary of the Treasury—the new one—gets on talk shows and says what a risky policy this is. He talks about the fact that they want to preserve or do more on the debt than we do. We are bound by the Congressional Budget Office in the Congress, and they tell us we are doing as much, or more, than the President in that regard. They tell us the President is spending every dime of the surplus on one program or another, or for a tax cut that is not a tax cut. And they maintain that a Republican plan that says, use 75 cents on a dollar for Social Security, debt reduction, Medicare, and domestic priorities, and give 25 percent back to the public, is risky. What is risky about it? Is it risky to give 25 cents out of a dollar back to the public to spend and less risky to keep it here and let the Federal Government spend it? I don't believe anyone would agree it is more risky to give some of it back to Americans and let them spend it, as compared with keeping it here and spending the entire 100 percent of the surplus on Federal Government-controlled programs and projects.

Whatever time I have remaining, I yield back, and I yield the floor.

Mr. CRAPO addressed the Chair.

The PRESIDING OFFICER (Mr. HAGEL). The Senator from Idaho.

Mr. CRAPO. Mr. President, I yield myself such time as I may consume.

Mr. President, I will commit most of my time to comments on the debate with regard to returning to the full import of Rule XVI. However, before I do that, I want to comment on the debate that has just taken place regarding tax relief. I think it is critical that we in America today understand that we have moved into a time of budget surplus, just what those surpluses mean, and what the opportunities are for the American people.

Prior to the last 3 or 4 years, we saw, I think, that most Americans became accustomed to the fact we were running very large deficits, and that the Federal Government was not able to conduct its fiscal policy in a manner that was balanced. One of the commitments I made when I ran for the House of Representatives 6 years ago was to work to try to balance the Federal budget. Fortunately, for me, and I think for all Americans, we were able to successfully achieve that objective.

The budget today is balanced. In fact, the projections we just heard talked about show that no matter how you look at the budget—whether you count the Social Security dollars, which I don't think should be counted, or whether you don't—we are moving into a balanced posture for the Federal Government.

The debate today is over what we do in a surplus posture. It is a debate that Americans have not been able to have for decades because our Government has not run surpluses. Now that we are engaged in this debate, it is critical for Americans to focus and to identify what our fiscal policy should be as we move into an era of projected surpluses.

In that context, I think it is critical that a few important priorities be recognized and acknowledged by the country.

First and foremost, I am glad we have agreement on the principle, even though we don't have agreement on the details yet, that we have to protect the Social Security trust fund surplus dollars, and make certain that what Americans pay into the Social Security system is not then taken by Congress and the President and spent on other spending by counting those surpluses against the unified budget.

We have a lock—in a way, a lockbox—which is now before the Senate that we have voted on six or seven times this year. We have to make sure those parts of the surplus remain dedicated to the Social Security trust fund. With the remainder of what I call the true budget, the onbudget surplus, we have to decide as a country on what we are going to focus.

Over the next 10 years, we will have a surplus somewhere in the neighborhood of \$1 trillion. You have heard different numbers discussed today. I think it is important that we not continue the path of growing the Federal Government, expanding the spending posture of the Federal Government, and spending those surplus dollars. If we do so, we will find a time in the near future when we will not be able to maintain surpluses in our budget; we will return to deficits, and we will see the national debt continue to rise.

As a result of that, I think it is critical we focus on two high priorities. One is to reduce the national debt. Although we have balanced the Federal budget, we haven't reduced the national debt to zero. That should be one of our highest priorities. Two is to make sure that we return to the American people a tax cut.

The American people recognize that this is an opportunity. It is an opportunity that we may not have too many times as we work through these difficult budget times to achieve tax relief. But to use, as the Senator from New Mexico indicated, just one quarter of this total surplus picture for tax relief I think is an appropriate commitment.

That leaves us the opportunity to provide resources to parts of our Federal obligation that need strengthening. It gives us and the American people the opportunity to strengthen and to stabilize the Social Security trust fund. It is a sound policy.

I think America should begin to focus on this debate as Congress works its way into a very important new era: How do we deal with budget surpluses?

#### RESTORATION OF THE ENFORCEMENT OF RULE XVI—Continued

Mr. CRAPO. Mr. President, I came to the floor to talk about the question that we will vote on at 5:30; namely, will we restore the meaning of rule XVI?

Over the last 2 or 3 months, there has been a lot of debate and discussion among us in the Senate on this issue. One part of that debate has been that it was the Republicans who changed the rule by voting to override it a couple of years ago. The Democrats at that time voted not to override it.

Today, you have the anomaly on the floor where the Republicans are saying let's restore that rule because it was a mistake to override it, and the minority is saying we don't want to restore that rule because it is something that we are able to use as a tool in the current climate.

I wasn't here 2 years ago. I am in the seventh month of my first year in the Senate. I wasn't a part of that debate. But I can go back to 7 years ago now when I ran for Congress. I ran for the House of Representatives. One of the

things I said then was that I thought a problem in our system in Washington was the fact that amendments were being put forward by Members of the House and the Senate—Republican and Democrat—that were not related to that legislation.

I come from Idaho. In the Idaho Legislature, that is not allowed. You can't offer an amendment to a bill that doesn't relate to the bill on which you are working. I think that is probably the way it is in most State legislatures. It is the way the Senate rules require that we operate.

I think one of the other Senators who was debating it earlier in the day indicated that these are not new rules we are fighting over now in this rather partisan era of politics. The genesis of this approach was way back in, I think, 1868 in one of the earlier predecessors to this rule XVI, when it was recognized by the Members of the Senate that proper legislative protocol was that the bill on the floor should be amended by amendments that were related only to that bill.

Why would we have a big debate over that concept?

When I was running for office 6 years ago, I thought there was a pretty strong national understanding that one of the problems we were facing in the Federal Government was the fact that legislation was proliferating, spending was proliferating, and there seemed to be no way to bring it under control. Part of the problem was all of the non-germane or unrelated legislation that was being tacked on as riders to legislation that was moving through. Legislation that wouldn't necessarily have the ability to move on its own was being attached to a vehicle that was moving through, and then that vehicle would carry it through to success and enactment into law.

I believe that is wrong legislating. That is the wrong policy under which we should legislate. I think it results in bad policy decisions being worked into law because they are attached to something else that has the ability to carry them over the finish line when they themselves don't have the merit to be enacted.

I believe that is why in 1868 the Senate proposed the predecessor to this rule that would start the Senate down the road of having a protocol that you could not put amendments on legislation that was not relevant to that legislation.

What does rule XVI say? What does the rule we are fighting over say?

Sometimes people say to me these procedural issues are arcane and you shouldn't spend so much time worrying about them. But, frankly, I think it is critical. There is an issue that is important to this institution, and it is important to America. It has a very big impact on the kinds of policy decisions that this Nation will make.



What does the rule we are fighting over say? It says:

On a point of order made by any Senator, no amendment offered by any other Senator which proposes general legislation shall be received to any general appropriations bill, nor shall any amendment not germane or relevant to the subject matter contained in the bill be received, nor shall any amendment to any item or clause of such bill be received which does not directly relate thereto.

That is a sensible statement of what the policy should be. This rule says as to appropriations bills—I think that we should have it be that way with regard to all bills—an amendment that doesn't relate to that bill is not in order.

That is the issue we are debating today.

I was on the floor earlier when several of my colleagues from the other side gave very strong and impassioned arguments as to why they are going to vote against this legislation.

Actually, as Senator GRAMM from Texas indicated, after listening to those same arguments, I found very little that I disagreed with in their debate about what they believe should be the protocol of the Senate and what they believe should be our attitude toward this great institution of government.

The argument that seems to be made is that because we are not able to get all of our agenda put forward on the bills that we want to see put forward, we need the opportunity to bring non-germane amendments to appropriations bills. It was said that the opportunity to bring their issues forward was not being allowed to them.

I agree that they should have that opportunity, although I find it a little difficult to see that they are not having it.

I remember 2 or 3 weeks ago when this issue came to a point when we were debating the agriculture appropriations bill. An amendment related to health care was brought and debated on the floor of this Senate with regard to the agriculture appropriations bill. At the time, what happened? We had a lot of debate about whether we should be debating health care on an agriculture bill. Ultimately we reached a resolution by which we took the agriculture appropriations bill off the floor, came back a week or so later, and brought the health care legislation to the floor, had a full week of debate on the health care issue, and finally a vote on that health care issue.

To me, the question of whether the legislation is moving forward or the issues the minority wants to see brought forward can be brought forward is one that has to be focused on closely. In the Senate—and the good Senator from West Virginia very well and very carefully explained the difference between the House and the Senate—in the Senate, as compared to the

House, the minority rights do give the minority many powerful opportunities to bring forth their legislation and their ideas, not the least of which are the filibuster, the hold, and any number of other procedural opportunities they may have. I am convinced the minority's rights to bring forward their issues for argument are well protected. I would say to the Senators who are concerned about that, I agree with them, they should be protected.

The way a legislature should operate is that both sides should be able to bring forward their issues and the clash of ideas should take place on the floor of the Senate. The Senate should then vote based on principle, on what the policy of the country should be on the issue being debated.

What should not happen is that, as an important bill that is moving forward is being debated, something that cannot survive the clash of ideas gets attached to it as a rider and then slides through into law without that opportunity for the clear and concise focus that would be followed if rule XVI were followed.

Although we are debating a procedural issue today, the issue could not be more important to the governance of this Senate and to the governance of this country. I do not remember who it was, but one of the great political leaders of the country once said: If you give me control over the procedure, I can control the outcome. Procedures are critical to the proper outcome in a legislative body. I agree wholeheartedly with my colleagues; our procedures must be fair; they must be balanced. In that context, I would willingly support any efforts to make the system here more fair and more balanced.

I look at this not as a Republican or a Democrat. As I said, I was not here 2 years ago when the fight took place to change the rule from what it was before. I believe Republicans and Democrats break the spirit of this rule regularly in the Senate. To me, we have to look at what is the right principle by which this great institution should be governed. When we identify the principle by which we should be governed, without partisan considerations, we should enact that principle into our rules. That is what I believe was done in 1868. I think that is what the Senate has done historically with what is now rule XVI and with the principle that we should not allow nongermane riders to be attached to legislation being considered on the floor of the Senate.

I would like to conclude my remarks by going back to a theme that has been brought up by the Senator from West Virginia, and that is his respect for this great institution. It is one of the greatest honors that ever could be bestowed on anyone to have the privilege to serve in this Chamber, the Senate. I feel about my opportunity that deeply. I want to do nothing other than to

make this institution the great institution our Founding Fathers intended for it to be. It will be that kind of institution if we look beyond partisanship, beyond politics, and beyond personal attacks, and identify the principles by which we should govern ourselves, put those principles into place, and then operate within their limits.

I yield the remainder of my time.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, it is my understanding the order of business is S. Res. 160, a resolution to restore an interpretation of rule XVI of the Senate.

The PRESIDING OFFICER. The Senator is correct.

Mr. MURKOWSKI. Further, it is my understanding this interpretation of the rule would allow a Senator to make a point of order against any amendment to an appropriations bill that is not germane to appropriations.

The PRESIDING OFFICER. The issue is legislation on an appropriations bill.

Mr. MURKOWSKI. So in effect it would not allow a Senator to legislate policy changes on appropriations bills if a point of order was made against the amendment?

The PRESIDING OFFICER. That is correct.

Mr. MURKOWSKI. I thank the Chair.

Mr. President, I think this is one of the most significant opportunities this body has had in some time to address an internal disregard for our responsibility. As a consequence, I rise in strong support of S. Res. 160, the resolution, that would overturn the rule XVI precedent the Senate adopted on March 16, 1995, which effectively hijacked the authorization process by allowing Senators to routinely offer legislative amendments on general appropriations bills.

Doing a little research, it was less than a year ago when the Senate voted on the 4,000-page, 40-pound, \$540 billion omnibus appropriations bill. Not only did that bill contain funding for various Federal agencies including the Departments of Agriculture, Commerce, State, and Justice, the District of Columbia, Foreign Ops, Interior, and Labor-HHS; but it also included numerous authorization bills. A few of them contained in that package were the American Competitiveness Act, the Internet Tax Freedom Act, the Internet Decency Act, the Vacancies Act, the reauthorization of the Office of National Drug Control Policy, the Drug Free Workplace Act, the Drug Demand Reauthorization Act, the Foreign Affairs Reform and Restructuring Act, the Chemical Weapons Convention Implementation Act—I could go on and on.

In addition, that monstrosity of a bill included tax extender legislation and more than \$20 billion of so-called emergency spending.

One has to ask the question why we need authorizing committees when we allow appropriations bills to include authorizing legislation. Why should the Finance Committee, for example, exist if the appropriators can include tax legislation in their bills? Why should the Commerce Committee hold meetings when the American Competitiveness Act can be included in an appropriations bill?

We have example after example. I recall not so long ago the battle we fought over the fiscal 1998 Interior appropriations. The Clinton administration at that time decided on its own to acquire the Headwaters Forest in northern California—that was at a cost of \$315 million—further, the Administration also decided to acquire the New World Mine site in Montana, at a cost of \$65 million.

I am not going to speak to the merits of these acquisitions, but I am going to speak to the manner in which they were done because here you have an administration that prides itself on public participation. These decisions were made with no congressional involvement. The administration sought to bypass the authorizing committees entirely and have the appropriators essentially just write a check for the purchase of those properties, and that is just what they did.

I happen to be chairman of the authorizing committee with jurisdiction, the Energy and Natural Resources Committee. I wanted the opportunity for the committee to carefully review the merits of these acquisitions. We tried, but the argument failed, and the authorization and funding were included in the 1998 Interior appropriations bill. That was much to the administration's delight. They got their way. But the public, the process, the committee of jurisdiction, had no opportunity to review these significant purchases, no opportunity to hold hearings, no opportunity for open debate or any type of public review. That is what is wrong with this system.

Today we have an opportunity to begin to change that. Moreover, what has happened since this precedent was changed in 1995 is that appropriations bills become far more difficult to pass. As we know—we have seen it lately—they are held hostage to nonappropriations issues, and the delays in getting them completed raise the specter of a Government shutdown at the end of each session. We saw it just 3 weeks ago, an example of how authorizing legislation stands in the way of the appropriations process.

For nearly a full week, the agriculture appropriations bill was stalled because Members on the other side of the aisle demanded we consider the Patients' Bill of Rights. As a result, the Senate had to stop the appropriations process for an entire week as we debated this important health issue.

I happen to support the Patients' Bill of Rights that was adopted by the Senate. I believe we should, first of all, have completed all of the appropriations bills before we engaged in that debate and other debates. As of today, we still have not moved forward on the agriculture bill.

Because of the delays in the appropriations process, what has been happening in recent years is that when the end of the fiscal year approaches, the appropriators and the leadership have to come together to engage in a negotiation with the White House to ensure the Government continues to function. As was demonstrated last year, authorizing bills and appropriations bills get mixed in together in a single omnibus bill which is negotiated by a hand-picked group of people. Authorizers do not participate in the process and, therefore, have no say in the substance of the legislation.

This is wrong. This is not the way the Senate was set up to function.

As a consequence, as we look at where we are today, the founders intended the Senate to operate with a representative process with the authorizing committees doing their job. They were not created simply to provide oversight. Those committees do important things such as holding hearings, drafting legislation based on their knowledge gained from such hearings, and that is why we have the structure of the authorization committees because they have expertise and their professional staffs have an expertise on much of the complicated issues before us. If we continue to allow appropriations bills to be laden with authorization legislation, I can assure my colleagues we are going to see a repeat of last year's last-minute omnibus bill.

In closing, I will make a reference to how we are seen by the administration, and I am speaking as an authorizer, as chairman of an authorizing committee.

One Secretary, Secretary Babbitt, Secretary of the Interior, has become adept at circumventing the Congress. Babbitt has indicated that he is proud of his procedure and proud of the way he is doing it. I quote:

... "We've switched the rules of the game. We're not trying to do anything legislatively," says Babbitt.

That is the National Journal, May 22, 1999.

A further quote from Secretary Babbitt:

One of the hardest things to divine is the intent of Congress because most of the time ... legislation is put together usually in kind of a House/Senate kind of thing where it's the munchkins—

The munchkins, Mr. President—

who actually draft this legislation at midnight in a conference committee and it goes out.

It is a statement from Cobel v. Babbitt, page 3668.

Lastly, from Secretary Babbitt:

I am on record around this town as saying that the real business on these issues is done in the appropriation committees, and I, I am a regular and frequent participant at all levels in those. That's, that's where the action is, that's where things get done. The authorizing committees are partisan wrangles of the first order. I mean, nothing ever gets done on any level in the authorizing committees.

Cobel v. Babbitt, page 3811-3812.

Mr. REID. Will my friend yield for a brief question?

Mr. MURKOWSKI. I have one brief statement, and then I will yield.

It is my hope we will overturn this precedent and return the Senate to the way it has operated for nearly all of its history. Otherwise, we might just as well abandon our authorizing committees and enlarge the size of the Appropriations Committee to all 100 Members.

I believe my friend from Nevada has a question.

Mr. REID. I do have a brief question to ask the chairman of the most important Energy and Natural Resources Committee. I asked a similar question—in fact, the same question—earlier this morning of the senior Senator from Wyoming who shares a lot of the interests of the Senator from Alaska.

He said he felt it was appropriate to change rule XVI. The minority leader is going to file a motion to amend rule XXVIII for that to go back the way it used to be.

In 1996, on the FAA authorization bill, a point of order was raised that the conferees brought back information and material that was not contained in either bill of the House or the Senate. A point of order was raised that it was not. The Chair ruled that it was true. It was overruled.

I say to my friend from Alaska in the form of a question, I hope in his support to change rule XVI that he will also look at rule XXVIII because, as the senior Senator from New York who spoke earlier today said and the senior Senator from West Virginia said, the problem we are facing is magnified even more so than what the Senator from Alaska stated. The Senator from Alaska was called back from his State, and I was called back from my State last fall, and we voted on a 1,500-page bill he had not read and, I am sorry to say, I had not read. I probably could not lift that bill, let alone read it.

The fact is, there was so much material contained in that, material to which I am sure the Secretary of Interior referred. He had stuff in that bill with which the Senator from Alaska had nothing to do with and it was put in, even though he is the chairman of the committee of jurisdiction. Certainly the appropriators did not work on it. It was done by the Chief of Staff of the White House principally, a few people from the Senate, a few people from the House, and they did the work for all of us.

I hope that my friend from Alaska, who certainly has so much to do with what we do around here, especially those of us in the Western United States, will look favorably also at changing rule XXVIII back the way it used to be.

Mr. MURKOWSKI. I very much appreciate my friend from Nevada highlighting the inequity associated with the responsibility of the authorizers because, as I indicated in my statement, we get down to a situation where we are out of time and, as I stated, a few hand-picked individuals come together with the White House and basically negotiate a resolve with no participation from the authorizers. As a consequence, as he pointed out, we cannot read the material. It is basically put together simultaneously with the process of negotiation. We are short-changing our responsibility. I very much appreciate his attention given to this matter.

Mr. REID. I will also say to my friend from Alaska, the Senator from Wyoming said he agreed with us that the rule should be changed.

I yield 8 minutes to the distinguished Senator from Indiana, EVAN BAYH.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. BAYH. I thank the Chair. It is an honor for me to be in the Chamber of this great institution once again with you serving as our Presiding Officer this afternoon. I thank my colleagues also for being here today.

Before I begin my remarks, I ask unanimous consent that at the conclusion of my time, my colleague from Minnesota be recognized. He has very graciously allowed me to cut ahead of him in line this afternoon. I want him, if there is no objection, to be recognized at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. I thank the Chair and my colleagues. I am pleased to be here, and I rise in opposition to Senate Resolution 160 because I believe that it represents bad public policy. It represents a lack of conviction and consistency on the part of the majority in this Chamber, and it represents a continuing erosion of the traditions of this great body which imperil the very vitality of our democracy.

I say these things, although I have no doubt that if we asked many who are in the galleries today or the citizens in my State exactly what rule XVI involves, they would have very little awareness of this or of the significance of the change that has been proposed. I do believe that if the citizens of our country understood the importance, the symbolic changes this resolution represents, they would be concerned, indeed, because the citizens of our country do care about good public policy.

The best avenue to ensuring that the people of our country have good public

policy, with the fostering of vigorous, open debate, is the contest of ideas right here in the well of the Senate, where the good ideas triumph and the bad ones are weeded out.

Someone said, the best disinfectant is sunshine. That holds true in the Senate as it does in other forums. We will not get the best Government that the people of our country deserve if the minority in this Chamber is not given the privilege of introducing our ideas before the American people and debating them in a free and open forum.

Think with me for a moment of some of the ideas that would not have been allowed to come up over the last 6 months that I have been privileged to serve in the Senate if this resolution proposed before us today were adopted.

The Patients' Bill of Rights is important to every citizen across our country. Mr. President, if you believe in the right to have access to a specialist, in emergency care, you should care about this resolution. If you believe in the right to have an effective appeal to the denial of coverage, you should support defeat of this resolution.

Likewise, the juvenile justice bill, which we addressed in the tragic aftermath of the Columbine incident, would never have come before this Chamber if this resolution that we consider today were in effect.

Something I worked very hard on, with a bipartisan group, to ensure that the States have access to the proceeds from the tobacco litigation, would never have come before this Chamber and would not have been a part of the emergency supplemental passed into law if this resolution we consider today had been in effect.

Important issues of public policy, my fellow Americans, would not be heard on the floor of this great body, the greatest deliberative body in the history of man, if the resolution proposed before us goes into effect.

Your well-being, the well-being of our country, and those about whom we care will be substantially affected if this resolution is adopted. We should not let that happen to future debates about education or the minimum wage or other things that we, as Americans, care about.

Likewise, Mr. President, I am distressed to state it, but I believe this resolution represents a very real lack of conviction, a lack of conviction on the part of the majority now controlling this Chamber. If they truly have the best ideas, if their ideas are in the best interests of the American people, why not have them subjected to amendment and debate on the floor of the Senate?

Moreover, I ask those here in our presence today, and those viewing us at home, if our ideas on this side of the Chamber are so weak, so lacking in merit, what is the fear in allowing us to debate them and vote on them in the Senate?

My friends, I think the answer is distressingly clear. There are some Members of this body who do not want to cast the tough votes. They do not want to be forced to make the tough decisions. They do not want to have to address the compelling challenges of our time. They would rather limit debate and too often gag the Members of the minority from presenting our ideas.

The answer to this, Mr. President, is simple: It is not to stifle debate, it is not to prevent votes. If you do not believe in having a vigorous debate on the floor of the Senate, why run for the office in the first place?

As Harry Truman once said: If you can't stand the heat, you better not go into the kitchen. That is what this resolution is really all about.

Next, this resolution, unfortunately, represents a real lack of consistency on the part of the majority. It is a flip-flop, more worthy of a gymnastics contest than a debate on the floor of the Senate.

Just 4 short years ago, the majority voted to overturn the historic practice of not allowing legislation on appropriations. Now they propose to change it back. I could not blame Americans listening to our comments today if they thought what was really holding sway on the floor of the Senate had more to do with expediency in politics than consistency of principle.

Unfortunately, Mr. President, it represents something that Americans have come to view as too often is the case in Washington today, and that is the pursuit of power above all else—certainly, the pursuit of power above principle, all too frequently. And that is not how it should be.

I remind my colleagues, the majority, that the test of character is not how you behave when you are weak; the real test of character is when we see how you behave when you are strong. That is what we see today. I am afraid we are not passing this test if we go forward and gag and muzzle the minority from offering our ideas to the American people.

Let me offer this observation in conclusion.

I represent a State of 6 million souls. I believe I was elected to represent them on the floor of the Senate, to offer the ideas that will best serve to increase the opportunity that they will have in their lives. That is why I was sent to the Senate. It is not right to muzzle their elected Representative from offering the ideas that I believe will serve them best, or the Senator of Nevada believes will serve his constituents best, or the Senator from Minnesota or the other Senators in this body.

I have hanging in my office a print entitled "The United States Senate," circa 1850. It is a wonderful print that I believe embodies the history and the legacy of this institution at its finest.

In the center of this print is Henry Clay, speaking on the floor of the Senate in the historic Old Senate Chamber. And listening intently to him on the floor of the Senate were some of the giants in the Senate: Daniel Webster, John Calhoun, Thomas Hart Benton. Future Presidents of the United States were in attendance listening to the debate.

They were not debating an arcane subject that would be of no interest to the people of this country. They were debating the very union that is the foundation upon which our Nation is built. What would our forefathers think of the changes that have taken place in this Senate if they felt that the issues of union and disunion, States rights and Federal rights, the very liberties we hold dear, were no longer allowed to be debated on the floor of the Senate?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BAYH. Mr. President, I believe they would be distressed, as I am today, and as people would be today if they understood what was at stake here. I urge my colleagues to vote against this resolution and to uphold the traditions of our Senate.

Mr. REID. Mr. President, I yield 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Thank you, Mr. President. I might not even need to take that much time.

First of all, I thank the Senator from Indiana for his comments. I was thinking about what he said. When I was a college teacher, I used to talk a bit about Birch Bayh, some of the Senators who took strong, principled stands. The Senator mentioned other great Senators, but I think the Senator represents a really wonderful tradition.

I think what Senator BAYH said at the very end of his remarks is what is most important to me. I was thinking about when I ran for the Senate from Minnesota. It would be an honor to be a Member of the House of Representatives; the Presiding Officer was a Member of the House of Representatives. As a Senator, you could do a much better job of being an advocate for the people in your State, because the rules of the Senate were such that you could come to the floor, even if it was you alone—maybe others would not agree with you, but hopefully you could get a majority—if you thought the Senate was in a disconnect with the people, to the concerns and circumstances of people you represented, to express your concerns.

I just mention a gathering I was at the Dahl farm in northwest Minnesota. It is a huge problem in Arkansas, too. Farmers showed up, coming from a long distance away. It was a desperate situation. In the Senate you can come

to the floor and say: I have to come to the floor and fight for family farmers. I have to come to the floor to talk about comprehensive health care. I have to come to the floor and figure out a vehicle whereby I can talk about ending this discrimination when it comes to people who are struggling with mental illness. I have to come to the floor to talk about poor children in America. I have to come to the floor to talk about veterans health care and the gap in veterans health care in Minnesota and around the country.

The great thing about being a Senator is you can come to the floor with an amendment and you can fight for it.

Mr. REID. Would the Senator yield for a question?

Mr. WELLSTONE. I would be pleased to yield.

Mr. REID. You are a former professor of government. It is true, is it not, that the Constitution was drawn to protect the minority, not the majority?

Mr. WELLSTONE. That is true.

Mr. REID. Isn't it true that there is nobody better to protect the Constitution and the minority than the Senate?

Mr. WELLSTONE. Mr. President, that is part of the genius of the Senate and the way Senators have conducted themselves over the years.

Mr. REID. Do I understand the Senator to say, unless we have more of an opportunity to speak out on issues, that those minorities, in effect, are not represented here?

Mr. WELLSTONE. Mr. President, the reason I am going to vote against this resolution is, to be very direct—I am not full of hatred about this; I am just making a political point, and we do make political points on the floor of the Senate—when I look at the context of what has been going on here, I am in profound opposition to what the majority leader and the majority party have been doing, which is to sort of what we call fill up the tree, basically denying Senators the right to come to the floor with amendments, to try to make sure we don't have to debate tough and controversial questions, to try to make sure we can't move forward agendas that we, as Senators, think are important to the people of our States.

I am absolutely opposed to what I think is being done here. Therefore, I think this resolution fits into that pattern of trying to stifle dissent, trying to stifle a minority opinion, trying to stifle individual Senators from coming to the floor and doing their absolute best to be the strongest possible advocates for the people of their States. That is why I am voting against this resolution.

It is sort of two issues. One is the question that the Senator from Nevada spoke on, which is, what is the role of the Senate in relation to the House of Representatives, in relation to making sure that we have respect for minority rights, so on and forth, what is the role

of the Senate as a deliberative body, as a debate body. The other issue, which is even more important to me, is whether or not I can, as a Senator, do the best possible job for the people of my State. That is why I am going to oppose this resolution.

Mr. President, I ask unanimous consent to speak for 7 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### VETERANS BUDGET REPORT

Mr. WELLSTONE. This is an area in which the Presiding Officer has done a lot of work. I thank the Senator from Arkansas for his good work on veterans issues.

Mr. President, on June 15th I sent letters to each of the twenty-two VISN Directors of the VA health care system to ask for data on how their network would be affected by the President's flat-lined budget. I conducted this survey because the stories coming from rank and file VA staff and veterans who I had talked with were horrible:

Veterans with PTSD waiting months to get treatment;

Veterans living in fear that facilities would be closed and access to care would be cut off;

VA nurses working mandatory overtime, frequent back to back shifts because of staffing shortages.

But I wasn't getting complete answers in Washington. So to find the truth I went to the VISN Directors themselves. By the middle of July, all 22 VISN Directors had responded. I am pleased to say that overall their responses were very candid. They took my letters in the spirit that I intended: to understand the stakes involved in the VA health care budget debate here in Washington. Many of these directors showed real courage in responding as frankly as they did.

My staff summarized the responses in a report. I think the findings should be of great concern to every one of my colleagues.

I can best describe the results in two points:

1. The legacy of the Clinton administration's budget will be fewer VA staff, offering fewer services, and treating fewer Veterans.

2. The House and Senate cannot buy off the nations veterans by adding a few hundred million dollars to the President's budget. Only full funding will restore the VA to a capacity America's veterans deserve.

Let me be specific: The report finds that:

20 VISNs would have funding shortfalls under the Clinton Budget:

As many as 10,000 employees would be cut under the Clinton budget: 19 of the 22 VISNs indicated that staff reductions would be necessary under the Clinton administration fiscal year 2000

budget. One VISN indicated that under the President's budget it would need to reduce employment by 1,454 FTEEs, a cut of 15.4 percent of that VISN's workforce.

10 VISNs would reduce patient workload under the Clinton budget: Only one VISN said it could treat more veterans this year than last year under this budget.

71,129 fewer veterans would be served under the Clinton budget: One VISN reported that it may need to eliminate services to as many as 17,000 veterans. And this number is only the total from the 6 VISNs who gave us an estimated number. Again, Four other VISNs said they would treat fewer veterans.

But even an increase of \$500 million above the President's budget would not reverse this trend. On the contrary, this report shows that an increase of such a small amount would still require hard choices and in some cases reductions in services, staff, and veterans served.

At least 12 VISNs would have short falls under Clinton budget plus \$500 million: the largest deficit for an individual VISN was \$100 million.

At least 13 VISNs would reduce staffing under the Clinton budget plus \$500 million—in one VISN by over 1,100 employees.

At least 38,155 fewer veterans would be served under the Clinton budget plus \$500 million: Again, only one VISN said it could positively increase services to veterans under this scenario. One VISN said it would still turn away 9,600 veterans.

Veterans health care is at a crossroads. While the nation's twenty-two VISNs have struggled valiantly to do more with a shrinking budget, the results of this survey suggest that urgent action is required to reverse what has become a funding crisis in VA health care—even as America's veterans population becomes older and more reliant on VA services. Spending decisions made by Congress in the next few months will determine whether predictions made by the 22 VISNs become reality or a disaster narrowly averted.

This funding crisis will affect the World War II veteran, who has to drive 6 hours to get care because funding problems prevented the VA from opening a community based out-patient clinic in his area.

This funding crisis will affect the VA nurse who has to work 16 hour shifts because hiring enough nurses is too expensive.

It is outrageous that with federal budget surpluses 20 VISNs will run a deficit. It is outrageous that staff will be cut, or furloughed while being asked to work harder and longer hours. It is outrageous that over 71,000 fewer sick and disabled veterans would be treated by the VA next year even as they get older. These veterans need more health care not less.

But this story doesn't begin with my report. It is really a continuation of a battle begun 13 years ago with the release of the first Independent Budget by the major veterans groups. It is the continuation of a battle fought by Senator JOHNSON in the Budget Committee—to provide full funding for veterans. And of a battle TIM and I fought on the floor on the Senate to provide full funding for veterans in the Senate budget resolution—a fight that we won with a unanimous vote to increase VA funding to the level recommended by the independent budget.

But let me be clear, this is also a fight we must carry on to Appropriations.

What this report suggests is that we are through cutting the fat out of the VA budget. There is nothing left to pare but bone and muscle. The VA has reached its fighting weight and has plunged dangerously below.

We've squeezed just about as much money out of the system as we possibly can. People on the front lines of veterans health care—whether care providers or recipients—know that the VA health care system is desperately short of resources. I worry that my friend Lyle Pearson, of North Mankato, decorated for his service in WWII, disabled vet, who receives care at VA facilities in Minnesota, will not get the care he needs if the flat-line budget is not improved. I worry that veterans across the nation will be caught between increasing need and flat-lined funds. Veterans in Bangor, Maine are concerned because a VA inspector general report noted that their outpatient clinic had a 10 month backlog of new patients. Things were so bad last Fall that the clinic couldn't see walk-in patients or urgent-care patients, and there was a four month wait to see the clinic's part-time psychiatrist. Veterans in Iowa are facing the possible closure of one of their three major veterans hospitals because of budget shortfalls.

The last chance for veterans this year is VA/HUD appropriations. But we still don't know what the funding level will be the VA/HUD appropriations bills. In two and a half months, fiscal 1999 will end and we still don't even have a start on funding FY 2000. The bills have not been marked up by the committee. This is unacceptable. If veterans funding is allocated in the dark of night in a last minute omnibus spending bill, I fear the veteran will be short changed. Bring the VA/HUD bill to the floor. If there isn't enough money in it for veterans, we'll amend it to add more.

A story in the July 18th edition of the Richmond Times Dispatch quotes in chairman of the VA/HUD appropriations Subcommittee as saying that the budget situation that we face this year is very tough. That same article says that VA health care might be facing a \$1 billion cut.

I've heard that rumor. I've heard the rumor that veterans will get an increase. Well let me start a rumor this morning that veterans can take to the bank: I give notice now to my colleagues that I will be on the floor of the Senate offering an amendment to VA/HUD appropriations the first opportunity I get if the funding is not enough.

The veteran has borne the pain of budget cuts for too long. Tax cuts should come after relief for veterans. Defense buildups should come after relief for veterans. Let's make the veteran the priority again.

This is a fight to make VA health care the gold standard for health care again. It is a fight to keep a promise to the veteran: If you served your country your nation will stand up for you. If you were injured you will be healed. If you are disabled, the country will raise you up—not cast you aside.

I call on my colleagues to join me and the veterans in this fight. It will take every U.S. Senator and every Member of the House. It will take the VFW, the DAV, the PVA, the AMVETS, and the Vietnam Vets and all the other groups besides.

Most importantly, America's veterans must demand it. Veterans need to hear the call one more time.

Together we can restore the funds and keep our covenant with the veteran.

Mr. President, today the Vice President announced that the White House is going to be asking for another \$1 billion. Veterans organizations last week—I thank them—came together with us and presented this data. We said there are huge problems in the country; a lot of veterans aren't going to get the care they need and the care that they deserve.

The Vice President stated the White House is going to ask for an additional \$1 billion. I thank the Vice President for his announcement. That helps. However, we are going to have to do a lot better. That still leaves us with a \$2 billion shortfall. To my colleagues on both sides of the aisle and to the White House and to the Vice President, I say that the veterans community is organizing. It is good grassroots politics. They are going to hold us all accountable. We will have to do a lot better.

#### STOP WORSENING REPRESSION IN BURMA

Mr. WELLSTONE. Mr. President, I want to speak today on the distressing human rights situation in Burma. The Association of Southeast Asian Nations, ASEAN, held their Annual Ministerial Meeting in Singapore this weekend. And this week Secretary Albright will be in Singapore for the ASEAN regional forum and the Post-Ministerial Conference. It is essential

that during all of these meetings serious attention is focused on the worsening human rights situation in Burma.

We haven't heard much about Burma in the media recently. There have been no major news events in Burma recently to grab the attention of the world: No Tiananmen Square scale massacres, no Kosovo scale dislocations, no bloody street clashes like we've seen in East Timor or Iran. But in Burma today something equally chilling is proceeding, out of the world's view: A slow, systematic strangling of the democratic opposition. Since last fall, the ruling military regime has detained, threatened and tortured opposition party members in increasing numbers. At least 150 senior members of the opposition National League for Democracy are being held in government detention centers. 3,000 political prisoners are held in Rangoon's notorious Insein prison. The regime has forced or coerced nearly 40,000 others to resign from the opposition party in recent months. In a videotape smuggled out of Burma in April and delivered to the U.N. Human Rights Commission in Geneva, the leader of the National League for Democracy, Aung San Suu Kyi, said government repression had worsened greatly in the past year on a scale "the world has not yet grasped." She said on the tape: "What we have suffered over the last year is far more than we have suffered over the last six or seven years." According to one Western official, the regime intends to do nothing less than eradicate the opposition "once and for all."

Mr. President, most of this repression takes place quietly, through intimidation, arrests at night and other activities out of the public eye. The Burmese regime carefully controls access to the country for journalists. So we have no video footage of the repression and only scant reporting from a few brave journalists and human rights workers. But just because we cannot see what is going on in Burma does not mean we can ignore it. It is all the more important for us to speak about the situation there and show our support for the forces of democracy and human rights.

In July 1997, when Burma became a full ASEAN member, ASEAN countries claimed that such a move would encourage the regime—the so-called State Peace and Development Council, or SPDC, to improve its human rights record. In fact the opposite has been true. As the Washington Post put it in a recent editorial: "ASEAN's logic was familiar: Engagement with the outside world would persuade Burma's dictators to relax their repressive rule. The verdict on this test case of the engagement theory thus far is clear: The behavior of the thugs who run Burma has worsened, and so has life for most Burmese."

Not only has the SPDC stepped up its repression of the opposition party, the National League for Democracy, it has intensified its campaign of oppression against the country's ethnic minorities. The regime has increased forcible relocation programs in the Karen, Karenni, and Shan States. The use of forced labor in all seven ethnic minority states continues at a high level, and forced portering occurs wherever there are counter-insurgency activities.

Amnesty International has just issued three new reports which describe in compelling detail the harsh, relentless mistreatment of farmers and other civilians of ethnic minority groups in rural areas. Let me read a few brief passages from these excellent, detailed reports:

In February 1999, Amnesty International interviewed recently arrived Shan refugees in Thailand in order to obtain an update on the human rights situation in the central Shan State. The pattern of violations has remained the same, including forced labor and portering, extrajudicial killings, and ill-treatment of villagers. Troops also routinely stole villagers' rice supplies, cattle, and gold, using them to sell or to feed themselves. According to reports, Army officers do not provide their troops with adequate supplies so troops in effect live off the villagers. One 33 year-old farmer from Murngnai township described the relationship between the Shan people and the army:

Before, I learned that the armed forces are supposed to protect people, but they are repressing people. If you can't give them everything they want, they consider you as their enemy . . . it is illogical, the army is forcing the people to protect them, instead of vice-versa.

Amnesty International also reports similar abuses in Karen state:

Karen refugees interviewed in Thailand cited several reasons for leaving their homes: Some had previously been forced out of their villages by the Burmese army and had been hiding in the forest. They feared being shot on sight by the military because they occupied "black areas" where the insurgents were allegedly active. Many others fled directly from their home villages in the face of village burnings, constant demands for forced labor, looting of food and supplies, and extrajudicial killings at the hands of the military.

These human rights violations took place in the context of widespread counter-insurgency activities against the Karen National Union (KNU) one of the last remaining armed ethnic minority opposition groups still fighting the military government. Guerilla fighting between the two groups continues, but the primary victims are Karen civilians. Civilians are at risk of torture and extrajudicial executions by the military, who appear to automatically assume that they supported or

were even members of the KNU. Civilians also became sitting targets for constant demands by the army for forced labor or portering duties. As one Karen refugee explained to Amnesty International, "Even though we are civilians, the military treats us like their enemy."

A similar situation exists in Karenni State. Three-quarters of the dozens of Karenni refugees interviewed by Amnesty International in February 1999 were forced by the military to work as unpaid laborers. They were in effect an unwilling pool of laborers which the military drew from to work in military bases, build roads, and clear land. When asked why they decided to flee to Thailand, many refugees said that forced labor duties made it impossible for them to survive and do work to support themselves. Several of them also mentioned that forced labor demands had increased during 1998.

Unpaid forced labor is in contravention of the International Labor Organization's (ILO) Convention No. 29, which the government of Burma signed in 1955. The ILO has repeatedly raised the issue with the government and in June 1996 took the rare step of appointing a Commission of Inquiry. In August 1998 the Commission published a comprehensive report, which found the government of Burma "... guilty of an international crime that is also, if committed in a widespread or systematic manner, a crime against humanity."

Mr. President, I am under no illusion that the military regime in Burma will reform overnight and end its human rights abuses. But I think it is critically important that we keep the world's attention focused on the terrible repression of democracy and abuse of ethnic minorities going on there. I hope our message of concern, backed by the invaluable reporting done by Amnesty International, will get through somehow to the Burmese people and to their courageous leader, Nobel laureate Aung San Suu Kyi.

ASEAN member countries are gathering in Singapore currently for a series of meetings. We need to encourage them to develop a new strategy for dealing with the SPDC's intransigence regarding human rights. Now that criticism of fellow ASEAN members is no longer completely taboo, I hope some of the ASEAN countries that have improved their own human rights records will take the initiative to prod the Burmese to move in the right direction. The ASEAN regional forum (ARF), which deals with Asian security issues, will meet at the same time and should address this as a security problem. Western nations, including the U.S., who will also be present at the ARF should work closely with all concerned countries to encourage the SPDC to improve its human rights record.



Even if we don't see quick improvement, those of us who care deeply about human rights have a duty to keep the plight of the Burmese people before the world community. I am committed to doing that, and I hope my colleagues will join me in pressing the Burmese regime for real, measurable improvements in these areas.

#### RESTORATION OF THE ENFORCEMENT OF RULE XVI—Continued

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I express my appreciation for the statement of the Senator from Minnesota regarding the rule change in his usual deliberate style.

I yield 5 minutes to the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. SARBANES. Mr. President, I rise to speak to the resolution that will be before us for a vote at the end of the afternoon, S. Res. 160, to restore enforcement of rule XVI.

Mr. President, I believe in the Senate as an institution. I think it is an important part of the workings of our democracy that the Senate carry out its duties and responsibilities in a way that it has done throughout the more than 200-year history of our Republic.

In a sense, this is a difficult issue for me because I voted not to waive rule XVI, or, in effect, not to overrule the ruling of the Chair, at the time the ruling was made. That, of course, was a motion offered by my colleagues on the other side of the aisle. I thought, well, we really should not change the way we do business. But what has happened since that time is, increasingly, that the minority has been really frustrated by the lack of opportunity to come to the floor of the Senate to offer its positions, to have them considered and voted upon. Therefore, I am going to vote against this resolution when it comes to a vote this afternoon simply, among other things, to make a very strong statement of protest against the procedures that are now being followed in the Senate, which are effectively preventing us from considering important issues.

Now, repeatedly, we have had a situation in which the majority leader, once a measure is offered, fills up the amendment tree by gaining first recognition, which is the majority leader's entitlement under our process, and then the minority has no opportunity to offer its proposals. I ask the minority whip and the assistant minority leader, isn't it the case that time and time again we have simply been blocked out from even putting an issue before the Senate? I am not complaining about being blocked out if we then go to a vote on it—well, I would

complain, but you decide these things by majority vote. We are even being precluded from offering amendments in order to have positions considered; is that not correct?

Mr. REID. That is absolutely true. For example, on the issue of the lockbox, cloture has been filed three to five times. We have never uttered a single word in a debate about that issue. We have never had the opportunity to offer a single amendment. We agree with the lockbox concept, but does it have to be theirs? Can't we try to change it a little bit?

Mr. SARBANES. As I understand it, the way that has been structured now, the minority is totally precluded from offering any alternative proposal or any different proposal because they have completely blocked us out from offering any amendments; isn't that correct?

Mr. REID. That is absolutely true. I ask my friends, are they so afraid of discussing an issue, and are they so afraid they will lose a couple of Members and we will be right? Is that the problem? I don't know. Why won't they let us at least offer an amendment?

Mr. SARBANES. It raises this question in a democracy: What happens when you can't pose issues and have them debated and voted upon?

It seems to me an elementary way of proceeding. Traditionally, the Senate has always offered that opportunity, as a matter of fact. I have been in this body a long time and I can recall when, not too long ago, we were in the majority, and even earlier when that was the case, when the Senate was essentially run in a way that enabled Members to bring up proposals and have them considered and voted upon. It by no means guaranteed that your proposal was going to prevail; You might lose, and that was obvious. But that is part and parcel of the democratic process. But not to even be able to offer your amendments—and, of course, this resolution would, in effect, limit down the opportunities as well.

Essentially, if you had a Senate that was operating in the traditional way, you could offer your proposals. That sort of limitation is one that we traditionally lived with. But this was lifted by the majority, and at the same time they did this, subsequently, they have increasingly developed other ways of blocking the minority out from simply laying their positions before the Senate for consideration. Is that not the case?

Mr. REID. It is absolutely the case. The fact is that all we want is to be treated like the Senate. My friend from Maryland served in the House of Representatives, as I did. That is a huge body, 435 Members. They need specific rules—and they have always had them—to move legislation along. You can't have unlimited debate in that body. But the Senate was set up dif-

ferently. We do not need, or should we have, a rule on every piece of legislation that comes through, as does the House of Representatives. Does the Senator agree?

Mr. SARBANES. I agree completely with that. In fact, even in the House the procedure has gotten so rigid that there is significant complaint that they do not have an opportunity when important measures are before—

The PRESIDING OFFICER. All time of the minority has expired, with the exception of 15 minutes that was reserved.

Mr. REID. Mr. President, since nobody is on the floor, I ask unanimous consent that we be allowed to continue for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I say to my friend, in responding to the question asked, with his experience in the House and in the Senate, can he tell us how he believes the Senate should be treated differently than the House of Representatives.

Mr. SARBANES. Well, the thing that struck me when I came to the Senate from the House was, in a sense, how much more wide open the Senate was in terms of considering proposals of the Members of the Senate. In the House, of course, you have title rules. You adopt a rule, and that limits the amendments that can be offered. We even had the so-called closed rule in which no amendment could be offered. You either had to vote up or down on the measure that was reported by the committee to the floor of the House. But usually you would get a rule that would perhaps give the minority an opportunity to offer a couple of amendments. One came to the Senate and discovered that both the majority and minority Members had much more of an opportunity to have amendments offered by the body and considered and voted upon.

Of course, in order to control that procedure, we had a rule that you could not legislate on an appropriations bill, which seemed to make good sense. Now, that was overturned a few years back when the majority wanted to have a certain measure considered and the Chair ruled that it constituted legislation on an appropriations bill; therefore, it was not in order. The majority—the other side of the aisle—then went forward and appealed the ruling of the Chair and they overruled the Chair. That established the precedent that you could offer legislation on an appropriations bill.

Mr. REID. I ask permission to ask the Senator a question.

Mr. SARBANES. I yield for a question.

Mr. REID. I remember that very clearly because I was the Senator who raised the point of order. It was on an appropriations bill, a supplemental appropriations bill. The junior Senator

from Texas offered an amendment on the Endangered Species Act that would do great harm to that act. I raised a point of order it was legislating on an appropriations bill. The Chair, without question, upheld my point of order. There was an appealing of the rule, as the Senator said, and a longstanding rule, with all the precedence, was turned on its head.

Now it has been 4 years, and we have been working under this situation that was created by the majority. The minority didn't do that. But I say to my friend, the reason we in the minority are so concerned is because it is not only that rule they are going to overturn, the fact of the matter is that we don't have any opportunities to offer amendments, to debate substantive issues in this country, based upon the gag rule placed on all legislation brought here; isn't that true?

Mr. SARBANES. The Senator is absolutely correct. What has happened is longstanding precedent was overturned. Therefore, you could legislate on an appropriations bill. That is the precedent we have been working under for the last 3 or 4 years. On occasion, the minority—our side—has offered legislation on an appropriations bill. Now the majority wants to go back to the old ruling. Having overturned the old ruling themselves, they now want to return to it.

Well, as an institutionalist, you know the old rule made some sense. But what has happened to the Senate in the interim, in the meantime, since the overturning of this old rule, is that other techniques have also been developed to block the minority from offering amendments on the various matters that come before the Senate. So, in effect, they are closing out the minority from having any voice, any opportunity to present our positions, any opportunity to have a judgment made on our positions.

I am very frank to tell you that is not the way the Senate ought to work.

Previously, even when we had the old rule, we didn't have a couple with these other techniques that are now being used in order to keep the minority from bringing their position before this body. Until we can remedy that situation and get some assurance that we are going to have an opportunity to really present our amendments in an orderly and reasonable fashion, I am not going to support any measure that could have the possibility of closing out some opportunity that we now have in order to present our positions.

Mr. REID. May I ask my friend another question?

Mr. SARBANES. Certainly.

Mr. REID. Is the Senator aware that the minority leader is going to offer an amendment to S. Res. 160 which will reinstate the scope of the conference report rule? That is when you go to conference and the conference com-

mittee must stay within the scope of the two bills on which they are working. It will be interesting to me to see if the majority will vote to support the overturning of rule XVI, which we know they will do, to see if they are logically consistent by going ahead and voting to also reinstate rule XXVIII. Also, this precedent was overturned in 1996 on the reauthorization bill.

Does the Senator think it would be consistent for them to vote to make rule XVI the way it used to be and rule XXVIII the way it used to be? How can you vote for one and not the other?

Mr. SARBANES. Absolutely. In fact, the rule XXVIII issue is also very important. That was also overturned by the majority to permit matters to be included in a conference report that were not within either of the two bills that the House and the Senate sent to the conference. Of course, what that means is that a conference can come back with something that is outside of the scope of the conference and present it to these bodies—a matter that neither the House nor the Senate considered in the course of sending that legislation to conference.

Talk about potential mischief. You could bring back in here, contained in a conference report with all of the sort of protections that a conference report has in terms of its consideration, and so forth, matters that were outside of what was sent to conference. The minority leader is trying to remedy that matter.

I can't for the life of me see why someone who supports S. Res. 160 would oppose the proposal of the minority leader. But I guess we will discover that when we come to a vote on the matter later this afternoon.

It eventually comes back to the very basic question. That is, What are to be the rights of the minority in this body? One of the great strengths of the Senate traditionally has been that it has accorded to the minority a real opportunity to participate in the consideration of matters on the floor of the Senate. The minority has not traditionally been closed out of participating. In fact, some have argued that minorities traditionally have been given too much of an opportunity to participate. They argue that.

But what has been happening in recent years is, the majority has been using its majority to overrule these precedents of the Senate, which effectively then allows the majority to do what it wants to do and completely leaves the minority outside of the process.

That is, in a sense, the issue that is at stake. That is why there has been such a strong reaction to this proposal, because S. Res. 160 comes in the context of these other matters that have been happening, all of which have moved in the same direction; namely, to preclude the minority from having a

fair opportunity to present its positions to the Senate, to have them considered, and to have judgment rendered upon them. It is fundamentally changing the nature of the Senate.

One of the great things about American democracy that any political commentator always points to is that, unlike many systems, it isn't run in such a tight, rigid, disciplined fashion that the minority can be excluded from any opportunity to be heard and to have its positions considered. Particularly the Senate has been the great bulwark of strength in that regard.

Now we have a proposal to overturn the very precedent which the majority themselves established only a few years ago, and to do so at the very time that increasingly the majority is using other techniques to block the minority from presenting its position, including, of course, this technique of filling up the amendment tree so that no amendments can be offered.

We really are moving very much in the direction of saying to the minority, in effect, well, you can come here and sit at your desks, but that is about all you can do around here; there is not much else you can do in terms of trying to constructively affect the legislative process.

I am very frank to say that I think we must resist that development. I think it is significantly undercutting the nature of the Senate as an institution and the role it has played in the country's history. I think this is a very important debate. I think the matter that is coming before us has a great deal to do with saying how the institution ought to run.

I must say that if the procedures were all fair and if we were given a fair opportunity to present our positions, there might be something that could be said for going back and treating what was done as a mistake, as some of us assert it was at the time. But in light of these subsequent developments, it seems to me that the minority has to really insist that no opportunity to offer its position should be denied to them. Therefore, that is the position I intend to take when this matter comes to a vote at the end of the day.

Mr. President, I yield the floor.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask unanimous consent that the time be charged to the majority.

The reason I say that is so the Presiding Officer, either in his capacity as Presiding Officer or as a Senator from

Arkansas—we have been very diligent in the minority in using up all of our time. Both leaders have sought to have a time in the evening to complete our vote. If the time doesn't run off, the time is charged to the majority now. This could go on forever and we wouldn't vote until sometime late at night.

I ask unanimous consent that be the case.

If there is some objection from the majority leader, he can come right back and change that.

That is my unanimous consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ALLARD). Without objection, it is so ordered.

Mr. LOTT. I inquire how the time has been divided and what time is remaining on each side.

The PRESIDING OFFICER. The majority has remaining 54½ minutes; the minority has used all of their allocated time. Fifteen minutes at the end has been allocated to Senator DASCHLE and there is an allotment of 15 minutes remaining for the majority leader.

Mr. LOTT. Mr. President, one further parliamentary inquiry. That means, then, during the quorum call all time is coming out of the majority side?

The PRESIDING OFFICER. That is correct.

Mr. LOTT. Mr. President, then I yield myself time out of this 54 minutes, realizing I also would have an opportunity to use my 15 minutes in closing. But there has been so much revisionist history espoused on the floor of the Senate today, I just did not want to let 1 hour 15 minutes go by without maybe correcting some of the record or putting an accurate history back into the CONGRESSIONAL RECORD.

A famous quote comes to my mind, from what I have heard here today. I fear "[thou] doth protest too much." In other words, there is an awful lot of protesting by the Democrats that has been going on that makes anybody who is a dispassionate, disinterested watcher just looking in, inquire why are they protesting so much?

I have to note the inconsistency that is involved, too. Basically what the minority is saying, the Democrats are saying: As a protest statement, we are going to vote against reinstating rule XVI but we want to turn right around and reinstate rule XXVIII.

This is Senate gibberish, I know, but it is inconsistent because they are say-

ing we want to continue to offer legislation on appropriations bills but we do not want anything coming back out of conference between the House and Senate that exceeds the scope of what was in the bill. I think there is an inconsistency there. I think we ought to take a close look at the scope of the conferences question. We have time to do that. We have committees, a Rules Committee, and we have a Governmental Affairs Committee that have been considering rules changes. I think there are a number of rules in the Senate that should be reviewed.

I think budget rules should be reviewed. For instance, this very week on the reconciliation bill which would provide some tax relief, at the end of the 20 hours, if amendments are still pending, we still have this very poor procedure where we might have to have what is called a "vote-arama," of one vote after the other, one right behind the other every 2 minutes; I guess it would be 12 minutes between the votes—a very poor way to do legislative business. I think we ought to take a look at that and see if we cannot find a way to improve it. So there are a number of things we can do that I think will help the way the Senate does business.

I would like to go back and remind Senators how this rule was changed, this rule XVI. Rule XVI was overturned by the Senate on March 16, 1995, on the Department of Defense supplemental appropriations bill. Senator HUTCHISON of Texas appealed the ruling of the Chair, in that the Chair ruled her amendment regarding a restriction on appropriations funds to make a final determination with respect to the endangered species list was legislation on an appropriations bill. In other words, this involved the Endangered Species Act. The Chair ruled this was legislating on an appropriations bill and therefore was out of order.

That ruling was appealed. Many Members on the Republican side of the aisle supported her appeal. As a result, the Parliamentarian can no longer entertain a point of order that extraneous language is legislation on an appropriations bill. Again, keep in mind that up until that point that point of order would have been upheld by the Chair. That ruling was overturned and therefore a new precedent was set.

Interestingly, in that vote, No. 107, on March 16, 1995, 54 Republicans voted to overturn the Chair, 44 Democrats voted to sustain the Chair's ruling.

I am sure for the most part on both sides what was really being voted on was the substance of this endangered species list amendment. For instance, one interesting quote on that occasion came from our colleague, Senator REID, who has been on the floor a good deal today. I think he summed up what was going on with regard to this particular amendment because I think

probably, without putting words in his mouth, he was at least sympathetic to what Senator HUTCHISON was trying to do. But this is what Senator REID said:

But this is not the way to treat a very important matter. I am very upset. I am going to do everything that I can to make sure the President, if in fact this bill passes, will veto it if we start conducting business in this way.

Basically he had indicated, I believe, that while he had some understanding and sympathy on the issue, he thought this was no way to be doing business.

As a result of the overturning of the Chair, the appropriations process has certainly lost some of its legitimacy and has been complicated by the number of amendments, and their variety—and I am going to cite some amendments that were offered. The appropriations process is a very important part of our constitutional duty to the Federal Government. Yet with each passing year since this vote in 1995, it gets more difficult to get our appropriations bills through because of all the legislating that occurs on the appropriations bills.

Let me emphasize, while I thought that most of the comments from the Democratic side today were very partisan, I don't view this as partisan. It should not be. The discussions we have had across the aisle over the past 4 years have been that this was a mistake; we ought to work together to change it. But let me give a recent example. This past week on the State-Justice-Commerce appropriations bill, I do not know how many amendments showed up on that bill, probably a hundred or so. I know of at least one specific example. I will not cite the specific bill because that Senator would know what I was talking about and would not feel that it would be appropriate that I cite his particular bill, but it was a whole bill that had not been introduced, had not been referred to committee, had not been reviewed by the committee, and would significantly change the way a process works in the Federal Government. That was going to be offered to the appropriations bill. That Senator was on my side of the aisle.

So I really question that that is the way Senators would want this body to work, where whole bills will be cut out of whole cloth and brought to the floor of the Senate in a Senator's hand and he or she will say: I want this bill added to the appropriations bill.

That is no way to legislate. We should not be doing that. But that is the kind of thing that has been happening since we had this ruling and then the appeal of the ruling of the Chair in 1995 that set this new precedent.

The Senator from California was here earlier today commenting on this. Yet when this vote took place, she said:

I think to come to this floor of the U.S. Senate and to add an amendment to the Defense emergency supplemental bill that deals

with a very important and sensitive environmental issue is simply not the right way to legislate.

Holy smoke, she is absolutely right. She said that on March 16, 1995. That was not what I thought I heard her saying today. Maybe I misinterpreted what was being said today. But that is the point. Senators will have an opportunity to offer amendments on other bills. The point is made quite often in this body, unlike the House—and nobody wants to make the Senate the House—any Senator can come to the floor on a bill involving, let's just say bankruptcy, and he or she can offer an amendment to deal with health care or can offer something to do with the Forest Service. We do not have these strict germaneness rules. We do take up legislative issues.

But one of the reasons why the majority leader cannot bring more legislative bills to the floor is because, in many instances, it has taken so long to get through other issues such as juvenile justice or the Patients' Bill of Rights or other appropriations bills; therefore, making it very difficult to bring up other important legislative issues such as the Federal aviation reauthorization bill, the bankruptcy bill that I referred to, or the nuclear waste bill that has been reported out of the Energy and Natural Resources Committee. It makes it more and more difficult for anything to be done other than appropriations and reconciliation. And the reconciliation procession is very important because it is the only way you can get a bill dealing with taxes, for instance, to the floor without it being threatened by a filibuster or all kinds of other Senate legislative maneuvers.

This is one where you bring it up, you have a specified period of time, you have an amendment process, you go through those amendments, and then you have a vote. That process moves quite easily through here. Right now we are in a period where appropriations bills and reconciliation are about all we can get done.

There are complaints about filling up the tree. I have not gone back and done the research, but this process of so-called "filling up the tree" again is Senate language that is used to describe that all the different opportunities to amend are filled with amendments. I didn't invent that procedure. Other Senators who have been majority leader certainly have used that. Senator Mitchell used it. Senator BYRD used it. That is a very legitimate tactic or process which can be used, one that should not be used all the time, and one that has been used relatively rarely, but it certainly is a legitimate thing the majority leader can do to focus debate and to get debate concluded in a reasonable period of time.

Let me give some examples of the kinds of things that have been tying up

the Senate since we have been without the ability to strike them down by using rule XVI. First of all, it seems to me if you look at history, probably there has been an increasing number of amendments which have been offered on these appropriations bills. It seems now it is quite often within the range of 80 to 100 or 120 amendments on just about anything that comes along. Every Senator dumps his out basket on the floor of the Senate with every amendment he or she has ever dreamed of and some of the things with which we have to deal on appropriations bills, where it clearly would have been legislating on an appropriations bill, dealing with grasshopper research, lettuce genetic breeding, peach tree short life, tomato wilting, the feasibility of using poultry litter as possible fuel. Other examples are: removing of computer games from Government computers, repainting of water towers, swimming pool construction, the study of green tree snakes. These may be legitimate agriculture issues, but with others, they certainly would be considered to be frivolous in nature in terms of being offered as amendments on appropriations bills.

While we have those examples, the ones that are the most startling and striking to me are the ones where whole bills or major amendments are offered on the floor of the Senate to appropriations bills that clearly is legislating on an appropriations bill, that do not apply in any way in terms of substance, where the committees have not been allowed to act, where the committee chairman has not had any input. It is time we bring this process under control. On more than one occasion, the exchanges between the Democratic leader and the majority leader have indicated that there has been a willingness or a desire on both sides to begin bringing this under control.

I urge my colleagues to look at how this happened. A lot of people on both sides of the aisle at the time it happened did not realize the significance of it and, secondly, said at the time: Yes, this is probably a mistake.

It has been a tool the Democrats have used over the past 4 years, and that is the way it works in the Senate. When you have a precedent, then Senators have a right to take advantage of it until a new one is set or until the Senate decides it is going in some other direction. There is nothing unusual about that at all.

We should reinstate this rule XVI. We should look at a number of rules and budget procedures we have. We have appropriators who have come to me and expressed concern about this. People with a long history of paying attention to the rules of the Senate and the budget procedures and the appropriations bills, such as Senator DOMENICI and Senator STEVENS and others, have said we need to get this

back on track, we need to change the way we are doing business.

I hope we can get through the appropriations process this year as soon as possible, so we can do some of these other bills that are very important to our country, so Senators will have an opportunity to fully debate and discuss these issues and offer amendments to issues that are outside the appropriations process.

I hope we will have time to work with serious leaders in the Senate who are worried about the budget process, who are worried about the rules, and have some debate on the floor and make some changes. There is no desire at all to set up a Rules Committee in the House of Representatives sense, but there is a desire by this majority leader, as by every majority leader, to find a way to move the process and the legislation through the Senate.

We did a marvelous job last week, if you look at it. It did not look pretty at various times, but last week we did pass reorganization of the Department of Energy. After probably a month of resisting doing the fundamental reorganization we need at the Department of Energy to stop the leaks of our very important nuclear secrets to China or anybody else, we finally got it to a vote last Tuesday, and the vote was, I think, 96-1—overwhelmingly bipartisan.

One might ask: Why did it take you so long? That is the way the Senate works sometimes. We have to think about it; we have to have debate; we work out some amendments. Also, it might be that nobody wanted to be on record as being against reorganization of the Department of Energy. Again, it was dragged out, and we had problems getting to the intelligence authorization bill. We even had to have a cloture vote to get to the intelligence authorization bill, the bill that provides for the intelligence information for our Federal Government, for the CIA.

I did not want to have to file a cloture motion on that, but I was told, in effect, that the Democrats were going to filibuster the motion to proceed. That meant the Democrats were going to filibuster even taking up the bill because they were not ready to debate the reorganization of the Department of Energy, I guess. I did not quite understand it. In order to get to a very important, very sensitive issue such as the intelligence authorization, the intelligence community of our Federal Government, which is such an important part of the defense of this country, the majority leader of the Senate had to file a cloture motion to even take up the bill for its consideration. If a change of heart had not happened, I would have had to file a second cloture motion to get to the substance of the bill.

The pontificating we do sometimes around here, the posturing about, oh,

we are cut off—what is a leader supposed to do when told the motion to proceed to a bill is going to be filibustered? At that point, I have to take action to move a bill, such as the intelligence authorization, forward. When the smoke cleared, it passed. We got that bill done.

We got to the State-Justice-Commerce appropriations bill, a bill that quite often takes days, sometimes weeks, sometimes longer than weeks, with lots of amendments offered. As a matter of fact, with the cooperation of both sides of the aisle, on Thursday night at approximately 9:45 that legislation was passed.

Today I went over and shook the hand of Senator REID of Nevada and said: It would not have happened without your aggressive work in clearing amendments that could be accepted, in getting amendments withdrawn that really did not need to be offered.

We did it on both sides of the aisle. I went to Republicans and said: You do not want to do this here. And Senator DASCHLE did the same thing on the Democratic side of the aisle. That is how one works through the appropriations bills because many of these amendments had no business being offered at that hour on that bill and on those subjects with no consideration being given by the committees or by the chairmen.

If we can reinstate rule XVI today, we will see our appropriations bills able to go through without as much dilatory action or without as many amendments that really are strictly legislation on appropriations bills. I do believe that on both sides of the aisle Members know this precedent needs to be put back in place.

Will it cure all the problems? No. As a matter of fact, Senators may just use other dilatory tactics, and if they can find a way to do that or if they can appeal the ruling of the Chair, maybe the precedent will be reversed again. That will be the will of the body. I will have no great concern about that. Then we can move on from this to the next step.

Senator STEVENS and Senator BYRD have proposed amendments that will go beyond what reinstating this particular rule XVI will do. I hope we would take a look at that before this year is out.

So I may have to come back later on to respond in wrapup on some of these issues. But I do, again, refer you to the Shakespeare quote from Hamlet: I do think you "protest too much" as we work to reinstate a precedent that we all know will serve the institution quite well.

Mr. REID. Will the majority leader yield?

Mr. LOTT. I am glad to yield. You have no time; you have used it all today. We understand you had a lot of speakers. I would like to reserve as much of our time as possible for other

Senators who wish to come to the floor to speak on this subject on our side.

Having said that, I will be glad to yield.

Mr. REID. Thank you.

I say to my friend, for whom I have the utmost respect, I know how hard you work trying to move things along. I have tried to be as much help as I can be. But from the most junior Member of the Senate, Senator BAYH, to the most senior Member on this side, Senator BYRD, there has been a general belief today that we need to do more legislating, with fewer quorum calls; some more debate needs to take place. So I hope my friend understands the belief of the membership of the minority that we need to do more legislating.

I also say to my friend that I have asked—in colloquies here with Members from the majority who came to speak today—how is it logically consistent that you can vote to change rule XVI and not vote to change rule XXVIII? And they all three said—I only asked three the question—it is not logical to do that.

I hope that the majority would take a very close look at rule XXVIII to see to it that we do not wind up with a situation like we wound up in last fall, with a 1,500-page bill that just a few people developed.

So I hope, I repeat, that the Senator will listen to the spirit of the debate today. It was not acrimonious. I think it was constructive criticism. We all love the Senate. You are the leader. We recognize that. But we need to move along and do more legislating as the Senate, we think, should be legislating.

I thank you very much for yielding.

Mr. BYRD. Will the distinguished Senator yield?

Mr. LOTT. I yield to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, having been majority leader in the 95th and the 96th and again in the 100th Congress, I want to assure the distinguished majority leader that I have experienced all of his troubles, all of his problems. And this business of having to deal with a filibuster on a motion to proceed is nothing new around here. That has been the case for decades. So the distinguished majority leader is not experiencing something that I did not experience or that other leaders did not experience.

The motion to proceed to the civil rights bill of 1964 was debated 2 weeks. That was just the motion to proceed. And the bill itself was before the Senate 77 days. It was actually debated 57 days, including 6 Saturdays. All in all, including the time that it took to get up the motion to proceed, and the time to deal with the bill itself, and then including, I believe it was, 9 days following cloture before the vote on passage occurred on the bill, it took 103

days—103 calendar days—to deal with the Civil Rights Act of 1964.

I was the only non-Southern Democrat—the only non-Southern Democrat—to vote against that bill. And I was against cloture on it. Other than Senator Hayden and Senator Bible, I was the only non-Southern Democrat to vote against cloture. So I have been through all these travails and trials that the majority leader has experienced. And I empathize with him and sympathize with him, because I have been there, too. But it is nothing new to be confronted with a possible filibuster on a motion to proceed. I had to deal with that many times.

Mr. LOTT. Would the Senator yield?

Mr. BYRD. Yes. The distinguished Senator has the floor.

Mr. LOTT. Didn't the Senator occasionally file a cloture motion on a filibuster of a motion to proceed?

Mr. BYRD. I did.

Mr. LOTT. That is what I have had to do on occasion, too. And sometimes the majority leader might decide not to do that, to go ahead.

Mr. BYRD. This leader did so on occasion. But this leader did not do it all the time, nor did this leader fill the tree all the time. I filled the tree a few times, very few times, but not all the time.

I do not call up many amendments here. I am not one of those whom the distinguished majority leader has in mind when he talks about Senators calling up many amendments.

Mr. LOTT. That is right.

Mr. BYRD. I do not do that often. But Senators do have the right to offer amendments. The distinguished majority leader has his problems. I know them. I know them well. I sympathize with him and want to work with him and want to help him.

I call attention to the fact that there are 63 Senators in this body who never served in this body when I was majority leader—63. I said this morning that more than a third, but it was actually almost two-thirds of the Members of this body were not here when I was majority leader.

I was glad to hear the Senator quote Shakespeare. Let me quote from Shakespeare also:

'Tis in my memory lock'd  
And you yourself shall keep the key of it.

So, Mr. President, I certainly will always want to cooperate with the distinguished leader when I can. I have to say I think there is too much partisanship in this Senate, on both sides, far more partisanship in the Senate than there was when I came here. I would urge again that the distinguished Majority Leader let Democrats call up amendments and that he call up legislative bills, and thereby give Senators a chance to call up their amendments so that they will not have to resort to offering them on appropriations bills.

Mr. LOTT. Mr. President, could I respond to some of the comments Senator BYRD has made?

Mr. BYRD. Absolutely.

Mr. LOTT. Because there are several points you have made to which I would like to respond.

Mr. BYRD. Absolutely.

Mr. LOTT. We have other Senators who may want to speak, but I did not want to interrupt if you were about to make a point. But I do want to comment on some of those issues that you mentioned.

Mr. BYRD. Mr. President, I hope the Senator will proceed.

Mr. LOTT. First of all, with regard to the partisanship, as a matter of fact, I think I would have to disagree with the Senator from West Virginia. I have not been in the Senate nearly as long as he has, but I have been working with Congress for 30 years—30 years. I am 57. I came here when I was 26. I was a staff member for 4 years; 16 years in the House. I saw partisanship at its worst in the House when I was a Member and part of an oppressed minority in the House.

I have been in the Senate for going on 11 years. I really do not feel that much partisanship. I feel a real warmth toward a number of Democrats. And I thought it was just this year, just a short time ago, that we came through a historic impeachment trial in which we stood in these aisles—this center aisle here—together and said, this was a tough task; it was a constitutional requirement we had a duty to do. We performed our duty, and whether you agreed with the end result or not, most folks felt it was done fairly and not with shrill partisanship.

Even when we disagree on substantive issues, I think the Senate is almost the only place in this city where it does not get to be shrill partisanship. I see the distinguished ranking member from New York of the Finance Committee. The Finance Committee is probably the most bipartisan, nonpartisan committee in the entire Congress. We do not always come out with a bipartisan bill, but usually we report a bill that has votes from both sides of the aisle. That was the case just last week on the tax bill; a couple Democrats voted with the Republicans.

I don't believe that is partisanship. No. 1. The reason I think it doesn't get that shrill is because we are sensitive to each other's needs to be heard, to our individual needs. We have tried to be a Senate that understands that Senators have families, and I think just that relationship helps because Members are not exhausted and mad at each other. I want to continue to further that.

In terms of giving the Democrats a chance, while there has been a lot of hollering about it, the fact is, you have been getting a pretty good chance. As a matter of fact, on the juvenile justice bill, I could have gone through all kinds of contortions and gyrations to try to block that, but I thought it was

a bill that came out of the Judiciary Committee on a bipartisan basis after 3 years of work, and we ought to take it up.

Did I like the way it went on a week more than I had been told it would take to get it done? No. As the Senator from West Virginia said, the Senate had to work its will, and there were more amendments cooking out there. I didn't run around out here trying to block them. Some of my colleagues said I should have done that. We worked our will.

We wrangled around on the Patients' Bill of Rights for almost a year. We could have done that bill last fall, but we couldn't come to agreement. We came to agreement. We took the bill up. We got it done.

Now, there were some speeches made the day before we completed that bill about how terrible the process was, but the night we got it done, Senators on both sides stood up and said: Well, I don't like all this and it wasn't perfect, but basically we got our fair shot, and we got our work done.

As far as giving people the chance, I have a list, two pages of bills that have been done this year that are not appropriations bills. We did the first concurrent budget resolution on time, only the second time in 25 years. We provided small business loan guarantees to small businesses that have year 2000 problems. We passed a national missile defense bill, which the President signed just the other day. And by the way, in his statement with his signing it, he misstated what the bill did. We passed a soldiers' and sailors' pay raise bill. We passed education flexibility. We had some Democrats who worked on that all the way. The President was saying all the way: I will veto it; I will veto it. Finally we got it done and he signed it. We passed the water resources bill. This is an area where we haven't passed an authorization bill, I think, in 5 years. We have passed it. The House has passed it, and after a lot of work, we actually got it into conference. Juvenile justice, we passed that through. The majority leader is trying to get to conference on that. We are going to have to have a bipartisan effort to get to conference.

Defense authorization; energy bill package; financial modernization, a bill that has been coming for 10 years—people didn't think the Senate would have any chance to pass a financial modernization bill. We got it through the Senate. Hopefully, we will get it through. The list goes on in terms of Senators being able to have amendments on authorizations bills and getting important authorization bills through.

While the majority leader has to sometimes say we ought to be doing more, the fact of the matter is, we have been doing pretty good this year. I invite my colleagues and the public to

take a look at this two-page list of bills. As a matter of fact, we have already passed eight appropriations bills. We are probably a week or maybe a bill or two behind where we ought to be on appropriations, but in recent history, that is pretty good progress. I would like to keep that going.

In terms of filling up the tree, again, I didn't invent this idea. In fact, I think I first saw it when Senator Mitchell used it. But Senator Dole used it on the 1985 budget resolution. Senator BYRD used it in 1977 on the energy deregulation bill. In fact, to study the brilliant use of the rules of the Senate, I have gone back and read and reread that particular bill and how Senator BYRD handled it. Of course, as I recall, I think Senator Baker was probably working with you on that issue, but I know it was tough. You had to have vote after vote after vote after vote to break basically an amendment filibuster.

Mr. BYRD. Which bill was that?

Mr. LOTT. The energy deregulation bill, of 1977, during the Carter years. As I recall Senator Metzenbaum and others were resisting in every way possible. Senator BYRD filled up the tree on the Grove City bill in 1984, and the campaign finance bill in 1988, Senator BYRD filled up the tree there—there were eight cloture votes on that particular bill—and then on the emergency supplemental appropriations bill in 1993.

Sometimes I thought it was a brilliant move. Sometimes I thought it was the right thing; sometimes I didn't.

But the Senator is right, the majority leader has a job to do. Sometimes it is not easy. Sometimes it is quite difficult. But I think it is important that he continues to try to encourage the Senate forward and do it in such a way that when he leaves at the close of business on Monday, the 26th, he will be able to come back the 27th and work with every Senator the next day.

I wanted to respond on some of those comments.

Mr. BYRD. Will the majority leader yield?

Mr. LOTT. Surely.

Mr. BYRD. The majority leader was not on the floor earlier when I said that as the majority leader, I resorted to filling the tree a few times. So what the distinguished majority leader said doesn't reveal anything that is new and doesn't really reveal anything that I haven't myself already said today. I did that. I may have been the first one to fill up the tree in my service in the Senate—I am not sure—but I did do that on a few occasions, but only on a very few occasions. I didn't make it a practice.

I also compliment the majority leader, and have done so on several occasions, for his judicious and very fair handling of the impeachment trial. I



think the Senate did itself honor and did well by virtue of the fact that both leaders put the welfare of the Senate and the welfare of the country ahead of political party. I complimented the majority leader at that time, and I do again. He demonstrated real statesmanship on that occasion.

Let me just say, again, what I said earlier this morning about political party. It is important to me, but I have never felt that political party is the most important thing. The Senate is more important than any political party. Many things are more important than political party. I have said that. But during my tenure as the majority leader, I always tried to protect the rights of the minority. Many times I made a point of it. I tried to protect the rights of the minority because that is a great part of what this forum is all about, protection of minority rights.

I can also say that Senator STEVENS and I did work together to come up with some proposals that would have improved our situation, I think. We came up with a resolution containing several rules changes, with the understanding of the distinguished majority leader and with his full knowledge. I wanted it to be called up and debated and acted upon, but it is still in the Rules Committee. Nothing has ever been done about it.

Our concern, going back to rule XVI, is this: Under the earlier operation of Rule XVI, a point of order could be made against legislation on an appropriations bill. If the question of germaneness was raised, the matter was submitted to the Senate for an immediate vote. The Senate voted on it. If the Senate decided on that vote that the House had already opened the door to legislation on an appropriations bill, the Senate certainly had a right to respond by further amendment.

The problem now is, we are calling up appropriations bills that come out of the Senate Appropriations Committee. They are Senate appropriations bills. No point of order can be made that they constitute legislation on appropriations bills. There is no question of germaneness. If we go back to rule XVI, unless we take up the House appropriations bills, we cannot make the point of germaneness against a Senate appropriations bill. That is our problem.

Senators right now, myself included, who voted to uphold the Chair on that occasion and stay with rule XVI, are concerned about going back to it now because we are normally acting on Senate appropriations bills, not House Appropriations bills. I have to applaud Senator STEVENS. He is one of the best Appropriations Committee chairmen I have served with, and he seeks to take advantage of the time and get something done. We have Senate hearings and we mark up regular appropriations bills and then we act on them on the

floor. When the House bill comes over to the Senate we substitute the text of the Senate bill in lieu of the House bill. That is all well and good. It saves time. But it does away with the opportunity to raise the question of germaneness. The question of germaneness cannot be raised unless we bring the House Appropriations bill up and the House has previously opened the door to legislation. I hate to vote against going back to rule XVI; I would like to go back to it.

Mr. LOTT. If the Senator will yield, I had the impression earlier that Senator STEVENS wanted to reinstate rule XVI, and I actually had the impression that the Senator from West Virginia also wanted to.

Mr. BYRD. I did. But as I explained this morning, it is the only way Senators, in many instances—the majority leader has mentioned the juvenile justice bill and he has mentioned—

Mr. LOTT. The Patients' Bill of Rights.

Mr. BYRD. Yes, the Patients' Bill of Rights. Those are bills that he allowed the Senate to work its will on. The product that came out at the end was a product of the will of the Senate.

Mr. LOTT. Mr. President, if I could, if the Senator will allow—

Mr. BYRD. If I might finish my sentence, the majority leader has the floor, but I hope he lets me respond to the point he is making. We majority leaders like to finish our points, you know.

Mr. LOTT. I get awfully excited when a point is made that I feel like I need to respond to. I will withhold until the Senator finishes his statement.

Mr. BYRD. I have always been a majority leader willing to hear the other man respond. He mentioned two or three bills, and those are good examples of the work the Senate can do when it is given the opportunity to offer amendments and take time on the bill. I hope that we do more of that.

My reason for voting, as I will later today, against going back to that rule is two or threefold. One is, the majority who had the votes then overturned the rule. The majority, which has the votes now, will reinstitute it. In the future, I am wondering if the situation will arise when it will be to the majority's benefit again and it will use its vote to overturn the rule again. But the reason I will vote against it today is because Senators on this side, according to my observations—and I don't make much of a big to-do often here—but Senators on this side of the aisle are simply not given the right to act on legislative bills much of the time, so they have no other resort but the appropriations bills. Therefore, I think I have to vote against reinstituting the rule.

Mr. LOTT. Mr. President, if I might respond to that, I think what is involved here is Democrats want to dic-

tate the schedule around here. The Democrats want to dictate what the schedule is. When you say yes, juvenile justice and the Patients' Bill of Rights are examples of the way it can be done around here, it is because those were bills on which there was pressure to bring them up, not in the order that had been planned. But is the Senator saying, for instance, that the Democrats didn't also support or were not involved in these other bills that actually had bipartisan support, such as the national missile defense, which Senator INOUE was a cosponsor of; the soldiers and sailors pay raise bill, which had bipartisan support; education flexibility, which had bipartisan support; water resources, which passed unanimously, and defense authorization? These are not bills that I bring up because they are bills Republicans want; these are bills that are in the interest of the country.

Mr. BYRD. The majority leader is preeminently correct. He is talking about bills that can be brought up in which both sides have had an opportunity to give and take and offer amendments, so the country benefits.

Mr. LOTT. The list is very long here. I don't quite understand what the complaint is.

Mr. BYRD. If I wanted to point to a list, I could point to a list of bills on this calendar that is very long that haven't been taken up.

Mr. LOTT. That is partially because of the amount of time that has been taken up with other bills that were not scheduled. Bankruptcy, for instance, has been bumped several times because it took longer. The will of the Senate was to take longer in the debate of other bills. There is the case of the nuclear waste legislation, which the Senate passed a couple years ago. Now the Energy and Natural Resources Committee has come up with a bill that is very different. I think maybe it could have even broader support than the previous bill, which I think got about 63, 64, or 65 votes, or was going to have that many.

So the point is, the majority has to try to bring up bills in which there is broad interest and that have support—things such as the State Department and Defense Department authorizations. My goodness, if we don't authorize the legislation for the Department of Defense, we can't get the appropriations bill, or it causes all kinds of problems. A lot of what I bring up is dictated by, frankly, what the Constitution requires, or what has to be done to keep the Government operating in an appropriate way.

Here is a bill, the Workforce Incentives Improvement Act, which had problems when it came out of committee. They were worked on and this bill passed, I think, probably overwhelmingly, if not unanimously. It is one that was a high Democratic priority, but also had the support of the

chairman of the Finance Committee and the ranking member. The Y2K bill was a bill that had bipartisan support out of Judiciary and also out of a second committee, where you had Democrats involved in both instances. Yet it took us weeks to get that bill done. I think we had to go through three cloture votes to get that bill done, which the President signed into law.

Mr. BYRD. But if it is an important bill, what is wrong with taking 3 weeks?

Mr. LOTT. Because if you take 3 weeks on a bill like Y2K liability limits, which should have gone through here relatively quickly, that makes it more difficult to call up other bills that Senators would also like to consider.

I think maybe the Senator and I are involved in a discussion of scheduled events and rules which is important to us and important to the way the body works. I think the main thing we need to be saying to the American people is that we are going to work together to try to get our business done. By the way, the length of speech doesn't necessarily mean that the merit is all that great.

In terms of bipartisanship, I think I have proven several times, including working with the administration in 1996 and 1997 to get Medicare reform, tax cuts for working Americans, budget restraint, welfare reform, illegal immigration reform, health care portability—we have worked in a lot of areas in a bipartisan way across the aisle and across the Capitol and with the administration. I would like for us to continue doing that. I am one of the few Members—to show just how non-partisan or bipartisan I am, I came to the city thinking I was a Democrat, but I was elected as a Republican. So I served on both sides of the aisle.

Mr. BYRD. Will the Senator yield?

Mr. LOTT. I yield to the Senator.

Mr. BYRD. I certainly don't want to appear to be trying to take anything away from the distinguished majority leader, who has accomplished many things. I compliment him, and I have done so many times. I have spoken behind his back as well as to his face that he has many attributes that I admire. But surely the distinguished majority leader didn't mean what he said when he said the Democrats were trying to dictate the scheduling. This Democrat doesn't do that, and the majority leader knows that. This Democrat has no such intention, and I don't think the Democrats here, who are in the minority, would attempt to try to dictate the schedule.

The Democrats, as I observe them, are trying to stand up for their rights, and they certainly have the right to debate and the right to offer amendments. I have no interest in taking over the schedule here. But I do have an interest in the Senate. I think the

Senate has gone downhill. I think it is too partisan, and I don't think the minority has been given the right to call up amendments. I have seen the distinguished majority leader call up a bill and immediately put a cloture motion on it. I have done that a few times, too, my friend, but I never made it a practice to do it day after day and time after time. You can search my record if you want to, but I also have a memory. I was majority leader here, as I say, before 63 of the current Senators, including the majority leader, got here. I am pretty well informed about what has gone on before.

I am not here to attack the majority leader today. I admire him. I count him as my friend. As far as I am concerned, he will remain that way. But I think the Senate is being hurt. I don't want the Senate to be hurt. I think the American people want their work done.

I had the same problem that the Senator is talking about. I called our Democratic Senators one day into my office, and I said: Now, I'll tell you what I am going to do. We are going to have a week's or ten-day break every 4 weeks here. We are going to go home and talk to our people.

I got a big hand of applause.

Then I said: Now, the other side of that coin is, we are going to be here 5 days a week, and we are going to work 5 days a week. And we are going to have votes 5 days a week, on Mondays as well as on Fridays.

I first offered the carrot, and then I offered the stick, and it worked.

I am the one—I am the culprit—who started this business of having breaks every 4 or 5 weeks. But I also kept the Senate here. Not everybody on this side of the aisle liked me for it. As I said, it is not the quality of life around here that counts to me; as long as I am the majority leader, it is the quality of work that counts.

I have been through all of that. We got the work done. Senators were able to call up their amendments. They were able to get votes on them. Look at the RECORD of the 100th Congress. You will see a good record.

Mr. LOTT. Mr. President, when the Senator was talking about the rights of the minority, I thought it was I speaking. I remembered my saying the same thing. In fact, I was sitting right over there. I think there were only three desks there. I remember pleading with Senator Mitchell, who was standing right there, the majority leader. I believed I was being oppressed and that the minority rights were not being honored.

I remember also sitting right over there pleading with the Senator from Texas, who was chairman of the Finance Committee, Senator Bentsen, to offer an amendment. As I recall, it had something to do with university loans or scholarships. I remember being prohibited from offering that amendment.

I know when you are in the minority you are not always happy with the way you are treated. But I think we need to work together to try to not have that be the all-consuming viewpoint around here, and I don't think it has.

I remember how rough it was being in the minority. I was there for 21 years. I didn't like it at all. I like the majority much better. But I think you have to try to be reasonable on both sides of the aisle. That is why I have been a little bit shocked today by the tone of the debate which I was watching. Although I was not participating in it, I thought I had to come out here and, in effect, explain what happened—explain what this really means, and a little bit to defend my honor.

But I appreciate what the Senator has said. I know he has been helpful since I have been the majority leader. I am sure he will help us try to get our work done in the future as he has done in the past.

If I could, let me ask unanimous consent.

Mr. BYRD. Will the Senator allow me once more?

Mr. LOTT. I would, but I would point out that we only have a few minutes left. I need to hold a few minutes. I see Senator CHAFEE may want to speak.

I will yield one more time.

Mr. BYRD. The Senator cannot quote one time today, or before today, in which I said anything that would or could be properly interpreted as impugning his honor. I would not do that. If he can cite one time, I will apologize for it right now.

Mr. LOTT. I wouldn't, couldn't, and would never expect to even try.

Mr. BYRD. Mr. President, I thank the leader.

Mr. LOTT. Mr. President, I thank Senator BYRD.

I ask unanimous consent that the votes in regard to the scope amendment and the vote on adoption of S. Res. 160 occur at 5:30 p.m. in stacked sequence with 2 minutes of debate between each vote and the final vote in the sequence being the cloture vote.

The PRESIDING OFFICER (Mr. SANTORUM). Without objection, it is so ordered.

Mr. LOTT. I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President. I strongly support S. Res. 160, and urge my colleagues to vote for this important measure.

If this resolution is approved, it will restore Rule XVI of the Standing Rules of the Senate—a rule which, in one form or another, has served the Senate well since 1850. By restoring Rule XVI, Senators will again have at their disposal a procedural tool—a point of order—which can be raised against legislative amendments to appropriations measures. Though this point of order

can be waived by a simple majority, it nonetheless reinstates an important procedural safeguard to discourage this harmful practice of legislating on appropriations bills.

Since 1995, when the Senate voted in effect to overturn Rule XVI, we have witnessed a proliferation of so-called "legislative riders" on appropriations bills. Regrettably, much of this activity has been aimed at undermining our environmental laws. However, no authorizing committee's turf is safe without firm dividing lines clearly to differentiate the functions performed by these two types of committees.

Authorizing committees are responsible for developing and overseeing the laws and programs which fall within their respective jurisdictions. The Appropriations Committee is then tasked with establishing appropriate funding levels on an annual basis for each of these programs, based upon the availability of discretionary resources.

Shortly, the Senate is scheduled to consider the Fiscal 2000 Interior and Related Agencies Appropriation Bill. Unfortunately, this measure is laden with legislative riders. By singling these provisions out, I do not mean to suggest that they are not deserving of our consideration. To the contrary, these provisions should be thoroughly examined—but not in the context of the appropriations process.

The authorizing committees, which have the substantive expertise, are the proper fora within which to consider and evaluate these provisions. However, as most of us know, by attaching a rider to an appropriations bill, one avoids having to defend it from the public scrutiny that comes with the authorizing committee process. Moreover, as part of must-pass annual funding bills, these often objectionable provisions are virtually assured of being signed into law, despite any misgivings a President might have.

In addition to miring the appropriations process in controversy, the ability to attach legislative riders to annual spending bills also undermines the power of the authorizing committees to advance authorizing legislation. In fact, appropriations riders have, in some cases, made it difficult to reauthorize some government programs.

Thus, Mr. President, the public interest is not well-served by the practice of including legislative provisions in appropriations bills. Unfortunately, reinstatement of Rule XVI will not fully address this problem because the point of order—this is important to note—only applies to legislative amendments which are offered on the floor, and not to legislative provisions added during committee action.

In the days when the Senate Appropriations Committee took up and amended House-passed appropriations measures, all of the Committee's changes were considered amendments.

Today, as a general matter, the Senate Appropriations Committee develops its own original bills. Thus, the Rule XVI point of order does not apply to legislation added during the committee process—rather only to legislative amendments that are offered on the floor.

In other words, in a bill coming from the Appropriations Committee you can have, in effect, a legislative rider. That is there. As we are proposing it, as I understand it, the reinvigoration of rule XVI only applies to those legislative measures that are added on the floor.

Thus, while S. Res. 160 is an important first step, it does not go far enough. In order to fully protect the interests of the authorizing committees, the Rule XVI point of order should be made applicable to legislative provisions which have been added to appropriations bills during committee action.

For this reason, we should not only restore Rule XVI, but also strengthen it, as Senators STEVENS and BYRD have proposed in S. Res. 8, which they introduced earlier this year. As the Chairman and Ranking Member of the Senate Appropriations Committee, these Senators know better than most of us that legislative riders have hindered their ability to secure timely passage of the 13 annual spending bills. Their proposal would subject all legislation contained in appropriations measures—regardless of whether added on the floor or in committee—to the Rule XVI point of order.

Thus, while I will vote for S. Res. 160, I will continue to press my colleagues to further strengthen Rule XVI by adopting S. Res. 8.

I thank the Chair.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NO. 1343

Mr. DASCHLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HAGEL). The clerk will report.

The legislative assistant read as follows:

The Senator from South Dakota [Mr. DASCHLE] proposes an amendment numbered 1343.

Mr. DASCHLE. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place add the following:  
The presiding officer of the Senate shall apply all precedents of the Senate under

Rule XXVIII in effect at the conclusion of the 103rd Congress.

Mr. DASCHLE. Mr. President, this amendment addresses what we consider to be one of the major procedural problems facing Senators today. It has to do with what is referred to here as the scope of conference.

For those who may be watching this debate and are not totally familiar with parliamentary procedure, after a bill is passed in the House and passed in the Senate, the bill goes to conference. Here the House- and Senate-passed bills, two separate pieces of legislation, are melded into one in a way that hopefully will be acceptable to members from both Chambers of Congress. Only one bill can become law. The conference report represents an agreement between the House and the Senate as to what specific proposals ought to be included in a single piece of legislation.

It has always been the case that when a bill comes to conference, if there is something in the House bill that is not in the Senate bill, or something in the Senate bill that is not in the House bill, a vote is taken and a decision made about the propriety of including that provision for the final version in the conference agreement.

At no time, up until recent years, was there ever consideration given to a situation where if a provision did not appear in either the House or Senate versions, could it even be considered in the conference.

However, a decision was made by the majority to allow original legislative provisions to be taken up in the conference, that is language that may not have even been debated in either body let alone received a recorded vote.

As a result of this decision made by the majority, we can go into this conference—whose purpose it is to work out the differences between the House and the Senate—and completely bypass the relevant authorizing and appropriations committees. In a sense, this decision set up a "super" legislative committee that makes up its mind oftentimes without the benefit of House or Senate hearings, without the benefit of action in any House or Senate committee, and without a vote on either the House or Senate floor. It is an amazing set of circumstances.

We have seen that happen over and over again. The most consequential incident occurred at the end of the last session when the White House and a relatively small group of Senate and House conferees made decisions that were not based on any actions taken in either body of Congress.

The distinguished Presiding Officer, after it happened on October 20, addressed this issue as eloquently and as succinctly as any Member I have heard. If my colleagues haven't had the opportunity to hear what he said, I think this excerpt states it so well:

I don't believe the Founding Fathers of this country ever intended for a few Members and staff to make more than one half of a trillion dollars worth of arbitrary, closed-door decisions for the rest of us, for America—almost one-third of the Federal budget—and then present them to all other Senators and Representatives, men and women, elected by the people of this country, by the taxpayers, and then say take it or leave it, an up-or-down vote.

So said the Senator from Nebraska.

The Senator from Utah said something similar and equally on point. Senator HATCH, on the same day on the Senate floor, said:

We should all be concerned about the perception this backward procedure—one in which we are considering conference reports on bills that have not even passed the Senate yet—will set a precedent for the future. Mr. President, I hope my colleagues on both sides of the aisle will join me in a sweeping denunciation of this as anything other than a one-time event.

I wish this had been a one-time event. Unfortunately, it happens over and over and over. It is a complete emasculation of the process our Founding Fathers had set up. It has nothing to do with the legislative process.

If you were going to write a book on how a bill becomes a law, you would need several volumes. In fact, if the consequences were not so profound, some could say you would need a comic book because it is almost hilarious to look at the lengths we have gone to thwart and undermine and, in an extraordinary way, destroy a process that has worked so well for 220 years.

This amendment simply says let's get real. If we mean what we say, and if we truly want to end this amazing process, now is our chance. This is the opportunity. I am very hopeful our colleagues will support our effort to put democracy back into the legislative process, to ensure the committees, authorizing and appropriating, have an opportunity to express themselves and to ensure every single Senator on the Senate floor has an opportunity to express himself or herself.

As I noted earlier, the dictatorial, take-it-or-leave-it approach referred to by the two Republican Senators is, unfortunately, not a one-time event. It has happened over and over. If we are serious about making changes, I cannot think of anything that ought to change more quickly and with broader bipartisanship than this. We will have an opportunity.

I appreciate very much the eloquence, leadership, and interest in making changes expressed by our colleagues over the course of many different occasions, occasions just as egregious as the one last October. On each of these occasions, Senators have been denied their basic rights as elected Representatives of the people of their State, and a mockery has been made of our legal and legislative process.

This is a very critical amendment. We will have an opportunity to vote on

it in 15 minutes. I hope we make the right decision. I hope it is a bipartisan decision. I hope we can do it in a way that will allow us the opportunity, once and for all, to put common sense and some semblance of order into our conference process and the conference reports that we are called to vote on after the process has been completed.

Mr. President, I will speak just briefly about the underlying matter; that is rule XVI. I appreciate very much the effort made by the assistant Democratic leader. He has managed our time so exceptionally well. I am grateful to him once more for the extraordinary effort he has made in making sure colleagues have the opportunity to express themselves and to orchestrate our response to arguments made by our colleagues on the other side. I think the record clearly shows what the Democratic position was several years ago when our colleagues overturned the ruling of the Chair. We had said at the time that rule XVI was there for a reason. We believe rule XVI existed because there is an authorizing and an appropriating process. What has happened since that vote is interesting. What has happened is the Senate has become more like the House of Representatives than I believe it has, probably, ever been in our Nation's history.

The House of Representatives has a very tight process by which amendments are considered. There has to be a Rules Committee. The Rules Committee decides, on each and every piece of legislation, how many amendments are offered. The majority dominates the Rules Committee, as we know, by a two-thirds to one-third ratio. When Democrats were in the majority, when I was in the House, I thought what an incredible power that is. For the Rules Committee, with its membership ratio tilted so heavily in favor of the majority, to decide means the majority gets its way virtually every single time. Only on rare occasions do a combination of minority and majority Members of the House join forces to thwart the will of the majority. That does not happen very often.

The Founding Fathers, in their wisdom, saw fit not to have a Rules Committee in the Senate in that same sense of the word. We do have a Rules Committee. It is very important and carries out some functions that are in large measure directly related to how this Senate operates. However the committee does not dictate how the Senate floor operates. There is no gatekeeper when it comes to legislation. The gatekeeper is all of us, 60 votes.

Yet, what do we see now all too frequently? On virtually every single piece of legislation that comes to the Senate floor, the bill is filed, the so-called parliamentary tree is filled, and cloture votes are scheduled. Why would we be opposed to that? We are opposed to that because once there is no oppor-

tunity for us to offer amendments—whether they are directly germane to the bill or not—we are precluded from being full partners as legislators. We are precluded from the opportunity to express ourselves, to make alterations, to offer suggestions, to have the kind of debate on public policy that I think our Founding Fathers understood.

As a result of all of this, we have become increasingly concerned about what is happening to the Senate as an institution, as well as what it is doing to the Democratic Members who want very much to be a part of the legislative process as full-fledged Senators. So our vote is in large measure a protest of the extraordinary ways the legislative process has been altered now for the last several years; a process I do not believe our Founding Fathers ever anticipated; a process that is very much in keeping with the attitude and the mentality created by the Rules Committee in the House of Representatives. That is not what we were supposed to be.

People who want those kinds of rules ought to run and get elected to the House of Representatives. They ought not want to serve in the Senate. The Senate is a different body. Who was it who said the Senate is a saucer within which emotions and the rage of the day cool. Legislation oftentimes can be passed directly through the House of Representatives. It is only after they have been deliberative and thoughtful and considerate of a lot of different issues, and a supermajority, sometimes on controversial issues, having been supported, do we ultimately allow a bill to be passed in the Senate.

So this vote is about the institution. It is about protecting Senators' rights to be full-fledged Members of this body. It is about whether we, as Senators, want to be more like the House or more like what the Founding Fathers envisioned in the first place—full-fledged U.S. Senators with every expectation we can represent our people, we can represent our ideas and our agenda in whatever opportunity presents itself legislatively. Our Democratic and Republican colleagues certainly should support that notion.

Our Republican colleagues used it many times to their advantage when they were in the minority. We simply want the same opportunity to do it now.

My colleagues will be voting against this overturning of the ruling of the Chair in large measure because we still are not confident the majority is prepared to open up the legislative process as it was designed to be open up the process to allow amendments, open up and give us the opportunity to work with them to fashion legislation that will create a true consensus on whatever bill may be presented.

We will have two votes at 5:30 p.m. The first will be the vote on whether or

not legislation that has never been considered in the House or the Senate ought to be included in a conference report. Democrats say no; no, we should not allow that.

The second vote will be about whether we permit Members of the Senate to offer legislation, whether it is on appropriations or authorization bills, without the encumbrance of a Rules Committee, a right that, by all description, was anticipated by the Founding Fathers.

I hope we can adopt the amendment I have offered. I hope we will reject the overturning of the Chair on rule XVI. I hope we can work together to accomplish more in a bipartisan fashion in a way that will allow all Senators to be heard and to contribute.

I yield the floor.

Mr. HATCH. Mr. President, I noted that Senator DASCHLE used a quotation from a statement I made last fall concerning the Omnibus Appropriations bill for fiscal year 1990 in his arguments for his amendment to S. Res. 160.

I am flattered that he felt my words were of such import that he had them blown up to poster size and displayed them for all to see. I wish he would do that with all of my speeches.

In this case, however, I just wish he had quoted the entire statement. Although I, like many of our colleagues, expressed genuine frustration with the unusual process that resulted in the Omnibus Appropriations bill, my statement also defends it as necessary to prevent a devastating government shutdown. I regret that Senator DASCHLE took this excerpt out of context. Those who read my entire statement will see that it provides a much different position than what the Minority Leader suggests by excerpting this small section.

Mr. DOMENICI. I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1343. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) and the Senator from Ohio (Mr. VOINOVICH) are necessarily absent.

The PRESIDING OFFICER (Mr. FITZGERALD). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 47, nays 51, as follows:

[Rollcall Vote No. 221 Leg.]

#### YEAS—47

Akaka	Bingaman	Byrd
Baucus	Boxer	Cleland
Bayh	Breaux	Conrad
Biden	Bryan	Daschle

Dodd	Kennedy
Dorgan	Kerrey
Durbin	Kerry
Edwards	Kohl
Feingold	Landrieu
Feinstein	Lautenberg
Graham	Leahy
Hagel	Levin
Harkin	Lieberman
Hollings	Lincoln
Inouye	Mikulski
Johnson	Moynihan

#### NAYS—51

Abraham	Enzi	Mack
Allard	Fitzgerald	McConnell
Ashcroft	Frist	Murkowski
Bennett	Gorton	Nickles
Bond	Gramm	Roberts
Brownback	Grams	Santorum
Bunning	Grassley	Sessions
Burns	Gregg	Shelby
Campbell	Hatch	Smith (NH)
Chafee	Helms	Smith (OR)
Cochran	Hutchinson	Snowe
Collins	Hutchison	Specter
Coverdell	Inhofe	Stevens
Craig	Jeffords	Thomas
Crapo	Kyl	Thompson
DeWine	Lott	Thurmond
Domenici	Lugar	Warner

#### NOT VOTING—2

McCain	Voinovich
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The amendment (No. 1343) was rejected.

Mr. LOTT. Mr. President, I move to reconsider the vote.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

There are two minutes equally divided.

Who yields time?

Mr. COVERDELL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. REID. Mr. President, we yield our time.

The PRESIDING OFFICER. If all time is yielded, the question is on agreeing to the resolution. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Ohio (Mr. VOINOVICH) and the Senator from Arizona (Mr. MCCAIN) are necessarily absent.

The result was announced—yeas 53, nays 45, as follows:

[Rollcall Vote No. 222 Leg.]

#### YEAS—53

Abraham	Craig	Helms
Allard	Crapo	Hutchinson
Ashcroft	DeWine	Inhofe
Baucus	Domenici	Jeffords
Bennett	Enzi	Kyl
Bond	Fitzgerald	Lott
Brownback	Frist	Lugar
Bunning	Gorton	Mack
Burns	Gramm	McConnell
Campbell	Grams	Moynihan
Chafee	Grassley	Murkowski
Cochran	Gregg	Nickles
Collins	Hagel	Roberts
Coverdell	Hatch	Roth

Santorum
Sessions
Shelby
Smith (NH)

Smith (OR)
Snowe
Stevens
Thomas

Thompson
Thurmond
Warner

#### NAYS—45

Akaka	Feingold	Levin
Bayh	Feinstein	Lieberman
Biden	Graham	Lincoln
Bingaman	Harkin	Mikulski
Boxer	Hollings	Murray
Breaux	Hutchison	Reed
Bryan	Inouye	Reid
Byrd	Johnson	Robb
Cleland	Kennedy	Rockefeller
Conrad	Kerrey	Sarbanes
Daschle	Kerry	Schumer
Dodd	Kohl	Specter
Dorgan	Landrieu	Torricelli
Durbin	Lautenberg	Wellstone
Edwards	Leahy	Wyden

#### NOT VOTING—2

McCain	Voinovich
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The resolution (S. Res. 160) was agreed to, as follows:

#### S. RES. 160

*Resolved*, That the presiding officer of the Senate should apply all precedents of the Senate under rule 16, in effect at the conclusion of the 103d Congress.

Mr. LOTT. Mr. President, I move to reconsider the vote.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### JUVENILE JUSTICE REFORM ACT OF 1999

Mr. LOTT. Mr. President, I ask unanimous consent that the cloture vote scheduled for this evening be vitiated and that the Senate now turn to H.R. 1501.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 1501) to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide grants to ensure increased accountability for juvenile offenders; to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide quality prevention programs and accountability programs relating to juvenile delinquency; and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

#### AMENDMENT NO. 1344

(Purpose: In the nature of a substitute)

Mr. LOTT. Mr. President, I send an amendment to the desk to the pending juvenile justice bill.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1344.

(The text of the amendment is located in today's RECORD under "Amendments Submitted.")

#### CLOTURE MOTION

Mr. LOTT. Mr. President, I send a cloture motion to the desk to the pending amendment.

The PRESIDING OFFICER. The cloture motion having been presented

under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the substitute to Calendar No. 165, H.R. 1501, the juvenile justice bill:

Trent Lott, Frank Murkowski, Chuck Hagel, Bill Frist, Jeff Sessions, Rick Santorum, Ben Nighthorse Campbell, Christopher Bond, Orrin G. Hatch, John Ashcroft, Robert F. Bennett, Pat Roberts, Jim Jeffords, Arlen Specter, Judd Gregg, and Connie Mack.

CLOTURE MOTION

Mr. LOTT. Mr. President, I now send another cloture motion to the desk to the pending bill.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on Calendar No. 165, H.R. 1501, the juvenile justice bill:

Trent Lott, Frank Murkowski, Chuck Hagel, Bill Frist, Jeff Sessions, Rick Santorum, Ben Nighthorse Campbell, Christopher Bond, Orrin G. Hatch, John Ashcroft, Robert F. Bennett, Pat Roberts, Jim Jeffords, Arlen Specter, Judd Gregg, and Connie Mack.

AMENDMENT NO. 1345 TO AMENDMENT NO. 1344

Mr. LOTT. Mr. President, I send an amendment to the desk to the pending substitute.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1345 to amendment No. 1344.

Mr. LOTT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the substitute add the following:

This bill will become effective 1 day after enactment.

Mr. LOTT. I now ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1346 TO AMENDMENT NO. 1345

Mr. LOTT. Mr. President, I send a second-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1346 to amendment No. 1345.

Mr. LOTT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the amendment to the substitute add the following:

The bill will become effective 2 days after enactment.

AMENDMENT NO. 1347

Mr. LOTT. Mr. President, I send an amendment to the desk to the language proposed to be stricken.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1347 to the language of the bill proposed to be stricken.

Mr. LOTT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the bill add the following:

The bill will become effective 3 days after enactment.

Mr. LOTT. I now ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1348 TO AMENDMENT NO. 1347

Mr. LOTT. Finally, Mr. President, I send a second-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 1348 to amendment No. 1347.

Mr. LOTT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the amendment to the bill add the following:

The bill will become effective 4 days after enactment.

Mr. LOTT. Mr. President, for the information of all Senators, I have filled the tree on the juvenile justice bill with the text of the Senate bill in an effort to send this bill to conference. The cloture vote on the pending amendment will occur on Wednesday morning.

I ask unanimous consent that the cloture vote occur at 9:45 a.m. on Wednesday and that the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. It is interesting to note, Mr. President, that after a lot of concern or even complaints about the process of filling up the tree, here I am having to do that in order to go to conference. In this case, I am sure the Democrats and the Republicans support this effort so we can get this legis-

lation to conference for its consideration. This is a perfect example of the majority leader sometimes having to use this type of technique.

Mr. LEAHY. Mr. President, I came to the floor last Wednesday to demonstrate the seriousness with which Senate Democrats take the matters included in S. 254, the Hatch-Leahy juvenile justice bill. I took the extraordinary step of propounding a unanimous-consent request to move the Senate to a House-Senate conference. I talked to the Majority Leader and the Chairman of the Judiciary Committee in advance of making the unanimous-consent request. I noted the history of this measure and the need to move to conference expeditiously if we are to have these programs in place before school resumes in the fall in the course of my colloquy with the Majority Leader last week.

The Hatch-Leahy juvenile justice bill, S. 254, passed the Senate after 2 weeks of open debate and after significant improvements over two months ago, on May 20, by a strong bipartisan vote of 73-25. More than one month ago, on June 17, the House passed its version of juvenile justice legislation but chose not to take up the Senate bill and insert its language, as is standard practice to move Congress toward a conference and final passage of legislation.

Instead, what the House did was wait until last week to send the Senate a "blue slip" returning S. 254 to the Senate on the ground that it contains what they consider a "revenue provision" that did not originate in the House. The provision they point to is the amendment to S. 254 that would amend the federal criminal code to ban the import of high capacity ammunition clips. Whatever the merits of that particular provision—and I will simply say that I did not support it—it appeared to me that the House had resorted to a procedural technicality to avoid a conference on juvenile justice legislation.

Two weeks ago, Republican leaders of the House and Senate were talking about appointing conferees by the end of that week. Instead, they took no action to move us toward a House-Senate conference but, instead, were moving us away from one. By propounding the unanimous consent last week, I was trying on behalf of congressional Democrats, to break the logjam. The unanimous consent would have cured the procedural technicality and would have resulted in the Senate requesting a conference and appointing conferees without further delay.

While I regret that Republican objection was made to my request last Wednesday, I note that it was repounded by the Majority Leader the next day. I thank the Majority Leader for that. Unfortunately, even then, objection was made and the process is being extended from literally seconds



into days and possibly weeks before we can conference this important matter.

Today, the Senate takes the first step outlined in my unanimous request, proceeding to take up the House-passed bill. Senators can cooperate in taking the additional steps outlined in my consent request to get to a conference and the Senate could proceed to appoint its conferees and request a conference without further delay, today. Alternatively, Senators can exercise their procedural rights to obstruct each step of the way and require a series of cloture petitions and votes. I hope that in the interests of school safety and enacting the many worthwhile programs in the Hatch-Leahy juvenile justice bill, they will begin to cooperate. The delay is costing us valuable time to get this juvenile justice legislation enacted before school resumes this fall. This is just plain wrong.

I spoke to the Senate before the July 4th recess about the need to press forward without delay on this bill. I contrasted the inaction on the juvenile justice bill with the swift movement on providing special legal protections to certain business interests. In just a few months, big business successfully lobbied for the passage of legislation to protection themselves against any accountability for actions or losses their products may cause to consumers. By contrast, some are dragging their feet and now actively obstructing the House and Senate from moving to appoint conferees on the juvenile justice bill that can make a difference in the lives of our children and families.

New programs and protections for school children could be in place when school resumes this fall. All of us—whether we are parents, grandparents, teachers, or policy makers are puzzling over the causes of kids turning violent in our country. The root causes are likely multifaceted. Nevertheless, the Hatch-Leahy juvenile justice bill is a firm and significant step in the right direction. The passage of this bill shows that when this body rolls up its sleeves and gets to work, we can make significant progress. But that progress will amount to naught if the House and Senate do not conference and proceed to final passage on a good bill.

Every parent, teacher and student in this country is concerned this summer about school violence over the last two years and worried about the situation they will confront this fall. Each one of us wants to do something to stop this violence. There is no single cause and no single legislative solution that will cure the ill of youth violence in our schools or in our streets. But we have an opportunity before us to do our part. It is unfortunate that the Senate is not moving full speed ahead to seize this opportunity to act on balanced, effective juvenile justice legislation.

I want to be assured that after the hard work we all put into crafting a

good juvenile justice bill, that we can go to a House-Senate conference that is fair, full, and productive. We have worked too hard in the Senate for a strong bipartisan juvenile justice bill to simply shrug our shoulders when the House returns a juvenile justice bill rather than proceeding to a conference and a narrow minority in the Senate would rather we do nothing. I will be vigilant in working to maintain this bipartisanship and to press for action on this important legislation.

#### MORNING BUSINESS

Mr. LOTT. Mr. President, I now ask unanimous consent that there be a period for morning business, with Members able to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER OF PROCEDURE

Mr. LOTT. Mr. President, I will announce that it is the intent of the majority leader to go to the Interior appropriations bill tomorrow morning. There are some procedures we are having to work through. I hope that can be accomplished overnight and we will be able to move to the Interior appropriations bill soon after morning business as possible on Tuesday. I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. I thank the Chair.

(The remarks of Ms. LANDRIEU and Mr. AKAKA pertaining to the introduction of S. 1434 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Ms. LANDRIEU. Mr. President, I yield back the remainder of my time.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

(The remarks of Mr. CONRAD pertaining to the introduction of S. 1436 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

#### TRIBUTE TO MAJ. GEN. PAUL V. HESTER, USAF

Mr. LOTT. Mr. President, I would like to take a moment today to recognize one of the finest officers in the United States Air Force, Major General Paul V. Hester. On July 30th, General Hester will leave his current job as Director of the Air Force Office of Legislative Liaison to take over the important posts of Commander, United States Forces, Japan; Commander, 5th Air Force; and Commander, United States Air Forces, Japan. During his time here in Washington—particularly with regard to his work on Capitol Hill—General Hester personified the

Air Force core values of integrity, selfless service and excellence in all things. Many Senators and Staff enjoyed the opportunity to interact with him on a variety of important issues and came to appreciate his many talents. Today it is my privilege to recognize some of Paul's many accomplishments since he entered the military 27 years ago, and to commend the superb service he provided the Air Force, the Congress and our Nation.

Paul Hester entered the Air Force through the Reserve Officer Training Corps from my alma mater, the University of Mississippi. While at "Ole Miss", he completed both bachelor's and master's degrees in Business Administration. He earned his pilot wings in December of 1971 at Columbus Air Force Base, Mississippi and was then assigned to Davis-Monthan Air Force Base, Arizona, where he flew the A-7D Corsair. A short time later, he was deployed to Southeast Asia where he distinguished himself flying combat missions and earned five Air Medals for outstanding airmanship and courage. Over his career, General Hester demonstrated his skill in other fighter aircraft, including the F-4, F-15 and F-16, and logged more than 2,600 hours of flying time.

General Hester's exceptional leadership skills were always evident to his superiors and he repeatedly proved himself in numerous select command positions. While stationed at Langley Air Force Base, Virginia, he served as the commander of the 94th Fighter Squadron, Captain Eddie Rickenbacker's famed "Hat in the Ring Gang." He was also the first Commander of the 18th Operations Group, Kadena Air Base, Japan; Commander of the 35th Fighter Wing at Misawa Air Base, Japan, and prior to his assignment here in Washington, Commander of the 53rd Wing, Eglin Air Force Base, Florida. At each and every one of these important posts, Paul Hester inspired the airmen under his command to achieve their best, and ensured our forces were sharpened and ready to undertake our warfighting commitments.

Paul Hester also excelled in a variety of key staff billets. He served in the Air Force Directorate of Plans at the Pentagon, and he was a member of the Commanders' Action Group, Headquarters Tactical Air Command, Langley Air Force Base, Virginia. He experienced joint duty as both the J-5 Division Chief to the Joint Staff and as the Joint Chiefs of Staff representative to the Organization for Security and Cooperation in Europe, Vienna, Austria. As a Lieutenant Colonel, he was selected as the Chief of the Air Force's Legislative Liaison Office to the U.S. House of Representatives. His performance in that important position is the reason he was brought back as a Major General to lead the entire legislative directorate for the Secretary of the Air Force.

During his service to the 105th and 106th Congresses, General Hester has been the liaison to the Air Force on a variety of readiness issues and most recently, ALLIED FORCE operations in Kosovo. His clear, concise, and timely information was instrumental in supporting our deliberations of National Security matters. He was a crucial voice for the Air Force in representing its many programs on the Hill. General Hester's leadership, professional abilities and expertise enabled him to foster excellent working relationships that benefitted both the Air Force and the Senate. Throughout the time I have known Paul, I have been impressed with his skill in working with the Congress to address Air Force priorities.

We were all pleased to see that Paul was recently nominated by the President for his third star, which will be pinned on by the Air Force Chief of Staff this Friday. I offer my congratulations to him, to his wife Lynda, and three children Leslie, Doug and Shelby. The Congress and the country applaud the selfless commitment his family has made to the Nation in supporting his military career.

I know I speak for all my colleagues in expressing my heartfelt appreciation to General Hester. He is a credit to both the Air Force and our great Nation. We wish our friend the best of luck and are confident of his continued success in his new command.

#### A REFLECTION ON JOHN F. KENNEDY, JR.

Mr. MOYNIHAN. Mr. President, of the half-dozen great journalists who wrote of the Kennedy era, as we think of that Presidency, none was closer to those involved, where they had come from, who they were, who they wished to be than Martin F. Nolan of the Boston Globe. He has done so once again, in a moving reflection of the deaths of John F. Kennedy, Jr., his wife and her sister, entitled "Life Goes on, but it'll Never be the Same."

I ask unanimous consent that his reflections be printed in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Boston Globe]

LIFE GOES ON, BUT IT'LL NEVER BE THE SAME  
(By Martin F. Nolan)

When Sander Vanocur, the former NBC correspondent, first heard the news, he recalled what John O'Hara, the Irish-American novelist, said on a hot July day in 1937. "They tell me that George Gershwin is suddenly dead at 38. That's what they tell me, but I don't have to believe it if I don't want to."

The composer and songwriter died of a brain tumor, a celebrity death which, like many, caused shock, disbelief, and grief among thousands, even millions, who had never met him.

The death of John F. Kennedy Jr. is different because of Americans' attitude about

history. However imperfectly, they knew that the young man who perished with his wife and sister-in-law while approaching Martha's Vineyard was "a part of history."

The prayers, the sadness, the flowers in TriBeCa all flow to a clan whose rise to glory began on the margins of American society, an underdog dynasty. John F. Kennedy Jr. was born 17 days after his father became the first Roman Catholic president amid the fears of millions that the White House would be an outpost of the Vatican. Friday, as his life is celebrated at a Mass at St. Thomas More Church in New York City, anti-Catholicism has almost vanished in America.

The Kennedy saga covers most of the century. John F. "Honey Fitz" Fitzgerald was elected to the US House of Representatives in 1894. One of his grandsons, John, became president; two more, Edward and Robert, became senators; and two of his great-grandsons, Joseph and Patrick, also have served in the House. A half-dozen Frelinghuysens from New Jersey have served in Congress, but only four from another Dutch dynasty, the Roosevelts. The grandchildren of Franklin Delano Roosevelt have known little political fame.

The future has always been Kennedy country and the greatest Kennedy success could lie among its women. Caroline Kennedy Schloseberg has been a key decision maker on many matters, including her father's library. Kathleen Kennedy Townsend, the lieutenant governor of Maryland, may possess as much charm and savvy as her father, Robert, her uncles and cousins, and even her grandfather.

The much-photographed Kennedys have been reviled and revered. In a society anxious about "family values," theirs has been on exuberant display for four decades, along with those of the Bouviers, Shakels, Bennetts, Smiths, Lawfords, and Shrivvers. (A large family means many in-laws.)

In a nation of small families, size matters. When Edward Kennedy barely escaped death in the crash of a small plane in 1964, his brother Robert visited him and remarked in that ruefully wry Kennedyesque way, "I guess the reason my mother and father had so many children was that some of them would survive."

Edward Kennedy, the ninth of nine, is, at 67, the sole surviving son, the patriarch, and an all-too-accomplished eulogist. The Kennedys' famous fatalism was once expressed by President Kennedy's citation of a French fisherman's prayer: "Oh God, thy sea is so great and my boat is so small." Thursday's burial was private and at sea off Cape Cod, that slip of land of which Henry David Thoreau said in 1865: "A man may stand there and put all America behind him."

The America John F. Kennedy Jr. leaves behind is one in which the median age is younger than his at his death. The vast majority of his fellow citizens have no contemporary memory of his father's violent death in 1963 nor that of his uncle in 1968. The grief of the Kennedys has been vivid in the nation's tribal memory as only a photograph or a video image, but no less vivid for being so.

Stanley Tretick, who died last week at 77, was a photographer for Look magazine. One of his most famous pictures was of the President Kennedy's young son climbing through a desk in the Oval Office. "The Kennedys are great, but you have to do things their way," Tretick once said.

The Kennedys stage-managed their own public image in the days before 24-hour cable channels and the vast hordes of paparazzi that their fame and glamour enticed. The

Hyannis Port family compound this week has been a logo for media fascination with one family's grief.

The old Latin liturgy once included an Augustinian admonition, "Vita mutatur non tollitur"—"Life is changed not taken away." That belief sustains those of faith, in addition, there's always the Irish wake tradition of stories and memories, happy and sad.

Arthur N. Schlessinger Jr. wrote in "A Thousand Days" of how a young assistant secretary of labor, Daniel Patrick Moynihan, reacted to President Kennedy's death. "I don't think there's any point in being Irish if you don't know that the world is going to break your heart eventually. I guess that we thought we had a little more time," Moynihan said. "Mary McGrory said to me that we'll never laugh again. And I said, 'Heavens, Mary. We'll laugh again. It's just that we'll never be young again.'"

Across America and the world, many people feel a lot less young than they did a week ago.

#### THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, July 23, 1999, the Federal debt stood at \$5,636,001,455,884.82 (Five trillion, six hundred thirty-six billion, one million, four hundred fifty-five thousand, eight hundred eighty-four dollars and eighty-two cents).

One year ago, July 23, 1998, the Federal debt stood at \$5,537,084,000,000 (Five trillion, five hundred thirty-seven billion, eighty-four million).

Fifteen years ago, July 23, 1984, the Federal debt stood at \$1,534,379,000,000 (One trillion, five hundred thirty-four billion, three hundred seventy-nine million).

Twenty-five years ago, July 23, 1974, the Federal debt stood at \$474,854,000,000 (Four hundred seventy-four billion, eight hundred fifty-four million) which reflects a debt increase of more than \$5 trillion—\$5,161,147,455,884.82 (Five trillion, one hundred sixty-one billion, one hundred forty-seven million, four hundred fifty-five thousand, eight hundred eighty-four dollars and eighty-two cents) during the past 25 years.

#### FUNDING FOR EMBASSY SECURITY

Mr. BIDEN. Mr. President, last week the Senate passed S. 1217, the Commerce, Justice, State appropriations bill. I want to take a minute now to express my serious concerns about the low level of funding for embassy security contained in the bill.

Just about one year ago, two United States embassies in East Africa were destroyed by terrorist bombs, killing hundreds of people and injuring thousands. The bombings underscored the great vulnerability of our diplomatic missions. In response, Congress promptly provided \$1.4 billion in emergency funding to rebuild the two embassies and to take other urgent steps to bolster security at overseas missions.

Soon thereafter, two panels were convened by the Secretary of State to review the bombings. The two commissions were chaired by retired Admiral William Crowe, the former Chairman of the Joint Chiefs of Staff and former Ambassador to the United Kingdom. The Crowe commissions recommended that the U.S. government devote \$1.4 billion per year for each of the next ten years to security.

Unfortunately, the legislation before the Senate falls far short of what the Crowe commissions recommended. The bill appropriates just \$300 million for security in the State Department operations accounts, and just \$110 million for security in the capital account. But of this latter amount, only \$36 million is provided for construction or renovation of new embassies—\$264 million below the President's request. Moreover, the bill rescinds \$58 million in previously-appropriated funds in this same account. Neither the bill nor the Committee report explains how these funds will be restored to meet continuing and future needs.

Finally, the bill denies the Administration's request for \$3.6 billion in advance funding for capital projects for Fiscal Years 2001 to 2005. The Department based this request on bitter experience. In the mid-1980s, after a commission chaired by Admiral Bobby Inman recommended massive increases in embassy security, Congress initially responded by providing significant funding and significant promises. But as the years passed, security became a second-order priority; the requested funding for security was denied by Congress, and some of the money that had been allocated for security was either rescinded by Congress or redirected to other priorities. By the mid-1990s, the Inman Commission report was collecting dust on government bookshelves, its recommendations barely recalled, and funding for security had been reduced considerably.

So, understandably, the State Department is skeptical that the grand promises made in the wake of the embassy bombings will be fulfilled. With considerable justification, the State Department experts have told Congress that it can best move forward on a sensible and rational construction program if it can be assured in advance of the necessary funds. Otherwise, the Department of State rightly fears, we will see a repeat of the experience after the Inman Commission.

The Committee on Foreign Relations, and then the full Senate, responded to this plea by providing a \$3 billion authorization over five years in S. 886, the Foreign Relations Authorization Act. But that was just the first step. The authorization will be useless without appropriations. Unfortunately, the Committee on Appropriations has ignored the State Department's request in this bill.

I believe this bill breaks faith with the bold promises that were made in the wake of the embassy bombings last summer. We need to do much, much more to protect our dedicated public servants working overseas. I strongly urge the chairman and ranking member to look for additional resources to fund this important account, without compromising the other important foreign affairs accounts.

#### THE HATE CRIMES PREVENTION ACT OF 1999

Mr. LEAHY. Mr. President, one of the most significant amendments adopted by the Senate in consideration of the Commerce, Justice, State and the Judiciary Appropriations Act for Fiscal Year 2000 is the Hate Crimes Prevention Act. I commend Senator KENNEDY for his leadership in this effort and on this bill, and I am proud to have been an original cosponsor. This legislation amends the federal hate crimes statute to make it easier for federal law enforcement officials to investigate and prosecute cases of racial and religious violence. It also focuses the attention and resources of the federal government on the problem of hate crimes committed against people because of their sexual preference, gender, or disability.

Violent crime motivated by prejudice demands attention from all of us. It is not a new problem, but recent incidents of hate crimes have shocked the American conscience. Just this month, an adherent of a white supremacist group killed two people and wounded nine others in a shooting rampage in Illinois and Indiana that was apparently motivated by racial and religious hate. Billy Jack Gaither, 39, was beaten to death in Alabama because he was gay. Matthew Sheppard, 21, was left to die on a fence in Wyoming because he was gay. James Byrd, Jr., 49, a father of three, was dragged to his death behind a pickup truck in Texas because he was black. These are sensational crimes, the ones that focus public attention. But there also is a toll we are paying each year in other hate crimes that find less notoriety, but with no less suffering for the victims and their families.

It remains painfully clear that we as a nation still have serious work to do in protecting all Americans from these crimes and in ensuring equal rights for all our citizens. The answer to hate and bigotry must ultimately be found in increased respect and tolerance. But strengthening our federal hate crimes legislation is a step in the right direction. Bigotry and hatred are corrosive elements in any society, but especially in a country as diverse and open as ours. We need to make clear that a bigoted attack on one or some of us diminishes each of us, and it diminishes our nation. As a nation, we must say

loudly and clearly that we will defend ourselves against such violence.

All Americans have the right to live, travel and gather where they choose. In the past we have responded as a nation to deter and to punish violent denials of civil rights. We have enacted federal laws to protect the civil rights of all of our citizens for more than 100 years. This continues that great and honorable tradition.

Several of us come to this issue with backgrounds in local law enforcement. We support local law enforcement and work for initiatives that assist law enforcement. It is in this vein as well that I support the Hate Crimes Prevention Act, which has received strong bipartisan support from state and local law enforcement organizations across the country.

The bill has been materially improved since its introduction on March 16th. At that time, I questioned whether the bill was sufficiently respectful of state and local law enforcement interests and cautioned against federalizing prohibitions that may already exist at the state and local level. The Senate-passed bill includes a new certification requirement, which provides that the Federal government may only step in where the State has not assumed jurisdiction, the State has requested that the federal government assume jurisdiction, or the State's actions are likely to leave unvindicated the Federal interest in eradicating bias-motivated violence. I am satisfied that this provision will ensure that the Hate Crimes Prevention Act operates as intended, strengthening Federal jurisdiction over hate crimes as a back-up, but not a substitute, for state and local law enforcement.

The Hate Crimes Prevention Act gives us a formidable tool for combating acts of violence motivated by race, color, national origin, religion, sexual orientation, gender, or disability. I urge its speedy passage into law.

#### SENATE QUARTERLY MAIL COSTS

Mr. MCCONNELL. Mr. President, in accordance with section 318 of Public Law 101-520 as amended by Public Law 103-283, I am submitting the frank mail allocations made to each Senator from the appropriations for official mail expenses and a summary tabulation of Senate mass mail costs for the first and second quarter of FY99 to be printed in the RECORD. The first and second quarters of FY99 cover the periods of October 1, 1998, through December 31, 1998, and January 1, 1999 through March 31, 1999. The official mail allocations are available for franked mail costs, as stipulated in Public Law 105-275, the Legislative Branch Appropriations Act of 1999.

I ask unanimous consent that the frank mail allocations and summary tabulation be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Senators	FY 99 Official mail allocation	Senate quarterly mass mail volumes and costs for the quarter ending December 12, 1998				Senate quarterly mass mail volumes and costs for the quarter ending March 31, 1999			
		Total pieces	Pieces per capita	Total cost	Cost per capita	Total pieces	Pieces per capita	Total cost	Cost per capita
Abraham .....	\$111,746	0	0	\$0.00	0	0	0	\$0.00	0
Akaka .....	34,648	0	0	0.00	0	0	0	0.00	0
Allard .....	63,266	0	0	0.00	0	0	0	0.00	0
Ashcroft .....	77,190	0	0	0.00	0	0	0	0.00	0
Baucus .....	33,847	0	0	0.00	0	23,970	0.0300	21,348.57	0.02672
Bayh .....	60,223	0	0	0.00	0	0	0	0.00	0
Bennett .....	40,959	0	0	0.00	0	0	0	0.00	0
Biden .....	31,559	0	0	0.00	0	0	0	0.00	0
Bingaman .....	41,646	0	0	0.00	0	0	0	0.00	0
Bond .....	77,190	0	0	0.00	0	0	0	0.00	0
Boxer .....	301,322	0	0	0.00	0	0	0	0.00	0
Breaux .....	66,514	0	0	0.00	0	0	0	0.00	0
Brownback .....	49,687	0	0	0.00	0	0	0	0.00	0
Bryan .....	41,258	0	0	0.00	0	0	0	0.00	0
Bumpers .....	13,218	0	0	0.00	0	0	0	0.00	0
Bunning .....	46,853	0	0	0.00	0	0	0	0.00	0
Burns .....	33,857	0	0	0.00	0	4,295	0.00538	3,399.30	0.00425
Byrd .....	43,560	0	0	0.00	0	0	0	0.00	0
Campbell .....	63,266	0	0	0.00	0	0	0	0.00	0
Chafee .....	34,307	0	0	0.00	0	0	0	0.00	0
Cleland .....	95,484	0	0	0.00	0	0	0	0.00	0
Coats .....	21,139	0	0	0.00	0	0	0	0.00	0
Cochran .....	50,337	0	0	0.00	0	0	0	0.00	0
Collins .....	37,775	0	0	0.00	0	0	0	0.00	0
Conrad .....	31,000	198,640	0.31096	30,318.17	0.04746	37,870	0.05928	6,075.13	0.00951
Coverdell .....	95,484	0	0	0.00	0	0	0	0.00	0
Craig .....	35,841	0	0	0.00	0	3,000	0.0298	568.71	0.00056
Crapo .....	27,070	0	0	0.00	0	0	0	0.00	0
D'Amato .....	183,036	0	0	0.00	0	0	0	0.00	0
Daschle .....	31,638	0	0	0.00	0	0	0	0.00	0
DeWine .....	132,302	5,182	0.00048	4,549.16	0.00042	3,130	0.00029	2,072.47	0.00019
Dodd .....	56,116	0	0	0.00	0	0	0	0.00	0
Domenici .....	41,646	0	0	0.00	0	0	0	0.00	0
Dorgan .....	31,000	0	0	0.00	0	0	0	0.00	0
Durbin .....	128,275	0	0	0.00	0	0	0	0.00	0
Edwards .....	76,489	0	0	0.00	0	0	0	0.00	0
Enzi .....	29,891	0	0	0.00	0	0	0	0.00	0
Faircloth .....	29,275	0	0	0.00	0	0	0	0.00	0
Feingold .....	72,089	0	0	0.00	0	0	0	0.00	0
Feinstein .....	301,322	0	0	0.00	0	0	0	0.00	0
Fitzgerald .....	97,925	0	0	0.00	0	0	0	0.00	0
Ford .....	16,353	0	0	0.00	0	0	0	0.00	0
Frist .....	76,208	0	0	0.00	0	0	0	0.00	0
Glenn .....	35,757	0	0	0.00	0	0	0	0.00	0
Gorton .....	78,087	1,410	0.00029	192.02	0.00004	0	0	0.00	0
Graham .....	182,107	0	0	0.00	0	0	0	0.00	0
Gramm .....	204,461	0	0	0.00	0	2,551	0.00015	902.37	0.00005
Grams .....	67,542	5,800	0.00133	1,169.33	0.00027	23,558	0.00538	10,939.04	0.00250
Grassley .....	52,115	0	0	0.00	0	0	0	0.00	0
Gregg .....	35,947	0	0	0.00	0	0	0	0.00	0
Hagel .....	40,350	0	0	0.00	0	133,000	0.0846	24,409.19	0.01546
Harkin .....	52,115	0	0	0.00	0	0	0	0.00	0
Hatch .....	40,959	0	0	0.00	0	0	0	0.00	0
Helms .....	100,311	0	0	0.00	0	0	0	0.00	0
Hollings .....	61,281	0	0	0.00	0	0	0	0.00	0
Hutchinson .....	50,285	0	0	0.00	0	0	0	0.00	0
Hutchison .....	204,461	0	0	0.00	0	0	0	0.00	0
Inhofe .....	58,788	0	0	0.00	0	0	0	0.00	0
Inouye .....	34,648	0	0	0.00	0	0	0	0.00	0
Jeffords .....	30,740	0	0	0.00	0	18,439	0.03277	7,600.92	0.01351
Johnson .....	31,638	0	0	0.00	0	0	0	0.00	0
Kempthorne .....	9,246	0	0	0.00	0	0	0	0.00	0
Kennedy .....	82,469	3,000	0.00050	1,036.89	0.00017	5,678	0.00094	2,019.95	0.00034
Kerrey .....	40,350	0	0	0.00	0	0	0	0.00	0
Kerry .....	82,469	0	0	0.00	0	0	0	0.00	0
Kohl .....	72,089	0	0	0.00	0	0	0	0.00	0
Kyl .....	68,434	0	0	0.00	0	0	0	0.00	0
Landrieu .....	66,514	78,000	0.01848	13,801.20	0.00327	0	0	0.00	0
Lautenberg .....	97,304	0	0	0.00	0	0	0	0.00	0
Leahy .....	30,740	1,128	0.00200	901.17	0.00160	3,123	0.00555	2,499.77	0.00444
Levin .....	111,476	0	0	0.00	0	2,000	0.00022	403.63	0.00004
Lieberman .....	56,116	0	0	0.00	0	0	0	0.00	0
Lincoln .....	38,142	0	0	0.00	0	0	0	0.00	0
Lott .....	50,337	0	0	0.00	0	0	0	0.00	0
Lugar .....	79,091	0	0	0.00	0	0	0	0.00	0
Mack .....	182,107	0	0	0.00	0	0	0	0.00	0
McCain .....	68,434	0	0	0.00	0	0	0	0.00	0
McConnell .....	61,650	0	0	0.00	0	0	0	0.00	0
Mikulski .....	71,555	0	0	0.00	0	0	0	0.00	0
Moseley-Braun .....	128,275	0	0	0.00	0	0	0	0.00	0
Moynihan .....	183,036	0	0	0.00	0	0	0	0.00	0
Murkowski .....	30,905	0	0	0.00	0	0	0	0.00	0
Murray .....	78,087	0	0	0.00	0	1,300	0.00027	433.14	0.00009
Nickles .....	58,788	0	0	0.00	0	702	0.00022	564.90	0.00018
Reed .....	34,307	0	0	0.00	0	0	0	0.00	0
Reid .....	41,258	0	0	0.00	0	0	0	0.00	0
Robb .....	87,385	0	0	0.00	0	0	0	0.00	0
Roberts .....	49,687	0	0	0.00	0	0	0	0.00	0
Rockefeller .....	43,560	0	0	0.00	0	0	0	0.00	0
Roth .....	31,559	0	0	0.00	0	0	0	0.00	0
Santorum .....	138,265	0	0	0.00	0	0	0	0.00	0
Sarbanes .....	71,555	0	0	0.00	0	9,300	0.00195	2,039.43	0.00043
Schumer .....	139,902	0	0	0.00	0	0	0	0.00	0
Sessions .....	67,265	0	0	0.00	0	0	0	0.00	0
Shelby .....	67,265	0	0	0.00	0	0	0	0.00	0
Smith, Gordon .....	56,383	0	0	0.00	0	0	0	0.00	0
Smith, Robert .....	35,947	0	0	0.00	0	0	0	0.00	0
Snowe .....	37,755	0	0	0.00	0	0	0	0.00	0
Specter .....	138,265	0	0	0.00	0	0	0	0.00	0
Stevens .....	30,905	0	0	0.00	0	0	0	0.00	0

Senators	FY 99 Official mail allocation	Senate quarterly mass mail volumes and costs for the quarter ending December 12, 1998				Senate quarterly mass mail volumes and costs for the quarter ending March 31, 1999			
		Total pieces	Pieces per capita	Total cost	Cost per capita	Total pieces	Pieces per capita	Total cost	Cost per capita
Thomas .....	29,891	4,052	0.00893	3,488.32	0.00769	0	0	0.00	0
Thompson .....	76,208	0	0	0.00	0	0	0	0.00	0
Thurmond .....	61,281	0	0	0.00	0	0	0	0.00	0
Torricelli .....	97,304	7,585	0.00098	6,746.15	0.00087	8,410	0.00109	7,622.56	0.00098
Voivovich .....	101,012	0	0	0.00	0	0	0	0.00	0
Warner .....	87,385	0	0	0.00	0	0	0	0.00	0
Wellstone .....	67,42	0	0	0.00	0	0	0	0.00	0
Wyden .....	56,383	0	0	0.00	0	915	0.00032	723.80	0.00025
Total .....		304,797	0.34394	62,202.41	0.06179	281,241	0.23104	93,622.88	0.07952

Mr. TORRICELLI. Mr. President, I rise today to thank Chairman GREGG and Senator HOLLINGS for accepting an amendment I offered to the FY2000 Commerce, Justice, State Appropriations bill that will provide \$500,000 for a truck safety program in New Jersey. This critical initiative will allow the State Police to finally purchase much needed portable scales and accompanying computer equipment that will enable them to better monitor and control large trucks that utilize local roads.

This amendment was necessary because more than 5,300 people, including 660 children, died in highway crashes with big trucks last year, and the number of carriers on local roads throughout the nation continues to rise. This problem has become particularly acute in New Jersey. For example, Route 31 in the northwest part of the state previously accommodated several hundreds trucks a day. That number has now grown to well over 3,000 trucks a day, and four people have died in truck related accidents on this road in the past 24 months.

In order to increase safety through improved enforcement efforts, I introduced this amendment to provide the New Jersey State Police with the modern equipment necessary to effectively regulate these oversized vehicles. This additional funding will be used to purchase almost 120 new mobile truck scales and 60 mobile data computers. The current scales, which often break down and require heavy, outdated batteries, will be replaced with lighter scales that are maintenance free. The new computers, which can be mounted in trooper's vehicles, would allow the police direct access to the Commercial Vehicle Information Safety Network and enable them to perform immediate checks on truckers who are violating the law.

This new equipment will go a long way towards keeping these oversized carriers off of smaller, undivided local roads and will send a strong message that we remain committed to protecting our communities. Again, I am grateful to Senators GREGG and HOLLINGS for their support.

#### MAYOR'S PETITION ON THE NO<sub>x</sub> SIP CALL

Mr. VOINOVICH. Mr. President, last year, EPA finalized the NO<sub>x</sub> SIP call,

forcing 22 states to submit plans to meet mandated reductions of nitrogen oxide (NO<sub>x</sub>) emissions. Our nation's mayors are concerned that the SIP call will have adverse effects on brownfields redevelopment and economic growth.

Earlier this year, the National Conference of Black Mayors and the U.S. Conference of Mayors held their annual conferences. Over 100 mayors from around the country signed a petition calling on the U.S. Environmental Protection Agency to provide utility energy providers with maximum flexibility and the leadtime necessary to avoid higher energy costs to municipalities and local communities, including industrial and residential consumers.

The mayors are asking U.S. EPA to reconsider how the deadlines set in the NO<sub>x</sub> SIP call could affect electricity reliability in urban and rural areas. In essence our mayor's are saying that any new programs to control NO<sub>x</sub> emission must be weighed against potential economic adverse implications.

Mr. President, the U.S. Court of Appeals issued a stay of EPA's NO<sub>x</sub> SIP call pending a decision on the lawsuit brought by states. Nonetheless, the Mayors' petition represents a common-sense plea to EPA that, should the agency move forward to implement NO<sub>x</sub> reductions, that it do so in a way that allows for compliance in a cost-effective manner that does not adversely impact economic growth or significantly increase utility prices to consumers.

I ask unanimous consent that the petition be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### PETITION

##### EPA OZONE TRANSPORT NO<sub>x</sub> SIP CALL

As part of its Ozone Transport initiative, the Environmental Protection Agency (EPA) has finalized a rulemaking forcing States to submit Implementation Plans (SIPs) to meet mandated reductions of oxides of nitrogen (NO<sub>x</sub>) emissions in the Agency's effort to control inter-state ozone transport impacts. The rule focuses on 22 mid-eastern States, with the likelihood that EPA will expand the application of the rule to several additional States.

Several States have joined in litigation challenging the EPA rule on grounds that it is contrary to congressional intent, an abuse of Agency discretion and disregards traditional Federal/State relationships. EPA has even taken the unprecedented step of threat-

ening to impose its own Federal Implementation Plan (FIP) in the absence of acceptable State action. Several additional States are considering whether to file an amicus brief in support of the Complaint. The U.S. Court of Appeals recently stayed EPA's NO<sub>x</sub> SIP Call pending appeal of the Court's decision setting aside EPA's new Ozone and Particulate Matter standards.

One element of the rule would force local utilities to control NO<sub>x</sub> emissions at levels unprecedented to date. The reductions are of a magnitude that will require capital intensive technology with likely significant pass-through costs to energy consumers. The unavoidable consequence will be higher energy costs to municipalities and local communities, including industrial and residential consumers alike. As rural and urban communities seek investment to spur economic growth, the shadow of higher energy costs could have significant adverse effects on Brownfields redevelopment and rural/urban revitalization generally.

The EPA compliance deadline are so stringent that electric utilities could be forced to shut down generating plants to install the necessary control equipment within a very short time. This could result in a temporary disruption of electricity supply.

Significant NO<sub>x</sub> emissions reductions will continue to be realized under *existing* mobile and stationary control programs as the Clean Air Act continues to be implemented thus minimizing the need, if any, for such potentially disruptive requirements as called for in the EPA NO<sub>x</sub> rule. This is especially true for local areas in the mid-east that are dealing effectively with ozone compliance challenges. Any new control programs, before being implemented, must be weighed against the potential adverse implications for local rural and urban communities.

Accordingly, by our signatures below, we collectively call on EPA to reconsider the NO<sub>x</sub> rule in light of these concerns. In light of the Court's stay of the NO<sub>x</sub> SIP Call, at a minimum, we urge EPA to provide maximum flexibility to and address lead-time needs of utility energy providers so as to minimize potential adverse economic consequences to local rural and urban communities. Further, we call on EPA to restore balance and cooperation between states and EPA so that States can comply with the rule while protecting their rights to determine the best methods of doing so.

Finally, we direct that copies of this Petition be provided to the President, the Vice President, Members of Congress, Governors and other local officials as are appropriate.

Alabama: Moses, Walter S. Hill.

Arkansas: North Little Rock, Patrick H. Hayes; Marianna, Robert Taylor; Sunset, James Wilburn.

California: Alameda, Ralph J. Appezzato; Fairfield, George Pettygrove; Fresno, Jim Patterson; Inglewood, Rosevelt F. Dorn; Modesto, Richard A. Lang; Turlock, Dr. Curt Andre; Westminster, Frank G. Fry.

Florida: Eatonville, Anthony Grant; Gret-na, Anthony Baker; North Lauderdale, Jack Brady; South Bay, Clarence Anthony; Tamarac, Joe Schreiber; Titusville, Larry D. Bartley.

Georgia: Augusta, Bob Young; Dawson, Robert Albritten; East Point, Patsy Jo Hiliard; Savannah, Floyd Adams, Jr.; Stone Mountain, Chuck Burris.

Guam: Santa Nita, Joe C. Wesky; Yigo, Robert S. Lizama.

Illinois: Brooklyn, Ruby Cook; Carol Stream, Ross Ferraro; Centreville, Riley L. Owens III; Dekalb, Bessie Chronopoulos; East St. Louis, Gordon Bush; Evanston, Lorraine H. Morton; Glendale Heights, J. Ben Fajardo; Lincolnwood, Madeleine Grant; Robbins, Irene H. Brodie; Rockford, Charles E. Box; Sun River Terrace, Casey Wade, Jr.

Indiana: Carmel, Jim Brainard; Fort Wayne, Paul Helmke.

Louisiana: Boyce, Julius Patrick, Jr.; Chataignier, Herman Malveaux; Cullen, Bobby R. Washington; Jeanerette, James Alexander, Sr.; Napoleonville, Darrell Jupiter, Sr.; New Orleans, Marc Morial; St. Gabriel, George L. Grace; White Castle, Maurice Brown.

Maine: Lewiston, Kaileigh A. Tara.

Maryland: Seat Pleasant, Eugene F. Kennedy.

Massachusetts: Leominster, Dean J. Mazzarella; Taunton, Robert G. Nunes.

Michigan: Detroit, Dennis Archer; Garden City, James L. Barker; Inkster, Edward Bevins; Muskegon Heights, Robert Warren; Taylor, Gregory E. Pitoniak.

Minnesota: Rochester, Charles J. Canfield; Saint Paul, Nori Coleman.

Mississippi: Fayette, Roger W. King; Glendora, Johnny Thomas; Laurel, Susan Boone Vincent; Marks, Dwight F. Barfield; Pace, Robert Le Flore; Shelby, Erick Holmes; Tutwiler, Robert Grayson; Winstonville, Milton Tutwiler.

Missouri: Kinloch, Bernard L. Turner, Sr. Nebraska: Omaha, Hal Daub.

New Jersey: Chesilhurst, Arland Poindexter; Hope, Timothy C. McDonough; Newark, Sharpe James; Orange, Muis Herchet.

New York: Hempstead, James A. Garner; Rochester, William A. Johnson, Jr.; White Plains, Joseph Delfino.

North Carolina: Charlotte, Pat McCrory; Durham, Nicholas J. Tennyson; Greenevers, Alfred Dixon.

North Dakota: Fargo, Bruce W. Furness. Ohio: Columbus, Greg Lashutka; Lyndhurst, Leonard M. Creary; Middleburg Heights, Gary W. Starr.

Oklahoma: Muskogee, Jim Bushnell; Oklahoma City, Kirk D. Humphrey; Tatums, Cecil Jones.

Oregon: Tualatin, Lou Ogden. Rhode Island: Providence, V.A. Cianci, Jr.

South Carolina: Andrews, Lovith Anderson, Sr.; Greenwood, Floyd Nicholson.

Tennessee: Germantown, Sharon Goldsworthy; Knoxville, Victor Ashe.

Texas: Ames, John White; Arlington, Elzie Odom; Beaumont, David Moore; Bedford, Richard D. Hurt; Euless, Mary Lib Salem; Hurst, Bill Souder; Hutchens, Mary Washington; Kendleton, Carolyn Jones; Kyle, James Adkins; North Richland Hills, Charles Scoma; Port Arthur, Oscar G. Ortiz; Waxahatchee, James Beatty.

Virginia: Portsmouth, Dr. James W. Holley III.

the Senate by Mr. Williams, one of his secretaries.

#### EXECUTIVE MESSAGE REFERRED

As in executive session the Presiding Officer laid before the Senate a message from the President of the United States submitting a nomination which was referred to the Committee on Armed Services.

#### REPORT ON PROGRESS TOWARD ACHIEVING BENCHMARKS IN BOSNIA—MESSAGE FROM THE PRESIDENT—PM 51

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Armed Services.

#### *To the Congress of the United States:*

As required by section 7 of Public Law 105-174, the 1998 Supplemental Appropriations and Rescissions Act, I transmit herewith a 6-month periodic report on progress made toward achieving benchmarks for a sustainable peace process.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 23, 1999.

#### REPORTS ENTITLED "MOTOR VEHICLE SAFETY" AND "HIGHWAY SAFETY" FOR CALENDAR YEARS 1996—MESSAGE FROM THE PRESIDENT—PM 52

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation.

#### *To the Congress of the United States:*

I transmit herewith the 1996 calendar year reports as prepared by the Department of Transportation on activities under the National Traffic and Motor Vehicle Safety Act of 1966, the Highway Safety Act, and the Motor Vehicle Information and Cost Savings Act of 1972, as amended.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 26, 1999.

#### MEASURE PLACED ON THE CALENDAR

The following bill was read the second time and placed on the calendar:

S. 1427. A bill to authorize the Attorney General to appoint a special counsel to investigate or prosecute a person for a possible violation of criminal law when the Attorney General determines that the appointment of a special counsel is in the public interest.

#### EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with

accompanying papers, reports, and documents, which were referred as indicated on July 22, 1999:

EC-4291. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a report entitled "Central and Southern Florida Project-Comprehensive Review Study"; to the Committee on Environment and Public Works.

EC-4292. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals dated July 12, 1999; transmitted jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Energy and Natural Resources, and to the Committee on Foreign Relations.

EC-4293. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Compromises" (TD 8829), received July 19, 1999; to the Committee on Finance.

EC-4294. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "T.D. 8828, Electronic Funds Transfers of Federal Deposits" (RIN1545-AW41), received July 12, 1999; to the Committee on Finance.

EC-4295. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "August 1999 Applicable Federal Rates" (Revenue Ruling 99-32), received July 19, 1999; to the Committee on Finance.

EC-4296. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report entitled "1999 Federal Financial Management Status Report and Five-Year Plan", dated June 1999; to the Committee on Governmental Affairs.

EC-4297. A communication from the Deputy Director for Support, Personal and Family Readiness Division, U.S. Marine Corps, Department of the Navy, transmitting, pursuant to law, a report entitled "Retirement Plan for Civilian Employees of the United States Marine Corps Morale, Welfare and Recreation Activities; The Morale, Welfare and Recreation Support Activity and Miscellaneous Nonappropriated Fund Instrumentalities", dated June 1999; to the Committee on Governmental Affairs.

EC-4298. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, a report relative to Physicians Comparability Allowances; to the Committee on Governmental Affairs.

EC-4299. A communication from the Under Secretary for Domestic Finance, Department of the Treasury, transmitting, pursuant to law, the annual report for calendar year 1998 of the Resolution Funding Corporation; to the Committee on Banking, Housing, and Urban Affairs.

EC-4300. A communication from the Chief Counsel, Bureau of the Public Debt, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Call for Large Position Reports," received July 13, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC-4301. A communication from the Assistant Secretary, Bureau of Export Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Revisions to the Export Administration Regulations; Commerce Control List:

#### MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to



Revisions to Categories 1, 2, 3, 4, 5, 6, 7, and 9 Based on Wassenaar Arrangement Review" (RIN0694-AB86), received July 15, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC-4302. A communication from the General Counsel, National Credit Union Administration, transmitting, pursuant to law, the report of a rule entitled "21 CFR Part 712; Credit Union Service Organizations," received July 15, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC-4303. A communication from the General Counsel, National Credit Union Administration, transmitting, pursuant to law, the report of a rule entitled "21 CFR Part 712; Credit Union Service Organizations," received July 15, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC-4304. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report for calendar year 1998 for the Orphans Products Board; to the Committee on Health, Education, Labor, and Pensions.

EC-4305. A communication from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting, pursuant to law, the report of a rule entitled "Criteria and Procedures for DOE Contractor Employee Protection Program" (RIN1901-AA78), received July 16, 1999; to the Committee on Energy and Natural Resources.

EC-4306. A communication from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting, pursuant to law, the report of a rule entitled "Conference Management" (N 110.3), received July 16, 1999; to the Committee on Energy and Natural Resources.

EC-4307. A communication from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting, pursuant to law, the report of a rule entitled "Deviations, Local Clauses, Uniform Contract Format, and Clause Matrix" (AL 99-05), received July 16, 1999; to the Committee on Energy and Natural Resources.

EC-4308. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report for calendar year 1998 relative to Low-Level Radioactive Waste Management Progress; to the Committee on Energy and Natural Resources.

EC-4309. A communication from the General Counsel, the Presidio Trust, transmitting, pursuant to law, the draft of a proposed rule entitled "Management of the Presidio: Environmental Quality," received July 19, 1999; to the Committee on Energy and Natural Resources.

EC-4310. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Pratt and Whitney JT9D Series Turbofan Engines; Docket No. 98-ANR-31 (7-16/7-19)" (RIN2120-AA64) (1999-0273), received July 19, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4311. A communication from the Senior Analyst, Office of the Secretary, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Passenger Tariff-Filing Requirements Exemption" (RIN2105-AC61), received July 19, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4312. A communication from the Attorney, Research and Special Programs Administration, Department of Transportation, transmitting, pursuant to law, the report of

a rule entitled "Pipeline Safety: Adoption of Consensus Standards for Breakout Tanks" (RIN2137-AC11), received July 19, 1999; to the Committee on Commerce, Science, and Transportation.

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated on July 26, 1999:

EC-4313. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed Manufacturing License Agreement for the export of defense services under a contract in the amount of \$22,000,000 with Italy and Spain; to the Committee on Foreign Relations.

EC-4314. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed Manufacturing License Agreement for the export of defense services under a contract in the amount of \$50,000,000 or more with the United Kingdom; to the Committee on Foreign Relations.

EC-4315. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a proposed license for the export of defense articles or services under a contract in the amount of \$50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC-4316. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a proposed license for the export of defense articles or services under a contract in the amount of \$50,000,000 or more to France; to the Committee on Foreign Relations.

EC-4317. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a proposed license for the export of defense articles or services under a contract in the amount of \$50,000,000 or more to France and the United Kingdom; to the Committee on Foreign Relations.

EC-4318. A communication from the Under Secretary of Defense for Acquisition and Technology, transmitting, pursuant to law, a report relative to commercial and industrial functions performed by contractors during fiscal year 1998; to the Committee on Armed Services.

EC-4319. A communication from the Under Secretary of Defense for Acquisition and Technology, transmitting, pursuant to law, a report entitled "Pilot Program for Revitalizing the Laboratories and Test Evaluation Centers of the Department of Defense," dated May 1999; to the Committee on Armed Services.

EC-4320. A communication from the Director, Administration and Management, Department of Defense, transmitting, pursuant to law, a report relative to a vacancy in the position of the Under Secretary of the Air Force, the designation of an Acting Under Secretary, and the nomination of an Under Secretary; to the Committee on Armed Services.

EC-4321. A communication from the Secretary of Defense, transmitting the report of a retirement; to the Committee on Armed Services.

EC-4322. A communication from the Alternate Federal Register Liaison Officer, De-

partment of Defense, transmitting, pursuant to law, the report of a rule entitled "CHAMPUS Extension of the Active Duty Dependents Dental Plan to Overseas Areas" (RIN0720-AA36), received July 21, 1999; to the Committee on Armed Services.

EC-4323. A communication from the Chairman, Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the semi-annual "Monetary Policy Report," dated July 22, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC-4324. A communication from the Executive Director, Committee for the Purchase from People who are Blind or Severely Disabled, transmitting, pursuant to law, the report of a rule entitled "Additions to and Deletions from the Procurement List," received July 6, 1999; to the Committee on Governmental Affairs.

EC-4325. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1998, through March 31, 1999; to the Committee on Governmental Affairs.

EC-4326. A communication from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled "Veterans Education: Effective Date for Reducing Educational Assistance" (RIN2900-AJ39), received July 21, 1999; to the Committee on Veterans' Affairs.

EC-4327. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Secondary Direct Food Additives Permitted in Food for Human Consumption" (98F-0894), received July 21, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC-4328. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Secondary Direct Food Additives Permitted in Food for Human Consumption" (98F-0894), received July 21, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC-4329. A communication from the General Counsel, Corporation for National and Community Service, transmitting, pursuant to law, the report of a rule entitled "AmeriCorps Education Awards" (RIN3045-AA09), received July 21, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC-4330. A communication from the Congressional Review Coordinator, Regulatory Analysis and Development, Policy and Program Development, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Mexican Fruit Fly Regulation; Removal of Regulated Areas" (Docket No. 98-082-5), received July 21, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4331. A communication from the Congressional Review Coordinator, Regulatory Analysis and Development, Policy and Program Development, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Licensing Requirements for Dogs and Cats" (Docket No. 97-018-4), received July 21, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4332. A communication from the Congressional Review Coordinator, Regulatory Analysis and Development, Policy and Program Development, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Cut Flowers" (Docket No. 98-021-2), received July 21, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4333. A communication from the Congressional Review Coordinator, Regulatory Analysis and Development, Policy and Program Development, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Citrus Canker; Addition to Quarantined Areas" (Docket No. 95-086-3), received July 21, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4334. A communication from the Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Revisions to Part 47—Rules of Practice Under the Perishable Agricultural Commodities Act (PACA)" (Docket No. FV98-358), received July 21, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4335. A communication from the Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Grapes Grown in a Designated Area of Southeastern California and Imported Table Grapes; Revision in Minimum Grade, Container, and Pack Requirements" (Docket No. FV98-925-3 FIR), received July 21, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4336. A communication from the Deputy Under Secretary, Natural Resources and Environment, Forest Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Land Uses; Appeal of Decisions Relating to Occupancy and Use of National Forest System Lands; Mediation of Grazing Disputes" (RIN0596-AB59), received July 21, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4337. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Zinc Phosphide; Extension of Tolerance for Emergency Exemptions" (FRL #6090-9), received July 21, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4338. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "National Priorities List for Uncontrolled Hazardous Waste Sites" (FRL #6401-5), received July 21, 1999; to the Committee on Environment and Public Works.

EC-4339. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plan; Indiana" (FRL #6401-9), received July 20, 1999; to the Committee on Environment and Public Works.

EC-4340. A communication from the Director, Office of Regulatory Management and

Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of State Implementation Plans; California" (FRL # 6378-2), received July 20, 1999; to the Committee on Environment and Public Works.

EC-4341. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Classification of the San Francisco Bay Area Ozone Nonattainment Area for Congestion Mitigation and Air Quality (CMAQ) Improvement Program Purposes" (FRL # 6401-6), received July 20, 1999; to the Committee on Environment and Public Works.

EC-4342. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "National Pollutant Discharge Elimination System Permit Application Requirements for Publicly Owned Treatment Works and Other Treatment Works Treating Domestic Sewage" (FRL # 6401-2), received July 20, 1999; to the Committee on Environment and Public Works.

EC-4343. A communication from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Monitoring the Effectiveness of Maintenance at Nuclear Power Plants" (RIN3150-AF95), received July 21, 1999; to the Committee on Environment and Public Works.

EC-4344. A communication from the Deputy Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska; Steller Sea Lion Protection Measures for the Pollock Fisheries off Alaska" (RIN0648-AM08), received July 22, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4345. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Proposed Establishment of Class E Airspace; Imperial County, CA; Docket No. 98-AWP-33 (7-16/7-19)" (RIN2120-AA66) (1999-0224), received July 19, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4346. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Modification of Class E Airspace; Indianapolis, IN; and Revocation of Class E Airspace; Greenwood, IN; Docket No. 99-AGL-26 (7-16/7-19)" (RIN2120-AA66) (1999-0227), received July 19, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4347. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Modification of Legal Description of the Class D Airspace; Cincinnati, OH; Docket No. 99-AGL-25 (7-16/7-19)" (RIN2120-AA66) (1999-0225), received July 19, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4348. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Modification of Legal Description of the Class D Airspace; Cincinnati, OH; Docket No. 99-AGL-25 (7-16/7-19)" (RIN2120-AA66) (1999-0225), received July 19, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4349. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Amendment of VOR Federal Airways; Kahului, HI; Correction; Docket No. 99-AWP-35 (7-16/7-19)" (RIN2120-AA66) (1999-0223), received July 19, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4350. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Establishment of Class E Airspace; Minden, NV; Docket No. 97-AWP-33 (7-16/7-19)" (RIN2120-AA66) (1999-0222), received July 19, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4351. A communication from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Atlantic Highly Migratory Species Fisheries; Atlantic Bluefin Tuna; Retention Limit Adjustment (Angling Category)," received July 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4352. A communication from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Atlantic Highly Migratory Species Fisheries; Atlantic Bluefin Tuna; Inseason Transfer (Purse Seine Category)," received July 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4353. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report relative to transportation security for calendar year 1997; to the Committee on Commerce, Science, and Transportation.

EC-4354. A communication from the Director, Office of White House Liaison, Department of Commerce, transmitting, pursuant to law, a report relative to a vacancy in the position of Inspector General of the Department of Commerce, the designation of an Acting Inspector General, and the nomination of an Inspector General; to the Committee on Commerce, Science, and Transportation.

EC-4355. A communication from the Associate Administrator for Human Resources and Education, National Aeronautics and Space Administration, transmitting, pursuant to law, a report relative to a vacancy in the position of Deputy Administrator; to the Committee on Commerce, Science, and Transportation.

EC-4356. A communication from the Under Secretary, Food, and Nutrition and Consumer Services, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Food Stamp Program: 1995 Quality Control Technical Amendments" (RIN0584-AB38), received July 21, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4357. A communication from the Deputy Associate Administrator, Office of Acquisition Policy, Office of Governmentwide Policy, transmitting, pursuant to law, on behalf of the Department of Defense, the General Services Administration, and the National Aeronautics and Space Administration the Report of a rule entitled "FAC 97-13, Reform of Affirmative Action in Federal Procurement" (RIN9000-AH59), received July 19, 1999; to the Committee on Governmental Affairs.

#### PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated on July 22, 1999:

POM-260. A resolution adopted by the Legislature of the State of Alaska relative to tobacco settlement funds; to the Committee on Finance.

##### LEGISLATIVE RESOLVE NO. 5

Whereas the State of Alaska, taking all of the risks inherent in litigation, brought suit against major cigarette and smokeless tobacco manufacturers based on state antitrust and consumer protection claims solely to collect the state's smoking-related expenditures; and

Whereas none of the claims asserted by the state were based on a Medicaid recoupment statute or included the assertion of claims based on federal law for the federal government's tobacco-related medical expenditures; and

Whereas the State of Alaska entered into a settlement agreement in state court based on state antitrust and consumer protection law claims with cigarette and smokeless tobacco companies for \$669,000,000 on November 23, 1998; and

Whereas the federal government, through the Health Care Finance Administration, has asserted that it is entitled to a significant share of the state settlement on the basis that it represents the federal share of Medicaid costs; and

Whereas the federal government declined to bring its own action to assert a claim for the federal money it spent for the treatment of smoking-related illnesses in Alaska and provided no assistance to the state during the litigation or during settlement negotiations; and

Whereas the federal government asserts that it is authorized and obligated, under Social Security Act, to collect its share of any settlement funds attributed to Medicaid; and

Whereas the state tobacco lawsuit was brought for violation of state law under state law theories and the state lawsuit did not make any federal claims; and

Whereas the state bore all the risk and expense in the litigation brought in state court and settled without any assistance from the federal government; and

Whereas the state is entitled to all of the funds negotiated in the tobacco settlement agreement without any federal claim; now, therefore, be it

*Resolved*, That the Twenty-First Alaska State Legislature respectfully requests the Congress to enact and the President to sign legislation to prohibit any federal claim against money obtained by settlement of state tobacco litigation; and be it further

*Resolved*, That the Twenty-First Alaska State Legislature respectfully urges the President of the United States to direct the Health Care Finance Administration to refrain from taking steps to pursue recoupment of dollars.

Copies of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Donna E. Shalala, Secretary of the U.S. Department of Health and Human Services; the Honorable Trent Lott, Majority Leader of the U.S. Senate; the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable Kay Bailey Hutchison, U.S. Senator from Texas; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

POM-261. A resolution adopted by the House of the Legislature of the State of Illinois relative to tobacco settlement funds; to the Committee on Finance.

##### HOUSE RESOLUTION NO. 139

Whereas, The November 23, 1998 tobacco settlement and prior settlements in four states call for the distribution of settlement funds to states over the next 25 years; we must act quickly to ensure that the settlement funds actually reach the states; and

Whereas, Receipt of half or more of these funds is in doubt because of the federal government's attempt to recoup state settlement money as Medicaid overpayments; and

Whereas, There is a bi-partisan congressional coalition led by Texas Senator Kay Bailey Hutchison, Florida Senator Robert Graham, Washington Senator Slade Gorton, Indiana Senator Evan Bayh, Ohio Senator George Voinovich, and Florida Congressman Michael Bilirakis that is advocating legislation to negate the recoupment claim; and

Whereas, States initiated the suits that ultimately led to the settlements; and

Whereas, The States assumed all risks; and

Whereas, The States used their resources to challenge the tobacco industry; and

Whereas, The federal government played no role in the suits nor in the settlements; the November 23 accord makes no mention of Medicaid or federal recoupment; and

Whereas, Our State is making initial fiscal determinations regarding the most responsible allocation of these settlement funds; and

Whereas, We cannot and should not be threatened with the seizure of these funds by the federal government; Now, therefore, be it

*Resolved*, by the House of Representatives of the ninety-first General Assembly of the State of Illinois, That we call on the United States Congress and urge its members to support United States House Resolution 351; and be it further

*Resolved*, That a suitable copy of this resolution be delivered to the Illinois Congressional delegation, the Speaker of the U.S. House of Representatives, the Majority Leader of the U.S. Senate, the Vice President of the United States, and the President of the United States.

Adopted by the House of Representatives on May 5, 1999.

POM-262. A resolution adopted by the Legislature of the State of Alaska relative to the marriage penalty; to the Committee on Finance.

##### LEGISLATIVE RESOLVE NO. 16

Whereas the federal government is anticipating a budget surplus of \$1.6 trillion over the next 10 years; and

Whereas the Congress is considering various options for returning some of that surplus to hardworking taxpayers; and

Whereas, under current law, 21,000,000 married couples pay approximately \$1,400 more a year in taxes than they would if they were single; and

Whereas the institution of marriage should be supported and not penalized by the federal government; Now, therefore, be it

*Resolved by the Alaska State Legislature*, That the Congress of the United States is urged to pass legislation to remove from the Internal Revenue Code of 1986 the current discrimination against married individuals in all instances of such discrimination; and be it further

*Resolved*, That the income tax rate paid by a married couple be no higher and the standard deduction no lower than that of two single individuals.

Copies of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Robert E. Rubin, Secretary of the U.S. Treasury; the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable Trent Lott, Majority Leader of the U.S. Senate; the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress; and to all other members of the U.S. Senate and the U.S. House of Representatives serving in the 106th Congress.

POM-263. A resolution adopted by the Legislature of the State of Alaska relative to the federal estate and gift taxes; to the Committee on Finance.

##### LEGISLATIVE RESOLVE NO. 15

Whereas our form of government is premised on the right to enjoy the fruit of one's labor, to own one's own possessions, and to pass on one's bounty to one's heirs; and

Whereas, when a person works for a lifetime to build assets, saving and investing money, building a business, or buying and developing land, that person has a moral right to pass those assets on to the person's family without being penalized with inheritance taxes; and

Whereas there is a fundamental problem of double taxation when a decedent's survivors are forced to pay an inheritance tax on assets acquired by the decedent with after-tax dollars; and

Whereas we need a tax system that encourages lifelong saving and enterprise and that rewards, rather than punishes, the traditional family; and

Whereas we need a government that rewards "blood, sweat, and tears" by abolishing the estate and gift taxes completely; and

Whereas repealing the federal estate and gift taxes is not an issue of politics and wealth but a matter of principle; now, therefore, be it

*Resolved*, That the Alaska State Legislature respectfully requests the United States Congress to enact H.R. 86 and repeal subtitle B of the Internal Revenue Code of 1986, relating to the federal estate, gift taxes, and generation-skipping transfer.

Copies of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Trent Lott, Majority Leader of the U.S. Senate; the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable Christopher Cox, U.S. Representative from California, primary sponsor of H.R.

86; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

POM-264. A resolution adopted by the Legislature of the State of Alaska relative to the proposed "American Land Sovereignty Act"; to the Committee on Energy and Natural Resources.

#### LEGISLATIVE RESOLVE NO. 13

Whereas the United Nations has designated 67 sites in the United States as "World Heritage Sites" or "Biosphere Reserves," which altogether are about equal in size to the State of Colorado, the eighth largest state; and

Whereas art. IV, sec. 3, United States Constitution, provides that the United States Congress shall make all needed regulations governing lands belonging to the United States; and

Whereas many of the United Nations' designations include private property inholdings and contemplate "buffer zones" of adjacent land; and

Whereas some international land designations such as those under the United States Biosphere Reserve Program and the Man and Biosphere Program of the United Nations Scientific, Educational, and Culture Organization operate under independent national committees such as the United States National Man and Biosphere Committee that have no legislative directives or authorization from the Congress; and

Whereas these international designations as presently handled are an open invitation to the international community to interfere in domestic economies and land use decisions; and

Whereas local citizens and public officials concerned about job creation and resource based economies usually have no say in the designation of land near their homes for inclusion in an international land use program; and

Whereas former Assistant Secretary of the Interior George T. Frampton, Jr., and the President used the fact that Yellowstone National Park had been designated as a "World Heritage Site" as justification for intervening in the environmental impact statement process and blocking possible development of an underground mine on private land in Montana outside of the park; and

Whereas a recent designation of a portion of Kamchatka as a "World Heritage Site" was followed immediately by efforts from environmental groups to block investment insurance for development projects on Kamchatka that are supported by the local communities; and

Whereas environmental groups and the National Park Service have been working to establish an International Park, a World Heritage Site, and a Marine Biosphere Reserve covering parts of western Alaska, eastern Russia, and the Bering Sea; and

Whereas, as occurred in Montana, such designations could be used to block development projects on state and private land in western Alaska; and

Whereas foreign companies and countries could use such international designations in western Alaska to block economic development that they perceive as competition; and

Whereas animal rights activists could use such international designations to generate pressure to harass or block harvesting of marine mammals by Alaska Natives; and

Whereas such international designations could be used to harass or block any com-

mercial activity, including pipelines, railroads, and power transmission lines; and

Whereas the President and the executive branch of the United States have, by Executive Order and other agreements, implemented these designations without approval by the Congress; and

Whereas the United States Department of Interior, in cooperation with the Federal Interagency panel for World Heritage, has identified the Aleutian Island Unit of the Alaska Maritime National Wildlife Refuge, Arctic National Wildlife Refuge, Cape Krusenstern National Monument, Denali National Park, Gates of the Arctic National Park, and Katmai National Park as likely to meet the criteria for future nominations as World Heritage Sites; and

Whereas the Alaska State legislature objects to the nomination or designation of any World Heritage Sites or Biosphere Reserves in Alaska without the specific consent of the Alaska State Legislature; and

Whereas actions by the President in applying international agreements to lands owned by the United States may circumvent the Congress; and

Whereas Congressman Don Young introduced House Resolution No. 901 in the 105th Congress entitled the "American Land Sovereignty Protection Act of 1997" that required the explicit approval of the Congress prior to restricting any use of the United States land under international agreements; and

Whereas Congress Don Young has reintroduced this legislation in the 106th Congress as House Resolution No. 883, which is entitled the "American Land Sovereignty Protection Act"; Now, therefore, be it

*Resolved*, That the Alaska State Legislature supports House Resolution 883, the "American Land Sovereignty Protection Act," that reaffirms the constitutional authority of the Congress as the elected representatives of the people over the federally owned land of the United States and urges the swift introduction and passage of such act by the 106th Congress; and be it further

*Resolved*, That the Alaska State Legislature objects to the nomination or designation of any sites in Alaska as World Heritage Sites or Biosphere Reserves without the prior consent of the Alaska State Legislature.

Copies of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Trent Lott, Majority Leader of the U.S. Senate; the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

POM-265. A resolution adopted by the Legislature of Guam relative to the election of the Attorney General of Guam; to the Committee on Energy and Natural Resources.

#### RESOLUTION NO. 126

Whereas, in 1998 Guam's delegate to the U.S. Congress introduced, and the Congress passed into law, an amendment to the Organic Act of Guam that allows for the election of the Attorney General of Guam in the next gubernatorial general election, which is scheduled for the year 2002; and

Whereas, I Miná Bente Singko Na Liheslaturan Guahan subsequently passed, and I Magáláhen Guahan signed into law,

Public Law Number 25-44, which mandates an elected Attorney General starting with the election allowed by the newly amended Organic Act of Guam; and

Whereas, three and a half (3½) years seems like an inordinately long period of time to postpone what should be the right of the people of Guam; Now therefore, be it

*Resolved*, That I MináBente Sigko Na Liheslaturan Guahan does hereby, on behalf of the people of Guam, respectfully request that Guam's Delegate to the U.S. Congress introduce legislation that would further amend the Organic Act of Guam to allow for the first election of the Attorney General of Guam to be held in the General Election in the year 2000; and be it further

*Resolved*, That the Speaker certify, and the Legislative Secretary attests to, the adoption hereof and that copies of the same be thereafter transmitted to the President of the U.S. Senate; to the Speaker of the U.S. House of Representatives; to Guam's Delegate to the U.S. Congress; and to the Honorable Carl T.C. Gutierrez, I Magáláhen Guahan.

POM-266. A resolution adopted by the Legislature of the State of Alaska relative to evaluation and selection criteria for military base realignment and closure; to the Committee on Armed Services.

#### LEGISLATIVE RESOLVE NO. 4

Whereas the Secretary of the United States Department of Defense has called for the reestablishment of a Base Realignment and Closure (BRAC) Commission to conduct two new rounds of military base closures beginning in 2001; and

Whereas, under the process established for the BRAC Commissions in 1991, 1993, and 1995, each of the armed services developed categories for its own bases and evaluated and ranked each of its bases within those categories by applying criteria established by the United States Department of Defense and the Congress; and

Whereas these single-service evaluations severely restricted the opportunity to consider the effect of a base's closure on the operational readiness of the United States Department of Defense's total force; and

Whereas the shortcomings of this single-service approach were recognized by the BRAC Commission that recommended that the United States Department of Defense develop procedures for considering potential joint or common activities among the services in several training and support areas; and

Whereas this recommendation led to the creation in 1994 of Joint Cross-Service Groups that worked with the services in the five functional areas of depot maintenance, military medical treatment facilities, test and evaluation, undergraduate pilot training, and laboratories, in preparation for the 1995 BRAC round; and

Whereas the strategic challenges now facing the United States as we enter the new century may require an even greater emphasis on creating and fielding a fully integrated total force capable of projecting our nation's military power around the world from bases with our country's borders; and

Whereas this military force structure should be supported by a military base structure that is focused on strategic mobility, joint operations, and joint training considerations in addition to individual service considerations; Now, therefore, be it

*Resolved*, That the Alaska State Legislature respectfully requests the President of the United States, the United States Congress, and the Secretary of the United States

Department of Defense to establish new Joint Cross-Service Groups this year to study issues of power projection and deployment, joint training, joint operations, and other total force considerations; and be it further

*Resolved by the Alaska State Legislature,* That these Joint Cross-Service Groups then be directed to develop new evaluation and selection criteria and procedures based on their findings to be incorporated into any future base realignment and closure proceedings to ensure that total force and power projection factors are major military value considerations in base structure decisions.

Copies of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Strom Thurmond, President Pro Tem of the U.S. Senate; the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable William S. Cohen, Secretary of the U.S. Department of Defense; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

POM-267. A resolution adopted by the Legislature of the State of Alaska relative to a recent article published by the American Psychological Association; to the Committee on Health, Education, Labor, and Pensions.

#### LEGISLATIVE RESOLVE NO. 18

Whereas children are a precious gift and responsibility; and

Whereas the spiritual, physical, and mental well-being of children is our sacred duty; and

Whereas no segment of our society is more critical to the future of human survival and society than our children; and

Whereas it is the obligation of all public policymakers not only to support but also to defend the health and rights of parents, families, and children; and

Whereas information endangering to children is being made public and, in some instances, may be given unwarranted or unintended credibility through release under professional titles or through professional organizations; and

Whereas elected officials have a duty to inform and counter actions they consider damaging to children, parents, families, and society; and

Whereas Alaska has made sexual molestation of a child a felony and has declared parents who sexually molest their children to be unfit; and

Whereas virtually all studies in this area, including those published by the American Psychological Association, condemn child sexual abuse as criminal and harmful to children; and

Whereas the American Psychological Association has recently published, but did not endorse, a study that suggests that sexual relationships between adults and willing children are less harmful than believed and might even be positive for "willing" children; now, therefore, be it

*Resolved,* That the Alaska State Legislature condemns and denounces all suggestions in the recently published study by the American Psychological Association that indicates sexual relationships between adults and willing children are less harmful than believed and might even be positive for "willing" children; and be it further

*Resolved,* That the Alaska State Legislature urges the United States Congress and

the President of the United States to likewise reject and condemn, in the strongest honorable written and vocal terms possible, any suggestion that sexual relations between children and adults are anything but abusive, destructive, exploitive, reprehensible, and punishable by law; and be it further

*Resolved,* That the Alaska State Legislature encourages competent investigations to continue to research the effects of child sexual abuse using the best methodology so that the public and public policymakers may act upon accurate information.

Copies of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Trent Lott, Majority Leader of the U.S. Senate; the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable David Satcher, M.D. Ph.D., Surgeon General of the United States; and to the Honorable Ed Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

POM-268. A resolution adopted by the Legislature of the State of Alaska relative to the Amchitka nuclear tests; to the Committee on the Judiciary.

#### LEGISLATIVE RESOLVE NO. 19

Whereas the largest underground nuclear bomb tests ever conducted by the government of the United States were conducted as part of the Amchitka nuclear bomb test program; and

Whereas many Alaska workers who worked at the Amchitka Island, Alaska, nuclear bomb test program have reported what appears to be an inordinately high rate of radiation-related diseases, including various kinds of cancer; and

Whereas the workers have been unable for years to obtain information on the tests in which they were involved in order to prove their entitlement to compensation for their medical needs because the United States Department of Energy has advised them that the information is classified; and

Whereas the Amchitka Technical Advisory Group has unanimously requested a medical surveillance program of Amchitka workers; and

Whereas some of the information necessary for workers to establish their entitlement to medical benefits and other compensation has been released, but more information apparently remains classified; Now, therefore be it

*Resolved,* That the Alaska State Legislature requests the Congress of the United States to fund a medical surveillance program to cover the health concerns of the Amchitka workers; and be it further

*Resolved,* That the United States Department of Energy and the department's subcontractors are requested to expeditiously resolve the pending worker compensation claims and litigation filed by injured workers from Amchitka and the surviving family members of deceased workers at Amchitka; and be it further

*Resolved,* That the Congress of the United States amend the Radiation Exposure Compensation Act of 1990 to include Amchitka Island, Alaska, within its coverage.

Copies of this resolution shall be sent to the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Trent Lott, Majority Leader of the U.S. Senate; the Honorable J. Dennis Hastert, Speaker of the U.S. House of

Representatives; the Honorable Bill Richardson, Secretary of the U.S. Department of Energy; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

POM-269. A resolution adopted by the Legislature of the State of Alaska relative to oil and gas exploration, development, and production in the Arctic National Wildlife Refuge; to the Committee on Energy and Natural Resources.

#### LEGISLATIVE RESOLVE NO. 8

Whereas, in sec. 1002 of the Alaska National Interest Lands Conservation Act (ANILCA), the United States Congress reserved the right to permit further oil and gas exploration, development, and production within the coastal plain of the Arctic National Wildlife Refuge, Alaska; and

Whereas the oil industry, the state, and the United States Department of the Interior consider the coastal plain to have the highest potential for discovery of very large oil and gas accumulations on the continent of North America, estimated to be as much as 10,000,000,000 barrels of recoverable oil; and

Whereas the residents of the North Slope Borough, within which the coastal plain is located, are supportive of development in the "1002 study area"; and

Whereas oil and gas exploration and development of the coastal plain of the refuge and adjacent land could result in major discoveries that would reduce our nation's future need for imported oil, help balance the nation's trade deficit, and significantly increase the nation's security; and

Whereas domestic demand for oil continues to rise while domestic crude production continues to fall with the result that the United States imports additional oil from foreign sources; and

Whereas development of oil at Prudhoe Bay, Kuparuk, Endicott, Lisburne, and Milne Point has resulted in thousands of jobs throughout the United States, and projected job creation as a result of coastal plain oil development will have a positive effect in all 50 states; and

Whereas Prudhoe Bay production is declining by approximately 10 percent a year; and

Whereas, while new oil field developments on the North Slope of Alaska, such as Alpine, Badami, and West Sak, may slow or temporarily stop the decline in production, only giant coastal plain fields have the theoretical capability of increasing the production volume of Alaska oil to a significant degree; and

Whereas opening the coastal plain of the Arctic National Wildlife Refuge now allows sufficient time for planning environmental safeguards, development, and national security review; and

Whereas the oil and gas industry and related state employment have been severely affected by reduced oil and gas activity, and the reduction in industry investment and employment has broad implications for the state's work force and the entire state economy; and

Whereas the 1,500,000-acre coastal plain of the refuge comprises only eight percent of the 19,000,000-acre refuge, and the development of the oil and gas reserves in the refuge's coastal plain would affect an area of only 2,000 to 7,000 acres, which is less than one-half of one percent of the area of the coastal plain; and

Whereas 8,000,000 of the 19,000,000 acres of the refuge have already been set aside as wilderness; and

Whereas the oil industry has shown at Prudhoe Bay, as well as at other locations along the Arctic coastal plain, that it can safely conduct oil and gas activity without adversely affecting the environment or wildlife populations; and

Whereas the state will ensure the continued health and productivity of the Porcupine Caribou herd and the protection of land, water, and wildlife resources during the exploration and development of the coastal plain of the Arctic National Wildlife Refuge, Alaska; and

Whereas the oil industry is using innovative technology and environmental practices in the new field developments at Alpine and Northstar, and those techniques are directly applicable to operating on the coastal plain and would enhance environmental protection beyond traditionally high standards; Now, therefore be it

*Resolved by the Alaska State Legislature,* That the Congress of the United States is urged to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge, Alaska, to oil and gas exploration, development, and production, and that the Alaska State Legislature is adamantly opposed to further wilderness or other restrictive designation in the area of the coastal plain of the Arctic National Wildlife Refuge, Alaska; and be it further

*Resolved,* That that activity be conducted in a manner that protects the environment and uses the state's work force to the maximum extent possible.

Copies of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Al Gore, Jr., Vice-President of the United States and president of the U.S. Senate; the Honorable Bruce Babbitt, Secretary of the Interior; the Honorable Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable Trent Lott, Majority Leader of the U.S. Senate; to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress; and to all other members of the U.S. Senate and the U.S. House of Representatives serving in the 106th United States Congress.

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated on July 26, 1999:

POM-270. A joint resolution adopted by the Legislature of the State of New Hampshire relative to oxygenate additives for gasoline; to the Committee on Environment and Public Works.

#### HOUSE JOINT RESOLUTION 9

Whereas, the federal Clean Air Act has required that oxygenates be added to gasoline for the purpose of reducing air pollution and, in particular, ground-level ozone and carbon monoxide; and

Whereas, automobile improvements over the last several years have considerably reduced the benefits of oxygenates for controlling carbon monoxide emissions by eliminating much of the carbon monoxide which would be emitted in the absence of oxygenates; and

Whereas, automobile improvements over the last several years have likewise considerably reduced the benefits of oxygenates for controlling hydrocarbon emissions; and

Whereas, substantial evidence has been developed over the last few years that, in much of the country, the formation of ground-level ozone is not significantly dependent upon amounts of hydrocarbon emissions; and

Whereas, questions have been raised as to whether one oxygenate in common use, methyl t-butyl ether (MTBE), is degrading water quality to an extent that more than offsets its limited and decreasing benefits for air pollution control; and

Whereas, the threat that MTBE poses to the water resources of New Hampshire could be lessened in the short term by substituting conventional gasoline, which contains a much lower concentration of MTBE, for reformulated gasoline in the 4 southern counties (Hillsborough, Merrimack, Rockingham, and Strafford) required by federal regulation to use reformulated gasoline; and

Whereas, such gasoline substitution is not possible in New Hampshire without the Environmental Protection Agency granting the state a waiver to do so; now, therefore, be it

*Resolved by the senate and house of representatives in general court convened:*

That Congress should eliminate the oxygenate requirements of the federal Clean Air Act without imposing any new federal requirements to reduce air pollution; and

That the Environmental Protection Agency should expeditiously grant New Hampshire the short-term waivers necessary to permit the substitution of conventional gasoline for reformulated gasoline, without requiring substitute air emission reduction strategies as part of the state's air pollution implementation plan; and

That such gasoline substitution should be allowed prior to the completion of the ongoing, long-term comparative risk studies that will eventually identify the relative health and environmental costs and benefits of using gasoline formulations that have reduced MTBE levels; and

That when a better understanding has been reached of the comparative risks of different gasoline formulations, the Environmental Protection Agency should utilize incentive-based programs, rather than command-and-control measures, to further reduce MTBE levels in gasoline, provided that such reduction is consistent with the comparative risk analyses; and

That copies of this resolution be sent by the house clerk to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the chairpersons of committees of the United States Congress having jurisdiction over the Clean Air Act, the Administrator of the United States Environmental Protection Agency, and each member of the New Hampshire congressional delegation.

POM-271. A joint resolution adopted by the Legislature of the State of New Hampshire relative to federal air pollution programs, to the Committee on Environment and Public Works.

#### HOUSE JOINT RESOLUTION 2

Whereas, the federal Clean Air Act has in the past allocated pollution allowances, which are items of commercial value, to pollution sources based on emissions existing on arbitrary baseline dates, where higher emissions equated to being granted more allowances; and

Whereas, such a policy has rewarded dirtier operators by allocating to them more allowances than their cleaner competitors, and further, has unfairly served to punish operators who have happened to install expensive air pollution controls shortly before the baseline dates; and

Whereas, these past actions have made it more difficult to encourage polluters to reduce emissions prior to regulatory deadlines; now, therefore, be it

*Resolved by the senate and house of representatives in General Court convened:*

That future federal air pollution legislation should avoid using baseline pollution as a basis for allocation of allowances or other items of commercial value, or any future reduction requirements; and

That to the extent that the federal government chooses to continue to use baseline emissions to determine allowance allocation and future reduction requirements, either to individual polluters or to states, that it choose a baseline date far enough in the past in order that recently-improved sources are not placed at a competitive disadvantage against dirtier competitors that have not made such investments and have smaller capital and operating costs as a result; and

That such care with baselines be used not only for sulfur dioxide and nitrogen oxide emissions, but also for any other emissions which the federal government may subsequently choose to control with allowance-based mechanisms; and

That copies of this resolution be sent by the house clerk to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the chairpersons of committees of the United States Congress having jurisdiction over the Clean Air Act, the Administrator of the United States Environmental Protection Agency, and each member of the New Hampshire congressional delegation.

POM-272. A concurrent resolution adopted by the Legislature of the State of New Hampshire relative to border corridor highways; to the Committee on Environment and Public Works.

#### HOUSE CONCURRENT RESOLUTION 4

Whereas, recent authorization of the Transportation Equity Act of the 21st Century, (TEA-21), provides funding for the coordinated planning, design, and construction of corridors of national significance, economic growth, and international or inter-regional trade during federal fiscal years 1999-2003 under Sections 1118 and 1119; and

Whereas, allocations of funding may be made to transportation corridors identified in Section 1150(c) of TEA-21's predecessor, ISTEA and to other designated border transportation corridors using specified considerations; and

Whereas, the Coordinated Border Infrastructure Program has been established to improve the safe and efficient movement of people and goods at or across the United States/Canadian and United States/Mexican borders; and

Whereas, U.S. Route 2 traverses laterally through the northernmost parts of Maine, New Hampshire, and Vermont, originating in Bangor, Maine and continuing through New Hampshire to Alburg, Vermont on the shores of Lake Champlain; and directly providing key connectivity to the Canadian provinces of New Brunswick and Quebec at Maine and Vermont as a de facto East-West Highway Connector; and

Whereas, U.S. Route 2 also serves as a major gateway and longitudinal connector for northern New England to the rest of the nation through its connectivity with Interstate Highways I-89, I-91, and I-93 in Vermont, and I-95 in Maine, and enjoys a tri-state designation as a primary east-west corridor by the states of Maine, New Hampshire, and Vermont; and

Whereas, the future economic viability of northern New England through its trading and tourism relationship with Quebec and



the Maritime Provinces is contingent upon the upgrade and maintenance of the U.S. Route 2 transportation corridor link; now, therefore, be it

*Resolved by the house of representatives, the senate concurring:*

That the United States Secretary of Transportation expeditiously authorize the inclusion of U.S. Route 2 through the states of Maine, New Hampshire, and Vermont as a designated border corridor highway under the auspices of Sections 1118 and 1119 of the Transportation Equity Act of the 21st Century; and

That copies of this resolution, signed by the speaker of the house and the president of the senate, be forwarded by the house clerk to the Speaker of the United States House of Representatives, the President of the United States Senate, the Secretary of Transportation, and the congressional delegations of New Hampshire, Vermont, and Maine.

POM-273. A concurrent resolution adopted by the Legislature of the State of New Hampshire relative to the Individuals with Disabilities Education Act; to the Committee on Appropriations.

#### HOUSE CONCURRENT RESOLUTION 6

Whereas, since its enactment in 1975, the Individuals with Disabilities Education Act (IDEA) has helped millions of children with special needs to receive a quality education and to develop to their full capacities; and

Whereas, the IDEA has moved children with disabilities out of institutions and into public school classrooms with their peers; and

Whereas, the IDEA has helped break down stereotypes and ignorance about people with disabilities, improving the quality of life and economic opportunity for millions of Americans; and

Whereas, when the federal government enacted the Individuals with Disabilities Education Act, it promised to fund 40 percent of the average per pupil expenditure in public elementary and secondary schools in the United States; and

Whereas, the federal government currently funds, on average, less than 9 percent of the actual cost of special education services; and

Whereas, local school districts and state governments end up bearing the largest share of the cost of special education services; and

Whereas, the federal government's failure to adequately fulfill its responsibility to special needs children undermines public support for special education and creates hardship for disabled children and their families; now, therefore, be it

*Resolved by the house of representatives, the senate concurring:*

That the New Hampshire general court urges the President and the Congress to fund 40 percent of the average per pupil expenditure in public elementary and secondary schools in the United States as promised under the IDEA to ensure that all children, regardless of disability, receive a quality education and are treated with the dignity and respect they deserve; and

That copies of this resolution be forwarded by the house clerk to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the New Hampshire congressional delegation.

POM-274. A concurrent resolution adopted by the Legislature of the State of New Hampshire relative to Nuclear Decommissioning Reserve Funds; to the Committee on Finance.

#### HOUSE CONCURRENT RESOLUTION 11

Whereas, proper decommissioning of nuclear power plants serves important public health and safety goals; and

Whereas, existing federal tax provisions recognize the importance of adequately funding decommissioning costs by providing incentives for establishing and adequately funding Nuclear Decommissioning Reserve Funds; and

Whereas, section 468A of the Internal Revenue Code permits taxpayers with qualifying interests in nuclear power plants to deduct contributions to Nuclear Decommissioning Reserve Funds; and

Whereas, the income of Nuclear Decommissioning Reserve Funds is taxed at a fixed 20 percent rate rather than at the normal corporate tax rate; and

Whereas, the amount that taxpayers with qualifying interests may contribute to Nuclear Decommissioning Reserve Funds is limited to a portion of the total nuclear decommissioning costs which is based on the estimated useful life of the nuclear power plant; and

Whereas, electric utility restructuring by the states may encourage or require actions by taxpayers with qualifying interests that deviate from the decommissioning funding formula in federal tax laws, including: prefunding of decommissioning obligations as a condition of the sale of the qualifying interest; the discontinuation of including decommissioning funding in cost of service rates, which will be replaced by competitive market-based rates; and reliance on non-bypassable transition charges to retail customers of a former nuclear power plant owner, such as stranded cost or wires charges, to recover future decommissioning contributions; and

Whereas, states may require that nuclear decommissioning funding be completed in a period shorter than the estimated useful life of the nuclear power plant, and some portion of these state-mandated contributions may be ineligible for deposit in a Nuclear Decommissioning Reserve Fund; and

Whereas, there should be no federal tax disincentive to fund as promptly as possible the expenditures required for the safe decommissioning of nuclear power plants; and

Whereas, compliance with state electric utility restructuring requirements and the transition to a competitive electric market may force nuclear power plant owners into decommissioning funding obligations with adverse federal tax consequences under current law; and

Whereas, these adverse federal tax consequences will ultimately cause higher rates for retail electricity customers; now, therefore, be it

*Resolved by the house of representatives, the senate concurring:*

That the general court of New Hampshire hereby urges the United States Congress and the Internal Revenue Service to make changes to the Internal Revenue Code and federal tax regulations necessary to broaden the ability of taxpayers to make tax-deductible contributions to Nuclear Decommissioning Reserve Funds and to permit all contributions toward future decommissioning expenses to receive beneficial tax treatment; and

That copies of this resolution, signed by the speaker of the house of representatives and the president of the senate, be forwarded by the house clerk to the President of the United States, to the President of the United

States Senate, to the Speaker of the United States House of Representatives, to each member of the New Hampshire Congressional delegation, and to the Commissioner of Internal Revenue.

POM-275. A concurrent resolution adopted by the Legislature of the State of New Hampshire relative to health care choices for senior citizens; to the Committee on Finance.

#### HOUSE CONCURRENT RESOLUTION 9

Whereas, all senior citizens in New Hampshire deserve access to all Medicare options to ensure greater health care choice; therefore, be it

*Resolved by the house of representatives, the senate concurring:*

That the general court of New Hampshire hereby urges the federal government to review Medicare policies and procedures to ensure that New Hampshire senior citizens retain all Medicare options. Specifically, the federal government should evaluate the Medicare environment in New Hampshire to ensure that:

(a) Existing policies and procedures provide for citizens to have a choice of Medicare options;

(b) Medicare reimbursement rates for physicians, hospitals, and home health care providers are sufficient to allow for access to needed care statewide and greater product choice in rural areas of the state;

(c) Medicare premium rates for New Hampshire managed care products be set at a level that allows attractive benefit coverage to citizens;

(d) Applications for Medicare insurance product introduction or expansions in New Hampshire receive high priority status by the federal government; and

(e) Congress reviews the impact of the "Balanced Budget Act" of 1997 on the ability of Medicare health maintenance organizations and home health care providers to continue to operate in New Hampshire; and

That a copy of this resolution be forwarded by the house clerk to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the New Hampshire delegation.

POM-276. A concurrent resolution adopted by the Legislature of the State of New Hampshire relative to tobacco settlement funds; to the Committee on Finance.

#### HOUSE CONCURRENT RESOLUTION 12

Whereas, on November 23, 1998, representatives from 46 states signed a settlement agreement with the 5 largest tobacco manufacturers; and

Whereas, the Attorneys General Master Tobacco Settlement Agreement culminated legal action that began in 1994 when states began filing lawsuits against the tobacco industry; and

Whereas, the respective states are presently in the process of finalizing the terms of the Master Tobacco Settlement Agreement, and are making initial fiscal determinations relative to the most responsible ways and means to utilize the settlement funds; and

Whereas, under the terms of the agreement, tobacco manufacturers will pay \$206 billion over the next 25 years to the respective states in up-front and annual payments; and

Whereas, New Hampshire is projected to receive \$1,304,689,150 through the year 2025 under the terms of the Master Tobacco Settlement; and

Whereas, because many state lawsuits sought to recover Medicaid funds spent to treat illnesses caused by tobacco use, the Health Care Financing Administration (HCFA) contends that it is authorized and obligated, under the Social Security Act, to collect its share of any tobacco settlement funds attributable to Medicaid; and

Whereas, the Master Tobacco Settlement Agreement does not address the Medicaid recoupment issue, and thus the Social Security Act must be amended to resolve the recoupment issue in favor of the respective states; and

Whereas, as we move toward final approval of the Master Tobacco Settlement Agreement, it is imperative that state sovereignty be preserved; now, therefore, be it

*Resolved by the State house of representatives, the senate concurring:*

That the New Hampshire legislature urges the United States Congress to enact legislation amending the Social Security Act to prohibit recoupment by the federal government of state tobacco settlement funds; and

That it is the sense of the New Hampshire state legislature that the respective state legislatures should have complete autonomy over the appropriation and expenditure of state tobacco settlements funds; and

That the New Hampshire state legislature most fervently opposes any efforts by the federal government to earmark or impose any other restrictions on the respective states' use of state tobacco settlement funds; and

That copies of this resolution be transmitted by the house clerk to the President of the United States; the President and the Secretary of the United States Senate; the Speaker and the Clerk of the United States House of Representatives; and to each member of New Hampshire's congressional delegation.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Finance, without amendment:

S. 1429. An original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000 (Rept. No. 106-120).

By Mr. HATCH, from the Committee on the Judiciary:

Report to accompany the bill (S. 692) to prohibit Internet gambling, and for other purposes (Rept. No. 106-121).

## EXECUTIVE REPORT OF A COMMITTEE

The following executive report of a committee was submitted:

By Mr. HATCH, for the Committee on the Judiciary:

Carlos Murguia, of Kansas, to the United States District Judge for the District of Kansas.

(The above nomination was reported with the recommendation that it be confirmed.)

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first

and second time by unanimous consent, and referred as indicated:

By Mr. ROTH:

S. 1429. An original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000; from the Committee on Finance; placed on the calendar.

By Mr. THOMAS (for himself and Mr. SMITH of Oregon):

S. 1430. A bill to set forth the policy of the United States with respect to Macau, and for other purposes; to the Committee on Foreign Relations.

By Mr. LAUTENBERG:

S. 1431. A bill to suspend temporarily the duty on mixtures of sennosides; to the Committee on Finance.

S. 1432. A bill to suspend temporarily the duty on dark couverture chocolate; to the Committee on Finance.

By Mr. HOLLINGS:

S. 1433. A bill to amend the Internal Revenue Code of 1986 to impose a retail excise tax on merchandise sold via the Internet, through catalogs, or sold other than through local merchants in order to supplement the funding for elementary and secondary school teacher salaries; to the Committee on Finance.

By Ms. LANDRIEU (for herself, Mr. AKAKA, and Mr. CLELAND):

S. 1434. A bill to amend the National Historic Preservation Act to reauthorize that Act, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LEVIN (for himself and Mr. KERRY):

S. 1435. A bill to amend section 9 of the Small Business Act to provide for the establishment of volunteer mentoring programs; to the Committee on Small Business.

By Mr. CONRAD:

S. 1436. A bill to amend the Agricultural Marketing Transition Act to provide support for United States agricultural producers that is equal to the support provided agricultural producers by the European Union, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MOYNIHAN:

S. 1437. A bill to protect researchers from compelled disclosure of research in Federal courts, and for other purposes; to the Committee on the Judiciary.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 162. A resolution to authorize testimony of employee of the Senate in State of New Mexico v. Felix Lucero Chavez; considered and agreed to.

By Mrs. BOXER:

S. Res. 163. A resolution to establish a special committee of the Senate to study the causes of firearms violence in America; to the Committee on Rules and Administration.

By Mr. THOMAS (for himself, Mr. ROBB, Mr. ROTH, and Mr. SMITH of Oregon):

S. Con. Res. 48. A concurrent resolution relating to the Asia-Pacific Economic Cooperation Forum; to the Committee on Foreign Relations.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THOMAS (for himself and Mr. SMITH of Oregon):

S. 1430. A bill to set forth the policy of the United States with respect to Macau, and for other purposes; to the Committee on Foreign Relations.

THE UNITED STATES-MACAU POLICY ACT OF 1999

Mr. THOMAS. Mr. President, as the chairman of the Subcommittee on East Asian and Pacific Affairs, I rise to introduce S. 1430, the United States-Macau policy Act of 1999. I ask unanimous consent that the text be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1430

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE.

This Act may be cited as the "United States-Macau Policy Act of 1999".

### SEC. 2 FINDINGS AND DECLARATIONS.

The Congress makes the following findings and declarations:

(1) The Congress recognizes that under the Joint Declaration of the Government of the People's Republic of China and the Government of the Republic of Portugal on the Question of Macau, dated April 13, 1987—

(A) the People's Republic of China and the Republic of Portugal have agreed that the People's Republic of China will resume the exercise of sovereignty over Macau on December 20, 1999, and until that time, Portugal will be responsible for the continuing administration of Macau;

(B) the People's Republic of China has guaranteed that, on and after December 20, 1999, the Macau Special Administrative Region of the People's Republic of China, will continue to enjoy a high degree of autonomy on all matters other than defense and foreign affairs;

(C) the People's Republic of China will implement a "one country, two systems" policy with respect to Macau, under which Macau will retain its current legal, social, and economic systems until at least the year 2049;

(D) provision is made for the continuation in force of bilateral and multilateral agreements implemented as of December 20, 1999, and for the ability of the Macau Special Administrative Region to conclude new agreements.

(2) The Congress supports the full and complete implementation of the provisions of the Joint Declaration.

(3) The Congress supports the policies and objectives set forth in the Joint Declaration.

(4) It is the sense of the Congress that—

(A) continued economic prosperity in Macau furthers United States interests in Asia and in our relationship with the People's Republic of China;

(B)(i) support for principles of democracy is a fundamental tenet of United States foreign policy, and as such, will also play a central role in United States policy toward Macau, now and after December 19, 1999; and

(ii) safeguarding the human rights of the people of Macau is of great importance to the United States and is directly relevant to United States interests in Macau;

(iii) a fully successful transition in the exercise of sovereignty over Macau must safeguard those human rights; and

(iv) human rights also serve as a basis for Macau's continued economic prosperity.

### SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) prior to December 20, 1999, the term "Macau" means the Portuguese Dependent Territory of Macau, and on and after December 20, 1999, the term "Macau" means the Macau Special Administration Region of the People's Republic of China;

(2) the term "Joint Declaration" means the Joint Declaration of the Government of the People's Republic of China and the Government of the Republic of Portugal on the Question of Macau, dated April 13, 1987; and

(3) the term "laws of the United States" means provisions of law enacted by the Congress.

### TITLE I—POLICY

#### SEC. 101. SENSE OF CONGRESS.

It is the sense of the Congress that—

(1) the United States should play an active role before, on, and after December 20, 1999, in assisting Macau in maintaining its confidence and prosperity, its unique cultural heritage, and the mutually beneficial ties between the people of the United States and the people of Macau; and

(2) through its policies, the United States should assist Macau in maintaining a high degree of autonomy in matters other than defense and foreign affairs as guaranteed by the People's Republic of China and the Republic of Portugal in the Joint Declaration, particularly with respect to such matters as trade, commerce, law enforcement, finance, monetary policy, aviation, shipping, communications, tourism, cultural affairs, sports, and participation in international organizations, consistent with the national security and other interests of the United States.

### TITLE II—THE STATUS OF MACAU IN UNITED STATES LAW

#### SEC. 201. CONTINUED APPLICATION OF UNITED STATES LAW.

(a) IN GENERAL.—Notwithstanding any change in the exercise of sovereignty over Macau, and subject to subsections (b) and (c), the laws of the United States shall continue to apply with respect to Macau, on and after December 20, 1999, in the same manner as the laws of the United States were applied with respect to Macau before such date unless otherwise expressly provided by law or by Executive order under section 202.

(b) INTERNATIONAL AGREEMENTS.—For all purposes, including actions in any court of the United States, the Congress approves of the continuation in force on and after December 20, 1999, of all treaties and other international agreements, including multilateral conventions, entered into before such date between the United States and Macau, or entered into force before such date between the United States and the Republic of Portugal with respect to, or as applied to, Macau, unless or until terminated in accordance with law. If, in carrying out this title, the President determines that Macau is not legally competent to carry out its obligations under any such treaty or other international agreement, or that the continuation of Macau's obligations or rights under any such treaty or other international agreement is not appropriate under the cir-

cumstances, the President shall promptly notify the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate concerning such determination, and shall take appropriate action to modify or terminate such treaty or other international agreement.

(c) EXPORT CONTROLS.—Notwithstanding subsection (a) or any other provision of law, within 90 days after the date of the enactment of this Act the President—in close consultation with the relevant committees of the Congress—shall establish with respect to Macau, such export control policies and regulations as he determines to be necessary to protect fully the national security interests of the United States.

#### SEC. 202. PRESIDENTIAL ORDER.

(a) PRESIDENTIAL DETERMINATION.—On or after December 20, 1999, whenever the President determines that Macau is not sufficiently autonomous to justify treatment under a particular law of the United States, or any provision thereof, different from that accorded the People's Republic of China, the President may issue an Executive order suspending the application of section 201(a) to such law or provision of law. The President shall promptly notify the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate concerning any such determination.

(b) FACTOR FOR CONSIDERATION.—In making a determination under subsection (a) with respect to the application of a law of the United States, or any provision thereof, to Macau, the President should consider the terms, obligations, and expectations expressed in the Joint Declaration with respect to Macau.

(c) PUBLICATION IN FEDERAL REGISTER.—Any Executive order issued under subsection (a) shall be published in the Federal Register and shall specify the law or provision of law affected by the order.

(d) TERMINATION OF SUSPENSION.—An Executive order issued under subsection (a) may be terminated by the President with respect to a particular law or provision of law whenever the President determines that Macau has regained sufficient autonomy to justify treatment under the law or provision of law in question. Notice of any such termination shall be published in the Federal Register.

#### SEC. 203. RULES AND REGULATIONS.

The President is authorized to prescribe such rules and regulations as he considers appropriate to carry out this Act.

#### SEC. 204. CONSULTATION WITH CONGRESS.

In carrying out this title, the President shall consult appropriately with the Congress, in particular with:

(a) the Committee on International Relations, and the Permanent Select Committee on Intelligence of the House of Representatives; and

(b) the Committee on Foreign Relations, and the Select Committee on Intelligence of the Senate.

### TITLE III—REPORTING PROVISIONS

#### SEC. 301. REPORTING REQUIREMENT.

Not later than 90 days after the date of the enactment of this Act, and not later than

March 31 of each of the years 2000, 2001, and 2002, the Secretary of State shall transmit to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate a report on conditions in Macau of interest to the United States. This report shall cover (in the case of the initial report) the period since the date of the enactment of this Act or (in the case of subsequent reports) the period since the most recent report pursuant to this section, and shall describe, inter alia—

(1) significant developments in United States relations with Macau;

(2) significant developments related to any change in the exercise of sovereignty over Macau affecting United States interests in Macau or United States relations with Macau and the People's Republic of China;

(3) steps taken by the United States to implement section 201(c) (relating to export controls with respect to Macau), including any significant problems or other developments arising with respect to the application of United States export controls to Macau;

(4) the laws of the United States with respect to which the application of section 201(a) (relating to the application of United States laws to Macau) has been suspended pursuant to section 202(a) or with respect to which such a suspension has been terminated pursuant to section 202(d), and the reasons for the suspension or termination, as the case may be;

(5) the treaties and other international agreements with respect to which the President has made a determination described in the last sentence of section 201(b) (relating to the application of treaties and other international agreements to Macau), the reasons for each such determination, and the steps taken as a result of such determination;

(6) the development of democratic institutions in Macau;

(7) compliance by the Government of the People's Republic of China and the Government of the Republic of Portugal with their obligations under the Joint Declaration; and

(8) the nature and extent of Macau's participation in multilateral forums.

#### SEC. 302. SEPARATE PART OF COUNTRY REPORTS.

Whenever a report is transmitted to the Congress on a country-by-country basis, there shall be included in such report, where applicable, a separate subreport on Macau under the heading of the state that exercises sovereignty over Macau.

By Mr. LAUTENBERG:

S. 1431. A bill to suspend temporarily the duties on mixtures of sennosides; to the Committee on Finance.

S. 1432. A bill to suspend temporarily the duty on dark couverture chocolate; to the Committee on Finance.

#### DUTY SUSPENSION LEGISLATION

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the text of the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1431

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. MIXTURES OF SENNOSIDES.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.39.00 .....	Mixtures of sennosides (provided for in subheading 2938.90.00) .....	Free .....	No Change .....	No Change .....	On or before 12/31/2002. ....	"
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 1432

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. DARK COUVERTURE CHOCOLATE.**

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.18.06 .....	Dark couverture chocolate (provided for in subheading 1806.20.50) .....	Free .....	No Change .....	No Change .....	On or before 12/31/2002. ....	"
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

By Ms. LANDRIEU (for herself, Mr. AKAKA, and Mr. CLELAND):

S. 1434. A bill to amend the National Historic Preservation Act to reauthorize that Act, and for other purposes; to the Committee on Energy and Natural Resources.

Ms. LANDRIEU. Mr. President, I rise on behalf of myself and Senators AKAKA and CLELAND to introduce this legislation that would extend the authorization for appropriations for the National Historic Preservation Fund, as established by the Historic Preservation Act amendments of 1976. On September 30, 1997, the authorization for deposits into the Historic Preservation Fund from revenues due and payable to the United States under the Outer Continental Shelf Lands Act expired. So we introduce this legislation with the purpose of reauthorizing the deposits at the same level of \$150 million annually through the year 2005.

As you are aware, and others in this Chamber, this fund account supports roughly one-half of the cost of the Nation's historic preservation programs. State governments contribute the other half. This is a partnership that is working—preserving our communities, creating jobs, and providing opportunities for this partnership to flourish.

States and certain local governments and Native American tribes carry out our historic preservation programs under the act for the Secretary of the Interior and the Advisory Council on Historic Preservation. This program involves the identification of historic places, working with property owners in nominating significant places to the National Register, consulting with Federal agencies on projects that may adversely impact historic places, advising investors on important tax credits for the rehabilitation of historic buildings, and offering information and educational opportunities to the private and public sectors on historic preservation.

This program is made possible through the Historic Preservation Fund, and it contributes significantly,

as I have said, to community revitalization and to economic development.

We believe it is extremely worthwhile, it is a program that works, and we must reauthorize this fund so the State historic preservation offices and the Advisory Council on Historic Preservation may continue this important work.

I would just like to state for the RECORD some very brief examples of how this has worked around the Nation.

One example is from my hometown in New Orleans. The Maginnis Cotton Mill, which was constructed in 1884, was the largest textile manufacturing plant in the South. It was once a "model institution" employing 450 workers. The Maginnis Mill remained the largest in the South until it closed in 1944. Over 50 years had passed before any restorative work was done to the mill.

In 1996, while maintaining the original ascetic integrity of this enormous complex in downtown New Orleans, the Historic Restoration Group, Inc., converted the old mill into 267 apartments. It has now been completed. It is a beautiful renovation project. It is now the home for 267 residents and their families, and it has increased the housing in that area by 26 percent. The building, which has been called a "freeze frame" of the development of the city, has greatly increased property values in that area, not to mention the surrounding area.

Another example is Chinatown, Honolulu. Once nearly engulfed with high-rise redevelopment, Chinatown today is protected by a requirement that new construction be reviewed by a design commission. Tools used include a National Register of Historic Places nomination, Advisory Council on Historic Preservation review, and the preservation tax incentives.

Another example is the Indianapolis Union Railway Station. A \$40 million rehabilitation project over a decade drew on several Federal funding programs and extensive consultation with the State and has spurred other adjacent rehabilitations. The station now serves as a festival marketplace with hotel and transportation facilities.

Another example is Formosan Termite Control. A threat to the Vieux Carre and other historic districts in

the South, the Formosan termite is immune to common treatment. A Historic Preservation Fund grant is enabling Louisiana State University to study ways of improving detection and eradication of the pest.

Another example is Ledbetter Heights low-income housing, Shreveport. Section 8 housing designation and the preservation tax incentives were used to purchase and rehabilitate shotgun houses in the St. Paul's Bottoms Historic District. Shreveport Landmarks, Inc., cooperated with a tenants' council in the process.

There are literally hundreds of other examples of successful renovation projects that would not be possible without the Historic Preservation Fund. From Hawaii to Maine, from Louisiana to North Dakota, and all in between, there are places in urban and rural areas that have greatly benefited by the presence of this fund.

So I introduce this legislation tonight. I look forward to finding the funding for not just a one-time appropriation. As you know, S. 25 is a bill that seeks to find a permanent source of funding for many important environmental and wildlife conservation projects. Perhaps our National Historic Fund could become part of that so this permanent source of funding could go on to our cities and our communities so they would have a steady stream of revenue to continue to improve these areas in our communities, both in urban and rural parts of our Nation.

Mr. AKAKA. I join my colleague, Senator LANDRIEU, in introducing legislation to reauthorize the Historic Preservation Fund and the Advisory Council on Historic Preservation. As my colleagues may know, the authorization for the Historic Preservation Fund expired on September 30, 1997, and the authorization for the Advisory Council expires on September 30, 2000. This bill would reauthorize the fund and the Council through fiscal year 2005.

There is a growing backlog of preservation needs throughout our country that is not being met. To ensure that this situation is not exacerbated, and to address these shortfalls on a long-term basis, the Historic Preservation Fund should be reauthorized at the earliest opportunity.

The National Historic Preservation Act of 1966 was amended in 1976 to establish the Historic Preservation Fund. Administered by the National Park Service, the Fund provides grants-in-aid to States, certified local governments, and outlying areas. The National Historic Preservation Act provides that \$150 million from Outer Continental shelf oil and gas receipts is deposited in the Fund each year. The revenue remains available in the Fund until appropriated by Congress. Since September 30, 1997, no additional deposits from OCS revenues into the Fund have been authorized.

Reauthorization of the Historic Preservation Fund is critical because it provides for the continuation of grants used by States, Tribes, Native Hawaiians, Alaska Natives, and local governments to pay the costs of surveys, comprehensive historic preservation plans, National Register nominations, brochures and educational materials, as well as architectural plans, historic structure reports, and engineering studies necessary to repair listed properties.

Since 1968, over \$800 million in grant funds has been awarded to 59 States, territories, local governments, Native Hawaiian organizations, Indian tribes, and the National Trust for Historic Preservation. In Fiscal Year 1998, the States received a total of \$29.4 million in historic preservation grants-in-aid, an average allocation of \$524,000, which typically is matched by \$350,000 in non-federal matching share contributions.

During 1998, States surveyed 14.9 million acres of historic resources and added 185,100 properties to their inventories. Also in 1998, States submitted 1,602 nominations to the National Register of Historic Places and reviewed 89,000 Federal projects for compliance with Section 106 of the National Historic Preservation Act. In Hawaii, over 38,000 properties are maintained on the state's inventory of known historic properties.

Besides providing grants-in-aid, the Historic Preservation Fund also administers a grant program for Native Hawaiians, Indian Tribes, and Alaska Natives for cultural heritage programs. The Tribal Preservation Program has directly assisted over 170 tribes through the award of 259 grants.

For example, the Hopi Tribe in Arizona received a grant to document the rock art sites at Antelope Mesa, resulting in 100 sites being included in their Cultural Resources Management Plan. In Alaska, the Native Village of Venetie drafted a historic preservation plan for Venetie and Arctic Village utilizing a grant from the Historic Preservation Fund. The Seneca Nation of Indians in New York used a grant to develop educational materials for their school children using oral interviews with tribal elders.

In all, more than \$9 million in grant funds has been used to assist tribes in

assuming State Historic Preservation Office responsibilities, in drafting preservation ordinances, implementing cultural resource management plans, identifying and protecting historic sites, and conducting preservation needs assessments.

In addition, the Fund provides matching grants to Historically Black Colleges and Universities to preserve threatened historic buildings located on their campuses. Funding for preservation projects has been used at Fisk University and Knoxville College in Tennessee; Miles College, Talladega College, Selma University, Stillman College, Concordia College in Alabama; Allen University, Claflin College, Voorhees College in South Carolina; and Rust College and Tougaloo University in Mississippi.

In addition to the Historic Preservation Fund, Congress created the Advisory Council on Historic Preservation under the National Historic Preservation Act of 1966. As an independent federal agency, in cooperation with the Secretary of the Interior, the Council is the major policy advisor to the Federal government on historic preservation. The Council administers programs including, but not limited to, the Historic Preservation Fund, the National Register, and programs of the National Trust. The Council also reviews the policies of Federal agencies in implementing the National Historic Preservation Act, conducts training and educational programs, and encourages public participation in historic preservation. The Council's authorization expires in Fiscal Year 2000.

The Council's role in working with Federal agencies to support the National Historic Preservation Act is essential for protecting this country's historical resources. The Council coordinates many different preservation programs. The Council works with the Housing and Urban Development's HOME program for affordable housing, promotes preservation of historic properties during natural disasters, and promotes preservation and reuse of historic properties during military base closures. The Council, working with State and local governments through State Historic Preservation Officers, has significantly enhanced our ability to preserve our national heritage.

Both the Historic Preservation Fund and the Advisory Council contribute to ongoing Federal, Native Hawaiian, Tribal, State, local and private partnerships in historic preservation. Matching funds are contributed by the States and local and private partners to enhance the investment in our historic heritage. Federal and State funding for historic preservation creates jobs, promotes economic development, and helps leverage commitments from private and public sources.

Historic sites in our country are tangible reminders of our diverse and rich

heritage and provide us with a sense of continuity with our past. The Historic Preservation Fund has provided numerous opportunities for preserving our country's irreplaceable historic and archaeological resources. For example, in Hawaii, preservation projects in the Oahu Market in Chinatown and at the Mission Houses were funded through Historic Preservation Fund grants. Similarly, New Hampshire used preservation funding to assist with the transformation of the 1925 Goffstown High School into an apartment complex for the town's older inhabitants. The Alaska Gold Rush Centennial was developed as a heritage tourism initiative of the Alaska State Historic Preservation Office using historic preservation funds to establish State-community partnerships. Also, the Save America's Treasures program funded by the Historic Preservation Fund has provided grants for preservation projects of national scope and significance, including restoration of the Star-Spangled Banner and the Declaration of Independence.

A similar bill introduced by the Senator from Louisiana (Ms. LANDRIEU) passed the Senate last year by unanimous consent but was not acted on by the House. I hope that the legislation we are offering today—a simple reauthorization of the Fund and Council through 2005—can be adopted expeditiously.

This legislation is supported by the National Trust for Historic Preservation, the National Conference of State Historic Preservation Officers, the National Alliance of Statewide Preservation Organizations, the National Coordinating Committee for the Promotion of History, Preservation Action, the Society for American Archaeology, and the American Historical Association. I urge my colleagues to support this measure as well.

By Mr. LEVIN (for himself and Mr. KERRY):

S. 1435. A bill to amend section 9 of the Small Business Act to provide for the establishment of volunteer mentoring programs; to the Committee on Small Business.

LEGISLATION TO ESTABLISH A VOLUNTEER MENTORING PROGRAM FOR THE SBIR AND STTR PROGRAMS

Mr. LEVIN. Mr. President, small businesses are the biggest job producers in our economy and technology is an increasingly important component to those growth figures. Contributing to that continued high technology job growth is a high technology procurement program that allows small and innovative high technology companies to bid on some of the federal government's research and development proposals. The Small Business Innovation Research (SBIR) program gives these small technology companies a tool to compete in the big leagues by giving them fairer access to

federal research and a way to finance that research in order to commercialize it. It also gives the federal government access to highly innovative companies that can custom design and develop specialized technology for an agency's specific needs—something bigger companies may not be able to do as well.

The SBIR program does this by mandating that each federal agency with a research and development budget that is contracted to outside vendors in excess of \$100 million designate 2.5 percent of this budget for awards to small businesses. Currently there are 10 federal agencies participating in the SBIR program. A smaller component of this program is the Small Business Technology Transfer program (STTR), which allows 5 agencies to allocate three twentieths of one percent of these funds to small businesses that partner with non-profit institutions to do the research and development.

The SBIR program creates jobs, increases our capacity for technological innovation and boosts our international competitiveness. According to an April 1998 GAO study, about 50 percent of SBIR research is commercialized or receives additional research funding. That's a pretty good success rate. It's also a great example of federal agencies working together with small businesses to develop technologies to solve specific problems and fill government procurement needs in a cost effective way.

The SBIR and STTR programs are successful programs and we can make them even more successful by establishing a volunteer mentoring program. Such a program would partner CEOs of small high technology companies that have successfully completed a SBIR or STTR program with small businesses in low participation areas to guide them through the process, increasing their chances for success and, ultimately, the commercialization of their research.

Many states believe they can do better regarding the number of SBIR awards their small businesses win. Since the SBIR and STTR programs are highly competitive and merit-based programs and should remain so, I believe the best way to increase participation is through outreach and mentoring. My bill would target its mentoring program to low participation areas which receive a disproportionately low number of SBIR awards as compared with other areas in the state or in the country.

Michigan is just one example of a state which has many low participation areas within it that could improve their participation in the program. In 1997 Michigan small businesses nevertheless won 102 SBIR awards worth a total of \$24.6 million, ranking it 14th nationally. But Michigan should be doing better. Based on its population,

Michigan ranks 8th nationally, not 14th as it does in number of SBIR awards. I believe the volunteer mentoring program I am proposing will help small high technology businesses from those areas within Michigan and around the country that lack access to research universities, venture capital or other resources to increase their chances of participating successfully in this program.

Last summer, the Senate Small Business Committee held an SBIR oversight hearing to begin to develop a hearing record in preparation for SBIR's reauthorization. At that hearing, GAO presented a study favorably reviewing the program. It pointed out, however, that because agencies are adhering to the program requirements that they not use SBIR funds to pay for the administrative costs of the program, this funding restriction has limited their ability to provide some needed administrative support. For example, some agencies reported they do not have the necessary funds to provide personnel to act as mentors to their SBIR companies or engage in activities that could possibly increase the program's success in phase III. GAO also said the lack of administrative support means agencies are unable to provide SBIR participants with much-needed training in business skills. A volunteer mentoring program could fill this void.

Also at that hearing, a number of Senators expressed a desire to see more geographical distribution of SBIR awards and hearing witnesses suggested this could be addressed through outreach to make more high technology small businesses aware of the program. A natural complement to reaching out to new companies to tell them about the SBIR and STTR programs is the establishment of a mentoring program to increase their odds for success in those programs.

Many SBIR-company CEOs have benefitted from the program, are committed to its success and have told me they want to give something back. They propose doing this in the way of mentoring small businesses that are new to the SBIR process. The bill I am introducing today would establish a program to coordinate that process and reimburse volunteer mentors for their out-of-pocket-expenses. It would also address the desire to expand participation in the program by targeting the mentoring to low participation areas.

I am pleased to have the Senate Small Business Committee Ranking Member, JOHN KERRY, join me as an original cosponsor of this bill. My legislation also has the support of key members of the SBIR community.

My bill would establish a Mentoring program where past SBIR and STTR recipients partner with new applicant companies in low participation areas to help guide them through the process and increase their chances of success.

A small business's failure to obtain a phase I or Phase II award may have nothing to do with the capability of its technology but rather is often a result of a lack of understanding the government procurement process and procedures. This mentoring program would help bring new companies into the SBIR program from areas that have not traditionally participated at high rates. It would also increase Phase III awards and commercialization of the technology being developed.

Specifically, my bill would establish a competitively bid volunteer mentoring grant program for the SBIR and STTR programs. The Small Business Administration would be responsible for administering the program. Organizations representing SBIR and STTR awardees could apply for grants ranging from \$50,000 - \$200,000 to participate in the program. Qualifying organizations would match small businesses in low participation areas new to the SBIR/STTR process with CEOs and others of small, high technology companies that have successfully completed one or more SBIR/STTR contracts, grants or cooperative agreements. The "volunteer mentors" would be reimbursed only for their out-of-pocket expenses. Their time, energy and know-how would be donated free-of-charge. The program would be authorized at \$1 million per year to cover administration of the program and reimbursement of volunteer mentors for their out-of-pocket expenses.

There are a number of effective organizations and entities representing SBIR and STTR companies that would be eligible to apply for the program. This legislation is intended to attract organizations such as the Small Business Technology Coalition, various regional groups or entities working with SBIR companies as well as some technology oriented specialized Small Business Development Centers, and others. Some of these eligible entities and organizations may even chose to partner together in a collaborative effort to apply to the program.

The SBIR program, originally established in 1982 and reauthorized and expanded in 1992, expires in fiscal year 2000. This highly competitive program has a well deserved reputation for success and has enjoyed bipartisan support over the years. I hope my bill can be included in that reauthorizing legislation to improve what is already a successful program giving small high technology companies access to federal research and development and the federal government access to some of the world's best innovation.

Mr. President, I ask unanimous consent that the letters of endorsement for the bill be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:



SMALL BUSINESS  
TECHNOLOGY COALITION,  
Washington, DC, July 22, 1999.

Hon. CARL LEVIN,  
U.S. Senate, Washington, DC.

DEAR SENATOR LEVIN: The Small Business Technology Coalition (SBTC) wishes to express its support for your "mentoring" bill to amend the reauthorization of the Small Business Innovation Research (SBIR) Program. The amendment would provide much needed support to small business in "low participating areas" applying for grants under the SBIR program.

As you know, the amendment would establish a competitively bid volunteer mentoring grant program for the SBIR. The Small Business Administration would be responsible for administering the program. Organizations representing SBIR awardees could apply for grants ranging from \$50,000 to \$200,000 to participate in the program. Qualifying organizations would match small businesses new to the SBIR process with CEOs and other of small, high-technology companies that have been successful SBIR award winners. These "volunteer mentors" would be reimbursed only for their out-of-pocket expenses incurred while mentoring, not for their time. The program would be authorized at \$1 million per year to cover administration of the program and reimbursement of volunteer mentors for their out-of-pocket expenses.

As the nation-wide trade association of small high tech business CEOs, SBTC can attest to the value of a mentoring program to help small businesses new to the SBIR process. SBTC members have hands-on experience and know the importance of expert technical assistance in locating venture capital, seeking Phase III partners and commercialization. SBTC speaks for the small high tech business community and knows through experience that mentoring is a key to success in the SBIR process.

The anticipated result of your amendment would be an increase in SBIR awards to businesses in areas which traditionally have had low numbers of awards. With the passage of this amendment, businesses in certain areas that do not have access to research or venture capital for example, could connect with companies with demonstrated expertise in those fields. Successful mentoring in these low participating areas would broaden the geographic and demographic distribution of SBIR awards.

As the leading industry association representing the interest and needs of small, emerging, research-intensive, technology-based companies, we support your amendment to help small businesses in rural areas succeed in the SBIR program.

Sincerely,

JEFF NOAH.

SMALL BUSINESS LEGISLATIVE COUNCIL,  
Washington, DC, June 28, 1999.

Hon. OLYMPIA J. SNOWE,  
U.S. Senate, Washington, DC.

DEAR SENATOR SNOWE: On behalf of the Small Business Legislative Council (SBLC), I urge you to support an amendment to the Small Business Innovation Research (SBIR) reauthorization to be offered by Senator Levin. The purpose of the amendment is to create a "mentoring" program to encourage small businesses in states not currently benefiting from the SBIR program to participate.

As you know, the SBIR program is a "win-win" program. The federal government obtains necessary research and small businesses obtain the opportunity to develop

commercially feasible products and processes.

SBLC is a permanent, independent coalition of eighty trade and professional associations that share a common commitment to the future of small business. Our members represent the interest of small businesses in such diverse economic sectors as manufacturing, retailing, distribution, professional and technical services, construction, transportation, tourism and agriculture. Our policies are developed through a consensus among our membership. Individual associations may express their own views. For your information, a list of our members is enclosed.

Sincerely,

JOHN S. SATAGAJ,  
President and General Counsel.

MEMBERS OF THE SMALL BUSINESS LEGISLATIVE  
COUNCIL

ACIL.  
Air Conditioning Contractors of America.  
Alliance for Affordable Services.  
Alliance for American Innovation.  
Alliance of Independent Store Owners and Professionals.  
American Animal Hospital Association.  
American Association of Equine Practitioners.  
American Bus Association.  
American Consulting Engineers Council.  
American Machine Tool Distributors Association.  
American Nursery and Landscape Association.  
American Road & Transportation Builders Association.  
American Society of Interior Designers.  
American Society of Travel Agents, Inc.  
American Subcontractors Association.  
American Textile Machinery Association.  
Architectural Precast Association.  
Associated Equipment Distributors.  
Associated Landscape Contractors of America.  
Association of Small Business Development Centers.  
Association of Sales and Marketing Companies.  
Automotive Recyclers Association.  
Automotive Service Association.  
Bowling Proprietors Association of America.  
Building Service Contractors Association International.  
Business Advertising Council.  
CBA.  
Council of Fleet Specialists.  
Council of Growing Companies.  
Direct Selling Association.  
Electronics Representative Association.  
Florists Transworld Delivery Association.  
Health Industry Representatives Association.  
Helicopter Association International.  
Independent Bankers Association of America.  
Independent Medical Distributors Association.  
International Association of Refrigerated Warehouses.  
International Formalwear Association.  
International Franchise Association.  
Machinery Dealers National Association.  
Mail Advertising Service Association.  
Manufacturers Agents for the Food Service Industry.  
Manufacturers Agents National Association.  
Manufacturers Representatives of America, Inc.  
National Association for the Self-Employed.

National Association of Home Builders.  
National Association of Plumbing-Heating-Cooling Contractors.  
National Association of Realtors.  
National Association of RV Parks and Campgrounds.  
National Association of Small Business Investment Companies.  
National Association of the Remodeling Industry.  
National Chimney Sweep Guild.  
National Community Pharmacists Association.  
National Electrical Contractors Association.  
National Electrical Manufacturers Representatives Association.  
National Funeral Directors Association, Inc.  
National Lumber & Building Materials Dealers, Association.  
National Moving and Storage Association.  
National Ornamental & Miscellaneous Metals Association.  
National Paperbox Association.  
National Society of Accountants.  
National Tooling and Machining Association.  
National Tour Association.  
National Wood Flooring Association.  
Organization for the Promotion and Advancement of Small Telephone Companies.  
Petroleum Marketers Association of America.  
Printing Industries of America, Inc.  
Professional Lawn Care Association of America.  
Promotional Products Association International.  
The Retailer's Bakery Association.  
Saturation Mailers: Coalition.  
Small Business Council of America, Inc.  
Small Business Exporters Association.  
Small Business Technology Coalition.  
SMC Business Councils.  
Society of American Florists.  
Turfgrass Producers International.  
Tire Association of North America.  
United Motorcoach Association.

● Mr. KERRY. Mr. President, today I join my colleague from Michigan, Senator LEVIN, in introducing the Small Business Innovation Research (SBIR) and Small Technology Transfer (STTR) Volunteer Mentoring Program. This bill seeks to increase, through company-to-company mentoring, the number of SBIR awards given to small businesses located in areas, known as "low participation areas," where historically few awards have been made in proportion to other areas of the country.

The Small Business Innovation Research (SBIR) program is a great example of how government and business can work together to advance the cause of science and a healthy economy. The results have been dramatic for small, high-technology companies participating in the program. Since 1983 when the program was started, some 16,000 small, high-technology firms have received more than 46,000 SBIR research awards through 1997, totaling \$7.5 billion.

Complementing the SBIR program, we have the Small Business Technology Transfer (STTR) program, another important R&D opportunity for

small businesses. It was established to provide a strong incentive for small businesses and technical experts at research institutions to team up and move ideas from the laboratory to the marketplace.

Technological advancement is a key element of economic growth. According to a recent Congressional Research Service Report, *Small, High Tech Companies and Their Role in the Economy: Issues in the Reauthorization of the Small Business Innovation (SBIR) Program*, "technical progress is responsible for up to one-half the growth of the U.S. economy and is one of the principle driving forces for increases in our standard of living."

As Ranking Member of the Senate Small Business Committee, and a Senator representing a state with one of the most active hi-tech industries in the country, I am always interested in new initiatives, or improving existing ones, to develop and nurture technology-based companies throughout the region and the nation.

The SBIR program has been good to my home state of Massachusetts. So good that we are the second largest recipient of SBIR awards in the country. In 1997, Massachusetts' small, hi-tech firms won 702 awards, totaling \$164 million. But it's not by coincidence—it's because we have the right mix of small high-tech companies, an active venture capital community, and a cluster of universities that understand the benefits of technology transfer, attract academic research funds and graduate a highly qualified workforce.

Similarly, a variation of that combination is also what cultivates and supports innovative hi-tech companies in states such as California, Virginia and Ohio that have historically been among the largest recipients of SBIR awards.

We on the Senate Small Business Committee have the tough job of crafting a solution that helps small businesses in states that don't have this infrastructure. However, we should not change the program's reliance on competition. Merit is the only way to maintain the integrity of the research. Only one in seven or eight Phase I proposals is awarded. The highly competitive nature of SBIR awards is one of the main reasons the program has been so popular and successful.

One of the experiments working around the country is mentoring—experienced SBIR award winners helping SBIR applicants navigate the process. For example, Innovative Training Systems (ITS) in Newton, Mass., mentored Pro-Change Behavior Systems out of West Kingston, RI, when it applied for its first SBIR award. ITS specializes in health care multi-media programs such as smoking prevention and cessation for high school students and has gotten several SBIR awards from the National Institutes of Health (NIH). Pro-Change

also specializes in health care multi-media for health behavior change and needed help getting an SBIR award for cancer prevention from NIH. Pro-Change says, among many things, the mentoring helped by explaining the rating system (it learned to target resources to those aspects of the proposal that counted most) and by saving the company time and reducing confusion on the financial and business requirements behind a proposal. As a representative for Pro-Change said, "SBIR mentoring leads to long-lasting business partnerships, spawning exciting new ventures."

Mentoring may not be exclusively responsible for Pro-Change's success in getting its first SBIR award, but it played an important role. Just look at the numbers. The process is highly competitive, with only one in seven or eight Phase I proposals getting funded. Furthermore, this company got another award in Rhode Island, a state where only six awards were given in 1997. Since that first award in 1998, Pro-Change has gone on to apply for three more Fast-Track Phase II proposals and one Phase I proposal to NIH. We can and should replicate and facilitate this process.

This bill would elevate and reinforce that informal mentoring by authorizing competitive grants, ranging from \$50,000 to \$200,000, to any entity that represents small businesses that participate in SBIR or STTR programs. The entity would be obligated to match experienced, successful SBIR or STTR award winners with small businesses located in low SBIR-participation areas—advising and guiding them from application to award to project completion.

Though it will be up to the SBA Administrator to define what areas receive a disproportionate amount of awards, this bill is intended to help states such as such as Maine and Montana, which received only five awards in 1997, and rural pockets of states such as Michigan and Massachusetts which do well overall in the program but get the concentration of awards in university towns or the largest city.

Because founders of hi-tech companies are often more scientific inventors than business experts, the mentor companies could help with management assistance, proposal writing, commercialization or venture capital networking. The mentor companies would be volunteers, but would be eligible for reimbursement of out-of-pocket expenses, authorized travel and reasonable bills for telephone calls and faxes. And like the volunteers in SBA's successful volunteer business counselor program, the Service Corps of Retired Executives (SCORE), SBIR mentor volunteers would get automatic liability coverage.

I know the Committee on Small Business will have a roundtable on Au-

gust 4th to discuss with program managers, SBIR companies and SBIR advocates how to increase the low number of awards given in certain states, and I look forward to hearing comments on this bill and on any alternative programs.

Mr. President, in closing, I want to thank Senator LEVIN for his work on this bill and ask that a letter of support from the Small Business Technology Coalition be included for the RECORD.

The letter follows:

SMALL BUSINESS  
TECHNOLOGY COALITION,  
Washington, DC, July 16, 1999.

Senator JOHN KERRY,  
U.S. Senate, Russell Senate Office Building,  
Washington, DC.

DEAR SENATOR KERRY: The Small Business Technology Coalition (SBTC) urges you to cosponsor Senator Levin's amendment to the reauthorization of the Small Business Innovation Research (SBIR) Program. The amendment would provide much needed support to small businesses applying for grants under the SBIR program.

Senator Levin's amendment would establish a competitively bid volunteer mentoring grant program for the SBIR. The Small Business Administration would be responsible for administering the program. Organizations representing SBIR awardees could apply for grants ranging from \$50,000 to \$500,000 to participate in the program. Qualifying organizations would match small businesses new to the SBIR process with CEOs and other of small, high-technology companies that have been successful SBIR award winners. These "volunteer mentors" would be reimbursed only for their out-of-pocket expenses incurred while mentoring, not for their time. The program would be authorized at \$1 million per year to cover administration of the program and reimbursement of volunteer mentors for their out-of-pocket expenses.

As the nation-wide trade association of small high tech business CEOs, SBTC can attest to the value of a mentoring program to help small businesses new to the SBIR process. SBTC members have hands-on experience and know the importance of expert technical assistance in locating venture capital, seeking Phase III partners and commercialization. SBTC speaks for the small high tech business community and knows through experience that mentoring is a key to success in the SBIR process.

The anticipated result of Senator Levin's amendment would be an increase in SBIR awards to businesses in states which traditionally have had low numbers of awards. With the passage of this amendment, businesses in certain states that do not have access to research or venture capital for example, could connect with companies with demonstrated expertise in those areas. Successful mentoring in these states would broaden the geographic and demographic distribution of SBIR awards.

As the leading industry association representing the interest and needs of small, emerging, research-intensive, technology-based companies, we urge you to cosponsor Senator Levin's amendment and help businesses in rural areas compete in the SBIR program.

Sincerely,

JEFF NOAH,  
Executive Director. ●

By Mr. CONRAD:

S. 1436. A bill to amend the Agricultural Marketing Transition Act to provide support for United States agricultural producers that is equal to the support provided agricultural producers by the European Union, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AMENDING THE AGRICULTURAL MARKETING  
TRANSITION ACT

Mr. CONRAD. Mr. President, I rise to introduce new, permanent farm legislation. I think virtually everyone from farm country understands that our farmers have been hit by a triple whammy—the triple whammy of bad prices, bad weather, and bad policy. The results are catastrophic.

In my home State of North Dakota, one of the most agricultural States in the Nation, our farmers are being pressured as never before. They are in a cost price squeeze that is almost unprecedented. The results will be the loss of thousands of farm families unless there is a Federal response.

I think most of us know we need to have a disaster response because prices have collapsed, and adverse weather conditions continue across the country. So it is critically important that we take short-term steps to address what is happening in farm country.

A disaster bill is not enough. We need more than that. We also need to respond with a long-term change in farm policy.

If I could direct the attention of my colleagues and others who might be watching to this chart, when I talk about the triple whammy of bad prices, bad weather, and bad policy, this shows what has happened to prices over the last 53 years. The blue line shows what has happened to wheat prices; the red line to barley. As a viewer can see, we are now at the lowest level for these commodities in constant dollars in 53 years.

We are witnessing a price collapse that is almost unprecedented. That is putting enormous pressure on our producers.

In addition to that, in my State we have been hit by almost a 5-year pattern now of bad weather—weather that is overly wet in my State; other parts of the country it is overly dry. In North Dakota, we have 3 million acres that have not even been planted this year. On top of bad prices and bad weather, we are also hit by bad policy because the last farm bill put us at a very severe disadvantage with our major competitors, the Europeans.

The EU trumps the U.S. in farm support. This chart shows just with respect to wheat and corn for 1999—the red bar is what the Europeans provide their producers on wheat; the blue bar what we are doing in the United States. You can see, they are trouncing us by 38 percent. In other words, their support is 38 percent higher in wheat, 46 percent higher in corn.

It does not end there because the Europeans are also badly outspending us with respect to export subsidy. This shows for 1998—the last year for which we have full figures—this is the European Union in red: \$5 billion a year of support for subsidies. This is the United States: \$104 million.

For that 1 year alone, the Europeans are outspending us, are outgunning us, 50 to 1. It is no wonder that our farmers are at a disadvantage. We, in effect, are saying to our farmers: You go out there and compete against the French farmer, the German farmer; and while you're at it, you take on the French Government and the German Government, as well.

That is not a fair fight.

If we look worldwide at agricultural export subsidies, what we see is that the European Union accounts for 84 percent of agriculture subsidies worldwide. The United States has 1.4 percent. We are outgunned 60 to 1 by that measure.

Whether it is 50 to 1 or 60 to 1, the hard reality is, the U.S. producers are not in a fair fight. Something must be done to respond.

If we look back at the policy change that was made in the farm bill—our last farm bill—what we see is there was a dramatic cut in the level of support for our producers.

Under the previous farm bill, the 1990 farm bill, we were getting on average \$10 billion a year of support for our farmers. That was cut in half to \$5 billion—that at the very time our major competitors are spending \$50 billion a year to support their producers. So \$50 billion for Europe; \$5 billion for the United States.

It is not a fair fight. The result is, our farmers are losing the battle. I call this “unilateral disarmament.” We would never do that in a military confrontation. Why have we done it in a trade confrontation? The results are the same: They win; we lose. The chief negotiator for the Europeans told me several years ago: Senator, we believe we are in a trade war in agriculture with the United States. He said: Senator, we believe at some point there will be a cease-fire. We believe there will be a cease-fire in place, and we want to occupy the high ground. And the high ground is market share.

How well that strategy and plan are working, because the Europeans, in just the last few years, have moved from being major importers to being major exporters. They have gone from being the biggest importing region in the world to being the biggest exporting region in the world, and they have done it the old-fashioned way—they have gone out and bought these markets.

In the last 10 years alone, they have spent \$500 billion, and now they are starting to get a return on that investment, because in the last trade nego-

tiation, what happened? Europeans have a higher level of support than we do. They are at a higher level. We are at a lower level. Was there a closing of the gap? Not at all. Instead, the conclusion was equal percentage reductions on both sides—36 percent in export subsidies, 24 percent in domestic support. The result is that our farmers were again left in a second position.

If it happens again in the trade talks that are to begin this fall, our farmers will be put in a position of perhaps falling off the cliff, being put in a position that they cannot possibly survive.

Some say let's let the market work. I am all for letting the market work. But that is not what is happening in world agriculture. What is happening in world agriculture is, the Europeans are spending enormous sums of money to win a dominant position. They believe that is a position they can preserve because they think the United States is unwilling to fight back.

We have to prove them wrong. We have to demonstrate that the United States is not going to roll over, is not going to surrender, is not going to give up, that we intend to fight for these markets to achieve a level playing field so our farmers have a chance to compete. Our farmers can compete against anyone anywhere, but they can't compete against the governments of the European Union. That is not a fair fight.

We can see the pattern because while we have cut support for our producers and the Europeans have had a 50- to 60-to-1 edge on us with respect to export subsidy, the value of our farm exports has dropped like a rock. We have gone from \$60 billion a year as recently as 1996 to, this last year, \$49 billion. At the same time, if we look at the European pattern, we see they have gone from being a major importer to a major exporter. They have a strategy; they have a plan. It is working. If we don't fight back, we are going to wake up after this next round of negotiations and we are going to find that the United States is falling off the cliff. We are going to find literally thousands of our farm families consigned to failure. That is the message I have received in farm meeting after farm meeting all across my State.

I asked our Trade Representative: What is our leverage in the next round of trade talks? The truth is, we have no leverage because the Europeans are occupying the high ground. They are waiting for the cease-fire, the cease-fire in place. They are waiting to win this victory. They are confident the United States will not fight back. We have to prove them wrong. We have to demonstrate that the United States is not willing to cede these markets.

This chart shows what has happened to just one commodity, wheat. This blue line is European exports; the red line is American exports. You can see

the trend line for the United States is down, down, down—lots of zigzags along the way, but the trend line is straight down; the European trend line, straight up. They have had a little setback recently, but you can see they have gone from being in a totally inferior position, a more than two-to-one gap between us to our advantage, to their now being in the dominant position, and they have accomplished this in less than 20 years.

That is what my FITE legislation is all about. It says: Let's fight back. Let's send a message the United States is not going to wave the white flag of surrender. The United States intends to fight for these markets. The United States intends to give our farmers a fair chance to compete. That is what this legislation does.

These charts show it. FITE levels the playing field for wheat. Under our proposal, as I described before, Europe is at \$5.20 in wheat, we are at \$3.22. We would level the playing field. If they are going to provide \$5.20, we will provide \$5.20. We do the same thing on corn. We even the score on corn. They are at \$4.85 today. We are at \$2.25 a bushel on corn. If they want to stay at \$4.85, we will match them; we will meet them in the competition. We will take them on head to head, dollar for dollar, so we don't surrender these markets and find ourselves in an inferior position.

Not only do we even the score with respect to support to producers, we even the score with respect to export subsidy, because in the FITE bill we provide \$4 billion a year of support for export subsidy, because we believe that will send a message to the Europeans that the United States intends to fight. This would put us in a strong position for the talks this fall because right now we have no leverage.

The question is, How do we respond? I have a series of letters from groups endorsing the FITE legislation. I ask unanimous consent to have them printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NORTH DAKOTA ASSOCIATION OF  
RURAL ELECTRIC COOPERATIVES,  
Mandan, ND, July 26, 1999.

Senator KENT CONRAD,  
Hart Office Building, Washington, DC.

SENATOR CONRAD: As president of the North Dakota Association of Rural Electric Cooperatives, I want to commend you for bringing forth your "FITE" proposal in response to the current farm crisis.

In our program, we know this ag crisis is real. We deal, every month, with the stranded assets of people leaving the land—giving up the dream of making their living and raising their families on the land.

Your Farm Income and Trade Equity Act is a thoughtful, fair and solid response to the crisis. You've correctly identified in this proposal that unfair trade subsidies and rock-bottom commodity prices are at the root of this crisis. Your FITE proposal provides a solution to this problem.

You can count on North Dakota's RECs to help get this legislation through the Congress and on the President's desk for his signature. We need action, and this FITE proposal makes a great deal of sense to us. We'll help however we can.

Sincerely,

ADOLPH FEYEREISEN,  
President.

NORTH DAKOTA  
NATIONAL FARMERS ORGANIZATION,  
Marion, ND, July 21, 1999.

Senator KENT CONRAD,  
U.S. Senate, Washington, DC.

DEAR SENATOR CONRAD: The North Dakota National Farmers Organization is happy to endorse your introduction of FITE (Farm Income and Trade Equity Act of 1999).

I must also add that on behalf of NDNFO members, we appreciate your efforts to help correct the severe income problems we are experiencing in rural America and particularly in North Dakota.

Good luck and thanks,

RALPH DANUSER,  
President.

U.S. DURUM GROWERS ASSN.,  
July 23, 1999.

Senator KENT CONRAD,  
Hart Senate Office Building,  
Washington, DC.

SENATOR CONRAD: The US Durum Growers Association would like to congratulate and thank you for introducing the Farm Income and Trade Equity Fairness Investment Transition Act farm package. Your work in developing a comprehensive farm program that would finally put US producers on equal footing with European farmers is to be complimented.

As you know, commodity prices are extremely low. That is particularly true of durum, which is substantially lower than the average prices of recent years. The low farm prices have pushed the northern plains economy, which is very dependent on durum production, into a near depression-like state. The support levels that you are proposing in the FITE legislation would enhance durum farmers' profitability and in turn, contribute to the revitalization of the rural economy.

The USDGA has a long standing policy in support of increasing marketing loans and we are pleased that your farm program proposal offers that as a base of support. The additional payment over the loan rate to equalize the subsidies received by US and European producers helps ensure a competitive environment in the world trade of durum.

The FITE is the only proposal to date that puts US producers at a competitive position with the farmers in the European Union. The support offered by this bill will provide the US with negotiating power needed in this fall's WTO talks.

Thank you for your work in formulating and introducing the bill, the US Durum Growers Association pledges to work with you to gain acceptance for this bill in Congress.

Sincerely,

MARK BIRDSALL,  
President.

MILK PRODUCERS ASSOCIATION  
OF NORTH DAKOTA, INC.,  
Manning, ND, July 22, 1999.

Senator KENT CONRAD.

DEAR SENATOR CONRAD: We the Milk Producers Association of N.D. support your effort to make positive changes in Congress to help our Nations family farmers. Although

this bill does not intend to help the Dairy Industry directly, we believe that indirectly it will benefit us by strengthening our family farm economy.

Needless to say, time is running out for many of our family farmers and we urge you to work hard in the next few months to get this bill passed through Congress.

Sincerely,

DOUG DUKART.

AMERICAN RENEWABLE  
OIL ASSOCIATION,  
Bismarck, ND, July 23, 1999.

Senator KENT CONRAD,  
Hart Senate Office Building,  
Washington, DC.

DEAR SENATOR CONRAD: The American Renewable Oil Association (AROA), represents North Dakota's 350 plus crambe growers. The AROA appreciates the efforts you have made to try and address the inequities in the US farm program. We support farmer assistance equal to that of other countries.

In order for the American producer to survive in the global market, producers must be on an equal playing field with all trading partners. The 'FITE' bill addresses these inequities. The AROA has not been able to schedule a board meeting to take an official stance on the bill. I do see a potential problem with base acres and land diversion.

Please forward me a full draft when possible so I may review it with the full AROA board. I look forward to working with you on this bill.

Sincerely,

RAY FEGLEY,  
President.

NORTH DAKOTA  
BANKERS ASSOCIATION,  
Bismarck, ND, July 23, 1999.

Hon. KENT CONRAD,  
U.S. Senate, Hart Senate Office Building,  
Washington, DC.

DEAR SENATOR CONRAD: On Thursday I surveyed the NDBA Board of Directors and Ag Committee to determine their level of support for the Farm Income and Trade Equity Act (FITE) to be introduced on Monday.

I received 16 responses and all indicated that NDBA should endorse the concept embodied in the legislation and support your efforts on this issue. Kirby Josephson, chairman of the NDBA Ag Committee from Litchville, ND, stated that "ag lenders in North Dakota will support your efforts to improve farm income. It is time we do something to address the ag crisis our North Dakota farmers are facing. Senator Conrad is taking a bold approach to restoring farm income."

Respondents indicated that they believe the Export Enhancement Program has been under utilized. However, some concerns were expressed with the 10 percent conservation set aside and the fact that this legislation may encourage overproduction and discourage crop diversification.

Please keep NDBA advised of your efforts and the status of this legislation and please feel free to call if you need any further clarification on the position taken by the North Dakota Bankers Association.

Cordially,

JAMES D. SCHLOSSER,  
Executive Vice President.

CENTRAL POWER ELECTRIC COOPERATIVE  
BOARD OF DIRECTORS RESOLUTION #1999-06  
FARM INCOME AND TRADE EQUITY ACT OF 1999

Whereas, American farmers are the world's most efficient and productive, but heavy

farm subsidies in competing countries have put U.S. producers at an unfair advantage, and

Whereas, Senator Kent Conrad (D-ND) has introduced the Farm Income and Trade Equity Act of 1999 ("FITE") to level the playing field between U.S. farmers and their primary competitors in Europe by matching European Union subsidies dollar-for-dollar, and

Whereas, Central Power Electric Cooperative is sensitive to the economic crisis currently facing farmers.

Now therefore be it *Resolved*, That the Board of Directors of Central Power Electric Cooperative hereby supports the FITE legislation and its goals to address the current agricultural crisis and protect American agriculture in future trade negotiations.

Dated: July 21, 1999.

SQUARE BUTTE ELECTRIC COOPERATIVE,  
RESOLUTION No. 242

Whereas, American farmers are the World's most efficient and productive, but heavy farm subsidies in competing countries have put U.S. producers at an unfair advantage; and

Whereas, Senator Kent Conrad (D-ND) has introduced the Farm Income and Trade Equity Act of 1999 ("FITE") to level the playing field between U.S. farmers and their primary competitors in Europe by matching European Union subsidies dollar-for-dollar; and

Whereas, Square Butte Electric Cooperative is sensitive to the economic crisis currently facing farmers;

Now therefore be it *Resolved*, That the Board of Directors of Square Butte Electric Cooperative hereby supports the FITE legislation and its goals to address the current agricultural crisis and protect American agriculture in future trade negotiations.

NORTH DAKOTA RURAL  
DEVELOPMENT COUNCIL,  
Bismarck ND, July 22, 1999.

Senator KENT CONRAD,  
Senate Office Building,  
Washington, DC.

DEAR SENATOR CONRAD: The North Dakota Rural Development Council is a relatively new organization with the focal contention that the future depends most heavily upon the vitality of our communities. Hence, one of the primary objectives is to strive for the elimination of barriers which are known to hinder effective rural development efforts.

As eloquently expressed in the Overview section of the Farm Income and Trade Equity Act of 1999, the heavy farm subsidies available to commodity producers in competing foreign countries, places our farmers at a tremendous and untenable disadvantage.

Please consider this correspondence as a tangible indication of support for FITE, and, a written endorsement for the introduction of such timely and all-important farm and rural community survival and preservation legislation. Thank you for your untiring and meaningful efforts and demonstrated commitment, as further evidenced by the Farm Income and Trade Equity Act of 1999.

Sincerely,

CORNELIUS P. GRANT,  
Executive Director.

NORTH DAKOTA SCHOOL  
BOARDS ASSOCIATION, INC.,  
Bismarck, ND, July 23, 1999.

Senator KENT CONRAD,  
Hart Senate Building, Washington, DC.

DEAR SENATOR CONRAD: The North Dakota School Boards Association is favorable to

The Farm Income and Trade Equity Act of 1999. As you know our rural agriculture communities are struggling to keep their family farms going. This, of course, impacts the resources available to support their public schools.

NDSBA supports your efforts to assist the family farmers and the rural economy of North Dakota.

We would also like to thank you for your continued support of locally controlled public schools.

Sincerely,

MIKE ZIMMERMAN,  
President.

54TH ANNUAL MEETING OF THE MIDWESTERN  
LEGISLATIVE CONFERENCE OF THE COUNCIL  
OF STATE GOVERNMENTS, JULY 18-21, 1999

RESOLUTION ON FAIR MARKETS FOR AMERICAN  
AGRICULTURAL PRODUCTS

Whereas, the U.S. stock market continues to reach record highs almost daily and the American economy experiences unprecedented expansion and growth; and

Whereas, farm commodity prices continue to plummet while agricultural production costs steadily rise, forcing American farmers and agribusiness into bankruptcy while the rest of the economy prospers; and

Whereas, American farmers and ranchers, who are recognized as the most efficient and productive in the world, are at a considerable disadvantage in competing in the world markets because of the heavy subsidies their primary competitors, the members of the European Union, receive; and

Whereas, this extreme imbalance in our economy and the unfair competition with the European Union cannot be corrected without our government's intervention; now therefore be it

*Resolved*, that Midwestern Legislative Conference favors legislation that would include support to American producers which would put prices received for crops on even par with those of our European Union competitors; and be it further

*Resolved*, that Midwestern Legislative Conference favors sensible legislation that would allow our agriculture producers to compete in the global economy while providing an abundance of reasonably priced food for our domestic market; and be it further

*Resolved*, that the Midwestern Legislative Conference urges the Administration and Congress to secure measures to protect American producers now and in the future from unfair competition so that the citizens of the United States can continue to enjoy the benefits of high quality food at reasonable prices.

Mr. CONRAD. We have support from the North Dakota Farmers Union, the North Dakota Association of Rural Electric Co-ops, the North Dakota NFO, the U.S. Duram Growers Association, the Milk Producers Association of North Dakota, the American Renewable Oil Association, the North Dakota Bankers Association, the Central Power Electric Cooperative Board of Directors, the Square Butte Electric Cooperative, the North Dakota Rural Development Council, and even a resolution of support from the Midwestern Legislative Conference of the Council of State Governments that, while not endorsing the specifics of this legislation, specifically endorsed the concept in which they say:

The Midwestern Legislative Conference favors legislation that would include support to American producers which would put prices received for crops on an even par with those of our European Union competitors.

Mr. President, the Midwest Council of State Governments has it right. We simply cannot permit our farmers to be left at a competitive disadvantage. We must fight back. That is what the FITE legislation will do.

We have had an unprecedented outpouring of support in North Dakota. In addition to those who have sent written comments, the North Dakota Wheat Commission has gone on record supporting this legislation. We have many more who are considering resolutions of support. I am hopeful that this will start a ground swell that will spread across the country and send a message that the United States does not intend to give up our agricultural dominance. That would be a mistake. It would be one we would live to regret. We are very close now to these negotiations this fall. If we don't alter dramatically the negotiating environment, we are going to lose. Make no mistake about it. We are going to lose.

It doesn't have to be that way. It should not be that way. But it is in our hands. We have a choice to make. Do we fight back, or do we give up?

At a time of unprecedented economic prosperity in this country, it would be a travesty for us to have lost the world agricultural trade battle because we were unwilling at this critical moment to respond. I hope we don't let this opportunity pass us by.

Some people watching me say: Well, why should we help farmers?

I believe farm families are the backbone of strength for this country. They are absolutely fundamental to America's success. They have long been the dominant source of our trade surpluses. Overall, we run massive trade deficits. But in agriculture, we have run trade surpluses. It has been one of two sectors of this economy that has run trade surpluses, and we are right at the brink of losing that. That would be a tragedy for this country—not just because of the dollars or just because of the economics, but because of what it would mean to the fundamental strength of this country.

In Europe, they made a decision. They decided they wanted to have people out across the land. They didn't want everybody forced into the cities, so they made it possible for people to prosper in the rural parts of Europe. Perhaps their being hungry twice before informed those decisions. But whatever the reason, you can travel through the French countryside and the German countryside and it is prosperous; they are doing well. But go through the countryside of my State and what you see is an area that is in economic decline. It is not just in North Dakota; it is all across the heartland of America.

The question is, Are we going to let it go? You know, it would be one thing if it were a fair competition. It would be one thing if it were simply the fact that our farmers weren't as competitive or as efficient as our competitors. But that is not the case. It is not the case. The fact is, our farmers are as competitive and as efficient as any in the world. What is hurting them is that other nations are willing to fight for their producers, and we have been in retreat.

We have to decide what kind of country we want to have. Do we want everybody to move to town? Or do we want people out across the land? Europe has made a decision that they want people out across the countryside, and they have made it possible economically to be there. Now the choice comes to us. The hour is late because these negotiations will start this fall, and if we don't do something to change the rules of the game, our side is going to lose. It doesn't have to be that way. It should not be that way. But we have choices to make in this Chamber, and across in the other Chamber, about what is going to be the policy of America, what is going to be our position.

I hope very much that we will decide we are going to give our farmers a fighting chance. I hope very much that we are going to make a decision that the best policy is to have people out across the land, not to have everybody come to the cities. I hope very much we are going to conclude that it is in our national interest, just as the Europeans have concluded that it is in their interest, to give farmers a fighting chance. There is no way they are going to win this battle when the odds are stacked against them: 10-to-1, 50-to-1, that is the unevenness of the fight our farmers are in now. It is in our hands; it is our decision.

I hope very much that we can start across this country a move to say: Let's fight back. Let's put our farmers on a level playing field. Let's rearm our negotiators. Let's prepare for this battle. Let's not lose. Let's win a victory that would make a difference for hundreds of thousands of farm families across America and the cities and towns that are dependent upon them and, at the end of the day, for a country that needs them.

I yield the floor.

By Mr. MOYNIHAN:

S. 1437. A bill to protect researchers from compelled disclosure of research in Federal courts, and for other purposes; to the Committee on the Judiciary.

THOMAS JEFFERSON RESEARCHER'S PRIVILEGE  
ACT OF 1999

Mr. MOYNIHAN. Mr. President, it is with great pleasure that I rise today to introduce the Thomas Jefferson Researcher's Privilege Act. This bill protects the rights of researchers in their

work. This is an issue that Professor Robert O'Neil of the University of Virginia Law School has done much to advance, and I am extremely grateful for all his assistance.

Two points, followed by a coda, if I may. The first point is that the Thomas Jefferson Act gets to the heart of the first amendment and the principles that our nation was founded on. This Act would protect researchers from the compelled disclosure of their research, studies, data, surveys, etc. Too often researchers are forced to turn over this information in open courts. This interrupts their research and makes it nearly impossible for them to finish and publish their research. If researchers are unable to publish their findings, then the flow and dissemination of information are choked off. This runs counter to the essence of the first amendment.

We need a uniform standard that protects the work of researchers. Some courts have ruled in favor of researchers while others have ruled against them. We need consistency in this field, where researchers feel comfortable to produce their research and do not have to fear that it will be taken from them. This bill will provide that consistency and comfort.

To the second point. We have reached a time in our society where we have to decide between what should be shared and what should be protected. In this case, it is very important to society as a whole to protect a researcher's notes and data before they are ready to be released. It is from these data and research that ideas and thoughts are formed, ideas that will eventually help man and society progress. If a researcher's data are released prematurely, then their ideas may never bear fruit. In the long run, protecting a researcher's data will only lead to more information and ideas in the future. This is what the first amendment is all about.

No one describes the utility of free speech and the dissemination of original ideas better than John Stuart Mill. In *On Liberty*, he argues that neither government nor a public acting informally may legitimately use coercion to stifle free expression, and the reason he gives is a utilitarian, or at least a consequentialist one. If the opinion is right, the human race is deprived of it; if wrong, they are deprived of the opportunity to reinforce—through surviving a challenge—their understanding of what is right. The quashing of opinion is therefore, a much more far-reaching evil than the mere loss of something valuable to the individual, for it deprived society at large of something of benefit. This is exactly what happens when researchers are forced to turn over their work prematurely and prevented from developing and sharing their thoughts. The Thomas Jefferson Bill would help rectify just this situation.

I conclude by saying that I could think of no better namesake for this bill than Thomas Jefferson, our third president and author of the Declaration of Independence. A philosophical statesman rather than a political philosopher, he contributed to democracy and liberalism a faith rather than a body of doctrine. By his works alone he must be adjudged one the greatest of all Americans, while the influence of this energizing faith cannot be measured.

One of Jefferson's greatest contributions to our nation was his protection and advocacy of free speech. From the Declaration of Independence to the Virginia Statute for Religious Freedom to the founding of the University of Virginia, he was a passionate proponent of education, human liberty, and free thought. He wrote: "If nature has made any one thing exclusive property, it is the idea, which an individual may exclusively possess . . . ; but the moment it is divulged, it forces itself into the possession of everyone . . ." Jefferson, always a step or several steps ahead of his age, understood the importance of the freedom of speech in the development of an individual and a nation.

It is only appropriate that the Thomas Jefferson Researcher's Privilege Act be introduced in the month of July, when our nation declared its independence, and be named after Thomas Jefferson, one of our greatest political thinkers and one of our greatest advocates of the free mind.

I ask unanimous consent that the Thomas Jefferson Researcher's Privilege Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1437

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Thomas Jefferson Researcher's Privilege Act of 1999".

#### SEC. 2. FREEDOM OF INFORMATION REQUESTS.

Section 552(b)(4) of title 5, United States Code, is amended—

- (1) by inserting "(A)" after "(4)"; and
- (2) by adding at the end the following:
  - "(B) data, records, or information, including actual research documents, collected or produced in the conduct of or as a result of study or research on academic, commercial, scientific, or technical issues, including—
  - "(i) unpublished lecture notes, unpublished research notes, data, processes, results or other confidential information from research which is in progress, unpublished or not yet verified; or
  - "(ii) any other information related to research, the disclosure of which could affect—
  - "(I) the conduct or outcome of the research;
  - "(II) the likelihood of similar research in the future;
  - "(III) the ability to obtain patents or copyrights from the research; or
  - "(IV) any other proprietary rights any entity may have in the research or results of the research;"



**SEC. 3. FEDERAL RULES OF CIVIL PROCEDURE.**

Rule 45(c)(3) of the Federal Rules of Civil Procedure is amended—

(1) in subparagraph (A)—

(A) in clause (iv) by striking the period and inserting a comma and “or”; and

(B) by adding at the end the following:

“(v) requires disclosure of data, records, or information, including actual research documents, collected or produced in the conduct of or as a result of study or research on academic, commercial, scientific, or technical issues, including—

“(I) unpublished lecture notes, unpublished research notes, data, processes, results or other confidential information from research which is in any progress, unpublished or not yet verified, or

“(II) any other information related to research, the disclosure of which could affect the conduct or outcome of the research, the likelihood of similar research in the future, the ability to obtain patents or copyrights from the research, or any other proprietary rights any entity may have in the research or results of the research.”; and

(2) in subparagraph (B)—

(A) in clause (iii) by inserting “or” after the comma; and

(B) by inserting after clause (iii) the following:

“(iv) requires disclosure of data, records, or information, including actual research documents, collected or produced in the conduct of or as a result of study or research on academic, commercial, scientific, or technical issues, including—

“(I) unpublished lecture notes, unpublished research notes, data, processes, results or other confidential information from research which is in any progress, unpublished or not yet verified, or

“(II) any other information related to research, the disclosure of which could affect the conduct or outcome of the research, the likelihood of similar research in the future, the ability to obtain patents or copyrights from the research, or any other proprietary rights any entity may have in the research or the results of the research.”.

**SEC. 4. FEDERAL RULES OF EVIDENCE.**

Article V of the Federal Rules of Evidence is amended by adding after rule 501 the following:

**“Rule 502. Privilege for research information**

“A person engaged in the study or research of academic, commercial, scientific, or technical issues may claim the privilege to refuse to disclose data, records, or information, including actual research documents, concerning that study or research. Such person may refuse to disclose unpublished lecture notes, unpublished research notes, data, processes, results, or other confidential information from research which is in any progress, unpublished or not yet verified, and any other information related to research, the disclosure of which could affect the conduct or outcome of the research, the likelihood of similar research in the future, the ability to obtain patents or copyrights from the research, or any other proprietary rights any entity may have in the research or the results of the research.”.

**SEC. 5. REPEAL OF REQUIREMENT REGARDING DATA PRODUCED UNDER FEDERAL GRANTS AND AGREEMENTS AWARDED TO INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NONPROFIT ORGANIZATIONS.**

The fifth and sixth provisos under the subheading “SALARIES AND EXPENSES” under the heading “OFFICE OF MANAGEMENT AND

BUDGET” under title III of the Treasury and General Government Appropriations Act, 1999 (Public Law 105-277; 112 Stat. 2681-495) are repealed.

**ADDITIONAL COSPONSORS**

S. 9

At the request of Mr. DASCHLE, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 9, a bill to combat violent and gang-related crime in schools and on the streets, to reform the juvenile justice system, target international crime, promote effective drug and other crime prevention programs, assist crime victims, and for other purposes.

S. 10

At the request of Mr. DASCHLE, the name of the Senator from West Virginia (Mr. BYRD) was added as a cosponsor of S. 10, a bill to provide health protection and needed assistance for older Americans, including access to health insurance for 55 to 65 year olds, assistance for individuals with long-term care needs, and social services for older Americans.

S. 17

At the request of Mr. DODD, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 17, a bill to increase the availability, affordability, and quality of child care.

S. 71

At the request of Ms. SNOWE, the names of the Senator from Arkansas (Mr. HUTCHINSON) and the Senator from Maine (Ms. COLLINS) were added as cosponsors of S. 71, a bill to amend title 38, United States Code, to establish a presumption of service-connection for certain veterans with Hepatitis C, and for other purposes.

S. 307

At the request of Mr. WYDEN, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 307, a bill to amend title XVIII of the Social Security Act to eliminate the budget neutrality adjustment factor used in calculating the blended capitation rate for Medicare + Choice organizations.

S. 457

At the request of Mr. DURBIN, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 457, a bill to amend section 922(t) of title 18, United States Code, to require the reporting of information to the chief law enforcement officer of the buyer's residence and to require a minimum 72-hour waiting period before the purchase of a handgun, and for other purposes.

S. 632

At the request of Mr. DEWINE, the name of the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 632, a bill to provide assistance for poison prevention and to sta-

bilize the funding of regional poison control centers.

S. 662

At the request of Mr. CHAFEE, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 662, a bill to amend title XIX of the Social Security Act to provide medical assistance for certain women screened and found to have breast or cervical cancer under a federally funded screening program.

S. 664

At the request of Mr. CHAFEE, the names of the Senator from North Carolina (Mr. HELMS) and the Senator from Georgia (Mr. CLELAND) were added as cosponsors of S. 664, a bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.

S. 666

At the request of Mr. LUGAR, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 666, a bill to authorize a new trade and investment policy for sub-Saharan Africa.

S. 765

At the request of Ms. COLLINS, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 765, a bill to ensure the efficient allocation of telephone numbers.

S. 777

At the request of Mr. FITZGERALD, the names of the Senator from Kentucky (Mr. MCCONNELL), the Senator from Wisconsin (Mr. FEINGOLD), and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 777, a bill to require the Department of Agriculture to establish an electronic filing and retrieval system to enable the public to file all required paperwork electronically with the Department and to have access to public information on farm programs, quarterly trade, economic, and production reports, and other similar information.

S. 789

At the request of Mr. MCCAIN, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 789, a bill to amend title 10, United States Code, to authorize payment of special compensation to certain severely disabled uniformed services retirees.

S. 817

At the request of Mrs. BOXER, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 817, a bill to improve academic and social outcomes for students and reduce both juvenile crime and the risk that youth will become victims of crime by providing productive activities during after school hours.

S. 820

At the request of Mr. CHAFEE, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 820, a bill to amend the Internal Revenue Code of 1986 to repeal the 4.3-cent motor fuel excise taxes on railroads and inland waterway transportation which remain in the general fund of the Treasury.

S. 821

At the request of Mr. LAUTENBERG, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 821, a bill to provide for the collection of data on traffic stops.

S. 890

At the request of Mr. WELLSTONE, the names of the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Arizona (Mr. MCCAIN) were added as cosponsors of S. 890, a bill to facilitate the naturalization of aliens who served with special guerrilla units or irregular forces in Laos.

S. 959

At the request of Mr. HOLLINGS, the names of the Senator from Maine (Ms. SNOWE), the Senator from New York (Mr. SCHUMER), the Senator from Rhode Island (Mr. REED), and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S. 959, a bill to establish a National Ocean Council, a Commission on Ocean Policy, and for other purposes.

S. 984

At the request of Ms. COLLINS, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 984, a bill to amend the Internal Revenue Code of 1986 to modify the tax credit for electricity produced from certain renewable resources.

S. 1016

At the request of Mr. DEWINE, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 1016, a bill to provide collective bargaining for rights for public safety officers employed by States or their political subdivisions.

S. 1020

At the request of Mr. GRASSLEY, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 1020, a bill to amend chapter 1 of title 9, United States Code, to provide for greater fairness in the arbitration process relating to motor vehicle franchise contracts.

S. 1131

At the request of Mr. EDWARDS, the names of the Senator from California (Mrs. BOXER), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Louisiana (Mr. BREAUX), the Senator from Nebraska (Mr. KERREY), the Senator from Alabama (Mr. SHELBY), and the Senator from Indiana (Mr. BAYH) were added as cosponsors of S. 1131, a bill to promote research into, and the development of an ultimate cure for, the disease known as Fragile X.

S. 1133

At the request of Mr. GRAMS, the names of the Senator from North Dakota (Mr. DORGAN) and the Senator from Tennessee (Mr. FRIST) were added as cosponsors of S. 1133, a bill to amend the Poultry Products Inspection Act to cover birds of the order *Ratitae* that are raised for use as human food.

S. 1155

At the request of Mr. ROBERTS, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 1155, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for uniform food safety warning notification requirements, and for other purposes.

S. 1172

At the request of Mr. TORRICELLI, the names of the Senator from Montana (Mr. BURNS) and the Senator from Georgia (Mr. CLELAND) were added as cosponsors of S. 1172, a bill to provide a patent term restoration review procedure for certain drug products.

S. 1239

At the request of Mr. GRAHAM, the names of the Senator from Virginia (Mr. ROBB) and the Senator from Nevada (Mr. REID) were added as cosponsors of S. 1239, a bill to amend the Internal Revenue Code of 1986 to treat spaceports like airports under the exempt facility bond rules.

S. 1266

At the request of Mr. GORTON, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 1266, a bill to allow a State to combine certain funds to improve the academic achievement of all its students.

S. 1268

At the request of Mr. HARKIN, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1268, a bill to amend the Public Health Service Act to provide support for the modernization and construction of biomedical and behavioral research facilities and laboratory instrumentation.

S. 1277

At the request of Mr. GRASSLEY, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S. 1277, a bill to amend title XIX of the Social Security Act to establish a new prospective payment system for Federally-qualified health centers and rural health clinics.

S. 1321

At the request of Mr. WELLSTONE, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1321, a bill to amend title III of the Family Violence Prevention and Services Act and title IV of the Elementary and Secondary Education Act of 1965 to limit the effects of domestic violence on the lives of children, and for other purposes.

S. 1327

At the request of Mr. CHAFEE, the names of the Senator from Maryland

(Mr. SARBANES) and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of S. 1327, a bill to amend part E of title IV of the Social Security Act to provide States with more funding and greater flexibility in carrying out programs designed to help children make the transition from foster care to self-sufficiency, and for other purposes.

S. 1372

At the request of Mr. SPECTER, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 1372, a bill to require the filing of Shippers' Export Declarations through the Automated Export System of the Department of the Treasury with respect to certain transactions of proliferation concern, and for other purposes.

S. 1400

At the request of Mrs. BOXER, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1400, a bill to protect women's reproductive health and constitutional right to choice, and for other purposes.

## SENATE JOINT RESOLUTION 26

At the request of Mr. SMITH, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of Senate Joint Resolution 26, a joint resolution expressing the sense of Congress with respect to the court martial conviction of the late Rear Admiral Charles Butler McVay III, and calling upon the President to award a Presidential Unit Citation to the final crew of the U.S.S. *Indianapolis*.

## SENATE CONCURRENT RESOLUTION 34

At the request of Mr. SPECTER, the names of the Senator from Mississippi (Mr. COCHRAN), the Senator from Maine (Ms. COLLINS), and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of Senate Concurrent Resolution 34, a concurrent resolution relating to the observance of "In Memory" Day.

## SENATE RESOLUTION 92

At the request of Mrs. BOXER, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of Senate Resolution 92, a resolution expressing the sense of the Senate that funding for prostate cancer research should be increased substantially.

## SENATE RESOLUTION 95

At the request of Mr. THURMOND, the names of the Senator from Georgia (Mr. CLELAND), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Louisiana (Ms. LANDRIEU), the Senator from New Jersey (Mr. TORRICELLI), the Senator from New York (Mr. SCHUMER), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Missouri (Mr. BOND), and the Senator from Wisconsin (Mr. KOHL) were added as cosponsors of Senate Resolution 95, A resolution designating August 16, 1999, as "National Airborne Day."

**SENATE CONCURRENT RESOLUTION 48—RELATING TO THE ASIA-PACIFIC ECONOMIC COOPERATION FORUM**

Mr. THOMAS (for himself, Mr. ROBB, Mr. ROTH, and Mr. SMITH of Oregon) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 48

Whereas the Asia-Pacific Economic Cooperation (APEC) Forum was created ten years ago to promote free and open trade and closer economic cooperation among its member countries, as well as to sustain economic growth and equitable development in the region for the common good of its people;

Whereas the twenty-one member countries of APEC account for 55 percent of total world income and 46 percent of global trade;

Whereas APEC Leaders are committed to intensifying regional economic interdependence by going forward with measures to expand trade and investment liberalization, pursuing sectoral cooperation and development initiatives, and increasing business facilitation and economic and technical cooperation projects;

Whereas a strong international financial system underpins the economic success of the region;

Whereas given the challenges presented by the financial crisis, APEC Leaders last year pledged to work together in improving and strengthening social safety nets, financial systems and capital markets, trade and investment flows, corporate sector restructuring, the regional scientific and technological base, human resources development, economic infrastructure, and existing business and commercial links for the purpose of supporting sustained growth into the 21st century;

Whereas the outstanding leadership of New Zealand during its year in the APEC Chair has produced a series of important themes for the annual APEC Leaders meeting in Auckland, New Zealand on September 12-14, 1999, including:

(1) expanding opportunities for private sector businesses through the reduction of tariff and non-tariff barriers;

(2) strengthening the functioning of regional markets, with a particular focus on building institutional capacity, making public and corporate economic governance arrangements more transparent, and guiding regulatory reform so that benefits of trade liberalization are maximized; and

(3) broadening support for and understanding of APEC goals to demonstrate the positive benefits of the organization's work for the entire Asia-Pacific community;

Whereas the unique and close partnership between the public and private sectors exhibited through the APEC Forum has contributed to the successful conclusion of the GATT Uruguay Round and agreement over other multilateral trade pacts involving information technology, telecommunications and financial services;

Whereas APEC member countries have provided helpful momentum, through active consideration of the Early Voluntary Sectoral Liberalization plan, to the next round of multilateral trade negotiations scheduled to begin this year at the Third WTO Ministerial Meeting in Seattle, Washington;

Whereas the APEC Leaders have resolved to achieve the ambitious goal of free and open trade and investment in the region no later than 2010 for the industrialized econo-

mies and 2020 for developing economies: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),*

**SECTION 1. SENSE OF CONGRESS.**

It is the sense of Congress that Congress—

(1) acknowledges the importance of greater economic cooperation in the Asia-Pacific region and the key role played by the Asia-Pacific Economic Cooperation (APEC) Forum;

(2) urges the Administration fully to support the APEC Forum and work to achieve its goals of greater economic growth and stability;

(3) calls upon the Administration to continue its close cooperation with the private sector in advancing APEC goals; and

(4) expresses appreciation to the Government and people of New Zealand for their exceptional efforts in chairing the APEC Forum this year.

**SECTION 2. TRANSMITTAL OF RESOLUTION.**

The Secretary of the Senate shall transmit a copy of this resolution to the President and the Secretary of State.

**SENATE RESOLUTION 162—TO AUTHORIZE TESTIMONY OF EMPLOYEE OF THE SENATE IN STATE OF NEW MEXICO V. FELIX LUCERO CHAVEZ**

Mr. LOTT (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 162

Whereas, in the case of *State of New Mexico v. Felix Lucero Chavez*, No CR 4646-99, pending in the Metropolitan Court for Bernalillo County, New Mexico, a subpoena has been served on Kristen Ludecke, an employee of the Senate;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

*Resolved*, That Kristen Ludecke is authorized to testify in the case of *State of New Mexico v. Felix Lucero Chavez*, except concerning matters for which a privilege should be asserted.

**SENATE RESOLUTION 163—TO ESTABLISH A SPECIAL COMMITTEE OF THE SENATE TO STUDY THE CAUSES OF FIREARMS VIOLENCE IN AMERICA**

Mrs. BOXER submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 163

*Resolved*,

**SECTION 1. FINDINGS.**

Congress finds that—

(1) In the past eleven years, nearly 400,000 Americans have died from gunshots, and

about 35,000 Americans will die in 1999 because of gun violence;

(2) Death by gunshots is the second leading cause of accidental death in the United States and is expected to become the number one cause within the next four years;

(3) Treating gunshot injuries costs the American health care system approximately \$4.5 billion annually, with 80 percent of the costs paid for by the public in tax dollars or cost-shifting.

**SEC. 2. ESTABLISHMENT OF SPECIAL COMMITTEE.**

(a) **ESTABLISHMENT.**—There is established a special committee of the Senate to be known as the Special Committee on Firearms Violence (hereafter in this resolution referred to as the "special committee").

(b) **PURPOSE.**—The purpose of the special committee is—

(1) to study the causes of firearms violence in America;

(2) to make such findings of fact as are warranted and appropriate, including the impact of firearms violence on the well-being of American children; and

(3) to explore ways to reduce firearms violence in America, including increasing controls on the sale and distribution of firearms, and to make recommendations for such legislation and administrative actions as the special committee determines to be necessary and appropriate.

No proposed legislation shall be referred to the special committee, nor shall the special committee have power to report by bill or otherwise have legislative jurisdiction.

(c) **TREATMENT AS STANDING COMMITTEE.**—For purposes of paragraphs 1, 2, 7(a)(1) and (2), and 10(a) of rule XXVI and rule XXVII of the Standing Rules of the Senate, and section 202(i) and (j) of the Legislative Reorganization Act of 1946, the special committee shall be treated as a standing committee of the Senate.

**SEC. 3. MEMBERSHIP AND ORGANIZATION.**

(a) **MEMBERSHIP.**—

(1) **IN GENERAL.**—the special committee shall consist of 7 members of the Senate—

(A) 4 of whom shall be appointed by the President pro tempore of the Senate from the majority party of the Senate upon the recommendation of the Majority Leader of the Senate; and

(B) 3 of whom shall be appointed by the President pro tempore of the Senate from the minority party of the Senate upon the recommendation of the Minority Leader of the Senate.

(2) **VACANCIES.**—Vacancies in the membership of the special committee shall not affect the authority of the remaining members to execute the functions of the special committee and shall be filled in the same manner as original appointments are made.

(3) **SERVICE.**—For the purpose of paragraph 4 of rule XXV of the Standing Rules of the Senate, service of a Senator as a member, chairman, or vice chairman of the special committee shall not be taken into account.

(b) **CHAIRMAN.**—The chairman of the special committee shall be selected by the Majority Leader of the Senate and the vice chairman of the special committee shall be selected by the Minority Leader of the Senate. The vice chairman shall discharge such responsibilities as the special committee or the chairman may assign.

**SEC. 3. AUTHORITY OF SPECIAL COMMITTEE.**

(a) **IN GENERAL.**—For the purposes of this resolution, the special committee is authorized, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

- (2) to employ personnel;
- (3) to hold hearings;
- (4) to sit and act at any time or place during the sessions, recesses, and adjourned periods of the Senate;
- (5) to require, by subpoena or otherwise, the attendance of witnesses and the production of correspondence, books, papers, and documents;
- (6) to take depositions and other testimony;
- (7) to procure the services of individual consultations or organizations thereof, in accordance with the provisions of section 202(i) of the Legislative Reorganization Act of 1946; and
- (8) with the prior consent of the Government department or agency concerned and the Committee on rules and Administration, to use on a non-reimbursable basis the services of personnel of any such department or agency.

(b) **OATHS FOR WITNESSES.**—The chairman of the special committee or any member thereof may administer oaths to witnesses.

(c) **SUBPOENAS.**—Subpoenas authorized by the special committee may be—

(1) issued over the signature of the chairman after consultation with the vice chairman, or any member of the special committee designated by the chairman after consultation with the vice chairman; and

(2) served by any person designated by the chairman or the member signing the subpoena.

(d) **OTHER COMMITTEE STAFF.**—The special committee may use, with the prior consent of the chairman of any other Senate committee or the chairman of any subcommittee of any committee of the Senate and on a nonreimbursable basis, the facilities or services of any members of the staff of such other Senate committee whenever the special committee or its chairman, following consultation with the vice chairman, considers that such action is necessary or appropriate to enable the special committee to make the investigation and study provided for in this resolution.

#### SEC. 4. REPORT AND TERMINATION.

The special committee shall report its findings, together with such recommendations as it deems appropriate, to the Senate prior to December 31, 2000.

#### SEC. 5. FUNDING.

(a) **IN GENERAL.**—From the date this resolution is agreed to through December 31, 2000, the expenses of the special committee incurred under this resolution shall be paid out of the miscellaneous items account of the contingent fund of the Senate and shall not exceed \$250,000 for the period beginning on the date of adoption of this resolution through March 1, 2000, and \$250,000 for the period of March 1, 2000 through December 31, 2000, of which amount not to exceed \$75,000 shall be available for each period for the procurement of the services of individual consultants, or organization thereof, as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)).

(b) **PAYMENT OF BENEFITS.**—The retirement and health benefits of employees of the special committee shall be paid out of the miscellaneous items account of the contingent fund of the Senate.

### AMENDMENTS SUBMITTED

#### RELATING TO THE ENFORCEMENT OF RULE 16

##### DASCHLE AMENDMENT NO. 1343

Mr. DASCHLE proposed an amendment to the resolution (S. Res. 160) to restore enforcement of rule 16; as follows:

At the appropriate place add the following:  
The presiding officer of the Senate shall apply all precedents of the Senate under Rule XXVIII in effect at the conclusion of the 103rd Congress.

#### JUVENILE CRIME CONTROL AND DELINQUENCY PREVENTION ACT OF 1999

##### LOTT AMENDMENT NO. 1344

Mr. LOTT proposed an amendment to the bill (H.R. 1501) to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide grants to ensure increased accountability for juvenile offenders; to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide quality prevention programs and accountability programs relating to juvenile delinquency; and for other purposes; as follows:

Strike all after the enacting clause and insert the part printed in italic:

##### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Violent and Repeat Juvenile Offender Accountability and Rehabilitation Act of 1999”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings and purposes.
- Sec. 3. Severability.

##### TITLE I—JUVENILE JUSTICE REFORM

- Sec. 101. Surrender to State authorities.
- Sec. 102. Treatment of Federal juvenile offenders.
- Sec. 103. Definitions.
- Sec. 104. Notification after arrest.
- Sec. 105. Release and detention prior to disposition.
- Sec. 106. Speedy trial.
- Sec. 107. Dispositional hearings.
- Sec. 108. Use of juvenile records.
- Sec. 109. Implementation of a sentence for juvenile offenders.
- Sec. 110. Magistrate judge authority regarding juvenile defendants.
- Sec. 111. Federal sentencing guidelines.
- Sec. 112. Study and report on Indian tribal jurisdiction.

##### TITLE II—JUVENILE GANGS

- Sec. 201. Solicitation or recruitment of persons in criminal street gang activity.
- Sec. 202. Increased penalties for using minors to distribute drugs.
- Sec. 203. Penalties for use of minors in crimes of violence.
- Sec. 204. Criminal street gangs.
- Sec. 205. High intensity interstate gang activity areas.
- Sec. 206. Increasing the penalty for using physical force to tamper with witnesses, victims, or informants.

Sec. 207. Authority to make grants to prosecutors' offices to combat gang crime and youth violence.

Sec. 208. Increase in offense level for participation in crime as a gang member.

Sec. 209. Interstate and foreign travel or transportation in aid of criminal gangs.

Sec. 210. Prohibitions relating to firearms.

Sec. 211. Clone papers.

##### TITLE III—JUVENILE CRIME CONTROL, ACCOUNTABILITY, AND DELINQUENCY PREVENTION

Subtitle A—Reform of the Juvenile Justice and Delinquency Prevention Act of 1974

- Sec. 301. Findings; declaration of purpose; definitions.
- Sec. 302. Juvenile crime control and prevention.
- Sec. 303. Runaway and homeless youth.
- Sec. 304. National Center for Missing and Exploited Children.
- Sec. 305. Transfer of functions and savings provisions.

Subtitle B—Accountability for Juvenile Offenders and Public Protection Incentive Grants

- Sec. 321. Block grant program.
- Sec. 322. Pilot program to promote replication of recent successful juvenile crime reduction strategies.
- Sec. 323. Repeal of unnecessary and duplicative programs.
- Sec. 324. Extension of Violent Crime Reduction Trust Fund.
- Sec. 325. Reimbursement of States for costs of incarcerating juvenile aliens.

Subtitle C—Alternative Education and Delinquency Prevention

Sec. 331. Alternative education.

Subtitle D—Parenting as Prevention

- Sec. 341. Short title.
- Sec. 342. Establishment of program.
- Sec. 343. National Parenting Support and Education Commission.
- Sec. 344. State and local parenting support and education grant program.
- Sec. 345. Grants to address the problem of violence related stress to parents and children.

##### TITLE IV—VOLUNTARY MEDIA AGREEMENTS FOR CHILDREN'S PROTECTION

Subtitle A—Children and the Media.

- Sec. 401. Short title.
- Sec. 402. Findings.
- Sec. 403. Purposes; construction.
- Sec. 404. Exemption of voluntary agreements on guidelines for certain entertainment material from applicability of antitrust laws.
- Sec. 405. Exemption of activities to ensure compliance with ratings and labeling systems from applicability of antitrust laws.
- Sec. 406. Definitions.

Subtitle B—Other Matters.

- Sec. 411. Study of marketing practices of motion picture, recording, and video/personal computer game industries.

##### TITLE V—GENERAL FIREARM PROVISIONS

- Sec. 501. Special licensees; special registrations.
- Sec. 502. Clarification of authority to conduct firearm transactions at gun shows.
- Sec. 503. “Instant check” gun tax and gun owner privacy.
- Sec. 504. Effective date.

##### TITLE VI—RESTRICTING JUVENILE ACCESS TO CERTAIN FIREARMS

- Sec. 601. Penalties for unlawful acts by juveniles.
- Sec. 602. Effective date.

## TITLE VII—ASSAULT WEAPONS

- Sec. 701. Short title.  
 Sec. 702. Ban on importing large capacity ammunition feeding devices.  
 Sec. 703. Definition of large capacity ammunition feeding device.  
 Sec. 704. Effective date.

## TITLE VIII—EFFECTIVE GUN LAW ENFORCEMENT

## Subtitle A—Criminal Use of Firearms by Felons

- Sec. 801. Short title.  
 Sec. 802. Findings.  
 Sec. 803. Criminal Use of Firearms by Felons Program.  
 Sec. 804. Annual reports.  
 Sec. 805. Authorization of appropriations.

## Subtitle B—Apprehension and Treatment of Armed Violent Criminals

- Sec. 811. Apprehension and procedural treatment of armed violent criminals.

## Subtitle C—Youth Crime Gun Interdiction

- Sec. 821. Youth crime gun interdiction initiative.

## Subtitle D—Gun Prosecution Data

- Sec. 831. Collection of gun prosecution data.

## Subtitle E—Firearms Possession by Violent Juvenile Offenders

- Sec. 841. Prohibition on firearms possession by violent juvenile offenders.

## Subtitle F—Juvenile Access to Certain Firearms

- Sec. 851. Penalties for firearm violations involving juveniles.

## Subtitle G—General Firearm Provisions

- Sec. 861. National instant criminal background check system improvements.

## TITLE IX—ENHANCED PENALTIES

- Sec. 901. Straw purchases.  
 Sec. 902. Stolen firearms.  
 Sec. 903. Increase in penalties for crimes involving firearms.  
 Sec. 904. Increased penalties for distributing drugs to minors.  
 Sec. 905. Increased penalty for drug trafficking in or near a school or other protected location.

## TITLE X—CHILD HANDGUN SAFETY

- Sec. 1001. Short title.  
 Sec. 1002. Purposes.  
 Sec. 1003. Firearms safety.  
 Sec. 1004. Effective date.

## TITLE XI—SCHOOL SAFETY AND VIOLENCE PREVENTION

- Sec. 1101. School safety and violence prevention.  
 Sec. 1102. Study.  
 Sec. 1103. School uniforms.  
 Sec. 1104. Transfer of school disciplinary records.  
 Sec. 1105. School violence research.  
 Sec. 1106. National character achievement award.  
 Sec. 1107. National Commission on Character Development.  
 Sec. 1108. Juvenile access to treatment.  
 Sec. 1109. Background checks.  
 Sec. 1110. Drug tests.  
 Sec. 1111. Sense of the Senate.

## TITLE XII—TEACHER LIABILITY PROTECTION ACT

- Sec. 1201. Short title.  
 Sec. 1202. Findings and purpose.  
 Sec. 1203. Preemption and election of State non-applicability.  
 Sec. 1204. Limitation on liability for teachers.  
 Sec. 1205. Liability for noneconomic loss.  
 Sec. 1206. Definitions.  
 Sec. 1207. Effective date.

## TITLE XIII—VIOLENCE PREVENTION TRAINING FOR EARLY CHILDHOOD EDUCATORS

- Sec. 1301. Short title.

- Sec. 1302. Purpose.  
 Sec. 1303. Findings.  
 Sec. 1304. Definitions.  
 Sec. 1305. Program authorized.  
 Sec. 1306. Application.  
 Sec. 1307. Selection priorities.  
 Sec. 1308. Authorization of appropriations.

## TITLE XIV—PREVENTING JUVENILE DELINQUENCY THROUGH CHARACTER EDUCATION

- Sec. 1401. Purpose.  
 Sec. 1402. Authorization of appropriations.  
 Sec. 1403. School-based programs.  
 Sec. 1404. After school programs.  
 Sec. 1405. General provisions.

## TITLE XV—VIOLENT OFFENDER DNA IDENTIFICATION ACT OF 1999

- Sec. 1501. Short title.  
 Sec. 1502. Elimination of convicted offender DNA backlog.  
 Sec. 1503. DNA identification of Federal, District of Columbia, and military violent offenders.

## TITLE XVI—MISCELLANEOUS PROVISIONS

## Subtitle A—General Provisions

- Sec. 1601. Prohibition on firearms possession by violent juvenile offenders.  
 Sec. 1602. Safe students.  
 Sec. 1603. Study of marketing practices of the firearms industry.  
 Sec. 1604. Provision of Internet filtering or screening software by certain Internet service providers.  
 Sec. 1605. Application of section 923 (j) and (m).  
 Sec. 1606. Constitutionality of memorial services and memorials at public schools.  
 Sec. 1607. Twenty-first Amendment enforcement.  
 Sec. 1608. Interstate shipment and delivery of intoxicating liquors.  
 Sec. 1609. Disclaimer on materials produced, procured or distributed from funding authorized by this Act.  
 Sec. 1610. Aimee's Law.  
 Sec. 1611. Drug tests and locker inspections.  
 Sec. 1612. Waiver for local match requirement under community policing program.

- Sec. 1613. Carjacking offenses.  
 Sec. 1614. Special forfeiture of collateral profits of crime.

- Sec. 1615. Caller identification services to elementary and secondary schools as part of universal service obligation.

- Sec. 1616. Parent leadership model.  
 Sec. 1617. National media campaign against violence.

- Sec. 1618. Victims of terrorism.  
 Sec. 1619. Truth-in-sentencing incentive grants.  
 Sec. 1620. Application of provision relating to a sentence of death for an act of animal enterprise terrorism.

- Sec. 1621. Prohibitions relating to explosive materials.

- Sec. 1622. District judges for districts in the States of Arizona, Florida, and Nevada.

- Sec. 1623. Behavioral and social science research on youth violence.

- Sec. 1624. Sense of the Senate regarding mentoring programs.

- Sec. 1625. Families and Schools Together program.

- Sec. 1626. Amendments relating to violent crime in Indian country and areas of exclusive Federal jurisdiction.

- Sec. 1627. Federal Judiciary Protection Act of 1999.

- Sec. 1628. Local enforcement of local alcohol prohibitions that reduce juvenile crime in remote Alaska villages.

- Sec. 1629. Rule of Construction.

- Sec. 1630. Bounty hunter accountability and quality assistance.

- Sec. 1631. Assistance for unincorporated neighborhood watch programs.

- Sec. 1632. Findings and sense of Congress.

- Sec. 1633. Prohibition on promoting violence on Federal property.

- Sec. 1634. Provisions relating to pawn shops and special licensees.

- Sec. 1635. Extension of Brady background checks to gun shows.

- Sec. 1636. Appropriate interventions and services; clarification of Federal law.

- Sec. 1637. Safe schools.

- Sec. 1638. School counseling.

- Sec. 1639. Criminal prohibition on distribution of certain information relating to explosives, destructive devices, and weapons of mass destruction.

## Subtitle B—James Guelff Body Armor Act

- Sec. 1641. Short title.

- Sec. 1642. Findings.

- Sec. 1643. Definitions.

- Sec. 1644. Amendment of sentencing guidelines with respect to body armor.

- Sec. 1645. Prohibition of purchase, use, or possession of body armor by violent felons.

- Sec. 1646. Donation of Federal surplus body armor to State and local law enforcement agencies.

- Sec. 1647. Additional findings; purpose.

- Sec. 1648. Matching grant programs for law enforcement bullet resistant equipment and for video cameras.

- Sec. 1649. Sense of Congress.

- Sec. 1650. Technology development.

- Sec. 1651. Matching grant program for law enforcement armor vests.

## Subtitle C—Animal Enterprise Terrorism and Ecoterrorism

- Sec. 1652. Enhancement of penalties for animal enterprise terrorism.

- Sec. 1653. National animal terrorism and ecoterrorism incident clearinghouse.

## Subtitle D—Jail-Based Substance Abuse

- Sec. 1654. Jail-based substance abuse treatment programs.

## Subtitle E—Safe School Security

- Sec. 1655. Short title.

- Sec. 1656. Establishment of School Security Technology Center.

- Sec. 1657. Grants for local school security programs.

- Sec. 1658. Safe and secure school advisory report.

## Subtitle F—Internet Prohibitions

- Sec. 1661. Short title.

- Sec. 1662. Findings; purpose.

- Sec. 1663. Prohibitions on uses of the Internet.

- Sec. 1664. Effective date.

## Subtitle G—Partnerships for High-Risk Youth

- Sec. 1671. Short title.

- Sec. 1672. Findings.

- Sec. 1673. Purposes.

- Sec. 1674. Establishment of demonstration project.

- Sec. 1675. Eligibility.

- Sec. 1676. Uses of funds.

- Sec. 1677. Authorization of appropriations.

## Subtitle H—National Youth Crime Prevention

- Sec. 1681. Short title.

- Sec. 1682. Purposes.

- Sec. 1683. Establishment of National Youth Crime Prevention Demonstration Project.

- Sec. 1684. Eligibility.

- Sec. 1685. Uses of funds.

- Sec. 1686. Reports.

- Sec. 1687. Definitions.

- Sec. 1688. Authorization of appropriations.

Subtitle I—National Youth Violence Commission  
 Sec. 1691. Short title.  
 Sec. 1692. National Youth Violence Commission.  
 Sec. 1693. Duties of the Commission.  
 Sec. 1694. Powers of the Commission.  
 Sec. 1695. Commission personnel matters.  
 Sec. 1696. Authorization of appropriations.  
 Sec. 1697. Termination of the Commission.

Subtitle J—School Safety

Sec. 1698. Short title.  
 Sec. 1699. Amendments to the Individuals with Disabilities Education Act.

**SEC. 2. FINDINGS AND PURPOSES.**

(a) FINDINGS.—Congress finds that—

(1) at the outset of the 20th century, the States adopted a separate justice system for juvenile offenders;

(2) violent crimes committed by juveniles, such as homicide, rape, and robbery, were an unknown phenomenon then, but the rate at which juveniles commit such crimes has escalated astronomically since that time;

(3) in 1994—

(A) the number of persons arrested overall for murder in the United States decreased by 5.8 percent, but the number of persons who are less than 15 years of age arrested for murder increased by 4 percent; and

(B) the number of persons arrested for all violent crimes increased by 1.3 percent, but the number of persons who are less than 15 years of age arrested for violent crimes increased by 9.2 percent, and the number of persons less than 18 years of age arrested for such crimes increased by 6.5 percent;

(4) from 1985 to 1996, the number of persons arrested for all violent crimes increased by 52.3 percent, but the number of persons under age 18 arrested for violent crimes rose by 75 percent;

(5) the number of juvenile offenders is expected to undergo a massive increase during the first 2 decades of the twenty-first century, culminating in an unprecedented number of violent offenders who are less than 18 years of age;

(6) the rehabilitative model of sentencing for juveniles, which Congress rejected for adult offenders when Congress enacted the Sentencing Reform Act of 1984, is inadequate and inappropriate for dealing with many violent and repeat juvenile offenders;

(7) the Federal Government should encourage the States to experiment with progressive solutions to the escalating problem of juveniles who commit violent crimes and who are repeat offenders, including prosecuting such offenders as adults, but should not impose specific strategies or programs on the States;

(8) an effective strategy for reducing violent juvenile crime requires greater collection of investigative data and other information, such as fingerprints and DNA evidence, as well as greater sharing of such information—

(A) among Federal, State, and local agencies, including the courts; and

(B) among the law enforcement, educational, and social service systems;

(9) data regarding violent juvenile offenders should be made available to the adult criminal justice system if recidivism by criminals is to be addressed adequately;

(10) holding juvenile proceedings in secret denies victims of crime the opportunity to attend and be heard at such proceedings, helps juvenile offenders to avoid accountability for their actions, and shields juvenile proceedings from public scrutiny and accountability;

(11) the injuries and losses suffered by the victims of violent crime are no less painful or devastating because the offender is a juvenile; and

(12) the prevention, investigation, prosecution, adjudication, and punishment of criminal offenses committed by juveniles, and the rehabilitation and correction of juvenile offenders are,

and should remain, primarily the responsibility of the States, to be carried out without interference from the Federal Government.

(b) PURPOSES.—The purposes of this Act are—

(1) to reform Federal juvenile justice programs and policies in order to promote the emergence of juvenile justice systems in which the paramount concerns are providing for the safety of the public and holding juvenile wrongdoers accountable for their actions, while providing the wrongdoer a genuine opportunity for self-reform;

(2) to revise the procedures in Federal court that are applicable to the prosecution of juvenile offenders; and

(3) to encourage and promote, consistent with the ideals of federalism, adoption of policies by the States to ensure that the victims of violent crimes committed by juveniles receive the same level of justice as do victims of violent crimes that are committed by adults.

**SEC. 3. SEVERABILITY.**

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

**TITLE I—JUVENILE JUSTICE REFORM**

**SEC. 101. SURRENDER TO STATE AUTHORITIES.**

Section 5001 of title 18, United States Code, is amended by striking the first undesignated paragraph and inserting the following:

“Whenever any person who is less than 18 years of age is been arrested and charged with the commission of an offense (or an act of delinquency that would be an offense were it committed by an adult) punishable in any court of the United States or of the District of Columbia, the United States Attorney for the district in which such person has been arrested may forego prosecution pursuant to section 5032(a)(2) if, after investigation by the United States Attorney, it appears that—

“(1) such person has committed an act that is also an offense or an act of delinquency under the law of any State or the District of Columbia;

“(2) such State or the District of Columbia, as applicable, can and will assume jurisdiction over such juvenile and will take such juvenile into custody and deal with the juvenile in accordance with the law of such State or the District of Columbia, as applicable; and

“(3) it is in the best interests of the United States and of the juvenile offender.”

**SEC. 102. TREATMENT OF FEDERAL JUVENILE OFFENDERS.**

(a) IN GENERAL.—Section 5032 of title 18, United States Code, is amended to read as follows:

“§5032. Delinquency proceedings in district courts; juveniles tried as adults; transfer for other criminal prosecution

“(a) IN GENERAL.—

“(1) DELINQUENCY PROCEEDINGS IN DISTRICT COURTS.—A juvenile who is alleged to have committed a Federal offense shall, except as provided in paragraph (2), be tried in the appropriate district court of the United States—

“(A) in the case of an offense described in subsection (c), and except as provided in subsection (i), if the juvenile was not less than 14 years of age at the time of the offense, as an adult at the discretion of the United States Attorney in the appropriate jurisdiction, upon certification by that United States Attorney (which certification shall not be subject to review in or by any court, except as provided in subsection (d)(2)) that—

“(i) there is a substantial Federal interest in the case or the offense to warrant the exercise of Federal jurisdiction; or

“(ii) the ends of justice otherwise so require;

“(B) in the case of a felony offense that is not described in subsection (c), and except as provided in subsection (i), if the juvenile was not less than 14 years of age at the time of the offense, as an adult, upon certification by the Attorney General (which certification shall not be subject to review in or by any court, except as provided in subsection (d)(2)) that—

“(i) there is a substantial Federal interest in the case or the offense to warrant the exercise of Federal jurisdiction; or

“(ii) the ends of justice otherwise so require;

“(C) in the case of a juvenile who has, on a prior occasion, been tried and convicted as an adult under this section, as an adult; and

“(D) in all other cases, as a juvenile.

“(2) REFERRAL BY UNITED STATES ATTORNEY; APPLICATION TO CONCURRENT JURISDICTION.—

“(A) IN GENERAL.—If the United States Attorney in the appropriate jurisdiction (or in the case of an offense under paragraph (1)(B), the Attorney General), declines prosecution of an offense under this section, the matter may be referred to the appropriate legal authorities of the State or Indian tribe with jurisdiction over both the offense and the juvenile.

“(B) APPLICATION TO CONCURRENT JURISDICTION.—The United States Attorney in the appropriate jurisdiction (or, in the case of an offense under paragraph (1)(B), the Attorney General), in cases in which both the Federal Government and a State or Indian tribe have penal provisions that criminalize the conduct at issue and both have jurisdiction over the juvenile, shall exercise a presumption in favor of referral pursuant to subparagraph (A), unless the United States Attorney pursuant to paragraph (1)(A) (or the Attorney General pursuant to paragraph (1)(B)) certifies (which certification shall not be subject to review in or by any court) that—

“(i) the prosecuting authority or the juvenile court or other appropriate court of the State or Indian tribe refuses, declines, or will refuse or will decline to assume jurisdiction over the conduct or the juvenile; and

“(ii) there is a substantial Federal interest in the case or the offense to warrant the exercise of Federal jurisdiction.

“(C) DEFINITION.—In this subsection, the term ‘Indian tribe’ has the meaning given the term in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)).

“(b) JOINDER; LESSER INCLUDED OFFENSES.—In a prosecution under this section, a juvenile may be prosecuted and convicted as an adult for any offense that is properly joined under the Federal Rules of Criminal Procedure with an offense described in subsection (c), and may also be convicted of a lesser included offense.

“(c) OFFENSES DESCRIBED.—An offense is described in this subsection if it is a Federal offense that—

“(1) is a serious violent felony or a serious drug offense (as those terms are defined in section 3559(c), except that section 3559(c)(3) does not apply to this subsection); or

“(2) is a conspiracy or an attempt to commit an offense described in paragraph (1).

“(d) WAIVER TO JUVENILE STATUS IN CERTAIN CASES; LIMITATIONS ON JUDICIAL REVIEW.—

“(1) IN GENERAL.—Except as otherwise provided in this subsection, a determination to approve or not to approve, or to institute or not to institute, a prosecution under subsection (a)(1) shall not be reviewable in any court.

“(2) DETERMINATION BY COURT ON TRIAL AS ADULT OF CERTAIN JUVENILE.—In any prosecution of a juvenile under subsection (a)(1)(A) if the juvenile was less than 16 years of age at the time of the offense, or under subsection (a)(1)(B), upon motion of the defendant and after a hearing, the court in which criminal



charges have been filed shall determine whether to issue an order to provide for the transfer of the defendant to juvenile status for the purposes of proceeding against the defendant or for referral under subsection (a).

"(3) TIME REQUIREMENTS.—A motion by a defendant under paragraph (2) shall not be considered unless that motion is filed not later than 30 days after the date on which the defendant—

"(A) appears through counsel to answer an indictment; or

"(B) expressly waives the right to counsel and elects to proceed pro se.

"(4) PROHIBITION.—The court shall not order the transfer of a defendant to juvenile status under paragraph (2) unless the defendant establishes by a preponderance of the evidence or information that removal to juvenile status would be in the interest of justice. In making a determination under paragraph (2), the court may consider—

"(A) the nature of the alleged offense, including the extent to which the juvenile played a leadership role in an organization, or otherwise influenced other persons to take part in criminal activities;

"(B) whether prosecution of the juvenile as an adult is necessary to protect property or public safety;

"(C) the age and social background of the juvenile;

"(D) the extent and nature of the prior criminal or delinquency record of the juvenile;

"(E) the intellectual development and psychological maturity of the juvenile;

"(F) the nature of any treatment efforts and the response of the juvenile to those efforts; and

"(G) the availability of programs designed to treat any identified behavioral problems of the juvenile.

"(5) STATUS OF ORDERS.—

"(A) IN GENERAL.—An order of the court made in ruling on a motion by a defendant to transfer a defendant to juvenile status under this subsection shall not be a final order for the purpose of enabling an appeal, except that an appeal by the United States shall lie to a court of appeals pursuant to section 3731 from an order of a district court removing a defendant to juvenile status.

"(B) APPEALS.—Upon receipt of a notice of appeal of an order under this paragraph, a court of appeals shall hear and determine the appeal on an expedited basis.

"(6) INADMISSIBILITY OF EVIDENCE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), no statement made by a defendant during or in connection with a hearing under this subsection shall be admissible against the defendant in any criminal prosecution.

"(B) EXCEPTIONS.—The prohibition under subparagraph (A) shall apply, except—

"(i) for impeachment purposes; or

"(ii) in a prosecution for perjury or giving a false statement.

"(7) RULES.—The rules concerning the receipt and admissibility of evidence under this subsection shall be the same as prescribed in section 3142(f).

"(e) APPLICABLE PROCEDURES.—Any prosecution in a district court of the United States under this section—

"(1) in the case of a juvenile tried as an adult under subsection (a), shall proceed in the same manner as is required by this title and by the Federal Rules of Criminal Procedure in any proceeding against an adult; and

"(2) in all other cases, shall proceed in accordance with this chapter, unless the juvenile has requested in writing, upon advice of counsel, to be proceeded against as an adult.

"(f) APPLICATION OF LAWS.—

"(1) APPLICABILITY OF SENTENCING PROVISIONS.—

"(A) IN GENERAL.—Except as otherwise provided in this chapter, and subject to subparagraph (C) of this paragraph, in any case in which a juvenile is prosecuted in a district court of the United States as an adult, the juvenile shall be subject to the same laws, rules, and proceedings regarding sentencing (including the availability of probation, restitution, fines, forfeiture, imprisonment, and supervised release) that would be applicable in the case of an adult, except that no person shall be subject to the death penalty for an offense committed before the person attains the age of 18 years.

"(B) STATUS AS ADULT.—No juvenile sentenced to a term of imprisonment shall be released from custody on the basis that the juvenile has attained the age of 18 years.

"(C) APPLICABLE GUIDELINES.—Each juvenile tried as an adult shall be sentenced in accordance with the Federal sentencing guidelines promulgated under section 994(z) of title 28, United States Code, once such guidelines are promulgated and take effect.

"(2) APPLICABILITY OF MANDATORY RESTITUTION PROVISIONS TO CERTAIN JUVENILES.—If a juvenile is tried as an adult for any offense to which the mandatory restitution provisions of sections 3663A, 2248, 2259, 2264, and 2323 apply, those sections shall apply to that juvenile in the same manner and to the same extent as those provisions apply to adults.

"(g) OPEN PROCEEDINGS.—

"(1) IN GENERAL.—Any offense tried or adjudicated in a district court of the United States under this section shall be open to the general public, in accordance with rules 10, 26, 31(a), and 53 of the Federal Rules of Criminal Procedure, unless good cause is established by the moving party or is otherwise found by the court, for closure.

"(2) STATUS ALONE INSUFFICIENT.—The status of the defendant as a juvenile, absent other factors, shall not constitute good cause for purposes of this subsection.

"(h) AVAILABILITY OF RECORDS.—

"(1) IN GENERAL.—In making a determination concerning the arrest or prosecution of a juvenile in a district court of the United States under this section, the United States Attorney of the appropriate jurisdiction, or, as appropriate, the Attorney General, shall have complete access to the prior Federal juvenile records of the subject juvenile and, to the extent permitted by State law, the prior State juvenile records of the subject juvenile.

"(2) CONSIDERATION OF ENTIRE RECORD.—In any case in which a juvenile is found guilty or adjudicated delinquent in an action under this section, the district court responsible for imposing sentence shall have complete access to the prior Federal juvenile records of the subject juvenile and, to the extent permitted under State law, the prior State juvenile records of the subject juvenile. At sentencing, the district court shall consider the entire available prior juvenile record of the subject juvenile.

"(i) APPLICATION TO INDIAN COUNTRY.—Notwithstanding sections 1152 and 1153, certification under subparagraph (A) or (B) of subsection (a)(1) shall not be made nor granted with respect to a juvenile who is subject to the criminal jurisdiction of an Indian tribal government if the juvenile is less than 15 years of age at the time of offense and is alleged to have committed an offense for which there would be Federal jurisdiction based solely on commission of the offense in Indian country (as defined in section 1151), unless the governing body of the tribe having jurisdiction over the place where the alleged offense was committed has, before the occurrence of the alleged offense, notified the Attorney General in writing of its election that prosecution as an adult may take place under this section."

(b) CONFORMING AMENDMENTS.—

(1) CHAPTER ANALYSIS.—The analysis for chapter 403 of title 18, United States Code, is amended by striking the item relating to section 5032 and inserting the following:

"5032. Delinquency proceedings in district courts; juveniles tried as adults; transfer for other criminal prosecution."

(2) ADULT SENTENCING.—Section 3553 of title 18, United States Code, is amended by adding at the end the following:

"(g) LIMITATION ON APPLICABILITY OF STATUTORY MINIMUMS IN CERTAIN PROSECUTIONS OF PERSONS YOUNGER THAN 16.—Notwithstanding any other provision of law, in the case of a defendant convicted for conduct that occurred before the juvenile attained the age of 16 years, the court shall impose a sentence without regard to any statutory minimum sentence, if the court finds at sentencing, after affording the Government an opportunity to make a recommendation, that the juvenile has not been previously adjudicated delinquent for, or convicted of, a serious violent felony or a serious drug offense (as those terms are defined in section 3559(c)).

"(h) TREATMENT OF JUVENILE CRIMINAL HISTORY IN FEDERAL SENTENCING.—

"(1) IN GENERAL.—

"(A) SENTENCING GUIDELINES.—Pursuant to its authority under section 994 of title 28, the United States Sentencing Commission (referred to in this subsection as the 'Commission') shall amend the Federal sentencing guidelines to provide that, in determining the criminal history score under the Federal sentencing guidelines for any adult offender or any juvenile offender being sentenced as an adult, prior juvenile convictions and adjudications for offenses described in paragraph (2) shall receive a score similar to that which the defendant would have received if those offenses had been committed by the defendant as an adult, if any portion of the sentence for the offense was imposed or served within 15 years after the commencement of the instant offense.

"(B) REVIEWS.—The Commission shall review the criminal history treatment of juvenile adjudications or convictions for offenses other than those described in paragraph (2) to determine whether the treatment should be adjusted as described in subparagraph (A), and make any amendments to the Federal sentencing guidelines as necessary to make whatever adjustments the Commission concludes are necessary to implement the results of the review.

"(2) OFFENSES DESCRIBED.—The offenses described in this paragraph include any—

"(A) crime of violence;

"(B) controlled substance offense;

"(C) other offense for which the defendant received a sentence or disposition of imprisonment of 1 year or more; and

"(D) other offense punishable by a term of imprisonment of more than 1 year for which the defendant was prosecuted as an adult.

"(3) DEFINITIONS.—The Federal sentencing guidelines described in paragraph (1) shall define the terms 'crime of violence' and 'controlled substance offense' in substantially the same manner as those terms are defined in Guideline Section 4B1.2 of the November 1, 1995, Guidelines Manual.

"(4) JUVENILE ADJUDICATIONS.—In carrying out this subsection, the Commission—

"(A) shall assign criminal history points for juvenile adjudications based principally on the nature of the acts committed by the juvenile; and

"(B) may provide for some adjustment of the score in light of the length of sentence the juvenile received.

"(5) EMERGENCY AUTHORITY.—The Commission shall promulgate the Federal sentencing guidelines and amendments under this subsection as soon as practicable, and in any event

not later than 90 days after the date of enactment of the Violent and Repeat Juvenile Offender Accountability and Rehabilitation Act of 1999, in accordance with the procedures set forth in section 21(a) of the Sentencing Act of 1987, as though the authority under that authority had not expired, except that the Commission shall submit to Congress the emergency guidelines or amendments promulgated under this section, and shall set an effective date for those guidelines or amendments not earlier than 30 days after their submission to Congress.

“(6) CAREER OFFENDER DETERMINATION.—Pursuant to its authority under section 994 of title 28, the Commission shall amend the Federal sentencing guidelines to provide for inclusion, in any determination regarding whether a juvenile or adult defendant is a career offender under section 994(h) of title 28, and any computation of the sentence that any defendant found to be a career offender should receive, of any act for which the defendant was previously convicted or adjudicated delinquent as a juvenile that would be a felony covered by that section if it had been committed by the defendant as an adult.”.

#### SEC. 103. DEFINITIONS.

Section 5031 of title 18, United States Code, is amended to read as follows:

##### “§ 5031. Definitions

“In this chapter:

“(1) ADULT INMATE.—The term ‘adult inmate’ means an individual who has attained the age of 18 years and who is in custody for, awaiting trial on, or convicted of criminal charges committed while an adult or an act of juvenile delinquency committed while a juvenile.

“(2) JUVENILE.—The term ‘juvenile’ means—

“(A) a person who has not attained the age of 18 years; or

“(B) for the purpose of proceedings and disposition under this chapter for an alleged act of juvenile delinquency, a person who has not attained the age of 21 years.

“(3) JUVENILE DELINQUENCY.—The term ‘juvenile delinquency’ means the violation of a law of the United States committed by a person before the eighteenth birthday of that person, if the violation—

“(A) would have been a crime if committed by an adult; or

“(B) is a violation of section 922(x).

“(4) PROHIBITED PHYSICAL CONTACT.—

“(A) IN GENERAL.—The term ‘prohibited physical contact’ means—

“(i) any physical contact between a juvenile and an adult inmate; and

“(ii) proximity that provides an opportunity for physical contact between a juvenile and an adult inmate.

“(B) EXCLUSION.—The term does not include supervised proximity between a juvenile and an adult inmate that is brief and inadvertent, or accidental, in secure areas of a facility that are not dedicated to use by juvenile offenders and that are nonresidential, which may include dining, recreational, educational, vocational, health care, entry areas, and passageways.

“(5) SUSTAINED ORAL COMMUNICATION.—

“(A) IN GENERAL.—The term ‘sustained oral communication’ means the imparting or interchange of speech by or between a juvenile and an adult inmate.

“(B) EXCEPTION.—The term does not include—

“(i) communication that is accidental or incidental; or

“(ii) sounds or noises that cannot reasonably be considered to be speech.

“(6) STATE.—The term ‘State’ includes a State of the United States, the District of Columbia, any commonwealth, territory, or possession of the United States and, with regard to an act of juvenile delinquency that would have been a

misdeemeanor if committed by an adult, an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 4506(e))).

“(7) VIOLENT JUVENILE.—The term ‘violent juvenile’ means any juvenile who is alleged to have committed, has been adjudicated delinquent for, or has been convicted of an offense that, if committed by an adult, would be a crime of violence (as defined in section 16).”.

#### SEC. 104. NOTIFICATION AFTER ARREST.

Section 5033 of title 18, United States Code, is amended—

(1) in the first sentence, by striking “immediately notify the Attorney General and” and inserting the following: “immediately, or as soon as practicable thereafter, notify the United States Attorney of the appropriate jurisdiction and shall promptly take reasonable steps to notify”; and

(2) in the second sentence of the second undesignated paragraph, by inserting before the period at the end the following: “, and the juvenile shall not be subject to detention under conditions that permit prohibited physical contact with adult inmates or in which the juvenile and an adult inmate can engage in sustained oral communication”.

#### SEC. 105. RELEASE AND DETENTION PRIOR TO DISPOSITION.

(a) DUTIES OF MAGISTRATE.—Section 5034 of title 18, United States Code, is amended—

(1) by striking “The magistrate shall insure” and inserting the following:

“(a) IN GENERAL.—

“(1) REPRESENTATION BY COUNSEL.—The magistrate shall ensure”; and

(2) by striking “The magistrate may appoint” and inserting the following:

“(2) GUARDIAN AD LITEM.—The magistrate may appoint”; and

(3) by striking “If the juvenile” and inserting the following:

“(b) RELEASE PRIOR TO DISPOSITION.—Except as provided in subsection (c), if the juvenile”; and

(4) by adding at the end the following:

“(c) RELEASE OF CERTAIN JUVENILES.—A juvenile who is to be tried as an adult pursuant to section 5032 shall be released pending trial only in accordance with the applicable provisions of chapter 207. The release shall be conducted in the same manner and shall be subject to the same terms, conditions, and sanctions for violation of a release condition as provided for an adult under chapter 207.

“(d) PENALTY FOR AN OFFENSE COMMITTED WHILE ON RELEASE.—

“(1) IN GENERAL.—A juvenile alleged to have committed, while on release under this section, an offense that, if committed by an adult, would be a Federal criminal offense, shall be subject to prosecution under section 5032.

“(2) APPLICABILITY OF CERTAIN PENALTIES.—Section 3147 shall apply to a juvenile who is to be tried as an adult pursuant to section 5032 for an offense committed while on release under this section.”.

(b) DETENTION PRIOR TO DISPOSITION.—Section 5035 of title 18, United States Code, is amended—

(1) by striking “A juvenile” and inserting the following:

“(a) IN GENERAL.—Except as provided in subsection (b), a juvenile”; and

(2) in subsection (a), as redesignated—

(A) in the third sentence, by striking “regular contact” and inserting “prohibited physical contact or sustained oral communication”; and

(B) after the fourth sentence, by inserting the following: “To the extent practicable, violent juveniles shall be kept separate from nonviolent juveniles.”; and

(3) by adding at the end the following:

“(b) DETENTION OF CERTAIN JUVENILES.—

“(1) IN GENERAL.—A juvenile who is to be tried as an adult pursuant to section 5032 shall be subject to detention in accordance with chapter 207 in the same manner, to the same extent, and subject to the same terms and conditions as an adult would be subject to under that chapter.

“(2) EXCEPTION.—A juvenile shall not be detained or confined in any institution in which the juvenile has prohibited physical contact or sustained oral communication with adult inmates. To the extent practicable, violent juveniles shall be kept separate from nonviolent juveniles.”.

#### SEC. 106. SPEEDY TRIAL.

Section 5036 of title 18, United States Code, is amended—

(1) by inserting “who is to be proceeded against as a juvenile pursuant to section 5032 and” after “If an alleged delinquent”; and

(2) by striking “thirty” and inserting “70”; and

(3) by striking “the court,” and all that follows through the end of the section and inserting the following: “the court. The periods of exclusion under section 3161(h) shall apply to this section. In determining whether an information should be dismissed with or without prejudice, the court shall consider the seriousness of the alleged act of juvenile delinquency, the facts and circumstances of the case that led to the dismissal, and the impact of a reprosecution on the administration of justice.”.

#### SEC. 107. DISPOSITIONAL HEARINGS.

Section 5037 of title 18, United States Code, is amended—

(1) by striking subsection (a) and inserting the following:

“(a) IN GENERAL.—

“(1) DISPOSITIONAL HEARING.—

“(A) IN GENERAL.—In a proceeding under section 5032(a)(1)(D), if the court finds a juvenile to be a juvenile delinquent, the court shall hold a hearing concerning the appropriate disposition of the juvenile not later than 40 court days after the finding of juvenile delinquency, unless the court has ordered further study pursuant to subsection (e).

“(B) PREDISPOSITION REPORT.—A predisposition report shall be prepared by the probation officer, who shall promptly provide a copy to the juvenile, the juvenile’s counsel, and the attorney for the Government. Victim impact information shall be included in the predisposition report, and victims or, in appropriate cases, their official representatives, shall be provided the opportunity to make a statement to the court in person or to present any information in relation to the disposition.

“(2) ACTIONS OF COURT AFTER HEARING.—After a dispositional hearing under paragraph (1), after considering any pertinent policy statements promulgated by the United States Sentencing Commission pursuant to section 994 of title 28, and in conformance with any guidelines promulgated by the United States Sentencing Commission pursuant to section 994(z)(1)(B) of title 28, the court shall—

“(A) place the juvenile on probation or commit the juvenile to official detention (including the possibility of a term of supervised release), and impose any fine that would be authorized if the juvenile had been tried and convicted as an adult; and

“(B) enter an order of restitution pursuant to section 3663.”;

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by inserting “or supervised release” after “probation”; and

(B) by striking “extend—” and all that follows through “The provisions” and inserting the following: “extend, in the case of a juvenile,

beyond the maximum term of probation that would be authorized by section 3561, or beyond the maximum term of supervised release authorized by section 3583, if the juvenile had been tried and convicted as an adult. The provisions dealing with supervised release set forth in section 3583 and the provisions"; and

(C) in the last sentence, by inserting "or supervised release" after "on probation"; and

(3) in subsection (c), by striking "may not extend—" and all that follows through "Section 3624" and inserting the following: "may not extend beyond the earlier of the 26th birthday of the juvenile or the termination date of the maximum term of imprisonment, exclusive of any term of supervised release, that would be authorized if the juvenile had been tried and convicted as an adult. No juvenile sentenced to a term of imprisonment shall be released from custody simply because the juvenile attains the age of 18 years. Section 3624".

#### SEC. 108. USE OF JUVENILE RECORDS.

Section 5038 of title 18, United States Code, is amended to read as follows:

##### "§ 5038. Use of juvenile records

"(a) IN GENERAL.—Throughout a juvenile delinquency proceeding under section 5032 or 5037, the records of such proceeding shall be safeguarded from disclosure to unauthorized persons, and shall only be released to the extent necessary for purposes of—

"(1) compliance with section 5032(h);

"(2) docketing and processing by the court;

"(3) responding to an inquiry received from another court of law;

"(4) responding to an inquiry from an agency preparing a presentence report for another court;

"(5) responding to an inquiry from a law enforcement agency, if the request for information is related to the investigation of a crime or a position within that agency or analysis requested by the Attorney General;

"(6) responding to a written inquiry from the director of a treatment agency or the director of a facility to which the juvenile has been committed by the court;

"(7) responding to an inquiry from an agency considering the person for a position immediately and directly affecting national security;

"(8) responding to an inquiry from any victim of such juvenile delinquency or, if the victim is deceased, from a member of the immediate family of the victim, related to the final disposition of such juvenile by the court in accordance with section 5032 or 5037, as applicable; and

"(9) communicating with a victim of such juvenile delinquency or, in appropriate cases, with the official representative of a victim, in order to—

"(A) apprise the victim or representative of the status or disposition of the proceeding;

"(B) effectuate any other provision of law; or

"(C) assist in the allocution at disposition of the victim or the representative of the victim.

"(b) RECORDS OF ADJUDICATION.—

"(1) TRANSMISSION TO FBI.—Upon an adjudication of delinquency under section 5032 or 5037, the court shall transmit to the Director of the Federal Bureau of Investigation a record of such adjudication.

"(2) MAINTAINING RECORDS.—The Director of the Federal Bureau of Investigation shall maintain, in the central repository of the Federal Bureau of Investigation, in accordance with the established practices and policies relating to adult criminal history records of the Federal Bureau of Investigation—

"(A) a fingerprint supported record of the Federal adjudication of delinquency of any juvenile who commits an act that, if committed by an adult, would constitute the offense of murder, armed robbery, rape (except statutory rape), or a felony offense involving sexual molestation

of a child, or a conspiracy or attempt to commit any such offense, that is equivalent to, and maintained and disseminated in the same manner and for the same purposes, as are adult criminal history records for the same offenses; and

"(B) a fingerprint supported record of the Federal adjudication of delinquency of any juvenile who commits an act that, if committed by an adult, would be any felony offense (other than an offense described in subparagraph (A)) that is equivalent to, and maintained and disseminated in the same manner, as are adult criminal history records for the same offenses—

"(i) for use by and within the criminal justice system for the detection, apprehension, detention, pretrial release, post-trial release, prosecution, adjudication, sentencing, disposition, correctional supervision, or rehabilitation of an accused person, criminal offender, or juvenile delinquent; and

"(ii) for purposes of responding to an inquiry from an agency considering the subject of the record for a position or clearance immediately and directly affecting national security.

"(3) AVAILABILITY OF RECORDS TO SCHOOLS IN CERTAIN CIRCUMSTANCES.—Notwithstanding paragraph (2), the Director of the Federal Bureau of Investigation shall make an adjudication record of a juvenile maintained pursuant to subparagraph (A) or (B) of that paragraph, or conviction record described in subsection (d), available to an official of an elementary, secondary, or post-secondary school, in appropriate circumstances (as defined by and under rules issued by the Attorney General), if—

"(A) the subject of the record is a student enrolled at the school, or a juvenile who seeks, intends, or is instructed to enroll at that school;

"(B) the school official is subject to the same standards and penalties under applicable Federal and State law relating to the handling and disclosure of information contained in juvenile adjudication records as are employees of law enforcement and juvenile justice agencies in the State; and

"(C) information contained in the record is not used for the sole purpose of denying admission.

"(c) NOTIFICATION OF RIGHTS.—A district court of the United States that exercises jurisdiction over a juvenile shall notify the juvenile, and a parent or guardian of the juvenile, in writing, and in clear and nontechnical language, of the rights of the juvenile relating to the adjudication record of the juvenile. Any juvenile may petition the court after a period of 5 years to have a record relating to such juvenile and described in this section (except a record relating to an offense described in subsection (b)(2)(A)) removed from the Federal Bureau of Investigation database if that juvenile can establish by clear and convincing evidence that the juvenile is no longer a danger to the community.

"(d) RECORDS OF JUVENILES TRIED AS ADULTS.—In any case in which a juvenile is tried as an adult in Federal court, the Federal criminal record of the juvenile shall be made available in the same manner as is applicable to the records of adult defendants."

#### SEC. 109. IMPLEMENTATION OF A SENTENCE FOR JUVENILE OFFENDERS.

(a) IN GENERAL.—Section 5039 of title 18, United States Code, is amended to read as follows:

##### "§ 5039. Implementation of a sentence

"(a) IN GENERAL.—Except as otherwise provided in this chapter, the sentence for a juvenile who is adjudicated delinquent or found guilty of an offense under any proceeding in a district court of the United States under section 5032 shall be carried out in the same manner as for an adult defendant.

"(b) SENTENCES OF IMPRISONMENT, PROBATION, AND SUPERVISED RELEASE.—Subject to subsection (d), the implementation of a sentence of imprisonment is governed by subchapter C of chapter 229 and, if the sentence includes a term of probation or supervised release, by subchapter A of chapter 229.

"(c) SENTENCES OF FINES AND ORDERS OF RESTITUTION; SPECIAL ASSESSMENTS.—

"(1) IN GENERAL.—A sentence of a fine, an order of restitution, or a special assessment under section 3013 shall be implemented and collected in the same manner as for an adult defendant.

"(2) PROHIBITION.—The parent, guardian, or custodian of a juvenile sentenced to pay a fine may not be made liable for such payment by any court.

"(d) SEGREGATION OF JUVENILES; CONDITIONS OF CONFINEMENT.—

"(1) IN GENERAL.—No juvenile committed for incarceration, whether pursuant to an adjudication of delinquency or conviction for an offense, to the custody of the Attorney General may, before the juvenile attains the age of 18 years, be placed or retained in any jail or correctional institution in which the juvenile has prohibited physical contact with adult inmate or can engage in sustained oral communication with adult inmates. To the extent practicable, violent juveniles shall be kept separate from nonviolent juveniles.

"(2) REQUIREMENTS.—Each juvenile who is committed for incarceration shall be provided with—

"(A) adequate food, heat, light, sanitary facilities, bedding, clothing, and recreation; and

"(B) as appropriate, counseling, education, training, and medical care (including necessary psychiatric, psychological, or other care or treatment).

"(3) COMMITMENT TO FOSTER HOME OR COMMUNITY-BASED FACILITY.—Except in the case of a juvenile who is found guilty of a violent felony or who is adjudicated delinquent for an offense that would be a violent felony if the juvenile had been prosecuted as an adult, the Attorney General shall commit a juvenile to a foster home or community-based facility located in or near his home community if that commitment is—

"(A) practicable;

"(B) in the best interest of the juvenile; and

"(C) consistent with the safety of the community."

(b) CONFORMING AMENDMENT.—The analysis for chapter 403 of title 18, United States Code, is amended by striking the item relating to section 5039 and inserting the following:

"5039. Implementation of a sentence."

#### SEC. 110. MAGISTRATE JUDGE AUTHORITY REGARDING JUVENILE DEFENDANTS.

Section 3401(g) of title 18, United States Code, is amended—

(1) in the second sentence, by inserting after "magistrate judge may, in any" the following: "class A misdemeanor or any"; and

(2) in the third sentence, by striking "except that no" and all that follows before the period at the end of the subsection.

#### SEC. 111. FEDERAL SENTENCING GUIDELINES.

(a) APPLICATION OF GUIDELINES TO CERTAIN JUVENILE DEFENDANTS.—Section 994(h) of title 28, United States Code, is amended by inserting "or in which the defendant is a juvenile who is tried as an adult," after "old or older".

(b) GUIDELINES FOR JUVENILE CASES.—

(1) IN GENERAL.—Section 994 of title 28, United States Code, is amended by adding at the end the following:

"(2) GUIDELINES FOR JUVENILE CASES.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of the Violent and Repeat

Juvenile Offender Accountability and Rehabilitation Act of 1999, the Commission, by affirmative vote of not less than 4 members of the Commission, and pursuant to its rules and regulations and consistent with all pertinent provisions of any Federal statute, shall promulgate and distribute to all courts of the United States and to the United States Probation System—

“(A) guidelines, as described in this section, for use by a sentencing court in determining the sentence to be imposed in a criminal case if the defendant committed the offense as a juvenile, and is tried as an adult pursuant to section 5032 of title 18, United States Code; and

“(B) guidelines, as described in this section, for use by a court in determining the sentence to be imposed on a juvenile adjudicated delinquent pursuant to section 5032 of title 18, United States Code, and sentenced pursuant to a dispositional hearing under section 5037 of title 18, United States Code.

“(2) DETERMINATIONS.—In carrying out this subsection, the Commission shall make the determinations required by subsection (a)(1) and promulgate the policy statements and guidelines required by paragraphs (2) and (3) of subsection (a).

“(3) CONSIDERATIONS.—In addition to any other considerations required by this section, the Commission, in promulgating guidelines—

“(A) pursuant to paragraph (1)(A), shall presume the appropriateness of adult sentencing provisions, but may make such adjustments to sentence lengths and to provisions governing downward departures from the guidelines as reflect the specific interests and circumstances of juvenile defendants; and

“(B) pursuant to paragraph (1)(B), shall ensure that the guidelines—

“(i) reflect the broad range of sentencing options available to the court under section 5037 of title 18, United States Code; and

“(ii) effectuate a policy of an accountability-based juvenile justice system that provides substantial and appropriate sanctions, that are graduated to reflect the severity or repeated nature of violations, for each delinquent act, and reflect the specific interests and circumstances of juvenile defendants.

“(4) REVIEW PERIOD.—The review period specified by subsection (p) applies to guidelines promulgated pursuant to this subsection and any amendments to those guidelines.”.

(2) TECHNICAL CORRECTION TO ASSURE COMPLIANCE OF SENTENCING GUIDELINES WITH PROVISIONS OF ALL FEDERAL STATUTES.—Section 994(a) of title 28, United States Code, is amended by striking “consistent with all pertinent provisions of this title and title 18, United States Code,” and inserting “consistent with all pertinent provisions of any Federal statute”.

#### SEC. 112. STUDY AND REPORT ON INDIAN TRIBAL JURISDICTION.

Not later than 18 months after the date of enactment of this Act, the Attorney General shall conduct a study of the juvenile justice systems of Indian tribes (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e))) and shall report to the Chairman and Ranking Member of the Committee on the Judiciary and the Committee on Indian Affairs of the Senate and the Chairman and Ranking Member of the Committee on the Judiciary of the House of Representatives on—

(1) the extent to which tribal governments are equipped to adjudicate felonies, misdemeanors, and acts of delinquency committed by juveniles subject to tribal jurisdiction; and

(2) the need for and benefits from expanding the jurisdiction of tribal courts and the authority to impose the same sentences that can be imposed by Federal or State courts on such juveniles.

### TITLE II—JUVENILE GANGS

#### SEC. 201. SOLICITATION OR RECRUITMENT OF PERSONS IN CRIMINAL STREET GANG ACTIVITY.

(a) PROHIBITED ACTS.—Chapter 26 of title 18, United States Code, is amended by adding at the end the following:

##### “§522. Recruitment of persons to participate in criminal street gang activity

“(a) PROHIBITED ACT.—It shall be unlawful for any person, to use any facility in, or travel in, interstate or foreign commerce, or cause another to do so, to recruit, solicit, induce, command, or cause another person to be or remain as a member of a criminal street gang, or conspire to do so, with the intent that the person being recruited, solicited, induced, commanded or caused to be or remain a member of such gang participate in an offense described in section 521(c) of this title.

“(b) PENALTIES.—Any person who violates subsection (a) shall—

“(1) if the person recruited, solicited, induced, commanded, or caused—

“(A) is a minor, be imprisoned not less than 4 years and not more than 10 years, fined in accordance with this title, or both; or

“(B) is not a minor, be imprisoned not less than 1 year and not more than 10 years, fined in accordance with this title, or both; and

“(2) be liable for any costs incurred by the Federal Government or by any State or local government for housing, maintaining, and treating the minor until the minor attains the age of 18 years.

“(c) DEFINITIONS.—In this section:

“(1) CRIMINAL STREET GANG.—The term ‘criminal street gang’ has the meaning given the term in section 521.

“(2) MINOR.—The term ‘minor’ means a person who is younger than 18 years of age.”.

(b) CONFORMING AMENDMENT.—The analysis for chapter 26 of title 18, United States Code, is amended by adding at the end the following:

“522. Recruitment of persons to participate in criminal street gang activity.”.

#### SEC. 202. INCREASED PENALTIES FOR USING MINORS TO DISTRIBUTE DRUGS.

Section 420 of the Controlled Substances Act (21 U.S.C. 861) is amended—

(1) in subsection (b), by striking “one year” and inserting “3 years”; and

(2) in subsection (c), by striking “one year” and inserting “5 years”.

#### SEC. 203. PENALTIES FOR USE OF MINORS IN CRIMES OF VIOLENCE.

(a) IN GENERAL.—Chapter 1 of title 18, United States Code, is amended by adding at the end the following:

##### “§25. Use of minors in crimes of violence

“(a) PENALTIES.—Except as otherwise provided by law, whoever, being not less than 18 years of age, knowingly and intentionally uses a minor to commit a Federal offense that is a crime of violence, or to assist in avoiding detection or apprehension for such an offense, shall—

“(1) be subject to 2 times the maximum imprisonment and 2 times the maximum fine that would otherwise be imposed for the offense; and

“(2) for second or subsequent convictions under this subsection, be subject to 3 times the maximum imprisonment and 3 times the maximum fine that would otherwise be imposed for the offense.

“(b) DEFINITIONS.—In this section:

“(1) CRIME OF VIOLENCE.—The term ‘crime of violence’ has the meaning given the term in section 16 of this title.

“(2) MINOR.—The term ‘minor’ means a person who is less than 18 years of age.

“(3) USES.—The term ‘uses’ means employs, hires, persuades, induces, entices, or coerces.”.

(b) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 18, United States Code, is amended by adding at the end the following:

“25. Use of minors in crimes of violence.”.

#### SEC. 204. CRIMINAL STREET GANGS.

(a) IN GENERAL.—Section 521 of title 18, United States Code, is amended—

(1) in subsection (a), in the second undesignated paragraph—

(A) by striking “5” and inserting “3”; and

(B) by inserting “, whether formal or informal” after “or more persons”; and

(C) in subparagraph (A), by inserting “or activities” after “purposes”;

(2) in subsection (b), by inserting after “10 years” the following: “and such person shall be subject to the forfeiture prescribed in section 412 of the Controlled Substances Act (21 U.S.C. 853)”;

(3) in subsection (c)—

(A) in paragraph (2), by striking “and” at the end;

(B) in paragraph (3), by striking the period at the end and inserting a semicolon;

(C) by adding at the end the following:

“(3) that is a violation of section 522 (relating to the recruitment of persons to participate in criminal gang activity);

“(4) that is a violation of section 844, 875, or 876 (relating to extortion and threats), section 1084 (relating to gambling), section 1955 (relating to gambling), or chapter 73 (relating to obstruction of justice);

“(5) that is a violation of section 1956 (relating to money laundering), to the extent that the violation of such section is related to a Federal or State offense involving a controlled substance (as that term is defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)); or

“(6) that is a violation of section 274(a)(1)(A), 277, or 278 of the Immigration and Nationality Act (8 U.S.C. 1324(a)(1)(A), 1327, or 1328) (relating to alien smuggling); and

“(7) a conspiracy, attempt, or solicitation to commit an offense described in paragraphs (1) through (6).”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 3663(c)(4) of title 18, United States Code, is amended by striking “chapter 46” and inserting “section 521, chapter 46.”.

#### SEC. 205. HIGH INTENSITY INTERSTATE GANG ACTIVITY AREAS.

(a) DEFINITIONS.—In this section:

(1) GOVERNOR.—The term “Governor” means a Governor of a State or the Mayor of the District of Columbia.

(2) HIGH INTENSITY INTERSTATE GANG ACTIVITY AREA.—The term “high intensity interstate gang activity area” means an area within a State that is designated as a high intensity interstate gang activity area under subsection (b)(1).

(3) STATE.—The term “State” means a State of the United States or the District of Columbia.

(b) HIGH INTENSITY INTERSTATE GANG ACTIVITY AREAS.—

(1) DESIGNATION.—The Attorney General, upon consultation with the Secretary of the Treasury and the Governors of appropriate States, may designate as a high intensity interstate gang activity area a specified area that is located—

(A) within a State; or

(B) in more than 1 State.

(2) ASSISTANCE.—In order to provide Federal assistance to a high intensity interstate gang activity area, the Attorney General may—

(A) facilitate the establishment of a regional task force, consisting of Federal, State, and local law enforcement authorities, for the coordinated investigation, disruption, apprehension, and prosecution of criminal activities of gangs and gang members in the high intensity interstate gang activity area; and

(B) direct the detailing from any Federal department or agency (subject to the approval of

the head of that department or agency, in the case of a department or agency other than the Department of Justice) of personnel to the high intensity interstate gang activity area.

(3) **CRITERIA FOR DESIGNATION.**—In considering an area (within a State or within more than 1 State) for designation as a high intensity interstate gang activity area under this section, the Attorney General shall consider—

(A) the extent to which gangs from the area are involved in interstate or international criminal activity;

(B) the extent to which the area is affected by the criminal activity of gang members who—

(i) are located in, or have relocated from, other States; or

(ii) are located in, or have immigrated (legally or illegally) from, foreign countries;

(C) the extent to which the area is affected by the criminal activity of gangs that originated in other States or foreign countries;

(D) the extent to which State and local law enforcement agencies have committed resources to respond to the problem of criminal gang activity in the area, as an indication of their determination to respond aggressively to the problem;

(E) the extent to which a significant increase in the allocation of Federal resources would enhance local response to gang-related criminal activities in the area; and

(F) any other criteria that the Attorney General considers to be appropriate.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—There is authorized to be appropriated to carry out this section \$100,000,000 for each of fiscal years 1999 through 2004, to be used in accordance with paragraph (2).

(2) **USE OF FUNDS.**—Of amounts made available under paragraph (1) in each fiscal year—

(A) 60 percent shall be used to carry out subsection (b)(2); and

(B) 40 percent shall be used to make grants for community-based programs to provide crime prevention and intervention services that are designed for gang members and at-risk youth in areas designated pursuant to this section as high intensity interstate gang activity areas.

(3) **REQUIREMENT.**—

(A) **IN GENERAL.**—The Attorney General shall ensure that not less than 10 percent of amounts made available under paragraph (1) in each fiscal year are used to assist rural States affected as described in subparagraphs (B) and (C) of subsection (b)(3).

(B) **DEFINITION OF RURAL STATE.**—In this paragraph, the term “rural State” has the meaning given the term in section 1501(b) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b(b)).

**SEC. 206. INCREASING THE PENALTY FOR USING PHYSICAL FORCE TO TAMPER WITH WITNESSES, VICTIMS, OR INFORMANTS.**

Section 1512 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “as provided in paragraph (2)” and inserting “as provided in paragraph (3)”;

(B) by redesignating paragraph (2) as paragraph (3);

(C) by inserting after paragraph (1) the following:

“(2) **USE OF PHYSICAL FORCE TO TAMPER WITH WITNESSES, VICTIMS, OR INFORMANTS.**—Whoever uses physical force or the threat of physical force against any person, or attempts to do so, with intent to—

“(A) influence, delay, or prevent the testimony of any person in an official proceeding;

“(B) cause or induce any person to—

“(i) withhold testimony, or withhold a record, document, or other object, from an official proceeding;

“(ii) alter, destroy, mutilate, or conceal an object with intent to impair the object's integrity or availability for use in an official proceeding;

“(iii) evade legal process summoning that person to appear as a witness, or to produce a record, document, or other object, in an official proceeding; or

“(iv) be absent from an official proceeding to which such person has been summoned by legal process; or

“(C) hinder, delay, or prevent the communication to a law enforcement officer or judge of the United States of information relating to the commission or possible commission of a Federal offense or a violation of conditions of probation, parole, or release pending judicial proceedings; shall be punished as provided in paragraph (3).”;

(D) in paragraph (3), as redesignated, by striking subparagraph (B) and inserting the following:

“(B) in the case of—

“(i) an attempt to murder; or

“(ii) the use of physical force against any person;

imprisonment for not more than 20 years.”;

(2) in subsection (b), by striking “or physical force”;

(3) by adding at the end the following:

“(j) **CONSPIRACY.**—Whoever conspires to commit any offense under this section or section 1513 shall be subject to the same penalties as those prescribed for the offense the commission of which was the object of the conspiracy.”.

**SEC. 207. AUTHORITY TO MAKE GRANTS TO PROSECUTORS' OFFICES TO COMBAT GANG CRIME AND YOUTH VIOLENCE.**

(a) **IN GENERAL.**—Section 31702 of subtitle Q of title III of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13862) is amended—

(1) in paragraph (2), by striking “and” at the end;

(2) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(5) to allow the hiring of additional prosecutors, so that more cases can be prosecuted and backlogs reduced;

“(6) to provide funding to enable prosecutors to address drug, gang, and youth violence problems more effectively;

“(7) to provide funding to assist prosecutors with funding for technology, equipment, and training to assist prosecutors in reducing the incidence of, and increase the successful identification and speed of prosecution of young violent offenders; and

“(8) to provide funding to assist prosecutors in their efforts to engage in community prosecution, problem solving, and conflict resolution techniques through collaborative efforts with police, school officials, probation officers, social service agencies, and community organizations.”.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—Section 31707 of subtitle Q of title III of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13867) is amended to read as follows:

**“SEC. 31707. AUTHORIZATION OF APPROPRIATIONS.**

“There are authorized to be appropriated to carry out this subtitle, \$50,000,000 for 2000 through 2004.”.

**SEC. 208. INCREASE IN OFFENSE LEVEL FOR PARTICIPATION IN CRIME AS A GANG MEMBER.**

(a) **DEFINITION OF CRIMINAL STREET GANG.**—In this section, the term “criminal street gang” has the meaning given that term in section 521(a) of title 18, United States Code, as amended by section 204 of this Act.

(b) **AMENDMENT OF SENTENCING GUIDELINES.**—

(1) **IN GENERAL.**—Pursuant to its authority under section 994(p) of title 28, United States

Code, the United States Sentencing Commission shall amend the Federal Sentencing Guidelines to provide an appropriate enhancement for any Federal offense described in section 521(c) of title 18, United States Code as amended by section 204 of this Act, if the offense was both committed in connection with, or in furtherance of, the activities of a criminal street gang and the defendant was a member of the criminal street gang at the time of the offense.

(2) **FACTORS TO BE CONSIDERED.**—In determining an appropriate enhancement under this section, the United States Sentencing Commission shall give great weight to the seriousness of the offense, the offender's relative position in the criminal gang, and the risk of death or serious bodily injury to any person posed by the offense.

(c) **CONSTRUCTION WITH OTHER GUIDELINES.**—The amendment made by subsection (b) shall provide that the increase in the offense level shall be in addition to any other adjustment under chapter 3 of the Federal Sentencing Guidelines.

**SEC. 209. INTERSTATE AND FOREIGN TRAVEL OR TRANSPORTATION IN AID OF CRIMINAL GANGS.**

(a) **TRAVEL ACT AMENDMENT.**—Section 1952 of title 18, United States Code, is amended to read as follows:

**“§ 1952. Interstate and foreign travel or transportation in aid of racketeering enterprises**

“(a) **PROHIBITED CONDUCT AND PENALTIES.**—

“(1) **IN GENERAL.**—Whoever—

“(A) travels in interstate or foreign commerce or uses the mail or any facility in interstate or foreign commerce, with intent to—

“(i) distribute the proceeds of any unlawful activity; or

“(ii) otherwise promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of any unlawful activity; and

“(B) after travel or use of the mail or any facility in interstate or foreign commerce described in subparagraph (A), performs, attempts to perform, or conspires to perform an act described in clause (i) or (ii) of subparagraph (A); shall be fined under this title, imprisoned not more than 10 years, or both.

“(2) **CRIMES OF VIOLENCE.**—Whoever—

“(A) travels in interstate or foreign commerce or uses the mail or any facility in interstate or foreign commerce, with intent to commit any crime of violence to further any unlawful activity; and

“(B) after travel or use of the mail or any facility in interstate or foreign commerce described in subparagraph (A), commits, attempts to commit, or conspires to commit any crime of violence to further any unlawful activity;

shall be fined under this title, imprisoned for not more than 20 years, or both, and if death results shall be sentenced to death or be imprisoned for any term of years or for life.

“(b) **DEFINITIONS.**—In this section:

“(1) **CONTROLLED SUBSTANCE.**—The term ‘controlled substance’ has the meaning given that term in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

“(2) **STATE.**—The term ‘State’ includes a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States.

“(3) **UNLAWFUL ACTIVITY.**—The term ‘unlawful activity’ means—

“(A) any business enterprise involving gambling, liquor on which the Federal excise tax has not been paid, narcotics or controlled substances, or prostitution offenses in violation of the laws of the State in which the offense is committed or of the United States;

“(B) extortion, bribery, arson, burglary if the offense involves property valued at not less than

\$10,000, assault with a deadly weapon, assault resulting in bodily injury, shooting at an occupied dwelling or motor vehicle, or retaliation against or intimidation of witnesses, victims, jurors, or informants, in violation of the laws of the State in which the offense is committed or of the United States;

“(C) the use of bribery, force, intimidation, or threat, directed against any person, to delay or influence the testimony of or prevent from testifying a witness in a State criminal proceeding or by any such means to cause any person to destroy, alter, or conceal a record, document, or other object, with intent to impair the object's integrity or availability for use in such a proceeding; or

“(D) any act that is indictable under section 1956 or 1957 of this title or under subchapter II of chapter 53 of title 31.”.

(b) AMENDMENT OF SENTENCING GUIDELINES.—(1) IN GENERAL.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend chapter 2 of the Federal Sentencing Guidelines to provide an appropriate increase in the offense levels for traveling in interstate or foreign commerce in aid of unlawful activity.

(2) UNLAWFUL ACTIVITY DEFINED.—In this subsection, the term “unlawful activity” has the meaning given that term in section 1952(b) of title 18, United States Code, as amended by this section.

(3) SENTENCING ENHANCEMENT FOR RECRUITMENT ACROSS STATE LINES.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall amend the Federal Sentencing Guidelines to provide an appropriate enhancement for a person who, in violating section 522 of title 18, United States Code (as added by section 201 of this Act), recruits, solicits, induces, commands, or causes another person residing in another State to be or to remain a member of a criminal street gang, or crosses a State line with the intent to recruit, solicit, induce, command, or cause another person to be or to remain a member of a criminal street gang.

#### SEC. 210. PROHIBITIONS RELATING TO FIREARMS.

(a) SERIOUS JUVENILE DRUG OFFENSES AS ARMED CAREER CRIMINAL PREDICATES.—Section 924(e)(2)(A) of title 18, United States Code, is amended—

(1) in clause (i), by striking “or” at the end;

(2) in clause (ii), by adding “or” at the end;

and

(3) by adding at the end the following:

“(iii) any act of juvenile delinquency that, if committed by an adult, would be an offense described in clause (i) or (ii);”.

(b) TRANSFER OF FIREARMS TO MINORS FOR USE IN CRIME.—Section 924(h) of title 18, United States Code, is amended by inserting “and if the transferee is a person who is under 18 years of age, imprisoned not less than 3 years,” after “10 years.”.

#### SEC. 211. CLONE PAGERS.

(a) IN GENERAL.—Section 2511(2)(h) of title 18, United States Code, is amended by striking clause (i) and inserting the following:

“(i) to use a pen register, trap and trace device, or clone pager, as those terms are defined in chapter 206 of this title (relating to pen registers, trap and trace devices, and clone pagers); or”;

(b) EXCEPTION.—Section 3121 of title 18, United States Code, is amended—

(1) by striking subsection (a) and inserting the following:

“(a) IN GENERAL.—Except as provided in this section, no person may install or use a pen register, trap and trace device, or clone pager without first obtaining a court order under section 3123 or 3129 of this title, or under the Foreign

Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.).”;

(2) in subsection (b), by striking “a pen register or a trap and trace device” and inserting “a pen register, trap and trace device, or clone pager”; and

(3) by striking the section heading and inserting the following:

#### “§3121. General prohibition on pen register, trap and trace device, and clone pager use; exception”.

(c) ASSISTANCE.—Section 3124 of title 18, United States Code, is amended—

(1) by redesignating subsections (c) through (f) as subsections (d) through (g), respectively;

(2) by inserting after subsection (b) the following:

“(c) CLONE PAGER.—Upon the request of an attorney for the Government or an officer of a law enforcement agency authorized to use a clone pager under this chapter, a provider of electronic communication service shall furnish to such investigative or law enforcement officer all information, facilities, and technical assistance necessary to accomplish the use of the clone pager unobtrusively and with a minimum of interference with the services that the person so ordered by the court provides to the subscriber, if such assistance is directed by a court order, as provided in section 3129(b)(2) of this title.”; and

(3) by striking the section heading and inserting the following:

#### “§3124. Assistance in installation and use of a pen register, trap and trace device, or clone pager”.

(d) EMERGENCY INSTALLATIONS.—Section 3125 of title 18, United States Code, is amended—

(1) by striking “pen register or a trap and trace device” and “pen register or trap and trace device” each place they appear and inserting “pen register, trap and trace device, or clone pager”;

(2) in subsection (a), by striking “an order approving the installation or use is issued in accordance with section 3123 of this title” and inserting “an application is made for an order approving the installation or use in accordance with section 3122 or section 3128 of this title”;

(3) in subsection (b), by adding at the end the following: “If such application for the use of a clone pager is denied, or in any other case in which the use of the clone pager is terminated without an order having been issued, an inventory shall be served as provided for in section 3129(e) of this title.”; and

(4) by striking the section heading and inserting the following:

#### “§3125. Emergency installation and use of pen register, trap and trace device, and clone pager”.

(e) REPORTS.—Section 3126 of title 18, United States Code, is amended—

(1) by striking “pen register orders and orders for trap and trace devices” and inserting “orders for pen registers, trap and trace devices, and clone pagers”; and

(2) by striking the section heading and inserting the following:

#### “§3126. Reports concerning pen registers, trap and trace devices, and clone pagers”.

(f) DEFINITIONS.—Section 3127 of title 18, United States Code, is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking “or” at the end; and

(B) by striking subparagraph (B) and inserting the following:

“(B) with respect to an application for the use of a pen register or trap and trace device, a court of general criminal jurisdiction of a State authorized by the law of that State to enter or-

ders authorizing the use of a pen register or a trap and trace device; or

“(C) with respect to an application for the use of a clone pager, a court of general criminal jurisdiction of a State authorized by the law of that State to issue orders authorizing the use of a clone pager;”;

(2) in paragraph (5), by striking “and” at the end;

(3) in paragraph (6), by striking the period at the end and inserting “; and”; and

(4) by adding at the end the following:

“(7) the term ‘clone pager’ means a numeric display device that receives communications intended for another numeric display paging device.”.

(g) APPLICATIONS.—Chapter 206 of title 18, United States Code, is amended by adding at the end the following:

#### “§3128. Application for an order for use of a clone pager

“(a) APPLICATION.—

“(1) FEDERAL REPRESENTATIVES.—Any attorney for the Government may apply to a court of competent jurisdiction for an order or an extension of an order under section 3129 of this title authorizing the use of a clone pager.

“(2) STATE REPRESENTATIVES.—A State investigative or law enforcement officer may, if authorized by a State statute, apply to a court of competent jurisdiction of such State for an order or an extension of an order under section 3129 of this title authorizing the use of a clone pager.

“(b) CONTENTS OF APPLICATION.—An application under subsection (a) of this section shall include—

“(1) the identity of the attorney for the Government or the State law enforcement or investigative officer making the application and the identity of the law enforcement agency conducting the investigation;

“(2) the identity, if known, of the individual or individuals using the numeric display paging device to be cloned;

“(3) a description of the numeric display paging device to be cloned;

“(4) a description of the offense to which the information likely to be obtained by the clone pager relates;

“(5) the identity, if known, of the person who is subject of the criminal investigation; and

“(6) an affidavit or affidavits, sworn to before the court of competent jurisdiction, establishing probable cause to believe that information relevant to an ongoing criminal investigation being conducted by that agency will be obtained through use of the clone pager.

#### “§3129. Issuance of an order for use of a clone pager

“(a) IN GENERAL.—Upon an application made under section 3128 of this title, the court shall enter an ex parte order authorizing the use of a clone pager within the jurisdiction of the court if the court finds that the application has established probable cause to believe that information relevant to an ongoing criminal investigation being conducted by that agency will be obtained through use of the clone pager.

“(b) CONTENTS OF AN ORDER.—An order issued under this section—

“(1) shall specify—

“(A) the identity, if known, of the individual or individuals using the numeric display paging device to be cloned;

“(B) the numeric display paging device to be cloned;

“(C) the identity, if known, of the subscriber to the pager service; and

“(D) the offense to which the information likely to be obtained by the clone pager relates; and

“(2) shall direct, upon the request of the applicant, the furnishing of information, facilities,



and technical assistance necessary to use the clone pager under section 3124 of this title.

**“(C) TIME PERIOD AND EXTENSIONS.—**

**“(1) IN GENERAL.—**An order issued under this section shall authorize the use of a clone pager for a period not to exceed 30 days. Such 30-day period shall begin on the earlier of the day on which the investigative or law enforcement officer first begins use of the clone pager under the order or the tenth day after the order is entered.

**“(2) EXTENSIONS.—**Extensions of an order issued under this section may be granted, but only upon an application for an order under section 3128 of this title and upon the judicial finding required by subsection (a). An extension under this paragraph shall be for a period not to exceed 30 days.

**“(3) REPORT.—**Within a reasonable time after the termination of the period of a clone pager order or any extensions thereof under this subsection, the applicant shall report to the issuing court the number of numeric pager messages acquired through the use of the clone pager during such period.

**“(d) NONDISCLOSURE OF EXISTENCE OF CLONE PAGER.—**An order authorizing the use of a clone pager shall direct that—

**“(1) the order shall be sealed until otherwise ordered by the court; and**

**“(2) the person who has been ordered by the court to provide assistance to the applicant may not disclose the existence of the clone pager or the existence of the investigation to the listed subscriber, or to any other person, until otherwise ordered by the court.**

**“(e) NOTIFICATION.—**

**“(1) IN GENERAL.—**Within a reasonable time, not later than 90 days after the date of termination of the period of a clone pager order or any extensions thereof, the issuing judge shall cause to be served, on the individual or individuals using the numeric display paging device that was cloned, an inventory including notice of—

**“(A) the fact of the entry of the order or the application;**

**“(B) the date of the entry and the period of clone pager use authorized, or the denial of the application; and**

**“(C) whether or not information was obtained through the use of the clone pager.**

**“(2) POSTPONEMENT.—**Upon an ex-parte showing of good cause, a court of competent jurisdiction may in its discretion postpone the serving of the notice required by this subsection.”.

**(h) CLERICAL AMENDMENTS.—**The table of sections for chapter 206 of title 18, United States Code, is amended—

**(1) by striking the item relating to section 3121 and inserting the following:**

**“3121. General prohibition on pen register, trap and trace device, and clone pager use; exception.”;**

**(2) by striking the items relating to sections 3124, 3125, and 3126 and inserting the following:**

**“3124. Assistance in installation and use of a pen register, trap and trace device, or clone pager.**

**“3125. Emergency installation and use of pen register, trap and trace device, and clone pager.**

**“3126. Reports concerning pen registers, trap and trace devices, and clone pagers.”; and**

**(3) by adding at the end the following:**

**“3128. Application for an order for use of a clone pager.**

**“3129. Issuance of an order for use of a clone pager”.**

**(i) CONFORMING AMENDMENT.—**Section 704(a) of the Communications Act of 1934 (47 U.S.C. 605(a)) is amended by striking “chapter 119,” and inserting “chapters 119 and 206 of”.

**TITLE III—JUVENILE CRIME CONTROL, ACCOUNTABILITY, AND DELINQUENCY PREVENTION**

**Subtitle A—Reform of the Juvenile Justice and Delinquency Prevention Act of 1974**

**SEC. 301. FINDINGS; DECLARATION OF PURPOSE; DEFINITIONS.**

Title I of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 et seq.) is amended to read as follows:

**“TITLE I—FINDINGS AND DECLARATION OF PURPOSE**

**“SEC. 101. FINDINGS.**

“Congress makes the following findings:

“(1) During the past decade, the United States has experienced an alarming increase in arrests of adolescents for murder, assault, and weapons offenses.

“(2) In 1994, juveniles accounted for 1 in 5 arrests for violent crimes, including murder, robbery, aggravated assault, and rape, including 514 such arrests per 100,000 juveniles 10 through 17 years of age.

“(3) Understaffed and overcrowded juvenile courts, prosecutorial and public defender offices, probation services, and correctional facilities no longer adequately address the changing nature of juvenile crime, protect the public, or correct youth offenders.

“(4) The juvenile justice system has proven inadequate to meet the needs of society and the needs of children who may be at risk of becoming delinquents are not being met.

“(5) Existing programs and policies have not adequately responded to the particular threats that drugs, alcohol abuse, violence, and gangs pose to the youth of the Nation.

“(6) Projected demographic increases in the number of youth offenders require reexamination of current prosecution and incarceration policies for serious violent youth offenders and crime prevention policies.

“(7) State and local communities require assistance to deal comprehensively with the problems of juvenile delinquency.

“(8) Existing Federal programs have not provided the States with necessary flexibility, nor have these programs provided the coordination, resources, and leadership required to meet the crisis of youth violence.

“(9) Overlapping and uncoordinated Federal programs have created a multitude of Federal funding streams to States and units of local government, that have become a barrier to effective program coordination, responsive public safety initiatives, and the provision of comprehensive services for children and youth.

“(10) Violent crime by juveniles constitutes a growing threat to the national welfare that requires an immediate and comprehensive governmental response, combining flexibility and coordinated evaluation.

“(11) The role of the Federal Government should be to encourage and empower communities to develop and implement policies to protect adequately the public from serious juvenile crime as well as implement quality prevention programs that work with at-risk juveniles, their families, local public agencies, and community-based organizations.

“(12) A strong partnership among law enforcement, local government, juvenile and family courts, schools, public recreation agencies, businesses, philanthropic organizations, families, and the religious community, can create a community environment that supports the youth of the Nation in reaching their highest potential and reduces the destructive trend of juvenile crime.

**“SEC. 102. PURPOSE AND STATEMENT OF POLICY.**

**“(a) IN GENERAL.—**The purposes of this Act are to—

“(1) empower States and communities to develop and implement comprehensive programs

that support families, reduce risk factors, and prevent serious youth crime and juvenile delinquency;

“(2) protect the public and to hold juveniles accountable for their acts;

“(3) encourage and promote, consistent with the ideals of federalism, the adoption by the States of policies recognizing the rights of victims in the juvenile justice system, and ensuring that the victims of violent crimes committed by juveniles receive the same level of justice as do the victims of violent crimes committed by adults;

“(4) provide for the thorough and ongoing evaluation of all federally funded programs addressing juvenile crime and delinquency;

“(5) provide technical assistance to public and private nonprofit entities that protect public safety, administer justice and corrections to delinquent youth, or provide services to youth at risk of delinquency, and their families;

“(6) establish a centralized research effort on the problems of youth crime and juvenile delinquency, including the dissemination of the findings of such research and all related data;

“(7) establish a Federal assistance program to deal with the problems of runaway and homeless youth;

“(8) assist States and units of local government in improving the administration of justice for juveniles;

“(9) assist the States and units of local government in reducing the level of youth violence and juvenile delinquency;

“(10) assist States and units of local government in promoting public safety by supporting juvenile delinquency prevention and control activities;

“(11) encourage and promote programs designed to keep in school juvenile delinquents expelled or suspended for disciplinary reasons;

“(12) assist States and units of local government in promoting public safety by encouraging accountability for acts of juvenile delinquency;

“(13) assist States and units of local government in promoting public safety by improving the extent, accuracy, availability and usefulness of juvenile court and law enforcement records and the openness of the juvenile justice system;

“(14) assist States and units of local government in promoting public safety by encouraging the identification of violent and hardcore juveniles;

“(15) assist States and units of local government in promoting public safety by providing resources to States to build or expand juvenile detention facilities;

“(16) provide for the evaluation of federally assisted juvenile crime control programs, and the training necessary for the establishment and operation of such programs;

“(17) ensure the dissemination of information regarding juvenile crime control programs by providing a national clearinghouse; and

“(18) provide technical assistance to public and private nonprofit juvenile justice and delinquency prevention programs.

**“(b) STATEMENT OF POLICY.—**It is the policy of Congress to provide resources, leadership, and coordination to—

“(1) combat youth violence and to prosecute and punish effectively violent juvenile offenders;

“(2) enhance efforts to prevent juvenile crime and delinquency; and

“(3) improve the quality of juvenile justice in the United States.

**“SEC. 103. DEFINITIONS.**

**“In this Act:**

**“(1) ADMINISTRATOR.—**The term ‘Administrator’ means the Administrator of the Office of Juvenile Crime Control and Prevention, appointed in accordance with section 201.

**“(2) ADULT INMATE.—**The term ‘adult inmate’ means an individual who—

“(A) has reached the age of full criminal responsibility under applicable State law; and  
 “(B) has been arrested and is in custody for, awaiting trial on, or convicted of criminal charges.

“(3) **BOOT CAMP.**—The term ‘boot camp’ means a residential facility (excluding a private residence) at which there are provided—

“(A) a highly regimented schedule of discipline, physical training, work, drill, and ceremony characteristic of military basic training;

“(B) regular, remedial, special, and vocational education;

“(C) counseling and treatment for substance abuse and other health and mental health problems;

“(D) supervision by properly screened staff, who are trained and experienced in working with juveniles or young adults, in highly structured, disciplined surroundings, characteristic of a military environment; and

“(E) participation in community service programs, such as counseling sessions, mentoring, community service, or restitution projects, and a comprehensive aftercare plan developed through close coordination with Federal, State, and local agencies, and in cooperation with business and private organizations, as appropriate.

“(4) **BUREAU OF JUSTICE ASSISTANCE.**—The term ‘Bureau of Justice Assistance’ means the bureau established by section 401 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3741).

“(5) **BUREAU OF JUSTICE STATISTICS.**—The term ‘Bureau of Justice Statistics’ means the bureau established by section 302(a) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3732).

“(6) **COLLOCATED FACILITIES.**—The term ‘collocated facilities’ means facilities that are located in the same building, or are part of a related complex of buildings located on the same grounds.

“(7) **COMBINATION.**—The term ‘combination’ as applied to States or units of local government means any grouping or joining together of such States or units for the purpose of preparing, developing, or implementing a juvenile crime control and delinquency prevention plan.

“(8) **COMMUNITY-BASED.**—The term ‘community-based’ facility, program, or service means a small, open group home or other suitable place located near the juvenile’s home or family and programs of community supervision and service that maintain community and consumer participation in the planning operation, and evaluation of their programs which may include, medical, educational, vocational, social, and psychological guidance, training, special education, counseling, alcoholism treatment, drug treatment, and other rehabilitative services.

“(9) **COMPREHENSIVE AND COORDINATED SYSTEM OF SERVICES.**—The term ‘comprehensive and coordinated system of services’ means a system that—

“(A) ensures that services and funding for the prevention and treatment of juvenile delinquency are consistent with policy goals of preserving families and providing appropriate services in the least restrictive environment so as to simultaneously protect juveniles and maintain public safety;

“(B) identifies, and intervenes early for the benefit of, young children who are at risk of developing emotional or behavioral problems because of physical or mental stress or abuse, and for the benefit of their families;

“(C) increases interagency collaboration and family involvement in the prevention and treatment of juvenile delinquency; and

“(D) encourages private and public partnerships in the delivery of services for the prevention and treatment of juvenile delinquency.

“(10) **CONSTRUCTION.**—The term ‘construction’ means erection of new buildings or acquisition,

expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings, or any combination of such activities (including architects’ fees but not the cost of acquisition of land for buildings).

“(11) **FEDERAL JUVENILE CRIME CONTROL, PREVENTION, AND JUVENILE OFFENDER ACCOUNTABILITY PROGRAM.**—The term ‘Federal juvenile crime control, prevention, and juvenile offender accountability program’ means any Federal program a primary objective of which is the prevention of juvenile crime or reduction of the incidence of arrest, the commission of criminal acts or acts of delinquency, violence, the use of alcohol or illegal drugs, or the involvement in gangs among juveniles.

“(12) **GENDER-SPECIFIC SERVICES.**—The term ‘gender-specific services’ means services designed to address needs unique to the gender of the individual to whom such services are provided.

“(13) **GRADUATED SANCTIONS.**—The term ‘graduated sanctions’ means an accountability-based juvenile justice system that protects the public, and holds juvenile delinquents accountable for acts of delinquency by providing substantial and appropriate sanctions that are graduated in such a manner as to reflect (for each act of delinquency or offense) the severity or repeated nature of that act or offense, and in which there is sufficient flexibility to allow for individualized sanctions and services suited to the individual juvenile offender.

“(14) **HOME-BASED ALTERNATIVE SERVICES.**—The term ‘home-based alternative services’ means services provided to a juvenile in the home of the juvenile as an alternative to incarcerating the juvenile, and includes home detention.

“(15) **INDIAN TRIBE.**—The term ‘Indian tribe’ means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

“(16) **JUVENILE.**—The term ‘juvenile’ means a person who has not attained the age of 18 years who is subject to delinquency proceedings under applicable State law.

“(17) **JUVENILE POPULATION.**—The term ‘juvenile population’ means the population of a State under 18 years of age.

“(18) **JAIL OR LOCKUP FOR ADULTS.**—The term ‘jail or lockup for adults’ means a locked facility that is used by a State, unit of local government, or any law enforcement authority to detain or confine adults—

“(A) pending the filing of a charge of violating a criminal law;

“(B) awaiting trial on a criminal charge; or

“(C) convicted of violating a criminal law.

“(19) **JUVENILE DELINQUENCY PROGRAM.**—The term ‘juvenile delinquency program’ means any program or activity related to juvenile delinquency prevention, control, diversion, treatment, rehabilitation, planning, education, training, and research, including—

“(A) drug and alcohol abuse programs;

“(B) the improvement of the juvenile justice system; and

“(C) any program or activity that is designed to reduce known risk factors for juvenile delinquent behavior, by providing activities that build on protective factors for, and develop competencies in, juveniles to prevent and reduce the rate of delinquent juvenile behavior.

“(20) **LAW ENFORCEMENT AND CRIMINAL JUSTICE.**—The term ‘law enforcement and criminal justice’ means any activity pertaining to crime prevention, control, or reduction or the enforce-

ment of the criminal law, including, but not limited to police efforts to prevent, control, or reduce crime or to apprehend criminals, activities of courts having criminal jurisdiction and related agencies (including prosecutorial and defender services), activities of corrections, probation, or parole authorities, and programs relating to the prevention, control, or reduction of juvenile delinquency or narcotic addiction.

“(21) **NATIONAL INSTITUTE OF JUSTICE.**—The term ‘National Institute of Justice’ means the institute established by section 202(a) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3721).

“(22) **NONPROFIT ORGANIZATION.**—The term ‘nonprofit organization’ means an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of the Internal Revenue Code of 1986.

“(23) **OFFICE.**—The term ‘Office’ means the Office of Juvenile Crime Control and Prevention established under section 201.

“(24) **OFFICE OF JUSTICE PROGRAMS.**—The term ‘Office of Justice Programs’ means the office established by section 101 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711).

“(25) **OUTCOME OBJECTIVE.**—The term ‘outcome objective’ means an objective that relates to the impact of a program or initiative, that measures the reduction of high risk behaviors, such as incidence of arrest, the commission of criminal acts or acts of delinquency, failure in school, violence, the use of alcohol or illegal drugs, involvement of youth gangs, violent and unlawful acts of animal cruelty, and teenage pregnancy, among youth in the community.

“(26) **PROCESS OBJECTIVE.**—The term ‘process objective’ means an objective that relates to the manner in which a program or initiative is carried out, including—

“(A) an objective relating to the degree to which the program or initiative is reaching the target population; and

“(B) an objective relating to the degree to which the program or initiative addresses known risk factors for youth problem behaviors and incorporates activities that inhibit the behaviors and that build on protective factors for youth.

“(27) **PROHIBITED PHYSICAL CONTACT.**—

“(A) **IN GENERAL.**—The term ‘prohibited physical contact’ means—

“(i) any physical contact between a juvenile and an adult inmate; and

“(ii) proximity that provides an opportunity for physical contact between a juvenile and an adult inmate.

“(B) **EXCLUSION.**—The term does not include supervised proximity between a juvenile and an adult inmate that is brief and inadvertent, or accidental, in secure areas of a facility that are not dedicated to use by juvenile offenders and that are nonresidential, which may include dining, recreational, educational, vocational, health care, entry areas, and passageways.

“(28) **RELATED COMPLEX OF BUILDINGS.**—The term ‘related complex of buildings’ means 2 or more buildings that share—

“(A) physical features, such as walls and fences, or services beyond mechanical services (heating, air conditioning, water and sewer); or

“(B) the specialized services that are allowable under section 31.303(e)(3)(i)(C)(3) of title 28, Code of Federal Regulations, as in effect on December 10, 1996.

“(29) **SECURE CORRECTIONAL FACILITY.**—The term ‘secure correctional facility’ means any public or private residential facility that—

“(A) includes construction fixtures designed to physically restrict the movements and activities of juveniles or other individuals held in lawful custody in such facility; and

“(B) is used for the placement, after adjudication and disposition, of any juvenile who has been adjudicated as having committed an offense or any other individual convicted of a criminal offense.

“(30) **SECURE DETENTION FACILITY.**—The term ‘secure detention facility’ means any public or private residential facility that—

“(A) includes construction fixtures designed to physically restrict the movements and activities of juveniles or other individuals held in lawful custody in such facility; and

“(B) is used for the temporary placement of any juvenile who is accused of having committed an offense or of any other individual accused of having committed a criminal offense.

“(31) **SERIOUS CRIME.**—The term ‘serious crime’ means criminal homicide, rape or other sex offenses punishable as a felony, mayhem, kidnapping, aggravated assault, drug trafficking, robbery, larceny or theft punishable as a felony, motor vehicle theft, burglary or breaking and entering, extortion accompanied by threats of violence, and arson punishable as a felony.

“(32) **STATE.**—The term ‘State’ means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

“(33) **STATE OFFICE.**—The term ‘State office’ means an office designated by the chief executive officer of a State to carry out this title, as provided in section 507 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3757).

“(34) **SUSTAINED ORAL COMMUNICATION.**—

“(A) **IN GENERAL.**—The term ‘sustained oral communication’ means the imparting or interchange of speech by or between an adult inmate and a juvenile.

“(B) **EXCEPTION.**—The term does not include—

“(i) communication that is accidental or incidental; or

“(ii) sounds or noises that cannot reasonably be considered to be speech.

“(35) **TREATMENT.**—The term ‘treatment’ includes medical and other rehabilitative services designed to protect the public, including any services designed to benefit addicts and other users by—

“(A) eliminating their dependence on alcohol or other addictive or nonaddictive drugs; or

“(B) controlling or reducing their dependence and susceptibility to addiction or use.

“(36) **UNIT OF LOCAL GOVERNMENT.**—The term ‘unit of local government’ means—

“(A) any city, county, township, town, borough, parish, village, or other general purpose political subdivision of a State;

“(B) any law enforcement district or judicial enforcement district that—

“(i) is established under applicable State law; and

“(ii) has the authority to, in a manner independent of other State entities, establish a budget and raise revenues;

“(C) an Indian tribe that performs law enforcement functions, as determined by the Secretary of the Interior; or

“(D) for the purposes of assistance eligibility, any agency of the government of the District of Columbia or the Federal Government that performs law enforcement functions in and for—

“(i) the District of Columbia; or

“(ii) any Trust Territory of the United States.

“(37) **VALID COURT ORDER.**—The term ‘valid court order’ means a court order given by a juvenile court judge to a juvenile—

“(A) who was brought before the court and made subject to such order; and

“(B) who received, before the issuance of such order, the full due process rights guaranteed to

such juvenile by the Constitution of the United States.

“(38) **VIOLENT CRIME.**—The term ‘violent crime’ means—

“(A) murder or nonnegligent manslaughter, forcible rape, or robbery; or

“(B) aggravated assault committed with the use of a firearm.

“(39) **YOUTH.**—The term ‘youth’ means an individual who is not less than 6 years of age and not more than 17 years of age.”.

## **SEC. 302. JUVENILE CRIME CONTROL AND PREVENTION.**

(a) **IN GENERAL.**—Title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5611 et seq.) is amended to read as follows:

### **“TITLE II—JUVENILE CRIME CONTROL AND PREVENTION**

#### **“PART A—OFFICE OF JUVENILE CRIME CONTROL AND PREVENTION**

##### **“SEC. 201. ESTABLISHMENT OF OFFICE.**

“(a) **IN GENERAL.**—There is established in the Department of Justice, under the general authority of the Attorney General, an Office of Juvenile Crime Control and Prevention.

“(b) **ADMINISTRATOR.**—

“(1) **IN GENERAL.**—The Office shall be headed by an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who have had experience in juvenile delinquency prevention and crime control programs.

“(2) **REGULATIONS.**—The Administrator may prescribe regulations consistent with this Act to award, administer, modify, extend, terminate, monitor, evaluate, reject, or deny all grants and contracts from, and applications for, amounts made available under this title.

“(3) **RELATIONSHIP TO ATTORNEY GENERAL.**—The Administrator shall have the same reporting relationship with the Attorney General as the directors of other offices and bureaus within the Office of Justice Programs have with the Attorney General.

“(c) **DEPUTY ADMINISTRATOR.**—There shall be in the Office a Deputy Administrator, who shall be appointed by the Attorney General. The Deputy Administrator shall perform such functions as the Administrator may assign or delegate and shall act as the Administrator during the absence or disability of the Administrator.

“(d) **ASSOCIATE ADMINISTRATOR.**—

“(1) **IN GENERAL.**—There shall be in the Office an Associate Administrator, who shall be appointed by the Administrator, and who shall be treated as a career reserved position within the meaning of section 3132 of title 5, United States Code.

“(2) **DUTIES.**—The duties of the Associate Administrator shall include keeping Congress, other Federal agencies, outside organizations, and State and local government officials informed about activities carried out by the Office.

“(e) **DELEGATION AND ASSIGNMENT.**—

“(1) **IN GENERAL.**—Except as otherwise expressly prohibited by law or otherwise provided by this title, the Administrator may—

“(A) delegate any of the functions of the Administrator, and any function transferred or granted to the Administrator after the date of enactment of the Violent and Repeat Juvenile Offender Accountability and Rehabilitation Act of 1999, to such officers and employees of the Office as the Administrator may designate; and

“(B) authorize successive redelegations of such functions as may be necessary or appropriate.

“(2) **RESPONSIBILITY.**—No delegation of functions by the Administrator under this subsection or under any other provision of this title shall relieve the Administrator of responsibility for the administration of such functions.

“(f) **REORGANIZATION.**—The Administrator may allocate or reallocate any function transferred among the officers of the Office, and establish, consolidate, alter, or discontinue such organizational entities in that Office as may be necessary or appropriate.

## **“SEC. 202. PERSONNEL, SPECIAL PERSONNEL, EXPERTS, AND CONSULTANTS.**

“(a) **IN GENERAL.**—The Administrator may select, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions vested in the Administrator and to prescribe their functions.

“(b) **OFFICERS.**—The Administrator may select, appoint, and employ not to exceed 4 officers and to fix their compensation at rates not to exceed the maximum rate payable under section 5376 of title 5, United States Code.

“(c) **DETAIL OF FEDERAL PERSONNEL.**—Upon the request of the Administrator, the head of any Federal agency may detail, on a reimbursable basis, any of its personnel to the Administrator to assist the Administrator in carrying out the functions of the Administrator under this title.

“(d) **SERVICES.**—The Administrator may obtain services as authorized by section 3109 of title 5, United States Code, at rates not to exceed the rate now or hereafter payable under section 5376 of title 5, United States Code.

## **“SEC. 203. VOLUNTARY SERVICE.**

“The Administrator may accept and employ, in carrying out the provisions of this Act, voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

## **“SEC. 204. NATIONAL PROGRAM.**

“(a) **NATIONAL JUVENILE CRIME CONTROL, PREVENTION, AND JUVENILE OFFENDER ACCOUNTABILITY PLAN.**—

“(1) **IN GENERAL.**—Subject to the general authority of the Attorney General, the Administrator shall develop objectives, priorities, and short- and long-term plans, and shall implement overall policy and a strategy to carry out such plan, for all Federal juvenile crime control, prevention, and juvenile offender accountability programs and activities relating to improving juvenile crime control, the rehabilitation of juvenile offenders, the prevention of juvenile crime, and the enhancement of accountability by offenders within the juvenile justice system in the United States.

“(2) **CONTENTS OF PLANS.**—

“(A) **IN GENERAL.**—Each plan described in paragraph (1) shall—

“(i) contain specific, measurable goals and criteria for reducing the incidence of crime and delinquency among juveniles, improving juvenile crime control, and ensuring accountability by offenders within the juvenile justice system in the United States, and shall include criteria for any discretionary grants and contracts, for conducting research, and for carrying out other activities under this title;

“(ii) provide for coordinating the administration of programs and activities under this title with the administration of all other Federal juvenile crime control, prevention, and juvenile offender accountability programs and activities, including proposals for joint funding to be coordinated by the Administrator;

“(iii) provide a detailed summary and analysis of the most recent data available regarding the number of juveniles taken into custody, the rate at which juveniles are taken into custody, the time served by juveniles in custody, and the trends demonstrated by such data;

“(iv) provide a description of the activities for which amounts are expended under this title;

“(v) provide specific information relating to the attainment of goals set forth in the plan, including specific, measurable standards for assessing progress toward national juvenile crime

reduction and juvenile offender accountability goals; and

“(vi) provide for the coordination of Federal, State, and local initiatives for the reduction of youth crime, preventing delinquency, and ensuring accountability for juvenile offenders.

“(B) SUMMARY AND ANALYSIS.—Each summary and analysis under subparagraph (A)(iii) shall set out the information required by clauses (i), (ii), and (iii) of this subparagraph separately for juvenile nonoffenders, juvenile status offenders, and other juvenile offenders. Such summary and analysis shall separately address with respect to each category of juveniles specified in the preceding sentence—

“(i) the types of offenses with which the juveniles are charged;

“(ii) the ages of the juveniles;

“(iii) the types of facilities used to hold the juveniles (including juveniles treated as adults for purposes of prosecution) in custody, including secure detention facilities, secure correctional facilities, jails, and lockups;

“(iv) the length of time served by juveniles in custody; and

“(v) the number of juveniles who died or who suffered serious bodily injury while in custody and the circumstances under which each juvenile died or suffered such injury.

“(C) DEFINITION OF SERIOUS BODILY INJURY.—In this paragraph, the term ‘serious bodily injury’ means bodily injury involving extreme physical pain or the impairment of a function of a bodily member, organ, or mental faculty that requires medical intervention such as surgery, hospitalization, or physical rehabilitation.

“(3) ANNUAL REVIEW.—The Administrator shall annually—

“(A) review each plan submitted under this subsection;

“(B) revise the plans, as the Administrator considers appropriate; and

“(C) not later than March 1 of each year, present the plans to the Committee on the Judiciary of the Senate and the Committee on Education and the Workforce of the House of Representatives.

“(b) DUTIES OF ADMINISTRATOR.—In carrying out this title, the Administrator shall—

“(1) advise the President through the Attorney General as to all matters relating to federally assisted juvenile crime control, prevention, and juvenile offender accountability programs, and Federal policies regarding juvenile crime and justice, including policies relating to juveniles prosecuted or adjudicated in the Federal courts;

“(2) implement and coordinate Federal juvenile crime control, prevention, and juvenile offender accountability programs and activities among Federal departments and agencies and between such programs and activities and other Federal programs and activities that the Administrator determines may have an important bearing on the success of the entire national juvenile crime control, prevention, and juvenile offender accountability effort including, in consultation with the Director of the Office of Management and Budget listing annually those programs to be considered Federal juvenile crime control, prevention, and juvenile accountability programs for the following fiscal year;

“(3) serve as a single point of contact for States, units of local government, and private entities to apply for and coordinate the use of and access to all Federal juvenile crime control, prevention, and juvenile offender accountability programs;

“(4) provide for the auditing of grants provided pursuant to this title;

“(5) collect, prepare, and disseminate useful data regarding the prevention, correction, and control of juvenile crime and delinquency, and issue, not less frequently than

once each calendar year, a report on successful programs and juvenile crime reduction methods utilized by States, localities, and private entities;

“(6) ensure the performance of comprehensive rigorous independent scientific evaluations, each of which shall—

“(A) be independent in nature, and shall employ rigorous and scientifically valid standards and methodologies; and

“(B) include measures of outcome and process objectives, such as reductions in juvenile crime, youth gang activity, youth substance abuse, and other high risk factors, as well as increases in protective factors that reduce the likelihood of delinquency and criminal behavior;

“(7) involve consultation with appropriate authorities in the States and with appropriate private entities in the development, review, and revision of the plans required by subsection (a) and in the development of policies relating to juveniles prosecuted or adjudicated in the Federal courts;

“(8) provide technical assistance to the States, units of local government, and private entities in implementing programs funded by grants under this title;

“(9) provide technical and financial assistance to an organization composed of member representatives of the State advisory groups appointed under section 222(b)(2) to carry out activities under this paragraph, if such an organization agrees to carry out activities that include—

“(A) conducting an annual conference of such member representatives for purposes relating to the activities of such State advisory groups;

“(B) disseminating information, data, standards, advanced techniques, and programs models developed through the Institute and through programs funded under section 261; and

“(C) advising the Administrator with respect to particular functions or aspects of the work of the Office; and

“(10) provide technical and financial assistance to an eligible organization composed of member representatives of the State advisory groups appointed under section 222(b)(2) to assist such organization to carry out the functions specified under subparagraph (A).

“(A) To be eligible to receive such assistance such organization shall agree to carry out activities that include—

“(i) conducting an annual conference of such member representatives for purposes relating to the activities of such State advisory groups; and

“(ii) disseminating information, data, standards, advanced techniques, and program models developed through the Institute and through programs funded under section 261.

“(c) INFORMATION, REPORTS, STUDIES, AND SURVEYS FROM OTHER AGENCIES.—The Administrator through the general authority of the Attorney General, may require, through appropriate authority, Federal departments and agencies engaged in any activity involving any Federal juvenile crime control, prevention, and juvenile offender accountability program to provide the Administrator with such information and reports, and to conduct such studies and surveys, as the Administrator determines to be necessary to carry out the purposes of this title.

“(d) UTILIZATION OF SERVICES AND FACILITIES OF OTHER AGENCIES; REIMBURSEMENT.—The Administrator, through the general authority of the Attorney General, may utilize the services and facilities of any agency of the Federal Government and of any other

public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

“(e) COORDINATION OF FUNCTIONS OF ADMINISTRATOR AND SECRETARY OF HEALTH AND HUMAN SERVICES.—All functions of the Administrator shall be coordinated as appropriate with the functions of the Secretary of Health and Human Services under title III.

“(f) ANNUAL JUVENILE DELINQUENCY DEVELOPMENT STATEMENTS.—

“(1) IN GENERAL.—Each Federal agency that administers a Federal juvenile crime control, prevention, and juvenile offender accountability program shall annually submit to the Administrator a juvenile crime control, prevention, and juvenile offender accountability development statement.

“(2) CONTENTS.—Each development statement submitted under paragraph (1) shall contain such information, data, and analyses as the Administrator may require. Such analyses shall include an analysis of the extent to which the program of the Federal agency submitting such development statement conforms with and furthers Federal juvenile crime control, prevention, and juvenile offender accountability, prevention, and treatment goals and policies.

“(3) REVIEW AND COMMENT.—

“(A) IN GENERAL.—The Administrator shall review and comment upon each juvenile crime control, prevention, and juvenile offender accountability development statement transmitted to the Administrator under paragraph (1).

“(B) INCLUSION IN OTHER DOCUMENTATION.—The development statement transmitted under paragraph (1), together with the comments of the Administrator under subparagraph (A), shall be—

“(i) included by the Federal agency involved in every recommendation or request made by such agency for Federal legislation that significantly affects juvenile crime control, prevention, and juvenile offender accountability; and

“(ii) made available for promulgation to and use by State and local government officials, and by nonprofit organizations involved in delinquency prevention programs.

“(g) JOINT FUNDING.—Notwithstanding any other provision of law, if funds are made available by more than 1 Federal agency to be used by any agency, organization, institution, or individual to carry out a Federal juvenile crime control, prevention, or juvenile offender accountability program or activity—

“(1) any 1 of the Federal agencies providing funds may be requested by the Administrator to act for all in administering the funds advanced; and

“(2) in such a case, a single non-Federal share requirement may be established according to the proportion of funds advanced by each Federal agency, and the Administrator may order any such agency to waive any technical grant or contract requirement (as defined in those regulations) that is inconsistent with the similar requirement of the administering agency or which the administering agency does not impose.

#### “SEC. 205. JUVENILE DELINQUENCY PREVENTION CHALLENGE GRANT PROGRAM.

“(a) AUTHORITY TO MAKE GRANTS.—The Administrator may make grants to eligible States in accordance with this part for the purpose of providing financial assistance to eligible entities to carry out projects designed to prevent juvenile delinquency, including—

“(1) educational projects or supportive services for delinquent or other juveniles—

“(A) to encourage juveniles to remain in elementary and secondary schools or in alternative learning situations in educational settings;

“(B) to provide services to assist juveniles in making the transition to the world of work and self-sufficiency;

“(C) to assist in identifying learning difficulties (including learning disabilities);

“(D) to prevent unwarranted and arbitrary suspensions and expulsions;

“(E) to encourage new approaches and techniques with respect to the prevention of school violence and vandalism;

“(F) that assist law enforcement personnel and juvenile justice personnel to more effectively recognize and provide for learning-disabled and other disabled juveniles;

“(G) that develop locally coordinated policies and programs among education, juvenile justice, public recreation, and social service agencies; or

“(H) to provide services to juveniles with serious mental and emotional disturbances (SED) who are in need of mental health services;

“(2) projects that provide support and treatment to—

“(A) juveniles who are at risk of delinquency because they are the victims of child abuse or neglect; and

“(B) juvenile offenders who are victims of child abuse or neglect and to their families, in order to reduce the likelihood that such juvenile offenders will commit subsequent violations of law;

“(3) to develop, implement or operate projects for the prevention or reduction of truancy through partnerships between local education agencies, local law enforcement, and, as appropriate, other community groups;

“(4) projects that support State and local programs to prevent juvenile delinquency by providing for—

“(A) assessments by qualified mental health professionals of incarcerated juveniles who are suspected of being in need of mental health services;

“(B) the development of individualized treatment plans for juveniles determined to be in need of mental health services pursuant to assessments under subparagraph (A);

“(C) the inclusion of discharge plans for incarcerated juveniles determined to be in need of mental health services; and

“(D) requirements that all juveniles receiving psychotropic medication be under the care of a licensed mental health professional;

“(5) one-on-one mentoring projects that are designed to link at-risk juveniles and juvenile offenders who did not commit serious crime, particularly juveniles residing in high-crime areas and juveniles experiencing educational failure, with responsible adults (such as law enforcement officers, adults working with local businesses, public recreation staff, and adults working for community-based organizations and agencies) who are properly screened and trained and that—

“(A) the State establish criteria to assess the quality of those one-on-one mentoring projects;

“(B) the Administrator develop an annual report on the best mentoring practices in those projects; and

“(C) the State choose exemplary projects, designated Gold Star Mentoring Projects, to receive preferential access to funding;

“(6) community-based projects and services (including literacy and social service programs) that work with juvenile offenders, including those from families with limited

English-speaking proficiency, their parents, their siblings, and other family members during and after incarceration of the juvenile offenders, in order to strengthen families, to allow juvenile offenders to remain in their homes, and to prevent the involvement of other juvenile family members in delinquent activities;

“(7) projects designed to provide for the treatment of juveniles for dependence on or abuse of alcohol, drugs, or other harmful substances, giving priority to juveniles who have been arrested for an alleged act of juvenile delinquency or adjudicated delinquent;

“(8) projects that leverage funds to provide scholarships for postsecondary education and training for low-income juveniles who reside in neighborhoods with high rates of poverty, violence, and drug-related crimes;

“(9) projects (including school- or community-based projects) that are designed to prevent, and reduce the rate of, the participation of juveniles in gangs that commit crimes (particularly violent crimes), that unlawfully use firearms and other weapons, or that unlawfully traffic in drugs and that involve, to the extent practicable, families and other community members (including law enforcement personnel and members of the business community) in the activities conducted under such projects, including youth violence courts targeted to juveniles aged 14 and younger;

“(10) comprehensive juvenile justice and delinquency prevention projects that meet the needs of juveniles through the collaboration of the many local service systems juveniles encounter, including schools, child abuse and neglect courts, courts, law enforcement agencies, child protection agencies, mental health agencies, welfare services, health care agencies, public recreation agencies, and private nonprofit agencies offering services to juveniles;

“(11) to develop, implement, and support, in conjunction with public and private agencies, organizations, and businesses, projects for the employment of juveniles and referral to job training programs (including referral to Federal job training programs);

“(12) delinquency prevention activities that involve youth clubs, sports, recreation and parks, peer counseling and teaching, the arts, leadership development, community service, volunteer service, before- and after-school programs, violence prevention activities, mediation skills training, camping, environmental education, ethnic or cultural enrichment, tutoring, and academic enrichment;

“(13) to establish policies and systems to incorporate relevant child protective services records into juvenile justice records for purposes of establishing treatment plans for juvenile offenders;

“(14) family strengthening activities, such as mutual support groups for parents and their children and postadoption services for families who adopt children with special needs;

“(15) adoptive parent recruitment activities targeted at recruiting permanent adoptive families for older children and children with special needs in the foster care system who are at risk of entering the juvenile justice system;

“(16) projects to coordinate the delivery of adolescent mental health and substance abuse services to children at risk by coordinating councils composed of public and private service providers;

“(17) partnerships between State educational agencies and local educational agencies for the design and implementation of character education and training programs that incorporate the following elements of character: Caring, citizenship, fairness, respect, responsibility and trustworthiness;

“(18) programs for positive youth development that provide youth at risk of delinquency with—

“(A) an ongoing relationship with a caring adult (for example, mentor, tutor, coach, or shelter youth worker);

“(B) safe places and structured activities during nonschool hours;

“(C) a healthy start;

“(D) a marketable skill through effective education; and

“(E) an opportunity to give back through community service;

“(19) projects that use neighborhood courts or panels that increase victim satisfaction and require juveniles to make restitution, or perform community service, for the damage caused by their delinquent acts;

“(20) programs designed and operated to provide eligible offenders with an alternative to adjudication that emphasizes restorative justice;

“(21) projects that expand the use of probation officers—

“(A) particularly for the purpose of permitting nonviolent juvenile offenders, including status offenders, to remain at home with their families as an alternative to detention; and

“(B) to ensure that juveniles follow the terms of their probation; and

“(22) projects that provide for initial intake screening, which may include drug testing, of each juvenile taken into custody—

“(A) to determine the likelihood that such juvenile will commit a subsequent offense; and

“(B) to provide appropriate interventions to prevent such juvenile from committing subsequent offenses.

“(b) ELIGIBILITY OF STATES.—

“(1) APPLICATION.—To be eligible to receive a grant under subsection (a), a State shall submit to the Administrator an application that contains the following:

“(A) An assurance that the State will use—

“(i) not more than 5 percent of such grant, in the aggregate, for—

“(I) the costs incurred by the State to carry out this part; and

“(II) to evaluate, and provide technical assistance relating to, projects and activities carried out with funds provided under this part; and

“(ii) the remainder of such grant to make grants under subsection (c).

“(B) An assurance that, and a detailed description of how, such grant will support, and not supplant State and local efforts to prevent juvenile delinquency.

“(C) An assurance that such application was prepared after consultation with and participation by—

“(i) community-based organizations that carry out programs, projects, or activities to prevent juvenile delinquency; and

“(ii) police, sheriff, prosecutors, State or local probation services, juvenile courts, schools, public recreation agencies, businesses, and religious affiliated fraternal, nonprofit, and social service organizations involved in crime prevention.

“(D) An assurance that each eligible entity described in subsection (c)(1) that receives an initial grant under subsection (c) to carry out a project or activity shall also receive an assurance from the State that such entity will receive from the State, for the subsequent fiscal year to carry out such project or activity, a grant under such section in an amount that is proportional, based on such initial grant and on the amount of the grant received under subsection (a) by the State for such subsequent fiscal year, but that does not exceed the amount specified for such subsequent fiscal year in such application as approved by the State.

“(E) An assurance that each eligible entity described in subsection (c)(1) that receives a grant to carry out a project or activity under subsection (c) has agreed to provide a 50 percent

match of the amount of the grant, including the value of in-kind contributions to fund the project or activity, except that the Administrator may for good cause reduce the matching requirement to 33 1/3 percent for economically disadvantaged communities.

“(F) An assurance that projects or activities funded by a grant under subsection (a) shall be carried out through or in coordination with a court with a juvenile crime or delinquency docket.

“(G) An assurance that of the grant funds remaining after administrative costs are deducted consistent with subparagraph (A)—

“(i) not less than 80 percent shall be used for the purposes designated in paragraphs (1) through (18) of subsection (a); and

“(ii) not less than 20 percent shall be used for the purposes in paragraphs (19) through (22) of subsection (a).

“(H) Such other information as the Administrator may reasonably require by rule.

“(2) APPROVAL OF APPLICATIONS.—

“(A) APPROVAL REQUIRED.—Subject to subparagraph (A), the Administrator shall approve an application, and amendments to such application submitted in subsequent fiscal years, that satisfy the requirements of paragraph (1).

“(B) LIMITATION.—The Administrator may not approve such application (including amendments to such application) for a fiscal year unless—

“(i)(I) the State submitted a plan under section 222 for such fiscal year; and

“(II) such plan is approved by the Administrator for such fiscal year; or

“(ii) the Administrator waives the application of clause (i) to such State for such fiscal year, after finding good cause for such a waiver.

“(c) GRANTS FOR LOCAL PROJECTS.—

“(1) SELECTION FROM AMONG APPLICATIONS.—

“(A) IN GENERAL.—Using a grant received under subsection (a), a State may make grants to eligible entities whose applications are received by the State in accordance with paragraph (2) to carry out projects and activities described in subsection (a).

“(B) SPECIAL CONSIDERATION.—For purposes of making such grants, the State shall give special consideration to eligible entities that—

“(i) propose to carry out such projects in geographical areas in which there is—

“(I) a disproportionately high level of serious crime committed by juveniles; or

“(II) a recent rapid increase in the number of nonstatus offenses committed by juveniles;

“(ii)(I) agree to carry out such projects or activities that are multidisciplinary and involve 2 or more eligible entities; or

“(II) represent communities that have a comprehensive plan designed to identify at-risk juveniles and to prevent or reduce the rate of juvenile delinquency, and that involve other entities operated by individuals who have a demonstrated history of involvement in activities designed to prevent juvenile delinquency; and

“(iii) state the amount of resources (in cash or in kind) such entities will provide to carry out such projects and activities.

“(2) RECEIPT OF APPLICATIONS.—

“(A) IN GENERAL.—Subject to subparagraph (B), a unit of local government shall submit to the State simultaneously all applications that are—

“(i) timely received by such unit from eligible entities; and

“(ii) determined by such unit to be consistent with a current plan formulated by such unit for the purpose of preventing, and reducing the rate of, juvenile delinquency in the geographical area under the jurisdiction of such unit.

“(B) DIRECT SUBMISSION.—If an application submitted to such unit by an eligible entity satisfies the requirements specified in clauses (i)

and (ii) of subparagraph (A), such entity may submit such application directly to the State.

“(d) ELIGIBILITY OF ENTITIES.—

“(1) ELIGIBILITY.—Subject to paragraph (2) and except as provided in paragraph (3), to be eligible to receive a grant under subsection (c), a community-based organization, local juvenile justice system officials (including prosecutors, police officers, judges, probation officers, parole officers, and public defenders), local education authority (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 and including a school within such authority), local recreation agency, nonprofit private organization (including a faith-based organization), unit of local government, or social service provider, and/or other entity with a demonstrated history of involvement in the prevention of juvenile delinquency, shall submit to a unit of local government an application that contains the following:

“(A) An assurance that such applicant will use such grant, and each such grant received for the subsequent fiscal year, to carry out throughout a 2-year period a project or activity described in reasonable detail, and of a kind described in 1 or more of paragraphs (1) through (22) of subsection (a) as specified in, such application.

“(B) A statement of the particular goals such project or activity is designed to achieve, and the methods such entity will use to achieve, and assess the achievement of, each of such goals.

“(C) A statement identifying the research (if any) such entity relied on in preparing such application.

“(2) REVIEW AND SUBMISSION OF APPLICATIONS.—Except as provided in paragraph (3), an entity shall not be eligible to receive a grant under subsection (c) unless—

“(A) such entity submits to a unit of local government an application that—

“(i) satisfies the requirements specified in subsection (a); and

“(ii) describes a project or activity to be carried out in the geographical area under the jurisdiction of such unit; and

“(B) such unit determines that such project or activity is consistent with a current plan formulated by such unit for the purpose of preventing, and reducing the rate of, juvenile delinquency in the geographical area under the jurisdiction of such unit.

“(3) LIMITATION.—If an entity that receives a grant under subsection (c) to carry out a project or activity for a 2-year period, and receives technical assistance from the State or the Administrator after requesting such technical assistance (if any), fails to demonstrate, before the expiration of such 2-year period, that such project or such activity has achieved substantial success in achieving the goals specified in the application submitted by such entity to receive such grants, then such entity shall not be eligible to receive any subsequent grant under such section to continue to carry out such project or activity.

“(e) REPORTING REQUIREMENT.—Not later than 180 days after the last day of each fiscal year, the Administrator shall submit to the Chairman of the Committee on Education and the Workforce of the House of Representatives and the Chairman of the Committee on the Judiciary of the Senate a report, which shall—

“(1) describe activities and accomplishments of grant activities funded under this section;

“(2) describe procedures followed to disseminate grant activity products and research findings;

“(3) describe activities conducted to develop policy and to coordinate Federal agency and interagency efforts related to delinquency prevention;

“(4) identify successful approaches and making the recommendations for future activities to be conducted under this section; and

“(5) describe, on a State-by-State basis, the total amount of matching contributions made by States and eligible entities for activities funded under this section.

“(f) RESEARCH AND EVALUATION.—

“(1) IN GENERAL.—Except as provided in paragraph (2), of the amount made available to carry out this section in each fiscal year, the Administrator shall use the lesser of 5 percent or \$5,000,000 for research, statistics, and evaluation activities carried out in conjunction with the grant programs under this section.

“(2) EXCEPTION.—No amount shall be available as provided in paragraph (1) for a fiscal year, if amounts are made available for that fiscal year for the National Institute of Justice for evaluation research of juvenile delinquency programs pursuant to subsection (b)(6) or (c)(6) of section 313.

“SEC. 206. GRANTS TO YOUTH ORGANIZATIONS.

“(a) GRANT PROGRAM.—The Administrator may make grants to Indian tribes (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act) and national, Statewide, or community-based, nonprofit organizations in crime prone areas, (such as Boys and Girls Clubs, Police Athletic Leagues, 4-H Clubs, YWCA, YMCA, Big Brothers and Big Sisters, and Kids 'N Kops programs) for the purposes of—

“(1) providing constructive activities to youth during after school hours, weekends, and school vacations;

“(2) providing supervised activities in safe environments to youth in those areas, including activities through parks and other recreation areas; and

“(3) providing anti-alcohol and other drug education to prevent alcohol and other drug abuse among youth.

“(b) APPLICATIONS.—

“(1) ELIGIBILITY.—In order to be eligible to receive a grant under this section, the governing body of the Indian tribe or the chief operating officer of a national, Statewide, or community-based nonprofit organization shall submit an application to the Administrator, in such form and containing such information as the Administrator may reasonably require.

“(2) APPLICATION REQUIREMENTS.—Each application submitted in accordance with paragraph (1) shall include—

“(A) a request for a grant to be used for the purposes of this section;

“(B) a description of the communities to be served by the grant, including the nature of juvenile crime, violence, and drug use in the communities;

“(C) written assurances that Federal funds received under this section will be used to supplement and not supplant, non-Federal funds that would otherwise be available for activities funded under this section;

“(D) written assurances that all activities funded under this section will be supervised by an appropriate number of responsible adults;

“(E) a plan for assuring that program activities will take place in a secure environment that is free of crime and drugs; and

“(F) any additional statistical or financial information that the Administrator may reasonably require.

“(c) GRANT AWARDS.—In awarding grants under this section, the Administrator shall consider—

“(1) the ability of the applicant to provide the intended services;

“(2) the history and establishment of the applicant in providing youth activities; and

“(3) the extent to which services will be provided in crime prone areas, including efforts to achieve an equitable geographic distribution of the grant awards.

“(d) ALLOCATION.—Of the amounts made available to carry out this section—



“(1) 20 percent shall be for grants to national or Statewide nonprofit organizations; and  
 “(2) 80 percent shall be for grants to community-based, nonprofit organizations.

“(e) CONTINUED AVAILABILITY.—Amounts made available under this section shall remain available until expended.

#### “SEC. 207. GRANTS TO INDIAN TRIBES.

“(a) IN GENERAL.—From the amount reserved under section 208(b) in each fiscal year, the Administrator shall make grants to Indian tribes for programs pursuant to the permissible purposes under section 205 and part B.

“(b) APPLICATIONS.—

“(1) IN GENERAL.—To be eligible to receive a grant under this section, an Indian tribe shall submit to the Administrator an application in such form and containing such information as the Administrator may by regulation require.

“(2) PLANS.—Each application submitted under paragraph (1) shall include a plan for conducting projects described in section 205(a), which plan shall—

“(A) provide evidence that the Indian tribe performs law enforcement functions (as determined by the Secretary of the Interior);

“(B) identify the juvenile justice and delinquency problems and juvenile delinquency prevention needs to be addressed by activities conducted by the Indian tribe in the area under the jurisdiction of the Indian tribe with assistance provided by the grant;

“(C) provide for fiscal control and accounting procedures that—

“(i) are necessary to ensure the prudent use, proper disbursement, and accounting of funds received under this section; and

“(ii) are consistent with the requirements of subparagraph (B); and

“(D) comply with the requirements of section 222(a) (except that such subsection relates to consultation with a State advisory group) and with the requirements of section 222(c); and

“(E) contain such other information, and be subject to such additional requirements, as the Administrator may reasonably prescribe to ensure the effectiveness of the grant program under this section.

“(c) FACTORS FOR CONSIDERATION.—In awarding grants under this section, the Administrator shall consider—

“(1) the resources that are available to each applicant that will assist, and be coordinated with, the overall juvenile justice system of the Indian tribe; and

“(2) for each Indian tribe that receives assistance under such a grant—

“(A) the relative juvenile population; and

“(B) who will be served by the assistance provided by the grant.

“(d) GRANT AWARDS.—

“(1) IN GENERAL.—

“(A) COMPETITIVE AWARDS.—Except as provided in paragraph (2), the Administrator shall annually award grants under this section on a competitive basis. The Administrator shall enter into a grant agreement with each grant recipient under this section that specifies the terms and conditions of the grant.

“(B) PERIOD OF GRANT.—The period of each grant awarded under this section shall be 2 years.

“(2) EXCEPTION.—In any case in which the Administrator determines that a grant recipient under this section has performed satisfactorily during the preceding year in accordance with an applicable grant agreement, the Administrator may—

“(A) waive the requirement that the recipient be subject to the competitive award process described in paragraph (1)(A); and

“(B) renew the grant for an additional grant period (as specified in paragraph (1)(B)).

“(3) MODIFICATIONS OF PROCESSES.—The Administrator may prescribe requirements to pro-

vide for appropriate modifications to the plan preparation and application process specified in subsection (b) for an application for a renewal grant under paragraph (2)(B).

“(e) REPORTING REQUIREMENT.—Each Indian tribe that receives a grant under this section shall be subject to the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code.

“(f) MATCHING REQUIREMENT.—Funds appropriated by Congress for the activities of any agency of an Indian tribal government or the Bureau of Indian Affairs performing law enforcement functions on any Indian lands may be used to provide the non-Federal share of any program or project with a matching requirement funded under this section.

“(g) TECHNICAL ASSISTANCE.—From the amount reserved under section 208(b) in each fiscal year, the Administrator may reserve 1 percent for the purpose of providing technical assistance to recipients of grants under this section.

#### “SEC. 208. ALLOCATION OF GRANTS.

“(a) IN GENERAL.—Subject to subsections (b), (c), and (d), the amount allocated under section 291 to carry out section 205 in each fiscal year shall be allocated to the States as follows:

“(1) 0.5 percent shall be allocated to each eligible State.

“(2) The amount remaining after the allocation under subparagraph (A) shall be allocated among eligible States as follows:

“(A) 50 percent of such amount shall be allocated proportionately based on the juvenile population in the eligible States.

“(B) 50 percent of such amount shall be allocated proportionately based on the annual average number of arrests for serious crimes committed in the eligible States by juveniles during the then most recently completed period of 3 consecutive calendar years for which sufficient information is available to the Administrator.

“(b) RESERVATION OF FUNDS.—Notwithstanding any other provision of law, from the amounts allocated under section 291 to carry out section 205 and part B in each fiscal year—

“(1) the Administrator shall reserve an amount equal to the amount which all Indian tribes that qualify for a grant under section 207 would collectively be entitled, if such tribes were collectively treated as a State for purposes of subsection (a); and

“(2) the Administrator shall reserve 5 percent to make grants to States under section 209.

“(c) EXCEPTION.—The amount allocated to the Virgin Islands of the United States, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands shall be not less than \$75,000 and not more than \$100,000.

“(d) ADMINISTRATIVE COSTS.—A State, unit of local government, or eligible unit that receives funds under this part may not use more than 5 percent of those funds to pay for administrative costs.

#### “SEC. 209. CONFIDENTIAL REPORTING OF INDIVIDUALS SUSPECTED OF IMMINENT SCHOOL VIOLENCE.

“(a) IN GENERAL.—Grants under this section shall be known as ‘CRISIS Grants’.

“(b) AUTHORITY TO MAKE GRANTS.—From the amounts reserved by the Administrator under section 208(b)(2), the Administrator shall make a grant to each State in an amount determined under subsection (d), for use in accordance with subsection (c).

“(c) USE OF GRANT AMOUNTS.—Amounts made available to a State under a grant under this section may be used by the State—

“(1) to support the independent State development and operation of confidential, toll-free

telephone hotlines that will operate 7 days per week, 24 hours per day, in order to provide students, school officials, and other individuals with the opportunity to report specific threats of imminent school violence or to report other suspicious or criminal conduct by juveniles to appropriate State and local law enforcement entities for investigation;

“(2) to ensure proper State training of personnel who answer and respond to telephone calls to hotlines described in paragraph (1);

“(3) to assist in the acquisition of technology necessary to enhance the effectiveness of hotlines described in paragraph (1), including the utilization of Internet web-pages or resources;

“(4) to enhance State efforts to offer appropriate counseling services to individuals who call a hotline described in paragraph (1) threatening to do harm to themselves or others; and

“(5) to further State efforts to publicize the services offered by the hotlines described in paragraph (1) and to encourage individuals to utilize those services.

“(d) ALLOCATION TO STATES.—The total amount reserved to carry out this section in each fiscal year shall be allocated to each State based on the proportion of the population of the State that is less than 18 years of age.

### “PART B—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

#### “SEC. 221. AUTHORITY TO MAKE GRANTS AND CONTRACTS.

“(a) IN GENERAL.—The Administrator may make grants to States and units of local government, or combinations thereof, to assist them in planning, establishing, operating, coordinating, and evaluating projects directly or through grants and contracts with public and private agencies for the development of more effective education, training, research, prevention, diversion, treatment, and rehabilitation programs in the area of juvenile delinquency and programs to improve the juvenile justice system.

“(b) TRAINING AND TECHNICAL ASSISTANCE.—

“(1) IN GENERAL.—With not to exceed 2 percent of the funds available in a fiscal year to carry out this part, the Administrator shall make grants to and enter into contracts with public and private agencies, organizations, and individuals to provide training and technical assistance to States, units of local governments (and combinations thereof), and local private agencies to facilitate compliance with section 222 and implementation of the State plan approved under section 222(c).

“(2) ELIGIBLE RECIPIENTS.—Grants may be made and contracts may be entered into under paragraph (1) only to public and private agencies, organizations, and individuals that have experience in providing such training and technical assistance. In providing such training and technical assistance, the recipient of a grant or contract under this subsection shall coordinate its activities with the State agency described in section 222(a)(1).

#### “SEC. 222. STATE PLANS.

“(a) IN GENERAL.—In order to receive formula grants under this part, a State shall submit a plan, developed in consultation with the State Advisory Group established by the State under subsection (b)(2)(A), for carrying out its purposes applicable to a 3-year period. A portion of any allocation of formula grants to a State shall be available to develop a State plan or for other activities associated with such State plan which are necessary for efficient administration, including monitoring, evaluation, and one full-time staff position. The State shall submit annual performance reports to the Administrator, each of which shall describe progress in implementing programs contained in the original plan, and amendments necessary to update the

plan, and shall describe the status of compliance with State plan requirements. In accordance with regulations that the Administrator shall prescribe, such plan shall—

“(1) designate a State agency as the sole agency for supervising the preparation and administration of the plan;

“(2) contain satisfactory evidence that the State agency designated in accordance with paragraph (1) has or will have authority, by legislation if necessary, to implement such plan in conformity with this part;

“(3) provide for the active consultation with and participation of units of local government, or combinations thereof, in the development of a State plan that adequately takes into account the needs and requests of units of local government, except that nothing in the plan requirements, or any regulations promulgated to carry out such requirements, shall be construed to prohibit or impede the State from making grants to, or entering into contracts with, local private agencies, including religious organizations;

“(4) to the extent feasible and consistent with paragraph (5), provide for an equitable distribution of the assistance received with the State, including rural areas;

“(5) require that the State or unit of local government that is a recipient of amounts under this part distributes those amounts intended to be used for the prevention of juvenile delinquency and reduction of incarceration, to the extent feasible, in proportion to the amount of juvenile crime committed within those regions and communities;

“(6) provide assurances that youth coming into contact with the juvenile justice system are treated equitably on the basis of gender, race, family income, and disability;

“(7)(A) provide for—

“(i) an analysis of juvenile crime and delinquency problems (including the joining of gangs that commit crimes) and juvenile justice and delinquency prevention needs (including educational needs) of the State (including any geographical area in which an Indian tribe performs law enforcement functions), a description of the services to be provided, and a description of performance goals and priorities, including a specific statement of the manner in which programs are expected to meet the identified juvenile crime problems (including the joining of gangs that commit crimes) and juvenile justice and delinquency prevention needs (including educational needs) of the State;

“(ii) an indication of the manner in which the programs relate to other similar State or local programs that are intended to address the same or similar problems; and

“(iii) a plan for the concentration of State efforts, which shall coordinate all State juvenile crime control, prevention, and delinquency programs with respect to overall policy and development of objectives and priorities for all State juvenile crime control and delinquency programs and activities, including provision for regular meetings of State officials with responsibility in the area of juvenile justice and delinquency prevention;

“(B) contain—

“(i) a plan for providing needed gender-specific services for the prevention and treatment of juvenile delinquency;

“(ii) a plan for providing needed services for the prevention and treatment of juvenile delinquency in rural areas; and

“(iii) a plan for providing needed mental health services to juveniles in the juvenile justice system;

“(8) provide for the coordination and maximum utilization of existing juvenile delinquency programs, programs operated by public and private agencies and organizations, and other related programs (such as education, spe-

cial education, recreation, health, and welfare programs) in the State;

“(9) provide for the development of an adequate research, training, and evaluation capacity within the State;

“(10) provide that not less than 75 percent of the funds available to the State under section 221, other than funds made available to the State advisory group under this section, whether expended directly by the State, by the unit of local government, or by a combination thereof, or through grants and contracts with public or private nonprofit agencies, shall be used for—

“(A) community-based alternatives (including home-based alternatives) to incarceration and institutionalization, including—

“(i) for youth who need temporary placement: crisis intervention, shelter, and after-care; and

“(ii) for youth who need residential placement: a continuum of foster care or group home alternatives that provide access to a comprehensive array of services;

“(B) programs that assist in holding juveniles accountable for their actions, including the use of graduated sanctions and of neighborhood courts or panels that increase victim satisfaction and require juveniles to make restitution for the damage caused by their delinquent behavior;

“(C) comprehensive juvenile crime control and delinquency prevention programs that meet the needs of youth through the collaboration of the many local systems before which a youth may appear, including schools, courts, law enforcement agencies, child protection agencies, mental health agencies, welfare services, health care agencies, public recreation agencies, and private nonprofit agencies offering youth services;

“(D) programs that provide treatment to juvenile offenders who are victims of child abuse or neglect, and to their families, in order to reduce the likelihood that such juvenile offenders will commit subsequent violations of law;

“(E) educational programs or supportive services for delinquent or other juveniles—

“(i) to encourage juveniles to remain in elementary and secondary schools or in alternative learning situations;

“(ii) to provide services to assist juveniles in making the transition to the world of work and self-sufficiency; and

“(iii) enhance coordination with the local schools that such juveniles would otherwise attend, to ensure that—

“(I) the instruction that juveniles receive outside school is closely aligned with the instruction provided in school; and

“(II) information regarding any learning problems identified in such alternative learning situations are communicated to the schools;

“(F) expanding the use of probation officers—

“(i) particularly for the purpose of permitting nonviolent juvenile offenders (including status offenders) to remain at home with their families as an alternative to incarceration or institutionalization; and

“(ii) to ensure that juveniles follow the terms of their probation;

“(G) one-on-one mentoring programs that are designed to link at-risk juveniles and juvenile offenders, particularly juveniles residing in high-crime areas and juveniles experiencing educational failure, with responsible adults (such as law enforcement officers, adults working with local businesses, and adults working with community-based organizations and agencies) who are properly screened and trained;

“(H) programs designed to develop and implement projects relating to juvenile delinquency and learning disabilities, including on-the-job training programs to assist community services, law enforcement, and juvenile justice personnel to more effectively recognize and provide for learning disabled and other juveniles with disabilities;

“(I) projects designed both to deter involvement in illegal activities and to promote involvement in lawful activities on the part of gangs whose membership is substantially composed of youth;

“(J) programs and projects designed to provide for the treatment of youths' dependence on or abuse of alcohol or other addictive or non-addictive drugs;

“(K) boot camps for juvenile offenders;

“(L) community-based programs and services to work with juveniles, their parents, and other family members during and after incarceration in order to strengthen families so that such juveniles may be retained in their homes;

“(M) other activities (such as court-appointed advocates) that the State determines will hold juveniles accountable for their acts and decrease juvenile involvement in delinquent activities;

“(N) establishing policies and systems to incorporate relevant child protective services records into juvenile justice records for purposes of establishing treatment plans for juvenile offenders;

“(O) programs (including referral to literacy programs and social service programs) to assist families with limited English-speaking ability that include delinquent juveniles to overcome language and other barriers that may prevent the complete treatment of such juveniles and the preservation of their families;

“(P) programs that utilize multidisciplinary interagency case management and information sharing, that enable the juvenile justice and law enforcement agencies, schools, and social service agencies to make more informed decisions regarding early identification, control, supervision, and treatment of juveniles who repeatedly commit violent or serious delinquent acts;

“(Q) programs designed to prevent and reduce hate crimes committed by juveniles;

“(R) court supervised initiatives that address the illegal possession of firearms by juveniles; and

“(S) programs for positive youth development that provide delinquent youth and youth at-risk of delinquency with—

“(i) an ongoing relationship with a caring adult (for example, mentor, tutor, coach, or shelter youth worker);

“(ii) safe places and structured activities during nonschool hours;

“(iii) a healthy start;

“(iv) a marketable skill through effective education; and

“(v) an opportunity to give back through community service;

“(11) shall provide that—

“(A) juveniles who are charged with or who have committed an offense that would not be criminal if committed by an adult, excluding—

“(i) juveniles who are charged with or who have committed a violation of section 922(x)(2) of title 18, United States Code, or of a similar State law;

“(ii) juveniles who are charged with or who have committed a violation of a valid court order; and

“(iii) juveniles who are held in accordance with the Interstate Compact on Juveniles as enacted by the State; shall not be placed in secure detention facilities or secure correctional facilities; and

“(B) juveniles—

“(i) who are not charged with any offense; and

“(ii) who are—

“(I) aliens; or

“(II) alleged to be dependent, neglected, or abused;

shall not be placed in secure detention facilities or secure correctional facilities;

“(12) provide that—

“(A) juveniles alleged to be or found to be delinquent or juveniles within the purview of

paragraph (11) will not be detained or confined in any institution in which they have prohibited physical contact or sustained oral communication with adult inmates; and

"(B) there is in effect in the State a policy that requires individuals who work with both such juveniles and such adult inmates, including in collocated facilities, have been trained and certified to work with juveniles;

"(13) provide that no juvenile will be detained or confined in any jail or lockup for adults except—

"(A) juveniles who are accused of nonstatus offenses and who are detained in such jail or lockup for a period not to exceed 6 hours—

"(i) for processing or release;

"(ii) while awaiting transfer to a juvenile facility; or

"(iii) in which period such juveniles make a court appearance;

"(B) juveniles who are accused of nonstatus offenses, who are awaiting an initial court appearance that will occur within 48 hours after being taken into custody (excluding Saturdays, Sundays, and legal holidays), and who are detained or confined in a jail or lockup—

"(i) in which—

"(I) such juveniles do not have prohibited physical contact or sustained oral communication with adult inmates; and

"(II) there is in effect in the State a policy that requires individuals who work with both such juveniles and such adult inmates, including in collocated facilities, have been trained and certified to work with juveniles; and

"(ii) that—

"(I) is located outside a metropolitan statistical area (as defined by the Office of Management and Budget) and has no existing acceptable alternative placement available;

"(II) is located where conditions of distance to be traveled or the lack of highway, road, or transportation do not allow for court appearances within 48 hours (excluding Saturdays, Sundays, and legal holidays) so that a brief (not to exceed an additional 48 hours) delay is excusable; or

"(III) is located where conditions of safety exist (such as severe adverse, life-threatening weather conditions that do not allow for reasonably safe travel), in which case the time for an appearance may be delayed until 24 hours after the time that such conditions allow for reasonable safe travel;

"(C) juveniles who are accused of nonstatus offenses and who are detained or confined in a jail or lockup that satisfies the requirements of subparagraph (B)(i) if—

"(i) such jail or lockup—

"(I) is located outside a metropolitan statistical area (as defined by the Office of Management and Budget); and

"(II) has no existing acceptable alternative placement available;

"(ii) a parent or other legal guardian (or guardian ad litem) of the juvenile involved consents to detaining or confining such juvenile in accordance with this subparagraph and the parent has the right to revoke such consent at any time;

"(iii) the juvenile has counsel, and the counsel representing such juvenile has an opportunity to present the juvenile's position regarding the detention or confinement involved to the court before the court finds that such detention or confinement is in the best interest of such juvenile and approves such detention or confinement; and

"(iv) detaining or confining such juvenile in accordance with this subparagraph is—

"(I) approved in advance by a court with competent jurisdiction;

"(II) required to be reviewed periodically, at intervals of not more than 5 days (excluding

Saturdays, Sundays, and legal holidays), by such court for the duration of detention or confinement, which review may be in the presence of the juvenile; and

"(11) for a period preceding the sentencing (if any) of such juvenile;

"(14) provide assurances that consideration will be given to and that assistance will be available for approaches designed to strengthen the families of delinquent and other youth to prevent juvenile delinquency (which approaches should include the involvement of grandparents or other extended family members, when possible, and appropriate and the provision of family counseling during the incarceration of juvenile family members and coordination of family services when appropriate and feasible);

"(15) provide for procedures to be established for protecting the rights of recipients of services and for assuring appropriate privacy with regard to records relating to such services provided to any individual under the State plan;

"(16) provide for such fiscal control and fund accounting procedures necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title;

"(17) provide reasonable assurances that Federal funds made available under this part for any period shall be so used as to supplement and increase (but not supplant) the level of the State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs described in this part, and shall in no event replace such State, local, and other non-Federal funds;

"(18) provide that the State agency designated under paragraph (1) will, not less often than annually, review its plan and submit to the Administrator an analysis and evaluation of the effectiveness of the programs and activities carried out under the plan, and any modifications in the plan, including the survey of State and local needs, that the agency considers necessary;

"(19) provide assurances that the State or each unit of local government that is a recipient of amounts under this part require that any person convicted of a sexual act or sexual contact involving any other person who has not attained the age of 18 years, and who is not less than 4 years younger than such convicted person, be tested for the presence of any sexually transmitted disease and that the results of such test be provided to the victim or to the family of the victim as well as to any court or other government agency with primary authority for sentencing the person convicted for the commission of the sexual act or sexual contact (as those terms are defined in paragraphs (2) and (3), respectively, of section 2246 of title 18, United States Code) involving a person not having attained the age of 18 years;

"(20) provide that if a juvenile is taken into custody for violating a valid court order issued for committing a status offense—

"(A) an appropriate public agency shall be promptly notified that such juvenile is held in custody for violating such order;

"(B) not later than 24 hours during which such juvenile is so held, an authorized representative of such agency shall interview, in person, such juvenile; and

"(C) not later than 48 hours during which such juvenile is so held—

"(i) such representative shall submit an assessment to the court that issued such order, regarding the immediate needs of such juvenile; and

"(ii) such court shall conduct a hearing to determine—

"(I) whether there is reasonable cause to believe that such juvenile violated such order; and

"(II) the appropriate placement of such juvenile pending disposition of the violation alleged;

"(21) specify a percentage, if any, of funds received by the State under section 221 that the State will reserve for expenditure by the State to provide incentive grants to units of local government that reduce the case load of probation officers within such units;

"(22) provide that the State, to the maximum extent practicable, will implement a system to ensure that if a juvenile is before a court in the juvenile justice system, public child welfare records (including child protective services records) relating to such juvenile that are on file in the geographical area under the jurisdiction of such court will be made known to such court;

"(23) unless the provisions of this paragraph are waived at the discretion of the Administrator for any State in which the services for delinquent or other youth are organized primarily on a statewide basis, provide that at least 50 percent of funds received by the State under this section, other than funds made available to the State advisory group, shall be expended—

"(A) through programs of units of general local government or combinations thereof, to the extent such programs are consistent with the State plan; and

"(B) through programs of local private agencies, to the extent such programs are consistent with the State plan, except that direct funding of any local private agency by a State shall be permitted only if such agency requests such funding after it has applied for and been denied funding by any unit of general local government or combination thereof;

"(24) provide for the establishment of youth tribunals and peer 'juries' in school districts in the State to promote zero tolerance policies with respect to misdemeanor offenses, acts of juvenile delinquency, and other antisocial behavior occurring on school grounds, including truancy, vandalism, underage drinking, and underage tobacco use;

"(25) provide for projects to coordinate the delivery of adolescent mental health and substance abuse services to children at risk by coordinating councils composed of public and private service providers;

"(26) provide assurances that—

"(A) any assistance provided under this Act will not cause the displacement (including a partial displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits) of any currently employed employee;

"(B) activities assisted under this Act will not impair an existing collective bargaining relationship, contract for services, or collective bargaining agreement; and

"(C) no such activity that would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization involved;

"(27) to the extent that segments of the juvenile population are shown to be detained or confined in secure detention facilities, secure correctional facilities, jails, and lockups, to a greater extent than the proportion of these groups in the general juvenile population, address prevention efforts designed to reduce such disproportionate confinement, without requiring the release or the failure to detain any individual; and

"(28) demonstrate that the State has in effect a policy or practice that requires State or local law enforcement agencies to—

"(A) present before a judicial officer any juvenile who unlawfully possesses a firearm in a school; and

"(B) detain such juvenile in an appropriate juvenile facility or secure community-based placement for not less than 24 hours for appropriate evaluation, upon a finding by the judicial officer that the juvenile may be a danger to himself or herself, to other individuals, or to the community in which that juvenile resides.

“(b) APPROVAL BY STATE AGENCY.—

“(1) STATE AGENCY.—The State agency designated under subsection (a)(1) shall approve the State plan and any modification thereof prior to submission of the plan to the Administrator.

“(2) STATE ADVISORY GROUP.—

“(A) ESTABLISHMENT.—The State advisory group referred to in subsection (a) shall be known as the ‘State Advisory Group’. The State Advisory Group shall consist of representatives from both the private and public sector, each of whom shall be appointed for a term of not more than 6 years. The State shall ensure that members of the State Advisory Group shall have experience in the area of juvenile delinquency prevention, the prosecution of juvenile offenders, the treatment of juvenile delinquency, the investigation of juvenile crimes, or the administration of juvenile justice programs, and shall include not less than 1 prosecutor and not less than 1 judge from a court with a juvenile crime or delinquency docket. The chairperson of the State Advisory Group shall not be a full-time employee of the Federal Government or the State government.

“(B) CONSULTATION.—

“(i) IN GENERAL.—The State Advisory Group established under subparagraph (A) shall—

“(1) participate in the development and review of the State plan under this section before submission to the supervisory agency for final action; and

“(II) be afforded an opportunity to review and comment, not later than 30 days after the submission to the State Advisory Group, on all juvenile justice and delinquency prevention grant applications submitted to the State agency designated under subsection (a)(1).

“(ii) AUTHORITY.—The State Advisory Group shall report to the chief executive officer and the legislature of the State on an annual basis regarding recommendations related to the State’s compliance under this section.

“(C) FUNDING.—From amounts reserved for administrative costs, the State may make available to the State Advisory Group such sums as may be necessary to assist the State Advisory Group in adequately performing its duties under this paragraph.

“(c) COMPLIANCE WITH STATUTORY REQUIREMENTS.—

“(1) IN GENERAL.—If a State fails to comply with any of the applicable requirements of paragraph (1), (12), (13), (27), or (28) of subsection (a) in any fiscal year beginning after September 30, 2000, the amount allocated to such State for the subsequent fiscal year shall be reduced by not to exceed 10 percent for each such paragraph with respect to which the failure occurs, unless the Administrator determines that the State—

“(A) has achieved substantial compliance with such applicable requirements with respect to which the State was not in compliance; and

“(B) has made, through appropriate executive or legislative action, an unequivocal commitment to achieving full compliance with such applicable requirements within a reasonable time.

“(2) WAIVER.—The Administrator may, upon request by a State showing good cause, waive the application of this subsection with respect to such State.

“SEC. 223. ALLOCATION OF GRANTS.

“(a) IN GENERAL.—Subject to subsections (b), (c), and (d), the amount allocated under section 291 to carry out this part in each fiscal year that remains after reservation under section 208(b) for that fiscal year shall be allocated to the States as follows:

“(1) 0.5 percent shall be allocated to each eligible State.

“(2) The amount remaining after the allocation under clause (i) shall be allocated propor-

tionately based on the juvenile population in the eligible States.

“(b) SYSTEM SUPPORT GRANTS.—Of the amount allocated under section 291 to carry out this part in each fiscal year that remains after reservation under section 208(b) for that fiscal year, up to 10 percent may be available for use by the Administrator to provide—

“(1) training and technical assistance consistent with the purposes authorized under sections 204, 205, and 221;

“(2) direct grant awards and other support to develop, test, and demonstrate new approaches to improving the juvenile justice system and reducing, preventing, and abating delinquent behavior, juvenile crime, and youth violence;

“(3) for research and evaluation efforts to discover and test methods and practices to improve the juvenile justice system and reduce, prevent, and abate delinquent behavior, juvenile crime, and youth violence; and

“(4) information, including information on best practices, consistent with purposes authorized under sections 204, 205, and 221.

“(c) EXCEPTION.—The amount allocated to the Virgin Islands of the United States, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands shall be not less than \$75,000 and not more than \$100,000.

“(d) ADMINISTRATIVE COSTS.—A State, unit of local government, or eligible unit that receives funds under this part may not use more than 5 percent of those funds to pay for administrative costs.

#### “PART C—NATIONAL PROGRAMS

##### “SEC. 241. ESTABLISHMENT OF NATIONAL INSTITUTE FOR JUVENILE CRIME CONTROL AND DELINQUENCY PREVENTION.

“(a) IN GENERAL.—There is established within the National Institute of Justice a National Institute for Juvenile Crime Control and Delinquency Prevention, the purpose of which shall be to provide—

“(1) through the National Institute of Justice, for the rigorous and independent evaluation of the delinquency and youth violence prevention programs funded under this title; and

“(2) funding for new research, through the National Institute of Justice, on the nature, causes, and prevention of juvenile violence and juvenile delinquency.

“(b) ADMINISTRATION.—The National Institute for Juvenile Crime Control and Delinquency Prevention shall be under the supervision and direction of the Director of the National Institute of Justice (referred to in this part as the ‘Director’), in consultation with the Administrator.

“(c) COORDINATION.—The activities of the National Institute for Juvenile Crime Control and Delinquency Prevention shall be coordinated with the activities of the National Institute of Justice.

“(d) DUTIES OF THE INSTITUTE.—

“(1) IN GENERAL.—The Administrator shall transfer appropriated amounts to the National Institute of Justice, or to other Federal agencies, for the purposes of new research and evaluation projects funded by the National Institute for Juvenile Crime Control and Delinquency Prevention, and for evaluation of discretionary programs of the Office of Juvenile Crime Control and Prevention.

“(2) REQUIREMENTS.—Each evaluation and research study funded with amounts transferred under paragraph (1) shall—

“(A) be independent in nature;

“(B) be awarded competitively; and

“(C) employ rigorous and scientifically recognized standards and methodologies, including peer review by nonapplicants.

“(e) POWERS OF THE INSTITUTE.—In addition to the other powers, express and implied, the

National Institute for Juvenile Crime Control and Delinquency Prevention may—

“(1) request any Federal agency to supply such statistics, data, program reports, and other material as the National Institute for Juvenile Crime Control and Delinquency Prevention deems necessary to carry out its functions;

“(2) arrange with and reimburse the heads of Federal agencies for the use of personnel or facilities or equipment of such agencies;

“(3) confer with and avail itself of the cooperation, services, records, and facilities of State, municipal, or other public or private local agencies;

“(4) make grants and enter into contracts with public or private agencies, organizations, or individuals for the partial performance of any functions of the National Institute for Juvenile Crime Control and Delinquency Prevention; and

“(5) compensate consultants and members of technical advisory councils who are not in the regular full-time employ of the United States, at a rate now or hereafter payable under section 5376 of title 5, United States Code, and while away from home, or regular place of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

“(f) INFORMATION FROM FEDERAL AGENCIES.—

A Federal agency that receives a request from the National Institute for Juvenile Crime Control and Delinquency Prevention under subsection (e)(1) may cooperate with the National Institute for Juvenile Crime Control and Delinquency Prevention and shall, to the maximum extent practicable, consult with and furnish information and advice to the National Institute for Juvenile Crime Control and Delinquency Prevention.

##### “SEC. 242. INFORMATION FUNCTION.

“The Administrator, in consultation with the Director, shall—

“(1) on a continuing basis, review reports, data, and standards relating to the juvenile justice system in the United States;

“(2) serve as an information bank by collecting systematically and synthesizing the knowledge obtained from studies and research by public and private agencies, institutions, or individuals concerning all aspects of juvenile delinquency, including the prevention and treatment of juvenile delinquency; and

“(3) serve as a clearinghouse and information center for the preparation, publication, and dissemination of all information regarding juvenile delinquency, including State and local juvenile delinquency prevention and treatment programs (including drug and alcohol programs and gender-specific programs) and plans, availability of resources, training and educational programs, statistics, and other pertinent data and information.

##### “SEC. 242A. STATISTICAL ANALYSIS.

“The Administrator, under the supervision of the Assistant Attorney General for the Office of Justice Programs, and in consultation with the Director, may—

“(1) transfer funds to and enter into agreements with the Bureau of Justice Statistics or, subject to the approval of the Assistant Attorney General for the Office of Justice Programs, to another Federal agency authorized by law to undertake statistical work in juvenile justice matters, for the purpose of providing for the collection, analysis, and dissemination of statistical data and information relating to juvenile crime, the juvenile justice system, and youth violence, and for other purposes, consistent with the Violent and Repeat Juvenile Offender Accountability Act of 1999; and

“(2) plan and identify, in consultation with the Director of the Bureau of Justice Statistics,

the purposes and goals of each grant made or contract or other agreement entered into under this title.

**"SEC. 243. RESEARCH, DEMONSTRATION, AND EVALUATION FUNCTIONS.**

"(a) *IN GENERAL.*—The Administrator, acting through the National Institute for Juvenile Crime Control and Delinquency Prevention, as appropriate, may—

"(1) conduct, encourage, and coordinate research and evaluation into any aspect of juvenile delinquency, particularly with regard to new programs and methods that show promise of making a contribution toward the prevention and treatment of juvenile delinquency;

"(2) encourage the development of demonstration projects in new, innovative techniques and methods to prevent and treat juvenile delinquency;

"(3) establish or expand programs that, in recognition of varying degrees of the seriousness of delinquent behavior and the corresponding gradations in the responses of the juvenile justice system in response to that behavior, are designed to—

"(A) encourage courts to develop and implement a continuum of post-adjudication restraints that bridge the gap between traditional probation and confinement in a correctional setting (including expanded use of probation, mediation, restitution, community service, treatment, home detention, intensive supervision, electronic monitoring, boot camps and similar programs, and secure community-based treatment facilities linked to other support services such as health, mental health, education (remedial and special), job training, and recreation); and

"(B) assist in the provision by the Administrator of best practices of information and technical assistance, including technology transfer, to States in the design and utilization of risk assessment mechanisms to aid juvenile justice personnel in determining appropriate sanctions for delinquent behavior;

"(4) encourage the development of programs that, in addition to helping youth take responsibility for their behavior, through control and incarceration, if necessary, provide therapeutic intervention such as providing skills;

"(5) encourage the development and establishment of programs to enhance the States' ability to identify chronic serious and violent juvenile offenders who commit crimes such as rape, murder, firearms offenses, gang-related crimes, violent felonies, and serious drug offenses;

"(6) prepare, in cooperation with education institutions, with Federal, State, and local agencies, and with appropriate individuals and private agencies, such studies as it considers to be necessary with respect to prevention of and intervention with juvenile violence and delinquency and the improvement of juvenile justice systems, including—

"(A) evaluations of programs and interventions designed to prevent youth violence and juvenile delinquency;

"(B) assessments and evaluations of the methodological approaches to evaluating the effectiveness of interventions and programs designed to prevent youth violence and juvenile delinquency;

"(C) studies of the extent, nature, risk, and protective factors, and causes of youth violence and juvenile delinquency;

"(D) comparisons of youth adjudicated and treated by the juvenile justice system compared to juveniles waived to and adjudicated by the adult criminal justice system (including incarcerated in adult, secure correctional facilities);

"(E) recommendations with respect to effective and ineffective primary, secondary, and tertiary prevention interventions, including for which juveniles, and under what circumstances (in-

cluding circumstances connected with the staffing of the intervention), prevention efforts are effective and ineffective; and

"(F) assessments of risk prediction systems of juveniles used in making decisions regarding pretrial detention;

"(7) disseminate the results of such evaluations and research and demonstration activities particularly to persons actively working in the field of juvenile delinquency;

"(8) disseminate pertinent data and studies to individuals, agencies, and organizations concerned with the prevention and treatment of juvenile delinquency; and

"(9) routinely collect, analyze, compile, publish, and disseminate uniform national statistics concerning—

"(A) all aspects of juveniles as victims and offenders;

"(B) the processing and treatment, in the juvenile justice system, of juveniles who are status offenders, delinquent, neglected, or abused; and

"(C) the processing and treatment of such juveniles who are treated as adults for purposes of the criminal justice system.

"(b) *PUBLIC DISCLOSURE.*—The Administrator or the Director, as appropriate, shall make available to the public—

"(1) the results of research, demonstration, and evaluation activities referred to in subsection (a)(8);

"(2) the data and studies referred to in subsection (a)(9); and

"(3) regular reports regarding each State's objective measurements of youth violence, such as the number, rate, and trend of homicides committed by youths.

**"SEC. 244. TECHNICAL ASSISTANCE AND TRAINING FUNCTIONS.**

"The Administrator may—

"(1) provide technical assistance and training assistance to Federal, State, and local governments and to courts, public and private agencies, institutions, and individuals in the planning, establishment, funding, operation, and evaluation of juvenile delinquency programs;

"(2) develop, conduct, and provide for training programs for the training of professional, paraprofessional, and volunteer personnel, and other persons who are working with or preparing to work with juveniles, juvenile offenders (including juveniles who commit hate crimes), and their families;

"(3) develop, conduct, and provide for seminars, workshops, and training programs in the latest proven effective techniques and methods of preventing and treating juvenile delinquency for law enforcement officers, juvenile judges, prosecutors, and defense attorneys, and other court personnel, probation officers, correctional personnel, and other Federal, State, and local government personnel who are engaged in work relating to juvenile delinquency;

"(4) develop technical training teams to aid in the development of training programs in the States and to assist State and local agencies that work directly with juveniles and juvenile offenders; and

"(5) provide technical assistance and training to assist States and units of general local government.

**"SEC. 245. ESTABLISHMENT OF TRAINING PROGRAM.**

"(a) *IN GENERAL.*—The Administrator shall establish a training program designed to train enrollees with respect to methods and techniques for the prevention and treatment of juvenile delinquency, including methods and techniques specifically designed to prevent and reduce the incidence of hate crimes committed by juveniles. In carrying out this program the Administrator may make use of available State and local services, equipment, personnel, facilities, and the like.

"(b) *QUALIFICATIONS FOR ENROLLMENT.*—Enrollees in the training program established under this section shall be drawn from law enforcement and correctional personnel (including volunteer lay personnel), teachers and special education personnel, family counselors, child welfare workers, juvenile judges and judicial personnel, persons associated with law-related education, public recreation personnel, youth workers, and representatives of private agencies and organizations with specific experience in the prevention and treatment of juvenile delinquency.

**"SEC. 246. REPORT ON STATUS OFFENDERS.**

"Not later than September 1, 2002, the Administrator, through the National Institute of Justice, shall—

"(1) conduct a study on the effect of incarceration on status offenders compared to similarly situated individuals who are not placed in secure detention in terms of the continuation of their inappropriate or illegal conduct, delinquency, or future criminal behavior, and evaluating the safety of status offenders placed in secure detention; and

"(2) submit to the Chairman and Ranking Member of the Committee on the Judiciary of the Senate and the Chairman and Ranking Member of the Committee on Education and the Workforce of the House of Representatives a report on the results of the study conducted under paragraph (1).

**"SEC. 247. CONSIDERATIONS FOR APPROVAL OF APPLICATIONS.**

"(a) *IN GENERAL.*—Any agency, institution, or individual seeking to receive a grant, or enter into a contract, under section 243, 244, or 245 shall submit an application at such time, in such manner, and containing or accompanied by such information as the Administrator or the Director, as appropriate, may prescribe.

"(b) *APPLICATION CONTENTS.*—In accordance with guidelines established by the Administrator or the Director, as appropriate, each application for assistance under section 243, 244, or 245 shall—

"(1) set forth a program for carrying out 1 or more of the purposes set forth in section 243, 244, or 245, and specifically identify each such purpose such program is designed to carry out;

"(2) provide that such program shall be administered by or under the supervision of the applicant;

"(3) provide for the proper and efficient administration of such program;

"(4) provide for regular evaluation of such program; and

"(5) provide for such fiscal control and fund accounting procedures as may be necessary to ensure prudent use, proper disbursement, and accurate accounting of funds received under this title.

"(c) *FACTORS FOR CONSIDERATION.*—In determining whether or not to approve applications for grants and for contracts under this part, the Administrator or the Director, as appropriate, shall consider—

"(1) whether the project uses appropriate and rigorous methodology, including appropriate samples, control groups, psychometrically sound measurement, and appropriate data analysis techniques;

"(2) the experience of the principal and co-principal investigators in the area of youth violence and juvenile delinquency;

"(3) the protection offered human subjects in the study, including informed consent procedures; and

"(4) the cost-effectiveness of the proposed project.

"(d) *SELECTION PROCESS.*—

"(1) *IN GENERAL.*—

"(A) *COMPETITIVE PROCESS.*—Subject to subparagraph (B), programs selected for assistance

through grants or contracts under section 243, 244, or 245 shall be selected through a competitive process, which shall be established by the Administrator or the Director, as appropriate, by rule. As part of such a process, the Administrator or the Director, as appropriate, shall announce in the Federal Register—

“(i) the availability of funds for such assistance;

“(ii) the general criteria applicable to the selection of applicants to receive such assistance; and

“(iii) a description of the procedures applicable to submitting and reviewing applications for such assistance.

“(B) **WAIVER.**—The competitive process described in subparagraph (A) shall not be required if the Administrator or the Director, as appropriate, makes a written determination waiving the competitive process with respect to a program to be carried out in an area with respect to which the President declares under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) that a major disaster or emergency exists.

“(2) **REVIEW PROCESS.**—

“(A) **IN GENERAL.**—Programs selected for assistance through grants and contracts under this part shall be selected after a competitive process that provides potential grantees and contractors with not less than 90 days to submit applications for funds. Applications for funds shall be reviewed through a formal peer review process by qualified scientists with expertise in the fields of criminology, juvenile delinquency, sociology, psychology, research methodology, evaluation research, statistics, and related areas. The peer review process shall conform to the process used by the National Institutes of Health, the National Institute of Justice, or the National Science Foundation.

“(B) **ESTABLISHMENT OF PROCESS.**—Such process shall be established by the Administrator or the Director, as appropriate, in consultation with the Directors and other appropriate officials of the National Science Foundation and the National Institute of Mental Health. Before implementation of such process, the Administrator or the Director, as appropriate, shall submit such process to such Directors, each of whom shall prepare and furnish to the Chairman of the Committee on Education and the Workforce of the House of Representatives and the Chairman of the Committee on the Judiciary of the Senate a final report containing their comments on such process as proposed to be established.

“(3) **EMERGENCY EXPEDITED CONSIDERATION.**—In establishing the process required under paragraphs (1) and (2), the Administrator or the Director, as appropriate, shall provide for emergency expedited consideration of a proposed program if the Administrator or the Director, as appropriate, determines such action to be necessary in order to avoid a delay that would preclude carrying out the program.

“(e) **EFFECT OF POPULATION.**—A city shall not be denied assistance under section 243, 244, or 245 solely on the basis of its population.

“(f) **NOTIFICATION PROCESS.**—Notification of grants and contracts made under sections 243, 244, and 245 (and the applications submitted for such grants and contracts) shall, upon being made, be transmitted by the Administrator or the Director, as appropriate, to the Chairman of the Committee on Education and the Workforce of the House of Representatives and the Chairman of the Committee on the Judiciary of the Senate.

“**SEC. 248. STUDY OF VIOLENT ENTERTAINMENT.**

“(a) **REQUIREMENT.**—The National Institutes of Health shall conduct a study of the effects of violent video games and music on child development and youth violence.

“(b) **ELEMENTS.**—The study under subsection (a) shall address—

“(1) whether, and to what extent, violence in video games and music adversely affects the emotional and psychological development of juveniles; and

“(2) whether violence in video games and music contributes to juvenile delinquency and youth violence.

“**PART D—GANG-FREE SCHOOLS AND COMMUNITIES; COMMUNITY-BASED GANG INTERVENTION**

“**SEC. 251. DEFINITION OF JUVENILE.**

“In this part, the term ‘juvenile’ means an individual who has not attained the age of 22 years.

“**SEC. 252. GANG-FREE SCHOOLS AND COMMUNITIES.**

“(a) **IN GENERAL.**—

“(1) The Administrator shall make grants to or enter into contracts with public agencies (including local educational agencies) and private nonprofit agencies, organizations, and institutions to establish and support programs and activities that involve families and communities and that are designed to carry out any of the following purposes:

“(A) To prevent and to reduce the participation of juveniles in the activities of gangs that commit crimes. Such programs and activities may include—

“(i) individual, peer, family, and group counseling, including the provision of life skills training and preparation for living independently, which shall include cooperation with social services, welfare, and health care programs;

“(ii) education, recreation, and social services designed to address the social and developmental needs of juveniles that such juveniles would otherwise seek to have met through membership in gangs;

“(iii) crisis intervention and counseling to juveniles, who are particularly at risk of gang involvement, and their families, including assistance from social service, welfare, health care, mental health, and substance abuse prevention and treatment agencies where necessary;

“(iv) the organization of neighborhood and community groups to work closely with parents, schools, law enforcement, and other public and private agencies in the community; and

“(v) training and assistance to adults who have significant relationships with juveniles who are or may become members of gangs, to assist such adults in providing constructive alternatives to participating in the activities of gangs.

“(B) To develop within the juvenile adjudicatory and correctional systems new and innovative means to address the problems of juveniles convicted of serious drug-related and gang-related offenses.

“(C) To target elementary school students, with the purpose of steering students away from gang involvement.

“(D) To provide treatment to juveniles who are members of such gangs, including members who are accused of committing a serious crime and members who have been adjudicated as being delinquent.

“(E) To promote the involvement of juveniles in lawful activities in geographical areas in which gangs commit crimes.

“(F) To promote and support, with the cooperation of community-based organizations experienced in providing services to juveniles engaged in gang-related activities and the cooperation of local law enforcement agencies, the development of policies and activities in public elementary and secondary schools that will assist such schools in maintaining a safe environment conducive to learning.

“(G) To assist juveniles who are or may become members of gangs to obtain appropriate

educational instruction, in or outside a regular school program, including the provision of counseling and other services to promote and support the continued participation of such juveniles in such instructional programs.

“(H) To expand the availability of prevention and treatment services relating to the illegal use of controlled substances and controlled substance analogues (as defined in paragraphs (6) and (32) of section 102 of the Controlled Substances Act (21 U.S.C. 802)) by juveniles, provided through State and local health and social services agencies.

“(I) To provide services to prevent juveniles from coming into contact with the juvenile justice system again as a result of gang-related activity.

“(J) To provide services authorized in this section at a special location in a school or housing project or other appropriate site.

“(K) To support activities to inform juveniles of the availability of treatment and services for which financial assistance is available under this section.

“(2) From not more than 15 percent of the total amount appropriated to carry out this part in each fiscal year, the Administrator may make grants to and enter into contracts with public agencies and private nonprofit agencies, organizations, and institutions—

“(A) to conduct research on issues related to juvenile gangs;

“(B) to evaluate the effectiveness of programs and activities funded under paragraph (1); and

“(C) to increase the knowledge of the public (including public and private agencies that operate or desire to operate gang prevention and intervention programs) by disseminating information on research and on effective programs and activities funded under this section.

“(b) **APPROVAL OF APPLICATIONS.**—

“(1) **IN GENERAL.**—Any agency, organization, or institution seeking to receive a grant, or to enter into a contract, under this section shall submit an application at such time, in such manner, and containing such information as the Administrator may prescribe.

“(2) **APPLICATION CONTENTS.**—In accordance with guidelines established by the Administrator, each application submitted under paragraph (1) shall—

“(A) set forth a program or activity for carrying out 1 or more of the purposes specified in subsection (a) and specifically identify each such purpose such program or activity is designed to carry out;

“(B) provide that such program or activity shall be administered by or under the supervision of the applicant;

“(C) provide for the proper and efficient administration of such program or activity;

“(D) provide for regular evaluation of such program or activity;

“(E) provide an assurance that the proposed program or activity will supplement, not supplant, similar programs and activities already available in the community;

“(F) describe how such program or activity is coordinated with programs, activities, and services available locally under part B or C of this title, and under chapter 1 of subtitle B of title III of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11801–11805);

“(G) certify that the applicant has requested the State planning agency to review and comment on such application and summarize the responses of such State planning agency to such request;

“(H) provide that regular reports on such program or activity shall be sent to the Administrator and to such State planning agency; and

“(I) provide for such fiscal control and fund accounting procedures as may be necessary to ensure prudent use, proper disbursement, and



accurate accounting of funds received under this section.

"(3) **PRIORITY.**—In reviewing applications for grants and contracts under this section, the Administrator shall give priority to applications—

"(A) submitted by, or substantially involving, local educational agencies (as defined in section 1471 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891));

"(B) based on the incidence and severity of crimes committed by gangs whose membership is composed primarily of juveniles in the geographical area in which the applicants propose to carry out the programs and activities for which such grants and contracts are requested; and

"(C) for assistance for programs and activities that—

"(i) are broadly supported by public and private nonprofit agencies, organizations, and institutions located in such geographical area; and

"(ii) will substantially involve the families of juvenile gang members in carrying out such programs or activities.

**"SEC. 253. COMMUNITY-BASED GANG INTERVENTION.**

"(a) **IN GENERAL.**—The Administrator shall make grants to or enter into contracts with public and private nonprofit agencies, organizations, and institutions to carry out programs and activities—

"(1) to reduce the participation of juveniles in the illegal activities of gangs;

"(2) to develop regional task forces involving State, local, and community-based organizations to coordinate the disruption of gangs and the prosecution of juvenile gang members and to curtail interstate activities of gangs; and

"(3) to facilitate coordination and cooperation among—

"(A) local education, juvenile justice, employment, recreation, and social service agencies; and

"(B) community-based programs with a proven record of effectively providing intervention services to juvenile gang members for the purpose of reducing the participation of juveniles in illegal gang activities; and

"(4) to support programs that, in recognition of varying degrees of the seriousness of delinquent behavior and the corresponding gradations in the responses of the juvenile justice system in response to that behavior, are designed to—

"(A) encourage courts to develop and implement a continuum of post-adjudication restraints that bridge the gap between traditional probation and confinement in a correctional setting (including expanded use of probation, mediation, restitution, community service, treatment, home detention, intensive supervision, electronic monitoring, boot camps and similar programs, and secure community-based treatment facilities linked to other support services such as health, mental health, education (remedial and special), job training, and recreation); and

"(B) assist in the provision by the Administrator of information and technical assistance, including technology transfer, to States in the design and utilization of risk assessment mechanisms to aid juvenile justice personnel in determining appropriate sanctions for delinquent behavior.

"(b) **ELIGIBLE PROGRAMS AND ACTIVITIES.**—Programs and activities for which grants and contracts are to be made under this section may include—

"(1) the hiring of additional State and local prosecutors, and the establishment and operation of programs, including multijurisdictional task forces, for the disruption of gangs and the prosecution of gang members;

"(2) developing within the juvenile adjudicatory and correctional systems new and innovative means to address the problems of juveniles convicted of serious drug-related and gang-related offenses;

"(3) providing treatment to juveniles who are members of such gangs, including members who are accused of committing a serious crime and members who have been adjudicated as being delinquent;

"(4) promoting the involvement of juveniles in lawful activities in geographical areas in which gangs commit crimes;

"(5) expanding the availability of prevention and treatment services relating to the illegal use of controlled substances and controlled substances analogues (as defined in paragraphs (6) and (32) of section 102 of the Controlled Substances Act (21 U.S.C. 802)), by juveniles, provided through State and local health and social services agencies;

"(6) providing services to prevent juveniles from coming into contact with the juvenile justice system again as a result of gang-related activity; or

"(7) supporting activities to inform juveniles of the availability of treatment and services for which financial assistance is available under this section.

"(c) **APPROVAL OF APPLICATIONS.**—

"(1) **IN GENERAL.**—Any agency, organization, or institution desiring to receive a grant, or to enter into a contract, under this section shall submit an application at such time, in such manner, and containing such information as the Administrator may prescribe.

"(2) **APPLICATION CONTENTS.**—In accordance with guidelines established by the Administrator, each application submitted under paragraph (1) shall—

"(A) set forth a program or activity for carrying out 1 or more of the purposes specified in subsection (a) and specifically identify each such purpose such program or activity is designed to carry out;

"(B) provide that such program or activity shall be administered by or under the supervision of the applicant;

"(C) provide for the proper and efficient administration of such program or activity;

"(D) provide for regular evaluation of such program or activity;

"(E) provide an assurance that the proposed program or activity will supplement, not supplant, similar programs and activities already available in the community;

"(F) describe how such program or activity is coordinated with programs, activities, and services available locally under part B of this title and under chapter 1 of subtitle B of title III of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11801–11805);

"(G) certify that the applicant has requested the State planning agency to review and comment on such application and summarize the responses of such State planning agency to such request;

"(H) provide that regular reports on such program or activity shall be sent to the Administrator and to such State planning agency; and

"(I) provide for such fiscal control and fund accounting procedures as may be necessary to ensure prudent use, proper disbursement, and accurate accounting of funds received under this section.

"(3) **PRIORITY.**—In reviewing applications for grants and contracts under subsection (a), the Administrator shall give priority to applications—

"(A) submitted by, or substantially involving, community-based organizations experienced in providing services to juveniles;

"(B) based on the incidence and severity of crimes committed by gangs whose membership is

composed primarily of juveniles in the geographical area in which the applicants propose to carry out the programs and activities for which such grants and contracts are requested; and

"(C) for assistance for programs and activities that—

"(i) are broadly supported by public and private nonprofit agencies, organizations, and institutions located in such geographical area; and

"(ii) will substantially involve the families of juvenile gang members in carrying out such programs or activities.

**"SEC. 254. PRIORITY.**

"In making grants under this part, the Administrator shall give priority to funding programs and activities described in subsections (a)(2) and (b)(1) of section 253.

**"PART E—DEVELOPING, TESTING, AND DEMONSTRATING PROMISING NEW INITIATIVES AND PROGRAMS**

**"SEC. 261. GRANTS AND PROJECTS.**

"(a) **AUTHORITY TO MAKE GRANTS.**—The Administrator may make grants to, and enter into contracts with, States, units of local government, Indian tribal governments, public and private agencies, organizations, and individuals, or combinations thereof, to carry out projects for the development, testing, and demonstration of promising initiatives and programs for the prevention, control, or reduction of juvenile delinquency. The Administrator shall ensure that, to the extent reasonable and practicable, such grants are made to achieve an equitable geographical distribution of such projects throughout the United States.

"(b) **USE OF GRANTS.**—A grant made under subsection (a) may be used to pay all or part of the cost of the project for which such grant is made.

**"SEC. 262. GRANTS FOR TRAINING AND TECHNICAL ASSISTANCE.**

"The Administrator may make grants to, and enter into contracts with, public and private agencies, organizations, and individuals to provide training and technical assistance to States, units of local government, Indian tribal governments, local private entities or agencies, or any combination thereof, to carry out the projects for which grants are made under section 261.

**"SEC. 263. ELIGIBILITY.**

"To be eligible to receive assistance pursuant to a grant or contract under this part, a public or private agency, Indian tribal government, organization, institution, individual, or combination thereof, shall submit an application to the Administrator at such time, in such form, and containing such information as the Administrator may reasonably require by rule.

**"SEC. 264. REPORTS.**

"Each recipient of assistance pursuant to a grant or contract under this part shall submit to the Administrator such reports as may be reasonably requested by the Administrator to describe progress achieved in carrying the projects for which the assistance was provided.

**"PART F—MENTORING**

**"SEC. 271. MENTORING.**

"The purposes of this part are to, through the use of mentors for at-risk youth—

"(1) reduce juvenile delinquency and gang participation;

"(2) improve academic performance; and

"(3) reduce the dropout rate.

**"SEC. 272. DEFINITIONS.**

"In this part—

"(1) the term 'at-risk youth' means a youth at risk of educational failure, dropping out of school, or involvement in criminal or delinquent activities; and

"(2) the term 'mentor' means a person who works with an at-risk youth on a one-to-one

basis, providing a positive role model for the youth, establishing a supportive relationship with the youth, and providing the youth with academic assistance and exposure to new experiences and examples of opportunity that enhance the ability of the youth to become a responsible adult.

#### **"SEC. 273. GRANTS.**

"(a) **LOCAL EDUCATIONAL GRANTS.**—The Administrator shall make grants to local education agencies and nonprofit organizations to establish and support programs and activities for the purpose of implementing mentoring programs that—

"(1) are designed to link at-risk children, particularly children living in high crime areas and children experiencing educational failure, with responsible adults such as law enforcement officers, persons working with local businesses, elders in Alaska Native villages, and adults working for community-based organizations and agencies; and

"(2) are intended to achieve 1 or more of the following goals:

"(A) Provide general guidance to at-risk youth.

"(B) Promote personal and social responsibility among at-risk youth.

"(C) Increase at-risk youth's participation in and enhance their ability to benefit from elementary and secondary education.

"(D) Discourage at-risk youth's use of illegal drugs, violence, and dangerous weapons, and other criminal activity.

"(E) Discourage involvement of at-risk youth in gangs.

"(F) Encourage at-risk youth's participation in community service and community activities.

"(b) **FAMILY-TO-FAMILY MENTORING GRANTS.**—

"(1) **DEFINITIONS.**—In this subsection:

"(A) **FAMILY-TO-FAMILY MENTORING PROGRAM.**—The term 'family-to-family mentoring program' means a mentoring program that—

"(i) utilizes a 2-tier mentoring approach that matches volunteer families with at-risk families allowing parents to directly work with parents and children to work directly with children; and

"(ii) has an afterschool program for volunteer and at-risk families.

"(B) **POSITIVE ALTERNATIVES PROGRAM.**—The term 'positive alternatives program' means a positive youth development and family-to-family mentoring program that emphasizes drug and gang prevention components.

"(C) **QUALIFIED POSITIVE ALTERNATIVES PROGRAM.**—The term 'qualified positive alternatives program' means a positive alternatives program that has established a family-to-family mentoring program, as of the date of enactment of the Violent and Repeat Juvenile Offender Accountability and Rehabilitation Act of 1999.

"(2) **AUTHORITY.**—The Administrator shall make and enter into contracts with a qualified positive alternatives program.

#### **"SEC. 274. REGULATIONS AND GUIDELINES.**

"(a) **PROGRAM GUIDELINES.**—The Administrator shall issue program guidelines to implement this part. The program guidelines shall be effective only after a period for public notice and comment.

"(b) **MODEL SCREENING GUIDELINES.**—The Administrator shall develop and distribute to program participants specific model guidelines for the screening of prospective program mentors.

#### **"SEC. 275. USE OF GRANTS.**

"(a) **PERMITTED USES.**—Grants awarded under this part shall be used to implement mentoring programs, including—

"(1) hiring of mentoring coordinators and support staff;

"(2) recruitment, screening, and training of adult mentors;

"(3) reimbursement of mentors for reasonable incidental expenditures such as transportation that are directly associated with mentoring; and

"(4) such other purposes as the Administrator may reasonably prescribe by regulation.

"(b) **PROHIBITED USES.**—Grants awarded pursuant to this part shall not be used—

"(1) to directly compensate mentors, except as provided pursuant to subsection (a)(3);

"(2) to obtain educational or other materials or equipment that would otherwise be used in the ordinary course of the grantee's operations;

"(3) to support litigation of any kind; or

"(4) for any other purpose reasonably prohibited by the Administrator by regulation.

#### **"SEC. 276. PRIORITY.**

"(a) **IN GENERAL.**—In making grants under this part, the Administrator shall give priority for awarding grants to applicants that—

"(1) serve at-risk youth in high crime areas;

"(2) have 60 percent or more of their youth eligible to receive funds under the Elementary and Secondary Education Act of 1965; and

"(3) have a considerable number of youths who drop out of school each year.

"(b) **OTHER CONSIDERATIONS.**—In making grants under this part, the Administrator shall give consideration to—

"(1) the geographic distribution (urban and rural) of applications;

"(2) the quality of a mentoring plan, including—

"(A) the resources, if any, that will be dedicated to providing participating youth with opportunities for job training or postsecondary education; and

"(B) the degree to which parents, teachers, community-based organizations, and the local community participate in the design and implementation of the mentoring plan; and

"(3) the capability of the applicant to effectively implement the mentoring plan.

#### **"SEC. 277. APPLICATIONS.**

"An application for assistance under this part shall include—

"(1) information on the youth expected to be served by the program;

"(2) a provision for a mechanism for matching youth with mentors based on the needs of the youth;

"(3) An assurance that no mentor or mentoring family will be assigned a number of youths that would undermine their ability to be an effective mentor and ensure a one-to-one relationship with mentored youths;

"(4) an assurance that projects operated in secondary schools will provide youth with a variety of experiences and support, including—

"(A) an opportunity to spend time in a work environment and, when possible, participate in the work environment;

"(B) an opportunity to witness the job skills that will be required for youth to obtain employment upon graduation;

"(C) assistance with homework assignments; and

"(D) exposure to experiences that youth might not otherwise encounter;

"(5) an assurance that projects operated in elementary schools will provide youth with—

"(A) academic assistance;

"(B) exposure to new experiences and activities that youth might not encounter on their own; and

"(C) emotional support;

"(6) an assurance that projects will be monitored to ensure that each youth benefits from a mentor relationship, with provision for a new mentor assignment if the relationship is not beneficial to the youth;

"(7) the method by which mentors and youth will be recruited to the project;

"(8) the method by which prospective mentors will be screened; and

"(9) the training that will be provided to mentors.

#### **"SEC. 278. GRANT CYCLES.**

"Each grant under this part shall be made for a 3-year period.

#### **"SEC. 279. FAMILY MENTORING PROGRAM.**

"(a) **DEFINITIONS.**—In this section—

"(1) the term 'cooperative extension services' has the meaning given that term in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103);

"(2) the term 'family mentoring program' means a mentoring program that—

"(A) utilizes a 2-tier mentoring approach that uses college age or young adult mentors working directly with at-risk youth and uses retirement-age couples working with the parents and siblings of at-risk youth; and

"(B) has a local advisory board to provide direction and advice to program administrators; and

"(3) the term 'qualified cooperative extension service' means a cooperative extension service that has established a family mentoring program, as of the date of enactment of the Violent and Repeat Juvenile Offender Accountability and Rehabilitation Act of 1999.

"(b) **MODEL PROGRAM.**—The Administrator, in cooperation with the Secretary of Agriculture, shall make a grant to a qualified cooperative extension service for the purpose of expanding and replicating family mentoring programs to reduce the incidence of juvenile crime and delinquency among at-risk youth.

"(c) **ESTABLISHMENT OF NEW FAMILY MENTORING PROGRAMS.**—

"(1) **IN GENERAL.**—The Administrator, in cooperation with the Secretary of Agriculture, may make 1 or more grants to cooperative extension services for the purpose of establishing family mentoring programs to reduce the incidence of juvenile crime and delinquency among at-risk youth.

"(2) **MATCHING REQUIREMENT AND SOURCE OF MATCHING FUNDS.**—

"(A) **IN GENERAL.**—The amount of a grant under this subsection may not exceed 35 percent of the total costs of the program funded by the grant.

"(B) **SOURCE OF MATCH.**—Matching funds for grants under this subsection may be derived from amounts made available to a State under subsections (b) and (c) of section 3 of the Smith-Lever Act (7 U.S.C. 343), except that the total amount derived from Federal sources may not exceed 70 percent of the total cost of the program funded by the grant.

#### **"SEC. 280. CAPACITY BUILDING.**

"(a) **MODEL PROGRAM.**—The Administrator may make a grant to a qualified national organization with a proven history of providing one-to-one services for the purpose of expanding and replicating capacity building programs to reduce the incidence of juvenile crime and delinquency among at-risk youth.

"(b) **ESTABLISHMENT OF NEW CAPACITY BUILDING PROGRAMS.**—

"(1) **IN GENERAL.**—The Administrator may make one or more grants to national organizations with proven histories of providing one-to-one services for the purpose of expanding and replicating capacity building programs to reduce the incidence of juvenile crime and delinquency among at-risk youth.

"(2) **MATCHING REQUIREMENT AND SOURCE OF MATCHING FUNDS.**—

"(A) **IN GENERAL.**—The amount of a grant under this subsection may not exceed 50 percent of the total cost of the programs funded by the grant.

"(B) **SOURCE OF MATCH.**—Matching funds for grants under this subsection must be derived from a private agency, institution or business.

#### **"PART G—ADMINISTRATIVE PROVISIONS**

#### **"SEC. 291. AUTHORIZATION OF APPROPRIATIONS.**

"(a) **IN GENERAL.**—There is authorized to be appropriated to carry out this title, and to carry out part R of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796

et seq.), \$1,100,000,000 for each of fiscal years 1999 through 2004.

“(b) ALLOCATION OF APPROPRIATIONS.—Of the amount made available under subsection (a) for each fiscal year—

“(1) \$500,000,000 shall be for programs under sections 1801 and 1803 of part R of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.), of which \$50,000,000 shall be for programs under section 1803;

“(2) \$75,000,000 shall be for grants for juvenile criminal history records upgrades pursuant to section 1802 of part R of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.);

“(3) \$200,000,000 shall be for programs under section 205 of part A of this title;

“(4) \$200,000,000 shall be for programs under part B of this title;

“(5) \$40,000,000 shall be for prevention programs under part C of this title—

“(A) of which \$20,000,000 shall be for evaluation research of primary, secondary, and tertiary juvenile delinquency programs; and

“(B) \$2,000,000 shall be for the study required by section 248;

“(6) \$20,000,000 shall be for programs under parts D and E of this title; and

“(7) \$20,000,000 shall be for programs under part F of this title, of which \$3,000,000 shall be for programs under section 279 and \$3,000,000 for programs under section 280.

“(c) SOURCE OF SUMS.—Amounts authorized to be appropriated pursuant to this section may be derived from the Violent Crime Reduction Trust Fund.

“(d) ADMINISTRATION AND OPERATIONS.—There is authorized to be appropriated for the administration and operation of the Office of Juvenile Crime Control and Prevention such sums as may be necessary for each of fiscal years 1999 through 2004.

“(e) AVAILABILITY OF FUNDS.—Amounts made available pursuant to this section and allocated in accordance with this title in any fiscal year shall remain available until expended.

**“SEC. 292. RELIGIOUS NONDISCRIMINATION; RESTRICTIONS ON USE OF AMOUNTS; PENALTIES.**

“(a) RELIGIOUS NONDISCRIMINATION.—The provisions of section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 604a) shall apply to a State or local government exercising its authority to distribute grants to applicants under this title.

“(b) RESTRICTIONS ON THE USE OF AMOUNTS.—

“(1) EXPERIMENTATION ON INDIVIDUALS.—

“(A) IN GENERAL.—No amounts made available to carry out this title may be used for any biomedical or behavior control experimentation on individuals or any research involving such experimentation.

“(B) DEFINITION OF BEHAVIOR CONTROL.—In this paragraph, the term ‘behavior control’—

“(i) means any experimentation or research employing methods that—

“(I) involve a substantial risk of physical or psychological harm to the individual subject; and

“(II) are intended to modify or alter criminal and other antisocial behavior, including aversive conditioning therapy, drug therapy, chemotherapy (except as part of routine clinical care), physical therapy of mental disorders, electroconvulsive therapy, or physical punishment; and

“(ii) does not include a limited class of programs generally recognized as involving no such risk, including methadone maintenance and certain substance abuse treatment programs, psychological counseling, parent training, behavior contracting, survival skills training, restitution, or community service, if safeguards are estab-

lished for the informed consent of subjects (including parents or guardians of minors).

“(2) PROHIBITION AGAINST PRIVATE AGENCY USE OF AMOUNTS IN CONSTRUCTION.—

“(A) IN GENERAL.—No amount made available to any private agency or institution, or to any individual, under this title (either directly or through a State office) may be used for construction.

“(B) EXCEPTION.—The restriction in clause (i) shall not apply to any juvenile program in which training or experience in construction or renovation is used as a method of juvenile accountability or rehabilitation.

“(3) LOBBYING.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), no amount made available under this title to any public or private agency, organization or institution, or to any individual shall be used to pay for any personal service, advertisement, telegram, telephone communication, letter, printed or written matter, or other device intended or designed to influence a Member of Congress or any other Federal, State, or local elected official to favor or oppose any Act, bill, resolution, or other legislation, or any referendum, initiative, constitutional amendment, or any other procedure of Congress, any State legislature, any local council, or any similar governing body.

“(B) EXCEPTION.—This paragraph does not preclude the use of amounts made available under this title in connection with communications to Federal, State, or local elected officials, upon the request of such officials through proper official channels, pertaining to authorization, appropriation, or oversight measures directly affecting the operation of the program involved.

“(4) LEGAL ACTION.—No amounts made available under this title to any public or private agency, organization, institution, or to any individual, shall be used in any way directly or indirectly to file an action or otherwise take any legal action against any Federal, State, or local agency, institution, or employee.

“(c) PENALTIES.—

“(1) IN GENERAL.—If any amounts are used for the purposes prohibited in either paragraph (3) or (4) of subsection (b), or in violation of subsection (a)—

“(A) funding for the agency, organization, institution, or individual at issue shall be immediately discontinued in whole or in part; and

“(B) the agency, organization, institution, or individual using amounts for the purpose prohibited in paragraph (3) or (4) of subsection (b), or in violation of subsection (a), shall be liable for reimbursement of all amounts granted to the individual or entity for the fiscal year for which the amounts were granted.

“(2) LIABILITY FOR EXPENSES AND DAMAGES.—In relation to a violation of subsection (b)(4), the individual filing the lawsuit or responsible for taking the legal action against the Federal, State, or local agency or institution, or individual working for the Government, shall be individually liable for all legal expenses and any other expenses of the Government agency, institution, or individual working for the Government, including damages assessed by the jury against the Government agency, institution, or individual working for the Government, and any punitive damages.

**“SEC. 293. ADMINISTRATIVE PROVISIONS.**

“(a) AUTHORITY OF ADMINISTRATOR.—The Office shall be administered by the Administrator under the general authority of the Attorney General.

“(b) APPLICABILITY OF CERTAIN CRIME CONTROL PROVISIONS.—Sections 809(c), 811(a), 811(b), 811(c), 812(a), 812(b), and 812(d) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3789d(c), 3789f(a), 3789f(b), 3789f(c), 3789g(a), 3789g(b), 3789g(d)) shall apply

with respect to the administration of and compliance with this title, except that for purposes of this Act—

“(1) any reference to the Office of Justice Programs in such sections shall be considered to be a reference to the Assistant Attorney General who heads the Office of Justice Programs; and

“(2) the term ‘this title’ as it appears in such sections shall be considered to be a reference to this title.

“(c) APPLICABILITY OF CERTAIN OTHER CRIME CONTROL PROVISIONS.—Sections 801(a), 801(c), and 806 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711(a), 3711(c), and 3787) shall apply with respect to the administration of and compliance with this title, except that, for purposes of this title—

“(1) any reference to the Attorney General, the Assistant Attorney General who heads the Office of Justice Programs, the Director of the National Institute of Justice, the Director of the Bureau of Justice Statistics, or the Director of the Bureau of Justice Assistance shall be considered to be a reference to the Administrator;

“(2) any reference to the Office of Justice Programs, the Bureau of Justice Assistance, the National Institute of Justice, or the Bureau of Justice Statistics shall be considered to be a reference to the Office of Juvenile Crime Control and Prevention; and

“(3) the term ‘this title’ as it appears in those sections shall be considered to be a reference to this title.

“(d) RULES, REGULATIONS, AND PROCEDURES.—The Administrator may, after appropriate consultation with representatives of States and units of local government, and an opportunity for notice and comment in accordance with subchapter II of chapter 5 of title 5, United States Code, establish such rules, regulations, and procedures as are necessary for the exercise of the functions of the Office and as are consistent with the purpose of this Act.

“(e) WITHHOLDING.—The Administrator shall initiate such proceedings as the Administrator determines to be appropriate if the Administrator, after giving reasonable notice and opportunity for hearing to a recipient of financial assistance under this title, finds that—

“(1) the program or activity for which the grant or contract involved was made has been so changed that the program or activity no longer complies with this title; or

“(2) in the operation of such program or activity there is failure to comply substantially with any provision of this title.”

(b) REPEAL.—Title V of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5781 et seq.) is repealed.

**SEC. 303. RUNAWAY AND HOMELESS YOUTH.**

(a) FINDINGS.—Section 302 of the Runaway and Homeless Youth Act (42 U.S.C. 5701) is amended—

(1) in paragraph (5), by striking “accurate reporting of the problem nationally and to develop” and inserting “an accurate national reporting system to report the problem, and to assist in the development of”; and

(2) by striking paragraph (8) and inserting the following:

“(8) services for runaway and homeless youth are needed in urban, suburban, and rural areas;”

(b) AUTHORITY TO MAKE GRANTS FOR CENTERS AND SERVICES.—Section 311 of the Runaway and Homeless Youth Act (42 U.S.C. 5711) is amended—

(1) by striking subsection (a) and inserting the following:

“(a) GRANTS FOR CENTERS AND SERVICES.—

“(1) IN GENERAL.—The Secretary shall make grants to public and nonprofit private entities (and combinations of such entities) to establish and operate (including renovation) local centers

to provide services for runaway and homeless youth and for the families of such youth.

“(2) **SERVICES PROVIDED.**—Services provided under paragraph (1)—

“(A) shall be provided as an alternative to involving runaway and homeless youth in the law enforcement, child welfare, mental health, and juvenile justice systems;

“(B) shall include—

“(i) safe and appropriate shelter; and

“(ii) individual, family, and group counseling, as appropriate; and

“(C) may include—

“(i) street-based services;

“(ii) home-based services for families with youth at risk of separation from the family; and

“(iii) drug abuse education and prevention services.”;

(2) in subsection (b)(2), by striking “the Trust Territory of the Pacific Islands,”; and

(3) by striking subsections (c) and (d).

(c) **ELIGIBILITY.**—Section 312 of the Runaway and Homeless Youth Act (42 U.S.C. 5712) is amended—

(1) in subsection (b)—

(A) in paragraph (8), by striking “paragraph (6)” and inserting “paragraph (7)”;

(B) in paragraph (10), by striking “and” at the end;

(C) in paragraph (11), by striking the period at the end and inserting “; and”; and

(D) by adding at the end the following:

“(12) shall submit to the Secretary an annual report that includes, with respect to the year for which the report is submitted—

“(A) information regarding the activities carried out under this part;

“(B) the achievements of the project under this part carried out by the applicant; and

“(C) statistical summaries describing—

“(i) the number and the characteristics of the runaway and homeless youth, and youth at risk of family separation, who participate in the project; and

“(ii) the services provided to such youth by the project.”; and

(2) by adding subsections (c) and (d) and inserting the following:

“(c) **APPLICANTS PROVIDING STREET-BASED SERVICES.**—To be eligible to use assistance under section 311(a)(2)(C)(i) to provide street-based services, the applicant shall include in the plan required by subsection (b) assurances that in providing such services the applicant will—

“(1) provide qualified supervision of staff, including on-street supervision by appropriately trained staff;

“(2) provide backup personnel for on-street staff;

“(3) provide initial and periodic training of staff who provide such services; and

“(4) conduct outreach activities for runaway and homeless youth, and street youth.

“(d) **APPLICANTS PROVIDING HOME-BASED SERVICES.**—To be eligible to use assistance under section 311(a) to provide home-based services described in section 311(a)(2)(C)(ii), an applicant shall include in the plan required by subsection (b) assurances that in providing such services the applicant will—

“(1) provide counseling and information to youth and the families (including unrelated individuals in the family households) of such youth, including services relating to basic life skills, interpersonal skill building, educational advancement, job attainment skills, mental and physical health care, parenting skills, financial planning, and referral to sources of other needed services;

“(2) provide directly, or through an arrangement made by the applicant, 24-hour service to respond to family crises (including immediate access to temporary shelter for runaway and homeless youth, and youth at risk of separation from the family);

“(3) establish, in partnership with the families of runaway and homeless youth, and youth at risk of separation from the family, objectives and measures of success to be achieved as a result of receiving home-based services;

“(4) provide initial and periodic training of staff who provide home-based services; and

“(5) ensure that—

“(A) caseloads will remain sufficiently low to allow for intensive (5 to 20 hours per week) involvement with each family receiving such services; and

“(B) staff providing such services will receive qualified supervision.

“(e) **APPLICANTS PROVIDING DRUG ABUSE EDUCATION AND PREVENTION SERVICES.**—To be eligible to use assistance under section 311(a)(2)(C)(iii) to provide drug abuse education and prevention services, an applicant shall include in the plan required by subsection (b)—

“(1) a description of—

“(A) the types of such services that the applicant proposes to provide;

“(B) the objectives of such services; and

“(C) the types of information and training to be provided to individuals providing such services to runaway and homeless youth; and

“(2) an assurance that in providing such services the applicant shall conduct outreach activities for runaway and homeless youth.”.

(d) **APPROVAL OF APPLICATIONS.**—Section 313 of the Runaway and Homeless Youth Act (42 U.S.C. 5713) is amended to read as follows:

“**SEC. 313. APPROVAL OF APPLICATIONS.**

“(a) **IN GENERAL.**—An application by a public or private entity for a grant under section 311(a) may be approved by the Secretary after taking into consideration, with respect to the State in which such entity proposes to provide services under this part—

“(1) the geographical distribution in such State of the proposed services under this part for which all grant applicants request approval; and

“(2) which areas of such State have the greatest need for such services.

“(b) **PRIORITY.**—In selecting applications for grants under section 311(a), the Secretary shall give priority to—

“(1) eligible applicants who have demonstrated experience in providing services to runaway and homeless youth; and

“(2) eligible applicants that request grants of less than \$200,000.”.

(e) **AUTHORITY FOR TRANSITIONAL LIVING GRANT PROGRAM.**—Section 321 of the Runaway and Homeless Youth Act (42 U.S.C. 5714-1) is amended—

(1) in the section heading, by striking “PURPOSE AND”;

(2) in subsection (a), by striking “(a)”;

(3) by striking subsection (b).

(f) **ELIGIBILITY.**—Section 322(a)(9) of the Runaway and Homeless Youth Act (42 U.S.C. 5714-2(a)(9)) is amended by inserting “, and the services provided to such youth by such project,” after “such project”.

(g) **COORDINATION.**—Section 341 of the Runaway and Homeless Youth Act (42 U.S.C. 5714-21) is amended to read as follows:

“**SEC. 341. COORDINATION.**

“With respect to matters relating to the health, education, employment, and housing of runaway and homeless youth, the Secretary—

“(1) in conjunction with the Attorney General, shall coordinate the activities of agencies of the Department of Health and Human Services with activities under any other Federal juvenile crime control, prevention, and juvenile offender accountability program and with the activities of other Federal entities; and

“(2) shall coordinate the activities of agencies of the Department of Health and Human Services with the activities of other Federal entities

and with the activities of entities that are eligible to receive grants under this title.”.

(h) **AUTHORITY TO MAKE GRANTS FOR RESEARCH, EVALUATION, DEMONSTRATION, AND SERVICE PROJECTS.**—Section 343 of the Runaway and Homeless Youth Act (42 U.S.C. 5714-23) is amended—

(1) in the section heading, by inserting “EVALUATION,” after “RESEARCH,”;

(2) in subsection (a), by inserting “evaluation,” after “research,”; and

(3) in subsection (b)—

(A) by striking paragraph (2); and

(B) by redesignating paragraphs (3) through (10) as paragraphs (2) through (9), respectively.

(i) **ASSISTANCE TO POTENTIAL GRANTEEES.**—Section 371 of the Runaway and Homeless Youth Act (42 U.S.C. 5714a) is amended by striking the last sentence.

(j) **REPORTS.**—Section 381 of the Runaway and Homeless Youth Act (42 U.S.C. 5715) is amended to read as follows:

“**SEC. 381. REPORTS.**

“(a) **IN GENERAL.**—Not later than April 1, 2000, and biennially thereafter, the Secretary shall submit, to the Committee on Education and the Workforce of the House of Representatives and the Committee on the Judiciary of the Senate, a report on the status, activities, and accomplishments of entities that receive grants under parts A, B, C, D, and E, with particular attention to—

“(1) in the case of centers funded under part A, the ability or effectiveness of such centers in—

“(A) alleviating the problems of runaway and homeless youth;

“(B) if applicable or appropriate, reuniting such youth with their families and encouraging the resolution of intrafamily problems through counseling and other services;

“(C) strengthening family relationships and encouraging stable living conditions for such youth; and

“(D) assisting such youth to decide upon a future course of action; and

“(2) in the case of projects funded under part B—

“(A) the number and characteristics of homeless youth served by such projects;

“(B) the types of activities carried out by such projects;

“(C) the effectiveness of such projects in alleviating the problems of homeless youth;

“(D) the effectiveness of such projects in preparing homeless youth for self-sufficiency;

“(E) the effectiveness of such projects in assisting homeless youth to decide upon future education, employment, and independent living;

“(F) the ability of such projects to encourage the resolution of intrafamily problems through counseling and development of self-sufficient living skills; and

“(G) activities and programs planned by such projects for the following fiscal year.

“(b) **CONTENTS OF REPORTS.**—The Secretary shall include in each report submitted under subsection (a), summaries of—

“(1) the evaluations performed by the Secretary under section 386; and

“(2) descriptions of the qualifications of, and training provided to, individuals involved in carrying out such evaluations.”.

(k) **EVALUATION.**—Section 384 of the Runaway and Homeless Youth Act (42 U.S.C. 5732) is amended to read as follows:

“**SEC. 386. EVALUATION AND INFORMATION.**

“(a) **IN GENERAL.**—If a grantee receives grants for 3 consecutive fiscal years under part A, B, C, D, or E (in the alternative), then the Secretary shall evaluate such grantee on-site, not less frequently than once in the period of such 3 consecutive fiscal years, for purposes of—

“(1) determining whether such grants are being used for the purposes for which such grants are made by the Secretary;

“(2) collecting additional information for the report required by section 383; and

“(3) providing such information and assistance to such grantee as will enable such grantee to improve the operation of the centers, projects, and activities for which such grants are made.

“(b) COOPERATION.—Recipients of grants under this title shall cooperate with the Secretary's efforts to carry out evaluations, and to collect information, under this title.”.

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 385 of the Runaway and Homeless Youth Act (42 U.S.C. 5751) is amended to read as follows:

**“SEC. 388. AUTHORIZATION OF APPROPRIATIONS.**

“(a) IN GENERAL.—

“(1) AUTHORIZATION.—There is authorized to be appropriated to carry out this title (other than part E) such sums as may be necessary for fiscal years 2000, 2001, 2002, 2003, and 2004.

“(2) ALLOCATION.—

“(A) PARTS A AND B.—From the amount appropriated under paragraph (1) for a fiscal year, the Secretary shall reserve not less than 90 percent to carry out parts A and B.

“(B) PART B.—Of the amount reserved under subparagraph (A), not less than 20 percent, and not more than 30 percent, shall be reserved to carry out part B.

“(3) PARTS C AND D.—In each fiscal year, after reserving the amounts required by paragraph (2), the Secretary shall use the remaining amount (if any) to carry out parts C and D.

“(b) SEPARATE IDENTIFICATION REQUIRED.—No funds appropriated to carry out this title may be combined with funds appropriated under any other Act if the purpose of combining such funds is to make a single discretionary grant, or a single discretionary payment, unless such funds are separately identified in all grants and contracts and are used for the purposes specified in this title.”.

(m) SEXUAL ABUSE PREVENTION PROGRAM.—

(1) AUTHORITY FOR PROGRAM.—The Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.) is amended—

(A) by striking the heading for part F;

(B) by redesignating part E as part F; and

(C) by inserting after part D the following:

**“PART E—SEXUAL ABUSE PREVENTION PROGRAM**

**“SEC. 351. AUTHORITY TO MAKE GRANTS.**

“(a) IN GENERAL.—The Secretary may make grants to nonprofit private agencies for the purpose of providing street-based services to runaway and homeless, and street youth, who have been subjected to, or are at risk of being subjected to, sexual abuse, prostitution, or sexual exploitation.

“(b) PRIORITY.—In selecting applicants to receive grants under subsection (a), the Secretary shall give priority to nonprofit private agencies that have experience in providing services to runaway and homeless, and street youth.”.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 388(a) of the Runaway and Homeless Youth Act (42 U.S.C. 5751), as amended by subsection (1) of this section, is amended by adding at the end the following:

“(4) PART E.—There is authorized to be appropriated to carry out part E such sums as may be necessary for fiscal years 2000, 2001, 2002, 2003, and 2004.”.

(n) DEFINITIONS.—The Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.) is amended by inserting after section 386, as amended by subsection (k) of this section, the following:

**“SEC. 387. DEFINITIONS.**

“In this title:

“(1) DRUG ABUSE EDUCATION AND PREVENTION SERVICES.—The term ‘drug abuse education and prevention services’—

“(A) means services to runaway and homeless youth to prevent or reduce the illicit use of drugs by such youth; and

“(B) may include—

“(i) individual, family, group, and peer counseling;

“(ii) drop-in services;

“(iii) assistance to runaway and homeless youth in rural areas (including the development of community support groups);

“(iv) information and training relating to the illicit use of drugs by runaway and homeless youth, to individuals involved in providing services to such youth; and

“(v) activities to improve the availability of local drug abuse prevention services to runaway and homeless youth.

“(2) HOME-BASED SERVICES.—The term ‘home-based services’—

“(A) means services provided to youth and their families for the purpose of—

“(i) preventing such youth from running away, or otherwise becoming separated, from their families; and

“(ii) assisting runaway youth to return to their families; and

“(B) includes services that are provided in the residences of families (to the extent practicable), including—

“(i) intensive individual and family counseling; and

“(ii) training relating to life skills and parenting.

“(3) HOMELESS YOUTH.—The term ‘homeless youth’ means an individual—

“(A) who is—

“(i) not more than 21 years of age; and

“(ii) for the purposes of part B, not less than 16 years of age;

“(B) for whom it is not possible to live in a safe environment with a relative; and

“(C) who has no other safe alternative living arrangement.

“(4) STREET-BASED SERVICES.—The term ‘street-based services’—

“(A) means services provided to runaway and homeless youth, and street youth, in areas where they congregate, designed to assist such youth in making healthy personal choices regarding where they live and how they behave; and

“(B) may include—

“(i) identification of and outreach to runaway and homeless youth, and street youth;

“(ii) crisis intervention and counseling;

“(iii) information and referral for housing;

“(iv) information and referral for transitional living and health care services;

“(v) advocacy, education, and prevention services related to—

“(I) alcohol and drug abuse;

“(II) sexual exploitation;

“(III) sexually transmitted diseases, including human immunodeficiency virus (HIV); and

“(IV) physical and sexual assault.

“(5) STREET YOUTH.—The term ‘street youth’ means an individual who—

“(A) is—

“(i) a runaway youth; or

“(ii) indefinitely or intermittently a homeless youth; and

“(B) spends a significant amount of time on the street or in other areas that increase the risk to such youth for sexual abuse, sexual exploitation, prostitution, or drug abuse.

“(6) TRANSITIONAL LIVING YOUTH PROJECT.—The term ‘transitional living youth project’ means a project that provides shelter and services designed to promote a transition to self-sufficient living and to prevent long-term dependency on social services.

“(7) YOUTH AT RISK OF SEPARATION FROM THE FAMILY.—The term ‘youth at risk of separation from the family’ means an individual—

“(A) who is less than 18 years of age; and

“(B)(i) who has a history of running away from the family of such individual;

“(ii) whose parent, guardian, or custodian is not willing to provide for the basic needs of such individual; or

“(iii) who is at risk of entering the child welfare system or juvenile justice system as a result of the lack of services available to the family to meet such needs.”.

(o) REDESIGNATION OF SECTIONS.—Sections 371, 372, 381, 382, and 383 of the Runaway and Homeless Youth Act (42 U.S.C. 5714b–5851 et seq.), as amended by this title, are redesignated as sections 381, 382, 383, 384, and 385, respectively.

(p) TECHNICAL AMENDMENTS.—The Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.) is amended—

(1) in section 331, in the first sentence, by striking “With” and all that follows through “the Secretary”, and inserting “The Secretary”; and

(2) in section 344(a)(1), by striking “With” and all that follows through “the Secretary”, and inserting “The Secretary”.

**SEC. 304. NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN.**

(a) FINDINGS.—Section 402 of the Missing Children's Assistance Act (42 U.S.C. 5771) is amended—

(1) in paragraph (7), by striking “and” at the end;

(2) in paragraph (8), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(9) for 14 years, the National Center for Missing and Exploited Children has—

“(A) served as the national resource center and clearinghouse congressionally mandated under the provisions of the Missing Children's Assistance Act of 1984; and

“(B) worked in partnership with the Department of Justice, the Federal Bureau of Investigation, the Department of the Treasury, the Department of State, and many other agencies in the effort to find missing children and prevent child victimization;

“(10) Congress has given the Center, which is a private non-profit corporation, access to the National Crime Information Center of the Federal Bureau of Investigation, and the National Law Enforcement Telecommunications System; “(11) since 1987, the Center has operated the National Child Pornography Tipline, in conjunction with the United States Customs Service and the United States Postal Inspection Service and, beginning this year, the Center established a new CyberTipline on child exploitation, thus becoming ‘the 911 for the Internet’;

“(12) in light of statistics that time is of the essence in cases of child abduction, the Director of the Federal Bureau of Investigation in February of 1997 created a new NCIC child abduction (‘CA’) flag to provide the Center immediate notification in the most serious cases, resulting in 642 ‘CA’ notifications to the Center and helping the Center to have its highest recovery rate in history;

“(13) the Center has established a national and increasingly worldwide network, linking the Center online with each of the missing children clearinghouses operated by the 50 States, the District of Columbia, and Puerto Rico, as well as with Scotland Yard in the United Kingdom, the Royal Canadian Mounted Police, INTERPOL headquarters in Lyon, France, and others, which has enabled the Center to transmit images and information regarding missing children to law enforcement across the United States and around the world instantly;

“(14) from its inception in 1984 through March 31, 1998, the Center has—

“(A) handled 1,203,974 calls through its 24-hour toll-free hotline (1–800–THE–LOST) and currently averages 700 calls per day;

“(B) trained 146,284 law enforcement, criminal and juvenile justice, and healthcare professionals in child sexual exploitation and missing

child case detection, identification, investigation, and prevention;

“(C) disseminated 15,491,344 free publications to citizens and professionals; and

“(D) worked with law enforcement on the cases of 59,481 missing children, resulting in the recovery of 40,180 children;

“(15) the demand for the services of the Center is growing dramatically, as evidenced by the fact that in 1997, the Center handled 129,100 calls, an all-time record, and by the fact that its new Internet website ([www.missingkids.com](http://www.missingkids.com)) receives 1,500,000 ‘hits’ every day, and is linked with hundreds of other websites to provide real-time images of breaking cases of missing children;

“(16) in 1997, the Center provided policy training to 256 police chiefs and sheriffs from 50 States and Guam at its new Jimmy Ryce Law Enforcement Training Center;

“(17) the programs of the Center have had a remarkable impact, such as in the fight against infant abductions in partnership with the healthcare industry, during which the Center has performed 668 onsite hospital walk-throughs and inspections, and trained 45,065 hospital administrators, nurses, and security personnel, and thereby helped to reduce infant abductions in the United States by 82 percent;

“(18) the Center is now playing a significant role in international child abduction cases, serving as a representative of the Department of State at cases under The Hague Convention, and successfully resolving the cases of 343 international child abductions, and providing greater support to parents in the United States;

“(19) the Center is a model of public/private partnership, raising private sector funds to match congressional appropriations and receiving extensive private in-kind support, including advanced technology provided by the computer industry such as imaging technology used to age the photographs of long-term missing children and to reconstruct facial images of unidentified deceased children;

“(20) the Center was 1 of only 10 of 300 major national charities given an A+ grade in 1997 by the American Institute of Philanthropy; and

“(21) the Center has been redesignated as the Nation’s missing children clearinghouse and resource center once every 3 years through a competitive selection process conducted by the Office of Juvenile Justice and Delinquency Prevention of the Department of Justice, and has received grants from that Office to conduct the crucial purposes of the Center.”.

(b) DEFINITIONS.—Section 403 of the Missing Children’s Assistance Act (42 U.S.C. 5772) is amended—

(1) in paragraph (1), by striking “and” at the end;

(2) in paragraph (2), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(3) the term ‘Center’ means the National Center for Missing and Exploited Children.”.

(c) DUTIES AND FUNCTIONS OF THE ADMINISTRATOR.—Section 404 of the Missing Children’s Assistance Act (42 U.S.C. 5773) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by striking subsection (b) and inserting the following:

“(b) ANNUAL GRANT TO NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN.—

“(1) IN GENERAL.—The Administrator shall annually make a grant to the Center, which shall be used to—

“(A)(i) operate a national 24-hour toll-free telephone line by which individuals may report information regarding the location of any missing child, or other child 13 years of age or younger whose whereabouts are unknown to such child’s legal custodian, and request information

pertaining to procedures necessary to reunite such child with such child’s legal custodian; and

“(ii) coordinate the operation of such telephone line with the operation of the national communications system referred to in part C of the Runaway and Homeless Youth Act (42 U.S.C. 5714–11);

“(B) operate the official national resource center and information clearinghouse for missing and exploited children;

“(C) provide to State and local governments, public and private nonprofit agencies, and individuals, information regarding—

“(i) free or low-cost legal, restaurant, lodging, and transportation services that are available for the benefit of missing and exploited children and their families; and

“(ii) the existence and nature of programs being carried out by Federal agencies to assist missing and exploited children and their families;

“(D) coordinate public and private programs that locate, recover, or reunite missing children with their families;

“(E) disseminate, on a national basis, information relating to innovative and model programs, services, and legislation that benefit missing and exploited children;

“(F) provide technical assistance and training to law enforcement agencies, State and local governments, elements of the criminal justice system, public and private nonprofit agencies, and individuals in the prevention, investigation, prosecution, and treatment of cases involving missing and exploited children; and

“(G) provide assistance to families and law enforcement agencies in locating and recovering missing and exploited children, both nationally and internationally.

“(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator to carry out this subsection, \$10,000,000 for each of fiscal years 2000, 2001, 2002, 2003, and 2004.

“(c) NATIONAL INCIDENT STUDIES.—The Administrator, either by making grants to or entering into contracts with public agencies or nonprofit private agencies, shall—

“(1) periodically conduct national incidence studies to determine for a given year the actual number of children reported missing each year, the number of children who are victims of abduction by strangers, the number of children who are the victims of parental kidnappings, and the number of children who are recovered each year; and

“(2) provide to State and local governments, public and private nonprofit agencies, and individuals information to facilitate the lawful use of school records and birth certificates to identify and locate missing children.”.

(d) NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN.—Section 405(a) of the Missing Children’s Assistance Act (42 U.S.C. 5775(a)) is amended by inserting “the Center and with” before “public agencies”.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 408 of the Missing Children’s Assistance Act (42 U.S.C. 5777) is amended by striking “1997 through 2001” and inserting “2000 through 2004”.

#### SEC. 305. TRANSFER OF FUNCTIONS AND SAVINGS PROVISIONS.

(a) DEFINITIONS.—In this section, unless otherwise provided or indicated by the context:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Office of Juvenile Crime Control and Prevention established by operation of subsection (b).

(2) ADMINISTRATOR OF THE OFFICE.—The term “Administrator of the Office” means the Administrator of the Office of Juvenile Justice and Delinquency Prevention.

(3) BUREAU OF JUSTICE ASSISTANCE.—The term “Bureau of Justice Assistance” means the bureau established under section 401 of title 1 of the Omnibus Crime Control and Safe Streets Act of 1968.

(4) FEDERAL AGENCY.—The term “Federal agency” has the meaning given the term “agency” by section 551(1) of title 5, United States Code.

(5) FUNCTION.—The term “function” means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(6) OFFICE OF JUVENILE CRIME CONTROL AND PREVENTION.—The term “Office of Juvenile Crime Control and Prevention” means the office established by operation of subsection (b).

(7) OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION.—The term “Office of Juvenile Justice and Delinquency Prevention” means the Office of Juvenile Justice and Delinquency Prevention of the Department of Justice, established by section 201 of the Juvenile Justice and Delinquency Prevention Act of 1974, as in effect on the day before the date of enactment of this Act.

(8) OFFICE.—The term “office” includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(b) TRANSFER OF FUNCTIONS.—There are transferred to the Office of Juvenile Crime Control and Prevention all functions that the Administrator of the Office exercised before the date of enactment of this Act (including all related functions of any officer or employee of the Office of Juvenile Justice and Delinquency Prevention), and authorized after the date of enactment of this Act, relating to carrying out the Juvenile Justice and Delinquency Prevention Act of 1974.

(c) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—

(1) IN GENERAL.—Except as otherwise provided in this section, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other amounts employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this section, subject to section 1531 of title 31, United States Code, shall be transferred to the Office of Juvenile Crime Control and Prevention.

(2) UNEXPENDED AMOUNTS.—Any unexpended amounts transferred pursuant to this subsection shall be used only for the purposes for which the amounts were originally authorized and appropriated.

(d) INCIDENTAL TRANSFERS.—

(1) IN GENERAL.—The Director of the Office of Management and Budget, at such time or times as the Director of that Office shall provide, may make such determinations as may be necessary with regard to the functions transferred by this section, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other amounts held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out this section.

(2) TERMINATION OF AFFAIRS.—The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this section and for such further measures and dispositions as may be necessary to effectuate the purposes of this section.

(e) EFFECT ON PERSONNEL.—

(1) IN GENERAL.—Except as otherwise provided by this section, the transfer pursuant to this section of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any



such employee to be separated or reduced in grade or compensation for 1 year after the date of transfer of such employee under this section.

(2) **EXECUTIVE SCHEDULE POSITIONS.**—Except as otherwise provided in this section, any person who, on the day before the date of enactment of this Act, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Office of Juvenile Crime Control and Prevention to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(3) **TRANSITION RULE.**—The incumbent Administrator of the Office as of the date immediately preceding the date of enactment of this Act shall continue to serve as Administrator after the date of enactment of this Act until such time as the incumbent resigns, is relieved of duty by the President, or an Administrator is appointed by the President, by and with the advice and consent of the Senate.

(f) **SAVINGS PROVISIONS.**—

(1) **CONTINUING EFFECT OF LEGAL DOCUMENTS.**—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions that are transferred under this section; and

(B) that are in effect at the time this section takes effect, or were final before the date of enactment of this Act and are to become effective on or after the date of enactment of this Act, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Administrator, or other authorized official, a court of competent jurisdiction, or by operation of law.

(2) **PROCEEDINGS NOT AFFECTED.**—

(A) **IN GENERAL.**—This section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the Office of Juvenile Justice and Delinquency Prevention on the date on which this section takes effect, with respect to functions transferred by this section but such proceedings and applications shall be continued.

(B) **ORDERS; APPEALS; PAYMENTS.**—Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this section had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law.

(C) **DISCONTINUANCE OR MODIFICATION.**—Nothing in this paragraph shall be construed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this paragraph had not been enacted.

(3) **SUITS NOT AFFECTED.**—This section shall not affect suits commenced before the date of enactment of this Act, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

(4) **NONABATEMENT OF ACTIONS.**—No suit, action, or other proceeding commenced by or

against the Office of Juvenile Justice and Delinquency Prevention, or by or against any individual in the official capacity of such individual as an officer of the Office of Juvenile Justice and Delinquency Prevention, shall abate by reason of the enactment of this section.

(5) **ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.**—Any administrative action relating to the preparation or promulgation of a regulation by the Office of Juvenile Justice and Delinquency Prevention relating to a function transferred under this section may be continued, to the extent authorized by this section, by the Office of Juvenile Crime Control and Prevention with the same effect as if this section had not been enacted.

(6) **RULE OF CONSTRUCTION.**—Nothing in this subsection may be construed to affect the authority under section 242A or 243 of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended by this Act.

(g) **TRANSITION.**—The Administrator may utilize—

(1) the services of such officers, employees, and other personnel of the Office of Juvenile Justice and Delinquency Prevention with respect to functions transferred to the Office of Juvenile Crime Control and Prevention by this section; and

(2) amounts appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this section.

(h) **REFERENCES.**—Reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document or of relating to—

(1) the Administrator of the Office of Juvenile Justice and Delinquency Prevention with regard to functions transferred by operation of subsection (b), shall be considered to refer to the Administrator of the Office of Juvenile Crime Control and Prevention; and

(2) the Office of Juvenile Justice and Delinquency Prevention with regard to functions transferred by operation of subsection (b), shall be considered to refer to the Office of Juvenile Crime Control and Prevention.

(i) **TECHNICAL AND CONFORMING AMENDMENTS.**—

(1) Section 5315 of title 5, United States Code, is amended by striking “Administrator, Office of Juvenile Justice and Delinquency Prevention” and inserting “Administrator, Office of Juvenile Crime Control and Prevention”.

(2) Section 4351(b) of title 18, United States Code, is amended by striking “Office of Juvenile Justice and Delinquency Prevention” and inserting “Office of Juvenile Crime Control and Prevention”.

(3) Subsections (a)(1) and (c) of section 3220 of title 39, United States Code, are each amended by striking “Office of Juvenile Justice and Delinquency Prevention” each place it appears and inserting “Office of Juvenile Crime Control and Prevention”.

(4) Section 463(f) of the Social Security Act (42 U.S.C. 663(f)) is amended by striking “Office of Juvenile Justice and Delinquency Prevention” and inserting “Office of Juvenile Crime Control and Prevention”.

(5) Sections 801(a), 804, 805, and 813 of title 1 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3712(a), 3782, 3785, 3786, 3789i) are amended by striking “Office of Juvenile Justice and Delinquency Prevention” each place it appears and inserting “Office of Juvenile Crime Control and Prevention”.

(6) The Victims of Child Abuse Act of 1990 (42 U.S.C. 13001 et seq.) is amended—

(A) in section 214(b)(1) by striking “262, 293, and 296 of subpart II of title II” and inserting “299B and 299E”;

(B) in section 214A(c)(1) by striking “262, 293, and 296 of subpart II of title II” and inserting “299B and 299E”;

(C) in sections 217 and 222 by striking “Office of Juvenile Justice and Delinquency Prevention” each place it appears and inserting “Office of Juvenile Crime Control and Prevention”; and

(D) in section 223(c) by striking “section 262, 293, and 296” and inserting “sections 262, 299B, and 299E”.

(7) The Missing Children’s Assistance Act (42 U.S.C. 5771 et seq.) is amended—

(A) in section 403(2) by striking “Justice and Delinquency Prevention” and inserting “Crime Control and Delinquency Prevention”; and

(B) in subsections (a)(5)(E) and (b)(1)(B) of section 404 by striking “section 313” and inserting “section 331”.

(8) The Crime Control Act of 1990 (42 U.S.C. 13001 et seq.) is amended—

(A) in section 217(c)(1) by striking “sections 262, 293, and 296 of subpart II of title II” and inserting “sections 299B and 299E”; and

(B) in section 223(c) by striking “section 262, 293, and 296 of title II” and inserting “sections 299B and 299E”.

(j) **REFERENCES.**—In any Federal law (excluding this Act and the Acts amended by this Act), Executive order, rule, regulation, order, delegation of authority, grant, contract, suit, or document a reference to the Office of Juvenile Justice and Delinquency Prevention shall be deemed to include a reference to the Office of Juvenile Crime Control and Prevention.

#### **Subtitle B—Accountability for Juvenile Offenders and Public Protection Incentive Grants**

##### **SEC. 321. BLOCK GRANT PROGRAM.**

(a) **IN GENERAL.**—Part R of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.) is amended to read as follows:

#### **“PART R—JUVENILE ACCOUNTABILITY BLOCK GRANTS**

##### **“SEC. 1801. PROGRAM AUTHORIZED.**

“(a) **IN GENERAL.**—The Attorney General shall make, subject to the availability of appropriations, grants to States for use by States and units of local government in planning, establishing, operating, coordinating, and evaluating projects, directly or through grants and contracts with public and private agencies, for the development of more effective investigation, prosecution, and punishment (including the imposition of graduated sanctions) of crimes or acts of delinquency committed by juveniles, programs to improve the administration of justice for and ensure accountability by juvenile offenders, and programs to reduce the risk factors (such as truancy, drug or alcohol use, and gang involvement) associated with juvenile crime or delinquency.

“(b) **USE OF GRANTS.**—Grants under this section may be used by States and units of local government—

“(1) for programs to enhance the identification, investigation, prosecution, and punishment of juvenile offenders, such as—

“(A) the utilization of graduated sanctions;

“(B) the utilization of short-term confinement of juvenile offenders;

“(C) the incarceration of violent juvenile offenders for extended periods of time;

“(D) the hiring of juvenile public defenders, juvenile judges, juvenile probation officers, and juvenile correctional officers to implement policies to control juvenile crime and violence and ensure accountability of juvenile offenders; and

“(E) the development and implementation of coordinated, multi-agency systems for—

“(i) the comprehensive and coordinated booking, identification, and assessment of juveniles arrested or detained by law enforcement agencies, including the utilization of multi-agency facilities such as juvenile assessment centers; and

“(ii) the coordinated delivery of support services for juveniles who have had or are at risk for contact with the juvenile or criminal systems, including utilization of court-established local service delivery councils;

“(2) for programs that require juvenile offenders to make restitution to the victims of offenses committed by those juvenile offenders, including programs designed and operated to further the goal of providing eligible offenders with an alternative to adjudication that emphasizes restorative justice;

“(3) for programs that require juvenile offenders to attend and successfully complete school or vocational training as part of a sentence imposed by a court;

“(4) for programs that require juvenile offenders who are parents to demonstrate parental responsibility by working and paying child support;

“(5) for programs that seek to curb or punish truancy;

“(6) for programs designed to collect, record, retain, and disseminate information useful in the identification, prosecution, and sentencing of juvenile offenders, such as criminal history information, fingerprints, DNA tests, and ballistics tests;

“(7) for the development and implementation of coordinated multijurisdictional or multi-agency programs for the identification, control, supervision, prevention, investigation, and treatment of the most serious juvenile offenses and offenders, popularly known as a ‘SHOCAP Program’ (Serious Habitual Offenders Comprehensive Action Program);

“(8) for the development and implementation of coordinated multijurisdictional or multi-agency programs for the identification, control, supervision, prevention, investigation, and disruption of youth gangs;

“(9) for the construction or remodeling of short- and long-term facilities for juvenile offenders;

“(10) for the development and implementation of technology, equipment, training programs for juvenile crime control, for law enforcement officers, judges, prosecutors, probation officers, and other court personnel who are employed by State and local governments, in furtherance of the purposes identified in this section;

“(11) for partnerships between State educational agencies and local educational agencies for the design and implementation of character education and training programs that incorporate the following elements of character: Caring, citizenship, fairness, respect, responsibility and trustworthiness;

“(12) for programs to seek to target, curb and punish adults who knowingly and intentionally use a juvenile during the commission or attempted commission of a crime, including programs that specifically provide for additional punishments or sentence enhancements for adults who knowingly and intentionally use a juvenile during the commission or attempted commission of a crime;

“(13) for juvenile prevention programs (including curfews, youth organizations, anti-drug, and anti-alcohol programs, anti-gang programs, and after school programs and activities);

“(14) for juvenile drug and alcohol treatment programs;

“(15) for school counseling and other school-base prevention programs;

“(16) for programs that drug test juveniles who are arrested, including follow-up testings; and

“(17) for programs for—

“(A) providing cross-training, jointly with the public mental health system, for State juvenile court judges, public defenders, prosecutors, and mental health and substance abuse agency rep-

resentatives with respect to the appropriate use of effective, community-based alternatives to juvenile justice or mental health system institutional placements; or

“(B) providing training for State juvenile probation officers and community mental health and substance abuse program representatives on appropriate linkages between probation programs and mental health community programs, specifically focusing on the identification of mental disorders and substance abuse addiction in juveniles on probation, effective treatment interventions for those disorders, and making appropriate contact with mental health and substance abuse case managers and programs in the community, in order to ensure that juveniles on probation receive appropriate access to mental health and substance abuse treatment programs and services.

“(c) REQUIREMENTS.—To be eligible to receive an incentive grant under this section, a State shall submit to the Attorney General an application, in such form as shall be prescribed by the Attorney General, which shall contain assurances that, not later than 1 year after the date on which the State submits such application—

“(1) the State has established or will establish a system of graduated sanctions for juvenile offenders that ensures appropriate sanctions, which are graduated to reflect the severity or repeated nature of violations, for each act of delinquency;

“(2) the State has established or will establish a policy of drug testing (including followup testing) juvenile offenders upon their arrest for any offense within an appropriate category of offenses designated by the chief executive officer of the State; and

“(3) the State has an established policy recognizing the rights and needs of victims of crimes committed by juveniles.

“(d) ALLOCATION AND DISTRIBUTION OF STATE GRANTS.—

“(1) IN GENERAL.—

“(A) STATE AND LOCAL DISTRIBUTION.—Subject to subparagraph (B), of amounts made available to the State, 30 percent may be retained by the State for use pursuant to paragraph (2) and 70 percent shall be reserved by the State for local distribution pursuant to paragraph (3).

“(B) SPECIAL RULE.—The Attorney General may waive the requirements of this paragraph with respect to any State in which the criminal and juvenile justice services for delinquent or other youth are organized primarily on a statewide basis, in which case not more than 50 percent of funds shall be made available to all units of local government in that State pursuant to paragraph (3).

“(2) OTHER DISTRIBUTION.—Of amounts retained by the State under paragraph (1)—

“(A) not less than 50 percent shall be designated for—

“(i) programs pursuant to paragraph (1) or (9) of subsection (b), except that if the State designates any amounts for purposes of construction or remodeling of short- or long-term facilities pursuant to subsection (b)(9), such amounts shall constitute not more than 50 percent of the estimated construction or remodeling cost and that no funds expended pursuant to this subparagraph may be used for the incarceration of any offender who was more than 21 years of age at the time of the offense, and no funds expended pursuant to this subparagraph may be used for construction, renovation, or expansion of facilities for such offenders, except that funds may be used to construct juvenile facilities collocated with adult facilities; or

“(ii) drug testing upon arrest for any offense within the category of offenses designated pursuant to subsection (c)(3), and intensive supervision thereafter pursuant to programs under subsection (b)(7) and subsection (c)(3); and

“(B) not less than 25 percent shall be used for the purposes set forth in paragraph (13), (14), or (15) of subsection (b).

“(3) LOCAL ELIGIBILITY AND DISTRIBUTION.—

“(A) IN GENERAL.—

“(i) LOCAL DISTRIBUTION SUBGRANT ELIGIBILITY.—To be eligible to receive a subgrant, a unit of local government shall provide such assurances to the State as the State shall require, that, to the maximum extent applicable, the unit of local government has laws or policies and programs that comply with the eligibility requirements of subsection (c).

“(ii) COORDINATED LOCAL EFFORT.—Prior to receiving a grant under this section, a unit of local government shall certify that it has or will establish a coordinated enforcement plan for reducing juvenile crime within the jurisdiction of the unit of local government, developed by a juvenile crime enforcement coalition, such coalition consisting of individuals within the jurisdiction representing the police, sheriff, prosecutor, State or local probation services, juvenile court, schools, business, and religious affiliated, fraternal, nonprofit, or social service organizations involved in crime prevention.

“(B) SPECIAL RULE.—The requirements of subparagraph (A) shall apply to an eligible unit that receives funds from the Attorney General under subparagraph (H), except that information that would otherwise be submitted to the State shall be submitted to the Attorney General.

“(C) LOCAL DISTRIBUTION.—From amounts reserved for local distribution under paragraph (1), the State shall allocate to such units of local government an amount that bears the same ratio to the aggregate amount of such funds as—

“(i) the sum of—

“(I) the product of—

“(aa) two-thirds; multiplied by

“(bb) the average law enforcement expenditure for such unit of local government for the 3 most recent calendar years for which such data is available; plus

“(II) the product of—

“(aa) one-third; multiplied by

“(bb) the average annual number of part 1 violent crimes in such unit of local government for the 3 most recent calendar years for which such data is available, bears to—

“(ii) the sum of the products determined under subparagraph (A) for all such units of local government in the State.

“(D) EXPENDITURES.—The allocation any unit of local government shall receive under paragraph (1) for a payment period shall not exceed 100 percent of law enforcement expenditures of the unit for such payment period.

“(E) REALLOCATION.—The amount of any unit of local government's allocation that is not available to such unit by operation of paragraph (2) shall be available to other units of local government that are not affected by such operation in accordance with this subsection.

“(F) UNAVAILABILITY OF DATA FOR UNITS OF LOCAL GOVERNMENT.—If the State has reason to believe that the reported rate of part 1 violent crimes or law enforcement expenditure for a unit of local government is insufficient or inaccurate, the State shall—

“(i) investigate the methodology used by the unit to determine the accuracy of the submitted data; and

“(ii) if necessary, use the best available comparable data regarding the number of violent crimes or law enforcement expenditure for the relevant years for the unit of local government.

“(G) LOCAL GOVERNMENT WITH ALLOCATIONS LESS THAN \$5,000.—If, under this section, a unit of local government is allocated less than \$5,000 for a payment period, the amount allocated shall be expended by the State on services to units of local government whose allotment is less

than such amount in a manner consistent with this part.

“(H) DIRECT GRANTS TO ELIGIBLE UNITS.—

“(i) IN GENERAL.—If a State does not qualify or apply for a grant under this section, by the application deadline established by the Attorney General, the Attorney General shall reserve not more than 70 percent of the allocation that the State would have received for grants under this section under subsection (e) for such fiscal year to provide grants to eligible units that meet the requirements for funding under subparagraph (A).

“(ii) AWARD BASIS.—In addition to the qualification requirements for direct grants for eligible units the Attorney General may use the average amount allocated by the States to like governmental units as a basis for awarding grants under this section.

“(I) ALLOCATION BY UNITS OF LOCAL GOVERNMENT.—Of the total amount made available under this section to a unit of local government for a fiscal year, not less than 25 percent shall be used for the purposes set forth in paragraph (13), (14), or (15) of subsection (b), and not less than 50 percent shall be designated for—

“(i) paragraph (1) or (9) of subsection (b), except that, if amounts are allocated for purposes of construction or remodeling of short- or long-term facilities pursuant to subsection (b)(9)—

“(I) the unit of local government shall coordinate such expenditures with similar State expenditures;

“(II) Federal funds shall constitute not more than 50 percent of the estimated construction or remodeling cost; and

“(III) no funds expended pursuant to this clause may be used for the incarceration of any offender who was more than 21 years of age at the time of the offense or for construction, renovation, or expansion of facilities for such offenders, except that funds may be used to construct juvenile facilities collocated with adult facilities, including separate buildings for juveniles and separate juvenile wings, cells, or areas collocated within an adult jail or lockup; or

“(ii) drug testing upon arrest for any offense within the category of offenses designated pursuant to subsection (c)(3), and intensive supervision thereafter pursuant to programs under subsection (b)(7) and subsection (c)(3).

“(4) NONSUPPLANTATION.—Amounts made available under this section to the States (or units of local government in the State) shall not be used to supplant State or local funds (or in the case of Indian tribal governments, to supplant amounts provided by the Bureau of Indian Affairs) but shall be used to increase the amount of funds that would in the absence of amounts received under this section, be made available from a State or local source, or in the case of Indian tribal governments, from amounts provided by the Bureau of Indian Affairs.

“(e) ALLOCATION OF GRANTS AMONG QUALIFYING STATES; RESTRICTIONS ON USE.—

“(1) ALLOCATION.—Amounts made available under this section shall be allocated as follows:

“(A) 0.5 percent shall be allocated to each eligible State.

“(B) The amount remaining after the allocation under subparagraph (A) shall be allocated proportionately based on the population that is less than 18 years of age in the eligible States.

“(2) RESTRICTIONS ON USE.—Amounts made available under this section shall be subject to the restrictions of subsections (a) and (b) of section 292 of the Juvenile Justice and Delinquency Prevention Act of 1974, except that the penalties in section 292(c) of such Act do not apply.

“(f) GRANTS TO INDIAN TRIBES.—

“(1) RESERVATION OF FUNDS.—Notwithstanding any other provision of law, from the amounts appropriated pursuant to section 291 of the Juvenile Justice and Delinquency Preven-

tion Act of 1974, for each fiscal year, the Attorney General shall reserve an amount equal to the amount to which all Indian tribes eligible to receive a grant under paragraph (3) would collectively be entitled, if such tribes were collectively treated as a State to carry out this subsection.

“(2) GRANTS TO INDIAN TRIBES.—From the amounts reserved under paragraph (1), the Attorney General shall make grants to Indian tribes for programs pursuant to the permissible purposes under section 1801.

“(3) APPLICATIONS.—To be eligible to receive a grant under this subsection, an Indian tribe shall submit to the Attorney General an application in such form and containing such information as the Attorney General may by regulation require. The requirements of subsection (c) apply to grants under this subsection.

#### “SEC. 1802. JUVENILE CRIMINAL HISTORY GRANTS.

“(a) IN GENERAL.—The Attorney General, through the Director of the Bureau of Justice Statistics and with consultation and coordination with the Office of Justice Programs and the Attorney General, upon application from a State (in such form and containing such information as the Attorney General may reasonably require) shall make a grant to each eligible State to be used by the State exclusively for purposes of meeting the eligibility requirements of subsection (b).

“(b) ELIGIBILITY.—A State is eligible for a grant under subsection (a) if its application provides assurances that, not later than 3 years after the date on which such application is submitted, the State will—

“(1) maintain, at the adult State central repository in accordance with the State's established practices and policies relating to adult criminal history records—

“(A) a fingerprint supported record of the adjudication of delinquency of any juvenile who commits an act that, if committed by an adult, would constitute the offense of murder, armed robbery, rape (except statutory rape), or a felony offense involving sexual molestation of a child, or a conspiracy or attempt to commit any such offense (all as defined by State law), that is equivalent to, and maintained and disseminated in the same manner and for the same purposes as are adult criminal history records for the same offenses, except that the record may include a notation of expungement pursuant to State law; and

“(B) a fingerprint supported record of the adjudication of delinquency of any juvenile who commits an act that, if committed by an adult, would be a felony other than a felony described in subparagraph (A) that is equivalent to, and maintained and disseminated in the same manner for any criminal justice purpose as are adult criminal history records for the same offenses, except that the record may include a notation of expungement pursuant to State law; and

“(2) will establish procedures by which an official of an elementary, secondary, and post-secondary school may, in appropriate circumstances (as defined by applicable State law), gain access to the juvenile adjudication record of a student enrolled at the school, or a juvenile who seeks, intends, or is instructed to enroll at that school, if—

“(A) the official is subject to the same standards and penalties under applicable Federal and State law relating to the handling and disclosure of information contained in juvenile adjudication records as are employees of law enforcement and juvenile justice agencies in the State; and

“(B) information contained in the juvenile adjudication record may not be used for the purpose of making an admission determination.

“(c) VALIDITY OF CERTAIN JUDGMENTS.—Nothing in this section shall require States, in order

to qualify for grants under this title, to modify laws concerning the status of any adjudication of juvenile delinquency or judgment of conviction under the law of the State that entered the judgment.

“(d) DEFINITIONS.—In this section—

“(1) the term ‘criminal justice purpose’ means the use by and within the criminal justice system for the detection, apprehension, detention, pretrial release, post-trial release, prosecution, adjudication, sentencing, disposition, correctional supervision, or rehabilitation of accused persons, criminal offenders, or juvenile delinquents; and

“(2) the term ‘expungement’ means the nullification of the legal effect of the conviction or adjudication to which the record applies.

#### “SEC. 1803. GRANTS TO COURTS FOR STATE JUVENILE JUSTICE SYSTEMS.

“(a) IN GENERAL.—The Attorney General may make grants in accordance with this section to States and units of local government to assist State and local courts with juvenile offender dockets.

“(b) GRANT PURPOSES.—Grants under this section may be used—

“(1) for technology, equipment, and training for judges, probation officers, and other court personnel to implement an accountability-based juvenile justice system that provides substantial and appropriate sanctions that are graduated in such manner as to reflect (for each delinquent act or criminal offense) the severity or repeated nature of that act or offense;

“(2) to hire additional judges, probation officers, other necessary court personnel, victims counselors, and public defenders for juvenile courts or adult courts with juvenile offender dockets, including courts with specialized juvenile drug offense or juvenile firearms offense dockets to reduce juvenile court backlogs, and provide additional services to make more effective systems of graduated sanctions designed to reduce recidivism and deter future crimes or delinquent acts by juvenile offenders;

“(3) to provide funding to enable juvenile courts and juvenile probation officers to address drug, gang, and youth violence problems more effectively; and

“(4) to provide funds to—

“(A) effectively supervise and monitor juvenile offenders sentenced to probation or parole; and

“(B) enforce conditions of probation and parole imposed on juvenile offenders, including drug testing and payment of restitution.

“(c) APPLICATION.—

“(1) IN GENERAL.—Each State or unit of local government that applies for a grant under this section shall submit an application to the Attorney General, in such form and containing such information as the Attorney General may reasonably require.

“(2) REQUIREMENTS.—In submitting an application for a grant under this part, a State or unit of local government shall provide assurances that the State or unit of local government will—

“(A) give priority to the prosecution of violent juvenile offenders;

“(B) seek to reduce any backlogs in juvenile justice cases and provide additional services to make more effective systems of graduated sanctions designed to reduce recidivism and deter future crimes or delinquent acts by juvenile offenders;

“(C) give adequate consideration to the rights and needs of victims of juvenile offenders; and

“(D) use amounts received under this section to supplement (and not supplant) State and local resources.

“(d) ALLOCATION OF GRANTS.—

“(1) IN GENERAL.—

“(A) ALLOCATION TO STATES.—

"(i) *IN GENERAL.*—In awarding grants under this part, the Attorney General may award grants provided for a State (including units of local government in that State) an aggregate amount equal to 0.75 percent of the amount made available to the Attorney General by appropriations for this section made pursuant to section 291(b)(1) of the Juvenile Justice and Delinquency Prevention Act of 1974 (reduced by amounts reserved under subsection (e)).

"(ii) *ADJUSTMENT.*—If the Attorney General determines that an insufficient number of applications have been submitted for a State, the Attorney General may adjust the aggregate amount awarded for a State under clause (i).

"(B) *REMAINING AMOUNTS.*—Of the adjusted amounts available to the Attorney General to carry out the grant program under this section referred to in subparagraph (A) that remain after the Attorney General distributes the amounts specified in that subparagraph (referred to in this subparagraph as the 'remaining amount') the Attorney General may award an additional aggregate amount to each State (including any political subdivision thereof) that (or with respect to which a political subdivision thereof) submits an application that is approved by the Attorney General under this section that bears the same ratio to the remaining amount as the population of juveniles residing in that State bears to the population of juveniles residing in all States.

"(2) *EQUITABLE DISTRIBUTION.*—The Attorney General shall ensure that the distribution of grant amounts made available for a State (including units of local government in that State) under this section is made on an equitable geographic basis, to ensure that—

"(A) an equitable amount of available funds are directed to rural areas, including those jurisdictions serving smaller urban and rural communities located along interstate transportation routes that are adversely affected by interstate criminal gang activity, such as illegal drug trafficking; and

"(B) the amount allocated to a State is equitably divided between the State, counties, and other units of local government to reflect the relative responsibilities of each such unit of local government.

"(e) *ADMINISTRATION; TECHNICAL ASSISTANCE.*—

"(1) *IN GENERAL.*—The Attorney General may reserve for each fiscal year not more than 2 percent of amounts appropriated for this section pursuant to section 291(b)(1) of the Juvenile Justice and Delinquency Prevention Act of 1974—

"(A) for the administration of this section; and

"(B) for the provision of technical assistance to recipients of or applicants for grant awards under this section.

"(2) *CARRYOVER PROVISION.*—Any amounts reserved for any fiscal year pursuant to paragraph (1) that are not expended during that fiscal year shall remain available until expended, except that any amount reserved under this subsection for the succeeding fiscal year from amounts made available by appropriations shall be reduced by an amount equal to the amount that remains available.

"(f) *AVAILABILITY OF FUNDS.*—Any grant amounts awarded under this section shall remain available until expended."

#### **SEC. 322. PILOT PROGRAM TO PROMOTE REPLICATION OF RECENT SUCCESSFUL JUVENILE CRIME REDUCTION STRATEGIES.**

(a) *PILOT PROGRAM TO PROMOTE REPLICATION OF RECENT SUCCESSFUL JUVENILE CRIME REDUCTION STRATEGIES.*—

(1) *ESTABLISHMENT.*—The Attorney General (or a designee of the Attorney General), in conjunction with the Secretary of the Treasury (or the designee of the Secretary), shall establish a

pilot program (referred to in this section as the "program") to encourage and support communities that adopt a comprehensive approach to suppressing and preventing violent juvenile crime patterned after successful State juvenile crime reduction strategies.

(2) *PROGRAM.*—In carrying out the program, the Attorney General shall—

(A) make and track grants to grant recipients (referred to in this section as "coalitions");

(B) in conjunction with the Secretary of the Treasury, provide for technical assistance and training, data collection, and dissemination of relevant information; and

(C) provide for the general administration of the program.

(3) *ADMINISTRATION.*—Not later than 30 days after the date of enactment of this Act, the Attorney General shall appoint or designate an Administrator (referred to in this section as the "Administrator") to carry out the program.

(4) *PROGRAM AUTHORIZATION.*—To be eligible to receive an initial grant or a renewal grant under this section, a coalition shall meet each of the following criteria:

(A) *COMPOSITION.*—The coalition shall consist of 1 or more representatives of—

(i) the local police department or sheriff's department;

(ii) the local prosecutors' office;

(iii) the United States Attorney's office;

(iv) the Federal Bureau of Investigation;

(v) the Bureau of Alcohol, Tobacco and Firearms;

(vi) State or local probation officers;

(vii) religious affiliated or fraternal organizations involved in crime prevention;

(viii) schools;

(ix) parents or local grass roots organizations such as neighborhood watch groups;

(x) local recreation agencies; and

(xi) social service agencies involved in crime prevention.

(B) *OTHER PARTICIPANTS.*—If possible, in addition to the representatives from the categories listed in subparagraph (A), the coalition shall include—

(i) representatives from the business community; and

(ii) researchers who have studied criminal justice and can offer technical or other assistance.

(C) *COORDINATED STRATEGY.*—A coalition shall submit to the Attorney General, or the Attorney General's designee, a comprehensive plan for reducing violent juvenile crime. To be eligible for consideration, a plan shall—

(i) ensure close collaboration among all members of the coalition in suppressing and preventing juvenile crime;

(ii) place heavy emphasis on coordinated enforcement initiatives, such as Federal and State programs that coordinate local police departments, prosecutors, and local community leaders to focus on the suppression of violent juvenile crime involving gangs;

(iii) ensure that there is close collaboration between police and probation officers in the supervision of juvenile offenders, such as initiatives that coordinate the efforts of parents, school officials, and police and probation officers to patrol the streets and make home visits to ensure that offenders comply with the terms of their probation;

(iv) ensure that a program is in place to trace all firearms seized from crime scenes or offenders in an effort to identify illegal gun traffickers; and

(v) ensure that effective crime prevention programs are in place, such as programs that provide after-school safe havens and other opportunities for at-risk youth to escape or avoid gang or other criminal activity, and to reduce recidivism.

(D) *ACCOUNTABILITY.*—A coalition shall—

(i) establish a system to measure and report outcomes consistent with common indicators and evaluation protocols established by the Administrator and that receives the approval of the Administrator; and

(ii) devise a detailed model for measuring and evaluating the success of the plan of the coalition in reducing violent juvenile crime, and provide assurances that the plan will be evaluated on a regular basis to assess progress in reducing violent juvenile crime.

(5) *GRANT AMOUNTS.*—

(A) *IN GENERAL.*—The Administrator may grant to an eligible coalition under this paragraph, an amount not to exceed the amount of non-Federal funds raised by the coalition, including in-kind contributions, for that fiscal year.

(B) *NONSUPPLANTING REQUIREMENT.*—A coalition seeking funds shall provide reasonable assurances that funds made available under this program to States or units of local government shall be so used as to supplement and increase (but not supplant) the level of the State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for programs described in this section, and shall in no event replace such State, local, or other non-Federal funds.

(C) *SUSPENSION OF GRANTS.*—If a coalition fails to continue to meet the criteria set forth in this section, the Administrator may suspend the grant, after providing written notice to the grant recipient and an opportunity to appeal.

(D) *RENEWAL GRANTS.*—Subject to subparagraph (D), the Administrator may award a renewal grant to grant recipient under this subparagraph for each fiscal year following the fiscal year for which an initial grant is awarded, in an amount not to exceed the amount of non-Federal funds raised by the coalition, including in-kind contributions, for that fiscal year, during the 4-year period following the period of the initial grant.

(E) *LIMITATION.*—The amount of a grant award under this section may not exceed \$300,000 for a fiscal year.

(6) *PERMITTED USE OF FUNDS.*—A coalition receiving funds under this section may expend such Federal funds on any use or program that is contained in the plan submitted to the Administrator.

(7) *CONGRESSIONAL CONSULTATION.*—

(A) *IN GENERAL.*—Two years after the date of implementation of the program established in this section, the Comptroller General of the United States shall submit to Congress a report reviewing the effectiveness of the program in suppressing and reducing violent juvenile crime in the participating communities.

(B) *CONTENTS OF REPORT.*—The report submitted under subparagraph (A) shall include—

(i) an analysis of each community participating in the program, along with information regarding the plan undertaken in the community, and the effectiveness of the plan in reducing violent juvenile crime; and

(ii) recommendations regarding the efficacy of continuing the program.

(b) *INFORMATION COLLECTION AND DISSEMINATION WITH RESPECT TO COALITIONS.*—

(1) *COALITION INFORMATION.*—For the purpose of audit and examination, the Attorney General—

(A) shall have access to any books, documents, papers, and records that are pertinent to any grant or grant renewal request under this section; and

(B) may periodically request information from a coalition to ensure that the coalition meets the applicable criteria.

(2) *REPORTING.*—The Attorney General shall, to the maximum extent practicable and in a manner consistent with applicable law, minimize

reporting requirements by a coalition and expedite any application for a renewal grant made under this section.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—There is authorized to be appropriated to carry out this section \$3,000,000 for each of fiscal years 2000 through 2003.

(2) **SOURCE OF SUMS.**—Amounts authorized to be appropriated pursuant to this subsection may be derived from the Violent Crime Reduction Trust Fund.

**SEC. 323. REPEAL OF UNNECESSARY AND DUPLICATIVE PROGRAMS.**

(a) **VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994.**—

(1) **TITLE III.**—Title III of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13741 et seq.) is amended by striking subtitles A through C, and subtitles G through S.

(2) **TITLE XXVII.**—Title XXVII of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14191 et seq.) is repealed.

(b) **REFORM OF GREAT PROGRAM.**—Section 32401(a) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13921(a)) is amended—

(1) by striking paragraph (2) and inserting the following:

“(2) **SELECTION OF COMMUNITIES.**—

“(A) **IN GENERAL.**—Each community identified for a GREAT project referred to in paragraph (1) shall be selected by the Secretary of the Treasury on the basis of—

“(i) the level of gang activity and youth violence in the area in which the community is located;

“(ii) the number of schools in the community in which training would be provided under the project;

“(iii) the number of students who would receive the training referred to in clause (ii) in schools referred to in that clause; and

“(iv) a written description from officials of the community explaining the manner in which funds made available to the community under this section would be allocated.

“(B) **EQUITABLE SELECTION.**—The Secretary of the Treasury shall ensure that—

“(i) communities are identified and selected for GREAT projects under this subsection on an equitable geographic basis (except that this clause shall not be construed to require the termination of any projects selected prior to the beginning of fiscal year 1999); and

“(ii) the communities referred to in clause (i) include rural communities.”; and

(2) in paragraph (3)—

(A) in subparagraph (A), by striking “50 percent” and inserting “85 percent”; and

(B) in subparagraph (B), by striking “50 percent” and inserting “15 percent”.

**SEC. 324. EXTENSION OF VIOLENT CRIME REDUCTION TRUST FUND.**

(a) **IN GENERAL.**—Section 310001(b) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) is amended by striking paragraphs (1) through (5) and inserting the following:

“(1) for fiscal year 2001, \$6,025,000,000;

“(2) for fiscal year 2002, \$6,169,000,000;

“(3) for fiscal year 2003, \$6,316,000,000;

“(4) for fiscal year 2004, \$6,458,000,000; and

“(5) for fiscal year 2005, \$6,616,000,000.”.

(b) **DISCRETIONARY LIMITS.**—Title XXXI of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211 et seq.) is amended by inserting after section 310001 the following:

**“SEC. 310002. DISCRETIONARY LIMITS.**

“For the purposes of allocations made for the discretionary category pursuant to section 302(a) of the Congressional Budget Act of 1974 (2 U.S.C. 633(a)), the term ‘discretionary spending limit’ means—

“(1) with respect to fiscal year 2001—

“(A) for the discretionary category, amounts of budget authority and outlays necessary to adjust the discretionary spending limits to reflect the changes in subparagraph (B) as determined by the Chairman of the Budget Committee; and

“(B) for the violent crime reduction category: \$6,025,000,000 in new budget authority and \$5,718,000,000 in outlays;

“(2) with respect to fiscal year 2002—

“(A) for the discretionary category, amounts of budget authority and outlays necessary to adjust the discretionary spending limits to reflect the changes in subparagraph (B) as determined by the Chairman of the Budget Committee; and

“(B) for the violent crime reduction category: \$6,169,000,000 in new budget authority and \$6,020,000,000 in outlays; and

“(3) with respect to fiscal year 2003—

“(A) for the discretionary category, amounts of budget authority and outlays necessary to adjust the discretionary spending limits to reflect the changes in subparagraph (B) as determined by the Chairman of the Budget Committee; and

“(B) for the violent crime reduction category: \$6,316,000,000 in new budget authority and \$6,161,000,000 in outlays;

“(4) with respect to fiscal year 2004—

“(A) for the discretionary category, amounts of budget authority and outlays necessary to adjust the discretionary spending limits to reflect the changes in subparagraph (B) as determined by the Chairman of the Budget Committee; and

“(B) for the violent crime reduction category: \$6,458,000 in new budget authority and \$6,303,000,000 in outlays; and

“(5) with respect to fiscal year 2005—

“(A) for the discretionary category, amounts of budget authority and outlays necessary to adjust the discretionary spending limits to reflect the changes in subparagraph (B) as determined by the Chairman of the Budget Committee; and

“(B) for the violent crime reduction category: \$6,616,000 in new budget authority and \$6,452,000,000 in outlays;

as adjusted in accordance with section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)) and section 314 of the Congressional Budget Act of 1974.”.

**SEC. 325. REIMBURSEMENT OF STATES FOR COSTS OF INCARCERATING JUVENILE ALIENS.**

(a) **IN GENERAL.**—Section 501 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1365) is amended—

(1) in subsection (a), by inserting “or illegal juvenile alien who has been adjudicated delinquent and committed to a juvenile correctional facility by such State or locality” before the period;

(2) in subsection (b), by inserting “(including any juvenile alien who has been adjudicated delinquent and has been committed to a correctional facility)” before “who is in the United States unlawfully”; and

(3) by adding at the end the following:

“(f) **JUVENILE ALIEN DEFINED.**—In this section, the term ‘juvenile alien’ means an alien (as defined in section 101(a)(3) of the Immigration and Nationality Act) who has been adjudicated delinquent and committed to a correctional facility by a State or locality as a juvenile offender.”.

(b) **ANNUAL REPORT.**—Section 332 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1366) is amended—

(1) by striking “and” at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting “; and”; and

(3) by adding at the end the following:

“(5) the number of illegal juvenile aliens that are committed to State or local juvenile correctional facilities, including the type of offense committed by each juvenile.”.

(c) **CONFORMING AMENDMENT.**—Section 241(i)(3)(B) of the Immigration and Nationality Act (8 U.S.C. 1231(i)(3)(B)) is amended—

(1) by striking “or” at the end of clause (ii);

(2) by striking the period at the end of clause (iii) and inserting “; or”; and

(3) by adding at the end the following:

“(iv) is a juvenile alien with respect to whom section 501 of the Immigration Reform and Control Act of 1986 applies.”.

**Subtitle C—Alternative Education and Delinquency Prevention**

**SEC. 331. ALTERNATIVE EDUCATION.**

Part D of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6421 et seq.) is amended by adding at the end the following:

**“Subpart 4—Alternative Education Demonstration Project Grants**

**“SEC. 1441. PROGRAM AUTHORITY.**

“(a) **GRANTS.**—

“(1) **IN GENERAL.**—From amounts appropriated under section 1443, the Secretary, in consultation with the Administrator, shall make grants to State educational agencies or local educational agencies for not less than 10 demonstration projects that enable the agencies to develop models for and carry out alternative education for at-risk youth.

“(2) **CONSTRUCTION.**—Nothing in this subpart shall be construed to affect the requirements of the Individuals with Disabilities Education Act.

“(b) **DEMONSTRATION PROJECTS.**—

“(1) **PARTNERSHIPS.**—Each agency receiving a grant under this subpart may enter into a partnership with a private sector entity to provide alternative educational services to at-risk youth.

“(2) **REQUIREMENTS.**—Each demonstration project assisted under this subpart shall—

“(A) accept for alternative education at-risk or delinquent youth who are referred by a local school or by a court with a juvenile delinquency docket and who—

“(i) have demonstrated a pattern of serious and persistent behavior problems in regular schools;

“(ii) are at risk of dropping out of school;

“(iii) have been convicted of a criminal offense or adjudicated delinquent for an act of juvenile delinquency, and are under a court’s supervision; or

“(iv) have demonstrated that continued enrollment in a regular classroom—

“(I) poses a physical threat to other students; or

“(II) inhibits an atmosphere conducive to learning; and

“(B) provide for accelerated learning, in a safe, secure, and disciplined environment, including—

“(i) basic curriculum focused on mastery of essential skills, including targeted instruction in basic skills required for secondary school graduation; and

“(ii) emphasis on—

“(I) personal, academic, social, and workplace skills; and

“(II) behavior modification.

“(c) **APPLICABILITY.**—Except as provided in subsections (c) and (e) of section 1442, the provisions of section 1401(c), 1402, and 1431, and subparts 1 and 2, shall not apply to this subpart.

“(d) **DEFINITION OF ADMINISTRATOR.**—In this subpart, the term ‘Administrator’ means the Administrator of the Office of Juvenile Crime Control and Prevention of the Department of Justice.

**“SEC. 1442. APPLICATIONS; GRANTEE SELECTION.**

“(a) **APPLICATIONS.**—Each State educational agency and local educational agency seeking a

grant under this subpart shall submit an application in such form, and containing such information, as the Secretary, in consultation with the Administrator, may reasonably require.

**“(b) SELECTION OF GRANTEES.—**

**“(1) IN GENERAL.—**The Secretary shall select State educational agencies and local educational agencies to receive grants under this subpart on an equitable geographic basis, including selecting agencies that serve urban, suburban, and rural populations.

**“(2) MINIMUM.—**The Secretary shall award a grant under this subpart to not less than 1 agency serving a population with a significant percentage of Native Americans.

**“(3) PRIORITY.—**In awarding grants under this subpart, the Secretary may give priority to State educational agencies and local educational agencies that demonstrate in the application submitted under subsection (a) that the State has a policy of equitably distributing resources among school districts in the State.

**“(c) QUALIFICATIONS.—**To qualify for a grant under this subpart, a State educational agency or local educational agency shall—

**“(1) in the case of a State educational agency,** have submitted a State plan under section 1414(a) that is approved by the Secretary;

**“(2) in the case of a local educational agency,** have submitted an application under section 1423 that is approved by the State educational agency;

**“(3) certify that the agency will comply with the restrictions of section 292 of the Juvenile Justice and Delinquency Prevention Act of 1974;**

**“(4) explain the educational and juvenile justice needs of the community to be addressed by the demonstration project;**

**“(5) provide a detailed plan to implement the demonstration project; and**

**“(6) provide assurances and an explanation of the agency's ability to continue the program funded by the demonstration project after the termination of Federal funding under this subpart.**

**“(d) MATCHING REQUIREMENT.—**

**“(1) IN GENERAL.—**Grant funds provided under this subpart shall not constitute more than 35 percent of the cost of the demonstration project funded.

**“(2) SOURCE OF FUNDS.—**Matching funds for grants under this subpart may be derived from amounts available under section 205, or part B of title II, of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5611 et seq.) to the State in which the demonstration project will be carried out, except that the total share of funds derived from Federal sources shall not exceed 50 percent of the cost of the demonstration project.

**“(e) PROGRAM EVALUATION.—**

**“(1) IN GENERAL.—**Each State educational agency or local educational agency that receives a grant under this subpart shall evaluate the demonstration project assisted under this subpart in the same manner as programs are evaluated under section 1431. In addition, the evaluation shall include—

**“(A) an evaluation of the effect of the alternative education project on order, discipline, and an effective learning environment in regular classrooms;**

**“(B) an evaluation of the project's effectiveness in improving the skills and abilities of at-risk students assigned to alternative education, including an analysis of the academic and social progress of such students; and**

**“(C) an evaluation of the project's effectiveness in reducing juvenile crime and delinquency, including—**

**“(i) reductions in incidents of campus crime in relevant school districts, compared with school districts not included in the project; and**

**“(ii) reductions in recidivism by at-risk students who have juvenile justice system involvement and are assigned to alternative education.**

**“(2) EVALUATION BY THE SECRETARY.—**The Secretary, in cooperation with the Administrator, shall comparatively evaluate each of the demonstration projects funded under this subpart, including an evaluation of the effectiveness of private sector educational services, and shall report the findings of the evaluation to the Committee on Education and the Workforce of the House of Representatives and the Committees on the Judiciary and Health, Education, Labor and Pensions of the Senate not later than June 30, 2005.

**“SEC. 1443. AUTHORIZATION OF APPROPRIATIONS.**

“There are authorized to be appropriated to carry out this subpart \$15,000,000 for each of fiscal years 2000, 2001, 2002, and 2003.”

**Subtitle D—Parenting as Prevention**

**SEC. 341. SHORT TITLE.**

This subtitle shall be cited as the “Parenting as Prevention Act”.

**SEC. 342. ESTABLISHMENT OF PROGRAM.**

The Secretary of Health and Human Services, in consultation with the Attorney General, the Secretary of Education, the Secretary of Housing and Urban Development, the Secretary of Labor, the Secretary of Agriculture, and the Secretary of Defense shall establish a parenting support and education program as provided in sections 343, 344, and 345.

**SEC. 343. NATIONAL PARENTING SUPPORT AND EDUCATION COMMISSION.**

**(a) ESTABLISH COMMISSION.—**The Secretary of Health and Human Services shall establish a National Parenting Support and Education Commission (hereinafter referred to as the “Commission”) to identify the best practices for parenting and to provide practical parenting advice for parents and caregivers based on the best available research data. She shall provide the Commission with necessary staff and other resources to fulfill its duties.

**(b) MEMBERSHIP OF COMMISSION.—**The Secretary shall appoint the Commission after consultation with the cabinet members identified in section 342. The Commission shall consist of the following members—

- (1) an adolescent representative;
- (2) a parent representative;
- (3) an expert in brain research;
- (4) experts in child development, youth development, early childhood education, primary education, and secondary education;
- (5) an expert in children's mental health;
- (6) an expert on children's health and nutrition;
- (7) an expert on child abuse prevention, diagnosis, and treatment;
- (8) a representative of parenting support programs;
- (9) a representative of parenting education;
- (10) a representative from law enforcement;
- (11) an expert on firearm safety programs;
- (12) a representative from a nonprofit organization that delivers services to children and their families which may include a faith based organization; and
- (13) such other representatives as the Secretary deems necessary.

**(c) DUTIES OF COMMISSION.—**The Commission shall—

- (1) identify best parenting practices for parents and caregivers of young children on topics including but not limited to brain stimulation, developing healthy attachments and social relationships, anger management and conflict resolution, character development, discipline, controlling access to television and other entertainment including computers, firearms safety, mental health, health care and nutrition including breastfeeding, encouraging reading and lifelong learning habits, and recognition and treatment of developmental and behavioral problems;

(2) identify best parenting practices of adolescents and pre-adolescents on topics including but not limited to methods of addressing peer pressure with respect to underage drinking, sexual relations, illegal drug use, and other negative behavior; developing healthy social and family relationships; exercising discipline; controlling access to television and other entertainment including computers, video games, and movies; firearm safety; encouraging success in school; and other issues of concern to parents of adolescents;

(3) identify best parenting practices and resources available for parents and caregivers of children with special needs including fetal alcohol syndrome, fetal alcohol effect, mental illness, autism, retardation, learning disabilities, behavioral disorders, chronic illness, and physical disabilities; and

(4) review existing parenting support and education programs and the data evaluating them and make recommendations to the Secretary and the Congress on which are most effective and should receive Federal support within 18 months of appointment.

**(d) PUBLIC HEARINGS AND TESTIMONY.—**The Commission shall conduct four public hearings, shall solicit and receive testimony from national experts and national organizations, shall conduct a comprehensive review of academic and other research literature, and shall seek information from the Governors on existing brain development and parenting programs which have been most successful.

**(e) PUBLICATION OF MATERIALS.—**If not otherwise available, the Commission shall prepare materials which may include written material, videotapes, CD's, and other audio and visual material on best parenting practices and shall make them available for distribution to parents, caregivers, and others through State and local government programs, hospitals, maternity centers, and other health care providers, adoption agencies, schools, public housing units, child care centers, and social service providers. If such materials are already available, the Commission may print, reproduce, and distribute such materials.

**(f) REPORTING REQUIREMENT.—**The Commission shall prepare and submit a report of its findings and recommendations to the Secretary and the Congress no later than 18 months after appointment.

**(g) AUTHORIZATION OF FUNDS.—**There is authorized to be appropriated in fiscal year 2000 such sums as may be necessary to support the work of the Commission and to produce and distribute the materials described in subsection (e). Such sum shall remain available until expended. Any fund appropriated pursuant to this section shall remain available until expended.

**SEC. 344. STATE AND LOCAL PARENTING SUPPORT AND EDUCATION GRANT PROGRAM.**

**(a) STATE ALLOTMENTS.—**The Secretary shall make allotments to eligible States to support parenting support and training programs. Each State shall receive an amount that bears the same relationship to the amount appropriated as the total number of children in the State bears to the total number of children in all States, but no State shall receive less than one-half of one percent of the state allocation. From the amounts provided to each State with Indian or Alaska Native populations exceeding two percent of its total statewide population, the Governor shall set aside two percent for Indian tribes as that term is defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (P.L. 93-638, as amended; 25 U.S.C. 450b(e)) which shall be distributed based on the percentage of Indian children in each tribe except that with respect to Alaska, the funds shall be distributed to the nonprofit entities described in section 419(4)(B) of the Social



Security Act pursuant to section 103 of Public Law 104-193 (110 Stat. 2159, 2160; 42 U.S.C. 619(4)(B)) which shall be allocated based on the percentage of Alaska Native children in each region.

(b) **STATE PARENTING SUPPORT AND EDUCATION COUNCIL.**—To be eligible to receive Federal funding, the Governor of each State shall appoint a State Parenting Support and Education Council (hereinafter referred to as the "Council") which shall include parent representatives, representatives of the State government, bipartisan representation from the State legislature, representatives from local communities, and interested children's organizations, except that the Governor may designate an existing entity that includes such groups. The Council shall conduct a needs and resources assessment of parenting support and education programs in the State to determine where programs are lacking or inadequate and identify what additional programs are needed and which programs require additional resources. It shall consider the findings and recommendations of the Parenting Commission in making those determinations. Upon completion of the assessment, the Council may consider grant applications from the State to provide statewide programs, from local communities including schools, and from nonprofit service providers including faith based organizations.

(c) **GRANTS.**—Grants may be made for:

(1) Parenting support to promote early brain development and childhood development and education including—

(A) assistance to schools to offer classroom instruction on brain stimulation, child development, and early childhood education;

(B) distribution of materials developed by the Commission or another entity that reflect best parenting practices;

(C) development and distribution of referral information on programs and services available to children and families at the local level, including eligibility criteria;

(D) voluntary hospital visits for postpartum women and in-home visits for families with infants, toddlers, or newly adopted children to provide hands-on training and one-on-one instruction on brain stimulation, child development, and early childhood education;

(E) parenting education programs including training with respect to the best parenting practices identified in subsection (c).

(2) Parenting support for adolescents and youth including funds for services and support for parents and other caregivers of young people being served by a range of education, social service, mental health, health, runaway and homeless youth programs. Programs may include the Boys and Girls Club, YMCA and YWCA, after school programs, 4-H programs, or other community based organizations. Eligible activities may include parent-caregiver support groups, peer support groups, parent education classes, seminars or discussion groups on problems facing adolescents, advocates and mentors to help parents understand and work with schools, the courts, and various treatment programs.

(3) Parenting support and education resource centers including—

(A) development of parenting resource centers which may serve as a single point of contact for the provision of comprehensive services available to children and their families including Federal, State, and local governmental and nonprofit services available to children. Such services may include child care, respite care, pediatric care, child abuse prevention programs, nutrition programs, parent training, infant and child CPR and safety training programs, caregiver training and education, and other related programs;

(B) a national toll free anonymous parent hotline with 24 hour a day consultation and advice including referral to local community based services;

(C) respite care for parents with children with special needs, single mothers, and at-risk youth.

(d) **REPORTING.**—Each entity that receives a grant under this section shall submit a report every 2 years to the Council describing the program it has developed, the number of parents and children served, and the success of the program using specific performance measures.

(e) **ADMINISTRATIVE COSTS.**—Not more than 5 percent of the amounts received by a State may be used to pay for the administrative expenses of the Council in implementing the grant program.

(f) **SUPPLEMENT NOT SUPPLANT.**—Funds appropriated pursuant to this section shall be used to supplement and not supplant other Federal, State, and local public funds expended for parenting support and education programs.

(g) **AUTHORIZATION OF FUNDS.**—There is authorized to be appropriated such sums as are necessary for fiscal year 2000 and subsequent fiscal years.

#### **SEC. 345. GRANTS TO ADDRESS THE PROBLEM OF VIOLENCE RELATED STRESS TO PARENTS AND CHILDREN.**

(a) **FINDINGS.**—The Congress finds that a child's brain is wired between the ages of 0-3. A child's ability to learn, develop healthy family and social relationships, resist peer pressure, and control violent impulses depends on the quality and quantity of brain stimulation he receives. Research shows that children exposed to negative brain stimulation in the form of physical and sexual abuse and violence in the family or community causes the brain to be miswired making it difficult for the child to be successful in life. Intervention early in a child's life to correct the miswiring is much more successful than adult rehabilitation efforts.

(b) **IN GENERAL.**—The Secretary shall award grants, enter into contracts or cooperative agreements to public and nonprofit private entities, as well as to Indian tribes, Native Hawaiians, and Alaska Native nonprofit corporations to establish national and regional centers of excellence on psychological trauma response and to identify the best practices for treating psychiatric and behavioral disorders resulting from children witnessing or experiencing such stress.

(c) **PRIORITIES.**—In awarding grants, contracts or cooperative agreements under subsection (a) related to the identifying best practices for treating disorders associated with psychological trauma, the Secretary shall give priority to programs that work with children, adolescents, adults, and families who are survivors and witnesses of child abuse, domestic, school, and community violence, and disasters.

(d) **GEOGRAPHICAL DISTRIBUTION.**—The Secretary shall ensure that grants, contracts, or cooperative agreements under subsection (a) with respect to centers of excellence are distributed equitably among the regions of the country and among urban and rural areas.

(e) **EVALUATION.**—The Secretary shall require that each applicant for a grant, contract or cooperative agreement under subsection (a) submit a plan as part of his application for the rigorous evaluation of the activities funded under the grant, contract or agreement, including both process and outcomes evaluation, and the submission of an evaluation at the end of the project period.

(f) **DURATION OF AWARDS.**—With respect to a grant, contract or cooperative agreement under this section, the period during which payments under such an award will be made to the recipient may not be less than 3 years. Such grants, contract or agreement may be renewed.

(g) **REPORT.**—Not later than 1 year after the date of enactment of this section, the General

Accounting Office shall prepare and submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Commerce of the House of Representatives a report concerning whether individuals are covered for post-traumatic stress disorders under public and private health plans, and the course of treatment, if any, that is covered.

(h) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated such sums as are necessary to carry out this section for fiscal year 2000 and subsequent fiscal years.

#### **TITLE IV—VOLUNTARY MEDIA AGREEMENTS FOR CHILDREN'S PROTECTION**

##### **Subtitle A—Children and the Media**

##### **SEC. 401. SHORT TITLE.**

This subtitle may be cited as the "Children's Protection Act of 1999".

##### **SEC. 402. FINDINGS.**

Congress makes the following findings:

(1) Television is seen and heard in nearly every United States home and is a uniquely pervasive presence in the daily lives of Americans. The average American home has 2.5 televisions, and a television is turned on in the average American home 7 hours every day.

(2) Television plays a particularly significant role in the lives of children. Figures provided by Nielsen Research show that children between the ages of 2 years and 11 years spend an average of 21 hours in front of a television each week.

(3) Television has an enormous capability to influence perceptions, especially those of children, of the values and behaviors that are common and acceptable in society.

(4) The influence of television is so great that its images and messages often can be harmful to the development of children. Social science research amply documents a strong correlation between the exposure of children to televised violence and a number of behavioral and psychological problems.

(5) Hundreds of studies have proven conclusively that children who are consistently exposed to violence on television have a higher tendency to exhibit violent and aggressive behavior, both as children and later in life.

(6) Such studies also show that repeated exposure to violent programming causes children to become desensitized to and more accepting of real-life violence and to grow more fearful and less trusting of their surroundings.

(7) A growing body of social science research indicates that sexual content on television can also have a significant influence on the attitudes and behaviors of young viewers. This research suggests that heavy exposure to programming with strong sexual content contributes to the early commencement of sexual activity among teenagers.

(8) Members of the National Association of Broadcasters (NAB) adhered for many years to a comprehensive code of conduct that was based on an understanding of the influence exerted by television and on a widely held sense of responsibility for using that influence carefully.

(9) This code of conduct, the Television Code of the National Association of Broadcasters, articulated this sense of responsibility as follows:

(A) "In selecting program subjects and themes, great care must be exercised to be sure that the treatment and presentation are made in good faith and not for the purpose of sensationalism or to shock or exploit the audience or appeal to prurient interests or morbid curiosity."

(B) "Broadcasters have a special responsibility toward children. Programs designed primarily for children should take into account the range of interests and needs of children, from instructional and cultural material to a wide variety of entertainment material. In their totality, programs should contribute to the sound,

balanced development of children to help them achieve a sense of the world at large and informed adjustments to their society."

(C) "Violence, physical, or psychological, may only be projected in responsibly handled contexts, not used exploitatively. Programs involving violence present the consequences of it to its victims and perpetrators. Presentation of the details of violence should avoid the excessive, the gratuitous and the instructional."

(D) "The presentation of marriage, family, and similarly important human relationships, and material with sexual connotations, shall not be treated exploitatively or irresponsibly, but with sensitivity."

(E) "Above and beyond the requirements of the law, broadcasters must consider the family atmosphere in which many of their programs are viewed. There shall be no graphic portrayal of sexual acts by sight or sound. The portrayal of implied sexual acts must be essential to the plot and presented in a responsible and tasteful manner."

(10) The National Association of Broadcasters abandoned the code of conduct in 1983 after three provisions of the code restricting the sale of advertising were challenged by the Department of Justice on antitrust grounds and a Federal district court issued a summary judgment against the National Association of Broadcasters regarding one of the provisions on those grounds. However, none of the programming standards of the code were challenged.

(11) While the code of conduct was in effect, its programming standards were never found to have violated any antitrust law.

(12) Since the National Association of Broadcasters abandoned the code of conduct, programming standards on broadcast and cable television have deteriorated dramatically.

(13) In the absence of effective programming standards, public concern about the impact of television on children, and on society as a whole, has risen substantially. Polls routinely show that more than 80 percent of Americans are worried by the increasingly graphic nature of sex, violence, and vulgarity on television and by the amount of programming that openly sanctions or glorifies criminal, antisocial, and degrading behavior.

(14) At the urging of Congress, the television industry has taken some steps to respond to public concerns about programming standards and content. The broadcast television industry agreed in 1992 to adopt a set of voluntary guidelines designed to "proscribe gratuitous or excessive portrayals of violence". Shortly thereafter, both the broadcast and cable television industries agreed to conduct independent studies of the violent content in their programming and make those reports public.

(15) In 1996, the television industry as a whole made a commitment to develop a comprehensive rating system to label programming that may be harmful or inappropriate for children. That system was implemented at the beginning of 1999.

(16) Despite these efforts to respond to public concern about the impact of television on children, millions of Americans, especially parents with young children, remain angry and frustrated at the sinking standards of television programming, the reluctance of the industry to police itself, and the harmful influence of television on the well-being of the children and the values of the United States.

(17) The Department of Justice issued a ruling in 1993 indicating that additional efforts by the television industry to develop and implement voluntary programming guidelines would not violate the antitrust laws. The ruling states that "such activities may be likened to traditional standard setting efforts that do not necessarily restrain competition and may have significant procompetitive benefits . . . . Such guidelines

could serve to disseminate valuable information on program content to both advertisers and television viewers. Accurate information can enhance the demand for, and increase the output of, an industry's products or services."

(18) The Children's Television Act of 1990 (Public Law 101-437) states that television broadcasters in the United States have a clear obligation to meet the educational and informational needs of children.

(19) Several independent analyses have demonstrated that the television broadcasters in the United States have not fulfilled their obligations under the Children's Television Act of 1990 and have not noticeably expanded the amount of educational and informational programming directed at young viewers since the enactment of that Act.

(20) The popularity of video and personal computer (PC) games is growing steadily among children. Although most popular video and personal computer games are educational or harmless in nature, many of the most popular are extremely violent. One recent study by Strategic Record Research found that 64 percent of teenagers played video or personal computer games on a regular basis. Other surveys of children as young as elementary school age found that almost half of them list violent computer games among their favorites.

(21) Violent video games often present violence in a glamorized light. Game players are often cast in the role of shooter, with points scored for each "kill". Similarly, advertising for such games often touts violent content as a selling point—the more graphic and extreme, the better.

(22) As the popularity and graphic nature of such video games grows, so do their potential to negatively influence impressionable children.

(23) Music is another extremely pervasive and popular form of entertainment. American children and teenagers listen to music more than any other demographic group. The Journal of American Medicine reported that between the 7th and 12th grades the average teenager listens to 10,500 hours of rock or rap music, just slightly less than the entire number of hours spent in the classroom from kindergarten through high school.

(24) Teens are among the heaviest purchasers of music, and are most likely to favor music genres that depict, and often appear to glamorize violence.

(25) Music has a powerful ability to influence perceptions, attitudes, and emotional state. The use of music as therapy indicates its potential to increase emotional, psychological, and physical health. That influence can be used for ill as well.

#### SEC. 403. PURPOSES; CONSTRUCTION.

(a) PURPOSES.—The purposes of this subtitle are to permit the entertainment industry—

(1) to work collaboratively to respond to growing public concern about television programming, movies, video games, Internet content, and music lyrics, and the harmful influence of such programming, movies, games, content, and lyrics on children;

(2) to develop a set of voluntary programming guidelines similar to those contained in the Television Code of the National Association of Broadcasters; and

(3) to implement the guidelines in a manner that alleviates the negative impact of television programming, movies, video games, Internet content, and music lyrics on the development of children in the United States and stimulates the development and broadcast of educational and informational programming for such children.

(b) CONSTRUCTION.—This subtitle may not be construed as—

(1) providing the Federal Government with any authority to restrict television programming, movies, video games, Internet content, or

music lyrics that is in addition to the authority to restrict such programming, movies, games, content, or lyrics under law as of the date of the enactment of this Act; or

(2) approving any action of the Federal Government to restrict such programming, movies, games, content, or lyrics that is in addition to any actions undertaken for that purpose by the Federal Government under law as of such date.

#### SEC. 404. EXEMPTION OF VOLUNTARY AGREEMENTS ON GUIDELINES FOR CERTAIN ENTERTAINMENT MATERIAL FROM APPLICABILITY OF ANTITRUST LAWS.

(a) EXEMPTION.—Subject to subsection (b), the antitrust laws shall not apply to any joint discussion, consideration, review, action, or agreement by or among persons in the entertainment industry for the purpose of developing and disseminating voluntary guidelines designed—

(1) to alleviate the negative impact of telecast material, movies, video games, Internet content, and music lyrics containing violence, sexual content, criminal behavior, or other subjects that are not appropriate for children; or

(2) to promote telecast material that is educational, informational, or otherwise beneficial to the development of children.

(b) LIMITATION.—The exemption provided in subsection (a) shall not apply to any joint discussion, consideration, review, action, or agreement which—

(1) results in a boycott of any person; or

(2) concerns the purchase or sale of advertising, including (without limitation) restrictions on the number of products that may be advertised in a commercial, the number of times a program may be interrupted for commercials, and the number of consecutive commercials permitted within each interruption.

#### SEC. 405. EXEMPTION OF ACTIVITIES TO ENSURE COMPLIANCE WITH RATINGS AND LABELING SYSTEMS FROM APPLICABILITY OF ANTITRUST LAWS.

(a) EXEMPTION FROM ANTITRUST LAWS.—

(1) IN GENERAL.—The antitrust laws shall not apply to any joint discussion, consideration, review, action, or agreement between or among persons in the motion picture, recording, or video game industry for the purpose of and limited to the development or enforcement of voluntary guidelines, procedures, and mechanisms designed to ensure compliance by persons and entities described in paragraph (2) with ratings and labeling systems to identify and limit dissemination of sexual, violent, or other indecent material to children.

(2) PERSONS AND ENTITIES DESCRIBED.—A person or entity described in this paragraph is a person or entity that is—

(A) engaged in the retail sales of motion pictures, recordings, or video games; or

(B) a theater owner or operator, video game arcade owner or operator, or other person or entity that makes available the viewing, listening, or use of a motion picture, recording, or video game to a member of the general public for compensation.

(b) REPORT.—Not later than 12 months after the date of the enactment of this Act, the Antitrust Division of the Department of Justice, in conjunction with the Federal Trade Commission, shall submit to Congress a report on—

(1) the extent to which the motion picture, recording, and video game industry have developed or enforced guidelines, procedures, or mechanisms to ensure compliance by persons and entities described in subsection (b)(2) with ratings or labeling systems which identify and limit dissemination of sexual, violent, or other indecent material to children; and

(2) the extent to which Federal or State antitrust laws preclude those industries from developing and enforcing the guidelines described in subsection (b)(1).

**SEC. 406. DEFINITIONS.**

In this subtitle:

(1) **ANTITRUST LAWS.**—The term “antitrust laws” has the meaning given such term in the first section of the Clayton Act (15 U.S.C. 12) and includes section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(2) **INTERNET.**—The term “Internet” means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol or any successor protocol to transmit information.

(3) **MOVIES.**—The term “movies” means motion pictures.

(4) **PERSON IN THE ENTERTAINMENT INDUSTRY.**—The term “person in the entertainment industry” means a television network, any entity which produces or distributes television programming (including motion pictures), the National Cable Television Association, the Association of Independent Television Stations, Incorporated, the National Association of Broadcasters, the Motion Picture Association of America, each of the affiliate organizations of the television networks, the Interactive Digital Software Association, any entity which produces or distributes video games, the Recording Industry Association of America, and any entity which produces or distributes music, and includes any individual acting on behalf of such person.

(5) **TELECAST.**—The term “telecast” means any program broadcast by a television broadcast station or transmitted by a cable television system.

**Subtitle B—Other Matters****SEC. 411. STUDY OF MARKETING PRACTICES OF MOTION PICTURE, RECORDING, AND VIDEO/PERSONAL COMPUTER GAME INDUSTRIES.**

(a) **STUDY.**—

(1) **IN GENERAL.**—The Federal Trade Commission and the Attorney General shall jointly conduct a study of the marketing practices of the motion picture, recording, and video/personal computer game industries.

(2) **ISSUES EXAMINED.**—In conducting the study under paragraph (1), the Commission and the Attorney General shall examine—

(A) the extent to which the motion picture, recording, and video/personal computer industries target the marketing of violent, sexually explicit, or other unsuitable material to minors, including whether such content is advertised or promoted in media outlets in which minors comprise a substantial percentage of the audience;

(B) the extent to which retail merchants, movie theaters, or others who engage in the sale or rental for a fee of products of the motion picture, recording, and video/personal computer industries—

(i) have policies to restrict the sale, rental, or viewing to minors of music, movies, or video/personal computer games that are deemed inappropriate for minors under the applicable voluntary industry rating or labeling systems; and

(ii) have procedures compliant with such policies;

(C) whether and to what extent the motion picture, recording, and video/personal computer industries require, monitor, or encourage the enforcement of their respective voluntary rating or labeling systems by industry members, retail merchants, movie theaters, or others who engage in the sale or rental for a fee of the products of such industries;

(D) whether any of the marketing practices examined may violate Federal law; and

(E) whether and to what extent the motion picture, recording, and video/personal computer industries engage in actions to educate the public on the existence, use, or efficacy of their voluntary rating or labeling systems.

(3) **FACTORS FOR DETERMINATION.**—In determining whether the products of the motion picture, recording, or video/personal computer industries are violent, sexually explicit, or otherwise unsuitable for minors for the purposes of paragraph (2)(A), the Commission and the Attorney General shall consider the voluntary industry rating or labeling systems of the industry concerned as in effect on the date of the enactment of this Act.

(b) **REPORT.**—Not later than one year after the date of the enactment of this Act, the Commission and the Attorney General shall submit to Congress a report on the study conducted under subsection (a).

(c) **AUTHORITY.**—For the purposes of the study conducted under subsection (a), the Commission may use its authority under section 6(b) of the Federal Trade Commission Act to require the filing of reports or answers in writing to specific questions, as well as to obtain information, oral testimony, documentary material, or tangible things.

**TITLE V—GENERAL FIREARM PROVISIONS****SEC. 501. SPECIAL LICENSEES; SPECIAL REGISTRATIONS.**

(a) **DEFINITIONS.**—Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

“(35) **GUN SHOW.**—The term ‘gun show’ means a gun show or event described in section 923(j).

“(36) **SPECIAL LICENSE.**—The term ‘special license’ means a license issued under section 923(m).

“(37) **SPECIAL LICENSEE.**—The term ‘special licensee’ means a person to whom a special license has been issued.

“(38) **SPECIAL REGISTRANT.**—The term ‘special registrant’ means a person to whom a special registration has been issued.

“(39) **SPECIAL REGISTRATION.**—The term ‘special registration’ means a registration issued under section 923(m).”.

(b) **SPECIAL LICENSES; SPECIAL REGISTRATION.**—Section 923 of title 18, United States Code, is amended by adding at the end the following:

“(m) **SPECIAL LICENSES; SPECIAL REGISTRATIONS.**—

“(1) **SPECIAL LICENSES.**—

“(A) **APPLICATION.**—A person who—

“(i) is engaged in the business of dealing in firearms by—

“(I) buying or selling firearms solely or primarily at gun shows; or

“(II) buying or selling firearms as part of a gunsmith or firearm repair business or the conduct of other activity that, absent this subsection, would require a license under this chapter; and

“(ii) desires to have access to the National Instant Check System; may submit to the Secretary an application for a special license.

“(B) **EFFECT OF PARAGRAPH.**—Nothing in this paragraph—

“(i) requires a license for conduct that did not require a license before the date of enactment of this subsection; or

“(ii) diminishes in any manner any right to display, sell, or otherwise dispose of firearms or ammunition, make repairs, or engage in any other conduct or activity, that was otherwise lawful to engage in without a license before the date of enactment of this subsection.

“(C) **CONTENTS.**—An application under subparagraph (A) shall—

“(i) contain a certification by the applicant that—

“(I) the applicant meets the requirements of subparagraphs (A) through (D) of subsection (d)(1);

“(II)(aa) the applicant conducts the firearm business primarily or solely at gun shows, and the applicant has premises (or a designated portion of premises) that may be inspected under this chapter from which the applicant conducts business (or intends to establish such premises) within a reasonable period of time; or

“(bb) the applicant conducts the firearm business from a premises (or a designated portion of premises) of a gunsmith or firearms repair business (or intends to establish such premises within a reasonable period of time); and

“(III) the firearm business to be conducted under the license—

“(aa) is not engaged in business for regularly buying and selling firearms from the applicant's premises;

“(bb) will be engaged in the buying or selling of firearms only—

“(AA) primarily or solely for a firearm business at gun shows; or

“(BB) as part of a gunsmith or firearm repair business;

“(cc) shall be conducted in accordance with all dealer recordkeeping required under this chapter for a dealer; and

“(dd) shall be subject to inspection under this chapter, including the special licensee's (or a designated portion of the premises), pursuant to the provisions in this chapter applicable to dealers;

“(ii) include a photograph and fingerprints of the applicant; and

“(iii) be in such form as the Secretary shall by regulation promulgate.

“(D) **COMPLIANCE WITH STATE OR LOCAL LAW.**—

“(i) **IN GENERAL.**—An applicant under subparagraph (A) shall not be required to certify or demonstrate that any firearm business to be conducted from the premises or elsewhere, to the extent permitted under this subsection, is or will be done in accordance with State or local law regarding the carrying on of a general business or commercial activity, including compliance with zoning restrictions.

“(ii) **DUTY TO COMPLY.**—The issuance of a special license does not relieve an applicant or licensee, as a matter of State or local law, from complying with State or local law described in clause (i).

“(E) **APPROVAL.**—

“(i) **IN GENERAL.**—The Secretary shall approve an application under subparagraph (A) if the application meets the requirements of subparagraph (D).

“(ii) **ISSUANCE OF LICENSE.**—On approval of the application and payment by the applicant of a fee prescribed for dealers under this section, the Secretary shall issue to the applicant a license which, subject to the provisions of this chapter and other applicable provisions of law, entitles the licensee to conduct business during the 3-year period that begins on the date on which the license is issued.

“(iii) **TIMING.**—

“(I) **IN GENERAL.**—The Secretary shall approve or disapprove an application under subparagraph (A) not later than 60 days after the Secretary receives the application.

“(II) **FAILURE TO ACT.**—If the Secretary fails to approve or disapprove an application within the time specified by subclause (I), the applicant may bring an action under section 1361 of title 28 to compel the Secretary to act.

“(2) **SPECIAL REGISTRANTS.**—

“(A) **IN GENERAL.**—A person who is not licensed under this chapter (other than a licensed collector) and who wishes to perform

instant background checks for the purposes of meeting the requirements of section 922(t) at a gun show may submit to the Secretary an application for a special registration.

“(B) CONTENTS.—An application under subparagraph (A) shall—

“(i) contain a certification by the applicant that—

“(I) the applicant meets the requirements of subparagraphs (A) through (D) of subsection (d)(1); and

“(II)(aa) any gun show at which the applicant will conduct instant checks under the special registration will be a show that is not prohibited by State or local law; and

“(bb) instant checks will be conducted only at gun shows that are conducted in accordance with Federal, State, and local law;

“(ii) include a photograph and fingerprints of the applicant; and

“(iii) be in such form as the Secretary shall by regulation promulgate.

“(C) APPROVAL.—

“(i) IN GENERAL.—The Secretary shall approve an application under subparagraph (A) if the application meets the requirements of subparagraph (B).

“(ii) ISSUANCE OF REGISTRATION.—On approval of the application and payment by the applicant of a fee of \$100 for 3 years, and upon renewal of valid registration a fee of \$50 for 3 years, the Secretary shall issue to the applicant a special registration, and notify the Attorney General of the United States of the issuance of the special registration.

“(iii) PERMITTED ACTIVITY.—Under a special registration, a special registrant may conduct instant check screening during the 3-year period that begins with the date on which the registration is issued.

“(D) TIMING.—

“(i) IN GENERAL.—The Secretary shall approve or deny an application under subparagraph (A) not later than 60 days after the Secretary receives the application.

“(ii) FAILURE TO ACT.—If the Secretary fails to approve or disapprove an application under subparagraph (A) within the time specified by clause (i), the applicant may bring an action under section 1361 of title 28 to compel the Secretary to act.

“(E) USE OF SPECIAL REGISTRANTS.—

“(i) IN GENERAL.—A person not licensed under this chapter who desires to transfer a firearm at a gun show in the person's State of residence to another person who is a resident of the same State, may use (but shall not be required to use) the services of a special registrant to determine the eligibility of the prospective transferee to possess a firearm by having the transferee provide the special registrant at the gun show, on a special and limited-purpose form that the Secretary shall prescribe for use by a special registrant—

“(I) the name, age, address, and other identifying information of the prospective transferee (or, in the case of a prospective transferee that is a corporation or other business entity, the identity and principal and local places of business of the prospective transferee); and

“(II) proof of verification of the identity of the prospective transferee as required by section 922(t)(1)(C).

“(ii) ACTION BY THE SPECIAL REGISTRANT.—The special registrant shall—

“(I) make inquiry of the national instant background check system (or as the Attorney General shall arrange, with the appropriate State point of contact agency for each jurisdiction in which the special registrant intends to offer services) concerning the prospective transferee in accordance with the

established procedures for making such inquiries;

“(II) receive the response from the system;

“(III) indicate the response on both a portion of the inquiry form for the records of the special registrant and on a separate form to be provided to the prospective transferee;

“(IV) provide the response to the transferor; and

“(V) follow the procedures established by the Secretary and the Attorney General for advising a person undergoing an instant background check on the meaning of a response, and any appeal rights, if applicable.

“(iii) RECORDKEEPING.—A special registrant shall—

“(I) keep all records or documents that the special registrant collected pursuant to clause (ii) during the gun show; and

“(II) transmit the records to the Secretary when the special registration is no longer valid, expires, or is revoked.

“(iv) NO OTHER REQUIREMENTS.—Except for the requirements stated in this section, a special registrant is not subject to any of the requirements imposed on licensees by this chapter, including those in section 922(t) and paragraphs (1)(A) and (3)(A) of subsection (g) with respect to the proposed transfer of a firearm.

“(3) NO CAUSE OF ACTION OR STANDARD OF CONDUCT.—

“(A) IN GENERAL.—Nothing in this subsection—

“(i) creates a cause of action against any special registrant or any other person, including the transferor, for any civil liability; or

“(ii) establishes any standard of care.

“(B) EVIDENCE.—Notwithstanding any other provision of law, except to give effect to the provisions of paragraph (3)(vi), evidence regarding the use or nonuse by a transferor of the services of a special registrant under this paragraph shall not be admissible as evidence in any proceeding of any court, agency, board, or other entity for the purposes of establishing liability based on a civil action brought on any theory for harm caused by a product or by negligence.

“(4) IMMUNITY.—

“(A) DEFINITION.—In this paragraph:

“(i) IN GENERAL.—The term ‘qualified civil liability action’ means a civil action brought by any person against a person described in subparagraph (B) for damages resulting from the criminal or unlawful misuse of the firearm by the transferee or a third party.

“(ii) EXCLUSIONS.—The term ‘qualified civil liability action’ shall not include an action—

“(B) IMMUNITY.—Notwithstanding any other provision of law, a person who is—

“(i) a special registrant who performs a background check in the manner prescribed in this subsection at a gun show;

“(ii) a licensee or special licensee who acquires a firearm at a gun show from a nonlicensee, for transfer to another nonlicensee in attendance at the gun show, for the purpose of effectuating a sale, trade, or transfer between the 2 nonlicensees, all in the manner prescribed for the acquisition and disposition of a firearm under this chapter; or

“(iii) a nonlicensee person disposing of a firearm who uses the services of a person described in clause (i) or (ii);

shall be entitled to immunity from civil liability action as described in subparagraph (B).

“(C) PROSPECTIVE ACTIONS.—A qualified civil liability action may not be brought in any Federal or State court—

“(i) brought against a transferor convicted under section 922(h), or a comparable State

felony law, by a person directly harmed by the transferee's criminal conduct, as defined in section 922(h); or

“(ii) brought against a transferor for negligent entrustment or negligence per se.

“(D) DISMISSAL OF PENDING ACTIONS.—A qualified civil liability action that is pending on the date of enactment of this subsection shall be dismissed immediately by the court.

“(5) REVOCATION.—A special license or special registration shall be subject to revocation under procedures provided for revocation of licensees in this chapter.”

(b) PENALTIES.—Section 924(a) of title 18, United States Code, is amended by adding at the end the following:

“(7) SPECIAL LICENSEES; SPECIAL REGISTRANTS.—Whoever knowingly violates section 923(m)(1) shall be fined under this title, imprisoned not more than 5 years, or both.”

#### SEC. 502. CLARIFICATION OF AUTHORITY TO CONDUCT FIREARM TRANSACTIONS AT GUN SHOWS.

Section 923 of title 18, United States Code, is amended by striking subsection (j) and inserting the following:

“(j) GUN SHOWS.—

“(1) IN GENERAL.—A licensed importer, licensed manufacturer, or licensed dealer may, under regulations promulgated by the Secretary, conduct business at a temporary location, other than the location specified on the license, described in paragraph (2).

“(2) TEMPORARY LOCATION.—

“(A) IN GENERAL.—A temporary location referred to in paragraph (1) is a location for a gun show, or for an event in the State specified on the license, at which firearms, firearms accessories and related items may be bought, sold, traded, and displayed, in accordance with Federal, State, and local laws.

“(B) LOCATIONS OUT OF STATE.—If the location is not in the State specified on the license, a licensee may display any firearm, and take orders for a firearm or effectuate the transfer of a firearm, in accordance with this chapter, including paragraph (3) of this subsection.

“(C) QUALIFIED GUN SHOWS OR EVENTS.—A gun show or an event shall qualify as a temporary location if—

“(i) the gun show or event is one which is sponsored, for profit or not, by an individual, national, State, or local organization, association, or other entity to foster the collecting, competitive use, sporting use, or any other legal use of firearms; and

“(ii) the gun show or event has 20 percent or more firearm exhibitors out of all exhibitors.

“(D) FIREARM EXHIBITOR.—The term ‘firearm exhibitor’ means an exhibitor who displays 1 or more firearms (as defined by section 921(a)(3)) and offers such firearms for sale or trade at the gun show or event.

“(3) RECORDS.—Records of receipt and disposition of firearms transactions conducted at a temporary location—

“(A) shall include the location of the sale or other disposition;

“(B) shall be entered in the permanent records of the licensee; and

“(C) shall be retained at the location premises specified on the license.

“(4) VEHICLES.—Nothing in this subsection authorizes a licensee to conduct business in or from any motorized or towed vehicle.

“(5) NO SEPARATE FEE.—Notwithstanding subsection (a), a separate fee shall not be required of a licensee with respect to business conducted under this subsection.

“(6) INSPECTIONS AND EXAMINATIONS.—

“(A) AT A TEMPORARY LOCATION.—Any inspection or examination of inventory or

records under this chapter by the Secretary at a temporary location shall be limited to inventory consisting of, or records relating to, firearms held or disposed at the temporary location.

“(B) NO REQUIREMENT.—Nothing in this subsection authorizes the Secretary to inspect or examine the inventory or records of a licensed importer, licensed manufacturer, or licensed dealer at any location other than the location specified on the license.

“(7) NO EFFECT ON OTHER RIGHTS.—Nothing in this subsection diminishes in any manner any right to display, sell, or otherwise dispose of firearms or ammunition that is in effect before the date of enactment of this subsection, including the right of a licensee to conduct firearms transfers and business away from their business premises with another licensee without regard to whether the location of the business is in the State specified on the license of either licensee.”.

#### SEC. 503. “INSTANT CHECK” GUN TAX AND GUN OWNER PRIVACY.

(a) PROHIBITION OF GUN TAX.—

(1) IN GENERAL.—Chapter 33 of title 28, United States Code, is amended by adding at the end the following:

##### “§ 540B. Prohibition of background check fee

“(a) IN GENERAL.—No officer, employee, or agent of the United States, including a State or local officer or employee acting on behalf of the United States, may charge or collect any fee in connection with any background check required in connection with the transfer of a firearm (as defined in section 921(a)(3) of title 18).

“(b) CIVIL REMEDIES.—Any person aggrieved by a violation of this section may bring an action in United States district court for actual damages, punitive damages, and such other remedies as the court may determine to be appropriate, including a reasonable attorney’s fee.”.

(2) CONFORMING AMENDMENT.—The analysis for chapter 33 of title 28, United States Code, is amended by inserting after the item relating to section 540A the following:

“540B. Prohibition of background check fee.”.

(b) PROTECTION OF GUN OWNER PRIVACY AND OWNERSHIP RIGHTS.—

(1) IN GENERAL.—Chapter 44 of title 18, United States Code, is amended by adding at the end the following:

##### “§ 931. Gun owner privacy and ownership rights

“(a) IN GENERAL.—Notwithstanding any other provision of law, no department, agency, or instrumentality of the United States or officer, employee, or agent of the United States, including a State or local officer or employee acting on behalf of the United States shall—

“(1) perform any national instant criminal background check on any person through the system established under section 103 of the Brady Handgun Violence Prevention Act (18 U.S.C. 922 note) (referred to in this section as the “system”) if the system does not require and result in the immediate destruction of all information, in any form whatsoever or through any medium, concerning the person if the person is determined, through the use of the system, not to be prohibited by subsection (g) or (n) of section 922 or by State law from receiving a firearm; or

“(2) continue to operate the system (including requiring a background check before the transfer of a firearm) unless—

“(A) the National Instant Check System index complies with the requirements of section 552a(e)(5) of title 5, United States Code; and

“(B) does not invoke the exceptions under subsection (j)(2) or paragraph (2) or (3) of subsection (k) of section 552a of title 5, United

States Code, except if specifically identifiable information is compiled for a particular law enforcement investigation or specific criminal enforcement matter.

“(b) APPLICABILITY.—Subsection (a)(1) does not apply to the retention or transfer of information relating to—

“(1) any unique identification number provided by the national instant criminal background check system pursuant to section 922(t)(1)(B)(i) of title 18, United States Code; or

“(2) the date on which that number is provided.

“(c) CIVIL REMEDIES.—Any person aggrieved by a violation of this section may bring an action in United States district court for actual damages, punitive damages, and such other remedies as the court may determine to be appropriate, including a reasonable attorney’s fee.”.

(2) CONFORMING AMENDMENT.—The analysis for chapter 44 of title 18, United States Code, is amended by adding at the end the following:

“931. Gun owner privacy and ownership rights.”.

(c) PROVISION RELATING TO PAWN AND OTHER TRANSACTIONS.—

(1) REPEAL.—Section 655 of title VI of the Treasury and General Governmental Appropriations Act, 1999 (112 Stat. 2681–530) is repealed.

(2) RETURN OF FIREARM.—Section 922(t)(1) of title 18, United States Code, is amended by inserting “(other than the return of a firearm to the person from whom it was received)” before “to any other person”.

#### SEC. 504. EFFECTIVE DATE.

(a) SECTIONS 501 AND 502.—The amendments made by sections 501 and 502 shall take effect on the date that is 90 days after the date of enactment of this Act.

(b) SECTION 503.—The amendments made by section 503 take effect on the date of enactment of this Act, except that the amendment made by subsection (a) of that section takes effect on October 1, 1999.

#### TITLE VI—RESTRICTING JUVENILE ACCESS TO CERTAIN FIREARMS

##### SEC. 601. PENALTIES FOR UNLAWFUL ACTS BY JUVENILES.

(a) JUVENILE WEAPONS PENALTIES.—Section 924(a) of title 18, United States Code, is amended—

(1) in paragraph (4) by striking “Whoever” at the beginning of the first sentence, and inserting in lieu thereof, “Except as provided in paragraph (6) of this subsection, whoever”; and

(2) in paragraph (6), by amending it to read as follows:

“(6)(A) A juvenile who violates section 922(x) shall be fined under this title, imprisoned not more than 1 year, or both, except—

“(i) a juvenile shall be sentenced to probation on appropriate conditions and shall not be incarcerated unless the juvenile fails to comply with a condition of probation, if—

“(I) the offense of which the juvenile is charged is possession of a handgun, ammunition, large capacity ammunition feeding device or a semiautomatic assault weapon in violation of section 922(x)(2); and

“(II) the juvenile has not been convicted in any court of an offense (including an offense under section 922(x) or a similar State law, but not including any other offense consisting of conduct that if engaged in by an adult would not constitute an offense) or adjudicated as a juvenile delinquent for conduct that if engaged in by an adult would constitute an offense; or

“(ii) a juvenile shall be fined under this title, imprisoned not more than 20 years, or both, if—

“(I) the offense of which the juvenile is charged is possession of a handgun, ammunition, large capacity ammunition feeding device

or a semiautomatic assault weapon in violation of section 922(x)(2); and

“(II) during the same course of conduct in violating section 922(x)(2), the juvenile violated section 922(q), with the intent to carry or otherwise possess or discharge or otherwise use the handgun, ammunition, large capacity ammunition feeding device or a semiautomatic assault weapon in the commission of a violent felony.

“(B) A person other than a juvenile who knowingly violates section 922(x)—

“(i) shall be fined under this title, imprisoned not more than 1 year, or both; and

“(ii) if the person sold, delivered, or otherwise transferred a handgun, ammunition, large capacity ammunition feeding device or a semiautomatic assault weapon to a juvenile knowing or having reasonable cause to know that the juvenile intended to carry or otherwise possess or discharge or otherwise use the handgun, ammunition, large capacity ammunition feeding device or semiautomatic assault weapon in the commission of a violent felony, shall be fined under this title, imprisoned not more than 20 years, or both.

“(C) For purposes of this paragraph a ‘violent felony’ means conduct as described in section 924(e)(2)(B) of this title.

“(D) Except as otherwise provided in this chapter, in any case in which a juvenile is prosecuted in a district court of the United States, and the juvenile is subject to the penalties under clause (ii) of paragraph (A), the juvenile shall be subject to the same laws, rules, and proceedings regarding sentencing (including the availability of probation, restitution, fines, forfeiture, imprisonment, and supervised release) that would be applicable in the case of an adult. No juvenile sentenced to a term of imprisonment shall be released from custody simply because the juvenile reaches the age of 18 years.”.

(b) UNLAWFUL WEAPONS TRANSFERS TO JUVENILES.—Section 922(x) of title 18, United States Code, is amended to read as follows:

“(x)(1) It shall be unlawful for a person to sell, deliver, or otherwise transfer to a person who the transferor knows or has reasonable cause to believe is a juvenile—

“(A) a handgun;

“(B) ammunition that is suitable for use only in a handgun;

“(C) a semiautomatic assault weapon; or

“(D) a large capacity ammunition feeding device.

“(2) It shall be unlawful for any person who is a juvenile to knowingly possess—

“(A) a handgun;

“(B) ammunition that is suitable for use only in a handgun;

“(C) a semiautomatic assault weapon; or

“(D) a large capacity ammunition feeding device.

“(3) This subsection does not apply to—

“(A) a temporary transfer of a handgun, ammunition, large capacity ammunition feeding device or a semiautomatic assault weapon to a juvenile or to the possession or use of a handgun, ammunition, large capacity ammunition feeding device or a semiautomatic assault weapon by a juvenile—

“(i) if the handgun, ammunition, large capacity ammunition feeding device or semiautomatic assault weapon are possessed and used by the juvenile—

“(I) in the course of employment,

“(II) in the course of ranching or farming related to activities at the residence of the juvenile (or on property used for ranching or farming at which the juvenile, with the permission of the property owner or lessee, is performing activities related to the operation of the farm or ranch),

“(III) for target practice,

“(IV) for hunting, or

“(V) for a course of instruction in the safe and lawful use of a firearm;

“(ii) clause (i) shall apply only if the juvenile’s possession and use of a handgun, ammunition, large capacity ammunition feeding device or a semiautomatic assault weapon under this subparagraph are in accordance with State and local law, and the following conditions are met—

“(I) except when a parent or guardian of the juvenile is in the immediate and supervisory presence of the juvenile, the juvenile shall have in the juvenile’s possession at all times when a handgun, ammunition, large capacity ammunition feeding device or semiautomatic assault weapon is in the possession of the juvenile, the prior written consent of the juvenile’s parent or guardian who is not prohibited by Federal, State, or local law from possessing a firearm or ammunition; and

“(II) during transportation by the juvenile directly from the place of transfer to a place at which an activity described in clause (i) is to take place the firearm shall be unloaded and in a locked container or case, and during the transportation by the juvenile of that firearm, directly from the place at which such an activity took place to the transferor, the firearm shall also be unloaded and in a locked container or case; or

“(III) with respect to employment, ranching or farming activities as described in clause (i), a juvenile may possess and use a handgun, ammunition, large capacity ammunition feeding device or a semiautomatic assault rifle with the prior written approval of the juvenile’s parent or legal guardian, if such approval is on file with the adult who is not prohibited by Federal, State, or local law from possessing a firearm or ammunition and that person is directing the ranching or farming activities of the juvenile;

“(B) a juvenile who is a member of the Armed Forces of the United States or the National Guard who possesses or is armed with a handgun, ammunition, large capacity ammunition feeding device or semiautomatic assault weapon in the line of duty;

“(C) a transfer by inheritance of title (but not possession) of a handgun, ammunition, large capacity ammunition feeding device or a semiautomatic assault weapon to a juvenile; or

“(D) the possession of a handgun, ammunition, large capacity ammunition feeding device or a semiautomatic assault weapon taken in lawful defense of the juvenile or other persons in the residence of the juvenile or a residence in which the juvenile is an invited guest.

“(4) A handgun, ammunition, large capacity ammunition feeding device or a semiautomatic assault weapon, the possession of which is transferred to a juvenile in circumstances in which the transferor is not in violation of this subsection, shall not be subject to permanent confiscation by the Government if its possession by the juvenile subsequently becomes unlawful because of the conduct of the juvenile, but shall be returned to the lawful owner when such handgun, ammunition, large capacity ammunition feeding device or semiautomatic assault weapon is no longer required by the Government for the purposes of investigation or prosecution.

“(5) For purposes of this subsection, the term ‘juvenile’ means a person who is less than 18 years of age.

“(6)(A) In a prosecution of a violation of this subsection, the court shall require the presence of a juvenile defendant’s parent or legal guardian at all proceedings.

“(B) The court may use the contempt power to enforce subparagraph (A).

“(C) The court may excuse attendance of a parent or legal guardian of a juvenile defendant at a proceeding in a prosecution of a violation of this subsection for good cause shown.

“(7) For purposes of this subsection only, the term ‘large capacity ammunition feeding device’

has the same meaning as in section 921(a)(31) of title 18 and includes similar devices manufactured before the effective date of the Violent Crime Control and Law Enforcement Act of 1994.”

#### SEC. 602. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect 180 days after the date of enactment of this Act.

### TITLE VIII—EFFECTIVE GUN LAW ENFORCEMENT

#### Subtitle A—Criminal Use of Firearms by Felons

##### SEC. 801. SHORT TITLE.

This subtitle may be referred to as the “Criminal Use of Firearms by Felons (CUFF) Act”.

##### SEC. 802. FINDINGS.

Congress finds the following:

(1) Tragedies such as those occurring recently in the communities of Pearl, Mississippi, Paducah, Kentucky, Jonesboro, Arkansas, Springfield, Oregon, and Littleton, Colorado are terrible reminders of the vulnerability of innocent individuals to random and senseless acts of criminal violence.

(2) The United States Congress has responded to the problem of gun violence by passing numerous criminal statutes and by supporting the development of law enforcement programs designed both to punish the criminal misuse of weapons and also to deter individuals from undertaking illegal acts.

(3) In 1988, the Administration initiated an innovative program known as Project Achilles. The concept behind the initiative was that the illegal possession of firearms was the Achilles heel or the area of greatest vulnerability of criminals. By aggressively prosecuting criminals with guns in Federal court, the offenders were subject to stiffer penalties and expedited prosecutions. The Achilles program was particularly effective in removing the most violent criminals from our communities.

(4) In 1991, the Administration expanded its efforts to remove criminals with guns from our streets with Project Triggerlock. Triggerlock continued the ideas formulated in the Achilles program and committed the Department of Justice resources to the prosecution effort. Under the program, every United States Attorney was directed to form special teams of Federal, State, and local investigators to look for gang and drug cases that could be prosecuted as Federal weapon violations. Congress appropriated additional funds to allow a large number of new law enforcement officers and Federal prosecutors to target these gun and drug offenders. In 1992, approximately 7048 defendants were prosecuted under this initiative.

(5) Since 1993, the number of “Project Triggerlock” type gun prosecutions pursued by the Department of Justice has fallen to approximately 3807 prosecutions in 1998. This is a decline of over 40 percent in Federal prosecutions of criminals with guns.

(6) The threat of criminal prosecution in the Federal criminal justice system works to deter criminal behavior because the Federal system is known for speedier trials and longer prison sentences.

(7) The deterrent effect of Federal gun prosecutions has been demonstrated recently by successful programs, such as “Project Exile” in Richmond, Virginia, which resulted in a 22 percent decrease in violent crime since 1994.

(8) The Department of Justice’s failure to prosecute the criminal use of guns under existing Federal law undermines the significant deterrent effect that these laws are meant to produce.

(9) The Department of Justice already possesses a vast array of Federal criminal statutes that, if used aggressively to prosecute wrong-

doers, would significantly reduce both the threat of, and the incidence of, criminal gun violence.

(10) As an example, the Department of Justice has the statutory authority in section 922(q) of title 18, United States Code, to prosecute individuals who bring guns to school zones. Although the Administration stated that over 6,000 students were expelled last year for bringing guns to school, the Justice Department reports prosecuting only 8 cases under section 922(q) in 1998.

(11) The Department of Justice is also empowered under section 922(x) of title 18, United States Code, to prosecute adults who transfer handguns to juveniles. In 1998, the Department of Justice reports having prosecuted only 6 individuals under this provision.

(12) The Department of Justice’s utilization of existing prosecutorial power is 1 of the most significant steps that can be taken to reduce the number of criminal acts involving guns, and represents a better response to the problem of criminal violence than the enactment of new, symbolic laws, which, if current Departmental trends hold, would likely be underutilized.

#### SEC. 803. CRIMINAL USE OF FIREARMS BY FELONS PROGRAM.

(a) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Attorney General and the Secretary of the Treasury shall establish in the jurisdictions specified in subsection (d) a program that meets the requirements of subsections (b) and (c). The program shall be known as the “Criminal Use of Firearms by Felons (CUFF) Program”.

(b) PROGRAM ELEMENTS.—Each program established under subsection (a) shall, for the jurisdiction concerned—

(1) provide for coordination with State and local law enforcement officials in the identification of violations of Federal firearms laws;

(2) provide for the establishment of agreements with State and local law enforcement officials for the referral to the Bureau of Alcohol, Tobacco, and Firearms and the United States Attorney for prosecution of persons arrested for violations of section 922(a)(6), 922(g)(1), 922(g)(2), 922(g)(3), 922(j), 922(q), 922(k), or 924(c) of title 18, United States Code, or section 5861(d) or 5861(h) of the Internal Revenue Code of 1986, relating to firearms;

(3) require that the United States Attorney designate not less than 1 Assistant United States Attorney to prosecute violations of Federal firearms laws;

(4) provide for the hiring of agents for the Bureau of Alcohol, Tobacco, and Firearms to investigate violations of the provisions referred to in paragraph (2) and section 922(a)(5) of title 18, United States Code, relating to firearms; and

(5) ensure that each person referred to the United States Attorney under paragraph (2) be charged with a violation of the most serious Federal firearm offense consistent with the act committed.

(c) PUBLIC EDUCATION CAMPAIGN.—As part of the program for a jurisdiction, the United States Attorney shall carry out, in cooperation with local civic, community, law enforcement, and religious organizations, an extensive media and public outreach campaign focused in high-crime areas to—

(1) educate the public about the severity of penalties for violations of Federal firearms laws; and

(2) encourage law-abiding citizens to report the possession of illegal firearms to authorities.

(d) COVERED JURISDICTIONS.—The jurisdictions specified in this subsection are the following 25 jurisdictions:

(1) The 10 jurisdictions with a population equal to or greater than 100,000 persons that had the highest total number of violent crimes



according to the FBI uniform crime report for 1998.

(2) The 15 jurisdictions with such a population, other than the jurisdictions covered by paragraph (1), with the highest per capita rate of violent crime according to the FBI uniform crime report for 1998.

#### SEC. 804. ANNUAL REPORTS.

Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Attorney General shall submit to the Committees on the Judiciary of Senate and House of Representatives a report containing the following information:

(1) The number of Assistant United States Attorneys hired under the program under this subtitle during the year preceding the year in which the report is submitted in order to prosecute violations of Federal firearms laws in Federal court.

(2) The number of individuals indicted for such violations during that year by reason of the program.

(3) The increase or decrease in the number of individuals indicted for such violations during that year by reason of the program when compared with the year preceding that year.

(4) The number of individuals held without bond in anticipation of prosecution by reason of the program.

(5) To the extent information is available, the average length of prison sentence of the individuals convicted of violations of Federal firearms laws by reason of the program.

#### SEC. 805. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the program under section 803 \$50,000,000 for fiscal year 2000, of which—

(1) \$40,000,000 shall be used for salaries and expenses of Assistant United States Attorneys and Bureau of Alcohol, Tobacco, and Firearms agents; and

(2) \$10,000,000 shall be available for the public relations campaign required by subsection (c) of that section.

##### (b) USE OF FUNDS.—

(1) The Assistant United States Attorneys hired using amounts appropriated pursuant to the authorization of appropriations in subsection (a) shall prosecute violations of Federal firearms laws in accordance with section 803(b)(3).

(2) The Bureau of Alcohol, Tobacco, and Firearms agents hired using amounts appropriated pursuant to the authorization of appropriations in subsection (a) shall, to the maximum extent practicable, concentrate their investigations on violations of Federal firearms laws in accordance with section 803(b)(4).

(3) It is the sense of Congress that amounts made available under this section for the public education campaign required by section 803(c) should, to the maximum extent practicable, be matched with State or local funds or private donations.

(c) AUTHORIZATION OF ADDITIONAL APPROPRIATIONS.—In addition to amounts made available under subsection (a), there is authorized to be appropriated to the Administrative Office of the United States Courts such sums as may be necessary to carry out this subtitle.

#### Subtitle B—Apprehension and Treatment of Armed Violent Criminals

#### SEC. 811. APPREHENSION AND PROCEDURAL TREATMENT OF ARMED VIOLENT CRIMINALS.

(a) PRETRIAL DETENTION FOR POSSESSION OF FIREARMS OR EXPLOSIVES BY CONVICTED FELONS.—Section 3156(a)(4) of title 18, United States Code, is amended—

(1) by striking “or” at the end of subparagraph (B);

(2) by striking “and” at the end of subparagraph (C) and inserting “or”; and

(3) by adding at the end the following:

“(D) an offense that is a violation of section 842(i) or 922(g) (relating to possession of explosives or firearms by convicted felons); and”.

(b) FIREARMS POSSESSION BY VIOLENT FELONS AND SERIOUS DRUG OFFENDERS.—Section 924(a)(2) of title 18, United States Code, is amended—

(1) by striking “Whoever” and inserting “(A) Except as provided in subparagraph (B), any person who”; and

(2) by adding at the end the following:

“(B) Notwithstanding any other provision of law, the court shall not grant a probationary sentence to a person who has more than 1 previous conviction for a violent felony or a serious drug offense, committed under different circumstances.”.

#### Subtitle C—Youth Crime Gun Interdiction

#### SEC. 821. YOUTH CRIME GUN INTERDICTION INITIATIVE.

##### (a) IN GENERAL.—

(1) EXPANSION OF NUMBER OF CITIES.—The Secretary of the Treasury shall endeavor to expand the number of cities and counties directly participating in the Youth Crime Gun Interdiction Initiative (in this section referred to as the “YCGII”) to 75 cities or counties by October 1, 2000, to 150 cities or counties by October 1, 2002, and to 250 cities or counties by October 1, 2003.

(2) SELECTION.—Cities and counties selected for participation in the YCGII shall be selected by the Secretary of the Treasury and in consultation with Federal, State and local law enforcement officials.

##### (b) IDENTIFICATION OF INDIVIDUALS.—

(1) IN GENERAL.—The Secretary of the Treasury shall, utilizing the information provided by the YCGII, facilitate the identification and prosecution of individuals illegally trafficking firearms to prohibited individuals.

(2) SHARING OF INFORMATION.—The Secretary of the Treasury shall share information derived from the YCGII with State and local law enforcement agencies through on-line computer access, as soon as such capability is available.

##### (c) GRANT AWARDS.—

(1) IN GENERAL.—The Secretary of the Treasury shall award grants (in the form of funds or equipment) to States, cities, and counties for purposes of assisting such entities in the tracing of firearms and participation in the YCGII.

(2) USE OF GRANT FUNDS.—Grants made under this part shall be used to—

(A) hire or assign additional personnel for the gathering, submission and analysis of tracing data submitted to the Bureau of Alcohol, Tobacco and Firearms under the YCGII;

(B) hire additional law enforcement personnel for the purpose of identifying and arresting individuals illegally trafficking firearms; and

(C) purchase additional equipment, including automatic data processing equipment and computer software and hardware, for the timely submission and analysis of tracing data.

#### Subtitle D—Gun Prosecution Data

#### SEC. 831. COLLECTION OF GUN PROSECUTION DATA.

(a) REPORT TO CONGRESS.—On February 1, 2000, and on February 1 of each year thereafter, the Attorney General shall submit to the Committees on the Judiciary and on Appropriations of the Senate and the House of Representatives a report of information gathered under this section during the fiscal year that ended on September 30 of the preceding year.

(b) SUBJECT OF ANNUAL REPORT.—Not later than 90 days after the date of enactment of this Act, the Attorney General shall require each component of the Department of Justice, including each United States Attorney's Office, to furnish for the purposes of the report described in subsection (a), information relating to any case

presented to the Department of Justice for review or prosecution, in which the objective facts of the case provide probable cause to believe that there has been a violation of section 922 of title 18, United States Code.

(c) ELEMENTS OF ANNUAL REPORT.—With respect to each case described in subsection (b), the report submitted under subsection (a) shall include information indicating—

(1) whether in any such case, a decision has been made not to charge an individual with a violation of section 922 of title 18, United States Code, or any other violation of Federal criminal law;

(2) in any case described in paragraph (1), the reason for such failure to seek or obtain a charge under section 922 of title 18, United States Code;

(3) whether in any case described in subsection (b), an indictment, information, or other charge has been brought against any person, or the matter is pending;

(4) whether, in the case of an indictment, information, or other charge described in paragraph (3), the charging document contains a count or counts alleging a violation of section 922 of title 18, United States Code;

(5) in any case described in paragraph (4) in which the charging document contains a count or counts alleging a violation of section 922 of title 18, United States Code, whether a plea agreement of any kind has been entered into with such charged individual;

(6) whether any plea agreement described in paragraph (5) required that the individual plead guilty, to enter a plea of nolo contendere, or otherwise caused a court to enter a conviction against that individual for a violation of section 922 of title 18, United States Code;

(7) in any case described in paragraph (6) in which the plea agreement did not require that the individual plead guilty, enter a plea of nolo contendere, or otherwise cause a court to enter a conviction against that individual for a violation of section 922 of title 18, United States Code, identification of the charges to which that individual did plead guilty, and the reason for the failure to seek or obtain a conviction under that section;

(8) in the case of an indictment, information, or other charge described in paragraph (3), in which the charging document contains a count or counts alleging a violation of section 922 of title 18, United States Code, the result of any trial of such charges (guilty, not guilty, mistrial); and

(9) in the case of an indictment, information, or other charge described in paragraph (3), in which the charging document did not contain a count or counts alleging a violation of section 922 of title 18, United States Code, the nature of the other charges brought and the result of any trial of such other charges as have been brought (guilty, not guilty, mistrial).

#### Subtitle E—Firearms Possession by Violent Juvenile Offenders

#### SEC. 841. PROHIBITION ON FIREARMS POSSESSION BY VIOLENT JUVENILE OFFENDERS.

(a) DEFINITION.—Section 921(a)(20) of title 18, United States Code, is amended—

(1) by inserting “(A)” after “(20)”;

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(3) by inserting after subparagraph (A) the following:

“(B) For purposes of subsections (d) and (g) of section 922, the term ‘act of violent juvenile delinquency’ means an adjudication of delinquency in Federal or State court, based on a finding of the commission of an act by a person prior to his or her eighteenth birthday that, if committed by an adult, would be a serious or violent felony, as defined in section

3559(c)(2)(F)(i) had Federal jurisdiction existed and been exercised (except that section 3559(c)(3)(A) shall not apply to this subparagraph)."; and

(4) in the undesignated paragraph following subparagraph (B) (as added by paragraph (3) of this subsection), by striking "What constitutes" and all that follows through "this chapter," and inserting the following:

"(C) What constitutes a conviction of such a crime or an adjudication of an act of violent juvenile delinquency shall be determined in accordance with the law of the jurisdiction in which the proceedings were held. Any State conviction or adjudication of an act of violent juvenile delinquency that has been expunged or set aside, or for which a person has been pardoned or has had civil rights restored, by the jurisdiction in which the conviction or adjudication of an act of violent juvenile delinquency occurred shall not be considered to be a conviction or adjudication of an act of violent juvenile delinquency for purposes of this chapter."

(b) PROHIBITION.—Section 922 of title 18, United States Code, is amended—

(1) in subsection (d)—

(A) in paragraph (8), by striking "or" at the end;

(B) in paragraph (9), by striking the period at the end and inserting "; or"; and

(C) by inserting after paragraph (9) the following:

"(10) has committed an act of violent juvenile delinquency."; and

(2) in subsection (g)—

(A) in paragraph (8), by striking "or" at the end;

(B) in paragraph (9), by striking the comma at the end and inserting "; or"; and

(C) by inserting after paragraph (9) the following:

"(10) who has committed an act of violent juvenile delinquency.".

(c) EFFECTIVE DATE OF ADJUDICATION PROVISIONS.—The amendments made by this section shall only apply to an adjudication of an act of violent juvenile delinquency that occurs after the date that is 30 days after the date on which the Attorney General certifies to Congress and separately notifies Federal firearms licensees, through publication in the Federal Register by the Secretary of the Treasury, that the records of such adjudications are routinely available in the national instant criminal background check system established under section 103(b) of the Brady Handgun Violence Prevention Act.

#### **Subtitle F—Juvenile Access to Certain Firearms**

#### **SEC. 851. PENALTIES FOR FIREARM VIOLATIONS INVOLVING JUVENILES.**

(a) PENALTIES FOR FIREARM VIOLATIONS BY JUVENILES.—Section 924(a) of title 18, United States Code, is amended—

(1) in paragraph (4), by striking "Whoever" and inserting "Except as provided in paragraph (6), whoever"; and

(2) by striking paragraph (6) and inserting the following:

"(6) TRANSFER TO OR POSSESSION BY A JUVENILE.—

"(A) DEFINITIONS OF VIOLENT FELONY.—In this paragraph—

"(i) the term 'juvenile' has the meaning given the term in section 922(x); and

"(ii) the term 'violent felony' has the meaning given the term in subsection (e)(2)(B).

"(B) POSSESSION BY A JUVENILE.—

"(i) IN GENERAL.—Subject to clauses (ii) and (iii), a juvenile who violates section 922(x) shall be fined under this title, imprisoned not more than 5 years, or both.

"(ii) PROBATION.—Unless clause (iii) applies and unless a juvenile fails to comply with a condition of probation, the juvenile may be sen-

tenced to probation on appropriate conditions if—

"(I) the offense with which the juvenile is charged is possession of a handgun, ammunition, or semiautomatic assault weapon in violation of section 922(x)(2); and

"(II) the juvenile has not been convicted in any court of an offense (including an offense under section 922(x) or a similar State law, but not including any other offense consisting of conduct that if engaged in by an adult would not constitute an offense) or adjudicated as a juvenile delinquent for conduct that if engaged in by an adult would constitute an offense.

"(iii) SCHOOL ZONES.—A juvenile shall be fined under this title, imprisoned not more than 20 years, or both, if—

"(I) the offense of which the juvenile is charged is possession of a handgun, ammunition, or semiautomatic assault weapon in violation of section 922(x)(2); and

"(II) during the same course of conduct in violating section 922(x)(2), the juvenile violated section 922(q), with the intent to carry or otherwise possess or discharge or otherwise use the handgun, ammunition, or semiautomatic assault weapon in the commission of a violent felony.

"(C) TRANSFER TO A JUVENILE.—A person other than a juvenile who knowingly violates section 922(x)—

"(i) shall be fined under this title, imprisoned not less than 1 year and not more than 5 years, or both; or

"(ii) if the person sold, delivered, or otherwise transferred a handgun, ammunition, or semiautomatic assault weapon to a juvenile knowing or having reasonable cause to know that the juvenile intended to carry or otherwise possess or discharge or otherwise use the handgun, ammunition, or semiautomatic assault weapon in the commission of a violent felony, shall be fined under this title and imprisoned not less than 10 and not more than 20 years.

"(D) CASES IN UNITED STATES DISTRICT COURT.—Except as otherwise provided in this chapter, in any case in which a juvenile is prosecuted in a district court of the United States, and the juvenile is subject to the penalties under subparagraph (B)(iii), the juvenile shall be subject to the same laws, rules, and proceedings regarding sentencing (including the availability of probation, restitution, fines, forfeiture, imprisonment, and supervised release) that would be applicable in the case of an adult.

"(E) NO RELEASE AT AGE 18.—No juvenile sentenced to a term of imprisonment shall be released from custody solely for the reason that the juvenile has reached the age of 18 years."

(b) UNLAWFUL WEAPONS TRANSFERS TO JUVENILES.—Section 922 of title 18, United States Code, is amended by striking subsection (x) and inserting the following:

"(x) JUVENILES.—

"(1) DEFINITION OF JUVENILE.—In this subsection, the term 'juvenile' means a person who is less than 18 years of age.

"(2) TRANSFER TO JUVENILES.—It shall be unlawful for a person to sell, deliver, or otherwise transfer to a person who the transferor knows or has reasonable cause to believe is a juvenile—

"(A) a handgun;

"(B) ammunition that is suitable for use only in a handgun; or

"(C) a semiautomatic assault weapon.

"(3) POSSESSION BY A JUVENILE.—It shall be unlawful for any person who is a juvenile to knowingly possess—

"(A) a handgun;

"(B) ammunition that is suitable for use only in a handgun; or

"(C) a semiautomatic assault weapon.

"(4) APPLICABILITY.—

"(A) IN GENERAL.—This subsection does not apply to—

"(i) if the conditions stated in subparagraph (B) are met, a temporary transfer of a handgun, ammunition, or semiautomatic assault weapon to a juvenile or to the possession or use of a handgun, ammunition, or semiautomatic assault weapon by a juvenile if the handgun, ammunition, or semiautomatic assault weapon is possessed and used by the juvenile—

"(I) in the course of employment;

"(II) in the course of ranching or farming related to activities at the residence of the juvenile (or on property used for ranching or farming at which the juvenile, with the permission of the property owner or lessee, is performing activities related to the operation of the farm or ranch);

"(III) for target practice;

"(IV) for hunting; or

"(V) for a course of instruction in the safe and lawful use of a handgun;

"(ii) a juvenile who is a member of the Armed Forces of the United States or the National Guard who possesses or is armed with a handgun, ammunition, or semiautomatic assault weapon in the line of duty;

"(iii) a transfer by inheritance of title (but not possession) of handgun, ammunition, or semiautomatic assault weapon to a juvenile; or

"(iv) the possession of a handgun, ammunition, or semiautomatic assault weapon taken in lawful defense of the juvenile or other persons against an intruder into the residence of the juvenile or a residence in which the juvenile is an invited guest.

"(B) TEMPORARY TRANSFERS.—Clause (i) shall apply if—

"(i) the juvenile's possession and use of a handgun, ammunition, or semiautomatic assault weapon under this paragraph are in accordance with State and local law; and

"(ii)(I)(aa) except when a parent or guardian of the juvenile is in the immediate and supervisory presence of the juvenile, the juvenile, at all times when a handgun, ammunition, or semiautomatic assault weapon is in the possession of the juvenile, has in the juvenile's possession the prior written consent of the juvenile's parent or guardian who is not prohibited by Federal, State, or local law from possessing a firearm or ammunition; and

"(bb) during transportation by the juvenile directly from the place of transfer to a place at which an activity described in item (aa) is to take place, the firearm is unloaded and in a locked container or case, and during the transportation by the juvenile of the firearm, directly from the place at which such an activity took place to the transferor, the firearm is unloaded and in a locked container or case; or

"(II) with respect to ranching or farming activities as described in subparagraph (A)(i)(II)—

"(aa) a juvenile possesses and uses a handgun, ammunition, or semiautomatic assault weapon with the prior written approval of the juvenile's parent or legal guardian;

"(bb) the approval is on file with an adult who is not prohibited by Federal, State, or local law from possessing a firearm or ammunition; and

"(cc) the adult is directing the ranching or farming activities of the juvenile.

"(5) INNOCENT TRANSFERORS.—A handgun, ammunition, or semiautomatic assault weapon, the possession of which is transferred to a juvenile in circumstances in which the transferor is not in violation under this subsection, shall not be subject to permanent confiscation by the Government if its possession by the juvenile subsequently becomes unlawful because of the conduct of the juvenile, but shall be returned to the lawful owner when the handgun, ammunition, or semiautomatic assault weapon is no longer required by the Government for the purposes of investigation or prosecution.

"(6) ATTENDANCE BY PARENT OR LEGAL GUARDIAN AS CRIMINAL PROCEEDINGS.—In a prosecution of a violation of this subsection, the court—

“(A) shall require the presence of a juvenile defendant’s parent or legal guardian at all proceedings;”

“(B) may use the contempt power to enforce subparagraph (A); and

“(C) may excuse attendance of a parent or legal guardian of a juvenile defendant for good cause.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect 180 days after the date of enactment of this Act.

#### Subtitle G—General Firearm Provisions

### SEC. 861. NATIONAL INSTANT CRIMINAL BACKGROUND CHECK SYSTEM IMPROVEMENTS.

(a) **EXPEDITED ACTION BY THE ATTORNEY GENERAL.**—

(1) **IN GENERAL.**—The Attorney General shall expedite—

(A) not later than 90 days after the date of enactment of this section, a study of the feasibility of developing—

“(i) a single fingerprint convicted offender database in the Federal criminal records system maintained by the Federal Bureau of Investigation; and

(ii) procedures under which a licensed firearm dealer may voluntarily transmit to the National Instant Check System a single digitalized fingerprint for prospective firearms transferees;

(B) the provision of assistance to States, under the Crime Identification Technology Act of 1998 (112 Stat. 1871), in gaining access to records in the National Instant Check System disclosing the disposition of State criminal cases; and

(C) development of a procedure for the collection of data identifying persons that are prohibited from possessing a firearm by section 922(g) of title 18, United States Code, including persons adjudicated as a mental defective, persons committed to a mental institution, and persons subject to a domestic violence restraining order.

(2) **CONSIDERATIONS.**—In developing procedures under paragraph (1), the Attorney General shall consider the privacy needs of individuals.

(b) **COMPATIBILITY OF BALLISTICS INFORMATION SYSTEMS.**—The Attorney General and the Secretary of the Treasury shall ensure the integration and interoperability of ballistics identification systems maintained by the Federal Bureau of Investigation and the Bureau of Alcohol, Tobacco, and Firearms through the National Integrated Ballistics Information Network.

(c) **FORENSIC LABORATORY INSPECTION.**—The Attorney General shall provide financial assistance to the American Academy of Forensic Science Laboratory Accreditation Board to be used to facilitate forensic laboratory inspection activities.

(d) **RELIEF FROM DISABILITY DATABASE.**—Section 925(c) of title 18, United States Code, is amended—

(1) by striking “(c) A person” and inserting the following:

“(c) **RELIEF FROM DISABILITIES.**—

“(1) **IN GENERAL.**—A person”; and

(2) by adding at the end the following:

“(2) **DATABASE.**—The Secretary shall establish a database, accessible through the National Instant Check System, identifying persons who have been granted relief from disability under paragraph (1).”.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated for fiscal year 2000—

(1) to pay the costs of the Federal Bureau of Investigation in operating the National Instant Check System, \$68,000,000;

(2) for payments to States that act as points of contact for access to the National Instant Check System, \$40,000,000;

(3) to carry out subsection (a)(1), \$40,000,000; (4) to carry out subsection (a)(3), \$25,000,000; (5) to carry out subsection (b), \$1,150,000; and (6) to carry out subsection (c), \$1,000,000.

(f) **INCREASED AUTHORIZATION.**—Section 102(e)(1) of the Crime Identification Technology Act of 1998 (42 U.S.C. 14601(e)(1)) is amended by striking “this section” and all that follows and inserting “this section—

“(A) \$250,000,000 for fiscal year 1999;

“(B) \$350,000,000 for each of fiscal years 2000 through 2003.”.

### TITLE IX—ENHANCED PENALTIES

#### SEC. 901. STRAW PURCHASES.

(a) **IN GENERAL.**—Section 924(a) of title 18, United States Code, is amended by adding at the end the following:

“(7)(A) Notwithstanding paragraph (2), whoever knowingly violates section 922(a)(6) for the purpose of selling, delivering, or otherwise transferring a firearm, knowing or having reasonable cause to know that another person will carry or otherwise possess or discharge or otherwise use the firearm in the commission of a violent felony, shall be—

“(i) fined under this title, imprisoned not more than 15 years, or both; or

“(ii) imprisoned not less than 10 and not more than 20 years and fined under this title, if the procurement is for a juvenile.

“(B) In this paragraph—

“(i) the term ‘juvenile’ has the meaning given the term in section 922(x); and

“(ii) the term ‘violent felony’ has the meaning given the term in subsection (e)(2)(B).”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect 180 days after the date of enactment of this Act.

#### SEC. 902. STOLEN FIREARMS.

(a) **IN GENERAL.**—Section 924 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking “(i), (j),”; and

(B) by adding at the end the following:

“(8) Whoever knowingly violates subsection (i) or (j) of section 922 shall be fined under this title, imprisoned not more than 15 years, or both.”;

(2) in subsection (i)(1), by striking “10 years, or both” and inserting “15 years, or both”; and

(3) in subsection (l), by striking “10 years, or both” and inserting “15 years, or both”.

(b) **SENTENCING COMMISSION.**—The United States Sentencing Commission shall amend the Federal sentencing guidelines to reflect the amendments made by subsection (a).

#### SEC. 903. INCREASE IN PENALTIES FOR CRIMES INVOLVING FIREARMS.

Section 924 of title 18, United States Code, is amended—

(1) in subsection (c)(1)(A)—

(A) in clause (iii), by striking “10 years.” and inserting “12 years; and”; and

(B) by adding at the end the following:

“(iv) if the firearm is used to injure another person, be sentenced to a term of imprisonment of not less than 15 years.”; and

(2) in subsection (h), by striking “imprisoned not more than 10 years” and inserting “imprisoned not less than 5 years and not more than 10 years”.

#### SEC. 904. INCREASED PENALTIES FOR DISTRIBUTING DRUGS TO MINORS.

Section 418 of the Controlled Substances Act (21 U.S.C. 859) is amended—

(1) in subsection (a), by striking “one year” and inserting “3 years”; and

(2) in subsection (b), by striking “one year” and inserting “5 years”.

#### SEC. 905. INCREASED PENALTY FOR DRUG TRAFFICKING IN OR NEAR A SCHOOL OR OTHER PROTECTED LOCATION.

Section 419 of the Controlled Substances Act (21 U.S.C. 860) is amended—

(1) in subsection (a), by striking “one year” and inserting “3 years”; and

(2) in subsection (b), by striking “three years” each place that term appears and inserting “5 years”.

### TITLE X—CHILD HANDGUN SAFETY

#### SEC. 1001. SHORT TITLE.

This title may be cited as the “Safe Handgun Storage and Child Handgun Safety Act of 1999”.

#### SEC. 1002. PURPOSES.

The purposes of this title are as follows:

(1) To promote the safe storage and use of handguns by consumers.

(2) To prevent unauthorized persons from gaining access to or use of a handgun, including children who may not be in possession of a handgun, unless it is under one of the circumstances provided for in the Youth Handgun Safety Act.

(3) To avoid hindering industry from supplying law abiding citizens firearms for all lawful purposes, including hunting, self-defense, collecting and competitive or recreational shooting.

#### SEC. 1003. FIREARMS SAFETY.

(a) **UNLAWFUL ACTS.**—

(1) **MANDATORY TRANSFER OF SECURE GUN STORAGE OR SAFETY DEVICE.**—Section 922 of title 18, United States Code, is amended by inserting after subsection (y) the following:

“(z) **SECURE GUN STORAGE OR SAFETY DEVICE.**—

“(1) **IN GENERAL.**—Except as provided in paragraph (2), it shall be unlawful for any licensed manufacturer, licensed importer, or licensed dealer to sell, deliver, or transfer any handgun to any person other than any person licensed under the provisions of this chapter, unless the transferee is provided with a secure gun storage or safety device, as described in section 921(a)(35) of this chapter, for that handgun.

“(2) **EXCEPTIONS.**—Paragraph (1) does not apply to the—

“(A)(i) manufacture for, transfer to, or possession by, the United States or a State or a department or agency of the United States, or a State or a department, agency, or political subdivision of a State, of a handgun; or

“(ii) transfer to, or possession by, a law enforcement officer employed by an entity referred to in clause (i) of a handgun for law enforcement purposes (whether on or off duty); or

“(B) transfer to, or possession by, a rail police officer employed by a rail carrier and certified or commissioned as a police officer under the laws of a State of a handgun for purposes of law enforcement (whether on or off duty);

“(C) transfer to any person of a handgun listed as a curio or relic by the Secretary pursuant to section 921(a)(13); or

“(D) transfer to any person of a handgun for which a secure gun storage or safety device is temporarily unavailable for the reasons described in the exceptions stated in section 923(e): Provided, That the licensed manufacturer, licensed importer, or licensed dealer delivers to the transferee within 10 calendar days from the date of the delivery of the handgun to the transferee a secure gun storage or safety device for the handgun.

“(3) **LIABILITY FOR USE.**—(A) Notwithstanding any other provision of law, a person who has lawful possession and control of a handgun, and who uses a secure gun storage or safety device with the handgun, shall be entitled to immunity from a civil liability action as described in this paragraph.

“(B) **PROSPECTIVE ACTIONS.**—A qualified civil liability action may not be brought in any Federal or State court. The term ‘qualified civil liability action’ means a civil action brought by any person against a person described in subparagraph (A) for damages resulting from the

criminal or unlawful misuse of the handgun by a third party, where—

“(i) the handgun was accessed by another person who did not have the permission or authorization of the person having lawful possession and control of the handgun to have access to it; and

“(ii) at the time access was gained by the person not so authorized, the handgun had been made inoperable by use of a secure gun storage or safety device.

A ‘qualified civil liability action’ shall not include an action brought against the person having lawful possession and control of the handgun for negligent entrustment or negligence per se.”

(b) **CIVIL PENALTIES.**—Section 924 of title 18, United States Code, is amended—

(1) in subsection (a)(1), by striking “or (f)” and inserting “(f), or (p)”;

(2) by adding at the end the following:

“(p) **PENALTIES RELATING TO SECURE GUN STORAGE OR SAFETY DEVICE.**—

“(1) **IN GENERAL.**—

“(A) **SUSPENSION OR REVOCATION OF LICENSE; CIVIL PENALTIES.**—With respect to each violation of section 922(z)(1) by a licensed manufacturer, licensed importer, or licensed dealer, the Secretary may, after notice and opportunity for hearing—

“(i) suspend for up to six months, or revoke, the license issued to the licensee under this chapter that was used to conduct the firearms transfer; or

“(ii) subject the licensee to a civil penalty in an amount equal to not more than \$2,500.

“(B) **REVIEW.**—An action of the Secretary under this paragraph may be reviewed only as provided in section 923(f).

“(2) **ADMINISTRATIVE REMEDIES.**—The suspension or revocation of a license or the imposition of a civil penalty under paragraph (1) does not preclude any administrative remedy that is otherwise available to the Secretary.”

(c) **LIABILITY; EVIDENCE.**—

(1) **LIABILITY.**—Nothing in this title shall be construed to—

(A) create a cause of action against any Federal firearms licensee or any other person for any civil liability; or

(B) establish any standard of care.

(2) **EVIDENCE.**—Notwithstanding any other provision of law, evidence regarding compliance or noncompliance with the amendments made by this title shall not be admissible as evidence in any proceeding of any court, agency, board, or other entity, except with respect to an action to enforce paragraphs (1) and (2) of section 922(z), or to give effect to paragraph (3) of section 922(z).

(3) **RULE OF CONSTRUCTION.**—Nothing in this subsection shall be construed to bar a governmental action to impose a penalty under section 924(p) of title 18, United States Code, for a failure to comply with section 922(z) of that title.

#### **SEC. 1004. EFFECTIVE DATE.**

This title and the amendments made by this title shall take effect 180 days after the date of enactment of this Act.

### **TITLE XI—SCHOOL SAFETY AND VIOLENCE PREVENTION**

#### **SEC. 1101. SCHOOL SAFETY AND VIOLENCE PREVENTION.**

Title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801 et seq.) is amended by adding at the end the following:

#### **“PART I—SCHOOL SAFETY AND VIOLENCE PREVENTION**

##### **“SEC. 14851. SCHOOL SAFETY AND VIOLENCE PREVENTION.**

“Notwithstanding any other provision of titles IV and VI, funds made available under such titles may be used for—

“(1) training, including in-service training, for school personnel (including custodians and bus drivers), with respect to—

“(A) identification of potential threats, such as illegal weapons and explosive devices;

“(B) crisis preparedness and intervention procedures; and

“(C) emergency response;

“(2) training for parents, teachers, school personnel and other interested members of the community regarding the identification and responses to early warning signs of troubled and violent youth;

“(3) innovative research-based delinquency and violence prevention programs, including—

“(A) school anti-violence programs; and

“(B) mentoring programs;

“(4) comprehensive school security assessments;

“(5) purchase of school security equipment and technologies, such as—

“(A) metal detectors;

“(B) electronic locks; and

“(C) surveillance cameras;

“(6) collaborative efforts with community-based organizations, including faith-based organizations, statewide consortia, and law enforcement agencies, that have demonstrated expertise in providing effective, research-based violence prevention and intervention programs to school aged children;

“(7) providing assistance to States, local educational agencies, or schools to establish school uniform policies;

“(8) school resource officers, including community policing officers; and

“(9) other innovative, local responses that are consistent with reducing incidents of school violence and improving the educational atmosphere of the classroom.”

#### **SEC. 1102. STUDY.**

(a) **STUDY.**—The Comptroller General shall carry out a study regarding school safety issues, including examining—

(1) incidents of school-based violence in the United States;

(2) impediments to combating school-based violence, including local, state, and Federal education and law enforcement impediments;

(3) promising initiatives for addressing school-based violence;

(4) crisis preparedness of school personnel;

(5) preparedness of local, State, and Federal law enforcement to address incidents of school-based violence; and

(6) evaluating current school violence prevention programs.

(b) **REPORT.**—The Comptroller General shall prepare and submit to Congress a report regarding the results of the study conducted under paragraph (1).

#### **SEC. 1103. SCHOOL UNIFORMS.**

Part E of title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8891 et seq.) is amended by adding at the end the following:

##### **“SEC. 14515. SCHOOL UNIFORMS.**

“(a) **CONSTRUCTION.**—Nothing in this Act shall be construed to prohibit any State, local educational agency, or school from establishing a school uniform policy.

“(b) **FUNDING.**—Notwithstanding any other provision of law, funds provided under titles IV and VI may be used for establishing a school uniform policy.”

#### **SEC. 1104. TRANSFER OF SCHOOL DISCIPLINARY RECORDS.**

Part F of title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8921 et seq.) is amended by adding after section 14603 (20 U.S.C. 8923) the following:

##### **“SEC. 14604. TRANSFER OF SCHOOL DISCIPLINARY RECORDS.**

“(a) **NONAPPLICATION OF PROVISIONS.**—The provisions of this section shall not apply to any

disciplinary records transferred from a private, parochial, or other nonpublic school, person, institution, or other entity, that provides education below the college level.

“(b) **DISCIPLINARY RECORDS.**—Not later than 2 years after the date of enactment of the Violent and Repeat Juvenile Offender Accountability and Rehabilitation Act of 1999, each State receiving Federal funds under this Act shall provide an assurance to the Secretary that the State has a procedure in place to facilitate the transfer of disciplinary records by local educational agencies to any private or public elementary school or secondary school for any student who is enrolled or seeks, intends, or is instructed to enroll, full-time or part-time, in the school.

#### **SEC. 1105. SCHOOL VIOLENCE RESEARCH.**

The Attorney General shall establish at the National Center for Rural Law Enforcement in Little Rock, Arkansas, a research center that shall serve as a resource center or clearinghouse for school violence research. The research center shall conduct, compile, and publish school violence research and otherwise conduct activities related to school violence research, including—

(1) the collection, categorization, and analysis of data from students, schools, communities, parents, law enforcement agencies, medical providers, and others for use in efforts to improve school security and otherwise prevent school violence;

(2) the identification and development of strategies to prevent school violence; and

(3) the development and implementation of curricula designed to assist local educational agencies and law enforcement agencies in the prevention of or response to school violence.

#### **SEC. 1106. NATIONAL CHARACTER ACHIEVEMENT AWARD.**

(a) **PRESENTATION AUTHORIZED.**—The President is authorized to award to individuals under the age of 18, on behalf of the Congress, a National Character Achievement Award, consisting of medal of appropriate design, with ribbons and appurtenances, honoring those individuals for distinguishing themselves as a model of good character.

(b) **DESIGN AND STRIKING.**—For the purposes of the award referred to in subsection (a), the Secretary of the Treasury shall design and strike a medal with suitable emblems, devices, and inscriptions, to be determined by the Secretary.

(c) **ELIGIBILITY.**—

(1) **IN GENERAL.**—The President pro tempore of the Senate and the Speaker of the House of Representatives shall establish procedures for processing recommendations to be forwarded to the President for awarding National Character Achievement Award under subsection (a).

(2) **RECOMMENDATIONS BY SCHOOL PRINCIPALS.**—At a minimum, the recommendations referred to in paragraph (1) shall contain the endorsement of the principal (or equivalent official) of the school in which the individual under the age of 18 is enrolled.

#### **SEC. 1107. NATIONAL COMMISSION ON CHARACTER DEVELOPMENT.**

(a) **ESTABLISHMENT.**—There is established a commission to be known as the National Commission on Character Development (referred to in this section as the “Commission”).

(b) **MEMBERSHIP.**—

(1) **APPOINTING AUTHORITY.**—The Commission shall consist of 36 members, of whom—

(A) 12 shall be appointed by the President;

(B) 12 shall be appointed by the Speaker of the House of Representatives; and

(C) 12 shall be appointed by the President pro tempore of the Senate, on the recommendation of the majority and minority leaders of the Senate.

(2) **COMPOSITION.**—The President, the Speaker of the House of Representatives, and the President pro tempore of the Senate shall each appoint as members of the Commission—

(A) 1 parent;

(B) 1 student;

(C) 2 representatives of the entertainment industry (including the segments of the industry relating to audio, video, and multimedia entertainment);

(D) 2 members of the clergy;

(E) 2 representatives of the information or technology industry;

(F) 1 local law enforcement official;

(G) 2 individuals who have engaged in academic research with respect to the impact of cultural influences on child development and juvenile crime; and

(H) 1 representative of a grassroots organization engaged in community and child intervention programs.

(3) **PERIOD OF APPOINTMENT.**—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) **DUTIES OF THE COMMISSION.**—

(1) **STUDY.**—The Commission shall study and make recommendations with respect to the impact of current cultural influences (as of the date of the study) on the process of developing and instilling the key aspects of character, which include trustworthiness, honesty, integrity, an ability to keep promises, loyalty, respect, responsibility, fairness, a caring nature, and good citizenship.

(2) **REPORTS.**—

(A) **INTERIM REPORTS.**—The Commission shall submit to the President and Congress such interim reports relating to the study as the Commission considers to be appropriate.

(B) **FINAL REPORT.**—Not later than 2 years after the date of the enactment of this Act, the Commission shall submit a final report to the President and Congress that shall contain a detailed statement of the findings and conclusions of the Commission resulting from the study, together with recommendations for such legislation and administrative actions as the Commission considers to be appropriate.

(d) **CHAIRPERSON.**—The Commission shall select a Chairperson from among the members of the Commission.

(e) **POWERS OF THE COMMISSION.**—

(1) **HEARINGS.**—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this Act.

(2) **INFORMATION FROM FEDERAL AGENCIES.**—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this Act. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(3) **POSTAL SERVICES.**—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(4) **GIFTS.**—The Commission may accept, use, and dispose of gifts or donations of services or property.

(f) **COMMISSION PERSONNEL MATTERS.**—

(1) **TRAVEL EXPENSES.**—The members of the Commission shall not receive compensation for the performance of services for the Commission, but shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(2) **DETAIL OF GOVERNMENT EMPLOYEES.**—Any Federal Government employee may be detailed to the Commission without reimbursement, and the detail shall be without interruption or loss of civil service status or privilege.

(g) **PERMANENT COMMISSION.**—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission.

(h) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2000 and 2001.

#### **SEC. 1108. JUVENILE ACCESS TO TREATMENT.**

(a) **COORDINATED JUVENILE SERVICES GRANTS.**—Title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5611 et seq.) is amended by inserting after section 205 the following:

#### **“SEC. 205A. COORDINATED JUVENILE SERVICES GRANTS.**

“(a) **IN GENERAL.**—The Attorney General, in consultation with the Secretary of Health and Human Services, working in conjunction with the Center for Substance Abuse of the Substance Abuse and Mental Health Services Administration, may make grants to a consortium within a State of State or local juvenile justice agencies or State or local substance abuse and mental health agencies, and child service agencies to coordinate the delivery of services to children among these agencies. Any public agency may serve as the lead entity for the consortium.

“(b) **USE OF FUNDS.**—A consortium described in subsection (a) that receives a grant under this section shall use the grant for the establishment and implementation of programs that address the service needs of adolescents with substance abuse or mental health treatment problems, including those who come into contact with the justice system by requiring the following:

“(1) Collaboration across child serving systems, including juvenile justice agencies, relevant public and private substance abuse and mental health treatment providers, and State or local educational entities and welfare agencies.

“(2) Appropriate screening and assessment of juveniles.

“(3) Individual treatment plans.

“(4) Significant involvement of juvenile judges where appropriate.

“(c) **APPLICATION FOR COORDINATED JUVENILE SERVICES GRANT.**—

“(1) **IN GENERAL.**—A consortium described in subsection (a) desiring to receive a grant under this section shall submit an application containing such information as the Administrator may prescribe.

“(2) **CONTENTS.**—In addition to guidelines established by the Administrator, each application submitted under paragraph (1) shall provide—

“(A) certification that there has been appropriate consultation with all affected agencies and that there will be appropriate coordination with all affected agencies in the implementation of the program;

“(B) for the regular evaluation of the program funded by the grant and describe the methodology that will be used in evaluating the program;

“(C) assurances that the proposed program or activity will not supplant similar programs and activities currently available in the community; and

“(D) specify plans for obtaining necessary support and continuing the proposed program following the conclusion of Federal support.

“(3) **FEDERAL SHARE.**—The Federal share of a grant under this section shall not exceed 75 percent of the cost of the program.

“(d) **REPORT.**—Each recipient of a grant under this section during a fiscal year shall submit to the Attorney General a report regarding the effectiveness of programs established with

the grant on the date specified by the Attorney General.

“(e) **FUNDING.**—Grants under this section shall be considered an allowable use under section 205(a) and subtitle B.”.

#### **SEC. 1109. BACKGROUND CHECKS.**

Section 5(9) of the National Child Protection Act of 1993 (42 U.S.C. 5119c(9)) is amended—

(1) in subparagraph (A)(i), by inserting “(including an individual who is employed by a school in any capacity, including as a child care provider, a teacher, or another member of school personnel)” before the semicolon; and

(2) in subparagraph (B)(i), by inserting “(including an individual who seeks to be employed by a school in any capacity, including as a child care provider, a teacher, or another member of school personnel)” before the semicolon.

#### **SEC. 1110. DRUG TESTS.**

(a) **SHORT TITLE.**—This section may be cited as the “School Violence Prevention Act”.

(b) **AMENDMENT.**—Section 4116(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7116(b)) is amended—

(1) in paragraph (9), by striking “and” after the semicolon;

(2) by redesignating paragraph (10) as paragraph (11); and

(3) by inserting after paragraph (9) the following:

“(10) consistent with the fourth amendment to the Constitution of the United States, testing a student for illegal drug use, including at the request of or with the consent of a parent or legal guardian of the student, if the local educational agency elects to so test; and”.

#### **SEC. 1111. SENSE OF THE SENATE.**

It is the sense of the Senate that States receiving Federal elementary and secondary education funding should require local educational agencies to conduct, for each of their employees (regardless of when hired) and prospective employees, a nationwide background check for the purpose of determining whether the employee has been convicted of a crime that bears upon his fitness to have responsibility for the safety or well-being of children, to serve in the particular capacity in which he is (or is to be) employed, or otherwise to be employed at all thereby.

### **TITLE XII—TEACHER LIABILITY PROTECTION ACT**

#### **SEC. 1201. SHORT TITLE.**

This title may be cited as the “Teacher Liability Protection Act of 1999”.

#### **SEC. 1202. FINDINGS AND PURPOSE.**

(a) **FINDINGS.**—Congress makes the following findings:

(1) The ability of teachers, principals and other school professionals to teach, inspire and shape the intellect of our Nation’s elementary and secondary school students is deterred and hindered by frivolous lawsuits and litigation.

(2) Each year more and more teachers, principals and other school professionals face lawsuits for actions undertaken as part of their duties to provide millions of school children quality educational opportunities.

(3) Too many teachers, principals and other school professionals face increasingly severe and random acts of violence in the classroom and in schools.

(4) Providing teachers, principals and other school professionals a safe and secure environment is an important part of the effort to improve and expand educational opportunities.

(5) Clarifying and limiting the liability of teachers, principals and other school professionals who undertake reasonable actions to maintain order, discipline and an appropriate educational environment is an appropriate subject of Federal legislation because—

(A) the national scope of the problems created by the legitimate fears of teachers, principals

and other school professionals about frivolous, arbitrary or capricious lawsuits against teachers; and

(B) millions of children and their families across the Nation depend on teachers, principals and other school professionals for the intellectual development of the children.

(b) **PURPOSE.**—The purpose of this title is to provide teachers, principals and other school professionals the tools they need to undertake reasonable actions to maintain order, discipline and an appropriate educational environment.

**SEC. 1203. PREEMPTION AND ELECTION OF STATE NONAPPLICABILITY.**

(a) **PREEMPTION.**—This title preempts the laws of any State to the extent that such laws are inconsistent with this title, except that this title shall not preempt any State law that provides additional protection from liability relating to teachers.

(b) **ELECTION OF STATE REGARDING NON-APPLICABILITY.**—This title shall not apply to any civil action in a State court against a teacher in which all parties are citizens of the State if such State enacts a statute in accordance with State requirements for enacting legislation—

(1) citing the authority of this subsection;

(2) declaring the election of such State that this title shall not apply, as of a date certain, to such civil action in the State; and

(3) containing no other provisions.

**SEC. 1204. LIMITATION ON LIABILITY FOR TEACHERS.**

(a) **LIABILITY PROTECTION FOR TEACHERS.**—Except as provided in subsections (b) and (d), no teacher in a school shall be liable for harm caused by an act or omission of the teacher on behalf of the school if—

(1) the teacher was acting within the scope of the teacher's employment or responsibilities related to providing educational services;

(2) the actions of the teacher were carried out in conformity with local, state, or federal laws, rules or regulations in furtherance of efforts to control, discipline, expel, or suspend a student or maintain order or control in the classroom or school;

(3) if appropriate or required, the teacher was properly licensed, certified, or authorized by the appropriate authorities for the activities or practice in the State in which the harm occurred, where the activities were or practice was undertaken within the scope of the teacher's responsibilities;

(4) the harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the teacher; and

(5) the harm was not caused by the teacher operating a motor vehicle, vessel, aircraft, or other vehicle for which the State requires the operator or the owner of the vehicle, craft, or vessel to—

(A) possess an operator's license; or

(B) maintain insurance.

(b) **CONCERNING RESPONSIBILITY OF TEACHERS TO SCHOOLS AND GOVERNMENTAL ENTITIES.**—Nothing in this section shall be construed to affect any civil action brought by any school or any governmental entity against any teacher of such school.

(c) **NO EFFECT ON LIABILITY OF SCHOOL OR GOVERNMENTAL ENTITY.**—Nothing in this section shall be construed to affect the liability of any school or governmental entity with respect to harm caused to any person.

(d) **EXCEPTIONS TO TEACHER LIABILITY PROTECTION.**—If the laws of a State limit teacher liability subject to one or more of the following conditions, such conditions shall not be construed as inconsistent with this section:

(1) A State law that requires a school or governmental entity to adhere to risk management

procedures, including mandatory training of teachers.

(2) A State law that makes the school or governmental entity liable for the acts or omissions of its teachers to the same extent as an employer is liable for the acts or omissions of its employees.

(3) A State law that makes a limitation of liability inapplicable if the civil action was brought by an officer of a State or local government pursuant to State or local law.

(e) **LIMITATION ON PUNITIVE DAMAGES BASED ON THE ACTIONS OF TEACHERS.**—

(1) **GENERAL RULE.**—Punitive damages may not be awarded against a teacher in an action brought for harm based on the action of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity unless the claimant establishes by clear and convincing evidence that the harm was proximately caused by an action of such teacher which constitutes willful or criminal misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed.

(2) **CONSTRUCTION.**—Paragraph (1) does not create a cause of action for punitive damages and does not preempt or supersede any Federal or State law to the extent that such law would further limit the award of punitive damages.

(f) **EXCEPTIONS TO LIMITATIONS ON LIABILITY.**—

(1) **IN GENERAL.**—The limitations on the liability of a teacher under this title shall not apply to any misconduct that—

(A) constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code) or act of international terrorism (as that term is defined in section 2331 of title 18, United States Code) for which the defendant has been convicted in any court;

(B) involves a sexual offense, as defined by applicable State law, for which the defendant has been convicted in any court;

(C) involves misconduct for which the defendant has been found to have violated a Federal or State civil rights law; or

(D) where the defendant was under the influence (as determined pursuant to applicable State law) of intoxicating alcohol or any drug at the time of the misconduct.

(2) **RULE OF CONSTRUCTION.**—Nothing in this subsection shall be construed to effect subsection (a)(3) or (e).

**SEC. 1205. LIABILITY FOR NONECONOMIC LOSS.**

(a) **GENERAL RULE.**—In any civil action against a teacher, based on an action of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity, the liability of the teacher for noneconomic loss shall be determined in accordance with subsection (b).

(b) **AMOUNT OF LIABILITY.**—

(1) **IN GENERAL.**—Each defendant who is a teacher, shall be liable only for the amount of noneconomic loss allocated to that defendant in direct proportion to the percentage of responsibility of that defendant (determined in accordance with paragraph (2)) for the harm to the claimant with respect to which that defendant is liable. The court shall render a separate judgment against each defendant in an amount determined pursuant to the preceding sentence.

(2) **PERCENTAGE OF RESPONSIBILITY.**—For purposes of determining the amount of noneconomic loss allocated to a defendant who is a teacher under this section, the trier of fact shall determine the percentage of responsibility of that defendant for the claimant's harm.

**SEC. 1206. DEFINITIONS.**

For purposes of this title:

(1) **ECONOMIC LOSS.**—The term "economic loss" means any pecuniary loss resulting from harm (including the loss of earnings or other benefits related to employment, medical expense

loss, replacement services loss, loss due to death, burial costs, and loss of business or employment opportunities) to the extent recovery for such loss is allowed under applicable State law.

(2) **HARM.**—The term "harm" includes physical, nonphysical, economic, and noneconomic losses.

(3) **NONECONOMIC LOSSES.**—The term "noneconomic losses" means losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation and all other nonpecuniary losses of any kind or nature.

(4) **SCHOOL.**—The term "school" means a public or private kindergarten, a public or private elementary school or secondary school (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)), or a home school.

(5) **STATE.**—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

(6) **TEACHER.**—The term "teacher" means a teacher, instructor, principal, administrator, or other educational professional, that works in a school.

**SEC. 1207. EFFECTIVE DATE.**

(a) **IN GENERAL.**—This title shall take effect 90 days after the date of enactment of this Act.

(b) **APPLICATION.**—This title applies to any claim for harm caused by an act or omission of a teacher where that claim is filed on or after the effective date of this Act, without regard to whether the harm that is the subject of the claim or the conduct that caused the harm occurred before such effective date.

**TITLE XIII—VIOLENCE PREVENTION TRAINING FOR EARLY CHILDHOOD EDUCATORS**

**SEC. 1301. SHORT TITLE.**

This title may be cited as the "Violence Prevention Training for Early Childhood Educators Act".

**SEC. 1302. PURPOSE.**

The purpose of this title is to provide grants to institutions that carry out early childhood education training programs to enable the institutions to include violence prevention training as part of the preparation of individuals pursuing careers in early childhood development and education.

**SEC. 1303. FINDINGS.**

Congress makes the following findings:

(1) Aggressive behavior in early childhood is the single best predictor of aggression in later life.

(2) Aggressive and defiant behavior predictive of later delinquency is increasing among our Nation's youngest children. Without prevention efforts, higher percentages of juveniles are likely to become violent juvenile offenders.

(3) Research has demonstrated that aggression is primarily a learned behavior that develops through observation, imitation, and direct experience. Therefore, children who experience violence as victims or as witnesses are at increased risk of becoming violent themselves.

(4) In a study at a Boston city hospital, 1 out of every 10 children seen in the primary care clinic had witnessed a shooting or a stabbing before the age of 6, with 50 percent of the children witnessing in the home and 50 percent of the children witnessing in the streets.

(5) A study in New York found that children who had been victims of violence within their



families were 24 percent more likely to report violent behavior as adolescents, and adolescents who had grown up in families where partner violence occurred were 21 percent more likely to report violent delinquency than individuals not exposed to violence.

(6) Aggression can become well-learned and difficult to change by the time a child reaches adolescence. Early childhood offers a critical period for overcoming risk for violent behavior and providing support for prosocial behavior.

(7) Violence prevention programs for very young children yield economic benefits. By providing health and stability to the individual child and the child's family, the programs may reduce expenditures for medical care, special education, and involvement with the judicial system.

(8) Primary prevention can be effective. When preschool teachers teach young children interpersonal problem-solving skills and other forms of conflict resolution, children are less likely to demonstrate problem behaviors.

(9) There is evidence that family support programs in families with children from birth through 5 years of age are effective in preventing delinquency.

#### SEC. 1304. DEFINITIONS.

In this title:

(1) **AT-RISK CHILD.**—The term "at-risk child" means a child who has been affected by violence through direct exposure to child abuse, other domestic violence, or violence in the community.

(2) **EARLY CHILDHOOD EDUCATION TRAINING PROGRAM.**—The term "early childhood education training program" means a program that—

(A)(i) trains individuals to work with young children in early child development programs or elementary schools; or

(ii) provides professional development to individuals working in early child development programs or elementary schools;

(B) provides training to become an early childhood education teacher, an elementary school teacher, a school counselor, or a child care provider; and

(C) leads to a bachelor's degree or an associate's degree, a certificate for working with young children (such as a Child Development Associate's degree or an equivalent credential), or, in the case of an individual with such a degree, certificate, or credential, provides professional development.

(3) **ELEMENTARY SCHOOL.**—The term "elementary school" has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(4) **VIOLENCE PREVENTION.**—The term "violence prevention" means—

(A) preventing violent behavior in children;

(B) identifying and preventing violent behavior in at-risk children; or

(C) identifying and ameliorating violent behavior in children who act out violently.

#### SEC. 1305. PROGRAM AUTHORIZED.

(a) **GRANT AUTHORITY.**—The Secretary of Education is authorized to award grants to institutions that carry out early childhood education training programs and have applications approved under section 1306 to enable the institutions to provide violence prevention training as part of the early childhood education training program.

(b) **AMOUNT.**—The Secretary of Education shall award a grant under this title in an amount that is not less than \$500,000 and not more than \$1,000,000.

(c) **DURATION.**—The Secretary of Education shall award a grant under this title for a period of not less than 3 years and not more than 5 years.

#### SEC. 1306. APPLICATION.

(a) **APPLICATION REQUIRED.**—Each institution desiring a grant under this title shall submit to

the Secretary of Education an application at such time, in such manner, and accompanied by such information as the Secretary of Education may require.

(b) **CONTENTS.**—Each application shall—

(1) describe the violence prevention training activities and services for which assistance is sought;

(2) contain a comprehensive plan for the activities and services, including a description of—

(A) the goals of the violence prevention training program;

(B) the curriculum and training that will prepare students for careers which are described in the plan;

(C) the recruitment, retention, and training of students;

(D) the methods used to help students find employment in their fields;

(E) the methods for assessing the success of the violence prevention training program; and

(F) the sources of financial aid for qualified students;

(3) contain an assurance that the institution has the capacity to implement the plan; and

(4) contain an assurance that the plan was developed in consultation with agencies and organizations that will assist the institution in carrying out the plan.

#### SEC. 1307. SELECTION PRIORITIES.

The Secretary of Education shall give priority to awarding grants to institutions carrying out violence prevention programs that include 1 or more of the following components:

(1) Preparation to engage in family support (such as parent education, service referral, and literacy training).

(2) Preparation to engage in community outreach or collaboration with other services in the community.

(3) Preparation to use conflict resolution training with children.

(4) Preparation to work in economically disadvantaged communities.

(5) Recruitment of economically disadvantaged students.

(6) Carrying out programs of demonstrated effectiveness in the type of training for which assistance is sought, including programs funded under section 596 of the Higher Education Act of 1965 (as such section was in effect prior to October 7, 1998).

#### SEC. 1308. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title \$15,000,000 for each of the fiscal years 2000 through 2004.

### TITLE XIV—PREVENTING JUVENILE DELINQUENCY THROUGH CHARACTER EDUCATION

#### SEC. 1401. PURPOSE.

The purpose of this title is to support the work of community-based organizations, local educational agencies, and schools in providing children and youth with alternatives to delinquency through strong school-based and after school programs that—

(1) are organized around character education;

(2) reduce delinquency, school discipline problems, and truancy; and

(3) improve student achievement, overall school performance, and youths' positive involvement in their community.

#### SEC. 1402. AUTHORIZATION OF APPROPRIATIONS.

(a) **IN GENERAL.**—There are authorized to be appropriated—

(1) \$15,000,000 for fiscal year 2000, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out school-based programs under section 1403; and

(2) \$10,000,000 for fiscal year 2000, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out the after school programs under section 1404.

(b) **SOURCE OF FUNDING.**—Amounts authorized to be appropriated pursuant to this section may be derived from the Violent Crime Reduction Trust Fund.

#### SEC. 1403. SCHOOL-BASED PROGRAMS.

(a) **IN GENERAL.**—The Secretary, in consultation with the Attorney General, is authorized to award grants to schools, or local educational agencies that enter into a partnership with a school, to support the development of character education programs in the schools in order to—

(1) reduce delinquency, school discipline problems, and truancy; and

(2) improve student achievement, overall school performance, and youths' positive involvement in their community.

(b) **APPLICATIONS.**—Each school or local educational agency desiring a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

(1) **CONTENTS.**—Each application shall include—

(A) a description of the community to be served and the needs that will be met with the program in that community;

(B) a description of how the program will reach youth at-risk of delinquency;

(C) a description of the activities to be assisted, including—

(i) how parents, teachers, students, and other members of the community will be involved in the design and implementation of the program;

(ii) the character education program to be implemented, including methods of teacher training and parent education that will be used or developed; and

(iii) how the program will coordinate activities assisted under this section with other youth serving activities in the larger community;

(D) a description of the goals of the program;

(E) a description of how progress toward the goals, and toward meeting the purposes of this title, will be measured; and

(F) an assurance that the school or local educational agency will provide the Secretary with information regarding the program and the effectiveness of the program.

#### SEC. 1404. AFTER SCHOOL PROGRAMS.

(a) **IN GENERAL.**—The Secretary, in consultation with the Attorney General, is authorized to award grants to community-based organizations to enable the organizations to provide youth with alternative activities, in the after school or out of school hours, that include a strong character education component.

(b) **ELIGIBLE COMMUNITY-BASED ORGANIZATIONS.**—The Secretary only shall award a grant under this section to a community-based organization that has a demonstrated capacity to provide after school or out of school programs to youth, including youth serving organizations, businesses, and other community groups.

(c) **APPLICATIONS.**—Each community-based organization desiring a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require. Each application shall include—

(1) a description of the community to be served and the needs that will be met with the program in that community;

(2) a description of how the program will identify and recruit at-risk youth for participation in the program, and will provide continuing support for their participation;

(3) a description of the activities to be assisted, including—

(A) how parents, students, and other members of the community will be involved in the design and implementation of the program;

(B) how character education will be incorporated into the program; and

(C) how the program will coordinate activities assisted under this section with activities of

schools and other community-based organizations;

(4) a description of the goals of the program;

(5) a description of how progress toward the goals, and toward meeting the purposes of this title, will be measured; and

(6) an assurance that the community-based organization will provide the Secretary with information regarding the program and the effectiveness of the program.

#### SEC. 1405. GENERAL PROVISIONS.

(a) **DURATION.**—Each grant under this title shall be awarded for a period of not to exceed 5 years.

(b) **PLANNING.**—A school, local educational agency or community-based organization may use grant funds provided under this title for not more than 1 year for the planning and design of the program to be assisted.

##### (c) SELECTION OF GRANTEEES.—

(1) **CRITERIA.**—The Secretary, in consultation with the Attorney General, shall select, through a peer review process, community-based organizations, schools, and local educational agencies to receive grants under this title on the basis of the quality of the applications submitted and taking into consideration such factors as—

(A) the quality of the activities to be assisted;

(B) the extent to which the program fosters in youth the elements of character and reaches youth at-risk of delinquency;

(C) the quality of the plan for measuring and assessing the success of the program;

(D) the likelihood the goals of the program will be realistically achieved;

(E) the experience of the applicant in providing similar services; and

(F) the coordination of the program with larger community efforts in character education.

(2) **DIVERSITY OF PROJECTS.**—The Secretary shall approve applications under this title in a manner that ensures, to the extent practicable, that programs assisted under this title serve different areas of the United States, including urban, suburban and rural areas, and serve at-risk populations.

(d) **USE OF FUNDS.**—Grant funds under this title shall be used to support the work of community-based organizations, schools, or local educational agencies in providing children and youth with alternatives to delinquency through strong school-based, after school, or out of school programs that—

(1) are organized around character education;

(2) reduce delinquency, school discipline problems, and truancy; and

(3) improve student achievement, overall school performance, and youths' positive involvement in their community.

##### (d) DEFINITIONS.—

(1) **IN GENERAL.**—The terms used in this Act have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(2) **CHARACTER EDUCATION.**—The term "character education" means an organized educational program that works to reinforce core elements of character, including caring, civic virtue and citizenship, justice and fairness, respect, responsibility, and trustworthiness.

(3) **SECRETARY.**—The term "Secretary" means the Secretary of Education.

### TITLE XV—VIOLENT OFFENDER DNA IDENTIFICATION ACT OF 1999

#### SEC. 1501. SHORT TITLE.

This title may be cited as the "Violent Offender DNA Identification Act of 1999".

#### SEC. 1502. ELIMINATION OF CONVICTED OFFENDER DNA BACKLOG.

##### (a) DEVELOPMENT OF PLAN.—

(1) **IN GENERAL.**—Not later than 45 days after the date of enactment of this Act, the Director of the Federal Bureau of Investigation, in co-

ordination with the Assistant Attorney General of the Office of Justice Programs at the Department of Justice, and after consultation with representatives of State and local forensic laboratories, shall develop a voluntary plan to assist State and local forensic laboratories in performing DNA analyses of DNA samples collected from convicted offenders.

(2) **OBJECTIVE.**—The objective of the plan developed under paragraph (1) shall be to effectively eliminate the backlog of convicted offender DNA samples awaiting analysis in State or local forensic laboratory storage, including samples that need to be reanalyzed using upgraded methods, in an efficient, expeditious manner that will provide for their entry into the Combined DNA Indexing System (CODIS).

(b) **PLAN CONDITIONS.**—The plan developed under subsection (a) shall—

(1) require that each laboratory performing DNA analyses satisfy quality assurance standards and utilize state-of-the-art testing methods, as set forth by the Director of the Federal Bureau of Investigation, in coordination with the Assistant Attorney General of the Office of Justice Programs of the Department of Justice; and

(2) require that each DNA sample collected and analyzed be accessible only—

(A) to criminal justice agencies for law enforcement identification purposes;

(B) in judicial proceedings, if otherwise admissible pursuant to applicable statutes or rules;

(C) for criminal defense purposes, to a defendant, who shall have access to samples and analyses performed in connection with the case in which such defendant is charged; or

(D) if personally identifiable information is removed, for a population statistics database, for identification research and protocol development purposes, or for quality control purposes.

(c) **IMPLEMENTATION OF PLAN.**—Subject to the availability of appropriations under subsection (d), the Director of the Federal Bureau of Investigation, in coordination with the Assistant Attorney General of the Office of Justice Programs at the Department of Justice, shall implement the plan developed pursuant to subsection (a) with State and local forensic laboratories that elect to participate.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Department of Justice to carry out this section \$15,000,000 for each of fiscal years 2000 and 2001.

#### SEC. 1503. DNA IDENTIFICATION OF FEDERAL, DISTRICT OF COLUMBIA, AND MILITARY VIOLENT OFFENDERS.

(a) **EXPANSION OF DNA IDENTIFICATION INDEX.**—Section 811(a)(2) of the Antiterrorism and Effective Death Penalty Act of 1996 (28 U.S.C. 531 note) is amended to read as follows:

"(2) the Director of the Federal Bureau of Investigation shall expand the combined DNA Identification System (CODIS) to include information on DNA identification records and analyses related to criminal offenses and acts of juvenile delinquency under Federal law, the Uniform Code of Military Justice, and the District of Columbia Code, in accordance with section 210304 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14132)."

(b) **INDEX TO FACILITATE LAW ENFORCEMENT EXCHANGE OF DNA IDENTIFICATION INFORMATION.**—Section 210304 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14132) is amended—

(1) in subsection (a)(1), by striking "persons convicted of crimes" and inserting "individuals convicted of criminal offenses or adjudicated delinquent for acts of juvenile delinquency, including qualifying offenses (as defined in subsection (d)(1))";

(2) in subsection (b)(2), by striking "at regular intervals of not to exceed 180 days," and inserting "semiannual"; and

(3) by adding at the end the following:

"(d) **INCLUSION OF DNA INFORMATION RELATING TO VIOLENT OFFENDERS.**—

"(1) **DEFINITIONS.**—In this subsection—

"(A) the term 'crime of violence' has the meaning given such term in section 924(c)(3) of title 18, United States Code; and

"(B) the term 'qualifying offense' means a criminal offense or act of juvenile delinquency included on the list established by the Director of the Federal Bureau of Investigation under paragraph (2)(A)(i).

"(2) **REGULATIONS.**—

"(A) **IN GENERAL.**—Not later than 90 days after the date of enactment of this subsection, and at the discretion of the Director thereafter, the Director of the Federal Bureau of Investigation, in consultation with the Director of the Bureau of Prisons, the Director of the Court Services and Offender Supervision Agency for the District of Columbia or the Trustee appointed under section 11232(a) of the Balanced Budget Act of 1997 (as appropriate), and the Chief of Police of the Metropolitan Police Department of the District of Columbia, shall by regulation establish—

"(i) a list of qualifying offenses; and

"(ii) standards and procedures for—

"(I) the analysis of DNA samples collected from individuals convicted of or adjudicated delinquent for a qualifying offense;

"(II) the inclusion in the index established by this section of the DNA identification records and DNA analyses relating to the DNA samples described in subclause (I); and

"(III) with respect to juveniles, the expungement of DNA identification records and DNA analyses described in subclause (II) from the index established by this section in any circumstance in which the underlying adjudication for the qualifying offense has been expunged.

"(B) **OFFENSES INCLUDED.**—The list established under subparagraph (A)(i) shall include—

"(i) each criminal offense or act of juvenile delinquency under Federal law that—

"(I) constitutes a crime of violence; or

"(II) in the case of an act of juvenile delinquency, would, if committed by an adult, constitute a crime of violence;

"(ii) each criminal offense under the District of Columbia Code that constitutes a crime of violence; and

"(iii) any other felony offense under Federal law or the District of Columbia Code, as determined by the Director of the Federal Bureau of Investigation.

"(3) **FEDERAL OFFENDERS.**—

"(A) **COLLECTION OF SAMPLES FROM FEDERAL PRISONERS.**—

"(i) **IN GENERAL.**—Beginning 180 days after the date of enactment of this subsection, the Director of the Bureau of Prisons shall collect a DNA sample from each individual in the custody of the Bureau of Prisons who, before or after this subsection takes effect, has been convicted of or adjudicated delinquent for a qualifying offense.

"(ii) **TIME AND MANNER.**—The Director of the Bureau of Prisons shall specify the time and manner of collection of DNA samples under this subparagraph.

"(B) **COLLECTION OF SAMPLES FROM FEDERAL OFFENDERS ON SUPERVISED RELEASE, PAROLE, OR PROBATION.**—

"(i) **IN GENERAL.**—Beginning 180 days after the date of enactment of this subsection, the agency responsible for the supervision under Federal law of an individual on supervised release, parole, or probation (other than an individual described in paragraph (4)(B)(i)) shall collect a DNA sample from each individual who has, before or after this subsection takes effect, been convicted of or adjudicated delinquent for a qualifying offense.

“(ii) **TIME AND MANNER.**—The Director of the Administrative Office of the United States Courts shall specify the time and manner of collection of DNA samples under this subparagraph.

“(4) **DISTRICT OF COLUMBIA OFFENDERS.**—

“(A) **OFFENDERS IN CUSTODY OF DISTRICT OF COLUMBIA.**—

“(i) **IN GENERAL.**—The Government of the District of Columbia may—

“(I) identify 1 or more categories of individuals who are in the custody of, or under supervision by, the District of Columbia, from whom DNA samples should be collected; and

“(II) collect a DNA sample from each individual in any category identified under clause (i).

“(ii) **DEFINITION.**—In this subparagraph, the term ‘individuals in the custody of, or under supervision by, the District of Columbia’—

“(I) includes any individual in the custody of, or under supervision by, any agency of the Government of the District of Columbia; and

“(II) does not include an individual who is under the supervision of the Director of the Court Services and Offender Supervision Agency for the District of Columbia or the Trustee appointed under section 11232(a) of the Balanced Budget Act of 1997.

“(B) **OFFENDERS ON SUPERVISED RELEASE, PROBATION, OR PAROLE.**—

“(i) **IN GENERAL.**—Beginning 180 days after the date of enactment of this subsection, the Director of the Court Services and Offender Supervision Agency for the District of Columbia, or the Trustee appointed under section 11232(a) of the Balanced Budget Act of 1997, as appropriate, shall collect a DNA sample from each individual under the supervision of the Agency or Trustee, respectively, who is on supervised release, parole, or probation and who has, before or after this subsection takes effect, been convicted of or adjudicated delinquent for a qualifying offense.

“(ii) **TIME AND MANNER.**—The Director or the Trustee, as appropriate, shall specify the time and manner of collection of DNA samples under this subparagraph.

“(5) **WAIVER; COLLECTION PROCEDURES.**—Notwithstanding any other provision of this subsection, a person or agency responsible for the collection of DNA samples under this subsection may—

“(A) waive the collection of a DNA sample from an individual under this subsection if another person or agency has collected such a sample from the individual under this subsection or subsection (e); and

“(B) use or authorize the use of such means as are necessary to restrain and collect a DNA sample from an individual who refuses to cooperate in the collection of the sample.

“(e) **INCLUSION OF DNA INFORMATION RELATING TO VIOLENT MILITARY OFFENDERS.**—

“(1) **IN GENERAL.**—Not later than 120 days after the date of enactment of this subsection, the Secretary of Defense shall prescribe regulations that—

“(A) specify categories of conduct punishable under the Uniform Code of Military Justice (referred to in this subsection as ‘qualifying military offenses’) that are comparable to qualifying offenses (as defined in subsection (d)(1)); and

“(B) set forth standards and procedures for—

“(i) the analysis of DNA samples collected from individuals convicted of a qualifying military offense; and

“(ii) the inclusion in the index established by this section of the DNA identification records and DNA analyses relating to the DNA samples described in clause (i).

“(2) **COLLECTION OF SAMPLES.**—

“(A) **IN GENERAL.**—Beginning 180 days after the date of enactment of this subsection, the

Secretary of Defense shall collect a DNA sample from each individual under the jurisdiction of the Secretary of a military department who has, before or after this subsection takes effect, been convicted of a qualifying military offense.

“(B) **TIME AND MANNER.**—The Secretary of Defense shall specify the time and manner of collection of DNA samples under this paragraph.

“(3) **WAIVER; COLLECTION PROCEDURES.**—Notwithstanding any other provision of this subsection, the Secretary of Defense may—

“(A) waive the collection of a DNA sample from an individual under this subsection if another person or agency has collected or will collect such a sample from the individual under subsection (d); and

“(B) use or authorize the use of such means as are necessary to restrain and collect a DNA sample from an individual who refuses to cooperate in the collection of the sample.

“(f) **CRIMINAL PENALTY.**—

“(1) **IN GENERAL.**—An individual from whom the collection of a DNA sample is required or authorized pursuant to subsection (d) who fails to cooperate in the collection of that sample shall be—

“(A) guilty of a class A misdemeanor; and

“(B) punished in accordance with title 18, United States Code.

“(2) **MILITARY OFFENDERS.**—An individual from whom the collection of a DNA sample is required or authorized pursuant to subsection (e) who fails to cooperate in the collection of that sample may be punished as a court martial may direct as a violation of the Uniform Code of Military Justice.

“(g) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated—

“(1) to the Department of Justice to carry out subsection (d) of this section (including to reimburse the Federal judiciary for any reasonable costs incurred in implementing such subsection, as determined by the Attorney General) and section 3(d) of the Violent Offender DNA Identification Act of 1999—

“(A) \$6,600,000 for fiscal year 2000; and

“(B) such sums as may be necessary for each of fiscal years 2001 through 2004;

“(2) to the Court Services and Offender Supervision Agency for the District of Columbia or the Trustee appointed under section 11232(a) of the Balanced Budget Act of 1997 (as appropriate), such sums as may be necessary for each of fiscal years 2000 through 2004; and

“(3) to the Department of Defense to carry out subsection (e)—

“(A) \$600,000 for fiscal year 2000; and

“(B) \$300,000 for each of fiscal years 2001 through 2004.”.

(c) **CONDITIONS OF RELEASE.**—

(1) **CONDITIONS OF PROBATION.**—Section 3563(a) of title 18, United States Code, is amended—

(A) in paragraph (7), by striking “and” at the end;

(B) in paragraph (8), by striking the period at the end and inserting “; and”; and

(C) by inserting after paragraph (8) the following:

“(9) that the defendant cooperate in the collection of a DNA sample from the defendant if the collection of such a sample is required or authorized pursuant to section 210304 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14132).”.

(2) **CONDITIONS OF SUPERVISED RELEASE.**—Section 3583(d) of title 18, United States Code, is amended by inserting before “The court shall also order” the following: “The court shall order, as an explicit condition of supervised release, that the defendant cooperate in the collection of a DNA sample from the defendant, if the collection of such a sample is required or au-

thorized pursuant to section 210304 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14132).”.

(3) **CONDITIONS OF RELEASE GENERALLY.**—If the collection of a DNA sample from an individual on probation, parole, or supervised release pursuant to a conviction or adjudication of delinquency under the law of any jurisdiction (including an individual on parole pursuant to chapter 311 of title 18, United States Code, as in effect on October 30, 1997) is required or authorized pursuant to section 210304 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14132), and the sample has not otherwise been collected, the individual shall cooperate in the collection of a DNA sample as a condition of that probation, parole, or supervised release.

(d) **REPORT AND EVALUATION.**—Not later than 1 year after the date of enactment of this Act, the Attorney General, acting through the Assistant Attorney General for the Office of Justice Programs of the Department of Justice and the Director of the Federal Bureau of Investigation, shall—

(1) conduct an evaluation to—

(A) identify criminal offenses, including offenses other than qualifying offenses (as defined in section 210304(d)(1) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14132(d)(1)), as added by this section) that, if serving as a basis for the mandatory collection of a DNA sample under section 210304 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14132) or under State law, are likely to yield DNA matches, and the relative degree of such likelihood with respect to each such offense; and

(B) determine the number of investigations aided (including the number of suspects cleared), and the rates of prosecution and conviction of suspects identified through DNA matching; and

(2) submit to Congress a report describing the results of the evaluation under paragraph (1).

(e) **TECHNICAL AND CONFORMING AMENDMENTS.**—

(1) **DRUG CONTROL AND SYSTEM IMPROVEMENT GRANTS.**—Section 503(a)(12)(C) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3753(a)(12)(C)) is amended by striking “, at regular intervals of not to exceed 180 days,” and inserting “semiannual”.

(2) **DNA IDENTIFICATION GRANTS.**—Section 2403(3) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796kk-2(3)) is amended by striking “, at regular intervals not exceeding 180 days,” and inserting “semiannual”.

(3) **FEDERAL BUREAU OF INVESTIGATION.**—Section 210305(a)(1)(A) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14133(a)(1)(A)) is amended by striking “, at regular intervals of not to exceed 180 days,” and inserting “semiannual”.

## TITLE XVI—MISCELLANEOUS PROVISIONS

### Subtitle A—General Provisions

#### SEC. 1601. PROHIBITION ON FIREARMS POSSESSION BY VIOLENT JUVENILE OFFENDERS.

(a) **DEFINITION.**—Section 921(a)(20) of title 18, United States Code, is amended—

(1) by inserting “(A)” after “(20)”;

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(3) by inserting after subparagraph (A) the following:

“(B) For purposes of subsections (d) and (g) of section 922, the term ‘act of violent juvenile delinquency’ means an adjudication of delinquency in Federal or State court, based on a finding of the commission of an act by a person prior to his or her eighteenth birthday that, if committed by an adult, would be a serious or

violent felony, as defined in section 3559(c)(2)(F)(i) had Federal jurisdiction existed and been exercised (except that section 3559(c)(3) shall not apply to this subparagraph)."; and

(4) in the undesignated paragraph following subparagraph (B) (as added by paragraph (3) of this subsection), by striking "What constitutes" and all that follows through "this chapter," and inserting the following:

"(C) What constitutes a conviction of such a crime or an adjudication of an act of violent juvenile delinquency shall be determined in accordance with the law of the jurisdiction in which the proceedings were held. Any State conviction or adjudication of an act of violent juvenile delinquency that has been expunged or set aside, or for which a person has been pardoned or has had civil rights restored, by the jurisdiction in which the conviction or adjudication of an act of violent juvenile delinquency occurred shall not be considered to be a conviction or adjudication of an act of violent juvenile delinquency for purposes of this chapter."

(b) PROHIBITION.—Section 922 of title 18, United States Code, is amended—

(1) in subsection (d)—

(A) in paragraph (8), by striking "or" at the end;

(B) in paragraph (9), by striking the period at the end and inserting "or"; and

(C) by inserting after paragraph (9) the following:

"(10) has committed an act of violent juvenile delinquency."; and

(2) in subsection (g)—

(A) in paragraph (8), by striking "or" at the end;

(B) in paragraph (9), by striking the comma at the end and inserting "or"; and

(C) by inserting after paragraph (9) the following:

"(10) who has committed an act of violent juvenile delinquency.".

(c) EFFECTIVE DATE OF ADJUDICATION PROVISIONS.—The amendments made by this section shall only apply to an adjudication of an act of violent juvenile delinquency that occurs after the date that is 30 days after the date on which the Attorney General certifies to Congress and separately notifies Federal firearms licensees, through publication in the Federal Register by the Secretary of the Treasury, that the records of such adjudications are routinely available in the national instant criminal background check system established under section 103(b) of the Brady Handgun Violence Prevention Act.

#### SEC. 1602. SAFE STUDENTS.

(a) SHORT TITLE.—This section may be cited as the "Safe Students Act."

(b) PURPOSE.—It is the purpose of this section to maximize local flexibility in responding to the threat of juvenile violence through the implementation of effective school violence prevention and safety programs.

(c) PROGRAM AUTHORIZED.—The Attorney General shall, subject to the availability of appropriations, award grants to local education agencies and to law enforcement agencies to assist in the planning, establishing, operating, coordinating and evaluating of school violence prevention and school safety programs.

(d) APPLICATION REQUIREMENTS.—

(1) IN GENERAL.—To be eligible to receive a grant under subsection (c), an entity shall—

(A) be a local education agency or a law enforcement agency; and

(B) prepare and submit to the Attorney General an application at such time, in such manner and containing such information as the Attorney General may require, including—

(i) a detailed explanation of the intended uses of funds provided under the grant; and

(ii) a written assurance that the schools to be served under the grant will have a zero toler-

ance policy in effect for drugs, alcohol, weapons, truancy and juvenile crime on school campuses.

(2) PRIORITY.—The Attorney General shall give priority in awarding grants under this section to applications that have been submitted jointly by a local education agency and a law enforcement agency.

(e) ALLOWABLE USES OF FUNDS.—Amounts received under a grant under this section shall be used for innovative, local responses, consistent with the purposes of this Act, which may include—

(1) training, including in-service training, for school personnel, custodians and bus drivers in—

(A) the identification of potential threats (such as illegal weapons and explosive devices);

(B) crisis preparedness and intervention procedures; and

(C) emergency response;

(2) training of interested parents, teachers and other school and law enforcement personnel in the identification and responses to early warning signs of troubled and violent youth;

(3) innovative research-based delinquency and violence prevention programs, including mentoring programs;

(4) comprehensive school security assessments;

(5) the purchase of school security equipment and technologies such as metal detectors, electronic locks, surveillance cameras;

(6) collaborative efforts with law enforcement agencies, community-based organizations (including faith-based organizations) that have demonstrated expertise in providing effective, research-based violence prevention and intervention programs to school age children;

(7) providing assistance to families in need for the purpose of purchasing required school uniforms;

(8) school resource officers, including community police officers; and

(9) community policing in and around schools.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, \$200,000,000 for fiscal year 2000, and such sums as may be necessary for each of fiscal years 2001 through 2004.

(g) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this section, and every 2 years thereafter, the Attorney General shall prepare and submit to the appropriate committees of Congress a report concerning the manner in which grantees have used amounts received under a grant under this section.

#### SEC. 1603. STUDY OF MARKETING PRACTICES OF THE FIREARMS INDUSTRY.

(a) IN GENERAL.—The Federal Trade Commission and the Attorney General shall jointly conduct a study of the marketing practices of the firearms industry, with respect to children.

(b) ISSUES EXAMINED.—In conducting the study under subsection (a), the Commission and the Attorney General shall examine the extent to which the firearms industry advertises and promotes its products to juveniles, including in media outlets in which minors comprise a substantial percentage of the audience.

(c) REPORT.—Not later than one year after the date of the enactment of this Act, the Commission and the Attorney General shall submit to Congress a report on the study conducted under subsection (a).

#### SEC. 1604. PROVISION OF INTERNET FILTERING OR SCREENING SOFTWARE BY CERTAIN INTERNET SERVICE PROVIDERS.

(a) REQUIREMENT TO PROVIDE.—Each Internet service provider shall at the time of entering an agreement with a residential customer for the provision of Internet access services, provide to such customer, either at no fee or at a fee not in excess of the amount specified in subsection

(c), computer software or other filtering or blocking system that allows the customer to prevent the access of minors to material on the Internet.

(b) SURVEYS OF PROVISION OF SOFTWARE OR SYSTEMS.—

(1) SURVEYS.—The Office of Juvenile Justice and Delinquency Prevention of the Department of Justice and the Federal Trade Commission shall jointly conduct surveys of the extent to which Internet service providers are providing computer software or systems described in subsection (a) to their subscribers.

(2) FREQUENCY.—The surveys required by paragraph (1) shall be completed as follows:

(A) One shall be completed not later than one year after the date of the enactment of this Act.

(B) One shall be completed not later than two years after that date.

(C) One shall be completed not later than three years after that date.

(c) FEES.—The fee, if any, charged and collected by an Internet service provider for providing computer software or a system described in subsection (a) to a residential customer shall not exceed the amount equal to the cost of the provider in providing the software or system to the subscriber, including the cost of the software or system and of any license required with respect to the software or system.

(d) APPLICABILITY.—The requirement described in subsection (a) shall become effective only if—

(1) 1 year after the date of the enactment of this Act, the Office and the Commission determine as a result of the survey completed by the deadline in subsection (b)(2)(A) that less than 75 percent of the total number of residential subscribers of Internet service providers as of such deadline are provided computer software or systems described in subsection (a) by such providers;

(2) 2 years after the date of the enactment of this Act, the Office and the Commission determine as a result of the survey completed by the deadline in subsection (b)(2)(B) that less than 85 percent of the total number of residential subscribers of Internet service providers as of such deadline are provided such software or systems by such providers; or

(3) 3 years after the date of the enactment of this Act, if the Office and the Commission determine as a result of the survey completed by the deadline in subsection (b)(2)(C) that less than 100 percent of the total number of residential subscribers of Internet service providers as of such deadline are provided such software or systems by such providers.

(e) INTERNET SERVICE PROVIDER DEFINED.—In this section, the term "Internet service provider" means a service provider as defined in section 512(k)(1)(A) of title 17, United States Code, which has more than 50,000 subscribers.

#### SEC. 1605. APPLICATION OF SECTION 923 (j) AND (m).

Notwithstanding any other provision of this Act, section 923 of title 18, United States Code, as amended by this Act, shall be applied by amending in subsections (j) and (m) the following:

(1) In subsection (j) amend—

(A) paragraph (2) (A), (B) and (C) to read as follows:

"(A) IN GENERAL.—A temporary location referred to in paragraph (1) is a location for a gun show, or event in the State specified on the license, at which firearms, firearms accessories and related items may be bought, sold, traded, and displayed, in accordance with Federal, State, and local laws.

"(B) LOCATIONS OUT OF STATE.—If the location is not in the State specified on the license, a licensee may display any firearm, and take orders for a firearm or effectuate the transfer of a

firearm, in accordance with this chapter, including paragraph (7) of this subsection.

“(C) QUALIFIED GUN SHOWS OR EVENTS.—A gun show or an event shall qualify as a temporary location if—

“(i) the gun show or event is one which is sponsored, for profit or not, by an individual, national, State, or local organization, association, or other entity to foster the collecting, competitive use, sporting use, or any other legal use of firearms; and

“(ii) the gun show or event has—

“(I) 20 percent or more firearm exhibitors out of all exhibitors; or

“(II) 10 or more firearms exhibitors.”.

(B) paragraph (3)(C) to read as follows:

“(C) shall be retained at the premises specified on the license.”; and

(C) paragraph (7) to read as follows:

“(7) NO EFFECT ON OTHER RIGHTS.—Nothing in this subsection diminishes in any manner any right to display, sell, or otherwise dispose of firearms or ammunition that is in effect before the date of enactment of the Firearms Owners’ Protection Act, including the right of a licensee to conduct firearms transfers and business away from their business premises with another licensee without regard to whether the location of the business is in the State specified on the license of either licensee.”.

(2) In subsection (m), amend—

(A) paragraph (2)(E)(i) to read as follows:

“(i) IN GENERAL.—A person not licensed under this section who desires to transfer a firearm at a gun show in his State of residence to another person who is a resident of the same State, and not licensed under this section, shall only make such a transfer through a licensee who can conduct an instant background check at the gun show, or directly to the prospective transferee if an instant background check is first conducted by a special registrant at the gun show on the prospective transferee. For any instant background check conducted at a gun show, the time period stated in section 922(t)(1)(B)(ii) of this chapter shall be 24 hours in a calendar day since the licensee contacted the system. If the services of a special registrant are used to determine the firearms eligibility of the prospective transferee to possess a firearm, the transferee shall provide the special registrant at the gun show, on a special and limited-purpose form that the Secretary shall prescribe for use by a special registrant—

“(I) the name, age, address, and other identifying information of the prospective transferee (or, in the case of a prospective transferee that is a corporation or other business entity, the identity and principal and local places of business of the prospective transferee); and

“(II) proof of verification of the identity of the prospective transferee as required by section 922(t)(1)(C).”; and

(B) paragraph (4) to read as follows:

“(A) IMMUNITY.—

“(A) DEFINITION.—In this paragraph:

“(i) IN GENERAL.—The term ‘qualified civil liability action’ means a civil action brought by any person against a person described in subparagraph (B) for damages resulting from the criminal or unlawful misuse of the firearm by the transferee or a third party.

“(ii) EXCLUSIONS.—The term ‘qualified civil liability action’ shall not include an action—

“(I) brought against a transferor convicted under section 924(h), or a comparable State felony law, by a person directly harmed by the transferee’s criminal conduct, as defined in section 924(h); or

“(II) brought against a transferor for negligent entrustment or negligence per se.

“(B) IMMUNITY.—Notwithstanding any other provision of law, a person who is—

“(i) a special registrant who performs a background check in the manner prescribed in this subsection at a gun show;

“(ii) a licensee or special licensee who acquires a firearm at a gun show from a non-licensee, for transfer to another nonlicensee in attendance at the gun show, for the purpose of effectuating a sale, trade, or transfer between the 2 nonlicensees, all in the manner prescribed for the acquisition and disposition of a firearm under this chapter; or

“(iii) a nonlicensee person disposing of a firearm who uses the services of a person described in clause (i) or (ii);

shall be entitled to immunity from civil liability action as described in subparagraphs (C) and (D).

“(C) PROSPECTIVE ACTIONS.—A qualified civil liability action may not be brought in any Federal or State court.

“(D) DISMISSAL OF PENDING ACTIONS.—A qualified civil liability action that is pending on the date of enactment of this subsection shall be dismissed immediately by the court.”.

#### SEC. 1606. CONSTITUTIONALITY OF MEMORIAL SERVICES AND MEMORIALS AT PUBLIC SCHOOLS.

(a) FINDINGS.—The Congress of the United States finds that the saying of a prayer, the reading of a scripture, or the performance of religious music as part of a memorial service that is held on the campus of a public school in order to honor the memory of any person slain on that campus does not violate the First Amendment to the Constitution of the United States, and that the design and construction of any memorial that is placed on the campus of a public school in order to honor the memory of any person slain on that campus a part of which includes religious symbols, motifs, or sayings does not violate the First Amendment to the Constitution of the United States.

(b) LAWSUITS.—In any lawsuit claiming that the type of memorial or memorial service described in subsection (a) violates the Constitution of the United States—

(1) each party shall pay its own attorney’s fees and costs, notwithstanding any other provision of law, and

(2) the Attorney General of the United States is authorized to provide legal assistance to the school district or other governmental entity that is defending the legality of such memorial service.

#### SEC. 1607. TWENTY-FIRST AMENDMENT ENFORCEMENT.

(a) SHIPMENT OF INTOXICATING LIQUOR INTO STATE IN VIOLATION OF STATE LAW.—The Act entitled “An Act divesting intoxicating liquors of their interstate character in certain cases”, approved March 1, 1913 (commonly known as the “Webb-Kenyon Act”) (27 U.S.C. 122) is amended by adding at the end the following:

#### “SEC. 2. INJUNCTIVE RELIEF IN FEDERAL DISTRICT COURT.

“(a) DEFINITIONS.—In this section—

“(1) the term ‘attorney general’ means the attorney general or other chief law enforcement officer of a State, or the designee thereof;

“(2) the term ‘intoxicating liquor’ means any spirituous, vinous, malted, fermented, or other intoxicating liquor of any kind;

“(3) the term ‘person’ means any individual and any partnership, corporation, company, firm, society, association, joint stock company, trust, or other entity capable of holding a legal or beneficial interest in property, but does not include a State or agency thereof; and

“(4) the term ‘State’ means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

“(b) ACTION BY STATE ATTORNEY GENERAL.—If the attorney general of a State has reasonable cause to believe that a person is engaged in, is about to engage in, or has engaged in, any act that would constitute a violation of a State law

regulating the importation or transportation of any intoxicating liquor, the attorney general may bring a civil action in accordance with this section for injunctive relief (including a preliminary or permanent injunction or other order) against the person, as the attorney general determines to be necessary to—

“(1) restrain the person from engaging, or continuing to engage, in the violation; and

“(2) enforce compliance with the State law.

“(c) FEDERAL JURISDICTION.—

“(1) IN GENERAL.—The district courts of the United States shall have jurisdiction over any action brought under this section.

“(2) VENUE.—An action under this section may be brought only in accordance with section 1391 of title 28, United States Code.

“(d) REQUIREMENTS FOR INJUNCTIONS AND ORDERS.—

“(1) IN GENERAL.—In any action brought under this section, upon a proper showing by the attorney general of the State, the court shall issue a preliminary or permanent injunction or other order without requiring the posting of a bond.

“(2) NOTICE.—No preliminary or permanent injunction or other order may be issued under paragraph (1) without notice to the adverse party.

“(3) FORM AND SCOPE OF ORDER.—Any preliminary or permanent injunction or other order entered in an action brought under this section shall—

“(A) set forth the reasons for the issuance of the order;

“(B) be specific in terms;

“(C) describe in reasonable detail, and not by reference to the complaint or other document, the act or acts to be restrained; and

“(D) be binding only upon—

“(i) the parties to the action and the officers, agents, employees, and attorneys of those parties; and

“(ii) persons in active cooperation or participation with the parties to the action who receive actual notice of the order by personal service or otherwise.

“(e) CONSOLIDATION OF HEARING WITH TRIAL ON MERITS.—

“(1) IN GENERAL.—Before or after the commencement of a hearing on an application for a preliminary or permanent injunction or other order under this section, the court may order the trial of the action on the merits to be advanced and consolidated with the hearing on the application.

“(2) ADMISSIBILITY OF EVIDENCE.—If the court does not order the consolidation of a trial on the merits with a hearing on an application described in paragraph (1), any evidence received upon an application for a preliminary or permanent injunction or other order that would be admissible at the trial on the merits shall become part of the record of the trial and shall not be required to be received again at the trial.

“(f) NO RIGHT TO TRIAL BY JURY.—An action brought under this section shall be tried before the court.

“(g) ADDITIONAL REMEDIES.—

“(1) IN GENERAL.—A remedy under this section is in addition to any other remedies provided by law.

“(2) STATE COURT PROCEEDINGS.—Nothing in this section may be construed to prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any State law.”.

#### SEC. 1608. INTERSTATE SHIPMENT AND DELIVERY OF INTOXICATING LIQUORS.

Chapter 59 of title 18, United States Code, is amended—

(1) in section 1263—

(A) by inserting “a label on the shipping container that clearly and prominently identifies

the contents as alcoholic beverages, and a" after "accompanied by"; and

(B) by inserting "and requiring upon delivery the signature of a person who has attained the age for the lawful purchase of intoxicating liquor in the State in which the delivery is made," after "contained therein,"; and

(2) in section 1264, by inserting "or to any person other than a person who has attained the age for the lawful purchase of intoxicating liquor in the State in which the delivery is made," after "consignee,".

**SEC. 1609. DISCLAIMER ON MATERIALS PRODUCED, PROCURED OR DISTRIBUTED FROM FUNDING AUTHORIZED BY THIS ACT.**

(a) All materials produced, procured, or distributed, in whole or in part, as a result of Federal funding authorized under this Act for expenditure by Federal, State or local governmental recipients or other nongovernmental entities shall have printed thereon the following language:

"This material has been printed, procured or distributed, in whole or in part, at the expense of the Federal Government. Any person who objects to the accuracy of the material, to the completeness of the material, or to the representations made within the material, including objections related to this material's characterization of religious beliefs, are encouraged to direct their comments to the office of the Attorney General of the United States."

(b) All materials produced, procured, or distributed using funds authorized under this Act shall have printed thereon, in addition to the language contained in paragraph (a), a complete address for an office designated by the Attorney General to receive comments from members of the public.

(c) The office designated under paragraph (b) by the Attorney General to receive comments shall, every six months, prepare an accurate summary of all comments received by the office. This summary shall include details about the number of comments received and the specific nature of the concerns raised within the comments, and shall be provided to the Chairmen of the Senate and House Judiciary Committees, the Senate and House Education Committees, the Majority and Minority Leaders of the Senate, and the Speaker and Minority Leader of the House of Representatives. Further, the comments received shall be retained by the office and shall be made available to any member of the general public upon request.

**SEC. 1610. AIMEE'S LAW.**

(a) **SHORT TITLE.**—This section may be cited as "Aimee's Law".

(b) **DEFINITIONS.**—In this section:

(1) **DANGEROUS SEXUAL OFFENSE.**—The term "dangerous sexual offense" means sexual abuse or sexually explicit conduct committed by an individual who has attained the age of 18 years against an individual who has not attained the age of 14 years.

(2) **MURDER.**—The term "murder" has the meaning given the term under applicable State law.

(3) **RAPE.**—The term "rape" has the meaning given the term under applicable State law.

(4) **SEXUAL ABUSE.**—The term "sexual abuse" has the meaning given the term under applicable State law.

(5) **SEXUALLY EXPLICIT CONDUCT.**—The term "sexually explicit conduct" has the meaning given the term under applicable State law.

(c) **REIMBURSEMENT TO STATES FOR CRIMES COMMITTED BY CERTAIN RELEASED FELONS.**—

(1) **PENALTY.**—

(A) **SINGLE STATE.**—In any case in which a State convicts an individual of murder, rape, or a dangerous sexual offense, who has a prior conviction for any 1 of those offenses in a State

described in subparagraph (C), the Attorney General shall transfer an amount equal to the costs of incarceration, prosecution, and apprehension of that individual, from Federal law enforcement assistance funds that have been allocated to but not distributed to the State that convicted the individual of the prior offense, to the State account that collects Federal law enforcement assistance funds of the State that convicted that individual of the subsequent offense.

(B) **MULTIPLE STATES.**—In any case in which a State convicts an individual of murder, rape, or a dangerous sexual offense, who has a prior conviction for any 1 or more of those offenses in more than 1 other State described in subparagraph (C), the Attorney General shall transfer an amount equal to the costs of incarceration, prosecution, and apprehension of that individual, from Federal law enforcement assistance funds that have been allocated to but not distributed to each State that convicted such individual of the prior offense, to the State account that collects Federal law enforcement assistance funds of the State that convicted that individual of the subsequent offense.

(C) **STATE DESCRIBED.**—A State is described in this subparagraph if—

(i) the State has not adopted Federal truth-in-sentencing guidelines under section 20104 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13704);

(ii) the average term of imprisonment imposed by the State on individuals convicted of the offense for which the individual described in subparagraph (A) or (B), as applicable, was convicted by the State is less than 10 percent above the average term of imprisonment imposed for that offense in all States; or

(iii) with respect to the individual described in subparagraph (A) or (B), as applicable, the individual had served less than 85 percent of the term of imprisonment to which that individual was sentenced for the prior offense.

(2) **STATE APPLICATIONS.**—In order to receive an amount transferred under paragraph (1), the chief executive of a State shall submit to the Attorney General an application, in such form and containing such information as the Attorney General may reasonably require, which shall include a certification that the State has convicted an individual of murder, rape, or a dangerous sexual offense, who has a prior conviction for 1 of those offenses in another State.

(3) **SOURCE OF FUNDS.**—Any amount transferred under paragraph (1) shall be derived by reducing the amount of Federal law enforcement assistance funds received by the State that convicted such individual of the prior offense before the distribution of the funds to the State. The Attorney General, in consultation with the chief executive of the State that convicted such individual of the prior offense, shall establish a payment schedule.

(4) **CONSTRUCTION.**—Nothing in this subsection may be construed to diminish or otherwise affect any court ordered restitution.

(5) **EXCEPTION.**—This subsection does not apply if the individual convicted of murder, rape, or a dangerous sexual offense has been released from prison upon the reversal of a conviction for an offense described in paragraph (1) and subsequently been convicted for an offense described in paragraph (1).

(d) **COLLECTION OF RECIDIVISM DATA.**—

(1) **IN GENERAL.**—Beginning with calendar year 1999, and each calendar year thereafter, the Attorney General shall collect and maintain information relating to, with respect to each State—

(A) the number of convictions during that calendar year for murder, rape, and any sex offense in the State in which, at the time of the offense, the victim had not attained the age of

14 years and the offender had attained the age of 18 years; and

(B) the number of convictions described in subparagraph (A) that constitute second or subsequent convictions of the defendant of an offense described in that subparagraph.

(2) **REPORT.**—Not later than March 1, 2000, and on March 1 of each year thereafter, the Attorney General shall submit to Congress a report, which shall include—

(A) the information collected under paragraph (1) with respect to each State during the preceding calendar year; and

(B) the percentage of cases in each State in which an individual convicted of an offense described in paragraph (1)(A) was previously convicted of another such offense in another State during the preceding calendar year.

**SEC. 1611. DRUG TESTS AND LOCKER INSPECTIONS.**

(a) **SHORT TITLE.**—This section may be cited as the "School Violence Prevention Act".

(b) **AMENDMENT.**—Section 4116(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7116(b)) is amended—

(1) in paragraph (9), by striking "and" after the semicolon;

(2) by redesignating paragraph (10) as paragraph (11); and

(3) by inserting after paragraph (9) the following:

"(10) consistent with the fourth amendment to the Constitution of the United States, testing a student for illegal drug use or inspecting a student's locker for guns, explosives, other weapons, or illegal drugs, including at the request of or with the consent of a parent or legal guardian of the student, if the local educational agency elects to so test or inspect; and"

**SEC. 1612. WAIVER FOR LOCAL MATCH REQUIREMENT UNDER COMMUNITY POLICING PROGRAM.**

Section 1701(i) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796dd(i)) is amended by adding at the end of the first sentence the following:

"The Attorney General shall waive the requirement under this subsection of a non-Federal contribution to the costs of a program, project, or activity that hires law enforcement officers for placement in public schools by a jurisdiction that demonstrates financial need or hardship."

**SEC. 1613. CARJACKING OFFENSES.**

Section 2119 of title 18, United States Code, is amended by striking ", with the intent to cause death or serious bodily harm".

**SEC. 1614. SPECIAL FORFEITURE OF COLLATERAL PROFITS OF CRIME.**

Section 3681 of title 18, United States Code, is amended by striking subsection (a) and inserting the following:

"(a) **IN GENERAL.**—

"(1) **FORFEITURE OF PROCEEDS.**—Upon the motion of the United States attorney made at any time after conviction of a defendant for an offense described in paragraph (2), and after notice to any interested party, the court shall order the defendant to forfeit all or any part of proceeds received or to be received by the defendant, or a transferee of the defendant, from a contract relating to the transfer of a right or interest of the defendant in any property described in paragraph (3), if the court determines that—

"(A) the interests of justice or an order of restitution under this title so require;

"(B) the proceeds (or part thereof) to be forfeited reflect the enhanced value of the property attributable to the offense; and

"(C) with respect to a defendant convicted of an offense against a State—

"(i) the property at issue, or the proceeds to be forfeited, have travelled in interstate or foreign commerce or were derived through the use



of an instrumentality of interstate or foreign commerce; and

"(ii) the attorney general of the State has declined to initiate a forfeiture action with respect to the proceeds to be forfeited.

"(2) OFFENSES DESCRIBED.—An offense is described in this paragraph if it is—

"(A) an offense under section 794 of this title;

"(B) a felony offense against the United States or any State; or

"(C) a misdemeanor offense against the United States or any State resulting in physical harm to any individual.

"(3) PROPERTY DESCRIBED.—Property is described in this paragraph if it is any property, tangible or intangible, including any—

"(A) evidence of the offense;

"(B) instrument of the offense, including any vehicle used in the commission of the offense;

"(C) real estate where the offense was committed;

"(D) document relating to the offense;

"(E) photograph or audio or video recording relating to the offense;

"(F) clothing, jewelry, furniture, or other personal property relating to the offense;

"(G) movie, book, newspaper, magazine, radio or television production, or live entertainment of any kind depicting the offense or otherwise relating to the offense;

"(H) expression of the thoughts, opinions, or emotions of the defendant regarding the offense; or

"(I) other property relating to the offense."

**SEC. 1615. CALLER IDENTIFICATION SERVICES TO ELEMENTARY AND SECONDARY SCHOOLS AS PART OF UNIVERSAL SERVICE OBLIGATION.**

(a) CLARIFICATION.—Section 254(h)(1)(B) of the Communications Act of 1934 (47 U.S.C. 254(h)(1)(B)) is amended by inserting after "under subsection (c)(3)," the following: "including caller identification services with respect to elementary and secondary schools,".

(b) OUTREACH.—The Federal Communications Commission shall take appropriate actions to notify elementary and secondary schools throughout the United States of—

(1) the availability of caller identification services as part of the services that are within the definition of universal service under section 254(h)(1)(B) of the Communications Act of 1934; and

(2) the procedures to be used by such schools in applying for such services under that section.

**SEC. 1616. PARENT LEADERSHIP MODEL.**

(a) IN GENERAL.—The Administrator of the Office of Juvenile Crime Control and Prevention is authorized to make a grant to a national organization to provide training, technical assistance, best practice strategies, program materials and other necessary support for a mutual support, parental leadership model proven to prevent child abuse and juvenile delinquency.

(b) AUTHORIZATION.—There are authorized to be appropriated out of the Violent Crime Trust Fund, \$3,000,000.

**SEC. 1617. NATIONAL MEDIA CAMPAIGN AGAINST VIOLENCE.**

There is authorized to be appropriated to the National Crime Prevention Council not to exceed \$25,000,000, to be expended without fiscal-year limitation, for a 2-year national media campaign, to be conducted in consultation with national, statewide or community based youth organizations, Boys and Girls Clubs of America, and to be targeted to parents (and other caregivers) and to youth, to reduce and prevent violent criminal behavior by young Americans: Provided, That none of such funds may be used—(1) to propose, influence, favor, or oppose any change in any statute, rule, regulation, treaty, or other provision of law; (2) for any partisan political purpose; (3) to feature any

elected officials, persons seeking elected office, cabinet-level officials, or Federal officials employed pursuant to Schedule C of title 5, Code of Federal Regulations, section 213; or (4) in any way that otherwise would violate section 1913 of title 18 of the United States Code: Provided further, That, for purposes hereof, "violent criminal behavior by young Americans" means behavior, by minors residing in the United States (or in any jurisdiction under the sovereign jurisdiction thereof), that both is illegal under Federal, State, or local law, and involves acts or threats of physical violence, physical injury, or physical harm: Provided further, That not to exceed 10 percent of the funds appropriated pursuant to this authorization shall be used to commission an objective accounting, from a licensed and certified public accountant, using generally-accepted accounting principles, of the funds appropriated pursuant to this authorization and of any other funds or in-kind donations spent or used in the campaign, and an objective evaluation both of the impact and cost-effectiveness of the campaign and of the campaign-related activities of the Council and the Clubs, which accounting and evaluation shall be submitted by the Council to the Committees on Appropriations and the Judiciary of each House of Congress by not later than 9 months after the conclusion of the campaign.

**SEC. 1618. VICTIMS OF TERRORISM.**

(a) IN GENERAL.—Section 1404B of the Victims of Crime Act of 1984 (42 U.S.C. 10603b) is amended to read as follows:

**"SEC. 1404B. COMPENSATION AND ASSISTANCE TO VICTIMS OF TERRORISM OR MASS VIOLENCE.**

"(a) DEFINITIONS.—In this section—

"(1) the term 'eligible crime victim compensation program' means a program that meets the requirements of section 1402(b);

"(2) the term 'eligible crime victim assistance program' means a program that meets the requirements of section 1404(b);

"(3) the term 'public agency' includes any Federal, State, or local government or nonprofit organization; and

"(4) the term 'victim'—

"(A) means an individual who is citizen or employee of the United States, and who is injured or killed as a result of a terrorist act or mass violence, whether occurring within or outside the United States; and

"(B) includes, in the case of an individual described in subparagraph (A) who is deceased, the family members of the individual.

"(b) GRANTS AUTHORIZED.—The Director may make grants, as provided in either section 1402(d)(4)(B) or 1404—

"(1) to States, which shall be used for eligible crime victim compensation programs and eligible crime victim assistance programs for the benefit of victims; and

"(2) to victim service organizations, and public agencies that provide emergency or ongoing assistance to victims of crime, which shall be used to provide, for the benefit of victims—

"(A) emergency relief (including compensation, assistance, and crisis response) and other related victim services; and

"(B) training and technical assistance for victim service providers.

"(c) RULE OF CONSTRUCTION.—Nothing in this section may be construed to supplant any compensation available under title VIII of the Omnibus Diplomatic Security and Antiterrorism Act of 1986."

(b) APPLICABILITY.—The amendment made by this section applies to any terrorist act or mass violence occurring on or after December 20, 1988, with respect to which an investigation or prosecution was ongoing after April 24, 1996.

**SEC. 1619. TRUTH-IN-SENTENCING INCENTIVE GRANTS.**

(a) QUALIFICATION DATE.—Section 20104 of the Violent Crime Control and Law Enforcement

Act of 1994 (42 U.S.C. 13704(a)(3)) is amended by striking "on April 26, 1996" and inserting "on or after April 26, 1996."

(b) MINIMUM AMOUNT.—Section 20106 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13706) is amended by striking subsection (b) and inserting the following:

"(b) FORMULA ALLOCATION.—The amount made available to carry out this section for any fiscal year under section 20104 shall be allocated as follows:

"(1) .75 percent shall be allocated to each State that meets the requirements of section 20104, except that the United States Virgin Islands, America Samoa, Guam, and the Northern Mariana Islands each shall be allocated 0.05 percent; and

"(2) The amount remaining after the application of paragraph (1) shall be allocated to each State that meets the requirements of section 20104 in the ratio that the average annual number of part 1 violent crimes reported by that State to the Federal Bureau of Investigation for the 3 years preceding the year in which the determination is made bears to the average annual number of part 1 violent crimes reported by States that meet the requirements of section 20104 to the Federal Bureau of Investigation for the 3 years preceding the year in which the determination is made, except that a State may not receive more than 25 percent of the total amount available for such grants."

**SEC. 1620. APPLICATION OF PROVISION RELATING TO A SENTENCE OF DEATH FOR AN ACT OF ANIMAL ENTERPRISE TERRORISM.**

Section 3591 of title 18, United States Code (relating to circumstances under which a defendant may be sentenced to death), shall apply to sentencing for a violation of section 43 of title 18, United States Code, as amended by this Act to include the death penalty as a possible punishment.

**SEC. 1621. PROHIBITIONS RELATING TO EXPLOSIVE MATERIALS.**

(a) PROHIBITION OF SALE, DELIVERY, OR TRANSFER OF EXPLOSIVE MATERIALS TO CERTAIN INDIVIDUALS.—Section 842 of title 18, United States Code, is amended by striking subsection (d) and inserting the following:

"(d) PROHIBITION OF SALE, DELIVERY, OR TRANSFER OF EXPLOSIVE MATERIALS TO CERTAIN INDIVIDUALS.—It shall be unlawful for any licensee to knowingly sell, deliver, or transfer any explosive materials to any individual who—

"(1) is less than 21 years of age;

"(2) is under indictment for, or has been convicted in any court of, a crime punishable by imprisonment for a term exceeding 1 year;

"(3) is a fugitive from justice;

"(4) is an unlawful user of or addicted to any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));

"(5) has been adjudicated as a mental defective or has been committed to any mental institution;

"(6) being an alien—

"(A) is illegally or unlawfully in the United States; or

"(B) except as provided in section 845(d), has been admitted to the United States under a non-immigrant visa (as that term is defined in section 101(a)(26) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(26)));

"(7) has been discharged from the Armed Forces under dishonorable conditions;

"(8) having been a citizen of the United States, has renounced his citizenship;

"(9) is subject to a court order that restrains such person from harassing, stalking, or threatening an intimate partner of such person or child of such intimate partner or person, or engaging in other conduct that would place an intimate partner in reasonable fear of bodily injury to the partner or child, except that this

paragraph shall only apply to a court order that—

“(A) was issued after a hearing of which such person received actual notice, and at which such person had the opportunity to participate; and

“(B)(i) includes a finding that such person represents a credible threat to the physical safety of such intimate partner or child; and

“(ii) by its terms explicitly prohibits the use, attempted use, or threatened use of physical force against such intimate partner or child that would reasonably be expected to cause bodily injury; or

“(10) has been convicted in any court of a misdemeanor crime of domestic violence.”.

(b) **PROHIBITION ON SHIPPING, TRANSPORTING, POSSESSION, OR RECEIPT OF EXPLOSIVES BY CERTAIN INDIVIDUALS.**—Section 842 of title 18, United States Code, is amended by striking subsection (i) and inserting the following:

“(i) **PROHIBITION ON SHIPPING, TRANSPORTING, POSSESSION, OR RECEIPT OF EXPLOSIVES BY CERTAIN INDIVIDUALS.**—It shall be unlawful for any person to ship or transport in interstate or foreign commerce, or possess, in or affecting commerce, any explosive, or to receive any explosive that has been shipped or transported in interstate or foreign commerce, if that person—

“(1) is less than 21 years of age;

“(2) has been convicted in any court, of a crime punishable by imprisonment for a term exceeding 1 year;

“(3) is a fugitive from justice;

“(4) is an unlawful user of or addicted to any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));

“(5) has been adjudicated as a mental defective or who has been committed to a mental institution;

“(6) being an alien—

“(A) is illegally or unlawfully in the United States; or

“(B) except as provided in section 845(d), has been admitted to the United States under a non-immigrant visa (as that term is defined in section 101(a)(26) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(26));

“(7) has been discharged from the Armed Forces under dishonorable conditions;

“(8) having been a citizen of the United States, has renounced his citizenship; or

“(9) is subject to a court order that—

“(A) was issued after a hearing of which such person received actual notice, and at which such person had an opportunity to participate;

“(B) restrains such person from harassing, stalking, or threatening an intimate partner of such person or child of such intimate partner or person, or engaging in other conduct that would place an intimate partner in reasonable fear of bodily injury to the partner or child; and

“(C)(i) includes a finding that such person represents a credible threat to the physical safety of such intimate partner or child; and

“(ii) by its terms explicitly prohibits the use, attempted use, or threatened use of physical force against such intimate partner or child that would reasonably be expected to cause bodily injury; or

“(10) has been convicted in any court of a misdemeanor crime of domestic violence.”.

(c) **EXCEPTIONS AND WAIVER FOR CERTAIN INDIVIDUALS.**—Section 845 of title 18, United States Code, is amended by adding at the end the following:

“(d) **EXCEPTIONS AND WAIVER FOR CERTAIN INDIVIDUALS.**—

“(1) **DEFINITIONS.**—In this subsection—

“(A) the term ‘alien’ has the same meaning as in section 101(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(3)); and

“(B) the term ‘nonimmigrant visa’ has the same meaning as in section 101(a)(26) of the Im-

migration and Nationality Act (8 U.S.C. 1101(a)(26)).

“(2) **EXCEPTIONS.**—Subsections (d)(5)(B) and (i)(5)(B) of section 842 do not apply to any alien who has been lawfully admitted to the United States pursuant to a nonimmigrant visa, if that alien is—

“(A) admitted to the United States for lawful hunting or sporting purposes;

“(B) a foreign military personnel on official assignment to the United States;

“(C) an official of a foreign government or a distinguished foreign visitor who has been so designated by the Department of State; or

“(D) a foreign law enforcement officer of a friendly foreign government entering the United States on official law enforcement business.

“(3) **WAIVER.**—

“(A) **IN GENERAL.**—Any individual who has been admitted to the United States under a non-immigrant visa and who is not described in paragraph (2), may receive a waiver from the applicability of subsection (d)(5)(B) or (i)(5)(B) of section 842, if—

“(i) the individual submits to the Attorney General a petition that meets the requirements of subparagraph (B); and

“(ii) the Attorney General approves the petition.

“(B) **PETITIONS.**—Each petition under subparagraph (A)(i) shall—

“(i) demonstrate that the petitioner has resided in the United States for a continuous period of not less than 180 days before the date on which the petition is submitted under this paragraph; and

“(ii) include a written statement from the embassy or consulate of the petitioner, authorizing the petitioner to engage in any activity prohibited under subsection (d) or (i) of section 842, as applicable, and certifying that the petitioner would not otherwise be prohibited from engaging in that activity under subsection (d) or (i) of section 842, as applicable.”.

#### **SEC. 1622. DISTRICT JUDGES FOR DISTRICTS IN THE STATES OF ARIZONA, FLORIDA, AND NEVADA.**

(a) **SHORT TITLE.**—This section may be cited as the “Emergency Federal Judgeship Act of 1999”.

(b) **IN GENERAL.**—The President shall appoint, by and with the advice and consent of the Senate—

(1) 3 additional district judges for the district of Arizona;

(2) 4 additional district judges for the middle district of Florida; and

(3) 2 additional district judges for the district of Nevada.

(c) **TABLES.**—In order that the table contained in section 133 of title 28, United States Code, will reflect the changes in the total number of permanent district judgeships authorized as a result of subsection (a) of this section—

(1) the item relating to Arizona in such table is amended to read as follows:

“Arizona ..... 11”;

(2) the item relating to Florida in such table is amended to read as follows:

“Florida:

Northern ..... 4

Middle ..... 15

Southern ..... 16”;

and

(3) the item relating to Nevada in such table is amended to read as follows:

“Nevada ..... 6”.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, including such sums as may be necessary to provide appropriate space and facilities for the judicial positions created by this section.

#### **SEC. 1623. BEHAVIORAL AND SOCIAL SCIENCE RESEARCH ON YOUTH VIOLENCE.**

(a) **NIH RESEARCH.**—The National Institutes of Health, acting through the Office of Behavioral and Social Sciences Research, shall carry out a coordinated, multi-year course of behavioral and social science research on the causes and prevention of youth violence.

(b) **NATURE OF RESEARCH.**—Funds made available to the National Institutes of Health pursuant to this section shall be utilized to conduct, support, coordinate, and disseminate basic and applied behavioral and social science research with respect to youth violence, including research on 1 or more of the following subjects:

(1) The etiology of youth violence.

(2) Risk factors for youth violence.

(3) Childhood precursors to antisocial violent behavior.

(4) The role of peer pressure in inciting youth violence.

(5) The processes by which children develop patterns of thought and behavior, including beliefs about the value of human life.

(6) Science-based strategies for preventing youth violence, including school and community-based programs.

(7) Other subjects that the Director of the Office of Behavioral and Social Sciences Research deems appropriate.

(c) **ROLE OF THE OFFICE OF BEHAVIORAL AND SOCIAL SCIENCES RESEARCH.**—Pursuant to this section and section 404A of the Public Health Service Act (42 U.S.C. 283c), the Director of the Office of Behavioral and Social Sciences Research shall—

(1) coordinate research on youth violence conducted or supported by the agencies of the National Institutes of Health;

(2) identify youth violence research projects that should be conducted or supported by the research institutes, and develop such projects in cooperation with such institutes and in consultation with State and Federal law enforcement agencies;

(3) take steps to further cooperation and collaboration between the National Institutes of Health and the Centers for Disease Control and Prevention, the Substance Abuse and Mental Health Services Administration, the agencies of the Department of Justice, and other governmental and nongovernmental agencies with respect to youth violence research conducted or supported by such agencies;

(4) establish a clearinghouse for information about youth violence research conducted by governmental and nongovernmental entities; and

(5) periodically report to Congress on the state of youth violence research and make recommendations to Congress regarding such research.

(d) **FUNDING.**—There is authorized to be appropriated, \$5,000,000 for each of fiscal years 2000 through 2004 to carry out this section. If amount are not separately appropriated to carry out this section, the Director of the National Institutes of Health shall carry out this section using funds appropriated generally to the National Institutes of Health, except that funds expended for under this section shall supplement and not supplant existing funding for behavioral research activities at the National Institutes of Health.

#### **SEC. 1624. SENSE OF THE SENATE REGARDING MENTORING PROGRAMS.**

(a) **FINDINGS.**—The Senate finds that—

(1) the well-being of all people of the United States is preserved and enhanced when young people are given the guidance they need to live healthy and productive lives;

(2) adult mentors can play an important role in ensuring that young people become healthy, productive, successful members of society;

(3) at-risk young people with mentors are 46 percent less likely to begin using illegal drugs than at-risk young people without mentors;

(4) at-risk young people with mentors are 27 percent less likely to begin using alcohol than at-risk young people without mentors;

(5) at-risk young people with mentors are 53 percent less likely to skip school than at-risk young people without mentors;

(6) at-risk young people with mentors are 33 percent less likely to hit someone than at-risk young people without mentors;

(7) 73 percent of students with mentors report that their mentors helped raise their goals and expectations; and

(8) there are many employees of the Federal Government who would like to serve as youth or family mentors but are unable to leave their jobs to participate in mentoring programs.

(b) **SENSE OF THE SENATE.**—It is the sense of the Senate that the President should issue an Executive Order allowing all employees of the Federal Government to use a maximum of 1 hour each week of excused absence or administrative leave to serve as mentors in youth or family mentoring programs.

#### **SEC. 1625. FAMILIES AND SCHOOLS TOGETHER PROGRAM.**

(a) **DEFINITIONS.**—In this section:

(1) **ADMINISTRATOR.**—The term “Administrator” means the Administrator of the Office of Juvenile Justice and Delinquency in the Department of Justice.

(2) **FAST PROGRAM.**—The term “FAST program” means a program that addresses the urgent social problems of youth violence and chronic juvenile delinquency by building and enhancing juveniles’ relationships with their families, peers, teachers, school staff, and other members of the community by bringing together parents, schools, and communities to help—

(A) at-risk children identified by their teachers to succeed;

(B) enhance the functioning of families with at-risk children;

(C) prevent alcohol and other drug abuse in the family; and

(D) reduce the stress that their families experience from daily life.

(b) **AUTHORIZATION.**—In consultation with the Attorney General, the Secretary of Education, and the Secretary of the Department of Health and Human Services, the Administrator shall carry out a Family and Schools Together program to promote FAST programs.

(c) **REGULATIONS.**—Not later than 60 days after the date of enactment of this Act, the Administrator, in consultation with the Attorney General, the Secretary of Education, and the Secretary of the Department of Health and Human Services shall develop regulations governing the distribution of the funds for FAST programs.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—There is authorized to be appropriated to carry out this section \$9,000,000 for each of the fiscal years 2000 through 2004.

(2) **ALLOCATION.**—Of amounts appropriated under paragraph (1)—

(A) 83.33 percent shall be available for the implementation of local FAST programs; and

(B) 16.67 percent shall be available for research and evaluation of FAST programs.

#### **SEC. 1626. AMENDMENTS RELATING TO VIOLENT CRIME IN INDIAN COUNTRY AND AREAS OF EXCLUSIVE FEDERAL JURISDICTION.**

(a) **ASSAULTS WITH MARITIME AND TERRITORIAL JURISDICTION.**—Section 113(a)(3) of title 18, United States Code, is amended by striking “with intent to do bodily harm, and”.

(b) **OFFENSES COMMITTED WITHIN INDIAN COUNTRY.**—Section 1153 of title 18, United States Code, is amended—

(1) in subsection (a), by inserting “an offense for which the maximum statutory term of imprisonment under section 1363 is greater than 5 years,” after “a felony under chapter 109A,”; and

(2) by adding at the end the following:

“(c) Nothing in this section shall limit the inherent power of an Indian tribe to exercise criminal jurisdiction over any Indian with respect to any offense committed within Indian country, subject to the limitations on punishment under section 202(7) of the Civil Rights Act of 1968 (25 U.S.C. 1302(7)).”.

(c) **RACKETEERING ACTIVITY.**—Section 1961(1)(A) of title 18, United States Code, is amended by inserting “(or would have been so chargeable except that the act or threat was committed in Indian country, as defined in section 1151, or in any other area of exclusive Federal jurisdiction)” after “chargeable under State law”.

(d) **MANSLAUGHTER WITHIN THE SPECIAL MARITIME AND TERRITORIAL JURISDICTION OF THE UNITED STATES.**—Section 1112(b) of title 18, United States Code, is amended by striking “ten years” and inserting “20 years”.

(e) **EMBEZZLEMENT AND THEFT FROM INDIAN TRIBAL ORGANIZATIONS.**—The second undesignated paragraph of section 1163 of title 18, United States Code, is amended by striking “so embezzled,” and inserting “embezzled,”.

#### **SEC. 1627. FEDERAL JUDICIARY PROTECTION ACT OF 1999.**

(a) **SHORT TITLE.**—This section may be cited as the “Federal Judiciary Protection Act of 1999”.

(b) **ASSAULTING, RESISTING, OR IMPEDING CERTAIN OFFICERS OR EMPLOYEES.**—Section 111 of title 18, United States Code, is amended—

(1) in subsection (a), by striking “three” and inserting “8”; and

(2) in subsection (b), by striking “ten” and inserting “20”.

(c) **INFLUENCING, IMPEDING, OR RETALIATING AGAINST A FEDERAL OFFICIAL BY THREATENING OR INJURING A FAMILY MEMBER.**—Section 115(b)(4) of title 18, United States Code, is amended—

(1) by striking “five” and inserting “10”; and

(2) by striking “three” and inserting “6”.

(d) **MAILING THREATENING COMMUNICATIONS.**—Section 876 of title 18, United States Code, is amended—

(1) by designating the first 4 undesignated paragraphs as subsections (a) through (d), respectively;

(2) in subsection (c), as so designated, by adding at the end the following: “If such a communication is addressed to a United States judge, a Federal law enforcement officer, or an official who is covered by section 1114, the individual shall be fined under this title, imprisoned not more than 10 years, or both.”; and

(3) in subsection (d), as so designated, by adding at the end the following: “If such a communication is addressed to a United States judge, a Federal law enforcement officer, or an official who is covered by section 1114, the individual shall be fined under this title, imprisoned not more than 10 years, or both.”.

(e) **AMENDMENT OF THE SENTENCING GUIDELINES FOR ASSAULTS AND THREATS AGAINST FEDERAL JUDGES AND CERTAIN OTHER FEDERAL OFFICIALS AND EMPLOYEES.**—

(1) **IN GENERAL.**—Pursuant to its authority under section 994 of title 28, United States Code, the United States Sentencing Commission shall review and amend the Federal sentencing guidelines and the policy statements of the Commission, if appropriate, to provide an appropriate sentencing enhancement for offenses involving influencing, assaulting, resisting, impeding, retaliating against, or threatening a Federal judge, magistrate judge, or any other official de-

scribed in section 111 or 115 of title 18, United States Code.

(2) **FACTORS FOR CONSIDERATION.**—In carrying out this section, the United States Sentencing Commission shall consider, with respect to each offense described in paragraph (1)—

(A) any expression of congressional intent regarding the appropriate penalties for the offense;

(B) the range of conduct covered by the offense;

(C) the existing sentences for the offense;

(D) the extent to which sentencing enhancements within the Federal sentencing guidelines and the court’s authority to impose a sentence in excess of the applicable guideline range are adequate to ensure punishment at or near the maximum penalty for the most egregious conduct covered by the offense;

(E) the extent to which Federal sentencing guideline sentences for the offense have been constrained by statutory maximum penalties;

(F) the extent to which Federal sentencing guidelines for the offense adequately achieve the purposes of sentencing as set forth in section 3553(a)(2) of title 18, United States Code;

(G) the relationship of Federal sentencing guidelines for the offense to the Federal sentencing guidelines for other offenses of comparable seriousness; and

(H) any other factors that the Commission considers to be appropriate.

#### **SEC. 1628. LOCAL ENFORCEMENT OF LOCAL ALCOHOL PROHIBITIONS THAT REDUCE JUVENILE CRIME IN REMOTE ALASKA VILLAGES.**

(a) **CONGRESSIONAL FINDINGS.**—The Congress finds the following:

(1) Villages in remote areas of Alaska lack local law enforcement due to the absence of a tax base to support such services and to small populations that do not secure sufficient funds under existing State and Federal grant program formulas.

(2) State troopers are often unable to respond to reports of violence in remote villages if there is inclement weather, and often only respond in reported felony cases.

(3) Studies conclude that alcohol consumption is strongly linked to the commission of violent crimes in remote Alaska villages and that youth are particularly susceptible to developing chronic criminal behaviors associated with alcohol in the absence of early intervention.

(4) Many remote villages have sought to limit the introduction of alcohol into their communities as a means of early intervention and to reduce criminal conduct among juveniles.

(5) In many remote villages, there is no person with the authority to enforce these local alcohol restrictions in a manner consistent with judicial standards of due process required under the State and Federal constitutions.

(6) Remote Alaska villages are experiencing a marked increase in births and the number of juveniles residing in villages is expected to increase dramatically in the next 5 years.

(7) Adoption of alcohol prohibitions by voters in remote villages represents a community-based effort to reduce juvenile crime, but this local policy choice requires local law enforcement to be effective.

(b) **GRANT OF FEDERAL FUNDS.**—(1) The Attorney General is authorized to provide to the State of Alaska funds for State law enforcement, judicial infrastructure and other costs necessary in remote villages to implement the prohibitions on the sale, importation and possession of alcohol adopted pursuant to State local option statutes.

(2) Funds provided to the State of Alaska under this section shall be in addition to and shall not disqualify the State, local governments, or Indian tribes (as that term is defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (P.L. 93-638, as

amended; 25 U.S.C. 450b(e) (1998)) from Federal funds available under other authority.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—There are authorized to be appropriated to carry out this section—

(A) \$15,000,000 for fiscal year 2000;

(B) \$17,000,000 for fiscal year 2001;

(C) \$18,000,000 for fiscal year 2002.

(2) **SOURCE OF FUNDS.**—Amounts authorized to be appropriated under this subsection may be derived from the Violent Crime Reduction Trust Fund.

**SEC. 1629. RULE OF CONSTRUCTION.**

Nothing in this Act may be construed to create, expand or diminish or in any way affect the jurisdiction of an Indian tribe in the State of Alaska.

**SEC. 1630. BOUNTY HUNTER ACCOUNTABILITY AND QUALITY ASSISTANCE.**

(a) **FINDINGS.**—Congress finds that—

(1) bounty hunters, also known as bail enforcement officers or recovery agents, provide law enforcement officers and the courts with valuable assistance in recovering fugitives from justice;

(2) regardless of the differences in their duties, skills, and responsibilities, the public has had difficulty in discerning the difference between law enforcement officers and bounty hunters;

(3) the availability of bail as an alternative to the pretrial detention or unsecured release of criminal defendants is important to the effective functioning of the criminal justice system;

(4) the safe and timely return to custody of fugitives who violate bail contracts is an important matter of public safety, as is the return of any other fugitive from justice;

(5) bail bond agents are widely regulated by the States, whereas bounty hunters are largely unregulated;

(6) the public safety requires the employment of qualified, well-trained bounty hunters; and

(7) in the course of their duties, bounty hunters often move in and affect interstate commerce.

(b) **DEFINITIONS.**—In this section—

(1) the term “bail bond agent” means any retail seller of a bond to secure the release of a criminal defendant pending judicial proceedings, unless such person also is self-employed to obtain the recovery of any fugitive from justice who has been released on bail;

(2) the term “bounty hunter”—

(A) means any person whose services are engaged, either as an independent contractor or as an employee of a bounty hunter employer, to obtain the recovery of any fugitive from justice who has been released on bail; and

(B) does not include any—

(i) law enforcement officer acting under color of law;

(ii) attorney, accountant, or other professional licensed under applicable State law;

(iii) employee whose duties are primarily internal audit or credit functions;

(iv) person while engaged in the performance of official duties as a member of the Armed Forces on active duty (as defined in section 101(d)(1) of title 10, United States Code); or

(v) bail bond agent;

(3) the term “bounty hunter employer”—

(A) means any person that—

(i) employs 1 or more bounty hunters; or

(ii) provides, as an independent contractor, for consideration, the services of 1 or more bounty hunters (which may include the services of that person); and

(B) does not include any bail bond agent; and

(4) the term “law enforcement officer” means a public officer or employee authorized under applicable Federal or State law to conduct or engage in the prevention, investigation, prosecution, or adjudication of criminal offenses, including any public officer or employee engaged

in corrections, parole, or probation functions, or the recovery of any fugitive from justice.

(c) **MODEL GUIDELINES.**—

(1) **IN GENERAL.**—Not later than 180 days after the date of enactment of this Act, the Attorney General shall develop model guidelines for the State control and regulation of persons employed or applying for employment as bounty hunters. In developing such guidelines, the Attorney General shall consult with organizations representing—

(A) State and local law enforcement officers;

(B) State and local prosecutors;

(C) the criminal defense bar;

(D) bail bond agents;

(E) bounty hunters; and

(F) corporate sureties.

(2) **RECOMMENDATIONS.**—The guidelines developed under paragraph (1) shall include recommendations of the Attorney General regarding whether—

(A) a person seeking employment as a bounty hunter should—

(i) be required to submit to a fingerprint-based criminal background check prior to entering into the performance of duties pursuant to employment as a bounty hunter; or

(ii) not be allowed to obtain such employment if that person has been convicted of a felony offense under Federal or State law;

(B) bounty hunters and bounty hunter employers should be required to obtain adequate liability insurance for actions taken in the course of performing duties pursuant to employment as a bounty hunter; and

(C) State laws should provide—

(i) for the prohibition on bounty hunters entering any private dwelling, unless the bounty hunter first knocks on the front door and announces the presence of 1 or more bounty hunters; and

(ii) the official recognition of bounty hunters from other States.

(3) **EFFECT ON BAIL.**—The guidelines published under paragraph (1) shall include an analysis of the estimated effect, if any, of the adoption of the guidelines by the States on—

(A) the cost and availability of bail; and

(B) the bail bond agent industry.

(4) **NO REGULATORY AUTHORITY.**—Nothing in this subsection may be construed to authorize the promulgation of any Federal regulation relating to bounty hunters, bounty hunter employers, or bail bond agents.

(5) **PUBLICATION OF GUIDELINES.**—The Attorney General shall publish model guidelines developed pursuant to paragraph (1) in the Federal Register.

**SEC. 1631. ASSISTANCE FOR UNINCORPORATED NEIGHBORHOOD WATCH PROGRAMS.**

(a) **IN GENERAL.**—Section 1701(d) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796dd(d)) is amended—

(1) in paragraph (10), by striking “and” at the end;

(2) in paragraph (11), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(12) provide assistance to unincorporated neighborhood watch organizations approved by the appropriate local police or sheriff’s department, in an amount equal to not more than \$1,950 per organization, for the purchase of citizen band radios, street signs, magnetic signs, flashlights, and other equipment relating to neighborhood watch patrols.”.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—Section 1001(a)(11) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793(a)(11)) is amended—

(1) in subparagraph (A), by striking clause (vi) and inserting the following:

“(vi) \$282,625,000 for fiscal year 2000.”; and

(2) in subparagraph (B) by inserting after “(B)” the following: “Of amounts made avail-

able to carry out part Q in each fiscal year \$14,625,000 shall be used to carry out section 1701(d)(12).”.

**SEC. 1632. FINDINGS AND SENSE OF CONGRESS.**

(a) **FINDINGS.**—Congress makes the following findings—

(1) The Nation’s highest priority should be to ensure that children begin school ready to learn.

(2) New scientific research shows that the electrical activity of brain cells actually changes the physical structure of the brain itself and that without a stimulating environment, a baby’s brain will suffer. At birth, a baby’s brain contains 100,000,000,000 neurons, roughly as many nerve cells as there are stars in the Milky Way, but the wiring pattern between these neurons develops over time. Children who play very little or are rarely touched develop brains that are 20 to 30 percent smaller than normal for their age.

(3) This scientific research also conclusively demonstrates that enhancing children’s physical, social, emotional, and intellectual development will result in tremendous benefits for children, families, and the Nation.

(4) Since more than 50 percent of the mothers of children under the age of 3 now work outside of the home, society must change to provide new supports so young children receive the attention and care that they need.

(5) There are 12,000,000 children under the age of 3 in the United States today and 1 in 4 lives in poverty.

(6) Compared with most other industrialized countries, the United States has a higher infant mortality rate, a higher proportion of low-birth weight babies, and a smaller proportion of babies immunized against childhood diseases.

(7) National and local studies have found a strong link between—

(A) lack of early intervention for children; and

(B) increased violence and crime among youth.

(8) The United States will spend more than \$35,000,000,000 over the next 5 years on Federal programs for at-risk or delinquent youth and child welfare programs, which address crisis situations that frequently could have been avoided or made much less severe through good early intervention for children.

(9) Many local communities across the country have developed successful early childhood efforts and with additional resources could expand and enhance opportunities for young children.

(b) **SENSE OF CONGRESS.**—It is the sense of Congress that Federal funding for early childhood development collaboratives should be a priority in the Federal budget for fiscal year 2000 and subsequent fiscal years.

**SEC. 1633. PROHIBITION ON PROMOTING VIOLENCE ON FEDERAL PROPERTY.**

(a) **GENERAL RULE.**—A Federal department or agency that—

(1) considers a request from an individual or entity for the use of any property, facility, equipment, or personnel of the department or agency, or for any other cooperation from the department or agency, to film a motion picture or television production for commercial purposes; and

(2) makes a determination as to whether granting a request described in paragraph (1) is consistent with—

(A) United States policy;

(B) the mission or interest of the department or agency; or

(C) the public interest;

shall not grant such a request without considering whether such motion picture or television production glorifies or endorses wanton and gratuitous violence.

(b) EXCEPTION.—Subsection (a) shall not apply to—

- (1) any bona fide newsreel or news television production; or
- (2) any public service announcement.

**SEC. 1634. PROVISIONS RELATING TO PAWN SHOPS AND SPECIAL LICENSEES.**

(a) Notwithstanding any other provision of this Act, the repeal heretofore effected by paragraph (1) and the amendment heretofore effected by paragraph (2) of subsection (c) with the heading "Provision Related to Pawn and Other Transactions" of section 503 of title V with the heading "General Firearm Provisions" shall be null and void.

(b) Notwithstanding any other provision of this Act, section 923(m)(1), of title 18, United States Code, as heretofore provided, is amended by adding at the end the following subparagraph:

"(F) COMPLIANCE.—Except as to the State and local planning and zoning requirements for a licensed premises as provided in subparagraph (D), a special licensee shall be subject to all of the provisions of this chapter applicable to dealers, including, but not limited to, the performance of an instant background check."

**SEC. 1635. EXTENSION OF BRADY BACKGROUND CHECKS TO GUN SHOWS.**

(a) FINDINGS.—Congress finds that—

(1) more than 4,400 traditional gun shows are held annually across the United States, attracting thousands of attendees per show and hundreds of Federal firearms licensees and nonlicensed firearms sellers;

(2) traditional gun shows, as well as flea markets and other organized events, at which a large number of firearms are offered for sale by Federal firearms licensees and nonlicensed firearms sellers, form a significant part of the national firearms market;

(3) firearms and ammunition that are exhibited or offered for sale or exchange at gun shows, flea markets, and other organized events move easily in and substantially affect interstate commerce;

(4) in fact, even before a firearm is exhibited or offered for sale or exchange at a gun show, flea market, or other organized event, the gun, its component parts, ammunition, and the raw materials from which it is manufactured have moved in interstate commerce;

(5) gun shows, flea markets, and other organized events at which firearms are exhibited or offered for sale or exchange, provide a convenient and centralized commercial location at which firearms may be bought and sold anonymously, often without background checks and without records that enable gun tracing;

(6) at gun shows, flea markets, and other organized events at which guns are exhibited or offered for sale or exchange, criminals and other prohibited persons obtain guns without background checks and frequently use guns that cannot be traced to later commit crimes;

(7) many persons who buy and sell firearms at gun shows, flea markets, and other organized events cross State lines to attend these events and engage in the interstate transportation of firearms obtained at these events;

(8) gun violence is a pervasive, national problem that is exacerbated by the availability of guns at gun shows, flea markets, and other organized events;

(9) firearms associated with gun shows have been transferred illegally to residents of another State by Federal firearms licensees and nonlicensed firearms sellers, and have been involved in subsequent crimes including drug offenses, crimes of violence, property crimes, and illegal possession of firearms by felons and other prohibited persons; and

(10) Congress has the power, under the interstate commerce clause and other provisions of

the Constitution of the United States, to ensure, by enactment of this Act, that criminals and other prohibited persons do not obtain firearms at gun shows, flea markets, and other organized events.

(b) DEFINITIONS.—Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

"(35) GUN SHOW.—The term 'gun show' means any event—

"(A) at which 50 or more firearms are offered or exhibited for sale, transfer, or exchange, if 1 or more of the firearms has been shipped or transported in, or otherwise affects, interstate or foreign commerce; and

"(B) at which—

"(i) not less than 20 percent of the exhibitors are firearm exhibitors;

"(ii) there are not less than 10 firearm exhibitors; or

"(iii) 50 or more firearms are offered for sale, transfer, or exchange.

"(36) GUN SHOW PROMOTER.—The term 'gun show promoter' means any person who organizes, plans, promotes, or operates a gun show.

"(37) GUN SHOW VENDOR.—The term 'gun show vendor' means any person who exhibits, sells, offers for sale, transfers, or exchanges 1 or more firearms at a gun show, regardless of whether or not the person arranges with the gun show promoter for a fixed location from which to exhibit, sell, offer for sale, transfer, or exchange 1 or more firearms."

(c) REGULATION OF FIREARMS TRANSFERS AT GUN SHOWS.—

(1) IN GENERAL.—Chapter 44 of title 18, United States Code, is amended by adding at the end the following:

**"§931. Regulation of firearms transfers at gun shows**

"(a) REGISTRATION OF GUN SHOW PROMOTERS.—It shall be unlawful for any person to organize, plan, promote, or operate a gun show unless that person—

"(1) registers with the Secretary in accordance with regulations promulgated by the Secretary; and

"(2) pays a registration fee, in an amount determined by the Secretary.

"(b) RESPONSIBILITIES OF GUN SHOW PROMOTERS.—It shall be unlawful for any person to organize, plan, promote, or operate a gun show unless that person—

"(1) before commencement of the gun show, verifies the identity of each gun show vendor participating in the gun show by examining a valid identification document (as defined in section 1028(d)(1)) of the vendor containing a photograph of the vendor;

"(2) before commencement of the gun show, requires each gun show vendor to sign—

"(A) a ledger with identifying information concerning the vendor; and

"(B) a notice advising the vendor of the obligations of the vendor under this chapter; and

"(3) notifies each person who attends the gun show of the requirements of this chapter, in accordance with such regulations as the Secretary shall prescribe; and

"(4) maintains a copy of the records described in paragraphs (1) and (2) at the permanent place of business of the gun show promoter for such period of time and in such form as the Secretary shall require by regulation.

"(c) RESPONSIBILITIES OF TRANSFERORS OTHER THAN LICENSEES.—

"(1) IN GENERAL.—If any part of a firearm transaction takes place at a gun show, it shall be unlawful for any person who is not licensed under this chapter to transfer a firearm to another person who is not licensed under this chapter, unless the firearm is transferred through a licensed importer, licensed manufacturer, or licensed dealer in accordance with subsection (e).

"(2) CRIMINAL BACKGROUND CHECKS.—A person who is subject to the requirement of paragraph (1)—

"(A) shall not transfer the firearm to the transferee until the licensed importer, licensed manufacturer, or licensed dealer through which the transfer is made under subsection (e) makes the notification described in subsection (e)(3)(A); and

"(B) notwithstanding subparagraph (A), shall not transfer the firearm to the transferee if the licensed importer, licensed manufacturer, or licensed dealer through which the transfer is made under subsection (e) makes the notification described in subsection (e)(3)(B).

"(3) ABSENCE OF RECORDKEEPING REQUIREMENTS.—Nothing in this section shall permit or authorize the Secretary to impose recordkeeping requirements on any nonlicensed vendor.

"(d) RESPONSIBILITIES OF TRANSFEREES OTHER THAN LICENSEES.—

"(1) IN GENERAL.—If any part of a firearm transaction takes place at a gun show, it shall be unlawful for any person who is not licensed under this chapter to receive a firearm from another person who is not licensed under this chapter, unless the firearm is transferred through a licensed importer, licensed manufacturer, or licensed dealer in accordance with subsection (e).

"(2) CRIMINAL BACKGROUND CHECKS.—A person who is subject to the requirement of paragraph (1)—

"(A) shall not receive the firearm from the transferor until the licensed importer, licensed manufacturer, or licensed dealer through which the transfer is made under subsection (e) makes the notification described in subsection (e)(3)(A); and

"(B) notwithstanding subparagraph (A), shall not receive the firearm from the transferor if the licensed importer, licensed manufacturer, or licensed dealer through which the transfer is made under subsection (e) makes the notification described in subsection (e)(3)(B).

"(e) RESPONSIBILITIES OF LICENSEES.—A licensed importer, licensed manufacturer, or licensed dealer who agrees to assist a person who is not licensed under this chapter in carrying out the responsibilities of that person under subsection (c) or (d) with respect to the transfer of a firearm shall—

"(1) enter such information about the firearm as the Secretary may require by regulation into a separate bound record;

"(2) record the transfer on a form specified by the Secretary;

"(3) comply with section 922(t) as if transferring the firearm from the inventory of the licensed importer, licensed manufacturer, or licensed dealer to the designated transferee (although a licensed importer, licensed manufacturer, or licensed dealer complying with this subsection shall not be required to comply again with the requirements of section 922(t) in delivering the firearm to the nonlicensed transferor), and notify the nonlicensed transferor and the nonlicensed transferee—

"(A) of such compliance; and

"(B) if the transfer is subject to the requirements of section 922(t)(1), of any receipt by the licensed importer, licensed manufacturer, or licensed dealer of a notification from the national instant criminal background check system that the transfer would violate section 922 or would violate State law;

"(4) not later than 10 days after the date on which the transfer occurs, submit to the Secretary a report of the transfer, which report—

"(A) shall be on a form specified by the Secretary by regulation; and

"(B) shall not include the name of or other identifying information relating to any person involved in the transfer who is not licensed under this chapter;

"(5) if the licensed importer, licensed manufacturer, or licensed dealer assists a person other than a licensee in transferring, at 1 time or during any 5 consecutive business days, 2 or more pistols or revolvers, or any combination of pistols and revolvers totaling 2 or more, to the same nonlicensed person, in addition to the reports required under paragraph (4), prepare a report of the multiple transfers, which report shall be—

"(A) prepared on a form specified by the Secretary; and

"(B) not later than the close of business on the date on which the transfer occurs, forwarded to—

"(i) the office specified on the form described in subparagraph (A); and

"(ii) the appropriate State law enforcement agency of the jurisdiction in which the transfer occurs; and

"(6) retain a record of the transfer as part of the permanent business records of the licensed importer, licensed manufacturer, or licensed dealer.

"(f) RECORDS OF LICENSEE TRANSFERS.—If any part of a firearm transaction takes place at a gun show, each licensed importer, licensed manufacturer, and licensed dealer who transfers 1 or more firearms to a person who is not licensed under this chapter shall, not later than 10 days after the date on which the transfer occurs, submit to the Secretary a report of the transfer, which report—

"(1) shall be in a form specified by the Secretary by regulation;

"(2) shall not include the name of or other identifying information relating to the transferee; and

"(3) shall not duplicate information provided in any report required under subsection (e)(4).

"(g) FIREARM TRANSACTION DEFINED.—In this section, the term 'firearm transaction'—

"(1) includes the offer for sale, sale, transfer, or exchange of a firearm; and

"(2) does not include the mere exhibition of a firearm."

(2) PENALTIES.—Section 924(a) of title 18, United States Code, is amended by adding at the end the following:

"(7)(A) Whoever knowingly violates section 931(a) shall be fined under this title, imprisoned not more than 5 years, or both.

"(B) Whoever knowingly violates subsection (b) or (c) of section 931, shall be—

"(i) fined under this title, imprisoned not more than 2 years, or both; and

"(ii) in the case of a second or subsequent conviction, such person shall be fined under this title, imprisoned not more than 5 years, or both.

"(C) Whoever willfully violates section 931(d), shall be—

"(i) fined under this title, imprisoned not more than 2 years, or both; and

"(ii) in the case of a second or subsequent conviction, such person shall be fined under this title, imprisoned not more than 5 years, or both.

"(D) Whoever knowingly violates subsection (e) or (f) of section 931 shall be fined under this title, imprisoned not more than 5 years, or both.

"(E) In addition to any other penalties imposed under this paragraph, the Secretary may, with respect to any person who knowingly violates any provision of section 931—

"(i) if the person is registered pursuant to section 931(a), after notice and opportunity for a hearing, suspend for not more than 6 months or revoke the registration of that person under section 931(a); and

"(ii) impose a civil fine in an amount equal to not more than \$10,000."

(3) TECHNICAL AND CONFORMING AMENDMENTS.—Chapter 44 of title 18, United States Code, is amended—

(A) in the chapter analysis, by adding at the end the following:

"931. Regulation of firearms transfers at gun shows.";

and

(B) in the first sentence of section 923(j), by striking "a gun show or event" and inserting "an event"; and

(d) INSPECTION AUTHORITY.—Section 923(g)(1) is amended by adding at the end the following:

"(E) Notwithstanding subparagraph (B), the Secretary may enter during business hours the place of business of any gun show promoter and any place where a gun show is held for the purposes of examining the records required by sections 923 and 931 and the inventory of licensees conducting business at the gun show. Such entry and examination shall be conducted for the purposes of determining compliance with this chapter by gun show promoters and licensees conducting business at the gun show and shall not require a showing of reasonable cause or a warrant."

(e) INCREASED PENALTIES FOR SERIOUS RECORDKEEPING VIOLATIONS BY LICENSEES.—Section 924(a)(3) of title 18, United States Code, is amended to read as follows:

"(3)(A) Except as provided in subparagraph (B), any licensed dealer, licensed importer, licensed manufacturer, or licensed collector who knowingly makes any false statement or representation with respect to the information required by this chapter to be kept in the records of a person licensed under this chapter, or violates section 922(m) shall be fined under this title, imprisoned not more than 1 year, or both.

"(B) If the violation described in subparagraph (A) is in relation to an offense—

"(i) under paragraph (1) or (3) of section 922(b), such person shall be fined under this title, imprisoned not more than 5 years, or both; or

"(ii) under subsection (a)(6) or (d) of section 922, such person shall be fined under this title, imprisoned not more than 10 years, or both."

(f) INCREASED PENALTIES FOR VIOLATIONS OF CRIMINAL BACKGROUND CHECK REQUIREMENTS.—

(1) PENALTIES.—Section 924 of title 18, United States Code, is amended—

(A) in paragraph (5), by striking "subsection (s) or (t) of section 922" and inserting "section 922(s)"; and

(B) by adding at the end the following:

"(8) Whoever knowingly violates section 922(t) shall be fined under this title, imprisoned not more than 5 years, or both."

(2) ELIMINATION OF CERTAIN ELEMENTS OF OFFENSE.—Section 922(t)(5) of title 18, United States Code, is amended by striking "and, at the time" and all that follows through "State law".

(g) GUN OWNER PRIVACY AND PREVENTION OF FRAUD AND ABUSE OF SYSTEM INFORMATION.—Section 922(t)(2)(C) of title 18, United States Code, is amended by inserting before the period at the end the following: "as soon as possible, consistent with the responsibility of the Attorney General under section 103(h) of the Brady Handgun Violence Prevention Act to ensure the privacy and security of the system and to prevent system fraud and abuse, but in no event later than 90 days after the date on which the licensee first contacts the system with respect to the transfer".

(h) EFFECTIVE DATE.—This section (other than subsection (i)) and the amendments made by this section shall take effect 180 days after the date of enactment of this Act.

(i) INAPPLICABILITY OF OTHER PROVISIONS.—Notwithstanding any other provision of this Act, the provisions of the title headed "GENERAL FIREARM PROVISIONS" (as added by the amendment of Mr. Craig number 332) and the provisions of the section headed "APPLICATION OF SECTION 923 (j) AND (m)" (as added by the amendment of Mr. Hatch number 344) shall be null and void.

## SEC. 1636. APPROPRIATE INTERVENTIONS AND SERVICES; CLARIFICATION OF FEDERAL LAW.

(a) APPROPRIATE INTERVENTIONS AND SERVICES.—School personnel shall ensure that immediate appropriate interventions and services, including mental health interventions and services, are provided to a child removed from school for any act of violence, including carrying or possessing a weapon to or at a school, on school premises, or to or at a school function under the jurisdiction of a State or local educational agency, in order to—

(1) to ensure that our Nation's schools and communities are safe; and

(2) maximize the likelihood that such child shall not engage in such behaviors, or such behaviors do not reoccur.

(b) CLARIFICATION OF FEDERAL LAW.—Nothing in Federal law shall be construed—

(1) to prohibit an agency from reporting a crime committed by a child, including a child with a disability, to appropriate authorities; or

(2) to prevent State law enforcement and judicial authorities from exercising their responsibilities with regard to the application of Federal and State law to a crime committed by a child, including a child with a disability.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) AUTHORIZATION.—There are authorized to be appropriated to pay the costs of the interventions and services described in subsection (a) such sums as may be necessary for each of the fiscal years 2000 through 2004.

(2) DISTRIBUTION.—The Secretary of Education shall provide for the distribution of the funds made available under paragraph (1)—

(A) to States for a fiscal year in the same manner as the Secretary makes allotments to States under section 4011(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7111(b)) for the fiscal year; and

(B) to local educational agencies for a fiscal year in the same manner as funds are distributed to local educational agencies under section 4113(d)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7113(d)(2)) for the fiscal year.

## SEC. 1637. SAFE SCHOOLS.

(a) AMENDMENTS.—Part F of title XIV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8921 et seq.) is amended as follows:

(1) SHORT TITLE.—Section 14601(a) is amended by replacing "Gun-Free" with "Safe", and "1994" with "1999".

(2) REQUIREMENTS.—Section 14601(b)(1) is amended by inserting after "determined" the following: "to be in possession of felonious quantities of an illegal drug, on school property under the jurisdiction of, or in a vehicle operated by an employee or agent of, a local educational agency in that State, or".

(3) DEFINITIONS.—Section 14601(b)(4) is amended by replacing "Definition" with "Definitions" in the catchline, by replacing "section" in the matter under the catchline with "part", by redesignating the matter under the catchline after the comma as subparagraph (A), by replacing the period with a semicolon, and by adding new subparagraphs (B), (C), and (D) as follows:

"(B) the term 'illegal drug' means a controlled substance, as defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)), the possession of which is unlawful under the Act (21 U.S.C. 801 et seq.) or under the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.), but does not mean a controlled substance used pursuant to a valid prescription or as authorized by law; and

"(C) the term 'illegal drug paraphernalia' means drug paraphernalia, as defined in section 422(d) of the Controlled Substances Act (21 U.S.C. 863(d)), except that the first sentence of



that section shall be applied by inserting 'or under the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.)', before the period.

"(D) the term 'felonious quantities of an illegal drug' means any quantity of an illegal drug—

"(i) possession of which quantity would, under Federal, State, or local law, either constitute a felony or indicate an intent to distribute; or

"(ii) that is possessed with an intent to distribute."

(4) REPORT TO STATE.—Section 14601(d)(2)(C) is amended by inserting "illegal drugs or" before "weapons".

(5) REPEALER.—Section 14601 is amended by striking subsection (f).

(6) POLICY REGARDING CRIMINAL JUSTICE SYSTEM REFERRAL.—Section 14602(a) is amended by replacing "served by" with "under the jurisdiction of", and by inserting after "who" the following: "is in possession of an illegal drug, or illegal drug paraphernalia, on school property under the jurisdiction of, or in a vehicle operated by an employee or agent of, such agency, or who".

(7) DATA AND POLICY DISSEMINATION UNDER IDEA.—Section 14603 is amended by inserting "current" before "policy", by striking "in effect on October 20, 1994", by striking all the matter after "schools" and inserting a period thereafter, and by inserting before "engaging" the following: "possessing illegal drugs, or illegal drug paraphernalia, on school property, or in vehicles operated by employees or agents of, schools or local educational agencies, or".

(b) COMPLIANCE DATE; REPORTING.—(1) States shall have 2 years from the date of enactment of this Act to comply with the requirements established in the amendments made by subsection (a).

(2) Not later than 3 years after the date of enactment of this Act, the Secretary of Education shall submit to Congress a report on any State that is not in compliance with the requirements of this part.

(3) Not later than 2 years after the date of enactment of this Act, the Secretary of Education shall submit to Congress a report analyzing the strengths and weaknesses of approaches regarding the disciplining of children with disabilities.

#### SEC. 1638. SCHOOL COUNSELING.

Section 10102 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8002) is amended to read as follows:

#### "SEC. 10102. ELEMENTARY SCHOOL AND SECONDARY SCHOOL COUNSELING DEMONSTRATION.

"(a) COUNSELING DEMONSTRATION.—

"(1) IN GENERAL.—The Secretary may award grants under this section to local educational agencies to enable the local educational agencies to establish or expand elementary school counseling programs.

"(2) PRIORITY.—In awarding grants under this section, the Secretary shall give special consideration to applications describing programs that—

"(A) demonstrate the greatest need for new or additional counseling services among the children in the schools served by the applicant;

"(B) propose the most promising and innovative approaches for initiating or expanding school counseling; and

"(C) show the greatest potential for replication and dissemination.

"(3) EQUITABLE DISTRIBUTION.—In awarding grants under this section, the Secretary shall ensure an equitable geographic distribution among the regions of the United States and among urban, suburban, and rural areas.

"(4) DURATION.—A grant under this section shall be awarded for a period not to exceed three years.

"(5) MAXIMUM GRANT.—A grant under this section shall not exceed \$400,000 for any fiscal year.

"(b) APPLICATIONS.—

"(1) IN GENERAL.—Each local educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(2) CONTENTS.—Each application for a grant under this section shall—

"(A) describe the school population to be targeted by the program, the particular personal, social, emotional, educational, and career development needs of such population, and the current school counseling resources available for meeting such needs;

"(B) describe the activities, services, and training to be provided by the program and the specific approaches to be used to meet the needs described in subparagraph (A);

"(C) describe the methods to be used to evaluate the outcomes and effectiveness of the program;

"(D) describe the collaborative efforts to be undertaken with institutions of higher education, businesses, labor organizations, community groups, social service agencies, and other public or private entities to enhance the program and promote school-linked services integration;

"(E) describe collaborative efforts with institutions of higher education which specifically seek to enhance or improve graduate programs specializing in the preparation of school counselors, school psychologists, and school social workers;

"(F) document that the applicant has the personnel qualified to develop, implement, and administer the program;

"(G) describe how any diverse cultural populations, if applicable, would be served through the program;

"(H) assure that the funds made available under this part for any fiscal year will be used to supplement and, to the extent practicable, increase the level of funds that would otherwise be available from non-Federal sources for the program described in the application, and in no case supplant such funds from non-Federal sources; and

"(I) assure that the applicant will appoint an advisory board composed of parents, school counselors, school psychologists, school social workers, other pupil services personnel, teachers, school administrators, and community leaders to advise the local educational agency on the design and implementation of the program.

"(c) USE OF FUNDS.—

"(1) IN GENERAL.—Grant funds under this section shall be used to initiate or expand school counseling programs that comply with the requirements in paragraph (2).

"(2) PROGRAM REQUIREMENTS.—Each program assisted under this section shall—

"(A) be comprehensive in addressing the personal, social, emotional, and educational needs of all students;

"(B) use a developmental, preventive approach to counseling;

"(C) increase the range, availability, quantity, and quality of counseling services in the elementary schools of the local educational agency;

"(D) expand counseling services only through qualified school counselors, school psychologists, and school social workers;

"(E) use innovative approaches to increase children's understanding of peer and family relationships, work and self, decisionmaking, or academic and career planning, or to improve social functioning;

"(F) provide counseling services that are well-balanced among classroom group and small

group counseling, individual counseling, and consultation with parents, teachers, administrators, and other pupil services personnel;

"(G) include inservice training for school counselors, school social workers, school psychologists, other pupil services personnel, teachers, and instructional staff;

"(H) involve parents of participating students in the design, implementation, and evaluation of a counseling program;

"(I) involve collaborative efforts with institutions of higher education, businesses, labor organizations, community groups, social service agencies, or other public or private entities to enhance the program and promote school-linked services integration;

"(J) evaluate annually the effectiveness and outcomes of the counseling services and activities assisted under this section;

"(K) ensure a team approach to school counseling by maintaining a ratio in the elementary schools of the local educational agency that does not exceed 1 school counselor to 250 students, 1 school social worker to 800 students, and 1 school psychologist to 1,000 students; and

"(L) ensure that school counselors, school psychologists, or school social workers paid from funds made available under this section spend at least 85 percent of their total worktime at the school in activities directly related to the counseling process and not more than 15 percent of such time on administrative tasks that are associated with the counseling program.

"(3) REPORT.—The Secretary shall issue a report evaluating the programs assisted pursuant to each grant under this subsection at the end of each grant period in accordance with section 14701, but in no case later than January 30, 2003.

"(4) DISSEMINATION.—The Secretary shall make the programs assisted under this section available for dissemination, either through the National Diffusion Network or other appropriate means.

"(5) LIMIT ON ADMINISTRATION.—Not more than five percent of the amounts made available under this section in any fiscal year shall be used for administrative costs to carry out this section.

"(d) DEFINITIONS.—For purposes of this section—

"(1) the term 'school counselor' means an individual who has documented competence in counseling children and adolescents in a school setting and who—

"(A) possesses State licensure or certification granted by an independent professional regulatory authority;

"(B) in the absence of such State licensure or certification, possesses national certification in school counseling or a specialty of counseling granted by an independent professional organization; or

"(C) holds a minimum of a master's degree in school counseling from a program accredited by the Council for Accreditation of Counseling and Related Educational Programs or the equivalent;

"(2) the term 'school psychologist' means an individual who—

"(A) possesses a minimum of 60 graduate semester hours in school psychology from an institution of higher education and has completed 1,200 clock hours in a supervised school psychology internship, of which 600 hours shall be in the school setting;

"(B) possesses State licensure or certification in the State in which the individual works; or

"(C) in the absence of such State licensure or certification, possesses national certification by the National School Psychology Certification Board;

"(3) the term 'school social worker' means an individual who holds a master's degree in social

work and is licensed or certified by the State in which services are provided or holds a school social work specialist credential; and

“(4) the term ‘supervisor’ means an individual who has the equivalent number of years of professional experience in such individual’s respective discipline as is required of teaching experience for the supervisor or administrative credential in the State of such individual.

“(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section \$15,000,000 for fiscal year 2000 and such sums as may be necessary for each of the 4 succeeding fiscal years.”.

**SEC. 1639. CRIMINAL PROHIBITION ON DISTRIBUTION OF CERTAIN INFORMATION RELATING TO EXPLOSIVES, DESTRUCTIVE DEVICES, AND WEAPONS OF MASS DESTRUCTION.**

(a) **UNLAWFUL CONDUCT.**—Section 842 of title 18, United States Code, is amended by adding at the end the following:

“(p) **DISTRIBUTION OF INFORMATION RELATING TO EXPLOSIVES, DESTRUCTIVE DEVICES, AND WEAPONS OF MASS DESTRUCTION.**—

“(1) **DEFINITIONS.**—In this subsection:

“(A) The term ‘destructive device’ has the same meaning as in section 921(a)(4).

“(B) The term ‘explosive’ has the same meaning as in section 844(j).

“(C) The term ‘weapon of mass destruction’ has the same meaning as in section 2332a(c)(2).

“(2) **PROHIBITION.**—It shall be unlawful for any person—

“(A) to teach or demonstrate the making or use of an explosive, a destructive device, or a weapon of mass destruction, or to distribute by any means information pertaining to, in whole or in part, the manufacture or use of an explosive, destructive device, or weapon of mass destruction, with the intent that the teaching, demonstration, or information be used for, or in furtherance of, an activity that constitutes a Federal crime of violence; or

“(B) to teach or demonstrate to any person the making or use of an explosive, a destructive device, or a weapon of mass destruction, or to distribute to any person, by any means, information pertaining to, in whole or in part, the manufacture or use of an explosive, destructive device, or weapon of mass destruction, knowing that such person intends to use the teaching, demonstration, or information for, or in furtherance of, an activity that constitutes a Federal crime of violence.”.

(b) **PENALTIES.**—Section 844 of title 18, United States Code, is amended—

(1) in subsection (a), by striking “person who violates any of subsections” and inserting the following: “person who—

“(1) violates any of subsections”;

(2) by striking the period at the end and inserting “; and”;

(3) by adding at the end the following:

“(2) violates subsection (p)(2) of section 842, shall be fined under this title, imprisoned not more than 20 years, or both.”; and

(4) in subsection (j), by striking “and (i)” and inserting “(i), and (p)”.

**Subtitle B—James Guelff Body Armor Act**

**SEC. 1641. SHORT TITLE.**

This subtitle may be cited as the “James Guelff Body Armor Act of 1999”.

**SEC. 1642. FINDINGS.**

Congress finds that—

(1) nationally, police officers and ordinary citizens are facing increased danger as criminals use more deadly weaponry, body armor, and other sophisticated assault gear;

(2) crime at the local level is exacerbated by the interstate movement of body armor and other assault gear;

(3) there is a traffic in body armor moving in or otherwise affecting interstate commerce, and

existing Federal controls over such traffic do not adequately enable the States to control this traffic within their own borders through the exercise of their police power;

(4) recent incidents, such as the murder of San Francisco Police Officer James Guelff by an assailant wearing 2 layers of body armor and a 1997 bank shoot out in north Hollywood, California, between police and 2 heavily armed suspects outfitted in body armor, demonstrate the serious threat to community safety posed by criminals who wear body armor during the commission of a violent crime;

(5) of the approximately 1,200 officers killed in the line of duty since 1980, more than 30 percent could have been saved by body armor, and the risk of dying from gunfire is 14 times higher for an officer without a bulletproof vest;

(6) the Department of Justice has estimated that 25 percent of State and local police are not issued body armor;

(7) the Federal Government is well-equipped to grant local police departments access to body armor that is no longer needed by Federal agencies; and

(8) Congress has the power, under the interstate commerce clause and other provisions of the Constitution of the United States, to enact legislation to regulate interstate commerce that affects the integrity and safety of our communities.

**SEC. 1643. DEFINITIONS.**

In this subtitle:

(1) **BODY ARMOR.**—The term “body armor” means any product sold or offered for sale, in interstate or foreign commerce, as personal protective body covering intended to protect against gunfire, regardless of whether the product is to be worn alone or is sold as a complement to another product or garment.

(2) **LAW ENFORCEMENT AGENCY.**—The term “law enforcement agency” means an agency of the United States, a State, or a political subdivision of a State, authorized by law or by a government agency to engage in or supervise the prevention, detection, investigation, or prosecution of any violation of criminal law.

(3) **LAW ENFORCEMENT OFFICER.**—The term “law enforcement officer” means any officer, agent, or employee of the United States, a State, or a political subdivision of a State, authorized by law or by a government agency to engage in or supervise the prevention, detection, investigation, or prosecution of any violation of criminal law.

**SEC. 1644. AMENDMENT OF SENTENCING GUIDELINES WITH RESPECT TO BODY ARMOR.**

(a) **SENTENCING ENHANCEMENT.**—The United States Sentencing Commission shall amend the Federal sentencing guidelines to provide an appropriate sentencing enhancement, increasing the offense level not less than 2 levels, for any offense in which the defendant used body armor.

(b) **APPLICABILITY.**—No amendment made to the Federal Sentencing Guidelines pursuant to this section shall apply if the Federal offense in which the body armor is used constitutes a violation of, attempted violation of, or conspiracy to violate the civil rights of any person by a law enforcement officer acting under color of the authority of such law enforcement officer.

**SEC. 1645. PROHIBITION OF PURCHASE, USE, OR POSSESSION OF BODY ARMOR BY VIOLENT FELONS.**

(a) **DEFINITION OF BODY ARMOR.**—Section 921 of title 18, United States Code, is amended by adding at the end the following:

“(35) The term ‘body armor’ means any product sold or offered for sale, in interstate or foreign commerce, as personal protective body covering intended to protect against gunfire, regardless of whether the product is to be worn

alone or is sold as a complement to another product or garment.”.

(b) **PROHIBITION.**—

(1) **IN GENERAL.**—Chapter 44 of title 18, United States Code, is amended by adding at the end the following:

**“§931. Prohibition on purchase, ownership, or possession of body armor by violent felons**

“(a) **IN GENERAL.**—Except as provided in subsection (b), it shall be unlawful for a person to purchase, own, or possess body armor, if that person has been convicted of a felony that is—

“(1) a crime of violence (as defined in section 16); or

“(2) an offense under State law that would constitute a crime of violence under paragraph (1) if it occurred within the special maritime and territorial jurisdiction of the United States.

“(b) **AFFIRMATIVE DEFENSE.**—

“(1) **IN GENERAL.**—It shall be an affirmative defense under this section that—

“(A) the defendant obtained prior written certification from his or her employer that the defendant’s purchase, use, or possession of body armor was necessary for the safe performance of lawful business activity; and

“(B) the use and possession by the defendant were limited to the course of such performance.

“(2) **EMPLOYER.**—In this subsection, the term ‘employer’ means any other individual employed by the defendant’s business that supervises defendant’s activity. If that defendant has no supervisor, prior written certification is acceptable from any other employee of the business.”.

(2) **CLERICAL AMENDMENT.**—The analysis for chapter 44 of title 18, United States Code, is amended by adding at the end the following:

“931. Prohibition on purchase, ownership, or possession of body armor by violent felons.”.

(c) **PENALTIES.**—Section 924(a) of title 18, United States Code, is amended by adding at the end the following:

“(7) Whoever knowingly violates section 931 shall be fined under this title, imprisoned not more than 3 years, or both.”.

**SEC. 1646. DONATION OF FEDERAL SURPLUS BODY ARMOR TO STATE AND LOCAL LAW ENFORCEMENT AGENCIES.**

(a) **DEFINITIONS.**—In this section, the terms “Federal agency” and “surplus property” have the meanings given such terms under section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472).

(b) **DONATION OF BODY ARMOR.**—Notwithstanding section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484), the head of a Federal agency may donate body armor directly to any State or local law enforcement agency, if such body armor is—

(1) in serviceable condition; and

(2) surplus property.

(c) **NOTICE TO ADMINISTRATOR.**—The head of a Federal agency who donates body armor under this section shall submit to the Administrator of General Services a written notice identifying the amount of body armor donated and each State or local law enforcement agency that received the body armor.

(d) **DONATION BY CERTAIN OFFICERS.**—

(1) **DEPARTMENT OF JUSTICE.**—In the administration of this section with respect to the Department of Justice, in addition to any other officer of the Department of Justice designated by the Attorney General, the following officers may act as the head of a Federal agency:

(A) The Administrator of the Drug Enforcement Administration.

(B) The Director of the Federal Bureau of Investigation.

(C) The Commissioner of the Immigration and Naturalization Service.

(D) The Director of the United States Marshals Service.

(2) DEPARTMENT OF THE TREASURY.—In the administration of this section with respect to the Department of the Treasury, in addition to any other officer of the Department of the Treasury designated by the Secretary of the Treasury, the following officers may act as the head of a Federal agency:

(A) The Director of the Bureau of Alcohol, Tobacco, and Firearms.

(B) The Commissioner of Customs.

(C) The Director of the United States Secret Service.

#### SEC. 1647. ADDITIONAL FINDINGS; PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) Officer Dale Claxton of the Cortez, Colorado, Police Department was shot and killed by bullets that passed through the windshield of his police car after he stopped a stolen truck, and his life may have been saved if his police car had been equipped with bullet resistant equipment;

(2) the number of law enforcement officers who are killed in the line of duty would significantly decrease if every law enforcement officer in the United States had access to additional bullet resistant equipment;

(3) according to studies, between 1985 and 1994, 709 law enforcement officers in the United States were feloniously killed in the line of duty;

(4) the Federal Bureau of Investigation estimates that the risk of fatality to law enforcement officers while not wearing bullet resistant equipment, such as an armor vest, is 14 times higher than for officers wearing an armor vest;

(5) according to studies, between 1985 and 1994, bullet-resistant materials helped save the lives of more than 2,000 law enforcement officers in the United States; and

(6) the Executive Committee for Indian Country Law Enforcement Improvements reports that violent crime in Indian country has risen sharply despite a decrease in the national crime rate, and has concluded that there is a "public safety crisis in Indian country".

(b) PURPOSE.—The purpose of this chapter is to save lives of law enforcement officers by helping State, local, and tribal law enforcement agencies provide officers with bullet resistant equipment and video cameras.

#### SEC. 1648. MATCHING GRANT PROGRAMS FOR LAW ENFORCEMENT BULLET RESISTANT EQUIPMENT AND FOR VIDEO CAMERAS.

(a) IN GENERAL.—Part Y of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ll et seq.) is amended—

(1) by striking the part designation and part heading and inserting the following:

##### "PART Y—MATCHING GRANT PROGRAMS FOR LAW ENFORCEMENT

###### "Subpart A—Grant Program For Armor Vests";

(2) by striking "this part" each place it appears and inserting "this subpart"; and

(3) by adding at the end the following:

###### "Subpart B—Grant Program For Bullet Resistant Equipment

#### "SEC. 2511. PROGRAM AUTHORIZED.

"(a) IN GENERAL.—The Director of the Bureau of Justice Assistance is authorized to make grants to States, units of local government, and Indian tribes to purchase bullet resistant equipment for use by State, local, and tribal law enforcement officers.

"(b) USES OF FUNDS.—Grants awarded under this section shall be—

"(1) distributed directly to the State, unit of local government, or Indian tribe; and

"(2) used for the purchase of bullet resistant equipment for law enforcement officers in the jurisdiction of the grantee.

"(c) PREFERENTIAL CONSIDERATION.—In awarding grants under this subpart, the Director of the Bureau of Justice Assistance may give preferential consideration, if feasible, to an application from a jurisdiction that—

"(1) has the greatest need for bullet resistant equipment based on the percentage of law enforcement officers in the department who do not have access to a vest;

"(2) has a violent crime rate at or above the national average as determined by the Federal Bureau of Investigation; or

"(3) has not received a block grant under the Local Law Enforcement Block Grant program described under the heading 'Violent Crime Reduction Programs, State and Local Law Enforcement Assistance' of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998 (Public Law 105-119).

"(d) MINIMUM AMOUNT.—Unless all eligible applications submitted by any State or unit of local government within such State for a grant under this section have been funded, such State, together with grantees within the State (other than Indian tribes), shall be allocated in each fiscal year under this section not less than 0.25 percent of the total amount appropriated in the fiscal year for grants pursuant to this section except that the United States Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands shall each be allocated 0.10 percent.

"(e) MAXIMUM AMOUNT.—A qualifying State, unit of local government, or Indian tribe may not receive more than 5 percent of the total amount appropriated in each fiscal year for grants under this section, except that a State, together with the grantees within the State may not receive more than 20 percent of the total amount appropriated in each fiscal year for grants under this section.

"(f) MATCHING FUNDS.—The portion of the costs of a program provided by a grant under subsection (a) may not exceed 50 percent. Any funds appropriated by Congress for the activities of any agency of an Indian tribal government or the Bureau of Indian Affairs performing law enforcement functions on any Indian lands may be used to provide the non-Federal share of a matching requirement funded under this subsection.

"(g) ALLOCATION OF FUNDS.—At least half of the funds available under this subpart shall be awarded to units of local government with fewer than 100,000 residents.

#### "SEC. 2512. APPLICATIONS.

"(a) IN GENERAL.—To request a grant under this subpart, the chief executive of a State, unit of local government, or Indian tribe shall submit an application to the Director of the Bureau of Justice Assistance in such form and containing such information as the Director may reasonably require.

"(b) REGULATIONS.—Not later than 90 days after the date of the enactment of this subpart, the Director of the Bureau of Justice Assistance shall promulgate regulations to implement this section (including the information that must be included and the requirements that the States, units of local government, and Indian tribes must meet) in submitting the applications required under this section.

"(c) ELIGIBILITY.—A unit of local government that receives funding under the Local Law Enforcement Block Grant program (described under the heading 'Violent Crime Reduction Programs, State and Local Law Enforcement Assistance' of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998 (Public Law 104-119)) during a fiscal year in which it submits an application under this subpart shall not be eligible for a grant under this subpart unless

the chief executive officer of such unit of local government certifies and provides an explanation to the Director that the unit of local government considered or will consider using funding received under the block grant program for any or all of the costs relating to the purchase of bullet resistant equipment, but did not, or does not expect to use such funds for such purpose.

#### "SEC. 2513. DEFINITIONS.

"In this subpart—

"(1) the term 'equipment' means windshield glass, car panels, shields, and protective gear;

"(2) the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands;

"(3) the term 'unit of local government' means a county, municipality, town, township, village, parish, borough, or other unit of general government below the State level;

"(4) the term 'Indian tribe' has the same meaning as in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)); and

"(5) the term 'law enforcement officer' means any officer, agent, or employee of a State, unit of local government, or Indian tribe authorized by law or by a government agency to engage in or supervise the prevention, detection, or investigation of any violation of criminal law, or authorized by law to supervise sentenced criminal offenders.

##### "Subpart C—Grant Program For Video Cameras

#### "SEC. 2521. PROGRAM AUTHORIZED.

"(a) IN GENERAL.—The Director of the Bureau of Justice Assistance is authorized to make grants to States, units of local government, and Indian tribes to purchase video cameras for use by State, local, and tribal law enforcement agencies in law enforcement vehicles.

"(b) USES OF FUNDS.—Grants awarded under this section shall be—

"(1) distributed directly to the State, unit of local government, or Indian tribe; and

"(2) used for the purchase of video cameras for law enforcement vehicles in the jurisdiction of the grantee.

"(c) PREFERENTIAL CONSIDERATION.—In awarding grants under this subpart, the Director of the Bureau of Justice Assistance may give preferential consideration, if feasible, to an application from a jurisdiction that—

"(1) has the greatest need for video cameras, based on the percentage of law enforcement officers in the department do not have access to a law enforcement vehicle equipped with a video camera;

"(2) has a violent crime rate at or above the national average as determined by the Federal Bureau of Investigation; or

"(3) has not received a block grant under the Local Law Enforcement Block Grant program described under the heading 'Violent Crime Reduction Programs, State and Local Law Enforcement Assistance' of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998 (Public Law 105-119).

"(d) MINIMUM AMOUNT.—Unless all eligible applications submitted by any State or unit of local government within such State for a grant under this section have been funded, such State, together with grantees within the State (other than Indian tribes), shall be allocated in each fiscal year under this section not less than 0.25 percent of the total amount appropriated in the fiscal year for grants pursuant to this section, except that the United States Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands shall each be allocated 0.10 percent.

"(e) MAXIMUM AMOUNT.—A qualifying State, unit of local government, or Indian tribe may not receive more than 5 percent of the total amount appropriated in each fiscal year for grants under this section, except that a State, together with the grantees within the State may not receive more than 20 percent of the total amount appropriated in each fiscal year for grants under this section.

"(f) MATCHING FUNDS.—The portion of the costs of a program provided by a grant under subsection (a) may not exceed 50 percent. Any funds appropriated by Congress for the activities of any agency of an Indian tribal government or the Bureau of Indian Affairs performing law enforcement functions on any Indian lands may be used to provide the non-Federal share of a matching requirement funded under this subsection.

"(g) ALLOCATION OF FUNDS.—At least half of the funds available under this subpart shall be awarded to units of local government with fewer than 100,000 residents.

#### **"SEC. 2522. APPLICATIONS.**

"(a) IN GENERAL.—To request a grant under this subpart, the chief executive of a State, unit of local government, or Indian tribe shall submit an application to the Director of the Bureau of Justice Assistance in such form and containing such information as the Director may reasonably require.

"(b) REGULATIONS.—Not later than 90 days after the date of the enactment of this subpart, the Director of the Bureau of Justice Assistance shall promulgate regulations to implement this section (including the information that must be included and the requirements that the States, units of local government, and Indian tribes must meet) in submitting the applications required under this section.

"(c) ELIGIBILITY.—A unit of local government that receives funding under the Local Law Enforcement Block Grant program (described under the heading 'Violent Crime Reduction Programs, State and Local Law Enforcement Assistance' of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998 (Public Law 105-119)) during a fiscal year in which it submits an application under this subpart shall not be eligible for a grant under this subpart unless the chief executive officer of such unit of local government certifies and provides an explanation to the Director that the unit of local government considered or will consider using funding received under the block grant program for any or all of the costs relating to the purchase of video cameras, but did not, or does not expect to use such funds for such purpose.

#### **"SEC. 2523. DEFINITIONS.**

"In this subpart—

"(1) the term 'Indian tribe' has the same meaning as in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e));

"(2) the term 'law enforcement officer' means any officer, agent, or employee of a State, unit of local government, or Indian tribe authorized by law or by a government agency to engage in or supervise the prevention, detection, or investigation of any violation of criminal law, or authorized by law to supervise sentenced criminal offenders;

"(3) the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands; and

"(4) the term 'unit of local government' means a county, municipality, town, township, village, parish, borough, or other unit of general government below the State level."

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1001(a) of the Omnibus Crime Control and

Safe Streets Act of 1968 (42 U.S.C. 3793(a)) is amended by striking paragraph (23) and inserting the following:

"(23) There are authorized to be appropriated to carry out part Y—

"(A) \$25,000,000 for each of fiscal years 2000 through 2002 for grants under subpart A of that part;

"(B) \$40,000,000 for each of fiscal years 2000 through 2002 for grants under subpart B of that part; and

"(C) \$25,000,000 for each of fiscal years 2000 through 2002 for grants under subpart C of that part."

(c) CLERICAL AMENDMENTS.—The table of contents of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended—

(1) by striking the item relating to the part heading of part Y and inserting the following:

"PART Y—MATCHING GRANTS PROGRAMS FOR LAW ENFORCEMENT

"SUBPART A—GRANT PROGRAM FOR ARMOR VESTS"; AND

(2) by adding at the end of the matter relating to part Y the following:

"SUBPART B—GRANT PROGRAM FOR BULLET RESISTANT EQUIPMENT

"2511. Program authorized.

"2512. Applications.

"2513. Definitions.

"SUBPART C—GRANT PROGRAM FOR VIDEO CAMERAS

"2521. Program authorized.

"2522. Applications.

"2523. Definitions."

#### **SEC. 1649. SENSE OF CONGRESS.**

In the case of any equipment or products that may be authorized to be purchased with financial assistance provided using funds appropriated or otherwise made available under subpart B or C of part Y of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as added by this chapter, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

#### **SEC. 1650. TECHNOLOGY DEVELOPMENT.**

Section 202 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3722) is amended by adding at the end the following:

"(e) BULLET RESISTANT TECHNOLOGY DEVELOPMENT.—

"(1) IN GENERAL.—The Institute is authorized to—

"(A) conduct research and otherwise work to develop new bullet resistant technologies (i.e., acrylic, polymers, aluminized material, and transparent ceramics) for use in police equipment (including windshield glass, car panels, shields, and protective gear);

"(B) inventory bullet resistant technologies used in the private sector, in surplus military property, and by foreign countries;

"(C) promulgate relevant standards for, and conduct technical and operational testing and evaluation of, bullet resistant technology and equipment, and otherwise facilitate the use of that technology in police equipment.

"(2) PRIORITY.—In carrying out this subsection, the Institute shall give priority in testing and engineering surveys to law enforcement partnerships developed in coordination with High Intensity Drug Trafficking Areas.

"(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection \$3,000,000 for fiscal years 2000 through 2002."

#### **SEC. 1651. MATCHING GRANT PROGRAM FOR LAW ENFORCEMENT ARMOR VESTS.**

Section 2501(f) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ll(f)) is amended—

(1) by striking "The portion" and inserting the following:

"(1) IN GENERAL.—Subject to paragraph (2), the portion"; and

(2) by adding at the end the following:

"(2) WAIVER.—The Director may waive, in whole or in part, the requirement of paragraph (1) in the case of fiscal hardship, as determined by the Director."

#### **Subtitle C—Animal Enterprise Terrorism and Ecoterrorism**

#### **SEC. 1652. ENHANCEMENT OF PENALTIES FOR ANIMAL ENTERPRISE TERRORISM.**

Section 43 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A), by striking "under this title" and inserting "consistent with this title or double the amount of damages, whichever is greater,"; and

(B) by striking "one year" and inserting "five years"; and

(2) in subsection (b)—

(A) by redesignating paragraph (2) as paragraph (3);

(B) by inserting after paragraph (1) the following new paragraph (2):

"(2) EXPLOSIVES OR ARSON.—Whoever in the course of a violation of subsection (a) maliciously damages or destroys, or attempts to damage or destroy, by means of fire or an explosive, any building, vehicle, or other real or personal property used by the animal enterprise shall be imprisoned for not less than 5 years and not more than 20 years, fined under this title, or both."; and

(C) in paragraph (3), as so redesignated, by striking "under this title and" and all that follows through the period and inserting "under this title, imprisoned for life or for any term of years, or sentenced to death."

#### **SEC. 1653. NATIONAL ANIMAL TERRORISM AND ECOTERRORISM INCIDENT CLEARINGHOUSE.**

(a) IN GENERAL.—The Director shall establish and maintain a national clearinghouse for information on incidents of crime and terrorism—

(1) committed against or directed at any animal enterprise;

(2) committed against or directed at any commercial activity because of the perceived impact or effect of such commercial activity on the environment; or

(3) committed against or directed at any person because of such person's perceived connection with or support of any enterprise or activity described in paragraph (1) or (2).

(b) CLEARINGHOUSE.—The clearinghouse established under subsection (a) shall—

(1) accept, collect, and maintain information on incidents described in subsection (a) that is submitted to the clearinghouse by Federal, State, and local law enforcement agencies, by law enforcement agencies of foreign countries, and by victims of such incidents;

(2) collate and index such information for purposes of cross-referencing; and

(3) upon request from a Federal, State, or local law enforcement agency, or from a law enforcement agency of a foreign country, provide such information to assist in the investigation of an incident described in subsection (a).

(c) SCOPE OF INFORMATION.—The information maintained by the clearinghouse for each incident shall, to the extent practicable, include—

(1) the date, time, and place of the incident;

(2) details of the incident;

(3) any available information on suspects or perpetrators of the incident; and

(4) any other relevant information.

(d) DESIGN OF CLEARINGHOUSE.—The clearinghouse shall be designed for maximum ease of use by participating law enforcement agencies.

(e) PUBLICITY.—The Director shall publicize the existence of the clearinghouse to law enforcement agencies by appropriate means.

(f) **RESOURCES.**—In establishing and maintaining the clearinghouse, the Director may—

(1) through the Attorney General, utilize the resources of any other department or agency of the Federal Government; and

(2) accept assistance and information from private organizations or individuals.

(g) **COORDINATION.**—The Director shall carry out the Director's responsibilities under this section in cooperation with the Director of the Bureau of Alcohol, Tobacco, and Firearms.

(h) **DEFINITIONS.**—In this section:

(1) The term "animal enterprise" has the same meaning as in section 43 of title 18, United States Code.

(2) The term "Director" means the Director of the Federal Bureau of Investigation.

(i) **AUTHORIZATION OF APPROPRIATIONS.**—There is hereby authorized to be appropriated for fiscal years 2000, 2001, 2002, 2003, and 2004 such sums as are necessary to carry out this section.

#### **Subtitle D—Jail-Based Substance Abuse**

#### **SEC. 1654. JAIL-BASED SUBSTANCE ABUSE TREATMENT PROGRAMS.**

(a) **USE OF RESIDENTIAL SUBSTANCE ABUSE TREATMENT GRANTS TO PROVIDE AFTERCARE SERVICES.**—Section 1901 of part S of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ff-1) is amended by adding at the end the following:

"(f) **USE OF GRANT AMOUNTS FOR NONRESIDENTIAL AFTERCARE SERVICES.**—A State may use amounts received under this part to provide nonresidential substance abuse treatment aftercare services for inmates or former inmates that meet the requirements of subsection (c), if the chief executive officer of the State certifies to the Attorney General that the State is providing, and will continue to provide, an adequate level of residential treatment services."

(b) **JAIL-BASED SUBSTANCE ABUSE TREATMENT.**—Part S of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ff et seq.) is amended by adding at the end the following:

#### **"SEC. 1906. JAIL-BASED SUBSTANCE ABUSE TREATMENT.**

"(a) **DEFINITIONS.**—In this section—

"(1) the term 'jail-based substance abuse treatment program' means a course of individual and group activities, lasting for a period of not less than 3 months, in an area of a correctional facility set apart from the general population of the correctional facility, if those activities are—

"(A) directed at the substance abuse problems of prisoners; and

"(B) intended to develop the cognitive, behavioral, social, vocational, and other skills of prisoners in order to address the substance abuse and related problems of prisoners; and

"(2) the term 'local correctional facility' means any correctional facility operated by a unit of local government.

"(b) **AUTHORIZATION.**—

"(1) **IN GENERAL.**—Not less than 10 percent of the total amount made available to a State under section 1904(a) for any fiscal year may be used by the State to make grants to local correctional facilities in the State for the purpose of assisting jail-based substance abuse treatment programs established by those local correctional facilities.

"(2) **FEDERAL SHARE.**—The Federal share of a grant made by a State under this section to a local correctional facility may not exceed 75 percent of the total cost of the jail-based substance abuse treatment program described in the application submitted under subsection (c) for the fiscal year for which the program receives assistance under this section.

"(c) **APPLICATIONS.**—

"(1) **IN GENERAL.**—To be eligible to receive a grant from a State under this section for a jail-

based substance abuse treatment program, the chief executive of a local correctional facility shall submit to the State, in such form and containing such information as the State may reasonably require, an application that meets the requirements of paragraph (2).

"(2) **APPLICATION REQUIREMENTS.**—Each application submitted under paragraph (1) shall include—

"(A) with respect to the jail-based substance abuse treatment program for which assistance is sought, a description of the program and a written certification that—

"(i) the program has been in effect for not less than 2 consecutive years before the date on which the application is submitted; and

"(ii) the local correctional facility will—

"(I) coordinate the design and implementation of the program between local correctional facility representatives and the appropriate State and local alcohol and substance abuse agencies;

"(II) implement (or continue to require) urinalysis or other proven reliable forms of substance abuse testing of individuals participating in the program, including the testing of individuals released from the jail-based substance abuse treatment program who remain in the custody of the local correctional facility; and

"(III) carry out the program in accordance with guidelines, which shall be established by the State, in order to guarantee each participant in the program access to consistent, continual care if transferred to a different local correctional facility within the State;

"(B) written assurances that Federal funds received by the local correctional facility from the State under this section will be used to supplement, and not to supplant, non-Federal funds that would otherwise be available for jail-based substance abuse treatment programs assisted with amounts made available to the local correctional facility under this section; and

"(C) a description of the manner in which amounts received by the local correctional facility from the State under this section will be coordinated with Federal assistance for substance abuse treatment and aftercare services provided to the local correctional facility by the Substance Abuse and Mental Health Services Administration of the Department of Health and Human Services.

"(d) **REVIEW OF APPLICATIONS.**—

"(1) **IN GENERAL.**—Upon receipt of an application under subsection (c), the State shall—

"(A) review the application to ensure that the application, and the jail-based residential substance abuse treatment program for which a grant under this section is sought, meet the requirements of this section; and

"(B) if so, make an affirmative finding in writing that the jail-based substance abuse treatment program for which assistance is sought meets the requirements of this section.

"(2) **APPROVAL.**—Based on the review conducted under paragraph (1), not later than 90 days after the date on which an application is submitted under subsection (c), the State shall—

"(A) approve the application, disapprove the application, or request a continued evaluation of the application for an additional period of 90 days; and

"(B) notify the applicant of the action taken under subparagraph (A) and, with respect to any denial of an application under subparagraph (A), afford the applicant an opportunity for reconsideration.

"(3) **ELIGIBILITY FOR PREFERENCE WITH AFTERCARE COMPONENT.**—

"(A) **IN GENERAL.**—In making grants under this section, a State shall give preference to applications from local correctional facilities that ensure that each participant in the jail-based substance abuse treatment program for which a grant under this section is sought, is required to

participate in an aftercare services program that meets the requirements of subparagraph (B), for a period of not less than 1 year following the earlier of—

"(i) the date on which the participant completes the jail-based substance abuse treatment program; or

"(ii) the date on which the participant is released from the correctional facility at the end of the participant's sentence or is released on parole.

"(B) **AFTERCARE SERVICES PROGRAM REQUIREMENTS.**—For purposes of subparagraph (A), an aftercare services program meets the requirements of this paragraph if the program—

"(i) in selecting individuals for participation in the program, gives priority to individuals who have completed a jail-based substance abuse treatment program;

"(ii) requires each participant in the program to submit to periodic substance abuse testing; and

"(iii) involves the coordination between the jail-based substance abuse treatment program and other human service and rehabilitation programs that may assist in the rehabilitation of program participants, such as—

"(I) educational and job training programs;

"(II) parole supervision programs;

"(III) half-way house programs; and

"(IV) participation in self-help and peer group programs; and

"(iv) assists in placing jail-based substance abuse treatment program participants with appropriate community substance abuse treatment facilities upon release from the correctional facility at the end of a sentence or on parole.

"(e) **COORDINATION AND CONSULTATION.**—

"(1) **COORDINATION.**—Each State that makes 1 or more grants under this section in any fiscal year shall, to the maximum extent practicable, implement a statewide communications network with the capacity to track the participants in jail-based substance abuse treatment programs established by local correctional facilities in the State as those participants move between local correctional facilities within the State.

"(2) **CONSULTATION.**—Each State described in paragraph (1) shall consult with the Attorney General and the Secretary of Health and Human Services to ensure that each jail-based substance abuse treatment program assisted with a grant made by the State under this section incorporates applicable components of comprehensive approaches, including relapse prevention and aftercare services.

"(f) **USE OF GRANT AMOUNTS.**—

"(1) **IN GENERAL.**—Each local correctional facility that receives a grant under this section shall use the grant amount solely for the purpose of carrying out the jail-based substance abuse treatment program described in the application submitted under subsection (c).

"(2) **ADMINISTRATION.**—Each local correctional facility that receives a grant under this section shall carry out all activities relating to the administration of the grant amount, including reviewing the manner in which the amount is expended, processing, monitoring the progress of the program assisted, financial reporting, technical assistance, grant adjustments, accounting, auditing, and fund disbursement.

"(3) **RESTRICTION.**—A local correctional facility may not use any amount of a grant under this section for land acquisition or a construction project.

"(g) **REPORTING REQUIREMENT; PERFORMANCE REVIEW.**—

"(1) **REPORTING REQUIREMENT.**—Not later than March 1 of each year, each local correctional facility that receives a grant under this section shall submit to the Attorney General, through the State, a description and evaluation of the jail-based substance abuse treatment program carried out by the local correctional facility with the grant amount, in such form and

containing such information as the Attorney General may reasonably require.

“(2) **PERFORMANCE REVIEW.**—The Attorney General shall conduct an annual review of each jail-based substance abuse treatment program assisted under this section, in order to verify the compliance of local correctional facilities with the requirements of this section.

“(h) **NO EFFECT ON STATE ALLOCATION.**—Nothing in this section shall be construed to affect the allocation of amounts to States under section 1904(a).”.

(c) **TECHNICAL AMENDMENT.**—The table of contents for title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended, in the matter relating to part S, by adding at the end the following:

“1906. Jail-based substance abuse treatment.”.

#### **Subtitle E—Safe School Security**

##### **SEC. 1655. SHORT TITLE.**

This subtitle may be cited as the “Safe School Security Act of 1999”.

##### **SEC. 1656. ESTABLISHMENT OF SCHOOL SECURITY TECHNOLOGY CENTER.**

(a) **SCHOOL SECURITY TECHNOLOGY CENTER.**—

(1) **ESTABLISHMENT.**—The Attorney General, the Secretary of Education, and the Secretary of Energy shall enter into an agreement for the establishment at the Sandia National Laboratories, in partnership with the National Law Enforcement and Corrections Technology Center—Southeast and the National Center for Rural Law Enforcement, of a center to be known as the “School Security Technology Center”. The School Security Technology Center shall be administered by the Attorney General.

(2) **FUNCTIONS.**—The School Security Technology Center shall be a resource to local educational agencies for school security assessments, security technology development, technology availability and implementation, and technical assistance relating to improving school security. The School Security Technology Center shall also conduct and publish research on school violence, coalesce data from victim groups, and monitor and report on schools that implement school security strategies.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section—

- (1) \$3,700,000 for fiscal year 2000;
- (2) \$3,800,000 for fiscal year 2001; and
- (3) \$3,900,000 for fiscal year 2002.

##### **SEC. 1657. GRANTS FOR LOCAL SCHOOL SECURITY PROGRAMS.**

Subpart 1 of part A of title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7111 et seq.) is amended by adding at the end the following:

##### **“SEC. 4119. LOCAL SCHOOL SECURITY PROGRAMS.**

“(a) **IN GENERAL.**—

“(1) **GRANTS AUTHORIZED.**—From amounts appropriated under subsection (c), the Secretary shall award grants on a competitive basis to local educational agencies to enable the agencies to acquire security technology for, or carry out activities related to improving security at, the middle and secondary schools served by the agencies, including obtaining school security assessments, and technical assistance, for the development of a comprehensive school security plan from the School Security Technology Center.

“(2) **APPLICATION.**—To be eligible to receive a grant under this section, a local educational agency shall submit to the Secretary an application in such form and containing such information as the Secretary may require, including information relating to the security needs of the agency.

“(3) **PRIORITY.**—In awarding grants under this section, the Secretary shall give priority to local educational agencies that demonstrate the

highest security needs, as reported by the agency in the application submitted under paragraph (2).

“(b) **APPLICABILITY.**—The provisions of this part (other than this section) shall not apply to this section.

“(c) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2000, 2001, and 2002.”.

##### **SEC. 1658. SAFE AND SECURE SCHOOL ADVISORY REPORT.**

Not later than 1 year after the date of enactment of this Act, the Attorney General, in consultation with the Secretary of Education and the Secretary of Energy, or their designees, shall—

- (1) develop a proposal to further improve school security; and
- (2) submit that proposal to Congress.

#### **Subtitle F—Internet Prohibitions**

##### **SEC. 1661. SHORT TITLE.**

This subtitle may be cited as the “Internet Firearms and Explosives Advertising Act of 1999”.

##### **SEC. 1662. FINDINGS; PURPOSE.**

Congress finds the following:

(1) Citizens have an individual right, under the Second Amendment to the United States Constitution, to keep and bear arms. The Gun Control Act of 1968 and the Firearms Owners Protection Act of 1986 specifically state that it is not the intent of Congress to frustrate the free exercise of that right in enacting Federal legislation. The free exercise of that right includes law abiding firearms owners buying, selling, trading, and collecting guns in accordance with Federal, State, and local laws for whatever lawful use they deem desirable.

(2) The Internet is a powerful information medium, which has and continues to be an excellent tool to educate citizens on the training, education and safety programs available to use firearms safely and responsibly. It has, and should continue to develop, as a 21st century tool for “e-commerce” and marketing many products, including firearms and sporting goods. Many web sites related to these topics are sponsored in large part by the sporting firearms and hunting community.

(3) It is the intent of Congress that this legislation be applied where the Internet is being exploited to violate the applicable explosives and firearms laws of the United States.

##### **SEC. 1663. PROHIBITIONS ON USES OF THE INTERNET.**

(a) **In General.**—Chapter 44 of title 18, United States Code, is amended by adding at the end the following:

##### **“§931. Criminal firearms and explosives solicitations**

“(a)(1) **IN GENERAL.**—Any person who, in a circumstance described in paragraph (2), knowingly makes, prints, or publishes, or causes to be made, printed, or published, any notice or advertisement seeking or offering to receive, exchange, buy, sell, produce, distribute, or transfer—

“(A) a firearm knowing that such transaction, if carried out as noticed or advertised, would violate subsection (a), (d), (g), or (x) of section 922 of this chapter, or

“(B) explosive materials knowing that such transaction, if carried out as noticed or advertised, would violate subsection (a), (d), and (i) of section 842 of this title,

shall be punished as provided under subsection (b).

“(2) The circumstance referred to in paragraph (1) is that—

“(A) such person knows or has reason to know that such notice or advertisement will be transported in interstate or foreign commerce by computer; or

“(B) such notice or advertisement is transported in interstate or foreign commerce by computer.

“(b) **PENALTIES.**—Any individual who violates, or attempts or conspires to violate, this section shall be fined under this title or imprisoned not more than 1 year, and both, but if such person has one prior conviction under this section, or under the laws of any State relating to the same offense, such person shall be fined under this title and imprisoned for not more than 5 years, but if such person has 2 or more prior convictions under this section, or under the laws of any State relating to the same offense, such person shall be fined under this title and imprisoned not less than 10 years nor more than 20 years. Any organization that violates, or attempts or conspires to violate, this section shall be fined under this title. Whoever, in the course of an offense under this section, engages in conduct that results in the death of a juvenile, herein defined as an individual who has not yet attained the age of 18 years, shall be punished by death, or imprisoned for any term of years or for life.

“(c) **DEFENSES.**—It is an affirmative defense against any proceeding involving this section if the proponent proves by a preponderance of the evidence that—

“(1) the advertisement or notice came from—

“(A) a web site, notice or advertisement operated or created by a person licensed—

“(i) as a manufacturer, importer, or dealer under section 923 of this chapter; or

“(ii) under chapter 40 of this title; and

“(B) the site, advertisement or notice, advised the person at least once prior to the offering of the product, material or information to the person that sales or transfers of the product or information will be made in accord with Federal, State and local law applicable to the buyer or transferee, and such notice includes, in the case of firearms or ammunition, additional information that firearms transfers will only be made through a licensee, and that firearms and ammunition transfers are prohibited to felons, fugitives, juveniles and other persons under the Gun Control Act of 1968 prohibited from receiving or possessing firearms or ammunition; or

“(2) the advertisement or notice came from—

“(A) a web site, notice or advertisement is operated or created by a person not licensed as stated in paragraph (1); and

“(B) the site, advertisement or notice, advised the person at least once prior to the offering of the product, material or information to the person that the sales or transfers of the product or information—

“(i) will be made in accord with Federal, State and local law applicable to the buyer or transferee, and such notice includes, in the case of firearms or ammunition, that firearms and ammunition transfers are prohibited to felons, fugitives, juveniles and other persons under the Gun Control Act of 1968 prohibited from receiving or possessing firearms or ammunition; and

“(ii) as a term or condition for posting or listing the firearm for sale or exchange on the web site for a prospective transferor, the web site, advertisement or notice requires that, in the event of any agreement to sell or exchange the firearm pursuant to that posting or listing, the firearm be transferred to that person for disposition through a Federal firearms licensee, where the Gun Control Act of 1968 requires the transfer to be made through a Federal firearms licensee.”.

(b) **TECHNICAL AND CONFORMING AMENDMENT.**—The analysis for chapter 44 of title 18, United States Code, is amended by inserting after the item relating to section 930 the following:

“931. Criminal firearms and explosives solicitations.”.



**SEC. 1664. EFFECTIVE DATE.**

The amendments made by sections 1661–1663 shall take effect beginning on the date that is 180 days after the enactment of this Act.

**Subtitle G—Partnerships for High-Risk Youth****SEC. 1671. SHORT TITLE.**

This subtitle may be cited as the “Partnerships for High-Risk Youth Act”.

**SEC. 1672. FINDINGS.**

Congress finds that—

(1) violent juvenile crime rates have been increasing in United States schools, causing many high-profile deaths of young, innocent school children;

(2) in 1994, there were 2,700,000 arrests of persons under age 18 (a third of whom were under age 15), up from 1,700,000 in 1991;

(3) while crime is generally down in many urban and suburban areas, crime committed by teenagers has spiked sharply over the past few years;

(4) there is no single solution, or panacea, to the problem of rising juvenile crime;

(5) there will soon be over 34,000,000 teenagers in the United States, which is 26 percent higher than the number of such teenagers in 1990 and the largest number of teenagers in the United States to date;

(6) in order to ensure the safety of youth in the United States, the Nation should begin to explore innovative methods of curbing the rise in violent crime in United States schools, such as use of faith-based and grassroots initiatives; and

(7)(A) a strong partnership among law enforcement, local government, juvenile and family courts, schools, businesses, charitable organizations, families, and the religious community can create a community environment that supports the youth of the Nation and reduces the occurrence of juvenile crime; and

(B) the development of character and strong moral values will—

(i) greatly decrease the likelihood that youth will fall victim to the temptations of crime; and

(ii) improve the lives and future prospects of high-risk youth and their communities.

**SEC. 1673. PURPOSES.**

The purposes of this subtitle are as follows:

(1) To establish a national demonstration project to promote learning about successful youth interventions, with programs carried out by institutions that can identify and employ effective approaches for improving the lives and future prospects of high-risk youth and their communities.

(2) To document best practices for conducting successful interventions for high-risk youth, based on the results of local initiatives.

(3) To produce lessons and data from the operating experience from those local initiatives that will—

(A) provide information to improve policy in the public and private sectors; and

(B) promote the operational effectiveness of other local initiatives throughout the United States.

**SEC. 1674. ESTABLISHMENT OF DEMONSTRATION PROJECT.**

(a) **IN GENERAL.**—The Attorney General shall establish and carry out a demonstration project. In carrying out the demonstration project, the Attorney General shall, subject to the availability of appropriations, award a grant to Public-Private Ventures, Inc. to enable Public-Private Ventures, Inc. to award grants to eligible partnerships to pay for the Federal share of the cost of carrying out collaborative intervention programs for high-risk youth, described in section 1676, in the following 12 cities:

- (1) Boston, Massachusetts.
- (2) New York, New York.
- (3) Philadelphia, Pennsylvania.

(4) Pittsburgh, Pennsylvania.

(5) Detroit, Michigan.

(6) Denver, Colorado.

(7) Seattle, Washington.

(8) Cleveland, Ohio.

(9) San Francisco, California.

(10) Austin, Texas.

(11) Memphis, Tennessee.

(12) Indianapolis, Indiana.

(b) **FEDERAL SHARE.**—

(1) **IN GENERAL.**—The Federal share of the cost described in subsection (a) shall be 70 percent.

(2) **NON-FEDERAL SHARE.**—The non-Federal share of the cost may be provided in cash.

**SEC. 1675. ELIGIBILITY.**

(a) **IN GENERAL.**—To be eligible to receive a grant under section 1674, a partnership—

(1) shall submit an application to Public-Private Ventures Inc. at such time, in such manner, and containing such information as Public-Private Ventures, Inc. may require;

(2) shall enter into a memorandum of understanding with Public-Private Ventures, Inc.; and

(3)(A) shall be a collaborative entity that includes representatives of local government, juvenile detention service providers, local law enforcement, probation officers, youth street workers, and local educational agencies, and religious institutions that have resident-to-membership percentages of at least 40 percent; and

(B) shall serve a city referred to in section 1674(a).

(b) **SELECTION CRITERIA.**—In making grants under section 1674, Public-Private Ventures, Inc. shall consider—

(1) the ability of a partnership to design and implement a local intervention program for high-risk youth;

(2) the past experience of the partnership, and key participating individuals, in intervention programs for youth and similar community activities; and

(3) the experience of the partnership in working with other community-based organizations.

**SEC. 1676. USES OF FUNDS.**

(a) **PROGRAMS.**—

(1) **CORE FEATURES.**—An eligible partnership that receives a grant under section 1674 shall use the funds made available through the grant to carry out an intervention program with the following core features:

(A) **TARGET GROUP.**—The program will target a group of youth (including young adults) who—

(i) are at high risk of—

(I) leading lives that are unproductive and negative;

(II) not being self-sufficient; and

(III) becoming incarcerated; and

(ii) are likely to cause pain and loss to other individuals and their communities.

(B) **VOLUNTEERS AND MENTORS.**—The program will make significant use of volunteers and mentors.

(C) **LONG-TERM INVOLVEMENT.**—The program will feature activities that promote long-term involvement in the lives of the youth (including young adults).

(2) **PERMISSIBLE SERVICES.**—The partnership, in carrying out the program, may use funds made available through the grant to provide, directly or through referrals, comprehensive support services to the youth (including young adults).

(b) **EVALUATION AND RELATED ACTIVITIES.**—Using funds made available through its grant under section 1674, Public-Private Ventures, Inc. shall—

(1) prepare and implement an evaluation design for evaluating the programs that receive grants under section 1674;

(2) conduct a quarterly evaluation of the performance and progress of the programs;

(3) organize and conduct national and regional conferences to promote peer learning about the operational experiences from the programs;

(4) provide technical assistance to the partnerships carrying out the programs, based on the quarterly evaluations; and

(5) prepare and submit to the Attorney General a report that describes the activities of the partnerships and the results of the evaluations.

(c) **LIMITATION.**—Not more than 20 percent of the funds appropriated under section 1677 for a fiscal year may be used—

(1) to provide comprehensive support services under subsection (a)(2);

(2) to carry out activities under subsection (b); and

(3) to pay for the administrative costs of Public-Private Ventures, Inc., related to carrying out this subtitle.

**SEC. 1677. AUTHORIZATION OF APPROPRIATIONS.**

There is authorized to be appropriated to carry out this subtitle \$4,000,000 for each of the fiscal years 2000 through 2004.

**Subtitle H—National Youth Crime Prevention****SEC. 1681. SHORT TITLE.**

This subtitle may be cited as the “National Youth Crime Prevention Demonstration Act”.

**SEC. 1682. PURPOSES.**

The purposes of this subtitle are as follows:

(1) To establish a demonstration project that establishes violence-free zones that would involve successful youth intervention models in partnership with law enforcement, local housing authorities, private foundations, and other public and private partners.

(2) To document best practices based on successful grassroots interventions in cities, including Washington, District of Columbia; Boston, Massachusetts; Hartford, Connecticut; and other cities to develop methodologies for widespread replication.

(3) To increase the efforts of the Department of Justice, the Department of Housing and Urban Development, and other agencies in supporting effective neighborhood mediating approaches.

**SEC. 1683. ESTABLISHMENT OF NATIONAL YOUTH CRIME PREVENTION DEMONSTRATION PROJECT.**

The Attorney General shall establish and carry out a demonstration project. In carrying out the demonstration project, the Attorney General shall, subject to the availability of appropriations, award a grant to the National Center for Neighborhood Enterprise (referred to in this subtitle as the “National Center”) to enable the National Center to award grants to grassroots entities in the following 8 cities:

(1) Washington, District of Columbia.

(2) Detroit, Michigan.

(3) Hartford, Connecticut.

(4) Indianapolis, Indiana.

(5) Chicago (and surrounding metropolitan area), Illinois.

(6) San Antonio, Texas.

(7) Dallas, Texas.

(8) Los Angeles, California.

**SEC. 1684. ELIGIBILITY.**

(a) **IN GENERAL.**—To be eligible to receive a grant under this subtitle, a grassroots entity referred to in section 1683 shall submit an application to the National Center to fund intervention models that establish violence-free zones.

(b) **SELECTION CRITERIA.**—In awarding grants under this subtitle, the National Center shall consider—

(1) the track record of a grassroots entity and key participating individuals in youth group mediation and crime prevention;

(2) the engagement and participation of a grassroots entity with other local organizations; and

(3) the ability of a grassroots entity to enter into partnerships with local housing authorities, law enforcement agencies, and other public entities.

#### SEC. 1685. USES OF FUNDS.

(a) *IN GENERAL.*—Funds received under this subtitle may be used for youth mediation, youth mentoring, life skills training, job creation and entrepreneurship, organizational development and training, development of long-term intervention plans, collaboration with law enforcement, comprehensive support services and local agency partnerships, and activities to further community objectives in reducing youth crime and violence.

(b) *GUIDELINES.*—The National Center will identify local lead grassroots entities in each designated city.

(c) *TECHNICAL ASSISTANCE.*—The National Center, in cooperation with the Attorney General, shall also provide technical assistance for startup projects in other cities.

#### SEC. 1686. REPORTS.

The National Center shall submit a report to the Attorney General evaluating the effectiveness of grassroots agencies and other public entities involved in the demonstration project.

#### SEC. 1687. DEFINITIONS.

In this subtitle:

(1) *GRASSROOTS ENTITY.*—The term “grassroots entity” means a not-for-profit community organization with demonstrated effectiveness in mediating and addressing youth violence by empowering at-risk youth to become agents of peace and community restoration.

(2) *NATIONAL CENTER FOR NEIGHBORHOOD ENTERPRISE.*—The term “National Center for Neighborhood Enterprise” means a not-for-profit organization incorporated in the District of Columbia.

#### SEC. 1688. AUTHORIZATION OF APPROPRIATIONS.

(a) *IN GENERAL.*—There are authorized to be appropriated to carry out this subtitle—

- (1) \$5,000,000 for fiscal year 2000;
- (2) \$5,000,000 for fiscal year 2001;
- (3) \$5,000,000 for fiscal year 2002;
- (4) \$5,000,000 for fiscal year 2003; and
- (5) \$5,000,000 for fiscal year 2004.

(b) *RESERVATION.*—The National Center for Neighborhood Enterprise may use not more than 20 percent of the amounts appropriated pursuant to subsection (a) in any fiscal year for administrative costs, technical assistance and training, comprehensive support services, and evaluation of participating grassroots organizations.

#### Subtitle I—National Youth Violence Commission

#### SEC. 1691. SHORT TITLE.

This subtitle may be cited as the “National Youth Violence Commission Act”.

#### SEC. 1692. NATIONAL YOUTH VIOLENCE COMMISSION.

(a) *ESTABLISHMENT OF COMMISSION.*—There is established a commission to be known as the National Youth Violence Commission (hereinafter referred to in this subtitle as the “Commission”). The Commission shall—

(1) be composed of 16 members appointed in accordance with subsection (b); and

(2) conduct its business in accordance with the provisions of this subtitle.

(b) *MEMBERSHIP.*—

(1) *PERSONS ELIGIBLE.*—Except for those members who hold the offices described under paragraph (2)(A), and those members appointed under paragraph (2) (C)(ii) and (D)(iv), the members of the Commission shall be individuals who have expertise, by both experience and training, in matters to be studied by the Commission under section 1693. The members of the Commission shall be well-known and respected among their peers in their respective fields of expertise.

(2) *APPOINTMENTS.*—The members of the Commission shall be appointed for the life of the Commission as follows:

(A) Four shall be appointed by the President of the United States, including—

- (i) the Surgeon General of the United States;
- (ii) the Attorney General of the United States;
- (iii) the Secretary of the Department of Health and Human Services; and
- (iv) the Secretary of the Department of Education.

(B) Four shall be appointed by the Speaker of the House of Representatives, including—

- (i) 1 member who meets the criteria for eligibility in paragraph (1) in the field of law enforcement or crime enforcement;
- (ii) 1 member who meets the criteria for eligibility in paragraph (1) in the field of school administration, teaching, or counseling;
- (iii) 1 member who meets the criteria for eligibility in paragraph (1) in the field of parenting and family studies; and
- (iv) 1 member who meets the criteria for eligibility in paragraph (1) in the field of child or adolescent psychology.

(C) Two shall be appointed by the Minority Leader of the House of Representatives, including—

- (i) 1 member who meets the criteria for eligibility in paragraph (1) in the field of law enforcement or crime enforcement; and
- (ii) 1 member who is a recognized religious leader.

(D) Four shall be appointed by the Majority Leader of the Senate, including—

- (i) 1 member who meets the criteria for eligibility in paragraph (1) in the field of law enforcement or crime enforcement;
- (ii) 1 member who meets the criteria for eligibility in paragraph (1) in the field of school administration, teaching, or counseling;
- (iii) 1 member who meets the criteria for eligibility in paragraph (1) in the social sciences; and
- (iv) 1 member who is a recognized religious leader.

(E) Two shall be appointed by the Minority Leader of the Senate, including—

- (i) 1 member who meets the criteria for eligibility in paragraph (1) in the field of school administration, teaching, or counseling; and
- (ii) 1 member who meets the criteria for eligibility in paragraph (1) in the field of parenting and family studies.

(3) *COMPLETION OF APPOINTMENTS; VACANCIES.*—Not later than 30 days after the date of enactment of this Act, the appointing authorities under paragraph (2) shall each make their respective appointments. Any vacancy that occurs during the life of the Commission shall not affect the powers of the Commission, and shall be filled in the same manner as the original appointment not later than 30 days after the vacancy occurs.

(4) *OPERATION OF THE COMMISSION.*—

(A) *CHAIRMANSHIP.*—The appointing authorities under paragraph (2) shall jointly designate 1 member as the Chairman of the Commission. In the event of a disagreement among the appointing authorities, the Chairman shall be determined by a majority vote of the appointing authorities. The determination of which member shall be Chairman shall be made not later than 15 days after the appointment of the last member of the Commission, but in no case later than 45 days after the date of enactment of this Act.

(B) *MEETINGS.*—The Commission shall meet at the call of the Chairman. The initial meeting of the Commission shall be conducted not later than 30 days after the later of—

- (i) the date of the appointment of the last member of the Commission; or
- (ii) the date on which appropriated funds are available for the Commission.

(C) *QUORUM; VOTING; RULES.*—A majority of the members of the Commission shall constitute a quorum to conduct business, but the Commission may establish a lesser quorum for conducting hearings scheduled by the Commission. Each member of the Commission shall have 1 vote, and the vote of each member shall be accorded the same weight. The Commission may establish by majority vote any other rules for the conduct of the Commission's business, if such rules are not inconsistent with this subtitle or other applicable law.

#### SEC. 1693. DUTIES OF THE COMMISSION.

(a) *STUDY.*—

(1) *IN GENERAL.*—It shall be the duty of the Commission to conduct a comprehensive factual study of incidents of youth violence to determine the root causes of such violence.

(2) *MATTERS TO BE STUDIED.*—In determining the root causes of incidents of youth violence, the Commission shall study any matter that the Commission determines relevant to meeting the requirements of paragraph (1), including at a minimum—

(A) the level of involvement and awareness of teachers and school administrators in the lives of their students and any impact of such involvement and awareness on incidents of youth violence;

(B) trends in family relationships, the level of involvement and awareness of parents in the lives of their children, and any impact of such relationships, involvement, and awareness on incidents of youth violence;

(C) the alienation of youth from their schools, families, and peer groups, and any impact of such alienation on incidents of youth violence;

(D) the availability of firearms to youth, including any illegal means by which youth acquire such firearms, and any impact of such availability on incidents of youth violence;

(E) any impact upon incidents of youth violence of the failure to execute existing laws designed to restrict youth access to certain firearms, and the illegal purchase, possession, or transfer of certain firearms;

(F) the effect upon youth of depictions of violence in the media and any impact of such depictions on incidents of youth violence; and

(G) the availability to youth of information regarding the construction of weapons, including explosive devices, and any impact of such information on incidents of youth violence.

(3) *TESTIMONY OF PARENTS AND STUDENTS.*—In determining the root causes of incidents of youth violence, the Commission shall, pursuant to section 1694(a), take the testimony of parents and students to learn and memorialize their views and experiences regarding incidents of youth violence.

(b) *RECOMMENDATIONS.*—Based on the findings of the study required under subsection (a), the Commission shall make recommendations to the President and Congress to address the causes of youth violence and reduce incidents of youth violence. If the Surgeon General issues any report on media and violence, the Commission shall consider the findings and conclusions of such report in making recommendations under this subsection.

(c) *REPORT.*—

(1) *IN GENERAL.*—Not later than 1 year after the date on which the Commission first meets, the Commission shall submit to the President and Congress a comprehensive report of the Commission's findings and conclusions, together with the recommendations of the Commission.

(2) *SUMMARIES.*—The report under this subsection shall include a summary of—

(A) the reports submitted to the Commission by any entity under contract for research under section 1694(e); and

(B) any other material relied on by the Commission in the preparation of the Commission's report.

**SEC. 1694. POWERS OF THE COMMISSION.****(a) HEARINGS.—**

(1) *IN GENERAL.*—The Commission may hold such hearings, sit and act at such times and places, administer such oaths, take such testimony, and receive such evidence as the Commission considers advisable to carry out its duties under section 1693.

(2) *WITNESS EXPENSES.*—Witnesses requested to appear before the Commission shall be paid the same fees as are paid to witnesses under section 1821 of title 28, United States Code.

**(b) SUBPOENAS.—**

(1) *IN GENERAL.*—If a person fails to supply information requested by the Commission, the Commission may by majority vote request the Attorney General of the United States to require by subpoena the production of any written or recorded information, document, report, answer, record, account, paper, computer file, or other data or documentary evidence necessary to carry out the Commission's duties under section 1693. The Commission shall transmit to the Attorney General a confidential, written request for the issuance of any such subpoena. The Attorney General shall issue the requested subpoena if the request is reasonable and consistent with the Commission's duties under section 1693. A subpoena under this paragraph may require the production of materials from any place within the United States.

(2) *INTERROGATORIES.*—The Commission may, with respect only to information necessary to understand any materials obtained through a subpoena under paragraph (1), request the Attorney General to issue a subpoena requiring the person producing such materials to answer, either through a sworn deposition or through written answers provided under oath (at the election of the person upon whom the subpoena is served), to interrogatories from the Commission regarding such information. The Attorney General shall issue the requested subpoena if the request is reasonable and consistent with the Commission's duties under section 1693. A complete recording or transcription shall be made of any deposition made under this paragraph.

(3) *CERTIFICATION.*—Each person who submits materials or information to the Attorney General pursuant to a subpoena issued under paragraph (1) or (2) shall certify to the Attorney General the authenticity and completeness of all materials or information submitted. The provisions of section 1001 of title 18, United States Code, shall apply to any false statements made with respect to the certification required under this paragraph.

(4) *TREATMENT OF SUBPOENAS.*—Any subpoena issued by the Attorney General under paragraph (1) or (2) shall comply with the requirements for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure.

(5) *FAILURE TO OBEY A SUBPOENA.*—If a person refuses to obey a subpoena issued by the Attorney General under paragraph (1) or (2), the Attorney General may apply to a United States district court for an order requiring that person to comply with such subpoena. The application may be made within the judicial district in which that person is found, resides, or transacts business. Any failure to obey the order of the court may be punished by the court as civil contempt.

(c) *INFORMATION FROM FEDERAL AGENCIES.*—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out its duties under section 1693. Upon the request of the Commission, the head of such department or agency may furnish such information to the Commission.

(d) *INFORMATION TO BE KEPT CONFIDENTIAL.*—

(1) *IN GENERAL.*—The Commission shall be considered an agency of the Federal Government for purposes of section 1905 of title 18, United States Code, and any individual employed by any individual or entity under contract with the Commission under subsection (e) shall be considered an employee of the Commission for the purposes of section 1905 of title 18, United States Code.

(2) *DISCLOSURE.*—Information obtained by the Commission or the Attorney General under this Act and shared with the Commission, other than information available to the public, shall not be disclosed to any person in any manner, except—

(A) to Commission employees or employees of any individual or entity under contract to the Commission under subsection (e) for the purpose of receiving, reviewing, or processing such information;

(B) upon court order; or

(C) when publicly released by the Commission in an aggregate or summary form that does not directly or indirectly disclose—

(i) the identity of any person or business entity; or

(ii) any information which could not be released under section 1905 of title 18, United States Code.

(e) *CONTRACTING FOR RESEARCH.*—The Commission may enter into contracts with any entity for research necessary to carry out the Commission's duties under section 1693.

**SEC. 1695. COMMISSION PERSONNEL MATTERS.**

(a) *COMPENSATION OF MEMBERS.*—Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(b) *TRAVEL EXPENSES.*—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of service for the Commission.

**(c) STAFF.—**

(1) *IN GENERAL.*—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment and termination of an executive director shall be subject to confirmation by a majority of the members of the Commission.

(2) *COMPENSATION.*—The executive director shall be compensated at a rate not to exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code. The Chairman may fix the compensation of other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for such personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(3) *DETAIL OF GOVERNMENT EMPLOYEES.*—Any Federal Government employee, with the approval of the head of the appropriate Federal agency, may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status, benefits, or privilege.

(d) *PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.*—The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

**SEC. 1696. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated to the Commission and any agency of the Federal Government assisting the Commission in carrying out its duties under this subtitle such sums as may be necessary to carry out the purposes of this subtitle. Any sums appropriated shall remain available, without fiscal year limitation, until expended.

**SEC. 1697. TERMINATION OF THE COMMISSION.**

The Commission shall terminate 30 days after the Commission submits the report under section 1693(c).

**Subtitle J—School Safety****SEC. 1698. SHORT TITLE.**

This subtitle may be cited as the "School Safety Act of 1999".

**SEC. 1699. AMENDMENTS TO THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.**

(a) *PLACEMENT IN ALTERNATIVE EDUCATIONAL SETTING.*—Section 615(k) of the Individuals with Disabilities Education Act (20 U.S.C. 1415(k)) is amended—

(1) in paragraph (1)(A)(ii)(I), by inserting "(other than a gun or firearm)" after "weapon";

(2) by redesignating paragraph (10) as paragraph (11); and

(3) by inserting after paragraph (9) the following new section:

“(10) **DISCIPLINE WITH REGARD TO GUNS OR FIREARMS.**—

“(A) **AUTHORITY OF SCHOOL PERSONNEL WITH RESPECT TO GUNS OR FIREARMS.**—

“(i) Notwithstanding any other provision of this Act, school personnel may discipline (including expel or suspend) a child with a disability who carries or possesses a gun or firearm to or at a school, on school premises, or to or at a school function, under the jurisdiction of a State or a local educational agency, in the same manner in which such personnel may discipline a child without a disability.

“(ii) Nothing in clause (i) shall be construed to prevent a child with a disability who is disciplined pursuant to the authority provided under clause (i) from asserting a defense that the carrying or possession of the gun or firearm was unintentional or innocent.

“(B) **FREE APPROPRIATE PUBLIC EDUCATION.**—

“(i) **CEASING TO PROVIDE EDUCATION.**—Notwithstanding section 612(a)(1)(A), a child expelled or suspended under subparagraph (A) shall not be entitled to continued educational services, including a free appropriate public education, under this title, during the term of such expulsion or suspension, if the State in which the local educational agency responsible for providing educational services to such child does not require a child without a disability to receive educational services after being expelled or suspended.

“(ii) **PROVIDING EDUCATION.**—Notwithstanding clause (i), the local educational agency responsible for providing educational services to a child with a disability who is expelled or suspended under subparagraph (A) may choose to continue to provide educational services to such child. If the local educational agency so chooses to continue to provide the services—

“(I) nothing in this title shall require the local educational agency to provide such child with a free appropriate public education, or any particular level of service; and

“(II) the location where the local educational agency provides the services shall be left to the discretion of the local educational agency.

“(C) RELATIONSHIP TO OTHER REQUIREMENTS.—

“(i) PLAN REQUIREMENTS.—No agency shall be considered to be in violation of section 612 or 613 because the agency has provided discipline, services, or assistance in accordance with this paragraph.

“(ii) PROCEDURE.—Actions taken pursuant to this paragraph shall not be subject to the provisions of this section, other than this paragraph.

“(D) FIREARM.—The term ‘firearm’ has the meaning given the term under section 921 of title 18, United States Code.”.

(b) CONFORMING AMENDMENT.—Section 615(f)(1) of the Individuals with Disabilities Education Act (20 U.S.C. 1415(f)(1)) is amended by striking “Whenever” and inserting the following: “Except as provided in section 615(k)(10), whenever”.

#### LOTT AMENDMENT NO. 1345

Mr. LOTT proposed an amendment to amendment No. 1344 proposed by him to the bill, H.R. 1501, supra; as follows:

In the substitute add the following:

This bill will become effective 1 day after enactment.

#### LOTT AMENDMENT NO. 1346

Mr. LOTT proposed an amendment to amendment No. 1345 proposed by him to the bill, H.R. 1501, supra; as follows:

In the amendment to the substitute add the following:

This bill will become effective 2 days after enactment.

#### LOTT AMENDMENT NO. 1347

Mr. LOTT proposed an amendment to the bill, H.R. 1501, supra; as follows:

In the bill add the following:

This bill will become effective 3 days after enactment.

#### LOTT AMENDMENT NO. 1348

Mr. LOTT proposed an amendment to amendment No. 1347 proposed by him to the bill, H.R. 1501, supra; as follows:

In the amendment to the bill add the following:

The bill will become effective 4 days after enactment.

### FEDERAL RESEARCH INVESTMENT ACT

#### FRIST AMENDMENT NO. 1349

Mr. GORTON (for Mr. FRIST) proposed an amendment to the bill (S. 296) to provide for continuation of the federal research investment in a fiscally sustainable way, and for other purposes; as follows:

On page 15, line 15, strike “\$42,290,000,000” and insert “\$44,290,000,000”.

On page 15, line 17, strike “\$44,290,000,000” and insert “\$49,290,000,000”.

### DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

#### GREGG AMENDMENT NO. 1350

Mr. GORTON (for Mr. GREGG) proposed an amendment to the bill (S. 1217) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2000, and for other purposes; as follows:

On page 21, line 16, delete “\$3,131,895,000” and insert in lieu thereof: “\$3,121,774,000”.

On page 66, line 20, delete “—\$469,000” and insert in lieu thereof: “\$9,652,000”.

On page 66, line 20, delete “—\$3,370,000” and insert in lieu thereof: “\$6,751,000”.

#### LEAHY AMENDMENT NO. 1351

Mr. GORTON (For Mr. LEAHY) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 21, line 16, strike “\$3,151,895,000” and insert “\$3,146,895,000”.

On page 71, line 22, strike “\$4,743,000” and insert “\$9,743,000”.

#### NICKLES AMENDMENT NO. 1352

Mr. GORTON (for Mr. NICKLES) proposed an amendment to the bill, S. 1217, supra; as follows:

On page 73, between line 12 and 13, insert the following:

SEC. 306.—

(A) Section 3006A(d)(4)(D)(vi) of title 18, United States Code, is amended by adding after the word “require” the following: “, except that the amount of the fees shall not be considered a reason justifying any limited disclosure under 18 U.S.C. Sec. 3006A(d)(A)”

(B) EFFECTIVE DATE.—

This Act shall apply to all disclosures made under 3006A(d) of title 18, United States Code, related to any criminal trial or appeal involving a sentence of death where the underlying alleged criminal conduct took place on or after April 19, 1995.

#### DURBIN (AND OTHERS) AMENDMENT NO. 1353

Mr. GORTON (for Mr. DURBIN (for himself, Mrs. MURRAY, Mr. KOHL, Ms. MIKULSKI, Ms. COLLINS, Mr. REID, and Mr. JEFFORDS)) proposed an amendment to the bill, S. 1217, supra; as follows:

At the appropriate place, insert the following:

#### SEC. . PROTECTION OF SENIORS AND THE DISABLED IN FEDERAL FAMILY VIOLENCE PREVENTION PROGRAMS.

(a) FINDINGS.—Congress finds that—

(1) of the estimated more than 1,000,000 persons age 65 and over who are victims of family violence each year, at least ¾ are women;

(2) national statistics are not available on the incidence of domestic or family violence and sexual assault against disabled women, although several studies indicate that abuse of disabled women is of a longer duration compared to abuse suffered by women who are not disabled;

(3) in almost 9 out of 10 incidents of domestic elder abuse and neglect, the perpetrator

is a family member, and adult children of the victims are the largest category of perpetrators and spouses are the second largest category of perpetrators;

(4) the number of reports of elder abuse in the United States increased by 150 percent between 1986 and 1996 and is expected to continue increasing;

(5) it is estimated that at least 5 percent of the Nation's elderly are victims of moderate to severe abuse and that the rate for all forms of abuse may be as high as 10 percent;

(6) elder abuse is severely underreported, with 1 in 5 cases being reported in 1980 and only 1 in 8 cases being reported today;

(7) many older and disabled women fail to report abuse because of shame or as a result of prior unsatisfactory experiences with individual agencies or others who lack sensitivity to the concerns or needs of older or disabled individuals;

(8) many older or disabled individuals also fail to report abuse because they are dependent on their abusers and fear being abandoned or institutionalized;

(9) disabled women may fear reporting abuse because they are fearful of losing their children in a custody case;

(10) public and professional awareness and identification of violence against older or disabled Americans may be difficult because these persons are not integrated into many social networks (such as schools or jobs), and may become isolated in their homes, which can increase the risk of domestic abuse; and

(11) older and disabled Americans would greatly benefit from policies that develop, strengthen, and implement programs for the prevention of abuse, including neglect and exploitation, and provide related assistance for victims.

(b) IN GENERAL.—Part T of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended—

(1) in section 2001 (42 U.S.C. 3796gg)—

(A) in subsection (a)—

(i) by inserting “, including older women and women with a disability” after “combat violent crimes against women”; and

(ii) by inserting “, including older women and women with a disability” before the period; and

(B) in subsection (b)—

(i) in the matter preceding paragraph (1), by inserting “, including older women and women with a disability” after “against women”; and

(ii) in paragraph (6), by striking “and” after the semicolon;

(iii) in paragraph (7), by striking the period and inserting “; and”; and

(iv) by adding at the end the following:

“(8) developing a curriculum to train and assist law enforcement officers, prosecutors, and relevant officers of the Federal, State, tribal, and local courts in identifying and responding to crimes of domestic violence and sexual assault against older individuals and individuals with a disability and implementing that training and assistance.”;

(2) in section 2002(c)(2) (42 U.S.C. 3796gg-1)

by inserting “and service programs tailored to the needs of older and disabled victims of domestic violence and sexual assault” before the semicolon; and

(3) in section 2003 (42 U.S.C. 3796gg-2)—

(A) in paragraph (7), by striking “and” after the semicolon;

(B) in paragraph (8), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(9) both the term ‘elder’ and the term ‘older individual’ have the meaning given the term ‘older individual’ in section 102 of

the Older Americans Act of 1965 (42 U.S.C. 3002); and

“(10) the term ‘disability’ has the meaning given the term in section 3(3) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102(3)).”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any grant made beginning with fiscal year 2000.

## NOTICES OF HEARINGS

### COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will meet on July 27, 1999 in SR-328A at 9:30 a.m. The purpose of this meeting will be to discuss consolidation and anti-trust issues in Agricultural business.

### COMMITTEE ON RULES AND ADMINISTRATION

Mr. MCCONNELL. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Wednesday, July 28, 1999 at 9:30 a.m. in room SR-301 Russell Senate Office Building, to receive testimony on the operations of the Smithsonian Institution.

For further information concerning this meeting, please contact Lani Gerst at the Rules Committee on 4-6352.

### COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will meet on July 29, 1999 in SR-328A at 9:30 a.m. The purpose of this meeting will be to discuss the mark-up of the original bill regarding the Livestock Mandatory Reporting Act of 1999.

### COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will meet during the session of the Senate on Tuesday, August 3, 1999 at 10:00 a.m. to conduct a hearing on S. 964, a bill to provide for equitable compensation for the Cheyenne River Sioux Tribe.

The hearing will be held in room 485, Russell Senate Office Building.

Please direct any inquiries to committee staff at 202/224-2251.

### COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will meet during the session of the Senate on Tuesday, August 3, 1999 at 2:30 p.m. to conduct a hearing on S. 692, a bill to prohibit Internet Gaming. The hearing will be held in room 485, Russell Senate Office Building.

Please direct any inquiries to committee staff at 202/224-2251.

### COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will meet during the session of the Senate on

Wednesday, August 4, 1999 at 9:30 a.m. to conduct a hearing on S. 299, a bill to elevate the Director of the Indian Health Service to an Assistant Secretary for Indian Health within the Department of Health and Human Services; and S. 406, a bill to allow tribes to bill directly for Medicare and Medicaid; to be followed by a business meeting, to consider pending legislation. The hearing/meeting will be held in room 485, Russell Senate Office Building.

Please direct any inquiries to committee staff at 202/224-2251.

## AUTHORITY FOR COMMITTEE TO MEET

### COMMITTEE ON FOREIGN RELATIONS

Mr. CRAPO. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Monday, July 26, 1999 at 3:30 p.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

### RECOGNITION OF THE HI-POINT PROGRAM AT FRANKLIN PIERCE HIGH SCHOOL

• Mr. GORTON. Mr. President, education has been one of the predominant topics of discussion during the 106th Congress. As you know, I have been vocal in my support of returning decision-making authority to local educators who know best how to address the unique needs of students in their communities. For too long, the federal government has focused on bureaucrats and red tape rather than students and classrooms. In my travels to schools across Washington state, I have heard from educators who are concerned that this burden of federal regulations and paperwork is restricting their ability to instruct children in a common-sense manner. I have had the pleasure of discovering a program which has found a way to thrive in an area which is particularly burdened with federal mandates and red tape—special education. Accordingly, I am pleased to present an Innovation in Education Award to the Hi-Point program at Franklin Pierce High School in Tacoma, WA.

I and many of my colleagues in the Senate have heard from constituents about the effects of unfunded mandates on local classrooms. In spite of the burden states and school districts face because of unfunded federal special education mandates, the Hi-Point program has found a way to maximize its staff and community support to create an exemplary program.

The key to Hi-Point's success lies with dedicated individuals whose zeal for their job and passion for success are infectious to those around them. Tran-

sition Specialist Brian Redman has displayed the kind of compassion, understanding, and drive to see what students can become despite their limitations. In fact, Principal Rick Thompson refers to him as a “magician.” Brian has been a Special Educator for over twenty years and the Hi-Point program's success can be attributed directly to the expertise, patience, and skill with which he leads an amazing team of coworkers. This teamwork includes weekly meetings by the Student Services Team to communicate “best practices,” and to produce ideas to meet the evolving needs of the students. The team combines the knowledge of the school psychologist, teachers, and a business teacher to ensure maximum preparation for those higher-functioning students who may be able to join the workforce.

An examination of the work done by the Hi-Point staff indicates the numerous tasks required by those involved in special education. Those duties include: budgets, transportation, medications, individual study needs, parent contacts, and cooperation with all school district officials.

Hi-Point also utilizes a nurse, a speech therapist, an occupational therapist, and a physical therapist. While this combination of services is not unheard of in many schools across Washington state, and America, it is the creativity of the Hi-Point program in balancing the special needs of its student population with limited budgets, legal restrictions, and at times, intense demands from parents which make the success of Hi-Point all the more striking.

Hi-Point programs, coordinated with community agencies, include: A Personal Learning Lab for special needs students in need of support in regular curriculum classes. Basic Skills courses for developmentally delayed students—to learn simple math, how to use a calculator, how to sign a check, and other such necessary tasks. Life Skills such as riding the bus, doing laundry, and cooking meals which are necessary to function in the community. Field Trips to the Zoo, Bowling Alley, and the Grocery Store. Work Crews for Landscape and House Cleaning. An Auto Detailing program to serve as a training ground for students while providing an economic service to the community.

Clearly, Hi-Point is not only maximizing its resources to meet the needs of special needs students but is doing so in a creative manner which also maximizes the learning experience of students involved in the program.

Too often the Federal Government has done more harm than good in efforts to reach into local classrooms. It is time we changed the focus of federal education programs back to students

and learning and away from bureaucracy and process. The Hi-Point program is a shining example of the innovation that can be accomplished in spite of burdensome red tape. Imagine what educators like those at Hi-Point could accomplish without these unnecessary regulations—that is the true untapped resource in education today. I hope my colleagues will join me in recognizing the outstanding work of the Hi-Point staff and in supporting the common-sense idea that educators like Rick Thompson and Brian Redman deserve more say in Federal Education programs than Washington, DC, bureaucrats.●

#### TRIBUTE TO MRS. PEARL SALOTTO

● Mr. REED. Mr. President, I rise today to acknowledge Mrs. Pearl Salotto of Warwick, Rhode Island for her dedicated work in establishing the "Respect for Living Things Day" in the state of Rhode Island. Mrs. Salotto has established a number of programs in Rhode Island including the D.J. Pet Assisted Therapy University Certificate Program, the D.J. Pet Assisted Therapy High School Program, and the D.J. Respect for Living Things Elementary School Program. Mr. President, I ask that Mrs. Salotto's op-ed on July 21st, 1999 in the Providence Journal be printed in the RECORD.

The article follows:

[The Providence Journal]

THE BEST WAY TO REMEMBER DJ, THERAPY DOG

(By Pearl Salotto)

DJ, dog of joy, recently passed away peacefully within the loving arms of her family. The smiling face of this big white dog had become synonymous with professional Pet Assisted Therapy (PAT), locally and nationally, because of her enthusiasm for life and her unconditional love, because of the countless people of all ages whose lives she touched, because of the many programs as well as social-reform initiatives that she inspired, because of the many dreams that she helped turn into reality.

Anyone who recognizes that pets and people are good for each other can turn this moment of sadness into a celebration of DJ's life and commit to carrying on her legacy, recognizing that she did more than her part in bringing about a healthier, friendlier, and more peaceful world simply by being herself.

DJ showed me, at a New York nursing home in 1998, how residents could find a renewed joy of life through her loving touch and thus inspired not only my university program but also my vision that all universities should have PAT degree programs so that ultimately all facilities could have professional PAT as part of their treatment team.

DJ showed me, in my granddaughter's first-grade classroom in New York in 1991, how a dog's strolling up and down aisles and interacting with children could open up their hearts and minds to their responsibilities to pets, people and themselves.

DJ showed all of us the profound and life-changing impact that her freely given love

could have on Feinstein High School students, giving them the "heart-opening" opportunity to learn of the positive impact that animals can have in all of our lives through their one-of-a-kind PAT curriculum and the subsequent follow-up opportunity to share their love with others through PAT Service Learning.

DJ showed me from the first day of our experiences together that the bond between the therapy pet and the professional is the ethical foundation of this profession, protecting the pet in the field and providing the example from which all else flows.

DJ and DJ-inspired programs have led to schoolchildren writing and singing songs about respecting animals, other people and themselves, Rhode Island Health Department guidelines for pet therapy, an official state commission, annual DJ Respect for Living Things Days on her birthday, May 8, several Rhode Island agencies having professional PAT programs, the integration of PAT with Service Learning and Windwalker Humane Coalition for Professional Pet Assisted Therapy, among other programs.

Won't you join my children and grandchildren, friends and colleagues, elementary school students of Central Falls, Woonsocket, Providence and Feinstein High School students, and students of all ages who knew and loved DJ, in doing all in our power through all our words and deeds to help this magical profession earn its rightful place in health care, education, social services, and society as a whole, spearheaded over the past 13 years by the smiling face and extended paw of a big white dog named DJ?●

#### TRIBUTE TO NACKEY SCRIPPS LOEB OF GOFFSTOWN ON HER RETIREMENT

● Mr. SMITH of New Hampshire. Mr. President, I rise today to honor Nackey Scripps Loeb, a remarkable person who has retired as president and publisher of the Union Leader and New Hampshire Sunday News newspapers.

I have been blessed with Mrs. Loeb's friendship since I began my career in politics more than 15 years ago. She, and her late husband Bill, were an inspiration to me in the late 1970's and early 1980's, as well as helped fight in the conservative revolution. After Bill's death, Nackey took over the Union Leader Corporation in 1981. She had some big shoes to fill—Bill was an outspoken and controversial leader in both the newspaper industry and the world of politics. But Mrs. Loeb took over with dedication, drive, determination and distinction. She proved that the knack for hard-hitting journalism does run in the family! Her editorials have been the cause of many political aspirants' success or failure in their bid for public office.

Mr. President, I owe Mrs. Loeb a great deal of thanks for her guidance and continuous support during the years that I have held public office. She supported my philosophy in times when many turned their backs. I respect and commend her commitment to doing what is right, even during the days when being a conservative was not "in." Her husband once told me,

"stand for something or you stand for nothing." Nackey Loeb has always fought for the principles on which the Union Leader, and the State of New Hampshire, were founded.

Nackey Loeb has guided the Union Leader into the twenty first century in several ways. She oversaw the move of production into a larger building and the purchasing of more advanced press equipment. She has also driven the Union Leader's involvement on the Internet. "The Paper," as it is known, is nationally recognized and respected largely because of the efforts of Nackey Loeb.

Mrs. Loeb has been a powerful force in New Hampshire during her 18 years as president and publisher of the Union Leader. Her vision, forthrightness and principled views are admired by all who know her and will be sorely missed.

I would like to extend my best wishes to Nackey as she enjoys a peaceful time with her family. People like Mrs. Loeb help to maintain the quality of life we enjoy in New Hampshire and make it a special and unique place to live. It is an honor to represent Nackey Loeb in the United States Senate.●

#### RECOGNITION OF RASCHELLE FREEMAN, 5TH GRADE TEACHER

● Mr. GORTON. Mr. President, as the Senate debates education issues and initiatives, too often we talk in the form of numbers and statistics rather than concrete examples of excellence or success in our schools. A 5th grade teacher in the town of East Wenatchee, Washington has come to my attention for her exemplary service to her school, Lee Elementary, and to her community. Her name is Raschelle Freeman and I am pleased to present her with my Innovation in Education award.

Ms. Freeman's list of accomplishments is certainly impressive. This year she was chosen as the Washington state recipient of the prestigious Christa McAuliffe Fellowship. Last January she was one of 100 teachers nationwide to receive the Presidential Award for Excellence in Mathematics Teaching. This national recognition reflects the respect and admiration of those who work with Ms. Freeman each day.

The Assistant Superintendent of the Eastmont School District, Ms. Beverly Jagla, says Ms. Freeman is the "most effective" educator she has ever met—"She is energy personified." Ms. Jagla further emphasized Ms. Freeman's dedication as a member of the faculty team at Lee Elementary as well as her great skill at mathematics instruction; a talent so considerable that Ms. Freeman leads workshops for superintendents, administrators, principals, and other teachers around Washington state that emphasize "best practices" for successful math education.

Lee Elementary's former Principal, Ms. Kathy West, noted that in her 22



years in education she has never encountered a teacher who excelled in every instructional area. For example, this past year Ms. Freeman's class put on a major theater production, complete with music and costumes, that was so impressive students from other schools were bused in to see a performance. Ms. West also noted that 12 hour days are the norm for Ms. Freeman as she juggles her many pursuits. In addition to the time spent educating her students and peers, Ms. Freeman spends countless hours writing grant applications to bring more money and resources to her school district.

The final testament to Ms. Freeman's devotion is the choice she made with the \$34,000 McAuliffe Award. The funds are intended to allow the recipient to take time away from teaching to further his or her own continuing education. Ms. Freeman, however, chose to give the money to her school's Science Math with Accountability and Responsible Technology (SMART) project. The SMART program integrates reading, technical writing, math, science, and technology into an innovative model that will be used to improve the learning of students throughout Lee Elementary.

I have long been a supporter of greater flexibility for local educators. It is educators like Raschelle Freeman that demonstrate local communities really do know best. The Federal Government should provide more flexibility to promote the work of educators like Ms. Freeman. I am proud to present her with my Innovation in Education Award, and I hope my colleagues will join me in recognizing her accomplishments. ●

#### MEASURE PLACED ON CALENDAR—S. 1427

Mr. GORTON. Mr. President, I understand there is a bill at the desk due for its second reading.

The PRESIDING OFFICER. The clerk will state the bill.

The legislative clerk read as follows:

A bill (S. 1427) to authorize the Attorney General to appoint a special counsel to investigate or prosecute a person for a possible violation of criminal law when the Attorney General determines that the appointment of a special counsel is in the public interest.

Mr. GORTON. I object to further proceedings on this bill at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar.

#### AUTHORIZING TESTIMONY BY SENATE EMPLOYEE

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 162 submitted earlier today by Senators LOTT and DASCHLE.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A resolution (S. Res. 162) to authorize the testimony of employee of the Senate in *State of New Mexico v. Felix Lucero Chavez*.

There being no objection, the Senate proceeded to consider the resolution.

Mr. GORTON. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 162) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

#### S. RES. 162

Whereas, in the case of *State of New Mexico v. Felix Lucero Chavez*, No. CR 4646-99, pending in the Metropolitan Court for Bernalillo County, New Mexico, a subpoena has been served on Kristen Ludecke, an employee of the Senate;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

*Resolved*, That Kristen Ludecke is authorized to testify in the case of *State of New Mexico v. Felix Lucero Chavez*, except concerning matters for which a privilege should be asserted.

Mr. LOTT. Mr. President, this resolution concerns a request for testimony in a criminal action brought by the State of New Mexico against a resident of Bernalillo County. The State charges that, during an attempt by the Bernalillo County Sheriff's Department and juvenile probation office to execute a bench warrant for the arrest of a juvenile, as part of a law enforcement program called "Operation Night Light," the defendant created a public disturbance and obstructed the Sheriff's deputies.

An employee on Senator BINGAMAN's staff, Kristen Ludecke, was accompanying the Senator the night of this incident on a ride-along with the Sheriff's Department to observe the Operation Night Light program. The Sheriff's Department is requesting that Ms. Ludecke testify at the hearing in this case, scheduled for August 2, about what she observed during the ride-along.

This resolution would accordingly authorize Ms. Ludecke to testify in this matter.

#### FEDERAL RESEARCH INVESTMENT ACT

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 205, S. 296.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 296) to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transportation, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

#### S. 296

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Research Investment Act".

#### SEC. 2. GENERAL FINDINGS REGARDING FEDERAL INVESTMENT IN RESEARCH.

(a) VALUE OF RESEARCH AND DEVELOPMENT.—The Congress makes the following findings with respect to the value of research and development to the United States:

(1) Federal investment in research has resulted in the development of technology that saved lives in the United States and around the world.

(2) Research and development investment across all Federal agencies has been effective in creating technology that has enhanced the American quality of life.

(3) The Federal investment in research and development conducted or underwritten by both military and civilian agencies has produced benefits that have been felt in both the private and public sector.

(4) Discoveries across the spectrum of scientific inquiry have the potential to raise the standard of living and the quality of life for all Americans.

(5) Science, engineering, and technology play a critical role in shaping the modern world.

(6) Studies show that about half of all United States post-World War II economic growth is a direct result of technical innovation; and science, engineering, and technology contribute to the creation of new goods and services, new jobs and new capital.

(7) Technical innovation is the principal driving force behind the long-term economic growth and increased standards of living of the world's modern industrial societies. Other nations are well aware of the pivotal role of science, engineering, and technology, and they are seeking to exploit it wherever possible to advance their own global competitiveness.

(8) Federal programs for investment in research, which lead to technological innovation and result in economic growth, should be structured to address current funding disparities and develop enhanced capability in States and regions that currently underparticipate in the national science and technology enterprise.

(b) STATUS OF THE FEDERAL INVESTMENT.—The Congress makes the following findings with respect to the status of the Federal investment in research and development activities:

(1) Federal investment of approximately 13 to 14 percent of the Federal discretionary budget in research and development over the past 11 years has resulted in a doubling of the nominal amount of Federal funding.

(2) Fiscal realities now challenge Congress to steer the Federal government's role in science, engineering, and technology in a manner that ensures a prudent use of limited public resources. There is both a long-term problem—addressing the ever-increasing level of mandatory spending—and a near-term challenge—apportioning a dwindling amount of discretionary funding to an increasing range of targets in science, engineering, and technology. This confluence of increased national dependency on technology, increased targets of opportunity, and decreased fiscal flexibility has created a problem of national urgency. Many indicators show that more funding for science, engineering, and technology is needed but, even with increased funding, priorities must be established among different programs. The United States cannot afford the luxury of fully funding all deserving programs.

(3) Current projections of Federal research funding show a downward trend.

### **SEC. 3. SPECIAL FINDINGS REGARDING HEALTH-RELATED RESEARCH.**

*The Congress makes the following findings with respect to health-related research:*

(1) **HEALTH AND ECONOMIC BENEFITS PROVIDED BY HEALTH-RELATED RESEARCH.**—Because of health-related research, cures for many debilitating and fatal diseases have been discovered and deployed. At present, the medical research community is on the cusp of creating cures for a number of leading diseases and their associated burdens. In particular, medical research has the potential to develop treatments that can help manage the escalating costs associated with the aging of the United States population.

(2) **FUNDING OF HEALTH-RELATED RESEARCH.**—Many studies have recognized that clinical and basic science are in a state of crisis because of a failure of resources to meet the opportunity. Consequently, health-related research has emerged as a national priority and has been given significantly increased funding by Congress in fiscal year 1999. In order to continue addressing this urgent national need, the pattern of substantial budgetary expansion begun in fiscal year 1999 should be maintained.

(3) **INTERDISCIPLINARY NATURE OF HEALTH-RELATED RESEARCH.**—Because all fields of science and engineering are interdependent, full realization of the nation's historic investment in health will depend on major advances both in the biomedical sciences and in other science and engineering disciplines. Hence, the vitality of all disciplines must be preserved, even as special considerations are given to the health research field.

### **[SEC. 4.] SEC. 4. ADDITIONAL FINDINGS REGARDING THE LINK BETWEEN THE RESEARCH PROCESS AND USEFUL TECHNOLOGY.**

*The Congress makes the following findings:*

(1) **FLOW OF SCIENCE, ENGINEERING, AND TECHNOLOGY.**—The process of science, engineering, and technology involves many steps. The present Federal science, engineering, and technology structure reinforces the increasingly artificial distinctions between basic and applied activities. The result too often is a set of discrete programs that each support a narrow phase of research or development and are not coordinated with one another. The government should maximize its investment by encouraging the progression of science, engineering, and technology from the earliest stages of research up to a pre-commercialization stage, through funding

agencies and vehicles appropriate for each stage. This creates a flow of technology, subject to merit review at each stage, so that promising technology is not lost in a bureaucratic maze.

(2) **EXCELLENCE IN THE AMERICAN RESEARCH INFRASTRUCTURE.**—Federal investment in science, engineering, and technology programs must foster a close relationship between research and education. Investment in research at the university level creates more than simply world-class research. It creates world-class researchers as well. The Federal strategy must continue to reflect this commitment to a strong geographically-diverse research infrastructure. Furthermore, the United States must find ways to extend the excellence of its university system to primary and secondary educational institutions and to better utilize the community college system to prepare many students for vocational opportunities in an increasingly technical workplace.

(3) **COMMITMENT TO A BROAD RANGE OF RESEARCH INITIATIVES.**—An increasingly common theme in many recent technical breakthroughs has been the importance of revolutionary innovations that were sparked by overlapping of research disciplines. The United States must continue to encourage this trend by providing and encouraging opportunities for interdisciplinary projects that foster collaboration among fields of research.

(4) **PARTNERSHIPS AMONG INDUSTRY, UNIVERSITIES, AND FEDERAL LABORATORIES.**—Each of these contributors to the national science and technology delivery system has special talents and abilities that complement the others. In addition, each has a central mission that must provide their focus and each has limited resources. The nation's investment in science, engineering, and technology can be optimized by seeking opportunities for leveraging the resources and talents of these three major players through partnerships that do not distort the missions of each partner. For that reason, Federal dollars are wisely spent forming such partnerships.

### **[SEC. 4.] SEC. 5. MAINTENANCE OF FEDERAL RESEARCH EFFORT; GUIDING PRINCIPLES.**

(a) **MAINTAINING UNITED STATES LEADERSHIP IN SCIENCE, ENGINEERING, AND TECHNOLOGY.**—It is imperative for the United States to nurture its superb resources in science, engineering, and technology carefully in order to maintain its own globally competitive position.

(b) **GUIDING PRINCIPLES.**—Federal research and development programs should be conducted in accordance with the following guiding principles:

(1) **GOOD SCIENCE.**—Federal science, engineering, and technology programs include both knowledge-driven science together with its applications, and mission-driven, science-based requirements. In general, both types of programs must be focused, peer- and merit-reviewed, and not unnecessarily duplicative, although the details of these attributes must vary with different program objectives.

(2) **FISCAL ACCOUNTABILITY.**—The Congress must exercise oversight to ensure that programs funded with scarce Federal dollars are well managed. The United States cannot tolerate waste of money through inefficient management techniques, whether by government agencies, by contractors, or by Congress itself. Fiscal resources would be better utilized if program and project funding levels were predictable across several years to enable better project planning; a benefit of such predictability would be that agencies

and Congress can better exercise oversight responsibilities through comparisons of a project's and program's progress against carefully planned milestones.

(3) **PROGRAM EFFECTIVENESS.**—The United States needs to make sure that government programs achieve their goals. As the Congress crafts science, engineering, and technology legislation, it must include a process for gauging program effectiveness, selecting criteria based on sound scientific judgment and avoiding unnecessary bureaucracy. The Congress should also avoid the trap of measuring the effectiveness of a broad science, engineering, and technology program by passing judgment on individual projects. Lastly, the Congress must recognize that a negative result in a well-conceived and executed project or program may still be critically important to the funding agency.

(4) **CRITERIA FOR GOVERNMENT FUNDING.**—Program selection for Federal funding should continue to reflect the nation's 2 traditional research and development priorities: (A) basic, scientific, and technological research that represents investments in the nation's long-term future scientific and technological capacity, for which government has traditionally served as the principle resource; and (B) mission research investments, that is, investments in research that derive from necessary public functions, such as defense, health, education, environmental protection, and raising the standard of living, which may include pre-commercial, pre-competitive engineering research and technology development. Additionally, government funding should not compete with or displace the short-term, market-driven, and typically more specific nature of private-sector funding. Government funding should be restricted to pre-competitive activities, leaving competitive activities solely for the private sector. As a rule, the government should not invest in commercial technology that is in the product development stage, very close to the broad commercial marketplace, except to meet a specific agency goal. When the government provides funding for any science, engineering, and technology investment program, it must take reasonable steps to ensure that the potential benefits derived from the program will accrue broadly.

### **[SEC. 5.] SEC. 6. POLICY STATEMENT.**

[(a) **POLICY.**—This Act is intended—

[(1) to encourage, as an overall goal, the doubling of the annual authorized amount of Federal funding for basic scientific, medical, and pre-competitive engineering research over the 11-year period following the date of enactment of this Act;

[(2) to invest in the future of the United States and the people of the United States by expanding the research activities referred to in paragraph (1);

[(3) to enhance the quality of life for all people of the United States;

[(4) to guarantee the leadership of the United States in science, engineering, medicine, and technology; and

[(5) to ensure that the opportunity and the support for undertaking good science is widely available throughout the States by supporting a geographically-diverse research and development enterprise.]

(a) **POLICY.**—This Act is intended to—

(1) assure a base level of Federal funding for basic scientific, biomedical, and pre-competitive engineering research, with this base level defined as a doubling of Federal basic research funding over the 11 year period following the date of enactment of this Act;

(2) invest in the future economic growth of the United States by expanding the research activities referred to in paragraph (1);

(3) enhance the quality of life and health for all people of the United States through expanded support for health-related research;

(4) allow for accelerated growth of agencies such as the National Institutes of Health to meet critical national needs;

(5) guarantee the leadership of the United States in science, engineering, medicine, and technology; and

(6) ensure that the opportunity and the support for undertaking good science is widely available throughout the United States by supporting a geographically-diverse research and development enterprise.

(b) AGENCIES COVERED.—The agencies intended to be covered to the extent that they are engaged in science, engineering, and technology activities for basic scientific, medical, or pre-competitive engineering research by this Act are—

(1) the National Institutes of Health, within the Department of Health and Human Services;

(2) the National Science Foundation;

(3) the National Institute for Standards and Technology, within the Department of Commerce;

(4) the National Aeronautics and Space Administration;

(5) the National Oceanic and Atmospheric Administration, within the Department of Commerce;

(6) the Centers for Disease Control, within the Department of Health and Human Services;

(7) the Department of Energy (to the extent that it is not engaged in defense-related activities);

(8) the Department of Agriculture;

(9) the Department of Transportation;

(10) the Department of the Interior;

(11) the Department of Veterans Affairs;

(12) the Smithsonian Institution;

(13) the Department of Education;

(14) the Environmental Protection Agency; and

(15) the [Federal] Food and Drug Administration, within the Department of Health and Human Services.

[(c) CURRENT INVESTMENT.—The investment in civilian research and development efforts for fiscal year 1998 was 2.1 percent of the overall Federal budget.]

[(d)] (c) DAMAGE TO RESEARCH INFRASTRUCTURE.—A continued trend of funding appropriations equal to or lower than current budgetary levels will lead to permanent damage to the United States research infrastructure. This could threaten American dominance of high-technology industrial leadership.

[(e) INCREASE FUNDING.—In order to maintain and enhance the economic strength of the United States in the world market, funding levels for fundamental, scientific, and pre-competitive engineering research should be increased to equal approximately 2.6 percent of the total annual budget.]

[(f) (d) FUTURE FISCAL YEAR ALLOCATIONS.—

(1) GOALS.—The long-term strategy for research and development funding under this section would be achieved by a steady 2.5 percent annual increase above the rate of inflation throughout a 11-year period.

(2) INFLATION ASSUMPTION.—The authorizations contained in paragraph (3) assume that the rate of inflation for each year will be 3 percent.

(3) AUTHORIZATION.—There are authorized to be appropriated for civilian research and

development in the agencies listed in subsection (b)—

(A) \$39,790,000,000 for fiscal year 2000;

(B) \$41,980,000,000 for fiscal year 2001;

(C) \$42,290,000,000 for fiscal year 2002;

(D) \$46,720,000,000 for fiscal year 2003;

(E) [\$49,290,000,000] \$44,290,000,000 for fiscal year 2004;

(F) \$52,000,000,000 for fiscal year 2005;

(G) \$54,870,000,000 for fiscal year 2006;

(H) \$57,880,000,000 for fiscal year 2007;

(I) \$61,070,000,000 for fiscal year 2008;

(J) \$64,420,000,000 for fiscal year 2009; and

(K) \$67,970,000,000 for fiscal year 2010.

(4) ACCELERATION TO MEET NATIONAL NEEDS.—

(A) IN GENERAL.—If the amount appropriated for any fiscal year to an agency for the purposes stated in paragraph (3) increases by more than 8 percent over the amount appropriated to it for those purposes for the preceding fiscal year, then the amounts authorized by paragraph (3) for subsequent fiscal years for that agency and other agencies shall be determined under subparagraphs (B) and (C).

(B) EXCLUSION OF AGENCY IN DETERMINING OTHER AGENCY AMOUNTS FOR NEXT FISCAL YEAR.—For the next fiscal year after a fiscal year described in subparagraph (A), the amount authorized to be appropriated to other agencies under paragraph (3) shall be determined by excluding the agency described in subparagraph (A). Any amount that would, but for this subparagraph, be authorized to be appropriated to that agency shall not be appropriated.

(C) RESUMPTION OF REGULAR TREATMENT.—Notwithstanding subparagraph (B), an agency may not be excluded from the determination of the amount authorized to be appropriated under paragraph (3) for a fiscal year following a fiscal year for which the sum of the amounts appropriated to that agency for fiscal year 2000 and all subsequent fiscal years for the purposes described in paragraph (3) does not exceed the sum of—

(i) the amount appropriated to that agency for such purposes for fiscal year 2000; and

(ii) the amounts that would have been appropriated for such purposes for subsequent fiscal years if the goal described in paragraph (1) had been met (and not exceeded) with respect to that agency's funding.

(D) NO LIMITATION ON OTHER FUNDING.—Nothing in this paragraph limits the amount that may be appropriated to any agency for the purposes described in paragraph (3).

[(g)] (e) CONFORMANCE WITH BUDGETARY CAPS.—Notwithstanding any other provision of law, no funds may be made available under this Act in a manner that does not conform with the discretionary spending caps provided in the most recently adopted concurrent resolution on the budget or threatens the economic stability of the annual budget.

[(h)] (f) BALANCED RESEARCH PORTFOLIO.—Because of the interdependent nature of the scientific and engineering disciplines, the aggregate funding levels authorized by the section assume that the Federal research portfolio will be well-balanced among the various scientific and engineering disciplines, and geographically dispersed throughout the States.

[SEC. 6.] SEC. 7. PRESIDENT'S ANNUAL BUDGET REQUEST.

The President of the United States shall, in coordination with the President's annual budget request, include a report that parallels Congress' commitment to support Federally-funded research and development by providing—

(1) a detailed summary of the total level of funding for research and development programs throughout all civilian agencies;

(2) a focused strategy that reflects the funding projections of this Act for each future fiscal year until 2010, including specific targets for each agency that funds civilian research and development;

(3) an analysis which details funding levels across Federal agencies by methodology of funding, including grant agreements, procurement contracts, and cooperative agreements (within the meaning given those terms in chapter 63 of title 31, United States Code); and

(4) specific proposals for infrastructure development and research and development capacity building in States with less concentrated research and development resources in order to create a nationwide research and development community.

[SEC. 7.] SEC. 8. COMPREHENSIVE ACCOUNTABILITY STUDY FOR FEDERALLY-FUNDED RESEARCH.

(a) STUDY.—The Director of the Office of Science and Technology Policy, in consultation with the Director of the Office of Management and Budget, shall enter into agreement with the National Academy of Sciences for the Academy to conduct a comprehensive study to develop methods for evaluating Federally-funded research and development programs. This study shall—

(1) recommend processes to determine an acceptable level of success for Federally-funded research and development programs by—

(A) describing the research process in the various scientific and engineering disciplines;

(B) describing in the different sciences what measures and what criteria each community uses to evaluate the success or failure of a program, and on what time scales these measures are considered reliable—both for exploratory long-range work and for short-range goals; and

(C) recommending how these measures may be adapted for use by the Federal government to evaluate Federally-funded research and development programs;

(2) assess the extent to which agencies incorporate independent merit-based review into the formulation of the strategic plans of funding agencies and if the quantity or quality of this type of input is unsatisfactory;

(3) recommend mechanisms for identifying Federally-funded research and development programs which are unsuccessful or unproductive;

(4) evaluate the extent to which independent, merit-based evaluation of Federally-funded research and development programs and projects achieves the goal of eliminating unsuccessful or unproductive programs and projects; and

(5) investigate and report on the validity of using quantitative performance goals for aspects of programs which relate to administrative management of the program and for which such goals would be appropriate, including aspects related to—

(A) administrative burden on contractors and recipients of financial assistance awards;

(B) administrative burdens on external participants in independent, merit-based evaluations;

(C) cost and schedule control for construction projects funded by the program;

(D) the ratio of overhead costs of the program relative to the amounts expended through the program for equipment and direct funding of research; and

(E) the timeliness of program responses to requests for funding, participation, or equipment use.

(6) examine the extent to which program selection for Federal funding across all agencies exemplifies our nation's historical research and development priorities—

(A) basic, scientific, and technological research in the long-term future scientific and technological capacity of the nation; and

(B) mission research derived from a high-priority public function.

(b) **ALTERNATIVE FORMS FOR PERFORMANCE GOALS.**—Not later than 6 months after transmitting the report under subsection (a) to Congress, the Director of the Office of Management and Budget, after public notice, public comment, and approval by the Director of the Office of Science and Technology Policy and in consultation with the National Science and Technology Council shall promulgate one or more alternative forms for performance goals under section 1115(b)(10)(B) of title 31, United States Code, based on the recommendations of the study under subsection (a) of this section. The head of each agency containing a program activity that is a research and development program may apply an alternative form promulgated under this section for a performance goal to such a program activity without further authorization by the Director of the Office of Management and Budget.

(c) **STRATEGIC PLANS.**—Not later than one year after promulgation of the alternative performance goals in subsection (b) of this section, the head of each agency carrying out research and development activities, upon updating or revising a strategic plan under subsection 306(b) of title 5, United States Code, shall describe the current and future use of methods for determining an acceptable level of success as recommended by the study under subsection (a).

(d) **DEFINITIONS.**—In this section:

(1) **DIRECTOR.**—The term “Director” means the Director of the Office of Science and Technology Policy.

(2) **PROGRAM ACTIVITY.**—The term “program activity” has the meaning given that term by section 1115(f)(6) of title 31, United States Code.

(3) **INDEPENDENT MERIT-BASED EVALUATION.**—The term “independent merit-based evaluation” means review of the scientific or technical quality of research or development, conducted by experts who are chosen for their knowledge of scientific and technical fields relevant to the evaluation and who—

(A) in the case of the review of a program activity, do not derive long-term support from the program activity; or

(B) in the case of the review of a project proposal, are not seeking funds in competition with the proposal.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out the study required by subsection (a) \$600,000 for the 18-month period beginning October 1, 2000.

#### **[SEC. 8.] SEC. 9. PERFORMANCE ASSESSMENT PROGRAM FOR FEDERALLY-FUNDED RESEARCH.**

(a) **IN GENERAL.**—Chapter 11 of title 31, United States Code, is amended by adding at the end thereof the following:

##### **“§ 1120. Accountability for research and development programs**

“(a) **IDENTIFICATION OF UNSUCCESSFUL PROGRAMS.**—Based upon program performance reports for each fiscal year submitted to the President under section 1116, the Director of the Office of Management and Budget shall identify the civilian research and development program activities, or components thereof, which do not meet an acceptable

level of success as defined in section 1115(b)(1)(B). Not later than 30 days after the submission of the reports under section 1116, the Director shall furnish a copy of a report listing the program activities or component identified under this subsection to the President and the Congress.

“(b) **ACCOUNTABILITY IF NO IMPROVEMENT SHOWN.**—For each program activity or component that is identified by the Director under subsection (a) as being below the acceptable level of success for 2 fiscal years in a row, the head of the agency shall no later than 30 days after the Director submits the second report so identifying the program, submit to the appropriate congressional committees of jurisdiction:

“(1) a concise statement of the steps necessary to—

“(A) bring such program into compliance with performance goals; or

“(B) terminate such program should compliance efforts fail; and

“(2) any legislative changes needed to put the steps contained in such statement into effect.”.

(b) **CONFORMING AMENDMENTS.**—

(1) The chapter analysis for chapter 11 of title 31, United States Code, is amended by adding at the end thereof the following:

“1120. Accountability for research and development programs”.

(2) Section 1115(f) of title 31, United States Code, is amended by striking “through 1119,” and inserting “through 1120”.

There being no objection, the Senate proceeded to consider the bill.

Mr. GORTON. Mr. President, I ask unanimous consent that the committee amendments be agreed to.

The committee amendments were agreed to.

#### **AMENDMENT NO. 1349**

(Purpose: To provide minor technical changes)

Mr. GORTON. Mr. President, I send an amendment to the desk on behalf of Senator FRIST and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON], for Mr. FRIST, for himself and Mr. ROCKEFELLER, proposes an amendment numbered 1349.

On page 15, line 15, strike “\$42,290,000,000” and insert “\$44,290,000,000”.

On page 15, line 17, strike “\$44,290,000,000” and insert “\$49,290,000,000”.

Mr. GORTON. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill be read the third time, and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment (No. 1349) was agreed to.

The bill (S. 296), as amended, was read the third time and passed, as follows:

S. 296

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### **SECTION 1. SHORT TITLE.**

This Act may be cited as the “Federal Research Investment Act”.

#### **SEC. 2. GENERAL FINDINGS REGARDING FEDERAL INVESTMENT IN RESEARCH.**

(a) **VALUE OF RESEARCH AND DEVELOPMENT.**—The Congress makes the following findings with respect to the value of research and development to the United States:

(1) Federal investment in research has resulted in the development of technology that saved lives in the United States and around the world.

(2) Research and development investment across all Federal agencies has been effective in creating technology that has enhanced the American quality of life.

(3) The Federal investment in research and development conducted or underwritten by both military and civilian agencies has produced benefits that have been felt in both the private and public sector.

(4) Discoveries across the spectrum of scientific inquiry have the potential to raise the standard of living and the quality of life for all Americans.

(5) Science, engineering, and technology play a critical role in shaping the modern world.

(6) Studies show that about half of all United States post-World War II economic growth is a direct result of technical innovation; and science, engineering, and technology contribute to the creation of new goods and services, new jobs and new capital.

(7) Technical innovation is the principal driving force behind the long-term economic growth and increased standards of living of the world's modern industrial societies. Other nations are well aware of the pivotal role of science, engineering, and technology, and they are seeking to exploit it wherever possible to advance their own global competitiveness.

(8) Federal programs for investment in research, which lead to technological innovation and result in economic growth, should be structured to address current funding disparities and develop enhanced capability in States and regions that currently underparticipate in the national science and technology enterprise.

(b) **STATUS OF THE FEDERAL INVESTMENT.**—The Congress makes the following findings with respect to the status of the Federal Investment in research and development activities:

(1) Federal investment of approximately 13 to 14 percent of the Federal discretionary budget in research and development over the past 11 years has resulted in a doubling of the nominal amount of Federal funding.

(2) Fiscal realities now challenge Congress to steer the Federal government's role in science, engineering, and technology in a manner that ensures a prudent use of limited public resources. There is both a long-term problem—addressing the ever-increasing level of mandatory spending—and a near-term challenge—apportioning a dwindling amount of discretionary funding to an increasing range of targets in science, engineering, and technology. This confluence of increased national dependency on technology, increased targets of opportunity, and decreased fiscal flexibility has created a problem of national urgency. Many indicators show that more funding for science, engineering, and technology is needed but, even with increased funding, priorities must be established among different programs. The United States cannot afford the luxury of fully funding all deserving programs.

(3) Current projections of Federal research funding show a downward trend.

**SEC. 3. SPECIAL FINDINGS REGARDING HEALTH-RELATED RESEARCH.**

The Congress makes the following findings with respect to health-related research:

(1) **HEALTH AND ECONOMIC BENEFITS PROVIDED BY HEALTH-RELATED RESEARCH.**—Because of health-related research, cures for many debilitating and fatal diseases have been discovered and deployed. At present, the medical research community is on the cusp of creating cures for a number of leading diseases and their associated burdens. In particular, medical research has the potential to develop treatments that can help manage the escalating costs associated with the aging of the United States population.

(2) **FUNDING OF HEALTH-RELATED RESEARCH.**—Many studies have recognized that clinical and basic science are in a state of crisis because of a failure of resources to meet the opportunity. Consequently, health-related research has emerged as a national priority and has been given significantly increased funding by Congress in fiscal year 1999. In order to continue addressing this urgent national need, the pattern of substantial budgetary expansion begun in fiscal year 1999 should be maintained.

(3) **INTERDISCIPLINARY NATURE OF HEALTH-RELATED RESEARCH.**—Because all fields of science and engineering are interdependent, full realization of the nation's historic investment in health will depend on major advances both in the biomedical sciences and in other science and engineering disciplines. Hence, the vitality of all disciplines must be preserved, even as special considerations are given to the health research field.

**SEC. 4. ADDITIONAL FINDINGS REGARDING THE LINK BETWEEN THE RESEARCH PROCESS AND USEFUL TECHNOLOGY.**

The Congress makes the following findings:

(1) **FLOW OF SCIENCE, ENGINEERING, AND TECHNOLOGY.**—The process of science, engineering, and technology involves many steps. The present Federal science, engineering, and technology structure reinforces the increasingly artificial distinctions between basic and applied activities. The result too often is a set of discrete programs that each support a narrow phase of research or development and are not coordinated with one another. The government should maximize its investment by encouraging the progression of science, engineering, and technology from the earliest stages of research up to a pre-commercialization stage, through funding agencies and vehicles appropriate for each stage. This creates a flow of technology, subject to merit review at each stage, so that promising technology is not lost in a bureaucratic maze.

(2) **EXCELLENCE IN THE AMERICAN RESEARCH INFRASTRUCTURE.**—Federal investment in science, engineering, and technology programs must foster a close relationship between research and education. Investment in research at the university level creates more than simply world-class research. It creates world-class researchers as well. The Federal strategy must continue to reflect this commitment to a strong geographically-diverse research infrastructure. Furthermore, the United States must find ways to extend the excellence of its university system to primary and secondary educational institutions and to better utilize the community college system to prepare many students for vocational opportunities in an increasingly technical workplace.

(3) **COMMITMENT TO A BROAD RANGE OF RESEARCH INITIATIVES.**—An increasingly common theme in many recent technical breakthroughs has been the importance of revolu-

tionary innovations that were sparked by overlapping of research disciplines. The United States must continue to encourage this trend by providing and encouraging opportunities for interdisciplinary projects that foster collaboration among fields of research.

(4) **PARTNERSHIPS AMONG INDUSTRY, UNIVERSITIES, AND FEDERAL LABORATORIES.**—Each of these contributors to the national science and technology delivery system has special talents and abilities that complement the others. In addition, each has a central mission that must provide their focus and each has limited resources. The nation's investment in science, engineering, and technology can be optimized by seeking opportunities for leveraging the resources and talents of these three major players through partnerships that do not distort the missions of each partner. For that reason, Federal dollars are wisely spent forming such partnerships.

**SEC. 5. MAINTENANCE OF FEDERAL RESEARCH EFFORT; GUIDING PRINCIPLES.**

(a) **MAINTAINING UNITED STATES LEADERSHIP IN SCIENCE, ENGINEERING, AND TECHNOLOGY.**—It is imperative for the United States to nurture its superb resources in science, engineering, and technology carefully in order to maintain its own globally competitive position.

(b) **GUIDING PRINCIPLES.**—Federal research and development programs should be conducted in accordance with the following guiding principles:

(1) **GOOD SCIENCE.**—Federal science, engineering, and technology programs include both knowledge-driven science together with its applications, and mission-driven, science-based requirements. In general, both types of programs must be focused, peer- and merit-reviewed, and not unnecessarily duplicative, although the details of these attributes must vary with different program objectives.

(2) **FISCAL ACCOUNTABILITY.**—The Congress must exercise oversight to ensure that programs funded with scarce Federal dollars are well managed. The United States cannot tolerate waste of money through inefficient management techniques, whether by government agencies, by contractors, or by Congress itself. Fiscal resources would be better utilized if program and project funding levels were predictable across several years to enable better project planning; a benefit of such predictability would be that agencies and Congress can better exercise oversight responsibilities through comparisons of a project's and program's progress against carefully planned milestones.

(3) **PROGRAM EFFECTIVENESS.**—The United States needs to make sure that government programs achieve their goals. As the Congress crafts science, engineering, and technology legislation, it must include a process for gauging program effectiveness, selecting criteria based on sound scientific judgment and avoiding unnecessary bureaucracy. The Congress should also avoid the trap of measuring the effectiveness of a broad science, engineering, and technology program by passing judgment on individual projects. Lastly, the Congress must recognize that a negative result in a well-conceived and executed project or program may still be critically important to the funding agency.

(4) **CRITERIA FOR GOVERNMENT FUNDING.**—Program selection for Federal funding should continue to reflect the nation's 2 traditional research and development priorities: (A) basic, scientific, and technological research that represents investments in the nation's long-term future scientific and technological capacity, for which govern-

ment has traditionally served as the principle resource; and (B) mission research investments, that is, investments in research that derive from necessary public functions, such as defense, health, education, environmental protection, and raising the standard of living, which may include pre-commercial, pre-competitive engineering research and technology development. Additionally, government funding should not compete with or displace the short-term, market-driven, and typically more specific nature of private-sector funding. Government funding should be restricted to pre-competitive activities, leaving competitive activities solely for the private sector. As a rule, the government should not invest in commercial technology that is in the product development stage, very close to the broad commercial marketplace, except to meet a specific agency goal. When the government provides funding for any science, engineering, and technology investment program, it must take reasonable steps to ensure that the potential benefits derived from the program will accrue broadly.

**SEC. 6. POLICY STATEMENT.**

(a) **POLICY.**—This Act is intended to—

(1) assure a base level of Federal funding for basic scientific, biomedical, and pre-competitive engineering research, with this base level defined as a doubling of Federal basic research funding over the 11 year period following the date of enactment of this Act;

(2) invest in the future economic growth of the United States by expanding the research activities referred to in paragraph (1);

(3) enhance the quality of life and health for all people of the United States through expanded support for health-related research;

(4) allow for accelerated growth of agencies such as the National Institutes of Health to meet critical national needs;

(5) guarantee the leadership of the United States in science, engineering, medicine, and technology; and

(6) ensure that the opportunity and the support for undertaking good science is widely available throughout the United States by supporting a geographically-diverse research and development enterprise.

(b) **AGENCIES COVERED.**—The agencies intended to be covered to the extent that they are engaged in science, engineering, and technology activities for basic scientific, medical, or pre-competitive engineering research by this Act are—

(1) the National Institutes of Health, within the Department of Health and Human Services;

(2) the National Science Foundation;

(3) the National Institute for Standards and Technology, within the Department of Commerce;

(4) the National Aeronautics and Space Administration;

(5) the National Oceanic and Atmospheric Administration, within the Department of Commerce;

(6) the Centers for Disease Control, within the Department of Health and Human Services;

(7) the Department of Energy (to the extent that it is not engaged in defense-related activities);

(8) the Department of Agriculture;

(9) the Department of Transportation;

(10) the Department of the Interior;

(11) the Department of Veterans Affairs;

(12) the Smithsonian Institution;

(13) the Department of Education;

(14) the Environmental Protection Agency; and

(15) the Food and Drug Administration, within the Department of Health and Human Services.

(c) **DAMAGE TO RESEARCH INFRASTRUCTURE.**—A continued trend of funding appropriations equal to or lower than current budgetary levels will lead to permanent damage to the United States research infrastructure. This could threaten American dominance of high-technology industrial leadership.

(d) **FUTURE FISCAL YEAR ALLOCATIONS.**—

(1) **GOALS.**—The long-term strategy for research and development funding under this section would be achieved by a steady 2.5 percent annual increase above the rate of inflation throughout a 11-year period.

(2) **INFLATION ASSUMPTION.**—The authorizations contained in paragraph (3) assume that the rate of inflation for each year will be 3 percent.

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(A) **IN GENERAL.**—If the amount appropriated for any fiscal year to an agency for the purposes stated in paragraph (3) increases by more than 8 percent over the amount appropriated to it for those purposes for the preceding fiscal year, then the amounts authorized by paragraph (3) for subsequent fiscal years for that agency and other agencies shall be determined under subparagraphs (B) and (C).

(B) **EXCLUSION OF AGENCY IN DETERMINING OTHER AGENCY AMOUNTS FOR NEXT FISCAL YEAR.**—For the next fiscal year after a fiscal year described in subparagraph (A), the amount authorized to be appropriated to other agencies under paragraph (3) shall be determined by excluding the agency described in subparagraph (A). Any amount that would, but for this subparagraph, be authorized to be appropriated to that agency shall not be appropriated.

(C) **RESUMPTION OF REGULAR TREATMENT.**—Notwithstanding subparagraph (B), an agency may not be excluded from the determination of the amount authorized to be appropriated under paragraph (3) for a fiscal year following a fiscal year for which the sum of the amounts appropriated to that agency for fiscal year 2000 and all subsequent fiscal years for the purposes described in paragraph (3) does not exceed the sum of—

- (i) the amount appropriated to that agency for such purposes for fiscal year 2000; and
- (ii) the amounts that would have been appropriated for such purposes for subsequent fiscal years if the goal described in paragraph (1) had been met (and not exceeded) with respect to that agency's funding.

(D) **NO LIMITATION ON OTHER FUNDING.**—Nothing in this paragraph limits the amount that may be appropriated to any agency for the purposes described in paragraph (3).

(e) **CONFORMANCE WITH BUDGETARY CAPS.**—Notwithstanding any other provision of law, no funds may be made available under this Act in a manner that does not conform with

the discretionary spending caps provided in the most recently adopted concurrent resolution on the budget or threatens the economic stability of the annual budget.

(f) **BALANCED RESEARCH PORTFOLIO.**—Because of the interdependent nature of the scientific and engineering disciplines, the aggregate funding levels authorized by the section assume that the Federal research portfolio will be well-balanced among the various scientific and engineering disciplines, and geographically dispersed throughout the States.

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(1) recommend processes to determine an acceptable level of success for federally-funded research and development programs by—

(A) describing the research process in the various scientific and engineering disciplines;

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(C) recommending how these measures may be adapted for use by the Federal government to evaluate federally-funded research and development programs;

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(3) recommend mechanisms for identifying federally-funded research and development programs which are unsuccessful or unproductive;

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(5) investigate and report on the validity of using quantitative performance goals for aspects of programs which relate to administrative management of the program and for which such goals would be appropriate, including aspects related to—

(A) administrative burden on contractors and recipients of financial assistance awards;

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(E) the timeliness of program responses to requests for funding, participation, or equipment use.

(6) examine the extent to which program selection for Federal funding across all agencies exemplifies our nation's historical research and development priorities—

(A) basic, scientific, and technological research in the long-term future scientific and technological capacity of the nation; and

(B) mission research derived from a high-priority public function.

(b) **ALTERNATIVE FORMS FOR PERFORMANCE GOALS.**—Not later than 6 months after transmitting the report under subsection (a) to Congress, the Director of the Office of Management and Budget, after public notice, public comment, and approval by the Director of the Office of Science and Technology Policy and in consultation with the National Science and Technology Council shall promulgate one or more alternative forms for performance goals under section 1115(b)(10)(B) of title 31, United States Code, based on the recommendations of the study under subsection (a) of this section. The head of each agency containing a program activity that is a research and development program may apply an alternative form promulgated under this section for a performance goal to such a program activity without further authorization by the Director of the Office of Management and Budget.

(c) **STRATEGIC PLANS.**—Not later than one year after promulgation of the alternative performance goals in subsection (b) of this section, the head of each agency carrying out research and development activities, upon updating or revising a strategic plan under subsection 306(b) of title 5, United States Code, shall describe the current and future use of methods for determining an acceptable level of success as recommended by the study under subsection (a).

(d) **DEFINITIONS.**—In this section:

(1) **DIRECTOR.**—The term "Director" means the Director of the Office of Science and Technology Policy.

(2) **PROGRAM ACTIVITY.**—The term "program activity" has the meaning given that term by section 1115(f)(6) of title 31, United States Code.

(3) **INDEPENDENT MERIT-BASED EVALUATION.**—The term "independent merit-based evaluation" means review of the scientific or technical quality of research or development, conducted by experts who are chosen for their knowledge of scientific and technical fields relevant to the evaluation and who—

(A) in the case of the review of a program activity, do not derive long-term support from the program activity; or

(B) in the case of the review of a project proposal, are not seeking funds in competition with the proposal.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to



carry out the study required by subsection (a) \$600,000 for the 18-month period beginning October 1, 2000.

**SEC. 9. EFFECTIVE PERFORMANCE ASSESSMENT PROGRAM FOR FEDERALLY-FUNDED RESEARCH.**

(a) IN GENERAL.—Chapter 11 of title 31, United States Code, is amended by adding at the end thereof the following:

**“§ 1120. Accountability for research and development programs**

“(a) IDENTIFICATION OF UNSUCCESSFUL PROGRAMS.—Based upon program performance reports for each fiscal year submitted to the President under section 1116, the Director of the Office of Management and Budget shall identify the civilian research and development program activities, or components thereof, which do not meet an acceptable level of success as defined in section 1115(b)(1)(B). Not later than 30 days after the submission of the reports under section 1116, the Director shall furnish a copy of a report listing the program activities or component identified under this subsection to the President and the Congress.

“(b) ACCOUNTABILITY IF NO IMPROVEMENT SHOWN.—For each program activity or component that is identified by the Director under subsection (a) as being below the acceptable level of success for 2 fiscal years in a row, the head of the agency shall no later than 30 days after the Director submits the second report so identifying the program, submit to the appropriate congressional committees of jurisdiction:

“(1) a concise statement of the steps necessary to—

“(A) bring such program into compliance with performance goals; or

“(B) terminate such program should compliance efforts fail; and

“(2) any legislative changes needed to put the steps contained in such statement into effect.”.

(b) CONFORMING AMENDMENTS.—

(1) The chapter analysis for chapter 11 of title 31, United States Code, is amended by adding at the end thereof the following:

“1120. Accountability for research and development programs”.

(2) Section 1115(f) of title 31, United States Code, is amended by striking “through 1119,” and inserting “through 1120”.

**DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000—Resumed**

**AMENDMENTS NOS. 1350 THROUGH 1353, EN BLOC**

Mr. GORTON. Mr. President, I ask unanimous consent that four amendments at the desk to S. 1217 be agreed to, and that the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 1350 through 1353) were agreed to, as follows:

**AMENDMENT NO. 1350**

(Purpose: To make technical corrections)

On page 21, line 16, delete “\$3,131,895,000” and insert in lieu thereof: “\$3,121,774,000”.

On page 66, line 20, delete “-\$469,000” and insert in lieu thereof: “\$9,652,000”.

On page 66, line 20, delete “-\$3,370,000” and insert in lieu thereof: “\$6,751,000”.

**AMENDMENT NO. 1351**

(Purpose: To restore funding for United States Sentencing Commission)

On page 21, line 16, strike “\$3,151,895,000” and insert “\$3,146,895,000”.

On page 71, line 22, strike “\$4,743,000” and insert “\$9,743,000”.

Mr. LEAHY. Mr. President, I am delighted that the Senate has agreed to my amendment to restore funding for the United States Sentencing Commission. I am pleased that Senator KENNEDY joined me as a cosponsor of this amendment in support of the Commission.

Our amendment to S. 1217 transfers \$5 million from the Bureau of Prisons account to the U.S. Sentencing Commission account. As a result, the Commission will be funded at \$9,743,000 for FY 2000 instead of the current level of only \$4,743,000. This new funding is an increase of \$300,000 compared to the Commission's FY 1999 appropriation of \$9,487,000 but still substantially below the President's request of \$10,800,000 for the Commission.

I understand the Chairman and Ranking Member of the Commerce, Justice, State Appropriations Subcommittee reduced funding for the Commission in part because of their frustration over the vacancy of all seven Commission members since October 31, 1998. I share that frustration, but I am happy to report that the President announced last month his intent to nominate seven highly-qualified individuals to serve as Members of the Commission—Judge Diana E. Murphy, Judge Ruben Castillo, Judge Sterling Johnson, Jr., Judge Joe Kendall, Professor Michael O'Neill, Judge William K. Sessions, III, and Mr. John R. Steer. I am proud to note that Judge Sessions is a Vermonter and dear friend.

The Senate should act promptly to consider and confirm the nominees to the U.S. Sentencing Commission. This Commission has been struggling without a full slate of commissioners for more than a year. We should not only put the Sentencing Commission back into business but we should restore full funding so the Commission is able to fulfill its statutory mandate.

The Commerce, State, Justice Appropriations bill had significantly cut funding for the U.S. Sentencing Commission. In reducing funding for this important commission, the Appropriations Subcommittee stated in its report that “the carriage of justice has continued unabated in the absence of commissioners.” However, that is in direct contradiction to what the Chief Justice of the United States recently stated in his year-end report for the federal judiciary. He stated, “the fact that no appointments have been made to fill any one of these seven vacancies is paralyzing a critical component of the federal criminal justice system.”

The Sentencing Commission is such a critical component of the federal

criminal justice system because it establishes and maintains mandatory sentencing guidelines for over 51,000 criminal cases sentenced in the federal courts each year. The Commission's most critical responsibility today is to adjust the guidelines to implement the important crime legislation we enact every year. Let me emphasize this point: when we enact legislation that calls for increased criminal penalties, it is the Commission's job to make sure that convicted defendants suffer the impact. With no Commissioners since last year, the Commission has been unable to do this job, nor will it next year without new Commissioners and sufficient funding.

Let me give you a few examples of increased penalties we enacted that, to this day, have not caused even one convicted defendant to stay in jail even one more day. Last year, in the Protection of Children from Sexual Predators Act, we required increased penalties for heinous sex abuse against our nation's young. To date, not one sexual predator has been imprisoned for even one day longer. Why? Because the Commission cannot do its job. Nor will it next year without new commissioners and sufficient funding.

Last year, we also passed legislation that required increased penalties for fraudulent telemarketers who prey upon another vulnerable segment of our population, the elderly. Although the outgoing Commission did enact some temporary measures, they are scheduled to expire this Fall. If they do, fraudulent telemarketers, once again, will escape the intended consequences of our legislation. Why? Because the Commission cannot do its job. Nor will it next year without new Commissioners and sufficient funding.

Last Congress, we also passed legislation that required increased penalties for copyright and trademark offenses to protect affected industries from the rampant piracy that threatens job creation and continued economic growth. Once again, not one convicted offender has suffered any increased punishment. Why? Because the Commission cannot do its job. Nor will it next year without new Commissioners and sufficient funding.

So long as the Commission cannot do its job, convicted defendants will also escape the impact of criminal laws we have enacted to combat other serious crimes: methamphetamine trafficking, firearms, phone cloning, and identity theft, just to name a few.

Recently, the Senate approved the juvenile justice legislation, S. 254, that would require the Sentencing Commission to develop comprehensive guidelines for juvenile offenders, so that we can stem the rising tide of juvenile crime. How can the Commission accomplish this vital and historic undertaking without Commissioners and sufficient funding?

We face other unintended, and potentially very costly, consequences of not getting the Commission fully operational soon. I understand that defendants across the country are beginning to mount challenges to the legality of the guidelines in the absence of Commissioners. Regardless of the merits, one can only imagine the paralyzing effects on the criminal justice system if 51,000 defendants start raising this issue. There are better ways to spend limited judicial and prosecutorial resources in fighting crime and enforcing the law than in defending against these claims.

Even in the absence of Commissioners, we should ensure that the Commission is fully funded so that the staff of the Commission may continue to perform its important work. The Commission has an ongoing statutory obligation to amend the sentencing guidelines as necessary to respond to enacted crime legislation, court decisions, and other developments coming to its attention. While the Commission cannot vote to promulgate amendments to the guidelines without commissioners, even in their absence it is essential that Commission staff systematically continue to prepare all supporting material necessary so that incoming commissioners may act to implement the will of Congress in short order.

Apart from the policy decision-making that only Commissioners may perform, the Commission has numerous routine statutory obligations on which Commission staff typically take the lead even when there is a complete slate of Commissioners. The Commission has an ongoing statutory obligation to receive—and federal judges have a corresponding statutory obligation to send—a report from the sentencing court with respect to every sentence imposed under the guidelines, to analyze and share the data in those reports, and use that data to improve the guideline system. Commission staff analyze and enter into our comprehensive database over 50,000 of such cases and extract more than 260 pieces of information from each case annually. Next year, more than 50,000 cases that contain valuable information regarding sentencing practices, offenders, and deterrence will go without analysis if the Commission is not sufficiently funded for fiscal year 2000.

The Commission also has an ongoing statutory obligation to serve as the lead instrumentality for training newly appointed judges and probation officers, as well as prosecuting and defense attorneys, regarding application of the sentencing guidelines and related sentencing issues. Similarly, the Commission has an ongoing responsibility to provide needed continuing education for all those who use the sentencing guidelines to ensure that they are sufficiently informed of recent

amendments to the guidelines and significant court decisions. Commission staff served as lead trainers to more than 2,500 individuals at 47 training programs across the country in fiscal year 1998. Next year, this need for training will go unmet if the Commission is not sufficiently funded for fiscal year 2000.

The Commission also has an ongoing statutory obligation to serve as a clearinghouse of information on sentencing-related topics and to stay current on advancements in the knowledge of human behavior and the degree to which the guidelines are achieving the purposes of sentencing such as deterrence and rehabilitation. Ongoing research on important topics such as federal sentencing for crimes involving firearms, associations between federal appellate decisions and offender race, trends in sentences and offender characteristics in drug trafficking cases, and differing sentencing practices of federal immigration offenders by judicial district will not be completed if the Commission is not sufficiently funded for fiscal year 2000.

Finally, I would like to emphasize what the Chief Justice said. If we are going to have guidelines and require federal judges to impose guideline sentences, the Sentencing Commission must be empowered to do its work. And that means it needs both Commissioners and sufficient funding to fulfill its critical role in the federal criminal justice system.

I appreciate the support of my colleagues to restore funding for the U.S. Sentencing Commission for the next fiscal year.

#### AMENDMENT NO. 1352

(Purpose: To modify the circumstances under which attorneys' fees in Federal capital cases can be disclosed)

On page 73, between line 12 and 13, insert the following:

SEC. 306.—

(A) Section 3006A(d)(D)(vi) of title 18, United States Code, is amended by adding after the word "require" the following: "except that the amount of the fees shall not be considered a reason justifying any limited disclosure under 18 U.S.C. Sec. 3006A(d)(4)".

(B) EFFECTIVE DATE.—

This Act shall apply to all disclosures made under 3006A(d) of title 18, United States Code, related to any criminal trial or appeal involving a sentence of death where the underlying alleged criminal conduct took place on or after April 19, 1995.

#### AMENDMENT NO. 1353

(Purpose: To ensure that current Federal family violence prevention programs are sensitive to the needs of all Americans including seniors and the disabled)

At the appropriate place, insert the following:

#### SEC. . . . PROTECTION OF SENIORS AND THE DISABLED IN FEDERAL FAMILY VIOLENCE PREVENTION PROGRAMS.

(a) FINDINGS.—Congress finds that—

(1) of the estimated more than 1,000,000 persons age 65 and over who are victims of family violence each year, at least ¾ are women;

(2) national statistics are not available on the incidence of domestic or family violence and sexual assault against disabled women, although several studies indicate that abuse of disabled women is of a longer duration compared to abuse suffered by women who are not disabled;

(3) in almost 9 out of 10 incidents of domestic elder abuse and neglect, the perpetrator is a family member, and adult children of the victims are the largest category of perpetrators and spouses are the second largest category of perpetrators;

(4) the number of reports of elder abuse in the United States increased by 150 percent between 1986 and 1996 and is expected to continue increasing;

(5) it is estimated that at least 5 percent of the Nation's elderly are victims of moderate to severe abuse and that the rate for all forms of abuse may be as high as 10 percent;

(6) elder abuse is severely underreported, with 1 in 5 cases being reported in 1980 and only 1 in 8 cases being reported today;

(7) many older and disabled women fail to report abuse because of shame or as a result of prior unsatisfactory experiences with individual agencies or others who lack sensitivity to the concerns or needs of older or disabled individuals;

(8) many older or disabled individuals also fail to report abuse because they are dependent on their abusers and fear being abandoned or institutionalized;

(9) disabled women may fear reporting abuse because they are fearful of losing their children in a custody case;

(10) public and professional awareness and identification of violence against older or disabled Americans may be difficult because these persons are not integrated into many social networks (such as schools or jobs), and may become isolated in their homes, which can increase the risk of domestic abuse; and

(11) older and disabled Americans would greatly benefit from policies that develop, strengthen, and implement programs for the prevention of abuse, including neglect and exploitation, and provide related assistance for victims.

(b) IN GENERAL.—Part T of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended—

(1) in section 2001 (42 U.S.C. 3796gg)—

(A) in subsection (a)—

(i) by inserting "including older women and women with a disability" after "combat violent crimes against women"; and

(ii) by inserting "including older women and women with a disability" before the period; and

(B) in subsection (b)—

(i) in the matter preceding paragraph (1), by inserting "including older women and women with a disability" after "against women";

(ii) in paragraph (6), by striking "and" after the semicolon;

(iii) in paragraph (7), by striking the period and inserting "and"; and

(iv) by adding at the end the following:

"(8) developing a curriculum to train and assist law enforcement officers, prosecutors, and relevant officers of the Federal, State, tribal, and local courts in identifying and responding to crimes of domestic violence and sexual assault against older individuals and individuals with a disability and implementing that training and assistance.";

(2) in section 2002(c)(2) (42 U.S.C. 3796gg-1)

by inserting "and service programs tailored to the needs of older and disabled victims of domestic violence and sexual assault" before the semicolon; and

(3) in section 2003 (42 U.S.C. 3796gg-2)—

(A) in paragraph (7), by striking “and” after the semicolon;

(B) in paragraph (8), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(9) both the term ‘elder’ and the term ‘older individual’ have the meaning given the term ‘older individual’ in section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002); and

“(10) the term ‘disability’ has the meaning given the term in section 3(3) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102(3)).”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to any grant made beginning with fiscal year 2000.

#### VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 1999

Mr. GORTON. I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 216, S. 1393.

The PRESIDING OFFICER. The clerk will report the bill by Title.

The legislative clerk read as follows:

A bill (S. 1393) to provide a cost-of-living adjustment in rates of compensation for veterans with service-connected disabilities and dependency and indemnity compensation for survivors of such veterans, to amend title 38, United States Code, to codify the previous cost-of-living adjustment in such rates, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. GORTON. Mr. President, I ask unanimous consent that the bill be read the third time, and the Veterans' Affairs Committee be discharged from further consideration of H.R. 2280. I further ask consent that the Senate proceed to its consideration, all after the enacting clause be stricken, and the text of S. 1393 be inserted in lieu thereof, the bill be read the third time, and passed.

I finally ask that the motions to reconsider be laid upon the table and that any statements relating to the bill be printed in the RECORD and S. 1393 be placed back on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2280), as amended, was read the third time and passed.

#### ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE PROGRAMS IMPROVEMENTS ACT OF 1999

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 222, S. 1402.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1402) to amend title 38, United States Code, to enhance programs providing education benefits for veterans, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. GORTON. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1402) was read the third time and passed, as follows:

S. 1402

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the “All-Volunteer Force Educational Assistance Programs Improvements Act of 1999”.

#### SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

#### SEC. 3. AVAILABILITY OF MONTGOMERY GI BILL BENEFITS FOR PREPARATORY COURSES FOR COLLEGE AND GRADUATE SCHOOL ENTRANCE EXAMS.

Section 3002(3) is amended—

(1) in subparagraph (A), by striking “and” at the end;

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

“(B) includes—

“(i) a preparatory course for a test that is required or utilized for admission to an institution of higher education; and

“(ii) a preparatory course for a test that is required or utilized for admission to a graduate school; and”.

#### SEC. 4. INCREASE IN BASIC BENEFIT OF ACTIVE DUTY EDUCATIONAL ASSISTANCE.

(a) **INCREASE IN BASIC BENEFIT.**—Section 3015 is amended—

(1) in subsection (a)(1), by striking “\$528” and inserting “\$600”; and

(2) in subsection (b)(1), by striking “\$429” and inserting “\$488”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on October 1, 1999, and shall apply with respect to educational assistance allowances paid for months after September 1999. However, no adjustment in rates of educational assistance shall be made under section 3015(g) of title 38, United States Code, for fiscal year 2000.

#### SEC. 5. INCREASE IN RATES OF SURVIVORS AND DEPENDENTS EDUCATIONAL ASSISTANCE.

(a) **SURVIVORS AND DEPENDENTS EDUCATIONAL ASSISTANCE.**—Section 3532 is amended—

(1) in subsection (a)(1)—

(A) by striking “\$485” and inserting “\$550”; and

(B) by striking “\$365” and inserting “\$414”; and

(C) by striking “\$242” and inserting “\$274”; and

(2) in subsection (a)(2), by striking “\$485” and inserting “\$550”; and

(3) in subsection (b), by striking “\$485” and inserting “\$550”; and

(4) in subsection (c)(2)—

(A) by striking “\$392” and inserting “\$445”; and

(B) by striking “\$294” and inserting “\$333”; and

(C) by striking “\$196” and inserting “\$222”.

(b) **CORRESPONDENCE COURSE.**—Section 3534(b) is amended by striking “\$485” and inserting “\$550”.

(c) **SPECIAL RESTORATIVE TRAINING.**—Section 3542(a) is amended—

(1) by striking “\$485” and inserting “\$550”; and

(2) by striking “\$152” each place it appears and inserting “\$172”; and

(3) by striking “\$16.16” and inserting “\$18.35”.

(d) **APPRENTICESHIP TRAINING.**—Section 3687(b)(2) is amended—

(1) by striking “\$353” and inserting “\$401”; and

(2) by striking “\$264” and inserting “\$299”; and

(3) by striking “\$175” and inserting “\$198”; and

(4) by striking “\$88” and inserting “\$99”.

(e) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on October 1, 1999, and shall apply with respect to educational assistance paid for months after September 1999.

#### SEC. 6. INCREASED ACTIVE DUTY EDUCATIONAL ASSISTANCE BENEFIT FOR CONTRIBUTING MEMBERS.

(a) **AUTHORITY TO MAKE CONTRIBUTIONS FOR INCREASED ASSISTANCE AMOUNT.**—(1) Section 3011 is amended—

(A) by redesignating subsection (i) as subsection (j); and

(B) by inserting after subsection (h) the following new subsection (i):

“(i)(1) Any individual eligible for educational assistance under this section who does not make an election under subsection (c)(1) may contribute amounts for purposes of receiving an increased amount of basic educational assistance as provided for under section 3015(g) of this title. Such contributions shall be in addition to any reductions in the basic pay of such individual under subsection (b).

“(2) An individual covered by paragraph (1) may make the contributions authorized by that paragraph at any time while on active duty.

“(3) The total amount of the contributions made by an individual under paragraph (1) may not exceed \$600. Such contributions shall be made in multiples of \$4.

“(4) Contributions under this subsection shall be made to the Secretary. The Secretary shall deposit any amounts received by the Secretary as contributions under this subsection into the Treasury as miscellaneous receipts.”

(2) Section 3012 is amended—

(A) by redesignating subsection (g) as subsection (h); and

(B) by inserting after subsection (f) the following new subsection (g):

“(g)(1) Any individual eligible for educational assistance under this section who does not make an election under subsection (d)(1) may contribute amounts for purposes of receiving an increased amount of basic educational assistance as provided for under section 3015(g) of this title. Such contributions shall be in addition to any reductions in the basic pay of such individual under subsection (c).

“(2) An individual covered by paragraph (1) may make the contributions authorized by that paragraph at any time while on active duty.

“(3) The total amount of the contributions made by an individual under paragraph (1) may not exceed \$600. Such contributions shall be made in multiples of \$4.

“(4) Contributions under this subsection shall be made to the Secretary. The Secretary shall deposit any amounts received by the Secretary as contributions under this

subsection into the Treasury as miscellaneous receipts.”.

(b) **INCREASED ASSISTANCE AMOUNT.**—Section 3015, as amended by section 4 of this Act, is further amended—

(1) by striking “subsection (g)” each place it appears in subsections (a)(1) and (b)(1) and inserting “subsection (h)”;

(2) by redesignating subsection (g) as subsection (h); and

(3) by inserting after subsection (f) the following new subsection (g):

“(g) In the case of an individual who has made contributions authorized by section 3011(i) or 3012(g) of this title, the monthly amount of basic educational assistance allowance applicable to such individual under subsection (a), (b), or (c) shall be the monthly rate otherwise provided for under the applicable subsection increased by—

“(1) an amount equal to \$1 for each \$4 contributed by such individual under section 3011(i) or 3012(g), as the case may be, for an approved program of education pursued on a full-time basis; or

“(2) an appropriately reduced amount based on the amount so contributed, as determined under regulations which the Secretary shall prescribe, for an approved program of education pursued on less than a full-time basis.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on January 1, 2000.

**SEC. 7. CONTINUING ELIGIBILITY FOR EDUCATIONAL ASSISTANCE OF MEMBERS OF THE ARMED FORCES ATTENDING OFFICER TRAINING SCHOOL.**

Section 3011(a)(1) is amended—

(1) in subparagraph (A)(ii)—

(A) by striking “or (III)” and inserting “(III)”;

(B) by inserting before the semicolon at the end the following: “or (IV) for immediate reenlistment to accept a commission as an officer and subsequently completes the resulting obligated period of active duty service as a commissioned officer”;

(2) in subparagraph (B)(ii)—

(A) by striking “, or (III)” and inserting “; (III)”;

(B) by inserting before the semicolon at the end the following: “or (IV) for immediate reenlistment to accept a commission as an officer and subsequently completes the resulting obligated period of active duty service as a commissioned officer”.

**SEC. 8. ELIGIBILITY OF MEMBERS OF THE ARMED FORCES TO WITHDRAW ELECTIONS NOT TO RECEIVE MONTGOMERY GI BILL BASIC EDUCATIONAL ASSISTANCE.**

(a) **MEMBERS ON ACTIVE DUTY.**—Section 3011(c) is amended by adding at the end the following:

“(4)(A) An individual who makes an election under paragraph (1) may withdraw the election at any time before the discharge or release of the individual from active duty in the Armed Forces. An individual who withdraws such an election may become entitled to basic educational assistance under this chapter.

“(B) The withdrawal of an election under this paragraph shall be made in accordance with regulations prescribed by the Secretary of Defense or by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy.

“(C)(i) In the case of an individual who withdraws an election under this paragraph—

“(I) the basic pay of the individual shall be reduced by \$100 for each month after the

month in which the election is made until the total amount of such reductions equals \$1,500; or

“(II) to the extent that basic pay is not so reduced before the individual's discharge or release from active duty in the Armed Forces, the Secretary, before authorizing the payment of educational assistance under this chapter, shall ensure that an amount equal to the difference between \$1,500 and the total amount of reductions under subclause (I) was paid before the discharge or release of the individual from active duty in the Armed Forces.

“(ii) An individual described in clause (i) may pay the Secretary at any time before discharge or release from active duty in the Armed Forces an amount equal to the total amount of the reduction in basic pay otherwise required with respect to the individual under that clause minus the total amount of reductions of basic pay of the individual under that clause at the time of the payment under this clause.

“(iii) The second sentence of subsection (b) shall apply to any reductions in basic pay under clause (i)(I).

“(iv) Amounts paid under clauses (i)(II) and (ii) shall be deposited into the Treasury as miscellaneous receipts.

“(D) The withdrawal of an election under this paragraph is irrevocable.”.

(b) **MEMBERS OF SELECTED RESERVE.**—Section 3012(d) is amended by adding at the end the following:

“(4)(A) An individual who makes an election under paragraph (1) may withdraw the election at any time before the discharge or release of the individual from the Armed Forces. An individual who withdraws such an election may become entitled to basic educational assistance under this chapter.

“(B) The withdrawal of an election under this paragraph shall be made in accordance with regulations prescribed by the Secretary of Defense or by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy.

“(C)(i) In the case of an individual who withdraws an election under this paragraph—

“(I) the basic pay or compensation of the individual shall be reduced by \$100 for each month after the month in which the election is made until the total amount of such reductions equals \$1,500; or

“(II) to the extent that basic pay or compensation is not so reduced before the individual's discharge or release from the Armed Forces, the Secretary, before authorizing the payment of educational assistance under this chapter, shall ensure that an amount equal to the difference between \$1,500 and the total amount of reductions under subclause (I) was paid before the discharge or release of the individual from the Armed Forces.

“(ii) An individual described in clause (i) may pay the Secretary at any time before discharge or release from the Armed Forces an amount equal to the total amount of the reduction in basic pay or compensation otherwise required with respect to the individual under that clause minus the total amount of reductions of basic pay or compensation of the individual under that clause at the time of the payment under this clause.

“(iii) The second sentence of subsection (c) shall apply to any reductions in basic pay or compensation under clause (i)(I).

“(iv) Amounts paid under clauses (i)(II) and (ii) shall be deposited into the Treasury as miscellaneous receipts.

“(D) The withdrawal of an election under this paragraph is irrevocable.”.

**SEC. 9. ACCELERATED PAYMENTS OF BASIC EDUCATIONAL ASSISTANCE.**

Section 3014 is amended—

(1) by inserting “(a)” before “The Secretary”; and

(2) by adding at the end the following new subsection:

“(b)(1) The Secretary may make payments of basic educational assistance under this subchapter on an accelerated basis.

“(2) The Secretary may pay basic educational assistance on an accelerated basis under this subsection only to an individual entitled to payment of such assistance under this subchapter who has made a request for payment of such assistance on an accelerated basis.

“(3) In the event an adjustment under section 3015(g) of this title in the monthly rate of basic educational assistance will occur during a period for which a payment of such assistance is made on an accelerated basis under this subsection, the Secretary shall pay on an accelerated basis the amount of such assistance otherwise payable under this subchapter for the period without regard to the adjustment under that section.

“(4) For each accelerated payment made to an individual, the individual's entitlement under this subchapter shall be charged as if the individual had received a monthly educational assistance allowance for the period of educational pursuit covered by the accelerated payment.

“(5) Basic educational assistance shall be paid on an accelerated basis under this subsection as follows:

“(A) In the case of assistance for a course leading to a standard college degree, at the beginning of the quarter, semester, or term of the course in a lump-sum amount equivalent to the aggregate amount of monthly assistance otherwise payable under this subchapter for the quarter, semester, or term, as the case may be, of the course.

“(B) In the case of assistance for a course other than a course referred to in subparagraph (A)—

“(i) at the later of (I) the beginning of the course, or (II) a reasonable time after the request for payment by the individual concerned; and

“(ii) in any amount requested by the individual concerned within the limit, if any, specified in the regulations prescribed by the Secretary under paragraph (6), with such limit not to exceed the aggregate amount of monthly assistance otherwise payable under this subchapter for the period of the course.

“(6) The Secretary shall prescribe regulations for purposes of making payments of basic educational assistance on an accelerated basis under this subsection. Such regulations shall include requirements relating to the request for, making and delivery of, and receipt and use of such payments and may include a limit on the amount payable for a course under paragraph (5)(B)(ii).”.

**SEC. 10. VETERANS EDUCATION AND VOCATIONAL TRAINING BENEFITS PROVIDED BY THE STATES.**

(a) **ANNUAL REPORT.**—(1) Not later than six months after the date of the enactment of this Act, and January 31 of each year thereafter, the Secretary of Veterans Affairs shall, in consultation with the Secretary of Education, the Secretary of Defense, and the Secretary of Labor, submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on veterans education and vocational training benefits provided by the States.

(2) A report under paragraph (1) shall include, for the one-year period ending on the date of the report, the following:

(A) A description of the assistance in securing post-secondary education and vocational training provided veterans by each State.

(B) A list of the States which provide veterans full or partial waivers of tuition for attending institutions of higher education that are State-supported.

(C) A description of the actions taken by the Department of Veterans Affairs, Department of Defense, Department of Education, and Department of Labor to encourage the States to provide benefits designed to assist veterans in securing post-secondary education and vocational training.

(b) SENSE OF CONGRESS REGARDING STATE VETERANS EDUCATION AND VOCATIONAL TRAINING BENEFITS.—(1) Congress makes the following findings:

(A) The peace and prosperity of the citizens of the States are ensured by the voluntary service of men and women in the Armed Forces.

(B) Veterans benefit from the military training and discipline and the success-oriented attitude that are inculcated by service in the Armed Forces.

(C) It is in the social and economic interests of the States to take advantage of the positive personal attributes of veterans which are nurtured through service in the Armed Forces.

(D) A post-secondary education provides veterans the means to maximize their contribution to the society and economy of the States.

(E) Some States have recognized that it is in their interest to provide veterans post-secondary education on a tuition-free basis.

(2) It is the sense of Congress that each of the States should admit qualified veterans to publicly-supported institutions of higher education on a tuition-free basis.

(c) STATE DEFINED.—In this section, the term "State" has the meaning given that term in section 101(20) of title 38, United States Code.

#### ORDERS FOR TUESDAY, JULY 27, 1999

Mr. GORTON. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Tuesday, July 27. I further ask unanimous consent that on Tuesday immediately following the prayer the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period of morning business for 30 minutes with Senators speaking for up to five minutes each, and that the time be equally divided in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. I also ask unanimous consent that the Senate stand in recess from the hours of 12:30 p.m. until 2:15 p.m. for the weekly policy conferences to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### PROGRAM

Mr. GORTON. Mr. President, for the information of all Senators, the Senate

will be in a period of morning business until 10 a.m. Following morning business, the Senate will begin consideration of any available appropriations bills. It is hoped that the Senate can make significant progress on appropriations bills this week. Therefore, amendments and votes are expected throughout tomorrow's session of the Senate.

As a reminder, cloture on the substitute amendment to the juvenile justice legislation was filed today. By previous consent, that cloture vote will occur on Wednesday at 9:45 a.m.

Further, the Senate is expected to begin consideration of the reconciliation bill during Wednesday's session of the Senate.

#### ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. GORTON. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:10 p.m. adjourned until Tuesday, July 27, 1999, at 9:30 a.m.

#### NOMINATIONS

Executive nominations received by the Senate July 26, 1999:

##### IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVAL RESERVE UNDER TITLE 10, U.S.C., SECTION 12203:

##### To be captain

THOMAS K. AANSTOOS  
JESSE ADAMS, JR.  
MICHAEL A. ADAMS  
DENNIS E. AHERN  
GEORGE P. ALESSIO, JR.  
WILLIAM S. ARAMONY  
JAMES C. ARRINGTON  
NANCY J. ATKINSON  
FRANKLIN E. BAILEY  
DAVID A. BANACH  
DENNIS M. BASH  
FLORIDA B. BATTLE  
MARK A. BATTLE  
HARRY A. BECK  
ARTHUR S. BENSON  
JOHN A. BERNETSKIE  
VANCE D. BERRY, JR.  
WILLIAM T. BERSSON  
CONNIE L. BEST  
KAREN F. BLACKBURN  
LELAND S. BLOUGH, JR.  
GERALD W. BOCK  
ULYSSES S. BOWLER, JR.  
KENT D. BROSTROM  
WALTER W. BROWN  
JOE P. BRYAN  
JOHNATHAN W. BRYAN  
ROBERT L. BRYANT  
KATHLEEN S. BURKHART  
GLEN A. BUSBY  
KURT B. BUSKA  
TIMOTHY J. BUTSON  
FLOYD G. CAMPEN  
ROBERT H. CAUTHEN  
BECKY J. CERVENKA  
JOHN C. CHAHBAZI  
MARK E. CHESTON  
RONALD D. CHRISTIAN  
RALPH A. CICORA  
JOSEPH R. COCKRELL  
REX D. CONGER  
NOREEN CONSIDINE  
GLEN A. COOK  
RICHARD A. COULON  
HUGH P. COWDIN, JR.  
THOMAS L. COX  
SEAN F. CREAN  
LARRY D. CRIPPS  
JOHN M. CROSS  
STEPHEN J. DANGELO

JOHN H. DEASY  
JOHN B. DELCAMBRE  
GREGORY K. DENARDO  
MICHAEL M. DICKERSON  
MARK G. DOHERTY  
JUDITH E. DOUGHERTY  
SARA G. DRAPER  
JON B. DULL  
GREGORY L. DUNCAN  
LESLIE H. DUNLAP  
LINDA A. EARHART  
ROBERT J. EATINGER, JR.  
NORMAN V. EID  
ERWIN L. EPPLER  
JOHN A. FABIAN III  
DAVID D. FABRE  
ROBERT G. FERNHOLZ  
EDWARD B. FERRER  
JOHN E. FETTER  
JAMES M. FORSETH  
CARL J. FRANK  
HUGH E. FRASER  
MICHAEL C. FREEMYERS  
BRIAN L. FRESHER  
RANDALL E. FROST  
STEPHEN S. FROST  
VERA GARBER  
BENJAMIN M. GASTON IV  
JAMES F. GATES  
LAURENCE R. GERBO  
DAN E. GODBOLD  
FRANK A. GRECO  
ROBERT E. GREENE  
ROBERT C. GREER IV  
BRUCE V. GRONKIEWICZ  
STEVEN K. HAMILTON  
WILLIAM E. HARTMAN  
JAMES D. HARTY  
MARK D. HEILMAN  
WILLIAM L. HENNRIKUS  
DOUGLAS J. HENSCHER  
WILLIAM L. HEROLD  
MICHAEL J. HERRIGES  
STEPHEN M. HICKEL  
STANLEY M. HIGGINS  
WADE L. HILL  
DOUGLAS M. HINSON  
TONI J. HOLLAND  
DAVID T. HOV  
MARY R. HOV  
DENNIS E. HUGHES  
JUDITH D. IRVINE  
ROBERT C. JACKSON  
CHRISTOPHER F. JAMES  
DOUGLAS G. JEU  
RAY JOHANSMEIER  
STEPHEN H. JOHNSON  
TIMOTHY L. JOHNSON  
WESLEY H. JOHNSON  
CHRISTINA JOY  
NORMA J. JUST  
STEPHEN W. KAJA  
MARY E. KAPPUS  
SUSAN KAWESKI  
JOYCE M. KELLER  
RICHARD W. KING  
LYNN A. KLANCHAR  
CARL W. KNUCKLES  
PAUL F. KRUG  
ALAN K. KULP  
JEROME T. LANDSTROM  
PETER M. LARSEN  
GEORGE F. LEIDIG, JR.  
JOSHUA M. LIEBERMAN  
PAUL M. LOEFFLER  
MARK A.D. LONG  
GARY W. LOVGREN  
JOSEPH M. LYNCH III  
RON J. MACLAREN  
THOMAS D. MADISON  
KEVIN MAHONEY  
CRAIG L. MAJKOWSKI  
JAMES P. MAKOFKSKE  
DELANOR A. MANSON  
DANIEL E. MARTINEZ  
DOUGLAS W. MARX  
JAMES M. MAXWELL  
JAMES G. MAYO  
IRENE M. MCALEER  
NANCY M. MCCARTHEY  
TIMOTHY J. MCCULLOUGH  
JOHN D. MCDIVITT  
RUSSELL R. MCKINNEY  
CHARLES E. MCMANUS  
DOUGLAS B. MCMULLEN  
WILLIAM H. MCNAMARA  
CHARLES B. MCVEIGH, JR.  
VIVIAN G. MELIDOSIAN  
ROBERT D. METCALFE III  
KENNETH J. METZGER  
DAVID O. MILLER  
LADSON F. MILLS III  
CRAIG S. MITCHELL  
JESSE H. MONESTERSKY  
MARY V. MOON  
STEPHEN G. MORSE  
ROGER W. NADEAU  
BONNIE A. NAULT  
MICHAEL E. NELLESTEIN  
MIKAL H. NICHOLLS  
ANDREW M. NIENHAUS  
STEVEN D. NOWICKI

MARK A. OBRIEN  
MARY E. OGDEN  
JONATHAN S. OLSHAKER  
LINDA L. OTIS  
MIGUEL M. PALOS  
FREDERICK G. PANICO  
HARRIETTE C. PARSONS  
WALTER J. PASKEY, JR.  
JOSEPH A. PASQUALUCCI  
ALLAN K. PATCH  
MICHAEL S. PATTERSON  
DAVID J. PAVEGLIO  
PAUL A. PAYNE  
JOSEPH P. PECORELLI  
ANN M. PEDEN  
RUSSELL G. PENDERGRASS  
THOMAS J. PETERS  
JAMES K. PETERSON  
ANTHONY D. QUINN  
SHACKLEY F. RAFFETTO  
JAMES E. RANDOL  
SHARON H. REDPATH  
DANNY C. RHODES  
FREDERICK J. RIBLE, JR.  
EMILY L. RICHIE  
MARY L. RITZ  
MITCHELL L. ROBINSON

RONAL ROGALSKY  
JUNE M. ROGERS  
RICHARD M. ROGERS  
JOE P. ROUSE  
LAURENCE P. RUSSE II  
WILLIAM L. SAUL  
DENNIS R. SCHRADER  
ROBERT C. SCIORTINO  
DAVID J. SCOTT  
STRATTON SHANNON  
HENRY C. SHELLEY, JR.  
GEORGE J. SHEPPARD III  
KIMBERLY SHUNK  
LAWRENCE R. SMITH  
NELSON A. SMITH  
ROBERT M. SMITH  
WILLIAM SMITH  
KENTON O. SMITHERMAN  
AMBALAVANAR SOMASKANDA  
DENNIS R. STAGGS  
CLAUDE R. STEPHENS, JR.  
RENEE M. STEVENS  
ROM A. STEVENS  
LEWIS E. STEWART  
WILLIAM R. STRAND  
WILLIAM B. SWALLOW  
JAYNE A. TAYLOR

HARVEY F. THOMAS  
MICHAEL D. THOMAS  
WILLIAM R. THOMPSON  
SUSAN R. TOKLE  
BARBARA J. TOMCKO  
JOHN F. TOMPKINS II  
ERIC C. TORP  
BETH A. TROUM  
KENNETH G. TUEBNER  
JOHN R. TYLER  
ELAINE K. TYREE  
PATRICIA J. UNDERDAHL  
PHILIP J. VARGAS  
CHARLES F. VAUGHAN  
JOSEPH M. VULGAMORE  
DANIEL P. WALSH  
SUSAN J. WALSH  
ROBERT M. WARLING  
DAVID G. WEAVER  
MICHAEL D. WELCH  
TODD R. WELLENSEK  
BRIAN D. WELTZEN  
THOMAS G. WESTBROOK  
STEPHEN E. WILSON  
SUZANNE J. WINGATE  
WILLIAM D. WRIGHT, JR.  
ROBERT D. YOUNGER



# HOUSE OF REPRESENTATIVES—Monday, July 26, 1999

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. GIBBONS).

## DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,  
July 26, 1999.

I hereby appoint the Honorable JIM GIBBONS to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,  
*Speaker of the House of Representatives.*

## MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 19, 1999, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to 5 minutes.

## RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m.

Accordingly (at 12 o'clock and 32 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

## AFTER RECESS

The recess having expired, the House was called to order at 2 p.m.

## PRAYER

The Chaplain, the Reverend James David Ford, D.D., offered the following prayer:

We pray, almighty God, that we will have the maturity and the spiritual insight to realize that Your goodness and Your blessings come to us not because of our righteousness, but because of Your grace to all people. Give us, O God, a greater sense of humility in our minds and a wonderful simplicity of faith so that we see more clearly the wonder and the majesty and the grandeur of Your gifts to us. For Your love to us and Your reconciling spirit, for

Your peace that passes all human understanding, we offer this prayer of thanksgiving and praise. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Georgia (Mr. NORWOOD) come forward and lead the House in the Pledge of Allegiance.

Mr. NORWOOD led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1480. An act to provide for the conservation and development of water and related resources, to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1480) "An Act to provide for the conservation and development of water and related resources, to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses, thereon, and appoints Mr. CHAFEE, Mr. WARNER, Mr. SMITH of New Hampshire, Mr. VOINOVICH, Mr. BAUCUS, Mr. MOYNIHAN, and Mrs. BOXER, to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 900) "An Act to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial

service providers, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GRAMM, Mr. SHELBY, Mr. MACK, Mr. BENNETT, Mr. GRAMS, Mr. ALLARD, Mr. ENZI, Mr. HAGEL, Mr. SANTORUM, Mr. BUNNING, Mr. CRAPO, Mr. SARBANES, Mr. DODD, Mr. KERRY, Mr. BRYAN, Mr. JOHNSON, Mr. REED, Mr. SCHUMER, Mr. BAYH, and Mr. EDWARDS, to be the conferees on the part of the Senate.

## CONGRESS SHOULD ENCOURAGE MINERAL DEVELOPMENT, NOT TAX IT

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, time and time again we have heard the opponents of the 1872 mining law come down to the well and state that the United States is the only major country which does not charge a Federal royalty for mining on government land. These same anti-mining critics want to add a 5 to 10 percent tax on all U.S. mineral production.

A recent survey was conducted on 17 major mining countries that compete with the United States. These 17 countries account for about 85 percent of all metal and minerals produced by the free world market economy. The average royalty they pay in these 17 countries surveyed was just under 1 percent, that is right, less than 1 percent.

Mr. Speaker, the United States must remain competitive internationally, and these proposed changes to the mining law would not allow us to do so. The United States is already a net importer of most minerals. Why is it that we are so worried about the trade deficit, and here we are talking about potential legislation that would render us completely dependent upon foreign nations for necessary goods and minerals that could be produced right here at home?

Mr. Speaker, Congress would be wise to encourage mineral development to offset the trade deficit and our dependence on foreign countries. In the meantime, this would create jobs, thereby increasing tax revenues and lowering social costs to the government.

## SHOULD A GYMNASIUM FOR THE U.S. MILITARY ACADEMY AT WEST POINT COST \$85 MILLION?

(Mr. COBLE asked and was given permission to address the House for 1

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

minute and to revise and extend his remarks.)

Mr. COBLE. Mr. Speaker, the Army has requested an \$85 million construction project for a gymnasium at the United States Military Academy at West Point. Apparently the showers are to be gold-plated, since the average cost for a military physical fitness facility is \$7 million. This request is outrageous.

I am advised that the Army has requested no family housing construction, yet an \$85 million gym enjoys priority status.

Only last week the Republican tax package emphasized the significance of taxpayers retaining more of their hard-earned money. This approach emphasizes compassion and common sense, while the Army struts front and center demanding an \$85 million gymnasium.

The time has come, Mr. Speaker, for all of us to redirect our priorities and practice prudence in lieu of recklessness.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PEASE). Pursuant to the provisions of clause 8 of rule XX, the Chair announces that it will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Such rollcall votes, if postponed, will be taken later today.

#### LAKE OCONEE LAND EXCHANGE ACT

Mr. GOODLATTE. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 604) to direct the Secretary of Agriculture to complete a land exchange with Georgia Power Company.

The Clerk read as follows:

S. 604

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Lake Oconee Land Exchange Act".

#### SEC. 2. LAKE OCONEE LAND EXCHANGE.

(a) DEFINITIONS.—In this section:

(1) DESCRIPTION OF THE BOUNDARY.—The term "description of the boundary" means the documents entitled "Description of the Boundary" dated September 6, 1996, prepared by the Forest Service and on file with the Secretary.

(2) EXCHANGE AGREEMENT.—The term "exchange agreement" means the agreement between Georgia Power Company and the Forest Service dated December 26, 1996, as amended on August 17, 1998, on file with the Secretary.

(3) GEORGIA POWER COMPANY.—The term "Georgia Power Company" means Georgia Power Company, a division of the Southern

Company, a Georgia corporation, or its successors or assigns.

(4) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(b) LAND EXCHANGE.—

(1) IN GENERAL.—Simultaneously with conveyance by Georgia Power Company to the Secretary of all right, title, and interest in and to the land described in paragraph (2), the Secretary shall—

(A) convey to Georgia Power Company all right, title, and interest in and to the land described in paragraph (3), except as provided in the exchange agreement; and

(B) make a value equalization payment of \$23,250 to Georgia Power Company.

(2) LAND TO BE CONVEYED TO THE SECRETARY.—The land described in this paragraph is the land within or near the Chattahoochee National Forest and Oconee National Forest in the State of Georgia, comprising approximately 1,175.46 acres, described in the exchange agreement and the description of the boundary.

(3) LAND TO BE CONVEYED TO GEORGIA POWER COMPANY.—The land described in this paragraph is the land in the State of Georgia, comprising approximately 1,275.80 acres, described in the exchange agreement and the description of the boundary.

(c) PARTIAL REVOCATION OF WITHDRAWALS.—

(1) IN GENERAL.—The orders issued by the Federal Energy Regulatory Commission under section 24 of the Federal Power Act (16 U.S.C. 818), authorizing Power Project Numbers 2413 and 2354, issued August 6, 1969, and October 1, 1996, respectively, are revoked insofar as the orders affect the land described in subsection (b)(3).

(2) NO ANNUAL CHARGE.—No interest conveyed to Georgia Power Company or easement right retained by Georgia Power Company under this section shall be subject to an annual charge for the purpose of compensating the United States for the use of its land for power purposes.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. GOODLATTE) and the gentleman from Minnesota (Mr. PETERSON) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I rise in support of the Lake Oconee Land Exchange Act, which would enact a mutually beneficial exchange of land between the USDA Forest Service and the Georgia Power Company.

The exchange would result in consolidation and more efficient management of national forests, increased protection of wildlife and habitats, and improved recreational access for citizens.

The Forest Service will exchange Forest Service lands that lie under Lake Oconee behind Georgia Power's Wallace Dam on the Oconee River in northern Georgia, flood rights on contour strips around the lake, and two parcels in neighboring counties, in exchange for lands Georgia Power owns within the Chattahoochee and Oconee National Forests.

The exchange involves approximately 1,200 acres of Forest Service land for

approximately 1,100 acres of Georgia Power land.

The exchange will allow the Forest Service to acquire one of two remaining non-Federal properties within congressionally designated wilderness areas in north Georgia. This tract is in the middle of the Rich Mountain Wilderness, and totally surrounded by other National Forest lands.

The vast majority of lands to be transferred by the Forest Service lie at the bottom of Lake Oconee and are not actively conveying any public benefit. The remainder of the properties being relinquished to Georgia Power is currently occupied by Georgia Power facilities in Rabun County. These properties are of minimal value to the National Forest, and would be more appropriately owned by Georgia Power.

The Forest Service, as detailed by the Forest Supervisor's Decision Memo, has determined that the transfer complies with the National Environmental Policy Act of 1969, and is supportive of the bill.

In addition, 67 percent of the lands of Rabun County are currently part of the Chattahoochee National Forest. This concentrated ownership poses a considerable strain on the ad valorem tax base of Rabun County. Included within the land exchange is the conveyance to Georgia Power Company of over 145 acres of property in Rabun County that currently houses Georgia Power facilities. The divestment of this property will facilitate Rabun County and their problem with their limited tax base.

I urge Members' support of this legislation, with the assurance that this exchange will allow improved management by both parties, resulting in increased environmental protection and enjoyable utilization by all citizens.

Mr. Speaker, I reserve the balance of my time.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of S. 604, the Oconee Land Exchange Act. The companion bill in the House is H.R. 1135.

The Oconee Land Exchange Act would require the Secretary of Agriculture to complete a land exchange with the Georgia Power Company. Provisions of S. 604 allow the National Forest Service to acquire five tracts of land in a single transfer, while conveying four tracts of land of equal value to the Georgia Power Company.

This bill eliminates the need to preserve and maintain over 20 miles of boundary line and seven property corners, saving the National Forest Service \$10,160 over a 10-year period.

This bill requires the Federal Government to pay \$23,250 to the Georgia Power Company, which is the difference between the appraised value of the Forest Service transfer to Georgia Power and the appraised value of the

1,175 acres of land being conveyed by Georgia Power Company to the Forest Service.

S. 604 gives full consideration to the opportunity to achieve better management of National Forest lands and resources by consolidation of split estates. Under this transfer, the Forest Service will be acquiring from Georgia Power Company 50.71 acres of land, less flood rights.

Presently, the Forest Service and Georgia Power manage a meandering boundary that separates the National Forest from the shoreline of the lake owned by Georgia Power Company. The exchange under consideration would eliminate 20.3 miles of boundary lines and seven property corners. By acquiring this specific tract of land, the Nation's forest lands would be extended to the water's edge, instead of following a meandering boundary around the flood pool of the lake.

According to the National Forest Service, this meandering contour area has been a management problem since the lake's inception. Federal acquisition of these 50.7 acres of land less flood rights will allow the Forest Service to manage to the edge of the lake without interfering with the rights of Georgia Power.

Under this exchange, the National Forest Service would acquire a 625 acre tract wedged between the Oconee National Forest and the Piedmont National Wildlife Management Area, and an additional 157-acre property would become part of the Oconee National Forest.

These lands would add approximately 179 acres of wetlands and provide recovery habitat for the red cockaded woodpecker, an endangered species.

Furthermore, the Forest Service would acquire from Georgia Power a 173.4 acre tract within a congressionally designated wilderness area located in the middle of Rich Mountain Wilderness, and totally surrounded by other National Forest land.

The Georgia Power Company will acquire 1275.8 acres of land owned by the National Forest Service, along with an easement right to flood 240.84 acres of National Forest in the flood pool of Lake Oconee. This conveyance includes a small unmanageable remnant, a 1.6 acre tract, and a second tract that adds land lines and boundary corners while serving only minimal National Forest purposes.

This transfer will permit the public lands to be managed in a manner that will protect the quality of scientific, scenic, historical, ecological, environmental, air and atmospheric, water resources and archeological values.

Mr. Speaker, I reserve the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from Georgia (Mr. NORWOOD), the sponsor of the legislation.

Mr. NORWOOD. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, as a Georgian I rise today in support of the Lake Oconee Land Exchange Act, which would enact a mutually beneficial exchange of the land between the USDA Forest Service and the Georgia Power Company. The exchange would result in consolidation and more efficient management of National Forests, increased protection of wildlife and habitat, and improved recreational access for all our citizens.

The Forest Service will exchange Forest Service land that lie under Lake Oconee, behind Georgia Power's Wallace Dam on the Oconee River in northern Georgia, flood rights on contour strips around the lakes, and two parcels in neighboring counties, in exchange for lands Georgia Power owns within the Chattahoochee and Oconee National Forests.

□ 1415

The exchange involves approximately 1,200 acres of Forest Service land for approximately 1,100 acres of Georgia Power land.

The exchange will allow the Forest Service to acquire one of two remaining non-Federal properties within congressionally designated wilderness areas in north Georgia. This tract is in the middle of the Rich Mountain Wilderness and totally surrounded by other National Forest lands.

The vast majority of lands being given up by the Forest Service lies at the bottom of Lake Oconee and are not actively conveying any public benefit. The remainder of the properties being relinquished to Georgia Power are currently occupied by Georgia Power facilities in Rabun County. These properties are of minimal value to the National Forest and would be more appropriately owned by Georgia Power.

In addition, 67 percent of the lands of Rabun County are currently part of the Chattahoochee National Forest. This concentrated ownership poses a considerable strain on the ad valorem tax base of Rabun County. Included within the land exchange is the conveyance to Georgia Power Company of over 145 acres of property in Rabun County that currently houses Georgia Power facilities. The divestment of this property will facilitate Rabun County and their properties with their limited tax base.

As the primary sponsor of the House companion bill, H.R. 1135, I urge my colleagues' support for this legislation with the assurance that this exchange will allow improved management by both parties, resulting in increased environmental protection and actually more enjoyable utilizations by the citizens.

Mr. PETERSON of Minnesota. Mr. Speaker, I reserve the balance of my time.

Mr. GOODLATTE. Mr. Speaker, it is my pleasure to yield such time as he

may consume to the gentleman from Georgia (Mr. LINDER).

Mr. LINDER. Mr. Speaker, I am an original cosponsor of the House version of this bill, and I rise in support of the Lake Oconee Land Exchange Act to improve the management of the Chattahoochee and Oconee National Forests.

For some time, there has been an awkward patchwork of land ownership between the USDA Forest Service and the Georgia Power Company. The current land arrangement includes a meandering boundary around the flood pool of Lake Oconee and even a 173.4 acre tract of Georgia Power land in the middle of the Rich Mountain Wilderness. These twisting boundaries and scattered patches of private and public land make it difficult for Forest Service personnel to efficiently carry out their management activities.

This land exchange will allow the Forest Service to consolidate its holdings within the Chattahoochee and Oconee National Forests, and will simplify the administration of the Forests' borders. This consolidation will be achieved through the Forest Service acquiring one of two remaining non-Federal properties within congressionally designated wilderness areas in North Georgia. Forest boundaries around Lake Oconee will be improved by extending National Forest lands to the water's edge, instead of following the meandering border of the flood pool of the lake.

These changes will allow the Forest Service to better manage prescribed burns in the Oconee National Forest. Presently, the Forest Service has to bulldoze trenches along its meandering border with Georgia Power to ensure the controlled fires do not spread to private lands. Bulldozing trenches requires a commitment of valuable personnel and heavy equipment and carries a risk of releasing excessive silt into Lake Oconee.

The increased efficiency of management of National Forests allowed by this land exchange will lead to reduced risk to Forest Service personnel and improved preservation of habitat and wildlife.

The Forest Service will gain a habitat for the red-cockaded woodpecker and a quality trout stream, and the Georgia Nature Conservancy and the Georgia Wildlife Federation have informed me of their support for this legislation. I urge my colleagues to join us in passing this legislation.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield back the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I urge my colleagues to support this legislation, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PEASE). The question is on the motion offered by the gentleman from Virginia

(Mr. GOODLATTE) that the House suspend the rules and pass the Senate bill, S. 604.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 604, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

#### CLARIFYING EXPORT-IMPORT BANK BOARD REQUIREMENTS

Mr. LEACH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2565) to clarify the quorum requirement for the Board of Directors of the Export-Import Bank of the United States, as amended.

The Clerk read as follows:

H.R. 2565

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. CLARIFICATION OF QUORUM REQUIREMENT FOR THE EXPORT-IMPORT BANK OF THE UNITED STATES.

(a) IN GENERAL.—Section 3(c)(6) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(c)(6)) is amended to read as follows:

“(6) A quorum of the Board of Directors shall consist of at least 3 members.”.

(b) EXCEPTION.—Notwithstanding section 3(c)(6) of the Export-Import Bank Act of 1945, if, during the period that begins on July 21, 1999, and ends on October 1, 1999, there are fewer than 3 persons holding office on the Board of Directors of the Export-Import Bank of the United States, the entire membership of such Board of Directors shall constitute a quorum until the end of such period.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Iowa (Mr. LEACH) and the gentleman from Pennsylvania (Mr. KANJORSKI) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2565, a bill to clarify the quorum requirements for the Export-Import Bank of the United States. This bill is designed to remedy a serious problem that has developed with regard to vacancies in Ex-Im's Board of Directors. Without prompt congressional action, this situation could result in the suspension of the Bank's ability to make new financial commitments and jeopardize billions of dollars in pending U.S. export transactions.

The background is as follows: The Bank's charter requires a quorum of its five-member board in order to conduct business. Prior to July 20, two vacancies existed on the board. On July 21, the term of a third board member expired.

Although there is some ambiguity as to whether the quorum requirement refers to a majority of the statutorily prescribed five-person board or, instead, to a majority of board members currently in office, the former interpretation is legally preferable.

As explained in legal analysis provided by the General Accounting Office, the quorum requirement for the five-member board necessarily requires at least three members to be present and transact the board's business. Thus, with only two incumbent members, the board lacks its legally required quorum.

This unfortunate problem is compounded by the fact that no nominations have been made for these vacancies, nor has any intent to nominate been sent to the other body. In this awkward circumstance, Congress has no alternative but to act expeditiously to advance the Nation's interest and remedy this situation. Failure to do so would put America's exports and American jobs at risk.

Therefore, H.R. 2565 clarifies Ex-Im's charter by explicitly providing that a quorum of the board shall consist of three members. At the same time, it provides the Bank with authority to continue operations with only two members of the board until October 1 of this year. This brief window should provide sufficient time for the administration to forward qualified nominees and for their expeditious consideration in the other body.

I would like to thank the gentleman from New York (Mr. LAFALCE) for his leadership and cooperation on this issue. Likewise, I would like to express my appreciation for the leadership of the gentleman from Alabama (Mr. CALLAHAN), the gentleman from Washington (Mr. METCALF), the gentleman from Illinois (Mr. MANZULLO), and the gentleman from Alabama (Mr. BACHUS), the chairman of the Subcommittee on Domestic and International Monetary Policy.

Mr. Speaker, I urge adoption of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. KANJORSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first, may I clarify for the Record that, unfortunately, the gentleman from New York (Mr. LAFALCE) wanted to be here today to support this legislation, but his plane has been tied up, and he is unable to make it and asked me to substitute.

Mr. Speaker, I rise in support of H.R. 2565. This legislation, as amended, per-

mits the Export-Import Bank to operate with only two board members until October 1, 1999. During this interim period, the other body should be in a position to confirm additional board members.

This legislation is necessary to allow the bank to make legally-binding financing commitments on nearly \$7 billion in pending U.S. export transactions. Mr. Speaker, in this era of record trade deficits, we must ensure that significant export transactions continue uninterrupted. Continued operation of the Export-Import Bank will allow U.S. companies to compete on a level playing field with their counterparts in other industrialized nations, who also have access to the important export financing tools, such as loan guarantees, that are offered by the Export-Import Bank.

Mr. Speaker, I wish to commend the gentleman from Iowa (Mr. LEACH), chairman of the Committee on Banking and Financial Services, for sponsoring this legislation, and I urge all my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I simply want to thank the gentleman from Pennsylvania (Mr. KANJORSKI) for his assistance on this issue and for his long-time quality representation on the House Committee on Banking and Financial Services.

This is an issue primarily between the Executive Branch and the other body, but it is something that requires a shift in law, and this body, I think, at this time ought to recognize that particular problem and move as cooperatively as possible with the other body and the Executive Branch in this issue.

Mr. LEACH. Mr. Speaker, I yield back the balance of my time.

Mr. KANJORSKI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and pass the bill, H.R. 2565, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### AUTHORIZING RELEASE OF RECORDS ON MISSING PERSONS IN SOUTHEAST ASIA

Mr. THOMAS. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 172) to authorize and direct the Archivist of the United States to make available for public use the records of the House of Representatives Select Committee on Missing Persons in Southeast Asia.

The Clerk read as follows:

H. RES. 172

*Resolved*, That the Archivist of the United States is authorized and directed to make available for public use the records of the House of Representatives Select Committee on Missing Persons in Southeast Asia (94th Congress).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. THOMAS) and the gentleman from Maryland (Mr. HOYER) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the question of a final resolution on military and, indeed, even civilian personnel in Southeast Asia, principally in Vietnam, has been one that this country has wrestled with for some time.

The gentleman from New York (Mr. GILMAN) was a member of the Select Committee on Missing Persons in Southeast Asia during that Select Committee's existence in the 1970s. That particular committee was dissolved in the 94th Congress, and portions of its records, including 20 executive sessions, were, according to the appropriate procedures at the time, sealed for 50 years. Less sensitive records were sealed for 30 years.

As a member of the Committee on Ways and Means and the Subcommittee on Trade, it was my pleasure a few years ago to travel with then subcommittee Chairman Sam Gibbons on the first official congressional visit to Vietnam prior to our recognition of that country. We spent 2 days in Hawaii being briefed on the extensive, laborious, scientific pursuit of all leads in terms of missing in action and prisoners of war. We also carried on a number of discussions with Vietnamese officials and with individuals in the private sector, indeed loved ones who had sons, daughters, husbands, missing in that war.

It just seems appropriate, according to H. Res. 172, that the conditions in which we now relate to the country of Vietnam, as it pertains to records that were sealed, would only make it more difficult to conclude once and for all the question of prisoners of war and missing in action. In fact, opening up reports so that any number of people can examine and find leads they find most appropriate, especially the ability to move into the country and talk to individuals, would maximize the opportunity for closing this particular chapter in America's history.

For that reason, and especially since the Senate has already taken similar action, I would urge all Members to support H. Res. 172.

Mr. Speaker, I reserve the balance of my time.

Mr. HOYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to join the gentleman from New York (Mr. GILMAN),

the gentleman from Mississippi (Mr. TAYLOR), and others who cosponsored this resolution and the gentleman from California (Mr. THOMAS), the chairman of the House Committee on Administration, in support of House Resolution 172.

□ 1430

This action, hopefully, will help both historians, researchers and, most of all, loved ones of missing American servicemen in Southeast Asia; and we should strive, when at all possible, for a policy of openness with respect to the records of loved ones who fought overseas on behalf of our country.

Simply put, this resolution would declassify the records of the House Select Committee on Missing Persons. It would authorize and direct the archivist of the United States to make these records available to the public.

In the 1970s, Mr. Speaker, the Select Committee investigated and tried to determine whether American servicemen had, in fact, been left behind in Southeast Asia after the Vietnam War. As has been explained, House rules mandated when the Select Committee was dissolved that its records be kept secret for 50 years. Similar rules governed the records of the Senate Select Committee that studied the same issue.

However, several years ago, Mr. Speaker, the Senate agreed to reduce the period of secrecy to 20 years and, thus, directed all its committee files be declassified. We should do the same thing, and we should do it for two principle reasons:

First, the families and loved ones of missing servicemen in Southeast Asia deserve and ought to know what the House Select Committee uncovered, and they should not have to wait even another day. These families should not have to fight their government on the release of these files, particularly since many of their loved ones fought so valiantly, so bravely, on behalf of our government, our people, and our commitment to democracy.

Finally, Mr. Speaker, I believe that secrecy only fuels suspicion. While there are, of course, secrets the government must keep for national security reasons, this is not the case in this instance. As the Senate Select Committee stated in its final report, and I quote, "Nothing has done more to fuel suspicion about the government's handling of the POW-MIA issue than the fact that so many documents related to those efforts have remained classified for so long."

Mr. Speaker, today we have an opportunity to end that suspicion, and we certainly should do it. I commend the gentleman from New York (Mr. GILMAN) and the gentleman from Mississippi (Mr. TAYLOR), the gentleman from Missouri (Mr. TALENT), and the gentleman from California (Mr. ROHR-

ABACHER), who introduced this resolution, and I am pleased to rise on behalf of its immediate passage.

Mr. Speaker, I reserve the balance of my time.

Mr. THOMAS. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. GILMAN), the principal sponsor of H. Res. 172, the chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me this time, and I am pleased to rise today in support of H. Res. 172, a measure designed to declassify the records of the House Select Committee on Missing Persons in Southeast Asia.

I want to thank the chairman of the Committee on House Administration, the gentleman from California (Mr. THOMAS), as well as the ranking minority member, the gentleman from Maryland (Mr. HOYER), for allowing this bill to be brought to the floor under suspension of the rules in this timely manner.

I helped to create and served as a member of the Select Committee on Missing Persons in Southeast Asia during the 94th Congress. At that time the Select Committee was tasked with the responsibility of determining whether American servicemen had been left behind in Southeast Asia after the Vietnam War.

When the Select Committee was dissolved, after completing its work, some 35 boxes of material were sent over to the National Archives and Records Administration. Of that total, 11 boxes contained classified information. This material was subject to House classification rules, which mandated that the material be kept classified for a period of 50 years.

Earlier this decade, the Senate Committee on POW and MIA Affairs declassified all of its files on this issue, making them open to both the families and to researchers. This legislation simply allows the House to follow suit by making a change in House rules and opening all of the Select Committee's files and boxes of material to the public.

In approving this measure for suspension, the committee staff expressed some concern that privacy rights might be compromised if the files were declassified. They were subsequently assured by the archivist that any cases where privacy is a concern, such as an individual who testified on conditions of anonymity, would be honored and such files would not be made public.

Mr. Speaker, the end of the Cold War has resulted in the discovery of literally hundreds of documents which had previously been out of reach behind the Iron Curtain. I see no need for the House to maintain a veil of secrecy over its Select Committee files, especially when such information may provide some insight into the fate of some of the more than 2,000 service members

who still remain unaccounted for from the Vietnam conflict.

Accordingly, I ask my colleagues to join in supporting this worthy legislation which would bring the House rules on this subject in accord with those of our counterpart committee in the Senate.

Mr. THOMAS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time, once again thanking the gentleman from New York for this resolution.

Mr. HOYER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time, adding that the gentleman from Mississippi (Mr. TAYLOR) asked me to make his comments known and his expressions of appreciation to the gentleman from New York (Mr. GILMAN) and others for their leadership on this, and he joins us very strongly in supporting this legislation.

The SPEAKER pro tempore (Mr. PEASE). The question is on the motion offered by the gentleman from California (Mr. THOMAS) that the House suspend the rules and agree to the resolution, House Resolution 172.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

#### ORGAN DONOR LEAVE ACT

Mrs. BIGGERT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 457) to amend title 5, United States Code, to increase the amount of leave time available to a Federal employee in any year in connection with serving as an organ donor, and for other purposes.

The Clerk read as follows:

H.R. 457

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. INCREASED LEAVE TIME TO SERVE AS AN ORGAN DONOR.

(a) SHORT TITLE.—This Act may be cited as the "Organ Donor Leave Act".

(b) IN GENERAL.—Subsection (b) of the first section 6327 of title 5, United States Code (relating to absence in connection with serving as a bone-marrow or organ donor) is amended to read as follows:

"(b) An employee may, in any calendar year, use—

"(1) not to exceed 7 days of leave under this section to serve as a bone-marrow donor; and

"(2) not to exceed 30 days of leave under this section to serve as an organ donor."

(c) TECHNICAL AMENDMENTS.—(1) The second section 6327 of title 5, United States Code (relating to absence in connection with funerals of fellow Federal law enforcement officers) is redesignated as section 6328.

(2) The table of sections at the beginning of chapter 63 of title 5, United States Code, is amended by adding after the item relating to section 6327 the following:

"6328. Absence in connection with funerals of fellow Federal law enforcement officers."

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Illinois (Mrs. BIGGERT) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Illinois (Mrs. BIGGERT).

#### GENERAL LEAVE

Mrs. BIGGERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 457.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mrs. BIGGERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 457, the Organ Donor Leave Act. I commend the distinguished gentleman from Maryland (Mr. CUMMINGS) for introducing this important bill. I know that my colleagues in the House are strong supporters of organ donation; but whenever we have a chance to highlight this important issue, we should do so.

More than 54,000 people are currently on the organ transplant waiting list, and about 4,000 each year die while waiting for a transplant. I believe that Congress should do whatever it can do to encourage our citizens to consider becoming organ or bone marrow donors and that the Federal Government should be a leader in this effort.

The Organ Donor Leave Act does that. Mr. Speaker, the least we can do for those who are giving so much of themselves is to give them the time to rest and recover with their families as they save the lives of others.

H.R. 457 will make it easier for Federal employees to become organ donors by providing those who donate organs with 30 days of paid leave in any calendar year. Under current law, employees are permitted to take 7 days of leave in order to donate bone marrow or organs.

H.R. 457 retains the 7-day leave period for bone marrow donors but increases the leave available to organ donors to 30 days. This leave is separate and distinct from the annual or sick leave available to Federal employees.

Mr. Speaker, my home State of Illinois has been a leader in organ and tissue donation through our Secretary of State's office. In fact, I signed up as a potential organ donor when our Secretary of State, now Governor George Ryan, came to the House floor of the Illinois General Assembly and personally signed up every legislator on our driver's license on the back.

Illinois is one of the few States with an organ/tissue donor registry. In Illinois, this registry makes use of the existing driver's license and ID card database to identify individuals who are willing to be organ or tissue donors after death. Since October 1992, every-

one applying for or renewing an Illinois driver's license or identification card is asked if they want to participate in this registry.

The response has been terrific. Approximately 3 million Illinoisans have joined the registry and nearly 100,000 more enroll each month. The average participation rate statewide is 38 percent compared to a national average of 13 percent, and some counties have reported participation rates of over 70 percent.

The bottom line is when we make it easier for individuals to become organ donors, more people will become donors. H.R. 457 is an important step towards making it easier for Federal employees to be organ donors, and I hope we will see the same kind of response with Federal employees that we have seen in Illinois.

Mr. Speaker, I urge all Members of the House to support H.R. 457.

Mr. Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentlewoman from Illinois (Mrs. BIGGERT) for her kind comments, and certainly I want to thank the chairman of the committee, the gentleman from Indiana (Mr. BURTON), and our ranking member, the gentleman from California (Mr. WAXMAN), as well as the chairman of the Subcommittee on Civil Service, the gentleman from Florida (Mr. SCARBOROUGH), for making sure that we moved in a bipartisan effort to bring this bill to the floor of the House.

Mr. Speaker, I introduced already 457, the Organ Donor Leave Act, because it supports Federal employees who make the lifesaving decision to become living organ or bone marrow donors by granting them additional leave time to recover from making the donation.

In the last 20 years, important medical breakthroughs have allowed for a larger number of successful organ and tissue transplants and a longer survival rate for transplant recipients. In many cases, transplantation is the only hope for thousands of people suffering from organ failure or in desperate need of corneas, skin, bone, or other tissue.

Despite the success rate of organ transplants, the need for donated organs and tissues continues to outpace the supply. Currently, however, 60,000 Americans are waiting for life-saving transplants. Tragically, every day 12 people die while waiting for a transplant. Every 16 minutes another name is added to the waiting list. This is a solvable problem and the Federal Government and its employees can help.

In December of 1997, Vice President AL GORE and Health and Human Services Secretary Donna Shalala launched a national organ and tissue donation initiative. In 1998, after the first full



year of the initiative, organ donations increased 5.6 percent, the first substantial increase since 1995. During 1998, HHS issued a new regulation to ensure that hospitals worked collaboratively with organ procurement organizations in identifying potential donors and approaching their families.

HHS has conducted a national conference aimed at identifying the most effective strategies to increase donation and transplantation. In conjunction with dozens of partner organizations in the private and volunteer sectors, HHS has worked to increase the awareness of the need for organ and tissue donation.

Recognizing that Federal employees also have a role to play, I first introduced the Organ Donor Leave Act last year. The bill passed the House, but the Senate failed to take action before adjournment. This session, Senator AKAKA introduced companion legislation in the Senate, S. 1334. I am not only pleased that he did so but that his bill is cosponsored by Senator FRIST, one of the Nation's leading transplant surgeons, and the only active surgeon serving in the Congress.

□ 1445

The Organ Donor Leave Act is supported by the American Society of Transplantation, the largest professional transplant organization in the United States.

In a letter expressing their support for the bill, the AST stated that "a lack of leave time has served as a significant impediment and disincentive for individuals willing to share the gift of life."

Currently, Federal employees may use up to 7 days of leave in each calendar year to serve as an organ or bone marrow donor. Yet, experience has shown that an organ transplant operation and postoperative recovery for living donors may take as long as 6 to 8 weeks.

In order to address this disparity, I worked with the Office of Personnel Management and the Department of Health and Human Services in drafting this legislation to increase the amount of leave that may be used for organ donation to 30 days.

The amount of leave that may be used for bone marrow donation will remain at 7 days because that is generally viewed to be adequate.

Under this legislation, donors will not have to be concerned with using their personal sick or annual leave for these vital medical procedures because the leave granted is in addition to what they routinely earn.

Ultimately, this bill will benefit the 62,000 people who are on the organ transplant waiting list.

I urge all Members to give their support to this very, very important legislation.

Mr. Speaker, I reserve the balance of my time.

Mrs. BIGGERT. Mr. Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, one of the arguments that is often made about transplantation is that there are two types. One is where, of course, a person dies and their organs are used. And the other is where the person is still living.

A lot of people wonder why is it so important that organs be transplanted from living people. I mean, do not get me wrong, those who have died are very important also. But the living are very important because of the following reasons.

The time shown from harvesting of an organ until the time of transplantation is as follows: If a person dies and it is a heart transplantation, it would be 4 to 6 hours; heart and lung 4 to 6 hours; lung 4 to 6 hours; pancreas 8 to 16 hours; a liver 12 to 24 hours; kidney 24 to 36 hours. And so, therefore, when the person is living, doctors have a lot more time to plan and to carry out the procedure.

So often what has happened is many people have donated their organs, but by the time doctors find out after death, they simply do not have enough time to work within the parameters that I just spoke of.

Finally, let me just say this. While we are talking here about the organ donations from those who are living, there is a very fitting quote that comes from Stephanie Kristine Crosse of the University of Dayton School of Law where she talked about organ donation. Although this talks about donations of the dead, I think that it still says a lot for donations.

She says, "The day will come when my body will lie upon a white sheet, neatly tucked under four corners of a mattress, located in a hospital busily occupied with the living and the dying. At a certain moment a doctor will determine that my brain has ceased to function and that, for all intents and purposes, my life has stopped.

"When that happens, do not attempt to instill artificial life into my body by use of a machine. And don't call this my deathbed. Let it be called the bed of life, and let my body be taken from it to help others lead fuller lives.

"Give my sight to the man who has never seen a sunrise, a baby's face, or love in the eyes of a woman. Give my heart to a person whose own heart has caused nothing but endless days of pain. Give my blood to the teenager who was pulled from the wreckage of his car so that he might live to see his grandchildren play. Give my kidneys to one who depends on a machine to exist from week to week.

"Take my bones, every muscle, every fiber, and every nerve in my body and find a way to make a crippled child walk. Explore every corner of my brain. Take my cells if necessary, and

let them grow so that, some day, a deaf girl will hear the sound of rain against her window. Burn what is left and scatter the ashes in the winds to help the flowers grow. If you must bury something, let it be my fault, my weaknesses and all the prejudices against my fellow man.

"Give my sins to the devil. Give my soul to God. If by chance you wish to remember me, do it with a kind deed or word to someone who needs you. If you do all I have asked, I will live forever.

"Make a miracle, be an organ donor."

Mr. Speaker, I yield back the balance of my time.

Mrs. BIGGERT. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I would like to thank the distinguished gentleman from Maryland (Mr. CUMMINGS) for introducing this legislation and working to bring this bill to the floor.

I also want to thank the gentleman from Florida (Mr. SCARBOROUGH), the distinguished chairman of the Subcommittee on Civil Service, for his strong support; the gentleman from Indiana (Chairman BURTON) of the Committee on Government Reform and Oversight; and the gentleman from California (Mr. WAXMAN), the ranking member who deserves our thanks for expediting House consideration of H.R. 457.

The Organ Donor leave Act is an important step forward in making the Federal Government a leader by example and encouraging our citizens to become organ or bone marrow donors.

I urge all Members to vote for 457 and make it easier for Federal employees to help save a life through organ donation. The Congressional Budget Office has determined that this bill will not have a significant impact on the Federal budget.

I urge all Members to strongly support H.R. 457.

Mr. STARK. Mr. Speaker, I rise today in strong support of H.R. 457, the "Organ Donor Leave Act." This legislation will assure that federal employees will be granted an adequate amount of leave if they choose to undertake organ or bone marrow donation.

Over 50,000 people are currently awaiting an organ transplant, but because of a national shortage, over 4,000 people die each year for lack of a suitable organ. Research points to a clear need for incentive programs and public education concerning organ donation. We need to use every possible option to increase the number of donated organs. This legislation is one way to meet this goal.

Currently, federal employees may use up to 7 days of leave to serve as an organ or bone marrow donor. However, experience indicates the need for additional time for organ transplant operation and post-operative recovery for living donors—up to six or eight weeks in many cases. The "Organ Donor Leave Act" increases the amount of leave that federal employees may use to serve as an organ donor to 30 days.

This legislation also goes hand-in-hand with the "Gift of Life Congressional Medal Act of 1999" which Senator FRIST and I introduced this past March. This non-controversial, non-partisan legislation creates a commemorative medal to honor organ donors and their survivors. I ask that our colleagues act to support both the Gift of Life Congressional Medal Act as well as the Organ Donor Leave Act to increase organ donation and to bring an end to transplant waiting lists.

Today's vote in an important step toward increasing organ donation, but there are many additional steps that we should also be making to improve our national organ donation rate. I look forward to working with my colleagues in implementing additional future improvements.

Mrs. THURMAN. Mr. Speaker, organ donation falls into the category of things you never think will affect you or your family—it happens to "other people." Well, let me tell you—I lost that false sense of security a few years ago.

My husband, John, spent three awful, debilitating years on dialysis—three years hoping that his name would come up on the waiting list—before finally receiving a kidney.

He was one of the lucky ones. This gift not only gave John a new lease on life, but it has also given my children back a father, and me, a loving husband.

Mr. Speaker, John is not alone. Every year, thousands of Americans wait anxiously on the organ donation lists, and they are entirely dependent on those kind enough to give. They are entirely dependent on those aware that there is a genuine need.

In simple terms, this is a supply and demand problem—a problem which is turning into a health care crisis:

The disparity between the supply and demand of organs contributes to the deaths of eleven people daily.

Between 1988 and 1996, the number of people on the organ transplant waiting list increased by 312 percent and the number of wait list deaths increased 261 percent.

Additionally, in 1996, a new name was added to the transplant waiting list every nine minutes.

I applaud Representatives CUMMINGS for taking a lead in narrowing this gap.

Living organ donation is the wave of the future, and increasing the frequency of living organ donation will not only increase the availability of organs, but also lessen the transplantation rejection rate and reduce costs associated with dialysis.

Now that we have taken this important leap forward, it is my hope that Congress can take a step further and provide living organ donation leave time for all employees under the Family and Medical Leave Act.

We could also increase donation by reimbursing donors for the costs associated with their donation which are currently not reimbursable by Medicare: For example, travel, lodging, meals and child care.

I have introduced legislation to do just this. H.R. 1857 would (1) expand the F.M.L.A. to include living organ donation and (2) establish a grant program to assist organ donors with the high costs associated with transplantation.

Mr. Speaker, we need a concerted and well-established policy on living organ donation in

this country. And I would like to thank representative CUMMINGS for his leadership in moving the Congress forward in this endeavor. I urge all of my colleagues to support this important legislation.

Thank you.

Mrs. BIGGERT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PEASE). The question is on the motion offered by the gentlewoman from Illinois (Mrs. BIGGERT) that the House suspend the rules and pass the bill, H.R. 457.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### DIGITAL COPYRIGHT LAW TECHNICAL AMENDMENTS

Mr. COBLE. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1260) to make technical corrections in title 17, United States Code, and other laws.

The Clerk read as follows:

S. 1260

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. TECHNICAL CORRECTIONS TO TITLE 17, UNITED STATES CODE.

(a) EXEMPTION OF CERTAIN PERFORMANCES AND DISPLAYS ON EXCLUSIVE RIGHTS.—Section 110(5) of title 17, United States Code, is amended—

(1) by striking "(A) a direct charge" and inserting "(i) a direct charge"; and

(2) by striking "(B) the transmission" and inserting "(ii) the transmission".

(b) EPHEMERAL RECORDINGS.—Section 112(e) of title 17, United States Code, is amended—

(1) by redesignating paragraphs (3) through (10) as paragraphs (2) through (9), respectively;

(2) in paragraph (3), as so redesignated, by striking "(2)" and inserting "(1)";

(3) in paragraph (4), as so redesignated—

(A) by striking "(3)" and inserting "(2)";

(B) by striking "(4)" and inserting "(3)";

(C) by striking "(6)" and inserting "(5)"; and

(D) by striking "(3) and (4)" and inserting "(2) and (3)"; and

(4) in paragraph (6), as so redesignated—

(A) by striking "(4)" each place it appears and inserting "(3)"; and

(B) by striking "(5)" each place it appears and inserting "(4)".

(c) DETERMINATION OF REASONABLE LICENSE FEES FOR INDIVIDUAL PROPRIETORS.—Chapter 5 of title 17, United States Code, is amended—

(1) by redesignating the section 512 entitled "**Determination of reasonable license fees for individual proprietors**" as section 513 and placing such section after the section 512 entitled "**Limitations on liability relating to material online**"; and

(2) in the table of sections at the beginning of that chapter by striking

"512. Determination of reasonable license fees for individual proprietors."

and inserting

"513. Determination of reasonable license fees for individual proprietors."

and placing that item after the item entitled "512. Limitations on liability relating to material online."

(d) ONLINE COPYRIGHT INFRINGEMENT LIABILITY.—Section 512 of title 17, United States Code, is amended—

(1) in subsection (e)—

(A) by amending the caption to read as follows:

"(e) LIMITATION ON LIABILITY OF NONPROFIT EDUCATIONAL INSTITUTIONS.—"; and

(B) in paragraph (2), by striking "INJUNCTIONS.—"; and

(2) in paragraph (3) of subsection (j), by amending the caption to read as follows:

"(3) NOTICE AND EX PARTE ORDERS.—"

(e) INTEGRITY OF COPYRIGHT MANAGEMENT INFORMATION.—Section 1202(e)(2)(B) of title 17, United States Code, is amended by striking "category or works" and inserting "category of works".

(f) PROTECTION OF DESIGNS.—(1) Section 1302(5) of title 17, United States Code, is amended by striking "1 year" and inserting "2 years".

(2) Section 1320(c) of title 17, United States Code, is amended in the subsection caption by striking "ACKNOWLEDGEMENT" and inserting "ACKNOWLEDGMENT".

(g) MISCELLANEOUS CLERICAL AMENDMENTS.—

(1) Section 101 of title 17, United States Code, is amended—

(A) by transferring and inserting the definition of "United States work" after the definition of "United States"; and

(B) in the definition of "proprietor", by striking "A 'proprietor'" and inserting "For purposes of section 513, a 'proprietor'".

(2) Section 106 of title 17, United States Code, is amended by striking "120" and inserting "121".

(3) Section 118(e) of title 17, United States Code, is amended—

(A) by striking "subsection (b)." and all that follows through "Owners" and inserting "subsection (b). Owners"; and

(B) by striking paragraph (2).

(4) Section 119(a)(8)(C)(ii) of title 17, United States Code, is amended by striking "network's station" and inserting "network station's".

(5) Section 501(a) of title 17, United States Code, is amended by striking "118" and inserting "121".

(6) Section 511(a) of title 17, United States Code, is amended by striking "119" and inserting "121".

#### SEC. 2. OTHER TECHNICAL CORRECTIONS.

(a) CLERICAL AMENDMENT TO TITLE 28, U.S.C.—The section heading for section 1400 of title 28, United States Code, is amended to read as follows:

"§ 1400. Patents and copyrights, mask works, and designs".

(b) ELIMINATION OF CONFLICTING PROVISION.—Section 5316 of title 5, United States Code, is amended by striking "Commissioner of Patents, Department of Commerce."

(c) CLERICAL CORRECTION TO TITLE 35, U.S.C.—Section 3(d) of title 35, United States Code, is amended by striking "United States Code".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. COBLE) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. COBLE).

## GENERAL LEAVE

Mr. COBLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on S. 1260.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of S. 1260, a bill to make technical corrections in title 17, United States Code, and other laws, and urge the House to adopt the measure.

This bill is nearly the same as H.R. 1189, a bill to make technical corrections to title 17, United States Code, and other laws, which passed the House under suspension of the rules on April 13, 1999. This legislation makes significant and necessary improvements to the Copyright Act.

The Subcommittee on Courts and Intellectual Property and the Committee on the Judiciary support S. 1260 in a bipartisan way. I urge its adoption today.

Mr. Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from California (Mr. BERMAN), the ranking member of the subcommittee, is delayed and asked me to stand in for him, which I am glad to do.

Mr. Speaker, I rise in support of S. 1260, a bill making technical corrections in title 17 of the Copyright Act. If ever a bill were truly technical, this is it.

The House Committee on the Judiciary labored long, hard, and successfully last Congress to reduce landmark legislation in the copyright area. This past spring we brought to the House floor H.R. 1189, making a number of technical corrections to the copyright code. As we noted then, the brevity of that bill was testimony to a job well done by all concerned in our efforts last Congress.

Subsequent to passage in this body of H.R. 1189, a small number of additional glitches were identified by our staffs and the staff of the Copyright Office. S. 1260 differs from our House-passed bill for the simple reason that it makes several additional and necessary technical corrections.

I commend the bill to my colleagues and urge its passage. I commend this technical corrections bill to my colleagues.

Mr. Speaker, I yield back the balance of my time.

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Maryland (Mr. CUMMINGS) mentioned, the gentleman from California (Mr. BERMAN) is not able to be with us

today. But the gentleman from California (Mr. BERMAN), the ranking member, has worked very closely with me on this bill. He concurs, and I appreciate the effort that he has given.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. COBLE) that the House suspend the rules and pass the Senate bill, S. 1260.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

## TRADEMARK AMENDMENTS ACT OF 1999

Mr. COBLE. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1259) to amend the Trademark Act of 1946 relating to dilution of famous marks, and for other purposes.

The Clerk read as follows:

S. 1259

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## SECTION 1. SHORT TITLE.

This Act may be cited as the "Trademark Amendments Act of 1999".

## SEC. 2. DILUTION AS A GROUNDS FOR OPPOSITION AND CANCELATION.

(a) REGISTRABLE MARKS.—Section 2 of the Act entitled "An Act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes" (in this Act referred to as the "Trademark Act of 1946") (15 U.S.C. 1052) is amended by adding at the end the following flush sentences: "A mark which when used would cause dilution under section 43(c) may be refused registration only pursuant to a proceeding brought under section 13. A registration for a mark which when used would cause dilution under section 43(c) may be canceled pursuant to a proceeding brought under either section 14 or section 24."

(b) OPPOSITION.—Section 13(a) of the Trademark Act of 1946 (15 U.S.C. 1063(a)) is amended in the first sentence by inserting ", including as a result of dilution under section 43(c)," after "principal register".

(c) PETITIONS TO CANCEL REGISTRATIONS.—Section 14 of the Trademark Act of 1946 (15 U.S.C. 1064) is amended in the matter preceding paragraph (1) by inserting ", including as a result of dilution under section 43(c)," after "damaged".

(d) CANCELLATION.—Section 24 of the Trademark Act of 1946 (15 U.S.C. 1092) is amended in the second sentence by inserting ", including as a result of dilution under section 43(c)," after "register".

(e) EFFECTIVE DATE AND APPLICATION.—The amendments made by this section shall take effect on the date of enactment of this Act and shall apply only to any application for registration filed on or after January 16, 1996.

## SEC. 3. REMEDIES IN CASES OF DILUTION OF FAMOUS MARKS.

(a) INJUNCTIONS.—(1) Section 34(a) of the Trademark Act of 1946 (15 U.S.C. 1116(a)) is

amended in the first sentence by striking "section 43(a)" and inserting "subsection (a) or (c) of section 43".

(2) Section 43(c)(2) of the Trademark Act of 1946 (15 U.S.C. 1125(c)(2)) is amended in the first sentence by inserting "as set forth in section 34" after "relief".

(b) DAMAGES.—Section 35(a) of the Trademark Act of 1946 (15 U.S.C. 1117(a)) is amended in the first sentence by striking "or a violation under section 43(a)," and inserting "a violation under section 43(a), or a willful violation under section 43(c)."

(c) DESTRUCTION OF ARTICLES.—Section 36 of the Trademark Act of 1946 (15 U.S.C. 1118) is amended in the first sentence—

(1) by striking "or a violation under section 43(a)," and inserting "a violation under section 43(a), or a willful violation under section 43(c)."; and

(2) by inserting after "in the case of a violation of section 43(a)" the following: "or a willful violation under section 43(c)".

(d) EFFECTIVE DATE AND APPLICATION.—The amendments made by this section shall take effect on the date of enactment of this Act and shall not apply to any civil action pending on such date of enactment.

## SEC. 4. LIABILITY OF GOVERNMENTS FOR TRADEMARK INFRINGEMENT AND DILUTION.

(a) CIVIL ACTIONS.—Section 32 of the Trademark Act of 1946 (15 U.S.C. 1114) is amended in the last undesignated paragraph in paragraph (1)—

(1) in the first sentence by inserting after "includes" the following: "the United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, or other persons acting for the United States and with the authorization and consent of the United States, and"; and

(2) in the second sentence by striking "Any" and inserting "The United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States, and any".

(b) WAIVER OF SOVEREIGN IMMUNITY.—Section 40 of the Trademark Act of 1946 (15 U.S.C. 1122) is amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by striking "SEC. 40. (a) Any State" and inserting the following:

"SEC. 40. (a) WAIVER OF SOVEREIGN IMMUNITY BY THE UNITED STATES.—The United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States, shall not be immune from suit in Federal or State court by any person, including any governmental or nongovernmental entity, for any violation under this Act.

"(b) WAIVER OF SOVEREIGN IMMUNITY BY STATES.—Any State"; and

(3) in the first sentence of subsection (c), as so redesignated—

(A) by striking "subsection (a) for a violation described in that subsection" and inserting "subsection (a) or (b) for a violation described therein"; and

(B) by inserting after "other than" the following: "the United States or any agency or instrumentality thereof, or any individual, firm, corporation, or other person acting for the United States and with authorization and consent of the United States, or".

(c) DEFINITION.—Section 45 of the Trademark Act of 1946 (15 U.S.C. 1127) is amended by inserting between the 2 paragraphs relating to the definition of "person" the following:

"The term 'person' also includes the United States, any agency or instrumentality thereof, or any individual, firm, or corporation acting for the United States and with the authorization and consent of the United States. The United States, any agency or instrumentality thereof, and any individual, firm, or corporation acting for the United States and with the authorization and consent of the United States, shall be subject to the provisions of this Act in the same manner and to the same extent as any nongovernmental entity."

#### SEC. 5. CIVIL ACTIONS FOR TRADE DRESS INFRINGEMENT.

Section 43(a) of the Trademark Act of 1946 (15 U.S.C. 1125(a)) is amended by adding at the end the following:

"(3) In a civil action for trade dress infringement under this Act for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional."

#### SEC. 6. TECHNICAL AMENDMENTS.

(a) ASSIGNMENT OF MARKS.—Section 10 of the Trademark Act of 1946 (15 U.S.C. 1060) is amended—

(1) by striking "subsequent purchase" in the second to last sentence and inserting "assignment";

(2) in the first sentence by striking "mark," and inserting "mark."; and

(3) in the third sentence by striking the second period at the end.

(b) ADDITIONAL CLERICAL AMENDMENTS.—The text and title of the Trademark Act of 1946 are amended by striking "trade-marks" each place it appears and inserting "trade-marks".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. COBLE) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. COBLE).

#### GENERAL LEAVE

Mr. COBLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on S. 1259.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

I rise today, Mr. Speaker, in support of S. 1259, the Trademark Amendments Act of 1999, and urge the House to adopt the measure.

This bill is nearly identical to H.R. 1565, the Trademark Amendments Act of 1999, which the House Committee on the Judiciary favorably reported on May 26 of this year.

This legislation makes significant and necessary improvements in the trademark law.

The Subcommittee on Courts and Intellectual Property and the Committee on the Judiciary support S. 1259 in a bipartisan manner. I urge its adoption today.

Mr. Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 1259, the Senate trademark bill that is substantially similar to the bill reported out of the Committee on the Judiciary earlier this year, H.R. 1565.

This legislation is a necessary follow-up to the Federal Trademark Dilution Act of 1995, which was enacted last Congress and which gave a Federal cause of action to holders of famous trademarks for dilution.

The bill before us today is necessary to clear up certain issues in the interpretation of the dilution act which the Federal courts have grappled with since its enactment.

In particular, S. 1259 would provide holders of famous marks with a right to oppose or seek cancellation of a mark that would cause dilution as provided in the dilution act.

The legislation enacted in the 105th Congress authorizes injunctive relief after the harm has occurred, while the legislation before us today will allow the right to oppose or seek cancellation of a mark hopefully before harm has occurred.

While we today take up the Senate bill, it is substantially the same as the House bill on which a hearing and committee markup occurred earlier this year.

I urge my colleagues to support S. 1259.

Mr. Speaker, I yield back the balance of my time.

Mr. COBLE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. COBLE) that the House suspend the rules and pass the Senate bill, S. 1259.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

#### PATENT FEE INTEGRITY AND INNOVATION PROTECTION ACT OF 1999

Mr. COBLE. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1258) to authorize funds for the payment of salaries and expenses of the Patent and Trademark Office, and for other purposes.

The Clerk read as follows:

S. 1258

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Patent Fee Integrity and Innovation Protection Act of 1999".

#### SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be made available for the payment of salaries and necessary ex-

penses of the Patent and Trademark Office in fiscal year 2000, \$116,000,000 from fees collected in fiscal year 1999 and such fees as are collected in fiscal year 2000 pursuant to title 35, United States Code, and the Trademark Act of 1946 (15 U.S.C. 1051 et seq.), except that the Commissioner is not authorized to charge and collect fees to cover the accrued indirect personnel costs associated with post-retirement health and life insurance of officers and employees of the Patent and Trademark Office other than those charged and collected pursuant to title 35, United States Code, and the Trademark Act of 1946.

#### SEC. 3. EFFECTIVE DATE.

This Act shall take effect on October 1, 1999.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. COBLE) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. COBLE).

□ 1500

#### GENERAL LEAVE

Mr. COBLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill under consideration and to insert extraneous material in the RECORD.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

I rise today, Mr. Speaker, in support of S. 1258, the Patent Fee Integrity and Innovation Protection Act, and urge the House to adopt the measure.

This bill is identical to H.R. 1225, the Patent and Trademark Office Reauthorization Act for Fiscal Year 2000, which the House Committee on the Judiciary favorably reported on June 9. This legislation is premised on the same policy goal as last year's version, namely, to prevent the diversion of revenue generated by special surcharges from the Patent and Trademark Office. The point of S. 1258 is straightforward and necessary, to allow the agency to keep all the revenue it raises in user fees to benefit American inventors and trademark holders. The Subcommittee on Courts and Intellectual Property and the Committee on the Judiciary support S. 1258 in a bipartisan manner, and I urge its adoption today.

Mr. Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on behalf of the minority, I am happy to rise in support of S. 1258, a bill to reauthorize the Patent and Trademark Office.

S. 1258, like H.R. 1225, reflects bipartisan opposition to surcharges on patent applications and support for fees

that will fully fund the PTO and its obligations to its retirees. The bill explicitly authorizes the use of carryover funds to pay for the expense of the Employees Health Benefits and Life Insurance Funds.

The Patent and Trademark Office is 100 percent funded through application and user fees which all too often in the past have been diverted to other agencies and programs to the detriment of the efficient function of our patent and trademark systems. S. 1258, like Public Law 105-358 from the last Congress, reflects our resolve that this practice be firmly a matter of past history.

Mr. Speaker, I yield back the balance of my time.

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume. Not unlike S. 1260 regarding the gentleman from California (Mr. BERMAN), the gentleman from California has also worked very closely with us on this bill and the previous bill and concurs in its passage.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. COBLE) that the House suspend the rules and pass the Senate bill, S. 1258.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

#### REGULATORY RIGHT-TO-KNOW ACT OF 1999

The SPEAKER pro tempore. Pursuant to House Resolution 258 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1074.

□ 1503

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1074) to provide Governmentwide accounting of regulatory costs and benefits, and for other purposes, with Mr. LAHOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentlewoman from Illinois (Mrs. BIGGERT) and the gentleman from California (Mr. WAXMAN) each will control 30 minutes.

The Chair recognizes the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Mr. Chairman, I yield myself such time as I may consume. The gentleman from Indiana (Mr. MCINTOSH) is unavoidably de-

tained and will be here shortly and asked me to proceed.

Mr. Chairman, I rise in strong support of H.R. 1074, the Regulatory Right-to-Know Act, of which I am proud to be a cosponsor. Once again, the Congress is taking the lead in enhancing the accountability of the Federal Government to the American people.

The Regulatory Right-to-Know Act is a bipartisan bill that will allow us to better understand the impact on our economy of Federal regulations and bureaucratic red tape. It requires the Office of Management and Budget to submit an annual accounting report that estimates the costs and benefits of Federal regulatory programs.

The importance and timeliness of this legislation cannot be understated. Recent studies estimate the compliance costs of Federal regulations at more than \$700 billion annually. Unfortunately, these costs amount to a hidden tax passed on to hardworking Americans in the form of higher prices, reduced wages, stunted economic growth and decreased technological innovation.

Just think, if we could lower the cost of Federal regulations by just one-seventh of that amount, \$100 billion per year, it would have the effect of a \$1 trillion tax cut for the American people over 10 years. That is \$200 billion more than the tax cut we fought so hard to pass just last week.

But to lower the costs, we have to know the costs. The Regulatory Right-to-Know Act will provide this valuable information, helping regulators make better, more accountable decisions.

Mr. Chairman, I do not believe that all regulation is bad, but we ought to know the true cost of these actions so that we can judge how useful they really are.

I urge my colleagues to support H.R. 1074 to begin this important review.

Mr. Chairman, I reserve the balance of my time.

Mr. WAXMAN. Mr. Chairman, I yield myself such time as I may consume.

I rise in opposition to H.R. 1074, the so-called Regulatory Right-to-Know Act of 1999. This legislation would require the Office of Management and Budget to prepare an extensive annual report on the aggregate costs and benefits of Federal regulations, by agency, by agency program and by program component.

For the past 2 years, Congress has enacted appropriations riders that require OMB to tabulate the costs and benefits of major Federal regulations. Some observers have found this annual cost-benefit report to be helpful. They argue that it shows the health, environmental and other benefits of Federal regulations and how those benefits far outweigh their costs.

For example, the 1998 Report to Congress on the Costs and Benefits of Federal Regulations concluded that those

benefits far exceeded the costs by anywhere from \$30 billion to \$3.3 trillion. Well, that is a good report supporting the benefits of these regulations and how they outweigh the costs of the regulations. That is what we want to know.

But other observers have questioned the utility of these annual reports. According to the OMB, the Office of Management and Budget, aggregating costs and benefits of regulations are, they say, of little value to policymakers because they offer little guidance on how to improve the efficiency, effectiveness or soundness of the existing body of regulations. Why? Why would that be the case? They say, because the information available includes enormous data gaps, accurate data is sparse and agreed-upon methods for estimating costs and benefits are lacking.

Furthermore, critics like Professor Lisa Heinzerling of the Georgetown University Law Center say that the difficulty in quantifying benefits is likely to cause skewed results. Comparing aggregate, quantifiable costs, such as the dollar cost to comply with regulations, is easier to do than to quantify the really basically unquantifiable benefits, such as lives saved or a cleaner and healthier environment, and so to compare the two may mislead the public about the net benefits of regulation.

Well, whatever the merits of the current annual report that is being prepared by OMB, this bill is seriously flawed. First of all, this bill does not codify the idea that we will have annual reports. Instead, it dramatically expands these requirements in ways that will substantially increase the burdens on OMB, raise the costs to the taxpayers, and produce little significant new information.

In short, if H.R. 1074 were itself subject to a cost-benefit analysis, it would flunk.

One of the major problems in this bill is its scope. Currently, OMB prepares an annual analysis of the costs and benefits of "major" regulations with an annual economic impact of over \$100 million. This makes some sense. There are relatively few major regulations. Out of the 5,000 regulations issued in the Federal Register each year, only about 50 have major economic effects. The limitation to major regulations allows OMB to focus its analysis on the most important and costly regulations.

Moreover, agencies that promulgate these major regulations have to prepare cost-benefit regulations as part of the rulemaking process, so this gives OMB a database to draw from.

But this bill, H.R. 1074, is not limited to major regulations. It requires a cost-benefit analysis of all 5,000 regulations issued each year. According to this bill, the report must include, quote, an estimate of the total annual costs and benefits of Federal regulatory programs, including rules and

paperwork; one, in the aggregate; two, by agency, agency program, and program component; and, three, by major rule. This would therefore require agencies to perform cost-benefit analysis for all rules in order to provide OMB with the information it needs to compile the aggregate report.

This simply does not make sense. OMB testified that this bill would require OMB and the agencies to compile detailed data that they do not now have, and undertake analyses that they do not now conduct, using scarce staff and contract resources. That is because there is no such information available for these 5,000 nonmajor rules.

The administration says that the increased burden that this would place on the agencies would crowd out other priorities and would add little value. We have heard similar comments from unions, consumer groups and environmental organizations. Groups opposed to H.R. 1074 include the AFL-CIO, the American Federation of State, County and Municipal Employees, Public Citizen, the Natural Resources Defense Council, the Sierra Club and dozens of other national and local public interest groups.

Before the committee markup in May, we reviewed the Federal Register to see what types of rules would be subject to this new cost-benefit analysis. One example was a temporary rule issued by the Coast Guard governing the operation of a drawbridge near Hackberry, Louisiana. This regulation was completely noncontroversial. In fact, it was actually requested by the State in order for the State transportation department to make some necessary repairs. Yet under H.R. 1074, OMB now needs to conduct an analysis of the economic costs and benefits of this regulation, including its direct and indirect effects on economic growth, prices, wages, small business and productivity.

There are hundreds, perhaps thousands, of rules issued each year that fall into this category. Is this how we want to spend the taxpayers' dollars?

Not only would this bill be wasteful, it would provide an incomplete picture of the costs and benefits of government programs by omitting corporate welfare from the report of aggregate costs and benefits to the taxpayers. According to an investigation by "Time" magazine, the Federal Government gives out \$125 billion a year in corporate welfare. It seems to me that it is only logical that any OMB report should include all costs and benefits to the economy, including the costs to the taxpayers and benefits to businesses from corporate welfare.

Later today, several of our colleagues will introduce an amendment to address these concerns. The Hoeffel-Kucinich-Visclosky Taxpayer Protection and Corporate Welfare Disclosure Amendment would require OMB to re-

port on the costs and benefits of corporate welfare.

□ 1515

It would also limit the amount of money that could be spent on these analyses to \$1 million, double what the CBO estimated for the annual cost to implement the bill, while we are giving twice as much as CBO says this bill is going to cost, because I do not think their cost estimate is going to be correct.

And there ought to be some ceiling on the amount of money that hard-working taxpayers are going to pay to do this analysis that may not even be of any value. We ought not to be spending certainly more than \$1 million on this project which seems to be the personal agenda of some of those who are pushing the legislation. While this amendment does not address all my concerns with H.R. 1074, it will go a long way towards protecting the taxpayer by limiting the cost of the bill and giving a more accurate picture of the costs and benefits of government programs.

Mr. Chairman, I would urge at the appropriate time that Members support the amendment. The Hoeffel-Kucinich-Visclosky Taxpayer Protection and Corporate Welfare disclosure amendment is a commonsense amendment that would at least improve a deeply flawed bill.

Mr. Chairman, I reserve the balance of my time.

Mrs. BIGGERT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, no one in this room would buy a house without hiring an inspector to look it over carefully to make sure it was liveable; no one would buy a new car without looking at the warranty and taking it out for a spin to make sure that it runs; none of us would buy a new suit of clothes without having it professionally tailored and then trying it on first to see if it fits, yet we expect the American people to spend \$700 billion a year to comply with thousands of Federal regulations without knowing whether those regulations do what they are supposed to do.

I think we owe the American people an explanation. H.R. 1074 will help us give them one. It will help us answer the questions about whether all these regulations are worth what we are paying for them and whether society enjoys a net benefit. This bill will improve our regulatory system by putting timely, reliable information on the costs and benefits of regulations in the hands of policymakers and legislators. At the same time, it leaves in place all existing rules and it maintains the integrity of the existing rulemaking process.

Mr. Chairman, the American people deserve to know what they are getting for \$700 billion a year.

Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I wish to rise in support of H.R. 1074. The public has a right to know. What this issue really boils down to is what is good for democracy, and what is always good for democracy is information. What this legislation seeks to achieve is to give the public information.

Now through our regulatory framework in our Executive Branch of government all of our laws in this country are implemented, executed by our Executive Branch of government. We here in Congress often pass overly vague laws, and it is up to the regulators, the Executive Branch of government as defined in the Constitution, to put the teeth in those laws, to execute those laws, to define the regulations.

But what we are finding in this Federal Government which has become very vast and very large with so many different regulations, so many different agencies often promulgating the same regulations on the same topic and the same issue, that we have so much duplication, we have so many regulations that are passed onto our people which really take the full force of law, which do not take into account any chance of looking at whether the costs exceed the benefits, whether there is a better way of imposing the regulation or whether it duplicates other existing regulations within the Federal Government.

What this bill seeks to do is to have OMB, the Office of Management and Budget, conduct a review every year, something well within their means, something the Congressional Budget Office says is very minimal on a cost basis. What the OMB will do under this law is give us a report analyzing the costs and the benefits of proposed regulations. It will look at whether or not regulations duplicate each other.

We analyzed this last week, and we looked at so many different areas where regulations are so duplicative that people, family farmers, factory workers, small businessmen and women in this country are facing regulations that tear them in different directions. We have two different regulatory agencies pursuing wet lands conservation laws. One regulatory agency told a farmer in California, Dave Peckham, "Go ahead and farm your field, put a vineyard in there. Make sure you put your vineyard around this wetland," and then another agency came and said, "You're violating the law. We're going to conduct fines and impose penalties on your business."

We have so much waste and duplication in our regulatory agencies in this government that the public has a right to know what is being duplicated, where is this taking place. The public also has a right to know about the



costs and the benefits of the regulations being placed upon our people. And what this really comes down to is simply a good government act. This is good government.

The U.S. Government imposes a hidden tax on our public today. Last week, we voted for a tax relief package. We imposed taxes, income taxes, excise taxes, inheritance taxes, capital gains taxes, death taxes on our people in an overt way. We see the tax, it comes out of our paycheck, we send in our 1040. But there are other taxes that our public pays today, there are other taxes that citizens of this country pay, and that is a hidden tax, the cost of regulations.

It is estimated by Thomas Hopkins of the University of Rochester, the Rochester Institute of Technology, that hidden tax of regulations costs our economy, our people, our small businesses every year in excess of \$700 billion. A \$700 billion tax is being imposed upon the people of this country, and we are not even looking into whether or not these taxes exceed the costs, whether the benefits of these taxes exceed the costs, whether or not they are being duplicative or not. All this is a good government measure to say: Let us look at what we are doing as a Federal Government, let us look at the regulations we are promulgating.

This does not change one regulation, this does not affect any law from being implemented. This gives the public the right to know the truth. This gives the public the information that they need so they can follow the law.

All we are saying is, "Let's have the Office of Management and Budget review these regulations, let's have the Office of Management and Budget weigh the costs and the benefits of these regulations, let's have the Office of Management and Budget tell us whether they are overly duplicative or not," and I would like to echo what my colleague from Illinois said about the bill and its supporters:

Mr. Chairman, this is a bipartisan bill. This bill is being supported by the National Governors' Association, the National Conference of State Legislators, the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties and the International City and County Management Association. The bill is also supported by Americans for Tax Reform, the Center For The Study of American Business, Citizens for a Sound Economy, the Seniors Coalition and the Sixties Plus Coalition.

Mr. WAXMAN. Mr. Chairman, I yield myself such time as I might consume.

It is very peculiar to hear the gentleman from Wisconsin (Mr. RYAN) say we have OMB to do this analysis so we can find out the cost benefit of regulations. Well, OMB already does that, and the gentleman said the OMB said it costs \$700 billion a year to comply with regulations.

That is not accurate. OMB said, after doing their analysis, that it costs \$230 billion not \$700 billion; and that is the costs. But the benefits for regulations OMB said ranged, because we cannot know precisely how to quantify it, but we know there are certain enormous benefits that come from regulations to protect the environment, to protect public health and safety; they say the benefits of a \$230 billion cost is anywhere from \$260 billion in benefits to \$3.5 trillion.

Now the gentleman wants OMB to do a report, but he ought to be accurate in telling the Members what OMB is already saying on this very subject. Let me tell my colleagues what some others are saying about this bill.

The United Auto Workers say the UAW submits that this bill would only serve to further delay the promulgation of public health and safety protections by mandating wasteful analysis and diverting limited agency resources.

The United Steelworkers say that they oppose this bill because it would lengthen and complicate the already cumbersome regulatory process of agencies such as OSHA which address issues affecting worker safety and health.

The Consumers Union opposes this bill, and they say that the substitution of different words or details does not obviate the need this bill would create for the Executive Branch to expend the very substantial resources in an attempt to quantify what they may well find is unquantifiable and most certainly would be meaningless in an aggregate form.

Now do we want to take taxpayers' hard-earned money and waste it, because that is what this bill would do. It would have OMB spend, I believe, without a limit, millions of dollars on an analysis on non-major regulations. We are not talking about major regulations, but regulations that are non-major, often noncontroversial, usually noncontroversial, regulations that everyone supports, and then have to go through a lot of paperwork. Well, maybe it is a win for those who have their own agenda to say that if maybe they are lucky, OMB came out with a report showing that the costs out-did the benefits. They can say, well, there is a wasteful regulation, but even if they can never come up with a way of showing that some of these regulations are not effective, they could just busy all the people in the government doing these reports that serve no useful purpose.

Let us subject this bill to a cost-benefit analysis. We do not know what the full costs will be of this bill to make OMB go through all these regulations and review. But we do know that the costs are going to be extraordinary and the benefits are going to be minuscule. We ought not to enact legislation that does not serve a cost-benefit purpose,

we certainly ought not to have regulations that do not have benefits outweighing the costs. And I think that the way to make sure that we have regulations that are effective and cost effective is to do our job as congressional custodians through oversight and not just simply pass laws that can do a great deal of harm.

Mr. Chairman, I reserve the balance of our time.

Mrs. BIGGERT. Mr. Chairman, I ask unanimous consent to yield the remaining time to the gentleman from Indiana (Mr. McINTOSH) for his management.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

The CHAIRMAN. The Committee will rise informally.

The SPEAKER pro tempore (Mrs. BIGGERT) assumed the chair.

#### SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Sherman Williams, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

□ 1530

#### REGULATORY RIGHT-TO-KNOW ACT OF 1999

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. McINTOSH).

Mr. McINTOSH. Mr. Chairman, how much time is remaining on each side?

The CHAIRMAN. The gentleman from Indiana (Mr. McINTOSH) has 21½ minutes remaining; the gentleman from California (Mr. WAXMAN) has 16 minutes remaining.

Mr. McINTOSH. Mr. Chairman, I yield myself such time as I may consume.

We are bringing this bill, the Regulatory Right-To-Know Act of 1999, which is, as my colleague said, a bipartisan bill to promote the public's right to know the cost benefits and impacts of Federal regulations. This bill is the product of work done by the gentleman from Virginia (Mr. BLILEY) over the last several years, and it builds on provisions that were included in the Treasury and General Government Appropriations Act for 1997, 1998, and 1999. There is also a companion bill in the Senate, S. 59, also designed to establish a permanent and strengthened regulatory accounting system.

Now, my colleague, the gentleman from California (Mr. WAXMAN) says this bill would put onerous new requirements on the bureaucracies and the

agencies that write regulations. If only there was that sentiment and concern about the small businesses, the farmers, the people who are working to earn a living outside of government about the onerous costs of Federal regulations, because estimates are that they do, indeed, amount to \$700 billion a year. These are private estimates which have measured the cost of these.

Mr. Chairman, H.R. 1074 is a good government requirement that the Office of Management and Budget would actually make sure that the regulatory impact analyses are done on major rules and that they aggregate these into an annual accounting statement and an associated report. The accounting statement would provide the estimates of the costs and benefits for Federal regulatory programs in the aggregate; not one-by-one as each rule comes through the process, but by agency, so that we can compare where are these costs coming from; which agencies have the greater burden; which agencies provide the greater benefits for us in these social programs, as well as by program within each agency, and by program component.

The information would be provided for the same 7-year time series as the budget of the United States: the current year, 2 preceding years, and the 4 following years.

The associated report would analyze the impacts of Federal rules and paperwork on various sectors; for example, what is the cumulative impact on several different agencies on small businesses or on farmers, and it would also do it by functional areas; what is the impact on public health. That is where I think we will see the greatest analysis of the potential benefits of Federal regulations. Where are our regulatory programs having an impact on the environment, giving us a cleaner environment; where are they having an impact on creating greater health for the public; where are they having an impact on greater safety.

The essential question that I think this analysis and the final report will help us to answer is how do we get the biggest bang for our buck, for all of the billions of dollars of regulatory costs that we impose upon this country in order to pursue those social goals of a cleaner environment, a healthier workplace, and a healthier lifestyle for all Americans.

One of the things we have noticed in our subcommittee time and time again is that there are many times in which we have overlapping regulations, the gentleman from Wisconsin (Mr. RYAN) spoke of several of those, in which we have duplications, in which we have potential inconsistencies among Federal regulatory programs. The report will offer recommendations to reform those inefficient programs so that we can do a better job. Once again, how do we get the biggest bang for the buck out of all

of the costs imposed in Federal regulations.

Currently, there is no report that analyzes these cumulative impacts of Federal regulations. I believe from the bottom of my heart that Americans have a right to know what are those costs, what are those benefits, and what are the impacts they have on various sectors and various functional areas.

Current estimates, as we talked about earlier, are, indeed, in the private sector, could be as much as \$750 billion, which would be, by the way, a 25 percent increase from 10 years ago. Nobody quite knows because the Regulatory Right-to-Know bill has not been enacted; and, therefore, there is no cumulative accounting for the costs of regulations. By the way, if that estimate is correct, that ends up being a little less than \$7,000, about \$6,900 for every family in America, a lot more than the taxes that they pay directly to the Federal Government.

Now, the bill requires OMB to issue guidelines, to standardize agency estimates of costs and benefits and the format for the annual accounting statement. The bill also requires the Office of Management and Budget to quantify the net benefits for each alternative considered, as well as the net costs, so that we can determine whether the agencies are doing their job in maximizing the benefits to the environment, health and safety, and minimizing the costs to the American public.

I think this bill will help the public understand how and why major decisions that are made by the executive branch agencies are made, and it will disclose if there are agencies that have indeed chosen the most effective and least costly approach.

To ensure a balanced and fair estimate in these areas, the bill requires that this annual report be publicized in a draft form and be submitted to with two or more experts for the opportunity of peer review, so that we get outside estimates, outside expertise looking at those questions on the costs and the benefits of regulations. Finally, it requires that the report be published annually, so that everybody, every citizen can have access to that information.

One of the things that we have also done is we require OMB to compile some new and improved information about regulatory programs, but we also believe that the bill will not impose any significant undue burden on OMB, since much of the needed regulation is either already available or already to be provided to OMB under the President's executive order on regulatory review.

Now, since 1981, when President Reagan issued his historic executive order, the Federal agencies have been required to perform a cost-benefit anal-

ysis of major rules, which constitutes the bulk of the Federal regulatory cost and benefits. Also, OMB can use any other sources of information, including private regulatory accounting studies and government studies done by the agencies.

The bill, as reported by the Committee on Government Reform, made many changes to lessen the burden on OMB and to address the administration's concern, including a phase-in of some of these key requirements. The result is that the CBO has estimated the cost of this bill to the taxpayer is less than \$500,000, less than \$500,000 each year. To me and my way of thinking, that is a tremendous benefit when one can spend a little less than \$500,000 and potentially save billions of dollars for the American public on unnecessary, duplicative regulations.

There is also a very small sum of money to tell us where can we get the biggest bang for the buck in terms of improving the health and safety of the American worker, in terms of getting the biggest bang for the buck in cleaning up the environment, in terms of getting the biggest bang for the buck in allowing Americans to live a healthier life. I think the cost of this rule, as demonstrated by the CBO estimate, certainly meets any type of cost-benefit analysis that we might want to impose on it.

This bipartisan bill has been endorsed by many organizations; and my colleague, the gentleman from Wisconsin (Mr. RYAN) started to mention several of the major public organizations, representatives of cities and towns and State governments, as well as the National Governors Association; but it has also been endorsed by the Alliance USA; the American Farm Bureau Federation; the Americans for Tax Reform; the Associated Builders and Contractors and the Business Roundtable; the Center for the Study of American Business; the Chamber of Commerce of the United States of America which, by the way, is key voting this bill; the Chemical Manufacturers Association; The Citizens for a Sound Economy, which is also key voting this legislation; the National Association of Manufacturers, which is also key voting the legislation; the National Associations of Towns and Townships; the National Federation of Independent Businesses; the Seniors Coalition; 60 Plus Association; and the Small Business Survival Community; which is also key voting this piece of legislation.

Now, unfortunately, some of the complaints about this bill, some of those raised in fact in the minority views of the committee report, end up misunderstanding the bill and therefore lead to incorrect or misleading assertions about what is required in the legislation. For example, it incorrectly states that it would require a cost-benefit analysis for every major and minor

rule. That is simply not in the legislation.

What the bill does require is that major rules that are currently subject to the executive order have a regulatory impact analysis, but there are no new regulatory impact analyses, no new rule-by-rule cost-benefit analyses, and no new rule-by-rule impact analyses. Simply, what this bill does is require OMB to enforce the executive orders and then aggregate the data by various sectors.

One of the things that we must do in focusing on this is also ask ourselves, will this have an impact on slowing down issuing of regulations. The bill does not change any standard of law; and it cannot, frankly, slow down any rulemaking, because the analyses are required to be done after the fact and in the aggregate. This is a look back to say what are the regulatory programs that were put in place in the past year and what are the costs, so that we can now look and see whether we have the best overall regulatory proposals.

I hope today's debate recognizes both the bipartisan nature and the narrow intent of H.R. 1074 to provide useful information. The public, it does have a right to know where its regulatory agencies are performing and how they are doing; and it will provide useful information to decisionmakers, both in Congress and in the executive branch, about the costs, the relative benefits, the impact of various Federal programs, so that we can do a better job of legislating in those areas, and the executive branch can do a better job of regulating in those areas.

In May and April, at the subcommittee and full committee markups, opponents of the bill tried to add some amendments to cripple the legislation or to undermine the public's ability to actually receive the information about these regulatory programs. There are some amendments on the floor today that would do that. I think it is critical that we move forward to actually ensure that the public does have a right to know about its regulatory process, and I would urge my colleagues to oppose any weakening amendments, any amendments that would gut the bill, any amendments that would be, in fact, undermining the essential goals of this legislation. I believe the public has a right to an open and accountable government. OMB's accounting statement and a report that this legislation will require, will provide important tools to help Americans participate more fully in government decision-making, and to assist in making smarter regulatory decisions for the future.

Mr. Chairman, I reserve the balance of my time.

Mr. WAXMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would point out that the gentleman from Indiana is abso-

lutely incorrect when he tells us that his bill would apply to just the major rules, because the text of his bill provides that there would be all the rules and paperwork in the aggregate, by agency, agency program and program component, and by major rule. If he wanted it by "major rule" alone, he could have said that.

Further, on the bill it says, "analysis of the impacts of Federal rules and paperwork on Federal, State," so on and so forth. It does not say "major," it says "impacts of Federal rules." The consequence of that would be, I believe, to waste an enormous amount of money.

There is an argument to do a cost-benefit analysis, as has been required in the appropriations riders, on the major rules. But when we get into these minor rules, we are talking about things like noncontroversial requests to have a regulation of a drawbridge near Hackberry, Louisiana, that everybody supported, and then one would have to go through all the paperwork to do an analysis on a noncontroversial rule.

On May 14, the Veterans' Administration issued a rule to adjust the level of education assistance available to veterans as required by the Benefits Act for Veterans of 1998. This rule was strictly ministerial, since the adjustment was required by statute. That rule would have to be subject to an extensive analysis with a lot of paperwork, with even peer reviewers to look at OMB's analysis after the fact.

On July 23, the Department of the Treasury issued a rule to allow the U.S. Mint to use mechanical means rather than melting to destroy mutilated coins. Well, we would have to have that rule reviewed over again to try to quantify the costs and the benefits of taking these mutilated coins and melting them down as opposed to using some other way to destroy them.

On July 23, the Food and Drug Administration amended its animal drug regulations to reflect the approval of a new drug to treat infections in dogs. Well, why should that have to go through a long, extensive review of the costs and benefits?

Now, it is not just the costs and benefits of that regulation, in and of itself; but it is costs and benefits to the economy, to wages, to productivity and growth. So we are, in effect, mandating an enormous amount of burden, a lot of busywork, wasting taxpayers' dollars to comply with this legislation that is so overly broad in the way it has been drafted.

Now, there may be groups that support it because they were misinformed, as are the Members being misinformed today about the legislation. They may think it was only the major rules, but in fact, it goes far beyond that.

Mr. Chairman, could I just inquire as to the amount of time on each side.

The CHAIRMAN. The gentleman from California (Mr. WAXMAN) has 13 minutes remaining, the gentleman from Indiana (Mr. MCINTOSH) has 10 minutes remaining.

□ 1545

Mr. WAXMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. HOEFFEL).

Mr. HOEFFEL. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, my concern about H.R. 1074 is that it would give us an incomplete picture. The proponents of this bill, of the Regulatory Right-to-Know Act, are asking for a cost-benefit analysis of Federal regulations, arguing that the public and Congress have a right to know the cost of the regulations that are promulgated by the bureaucracy in response to the statutes that we pass here in Congress.

Frankly, it is a fair request. It is a rational request. I understand why they want to know that. They say it may cost \$700 million a year. They cite private estimates that may or may not be true. It could be far, far less than that, as government studies have indicated. However, we do have some reason to want to know the cost of government regulation.

But the bill before us would give an incomplete picture. There is no question that government regulations cost money. They cost businesses money to comply. That is obvious on the face. In return, we hope we get certain benefits: a safer workplace, a more competitive business environment, better consumer protections, cleaner environmental sites, cleaner air, cleaner water. There is certainly a benefit intended when we pass a bill that is turned into a regulation that in turn regulates business.

But if we are really interested in finding out the impact on businesses of Federal action, we must not only do a cost-benefit analysis of regulations, but we must include in that a cost-benefit analysis of the corporate welfare received by many of those businesses.

"Corporate welfare" is a term bandied about a lot. It can mean a number of different things. It is outright government spending subsidies to certain businesses that give them a direct benefit from the taxpayer. Corporate welfare includes tax preferences, tax breaks, loan guarantees, and loan preferences.

Corporate welfare includes the use of government assets below market value. Grazing on government lands, mining on government lands, logging on government land at rates below fair market value, all of that comprises corporate welfare.

If we are serious about analyzing the cost of government action on American business, and if we really want to give the American people the full picture, we have to ask for the full picture. If

we are going to ask the Office of Management and Budget to do an analysis of the cost and benefit of Federal regulations, we have to include in that analysis the costs and benefits of corporate welfare that have been estimated by Time Magazine at \$125 billion a year.

I will have more to say about the corporate welfare aspect of this debate when I offer an amendment on that subject in a few minutes. I rise now simply to urge the House to understand the full picture and to ask for the full picture.

What do the proponents of the bill have to hide? If we want to know the impact on business of Federal actions through regulations, let us include in that study the impact on business of the benefits given through corporate welfare.

Mr. MCINTOSH. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia (Mr. BLILEY), the chairman of the Committee on Commerce.

As I mentioned, the gentleman is the originator of this legislation, and much credit goes to him for his diligent work in this area over the last several years.

Mr. BLILEY. Mr. Chairman, I thank the gentleman from Indiana for yielding time to me.

Mr. Chairman, I am pleased to have worked with the gentleman from Indiana (Mr. MCINTOSH), the gentleman from California (Mr. CONDIT), the gentleman from Texas (Mr. STENHOLM), and a broad bipartisan group of cosponsors on the Regulatory Right-to-Know Act of 1999.

The bill was introduced with 17 Democrats and 14 Republicans as cosponsors. The bill has been improved in committee to address some of the concerns of the Office of Management and Budget, and based on two amendments by the gentleman from Ohio (Mr. KUCINICH) to add new information requirements and to ensure a balanced and peer review.

One of the amendments of the gentleman from Ohio (Mr. KUCINICH) requires an analysis of the impacts of programs and program components on public health, public safety, the environment, consumer protection, equal opportunity, and other public policy goals.

Moreover, the definition of both benefits and costs include quantifiable and nonquantifiable effects, including social, health, safety, environmental, and economic effects. I think Members can see that we have gone the extra mile to ensure that this legislation encompasses a fair analysis and is not weighted just toward regulatory costs.

I should also note that the Regulatory Right-to-Know Act of 1999 changes no regulatory standard and will not slow down the development of any regulation. Moreover, the Congressional Budget Office has scored this

bill in its lowest category as costing under \$500,000 per year.

The Regulatory Right-to-Know Act is a basic step towards a smarter partnership in regulatory programs. It is an important tool to understand the magnitude and impact of Federal regulatory programs. The act will empower all Americans, including State and local officials, with new information and opportunities to help them participate more fully and improve our government. More useful information and public input will help regulators make better, more accountable decisions and promote greater confidence in the quality of Federal policy and regulatory decisions.

Better decisions and updated regulatory programs will enhance innovation, improve the quality of our environment, secure our economic future, and give a better quality of life to every American.

Mr. Chairman, while good management and accountability matter, there are a number of reasons that this act is the right step towards enhanced quality and accountability in regulatory programs. Over the past 4 years, this Congress has changed the direction of the Federal Government from the endless burden of more taxes and spending to the new fiscal discipline of balance and accountability.

For the past decade, America's business ingenuity accounts for a surge in quality and productivity. The result of this surge is an American economy which is the unparalleled envy of the world. Millions of Americans in private businesses have brought incredible improvements to our quality of life, health care, and education.

Through the new emphasis on flexibility and innovation, State and local officials have led the way to safer, cleaner, and more prosperous places to live. Given this power and responsibility, we in Congress must be the allies of state and local government, American business and families, through responsible management of the Nation's regulatory programs to ensure quality in necessary regulation and freedom from unwise regulation.

The drive for quality, the same basic drive toward the free market and State and local innovation, must be the drive for Federal regulatory programs as we enter the next millennium.

This may take time. We have already reviewed two accounting reports from the Office of Management and Budget. Many parties commented on drafts of these documents and have pointed out the need for substantial improvement. I expect the real impact from this information will be a few years from now, when the information base is built up further.

The concept of flexibility and improvement for the accounting statement itself is built into the legislation. I agree with the Office of Management

and Budget, that the current information is not sufficiently detailed to make management decisions. That is a few years down the road. We should not, however, accept a path where ignorance is bliss. We also agree with the Office of Management and Budget in its last accounting statement report when it said, "This report presents new information on both the total costs and benefits of regulations and the costs and benefits of major individual regulations. We hope to continue this important dialogue to improve our knowledge about the effects of regulation on the public, the economy, and American society."

In closing, this bill will provide vital information to Congress and the executive branch so they may fulfill their obligation to ensure wise expenditure of limited national economic resources and improve our regulatory system. Let us not forget that a tax or a consumer dollar spent on a wasteful program is a dollar that cannot be spent on teachers, police officers, or health care.

If we are serious about openness, the public's right to know, accountability, and fulfilling our responsibilities as managers, we will enact this important piece of legislation.

Mr. WAXMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Clinton administration, which would have to enforce this proposal, has written that they oppose it. They say, "The increased burden that this would place on the agencies would crowd out other priorities and would add little value in many cases. That is because cost-benefit analysis can be very expensive and time-consuming."

The Environmental Defense Fund, which opposes this legislation, said that, "The bill ignores the serious practical and methodological limitations that characterize cost-benefit analysis. In doing so, it compels agencies to waste considerable taxpayers' resources developing new information that is worse than useless."

The Environmental Coalition of Mississippi said, "This legislation would impose burdens on Federal agencies, undermining their ability to protect consumers' civil rights, public health, safety, and the environment."

The Natural Resources Defense Council said, "We strongly believe this legislation would create needless bureaucracy and divert scarce agency resources away from the efforts to carry out and enforce vital public health and environmental safeguards."

Of course, I mentioned in my opening comments all the other environmental, public health, public interest groups that oppose this legislation. The main reason that I would urge Members to oppose it is that it is not what it has been represented to be. It is not a review of the major regulations. It covers

all regulations. It wastes taxpayers' dollars in doing so.

To me, to waste taxpayers' dollars in the name of trying to save taxpayers' money is a fraud on the American people. This legislation is well-intended but poorly drafted, and for that reason, I would hope that when we get to final passage of the legislation, Members would vote against it.

For a proposed regulation to be promulgated by an agency, it has to be reviewed and subject to comments from anybody affected. After that, it goes to the Office of Management and Budget, where they are required by law to review it and to do a cost-benefit analysis on it before it is considered one that will be put into final form. After that, once the regulation becomes legally binding, existing riders on appropriations say that if it is major, we ought to review it for cost-benefit to see whether we are getting the benefits for the costs.

This bill goes beyond all of that and requires that small, non-controversial regulations be subject to this wasteful exercise for no value after we have got all that paperwork that will be generated by the legislation. So I would hope that Members would oppose the bill.

Mr. Chairman, I reserve the balance of my time.

Mr. MCINTOSH. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska (Mr. TERRY).

Mr. TERRY. Mr. Chairman, I rise in support of H.R. 1074. Before coming to Congress, I spent 8 years as a Member of the Omaha Nebraska City Council. This gave me an opportunity to observe firsthand the impact of Federal regulations on our cities.

Many of the regulations may not cost the Federal Government much, but the cost to the States and the localities can often be great. Washington regulators need to appreciate how much of a financial burden their rules are on other forms of government. They might even be encouraged to find more cost-effective ways of accomplishing their goals.

This is why this legislation is so necessary. Let me tell the Members, just to build a road within the city of Omaha, some firsthand experience. About 30 to 40 percent of the time and talent to get that road built is spent in trying to comply with Federal rules and regulations. It is very costly. The irony here is that some of those Federal regulations that we must comply with at the local level to try and build that road demand cost-benefit analysis.

I would say what is good for the goose is good for the gander. Perhaps some of those rules and regulations are not necessary, and we could streamline and create efficiencies and cost savings at the local level.

Information on the costs and the benefits of the Federal regulatory pro-

grams has been available since 1997. The existing legislation before us today strengthens the existing requirements and makes them permanent law.

From the City Council service, I can appreciate why all the major organizations representing State and local elected officials support the Regulatory Right-to-Know Act. As a sponsor of H.R. 1074, I urge all my colleagues to join me in supporting it, and oppose the Hoeffel amendment.

Mr. WAXMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have had these kinds of debates in the past on so-called regulatory reform proposals, and what we usually get in the course of these debates are a lot of anecdotes. They are the kinds of anecdotes that get all of us very angry. It usually involves some well-meaning citizen who is the victim of some terrible regulation, or an overzealous agency.

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After we hear these gut-wrenching stories, we are asked to conclude that the regulatory system is broken and needs to be reformed. The only problem with these stories is that they are just that, stories. After the debate, we go back and research some of these anecdotes, as we have done in the past, and they may include a kernel of truth, but the facts and conclusions end up being wrong.

For example, in the 104th Congress, we were told about the Safe Drinking Water Act requiring the City of Columbus to test its drinking water for pesticide used only to grow pineapples. That, of course, is ridiculous. Everyone knows one does not grow pineapples in Columbus, Ohio. But when we looked into that story, which was told on the House floor, it turned out that the pesticide DBCP is considered a probable human carcinogen, and it was widely used on over 40 crops until it was banned in 1979. Since then, it was found in the groundwater in 24 States, and 19 States have reported levels above the Federal standard.

I remember also hearing from the gentleman from Indiana about OSHA killing the tooth fairy by requiring extracted baby teeth be disposed of as hazardous waste rather than allowing the parents to take the teeth home. Well, that sounds ridiculous. But when we checked it out, it turned out there was a regulation issued by the Bush administration that required dental workers to take precautions when handling extracted teeth because they were contaminated with blood. But a gloved dentist was allowed to put the tooth in a clean container and give the tooth to the parents for the tooth fairy.

There are other examples. But now, during the debate on this bill, we heard a new anecdote. Last Thursday, when we were debating the rule for this bill,

and I believe that the gentleman from Wisconsin (Mr. RYAN) repeated this, we heard the story in the debate today of Dave Pechan who got caught in a turf fight over wetlands regulations between the National Resources Conservation Service and the Army Corps of Engineers.

According to our colleague, the Conservation Service gave Mr. Pechan approval to convert his land into a vineyard, but then the Army Corps of Engineers told them he will be subjected to civil and criminal penalties if he continues to work his land. He is now in limbo while the Corps conducts its own wetlands evaluation of his property. That is a quote from our colleague.

Well, we called the Army Corps of Engineers on Friday. What we found out is that, while the Corps disagreed with the Conservation Service's wetlands determination, it deferred to their decision. The Corps sent a letter to Mr. Pechan in December of 1997 informing him that their investigation was effectively closed. So Mr. Pechan is not being subjected to civil or criminal penalties, and he is not in limbo.

Mr. Chairman, we may disagree on the role of the Federal Government or the need for Federal regulations to protect health, safety, and the environment; but we ought to keep the debate on the facts.

The facts are this bill is not as has been represented, only dealing with major regulations. It applies to all regulations. The facts are this bill will cost a lot of money. We have heard cited the CBO's estimate of \$500,000, but I believe it is going to be more. We will see, if it is only \$500,000, whether the other side will agree to an amendment that will say, okay, no more than a million dollars can be spent on this enterprise.

I would like to submit for the RECORD, and I am going to with this statement, comparisons of other anecdotes and facts that we found for the various cases that have been raised on the House floor. Let us not let these anecdotes, which make all of us angry if we thought they were true, be used to get us to make policy changes in our law that will, as some of the groups that are opposed to this legislation indicated, provide for excessive waste of taxpayers' dollars, to develop a needless bureaucracy, divert scarce agency resources away from the efforts to carry out and enforce vital public health and environmental safeguards.

I would urge opposition to this legislation.

With these comments, Mr. Chairman, I yield back the balance of my time.

Mr. MCINTOSH. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Chairman, I thank the gentleman from Indiana for yielding me this time.

Mr. Chairman, if love and communication are the seeds of a good marriage, then open discussions are a good

thing. It is this same principle that highlights the importance of the Regulatory Right-To-Know Act and why it must be approved. The more we know about the burdens of Federal regulations imposed on American families, the better our decisions will be.

This bill gives policymakers, lawmakers, regulators, and the public a valuable tool for evaluating the benefits and burdens that new regulations impose. Either way, it provides an honest and open accounting of our votes.

This effort is bipartisan, and it is built on the principles of openness and accountability. The public has the right to know its government has considered every factor when it imposes new regulations on Americans. To do anything less would be irresponsible.

I urge all my colleagues to support the Regulatory Right-To-Know Act.

Mr. MCINTOSH. Mr. Chairman, I yield 1½ minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I would like to, rather than go into anecdotes, go into facts and talk about some of the arrangements that the gentleman from California (Mr. WAXMAN) has been talking about.

First, I would like to talk about the score of the bill. The Congressional Budget Office, the nonpartisan Congressional Budget Office, said that this would cost less than \$500,000 per year for this score of the bill. That is after they read the legislation, and I will get to that in 1 second.

But to put this in perspective, Federal agencies will spend an estimated \$17.9 billion per year to write and enforce regulations in fiscal year 1999. That is one-tenth of 1 percent of total spending on Federal regulatory programs.

Even if we assume for the sake of argument that the CBO's estimate is off by a factor of 10, H.R. 1074 would still cost less than 1 percent of total agency spending on regulations. It will not strain agencies' budgets.

But going on to the point that this would cause a cost-benefit analysis on rule by rule by rule, the bill specifically states that OMB is given the discretion to bundle rules into aggregate components, to take a look at component rule categories.

So this will not make OMB go down the road of doing 5,000 separate rule by rule by rule cost-benefit analyses. This bill gives OMB the discretion to bundle rules in the aggregate by section, by related categories, and then conduct the aggregate cost-benefit analyses.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in opposition to this bill.

This piece of legislation would require the Office of Management and Budget (OMB) to report on the aggregate annual cost and benefit of regulations, regulatory programs, and program components. Unfortunately, bill would waste taxpayer dollars by compelling agencies to use their limited resources to annually ana-

lyze rules that are immaterial. The resulting information likely would not improve the efficiency, effectiveness, or soundness of the existing body of regulations.

The OMB traditionally has worked hard to annually report on the costs and benefits of approximately 50 major rules. This bill, as it stands, would require the OMB to report on the costs and benefits on over 5,000 rules issued each year. This would include thousands of administrative and routine rules that OMB currently does not review.

This bill also fails to disclose to the public the costs and benefits of billions of dollars of corporate welfare doled out by the federal government to regulated corporations each year.

The burden imposed by this bill will fall on agencies and prevent them from using valuable funds for environmental and health programs. It will tie up agencies with new, unnecessary, bureaucratic red tape that will keep our agency workers writing reports instead of helping people.

Many citizen groups oppose this bill, because they see the danger in keeping our agencies overburdened with administrative requirements, rather than allowing them to make new rules, and enforce existing regulations. Some of the groups that oppose this bill include the Sierra Club, the League of Conservation Voters, the Defenders of Wildlife, the Environmental Defense Fund, the AFL-CIO, AFSCME, the United Steelworkers of America, the Consumers Union and the American Lung Association. Each of these diverse groups knows that administrative agencies are there to help them in their causes—saving the environment, protecting American workers' jobs, and preserving and improving our health—and do not want to see these agencies face additional hurdles when trying to fulfill their purpose.

These studies required under this bill are impractical and unworkable. Simply said, in many cases, agency workers will not be able to quantify, especially in a fiscal sense, what good a regulation can do. How can we put a price on preserving our beautiful national parks? How can we assess the benefit of clean air for our children? It is difficult to put monetary figures on these benefits, but they are ones that our taxpayers count on, and enjoy.

I ask all my colleagues to oppose this bill, avoid wasteful administrative costs, and keep our government focused on problem solving.

Mrs. TAUSCHER. Mr. Chairman, I rise in support of this measure, the Regulatory Right-to-Know Act of 1999, but to also express some concerns I have with the balance of this legislation. While I believe this bill is an important tool for the public to learn about the costs and benefits of federal regulations, I fear that it may prove extremely costly, in both time and resources, and could lead to delays in regulations designed to protect worker safety, human health, and the environment.

Everyone understands the impact of federal regulatory programs on our economy—they have helped Americans, with the help of American businesses and industry, to clean the air, protect wetlands, promote safe transportation, ensure healthy and abundant food supplies, improve workplace safety, and pro-

mote human health. However, each of these important steps forward comes with a cost. While many of those costs are justified, it is important that the federal government work closely with the public to develop regulations which can achieve these goals reasonably, quickly, and efficiently. H.R. 1074 may help empower Americans with new information to improve public participation and help regulators make better decisions.

For the past 2 years, I have been involved in a bi-partisan working group of Members of Congress to develop broad, consensus-based legislation in the area of environmental regulations. I remain committed to this because I believe all Americans share essentially the same goals. The environmentalists I know want to ensure that our economy continues to grow and that Americans continue to prosper financially. And there's not a CEO I know who doesn't cherish the time spent in the great outdoors enjoying fresh air and clean water. In short, we all want clean neighborhoods, and we all want good jobs.

Broadening the information available to the public will improve this situation. Causing delay in formulating regulations will not. Americans must work together toward success. I believe the Regulatory Right-to-Know Act may help increase participation in our federal government's rule-making process. We in Congress, therefore, must commit to providing the necessary support to ensure that the Executive branch can continue its work effectively and efficiently. H.R. 1074 must not be an excuse to drain scarce agency resources or undermine the health and safety of Americans and our precious environment.

Mr. BEREUTER. Mr. Chairman, this Member rises today to express his support for H.R. 1074, the Regulatory Right-to-Know Act. This common sense legislation would require the Administration to submit to Congress a comprehensive annual accounting statement and report containing an estimate of the total annual costs and benefits of Federal regulatory programs.

The number of regulations issued by Federal agencies have greatly increased in recent times. These regulations can have huge financial repercussions on the private sector, state and local governments and the public with little or no oversight. This Member is pleased to be a cosponsor of H.R. 1074 which simply requires a reporting of the costs and benefits of regulations. For example, it is shocking to note that an estimate indicates that regulatory costs for 1999 will exceed \$700 billion (or \$7,000 for the average family!)

Mr. Chairman, in closing, this legislation will provide much needed accountability and will give the public access to information regarding the cumulative costs, benefits and impacts of Federal regulations. This Member urges his colleagues to support H.R. 1074.

Mr. PALLONE. Mr. Chairman, I urge my colleagues to oppose H.R. 1074 and support the Hoeffel-Kucinich amendment. H.R. 1074 would impose unduly burdensome analytical requirements and contain excessive provisions for consulting with State and local governments. The bill would waste huge sums of hard-earned consumers' income. The financial burden that would result would take scarce funds away from critical environmental protection and public health programs.



H.R. 1074 fails to include the costs and benefits of corporate welfare. One cannot determine the complete costs and benefits of regulations without also taking into account taxpayer-funded subsidies to the regulated corporations.

The administration opposes H.R. 1074, as do over 300 public interest organizations ranging from the AFL-CIO to the National Environmental Trust, United Auto Workers, U.S. Pirg, and the New Jersey environmental lobby in my home State. I can't remember the last time such a large and diverse range of interests united on an issue—imagine—the auto industry representatives and the environmentalists standing side by side!

The League of Conservation also is likely to score the vote on final passage as well as on the Hoeffel-Kucinich amendment.

I urge my colleagues to join me in supporting Hoeffel-Kucinich and opposing final passage.

Mr. CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill is considered as an original bill for the purpose of amendment and is considered read.

The text of the committee amendment in the nature of a substitute is as follows:

#### H.R. 1074

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Regulatory Right-to-Know Act of 1999".

#### SEC. 2. PURPOSES.

The purposes of this Act are to—

- (1) promote the public right-to-know about the costs and benefits of Federal regulatory programs and rules;
- (2) increase Government accountability; and
- (3) improve the quality of Federal regulatory programs and rules.

#### SEC. 3. DEFINITIONS.

In this Act:

(1) **IN GENERAL.**—Except as otherwise provided in this section, the definitions under section 551 of title 5, United States Code, shall apply to this Act.

(2) **BENEFIT.**—The term "benefit" means the reasonably identifiable significant favorable effects, quantifiable and nonquantifiable, including social, health, safety, environmental, and economic effects, that are expected to result from implementation of, or compliance with, a rule.

(3) **COST.**—The term "cost" means the reasonably identifiable significant adverse effects, quantifiable and nonquantifiable, including social, health, safety, environmental, and economic effects, that are expected to result from implementation of, or compliance with, a rule.

(4) **DIRECTOR.**—The term "Director" means the Director of the Office of Management and Budget.

(5) **MAJOR RULE.**—The term "major rule" has the meaning that term has under section 804(2) of title 5, United States Code.

(6) **NONMAJOR RULE.**—The term "nonmajor rule" means any rule, as that term is defined in section 804(3) of title 5, United States Code, other than a major rule.

(7) **PAPERWORK.**—The term "paperwork" has the meaning given the term "collection of information" under section 3502 of title 44, United States Code.

(8) **PROGRAM COMPONENT.**—The term "program component" means a set of related rules.

#### SEC. 4. ACCOUNTING STATEMENT.

(a) **IN GENERAL.**—Not later than February 5, 2001, and on the first Monday in February of each year thereafter, the President, acting through the Director of the Office of Management and Budget, shall prepare and submit to the Congress an accounting statement and associated report containing an estimate of the total annual costs and benefits of Federal regulatory programs, including rules and paperwork—

- (1) in the aggregate;
- (2) by agency, agency program, and program component; and
- (3) by major rule.

(b) **ADDITIONAL INFORMATION.**—In addition to the information required under subsection (a), the President shall include in each accounting statement under subsection (a) the following information:

- (1) An analysis of impacts of Federal rules and paperwork on Federal, State, local, and tribal government, the private sector, small business, wages, consumer prices, and economic growth, as well as on public health, public safety, the environment, consumer protection, equal opportunity, and other public policy goals.
- (2) An identification and analysis of overlaps, duplications, and potential inconsistencies among Federal regulatory programs.
- (3) Recommendations to reform inefficient or ineffective regulatory programs or program components, including recommendations for addressing market failures that are not adequately addressed by existing regulatory programs or program components.

(c) **NET BENEFITS AND COSTS.**—To the extent feasible, the Director shall, in estimates contained in any submission under subsection (a), quantify the net benefits or net costs of—

- (1) each program component covered by the submission;
- (2) each major rule covered by the submission; and
- (3) each option for which costs and benefits were included in any regulatory impact analysis issued for any major rule covered by the submission.

(d) **SUMMARY OF REGULATORY ACTIVITY.**—The Director shall include in each submission under subsection (a) a table stating the number of major rules and the number of nonmajor rules issued by each agency in the preceding fiscal year.

(e) **YEARS COVERED BY ACCOUNTING STATEMENT.**—Each accounting statement submitted under this section shall, at a minimum—

- (1) cover expected costs and benefits for the fiscal year for which the statement is submitted and each of the 4 fiscal years following that fiscal year;
- (2) cover previously expected costs and benefits for each of the 2 fiscal years preceding the fiscal year for which the statement is submitted, or the most recent revision of such costs and benefits; and
- (3) with respect to each major rule, include the estimates of costs and benefits for each of the fiscal years referred to in paragraphs (1) and (2) that were included in the regulatory impact analysis that was prepared for the major rule.

(f) **DELAYED APPLICATION OF CERTAIN REQUIREMENTS.**—

(1) **APPLICATION AFTER FIRST STATEMENT.**—The following requirements shall not apply to the first accounting statement submitted under this section:

- (A) The requirement under subsection (a)(2) to include estimates with respect to program components.
- (B) The requirement under subsection (b)(2).

(2) **APPLICATION AFTER SECOND STATEMENT.**—The requirement under subsection (b)(1) to include analyses of impacts on wages, consumer prices, and economic growth shall not apply to the first and second accounting statements submitted under this section.

SEC. 5. NOTICE AND COMMENT.

(a) **IN GENERAL.**—Before submitting an accounting statement and the associated report to Congress under section 4, and before preparing final guidelines under section 6, the Director of the Office of Management and Budget shall—

- (1) provide public notice and an opportunity of at least 60 days for submission of comments on the statement and report or guidelines, respectively; and
- (2) consult with the Director of the Congressional Budget Office on the statement and report or guidelines, respectively.

(b) **APPENDIX.**—After consideration of the comments, the Director shall include an appendix to the report or guidelines, respectively, addressing the public comments and peer review comments under section 7.

(c) **AVAILABILITY OF PEER REVIEW COMMENTS.**—To ensure openness, the Director shall make all final peer review comments available in their entirety to the public.

#### SEC. 6. GUIDELINES FROM THE OFFICE OF MANAGEMENT AND BUDGET.

(a) **IN GENERAL.**—Not later than 270 days after the date of enactment of this Act, the Director of the Office of Management and Budget, in consultation with the Council of Economic Advisers, shall issue guidelines to agencies to standardize—

- (1) most plausible measures of costs and benefits;
  - (2) the means of gathering information used to prepare accounting statements under this Act, including information required for impact analyses required under section 4(b)(1); and
  - (3) the format of information provided for accounting statements, including summary tables.
- (b) **REVIEW.**—The Director shall review submissions from the agencies to ensure consistency with the guidelines under this section.

#### SEC. 7. PEER REVIEW.

(a) **IN GENERAL.**—The Director of the Office of Management and Budget shall arrange for 2 or more persons that have nationally recognized expertise in regulatory analysis and regulatory accounting and that are independent of and external to the Government, to provide peer review of each accounting statement and associated report under section 4 and the guidelines under section 6 before the statement, report, or guidelines are final.

(b) **WRITTEN COMMENTS.**—The peer review under this section shall provide written comments to the Director in a timely manner. The Director shall use the peer review comments in preparing the final statements, associated reports, and guidelines.

(c) **FACA.**—Peer review under this section shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

(d) **BALANCE AND INDEPENDENCE.**—The Director shall ensure that—

- (1) the persons that provide peer review under subsection (a) are fairly balanced with respect to the points of view represented;
- (2) no person that provides peer review under subsection (a) has a conflict of interest that is relevant to the functions to be performed in the review; and
- (3) the comments provided by those persons—
  - (A) are not inappropriately influenced by any special interest; and
  - (B) are the result of independent judgment.

Mr. CHAIRMAN. No amendment to that amendment shall be in order except those printed in the portion of the CONGRESSIONAL RECORD designated for that purpose and pro forma amendments for the purpose of debate.

Amendments printed in the RECORD may be offered only by the Member who caused it to be printed or his designee and shall be considered read.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

Are there any amendments to the bill?

AMENDMENTS NO. 2, 3, AND 4 OFFERED BY MR. MCINTOSH

Mr. MCINTOSH. Mr. Chairman, I offer three amendments.

Mr. CHAIRMAN. The Clerk will designate the amendments.

The text of the amendments is as follows:

Amendments No. 2, 3, and 4 offered By Mr. MCINTOSH:

Page 4, line 17, strike "President" and insert "Director".

Page 7, beginning at line 5, strike "and economic growth" and insert "economic growth, public health, public safety, the environment, consumer protection, equal opportunity, and other public policy goals".

At the end of the bill add the following:

**SEC. . SPECIAL RULES RELATING TO CERTAIN FEDERAL BANKING AGENCIES AND MONETARY POLICY.**

(a) TRANSFER OF AUTHORITY AND DUTIES OF DIRECTOR.—The head of each Federal banking agency (as that term is defined in section 3(z) of the Federal Deposit Insurance Act (12 U.S.C. 181(z)) and the National Credit Union Administration, and not the Director, shall exercise all authority and carry out all duties otherwise vested under this Act in the Director with respect to that agency, other than the authority and duty to submit accounting statements and reports under section 4(a). The head of each such agency shall submit to the Director all estimates and other information required by this Act to be included in such statements and reports with respect to that agency.

(b) EXCLUSION OF MONETARY POLICY.—No provision of this Act shall apply to any matter relating to monetary policy that is proposed or promulgated by the Board of Governors of the Federal Reserve System or the Federal Open Market Committee.

Mr. MCINTOSH. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MCINTOSH. Mr. Chairman, let me describe these three technical amendments very briefly. We have discussed them with the gentleman from Ohio (Mr. KUCINICH) who unfortunately wanted to be here but was not able to be here when this bill was called up earlier today.

Amendment No. 2 strikes the word "President" and inserts the word "Director" which simply ensures the consistency in the use of terminology throughout the bill.

Amendment No. 3, inserting the words "public health, public safety, the environment, consumer protection, equal opportunity, and other public policy goals," delays the effective date for some of the impact analyses which OMB is required to prepare under the bill. This amendment is being offered jointly by the gentleman from Ohio (Mr. KUCINICH) and me or was to be offered jointly by us.

Amendment No. 4 responds to the concerns of the gentleman from Iowa (Chairman LEACH) and the Federal Reserve Board. The amendment's two provisions ensure that H.R. 1074 cannot mistakenly be construed as impinging on the independence of the Fed, or as interfering in any way with monetary policy set by the Open Market Committee.

I would submit that these amendments will perfect the bill and do not change any of the substance or policy of the bill.

As I understand it, the gentleman from Ohio (Mr. KUCINICH) has agreed to these, and there should not be any controversy to them.

Mr. WAXMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise simply to say that we have reviewed these amendments. The gentleman from Ohio (Mr. KUCINICH), as the Ranking Democrat on the subcommittee, and our staff has looked them over, and we would support the en bloc amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Indiana (Mr. MCINTOSH).

The amendments were agreed to.

AMENDMENT NO. 1 OFFERED BY MR. HOEFFEL

Mr. HOEFFEL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. HOEFFEL: At the end of the bill add the following:

**SEC. . INFORMATION REGARDING OFFSETTING SUBSIDIES.**

In addition to the information required under section 4, the President shall include in each accounting statement under that section an analysis of the extent to which the costs imposed on incorporated entities by Federal regulatory programs are offset by subsidies given to those entities by the Federal Government, including subsidies in the form of grants, preferential loans, preferential tax treatment, federally funded research, or use of Federal facilities, assets, or public lands at less than market value. The analysis shall—

- (1) identify such subsidies;
- (2) analyze the costs and benefits of such subsidies; and
- (3) be sufficiently specific to—
  - (A) account for the amounts of subsidies provided to the entities; and
  - (B) identify the entities that receive such subsidies.

**SEC. . TAXPAYER PROTECTIONS.**

(a) LIMITATION ON EXPENDITURES.—

(1) IN GENERAL.—The aggregate amount expended by the Director and agencies each fis-

cal year to carry out this Act may not exceed \$1,000,000.

(3) LIMITATION ON APPLICATION.—Paragraph (1) shall not apply to any expenditure for any analysis or data generation that is required under any other law, regulation, or Executive Order and used to fulfill the requirements of this Act.

(b) SUNSET.—This Act shall have no force or effect after the expiration of the four-year-period beginning on the date of the enactment of this Act.

Mr. HOEFFEL. Mr. Chairman, my amendment is designed to add to the Right-To-Know legislation in front of us a requirement that the Office of Management and Budget do a cost-benefit analysis of the corporate welfare benefits received by American companies when they do the cost-benefit analysis required by the bill on regulations written by the Federal Government.

The purpose for my amendment is to make sure that, when we give the public this information that the bill wants them to have, when we provide this right to know, not only to Congress, but to the American people, that we give them the full picture. The bill itself, as written, would not do that.

The proponents of the bill, I am sure in good faith, point out that the cost of Federal regulations is, in their estimation, high, and they want the public to know that. I understand that desire. But if we are going to go through this annual exercise of asking the Office of Management and Budget to conduct such a study of the impact of regulations on American businesses, let us make sure we know all the facts. We should have nothing to hide, Mr. Chairman.

If these businesses that are allegedly burdened with Federal regulations receive a Federal benefit through a tax advantage, a subsidy, a preference, let us have that on the table as well. If we want to find out the costs and benefit of Federal actions, let us include all these Federal actions, not just regulations, but the corporate welfare subsidies as well.

This amendment, the Hoeffel-Kucinich amendment is very much based upon the hard work done by the gentleman from Ohio (Mr. KUCINICH). As a member of the committee, I want to compliment him for his work.

I want to compliment the gentleman from California (Mr. WAXMAN), the ranking member, for his work. I look forward to the debate here, to work with the distinguished members of the majority, to come to a legislative decision here that gives the public what we all want the public to have, the full picture.

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My amendment would, first, include the cost of corporate welfare in the cost-benefit analysis that we are asking to be completed by the Office of Management and Budget. Secondly, the

Hoeffel-Kucinich amendment would make sure that the cost of this annual study would be capped at \$1 million.

Now, the CBO has estimated the cost of the underlying bill to be less than \$500,000 a year. So we have doubled that to put a cap of \$1 million on the combined study to determine the cost of regulation and the cost of corporate welfare. That seems to me to be a rational but prudent cap to make sure that we do not have a cost overrun or a runaway study here that would cost more than any potential benefit to the public.

And, thirdly, my amendment would make sure that this entire bill will not become a perpetual drain on the Federal budget if it proves to be not as useful as the proponents hope by putting a 4-year sunset provision in the bill. If this bill is successful, we can always lift that sunset and keep these studies going on an annual basis, as long as we feel they are useful. But if these studies are not useful, then the 4-year sunset provision in my amendment would protect the taxpayers and make sure that this does not become a perpetual drain.

Mr. Chairman, we have defined corporate welfare as spending subsidies, tax preferences, below-market rate use of Federal assets, such as land for grazing or timbering or mining. These corporate welfare benefits have been estimated by Time Magazine to equal \$125 billion a year. Every year, \$125 billion, the equivalent, according to Time, of the paycheck for 2 weeks of every working American man and woman. That is a very high cost. And we would like to see what the benefit of that is, and we would like to have this \$125 billion of estimated Federal benefit included in this study of Federal cost-benefit analysis.

Some who oppose this amendment say that it is designed to kill the bill. It is not. It is designed to make this bill whole, to make sure that we get the full picture. Without this amendment, the underlying bill does not give a full and complete picture of the impact of the Federal Government on American businesses and does not give a full picture of the benefit and cost of regulations or of corporate welfare.

Mr. MCINTOSH. Mr. Chairman, I rise in opposition to the amendment.

Let me say in response to the statement of the gentleman from Pennsylvania (Mr. HOEFFEL), about the Hoeffel-Kucinich-Waxman amendment, a couple of different points that I think are important for us to keep in mind.

First of all, the way the amendment is worded, "burdens imposed on incorporated entities," it will sweep up into that group entities that I am not sure the gentleman had in mind when he was drafting the amendment but, nonetheless, would be included in the definition of incorporated entities. To the extent that public interest groups or

not-for-profit groups are incorporated, they would also have the same analysis done on the benefits and subsidies that they receive in various Federal programs and would be required to disclose the amounts of those as a result of this report.

More fundamentally, this amendment is not related to the fundamental purpose of the bill in the sense that it opens up the entire bit of legislation to determine what type of benefits different entities in our society receive from government programs, specifically those that are incorporated in one of our various States. It is not limited to the offset on the amount of various regulations but is broad ranging.

And since every entity is affected by some legislation, it would essentially be a laundry list of all of that, subsidies as well as the effect on each of those individual players. That truly will bust the budget, if it is actually ever included in law and enacted, and, ultimately, does a great deal of damage to the core purpose of this bill by bogging it down in a direction that was not intended and, frankly, not beneficial in determining what are the impacts of Federal regulations on the private sector.

Now, I would have to say that the issue of corporate welfare is a longstanding and controversial issue which should be thoroughly debated by this House, but not in the context of a bill which we brought forward from this committee that is focusing on the regulatory burden since it goes much more, quite frankly, into spending and tax subsidies than it does to the regulatory impacts on those entities.

I would say that this Hoeffel-Waxman amendment ultimately ends up not being workable as an accounting amendment because it requires the government to do that by individual corporate entity. None of the analysis that we require currently in the bill is required by individual entity. It is, in its most detailed form, by individual rule, which has a broad application to many similar entities, but, in general, is in the aggregate of cross or different regulations and breaking down by business sectors and different functions.

So this would add a level of detail that, frankly, I am not sure anybody could come and say to us would in fact ever be workable if it were to be required.

Finally, the second part of the Waxman-Hoeffel amendment, the cap on a million dollar spending in order to require expensive new data collection and analysis are somewhat incompatible. This, I think, ends up being an amendment that is designed primarily to cripple the legislation, a gutting amendment, that would take away from the primary purpose of it; and I would urge my colleagues to vote "no."

Mr. KUCINICH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Hoeffel-Kucinich-Visclosky amendment, and this is called the Taxpayer Protection and Corporate Welfare Disclosure Amendment to H.R. 1074. Now, this amendment would protect the American taxpayer and streamline government by disclosing the cost and benefits of corporate welfare and placing common sense limits on the cost of this legislation to \$1 million a year. It would also sunset the reporting requirements after 4 years, thus assuring that we do not continue to require this if it is not achieving its goals.

H.R. 1074 ignores the fact that each year the Federal Government provides billions of dollars in corporate welfare to regulated businesses. In fact, the conservative Cato Institute recently estimated that corporations receive over \$75 billion annually from the Federal Government. Time Magazine puts this total at \$125 billion. This amendment would require corporate welfare to be disclosed to the American public so that they can have a complete accounting of the costs and benefits imposed by the Federal Government.

For example, as currently worded, H.R. 1074 would require OMB to report on the cost to industry of clean air regulations promulgated under the Clean Air Act, but it would not include any of the \$2 billion in Federal subsidies allocated to the coal industries through the Clean Coal Technology Program, which assists private companies in developing technologies which helps them comply with these regulations.

This amendment, on which I am pleased to have had the participation of the gentleman from Pennsylvania (Mr. HOEFFEL), who has shown real leadership on this issue of challenging corporate welfare, this amendment would not only ensure that the public gets a more complete understanding of the actual cost of Federal regulations, it would also help the American public decide whether such subsidies to large profitable corporations are worthwhile.

As Ralph Nader recently testified at the House Committee on the Budget hearing, "There is only one change that will counteract the entrenched interest which create, shield, and rationalize corporate welfare programs: an informed and mobilized citizenry."

The amendment would also protect taxpayers by limiting the funds that could be spent on these analyses. The Congressional Budget Office estimates that implementing H.R. 1074 would cost less than \$500,000 a year. According to the letter, this estimate "assumes that the statement submitted under H.R. 1074 would be similar to those previously submitted by OMB, which have relied on existing information, such as the agency's analysis of new rules to estimate the aggregate costs and benefits of Federal regulations."

Similar information also exists on corporate welfare, so we believe that

doubling the estimate should provide plenty of funds for OMB to produce this report on both the costs and benefits of regulations and the costs of benefits of corporate welfare.

Finally, this amendment would sunset the bill after a reasonable time so Congress can evaluate if it makes sense to continue these analyses.

Mr. Chairman, this is a common sense amendment. It provides the American taxpayers with additional information about the costs and benefits of regulatory programs. It prevents us from spending unlimited amounts of money analyzing minor and non-controversial regulations and does this without limiting cost-benefit analyses that are already required under other laws and executive orders.

It is an amendment that I would hope all budget conscious Members of Congress would support. Furthermore, I think that as this issue comes up in the future, we should be able to see a growing bipartisan support for measures which challenge corporate welfare. At a time when the American people are struggling to make ends meet, when many households are worried about Social Security, are worried about Medicare, we certainly should make sure that those who have the most benefits in this society also have to disclose to the American public just how much money is getting to them.

So I have been pleased to work with the gentleman from Indiana (Mr. MCINTOSH) and the gentleman from Wisconsin (Mr. RYAN) on the other side of the aisle in trying to craft the overall bill, though I am sorry we do not agree on the details; but I think this is one amendment that I hope we can find a way to come to some concurrence on.

Mr. MCINTOSH. Mr. Chairman, will the gentleman yield?

Mr. KUCINICH. I yield to the gentleman from Indiana.

Mr. MCINTOSH. Mr. Chairman, in drafting the amendment, does the gentleman know whether the gentleman from Pennsylvania (Mr. HOEFFEL) or any of the other Members have considered the impact of identifying the individual corporation in terms of some of the protections of privacy under the Internal Revenue Code? Right now we have a fairly elaborate system in place where an individual taxpayer's information is not revealed when government analyzes different tax information.

Mr. KUCINICH. Mr. Chairman, reclaiming my time, if somebody is getting billions of dollars in subsidies from the Federal taxpayers, I personally do not believe they should be entitled to any commitment of privacy. The American people want to know where their money is going. However, I respect the import of the gentleman's question.

Mr. RYAN of Wisconsin. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to address a couple of the points that the gentleman mentioned and also just mention that I would like to speak in favor of the Kucinich-Waxman-Hoeffel amendment. However, I am unable to speak in favor of this amendment because the two policies contained in this amendment, although in and of themselves are good policies, fine policies, but put together in one amendment they are actually self-defeating.

What I mean when I say that is this amendment is a contradiction because it will increase the cost of the study and then it will cap it. I understand that the gentleman has not certified whether the CBO has scored the cost of a new corporate welfare study, but not knowing the cost of a new corporate welfare study and then throwing on top a million dollar cap is self-defeating.

The amendment provides a convenient excuse for OMB to refuse to perform the analysis due to costs. Even if a study would normally not go over \$1 million, as OMB has said, absent a corporate welfare study, the increased requirement of a corporate welfare analysis would provide an even stronger incentive for OMB to argue that it is impossible to remain within these caps.

Mr. Chairman, one additional point that I think is very worthwhile noting, as I was just reading the gentleman's amendment, and I would like to mention that I would love to work with the gentleman from Ohio, the gentleman from California, and the gentleman from Pennsylvania on ridding corporate welfare from the Federal Government because I, too, believe we should not be subsidizing these types of business arrangements; but in reading the definitions contained in the amendment, it says "incorporated entities." Well, incorporated entities could mean hundreds of thousands of small businesses, such as lawyers, doctors, dentists, and even municipalities.

So I think the way the amendment is drafted it is drafted in such a way that it will give us precisely what the gentleman from California feared, and that was requiring OMB to do so many analyses that it will prevent them from doing their other priority work. It will require OMB to go down not just to the big corporate giants that are getting the advanced technology grants and the other corporate welfare grants that we, as a team, want to get rid of, but going to the dentists, going to the municipalities, going to the doctors.

The definition of incorporated entities is too vague, which gives OMB a chance to say this will cost too much, this will exceed \$1 million. So by combining the laudatory goal of going after corporate welfare with the \$1 million cap, the gentleman is essentially killing the bill.

□ 1630

They are essentially rendering this bill absolutely unworkable by saying

OMB will not be able to do this, it is going to cost too much and, therefore, will have no cost-benefit analysis at all.

If the gentleman would be willing to work on a separate piece of legislation going after the issue of corporate welfare aside from this legislation, I think we could get a wonderful bipartisan team together and really advance this bill and clean up the definition of "incorporated entities."

If that would be the case, I think we would have a winner here. But, sadly, this amendment is nothing short of killing the bill. A vote for this amendment is a vote against the Right-to-Know Act. It is a vote against cost-benefit analysis.

So I urge a "no" vote on this and a "yes" vote on final passage.

Mr. HOEFFEL. Mr. Chairman, will the gentleman yield?

Mr. RYAN of Wisconsin. I yield to the gentleman from Pennsylvania.

Mr. HOEFFEL. Mr. Chairman, let me first say that the information we are seeking is surely in the computers of every agency that exists in the Federal Government.

We are really asking OMB to collect information, not to create an entirely new procedure here. So the cost of the corporate welfare study is surely within half a million dollars.

Mr. RYAN of Wisconsin. Mr. Chairman, reclaiming my time, I ask the gentleman from Pennsylvania (Mr. HOEFFEL) what is the definition of "incorporated entity" and has he taken into consideration that incorporated entities could very well mean a dentist's office, a doctor's office, a municipality, a law firm, something like that?

Mr. HOEFFEL. Mr. Chairman, if the gentleman would continue to yield, an incorporated entity is just that, entities incorporated under Federal law.

The reality is that no matter who is included in that, again, the benefits, the tax breaks, the special subsidies, if they are going to an incorporated entity, that information is available to the Federal Government.

We have never asked anyone to collect it before. That is what this amendment would do. I tell the gentleman that I do have a corporate welfare commission bill that I hope he will cosponsor with me.

Mr. RYAN of Wisconsin. Mr. Chairman, reclaiming my time, the problem that I see with this bill is that incorporated entities and requiring the OMB to study incorporated entities could go down the road of going in to seeing whether anything the Federal Government does benefits something as small as a doctor's office or a dentist's office could be considered corporate welfare.

We all know that the intent of this is to allow us to be better empowered to stop big, multimillion-dollar grants to very large corporations. But it is my fear that this amendment is not written that way.

On top of it, we do not know how much this is going to cost. And I know the gentleman is concerned about costs.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. RYAN) has expired.

(By unanimous consent, Mr. RYAN was allowed to proceed for 3 additional minutes.)

Mr. RYAN of Wisconsin. Mr. Chairman, I yield to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Chairman, let me explore with the gentleman that point that he raised.

The gentleman thinks that the cost burden of preparing the analysis on corporate welfare would exceed the million-dollar total amount that we would limit for this whole exercise of the evaluations.

Now, we have a CBO estimate on the amount of the analysis cost for the regulatory side, and they say it is \$500,000.

Mr. RYAN of Wisconsin. Mr. Chairman, reclaiming my time, a figure that the gentleman disputes.

Mr. WAXMAN. I do dispute it. But suppose we said, for that side of the ledger, we will go to a million dollars and then we would say for the analysis on the corporate welfare side we will not put a limit on it. Would that bring the gentleman to the point of supporting this amendment?

Mr. RYAN of Wisconsin. Mr. Chairman, if the gentleman were to remove the cap altogether, I personally would not have a problem. I would have to refer to my colleague, the chairman of the subcommittee.

But if the million-dollar cap were removed, I think that would go quite a ways farther in ensuring something like this. But I do think the definition "incorporated entities" does have to be cleaned up.

Mr. MCINTOSH. Mr. Chairman, will the gentleman yield?

Mr. RYAN of Wisconsin. I yield to the gentleman from Indiana.

Mr. MCINTOSH. Mr. Chairman, on exactly that point, I think the amendment, frankly it needs to have hearings if we are going to think about it as serious legislation.

I heard the gentleman from Pennsylvania (Mr. HOFFEL) say he thought incorporated entities were those incorporated under Federal law. I have a suspicion he meant also under State law. Because there is only a handful of corporations incorporated under Federal law, whereas the vast bulk of private-sector corporate entities are incorporated under State laws.

That is a question we will have to explore and answer. And to identify each of those entities that receives a subsidy has some very important privacy concerns.

So I would be reluctant to concede that we could change the cost side and not address those serious problems on the first part of this amendment.

Mr. RYAN of Wisconsin. Mr. Chairman, reclaiming my time, I think what we have here is the basis for a working relationship for another vehicle to do some hearings in our committee to work on this issue together.

But at this time, with an amendment that is written in a very sketchy way that has so many open-ended definitions that does cap the ability of OMB to do this where this corporate welfare analysis is not scored by CBO, so we just do not have enough knowledge to know whether this falls within the cap or outside the cap. I think it is unworkable at this time.

I would like to add that this amendment is key voted as a "no" vote by the Chamber of Commerce and the National Association of Manufacturers.

I think though, however, we have something we can work with. Hopefully, we can work together after passage of the final passage. I hope we defeat this amendment. But I would like to urge my colleagues that maybe we could get a relationship and work together on this in the committee. We have to tighten up the definition and do something that is good for our country.

Mr. WAXMAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, first of all, I strongly support this amendment. The amendment has been offered by the gentleman from Pennsylvania (Mr. HOFFEL), the gentleman from Ohio (Mr. KUCINICH), and the gentleman from Indiana (Mr. VISCLOSKEY). It is called the Taxpayer Protection and Corporate Welfare Disclosure amendment.

I am honored that the gentleman from Indiana (Mr. MCINTOSH) would call it the Waxman amendment, but it is not officially the Waxman amendment. I have not offered it. But I support it.

This amendment does two important things. First, it protects taxpayers. As written, this bill would require OMB to prepare a cost-benefit analysis of every regulation no matter how small or ministerial.

This makes no sense. We do not need analysis for the sake of analysis. We should target our analysis to those major or controversial rules that are in genuine dispute.

My concern is that the cost is going to run out of control. That is why this amendment would place a cap on the amount of taxpayer funds that can be spent on that analysis of \$1 million, which is twice what CBO says should be spent on this bill.

Now, it is interesting how the other side has done a quick pivot. They said, oh, this bill is not going to cost much money. It is only \$500,000, and it is well worth it. But then when we have challenged that figure and said, all right, we will accept double the amount of CBO, but we think it is going to cost

more, let us at least be sure that we limit it, they come around and say, oh, no, no, no. We cannot limit it because it may cost more.

Well, one of my colleagues said, what is good for the goose is good for the gander. Either it is going to cost \$500,000 or under a million or it is going to cost more. And if it is going to cost more, I think it is going to be wasteful.

I tried to pursue a minute ago with the gentleman from Wisconsin (Mr. RYAN) the idea that maybe we put the cap of a million dollars simply on the regulatory analysis and not on the corporate welfare side. But then the response was back that he did not want any cap at all.

Well, I want a cap for one reason. I want to protect the taxpayers from having their money wasted on analysis for no purpose.

This amendment is important to do now in this bill. We were told, let us work out another piece of legislation. Let us develop a relationship. We will talk about it in committee. We will talk about it after the bill passes.

Well, the leadership of our committee, which is controlled by the gentleman from Indiana (Mr. BURTON) and the gentleman from Indiana (Mr. MCINTOSH), have not given us a hearing on this. Mr. MCINTOSH said, oh, we cannot do this. We have not had a hearing. They are not willing to call a hearing on this idea of corporate welfare. We have had no hearings on the issue.

We were told when we had the mandates bill, we said, well, if you are going to mandate and require a separate vote in the House before there is a mandate, let us do that when it comes to protection of the environment. We were told, well, that is something that should be in another piece of legislation.

This amendment belongs in this bill. It would add balance to the bill. The bill as written requires analysis of the costs of Federal programs to regulated entities. The amendment would require OMB to also look at the benefits of Federal programs to corporations through various types of what we would call corporate welfare.

Each year the Federal Government gives out billions in subsidies to successful businesses in the form of preferential tax treatment, subsidized loans, grants, and the use of Federal land, assets and facilities at below-market costs.

Many might think that a Congress that has worked so hard to take people off welfare might also try to force successful corporations off welfare as well. But just the opposite is true.

Let us understand what is going on here. Last week this House, on a partisan vote, passed H.R. 2488. I consider it an irresponsible tax bill that does nothing to ensure the long-term solvency of Medicare and Social Security.

What it does do is disproportionately provide its tax benefits to the wealthy,

to corporations, to businesses, not to ordinary people who pay taxes.

This tax bill was passed largely on party lines. It contains almost a hundred billion dollars in new direct tax breaks to businesses.

Now, many might want to keep this information secret about these tax breaks. But I think the public has a right to know who we are giving our money to.

The Congressional Research Service has determined that there is not a comprehensive list of subsidized industries. We do not know where all the Federal tax breaks are going to businesses. We do not know where all the grants and the other indirect subsidies are going.

The CHAIRMAN. The time of the gentleman from California (Mr. WAXMAN) has expired.

(By unanimous consent, Mr. WAXMAN was allowed to proceed for 2 additional minutes.)

Mr. WAXMAN. Mr. Chairman, we know if the Hoeftel-Kucinich-Visclosky amendment were adopted it would cure this problem by requiring each year the Office of Management and Budget to identify Federal subsidies and disclose the costs and benefits of these subsidies.

Mr. Chairman, if the intent of this bill is to provide more information to the American people about the relationship between regulated entities and the Federal Government, this amendment will very much help accomplish that goal. There is no reason the American people should not be informed about how their tax dollars are being used to subsidize corporations.

I have heard this argument, what if the person or entity getting a subsidy is an individual business, therefore, you are going to presumably invade their privacy or make it too difficult to understand where the money by way of corporate subsidies actually goes?

Well, that is a sham. These corporate entities can be stated in the aggregate. They are topics. It is not a doctor's office. It is how much doctors get. It is not a subsidy to one corporation. It can be corporations in a particular enterprise. And in that way we will know how much of a benefit is being placed on these corporations when we ask them to clean up the environment and protect public health, when we ask them to come in and make sure their drugs are safe and effective and to get approved by the FDA.

We also ought to know, on the other hand, whether we give them subsidies that help them deal with that burden, as we do so often to corporations that take advantage of special tax breaks and special grants and special preferential treatments in the use of Federal assets.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. HOEFFEL).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. MCINTOSH. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 258, further proceedings on the amendment offered by the gentleman from Pennsylvania (Mr. HOEFFEL) will be postponed.

Mr. MCINTOSH. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. RYAN of Wisconsin) having assumed the chair, Mr. LAHOOD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1074) to provide Governmentwide accounting of regulatory costs and benefits, and for other purposes, had come to no resolution thereon.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 6 p.m.

Accordingly (at 4 o'clock and 45 minutes p.m.), the House stood in recess until approximately 6 p.m.

□ 1801

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. RYAN of Wisconsin) at 6 o'clock and 1 minute p.m.

#### REGULATORY RIGHT-TO-KNOW ACT OF 1999

The SPEAKER pro tempore. Pursuant to House Resolution 258 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1074.

##### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1074) to provide Governmentwide accounting of regulatory costs and benefits, and for other purposes, with Mr. LAHOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose earlier today, a demand for a recorded vote on amendment No. 1 printed in the CONGRESSIONAL RECORD by the gentleman from Pennsylvania (Mr. HOEFFEL) had been postponed.

AMENDMENT NO. 1 OFFERED BY MR. HOEFFEL

The CHAIRMAN. The pending business is the demand for a recorded vote

on amendment No. 1 offered by the gentleman from Pennsylvania (Mr. HOEFFEL) on which further proceedings were postponed, and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

##### RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 192, noes 217, not voting 24, as follows:

[Roll No. 335]

##### AYES—192

Abercrombie	Hastings (FL)	Olver
Ackerman	Hill (IN)	Ortiz
Allen	Hilliard	Owens
Andrews	Hinchey	Pallone
Baird	Hinojosa	Pascarell
Baldacci	Hoeftel	Pastor
Baldwin	Holt	Payne
Barcia	Hooley	Pelosi
Barrett (WI)	Hoyer	Phelps
Becerra	Inslee	Pomeroy
Berkley	Jackson (IL)	Price (NC)
Berman	Jackson-Lee	Rahall
Bilbray	(TX)	Rangel
Blumenauer	Jefferson	Reyes
Boehert	Jones (OH)	Rivers
Bonior	Kanjorski	Rodriguez
Borski	Kaptur	Roemer
Boswell	Kasich	Rothman
Brady (PA)	Kennedy	Roukema
Brown (FL)	Kildee	Roybal-Allard
Brown (OH)	Kilpatrick	Royce
Campbell	Kind (WI)	Rush
Capps	King (NY)	Sabo
Capuano	Kleczka	Sanchez
Cardin	Klink	Sanders
Carson	Kucinich	Sawyer
Clay	LaFalce	Saxton
Clayton	Lampson	Schakowsky
Clyburn	Lantos	Scott
Conyers	Larson	Serrano
Costello	Lazio	Shays
Coyne	Leach	Sherman
Crowley	Lee	Sherwood
Cummings	Levin	Skelton
Davis (FL)	Lewis (GA)	Slaughter
Davis (IL)	Lipinski	Smith (NJ)
DeFazio	Lowe	Snyder
DeGette	Luther	Spratt
Delahunt	Maloney (CT)	Stabenow
DeLauro	Maloney (NY)	Stark
Deutsch	Markey	Strickland
Dicks	Mascara	Stupak
Dingell	Matsui	Thompson (CA)
Doggett	McCarthy (MO)	Thompson (MS)
Doyle	McCarthy (NY)	Thurman
Engel	McGovern	Tierney
Eshoo	McKinney	Trafigant
Etheridge	McNulty	Udall (CO)
Evans	Meehan	Udall (NM)
Fattah	Meek (FL)	Velazquez
Filner	Meeks (NY)	Vento
Foley	Menendez	Visclosky
Forbes	Millender	Walsh
Ford	McDonald	Waters
Frank (MA)	Miller, George	Watt (NC)
Franks (NJ)	Minge	Waxman
Frelinghuysen	Mink	Weiner
Frost	Moakley	Weldon (PA)
Gejdenson	Moore	Wexler
Gephardt	Moran (VA)	Weygand
Gilman	Morella	Wise
Gonzalez	Nadler	Woolsey
Green (TX)	Napolitano	Wu
Gutierrez	Neal	Wynn
Hall (OH)	Obey	

##### NOES—217

Aderholt	Baker	Bartlett
Archer	Ballenger	Barton
Armey	Barr	Bass
Bachus	Barrett (NE)	Bateman



Bentsen	Hastings (WA)	Porter
Bereuter	Hayes	Portman
Berry	Hayworth	Quinn
Biggert	Hefley	Radanovich
Bilirakis	Herger	Ramstad
Bishop	Hill (MT)	Regula
Bliley	Hilleary	Reynolds
Blunt	Hobson	Riley
Boehner	Hoekstra	Rogan
Bonilla	Holden	Rogers
Bono	Horn	Rohrabacher
Boucher	Hostettler	Ros-Lehtinen
Boyd	Houghton	Ryan (WI)
Brady (TX)	Hulshof	Ryun (KS)
Burr	Hutchinson	Salmon
Burton	Hyde	Sandlin
Buyer	Isakson	Sanford
Callahan	Istook	Scarborough
Calvert	Jenkins	Schaffer
Camp	John	Sensenbrenner
Canady	Johnson (CT)	Sessions
Castle	Johnson, Sam	Shadegg
Chabot	Jones (NC)	Shaw
Chambliss	Kelly	Shimkus
Clement	Kingston	Shows
Coble	Knollenberg	Shuster
Collins	Kolbe	Simpson
Combest	Kuykendall	Sisisky
Condit	LaHood	Skeen
Cook	Largent	Smith (MI)
Cooksey	Latham	Smith (TX)
Cramer	LaTourette	Smith (WA)
Cunningham	Lewis (CA)	Souder
Danner	Lewis (KY)	Spence
Davis (VA)	Linder	Stearns
Deal	LoBiondo	Stenholm
DeLay	Lofgren	Stump
DeMint	Lucas (KY)	Sununu
Diaz-Balart	Lucas (OK)	Sweeney
Dickey	Manzullo	Talent
Dooley	McCrery	Tancredito
Doolittle	McHugh	Tanner
Dreier	McInnis	Tauscher
Duncan	McIntosh	Tauzin
Dunn	McIntyre	Taylor (MS)
Edwards	McKeon	Terry
Ehlers	Metcalf	Thomas
Emerson	Mica	Thornberry
English	Miller (FL)	Thune
Everett	Miller, Gary	Tiahrt
Ewing	Mollohan	Toomey
Fletcher	Moran (KS)	Towns
Fowler	Myrick	Turner
Gallegly	Nethercutt	Upton
Gekas	Ney	Vitter
Gibbons	Northup	Walden
Gilchrest	Norwood	Wamp
Gillmor	Nussle	Watkins
Goode	Ose	Watts (OK)
Goodlatte	Oxley	Weldon (FL)
Goodling	Packard	Weller
Goss	Paul	Whitfield
Graham	Pease	Wicker
Green (WI)	Peterson (MN)	Wilson
Greenwood	Petri	Wolf
Gutknecht	Pickering	Young (AK)
Hall (TX)	Pickett	Young (FL)
Hansen	Pitts	
	Pombo	

## NOT VOTING—24

Blagojevich	Ehrlich	Martinez
Cannon	Farr	McCollum
Chenoweth	Fossella	McDermott
Coburn	Ganske	Murtha
Cox	Gordon	Oberstar
Crane	Granger	Peterson (PA)
Cubin	Hunter	Pryce (OH)
Dixon	Johnson, E.B.	Taylor (NC)

□ 1825

Mr. BOYD changed his vote from “aye” to “no.”

Ms. ESHOO changed her vote from “no” to “aye.”

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. FOSSELLA. Mr. Chairman, on rollcall No. 335, I was unable to get here to vote due to inclement weather in the metro New York

City area. Had I been present, I would have voted “no.”

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PEASE) having assumed the chair, Mr. LAHOOD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1074) to provide Governmentwide accounting of regulatory costs and benefits, and for other purposes, pursuant to House Resolution 258, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore (Mr. PEASE). Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

## RECORDED VOTE

Mr. MOAKLEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 254, noes 157, not voting 22, as follows:

[Roll No. 336]

## AYES—254

Aderholt	Boyd	Cunningham
Archer	Brady (TX)	Danner
Armey	Bryant	Davis (VA)
Bachus	Burr	Deal
Baker	Burton	DeLay
Ballenger	Buyer	DeMint
Barr	Callahan	Diaz-Balart
Barrett (NE)	Calvert	Dickey
Bartlett	Camp	Dooley
Barton	Campbell	Doolittle
Bass	Canady	Doyle
Bateman	Cannon	Dreier
Bentsen	Castle	Duncan
Bereuter	Chabot	Dunn
Berry	Chambliss	Edwards
Biggert	Clayton	Ehlers
Bilirakis	Clement	Emerson
Bishop	Coble	English
Bliley	Collins	Etheridge
Blunt	Combest	Everett
Boehner	Condit	Ewing
Bonilla	Cook	Fletcher
Bono	Cooksey	Foley
Boswell	Cox	Ford
Boucher	Cramer	Fowler

Franks (NJ)	LoBiondo
Frelinghuysen	Lucas (KY)
Gallegly	Lucas (OK)
Gekas	Luther
Gibbons	Manzullo
Gillmor	McCarthy (MO)
Goode	McCrery
Goodlatte	McHugh
Goodling	McInnis
Goss	McIntosh
Graham	McIntyre
Green (WI)	McKeon
Greenwood	Metcalf
Gutknecht	Mica
Hall (TX)	Miller (FL)
Hansen	Miller, Gary
Hastings (WA)	Moore
Hayes	Moran (KS)
Hayworth	Moran (VA)
Hefley	Myrick
Herger	Napolitano
Hill (IN)	Nethercutt
Hill (MT)	Ney
Hilleary	Northup
Hobson	Norwood
Hoekstra	Nussle
Holden	Ose
Horn	Oxley
Hostettler	Packard
Houghton	Paul
Hulshof	Pease
Hutchinson	Peterson (MN)
Hyde	Petri
Isakson	Pickering
Istook	Pickett
Jefferson	Pitts
Jenkins	Pombo
John	Pomeroy
Johnson (CT)	Porter
Johnson, Sam	Portman
Jones (NC)	Price (NC)
Kanjorski	Quinn
Kaptur	Radanovich
Kasich	Ramstad
Kelly	Regula
Kind (WI)	Reynolds
King (NY)	Riley
Kingston	Roemer
Knollenberg	Rogan
Kolbe	Rogers
Kuykendall	Rohrabacher
LaHood	Ros-Lehtinen
Largent	Roukema
Latham	Royce
LaTourette	Ryan (WI)
Lazio	Ryun (KS)
Leach	Salmon
Lewis (CA)	Sanchez
Lewis (KY)	Sandlin
Linder	Sanford

## NOES—157

Abercrombie	DeFazio	Jackson (IL)
Ackerman	DeGette	Jackson-Lee
Allen	Delahunt	(TX)
Andrews	DeLauro	Jones (OH)
Baird	Deutsch	Kennedy
Baldacci	Dicks	Kildee
Baldwin	Dingell	Kilpatrick
Barcia	Doggett	Kleczka
Barrett (WI)	Engel	Klink
Becerra	Eshoo	Kucinich
Berkley	Evans	LaFalce
Berman	Fattah	Lampson
Blibray	Filner	Lantos
Blumenauer	Forbes	Larson
Boehlert	Frank (MA)	Lee
Bonior	Frost	Levin
Borski	Gejdenson	Lewis (GA)
Brady (PA)	Gephardt	Lipinski
Brown (FL)	Gilchrest	Lofgren
Brown (OH)	Gilman	Lowey
Capps	Gonzalez	Maloney (CT)
Capuano	Green (TX)	Maloney (NY)
Cardin	Gutierrez	Markey
Carson	Hall (OH)	Mascara
Clay	Hastings (FL)	Matsui
Clyburn	Hilliard	McCarthy (NY)
Conyers	Hinchey	McGovern
Costello	Hinojosa	McKinney
Coyne	Hoeffel	McNulty
Crowley	Holt	Meehan
Cummings	Hooley	Meek (FL)
Davis (FL)	Hoyer	Meeks (NY)
Davis (IL)	Inslee	Menendez

Millender-McDonald	Rahall	Stark
Miller, George	Rangel	Strickland
Minge	Reyes	Stupak
Mink	Rivers	Thompson (CA)
Moakley	Rodriguez	Thompson (MS)
Mollohan	Rothman	Tierney
Morella	Roybal-Allard	Udall (CO)
Nadler	Rush	Udall (NM)
Neal	Sabo	Velazquez
Obey	Sanders	Vento
Olver	Sawyer	Visclosky
Ortiz	Saxton	Waters
Owens	Schakowsky	Watt (NC)
Pallone	Scott	Waxman
Pascarell	Serrano	Weiner
Pastor	Sherman	Wexler
Payne	Slaughter	Wise
Pelosi	Smith (WA)	Woolsey
Phelps	Snyder	Wu
	Stabenow	Wynn

## NOT VOTING—22

Blagojevich	Fossella	McDermott
Chenoweth	Ganske	Murtha
Coburn	Gordon	Oberstar
Crane	Granger	Peterson (PA)
Cubin	Hunter	Pryce (OH)
Dixon	Johnson, E.B.	Taylor (NC)
Ehrlich	Martinez	
Farr	McCollum	

□ 1843

Mr. STUPAK changed his vote from "aye" to "no."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. FOSSELLA. Mr. Speaker, on rollcall No. 336, I was unable to get to vote due to inclement weather in the metro New York City area. Had I been present, I would have voted "yes".

Stated against:

## PERSONAL EXPLANATION

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, on rollcall numbers 335 and 336, I was unavoidably detained. Had I been present, I would have voted "no" on each rollcall vote.

□ 1845

# REPORT ON PROGRESS TOWARD ACHIEVING BENCHMARKS IN BOSNIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106-104)

THE SPEAKER pro tempore (Mr. PEASE) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and the Committee on Appropriations, and ordered to be printed:

*To the Congress of the United States:*

As required by section 7 of Public Law 105-174, the 1998 Supplemental Appropriations and Rescissions Act, I transmit herewith a 6-month periodic report on progress made toward achieving benchmarks for a sustainable peace process.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 23, 1999.

## REPORTS ON NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT OF 1966, HIGHWAY SAFETY ACT AND MOTOR VEHICLE INFORMATION AND COST SAVINGS ACT OF 1972—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The Speaker pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Transportation and Infrastructure and the Committee on Commerce:

*To the Congress of the United States:*

I transmit herewith the 1996 calendar year reports as prepared by the Department of Transportation on activities under the National Traffic and Motor Vehicle Safety Act of 1966, the Highway Safety Act, and the Motor Vehicle Information and Cost Savings Act of 1972, as amended.

WILLIAM J. CLINTON.

THE WHITE HOUSE, July 26, 1999.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2587, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

Mr. LINDER, from the Committee on Rules, submitted a privileged report (Rept. No. 106-263) on the resolution (H. Res. 260) providing for consideration of the bill (H.R. 2587) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes, which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2605, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 2000

Mr. LINDER, from the Committee on Appropriations, submitted a privileged report (Rept. No. 106-264) on the resolution (H. Res. 261) providing for consideration of the bill (H.R. 2605) making appropriations for energy and water development for the fiscal year ending September 30, 2000, and for other purposes, which was referred to the House Calendar and ordered to be printed.

## FAIRNESS FOR VETERANS

(Mr. FILNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FILNER. Mr. Speaker, colleagues I rise today in support of the action taken earlier today by Vice President AL GORE on behalf of our Nation's vet-

erans. The Vice President has announced that the administration will seek an additional \$1 billion fully paid for to ensure our Nation can continue to provide quality and timely health care for our veterans.

America's veterans and many Members of Congress have been speaking out loudly in the past months for an increase in the veterans budget for fiscal year 2000. I am pleased and proud that the administration has heard our call.

The Vice President's action is a vital step toward keeping the promise that was made to our veterans when they joined the Armed Forces and made their promise to serve their country. We will begin to meet the long-term care needs of our aging veterans. We will begin to lower the waiting times for our medical appointments that veterans have to endure now.

Mr. Speaker, after years of flat line budgets, this action is sorely needed. I salute this move taken by the Vice President this morning.

## SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

## HARD TIMES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. MORAN) is recognized for 5 minutes.

Mr. MORAN of Kansas. Mr. Speaker, last Thursday I spoke on this House floor about the crisis facing farmers and ranchers. This evening, I continue my efforts to inform my colleagues about the seriousness of the issues and the need to act now.

Last week, I introduced with some of my colleagues legislation that takes an important step to help producers make it through this period of extremely low prices. I encourage my colleagues to support H.R. 2568, the Market Loss Assistance Act of 1999. This straightforward bill provides producers an immediate shot in the arm. Under this bill, producers would receive an additional payment equal to 75 percent of their current farm payment. While this is only one part of a solution to help producers, it is an important part, and it provides immediate assistance. We need to assure our farmers that relief is on its way. Let us begin the debate on disaster assistance now.

Part of the problem is the loss of exports. In 1996, agricultural exports hit a record of \$59.9 billion, and since then, agricultural exports have fallen substantially. This year, exports are predicted to be \$49 billion for a loss of over 18 percent since 1996, just 3 years ago.

Not surprisingly, as exports have fallen, so has net farm income. Since

1996, net farm income has fallen to \$45 billion, a decline of 15 percent. That \$45 billion net farm income now stands at the same level as a decade ago. Does anyone think the cost of fertilizer, land payments, equipment, and other farm inputs have remained the same price for the last decade? Of course not.

In the world of agricultural export promotion we have lost the battle on behalf of farmers, and if the current trend continues, we may soon lose the war.

This chart paints a very clear picture on where the United States is on its commitment to helping American farmers and ranchers compete around the world. About \$8.45 billion is spent each year on agricultural subsidies. Of this, the United States represents \$122 million or roughly only 1.4 percent.

We repeatedly tell our farmers and ranchers to produce for the world and compete for world markets. When your principle export competitor is the European community, the battle for market share under these conditions does not take long. In 1996, the EU spent 69 times more than we spent for export assistance. We cannot let this go on.

Out of this pie, 83.5 percent of the export assistance programs are spent by the European community. Ours are 2.5 percent.

When I first arrived in Congress, the Department of Agriculture indicated that we could not use export promotion funding because prices were too high and that shipping our U.S. farm products overseas might make them even more expensive. Now I am told we cannot use export funds because it would drive the prices even lower; a story I find particularly hard to believe in light of tight storage situation and low farm prices already well under the loan rate.

If the bitter medicine of low prices must be taken, I would recommend we aggressively work through this period and move U.S. agricultural products. Our farmers are locked in a battle competing for international markets. We cannot continue to abandon them. We must use our export programs forcefully, and we must act now.

Mr. Speaker, farmers are willing to compete in the global marketplace, but they cannot compete with foreign treasuries. I urge all my colleagues to join in the fight for the American farmer. We need short term disaster assistance; and for the long run, we need agricultural exports.

#### PROTECT OUR GREAT LAKES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. STUPAK) is recognized for 5 minutes.

Mr. STUPAK. Mr. Speaker, last October you and our colleagues gave unanimous consent to my House Resolution which called on the President and the

other Body to act to prevent the sale or diversion of Great Lakes water to foreign countries, businesses, corporations, and individuals. The House of Representatives, speaking with one voice, asked that procedures be established to guarantee that any sale or diversion be fully negotiated and approved by representatives of the United States Government and the Government of Canada in consultation with effective States and provinces.

I want to remind our colleagues of that House action, Mr. Speaker, because there is another threat to the Great Lakes, one posed by drilling for gas and oil in and under the waters of this great natural resource.

Mr. Speaker, we are not being alarmists. Water diversion and drilling for gas and oil are real threats to one of the world's most valuable resources.

Consider, Mr. Speaker, these facts. As I list each item, I want you to think about each of these facts in terms of potential impact on our Great Lakes.

Seventy percent of the Earth's surface is covered by water; 97.5 percent of that water is sea water. Only 2.5 percent of the surface water is fresh water. The Great Lakes contains 6 quadrillion gallons of fresh water, one-fifth of the Earth's fresh water resources.

The Great Lakes are home to 40 million people. One-quarter of Canada's population lives in the Great Lakes basin.

The World Bank predicts that by about the year 2025 more than 3 billion people in 52 countries will suffer water shortages for drinking or sanitation. More than 300 cities in China are currently experiencing water shortages, and more than 100 are deemed to be in condition of acute water scarcity. The global demand for water is doubling every 21 years.

Citizens of the United States and Canada use and consume more than 100 gallons per day per person. Eighty percent of the fresh water used goes to agricultural production.

I thank the Buffalo News for many of those facts, Mr. Speaker. I present them as random facts because like pieces of a puzzle they must be analyzed and arranged to see their importance.

The World Bank has studied this puzzle, and I call your attention to a quote from a World Bank report which appeared in the Buffalo News in a March 1999 story. The World Bank report predicted wars of the next century will be fought over fresh water.

So are we really being alarmists? I believe not.

A company in Sault Ste. Marie, Ontario, just one company, was given a permit last year to take up the 2.6 million gallons of water per day for 5 years from Lake Superior. I was joined by members of the Ontario parliament and the Canadian New Democratic Party in

bringing public attention to this permit which was revoked by the Ontario government, but all fresh water will increasingly be eyed as a potential commodity.

A Vancouver-based company, Global Water Corporation, has an agreement with an Alaskan community of Sitka to take fresh water from a lake and ship it by tanker to China. The deal allows Global to take up to 5 billion gallons a year for 30 years. Global envisions 445 tankers per year carrying fresh water to Asia.

Now we have spoken of just two companies. We know the market is there. We can easily see the overhead is minimal, the market is expanding and the potential number of speculators and potential shippers is unlimited.

Let me say at this time, Mr. Speaker, that although I have mentioned China twice in my remarks, I am not attempting to invoke it as threat to our own security. China is merely a customer in need of fresh water now. The entire world will be eying our natural resource.

As of today, the issue of sale and diversion of Great Lakes water and fresh water throughout this country remains unsolved. Following the House vote on my resolution, the U.S. and Canada have asked the International Joint Commission to study the issue on water diversion along the entire border from Alaska to the St. Lawrence River to Maine. Their preliminary report on diversion should be ready in August.

A final report on our joint water resources should be completed early next year. Until all questions on the sale or diversion of fresh water are answered, I have introduced legislation which would place a moratorium on any sale or diversion of fresh water in this country until we have these questions answered.

In the meantime, there is another threat to the Great Lakes as it is the policy of my home State of Michigan to allow drilling for gas and oil underneath the Great Lakes. Canada allows gas rigs drilling directly into Lake Ontario now. Proponents of oil drilling in the Great Lakes say the risk is minimal, small, tiny. I say tiny is too big. A gallon of oil spilled in Lake Superior would take 999 years to flow out, to be cleared by natural flow. Lake Michigan, 99 years; Lake Huron, 60 years.

Fresh water is a precious, scarce resource that needs our protection from exploitation of oil and gas companies and by sale and diversion of water.

□ 1900

IN THE SPIRIT OF THE ADA, WE  
MUST PASS H.R. 1180

The SPEAKER pro tempore (Mr. SIMPSON). Under a previous order of the House, the gentleman from Minnesota (Mr. RAMSTAD) is recognized for 5 minutes.

Mr. RAMSTAD. Mr. Speaker, 9 years ago today, President Bush signed the Americans with Disabilities Act into law. Since my election to the House later that same year and as a Minnesota State Senator from 1981 to 1990, I have worked hard to help people with disabilities live up to their full potential. That is why I, like many Members of this Chamber, strongly support the Americans with Disabilities Act, and we celebrate its enactment. But, Mr. Speaker, much more work needs to be done.

In signing the ADA, President Bush noted the law is designed "to ensure that people with disabilities are given the basic guarantees for which they have worked so long and so hard: independence, freedom of choice, control of their lives, the opportunity to blend fully and equally into the rich mosaic of the American mainstream."

As we celebrate the anniversary of this historic legislation, we reflect on all that has been achieved for people with disabilities. We must also, however, address where we have failed to empower people with disabilities.

In 1990, President Bush, in signing that historic act, reminded us that many of our fellow citizens with disabilities are unemployed. They want to work, and they can work. This is a tremendous pool of people who will bring to jobs diversity, loyalty, low turnover rate, and only one request: the chance to prove themselves.

Mr. Speaker, despite the remarkably low unemployment rate in America today, people with disabilities are still asking for this chance to prove themselves in the workplace. A recent Harris poll found that unemployment among people with disabilities is between 70 and 75 percent. Think of that: 70 to 75 percent, or three-quarters of people with disabilities are unemployed in America today. Historically, fewer than 1 percent of people with disabilities leave the SSI and SSDI rolls following successful rehabilitation. Individuals with disabilities have insufficient access to and choice of services they need to become employed. Most SSI and SSDI beneficiaries are never even offered rehabilitation services.

Mr. Speaker, we all know the ADA sought to improve this situation. But the ADA did not remove all the barriers within the current Federal programs that prohibit people with disabilities from working. It is time to eliminate work disincentives for people with disabilities. Eliminating work disincentives for people with disabilities is not just humane public policy, it is sound fiscal policy. It is not just the right thing to do, it is also the cost-effective thing to do.

President Bush knew that discouraging people with disabilities from working, from earning a regular paycheck, paying taxes and moving off public assistance actually results in re-

duced Federal revenues. He noted, and I am quoting again: "When you add together the Federal, State, local and private funds, it costs almost \$200 billion annually to support Americans with disabilities. In effect, to keep them dependent." And that was in 1990, Mr. Speaker. We certainly spend more than that today to keep people with disabilities dependent on the system.

Like everyone else, people with disabilities have to make decisions based on financial reality. Should they consider returning to work, or even making it through vocational rehabilitation, the risk of losing vital Federal health benefits often becomes too threatening to future financial stability. As a result, Mr. Speaker, they are compelled not to work.

Given the sorry state of present law, that is generally a reasonable and a rational decision for people with disabilities. The National Council on Disabilities said it best in its report to the 105th Congress on removing barriers to work when it wrote: "Social Security programs can be transformed from a lifelong entitlement into an investment in employment potential for thousands of individuals." Transforming these Federal programs to springboards into the work force is a goal of legislation that I cosponsored in the House with the gentleman from New York (Mr. LAZIO) and many others on both sides of the aisle, the Work Incentives Improvement Act, or H.R. 1180. This critical legislation has been passed by the Committee on Commerce and a similar bill has been approved by the Senate.

Mr. Speaker, preventing people from working runs counter to the American spirit, one that thrives on individual achievements and the larger contributions to society that result. We must not rest until we pass the Work Incentives Improvement Act. People with disabilities deserve the opportunity to fulfill their dreams. Let us give them the chance to prove themselves now.

#### RECOGNIZE THE KASHMIRI PANDITS AS A MINORITY GROUP UNDER INDIAN LAW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, although the world welcomes the apparent withdrawal this month of Pakistani forces from India's side of the line of control in Kashmir, we are continually reminded of the dangerous situation that still exists in that mountainous region.

Last Wednesday's New York Times reported that 20 Hindus were killed in 3 incidents before dawn last Tuesday in what the newspaper suggested could be a stepped-up campaign of hit-and-run tactics by Muslim insurgents in remote

areas of the Indian state of Jammu and Kashmir. I am sad to have to report that these kinds of attacks are nothing new, Mr. Speaker.

The worst of these attacks in the village of Lihota left 15 dead. Last week's violence was the fourth mass killing in Kashmir in just 3 weeks.

Mr. Speaker, this spring, when Islamic militants had been infiltrating India's territory with the support of, and active collaboration with, Pakistan, the world took notice. The fact that India and Pakistan are both nuclear powers stirred up fears of a wider war. When it became apparent even to Pakistan's ruler that their gambit in Kashmir was both a military and a propaganda disaster, the Pakistani Government reverted to its traditional ploy by trying to internationalize the conflict by bringing in the United States as a mediator, an effort that our administration has wisely resisted.

However, Mr. Speaker, the prospect of an India-Pakistan war obscures the ongoing violence that has destroyed the life of this entire region. While people of all faiths have suffered, the Hindu community of Kashmir has been particularly severe. The Pandits have suffered as individuals, singled out for violence, and as a community, forced to leave their ancestral homes and way of life, turned into refugees in their own country.

Mr. Speaker, in light of the ongoing unique suffering of the Kashmiri Pandits, I am urging the Indian government to recognize the Kashmir Pandit community as a minority under Indian law to provide additional benefits and protection. While Hindus are the majority religion in India as whole, they are a minority, and indeed, a persecuted minority in Jammu and Kashmir.

Mr. Speaker, it is my understanding that the chairman of the National Minority Commission has proposed that Hindu minorities in various Indian states be officially classified as minorities. The chairman's recommendation is pending before the government. Although such a designation would usually require an amendment to be passed by the parliament, the Lok Sabha, the lower House of the Indian Parliament, there may be occasions where the commission can unilaterally act.

While the details of such an action are obviously an internal matter for India's government, I soon will be circulating a letter to India's Prime Minister Vajpayee, which I hope my colleagues in Congress will join me in signing, urging that the appropriate steps be taken to provide the Pandits with the minority designation.

Mr. Speaker, the militants, with Pakistan's backing, have transformed a peaceful, secular state in India, one which happens to have a predominantly Muslim population, into a killing field. The militants make no secret

of their desire to drive the Pandits out of Kashmir and do not think twice about killing as many of them as possible. And under such a severe, violent threat to their very existence, I believe that the designation of minority status is an urgent priority and respectfully urge the Indian Government to make this designation.

While I understand the enormity of the challenge, I urge Prime Minister Vajpayee and his government to create an environment in which the Pandit community can return to their homeland in the Kashmir Valley in the future. I also urge that the government of India raise the ongoing genocide of the Kashmiri Pandit community in bilateral talks with Pakistan.

I have the highest regard for Prime Minister Vajpayee, both personally and in his capacity as the elected leader of the world's largest democracy. I know he also grieves over the victimization of the Kashmiri Pandit community, and I hope to work closely with the Indian Government with the support of the Kashmiri-American community in resolving this humanitarian crisis.

#### SECURITY AT OUR NATIONAL LABS—WE MUST ALL BE CONCERNED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, last week I came to the floor to talk about Chinese espionage, something that seems to be missing in media coverage. A couple of weeks ago, an interview on The O'Reilly Factor caught my attention. Bill O'Reilly spoke with Lieutenant Colonel Edward McCallum, the director of Security and Safeguards for the Department of Energy. After 9 years serving in this position, Colonel McCallum has been placed on administrative leave and his job has been threatened.

Mr. Speaker, Colonel McCallum has a long and distinguished military career. The colonel is an individual who takes his job as a defender of our Nation and our constitutional rights seriously. Colonel McCallum has dedicated his life to protecting the citizens and the critical national security interests of America; and now, he is being punished because he came forward with facts surrounding espionage at our research and weapons laboratories.

Mr. Speaker, when President Clinton appointed Hazel O'Leary Energy Secretary, a dangerously casual attitude invaded the Department of Energy. Colonel McCallum has said that as security was relaxed and even cut, he and members of his staff repeatedly contacted Secretary O'Leary's office urging her to take measures to protect our sensitive technology. Unfortunately, their efforts were ignored. This de-

structive management style began with Secretary O'Leary, but similar efforts to urge Secretary Bill Richardson to protect the security of our weapons laboratories has been stonewalled.

Mr. Speaker, it is bad enough to think that our national security has been compromised. Now the same government that fails to recognize the gravity of stolen national security secrets is penalizing individuals like Colonel McCallum who fought and continued fighting for the safety and protection of our Nation. This is outrageous and completely unacceptable. It was Colonel McCallum's responsibility as the director of Security and Safeguards to make the Department aware of how to better protect U.S. technology; and yet, when he and Members of his staff tried to bring attention to the issue and make changes, nobody listened, or worse, chose to ignore his warnings.

This begs the question: What else could have been stolen and who else could have gained access to this information? What new information is now available to other nations that threaten each and every citizen, and why are we not more concerned?

Mr. Speaker, the safety and protection of our national security is an issue of critical national importance. We must commend, not penalize, men and women like Colonel McCallum whose dedication and commitment to this country is so strong that they would risk losing their jobs and their livelihood to protect America.

We know this administration is responsible for compromising our national security. At the very least, that is unforgivable. In administrations of greater accountability, these acts would have been labeled treasonous. Instead, they would like to quiet Colonel McCallum and bury this messy espionage issue.

This is an issue with serious consequences for each of us. When our national security is compromised, so too is the safety of each and every American. Unfortunately, this concern is lost on many Americans. The advances gained by other nations make all Americans more vulnerable. As such, we should all be concerned; we all must be concerned.

Mr. Speaker, last week I had the opportunity to appear on The O'Reilly Factor to talk about Chinese espionage and Colonel McCallum's quest for the truth. As Mr. O'Reilly and I discussed, something must be done for the colonel and the American people who rely on the government to protect and defend them and their way of life. Like all Americans, Colonel McCallum deserves protection. While the administration is threatening his job simply for telling the truth, they threaten security and safety of us all.

Mr. Speaker, it has become clear that the President and the administration

are not committed to our national security, nor are they committed to the individuals who dedicate their lives to protecting it. Therefore, my good friend and colleague from Pennsylvania (Mr. WELDON) and I joined together to send a letter to the gentleman from South Carolina (Mr. SPENCE), the chairman of the Committee on Armed Services, asking the colonel to testify before the committee about this grave matter. With help from Fox News and Bill O'Reilly, we have aggressively followed and reported on this subject.

We can continue informing the American people how this administration has compromised our national security. Since my appearance last week, Mr. O'Reilly and I have heard from scores of average citizens from across our Nation. Each e-mail, letter or phone agreed on two basic points: first, to protect this country, we must act to address past occurrences of espionage while ensuring that it does not happen in the future; second, we must protect patriots like Colonel Ed McCallum who continues fighting to protect our national security.

Mr. Speaker, I agree with the citizens who contacted my office: the security of our Nation is precious.

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#### IT'S TIME TO DECIDE OUR NATIONAL PRIORITIES

The SPEAKER pro tempore (Mr. SIMPSON). Under a previous order of the House, the gentleman from Massachusetts (Mr. MCGOVERN) is recognized for 5 minutes.

Mr. MCGOVERN. Mr. Speaker, last week we saw the budget allocation for the Departments of Labor, Health and Human Services, and Education cut by an additional \$1 billion, making for a potential \$12 billion shortfall in these programs. We saw that same Committee on Appropriations bring to the House floor the FY 2000 defense bill as a level \$10 billion above the 1997 budget agreement cap for defense, and \$5.7 billion above the Administration's request, a request that was already \$1 billion greater than the FY 1999 allocation.

We saw the Republican majority approve a GOP tax bill, mainly for the very wealthy, which would reduce Federal revenues somewhere in the neighborhood of \$800 billion over the next 10 years, and nearly \$3 trillion in the following decade.

What is wrong with this picture? What is wrong is what is missing, funding for our children: for their education, their health and well-being; funding for our seniors: their security, their medicine, and their basic needs; funding for our communities: for their economic development and safety, the protection of open space, safe drinking

water, clean air, and the recovery of polluted land.

In a time of unprecedented economic prosperity, I believe we have a unique opportunity to face the issues and solve the problems that have been holding individuals and communities back for decades. We have the resources, if managed carefully, to increase Federal grant assistance for higher education; rebuild our public schools; protect and preserve our national resources; attack poverty and homelessness; clean up contaminated urban sites; invest in environmental, medical, and other technologies; establish early childhood development programs for all our children, and ensure that the health of our children and our seniors is safeguarded for a generation. All we need is the political will to make these choices our national priorities.

In 1997, Congress approved one of the largest tax cuts in the history of our country. We do not need over \$100 billion in new tax breaks for corporations and new favors for the wealthiest Americans when our schools and our communities and infrastructure need significant repair and modernization.

We do not need \$4 billion to \$5 billion worth of pork barrel projects in the defense bill, projects the Pentagon did not ask for and does not want, year after year after year, when that money could reduce classroom size in grades K through 3.

Do not tell me the money is not there. President Clinton presented a budget for the Pentagon that was \$1 billion more than last year's level, increases that will continue annually over the next 6 years. The defense bill approved by the House last week is \$5.7 billion more than even the President's request.

By contrast, according to the Children's Defense Fund, to provide health insurance for every uninsured child in the United States would cost \$11 billion.

Do not tell me the money is not there. Last week the Republican majority said we can eliminate the estate tax for the 300 largest, wealthiest estates in America, but we cannot provide seniors with the prescription drug benefit. This Congress is deciding the Nation's future, the fate of its children, its seniors, its communities, its farms, without a serious debate on the critical needs and priorities of our Nation.

If the defense budget over the next 5 years includes just the increases requested by President Clinton and the GOP tax bill is implemented, then all other discretionary spending will have to be cut by nearly 40 percent. That is a 40 percent cut in education, in veterans programs, in Head Start, in disaster relief, in urban development, in immunizations for infants and toddlers.

The current budget caps are intolerable if we are to address the current

needs of our communities. Is this Congress really prepared to implement a fiscal program that will require an additional 40 percent reduction in all non-defense programs? Does the majority really want this to be the anti-education, anti-children, anti-seniors, anti-veterans Congress, or is it trying to return us to the days of big deficits?

We can do better and we must do better. We are elected to do better. I firmly believe we can have a strong and modern defense second to none without the increases being suggested, but it will require a significant reordering of priorities within the Armed Forces. It will require greater accountability on the part of the Pentagon for the funds it receives. It will require our allies to pay their fair share for global defense. It will also demand restraint and responsibility on the part of all Members of Congress not to load up the defense budget with unneeded and unasked for weapons, equipment, and facilities.

I believe we should provide responsible tax relief to help the most vulnerable in our society become more productive and financially secure, to eliminate the major penalty, to modernize our schools, and enhance our ability to research and develop the technology machinery of the next century.

We have an historic opportunity to address longstanding needs and bring every American into a more prosperous future. I hope we will do that, and not squander this moment with irresponsible spending and reckless tax cuts like the one the Republican majority approved last week.

Mr. Speaker, I include for the RECORD the following material relating to the budget.

The material referred to is as follows:

SUMMARY: "WHY A COLD WAR BUDGET WITHOUT A COLD WAR?"

Dr. Lawrence Korb, the former Assistant Secretary of Defense under Ronald Reagan, has outlined an alternative Pentagon budget that would reduce spending by more than 17% per year (\$48 billion). Dr. Korb's study was sponsored by Business Leaders for Sensible Priorities (BLSP), a coalition of business people and military officials who are currently advocating a 15% reduction in the Pentagon budget. They believe this money can be reinvested in programs that build American communities, such as school modernization, class-size reductions, healthcare and other local and state programs. Dr. Korb calls the present Clinton Administration plan "A Cold War Budget without a Cold War" and argues for restructured spending that strengthens the U.S. military in a manner reflective of the drastically changed world order.

INVESTMENT

Dr. Korb's \$75 billion annual modernization proposal (20% less than the present \$94 billion investment budget) would replace aging equipment and increase our technological edge. Dr. Korb's plan would actually modernize U.S. forces "more rapidly at a lower cost" than the current investment strategy. The Pentagon could achieve this by buying less expensive weapons that would still be

the most powerful in any battle, rather than building the next generation of unproven weapons at three times the price. "Rushing new generations of weapons systems into production," Dr. Korb reports, "is an antiquated Cold War practice that continues to cost taxpayers billions."

NUCLEAR CAPABILITY

The Korb report calls the \$30 billion spent annually on strategic nuclear forces a remnant of the former U.S./Soviet practice of mutual assured destruction. Dr. Korb urges the U.S. cut the number of strategic nuclear weapons from its present level of 7,500 to a number no greater than 1,000 a quantity large enough to destroy any possible targets but small enough to be maintained at \$15 billion per year (half the present rate).

READINESS

Dr. Korb details a readiness package costing no more than \$145 billion per year, \$21 billion less than present spending (\$166 billion). Dr. Korb's plan would maintain forces capable of winning a major theater war and conduct a significant peacekeeping mission, while maintaining a presence in the other key areas around the globe. Dr. Korb finds that the Pentagon currently overspends in force deployment. He maintains, for example, that stationing 100,000 U.S. troops in Europe is excessive and that 50,000 troops would constitute an effective presence in Europe (which can afford to do more to protect its own interests).

CONCLUSION

Dr. Korb's report stresses the importance of making a Pentagon budget responsive to the reality of the post Cold War world. No longer should the U.S. Government overspend to ensure security or compete in an arms race with the Soviet Union. As the only remaining superpower, it is time for us to adjust spending to reflect that place of privilege and responsibility. Dr. Korb's realistic budget proposals set an important standard for fiscal responsibility. Pentagon officials were immune to financial constraints during the Cold War era, and the recent reviews they have conducted have been, Dr. Korb tells us, "nothing more than a rationalization for the existing force structure." Business Leaders believes that it is now time for the Pentagon to follow Dr. Korb's lead and become accountable for spending taxpayers' assets.

[From the Washington Post, July 24, 1999]

BUSINESS GETS BIG BREAKS IN TAX BILLS

(By Dan Morgan)

After years of tight budgets and a Congress focused on cutting the deficit, business this week cashed in on the new economic climate to win billions of dollars in breaks tucked into the tax bill that passed the House and another working its way through the Senate.

Capitalizing on the new era of government surpluses are multinational corporations, utility companies, railroads, oil and gas operators, timber companies, the steel industry and small business owners.

Along with the breaks for those behemoths, smaller provisions sprinkled through the bills will give tax relief to seaplane owners in Alaska, sawmills in Maine, barge lines in Mississippi and investor Warren Buffett. Other provisions assist Eskimo whaling captains on Alaska's North Slope and Carolina woodlot owners.

The House version contains almost \$100 billion in direct tax breaks for business over the next decade—and dozens more provisions that will benefit various industries indirectly. The Senate Finance Committee reported out a different and less generous



measure giving business about \$50 billion in direct tax relief.

While special provisions in tax and budget bills are a staple of life in Washington, the difference this time is that, with a projected \$3 trillion budget surplus over the next decade, the lawmakers enjoyed far more flexibility to gratify lobbyists' wishes.

"If you're a business lobbyist and couldn't get into this legislation, you better turn in your six-shooter," said a Democratic lobbyist. "There was that much money around."

The Republican tax plans, which would cut nearly \$800 billion in taxes over the next 10 years, face a long and uncertain road, and are sure to be sharply scaled down before President Clinton will agree to sign them.

Still, the sections providing tax relief for corporations make clear that business intends to use its political muscle to claim its share of the surplus.

Republican leaders strongly defended the tax concessions, saying they are needed to strengthen the competitiveness of U.S. global business, help distressed industries such as steel and oil, and encourage mergers that make the economy more efficient. And they noted that the bulk of tax cuts in the bill go to benefit families.

But some critics—even within the GOP—said the largess to special interests repudiates the party's pledge to eliminate "corporate welfare."

"Republicans promised to change this kind of behavior," said Sen. John McCain (R-Ariz.), an opponent of "pork barrel" spending. "But I think it's fairly obvious that hasn't been the case. Now we're going to see this big thick tax code on our desks, and the fine print will reveal another cornucopia for the special interests, and a chamber of horrors for the taxpayers."

Tax concessions to the oil and gas industry, as well as nuclear utilities, have also drawn some early fire from environmental and consumer groups.

"At a time when we should be curbing smog and global warming, these bills are going to give billions of dollars in tax breaks to the companies responsible for these problems," said Anna Aurelio, staff scientist at U.S. Public Interest Research Group.

Budget analysts cited a single, sizable item to illustrate how the new budgetary climate has opened up possibilities for corporations.

Since the mid-1980s, multinational corporations have attempted to secure changes in the tax code that would allow them to allocate their worldwide interest deductions in such a way as to generate additional foreign tax credits—and thereby trim their tax bills. The U.S. Treasury has been largely supportive. But according to a lobbyist for a major international bank, "Nobody thought it could get done because it would cost so much money."

This year, both House and Senate bills include the tax relief. The House proposal would cost \$34 billion in lost revenue to the government over the next 10 years, and the slightly more modest Senate version would cost \$14 billion.

"For so many years Congress was totally focused on raising revenues," said Douglas P. Bates, chief lobbyist for the American Council of Life Insurance. "These were really the first tax bills in a long time where the revenue offsets [the need to find money to make up for cuts elsewhere] weren't driving the issues."

Bates experienced that first-hand. He spent much of the week dispatching a series of e-mail messages to the organization's 500

members, alerting them to beneficial provisions that were added to the bills as they moved through the Senate Finance Committee and the House.

When the dust settled, the full House and Senate committee had approved a series of provisions that had long been on the group's wish list, including deductibility for long-term care insurance and changes in rules governing corporate pension plans. ACLI officials said the changes should create new business for life insurance companies that manage corporate pension plans or offer long-term care coverage.

After years of trying, ACLI also scored a major victory when it got the House to support repeal of a tax provision that delays the ability of life insurance companies to file consolidated returns, or write off losses of newly acquired affiliates against their own profits. The 10-year savings to the industry from that provision alone would be \$949 million, according to the Joint Committee on Taxation.

ACLI Chairman Carroll A. Campbell Jr., a former member of the House Ways and Means Committee, met with committee Chairman Bill Archer (R-Tex.) to press for the change, sources said.

The change is deemed crucial to a wave of insurance company mergers, including the recent one between Provident Insurance Co., of Chattanooga, in the home state of Sen. Fred D. Thompson (R), and UNUM Corp., of Portland, Maine. Thompson, a member of the Senate Finance Committee, persuaded committee Chairman William V. Roth Jr. (R-Del.) to add part of the House provision to his tax draft hours before it was brought before the committee.

ACLI also joined with a coalition of banks and securities firms to get both the full House and Senate Finance Committee to extend for five years a temporary tax deferral on income those industries earn abroad.

The companies, working under the umbrella of the Coalition of Service Industries, will save some \$5 billion in taxes over 10 years as a result of the provision, according to congressional calculations.

As uncertain as the prospects for the across-the-board tax cuts for families are, the tax relief for business seems likely to create its own pressure on Clinton and Congress to agree on legislation. And with tens of millions of dollars in campaign contributions at stake, neither party can afford to ignore business's drive for extensive tax relief this year.

"Business doesn't want a repeat of last year when there was no tax bill, just a bunch of extenders [of provisions about to expire.] It would be nice if this wasn't just a political exercise. There's enough money that I think they can work this out," said John Porter, an Ernst & Young tax expert.

An example of the huge stakes is the more than \$1 billion that the utility industry stands to save in taxes over the next 10 years if a House provision affecting utility mergers survives.

The provision, sponsored by Rep. Gerald "Jerry" Weller (R-Ill.) a Ways and Means Committee member, would excuse the payment of taxes on the fund that utilities set up to cover the costs of shutting down nuclear power plants.

Weller, who has three nuclear facilities in his district, said the tax provision is crucial to the restructuring underway in the utility industry as the nation moves to a deregulated electricity market. One immediate effect would be to hasten the merger of Decatur, Ill.-based Illinova Corp. and Dynegy Inc., a Houston natural gas company.

The issue, Weller said, was important to the entire Illinois delegation, including House Speaker J. Dennis Hastert (R), though he added he has not spoken to Hastert about the matter.

But some consumer groups are wary. "The nuclear industry has already been getting a ratepayer-funded bailout in state electricity reorganization plans. Now they're going for federal tax breaks too," said U.S. Public Interest Research Group's Aurelio.

Several environmental groups this week said they were still studying provisions in both the House and Senate versions of the bill that would allow timber companies to write off the cost of replanting trees over seven years, rather than recovering those costs when they sold the trees.

"We see this as a huge win for the environment," said Michael Kelin of the American Forest and Paper Association, which lobbied Rep. Jennifer Dunn (R-Wash.) and other timber state members. "This will lead to a greener America."

#### THE BIG WINNERS

**Big Business:** Relaxation of pension and health plan regulations; bills also lift some ceilings on defined pension benefits.

**Expanded availability of foreign tax credits,** by allowing global allocation of interest deductions (both bills).

**Small Business:** Repeal or reduction of estate taxes (both bills).

**House restores 80 percent deductibility of business meals.**

**Banks, securities firms:** Bills extend ability to defer taxes on income earned abroad until money is returned home.

**Railroads, barge lines:** both bills repeal 4.3 cents per gallon tax on rail diesel and barge fuels.

**Timber:** House reduces capital gain on sale of trees. Both bills allow seven-year amortization of costs of replanting trees, lifting current cap.

**Insurance:** House bill would end five-year restriction against life insurance companies writing off losses of affiliates against profits. House and Senate allow deductibility of long-term care insurance.

**Oil and Gas:** House bill allows expensing of environmental remediation costs; expands net operating loss carryback to five years; extends suspension of income limits on percentage depletion allowance.

**Utilities:** In utility mergers, the House bill allows acquiring companies not to pay tax on funds previously set aside to cover future costs of decommissioning nuclear plants.

**Steel:** House allows manufacturers to use alternative minimum tax credit carryover to reduce 90 percent of AMT liability.

#### PRIORITIES

1. Amount of federal tax money allocated to the Pentagon this year: \$276 billion.

Sources: 1, 2, 3, 4 Budget of the United States (FY 2000); 5, 6, 7, 8 Center for Defense Information (Washington, DC); 9 World Military and Social Expenditures by Ruth Leger Sivard; 10 National Center for Educational Statistics (Washington, DC); 11, 12, Children's Defense Fund (Washington, DC); 13 Budget of the United States (FY 2000); 14 Children's Defense Fund (Washington, DC); 15 Council for a Liveable World Education Fund (Washington, DC); 16 U.S. Conference of Mayors (Washington, DC); 17 Center for Defense Information (Washington, DC); 18 Justice Policy Institute (Washington, DC); 19, 20 Budget of the United States (FY 2000); 21, 22 "A \$75 set screw? Bad old days of Pentagon purchasing are back," Copley News Service, by Julia Malone, March 18, 1998; 23 Center for Defense Information (Washington, DC); 24 World Military and Social Expenditures by Ruth Leger Sivard; 25, 26 SIPRI (Stockholm); 27, 28 Center for Responsive Politics (Washington, DC); 29, 30 distributed anonymously over the

Continued

2. Amount allocated to education: \$31 billion.
3. Amount allocated to the Environmental Protection Agency: \$7 billion.
4. Amount allocated to Head Start: \$5 billion.
5. Ratio of U.S. defense spending versus Iraqi defense spending: 276 to 1.
6. Ratio of Pentagon spending to combined defense spending of Russia, China, and all "rogue" nations: 2 to 1.
7. Ratio of defense spending by U.S. and allies to combined defense spending by those nations: 4 to 1.
8. Rank of U.S. military spending among all nations: 1.
9. Rank of U.S. education spending per student among all nations: 10.
10. Rank of math and science test scores by U.S. high school students among industrialized nations: 18.
11. Number of children without health insurance in U.S.: 11 million.
12. Number of children without health insurance in all other industrialized nations: 0.
13. Amount of President Clinton's proposed increase to the Pentagon budget next year: \$12 billion.
14. Amount needed to provide health insurance for 11 million American kids who don't have it: \$11 billion.
15. Amount of pork in the Pentagon budget—not requested by the Pentagon but inserted by Congress: \$5 billion.
16. Amount needed to reduce kindergarten through third grade class size to 18 students: \$4 billion.
17. Amount required to build 48 of 341 new F-22 fighters, designed to fight the collapsed Soviet Union: \$9 billion.
18. Amount needed to provide proven anti-crime programs for all eligible kids in U.S.: \$9 billion.
19. Percentage of U.S. discretionary budget—the part of the budget that Congress votes on—given to Pentagon: 48.
20. Percentage allocated to education: 8.
21. Amount paid by the Pentagon for one screw in 1998: \$75.
22. Amount such a screw would cost in a hardware store: 50 cents.
23. Rank of U.S. nuclear arsenal among all nations: 1.
24. Rank of U.S. infant mortality rate among all nations: 13.
25. Percentage decrease in Russian defense budget since 1998: 74.
26. Percentage decrease in Pentagon budget since 1998: 21.
27. Amount of political contributions and lobbying in 1997 by tobacco industry: \$44 million.
28. By the weapons industry: \$58 million.
29. Cost of a New Attack Submarine, proposed to replace U.S. subs that are already the world's best: \$2.1 billion.
30. Cost of one decent map of downtown Belgrade: priceless.
31. Percentage of Senators who have a facility in their district owned by defense contractor Lockheed Martin: 100.
32. Amount spent by Pentagon while you read this fact sheet (average reading time 2 minutes): \$1 million.

Internet; 31 "Military-Industrial Complex Revisited," by William Hartung, World Policy Institute, November, 1998; 32 \$276 billion annual Pentagon budget ÷ 365 days per year ÷ 24 hours per day ÷ 60 minutes per hour 2 minutes = \$1,050,200.

[From the Center on Budget and Policy Priorities, July 12, 1999]

#### MUCH OF THE PROJECTED NON-SOCIAL SECURITY SURPLUS IS A MIRAGE

VAST MAJORITY OF SURPLUS RESTS ON ASSUMPTIONS OF DEEP CUTS IN DOMESTIC PROGRAMS THAT ARE UNLIKELY TO OCCUR

(By Sam Elkin and Robert Greenstein)

Congressional Budget Office figures released July 1 indicate that the large majority of the budget surplus projected outside Social Security is essentially artificial because it depends on unrealistic assumptions that large, unspecified cuts will be made over the next 10 years in appropriated programs and that there will be no emergency expenditures over this period. When the more realistic assumption is made that total non-emergency expenditures for appropriated programs will neither be cut nor increased and will simply stay even with inflation—and that emergency expenditures will continue at their 1991-1998 average level—nearly 90 percent of the projected non-Social Security surplus disappears.<sup>1</sup>

The new CBO projections show that under current law, the federal government will begin running surpluses in the non-Social Security budget in fiscal year 2000 and run cumulative non-Social Security surpluses of \$996 billion over the next 10 years. But these projections, like those OMB issued several days earlier assume that total expenditures for appropriated programs—which include the vast bulk of defense expenditures—will remain within the austere and politically unrealistic "caps" the 1997 budget law set on appropriated programs.<sup>2</sup>

To remain within the FY 2000 caps will entail cutting appropriated (i.e., discretionary) programs billions of dollars below the FY 1999 level. No one expects this to occur. Leaders of both parties have acknowledged that a number of appropriations bills cannot pass unless the amount of funding provided for the bills is at significantly higher levels than the current caps allow.

The caps for FY 2001 and 2002 are more unrealistic than the FY 2000 cap; the caps for those years are significantly lower than the FY 2000 cap when inflation is taken into account. Moreover, the CBO and OMB projections assume that for years after 2002, total expenditures for appropriated programs will remain at the level of the severe cap for FY 2002, adjusted only for inflation in years after FY 2002. This means that the surplus projections assume levels of expenditures for appropriated programs for fiscal years 2001 through 2009 that are lower, when inflation is taken into account, than the highly unrealistic FY 2000 cap that almost certainly will not be met.

Also of note, both parties have proposed significant increases in defense spending in coming years. Defense spending constitutes about half of overall expenditures for appropriated programs. In addition, legislation enacted last year requires increases in highway spending in coming years. These factors are further reasons why the caps are unlikely to be sustained.

CBO must base its budget projections on current law. The spending caps on appro-

<sup>1</sup>We use the average level of emergency spending in fiscal years 1991 through 1998, other than expenditures for Desert Storm. This also excludes the high level of emergency spending in fiscal year 1999. The term "appropriated programs," as used here, means discretionary programs.

<sup>2</sup>Technically, OMB assumes expenditures for discretionary programs that exceed the caps, but it also assumes offsetting reductions in mandatory programs and tax increases.

priated programs are current law. CBO has acted properly in developing its projections. But policymakers who act as though the \$1 trillion in non-Social Security surpluses projected over the next 10 years all represent new funds that can go for tax cuts of program expansions appear to misunderstand the meaning of the projections.

Because the CBO projections rest on the assumption that expenditures for appropriated programs will be held to the levels of the caps, these projections assume that over the next 10 years, these expenditures will be reduced \$595 billion below current (i.e., FY 1999) levels of non-emergency discretionary spending, adjusted for inflation. (The \$595 billion figure is found in a CBO table on this matter issued July 12.)

Since defense spending is widely expected to rise, all of these \$595 billion in cuts would have to come from non-defense programs, primarily domestic programs. This would entail reducing overall expenditures for on-defense appropriated programs by 15 percent to 20 percent over the next 10 years, after adjusting for inflation. Since some areas of non-defense spending such as highways are slated to increase, other areas would need to be cut deeper than 15 percent to 20 percent. Achieving cuts of this magnitude in non-defense appropriated programs would be unprecedented.

Cutting federal expenditures results in lower levels of debt. CBO projects that the \$595 billion in reductions in appropriated programs assumed in its baseline would generate \$154 billion in additional savings over the next 10 years through lower interest payments on the debt. Consequently, the reductions in appropriated programs that the CBO projections assume result in total savings of \$749 billion over the next 10 years.

These \$749 billion in assumed savings account for 75 percent—or three-fourths—of the non-Social Security surplus projected over the next 10 years. Since most or all of these cuts are unlikely to materialize, a large majority of the surplus projected in the non-Social Security budget is essentially a mirage.

#### EMERGENCY SPENDING

Nor does this represent the full extent to which the DBO projections rest on assumptions that lead to an overstatement of the likely non-Social Security surplus. The CBO projections assume no emergency spending for the next 10 years. There will, of course, be emergencies over the next 10 years that result in government expenditures. There have been emergency expenditures outside the spending caps every year since the Budget Enforcement Act of 1990 established the caps. Hurricanes, tornadoes, floods, and international emergencies will not magically disappear.

Over the 1990's, emergency funding has averaged \$8 billion a year, excluding both emergency expenditures for Desert Storm in the early 1990s and the higher level of emergency spending in fiscal year 1999.<sup>3</sup> The most prudent assumption to make is that emergency expenditures will continue to average about \$8 billion a year.

This means an additional \$80 billion of the projected surplus over the next 10 years is not likely to materialize since it will be used for emergency expenditures. This \$80 billion in expenditures will cause interest payments on the debt to be \$24 billion higher than the levels the CBO projections assume.

<sup>3</sup>The \$8 billion figure represents average funding for emergencies other than Desert Storm for fiscal years 1991 through 1998, as expressed in 1999 dollars.

ESTIMATE OF AVAILABLE SURPLUS LOWER THAN  
IN EARLIER CENTER ANALYSES

Based on Congressional Budget Office data, this analysis shows that when realistic assumptions are used, the non-Social Security surpluses total only about \$112 billion over the next 10 years. Earlier Center versions of this analysis showed modestly larger available surpluses. The revisions in this analysis stem from two factors. First, on July 12, the Congressional Budget Office issued a table that raised CBO's estimate of the portion of the CBO surplus projection that results from the assumption that discretionary spending will be cut. CBO had earlier estimated that \$584 billion of the projected surplus was attributable to assuming that non-emergency discretionary spending would be reduced below the FY 1999 level of non-emergency discretionary expenditures, adjusted for inflation. CBO now estimates that \$595 billion of the surplus projection is due to this assumption. Second, an earlier Center analysis did not address the assumption in the CBO projections that there would be no emergency expenditures for the next 10 years. This revised Center analysis does address this matter.

CBO'S SURPLUS FORECAST: HOW MUCH IS REALLY  
AVAILABLE FOR TAX CUTS AND PROGRAM EXPANSIONS?

(In billion of dollars)

CBO projection of non-Social Security surplus over 10 years .....	\$996
Amount needed to keep non-emergency spending for appropriated programs even with inflation .....	-595
Likely emergency expenditures (based on average annual emergency expenditures, FY 1991-1998) .....	-80
Social Security administrative costs (CBO counts as a Social Security expenditure, but Congress counts as a non-Social Security expenditure) .....	-31
Higher interest payments on debt due to higher levels of spending for appropriated programs than the CBO projections assume ....	-178
Remaining surplus available for other uses (if some of this is used for tax cuts or program expansions, interest payments will rise further above the CBO projection, requiring some of the \$112 billion to be used for interest costs)	

CONGRESSIONAL AND CLINTON BUDGETARY  
TREATMENT OF SPENDING FOR APPROPRIATED  
PROGRAMS

The Congressional budget resolution approved earlier this year assumes a very large tax cut of \$778 billion over 10 years. The resolution can accommodate a tax cut of this magnitude because it assumes that none of the surplus will go to placing spending for appropriated programs at a more realistic level. Moreover, the budget resolution assumes that additional cuts in appropriated programs of nearly \$200 billion over 10 years will be instituted, on top of the already unrealistic reductions assumed in CBO's projections. (These additional reductions would come in years after 2002.) Under the budget resolution, overall expenditures for non-defense appropriated programs would be cut 29 percent between FY 1999 and FY 2009, after adjusting for inflation.

The Clinton budget would add back somewhere in the vicinity of \$500 billion over 10 years for appropriated programs, or most of the \$595 billion needed to keep non-emergency spending for appropriated programs even with inflation. The Clinton budget only uses \$328 billion of the surplus, however, for this purpose. The remaining funds would be raised through a series of offsetting cuts in entitlement programs and tax increases, such as a cigarette tax increase. Many, if not most, of these offsets are given little chance of passage on Capitol Hill. If these offsets are not approved and no funds from the surplus are provided for appropriated programs beyond the \$328 billion the Administration has proposed, appropriated programs would have

to be cut approximately \$270 billion over 10 years below current levels, adjusted for inflation. (To compute the exact amount appropriated programs would have to be reduced under this scenario requires data not yet available on the Administration's new budget plans.) In addition, the Administration's budget does not appear to reserve a portion of the surplus for the emergency expenditures that inevitably will occur.

Another \$31 billion also must be subtracted from the project non-Social Security surplus; it is needed for the administrative costs of operating Social Security. As the Congressional Budget Office explains on page 6 of its new report, CBO counts these \$31 billion in costs as a Social Security expenditures, but Congress treats them as part of the non-Social Security budget and counts them against the spending caps on discretionary programs. (The Congressional budget resolutions passed each year include these expenditures as non-Social Security expenditures that affect the size of the non-Social Security surplus. It is the budget resolution, not the CBO projections, that Congressional budget rules enforce.) Counting these costs as part of the non-Social Security budget reduces the non-Social Security surplus.

When this \$135 billion—\$80 billion for emergency expenditures, \$24 billion for related interest payments on the debt, and \$31 billion for Social Security administrative costs—is added to the \$749 billion described above in expenditures for appropriated programs and related interest payments on the debt, a total of \$884 billion—89 percent of the projected non-Social Security surplus—dries up. Only \$112 billion remains. (See table on page 3.) In addition, non-Social Security surpluses of any size do not appear until 2006; the non-Social Security budget either continues to show deficits or is in balance (but without significant surpluses) until that time.

One other caution regarding the surplus projections should be noted. The economic and technical assumptions underlying the forecast could prove too rosy (or not rosy enough). CBO has repeatedly warned that a high degree of uncertainty attaches to budget projections made several years in advance. In a report issued earlier this year, CBO noted that if its projections for fiscal year 2004 prove to miss the mark by the average percentage amount that CBO projections made five years in advance have provided to be off over the past decade, its surplus forecast for 2004 will be off by \$250 billion.<sup>4</sup> If economic growth is modestly slower than forecast or health care costs rise substantially faster than is currently projected, budget surplus could be substantially lower than those reflected in the CBO estimates.

HOW MUCH OF THE SURPLUS IS AVAILABLE FOR  
TAX CUTS, MEDICARE, AND SOCIAL SECURITY  
IF MORE REALISTIC ASSUMPTIONS ARE USED?

In summary, if more realistic assumptions are used—namely, that total non-emergency expenditures for discretionary programs will remain at the fiscal year 1999 level, adjusted for inflation and emergency spending will remain at its average level for the recent past—a very different picture emerges of how much in surplus funds is available for tax cuts, shoring up Medicare and Social Security,

and other initiatives. Under this more plausible scenario, only about \$112 billion remains available, and hardly any of it is available in the next five years.<sup>5</sup>

It may be noted that to assume, as we do here, that total non-emergency expenditures for appropriated programs will be no higher in future years than non-emergency expenditures for such programs in fiscal year 1999, adjusted for inflation, is to use a conservative assumption. It is a foregone conclusion that defense spending will rise faster than inflation. Hence, for overall non-emergency expenditures for appropriated programs to remain even with inflation, non-defense programs must be cut in real (i.e., inflation-adjusted) dollars. Yet spending for some non-defense program areas such as highways is already slated to rise. The House recently passed legislation to boost aviation spending as well. Thus, the assumption used here for expenditures for appropriated programs may be too low.

These findings have major implications for policymakers. For there to be sufficient surplus funds to finance the large tax cuts some policymakers advocate, Congress would have to make cuts of unprecedented depth in appropriated programs over the next 10 years—cuts substantially deeper than those policymakers are balking at passing this year.

## TRENDS IN DISCRETIONARY SPENDING

Expenditures for appropriated (i.e., discretionary) programs are already low in historical terms as a percentage of GDP. There is serious question about how much further they can be expected to decline.

CBO projects that total discretionary spending will equal 6.5 percent of GDP in fiscal year 1999, the lowest level since at least 1962. (Published data on discretionary spending as a share of GDP only go back to 1962.)

Much of the decline in discretionary spending as a share of GDP has come in defense spending, which fell following the end of the Cold War. But non-defense discretionary spending also has contracted as a share of GDP. At 3.4 percent of GDP this year and last, non-defense discretionary spending is at as low or lower a share of GDP as in any year since 1962.

Under the new budget projections, discretionary spending would fall much further as a percentage of GDP. The new CBO projections assume discretionary spending will fall from 6.5 percent of GDP today to 5.0 percent in 2009, as much lower level than in any year in decades.

Discretionary spending may be approaching its limits in terms of how much more it can fall as a share of GDP. That may be one of the lessons both of last year's highway bill and of last October's omnibus appropriations bill, which exceed the budget limits for discretionary spending and designated the overage as emergency spending.

While non-defense discretionary spending has fallen over the past several decades as a share of GDP, it has not declined in inflation-adjusted terms (although it has declined since 1980 if an adjustment reflecting the increase in the size of the U.S. population is made as well). If we have emerged from a period of deficits without expenditures for non-defense discretionary programs having declined in inflation-adjusted terms, there is little reason to believe the political system will exact deep cuts in this part of the budget when the outlook is sunny, surpluses have merged, and pent-up demands for various types of discretionary spending are coming

<sup>4</sup>In computing the average percentage amount by which CBO projections made five years in advance have proven to be off, CBO excluded the effects of legislation on deficits or surpluses. The \$250 billion figure is based on the average percentage amount by which the budget projections missed the mark due solely to economic and technical factors. See CBO, *The Economic and Budget Outlook: Fiscal years 2000-2009*, January 1999, p. xxiii.

<sup>5</sup>There would be a small non-Social Security surplus in fiscal year 2002.

to the fore (witness the aviation bill the House recently approved). This underscores the unrealistic nature of the assumptions of substantial reductions in discretionary program expenditures that underlie the projections of \$1 trillion non-Social Security surpluses.

#### THE DISASTROUS STATE OF AGRICULTURE IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. BRYANT) is recognized for 5 minutes.

Mr. BRYANT. Mr. Speaker, it is a pleasure to be here today. I do have the high honor of representing the Seventh District of Tennessee. Both that district and the State itself has a very strong and diverse economy.

Included as part of the base of that economy is agriculture, and as I would follow on the heels of my colleague, the gentleman from Kansas (Mr. MORAN), his statements, our agriculture in Tennessee and in this country is in a disastrous state, something that we ought to all be concerned with here in Congress. As we work to satisfy the number of issues that are out there that cover the board, we cannot forget about agriculture.

Mr. Speaker, I have had several meetings in my district where I talked to different constituencies, and that is a consistent complaint that we hear; that while we are doing well in our industries, our manufacturing, our distribution across the State, the agricultural communities, not only the farmers and beef producers, the pork producers, but the communities in which they live, the banks, the equipment dealers, the stores, the retailers, are all suffering along with them.

I have been told that in effect what is happening in the agricultural communities is that they are being paid 1950s prices, but yet their expenses are 1999 expenses today. I would challenge any part of our economy to operate under those standards, that you are getting paid like you were in 1950, but your expenses are today's expenses. You cannot exist very long in that type of situation.

When we came to Congress in 1994, we did a lot of good things. One of the good things we did was try to turn our farmers loose to compete like everybody else; to lift up all the programs and restraints that they had and to let them compete in this world market, this global market that we are in.

One of the commitments we made to these farmers, in addition to lifting these restraints and saying, you are on your own, go out and do the best you can, one of the conditions we laid out was that we will help you with the estate tax.

Despite what the previous speaker, my colleague, the gentleman from Massachusetts, said, this tax bill that we passed last week does wonderful

things for our farmers. It does in fact help them with the estate tax. When the family farm can be passed along with less estate tax being paid, it is more likely that the heirs, the children of that farmer, will be able to keep that family farm.

I would suggest that this bill we passed last week, this tax reform, goes to more than just 300 of the richest Americans out there, it goes to our farm owners, our small businesses in our smaller communities.

Another thing that we did in that tax bill was help our farmers through self-insured insurance. When they buy their own insurance, they can deduct that total premium for that. This 10 percent across-the-board tax break, this applies to farmers, also.

One of the other requirements that we promised them back when we lifted the programs was that we would help them in our markets, help them stabilize their markets. When they raise all their crops, have the good years, when they win the battle over the droughts and too much rain and bugs and pests that come out to destroy their crops, they still have to sell those crops somewhere. We promised them we would help stabilize the markets.

I would simply ask my colleagues, every time that we have an opportunity to vote on these kinds of issues that pertain to boycotts and embargoes against other countries, particularly as they deal with food and fiber, that we be careful there that we do not always do that at the blink of an eye.

Another commitment we made to our farmers was regulatory relief. We said we would make it easier for them to farm, and yet, we hear stories in committees that I sit in about the Environmental Protection Agency coming in and wanting to take away some of the chemicals that our farmers use to be able to be as successful as they are in producing basically the food for the world.

Now we are being told that maybe they cannot use some of these chemicals, or that some of their land may be a wetland and that it ought to be in a position where they cannot use it to farm. They pay taxes on it, they own it, but they cannot farm it.

I am simply saying that our farmers are the best stewards of the lands that we have. They have to be good stewards. They have to be environmentalists. They want to take care of the land because it is their source of living. There are not any better stewards of land out there than the farmers.

I would remind my colleagues that when we get into these kinds of issues, I would ask that we remember our farmers. We have to keep them in mind. A lot of people seem to think, and I say this jokingly, though, that the food starts in the grocery store, and that the fiber or clothing that we buy starts in the department stores.

They do not think anything about what causes that to appear in the stores. They simply think it is there when they go buy something, and it will always be there. But we have to keep our farmers in mind as we deal with the panoply of legislation that we deal with.

I simply use my 5 minutes of time this afternoon to remind my colleagues of the importance of our agricultural communities.

#### SOCIAL SECURITY AND FEDERAL SPENDING PRIORITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. NADLER) is recognized for 5 minutes.

Mr. NADLER. Mr. Speaker, I rise to speak about national priorities and Federal budget needs. It is now estimated that the budget surpluses over the next 10 years, not counting social security surpluses, will be a little under \$1 trillion. Now everyone in Washington wants to figure out how to spend that \$1 trillion.

Last week we saw the Republican plan for that money. Last week the House of Representatives passed a bill to use almost the entire surpluses, \$792 billion of the projected \$966 billion surpluses for the next 10 years, for a tax cut, a tax cut heavily slanted to the rich, a tax cut in which 1 percent of taxpayers will get 30 percent of the tax relief, and a tax cut that is back end loaded and will cost an additional \$2 trillion in revenues in the second 10 years, just when the baby boomers will be retiring and necessitating huge new expenditures for social security and Medicare.

Mr. Speaker, last week the House of Representatives also passed the defense appropriations bill, which will spend \$266 billion for defense programs, \$2.8 billion more than the administration requested. When combined with other military spending bills, the total defense spending will be \$288 billion this year, about \$8 billion more than the President's request and almost \$10 billion more than the cap set by the 1997 Balanced Budget Act.

Thankfully, that bill did not include funding to purchase the Rolls Royce of the sky, the F-22 jet fighter. There is still a very real danger the funding for the F-22 will be restored in conference. That would be a huge mistake. For the price of each F-22 plane at \$200 million per plane, it will be too expensive to risk in combat. For each F-22, you could repair 117 American schools, you could build 33 new elementary schools, or enroll 40,000 more children in Head Start. Is that not a better use of taxpayer funds?

However, when Congress cut the F-22, it did not use the funds for schools or children, it used the funds for more defense spending. Members of Congress

cannot wait to bust the budget caps and spend millions more for defense, but we have not done the same for domestic social programs. We all know every penny we spend on the military will not be available to strengthen social security, build affordable housing, extend health care coverage to millions of Americans, or pay down the national debt, and yet we are still talking about devastating cuts to vital Federal programs, included social security.

The surplus we hear so much about is based on the assumption that most domestic programs will be cut far past the bone. Simply providing enough funding for non-defense discretionary programs to keep pace with inflation would require an additional \$590 billion over the next 10 years.

Factoring in an allowance for the average level of emergency appropriations would require another \$100 billion. If these limited funds are spent instead on the Republican tax cut, it would mean an average 27 percent cut in all domestic programs by 2009.

Mr. Speaker, in 1981, President Reagan and the Republicans led us over the edge of a cliff. They thought we could have a large tax cut and increase defense spending. Sound familiar? The result was an increase in our national debt, the accumulated deficits since George Washington, from \$800 billion in 1981, when Ronald Reagan took office, to \$4.3 trillion in 1993 when Bill Clinton was sworn in.

□ 1930

In 1992, the deficit was \$290 billion, with annual deficits of \$500 billion projected for the mid-1990's. The Clinton deficit reduction plan of 1993, passed without a single Republican vote, began our climb out of the abyss. Now after 7 years of strong economic growth and careful management of government resources, including reduction of the Federal work force of 370,000, we have reached high ground.

We balanced budgets and projected surpluses, and this pains our Republican colleagues. They do not want either to pay down the national debt, as the President proposes, or to initiate long-postponed investments in our schools and day-care centers and our cities and our colleges, our Medicare, and Head Start.

We ought to invest this money, instead, in our people, in our schools, and our infrastructure in order to keep our economy growing. With the strong robust economy, we can meet the needs facing Social Security while we invest in other social programs to improve the lives of all Americans.

So the message is clear tonight. We cannot postpone any longer our long-postponed investments in schools and day-care centers and roads and bridges and railroads and Medicare and Head Start and housing. Now is the time to shift budget priorities to reflect future

needs to help working families to have an educated work force, to build up our country's infrastructure so that we can keep economic growth at a high level that will generate the money to pay for it and that will pay for the money to pay for the Medicare and for Social Security as our baby boomers start to retire.

Let us not fritter this away on a tax cut for the rich and on unneeded defense spending on unneeded Rolls Royce programs.

#### TRIBUTE TO KOREAN WAR VETERANS

The SPEAKER pro tempore (Mr. SIMPSON). Under a previous order of the House, the gentleman from Alabama (Mr. BACHUS) is recognized for 5 minutes.

Mr. BACHUS. Mr. Speaker, tomorrow is the 46th anniversary of the end of the Korean War. So I think it is a fitting time to remember and pay tribute to all Americans who fought and died in that war.

Yesterday, I had the privilege of speaking at a Korean War Memorial Service in Fultondale, Alabama. There, the names of 672 Alabamans, who died or are missing in action in that war, names were called. It was a very emotional service. We had a 21-gun salute. Relatives placed flowers at the memorial.

I gave a speech, and the veterans at that memorial asked me to again give that speech tonight in tribute to their fallen comrades and to all of those who served in Korea, those who died, and the 8,000 who are still missing in action as a result of that war.

I will place in the RECORD the names of those 672 Alabamans who paid it all in Korea.

Mr. Speaker, throughout the Bible, God calls on his people, on his children to remember, to remember the wonderful works that he has done, to remember his miracles, to remember all that he has done for them.

When we read the Bible, we are sometimes frustrated that the children of Israel continually forgot the good things that God had done for them. We sometimes say why were they so unappreciative? Why did they forget? Why did they fail to remember?

But are we so different? Is not our treatment and our ignorance of the Korean War not a parallel? We forgot a whole war and the sacrifices made there. Why did we forget? Why were we so unappreciative for the 37,000 Americans who died there? Why do we not know a lot about that or the fact there are 8,000 missing to this day?

The Korean War was concluded, not with the enemy's surrender, but with a negotiated armistice that reestablished the existing borders between North and South Korea. It left an uneasy peace that exists even today.

With tens of thousands of young Americans brutally killed and a war occurring in such a remote and inhospitable land so far away with no victory to celebrate, the Korean War gave most Americans little to remember and much to forget.

For that reason, the Korean War is today called the "Forgotten War," and it is often spoken of as the Forgotten War. However, there is much to remember about this war, much to remember about those who left farms and factories, high school classrooms and college campuses to defend our freedom.

From Alabama, there were four brothers, the Goodwin brothers. They all survived Korea. They came home with eight purple hearts. Mr. Goodwin, Bob Goodwin from Birmingham, was there yesterday to lay flowers at the memorial.

Today, we recall, and we remember. We are not here to cheer or to celebrate, but to reflect on the sacrifices that were made so long ago, to remember the living, those who survived and are not here today, and those who died and lie buried about us and those, as I said, 8,000 whose bodies were never recovered, who were never buried here in the United States.

World War II had followed World War I, the war to end all wars. The long struggle against Nazism and imperialism was over, and America, although victorious, was so weary of war. America and her people knew well the cost, the horror, and the sacrifice of war.

But that did not prevent 1½ million of America's finest patriots from leaving their homes or friends to serve. Halfway around the world they went or, as so aptly described in the Korean War Memorial, to "a place they had never been and a people they had never met."

As William Sessions, the father of the gentleman from Texas (Mr. SESSIONS), said, "They went not for conquest and not for gain, but only to protect the anguished and the innocent. They suffered greatly and by their heroism in a thousand forgotten battles they added a luster to the codes we hold most dear: duty, honor, country, fidelity, bravery, and integrity."

These were citizen soldiers. But for the most part, they were not skilled in war. They were ordinary young men and women like our sons and daughters.

We should remember, too, the hardships our Korean War veterans endured: the deadly cold, the weeks and months spent crammed in foxholes and bunkers dug into rugged, harsh terrain. They faced an enemy of overwhelming numbers ready to torture and brutalize. They were locked in hand-to-hand combat at "Heartbreak Ridge" and "Pork Chop Hill," confronted with the fastest fighter jets at "Mig Alley."

Today's military history records that our Korean veterans set a standard of courage that may be matched, but which will never be surpassed.

In summary, chiseled in silver on the Korean War Memorial are the words "Freedom is not free." The men and women who served in Korea and the family and friends of those 37,000 who never returned and those thousands still missing have paid it all. They demonstrate the high and precious cost of freedom.

We should never forget that these patriots paid a price one by one when they were swept away by the treacherous tides of Inchon or died defending the perimeter of Pusan or froze to death by the hundreds at Choson reservoir or in the long march back. Their families will never forget their sacrifice and neither should we.

Now on this hot sunny, summer day, Mr. Speaker, let me simply sum up by saying, today we know that those, that first resolute action by these veterans stemmed the expansion of communism

and, in so doing, helped change the course of history.

Now, we know it took four more decades to win the battle against communism. But having witnessed the collapse of the Berlin Wall and its aftermath, we know now that those who served in Korea laid the foundation for one of the greatest victories in the history of mankind, the free world triumph over communism.

Mr. Speaker, I include for the RECORD the names of the Alabamians who died in the Korean War as follows:

#### U.S. MILITARY PERSONNEL WHO DIED FROM HOSTILE ACTION (INCLUDING MISSING AND CAPTURED) <sup>1</sup>

(Listed by home State, county or hometown and thereunder alphabetically)

Name	Rank/Grade	Branch of service	Home of record, City/Town/County <sup>2</sup>	State
Abercrombie, Aaron R.	1LT	Air Force	Birmingham	Alabama
Adams, Aubrey G.	PVT	Army	Cullman	Alabama
Adams, Bernard B.	PFC	Army	Mobile	Alabama
Adams, John R.	SFC	Army	Houston	Alabama
Adams, Robert E.	MSGT	Army	Tuscaloosa	Alabama
Albright, Richard V.	PFC	Army	Lee	Alabama
Aldridge, Ellis L.	SFC	Army	Fayette	Alabama
Alexander, Howard E.	PVT	Army	Jefferson	Alabama
Alford, Otis F.	CPL	Army	Morgan	Alabama
Allen, Alonzo	CPL	Army	Jefferson	Alabama
Allen, James R.	PVT	Army	Madison	Alabama
Allums, Morris	SFC	Army	Walker	Alabama
Alverson, R. C.	SGT	Army	Madison	Alabama
Anderson, Lloyd G.	PFC	Army	Jefferson	Alabama
Andrews, Earnest M.	CPL	Army	Montgomery	Alabama
Ange, Luther M.	PVT	Army	Calhoun	Alabama
Anthony, Stanley H.	PVT	Army	Chambers	Alabama
Arceneaux, Harry A.	SGT	Army	Mobile	Alabama
Archer, B. R.	PFC	Army	St. Clair	Alabama
Arnold, Bloyce C.	SGT	Army	Talladega	Alabama
Arrington, Andrew B.	PFC	Army	Russell	Alabama
Atherton, Harold J.	PFC	Army	Montgomery	Alabama
Atwood, Virgil M.	2LT	Army	Talladega	Alabama
Bailey, Charles	PVT	Army	Russell	Alabama
Bailey, James J.	PFC	Army	St. Clair	Alabama
Bailey, Raymond E.	CPL	Army	Fayette	Alabama
Bailey, Willard E.	PFC	Army	Jefferson	Alabama
Bain, Odom Carl	CPL	Marines	Town Creek	Alabama
Baker, Isaac E.	SFC	Army	Calhoun	Alabama
Baker, Steward M., Jr.	2LT	Army	Covington	Alabama
Ball, James H.	PFC	Army	Chilton	Alabama
Barfield, David D.	PVT	Army	Montgomery	Alabama
Barker, William A.	SGT	Army	Jefferson	Alabama
Barnes, Mack R.	SFC	Army	Henry	Alabama
Barnett, Robert A.	PFC	Army	Mobile	Alabama
Barrier, James F.	PVT	Army	Lauderdale	Alabama
Bates, Elmore C.	SFC	Army	Mobile	Alabama
Bates, William A.	PFC	Marines	Vinemont	Alabama
Beams, Charles L.	CPL	Army	Tuscaloosa	Alabama
Beasley, John A.	PFC	Army	Marion	Alabama
Beason, Howard Eugene	CPL	Marines	Walnut Grove	Alabama
Benefield, Denson H.	PVT	Army	Talladega	Alabama
Betts, Charles C., Sr.	SGT	Army	Tuscaloosa	Alabama
Beveridge, Bruce, Jr.	2LT	Army	Baldwin	Alabama
Bill, Hubert L.	PVT	Army	Russell	Alabama
Birchfield, Edward	CPL	Army	Madison	Alabama
Bird, James P.	CPL	Army	Montgomery	Alabama
Bishop, Travis A.	CPL	Army	Etowah	Alabama
Bishop, Wesley W., Jr.	PFC	Army	Mobile	Alabama
Black, Paul Eugene	PFC	Marines	Centre	Alabama
Blanks, Willie F.	PVT	Army	Jefferson	Alabama
Blenkinsop, John R.	CPL	Army	Walker	Alabama
Bolton, George D.	PVT	Army	Pickens	Alabama
Booker, Robert L.	SFC	Army	Conecuh	Alabama
Boone, Boyce J.	1LT	Army	Mobile	Alabama
Booth, Izea	PVT	Army	Elmore	Alabama
Bowen, Elzie R.	PVT	Army	Jefferson	Alabama
Bowers, Jefferson A.	PFC	Army	Mobile	Alabama
Bowlin, Mias E.	PFC	Army	Etowah	Alabama
Bracknell, Arthur	CPL	Army	Bibb	Alabama
Braden, Robert D.	PFC	Army	Coosa	Alabama
Brannon Wilmer	CPL	Army	Geneva	Alabama
Braswell, Carl W.	CPL	Marines	Childersburg	Alabama
Briers, Charlie	PFC	Army	Montgomery	Alabama
Brim, Zephyr	CPL	Army	Jefferson	Alabama
Bringhurst, Robert	SGT	Army	Mobile	Alabama
Brooks, Charles E.	PFC	Army	Calhoun	Alabama
Brooks, John W. Jr.	PVT	Army	Jackson	Alabama
Brooks, Leotis	PFC	Army	Barbour	Alabama
Brooks, Lloyd K.	PFC	Army	Jefferson	Alabama
Brown, Buford, M.	PFC	Army	Coffee	Alabama
Brown, Walter Jr.	PFC	Army	Jefferson	Alabama
Brown, William E.	1LT	Army	Jefferson	Alabama
Browning, Joseph D.	PVT	Army	Mobile	Alabama
Browning, Perry H.	PVT	Army	Mobile	Alabama
Brozell, Albert M.	CPL	Army	Elmore	Alabama
Bruce, Ralph T.	PVT	Army	Lauderdale	Alabama
Bryant, Vivian D.	SGT	Army	Escambia	Alabama
Burch, Louie F.	SGT	Army	Coffee	Alabama
Burgett, Alfred T.	CPL	Army	Franklin	Alabama
Burney, Ralston L.	PFC	Army	Jefferson	Alabama
Burt, John E.	SGT	Army	Bibb	Alabama
Bush, Billy J.	CPL	Army	Montgomery	Alabama



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U.S. MILITARY PERSONNEL WHO DIED FROM HOSTILE ACTION (INCLUDING MISSING AND CAPTURED) <sup>1</sup>—Continued

[Listed by home State, county or hometown and thereunder alphabetically]

Name	Rank/Grade	Branch of service	Home of record, City/Town/County <sup>2</sup>	State
Byrd, Ervin A. ....	PFC .....	Army .....	Mobile .....	Alabama
Caldwell, Crayton Lowell .....	CPL .....	Marines .....	Wadley .....	Alabama
Callhoun, Harold .....	CPL .....	Army .....	Chambers .....	Alabama
Callaway, Vernon A. ....	PVT .....	Army .....	Bount .....	Alabama
Cameron, Floyd D. ....	PFC .....	Marines .....	Notasulga .....	Alabama
Campbell, Charlie A. ....	SFC .....	Army .....	Madison .....	Alabama
Caraway, Cody E. ....	PFC .....	Army .....	Russell .....	Alabama
Carroll, James R. ....	CPL .....	Army .....	Cullman .....	Alabama
Carter, Dudley .....	PFC .....	Army .....	Mobile .....	Alabama
Carter, Emmett J. ....	CPL .....	Army .....	Chilton .....	Alabama
Cash, James R. ....	SGT .....	Army .....	Calhoun .....	Alabama
Castle, William B. ....	SGT .....	Army .....	Tuscaloosa .....	Alabama
Causey, Billy J. ....	PVT .....	Army .....	Elmore .....	Alabama
Cauthen, Winifred .....	PVT .....	Army .....	Dale .....	Alabama
Champion, Merrill A. ....	PFC .....	Army .....	Cleburne .....	Alabama
Chancery, Joseph D. ....	PFC .....	Army .....	Escambia .....	Alabama
Chancey, Howard Harrell .....	PFC .....	Marines .....	Ariton .....	Alabama
Chapman, Harold S. ....	CPL .....	Army .....	Jefferson .....	Alabama
Chappell, Billie F. ....	PFC .....	Army .....	Calhoun .....	Alabama
Christian, Earl E. ....	PVT .....	Army .....	Mobile .....	Alabama
Clark, Charles W. ....	CPL .....	Army .....	Lee .....	Alabama
Clark, O.C. Jr. ....	PVT .....	Army .....	Covington .....	Alabama
Clark, Odell .....	SGT .....	Army .....	Dale .....	Alabama
Clements, Louis C. ....	PVT .....	Army .....	Etowah .....	Alabama
Clements, Terrell C. ....	PFC .....	Army .....	Jefferson .....	Alabama
Cleveland, Clifton .....	PFC .....	Army .....	Bibb .....	Alabama
Cleveland, Euclid, L. ....	CPL .....	Army .....	Etowah .....	Alabama
Cleveland, Ned J. ....	SFC .....	Army .....	Jefferson .....	Alabama
Clyott, Cecil Harrison Jr. ....	1LT .....	Air Force .....	Talladega .....	Alabama
Coates, Roman W. ....	PFC .....	Army .....	Jefferson .....	Alabama
Cobb, William L. ....	CPL .....	Army .....	Mobile .....	Alabama
Cochran, Jack D. ....	PFC .....	Army .....	Etowah .....	Alabama
Cochran, L. G. ....	PFC .....	Army .....	Marion .....	Alabama
Cody, George G. ....	CAPT .....	Army .....	Tuscaloosa .....	Alabama
Coffman, Emory Ronald .....	LCDR .....	Army .....	Elkmont .....	Alabama
Coker, Cecil A. ....	PFC .....	Army .....	Chilton .....	Alabama
Coker, Martin A. ....	CAPT .....	Army .....	Etowah .....	Alabama
Cole, Phillip M. ....	PVT .....	Army .....	Jefferson .....	Alabama
Coleman, Herbert .....	SFC .....	Army .....	Hale .....	Alabama
Collier, Rogers .....	1LT .....	Army .....	Montgomery .....	Alabama
Collins, Harry P. ....	CPL .....	Army .....	Houston .....	Alabama
Cook, Thomas H. ....	PFC .....	Army .....	Tuscaloosa .....	Alabama
Cork, Thomas R. ....	PVT .....	Army .....	Jefferson .....	Alabama
Cornell, Paul D. ....	PVT .....	Army .....	Mobile .....	Alabama
Cotney, Comer C. ....	PVT .....	Army .....	Tallapoosa .....	Alabama
Counts, George W. ....	SGT .....	Army .....	Colbert .....	Alabama
Cox, Arthur W. ....	SFC .....	Army .....	Jefferson .....	Alabama
Cox, James A. ....	PFC .....	Army .....	Chilton .....	Alabama
Crabtree, Morgan L. ....	SGT .....	Army .....	Madison .....	Alabama
Craig, Willie .....	PFC .....	Army .....	Dallas .....	Alabama
Creel, William T. ....	CPL .....	Army .....	Randolph .....	Alabama
Crocker, George A. ....	PFC .....	Marines .....	Gadsden .....	Alabama
Crockett, Charles R. ....	CPL .....	Marines .....	Sheffield .....	Alabama
Crowder, Donald G. ....	PFC .....	Army .....	Jefferson .....	Alabama
Crumpton, Floyd T. ....	PVT .....	Army .....	Morgan .....	Alabama
Culpepper, Lonnie .....	SGT .....	Army .....	St. Clair .....	Alabama
Cummings, Charlie W. ....	PFC .....	Army .....	Randolph .....	Alabama
Cunningham, Augustu .....	PFC .....	Army .....	Dallas .....	Alabama
Cunningham, Luther .....	CPL .....	Army .....	Jefferson .....	Alabama
Daniels, Judge .....	PVT .....	Army .....	Henry .....	Alabama
Dates, Little N. ....	PFC .....	Army .....	Talladega .....	Alabama
Daughtry, Charles E. ....	CPL .....	Army .....	Lee .....	Alabama
Davidson, Gerald E. ....	PFC .....	Army .....	Walker .....	Alabama
Davis, Arnold G., Sr. ....	SGT .....	Army .....	Shelby .....	Alabama
Davis, Billie Howard .....	PFC .....	Marines .....	Phoenixville .....	Alabama
Davis, Claude L. ....	CPL .....	Army .....	Jefferson .....	Alabama
Davis, Edgar E., Jr. ....	CPL .....	Army .....	Madison .....	Alabama
Davis, Madison L. ....	MSGT .....	Army .....	Pike .....	Alabama
Davis, Richard F. ....	SFC .....	Army .....	Jefferson .....	Alabama
Davison, Leslie E. ....	CPL .....	Army .....	Baldwin .....	Alabama
Daw, Willie D. ....	PFC .....	Army .....	Escambia .....	Alabama
Dawson, Bobbie .....	PVT .....	Army .....	Montgomery .....	Alabama
De, France, Charles .....	PFC .....	Army .....	St. Clair .....	Alabama
Deason, Charles L. ....	PFC .....	Army .....	Perry .....	Alabama
Deason, George, Jr. ....	CPL .....	Army .....	Talladega .....	Alabama
Deland, Edward E., Jr. ....	SFC .....	Army .....	Russell .....	Alabama
Denton, Robert .....	CPL .....	Army .....	Dale .....	Alabama
Dickinson, Percy E. ....	CPL .....	Army .....	Mobile .....	Alabama
Divine, Winfield .....	PFC .....	Army .....	Coffee .....	Alabama
Dix, Marvin .....	PVT .....	Army .....	Pike .....	Alabama
Dixon, Melvin L. ....	SGT .....	Army .....	Etowah .....	Alabama
Doby, Alfonso .....	SGT .....	Army .....	Jefferson .....	Alabama
Donaldson, Tellis W. ....	MSGT .....	Army .....	Covington .....	Alabama
Donaldson, Weldon C. ....	PFC .....	Marines .....	Mobile .....	Alabama
Dooley, Johnnie K. ....	PVT .....	Army .....	Fayette .....	Alabama
Doss, Theodore R. ....	PFC .....	Army .....	Marengo .....	Alabama
Dowling, Robert V. ....	MSGT .....	Army .....	Jefferson .....	Alabama
Doyle, Thomas J. ....	SGT .....	Army .....	Calhoun .....	Alabama
Dunn, Larry M. ....	PFC .....	Army .....	Cullman .....	Alabama
Dye, Robert L. ....	PVT .....	Army .....	Cullman .....	Alabama
Echols, Tommie L. ....	PFC .....	Army .....	Jefferson .....	Alabama
Ellis, Julius L. ....	CPL .....	Army .....	Jefferson .....	Alabama
Emmons, Clifford O. ....	CPL .....	Army .....	Choctan .....	Alabama
Enfinger, Edgar .....	SGT .....	Army .....	Houston .....	Alabama
Evans, Corbit .....	PFC .....	Army .....	Marion .....	Alabama
Evans, Owens B. ....	PFC .....	Army .....	Jefferson .....	Alabama
Everett, William L. ....	PVT .....	Army .....	Mobile .....	Alabama
Fancher, Maxie .....	PFC .....	Army .....	Jefferson .....	Alabama
Farmer, Rudolph .....	SFC .....	Army .....	Covington .....	Alabama
Fincher, Roy L. ....	PFC .....	Army .....	Randolph .....	Alabama
Fleming, Robert P. ....	SGT .....	Army .....	Calhoon .....	Alabama
Flowers, Horrie, Jr. ....	MSGT .....	Army .....	Pike .....	Alabama
Flowers, Odis B. ....	PFC .....	Army .....	Pike .....	Alabama
Floyd, Andrews J., Jr. ....	CPL .....	Army .....	Baldwin .....	Alabama
Foster, James H. ....	PVT .....	Army .....	Russell .....	Alabama

U.S. MILITARY PERSONNEL WHO DIED FROM HOSTILE ACTION (INCLUDING MISSING AND CAPTURED) <sup>1</sup>—Continued

(Listed by home State, county or hometown and thereunder alphabetically)

Name	Rank/Grade	Branch of service	Home of record, City/Town/County <sup>2</sup>	State
Foy, Sam	PFC	Army	Sumter	Alabama
Franklin, John, Jr.	PVT	Army	Chilton	Alabama
Frazier, Herbert W.	SGT	Army	Escambia	Alabama
Frazier, Vance	CPL	Marines	Easley	Alabama
Frazier, William H.	MAJ	Army	Montgomery	Alabama
Freeman, John W.	CPL	Army	Shelby	Alabama
Fromhold, Joseph B.	PVT	Army	Cullman	Alabama
Fulks, Daniel W.	SGT	Army	Etowah	Alabama
Fuqua, Fred	SFC	Army	Escambia	Alabama
Gaines, Obie M.	CPL	Army	Etowah	Alabama
Gamble, Gilbert	PVT	Army	Coffee	Alabama
Garner, James W.	PFC	Army	Shelby	Alabama
Garner, Max F.	PVT	Army	Dale	Alabama
Garrett, Herbert J.	PFC	Army	Mobile	Alabama
Gates, Thomas V.	PVT	Army	Madison	Alabama
Gibby, Eddie	CPL	Army	Clarke	Alabama
Gigger, Quillie S.	PFC	Army	Calhoun	Alabama
Gill, Gerald S.	PFC	Army	Talladega	Alabama
Gilland, J.W.	PVT	Army	Jefferson	Alabama
Gillespie, Champ G.	CPL	Army	Houston	Alabama
Gillespie, George D.	WO	Army	Chilton	Alabama
Glaze, Claude	PFC	Army	Jefferson	Alabama
Glover, Joseph E., Jr.	SFC	Army	Jefferson	Alabama
Glover, Thomas, Jr.	PFC	Army	Montgomery	Alabama
Godwin, Robert E.	CPL	Army	Escambia	Alabama
Goode, John	PFC	Army	Mobile	Alabama
Goodson, Paul R.	SGT	Army	Escambia	Alabama
Gossett, John Louis	SSGT	Marines	Montgomery	Alabama
Graddy, William J.	PFC	Army	Jefferson	Alabama
Graham, Leonard F.	PFC	Army	Elmore	Alabama
Grant, Paul	PFC	Army	Lee	Alabama
Grantham, Lawrence	PVT	Army	Covington	Alabama
Gray, Leo H.	PFC	Army	Limestone	Alabama
Gray, Merrett G.	CPL	Army	Shelby	Alabama
Grayson, Roy A.	2LT	Army	Tuscaloosa	Alabama
Green, John L.	SFC	Army	Cherokee	Alabama
Greene, Claud, Jr.	PFC	Army	Morgan	Alabama
Greenhill, Bruce J.	2LT	Marines	Montgomery	Alabama
Gregory, Joe B., Jr.	PVT	Army	Russell	Alabama
Griffis, Willie D.	PVT	Army	Limestone	Alabama
Grimes, Raymond	PFC	Army	Russell	Alabama
Gross, Robert Franklin	MSGT	Air Force	Montgomery	Alabama
Gunter, William Howard	SSGT	Marines	Browns	Alabama
Guthrie, Robert H.	SFC	Army	Lauderdale	Alabama
Hagwood, Eddie, Jr.	PVT	Army	Jefferson	Alabama
Hall, Hedrey D.	PFC	Army	Fayette	Alabama
Hall, Howard W.	SFC	Army	Clarke	Alabama
Hallford, W.T.	PFC	Army	Russell	Alabama
Hallmark, Thomas J.	PFC	Marines	Bessemer	Alabama
Hambright, Garnett	SGT	Army	Jefferson	Alabama
Hammonds, Homer M.	PFC	Marines	Dawson	Alabama
Hampton, Leroy, Jr.	PVT	Army	Mobile	Alabama
Hardeman, Julius F.	SGT	Army	Mobile	Alabama
Hardin, George R.	CPL	Army	Etowah	Alabama
Hardwick, Richard L.	PFC	Army	Jefferson	Alabama
Hardy, Isaac	PFC	Army	Jefferson	Alabama
Hardy, James W.	PFC	Marines	Pell City	Alabama
Harless, Richard G.	SFC	Army	Madison	Alabama
Harper, Rayford H.	SGT	Army	Marshall	Alabama
Harris, James	PVT	Army	Jefferson	Alabama
Harris, James A., Jr.	1LT	Army	Marshall	Alabama
Harris, Lewis A.	PVT	Army	Jefferson	Alabama
Harris, Richmond Gilbert	PFC	Marines	Foster	Alabama
Harris, Roosevelt	PVT	Army	Jefferson	Alabama
Hart, Robert H.	PFC	Army	Conecuh	Alabama
Hataway, Roy	PVT	Army	Coffee	Alabama
Hatley, William H.	PVT	Army	Jefferson	Alabama
Hawkins, William M.	PFC	Army	Calhoun	Alabama
Haynes, James L.	PFC	Army	Calhoun	Alabama
Hays, Robert A.	PVT	Army	Lamar	Alabama
Hazwood, Clifford	PFC	Army	Mobile	Alabama
Heard, Booker T.	CPL	Army	Lee	Alabama
Heard, Delbert E.	SFC	Army	Madison	Alabama
Hearn, Edwin F.	PFC	Army	Russell	Alabama
Helms, Henry L.	PFC	Army	De Kalb	Alabama
Hendrix, Charles R.	PVT	Army	Monroe	Alabama
Hendrix, Thomas Calvin	SGT	Marines	Hartselle	Alabama
Henry, Fred S.	CPL	Army	Marshall	Alabama
Henry, Kenneth, Jr.	PFC	Army	Lawrence	Alabama
Herring, Eugene	PFC	Army	Dale	Alabama
Herrington, Robert	PFC	Army	Mobile	Alabama
Hicks, Luther	CPL	Army	Greene	Alabama
Higgins, George Carlton	PFC	Marines	Birmingham	Alabama
Higgins, John S. Jr.	PFC	Army	Marshall	Alabama
Hill, Charles R. Jr.	CPL	Army	Mobile	Alabama
Hill, John A.C.	PFC	Army	Randolph	Alabama
Hobbs, Elven J.	CPL	Army	Conecuh	Alabama
Hoffman, Donald Edward	1LT	Air Force	Alexandria City	Alabama
Holder, Ray E.	SFC	Army	Geneva	Alabama
Holloway, Paul G.	PVT	Army	Franklin	Alabama
Holmes, Clyde Thadeus, Jr.	Capt	Marines	Birmingham	Alabama
Holt, Zane Moses	Maj	Air Force	Livingston	Alabama
Hopper, James H.	PFC	Marines	Altoona	Alabama
Horne, Russel T.	SGT	Army	Hale	Alabama
Horne, Waymond Leon	PFC	Marines	Lanett	Alabama
Horton, Charles Thomas	CSG	Navy	Columbiana	Alabama
Howard, Cordell	SGT	Army	Talladega	Alabama
Howard, Frank R.	PVT	Army	Tallapoosa	Alabama
Howard, Oliver M.	CPL	Army	Jefferson	Alabama
Howze, Frank B.	Maj	Army	Perry	Alabama
Hoyt, Lester G.	PVT	Army	Montgomer	Alabama
Hughes, Lucious W.	PFC	Army	Houston	Alabama
Hughes, Morris E.	PFC	Army	Lauderdale	Alabama
Hulett, Ervin	SGT	Army	Montgomery	Alabama
Hunter, Joseph Jr.	CPL	Army	Jefferson	Alabama

July 26, 1999

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U.S. MILITARY PERSONNEL WHO DIED FROM HOSTILE ACTION (INCLUDING MISSING AND CAPTURED) <sup>1</sup>—Continued

[Listed by home State, county or hometown and thereunder alphabetically]

Name	Rank/Grade	Branch of service	Home of record, City/Town/County <sup>2</sup>	State
Hunter, William Bryant	PFC	Marines	McDowell	Alabama
Hutchins, Johnnie R.	SGT	Army	Franklin	Alabama
Hyde, Daniel T.	SGT	Army	Franklin	Alabama
Ingle, Clarence B.	PFC	Army	De Kalb	Alabama
Jackson, Albert	CPL	Army	Jefferson	Alabama
Jackson, Arthur	1LT	Army	Elowah	Alabama
Jackson, Comer, Jr.	PFC	Army	Mobile	Alabama
Jackson, David, Jr.	PFC	Army	Jefferson	Alabama
Jackson, Irby L.	PVT	Army	De Kalb	Alabama
Jacobs, George L.	PVT	Army	Dallas	Alabama
James, Albert Jr.	PVT	Army	Jefferson	Alabama
January, James	PVT	Army	Jefferson	Alabama
Jarrell, Cleveland	PFC	Army	Elmore	Alabama
Jeter, James L.C.	PVT	Army	Covington	Alabama
Jeter, Robert M.	CPL	Army	Cullman	Alabama
Johnson, Fred S.	PVT	Army	Mobile	Alabama
Johnson, Herbert D.	PFC	Army	Madison	Alabama
Johnson, Leroy	SGT	Army	Montgomery	Alabama
Johnson, Wesley	PVT	Army	Chambers	Alabama
Johnston, Jimmie Curtis	PFC	Marines	Margaret	Alabama
Jones, Baskil	PVT	Army	Crenshaw	Alabama
Jones, Bobby J.	PFC	Army	Walker	Alabama
Jones, Charles W.	PFC	Army	Jefferson	Alabama
Jones, Clarence G.	PFC	Army	Houston	Alabama
Jones, Joe D.	PFC	Army	Montgomery	Alabama
Jones, Joseph	PVT	Army	Jefferson	Alabama
Jones, Mack D.	SGT	Army	Winston	Alabama
Jones, Odis F.	PFC	Army	Tuscaloosa	Alabama
Jones, Thomas C.	CPL	Army	Fayette	Alabama
Jones, William H.	PFC	Army	Marshall	Alabama
Jones, William T.	PFC	Army	Mobile	Alabama
Jordan, Barney H.	SGT	Army	Bullock	Alabama
Journey, Richard M.	PFC	Army	Jefferson	Alabama
Jumper, Joseph	PVT	Army	Russell	Alabama
Justice, James W.	PFC	Army	Geneva	Alabama
Justice, Marion W.	PFC	Army	Pike	Alabama
Keith, John W., Jr.	COL	Army	Jefferson	Alabama
Kilby, Thomas E. III.	1LT	Army	Calhoun	Alabama
King, Frank, Jr.	CPL	Army	Barbour	Alabama
King, Harvey	CPL	Army	Bullock	Alabama
King, Herbert	PFC	Army	Pike	Alabama
King, James Daniel	PFC	Marines	Ensley	Alabama
King, James Hubert	SN	Navy	Groushaw County	Alabama
King, William A.	PFC	Marines	Birmingham	Alabama
Kingsley, Willie L.	MSGT	Army	Jefferson	Alabama
Kirby, Paul	PVT	Army	Marshall	Alabama
Kirkland, Oland H.	CPL	Army	Escambia	Alabama
Kirkpatrick, Leslie	1LT	Army	Montgomery	Alabama
Klug, Kenneth W.	PFC	Army	Baldwin	Alabama
Knudson, Jack L.	PFC	Army	Mobile	Alabama
Kountz, Richard William	PVT	Marines	Mobile	Alabama
Lacey, Robert L.	MSGT	Army	Jefferson	Alabama
Ladner, Hobert P.	CPL	Marines	Mobile	Alabama
Lane, Robert C.	PFC	Army	Walker	Alabama
Latham, Billy J.	PFC	Army	Walker	Alabama
Lathan, Climon N., Jr.	PVT	Army	Jefferson	Alabama
Lawson, John E.	PFC	Army	Geneva	Alabama
Lee, Isaac, Jr.	PFC	Army	Monroe	Alabama
Lee, William T.	CPL	Army	Marion	Alabama
Lige, Amos	CPL	Army	Jefferson	Alabama
Lilly, Edmund B.	PFC	Army	Jefferson	Alabama
Little, Robert H.	CPL	Army	Talladega	Alabama
Livingston, Odyce Watson	2LT	Marines	Montgomery	Alabama
Lloyd, Carl Hubert	PFC	Marines	Monroeville	Alabama
Locklar, Vernon H.	SFC	Army	Pike	Alabama
Logan, William F.	PFC	Army	Tuscaloosa	Alabama
Loggins, Floyd B.	PFC	Army	Jefferson	Alabama
Long, John B.	2LT	Army	Marshall	Alabama
Lott, George W.	1LT	Army	Cullman	Alabama
Love, William Murdock	PFC	Marines	Birmingham	Alabama
Mack, Paul, Jr.	PFC	Army	Mobile	Alabama
Madison, Garland E.	CAPT	Air Force	Gadsden	Alabama
Magouirk, Lawrence	PVT	Army	Calhoun	Alabama
Maltbie, Rubin R.	PVT	Army	Marshall	Alabama
Manley, William J.	SGT	Army	Randolph	Alabama
Marcus, O.C., Jr.	PFC	Army	Jefferson	Alabama
Marold, William E.	PFC	Army	Chilton	Alabama
Martin, Joel R.	CPL	Army	Conecuh	Alabama
Martin, William B.	PFC	Army	Talladega	Alabama
Mason, Jim H.	CPL	Army	Walker	Alabama
Matson, Arthur A., Jr.	SGT	Army	Walker	Alabama
Matthews, Glenn	PVT	Army	Montgomery	Alabama
Mauldin, Sydney R.	PFC	Army	Russell	Alabama
May, Levert	PFC	Marines	Birmingham	Alabama
Mayo, Joseph Haynes	CPL	Marines	York	Alabama
Mayo, Marvin	CPL	Army	Elmore	Alabama
Mays, John, Jr.	SGT	Army	Jefferson	Alabama
McAlphine, Johnny L.	PFC	Army	Blount	Alabama
McCall, Terry S.	CPL	Army	Escambia	Alabama
McCarty, Frank W.	CPL	Army	Pike	Alabama
McClure, John S.	SGT	Army	Colbert	Alabama
McCullers, Charles	PFC	Army	Elmore	Alabama
McCullough, James	PVT	Army	Jefferson	Alabama
McDaniel, Howard H.	PFC	Army	Pickens	Alabama
McGee, Dave	PVT	Army	Jefferson	Alabama
McGee, William R.	PFC	Army	Lauderdale	Alabama
McGhee, Richard D.	CPL	Army	Morgan	Alabama
McIntyre, Clifton	CPL	Army	Mobile	Alabama
McLeod, William	PFC	Army	Dale	Alabama
McMillan, Reveren	PVT	Army	Dallas	Alabama
McGanie, Kenneth Eugene	PFC	Marines	Huntsville	Alabama
Meadows, Vernon	PVT	Army	Coosa	Alabama
Mefford, Jake, Jr.	SPC	Army	Madison	Alabama
Melcher, Huey P.	CPL	Army	Jefferson	Alabama
Meyer, Harry, Jr.	PVT	Army	Jefferson	Alabama

U.S. MILITARY PERSONNEL WHO DIED FROM HOSTILE ACTION (INCLUDING MISSING AND CAPTURED) <sup>1</sup>—Continued

(Listed by home State, county or hometown and thereunder alphabetically)

Name	Rank/Grade	Branch of service	Home of record, City/Town/County <sup>2</sup>	State
Miles, Claud	PFC	Army	Jefferson	Alabama
Miller, Augustus	PVT	Army	Jefferson	Alabama
Miller, Cecil	PVT	Army	Calhoun	Alabama
Miller, Frank Edward, Jr.	CAPT	Air Force	Birmingham	Alabama
Miller, Grady H.	CPL	Army	Lauderdale	Alabama
Miller, Joe R.	CPL	Army	Jackson	Alabama
Miller, Vernon Eugene	PFC	Marines	Horton	Alabama
Mills, Eugene O.	PFC	Army	Tuscaloosa	Alabama
Mills, Hilary W.	PFC	Army	Tuscaloosa	Alabama
Mitchell, Archie F.	CPL	Army	Jefferson	Alabama
Mitchell, Bobby A.	PFC	Army	Mobile	Alabama
Mitchell, Grady Purden, Jr.	1LT	Marines	Selma	Alabama
Mitchell, William L.	PVT	Army	Madison	Alabama
Mixon, Herman L.	SGT	Army	Lamar	Alabama
Moore, David L.	PFC	Army	Washington	Alabama
Morphew, James E.	PFC	Army	Etowah	Alabama
Morris, Harry R.	PFC	Army	Houston	Alabama
Morris, Max A.	MAJ	Army	Blount	Alabama
Morris, Milton, Jr.	PVT	Army	Mobile	Alabama
Morrow, Billy J.	PFC	Marines	Goodwater	Alabama
Morton, Ralph Franklin	FA	Navy	Alabama City	Alabama
Moseley, Samuel L.	SFC	Army	Cherokee	Alabama
Moss, Alonza	PFC	Army	Jefferson	Alabama
Murphree, Calvin	PVT	Army	Jefferson	Alabama
Nabors, Dixon H.	2LT	Army	Tuscaloosa	Alabama
Nelson, James H.	PVT	Army	Calhoun	Alabama
Nelson, Jerome S.	PVT	Army	Mobile	Alabama
Nelson, Paul R.	PFC	Army	Marshall	Alabama
Nelson, Richard P.	CPL	Army	Etowah	Alabama
Nevins, Guy Holder, III	1LT	Air Force	Montgomery	Alabama
Newell, Jerome E.	PFC	Army	Tuscaloosa	Alabama
Newton, Forster E., Jr.	CPL	Army	Houston	Alabama
Odum, Newman R.	SFC	Army	Walker	Alabama
O'Hara, Cordell	PVT	Army	Jefferson	Alabama
Olive, James G.	CPL	Army	Lauderdale	Alabama
Oliver, Jesse Harold	SGT	Army	Birmingham	Alabama
Oliver, Kenneth E.	PVT	Army	Jefferson	Alabama
Ousley, James A.	CPL	Army	Tuscaloosa	Alabama
Overstreet, James Douglas	SN	Navy	Montgomery	Alabama
Overton, Robert E.	SGT	Army	Jefferson	Alabama
Pace, Charlie J.	PFC	Army	Mobile	Alabama
Parker, Alfred P.	PFC	Army	Coosa	Alabama
Parker, Dixie S.	1LT	Army	Bibb	Alabama
Parker, F.D.	PVT	Army	Walker	Alabama
Parker, Olen	SSGT	Marines	Hartselle	Alabama
Parker, Oscar B.	PFC	Army	Lauderdale	Alabama
Parmar, William E.	PFC	Army	Jefferson	Alabama
Parrish, Willie P.	PVT	Army	Dale	Alabama
Partridge, Walter R.	SGT	Army	Jefferson	Alabama
Pate, Billy C.	PFC	Army	Talladega	Alabama
Patrick, Willie	PFC	Army	Etowah	Alabama
Patterson, Clarence	PVT	Army	Montgomery	Alabama
Peak, Willie L.	PVT	Army	Jefferson	Alabama
Pearce, Thomas P. Jr.	2LT	Army	Jefferson	Alabama
Pearsall, Gilbert B.	1LT	Army	Tuscaloosa	Alabama
Pendergrass, Leon B.	MSGT	Army	Etowah	Alabama
Penland, Raymond D.	SFC	Army	Lee	Alabama
Perkins, Frank	SGT	Army	Calhoun	Alabama
Peterman, Paul	PVT	Army	Houston	Alabama
Pettit, Raymond C.	PFC	Army	Jefferson	Alabama
Phelps, Woodrow W.	CPL	Army	Jefferson	Alabama
Phillips, Billy M.	PFC	Army	Limestone	Alabama
Phillips, Hugh B.	PVT	Army	Jackson	Alabama
Phillips, Richard L.	PVT	Army	Etowah	Alabama
Pickens, Freddie F.	SFC	Army	Lemar	Alabama
Pickett, James L.	PVT	Army	Jefferson	Alabama
Pickett, Robert Edward	PFC	Marines	Birmingham	Alabama
Piper, Ranson D. Jr.	CPL	Army	Elmore	Alabama
Pitts, Clyde T.	SGT	Marines	Gadsden	Alabama
Pitts, John W.	PFC	Army	Montgomery	Alabama
Pogue, James F.	PFC	Army	Madison	Alabama
Polarie, Howard L.	PFC	Army	Jefferson	Alabama
Poole, Lovell	SGT	Army	Randolph	Alabama
Poore, Elvis J.	PFC	Army	Winston	Alabama
Porter, Alec W.	PFC	Army	Clay	Alabama
Posey, Noland D.	CPL	Army	Madison	Alabama
Potter, Morris L.	MAJ	Marines	Birmingham	Alabama
Pounds, Lester M. Jr.	PVT	Army	Bibb	Alabama
Powell, Buford B.	CPL	Army	Marshall	Alabama
Powell, James R.	PVT	Army	Walker	Alabama
Prentice, Robert H.	PVT	Army	Marshall	Alabama
Prestwood, Virgil W.	PFC	Army	Jackson	Alabama
Pritchett, Dixie C.	PVT	Army	Clarke	Alabama
Pugh, William A.	1LT	Air Force	Birmingham	Alabama
Raber, Rudolph	PFC	Army	Balwin	Alabama
Raines, Alford B.	SGT	Army	Dale	Alabama
Randall, Elgin V.	CPL	Army	Calhoun	Alabama
Ratliff, Jerry		Army	Chilton	Alabama
Rawls, Charles W.	PVT	Army	Hale	Alabama
Ray, Alton G.	PFC	Marines	Courtland	Alabama
Raye, Leroy J.	PFC	Army	Mobile	Alabama
Reaves, James W.	CAPT	Army	Lee	Alabama
Reed, Cecil	PFC	Army	Lamar	Alabama
Reese, Leon	SGT	Marines	Huntsville	Alabama
Reese, Willie	PFC	Army	Jefferson	Alabama
Reid, Elbert Josephus Jr.	SSGT	Air Force	Birmingham	Alabama
Richard, Ralph Leslie	CPL	Marines	Birmingham	Alabama
Richard, N.L.	SGT	Army	Monroe	Alabama
Riddle, James R.	CPL	Army	Houston	Alabama
Rigdon, Edward W.	PFC	Army	Escambia	Alabama
Riner, Claude L. Jr.	PFC	Army	Colbert	Alabama
Rivers, Norman O.	SGT	Army	Cullman	Alabama
Rives, Joel Orlander	1LT	Air Force	Birmingham	Alabama
Roberson, Edward L.	PFC	Army	Jefferson	Alabama
Roberts, Jeff, Jr.	PVT	Army	Houston	Alabama

July 26, 1999

CONGRESSIONAL RECORD—HOUSE

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U.S. MILITARY PERSONNEL WHO DIED FROM HOSTILE ACTION (INCLUDING MISSING AND CAPTURED) <sup>1</sup>—Continued

[Listed by home State, county or hometown and thereunder alphabetically]

Name	Rank/Grade	Branch of service	Home of record, City/Town/County <sup>2</sup>	State
Robinson, James	SFC	Army	Hale	Alabama
Robinson, Wilda E.	PVT	Army	Mobile	Alabama
Rogato, Costanzo	PFC	Army	Jefferson	Alabama
Rogers, Harvey W.	2LT	Army	St Clair	Alabama
Rogers, Willie L.	PVT	Army	Jefferson	Alabama
Root, Voorhees S., Jr.	SSGT	Air Force	Huntsville	Alabama
Roper, Hillard Marshall	MAJ	Air Force	Auburn	Alabama
Ross, James	PFC	Army	Montgomery	Alabama
Ruddell, Adler Earl	AD3	Navy	Batesville	Alabama
Rushing, Harry Eugene	2LT	Air Force	Montgomery	Alabama
Rushing, Larry W.	PFC	Army	Lamar	Alabama
Salze, Floyd Wheeler	CAPT	Air Force	Birmingham	Alabama
Sanders, Wade C.	PVT	Army	Sumter	Alabama
Sanford, Bernie L.	MSGT	Army	Elmore	Alabama
Sanford, Isadore	PVT	Army	Fayette	Alabama
Sasser, Ralph	PFC	Army	Escambia	Alabama
Saunders, Harry J.	SFC	Army	Jefferson	Alabama
Sawyer, Doil B.	PVT	Army	Geneva	Alabama
Schaulfier, William	PFC	Army	Montgomery	Alabama
Shackelford, Allen	PFC	Army	Sumter	Alabama
Shauf, William Jerome	PFC	Marines	Birmingham	Alabama
Shea, Andrew B.	CPL	Army	Mobile	Alabama
Shelton, Leslie Taylor, Jr.	1LT	Marines	Mobile	Alabama
Shy, Henry H.	PFC	Army	Geneva	Alabama
Silver, Clarence P.	PFC	Marines	Mobile	Alabama
Simmons, Glen D.	PFC	Army	Walker	Alabama
Simmons, Johnnie L.	PFC	Army	Bullock	Alabama
Simmons, Willie H.	PFC	Army	St Clair	Alabama
Skelton, John C.	CPL	Army	Tuscaloosa	Alabama
Slaten, Waymon	PFC	Army	Marshall	Alabama
Slatton, Hayden W.	PFC	Army	Jefferson	Alabama
Sloan, Carl T.	PVT	Army	Lauderdale	Alabama
Smalley, Alfred August	SGT	Marines	Birmingham	Alabama
Smith, Billy E.	PVT	Army	Chambers	Alabama
Smith, Charles	1LT	Army	Covington	Alabama
Smith, Grover C.	PFC	Army	Mobile	Alabama
Smith, Harold L.	2LT	Army	Mobile	Alabama
Smith, James H.	PFC	Army	Jefferson	Alabama
Smith, Moses	PVT	Army	Lauderdale	Alabama
Smith, Rufus A.	PFC	Army	Blount	Alabama
Smith, Travis	SFC	Army	Calhoun	Alabama
Smith, Walter M.	PVT	Army	Tallapoosa	Alabama
Smith, William L.	SFC	Army	Baldwin	Alabama
Sornrude, Louis M.	1LT	Army	Geneva	Alabama
South, Ernest C.	PFC	Army	Covington	Alabama
Spain, Robert L.	PFC	Army	Pickens	Alabama
Speegle, Kelton	MSGT	Army	Cullman	Alabama
Spence, Grover C. Jr.	PFC	Army	Lauderdale	Alabama
Spivey, Bobby E.	CPL	Army	Madison	Alabama
Spragins, Robert E.	CAPT	Air Force	Huntsville	Alabama
Springer, Marvin R.	PVT	Army	Lauderdale	Alabama
Stagg, Thomas C.	PFC	Army	Jefferson	Alabama
Staggs, William C.	CPL	Army	Jefferson	Alabama
Stanford, James C.	PFC	Army	Wilcox	Alabama
Stanphill, Dock L.	PFC	Army	Franklin	Alabama
Steele, Auther R.	PVT	Marines	Birmingham	Alabama
Steele, Harold M.	PFC	Army	Mobile	Alabama
Steele, John W.	SFC	Army	Bibb	Alabama
Steen, Gerald D.	CPL	Army	Lauderdale	Alabama
Stewart, David L.	PFC	Army	Jefferson	Alabama
Stewart, Edward F.	CPL	Army	Cullman	Alabama
Stewart, Gerald W.	PVT	Army	Calhoun	Alabama
Stewart, Huell J., Jr.	PVT	Army	Jefferson	Alabama
Stiefel, Ernest J.	PVT	Army	Marshall	Alabama
Stokes, John M.	2LT	Army	Coffee	Alabama
Story, Martin L.	PFC	Army	Etowah	Alabama
Strickland, Marvin	PFC	Army	Mobile	Alabama
Strickland, Pete	PFC	Army	Lee	Alabama
Stickland, Terrell	PFC	Army	Dale	Alabama
Stubblefield, Billy	SGT	Army	Calhoun	Alabama
Sulser, James E.	PVT	Army	Jefferson	Alabama
Summers, James E.	SGT	Army	Jefferson	Alabama
Sutton, Andrew M.	CPL	Army	Pickens	Alabama
Sweatt, Walter M.	PFC	Army	Montgomery	Alabama
Tennille, James E.	PVT	Army	Barbour	Alabama
Terrell, William	CPL	Army	Montgomery	Alabama
Tew, Bernard	PFC	Army	Mobile	Alabama
Third, Jack H.	PFC	Army	Calhoun	Alabama
Thomas, Fred	PFC	Marines	Mobile	Alabama
Thomas, James, Jr.	PFC	Army	Mobile	Alabama
Thomas, Johnny W.	PVT	Army	Mobile	Alabama
Thomas, Joseph, Jr.	SGT	Army	Montgomery	Alabama
Thomas, Mitchell C.	2LT	Army	Talladega	Alabama
Thomas, Roy L.	CPL	Army	Blount	Alabama
Thompson, James L.	2LT	Army	Cleburne	Alabama
Thornton, William B.	SGT	Army	Etowah	Alabama
Thrasher, Billy L.	PFC	Army	Etowah	Alabama
Threat, Woodie B.	PVT	Army	Jefferson	Alabama
Thurman, Ruben, Jr.	CPL	Army	Escambia	Alabama
Tilley, Herbert L.	CPL	Army	Etowah	Alabama
Tindell, James, Jr.	PFC	Army	Houston	Alabama
Tolbert, Barney A.	PFC	Army	Escambia	Alabama
Trent, James O.	SFC	Army	Lauderdale	Alabama
Trimn, John Edward	HM3	Army	Birmingham	Alabama
Trione, James J.	PFC	Army	Baldwin	Alabama
Turner, Robert G.	PVT	Army	Mobile	Alabama
Turner, Thomas J.	PVT	Army	Walker	Alabama
Tyner, John T.	PFC	Army	Fayette	Alabama
Vails, Maxwell W.	MAJ	Army	tuscaloosa	Alabama
Van Horn, Irving	SGT	Army	Tuscaloosa	Alabama
Varner, Alvin L.	CPL	Army	Talladega	Alabama
Varner, Gene C.	PVT	Army	Coosa	Alabama
Vaughn, Jack Dennis	PFC	Marines	Wilmer	Alabama
Vickers, Ivey E.	PFC	Army	Mobile	Alabama
Vickery, Charles J.	PVT	Army	Baldwin	Alabama

U.S. MILITARY PERSONNEL WHO DIED FROM HOSTILE ACTION (INCLUDING MISSING AND CAPTURED) <sup>1</sup>—Continued

(Listed by home State, county or hometown and thereunder alphabetically)

Name	Rank/Grade	Branch of service	Home of record, City/Town/County <sup>2</sup>	State
Wadsworth, William	2LT	Army	Etowah	Alabama
Waid, Homer L.	PFC	Army	Walker	Alabama
Walker, Walter L.	PVT	Army	Blount	Alabama
Wallace, Floyd	PVT	Army	Choctaw	Alabama
Wallace, Howard E.	PVT	Army	Jefferson	Alabama
Wallace, John W.	PVT	Army	Tuscaloosa	Alabama
Walshour, Charles P.	2LT	Army	Jefferson	Alabama
Walton, Bobby B.	PFC	Army	Clay	Alabama
Wance, Ralph R.	CAPT	Army	Madison	Alabama
Washington, Joseph	CPL	Army	Jefferson	Alabama
Washington, Preston	SGT	Marines	Warrior	Alabama
Watford, Billy S.	CPL	Army	Houston	Alabama
Watson, John W.	PVT	Army	Mobile	Alabama
Watson, Leonard	CPL	Army	Escambia	Alabama
Watson, William E.	PVT	Army	Wilcox	Alabama
Watts, Eddie	CPL	Army	Jefferson	Alabama
Weaver, Carlos D.	PVT	Army	Escambia	Alabama
Webb, Jerald C.	PFC	Army	Mobile	Alabama
Weeks, Grady M.	SSGT	Air Force	Birmingham	Alabama
Weldon, Elbert	PFC	Army	Lee	Alabama
Weldon, Olebia B.	SFC	Army	Lee	Alabama
Wendling, George Vincent	MAJ	Air Force	Birmingham	Alabama
Wesson, Lee C.	CPL	Army	Walker	Alabama
Wester, Robert	CPL	Army	Cherokee	Alabama
Westry, James P.	PFC	Army	Wilcox	Alabama
Wheeler, John H.	PFC	Army	Fayette	Alabama
Whisenant, Nois L.	CPL	Army	Marshall	Alabama
White, James, S.	PFC	Army	Pike	Alabama
White, John H.	CPL	Army	Jackson	Alabama
Whitehead, Lee Jr.	CPL	Army	Geneva	Alabama
Wilbourn, Julian D.	PVT	Army	Jackson	Alabama
Wilks, Van L.	PVT	Army	DeKalb	Alabama
Williams, Basil A.	PFC	Army	Talladega	Alabama
Williams, Buck	CPL	Army	Jackson	Alabama
Williams, Herman	CPL	Army	Jefferson	Alabama
Williams, James M.	PVT	Army	Mobile	Alabama
Williams, Jasper D.	PVT	Army	Washington	Alabama
Williams, John J.	PFC	Army	Houston	Alabama
Williams, John Jr.	PVT	Army	Walker	Alabama
Williams, Olen B.	MSGT	Army	Chilton	Alabama
Williams, Paul R.	PVT	Army	Jefferson	Alabama
Williams, Roosevelt	PVT	Army	Lee	Alabama
Williams, Roosevelt	CPL	Army	Russell	Alabama
Willis, Charles A.	PFC	Army	Jefferson	Alabama
Willis, Elbert F.	CPL	Army	Talladega	Alabama
Wilson, Clarence O.	CPL	Army	Walker	Alabama
Wilson, Garvin	SGT	Army	Baldwin	Alabama
Wilson, James E.	SFC	Army	Houston	Alabama
Wilson, Juan B.	CPL	Army	Mobile	Alabama
Wilson, Robert D.	PVT	Army	Etowah	Alabama
Winchester, William	PVT	Army	Lawrence	Alabama
Womack, Robert W.	PFC	Army	Etowah	Alabama
Wood, Bobby J.	CPL	Army	Blount	Alabama
Wood, Wallace Norman	Capt	Marines	Greenville	Alabama
Woods, Thomas B. Jr.	CPL	Army	Jefferson	Alabama
Woodson, Lewis B.	PFC	Army	Shelby	Alabama
Worrell, Leonard E.	PFC	Army	Conecuh	Alabama
Worth, Jack	CPL	Army	Montgomery	Alabama
Wright, Preston A.	PFC	Army	Talladega	Alabama
Wyatt, Wilmer T.	SGT	Army	Covington	Alabama
Yancy, Robert G.	PFC	Army	Calhoun	Alabama
Yaw, Billy G.	PFC	Army	Etowah	Alabama
Yelverton, V.S.	PVT	Army	Perry	Alabama
Young, David R.	PFC	Army	Cullman	Alabama
TOTAL—672				

<sup>1</sup> For persons who died while missing or captured, the date of casualty is the date died not the date declared missing or captured.<sup>2</sup> Army lists country, Air Force, Navy and Marines list city or town or place.

Source: Korean conflict casualty file, 1950–1957 (machine-readable record), Record Secretary of Defense, record group 330.

For further information, please contact the Center's Reference Staff.

Mr. Speaker, I submit for the RECORD the text of my speech.

KOREAN WAR MEMORIAL SPEECH—  
FULTONDALE, ALABAMA, SUNDAY, JULY 25,  
1999

Throughout the Bible, God calls on his Children to remember. To remember the wonderful works He has done, His miracles and the judgment He uttered (Psalms 105:5). We are told not only to remember the good days, but the difficult as well. "Remember that you were a slave in Egypt," he reminded the children of Israel. Remember the days of old, and consider. Recall what the Lord your God did.

And when they forget to remember the hard lessons or the sweet blessings of the past, failure was not far away. When we read the Bible, we are sometimes frustrated seeing God's children repeating their mistakes time and time again. Being so unappreciative. Why did they forget? Why didn't they remember?

But are we so different? We forget a whole war and the sacrifices made. Is not America's treatment of the Korean War not parallel? Why did we forget? Why were we so unappreciative?

The Korean War concluded not with the enemy's surrender, but with the negotiated armistice that re-established the earlier boundary between North and South, leaving an uneasy peace that lingers today. With tens of thousands of young Americans brutally killed and in such a remote and inhospitable land so far away and with no victory to celebrate, the Korean War gave most Americans of that time little to remember and much to forget. That is why the Korean War is often spoken of as the forgotten war.

However, there is much to remember about this war and about those who left farms and factories, high school classrooms and college campuses to serve their country.

Today, we assemble together to remember. To recall and consider. We are not here to cheer or to celebrate but to reflect on the sacrifices of so many made so long ago. To

remember the living, those who survived and are here today. Those who died and lie buried about us, and those whose bodies were never recovered to lie beneath the green, green grass of home.

World War II had followed World War I, the war to end all wars. The long struggle against Nazism and imperialism was over and America, although victorious, was so weary of war. America and her people knew well the cost, the horror and the sacrifice of war.

But in June 1950, one and a half million of America's finest patriots left their families, friends and homes to help defend freedom. Halfway around the world they went, or as so aptly inscribed on the Korean War Memorial, to "a place they had never been and a people they had never met." These were citizen soldiers. For the most part not skilled in the art of war, but ordinary young men and women like our sons and daughters, who, when the time came, showed extraordinary courage.



We should remember, too, the terrible hardships our Korean War veterans endured. The deadly cold, the weeks and months spent crammed in foxholes and bunkers dug into an unbelievably rugged and harsh terrain. They faced an enemy of overwhelming numbers ready to torture and brutalize. They were locked in hand-to-hand combat on "Heartbreak Ridge" and "Porkchop Hill" and confronted the world's fastest fighter jets in "Mig Alley." Today's military history records that our Korean veterans set a standard of courage that may be matched, but which will never be surpassed. Ordinary men and women who showed extraordinary courage.

Chiseled in silver on the Korean War memorial are the words "Freedom is not free." The men and women who served in Korea and the family and friends of those 36,914 who never returned and those thousands of Americans who were lost in Korea and whose bodies to this day have never been found demonstrate the high and precious cost of freedom. We should never forget that these patriots paid the price one at a time when they were swept away in the treacherous tides of Inchon or died defending the perimeter of Pusan, or froze to death by the hundreds at Choson reservoir or in the long march out. Their families will never forget their sacrifice and neither will we.

Now on this hot, sunny summer day 46 years after the July armistice, we have a new reason to remember those who left home and struggled to stop the spread of aggression, for we now know that it was these veterans who took the first resolute action to stem the expansion of communism, and in doing so helped change the course of history. Now we know it took four more decades to win the battle against communism, but having witnessed the collapse of the Berlin Wall and its aftermath we know that those who served in Korea laid the foundations for one of the greatest victories in the history of mankind: the free world triumph over communism.

As we leave this memorial, this observance, let us be reminded the Korean War is not a forgotten war. It is a war most worthy of remembrance. Let us, on behalf of all the free people of the world, remember the men and women who died not only in the Korean War, but in all our wars. Finally, let us give thanks to those men and women who have given their lives for our freedom, and give thanks to God for them and for those who stand guard over America today, defending and preserving our freedom.

#### PUTTING CHILDREN FIRST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

Mr. CONYERS. Mr. Speaker, I rise today to urge this body to stop over-spending on defense and start spending on the needs of our children. We need to put children first.

Our military spending is still at Cold War levels. Each year, we allocate more than half of federal discretionary spending to military efforts. In contrast, for education, that figure is less than 9 percent. As a nation, we rank 1st in military spending but only 10th globally in spending for education. It should then come as no surprise, that in a recent international study of 21 industrialized nations the students of the United States ranked 19th in math and science performance.

This Congress voted to increase the Pentagon's budget by 112 billion dollars over the next six years. Incredibly, that is nearly the same amount of money needed to repair the nation's schools according to a report by the General Accounting Office.

Our schools are in dire need of assistance. Many are crumbling, cracking, and splitting at the seams. That same GAO report informed us that 14 million pupils nationwide are being educated in unsatisfactory environments. These children are attending school in facilities that either need extensive structural repair or the replacement of one or more buildings. In my home state of Michigan, for example, more than 1 in 5 schools have at least one building in need of serious repair, and more than half of Michigan's schools have at least one serious environmental health problem.

We all accept the fact that learning environment affects the quality of the education our children receive. I ask you: "How do we expect our children to learn, when we do not give them the clean and safe places to do so?" We need to get the asbestos out of the classrooms. We need to get children out of trailers and portable classrooms. We need to fix leaking roofs, repair plumbing facilities and ensure each student is studying under adequate light.

Ms. Lenora Starks, a constituent of mine, recently wrote to me. She was concerned that we weren't doing enough to help our public schools. "We must ensure," she wrote, "that our students have a proper learning environment. In too many schools, efforts to improve student achievement are hampered by inadequate and deteriorating facilities."

Ms. Starks can see our priorities. She sees that this Congress has not been putting children first and is worried about what that means for our nation's future.

We need to put children first by increasing spending on Head Start. Rather than giving an excess of 17 billion unrequested dollars to the bloated Pentagon budget, we could fully fund Head Start for the next five years. And this funding is critical. Because of inadequate federal funding, Head Start is only able to serve 30 percent of eligible children. Lack of federal fund also causes most children to wait until the age of four to enter the program, when evidence supports earlier intervention is more effective.

Children are also adversely affected by a lack of financial commitment to low-income families and to impoverished neighborhoods. One example is the malignant neglect of the childcare crisis in this country. The 105th Congress only provided 182 million dollars this year to improve the quality of children care in this country. This fell far short of the estimated 7.5 billion dollars needed to provide safe and affordable child care for working families. Full-day child care costs up to 10,000 per year, yet half of America's families with young children earn less than 35,000 per year. Child care in low-income communities must be a priority if parents are going to be able to seize opportunities to provide for their children.

Regarding neighborhoods, support for Community Development Block Grants, which have a long history of providing economic aid to underserved areas, is declining. In the city of Detroit, CDBG funding has declined from 130.1

million to 51.3 million over the past 19 years. For fiscal year 2000, current proposals by this Congress would continue the downward trend. With one in five American children living in poverty, cuts to CDBGs undoubtedly affect their futures. Studies show that poor children are less likely to finish school, are at heightened risk of stunted growth and other health problems and contribute less to our economy as adults. We must restore the CDBGs to their original vitality and reverse the years of cut-backs if we really want to help the youngest victims of poverty.

Congress also misdirects spending by failing to support youth employment initiatives. While increasing the Pentagon's budget over the past two years, Congress has concurrently cut youth job training by 80 percent and federal support for summer jobs for young people. Young people must have avenues to pursue their dreams.

We need to reprioritize our allocation of funds in this nation. We need to put children first. This is not a choice, this is a must.

#### TITLE IX AND ROLE OF U.S. WOMEN'S NATIONAL SOCCER TEAM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Mrs. MORELLA) is recognized for 5 minutes.

Mrs. MORELLA. Mr. Speaker, I raise my voice in praise of title IX and the U.S. Women's National Soccer Team.

There is no doubt in my mind that title IX has been successful in expanding opportunities for women in athletics. Before title IX, women represented only 1 percent of college athletes, and virtually no athletic scholarships went to women. Because of title IX, more than 100,000 women now participate in intercollegiate college sports.

The purpose of title IX is to provide the same opportunities for women in education as men. While we celebrate the great strides that women have made in competitive athletics, we should also recognize that title IX has made an impact and opened doors in other areas of education.

The U.S. Women's National Soccer Team, our 1999 Women's World Cup champions, they certainly made it clear that women can make a tremendous contribution to sports. These dedicated, determined, and accomplished young women make me proud to be associated with the cause of getting more girls and women involved with sports and fitness.

Title IX and the U.S. Women's National Soccer Team have changed the playing field for girls and women in athletics. But since title IX was passed in 1972, there has been a world of change in our expectations of what women can achieve.

Women like Mia Hamm and Michelle Akers on the soccer field, and Colonel Eileen Collins, who is commander of the shuttle flight Columbia, they have shown the skeptics that women can

successfully participate in every walk of American life. They are all long-distance runners in the challenge and the struggle to raise the status of women in our society.

When I was growing up, most people thought that girls were not as interested in sports as boys. Consequently, girls were discouraged from participating in sports activities. Now research by the Women's Sports Foundation shows that, on the contrary, boys and girls between the ages of 6 and 9 are equally interested in sports participation. By the age of 14, however, girls drop out of sports participation at a rate six times greater than boys. Something must have happened.

Now, after the U.S. Women's Soccer Team has won the 1999 Women's World Cup, young girls have aspirational and inspiration role models that will no doubt increase their participation in sports. They are growing up and appreciating the sports skills of women, and they see images of themselves excelling in sports.

Young women who participate in sports are more likely to finish school, less likely to have an unwanted pregnancy. The availability of athletic scholarships has enabled more women to pursue a college education and has opened opportunities for women at dozens of colleges.

Let me just point out the health benefits of regular and rigorous physical exercise are extensive. Studies show that women who participate in sports actually lower their risk of breast cancer and are 92 percent less likely to be involved with drugs. There are also psychological benefits. Young women who play sports have a higher level of self-esteem, a lower incidence of depression, and a more positive body image.

I am sure that, all over America, young girls are achieving success on the athletic field and thinking about growing up to be soccer or basketball stars. Others are applying themselves to their studies, and they are dreaming about becoming scientists or engineers or even Members of Congress.

These young women can feel safe and secure in their dreams because title IX will be there to protect them from the barriers of discrimination.

#### NATIONAL PRIORITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. LEE) is recognized for 5 minutes.

Ms. LEE. Mr. Speaker, I rise to discuss the fiscal year 2000 budget. Adoption of the budget is the most important job that Congress performs. Like a sound business or well-run household, our budget establishes our priorities for the next year.

The news of our income for the next year looks amazingly good. The Presi-

dent's Office of Management and Budget is estimating a \$99 billion surplus, including Social Security monies. However, without Social Security, we have a deficit. If we protect Social Security incomes, the surplus drops to \$5 billion.

OMB's 10-year projection of \$1 trillion surplus may be a dangerous phantom. There is a surplus only if we include Social Security funds. Without Social Security funds, we will have a deficit.

The available surplus is much smaller than what we think. When all of the figures are calculated in a responsible manner, our surplus is more like \$112 billion, hardly enough to afford the almost \$800 billion 10-year tax cut package that the Republicans are considering.

Two of this administration's enormous accomplishments are the substantial reduction of a deficit and a buoyant economy. In good economic times, a wise family makes certain that the essentials for a decent household is that the soundness of the physical foundations are in tact, a good roof, a good basement, sound plumbing and wiring, adequate nutrition, basic health care, excellent schools, a healthy neighborhood, adequate infrastructure, transportation, clean air and clean water.

□ 1945

This is what we all want for our families. What a business aspires to have is a sound basis of operation, and that is what we want for our Nation.

Congress' work is to look at our income of hard-earned tax money and use this money to provide a decent and functioning Nation; a Nation which we all can be proud of, a Nation of well-educated people, well housed, well fed, healthy, with a decent regard for themselves and for each other and the common good. We must have serious priorities for the serious business of being a sound Nation.

Now, the majority cuts taxes for the rich and ignores problems that are screaming for attention. We must pay down our debts to lower our interest rates, but we must also respond to our housing problems. We have over 5.5 million households that are in substandard housing. In my district alone, the waiting list for housing assistance opened for 1 day in May of 1997, and 15,000 applicants stood in line for a waiting list running up to 5 years. In my county of Alameda, the wait list has been closed since 1991. Taking care of our housing stock should be one of our national priorities.

Over 43 million do not have health coverage. In California, among working families of employed single adults with children, 55 percent have no insurance. The number of uninsured children has increased by 25 percent during these amazing economic times. About 8 million Californians are not covered at all.

Prescription drugs are being priced out of the reach of seniors, and I fully support the President's plan to address this need. Provision of essential prescriptions should be one of our national priorities.

There will be more students. Our classrooms are crowded. A record 52.7 million children are enrolled in elementary and secondary schools, and this number will climb to 54.3 million by 2008. We do not train our teachers sufficiently, and we do not pay our teachers sufficiently. We do not have enough teachers. We do not have enough counselors. We do not have enough school buildings, and much of what we have is aging and must be rehabilitated. Most of our schools are not connected to the Internet. The Republican tax bill is silent on these issues and all of these needs. These educational needs must be one of our national priorities for attention.

Almost 70 percent of this tax freedom bill, as it is called, goes to reduce taxes of the wealthiest 10 percent of the people, with incomes over \$204,000 a year. Only 9 percent of this bill goes toward reducing the taxes of about 70 percent of our people.

There is hunger in our cities and there is hunger in many of our rural areas. The Washington Post reported that our military personnel and their families depend upon second and third jobs, food stamps, and cast-away furniture in order to feed and house their families. Eliminating hunger should be a national priority. Providing adequate wages for working people should be a national priority.

This is our chance to do what is right. This is our chance. Our rivers can be cleaned, our air can be improved. This is our chance to take care of the physical conditions of our environs; a program to continue our Superfund and brown fields cleanup, reforestation, and preservation of endangered species.

We have important and essential work to do together to recognize that the priorities of our country should be putting people first. It should ensure that we make our country strong, physically, socially and economically.

#### ON THE BUDGET

The SPEAKER pro tempore (Mr. SIMPSON). Under a previous order of the House, the gentleman from Michigan (Mr. SMITH) is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I want to also talk about where we go on the budget and also where we have been on this budget.

Mr. Speaker, the Republicans were elected as a majority back in 1995. For almost every year before that, for the previous 40 years, the Democrat majority in this House used every cent of the Social Security surplus and spent it on other government programs. When Republicans came in, in 1995, we came in

with the enthusiasm to try to make government more efficient. We said, look, there has to be a balanced budget, and so we started cutting back on spending.

We actually had a rescission bill. We started our session in January of 1995; but already, because we operate on a fiscal year, we had gone through the first one quarter of the budget year. But, still, with three-quarters left, we decided to cut down on the spending authorized for the rest of that year. We were successful, and we held the line on increased spending.

The following year, with a great deal of effort and dedication, but also controversy, we did the same thing, because we were dedicated to the proposition that we should have a balanced budget and that Congress should live under the same logical, practical rules that every family has to live under, and that is that we had to try to pay down our debt and try to live within our means.

We took a great deal of criticism that year and through the next election and were charged with accusations such as "Republicans are taking food out of the mouths of children," and "they are radical," and "they are taking the security out of Social Security," and "they are reducing spending at the sacrifice of America and the sacrifice of our economy." Of course, that did not happen, and we were successful in reaching a balanced budget.

Now, I think everybody agrees, the President included, that a balanced budget is reasonable. The question and the challenge is do we continue down the road we have had for so many years, the last 45 years, of moving for a bigger, more expensive, more intrusive Federal Government, really on the road to socialism; or do we set some priorities and do we say what is reasonable for taxpayers to pay in terms of the money they earn?

Right now the average taxpayer in the United States pays about 40 cents out of every dollar they earn in taxes to local, State and Federal Government. If we include the regulations that we impose on business, then it gets up to about 50 cents. So the first question is, how big should government be in terms of what earnings and income is? I say it is at its largest. Our taxes today are larger than they have ever been in the history of this country except for World War II.

Now, should we pay down the debt or reduce taxes with some of the surpluses that are projected? In the budget we passed this year, we took what many of us have been preaching for the last several years, and that is to say that we were not going to use any of the Social Security surplus for any other government spending, and we came up with this idea of a lockbox.

The lockbox is simply using every penny of the surplus coming into So-

cial Security and using that money to pay down the debt held by the public. So it does not solve the Social Security problem, but at least it does not spend it for other government programs.

Now, the challenge is, as we look at approximately a trillion dollars coming in over the next 10 years in income taxes, and another definition for surpluses in income taxes is somebody that is being overtaxed, how much of that money should go towards paying down the debt; how much of that money should be used for expanded government spending; and how much of that money should go into tax relief, or giving back to the American people? Or a better way to say that is let the American people keep a few more dollars of what they have earned.

This tax reduction bill we passed the other day does both; it is a demand on paying down the debt as well as a tax cut for every American.

We have defined our goal of reducing the debt in terms of how much the debt service costs in this country. Alan Greenspan told our Committee on the Budget that a good way to measure the imposition of how big the debt is in this country is to measure the debt service cost. That is how much interest we pay out. That is \$360 billion a year. We need to bring that down. That interest rate is now tied to whether or not we have across-the-board tax reductions. So we set back the across-the-board tax reduction for any year that we do not reduce the interest cost.

So I think it is correct, and I hope most of us agree, that we save Social Security and Medicare, but we also work at paying down the debt and we let the American people keep a few more dollars of what they have earned. They already work 4 months and 11 days during the year for taxes. That is enough.

#### OPPOSITION TO H.R. 2398

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nevada (Ms. BERKLEY) is recognized for 5 minutes.

Ms. BERKLEY. Mr. Speaker, I rise this evening to voice my strong opposition to H.R. 2398, a bill that would have disastrous consequences for the economy of my district, Las Vegas, Nevada.

H.R. 2398, referred to the Committee on Ways and Means, is an example of the worst type of Federal Government meddling in local matters and senseless overregulation. I believe this is an issue of importance to Members of Congress and local governments across the country.

Here is the situation in a nutshell: the Las Vegas Convention and Visitors' Authority needs to expand its convention center to accommodate the growing needs of major trade shows and conventions. This type of business is the lifeblood of the economy of my dis-

trict, and hundreds of thousands of jobs depend on it. I know, because I worked in the tourism business for many, many years before coming here, and I served as a business consultant trying to meet the needs of the convention industry in my hometown. I know firsthand how critically important it is for Las Vegas to expand its convention center, and I know how important these facilities are to dozens of other communities around the Nation.

Just 3 weeks ago, the Las Vegas Convention and Visitors' Authority was ready to issue revenue bonds exempt from Federal taxes. As my colleagues know, local government entities routinely issue tax exempt bonds to meet their building needs. The bond measure would allow my hometown convention center to add enough floor space to meet the needs of the convention business and maintain our reputation as one of the finest convention venues in the world into the 21st century.

The bond measure was the result of responsible local government planning for the future, to maintain a strong economy for the benefit of the 1.3 million residents of southern Nevada.

Then something shocking and outrageous happened, and it happened right here in this House. From 2,500 miles away, one of my district's most important economic development projects was torpedoed, but only temporarily, I hope. At the last minute the convention authority was forced to postpone its sale of bonds after H.R. 2398 was introduced by the gentleman from Texas (Mr. DELAY) on June 30.

The remarks of the gentleman from Texas in the CONGRESSIONAL RECORD indicate Houston, his hometown, cannot compete with Las Vegas as a convention destination. He targeted Las Vegas with legislation designed to stop the expansion of the new convention center.

H.R. 2398 bears the obscure and seemingly harmless title of The Private Activity Bond Clarification Act of 1999. In reality, this measure would drop a bomb on the proposed Las Vegas convention center expansion and on every other public building project in the United States that uses similar tax exempt financing.

The Las Vegas convention center expansion project is a model of prudent use of public monies and sound planning. The bonds were to be repaid through hotel room tax revenues, exactly the revenues that would grow because there would be more convention space, attracting more visitors to southern Nevada.

With a Federal tax exemption, the cost of the convention center bonds would be low and the convention center will be able to accommodate conventions that otherwise would be turned away. The financing through tax exempt bonds meets every State and Federal rule and regulation.

But now, out of the blue, comes H.R. 2398. This bill seeks to kill the Federal tax exemption by changing the IRS codes, even though the current IRS codes set clear qualifications for projects in order to be tax exempt. And I might add that this project in Las Vegas meets all of these current qualifications.

H.R. 2398 is simply a solution in search of a problem. It sets out to fix something that ain't broke, and in the process H.R. 2398 could do a whole lot of damage throughout the United States. H.R. 2398 could drive up the costs of convention centers and arenas around the country by banning tax exempt bonds for those projects. It promotes the absurd concept that the Federal Government should tax local governments.

□ 2000

For no good reason, H.R. 2398 gobbles up local dollars by forcing local entities such as the Las Vegas Convention and Visitors Authority to borrow money at higher interest rates because they would no longer qualify for Federal tax-exempt status. This amounts to an unfunded mandate and an onerous burden on our cities and our towns. I say we should be encouraging the economic boost that convention centers bring to a community, not discouraging them.

H.R. 2398 is totally out of step with the times. I know the gentleman from Texas (Mr. DELAY) must be aware that we are in an era of streamlining the IRS, not expanding it. We are in an era of reducing government intrusion on State and local matters, not meddling in them. We are in an era that recognizes the value of public-private partnerships to stimulate economic growth. And we are certainly in an era when we are all trying to lower the tax burdens, not raise them. H.R. 2398 is on the wrong side of all of these issues and we must reject it for the economic health of our local communities. The defeat of H.R. 2398 will also defeat Federal Government meddling in local affairs and defeat overregulation and it will be a victory for common sense.

#### WHITHER THE SURPLUS

The SPEAKER pro tempore (Mr. SHERWOOD). Under a previous order of the House, the gentleman from Georgia (Mr. KINGSTON) is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, we have a surplus now. It is the first time since 1969 that we have had a surplus. We have this for two reasons: Number one, Congress has finally slowed down the rate of growth in government. Very important concept. We are questioning bureaucrats on how they spend our money. But, number two, and most importantly, we have a surplus because the American people have worked their

tails off in the last several years and they have put in 50 and 60 hours a week and the revenues to our coffers have increased tremendously.

So now we have a big debate, a good debate going on, what to do with this surplus. I believe that there are three essential things that we should do, and that was what the debate last week was, on tax reduction.

Number one, what we should do with this surplus is pay our Social Security debts. Protect and preserve Social Security and Medicare. The President of the United States in January stood right where you are, Mr. Speaker, and said, "Let's protect 62 percent of the Social Security surplus." But the Republican Party said, "No, Mr. President, we want to protect 100 percent of the Social Security surplus and not just protect it on paper but put it in a lockbox so that it cannot be used for roads and bridges and pay raises and new entitlement programs but that money will be there for your mom and your dad's retirement."

And so, Mr. Speaker, this bill puts aside 100 percent of the Social Security surplus to the tune of \$1.9 trillion, protecting and preserving Social Security and Medicare.

Number two, this bill pays down the debt. For 40 years, because of irresponsible congressional spending, we have accumulated a \$5.4 trillion debt. This bill takes the first serious step of paying down approximately \$2 trillion of that debt by having a trigger device. The trigger device says that if you want to get a tax reduction, you have to pay down the debt. And unless the debt is paid down, then the tax reduction portion is not triggered. It is the first time that has ever been done by the House.

The third thing, of course, that the bill does is it provides the American people with \$792 billion of their money back for their overpayment in government. I am so sick and tired of people in Washington talking about how much the tax reduction is going to cost us. Guess what? It does not cost us anything because it is not our money, Mr. Speaker. It belongs to the American people.

If you go in Wal-Mart and you buy a pair of flip-flops for \$2.50 and you give the cashier \$5, they do not keep your money. It is your money. But if you have a Washington bureaucrat cashier, you will never see your change. They will give you more shoes, more flip-flops, they will even charge you. Before you know it the \$2.50 purchase becomes a \$6 and \$7 purchase. That is how ridiculous things are in this town, Mr. Speaker. It is the American people's money and we need to give it back to them.

This comes in the form of a 10 percent tax reduction across the board, capital gains tax reduction, estate tax relief, relief for small businesses and

farmers. The President of the United States, stickler for truth as he always has been, will come in and say, "Oh, you're taking money away from seniors, from children, from the environment, from education." Well, if you are a Republican and you cross the street, the American President right now is going to accuse you of hurting seniors and children and the environment and education. It does not matter. He is a broken record. It is a formula that works for him, class warfare and scare-mongering. But we are sick and tired of it.

It is interesting that liberal Senator BOB KERREY said that when you are talking about a \$3 trillion surplus, an \$800 billion tax reduction program is not reckless or irresponsible. That is from a well thought of, but liberal, Democratic Senator. He is saying, "What's the big deal?"

What is the big deal, Mr. Speaker? We are talking about the size of a tax cut. We are not talking about whether to have one or not. The President has already agreed to one. Most of the liberals in Congress have agreed to one. We are only talking about the size of it.

Mr. Speaker, this tax package that was voted on the other day, again three-pronged, protects and preserves Social Security to the tune of \$1.9 trillion through a lockbox, and protects 100 percent of it; number two, pays down the debt \$2 trillion; and, number three, and finally and only after the others have been protected, it gives tax relief. Therefore, it is a good, responsible bill. I urge my colleagues to support it.

#### ON TITLE IX

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

Ms. MILLENDER-MCDONALD. Mr. Speaker, tonight we celebrate 27 years of title IX, a piece of legislation that was cosponsored by our dear friend the gentlewoman from Hawaii (Mrs. MINK) whom we come tonight to congratulate, along with Congresswoman Edith Green.

I have worked, Mr. Speaker, tonight with the cochair of the Women's Caucus, the gentlewoman from New York (Mrs. MALONEY), together women and men of the House, to recognize these two remarkable women and their achievements and their bringing about title IX, which began some 27 years ago.

These congresswomen planted a seed of opportunity for women that has blossomed into one of the greatest triumphs of our time. The successes of basketball superstar Nikki McCray; swimming sensation Penny Heyns; golf

maestro Sherri Stein; the Williams sisters tennis phenomenon; ice hockey superstar Cammi Granat; the unstoppable softball shortstop Dot Richardson; World Cup soccer champions Mia Hamm, Brianna Scurry and Michelle Ackers; and Air Force Colonel Eileen Collins, the first woman to command a NASA shuttle mission which just took off on Friday. We are proud of all of them, Mr. Speaker, and we attribute their successes to title IX.

The impressive accomplishments of these women, and many more who have excelled both on and off the playing field, are not solely because of title IX. We know it takes drive, aggression, determination, competitiveness, sacrifice, true grit and a lifetime's dedication to hard work. These women are tough and they deserve to soar in their areas of expertise as they have done. But the passage of title IX, Mr. Speaker, opened a door that had been locked shut for countless decades and for countless generations of women who wanted to be challenged and pushed to new limits through athletic competition. Title IX allowed young women and girls to follow in the footsteps of tennis wonder Billie Jean King, track superstar Wilma Rudolph, and other pioneering female athletes.

It was the arduous and innovative work of the gentlewoman from Hawaii (Mrs. MINK) and Edith Green 27 years ago, which we celebrated last Friday, July 23, that brought the Educational Amendments Act, which included title IX, to the desk of President Nixon. The gentlewoman from Hawaii, who is here tonight to help us celebrate her and to commend her, was both shrewd and precise in making sure that the inclusion of a few simple words would provide such a tremendous opportunity for women to develop latent athletic talents.

Specifically, the statute states, "No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving Federal financial assistance."

The progress we have made over the past 27 years is awesome, Mr. Speaker. When President Nixon signed this bill, about 31,000 women were involved in college sports. Today, that number has more than tripled. Spending on athletic scholarships for women has also grown from less than \$100,000 to almost \$200 million. In 1971, there was an average of 2.1 women's teams at colleges, and now that number is at a record 7.7 per school. The participation level in high school was dismal, as well. In 1971, the athletic participation of all girls in the United States was just under 300,000. Today, that number has climbed to over 2.2 million. Finally, 40 percent of athletes at Division I schools in 1997-1998 were women, a 5

percent increase from 1996-1997. Women also received 40 percent of athletic scholarship budgets, a 14 percent rise from the previous year.

Since the enactment of title IX, we have also witnessed a significant surge in women's educational achievements. In 1994, women received 38 percent of medical degrees and 43 percent of law degrees, compared with 9 and 7 percent respectively in 1972. In 1994, women also earned 44 percent of all doctoral degrees, which is a noticeable increase from the 25 percent in 1977.

Mr. Speaker, perhaps most exciting of all, title IX has benefited millions of women, men and families who enjoy watching and playing sports. Over 40 million viewers tuned in to the final match of the Women's World Cup. That number was not only greater than any televised game for U.S. men's soccer but it also eclipsed the three-game viewing total for this year's NHL Stanley Cup. What the women's U.S. soccer team illustrated with their victory is just how far we have come as a Nation in providing opportunities for women to test their limits, excel in sports and fulfill their dreams in many more areas than women of our generation could ever fathom.

Tonight, I salute our dear friend the Honorable PATSY MINK and the Honorable Edith Green for paving the way for women to succeed in our educational institutions. And I give my most heartfelt congratulations to all of our athletic and academic achievers, who are the women of title IX.

#### BACKGROUND LEADING TO PASSAGE OF HISTORIC TITLE IX

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Hawaii (Mrs. MINK) is recognized for 5 minutes.

Mrs. MINK of Hawaii. Mr. Speaker, I thank my colleagues for this honor that they are bestowing on me this evening and I want to especially thank the gentlewoman from California (Ms. MILLENDER-MCDONALD) for taking the initiative in convening this series of comments that will be made on title IX tonight.

Today, we are witnessing the results of the formation of a concept which was incorporated in the education amendments of 1972 in a small title referred to as title IX. It is important, I think, for this generation of young women in particular that are coming forward and experiencing opportunities which were not available two generations ago to understand what prompted the inclusion of this language in the education amendments.

In my own experience, I went to college, I fully expected to be accepted in medical school, but upon applying to at least a dozen or more institutions in those days, in the 1950s, the reply that I received was, "I'm sorry, but we do

not take women into our medical school." And that was that. It was a blatant refusal to accept the notion that women could be equal in this society.

Prior to that, I had ventured into the Midwest. I enrolled at the University of Nebraska, thinking that some of my friends, male friends, were in medical school there and perhaps by being there I could have a better opportunity to be accepted. And so I enrolled for a brief period at the University of Nebraska.

Upon arriving there on campus, I found that I had been placed in a segregated rooming house with other minority women members of that college community. I was appalled at this practice, which I thought had been rescinded by laws previously. But I found myself in the midst of a tremendous turmoil on campus, which I must say I created, and within a short period of time the Board of Regents of that university eliminated that segregation and henceforth all people were treated equally and could be housed in the dormitories.

□ 2015

It was a series of these sorts of discrimination, even going back to Hawaii after I finished law school, which I went to as a second choice. I found that there were all sorts of vestiges of discrimination. I could not get a job. I always taught my colleagues currently in various places that if they had but given me a job, I would not be here on the floor of this Congress tormenting them with liberal legislation. So that is the penalty they pay today for ignoring my request for a simple job.

But coming to the Congress, I must tell you that the one person who really inspired me to get active in this field was my daughter who applied to go to Stanford University after finishing high school and was rejected because the percentage of women that had been accepted in the freshman class had been exceeded. So even in her generation, she was enduring this type of discrimination merely because she was female.

So coming to the Congress, being on the Education and Labor Committee chaired by Adam Clayton Powell, from the moment I sat in my chair as a freshman member down in the lower tier, he began hearings on discrimination and textbooks, and we hauled in all the textbooks to show that women were really being discarded. We hauled in the Department of Education because they were issuing films on vocational education which showed women as nurses, teachers, social workers, but not of the engaging occupations like scientists or a doctor or an engineer or anything of that kind.

So as we moved into the field of education finally with the enactment of Public Law 8910 which was the first

Federal aid to education to elementary and secondary schools, we wanted to make sure that with the Federal Government getting into funding educational programs that women, girls, would have an equal opportunity, and that was all we were trying to say. We were in the poverty program. And Job Corps centers were being opened all over the country, but none for the girls, so we fought to open up women's Job Corps centers, and I went down to West Virginia to dedicate the first center.

So there were many, many people that were involved in this. Edith Green was the chairperson of the Higher Education Committee. She convened hearings in June of 1970. We celebrate the year 1972 because that was the enactment, but all of this was occurring from the moment I arrived here in 1965. I have had two generations of service in this Congress. I came here in 1965, and I left in 1976 to try to get to the other body, but they did not want or were not ready for me quite at that point.

But we had a number of hearings, and Edith was always up front chairing that committee. She called this hearing in June of 1970, wanted to amend the Civil Rights Act to add the protections for women in that legislation which was not yet established.

This was all going on at the same time that all the women in the country were getting excited about the ERA. Remember the Equal Rights Amendment? So you have to put this in the context of where this Nation was at this time and all of the foment that was going on in terms of our communities and here in the Congress. And so we tried to get a civil rights bill, but the Justice Department intervened and said, no, we cannot support an amendment of the Civil Rights Act; why do you not put this measure in the education bill? And really that is the genesis of title IX. It was not a surrender, but it was a concession to the Department of Justice at that time that insisted we do this.

So finally, when the education amendments came up in November of 1971, we were able to argue all of this.

In the final comment, I must say that the tribute really and the sustenance of this legislation has to go to my daughter because on the floor when there was an attempt made to water down this legislation, I was on the floor helping to get it through. But at the moment, the critical moment of just a minute or so before the vote, I was called off the floor because my daughter had gotten into a accident, and so I rushed off to Ithaca to see how she was. And in leaving the floor, the amendment which was a devastating amendment passed by one vote, 212 to 211, and so the next week the Speaker of the House, Carl Albert, took the floor, asked for a revote, and we captured the situation.

So she called me the other night and said, "If you're going to talk about title IX, you must mention my role in it and how your commitment to me almost caused a catastrophe." But the House of Representatives reacted and restored common sense and dignity to the debate, and so title IX lived on forever with no one ever being able to challenge it ever again.

So that is the story of title IX.

Ms. SCHAKOWSKY. Mr. Speaker, I rise today in honor of Congresswomen PATSY MINK and Edith Green who authored Title IX. Because of their vision, we all witnessed the extraordinary accomplishments of many remarkable women over the years, including the Women's World Cup Champions and Air Force Colonel Eileen Collins.

All of America and much of the world was captivated by the grace and athleticism of the U.S. Women's Soccer team. All of us—men and women alike—were thrilled by their performances and marveled at what they were able to accomplish. America was on the edge of its seat during the final game.

And, just last week, Air Force Colonel Eileen Collins became the first woman to command a NASA space shuttle. Once again, we had evidence of what women can achieve if they are given the tools and opportunities.

It was a thrill for me to join the First Lady, members of Congress including Congresswoman MINK and the World Champion Women's Soccer Team aboard Air Force Two last Monday night to witness the Space Shuttle "near" launch commanded by Colonel Collins. It was quite a celebration of the successes of women. I wish the entire crew a successful mission and a safe return home.

Tonight, we pay tribute not just to Congresswomen MINK and Green, but to all the other women in this country who have excelled at sports or the arts, at science and in business.

Congresswomen PATSY MINK and Edith Green made a real difference in the lives of girls and women, and in the communities in which they live. Without their efforts, there would likely be no World Cup championship women's soccer team today or female NASA shuttle commanders. Those two extraordinary women, through their vision and courage, gave American women the tools to succeed.

Representatives MINK and Green were the guiding spirits behind Title IX of the Educational Amendments of 1972—the landmark legislation that bans sex discrimination in schools in both academics and athletics. Title IX states, "No person in the U.S. shall, on the basis of sex be excluded from participation in, or denied the benefits of, or be subjected to discrimination under any educational program or activity receiving federal aid."

Before Title IX, many schools saw no problem in refusing to admit women or having strict limits. But since Title IX, we have seen significant increases in women's educational achievements: In 1994, women received 38 percent of medical degrees, compared with 9 percent in 1972; In 1994, women earned 43 percent of law degrees, compared with 7 percent in 1972; In 1994, 44 percent of all doctoral degrees to U.S. citizens went to women, up from 25 percent in 1977.

Title IX governs the overall equity of treatment and opportunity in athletics while giving

schools the flexibility to choose sports based on student body interest, geographic influence, a given school's budget restraints, and gender ratio. The focus is on the necessity for women to have opportunities equal to men on the whole, not on an individual basis.

Here are just a few statistics that illustrate the impact this groundbreaking legislation has had: In 1971, about 31,000 women were involved in college sports and today that number has more than tripled; From 1971 to 1998, spending on athletic scholarships for women has grown from less than \$100,000 to almost \$200 million; In 1971, there was an average of 2.1 women's teams at colleges and now that number is at a record 7.7 per school; In 1971, the athletic participation of all girls in this country was 294,015. Today, this number has climbed to over 2.2 million; Forty percent of athletes at Division I schools in 1997–98 were women—a 5 percent increase from 1996–97; During the same year, women received 40 percent of athletic scholarship budgets—a 14 percent rise from the previous year.

In closing, let me thank, on behalf of all Americans, Congresswomen PATSY MINK and Edith Green and all the girls and women who inspire and lead us each and every day.

Ms. ROYBAL-ALLARD. Mr. Speaker, I am delighted to join my women colleagues to commemorate Title IX's successes and achievements. First, I would like to commend my colleague and friend, Congresswoman PATSY MINK, as well as former Oregon Congresswoman Edith Green who authored and initiated Title IX over 20 years ago. Their contributions in support of equal opportunity for women have been invaluable.

Signed into law in 1972, Title IX is the landmark civil rights law that banned sex discrimination in schools in both academics and athletics. While the law applied to all education programs in schools receiving federal aid, it has become best known for expanding athletic opportunities for women.

Since Title IX's passage, women's participation in intercollegiate sports has skyrocketed: When Title IX was first passed, there were 31,000 women participating in intercollegiate athletics. Today, that number is over 120,000—a four-fold increase.

A recent survey showed that the number of women's collegiate teams have risen from 5.6 teams per school in 1977 to 7.5 in 1996.

Simply put, Title IX has been a smashing success for women's collegiate sports, which were virtually non-existent in the early 1970's.

But critics still like to lambaste Title IX, alleging that it's decimated men's sports or gone too far.

Let's put these tired old myths about Title IX to rest:

Myth #1: Title IX enforces quotas against men.

Nothing could be further from the truth. Title IX forbids quotas. It simply prohibits sex discrimination in federally funded education programs. That means female students must have equal opportunities to participate in education programs, including athletics. Utilizing a three-prong test, schools can show they comply with Title IX by fulfilling one of three requirements, offering schools flexibility and ample room for Title IX compliance.

Myth #2: Title IX will cause the elimination of men's collegiate sports.



Title IX does not require schools to cut men's sports. Nor has Title IX ever forced a school to eliminate a men's sports program to meet compliance. Many schools have decided to cut teams in men's minor sports, such as gymnastics and wrestling, for a combination of reasons, including budget constraints, changes in student interest, alumni support, liability or risk of injury. Let's not forget that football and basketball budgets consume a whopping 69% of the average Division I-A school's men's athletic operating budget. Perhaps Title IX critics should point their finger at poor fiscal management or excessive support for one sport—not at Title IX—for the decline in men's sports.

Myth #3: Title IX has gone too far.

Despite Title IX's successes, we still have a long way to go. The fact is that women's athletics continue to lag behind men's programs. Compared to men, female athletes have only 38% of scholarships. From 1992–1997, men's athletic budgets, in Division I-A alone, increased by 139%. In contrast, women's budget increased during this time period by 89%. From fewer scholarships, to inferior athletic equipment and facilities, the playing field for female athletes is far from level. We need Title IX now more than ever.

Finally, the latest myth about Title IX is this: Title IX cannot be credited for the country's stunning success in women's soccer, because we produced the finest soccer players through independent youth leagues, outside the scope of Title IX. Let me quote a recent article in the latest edition of the conservative magazine *The Weekly Standard*: "Title IX could not possibly have had anything to do with the team's success . . . seven of this year's eleven starters . . . all joined the U.S. national squad as teenagers in the 1980s—Title IX's 'dark ages'".

Where do Title IX critics think these women played while they were college-age? They played at universities with top-notch college soccer teams. It is the heralded successes of the University of North Carolina's women's soccer team, the University of Tennessee's women's basketball team, and other Division I-A teams and their recruitment of top female high school athletes that has been a driving force in promoting athletic programs at the high school level, both public and private. In fact, in high school, the number of female athletes has jumped from 294,000 in 1971 to 2.4 million in 1995. Indeed, Title IX has sent the message to our young women that they have far more opportunities to compete at the college level and to qualify for college scholarships than any prior generation.

In closing, Title IX has helped put women's sports on the map, including swimming, gymnastics, softball, lacrosse, field hockey, track and field, basketball and soccer. But perhaps Title IX's most important triumph is that it tells our girls that they can be and do whatever they want—and that includes excelling in sports and academics.

#### TITLE IX

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Mrs. JONES) is recognized for 5 minutes.

Mrs. JONES of Ohio. Mr. Speaker, I rise this evening, and I had other comments prepared, but I do not want to be repetitious. I am kind of going to go from the cuff and say I have been blessed to be able to stand on the floor this evening with my colleague who put into practice title IX. And I say, Put into practice, because she was the one along with her colleague, Edith Green, that moved to have this legislation come to the floor, and I just want to take a moment to say: Congresswoman PATSY MINK, thank you so very much.

I have been blessed on another occasion to have worked in the campaign of Congressman Lewis Stokes back in 1968, and to stand here as his successor is another great opportunity.

So it is nice to see history in movement.

I stand here, and I would have gone through some of the statistics that my colleague, the gentlewoman from California (Ms. MILLENDER-MCDONALD) went through in her presentation, but I am going to skip that. But I want to congratulate you, Congresswoman MILLENDER-MCDONALD, for organizing this evening's activity. I will move on to say in the last Olympics held in Atlanta, female athletes gave an outstanding and noteworthy performance. The last Olympics featured the first appearance of the women's softball team. The women's basketball Olympic dream team took the gold medal. The introduction of the WNBA was just 2 years ago, and I am proud to say that women in the city of Cleveland are always out in support of the Rockers. Of the 44 gold medals won by the U.S., 19 were given to women, including 5 team efforts.

In 1997, which marked the 25th anniversary of title IX, the women's addition of the National Directory of College Athletics asked people to give the most significant people or events which have effected women's inter-collegiate athletics since 1972. Of all the things presented, title IX was the one event in history that affected intercollegiate athletics.

I was proud to be able to be here in these United States when, in 1999, not only did the Duke men go to the final four, the Duke women went to the final four. That was significant for us to be able to say that.

I am almost out of time, only to say it is wonderful to turn on my television and see women athletes marketing sports products and setting the example for younger women. It is important for young women to build esteem and self-confidence, and I am pleased to say that my son, an athlete, is even proud of the women athletes that go to his school, and that is significant.

I yield to the gentlewoman from North Carolina.

Mrs. CLAYTON. Mr. Speaker, I want to thank the gentlewoman for yielding to me.

I want to deviate just a little bit too from what I had prepared to say. I am just so appreciative hearing the history and the context and the genesis and the activity that gave rise to title IX and to tell you I did not know of the gentlewoman from Hawaii (Mrs. MINK) wanting to go into medicine. But I have been reporting about her esteemed career at the University of Chicago Law School, and she says sometimes I elevated her to be first in the class, but I was told she was in the top 10 of her class. So if she had wanted to go to medicine, she would have been a great doctor, but we are very pleased that she is a great Congresswoman, a person of commitment and substance, and not only did she do something great in the 1970s in authoring title IX, but she continues to fight for equality of education for all people. And so we want to thank her for what she has done, but we want to thank her for what she is and what she represents to the future not only for women, but for men as well because she set the kind of example of what equality means.

Not only is she making people pay for their error and not letting her get into medicine, but she is opening opportunities not only for, obviously we see what happened with Earleen Collins, the first woman commander of NASA Space; just think of the opportunity that she does for people. Well, you have helped make that possible, and we celebrate the Women's World Cup champion. Just think if we did not have a title IX, that would not have been possible for all of these college women to come together with such confidence, such skill, and such poise to represent the United States at such a way.

So I want to thank you and thank our former colleague, Edith Green, who had the courage to follow you or be with you as you made history in the 1970s for all women and for all America.

Mr. Speaker. Equality. Its something that we have strived toward for years. The question is whether we will ever really reach equality.

Tonight we are honoring our colleagues, Congresswomen PATSY MINK and Former Congresswoman Edith Green who authored and initiated Title IX: the Women's World Cup champions; and Air Force Colonel Eileen Collins, the first woman to command a NASA space shuttle.

Mr. Speaker. All of these women must be commended for their leadership in providing equity for women and men in our educational institutions. They and especially Congresswoman MINK continue to fight for equality in education.

Title IX of the Educational Amendments of 1972 is the landmark legislation that bans sex discrimination in federally assisted education programs or activities—in other words, women can not be discriminated against in academics or athletics.

Title IX grew out of the women's civil rights movement of the late 1960s and early 1970s.

During that time, Congress began to focus attention on systemic educational barriers to women and girls.

And because of this legislation, women have come a long way.

For American colleges and universities, women now constitute majorities in college enrollment and completion, and are the majority of recipients of bachelor's and master's degrees.

The proportion of women graduating from college today is now equal to that of men.

By 2006, women are projected to earn 55% of all bachelor's degrees.

In 1994, women earned 34% of all U.S. medical degrees, compared with 9% in 1972.

In 1994, women earned 43% of law degrees, compared with 7% in 1972.

In 1994, 44% of all doctoral degrees to U.S. citizens went to women, up from 25% in 1977.

There are more female faculty members now than in 1972, with women constituting 37.9% of faculty members at two-year public colleges, and 19.5% at private four-year colleges and universities.

Mr. Speaker, one of the reasons that we are celebrating the success of Title IX is that on July 10, 1999, the Women's World Cup Soccer victory reminded us about how important it is to have the protections for women that we now have.

But this victory was about more than the game and the win. It was about female athletes, sports, and equality.

In 1971, about 31,000 women were involved in college sports and today that number has more than tripled.

From 1971 to 1998, spending on athletic scholarships for women has grown from less than \$100,000 to almost \$200 million.

In 1971, the athletic participation of all girls in this country was 294,015. Today, this number has climbed to over 2.2 million!

These statistics are overwhelming. We must keep on fighting this battle.

Equality. We must remember that this is what we want to achieve. We're on our way. This victory simply reminded us of that.

I want to thank Congresswomen MILLENDER-MCDONALD and CAROLYN MALONEY for bringing this important occasion to the floor of the House of Representatives.

Mr. Speaker, please join me in celebrating how far women have come in both academics and athletics, and congratulate our colleague PATSY MINK for her leadership and vision.

#### THE SURPLUS; WHO IS IT FOR?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. FOSSELLA) is recognized for 5 minutes.

Mr. FOSSELLA. Mr. Speaker, over the next several weeks what this great country of ours is going to hear is an important debate. And that is what to do with the money generated by millions of American taxpayers who get up to work every single morning, some of whom work two jobs, the husband and the wife work as well. So, you have a husband and wife working two or three jobs a week, sometimes working 6 or 7 days to put food on the table, to pay

the mortgage or to pay the rent, to make that car payment, to put away for your child's education, college, law school or med school.

Whatever hopes and dreams you have for your family, you are getting up every single day to fulfill your dream. And at the end of the week, when that paycheck comes, a big chunk of that comes right here to Washington. And the American people have been working so hard in the last several years sustaining economic growth that we really have not seen in recent times and generating a surplus here in Washington.

Now there are those here in Washington who think it is all their money. And there are those who want to spend every single dime on their favorite projects or programs. And then there are those who feel that, you know what our job here is to represent and do what is right for the American people, for those taxpayers who generated this surplus. And when we do things like address adequately Social Security and Medicare and education and protecting the environment and strengthening our national defense, then we can believe that those things are right. Then we decide, well, what is left?

Right now Washington is projecting a \$3 trillion surplus. Now for whatever those assumptions are worth, the bottom line here is there is money that is going to be left on the table.

□ 2030

It is important for the American people and the people back home where I am from in Staten Island and Brooklyn to understand the core principles that are going to really drive this debate.

There are those of us who believe in personal freedom more for the American people, and there are those who say we need more government control. There are those who want lower taxes, because we believe in the American spirit that when we reduce taxes and allow hard-working people to keep more of what they earn, it drives economic growth, it creates more jobs, and we reinforce what we all tell and what we all believe in, and that is that in this great country, one can follow their dreams if given the chance. On the other side are those who want higher taxes.

There are those of us on this side who want limited government because we believe when government gets too large it infringes on our freedoms and liberties, and there are those on the other side who feel that government is just not big enough.

Then there are those who want economic growth as opposed to those who want bureaucratic growth, who feel that the decisions made in our communities across this great country are not good enough, but if we grow our bureaucracies here in Washington to have faceless and nameless bureaucrats

make decisions for ourselves, our families and our communities and our schools, our police departments, that somehow, that is a better approach to government.

Finally, there are those who believe in the creation of more jobs in the private sector that has driven this engine to generate this surplus, and then there are those who believe we need a little bit more redtape to stifle innovation, to hurt small businesses, to add unnecessary rules and regulations that actually reduces the number of jobs it could create.

Mr. Speaker, over the next several weeks there are going to be those who say everything imaginable to allow the American people or force the American people to take their eye off the ball. I believe in the American people, the common sense that they will prevail in the end, and not only that, but that we will place our faith in their wisdom and judgment to know that when there is too much money left here in Washington, too many people want to spend it. I say when we take care of Social Security, Medicare, strengthen our national defense and protect our environment and improve education, what is left over we send back home to the people who earned it, to strengthen freedom, to strengthen liberty, and continue our path to prosperity, not only for families that I represent so proudly and humbly in Staten Island and Brooklyn, but all across this great country. I suspect that when we have this debate, the American people will understand who is right.

#### TITLE IX AND ITS EFFECTS FOR OUR COUNTRY

The SPEAKER pro tempore (Mr. SHERWOOD). Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, I, too, want to honor the gentlewoman from Hawaii (Mrs. MINK) for her good works on Title IX and everything else she does here for women and children and families and all Americans.

Mr. Speaker, last Monday night I had the chance to see in person the effects of Title IX firsthand. And let me tell my colleagues, I was impressed. Last Monday night, a number of my colleagues and I flew to Florida with the U.S. Women's National Soccer Team and with the First Lady to watch the space shuttle launch. While we were there, we met with female astronauts and we met with other women involved with the space program.

Of course, I do not have to describe the American women's soccer team to anyone that is listening here tonight or anybody in this Chamber. I cannot imagine that there is an American who has not heard of their skill, their power, and their success and does not hold them in awe.

These women, these young women are the products of Title IX. They are the perfect example of the importance of Title IX. They are an example for every female player on every women's sport team in the Nation. But less well known are the benefits of Title IX for women like the women astronauts that I met.

Title IX says that no person shall, on the basis of sex, be excluded or discriminated against under any educational program or activity receiving Federal aid. So it is not just sports. Before Title IX, most institutions of higher education, as the gentlewoman from Hawaii told us, refused to admit women or have strict quotas on the number of women admitted. Since Title IX, however, there have been significant increases in women's educational achievements, particularly in what were traditionally all-male fields like science, engineering, math, and technology.

So while we were gathered there the other night to celebrate the very real achievements of women on and off the playing field due to Title IX, we must also be aware of how much there is left to do. According to the National Science Foundation, the low participation of women in math, science, and engineering is a true and serious national problem. Too many girls lose interest in science and math during elementary and middle school and refuse to take, or fail to take advantage of these courses that they will need to prepare themselves for technical and science degrees, and technical and science high-paid careers. Too few women earn college degrees in science, engineering, math, and technology. Even though women make up slightly more than 50 percent of our population, they are less than 30 percent of America's scientists.

My colleagues may be asking me, so what? Is that some national problem? Well, the answer is absolutely yes, this is a big problem. A big problem for employers, a big problem for women as future wage-earners, and a huge problem for our Nation as we compete in the global marketplace. Quite clearly, there is no way for America to have a technically competent work force if the majority of students, females, do not prepare themselves and study for science, math, and technology careers.

That is why I have introduced a bill to help school districts encourage girls to pursue these technical careers. My bill is formally entitled, *Getting Our Girls Ready for the 21st Century Act*, but it is known as "Go, Girl." Go, Girl will encourage a bold new work force of energized young women in science, math, engineering, and technology. Go, Girl funds programs in elementary and high school to encourage girls to study and pursue careers in those fields.

Today, women are big winners on the soccer field, and that is with the help

of Title IX. Now we need to get Title IX and Go, Girl into the classroom to make more girls and their future employers winners by preparing girls for careers in science, math, engineering, and technology.

Mr. Speaker, Title IX says, no person shall, on the basis of sex, be excluded or discriminated against under any educational program or activity receiving Federal aid. Our job now is to encourage all girls and young women to take advantage of Title IX opportunities and like the American soccer women and the women astronauts, become all that they can be.

#### THANKS TO TITLE IX, WOMEN CONTINUE TO MAKE HISTORY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) is recognized for 5 minutes.

Mrs. CHRISTENSEN. Mr. Speaker, I would like to begin by thanking and applauding our cochair, the gentlewoman from New York (Mrs. MALONEY) and our covice-chair, the gentlewoman from California (Ms. MILLENDER-MCDONALD) for putting together this Special Order and all of my other women colleagues for joining us this evening.

I want to join also in thanking the gentlewoman from Hawaii (Mrs. MINK) and former Congresswoman Edith Green for their foresight in championing and protecting the rights of women and young girls against gender discrimination within the educational system of this country, particularly in athletics; and I want to also thank all the other Members of Congress who have continued to fight to end discrimination of all kinds in this Nation.

Title IX was important legislation, and its impact is immeasurable. Its very intent was the impetus for ensuring that today's heroes would become role models for the young girls of today and those yet to be born. Access to equal opportunities in education has made it possible for all of us to be here as representatives in Congress. Thanks to those like the gentlewoman from Hawaii (Mrs. MINK) who came before me, when I was fortunate to have been accepted into medical school, unfortunately, we were still less than 5 percent of our class. Now, women at George Washington University School of Medicine, my alma mater, make up more than 50 percent of any incoming class.

In the past few weeks we have also had outstanding examples of what Title IX has done for women in the United States since its implementation. As many have said, on Friday, Air Force Colonel Eileen Collins made NASA and U.S. history as the first woman to command a space shuttle; and of course, we are all still basking in the success as well in the recent vic-

tory of the women's soccer team this month at the World Cup, which indicates what significant progress continues to be made each and every day.

More women are enrolled in college and universities than ever and are pursuing postgraduate and professional degrees, a key factor in the swell of women-owned businesses across this country today. One of the most obvious benefits of Title IX is the impact it has had on women's participation in intercollegiate athletics, and our young women are determined to make their mark in the sport arena.

In my district, the U.S. Virgin Islands, educational and athletic equity has long been practiced, and we have produced a multitude of successful players in various sports, as well as in other fields. One of our long-standing track and field success stories in the Virgin Islands is Flora Hyacinth who is one of 24 Virgin Islanders participating in the Pan American games in Winnipeg this week, and we wish her well. Ms. Hyacinth also set a world record in 1986 for the triple jump while attending the University of Alabama, and just last year won the long jump gold in the Venezuela games. She and Ameerah Bello, another winning track and field athlete from the Virgin Islands, are both qualifying members of the Virgin Islands Olympic team.

Also making her mark in women's track and field is 16-year-old Rodneysha Pitts, who recently ranked among the top 10 U.S. high school students while attending school in Indiana briefly last year.

At the college level, Vania Blake, a volleyball player from the Virgin Islands at North Carolina A&T, was named Athlete of the Year and MVP of the Mid-Eastern Athletic Conference for her school; and, Felicia James, the MVP of the All Star basketball games at Grambling State University in Louisiana.

Mr. Speaker, I am sure that we have all had many shining examples of young women who have been able to succeed in their respective areas because of the freedom and opportunity Title IX provides. One only need attend a WNBA game here in the District or in any city to truly realize the impact that women's sports has had on up and coming female athletes nationwide; and it is here that we can also be proud of the precedence that Title IX has set, for without it, entities such as the WNBA would not have been possible.

While we still have a long way to go in ensuring equality across the board for women and all Americans, we can look onward with pride as young women like Venus and Serena Williams dominate the world of tennis and cheer on all of the women who are charting a bright future in women's sports.

I look forward to the day, Mr. Speaker, when there will be a women's soccer league, baseball league, and any other

league that we choose to break ground in. The sky is the limit for our young women in sports, in business, in politics, and now in space. I am proud to be here this evening with Congresswoman MEEK and my other colleagues and to be able to work with them, to continue to open doors for women and for all Americans.

#### APPLAUDING THE AUTHORS OF TITLE IX

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I think that we have all benefited from the historical perspective that has been given to us this evening. It is certainly my honor to be able to associate with the remarks of my women colleagues to honor my friend and colleague, the gentlewoman from Hawaii (Mrs. MINK).

Even more exciting for, I hope, all of us who have had the pleasure of being on the floor, was to see her energy in recounting this historical recollection of the challenges and the battle, if you will, of what she had to overcome to bring us to this point. I particularly enjoyed the gentlewoman's emphasizing that she was a woman and a mother. When it came to her daughter, her daughter was first, but she did and made all of these sacrifices because she wanted to see young women who were coming up behind her to have the opportunities that she might not have had.

So I want to join my colleagues, and I thank the gentlewoman from California (Ms. MILLENDER-MCDONALD) for her vision and leadership, along with the gentlewoman from New York (Mrs. MALONEY), for giving us this opportunity to come and honor the existence of Title IX, the landmark legislation that bans gender discrimination in school academics and athletics, and to applaud the authors of this legislation.

□ 2045

I might say to my good friend and colleague, the vote did not count, but the vision, the words, and fight that she puts in place were really what counted. We thank her for that. Might I say to former Congresswoman Edith Green, our appreciation as well. Their leadership ushered in a new era of appreciation for women in sports in academia.

The Speaker has been listening patiently. As many of us proudly like to talk about our children and home towns, let me say that I am from Houston, Texas. I want to share a personal moment of pride, or two personal moments of pride; one, when the WNBA Comets won their first championship, I had the pleasure of being in the arena.

Mr. Speaker, I am not embarrassed to say as a slightly older woman than

21 years old, I cried, I cried, because for the first time I saw women in a competitive sport, with the excitement, the energy, but also to see the community, men and women, cheering for women sportspersons, not because it was basketball, which seems to have taken the world by storm, but because women were engaged in a competitive sport, and we all were cheering.

Might I say that I have a young daughter, a young woman for who I had the pleasure of being a mother on the sidelines, watching her play basketball and engaging my husband and my younger son in what she was doing wrong and what she was doing right. How many of us had that experience 20, 30 years ago, when I relished the opportunity to participate in sports in my high school and in college, and Mr. Speaker, I simply was not asked to participate. Yet, I have the opportunity to sit along the sidelines and applaud my young daughter, and watch my young son engage in debate and cheering his sister along.

I stand to congratulate the gentlewoman from Hawaii (Mrs. MINK) and Ms. Edith Green for what they have made and what the future holds. I also congratulate the Women's World Cup team champions. Their historic win a few weeks ago over China was watched all over the world, and certainly serves as a testament to the importance of Title IX.

Might I apologize to my constituents who invited me to be a guest speaker, and unfortunately, there was a television in the room, and I asked everyone to stop, stop the program so I could see the final minutes of the World Cup, and watch the women bring it to a close and slap 5, and I congratulate them as well, many of whom are from the University of North Carolina at Chapel Hill. No, I am not from North Carolina, but my daughter attends that school, and the soccer women made me aware of that when we visited with them, and joined them in traveling to NASA last Monday to see off and to offer words of congratulations to Air Force Colonel Eileen Collins, the first woman to pilot the space shuttle. She is flying above us now.

I might congratulate her because I think the charge of Title IX helped to propel women all over the country and the world to do great things. We saw her go off in space last Friday, but I was with my colleagues, both colleagues who were here on the floor, the gentlewoman from California (Ms. MILLENDER-MCDONALD) and the gentlewoman from Hawaii (Mrs. MINK) to travel down to Florida to see her off.

Let me quickly finish by saying each of these accomplishments, Mr. Speaker, have served to remind us that only 27 years ago there was no Title IX, and women were still second-class citizens. We have come a long way from those days when only men were expected to

be legislators, excel in sports, and fly in space.

This is truly a great day for women in America and all over the world.

Mr. Speaker, let me say one thing, it is vital that we do not pit the value of women's sports against the needs of men's sports. I want to say today, tonight, this evening that what the gentlewoman from Hawaii (Mrs. MINK) did and Congresswoman Green, both of them in the United States Congress, was a great thing. Let us not turn it into a wrong thing or a bad thing by pitting those two needy efforts against each other.

I simply want to say, Mr. Speaker, as I come to a close, there is much that we need to do. I will cite the number of women that got medical degrees, and 43 percent of law degrees and doctoral degrees, 44 percent. All of this I think is generated by the energy and enthusiasm when women get into a competitive mood.

But we have a long way to go, Mr. Speaker. In fact, we need more women CEOs. We need to address the question of pay equity, more engineers and scientists. Yet, Mr. Speaker, we have yet to elect the first woman president of the United States of America.

So I am grateful to the gentlewoman from Hawaii (Mrs. MINK) and former Congresswoman Green, as authors of this energetic legislation. They dreamed and we believed and we accomplished. Today we honor them for their work, and our commitment and challenge, Mr. Speaker, is that we go forth to do better, to do great things, and to create equality for men and women in the United States of America.

Mr. Speaker, I am pleased to join my colleagues in the Women's Caucus in honor of title IX, the landmark legislation that bans gender discrimination in school academics and athletics. I also wish to applaud the authors of this legislation, Representative Patsy Mink and former Congresswoman Edith Green. Their leadership ushered in a new era of appreciation for women in sports and in academia.

I also stand to congratulate the Women's World Cup Team champions. Their historic win a few weeks ago over China was watched all over the world and certainly serves as a testament to the importance of title IX.

Finally, I would like to offer words of congratulations to Air Force Colonel Eileen Collins, the first woman to pilot the Space Shuttle.

Each of these accomplishments serve to remind us that only 27 years ago, there was no title IX and women were still second class citizens. We have come a long way from the days when only men were expected to be legislators, excel in sports and fly into space. This is truly a great day for women in America and all over the world. It is vital that we do not pit the value of women's sports against the needs of men's collegiate sports.

Since title IX passed, we have seen that there have been significant increases in women's educational achievements. In 1994, women received 38 percent of medical degrees, 43 percent of the law degrees, and 44

percent of all doctoral degrees. In 1972, the numbers for professional degrees were in the single digits (9 percent for medicine and 7 percent for law).

In athletics, we have also seen more opportunities for women in intercollegiate sports. Institutions now must ensure that there is adequate athletic financial assistance, accommodation of athletic interests and abilities of women, and that the opportunities and treatments afforded to sports participants must be equivalent.

Some other program components include providing access to equipment and supplies, opportunity to receive academic tutoring, medical and training facilities and services, adequate support services and publicity. These benefits are some of the ways institutions ensure that sport participants receive equivalent treatment.

We know that title IX has had an important impact on women's sports. We have seen the success of the Women's National Basketball Association and the Women's Soccer Team as evidence that access to these programs in college is crucial to professional development.

I am proud to stand here today to applaud this important legislation and these women who have blazed the trail of achievement for other women. These athletes will inspire a new generation of girls to engage in sports. CEO's, pay equity, and, yes, we have yet to elect this Nation's first women President.

I am grateful to serve in Congress with Representative PATSY MINK, one of the authors of this legislation. She must have only dreamed that we would be here today in honor of the great accomplishments of women due to her work. Today, we honor your work and the work of other women who have fought hard to give more opportunities to women.

#### TAX RELIEF

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Arkansas (Mr. DICKEY) is recognized for 60 minutes as the designee of the majority leader.

Mr. DICKEY. Mr. Speaker, the discussion about tax relief has been brought to this body tonight in very eloquent terms. What I would like to do is to talk to one of my colleagues, one in particular, the gentleman from Pennsylvania (Mr. KANJORSKI), who is headed this way, to discuss the practical side of tax relief.

As I go about my district, and I have seen the discussions brought about, both the pros and cons, I am perplexed by the fact that people are saying we do not need tax relief.

I want to state at the front of this that there are three reasons that I can see for tax relief that is needed at any time, and especially at this time.

One is to support the economy. We have surpluses now that have never been so great. They were not obvious in that the projections 5 years ago, even 3 years ago, were that we were going to have deficits, a continuation of deficits. But we have surpluses now.

The economy is growing from a lot of different sources. There is a lot of money in the stock market. It is over 11,000 now, which is unheard of. When I came in 1992, I think it was right below 3,000. So it is a factor that we need to support the economy so that it does not go down, so that we can keep the surpluses. Tax relief is one way of doing that.

Secondly, we must shrink the government. We are doing a good job. It is not simple. We are doing it over a lot of objections. We are doing it through elections after elections, when people are saying, from the other side, you do not care about this, you are mean-spirited, you are this or that. But we have started bringing the cost of government down.

There is one sure way we can do that. That is to stop the blood supply or stop the money from coming in. Tax relief will provide that, and it will also help and give freedom to the people who work.

We have too many people who were finding their families in disarray. They are not spending enough time at the breakfast table, the dinner table, the supper table. That is because they are having to work two jobs. They keep talking about let us bring costs down, but our inflation is under control.

We have a lot of different factors that are being mentioned, but the big problem is that we are just taxing people to death.

This particular tax relief package includes something called estate taxes. That is something that I hope, when the gentleman from Pennsylvania (Mr. KANJORSKI) gets here that we can talk about in more detail. But we have to support the economy, keep the surpluses in place, shrink the government, stop spending so that we will have smaller government, less bureaucracy. It will be less burdensome to the individuals, and give freedom to the people who work so they can have choices for their families, because we must build the families back.

The excuses that we have seen in the past have been, well, let us wait until we balance the budget. That seems safe for those people who want to keep taxes at a high rate. That seems safe because the deficit was projected for years and years and years. I think in 1998 the deficit was projected at \$377 billion, and we came in, or maybe these are not the accurate figures, but we came in at like something like \$72 billion for a surplus, a swing from a deficit to a surplus.

So it was safe for people to say, we won't have the taxes, those people who believe taxes are the way for government to operate. They were saying that is fine, let us just keep it there. Let us keep the taxes there until we can eliminate the deficit. Well, we have a balanced budget, we have eliminated the deficit, and we are progressing in that way. We need to keep it.

Also we heard that social security was a factor, we must protect social security and Medicare. That has been mentioned time and time again. At one point the administration proposed that we put 62 percent aside on social security. We have said, no, before we do anything, before we have tax relief, we have more spending, we are going to put 100 percent of the social security aside.

That comes from years and years of using social security for the wrong reasons. Not one year has one dime been set aside to protect social security until we have passed the lockbox, not one year. The trust fund has been used for all kinds of things. It has been used to finance the Vietnam War, to finance spending programs, to finance the government getting bigger. It has brought about more and more deficit, more and more debt, and greater and greater government, and less and less control of our lives. But we have taken care of that with the lockbox. We are taking care of social security and Medicare.

Now we are told, let us wait until the debt is paid off. Here comes another excuse, another delay for these people who want taxes. Now what we have done in this bill that is coming up is we have plugged the tax reductions into whether the debt is coming down. So if the interest on the debt is not reduced in certain years, then the reductions in the income tax or the 10 percent across-the-board tax will be delayed 1 year.

So then we are faced with the fact that we are going to benefit from our keeping the debt down because the interest will be lower, and from that point, if we spend too much, we will suffer from it, so we are going to have a good and a bad consequence.

I just think what we have as the problem and the thing that is perplexing, as I have stated, and I see that the gentleman from Pennsylvania (Mr. KANJORSKI) is here. But what I am saying, some people, when they hear the word "taxes," they say, yes, that means I am going to get something. Some people, when they hear "taxes," they say no, I am not in favor of this because somebody is going to take something away from me and take my incentive for working.

What I would like to discuss in this time we have here with the gentleman from Pennsylvania (Mr. KANJORSKI) is the pros and cons of it. We happen to have appeared before this body one other time, when we discussed another issue, and we had a friendly discussion. People called my office and said, why are you so friendly with somebody on the other side? He got the same kinds of calls.

I would just like to propose to the gentleman that maybe he could make an opening statement, and we can just start talking in front of the American

people. Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. KANJORSKI).

Mr. KANJORSKI. Mr. Speaker, I thank the gentleman very much. First of all, I want to congratulate my good friend, the gentleman from Arkansas, because what it should establish to the American people is that a Republican and a Democrat can come to the House floor and engage in debate and talk about the real issues that we are involved in, and not the partisan or political issues that so often we get involved in in our debates on the floor.

So I really welcome this opportunity to share this hour with the gentleman from Arkansas (Mr. DICKEY), and what we want to do is not necessarily talk about a particular tax bill, whether it be the House version of the tax bill, the Senate version, or the President's version. I think what we really want to talk about with the American people is sort of representing the average American sitting there in the living room, trying to come to some conclusion as to what their government should be doing right now in regard to fiscal policy and tax cuts that will have great ramifications on their family, on their community, and on the future of not only this country, but indeed, the world.

The proposition that I would argue tonight, if we were going to put it in debaters' terms, would be, resolved that the Congress of the United States take no action this year in regard to affecting the revenues as represented by the Tax Code adjustments, as suggested by either the House, the Senate, or the President.

That proposition that I would argue is based on several things.

First and foremost, anyone in economics today agrees that although we can project out what the income will be 10 years from now, 20 years from now, or 30 years from now, and sound very intelligent about it and very informed, and I am sure the gentleman from Arkansas or I could give that argument, but the fact of the matter is that there is a common parlance term for that, and I will just give the initials, it is BS.

The fact of the matter is, we have a hard time in our system, and with this complex economy of the United States and of the world, to even project out what is going to happen 3 months or 6 months from now. If anyone doubts me, listening to this, if we knew what was going to happen 3 months from now, we would all immediately run down to the markets, whether it would be the stock market or the bond market, buy options, and retire 3 months from now, if we knew where it was going, because clearly it is going to be reflected in those markets.

□ 2100

The market is a day-to-day operation. It really is an intelligent oper-

ation as a free market. It indicates what people's, in varying degrees, their analysis has made them come to a conclusion. There are winners. There are losers. Some people buy thinking a stock is going to go up. In fact, it goes down; and they lose. Some people sell when they think the stock is going to go down; and in fact, the stock goes up.

That is what a free market is. That is how markets exist. To my knowledge, there is no one that I know that can tell me even what is going to happen tomorrow on these markets, no less 3 months from now, 6 months from now, and clearly not 5, 10, and 15 years from now.

It almost appears to me to be the height of conceit that anyone at any office, elected or otherwise, or in any position in this country that would have the audacity to make these projections.

Now, why is that important? Well, when we pass tax laws, they are not easily reversed, particularly if we pass a tax law and reduce taxes and therefore reduce revenues.

We have seen over the course of the history of the last 20 years, only four major tax packages enacted in law. This will be our fifth. So the earliest life turn is about 4 years, 5 years.

In 1981, we saw a tremendous tax reversal and where, in the Reagan administration, the concept of Reaganomics, supply-side economics, said that basically we can hold what we committed when we ran for office. When Mr. Reagan ran for office, he said, "I will balance the budget. I will increase expenditures for military and defense. And I will cut taxes." So he cut taxes, balanced the budget, and spent more for defense.

Now I argued at that time to myself, I did not see how one could do that. I did not see how one could cut revenues on the one hand, spend more money for the defense on the other hand, and balance the budget.

Well, Mr. Reagan was right in two instances. The two instances were an act of this body can, in fact, cut taxes, and they did in 1981, almost \$900 billion.

Mr. DICKEY. Mr. Speaker, was that with the help of the gentleman from Pennsylvania (Mr. KANJORSKI)?

Mr. KANJORSKI. No, Mr. Speaker. Fortunately, I was not here. But our predecessors were here. I have to say that that tax cut probably was not passed only by the Republican majority, because, as the gentleman from Arkansas knows, in the House, as a Representative, there are a lot of people pressing us for tax cuts. So it becomes a very popular political thing to do. Oh, let us get on the bandwagon.

As a matter of fact, some of my friends that talk about that occasion call it the Christmas tree. Everybody had something to add on and give a gift to somebody back home or some industry or some group of people they were interested in.

Anyway, what they did is they made this tremendous commitment to cut taxes and then, and I think rightly so, although I was not in favor of it at the time, I will quite frankly tell my colleagues that they did make an increase in the expenditures for defense. It was sizable; over the course of that decade, probably a trillion dollars for defense.

Now, looking back with the hindsight and the ability to see what happened in 1989 and 1991, the Wall falling and the destruction of the Soviet Union as we knew it for 50 years of our lives, we could say, well, that was the expenditure, a greater defense expenditure to win the "Third World War" without fighting it. Because, in fact, we forced in a poker game, if you will, the Soviet Union to try and match the American capacity to spend for defense.

They were great accomplishments. Fine. We brought the Soviet Union to dissolve into new states. Hopefully, over a period of time becoming more democratic and making the world more stable. We had a military that was fully equipped to handle the needs and protect the interest of America and, indeed, the free world; and it was accomplished.

But in that price, it did not only cost us that trillion dollars for defense expenditures, it cost us an increase from 1980, when Mr. Reagan became President, of a debt of the United States, not a deficit, a debt of \$800 billion to, at the end of his administration, it was about \$3.5 trillion. It was a \$2.7 trillion increase in the debt of the United States in that period of time.

Mr. DICKEY. Mr. Speaker, reclaiming my time, is the gentleman from Pennsylvania attributing that to the fact that there was tax relief given?

Mr. KANJORSKI. Mr. Speaker, clearly, we cut revenues, and we spent more money, and we ended up in debt. What we did is we financed America, as opposed to financing it by revenues and tax revenues, we financed it by going into debt. I mean one can justify that. And we probably can do that in the future to some extent. But the question is how far do we want to go into debt long-term in the United States, and who does it benefit, that debt, and who does it really hurt? I think we should talk about that debate.

But let me set, if I can, the standard. So we went through this, that administration, and then we came into the Bush administration. Just prior to the Bush administration, the second tax bill was passed. In a way, I did not support that tax bill in the House, but I voted for it finally when it came out of conference, and I did it really for a simple reason.

It was Bill Bradley who was the United States Senator at the time, and his argument was, I thought truthfully correct, that we should try and make our tax policy reflective of the free market, to free up decision making by



corporations and individuals of where they make their investments and where they put their money, not based on tax avoidance that is a policy set by the legislators of tax policy, but that supply and demand of capital and funds be freed up to operate in the marketplace.

That is one of the reasons we did away with the difference between capital gains and earnings. They were taxed at the same rate. That was the first time that occurred probably in 50 or 70 years in tax policy in the country. It was good policy.

Our problem is the Christmas tree in 1986 when we brought the levels of tax rates down, even Mr. Reagan had advised to come down no lower than 35 percent on the top bracket, no, the Christmas tree makers in the House and the Senate were not happy. They brought it down to 28 percent and 14 percent on the low side.

Mr. DICKEY. Mr. Speaker, reclaiming my time, the gentleman from Pennsylvania hit this thing twice. The Reagan tax relief bill brought supposedly 19 to 20 million jobs into the economy that did not exist before. Is it possible that the fact that the spending kept going up is the reason why we had the deficit and not the tax relief? In other words, is it true, is it not a possibility that the tax relief actually played toward reducing the debt by employing more people, increasing the number of taxpayers, and bringing in more revenues in that fashion?

Mr. KANJORSKI. Mr. Speaker, that argument applies to the present day. There is not any doubt in any mind, we are at \$5.5 trillion, if we want to become greater spenders, I think the economic theory indicates that we can spend ourselves into higher revenues and greater job creation. It is just we are going to end up with a much higher debt. That is really the issue I am much interested in. Where do we want to stop, or what do we want to do with this accumulated debt?

See, in my mind, I can certainly justify debt in fighting a war. I would not care, if America were in world war, if we have to double or triple the debt; and, oftentimes, that is when debt did occur that way.

Mr. DICKEY. Even taking Social Security surpluses or Social Security income?

Mr. KANJORSKI. Absolutely.

Mr. DICKEY. Okay.

Mr. KANJORSKI. If we want to have to go to war to defend this country, we have a win-lose situation. If we lose, we do not have a Constitution, we do not have Social Security, we do not have America.

Mr. DICKEY. Mr. Speaker, I can go along with that.

Mr. KANJORSKI. So that type of risk of that nature, that justifies almost any fiscal policy.

Mr. DICKEY. Mr. Speaker, before we really get into some of these other

things, it is clearly a situation where the gentleman from Pennsylvania believes that we ought to keep the taxes where they are, we ought to have more control in the Federal Government. I want less taxes and less control in the Federal Government. Is that not a fair statement?

Mr. KANJORSKI. No, not quite, but close, Mr. Speaker. Close. Here is what I want.

Mr. DICKEY. Mr. Speaker, I ask the gentleman from Pennsylvania to characterize what he thinks I want and what he wants and see if we can get the differences set out.

Mr. KANJORSKI. Mr. Speaker, I think the gentleman from Arkansas wants to try and give back to the American people what he may perceive as excess funds coming from them. I think that the gentleman somewhat has lost faith in the political system, both the Congress and the Presidency, or even the enlightenment of the American people; that if this money, all the surplus money practically that will come in or is projected to come in over 10 years, if it is not returned, it will be improperly spent.

I think I look at it as two things. I think it is the first time in my lifetime that we have an opportunity of reversing this tremendous trend of increasing the national debt of the United States, and, in fact, we can start paying it off. I think that is fiscally responsible and that is the fiscal conservatives' position.

Now, that is not to say that, at some point, we should not examine a tax cut because, certainly, if we knew the excesses of revenues were so great that we could pay the debt off in a couple of years, that would be great. But we all know that \$5.5 trillion is not going to be paid off in a couple of years. Even the President's most optimistic view is that he could retire the public debt of \$3.6 trillion in 15 years. But that again is assuming all these assumptions work out.

I have been around the House long enough to know, every time I hear my friends on either side of the aisle, including my fellow colleagues on this side of the aisle, when they start making an argument based on all of these assumptions, seldom do these assumptions work out. I would like to err on the side of conservatism, fiscal responsibility.

I think two things, too, on the side of the gentleman from Arkansas. Last year, I voted against what I thought was an irresponsible resolution, although proposed by a very good friend of mine, and I really like the gentleman from Oklahoma (Mr. LARGENT). The gentleman from Oklahoma said, let us pass the resolution to do away with the income tax code by the year 2001.

I checked the other day. That was in June of 1998. Some 219 of my fellow Re-

publican colleagues voted yes, and about 208 of my Democratic colleagues voted no, and it passed.

The whole theory, if we go back to that argument that the gentleman from Oklahoma (Mr. LARGENT) and those proponents made that day was that this gigantic out-of-control tax code has got to be finally shot and put to rest, given a decent burial. The only way to do that is pass a resolution that, on a certain date and a certain time, it is dead. It is repealed.

Some of us argued that is awfully nice to say that, but if we do not have something to replace it, it is really injurious to the decision makers and business and in our communities and in our families of what are their obligations going to be 3 and 5 years from now.

The whole purpose of passing a tax statute rather than year to year is to give people the benefit to project their needs and how they can respond to the obligations that they may have from the government.

Mr. DICKEY. Mr. Speaker, what I see in this body, and I have only been here 7 years, is that we do not do a whole lot until the end of the day, we do not do a whole lot until the end of the week, and we do not do a whole lot until the end of the term.

Now, I am defending my vote to say that we are going to terminate the tax code at a certain date because that is how we operate. We are not going to operate without a deadline, and we probably will not do it until 6 months or a year until that deadline comes up.

Now, of course, it did not pass. The law did not pass the Senate. It had not been signed into law, so those people listening do not have to worry about it. But I am just saying those of us who are so concerned with the spending and the fact that, if we let up at all, we are going to continue to spend, and the Internal Revenue Code and Internal Revenue Service is one way that we spend.

Mr. KANJORSKI. Mr. Speaker, let me try and respond to the gentleman from Arkansas. I think two problems are at fault there, two fundamental errors. One, why do we want to get rid of the tax code? Because it is so lengthy, so complicated. Most Americans are so fed up with the time they have to expend preparing their taxes and business people preparing taxes and the expense of preparing taxes that they wanted to simplify it. Yet, just the other day when we voted the tax cut, we added 560 new pages to the tax code. We made it far more complicated. That will spurn about, oh, another 10,000 pages of IRS regulations to implement our changes in the law. Why did we do that if we were serious about changing it?

Mr. DICKEY. Because we are trying to stimulate the economy, Mr. Speaker.

Mr. KANJORSKI. Mr. Speaker, I could agree with that.

Mr. DICKEY. Mr. Speaker, what we have is we have a structure called the IRS, which is horrible. It favors the rich. It favors the people who have got enough lobbying strength to make exceptions. The poor working stiff is out here, who does not have the shelters, has to pay a lot more than the rich people.

Mr. KANJORSKI. Mr. Speaker, I believe the gentleman from Arkansas agrees with that. But then if we look at the tax code we just passed, two-thirds of the benefits go to the upper 9 percent, and a third of the benefits go to the richest 1 percent of our population. So that certainly is not taking care of the 91 percent that only got a third of the tax benefits.

□ 2115

But let me give the second problem.

Mr. DICKEY. I do not agree with what the gentleman just said, by the way, but go ahead.

Mr. KANJORSKI. By passing the tax code right now, and by taking this supposed, assumed, money that may come in, the gentleman has now limited the funds that would be necessary to make intelligent new tax policy. Because if we want to make a simplified tax policy, we will not be able to project what revenues will come in from that tax policy for several years. Now, if we had a surplus, we could take that risk at that time.

Further, we know that Medicare and Social Security do need adjustment, do need support. Why should we not take this surplus and make sure that Social Security and Medicare are secure 25, 30, 40, 50 years from now?

Mr. DICKEY. What does the lockbox do? The lockbox theory says we will not touch the money from Social Security and Medicare. We are going to protect it.

Mr. KANJORSKI. Matter of fact, let me talk about the lockbox.

Mr. DICKEY. Did the gentleman vote for the bill?

Mr. KANJORSKI. No.

Mr. DICKEY. So what the gentleman said was let us keep Social Security available for spending like we have had before?

I do not want to be argumentative about it, but that is the way the gentleman's vote could be interpreted; is that not correct? Is that not a fair interpretation?

Mr. KANJORSKI. What we are doing now is taking all of the surplus from Social Security, but it is a little amount, from beyond Social Security, and we are actually doling it out by reducing taxes over assumptions that cannot be correct over 10 years.

Mr. DICKEY. Reducing what taxes, now, income taxes or FICA, Social Security?

Mr. KANJORSKI. Corporate taxes. All kinds of taxes. Not Social Security.

Mr. DICKEY. Let me ask the gentleman this question. Those people who

want to tax, those people who say on August 7 of 1993, or whenever it was, voted for the largest tax increase that this Nation has ever had, also want to keep Social Security available for spending. Is that a fair corollary; or is that a corollary with the gentleman?

Mr. KANJORSKI. No. And I appreciate that the gentleman could have heard that assertion made sufficiently long enough by some people that are trying to sell a political agenda, but it is really not correct.

Mr. DICKEY. Those two things exist with the gentleman, do they not?

Mr. KANJORSKI. There were two fundamental things that happened. In the Reaganomics of the 1981 tax cut and the 1986 tax cut, we never got to balance the budget. The Presidents, both Reagan and Bush, never sent to the Congress a balanced budget.

Mr. DICKEY. I understand that.

Mr. KANJORSKI. Every year it was out of balance. So they just recognized the right to live in deficits.

Mr. DICKEY. They spent more.

Mr. KANJORSKI. Spent more than was coming in; therefore, we were building up the debt in the United States.

Now, there were two heroic acts, two heroic acts, one performed by a Republican president and one performed by a Democratic president. And I may not have ever said this to the gentleman before, but I was here in 1991, and I remember when President George Bush met with the leadership of the House and the Senate and tried to get our fiscal House in order in 1991; and they brought back a proposal that I voted against and which did not carry in this House, a budget proposal.

They brought it back a second time. I voted against it, and it failed in this House. And then they called a group and said what is it going to take to pass a budget? And I quite frankly said we are going to start cutting this deficit and, therefore, the debt of the United States.

Mr. DICKEY. Let me ask the gentleman this question. Does the gentleman think we can cut deficits better by cutting spending or increasing taxes? What is the gentleman's opinion?

Mr. KANJORSKI. Cut deficits?

Mr. DICKEY. Does the gentleman think we can cut deficits better by increasing taxes or by cutting spending? Which is better, if the gentleman has to make a choice between the two?

Mr. KANJORSKI. Well, it depends where the taxes are going to come from and what amount they are and who we are taking it from.

Mr. DICKEY. Well, was it better that we increased taxes back under George Bush or cut spending? Which was the better circumstance?

Mr. KANJORSKI. Very clearly, because we were already in deficit, how could we not increase taxes? And we

were already cutting spending. That was the beginning.

Mr. DICKEY. Spending was going up every year. Spending went up every year.

Mr. KANJORSKI. That is absolutely true. The budget of the United States has gone up every year. The population of the United States has grown every year. And every year from now until America becomes less than 50 states or has a decrease in population as a result of a catastrophe our government will grow. We will always have more Americans year to year.

This whole argument of people saying, oh, they are spending more this year than they did last year. Of course we are, because this year we have 8 million more Americans.

Mr. DICKEY. I just happened to think, and of course I wanted to get into this discussion, and I wanted someone who might be watching and listening to us to see if there is a difference. Those things that the gentleman is talking about, the historical things, what I think is that if we stop spending, we do a better job of cutting the deficit than by increasing taxes.

I think if we increase taxes, we are decreasing the chances of reducing the deficit. That is from a businessman's standpoint. I am a businessman. I have had to meet payroll, I have had to borrow money, I have had to pay interest, I have had to control inventory, I have had to pay insurance premiums and pay taxes. I have had to balance all of that and then across the counter still please the customer. And from that standpoint I am saying this, that I believe that cutting spending is 10 times better than increasing taxes if the goal is to cut the deficit.

Mr. KANJORSKI. My answer to that is, depending on what spending we are going to cut and depending on whose taxes and why we are going to increase them.

I will give the gentleman an example. Today, people that have lived in this country with the existing market that has doubled or tripled their net worth in the last 6 years, even though they pay 1 percent more in taxes than they did 6 years ago, I doubt there is anyone who would trade their net worth in today, if they are in the upper 5 percent income bracket in this country. They will certainly not do that.

Mr. DICKEY. If they are in the stock market, I agree.

Mr. KANJORSKI. Not only the stock market. Compare it to salaries. I heard Senator HARKIN talk today about the last 20 years. If we took executive salaries, CEO salaries in the United States and the minimum wage, and we tracked them to give the minimum wage increase the same percentage as the corporate executive increase was, the minimum wage today would be \$40 an hour.

And, obviously, I am not saying that is bad. That is a business decision.

That is the people who own the stock and control these corporations, and these are people that help create great wealth in this country. So I am not opposed to that.

But let me go back to spending. If the gentleman makes the argument that all spending is the same spending, I do not agree with him, and that all spending costs money and could drive us into debt, I do not agree. There is intelligent spending and stupid spending, quite frankly. Intelligent spending, and I will give the gentleman an example, the GI Bill of Rights. When that was instituted by this Congress in 1945, it was a novel new idea that all these young American men and women that were going to be returning from all over the world into the private sector were going to be upskilled and uptrained and educated. It cost a great deal of money in the first 4 and 5 years of the GI Bill of Rights. But where is America today as a result of that expenditure? That trained, educated, skilled work force developed the computer, developed space industry.

Mr. DICKEY. Just for the sake of time, there is actually plenty of things that we agree on that spending is perfect for, like the highways and the judicial system and the military. My gosh, the gentleman and I will not argue about that. But what I am saying is just cutting spending. I am not talking about which spending we cut. If we reduce cost, and I think this administration has done that, if we reduce cost in certain ways, we reduce the number of employees and those things, that has a greater impact.

Mr. KANJORSKI. And we have.

Mr. DICKEY. Let me finish. That has a greater impact than increasing taxes. Now, the same thing, if we cut spending and reduce taxes, then we have a double benefit.

Mr. KANJORSKI. Absolutely. There is no question about that.

Mr. DICKEY. Does the gentleman have confidence that we can continue to cut spending? Has the gentleman felt the pain of our cutting spending in this House?

Mr. KANJORSKI. What I guess I am arguing is a simple proposition: the gentleman is an average American family, and the gentleman is making \$400 a week and the gentleman has debt of \$10,000, credit card debt, auto debt, whatever, and suddenly the gentleman's employer asks him to work 50 percent more hours a week, instead of 40 hours a week can the gentleman work 60 hours a week and be paid the same amount or double time. The gentleman has an opportunity to make \$200 a week or \$400 a week more than the gentleman ever had.

Now, the gentleman does not know how long that is going to last, but right now the gentleman can say, gee, it is going to last for a month or so because my employer really needs this

work done because he has sales to meet. Now, the gentleman meets around the kitchen table or the dining table on Sunday with the family and the gentleman says, I think I am going to have 20 weeks of this 50 percent more time, so, therefore, I am going to make either \$200 more a week for 20 weeks, which is \$4,000 or \$400 more a week for 20 weeks, which is \$8,000. We are going to have \$4,000 or \$8,000 more to spend in this family in the next 10 weeks.

Now, who in their right mind would say, okay, Daddy, let us go on an around-the-world vacation? No, an intelligent mother and father would say, oh no, we are going to take some of that money and pay down our credit cards, or pay off the car, or take some of it and put it in the bank for education for the kids' future.

There is no real difference here. What we are arguing about or differing on is we are just like that family. For the last 40 years, 30 years, since 1969, we have been increasing our debt every year, and particularly in the last, oh, about the last 20 years, since 1980 it has been exponential in its explosion. Now, I can justify why we did it, but now we are in prosperous times. Our unemployment rate is 4.2 percent. Most people cannot even believe it could get down to that level but certainly cannot see it falling much below that.

Mr. DICKEY. So the gentleman is saying we should spend more now?

Mr. KANJORSKI. No, I am saying we should start paying off that debt.

Mr. DICKEY. Are we not doing that?

Mr. KANJORSKI. No.

Mr. DICKEY. Of course we are. Fifty-one billion dollars was paid off on the national debt, we are talking about non-Social Security debt, in 1998, and \$122 billion is projected for this year.

Mr. KANJORSKI. That is right.

Mr. DICKEY. Now, we are 7 months in it, and the gentleman may say, well, the projections will not work. The gentleman probably did not believe in 1998 that we would be paying off \$51 billion in the national debt.

Mr. KANJORSKI. I absolutely believed it.

Mr. DICKEY. So interest rates are going down. This tax package, that I voted for and the gentleman voted against, says that we will not have the tax decreases unless the interest on the national debt goes down every year.

Mr. KANJORSKI. No, no.

Mr. DICKEY. Every year. It will extend it one more year for 10 years.

Mr. KANJORSKI. It is really a false claim. If the interest rate jumps up to 10 percent from the 5.6 percent it is at now, that immediate next year—

Mr. DICKEY. Not interest rates, the interest payments.

Mr. KANJORSKI. The interest payments.

Mr. DICKEY. The interest payments on the national debt, if they do not go

down, the tax reductions do not take place. Does that take care of the debt problem?

Mr. KANJORSKI. No, because the gentleman is talking about interest, not the size of the debt. The interest payments are depending on what the interest rate of that year is. I can grow the debt and have lower interest rates.

Mr. DICKEY. But does not the lack of dollars that the gentleman pays in interest free up more dollars for paying the national debt off?

Mr. KANJORSKI. No, not unless the gentleman has the money to pay the debt off. Right now we are not going to have that. We are, quote, taking \$1 trillion over the next 10 years, if all assumptions are right, that would have gone to the debt. And instead of letting it go to the debt, we are sending it back to the American people. But that means that an interest rate on the Federal debt, assume it is 6 percent because that is where it is about, that means \$60 billion every year more will have to be paid ad infinitum until that is reduced.

Mr. DICKEY. It is \$358 billion that is projected for next year in interest on the debt, just to get a figure.

Mr. KANJORSKI. What I am saying is, why can the gentleman not join me and say, look, we are working extra time, our economy is as prosperous as it can be, let us form a policy to get rid of this debt while we can? We cannot pay the debt off when the economy is in recession or depression. If we do not pay it off when we are in prosperity, where is the fiscal hope of ever paying it off?

Mr. DICKEY. Here is the answer to the question. In 1961, President Kennedy had a reduction in the capital gains taxes and tax revenues went up. In 1996, we had a reduction in capital gains, tax revenues went up.

Mr. KANJORSKI. Absolutely.

Mr. DICKEY. It does not necessarily always happen. The gentleman and I have discussed this before.

□ 2130

But it is a possibility that the tax reductions are going to increase the amount of revenue.

Mr. KANJORSKI. Absolutely. I tell you right now, if you reduce the capital gains tax in 1999, you will have more revenue in 2000. Why? Because everybody that has had their stock go up 100 percent or 200 percent in the last 4 years, they are not going to be stupid. They are going to sell and pay less taxes than they would this year and take a benefit, so you are going to get that up-front tax revenue.

Mr. DICKEY. I want to talk about one other thing. Let us talk about the estate tax now. In this provision, and I know you agree with some of these things, but in this provision of estate taxes in the bill that we just passed, it provides that there is going to be reduction of the estate tax over a period of time to zero.

Now, I want to see if you agree with this. After someone pays the Federal income tax and after they pay capital gains tax if they had capital gains, after they pay tax on savings on their dividends and after they pay excise taxes, fuel taxes, income taxes and State taxes and then sales taxes and all other taxes that I have not named and someone is left with something after all of that, is it good that we tax that that has been accumulated or saved from all of that effort at the rate of 37 to 55 percent at someone's death?

Mr. KANJORSKI. No and yes. Like all things, there are not simple answers. I wish there were.

Mr. DICKEY. Are you in favor of reducing the estate tax?

Mr. KANJORSKI. I think the estate tax certainly should be adjusted for small businesspeople, for farmers and for people that are in net worths of even a couple of million dollars.

But let me ask you this. Assume that an individual has a net worth of \$100 billion and assume that person has a life expectancy of 45 years, and if there is no estate or income tax, what do you think that person's accumulation of wealth will be and the next generation of that wealth in perpetuity?

What am I suggesting? If you apply that formula to just Bill Gates, and I hate to cite Mr. Gates because he has made a great contribution to America, but I am sure he is already thinking that because he has indicated that he does not want to keep that in a family. But if you did apply it, probably by his 75th or 80th birthday, he will have a net worth value, at just growth of 10 percent a year, of \$2 trillion.

Mr. DICKEY. What is your question?

Mr. KANJORSKI. Without an estate tax, that growth will constantly compound ad infinitum. So that if you carried that to the extreme, you get to the Benjamin Franklin example, that all the money in the world would be owned by one person.

Mr. DICKEY. That person has to die for this thing to work. For this estate tax to apply, Bill Gates has to pass on.

Mr. KANJORSKI. No, no, no. Because his children are not going to have an estate tax.

Mr. DICKEY. We do not know about the children.

Mr. KANJORSKI. My argument is, I do not know how they would do, but I think that is open to a very strong argument.

Mr. DICKEY. What you are saying is you just want to stop the accumulation of wealth no matter how hard you work, nor how much talent you have or how much you contributed to the society?

Mr. KANJORSKI. It all depends. If we want economic kings or czars in the world.

Mr. DICKEY. I do not think that is going to happen. Let me give you an example.

A young man, younger than I am, younger than we are, came to this city and told the story of what it was like in a small town in my district where he owns a bank, he owns three banks, his family does, a car dealership and some timberlands. When his grandmother dies, he is going to have to borrow money and pay \$20,000 a month to pay the death taxes that are going to be on her estate. Now, when his dad dies, her son, it is going to be more than that, because hers will come into his and then it comes down.

Now, here is what will happen to them. This may be something where you are in favor of. They will have to sell. They cannot expand, first of all. If they cannot meet the debt payment, they are going to have to sell off their interest. Is that what you say is the benefit of the estate taxes? Or are we stifling growth, reinvestment and further employment by doing this and forcing these people to pay \$20,000 a month to the Federal Government for 10 years?

Mr. KANJORSKI. I understand what you are saying. That is a very tough event, but I would say there are probably 5 or 6 million Americans listening to us, all of which would not mind inheriting three banks, an auto dealership and timberland and most Americans do not have that when they pass on. They generally pass a mortgage on the house and debt on.

Mr. DICKEY. But they are going to have to buy it back from the government.

Mr. KANJORSKI. If we intelligently debate this as we are doing tonight, there is a solution to that problem. Part of the problem of estate taxes, which I agree with, we should find a way of taking artificial inflation out of an inheritance tax. There is no reason to penalize someone who has owned a piece of property for 40 or 50 years and a portion of its present value is represented by inflation and not real growth.

Mr. DICKEY. You are talking about indexing now?

Mr. KANJORSKI. Sure. We can index that. Secondly, we can certainly raise the exemption a great deal so that the hundreds of thousands of Americans that have become millionaires in the last 6 years under the Clinton administration do not lose what they have earned over those years. I can understand that. We want to encourage people to contribute and to make wealth, but what we do not want to do, it seems to me, and I would like to argue this point, I think we have to find a mechanism that one great man can come along in a family and then for the next 200 years of his survivors, contributing nothing, can end up being the wealthiest people in the world. I do not think we want to do that.

I heard another figure today that impressed me and why we have to think

about this. It is not pressing today that we think about it, but as Americans, to have public policy. The wealth of three Americans, three of our wealthiest Americans today, are greater than 600 million people living in the world today. Three people have the accumulated wealth of 600 million.

Mr. DICKEY. I have seen that.

Mr. KANJORSKI. How is this country going to imbue its free market system and its democratic government around the world if people think there is no way that we have equality? That is not to say we should confiscate this wealth.

Mr. DICKEY. I think where you and I differ on this—

Mr. KANJORSKI. You and I are lawyers. You know the rule against perpetuities. What is the rule against perpetuity?

Mr. DICKEY. You cannot keep passing it on from generation to generation to generation.

Mr. KANJORSKI. You are claiming by inheritance to do away with the rule on perpetuity in families. If you cannot do it in a trust estate.

Mr. DICKEY. You can do it with intent, though. You can bypass the rule against perpetuities. You can exempt it from applying. It can happen. But vesting is what is so very important in that. I am sure this does not mean anything to anybody.

Mr. KANJORSKI. We know that Benjamin Franklin put an accumulation, I do not know whether it was \$100—

Mr. DICKEY. Excuse me. We are talking about two different things. I think I am listening to you from the standpoint of what you want to do is just share the wealth.

Mr. KANJORSKI. No.

Mr. DICKEY. What I want to do is try to protect the economy. The estate tax is harming the economy.

The estate tax is harming the economy. Do you agree with that?

Mr. KANJORSKI. The estate tax?

Mr. DICKEY. The death taxes are harming the economy. In my situation, this family knows what is needed for those three banks in small town Arkansas. They know what the dealerships can do and what they cannot do. If they have to sell to someone, say, from Omaha, Nebraska, who comes in there, we will not have the same productivity. We will not have the same progress.

Mr. KANJORSKI. All the adjustment necessary can be made there and should be made there after an extended debate, that we think about why we have inheritance tax policy affecting the very largest accumulation of wealth down to the very minor accumulation of wealth. Certainly I agree with you.

Mr. DICKEY. We agree on that. Lead me into this other area. We are using the death tax to share the wealth. How does that help our country?

Mr. KANJORSKI. No, we are not. I certainly do not want to use the death tax to share the wealth. What I am disturbed about is those people who without some way of either encouraging them to be philanthropic with their assets or taxing them, we go on in perpetuity accumulating wealth like a vacuum cleaner.

Mr. DICKEY. What happens, though, in the estate plans, and you and I have seen them, where to avoid estate taxes, all of these things go into charitable trusts or charitable institutions so that there is no tax.

Mr. KANJORSKI. And that is very serving to the economy, to have this type of philanthropic activity.

Mr. DICKEY. You say it is serving the economy?

Mr. KANJORSKI. Sure.

Mr. DICKEY. It is hurting our ability to pay off the national debt.

Mr. KANJORSKI. No.

Mr. DICKEY. So taxes are not needed to pay off the national debt? What we are doing with the death tax, we are driving those assets into tax-exempt entities.

Mr. KANJORSKI. Let me ask you a question. Would you agree that the economy of 1999 is probably the best economy that you have ever lived in in your lifetime?

Mr. DICKEY. I think historically it is, do you not?

Mr. KANJORSKI. I agree.

Mr. DICKEY. I claim credit for it.

Mr. KANJORSKI. Would you join me in the wish that we could perpetuate this economy as many more months or years as possible because it is increasing wealth for everyone in our system?

Mr. DICKEY. Yes, sir. I think to do that we need to reduce taxes.

Mr. KANJORSKI. That is where we differ. I want to get to that point. Right now we are at the top level of our production of commodities, of materials. We are at about 90 to 92 percent of absolute capacity to produce. That is about the highest level we have been in in our lifetimes. There is not much productive capacity left in our economy.

Mr. DICKEY. That is what they have been saying for the last 2 years.

Mr. KANJORSKI. We are down to 4.2 percent and right now if you go to some employers or some workshops, you find the level of performance of employees has fallen because we are tapping the very minimally trained people in our force, which is very healthy, but sometimes services and activities fall as a result of that because we are getting people in the workforce that never worked before. That means we are at maximum capacity of production and we are at maximum employment. Now, what a tax cut does—

Mr. DICKEY. Wait a minute. There is an exception to that. That is, our tax in relationship to the gross domestic

product is the highest that it has been since 1946. It is 20.1 percent. Does that relate to your discussion?

Mr. KANJORSKI. No, it is always going to do that as long as we keep running deficits, as we have run deficits. Next year if the deficit does not go down and it goes up, you are going to need more interest for the debt. It will keep going up. Every \$100 billion, you are going to need \$6 billion more, every year ad infinitum.

Let me give you an example what we are all worried about. I join guys like Alan Greenspan. I cannot say he favors or believes in everything I believe, but we do agree on one point. He says this is not the time to cut taxes. This is the time to pay off the debt.

Mr. DICKEY. When is the time to cut taxes from your standpoint?

Mr. KANJORSKI. From my standpoint clearly not until we reduce the increase in debt back to the Reagan years. I would like to go to zero.

Mr. DICKEY. How can you go to zero faster by taxing?

Mr. KANJORSKI. Because that money is a revenue in and it buys bonds.

Mr. DICKEY. But you just got through saying it is perfectly reasonable to expect that by reducing the taxes we will increase revenues.

Mr. KANJORSKI. No. Artificially for a year in capital gain, you will get more capital gains revenue in because it will exacerbate the market.

Mr. DICKEY. I see what you are saying. I did not understand your position. I disagree with it.

Mr. KANJORSKI. Your problem is and what Mr. Greenspan argued to us the other day in his appearance on the Humphrey-Hawkins report, is that at some point when this economy starts turning down, you are going to have to provide a mechanism to encourage it to return from recession to recovery. That is when you cut taxes. So we may have to go into deficit spending when that happens. But why would you spend and put more money out for consumption when we cannot create any more product and we do not have any more people to employ?

So what we are all worried about is through this type of fiscal policy, you are going to have more money chasing the same amount of goods and the same amount of people that are available and start to exacerbate inflation. We have a tremendous impact on fiscal policy in the policy of taxation. But we have an independent body downtown called the Federal Reserve, and they control the monetary policy of this country.

Basically Mr. Greenspan says that if you shove more money out there to buy more goods and there are not those more goods, the price of those goods are going to go up and the cost of that labor that is limited is going to go up, you are going to cause inflation and we

are going to have to raise the interest rate to counter, with monetary policy, that inflation. Let us look at what that does.

Mr. DICKEY. That stops the tax decreases from going into effect if that happens. We have got the mechanism to control that.

Mr. KANJORSKI. The mechanism on taxes, first of all, only apply to the change of the rate on personal income tax, not to the estate tax, not to any of the others. They are set. Once they are passed they are set. But also every time the Federal Reserve would increase interest rates by 1 percent, it costs the American government \$55 to \$60 billion. Every 1 percent. To see interest rates go up to 8 or 9 percent, as has happened many times in your lifetime and mine, if that were to occur—

Mr. DICKEY. Not with balanced budgets though, I do not think.

Mr. KANJORSKI. We have not lived in too many balanced budgets.

Mr. DICKEY. That is what I am saying. 1969 was the last balanced budget.

Mr. KANJORSKI. If we enact this tax code, most of us, and I think when I say most of us, most of the economists agree, we will be out of a balanced budget in a very short period of time.

□ 2145

Mr. DICKEY. Okay, let me ask my colleague this; let me change the subject a second.

Marriage tax penalties; we right now are encouraging people not to live together if they love each other but not to get married. We are also, in this code, encouraging school bond construction by being more favorable on the taxes in that area.

Does the gentleman agree that tax reductions should solve other problems like trying to encourage people to get married and also by bond construction for schools and so that the local authorities can build more schools?

Mr. KANJORSKI. I just spent 6 days a week ago traveling across America with the President, and I went to Hazard, Kentucky; I went to the delta of Mississippi; I went to East St. Louis in Illinois; I went to the Indian tribes of South Dakota; the hispanic community of Phoenix, Arizona; and to Watts in Los Angeles. And I went there trying to find out what policy the government could pursue to help these people, and I came away with a lot of observations.

One observation is regardless of how many people tell us that this economy has helped all people, it has not. This economy has been very helpful to the upper 5, 10, 15, 20 percent of the American population. We are part of that population.

Mr. DICKEY. Of course that employment now, unemployment is at an all-time low for an all-time period of time.

Now I do not understand what the gentleman is saying now.

Mr. KANJORSKI. Well, to some of those people, they are living in poverty

level even though they are working poor. They are working poor.

Mr. DICKEY. Well, we are doing that to the military. I know we are doing that to the military.

Mr. KANJORSKI. Yes.

Mr. DICKEY. The military is existing on housing and food stamps in some instances.

Mr. KANJORSKI. The Indian tribes of South Dakota, 75 percent unemployment. The unemployment rate in the delta of Mississippi was twice the national rate. But the explanation given by a lot of the officials, I think, I believe is the education level in the State of Missouri is 50 out of 50 States. And they said that is what we need before we can get people hired.

Mr. DICKEY. Did the gentleman say Missouri or Mississippi?

Mr. KANJORSKI. Mississippi.

Mr. DICKEY. Okay.

Mr. KANJORSKI. In order to attract new businesses in there they need a trained work force and an up-scale work force, and we have got to have the capacity to do that.

What I came away realizing is, one, all people are not benefiting from this prosperity; two, there are distressed areas in this country that need help; and, three, where we agree:

We can use, sometimes, tax policy to encourage where money goes, and I would much rather see capital investment in the private market made in these distressed markets where the government has anything to do with the decision-making and is not part of it.

Let us utilize the great magic of the free market. It is a tremendous tool.

Mr. DICKEY. Well, cannot we do that? I mean does the gentleman agree that tax credits and tax incentives are helpful?

Mr. KANJORSKI. Absolutely, if they are proper. But they are not proper if we have favorite special interest groups that come down here.

Mr. DICKEY. Well, what about education savings accounts where one can put in not \$500 but \$2,000 a year?

Mr. KANJORSKI. Absolutely. If we can afford to do that properly, there is no question, and I think that type, I think that is where it is going, to the right place.

Mr. DICKEY. Well, that is what is in this bill.

Mr. KANJORSKI. Sure, we know there are those little segments in the bill. But our problem is look at what we reduce, the corporate tax rate, the individual tax rate at the highest level to 1 percent. Let us look at what we did to the special interest groups. But we do not want to argue this bill.

Look, we are never, as we know.

Mr. DICKEY. The gentleman is right about that. That is correct, that is correct.

Mr. KANJORSKI. As we know, no two Members in this House will ever

agree 100 percent with what is in a spending bill or what is in a tax bill. This is the House that comes to order with compromise, and we have to accept things we do not disagree with.

Mr. DICKEY. There are a lot of people in my district who I talk to and who support me, are saying the things that the gentleman is saying, not in the depth that the gentleman is saying, but they are saying not now, maybe later.

I do find that the people who say, give the economy the augment like we want it or a little bit more fervent than the people who say we just do not feel right about it.

But that is why I am listening to what the gentleman is saying.

Mr. KANJORSKI. I think our risk is I do not know how low the unemployment rate could go, but it is as low now it has ever been in my lifetime. I always used to think 5 percent was full employment. As a matter of fact, I think Humphrey Hawkins said 6 percent is full employment, matter of Federal statute. Well, 1.8 percent under that.

I always felt that I never expected us to have what I think is a Clinton recovery of 1993 built on the Bush sensible tax increase of 1991.

Mr. DICKEY. Now, wait a minute. The gentleman thinks both of those tax increases have brought us low inflation, lowest unemployment, low interest rates and higher productivity.

Mr. KANJORSKI. Yes.

I am going to join the gentleman some day in sponsoring a statue to George Bush because he did have, he gave up his Presidency to do the right thing.

Mr. DICKEY. Why does the gentleman think he gave up his presidency?

Mr. KANJORSKI. Well, he knew that he made the promise no new taxes.

Mr. DICKEY. Because American people do not like tax increases.

Mr. KANJORSKI. Look, we started out this discussion knowing. I do not know of a Member of Congress who likes to vote to increase taxes. They will always vote to cut them. It is not hard to get numbers to cut. I do not think any American likes to pay taxes unless they think it is absolutely necessary or could be used for a good purpose.

I think the gentleman is hearing out there from his constituents, the same thing that I am hearing. We do not want wasteful spending, and I agree with that. But we want measured, intelligent spending, and we want to pay down the debt.

Mr. DICKEY. Let me tell my colleagues this:

I have enjoyed discussing this with my colleague who has not smiled a whole lot. I have been trying to smile over here, but it has not been coming across. We must continue this sometime. Thank you so much.

Mr. KANJORSKI. I think it helps us all.

#### NO FAVORED NATION TRADE AGREEMENT FOR CHINA UNTIL CERTAIN PROMISES ARE KEPT

The SPEAKER pro tempore (Mr. SHERWOOD). Under the Speaker's announced policy of January 6, 1999, the gentleman from Ohio (Mr. BROWN) is recognized for 60 minutes as the designee of the minority leader.

Mr. BROWN of Ohio. Mr. Speaker, 10 years ago last month, China's Communist dictatorship sent its tanks and armored carriers crashing through the pro-democracy protest in Tiananmen Square in Beijing. Hundreds of innocent protesters were crushed to death, hundreds more were mowed down by machine gun fire, hundreds more were arrested and executed. The men and women who gave their lives for freedom in Tiananmen Square in Beijing and those who are still languishing in Chinese prisons are in many ways the heirs to the legacy of our Founding Fathers. In the days leading up to their slaughter, they quoted Jefferson not Mao. Their source of inspiration was not Mao's Little Red Book, but our Statue of Liberty.

We all witnessed the lone man blocking those oncoming tanks. For that individual at that time, freedom and democracy were ideals that were absolutely worth dying for.

Tonight we stand here in remembrance of that man who stood in front of the tank and the countless other Chinese people who chose Thomas Jefferson over Mao Tse-Tung. We stand here in consolation with their bereaved mothers and fathers who still cannot find their daughters and sons, whether they disappeared in Tiananmen Square or whether they disappeared in Tibet. But most of all, we stand in defiance to those who would continue to sacrifice the freedom and democracy for the Chinese people on the altar of free trade.

Wei Jingshang, a democracy activist that spent nearly two decades in Chinese prison for his political beliefs once told me that American corporate executives, not Chinese spies, not Mao Tse-Tung, not the thugs who run the slave labor camps, but that American corporate executives are the vanguard of the Chinese Communist Party revolution in the United States. He is right. There is no issue before Congress that has lobbied more heavily than giving the People's Republic of China continued trading privileges, and while virtually every Nation, other Nation in the world retains Washington lobbyists to do their bidding, China relies on the business community to do its heavy lifting in this city.

Every year, when we debate most favored nation status for China, every year when we debate this issue, American CEO's stream into Ronald Reagan



Airport seeking special favors for the world's worst abuser of human rights. They are helped by former government officials, high-ranking American former government officials that know how the machinery of our government operates including former Secretary of State Henry Kissinger, former U.S. Trade Representative Carla Hills, and former U.S. Commerce Secretary Mickey Cantor.

For those who do not agree with my assessment, I recommend you contact the editors of *Fortune Magazine* who, this fall, are sponsoring a 3-day business trip to Shanghai. This trip including dinner with President Jiang Zemin and a luncheon with Henry Kissinger will outline and thank these American business corporations, these American corporate executives, for their work in China. After the conclusion of their gala in Shanghai, many of these corporate CEO's plan the next day, October 1 of this year, to go to Beijing and celebrate with Communist party leadership the 50th anniversary of the founding of the People's Republic of China, the 50th anniversary of the victory of communism in China.

Just think about that. American corporate leaders, some of the wealthiest, most successful, most well-paid corporate leaders in the United States will travel to Beijing and stand and sit at Tiananmen Square with leaders of the Communist Party revolution celebrating 50 years of communist rule in China and celebrating frankly, maybe implicitly, but frankly celebrating the deaths of those hundreds and hundreds, maybe thousands of demonstrators for democracy that were following Thomas Jefferson, not Mao Tse-Tung.

But much of the equipment on display as they sit in Beijing and watch this parade in Tiananmen Square, that much of the equipment on display on October 1 of this year they know has been financed by China's enormous bilateral trade surplus and incorporated stolen U.S. technology. Apparently, that is of little concern to America's most prosperous and well-paid CEOs.

After all, these CEOs and their Wall Street allies do not seem to care much if the shelves at the Lorain, Ohio, Kmart are lined with goods manufactured by Chinese prison labor. Their lawyers in Washington do not care much if Chinese workers are imprisoned for trying to form unions. And these well-paid CEO's do not seem to care much that some of these companies that they contract with in China are paying Chinese workers 12 cents an hour, those that are being paid at all, not to mention those that are in Chinese slave labor camps and working for these American companies.

But it should bother all of us that after 10 years, that 10 years after the slaughter at Tiananmen Square, American citizens, some of our wealthiest corporate leaders that benefit from liv-

ing in a free and open society, will be actively celebrating communism in China and, at the same time, actively celebrating the demise of democracy in China, the harsh realities at the ongoing genocide in Tibet, the continued arrest and torture of democracy activists, the proliferation of nuclear technology in North Korea, the forced abortions conducted by Chinese Communist leaders, the persecution of Christians and Buddhists and all religions in China; none of this seems much to matter to the leaders of our corporate community in this country.

To this I say the most effective way to toughen our relationship with China is to deny it special trading privileges. Every year, many of us have prodded the Republican leadership in this body to force China to improve its behavior before giving it preferential trade status. China buys, we buy from China approximately \$75 billion worth of goods from that country every year.

China buys from us about \$12 billion worth of goods. We sell more to Belgium with 1/120 of the population of China, we sell more to Belgium in a year than we sell to China. We have a \$65 billion trade deficit. We sell \$75 billion, we buy \$75 billion worth of goods from them. They buy \$12 billion worth of goods from us. These trade benefits give Chinese Communist dictators the billions of dollars. Last year, it was nearly 60 billion, the billions of dollars and the commercial technology needed to modernize the People's Liberation Army.

Yet each year, many of the same Members of Congress who are the loudest in their criticism of the Clinton administration's China policy vote to give Beijing preferential trade status. Mark my words. After the vote on Tuesday on MFN, after this Congress will again support the morally bankrupt position of the Clinton administration and the Republican leaders in Congress, many of those Members on the other side of the aisle after voting to give preferential trade status to China will be yelling and screaming about the President's wrong position admittedly, but wrong position on his whole China policy.

Yet when it comes time to step up to the plate tomorrow and vote on most favored nation status, I hope they would come over and join those of us on both sides of the aisle that realize how corrupt this whole process is.

Mr. Speaker, what we need to do before granting China special trade privileges is condition their behavior on something other than a whole series of broken promises. I am weary of continued Chinese Communist promises that they will behave, that they will play fair, that they will stop the human rights abuses, that they will stop the forced abortions, that they will stop the child labor, that they will stop the slave labor.

□ 2200

I would like to quote his mentor, Soviet leader Lenin when he said: "Promises are like pie crust, they are made to be broken."

Mr. Speaker, I asked the administration, I asked the Republican leadership in this body, I asked the American business community, so strongly supportive of MFN for China and so strongly supportive of World Trade Organization entry for China immediately, I asked them to step back and let us see if China can behave for 1 year, just only 1 year. We should demand to see if China can stop its human rights abuses for only 1 year. We should demand to see if China can stop using slave labor for only 1 year. We should demand to see if China can stop child labor if only for 1 year, and we should demand that China stop threatening Taiwan before receiving another dollar from U.S. consumers, for only 1 year. We must not give China special trading privileges until we see proof that its Communist rulers are capable of abiding by the rule of law. That is all we ask, Mr. Speaker.

Let us wait a year. Let us not give China Most Favored Nation status. Let us not give China these trading privileges until they can prove to the American people and to their workers and to their citizens and their country that only for 1 year they can act like most of the rest of the world that is integrated into this world economy and the World Trade Organization and throughout the world economy. Just ask for 1 year, if China could behave itself, if China could join the League of Nations, to join the community of nations and act like the rest of us, who treat workers decently, who do not engage in human rights violations the way that China does.

Mr. Speaker, I yield to my colleague, the gentleman from Ohio (Mr. KUCINICH) from the neighboring county, Cuyahoga County, who has been an active participant and leader in this fight against Most Favored Nation status for China.

Mr. KUCINICH. Mr. Speaker, I thank the gentleman for yielding. It is a pleasure to serve with the gentleman in this Congress and to call him neighbor.

These economic issues which the gentleman speaks of are issues which affect both of our constituencies, constituencies which in many cases share the same economic concern, the same jobs, the same factories, the same concerns about their family survival. I think it is fair at this moment to ask, why are we renewing Most Favored Nation trading status to China when our trade deficit is so large that it is costing jobs in the United States?

Why would we continue to allow Chinese exports to flood the American market when American exports to China are puny in comparison? Why

does this Congress vote on bills to make trade free when, by far, the most important part of the economy does not even involve foreign trade at all, but domestic product and consumption?

A great disservice is done to the American people when so much time and effort is spent by the Congress making trade free for the corporations because it is at the expense of American residents, American workers, and American consumers.

Now, contrary to what one might think by listening to those who support MFN for China, a global free trade agreement, international trade is a drag on the American economy. Most Favored Nation status or "normal trade relations," as it is being called today, means that the U.S. gives to China the same exact trade status that it would give to a tiny country or ally. But MFN with China costs more jobs than it creates. Moreover, foreign trade is such a small part of the economy, that to make policy on the basis of what promotes foreign trade is to make the tail wag the dog.

Now, how many of my colleagues know that U.S. exports to foreign countries in 1998 accounted for only 11 percent of the gross domestic product? Imports account for slightly more than that. What that means is that 76 percent of the gross domestic product is made in the United States and consumed in the United States.

To make our economy healthy, we have to promote the health of the domestic economy. We have to promote higher wages and a monetary policy that promotes full employment. But MFN for China undermines the domestic economy. By far, the largest component in our trade with China is imports. By 1998 we imported \$71 billion of goods from China. That was \$57 billion more than the exports we sent to China.

The U.S. pays China \$6, Mr. Speaker, for every \$1 it earns in exports to China. Trade with China puts a drag on the U.S. economy, and that leads to lower employment and lower wages for Americans. Indeed, American exports to China represent only a tiny fraction of all American exports to the rest of the world, about 3.6 percent. But imports from China represent a much larger proportion of everything America imports from the world, around 13 percent. Imports from China do about 4 times more harm to the U.S. economy than exports to China do good for the U.S. economy.

Furthermore, America imports more from China than any other single country. We consume about one-third of their exports. That should give the U.S. powerful leverage over China. That is because China would know that when the U.S. demands more democracy in China, more respect for human rights, better environmental protec-

tions, that the biggest customers continued business rise in achieving those goals. Is that what the U.S. does? No.

The policy of this administration and the Congress has been to give up the economic leverage the U.S. has. The imbalance is so obvious we should ask the obvious question: If MFN for China by far benefits China at the expense of the United States of America, why are we giving MFN to China at all? Because large multinational global corporations lobby for it. Those corporations are seeking to promote their own business and profits. They see China as a good place to do business.

When multinational corporations talk, many in Congress listen. When they talk about MFN for China, they are lobbying for the Chinese Government. The Chinese have not given up their leverage, and they use access to the Chinese market to influence the corporations to lobby the Congress for MFN for China, and here we are.

Soon Congress will debate on this floor disallowing Most Favored Nation trade status for China. Giving the status is bad for the U.S. economy. It is bad for American workers. It is bad for American consumers. But it is good for Chinese manufacturers and a handful of U.S.-based multinational corporations.

Mr. Speaker, I will be here when that debate comes to the floor to urge my colleagues to vote for the American economy and not for essential interests. Our steel, our automotive, our aerospace industries which form the pillars of our strategic industrial base are being threatened by this avalanche of imports from China. How are we going to protect the America of the future if we do not take a stand and demand once and for all that this country insists on having a strong trading policy which protects American jobs and protects the American economy?

Mr. Speaker, I thank my good friend, the gentleman from Ohio (Mr. BROWN) for this opportunity to address the Congress, and it is an honor to work with him on this issue, to work with such fine representatives as the gentleman from California (Mr. ROHR-ABACHER), the gentlewoman from California (Ms. PELOSI), the gentleman from Michigan (Mr. BONIOR) and others who are so dedicated to protecting the future of the American economy. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman from Ohio (Mr. KUCINICH) very much for his leadership on this issue and recognize that several other Members will be joining us, and I thank my colleagues for their involvement.

On one point that the gentleman from Ohio (Mr. KUCINICH) said that is especially noteworthy is that the rules we set for China are the same rules, if we give them Most Favored Nation status, as it unfortunately is always the

case, the same rules we set for a tiny country. They are also the same rules we set for free countries, and if we look at what makes China so attractive to western investors, the subsidies given by the government, the slave labor that the Chinese use, the child labor that the Chinese use, their ban on the right to freely associate, that workers can bargain collectively, their restriction of movement of workers so that workers are unhappy and cannot move somewhere else; all of these features that are attractive for American western investment in China is what should disqualify them from Most Favored Nation status.

The fact is, when China pays 12 cents an hour to workers, when they do not follow any environmental rules, when they do not treat their workers well, when they do all of the kinds of things that violate international labor standards, they are not competitive with the rest of the world; no one can compete when workers are treated that way. That is one reason that steel workers in the United States are at a disadvantage and auto workers and all the people that the gentleman from Ohio (Mr. KUCINICH) and I represent in northeast Ohio and so many others in this institution represent, when the Chinese do not play by the same rules as everyone else, whether it is slave labor or child labor or 12 cents an hour wages, not to mention forced abortions and religious persecution and all kinds of human rights violations, when they do not play by those rules, clearly, there is no reason we should give them trade advantages so that they can continue to take advantage of other countries around the world.

Mr. KUCINICH. Mr. Speaker, if I may make this point for a moment, and I know we have other colleagues waiting to speak here, and I certainly want to yield to them, but the point that arises here is that China has an industrial policy, and its industrial policy is providing China with a kind of national cohesion, so that they can have sustained economic growth.

Now, a lesser concern of China is political freedom. Think about that. Think about what that means. So as multinational global corporations make China a place to do business, China cares less about political freedom, they flood the United States with all of these imports, creating this huge deficit, so we are exporting jobs from a free Nation to a nation that does not have a democracy, and they are sending back imports here, displacing jobs of people who work in a democracy, thereby helping to create a condition where we are actually paying for the destruction of our own democracy. They are targeting what are our central industries in this country: electronics, machinery, petrochemicals, automobile manufacturing, steel, aerospace, construction. So I say to the gentleman his point is well taken.

We have a joint concern here when it comes to looking at what this trade policy does. But we have two points here, and one is that the United States trade policy is wrong, but we need an industrial policy which will help to focus a trade policy which is fair; and right now, it is unfair and Most Favored Nation status for China would compound the unfairness. I yield back, and I am grateful for this chance to join my colleagues.

Mr. BROWN of Ohio. Mr. Speaker, it is my pleasure to yield to Congress's foremost leader on this issue, who has a greater understanding of U.S.-China policy than any other Member of this body, and who has led the charge against Most Favored Nation status in large part because of her belief in fair play and human rights, the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding and for calling this Special Order tonight. I am pleased to join my colleagues, the gentlemen from Ohio (Mr. KUCINICH), the gentleman from Oregon (Mr. DEFAZIO), and the gentleman from California (Mr. ROHRBACHER) and others I know who want to participate to talk about the issue of Normal Trade Relations with China, formerly known as Most Favored Nation status with China.

□ 2215

I guess I will start off with that point. The name has been changed, and not to protect the innocent.

This policy, our U.S.-China policy has had more names. It has been called constructive engagement, strategic partnership, and now, most recently, principled purposeful engagement with our eyes wide open. Can Members imagine, that is what the administration calls its policy towards China.

It has to remove all doubt that our eyes are wide open on this policy, lest someone think that we must be turning a blind eye to what China is doing in terms of trade, proliferation, and human rights, because indeed, only by turning a blind eye could one formulate this purposeful, so-called principled engagement with eyes wide open, because the policy has been a complete failure.

There are three areas of concern, as my colleagues have pointed out: Human rights, the proliferation of weapons of mass destruction by China, and the trade issue.

My distinguished colleague, the gentleman from Ohio (Mr. BROWN) very eloquently opened his remarks by talking about the young man before the tank. He talked about the young people who echoed the words of our Founding Fathers. Many of those, indeed, hundreds of them, are still in prison for speaking out freely for democratic reform 10 years ago, at the time of the Tiananmen Square massacre. Thousands of people are in prison in China

for practicing their religion. Hundreds of thousands are in reform through labor camps for reeducation by the Chinese.

Mr. Speaker, just this past week over 10,000 people were arrested by the Chinese for practicing Falun Gong, their belief system, and whether we agree with it or not, it is not up to us to decide on someone else's religion or their spirituality, but it is inappropriate, it is wrong, and we as a country should be speaking out when any country detains 10,000 people for wanting to freely associate and believe in something.

I will go into that a little more if I have time, but having touched on the human rights issue, and I will talk about the proliferation issue in a moment, I want to talk now about the trade issue.

What has distinguished this coalition that we have to oppose MFN for China, or now called normal trade relations with China, again a name change, is the fact that each year the President must request a special waiver in order for China to get whatever we want to call this special trade treatment that it receives. It is special for them because they do not have a market economy, and therefore, the President must request a special waiver.

The gentleman from California (Mr. ROHRBACHER) has a resolution to deny the waiver, and I urge my colleagues to vote yes. Let me tell them why. Just on the basis of trade alone, how can we think about giving China normal trade relations when China does not give us any such thing?

We have heard the statistics that in 1998, the trade deficit was about \$58 billion with China. It is higher this year. Over \$1 billion a week, over \$1 billion a week, is lost because of China's unfair trade practices.

I wanted to call to my colleagues' attention, when the business community comes around, and indeed they do, to tell us how trade with China has grown, I want to show my colleagues just how it has grown. It has not grown so much in terms of exports to China. In fact, our exports to China are practically stagnating, the increase is so minuscule. However, on the imports from China, the increase is so staggering as to be overwhelming, as be beyond explanation.

When we started this debate around the time of Tiananmen Square, the trade deficit for that year was going to be \$6 billion. For this year, it will be over \$67 billion. What is missing in this picture? Who are the mad geniuses who have said that if we give MFN to China year in and year out, our trade will increase? Yes, indeed, it has, our imports from China, not our exports to China.

Our exports to China are important. As I said earlier, this is an odd coalition that we have going here, people who have not agreed on other points. By and large, I represent a city built

on trade. I have voted for fast track under President Bush and NAFTA under President Clinton and the rest. But something is very wrong about a policy that allows a country to do this. Let me read what is considered to be normal by those advocates for the Chinese regime.

They think it is normal, and do Members think it is normal, when the U.S. trade deficit is surging every year, again, as I said, over \$67 billion in 1999, is it normal that China continues to maintain barriers to U.S. goods and services entering the Chinese market, including high tariffs, pervasive non-tariff barriers and non-transparent barriers, non-transparent trade rules and regulations, restrictions on trading and distribution rights, restrictive government procurement practices, and restrictions on investment?

I enumerate those because every possible way that we could gain something in trading with China is restricted to us.

Is it normal that China continues to pirate U.S. intellectual property to the tune of about \$2.5 billion in lost sales in 1998? That is not from me, that is from the International Intellectual Property Alliance. And China continues to utilize forced labor for production of exports to the United States, in violation of U.S. law.

Is it normal that China demands technology transfer? And therein lies the biggest danger to our own economy's future. China demands a technology transfer. That is our intellectual property, too, our know-how. That is what we tell the American worker is our economic competitive advantage in the international markets. Yet, China is demanding that that technology be transferred to China.

So if we want to sell products in China, we must produce them there, okay? So that is production transfer. That is one thing. But technology transfer says, and besides, you have to give us all of your designs on what you are making. Now we are your major competitor for our own market. You can produce in China, but that, Mr. Chairman, will have to be to export to another country. We are saving the Chinese market for the Chinese manufacturers.

Mr. Chairman, I want to say, to compare this trade relationship, which is unfair in every respect, let us see what the trade deficit would be in a free marketplace, but do not restrict U.S. products going into China having high barriers, and then say that this is going to lead to human rights in China, it is going to lead to all these good things, when it is not even leading to a decent balance of payments for the United States.

I just wanted to point out to my colleague another point. That is, all of this hoop-de-doo about all of the trade with China, just let us talk about the

exports, again. China has 1.2 billion people. Now, many, many of them are poor, and I always support assistance for basic human needs for poor people in China. So this is not about the Chinese people, it is about the Chinese regime.

The Chinese regime, which controls many of the industries in China, to China we export 2.8 percent of our exports. Now, look over here. Belgium has 10 million people, 10 million people. We export 3.3 percent of our exports to Belgium. It is 3.3 to Belgium, 10 million people, and 2.8 to China, 1.2 billion people.

Let us look at Taiwan. They have 20 million people. We export 4.1 percent of our exports to Taiwan. Get it? It is not about free trade, it is about barriers to products made in America going into China.

Opponents, those who oppose our efforts tomorrow will say that we want to isolate China, and to vote for the Rohrabacher amendment is to isolate China. Nothing could be further from the truth. In fact, those who say that, and some of them in the highest places in our government, do a grave disservice to the issue by trying to caricaturize it that way.

We certainly do not want to isolate China. Especially we do not want to isolate the Chinese people. The answer to every problem practically in our relationship with China is that the situation would be better if China were more democratic, if the people of China were able to choose their form of government, their form of worship, their form of assembly, their freedom of speech.

The issue of Taiwan certainly would be better if China were more democratic. The issue of doing business in China would be better if China had rule of law. The issue of proliferation of weapons of mass destruction to rogue states I think would be improved, too. On that point I will close my remarks.

The administration and others who rationalize their support for a purposeful principled engagement with our eyes wide open will tell us that China is helping us on some very strategic issues worldwide. For instance, they will say that China is helping to stabilize South Asia. Oh, really? China is not trying to stabilize South Asia, China has mobilized Pakistan. Without the cooperation of the Chinese, the Pakistanis would not have the missile and other dangerous technologies that they have, and they continue to assist them, the Pakistanis. There is absolutely no question about that.

So that has added to the instability in South Asia. Every time they agreed to stop doing it, they said they did not do it, they would stop doing it, would not do it anymore, and continued to do it. That started in the Bush years and continued in the Clinton years.

Now we have them saying, those who support this policy, saying they are

helping us with North Korea, to stop their missile development program. Either they are not trying very hard or they have failed to intercede, or they are not very effective. But in any case, North Korea is proceeding apace with its missile program, and not only that, they are selling to Pakistan technologies that they have received from China.

So this is not about how they are helping us in North Korea. If they were helping in North Korea, it would be in their own interest, anyway. We do not have to bribe them by ignoring their human rights abuses in order for them to do what is right as far as North Korea is concerned, if they are a responsible so-called strategic partner.

They still continue to make the Persian Gulf area a very dangerous neighborhood. We all know that we have a national interest in the Persian Gulf because of oil. We went to war because of that. Our young people are still in the Persian Gulf. When they are, they are looking right at missile technology, C-801 and C-802, sold to the Iranians by the Chinese, and other dangerous technology as well.

So I think that our policy with any country should be to make the trade fairer, to make the people freer, and to make the world safer. On all three of these scores this policy has failed.

So what we are asking our colleagues to do is, we know most-favored-nation status, so-called normal trade relations, is not going to be revoked. The President would never allow that to happen. But what we can do tomorrow is to send a message to Beijing that the people in prison have not been forgotten, that we are not stupid when it comes to our own trade relationships. Even though the exporting elites run the show around here, there are some people who can add.

Then, in terms of proliferation, our national security is at stake, and that we know what they are saying is not true, and they can blame it on whom ever they want, but their government is either responsible for the proliferation, or else they are not capable of signing an agreement about proliferation. But somehow or other, they must be responsible or unaccountable, but they cannot be both at one time.

That is why I was so pleased that my colleague, the gentleman from Ohio (Mr. BROWN) extended the invitation to speak about this issue a little more at length that we will have on the floor tomorrow. Let us remove all doubt, this is not about isolating China, it is about pro engagement with the people of China; that we do not accept the premise that increased trade will lead to more personal freedoms, more democratic freedoms in China. For 10 years they have been singing that song, and it has not worked. And in any event we do not subscribe to a principle of trickle-down liberty, anyway.

What we want is a brilliant future with China economically, politically, diplomatically, culturally, in every way. That can only happen when China treats its people with the respect that they deserve, and then we will have an engagement that is sustainable of our national values, sustainable of our own economy, and sustainable of international security.

Again, I thank the gentleman for yielding to me.

Mr. BROWN of Ohio. I thank the gentlewoman from California. As she has pointed out in the past, other years leading up to the vote on what was called before MFN, most-favored-nation status, the Chinese have done a few nice things. They might help us a little bit on foreign policy.

□ 2230

They might release some prisoners, some political prisoners. But this year, interestingly, as time has approached for the most favored nation status, the Chinese Communists are so arrogantly confident that they are going to win this vote in this Congress, that they have not released any prisoners. They have actually arrested at least 10,000 religious people simply practicing their religion. They put more people in camps. They have gone the opposite direction.

That is why it is so important, as the gentlewoman from California (Ms. PELOSI) says, that our colleagues send messages to the Chinese Communists that we do not like what they are doing.

Now, we know that we are not going to win this vote tomorrow. But if we lose this vote overwhelmingly, we know we are not going to get most favored nation status put aside, but we know if we lose overwhelmingly, it simply says to the Chinese, keep doing what you are doing because nobody in this country cares. That is why it is so important.

One more point the gentlewoman from California made is she suggested so much of this whole policy with China is shrouded in myths. The gentlewoman had mentioned that the Chinese Government supposedly is helping us stabilize South Asia, and that is clearly a myth that she exploded. The gentlewoman has said that the opponents accuse us of wanting to isolate China from us and from the rest of the world. That clearly is not true.

Another myth is that the Chinese have been there to help us in North Korea in a very destabilizing or unstable situation. The gentlewoman exploded that myth.

The other myth that we hear over and over, and I have heard the gentleman from California (Mr. ROHRBACHER) talk about so many times, is how, if we engage with China, that democracy will come to that country, the more business development, the more

economic interaction, the more trade between the two countries, that China will become a freer country.

Yet, when we look at the last 10 years since Tiananmen Square, when we look at everything from the trade deficits to the forced abortions to the selling of weapons to Pakistan, nuclear ring technology to Pakistan, to smuggling AK-47s into the harbor in the city of the gentlewoman from California (Ms. PELOSI), to all the kinds of persecution of religious minorities, to what they have done in Tibet, all of those things beg that question, are things getting better? Is China getting more democratic because we are engaging with them?

There is clearly no evidence that China has gotten more democratic as we engage with them. In fact, what we really are doing is strengthening the People's Liberation Army and strengthening the Communist party leaders in China.

Why are we so naive when we look at history with Nazi Germany as they grew and got more developed and economically better off and got to be a stronger wealthier country. They used that economic power and that technology and that wealth to kill more Jews, to kill more gypsies, to declare war on more countries, to engage in the kind of militarist kind of expansionism that they were so well known for.

The same issue goes on with the Chinese. Just simply looking at it in the simplest way, why should the Chinese change the way they do things when they get most favored nation status and they get these economic benefits from the United States? That is what the Chinese Communist leaders, they like the system this way. Clearly, they have benefited from this system. The PLA, the People's Liberation Army, they benefit from the system this way. They do not want democracy. The American corporate leaders, the investors in the major corporations, they benefit from Chinese policy this way.

So the people that are really running this policy, the U.S. corporate executives, the People's Liberation Army, and the Chinese Communist leaders, they like the system the way it is. They do not want democracy. The People's Liberation Army does not want democracy.

The corporate leaders in the United States that invest in China do not want labor unions to form in China. They do not want free movement of workers at their choice, moving around at the workers' choice. They do not want the kind of things that we believe in this country and the American values that we hold so dearly.

So why should more prosperity for the leaders in China, the top government officials, the top leaders and the generals and the colonels in the People's Liberation Army and the U.S.

company executives, why should more money there make them want democracy more? They like the system the way it works.

I think the proof of that is, as the gentlewoman from California (Ms. PELOSI) and I have talked many times, is if one looks back in February of 1989, the U.S. State Department issues a report every year about human rights around the world. If one looks, I was leafing through this report, it is a pretty long report, it is country by country. It is called the Country Reports on Human Rights. The State Department uses language talking about Serbia and Kosovo, the treatment of the Kosovars by the Serbs, by the Yugoslav government.

They also, if we flip a few pages forward, and we look at the language we describe, the Chinese Government's treatment of Tibetans, and the language is almost identical paragraph by paragraph.

We declared and bombed Serbia because of their treatment of Kosovo and their treatment of people in Kosovo, yet we give trade advantages to China when they are treating their Tibetan minorities almost exactly the same way.

What kind of coherent government policy is that when we bomb one country and we give trade advantages to another for almost the exact same behavior as interpreted by our government. This is not some whacko group. This is the U.S. Government State Department saying we are treating people, and that the Serbs treat people in Kosovo the same way that Beijing government treats people in Tibet. It is morally bankrupt and absolutely incredible.

Mr. Speaker, I yield to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, picking up on what the gentleman from Ohio said, he reminded me that we were willing to raise an Army to redress human rights violations in Yugoslavia, and now we will not, they do not want us to raise a tariff to protect human rights in China, and indeed criticize us for raising our voices against China.

The fact is that the policy has failed. They have to blame it on someone, so they say we keep bringing this up so we are demonizing China. No, we are not. In the words of Harry Truman, "I am not giving them hell. I am just describing it, and it seems like hell." We are not demonizing them. We are just telling it the way it is. If that sounds bad, that is not our fault. That is what is going on there.

I did want to call to the attention of our colleagues the letter from the Department of Social Development and World Peace of the U.S. Catholic Conference of Bishops, which was sent to all Members asking for them to vote against the special waiver and in favor of the resolution of the gentleman from

California (Mr. ROHRBACHER) tomorrow.

I also wanted to call to the attention of our colleagues just in terms of expression of religion that the Falung Gong, imagine any other country in the world, if 10,000 people were arrested in the week, what the clamor would be on the floor of Congress and what the White House would be saying about our values and the rest of that, but it is practically ignored. Because money speaks so loudly, it is so deafening that people cannot hear these cries.

But we want the government in Beijing, we want them to get the message that this action has been noticed, that these people will not be forgotten. Many of the messages that we are receiving are that the Falung Gong members had no food, no drink, no medical attention for 5 days. They are in a very difficult situation.

I received this letter from my district, the Bay area Chinese newspaper today in the San Francisco Bay area reported that China has arrested 1,200 party officials and is forcing them to read the guidelines of the party and to abandon the Falung Gong practice. They are sending them to these reeducation schools, all of them in the same place, to indoctrinate them.

So it is they who are so cowardly because they are so frightened. The regime is so frightened because they have no legitimacy. Their power springs from the barrel of a gun, and that is where it is.

So the peaceful evolution that the gentleman from Ohio described of economic reform leading to political reform can only happen, and sometimes does happen, if it is allowed to happen. But if it is perceived as an evil, as it is in China, and it is prevented from happening, then the consequences to those who want to speak out more democratically will obviously be repressed, as they have been a couple of hundred of pro-democracy people wanting to form other democratic parties in China have been arrested at the same time as this Falung Gong arrests have been taking place.

So the situation that the gentleman from Ohio describes in the country report of the State Department, China, Yugoslavia, Tibet, Kosovo is so similar. Now I do not want anybody declaring war on anybody. I mean, violence to me should be obsolete.

But the fact is, if we are going to have any respect for our moral authority, any respect for our values, we have to have some level of consistency and at least on how we speak out and how we use our leverage, our incredible over \$60 billion leverage this year to promote democratic themes which will benefit, not only the people of China, but the people of the world.

Mr. BROWN of Ohio. Mr. Speaker, if we think about what the gentlewoman from California just said, the message

that this country and the NATO forces sent to Slobodan Milosevic was, do not do what you are doing in Kosovo. No ethnic cleansing, no waging war against your people, no throwing people into prison, no violence, no more of that kind of activity.

The message that we are sending to Chinese Communist leaders for what they do to the Tibetans and what they do in slave labor camps is, it is okay. We do not care. In fact, we might even reward it by giving you trade advantages and letting you into the World of Nations.

I ask the gentlewoman from California to tell us, she in the past has been so involved in this issue for her entire 13 years as a Member of this body, I think it is so important to send a message to our colleagues. But the gentlewoman has recounted in other years, prior to the vote, the Chinese Government has released a few prisoners here and there. This year, it is the exact opposite. I ask the gentlewoman from California to recount that if she would to our colleagues who need to understand how important it is to send that message that the Chinese Communist party behavior is absolutely unacceptable.

Ms. PELOSI. Mr. Speaker, I thank the gentleman from Ohio for reminding me of his other question that he expressed earlier.

The leverage that we have in this debate, and that is why we bring it up every year, is that of course we are always hopeful that, as people open their eyes, they will open them up further and see that the policy is not working.

But one of the benefits of bringing it to the floor has always been that, when most favored nation status was in doubt, when Democrats, before we had a Democratic President, were voting against most favored nation status for China, and when it was in doubt, each year, the Chinese Government would release prisoners leading up to the time of the debate.

Chinese prisoners have said to us that their conditions improved markedly at a time when they thought the most favored nation status was in doubt. The very minute that MFN was delinked and then the vote became less, shall we say, of a message to Beijing and the Clinton administration, then the Chinese knew that they could proceed with impunity, and they no longer have to make any concessions to anyone, because they have known what Members of Congress have told me in this body. It does not matter what China does, we will never support sanctions on China. How can that be? But it is.

So that is what is lost in all of this is the prospect for a change in policy, always improve the conditions for the prisoners, lead to the release of some prisoners.

But that idea that MFN or NTR, whatever my colleagues want to call it,

is in doubt, that is gone. So the Chinese now say to the moderates among them, we do not have to do anything. And they do not. That is the tragedy.

I used to say of President Bush, he never missed an opportunity to miss an opportunity to send a message to the Chinese about what our policy should be and what our values were in terms of human rights, in terms of our own economy, and in terms of our interest in national security. President Clinton has followed that path, although we were hopeful that he might not. So that is what is lost on this.

If I may say if, God willing it will not happen, but if this body ever entertains the notion of permanent MFN for China, we would be surrendering all leverage in terms of trade, proliferation, and human rights. Indeed, the biggest tool that the trade representative has in the negotiations on the World Trade Organization is permanent MFN. Certainly that should never happen until the situation is very changed in China.

But all of these notions about trade, increasing this, this, and this will only happen if the regime will allow it. What is happening, instead, is that the regime is emboldened and enriched by a \$60 billion per year in the trade surplus. I might say, in the Clinton years alone, over \$300 billion of surplus by the end of this year to the Chinese regime. There must be a better way. There must be a better way.

But we are squandering all of our leverage in order to meet the lobbying efforts of the exporting elites in whose interest it is.

I went back and got this book because it is a resource book from the Chamber of Commerce. What is interesting to me is they talk about all the good things that will spring from normal trade relations with China.

□ 2245

They have been singing this tune for 10 years that I know of at least, and it is all will, will, will, will. It is not about have or is benefiting U.S. So they have been squandering our leverage on the come, on what they hope will come sometime down the road in this great mirage, without a great deal to show for it in the present.

Here is the book, and it says, on page after page, will trade with China, will build a brighter future for America, will power the future of America's high-tech industry, will drive America's automobile industry, will help raise U.S. exports, will help beef up American exports. And it goes on and on like that, and I keep thinking when is it ever going to occur to them that they have been singing this song too long. What fascinates me even more is that people buy it. But I guess hope springs eternal.

In any event, let us give this policy a chance that says, of course we want to have engagement with China, but with

our eyes open, truly, and not some new name that will change tomorrow on a policy that has not been successful and has been bipartisan in its failure.

Mr. BROWN of Ohio. What is so ironic during this process is that China wants to be a member of the World Trade Organization, to be accepted in the community of nations permanently. Yet during this last 3 or 4 or 5 years that they have been wooing the United States and other countries into admission or accession into the WTO, look at their behavior, everything from the nuclear ring technology to Pakistan, to slave labor, to child labor, to the closing of the markets, to the forced abortions, to the persecution of Christians, and the human rights violations. That is their behavior when they have been wooing us, when they want admission into this organization, when they want WTO accession. Once they are in, and I hope they are never in the World Trade Organization, then we will have no leverage with them.

That is another debate for another day, but that is so important to understand, that their behavior has been so outrageous and so outside the mainstream of world values and world opinions and world behavior that it is just remarkable that this body wants to include them in any of these organizations.

Ms. PELOSI. If the gentleman will yield on that point. I just want to add this further point, and that is that the trade representative herself has said if a country does not want to comply with the World Trade Organization regulations, there is really not much we can do about it.

And China has really received the message from the world that nobody is going to step up to the plate, because the too-big-to-fail doctrine is in effect. All the countries want their piece of the trade. Of course they are buying. China is buying from them; they are selling to us. They take the money they make on our trade, go buy stuff in other countries, win their political support in all the other world bodies, diminishing anything we could possibly do in a multilateral body in terms of human rights or other issues.

So the World Trade Organization only will work if the members coming in are of good faith. An economy as big as China's coming into the WTO, which refuses to play by the rules, if that country refuses to play by the rules, can wreck the WTO and wreck some of the western democratic economies as well, and that is really serious.

But we are in this immediate gratification stage for certain businesses in America. There is nothing long term about values, our economy or international security.

Mr. BROWN of Ohio. I thank the gentlewoman from California, and I simply want to close with an exhortation to our Members to vote in support of the



Rohrabacher resolution tomorrow which will deny Most Favored Nation status to China.

The importance of a "yes" vote tomorrow in support of the Rohrabacher resolution is to send a message to the Chinese that the kind of behavior from persecution of people practicing their religion, to closing of their markets, to human rights violations, to proliferation of weapons of mass destruction, the only way to get the message that this body is unhappy and does not tolerate that kind of behavior is a "yes" vote tomorrow on the Rohrabacher resolution.

#### CHINA AND MFN

The SPEAKER pro tempore (Mr. SHERWOOD). Under the Speaker's announced policy of January 6, 1999, the gentleman from California (Mr. ROHRABACHER) is recognized for half the time until midnight.

Mr. ROHRABACHER. Mr. Speaker, I wish to associate myself with the remarks we have just heard concerning the vote that will be coming up tomorrow on Most Favored Nation status, or as it is now referred to, normal trade relations, with the Communist government of China.

Let me just say for the record that this is a bipartisan effort. As we can see tonight, some people on the other side of the aisle have been very active; some people on my side of the aisle have been very active.

Perhaps one of the greatest disappointments I have had with this administration is that during President Bush's term in office I was very disappointed in his policies toward Communist China and, in fact, after Tiananmen Square was bitterly disappointed in how we took that and the positions we were taking in response to the massacre of democracy advocates in Tiananmen Square.

When George Bush lost the election in 1992 to president elect Clinton, I thought to myself, well, at least here is someone that I will be able to work with on the issue of human rights. Unfortunately, I had bought in to President Clinton's posturing on human rights. And I might add, unfortunately, all of us who have been active in the human rights arena have been disappointed with this administration. I personally feel that this administration has been the most anti-human rights administration in my lifetime, and it certainly has undermined the tough stands made by President Reagan and President Jimmy Carter, and has even superceded George Bush in the area of human rights.

For example, in China, this President has decoupled trade negotiations with China in relationship to anything to do with human rights. The administration no longer has that as part of its negotiating position. This President person-

ally decided to make that decoupling. Had a Republican president done that, I imagine people would remember it a great deal more because there would have been a much greater fracas caused by that.

But tomorrow we will again address this issue that has been one that has gone on every year since my election to Congress, and tomorrow the House will debate legislation that has been introduced. However, it will be my legislation that will be debated. And that, of course, makes me feel a bit humble. I remember the time when I came into this body 10 years ago when I could not have dreamed of having a piece of my legislation being the focal point of a major day's work of the United States Congress. But I have introduced legislation that will disapprove of the extension of so-called normal trade relations with Communist China, which was previously known as Most Favored Nation status.

For the past 10 years, since the massacre of the democracy advocates at Tiananmen Square, and by the way, let us remember that the folks over in Beijing, the same people who have been in charge, the same gang that has been in charge, those people still deny that there was ever a massacre at Tiananmen Square of democracy advocates. But since then, the Congress has undertaken this debate every year, but there has been little change in the repression that is taking place in China.

The gentlewoman from California (Ms. PELOSI) outlined that these are the very same arguments that we will hear tomorrow by the advocates of normal trade relations with Communist China. These are the very same arguments that have been offered year after year after year after year.

My colleague, the gentleman from Ohio (Mr. BROWN), asked earlier on in his remarks what must happen for these people who come to this floor and suggest that there will be progress made on the human rights front; that there will be a liberalization; that there will be a change in their belligerency; that there will be positive steps taken and recognizable steps taken if we just engage them in this trade policy, what more does China have to do? How much longer will it be before these folks who advocate these positions with all of their heart and with all of their sincerity, how much longer will it take, how much more must China do before they admit they are wrong? They are dead wrong, and it is clear to everyone that they are wrong.

I personally could not come and advocate those policies, that I believed perhaps were right, if they had continued over a 10-year period to go in exactly the opposite direction than what my predictions were. I, in fact, would suggest that if tomorrow a revolt broke out in Tibet and that nuclear weapons were dropped by the Com-

munist Chinese Government on Tibet, annihilating hundreds of thousands, if not millions of Tibetans, we would still hear from these folks on the floor of the House of Representatives that if we just continue to engage them in this trade policy, that the policies followed by the government in Beijing are bound to liberalize and that the government in Beijing will become more civilized by their association with us.

I believe that they could murder every last Christian in China, they could murder every last Tibetan, they could commit genocide against every Muslim out in the far reaches of China, who they are also murdering, they could take every one of the 70 million member group, who are nothing more than a movement of people who believe in meditation and believe in exercise, as is consistent with Chinese tradition, they could murder every one of those people and we would still have on the floor of this House people advocating that we continue on with the same policy year after year after year after year.

Well, something is wrong. Something is wrong, and it does not take a rocket scientist to know that something is wrong. It certainly might take a rocket scientist, however, to know exactly how much damage has been done to us that we have discovered in the last year. Because in this last year we have found out that since the last vote on Most Favored Nation status with China the Communist government in Beijing has managed to get their hands on, through theft and other methods, of our most deadly weapons secrets. They now have the ability to produce miniaturized nuclear weapons. They have the ability to produce these weapons of mass destruction.

And our own companies are overseas telling them and teaching them how to upgrade their missile capacity and their missile capability so that they can more accurately target American cities with these weapons of mass destruction.

Now, it is the theory of those who advocate most-favored-nation status that the world will be a safer place if we have this trade with China. But as we can see, that not only is the world not a safer place as the gentlewoman from California (Ms. PELOSI) has pointed out, Communist China is the source of this deadly weapons technology to Korea, to Iran, to other Third World rogue nations, but not only that, not only is the world not a safer place, the United States is not a safer place because of this. Our own country now faces the prospect of our companies who have gone over there to liberalize China and make them more pleasant, make them more consistent with the civilized values of the western world, our own companies have gone over there and they have been corrupted themselves to the point that they have

armed our worst potential enemy with weapons that could incinerate tens of millions if not hundreds of millions of American citizens.

There is something wrong with this policy. There is something dreadfully wrong. What more needs to be done before people will come on the floor of this House and will admit that that policy does not work? Year after year after year the same arguments, yet the empirical evidence suggests that they are going in the wrong direction. Making matters worse, as China has gone in the wrong direction, as China has kept up its roadblocks to the importation of American goods, kept up its high tariffs, used the surplus that it is generating by its tariffs on our goods and taking advantage of the low tariffs in exporting their goods to the United States, taking the tens of billions of dollars that they have earned and while they are using that money to modernize their weapons, to aim it at the United States, we have an administration that insists on calling Communist China, again the world's worst human rights abuser, is being called our strategic partner.

If we do not change our policy towards the world's worst human rights abuser, Americans will pay a woeful price. It will not be just the Tibetans who will be slaughtered but it will be the American people, not just losing their jobs as we have shown in this testimony before us this evening, we have shown how our ability to compete with China and the slave labor prices in China and the slave labor wages in China, our ability has been cut down as we export technology to that country. Yes, we are paying an economic price. The Tibetans are paying a price with their lives as are the Muslims in that country, as are the dissidents in that country. But if we keep up this policy, the American people will pay a woeful price for this irrational, immoral and greed-driven policy that is putting us in grave jeopardy to a country that is controlled by gangsters and despots.

The time, Mr. Speaker, has long since passed when the United States should reexamine these fundamental policies toward the Communist dictatorship that rules the mainland of China. Our commercial policies as well as our diplomatic and military policies have for the past decade worked against the interests of our people and has not, as we had hoped, increased the level of freedom enjoyed by the Chinese people. In fact, after some initial progress, China has gone in the opposite direction, as I have just described, especially since the end of the Reagan administration and the tragic national reversal that took place in Tiananmen Square.

The gentleman from Texas (Mr. ARMEY) defines insanity as doing more of the same and expecting to get different results. Here I have been de-

scribing it tonight. The same policies are being advocated over and over again, but yet these folks ask us to believe that this time around, there are going to be different results. I do not believe there will be different results if we continue this policy with Communist China. I believe our country will just be in more jeopardy and that in the end we will reach a threshold in our economic relationship with China where it causes great economic damage to our country as well as the national security damage, which is already becoming evident. It is at the least unreasonable, perhaps, and what we are talking about at the least is irrational optimism for these people to continue advocating this position.

I think that it is up to us to advocate what we believe in, and I certainly respect people with different opinions. But the American people should pay close attention to the debate that is going on here tomorrow. We must understand that since this debate started 10 years ago, the genocide has continued in Tibet, the Chinese democracy movement was wiped out, and there has been an increasing belligerence of the guys who run—the bully boys, I say, of Beijing—toward the United States, towards Taiwan, towards the Philippines.

Now, big business falsely claims that China will be liberalizing through this commercial engagement. As I have said, there is no evidence of that. The evidence goes exactly the opposite direction. China, as we heard from the gentlewoman from California, is exporting its weapons technology to various rogue nations.

Let me just add, as the chairman of the Subcommittee on Space and Aeronautics, I was shocked to find out that Communist China is aiding the North Koreans in their, quote, space efforts, in their space program. North Korea has a space program? Give me a break. North Korea has a space program? Here we are shipping North Korea hundreds of millions of dollars of foreign aid, our biggest recipient in Asia, and they are spending their money on a space program in which Communist China is taking the technology that they stole from us, or was given to them by our own aerospace firms, illegally, I might add, and they are building these rockets in the name of a space program.

How many people who read this CONGRESSIONAL RECORD or listen tonight on C-SPAN believe that North Korea is really developing these rockets to launch civilian satellites but are not, which we know that probably is the case, that the North Koreans, with the Chinese help, are developing missiles in order to intimidate Japan and intimidate the democratic peoples in the Pacific, and unfortunately also to intimidate the United States because many of these rockets in North Korea and in China, thanks to our own companies,

like Hughes and Loral, are now more capable of being more accurate in their targeting of American cities.

What we have in our China policy is a catastrophe, a catastrophe for the United States of America in the making. We see this with the money that the Communist Chinese have left over, and as the gentlewoman from California said, what type of normal trade relationship is it when they have barriers to our goods and high tariffs to our goods and we let them ship all of their goods into our country with very little tariff? With the surplus that they have from that, they are in Panama, they are in North Korea, they are modernizing their weapons, they are creating havoc throughout the world and they are putting the world in a position where we could have a catastrophe in which millions of lives are lost and we could face a catastrophe where the United States is put in grave danger. It is in grave danger today. We must change that policy for a number of reasons.

Let us go in now to what this means, what the policy is that we are talking about. Why is normal trade relations being proposed, then? Why do we have large financial interests who are pushing for that? If you examine what the trade is, what we have been talking about tonight, not only do we not have free trade, and the proponents will say, "Well, we're free traders." My Republican colleagues will say, "We're free traders."

Well, I am sorry that that is not free trade. We are not talking about free trade. There is no such thing as free trade when on one side of the trading partnership you have a country which permits in all of the goods imported from the other country at 3 percent tariffs and with very few restrictions and the other country, Communist China, putting barriers up and controlling who gets to come over and who gets to buy and sell in their market. You have got a controlled economy here and controlled trade on this side and relatively free and open trade over here. That is not a free trade equation. A free trade equation is when you have free trade on both sides. No, this is an equation that is a one-way free trade, one-way controlled trade equation. When you do it that way, you leave the outcome, the results, not to a free expression of the market between the countries but instead you leave it up to some gangsters who run a tyrannical regime in Beijing, you leave it to them as to what will be the results of that trade, because you have permitted them to manipulate it while leaving it somewhat open on our side.

This is not about free trade. No, it is about managed trade on the side of the Communist Chinese regime so that they can get the \$70 billion surplus and they can channel money and power in China to their clique. We are actually

strengthening the dictatorship in Communist China by going along with this nonsense that they talk about of free trade, because it is not free trade.

I personally believe in free trade. I would advocate it. It is called free trade between free people. If you do not have free trade between free people, it is a non sequitur, it does not exist, for a one-way free trade is not a free trade equation.

□ 2310

But then why are these companies here? If you take a look even to that degree of what we supposedly export to China, once you take a look at what those exports are, you know we have several think tanks in this town that have done studies of this, and I believe it was the Heritage Foundation that did the most extensive study and reported that there is almost no trade going on with China in which American products are manufactured here and sold to the people over there. That is not what is going on.

Now you are going to have a lot of people come to this floor tomorrow who will be saying, oh, we have got to take advantage of the China market, we need its jobs for the people of the United States, and we have got to make sure that we do not let other people sell their products there when we should be selling American products.

I hope people listen to those arguments because that argument is totally fallacious. What the facts are behind that argument is enough to curl your hair. What is being sold to China are not American products that are being produced in the United States and sold to the Chinese consumers. What is being sold there that makes this trade surplus on the part of the Chinese even worse is what we are selling to them are factories and technology, and we are building their industrial infrastructure so that, as my colleagues know, on our side of the equation what we are selling them is the long-term process and the long-term technology they will need to destroy us economically and militarily and in every other way. We are giving the Communist Chinese tens of billions of dollars, and in our side of the equation our people are making money not on selling commercial items to the Chinese and building their standard of living. We are selling them factories.

I come from a very heavy aerospace area, and we sell airplanes to Communist China. But what the companies do not want you to know and do not want to focus on is that the Chinese are insisting if we buy your airplanes, you got to help set up airplane building factories in our country, and over the past 10 years we have set up almost an entire infrastructure in Communist China so that they can come back and put our aerospace workers out of work.

Oh, that is only the first layer of this cake. The second layer is: What else is

there in this? What are we talking about here when these businessmen go over there and are setting up those factories? The reason they must have normal trade relations or most favored nation status, as we used to call it, is so that they will be eligible for taxpayer subsidies. Now is this free trade?

Now I heard the word "subsidy" mentioned here. I thought that I am a protectionist, that Rohrabacher and his gang are protectionists, and the other people are free traders. But where does subsidy come into the free trade equation? No, they have to have most favored nation status or normal trade relation status tomorrow, passed tomorrow, so that when a factory owner in the United States wants to close his factory, he will then be eligible if he wants to relocate it in Communist China to take advantage of slave wages over there, no unions, no freedom, no environmental controls. When he wants to do that and put our people out of work, he might need to get a loan. He might need to get a loan. Otherwise he would have to risk his own capital; and, my gosh, when you are doing that in a Communist country, that is a pretty bad risk.

Now, if you give him most favored nation status or normal trade relations, he can get a guarantee through the Export-Import Bank or any number of financial institutions that can traced right back to the American taxpayers' pocket, and they will guarantee the loan or they will subsidize the interest rate. We are subsidizing and we are encouraging American businessmen to go to Communist China and build the industrial infrastructure to put our people out of work. That is what we are voting on tomorrow.

Now we will be told that, no, we are voting on whether or not we are going to engage China or whether we are going to be able to trade with China. No, no. Let us ask. Everyone who hears that argument tomorrow, ask yourselves if this does not pass, will Americans be free too sell their goods in China? Of course they will. Americans will be able to sell their goods in China just as if they will be able to do it today.

Unfortunately, the Chinese have those roadblocks, but the difference will be if an American industrialist wants to set up a plant in China, he is going to have to do so on his own risk. He is going to have to do so using his own money rather than the taxpayers' money. That is the difference. That is what we are voting on tomorrow.

No wonder why these powerful interest groups want us to vote for most favored nation status, not normal trade relations. Of course they want to have the taxpayers pick it up, because they do not want to risk their money putting their money into a dictatorship.

You know, I will tell you something about the American people. If it was

not for the American people, there would not be any freedom on this planet. To the degree there is freedom anywhere on this planet and stability anywhere on this planet it is because guys like who went out to save Private Ryan went out and did it, because the American people believe in freedom and democracy and justice, believe in the type of honest and fair government, believe in democracy, believe in what Thomas Jefferson said, believe that rights belong to everyone.

To the degree that we have gone all over the world and we have stood firm for those principles is to the degree freedom has succeeded around the world, and the American people, the American working people, deserve to have somebody watching out for their interests. They do not deserve to have some industrialist who says, oh boy, I can be here in the United States and make my money, and that is all because of the protection of these decent hard-working American people; but I am going to take that for granted, and I am going to go over there to Communist China, and I am going to invest over there because they know over in Communist China without some kind of guarantee their government is so corrupt and so tyrannical, this can be taken away from them, and it is only because of the decency and honor of the American people that we do not have that kind of oppression and instability here in our own country.

But who are they hurting when they invest over there? And it is a slap in the face, they are investing over there, and they are using tax dollars from our own working people to guarantee those investments. Something is dreadfully wrong; something is dreadfully wrong.

Now I do not deny that there are a lot of people who probably think that they are telling the story as they honestly believe it, and I am sure they must believe it. But how much longer can it go on and keep going in the opposite direction?

We have a situation today where this, and this just happened the last 2 weeks. As my colleagues know, we have been told things are getting better in China, and now all of a sudden tens of thousands of people who are just members of sort of a quasi-religious movement that they exercise in the parks. I have seen them. And it is a yoga-type of exercise. It is with Buddhism and Taoism put together, and these people and this movement, they have now been targeted, targeted by the Communist Chinese Party, and they are being arrested by the thousands.

Now remember this. We have had people lobbying, lobbying this Congress for this upcoming vote tomorrow, telling us that we should vote for this because it is going to help the Christians, and the Chinese Communists have said one thing. They have said one thing.

Anybody can worship God in Communist China as long as you register with the state, sort of like the Nazis said to the Jews. You just have to register. Trust us, you will be okay. And now we have that same regime who Billy Graham and these others have told us we must, as my colleagues know, not deny them this trade status because it will hurt Christians, and all Christians have to do is register.

We have had our own religious leaders over there encouraging them to register, to register with the government. On my, my, my. The history in Communist China, you have seen this happen time and again where you have people who are being coaxed out into the open, and then it will followed by repression.

□ 2320

Anybody who suggests to a Christian in China or a Muslim in the far-off reaches of China to register with the government is doing a great disservice to our country and a great disservice to those people and a great disservice to the cause of human rights. Our country has to be the champion of human rights and believe in those fundamental values, or we are nothing. Those people themselves, their lives are on the line, and in terms of human rights, we have to have a standard of human rights where people can worship God without having to register and tell the government what faith they are.

What has happened now? That argument has been underscored, underscored by this attack on what we call the Falung Gong, which is this movement that is under attack, because even a religious movement based on something that is entirely Chinese in culture is being attacked and brutalized in the worst possible way.

Mr. Speaker, there is a real comparison about the days that we live in, and for those people who read history, I think it is time that we should read history about the time of what happened in Asia back in the 1920s. There was another country back in the 1920s who thought, like China, that they were racially superior to all of the others. We had a country back in the 1920s in Asia who thought that they had the right to dominate all of Asia, this huge hunk of Asia; and they felt that they had the will to rule, and they were going to create a prosperity sphere, and everything would be out of one capital and unfortunately at that time it was Tokyo.

The Japanese back in the 1920s had the same policies that we now have in Beijing. They had this image that they had history on their side and they had a right to dominate the planet. And the United States had people who wanted to trade with them. In fact, we traded. We sold them scrap metal, just like Lorel and Hughes traded them secrets for how to build their rockets.

We had lots of commerce with the Nazis. We had industrialists telling us a lot of the same things about the Nazis, the same thing about the Japanese militarists. In the 1920s and the 1930s we let it go. And the Japanese knew one thing: there was only one country in their way, and it was the United States of America. They knew that, and the Communist Chinese clique that runs that country in Beijing knows that the United States of America is all that stands between them and dominating that region, and some day, mark my words, we will see a Chinese Communist move on central Asia and Kazakhstan and that area.

We will see a move toward the north in Siberia and Manchuria. We will see a move to try to dominate the Pacific Basin. We already see that where they are trying to take these islands away from the Philippines, the Spratly Islands, and we will see a move into Southeast Asia. If we just give the Communist Chinese the idea that they can do anything and we will still give them this trade status, they can do anything and we will still call them our strategic partners, we are inviting the very worst elements in China to stay in power and to brutally maintain their control and to move forward with their plans, because we are a bunch of pansies and we are saps, that we will not even protect the interests of our own people.

Yes, Mr. Speaker, it is time to change that policy before it is too late. We ended up in a war with Japan. We can prevent that with China. We must support the democratic elements in China, and we must not treat China as a democratic country; and we must make our alliances with the people rather than the clique that runs that country. It is up to us. We can make history. We do not have to relive the 1920s and 1930s again.

But if we just blithely ignore reality, if we blithely ignore our country being treated in an unequal way and just ignore the fact that they are modernizing their military at our expense and that we come groveling to them with this unfair trading relationship that gives them all of the advantage and puts our own American people at a disadvantage, because who is representing their interests, the Communists that run China will not respect us. They will loathe us, they will treat us like the weak links we are, and we will pay a price. Unfortunately, we are already close to that.

So tomorrow I would hope that people pay close attention to the debate, and it will be a spirited debate; and it will determine again the policies of the United States of America, because this is still a democratic country where the rule of law and the will of the people will prevail. It is just that we have to get the people active and involved in these issues.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. GRANGER (at the request of Mr. ARMEY) for today on account of official business.

Mr. PETERSON of Pennsylvania (at the request of Mr. ARMEY) for today and the balance of the week on account of medical reasons.

Mr. EHRLICH (at the request of Mr. ARMEY) for today on account of the birth of his son, Drew Robert.

Mrs. CHENOWETH (at the request of Mr. ARMEY) for today on account of illness.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. McNULTY) to revise and extend their remarks and include extraneous material:)

Mr. STUPAK, for 5 minutes, today.  
Mr. PALLONE, for 5 minutes, today.  
Mr. MCGOVERN, for 5 minutes, today.  
Mr. NADLER, for 5 minutes, today.  
Mr. CONYERS, for 5 minutes, today.  
Ms. LEE, for 5 minutes, today.  
Ms. BERKLEY, for 5 minutes, today.  
Ms. MILLENDER-MCDONALD, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

Mrs. MALONEY of New York, for 5 minutes, today.

Mrs. JONES of Ohio, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Mr. PAYNE, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Ms. SLAUGHTER, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mrs. MCCARTHY of New York, for 5 minutes, today.

Ms. BROWN of Florida, for 5 minutes, today.

Mr. BLUMENAUER, for 5 minutes, today.

Mrs. CHRISTENSEN, for 5 minutes, today.

Mrs. NAPOLITANO, for 5 minutes, today.

Ms. MCKINNEY, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

(The following Members (at the request of Mr. JONES of North Carolina) to revise and extend their remarks and include extraneous material:)

Mr. DAVIS of Virginia, for 5 minutes, July 27.

Mr. RAMSTAD, for 5 minutes, today.

Mr. KOLBE, for 5 minutes, July 27.

Mr. JONES of North Carolina, for 5 minutes, today.

Mr. BRYANT, for 5 minutes, today.

Mr. BACHUS, for 5 minutes, today.

Mrs. MORELLA, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. SMITH of Michigan, for 5 minutes, today.

### ADJOURNMENT

Mr. ROHRBACHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 25 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, July 27, 1999, at 9 a.m. for morning hour debates.

### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

3217. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Hazelnuts Grown in Oregon and Washington; Establishment of Final Free and Restricted Percentages for the 1998-99 Marketing Year [Docket No. FV99-982-1 FIR] received June 30, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3218. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Olives Grown in California; Modification to Handler Membership on the California Olive Committee [Docket No. FV99-932-2 FIR] received June 30, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3219. A letter from the President and Chairman, Export-Import Bank, transmitting notification that a transaction involving U.S. exports to a private company in the energy sector in Russia is now ready to proceed; to the Committee on Banking and Financial Services.

3220. A letter from the President and Chairman, Export-Import Bank, transmitting a statement regarding a transaction involving a U.S. export to Bulgaria; to the Committee on Banking and Financial Services.

3221. A letter from the Secretary of Energy, transmitting the Department's report entitled, "Summary of Expenditures of Rebates from the Low-Level Radioactive Waste Surcharge Escrow Account for Calendar Year 1998," pursuant to 42 U.S.C. 2120e(d)(2)(E)(ii)(II); to the Committee on Commerce.

3222. A letter from the Acting Director, Defense Security Cooperation Agency, transmitting a copy of Transmittal No. 99-0B, which relates to the Department of the Army's proposed enhancements or upgrades from the level of sensitivity of technology or capability of defense article(s) previously sold to Greece, pursuant to 22 U.S.C. 2776(b)(5); to the Committee on International Relations.

3223. A letter from the Acting Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Army's Proposed Letter(s) of Offer and Acceptance (LOA) to Greece for defense articles and services (Transmittal No. 99-17), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

3224. A letter from the Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule—

Maryland Regulatory Program [MD-043-FOR] received July 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3225. A letter from the Acting Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting the Department's final rule—Change to Delegated State Audit Functions (RIN: 1010-AC51) received July 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3226. A letter from the Acting Director, Office of Federal Housing and Enterprise Oversight, Department of Housing and Urban Development, transmitting the Department's final rule—Debt Collection (RIN: 2550-AA07) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3227. A letter from the Attorney for National Council on Radiation Protection and Measurements, LeBoeuf, Lamb, Greene and MacRae, L.L.P., transmitting the 1998 annual report of independent auditors who have audited the records of the National Council on Radiation Protection and Measurements, pursuant to Public Law 88-376, section 14(b) (78 Stat. 323); to the Committee on the Judiciary.

3228. A letter from the Administrator, General Services Administration, transmitting an informational copy of the fiscal year 2000 Capital Investment and Leasing Program of the General Services Administration's Public Buildings Service, pursuant to 40 U.S.C. 606(a); to the Committee on Transportation and Infrastructure.

3229. A letter from the Commissioner, General Services Administration, transmitting notification of the status of the National Laboratory Center and the Fire Investigation Research and Education facility proposed for the Bureau of Alcohol, Tobacco and Firearms; to the Committee on Transportation and Infrastructure.

3230. A letter from the Secretary of Energy, transmitting the Annual Report of the Metals Initiative; to the Committee on Science.

3231. A letter from the Railroad Retirement Board, transmitting a report on the actuarial status of the railroad retirement system, including any recommendations for financing changes, pursuant to 45 U.S.C. 321f-1; jointly to the Committees on Transportation and Infrastructure and Ways and Means.

3232. A letter from the Railroad Retirement Board, transmitting the 1999 annual report on the financial status of the railroad unemployment insurance system, pursuant to 45 U.S.C. 369; jointly to the Committees on Ways and Means and Transportation and Infrastructure.

### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

*[Filed on July 23, 1999]*

Mr. SPENCE: Committee on Armed Services. H.R. 850. A bill to amend title 18, United States Code, to affirm the rights of United States persons to use and sell encryption and to relax export controls on encryption; with amendment (Rept. 106-117 pt. 4). Ordered to be printed.

Mr. GOSS. Permanent Select Committee on Intelligence. H.R. 850. A bill to amend

title 18, United States Code, to affirm the rights of United States persons to use and sell encryption and to relax export controls on encryption; with an amendment (Rept. 106-117 Pt. 5). Referred to the Committee of the Whole House on the State of the Union.

*[Pursuant to the order of the House on July 22, 1999 the following reports were filed on July 23, 1999]*

Mr. PACKARD: Committee on Appropriations. H.R. 2605. A bill making appropriations for energy and water development for the fiscal year ending September 30, 2000, and for other purposes (Rept. 106-253). Referred to the Committee of the Whole House on the State of the Union.

Mr. CALLAHAN: Committee on Appropriations. H.R. 2606. A bill making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes (Rept. 106-254). Referred to the Committee of the Whole House on the State of the Union.

*[Filed on July 26, 1999]*

Mr. YOUNG of Alaska: Committee on Resources. H.R. 468. A bill to establish the Saint Helena Island National Scenic Area; with an amendment (Rept. 106-255). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 695. A bill to direct the Secretary of Agriculture and the Secretary of the Interior to convey an administrative site in San Juan County, New Mexico, to San Juan College; with an amendment (Rept. 106-256). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 841. A bill to authorize the Secretary of the Interior to convey certain works, facilities, and titles of the Gila Project, and designated lands within or adjacent to the Gila Project, to the Wellton-Mohawk Irrigation and Drainage District, and for other purposes; with an amendment (Rept. 106-257). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 862. A bill to authorize the Secretary of the Interior to implement the provisions of the Agreement conveying title to a Distribution System from the United States to the Clear Creek Community Services District (Rept. 106-258). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 992. A bill to convey the Sly Park Dam and Reservoir to the El Dorado Irrigation District, and for other purposes; with an amendment (Rept. 106-259). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1019. A bill to direct the Secretary of the Interior to convey lands and interests comprising the Carlsbad Irrigation Project to the Carlsbad Irrigation District, New Mexico (Rept. 106-260). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2079. A bill to provide for the conveyance of certain National Forest System lands in the State of South Dakota (Rept. 106-261). Referred to the Committee of the Whole House on the State of the Union.

Mr. ARCHER: Committee on Ways and Means. House Joint Resolution 57. Resolution disapproving the extension of non-discriminatory treatment (normal trade relations treatment) to the products of the

People's Republic of China; adversely (Rept. 106-262). Referred to the Committee of the Whole House on the State of the Union.

Mr. LINDER: Committee on Rules. House Resolution 260. Resolution providing for consideration of the bill (H.R. 2587) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes (Rept. 106-263). Referred to the House Calendar.

Mr. LINDER: Committee on Rules. House Resolution 261. Resolution providing for consideration of the bill (H.R. 2605) making appropriations for energy and water development for the fiscal year ending September 30, 2000, and for other purposes (Rept. 106-264). Referred to the House Calendar.

### PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. ROHRBACHER:

H.R. 2607. A bill to promote the development of the commercial space transportation industry, to authorize appropriations for the Office of the Associate Administrator for Commercial Space Transportation, to authorize appropriations for the Office of Space Commercialization, and for other purposes; to the Committee on Science.

By Mr. GILMAN (for himself and Mr. BURTON of Indiana):

H.R. 2608. A bill to amend the Foreign Assistance Act of 1961 to clarify the definition of "major drug-transit country" under the international narcotics control program; to the Committee on International Relations.

By Mr. CAMP (for himself and Mr. LEVIN):

H.R. 2609. A bill to promote product development and testing in the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. HOEKSTRA:

H.R. 2610. A bill to provide an affirmative defense in a civil action brought with respect to a Federal requirement which is potentially in conflict with another Federal requirement; to the Committee on the Judiciary.

By Mr. GEORGE MILLER of California:

H.R. 2611. A bill to amend the Internal Revenue Code of 1986 to exclude from income the salary of certain teachers who teach in high-poverty schools; to the Committee on Ways and Means.

By Mr. TRAFICANT (for himself and Mr. VISCLOSKEY):

H.R. 2612. A bill to expand United States exports of goods and services by requiring the development of objective criteria to achieve market access in foreign countries, to provide the President with reciprocal trade authority, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

### MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

164. The SPEAKER presented a memorial of the House of Representatives of the Com-

monwealth of Pennsylvania, relative to House Resolution No. 175 memorializing Congress to enact the same mandated benefits as contained in Act 98 of 1998 in all Federal insurance programs and all federally regulated, self-funded health insurance programs governed by the Employee Retirement Income Security Act of 1974; to the Committee on Education and the Workforce.

165. Also, a memorial of the General Assembly of the State of Nevada, relative to Assembly Joint Resolution No. 24 memorializing Congress to adopt legislation mandating that all products containing a steroid ingredient, including over-the-counter products and prescription drugs, be externally labeled as containing a "steroid" ingredient by the manufacturer and include inside the packaging an insert of information; to the Committee on Commerce.

166. Also, a memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to House Resolution No. 192 memorializing the President and Congress to support legislation authorizing states to restrict the amount of solid waste being imported from other states and creating a rational solid waste management strategy that is equitable among states and environmentally sound; to the Committee on Commerce.

167. Also, a memorial of the Senate of the Commonwealth of Pennsylvania, relative to Senate Resolution No. 25 memorializing the President and the Congress to take whatever steps necessary to initiate talks with the Democratic People's Republic of Korea, the People's Republic of China, Russia and Vietnam for the purpose of obtaining the release of Americans being held against their will; to the Committee on International Relations.

168. Also, a memorial of the Senate of the State of Oregon, relative to Senate Joint Memorial No. 10 memorializing Congress and the President to use all appropriate legal, diplomatic and economic means to obtain the full cooperation of the Democratic People's Republic of Korea and other nations in resolving the issue of American soldiers and pilots missing from the Korean War; to the Committee on International Relations.

169. Also, a memorial of the Senate of the State of Nevada, relative to Senate Joint Resolution No. 1 memorializing Congress to appropriate for distribution to the counties in the State of Nevada the amount of money necessary to correct the underpayments to those counties pursuant to the Act for the previous fiscal years; to the Committee on Resources.

170. Also, a memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to House Resolution No. 123 memorializing the President and Congress to make the \$1 billion of Federal moneys already earmarked for abandoned mine land reclamation available to states to clean up and make safe abandoned mine lands; to the Committee on Resources.

171. Also, a memorial of the General Assembly of the State of Nevada, relative to Assembly Joint Resolution No. 1 memorializing Congress to authorize the United States Air Force to withdraw the public land located within the Nellis Air Force Range indefinitely; jointly to the Committees on Armed Services, Commerce, and Resources.

### ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 8: Mr. CLAY.

H.R. 82: Mr. COYNE, Mr. KUCINICH, and Mr. FILNER.

H.R. 119: Mr. UDALL of Colorado.

H.R. 121: Mr. DICKEY and Mr. FILNER.

H.R. 135: Mr. UDALL of New Mexico.

H.R. 140: Mr. LUTHER.

H.R. 354: Mrs. MYRICK and Ms. GRANGER.

H.R. 405: Mr. HOFFEL and Ms. BALDWIN.

H.R. 488: Ms. WOOLSEY and Mrs. MEEK of Florida.

H.R. 583: Mr. THOMPSON of California.

H.R. 614: Mr. TOOMEY.

H.R. 628: Mr. DEAL of Georgia.

H.R. 664: Ms. RIVERS.

H.R. 797: Mr. ROGERS, Mr. HILLIARD, Mr. EVANS, Mr. MOAKLEY, Mr. HILL of Indiana, Mr. SNYDER, Mr. HUTCHINSON, Mr. CLYBURN, Mr. REYES, Mr. KUCINICH, Mr. LIPINSKI, Mr. COSTELLO, Ms. LEE, and Mr. FLETCHER.

H.R. 798: Mr. BAIRD.

H.R. 809: Mr. COBURN and Ms. MCKINNEY.

H.R. 1055: Mr. WAMP, Mr. WOLF, and Mr. STUPAK.

H.R. 1080: Mr. KLINK and Mr. MALONEY of Connecticut.

H.R. 1095: Mrs. JONES of Ohio.

H.R. 1102: Mr. Nadler, Mr. DELAHUNT, and Mr. FARR of California.

H.R. 111: Mr. CRAMER and Mr. FILNER.

H.R. 1168: Ms. LEE, Mr. GREENWOOD, and Mr. DICKS.

H.R. 1193: Mr. WEINER, Mr. EVERETT, Mr. CLYBURN, and Mr. FLETCHER.

H.R. 1248: Mr. MORAN of Virginia, Mr. LIPINSKI, Mr. MORAN of Kansas, and Ms. SANCHEZ.

H.R. 1272: Mr. CANADY of Florida, Mr. NETHERCUTT, and Mr. BACHUS.

H.R. 1290: Mrs. CUBIN and Mr. LARGENT.

H.R. 1333: Ms. BROWN of Florida and Mr. CALVERT.

H.R. 1344: Mr. COMBEST and Ms. BALDWIN.

H.R. 1355: Mr. MORAN of Virginia and Mr. PICKETT.

H.R. 1358: Mr. PICKERING and Mr. WEINER.

H.R. 1413: Mr. GONZALEZ.

H.R. 1446: Mr. GORDON and Mr. WELDON of Florida.

H.R. 1485: Ms. VELÁZQUEZ.

H.R. 1624: Ms. BROWN of Florida, Mr. WEINER, Ms. JACKSON-LEE of Texas, Mr. TOWNS, Mr. ROMERO-BARCELO, and Mr. FATTAH.

H.R. 1879: Mr. HALL of Ohio, Mr. WU, Mr. SANDERS, Mr. MALONEY of Connecticut, and Mrs. THURMAN.

H.R. 1814: Mr. WATTS of Oklahoma, Mr. TERRY, Mr. BLUNT, and Mr. DOYLE.

H.R. 1818: Mr. MCDERMOTT, Mr. FRANK of Massachusetts, Mrs. MALONEY of New York, Ms. KAPTUR, Mr. MATSUI, and Mr. MEEHAN.

H.R. 1837: Mr. SANDLIN, Mr. LUCAS of Kentucky, Mr. HINCHEY, Mr. HASTINGS of Florida, Mr. KIND, Mr. NADLER, and Mr. NEAL of Massachusetts.

H.R. 1841: Ms. ROYBAL-ALLARD and Mrs. MINK of Hawaii.

H.R. 1870: Mr. SHOWS, Mr. HOYER, Mr. MALONEY of Connecticut, and Mr. GREENWOOD.

H.R. 1907: Ms. MCCARTHY of Missouri and Mr. HILL of Montana.

H.R. 1932: Mr. PICKETT and Mr. FATTAH.

H.R. 1993: Mr. HILLIARD.

H.R. 2000: Mr. DUNCAN, Mr. CANADY of Florida, Mr. MCHUGH, and Mr. DEFazio.

H.R. 2121: Mr. DINGELL, Mr. GUTIERREZ, Mr. KUCINICH, Mr. MEEKS of New York, and Ms. SCHAKOWSKY.

H.R. 2202: Mr. ALLEN and Mr. CLAY.

H.R. 2221: Mr. BURTON of Indiana and Mr. RADANOVICH.

H.R. 2235: Mr. BLUNT.



H.R. 2245: Mr. McHUGH and Mr. DUNCAN.  
 H.R. 2265: Mr. BISHOP, Mr. ACKERMAN, and Ms. LOFGREN.  
 H.R. 2303: Mr. CAMBELL.  
 H.R. 2319: Mr. NETHERCUTT, Mrs. THURMAN, Mr. HOLDEN, and Mr. HINCHEY.  
 H.R. 2339: Mr. MOORE, Mr. TRAFICANT, Mr. MEEHAN, Mr. COOKSEY, and Mr. MINGE.  
 H.R. 2341: Mr. CLYBURN, Mr. HINCHEY, Mr. SANDERS, Mr. WISE, Mr. McNULTY, Ms. ROYBAL-ALLARD, Mr. SMITH of New Jersey, Mr. WELLER, Mr. GREENWOOD, Mr. GOODE, Ms. LOFGREN, and Ms. MILLENDER-MCDONALD.  
 H.R. 2346: Mr. KUCINICH.  
 H.R. 2389: Mr. HILL of Montana and Mr. HAYWORTH.  
 H.R. 2418: Mr. FOLEY and Mr. DEAL of Georgia.  
 H.R. 2452: Mr. SHAYS.  
 H.R. 2454: Mr. DOOLITTLE.  
 H.R. 2483: Mr. DREIER.  
 H.R. 2498: Mr. WAXMAN, Mr. SHAYS, Mr. HINCHEY, Mr. DUNCAN, Mr. DeFAZIO, Ms. SLAUGHTER, and Mr. CANADY of Florida.  
 H.R. 2534: Mr. BROWN of Ohio, Mr. ROMERO-BARCELO, and Mr. HINCHEY.  
 H.R. 2543: Mr. REGULA.  
 H.R. 2548: Mr. ROHRBACHER and Mr. METCALF.  
 H.R. 2555: Mrs. FOWLER.  
 H.R. 2563: Mr. BATEMAN.  
 H.R. 2565: Mr. MANZULLO.  
 H.R. 2567: Mr. PAYNE, Mr. PASTOR, Mr. STARK, Ms. BERKLEY, Mr. MENENDEZ, Ms. ROYBAL-ALLARD, and Mr. CLAY.  
 H.R. 2571: Mr. RAMSTAD.  
 H.R. 2584: Mr. ROGAN.  
 H. Con. Res. 8: Mrs. MINK of Hawaii.  
 H. Con. Res. 100: Mr. CRANE, Mr. TRAFICANT, Mr. MALONEY of Connecticut, Mr. BECERRA, Mr. NORWOOD, Mr. GOODLING, Mr. LEE, Mr. KILDEE, Mr. CLAY, and Mr. FORD.  
 H. Con. Res. 159: Ms. LEE, Mr. CROWLEY, Mr. BAIRD, Mr. CRANE, Mr. TRAFICANT, Mr. BLAGOJEVICH, Mr. MALONEY of Connecticut, Mrs. JONES of Ohio, Mr. BECERRA, Mr. NEY, Mr. COYNE, Mr. KILDEE, and Mr. FORD.  
 H. Res. 172: Mr. METCALF and Mr. WELDON of Pennsylvania.

### PETITIONS, ETC.

#### Under clause 3 of rule XII:

39. The SPEAKER presented a petition of the Utah Sheriff's Association, relative to USA Resolution 99-1 petitioning against the expansion of the authority, jurisdiction, and scope of federal powers and law enforcement; which was referred to the Committee on the Judiciary.

### AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 2587

OFFERED BY: MR. BILBRAY

AMENDMENT No. 1: Page 65, insert after line 24 the following:

BANNING POSSESSION OF TOBACCO PRODUCTS BY MINORS

SEC. 167. (a) IN GENERAL.—It shall be unlawful for any individual under 18 years of

age to possess any cigarette or other tobacco product in the District of Columbia.

(b) EXCEPTIONS.—

(1) POSSESSION IN COURSE OF EMPLOYMENT.—Subsection (a) shall not apply with respect to an individual making a delivery of cigarettes or tobacco products in pursuance of employment.

(2) PARTICIPATION IN LAW ENFORCEMENT OPERATION.—Subsection (a) shall not apply with respect to an individual possessing products in the course of a valid, supervised law enforcement operation.

(c) PENALTIES.—Any individual who violates subsection (a) shall be subject to the following penalties:

(1) For any violation, the individual may be required to perform community service or attend a tobacco cessation program.

(2) Upon the first violation, the individual shall be subject to a civil penalty not to exceed \$50.

(3) Upon the second and each subsequent violation, the individual shall be subject to a civil penalty not to exceed \$100.

(4) Upon the third and each subsequent violation, the individual may have his or her driving privileges in the District of Columbia suspended for a period of 90 consecutive days.

(d) EFFECTIVE DATE.—This section shall apply during fiscal year 2000 and each succeeding fiscal year.

H.R. 2587

OFFERED BY: MS. NORTON

AMENDMENT No. 2: Page 54, strike lines 19 through 25 (and redesignate the succeeding provisions accordingly).

H.R. 2605

OFFERED BY: MR. COOK

AMENDMENT No. 1: Page 15, line 25, after the dollar amount, insert the following: “(reduced by \$10,000,000)”.

Page 15, line 25, after the dollar amount, insert the following: “(reduced by \$30,000,000)”.

Page 15, line 25, after the dollar amount, insert the following: “(increased by \$5,000,000)”.

Page 17, line 11, after the dollar amount, insert the following: “(increased by \$4,000,000)”.

Page 17, line 11, after the dollar amount, insert the following: “(increased by \$2,000,000)”.

Page 18, line 10, after the dollar amount, insert the following: “(reduced by \$1,442,000)”.

Page 18, line 10, after the dollar amount, insert the following: “(reduced by \$10,000,000)”.

Page 18, line 10, after the dollar amount, insert the following: “(reduced by \$1,750,000)”.

Page 20, line 14, after the dollar amount, insert the following: “(increased by \$10,000,000)”.

Page 21, line 17, after the dollar amount, insert the following: “(increased by \$2,000,000)”.

H.R. 2605

OFFERED BY: MR. POMBO

AMENDMENT No. 2: Amend Title I to:

Cut \$150,000 from “General Investigations” designated for the Stockton Metropolitan Area and place that amount into “General Construction” for purposes of reimbursing the Stockton Metropolitan Area Flood Control Project, as authorized under Sec. 211 of the Water Resources Development Act of 1996 (Public Law 104-303).

H.R. 2605

OFFERED BY: MR. VISCLOSKY

AMENDMENT No. 3: Page 5, line 25, strike the comma and all that follows through page 6, line 23, and insert a period.

H.R. 2606

OFFERED BY: MR. MOAKLEY

AMENDMENT No. 1: At the end of the bill, insert after the last section (preceding the short title) the following:

LIMITATION ON ASSISTANCE FOR SCHOOL OF THE AMERICAS

SEC. \_\_\_\_\_. None of the funds appropriated or otherwise made available by this Act may be used for programs at the United States Army School of the Americas located at Fort Benning, Georgia.

H.R. 2606

OFFERED BY: MR. TRAFICANT

AMENDMENT No. 2: At the end of the bill, insert after the last section (preceding the short title) the following:

SEC. \_\_\_\_\_. Of the funds appropriated in title II of this Act under the heading “ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION”, not more than \$172,000,000 shall be available for the Government of the Russian Federation.

H.R. 2606

OFFERED BY: MR. TRAFICANT

AMENDMENT No. 3: At the end of the bill, insert after the last section (preceding the short title) the following:

SEC. \_\_\_\_\_. None of the funds appropriated or otherwise made available in title II of this Act under the heading “ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION” may be used to carry out programs contained in the Expanded Threat Reduction Initiative.

H.R. 2606

OFFERED BY: MR. TRAFICANT

AMENDMENT No. 4: At the end of the bill, insert after the last section (preceding the short title) the following:

SEC. \_\_\_\_\_. (a) None of the funds appropriated or otherwise made available in title II of this Act under the heading “ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION” may be used to carry out programs contained in the Expanded Threat Reduction Initiative.

(b) Of the funds appropriated in title II of this Act under the heading “ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION”, not more than \$172,000,000 shall be available for the Government of the Russian Federation.

## EXTENSIONS OF REMARKS

### PROVIDING FOR CONSIDERATION OF H.R. 2488, FINANCIAL FREE- DOM ACT OF 1999

SPEECH OF

**HON. DAVID L. HOBSON**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 21, 1999*

Mr. HOBSON. Mr. Speaker, I rise to dispute statements recently made on the House floor by Mr. TAYLOR of Mississippi that mischaracterize the record of Republican support for the men and women who serve this country.

First, let me say that the Clinton Administration, not the Republicans, has severely overstretched and underfunded our military. From 1991 to 1998, our military has been deployed 33 times. Compare that with only 10 from 1946 to 1991. The funding increases and commitments needed to sustain these missions abroad has been conspicuously lacking from this Administration.

Let me provide some examples. The defense budget presented by the President fell far short of the quality of life needs that our military had requested. For instance, the Administration disregarded requests for new family housing construction in the Continental United States (CONUS) made by the Army and Navy. That was unwise, given the housing backlog that stretches for ten years, and a real property maintenance backlog of almost \$1 billion.

What's worse, the services provided the Defense Appropriations Subcommittee with an unfunded priority list of over \$11 billion for this year alone, and over \$150 billion over the next five years.

While remaining within the budget caps, the Republican's Fiscal Year 2000 Defense Appropriations bill addresses these shortfalls by providing an extra \$2.8 billion above the Administration's request. Some of the highlights of the bill include: \$300 million above the budget request for pilot bonuses; \$854 million above the budget request for Quality of Life enhancements; \$103 million above the budget request for recruiting; \$2.8 billion above the budget request for Research, Development, Test and Evaluation; and 4.8 percent pay raise (above the budget request).

Moreover, the Administration proposed in its Fiscal 2000 budget request to split-fund military construction needs, overlooking the dire situation facing many military families and personnel. Instead of providing funding up front for new housing, child care, and work facilities, as the House-passed Military Construction bill does, the Administration put budget gimmicks before the needs of the services.

To redress these wrongs, Republicans have provided funding to dramatically improve the quality of life for military families. The House approved by an overwhelming vote of 414 to

4 the Fiscal Year 2000 Military Construction Appropriations bill, which contains several provisions to improve quality of life for our troops. It includes \$800 million for new housing, \$747 million for new family housing units, and \$2.8 billion for operation and maintenance of existing family housing units.

In the wake of increased single-parent and dual income families within the military, the legislation also provides \$21 million for child development centers. These child development centers will help military families cope with their changing life circumstances.

The Republican record of support for our Armed Forces is strong. While there is more to be done to redress years of downsizing, we have provided for the well-being of our troops and the stability of our national security.

### TRIBUTE TO VIRGINIA MEDINA

**HON. ROBERT T. MATSUI**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 26, 1999*

Mr. MATSUI. Mr. Speaker, I am honored to rise today in tribute to Virginia Medina of Clarksburg, California. I ask all of my colleagues to join me in remembering this remarkable wife, mother, and public servant.

Mrs. Medina passed away on June 27, 1999 following a three-year battle with ovarian cancer. She worked as a law librarian at the California State Department of Water Resources. I salute her professional as well as personal dedication to inspiring others and working hard to make a better life for her family.

State Senator Deborah Ortiz, Mrs. Medina's daughter, described her mother as "my greatest inspiration." Mrs. Medina was a working mother who put herself through secretarial school after surviving an early bout with thyroid cancer.

She had a wonderful reputation throughout her community as a warm, loving woman who never hesitated to help others in need. Mrs. Medina inspired significant legislation in the California State Legislature, authored by her daughter, which provides for annual research funding into gender-based cancers.

At the Department of Water Resources, Mrs. Medina was known as an exceptionally hard worker with a sunny personality. She served the people of California in that agency for over fifteen years.

One of her coworkers told the Sacramento Bee, "Despite all her suffering, she always had time to listen and to encourage others. She didn't complain. She wasn't cynical. She brought a lot of love and light to other peoples' lives."

A native of Lafayette, Colorado, Virginia Medina was born to a family of migrant workers. She moved to the Sacramento area at the age of seven. Although she was a high school

dropout who married at 16, she always stressed the importance of education to her own children.

Mrs. Medina not only served as a worthy role model for her daughter, but for her four sons as well. We can all respect the way in which she raised her family, promoted strong values, and contributed to her community.

Mr. Speaker, I ask all of my colleagues to join with me in remembering this strong and vibrant wife, mother, and citizen. As her family and friends endure this great loss, our thoughts are with them during this most difficult of times. Yet the legacy which Mrs. Medina leaves behind will endure for years to come.

### AFRICAN GROWTH AND OPPORTUNITY ACT

SPEECH OF

**HON. JUANITA MILLENDER-McDONALD**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 16, 1999*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 434) to authorize a new trade and investment policy for sub-Saharan Africa.

Ms. MILLENDER-McDONALD. Mr. Chairman, I rise in strong support of H.R. 434, the Africa Growth and Opportunity Act. I am honored to say that today, the vast majority of American civic, religious, and business leaders strongly support this bill. More important, all 43 nations of sub-Saharan Africa have voiced unanimous support for this bold step toward stronger economic ties between the United States and Africa.

We have also recognized that Africa's fragile democracies cannot sustain themselves without economic prosperity. I am proud to say that our government supported and promoted free and fair elections in every country where leaders were willing to allow liberty to flourish.

Now, we turn our attention toward strengthening Africa economically through US-Africa trade. The globalization of the economy, marked by integration of markets throughout the world, has made Africa the new economic frontier for economic growth. Western Europe and Japan are aggressively pursuing new trade relations with African countries. This vast continent, with its enormous resources and human capacity, may become the world's economic engine well into the 21st Century.

Africa is on the brink of a major economic revival. The United States faces strong competition from the European and Asian economic communities. The Africa Growth and Opportunity Act provides the United States

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

with a mechanism to leverage stronger US-African public and private partnerships while promoting African and American long-term economic interests.

HR 434 is bipartisan, provides a viable framework for modernizing Africa's trade infrastructure, strengthens relations between the African and American private sector, promotes African economic reform, and lays a foundation for future cooperation.

HR 434 is the beginning of an ongoing relationship between the United States and Africa. The bill's requirement that the President create and convene regularly a U.S.-Africa Economic Forum means there will be opportunity to revisit and expand the program as trade increases.

Much has been said about the need for debt relief for Africa. Congressman JESSE JACKSON has forcefully brought this point home to all of us. The Africa Growth and Opportunity Act calls for deep debt relief for the poorest countries in Africa. We should keep a discussion alive on this serious matter and seek to address the debt burden in an appropriate manner.

However, today we began to build strong trade relations between the United States and Africa as it is a critical part of Africa's economic recovery and is good for American businesses.

I urge passage of HR 434.

#### MEMORIAL DAY

### HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1999

Mr. BURTON of Indiana. Mr. Speaker, I would like to take a moment to honor every "Hoosier" who took part in the 1999 Memorial Day activities in Indianapolis. It was one of the most significant weekends in the history of that great city.

As the last days of the 20th century continue to unfold, Memorial Day weekend in the capital of Indiana was one to remember. Nearly 100 Medal of Honor recipients were guests for a series of stirring tributes. These included a solemn Memorial Service; the dedication of the only memorial to recipients of the Medal of Honor; grand marshals in the IPALCO 500 Festival Parade; an outdoor concert by the Indianapolis Symphony Orchestra; and a parade lap around the famed Indianapolis Motor Speedway prior to the start of the race.

As the 20th century draws to a close, many wonder if the Nation has lost sight of the sacrifices which have been made to preserve freedom. After this year's Memorial Day weekend in Indianapolis, my heart remains swollen with pride in our land and my fellow citizens. The reception given these ordinary citizens who did extraordinary things can never be equaled.

I am especially proud of the untold hundreds of volunteers who gave their free time and talent to make these events possible. Memorial Day weekend 1999 did much to convince me that our Nation's spirit of freedom is alive and well. It also underscored the true meaning of "Hoosier Hospitality."

#### EXTENSIONS OF REMARKS

### A TRIBUTE TO JOHN MARVEL FOR MAKING THE DURANGO COMMUNITY A BETTER PLACE TO LIVE

### HON. SCOTT MCINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1999

Mr. MCINNIS. Mr. Speaker, I would like to take a moment to acknowledge the great achievements and outstanding efforts of John Marvel. For many years, Mr. Marvel has been involved in and contributed much to the Durango community. I wish to commend Mr. Marvel for his efforts and work for the citizens of Durango.

After completing his education at Adams State College, John Marvel began his career in banking. For the last 28 years he has contributed to the banking industry, working in 4 banks and serving as CEO for 3 of those banks. Currently, Mr. Marvel dedicates his energies to First National Bank of Durango where he is Bank President.

John Marvel also designates time to enhancing the town of Durango through various endeavors and leadership roles. Serving as President of the Durango Area Chamber of Commerce, Mr. Marvel was named the DACRA Volunteer of the Year for 1998. He has also been influential in his positions as President of Durango Industrial Development Foundation, Members of the Fort Lewis College Foundation Board, and Member of the Colorado Association of Commerce and Industry Board. Because of his dedication and involvement, John Marvel was named the 1998 Recipient of Fort Lewis College Distinguished Service Award.

For his extensive work and service, I commend Mr. John Marvel and thank him for his endeavors. Mr. Marvel is a unique individual and I appreciate his commitment and work ethic.

### MILITARY RECRUITMENT THROUGH EFFECTIVE PRESENTATIONS TO AMERICA'S YOUNG PEOPLE

### HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1999

Mr. SAXTON. Mr. Speaker, we know that today our armed forces are facing serious shortfalls in recruitment. Already, these shortfalls are having a dangerous impact on our Nation's military readiness. We will have all the best tools, and no one to fight the war. In part, the problem may be caused by a blessing: America's flourishing economy, which leads our young people to enter a booming job market rather than the rigors of military service. Therefore, it is essential for our national security that our government do all that it can to support our armed forces in effectively communicating to young people of recruitment age the advantages and benefits of service.

Honor, patriotism, and the desire for adventure still engage and motivate America's

young men and women. America's armed forces offer the opportunity to be part of something meaningful, to learn self-discipline and sacrifice. For many idealist young people the military offers them an experience unmatched elsewhere. So we have to get the message out about what service in the Army, Navy, Air Force and Marines means to their own country, and what opportunities such service entails. And we must recognize that in today's world, we are competing with some of the most effective marketing and recruitment techniques ever devised by U.S. companies, which quite reasonably want to catch as many of the best and the brightest as they can for themselves.

Therefore, it is essential that we convey our message by the most effective means possible, employing language and images engaging to young Americans of recruitment age. Programming messages by the U.S. Navy have scored significant recruiting success in recent months, partially reversing the downward trend of Navy recruitment. Programming directed toward high school students for post-graduation enlistment can be particularly beneficial. For example, Channel One, the in-school news analysis program reaches eight million American students daily. Studies have shown that it is particularly well targeted and unusually effective means of increasing awareness of the military service option and positive attitudes toward it. As a result of this exposure, students in Channel One schools are more likely to consider enlisting.

Mr. Speaker, the use of innovative methods to educate and encourage young people about the benefits of service to their country is essential in today's marketplace. Our national security demands such an effort. At the same time, service in the United States military truly provides young Americans with an opportunity to gain by giving to their country. I intend to work hard to ensure that our government expands its support for our armed forces' efforts in this direction.

#### THE STATE HORNET

### HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1999

Mr. MATSUI. Mr. Speaker, I am honored to rise today to recognize the 50th Anniversary of The State Hornet, the newspaper of California State University, Sacramento. As the CSUS community celebrates this journalistic milestone, I ask all of my colleagues to join with me in honoring the great work of this student newspaper.

Fifty years ago, just four students at the newly established Sacramento State College began The State Hornet newspaper. Their tireless work became the foundation upon which the future successes of the publication would be built.

The State Hornet first appeared on April 14, 1949. Since that first day, the student editors and reporters have worked hard to cover the news stories that most directly affect the everyday lives of its student readership and the Sacramento State community-at-large.

Since its founding, The State Hornet has experienced dramatic growth and change that is not reflected in the mere passage of fifty years. Since 1949, hundreds of talented students and generations of journalists have learned their trade in the offices of The State Hornet.

Today, approximately 75 students and staff work for the newspaper, which makes the State Hornet not only one of Sacramento State's oldest employers, but one of the largest as well. Along the way, the staff has moved from the converted shoe repair shop where the newspaper began into a modern university building.

The State Hornet is the only college newspaper in California with offices designed as a professional newsroom. Its circulation has grown from a few dozen in 1949 to 12,000 copies distributed currently.

Through decades of journalistic accomplishment, The State Hornet has provided the California State University, Sacramento community with impressive, amusing, and sometimes controversial news coverage.

The paper has documented fraudulent voting, income tax evasion, and many other significant issues. The State Hornet is moving into the next century by debuting an Internet edition that will be available on the World Wide Web.

Since 1996 The State Hornet has produced an archive of each weekly issue that is available online. In time for its 50th Anniversary, The Hornet is launching its second newspaper, The State Hornet Online. This web site will contain all the stories and information included in the print edition, but other articles will be posted daily.

Mr. Speaker, the staff of The State Hornet at CSUS has accomplished a great deal over the past five decades. These accomplishments have led to the paper's worthy reputation for journalistic excellence and sound reporting. I ask all of my colleagues to join with me in saluting The State Hornet on the occasion of its 50th Anniversary and wishing it every continued success in the years ahead.

IN HONOR OF JANIE STRIDER

### HON. RONNIE SHOWS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1999

Mr. SHOWS. Mr. Speaker, this morning, I would like to take a minute to tell my fellow colleagues and the American People about Janie Strider. Ms. Strider recently passed away and it is important that we pause to remember this remarkable Mississippian and American.

Ms. Janie Strider is from that Great Generation of Americans who carried this country through the Great Depression and World War II. She raised a family and contributed to our nation following World War II. Everyone around her knew of the love she had for her God, her family and her nation.

Mr. Speaker, Ms. Strider was in her 90s. Just imagine all the changes she experienced over her lifetime. Just think about the advances in transportation and communications

she saw. When she was born things like e-mail, faxes and cable television were mere science fiction.

She was an All-American Southern lady who loved baseball and the democratic Party. Ms. Janie Strider's legacy will endure for generations in the children and grandchildren and great-grandchildren she instilled with the ideas of democracy and Christian-based values that she spent her life believing in.

Mr. Speaker, Mississippi and our nation are better off because of the life of Janie Strider. I salute her and the great family she gave to all of us.

### POLICE BRUTALITY; PROSTITUTION

### HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1999

Mr. SANDERS. Mr. Speaker, I would like to have printed in the RECORD statements by high school students from my home State of Vermont, who were speaking at my recent town meeting on issues facing young people today. I am asking that you please insert these statements in the CONGRESSIONAL RECORD as I believe that the views of these young persons will benefit my colleagues.

#### POLICE BRUTALITY

(On behalf of Chris Callahan, Ingrid O'Reilly, Chris Lancaster, Reah Greico and Andy Weber)

Ingrid O'Reilly: To serve, honor and protect. It's a phrase that is supposed to be a representation of police forces all over America. They serve the American people, but do they really honor and protect them? By definition, honor means to regard or to treat with respect. But it seems that the police officers that harassed Officer Aaron Campbell of Florida were not respecting him, never mind honoring him.

Then there is the question of protect. Americans depend on officers in the time of danger, but for Amadou Diallo, he lost his life when four New York City officers emptied their entire rounds on him because he looked suspicious. Is our law enforcement system covered by a blue curtain and our officers put on a pedestal, or is the law enforcement just getting a bad reputation for a few mistakes?

Chris Callahan: Aaron Campbell, a 26-year veteran of the Miami Dade Police Department, was pulled over and charged with a traffic violation. Campbell didn't believe that he was pulled over because of any traffic violation, but was a victim of racial profiling. Campbell resisted arrest, and later was accused of assaulting a police officer.

Campbell was successful in convincing the jury that racial profiling is an everyday occurrence. He was later acquitted of all charges, except for resisting arrest. The fact that Campbell was a police officer helped his case significantly. Imagine the victims who are not professionally affiliated with the legal system, and the difficulty that they have proving their innocence.

Reah Greico: On February 4, 1999, Amadou Diallo, a 22-year-old African immigrant, was shot and killed by four white policemen. Officers pleaded not guilty to the murder, believing that Diallo looked like a sketch of a

serial rapist, and that he was reaching for a gun. The four officers were indicted for second-degree murder.

While the murder of Amadou Diallo is not believed to have been an intentional case of police brutality, it shows how susceptible minorities are to police prejudices and brutalities.

Andy Weber: Since police enforcement began, there has always been some form of brutality or misuse of power. While there is no one solution to end brutality, many organizations and plans have been adopted to control this problem. Many precincts are waging heavier fines, longer suspensions, and even dismissals for officers convicted of brutality.

However, these actions should not even be happening. Therefore, many ideas have brought forth on how to prevent the brutality. The most popular of these ideas is community policing. Recently, the Los Angeles Police Department instituted a community policing program, which a report explains by the following: The catalyst for moving the department away from the faceless militaristic organization, toward a 21st century model that is more compatible and interactive with local communities.

Lastly, one of the most important ways to end police brutality is the destruction of the blue curtain. Though this is the easiest solution, it is also the hardest to actually carry out.

Chris Lancaster: Both brutality and corruption among law enforcement agencies have always been problems. Fortunately, today, it has been acknowledged that these problems exist, and this is the first step towards any possible resolution. These are problems that cannot be solved by any one policy or program, and programs such as the Los Angeles Community Policing Program are simply the beginning.

As for the blue curtain, it is time to realize that, while such a code may strengthen the bonds and camaraderie among police officers, it is no excuse to withhold the truth. Taking a definitive stance on eliminating the blue curtain will end a large percentage of corruption among police, and will lead to a more productive, constructive relationship between the police and the public.

Congressman Sanders: Good job.

#### PROSTITUTION

(On behalf of Lynn Clough, Angela DeBlasio, Kayla Gildersleeve and Tess Grossi)

Lynn Clough: Prostitution is a major concern and a policy issue for many countries, including the United States. Prostitution is defined as a relatively indiscriminate sexually exchange made for material gain. Persons prostitute themselves when they grant sexual access for money, gifts or other forms of payment, and in doing so, use their bodies as a commodity. In legal terms, the world "prostitute" refers only to those who engage frequently and overtly in such sexual economic exchanges.

Prostitution is now illegal for most of the United States. Prostitution is wrong. It spreads deadly diseases such as AIDS, promotes violence and cruelty, and minorities are involved for the easy way out. The violence is terrible and inhumane, but the prostitutes have to deal with it. Currently, if a prostitute is murdered, the police wouldn't make a big priority of it, but it really needs to be.

The government has to realize that prostitution is still happening and is not going to ever stop. Wise governments will accept that

paid sex is ineradicable and concentrate on keeping the business clean, safe and inconspicuous. Prostitution is not going to go away and it needs to be taken care of.

Angela DeBlasio: Many people know that prostitution is illegal, but they find that they have sexual needs. They know they can't get a prostitute, so they try and pick up fellow workers, which brings up sexual harassment. The United States holds a huge sexual harassment problem. Sexual harassment is one of the fastest expanding areas of American law.

The Equal Employment Opportunity Commission, which handles sexual harassment complaints, in 1991 handled over 6,000 cases, and in 1997 close to 16,000. If prostitution was legal and open for business, would there be any reason for sexual harassment cases?

Kayla Gildersleeve: One would wonder, if prostitution is going on anyway, why legalize it? The answer is simple. If prostitution is legalized, then the government would be in charge, and there would be great protection from diseases and violence. Also, there wouldn't be any unprotected prostitutes on the streets, and they would get paid, not the pimps.

Tess Grossi: Prostitution has been a part of life throughout history, and what would make the government think that making it illegal will stop it? The sex industry is exposed to many of the forces that normal businesses must contend with, but will it ever become a normal and respected part of society? History suggests that it might. Throughout history, there have been all forms of prostitution, including legal prostitution.

Again, prostitution causes deadly diseases to spread more rapidly, and there is great violence and inhumanity involved. All of these problems can be eradicated if the government would legalize it. The government is the only answer to solving the problem. Prostitution will never go away. Therefore, the government should legalize prostitution.

Lynn Clough: The people and the prostitutes are afraid to go to the government for help, and so the government needs to go to them.

Thank you.

#### WARREN VILLAGE IN DENVER, COLORADO IS AN INNOVATIVE AND UNIQUE FAMILY SERVICE COMMUNITY

**HON. SCOTT MCINNIS**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1999

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to recognize one of Colorado's most innovative and unique family service communities, Warren Village in Denver, Colorado. Warren Village is a service created to help low-income single-parents move from public assistance to personal and economic self-sufficiency through subsidized housing, on-site child care, counseling, and education, or job training.

Warren Village was established in 1974, marking July as the institution's 25th anniversary. Upon establishment, Warren Village was the Nation's first federally subsidized transitional housing program for single-parent families. Founders of Warren Village included Warren United Methodist Church, the U.S. Depart-

ment of Housing and Urban Development, and local business leaders.

Warren Village provides three integrated programs to its residents. The housing program provides accommodations for families of up to four children and one adult. The Learning Center uses a multi-cultural and gender-fair curriculum for at-risk urban children. The Family Services Program provides comprehensive case-management, vocational assessment, and life classes on topics ranging from goal achievement, to parenting, and leadership opportunities.

Residents of Warren Village are required to participate in activities that include evening educational classes, volunteer services, and must attend school or work full time. These activities must be completed as a condition of their lease agreement; progress of each resident is monitored quarterly. Residence at Warren Village is not an entitlement, but rather a privilege to be earned by personal progress.

Warren Village is a nonprofit organization that has more than 1,500 active community volunteers from schools, businesses, youth groups, and churches. In 1998, Warren Village had over 1,800 unduplicated volunteers donate their time. The limited financial resources of the institution are supplemented by the time and remarkable talents of these volunteers.

Over the past 25 years, Warren Village has received numerous national and State honors and awards for its outstanding services to the Denver Metro area. Warren Village has become a national model for providing constructive solutions for serious issues that plague every community in the Nation. With more than 2,500 families graduated from the program, cities across the country have replicated the Warren Village model.

I would like to congratulate Warren Village on 25 years of remarkable service and outstanding dedication to the community of Denver, as well as the State of Colorado. The hard work and significant achievements of Warren Village exemplify the notion of public service and civic duty. Colorado is both honored and extremely fortunately to have such an effective agency derive from our State.

#### COMMERCIAL SPACE TRANSPORTATION COMPETITIVENESS ACT OF 1999 (H.R. 2607)

**HON. DANA ROHRABACHER**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1999

Mr. ROHRABACHER. Mr. Speaker, I rise to introduce the Commercial Space Transportation Competitiveness Act of 1999.

Last year, the American people learned that two U.S. companies had helped Communist China improve its Long March launch vehicles. And we've all heard about the immediate and long-term impacts this is having on our national security.

But this travesty was merely the symptom of a greater challenge. In Communist China, we have a ruthless dictatorship that is using commercial space activities to help its military someday compete with the United States. In America, however, we have a space transpor-

tation industry that has grown up as an extension of the government, and therefore hasn't been dynamic enough to meet the launch needs of our vibrant commercial satellite industry. Sadly, these two facts created the circumstances that led to the technology transfers we have learned about.

Ever since I entered Congress over a decade ago I have championed the issue of improving America's space transportation capabilities. With leadership and support from colleagues like my late friend George Brown, the Committee on Science has reported, won House passage, and seen enactment of several legislative initiatives over the past decade. The legislation I am introducing today is another significant step towards the goal stated by the Select Committee led by CHRIS COX and NORM DICKS; improving U.S. "space launch capacity and competition."

The aerospace industry—along with the FAA—has testified before the Space & Aeronautics Subcommittee on ways to improve U.S. launch competitiveness. The message we have heard loud-and-clear is that their top priority is the renewal of the government-industry risk sharing plan known as "indemnification." Mr. Speaker, this bill extends indemnification authority for a full 5 years beyond its scheduled expiration this December.

I do wish, however, that we had more time to fully consider this issue. Industry has been signing launch contracts for nearly 3 years that presupposed an automatic renewal. With little time for debate about whether this is the right risk sharing plan for the future, the Science Committee was put in a tough spot that I for one don't want to see repeated in 5 years.

So this bill also directs that various government agencies and industry sectors present Congress with the broadest possible range of ideas as to whether and how this risk sharing regime should change in the future. Make no mistake about this: we want to give U.S. industry a stable business environment so they can be more competitive in the international marketplace. However, we also want to start the process now of planning for risk sharing in 2005 and beyond.

This legislation authorizes funding through Fiscal Year 2002 for the FAA's Office of the Associate Administrator for Commercial Space Transportation. Over the past two years, Patti Grace Smith has dramatically reformed and improved this office. She and her staff have worked hard to keep up with rapid growth in U.S. commercial space transportation, while drafting regulations to help industry move forward into the era of reusable launch vehicles. For these reasons, we have provided this office with a steady increase in funding over the next 3 years.

The other non-user agency that works with the commercial space transportation industry is the Office of Space Commercialization (OSC) within the Department of Commerce. Last year the Congress created this office in law, and this bill provides OSC with steady funding but requires the office to lay out more specific programmatic objectives and results so the Congress can judge its progress.

Mr. Speaker, I am pleased to offer this legislation to help make America's commercial

space transportation industry more competitive. I want to thank Science Committee Chairman JIM SENSENBRENNER for his help and encouragement in developing this bill. I would also like to thank Chairmen JOHN MCCAIN and BILL FRIST in the Senate, and also Senator JOHN BREAUX, for actively focusing on commercial space transportation issues. We look forward to joining with them soon to send a mutually agreeable version of this legislation to the White House for the President's signature.

#### TRADE POLICY REFORM ACT

**HON. JAMES A. TRAFICANT, JR.**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 26, 1999*

Mr. TRAFICANT. Mr. Speaker, our foreign competitors have been dumping steel in America below market value for well over a year. This practice, which has been allowed to continue unencumbered by the Clinton Administration, has had a devastating effect on the U.S. steel industry and U.S. steelworkers. I have taken numerous actions, alone and in conjunction with the Congressional Steel Caucus, to urge the Administration to change its backward trade policy and remedy the current crisis. In March, the House passed the Bipartisan Steel Recovery Act, which imposes quotas on steel imports above a certain level, for three years. Short-term solutions, however, are not a panacea. In order to rebuild the confidences of American industry and the American worker in the international trading system—and particularly in U.S. trade policy—Congress should reform three major trade law regimes: (1) enforcement of international trade agreements, (2) remedies against disruptive import surges, and (3) remedies against foreign unfair trade practices.

There is an urgent need to strengthen Section 301 of the Trade Act of 1974, which was enacted to enable the U.S. Trade Representative (USTR) to open foreign markets closed to imported products and services by unreasonable trade barriers. The effectiveness of Section 301 has been significantly undermined by the World Trade Organization (WTO) Dispute Settlement Understanding (DSU) and the emergence of new, harder-to-reach forms of foreign trade barriers. Section 301 now serves almost exclusively as a mechanism by which complaints are funneled through the USTR en route to the WTO. The bilateral component of U.S. trade diplomacy has been allowed to decay. The WTO has been ineffectual in dealing with modern, complex trade issues such as the closure of foreign markets by governments working with private monopolies and cartels (e.g. *Kodak v. Fuji*). Title I of the Trade Policy Reform Act would reinstate this bilateral component of U.S. trade diplomacy and require new reporting requirements by the Office of U.S. Trade Representative (USTR) to Congress. These new reporting requirements: (1) make the USTR more accountable to Congress, and (2) provide for direct information dissemination to Congress, in order to improve Congressional oversight, and (3) address both market access barriers and foreign compliance

with international accords. The "Trade Policy Reform Act" also mandates appropriate action by the Commerce Department when market access barriers or non-compliance with trade accords is found.

Specifically, Title I requires monitoring of and reports on foreign market access for U.S. goods and services, negotiations to gain market access, progress reports on negotiations, monitoring of compliance with trade agreements, and 301 actions should negotiations fail or should countries refuse to negotiate or in the case of noncompliance with agreements. The Trade Policy Reform Act would also bring the National Trade Estimates (NTE) report closer to Congress' original goals and address current illegal trade practices such as prison labor, etc. The NTE is further amended to include input by affected U.S. industries and their employees. Congress devised the NTE in the 1980s to inventory, on an annual basis, foreign trade barriers affecting U.S. exports of goods and services. The purpose was to bring about negotiations to eliminate such barriers. The list today does not serve its intended function.

With respect to relief from unfair trade practices, Title II of the Trade Policy Reform Act mandates action by the USTR, for the first time, against collaborations between foreign governments and private enterprises to restrict market access for U.S. goods and services by making such collaborations actionable. Moreover, the legislation would allow any interested party, defined as one who has been economically adversely affected, to request a review of country compliance with any trade agreement. Non-compliance is actionable.

In addition, Title II would prohibit the Secretary of Commerce from using any funds appropriated by Congress to implement existing agreements and negotiate any new ones for those categories of steel included in H.R. 975, the Bipartisan Steel Recovery Act. Section 2106 also directs the Secretary to withdraw from the current agreements and notify the other signatories of that action.

Title III of the Trade Policy Reform Act would abolish the International Trade Commission and transfer its authority and responsibilities to the Department of Commerce. The ITC's continued independence and existence outside of any institution accountable to the people of the United States undermines America's industry and hurts America's workers. The ITC's independence is precisely what makes it the least appropriate body to determine whether U.S. industries are being injured by imports and what relief those industries should be given. America's workers deserve to have an agency on their side, protecting their interests, with their security and success its primary goal. Although the ITC Commissioners are confirmed by the Senate, Congress has no other role whatsoever in its oversight (other than appropriating its operating funds).

When the ITC purports to not be a policy-making body, it really means that it does not follow American policy, just its own. The ITC's policy clearly places the concerns of foreign industries on the same plateau as our own industries, and American workers suffer. Furthermore, the ITC contradicts itself. On one hand it claims to be an independent agency that conducts objective studies on international

trade. On the other hand the ITC is required to assist the President, making recommendations on how to relieve industries injured by increasing exports, and advising him on whether agriculture imports interfere with governmental price support programs. In filling these dual roles, the ITC is the equivalent of a referee that makes calls in a game while coaching his team from the sidelines. The Commissioners of the ITC are supposed to serve the American people. The American worker does not need a coach that is also required to fill the role of "objective" referee. An agency like the ITC cannot entirely fulfill its duties. Title III will abolish this problematic agency, transfer its authority to the Department of Commerce, and in doing so fill the much-needed role of a trade agency that successfully champions the causes of the American workers.

For an agency charged with the awesome responsibility of being the last line of defense of American industry against foreign attack, objectivity and unaccountability are unacceptable. Moving its functions to the Secretary of Commerce would subject those roles to tougher scrutiny by Congressional committees of jurisdiction and, consequently, to the American people. The Secretary would be responsible for all decisions made on behalf of America's workers and would have to answer to the elected representatives of the American people for those determinations.

Finally, Title IV of the Trade Policy Reform Act creates a WTO Review Commission to strengthen the dispute resolution process. Section 301 provisions require the U.S. to bring Section 301 cases involving trade agreements to the dispute settlement procedures established under the agreements. Therefore, U.S. membership in the WTO does not diminish or restrict the ability of the United States to initiate Section 301 cases, but does require it to submit cases involving WTO trade agreements to the WTO for dispute settlement. If the U.S. wins, the loser must comply with the WTO ruling or face retaliation measures.

What happens when the U.S. loses a case in the WTO? Technically, the United States could issue Section 301 trade sanctions, despite any decision made under the WTO dispute resolution process. However, if the United States imposed an unauthorized sanction on a WTO-covered item (e.g. raised the tariff beyond a negotiated rate), the sanctioned country might issue a complaint to the WTO, which might rule against the U.S. The WTO has no real authority to force any nation to change its laws or abide by its rulings. If the U.S. chose to ignore WTO rulings, it would run the risk that other nations would too. In order for the DSU mechanism to work, WTO members, including the U.S. must be willing to "play by the rules."

Specifically, the WTO Review Commission would review the WTO dispute settlement cases adverse to the United States to determine if the WTO had exceeded its authority, which could lead the President to seek changes in WTO dispute settlement rules. For example, should the Commission determine that the WTO's ruling in favor of Japan in the Kodak-Fuji case was due to lack of authority in anti-competitive practices, the Commission could then direct the President to negotiate an anti-competitive trade agreement to expand



WTO authority. The creation of a WTO Dispute Settlement Review Commission is both a mechanism for protecting U.S. trade interests as well as an "official" means for the U.S. to initiate improvements in the Dispute Settlement system, as problems arise. The United States could base future trade negotiations on the Commissions findings.

It is incumbent upon Congress to restore to confidence of U.S. industry and American workers in our international trading system. To accomplish this objective, Congress must ensure a fair and equitable international trading system: illegal trade practices must not be tolerated, foreign markets that restrict American goods and services must be liberalized, international panels must be scrutinized for any bias, conflict of interest, or overstepping or authority, and ineffective government agencies must be reinvented to serve U.S. business and labor. The "Trade Policy Reform Act" provides common sense solutions to some of the key problems with America's trade policies. I urge all Members to cosponsor this legislation.

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HONORING THE 50TH ANNIVERSARY OF THE 514TH AIR MOBILITY WING

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**HON. JIM SAXTON**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 26, 1999*

Mr. SAXTON. Mr. Speaker, congratulations to the men and women of the 514th Air Mobility Wing on the commemoration of your 50th anniversary! The citizens of the United States, and especially of New Jersey, recognize and appreciate your impressive contributions to our great nation.

Over the past 50 years you have endured changes in your name, command, mission, aircraft, and location. You've been activated and deactivated, stretched far beyond your resources and had your budgets slashed to frightening levels. Through it all, you stayed the course, steadfast in your commitment to serve, professional and dependable, always meeting the demands placed upon you.

You continue to enjoy unparalleled success as the premier associate wing in the Air Force Reserve Command. The nation has watched the members of the 514th AMW leave your families and home for the Korean war, the Cuban missile crisis, the Vietnam war and the evacuation of South Vietnamese refugees. Alongside your active duty brethren, you were among the first forces into the Vietnam conflict. In fact, it was a reserve crew from the now-deactivated 335th Military Airlift Squadron that flew the last mission of Operation Babylift from Saigon. You continue to support Operation Southern Watch and humanitarian missions too numerous to count.

Please accept this tribute of a nation grateful for the tremendous sacrifices you have made and continue to make in defense of the many freedoms we enjoy. We are proud of you. We support you. We thank you.

EXTENSIONS OF REMARKS

MAYS FAMILY IN ROBSTOWN

**HON. SOLOMON P. ORTIZ**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 26, 1999*

Mr. ORTIZ. Mr. Speaker, I rise today to pay tribute to a family that has been a large part of the history of my hometown, Robstown, Texas, for the better part of the 20th Century. Next week, the Mays Family will hold a family reunion in the Omni Bayfront Hotel in Corpus Christi, Texas.

I am honored to know this fine family, and I want to let my colleagues in the House of Representatives know about these pioneers. Riley and Ella Mays moved to Robstown from Kosse, Texas, in 1912; they were the first black family to live in Robstown, which is a largely Hispanic enclave west of Corpus Christi in Nueces County in the Coastal Bend of Texas.

The Mays family is a distinguished and respected family in the community and in the Mt. Zion Missionary Baptist Church, which was founded by Riley Mays. Both Riley and Ella saw the need for a Baptist church in the area, so they acquired a building which doubled as a church and as the first black public school in the area.

Riley Mays was the first Deacon there and a Sunday School teacher until his death. Ella Mays was a nurse and the first president of the Mt. Zion Missionary Baptist Church's missionary society. They both directed the school there.

To commemorate the first black family to settle in Robstown and to honor the family patriarch, the city named a street in Riley Mays' honor. Shortly, a historical marker will be established at the Mt. Zion Missionary Baptist Church to pay tribute to the Mays family as well. The great and lasting legacy left to their family by Riley and Ella Mays is that the strength of the United States is found in the family unit.

This is the tradition that their descendants celebrate each day and it is the tradition that they will celebrate en masse August 6-8, when they hold their family reunion. Riley and Ella Mays had 14 children, and today have over 450 descendants who are active in their communities, schools and churches all over Texas and the United States.

I ask my colleague to join me in wishing them well as they gather to commemorate their families' tradition of service to community and country.

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HONORING RONALD E. TEATER

**HON. RONNIE SHOWS**

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 26, 1999*

Mr. SHOWS. Mr. Speaker, this morning, I would like to take a minute to tell my fellow colleagues and the American people about Ronald E. Teater. Mr. Teater is a great, faithful and hardworking Mississippian. He is the kind of person who should serve as a role model for all of us.

I am telling you about Mr. Teater today because he is being honored this weekend by the Mendenhall, Mississippi Fire Department. Can you imagine being part of one organization for fifty years? Mr. Teater can because that is how long he has been faithfully serving the citizens of Mendenhall in their fire department. This dedication to the people of his community speaks loudly and clearly as to the good character of Mr. Teater.

Ronald E. Teater is an American who fought for his nation during World War II in the United States Navy. Mr. Teater has also served the people of Mendenhall as a town alderman. He has been a man for all seasons. He has given his time in making all of our lives safer and better.

And, I understand that Mr. Teater has no intentions of slowing down.

Just think about being a fireman for 50 years. Think about the countless people he has protected. Think about the folks he has helped and consoled. We can never be thankful enough to our nation's firefighters. And, Mr. Teater goes at the top of the list.

Ronald E. Teater is a person to admire, look up to and respect. He is a man that deserves our praise. To Mr. Teater I would like to say thank you. Thank you for serving, thank you for caring and thank you for giving your time, energy and efforts to make Mendenhall, Mississippi and America what they are today.

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RECOGNIZING JACK QUINN

**HON. SCOTT MCINNIS**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 26, 1999*

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to acknowledge the outstanding efforts and hard work of Mr. Jack Quinn. Because of his leadership, work ethic, and selection to participate in the Washington, DC Fannie Mae Partnership Summit, I now honor this remarkable man.

Mr. Quinn received a bachelor of science degree from Fairfield University and later earned a master of arts in public administration from the University of Northern Colorado. After finishing his education, he went on to serve the people of Colorado, specifically Pueblo, CO, in various capacities.

Jack Quinn has been an active participant in many housing organizations including Neighborhood Reinvestment Corporation, Colorado Housing Finance Authority, and Pueblo Neighborhood Housing Services. He was instrumental in founding the Mountain/Plains Regional Council of the National Association of Housing and Redevelopment Officials in 1973. Recently, he completed a 2-year term as National President of this association.

Mr. Quinn also takes an active role in his community, serving as the chairman of the board of St. Mary Corwin Regional Medical Center and chairman of the Finance Committee for Pueblo Community College Foundation. At one time, he also dedicated his time and energy to serving as Chairman of United Way. Presently, Mr. Jack Quinn works with the Pueblo Chamber of Commerce, the Latino Chamber of Commerce, and the State Fair.

Mr. Jack Quinn is a unique and valuable individual. Working for the Pueblo Housing Authority for over 30 years, he has served as Executive Director for 27 of those years. I greatly appreciate his role in leadership, his involvement and dedication to the Pueblo community, and the example he sets.

# FINANCIAL FREEDOM ACT OF 1999

SPEECH OF

**HON. DOUG BEREUTER**

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 22, 1999*

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his qualified support for H.R. 2488, the Financial Freedom Act. At the outset, this Member thinks that a tax cut is very good for the American people and for the economy, but he wants to make sure that it is the right size and that it focuses on middle income Americans.

In particular, this Member also wants to see some of the future surplus funds used to reduce the national debt. By locking away some of the additional money for Social Security and Medicare, and by reasonable limits on the tax cut, we can devote more of any real surplus to retiring more of the national debt. At this Member's town hall meetings, he has found Nebraskans resoundingly in favor of reducing the national debt and many of his colleagues have told him that they have had the same experience. This Member is pleased to know that the manager's amendment to H.R. 2488 expresses the sense of Congress on its commitment to debt reduction and a national debt increase trigger which would annually block the across-the-board Federal income tax reduction if the amount of that debt interest outlay increases for total U.S. Federal Government debt from the amount of the previous year. This means there will be an iron-clad method to assure that there is a payment toward reducing the national debt.

This Member is confident that the size of the tax cut will be reduced in conference. He thinks that the proposed reduction in taxes over the next 10 years may be too big because of overly optimistic budget surplus projections. This Member fully expects that after conference with the Senate this tax cut will be reduced in size.

In regards to inheritance taxes, this Member does not think the conference version of this tax bill should or will include a total elimination of the Federal inheritance tax in the case of "super-wealthy" individuals. While this Member wants to give inheritance tax relief to family farms and family small businesses by accelerating the exemption level for Federal inheritance taxes to \$1 million, he does not think it is appropriate at this time to eliminate the Federal inheritance tax altogether for very wealthy individuals. Hopefully, the complete phase-out will be eliminated in the House-Senate Conference. Some say the super-wealthy don't pay inheritance tax anyway—that they in part give it to charities or establish foundations to avoid taxes. Of course that is an exaggeration, but certainly we don't want to reduce such charity or beneficial giving by eliminating

the inheritance tax on the super-wealthy. The American society would surely be harmed.

This Member also notes that the legislation includes tax relief for private utilities with nuclear power plants in a state-deregulated environment. It is important to recognize that as states have taken action to deregulate, two unintended Federal tax problems have resulted. This bill addresses the nuclear decommissioning fund issue which affects private utilities. Unfortunately, the bill does not address the private-use issue which affects consumer-owned utilities. This Member hopes that during the conference, relief can also be provided to consumer-owned utilities which are also hindered by an outdated Federal tax law.

On a different note, this Member is quite pleased that two particular provisions are included in H.R. 2488 which will increase rural housing opportunities. In fact, this Member has been quite active during his entire tenure in promoting the need for adequate, affordable rural housing. First, H.R. 2488 includes an increase in the Low Income Housing Tax Credit program from \$1.25 to \$1.75 per capita. The bill phases in the increase by 10 cents per year from 2000 to 2004 until it reaches \$1.75 and indexes it for inflation thereafter. This provision will give states additional resources in providing rural housing throughout America. Second, H.R. 2488 accelerates the phase in of the private activity cap to \$75 per capita beginning in 2000. This provision will give additional capital for financing home purchases by low and moderate-income homebuyers in the mortgage revenue bond program.

Therefore, for the above reasons and others, this Member gives his qualified support to H.R. 2488, the Financial Freedom Act.

# INTRODUCTION OF THE TEACHER TAX EXEMPTION ACT OF 1999

**HON. GEORGE MILLER**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 26, 1999*

Mr. GEORGE MILLER of California. Mr. Speaker, today, I am introducing legislation that would strengthen our national educational system by addressing the most important education issue facing the country, teacher quality.

My legislation will provide a financial bonus, in the form of a tax exemption, to qualified teachers who teach in schools where fifty-percent or more of the children qualify for free or reduced-price lunches.

There are many things we can do to increase teacher quality, and some steps are being attempted now through other legislation. But one of the most concrete and important steps we can take is to create real financial incentives for qualified individuals to teach in high-poverty schools.

For high poverty schools, attracting and retaining well-qualified teachers is a critical part of a comprehensive strategy to close the achievement gap between rich and poor students and between minority and non-minority students.

Schools serving low-income students have far too few adequately qualified teachers. Re-

search suggests that this is one of the primary reasons that the achievement of low-income students lags behind that of more affluent students.

This achievement gap is both unnecessary and dangerous. All children can achieve at high levels if they are taught at high levels. The achievement gap threatens not only the life chances of millions of low-income students but also the civic and economic health of the country as a whole.

It is incumbent upon us to act quickly and decisively to correct it.

We have heard much about nationwide "teacher shortages." Indeed, the U.S. Department of Education estimates that schools will need to hire 2 million teachers over the next decade.

But the real problem is not absolute teacher shortages, but rather shortages in specific geographical areas and in certain academic subjects. In particular, there is a dearth of teachers in particular subject areas—such as special and bilingual education, mathematics, and science. And there is a shortage of qualified teachers in underfunded schools, particularly in urban and rural districts.

For example, in the largest local educational agency in my Congressional district—the West Contra Costa County Unified School District—62% of all teachers hired this year are college interns or are teachers with emergency credentials. Because West Contra Costa is not as affluent as other neighboring school districts, and therefore cannot offer the same salaries and working conditions, it faces serious challenges in competing for qualified teachers.

Furthermore, even within the same school district, where schools offer the same salary schedules, emergency-certified teachers are overwhelmingly concentrated in the highest poverty schools. While the high-poverty schools 50% or more of the entire faculty is under-qualified, in other schools, just miles away, all teachers are fully-credentialed.

I believe that higher pay, along with ongoing professional development and support, especially for new teachers, can go a long way in leveling the educational playing field. Boosting pay in key professions is widely recognized as an effective strategy for maintaining quality. For example, the House Defense Appropriations bill for the Fiscal Year 2000 contains \$300 million in bonuses to help retain qualified Air Force pilots.

We need to mount a similar effort nationwide to recruit and retain highly qualified teachers so that all children, regardless of where they live or their family background, have the opportunity for a world-class education.

My legislation would exempt the first \$40,000 in salary for teachers teaching academic subjects in high-poverty schools—schools in which at least 50% of the students enrolled qualify for the free or reduced price lunch programs. It would increase take-home pay by about \$5,900 for a qualified single teacher with the average national teacher salary of \$40,000.

In order to qualify for the exemption, teachers who provide instruction would have to be qualified to provide instruction in each and every academic course they teach. Elementary school teachers would have to demonstrate teaching skill and general subject

matter knowledge required to teach effectively in reading, writing, mathematics, social studies, science, and other elements of a liberal arts education. Middle school and secondary school teachers would have to demonstrate a high level of teaching skill and subject matter knowledge in the subjects they teach either by attaining passing scores on academic subject area tests or by holding a bachelor's degree with an academic major in each of the subject areas in which they provide instruction.

Qualified special education teachers and bilingual teachers also would be eligible for the exemption.

I believe a teacher salary tax exemption is an ideal way to solve several critical problems. It would strengthen education, and address the most important education issue facing the country, by steering high quality teachers to underperforming schools. And it would provide targeted tax relief to the middle class rather than an open-ended tax cut that benefits wealthier Americans without solving any critical particular social problem.

U.S. teachers teach more hours per day than their counterparts in other countries and take more work home to complete at night, on the weekends and holidays. At the same time, U.S. teachers must go into substantial debt to become prepared for a field that pays less than virtually any other occupation requiring a college degree.

I believe taxpayers are willing to direct additional resources to raise teacher salaries to a level commensurate with teachers' knowledge and skills and with the important role they play in our society. But I also think the public wants and deserves to know that such funds are being spent in an effective and responsible manner that results in improved academic achievement for students. That means tying increased pay to teacher qualifications and deploying our most talented teachers in the areas that are having the most difficult time attracting and retaining them.

I look forward to working with my colleagues in passing this important legislation.

CONGRATULATING MS. WILSON'S  
KINDERGARTEN CLASS

**HON. ROBERT E. ANDREWS**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 26, 1999*

Mr. ANDREWS. Mr. Speaker, I rise today to commemorate a great day, on which thirty Kindergarten students from the Shady Lane Elementary School reached all of the appropriate levels on their Terra Nova test. Ms. Martha Wilson's Kindergarten class is an outstanding group of young people. I wish the best of luck to the following group of kindergartners who shared this special day with me at the Shady Lane School: Courtney Callahan, Nicholas Battee, Jaimie Beeker, Destiny Bingham, Brian Buck, John Childress, Robert Kilcourse, Kody McMichael, Marisa Peters, Matthews Raively, Deborah Robinson, Karen Sabater, Donald Smith, Richard Smith, Marcus Smith, Ayana Thomas, Jessica Welch, George Williams, and Nylan Wolcott.

EXTENSIONS OF REMARKS

RECOGNIZING CHICAGO BOTANIC  
GARDEN'S BUEHLER ENABLING  
GARDEN

**HON. JOHN EDWARD PORTER**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 26, 1999*

Mr. PORTER. Mr. Speaker, I am very pleased to recognize one of the most beautiful places in my District, the Chicago Botanic Garden, and to celebrate the Garden's grand opening of the Buehler Enabling Garden.

The Chicago Botanic Garden is a clear leader in horticultural therapy and barrier-free gardening. It is only fitting that in the year that our nation celebrates the 10th anniversary of the Americans with Disabilities Act, the Chicago Botanic Garden celebrates the grand opening of a beautiful and unique 11,000-square-foot garden design to encourage lifelong gardening for people of all ages and abilities. Over two years of design and construction work culminated in the July 17th and 18th grand opening of the Buehler Enabling Garden, a garden that will serve to demonstrate an array of techniques that can make gardening fully accessible to people with disabilities.

For millions of individuals, gardening offers relaxation, social involvement, exercise, and a sense of accomplishment. Unfortunately, for people with disabilities, gardening may be cumbersome and difficult. The Chicago Botanic Garden's Buehler Enabling Garden, however, is not only barrier-free but its plant materials and garden structures have been carefully chosen to accommodate people with disabilities and older adults. The Enabling Garden is intended to serve as a model for people with disabilities, human service professionals and landscape architects. In fact, on July 28th, the Chicago Botanic Garden will hold a symposium for professionals in the health, human service and design fields to learn how to transfer techniques learned at the Enabling Garden to their own institutions or their own backyards.

Some of the examples of such gardening techniques are raising flower bed and containers, building vertical gardens and hanging baskets on pulley systems, and providing adequate seating, shade, water and paving within the garden for the disabled. The Buehler Enabling Garden also exhibits a wide range of devices, tools and plants that contribute to accessibility and sensory appeal for the sight-impaired. Appropriate tools used in an enabling garden are generally small and lightweight or have large, foam-padded handles that are easy to manipulate. In addition, the variety of plants that are best suited for an enabling garden could include fragrant or textural plants for those people with visual impairments, or dwarf plants in containers or hanging baskets that can bring gardening activities within easy reach.

Mr. Speaker, I am pleased that the Chicago Botanic Gardens is sharing its expertise in horticultural therapy to make gardening accessible to people of all abilities. I invite all Members to join me in recognizing the grand opening of the Buehler Enabling Garden at the Chicago Botanic Garden.

RECOGNIZING THE ACCOMPLISH-  
MENTS OF CASPIAN CITY MAN-  
AGER ROSALIE KING

**HON. BART STUPAK**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 26, 1999*

Mr. STUPAK. Mr. Speaker, I rise today to honor a dedicated public servant who has served her small northern Michigan community of Caspian for almost a quarter of a century.

A reception for Rosalie King tonight celebrates her many services to the residents of Caspian. Although I can't be at that event, I'd like to share some thoughts with you and House colleagues on her work.

Let me first remark on the kind of community in which Rosalie has worked since 1978.

Much of northern Michigan was settled in the late 1800s. Most of these towns in northern Michigan were part of an early boom in such industries as mining—both copper and iron mining—and timber. By the turn of the century, many of these settlements had become communities. In the next quarter century services, such as water and wastewater treatment and brick streets, were added to these many small towns.

The problem faced by many of these towns is the aging of this basic infrastructure. Water pipes no longer provide pressure sufficient for adequate fire protection, and in some cases they sustain failures because of frost heaving or age-related problems that force continuous and expensive repairs.

More important, with the boom years far behind, basic infrastructure does not permit the development of industrial parks or the rehabilitation of downtowns that can be the basis for economic redevelopment.

It has been in the area of pursuing grants for this kind of community maintenance and redevelopment that Rosalie King has excelled. As the city manager of Caspian she has successfully won millions in grants and equally successfully administered them, making future grant acquisition more likely.

I have had the pleasure of being able to work with the dynamic community leader who has fought so long and hard for the betterment of the citizens she serves. Rosalie personifies the best of what local leadership can be and she has demonstrated the best that programs like Rural Development can be in terms of helping small communities maintain a quality of life and an ability to maintain and even attract economic investment. Other northern Michigan communities look to Caspian as an inspiration and a model for community pride and leadership.

But Rosalie King has been more to her community than a public official. She is one of those rare individuals who has been able to give complete dedication to all areas of her life, family, church and community. In addition, she has been interested and involved in recreation programs, especially hockey.

I know Rosalie will continue to dedicate her many talents to the friends and neighbors that make up the Caspian community. I ask you, Mr. Speaker, to join me in this salute to Rosalie King, a dynamic city manager, as she brings to a close a long distinguished career.

IN COMMEMORATION OF THE  
GRAND OPENING OF THE  
EASTMONT COMPUTING CENTER  
FOR THE OAKLAND COMMUNITY

**HON. BARBARA LEE**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 26, 1999*

Ms. LEE. Mr. Speaker, I rise to recognize the Eastmont Computing Center, located in East Oakland, California, on its grand opening. This multi-million dollar computing center is a project of The Oakland Citizens Committee for Urban Renewal (OCCUR), which was established in Oakland, California in 1954 for the purpose of raising the quality of life for all of Oakland's residents, with the emphasis on serving those in the greatest need of a balanced delivery of goods, effective public policy, and services. OCCUR created the Eastmont Computing Center (ECC) to serve as a community resource on information technologies in order to provide universal computer and Internet access and employment focused training to Oakland citizens.

The Eastmont Computing Center provides cutting-edge information technology training to youth and other residents of under-served communities. The Center provides a broad range of unique skills and employment training programs to youth, senior citizens, and community-based organizations.

The Center is one of only three California recipients of the highly competitive U.S. Department of Commerce Telecommunications and Information Infrastructure Assistance Program grants. Additional funding for the Center is provided by a number of government, foundation, corporate and individual donors including the Eastmont Town Center, Pacific Gas and Electric, Chevron, Pacific Bell, The San Francisco Foundation, Oracle, Hewlett Packard and IBM.

I wish to commend the management and staff of the Eastmont Computing Center for their tireless work and for their diligence. It has been through their perseverance that they have garnered the resources necessary to establish and operate this training facility for the benefit of all the citizens of Oakland.

I wish to extend to the Eastmont Computing Center, its staff, donors and support volunteers sincere best wishes for success as they begin to deliver technology access and employment training services to the citizens of Oakland.

HONORING RAYDELL MOORE'S 35  
YEARS AS A POSTAL UNION NA-  
TIONAL OFFICER

**HON. MAXINE WATERS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 26, 1999*

Ms. WATERS. Mr. Speaker, it is my pleasure to bring to the attention of my colleagues the recognition of Mr. Raydell Moore of Long Beach, California by the American Postal Union (APWU), AFL-CIO, as one of their longest serving national officers. Mr. Moore

has served APWU proudly for 35 years as a national officer in the western region.

Mr. Moore was born in Austin, Texas and received his formal education there. While in high school, he played football and was a teammate of Dick (Night-Train) Layne who later played for the Detroit Lions. Mr. Moore graduated from Tillitson College with a B.A. Degree in Chemistry.

Mr. Moore served in the U.S. Air Force beginning in 1945. After his discharge, he began his employment with the Postal Service in June 1952 and later became active with the Union in Long Beach, California.

He was the Executive Vice President of the Long Beach Local in 1963 and became Executive Vice President of the California National Postal Union in 1964.

In 1964, Mr. Moore became the National Postal Union Regional Representative and held that position until 1971, while also serving as the Long Beach Local President between 1965 and 1971. In 1971, the American Postal Workers Union, AFL-CIO was formed and Mr. Moore was the APWU National Representative between 1971 and 1977. His position was to represent the union at regional level labor-management meetings and resolve disputes with the region on both contract interpretation and employee discipline.

In 1977, Mr. Moore was elected Western Regional Coordinator for the entire Western Region of APWU, the largest geographic area in the United States, representing 13 states and Pacific territories. Mr. Moore has been re-elected every election since then and is one of only 12 officers to serve on APWU's National Executive Board, the highest ranking authority of the APWU.

Mr. Moore has served APWU and its former unions for 35 years with distinction; one of the longest consecutive tenures in labor history. I am proud to salute him for his generous service to the union and the people of the western region of the United States.

MAJOR DRUG TRANSIT COUNTRY  
ACT OF 1999, H.R. 2608

**HON. BENJAMIN A. GILMAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 26, 1999*

Mr. GILMAN. Mr. Speaker, a front page story in last Friday's Miami Herald indicates the Administration has launched a full scale review of the role of Cuba in the drug trade. It's a review that along with many others here in the Congress we fully welcome. We look forward to seeing the Administration's conclusions on Cuba's links to drug trafficking targeting the United States.

The Miami Herald also points out that as part of the State Department's review, lawyers are having a hard time sorting out what a "major" drug transiting nation may be under federal law, and whether the designation of a "major" transit nation should take into account drugs that may just pass over Cuban skies or through its territorial waters on the way to the USA.

While a common sense interpretation of the law should assume that these illicit drugs, ei-

ther passing over the skies of Cuba or through its territorial waters should be considered a factor in determining whether a nation is a major drug transiting country that substantially impacts the U.S., there appears to be some confusion down at Foggy Bottom.

The bill I introduced today, H.R. 2608 along with Chairman BURTON is very simple, addressing this issue of the major transiting nation list determination under the Foreign Assistance Act Section 481(e) as relates to drugs headed for the USA. This bill merely clarifies that the term "through which is transported" in fact expressly includes drugs passing through the territorial airspace, land and water of a country on the way to our nation. There should be no need for any more legal resource time on this issue.

It will be my intention to move this simple, non-controversial clarification bill through the House International Relations Committee quickly.

There should be no further confusion on this matter, so that the full review of the Cuban illicit narcotics situation not be distracted by endless debate over something as obvious as drugs passing over the skies of Cuba or being dropped into or moving through Cuban waters on the way to our cities and local communities.

Mr. Speaker, I submit the full text of the bill to clarify this situation.

H.R. 2608

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. AMENDMENT TO FOREIGN ASSISTANCE ACT OF 1961.**

Section 481(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(e)) is amended by adding at the end the following:

"For purposes of paragraph (5)(B), the term 'through which are transported' includes the territorial airspace, land, and water of a country."

DON'T WRITE OFF RURAL  
AMERICA

**HON. BOB SCHAFFER**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Monday, July 26, 1999*

Mr. SCHAFFER. Mr. Speaker, rural America is hurting these days and the rest of the country should take notice. The current period of relative economic prosperity has abandoned most sectors of the agriculture economy, often because of deliberate decisions made at the White House.

For example, U.S. trade policy presently favors manufactured products, high tech equipment, and medical supplies in exchange for easy access to American markets for foreign farmers. Nor are trade policies fair for our farmers and ranchers, Mr. Speaker. Foreign growers enjoy far easier access to our markets than we do to theirs.

Westerners tend to be closely tied to agriculture. That's why so many of my rural constituents find it hard to believe there are actually people in Washington, D.C. who harbor hostility toward them.

Just last month, Mr. Speaker, after his party voted against several rural issues, the Democratic Congressional Campaign Committee

chairman told reporters Democrats have "written off the rural areas." The DCCC Chairman Rep. PATRICK KENNEDY (R.I.) later admitted he shouldn't have said it. I agree, but he did, and in doing so illustrated the disdain with which some in Congress view rural America.

Coloradans understand America must count on rural areas, not dismiss them. Statistics confirm the importance of rural settings. Agriculture is still America's number one employer providing more jobs, more business transactions, more entrepreneurial opportunities, and more paychecks than any other sector of the economy.

In Colorado alone, agriculture accounts for over 86,000 jobs, resulting in over \$12 billion of commerce. Clearly, Mr. Speaker, agriculture is integral to our economy and should not be ignored or "written off."

Colorado produces an impressive variety of commodities in addition to cattle, wheat, corn, potatoes, sugar beets and dairy products. Growers also raise pinto beans, peaches, carrots, mushrooms, barley, sunflowers, watermelon, oats, sorghum, quinoa and wine grapes. Our ranchers' expertise raising cattle, sheep, lambs, poultry and hogs, is expanding to include specialty livestock—bison, elk, emus, ostriches, and fish.

Agricultural products extend beyond food. Colorado is well-known for its production of fresh-cut flowers, sod and turf grass, and hay. Colorado's agricultural-based inputs also contribute vital components to the manufacturing of soaps, plastics, bandages, x-ray film, linoleum, shoes, crayons, paper, shaving cream, tires, and beer.

As consumers, rural Americans provide markets for goods and services, injecting much-needed capital into the marketplace. Rural purchases of trucks, tractors, houses, implements, fuel, computers, and other items have an enormous impact on the economy providing jobs and income for salespeople, waitresses, homebuilders, real estate agents, feed dealers, mechanics, and bank tellers just to name a few.

Still there are other reasons rural America matters. Colorado boasts over 24,000 farms and ranches, accounting for over half of our state's 66 million acres. People who live on the land are the best environmental stewards. Landowners work actively with soil conservation districts to protect water resources, manage wind erosion, reduce pollution, and control water runoff. In fact, Colorado's farmers are credited with saving an additional 51 million tons of topsoil annually for the past 10 years. They have also seeded 1.9 million acres of private land to permanent grassland under the Conservation Reserve Program, thereby producing thriving wildlife habitat.

Most of all, Mr. Speaker, America's soul is found in its rural communities. A nation launched by planters and preachers, America's founding strength was mustered and sustained by the moral character of rural people. Their values of hard work, honesty, integrity, self-reliance and faith in God thrive in abundance today.

It is truly unfortunate anyone finds such attributes offensive. These are the very values our country needs if the new Millennium is to be as prosperous as the present.

Clearly, rural America is the bedrock of our Republic. Before more of Washington's elite

determine otherwise, they would do well to check their facts, consider the farmer, and possibly even say a word of thanks before supper.

# LEWIS AND CLARK EXPEDITION BICENTENNIAL COMMEMORATIVE COIN ACT

SPEECH OF

**HON. BARON P. HILL**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 1999

Mr. HILL of Indiana. Mr. Speaker, I want to offer my support for H.R. 1033, the Lewis and Clark Expedition Bicentennial Commemorative Coin Act.

This bill will authorize the Department of the Treasury to mint 500,000 one-dollar coins to commemorate the bicentennial of the Lewis and Clark Expedition.

Mr. Speaker, many people don't realize it, but the expedition of these historic partners began at the Falls of the Ohio, in southern Indiana.

In October of 1803, Meriwether Lewis and William Clark joined with other explorers at the Falls of the Ohio to set off on their journey to explore the Louisiana Purchase. The crew departed on October 26, 1803, thus marking Clarksville, Indiana as the actual point of origin for the Lewis and Clark Expedition. From there, the Explorers' remarkable adventures spanned over 8,000 miles of unknown land.

Mr. Speaker, the residents of southern Indiana are proud of this heritage. Currently the three communities of Jeffersonville, Clarksville and New Albany are working together to build the Ohio River Greenway—an extensive project to revitalize the southern Indiana riverfront. The intended completion date for this project is set for 2003, just in time for these three communities to come together in celebration of the 200 year anniversary of the beginning of the Lewis and Clark Expedition.

This bill will help highlight the extraordinary expedition by Lewis and Clark and will provide support for the National Lewis and Clark Bicentennial Council and the National Park Service in efforts to plan and organize events to commemorate the bicentennial of this historic expedition.

And no commemoration would be complete without noting southern Indiana's part in the Lewis and Clark story. I encourage all Americans wishing to retrace the steps of the explorers or to learn more about the importance of the expedition to our nation, to visit the Falls of the Ohio and surrounding area.

I am proud that Congress is taking the initiative to promote and support the commemoration of such a remarkable piece of our American history.

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference.

This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, July 27, 1999 may be found in the Daily Digest of today's RECORD.

## MEETINGS SCHEDULED

JULY 28

9:30 a.m.

### Indian Affairs

To hold hearings on S. 979, to amend the Indian Self-Determination and Education Assistance Act to provide for further self-governance by Indian tribes.

SR-485

### Health, Education, Labor, and Pensions

Business meeting to consider S. Con. Res. 28, urging the Congress and the President to increase funding for the Pell Grant Program and existing Campus-Based Aid Programs; S. 976, to amend title V of the Public Health Service Act to focus the authority of the Substance Abuse and Mental Health Services Administration on community-based services children and adolescents, to enhance flexibility and accountability, to establish programs for youth treatment, and to respond to crises, especially those related to children and violence; and S. 632, to provide assistance for poison prevention and to stabilize the funding of regional poison control centers, and pending nominations.

SD-430

### Energy and Natural Resources

Business meeting to markup S. 25, to provide Coastal Impact Assistance to State and local governments, to amend the Outer Continental Shelf Lands Act Amendments of 1978, the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people; S. 244, to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a non-profit corporation, for the planning and construction of the water supply system; S. 1330, to give the city of Mesquite, Nevada, the right to purchase at fair market value certain parcels of public land in the city; and S. 1329, to direct the Secretary of the Interior to convey certain land to Nye County, Nevada.

SD-366

### Rules and Administration

To hold oversight hearings on the operations of the Smithsonian Institution.

SR-301

10 a.m.

Banking, Housing, and Urban Affairs  
To hold oversight hearings on the Monetary Policy Report to Congress pursuant to the Full Employment and Balanced Growth Act of 1978.

SH-216

Judiciary

To hold hearings on how to combat methamphetamine proliferation in America.

SD-628

11 a.m.

Foreign Relations

Business meeting to markup S. 720, to promote the development of a government in the Federal Republic of Yugoslavia (Serbia and Montenegro) based on democratic principles and the rule of law, and that respects internationally recognized human rights, to assist the victims of Serbian oppression, to apply measures against the Federal Republic of Yugoslavia, and proposed legislation to prevent the further proliferation of nuclear, chemical, and biological weapons; and to authorize appropriations for the provision of security assistance to certain foreign countries.

SD-419

2 p.m.

Foreign Relations

International Economic Policy, Export and Trade Promotion Subcommittee

To hold hearings on the activities of the Agency for International Development and United States climate change policy.

SD-419

2:30 p.m.

Energy and Natural Resources

Water and Power Subcommittee

To hold hearings on S. 624, to authorize construction of the Fort Peck Reservation Rural Water System in the State of Montana; S. 1211, to amend the Colorado River Basin Salinity Control Act to authorize additional measures to carry out the control of salinity upstream of Imperial Dam in a cost-effective manner; S. 1275, to authorize the Secretary of the Interior to produce and sell products and to sell publications relating to the Hoover Dam, and to deposit revenues generated from the sales into the Colorado River Dam fund; S. 1236, to extend the deadline under the Federal Power Act for commencement of the construction of the Arrowrock Dam Hydroelectric Project in the State of Idaho; S. 1377, to amend the Central Utah Project Completion Act regarding the use of funds for water development for the Bonneville Unit; and S. 986, to direct the Secretary of the Interior to convey the Griffith Project to the Southern Nevada Water Authority.

SD-366

JULY 29

9:30 a.m.

Governmental Affairs

Oversight of Government Management, Restructuring and the District of Columbia

Subcommittee

To hold hearings on total quality management, focusing on state success stories as a model for the Federal Government.

SD-342

Environment and Public Works

Clean Air, Wetlands, Private Property, and Nuclear Safety Subcommittee

To hold hearings on the Environmental Protection Agency's proposed sulfur standard for gasoline as contained in the proposed Tier Two standards for automobiles.

SD-406

Year 2000 Technology Problem

To hold hearings on year 2000 Information Coordination Center.

SD-192

Commerce, Science, and Transportation

Oceans and Fisheries Subcommittee

To hold hearings on authorizing funds for programs of the Magnuson-Stevens Fishery Conservation and Management Act.

SR-253

Health, Education, Labor, and Pensions

Employment, Safety and Training Subcommittee

To hold hearings on certain implications of the Fair Act on small businesses.

SD-430

10 a.m.

Judiciary

Business meeting to consider S. 1255, to protect consumers and promote electronic commerce by amending certain trademark infringement, dilution, and counterfeiting laws; S. 486, to provide for the punishment of methamphetamine laboratory operators, provide additional resources to combat methamphetamine production, trafficking, and abuse in the United States; the nomination of Richard A. Paez, of California, to be United States Circuit Judge for the Ninth Circuit; and the nomination of Alejandro N. Mayorkas, of California, to be United States Attorney for the Central District of California.

SD-628

Banking, Housing, and Urban Affairs

Securities Subcommittee

To hold hearings on accounting for loan loss reserves.

SD-538

2 p.m.

Intelligence

To hold closed hearings on pending intelligence matters.

SH-219

2:15 p.m.

Energy and Natural Resources

National Parks, Historic Preservation, and Recreation Subcommittee

To hold hearings on S. 710, to authorize the feasibility study on the preservation of certain Civil War battlefields along the Vicksburg Campaign Trail; S. 905, to establish the Lackawanna Valley American Heritage Area; S. 1093, to establish the Galisteo Basin Archaeological Protection Sites, to provide for the protection of archaeological sites in the Galisteo Basin of New Mexico; S. 1117, to establish the Corinth Unit of Shiloh National Military Park, in the vicinity of the city of Corinth, Mississippi, and in the State of Tennessee; S. 1324, to expand the boundaries of the Gettysburg National Military Park to include Wills House; and S. 1349, to direct the Secretary of the Interior to conduct special resource studies to determine the national significance of specific sites as well as the suitability and feasibility of their inclusion as units of the National Park System.

SD-366

3 p.m.

Foreign Relations

European Affairs Subcommittee

To hold hearings on prospects for democracy in Yugoslavia.

SD-419

JULY 30

10 a.m.

Foreign Relations

International Operations Subcommittee

To hold hearings on United States policy toward victims of torture.

SD-419

AUGUST 3

9:30 a.m.

Energy and Natural Resources

To hold hearings on S. 1052, to implement further the Act (Public Law 94-241) approving the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America.

SD-366

Armed Services

To hold hearings on the nomination of Charles A. Blanchard, of Arizona, to be General Counsel of the Department of the Army; and the nomination of Carol DiBattiste, of Florida, to be Under Secretary of the Air Force.

SR-222

10 a.m.

Indian Affairs

To hold hearings on proposed legislation to provide equitable compensation to the Cheyenne River Sioux Tribe.

SR-485

10:30 a.m.

Governmental Affairs

Oversight of Government Management, Restructuring and the District of Columbia

Subcommittee

To hold hearings on overlap and duplication in the Federal Food Safety System.

SD-342

2:30 p.m.

Indian Affairs

To hold hearings on S. 692, to prohibit Internet gambling.

SR-485

AUGUST 4

9:30 a.m.

Indian Affairs

To hold hearings on S. 299, to elevate the position of Director of the Indian Health Service within the Department of Health and Human Services to Assistant Secretary for Indian Health; and S. 406, to amend the Indian Health Care Improvement Act to make permanent the demonstration program that allows for direct billing of medicare, medicaid, and other third party payors, and to expand the eligibility under such program to other tribes and tribal organizations; followed by a business meeting to consider pending calendar business.

SR-485

2:15 p.m.

Energy and Natural Resources

National Parks, Historic Preservation, and Recreation Subcommittee

To hold oversight hearings to review the performance management process under the requirements of the Government Performance and Results Act, by the National Park Service.

SD-366



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EXTENSIONS OF REMARKS

17831

Commerce, Science, and Transportation  
To hold hearings to examine fraud  
against seniors.

SR-253

SEPTEMBER 28

9:30 a.m.  
Veterans Affairs  
To hold joint hearings with the House  
Committee on Veterans Affairs to re-  
view the legislative recommendations  
of the American Legion.  
345 Cannon Building

POSTPONEMENTS

JULY 28

9:30 a.m.  
Commerce, Science, and Transportation  
To hold hearings to examine tele-  
communication mergers and consolida-  
tion.

SR-253

